

**DATE:** January 30, 2019**FILE:** 1700-02/2019/362**TO:** Chair and Directors  
Electoral Areas Services Committee**FROM:** Russell Dyson  
Chief Administrative OfficerSupported by Russell Dyson  
Chief Administrative Officer***R. Dyson*****RE: 2019-2023 Financial Plan – Denman Island Garbage Collection Service –  
Function 362****Purpose**

To provide the Electoral Areas Services Committee with the proposed 2019-2023 Financial Plan and work plan highlights for the Denman Island garbage collection service, Function 362.

**Recommendation from the Chief Administrative Officer:**

THAT the proposed 2019-2023 Financial Plan for the Denman Island garbage collection service, Function 362, be approved.

**Executive Summary**

The Denman Island garbage collection service is provided under an agreement with the Denman Island Residents Association (DIRA). This service provides waste disposal and recycling for residents of Denman Island.

- DIRA presented and approved their budgets at the November 2018 DIRA public meeting.
- Denman Island residents are provided an opportunity to comment on the DIRA garbage collection service budget at the meeting.
- The proposed 2019 tax requisition is increasing \$6,323 or nine per cent over 2018.
- The tax rate per \$1,000 of assessed value is decreasing slightly from \$0.1798 in 2018 to \$0.1788 in 2019.
- The estimated residential tax rate on a property assessed at \$400,000 would be \$71.52.

Prepared by:

Concurrence:

Concurrence:

***A. McGifford******M. Rutten***

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Jesse Lee, B.Sc.  
Manager of CSWM  
Operations

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Andrew McGifford, CPA, CGA  
Senior Manager of CSWM  
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Marc Rutten, P.Eng.  
General Manager of  
Engineering Services**Policy Analysis**

Denman Island garbage collection specified area was established under Bylaw No. 126 being “A Bylaw to establish a special service unit within Electoral Area A of the Regional District of Comox-Strathcona for the purpose of acquiring, maintaining, operating and regulating grounds for the disposal of garbage and waste, and for the purpose of collection and disposal of garbage and waste”, and Bylaw No. 219 being the, “Denman Island Garbage Collection Service Unit Function Bylaw,


1976”. This service is provided under agreement by the DIRA and includes road-side collection of refuse and the operation of a full service recycling depot for the residents of Denman Island.

The Denman Island garbage collection service 2019-2023 Financial Plan will be included in the consolidated Comox Valley Regional District (CVRD) Financial Plan bylaw to be adopted pursuant to the *Local Government Act* (RSBC 2015 c.1) by March 31, 2019.

### Financial Plan Overview

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**

 <b>2019 Proposed Budget</b> <b>#362 Denman Island Refuse</b>				
<b>Operating</b>	<b>2018 Budget</b>	<b>2019 Proposed Budget</b>	<b>Increase (Decrease)</b>	
<b>Revenue</b>				
Requisition	69,677	76,000		6,323
Prior Years Surplus	473	221		(252)
	<b>\$ 70,150</b>	<b>\$ 76,221</b>	<b>\$</b>	<b>6,071</b>
<b>Expenditures</b>				
Operating	66,677	71,589		4,912
Contribution to Reserve	1,473	2,632		1,159
Tsfr Other Functions	2,000	2,000		-
	<b>\$ 70,150</b>	<b>\$ 76,221</b>	<b>\$</b>	<b>6,071</b>

Waste management services for Denman Island were first established with the regional district in 1973. The former island landfill site was officially closed in 1991. Currently, DIRA operates the recycling depot and oversees the curbside collection contract. A tax requisition is used to fund the operation of this service.

The entire 2019-2023 proposed five year Financial Plan for the Denman Island garbage collection service, including the requisition summary and operating budget, is available through the [online budget binder](#).

Highlights of the 2019-2023 proposed Financial Plan for the Denman Island garbage collection service, Function 362, include:

#### *Revenue Sources*

The proposed 2019 tax requisition is \$76,000 or \$0.1788 per \$1,000 assessed value. This is an increase of \$6,323 over the 2018 requisition. This equates to an approximate tax levy of \$71.52 for a home assessed at \$400,000.

In 2014, the Denman Island recycling depot began operating as a RecycleBC qualified depot. The RecycleBC program contract is held with the larger regional solid waste service (Function 391) and

all risk and liability associated with the RecycleBC contract as well as any incentive payments received as a result of the Denman Island recycling depot will be applied to the Comox Strathcona Waste Management (CSWM) service, Function 391.

#### *Personnel*

The delivery of this service is provided by DIRA and is overseen by the CSWM services through the Manager of CSWM Operations. There are no direct CVRD personnel costs allocated to this service. There is a 'transfer other functions' in the amount of \$2,000 to offset some of the manager's time spent on the administration of this service.

#### *Operations*

The 2019 Denman Island refuse service operating expenses have increased by \$4,912 from 2018. The main operating expense in the operating grant is the amount paid to DIRA for the provision of the service. In 2018, staff applied for a BC used motor oil grant to provide a sea can and secured collection area for the expansion of the used motor oil program. In 2019, staff will work with the depot operator to see if there are any further diversion programs that can be added to this service and calculate any additional staff time required.

Changes in DIRA's operating budget from 2018 include increases to volumes of waste, staff wages for the operation of the recycling depot and administration. In order to offset the increases in operating expenses, DIRA has shown reductions in supplies and administration time in their operating budget. The BC used motor oil program will provide a small amount of revenue back to the service.

#### *Capital*

There are no capital projects proposed in the 2019-2023 Financial Plan for this service.

#### *Reserves*

The estimated balance in the capital works reserve fund for this function, as of December 31, 2018, is \$30,276. The balance in the future expenditure reserve fund, as at December 31, 2018, was \$2,490 with annual contributions to this reserve included in the 2019-2023 proposed Financial Plan.

#### **Citizen/Public Relations**

The proposed 2019 tax requisition is \$76,000 or \$0.1788 per \$1,000 assessed value. This equates to an estimated residential tax rate of \$71.52 for a home assessed at \$400,000.

DIRA presented and approved the budgets at the November 2018 DIRA public meeting.