

**DATE:** January 21, 2020

**TO:** Chair and Directors  
Electoral Areas Services Committee

**FROM:** Russell Dyson  
Chief Administrative Officer

**FILE:** 1700-02/2020/670

Supported by Russell Dyson  
Chief Administrative Officer

***R. DYSON*** \_\_\_\_\_

**RE: 2020 - 2024 Financial Plan – Hornby Island Community Hall, function 670**

**Purpose**

To provide the Electoral Areas Services Committee with the proposed 2020 - 2024 financial plan and work plan highlights for the Hornby Island Community Hall service, function 670.

**Recommendation from the Chief Administrative Officer:**

THAT the proposed 2020 – 2024 financial plan for the Hornby Island Community Hall service, function 670, be approved.

**Executive Summary**

This service provides financial assistance to the Hornby Island Community Hall in the form of an operating grant by way of an agreement with the Hornby Island Residents and Ratepayers Association.

Highlights of the financial plan include for the Hornby Island Community Hall service include

- The estimated residential tax rate for 2020 is \$0.1095 per \$1,000/assessed value compared to \$0.1171 in 2019
- The maximum requisition for the service is the greater of \$20,000 or \$0.16 per \$1,000 of assessed property value, resulting in a maximum levy for 2020 of \$99,193.
- The tax requisition is forecasted to remain consistent for the five-year financial plan with some additional funding coming from reserve transfers to help fund Hornby Island Residents and Ratepayers Association (HIRRA) planned capital projects at the hall.
- Accessibility upgrades are planned for 2020.

Prepared by:

***D. DeMarzo***

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Doug DeMarzo  
General Manager of Community Services

**Stakeholder Distribution (Upon Agenda Publication)**

Hornby Island Residents and Ratepayers Association	✓
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### Board Strategic Drivers

The Comox Valley Regional District (CVRD) Board has set four strategic drivers to guide service delivery. Table 1 notes the degree of influence the drivers have on projects and work plans.

**Table 1: Strategic Drivers**

<p><b>Fiscal responsibility:</b></p> <ul style="list-style-type: none"> <li>Operating the community facility continues to look at the long-term capital needs and plans for those needs accordingly.</li> </ul>	<p><b>Climate crisis and environmental stewardship and protection:</b></p> <ul style="list-style-type: none"> <li>Projects are not significantly influenced by this driver</li> </ul>
<p><b>Community partnerships:</b></p> <ul style="list-style-type: none"> <li>Supporting the Community Hall provides direct community centre services to the citizens of Hornby Island.</li> <li>Island residents make service decision with modest CVRD support.</li> </ul>	<p><b>Indigenous relations:</b></p> <ul style="list-style-type: none"> <li>Projects are not significantly influenced by this driver</li> </ul>


### Financial Plan Overview

The 2020 - 2024 proposed five-year financial plan for Hornby Island Community Hall, function 670,, including service establishment information, the requisition summary and the operating 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](http://www.comoxvalleyrd.ca/currentbudget).

HIRRA submits a five year financial plan which includes increases to their yearly operating grant (Appendix A). The increases are focused largely on capital improvements as outlined below in this report.

Table 2 summarizes the 2020 proposed budget as compared to the 2019 adopted budget. Significant variances from 2019 adopted budget will be discussed in the financial plan sections to follow.

**Table 2: Financial Plan Highlights**

 <b>2020 Proposed Budget</b>		<b>#670 Hornby Island Community Hall</b>		
Operating	2019 Budget	2020 Proposed Budget	Increase (Decrease)	
<b>Revenue</b>				
Requisition	69,001	69,001	0	
Transfer from Reserve	0	23,944	23,944	
Prior Years Surplus	9,369		(9,369)	
	<b>\$ 78,370</b>	<b>\$ 92,945</b>	<b>14,575</b>	
<b>Expenditures</b>				
Operating	64,902	92,945	28,043	
Contribution to Reserves	13,468		(13,468)	
	<b>\$ 78,370</b>	<b>\$ 92,945</b>	<b>\$ 14,575</b>	

Highlights of the 2020 - 2024 proposed financial plan for function 670 include:

#### Revenue Sources

The proposed 2020 tax requisition is \$69,001 consistent with the previous five year plan. Transfers from reserves are also used to aid with capital improvements proposed in the five year plan.

#### Personnel

There are no personnel costs attributed to this service which is under the portfolio of the General Manager of Community Services.

#### Operations

HIRRA is responsible for the operations of the Hornby Island Community Hall and presents their financial plan to the residents in an open meeting each year.

The request by HIRRA outlines a capital plan which includes a request for \$50,000 in 2020 for accessible washroom and other accessible upgrades with the hopes of leveraging additional grant funding as outlined below in Table 3.

**Table 3 – Capital Funding Assistance to HIRRA**

<b>CVRD Capital Improvement Assistance</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Wood flooring replacement				\$25,000	
Parking area improvements		\$25,000			
Handicap accessibility upgrades	\$50,000				

#### Capital

The CVRD owns no capital assets in this service.

#### Reserves

There is a future expenditure reserve with an estimated balance of \$183,757 as of December 31, 2019. This balance will be confirmed and updated as part of the recommended budget. A transfer from reserve of \$23,944 is proposed in 2020 to support the accessible capital upgrades.

#### Tax Impacts

- Based on the 2020 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.1095 per \$1,000 of taxable assessed value.
- The 2019 residential tax rate for the service was \$0.1171 per \$1,000 of taxable assessed value.
- For a residence with an assessed value of \$500,000, the total tax impact is estimated to be \$54.76

#### **Citizen/Public Relations**

It is important Hornby Island residents have access to recreational and cultural opportunities that are affordable and in addition promote and maintain a healthy active lifestyle. HIRRA is able to provide some of these activities at the community hall. HIRRA presents their financial plan to an open meeting to the residents each year for comment and approval prior to forwarding to the CVRD.

Attachments: Appendix A – “Five Year financial plan for Hornby Island Community Hall”

## Hornby Island Community Hall: 2020 - 2024 Budget

based on 2.0% inflation

FINAL Executive Committee Oct 29-19

Notes	2018	2019		2020	2021	2022	2023	2024	
	Actual	Budget	Actual Sept 30/19	Projected	Budget	Budget	Budget	Budget	
<b>Operating Revenue</b>									
Surplus/Deficit C/FWD (most recent actuals)		\$ (4,347)			\$ 3,692	\$ -	\$ -	\$ -	\$ -
CVRD - Operations	\$ 38,031	\$ 42,311	\$ 46,659	\$ 46,659	\$ 41,223	\$ 45,745	\$ 46,617	\$ 47,507	\$ 48,414
1 Hall Rentals	\$ 18,030	\$ 12,500	\$ 13,826	\$ 15,000	\$ 12,750	\$ 12,750	\$ 13,005	\$ 13,265	\$ 13,530
Office/Storage Rentals	\$ 1,200	\$ 1,800	\$ 1,500	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800
<b>Total Revenue</b>	\$ 57,261	\$ 52,264	\$ 61,985	\$ 63,459	\$ 59,465	\$ 60,295	\$ 61,422	\$ 62,572	\$ 63,744
Allocation to Core Services	\$ 7,090	\$ 5,474	\$ 4,106	\$ 5,474	\$ 5,092	\$ 5,194	\$ 5,298	\$ 5,404	\$ 5,512
<b>Net Revenue</b>	\$ 50,171	\$ 51,137	\$ 57,880	\$ 57,985	\$ 54,373	\$ 55,101	\$ 56,124	\$ 57,168	\$ 58,232

**Operating Expenses**

2 Wages & Benefits (incl Hall Booking Agent)	\$ 20,151	\$ 20,145	\$ 15,366	\$ 20,484	\$ 20,548	\$ 20,959	\$ 21,378	\$ 21,806	\$ 22,242
Education / Training	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Insurance	\$ 6,157	\$ 6,242	\$ 6,514	\$ 6,514	\$ 6,600	\$ 6,732	\$ 6,867	\$ 7,004	\$ 7,144
Office Expense (Minutes)	\$ 497	\$ 400	\$ 338	\$ 468	\$ 475	\$ 485	\$ 494	\$ 504	\$ 514
Publicity / Promotion	\$ 268	\$ 450	\$ 260	\$ 450	\$ 450	\$ 450	\$ 450	\$ 450	\$ 450
Supplies	\$ 1,209	\$ 1,500	\$ 894	\$ 1,250	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Telecommunications	\$ 1,228	\$ 1,400	\$ 1,236	\$ 1,700	\$ 1,700	\$ 1,734	\$ 1,769	\$ 1,804	\$ 1,840
Travel		\$ 500	\$ -	\$ -					
Utilities / Monitoring	\$ 6,089	\$ 7,000	\$ 4,593	\$ 7,100	\$ 7,100	\$ 7,242	\$ 7,387	\$ 7,535	\$ 7,685
3 Fixtures & Equipment	\$ 78	\$ 1,000	\$ 440	\$ 2,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
4 Maintenance / Repairs	\$ 10,801	\$ 11,500	\$ 7,878	\$ 11,800	\$ 14,000	\$ 14,000	\$ 14,280	\$ 14,566	\$ 14,857
<b>Total Expenses</b>	\$ 46,479	\$ 51,137	\$ 37,519	\$ 52,766	\$ 54,373	\$ 55,101	\$ 56,124	\$ 57,168	\$ 58,232

**P&P YE Adjustment**

<b>Surplus/(Deficit)</b>	\$ 3,692	\$ -	\$ 20,360	\$ 5,219	\$ -	\$ 0	\$ -	\$ -	\$ -
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	2018	2019		2020	2021	2022	2023	2024	
CVRD Capital / Special Projects	Actual	Budget	Actual Sept 30/19	Projected	Budget	Budget	Budget	Budget	
Revenue	\$ 29,094	\$ 28,000	\$ 18,604	\$ 18,604	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
<b>Total Revenue</b>	<b>\$ 29,094</b>	<b>\$ 28,000</b>	<b>\$ 18,604</b>	<b>\$ 18,604</b>	<b>\$ 50,000</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ -</b>

Expense (broken out for each project)	2018	2019		2020	2021	2022	2023	2024	
Acoustic Improvement	\$ 19,094	\$ 28,000	\$ 18,604	\$ 18,604					
Lighting improvements	\$ 9,999								
Ductless heat pump (round room)									
Roof Replacement									
Wood flooring replacement							\$ 25,000		
Parking area improvements					\$ 25,000				
5 Handicap Accessibility upgrades				\$ 50,000					
<b>Total Expenses</b>	<b>\$ 29,094</b>	<b>\$ 28,000</b>	<b>\$ 18,604</b>	<b>\$ 18,604</b>	<b>\$ 50,000</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ -</b>

<b>Capital / Sp. Projects Surplus/(Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
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**Notes:**

- 1) School rental increased 2018 income. Rate review expected to result in marginal increase in rental revenue going forward.
- 2) Handicap accessibility audit
- 3) Replace some lighting switches
- 4) Install LED strip lighting under Hall gallery stairs, fix Green Room decking, fix some Hall leather chairs in 2019. Rebuild Sollans Rd. porch supports, fix more Hall leather chairs in 2020.
- 5) Handicap accessible washroom and other upgrades allocated as matching funds to leverage additional gov't grant funding.  
*List of 2019 activities to be included with budget.*

## Community Hall Operation Fund Balances 2014-18

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	\$ 18,437
2017 Surplus / Deficit	\$ (4,347)
Acoustic Project moved to Bldgs Capital Asset	\$ 7,794
2017 Fund Balance C/Fwd	\$ 21,884
2018 Surplus / Deficit	\$ 35,574
2018 Fund Balance C/Fwd	\$ 57,458
Less Capitalization of Lighting Project	\$ (18,982)
Less Capitalization of AcousticProject	\$ (12,899)
<b>Fund Balance Available for Use</b>	<b>\$ 25,577</b>

incl. Capital Projects / Operations Surplus = \$3,692