

DATE: January 15, 2019**FILE:** 1700-02/2019/298**TO:** Chair and Directors
Electoral Areas Services Committee**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer***R. Dyson*****RE: 2019 - 2023 Financial Plan – Unsightly Premises Service – Function 298**

Purpose

To provide the Electoral Areas Services Committee with the proposed 2019 - 2023 Financial Plan and work plan highlights for the Unsightly Premises Extended Service, Function 298.

Recommendations from the Chief Administrative Officer:

1. THAT the proposed 2019 - 2023 financial plan for the Unsightly Premises Extended Service, Function 298, be approved.
2. THAT the Board consider three readings and subsequent adoption of an amendment to Bylaw No. 2051, being “Unsightly Premises Extended Service Establishment Bylaw No. 2051, 1998”, to increase the maximum requisition by 25 per cent, to be available for the 2020 fiscal year, in accordance with the *Local Government Act* and the *Regional Districts Establishing Bylaw Approval Exemption Regulation*;

AND FINALLY THAT the Directors for Electoral Areas A, B and C, being the participants in the service, consent to the amendment of Bylaw No. 2051 in writing.

Executive Summary

The Comox Valley Regional District (CVRD), through a requisition to property owners in the Electoral Areas A, B and C, regulates the maintenance on non-compliant properties through the Unsightly Premises and Nuisances Extended Service, Function 298. This bylaw protects neighboring property owners from the impact of having unsightly items or nuisance behaviors on adjacent properties.

- The primary source of revenue for this service is tax requisition. The 2019 requisition rate for this service is \$0.0042 per \$1,000 of assessed value;
- In order to at least maintain current service levels, an increase to the maximum requisition of 25 per cent for the 2020 fiscal year is recommended, which would result in a maximum levy equaling the greater of \$39,063 or \$0.00583 per \$1,000 of assessed value;
- Personnel for this service includes an allocation of time for the Manager of Bylaw Compliance as well as an allocation for the two fulltime Bylaw Compliance officers;
- There are no increases to the operational costs for this service;
- There are no capital costs associated with this service;
- A reserve contribution of \$6,008 is budgeted for 2019.

Prepared by:

Concurrence:

Concurrence:

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Policy Analysis

The Comox Valley Regional District (CVRD) operates an Unsightly Premises Control Service, which was established by Bylaw No. 2051 being “Unsightly Premises Extended Service Establishment Bylaw 2051, 1998”. The Unsightly Premises Control Service is regulated by Bylaw No. 377 being “Electoral Areas Unsightly Premises and Nuisances Regulation Bylaw No. 377, 2015”, which was adopted on July 28, 2015.

Financial Plan Overview

The 2019 - 2023 financial plan for the Unsightly Premises Extended Service, maintains the service and operating requirements for Bylaw Compliance staff to receive, investigate and initiate enforcement on unsightly premises and nuisance complaints as required.


Staff has identified that the current requisition rate cannot sustain service levels and that we are no longer able to deplete the reserves for this function to supplement and effectively reduce the requisition. In order to maintain the level of service delivery and operational requirements, it is recommended that the maximum requisition for the Unsightly Premises and Nuisances Extended Service be increased by 25 per cent, to a more sustainable rate to ensure that the increasingly complex and difficult unsightly premises cases can be addressed and compliance obtained. This increase would be implemented in 2019, and be available for the 2020 fiscal year

By increasing the maximum requisition for this service, the following elements would be achieved:

- Reserve fund contributions could be made annually to enable the service to address complex and challenging unsightly properties in a timely manner when they arise;
- Legal fee allowances could be included in the budget to assist with responding to unsightly property files;
- As properties are cleaned and remediated, the public will expect other properties to be cleaned, generating additional complaint files;
- Changes in expectations for certain rural areas, increase the likelihood that additional complaints and files will be generated, which is evidenced by visual confirmation during travel through the electoral areas.

Table 1 below summarizes the 2019 proposed budget as compared to the 2018 adopted budget. Significant variances from 2018 adopted budget will be discussed in the financial plan highlights section below.

Table 1: Financial Plan Highlights



2019

Proposed Budget

#298 Unsightly Premises and Nuisances Regulation

Operating	2018 Budget	2019 Proposed Budget	Increase (Decrease)
Revenue			
Requisition	31,250	31,250	-
Transfer from Reserve	0		-
Prior Years Surplus	14,512	9,500	(5,012)
	\$ 45,762	\$ 40,750	\$ (5,012)
Expenditures			
Personnel Costs	26,564	24,031	(2,533)
Operating	16,538	10,711	(5,827)
Contribution to Reserves	2,660	6,008	3,348
	\$ 45,762	\$ 40,750	\$ (5,012)

The 2019 - 2023 proposed five-year financial plan for the Unsightly Premises Extended Service, including the requisition summary and the operating and capital 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.

Highlights of the 2019 - 2023 proposed financial plan for Function No. 298 include:

Revenue Sources

The primary source of revenue for this service is tax requisition. The maximum requisition for this service was increased in 2013 from \$25,000 to \$31,250. The 2019 requisition is at its maximum, unchanged from 2013, and cannot be sustained into the future. It is recommended to increase the maximum requisition again in 2019 by 25 per cent to sustain the operational requirements for this service. This increase would be implemented in 2019, and available for the 2020 Fiscal year.

Personnel

The personnel costs include an allocation of time and expenses for the Manager of Bylaw Compliance as well as two fulltime Bylaw Compliance Officers. One of the Bylaw Compliance Officer positions is dedicated in part to administer the Illegal Dumping Program, which is a function through the Comox Strathcona Waste Management Service.

Operations

There are no increases to the operational costs for this service with the 2019 budget showing a significant reduction in the allowance for legal costs. However, we are no longer able to deplete the reserves for this function to supplement and effectively reduce the requisition.

Following the *Local Government Act's (LGA) Regional District Establishing Bylaw Approval Exemption Regulation*, an amendment to Bylaw 2051 is required to increase the maximum requisition by 25 per cent for the 2020 fiscal year. The bylaw would be amended to increase the maximum requisition from the greater of \$31,250 or \$0.0025 per \$1,000 of assessed value to the greater of \$39,063 or \$0.00583 per \$1,000 of assessed value.

Further, Directors are recommended to consent to this proposed increase in writing, thereby granting consent on behalf of the electors in the service area for this change. If the Board approves this recommendation, the amending bylaw will be presented for readings in spring 2019.

Capital

There are no capital costs associated with this service.

Reserves

The future expenditure reserve fund for this service has an approximate balance of \$22,606 as of December 31, 2018. There is the potential in each budget year the budget may need to be amended to transfer funds from reserves to cover legal expenses that may have been incurred for the compliance files under this service. However, Bylaw staff have been successful in obtaining compliance on a number of outstanding files and the reserve funds have not been needed since 2016. The financial plan shows a proposed contribution of \$6,008 for this service in 2019.

Property owners are ultimately responsible for any costs associated with a clean-up that is the result of an enforcement action, and any costs that remain unpaid can be added to the property taxes, and payable as taxes in arrears. However, given the highly variable nature of unsightly files and the difficulty in knowing when any particular unsightly case may result in costs to the CVRD associated with legal expenses and other professional fees to obtain compliance, staff have identified a goal of having \$50,000 available in the reserve fund for this service at any given time. This amount can be justified by the costs incurred in 2016 associated with obtaining compliance on a rural property in Electoral Area A, where a large clean-up was conducted.

Should the service establishment bylaw be amended to increase the maximum requisition for this service by 25 per cent in the 2019 budget year, the funds would be available for the 2020 financial plan.

Citizen/Public Relations

The 2019 requisition rate for this service is \$0.0042 per \$1,000 of assessed value. This rate results in a cost of \$1.68 based on a property assessed at \$400,000.

In order to at least maintain current service levels, staff will be recommending an increase to the maximum requisition of 25 per cent for this service. The increase would result in a new maximum levy equaling the greater of \$39,063 or \$0.00583 per \$1,000 of assessed value.