

DATE: August 6, 2019

FILE: 1700-02/2019/555

TO: Chair and Directors
Electoral Areas Services Committee

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: Denman WORKS! Request for Denman Island Economic Development Service Reserve Funds to Support Additional 2019 Local Economic Development Grants

Purpose

To consider a request from the Denman WORKS! Economic Enhancement Society (Denman WORKS!) to access funds from the Denman Island Economic Development service reserve to provide two additional community project grants to eligible applicants on Denman Island and to seek the approval of Directors to amend the 2019 – 2023 financial plan in order to support this request.

Recommendation from the Chief Administrative Officer:

THAT the 2019 – 2023 financial plan and capital expenditure program for the Denman Island Economic Development service, function 555, be amended by increasing operational grant expenditures by \$27,000 in 2019 to be funded by way of a contribution from future expenditure reserve from reserves function #555.

Executive Summary

A portion of the annual operational grants provided to Denman WORKS! from service 555 has been dedicated to the provision of community project program grants. Applications are solicited from organizations on Denman Island for eligible projects which are adjudicated by a Denman Works! review committee, scored for economic enhancement value utilizing an established criteria and rating process, and endorsed by their Board prior to submission to Comox Valley Regional District (CVRD) staff for concurrence. A total of \$16,000 was earmarked in 2019 (out of a total operational grant of \$45,000) for these community grants.

However, two additional larger scale project submissions were received this year that exceed the \$16,000 allowance for these grants which has already been fully subscribed for other projects. The Denman WORKS! Board has also endorsed these projects for funding and have therefore formally requested a one-time disbursement of \$27,000 from the Denman Island Economic Development service's future expenditure reserve so they can provide financial support to these two initiatives.

- Denman Island Residents Association (on behalf of the Denman Island Internet Committee)
 - \$10,000 request to assist with the Digital Roadmap and Implementation Plan.
 - A joint Denman – Hornby Island project which also recently submitted an application to Connecting BC program of the Northern Development Initiative Trust (NDIT) for \$15,000 towards a total project cost of \$50,000.
- The Island Coastal Economic Trust has committed up to \$20,000 for this initiative with \$5,000 also coming from Hornby Island Community Economic Enhancement Corporation (HICEEC).

- Denman Housing Association - Denman Green affordable rental housing project
 - \$17,000 request to assist with preliminary site preparation, water gathering / management and net zero energy planning.
 - Total project budget of \$6.35M to be funded primarily by federal and provincial contributions via BC Housing.

Financial Factors

- Future Expenditure Reserve fund balance as at December 31, 2018 was \$31,976;
- Budgeted contribution of \$583 in 2019;
- Unbudgeted extraordinary contribution of up to \$18,667 to be made in 2019 as a result of repayment by Denman WORKS! of previous years’ surpluses;
- Resulting net impact to the reserve fund will therefore be a decrease of \$8,333 to a balance as at December 31, 2019 of \$24,226.

To facilitate this request, the 2019 – 2023 financial plan and capital expenditure program for the Denman Island Economic Development service, function 555, will need to be amended by increasing operational grant expenditures by \$27,000 in 2019 to be funded by way of a contribution from future expenditure reserve from reserves 555.

Options

The following options are being presented and available to the Directors:

1. Approve the recommendation as presented
 - a. Application to NDIT was submitted on behalf of the Denman – Hornby Internet Committees by CVRD (Board supported) as an eligible local government applicant
 - b. Denman Green project is consistent with one of the CVRD Board’s strategic priorities, being “Regional Housing”
2. Approve an additional operational grant contribution to Denman WORKS! in the amount of \$18,667 to be funded by way of the repayment of prior years’ surpluses already received.

Staff are recommending option 1.

Interdepartmental Involvement

The Manager of Financial Planning and General Manager of Community Services meet annually to review all the submitted community project grant applications and subsequent recommendations by the Denman WORKS! review committee which are endorsed by their Board. If CVRD staff are in concurrence with their decisions then confirmation is provided and funding ultimately disbursed.

The same process occurred this year with the Acting General Manager of Community Services who in conjunction with the Manager of Financial Planning support the request for additional one-time funding from the reserve.

Prepared by:

Concurrence:

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Kevin Douville
Manager of Financial Planning

Doug DeMarzo
Acting General Manager of
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Stakeholder Distribution (Upon Agenda Publication)

Denman WORKS! Economic Enhancement Society	✓
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