

DATE: January 16, 2019**FILE:** 1700-02/2019/670**TO:** Chair and Directors
Electoral Areas Services Committee**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer***R. DYSON*****RE: 2019 - 2023 Financial Plan – Hornby Island Community Hall – Function 670****Purpose**

To provide the Electoral Areas Services Committee with the proposed 2019 - 2023 Financial Plan and work plan highlights for the Hornby Island Community Hall Service, function -670.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2019 - 2023 financial plan for the Hornby Island Community Hall, function 670, be approved.

Executive Summary

- This services provides funding assistance for the Hornby Island Community Hall
- 2019 requisition is unchanged from 2018 at \$69,001 based on a proposed tax rate of \$0.1170 per \$1,000
- Maximum 2019 tax requisition is \$92,997 based on a maximum levy equal to the greater of \$20,000 or \$0.16 per \$1,000.
- A property assessed at \$500,000, the 2019 tax levy would be \$58.50.

Prepared by:

D. DeMarzo

D. DeMarzo
Acting General Manager of Community Services**Stakeholder Distribution (Upon Agenda Publication)**

| | |
|--|---|
| Hornby Island Residents and Ratepayers Association | ✓ |
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Policy Analysis

In 1993 the then Comox Strathcona Regional District amended Bylaw No. 831 being the “Hornby Island Community Hall Specified Area Establishment Bylaw No. 831, 1985” with Bylaw No. 1415, being the “Hornby Island Community Hall Local Service Area Conversion And Establishment Bylaw, 1993”. This bylaw established a local service within a portion of Electoral Area A for the purpose of providing operating funds assistance for the Hornby Island Community Hall.

The strategic plan goal established by the Comox Valley Regional District (CVRD) board is “To promote and develop a healthy community within the Comox Valley by developing a framework to deliver recreation and cultural services that are cost effective and equitable for all residents”. The


Hornby Island Community Hall is one of the focal points on the island where many cultural and recreational events are held.

Financial Plan Overview

The Hornby Island Residents and Ratepayers Association (HIRRA) submits an annual five year financial plan and year-end financial statement to the CVRD for review. The proposed 2019 requisition is \$69,001 which represents no increase from 2018. The 2019 maximum tax requisition for this service is \$92,997. This service has been operating successfully for a number of years.

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 below.

Table 1: Financial Plan Highlights

|  #670 Hornby Island Community Hall | | | |
|--|--------------------|-----------------------------|----------------------------|
| Operating | 2018 Budget | 2019 Proposed Budget | Increase (Decrease) |
| Revenue | | | |
| Requisition | 69,001 | 69,001 | 0 |
| Prior Years Surplus | 39,680 | 30,883 | (8,797) |
| | \$ 108,681 | \$ 99,884 | (8,797) |
| Expenditures | | | |
| Operating | 79,230 | 86,416 | 7,186 |
| Contribution to Reserves | 29,451 | 13,468 | (15,983) |
| | \$ 108,681 | \$ 99,884 | \$ (8,797) |

The 2019 - 2023 proposed five-year financial plan for the Hornby Island Community Hall service, including the requisition summary and the operating and capital 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.

Highlights of the 2019 - 2023 proposed financial plan for the service include:

Revenue Sources

The proposed tax requisition for 2019 is \$69,001 and remains at this level to 2023. The maximum tax requisition for this service in 2019 is \$92,997 based on a maximum levy equal to the greater of \$20,000 or \$0.16 per \$1,000. The 2019 requisition is based on a proposed tax rate of \$0.1170 per \$1,000. For a property assessed at \$500,000, the 2019 tax levy would be \$58.50. The tax levy is based on assessed property values of the Hornby Island community.

Personnel

There are no personnel charges for this service.

Operations

The proposed operational grant for this service for 2019 is \$84,659. This grant is used to offset some of the community hall operational costs incurred by HIRRA such as maintenance and repairs, permits and wages.

Table 2 indicates hall upgrades/improvements slated from 2019-2023 funded from reserves.

Table 2: Community Hall Proposed Upgrades

| CVRD Capital/Special Projects | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|-----------------|-----------------|-----------------|---------------|-----------------|
| Acoustic and lighting improvements (including \$30,883 carry forward from 2018) | \$38,000 | | | | |
| Wood flooring replacement | | | | | \$25,000 |
| Parking area improvements | | | \$25,000 | | |
| Handicap accessibility upgrades | | \$15,000 | | | |
| Total Proposed Upgrades | \$38,000 | \$15,000 | \$25,000 | \$0.00 | \$25,000 |

Capital

The CVRD does not own any capital related to this service.

Reserves

The reserve balance at December 31, 2018 is projected to be \$168,450.

Citizen/Public Relations

The 2019 Hornby Island Community Hall budget was presented and approved at the HIRRA meeting in November 2019. Bi-annually, as part of budget process, the CVRD hosts an open house for Hornby Island residents to review and provide comment on the annual financial plans.

The community hall is owned and operated by HIRRA. There is a service agreement between the CVRD and HIRRA for hall management and operation. The hall has a long history and is one of the community focal points on Hornby Island hosting a wide variety of events. Volunteers provide many hours to keep the hall functional and operational.

Attachments: Appendix A – “HIRRA Community Hall Financial Plan”

Hornby Island Community Hall: 2019 - 2023 Budget

based on 2.0% inflation

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| | 2016 | 2017 | | 2018 | | | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|-----------|-----------|-----------|-----------|----------------------|-----------|------------|-----------|-----------|-----------|-----------|
| | Actual | Budget | Actual | Budget | Actual to Sept 30/18 | Projected | Budget | Budget | Budget | Budget | Budget |
| Operating Revenue | | | | | | | | | | | |
| Surplus/Deficit C/FWD (most recent actuals) | | \$ 3,209 | | \$ 5,128 | | | \$ (4,347) | \$ - | \$ - | \$ - | \$ - |
| CVRD - Operations | \$ 34,700 | \$ 32,559 | \$ 32,559 | \$ 38,031 | \$ 38,031 | \$ 38,031 | \$ 46,659 | \$ 42,623 | \$ 43,170 | \$ 43,727 | \$ 44,296 |
| Hall Rentals | \$ 12,415 | \$ 12,250 | \$ 12,503 | \$ 12,500 | \$ 5,850 | \$ 14,000 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 |
| Office/Storage Rentals | \$ 1,800 | \$ 1,800 | \$ 1,800 | \$ 1,800 | \$ 1,050 | \$ 1,200 | \$ 1,800 | \$ 1,800 | \$ 1,800 | \$ 1,800 | \$ 1,800 |
| Total Revenue | \$ 48,915 | \$ 49,818 | \$ 46,862 | \$ 57,460 | \$ 44,931 | \$ 53,231 | \$ 56,612 | \$ 56,923 | \$ 57,470 | \$ 58,027 | \$ 58,596 |
| Allocation to Core Services | \$ 4,342 | \$ 4,067 | \$ 4,067 | \$ 7,090 | \$ 5,317 | \$ 7,090 | \$ 5,474 | \$ 5,400 | \$ 5,400 | \$ 5,400 | \$ 5,400 |
| Net Revenue | \$ 44,573 | \$ 45,751 | \$ 42,794 | \$ 50,370 | \$ 39,614 | \$ 46,141 | \$ 51,137 | \$ 51,523 | \$ 52,070 | \$ 52,627 | \$ 53,196 |

Operating Expenses

| | | | | | | | | | | | |
|---|-----------|-----------|------------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|
| Wages & Benefits (incl Hall Booking Agent) | \$ 17,019 | \$ 19,000 | \$ 19,344 | \$ 19,750 | \$ 15,746 | \$ 19,683 | \$ 20,145 | \$ 20,548 | \$ 20,959 | \$ 21,378 | \$ 21,806 |
| 1 Education / Training | \$ - | \$ - | \$ - | \$ 1,000 | \$ - | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Insurance | \$ 4,157 | \$ 6,000 | \$ 6,071 | \$ 6,120 | \$ 6,157 | \$ 6,157 | \$ 6,242 | \$ 6,367 | \$ 6,495 | \$ 6,624 | \$ 6,757 |
| Office Expense (Minutes) | \$ 71 | \$ 300 | \$ 754 | \$ 300 | \$ 254 | \$ 400 | \$ 400 | \$ 408 | \$ 416 | \$ 424 | \$ 433 |
| Publicity / Promotion | \$ 652 | \$ 450 | \$ 337 | \$ 450 | \$ 260 | \$ 450 | \$ 450 | \$ 450 | \$ 450 | \$ 450 | \$ 450 |
| Supplies | \$ 1,211 | \$ 1,250 | \$ 1,252 | \$ 1,500 | \$ 1,174 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 |
| Telecommunications | \$ 1,230 | \$ 1,250 | \$ - | \$ 1,400 | \$ 869 | \$ 1,086 | \$ 1,400 | \$ 1,400 | \$ 1,400 | \$ 1,400 | \$ 1,400 |
| Travel | \$ - | \$ - | \$ - | \$ 500 | \$ - | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 |
| Utilities / Monitoring | \$ 7,110 | \$ 7,000 | \$ 8,752 | \$ 7,000 | \$ 4,636 | \$ 7,000 | \$ 7,000 | \$ 7,000 | \$ 7,000 | \$ 7,000 | \$ 7,000 |
| Fixtures & Equipment | \$ 159 | \$ 150 | \$ 93 | \$ 1,000 | \$ 24 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Maintenance / Repairs | \$ 9,339 | \$ 10,350 | \$ 10,537 | \$ 11,350 | \$ 7,060 | \$ 11,000 | \$ 11,500 | \$ 11,350 | \$ 11,350 | \$ 11,350 | \$ 11,350 |
| Total Expenses | \$ 40,950 | \$ 45,750 | \$ 47,141 | \$ 50,370 | \$ 36,180 | \$ 49,776 | \$ 51,137 | \$ 51,523 | \$ 52,070 | \$ 52,627 | \$ 53,196 |
| P&P YE Adjustment for Staledated Utilities | \$ 1,505 | | | | | | | | | | |
| Surplus/(Deficit) | \$ 5,128 | \$ 1 | \$ (4,347) | \$ - | \$ 3,433 | \$ (3,635) | \$ - | \$ - | \$ - | \$ - | \$ - |

Hornby Island Community Hall: 2019 - 2023 Budget

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| | 2016 | 2017 | | 2018 | | | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|------------------|------------------|-----------------|------------------|-----------------|----------------------|------------------|------------------|------------------|-------------|------------------|
| | | Actual | Budget | Actual | Budget | Actual to Sept 30/18 | Projected | Budget | Budget | Budget | Budget |
| CVRD Capital / Special Projects | | | | | | | | | | | |
| 2 Acoustic Improvement | | \$ 35,000 | \$ 7,794 | \$ 27,206 | \$ 6,982 | \$ 6,982 | \$ 28,000 | | | | |
| 3 Lighting improvements | | \$ 10,000 | \$ - | \$ 10,000 | \$ - | \$ 10,000 | | | | | |
| Ductless heat pump (round room) | \$ 8,853 | | | | | | | | | | |
| Roof Replacement | \$ 37,622 | | | | | | | | | | |
| Wood flooring replacement | | | | | | | | | | | \$ 25,000 |
| Parking area improvements | | | | | | | | | \$ 25,000 | | |
| Handicap Accessibility upgrades | | | | | | | | \$ 15,000 | | | |
| Total | \$ 46,475 | \$ 45,000 | \$ 7,794 | \$ 37,206 | \$ 6,982 | \$ 16,982 | \$ 28,000 | \$ 15,000 | \$ 25,000 | \$ - | \$ 25,000 |

Notes

1) Workshop in using new acoustic equipment and sound baffling panels
(Capital Improvements to be billed back to CVRD with invoices.)

2) Final quote on Acoustic Improvements: P/A system equipment and installation not yet confirmed. Likely need to carry project funding forward to 2019.

3) If Lighting project not completed by year-end, may need to carry fwd remaining budget to 2019.

No Capital Projects planned for 2019 due to anticipated need for finalizing 2018 projects re: sound and lighting and need for research into costs and feasibility of upcoming projects.

List of 2019 activities to be included with budget.

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|--|------------|
| Operation Fund Balances 2014-17 | |
| 2014 Fund Balance C/Fwd | \$ 11,188 |
| 2015 Surplus / Deficit | \$ 2,120 |
| 2015 Fund Balance C/Fwd | \$ 13,308 |
| 2016 Surplus / Deficit | \$ 5,129 |
| 2016 Fund Balance C/Fwd | \$ 18,438 |
| 2017 Surplus / Deficit | \$ (4,347) |
| 2017 Fund Balance C/Fwd | \$ 14,091 |
| Capitalization of Acoustic Project | \$ 7,794 |
| Financial Statement Value of Fund | \$ 21,885 |