

DATE: February 6, 2020

FILE: 1700-02/2020/360

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 – Hornby Island Refuse Disposal – Function 360

Purpose

To provide the Electoral Areas Services Committee with the proposed 2020-2024 Financial Plan and work plan highlights for the Hornby Island refuse disposal service, function 360.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2020-2024 Financial Plan for 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). This service provides waste disposal and recycling for residents of Hornby Island.

- HIRRA presented and approved their budgets at their November 2019 general residents’ meeting. Working with residents, HIRRA sets service level requirements.
- Hornby Island residents are provided an opportunity to comment on the HIRRA budget at the meeting.
- The proposed 2020 tax requisition will remain at the 2019 level of \$215,000.
- Short term annual debt serving of \$18,000 associated with the new free store was retired in 2019.
- The estimated residential tax rate per \$1,000 of assessed value decreases from \$0.3648 in 2019 to \$0.3412 in 2020.
- The resulting tax impact on a property valued at \$500,000 would be \$170.60.

Prepared by:

Concurrence:

Concurrence:

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Stakeholder Distribution (Upon Agenda Publication)

Hornby Island Residents and Ratepayers 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"> • There are no increases from the 2019 taxation rate. • Services are delivered through contract with HIRRA to provide best value for money with Comox Valley Regional District 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.
<p>Community partnerships:</p> <ul style="list-style-type: none"> • This service is provided in partnership with HIRRA. • HIRRA consults with their residents to set service levels. 	<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 Hornby Island refuse 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.

Table 2 summarizes the 2020 proposed budget as compared to the 2019 adopted budget. Significant variances from 2019 adopted budget are discussed in the Financial Plan Highlights section below.

Table 2: Financial Plan Highlights

 2020 Proposed Budget		#360 Hornby Island Refuse		
Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)	
Revenue				
Requisition	215,000	215,000	-	
Prior Years Surplus	306	1,000	694	
	\$ 215,306	\$ 216,000	\$	694
Expenditures				
Operating	159,805	173,140	13,335	
Contribution to Reserve	35,450	38,860	3,410	
Tsfr Other Functions	2,000	4,000	2,000	
Debt Charges	18,051		(18,051)	
	\$ 215,306	\$ 216,000	\$	694

Highlights of the 2020-2024 Proposed Financial Plan for the Hornby Island refuse service, function 360, include:

Revenue Sources

The 2020 - 2024 tax requisition is proposed to be \$215,000, unchanged from 2019.

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 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 operating expenses in 2020 are currently projected to increase by \$13,335 from 2019, however a budget amendment for this service will likely being required in 2020 due to anticipated increases to the operational costs of the HIRRA operated facility due to their concluding labour negotiations. Staff will bring forward a report once HIRRA's labour agreement has been finalized and the cost impacts confirmed. Staff are anticipating that such increases in 2020 could be covered by a contribution from reserves.

Debt

There are no debt servicing costs in 2020 given the short-term financing for the free store building has now been paid in full.

Capital

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

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 2019, the balance of this reserve is estimated to be \$60,667. This reserve is forecast to grow to a balance of \$124,238 at the end of 2024 based on planned reserve contributions.

A capital works reserve is also available to this service, with a balance of approximately \$1,235 at the end of 2019.

Tax Impacts

- Based on the 2020 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.3412 per \$1,000 of taxable assessed value.
- The 2019 residential tax rate for the service was \$0.3648 per \$1,000 of taxable assessed value.
- For a residence assessed at \$500,000, the total tax impact is estimated to be \$170.60.

Citizen/Public Relations

HIRRA presented and approved their budgets at the November 2019 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 possible, but will review with the operator to see if there are any additional programs the residents may be interested in.