

DATE: January 22, 2020

FILE: 1700-02/2020/400/450/795

TO: Chair and Directors
Regional District Board

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: 2019 - 2024 Financial Plans – Functions 400, 450 and 795

Purpose

To provide the Board with background and the proposed 2020 - 2024 financial plans and work plan highlights for the following three services:

- Cemetery service, function 400
- Emergency Shelter Land Acquisition service, function 450
- Comox Valley Airport service, function 795

These services continue to be very stable and as such are not presented individually.

Recommendation from the Chief Administrative Officer:

1. THAT the proposed 2020 – 2024 financial plan for the Cemetery service, function 400, be approved.
2. THAT the proposed 2020 - 2024 financial plans for the Emergency Shelter Land Acquisition service, function 450, be approved.
3. THAT the proposed 2020 - 2024 financial plans for the Comox Valley Airport service, function 795, be approved.

Executive Summary

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

- 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 2020 maximum requisition being \$359,630.
 - The 2020 estimated residential tax rate is \$0.0088 per \$1,000 of assessed value which results in a tax levy of \$4.40 for a home assessed at \$500,000. (2019 residential tax rate was \$0.0091)

- Emergency Shelter Land Acquisition (function 450)
 - Service was established in 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 10th 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 2020 maximum requisition being \$438,082.
 - No annual requisitions are included in the 2020 – 2024 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 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 2020 maximum requisition being \$1,752,329.
 - The 2020 estimated residential tax rate is \$0.0167 which results in a tax levy of \$8.35 for a home assessed at \$500,000. (2019 residential tax rate was \$0.0173)

Prepared by:

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Concurrence:

B. Dunlop

Beth Dunlop
 Corporate Financial Officer

Stakeholder Distribution (Upon Agenda Publication)

Comox Valley Airport Commission (CVAC) – for function 795	✓
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Financial Plan Overview

The 2020-2024 proposed five-year financial plan for these services, functions 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.

Tables 2 through 4 summarize the 2020 proposed budgets as compared to the 2019 adopted budgets for these three services. Significant variances from each 2019 adopted budget will be discussed in the financial plan highlights section below.

Table 2: Financial Plan Highlights – Cemetery Service


 2020 Proposed Budget		#400 Cemetery Service		
Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)	
Revenue				
Requisition	114,240	116,525	2,285	
Transfer from Reserve	105,601	70,317	(35,284)	
Prior Years Surplus	11,361		(11,361)	
	\$ 231,202	\$ 186,842	\$ (44,360)	
Expenditures				
Operating	206,202	161,842	(44,360)	
Contribution to Reserves	25,000	25,000	-	
	\$ 231,202	\$ 186,842	\$ (44,360)	

Table 3: Financial Plan Highlights – Emergency Shelter Land Acquisition



 2020 Proposed Budget		#450 Emergency Shelter Land Acquisition		
Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)	
Revenue				
Requisition	0	0	-	
Transfer from Reserves	301	301	-	
	\$ 301	\$ 301	\$ -	
Expenditures				
Operating	301	301	-	
	\$ 301	\$ 301	\$ -	

Table 4: Financial Plan Highlights – Comox Valley Airport service

 2020 Proposed Budget		#795 Comox Valley Airport Service		
Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)	
Revenue				
Requisition	326,970	336,359	9,389	
Transfer from Reserve	8,830	9,247	417	
Prior Year Surplus	9,806			
	\$ 345,606	\$ 345,606	\$ -	
Expenditures				
Operating	801	801	-	
Debt Servicing Costs	344,805	344,805	-	
	\$ 345,606	\$ 345,606	\$ -	

Highlights of the 2020 - 2024 proposed financial plans for functions 400, 450 and 795 include:

Revenue Sources

The primary revenue sources for the Cemetery and Comox Valley Airport services are requisition 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 \$35,284 from 2019 to 2020 with the potential of a single project being partially carried forward into 2019 (completion of niche wall purchase and installation).

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, 2019 and at the end of 2024 have been estimated in Table 5.

Table 5: Estimated Reserve Fund Balances

Reserve Fund	Dec. 31, 2019	Dec. 31, 2024
Cemetery service – future expenditure reserve fund (400)	\$7,815	\$7,815
Cemetery Service – capital works reserve fund (833)	\$149,218	\$57,208
Emergency Shelter Land Acquisition - future expenditure reserve fund (450)	\$29,352	\$28,148
CV Airport service – future expenditure reserve fund (795)	\$36,987	*\$0

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

Tax Impacts

Cemetery

- Based on the 2020 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.0088 per \$1,000 of taxable assessed value.
- The 2019 residential tax rate for the service was \$0.0091 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 \$4.40.

Comox Valley Airport

- Based on the 2020 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.0167 per \$1,000 of taxable assessed value.
- The 2019 residential tax rate for the service was \$0.0173 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 \$8.35.