

DATE: January 7, 2021**FILE:** 4200-01**TO:** Chair and Directors
Electoral Areas Services Committee**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer***R. Dyson*****RE: New Electoral Area Community Halls Services****Purpose**

To provide an option for consistent and stable funding to community halls in the electoral areas through the establishment of a service.

Recommendation from the Chief Administrative Officer:

THAT the board support the Electoral Areas Community Halls Services Project as outlined in the staff report dated January 7, 2021;

AND FURTHER THAT staff be directed to bring forward the necessary service establishment bylaws and related logistics for consideration of readings and inclusion with the singular Alternative Approval Process to seek participating area approval.

Executive Summary:

In August 2020 the board supported the establishment of rural community hall services. Electoral Areas Community Halls Service Establishment would result in two services: one for Electoral Area A; and a second service being the expansion of the Black Creek Community Hall Service to include a portion of Electoral Areas B and Electoral Area C.

- Boundaries for new service include:
 - Area A - Baynes Sound Electoral Area A
 - Area B/C - Electoral Area B, except those properties south of Ryan Road and Electoral Area C, except those properties south of the Puntledge River.
- It is anticipated that overall funding to the respective community hall associations will remain consistent to that what has been provided under the electoral area grants-in-aid services unless otherwise directed through the 2022 or future financial planning processes. Moderate tax increases or decreases related to current funding of community halls is possible depending on individual property locations.
- With establishment in 2022, these services would provide funding to the eight (8) community halls that have historically been supported via the Comox Valley Regional District's (CVRD) electoral areas grants-in-aid services (functions 120 – 125), which in 2020 totalled \$44,000 and would be broken down as follows:
 - Electoral Area A – Baynes Sound, five (5) community halls between Fanny Bay and Royston for a total of \$26,000; and
 - Portions of Electoral Areas B & C, three (3) community halls (Black Creek OAP, Dove Creek and Merville) plus the Black Creek Community Hall for an estimated total of \$104,799.
- If approved this service will be established for the 2022 budget year. Until then the grant-in-aid process will remain in place for through the rural community grant model.

- Community partnerships, a board strategic objective, is enhanced by providing certainty to our community halls in addition to enhancing services to the residents through defining these funding agreements through an establishing service.

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Concurrence:

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Background/Current Situation

The Black Creek Community Hall (BCCH) currently receives operational support via the Black Creek Community Hall Contribution service (function #676). As part of the 2021 – 2025 financial planning process, the BCCH has requested \$86,799 for its operational grant, an increase of \$21,299 over 2020. The eight (8) other community halls to be supported by one of these two new services have historically been supported by way of the CVRD's electoral areas grant-in-aid services (functions 120 – 124) and therefore must apply annually for consideration for funding. The purpose of the new and expanded service is to provide consistent and stable funding to electoral area community halls.

For the new Community Hall Services it is anticipated that overall funding will remain consistent unless otherwise directed through the annual five-year financial planning process. This change will be achieved by transferring the current funding of \$44,000 (2020) for community halls from grant-in-aid funding towards the new services. Once these services are established and expanded accordingly, staff will ascertain if additional reserve funds should also be established to support future operational and capital improvement needs for these community halls.

It should be noted that portions of Area B or C are excluded because the locations are closer to hall amenities provided in the municipalities. Therefore those residents would be more likely to take advantage of those services.

Finally the purpose of this service is not to support a fundamental shift in the CVRD involvement of community halls but rather continue with a minor support role. The Halls are not CVRD owned or managed therefore asset management planning from a capital perspective is not realized in the budgets.

Policy Analysis

The concept of a community hall service was supported by the board in the report CVRD Grants/Funding Services – Process dated August 6, 2020 with an excerpt of the resolution as follows:

THAT 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.

The project was further supported in November 2020 with the following resolution to include it as part of the singular Alternative Approval Process to be conducted in 2021:

- THAT the Board approve the concept of the singular alternative approval process, to occur in May/June 2021;

AND FURTHER THAT the following projects be considered for the singular Alternative Approval Process (AAP) with additional presentation at subsequent Committee, Commission or Board meetings as needed:

- Rural Cumberland Fire Maximum Requisition Increase
- Electoral Areas Community Halls Service Establishment
- Saratoga Pest Management Service Establishment

AND FINALLY THAT the final set of projects for the singular AAP be determined in February 2021, including any required bylaw readings and / or project logistics.

The November report also outlined the service areas as follows;

- Area A - Baynes Sound Electoral Area A
- Area B/C - Electoral Area B, except those properties south of Ryan Road and Electoral Area C, except those properties south of the Puntledge River.

Options

The options include:

- Adopt the development of establishing a new service for supporting community halls in the electoral areas with the funding to be provided through an annual tax requisition.
- Cancel the proposed approach to expand and establish community hall services and continue status quo through the rural community grant program within grants-in-aid services.
- Decline the development of a new service for supporting community halls in the electoral areas and seek further options from staff for a more fundamental shift in how community halls are supported including a broader planning process and consultation process.

Staff are recommending support for option 1.

Financial Factors

Electoral Area A

Five (5) community halls located with the Electoral Area A – Baynes Sound area have historically been financially supported through the Area A – Baynes Sound Grant-in-Aid service, function #120, based on an annual application process. In 2020, a total of \$26,000 was approved to assist these facilities with their operational, programming and/or minor capital needs. With the establishment of a stand-alone community facilities services, existing tax requisition requirements for function #120 would expect to be reduced and shift over to the new service.

A forecasted 5-year financial plan is presented below which includes general service costs, in addition to the expected operational grants to be provided via multi-year contribution agreements, such as support service, insurance, advertising and legal. Once the new service has been established, staff would recommend that a future expenditure reserve also be established to support the ongoing operational and capital needs of these facilities to ensure ongoing and sustainable service delivery, and therefore reserve contribution costs have also been included in the projected five-year plan.

Table 1 – Projected 5-Year Financial Plan – EA A (Baynes Sound) Community Facilities

CVRD Draft 5 Year Operating Budget by Service						
Functions: TBD						
Objects: Multiple						
Account Code	Account Description	2022 Budget	2023 Financial	2024 Financial	2025 Financial	2026 Financial
01 - General Revenue Fund						
TBD - Electoral Area A - Baynes Sound Community Facilities						
Revenues						
TBD - Electoral Area A Baynes Sound Community Facilities						
01-1-TBD-019	Reqn Elect/Spec Prov Govt	37,500	38,000	38,500	39,000	39,500
01-1-TBD-145	Transfer from Reserve	0	0	0	0	0
675 - Electoral Area A Baynes Sound Community Facilities		37,500	38,000	38,500	39,000	39,500
Revenues		37,500	38,000	38,500	39,000	39,500
Expenses						
675 - Electoral Area A Baynes Sound Community Facilities						
01-2-TBD-200	Support Services	300	300	300	300	300
01-2-TBD-210	Grant Operational (5 Existing Halls)	26,000	26,520	27,050	27,591	28,143
01-2-TBD-210	Grant Operational (Additional Allowance)	5,000	5,100	5,202	5,306	5,412
01-2-TBD-335	Advertising	500	150	150	150	150
01-2-TBD-369	Insurance Liability	300	312	324	337	351
01-2-TBD-381	Legal Fees	100	100	100	100	100
01-2-TBD-489	Reserve Contr Other	5,300	5,518	5,373	5,215	5,044
TBD - Electoral Area A Baynes Sound Community Facilities		37,500	38,000	38,500	39,000	39,500
Expenses		37,500	38,000	38,500	39,000	39,500
TBD - Electoral Area A Baynes Sound Community Facilities		0	0	0	0	(0)
01 - General Revenue Fund		0	0	0	0	(0)

Electoral Area B and C (portions thereof)

Three (3) community halls located with Electoral Area C have historically been financially supported through the Area C Grant-in-Aid service, function #122, based on an annual application process. In 2020, a total of \$18,000 was approved to assist these facilities with their operational, programming and/or minor capital needs. With the establishment of a stand-alone community facilities services, existing tax requisition requirements for function #122 would be expected to be reduced and shift over to the newly expanded service which currently solely supports the Black Creek Community Hall with a proposed 2021 tax requisition of \$93,800.

A forecasted 5-year financial plan is presented below which includes general service costs, in addition to the expected operational grants to be provided via multi-year contribution agreements, such as support service, insurance, advertising, legal and reserve contribution costs. Once the new service has been established, staff would recommend that a future expenditure reserve also be established to support the ongoing operational and capital needs of these facilities to ensure ongoing and sustainable service delivery, and therefore reserve contribution costs have also been included in the projected five-year plan.

Table 2 – Projected 5-Year Financial Plan – EA B and C Community Facilities

CVRD Draft 5 Year Operating Budget by Service						
Functions: 676						
Objects: Multiple						
Account Code	Account Description	2022 Budget	2023 Financial	2024 Financial	2025 Financial	2026 Financial
01 - General Revenue Fund						
676 - Area B - C Community Facilities Contribution						
Revenues						
676 - Area B - C Community Facilities Contribution						
01-1-676-019	Reqn Elect/Spec Prov Govt					
01-1-676-150	Surplus Prior Year	123,500	124,000	124,500	125,000	125,500
676 - Area B - C Community Facilities Contribution		123,500	124,000	124,500	125,000	125,500
Revenues		123,500	124,000	124,500	125,000	125,500
Expenses						
676 - Area B - C Community Facilities Contribution						
01-2-676-200	Support Services	420	428	437	446	446
01-2-676-210	Grant Operational - Black Creek	86,799	86,799	86,799	86,799	86,799
01-2-676-210	Grant Operational - 3 Community Halls	18,000	18,360	18,727	19,102	19,484
01-2-676-210	Grant Operational - Additional Allowance	5,000	5,100	5,202	5,306	5,412
01-2-676-335	Advertising	500	150	150	150	150
01-2-676-369	Insurance Liability	1,387	1,442	1,500	1,560	1,623
01-2-676-381	Legal Fees	1,000	500	500	500	500
01-2-676-409	Hydro - Black Creek	272	279	286	300	300
01-2-676-489	Reserve Contributions - Black Creek	4,653	4,592	4,528	4,455	4,455
01-2-676-489	Reserve Contributions - Others	5,469	6,350	6,371	6,382	6,331
676 - Area B - C Community Facilities Contribution		123,500	124,000	124,500	125,000	125,500
Expenses		123,500	124,000	124,500	125,000	125,500
676 - Area B - C Community Facilities Contribution		0	(0)	(0)	0	0
01 - General Revenue Fund		0	(0)	(0)	0	0

Finally for both proposed services a report in February will be forthcoming that outlines the max requisitions and projected cost per household as part of the singular AAP process.

Legal Factors

The CVRD has the broad authority to operate any service it considers necessary or desirable. The Electoral Areas Community Halls Services Project entails two separate service establishing processes. To operate most services, the regional district board must pass a service establishing bylaw. The adoption and amendment of service establishing bylaws includes a number of legislative requirements, including approval by the Provincial Inspector of Municipalities and participating area approval which may be obtained through an assent vote, alternative approval process or consent of the electoral area director. An AAP has been proposed given that the service is not projected to have a financial impact on taxpayers.

An AAP, formally known as a counter-petition, is a form of approval that allows local governments to directly engage citizens about a proposed bylaw or other matter requiring elector approval. An AAP is a process whereby the Board notifies the electors of its intent to proceed with final passage and adoption of a bylaw (or other matter) unless at least 10 per cent of the electors petition against the initiative, in which case the bylaw or other matter may not be adopted without first obtaining the assent of the electors by voting.

The general process and legislative sequence for the Electoral Areas Community Halls Services Project is outlined in Table 3 below. The AAP timeline is proposed to be conducted concurrently through the singular AAP process to be conducted in the spring of 2021.

Table 3

Service	Bylaw	Process
Baynes Sound Community Halls Service	New service establishing bylaw to be drafted	<ol style="list-style-type: none"> 1. Board to give three readings to the service establishment bylaw 2. Provincial review and approval (6-8 weeks) 3. Approval of the electors by way of an AAP (6-8 weeks) 4. Adoption of the bylaw by the board
Portion of Electoral Area B and C Community Halls Service	Amendment to Black Creek Community Centre Contribution Service Establishment Bylaw No. 47, 2009	<ol style="list-style-type: none"> 1. Board to give three readings to an amendment to the service establishment bylaw (6-8 weeks) 2. Provincial review and approval (6-8 weeks) 3. Approval of the electors by way of an AAP (6-8 weeks) 4. Adoption of the bylaw by the board

Regional Growth Strategy Implications

Ensuring the long term viability of community halls throughout the region helps meet many RGS goals that promote healthy living and reducing the distance to travel to centres providing healthy living options thereby decreasing GHG emissions. Examples of some objectives are below.

- Objective 7-A: Increase the number of pedestrians and cyclists in the Comox Valley.
- Objective 8-B: Reduce GHG emissions created by the on-road transportation sector

Intergovernmental Factors

The proposed community halls service will not have any impacts on other local governments.

Interdepartmental Involvement

Community Services and Finance will be working closely together to develop the new service.

Citizen/Public Relations

A communication plan has been developed and outlines how residents will be informed through website and newsletter updates. As well communication will be provided through the singular AAP with advertising in community. Electoral Area Community Hall Boards will be provided a letter outlining new approach prior to singular AAP. A few milestones include

- Letters to Community Hall Boards
- Electoral Area engagement newsletter and CVRD stakeholder newsletter update
- AAP process updates in accordance with the upcoming report from legislative services in February

Attachments: Appendix A – “Baynes Sound Community Hall Map”

Appendix B – “Portion of Electoral Area B and C Community Hall Map”



