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**REPORT TO PORT RENFREW UTILITY SERVICES COMMITTEE
MEETING OF MONDAY, SEPTEMBER 21, 2015**

SUBJECT 2016 OPERATING AND CAPITAL BUDGETS

ISSUE

This report provides a synopsis of the 2015 budgets, highlighting significant proposed changes. In accordance with Bylaw No. 3281, "Port Renfrew Utility Services Committee Bylaw, 2005", "Upon its establishment, and in November of each year, the Committee shall approve an annual budget for each of the services provided in 12(a) and 12(b) and 12(c) above [sewer, street lighting and water] which shall include estimates for the administrative, development, maintenance, operational and other expenses, including debt charges, and shall submit such expenditure estimates, together with estimates for expected revenue, for the approval of the Regional Board and for inclusion in the Regional Board's provisional and annual budgets." Bylaw 3745, "Port Renfrew Utility Services Committee Bylaw, 2005, Amendment Bylaw No. 2, 2010" provides authority for the provision of solid waste services to the Port Renfrew Sewer Services Committee.

BACKGROUND

PORR RENFREW STREET LIGHTING LOCAL SERVICE

2015 Estimated Actuals Operations versus Budgeted Expense

The estimated actual operating cost is projected to be \$770 under budget as a result of:

- lower than budgeted expenditures for:
 - electricity (\$160)
 - labour charges (\$110)
 - unspent contingency (\$610)
- higher than budgeted expenditures for:
 - other operating expenses (\$110)

The estimated actual revenue is projected to be \$80 higher than budgeted as a result of:

- higher than budget revenue for:
 - penalties and service charges (\$100)
- lower than budgeted revenue for:
 - interest charges (\$20)

This results in a projected year-end surplus of \$850.

2016 Operating Expense

An increase in the 2016 operating expense of \$240 (3.1%) is proposed.
This is primarily a result of:

- Increase of \$220 in electricity charges
- Increase of \$10 to labour consumption
- Reinstatement of the \$100 advertising allocation
- Decrease of \$90 in contingency

It is proposed that the contingency be reduced from the 2015 budget figure of \$610 to \$520 for the 2016 budget. This will assist in keeping total operating costs to a minimum. The contingency is to be used in the event that the operating budget is exceeded, likely due to an unplanned emergency repair event.

Capital/Reserve/Debt

Currently there is no capital plan, reserve or debt for this service area.

2016 Revenue (User Charge and Parcel Tax)

It is proposed that:

- The projected year-end surplus of \$850 be carried forward as revenue in 2016.
- The user charge stay at the same level as 2015 set at \$3,535. Based on a single family equivalent (SFE) increase from 87 to 88 this equates to \$40.17 per SFE a decrease of 1.2%.
- The parcel tax increase from the 2015 level set at \$3,535 to \$3,720; based on 88 taxable folios, and including the 5.25% surveyors tax fee this equates to \$42.28 per folio a decrease of 1.2%.

Forecast 2017-2020

A five-year operating budget forecast is provided for information. Modest increases are expected to address inflation most notably to electricity costs.

PORTRENFREW REFUSE DISPOSAL LOCAL SERVICE

2015 Estimated Actuals Operations versus Budgeted Expense

The estimated actual operating cost is projected to be \$9,800 under budget as a result of lower than budgeted expenditures for “contracts”. In particular the cost of hauling kitchen scraps out of Port Renfrew was significantly less expensive than what was anticipated in the budget.

The estimated actual revenue is projected to be as budgeted.

This results in a projected year-end surplus of \$9,800.

It is proposed that the year-end surplus be carried forward as revenue in 2016.

2016 Operating Expenses

The 2015 budgeted operating expenses included \$10,000 for hauling kitchen scraps. Since this cost is much less expensive than budgeted, it is proposed that 2016 operating expenses be decreased by \$7,540 below 2015 (-9.7%).

This is the result of:

- Increases in :
 - Contract for Services (\$150).
 - Allocations (\$380)
 - Electricity (\$70)
 - Internal Labour Charges (\$10)
 - Other Operating Expenses (\$60)
 - Contingency (\$2,190)

Decreases in:

- Contracts (\$10,400)

2016 Revenue Requirement

It is proposed that budgeted revenue be sufficient to fund operating expenses and transfers to capital reserves. The estimated surplus carried forward from 2015 will allow sufficient funding to be transferred to the capital reserve fund to pay for the new transfer bins. Since operating expenses are budgeted below the 2015 level, the proposed 2016 requisition is \$31,200, which is \$8,750 (-21.9%) below the 2015 amount.

Impact on 2016 Taxes

The recommended 2016 budget would reduce the tax rate to \$0.45/\$1,000 of assessed value, \$0.12/\$1,000 below the 2015 level.

2016 Refuse Disposal Capital Plan

One of the existing refuse transfer bins is showing signs of aging and, subject to an assessment by a qualified professional, it may need to be replaced through a capital purchase in 2016 at an estimated cost of approximately \$20,000.

Forecast 2017-2020

There are no additional capital projects forecasted from 2017 to 2020.

A five-year operating budget forecast is provided for information. Other than inflation, the costs to operate the Port Renfrew Refuse Disposal Service are not forecast to change subject to potential land development projects in the community.

PORT RENFREW WATER LOCAL SERVICE

2015 Estimated Actual Operations versus Budgeted Expense

The estimated actual operating expense is projected to be \$8,120 under budget as a result of:

- Lower than budgeted expenditures for:
 - repairs & maintenance (\$2,230).
 - allocations – Operations (\$4,400)
 - allocations – Other (\$320)
 - supplies – chemicals (\$570)
 - other operating expenses (\$1,550)
- Higher than budgeted expenditures for:
 - internal time charges (\$950).

The estimated actual operating revenue is projected to be \$300 lower than budgeted as a result of:

- Lower than budgeted revenue for:
 - penalties/service charges
 - Interest income

This results in a projected year-end surplus of \$7,820.

It is proposed that the projected year-end surplus be carried forward as revenue in 2016.

2016 Operating Expense

An increase in the 2016 operating expense of \$810 (1%) is proposed.

This is the result of:

- Increases in :
 - Repairs & Maintenance (\$20).
 - Allocations – operations (\$500)
 - Electricity (\$380)
 - Supplies (\$40)
 - Labour charges (\$180)

Decreases in:

- Allocations – other (\$260)
- Other operating expenses (\$50)

2016 Debt/Reserves

2016 Capital Reserve Fund

It is proposed that the transfer to the capital reserve fund be reduced slightly from \$25,520 to \$24,840. The capital reserve fund balance at the end of 2015 is projected to be \$132,380.

MFA Debt

There is no debt servicing cost for the service.

2016 Revenue (User Charge and Parcel Tax)

In order to meet operating expenses it is proposed that:

- The projected year-end surplus of \$7,820 be carried forward as revenue in 2016.
- The user charge increase from \$51,960 to \$52,750; based on 265.33 single family equivalents (SFE) up from 243.33 SFE's in 2015 equates to \$198.81, a 7.5% decrease.
- The parcel tax increase from \$51,960 to \$52,740; based on 187 taxable folios up from 172 in 2015, and including the 5.25% surveyors tax fee equates to \$296.84 per folio a 7.08% decrease.

2016 Water Capital Plan

The following capital work is scheduled for 2016:

Well Pump and Booster Pump Replacement (\$180,000)

Well pump and booster pump replacement to increase the capacity of the water system to facilitate development. Fully funded by contributions from developers.

Forecast 2017-2020

Storage Tank (\$320,000 in 2017)

Additional steel storage tank at existing tank site to increase capacity of the water system to facilitate development. Fully funded by contributions from developers.

SNUGGERY COVE WATER SERVICE

This service was established in 2002 for the sole purpose of servicing debt relating to the expansion of the Port Renfrew water system to the Snuggery Cove area. The debt cost was to be repaid by 43 taxable parcels in the Snuggery Cove area. As a result of recent development, the number of parcels increased to 94 in the 2015 budget year, and is expected to be 94 for 2016. The Snuggery Cove area is included as part of the Port Renfrew Water Service Area for the purpose of operation of the water system and future capital works.

2015 Estimated Actuals Operations versus Budgeted Expense

The estimated actual operating expense is projected to be at budget.

The estimated actual revenue is projected to be \$20 higher than budgeted as a result of:

- interest income.

This results in a projected year end surplus of \$20.

2016 Operating Expense

There is no increase or decrease planned for the 2016 operating budget.

2016 Debt/Capital Reserve

There are no capital reserve funds for this service, and no new debt is planned.

2016 Revenue Impact (Property Value Tax)

The cost of this service is recovered through a property value tax, which averaged \$100.91 per residential folio in 2015, or \$0.54 per \$1,000 of assessed value. For 2016 the tax rate is estimated at \$0.69 per \$1,000 of assessed value a 29% increase over 2015 an average of \$130.35 per residential folio. There are no user charges associated with this service.

Snuggery Cove Water Capital Plan

There is no future capital work planned for this service.

Forecast 2016-2020

A five-year capital and operating budget forecast is provided for information. The Snuggery Cove Water Service will be extinguished when the repayment of the 2004 borrowing for the Port Renfrew water system upgrades and Snuggery extension is complete in 2019.

POR T RENFREW SEWER LOCAL SERVICE

2015 Estimated Actuals Operations versus Budgeted Expense

The estimated actual operating expense is projected to be \$6,170 under budget as a result of:

- Lower than budgeted expenditures for:
 - grit disposal (\$800)
 - supplies (\$380)
 - allocations – other (\$420)
 - unspent contingency (\$6,000)
 - other operating expenses (\$1,180)
 - internal time charges - eng.& admin (\$50)
- Higher than budgeted expenditures for:
 - electricity (\$1,130)
 - allocations - labour charges for operations (\$1,530)

The estimated actual revenue is higher than budget as the result of an \$8,660 recovery from B.C. Hydro that was collected to cover the cost of repair to a sewer line damaged by one of B.C. Hydro contract construction crews.

This results in a projected year-end surplus of \$14,830. It is proposed that \$10,950 of the projected year-end surplus be carried forward as revenue in 2015 and the remaining amount be transferred to Capital Reserve Fund to supplement the \$1,800 planned transfer in 2015.

2016 Operating Expense

A decrease in the 2016 operating expense of \$160 (0.2%) is proposed. This is primarily a result of:

Increases in:

- Electricity (\$1,130)
- Labour charges for operations (\$840)
- Labour charges for engineering and admin (\$70)

Decreases in:

- Grit disposal (\$600)
- Allocations – other (\$1,040)
- Other operating expenses (\$560)

It is proposed that the contingency stay the same as in 2015. The contingency is to be used in the event that the operating budget is exceeded, likely due to a major unplanned emergency repair event.

2016 Debt/Reserves

2016 Capital Reserve Fund:

It is proposed that:

- \$2,120 be transferred to the Capital Reserve Fund in order to prepare for anticipated future capital replacement projects.

The capital reserve fund balance at the end of 2015 is projected to be \$6,911.

2016 Revenue (User Charge and Parcel Tax)

It is proposed that:

- \$10,950 of the projected year-end surplus be carried forward as revenue in 2016.
- the user charge increase from the 2015 level set at \$39,940 to \$42,405; based on 94.77 SFE's this equates to \$447.45 per SFE an increase of 6.15% over 2015.
- The parcel tax increases from the 2015 level set at \$39,945 to \$42,405; based on 88 taxable folios and including the 5.25% surveyors tax fee equates to \$507.17 per folio an increase of 5% over 2015.

Sewer Capital Plan

The following capital work is scheduled for 2016:

Wastewater Treatment Plant Grant Application (\$5,000)

As outlined in the June 22, 2015 staff report, the Port Renfrew Wastewater Treatment Plant (WWTP) is over capacity during wet weather flows and during peak day flows during the summer months. Additionally a CCTV smoke test of the sewer system highlighted sections of pipe that required replacement. The balance of funds in the Port Renfrew Sewer Utility Local Service capital reserves is insufficient to cover the estimated costs for pipe replacement and WWTP upgrades. Additionally funding will be required in order to undertake the works to ensure that the local service maintains regulatory compliance. CRD staff time will be required to prepare and submit an application for a Small Communities Fund grant under the New Building Canada Fund.

Forecast 2017-2020

WWTP Upgrade Detailed Design (\$130,000 2017)

As outlined in the June 22, 2015 staff report, the Port Renfrew WWTP requires upgrades to meet current capacity during wet weather and summer peak day flows. Funding is required to retain a consultant to design WWTP upgrades to the treatment process and electrical system.

Sewer System Repairs (\$100,000 2017)

A smoke test and CCTV inspection of the Port Renfrew sewer system carried out in 2009, identified sections of pipe impacted by root intrusions, broken and cracked pipe and leaking manholes. To reduce the effect of inflow and infiltration on the WWTP capacity during wet weather, funding is required to repair the pipes and manholes.

WWTP Upgrades (\$800,000 2018)

As a continuation of the 2017 capital project, WWTP Upgrade Detailed Design, funding will be required for contracted services to supply and construct the WWTP upgrades, remaining consultant services and staff time for facilitating the project.

RECOMMENDATIONS

That the Port Renfrew Utility Services Committee recommend to the CRD Board that:

1. The 2016 operating and capital budget for the Port Renfrew Street Lighting Local Service be approved as presented;
2. The 2015 actual revenue and expense for the Port Renfrew Street Lighting Local Service be balanced on the 2016 contingency;
3. The 2016 operating and capital budget for the Port Renfrew Refuse Disposal Local Service be approved as presented;
4. The 2015 actual revenue and expense for the Port Renfrew Refuse Disposal Local Service be balanced on the 2014 Transfer to Capital Reserve fund;
5. The 2016 operating and capital budget for the Port Renfrew Water Local Service be approved as presented;
6. The 2015 actual revenue and expense for the Port Renfrew Water Local Service be balanced on the 2016 Transfer to Reserve fund;
7. The 2016 operating and capital budget for the Snuggery Cove Water Local Service be approved as presented;
8. The property value tax be increased to \$130.35 per residential folio for the Snuggery Cove Water Local Service;
9. The 2015 actual revenue and expense for the Snuggery Cove Water Local Service be balanced on the 2016 requisition .

10. The 2016 operating and capital budget for the Port Renfrew Sewer Local Service be approved as presented;
11. The annual user charge for the for the Port Renfrew Sewer Local Service be increased to \$447.45 and parcel tax be increased to \$507.17;
12. The 2015 actual revenue and expense for the Port Renfrew Sewer Local Service be balanced on the 2016 Contingency.

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Concurrence

CAPITAL REGIONAL DISTRICT

2016 Budget

Port Renfrew Water

COMMITTEE REVIEW

| | | | | |
|-----------------|--------------|---------------------------|-------------------|--------------------------------|
| Service: | 2.650 | Port Renfrew Water | Committee: | Electoral Area Services |
|-----------------|--------------|---------------------------|-------------------|--------------------------------|

DEFINITION:

To establish, acquire, operate and maintain a water supply system for the Port Renfrew Water Area. The service is to supply, treat, convey, store and distribute water. Local Service Area Bylaw No.1747 (Nov 8, 1989). Amended Bylaw No. 1960 (Jan. 29, 1992).

PARTICIPATION:

Local Service Area #5, E(762)

MAXIMUM LEVY:

Greater of \$40,000 or \$18.28 / \$1,000 of actual assessed value of land and improvements. To a maximum of \$863,650

COMMISSION:

Port Renfrew Local Service Committee established by Bylaw No. 1770 (November 22, 1989).
Port Renfrew Utility Services Committee (Juan de Fuca EA) established by Bylaw No. 3281 (September 14, 2005).

FUNDING:

Any deficiencies after user charge are to be levied on taxable hospital assessments.

User Charge:

50% of operating cost to be collected by an annual user fee to be charged per single family equivalency actually connected to the system.

Parcel Tax:

50% of operating costs are collected as a parcel tax to be charged to every parcel within the local service area.

Connection Charges:

At cost - Bylaw No. 1803 (amended Bylaw 3892).

RESERVE FUND:

Approved by Bylaw No. 2138 (June 23, 1993); amended to sewer and water reserve fund by Bylaw No. 2577 (December 1997).

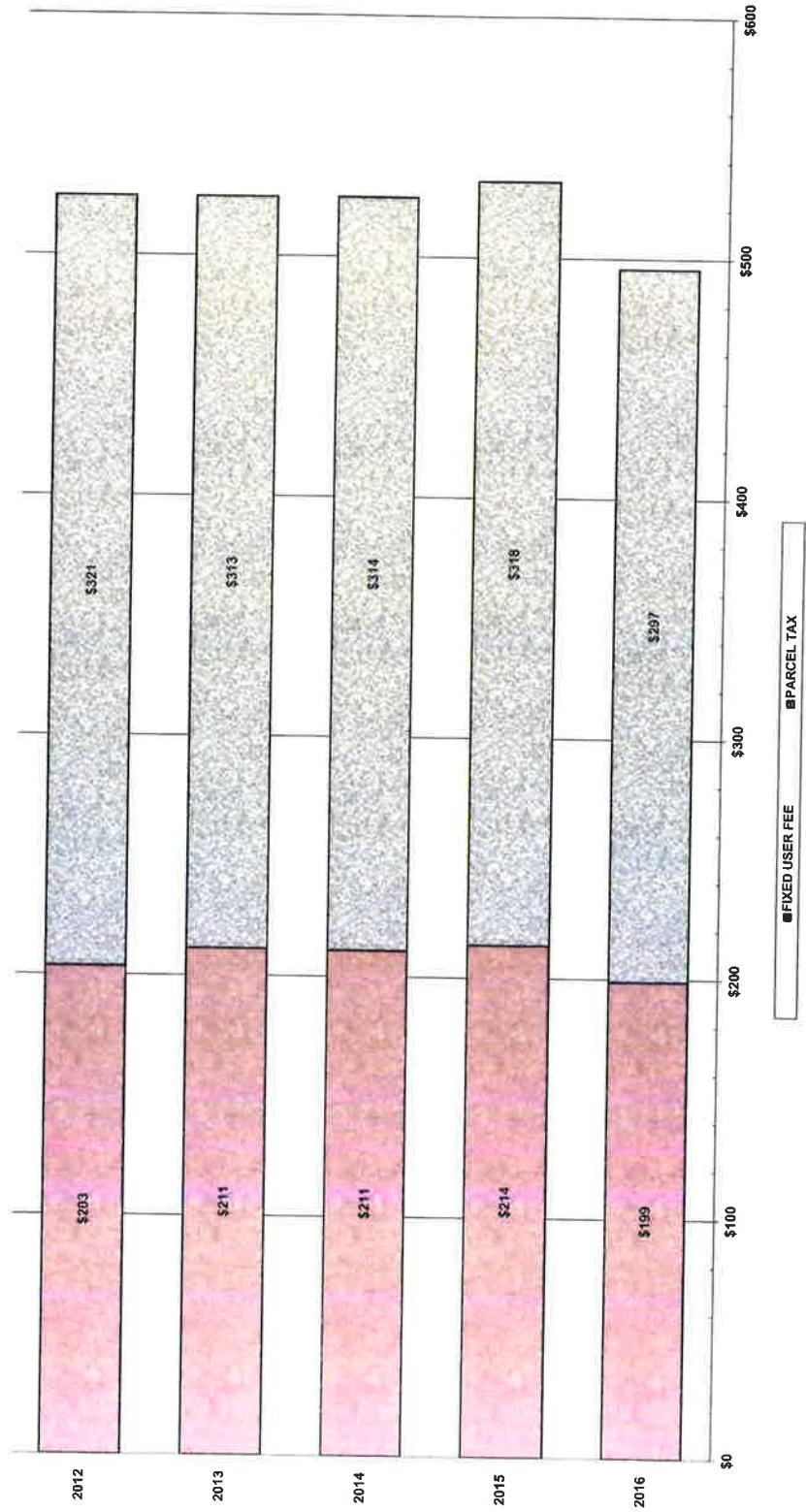
| | | BUDGET REQUEST | | | | FUTURE PROJECTIONS | | | | |
|---|-----------------|----------------------------------|--------------------------------------|-----------------------------|-------------------------------|---------------------------|-----------------|-----------------|-----------------|-------------|
| | | 2015 BOARD BUDGET | 2015 ESTIMATED ACTUAL | 2016 CORE BUDGET | 2016 SUPPLEMENTARY | TOTAL 2016 | 2017 | 2018 | 2019 | 2020 |
| OPERATING COSTS: | | | | | | | | | | |
| Repairs & Maintenance | 5,330 | 3,100 | 5,350 | - | 5,350 | 5,460 | 5,570 | 5,680 | 5,790 | |
| Allocations - Operations | 50,400 | 46,000 | 50,900 | - | 50,900 | 51,920 | 52,980 | 54,020 | 55,100 | |
| Allocations - Other | 8,770 | 8,450 | 8,510 | - | 8,510 | 8,680 | 8,850 | 9,030 | 9,210 | |
| Electricity | 6,400 | 6,400 | 6,780 | - | 6,780 | 6,920 | 7,060 | 7,200 | 7,340 | |
| Supplies | 3,370 | 2,800 | 3,410 | - | 3,410 | 3,480 | 3,550 | 3,620 | 3,690 | |
| Internal Time Charges | 9,050 | 10,000 | 9,230 | - | 9,230 | 9,410 | 9,600 | 9,790 | 9,990 | |
| Other Operating Expenses | 4,890 | 3,340 | 4,840 | - | 4,840 | 4,930 | 5,020 | 5,110 | 5,200 | |
| TOTAL OPERATING COSTS | 88,210 | 80,090 | 89,020 | - | 89,020 | 90,800 | 92,610 | 94,450 | 96,320 | |
| | | | | | | 0.9% | 2.0% | 2.0% | 2.0% | |
| CAPITAL / RESERVE | | | | | | | | | | |
| Transfer to Reserve Fund | 25,520 | 25,520 | 24,840 | - | 24,840 | 17,360 | 17,730 | 18,110 | 18,500 | |
| TOTAL COSTS | 113,730 | 105,610 | 113,860 | - | 113,860 | 108,160 | 110,340 | 112,560 | 114,820 | |
| FUNDING SOURCES (REVENUE) | | | | | | | | | | |
| Estimated balance c/f from 2015 to 2016 | - | 7,820 | (7,820) | - | (7,820) | - | - | - | - | |
| Balance C/F from 2014 to 2015 | (9,210) | (9,210) | - | - | - | - | - | - | - | |
| User Charges | (51,960) | (51,960) | (52,750) | - | (52,750) | (53,900) | (54,880) | (55,980) | (57,100) | |
| Other Revenue | (600) | (300) | (550) | - | (550) | (570) | (590) | (610) | (630) | |
| Grants in Lieu of Taxes | - | - | - | - | - | - | - | - | - | |
| TOTAL REVENUE | (61,770) | (61,470) | (53,300) | - | (53,300) | (54,370) | (55,470) | (56,590) | (57,730) | |
| REQUISITION - PARCEL TAX | (51,960) | (51,960) | (52,740) | - | (52,740) | (53,790) | (54,870) | (55,970) | (57,090) | |
| | | | | | | | | | | |
| *Percentage increase over prior year | | | | | | | | | | |
| User Charges | | | | | | 2.0% | 2.0% | 2.0% | 2.0% | |
| Requisition | | | | | | 2.0% | 2.0% | 2.0% | 2.0% | |
| Combined | | | | | | 1.5% | 1.5% | 1.5% | 1.5% | |

| | | |
|---|--------------|---------------------------|
| Service: | 2.650 | Port Renfrew Water |
| Committee: Electoral Area Services | | |

LEVY STATISTICS

| <u>Year</u> | <u>Taxable Folios</u> | <u>Parcel Tax</u> | <u>SFE's</u> | <u>User Charge</u> | <u>Tax & Charges</u> | <u>Bylaw</u> | <u>Assessments \$[000's]</u> |
|-------------|-----------------------|-------------------|--------------|--------------------|--------------------------|--------------|------------------------------|
| 2011 | 131 | \$340.05 | 223.21 | \$184.19 | \$524.24 | 3799 | 38,329 |
| 2012 | 163 | \$320.86 | 244.33 | \$203.38 | \$524.24 | 3823 | 39,733 |
| 2013 | 172 | \$313.09 | 242.33 | \$211.15 | \$524.24 | 3892 | 28,108 |
| 2014 | 172 | \$313.74 | 243.33 | \$210.71 | \$524.45 | 3924 | 37,379 |
| 2015 | 172 | \$317.95 | 243.33 | \$213.54 | \$531.49 | | 47,246 |
| 2016 Budget | 187 | \$296.84 | 265.33 | \$198.81 | \$495.65 | | |

CAPITAL REGIONAL DISTRICT PORT RENFREW WATER FUNDING ANALYSIS 2012-2016



Actual Costs 2012-2015, Projected 2016
Prepared by CRD Finance
16/09/2015

CAPITAL REGIONAL DISTRICT - SCHEDULE G

CAPITAL BUDGET FORM
2016 & Forecast 2017 to 2020

CAPITAL BUDGET FORM

2016 & Forecast 2017 to 2020

Service #: Service Name:

Port Penfrow Water
2.650

2.650

Port Penfrow Water

Note: ↓ indicates a drop down menu is available for selection - Type Code

(4) *(3)* *(2)* *(1)*

nu is available for selection - Type Code (2); Funding Source

| specific Project Description | Capital Expense | Funding Source |
|------------------------------|-----------------|----------------|
| | | |

| Funding Source (4); Participants (8) | |
|--------------------------------------|---------------------|
| Source (4) ** | Amount Total (5) |
| Capital | Funding |
| Expense | |

| Grant Program Sponsor (6) | Loan Authorization # (7) | Participants (8) | % |
|---------------------------------|--------------------------------|---------------------|---|
|---------------------------------|--------------------------------|---------------------|---|

*** Please insert more lines here (above this line) if required. *

Type Codes (2)*

| | |
|------------------------------------|----------------|
| Funding Source Codes (4) ** | 500,000 |
| D = Debenture Debt (new debt on | |
| E = Equipment Replacement Fund | |
| G = Grants (Federal, Provincial) | |
| O = Donations / Third Party Fundin | |

C = Capital Funds on Hand
R = Reserve Fund
S = Short Term Loans
L = Lands Sales

| | |
|------------------------------------|--------------------|
| Service: 2.650 | Port Renfrew Water |
| Committee: Electoral Area Services | |

#1 Well Pump and Booster Pump Replacement (\$180,000 in 2016)

Well pump and booster pump replacement to increase capacity of water system to facilitate development. Fully funded by contributions from developers.

#2 Storage Tank (\$320,000 in 2017)

Additional steel storage tank at existing tank site to increase capacity of water system to facilitate development. Fully funded by contributions from developers.

Reserve Schedule

Reserve Fund: 2,650 Port Renfrew Water Capital Reserve Fund (Bylaw No.: 2577)

Reserve Cash Flow

Fund: 1026 Fund Center: 101370

| | Budget | | | | |
|--|---------|---------|---------|---------|---------|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| Beginning Balance | 104,359 | 132,380 | 157,220 | 174,580 | 192,310 |
| Transfer to Cap Fund (Based on Capital Plan) | | | | | 210,420 |
| Transfer from Operating Budget | 25,520 | 24,840 | 17,360 | 17,730 | 18,110 |
| Transfer from Cap Fund | | 1,301 | | | 18,500 |
| Interest Income* | | 1,200 | | | - |
| Ending Balance \$ | | 132,380 | 157,220 | 174,580 | 192,310 |
| | | | | | 210,420 |
| | | | | | 228,920 |

Assumptions/Background:

Transfer as much as operating budget will allow

* Interest should be included in determining the estimated ending balance for the current year. Interest in planning years nets against inflation which is not included.

CAPITAL REGIONAL DISTRICT

2016 Budget

Pt. Renfrew Snuggerly Cove Water

COMMITTEE REVIEW

Compiled and Presented by CRD Finance

Sep 2015

| | | | | |
|-----------------|--------------|---------------------------------------|-------------------|--------------------------------|
| Service: | 2.655 | Pt. Renfrew Snugger Cove Water | Committee: | Electoral Area Services |
|-----------------|--------------|---------------------------------------|-------------------|--------------------------------|

DEFINITION:

Waterworks system that is an expansion to the Port Renfrew water distribution system. Local Service Bylaw No. 3004 (October 9, 2002).

PARTICIPATION:

Local Service Area SVRA #44, W(762) of the Electoral Area of Sooke.

MAXIMUM LEVY:

Greater of \$40,000 or \$8.12 / \$1,000 on actual assessments for land and improvements, to a maximum of \$220,279

MAXIMUM CAPITAL DEBT:

| | | |
|-------------|---------------------------------------|-------------------|
| AUTHORIZED: | LA Bylaw No. 2996 (October 9, 2002) | 325,000 |
| BORROWED: | SI Bylaw No. 3154 (February 11, 2004) | (325,000) |
| REMAINING: | | <u><u>\$0</u></u> |

COMMISSION:

Port Renfrew Local Services Committee established by Bylaw No. 3083

Port Renfrew Utility Services Committee (Juan de Fuca EA) established by Bylaw No. 3281 (September 14, 2005).

FUNDING:

Requisition of money under Section 806 of the Local Government Act to be collected by a property value tax to be collected on land and improvements within the service area.

Service: 2.655 Port Renfrew Snugger Cove Water

Committee: Electoral Area Services

| <u>Year</u> | <u>Folios</u> | <u>Maximum Levy</u> | <u>Actual Levy</u> | <u>Assessments (\$000's)</u> | <u>Converted</u> | <u>Actual</u> | <u>Tax Rate/\$1,000</u> |
|-------------|---------------|---------------------|--------------------|------------------------------|------------------|---------------|-------------------------|
| 2011 | 43 | 123,373 | 31,972 | 2,307 | 15,194 | \$1.39 | |
| 2012 | 84 | 146,791 | 31,785 | 2,563 | 18,078 | \$1.24 | |
| 2013 | 92 | 146,231 | 31,801 | 2,505 | 18,009 | \$1.27 | |
| 2014 | 94 | 148,767 | 31,670 | 2,505 | 18,321 | \$1.26 | |
| 2015 | 94 | 220,279 | 18,370 | 3,415 | 27,128 | \$0.54 | |
| 2016 Budget | 94 | 220,279 | 23,730 | 3,415 | 27,128 | \$0.69 | |

CAPITAL REGIONAL DISTRICT

2016 Budget

Port Renfrew Sewer

COMMITTEE REVIEW

Compiled and Presented by CRD Finance
Data provided by Integrated Water Services

Sep 2015

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| | | | | | |
|------------------------------|-----------------|--------------|---|-------------------|--------------------------------|
| | Service: | 3.850 | Port Renfrew Sewer | Committee: | Electoral Area Services |
| DEFINITION: | | | | | |
| | | | To provide, operate and maintain sewage collection and disposal facilities for the Port Renfrew Sewerage System Specified Area - Bylaw No.1744, November 8, 1989. Amended Bylaw No. 1961, January 29, 1992. | | |
| PARTICIPATION: | | | | | |
| | | | Local Service Area C(762) LSA#2. | | |
| MAXIMUM LEVY: | | | | | |
| | | | Greater of \$40,000 or \$18.28 / \$1,000 to a maximum of \$365,600 on actual assessed value of land and improvements. | | |
| MAXIMUM CAPITAL DEBT: | | | | | |
| | | | Nil | | |
| COMMISSION: | | | | | |
| | | | Port Renfrew Local Services Committee established by Bylaw No. 1770, November 22, 1989, Port Renfrew Utility Services Committee (Juan de Fuca EA) established by Bylaw No. 3281 (September 14, 2005). | | |
| FUNDING: | | | | | |
| | | | Any deficiencies after user charge to be levied on taxable hospital assessments. | | |
| User Charge: | | | 50% of operating cost to be imposed as an annual user fee to each connected property. | | |
| Parcel Tax: | | | 50% of operating costs are collected as a parcel tax to be charged to every parcel within the local service area. | | |
| Connection Charge: | | | Based on actual cost. | | |
| RESERVE FUND: | | | | | |
| | | | Port Renfrew Sewer System Capital Reserve Fund, Bylaw No. 2139 (June 23, 1993). | | |

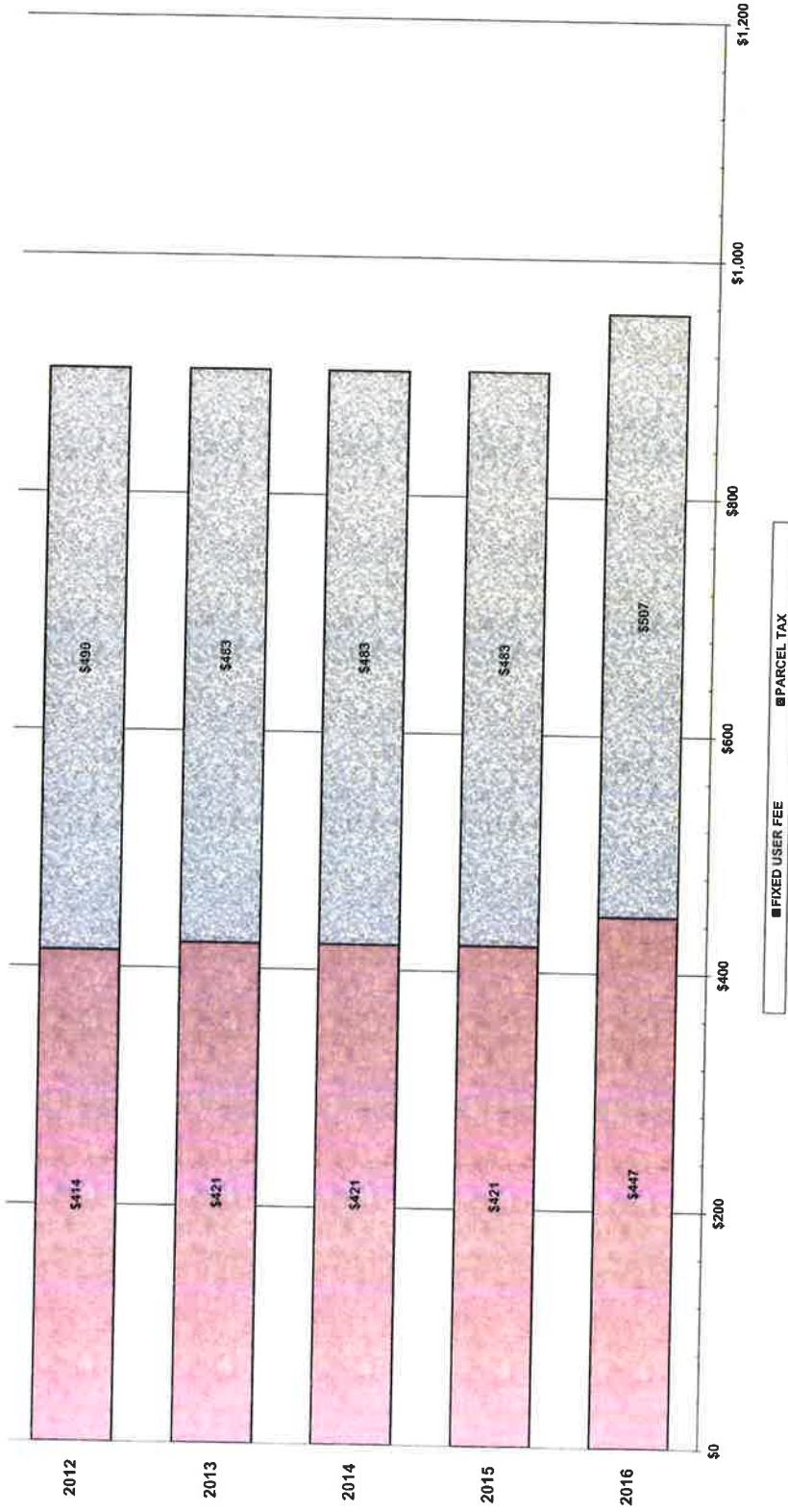
| | | BUDGET REQUEST | | | | FUTURE PROJECTIONS | | | | |
|--|-----------------|--------------------------|------------------------------|-------------------------|---------------------------|---------------------------|-----------------|------------------|------------------|-------------|
| | | 2015 BOARD BUDGET | 2015 ESTIMATED ACTUAL | 2016 CORE BUDGET | 2016 SUPPLEMENTARY | TOTAL 2016 | 2017 | 2018 | 2019 | 2020 |
| PORT RENFREW SEWER OPERATING COSTS: | | | | | | | | | | |
| Grit Disposal | 5,800 | 5,000 | 5,200 | - | 5,200 | 5,300 | 5,410 | 5,520 | 5,630 | |
| Electricity | 4,570 | 5,700 | 5,700 | - | 5,700 | 5,810 | 5,930 | 6,050 | 6,170 | |
| Supplies | 1,380 | 1,000 | 1,380 | - | 1,380 | 1,410 | 1,440 | 1,470 | 1,500 | |
| Allocations - Operations | 43,120 | 44,650 | 43,960 | - | 43,960 | 44,840 | 45,730 | 46,640 | 47,570 | |
| Allocations - Other | 7,530 | 7,110 | 6,490 | - | 6,490 | 6,610 | 6,750 | 6,890 | 7,030 | |
| Internal Time Charges | 16,550 | 16,500 | 16,620 | - | 16,620 | 11,290 | 11,510 | 11,750 | 11,987 | |
| Contingency | 6,000 | - | 6,000 | - | 6,000 | 6,120 | 6,240 | 6,360 | 6,490 | |
| Other Operating Expenses | 5,050 | 3,870 | 4,490 | - | 4,490 | 4,560 | 4,630 | 4,710 | 4,790 | |
| TOTAL OPERATING COSTS | 90,000 | 83,830 | 89,840 | - | 89,840 | 85,940 | 87,840 | 89,390 | 91,167 | |
| *Percentage Increase over prior year | | | | | | | | | | |
| CAPITAL / RESERVE / DEBT | | | | | | -0.2% | -4.3% | 2.0% | 2.0% | |
| Transfer to Capital Reserve | 1,800 | 5,680 | 2,120 | - | 2,120 | 5,480 | 5,730 | 6,070 | 6,530 | |
| MFA Debt Reserve Fund | - | - | 2,300 | - | 2,300 | 8,000 | - | - | - | |
| MFA Debt Principal | - | - | - | - | - | 18,170 | 51,500 | 51,500 | 51,500 | |
| MFA Debt Interest | - | - | 1,920 | - | 1,920 | 11,920 | 53,380 | 53,380 | 53,380 | |
| TOTAL CAPITAL / RESERVES | 1,800 | 5,680 | 6,340 | - | 6,340 | 43,570 | 110,610 | 110,950 | 111,410 | |
| TOTAL COSTS | 91,800 | 89,510 | 96,180 | - | 96,180 | 129,510 | 198,250 | 200,340 | 202,577 | |
| FUNDING SOURCES (REVENUE) | | | | | | | | | | |
| Estimated balance c/f from 2015 to 2016 | - | 10,950 | (10,950) | - | (10,950) | - | - | - | - | |
| Balance C/F from 2014 to 2015 | (11,490) | (11,490) | - | - | - | - | - | - | - | |
| User Charges | (39,940) | (39,940) | (42,405) | - | (42,405) | (64,540) | (98,905) | (99,945) | (101,058) | |
| Other Revenue | (400) | (9,060) | (400) | (20) | (400) | (410) | (420) | (430) | (440) | |
| Grants in Lieu of Taxes | (20) | (20) | (20) | - | (20) | (20) | (20) | (20) | (20) | |
| TOTAL REVENUE | (51,850) | (60,510) | (42,825) | - | (42,825) | (64,970) | (99,345) | (100,395) | (101,518) | |
| REQUISITION - PARCEL TAX | (39,950) | (39,950) | (42,405) | - | (42,405) | (64,540) | (98,905) | (99,945) | (101,059) | |
| *Percentage increase over prior year requisition | | | | | | | | | | |
| | | | | | | 6.1% | 52.2% | 53.2% | 1.1% | |
| | | | | | | | | | 1.1% | |

| | | |
|---|--------------|---------------------------|
| Service: | 3.850 | Port Renfrew Sewer |
| Committee: Electoral Area Services | | |

LEVY STATISTICS

| <u>Year</u> | <u>Taxable Folio's</u> | <u>Parcel Tax</u> | <u>SFE's</u> | <u>User Charge</u> | <u>Tax & Charges</u> | <u>Bylaw</u> | <u>Assessments \$(000's)</u> |
|-------------|----------------------------|-------------------|--------------|--------------------|------------------------------|--------------|----------------------------------|
| 2011 | 86 | \$434.40 | 94.39 | \$362.75 | \$797.15 | 3799 | 22,998 |
| 2012 | 86 | \$490.15 | 96.77 | \$413.88 | \$904.03 | 3823 | 21,516 |
| 2013 | 87 | \$482.87 | 94.77 | \$421.17 | \$904.04 | 3892 | 19,973 |
| 2014 | 87 | \$482.87 | 94.77 | \$421.18 | \$904.05 | 3924 | 18,950 |
| 2015 | 87 | \$483.24 | 94.77 | \$421.49 | \$904.73 | | 20,000 |
| 2016 Budget | 88 | \$507.17 | 94.77 | \$447.45 | \$954.63 | | 20,000 |

CAPITAL REGIONAL DISTRICT PORT RENFREW SEWER FUNDING ANALYSIS 2012-2016



Actual Costs 2012-2015, Projected 2016
Prepared by CRD Finance
16/09/2015

| Service: 2.850 Port Renfrew Sewer | | Committee: Electoral Area Services |
|--|---|---|
| #1 | WWTP Grant Application (2016) | \$5,000 |
| | As outlined in the June 22, 2015 staff report, the Port Renfrew WWTP is over capacity during wet weather flows and during peak day flows during the summer months. Additionally, a CCTV and smoke test of the sewer system highlighted sections of pipe that required replacement. The balance of funds in the Port Renfrew Sewer Utility Local Service capital reserves is insufficient to cover the estimated costs for pipe replacement and WWTP upgrades. Additional funding will be required in order to undertake the works to ensure that the local service maintains regulatory compliance. CRD staff time will be required to prepare and submit an application for a Small Communities Fund grant under the New Building Canada Fund. | |
| #2 | WWTP Upgrade Detailed Design (2017) | \$130,000 |
| | As outlined in the June 22, 2015 staff report, the Port Renfrew WWTP requires upgrades to meet current capacity during wet weather and summer peak day flows. Funding is required to retain a consultant to design WWTP upgrades to the treatment process and electrical system. | |
| #3 | Sewer System Repairs (2017) | \$100,000 |
| | A smoke test and CCTV inspection of the Port Renfrew sewer system, carried out in 2009, identified sections of pipe impacted by root intrusions, broken and cracked pipe and leaking manholes. To reduce the effect of inflow and infiltration on the WWTP capacity during wet weather, funding is required to repair the pipes and manholes. | |
| #4 | WWTP Upgrades (2018) | \$800,000 |
| | As a continuation of the 2017 capital project, WWTP Upgrade Detailed Design, funding will be required for contracted services to supply and construct the WWTP upgrades, remaining consultant services and staff time for facilitating the project. | |

| Reserve Schedule | |
|---|--|
| Reserve Fund: 3,850 Port Renfrew Sewer Capital Reserve Fund (Bylaw No.: 2139) | |

| Reserve Cash Flow | |
|-----------------------------|--|
| Reserve Fund Center: 101459 | |

| | Estimate | Budget | | | |
|--|--------------|--------------|--------------|---------------|---------------|
| | | 2015 | 2016 | 2017 | 2018 |
| Beginning Balance | 14,661 | 6,911 | 4,031 | 9,511 | 15,241 |
| Transfer to Cap Fund (Based on Capital Plan) | (13,500) | (5,000) | - | - | - |
| Transfer from Operating Budget | 5,680 | 2,120 | 5,480 | 5,730 | 6,070 |
| Interest Income* | 70 | - | - | - | - |
| Ending Balance \$ | 6,911 | 4,031 | 9,511 | 15,241 | 21,311 |
| Assumptions/Background: | | | | | 27,841 |

Transfer as much as operating budget will allow.

CAPITAL REGIONAL DISTRICT

2016 Budget

Port Renfrew Street Lighting

COMMITTEE REVIEW

Compiled and Presented by CRD Finance

October 2015

| | |
|--|---|
| Service: 1.232 Port Renfrew Street Lighting | Committee: Electoral Area Services |
| DEFINITION: | <p>To provide, operate and maintain street lighting for the Port Renfrew Street Lighting Local Service Area. Bylaw No. 1746, November 8, 1989; Bylaw No. 1986, January 29, 1992.</p> |
| PARTICIPATION: | <p>Port Renfrew Local Service Area # 4, D-762.</p> |
| MAXIMUM LEVY: | <p>The greater of \$7,500 or the amount that could be raised by a property value tax rate of \$3.42 / \$1,000 when applied to the net taxable value of land and improvements to a maximum of \$68,400</p> |
| MAXIMUM CAPITAL DEBT: | <p>N/A</p> |
| COMMISSION: | <p>Port Renfrew Street Lighting Commission established by Bylaw No. 1770. Port Renfrew Utility Services Committee (Juan de Fuca EA) established by Bylaw No. 3281 (September 14, 2005).</p> |
| USER CHARGE: | <p>50% of operating cost to be imposed as an annual user fee to each connected property.</p> |
| PARCEL TAX: | <p>50% of operating costs are collected as a parcel tax to be charged to every parcel within the Local Service Area.</p> |

| | | BUDGET REQUEST | | | | | FUTURE PROJECTIONS | | | | |
|---|--|----------------------------------|--------------------------------------|-----------------------------|-------------------------------|-------------------|---------------------------|----------------|----------------|----------------|------|
| | | 2015 BOARD BUDGET | 2015 ESTIMATED ACTUAL | 2016 CORE BUDGET | 2016 SUPPLEMENTARY | TOTAL 2016 | 2017 | 2018 | 2019 | 2020 | |
| OPERATING COSTS: | | | | | | | | | | | |
| Electricity | | 6,260 | 6,100 | 6,480 | - | 6,480 | 6,740 | 6,980 | 7,180 | 7,400 | |
| Allocations | | 390 | 390 | 390 | - | 390 | 400 | 410 | 420 | 430 | |
| Internal Labour Charges | | 460 | 350 | 470 | - | 470 | 480 | 490 | 500 | 510 | |
| Contingency | | 610 | - | 520 | - | 520 | - | - | - | - | |
| Other Operating Expenses | | - | 110 | 100 | - | 100 | 100 | 100 | 100 | 100 | |
| TOTAL COSTS | | 7,720 | 6,950 | 7,960 | - | 7,960 | 7,720 | 7,980 | 8,200 | 8,440 | |
| *Percentage Increase over prior year | | | | | | | | | | | |
| FUNDING SOURCES (REVENUE) | | | | | | | | | | | |
| Estimated balance c/f from 2015 to 2016 | | - | 850 | (850) | - | (850) | - | - | - | - | |
| Balance C/F from 2014 to 2015 | | (610) | (610) | - | - | - | - | - | - | - | |
| User Charges | | (3,535) | (3,535) | (3,535) | - | (3,535) | (3,840) | (3,970) | (4,080) | (4,200) | |
| Revenue - Other | | (40) | (40) | (40) | - | (40) | (40) | (40) | (40) | (40) | |
| Grants in Lieu of Taxes | | - | - | - | - | - | - | - | - | - | |
| TOTAL REVENUE | | (4,185) | (4,265) | (3,575) | - | (3,575) | (3,880) | (4,010) | (4,120) | (4,240) | |
| REQUISITION - PARCEL TAX | | (3,535) | (3,535) | (3,535) | - | (3,535) | (3,840) | (3,970) | (4,080) | (4,200) | |
| *Percentage Increase over prior year | | | | | | | | | | | |
| User Charges | | | | | | | 0.0% | 8.6% | 3.4% | 2.8% | 2.9% |
| Requisition | | | | | | | 0.0% | 8.6% | 3.4% | 2.8% | 2.9% |
| Combined | | | | | | | 0.0% | 8.6% | 3.4% | 2.8% | 2.9% |

| Service: 1.232 Port Renfrew Street Lighting | | Levy Statistics | | |
|---|-----------------------|-------------------|--------------|--------------------|
| <u>Year</u> | <u>Taxable Folios</u> | <u>Parcel Tax</u> | <u>SFE's</u> | <u>User Charge</u> |
| 2011 | 86 | \$31.34 | 86 | \$24.00 |
| 2012 | 86 | \$41.24 | 86 | \$39.19 |
| 2013 | 87 | \$35.14 | 87 | \$33.38 |
| 2014 | 87 | \$35.98 | 87 | \$34.18 |
| 2015 | 87 | \$42.77 | 87 | \$40.63 |
| 2016 Budget | 88 | \$42.28 | 88 | \$40.17 |
| | | | | 37,379 |

| <u>Year</u> | <u>Taxable Folios</u> | <u>Parcel Tax</u> | <u>SFE's</u> | <u>User Charge</u> | <u>Assessments \$(000's)</u> |
|-------------|-----------------------|-------------------|--------------|--------------------|----------------------------------|
| 2011 | 86 | \$31.34 | 86 | \$24.00 | 19,973 |
| 2012 | 86 | \$41.24 | 86 | \$39.19 | 19,973 |
| 2013 | 87 | \$35.14 | 87 | \$33.38 | 19,973 |
| 2014 | 87 | \$35.98 | 87 | \$34.18 | 18,950 |
| 2015 | 87 | \$42.77 | 87 | \$40.63 | 20,000 |
| 2016 Budget | 88 | \$42.28 | 88 | \$40.17 | 37,379 |

CAPITAL REGIONAL DISTRICT

2016 Budget

Port Renfrew Refuse Disposal

Committee Review

Compiled and Presented by CRD Finance

October 2015

| | |
|---|--|
| Service: 1.523 Port Renfrew Refuse Disposal | Committee: Electoral Area Services |
| DEFINITION: | To provide, maintain, operate and regulate disposal facilities. Local Service Bylaw No. 1745 (November 8, 1989), latest amendment 3357 (February 19, 2007). |
| SERVICE DESCRIPTION: | Provision of recycling and solid waste transfer station operations in Port Renfrew. |
| PARTICIPATION: | Local Service Area #3 of the Electoral Area of Sooke B(762) |
| MAXIMUM LEVY: | Greater of \$45,000 or \$15.18 / \$1,000 to a maximum of \$912,170 on actual assessments for land and improvements. |
| MAXIMUM CAPITAL DEBT: | N/A |
| COMMISSION: | Bylaw No. 3280, continues Port Renfrew Local Services Committee (September 14, 2005). Bylaw No. 3707, discontinues Local Services Committee (June 9, 2010). Bylaw No. 3745, continues under Port Renfrew Utility Committee (December 8, 2010). |
| RESERVE FUND: | Bylaw No. 2665 - Port Renfrew Solid Waste Removal and Disposal Capital Reserve Fund. |

| BUDGET REQUEST | | | | | | FUTURE PROJECTIONS | | | |
|---|-------------------------|---------------------|---------------------|---------------|-----------------|--|-----------------|-----------------|-----------------|
| | 2015 BOARD BUDGET | ESTIMATED ACTUAL | 2016 CORE BUDGET | SUPPLEMENTARY | TOTAL 2016 | 2017 | 2018 | 2019 | 2020 |
| PORTRENFREW REFUSE DISPOSAL | | | | | | | | | |
| OPERATING COSTS: | | | | | | | | | |
| Contract for Services | 19,250 | 19,400 | - | 19,400 | 19,550 | 19,700 | 19,850 | 20,000 | 20,000 |
| Contracts | 51,200 | 41,400 | 40,800 | 40,800 | 40,800 | 40,800 | 40,800 | 40,800 | 40,800 |
| Allocations | 2,380 | 2,380 | 2,760 | 2,760 | 2,840 | 2,840 | 2,840 | 2,840 | 2,840 |
| Electricity | 1,120 | 1,120 | 1,190 | 1,190 | 1,190 | 1,190 | 1,190 | 1,190 | 1,190 |
| Internal Labour Charges | 550 | 550 | 560 | 560 | 570 | 580 | 590 | 610 | 610 |
| Other Operating Expenses | 2,860 | 2,860 | 2,920 | 2,920 | 2,930 | 2,920 | 2,930 | 2,930 | 2,930 |
| Contingency | - | - | 2,190 | 2,190 | 2,230 | 2,280 | 2,330 | 2,380 | 2,380 |
| TOTAL OPERATING COSTS | 77,360 | 67,560 | 69,820 | - | 69,820 | 70,110 | 70,310 | 70,530 | 70,750 |
| | | | | | | -9.7% | 0.4% | 0.3% | 0.3% |
| CAPITAL / RESERVE | | | | | | | | | |
| Transfer to Equipment Replacement Fund | 1,020 | 1,020 | - | 1,020 | 1,020 | 1,030 | 1,040 | 1,060 | 1,080 |
| Transfer to Capital Reserve Fund | 9,270 | 9,270 | 19,390 | - | 19,390 | 9,600 | 9,610 | 9,620 | 9,620 |
| TOTAL CAPITAL / RESERVES | 10,290 | 10,290 | 20,410 | - | 20,410 | 10,620 | 10,640 | 10,660 | 10,700 |
| TOTAL COSTS | 87,650 | 77,580 | 90,230 | - | 90,230 | 80,730 | 80,950 | 81,190 | 81,450 |
| Internal Recovery | (15,000) | (15,000) | - | (15,000) | (15,000) | (15,000) | (15,000) | (15,000) | (15,000) |
| NET COSTS | 72,650 | 62,850 | 75,230 | - | 75,230 | 65,730 | 65,950 | 66,190 | 66,450 |
| FUNDING SOURCES (REVENUE) | | | | | | | | | |
| Estimated balance c/f from 2015 to 2016 | - | 9,800 | (9,800) | - | (9,800) | - | - | - | - |
| Sale - Recyclables | (2,550) | (2,550) | (2,550) | - | (2,550) | (2,600) | (2,650) | (2,700) | (2,750) |
| Recovery Cost | (29,670) | (29,670) | (31,200) | - | (31,200) | (31,320) | (31,400) | (31,490) | (31,580) |
| Other Revenue | (50) | (50) | (50) | - | (50) | (50) | (50) | (50) | (50) |
| Grants in Lieu of Taxes | (430) | (430) | (430) | - | (430) | (440) | (450) | (460) | (470) |
| TOTAL REVENUE | (32,700) | (32,700) | (34,230) | - | (34,230) | (34,410) | (34,550) | (34,700) | (34,860) |
| REQUISITION | (39,950) | (39,950) | (31,200) | - | (31,200) | (31,320) | (31,400) | (31,490) | (31,590) |
| | | | | | | -21.9% | 0.4% | 0.3% | 0.3% |
| | | | | | | *Percentage increase over prior year requisition | | | |

Service: 1.523

Port Renfrew Refuse Disposal

Committee: Electoral Area Services

LEVY STATISTICS

| <u>Year</u> | <u>Folios</u> | <u>Maximum Levy</u> | <u>Actual Levy</u> | <u>Assessments (\$000's)</u> | <u>Converted</u> | <u>Actual</u> | <u>Tax Rate/\$1,000</u> | <u>Cost per Avg Household</u> |
|-------------|---------------|---------------------|--------------------|------------------------------|------------------|---------------|-------------------------|-------------------------------|
| 2010 | 202 | 762,223 | 27,604 | 6,104 | 50,212 | \$0.45 | | |
| 2011 | 203 | 787,154 | 29,973 | 6,232 | 51,855 | \$0.48 | | |
| 2012 | 265 | 829,188 | 29,973 | 6,465 | 54,624 | \$0.46 | \$96.88 | |
| 2013 | 277 | 782,197 | 29,973 | 6,104 | 51,528 | \$0.49 | | \$92.21 |
| 2014 | 277 | 752,602 | 29,973 | 5,868 | 49,579 | \$0.51 | \$91.92 | |
| 2015 | 277 | 912,170 | 39,950 | 6,981 | 60,090 | \$0.57 | \$108.20 | |