

DATE: February 4, 2021**FILE:** 1700-02/2021/362**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 – Denman Island Garbage Collection service –
Function 362****Purpose**

To provide the Electoral Areas Services Committee with the proposed 2021 - 2025 Financial Plan and work plan highlights for the Denman Island Garbage Collection service, function 362.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2021 – 2025 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 their fall 2020 public meeting.
- Island residents are provided an opportunity to comment and influence service levels and costs for the DIRA Garbage Collection service budget at the annual meeting.
- The proposed 2021 and 2022 tax requisition is unchanged from the 2020 amount. In 2022 a \$1,000 increase in tax requisition is proposed.
- The estimated residential tax rate per \$1,000 of assessed value is decreasing slightly from \$0.2025 in 2020 to \$0.1861 in 2021.
- The tax impact in 2020 on a property assessed at \$500,000 would be \$93.05.

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Services**Government Partners and Stakeholder Distribution (Upon Agenda Publication)**

Denman Island Residents Association	✓
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Board Strategic Drivers

The Comox Valley Regional District (CVRD) Board has set four strategic drivers to guide service delivery. Not all services will be influenced by all drivers. Table 1 notes the degree of influence the drivers have on projects and work plans.

Table 1: Board Strategic Drivers


Fiscal Responsibility:	Climate Crisis and Environmental Stewardship and Protection:
<ul style="list-style-type: none"> Services are delivered through contract with DIRA to provide best value for money with CVRD staff support when required. 	<ul style="list-style-type: none"> The facility provides a variety of local recycling options to the community thereby reducing waste to the landfill.
Community Partnerships:	Indigenous Relations:
<ul style="list-style-type: none"> This service is provided in partnership with DIRA. DIRA consults with their residents to set the service level requirements and costs. 	<ul style="list-style-type: none"> Projects are not significantly influenced by this driver.

Financial Plan Overview

The 2021 - 2025 proposed five-year financial plan for the Denman Island Garbage Collection service, function 362, 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.

Table 2 as follows 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 2: Financial Plan Highlights

			
#362 Denman Island Refuse			
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)
Revenue			
Requisition	88,000	88,000	-
Transfer from Reserves	0	2,905	2,905
Prior Years Surplus	200	150	(50)
	\$ 88,200	\$ 91,055	\$ 2,855
Expenditures			
Operating	81,452	89,050	7,598
Contribution to Reserve	4,748	5	(4,743)
Tsfr Other Functions	2,000	2,000	-
	\$ 88,200	\$ 91,055	\$ 2,855

Highlights of the 2021 - 2025 proposed Financial Plan for function 362 include:

Revenue Sources

The proposed 2021 and 2022 tax requisition remains at \$88,000, equivalent to the 2020 requisition. A slight increase of \$1,000 is proposed in 2023 bringing the requisition to \$89,000 for the final three years of the financial plan.

A small amount of reserve funds are used in 2021 to help fund a onetime increase in wages as described below in the personnel section. This only occurs in 2021 after which the service only utilizes taxation for all revenue.

Personnel

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

DIRA's budget includes an approximate \$7,000 increase in wages in order to extend their recycling depot operating hours to achieve COVID-19 social distancing requirements in 2021. These additional wages impact 2021 only and have not been included in future budget years.

Operations

Other operating costs remain essentially unchanged from 2020 levels. The operational grant provided annually to DIRA increases in 2021 based on higher wages as described above and then reduces again for future years.

Capital

There are no capital projects proposed in the 2021 - 2025 Financial Plan for this service.

Reserves

In order to help fund the \$7,000 single year increase described above the normal contribution to reserves is eliminated in 2021. Reserve contributions begin again in 2022 and continue for the rest of the five year plan.

The estimated balance in the capital works reserve fund for this function as of December 31, 2020, is \$31,628. The balance in the future expenditure reserve fund as at December 31, 2020, was \$9,956 with annual contributions to this reserve included in the 2021-2025 proposed Financial Plan. Final reserve balances will be available once the 2020 year-end is finalized.

Tax Impacts

- Based on the 2021 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.1861 per \$1,000 of taxable assessed value.
- The 2020 residential tax rate for the service was \$0.2025 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 \$93.05.

Citizen/Public Relations

DIRA presented and approved the budgets at their fall 2020 DIRA public meeting where residents annually have the opportunity to provide input.