

Date February 6, 2020
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Subject Columbia Valley Economic Development – 2020 – 2024 Draft Financial Plan

INFORMATION

The proposed budget for 2020 - 2024 features secured grant funding from the Provincial Rural Dividend Program and Columbia Basin Trust totaling \$443,869 supporting projects within the strategic plan. Spending on these projects is expected to occur between October 2019 and March 2021.

Year-end estimates project a surplus of \$121,054 which includes \$71,054 to support 2020 operating costs and \$50,000 in funds earmarked for non-granted projects carried forward to 2020 as follows:

Employment Lands Inventory	\$ 5,000
Physician Recruitment	20,000
Other Projects	<u>25,000</u>
Total	\$ 50,000

2020

Grant funded projects in the financial plan will be carried out between October 2019 and June 2021 with revenue recognized as follows:

	2019	2020	2021	Total
BC Rural Dividend	\$28,700	\$209,219	\$43,950	\$281,869
Columbia Basin Trust	<u>\$15,750</u>	<u>\$137,500</u>	<u>\$ 8,750</u>	<u>\$162,000</u>
Total New Grants	\$44,450	\$346,719	\$ 52,700	\$443,869

The grant funded projects are as follows:

CV Tech Cluster Strategy	\$111,250
Workforce Development	61,250
CV Signage & Identity	203,482
Reconciliation and Relationships	55,887
CV Food Hub Model	<u>12,000</u>
Total	\$443,869

The CV Economic Development Service will contribute in-kind support for the projects through wages, travel costs, meals, office rent and office supplies valued at \$146,655 over the two years. Other project partners will contribute in-kind support of \$32,750.

The proposed budget for 2020 includes \$89,250 for the Economic Development Officer contract and \$17,900 for office rent, travel, mileage and meals and training. It also includes \$40,000 in 2020 and \$30,000 in 2021 for a pilot physician recruitment project. This budget proposes using \$8,000 of the other project funds from 2019 for development of a new CV Economic Development website. This leaves \$17,000 available for other projects or use.

Taxation for the CV Economic Development Service is currently expected to increase by \$11,312 (5%) in 2020 and by \$17,593 (7.4%) in 2021. Based on apportionment by the number of business class properties recorded in the 2020 completed assessment roll, proposed taxation for Columbia Valley jurisdictions with the 2019 comparative is as follows:

	2020 Requisition	2019 Requisition	# Class 6 Properties
District of Invermere	\$71,925	\$ 70,004	218 (-2)
Village of Radium Hot Springs	38,272	35,957	116 (+3)
Village of Canal Flats	11,218	10,501	34 (+1)
Electoral Area F	98,980	93,550	300 (+6)
Electoral Area G	<u>17,157</u>	<u>16,228</u>	<u>52 (+1)</u>
Total	\$237,552	\$226,240	720 (+9)

CFO Comments:

- Option to lower projected 2020 tax increase (currently \$11,312 = 5%) and make 2021 tax increase (currently \$17,593 = 7.4%) higher.
- Option to lower projected 2020 tax increase by reducing or eliminating the website (currently \$8,000) and/or the other projects (currently \$17,000).
- Draft budget and tax increase does not include new funding requests, which will be shown as a separate item on the agenda. New requests to date are as follows:
 - CV Food and Farm \$3,000 = additional 1.3% tax increase
 - CV Airport \$60,000 = additional 26.5% increase = increase on average residential as follows:

▪ Invermere	\$6
▪ Radium	8
▪ Canal Flats	6
▪ Area F	3
▪ Area G	4

(reflects CV Economic Development being apportioned by the number of properties in class 6)



**CV Economic Development
Five Year Financial Plan
With Revenues and Expenditures
For the Twelve Months Ending Tuesday, December 31, 2019
2/3/2020**

	2019 BUDGET	2019 ACTUAL	2020 BUDGET	2021 BUDGET	2022 BUDGET	2023 BUDGET	2024 BUDGET
<u>Revenue</u>							
Requisition	\$226,240	\$226,240	\$237,552	\$255,145	\$257,292	\$257,591	\$257,909
Local Government Grants & Regional Transfers	144,173	48,530	448,467	55,050	2,550	2,550	2,550
Prior Period Surplus	104,113	104,113	121,054	31,855			
Total Revenue	474,526	378,883	807,073	342,050	259,842	260,141	260,459
<u>Expenditures</u>							
Salaries & Benefits	19,210	17,236	14,599	14,852	15,107	15,369	15,647
Administration & Overhead	17,800	13,133	17,900	17,900	17,900	17,900	17,900
Consulting & Professional Services	85,000	86,509	89,250	89,250	89,250	89,250	89,250
Grants	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Grant - CV Visitor Services	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Grant - Imagine Kootenays	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Grant - Lake Windermere Ambassadors	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Resident Attraction/Retention Project	50,000		5,000				
Granted Projects	94,997	3,000	445,917	52,500			
Other Ec Dev Projects			65,000	30,000			
Telephone & Utilities	400	310	400	400	400	400	400
Shared Overhead	3,026	2,641	2,152	2,148	2,185	2,222	2,262
Total General	405,433	257,829	775,218	342,050	259,842	260,141	260,459
Total Expenditures	405,433	257,829	775,218	342,050	259,842	260,141	260,459
Revenue less Expenditures	69,093	121,054	31,855				
Surplus (Deficit)	69,093	121,054	31,855				