

DATE: January 29, 2019**FILE:** 1700-02/2019/791**TO:** Chair and Directors
Electoral Areas Services Committee**FROM:** Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer
R. Dyson

RE: 2019-2023 Financial Plan – Courtenay Flats Drainage – Function 791

Purpose

To provide the Electoral Areas Services Committee with the proposed 2019-2023 financial plan and work plan highlights for the Courtenay Flats drainage service, function 791.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2019-2023 financial plan for Courtenay Flats drainage service, function 791, be approved.

Executive Summary

The proposed 2019-2023 financial plan for the Courtenay Flats drainage service includes the following highlights:

- The parcel tax rate for the service remains at \$47.90 per hectare with a total annual revenue of \$7,329.
- The operating budget for 2019 remains consistent with the 2018 budgeted value with a moderate increase in liability insurance of approximately two per cent per year.
- Key expenditures for 2019 include contract services for minor maintenance activities and a contribution to reserves.
- There are no capital projects planned for this service in 2019.
- Replacement of the tidal gates is planned for 2020 and will be funded by reserves.

Prepared by:

Concurrence:

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Policy Analysis

Bylaw No. 999, being the “Courtenay Flats Drainage Works Specified Area Establishment and Loan Authorization Bylaw, 1988” establishes the service and the participating properties.

Bylaw No. 1106, being the “Courtenay Flats Drainage Area Parcel Tax Bylaw 1989” sets the annual parcel tax amount for this service.

Bylaw No. 1242, being the “Courtenay Flats Drainage Specified Area Parcel Tax Bylaw, Amendment Bylaw No. 1, 1990” amends the annual parcel tax amount for the service.

Financial Plan Overview


The Courtenay Flats drainage specified service area was created to drain fresh water and limit tidal water intrusion into Dyke Slough. The service has been in place for over 25 years and relies on parcel tax collected from property owners for operation and maintenance as well as for contributions to reserves. In addition to providing flood control, the system also provides habitat for fish and water fowl. The existing infrastructure was installed in 1988/1989 and financed through the Municipal Finance Authority of BC. Service area debt was fully repaid in 2009.

In 2015, the Comox Valley Regional District engaged Wedler Engineering LLP (Wedler) to undertake a condition assessment study of the Courtenay Flats drainage system and provide recommendations based on the outcomes of the study. The assessment showed that two of the three tidal gates were not operating as intended and provided recommendations for restoration of the gates.

The minimum recommended remedial work was completed in fall 2017 to improve functionality of the two tidal gates in advance of replacement. The 2019-2023 proposed financial plan includes the full replacement of tide gates in 2020 as per recommendations from the Wedler report.

Table 1 summarizes the 2019 proposed budget as compared to the 2018 adopted budget. Significant variances from 2018 adopted budget will be discussed in the financial plan highlights section below.

Table 1: Financial Plan Highlights

 #791 Courtenay Flats Drainage				
Operating	2018 Budget	2019 Proposed Budget	Increase (Decrease)	
Revenue				
Frontage/Parcel Taxes	7,329	7,329	-	
Transfer from Reserve	0		-	
Prior Years Surplus	3,480	790	(2,690)	
	\$ 10,809	\$ 8,119	\$ (2,690)	
Expenditures				
Operating	4,147	4,180	33	
Contribution to Reserve	5,662	2,939	(2,723)	
Tsfr Other Functions	1,000	1,000	-	
	\$ 10,809	\$ 8,119	\$ (2,690)	

The 2019-2023 proposed five-year financial plan for Courtenay Flats drainage service, including the requisition summary and the operating and capital budget, is 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.

Highlights of the 2019-2023 proposed financial plan for the service include:

Revenue Sources

The Courtenay Flats drainage service is completely funded by annual parcel tax for each of the 15 participating properties. The parcel tax rate is \$47.90 per hectare. No changes to the current rate are included in the financial plan.

Personnel

The Courtenay Flats drainage service has no direct employees. Management of the service is provided by the Liquid Waste Management Planning (LWMP) service, function 340. The service reimburses the LWMP service \$1,000 for these management fees.

Operations

The operating budget for the Courtenay Flats drainage service for 2019 is \$4,180. The operating budget remains consistent with the 2018 budgeted value with a moderate increase of \$33 in liability insurance.

Key operational costs for 2019 include contract services for minor maintenance activities. The project management oversight for the planned maintenance work will be conducted by LWMP staff.

Capital

There are no capital projects planned for this service in 2019. In budget year 2020 it is recommended that the tidal gates be replaced. This work has been included as a future capital expenditure and will be funded by reserves.

Reserves

As of December 31, 2018, the projected capital works reserve fund balance is \$43,217 and the future expenditures reserve is \$64,459. The 2019 budget includes a \$2,939 contribution to the future expenditures reserve with similar annual contributions expected over the five year financial planning cycle. 2018 reserve contributions were significantly higher due to a large prior year surplus. Capital works reserves are expected to drop dramatically in 2020 in order to fund the tide gate replacement project.

Citizen/Public Relations

The Courtenay Flats drainage service is completely funded by annual parcel tax for each of the 15 participating properties. No changes to the rate are included in the financial plan.

Attachments: Appendix A – “Courtenay Flats Drainage Local Service Area”

