

DATE: January 22, 2018

FILE: 1700-02/2018/298

TO: Chair and Directors
Electoral Areas Services Committee

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

RE: **2018 - 2022 Financial Plan – Unsightly Premises
Extended Service – Function # 298**

R. DYSON

Purpose

To provide the committee with the proposed 2018 - 2022 financial plan and work plan highlights for the Unsightly Premises Extended Service, Function Number 298.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2018 - 2022 financial plan for Unsightly Premises Extended Service, Function Number 298 be approved.

Executive Summary

The Comox Valley Regional District (CVRD), through a requisition to property owners in the Electoral Areas A, B and C, regulates the maintenance on non-compliant properties through the Unsightly Premises and Nuisances Extended Service, Function No. 298. This bylaw protects neighbouring property owners from the impact of having unsightly items on adjacent properties.

There are no proposed increases to the operational costs for this service with the 2018 budget showing a significant reduction in the allowance for legal costs. However, we are no longer able to deplete the reserves for this function to supplement and effectively reduce the requisition. In order to maintain the level of service delivery, staff will be recommending through subsequent financial plans that the maximum requisition for the Unsightly Premises and Nuisances Extended Service be increased to a more sustainable rate to ensure that the increasingly complex and difficult unsightly premises cases can be addressed and compliance obtained.

Prepared by:

Concurrence:

A. Yasinski

Amanda Yasinski
Manager of Bylaw Compliance

J. Warren

James Warren
General Manager of
Corporate Services

Policy Analysis

The Comox Valley Regional District operates an Unsightly Premises Control Service, which was established by Bylaw No. 2051 being “Unsightly Premises Extended Service Establishment Bylaw 2051, 1998”. The Unsightly Premises Control Service is regulated by Bylaw No. 377 being “Electoral Areas Unsightly Premises and Nuisances Regulation Bylaw No. 377, 2015”, which was adopted on July 28, 2015.

Financial Plan Overview

The 2018 - 2022 financial plan for the Unsightly Premises Extended Service, maintains the service and operating requirements for Bylaw Compliance staff to receive, investigate and initiate enforcement on unsightly premises and nuisance complaints as required.

Staff has identified that the current requisition rate cannot not sustain service levels and that we are no longer able to deplete the reserves for this function to supplement and effectively reduce the requisition. In order to maintain the level of service delivery, staff will be recommending through subsequent financial plans that the maximum requisition for the Unsightly Premises and Nuisances Extended Service be increased to a more sustainable rate to ensure that the increasingly complex and difficult unsightly premises cases can be addressed and compliance obtained.


If the maximum requisition is increased, a gradual increase to the tax rate could be applied over a number of years to ensure that tax rates do not spike while operational requirements are still met. This increase would only be proposed as needed and the Board would consider the requisition rates annually during its financial planning process.

By increasing the maximum requisition for this service, the following elements would be achieved:

- Reserve fund contributions could be made annually to enable the service to address complex and challenging unsightly properties in a timely manner when they arise;
- Legal fee allowances could be included in the budget to assist with responding to unsightly property files;
- As properties are cleaned and remediated, the public will expect other properties to be cleaned, generating additional complaint files;
- Development pressures in rural areas increases the likelihood that complaints will increase, generating more files, which is evidenced by visual confirmation during travel through the electoral areas.

Table 1 below summarizes the 2018 proposed budget as compared to the 2017 adopted budget. Significant variances from 2017 adopted budget will be discussed in the financial plan highlights section below.

Table 1: Financial Plan Highlights

		#298 Unsightly Premises and Nuisances Regulation		
Operating	2017 Budget	2018 Proposed Budget	Increase (Decrease)	
Revenue				
Requisition	31,250	31,250	-	
Transfer from Reserve	17,248	4,102	(13,146)	
Prior Years Surplus	6,279		(6,279)	
	\$ 54,777	\$ 35,352	\$ (19,425)	
Expenditures				
Personnel Costs	25,820	26,564	744	
Operating	28,957	8,788	(20,169)	
	\$ 54,777	\$ 35,352	\$ (19,425)	

The 2018 - 2022 proposed five-year financial plan for the Unsightly Premises Extended Service including the requisition summary and the operating budget, is available through the online budget binder at <http://www.comoxvalleyrd.ca/EN/main/departments/finance/proposed-financial-plan.html>.

Highlights of the 2018 - 2022 proposed financial plan for function 298 include:

Revenue Sources

The primary source of revenue for this service is tax requisition. The maximum requisition for this service was increased in 2013 from \$25,000 to \$31,250. The 2018 requisition is at its maximum, unchanged from 2017, and cannot be sustained into the future.

Personnel

The personnel costs include an allocation of time and expenses for the Manager of Bylaw Compliance as well as two fulltime Bylaw Compliance Officers. One of the Bylaw Compliance Officer positions is dedicated in part to administer the Illegal Dumping Program, which is a function through the Comox Strathcona Waste Management Service.

Operations

There are no increases to the operational costs for this service with the 2018 budget showing a significant reduction in the allowance for legal costs. However, we are no longer able to deplete the reserves for this function to supplement and effectively reduce the requisition. In order to maintain the level of service delivery, staff will be recommending through subsequent financial plans that the maximum requisition for the Unsightly Premises and Nuisances Extended Service be increased to a more sustainable rate to ensure that the increasingly complex and difficult unsightly premises cases can be addressed and compliance obtained.

Capital

There are no capital costs associated with this service.

Reserves

The future expenditure reserve fund for this service has an approximate balance of \$19,799 as of December 31, 2017. It was budgeted in 2017 that \$17,248 would be transferred from reserves to assist with covering the legal expenses that may have been incurred for the compliance files under this service. However, bylaw staff were successful in obtaining compliance on a number of outstanding files and the reserve funds were not needed in 2017. The financial plan shows that minimal contributions are proposed for this service from 2018 to 2022.

Given the highly variable nature of unsightly files and the difficulty in knowing when any particular unsightly case may result in costs to the CVRD associated with legal expenses and other professional fees to obtain compliance, staff have identified a goal of having \$50,000 available in the reserve fund for this service at any given time. This amount can be justified by the costs incurred in 2016 associated with obtaining compliance on a rural property in Electoral Area A, where a large clean-up was conducted.

Should the service establishment bylaw be amended to increase the maximum requisition, subsequent financial plans for this service will show an increase to the reserve fund contributions.

Citizen/Public Relations

The 2018 requisition rate for this service is \$0.0048 per \$1,000 of assessed value. This rate results in a cost of \$1.92 based on a property assessed at \$400,000.

In order to maintain the service levels staff will be recommending an increase to the maximum requisition for the Unsightly Premises and Nuisances Extended Service, in subsequent financial plans and that an alternate approval process (AAP) be used to seek electoral approval for this change.