

DATE: January 24, 2019
TO: Chair and Directors
Committee of the Whole
FROM: Russell Dyson
Chief Administrative Officer

FILE: 1700-02/2019/660

Supported by Russell Dyson
Chief Administrative Officer
R. Dyson

RE: 2019 - 2023 Financial Plan – Comox Valley Exhibition Grounds service – Function 660

Purpose

To provide the Committee of the Whole with the proposed 2019 - 2023 Financial Plan and work plan highlights for the Comox Valley Exhibition Grounds Service, function 660.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2019 - 2023 financial plan for the Comox Valley Exhibition Grounds Service, function 660, be approved.

Executive Summary

The Comox Valley Exhibition Grounds (CVEG) is home to the Comox Valley Farmer's Market, Comox Valley Exhibition Fall Fair, curling rink, therapeutic riding, Comox Valley Musicfest, Ribfest and several canine and equine user groups.

- The 2019 tax requisition for the CVEG service is proposed to increase by \$16,000 over 2018, to \$486,000.
- A bylaw was adopted in 2018 to increase user fees effective January 1, 2019.
- Personnel costs are proposed to increase by \$6,222 over 2018 to \$81,227. Support positions for the grounds include, the Facility Scheduling Coordinator and the Facilities Maintenance Coordinator. The increase is in part due to collective agreement increases and the new provincial Employer Health Tax.
- Operating expenses which include a maintenance contractor, and utilities are projected to be \$167,098, an increase of \$5,194 over 2018.
- The 2019-2023 proposed financial plan for this service does not include any capital projects.
- Reserves - Proposed contributions to the future expenditure reserve in 2019 total \$75,907, a modest reduction from 2018.

Prepared by:

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Concurrence:

D. DeMarzo

Doug DeMarzo
Acting General Manager of
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Policy Analysis

Bylaw No. 136 grants the powers of acquiring, constructing, equipping, operating and maintaining exhibition and recreation services for the Comox Valley in Electoral Areas B (Lazo North) and C (Puntledge – Black Creek), the City of Courtenay, the Town of Comox and the Village of Cumberland by way of supplementary letters patent issued on the 19th day of February 1971 and specifically including Electoral Area A (Baynes Sound – Denman / Hornby Islands), by way of supplementary letters patent issued on the 18th day of January 1973.


The Comox Valley Exhibition Grounds Master Plan was identified in the strategic plan. This project was adopted April 2017. Currently there are no costs associated with the Master Plan in the 2019-2023 financial plan. Staff continue to analyze and may bring initiatives forward in future years.

Financial Plan Overview

Each year the CVRD prepares an updated five-year financial plan that represents the operation of each service from one budget year to the next.

Table 1 summarizes the 2019 proposed budget as compared to the 2018 adopted budget. Significant variances from 2018 adopted budget will be discussed in the financial plan highlights section below.

Table 1: Financial Plan Highlights

|  | | #660 Comox Valley Exhibition Grounds | | |
|--|-------------------|--------------------------------------|---------------------|-----------------|
| Operating | 2018 Budget | 2019 Proposed Budget | Increase (Decrease) | |
| Revenue | | | | |
| Grants In Lieu | 3,724 | 3,724 | - | |
| Requisition | 470,000 | 486,000 | 16,000 | |
| Sale Services User Fees | 52,000 | 56,000 | 4,000 | |
| Other Revenue/Recoveries | 7,500 | 7,500 | - | |
| Prior Years Surplus | 19,395 | | (19,395) | |
| | \$ 552,619 | \$ 553,224 | \$ | 605 |
| Expenditures | | | | |
| Personnel Costs | 75,005 | 81,227 | 6,222 | |
| Operating | 161,904 | 167,098 | 5,194 | |
| Contribution to Reserve | 88,712 | 75,907 | (12,805) | |
| Debt Charges | 226,998 | 228,992 | 1,994 | |
| | \$ 552,619 | \$ 553,224 | \$ | 605 |
| Capital | | | | |
| Funding Sources | | | | |
| Transfer from Reserve | 69,500 | | (69,500) | |
| Prior Years Surplus | 10,500 | | | |
| | \$ 80,000 | \$ - | \$ | (80,000) |
| Funding Applied | | | | |
| Capital Projects & Equip | 80,000 | | (80,000) | |
| | \$ 80,000 | \$ - | \$ | (80,000) |

The 2019 - 2023 proposed five-year financial plan for Comox Valley Exhibition Grounds service, including the requisition summary and operating budget, is available within the full proposed budget binder, provided in both searchable PDF and e-reader formats, located on the CVRD financial plan web page at www.comoxvalleyrd.ca/currentbudget.

Highlights of the 2019 - 2023 proposed financial plan for the CVEG service, function 660, include:

Revenue Sources

The 2019 proposed requisition is \$486,000, an increase of \$16,000 over 2018. The 2019 maximum requisition for this service is \$659,072. Currently the requisition over the five year financial plan for this service remains stable.

User fees account for approximately 11 per cent of the revenue and will be increasing January 1, 2019 to help offset the rising costs of maintaining the facilities such as hydro and water.

Personnel

Personnel costs are proposed to increase by \$6,222 to \$81,227 in 2019. This is mainly due to collective agreement obligations and the new provincial Employer Health Tax.

Positions partially funded in this service include the General Manager of Community Services, Facility Scheduling Coordinator, Community Services Branch Assistant and the Facilities Maintenance Coordinator. There are no plans for personnel changes in the foreseeable future.

Operations

The operating costs are proposed to increase by \$5,194 to \$167,098 over 2018. The majority of the operating costs relate to the maintenance agreement and utilities which are projected to increase by 3.5 percent. An allowance of \$5,000 has been included in 2019 for an electrical assessment at the Stonehenge site in June.

On recommendation from the 2016 CVRD recreation facility administration and operational review, the length of term for the newly negotiated on-site operations contract changed from a one-year contract with the option to renew for one additional year to a two-year contract with the option to renew for three additional one-year terms to provide consistency and enhance services to our growing and changing community. The successful contractor has recently completed year one of the two year contract.

CVRD staff having been working with the Farmers Institute and Fall Fair Exhibition Society on a proposed multi-plex facility to be located on the CVEG. This project is in the conceptual planning stage with final capital/operating costs to be determined by a future business plan to be presented to the CVRD administration and board for approval. If the project receives all the necessary approvals and funding it is expected there will be a financial impact on this service. At this point in time there is no known time frame for the project. As the project moves forward, the board will be kept apprised of the project's status and timeframes.

Capital

There are no capital projects budgeted over the 2019-2023 financial plan for this service.

Debt

In 2015 the short term debt for the exhibition grounds revitalization project was repaid by entering into long term debt for a period of eight years, until October 2023. The interest rate on this debt issue for the entire term is 2.4 per cent. The principal charges are \$67,364 and interest charges are \$14,634, for a total of \$81,998.

In 2016 the CVRD entered into a short term (5 year) debt for the purchase of a new property (Stonehenge) for \$824,239. The principal charges are \$137,878 and interest charges are \$9,116, giving a total of \$146,994. The short term debt will be repaid by 2021.

Reserves

There are proposed contributions to the future expenditure reserve in 2019-2023 of approximately \$75,000 per year through 2021. Estimated reserve balances at December 31, 2018 are shown in Table 2. These figures will be updated once the 2018 year end is finalized.

Table 2: Estimated Reserve Fund Status at December 31, 2018

| | Estimated at Dec 31, 2018 |
|-----------------------------------|----------------------------------|
| Future Expenditure reserve | \$232,605 |
| Capital Works Reserve | \$328,756 |

Citizen/Public Relations

The 2019 proposed tax rate is \$0.0257 per \$1,000 of assessed value, a slight decrease from 2018. With the proposed tax rate, the average \$400,000 house would pay approximately \$10.28 for this service.

The Comox Valley Exhibition Grounds is enjoyed by many Comox Valley residents. From the large rentals such as Vancouver Island Musicfest and Comox Valley Exhibition, to the consistent long term renters, Comox Valley Farmers Market and Comox Valley Therapeutic Riding Society, to the equestrian and canine user groups, dog walkers and free styling detectorists looking for coin spills, the CVEG have thousands of visitors each year. As well, for the past three years, one of the valley’s local service clubs have held the ever delicious Rib Fest which has grown into an annual event.