

**DATE:** January 20, 2020

**FILE:** 1700-02/2020/Function 240

**TO:** Chair and Directors  
Electoral Areas Services Committee

**FROM:** Russell Dyson  
Chief Administrative Officer

Supported by Russell Dyson  
Chief Administrative Officer  
*R. Dyson*

**RE: 2020 - 2024 Financial Plan – Mt. Washington Resort Community Fire Protection – Function 240**

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### **Purpose**

To provide the Electoral Areas Services Committee with the proposed 2020 - 2024 Financial Plan and work plan highlights for the Mount Washington (Mt. Washington) Resort Community Fire Protection Service, function 240.

### **Recommendations from the Chief Administrative Officer:**

1. THAT the proposed 2020 – 2024 Financial Plan for the Mt Washington Resort Community Fire Protection Service, function 240, be approved;
2. THAT staff bring forward a report for consideration at a future meeting, which recommends:
  - Amending the establishment bylaw for the Mt Washington Fire Protection Service, function 240 to increase the maximum requisition;
  - Amending Bylaw No. 434 being “Mount Washington Resort Community Fire Protection Service Loan Authorization Bylaw No. 434, 2016” to increase the amount that can be borrowed towards constructing and equipping a new fire services building at Mt. Washington.
  - Amending Bylaw No. 451 being “Mount Washington Resort Community Fire Protection Service Temporary Borrowing Bylaw No. 451, 2016” to increase the amount that can be borrowed towards constructing and equipping a new fire services building at Mt. Washington.

### **Executive Summary**

The main emphasis of the proposed 2020-2024 Financial Plan is the preparation for, and the construction of a fire services building on Mt Washington. Geotechnical challenges with the subject property have resulted in increased construction cost estimates which has delayed construction. On the advice of the steering group this Financial Plan includes funds to seek elector assent to increase the maximum requisition, and the loan authorization amount to facilitate an earlier construction date.

The proposed 2020-2024 Financial Plan includes:

- A residential tax rate of \$1.0636 per \$1,000 of assessed value, which is an increase of \$0.0461 compared to 2019
- Total revenues of \$201,447 which is an increase of \$15,499 over 2019.

- Personnel costs of \$32,030 in 2020 which is an increase of \$7,093 from 2019.
- Total operating expense in 2020 of \$62,038 which is an increase of \$19,730 over 2019.
  - Minor capital fire service equipment
  - Fire service building, pre-construction professional costs
- Capital expenditures of \$182,000 in 2020 which is an increase of \$140,000 from 2019.
  - Geotechnical, design and start foundation work for the fire services building
- Future Expenditure reserve contributions of \$58,632 in 2020 which is a decrease of \$21,702 from 2019

Prepared by:

Concurrence:

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James Bast  
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Doug DeMarzo  
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**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. 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: Strategic Driver Influence on Mt. Washington Fire 2020-2024 Financial Plan**

<p><b>Fiscal responsibility:</b></p> <ul style="list-style-type: none"> <li>• Service provision by way of agreement, utilizing existing fire department provides for efficiencies and economies of scale.</li> </ul>	<p><b>Climate crisis and environmental stewardship and protection:</b></p> <ul style="list-style-type: none"> <li>• Service provides protection to address increase in wildfire risk as a result of climate change</li> </ul>
<p><b>Community partnerships:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>	<p><b>Indigenous relations:</b></p> <ul style="list-style-type: none"> <li>• This service is not significantly influenced by this driver</li> </ul>

**Core Services: Regional Emergency Services**

The work-plan proposed within this financial plan is captured within the identified Core Services that the regional district delivers and is highlighted in Appendix A

**Financial Plan Overview**


A major component of the proposed 2020-2014 financial plan is the operational grant which is based on the Oyster River Volunteer Fire Rescue Association (ORVFRA) budget submission attached as Appendix B.

The 2020 - 2024 proposed five-year Financial Plan for Mt Washington Fire Protection Service, function 240, including service establishment information, 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](http://www.comoxvalleyrd.ca/currentbudget).

Table 2 summarizes the 2020 proposed budget as compared to the 2019 adopted budget. Significant variances from 2019 adopted budget will be discussed in the Financial Plan sections below.

**Table 2: Financial Plan Highlights**

		<b>#240 Mt Washington Resort Community Fire Protection</b>		
<b>Operating</b>	<b>2019 Budget</b>	<b>2020 Proposed Budget</b>	<b>Increase (Decrease)</b>	
<b>Revenue</b>				
Requisition	161,200	200,825	39,625	
Prior Years Surplus	24,748	622	(24,126)	
	<b>\$ 185,948</b>	<b>\$ 201,447</b>	<b>\$</b>	<b>15,499</b>
<b>Expenditures</b>				
Personnel Costs	24,937	32,030	7,093	
Operating	42,308	62,038	19,730	
Referendum Costs	0	10,000	10,000	
Transfer to Other Functions	38,369	37,344	(1,025)	
Debt Charges	0	1,403	1,403	
Contribution to Reserve	80,334	58,632	(21,702)	
	<b>\$ 185,948</b>	<b>\$ 201,447</b>	<b>\$</b>	<b>15,499</b>
<b>Capital</b>				
<b>Funding Sources</b>				
Short Term Debt Proceeds	0	100,000	100,000	
Transfer from Reserve	42,000	82,000	40,000	
	<b>\$ 42,000</b>	<b>\$ 182,000</b>	<b>\$</b>	<b>140,000</b>
<b>Funding Applied</b>				
Capital Projects & Equip	42,000	182,000	140,000	
	<b>\$ 42,000</b>	<b>\$ 182,000</b>	<b>\$</b>	<b>140,000</b>

Highlights of the 2020 - 2024 proposed Financial Plan for function 240 include:

Revenue Sources

The proposed 2020-2024 Financial Plan includes:

- 2020 tax requisition of \$200,825 which is an increase of \$39,625 over 2019.
  - Steering group provided advice to utilize the full maximum requisition available to accumulate funds for fire services building construction.
- Planned annual requisition of \$200,825 over remainder of five-year plan;
  - Based on current estimated construction costs.
  - Construction cost estimates to be refined in 2020 towards construction in 2021.
  - Will require obtaining Elector assent to increase maximum requisition.

- Estimated prior year surplus of \$622.
- Staff continues to research possible grant funding opportunities for this service.

### Personnel

The proposed 2020-2024 Financial Plan includes:

- Personnel costs of \$32,030 in 2020 which is an increase of \$7,093 from 2019.
  - Increase largely attributed to allocating a portion of the new position personnel costs of the Deputy Chief in charge of training for Oyster River Fire Rescue.
  - A portion of personnel costs attributed to Manager of Fire Services.
  - A portion of the personnel costs of the Fire Chief and Deputy Chief of the Oyster River Fire Rescue department.
  - No further changes to personnel are anticipated.

### Operations

The proposed 2020-2024 Financial Plan includes:

- Total operating expense in 2020 of \$62,038 which is an increase of \$19,730 over 2019.
  - Largely attributed to increased preconstruction costs to refine the design and construction cost estimates of the fire service building.
  - Minor capital fire service equipment for the fire engine and UTV.
- Referendum costs of \$10,000 in 2020.

### Capital

The proposed 2020-2024 Financial Plan includes:

- Capital expenditures of \$182,000 in 2020 which is an increase of \$140,000 from 2019.
  - 2020 capital expenditures are described in Appendix B.
- Future capital expenditures include:
  - Construction of a fire services building in 2021 estimated cost of \$720,000.
  - Purchase of fire service equipment in 2022, following completion of fire services building, estimated cost \$50,000.
  - Purchase of vehicles in 2023 including a ladder truck and UTV, estimated cost \$160,000.

A sustainable asset funding model for this service will be developed as the capital items are acquired.

### Reserves

The proposed 2020-2024 Financial Plan includes a contribution to reserve of \$58,632 in 2020 which is a decrease of \$21,702 from 2019.

The Mt. Washington Fire Protection Service has an estimated reserve balance of \$121,567 at the end of 2019.

Table 3 illustrates the anticipated reserve contributions and annual balances based on the recommendations of the proposed 2020-2024 Financial Plan.

**Table 3 – Estimated Reserve Fund Status**

<b>Future expenditure reserve</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Beginning balance	\$121,567	\$98,199	\$141,074	\$168,833	\$98,149
Contributions to reserve	\$58,632	\$42,875	\$77,759	\$89,316	\$70,706
Expenditure	\$(82,000)	\$0	\$(50,000)	\$(160,000)	\$(8,000)
<b>Estimated balance at year end</b>	<b>\$98,199</b>	<b>\$141,074</b>	<b>\$168,833</b>	<b>\$98,149</b>	<b>\$160,855</b>

Debt Charges

Based on a successful elector assent process, the proposed 2020-2024 Financial Plan captures anticipated short-term debt servicing costs of approximately \$1,403 in 2020, regarding the geotechnical, design, foundation works for the fire services building.

Tax Impacts

The 2020 - 2024 Financial Plan indicates the following residential tax impact:

- Based on the 2020 completed assessment roll, the estimated residential tax rate for this service is expected to be \$1.0636 per \$1,000 of taxable assessed value.
- The 2019 residential tax rate for the service was \$0.9337 per \$1,000 of taxable assessed value.
- For a residence with an assessed value of \$500,000, the total tax impact is estimated to be \$531.80.

**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 2020-2024 Financial Plan and concurs with the priorities it sets.

Referendum Communications

- Staff have developed a communications plan which includes a mail out to each property owner within the service area, a community meeting 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 – “Core Service: Regional Emergency Services”  
 Appendix B – “ORVFRA 2020 Budget Submission”  
 Appendix C – “2020 Planned Capital Project Summary”



## Core Service: Regional Emergency Services

CVRD Regional Emergency Services provides Comox Valley wide collaboration and coordination of emergency management under the four pillars of emergency management – mitigation/prevention, preparedness, response and recovery.

The CVRD activates and operates the regional emergency operation centre in emergency situations.

Several rural and community fire department services (under a volunteer fire fighter model) are delivered through CVRD.

### Key service outcomes:

- ✓ Emergency prevention and mitigation
- ✓ Emergency Operations Centre preparedness
- ✓ Business and resident emergency preparedness
- ✓ Support for emergency staff and volunteers
- ✓ Resilient communities
- ✓ KFN partnerships
- ✓ Emergency food supply preparedness and recovery

### Initiatives (Proposed for 2020-2024 budget)

Key Projects	Strategic Drivers	Costs	Public Engagement	Timing
1. Completion of the new Regional Emergency Operations Centre	F, C, P	\$		2020
2. Preparation for 2020 earthquake emergency functional exercise *	F, P, I	\$\$\$		2020
3. National Disaster Mitigation Program – Flood Risk Mapping for entire CVRD Coastline, in collaboration with CVRD Planning *	C, P, I	\$\$		2020
4. Consideration of Merville and Mount Washington fire service buildings	F, P	\$\$\$		2020 - 2022
5. Community Fire Smart Program and wildfire protection planning	F, C, P	\$		2020 - 2022
6. Exploration of available space for volunteers (Search and Rescue)	P	\$		2021

\* - depends on partner collaboration and advocacy with partners is encouraged

Strategic Drivers: F = fiscal responsibility; C = climate crisis; P = community partnerships; I = Indigenous relations

# ORFR & MOUNT WASHINGTON 2020 COMBINED BUDGET

## OPERATING GRANT DETAILS

Operating Expense Description	GL #	2019 Budget	2020 Proposed	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast		
01-2-230-246 Bank Fees & Charges	6246	200	200	225	225	250	250	250		
01-2-230-257 Clothing/Laundrying	6257	2,950	4,200	4,300	4,400	4,500	4,600	4,700		
01-2-230-260 Conferences/Seminars	6260	5,000	5,000	7,000	7,500	8,000	8,000	8,500		
01-2-230-260 Conf/Seminars-Board	6261	0	0	0	0	0	0	0		
01-2-230-266 Deliveries/Transportation	6266	200	200	200	200	200	200	250		
01-2-230-269 First Responder Supplies	6269	3,500	4,000	4,200	4,200	4,300	4,300	4,300		
01-2-230-275 Licenses/Permits	6275	600	3,000	2,500	1,500	1,500	1,600	1,600		
01-2-230-290 Miscellaneous	6290	400	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		
01-2-230-364 Health and Wellness	6364	2,500	2,000	2,000	2,250	2,250	2,250	2,250		
01-2-230-362 Awards Banquet	6362	9,100	9,000	9,100	9,100	9,300	9,300	9,300		
01-2-230-271 Fire Prevention	6271	2,000	1,200	1,200	1,500	1,500	1,750	1,750		
01-2-230-305 Safety Equipment	6305	10,000	10,000	10,000	10,000	10,500	10,500	10,500		
01-2-230-314 Telephone and Alarm Lines	6314	5,400	5,500	5,800	6,000	6,000	6,250	6,250		
01-2-230-319 Training and Development	6319	30,500	30,000	30,000	30,500	30,500	31,000	31,000		
01-2-230-320 Travel	6320	750	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		
01-2-230-360 Accounting and Auditing Fees	6360	9,500	8,600	9,000	9,000	9,000	9,000	10,000		
01-2-230-369 Insurance	6375	7,350	7,600	7,600	7,650	7,650	7,700	7,700		
01-2-230-381 Legal Fees	6381	1,800	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		
01-2-230-400 Cont. Services Bldg/Land	6400	5,800	5,800	5,800	5,900	5,900	6,000	6,000		
01-2-230-403 Building Repairs & Maint.	6403	7,650	7,800	7,800	7,900	8,000	8,200	8,200		
01-2-230-406 Heating	6406	2,000	1,600	1,600	1,650	1,650	1,700	1,700		
01-2-230-409 Hydro	6409	7,500	8,000	8,500	8,500	8,750	8,750	9,000		
01-2-230-418 Refuse Collection	6418	400	375	375	400	400	450	450		
01-2-230-430 Water	6430	600	600	600	600	600	650	675		
01-2-230-447 Repairs/Mtce - Mach/Equip	6447	5,900	4,500	4,750	4,750	4,800	4,800	4,850		
01-2-230-450 Small Tools & Equipment	6450-51	11,500	8,500	8,500	8,650	8,650	8,700	8,700		
01-2-230-458 Fuel/Lubricants - Vehicle	6458	10,900	11,500	12,000	12,500	13,000	13,500	14,000		
01-2-230-464 Repairs/Maint - Vehicle	6464	12,500	16,000	16,500	17,000	17,500	18,000	18,500		
<b>Subtotal Operating Expenses</b>		<b>170,800</b>	<b>170,425</b>	<b>174,800</b>	<b>177,625</b>	<b>180,450</b>	<b>183,350</b>	<b>186,325</b>		
<b>Personnel Costs</b>										
Salaries and Wages	7220	0	0	0	0	0	0	0		
Payroll Deductions	7225	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		
Payroll Deductions	?	5,412	5,520	5,306	5,412	5,520	5,631	5,743		
Honorarium	6228	0	0	0	0	0	0	0		
WCB	7238	520	530	520	520	530	541	551		
<b>Subtotal Personnel Costs</b>		<b>106,932</b>	<b>111,050</b>	<b>111,826</b>	<b>112,932</b>	<b>113,050</b>	<b>116,171</b>	<b>116,295</b>		
										0
<b>Operating Grant</b>		<b>277,732</b>	<b>281,475</b>	<b>286,626</b>	<b>290,557</b>	<b>293,500</b>	<b>299,521</b>	<b>302,620</b>		

## Appendix C – 2020 Planned Capital Project Summary

### Mt. Washington Resort Community Fire Protection – Function 240

Capital Project Title	Description	2020 Budget	Anticipated Schedule
Fire Services Building	Pre-construction costs: <ul style="list-style-type: none"> <li>• Refined cost estimates and building design</li> <li>• To be funded by transfer from reserves.</li> </ul>	\$40,000	Spring/Summer 2020
Fire Services Building	<ul style="list-style-type: none"> <li>• Geotechnical and foundation works</li> <li>• To be funded by short-term debt</li> </ul>	\$100,000	Fall 2020
Deep-Snow hydrant snorkels	<ul style="list-style-type: none"> <li>• Purchase and installation of 10 more hydrant snorkels.</li> <li>• To be funded by transfer from reserves</li> </ul>	\$42,000	Summer /Fall 2020
<b>Total</b>		<b>\$ 182,000</b>	

All projects approved in the financial plan will be procured in accordance with Bylaw No. 510 and the Board approved Procurement Policy.

Any project the Board wishes to receive additional information on prior to the procurement and/or contract award should be highlighted at this time.