

To: CAO for the Electoral Area Services Committee
From: Mike Veenbaas, Director of Financial Services

Date: 2019-02-12
File No: 1720-20

Subject: EA Area Wide Services Proposed Financial Plans for 2019-2023

RECOMMENDATION

THAT the Electoral Area Services Committee direct Staff to include the presented EA Area Wide Services Financial Plans, along with feedback received by EASC, in the 2019-2023 Financial Plan Bylaw that the Regional Board will consider at its March 2019 meeting.

STRATEGIC AREA(S) OF FOCUS

Support Healthy & Sustainable Community
Provide Responsive & Effective Public Services

BACKGROUND

Each year the five year financial plan is reviewed, with the updates presented to the various approval bodies for direction and feedback. Meetings have been held with each Electoral Area Director regarding local area services specific to their electoral area. The next step in the process is the presentation of the draft EA Area Wide Service's financial plans to the Electoral Area Services Committee.

DISCUSSION

Services that are provided across all electoral areas are considered "Area Wide Services". These include:

Electoral Area Administration, Regional Library, EA Utility Management, Emergency Management, Animal Control (Area D, E, G & H only), Building Inspection, Bylaw Enforcement, Planning Services and Soil Deposit & Removal.

Proposed General Tax Increase

The combined tax funded requisition for all the area wide services is \$3.12 million. This covers staffing, consulting & contract services, vehicles, buildings, training, legal, advertising, and more. When putting together the 2019 financial plan proposal, it became evident that the many years of increasing cost for the administrative support function required to support each service was having a negative impact on the service's operations budgets and ability to manage fiscally. This became further exasperated with the introduction of the Employer Health Payroll Tax in 2019, increasing employee benefit costs by an additional 2%. As such, for the first time in many years, Staff are proposing a general 2% increase for all area wide services. These funds will help to ensure the administrative support required of area wide services is adequately funded and able to meet increasing needs and requirements.

Based on the consolidated Area Wide Service's 2018 requisition levels, a 2% increase would equal \$63,300. However, as a result of the implementation of the soil removal fee program, a reduction in that service's tax requisition of \$30,000 is also proposed. This would bring the total proposed increase in requisition to \$33,300 or \$0.68 per \$100,000 of residential assessment.

Emergency Management Specialist

As part of the financial planning process, Staff are proposing a new position to address the workload challenges being faced in Emergency Management. These challenges revolve specifically around fulfilling the FVRD requirements under the Emergency Program Act. As a result of preparing for the upcoming Auditor General for Local Government Emergency Preparedness audit it has become more apparent that the FVRD emergency program is not meeting these requirements. A separate information sheet on the position request is included with this memo. The financial impact of this position is estimated to be \$86,000 which would equal \$1.77 per \$100,000 of residential assessment.

COST

Much of the cost increases associated with delivering the many area wide services are able to be managed within the non-market change assessment growth. However, the items noted above will have a tax increase on residents as follows:

Assessment	Proposed 2% Increase	Soil Removal Reduction	Emergency Mgmt. Position	Total Impact
\$100,000	\$1.37	(\$0.69)	\$1.77	\$2.45
\$300,000	\$4.11	(\$2.07)	\$5.31	\$7.35
\$500,000	\$6.85	(\$3.45)	\$8.85	\$12.25

CONCLUSION

Staff have prepared the proposed 2019-2023 financial plan for EA Area Wide Services. Included in the proposal is a general tax increase of 2% to address increased administrative support expenditures and a request to add a position to the Emergency Management Team to address areas where FVRD is currently not meeting its obligations under the Emergency Program Act.

COMMENTS BY:

Paul Gipps, Chief Administrative Officer: Reviewed and supported