

DATE: February 6, 2020**FILE:** 1700-02/2020/151-155**TO:** Chair and Directors
Electoral Areas Services CommitteeSupported by Russell Dyson
Chief Administrative Officer**FROM:** Russell Dyson
Chief Administrative Officer*R. Dyson***RE:** 2020-2024 Financial Plan – Feasibility Studies Services – Functions 151, 152, 153, 154, 155**Purpose**

To provide the Electoral Areas Services Committee with the proposed 2020-2024 financial plan and work plan highlights for Feasibility Studies Services, functions 151, 152, 153, 154, 155.

Recommendations from the Chief Administrative Officer:

1. THAT the proposed 2020-2024 financial plan for Electoral Area A (Baynes Sound) Feasibility Studies Service, function 151, be approved.
2. THAT the proposed 2020-2024 financial plan for Electoral B Feasibility Studies Service, function 152, be approved.
3. THAT the proposed 2020-2024 financial plan for Electoral Area C Feasibility Studies Service, function 153, be approved.
4. THAT the proposed 2020-2024 financial plan for Denman Island Feasibility Studies Service, function 154, be approved.
5. THAT the proposed 2020-2024 financial plan for Hornby Island 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 revenue, a combination of community works funds (CWF) and grants are used to fund more significant planning work.

Financial plan highlights for the services include:

- Revenue requirements remain at 2019 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 2020 tax impact for a home assessed at \$500,000 are as follows:
 - Function 151 – \$0.0162 per \$1,000 of assessed value, tax impact = \$8.10
 - Function 152 – \$0.0057 per \$1,000 of assessed value, tax impact = \$2.85
 - Function 153 – \$0.0047 per \$1,000 of assessed value, tax impact = \$2.35
 - Function 154 – \$0.0087 per \$1,000 of assessed value, tax impact = \$4.35
 - Function 155 – \$0.0129 per \$1,000 of assessed value, tax impact = \$6.45

- Community works funds revenues for 2020 include:
 - 151 – \$1,255,265 (\$846,391 Area A, \$408,874 Area C) for south region wastewater management.
 - 153 – \$34,652 (\$17,175 Area B, \$17,477 Area C) for Phase 2 Tsolum River watershed planning
- Other grant revenues or recoveries for 2020 include:
 - 151 – \$30,000 provincial restructure grant and a \$15,000 contribution from general administration for the Union Bay Improvement District governance study and general administration impacts.
 - 153 – \$35,000 from the Investment Agriculture Foundation of BC (IAFBC) for Phase 2 Tsolum River watershed planning
- 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 2020-2024 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.

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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 1 notes the degree of influence the drivers have on projects and work plans.

Table 1: Strategic Drivers

<p>Fiscal responsibility:</p> <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. 	<p>Climate crisis and environmental stewardship and protection:</p> <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.
<p>Community partnerships:</p> <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. 	<p>Indigenous relations:</p> <ul style="list-style-type: none"> • Much of the work completed within these services includes consultation with the KFN.

Financial Plan Overview

The following key initiatives are proposed and recommended for 2020 (function listed):

- 151 – South region wastewater management – Analysis of alternatives to the South Sewer Project, including further evaluation of partnership opportunities with the Comox Valley sewerage service. Funding for this project is provided from Baynes Sound –

Denman/Hornby Islands (Electoral Area A) 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.
- 151 – Completion of the Union Bay Improvement District governance options review /study in advance of potential conversion to regional district services.
- 153 – Tsolum River agricultural watershed planning – Phase 2 study work in the Tsolum River watershed. Funding for this project is provided by a grant from the IAFBC and Lazo North (Electoral Area B) and Electoral Area C CWF.
- 153 – Watuco water system conversion study – Analysis of options to convert the Watuco water system to a CVRD water service. Funding for this project is provided from Electoral Area C feasibility funds.
- 153 – Electoral Area C liquid waste management studies – Servicing options for liquid waste management studies 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 – Completion of both the Graham Land Improvement District conversion study and the Denman Island bulk water feasibility review. Both of these initiatives are carry forwards from 2019.
- 155 – Hornby Island composting toilet study – Feasibility study work to evaluate options for a composting toilet residuals management service for Hornby Island. Funding for this project is provided by Hornby Island feasibility funds.
- 151,152,153 (cost shared three ways) – Curbside waste collection feasibility study – continued analysis pertaining to the expansion of curbside waste collection into the electoral areas beyond the existing Royston garbage collection service. This work will include community engagement and potential public assent process in the fall of 2020.
- 151,152,153 (cost shared three ways) – Electoral areas watershed governance scoping study – Feasibility study to better understand potential watershed governance 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.

The 2020-2024 proposed five-year financial plans for these five feasibility services, functions 151, 152, 153, 154, 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 2, 3, 4, 5 and 6 summarize the 2020 proposed budget as compared to the 2019 adopted budget.

Table 2: Financial Plan Highlights, Function 151


 2020 Proposed Budget		#151 Feasibility Studies - Baynes Sound		
Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)	
Revenue				
Senior Government Grants	1,255,265	1,285,265	30,000	
Requisition	30,000	30,000	-	
Other Revenue / Recoveries		15,000		
Prior Years Surplus	75,897	90,784	14,887	
	\$ 1,361,162	\$ 1,421,049	\$ 59,887	
Expenditures				
Operating	1,361,162	1,421,049	59,887	
	\$ 1,361,162	\$ 1,421,049	\$ 59,887	

Table 3: Financial Plan Highlights, Function 152


 2020 Proposed Budget		#152 Feasibility Studies - Electoral Area B		
Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)	
Revenue				
Senior Government Grants	59,271	0	(59,271)	
Requisition	12,114	12,114	-	
Prior Years Surplus	44,178	53,358	9,180	
	\$ 115,563	\$ 65,472	\$ (50,091)	
Expenditures				
Operating	115,563	65,472	(50,091)	
	\$ 115,563	\$ 65,472	\$ (50,091)	

Table 4: Financial Plan Highlights, Function 153


 2020 Proposed Budget		#153 Feasibility Studies - Electoral Area C		
Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)	
Revenue				
Senior Government Grants	70,302	45,047	(25,255)	
Requisition	13,000	13,000	-	
Prior Years Surplus	87,254	121,713	34,459	
	\$ 170,556	\$ 179,760	\$ 9,204	
Expenditures				
Operating	170,556	179,760	9,204	
	\$ 170,556	\$ 179,760	\$ 9,204	

Table 5: Financial Plan Highlights, Function 154



 2020 Proposed Budget		#154 Feasibility Studies - Denman Island		
Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)	
Revenue				
Senior Government Grants	2,390			
Requisition	3,783	3,783		-
Prior Years Surplus	14,487	20,254		5,767
	\$ 20,660	\$ 24,037	\$	3,377
Expenditures				
Operating	20,660	24,037		3,377
	\$ 20,660	\$ 24,037	\$	3,377

Table 6: Financial Plan Highlights, Function 155

 2020 Proposed Budget		#155 Feasibility Studies - Hornby Island		
Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)	
Revenue				
Requisition	8,145	8,145		-
Senior Government Grants	10,000			(10,000)
Prior Years Surplus	538	6,369		5,831
	\$ 18,683	\$ 14,514	\$	(4,169)
Expenditures				
Operating	18,683	14,514		(4,169)
	\$ 18,683	\$ 14,514	\$	(4,169)