

DATE: January 15, 2019**FILE:** 1700-02/2019/228**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 – Bates/Huband Fire Protection – Function 228****Purpose**

To provide the Electoral Areas Services Committee with the proposed 2019 - 2023 Financial Plan and work plan highlights for the Bates/Huband Fire Protection Service, function 228.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2019 - 2023 financial plan for Bates/Huband Fire Protection Service function 228 be approved.

Executive Summary

The proposed 2019-2023 financial plan for the Bates/Huband Fire Protection Service includes:

- A proposed 2019 tax requisition of \$44,000, an increase of \$2,286 over 2018.
- Total operating costs that are unchanged from 2018.
- No direct capital costs
- Contributions to reserves in advance of Town of Comox capital purchase planned for 2022
- Reserve balance of \$59,541 anticipated at the end of 2019

Prepared by:

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Manager of Fire Services

Concurrence:

D. DeMarzoDoug DeMarzo
Acting General Manager of
Community Services**Stakeholder Distribution (Upon Agenda Publication)**

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|---------------|---|
| Town of Comox | ✓ |
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Policy Analysis

- Service established with adoption of Bylaw No. 1965, being the “Bates/Huband Road Fire Protection Local Services Area Establishment Bylaw No. 1965, 1997”.
- The maximum levy for a defined portion of Electoral Area B for this service is the greater of \$0.85 per \$1,000 of assessed value or \$14,788.
- The Comox Valley Regional District (CVRD) has a service agreement with the Town of Comox for provision of fire protection service.
- This service agreement has a term of five years ending December 2023.

Financial Plan Overview


The Town of Comox was not able to provide a 2019 budget submission for this service at this time. The proposed 2019-2023 financial plan and this report are based on projections from the 2018 budget submission.

The proposed 2019-2023 financial plan includes:

- The proposed 2019 budget total tax requisition \$44,000 which is an increase of \$2,286 over 2018.
- Funding for the service agreement costs with the Town of Comox.
 - Service agreement anticipated to increase in 2022 and 2023 for CVRD apportioned costs of Town of Comox planned purchase of a fire truck.
- Contributions to reserve in advance of the Town's planned purchase of a fire truck
- The maximum tax requisition permissible for 2019 is approximately \$80,611.

Table 1 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 | | | | #228 Bates/Huband Fire | | | |
|---|--------------------|---------------|-----------------------------|-------------------------------|----------------------------|----------------|--|
| Operating | 2018 Budget | | 2019 Proposed Budget | | Increase (Decrease) | | |
| Revenue | | | | | | | |
| Requisition | 41,714 | | 44,000 | | 2,286 | | |
| Prior Years Surplus | 11,023 | | 468 | | (10,555) | | |
| | \$ | 52,737 | \$ | 44,468 | \$ | (8,269) | |
| Expenditures | | | | | | | |
| Personnel Costs | 3,618 | | 4,737 | | 1,119 | | |
| Operating | 28,709 | | 29,135 | | 426 | | |
| Contribution to Reserve | 20,410 | | 10,596 | | (9,814) | | |
| | \$ | 52,737 | \$ | 44,468 | \$ | (8,269) | |

The 2019 - 2023 proposed five-year financial plan for Bates/Huband Fire Protection 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 228 include:

Revenue Sources

- The proposed 2019 budget total tax requisition \$44,000 which is an increase of \$2,286 over 2018.
 - Largely attributable to contributions to reserve in advance of CVRD apportioned costs for the Town of Comox planned purchase of a fire truck in 2022 and 2023.
- Prior year surplus estimated at \$468 which will be updated on the 2018 year end is closed.

Personnel

The proposed 2019-2023 financial plan includes:

- Personnel costs of \$4,737 in 2019, an increase of \$1,119 over 2018.
 - Increase largely attributed to allocation of staff time and the new employer health tax.
- A portion of the personnel costs attributed to the Manager of Fire Services are apportioned to this service.

Operations

The proposed 2019-2023 financial plan includes:

- Total operating cost for this service is \$29,135 which is similar to 2018 and is largely comprised of the Town of Comox service agreement.

Capital

As the Bates/Huband fire protection service is provided by way of service agreement with the Town of Comox, the proposed 2019-2023 financial plan does not include a capital component.

As there are no CVRD capital assets attributed to this function, an asset management plan has not been developed.

Reserves

The proposed 2019-2023 financial plan includes:

- Contributions to a future expenditure reserve of \$10,596 in 2019 which is a decrease of \$9,814 from 2018.
- Funds transferred from reserves to operating in 2022 and 2023 for the CVRD apportioned costs of planned purchase of a fire truck.

Table 2 illustrates the anticipated reserve contributions and annual balances based on the recommendations of the proposed 2019-2023 financial plan.

Table 2 Estimated Future Expenditure Reserve Status

| Future expenditure reserve | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Beginning balance | \$48,945 | \$59,541 | \$60,359 | \$79,442 | \$80,597 |
| Contributions to reserve | \$10,596 | \$9,818 | \$10,083 | \$5,000 | \$5,000 |
| Expenditure | \$0 | \$0 | \$0 | \$(3,845) | \$(4,781) |
| Estimated balance at year end | \$59,541 | \$69,359 | \$79,442 | \$80,597 | \$80,816 |

Citizen/Public Relations

The Bates/Huband Fire Protection Service provides for protection of life and property for approximately 118 parcels within the local service area.

Based on 2019 assessed values, the residential tax rate for this service is expected to be \$0.4552 per \$1,000 of assessed value. As an example, for a residence with an assessed value of \$400,000 the total levy for the service will be approximately \$182.08. The 2018 tax rate for this service was \$0.5416 per \$1,000 of assessed value.