

DATE: February 4, 2020

TO: Chair and Directors
Electoral Areas Services Committee

FROM: Russell Dyson
Chief Administrative Officer

FILE: 1700-02/2020/555

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

**RE: 2020 - 2024 Financial Plan – Denman Island Economic Development
Function 555**

Purpose

To provide the Electoral Areas Services Committee with the proposed 2020 - 2024 financial plan work plan highlights for the Denman Island Economic Development service, function 555.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2020 – 2024 financial plan for Denman Island Economic Development Service, function 555, be approved.

Executive Summary

Highlights of the financial plan include 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!); in which is in effect until December 31, 2021;
- The proposed requisition for 2020 remains unchanged from 2019 at \$50,043 and stay flat across the full 5-year financial plan;
- The estimated residential tax rate for 2020 is forecast to be \$0.1152 per \$1,000 of assessed value, a slight reduction from 2019;
- The maximum tax requisition in 2020 is 117,846 based on a maximum levy of \$0.278 per \$1,000 of assessed value;
- For a property assessed at \$500,000, the 2020 tax impact would be \$57.60;
- Operational grant of \$45,000 included for Denman WORKS! through 2024, which includes \$16,000 in funding for an annual community project grant program.

Prepared by:

D. DeMarzo

Doug DeMarzo
General Manager of Community Services

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- Strategic Drivers


<p>Fiscal responsibility:</p> <ul style="list-style-type: none"> Supporting operating through Denman Works! is a method for enhanced economic development 	<p>Climate crisis and environmental stewardship and protection:</p> <ul style="list-style-type: none"> In 2019 a grant was awarded to Denman Green affordable rental housing project to assist with net zero energy planning
<p>Community partnerships:</p> <ul style="list-style-type: none"> Denman Works! receives an operating grant and together with the CVRD grant proposals are awarded to in alignment with island priorities to other community organizations 	<p>Indigenous relations:</p> <ul style="list-style-type: none"> Projects are not significantly influenced by this driver

Financial Plan Overview

The 2020 - 2024 proposed five-year financial plan for Denman Island Economic Development – Function 555, be approved., 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.

Table 2 on the following page summarizes the 2020 proposed budget as compared to the 2019 adopted budget. Significant variances from 2019 adopted budget will be discussed in the financial plan sections below.

Table 2: Financial Plan Highlights

 2020 Proposed Budget			
#555 Denman Island Economic Development			
Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)
Revenue			
Requisition	50,043	50,043	-
Transfer from Reserve	27,000	926	(26,074)
Prior Year's Surplus	1,130		
	\$ 78,173	\$ 50,969	\$ (27,204)
Expenditures			
Personnel Costs	3,746	3,379	(367)
Operating	73,844	47,590	(26,254)
Contribution to Reserve	583		(583)
	\$ 78,173	\$ 50,969	\$ (27,204)

Highlights of the 2020 - 2024 proposed financial plan for function 555 include:

Revenue Sources

The proposed tax requisition for 2020 through 2024 is \$50,043, unchanged from 2019.

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

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, 2019 is estimated to be \$23,584. No contributions to the reserve are presently contemplated in the current five-year plan, rather very modest transfers from the reserve are budgeted in 2020 through 2024 in order to support the operational budget for the service.

Tax Impacts

- Based on the 2020 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.1152 per \$1,000 of taxable assessed value.
- The 2019 residential tax rate for the service was \$0.1180 per \$1,000 of taxable assessed value.
- For a residence with an assessed value of \$500,000, the total tax impact is estimated to be \$57.60.

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..

Attachments: Appendix A – “Denman WORKS 2020 Budget Proposal”

Denman Works Economic Enhancement Society
Proposed Five year Financial Projection 2019-2024

Appendix A

REVENUE	2019 Forecast	2020	2021	2022	2023	2024
CVRD Operating Grant	\$ 45,200	\$ 45,000	45,000	45,000	45,000	45,000
CVRD Reserve Grant CPG Draw	27,000					
Earned Revenue						
Workshop Fees	-					
Visit Denman Website advertising	2,400	1,200	1,200	1,200	1,200	1,200
Non-CVRD Grant Funding & Donations	2,817					
<i>subtotal earned revenue</i>	5,217	1,200	1,200	1,200	1,200	1,200
	\$ 77,417	\$ 46,200	\$ 46,200	\$ 46,200	\$ 46,200	\$ 46,200
EXPENSE	2019 Forecast	2020	2021	2022	2023	2024
CVRD Community Project Grants	\$ 43,000	\$ 16,000	16,000	16,000	16,000	16,000
Resource Centre Program						
Content Mgmt -Visit Denman Website	8,295	6,000	6,000	6,000	6,000	6,000
Content Mgmt - DW / Job Board Website	3,119	5,000	5,000	5,000	5,000	5,000
<i>subtotal Resource Centre</i>	11,414	11,000	11,000	11,000	11,000	11,000
Core Economic Enhancement Activities						
Resource Centre Rent	4,020	3,600	3,600	3,600	3,600	3,600
Website Technical Maintenance	1,361	450	450	450	450	450
Advertising & Promotion	1,595	1,200	1,200	1,200	1,200	1,200
Bank & Filing Fees	118	200	200	200	200	200
Bookkeeping and Accounting	1,000	700	700	700	700	700
Insurance	868	890	890	890	890	890
Office Expenses	580	500	500	500	500	500
Meeting & Liaison Expenses	704	600	600	600	600	600
Honorariums	-					
Payroll & WCB	39	-				
<i>subtotal Core Ec. Enhance</i>	10,285	8,140	8,140	8,140	8,140	8,140
Workshop Program	1,000	1,000	1,000	1,000	1,000	1,000
Visitor Brochure Program	1,528	5,600	4,000	4,000	4,000	4,000
Project Support Program	2,350	1,200	1,200	1,200	1,200	1,200
Grant Facilitation Program	2,186	2,000	3,600	3,600	3,600	3,600
	\$ 71,763	\$ 44,940	\$ 44,940	\$ 44,940	\$ 44,940	\$ 44,940
Surplus Owing to CVRD	\$ 5,654	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260
less earned revenue	437	60	60	60	60	60

**Denman Works Economic Enhancement Society
Proposed Five year Financial Projection 2019-2024**

Comments
One-time 2019 Destination Bcgrant for BC Seaside website thr HICEEC
No large grants requiring draws on reserve are anticipated
Outside contract for update, content development, and advertising.
Outside contract for update and content development
Office rent for one day a week
Domain registration, security, and technical support
All programs including advertisements and news releases
Includes BC Society Act registration fees
Outside contract
Director & office insurance
Mail box, supplies & equipment
Rentals, advertising and travel
As determined by Board
There will no employees
Workshops instructor costs
Tourism promotion brochures
Ad hoc assistance to local initiatives
Outside contract for grant search and subscription to grants database