

**DATE:** February 15, 2018

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

Supported by Russell Dyson  
Chief Administrative Officer

*R. Dyson*

**FROM:** Russell Dyson  
Chief Administrative Officer

**RE:** Tax Support for Denman Island Seniors and Museum Society

**Purpose**

The Comox Valley Regional District (CVRD) staff have been in discussion with the Denman Island Seniors and Museum Society (DSMS) regarding their request to become a tax supported service.

**Recommendation from the Chief Administrative Officer:**

THAT staff provide a report to the Comox Valley Regional District Board to amend the existing Denman Island Community Hall Service, function 675, to incorporate the request of Denman Island Seniors and Museum Society to become a tax supported service;

AND FURTHER THAT the report is to include a full cost analysis, outline public consultation plan and implementation plan to be incorporated in the 2019-2023 financial plan.

**Executive Summary**

The DSMS has requested to be a tax supported service.

- They are registered non-profit DSMS in B.C;
- DSMS does not receive any form of government funding;
- DSMS relies on memberships, volunteer effort and fundraising activities for financial support;
- Purpose of the DSMS is to maintain and operate the Denman Activity Centre and Museum;
- Activity Centre is a multi-purpose facility used for community social events and recreational activities;
- Activity Centre is facing aging infrastructure challenges and may require a stable funding source to maintain sustainability for community use.

Prepared by:

*T. Ian Smith*

T. Ian Smith, MCE  
General Manager of Community Services

**Stakeholder Distribution (Upon Agenda Publication)**

DIRA	✓
Denman Seniors and Museum Society	✓

### **Background/Current Situation**

A request has been brought forward from DSMS to receive tax funding support. This would help to enable the society to maintain and operate the Denman Activity Centre with a stable funding source. DSMS is a registered non-profit Society in B.C. The purposes of DSMS are:

1. To maintain and operate the building known as the Denman Activity Centre, including the Museum and other facilities.
2. To provide facilities for community social events and recreational activities.
3. To partner with other organizations to provide community services, events and activities.

The Activity Centre is a multi-purpose facility located in the heart of downtown Denman Island. Located in the centre is the Denman Island Museum, fitness centre, gymnasium and Denman WORKS! Resource Centre. Many community and social events are hosted at the centre such as public meetings, elections, sports events, community dinners and fund raisers.

### **Policy Analysis**

In 1992 the then Comox Strathcona Regional District enacted Bylaw No. 1415, being the "Denman Island Community Hall Local Service Establishment Bylaw, 1992". This bylaw established a local service within a portion of Electoral Area A for the purpose of providing operating funds assistance for the Denman Island Community Hall.

The strategic plan goal established by the CVRD board is "To promote and develop a healthy community within the Comox Valley by developing a framework to deliver recreation and cultural services that are cost effective and equitable for all residents". The Denman Activity Centre is one of the focal points on the island where many cultural and recreational events are held.

### **Financial Factors**

Currently the DSMS is not funded by any branch of government and relies on memberships, volunteer effort and fundraising activities for financial support. The DSMS is finding it to be more challenging to operate and maintain the centre due to its age and to remain compliant with the various regulations relating to operating a public facility. Having access to a stable source of tax supported funding would benefit DSMS to operate the centre to meet public facility regulatory requirements, maintain the facility's infrastructure and ensure the centre is clean and safe for users.

If the board agrees to amend the existing Denman Island Community Hall Service to incorporate the request of DSMS, staff will provide a full cost analysis and report outlining public consultation and implementation plan to be incorporated in the 2019-2023 financial plan.

The 2018 maximum requisition for the Denman Island Community Hall is \$60,481 based on \$0.16 per \$1000. The 2018 requisition is \$40,000 based on \$0.1032 per \$1000. A property assessed at \$400,000, the tax levy would \$41.28.

### **Legal Factors/Options**

There are two options for the Denman Activity Centre to be established as a tax-supported service through the CVRD:

Option 1: Establish a new service

New services are established through a defined process whereby the concept is first explored through a feasibility study. If the proposed service is deemed feasible, a service establishing bylaw is developed and considered for approval by the province's Inspector of Municipalities, the electors

within the service area, and the CVRD Board. Approval by the electors can be obtained by referendum and in certain cases, through petition or an alternative approval process.

#### Option 2: Amend the existing Denman Island Community Hall Service

The Board may opt to amend Bylaw No. 1415, being the "Denman Island Community Hall Local Service Establishment Bylaw, 1992" to expand the service purpose to include the Denman Activity Centre and raise the tax requisition.

Similar to establishing a new service, amending the service establishing bylaw would require a study to determine costs and other implications followed by the introduction of an amending bylaw. The bylaw would then require approval by the province's Inspector of Municipalities, the electors within the service area, and the CVRD Board. In this case, elector approval may be obtained by way of petition, alternative approval process, referendum or director consent.

The *Local Government Act*, Divisions 4 and 5 provide the statutory process for creating new services and amending existing service establishment bylaws. The process includes specific approvals and other statutory conditions that have been generally described above.

#### Option 3: Deny the request of DSMS.

#### **Intergovernmental Factors**

The CVRD would work with DIRA and DSMS to assist with the implementation of this initiative.

#### **Interdepartmental Involvement**

The Community Services Branch has been working in conjunction with Legislative Services and Financial Services on this initiative.

#### **Citizen/Public Relations**

The Denman Activity Centre is a focal point for the community hosting various community events, provides recreational opportunities and cultural activities for the local resident. The operation and maintenance of this multi-purpose facility is the mandate of the Denman Seniors and Museum Society. They are a registered charity and non-profit Society in B.C. and are governed by a board of directors.