

DATE: February 5, 2021

TO: Chair and Directors
Regional District Board

FROM: Russell Dyson
Chief Administrative Officer

FILE: 1700-02/202/120-124

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: 2021 - 2025 Financial Plan – Grant in Aid services, functions 120 - 124

Purpose

To provide the Board with the proposed 2021 - 2025 financial plans and work plan highlights for the following five grant-in-aid services:

- Grant In Aid Area A Baynes Sound, function no. 120
- Grant In Aid Area B, function no. 121
- Grant In Aid Area C, function no. 122
- Denman Island Grant In Aid, function no. 123
- Hornby Island Grant In Aid, function no. 124

Recommendations from the Chief Administrative Officer:

1. THAT the proposed 2021 – 2025 financial plan for the Grant In Aid Area A Baynes Sound service, function 120, be approved;
2. THAT the proposed 2021 – 2025 financial plan for the Grant In Aid Area B service, function 121, be approved;
3. THAT the proposed 2021 – 2025 financial plan for the Grant In Aid Area C service, function 122, be approved;
4. THAT the proposed 2021 – 2025 financial plan for the Denman Island Grant In Aid service, function 123, be approved;
5. AND FINALLY THAT the proposed 2021 – 2025 financial plan for the Hornby Island Grant In Aid service, function 124, be approved;

Executive Summary

Highlights of the financial plans for function 120 - 124 include the following.

- The grant-in-aid services for Area A Baynes Sound, Area B and Area C were established on March 31, 1985 to provide assistance to benefit the community or any aspect of the community. The participants in each service are the respective electoral areas, with the applicable portions of Electoral Area A participating in each of those three services.
- The grant-in-aid services for Denman and Hornby Island were established on March 31, 2009 also to provide assistance to benefit the community or any aspect of the community.
- Historically, the annual funding levels in each service earmarked for distribution to non-profit or charitable organizations by way of unconditional local government grants are set during the annual financial planning process after which all submissions received are distributed to and reviewed with the Electoral Area Directors for determining approvals and the funding contributions to be awarded given adopted budgetary limits.

- As per section 374(9) of the *Local Government Act*, the maximum levy for each service cannot exceed \$0.10 per \$1,000 of assessed value. This results in 2021 maximum requisitions available of:
 - Area A Baynes Sound = \$173,556
 - Area B = \$213,913
 - Area C = \$249,344
 - Denman Island = \$46,245
 - Hornby Island = \$68,396
- The 2021 estimated residential tax rates for each service are:
 - Area A Baynes Sound
 - \$0.0101 per \$1,000 (2020 - \$0.0271) of assessed value
 - Estimated tax levy of \$5.05 for a home assessed at \$500,000
 - Area B
 - \$0.0138 per \$1,000 (2020 - \$0.0261) of assessed value
 - Estimated tax levy of \$6.90 for a home assessed at \$500,000
 - Area C
 - \$0.0302 per \$1,000 (2020 - \$0.0388) of assessed value
 - Estimated tax levy of \$15.10 for a home assessed at \$500,000
 - Denman Island
 - \$0.0267 per \$1,000 (2020 - \$0.0576) of assessed value
 - Estimated tax levy of \$13.35 for a home assessed at \$500,000
 - Hornby Island
 - \$0.0223 per \$1,000 (2020 - \$0.0397) of assessed value
 - Estimated tax levy of \$11.15 for a home assessed at \$500,000

Prepared by:

Concurrence:

K. Douville***M. Foort***

 Kevin Douville, B.Comm
 Manager of Financial Planning

 Myriah Foort, BBA, CPA, CA
 Chief Financial Officer

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 annual allocation process provides support across the community supported by an application process to ensure a fair process and that the funds are allocated to the most impactful or highly needed investment as determined by the electoral area director. 	Climate crisis and environmental stewardship and protection: <ul style="list-style-type: none"> • Not a significant driver for this service.
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Community partnerships: <ul style="list-style-type: none"> • These services provide unconditional grants to numerous non-profit and charitable organizations throughout the Comox Valley with a variety of mandates including serving vulnerable populations, environmental stewardship, youth, etc. 	Indigenous relations: <ul style="list-style-type: none"> • Not a significant driver for this service.
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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.

While there were no recommended actions identified nor budgetary impacts / implications for 2020 and for across the 2021 – 2025 proposed financial plan for these services, extraordinary budget increases were approved by the Board just prior to the adoption of the 2021 – 2025 financial plan in March 2020 in an effort to provide support for those organizations serving vulnerable populations throughout the Comox Valley region at the onset of the COVID-19 pandemic. The electoral area directors could consider maintaining this higher level of funding in 2021, to be included in the recommended budget.

Economic Recovery Task Force Actions

The following ERTF action item recommendations could be considered for these or related CVRD services going forward:

1. Creation of local government pandemic response grants for the regional child care sector.
2. Ensuring budget allowances are put in place to assist with the development of new, or enhancement of existing, festivals, events, etc.

Financial Plan Overview

The 2021-2025 proposed five-year financial plans for functions 120 - 124, including service establishment information, requisition summary and operating budgets, are 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.

Tables 2 through 6 on the following pages summarize the 2021 proposed budget as compared to the 2020 adopted budget for these services. Significant variances from the 2020 adopted budgets will be discussed in the financial plan highlights section below.

Table 2: Function 120 Financial Plan Highlights


 2021 Proposed Budget				#120 Grant in Aid Area A Baynes Sound			
Operating	2020 Budget	2021 Proposed Budget		Increase (Decrease)			
Revenue							
Requisition	50,000	19,908		(30,092)			
Prior Years Surplus	44	163		119			
	50,044	20,071	\$	(29,973)			
Expenditures							
Operating	50,444	20,071		30,373			
	50,444	20,071	\$	(30,373)			

Table 3: Function 121 Financial Plan Highlights


 2021 Proposed Budget				#121 Grant in Aid Area B			
Operating	2020 Budget	2021 Proposed Budget		Increase (Decrease)			
Revenue							
Requisition	55,754	30,968		(24,786)			
Prior Years Surplus	2,748	231		(2,517)			
	58,502	31,199	\$	(27,303)			
Expenditures							
Operating	58,502	31,199		27,303			
	58,502	31,199	\$	(27,303)			

Table 4: Function 122 Financial Plan Highlights


 2021 Proposed Budget				#122 Grant in Aid Area C			
Operating	2020 Budget	2021 Proposed Budget		Increase (Decrease)			
Revenue							
Requisition	108,034	87,922		(20,112)			
Prior Years Surplus	9,306	4,090		(5,216)			
	117,340	92,012	\$	(25,328)			
Expenditures							
Operating	117,340	92,012		25,328			
	117,340	92,012	\$	(25,328)			

Table 5: Function 123 Financial Plan Highlights



 2021 Proposed Budget				#123 Denman Island Grant in Aid			
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)				
Revenue							
Requisition	25,000	12,625	(12,375)				
Prior Years Surplus	7,801	6,949	(852)				
	32,801	19,574	\$ (13,227)				
Expenditures							
Operating	32,801	19,574	13,227				
	32,801	19,574	\$ (13,227)				

Table 6: Function 124 Financial Plan Highlights

 2021 Proposed Budget				#124 Hornby Island Grant in Aid			
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)				
Revenue							
Requisition	25,000	15,502	(9,498)				
Prior Years Surplus	88	4,424	4,336				
	25,088	19,926	\$ (5,162)				
Expenditures							
Operating	25,088	19,926	5,162				
	25,088	19,926	\$ (5,162)				

Highlights of the 2021 - 2025 proposed financial plans for functions 120 – 124 include:

Revenue Sources

The primary revenue source for these service are tax requisition.

Personnel

There are no CVRD personnel costs directly charged to these services.

Operational Costs

- In March 2020, the CVRD Board approved one-time tax requisition increases for 2021 totalling \$97,621 for the grant in aid services. This occurred just prior to the 2020 – 2024 financial plan being adopted and was to provide financial support to community organizations working to address any public health and food security impacts being experienced by vulnerable populations as a result of the COVID-19 pandemic. The requisitions included in the 2021 – 2025 financial plan are based on pre-2020 taxation levels pending direction from the Electoral Area Directors regarding any further pandemic response / recovery funding they would like to consider for 2021.

- On August 25th, 2020 the Board approved the following motion:
 - “THAT existing grant services are modified as described below:
 - a. Modify the Electoral Area Arts and Culture Grant Program to include dual funding streams, one for five-year agreements and the other for one-time special initiative or event funding, additionally request a regional strategic plan be created for the sector.
 - b. Grant in Aid funding to be marketed as Rural Area Community Grants and include election cycle multi-year agreements for some traditionally long standing recipients.
 - c. Establishment of a new Part A - Baynes Sound Community Facilities Service in conjunction with the expansion of the existing Black Creek Community Hall service (function #676) to include other community facilities within Electoral Area C both to be completed through an electoral ascent process.”

Staff continues to move forward with the reorganization / enhancements of the CVRD granting services ahead of implementation in 2022. As such, the shift of support for the several community halls historically funded through these grant-in-aid services to new and/or expanded community hall services is not yet reflected in this five year financial plan.

Capital

There are no capital associated with any of these services.

Reserves

There are no reserves established for these services.

Tax Impacts

- Based on the 2021 completed assessment roll, the estimated residential tax rate and tax impact for each of these service are expected to be:
 - Area A Baynes Sound
 - \$0.0101 per \$1,000 (2020 - \$0.0271) of assessed value
 - Estimated tax levy of \$5.05 for a home assessed at \$500,000
 - Area B
 - \$0.0138 per \$1,000 (2020 - \$0.0261) of assessed value
 - Estimated tax levy of \$6.90 for a home assessed at \$500,000
 - Area C
 - \$0.0302 per \$1,000 (2020 - \$0.0388) of assessed value
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 - Hornby Island
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Citizen/Public Relations

The ongoing implementation of changes to the CVRD granting programs / services will continue to be communicated to all current and previous recipients of grants-in-aid as well as to the general public ahead of 2022.