

**DATE:** February 5, 2021

**TO:** Chair and Directors  
Regional District Board

**FROM:** Russell Dyson  
Chief Administrative Officer

**FILE:** 1700-02/2021

Supported by Russell Dyson  
Chief Administrative Officer

*R. Dyson*

**RE:** 2021 - 2025 Financial Plan –functions 150, 200, 205, 400, 450 and 795

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### **Purpose**

To provide the Board with background and the proposed 2021 - 2025 financial plans and work plan highlights for the following services:

- Regional Feasibility Studies service, function 150
- Victim Services Program / Crime Stoppers Grant Contribution service, function 200
- Comox Valley Community Justice, function 205
- Cemetery service, function 400
- Emergency Shelter Land Acquisition service, function 450
- Comox Valley Airport service, function 795

These services tend to be very stable and as such are being presented collectively.

### **Recommendation from the Chief Administrative Officer:**

1. THAT the proposed 2021 – 2025 financial plan for the Regional Feasibility Studies service, function 150, be approved;
2. THAT the proposed 2021 – 2025 financial plan for the Victim Services Program / Crime Stoppers Grant Contribution service, function 200, be approved;
3. THAT the proposed 2021 – 2025 financial plan for the Comox Valley Community Justice service, function 205, be approved;
4. THAT the proposed 2021 – 2025 financial plan for the Cemetery service, function 400, be approved;
5. THAT the proposed 2021 - 2025 financial plans for the Emergency Shelter Land Acquisition service, function 450, be approved;
6. AND FINALLY THAT the proposed 2021 - 2025 financial plans for the Comox Valley Airport service, function 795, be approved.

### **Executive Summary**

Highlights of the above-referenced financial plans include the following.

- Regional Feasibility Studies (function 150)
  - The service was established in August 1969 for the undertaking of feasibility studies in relation to proposed regional district services.
  - Service participants are the City of Courtenay, Town of Comox, Village of Cumberland and Electoral Areas A, B and C.
  - For 2021, an allocation of \$25,000 has been budgeted to support a regional parks service backgrounder / reinstatement study in addition to a carry forward allowance of \$81,988 for future Comox Valley water supply strategy implementation.

- Given a further unallocated amount of \$73,069 is also available in 2021, a zero requisition is proposed for 2021.
- Victim Services Program (function 200)
  - The service was established in April 1989 to provide a victims assistance program and contribute funds to the Comox Valley Crime Stoppers.
  - Service participants are the City of Courtenay, Town of Comox, Village of Cumberland and Electoral Areas A, B and C.
  - Victim Services program operating grant via 5-year agreement with CV Transition Society, in partnership with the Ministry of Solicitor General, which expires on December 31, 2021.
  - The maximum levy for this service is the greater of \$50,000 or \$0.02 per \$1,000 of assessed value with the 2021 maximum requisition being \$370,224.
  - The 2021 estimated residential tax rate is \$0.0045 (2020 - \$0.0043) per \$1,000 of assessed value which results in a tax levy of \$2.25 for a home assessed at \$500,000.
- Comox Valley Community Justice (function 205)
  - The service was established in August 2000 to provide a contribution towards the operation of a Comox Valley community justice centre.
  - Service participants are the City of Courtenay, Town of Comox, Village of Cumberland and Electoral Areas A, B and C.
  - A 5-year operating grant agreement in place with the Community Justice Centre for the Comox Valley Society through December 31, 2023.
  - The maximum levy for this service is the greater of \$62,500 or \$0.0377 per \$1,000 of assessed value with the 2021 maximum requisition being \$62,500.
  - The 2021 estimated residential tax rate is \$0.0030 (2020 - \$0.0030) per \$1,000 of assessed value which results in a tax levy of \$1.50 for a home assessed at \$500,000.
- Cemetery (function 400)
  - The service was established in September 1979 to provide grants-in-aid towards the cost of acquisition, construction and equipping of City of Courtenay cemetery facilities.
  - Service participants are City of Courtenay, Town of Comox and Electoral Area B.
  - City of Courtenay provides a five-year capital works budget request to the CVRD each November with capital grants paid based on the actual works completed in any given year.
  - A contribution to the service's capital works reserve of \$25,000 annually continues to be budgeted in order to fund annual projects identified by the City of Courtenay.
  - The maximum levy for this service is \$0.031 per \$1,000 of assessed value with the 2021 maximum requisition being \$378,304.
  - The 2021 estimated residential tax rate is \$0.0087 (2020 - \$0.0088) per \$1,000 of assessed value which results in a tax levy of \$4.35 for a home assessed at \$500,000.
- Emergency Shelter Land Acquisition (function 450)
  - Service was established in August 2009 to support emergency shelter and supportive housing land acquisition.
  - Participants in the service includes all three member municipalities and Electoral Areas A, B and C.
  - Cliffe Avenue property (at the corner of 10<sup>th</sup> Street adjacent to John's Bedroom Barn) was purchased in October 2010 and subsequently transferred to the City of Courtenay in 2012. The service has seen minimal activity since that time with the Board's interests redirected to the Homelessness Supports Service.
  - The maximum levy for this service is the greater of \$275,000 or \$0.025 per \$1,000 of assessed value with the 2021 maximum requisition being \$463,427.

- No annual requisitions are included in the 2021 – 2025 financial plan with minimal operational costs being covered by way of an annual transfer from reserves of \$301.
- Comox Valley Airport Service (function 795)
  - Service was established in February 2003 for the provision, construction and installation of airport facilities in the service area.
  - Participants in the service includes all three member municipalities and Electoral Areas A, B and C.
  - \$4,000,000 was borrowed and contributed towards the airport construction.
  - Annual requisitions combined with available contributions from reserves fund near exclusively annual debt servicing costs of \$344,805 until loan maturity in 2023 at which time the service may be repealed.
  - The maximum levy for this service is \$0.10 per \$1,000 of assessed value with the 2021 maximum requisition being \$1,853,710.
  - The 2021 estimated residential tax rate is \$0.0158 (2020 - \$0.0167) which results in a tax levy of \$7.90 for a home assessed at \$500,000.

Prepared by:

Concurrence:

***K. Douville***

***M. Foort***

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Kevin Douville, B.Comm  
 Manager of Financial Planning

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Myriah Foort, CPA  
 Chief Financial Officer

**Government Partners and Stakeholder Distribution (Upon Agenda Publication)**

Comox Valley Transition Society	✓
Community Justice Centre of the Comox Valley Society (CJCCVS)	✓
City of Courtenay	✓
Comox Valley Airport Commission	✓

**Board Strategic Drivers**

The Comox Valley Regional District (CVRD) board has set four strategic drivers to guide service delivery. Not all services will be influenced by all drivers. Table 1 notes the degree of influence the drivers have on projects and work plans.

**Table 1: Board Strategic Drivers**

<p><b>Fiscal responsibility:</b></p> <ul style="list-style-type: none"> <li>● CVRD finance staff either assist in the management of the operational contracts that support two of these agencies and/or review and query the submissions of others to ensure long-term fiscal sustainability and benefits.</li> </ul>	<p><b>Climate crisis and environmental stewardship and protection:</b></p> <ul style="list-style-type: none"> <li>● Not a significant driver for these services.</li> </ul>
<p><b>Community partnerships:</b></p> <ul style="list-style-type: none"> <li>● Each of these services supports a key partnership with a local community agency, commission or government which in turn provide valuable services to a broad cross-section of the community.</li> </ul>	<p><b>Indigenous relations:</b></p> <ul style="list-style-type: none"> <li>● Not a significant driver for these services with the exception of Community Justice which supports restorative justice and related purposes / programs. The K’ómok First Nation is a valued partner of the CJCCVS which includes a directorship.</li> </ul>

**Rethink Comox Valley / COVID-19 Response and Renewal**

On May 12, 2020 the Board adopted a COVID-19 renewal plan for the review of service levels and all necessary, critical and functional projects slated for the next five years. There were no recommended actions identified nor budgetary impacts / implications for 2020 and for across the 2021 – 2025 proposed financial plan.

**Economic Recovery Task Force Actions**

Not applicable for these services with the exception of the Comox Valley Airport service. The Comox Valley Airport Commission is noted in the ERTF’s action plan with a recommendation to local governments to provide a letter of support that recognizes the importance of the Comox Valley Airport expansion in economic recovery. With the existing airport debt due to be retired in 2023, dialogue between the Airport Commission and CVRD may be prudent in 2021 to ascertain the future of the Comox Valley Airport service and whether it should be repealed upon full repayment of the debt or whether this debt servicing capacity could be utilized following 2023 to meet airport expansion needs

**Financial Plan Overview**

The 2021-2025 proposed five-year financial plans for these services, functions 150, 200, 205, 400, 450 and 795, including service establishment information, requisition summaries and operating budgets, are available within the full proposed budget binder, provided in both searchable PDF and e-reader formats, located on the CVRD financial plan web page at [www.comoxvalleyrd.ca/currentbudget](http://www.comoxvalleyrd.ca/currentbudget).

Tables 2 through 7 summarize the 2021 proposed budgets as compared to the 2020 adopted budgets for these three services. Significant variances from each 2020 adopted budget will be discussed in the financial plan highlights section below.

**Table 2: Financial Plan Highlights**


 <b>2021 Proposed Budget</b>		<b>#150 Regional Feasibility Studies</b>		
		<b>2020 Budget</b>	<b>2021 Proposed Budget</b>	<b>Increase (Decrease)</b>
<b>Operating</b>				
<b>Revenue</b>				
Senior Government Grants	81,988	81,988		0
Requisition	14,707	0		(14,707)
Other Revenue/Recoveries	4,522	5,171		649
Prior Years Surplus	79,305	95,672		16,367
	<b>180,522</b>	<b>182,831</b>	<b>\$</b>	<b>2,309</b>
<b>Expenditures</b>				
Operating	180,522	182,831		2,309
	<b>180,522</b>	<b>182,831</b>	<b>\$</b>	<b>2,309</b>

Table 3: Financial Plan Highlights


 <b>2021 Proposed Budget</b>		<b>#200 Victims Services Program/Crime Stoppers</b>		
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)	
<b>Revenue</b>				
Requisition	85,921	93,500	7,579	
Prior Years Surplus	6,174	1,361	(4,813)	
	<b>\$ 92,095</b>	<b>\$ 94,861</b>	<b>\$ 2,766</b>	
<b>Expenditures</b>				
Operating	92,095	94,861	2,766	
	<b>\$ 92,095</b>	<b>\$ 94,861</b>	<b>\$ 2,766</b>	

Table 4: Financial Plan Highlights


 <b>2021 Proposed Budget</b>		<b>#205 Comox Valley Community Justice</b>		
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)	
<b>Revenue</b>				
Requisition	60,000	62,500	2,500	
Transfer from Reserve	657	0	(657)	
Prior Years Surplus	258		(258)	
	<b>\$ 60,915</b>	<b>\$ 62,500</b>	<b>\$ 1,585</b>	
<b>Expenditures</b>				
Operating	60,915	60,953		
Contribution to Reserve	0	1,547	1,547	
	<b>\$ 60,915</b>	<b>\$ 62,500</b>	<b>\$ 1,585</b>	

Table 5: Financial Plan Highlights


 <b>2021 Proposed Budget</b>		<b>#400 Cemetery Service</b>		
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)	
<b>Revenue</b>				
Requisition	116,525	120,000	3,475	
Transfer from Reserve	70,317	57,206	(13,111)	
Prior Years Surplus	0	9,683	9,683	
	<b>\$ 186,842</b>	<b>\$ 186,889</b>	<b>\$ 47</b>	
<b>Expenditures</b>				
Operating	161,842	161,387	(455)	
Contribution to Reserves	25,000	25,502	502	
	<b>\$ 186,842</b>	<b>\$ 186,889</b>	<b>\$ 47</b>	

Table 6: Financial Plan Highlights



 <b>2021 Proposed Budget</b>		<b>#450 Emergency Shelter Land Acquisition</b>		
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)	
<b>Revenue</b>				
Requisition	0	0	-	
Transfer from Reserves	301	300	(1)	
	<b>\$ 301</b>	<b>\$ 300</b>	<b>\$ (1)</b>	
<b>Expenditures</b>				
Operating	301	300	(1)	
	<b>\$ 301</b>	<b>\$ 300</b>	<b>\$ (1)</b>	

Table 7: Financial Plan Highlights

 <b>2021 Proposed Budget</b>		<b>#795 Comox Valley Airport Service</b>		
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)	
<b>Revenue</b>				
Requisition	334,705	333,015	(1,690)	
Transfer from Reserve	9,247	12,590	3,343	
Prior Year Surplus	1,654			
	<b>\$ 345,606</b>	<b>\$ 345,605</b>	<b>\$ (1)</b>	
<b>Expenditures</b>				
Operating	801	800	(1)	
Debt Servicing Costs	344,805	344,805	-	
	<b>\$ 345,606</b>	<b>\$ 345,605</b>	<b>\$ (1)</b>	

Highlights of the 2021 - 2025 proposed financial plan for these functions include:

Revenue Sources

The primary revenue sources for the Victim Services, Community Justice, Cemetery and Comox Valley Airport services are tax requisitions supported by modest contributions from reserves.

For the Emergency Shelter Land Acquisition service, the sole current revenue source is reserves.

With respect to the Cemetery service, transfers from reserves are down \$13,111 from 2020 to 2021 with two project carry forward identified being the niche area phase 2 - landscaping/irrigation/concrete Path (\$35K) as well as drainage work for section "T" (\$10K).

Personnel

There are no CVRD personnel costs associated with the delivery of these services.

Capital

There are no CVRD capital requirements for any of these services.

Reserves

Both the Emergency Shelter Land Acquisition service (function 450) and the Comox Valley Airport service (function 795) having future expenditure reserve funds. The Cemetery service (400) maintains both a future expenditure reserve and a capital works reserve.

The reserve fund balances as at December 31, 2020 and at the end of 2025 are estimated in Table 5.

**Table 8: Estimated Reserve Fund Balances**

<b>Reserve Fund</b>	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2025</b>
Community Justice – future expenditure reserve fund (205)	\$17,648	\$23,098
Cemetery service – future expenditure reserve fund (400)	\$8,016	\$8,518
Cemetery Service – capital works reserve fund (833)	\$176,425	\$111,159
Emergency Shelter Land Acquisition - future expenditure reserve fund (450)	\$29,821	\$28,317
CV Airport service – future expenditure reserve fund (795)	\$37,773	*\$0

(\* for CV Airport Service, FE reserve will be fully depleted on schedule as at Dec 31, 2023)

Tax ImpactsRegional Feasibility Studies

- Given the amount of unallocated funds available in 2021 with no other identified projects on the immediate horizon, a zero requisition for 2021 has been proposed.
- The residential tax rate for this service in 2020 was \$0.0007 per \$1,000 of taxable assessed value based on a tax requisition level of \$14,707 in place for the past several years.

Victim Services / Crime Stoppers

- Based on the 2021 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.0045 (2020 - \$0.0043) per \$1,000 of taxable assessed value.
- For a residence with an assessed value of \$500,000, the total tax impact is estimated to be \$2.25.

Comox Valley Community Justice

- Based on the 2021 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.0030 (2020 - \$0.0030) per \$1,000 of taxable assessed value.
- For a residence with an assessed value of \$500,000, the total tax impact is estimated to be \$1.50.

Cemetery

- Based on the 2021 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.0087 (2020 - \$0.0088) per \$1,000 of taxable assessed value.
- For a residence with an assessed value of \$500,000, the total tax impact is estimated to be \$4.35.

Comox Valley Airport

- Based on the 2021 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.0158 (2020 - \$0.0167) per \$1,000 of taxable assessed value.
- For a residence with an assessed value of \$500,000, the total tax impact is estimated to be \$7.90.