

DATE: January 31, 2019**FILE:** 1700-02/2019/555**TO:** Chair and Directors
Electoral Areas Services Committee**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer**R. DYSON****RE: 2019 - 2023 Financial Plan – Denman Island Economic Development – Function 555****Purpose**

To provide the Electoral Areas Services Committee with the proposed 2019-2023 financial plan and work plan highlights for the Denman Island Economic Development Service, function 555.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2019-2023 financial plan for the Denman Island Economic Development Service, function 555, be approved.

Executive Summary

- Delivery of economic development services through Denman WORKS! Economic Enhancement Society (Denman WORKS!) agreement that will be renewed in 2019;
- 2019-2023 proposed requisition is unchanged at \$50,043, based on a tax levy of \$0.1178 per \$1,000 of assessed value;
- Maximum tax requisition in 2019 is \$115,164 based on a maximum levy of \$0.278 per \$1,000 of assessed value;
- For a property assessed at \$400,000, the 2019 tax levy would be \$47.12;
- Operational grant of \$45,000 included for Denman WORKS! until 2023, which includes \$16,000 in funding for an annual community project grant program.

Prepared by:

T. Ian SmithT. Ian Smith, MCE
General Manager of Community Services**Stakeholder Distribution (Upon Agenda Publication)**

Denman WORKS!	✓
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Policy Analysis

Bylaw No. 3005, 2007 was adopted by the Comox Strathcona Regional District to establish an economic development service for Denman - Hornby Islands (then known as electoral area 'K'). This bylaw was established as a result of a review of the Comox Valley Economic Development Service resulting, in part, in the withdrawal of Denman – Hornby Islands from the Comox Valley Economic Development Service.

At the regular meeting of the CVRD Board on October 30, 2012 Bylaw No. 232 being the “Denman Island Economic Development Service Establishment Bylaw No. 232, 2012” was adopted separating the Denman Island and Hornby Island Economic Development Services.

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. The proposed requisition for 2019 to 2023 is \$50,043 per year, which is unchanged from the 2018 requisition level.

The agreement in place to deliver this service on behalf of the CVRD with Denman WORKS! was extended through an amendment to December 31, 2018 and will be renewed upon board approval in 2019. This agreement provides accountability and reporting mechanisms for funds spent in this service.

The proposed 2019-2023 financial plan includes an operating grant to Denman Works! of \$45,000 each year (Appendix A), unchanged from 2018.

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



2019

Proposed Budget

#555 Denman Island Economic Development

Operating	2018 Budget	2019 Proposed Budget	Increase (Decrease)
Revenue			
Requisition	50,043	50,043	-
Transfer from Reserve	4,353	690	(3,663)
	\$ 54,396	\$ 50,733	\$ (3,663)
Expenditures			
Personnel Costs	4,592	3,746	(846)
Operating	46,803	46,987	184
Contribution to Reserve	3,001		(3,001)
	\$ 54,396	\$ 50,733	\$ (3,663)

The 2019 - 2023 proposed five-year financial plan for 555 service, including the requisition summary and the 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 Denman Island Economic Development include:

Revenue Sources

The proposed tax requisition for 2019 through 2023 is \$50,043, unchanged from 2018.

Personnel

The personnel costs represent an allocation of the General Manager of Community Services salary. The personnel allocations have not changed for this service.

Operations

Denman WORKS! was incorporated as a society on May 19, 2011 and is responsible for the delivery of economic enhancement services for the residents of Denman Island through an agreement with the CVRD which expired December 31, 2018. This agreement will be renewed in 2019 pending Board approval. For the services provided under the operational grant see Schedule A within Appendix A.

In 2018, the Denman WORKS! operational grant was \$45,000. For 2019 to 2023, the annual operational grant is proposed to be unchanged at \$45,000. Within the 2019 \$45,000 operating grant is a \$16,000 line item for community project grants, a program administered by Denman WORKS! and distributed to support community economic development projects.

In 2019, Denman WORKS! will initiate changes to their previous structure. Their changes are outlined in their budget proposal attached as Appendix A.

Capital

There is no capital associated with this service.

Reserves

The balance in the future expenditure reserve as at December 31, 2018 is estimated to be \$31,446. No contributions to the reserve are contemplated in the current five year plan, rather very modest transfers from the reserve are budgeted in 2020 through 2023 in order to support the operational budget for the service.

Citizen/Public Relations

The 2019 proposed requisition is \$50,043 based on a tax levy of \$0.1178 per \$1,000 of assessed value. The maximum tax requisition in 2019 is \$115,164 based on a maximum levy of \$0.278 per \$1,000 of assessed value. For a property assessed at \$400,000, the 2019 tax levy would be \$47.12.

This service is delivered on behalf of the CVRD by Denman WORKS!; a not-for-profit society incorporated on May 19, 2011 to support the enhancement of the economic and social health of Denman Island, its residents, businesses and community organizations..

Future public consultation will be sought by Denman WORKS! when they develop a new five year business strategy plan. This should facilitate better management of public expectations and perceptions of Denman WORKS!

Attachments: Appendix A – “Denman WORKS 2019 Budget Proposal”

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Denman WORKS! Economic Enhancement Society

BC SOCIETY REGISTRATION NO: S0058326

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E-MAIL DENMANWORKS@GMAIL.COM ☐ WEBSITE WWW.DENMANWORKS.COM

Nov 16, 2019

Ian Smith
General Manager
Community Services Branch
Comox Valley Regional District
600 Comox Road
Courtenay BC
V9N 3P6

Re: Denman Works 2019 Budget Proposal

I am pleased to submit the proposed 2019 budget for Denman Works. Please find attached the following documents:

1. DW Proposed Budget 2019- and 5-year projection
2. Schedule A Budget Breakdown

Our request to the CVRD is for funding of \$45,000.

In submitting this request, I would like to call attention to our plans for 2019 which involve changes to our previous structure.

- The budget is restructured to assign more funds against Resource Centre Programs, a shift of 31% away from Administration. There are several reasons for this change:
 - The board abolished the position of Program Manager in 2018. There will no employees in the foreseeable future. The program of DW is quite complex and too much time was taken up with administrative and human resources issues.
 - The board feels that resources can be better focused on direct community benefit through contractual arrangements for specific program areas, namely, Resource Centre information programs, and the Visit Denman Website.
 - The board members will assume duties for clerical support of bookkeeping, grant administration, and liaison as well as records management.
- The Visitor Services program will be revived this year with an increase in funds for promotional brochures of island events, and aggressive management of the Visit Denman website which has been allowed to fall dormant. A social media strategy will be implemented to enhance traffic. The content will be enlivened and kept changing by working with local content providers (such as the Grapevine and Flagstone), and a new package of advertising promoted with on island vendors in the accommodation, services, and arts sectors.

- The CVRD grants program will continue to be the main conduit for economic enhancement, however, the Contract with the CVRD will be revised to include the grant application criteria to mitigate concerns about consistency and inclusivity.
- Denman Works will be working towards a five-year business plan strategy that should facilitate better management of public expectations and perceptions of Denman Works.
- Public access to the Grant Connect database, which is a comprehensive, well-maintained application from the Federal government through Imagine Canada, will be improved by installation on a dedicated computer in the Dora Drinkwater Library. Denman Works will be providing the computer and instructions on using the database.
- Denman Works receives a great deal of information from economic enhancement groups on Vancouver Island. These include seminars, conferences, grant and loan programs available to business. This information will be disseminated more broadly through our website and by notices and articles.
- Workshops shall be revived through the Community Programs run out of the school, and through Denman Works itself, which shall also be looking at courses available from other institutions such as North Island College.
- Project Support is being increased in order to deal with project startups around economic issues (such as poor telecom connectivity).
- There will a much greater emphasis on communications with more newspaper and social media notices, public meetings and advertising.
- Our request includes modest expectations of earned revenue from Visit Denman website. In the past, this has produced as much as \$5000 worth of revenue, but we are taking a cautious approach because the brand has been allowed to stale and support must be rebuilt with real change.

After a difficult year, we are confident that Denman Works is repositioned to tackle its mandate with renewed energy and a more flexible approach to program execution.

I wish to thank you and the CVRD for their understanding and support through what was a difficult year in 2018. We look forward to leveraging CVRD investment in Denman Works for a good return in community recognition and economic benefit.

Regards

Tony Gregson
Chair
Denman Works

Denman Works Economic Enhancement Society
Proposed Budget 2019 and 5 year projection

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Item	Sched A	2019	2020	2021	2022	2023
INCOME						
CVRD Grant		45,000	45,000	45,000	45,000	45,000
Sponsorship Pass Through		0	0	0	0	0
Workshops		250	250	250	250	250
Visitor Services Committee		1000	1000	1000	1000	1000
Total Revenue		46,250	46,250	46,250	46,250	46,250
EXPENSES						
Resource Centre Programs						
CVRD Community Grants	Community Grants	16,000	16,000	16,000	16,000	16,000
Core Economic Enhancement Activities	Core Ec Enhcmnt					
Sponsorship Pass-Through	Core Ec Enhcmnt					
Workshops	Workshop Prog	1000	1000	1000	1000	1000
Visitor Services Program	Visitor Services	4000	4000	4000	4000	4000
Contract - Visit Denman Website	Visitor Services	8,000	8,000	8,000	8,000	8,000
Contract - Resource Centre Programs	Resource Ctr Prog	4500	4500	4500	4500	4500
Project Support	Project Support	2000	2000	2000	2000	2000
Grant Connect Subscription	Grant Facilitation	527	527	527	527	527
<i>subtotal</i>		36,027	36,027	36,027	36,027	36,027
Administration						
Wages & Benefits - Office Admin	Core Ec Enhcmnt					
WCB	Core Ec Enhcmnt					
Society Administration	Core Ec Enhcmnt					
Advertising	Core Ec Enhcmnt	1200	1200	1200	1200	1200
Banking & Filing Fees	Core Ec Enhcmnt	100	100	100	100	100
Bookkeeping	Core Ec Enhcmnt	500	500	500	500	500
Community Consultation	Core Ec Enhcmnt					
Insurance	Core Ec Enhcmnt	824	824	824	824	824
Telephone/Internet	Core Ec Enhcmnt					
Mail Box Rental	Core Ec Enhcmnt	180	180	180	180	180
Office Supplies	Core Ec Enhcmnt	400	400	400	400	400
Rent	Core Ec Enhcmnt	4020	4020	4020	4020	4020
Equipment	Core Ec Enhcmnt	500	500	500	500	500
DW Website Maintenance	Core Ec Enhcmnt	150		150		150
Visit Denman Website	Core Ec Enhcmnt	100	300	100	300	100
Meeting Expenses	Core Ec Enhcmnt	600	600	600	600	600
<i>subtotal</i>		8,574	8,624	8,574	8,624	8,574
TOTAL EXPENSES		44,601	44,651	44,601	44,651	44,601
NET on expenses		1,649	1,599	1,649	1,599	1,649
less Earned Revenue		1,250	1,250	1,250	1,250	1,250
Balance		399	349	399	349	399

**Denman Works Economic Enhancement Society
Proposed Budget 2019 and 5 year projection**

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Item	Comments
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INCOME

CVRD Grant	
Sponsorship Pass Through	inactive
Workshops	fees for DW-organized workshops
Visitor Services Committee	advertising revenue from Visit Denman
Total Revenue	

EXPENSES

Resource Centre Programs

CVRD Community Grants

Core Economic Enhancement Activities See activities for "Core Ec Enhcmnt"

Sponsorship Pass-Through inactive

Workshops fees for workshops given by Community School

Visitor Services Program tourist promotion brochures & signage

Contract - Visit Denman Website social media strategy, content upgrade and maintenance, site promotion and advertising sal

Contract - Resource Centre Programs contract to maintainDW website for skills and resources, job board, and economic assets

Project Support aid to projects on an as-needed basis

Grant Connect Subscription annual subscription

subtotal

Administration

Wages & Benefits - Office Admin position of program manager abolished; replaced by fee-for-service contracts

WCB not required

Society Administration Board will be responsible for liaison, records, bookkeeping support, liaison, and grant admin

Advertising CPG ad placements, DW meeting notices and news releases

Banking & Filing Fees Bank charges and BC Society Act reporting fees

Bookkeeping Contract bookkeeper; expenses higher in 2018 as part of review and reorganization

Community Consultation honorariums paid in lieu of staff changes. Not anticipated in foreseeable future

Insurance Directors insurance

Telephone/Internet part of rental agreement

Mail Box Rental

Office Supplies

Rent paid to Denman Seniors & Museum Society

Equipment cost of a compuer for Dora Drinkwater Library to provide for public access to Grant Connect

DW Website Maintenance domain renewal and web security for denmanresources.com - 2 year renewal

Visit Denman Website domain renewal and web security for visitdenman.com - 2 year renewal

Meeting Expenses room rental; travel for liaison purposes

subtotal

TOTAL EXPENSES

NET on expenses

less Earned Revenue Earned revenue retained by DW

Balance

Denman WORKS! Economic Enhancement Society

2019 Budget Proposal

Annex A:

SCHEDULE A BUDGET BREAKDOWN

Economic Enhancement Activities for Denman Island

Denman Works Purposes

1. Contribute to Denman Island community economic enhancement activities.
2. Develop and implement economic strategies with the Denman Island community.
3. Encourage economic opportunities for Denman Island through educational forums.

A. Core Economic Enhancement Activities:

Budget \$7424

Core activities may include:

- strategic planning,
- board support
- record keeping,
- program administration
- provision of office facilities and equipment
- staff/contract supervision,
- research,
- communications and liaison with CVRD and other relevant organizations.

B. Resource Centre Program:

Budget \$4500

Operate a resource service to:

- respond to enquiries about economic opportunity on Denman Island
- provide information, referrals, and advice for economic enhancement on Denman Island.
- facilitate interaction and cooperation for economic enhancement for the benefit of the economy of Denman Island.
- maintain the website of DenmanWorks for Skills and Resources
- inform public of publications, events, and opportunities for economic development available through information provided by other organizations involved in economic development and business education.

C. Workshop Program:

Budget \$1000

Organize and provide funding for workshops or other educational events on economic enhancement topics of interest for Denman Island.

D. Grant Facilitator Program:

Budget \$524

- Facilitate public access to comprehensive data resources about grants for non-profits in Canada.

Denman WORKS! Economic Enhancement Society

- Assist non-profits and individuals in project design, identification and research into external funding sources and preparation of grant applications.

E. Community Grant Program:

Budget \$16000

Provide grants to non-profit community entities for projects that directly support economic enhancement strategies through the CVRD Community Grant Program.

F. Project Support Program:

Budget \$1,000

Provide grants to non-profit community entities for qualified projects that advance economic enhancement goals for Denman Island.

G. Visitor Services Program

Budget \$12,000

Coordinate planning and development activities and provide grants to non-profit community entities, to enhance visitor services and related industries.

Total Expenses

\$44,601

Funding received from the CVRD for purposes of economic enhancement activities must be used for the purposes identified in this Schedule A and shall not be used for any activities funded by other CVRD services. In addition, CVRD funding used for activities other than those identified in this Schedule A shall be repaid to the CVRD no later than June 30th of the year following the expenditure.

Document History

Status	Date	Responsibility	Comments
Draft	Nov 16 2018	Tony Gregson	Revisions to Schedule A are for budget clarifications only and are not yet endorsed by DW or CVRD for contractual purposes.