

DATE: January 22, 2021

FILE: 1700-02/2021/240

TO: Chair and Directors
Electoral Areas Services Committee

Supported by Russell Dyson
Chief Administrative Officer
R. Dyson

FROM: Russell Dyson
Chief Administrative Officer

RE: 2021 - 2025 Financial Plan – Mt. Washington Resort Community Fire Protection Function 240

Purpose

To provide Electoral Areas Services Committee with the proposed 2021 - 2025 financial plan and work plan highlights for the Mount Washington (Mt Washington) Resort Community Fire Protection Service, function 240.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2021 – 2025 financial plan for Mount Washington Resort Community Fire Protection Service, function 240, be approved.

Executive Summary

The main emphasis of the proposed 2021-2025 financial plan is the preparation for, and the construction of a fire services building on Mt Washington. On the advice of the steering group this financial plan includes funds to seek elector assent to:

- Increase the maximum requisition, and
- Increase loan authorization amount.

The proposed 2021-2025 financial plan includes:

- A residential tax rate of \$1.0062 per \$1,000 of assessed value, which is a decrease of \$0.0574 compared to 2020.
- Total revenues of \$261,722 which is an increase of \$60,898 over 2020; the requisition remains stable at \$200,824, \$60,898 from prior year surplus with capital purchase delays.
- Personnel costs of \$35,820 in 2021 which is an increase of \$3,790 from 2020.
- Total operating expense in 2021 of \$100,637 which is an increase of \$37,098 over 2020, mainly related to interest and other costs for new fire hall construction.
- Capital expenditures of \$1,640,000 in 2021 which is an increase of \$1,458,000 from 2020.
 - Assumes successful elector assent in 2021
 - Assumes construction of fire services building in 2021 and
 - Assumes fire service equipment purchased in 2021.
- Future expenditure reserve contributions of \$48,835 in 2021 which is a decrease of \$7,673 from 2020.

Prepared by:

Concurrence:

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Government Partners and Stakeholder Distribution (Upon Agenda Publication)

Mount Washington Fire Service Steering Group	✓
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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 with the Oyster River Fire Rescue (ORFR) provides for efficiencies and economies of scale. 	<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"> An advisory steering group of Mt Washington property owners assists the CVRD with local perspective and a forum to discuss staff’s policy recommendations to the board. Mt Washington fire protection service has five volunteers. 	<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.

In accordance with the COVID 19 renewal plan:

- The 2020 capital purchase of hydrant snorkels was deferred and is included in the 2021 budget year.
- The 2020 purchase of capital equipment was deferred and is now included in 2021.
- The 2020 minor capital equipment purchase was deferred and is now included in 2021.

Economic Recovery Task Force Actions (if applicable)

Not applicable for this service.

Financial Plan Overview


The proposed 2021-2025 financial plan includes funds to seek elector assent required to increase the maximum requisition and the loan authorization amount, in advance of fire hall construction.

A major component of the proposed 2021-2025 financial plan is the operational grant which is based on the Oyster River Volunteer Fire Rescue Association (ORVFRA) combined budget submission attached as Appendix A.

The 2021 - 2025 proposed five-year financial plan for the Mt Washington Fire Protection Service, function 240, including service establishment information, the requisition summary and the operating and capital budgets, 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 below 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

		#240 Mt Washington Resort Community Fire Protection		
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)	
Revenue				
Requisition	200,824	200,824	-	
Prior Years Surplus	0	60,898	60,898	
	\$ 200,824	\$ 261,722	\$ 60,898	
Expenditures				
Personnel Costs	32,030	35,820	3,790	
Operating	63,539	100,637	37,098	
Referendum Costs	10,000	10,000	-	
Transfer to Other Functions	37,344	40,180	2,836	
Debt Charges	1,403	26,250	24,847	
Contribution to Reserve	56,508	48,835	(7,673)	
	\$ 200,824	\$ 261,722	\$ 60,898	
Capital				
Funding Sources				
Short Term Debt Proceeds	100,000	1,500,000	1,400,000	
Transfer from Reserve	82,000	140,000	58,000	
	\$ 182,000	\$ 1,640,000	\$ 1,458,000	
Funding Applied				
Capital Projects & Equip	182,000	1,640,000	1,458,000	
	\$ 182,000	\$ 1,640,000	\$ 1,458,000	

Highlights of the 2021 - 2025 proposed financial plan for function 240 include:

Revenue Sources

The proposed 2021-2025 financial plan includes:

- 2021 tax requisition of \$200,824 which is the same as in 2020:
 - Based on the 2021 completed assessment roll, the maximum requisition for this service in 2021 is \$212,570.
 - The steering group provided advice to utilize the full maximum requisition available to accumulate funds for fire services building construction.
- Planned annual requisition of \$250,000 over remainder of five-year plan;
 - Will require obtaining Elector assent to increase maximum requisition.
- Estimated prior year surplus of \$60,898 which is largely attributed to minor capital and professional fee expenditures that were not spent in 2020.
- Staff continues to research possible grant funding opportunities for this service.

Personnel

The proposed 2021-2025 financial plan includes:

- Personnel costs of \$35,820 in 2021 which is an increase of \$3,790 from 2020.
- A portion of personnel costs are attributed to Manager of Fire Services.
- A portion of the personnel costs of the Fire Chief and Deputy Chief and Training Officer of the Oyster River Fire Rescue department are allocated to this service.

No further changes to personnel are anticipated.

Operations

The proposed 2021-2025 financial plan includes:

- Total operating expense in 2021 of \$100,637 which is an increase of \$37,098 over 2020.
 - Largely attributed to increased pre-construction costs for the new fire hall as well as the commencement of debt servicing costs for that facility later in 2021.
- Referendum costs of \$10,000 are budgeted in 2021.

Capital

The proposed 2021-2025 financial plan includes:

- Capital expenditures of \$1,640,000 in 2021 which is an increase of \$1,458,000 from 2020.
 - Based on current Class D estimated construction costs, with construction cost estimates to be refined early in 2021.
 - Includes fire service equipment and hydrant snorkels.

Table 3 highlights capital projects within this financial plan.

Table 3-Capital Projects

Project Description	Budget year	Anticipated cost	Anticipated schedule
Fire services building construction cost <ul style="list-style-type: none"> • Based on current Class D estimates 	2021	\$1,500,000	Fall 2021
Fire Service equipment and hose	2021	\$110,000	Fall / Winter 2021
Deep-Snow Hydrant Snorkels	2021	\$30,000	Summer 2021
All projects approved in the Financial Plan will be procured in accordance with Bylaw No. 510 and the Board approved Procurement Policy.			

- Future capital expenditures include:
 - Purchase of fire service equipment in 2022, following completion of fire services building, estimated cost \$50,000.
 - Purchase of vehicles in 2023 including a used ladder truck, a used duty officer truck and a UTV, estimated cost \$220,000.

A sustainable asset funding model for this service will be developed as the capital items are acquired and will be integrated into the corporate wide asset management strategy.

Reserves

The proposed 2021-2025 financial plan includes a contribution to reserve of \$48,835 in 2021 which is a decrease of \$7,673 from 2020.

The Mt Washington Fire Protection Service has an estimated reserve balance of \$177,822 at the end of 2020.

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

Table 3 – Estimated Reserve Fund Status

Future expenditure reserve	2021	2022	2023	2024	2025
Beginning balance	\$177,822	\$86,657	\$87,129	\$38,371	\$95,361
Contributions to reserve	\$48,835	\$50,472	\$61,242	\$64,990	\$65,259
Expenditure	\$(140,000)	\$(50,000)	\$110,000)	(\$8,000)	\$0
Estimated balance at year end	\$86,657	\$87,129	\$38,371	\$95,361	\$160,620

Debt Charges

Based on a successful elector assent process, the proposed 2021-2025 financial plan captures anticipated short-term debt servicing costs of \$26,250 in 2021, regarding the construction of the fire services building.

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 \$1.0062 per \$1,000 (2020 - \$1.0636) of taxable assessed value.
- For a residence with an assessed value of \$500,000, the total tax impact is estimated to be \$503.10 for this service.

Citizen/Public Relations

The Mt Washington Resort Community Fire Protection Service provides for protection of life and property for the property owners of the local service area.

The steering group continues to assist the CVRD, at an advisory level, in the development of the service. The steering group has reviewed the draft proposed 2021-2025 financial plan and concurs with the priorities it sets. The steering group has offered the option of increasing the requisition to the maximum allowable in 2021.

Referendum Communications

In the context of COVID19 and the current Public Health Orders:

- Staff have developed a communications plan which includes two pre referendum mail-outs to each property owner within the service area, as well as a dedicated webpage with FAQs.
- The mail out and webpage to convey key points regarding the development of a fire services building and the requirement for elector assent to borrow funds for construction.
- This mail out and webpage are in addition to the legislated requirement for advertising and notice for the referendum process.

Attachments: Appendix A – ORVFRA Combined 2021 Budget Submission

ORFR & MOUNT WASHINGTON 2021 COMBINED BUDGET

OPERATING GRANT DETAILS

Operating Expense Description	GL #	2019 Budget	2020 Actual	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	
01-2-230-246 Bank Fees & Charges	6246	200	200	200	225	250	250	250	250	
01-2-230-257 Clothing/Laundrying	6257	2,950	4,200	4,200	4,400	4,500	4,600	4,700	4,700	
01-2-230-260 Conferences/Seminars	6260	5,000	5,000	7,000	7,500	8,000	8,000	8,500	8,500	
01-2-230-266 Deliveries/Transportation	6266	200	200	300	200	200	200	250	250	
01-2-230-269 First Responder Supplies	6269	3,500	4,000	4,000	4,200	4,300	4,300	4,300	4,300	
01-2-230-275 Licenses/Permits	6275	600	3,000	3,000	3,100	3,200	3,200	3,500	3,500	
01-2-230-290 Miscellaneous	6290	400	150	150	150	150	150	150	150	
01-2-230-293 Office Expenses	6293	11,500	11,000	11,000	11,500	11,500	11,500	11,500	12,000	
01-2-230-364 Health and Wellness	6364	2,500	2,000	2,000	2,250	2,250	2,300	2,400	2,500	
01-2-230-362 Awards Banquet	6362	9,100	9,000	9,100	9,100	9,300	9,300	9,300	9,400	
01-2-230-271 Fire Prevention	6271	2,000	1,200	1,200	1,500	1,500	1,750	1,750	1,750	
01-2-230-305 Safety Equipment	6305	10,000	10,000	15,000	15,000	15,000	15,500	15,500	16,000	
01-2-230-314 Telephone and Alarm Lines	6314	5,400	5,500	6,500	6,500	6,600	6,700	6,700	6,800	
01-2-230-319 Training and Development	6319	30,500	30,000	30,000	30,500	30,500	31,000	31,000	31,500	
01-2-230-320 Travel	6320	750	500	500	500	500	500	500	500	
01-2-230-338 Dues and Subscriptions	6338	1,600	1,600	1,600	1,600	1,600	1,650	1,650	1,700	
01-2-230-360 Accounting and Auditing Fees	6360	9,500	8,600	9,000	9,000	9,000	9,000	10,000	10,000	
01-2-230-369 Insurance	6375	7,350	7,600	7,800	7,800	7,900	7,900	7,900	8,000	
01-2-230-381 Legal Fees	6381	1,800	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
01-2-230-387 Other Professional Fees	6387	1,200	1,000	1,000	1,000	1,000	1,100	1,100	1,100	
01-2-230-400 Cont. Services Bldg/Land	6400	5,800	5,800	5,800	5,900	5,900	6,000	6,000	6,100	
01-2-230-403 Building Repairs & Maint.	6403	7,650	7,800	7,800	7,900	8,000	8,200	8,200	8,300	
01-2-230-406 Heating	6406	2,000	1,600	1,600	1,650	1,650	1,700	1,700	1,800	
01-2-230-409 Hydro	6409	7,500	8,000	8,500	8,500	8,750	8,750	9,000	9,000	
01-2-230-418 Refuse Collection	6418	400	375	450	450	475	500	500	500	
01-2-230-430 Water	6430	600	600	600	600	600	650	675	675	
01-2-230-447 Repairs/Mtce - Mach/Equip	6447	5,900	4,500	5,000	5,500	5,500	5,750	5,750	6,000	
01-2-230-450 Small Tools & Equipment	6450-51	11,500	8,500	8,500	8,650	8,650	8,700	8,700	8,800	
01-2-230-458 Fuel/Lubricants - Vehicle	6458	10,900	11,500	12,000	12,500	13,000	13,500	14,000	14,500	
01-2-230-464 Repairs/Maint - Vehicle	6464	12,500	16,000	16,500	17,000	17,500	18,000	18,500	18,500	
Subtotal Operating Expenses		170,800	170,425	181,300	185,675	188,275	191,650	194,975	198,075	
Personnel Costs										
Salaries and Wages	7220	0	0	0	0	0	0	0	0	
Payroll Deductions	7225	0	0	0	0	0	0	0	0	
Part Time Compensation(paid-on-call)	?	101,000	105,000	106,000	107,000	107,000	110,000	110,000	112,000	
Payroll Deductions	?	5,412	5,520	5,306	5,412	5,520	5,631	5,743	5,800	
Honorarium	6228	0	0	0	0	0	0	0	0	
WCB	7238	520	530	520	520	530	541	551	551	
Subtotal Personnel Costs		106,932	111,050	111,826	112,932	113,050	116,171	116,295	118,351	
Operating Grant		277,732	281,475	293,126	298,607	301,325	307,821	311,270	316,426	