

**DATE:** February 2, 2021**FILE:** 1700-02/2021/555**TO:** Chair and Directors  
Electoral Areas Services Committee**FROM:** Russell Dyson  
Chief Administrative OfficerSupported by Russell Dyson  
Chief Administrative Officer**RE: 2021 - 2025 Financial Plan – Denman Island Economic Development  
Function 555****Purpose**

To provide the Electoral Areas Services Committee with the proposed 2021 - 2025 financial plan and work plan highlights for the Denman Island Economic Development service, function 555.

**Recommendation from the Chief Administrative Officer:**

THAT the proposed 2021 – 2025 financial plan for Denman Island Economic Development Service, function 555, be approved.

**Executive Summary**

Highlights of the financial plan for the Denman Island Economic Development service include:

- Delivery of economic development services is through an agreement with the Denman WORKS! Economic Enhancement Society (Denman WORKS!), which is in effect until December 31, 2021.
- The estimated residential tax rate for 2021 is forecast to be \$0.1090 per \$1,000 of assessed value, a slight reduction from 2020.
- For a property assessed at \$500,000, the 2021 tax impact would be \$54.50 for this service.
- The proposed requisition for 2021 is \$51,500 which is a slight increase from 2020 of \$50,054, due to changes in support service allocations and contribution to reserves.
- An annual operational grant of \$45,000 for Denman WORKS! Is budgeted through 2025, which includes \$16,000 in funding for an annual community project granting program.

Prepared by:

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Doug DeMarzo  
General Manager of  
Community Services

**Government Partners and Stakeholder Distribution (Upon Agenda Publication)**

Denman WORKS!	✓
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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: Board Strategic Drivers**

<b>Fiscal responsibility:</b> <ul style="list-style-type: none"> <li>Supporting operating through Denman Works! is a method for enhanced economic development.</li> </ul>	<b>Climate crisis and environmental stewardship and protection:</b> <ul style="list-style-type: none"> <li>Projects are not significantly influenced by this driver.</li> </ul>
<b>Community partnerships:</b> <ul style="list-style-type: none"> <li>Denman Works! receives an operating grant and together with the CVRD grant proposals are awarded to other community organizations that are in alignment with island priorities.</li> </ul>	<b>Indigenous relations:</b> <ul style="list-style-type: none"> <li>Projects are not significantly influenced by this driver.</li> </ul>

**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. Although not directly related CVRD staff will work closely with Denman WORKS! when reviewing the grant proposals. The following five key board principles to help guide the CVRD's actions moving forward:

1. Maintain core services at an affordable cost
2. Sustain stable services in support of the local economy
3. Adapt to changing community priorities
4. Realign resources to support community renewal initiatives
5. Communicate clearly about our actions

**Economic Recovery Task Force Actions**


Not applicable to this service.

**Financial Plan Overview**

The 2021 - 2025 proposed five-year financial plan for Denman Island Economic Development function 555, including service establishment information, 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](http://www.comoxvalleyrd.ca/currentbudget).

Table 2 on the following page 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

#555 Denman Island Economic Development

Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)
Revenue			
Requisition	50,043	51,500	1,457
Transfer from Reserve	926	0	(926)
	\$ 50,969	\$ 51,500	\$ 531
Expenditures			
Personnel Costs	3,379	3,597	218
Operating	47,590	46,836	(754)
Contribution to Reserve	0	1,067	1,067
	\$ 50,969	\$ 51,500	\$ 531

Highlights of the 2021 - 2025 proposed financial plan for function 555 include:

#### Revenue Sources

The proposed tax requisition for 2021 and 2022 is \$51,500 with a slight increase to \$52,000 for the remainder of the five year financial plan. The 2020 tax requisition was \$50,043.

#### Personnel

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

#### Operations

The contract with Denman WORKS! was renewed in August of 2019 through to December 2021 with an option to renew for an additional two years to 2023.

Within the \$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.

#### Capital

There is no capital associated with this service.

#### Reserves

The balance in the future expenditure reserve as at December 31, 2020 is estimated to be \$23,964. A reserve contribution of \$1,067 in 2021 is anticipated, with minor allocations over the five year plan. The estimated ending 2025 balance is \$26,353.

### Tax Impacts

- Based on the 2021 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.1090 per \$1,000 (2020 - \$0.1153) of taxable assessed value.
- The maximum tax requisition in 2021 is \$128,560 based on a maximum levy of \$0.278 per \$1,000 of assessed value.
- For a residence with an assessed value of \$500,000, the total tax impact is estimated to be \$54.50.

### **Citizen/Public Relations**

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. 2021 will prove to be another challenging year with the continuation of COVID-19.

Attachments: Appendix A – Denman WORKS 2020 Budget Proposal

# Denman WORKS! Economic Enhancement Society

## 2.0 Five Year Financial Plan

### Denman Works Proposed Budget 2021 and Five-Year Projection

REVENUE	2020 YE Projected	2021	2021 Comments	2022	2023	2024	2025
<b>CVRD Operating Grant</b>	\$ 45,000	45,000	fixed amount for 3 year contract	45,000	45,000	45,000	45,000
<b>Earned Revenue</b>							
Workshop Fees							
Visit Denman Website advertising	-	1,200	assume return to pre-Covid visitor model	1,200	1,200	1,200	1,200
Non CVRD grant revenue							
subtotal earned revenue	-	1,200		1,200	1,200	1,200	1,200
	\$ 45,000	46,200		\$ 46,200	\$ 46,200	\$ 46,200	\$ 46,200
<b>EXPENSE</b>	<b>2020 YE Projected</b>	<b>2,021</b>	<b>2021 Comments</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>CVRD Community Project Grants</b>	\$ 16,100	16,000		16,000	16,000	16,000	16,000
<b>Resource Centre Program</b>							
Visit Denman Website	6,000	7,000	Increase because of support for Island Comeback	7,000	7,000	7,000	7,000
DW / Job Board Website	7,000	5,000	Regular maintenance	5,000	5,000	5,000	5,000
subtotal Resource Centre	13,000	12,000		12,000	12,000	12,000	12,000
<b>Workshop Program</b>	1,000	1,000	seminars	1,200	1,200	1,200	1,200
<b>Visitor Brochure Program</b>	1,200	1,200	reduced to include Hornby/Denman brochure only	1,200	1,200	1,200	1,200
<b>Project Support Program</b>	844	1,200	ad hoc small grants	1,200	1,200	1,200	1,200
<b>Grant Facilitation Program</b>	1,500	5,000	Increase because of administration of Community Project Grants added to grants facilitation function	5,000	5,000	5,000	5,000
<b>Core Economic Enhancement Activities</b>							
Resource Centre Rent	3,780	3,780	\$315 per month for every Thursday	3,780	3,780	3,780	3,780
Website Technical Maintenance	450	450	hosting plan, security, name licensing	450	450	450	450
Advertising & Promotion	3,000	1,200	assumes post-COVID return to more normal levels	1,200	1,200	1,200	1,200
Bank & Filing Fees	200	200	no change	200	200	200	200
Bookkeeping and Accounting	730	700	no change	700	700	700	700
Insurance	881	881	no change	890	890	890	890
Office Expenses	1,230	500	increased to include phone line @420 year)	500	500	500	500
Meeting & Liaison Expenses	200	600	Includes Zoom subscription	600	600	600	600
subtotal Core Ec. Enhance	10,471	8,311		8,320	8,320	8,320	8,320
<b>Total Expenses</b>	\$ 44,115	44,711		\$ 44,920	\$ 44,920	\$ 44,920	\$ 44,920
<b>Surplus Owing to CVRD</b>	\$ 885	1,489		\$ 1,280	\$ 1,280	\$ 1,280	\$ 1,280