

DATE: January 30, 2019**FILE:** 1700-02/2019/360**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 – Hornby Island Refuse Disposal – Function 360****Purpose**

To provide the Electoral Areas Services Committee with the proposed 2019-2023 Financial Plan and work plan highlights for the Hornby Island refuse disposal service, Function 360.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2019-2023 Financial Plan for Hornby Island refuse disposal service, Function 360, be approved.

Executive Summary

The Hornby Island refuse disposal service is provided under an agreement with the Hornby Island Residents and Ratepayers Association (HIRRA). This service provides waste disposal and recycling for residents of Hornby Island.

- HIRRA presented and approved their budgets at their November 2018 general residents' meeting.
- Hornby Island residents are provided an opportunity to comment on the HIRRA budget at the meeting.
- The proposed 2019 tax requisition is \$215,000, a decrease of \$14,000 from 2018.
- The tax rate per \$1,000 of assessed value is also decreasing from \$0.4056 to \$0.3646.
- The estimated residential tax levy on a property valued at \$400,000 would be \$145.84 down from \$162.24 in 2018.
- Capital improvements for 2018 include organizing the refinishing of the water tank.

Prepared by:

Concurrence:

Concurrence:

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Hornby Island refuse disposal was established in 1972 under the Comox Strathcona Regional District Bylaw No. 87 being the, "Hornby Island Garbage Disposal and Sundry Services Specified. Areas Establishment Bylaw 1972" and is provided under an agreement with HIRRA. This service provides waste disposal and recycling for residents and visitors of Hornby Island.

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

 2019 Proposed Budget			
#360 Hornby Island Refuse			
Operating	2018 Budget	2019 Proposed Budget	Increase (Decrease)
Revenue			
Requisition	229,000	215,000	(14,000)
Transfer from Reserve	5,696		(5,696)
Prior Years Surplus	770		(770)
	\$ 235,466	\$ 215,000	\$ (20,466)
Expenditures			
Operating	213,468	159,805	(53,663)
Contribution to Reserve	998	35,144	34,146
Tsfr Other Functions	2,000	2,000	-
Debt Charges	19,000	18,051	(949)
	\$ 235,466	\$ 215,000	\$ (20,466)

The entire 2019-2023 proposed five year Financial Plan for the Hornby Island refuse disposal 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 Hornby Island refuse service, Function 360, include:

Revenue Sources

This service is proposed to be funded through a 2019 tax requisition of \$215,000, which is a decrease of \$14,000 from the requisition in 2018.

Personnel

The delivery of this service is provided under a service agreement by HIRRA and is overseen by Comox Strathcona Waste Management (CSWM) through the Manager of CSWM Operations. There are no direct Comox Valley Regional District (CVRD) personnel costs associated with 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 operating expenses are proposed to decrease \$53,663 to \$159,805 in the 2019 Financial Plan. This is due to a decreased operating grant request from HIRRA as a result of a reduction in their wage costs of approximately \$15,000 and the realization of a \$33,000 surplus in their operating grant from the CVRD for 2017. Their surplus was a result of higher than expected revenues for tipping fees and revenue from refundable items and lower than expected wage costs in that year.

Debt charges

Debt charges in the amount of \$18,051 are budgeted for 2019 to account for the debt servicing costs for the free store building. This short-term debt for the free store construction will be paid off in August 2019.

Capital

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

Reserves

The reserve fund for this service is available for unanticipated liability claims and can also be used for operating and capital projects. It is recommended that a minimum of \$50,000 be kept in this reserve. At the end of 2018, the amount left in reserves is \$53,602.

Citizen/Public Relations

The proposed 2019 tax requisition is \$215,000 or \$0.3646 per \$1,000 assessed value. This equates to an estimated residential tax levy of \$145.84 for a home assessed at \$400,000.

HIRRA presented and approved their budgets at the November 2018 general residents' meeting prior to submission to the CVRD. Hornby Island residents were provided an opportunity to comment on the HIRRA budget at the meeting. At this time, staff feel that the Hornby Island Waste Management Center is providing as many diversion programs possible, but will review with the operator to see if there are any additional programs the residents may be interested in.