
TO: Regional District of Nanaimo Board **MEETING:** December 4, 2018

FROM: Laina Fearn **FILE:** 1840-04
Accountant

SUBJECT: Solid Waste Recycling and Collection Service Reserve Fund Establishment Bylaw No. 1778; and Hazardous Properties Service Reserve Fund Establishment Bylaw No. 1779

RECOMMENDATIONS

1. That "Solid Waste Recycling and Collection Service Reserve Fund Establishment Bylaw No. 1778, 2018" be introduced and read three times.
2. That "Solid Waste Recycling and Collection Service Reserve Fund Establishment Bylaw No. 1778, 2018" be adopted.
3. That "Hazardous Properties Service Reserve Fund Establishment Bylaw No. 1779, 2018" be introduced and read three times.
4. That "Hazardous Properties Service Reserve Fund Establishment Bylaw No. 1779, 2018" be adopted.

SUMMARY

Establishment of a reserve fund must be authorized by bylaw. Adoption of bylaws 1778 and 1779 will complete the statutory requirement and will ensure that proper approvals are in place for reserve fund transfers to support the future operations of these services.

BACKGROUND

The Regional District of Nanaimo (RDN) Solid Waste Management Plan includes the consideration of a renewed collection service that may include an automated bin system for solid waste collection, as well as enhanced recycling programs. In order to provide funding to support operational service level increases and future capital infrastructure that may be needed in the Solid Waste Recycling and Collection Service, funds have been set aside over the last four budget cycles to provide some offset to the costs that may be incurred to implement the Plan.

The Hazardous Properties Service provides for bylaw enforcement and clean up costs for properties deemed hazardous by the RDN Board. In some cases significant legal, enforcement and clean up costs are incurred to complete the process.

Generally, the costs of enforcement can be recovered from the property owner or the Province (if the property is in the process of forfeiture for unpaid taxes). However, significant costs can be incurred prior to the cost recovery process and the Province must first approve the expenditure before they will reimburse the RDN for the costs. Providing a reserve for the Hazardous

Properties Service will ensure funds are available to complete any Board authorized enforcement action prior to the reimbursement process or should the costs become unrecoverable.

Adoption of bylaws 1778 and 1779 will complete the statutory requirement and will ensure that proper approvals are in place for reserve fund transfers to ensure the future operations of these services.

ALTERNATIVES

1. Approve and adopt the bylaws as presented.
2. Do not approve the bylaws.

FINANCIAL IMPLICATIONS

There is \$100,000 included in the 2018 Budget, which will be incorporated into a statutory reserve with \$430,000 previously accumulated (as surplus held for future operations) for the Solid Waste Recycling and Collection Service. This will provide a total reserve of \$530,000 at the end of 2018 for this service and additional transfers are incorporated in the approved 2018 to 2022 Financial Plan. The Recycling and Collection service is funded through direct user fees and Recycle BC programs and does not include a tax requisition.

The Hazardous Properties budget includes \$27,000 as a 2018 reserve transfer and additional transfers through the 2018 to 2022 Financial Plan. The funding for the Hazardous Properties reserve is provided through tax requisition and the reimbursement of costs by property owners and the Province.

STRATEGIC PLAN IMPLICATIONS

Focus On Service And Organizational Excellence - We Will Fund Infrastructure In Support Of Our Core Services Employing An Asset Management Focus

The establishment of reserve funds for future capital expenditures assists in reducing the taxation impact of costly capital replacements or improvements as well as offsetting unforeseen costs as a result of one-time events that impact a service area. This directly supports the Board priority to fund infrastructure in support of core services employing an asset management focus.



Laina Fearn, Accountant

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November 19, 2018

Reviewed by:

- M. Manhas, Manager, Capital and Financial Reporting
- J. Beauchamp, Director of Finance
- D. Wells, General Manager, Corporate Services
- P. Carlyle, Chief Administrative Officer

Attachments:

1. Bylaw 1778 Garbage Recycling Reserve
2. Bylaw 1779 Hazardous Properties Reserve