

DATE: March 16, 2020

TO: Chair and Directors
Regional District Board

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: 2020-2024 Financial Plan Adoption Considerations

Purpose

To provide the Board with information and considerations for the adoption of the 2020-2024 financial plan.

Recommendation from the Chief Administrative Officer:

THAT the 2020-2024 financial plan bylaw be considered for three readings and final adoption at the March 19, 2020 Board meeting.

Executive Summary

The 2020-2024 financial plan Bylaw No. 612 is on the March 19, 2020 agenda for three readings with final adoption scheduled for the March 31, 2020 Board meeting to meet the legislated deadline.

The overall increase in the 2020 requisition is 4.76 per cent, driven largely by the 12 services detailed in Appendix A.

Recognizing the economic hardship that the COVID-19 situation is already having on taxpayers, staff have reviewed the financial plan for areas where potential reductions in requisition levels may be considered. Alternatively, staff have also considered whether additional contingencies need to be included in readiness for uncertain events and additional costs that will occur.

Some considerations:

- There is a strong possibility that projects may be delayed, deferred or cancelled as a result of supply chain interruptions or the inability for the required contractors to travel to the CVRD.
- Some services will see a decrease in revenue streams due to facility closures and residents following public health officer directives to remain at home.
- Savings will occur as both staff and director conferences are cancelled and travel is restricted.
- Increased communication and facility maintenance costs are already occurring.
- Costs for certain projects may substantially increase, again due to supply chain interruptions.

At this late date in the financial planning process, and considering the legislated deadline of March 31 for bylaw adoption, staff are not recommending any modifications to the financial plan at this time. However, we continue to put our minds to various options in consideration of potential financial risks and fiscal responsibility as well as support for the community but it is just too early to tell given evolving events.

Staff are also monitoring communications with the Ministry of Municipal Affairs and Housing and will provide the Board with any updates on how the province may intend to respond to and support taxpayers and local governments during, and as a result of, the COVID-19 situation.

As always, if financial plan amendments are required after bylaw adoption, staff will bring them forward to the Board with recommendations on how to fund such as from reserves, short term borrowing, etc.

Finally, with uncertainty surrounding the progression of COVID-19, and the continued direction from the federal and provincial health officers on social distancing and self-isolation, it may be prudent to consider final adoption of the 2020-2024 financial plan bylaw at the March 19, 2020 meeting.

Prepared by:

Concurrence:

B. Dunlop

K. Douville

Beth Dunlop, CPPB, CPA, CGA
Corporate Financial Officer

Kevin Douville
Manager of Financial Planning

Appendix A - 2020 - 2024 Financial Plan - Summary of Requisition Increases 2020 over 2019.

Appendix A - 2020 - 2024 Financial Plan - Summary of Requisition Increases 2020 over 2019.

Twelve (12) services with largest year-over year increases (2019 - 2020) (Includes all requisition increases in excess of \$35,000)			
Service	Rationale	Yr. over Yr. Increase (\$)	Yr. over Yr. Increase (%)
130 - Electoral Areas Administration	anticipated increase in 2019 - 2023 FP	48,699.00	4.85%
230 - Black Creek/Oyster Bay Fire Protection LSA	new training coordinator position	55,000.00	7.80%
237 - Merville Fire Protection Local Service Area	Requisition increased to 2020 maximum levy to support increased reserves for pending new fire hall	145,279.00	37.25%
240 - Mt Washington Resort Community Fire Protection	Requisition increased to 2020 maximum levy to support increased reserves for pending new fire hall	39,624.00	24.58%
275 - 911 Answering Service	new 0.5 FTE for NI911 plus increasing software / licensing costs	52,662.00	37.25%
335 - Comox Valley Sewerage Service	last of planned annual increases	369,318.00	6.63%
512 - Regional Growth Strategy	strategic service expansion	192,858.00	90.22%
550 - Economic Development - Comox Valley	final 3 months of existing contract and 2% CPI anticipated for remainder of 2020	52,889.00	4.41%
600 - Recreation Grant	anticipated reduction in available surplus carry forward	39,004.00	12.65%
621 - Baynes Sd, Area B & C Parks & Greenways	planned increase for park investment	50,000.00	3.33%
630 - Vancouver Island Regional Library	VIRL budget increases	109,463.00	8.79%
780 - Transit - Comox Valley	Board approved service level increases	350,000.00	17.22%
Total		1,504,796.00	
Percentage of overall year-over-year increase of 4.76% (Increase from 2019 BV to 2020 RB = 4.76%)		93%	

Services with net zero year-over-year increases	42
Services with significant year-over-year reductions	3