

**DATE:** February 5, 2021**FILE:** 1700-02/2021/360**TO:** Chair and Directors  
Electoral Areas Services CommitteeSupported by Russell Dyson  
Chief Administrative Officer**FROM:** Russell Dyson  
Chief Administrative Officer**R. Dyson****RE: 2021 - 2025 Financial Plan – Hornby Island Refuse Disposal Service –  
Function 360****Purpose**

To provide the Electoral Areas Services Committee with the proposed 2021 - 2025 Financial Plan and work plan highlights for the Hornby Island Refuse Disposal service, function 360.

**Recommendation from the Chief Administrative Officer:**

THAT the proposed 2021 – 2025 Financial Plan for the 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). The service provides waste disposal and recycling for residents of Hornby Island.

- Each year HIRRA presents and approves their budget at their fall general residents' meeting where participants are provided an opportunity to comment on the HIRRA budget. In this way HIRRA sets service level requirements and costs and passes those along to the Comox Valley Regional District (CVRD) for implementation.
- The 2021 tax requisition is proposed to increase by \$45,000 when compared to 2020, equating to a 21 per cent increase in 2021. This is followed by a \$15,000 increase in 2022 after which only minor annual increases are included for the remainder of the five year plan.
- The proposed tax increase is largely influenced by HIRRA's request for a \$38,600 increase in the operational grant in 2021 and a \$41,500 increase in 2022. These increases are driven by:
  - Reduced surplus in HIRRA's budget;
  - Higher transfer to HIRRA's core services costs;
  - Higher wages and benefits at the Hornby waste management centre.
- The proposed estimated residential tax rate for 2021 is \$0.3745 per \$1,000 of taxable assessed value versus \$0.3416 in 2020. For a property assessed at \$500,000, the annual tax impact would be \$187.25.
- The CVRD does not have any personnel costs included within the proposed plan but does receive an annual transfer of \$4,000 from the service to compensate for time spent managing the service.
- With the recent unionization of the workforce at the Hornby Island Waste Management Centre, HIRRA has increased its allocation of both administration staff time and book keeping time. This has increased the allocation to core services by \$15,000.
- The proposed Financial Plan includes a higher than normal contribution to capital works reserves of \$13,939 in 2021. This contribution in 2021 will help to smooth out future increases and also provides some contributions to the depleted reserve fund.

- The proposed Financial Plan includes a \$20,000 capital project to enclose and heat a sorting area within the existing free store. This area would be used by Free Store volunteers to pre-sort and decontaminate donated items.

Prepared by:

**M. Rutten**

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Services

### Government Partners and Stakeholder Distribution (Upon Agenda Publication)

Hornby Island Residents and Ratepayers Association	✓
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### 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**


<b>Fiscal Responsibility:</b>	<b>Climate Crisis and Environmental Stewardship and Protection:</b>
<ul style="list-style-type: none"> <li>• Services are delivered through contract with HIRRA (a local organization) to provide value for money, with Comox Valley Regional District staff support HIRRA when required</li> </ul>	<ul style="list-style-type: none"> <li>• The facility provides a variety of recycling options to the community</li> </ul>
<b>Community Partnerships:</b>	<b>Indigenous Relations:</b>
<ul style="list-style-type: none"> <li>• This service is provided in partnership with HIRRA.</li> <li>• HIRRA consults with their residents to set service levels.</li> </ul>	<ul style="list-style-type: none"> <li>• Projects are not significantly influenced by this driver</li> </ul>

### Financial Plan Overview

The 2021 - 2025 proposed five-year Financial Plan for the Hornby Island Refuse Disposal service, function 360, including service establishment information, the requisition summary and the operating 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](http://www.comoxvalleyrd.ca/currentbudget).

Table No. 2 on the following page summarizes the 2021 proposed budget as compared to the 2020 adopted budget. Significant variances from 2020 adopted budget will be discussed in the Financial Plan sections that follow.

Table No. 2: Financial Plan Highlights

 <b>2021 Proposed Budget</b>			
#360 Hornby Island Refuse			
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)
<b>Revenue</b>			
Requisition	215,000	260,000	45,000
Prior Years Surplus	0	16,185	16,185
	<b>\$ 215,000</b>	<b>\$ 276,185</b>	<b>\$ 61,185</b>
<b>Expenditures</b>			
Operating	206,503	257,358	50,855
Contribution to Reserve	0	14,827	14,827
Tsfr Other Functions	4,000	4,000	-
Deficit Prior Year	4,497	0	(4,497)
	<b>\$ 215,000</b>	<b>\$ 276,185</b>	<b>\$ 61,185</b>

Highlights of the 2021 - 2025 proposed Financial Plan for Hornby Island Refuse Disposal service, function 360 include:

#### Revenue Sources

Revenue for this service is derived only from taxation with the 2021 amount at \$260,000. This represents a \$45,000 increase when compared to the 2020 amount. The financial plan also includes an increase of \$15,000 in 2022 after which taxation stabilizes to include only a minor annual tax increases.

#### 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 CVRD personnel costs associated with this service. There is a transfer to other functions in the amount of \$4,000 to offset some of the manager's time spent on the administration of this service.

Within HIRRA's budget an additional \$15,000 has been allocated to core services in order to fund additional administrative and book keeping demands. As well as additional \$12,000 has been added to wages & benefits to support increase site personnel costs.

#### Operations

Operating expenses in 2021 are projected to decrease slightly with a reduction in contracted services.

#### Capital

The proposed financial plan includes \$20,000 of minor capital in order to complete improvements requested by HIRRA to partially enclose and heat a small area of the existing free store. This area will then be used by volunteers for the sorting and decontamination of donated materials. The free store is currently un-heated and the sorting of incoming materials can be a time consuming process for the volunteers. Future budget years do not include any capital spending.

### Reserves

A future expenditure reserve is in place to cover 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 2020, the balance of this reserve is estimated to be \$57,100. The five year plan includes only a small contribution to this reserve in 2021.

A capital works reserve is also available to this service, with a balance of approximately \$1,267 at the end of 2020. The financial plan includes a \$13,939 contribution in 2021 followed by a \$1,511 contribution in 2022. These are the only contributions to capital reserves in the five year plan.

### Tax Impacts

- Based on the 2021 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.3745 per \$1,000 of taxable assessed value.
- The 2020 residential tax rate for the service was \$0.3416 per \$1,000 of taxable assessed value.
- For a residence with an assessed value of \$500,000, the total tax impact is estimated to be \$187.25.

### **Citizen/Public Relations**

HIRRA presented and approved their budgets at their fall 2020 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 as possible, but will review with the operator to see if there are additional programs the residents may be interested in.