

DATE: February 5, 2021**FILE:** 1700-02/2021/151-155**TO:** Chair and Directors
Electoral Areas Services Committee**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer***R. Dyson*****RE: 2021-2025 Financial Plan – Feasibility Studies Services – Functions 151, 152, 153, 154, 155****Purpose**

To provide the Electoral Areas Services Committee with the proposed 2021-2025 financial plan and work plan highlights for feasibility studies services, functions 151, 152, 153, 154 and 155.

Recommendations from the Chief Administrative Officer:

1. THAT the proposed 2021-2025 financial plan for Baynes Sound (Electoral Area A) Feasibility Studies Service, function 151, be approved.
2. THAT the proposed 2021-2025 financial plan for Lazo North (Electoral Area B) Feasibility Studies Service, function 152, be approved.
3. THAT the proposed 2021-2025 financial plan for Puntledge – Black Creek (Electoral Area C) Feasibility Studies Service, function 153, be approved.
4. THAT the proposed 2021-2025 financial plan for Denman Island (Electoral Area A) Feasibility Studies Service, function 154, be approved.
5. THAT the proposed 2021-2025 financial plan for Hornby Island (Electoral Area A) Feasibility Studies Service, function 155, be approved.

Executive Summary

Each of the electoral area feasibility studies services includes a modest annual tax requisition aimed at providing the required revenue to analyze the potential creation of future Comox Valley Regional District (CVRD) services specific to the electoral areas. In addition to tax revenues, a combination of Community Works Funds (CWF) and grants are used as required to fund more significant planning work.

Financial plan highlights for the services include:

- Revenue requirements remain at 2020 levels for all five feasibility functions. Tax revenue is stable across all five years of the planning horizon with no increases planned. The respective estimated residential tax rates along with the 2021 tax impact for a home assessed at \$500,000 are as follows:
 - Function 151 – \$0.0152 per \$1,000 of assessed value, tax impact = \$7.60
 - Function 152 – \$0.0054 per \$1,000 of assessed value, tax impact = \$2.70
 - Function 153 – \$0.0045 per \$1,000 of assessed value, tax impact = \$2.25
 - Function 154 – \$0.0080 per \$1,000 of assessed value, tax impact = \$4.00
 - Function 155 – \$0.0117 per \$1,000 of assessed value, tax impact = \$5.85

- CWF revenues for 2021 include:
 - 151 – \$712,474 (\$303,600 Electoral Area A, \$100,000 Electoral Area B, \$308,874 Electoral Area C) for south region wastewater management.
 - 153 – \$7,472 (\$3,736 Electoral Area B, \$3,736 Electoral Area C) for Phase 2 Tsolum River watershed planning.
- Other grant revenues or recoveries anticipated for 2021 include:
 - 153 – Remaining carry forward amount from the Investment Agriculture Foundation of BC (IAFBC) for Phase 2 Tsolum River watershed planning. Any unspent funding left from 2020 will be reflected in the recommended budget once year-end reconciliations are completed.
- Operating expenses are focused on professional fees related to advancing feasibility study work. Much of this work is further discussed in more detail within the 2021-2025 financial plan for the Liquid Waste Management Planning service.
- The feasibility studies services are planning services that do not include personnel costs, capital infrastructure or reserves.

Prepared by:

Concurrence:

Concurrence:

D. Monteith***M. Rutten***

 Darry Monteith
 Manager of Liquid Waste
 Planning

 Kevin Douville
 Manager of Financial
 Planning

 Marc Rutten, P.Eng.
 General Manager of
 Engineering Services

Board Strategic Drivers

The CVRD Board has set four strategic drivers to guide service delivery. Not all services will be influenced by all drivers. Table No. 1 notes the degree of influence the drivers have on projects and work plans.

Table No. 1: Board Strategic Drivers

Fiscal responsibility:	Climate crisis and environmental stewardship and protection:
<ul style="list-style-type: none"> • The feasibility studies services investigate the potential creation of new services required to address the specific issues and needs of each electoral area community. Service creation must always consider fiscal responsibility as a driver and part of sustainable service delivery. 	<ul style="list-style-type: none"> • Climate impacts and environmental protection are often significant drivers in the creation of new services in the electoral areas.
Community partnerships:	Indigenous relations:
<ul style="list-style-type: none"> • Much of the work completed within these services includes consultation with multiple stakeholders and with the general public in project specific areas. 	<ul style="list-style-type: none"> • Much of the work completed within these services includes consultation with the K'ómoks First Nation.

Rethink Comox Valley / COVID-19 Response and Renewal

The feasibility studies services were identified as services predominately supported by grant funding with various scopes facilitating ongoing necessary initiatives, and as were not included in COVID-19 Response and Renewal planning.

Financial Plan Overview

The following key initiatives are proposed and recommended for 2021 (function listed):

- 151 – South region wastewater management – Analysis of wastewater management options for Royston and Union Bay. Funding for this project is provided from Baynes Sound – Denman/Hornby Islands (Electoral Area A), Lazo North (Electoral Area B) and Puntledge – Black Creek (Electoral Area C) CWF.
- 151 – Union Bay servicing framework and options development – Analysis of servicing options to ensure sustainable infrastructure design, service delivery and cost recovery for the Union Bay settlement node. Funding for this project is provided from Electoral Area A feasibility funds.
- 153 – Tsolum River agricultural watershed planning, Phase 2 – Further analysis to improve understanding of water use and availability in the Tsolum River watershed and provide analysis of options to improve water availability during the growing season. The majority of funding for this project is provided by a grant from the IAFBC and Electoral Area B and Electoral Area C CWF.
- 153 – Boundary expansion of Black Creek / Oyster Bay water local service area – Boundary expansion to include Watuco water system. This work continued in 2020 with \$10,000 having now been carried forward into 2021.
- 153 – Saratoga / Miracle Beach Mosquito Control service establishment – On March 31, 2020, the board authorised an allocation from the 2020 tax requisition to support the analysis for a potential new service for a defined portion of Electoral Area C. To further this work towards the establishment of a service in 2022, a further \$13,661 has been budgeted in 2021 to cover AAP and other costs such as advertising, communications, etc.
- 153 – Electoral Area C liquid waste management studies – Servicing options for liquid waste management in the Saratoga Beach settlement node, should they be required in parallel with development in the area. Funding for this work is provided from Electoral Area C feasibility funds.
- 154 – Graham Land Improvement District (GLID) conversion study and Denman Island bulk water feasibility review – Carry forward from 2020 are included in 2021 to support the completion of both the GLID conversion study (\$7,500) and the Denman Island bulk water feasibility review (\$5,000).
- 151,152 and 153 (cost shared three ways) – Electoral areas watershed protection scoping study – Feasibility study to better understand potential watershed management roles of the CVRD to best serve the needs of the electoral areas. Funding for this project is provided from Electoral Area A, B and C feasibility funds.
- 151, 152 and 153 (cost shared three ways) – Electoral areas roadside collection feasibility, public assent and communications – A total of \$45,000 was earmarked in 2020 to support this work, evenly supported by an allocation of \$15,000 from each of these services. All remaining carry forward amounts from 2020 will be reflected in the recommended budget once year-end reconciliations are complete. Phase two public engagement followed by an electoral assent process is planned for 2021.
- 155 – There are no initiatives currently identified in the 2021-2025 proposed financial plan for this service, resulting in an unallocated amount of \$19,029 being available in 2021 and subsequently an average of \$7,795 per year between 2022 and 2025.

The 2021-2025 proposed five-year financial plan for these five feasibility services, functions 151, 152, 153, 154 and 155, including service establishment information, the requisition summary and the 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 No. 2, 3, 4, 5 and 6 on the following pages summarize the 2021 proposed budget as compared to the 2020 adopted budget.

Table No. 2: Financial Plan Highlights, Function 151


 2021 Proposed Budget				#151 Feasibility Studies - Baynes Sound			
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)				
Revenue							
Senior Government Grants	742,474	712,474	(30,000)				
Requisition	30,000	30,000	-				
Other Revenue / Recoveries	12,500	0					
Prior Years Surplus	128,351	94,612	(33,739)				
	\$ 913,325	\$ 837,086	\$ (76,239)				
Expenditures							
Operating	913,325	837,086	(76,239)				
	\$ 913,325	\$ 837,086	\$ (76,239)				

Table No. 3: Financial Plan Highlights, Function 152



 2021 Proposed Budget				#152 Feasibility Studies - Electoral Area B			
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)				
Revenue							
Requisition	12,114	12,114	-				
Prior Years Surplus	53,569	42,840	(10,729)				
	\$ 65,683	\$ 54,954	\$ (10,729)				
Expenditures							
Operating	65,683	54,954	(10,729)				
	\$ 65,683	\$ 54,954	\$ (10,729)				

Table No. 4: Financial Plan Highlights, Function 153

Table No. 1 Financial Plan Highlights, Function 100



2021
Proposed
Budget

#153 Feasibility Studies - Electoral Area C

Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)
Revenue			
Senior Government Grants	45,047	7,472	(37,575)
Requisition	13,000	13,000	-
Prior Years Surplus	109,534	54,182	(55,352)
	\$ 167,581	\$ 74,654	\$ (92,927)
Expenditures			
Operating	167,581	74,654	(92,927)
	\$ 167,581	\$ 74,654	\$ (92,927)

Table No. 5: Financial Plan Highlights, Function 154

Table 154.1: Financial Plan Highlights, Function 154



 <div> <div>2021</div> <div>Proposed Budget</div> </div>	#154 Feasibility Studies - Denman Island				
Operating	2020 Budget		2021 Proposed Budget		Increase (Decrease)
Revenue					
Requisition		3,783		3,783	-
Prior Years Surplus		17,114		20,535	3,421
	\$	20,897	\$	24,318	\$ 3,421
Expenditures					
Operating		20,897		24,318	3,421
	\$	20,897	\$	24,318	\$ 3,421

Table No. 6: Financial Plan Highlights, Function 155

 2021 Proposed Budget				
#155 Feasibility Studies - Hornby Island				
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)	
Revenue				
Requisition	8,145	8,145		-
Prior Years Surplus	3,941	11,191		7,250
	\$ 12,086	\$ 19,336	\$	7,250
Expenditures				
Operating	12,086	19,336		7,250
	\$ 12,086	\$ 19,336	\$	7,250