

DATE: January 21, 2021

FILE: 1700-02/2021/228

TO: Chair and Directors
Electoral Areas Services Committee

Supported by Russell Dyson
Chief Administrative Officer

FROM: Russell Dyson
Chief Administrative Officer

R. DYSON _____

RE: 2021 - 2025 Financial Plan – Bates/Huband Fire Protection – Function 228

Purpose

To provide the Electoral Areas Services Committee with the proposed 2021 - 2025 financial plan and work plan highlights for the Bates/Huband Fire Protection Service, function 228.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2021 – 2025 financial plan for the Bates/Huband Fire Protection Service, function 228, be approved.

Executive Summary

- This service is provided by way of service agreement with the Town of Comox.
- The 2021 budget was based on projections from the Town’s 2020 budget submission.

A focus of this proposed 2021 - 2025 Financial Plan is the preparation for the increased agreement costs anticipated in 2022 and 2023 regarding the Town’s purchase of a new ladder truck.

The proposed 2021-2025 financial plan includes:

- A residential tax rate of \$0.4419 per \$1,000 of assessed value, which is a decrease of \$0.0209 compared to 2020.
- Tax requisition of \$45,000 which is an increase of \$1,000 over 2020.
- Personnel costs of \$7,811 in 2021, an increase of \$1,068 over 2020 as a portion of administrative assistant cost is now allocated to fire services.
- Operational expenses of \$30,967 in 2021 which is a decrease of \$1,742 from 2020.
- Contribution to reserve of \$9,393 in 2021 which is an increase of \$6,897 from 2020. The reserve balance is projected to be \$62,665 at the end of 2021.

Prepared by:

Concurrence:

J. Bast

D. DeMarzo

James Bast
Manager of Fire Services

Doug DeMarzo
General Manager of
Community Services

Government Partners and Stakeholder Distribution (Upon Agenda Publication)

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|---------------|---|
| Town of Comox | ✓ |
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Board Strategic Drivers

The Comox Valley Regional District (CVRD) Board has set four strategic drivers to guide service delivery. 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"> • Service provision by way of agreement, utilizing existing fire department provides for efficiencies and economies of scale by partnering on fire services costs with the Town of Comox. | <p>Climate crisis and environmental stewardship and protection:</p> <ul style="list-style-type: none"> • Service provides protection to address increase in wildfire risk as a result of climate change. |
| <p>Community partnerships:</p> <ul style="list-style-type: none"> • Fire protection service provided by way of service agreement with the Town of Comox. | <p>Indigenous relations:</p> <ul style="list-style-type: none"> • This service is not significantly influenced by this driver. |

Rethink Comox Valley / COVID-19 Response and Renewal

On May 12, 2020 the board adopted a COVID-19 renewal plan for the review of service levels and all necessary, critical and functional projects slated for the next five years. Recommended actions for the plan were brought forward to the relevant committees, commissions and partners for review over the summer.

The service agreement is the largest expense for the service with the Town of Comox providing the service. In accordance with the COVID 19 renewal plan, staff continues to work with Town staff to identify efficiencies and increase collaboration where appropriate.

Economic Recovery Task Force Actions

Not applicable for this service.

Financial Plan Overview


The Town of Comox has not yet provided a 2021 budget submission therefore, staff based the 2021 financial plan on projections from their 2020 budget submission which is attached as Appendix A. Staff will follow-up with Comox to ensure a 2021 – 2025 budget submission from them is incorporated into the recommended financial plan. If significant variances are identified, staff could also bring forward an updated staff report at a subsequent committee meeting.

Service agreement costs are calculated as a percentage of the total assessed value of both the Town of Comox and the CVRD’s Bates/Huband Fire Protection Service Area. The service is apportioned a percentage of the total operating and capital costs of the Comox Fire Department.

The 2021 - 2025 proposed five-year financial plan for the Bates/Huband Fire Protection Service, function 228, 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 on the following page summarizes the 2021 proposed budget as compared to the 2020 adopted budget. Significant variances from 2020 adopted budget will be discussed in the financial plan sections that follow

Table 2: Financial Plan Highlights

|  | | #228 Bates/Huband Fire | | |
|---|------------------|------------------------|----------------------|---------------------|
| | | 2020 Budget | 2021 Proposed Budget | Increase (Decrease) |
| Operating | | | | |
| Revenue | | | | |
| Requisition | 44,000 | 45,000 | 1,000 | |
| Prior Years Surplus | 0 | 3,171 | 3,171 | |
| | \$ 44,000 | \$ 48,171 | \$ 4,171 | |
| Expenditures | | | | |
| Personnel Costs | 6,743 | 7,811 | 1,068 | |
| Operating | 32,709 | 30,967 | (1,742) | |
| Contribution to Reserve | 2,496 | 9,393 | 6,897 | |
| Deficit Prior Year | 2,052 | 0 | (2,052) | |
| | \$ 44,000 | \$ 48,171 | \$ 4,171 | |

Highlights of the 2021 - 2025 proposed financial plan for function 228 include:

Revenue Sources

The proposed 2021-2025 financial plan includes:

- A total tax requisition in 2021 of \$45,000 which is an increase of \$1,000 from 2020; based on the 2020-2024 financial plan from the Town of Comox the requisition is expected to be maintained at this level through 2025.
- The proposed budgets for 2022 and 2023 includes transfers from reserves for the CVRD's apportioned costs of the Town of Comox's planned purchase of a fire truck.

Personnel

The proposed 2021-2025 financial plan includes:

- Personnel costs of \$7,811 in 2021, an increase of \$1,068 over 2020 as a portion of administrative assistant cost is now allocated to fire services.
- A portion of the Manager of Fire Services are allocated to this service.

Operations

The proposed 2021-2025 financial plan includes:

- Total operating costs for this service are \$30,967 which is a decrease of \$1,742 from 2020.
- Service agreement costs are projected to be \$28,450 in 2021.

Service agreement costs of \$42,634 in 2022 and \$43,210 in 2023 which includes the CVRD apportioned cost of the Town's new fire truck. These costs increases have been moderated in the requisition through incremental increases and the use of reserve funds.

Capital

As the Bates/Huband Fire Protection Service is provided by way of service agreement with the Town of Comox, the proposed 2021-2025 financial plan does not include a capital component however through this agreement this service pays their allocated portion of any capital upgrades required by the Town of Comox to provide fire services.

As there are no CVRD capital assets attributed to this function, a sustainable asset funding model has not been developed however future Comox capital fire purchases are included in the five year financial plan and considered in setting the Bates/Huband requisition levels and reserve balance to offset fluctuations in the requisition to ratepayers.

Reserves

The proposed 2021-2025 financial plan includes:

- Contributions to a future expenditure reserve of \$9,393 in 2021 which is an increase of \$6,897 from 2020.
- Funds transferred from reserves to operating in 2022 and 2023 for the CVRD apportioned costs of planned purchase of a fire truck.

Table 3 illustrates the anticipated reserve contributions and annual balances based on the recommendations of the proposed 2021-2025 financial plan.

Table 3: Estimated Future Expenditure Reserve Status

| Future expenditure reserve | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Beginning balance | \$53,272 | \$62,665 | \$55,788 | \$48,169 | \$53,576 |
| Contributions to reserve | \$9,373 | \$0 | \$0 | \$5,407 | \$4,246 |
| Expenditure | \$0 | (\$6,877) | (\$7,619) | \$0 | \$0 |
| Estimated balance at year end | \$62,665 | \$55,788 | \$48,169 | \$53,576 | \$57,822 |

Tax Impacts

The 2021 - 2025 financial plan indicates the following residential tax impact:

- Based on the 2021 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.4419 per \$1,000 (2020 - \$0.4628) of taxable assessed value.
- For a residence with an assessed value of \$500,000, the total tax impact is estimated to be \$221 for this service.

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.

Attachments: Appendix A – Town of Comox 2020 Budget Submission

| | 2018 Actual | 2019 Budget | 2020 | 2021 | 2022 | 2023 | 2024 | Total |
|-----------------|-----------------------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Core | \$1,157,152.52 | \$1,272,150.00 | \$1,296,254.00 | \$1,253,962.00 | \$1,251,670.00 | \$1,277,241.00 | \$1,303,343.00 | \$6,382,470.00 |
| Functional | 44,577.10 | 38,790.00 | 38,940.00 | 39,090.00 | 39,860.00 | 40,660.00 | 41,470.00 | 200,020.00 |
| Core Function | 1,201,729.62 | 1,310,940.00 | 1,335,194.00 | 1,293,052.00 | 1,291,530.00 | 1,317,901.00 | 1,344,813.00 | 6,582,490.00 |
| Sp Proj | 78,035.04 | 102,750.00 | 10,000.00 | 10,000.00 | - | - | - | 20,000.00 |
| sub | 1,279,764.66 | 1,413,690.00 | 1,345,194.00 | 1,303,052.00 | 1,291,530.00 | 1,317,901.00 | 1,344,813.00 | 6,602,490.00 |
| Capital | 218,972.29 | 400,000.00 | 25,000.00 | - | 650,000.00 | 650,000.00 | 30,000.00 | 1,355,000.00 |
| sub | 1,498,736.95 | 1,813,690.00 | 1,370,194.00 | 1,303,052.00 | 1,941,530.00 | 1,967,901.00 | 1,374,813.00 | 7,957,490.00 |
| Rescue 36 | (20,354.53) | (18,637.00) | (22,931.00) | (23,392.00) | (23,860.00) | (24,334.00) | (24,822.00) | (119,339.00) |
| Total Cost | 1,478,382.42 | 1,795,053.00 | 1,347,263.00 | 1,279,660.00 | 1,917,670.00 | 1,943,567.00 | 1,349,991.00 | 7,838,151.00 |
| | \$76,002,206.00 | \$97,097,626.00 | | | | | | |
| Share | 3,777,613,700.00 0.02011910 | \$4,367,455,065.00 0.02223208 | 0.02223208 | 0.02223208 | 0.02223208 | 0.02223208 | 0.02223208 | |
| Billed | 29,743.73 | 39,907.77 | 29,952.46 | 28,449.51 | 42,633.80 | 43,209.54 | 30,013.11 | |
| Owing from 2018 | 27,605.02 | na | | | | | | |
| | \$2,138.71 | \$2,138.71 | | | | | | |
| 2019 Billing | | \$42,046.48 | | | | | | |