

DATE: February 4, 2020**FILE:** 1700-02/2020/660**TO:** Chair and Members
Committee of the WholeSupported by Russell Dyson
Chief Administrative Officer**FROM:** Russell Dyson
Chief Administrative Officer***R. Dyson*****RE: 2020 - 2024 Financial Plan – Exhibition Grounds Service Function 660**

Purpose

To provide the Committee of the Whole with the proposed 2020 - 2024 financial plan and work plan highlights for the Comox Valley Exhibition Grounds service, function 660.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2020 – 2024 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, and curling rink, therapeutic riding, Comox Valley Musicfest, Ribfest and several canine and equine user groups.

- The 2020 tax requisition for the CVEG service is proposed to remain unchanged from 2019, at \$486,000. Currently the requisition over the five year financial plan for this service remains stable.
- Based on an estimated residential tax rate for 2020 of \$0.0242 per \$1,000 of assessed value, the tax levy for a property assessed at \$500,000 would be \$12.10;
- Sales of services and user fees for 2020 are estimated at \$68,000;
- The work plan focuses on the Commission's strategic goals and in particular partnerships between jurisdictions which include expansion of the site into Stonehedge.
- Overall personnel costs are proposed to increase by \$2,282 over 2019 to \$83,509.
- Operating expenses which include a maintenance contractor, and utilities are projected to be \$237,278, an increase of \$48,397 over 2019. This includes \$40,000 in other professional fees to provide for landscape architectural study and recommendations for the grounds.
- Capital costs include the replacement of the zero turn mower budgeted at \$28,000 and the outdoor washroom roof replacement/upgrade work at \$18,000.
- In response to Strategic Goal 1 – Asset Management – contributions to reserves are to maintain and prolong functional lifespan for buildings, structures and land conditions are proposed at \$12,223.
- Proposed contributions to the future expenditure reserves will see further increases across years 2021-2024 due to debt retirements. Including a significant contribution of \$269,408 in 2024.

Prepared by:

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Concurrence:

D. DeMarzo

 Doug DeMarzo
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Board Strategic Drivers

The Comox Valley Regional District (CVRD) Board has set four strategic drivers to guide service delivery. Table 1 notes the degree of influence the drivers have on projects and work plans.

Table 1: Strategic Drivers

Fiscal responsibility: <ul style="list-style-type: none"> The exhibition grounds has maintenance and upgrading plans projected in future years The requisition for 2020 is unchanged over the prior year and remains flat over the five-year financial plan 	Climate crisis and environmental stewardship and protection: <ul style="list-style-type: none"> The exhibition grounds offers venues for local food sales. The exhibition grounds provides a buffer to protect the river with greenfields.
Community partnerships: <ul style="list-style-type: none"> The exhibition grounds serve as a home to many community groups including MusicFest, Rotary, CV Fall Fair, various horse and canine clubs. The therapeutic barn is operated by the CV Therapeutic Riding Association under agreement with the CVRD Relationships with School District #71 for the provision of healthy programs for students. 	Indigenous relations: <ul style="list-style-type: none"> UBCM Urban Communities partnering for reconciliation pilot project. Summer 2020 cultural camp partnership with Wachiay Friendship centre.


Core Services for Recreation are attached as Appendix B – “Core Service: Recreation”

Financial Plan Overview

The 2020 - 2024 proposed five-year financial plan for the Comox Valley Exhibition Grounds service, function 660, including service establishment information, the requisition summary and the operating and capital budgets, 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.

Table 2 summarizes the 2020 proposed budget as compared to the 2019 adopted budget. Significant variances from 2019 adopted budget will be discussed in the financial plan sections that follow.

Table 2: Financial Plan Highlights

		#660 Comox Valley Exhibition Grounds			
Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)		
Revenue					
Grants In Lieu	3,724	3,724	-		
Requisition	486,000	486,000	-		
Sale Services User Fees	56,000	68,000	12,000		
Other Revenue/Recoveries	7,500	3,500	(4,000)		
Prior Years Surplus	22,759		(22,759)		
	\$ 575,983	\$ 561,224	\$	(14,759)	
Expenditures					
Personnel Costs	81,227	83,509	2,282		
Operating	188,881	237,278	48,397		
Contribution to Reserve	76,883	12,223	(64,660)		
Debt Charges	228,992	228,214	(778)		
	\$ 575,983	\$ 561,224	\$	(14,759)	
Capital					
Funding Sources					
Transfer from Reserve		46,000	46,000		
Prior Years Surplus					
	\$ -	\$ 46,000	\$	46,000	
Funding Applied					
Capital Projects & Equip		46,000	46,000		
	\$ -	\$ 46,000	\$	46,000	

Highlights of the 2020 - 2024 proposed financial plan for function 660 include:

Revenue Sources

- The main source of revenue for the Comox Valley Exhibition Grounds Service is tax requisition which is proposed to remain unchanged across the five year plan at \$486,000.
- Sales of services and user fees for 2020 are projected at \$68,000. Staff continually strive to find new programs/partnerships and ways to increase the participation at the facilities.
- Any prior year's surplus will be confirmed and updated upon completion of the 2019 year-end process.

Personnel

- Personnel costs are proposed to increase by \$2,282 over 2019 to \$83,509. This is mainly due to collective agreement obligations.
- Positions partially funded in this service include the General Manager of Community Services, Administration Coordinator, Community Services Branch Assistant and the Manager of Operations – Exhibition Grounds. There are no plans for personnel changes in the foreseeable future.

Operations

- Overall operating expenses which include a maintenance contractor and utilities are projected to be \$237,278 in 2020, an increase of \$48,397 over 2019.
 - This includes \$40,000 in professional fees to provide for a landscape architectural study of the grounds.
 - There is a minor capital allowance of \$2500 each year across the 2020-2024 financial plan.

Capital

In 2020:

- Replace the zero turn diesel mower, at a cost of \$28,000, to provide healthy fields and decrease staff time and increase efficiency.
- Replace/upgrade the roof above the outdoor washrooms/office space at a cost of \$18,000.
- The 2020-2024 proposed financial plan does not include any further capital projects beyond 2020.

Debt

The debt issue for the exhibition grounds revitalization project will be repaid in October 2023. The interest rate for the eight year term is 2.4 per cent. The annual debt servicing costs are \$81,998.

In 2016, the CVRD entered into a five year loan for the purchase of the Stonehenge site for \$824,239. The annual payments are \$146,116 and will be repaid in 2021.

Reserves

Estimated reserve balances at across the 2020-2024 financial plan are shown in Tables 3 and 4. These figures will be updated once the 2019 year end is finalized.

Table 3: Proposed Future Expenditure Reserve Fund Activity 2020-2024

	2020	2021	2022	2023	2024
Opening Balance	\$312,285	\$324,508	\$383,140	\$401,525	\$416,352
Contributions	\$12,223	\$58,632	\$18,385	\$14,827	\$269,408
Expenditures	-	-	-	-	-
Ending Balance	\$324,508	\$383,140	\$401,525	\$416,352	\$685,760

Table 4: Proposed Capital Works Reserve Fund Activity 2020-2024

	2020	2021	2022	2023	2024
Opening Balance	\$334,228	\$288,228	\$288,228	\$463,623	\$639,376
Contributions	-	-	\$175,395	\$175,753	-
Expenditures	(\$46,000)	-	-	-	-
Ending Balance	\$288,228	\$288,228	\$463,623	\$639,376	\$639,376

Tax Impacts

- Based on the 2020 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.0242 per \$1,000 of taxable assessed value.
- The 2019 residential tax rate for the service was \$0.0257 per \$1,000 of taxable assessed value.
- For a residence with an assessed value of \$500,000, the total tax impact is estimated to be \$12.10

Citizen/Public Relations

Participants in the service include the City of Courtenay, Town of Comox, Village of Cumberland and the residents of Electoral Areas A, B and C.

Attachments: Appendix A – “Core Service: Recreation”



Core Service: Recreation

CVRD owns and operates the Comox Valley Aquatic Centre (pool facilities), Comox Valley Sports Centre (two ice sheets, wellness centre and pool facilities) and Comox Valley Curling Centre. Administration and operation oversight of the facilities and programs is delegated to the Comox Valley Sports Centre Commission.

The Commission undertook its own strategic planning session in spring 2019. The following outcomes and initiatives are affirmed through the Commission's independent plan.

Key service outcomes:

- ✓ Supporting the health of citizens
- ✓ Asset management
- ✓ Partnerships between jurisdictions and external stakeholders
- ✓ Connectivity to recreational services
- ✓ Accessibility to recreational services
- ✓ Volunteer engagement
- ✓ Cooperation with School District 71 facilities
- ✓ Greenhouse gas and environmental impact reduction
- ✓ Partnerships with K'ómoks First Nation

Initiatives (Proposed for 2020-2024 budget)

Key Projects	Strategic Drivers	Costs	Public Engagement	Timing
1. Implementation of the CVRD Sports Centre Strategic Plan 2019-2021	F, C, P, I	\$		2020-2021
2. Opportunities for organizational improvement including information technology supports, management structural changes	F, C	\$		2021
3. Implementation of a low-income regional pass *	F, P	\$		2020
4. Energy reduction improvements such as: switching to LED lighting; evaluating heat reclamation potential; and acquisition of an electric ice resurfacing equipment	F, C, P	\$		2021
5. Enhanced programming with First Nations involvement *	P, I	\$		2020

* - depends on partner collaboration and advocacy with partners is encouraged

Strategic Drivers: F = fiscal responsibility; C = climate crisis; P = community partnerships; I = Indigenous relations