



REQUEST FOR DECISION

To: Board of Directors, CCRD
CC: Curtis Slingerland, CAO
From: Yene Byun, Chief Financial Officer
Meeting Date: March 21, 2022
Subject: Revised Tax Requisition for 2022

Recommendation

THAT the Board of Directors of the Central Coast Regional District approve the proposed tax requisition for 2022 to remove the qualification from the 2021 auditors' report and balance the 2022 budget.

Issue/Background Summary:

The Regional District has had a qualified audit for the last couple of years as KPMG determined that the completeness, accuracy, and valuation of our estimate of the landfill closure and post closure liability were not susceptible to satisfactory audit verification. Administration put significant effort into removing the qualification from the auditors' report in our audited financial statement.

Morrison Hershfield was hired to complete the life span analysis and closure cost estimate work. The engineer presented the landfill liability estimate to the Board in February 25, 2021 board meeting.

KPMG audited the liability estimate based on Morrison Hershfield assessments during the audit of the fiscal year 2021 and determined our liability estimates and assumptions were sufficient. KPMG informed us that \$1,943,581 liability costs must be recorded in the 2021 financial statement in order to remove the qualification from the 2021 auditors' report.

As a result, a \$1,637,339 deficit will be recorded in the 2021 financial statements, which will need to be paid off when the landfill is retired. Additionally, the Regional District was notified on March 17, 2022 by KPMG that an additional \$46,241 was required in Solid Waste Management annual operating budget to meet the retirement obligations.

Administration has reconsidered all the revenues and expenditures in the service in an effort to balance the 2022 budget. \$28,151 was identified to be cut from the budget. Without an additional \$18,090 revenue source, the operating solid waste management budget will not balance.

Therefore, the administration is proposing the following amendment to the allocation of the tax requisition for the Board's consideration so that the budget is balanced and the overall tax requisition increase of 5.5 % stays unchanged.

		Revised 2022	Proposed 2022	Variance	Comments
1	General Operations Amin	\$ 162,000	\$ 162,000	\$ -	
2	Airport - Bella Coola	\$ -	\$ -	\$ -	
3	Airport - Denny Island	\$ 6,973	\$ 6,973	\$ -	
4	Economic Development	\$ 21,061	\$ 21,061	\$ -	
5	Emergency Management	\$ 71,400	\$ 71,400	\$ -	
6	Feasibility Studies	\$ -	\$ 4,000	\$ (4,000)	\$18,000 is still available for feasibility studies.
7	Fire Protection-Bella Coola townsite	\$ 35,760	\$ 35,760	\$ -	
8	Fire Protection - Hagensborg	\$ 87,794	\$ 87,794	\$ -	
9	Grant-in-Aid	\$ 25,369	\$ 25,369	\$ -	
10	House Numbering- Bella Coola	\$ -	\$ 4,000	\$ (4,000)	Community Safety Coordinator can undertake mapping with house numbers for emergency responders to offset costs.
11	Land Use Planning	\$ 54,459	\$ 64,459	\$ (10,000)	Estimated budget surplus at then end of 2022 was reduced.
12	Parks & Recreation - Bella Coola	\$ 32,329	\$ 32,329	\$ -	
13	Recreation - Denny Island	\$ -	\$ -	\$ -	
14	Solid Waste Management	\$ 153,546	\$ 135,456	\$ 18,090	
15	Street Lights-Townsite Bella Coola	\$ 13,000	\$ 13,000	\$ -	
16	Street Lights - BC Valley	\$ 10,917	\$ 10,917	\$ -	
17	Swimming Pool	\$ 168,000	\$ 168,000	\$ -	
18	Vancouver Is. Regional Library	\$ 69,988	\$ 69,988	\$ -	
19	Waterworks - Denny Island	\$ -	\$ -	\$ -	
20	Waterworks - Bella Coola	\$ -	\$ -	\$ -	
21	Waterworks - Hagensborg	\$ -	\$ -	\$ -	
	Total	\$ 912,596	\$ 912,506	\$ 90	

Policy, Bylaw or Legislation

- PS 3270 – Solid Waste Landfill Closure and Post Closure Liability
- The Waste Management Act of BC
- The *Local Government Act* requires that the Five-Year Financial Plan be adopted by March 31st each year.

Financial/Budgetary Implications

Due to the late notification from KPMG and the March 31, 2022 budget adoption deadline, a full reworking of the budget is not feasible.

The Solid Waste Service is nearly at the maximum requisition and will begin to run into significant budgetary challenges over the next few years. Solutions will need to be identified within the next 12 months to avoid cost mitigating activities such as reducing service levels (days open). Staff are

currently working on a report on the longer viability of the service that is expected to be presented to the Board in the summer.

Options to Consider

1. Approve the recommendation.
2. Do not approve the recommendation.

Submitted by: 
Yene Byun, Chief Financial Officer

Approved by: 
Curtis Slingerland, Chief Administrative Officer