

**DATE:** January 11, 2019**FILE:** 1700-02/2019/619**TO:** Chair and Directors  
Electoral Areas Services Committee**FROM:** Russell Dyson  
Chief Administrative Officer

Supported by Russell Dyson  
Chief Administrative Officer  
***R. Dyson***

**RE:** 2019 - 2023 Financial Plan – Denman Island Community Parks and Greenways  
Service, Function 619**Purpose**

To provide the Electoral Areas Services Committee with the proposed 2019-2023 financial plan and work plan highlights for the Denman Island Community Parks and Greenways Service, function 619.

**Recommendation from the chief administrative officer:**

THAT the proposed 2019-2023 financial plan for Denman Island Community Parks and Greenways Service, function 619, be approved.

**Executive Summary**

Denman Island Community Parks and Greenways Service 2019-2023 financial plan has the following highlights

- A tax requisition of \$85,000 is proposed, consistent with the \$5,000 increase planned in the previous approved five year financial plan.
- A combined reserves/balance of \$131,316 at the end of the five-year plan.
- Completion of the North Island Provincial Park connector.
- Increased costs for maintenance of the Denman Cross Island Trail.
- The maximum levy allowed for this service is \$.50 per \$1,000 of assessed property value which equates to a maximum requisition in 2019 of \$207,130. The 2019 proposed requisition represents a tax rate of approximately \$0.20 per \$1,000 of assessed property value.

Prepared by:

Concurrence:

***D. DeMarzo***

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Doug DeMarzo  
Manager of Parks***T. Ian Smith***

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T. Ian Smith, MCE  
General Manager of Community Services**Stakeholder Distribution (Upon Agenda Publication)**

Denman Island Residents Association	✓
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### Policy analysis

Bylaw No. 2253, established in December 1999 under authority of OIC No. 1217 was created after Electoral Area K was formed to provide authority to requisition taxable properties on Denman/Hornby Islands for a community parks service.


On October 25, 2011 the Board of Directors adopted Bylaw No. 132, being the “Denman and Hornby Islands Community Parks and Greenways Service Establishment Bylaw No. 2253, 2000, Amendment No. 1” to include greenways in the service provided and to update the bylaw to reflect the current name of the Comox Valley Regional District (CVRD) and Electoral Area A and include all cost recovery mechanisms identified in the *Local Government Act*.

On December 15, 2015, the Board of Directors adopted Bylaw No.386, being the “Denman Island Community Parks and Greenways Service Establishment”. Prior to 2015, the Denman Island parks service was previously combined with Hornby Island parks.

### Financial plan overview

Table 1 summarizes the 2019 proposed budget as compared to the 2018 adopted budget. Significant variances from 2018 adopted budget will be discussed in the financial plan highlights section.

**Table 1: Financial Plan Highlights**

 <b>2019 Proposed Budget</b>				
<b>#619 Community Parks - Denman Island</b>				
<b>Operating</b>	<b>2018 Budget</b>	<b>2019 Proposed Budget</b>	<b>Increase (Decrease)</b>	
<b>Revenue</b>				
Requisition	80,000	85,000		5,000
Prior Years Surplus	7,421	7,500		(79)
	<b>\$ 87,421</b>	<b>\$ 92,500</b>	<b>\$</b>	<b>5,079</b>
<b>Expenditures</b>				
Personnel Costs	38,160	42,755		4,595
Operating	36,794	42,577		5,783
Contribution to Reserve	12,467	7,168		(5,299)
	<b>\$ 87,421</b>	<b>\$ 92,500</b>	<b>\$</b>	<b>5,079</b>
<b>Capital</b>				
<b>Funding Sources</b>				
Senior Government Grants	47,546	136,829		89,283
Transfer from Reserve	55,000	25,000		(30,000)
	<b>\$ 102,546</b>	<b>\$ 161,829</b>	<b>\$</b>	<b>59,283</b>
<b>Funding Applied</b>				
Capital Projects & Equip	102,546	161,829		59,283
	<b>\$ 102,546</b>	<b>\$ 161,829</b>	<b>\$</b>	<b>59,283</b>

The 2019 - 2023 proposed five year financial plan for Denman Island Community Parks and Greenways service, including the requisition summary and the operating and capital budget, is available through the online budget binder at [www.comoxvalleyrd.ca/currentbudget](http://www.comoxvalleyrd.ca/currentbudget).

Highlights of the 2019 - 2023 proposed financial plan for Denman Island Community Parks and Greenways service, function 619, include:

#### *Revenue Sources*

The primary source of revenue for this service is tax requisition at \$85,000 for 2019, a planned increase of \$5,000 from 2018. Community Works Funds, a component of the federal Gas Tax Program, are also proposed to fund the majority of the capital improvements to the Denman Cross Island Trail.

#### *Personnel*

The delivery of the community parks and greenways service is accomplished by a staff compliment that includes a manager, a parks planner and one park technician and are accountable through the General Manager of Community Services to the Chief Administrative Officer. A portion of the above positions' time is allotted to Denman Island community parks and greenways service.

In 2019 and perhaps beyond, the parks department is proposing to hire two summer students for maintenance activities. A portion of the summer student's time will be focused on the Denman Cross Island Trail.

The 2019 increase in personnel costs of \$4,595 reflects contractual salary and wage increases in the collective agreement as well as a portion of the summer students' wages.

#### *Operations*

Operating costs for 2019 are proposed to increase from \$36,794 to \$42,577. Denman Island Residents Association and the CVRD have an agreement to help direct the day-to-day operations of parks and trails on the island. The main operating costs include payments for service agreements, equipment and material to support volunteers involved in parks maintenance and minor improvements. The volunteers on Denman Island help keep the costs of operating the parks system to a minimum. An additional trail to connect to the provincial park will be formalized in 2019 after a private owner granted a statutory right of way to the CVRD.

#### *Capital*

The capital plan for 2019 includes an allowance of \$161,829 for planning the next stages and priorities of the Denman Cross Island Trail. The funding for this work is proposed to come from Community Works Funds with a \$25,000 contribution from the capital works reserve. The 2019-2023 capital plan also includes allowances of \$25,000 in each of the years 2020 to 2023 for capital works along the trail.

#### *Reserves*

The proposed five year plan identifies a contribution of \$7,168 to reserves to facilitate capital works and replacement of park assets at the end of their useful life in accordance with an asset management plan that has been developed for this service. Capital assets to be funded under this program include the Bill Mee Park boat ramp replacement and Morning Beach Park stair replacement at the end of their useful life in approximately 15 years.

The Denman Island Parks and Greenways Service maintains reserves for capital works, parkland acquisition, and future expenditures. The projected reserve balances as of December 31, 2018 and forecasts through 2023 are summarized in Table 2. Final reserve balances will not be known until the 2018 year end has been completed.

**Table 2 – Estimated Reserve Fund Status**

<b>Reserve Account</b>	<b>2018 Estimated Balance</b>	<b>2023 Projected Balance</b>
Future Expenditure Reserve	\$57,089	\$73,230
Capital Works Reserve	\$144,804	\$54,804
Land Acquisition Reserve	\$3,282	\$3,282

### **Citizen/public relations**

Park planning and operational procedures provide opportunities to engage the general public, various community associations and volunteers in providing feedback on proposed policies and park improvement plans and to assist the CVRD in the operation of its park sites.

A community open house held at the Farmers Market in 2018 and provided valuable input on the island's priorities for the Denman Cross Island Trail.

The CVRD benefits significantly from the active participation of volunteers on Denman Island. The contribution from these resident volunteers has enhanced the condition of trails and other amenities in a cost effective manner. Some contracted maintenance services started in 2017 to assist the volunteers on the cross island trail and will continue as a regular part of service delivery.

The proposed requisition for 2019 is \$85,000 with an associated tax rate estimate of \$0.20/\$1,000 assessed property value. The cost for residents participating in the parks and greenways service with a property valued at \$500,000 will be approximately \$100.