

DATE: January 22, 2021

FILE: 1700-02/2021/605-607

TO: Chair and Directors
Electoral Areas Services Committee

Supported by Russell Dyson
Chief Administrative Officer

FROM: Russell Dyson
Chief Administrative Officer

R. Dyson

RE: 2021 - 2025 Financial Plans – Denman Island Recreation, Hornby Island Recreation and Part A Hornby / Denman Recreation Complexes Contribution Services Functions 605, 606 and 607

Purpose

To provide the Electoral Areas Services Committee with the proposed 2021 - 2025 Financial Plans and work plan highlights for the Denman Island Recreation, Hornby Island Recreation and Part A Hornby / Denman Recreation Complexes Contribution Services, Function Nos. 605, 606 and 607.

Recommendations from the Chief Administrative Officer:

1. THAT the proposed 2021 – 2025 financial plan for the Denman Island Recreation Service, Function No. 605, be approved as presented.
2. THAT the proposed 2021 – 2025 financial plan for the Hornby Island Recreation Service, Function No. 606, be approved as presented.
3. THAT the proposed 2021 – 2025 financial plan for the Part A Hornby / Denman Recreation Complexes Contribution Service, Function No. 607, be approved as presented.

Executive Summary

- These services are funded near exclusively through tax requisition.
- The 2021 estimated residential tax rate for these service are:
 - Function 605 - \$0.0323 per \$1,000 of assessed value, compared to \$0.0351 in 2020.
 - Function 606 - \$0.0403 per \$1,000 of assessed value, compared to \$0.0441 in 2020.
 - Function 607 - \$0.0239 per \$1,000 of assessed value, compared to \$0.0262 in 2020.
- The tax requisitions for 2021 are:
 - Function 605 - \$15,250, same as in 2020
 - Function 606 - \$28,000, up \$250 from 2020
 - Function 606 - \$27,849, up \$18 from 2020
- These services either support recreational activities / programs on Denman and Hornby Islands (functions 605 and 606) or provide for a contribution to the Comox Valley Recreation Complexes Service, functions 645-649, (function 607) from Denman and Hornby Islands based on the greater of \$25,000 or population multiplied by \$12.62.
- The most significant portion of operating costs in these services are:
 - Conditional grants to local agencies
 - Denman Recreation = 98 per cent
 - Hornby Recreation = 67 per cent
 - Transfer to Other Functions
 - Hornby /Denman Rec Complexes Contribution = 99 per cent

Prepared by:

Concurrence:

K. Douville

Kevin Douville
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Board Strategic Drivers

The Comox Valley Regional District (CVRD) Board has set four strategic drivers to guide service delivery. Not all services will be influenced by all drivers. Table 1 on the following page notes the degree of influence the drivers have on projects and work plans.

Table 1: Board Strategic Drivers

<p>Fiscal responsibility:</p> <ul style="list-style-type: none"> The annual tax requisitions for these services continue to remain fairly stable. 	<p>Climate crisis and environmental stewardship and protection:</p> <ul style="list-style-type: none"> Service not significantly influenced by this driver.
<p>Community partnerships:</p> <ul style="list-style-type: none"> The recreational activities and/or programs delivered with support of functions 605 and 606 are provided by and/or through the Denman Residents Association and Hornby Island Residents & Ratepayers Association respectively. 	<p>Indigenous relations:</p> <ul style="list-style-type: none"> Service not significantly influenced by this driver.

Rethink Comox Valley / COVID-19 Response and Renewal

While a Comox Valley COVID-19 response and renewal plan was not specifically adopted for these services, recreational programming was definitely impacted on both Islands due to COVID-19 and therefore CVRD staff reached out over the summer of 2020 to Denman Island Residents Association (DIRA) and Hornby Island Residents and Ratepayers Association (HIRRA) and will continue to do so to assess any further impacts. In the meantime, the tax requisitions for each of these services remain essentially flat from 2020 and prior years.

Economic Recovery Task Force Actions

Not applicable for this service.

Financial Plan Overview

The 2021 - 2025 proposed five-year financial plan for these three services, including service establishment information, the requisition summary and operating budgets, are 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, 3 and 4 on the following page summarize the 2021 proposed budgets as compared to the 2020 adopted budgets. Significant variances from 2020 adopted budget will be discussed in the financial plan sections that follow.

Table 2: Financial Plan Highlights – Function 605


		#605 Denman Island Recreation		
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)	
Revenue				
Requisition	15,250	15,250	-	
Prior Years Surplus	460	7,686	7,226	
	\$ 15,710	\$ 22,936	7,226	
Expenditures				
Operating	15,710	22,936	7,226	
	\$ 15,710	\$ 22,936	\$	7,226

Table 2: Financial Plan Highlights – Function 606



		#606 Hornby Island Recreation		
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)	
Revenue				
Requisition	27,750	28,000	250	
Prior Years Surplus	1,092	3,591	2,499	
	\$ 28,842	\$ 31,591	2,749	
Expenditures				
Operating	28,842	23,258	(5,584)	
Contribution to Reserve	0	8,333	8,333	
	\$ 28,842	\$ 31,591	\$	2,749

Table 2: Financial Plan Highlights – Function 607

		#607 Part Area A Hornby / Denman Recreation Complexes Contribution Service		
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)	
Revenue				
Requisition	27,831	27,849	18	
Prior Years Surplus	13		(13)	
	\$ 27,844	\$ 27,849	5	
Expenditures				
Operating	320	325	5	
Transfer to Other Functions	27,524	27,524	-	
	\$ 27,844	\$ 27,849	\$	5

Highlights of the 2021 - 2025 proposed financial plans for these services include:

Revenue Sources

- The primary source of revenue for these services is tax requisition. The year-over-year increase in prior year's surplus in function 605 of \$7,226 is due to the impacts of the COVID-19 pandemic resulting in some of the local organizations that provide recreational opportunities not being able to do so in 2020.

Personnel

- There are no CVRD personnel costs attributed to this service.

Operations

- The operational grants provided to DIRA and HIRRA respectively are further supplemented by a \$4,000 annual contribution each from the CVRD Recreation Grant Service, function 600.

Capital

There are no capital costs associated with these services.

Reserves

There are currently no future expenditure reserves for these services, however staff will be bringing forward a report in the spring / summer of 2021 recommending the establishment of at least one such reserve, being for the Hornby Island Recreation service, function 606.

Tax Impacts

- Based on the 2021 completed assessment roll, the estimated residential tax rates for these service are expected to be:
 - Function 605 - \$0.0323 per \$1,000 of assessed value, compared to \$0.0351 in 2020.
 - Function 606 - \$0.0403 per \$1,000 of assessed value, compared to \$0.0441 in 2020.
 - Function 607 - \$0.0239 per \$1,000 of assessed value, compared to \$0.0262 in 2020.
- The tax impacts for a residence assessed at \$500,000 is estimated to be:
 - Function 605 - \$16.15
 - Function 606 - \$20.15
 - Function 607 - \$11.95

Citizen/Public Relations

Both the Denman Island Residents Association and Hornby Island Residents and Ratepayers Association communicate and work with their respective stakeholders in the provision of recreational activities and programs to their residents.