

DATE: February 4, 2021**FILE:** 1700-02/2021/660**TO:** Chair and Members
Comox Valley Recreation Commission**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer**R. DYSON****RE: 2021 - 2025 Financial Plan – Comox Valley Exhibition Grounds – Function 660****Purpose**

To provide the Comox Valley Recreation Commission (Commission) with the proposed 2021 - 2025 financial plan and work plan highlights for the Comox Valley Exhibition Grounds (CVEG) service, function 660.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2021 – 2025 financial plan for the Comox Valley Exhibition Grounds service, function 660, be approved.

Executive Summary

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. Delivering public service and providing safe access to the grounds continues to be the focus of this service.

- The 2021 tax requisition for the CVEG service is proposed to remain unchanged from 2020 at \$486,000;
- Based on an estimated residential tax rate for 2021 of \$0.0231 per \$1,000 of assessed value, the tax levy for a property assessed at \$500,000 would be \$11.55;
- Sales of services and user fees for 2021 are estimated at \$68,000, the same level as 2020;
- Overall operating expenses which include a maintenance contractor and utilities are projected to be \$215,530, a reduction of \$21,749 over 2020;
- In the summer of 2020 staff requested proposals for a design and flow plan integrating the Stonehedge Farm and exhibition ground properties together as one site. This will be presented later in 2021;
- An updated capital plan for the CVEG will be presented to the Commission in 2021;
- The exhibition grounds remains ready to support the goals of the Economic Action Plan by providing a land base.
- A staff review of municipal and electoral areas service participants will be brought forward in 2021;
- 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 \$70,000 in 2021 increasing to \$175,000 over the five year plan due to upcoming debt retirements. The projected ending 2025 balance is \$1,057,402.
- The service also includes future expenditure reserve allocations which provides emergent risks and opportunity funds, transfers are \$18,000 in 2021 increasing to \$85,000 over the five year plan due to upcoming debt retirements. The projected ending 2025 balance is \$573,661.

Prepared by:

Concurrence:

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Board Strategic Drivers

The Comox Valley Regional District (CVRD) Board has set four strategic drivers to guide service delivery. Not all services will be influenced by all drivers. Table 1 notes the degree of influence the drivers have on projects and work plans.

Table 1: Board 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 green fields.
Community partnerships: <ul style="list-style-type: none"> The exhibition grounds serve as a home to many community groups including MusicFest, Rotary, Comox Valley Fall Fair, various horse and canine clubs. The therapeutic barn is operated by the Comox Valley Therapeutic Riding Association under agreement with the CVRD. Relationships with School District 71 for the provision of healthy programs for students. Relationship with LUSH Valley for the provision of hot meals and food hampers. 	Indigenous relations: <ul style="list-style-type: none"> Future summer cultural camp partnerships with Wachiay Friendship centre.

Rethink Comox Valley / COVID-19 Response and Renewal

On May 12, 2020 the board adopted a COVID-19 renewal plan for the review of service levels and all necessary, critical and functional projects slated for the next five years. Recommended actions for the plan were brought forward to the relevant committees, commissions and partners for review over the summer.

Staff have been working closely with multiple user groups to help them carry on with their activities, classes and/or programs within the COVID-19 Public Health Officer (PHO) guidelines.

- Maintaining core services at an affordable cost - exhibition grounds fees and charges will remain at 2019 rates, no further increases planned prior to 2022.

- Adapting to changing community priorities – Delivering public services with safe and accessible fields, trails and facilities continues to be the focus for recreation services. The final draft of the exhibition grounds design and flow study will provide recommendations and guidelines for creating increased access and multi-use abilities on the grounds.
- Realigning resources to support community renewal initiatives – The Comox Valley curling centre building was utilized for two initiatives in 2020 that will continue in 2021:
 - LUSH Valley food hamper program (no charge to LUSH Valley)
 - Curling club for day to day processes and COVID-19 safety planning/preparation for the season start up for November. (2020 - Curling Club paid 50 per cent of utility costs, 2021 - No charge to the Curling Club as CVRD recreation services will also be utilizing the building for programming)

Economic Recovery Task Force Actions

The agricultural sector has a number of actions the CVRD exhibition grounds can support throughout 2021. In particular working with the planning department and local organizations to determine if the exhibition grounds is the appropriate location to advance some of the goals of the sector. Alignment with the goals could be achieved with assistance for the following:


- a) Make better connections between demand and supply;
- b) Agri-food incubator; allow for the testing and refining of small batches of new value added products;
- c) Engage with Comox Valley Farmers Institute (CVFI), Comox Valley Exhibition and the Comox Valley Multiplex Association utilizing the concept of a design and flow study for future facilities which could potentially house some of the infrastructure around incubators, food storage and processing needed.

Financial Plan Overview

The 2021 - 2025 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 2021 proposed budget as compared to the 2020 adopted budget. Significant variances from 2020 adopted budget will be discussed in the financial plan sections that follow.

Table 2: Financial Plan Highlights

 2021 Proposed Budget				#660 Comox Valley Exhibition Grounds			
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)				
Revenue							
Grants In Lieu	3,724	3,724	-				
Requisition	486,000	486,000	-				
Sale Services User Fees	68,000	68,000	-				
Other Revenue/Recoveries	3,500	3,500	-				
Prior Years Surplus	49,489	48,000	(1,489)				
	\$ 610,713	\$ 609,224	\$ (1,489)				
Expenditures							
Personnel Costs	83,508	87,243	3,735				
Operating	237,279	215,530	(21,749)				
Contribution to Reserve	61,712	88,004	26,292				
Debt Charges	228,214	218,447	(9,767)				
	\$ 610,713	\$ 609,224	\$ (1,489)				
Capital							
Funding Sources							
Transfer from Reserve	46,000	0	(46,000)				
	\$ 46,000	\$ -	\$ (46,000)				
Funding Applied							
Capital Projects & Equip	46,000	0	(46,000)				
	\$ 46,000	\$ -	\$ (46,000)				

Highlights of the 2021 - 2025 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 2021 are projected at \$68,000. Staff continually strive to find new programs/partnerships and ways to increase the participation at the facilities;
- There is a potential for reduced revenues dependent on the outcome of PHO restrictions;
- An estimated prior year's surplus of \$48,000 has been budgeted in 2021 and will be further refined upon completion of the 2020 year-end process.

Personnel

- Personnel costs are proposed to increase slightly from 2020 by \$3,735 to \$87,243;
- Positions partially allocated to 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 \$215,530 a decrease of \$21,749 over 2020. This is due to the design and flow study undertaken with 50 per cent completion in 2020, the study final completion is anticipated at the end of February 2021.
 - The 2021 budget includes \$20,000 in minor capital to provide for the 2017 exhibition grounds masterplan recommendations of way finding signage for on the grounds. Also noted in the ongoing current design and flow study.

The adjacent property, Stonehenge Farm was acquired by the CVRD in 2015 and adds to the space to be examined as part of the design and flow study. Some of the challenges on the new property include the fact that it is located within the Agricultural Land Reserve, it is not serviced and portions of it are within a floodplain.

In the summer of 2020 Staff requested proposals for a design and flow plan encompassing both properties together as one site. The design plan is to meet the needs of the community and stakeholder groups as described in the 2017 master plan and to incorporate potential economic opportunities and actions to support growth in the agriculture sector. Envisioned as a gateway to recreation, with a strong commitment and focus on the preservation, restoration and celebration of the sites ecosystem, extensive research and analysis of the physical, environmental, cultural, public use, future use and long term sustainability of the site to be carried out before any major changes will take place. Final report to be presented in March 2021.

Capital

- The sole capital project included in the 2021-2025 proposed financial plan is the replacement of the gator tractor and trailer in 2022 for \$35,000;
- Upon the final completion of the concepts, basis of design, flow and cost estimates of the exhibition grounds design and flow study staff will work to provide an updated capital plan to the Comox Valley Recreation Commission to be considered in 2022-2026 financial planning.

The CVRD is working through asset management implementation which includes developing long-term capital plans through asset inventory and condition studies, and built from this a financial stability framework utilizing reserves, debt and grant funding when available to maintain and upgrade key community facilities. The focus will be developing incremental and stable requisition and rate increases over the short and long term.

The opportunity to apply for any future grants relevant to this service plus the potential for related projects would significantly alleviate future funding pressures for this service for ongoing asset management improvements to achieve sustainable service delivery for the exhibition grounds in the Comox Valley region that provide opportunity for community members of all ages have opportunities to maintain healthy life styles through movement and socialization.

Debt

The long-term 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, which will be transitioned to reserve contributions for costs of ongoing service delivery.

In 2016, the CVRD entered into a five-year short-term loan for the purchase of the Stonehenge site for \$824,239. This loan will be repaid in full in 2021 with a final debt servicing cost of \$136,449, funds will be transferred to reserve for future initiatives and capital upgrades.

Reserves

Estimated reserve balances at across the 2021-2025 financial plan are shown in Tables 3 and 4. These figures will be updated once the 2020-year end is finalized.

CVEG and Stonehenge site has evolved over time. It's been recognized that a design and flow plan is needed to better integrate and plan for the future development of CVEG and Stonehenge sites six sub-areas and adjacent road and river boundary interfaces.

Upon the completion of the design and flow study staff will be putting forth recommendations for 2022 and beyond for CVEG and Stonehenge site upgrades which will see utilizing the appropriate reserve funds in future years.

Table 3: Proposed Future Expenditure Reserve Fund Activity 2021-2025

	2021	2022	2023	2024	2025
Opening Balance	\$331,375	\$349,379	\$366,179	\$399,695	\$487,871
Contributions	18,004	16,800	33,516	88,176	85,790
Expenditures	-	-	-	-	-
Ending Balance	\$349,379	\$366,179	\$399,695	\$487,871	\$573,661

Table 4: Proposed Capital Works Reserve Fund Activity 2021-2025

	2021	2022	2023	2024	2025
Opening Balance	\$352,402	\$422,402	\$557,402	\$707,402	\$882,402
Contributions	70,000	170,000	150,000	175,000	175,000
Expenditures	-	(\$35,000)	-	-	-
Ending Balance	\$422,402	\$557,402	\$707,402	\$882,402	\$1,057,402

Tax Impacts

- Based on the 2021 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.0231 per \$1,000 (2020 - \$0.0242) of taxable assessed value.
- For a residence with an assessed value of \$500,000, the total tax impact is estimated to be \$11.55.

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.