

**DATE:** November 5, 2020**FILE:** 6750-20**TO:** Directors  
Economic Development Select CommitteeSupported by Russell Dyson  
Chief Administrative Officer**FROM:** Russell Dyson  
Chief Administrative Officer*R. Dyson***RE: Economic Development Select Committee**

---

**Purpose**

To provide preliminary information on potential areas of shared service and status of the Economic Development Select Committee.

**Recommendation from the Chief Administrative Officer:**

THAT the Comox Valley Regional District (CVRD) Board direct staff to budget for Comox Valley Economic Development Society financial services under function No. 550 for the Board's consideration in 2021-2025 financial planning process;

AND FURTHER THAT the CVRD Board suspend the Economic Development Select Committee's investigation of potential shared services until the conclusion of the formal service review.

**Executive Summary**

The Comox Valley Regional District (CVRD) created the Economic Development Select Committee to liaise with the Comox Valley Economic Development Society (CVEDS) and six potential areas for shared services were identified at its October 1, 2020 meeting for staff to investigate.

Recently, the Town of Comox and Electoral Area C (Puntledge – Black Creek) have made official requests under the *Local Government Act* (RSBC, 2015, c. 1) for a service review of the Comox Valley Economic Development Service. A broader staff report to a future CVRD Board meeting will provide an overview of the logistics and process for this service review.

CVRD staff has had a preliminary discussion with CVEDS staff on how they provide financial services. CVEDS contracts out their bookkeeping and payroll processes to external accounting and contracting firms, this is in addition to annual auditing fees which they estimated to cost \$70,000 annually for all of these services. CVEDS staff indicated they would be interested in the potential for the CVRD finance department to take over responsibility for CVEDS financial services in 2021. A more detailed examination of the implications if the CVRD's finance department was to take on this work will be required. As CVRD moves to a control relationship of CVEDS, particularly around voting rights at the CVEDS board table, this results in a change in accounting standards of CVEDS from Not-for-Profit standards to Public Sector Accounting standards as CVEDS will be required to be consolidated into CVRD financial statements.

Given the Economic Development service review, staff recommend the continued use of the accounting firms and payroll contractor for CVEDS through 2021 with reconsideration of this

following the completion of the service review. There is significant time and work required by CVRD staff to consider new accounting software as CVEDS will still be a separate entity from CVRD, train staff in CVEDS operations and processes, and consider resource allocations to this entity in an already peak season of undertaking the existing year-end portfolio for CVRD/ North Island 911/ Comox Strathcona Regional Hospital District. It is being recommended that the bookkeeping and payroll activities of CVEDS are continued to be contracted out, and are funded by the CVRD economic development budget, within the remaining funds not allocated to CVEDS. The CVRD finance department would manage the work to ensure it meets the new reporting requirements and to better understand CVEDS financial service needs.

The other areas the committee requested staff investigate included, shared office use, websites, training opportunities, human resources and communications. Both CVRD and CVEDS staff met to discuss these areas of potential shared service. More detailed examination would be required and given the request for a formal service review the Economic Development Select Committee may wish to consider pausing further investigation of shared services with CVEDS until the terms of the service review process are determined.

Prepared by:

***S. Smith***

---

Scott Smith, RPP, MCIP  
General Manager of Planning and  
Development Services Branch

Concurrence:

***M. Foort***

---

Myriah Foort, BBA, CPA, CA  
Chief Financial Officer