

DATE: March 9, 2011**FILE:** 6750-20/Denman Hornby**TO:** Chair and Directors
Electoral Area Services Committee**FROM:** Debra Oakman, CMA
Chief Administrative Officer**RE:** Denman Hornby Islands Economic Development Service – Function # 556:

This staff report includes discussion on the following interrelated matters:

- 2007 to 2010 reconciliation report;
- 2011 service questionnaire and results;
- 2011 to 2015 recommended financial plan;
- 2011 service delivery recommendations;
 - a) Hornby Island economic enhancement agreement
 - b) CVRD select committee Denman WORKS! terms of reference.

Purpose

To provide the electoral area services committee with the recommendations relating to the 2011-2015 recommended financial plan and service delivery for the Denman Hornby Islands Economic Development service, function number 556.

Policy analysis

Bylaw No. 3005, 2007 was adopted by the Comox Strathcona Regional District to establish an economic development service for Denman/Hornby Islands (Electoral Area 'K').

This bylaw was established as a result of a review of the Comox Valley economic development service resulting in, in part:

- a) The withdrawal of Denman/Hornby Islands (Electoral Area 'K') from the Comox Valley economic development service established by Bylaw No. 2395 being "Comox Valley Economic Development Commission Establishment Bylaw No. 2395, 2001" adopted the 25th day of March 2002; and
- b) The annual contribution of \$20,000 from Denman/Hornby Islands (Electoral Area 'K') to the Comox Valley economic development service in 2007 and 2008.

The Denman/Hornby Island economic development service pursuant to Bylaw No. 3005 is jointly funded by taxation from both islands. The CVRD is accountable for the governance, delivery and management of the service.

Executive summary

Good fiscal management and financial best practices are at the core of the CVRD financial planning process. Each service budget is prepared with consideration to balancing requirements of the service over the current financial plan timeframe with the service's financial sustainability over the long term. Increasingly local governments are under pressure to deliver services to their citizens in a cost effective way while ensuring the future financial stability of those same services.

In light of this expectation, the regional district prepares an updated five-year financial plan each year that represents the operation of each service from one budget year to the next. The yearly budget process utilizes “zero-based” budgeting concepts, meaning that each service is assessed and budgets created based on the service work plans and priorities. Both expenditure and revenue sources are evaluated to ensure the financial plan is current, sound and can achieve the service priorities as outlined. Additionally, the long term requirements are reviewed to ensure sufficient reserves are maintained and are available to sustain the service in the long term.

The following report includes a reconciliation of the service from establishment in 2007 through to 2010, the results of the 2011 service questionnaire, the 2011 to 2015 recommended financial plan and service delivery recommendations for the Hornby Island and Denman Island communities.

2011 Revenue sources:

Property Tax

The tax requisition is recommended to remain the same as 2010 for this service. The 2011-2015 recommended financial plan indicates a sustainable tax levy of \$117,976.00 for the next five years. The tax levied is based on assessed property values of each island community.

Total tax levied

Island Community	Tax levied
Denman Island	\$ 51,909
Hornby Island	\$ 66,067
Total tax levied	\$117,976

Prior year surplus

2010 carry forward surplus to 2011 is \$40,526. These funds are budgeted by the CVRD towards Denman Island grant operational needs, CVRD service related administration costs to offset any potential legal action expenses and to fund any required professional services.

A total of \$45,203 is being held by the CVRD in a reserve fund. These funds have accumulated from unspent budget allocations for the Denman Island economic enhancement activities. The use of these funds will be considered through a future report to the electoral area services committee.

Personnel

The CVRD general manager of community services portfolio includes electoral area community parks, Comox Valley sports and aquatic facilities, Comox Valley exhibition grounds, Comox Valley emergency planning, electoral area fire protection services, electoral area community halls, Denman/Hornby island economic development service and the Comox Strathcona regional solid waste services. A portion of the general manager's time is allocated to the Denman/Hornby Island economic development service.

Grant Operational

Denman Island community –

A budget has been included for each of the five years*:

- 2011 \$61,600;
- 2012 \$40,000;
- 2013 \$40,000;
- 2014 \$40,000;
- 2015 \$40,000;

*The above figures do not include rent for the Denman Island resource centre which is paid directly by the CVRD at \$6000/year.

Based on the need to have further discussions with the Denman Island community regarding a preferred model for the delivery of economic enhancement services on the island, it is recommended that the CVRD establish a select committee called Denman WORKS! on an interim basis. The select committee will work directly with the general manager of community services as per the attached terms of reference. (Appendix A)

Hornby Island community

A budget of \$40,000 has been included for each of the five years (2011 to 2015) and is included in the draft agreement (Appendix B).

Staff has reviewed the following information:

- The agreement between the CVRD and Hornby Island Community Economic Enhancement Corporation (HICEEC) over the past few years and the services provided pursuant to the agreement (Appendix B);
- Meyers Norris Penny independent review of HICEEC 'Thatch acquisition' project (report pending release by HICEEC);
- 2011 Denman/Hornby Island service questionnaire; and
- 2011 to 2015 HICEEC strategic plan.

Based on the review of the above information, a five year agreement with HICEEC has been prepared that includes more specific language relating to prohibition of assistance to business, improved reporting language and better defined roles and responsibilities. It is recommended that the CVRD and HICEEC enter into a five year agreement for Hornby Island Economic Enhancement community services.

CVRD

The CVRD is accountable for the governance, delivery and management of the service and has retained a budget of \$10,000 for potential legal costs that may arise and a budget of \$27,930 for potential professional costs that may arise. Other CVRD costs relate to the management and administration of service delivery.

Capital

The Denman/Hornby Island economic development service does not own any assets. Leased space on Denman Island provides for a local 'resource centre'. The lease is recommended to be extended until December 31st, 2011.

Reserves

As of December 31st, 2010 the reserve fund balance is \$45,203. Prior year surplus of \$40,526 has been carried forward into 2011. These funds have accumulated from unspent budget allocations for the Denman Island economic enhancement activities. The use of these funds will be considered through a future report to the electoral area services committee.

Summary

Through the surveys, meetings and public forums with Denman/Hornby Islands residents there is diversity in public support to continue with the service and how it should be delivered. Overall, from the public that responded to the survey, there was support to continue with the service and there is general public support to continue the service as a separate economic enhancement service for each island.

For Hornby Island this can be achieved through a five year contract with HICEEC as they have been operating successfully for a number of years. The CVRD needs to do further work with the Denman Island community prior to entering into any long term agreements.

Denman Island economic enhancement is currently being delivered on an interim basis through Denman WORKS!, a committee of DIRA. It is recommended for 2011 that the CVRD establish a select committee of the board on an interim basis working directly with the general manager of community services. Evaluation and review of this service by the CVRD in 2011 will continue in order to determine a future recommendation on service delivery for Denman Island in the 2012-2016 financial plan.

Recommendations from the chief administrative officer:

1. THAT the 2011-2015 recommended financial plan for Denman/Hornby Islands Economic Development –function #556 service be approved.
2. THAT the CVRD and the Hornby Island Community Economic Enhancement Corporation enter into a five year agreement for the provision of economic enhancement activities for the Hornby Island community.
3. THAT the CVRD establish a select committee called ‘Denman WORKS!’ as per attached terms of reference.
4. THAT the CVRD legislative services initiate the separation of the Denman/Hornby Islands Economic Development service into two separate services being:
 - a) Denman Island community economic enhancement service and
 - b) Hornby Island community economic enhancement service.

Respectfully:

D. Oakman

Debra Oakman, CMA
Chief Administrative Officer

Service Highlights /Background

Service delivery of economic enhancement on Denman and Hornby Islands has been a combination of direct CVRD management contractor resources and indirect service delivery.

On January 1, 2008, the CVRD entered into an agreement with the Hornby Island Community Economic Enhancement Corporation (HICEEC) to provide economic development services.

Since 2008, the CVRD has attempted to work through an informal partnership with the Denman Island ratepayer association (DIRA) and their Denman Island community economic enhancement committee (DICEEC).

Achievements

The economic development service for Denman and Hornby Islands was delivered in 2009 and 2010 on a contract basis through an islands community service coordinator working in conjunction with:

- a) DIRA to assist DICEEC in developing a strategy and plan for the provision of economic enhancement activities for Denman Island; and
- b) HICEEC through the HICEEC agreement for the delivery of economic enhancement activities for Hornby Island.

It was anticipated to continue developing the service in 2010. This did occur through such initiatives as hiring of a part-time resource centre assistant for Denman Island, continued operation of the Denman Island resource centre, developing a community projects grant funding program for economic enhancement on Denman Island, the Hornby/Denman Growers and Producers Alliance and an independent review of HICEEC 'Thatch acquisition' project (report pending release by HICEEC)

Challenges

There were challenges in 2010 such as the islands community service co-coordinator not being able to spend as much time working with HICEEC as anticipated, membership turnover of DICEEC with eventual resignation of the entire committee, the formation of a new committee called Denman WORKS! to replace DICEEC, concerns brought forth by HICEEC on the delivery of the service and with the islands community services coordinator providing notice to the CVRD not to seek contract renewal for 2011.

These challenges lead to a considerable amount of CVRD administrative staff time being spent to support this service. Also additional staff time has been spent on reviewing the current service both administratively and externally by seeking feedback on the service from HICEEC, Denman WORKS! and the residents of Hornby and Denman Islands through surveys, one on one meetings and public forums.

A reconciliation report is attached for your information (Appendix E).

Options

1. To approve the recommendations as presented
2. Amend and approve.

Note: The 2011 to 2015 financial plan for the Denman/Hornby economic development service must be considered and approved no later than March 14th, 2011 in order to be included in the financial plan bylaw for adoption at the March 29th, 2011 board meeting.

Legal factors

Service delivery

The Comox Valley Regional District (CVRD) is the local government responsible for the governance, management and delivery of local services (excluding land use) on Denman and Hornby Islands. The CVRD provides local services only as established by bylaw and must work within the 'purpose' of the service establishment bylaw. The CVRD may deliver the service either directly (staff/contractor resources) or indirectly (agreement with another legal entity). Regardless of the model of service delivery, the CVRD remains accountable for the governance, management and delivery of the service.

Pursuant to the *Local Government Act* (Act), section 182, as a limitation on section 176 (1) (c), local government may not provide assistance to industrial, commercial or business undertaking.

Economic enhancement services and activities delivered, whether directly or indirectly may not provide assistance to business. The intention of local government providing an economic

enhancement service is to support core activities such as capacity-building within the community. Examples of capacity-building could include skill development workshops, resource centres, and information materials/workshops. Other economic enhancement activities may include support to specific industries such as tourism, visitor information centres and agriculture as long as the support is not deemed to be providing assistance to business.

The 2011-2015 recommended financial plan for Denman/Hornby Economic Development – Function #556 service will be included in the consolidated CVRD financial plan bylaw to be adopted pursuant to section 791(6) of the Act at the March 29, 2011 board meeting. The statutory deadline is March 31st.

Based on community discussions and feedback it is recommended that in 2012 the Denman/Hornby Economic Development Service Function #556 be separated into two separate service functions being:

- a) Denman Island community economic enhancement service; and
- b) Hornby Island community economic enhancement service.

Intergovernmental factors

Denman and Hornby Islands each have their own uniqueness. However, there are similarities they share such as the desire to promote and market both islands. An example of this is the Hornby/Denman growers and producers alliance. A continuation of this service will assist the islands to continue to work together on joint economic enhancement initiatives that will benefit both islands.

Interdepartmental involvement

A considerable amount of CVRD administrative staff time has been spent to support this service. Also additional staff time has been spent on reviewing the current service both administratively and externally by seeking feedback on the service from HICEEC, Denman WORKS! and the residents of Hornby and Denman Islands through surveys, one on one meetings and public forums.

CVRD administrative support was provided to the service through the chief administrative officer, general manager of community services, manager of financial planning and corporate financial officer and administrative assistants from the community services and finance branches.

Citizen/public relations

This service plays a major role to maintain, develop and enhance economic development and sustainability for the residents of Denman and Hornby Islands. The CVRD has sought public feedback on this service through one on one meetings and public forums held December 6 and 7, 2010 on both islands and the distribution of an economic development service questionnaire.

Denman

Denman WORKS! presented their proposed 2011 budget and work plan to the DIRA on December 13, 2010. This meeting resulted in DIRA approving the following motions:

- 1) That Simon Palmer, Jackie Picket, John Roberts, Jennifer Villard be given full support as members of DICEEC
- 2) That DICEEC be henceforth named Denman WORKS! – and that all Terms of Reference and other constitutional documents be so amended
- 3) That the budget presented by the committee for 2011 be approved.

As a result of this meeting the CVRD and DIRA have amended contract RD-10-038 to provide an interim operating agreement for the Denman Islands Economic Enhancement Service from January 1, 2011 to March 31, 2011.

The CVRD has advised the executive of DIRA that staff will be recommending a more direct relationship between Denman WORKS! and the CVRD in 2011 and does not intend to recommend an agreement with DIRA for the delivery of economic enhancement on Denman Island at this time.

Hornby

Representatives from HICEEC meet with CVRD staff on several occasions throughout 2010 and 2011 to discuss current and future service delivery for economic enhancement, contract renewal and updating, and the independent review. The CVRD is recommending that a five year agreement be entered into with HICEEC (Appendix B).

Summary of Questionnaire Results (Appendix D)

The CVRD distributed a Denman – Hornby Economic Development Questionnaire in January of 2011 in order to receive feedback on the service.

Question 1: 190 responses submitted.

Question 2: 125 responded yes to a tax supported service.

Question 3: 98 responses received to split the service between Denman and Hornby Islands

Question 4: Delivery of service Denman – survey was close, more discussion is required
Delivery of service Hornby – survey generally appeared to support HICEEC.

The CVRD has discussed the survey results with DIRA, the chair of Denman WORKS! and the executive director of HICEEC.

Prepared by:

T. I. Smith

T. Ian Smith
General Manager
Community Services Branch

Attachments: Appendix A – CVRD/Denman WORKS! Select committee terms of reference
Appendix B - CVRD/HICEEC 2011 to 2015 Agreement
Appendix C – 2011 to 2015 recommended financial plan
Appendix D – Summary of questionnaire results
Appendix E – 2007 to 2011 reconciliation report

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Terms of Reference
DENMAN WORKS SELECT COMMITTEE

Mission: DENMAN WORKS select committee will consider all matters relating to the Denman Island economic development services as identified on the 2011 attached budget.

Authority: The DENMAN WORKS select committee serves as community service delivery volunteer group and will provide minutes and reports to the electoral areas services committee.

Mandate: To take a leadership role in the development and implementation of solution to socio-economic issues facing the people of Denman Island. To assist in the planning and organization of actions to achieve appropriate enhancement goals defined by Denman Islanders.

Membership: As a select committee of the CVRD board, the board has appointed the following to comprise the DENMAN WORKS select committee:

- Simon Palmer
- Jackie Picket
- John Roberts
- Jennifer Villard
- Director Jolliffe (Baynes Sound – Denman/Hornby Islands – Electoral Area ‘A’)
- One representative from Denman Island Residents Association

Committee chair: The committee shall elect a chair and vice-chair from amongst its members at the first meeting. The DENMAN WORKS select committee chair will have the authority to approve expenditures within the attached 2011 budget.

Resources: The CAO has assigned the General Manager of Community Services as the staff responsible. Other resources required to support the committee shall be considered within the attached 2011 budget.

Purpose

Pursuant to the *Local Government Act*, section 182, as a limitation on section 176 (1) (c), local government may not provide assistance to industrial, commercial or business undertaking.

Economic enhancement service and activities delivered, whether directly or indirectly may not provide assistance to business. The intention of local government providing an economic enhancement service is to support core activities such as capacity-building within the community. Examples of capacity-building could include skill development workshops, resource centres, and information materials/workshops. Other economic enhancement activities may include support to specific industries such as tourism, visitor information centres and agriculture as long as the support is not deemed to be providing assistance to business.

Tenure: This committee is a select committee and will meet as required. The committee will continue until March 31, 2012 or until an alternative service delivery model is established.

Reporting: The committee will provide its minutes to the corporate legislative officer within 48 hours of any committee meeting. Where the board feels it is necessary, the committee may be asked to meet with the board and brief the board on an issue or issues within its purview. This invitation shall be extended to the chair of the committee as the representative of the committee.

Contact with the media: Any contact with the media regarding issues related to the work of this committee shall be handled by the committee chair or shall be referred by the chair of the committee to the CVRD. If the matter under questioning by the media deals with CVRD board policy around issues related to the work of this committee, the matter shall be referred to the chair of the board. The chief administrative officer and general manager of public affairs and information systems will provide assistance and / or guidance to the chair of the board and committee chair in responding to the media.

CVRD – Denman Works Select Committee Budget

Economic Enhancement Activities for Denman Island For the period of

January 1st, 2011 to December 31st, 2011

Core Economic Enhancement Activities:

Budget \$61,600

- Coordinate community economic enhancement activities
- Develop and implement economic strategies with the community.
- Encourage economic opportunities through educational forums.

[Core activities may include strategic planning, board support, record keeping, program administration, staff/contract supervision, research, grant applications, communications and liaison with CVRD and other relevant organizations.]

Advertising	\$ 600
Meeting expenses	\$ 500
Minor capital	\$ 2,000
Office expenses:	\$ 3,000
Grant facilitator:	\$12,000
Travel expenses:	\$ 500
Resource Centre Coordinator:	\$10,000
Workshop expenses:	\$ 2,000
Community grants:	\$25,000
Economic Development initiative supports:	\$ 6,000

Funding received from the CVRD for purposes of economic enhancement activities must be used for the purposes identified in this Schedule A and shall not be used for other CVRD services. In addition, CVRD funding used for activities other than those identified in this Schedule A shall be repaid to the CVRD no later than April 30th of the year following the expenditure.

APPENDIX B

THIS AGREEMENT made the ____ day of _____ 2011.

BETWEEN:

DRAFT

COMOX VALLEY REGIONAL DISTRICT

600 Comox Road
Courtenay, British Columbia, V9N 3P6

(the CVRD)

AND:

**HORNBY ISLAND COMMUNITY ECONOMIC ENHANCEMENT
CORPORATION**, (Letters Patent, Industry Canada June 24, 1996 File 327208-7)

Box 38
Hornby Island, British Columbia, V0R 1Z0

(the HICEEC)

WHEREAS:

- A. The CVRD is empowered by Bylaw No 3005 being “Denman-Hornby Islands Economic establishment Bylaw No 3005, March 29th, 2007”, to provide economic development services for Denman and Hornby Islands.
- B. As the CVRD is the legal entity responsible for the provision of the service as established by Bylaw No. 3005, the CVRD shall budget and manage directly for the following costs incurred by the CVRD in connection with the Service:
 - i) administration charge for support services;
 - ii) cost of liability insurance;
 - iii) cost of property insurance; in accordance with the CVRD Support Services and other Cost Allocation Policy, and;
 - iv) management and any other costs incurred by the CVRD in connection with or arising from the Service.
- C. The HICEEC has agreed to provide the service of economic development activities (the “Service”), which includes the activities as listed in Schedule ‘A’.

NOW THEREFORE in consideration of the mutual premises and covenants herein contained and other good and valuable consideration, the CVRD and the HICEEC covenant and agree as follows:

PROVISION OF SERVICES

- 1. The HICEEC shall provide the Service for the benefit of the residents of Hornby Island, commencing on the first day of January 1, 2011 and ending on the last day of December 31, 2015 (the “Term”).
- 2. The HICEEC shall provide the Service in accordance with the terms and conditions set out in this agreement.

LAND AND PREMISES

3. The HICEEC shall carry out the Service in and from land and premises that meet the lawful requirements of any authority having regulatory jurisdiction, and that are safe for the use intended.
4. The provision of this service is limited to the list of activities set out in Schedule 'A', unless the HICEEC provides written notice of a change to the list.

ACCOUNTING RECORDS

5. The HICEEC shall:
 - a) maintain, at all times, accurate books, records and accounts for the Service, including all receipts and invoices supporting any expenditures in accordance with generally accepted accounting principles applied on a consistent basis from year to year; and
 - b) permit the CVRD to inspect the same at all reasonable times and to make copies thereof.

REPORTING

6. The HICEEC shall provide the CVRD within one month of the annual general meeting, a copy of the financial statements prepared by an independent accounting firm, on a review engagement basis.
7. The HICEEC shall provide the CVRD with an annual general report that includes annual objectives and measurements for each activity listed on Schedule A.
8. The HICEEC shall annually provide to the CVRD the list of the HICEEC Executive Committee, including the HICEEC's signing authorities, contact names and phone numbers.

FUNDING

9. The CVRD will provide a \$40,000 contribution towards the delivery of Hornby Island Enhancement activities as per schedule A.
10. Payment will be as follows:
 - a) \$20,000 will be payable by April 30th, in each year of the Term.
 - b) \$20,000 will be payable by August 15th, in each year of the Term subject to receipt of reporting requirements.
11. Unexpended funds for any year of the Term shall be returned to the CVRD no later than June 30th of the following year.
12. HICEEC will not provide any funding received from the CVRD to any commercial or business undertaking in order for the CVRD to remain in compliance with section 182 of the Local Government Act – Prohibition against assistance to business, which reads as follows:

182. As a limitation on section 176 (1) (c), a board must not provide assistance to an industrial, commercial or business undertaking...

CVRD funds provided to HICEEC for purposes of economic enhancement activities under this agreement must be used for the purposes identified in Schedule A and shall not be used for other CVRD services. In addition, any CVRD funding used for activities other than those identified on Schedule A in any year of the Term shall be repaid to the CVRD no later than June 30th of the following year.

13. The HICEEC shall be responsible for the payment of all expenses associated with the Service, other than the costs paid directly by the CVRD.
14. In the event the HICEEC fails to pay for any expenses associated with the Service, the CVRD shall deduct the corresponding amounts from the funds requisitioned by the CVRD for the Service, and may in its discretion pay such expenses directly.
15. All cheques of the HICEEC disbursing funds shall be signed by the duly appointed signing officers of the HICEEC.

COMMUNICATION

16. The HICEEC shall include on its website acknowledgement of CVRD as a funding partner and a link to the CVRD website at www.comoxvalleyrd.ca.
17. The CVRD shall include on its website acknowledgement of the HICEEC as the contractor for the delivery of economic development services on Hornby Island and will include a link to the HICEEC website.
18. The key contact for all communication matters between the parties relating to this Agreement are as follows:

HICEEC	Chair of the board
CVRD	General Manager of Community Services

INSURANCE

19. The HICEEC shall, at its own expense throughout the term of the agreement, maintain and pay for a comprehensive general liability insurance policy or policies with a limit of not less than \$2,000,000 inclusive per occurrence for bodily injury and property damage. The Comox Valley Regional District shall be named as an additional insured to that policy of insurance and the HICEEC shall furnish the CVRD with a certificate or certificates of insurance as evidence that such insurance is in force including evidence of any insurance renewal or policy or policies. Every certificate, or certificates of insurance, shall include certification by the insurer that the certificate of insurance specifically conforms to all of the provisions required herein.

Maintenance of such insurance and the performance by the HICEEC of their obligation under this clause shall not relieve the HICEEC of liability under the indemnity provisions here and above set forth.

At its sole discretion, the CVRD may take out and maintain additional public liability insurance for the Service, in such amounts and on such terms and conditions as the CVRD deems necessary from time to time. This coverage would be outside of the regular insurance program maintained by the CVRD.

INDEMNITY

20. The HICEEC hereby indemnifies, saves harmless, releases and forever discharges the CVRD from and against any and all manner of actions, causes of actions, claims debts, suits, losses, liabilities, costs, demands and expenses whatsoever, whether known, in any way arising from, in connection with or attributable to the actions of the HICEEC, its servants, agents, officers, employees, contractors or subcontractors in connection with this Agreement.

TERMINATION

21. This Agreement is immediately terminated, if the HICEEC:
 - a) voluntarily winds up its affairs or disbands;
 - b) becomes bankrupt;
 - c) fails to hold a general meeting for a period of eighteen (18) months; or
 - d) fails to maintain itself in good standing under the Canada Corporations Act or similar provincial corporations act.
22. At any time during the Term, either party may terminate this Agreement on two (2) months' notice to the other party, and upon the expiration of two (2) months from the date of receipt of such notice, this Agreement shall be terminated.
23. If the HICEEC fails to comply with or is in breach of any of the terms and conditions of this Agreement, the CVRD may serve written notice on the HICEEC requiring the HICEEC to remedy the default within thirty (30) days from receipt of such notice, and if the HICEEC fails to cure the default or take such steps as may be reasonably taken to correct or remedy the default within such time period, the CVRD may terminate this Agreement forthwith.

EMPLOYMENT RELATIONSHIP

24. It is understood that this Agreement is strictly between the CVRD and the HICEEC and in no way shall be interpreted as an employment relationship between the CVRD and the HICEEC and their employees and/or its agents and/or their employees, and/or its contractors and/or their employees. Should any differences arise between the HICEEC and any of its employees and/or its agents and/or their employees and/or their contractors and/or their employees, they shall be resolved directly between them and the HICEEC in this connection.
25. The HICEEC is responsible to remit all statutory payments in relation to funding provided by the CVRD under this Agreement, including Income Tax, Canada Pension contributions, Employment Insurance premiums, and Workers Compensation Board premiums, as applicable for its employees.

GENERAL

26. This Agreement, and any rights or obligations hereunder, shall not be transferred or assigned by the HICEEC without the prior written consent of the CVRD, and any attempt to do so without such consent will be of no force and effect.
27. The provisions herein contained constitute the entire Agreement between the parties and supersede all previous communications, representations and agreements, whether verbal or written, between the parties with respect to the subject matter hereof.
28. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and permitted assigns.
29. Each of the parties hereto hereby covenants and agrees to execute such further and other documents and instruments, and to do such further and other things as may be necessary to implement and carry out the intent of this Agreement.
30. This Agreement may not be modified or amended except by an instrument in writing signed by the parties hereto or by their successors or assigns.

31. Wherever the singular or masculine are used herein the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the parties so requires.
32. The headings to the sections of this Agreement are inserted for convenience only and shall not affect the construction hereof.
33. Time is expressly declared and stipulated to be of the essence of this Agreement in respect of all payments to be made hereunder and all covenants and agreements to be performed and fulfilled.
34. Either party may, in writing, from time to time and at any time waive, in whole or in part, the benefit to it of any provision of this Agreement or any default by the other party, but any waiver on any occasion shall be deemed not to be a waiver of that provision thereafter or of any subsequent default, or a waiver of any other provision or default under this Agreement.
35. All notices, requests and demands required or permitted to be given hereunder shall be given in writing and may be delivered personally, or sent by facsimile transmission to the parties at the addresses on the first page of this Agreement. All notices, requests and demands shall be deemed to have been received when telexed or faxed, on transmission; when mailed, on the seventh calendar day after being mailed and when telegraphed or delivered, when actually received.

The parties hereto have executed this Agreement as of the day and year first above written.

COMOX VALLEY REGIONAL DISTRICT

Edwin Grieve, Chair

James Warren, Corporate Legislative Officer

HORNBY ISLAND COMMUNITY ECONOMIC ENHANCEMENT CORPORATION

Authorized Signature

Name and Title

Authorized Signature

Name and Title

SCHEDULE A

Economic Enhancement Activities for Hornby Island For the period of January 1st, 2011 to December 31st, 2015

Core Economic Enhancement Activities:

Budget \$10,000

- Coordinate community economic enhancement activities
- Develop and implement economic strategies with the community.
- Encourage economic opportunities through educational forums.

Core activities may include strategic planning, board support, record keeping, program administration, staff/contract supervision, research, grant applications, communications and liaison with CVRD and other relevant organizations.

Marketing Service Activities:

Budget \$12,000

- Maintain Hornby Island community economic activity website.
- Develop and produce electronic newsletter.

Marketing Services may include other community marketing activities

Tourism Service Activities:

Budget \$3,000

- Promote Hornby Island tourism including through a coordinated approach with other communities.

Tourism services may include targeted promotions, advertising and visitor information services

Business and Community Service Activities:

Budget \$3,000

- Provide a resource service to support business development opportunities.
- Provide a resource service to assist the community with skill development relating to operating a business and participating in the economy.

Business and community support services may include development of a business directory, advertising, relevant workshops and training.

Sector Service Activities:

Budget \$4,000

- Support to the food and farming sector, including through partnership initiatives - Support to other economic sectors as the need, interest or opportunity arises

Sector service activities may include support for emerging projects

Community Initiative Support Fund

Budget \$5,000

- Fund to be used to provide grants to non-profit community entities for projects that advance economic enhancement goals for Hornby Island

Program Contingency Fund

Budget \$3,000

- Fund to be used to augment the budget for any of the specified economic enhancement activities as may be required

Funding received from the CVRD for purposes of economic enhancement activities must be used for the purposes identified in this Schedule A and shall not be used for other CVRD services. In addition, CVRD funding used for activities other than those identified in this Schedule A shall be repaid to the CVRD no later than June 30th of the year following the expenditure.

APPENDIX C



Denman - Hornby Islands Economic Development

556

Established:	29-Mar-07	Requisition Budget	2010 Actual	2011 RB	2012 FP	2013 FP	2014 FP	2015 FP
Authority	BL 3005	Defined Area						
Amendments								
Funding	Requisition	Part Area A Denman/Hornby	117,976	117,976	117,976	117,976	117,976	117,976
Maximum Levy	\$.278 per \$1,000 - 100% Assessment		\$117,976	\$117,976	\$117,976	\$117,976	\$117,976	\$117,976
Location	Defined portion in Electoral Area A - Hornby Island	Tax Rate Estimate	0.1446	0.1374	0.1374	0.1374	0.1374	0.1374
Contract			(per \$1,000 of assessed value - approx. Residential Rate)					
Background	Service was created upon withdrawal from CV Economic Development Service in 2007.	Change from Previous year		\$0	\$0	\$0	\$0	\$0

2011 Maximum Requisition: \$222,227

Net Taxable Rate for 2011: 0.1476

Note: Maximum levy is calculated on net taxable values. Actual rates vary by property class.

Note: Estimates are based on 2011 Completed Converted Assessments at Recommended Budget March 2011. If a function has multiple tax rates, then average is shown..



Budget Departmental by Class

From Category : 556 To Category : 556
 Account Code : 0?-?-???-??? To : 0?-?-???-???

Account Code	Account Description	2010 Budget Value	2011 Recommend ed Budget	2012 Financial Plan	2013 Financial Plan	2014 Financial Plan	2015 Financial Plan
1 --> GENERAL REVENUE FUND - CVRD							
556 --> DENMAN-HORNBY ECONOMIC DEVELOPMENT							
01-1-556-015	REQN ELECT/SPEC PROV GOVT	117,976	117,976	117,976	117,976	117,976	117,976
01-1-556-150	SURPLUS PRIOR YEAR	70,100	40,526	0	0	0	0
DENMAN-HORNBY ECONOMIC DEVELOPMENT Total		188,076	158,502	117,976	117,976	117,976	117,976
OPERATING REVENUE Total		188,076	158,502	117,976	117,976	117,976	117,976
556 --> DENMAN-HORNBY ECONOMIC DEVELOPMENT							
01-2-556-200	SUPPORT SERVICES	2,708	5,168	5,271	5,375	5,478	5,581
01-2-556-210	GRANT OPERATIONAL	83,250	101,600	80,000	80,000	80,000	80,000
01-2-556-220	SALARIES & WAGES	5,892	5,892	6,010	6,128	6,246	6,363
01-2-556-225	BENEFITS	1,178	1,178	1,202	1,226	1,249	1,273
01-2-556-238	WCB	62	68	69	71	72	73
01-2-556-284	MEETING EXPENSE	600	0	0	0	0	0
01-2-556-293	OFFICE EXPENSES	6,500	0	0	0	0	0
01-2-556-320	TRAVEL	200	0	0	0	0	0
01-2-556-335	ADVERTISING	1,000	0	1,000	1,000	1,000	1,000
01-2-556-369	INSURANCE LIABILITY	665	666	678	692	705	718
01-2-556-381	LEGAL FEES	2,000	10,000	2,000	2,000	2,000	2,000
01-2-556-387	OTHER PROF FEES	65,857	27,930	15,746	15,484	15,226	14,968
01-2-556-421	RENTAL/LEASE BUILDINGS	4,000	6,000	6,000	6,000	6,000	6,000
01-2-556-519	FUNDS FOR FUTURE EXPENDITURES	14,164	0	0	0	0	0
DENMAN-HORNBY ECONOMIC DEVELOPMENT Total		188,076	158,502	117,976	117,976	117,976	117,976
OPERATING EXPENSES Total		188,076	158,502	117,976	117,976	117,976	117,976
OPERATING Surplus/(Deficit)		0	0	0	0	0	0
GENERAL REVENUE FUND - CVRD Total		0	0	0	0	0	0
Report Total -->		0	0	0	0	0	0

APPENDIX D

600 Comox Road, Courtenay, BC V9N 3P6
Tel: 250-334-6000 Fax: 250-334-4358
Toll free: 1-800-331-6007
www.comoxvalleyrd.ca



Denman – Hornby Islands Economic Development Service Questionnaire **January 2011**

The Comox Valley Regional District (CVRD) is the local government responsible for the governance, management and delivery of local services (excluding land use) on Denman and Hornby Islands. The CVRD provides local services only as established by bylaw and must work within the 'purpose' of the service establishment bylaw. The CVRD may deliver the service either directly (staff/contractor resources) or indirectly (agreement with another legal entity). Regardless of the service delivery method, the CVRD remains accountable for the governance, delivery and management of the service.

Currently the CVRD provides the Denman - Hornby Islands economic development service:

- On Denman Island through a committee of the Denman Island Residents' Association (DIRA)
- On Hornby Island through an agreement with the Hornby Island Community Economic Enhancement Corporation (HICEEC)

We are seeking input from the residents of Denman and Hornby Islands on the future provision of this service. **Please complete and return this questionnaire no later than February 4, 2011.**

The service is funded by property taxation and the annual tax rate is \$.1446 per \$1,000 of assessed property value. The average 2011 assessed value on each island is:

- Denman Island - \$439,419
- Hornby Island - \$439,450

Total taxes collected on an annual basis for Hornby and Denman Islands economic development have been \$117,976. Currently the Denman/Hornby Island economic development services is a joint taxation service and is cost shared by assessed values:

	2011	Percent
Denman Island	\$51,909	44
Hornby Island	\$66,067	56
Total	\$117,976	100

The 2010 – 2014 financial plan for the service can be found on the CVRD website at http://www.comoxvalleyrd.ca/section_finance/.

1. Which island do you live on and/or pay property taxes for?

☐ Denman ☐ Hornby

Denman	Denman & Hornby	Hornby	Blank	Total
92	2	93	3	190

2. Do you support the use of property tax dollars for the provision of a CVRD economic development service on Denman and Hornby Islands? If you answered yes, please proceed to question #3. If you answered no, you do not need to complete the rest of the questionnaire. Thank-you for your time.

☐ Yes ☐ No

Island	Yes	No	Blank	# of Responses
Denman	61	31		92
Denman/Hornby	2			2
Hornby	62	30	1	93
Blank		2	1	3
Totals	125	63	2	190

3. Currently the service is delivered by CVRD as a shared service that covers both islands. Do you support splitting the Denman Island and Hornby Island economic development services into two separate services, being Denman Island Economic Development service and Hornby Island Economic Development service?

☐ Yes ☐ No

Island	Yes	No	Blank	# of Responses
Denman	47	12	33	92
Denman/Hornby		1	1	2
Hornby	50	10	33	93
Blank	1		2	3
Total	98	23	69	190

4. As outlined in the introduction to the questionnaire, the CVRD currently delivers the economic development service on Denman and Hornby Islands through a committee of DIRA on Denman Island and through an agreement with HICEEC on Hornby Island. If the economic enhancement service remains in place, what would be your preference, from the following list of options, for the way it is delivered?

Please rank your responses with **1 being highest preference and 4 being lowest** preference.

Denman Island

- ☐ 4 a) CVRD agreement with DIRA (18/47 responses)
- ☐ 1 b) CVRD agreement with new society Denman Works! (22/47 responses)
- ☐ 3 c) CVRD agreement with other legal entity (19/47 responses)
- ☐ 2 d) CVRD delivers service directly (20/47 responses)

Hornby Island

- 4 a) CVRD agreement with HIRRA (20/50 responses)
- 1 b) CVRD agreement with HICEEC (25/50 responses)
- 2 c) CVRD agreement with other legal entity (21/50 responses)
- 2 d) CVRD delivers service directly (21/50 responses)

5. General comments may be provided in space below:

See attached for comments received

In order for feedback/comments to be considered, please provide your name, signature and the address of your place of residence on Denman or Hornby Island, or of the property there on which you pay taxes. Under the *Freedom of Information and Protection of Privacy Act* the CVRD will protect your personal information. Contact the CVRD corporate legislative officer at 600 Comox Road, Courtenay, B.C. or at 250-334-6000 if you have questions about this collection of information.

This questionnaire can also be found at www.comoxvalleyrd.ca/dhsurvey. You can email your questionnaire to communityservices@comoxvalleyrd.ca, fax it to 250-334-8156 or mail it to the CVRD office at the address on top of this form. For drop-off, there will be locations on both islands:

Denman Island

Post Office from Monday to Friday from 8:30 a.m. – 4:30 p.m. and Saturday from 9:00 a.m. – 12:00 p.m.

Resource Centre located in the Seniors Activity Centre on Monday and Wednesday between noon and 4:30 p.m.

Hornby Island

Hornby Island Co-op from Monday to Saturday between 9:30 a.m. and 5:30 p.m.

Thank you for taking the time to complete the questionnaire. Should you have any questions, please contact Shannon Smith, administrative support at 250-334-6016 or by email at ssmith@comoxvalleyrd.ca

Question 5 – Comments

Denman Island

- I feel that DIRA is the poorest choice as the executive is no longer acting in the best interests of Denman Island tax payers. They are making decisions without consulting the membership. CVRD is making a serious mistake in negotiating agreements for service, with respect to Economic Development and the fire department, with the DIRA executive.
- I am an owner of a Denman Island property, but a non-resident. Should my views be counted as equal to those of a resident? (Obviously I think not)
- Don't know anything about Denman Works! Other than as a committee of DIRA
- The membership of the above mentioned organizations are too small to properly represent the population of Denman Island. This may result in an inappropriate use of funds.
- Denman Works! Is awesome!! Hopefully we can get a similar society (Hornby Works!) activated on Hornby.
- Annual taxation rate for Denman should be reduced by 50%
- I would like to see DIRA and Denman Works coordinate to implement spending policies. Want a lower tax rate based on lack of services on Denman.
- (Name withheld) and the Denman Works! Group seem to have a very good vision and sense of direction with the communities best interest in mind.
- It is important that the program is delivered through an entity that is elected by Denman residents.
- The funds can be administered through Denman Works as long as there are clear guidelines and transparency. Reporting procedures (to the community) need to be put in place. The DW cttee needs to be made up of people who know how the island "works" and who have business backgrounds.
- I have little faith in any committee on Denman being able to successfully manage these monies and hope CVRD keeps very very tight reins on Denman Works. I have less faith in DIRA! I prefer to remain anonymous but will say I am not and have not been part of Denman Works or DICEEC!
- I have undeveloped property on Denman. I live in Kelowna.
- The CVRD might also consider improving police service and garbage service, recycle initiatives at all on Denman Island, with our tax dollars.

- This is a very poor questionnaire. Combined with the shocking article by (Name withheld) in the Grapevine of Thurs, Jan. I feel like I am being manipulated. DIRA is not presently adequate to undertake this service. Please do not provide tax monies to DIRA Exec to manage for any Denman Service.
- If funds delivered directly to Denman Works - public accountability required with budget presentation at DIRA AGM.

Hornby Island

- Aside from providing the two jobs involved, I don't see that HICEEC has done much except promote itself.
- HICEEC has not delivered on any promises. Workers stream on to Hornby everyday from Denman; HICEEC gives false sense of development and leaves locals to complacency, adding more justification to request and receive yet more subsidy. This and other fake programs help create a lack of self-reliance on Hornby Island.
- The initials HIRRA were not explained!
- (Name withheld) is shutting down accommodation rentals through his position in Islands Trust. In HICEEC he identifies accommodations as needing to be expanded/improved to encourage tourists. It is a conflict of interest. This group is good at subsidies and nothing else. When they rant the Thatch, there was evidence of fraud and the place went bankrupt. Many lost their investments. No more funding please.
- The HICEEC - does nothing. Its a waste of time they have no skilled workers. The ferries have many trades coming to Hornby - because people in the HICEEC have no training.
- Why don't you want to hear from we who answer no? Comments about the impact of commercialization of Hornby should be heard! "HIRRA" includes tax-payers, who should have a voice in how taxes are used locally.
- During my time as a permanent resident of H.I. (15 years) HIRRA has served Hornby well and should continue to do so.
- HICEEC is doing a great job. Website, marketing strategies, workshops/seminars are all locally orientated and valuable. I know the volunteer board members work hard and take their tasks seriously. The funds go much further if managed Hornby - style- by committed volunteers, rather than by paid "staff" doing a job. The one paid local administrator for HICEEC goes a long long way on his every dollar.
- I like the idea that Denman & Hornby coordinate resources, ie facilitators/workshop. I believe that HICEEC has been doing some very good projects with mini workshops. I don't know if sitting at the farmers market is a good use of resources.

- The gross revenue appears to have been stated in this questionnaire. What is the breakdown of disposition of funds for Hornby? It looks like the response time for this survey was set at about one week - much too short.
- The most important economic issue for 2011 on Hornby is the continued use of private homes as guest accommodation so that the maximum number of visitors possible will come and support our coop and small businesses on the island. Economic enhancement service should strive for this.
- Economic development should be allocated to a base on Hornby for businesses to centre by the fire department or at the recycling centre.
- HICEEC's mandate is of general concern to our community. It is appropriate that it is out of the family of committees under the umbrella of HIRRA and that the process and administrative costs be part of that governance.
- HIRRA is more transparent than HICEEC, therefore I favour HICEEC as it originally did- a committee under HIRRA.
- These are not truly informed answers as I am not a full time resident and have not attended either HIRRA or HICEEC meetings.
- This writer understands that most of this amt is actually salaries and honourariums to the manger and other members or staff of HICEEC

General Comments

- We strongly believe that health care, fire department should self administer budgets
- The reason I do not support this service is that we get poor value for the amount of money spent. If this were to change I would be supportive.
- So little has been achieved for money spent to date
- We need to see our tax dollars being spent on our island! Thank you for helping to see that this happens :)
- Our property taxes are ridiculously high for services provided.
- Question #3 - The best economics of the tax dollars.
- The questionnaire does not accurately represent \$ provided to island for economic enhancement (i.e. Hornby is budgeted for \$30k for 2011 not \$66,067.

-
- How is all this money spent?
 - These feel like really loaded questions and I am not informed enough to answer adequately.
 - Economic development is necessary to an active and productive community. It often only takes a little financial assistance and technical help for a "new entrepreneur " to get off the ground - creating jobs for others and adding to the quality of life on the island - ie a healthy, confident community.
 - I would like to see the least amount of bureaucracy & the least amount of wasted monies -
 - Stop giving away my money!!!
 - Working in co-operation prevents duplication of service. However, the CVRD should oversee the work - more stability and accountability than the local organization. Input & experience from both sides is essential.
 - We like the island the way it is!
 - 1. Contract with the Comox Valley Economic Development Society - they at least, have experience and a professional approach.
 - Local management of these funds is very critical to economic development. Good programming has emerged from it that has been very useful and supportive of local initiatives.
 - It is very difficult to rate options on the basis of a list - without any information on what is done now and what would be done with the other options in place. We don't know the options pros/cons and operation model for each.
 - I have sent comments to CVRD outlining my concern regarding this survey which I view as exceptionally flawed.
 - Please eliminate the middle people aka committee (s) all the bickering has been so unpleasant. No one is respecting the opinions of others - just pushing to be right. And just because one disagrees doesn't make it either right or wrong - just different. Its been nothing but a social nightmare.
 - How is success of D-H I EDS assessed? Without criteria and a measurable goal, we can only assume someone is belling up to the trough!!!
 - Is there a consensus about whether (or what) types of economic development would be desirable on either of the islands?
 - Sounds like there is a story that isn't told her
 - More info about the potential impact of options (#3) would be helpful. I recognize the RD may

not be in a position to take sides or offer commentary, but info from those promoting out option a the other would be helpful.

- We are not sure what is the best option taking all parties into consideration. We do not live on Hornby and are not involved or aware of how the process goes for economic development. Sorry we feel we don't have enough knowledge to choose a preference.
- As with any change, its always a good idea to build in an evaluation component that includes a specified timeline and, ideally, terms of reference.
- Local management of these funds is very critical to our local economic development. The programming that has been funded to date has been very valuable and highly supportive of local initiatives.
- We need our island to be economically vibrant and support all work towards that.
- These committees are a waste of money and time
- No mention as to what HIRRA is in questionnaire. Direct services eliminate the need for meetings with a local group. Meetings tend to cost tax payers more money yet get little accomplished. However these should be a local voice for any specific changes regarding the island.
- I would like to know the actual purpose of this questionnaire as I understand this question may be presented in a referendum. I would like to know what/how this questionnaire results will be used.
- Lower tax rate on Is. And that way seniors with a low income can still pay taxes and not have to pay so much extra for this project
- Why are not interested in "no" answers? The money would be better spent on an Ambulance station.
- In retrospect, very little “product” is evident from the tax monies already spent on this function (at least on Hornby). I believe the service should be renewed by the CVRD, if not officially, then from the point of view of value for money accountability & ultimate expectation of some more useful and visible value to the community and for those that need help.
- Incorrect tax rate! I therefore suggests bias – invalidated results of this survey. The current system is working well on Hornby Island, while I understand there is a political “issue” on DI, I do not understand why HI/HICEEC delivery of service is being raised. HICEEC has evolved over a period of a decade or more. It works well in the community.
- Letter with comments attached.

Appendix E – Reconciliation report

Prior to 2007 economic development projects on the islands were considered project by project through the regional district's Comox Valley wide economic development service. Between 2000 and 2006, funding to Hornby Island projects was approximately \$42,000 and was primarily used to develop a strategic or "start up" plan for the provision of economic development services on Hornby Island.

In 2007, the first year of the new Denman – Hornby Islands economic development service, the regional district entered into a contract for consulting to assess the economic development needs of Denman and Hornby Islands. As a result of this contract, a report called "A Sustainable Community Economic Development Strategy for Denman and Hornby Island" was created.

In 2008, an economic development assessment for Denman and Hornby Islands was completed, with recommendations for identifying economic development priorities and developing a financial plan for the period 2008 to 2012. The report provided significant information related to Hornby Island but did not provide sufficient information regarding Denman Island. This focus on Hornby Island economic initiatives was a key issue affecting the development of the service on Denman Island.

In 2009, this service saw a number of new initiatives:

- hiring a contract islands community service coordinator (ICSC) to assist in the coordination of the economic enhancement processes on Denman and Hornby Islands,
- establishing a Comox Valley Regional District (CVRD) part time economic enhancement office on Denman Island,
- facilitating the capacity-building for the Denman Island community economic enhancement committee (DICEEC) as a committee of the Denman Island residents' association (DIRA);
- assisting DICEEC with developing a set of economic development priority projects and corresponding budget for Denman Island,
- designing a public consultation questionnaire,
- conducting various workshops and open houses to seek resident ideas on economic enhancement for the island.

In 2010, in the following achievements occurred:

Denman

A part-time resource centre assistant was hired to assist with general office administration duties and staff the resource centre two days per week. The duties for this position include handling enquiries from the community, booking appointments/registrations, attending meetings, providing research and data collection, etc.

DICEEC established a process for receiving and evaluating economic enhancement projects by developing eligibility and funding criteria. This included some of the following: the design of a grant application form, advertising for projects, grant evaluation criteria, review of applications received and selection of successful projects. The following projects were selected September 1, 2010 with grant funding allocations.

- 1) Arts Denman: \$9,310.00. Marketing Manager developing studio guide and annual studio tour with improved signage and marketing. Project ongoing.
- 2) Denman Island Community School: \$1,480.00. Denman Island small business forum with successful Denman Island business people mentoring potential new business people. Project scheduled for March 31, 2011.
- 3) Denman Seniors and Museum Society: \$8,750.00. Denman Village project phase 1. Design, plan and start some enhancement such as paving and public washrooms. Project ongoing.

4) Hornby/Denman Tourist Services Society: \$3,400.00. Production of brochure, video clips photos and work with BC Ferry Corporation on joint promotion/uses. Project ongoing. These projects have a reporting process which was due December 31, 2010. (For a status of the projects see the attached Denman WORKS! 2010 Community project grant report summary.

Hornby

HICEEC worked with various groups and sectors to support a number of economic enhancement activities which included some of the following initiatives tourism, agriculture, transportation and arts and culture. (For a complete list of 2010 key economic activities see the attached Hornby Island Community Economic Enhancement Corporation – Economic Enhancement News – HICEEC key activities 2010)

An independent review of HICEEC was conducted on the Thatch project and CVRD staff has met with HICEEC to review the results of the report.

Challenges

In 2010 the goal was to continue to develop the service. Some progress was made, however there were some challenges for the delivery of this service. Administratively, large amounts of CVRD staff time was spent reviewing and answering budget enquiries or other matters pertaining to the service. Some of the additional challenges for the delivery of this service relative to each island have been listed below.

Denman

DICEEC went through a number of committee membership changes through the year. This ranged from original members resigning and new members filling these vacant positions to changes in the chair. DICEEC provided notification to the CVRD and DIRA that the current members of the committee were resigning effectively immediately on August 25/10.

In the fall there was an interest by some local residents to continue the work of DICEEC. The CVRD was contacted by these new members to provide budgeting and other information in preparation for a meeting to be held with DIRA to seek approval for the new committee. This led to a large amount of staff time working with this committee to support it and be prepared for a DIRA meeting held on December 13, 2010. This meeting resulted in DIRA approving the following motions:

- 1) That Simon Palmer, Jackie Piket, John Roberts, Jennifer Villard be given full support as members of DICEEC
- 2) That DICEEC be henceforth named - Denman WORKS! – and that all Terms of Reference and other constitutional documents be so amended
- 3) That the budget presented by the committee for 2011 be approved.

As a result of this meeting the CVRD and DIRA have amended contract RD-10-038 to provide an interim operation of Denman Islands Economic Enhancement Service from January 1, 2011 to March 31, 2011.

Hornby

On June 21, 2010 representatives of HICEEC met with CVRD staff to discuss the Denman/Hornby economic enhancement function. The representatives of HICEEC indicated dissatisfaction with the current delivery of the service as indicated below:

- 1) The coordinator was not spending much time assisting with economic enhancement initiatives on Hornby Island. It was the opinion of the committee members that most of the coordinators time was being spent with Denman Island economic enhancement activities. HICEEC did not see good value for the tax dollars being spent on supporting the contract for the coordinator's position. It was felt by HICEEC that any assistance provided by the

islands community service coordinator could be handled in house by the members of HICEEC.

- 2) The amount of tax dollars that Hornby island residents were paying to support this service. Comparisons were made to what residents in municipalities such as Courtenay and Comox were paying. The HICEEC representatives felt that Hornby island residents were paying twice the amount to support economic enhancement as compared to residents of Courtenay and Comox.
- 3) The amount of money being returned back to Hornby Island through the economic enhancement service was not a large amount compared to what was collected in taxes from residents.

Denman WORKS!

2010 Community Project Grant Reports Summary

Arts Denman	Total Grant	\$9,310
	Disbursed Sept 1 2010	\$7,448
- Project ongoing – Marketing Manager developing Studio Guide, annual Studio Tour with improved signage & marketing.		
DICES	Total Grant	\$1,480
	Disbursed Sept 1 2010	\$1,184
- Project scheduled March 31 2011 – Denman Island Small Business Forum with successful Denman business people mentoring potential new business people.		
DS & MS	Total Grant	\$8,750
	Disbursed Sept 1 2010	\$7,000
- Project ongoing – Denman Village Project Phase 1, to design, plan & start some enhancement such as paving & public toilet facility.		
Hornby Denman Tourist Services	Total Grant	\$3,400
	Disbursed Sept 1 2010	\$2,720
- Project ongoing – production of brochure, video clips, photos, work with BC Ferries on joint promotion/use.		

February 18 2011



Hornby Island Community Economic Enhancement Corporation

Economic Enhancement News HICEEC key activities 2010

Business support

- spring workshop on Business Planning
- fall workshop on Taxation and Financial Issues
- groundwork for developing a Community Trades and Services Area

Employment and Self-employment support

- re-establishment of Job Shop on Hornby (with CEAS and HIES)
- travel subsidies for off-island programs
- discussions with Union Bay Credit Union on establishing micro-loan program

Community support

- on-line community resource centre and events listing
- board development workshop for non-profit organizations
- information on funding opportunities provided to societies

Marketing support

- maintenance of quality website
- quarterly newsletter to growing electronic mailing list
- booth at Farmers' Market to provide visitor information

Tourism support

- advertising to promote spring visiting
- assistance with Visitors' Guide
- funding to Hornby-Denman Tourist Services Society

Agriculture support

- assistance in forming new Growers and Producers Association, information to farmers
- funding for local food promotion event
- funding for Farmers' Market infrastructure

Arts and culture support

- funding to Arts Council for Studio Guide
- support for Festival Society tasting event
- advertising of Hornby Island cultural assets

Transportation support

- hosting Island Rideshare service
- workshop on alternative transportation options
- advocacy on ferry issues

Communications, liaison and planning

- articles in *First Edition* and distribution of electronic *Economic Enhancement News*
- liaison with DICEEC, Chamber of Commerce, Community Futures, VIEA
- creation of a five year Strategic Plan for economic enhancement

HICEEC – ceec@telus.net – www.realthornby.com

Economic Development Service for Area 'A' - Denman – Hornby Islands



Review of the Hornby-Denman Islands Economic Development Service

- As we come to the end of 2010, it is timely to review the Denman/Hornby Island economic development service from the perspective of community needs, interest and service delivery for the future.
- The CVRD is seeking input from the community/property owners and all feedback will be considered and reflected in the report to the electoral area services committee.



Purpose of Economic Development Service

To support core activities of economic development such as:

- Community input on economic development priorities
- Community capacity building
- Industry support such as tourism e.g. Visitor information centers
- Sector supports, such as agriculture, to promote increased sector capacity



Current Service Delivery

Hornby Island

- January 1, 2008 – CVRD entered into contract with Hornby Island Community Economic Development Corporation to provide service on Hornby Island

Denman Island

- Since 2008, CVRD has been working through an informal partnership with the Denman Island Ratepayers' Association



Service History

Prior to 2007 – Denman & Hornby Islands were participants of Comox Valley economic development service.

2000 to 2006:

- Comox Valley service funded Hornby Island Initiatives, approx \$42,000
- Primarily used to develop a strategic or 'start up' plan on Hornby Island



Financial Summary

2000 – 2006

- Funding through CV Economic Development Society – Hornby Island 'start up' plan for economic development initiatives

Denman Island			Hornby Island	
Projects	Reserve	Resource Centre	Projects	Audit
0	0	0	\$42,000	0



Service History

2007:

- 1st year new Denman – Hornby Islands economic development service established

2008:

- Economic development assessment for both islands was completed with recommendations for priorities and a 2008-2012 five year financial plan.



Financial Summary

2007

- Tax levy of \$54,335
- Payment of \$20,000 to CVEDS

Denman Island (Actuals)			Hornby Island (Actuals)	
Projects	Reserve	Resource Centre	Projects	Audit
\$3,000	0	0	\$12,000	0

- \$20, 348 CVRD – includes needs assessment



Financial Summary

2008

- Tax levy of \$117,976
- Payment of \$20,000 to CVEDS

Denman Island (Actuals)			Hornby Island (Actuals)	
Projects	Reserve	Resource Centre	Projects	Audit
0	\$25,000	0	\$25,000	0

- \$10,007 CVRD – Management work/resources



Service History

2009:

- A number of new initiatives including the hiring of a contract islands community service coordinator.
- Establishing a CVRD part time economic development office on Denman Island
- Assisting DICEEC develop a set of economic priority projects with corresponding budgets
- Conducting various workshops and open houses to seek community ideas.
- Designing a public consultation questionnaire



Financial Summary

2009

- Tax levy of \$117,976
- Carry forward of \$38,039 surplus

Denman Island (Actuals)			Hornby Island (Actuals)	
Projects	Reserve	Resource Centre	Projects	Audit
0	\$6,039	\$2,475	\$25,000	0

- \$44,112 Community Services Liaison
- \$8,353 CVRD – Management resources



Service History

2010:

Denman Island

- Hiring of a part-time resource centre assistant
- Assisting various groups to apply for grant funding and society status.
- Community projects funding



Service History

2010:

Hornby Island

- Completion of the Thatch audit
- Ongoing provision of economic enhancements projects through the HI Community Economic Enhancement Corporation



Service History

2010:

Joint Island Initiatives

- Promoting the "Hornby/Denman growers & producers alliance society"
- Hornby/Denman community health care society successful in obtaining grant funding through the CVRD and UBCM
- Assisting various societies obtain their society status and successfully applying for grant funding.



Financial Summary

2010

- Tax levy of \$117,976
- Carry forward of \$70,106 surplus

Denman Island (Budget Amts)			Hornby Island (Budget Amts)	
Projects	Reserve	Resource Centre	Projects	Audit
\$63,250	\$14,164	\$10,500	\$30,000	\$10,000

- \$45,857 Community Services Liaison
- \$13,705 CVRD Management resources



Financial Summary

Intention of CVRD to equalize funding to both islands by:

- Increase grant amounts to Denman Island to address inequities
- Balancing the apportionments to provide additional assistance for Denman Island initiatives
- Exploration of option to split service



Next Steps

1. Receive community input on service
2. Distribution of questionnaire to all property owners on both islands
3. Preparation of report with findings/input
4. Recommendations to Electoral Areas Service Committee on future provision of service



Thank-you

Questions?



Financial Summary

Schedule A

Year	Funding	Denman Island			Denman/Hornby community services liaison	Hornby Island		CVEDS	CVRD
		Projects	Reserve Fund	Resource Centre		Projects	Audit	(2 yr negotiated commitment)	
2000-2006 Actuals	grant from CV ec development service Note: Hornby only island to request funding	\$ -	\$ -	\$ -	\$ -	\$ 42,000	\$ -	\$ -	\$ -
2007 Actuals	new service partial start up year Tax levy \$54,335	\$ 3,000	\$ -	\$ -	\$ -	\$ 12,000	\$ -	\$ 20,000	\$ 20,348 includes 1st yr service needs assessment
2008 Actuals	Assessment study identified capacity gap CVRD recommends staff/contractor resources to assist with development of strategic plan, priorities Tax levy \$117,976 *increase to support equal grant to each island and joint island community liaison support position delay in implementation due to RD restructure	\$ -	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -	\$ 20,000	\$ 10,007 includes management work to review/recruit resources
2009 Actuals	1st year for contractor 'Island community liaison position' Tax levy \$117,976. Prior year surplus cfwd \$38,039.	\$ -	\$ 6,039	\$ 2,475	\$ 44,112 works with DI community to develop strategic plan project priorities financial plan negotiate and setup new resource centre	\$ 25,000	\$ -	\$ -	\$ 8,353
2010 Actuals	1st year of implementation - strategic plan Tax levy \$117,976 Prior yr surplus cfwd \$70,106 Denman Island ec enhancement strategic plan and financial plan implementation (budget): DICEEC project-marketing - \$7,250 DICEEC project - Branding - \$5,000 DICEEC project - HI/DI partnership - \$1,000 DICEEC project-Asset inventory - \$3,000 DICEEC project-formalization sector - \$2,000 DICEED projects 'other' - \$35,000 Contract business resource person - \$10,000	\$ - \$ - \$ - \$ - \$ - \$ 22,940 \$ 5,000	\$ 14,164	\$ 4,400 \$ 840	\$ 46,425 Community Liaison position \$ 483 focus group meetings \$ 873 Advertising \$ 342 Travel	\$ 30,000	\$ 10,150	\$ -	\$ 12,034 Mgmt/legal/ads
2011 Budget	Tax levy \$117,976 Prior yr surplus cfwd \$40,526 Total grant funds of \$61,600 include: DI advertising DI meeting expenses DI minor capital DI office expenses DI grant facilitator DI travel DI resource centre coordinator DI workshop expenses DI community grants DI economic dev initiatives support	\$ 600 \$ 500 \$ 2,000 \$ 3,000 \$ 12,000 \$ 500 \$ 10,000 \$ 2,000 \$ 25,000 \$ 6,000	\$ -	\$ 6,000	\$ - No liaison for 2011	\$ 40,000	\$ -		\$ 50,902 Mgmt/legal/ads/prof fees
Totals 2000 to 2011		\$ 92,540	\$ 45,203	\$ 13,715	\$ 92,235	\$ 174,000	\$ 10,150	\$ 40,000	\$ 101,644
Total		\$151,458				\$184,150			