

**DATE:** February 3, 2021**FILE:** 1700-02/2021/230**TO:** Chair and Directors  
Black Creek-Oyster Bay Services Committee**FROM:** Russell Dyson  
Chief Administrative OfficerSupported by Russell Dyson  
Chief Administrative Officer**R. Dyson****RE: 2021 - 2025 Financial Plan Supplemental – Black Creek-Oyster Bay Fire  
Protection Service – Function 230****Purpose**

To provide a recommendation that the proposed 2021-2025 financial plan for the Black Creek-Oyster Bay Fire Protection Service function 230, as presented at the January 25, 2021 Black Creek-Oyster Bay Services Committee (BCOB) be approved. Further, to provide information towards reducing the tax requisition within the recommended financial plan for the service.

**Recommendations from the Chief Administrative Officer:**

- 1) THAT the proposed 2021 – 2025 financial plan for the Black Creek/Oyster Bay Fire Protection Service, function 230, be received;

AND FURTHER THAT the 2021 tax requisition, proposed to be \$790,000, be reduced by \$15,000 to be offset by a decrease in the operational grant provided to Oyster River Fire Rescue of \$7,000 and a decrease in the capital works reserve contribution of \$8,000. These changes will be reflected in the 2021 – 2025 recommended financial plan for the service;

AND FINALLY THAT the 2021 – 2025 recommended financial plan for the Black Creek / Oyster Bay Fire Protection service, function 230, be approved.

- 2) THAT the Black Creek Oyster Bay Services Committee Financial Planning Policy (P44), adopted on June 25, 2013, be amended by adding a new section 15 as follows:

**Cost Allocation Process**

Under a principle of fairness, the cost allocations for all fire protection services managed by Oyster River Fire Rescue (ORFR), including Black Creek / Oyster Bay Fire Protection, will be conducted as follows:

- a) Annually the ORFR fire chief will prepare a consolidated operational budget submission with estimates that support the day-to-day activities of all the fire protection services under ORFR purview (i.e. Greater Merville and Mt Washington).
- b) The combined operational grant submission will then be apportioned to each fire protection service area based on the current year total assessment values of all the areas being served which would then be recovered by the Black Creek – Oyster Bay Fire LSA by way of a transfer to other functions.
- c) All capital costs for each of the relevant fire protection service areas will continue to be budgeted independently in their respective service budgets and paid for by their specific group of participants. Additionally, other direct operational, personnel, reserve management and debt servicing costs that fall under the direct management of the Comox Valley Regional District will also be independently accounted for in each respective service area budget.
- d) Annually share the cost allocations with the Electoral Areas Services Committee.

- 3) THAT the proposed amendments to the Black Creek-Oyster Bay Services Committee Financial Planning Policy (P44) be referred to the Electoral Areas Services Committee for information.

### Executive Summary

At the January 25, 2021 meeting of the BCOB Services Committee the proposed 2021-2025 financial plan was referred back to staff in order to provide information and options regarding a lowering of the tax requisition in 2021.

In the context of the Board's approved COVID-19 Renewal Plan as well as planned capital expenditures, staff has reviewed the proposed financial plan to identify a balanced approach to reducing expenditures by way of cancellation or deferral to future years.

Since the January 25, 2021 BCOB meeting staff has learned that the Fire Chief's Association of British Columbia has canceled its "in-person" 2021 conference and education seminars. Accordingly the ORFR operational grant portion of the proposed 2021-2025 financial plan could be reduced by \$7,000 for travel and accommodations as the Fire Chief and deputies will not attend.

Further reductions are possible by reducing the 2021 contribution to capital reserve however it is recognized that through annual sustainable asset funding analysis, all fire services are currently unable to meet their future replacement cost obligations without incurring debt at the time or replacement. A balanced approach would be to reduce the 2021 contributions to capital reserve by \$8,000 for a total of \$15,000 in reductions.

A reduction of \$15,000 to the 2021 tax requisition in the recommended budget will result in:

- A residential tax rate of \$0.6299 per \$1,000 of assessed value, which is a decrease of \$0.0313 compared to 2020.
- A total tax requisition in 2021 of \$775,000, an increase of \$15,000 (2.0 per cent) over 2020
  - Note: the approved 2020-2024 financial plan for the service included a 2021 tax requisition of \$775,000.

This report seeks to include identified reductions in the recommended 2021-2025 financial plan for the service.

Prepared by:

***J. Bast***

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James Bast  
Manager of Fire Services

Concurrence:

***D. DeMarzo***

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Doug DeMarzo  
General Manager of  
Community Services

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

Oyster River Volunteer Fire Rescue Association	✓
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