

DATE: February 6, 2020

FILE: 1700-02/2020/362

TO: Chair and Directors
Electoral Areas Services Committee

Supported by Russell Dyson
Chief Administrative Officer

FROM: Russell Dyson
Chief Administrative Officer

R. Dyson

**RE: 2020-2024 Financial Plan – Denman Island Garbage Collection Service –
Function 362**

Purpose

To provide the Electoral Areas Services Committee with the proposed 2020-2024 Financial Plan and work plan highlights for the Denman Island garbage collection service, function 362.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2020-2024 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 November 2019 DIRA public meeting.
- Denman Island residents are provided an opportunity to comment on the DIRA garbage collection service budget at the annual meeting in November, to which service levels are set for the service.
- The proposed 2020 tax requisition is increasing by \$7,500 from 2019.
- The estimated residential tax rate per \$1,000 of assessed value is increasing slightly from \$0.1791 in 2019 to \$0.1921 in 2020.
- The tax impact in 2020 on a property assessed at \$500,000 would be \$96.05.

Prepared by:

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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


<p>Fiscal responsibility:</p> <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. 	<p>Climate crisis and environmental stewardship and protection:</p> <ul style="list-style-type: none"> The facility provides a variety of recycling options to the community thereby reducing waste to the landfill.
<p>Community partnerships:</p> <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 	<p>Indigenous relations:</p> <ul style="list-style-type: none"> Projects are not significantly influenced by this driver.

Financial Plan Overview

The 2020 - 2024 proposed five-year financial plan for Denman Island Refuse 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 summarizes the 2020 Proposed Budget as compared to the 2019 Adopted Budget. Significant variances from 2020 Adopted Budget will be discussed in the Financial Plan Highlights section below.

Table 2: Financial Plan Highlights

		#362 Denman Island Refuse		
Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)	
Revenue				
Regulation	78,000	83,600	7,600	
Prior Years Surplus	222	200	(22)	
	\$ 78,222	\$ 83,700	\$ 7,478	
Expenditures				
Operating	71,689	78,952	6,363	
Contribution to Reserve	2,833	4,748	2,116	
Tsfr Other Functions	2,000	2,000	-	
	\$ 76,222	\$ 83,700	\$ 7,478	

Highlights of the 2020-2024 Proposed Financial Plan for the Denman Island Refuse service, function 362, include:

Revenue Sources

The proposed 2020 tax requisition is \$83,500, an increase of \$7,500 over the 2019 requisition and DIRA has identified no change funding levels for the remainder of the 2020-2024 Financial Plan.

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 Comox Valley Regional District 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.

Operations

The 2020 Denman Island refuse service operating expenses have increased by \$5,363 from 2019. The increase in DIRA's operational grant is due in part to higher insurance premium costs (approximately \$4,500) from 2019, managing higher volumes of waste and increases for DIRA staff wages. In order to offset some of the increases in operating expenses, DIRA has shown reductions in supplies and administration time in their operating budget submission.

In 2019, staff were successful in an application to the BC Used Oil Management Association for a secured oil collection system. This provides an area for the collection used motor oil, filters and containers on the island.

In 2020, staff will work with the depot operator to see if there are any further diversion programs that can be added to this service and calculate any additional staff time required. The facility will welcome a new baler in 2020 and staff will look at additional Recycle BC incentive revenue for baling additional materials like flexible packaging and film.

Capital

There are no capital projects proposed in the 2020-2024 Financial Plan for this service.

Reserves

The estimated balance in the capital works reserve fund for this function as of December 31, 2019, is \$30,836. The balance in the future expenditure reserve fund as at December 31, 2019, was \$5,144 with annual contributions to this reserve included in the 2020-2024 Proposed Financial Plan. Final reserve balances will be available once the 2019 year-end is finalized.

Tax Impacts

- Based on the 2020 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.1921 per \$1,000 of taxable assessed value.
- The 2019 residential tax rate for the service was \$0.1791 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 \$96.05.

Citizen/Public Relations

DIRA presented and approved the budgets at the November 2019 DIRA public meeting where residents annually have the opportunity to provide input.