

**DATE:** January 31, 2018

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

**FROM:** Russell Dyson  
Chief Administrative Officer

**FILE:** 1700-02/2018/555

Supported by Russell Dyson  
Chief Administrative Officer

**R. DYSON**

**RE:** 2018 - 2022 Financial Plan – Denman Island Economic Development – Function 555

**Purpose**

To provide the Electoral Areas Services Committee with the proposed 2018-2022 financial plan and work plan highlights for the Denman Island Economic Development Service, function 555.

**Recommendation from the Chief Administrative Officer:**

THAT the proposed 2018-2022 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;
- 2018 proposed requisition is \$50,043 based on a tax levy of \$0.1291 per \$1,000;
- Maximum tax requisition is \$105,085 based on a tax levy of \$0.278 per \$1,000;
- Property assessed at \$400,000, the tax levy would be \$51.64;
- Community project grants of \$14,500.

Prepared by:

***T. Ian Smith***

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T. 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 June 28, 2011 regular meeting of the Comox Valley Regional District (CVRD) Board, the Board authorized entering into an Economic Development Services Agreement with Denman WORKS! Economic Enhancement Society.

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 2018 to 2022 is \$50,043 per year, which is the same 2017 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. This agreement provides accountability and reporting mechanisms for funds spent in this service.

The proposed 2018-2022 financial plan includes an operating grant to Denman Works! of \$45,000 each year. In 2017 the operating grant was \$43,059. In each year of the plan, there is a small withdrawal from the operating reserve to maintain the requisition at the 2017 level. CVRD staff will have further discussions with Denman WORKS! in February 2018 to clarify the usage of reserve funds in the proposed budget.

Table 1 below summarizes the 2018 proposed budget as compared to the 2017 adopted budget. Significant variances from 2017 adopted budget will be discussed in the financial plan highlights section below.

**Table 1: Financial Plan Highlights**

 <b>2018 Proposed Budget</b>		<b>#555 Denman Island Economic Development</b>		
		<b>2017 Budget</b>	<b>2018 Proposed Budget</b>	<b>Increase (Decrease)</b>
<b>Operating</b>				
<b>Revenue</b>				
Requisition	50,043	50,043		-
Transfer from Reserve		1,352		1,352
	<b>\$ 50,043</b>	<b>\$ 51,395</b>	<b>\$</b>	<b>1,352</b>
<b>Expenditures</b>				
Personnel Costs	4,578	4,592		14
Operating	45,465	46,803		1,338
	<b>\$ 50,043</b>	<b>\$ 51,395</b>	<b>\$</b>	<b>1,352</b>

The entire 2018 - 2022 proposed five year financial plan for the Denman Island Economic Development service, including the requisition summary and operating budget, is available through the online budget binder at <http://www.comoxvalleyrd.ca/proposedfinancialplan>.

Highlights of the 2018 - 2022 proposed financial plan for function 555 for 2018 include:

*Revenue Sources*

The proposed tax requisition for 2018 through 2022 is \$50,043, unchanged from 2017. Small withdrawals from the operating reserve are also proposed to assist in funding the service in 2018 to 2022 without increasing the requisition.

*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 until December 31, 2018. For the services provided under the operational grant see Appendix A.

In 2017, the Denman WORKS! operational grant was \$43,059. For 2018 to 2022, the annual operational grant is budgeted at \$45,000. Within the 2018 \$45,000 operating grant is a \$14,500 line item for community project grants which are administered by Denman WORKS! and distributed to support community projects.

*Capital*

There is no capital associated with this service.

*Reserves*

The balance in the future expenditure reserve as of December 31, 2017 was \$28,289. For the remaining years of the financial plan no reserve contributions are planned for this service. However, as noted previously small annual transfers from reserve have been included in the budget so as to flat line the annual requisitions to 2017 levels, resulting in an estimated reserve fund balance of \$20,331 by the end of 2022.

**Citizen/Public Relations**

The 2018 proposed requisition is \$50,043 based on a tax levy of \$0.1291 per \$1,000. The maximum tax requisition is \$105,085 based on a tax levy of \$0.278 per \$1,000. For a property assessed at \$400,000, the 2018 tax levy would be \$51.64.

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. The Society provides this support under an agreement with the CVRD which expires at the end of 2018.

As a result of the hard work and dedication of the Denman WORKS! volunteer society members, stability has been brought to the delivery of this service for the Denman Island residents. The Society holds monthly meetings and provides a 30 minute public forum to present a topic that always precedes the monthly meetings. Future public consultation will be sought by Denman WORKS! when the strategic plan is refreshed.

Attachments: Appendix A – “Denman WORKS 2018 – 2021 Financial Plan Submission”

## Denman Community Economic Enhancement Society (Denman WORKS!)

## Budget Projection: 2018 - 2022

Appendix A

	2017	2018	2019	2020	2021	2022
<b>INCOME</b>						
RD Grant	43,059.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00
HRSDC	2,929.50					
Work Centre	\$	100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Visitor Services	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
<b>TOTAL REVENUE</b>	<b>\$ 46,488.50</b>	<b>45,600.00</b>	<b>45,600.00</b>	<b>45,600.00</b>	<b>45,600.00</b>	<b>45,600.00</b>
<b>EXPENSES</b>						
Wages	12,480.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Benefits	1,372.80	2,060.00	2,060.00	2,060.00	2,060.00	2,060.00
Payroll Processing		336.00	336.00	336.00	336.00	336.00
WCB	290.00	300.00	300.00	300.00	300.00	300.00
Resource Centre Office						
Rent	\$ 4,020.00	\$ 4,100.00	\$ 4,100.00	\$ 4,100.00	\$ 4,100.00	\$ 4,100.00
Telephone/Internet						
Mail Box Rental	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00
Insurance	\$ 822.00	\$ 824.00	\$ 824.00	\$ 824.00	\$ 824.00	\$ 824.00
Office Supplies	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00
Advertising	\$ 1,134.20	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00
Banking	\$ 80.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Equipment	\$ 180.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Bookkeeping	\$ 250.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
Website Maintenance	\$ 350.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
Resource Centre Programs						
Library/Resources	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
Workshops	\$ 1,500.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
Project Support	\$ 1,000.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
Work Centre	\$	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00
Community Grants Program	\$ 15,000.00	\$ 14,500.00	\$ 14,500.00	\$ 14,500.00	\$ 14,500.00	\$ 14,500.00
Community Consultation	\$ 1,000.00					
Visitor Services Program (Events I	\$ 2,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Meeting Expenses	\$ 500.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Student Summer Program	\$ 3,429.50					
	\$ -					
<b>TOTAL EXPENSES</b>	<b>\$ 46,488.50</b>	<b>45,600.00</b>	<b>45,600.00</b>	<b>45,600.00</b>	<b>45,600.00</b>	<b>45,600.00</b>