



REGIONAL SERVICES COMMITTEE MEETING AGENDA

WEDNESDAY, JUNE 28, 2017
BOARD ROOM
175 INGRAM STREET, DUNCAN, BC

9:30 AM

	<u>PAGE</u>
1. <u>APPROVAL OF AGENDA</u>	
2. <u>ADOPTION OF MINUTES</u>	
M1 Regular Regional Services Committee meeting of May 24, 2017	1
Recommendation That the minutes of the regular Regional Services Committee meeting of May 24, 2017 be approved.	
3. <u>BUSINESS ARISING FROM THE MINUTES</u>	
4. <u>DELEGATIONS</u>	
D1 Christy Villiers, Safer Futures Re: Annual Update of Safer Futures Initiatives	5
5. <u>CORRESPONDENCE</u>	
6. <u>INFORMATION</u>	
7. <u>REPORTS</u>	
R1 Report from the Manager, Economic Development Division Re: Tourism Cowichan Society - Annual Work Plan Report	23
Recommendation That it be recommended to the Board that the Tourism Cowichan Society Annual Work Plan for 2017 detailed in the Economic Development June 7, 2017, Staff Report be approved.	
R2 Report from the Manager, Environmental Services Re: 2017 Budget Amendment - Function 131 Environmental Initiatives	63

- Recommendation** That it be recommended to the Board that the 2017 Budget for Function 131 Environmental Initiatives be amended to:
1. Increase Federal Conditional Grants revenue by \$208,000;
 2. Increase Provincial Conditional Grants revenue by \$208,000; and
 3. Increase Flood Plain Management expense by \$416,000.
- R3 Report from the Manager, Facilities & Transit Re: 2018 Draft Budget Review - Function 199 (GM Community Services/Facilities) 65
- Recommendation**
1. That Function 199 GM Community Services/Facilities 2018 Draft Budget be approved.
 2. That the Supplementary request for hiring a full time staff person be approved.
- R4 Report from the Manager, Facilities & Fleet Re: 2018 Draft Budget Review - Function 200 (Administration Office) 79
- Recommendation**
1. That Function 200 Administration Office 2018 Draft Budget be approved.
 2. That the Supplementary request for a replacement of the phone system be approved.
 3. That the Supplementary request for a no fall safety restraint system for the roof be approved.
 4. That the Supplementary request for a space allocation design be approved.
 5. That the Supplementary request for lighting replacement be approved.
- R5 Report from the Parks Planning Technician (Trails) Re: Cobble Hill Mountain Regional Recreation Area Section 56/57 97
- Recommendation** That it be recommended to the Board that a Section 56/57 Agreement with the Province of British Columbia for vacant Crown Land within the Cobble Hill Regional Recreation Area be approved to secure the lands for outdoor recreation use.
- R6 Report from the Senior Engineering Technologist Re: 2018 Draft Budget Review - Function 575 Engineering Services 101
- Recommendation** That the Engineering - Engineering Services 2018 Draft Budget for Function 575 Engineering Services be approved.

- R7 Report from the Senior Engineering Technologist Re: 2018 Draft Budget Review - Function 576 Engineering Utilities 109

Recommendation 1. That the Engineering - Utilities 2018 Draft Budget be approved;
2. That the Supplementary request for a Crane vehicle be approved;
3. That the Supplementary request for hiring an Instrumentation Technician Operator and purchasing a vehicle be approved;
4. That the Supplementary request for hiring a Technologist be approved; and
5. That the Supplementary request for hiring a Co-op student be approved.

- R8 Report from the Chief Administrative Officer Re: 2018 Allocation Budgets - Supplemental Requests 127

Recommendation That the 2018 Allocation Budgets Tier I Supplemental Budget Requests be considered for inclusion in the 2018 Budget.

8. **UNFINISHED BUSINESS**

9. **NEW BUSINESS**

10. **QUESTION PERIOD**

11. **CLOSED SESSION**

Motion that the meeting be closed to the public in accordance with the *Community Charter* Part 4, Division 3, Section 90, subsections as noted in accordance with each agenda item.

CS M1 Closed Session Minutes of March 22, 2017

CS R1 Report from the Parks & Trails Division Re: Land Acquisition {Sub (1)(e)}

12. **ADJOURNMENT**

The next Regional Services Committee Meeting will be held Wednesday, July 26, 2017 at 9:30 AM, in the Board Room, 175 Ingram Street, Duncan, BC.

Committee Members

Director A. Stone, Chairperson
Director K. Marsh, Vice-Chairperson
Director S. Acton
Director M. Clement
Director K. Davis

Director B. Day
Director M. Dorey
Director L. Iannidinardo
Director S. Jackson
Director K. Kuhn

Director J. Lefebure
Director M. Marcotte
Director I. Morrison
Director A. Nicholson
Director T. Walker

Minutes of the Regional Services Committee Meeting held on Wednesday, May 24, 2017 in the Board Room, 175 Ingram Street, Duncan BC at 11:31 AM.

PRESENT: Chair A. Stone
Director S. Acton
Director M. Clement
Director K. Davis
Director B. Day
Director M. Dorey
Director L. Iannidinardo
Director S. Jackson
Director J. Lefebure <until 11:47 AM>
Director K. Marsh
Director M. Marcotte <after 11:50 AM>
Director I. Morrison
Director A. Nicholson
Director T. Walker
Alternate Director J. Tatham

ALSO PRESENT: B. Carruthers, Chief Administrative Officer
J. Barry, Corporate Secretary
M. Kueber, General Manager, Corporate Services
H. Hatami, General Manager, Engineering Services
R. Blackwell, General Manager, Land Use Services
C. Lockrey, Manager, Strategic Services
T. Waraich, Manager, Recycling & Waste Management
B. Farquhar, Manager, Parks & Trails
K. Miller, Manager, Environmental Services
B. Suderman, Planner III, Community & Regional Planning
R. Dias, Parks Superintendent
J. Adair, Solid Waste Operations Superintendent
T. Daly, Recording Secretary

ABSENT: Director K. Kuhn

APPROVAL OF AGENDA

It was moved and seconded that the agenda be approved.

MOTION CARRIED

ADOPTION OF MINUTES

M1 Regular Regional Services Committee meeting of April 26, 2017

It was moved and seconded that the minutes of the Regular Regional Services Committee meeting of April 26, 2017 be adopted.

MOTION CARRIED

REPORTS

R1 Report from the Environmental Technologist II Re: Tipping Fee Rebates - Solid Waste Management Charges and Regulations Amendment Bylaw No. 4110

11:47 AM Director Lefebure left the meeting at 11:47 AM.

It was moved and seconded that the revised version of Solid Waste Management Charges and Regulations Amendment Bylaw No. 4110 as attached to the May 12, 2017 Recycling & Waste Management Division's report be forwarded to the Board for consideration of first three readings and adoption.

MOTION CARRIED

11:50 AM Director Marcotte entered the meeting at 11:50 AM.

R2 Report from the Solid Waste Operations Superintendent Re: Roll-Off Truck Purchase

It was moved and seconded that it be recommended to the Board that the contract for supply and delivery of one 2018 Freightliner M2-112 (tandem axle roll-off truck) be awarded to P&R Truck Centre in Duncan BC, for a total of \$224,176.34 (excluding applicable taxes and extended warranties).

MOTION CARRIED

R3 Reports from the Parks Superintendent, Parks & Trails Re: Stoney Hill Regional Park License of Occupation

It was moved and seconded that it be recommended to the Board:

- 1. That the one year License of Occupation issued by the Municipality of North Cowichan for development and maintenance of a gravel parking area to access Stoney Hill Regional Park be renewed for up to 10 years; and**
- 2. That \$15,000 be funded from the 2017 Regional Parks budget as a financial contribution to the Municipality of North Cowichan to expand the existing gravel parking area on their lands to accommodate increased public visitation to Stoney Hill Regional Park.**

MOTION CARRIED

R4 Report from the Planner III, Community & Regional Planning Re: Placemaking Program Update Report

The Planner III, Community & Regional Planning, provided a PowerPoint overview updating the Placemaking Program, for information.

R5 Report from the Manager, Environmental Services Re: Watershed Management

Service Development

The Manager, Environmental Services provided an overview of the different facets of and direction that a watershed management service could be developed, for information.

**ADJOURNMENT
12:45 PM**

It was moved and seconded that the meeting be adjourned.

Director Clement was absent at the vote.

MOTION CARRIED

The meeting adjourned at 12:45 PM.

Chair

Recording Secretary

Dated: _____

Tara Daly

From: noreply@civicplus.com
Sent: Friday, May 05, 2017 12:56 PM
To: Tara Daly; Shannon Carlow
Subject: Online Form Submittal: Regional Services Committee

Regional Services Committee

Request to Appear as a Delegation at the Regional Services Committee

Regional Services Committee meetings are held on the fourth Wednesday of the month at 9:30 a.m.

Please Note: Contact information supplied by you and submitted with this form will become part of the public record and will be published in a meeting agenda that is posted online when this matter is before the Regional Services Committee. If you do not wish this contact information disclosed, please contact the FOI Coordinator at 250.746.2507 or 1.800.665.3955 to advise.

Meeting Date	6/28/2017
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Contact Information

Contact Name	Christy Villiers
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Representing	Safer Futures
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Number Attending	2
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Address	255 Ingram Street
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City	Duncan
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Province	BC
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Postal Code	V9L 1P3
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Telephone Number	250-732-2476
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Reply Email	christyvilliers@cwav.org
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Presentation Topic and Nature of Request	Annual Update of Safer Futures initiatives.
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Do you have a PowerPoint presentation?	Yes
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Email not displaying correctly? [View it in your browser.](#)



SAFER FUTURES

COMMUNITY SAFETY



∞

WHAT WE DO?

Community Based
Research

Community Development
Projects

Community Engagement
and Collaboration

Facilitation and
Coordination

Policy Research and
Development

PAST WORK



- *Inviting Voice Creating Space*
- *Youth Safety Dialogues*
- *Safety Audit Walks*
- *Safe Youth Cowichan*

COMMUNITY SAFETY ADVISORY COMMISSION AND SAFER FUTURES

Safer Futures – Function of CVRD

Provides Support and Coordination to CSAC:

- ✓ *Strategic and work plans*
- ✓ *Research and analysis*
- ✓ *CSAC reports and documents, communications materials*
- ✓ *Liaison, partnership development*
- ✓ *Host organization for projects (leveraging funds)*



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SAFE YOUTH COWICHAN

D1



12

SAFE YOUTH COWICHAN INITIATIVES

Youth representation on local government committees and commissions

Youth Safety Lens

Street Harassment and Street Violence

Youth Stand UP!

D1



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CREATING SPACES FOR YOUTH 2016

A youth designed and led project to create spaces within community parks where youth can feel *safe* and *welcome*, and where they can *express* their *individuality* without *fear*, *shame* or *violence*.



CREATING SPACES FOR YOUTH

- Young People use public spaces more than any other group
- Public spaces are almost never created with young people in mind
- Communities often have a negative view of “loitering” and this stigma is applied to young people in general
- By engaging young people in youth friendly spaces, young people can be invested in their community and can develop a strong sense of ownership



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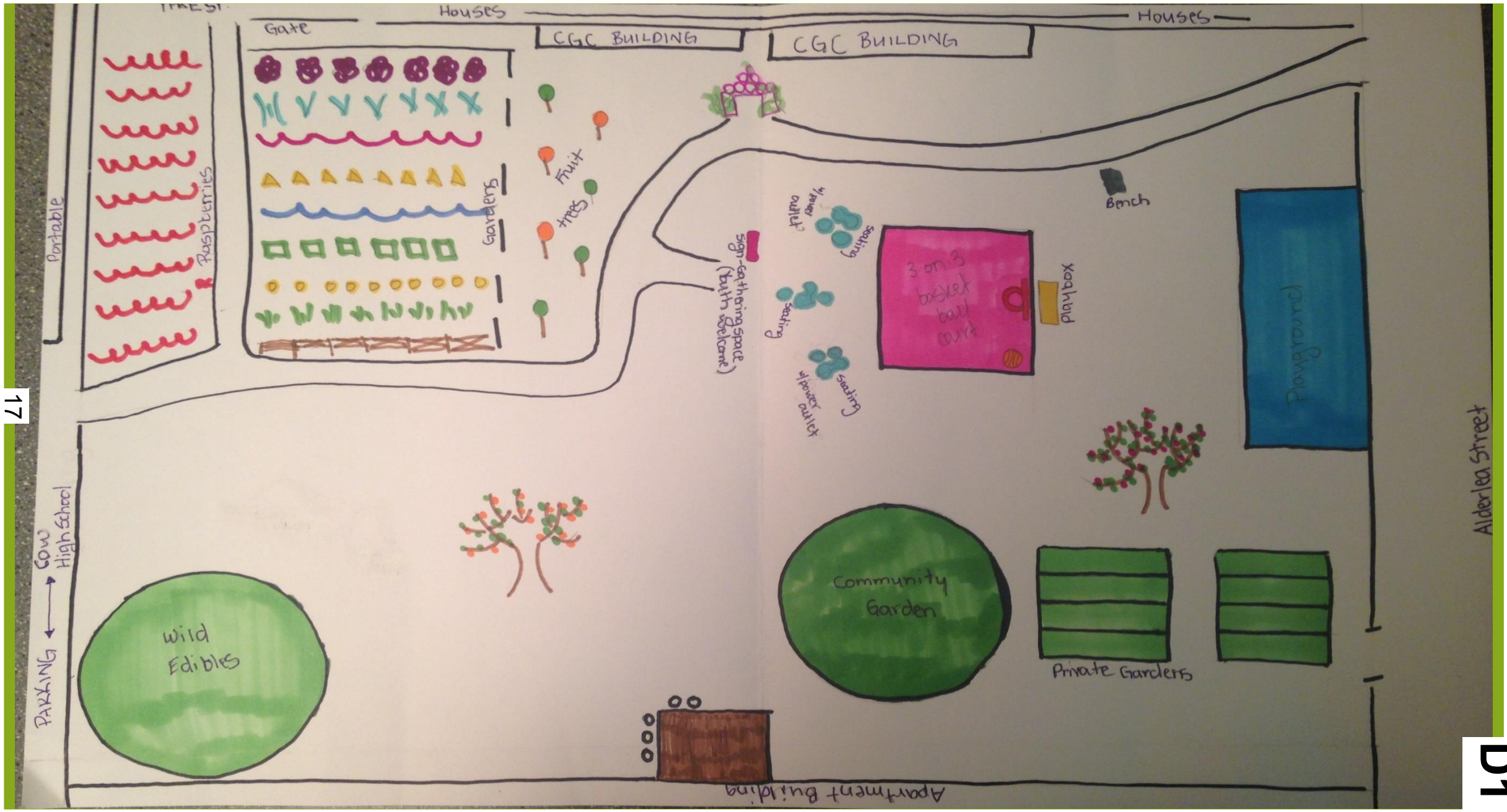
WHAT WE FOUND OUT?

Top 5 things Youth would like in a space created for them:

1. Shelter
2. Power Source
3. Seating
4. Wifi
5. Visually Attractive

PEOPLE EXPERIENCE THE BUILT ENVIRONMENT DIFFERENTLY ACCORDING TO WHO THEY ARE – THEIR SOCIAL, CULTURAL AND ECONOMIC BACKGROUND. THE FULL DIVERSITY OF THIS EXPERIENCE NEEDS TO BE CONSIDERED IF ALL USERS ARE TO BE COMFORTABLE AND FEEL THAT A PARTICULAR SPACE OR PLACE BELONGS TO THEM.







CREATING SPACE FOR YOUTH IN COMMUNITY PARKS

We have designed a gathering space in Kin Park for community which welcomes youth. We are looking for feedback on our design concept. We will be canvassing the neighbourhood to engage community members. Look for us soon!

#SAFEYOUTHCOWICHAN
For more info: christyvilliers@cwav.org





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D1



NEXT STEPS

Connecting Youth: *Enhancing Resilience and Reducing Risk for Youth*

- Assess risk and safety for youth around local issues of mental health and substance use
- Identify how mental health and substance use issues are presenting for youth including their ability to move safely throughout the community
- Develop local, youth-led solutions to address mental health and substance use issues.



THANK YOU!



STAFF REPORT TO COMMITTEE

DATE OF REPORT June 19, 2017

MEETING TYPE & DATE Regional Services Committee Meeting of June 28, 2017

FROM: Economic Development Division
Land Use Services Department

SUBJECT: Tourism Cowichan Society – Annual Work Plan Report

FILE: EDCGen

PURPOSE/INTRODUCTION

The purpose of this report is to provide the Board with background information regarding the Tourism Cowichan Society Annual Work Plan for 2017.

RECOMMENDED RESOLUTION

That it be recommended to the Board that the Tourism Cowichan Society Annual Work Plan for 2017 detailed in the Economic Development June 7, 2017, Staff Report be approved.

BACKGROUND

In July 2016, Economic Development Cowichan entered into a Contribution Agreement with Tourism Cowichan Society. The agreement stipulates that in order to receive an annual contribution from the CVRD for the provision of regional tourism services, Tourism Cowichan Society must present an Annual Work Plan to the CVRD. The Work Plan for 2016 was presented to the Board on May 11, 2016.

As stipulated by the agreement, this year's work plan must include:

- a) A report on the Regional Tourism Services provided by Tourism Cowichan during the previous year (2016), including a financial report on the use of the annual contribution
- b) The annual financial statements of Tourism Cowichan, as approved by Tourism Cowichan's Board of Directors

These documents have been provided by Tourism Cowichan Society and are included in this report as attachments. Tourism Cowichan will make a verbal report to the Regional Services Committee at the June 28, 2017, meeting that references these materials.

ANALYSIS

The Tourism Cowichan Society Annual Work Plan for 2017 is based on a successful submission made to Destination BC for leveraged destination marketing funding for 2017. The objectives contained in the Work Plan are also consistent with those identified in the Municipal Regional District Tax Annual Work Plan for the coming year.

FINANCIAL CONSIDERATIONS

Funding of \$60,000 has already been awarded to Tourism Cowichan Society for its destination marketing activities. To receive the balance of its CVRD tourism allocation for 2017, the Tourism Cowichan Society 2017 Work Plan must be received and approved by the Board.

COMMUNICATION CONSIDERATIONS

N/A

STRATEGIC/BUSINESS PLAN CONSIDERATIONS


N/A

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services


Prepared by:

Reviewed by:



 Amy Melmock
 Manager

 Not Applicable
 Not Applicable



 Mike Tippett, MCIP, RPP
 A/General Manager

ATTACHMENTS:

- Attachment A – TCS 2016 Contribution Report
- Attachment B – TCS 2016 Financial Statement
- Attachment C – TCS 2017 Annual Work Plan

**Tourism Cowichan Post Project Report
2016/ 2017 Destination BC Co-operative Marketing
Partnerships Program**

Evaluation:	<p>Website: www.tourismcowichan.com Hashtags: #explorecowichan #espcowichan Social Media Handles: Facebook: Tourism Cowichan Twitter: @cowichantourism Instagram: @cowichantourism Pinterest: Tourism Cowichan Youtube: https://www.youtube.com/channel/UCebVe0gGo5oox6EZMWQVktw</p> <p>Brand Refresh: Cowichan is Vancouver Island’s original wine and culinary region. A primary focus has been on highlighting our artisanal culinary industry which has expanded into a thriving food and drink culture that is perfect for tourism. We have created such taglines as: “Canada has a new Provence” “Slow down, Savour Life” We have complimented these with luring images, video and content.</p> <p>TRACKING: Implementation of regional and provincial brand in community and stakeholder marketing</p> <ul style="list-style-type: none"> • Defined brand guidelines to ensure proper use of our brand assets • Working with Economic Development Cowichan, we have further promoted the region, through use of our signature images for stories in publications such as Business in Vancouver and BC Business. • Working with the Cowichan Green Community, our signature image was chosen for the annually produced Farm Map (which features local farms, restaurants and farmer’s markets) and promotes the diversity of Cowichan region food producers. This map is distributed within the Vancouver Island market. • Working with our local accommodation sector, our campaign booklets featuring our signature stories have been used to promote the region to Visitors. Our images are being used in hotel guides and throughout social media to assist in selling the destination. All of which, is helping to solidify our brand. <p>Digital Marketing:</p> <p>Website: TRACKING: Google analytics, stakeholder site click through rates, stakeholder conversion, newsletter sign ups, vacation guide and other collateral requests, number of survey takers. Google Analytics: see attached Newsletter sign-ups: To date, we have 218 contacts in our consumer newsletter database and continue to increase. A new tourism facing newsletter has been developed to showcase the brand and will be a key tool in drawing in traffic to both our website and social media. Vacation Guide/ Collateral Requests: As our marketing, has expanded, we have seen an increase of 25% in requests for our Visitor Guide and an update to views on the online version.</p>
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Survey Takers: The new website offers several opportunities for consumers to respond to surveys and provide feedback for future considerations. We are confident we will see an upswing as visitation to our website continues to grow.

Social Media & Online Advertising:

TRACKING: Engagement, ad click throughs, participation in social media contests, increase in web activity.

Tourism Cowichan uses the online social media channels Facebook, Twitter, Instagram, YouTube, and Pinterest. At the beginning of 2017 a new Instagram, Pinterest and YouTube account were created. Building on the foundation that was previously existing, we have seen a very positive rise in social media likes along with a substantial jump in engagement. Our ability to feature members and events has helped to continuously draw in click throughs to stakeholder pages.

Facebook:

Reach: 384.6K (up 472%)
Views: 3,180 (up 116%)
Engagement: 11,930 (up 128%)
Clicks: 19,669 (up 195%)
Current Facebook Page Fans: 1,547 (up 53%)

Twitter:

480 followers: up 28%

YouTube: new channel, as of January:

Views: 220 Views

Facebook Ad's:

Cost: \$1,304.50
Impressions: 148.7k
Clicks: 2,291
Actions: 20,079
Avg. CPC: .29

Google AdWords:

Cost: \$3,391.71
Impressions: 4.4 million
Clicks: 11,865

Participation in contests: The Eat Stay Play social media campaign launched on February 2, 2017. The online campaign included 14 Facebook giveaways.

Communications:

TRACKING: Google analytics, number of and engagement with followers, newsletter sign up, shares.

Number of engagement with Followers and shares: Since the launch of the refreshed website, our blog section has received over 4,300 visits. The blogs have been shared on our social networks and further shared online through our influencers and fans.

Tourist Facing Newsletter:

Subscribers: 218 Subscribers

Open rate: 42.9% Open rate

Events & Festivals:

TRACKING: Occupancy rates of hotels and B&Bs, attendance at festival sites, traffic generated to local business, earned media, google analytics.

Occupancy rates at hotels: Hotels in the Cowichan region had a higher percentage of occupancy days in the past year then they have had over the last 8. The region in general drew in more traffic. In speaking with accommodation providers, typically event dates through the peak season fills local accommodation. Shoulder season has been identified between Oct- May when many hotels report lower occupancy. We have focused on promoting shoulder season events to fill these need periods, such as the Savour Cowichan Festival which takes place annually in October.

Attendance at Festival Sites: Cowichan hosts over 60 events and festivals each year. Below highlights some of the major festivals/ events:

Savour Cowichan Festival: Estimated 2,228 attendees

Sunfest/ Lake Town Ranch:

Sunfest is an annual premier Country Music Festival that attracts the most popular Country music acts. The annual Festival sees continual growth, attracting over 50,000 weekend festival goers. The entertainment company that owns the Festival has recently built Western Canada's premier outdoor event facility on 172 acres, accommodating 20,000 festival/ event goers at once. The event site features Canada's largest outdoor permanent stage and natural amphitheatre. Due to the success of the new venue, additional festivals have been created, such as the Laketown Rock Festival and Legends Music Festival with further plans to expand events and festivals throughout the year.

EAT STAY PLAY (ESP):

The ESP Social Media Campaign started on February 2nd. The below statistics are for posts related to ESP between Feb 2nd - March 13th. Across the three main social media platforms (Facebook, Twitter, Instagram) Tourism Cowichan's following grew 14.8%.

Facebook (+ 12.8% Followers - one quarter of the growth for the past 12 months)

- 31 ESP Related Posts
- 177 New Followers
- 24,000 Video Views (126 shares on original posts)
- 148,700 Impressions
- 2,291 Clicks
- 20,079 Actions

	<p>Twitter (+ 9.3% Followers - almost a third of the past 12 months' total growth)</p> <ul style="list-style-type: none"> • 54 ESP Related Tweets • 41 New Followers <p>Instagram (+ 93% Followers)</p> <ul style="list-style-type: none"> • 9 ESP Related Posts • 80 New Followers • 259 Likes • 31 Comments <p>Google Analytics: The Festivals and Events landing page is consistently our highest ranked landing page.</p> <p>Publications:</p> <p>TRACKING: Distribution numbers, including requests at Visitor Centers and online will indicate the success of the Vacation Guide and Activity Guide.</p> <p>Distribution Numbers: We have seen an increase of 25% in requests for out of town visitors to receive our Visitor Guide by mail.</p> <p>2015: 256 2016: 320</p>
<p>Key Learnings:</p>	<p>Brand Refresh: A major focus in 2016 was our brand refresh. We conducted an agency competition and awarded the project to the Taiji group. They enhanced our brand identity while aligning us with the provincial brand. We have been exceptionally pleased with their work and have received numerous accolades from stakeholders, partners and tourists. We will continue to work with them moving forward.</p> <p>We have developed a large library of new images, native and professional video and expanded our content which showcases our brand and speaks to our target audiences. We will continue to add to these assets as we approach the different seasons. The video and image banks have been very key for us.</p> <p>We launched a new website that perfectly illustrates our brand. We have set a solid foundation, and will continue to build upon the site to keep it interesting and relevant, while always maintaining an eye of brand consistency.</p> <p>Key Learnings:</p> <ul style="list-style-type: none"> • Continued education to stakeholders and community partners is important. We need to encourage them to use our brand elements where appropriate, which in turn, will enhance our presence. • Continue to build our brand assets showcasing remarkable and transformational experiences. We will continue to highlight nature, authenticity and emotion.

Digital Marketing

Website:

The website launched the last week of January. Stakeholder development was done by Directors, leaving Shelley to focus on the campaign.

The website overhaul showcases our destination as an ideal year-round touring and exploring destination. It shares many stories of the Cowichan and evokes both sentiment and emotion throughout. We have enhanced the user experience to make it easy to navigate, including updated and relevant content and developed a much more interactive and informative site for our consumers.

In the short time that the website has been live, we have already seen a huge increase in activity. We will continue to monitor and enhance areas of greatest usefulness by incorporating user feedback and adjusting through the use of analytics.

We ran an Eat Stay Play campaign through February and March, creating a dedicated landing page to showcase the campaign and reinforce its messaging while providing direct conversion opportunities for our stakeholders.

We have updated mobile responsiveness for all devices.

Key Learnings:

- We will continue to enhance and expand our online event/ calendar listings as events are key drivers to our website and the top-ranking page for visits
- Maintain ongoing SEO improvement tactics to appeal to seasonal, EQ and other changing market searches
- Effective and timely communication to stakeholders is key to get and build content
- We will monitor, analyze and adjust website content based on google analytics
- Research the development of a mobile App as recent analytics support the increase of visitation by mobile devices
- Research an integrated booking system to further promote our stakeholders and speed up the path to purchase

Social Media and Online Advertising:

Social media is key to influence potential visitors. We need to continue to strengthen our social media presence to further develop and expand relationships within our target audiences. We will seek out additional key influencers that support and promote the Cowichan lifestyle. This will be a major focus for us moving forward.

To boost our social media following we have been increasing our frequency of posting as well as tagging relevant businesses and tourism partners in each post to have more opportunities for sharing.

Key Learnings:

- Keep messaging deliberate, specific and concise
- Be “in the know” as social media is constantly evolving and changing quickly
- Video is on trend and creates buzz and engagement. Traditional blogging seems to be moving toward video and has proven to be an effective way to evoke sentiment,

	<p>emotion and interest. We are focusing on video and increasing our followers on YouTube. Posting video on Facebook has also proven to garner engagement.</p> <ul style="list-style-type: none"> • Focus on content that converts using the FOMO factor, bucket list adventures, deals and promotions, festivals and events etc. • Encourage and promote user generated content, giving power to our customers to organically sell the destination through personal experiences and testimonials • Identify and highlight key influencers and brand ambassadors who already have a following within our target market introducing potential visitors to Cowichan. Host or work with Regional DMO's to attract influencers within our key markets, particularly Washington State and Alberta where we need to grow our following. • Expand and maintain a content calendar. Working with our partners at Tourism Vancouver Island, Tourism Victoria and Destination BC to align content to further engagement • Interact with Destination BC, our regional DMO's and partner DMO's to promote our content within their channels to expand reach. Having Tourism Victoria and Tourism Vancouver Island share our materials for a recent campaign greatly boosted our posts beyond what our following could supply • Contests have proven to increase engagement and following. We will implement a contest component into our future marketing campaigns. From past campaigns, we have learned that the volume and frequency of giveaways needs to be strategic and spread out so that it does not border spam or appeal only to the same followers. We have also learned that prizes need to be unique or of reasonable value. • Recognize opportunities to re-purpose content: for example, edit shorter video for different platforms • More insight driven campaigns, move faster on insights and adjust messaging and content accordingly • We see paid advertising expands our reach. We are developing a strategic approach for our online and social media advertising. We will identify and focus efforts on prominent sites, re-directing and native advertising within our target markets. • Include Social Media links as call to actions where appropriate • Education on the importance of social media and how to use it has been identified as important. We are considering stakeholder training so our stakeholders can effectively engage with us online. Our stakeholders have authentic stories to tell. If we can improve the general level of knowledge by our stakeholders, we can grow the overall reach outside the region. We realize this is not an eligible DBC expense but will work on this important piece to improve the overall destination social media presence. <p>Communications: We will continue to curate and create unique, authentic and authoritative content that is engaging. Past efforts have been placed on highlighting specific experiences through storytelling, website content development, blog posts and native/ professional video.</p>
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Key Learnings:

- Create and utilize clear campaign messaging, be aware of competitive destinations offering similar campaigns and adjust messaging accordingly to stand out
- We will grow our consumer database for newsletters, campaigns, festival/ events and special offers. We are developing a strategy to work with our local Chambers and Visitor Centres that will see increased benefits for all organizations. Our goal is to share databases so we may gain permission to contact those that have shown interest in visiting Cowichan. This will help us target repeat customers. By giving added benefit to our local partners, we will ensure dedication to the brand so the messaging stays strong to our tourists. We know this is not a DBC eligible expense.
- Create incentives for consumers to receive communications
- Continue to grow Cowichan Uncovered e-zine to build on sector specific collateral and time strategically based on season, while aligning with our content calendar, destination need periods and events and festivals
- Promote through appropriate social media channels, handles, hashtags where necessary
- Create and promote user generated content and guest blogs

Digital Assets:

To keep us relevant, we recognize the importance of expanding our digital assets. These important tools tell the story of Cowichan and reinforce our brand and key campaign messaging. Our magnetic experiences (beverage & culinary, nature experiences, outdoor adventure, arts, heritage and first nations culture) that speak to our target audiences will continue to be highlighted through our digital assets.

Key Learnings:

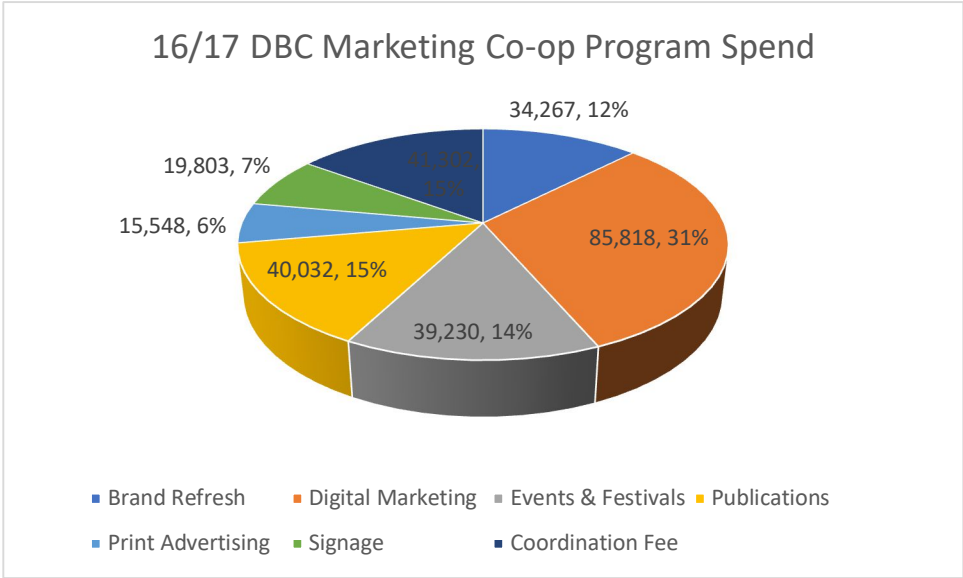
- Use data, insights and analytics to ensure we are highlighting the right unique experiences and identify what digital assets are missing
- Continue to use our “Top 10 things to do in Cowichan” which encourages visitors to vote on the activities that we feature. This helps provide intel on asset creation and will keep content fresh.
- Plan further in advance to capture seasonal imagery
- Continued focus on both native and professional video
- Recognize photography gaps that Destination BC may have, so they can feature Cowichan destination images/ video
- Encourage Stakeholders and community partners to use our signature stories and digital assets where appropriate to help promote overall brand

Festivals and Events:

Cowichan hosts over 60 events each year. Tourism Cowichan will strengthen relations with local event organizers to help provide brand input and tools where necessary. All events and Festivals will be added to our content calendar and strategically promoted outside of the region. We will continue to focus on expanding and implement marketing efforts to promote events in the shoulder seasons to increase room nights and spend to local businesses. By working with our partners, we will focus on festivals and events that will highlight the entire region with effort put into those that are hosted in the shoulder season, when our stakeholders have excess capacity.

	<p>Key Learnings:</p> <ul style="list-style-type: none"> • Identify niche events so we do not compete with nearby destinations • Conduct research and compile a list of events and festivals in nearby destinations to ensure we are not competing for attendance • Focus on events that drive visitation in the shoulder season where there is excess supply • Strengthen partnerships with community, event organizers and First Nations to leverage all opportunities to promote events • Build relations with key media influencers that will promote events • Events create a sense of urgency. Better promotion and communication will be done through expansion of our event calendar. • We will research selling tickets/ packages online • It is important to create seasonal campaigns, such as around holidays to highlight community events and increase exposure for stakeholders <p>Publications: Working with our Brand Agency we completely redesigned the 2017 Cowichan Visitors Guide. The publication is visually pleasing and showcases our refreshed brand identity and messaging. We have accomplished our goal of delivering a higher end piece, with a magazine feel that will last longer in the hands of potential visitors.</p> <p>Key Learnings:</p> <ul style="list-style-type: none"> • Continue to grow our Cowichan Uncovered e-zine stories, delivering destination messaging. These will be timed strategically based on season and will align with our content calendar. • Undertake a thorough review of distribution channels to ensure our collateral is distributed in the most targeted markets. Explore distribution channels in Alberta and Washington state. • The new guide will have an e-version on our website. Using the guide as a lure piece, we will promote the use of this guide as much as possible to draw visitation to the new website and as a cost saving measure opposed to mailing out tangible guides. <p>Print Advertising: Traditional print advertising was used to promote campaigns.</p> <p>Key Learnings:</p> <ul style="list-style-type: none"> • This form of advertising reaches the older demographic which is one of our target markets • Utilize publications that also feature digital viewership • We will research segment specific publications that relates to the Cowichan and that will drive visitation to our website <p>Digital & Billboard Campaign Messaging: Digital and Billboard messaging was placed in the local island market.</p>
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	<p>Key Learnings:</p> <ul style="list-style-type: none">• Research and book early to secure ideal locations/ spots and time of year.• We need to secure spots on key transportation routes within the lower mainland and Washington and research/ qualify opportunities within key markets in Alberta• Create co-op opportunities for stakeholders to expand our marketing funds to further reach.
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Tourism Cowichan Society Web Analytics
Destination BC Term: April 1, 2016 – March 15, 2017

General Statistics

161,100 page views - 23,793 since February 1 (new website + ESP campaign).
Sessions: 81,302 (^21%)
Users: 63,877 (^18%)

New vs. Returning visitors:

Returning: 18,045 (^27%)
New: 63,256

Behaviors:

Time on site 1:53 seconds
Pages Per Session: 2

Traffic Source:

Campaign: 8,380 (^3592%)
Direct: 7,088
Referral: 12,854
Search: 52,979 (^13%)

Engagement:

0-10 seconds: 54,922
11-30 seconds: 4,630
31 – 60 seconds: 4,844

TRAFFIC BY REGIONS:

BC 57,879 (^27%)
Alberta 3,635 (^6%)
Washington 3,489 (^151%)

Traffic Sources:

Our highest observed increase can be seen in Organic lead in traffic (such as Google, Bing, and Yahoo organic search engine traffic sources making approx. 63,000 sessions). Members are becoming a source of traffic to the site as we increase our outreaching links (Example: Ocean Front suite generated 431 sessions). Reaching deeper into the USA we can see that efforts are being rewarded (Example: US NEWS is obtaining a nice bump in referring traffic as well).

Key Words Overview

We are seeing more presence in the community keywords such as Lake Cowichan and some larger overall presence keywords like pacific marine circle.

Top Pages Overview

Our top pages (by order of page view rankings) include the home page, festivals and events, ESP, wine and culinary, attractions, outdoor, places to stay, and so on).

Campaigns: ESP

DBC Term: Feb 1, 2017– March 9, 2017

Google Adwords

- GDN – Interest Impressions: 4,253,159 CTR: 10,415
- GDN – Remarketing Impressions: 103,464 CTR: 805
- Search ESP Cam. Impressions: 17,466 CTR: 629

Tourism Cowichan Society

Financial Statements

(Unaudited – See Notice to Reader)

March 31, 2017

Tourism Cowichan Society
Index to Financial Statements
(Unaudited – See Notice to Reader)
March 31, 2017

	Page
Notice to Reader	1
Financial Statements	
Statement of Financial Position	2
Statement of Operations and Changes in Net Assets	3
Notes to Financial Statements	4

Notice to Reader

On the basis of information provided by management, we have compiled the statement of financial position of Tourism Cowichan as at March 31, 2017 and the statement operations and changes in net assets for the year then ended. We have not performed an audit or a review engagement in respect of these financial statements and, accordingly we express no assurance thereon. Readers are cautioned that these statements may not be appropriate for their purposes.

June 9, 2017

Signed on behalf of the board of directors

Tourism Cowichan Society
Statement of Financial Position
(Unaudited – See Notice to Reader)
March 31, 2017

ASSETS

2017

CURRENT

Cash	\$ 94,484
Accounts receivable	28,985
GST receivable	3,268
Prepays	6,767
	<u>133,505</u>
	<u>\$ 133,505</u>

LIABILITIES**CURRENT**

Accounts payable	\$ 53,969
Deferred revenue	49,217
	<u>103,186</u>

NET ASSETS

Unrestricted	30,319
	<u>30,319</u>
	<u>\$ 133,505</u>

Tourism Cowichan Society
Statement of Operations and Changes in Net Assets
(Unaudited – See Notice to Reader)
For the year ending **March 31, 2017**

	2017
REVENUE	
Shared cost agreement	276,000
Grants	2,840
Other revenue	111,569
Interest	78
	390,487
EXPENSES	
Shared cost agreement	276,000
Events costs	38,614
Guide expenses	19,334
Operation costs	51,645
	-
	385,592
Excess of revenue over expense	4,895
Net assets, beginning of year	25,424
	30,319
NET ASSETS, END OF YEAR	\$ 30,319

Tourism Cowichan Society**Notes to Financial Statements**

(Unaudited – See Notice to Reader)

March 31, 2017

Note # – 1 Incorporation

The Society was incorporated under the Society Act on December 27, 2002. The purpose of the Society is for the delivery of destination marketing for the Cowichan Region.

Note # 2 - Deferred Revenue

Deferred revenue comprises of the portion of the Regional district funds which will cover expenses incurred subsequent to year end.



WHO WE ARE:

- We are the official DESTINATION MARKETING ORGANIZATION for the Cowichan region. Our mandate is to deliver destination marketing services for Cowichan in our primary markets of Victoria and Vancouver Island, the Lower mainland, Washington State and Alberta.
- Our primary goal is to build tourism campaigns that benefit all our local businesses.
- We are a non for profit stakeholder lead society. Our stakeholders are tourism businesses, organizations and individuals with in the tourism industry. There is no membership fee to join. Members are able to leverage their own marketing budgets with us in order to increase and improve their presence in the tourism market.
- The Society is lead by a Board of Directors, which currently consists of 10 Directors within the Tourism industry. We are member based and currently have a total of 193 stakeholders (active and affiliate)
- We are primarily funded by Destination BC, the CVRD and will receive additional funds through the MRDT, which will be implemented July 2017.

VISION:

Tourism in the Cowichan region is a significant contributor to the region's economic and social well being, with the region being recognized as a premier destination for leisure get-a-ways and vacations.

MISSION:

To contribute to increasing the economic and social benefits of a thriving tourism industry through focused, industry driven and professionally managed marketing and promotion of the region into the nearby market; and supporting the efforts of regional provincial and national destination marketing

Our visual identities

INTRODUCTION:

- o CVRD funds (\$120,000.00) is an important component of leveraging new resources for destination marketing in Cowichan.
- o We were successful in obtaining a second round of funding through the Destination BC Marketing Coop Partnerships program of \$250,000.00 (still confidential at this time, due to BC election laws). This amount must be matched and leveraged with public or private funds. The funds must be used for approved DBC spends only.
- o Our choices of how we invest destination marketing are informed by significant research into best practices, current trends, consultation with our stakeholders and with other Community and Regional DMO (Tourism Vancouver Island) and Destination BC.
- o We are re-investing in community—by promoting the activities of local tourism businesses and hiring local contractors where possible.



KEY OBJECTIVES:

- o Increase revenue for our stakeholders by way of increasing visitors' stays and daily expenditures
- o Increase awareness in key markets to better communicate the breadth and desirability of Cowichan's activities experiences and attractions
- o Increase Cowichans net promotor score
- o Continue to align with Destination BC's brand
- o Create a unique and identifiable brand that resonates and can be built upon for many years to come; our brand will ultimately help to attract new residents and businesses to the region



TARGET MARKETS:

- Primary:**
- o Residents of Vancouver Island, particularly the metropolitan area of Greater Victoria, which has a population of over 300,000.
 - o Lower Mainland (2.5 million people).
 - o Travellers already on Vancouver Island.
 - o Washington State, with particular emphasis on Seattle, the fastest growing big city in the U.S. (3.6 million). The anticipated continuation of a soft Canadian dollar will make local travel more appealing to Americans.
- Secondary:**
- o British Columbia
 - o Alberta



PSYCHOGRAPHIC & DEMOGRAPHIC MARKET:

Tourism Cowichan utilizes EQ to segment consumers based on their personal beliefs, social values and view of the world. Recent research indicates that the most opportune EQ types are:

- o Cultural Explorers
- o Authentic Experiencers
- o Free Spirits

In addition to EQ, the traditional demographic makeup most opportune to the Cowichan Region will firstly be individuals 45+ years old with household incomes of over \$55,000. Secondly, and for future investment, there will be some focus on the Gen X cohort. Cowichan offers a vast array of touring and exploring opportunities; we will focus on those seeking this type of travel experience.





KEY STRATEGIES:

- Continue to align marketing activities to leverage and support the successful marketing efforts and travel media opportunities from Tourism Victoria, Tourism Vancouver Island and other popular regions on the Island.
- Promote the region as a tourism and overnight-exploration destination and capitalize on our ease of access and ensure visitors are aware of Cowichan's proximity to key transportation modes and the gateways of Victoria and Nanaimo
- Ensure that Cowichan's story is told in a compelling, consistent and captivating manner
- Focus attention on the region's multitude of festivals and events
- Strengthen and develop partnerships with local First Nations to highlight the cultural experience to our visitors and enhance cultural diversity within
- Continue to work with all regions within the CVRD
- Further develop and create tools for industry stakeholders
- Grow our membership through increased communication and community outreach



UPCOMING YEAR- TACTICS

BRAND ENHANCEMENT AND PROMOTION
 Destination BC: \$7,000
 Tourism Cowichan: \$7,000
TOTAL: \$14,000

COWICHAN
 SLOW DOWN. SAVOUR LIFE.

We will continue to build on our refreshed brand through:

- Growing our visual identity assets
- Attending consumer shows that target our key and niche markets
- Partner with both stakeholders and our neighboring DMO's to enhance efforts



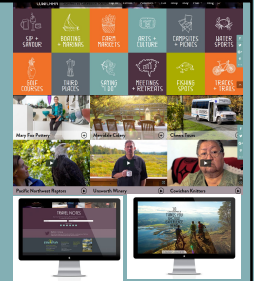
Destination
British Columbia



UPCOMING YEAR- TACTICS

DIGITAL MARKETING
 Destination BC: \$53,000
 Tourism Cowichan: \$53,000
TOTAL: \$106,000

- **WEBSITE**
 - Maintenance, improvements, SEO, new integrations/widgets, campaign microsites and landing pages
- **SOCIAL MEDIA AND ONLINE ADVERTISING**
 - PPC & search advertising coverage, ongoing promotion via social media or region and stakeholders, seasonal campaigns (adjusted for peak seasons and special promotions)
- **COMMUNICATIONS**
 - Consumer newsletters, blogs, content creation, Cowichan uncovered e-zines series
- **DIGITAL ASSETS**
 - Ongoing development of original imagery and video content





UPCOMING YEAR- TACTICS

EVENTS & FESTIVALS
 Destination BC: \$30,000
 Tourism Cowichan: \$30,000
 TOTAL: \$60,000

- Create Marketing toolkit (Cowichan EventWorks) to support stakeholder groups in promoting events that meets Tourism Cowichan Society event and festival criteria
- Build marketing materials for existing products and festivals

SAVOUR COWICHAN
SavourCowichan.com

VISIT COWICHAN
TOURISM COWICHAN

**COWICHAN
EVENTWORKS**
A Service of Tourism Cowichan

- Launching in June, 2017
- Will provide assistance to shoulder season events and festivals that align with our brand and help promote the Cowichan region as a tourist destination.
- Offers qualified Event Organizers to apply for marketing support to further enhance the promotion of their event in nearby target markets
- Tourism Cowichan will align your event with our strong, widely recognizable brand and provide event-specific marketing materials to enhance reach.



UPCOMING YEAR- TACTICS

PUBLICATIONS
Destination BC: \$38,000
Tourism Cowichan: \$38,000
TOTAL: \$76,000




- Create annual Cowichan Vacation Guide
- Printing of 50,000+ copies
- Participate in racking/ distribution program in key markets (Destination BC Visitor Centre program, key hotels and tourist attractions in Vancouver & Victoria and on BC Ferries)




UPCOMING YEAR- TACTICS

TRADITIONAL ADVERTISING (Print, radio, TV)
Destination BC: \$29,000
Tourism Cowichan: \$29,000
TOTAL: \$58,000

- Place ads in segment specific and general tourism publications
- Integrate content/ advertising into industry specific publications (for example: Tourism Victoria Vacation Guide)
- Enhance presence and story telling through use of television

UPCOMING YEAR- TACTICS

GUERRILLA MARKETING (innovative, unconventional, and low-cost marketing techniques aimed at obtaining maximum exposure for a product)
Destination BC: \$22,000
Tourism Cowichan: \$22,000
TOTAL: \$42,000

- Generate media buzz in target markets
- Create stakeholder co-op opportunities
- Contests in key markets
- Interactive displays/ props/ swag




UPCOMING YEAR- TACTICS

OUTDOOR MARKETING
Destination BC: \$42,000
Tourism Cowichan: \$42,000
TOTAL: \$84,000



- Creation of complementary visuals to reinforce Cowichan messaging; outdoor billboards, BC Ferries Signage, Airport advertising
- Contests in key markets



UPCOMING YEAR- TACTICS

RESEARCH
Destination BC: \$5,000
Tourism Cowichan: \$5,000
TOTAL: \$10,000

- Work with DBC's extensive research team to identify the most strategic approach for tourism research in our region.



DESTINATION BC PROJECT BUDGET 2017- 2018



- Brand Enhancement
- Publications
- Outdoor Marketing
- Digital Marketing
- Traditional Advertising
- Research
- Festivals & Events
- Guerrilla Marketing
- Coordination Fee

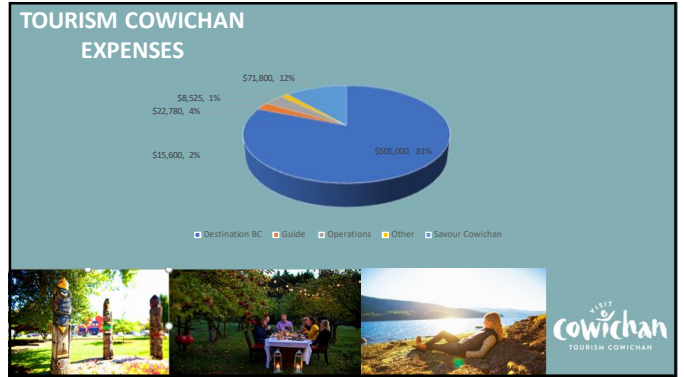
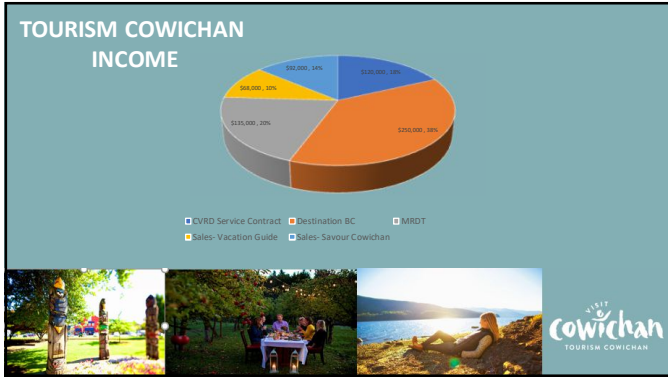


BUDGET SUMMARY

The following income and expense summary is an estimate. This is a moving target due to several factors, the primary being the implementation of the MRDT 2% hotel tax which will be in effect this July 1. Based on our estimations including MRDT we anticipate:

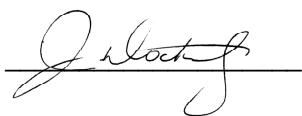
Total Income: \$665,000
Total Expense: \$623,705
Net: \$41,295.00





DESTINATION BC CO-OPERATIVE MARKETING PARTNERSHIPs PROGRAM APPLICATION

APPLICANT: Tourism Cowichan Society
REPRESENTED BY: Janet Docherty, President

SIGNATURE: 

LEAD ORGANIZATION: Tourism Cowichan Society

AUTHORIZED AUTHORITY: Janet Docherty, President, Tourism Cowichan Society
MAILING ADDRESS: PO Box 482
 Duncan, BC V9L 3X8

TELEPHONE: 250.920.9453
EMAIL: janet@merridale.ca

CONTACT PERSON: Shelley Knott, Executive Director, Tourism Cowichan Society
TELEPHONE: 250.746.1099
EMAIL: shelley@tourismcowichan.com

COWICHAN
 SLOW DOWN. SAVOUR LIFE.

PROPOSAL

LEAD ORGANIZATION: Tourism Cowichan Society

INITIATIVE: Cowichan: *Slow Down, Savour Life*

PROJECT DESCRIPTION

Anyone who's spent any time here in the Cowichan Valley will tell you that this relatively undiscovered paradise has all the ingredients for creating incredible experiences: a rugged backyard, a mild climate, endless activities, friendly people and a larder stocked with world-class food and drink. Leveraging the distinct graphic standards of Destination British Columbia's (DBC) "Wild Within" campaign and a new positioning line (Slow Down. Savour Life.), we have already begun to refine our messaging and craft a new look that showcases our unique attributes as a tourist destination.

Thank you for your help thus far! With a new team, new tools and a collective vision, we will ramp up our efforts so that our message literally pushes the boundaries of previous marketing. With your support, we will ensure a synergy with Destination BC so that the whole of our marketing effort is bigger than the sum of both parts.

SITUATION ANALYSIS

The Cowichan Region is located between Victoria and Nanaimo and has a population of 80,000. It extends along the east coast of Vancouver Island to south of Mill Bay and north of Ladysmith, and includes Nitinat Lake and the old-growth wilderness of Carmanah Walbran Provincial Park.

The region is ideally suited as a touring and exploring destination for those seeking unique experiences for two primary reasons:

1. Everything we offer is packaged in a genuinely "wild" and unspoiled environment.
2. Our region is easily accessible and largely undiscovered.

Many destinations can promise one of these, but few can promise both.

» In a nutshell, here is what our region has to offer:

- **A pristine marine environment:** lakes, rivers, low-rise mountains and temperate rainforests.
- **A vibrant local arts scene:** including painters, potters, sculptors, weavers, jewelers, glass blowers, knitters and carvers.
- **Outdoor activities:** hiking, mountain biking, ocean kayaking, swimming, tubing, trout fishing, salmon fishing, wildlife viewing, camping, wine touring, whale watching, paddle boarding and foraging.
- **Festivals:** the three-day long Islands Folk Festival at Providence Farm, the free "39 Days of Summer," the Savour Cowichan Festival (increasingly popular foodie festival) and Sunfest, the largest country music festival west of the prairies.
- **A thriving "gastro economy.":** This last point is worth dwelling on, because in the last 25 years the

Cowichan Valley has organically developed a foodie economy that has manifested itself into a tourism draw all its own. Dubbed “Canada’s Provence” by legendary foodie James Barber, Cowichan is home to dozens of wineries, distilleries and craft brewers as well as a flourishing artisanal food culture.

Underpinning this burgeoning movement is one of BC’s finest farmers markets and even an annual fall festival that features 60 culinary events over 10 days (Savour Cowichan Festival).

- **A rich First Nations culture:** Cowichan is home to the largest single First Nations Band in British Columbia. The region offers a wide array of First Nations arts and cultural.

In short, Cowichan is ideal for the touring and exploring visitor, offering a full range of experiences. The extensive backyard provides a wild and unspoiled adventure playground. At the same time, it has a rapidly growing foodie culture that can expose visitors to a cornucopia of world-class artisanal food and drink.

» **Wild, yet well within reach**

In keeping with the growing preference for shorter (3-5 day) trips, the Cowichan Region – easily accessible to residents of the Lower Mainland, Vancouver Island and Washington State – is a natural choice. The 2015 Cowichan Region Visitor Profile Survey (conducted between June and September 2014 and 2015) indicates that 64% of current visitors to the Cowichan Region plan their trips less than a month prior to arrival, with 20% planning trips less than one week in advance. Based on the results of our survey, there is considerable opportunity to position the region as an impromptu getaway.

The fact that 42% of visitors to the Cowichan Region are day-trippers or pass-through travellers indicates that the potential for longer stays is largely untapped. Of those who stayed in the region, 40% of visitors indicate “previous personal experience” as a source of their trip planning information; this indicates a desire to return based on a favourable past trip. Those who visit here consistently rate the quality of their experiences higher than their expectations. (Cowichan Visitor Profile 2014, 2015)

With its appeal amongst broader segments and traveller types, Cowichan is not only ideally suited to partner with neighbouring tourist destinations to extend overnight stays on Vancouver Island but is also a hidden gem for tourists from the Island itself. The visitor profiles indicate that 50% of visitors are between 30 and 60 years old and 48% travel here with their spouse or partner. This is exactly the demographic we’re appealing to.

» **Sales history over the last 3-5 years**

Due to changes in the reporting of Harmonized Sales Tax there are no current accommodations revenue statistics, However, in the 2010 Cowichan Region Tourism Plan it was reported that there was steady growth in room revenue through mid-2008 with an 80% increase over the previous 10-year period and a 70% increase in RevPAR (revenue per available room). The corresponding figures for Vancouver Island as a whole were 55% increase in room revenue and 37% increase in RevPAR. At that time, the Cowichan Valley Regional District (CVRD) room revenue accounted for 3.5% of Vancouver Island room revenue. Duncan and North Cowichan accommodation providers stated that half of their room nights came from the business sector.

» **Our competitors and their strengths and weaknesses**

There are a number of destinations that compete with Cowichan on a strictly wilderness/adventure tourism basis. However, there are few that offer an equal helping of adventure and culinary offerings as Cowichan does.

Internationally, New Zealand has a similar product mix, but is less renowned for their gastro tourism. Closer to home, the Okanagan Region may be considered a direct competitor, although few would disagree that their wild coastal environment isn't as "robust" as Cowichan's.

From a local standpoint, Cowichan competes with all of the traditional tourist destinations on Vancouver Island, including Victoria, plus the rest of British Columbia and Washington State. While all of these destinations have strengths, their weakness may be that they don't have Cowichan's unique selling proposition (USP): "Wine, wilderness and well within reach." It's worth pointing out that Trina Mousseau, Chief Marketing Officer for Tourism Victoria, has indicated that she would like to create a stronger partnership with Tourism Cowichan to leverage our USP.

» **By the numbers: the buying habits and attitudes of our consumers**

The majority of visitors to the Cowichan (77%) are repeat visitors rather than first time visitors (23%). Slightly more visitors are overnight visitors (58%) than day-trippers (42%). The majority of visitors arrive by ferry, with 32% landing at Swartz Bay, 31% at Departure Bay and 27% at Duke Point. 80% of ferry passengers travel with their car. Of travellers to the Cowichan, 80% are leisure travellers, of which 27% are visiting friends and/or relatives.

While in the Cowichan, travellers visited local shops (57%), beaches (51%), brewery/winery/cidery (46%) and parks and trails (45%). From an accommodations perspective, 34% of overnight visitors stay in hotel/motel, 29% in the home of friend/family, 20% at a campground and 8% in B&B. Travel parties are 48% with spouse or partner, 26% with friends and 21% with children under 19 years of age. The overall satisfaction rating of visitors to the Cowichan is 98%, with a net promoter score of 55.3. The origins of visitors to the Cowichan are Vancouver Island (55%), other British Columbia (23%), other Canada (17%), USA (3%) and International (2%).*

» **Previous market development initiatives**

For the past 15 years, the Cowichan Region has provided destination marketing services as an arm of the CVRD's economic development function. Through a tax requisition of \$120,000 a year dedicated to tourism services, a solid foundation has been built to market the Cowichan as a tourism destination. Previous market development initiatives have had a strong print focus, with advertising in tourism publications. Targeted campaigns such as consumer shows and multi-platform campaigns aimed at the Alberta and Seattle market were conducted in partnership with Tourism Vancouver Island (TVI).

- In the highly competitive tourism marketplace, leveraging new and significant resources for tourism marketing is a key priority for the Cowichan Valley Region. Combining the tax requisition with Municipal Regional District Tax, the Destination BC Co-op Program funds and tourism stakeholder investment will exponentially increase the Cowichan's marketing capacity and its ability to serve industry stakeholders.

OBJECTIVES

- Fully align with the Super Natural brand, incorporating inspirational storytelling and tantalizing imagery.
- Increase revenue for our stakeholders by way of increasing visitors' stays and daily expenditure.
- Increase awareness in key markets to better communicate the full breadth and desirability of Cowichan's activities, experiences and attractions.
- Increase Cowichan's net promoter score.
- Increase travel media engagement in the key markets of British Columbia, Washington and Alberta.
- Create a unique and identifiable brand that resonates and can be built upon for years to come.

STRATEGIES

Theodore Levitt, the renowned economist and Harvard Business School professor, once said on the topic of marketing: "Kodak sells film, but they don't advertise film – they advertise memories."

For years, Cowichan marketed what it assumed would appeal to visitors. Although totem pole tours, murals and record-sized hockey sticks are all interesting, they're not what make this region truly unique. The attributes that make our home so special are: its mild climate, unspoiled nature, limitless activities and friendly people. Within all of these are the makings of extraordinary memories for potential visitors. Our strategy is to present this analogy to one and all. Our brand promise isn't just a world-class experience, but the fond memories that will stay with our guests forever.

Further to this, and to achieve our objectives, our strategies are as follows:

- Focus efforts on short-haul travellers from the Lower Mainland, Vancouver Island and Washington State.
- Continue to align marketing activities to leverage and support the successful marketing efforts and travel media opportunities from Tourism Victoria, Tourism Vancouver Island and other popular regions on the Island.
- Promote the region as a tourism and overnight-exploration destination.
- Monitor and adjust results of marketing initiatives to maintain relevancy
- Capitalize on our ease of access and ensure visitors are aware of Cowichan's proximity to key transportation modes and the gateways of Victoria and Nanaimo.
- Use familiar messaging across all marketing platforms, reminding prospects of our "super natural" characteristics and "the wild within."
- Ensure that Cowichan's story is told in a compelling, consistent and captivating manner.
- Focus attention on the region's multitude of festivals and events.
- Foster ongoing partnerships between local market segments to encourage extended stays.
- Develop a structured co-op program to implement Destination BC brand into surrounding communities.
- Create unique branded merchandise to help build support for destination brand
- Host industry and travel media familiarization tours.
- Incorporate insights provided through the Explorer Quotient program
- Strengthen and develop partnerships with local First Nations to highlight the cultural experience to our visitors and enhance cultural diversity within.

» How our strategies are consistent with Destination BC marketing strategies

Although our strategies are slightly different, our plan dovetails beautifully with that of Destination BC, because it:

- Creates a magnetic brand and promises remarkable experiences.
- Fulfills dreams, connects people and reinvigorates the human spirit.
- Employs proven leadership, embraces technology and empowers our partners.

All this with a view of growing overnight visitor expenditures and ultimately (further) positioning British Columbia as an international tourist destination.

MARKETS AND SEGMENTS

Primary:

- Residents of Vancouver Island, particularly the metropolitan area of Greater Victoria, which has a population of over 300,000.
- Lower Mainland (2.5 million people).
- Travellers already on Vancouver Island.
- Washington State, with particular emphasis on Seattle, the fastest growing big city in the U.S. (3.6 million). The anticipated continuation of a soft Canadian dollar will make local travel more appealing to Americans.

Secondary:

- British Columbia
- Alberta

Psychographic and Demographic Markets:

Tourism Cowichan utilizes EQ to segment consumers based on their personal beliefs, social values and view of the world. Recent research indicates that the most opportune EQ types are Cultural Explorers and Authentic Experiencers. In addition to EQ, the traditional demographic makeup most opportune to the Cowichan Region will firstly be individuals 45+ years old with household incomes of over \$55,000. Secondly, and for future investment, there will be some focus on the Gen X cohort. Cowichan offers a vast array of touring and exploring opportunities; we will focus on those seeking this type of travel experience.

PROVINCIAL DESTINATION BRAND ALIGNMENT

After an agency competition, Tourism Cowichan unanimously selected Taiji Brand Group to undertake the development and launch of our new brand. We knew we'd selected the right agency when Taiji immediately identified with Destination BC's "Wild Within" branding. Being local themselves, they could see how this approach could help shed this region's small market veneer, fully communicate its real USP and speak to a much wider audience.

Testament to this is a suite of new materials and a website that's about to launch soon. As you'll see, our new messaging and imagery exude the same "Wild Within" mystique and magnetism, while still maintaining our local

identity. Indeed, it's our collective belief that if more markets in B.C. could adopt this approach, our province would have a formidable brand that would resonate worldwide.

We will continue to use vivid storytelling elements to enhance both Tourism Cowichan and Destination BC's online presence. Our efforts will be focused on our primary traveler types. Tools are available to all communities within the region to encourage and to incorporate the alignment with the provincial brand.

TACTICS

Tactic 1: Brand Enhancement & Promotion

DESCRIPTION: Cowichan has a spectacular product offering to showcase. We will continue to build our brand by growing our visual identity assets and invest in consumer shows targeting our key and niche markets, partnering with both stakeholders and our neighboring Destination Management Offices to enhance efforts.

RATIONALE: Continuing to show an expanded brand tool kit allows for further brand refreshment and presence, aligning with the province's "Super Natural" marketing.

TIMING: April 2017 – March 2018.

BUDGET: \$14,000

CALLS TO ACTION: All efforts will drive traffic to our website.

TRACKING: Implementation of regional and provincial brand in community and stakeholder marketing.

Tactic 2: Digital marketing

DESCRIPTION: With the expansive reach of digital marketing, it is essential we continue to grow upon the groundwork of the previous fiscal year. By targeting our message to the appropriate EQ groups, we can effectively ensure specific targeting and engagement by way of inspirational storytelling. For these reasons, we will devote a portion of the allotted budget to inbound marketing, SEO and digital advertising.

RATIONALE: Digital marketing allows for fluid, responsive and interactive marketing, enabling both the capture and engagement of viewers. This helps to promote the region as a touring and exploring overnight destination.

BUDGET: \$106,000 (as outlined below).

CALL TO ACTION: tourismcowichan.com and social media where appropriate

2.1 Website

Using the newly created website, we will continue to enhance areas of greatest usefulness to the viewers. Through the use of structured storytelling, we will continue to source and create mainstay content that continues to reinforce overnight stays. Because the main mechanism for organizational interaction has become mobile apps, we aim to create a highly diverse tourism-facing application furthering our reach and relevancy to travellers – all this with the aim to increase awareness of and desirability for staying in Cowichan.

- We will link to and incorporate research tools including EQ Quiz.

DESCRIPTION: Create experiential pages to improve “stickiness.” Create unique URLs to reinforce campaign messaging and provide easy to remember lead-in:

- Enhance and expand online calendar listing.
- Create engaging content in line with our targeted market segments.
- Highlight year-round touring experiences.
- Align content messaging and visuals with the provincial brand.
- Update mobile responsiveness to ensure the most effective use on all devices.
- Incorporate research tools, including EQ Quiz.
- Ongoing SEO improvement tactics to re-appeal to seasonal, EQ and other changing market searches.
- Adjust accordingly based on analytics.
- Develop content ideas story ideas and story starters.

TIMING: April 2017 – March 2018.

TRACKING: Google analytics, stakeholder site click-through rates, stakeholder conversion, newsletter sign-ups, vacation guide and other collateral requests.

BUDGET: \$35,000

CALL TO ACTION: All efforts will direct traffic to our website.

2.2 Social Media & Online Advertising

DESCRIPTION: Because conversations are moving to an online or social media platform, we understand that it is an essential part of the overall experience, especially for subsets of our EQ target audience. Using online advertising to tap into external markets, we can pique interest to gain followers while enticing engagement. Using Facebook, Twitter and Instagram to facilitate those conversations, we will continue to foster relationships and encourage discussion with others. When doing this, it is important to identify the most relevant and most-read information to maintain followers and expand reach.

RATIONALE: Growing the existing social media presence is the most effective means of connecting and developing relationships with our target audience. It is the most engaging way of sharing information and experiences and the most immediate form of any communication. Advertising on prominent sites, redirecting and native advertising will distribute our message and offer it to an audience already vested in our products. Attracting, retaining and engaging new visitors from specified off-site marketing into our social media channels and website will help grow our database to exponential heights.

TIMING: April 2017- March 2018

TRACKING: Engagement (shares, clicks, comments) with posts, ad click-throughs, participation in social media contests, increase in web activity.

BUDGET: \$30,000

CALL TO ACTION: Invitations to join our conversation on social channels will be placed on campaign websites, in newsletters and through all appropriate media.

2.3 Communications

DESCRIPTION: Regular consumer newsletters will keep our brand top-of-mind and relevant. We will work with bloggers and influencers to create ongoing unique and exciting content to keep us relevant and for use across various channels. We will work to build our consumer database.

RATIONALE: Curating or creating unique, authentic and authoritative content is an engaging and memorable means of communicating authentic campaign messaging. This will help to solidify not only the Destination BC's storytelling aspect of the brand, but also stakeholder appeals.

TIMING: April 2017- March 2018 (monthly basis)

TRACKING: Google Analytics, engagement with followers, newsletter sign-up, shares and button links pressed.

BUDGET: \$21,000

CALL TO ACTION: Incentives and invitations to receive communications including newsletters, will be placed on campaign website, microsite and other appropriate media.

2.4 Digital Assets

DESCRIPTION: Continuing the expansion of our digital assets (photography and both professional and native video) helps to reinforce the storytelling nature of the brand, along with the key messages about Tourism Cowichan. We will also continue to show the broad ranging appeal of Cowichan as reflected through Destinations BC's guidelines. This base enables stakeholders to use and adopt these assets for their brand awareness.

RATIONALE: Building our assets to showcase the full scope of the Cowichan Region to help keep appeals fresh – ensuring images do not stagnate or run through their life cycle too quickly.

TIMING: April 2017- March 2018

BUDGET: \$20,000

Tactic 3: Events & Festivals

DESCRIPTION: A compelling event or festival will bring visitors to our website. Even those that do not attend will be exposed to our branding, peaking desire to experience Cowichan offerings, filling need periods. Through a variety of programs, we delve into multiple niche lifestyle markets – i.e. vineyards – that make us stand out on a regional market place and which can be further promoted through regional exposure. Encouraging seasonal stakeholder events through cross-channel advertising and leveraging unique Cowichan-wide events will promote the overall appeal.

- Online calendar enhancement to further highlight seasonal events integrating social media features to allow for easier engagement/sharing.
- Develop partnerships with current festival providers to identify ways to work together and cross promote the region/ festival.

- We will focus on building marketing materials around existing products and festivals, so we can leverage current stakeholder skills of festival coordination. The goal will be to create brand unity by maintaining consistent messaging and look in all of the marketing materials. Identify and support stakeholder sector groups in developing new festivals to draw overnight visitors.
- Work with media to facilitate coverage for large events/ festivals
- Develop seasonal campaigns leveraging stakeholder events and creating coop opportunities using traditional and online media vehicles.
- Incorporate a Tourism Cowichan presence at festivals to further promote Cowichan
- Undertake a review of all events in the region, particularly those that will require overnight stays.
- Collaborate with First Nations to support and promote cultural events
- Create a regional marketing template that raises awareness of the region's other activities in the promotion of, and at, each event.
- Highlight unique Cowichan events that are niche attractors.
- Working with other Destination Management Offices for cross appeal, i.e. Tourism Victoria

RATIONALE: Events and festivals provide time-sensitive calls to action. Promoting attendance at events encourages overnight stays and provides opportunities to encourage awareness of other regional activities. Media coverage generated by hosting events provides invaluable exposure in our target markets. The region currently hosts over 60 events per year, from community-based cultural functions to extended culinary events to Sunfest, which has an attendance of close to 50,000.

TIMING: Ongoing, with a focus on promoting events that occur in the shoulder seasons when there is an excess supply of accommodations available.

BUDGET: \$60,000.

TRACKING: Click-through rates, attendance at events and festival sites, occupancy rates of hotels and B&Bs, traffic generated to local business, earned media, Google analytics.

CALL TO ACTION: Will include messaging to visit the website for comprehensive calendar and ticket purchasing details.

Tactic 4: Publications

DESCRIPTION: Create/revise collateral material showcasing our solid and inspiring brand.

- Leverage existing Vacation Guide so that it's a revised iteration which is visually appealing and has enhanced storytelling.
- Continue alignment with brand identity, website and other media
- Create sector-specific collateral such as "culinary explorations."
- Ensure comprehensive tracking program in our specified markets.

RATIONALE: A combination of print and digital marketing ensures the consumer is reached at more points on their path to purchase. They are mutually beneficial – print directs consumers to digital and vice versa. This also helps to engage stakeholders and encourages consistent brand messaging. Distribute in as many key access

points as possible, such as visitor centres, BC Ferries, Coho ferry, airports and travel/tradeshows. Buy in from stakeholders will be key to further off set costs and expand marketing dollars.

TIMING: Publish the Vacation Guide/ Activity Guide in the first quarter. Other print applications will be timed to specific seasons and activities.

BUDGET: \$76,000

TRACKING: Distribution numbers as seen via requests at Visitor Centres and online will indicate the success of the Vacation Guide and sector-specific collateral.

CALL TO ACTION: Order Vacation Guide (and other collateral) messaging will be placed online and on social media.

Tactic 5: Traditional Advertising

DESCRIPTION: Through the use of traditional advertising channels, we will expand-market reach into different media vehicles. Leveraging these vehicles, we will also touch on extended stay markets that encourage long-haul trips, with the consideration of Canadian airline magazines and Washington state guides.

- Place ads in segment-specific and general tourism publications that drive consumers to the website (while ensuring we are not duplicating efforts with Provincial Sector Organizations).
- Enhance presence and storytelling by use of television advertisements
- Integrate content/advertising into industry specific publications.
- Appeal to a larger regional market base to be seen as a travel destination for extended stays.

RATIONALE: Traditional print advertising provides consistent, top-of-mind awareness that reaches the older demographic more effectively than digital. Advertising in industry-specific print publications such as boating, cycling, or food & wine magazines targets specific market segments and raises awareness of the Cowichan Region as a destination for a broader stay. This also helps to elevate the overall appeal base and integrate DBC's branding further into these niche markets.

TIMING: April 2017- March 2018

BUDGET: \$58,000.

TRACKING: Call to action will direct readers to website or unique URLs.

CALL TO ACTION: Will direct consumers to website

Tactic 6: Guerilla Marketing

DESCRIPTION: In a world where there is so much advertising white noise, sometimes a slightly different approach is needed to stand out and be seen as both innovative and exciting. Guerilla marketing enables us to do this effectively.

- Generate media buzz in target markets, helping to further extend reach and appeal.
- Create stakeholder co-op opportunities to encourage collaboration and extend efforts
- Deploy contests in key markets
- Develop interactive display leading back to social media or microsite

- Create engaging user props/ swag
- Extend guerilla tactic to online microsite furthering reach and excitement.
- Identify a multi touch point marketing strategy to create anticipation and intrigue in each market.

RATIONALE: Break through marketing buzz to start the conversation with a different perspective while gaining media attention. This helps to showcase our innovative excitement in the Cowichan.

TIMING: April 2017- March 2018

BUDGET: \$42,000.

TRACKING: Use micro-site address as a call to action, unique URL and phone numbers, review of organic social tagging and engagement plus media attention.

CALL TO ACTION: Will direct consumers to website and online.

Tactic 7: Outdoor Marketing

DESCRIPTION: Broad-base generated marketing helps to keep Cowichan top of mind through a variety of outdoor marketing tactics:

- Create complementary visuals that reinforce the messaging of other platforms and which is both exciting and engaging.
- Place signage on BC Ferries and on key transportation routes in the Lower Mainland.
- Place billboards on Vancouver Island as well as in Vancouver, WA and AB to inform or remind visitors of the reasons to visit Cowichan.
- Allow for stakeholder co-op program to increase promotion and DBC branding across stakeholder messaging, leveraging extended reach due to private sector funding.

RATIONALE: Signage at key transportation routes and hubs and other intercept points will influence residents of Vancouver Island and longer haul visitors, including on-Island appeals.

TIMING: April 2017- March 2018

BUDGET: \$84,000.

TRACKING: Use unique URLs as a lead in, including social media mentions and engagement specifically pertaining to initiatives will quantify direct actions. Viewers will be exposed to our branding furthering top of mind presence for other marketing initiatives.

CALL TO ACTION: Will direct consumers to website using unique URL's to track usage.

Tactic 8: Research

DESCRIPTION: Engage in ongoing measurement activities, including the Visitor Experience Survey. Research and implement EQ intelligence and data. Monitor net promoter score.

RATIONALE: Implementing existing quantitative and qualitative evaluation tools to develop baseline metrics enabling measurement of success of overall campaign and individual tactics to monitor growth.

TIMING: June 2017- March 2018

BUDGET: \$10,000

MEMBERSHIP MODEL

Tourism Cowichan Society is an industry-led, stakeholder model organization that represents every tourism sector, community and area in the Cowichan Region.

BUDGET SUMMARY AND FUNDING REQUEST

Marketing Tactic	Applicant \$	DBC \$	Total Budget
1. Brand Enhancement	\$7,000	\$7,000	\$14,000
2. Digital Marketing	\$53,000	\$53,000	\$106,000
3. Festivals and Events	\$30,000	\$30,000	\$60,000
4. Publications	\$38,000	\$38,000	\$76,000
5. Traditional Advertising	\$29,000	\$29,000	\$58,000
6. Guerilla Marketing	\$21,000	\$21,000	\$42,000
7. Outdoor Marketing	\$42,000	\$42,000	\$84,000
8. Research	\$5,000	\$5,000	\$10,000
Coordination fee (for additional contractor fees)	\$30,000	\$25,000	\$55,000
TOTAL:	\$255,000	\$250,000	\$505,000

PARTNER ORGANIZATIONS AND FUNDING REQUEST

Destination BC funding request: \$250,000.00

Applicant funding contribution: \$130,000.00

Private sector businesses: \$125,000.00

Total: \$505,000.00

Cost Sharing funding request with Destination BC: 50%

EVALUATION

Performance tracking will include the measures set out with each tactic.

Other indicators of success will be measured by conducting surveys, which will gauge awareness and desirability of Cowichan as a destination. A growth in overnight stays, participation in specific activities, net promoter score, and overall satisfaction with Cowichan as a destination will also be measured.

Increased room revenues and growth in occupancy numbers, particularly in shoulder seasons, as well as earned media (measured by advertising investment equivalency) and increased attendance at festivals and events.



STAFF REPORT TO COMMITTEE

DATE OF REPORT June 7, 2017

MEETING TYPE & DATE Regional Services Committee Meeting of June 28, 2017

FROM: Environmental Services Division
Engineering Services Department

SUBJECT: 2017 Budget Amendment – Function 131 Environmental Initiatives

FILE: 0540-20-RSC/05

PURPOSE/INTRODUCTION

The purpose of this report is to request amendments to the 2017 budget for Function 131 Environmental Initiatives.

RECOMMENDED RESOLUTION

That it be recommended to the Board that the 2017 Budget for Function 131 Environmental Initiatives be amended to:

1. Increase Federal Conditional Grants revenue by \$208,000;
2. Increase Provincial Conditional Grants revenue by \$208,000; and
3. Increase Flood Plain Management expense by \$416,000.

BACKGROUND

Given the increasing risk of flooding to communities across Canada, the Federal and Provincial Governments have developed a grant program to support local communities in identifying flood risk and where possible to reduce such risk. The first intake of the program was focused on developing provincial capacity by way of tools, policies and guidance documents, the second and third intakes have been focused on giving support to local governments to identify risk, assess hazards, and to undertake adaptive works using a structured building block process. Funding for 100 percent of direct costs and assumes some staff or partnership in kind time.

The Cowichan Valley Regional District (CVRD) has put forward a number of proposals in the past year to address climate adaptation and risk assessment under intake 2 (Youbou Torrent Flow Analysis and Koksilah flood reduction) both have now been formally approved and are reflected in the current 2017 budget and expected to be underway as soon as the final agreements are signed.

The results of the third intake have now been released and the CVRD has received funding for the following additional projects:

1. Risk assessment of floodplain areas in region - \$100,000 (\$70,000 in the 2017 budget);
2. Regional Dam Safety Analysis and Risk Assessment - \$256,000 (\$256,000 in 2017 Budget);
3. Koksilah/Shu-hwuykwselu Stormwater Drainage Mitigation Plan: - \$200,000 (\$50,000 in 2017 Budget); and
4. Coastal Sea Level Rise Risk Assessment - \$90,000 (\$40,000 in 2017 Budget).

ANALYSIS

This grant program is extremely helpful in assisting local governments in identifying risk and developing structured responses. We anticipate continuing to take advantage of this program at the next intake. As part of both our overall community development plans and public safety

programs, analysis of high risk areas is something that has been needed but there has been little opportunity to do so.

FINANCIAL CONSIDERATIONS

The new funding needs to be reflected in the existing 2017 budget to allow work to proceed.

COMMUNICATION CONSIDERATIONS

A public news release will be developed to link to the CVRD emergency management program as well as long range climate adaption program.


STRATEGIC/BUSINESS PLAN CONSIDERATIONS

This is in alignment with the CVRD Corporate Strategic Focus Areas in climate adaption and development of risk assessments and adaption strategies for responding and adapting to the impacts of climate change.

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Planning & Development Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:



Kate Miller, MCIP, RPP, LEED AP
Manager

Reviewed by:

Not Applicable
Not Applicable



Hamid Hatami, P. Eng.
General Manager



STAFF REPORT TO COMMITTEE

DATE OF REPORT June 20, 2017

MEETING TYPE & DATE Regional Services Committee Meeting of June 28, 2017

FROM: Facilities & Transit Division
Community Services Department

SUBJECT: 2018 Draft Budget review – Function 199 (GM Community Services/Facilities)

FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to present the 2018 Draft Budget for Function 199 – GM Community Services/Facilities.

RECOMMENDED RESOLUTION

1. That Function 199 GM Community Services/Facilities 2018 Draft Budget be approved.
2. That the Supplementary request for hiring a full time staff person be approved.

BACKGROUND

At the April 26, 2017 Board meeting a report went forward recommending a revised budget process, as well as budget calendar, for the 2018 budget year. The recommendations were given approval at that meeting. In this report, two changes to the previous process were identified including: preparing the 2018 Draft budget exclusively based on Core expenses as well as presenting a Supplemental request for a proposed non-core expense.

One additional component of the 2018 budget process presented was related specifically to Allocation budgets. This component of the process outlined the approval process for Allocations budgets as: internally allocated budgets will be presented to the Regional Services Committee on June 28 before the rest of the 2018 budgets, to allow the resulting allocations to be incorporated into the remaining budgets. The Allocation Budgets are split between Core budgets and Supplemental requests and staff have ranked the Supplemental requests.

A separate report will be presented by the CVRD's Chief Administrative Officer summarizing the Supplemental requests and identifying the ranking of the requests.

ANALYSIS

The change in Core budget from 2017 to 2018 is an increase of \$12,317 or 3.06%, which is mainly due to the increase in wage/benefit expense.

There is no total \$ or % change in one time items from 2017 to 2018, as the one 2017 item (recreational review) has both the expense and revenue offset each other and the project will be completed in 2017.

There is one Supplemental request for consideration. One full time admin staff position to provide support for the General Manager (GM) of Community Services and Division Manager (DM) of Facilities & Transit. The cost of the position would be allocated at 60% to the GM of Community Services and 40% to the DM of Facilities & Transit. These 2 amounts would then be further allocated internally to various divisions that receive support from these two positions.

This position would be a member of the Corporate Administration Support Team, who would be

the formal document writer for the GM of Community Services and DM for Facilities & Transit. This position would provide meeting agendas and minutes, be the department's resource for records management, grant sourcing and application submissions, capital project administration, look after CARIB reporting requirements, provide support for the yearly transit agreements, and be the department's position for corporate standards.

It should also be noted, with the closure of the CVRD Capital Projects Division at the end of 2016 additional important and timely workload has been added to the DM of Facilities & Transit for contract administration of capital projects and CWF gas tax reporting requirements, and that the amount of grant funding received has led to a number of projects that require administration. In addition, the demands on the Community Services Department has increased, including responsibility for CVRD oversight/liaison with Our Cowichan Communities Health Network, Community Safety Advisory Commission, Cowichan Community Policing and others.

The administrative support for the GM of Community Services and DM of Facilities & Transit has been spread around and patched together for a few years using various positions within the department, which has led to inconsistencies and on going challenges. Other options for admin support have been considered and deemed not viable to provide the need that exists. However, as an option to the full time staff position, a part time position would not handle all the demands but would provide some benefit to the department. The costs for the two options are shown in the financial section below.

FINANCIAL CONSIDERATIONS

- 1) Core services - The impact on the 2018 Function 199 budget for the core service is \$12,317 or 3.06%. This amount is internally recovered through allocations.
- 2) Supplemental item: A) Full Time admin support is \$72,626 or 18.03%, and would be internally recovered through allocations.
Or B) Part time admin support is \$36,313 or 9.02%, and would be internally recovered through allocations.

For the supplemental item (additional admin support position), it is likely the position would not be filled until April 1, 2018 so the above 2 amounts (\$72,626 and \$36,313) would be reduced in 2018 for a 9 month expense of \$54,470 and \$27,235 correspondingly. \$54,470 represents an allocation increase of 13.53% and \$27,235 represents an allocation increase of 6.76%.

COMMUNICATION CONSIDERATIONS

NA

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

NA

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:

Reviewed by:



Jim Wakeham
Manager

Not Applicable
Not Applicable



John Elzinga
General Manager

ATTACHMENTS:

- Attachment A – Vadim Draft Budget
- Attachment B – 5 Year Plan
- Attachment C – Year over Year Comparative Analysis
- Attachment D – Supplementary Request

Cowichan Valley Regional District
Budget Report by Cost Center



Account Code : - - - To : - - -

Function Type : Selective

Attachment A

		GENERAL REVENUE FUND						
		199 - GM COMMUNITY SERVICES/FACILITI						
		2016	2016	2017	2017	2018		
		ACTUAL	AMEND BUDGET	ACTUAL	AMEND BUDGET	DRAFT BUDGET		
OPERATING REVE								
2000 GRANTS								
01-1-2000-2121	PROVINCIAL CONDITIONAL	0	0	-15,000	0	0		
	Total GRANTS	0	0	-15,000	0	0	0	0
9011 TRANSFER FROM FEASIBILITY RESERVE FUND								
01-1-9011-0000	TRANSFER FROM FEASIBILITY	-5,674	-13,300	0	-7,300	0		
	Total TRANSFER FROM FEASIBI	-5,674	-13,300	0	-7,300	0	0	0
	Total OPERATING REVENUES	-5,674	-13,300	-15,000	-7,300	0		
OPERATING EXPE								
1300 GM COM. SERVICES								
01-2-1300-1101	SALARIES/FULL TIME REGULA	137,292	147,160	56,988	157,000	165,798		
01-2-1300-1400	BENEFITS	31,046	38,262	17,571	40,820	43,107		
01-2-1300-2001	RECREATIONAL REVIEW	5,674	13,300	3,360	7,300	0		
01-2-1300-2110	CONFERENCES & SEMINARS	632	2,500	1,873	2,500	2,500		
01-2-1300-2111	TRAVEL	1,303	1,800	480	2,400	2,400		
01-2-1300-2131	TELEPHONE	427	1,000	156	1,000	1,000		
01-2-1300-2340	TRAINING & DEVELOPMENT	54	500	0	500	500		
01-2-1300-2395	MEMBERSHIPS	140	500	0	500	250		
01-2-1300-2475	MISCELLANEOUS EQUIPMENT	120	1,000	0	1,000	1,000		
01-2-1300-4105	PROJECT EXPENDITURES	0	0	15,000	0	0		
01-2-1300-4520	ALLOC - GM COM SERVICES	5,074	5,074	5,429	5,429	5,429		
01-2-1300-4540	ALLOC - INFO TECHNOLOGY	3,382	3,382	3,788	3,788	3,788		
01-2-1300-4550	ALLOC - HUMAN RESOURCES	2,924	2,924	3,051	3,051	3,051		
01-2-1300-5110	SUNDRY EXPENSES	98	500	0	500	250		
01-2-1300-5120	PROMOTION	82	1,000	46	1,000	500		
01-2-1300-5121	MEETING EXPENSES	921	1,000	230	1,000	1,200		
01-2-1300-5920	SUPPLIES - OFFICE	408	500	0	500	500		
01-2-1300-9910	CONTINGENCY	0	3,000	0	2,414	0		
	Total GM COM. SERVICES	189,577	223,402	107,973	230,702	231,273	0	0
1310 FACILITIES								
01-2-1310-1101	SALARIES/FULL TIME REGULA	117,467	122,632	46,493	119,200	123,970		
01-2-1310-1400	BENEFITS	32,439	34,432	15,334	36,975	38,310		
01-2-1310-2110	CONFERENCES & SEMINARS	1,284	1,200	0	1,200	1,300		
01-2-1310-2111	TRAVEL	0	600	0	600	500		
01-2-1310-2131	TELEPHONE	0	1,250	110	1,500	1,400		
01-2-1310-2395	MEMBERSHIPS	955	1,000	930	1,000	1,000		
01-2-1310-2475	MISCELLANEOUS EQUIPMENT	0	700	1,472	1,200	700		

R3



Account Code : - - - To : - - -

Function Type : Selective

		GENERAL REVENUE FUND							
		199 - GM COMMUNITY SERVICES/FACILITI							
		2016	2016	2017	2017	2018			
		ACTUAL	AMEND BUDGET	ACTUAL	AMEND BUDGET	DRAFT BUDGET			
01-2-1310-4310	ALLOC - BUILDING COSTS	5,074	5,074	5,429	5,429	5,429			
01-2-1310-4540	ALLOC - INFO TECHNOLOGY	3,382	3,382	3,788	3,788	3,788			
01-2-1310-4550	ALLOC - HUMAN RESOURCES	2,924	2,924	3,051	3,051	3,051			
01-2-1310-4590	ALLOC - ENG SERVICES	2,000	2,000	0	3,000	3,000			
01-2-1310-5920	SUPPLIES - OFFICE	0	300	0	300	300			
01-2-1310-9910	CONTINGENCY	0	2,216	0	2,059	1,000			
Total FACILITIES		165,525	177,710	76,606	179,302	183,748	0	0	
9900 INTERNAL RECOVERIES									
01-2-9900-4520	ALLOC - GM COM SERVICES	-214,302	-210,102	-223,402	-223,402	-231,273			
01-2-9900-4530	ALLOC - FACILITIES	-177,711	-177,710	-179,302	-179,302	-183,748			
Total INTERNAL RECOVERIES		-392,013	-387,812	-402,704	-402,704	-415,021	0	0	
Total OPERATING EXPENSES		-36,910	13,300	-218,125	7,300	0			
6	Surplus/Deficit	-42,584	0	-233,125	0	0			

Cowichan Valley Regional District
Budget Report by Cost Center



Account Code : - - - To : - - -

Function Type : Selective

	2016 ACTUAL	2016 AMEND BUDGET	2017 ACTUAL	2017 AMEND BUDGET	2018 DRAFT BUDGET
Summary Total Revenues	-5,674	-13,300	-15,000	-7,300	0
Summary Total Expenses	-36,910	13,300	-218,125	7,300	0
Summary Surplus/Deficit	-42,584	0	-233,125	0	0

COWICHAN VALLEY REGIONAL DISTRICT

2018-2022 FINANCIAL EXPENDITURE PROGRAM

FORM C-1

Attachment B

Dept Function: GM Community Services/Facilities

Function: 199

TOTAL EXPENDITURE	2017	2018	2019	2020	2021	2022
Operational Costs	\$410,004	\$415,021	\$423,321	\$431,788	\$440,424	\$449,232
Long Term Debt						
Short Term Debt						
Capital						
Transfer to Capital Reserve						
TOTAL APPLICATION OF FUNDS	\$410,004	\$415,021	\$423,321	\$431,788	\$440,424	\$449,232
<u>SOURCES OF FUNDS</u>						
Requisition/Parcel Tax						
User Fee						
Transfer from Capital Reserve						
Transfer from Feasibility Study Reserve	7,300					
Other	402,704	415,021	423,321	431,788	440,424	449,232
Debt Proceeds						
Surplus/(Deficit)						
TOTAL SOURCE OF FUNDS	\$410,004	\$415,021	\$423,321	\$431,788	\$440,424	\$449,232

Dept Function: GM Community Services/Facilities

Function: 199

TOTAL EXPENDITURE	2018	2019	2020	2021	2022
Operational Costs	\$231,273	\$235,898	\$240,616	\$245,429	\$250,337
Long Term Debt					
Short Term Debt					
Capital					
Transfer to Capital Reserve					
TOTAL APPLICATION OF FUNDS	\$231,273	\$235,898	\$240,616	\$245,429	\$250,337
SOURCES OF FUNDS					
Requisition/Parcel Tax					
User Fee					
Transfer from Capital Reserve					
Transfer from Feasibility Study Reserve					
Other	231,273	235,898	240,616	245,428	250,337
Debt Proceeds					
Surplus/(Deficit)					
TOTAL SOURCE OF FUNDS	\$231,273	\$235,898	\$240,616	\$245,428	\$250,337

Dept Function: DM Transit and Facilities Management

Function: 199

TOTAL EXPENDITURE	2018	2019	2020	2021	2022
Operational Costs	\$183,748	\$187,423	\$191,171	\$194,995	\$198,895
Long Term Debt					
Short Term Debt					
Capital					
Transfer to Capital Reserve					
TOTAL APPLICATION OF FUNDS	\$183,748	\$187,423	\$191,171	\$194,995	\$198,895
SOURCES OF FUNDS					
Requisition/Parcel Tax					
User Fee					
Transfer from Capital Reserve					
Transfer from Feasibility Study Reserve					
Other	183,748	187,423	191,171	194,995	198,895
Debt Proceeds					
Surplus/(Deficit)					
TOTAL SOURCE OF FUNDS	\$183,748	\$187,423	\$191,171	\$194,995	\$198,895

2018 BUDGET - SUPPLEMENTAL ITEM**Attachment D**DEPARTMENT: Community ServicesPREPARED BY: John ElzingaFUNCTION: 199 - GM Community Services/FacilitiesDATE: May 24, 2017PROGRAM: Full time staff personPRIORITY: 2DESCRIPTION OF SUPPLEMENTAL:

Admin Support for General Manager (GM) Community Services and Division Manager (DM) for Facilities & Transit. Estimate at \$32.54/hour. 35 hours x 52 weeks = \$59,223, plus benefits at 26% \$15,398, for a total wage/benefit of \$74,621.

Less: Discontinue allocations from current admin assistance from ISC (\$9,710) and from KPR for Transit (\$6,000). Total allocation savings of (\$15,710) plus 26% benefits (\$4,085) = (\$19,795).

Net added cost to 199 for wage and benefits is \$54,826.

Plus: non wage costs for: Conferences - \$1500. Travel - \$800. Telephone - \$2400. Training - \$500. Memberships - \$100. Office supplies - \$500. Miscellaneous equipment start-up - \$5,000 and \$7,000 for HR and IT allocation expenses (Total \$17,800).

The total position cost will be allocated to the GM Community Service's functions and Facilities & Transit functions.

TOTAL ANTICIPATED COSTS: \$72,626

IMPACT ON REQUISITION: \$0

BENEFITS OF SUPPLEMENTAL ITEM:

Member of Corporate Administration Support Team. Formal document writer for GM of Community Services and DM for Facilities & Transit. Review agreements. Proof staff reports. Provides meeting agendas and minutes. Department resource for records. Contract administration for capital projects. Research resource for transit. Department position to go to for corporate standards.

IMPACT IF NOT APPROVED:

Corporate administration skills not obtained. Little administration support for contract documents and capital projects. Some capital projects not completed. Inconsistent formatting continues. No department resource to assist with records management implementation. Capacity capped for GM to address additional initiatives (Our Cowichan Communities Health Network, Community Safety Advisory Committee, Cowichan Community Policing, others).

FUNDING BREAKDOWN:

REQUISITION: \$ [Click here to enter amount.](#)

OTHER REVENUE: \$72,626

SPECIFY: Allocation from other budgets

DEBT: \$ [Click here to enter amount.](#) TYPE: Choose type of debt. TERM: Choose an item.

RESERVES: \$ [Click here to enter amount.](#) TYPE OF RESERVES: Operating or Capital.

BREAKDOWN OF ANNUAL COSTS:

SALARIES/WAGES:	\$43,513
BENEFITS:	\$11,313
SOFTWARE:	Click here to enter amount.
ALLOCATIONS:	\$7,000 (HR and IT)
CAPITAL:	0
OTHER (SPECIFY): see above for details	<u>\$10,800</u>
TOTAL ESTIMATED ANNUAL COSTS:	72,626



STAFF REPORT TO COMMITTEE

DATE OF REPORT June 20, 2017

MEETING TYPE & DATE Regional Services Committee Meeting of June 28, 2017

FROM: Facilities & Transit Division
Community Services Department

SUBJECT: 2018 Draft Budget review – Function 200 (Administration Office)

FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to present the 2018 Draft Budget for Function 200 – Administration Office.

RECOMMENDED RESOLUTION

1. That Function 200 Administration Office 2018 Draft Budget be approved.
2. That the Supplementary request for a replacement of the phone system be approved.
3. That the Supplementary request for a no fall safety restraint system for the roof be approved.
4. That the Supplementary request for a space allocation design be approved.
5. That the Supplementary request for lighting replacement be approved.

BACKGROUND

At the April 26, 2017 Board meeting a report went forward recommending a revised budget process, as well as budget calendar, for the 2018 budget year. The recommendations were given approval at that meeting. In this report, a few changes to the previous process were identified including: preparing the 2018 Draft budget exclusively based on Core expenses as well as presenting 4 Supplemental requests for consideration.

One additional component of the 2018 budget process presented was related specifically to Allocation budgets. This component of the process outlined the approval process for Allocations budgets as: internally allocated budgets will be presented to the Regional Services Committee on June 28 before the rest of the 2018 budgets, to allow the resulting allocations to be incorporated into the remaining budgets. The Allocation Budgets are split between Core budgets and Supplemental requests and staff have ranked the Supplemental requests.

A separate report will be presented by the CVRD's Chief Administrative Officer summarizing the Supplemental requests and identifying the ranking of the requests.

ANALYSIS

The change in Core budget from 2017 to 2018 is a decrease of \$91,602 or -13.13%. This is mainly due to decreased minor capital projects and other R&M expense reductions totaling \$37,702 or -5.40%. As well as the change in one-time items from 2017 to 2018 is a decrease of \$53,900 or -7.73% mainly due to reduced capital projects.

4 Supplemental requests are provided for consideration.

- 1) A new telephone system with a capital cost of \$250,000 to be purchased April 1, 2018 and will be funded by 5 year short term borrowing at an annual debt payment cost of \$53,000 (\$52,900 for 2018). In addition, there is an estimated annual cost of \$50,000 (\$37,500 in 2018) for software licensing/maintenance costs associated with the new phone system.

- 2) No fall safety restraint system for the roof at a cost of \$15,000.
- 3) Space allocation design at a cost of \$20,000.
- 4) Lighting replacement at a cost of \$63,675 (net of hydro and maintenance savings).

These 4 supplemental request amounts would be funded by internal recoveries through allocations to various CVRD departments.

FINANCIAL CONSIDERATIONS

- A) Core services: The impact on the 2018 Function 200 budget for the core service is a reduction of \$91,602 or -13.14%. This amount would reduce internal recoveries allocations to various CVRD departments.
- B) Supplemental items:
 - 1) New telephone system for \$250,000. The annual short-term debt payments are \$53,000 (\$52,900 for 2018) which equates to a 7.58% increase in allocations, plus the annual software licensing and maintenance costs are \$50,000 (\$37,500 for 2018) which equates to a 5.38% increase in allocations.
 - 2) No fall restraint system for the roof for \$15,000. This equates to a 2.15% increase in allocations.
 - 3) Space allocation design for \$20,000. This equates to a 2.87% increase in allocations.
 - 4) Lighting replacement for \$63,675 (net of Hydro cost and maintenance savings) equates a 9.13% increase in allocations.

COMMUNICATION CONSIDERATIONS

NA

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

NA

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:

Reviewed by:



Jim Wakeham
Manager

Not Applicable
Not Applicable



John Elzinga
General Manager

ATTACHMENTS:

Attachment A – Vadim Draft Budget

Attachment B – 5 Year Plan

Attachment C – Year over Year Comparative Analysis

Attachment D – Supplementary Requests

Cowichan Valley Regional District
Budget Report by Cost Center



Account Code : - - - To : - - -

Function Type : Selective

GENERAL REVENUE FUND
 200 - ADMINISTRATION OFFICE

Attachment A

	2016 ACTUAL	2016 AMEND BUDGET	2017 ACTUAL	2017 AMEND BUDGET	2018 DRAFT BUDGET		
OPERATING REVE							
4433 RECOVERY OF COSTS							
01-1-4433-0000 GENERAL	-340	0	0	0	0		
Total RECOVERY OF COSTS	-340	0	0	0	0	0	0
9110 SURPLUS/DEFICIT - CURRENT YEAR							
01-1-9110-0000 SURPLUS/DEFICIT	0	0	-95,000	-95,000	0		
Total SURPLUS/DEFICIT - CURR	0	0	-95,000	-95,000	0	0	0
Total OPERATING REVENUES	-340	0	-95,000	-95,000	0		

OPERATING EXPE							
1140 FACILITIES OPERATING COSTS							
01-2-1140-1203 WAGES	97,043	95,500	39,043	99,000	102,600		
01-2-1140-1301 WAGES	0	4,140	703	4,140	4,300		
01-2-1140-1400 BENEFITS	32,290	34,450	14,848	35,000	36,420		
01-2-1140-2265 ASSET MANAGEMENT	0	0	0	3,500	0		
01-2-1140-2338 CONTRACT FOR SERVICES	1,665	2,250	727	2,250	1,900		
01-2-1140-2370 INSURANCE - PROPERTY	19,652	24,000	0	25,200	25,200		
01-2-1140-2379 SECURITY	4,562	4,325	4,565	4,700	6,110		
01-2-1140-2400 ALARM MAINTENANCE	789	1,200	342	1,200	1,200		
01-2-1140-2410 R & M - BUILDINGS - GENERAL	10,569	31,000	9,254	41,000	37,000		
01-2-1140-2414 R & M - BUILDINGS - GROUND	2,792	7,525	2,517	12,400	12,441		
01-2-1140-2480 MINOR CAPITAL	0	0	0	47,000	10,000		
01-2-1140-2743 ELEVATOR MAINTENANCE	2,088	2,100	879	2,000	2,275		
01-2-1140-4530 ALLOC - FACILITIES	14,217	14,217	14,344	14,344	14,344		
01-2-1140-4803 SEWER USER FEE	60	260	60	260	260		
01-2-1140-5510 WATER	427	300	219	300	400		
01-2-1140-5530 ELECTRICITY	34,973	35,700	12,239	36,770	36,200		
01-2-1140-5533 GAS	5,254	7,500	2,316	7,725	6,500		
01-2-1140-5550 GARBAGE DISPOSAL	3,433	3,200	1,212	3,200	3,500		
01-2-1140-5924 SUPPLIES - JANITORIAL	5,674	6,400	3,037	6,650	6,400		
01-2-1140-9910 CONTINGENCY	0	2,500	0	3,560	5,000		
Total FACILITIES OPERATING COSTS	235,485	276,567	106,306	350,199	312,050	0	0

1145 BUSINESS OPERATING COSTS							
01-2-1145-2121 POSTAGE	0	0	45,718	0	0		
01-2-1145-2131 TELEPHONE	10,214	9,000	6,916	9,000	11,000		
01-2-1145-2210 ADVERTISING	1,812	1,000	0	1,000	1,000		
01-2-1145-2475 MISCELLANEOUS EQUIPMENT	1,551	6,000	290	6,000	3,000		
01-2-1145-2530 PURCHASED MTCE. - EQUIPM	258	5,000	0	5,000	3,000		

R4

Cowichan Valley Regional District
Budget Report by Cost Center



Account Code : - - - To : - - -

Function Type : Selective

		GENERAL REVENUE FUND 200 - ADMINISTRATION OFFICE							
		2016	2016	2017	2017	2018			
		ACTUAL	AMEND BUDGET	ACTUAL	AMEND BUDGET	DRAFT BUDGET			
01-2-1145-2620	RENTALS/MACHINERY & EQUIP	724	1,000	418	1,000	1,000			
01-2-1145-5110	SUNDRY EXPENSES	4,690	4,000	1,570	4,000	4,000			
01-2-1145-5915	SUPPLIES & RENTAL - PHOTOCO	5,275	5,000	3,612	5,000	5,500			
01-2-1145-5920	SUPPLIES - OFFICE	10,417	9,000	1,804	9,000	10,000			
Total BUSINESS OPERATING CC		34,941	40,000	60,328	40,000	38,500	0	0	
1146 148-1st ST PROPERTY									
01-2-1146-1101	SALARIES/FULL TIME REGULA	135	2,000	0	1,800	500			
01-2-1146-1400	BENEFITS	129	520	0	468	150			
01-2-1146-2330	CONSULTANTS	1,079	0	0	1,000	7,500			
01-2-1146-2370	INSURANCE - PROPERTY	0	700	0	735	735			
01-2-1146-2410	R&M BUILDINGS - GENERAL	0	0	0	500	0			
01-2-1146-2414	R&M BUILDINGS - GROUNDS	13,987	0	0	1,500	0			
01-2-1146-4803	SEWER USER FEE	40	450	40	40	40			
01-2-1146-5510	WATER	0	100	0	400	0			
01-2-1146-5530	ELECTRICITY	-46	500	0	500	0			
01-2-1146-5550	GARBAGE DISPOSAL	143	600	0	0	0			
01-2-1146-8215	INTEREST	4,312	5,882	1,516	5,384	5,384			
01-2-1146-8216	PRINCIPAL	67,238	67,238	0	84,910	84,910			
01-2-1146-9910	CONTINGENCY	0	7,869	0	5,035	1,500			
Total 148-1st ST PROPERTY		87,016	85,859	1,556	102,272	100,719	0	0	
1911 ELECTION EXPENDITURES									
01-2-1911-2611	RENTALS - BUILDINGS (SCHOC	0	0	200	0	0			
Total ELECTION EXPENDITURE		0	0	200	0	0	0	0	
8123 INTEREST/MFA OWN DEBENTURES									
01-2-8123-8232	INTEREST (CVRD)	63,420	63,420	0	63,420	63,420			
Total INTEREST/MFA OWN DEBE		63,420	63,420	0	63,420	63,420	0	0	
8133 PRINCIPAL/MFA OWN DEBENTURES									
01-2-8133-8332	PRINCIPAL (CVRD)	91,333	91,333	0	91,333	91,333			
Total PRINCIPAL/MFA OWN DEB		91,333	91,333	0	91,333	91,333	0	0	
8221 TRANSFER/GENERAL CAPITAL FUND									
01-2-8221-6112	BUILDINGS	0	0	50,968	0	0			
01-2-8221-6113	FURNITURE, FIXTURES, EQUIP	0	0	2,505	35,400	0			
01-2-8221-6124	LAND IMPROVEMENTS	0	105,000	0	110,000	0			
Total TRANSFER/GENERAL CAP		0	105,000	53,472	145,400	0	0	0	
9900 INTERNAL RECOVERIES									
01-2-9900-4103	ALLOC - GENERAL GOVERNME	-261,362	-261,362	-275,894	-275,894	-239,379			

R4



Account Code : - - - To : - - -

Function Type : Selective

GENERAL REVENUE FUND
 200 - ADMINISTRATION OFFICE

		2016	2016	2017	2017	2018		
		ACTUAL	AMEND BUDGET	ACTUAL	AMEND BUDGET	DRAFT BUDGET		
01-2-9900-4131	ALLOC - ENVIRONMENT	0	0	-9,283	-9,283	-7,878		
01-2-9900-4200	ALLOC - PLANNING	-211,356	-211,356	-221,635	-221,635	-192,715		
01-2-9900-4300	ALLOC - PROTECTIVE SERVIC	-28,659	-28,659	-30,077	-30,077	-26,059		
01-2-9900-4310	ALLOC - FACILITIES	-5,074	-5,074	-5,429	-5,429	-4,848		
01-2-9900-4320	ALLOC - TRANSIT	-5,075	-5,075	-5,428	-5,428	-4,848		
01-2-9900-4377	ALLOC - PARKS & TRAILS	-28,659	-28,659	-30,077	-30,077	-26,059		
01-2-9900-4520	ALLOC - GM COM SERVICES	-5,074	-5,074	-5,429	-5,429	-4,848		
01-2-9900-4575	ALLOC - ENGINEERING	-116,920	-116,920	-78,271	-78,271	-67,874		
01-2-9900-4576	ALLOC - ENGINEERING OVERH	0	0	-20,629	-20,629	-18,181		
01-2-9900-4589	ALLOC - ASSET MANAGEMENT	0	0	-2,063	-2,063	-1,818		
01-2-9900-4591	ALLOC - SOLID WASTE	0	0	-13,409	-13,409	-11,515		
	Total INTERNAL RECOVERIES	-662,179	-662,179	-697,624	-697,624	-606,022	0	0
	Total OPERATING EXPENSES	-149,984	0	-475,762	95,000	0		
84	Surplus/Deficit	-150,324	0	-570,762	0	0		

**Cowichan Valley Regional District
Budget Report by Cost Center**



Account Code : - - - To : - - -

Function Type : Selective

	2016 ACTUAL	2016 AMEND BUDGET	2017 ACTUAL	2017 AMEND BUDGET	2018 DRAFT BUDGET
Summary Total Revenues	-340	0	-95,000	-95,000	0
Summary Total Expenses	-149,984	0	-475,762	95,000	0
Summary Surplus/Deficit	-150,324	0	-570,762	0	0

COWICHAN VALLEY REGIONAL DISTRICT

2018-2022 FINANCIAL EXPENDITURE PROGRAM

FORM C-1

Dept Function: Administration Office

Attachment B

Function: 200

TOTAL EXPENDITURE	2017	2018	2019	2020	2021	2022
Operational Costs	\$402,177	\$360,975	\$371,804	\$382,958	\$394,447	\$406,281
Long Term Debt	154,753	154,753	154,753	154,753	154,753	154,753
Short Term Debt	90,294	90,294	90,294	0	0	0
Capital	145,400	0	50,000	75,000	50,000	50,000
Transfer to Capital Reserve						
TOTAL APPLICATION OF FUNDS	\$792,624	\$606,022	\$666,851	\$612,711	\$599,200	\$611,034
SOURCES OF FUNDS						
Requisition/Parcel Tax						
User Fee						
Transfer from Capital Reserve						
Other (internal recovery allocations)	697,624	606,022	666,851	612,711	599,200	611,034
Debt Proceeds						
Surplus/(Deficit)	95,000					
TOTAL SOURCE OF FUNDS	\$792,624	\$606,022	\$666,851	\$612,711	\$599,200	\$611,034

2018 Debt Long Term with Principle & Interest

Borrowed	Outstanding	Maturity	P & I
Head Office	\$1,049,173	2022	\$154,753

Total **\$154,753**

2018 Debt Short Term with Principle & Interest

Borrowed	Outstanding	Maturity	P & I
148-1st Street	\$175,627	2019	\$90,294

Total **\$90,294**

2018 BUDGET - SUPPLEMENTAL ITEM**Attachment D
Phone System**DEPARTMENT: Corporate ServicesPREPARED BY: Sharon HeppnerFUNCTION: 200 - Administration OfficeDATE: May 18, 2017PROGRAM: Phone System ReplacementPRIORITY: 1DESCRIPTION OF SUPPLEMENTAL:

The existing CVRD phone system is obsolete and well past its lifespan. It has been failing and will continue to do so with increased frequency. The current contract expires in March 2018 and it is not known whether the product will continue to be supported or what the cost will be. As technology becomes obsolete, the cost to maintain increases as parts are more difficult to locate. This system also incorporates voice mail and automated answering.

TOTAL ANTICIPATED COSTS: \$ 250,000 for purchase, and \$50,000+\$53,200 for annual costs

IMPACT ON REQUISITION: NA directly, as cost is allocated

BENEFITS OF SUPPLEMENTAL ITEM:

The CVRD will have a fully featured and supported phone system that allows for the continuity of business. An RFP process in advance of failure will provide opportunity to select best overall value. Current VoIP technology provides significant enhancements and is easier to maintain and support.

IMPACT IF NOT APPROVED:

Potential business disruption if system fails; emergency replacement costs will be significantly higher than going thru a tendering process.

FUNDING BREAKDOWN:

REQUISITION: \$ [Click here to enter amount.](#)

OTHER REVENUE: \$ \$103,200 by allocations

SPECIFY: ST financing

DEBT: \$ 250,000 TYPE: SHORT TERM

TERM: 5 Yrs

RESERVES: \$ [Click here to enter amount.](#)

TYPE OF RESERVES: Operating or Capital.

BREAKDOWN OF ANNUAL COSTS:

SALARIES/WAGES:

[Click here to enter amount.](#)

BENEFITS:

[Click here to enter amount.](#)

SOFTWARE:

20%/year = \$50,000, 2018 is for 9 months = \$37,500

DEBT COSTS:

Full year (P&I) = \$53,200, 2018 for 9 months = \$52,900

ALLOCATIONS:

[Click here to enter amount.](#)

CAPITAL:	\$na
OTHER (SPECIFY): Click here to enter text.	Click here to enter amount.
TOTAL ESTIMATED ANNUAL COSTS:	\$103,200 (2019 and beyond)

2018 BUDGET - SUPPLEMENTAL ITEM**Attachment D
No-Fall Restraint System**DEPARTMENT: Community ServicesPREPARED BY: Jim WakehamFUNCTION: 200 - Administration OfficeDATE: May 29, 2017PROGRAM: No fall restraint system for roofPRIORITY: 2DESCRIPTION OF SUPPLEMENTAL:

Engineered horizontal lifeline around the Ingram St building roof line (no fall restraint system) for maintenance work including: cleaning roof drains, HVAC repairs, trimming ivy, Christmas decorations, window cleaning, antenna servicing, power washing cap, etc. Allows staff to connect a safety harness to secured high up sections of the building. Includes required clip in harnesses and supplies for 2 staff.

TOTAL ANTICIPATED COSTS: \$ 15,000IMPACT ON REQUISITION: NA - Allocated costsBENEFITS OF SUPPLEMENTAL ITEM:

Allows CVRD maintenance staff to safely work on exterior of the building (roof and ledges).

IMPACT IF NOT APPROVED:

General exterior roof/ledge work will need to be contracted out to service providers at an added cost.

FUNDING BREAKDOWN:

REQUISITION: NA allocated costs

OTHER REVENUE: \$15,000

SPECIFY: Allocations

DEBT: \$ [Click here to enter amount.](#) TYPE: Choose type of debt. TERM: Choose an item.RESERVES: \$ [Click here to enter amount.](#) TYPE OF RESERVES: Operating or Capital.BREAKDOWN OF ANNUAL COSTS (OR SAVINGS):

SALARIES/WAGES:

[Click here to enter amount.](#)

BENEFITS:

[Click here to enter amount.](#)

SOFTWARE:

[Click here to enter amount.](#)

ALLOCATIONS:

CAPITAL:

[Click here to enter amount.](#)

OTHER: R&M buildings

\$15,000

TOTAL ESTIMATED ANNUAL Costs:

NA

2018 BUDGET - SUPPLEMENTAL ITEM**Attachment D
Space Allocation Design**DEPARTMENT: Community ServicesPREPARED BY: Jim WakehamFUNCTION: 200 - Administration OfficeDATE: June 19, 2017PROGRAM: Space allocation designPRIORITY: 1DESCRIPTION OF SUPPLEMENTAL:

A general space allocation analysis was provided by Graphic Office Interiors in Sept. 2015. The allocation provided conceptual options to allow additional workstations to be included at the Ingram St office building. In order to provide safe and effective work areas that inspire, attract and retain employees a more in-depth space allocation design is required.

The design is required to allow positions to be added and to stop the “shoe horn” approach of squeezing in staff in unplanned workstations locations. With out a proper space allocation design, workstations will continue to be added on an ad hoc approach which results in inequities of space allocations, inconsistencies and sometimes unsafe work areas that do not adhere to building codes.

TOTAL ANTICIPATED COSTS: \$20,000IMPACT ON REQUISITION: \$0BENEFITS OF SUPPLEMENTAL ITEM:

The formal space allocation design will provide a safe and effective work area plan that will inspire, attract and retain employees. A proper design is required so departments can move forward with a work space plan in place prior to staff being hired.

IMPACT IF NOT APPROVED:

Proper allocating of workspace (size and location) will not be obtained, and more inconsistencies will continue to happen as additional staff are squeezed into unplanned space, which leads to inefficient use of valuable work space.

FUNDING BREAKDOWN:REQUISITION: \$ [Click here to enter amount.](#)OTHER REVENUE: \$20,000 by allocations SPECIFY: [Click here to enter details.](#)DEBT: \$ [Click here to enter amount.](#) TYPE: Choose type of debt. TERM: Choose an item.RESERVES: \$ [Click here to enter amount.](#) TYPE OF RESERVES: Operating or Capital.BREAKDOWN OF ANNUAL COSTS:

SALARIES/WAGES:

[click here to enter amount](#)

BENEFITS:	click here to enter amount
SOFTWARE:	Click here to enter amount.
ALLOCATIONS:	click here to enter amount
CAPITAL:	click here to enter amount
OTHER (SPECIFY): Consultant services	<u>\$20,000</u>
TOTAL ESTIMATED ANNUAL COSTS:	\$20,000

**MEMORANDUM****Attachment D
Lighting Replacement Memo**

DATE: Revised May 25, 2017
TO: Jim Wakeham, Manager, Facilities & Transit Management
FROM: Austin Tokarek, Senior Environmental Analyst – Energy
SUBJECT: Ingram St building lighting replacement project for consideration in 2018 budget

The 2014 Ingram St head office Energy Study Report, prepared by Building Energy Solutions, was reviewed by Facilities staff and the Sr. Environmental Analyst – Energy, and of the 18 Energy Conservation Measures (ECMs) noted, consisting of mainly lighting and mechanical upgrades, 9 lighting improvements were identified as key items for consideration for the 2018 budget (See Attached). The ECMs include full lighting upgrades to the interior and exterior of the facility with a total estimated capital cost of \$75,000. It should be noted that BC Hydro rebates are no longer available for this project.

Financial Analysis of CVRD Head Office Upgrades

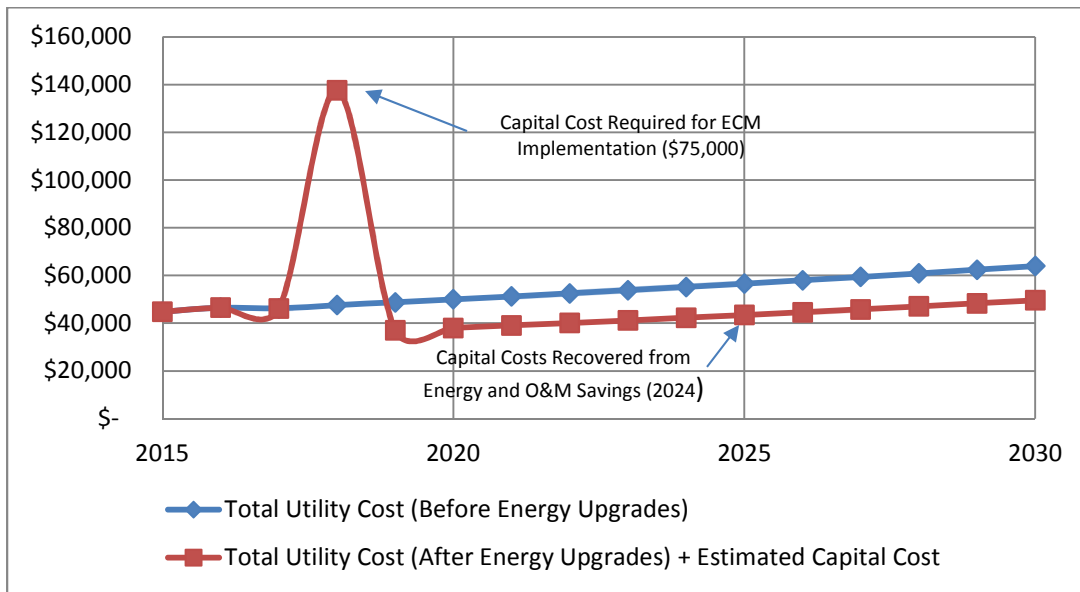
Estimated Capital Cost (includes 15% Contingency)	\$ 75,000
Annual Energy Cost Savings	- \$ 3,900
Annual O&M Savings (bulbs and labor)	- \$ 7,400
Annual Carbon Offset Savings	- \$ 25
	- \$11,325
Total Annual Savings	
Lifecycle Total Cost Savings (15 years) see note below	\$ 232,000
Simple Payback (Required Budget Allocation/Total Annual Savings + O&M Savings)	6.6
GHG Emissions Reduction (tonnes CO₂e)	1

Note: re life cycle cost savings: annual estimated savings (\$11,325) adjusted for 15 years inflation and estimated hydro rate increases.

Benefits of these upgrades include:

- Reduced utility costs (estimated \$3,900 per year)
- Reduced maintenance costs (\$7,400 per year)
- Increased knowledge of the building operating systems by facilities staff
- Significant progress towards the CVRD's Head Office energy reduction targets (18% reduced energy consumption)
- Ongoing commitment to the CVRD's Strategic Energy Management Plan

Energy Costs Before and After Energy Upgrades Including Estimated Capital Costs for Eighteen Energy Conservation Measures (ECMs) Implementation for the Life Span of Equipment at CVRD Head Office



Recommendations

It is recommended to include the 9 attached lighting ECMs in the 2018 work plan and that \$75,000 be allocated for the 2018 budget. There are significant financial, environmental and operational benefits associated with the implementation of these ECMs.

Austin Tokarek
Sr. Environmental Analyst – Energy

Attachments

1. 2018 Recommended ECMs for the CVRD Head Office

2018 BUDGET - SUPPLEMENTAL ITEM**Attachment D
Lighting Replacement**DEPARTMENT: Community ServicesPREPARED BY: Jim WakehamFUNCTION: 200 - Administration OfficeDATE: May 25, 2017PROGRAM: Ingram St lighting replacementPRIORITY: 3DESCRIPTION OF SUPPLEMENTAL:

Ingram St building lighting replacement project

TOTAL ANTICIPATED COSTS: \$ 75,000 less \$11,325 in annual operations savings = \$63,675IMPACT ON REQUISITION: NA - Allocated costsBENEFITS OF SUPPLEMENTAL ITEM:

As per the 2014 energy audit, 18 energy savings items were identified and submitted for budget consideration in 2016 and 2017. Since the BC Hydro grant (\$18,000) has now been eliminated, only 9 energy conservation measures for the replacement of the interior and exterior light fixtures and bulbs have been provided for budget consideration.

IMPACT IF NOT APPROVED:

Increased energy consumption, energy and maintenance costs

FUNDING BREAKDOWN:

REQUISITION: NA allocated costs

OTHER REVENUE: \$63,675

SPECIFY: Allocation

DEBT: \$ [Click here to enter amount.](#) TYPE: Choose type of debt. TERM: Choose an item.RESERVES: \$ [Click here to enter amount.](#) TYPE OF RESERVES: Operating or Capital.BREAKDOWN OF ANNUAL COSTS (OR SAVINGS):

SALARIES/WAGES:

[Click here to enter amount.](#)

BENEFITS:

[Click here to enter amount.](#)

SOFTWARE:

[Click here to enter amount.](#)

ALLOCATIONS:

CAPITAL:

[Click here to enter amount.](#)

OTHER: R&M savings \$7,425 & Hydro savings \$3,900 = \$11,325 reduced to 9 months = \$8,500
 assuming project completed April 2018 [Click here to enter amount.](#)

TOTAL ESTIMATED ANNUAL **SAVINGS**:

Operational savings \$11,325



STAFF REPORT TO COMMITTEE

DATE OF REPORT June 19, 2017

MEETING TYPE & DATE Regional Services Committee Meeting of June 28, 2017

FROM: Parks & Trails Division
Land Use Services Department

SUBJECT: Cobble Hill Mountain Regional Recreation Area Section 56/57
Application

FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to request direction to enter into a Section 56/57 Trail License Agreement with the Province of British Columbia to secure lands within the Cobble Hill Mountain Regional Recreation Area for recreation use.

RECOMMENDED RESOLUTION

That a Section 56/57 Agreement with the Province of British Columbia for vacant Crown land within the Cobble Hill Regional Recreation Area be approved to secure the lands for outdoor recreation use.

BACKGROUND

The Cobble Hill Mountain Regional Recreation Area is a 26 kilometre network of CVRD managed trails on provincial crown lands that are designated "Interpretive Forest" by the Ministry of Forests, Lands and Resource Operations (FLNRO). This designation is applied to Crown parcels where recognized outdoor recreation and/or timber harvesting activities are actively taking place. Along with the trails managed by CVRD under a long term use agreement with FLNRO, there are two active Crown woodlots operating on the west and north sides of the main part of the mountain and the northern area known as Polara Hill.

Prior to FLNRO applying the Interpretive Forest designation, the larger Crown parcel was split into four sections: two woodlot license areas, a Crown Recreation Zone, and a section of vacant crown land due west of Quarry Nature Park. Under the current arrangement, the section identified as the Crown Recreation Zone allows for limited forestry activities in the area; however the remaining undesignated vacant crown land has no such limitations.

ANALYSIS

Under the *Forest and Range Practices Act* of British Columbia, Section 56 pertains to establishment of recreation areas and their associated protections while Section 57 pertains to the construction and maintenance of recreation trails and associated amenities. Successful applications under these sections register recreation sites and trails with the Province and provide acknowledgement of their existence along with a level of protection from other land uses.

Although the CVRD's agreement with the Province allows for the construction and maintenance of recreation trails and amenities across all portions of the designated Interpretive Forest that the Regional District refers to as the Cobble Hill Mountain Regional Recreation Area, the vacant Crown parcel does not recognize trails as requiring substantial protection in the event of forestry operations. This parcel contains not only a high concentration of trails, but the most well-used and highly valued trails within the Cobble Hill Mountain Regional Recreation Area.

Under the current agreement, trails within the vacant Crown parcel are protected by a 10-metre-wide corridor. By entering into a Section 56/57 Agreement with the Crown, any consideration of future forestry activities by the Province in the vacant Crown parcel will be limited and recreation values will hold greater value in the decision making process. There are also visual landscape values that the vacant Crown parcel provides as it is an east-facing slope due west of the Cobble Hill village area.

FINANCIAL CONSIDERATIONS

There are no application fees or other costs associated with a Section 56/57 application other than staff time.

COMMUNICATION CONSIDERATIONS

N/A

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:



Dan Brown
Parks Planning Technician (Trails)

Reviewed by:



Brian Farquhar
Manager



Mike Tippett, MCIP, RPP
A/General Manager

ATTACHMENTS:

Attachment A – Cobble Hill Mountain Regional Recreation Area Overview Map

Cobble Hill Mountain
Regional Recreation Area
(dashed area)

Crown
Woodlot
Area

Esquimalt and Nanaimo Railway

Doran Road
(gated)

Kingburne Road

Train Road

Crown
Woodlot
Area

Vacant
Crown
Parcel

Crown
Recreation
Zone

Crown
Woodlot
Area

Quarry Nature Park

Empress Avenue

Cobble Hill Road

LEGEND

Trail Difficulty

Easy 


More Difficult 

Most Difficult 

Information Kiosk 

Parking Lot 

Summit 

Viewpoint 

Picnic Table 











Washroom 

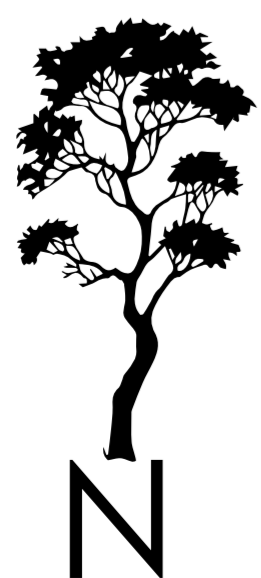
Cleasby Bike Park 

South Cowichan
Off Leash Dog Park 

Equestrians please note: trails featuring
a dashed line are horse friendly.

Trail Distances (in km)

 1.4	 1.4
 2.8	 1.3
 1.0	 2.1
 0.4	 2.4
 1.7	 3.2



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STAFF REPORT TO COMMITTEE

DATE OF REPORT June 14, 2017

MEETING TYPE & DATE Regional Services Committee Meeting of June 28, 2017

FROM: General Manager
Engineering Services Department

SUBJECT: 2018 Draft Budget review – Function 575 Engineering Services

FILE: 0540-20-RSC/05

PURPOSE/INTRODUCTION

The purpose of this report is to present the 2018 Draft Budget for Function 575 Engineering Services.

RECOMMENDED RESOLUTION

That the Engineering – Engineering Services 2018 Draft Budget for Function 575 Engineering Services be approved.

BACKGROUND

At the April 26, 2017 Board meeting a report went forward recommending a revised budget process, as well as budget calendar, for the 2018 budget year. The recommendations were approved at that meeting. In this report, a number of changes to the previous process were identified, including: preparing the 2018 Draft budget exclusively based on Core expenses as well as presenting Supplemental requests for any proposed non-core expenses.

One additional component of the 2018 budget process presented was related specifically to Allocation budgets. This component of the process outlined the approval process for Allocations budgets as: internally allocated budgets will be presented to the Regional Services Committee in June before the rest of the 2018 budgets to allow the resulting allocations to be incorporated into the remaining budgets. The Allocation Budgets will also be split between Core budgets and Supplemental requests. Staff will rank Supplemental requests.

A separate report will be presented by the Cowichan Valley Regional District (CVRD) Chief Administrative Officer summarizing the Supplemental requests and identifying the ranking of the requests.

ANALYSIS

The 2018 Water Management budget is funded by allocations; General Government, Engineering, Administration and Engineering Services. There are no changes to these allocations from 2017.

As noted in the year over year analysis, there is a \$300 increase to courier services and \$16,853 increase to contingency. The increase in contingency is due to unforeseen expenditures for computer software upgrades & licenses, memberships, and minor capital.

These costs are offset by a \$17,153 decrease to deficit (stemming from a shortfall in 2016 Capital Projects function, no longer in existence).

FINANCIAL CONSIDERATIONS

Impact of this budget :

1. Allocation – no change in allocation; 101

- 2. Debt payments – no debt payments;
 - 3. Reserves – no change to reserve funds; currently \$13,594 in capital reserves and \$35,130 in operating reserves; and
- Contingency – 11% of total budget.

COMMUNICATION CONSIDERATIONS

Liaise with corporate services.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

The recommended resolution provides a reliable essential service.

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:

Reviewed by:



 Louise Knodel-Joy
 Senior Engineering Technologist

 Not Applicable
 Not Applicable



 Hamid Hatami, P. Eng.
 General Manager

ATTACHMENTS:

- Attachment A – Vadim Draft Budget
- Attachment B – 5 Year Plan
- Attachment C – Year over Year Comparative Analysis

Cowichan Valley Regional District
Budget Report by Cost Center



Account Code : - - - To : - - -

Function Type : Selective

		GENERAL REVENUE FUND 575 - ENGINEERING SERVICES						
		2016 ACTUAL	2016 AMEND BUDGET	2017 ACTUAL	2017 AMEND BUDGET	2018 DRAFT BUDGET		
OPERATING REVE								
5900 MISCELLANEOUS								
01-1-5900-2700	GENERAL	-195	0	0	0	0		
Total MISCELLANEOUS		-195	0	0	0	0	0	0
9110 SURPLUS/DEFICIT - CURRENT YEAR								
01-1-9110-0000	SURPLUS/DEFICIT	0	0	0	17,153	0		
Total SURPLUS/DEFICIT - CURR		0	0	0	17,153	0	0	0
Total OPERATING REVENUES		-195	0	0	17,153	0		
OPERATING EXPE								
1979 ALLOCATION DEBT 175 INGRAM ST								
01-1-1979-4575	ALLOCATION DEBT 175 INGRA	20,510	20,510	20,510	20,510	20,510		
Total ALLOCATION DEBT 175 IN		20,510	20,510	20,510	20,510	20,510	0	0
1981 ALLOCATION FROM 175 INGRAM ST								
01-2-1981-4575	ALLOCATION FROM 175 INGRA	96,410	96,411	57,761	57,761	57,761		
Total ALLOCATION FROM 175 IN		96,410	96,411	57,761	57,761	57,761	0	0
1982 ALLOCATION ADMINISTRATION								
01-2-1982-4540	ALLOC - INFO TECHNOLOGY	128,525	128,525	7,575	7,575	7,575		
01-2-1982-4550	ALLOC - HUMAN RESOURCES	154,958	154,958	15,249	15,249	15,249		
01-2-1982-4560	ALLOC - LIABILITY INSURANCE	26,141	26,141	4,839	5,870	5,870		
Total ALLOCATION ADMINISTRA'		309,624	309,624	27,663	28,694	28,694	0	0
1989 E.S.D. - OFFICE								
01-2-1989-2121	POSTAGE	3,380	600	0	4,000	4,000		
01-2-1989-5915	SUPPLIES & RENTAL - PHOTOC	7,937	10,000	0	8,000	8,000		
Total E.S.D. - OFFICE		11,318	10,600	0	12,000	12,000	0	0
1990 ENGINEERING - GENERAL EXPEND								
01-2-1990-1105	WAGES (PERCENTAGE)	20,803	0	0	0	0		
01-2-1990-1400	PAYROLL CLEARING - BENEFIT	4,297	0	0	0	0		
01-2-1990-2110	CONFERENCES & SEMINARS	6,968	8,500	1,873	4,000	4,000		
01-2-1990-2111	TRAVEL	2,993	11,000	0	4,000	4,000		
01-2-1990-2122	COURIER & EXPRESS	0	200	0	200	500		
01-2-1990-2131	TELEPHONE	10,623	11,500	3,450	12,000	12,000		
01-2-1990-2210	ADVERTISING	1,381	4,400	0	1,000	1,000		
01-2-1990-2229	PUBLICATIONS & BOOKS	248	800	0	800	800		
01-2-1990-2320	LEGAL SERVICES	6,786	10,000	0	1,000	1,000		

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R6



Account Code : - - - To : - - -

Function Type : Selective

GENERAL REVENUE FUND
 575 - ENGINEERING SERVICES

		2016 ACTUAL	2016 AMEND BUDGET	2017 ACTUAL	2017 AMEND BUDGET	2018 DRAFT BUDGET		
01-2-1990-2330	CONSULTANTS	0	7,000	0	0	0		
01-2-1990-2340	TRAINING & DEVELOPMENT	776	12,000	0	4,000	4,000		
01-2-1990-2370	INSURANCE - PROPERTY	33	22	0	30	30		
01-2-1990-2371	INSURANCE - CASUALTY	1,000	1,000	0	1,000	1,000		
01-2-1990-2395	MEMBERSHIPS	2,970	5,000	14	1,000	1,000		
01-2-1990-2475	MISCELLANEOUS EQUIPMENT	9,879	12,000	0	2,400	2,400		
01-2-1990-2480	MINOR CAPITAL	13,547	25,000	4,666	30,000	30,000		
01-2-1990-2532	COMPUTER SOFTWARE UPGR	14,169	15,000	1,850	15,000	15,000		
01-2-1990-2583	PUBLIC EDUCATION	11,502	12,000	0	0	0		
01-2-1990-4101	ALLOC - CAPITAL PROJECTS	45,000	0	0	0	0		
01-2-1990-5110	SUNDRY EXPENSES	448	500	308	500	500		
01-2-1990-5121	MEETING EXPENSES	744	500	0	500	500		
01-2-1990-5411	CLOTHING	0	500	0	500	500		
01-2-1990-5920	SUPPLIES - OFFICE	5,786	9,500	2,666	10,000	10,000		
01-2-1990-9910	CONTINGENCY	0	9,045	0	12,847	29,700		
104	Total ENGINEERING - GENERAL	159,953	155,467	14,826	100,777	117,930	0	0
1992 UNIT #10 - 96 JEEP 907WFE								
01-2-1992-2373	INSURANCE/AUTOMOTIVE EQI	1,205	1,100	1,192	1,300	1,300		
01-2-1992-2470	PURCHASED REPAIRS - VEHIC	0	300	278	1,000	1,000		
01-2-1992-2570	PURCHASED MAINTENANCE/V	119	300	0	1,000	1,000		
01-2-1992-5310	FUEL & LUBRICANTS	504	1,500	188	1,500	1,500		
01-2-1992-5610	VEHICLE & EQUIPMENT PARTS	732	1,000	21	1,000	1,000		
01-2-1992-5620	TIRES	0	200	0	1,000	1,000		
	Total UNIT #10 - 96 JEEP 907WF	2,560	4,400	1,679	6,800	6,800	0	0
1998 COMMUNICATIONS								
01-2-1998-2125	CELLULAR PHONES - RENTAL	15,969	20,000	2,274	3,785	3,785		
	Total COMMUNICATIONS	15,969	20,000	2,274	3,785	3,785	0	0
7170 REGIONAL PARKS/GENERAL EXPEND								
01-2-7170-2610	ALLOC - RENTALS - BUILDING	0	0	5,705	0	0		
	Total REGIONAL PARKS/GENER	0	0	5,705	0	0	0	0
7313 ENG=2010 FORD ESCAPE(664XDC)								
01-2-7313-2373	INSURANCE/AUTOMOTIVE EQI	1,992	1,400	1,463	1,500	1,500		
01-2-7313-2470	PURCHASED REPAIRS - VEHIC	100	300	0	1,000	1,000		
01-2-7313-2570	PURCHASED MAINTENANCE/V	799	100	0	1,000	1,000		
01-2-7313-5310	FUEL & LUBRICANTS	843	1,500	495	1,500	1,500		
01-2-7313-5610	VEHICLE & EQUIPMENT PARTS	0	100	0	100	100		
01-2-7313-5620	TIRES	0	100	0	1,000	1,000		

R6



Account Code : - - - To : - - -

Function Type : Selective

		GENERAL REVENUE FUND 575 - ENGINEERING SERVICES							
		2016 ACTUAL	2016 AMEND BUDGET	2017 ACTUAL	2017 AMEND BUDGET	2018 DRAFT BUDGET			
Total ENG=2010 FORD ESCAPE		3,734	3,500	1,958	6,100	6,100	0	0	
7317 2012 LEAF 783NXA									
01-2-7317-2373	INSURANCE/AUTOMOTIVE EQI	1,537	1,556	1,583	1,600	1,600			
01-2-7317-2470	PURCHASED REPAIRS - VEHIC	0	100	0	1,000	1,000			
01-2-7317-2570	PURCHASED MAINTENANCE/V	380	200	0	1,000	1,000			
01-2-7317-5620	TIRES	0	200	0	1,000	1,000			
Total 2012 LEAF 783NXA		1,917	2,056	1,583	4,600	4,600	0	0	
7318 ENG 2009 SMART CAR									
01-2-7318-2373	INSURANCE/AUTOMOTIVE EQI	1,357	1,300	1,385	0	0			
01-2-7318-2470	PURCHASED REPAIRS - VEHIC	690	100	0	0	0			
01-2-7318-2570	PURCHASED MAINTENANCE/V	667	150	394	0	0			
01-2-7318-5310	FUEL & LUBRICANTS	181	600	0	0	0			
01-2-7318-5610	VEHICLE & EQUIPMENT PARTS	88	100	0	0	0			
01-2-7318-5620	TIRES	639	100	0	0	0			
Total ENG 2009 SMART CAR		3,623	2,350	1,779	0	0	0	0	
8221 TRANSFER/GENERAL CAPITAL FUND									
01-2-8221-6113	FURNITURE, FIXTURES, EQUIP	12,321	0	0	0	0			
Total TRANSFER/GENERAL CAP		12,321	0	0	0	0	0	0	
9900 INTERNAL RECOVERIES									
01-2-9900-4204	ALLOC - GENERAL GOVERNME	0	0	-20,000	-20,000	-20,000			
01-2-9900-4575	ALLOC - ENGINEERING	-306,249	-306,249	-204,486	-204,486	-204,486			
01-2-9900-4587	ALLOC - ADMINISTRATION	-309,342	-313,669	-28,694	-28,694	-28,694			
01-2-9900-4590	ALLOC - ENG SERVICES	-5,000	-5,000	-3,000	-5,000	-5,000			
Total INTERNAL RECOVERIES		-620,591	-624,918	-256,180	-258,180	-258,180	0	0	
Total OPERATING EXPENSES		17,348	0	-120,441	-17,153	0			
Surplus/Deficit		17,153	0	-120,441	0	0			

**Cowichan Valley Regional District
Budget Report by Cost Center**



Account Code : - - - To : - - -

Function Type : Selective

	2016 ACTUAL	2016 AMEND BUDGET	2017 ACTUAL	2017 AMEND BUDGET	2018 DRAFT BUDGET
Summary Total Revenues	-195	0	0	17,153	0
Summary Total Expenses	17,348	0	-120,441	-17,153	0
Summary Surplus/Deficit	17,153	0	-120,441	0	0

COWICHAN VALLEY REGIONAL DISTRICT2018-2022 FINANCIAL EXPENDITURE PROGRAM

FORM C-1

Dept Function: Engineering Services - Administration

Function: 575

TOTAL EXPENDITURE	2017	2018	2019	2020	2021	2022
Operational Costs	\$241,027	\$258,180	\$260,000	\$260,000	\$265,000	\$265,000
Long Term Debt						
Short Term Debt						
Capital			50,000			50,000
Transfer to Capital Reserve						
TOTAL APPLICATION OF FUNDS	\$241,027	\$258,180	\$310,000	\$260,000	\$265,000	\$315,000
SOURCES OF FUNDS						
Requisition/Parcel Tax						
User Fee						
Transfer from Capital Reserve						
Other	258,180	258,180	310,000	260,000	265,000	315,000
Debt Proceeds						
Surplus/(Deficit)	(17,153)					
TOTAL SOURCE OF FUNDS	\$241,027	\$258,180	\$310,000	\$260,000	\$265,000	\$315,000

2018 Budget Review

Function: 575 - Engineering - Administration

A) Core Budget

	<u>2017 Allocation</u>	<u>Proposed 2018 Allocation</u>	<u>Allocation \$ Increase (Decrease)</u>	<u>Allocation % Increase (Decrease)</u>
	\$258,180	\$258,180	\$0	0.00%
Explanation of increase:				
	Increased Courier and Express		300	0.12%
	Increased Contingency		16,853	6.53%
	Subtotal		\$17,153	6.64%

B) Prior Year One-time Items

	<u>Allocation \$ Increase (Decrease)</u>	<u>Allocation % Increase (Decrease)</u>
Decreased Deficit (from Capital Projects)	(17,153)	-6.64%
	-\$17,153	-6.64%

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Subtotal sections A + B \$0 0.00%

C) Supplemental Items

	<u>2018 Cost</u>	<u>Allocation</u>	<u>Allocation % Increase</u>
Total Cost	<u>\$0</u>	<u>\$0</u>	<u>0.00%</u>

Subtotal sections A + B + C \$0 0.0%

Notes:

- 1) The 2017 budget used contingency to cover a cost overrun in the Capital Projects budget.
- 2) The current available uncommitted Operating Reserve in 2017 is \$35,130



STAFF REPORT TO COMMITTEE

DATE OF REPORT June 14, 2017

MEETING TYPE & DATE Regional Services Committee Meeting of June 28, 2017

FROM: Water Management Division
Engineering Services Department

SUBJECT: 2018 Draft Budget review – Function 576 Engineering Utilities

FILE: 0540-20-RSC/05

PURPOSE/INTRODUCTION

The purpose of this report is to present the 2018 Draft Budget for the Engineering – Utilities service.

RECOMMENDED RESOLUTION

1. That the Engineering – Utilities 2018 Draft Budget be approved;
2. That the Supplementary request for a Crane vehicle be approved;
3. That the Supplementary request for hiring an Instrumentation Technician Operator and purchasing a vehicle be approved;
4. That the Supplementary request for hiring a Technologist be approved; and
5. That the Supplementary request for hiring a Co-op student be approved.

BACKGROUND

At the April 26, 2017 Board meeting a report went forward recommending a revised budget process, as well as budget calendar, for the 2018 budget year. The recommendations were given approval at that meeting. In this report a number of changes to the previous process were identified including: preparing the 2018 Draft budget exclusively based on Core expenses as well as presenting Supplemental requests for any proposed non-core expenses.

One additional component of the 2018 budget process presented was related specifically to Allocation budgets. This component of the process outlined the approval process for Allocations budgets as: internally allocated budgets will be presented to the Regional Services Committee in June before the rest of the 2018 budgets to allow the resulting allocations to be incorporated into the remaining budgets. The Allocation Budgets will also be split between Core budgets and Supplemental requests. Staff will rank supplemental requests.

A separate report will be presented by the Cowichan Valley Regional District (CVRD) Chief Administrative Officer summarizing the Supplemental requests and identifying the ranking of the requests.

ANALYSIS

The 2018 Engineering Utilities budget is fully funded by allocations to utility systems through user fees and parcel taxes. There are 19 water systems, 16 sewer systems, 18 street lighting systems, 9 drainage systems, a weir function and 3 debt service areas requiring annual budgets. Water, sewer, drainage and ornamental street lighting contribute to the 576 budget.

CORE BUDGET:

With regard to core items, 2018 changes include:

Increased staff wages of \$51,000; it was noted that utility operator overtime was not fully recovered in previous years and 2018 wage increase has been included;

Decreased contingency of \$35,373; due to allowance in 2017 for wage increases;

Increased staff benefits of \$13,416; as above;

Increase Engineering allocation of \$9,679; due to addition of street lighting budgets to 576;

Decreased Admin allocation of \$117; due to addition of street lighting budgets to 576;

Decreased bank charges of \$1,000;

Decreased cost for 2006 Utility Cube van disposed in 2017 of \$5,600; no longer in service;

Decreased cost for 2008 Utility Ford F350 truck to be disposed in mid-2018 of \$11,200; end of life for this vehicle; and

Other adjustments: \$1,428 net decrease.

PRIOR YEAR ONE-TIME ITEMS:

Decrease Asset Management of \$17,500; due to completing 50% of condition assessment in 2017;

Decrease Gas Tax Reserve Transfer of \$17,500; as per above Asset Management Project;

Decrease in Transfer from Operating Reserve of \$85,000; pay for utility vehicles 2017; and

Decrease in Vehicles & Machinery Capital of \$85,000; purchase of utility vehicles 2017.

SUPPLEMENTAL ITEMS:

As noted in the year over year analysis, there is an increase of \$300,147 or 12.71% if supplemental items are approved. Items 1 and 2 will see some of these expenses recovered in individual utility budgets. These costs are recovered by increases to the utility systems user fees and parcel taxes.

Supplemental items are listed in priority order:

- 1) One tonne utility vehicle with crane - \$98,400 capital to be funded by short term borrowing. \$36,018 maintenance and debt to be funded by utility allocations. Priority 1. This vehicle is to replace 2008 Utility Ford F350 to be disposed of in 2018. Instead of like-for-like replacement, an upgrade to a one tonne truck with crane has been included. The CVRD paid out \$23,000 in contracting a private crane truck in 2015-2016, this cost could be recovered in individual budgets that regularly require this service. As most utility vehicles last 6-8 years, the full capital cost could be recovered in its lifetime.
- 2) Instrumentation Technician Operator - 1 Full Time Employee (FTE) with vehicle - \$134,915 wages, benefits and allocations funded through utility allocations, vehicle - \$45,000 funded by short term borrowing and \$12,600 vehicle maintenance and debt, funded by utility allocations. Utility staff is paid directly by utility using the service. Priority 2.
As suggested in the Innova report, a FTE instrumentation/electrician operator could be partially paid for by cost savings of the private electrical contractor. In 2016 over \$115,000 was paid in wages, parts and travel time for electrical and instrumentation services. Therefore approximately \$80,000 of the annual cost of \$134,915 is already provided for in the utility budget and would not be an xxx cost. If hired, this person could also work as an operator when these services are not required. A vehicle and tools would also be required for this position.

- 3) Technologist – Full Time Employee - \$94,187 funded through utility allocations. Priority 3. Also recommended in the Innova report is the hiring of a FTE to help with the back log of work for utility systems. Work includes asset management, emergency plans and other administrative work. Inside staff is paid by number of parcels within the utility systems, overall cost per customer is approximately \$13 per home.
- 4) Utility Co-op Student – 1 additional term at a cost of \$15,000. Paid by utility systems directly. Priority 3
Hiring of the co-op student is intended to help utility operators and gain experience in practical work settings. In recent cases, utility co-op students have moved to inside work settings later in their education. Cell phones, computers, etc. can be shared as these positions do not overlap.

FINANCIAL CONSIDERATIONS

There is currently \$84,870 in operational reserve in this budget.

CORE BUDGET:

There is a \$19,977 or 0.85% increase in the core budget.

Allocation - These costs would be offset by increases to the utility systems allocation through user fees and parcel taxes.

Debt - Minor adjustments to debt payments.

Reserve funds - No change to reserve funds.

PRIOR YEAR ONE-TIME ITEMS:

No change in allocation, debt or reserves.

Community Works Gas Tax - \$35,000 allocated in 2017, to be split 50% in 2017, 50% in 2018 to complete condition assessment work for Asset Management.

SUPPLEMENTAL ITEMS:

There is an increase of \$300,147 or 12.71% if supplemental items are approved, however, some of these expenses will be recovered in individual utility budgets by reduction in service costs. The remaining costs would be recovered by increases to the utility systems user fees and parcel taxes.

1. One tonne utility vehicle with crane – \$98,400 funded short term borrowing. Debt cost of \$21,018 would be paid for in 5 years, annual operations and maintenance estimated at \$15,000. The CVRD paid out \$23,000 in contracting a private crane truck in 2015-2016, this cost could be recovered in individual budgets that regularly require this service. As most utility vehicles last 6-8 years, the cost savings could be recovered that time.
Allocation – \$15,000 for operations and maintenance annually.
Debt – \$21,018 for 5 year term.
Reserve – no impact to reserve funds.
Capital - \$98,400 Borrowing - Anticipate full recovery of capital cost through decline of private crane costs over the life of this vehicle.
2. Instrumentation Technician Operator - 1 Full Time Employee with vehicle - \$122,315 wages, benefits and allocations funded through utility allocations, vehicle - \$45,000 funded by short term borrowing and \$12,600 vehicle maintenance and debt, funded by utility allocations. Utility staff is paid directly by the utility utilizing the service.
Allocation – direct impact to utility system operator works at. Anticipate partial recovery through decline of electrical costs in individual utility budgets.
Debt – \$45,000 purchase of vehicle will impact debt costs.
Reserve - no impact to reserves.

3. Technologist – Full Time Employee - \$94,187 funded through utility allocations.
Allocation – \$13 per parcel in each utility service.
Debt – no impact to debt.
Reserve – no impact to reserves.
4. Utility Co-op Student – 1 additional term. \$15,000.
Allocation – Direct impact to utility systems where this student works.
Debt – no impact to debt.
Reserve – no impact to reserves.

COMMUNICATION CONSIDERATIONS

N/A

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

N/A

Referred to (upon completion):

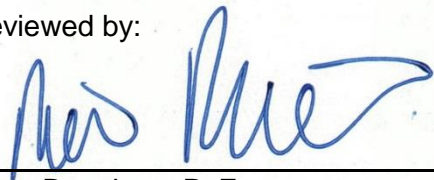
- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:




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Senior Engineering Technologist

Reviewed by:



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Manager



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General Manager

ATTACHMENTS:

- Attachment A – Vadim Draft Budget
- Attachment B – 5 Year Plan
- Attachment C – Year over Year Comparative Analysis
- Attachment D – Supplementary Requests (4)

Cowichan Valley Regional District
Budget Report by Cost Center



Account Code : - - - To : - - -

Function Type : Selective

GENERAL REVENUE FUND
 576 - ENGINEERING - UTILITIES

Attachment A

		2016	2016	2017	2017	2018		
		ACTUAL	AMEND BUDGET	ACTUAL	AMEND BUDGET	DRAFT BUDGET		
OPERATING REVE								
5900 MISCELLANEOUS								
01-1-5900-2700	GENERAL	-428	0	0	0	0		
01-1-5900-5015	WCB RECOVERIES	-10,209	0	0	0	0		
Total MISCELLANEOUS		-10,637	0	0	0	0	0	0
8250 M.F.A. FUNDING								
01-1-8250-0002	M.F.A. FUNDING - SHORT TERM	-85,956	-90,000	0	0	0		
Total M.F.A. FUNDING		-85,956	-90,000	0	0	0	0	0
9009 TRANSFER FROM GAS TAX RESERVE								
01-1-9009-0000	TSF FROM GAS TAX RESERVE	0	0	0	-35,000	-17,500		
Total TRANSFER FROM GAS TAX RESERVE		0	0	0	-35,000	-17,500	0	0
Total OPERATING REVENUES		-96,593	-90,000	0	-35,000	-17,500		
OPERATING EXPE								
1981 ALLOCATION FROM 175 INGRAM ST								
01-2-1981-4576	ALLOCATION FROM 175 INGRAM ST	0	0	20,629	20,629	20,629		
Total ALLOCATION FROM 175 INGRAM ST		0	0	20,629	20,629	20,629	0	0
1988 UTILITIES GENERAL EXPENDITURES								
01-2-1988-1301	WAGES	1,328,438	1,413,469	565,547	1,454,600	1,506,200		
01-2-1988-1400	BENEFITS	335,188	368,160	161,466	378,196	391,612		
01-2-1988-2110	CONFERENCES & SEMINARS	2,796	4,000	4,964	9,000	9,000		
01-2-1988-2111	TRAVEL	2,727	4,500	0	7,000	7,000		
01-2-1988-2125	CELLULAR PHONES - RENTAL	0	0	1,419	8,108	8,108		
01-2-1988-2131	TELEPHONE	0	1,500	0	1,500	1,500		
01-2-1988-2210	ADVERTISING	1,843	0	1,766	2,000	2,000		
01-2-1988-2265	ASSET MANAGEMENT	0	0	0	35,000	17,500		
01-2-1988-2320	LEGAL SERVICES	1,292	0	734	2,000	2,000		
01-2-1988-2330	CONSULTANTS	82,003	100,000	15,529	1,000	1,000		
01-2-1988-2338	CONTRACT FOR SERVICES	0	0	1,150	0	0		
01-2-1988-2340	TRAINING & DEVELOPMENT	9,847	8,000	175	12,000	12,000		
01-2-1988-2370	INSURANCE - PROPERTY	551	0	0	170	170		
01-2-1988-2395	MEMBERSHIPS	730	1,000	1,173	3,000	3,000		
01-2-1988-2410	R & M - BUILDINGS - GENERAL	2,127	5,000	248	5,000	5,000		
01-2-1988-2468	PAGERS AND PAGER MAINTENANCE	4,745	4,000	2,641	4,200	4,200		
01-2-1988-2474	ANSWERING SERVICE	0	2,500	0	2,500	2,500		
01-2-1988-2475	MISCELLANEOUS EQUIPMENT	6,507	4,000	2,461	8,600	8,600		
01-2-1988-2480	MINOR CAPITAL	0	13,500	2,239	15,000	15,000		

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Account Code : - - - To : - - -

Function Type : Selective

		GENERAL REVENUE FUND						
		576 - ENGINEERING - UTILITIES						
		2016	2016	2017	2017	2018		
		ACTUAL	AMEND BUDGET	ACTUAL	AMEND BUDGET	DRAFT BUDGET		
01-2-1988-2532	COMPUTER SOFTWARE UPGR	6,024	2,000	3,500	5,500	5,500		
01-2-1988-2561	ALARM MONITORING	180	250	120	250	250		
01-2-1988-2583	PUBLIC EDUCATION	0	0	1,011	4,000	4,000		
01-2-1988-2610	ALLOC - RENTALS - BUILDING	49,911	49,911	49,911	49,911	49,911		
01-2-1988-4540	ALLOC - INFO TECHNOLOGY	0	0	41,285	41,285	41,285		
01-2-1988-4550	ALLOC - HUMAN RESOURCES	0	0	45,748	45,748	45,748		
01-2-1988-4560	ALLOC - LIABILITY INSURANCE	0	0	8,065	9,783	9,783		
01-2-1988-4575	ALLOC - ENGINEERING	121,485	121,485	89,858	89,859	99,538		
01-2-1988-4587	ALLOC - ADMINISTRATION	118,419	118,419	12,141	12,140	12,023		
01-2-1988-5110	SUNDRY EXPENSES	6,738	7,000	5,747	6,000	6,000		
01-2-1988-5411	CLOTHING	3,989	3,000	1,886	1,000	1,000		
01-2-1988-5919	SAFETY SUPPLIES	8,199	4,000	2,023	5,000	5,000		
01-2-1988-5920	SUPPLIES - OFFICE	1,856	1,000	57	1,000	1,000		
01-2-1988-5924	SUPPLIES - JANITORIAL	946	2,000	1,275	2,000	2,000		
01-2-1988-5933	SUPPLIES - SMALL TOOLS	21,408	9,000	16,341	8,200	8,200		
01-2-1988-8150	BANK CHARGES	5,220	2,000	2,352	3,000	2,000		
01-2-1988-9910	CONTINGENCY	0	997	0	40,373	5,000		
Total UTILITIES GENERAL EXPE		2,123,168	2,250,691	1,042,832	2,273,923	2,294,628	0	0
2005 ENGINEERING - UTILITY TRAILER								
01-2-2005-2373	INSURANCE/AUTOMOTIVE EQI	479	450	499	450	450		
01-2-2005-5610	VEHICLE & EQUIPMENT PARTS	28	300	0	300	300		
Total ENGINEERING - UTILITY TI		507	750	499	750	750	0	0
2018 UNIT 17 - 06 DIESEL CUBE VAN								
01-2-2018-2373	INSURANCE/AUTOMOTIVE EQI	1,252	1,200	1,259	600	0		
01-2-2018-2470	PURCHASED REPAIRS - VEHIC	101	2,000	0	1,000	0		
01-2-2018-2570	PURCHASED MAINTENANCE/V	1,269	1,000	330	500	0		
01-2-2018-5310	FUEL & LUBRICANTS	1,494	6,000	148	3,000	0		
01-2-2018-5610	VEHICLE & EQUIPMENT PARTS	583	1,000	0	500	0		
01-2-2018-5620	TIRES	61	1,500	0	0	0		
Total UNIT 17 - 06 DIESEL CUBE		4,760	12,700	1,737	5,600	0	0	0
2019 BACKHOE LOADER (X4592)								
01-2-2019-2373	INSURANCE/AUTOMOTIVE EQI	657	620	668	620	620		
01-2-2019-2470	PURCHASED REPAIRS - VEHIC	3,606	1,500	0	0	0		
01-2-2019-2570	PURCHASED MAINTENANCE/V	122	1,500	111	500	500		
01-2-2019-5310	FUEL & LUBRICANTS	334	1,000	158	500	500		
01-2-2019-5610	VEHICLE & EQUIPMENT PARTS	0	1,000	10	250	250		
01-2-2019-5620	TIRES	943	300	0	0	0		
Total BACKHOE LOADER (X4592)		5,662	5,920	947	1,870	1,870	0	0

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Account Code : - - - To : - - -

Function Type : Selective

GENERAL REVENUE FUND
 576 - ENGINEERING - UTILITIES

		2016	2016	2017	2017	2018		
		ACTUAL	AMEND BUDGET	ACTUAL	AMEND BUDGET	DRAFT BUDGET		
2021 ENGINEERING-08 FORD F350 (CK7713)								
01-2-2021-2373	INSURANCE/AUTOMOTIVE EQUIPMENT	1,724	900	1,763	1,800	900		
01-2-2021-2570	PURCHASED MAINTENANCE/VEHICLE	3,662	3,000	1,008	4,000	200		
01-2-2021-5310	FUEL & LUBRICANTS	6,461	9,000	2,044	9,000	4,500		
01-2-2021-5610	VEHICLE & EQUIPMENT PARTS	64	1,000	216	3,000	1,500		
01-2-2021-5620	TIRES	0	500	0	500	0		
Total ENGINEERING-08 FORD F350 (CK7713)		11,910	14,400	5,031	18,300	7,100	0	0
2022 2015 CHEV VAN JN3524								
01-2-2022-2373	INSURANCE/AUTOMOTIVE EQUIPMENT	1,199	1,200	1,135	1,200	1,200		
01-2-2022-2470	PURCHASED REPAIRS - VEHICLE	0	250	0	500	500		
01-2-2022-2570	PURCHASED MAINTENANCE/VEHICLE	85	500	0	500	500		
01-2-2022-5310	FUEL & LUBRICANTS	4,007	3,500	1,364	3,000	3,000		
01-2-2022-5610	VEHICLE & EQUIPMENT PARTS	57	250	1,959	250	250		
01-2-2022-8215	INTEREST	262	425	70	243	125		
01-2-2022-8216	PRINCIPAL	9,050	9,050	0	5,231	5,350		
Total 2015 CHEV VAN JN3524		14,660	15,175	4,529	10,924	10,925	0	0
2023 2017 GMC SIERRA								
01-2-2023-2373	INSURANCE/AUTOMOTIVE EQUIPMENT	0	0	0	1,200	1,574		
01-2-2023-2470	PURCHASED REPAIRS - VEHICLE	0	0	0	300	300		
01-2-2023-2570	PURCHASED MAINTENANCE/VEHICLE	0	0	0	500	500		
01-2-2023-5310	FUEL & LUBRICANTS	0	0	0	3,500	3,500		
01-2-2023-5610	VEHICLES & EQUIPMENT PARTS	0	0	6	250	250		
01-2-2023-8215	INTEREST	168	1,500	0	0	0		
Total 2017 GMC SIERRA		168	1,500	6	5,750	6,124	0	0
2024 UTILITIES ELECTRIC CAR								
01-2-2024-2373	INSURANCE/AUTOMOTIVE EQUIPMENT	0	0	0	700	1,500		
01-2-2024-2470	PURCHASED REPAIRS - VEHICLE	0	0	0	300	500		
01-2-2024-2570	PURCHASED MAINTENANCE/VEHICLE	0	0	0	300	450		
01-2-2024-5310	FUEL & LUBRICANTS	0	0	0	200	50		
01-2-2024-5610	VEHICLE & EQUIPMENT PARTS	0	0	0	500	500		
01-2-2024-5620	TIRES	0	0	0	1,000	0		
Total UTILITIES ELECTRIC CAR		0	0	0	3,000	3,000	0	0
7301 ENGINEERING - 04 FORD (3658 TT)								
01-2-7301-2373	INSURANCE/AUTOMOTIVE EQUIPMENT	1,126	1,000	0	0	0		
01-2-7301-2470	PURCHASED REPAIRS - VEHICLE	562	500	0	0	0		
01-2-7301-2570	PURCHASED MAINTENANCE/VEHICLE	340	300	0	0	0		
01-2-7301-5310	FUEL & LUBRICANTS	2,436	6,000	0	0	0		

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Cowichan Valley Regional District
 Budget Report by Cost Center



Account Code : - - - To : - - -

Function Type : Selective

		GENERAL REVENUE FUND						
		576 - ENGINEERING - UTILITIES						
		2016	2016	2017	2017	2018		
		ACTUAL	AMEND BUDGET	ACTUAL	AMEND BUDGET	DRAFT BUDGET		
01-2-7301-5610	VEHICLE & EQUIPMENT PARTS	0	500	0	0	0		
01-2-7301-5620	TIRES	905	200	0	0	0		
Total ENGINEERING - 04 FORD (5,369	8,500	0	0	0	0	0
7308 2003 CHEV (BFO255)								
01-2-7308-2373	INSURANCE/AUTOMOTIVE EQ	1,445	700	0	0	0		
01-2-7308-2470	PURCHASED REPAIRS - VEHIC	1,094	1,000	0	0	0		
01-2-7308-2570	PURCHASED MAINTENANCE/V	0	1,000	0	0	0		
01-2-7308-5310	FUEL & LUBRICANTS	4,991	3,500	0	0	0		
01-2-7308-5610	VEHICLE & EQUIPMENT PARTS	131	500	0	0	0		
Total 2003 CHEV (BFO255)		7,661	6,700	0	0	0	0	0
7314 ENG 2009 FORD ESCAPE (663XDC)								
01-2-7314-2373	INSURANCE/AUTOMOTIVE EQ	1,423	1,400	1,424	1,423	1,423		
01-2-7314-2470	PURCHASED REPAIRS - VEHIC	0	500	28	500	500		
01-2-7314-2570	PURCHASED MAINTENANCE/V	792	500	131	500	500		
01-2-7314-5310	FUEL & LUBRICANTS	2,427	4,500	1,716	3,000	3,000		
01-2-7314-5610	VEHICLE & EQUIPMENT PARTS	351	700	0	700	700		
Total ENG 2009 FORD ESCAPE (4,993	7,600	3,299	6,123	6,123	0	0
7315 UTILITIES- MINI EXCAVATOR								
01-2-7315-2373	INSURANCE/AUTOMOTIVE EQ	217	400	226	217	217		
01-2-7315-2470	PURCHASED REPAIRS - VEHIC	0	1,000	0	500	500		
01-2-7315-2570	PURCHASED MAINTENANCE/V	70	1,000	0	500	500		
01-2-7315-5310	FUEL & LUBRICANTS	0	500	73	500	500		
01-2-7315-5610	VEHICLE & EQUIPMENT PARTS	150	1,000	54	500	500		
01-2-7315-5620	TIRES	0	200	0	200	200		
Total UTILITIES- MINI EXCAVATC		437	4,100	353	2,417	2,417	0	0
7316 UTILITIES-08 SMART(915WFE)								
01-2-7316-2373	INSURANCE/AUTOMOTIVE EQ	1,341	1,200	1,345	641	0		
01-2-7316-2470	PURCHASED REPAIRS - VEHIC	0	1,000	0	500	0		
01-2-7316-2570	PURCHASED MAINTENANCE/V	0	500	0	0	0		
01-2-7316-5310	FUEL & LUBRICANTS	1,028	2,000	467	500	0		
01-2-7316-5610	VEHICLE & EQUIPMENT PARTS	31	500	4	0	0		
Total UTILITIES-08 SMART(915W		2,399	5,200	1,816	1,641	0	0	0
7319 2013 CHEV SILVR PU (HF9409) 3500								
01-2-7319-2373	INSURANCE/AUTOMOTIVE EQ	2,172	1,200	2,172	2,172	2,172		
01-2-7319-2375	INSURANCE CLAIMS	525	0	0	0	0		
01-2-7319-2470	PURCHASED REPAIRS - VEHIC	954	250	0	250	250		
01-2-7319-2570	PURCHASED MAINTENANCE/V	260	500	1,969	500	500		

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Cowichan Valley Regional District
Budget Report by Cost Center



Account Code : - - - To : - - -

Function Type : Selective

		GENERAL REVENUE FUND							
		576 - ENGINEERING - UTILITIES							
		2016	2016	2017	2017	2018			
		ACTUAL	AMEND BUDGET	ACTUAL	AMEND BUDGET	DRAFT BUDGET			
01-2-7319-5310	FUEL & LUBRICANTS	5,136	6,000	2,859	8,000	8,000			
01-2-7319-5610	VEHICLE & EQUIPMENT PARTS	548	600	1,207	592	600			
01-2-7319-8215	INTEREST	277	434	86	296	151			
01-2-7319-8216	PRINCIPAL	6,930	6,930	0	7,248	7,530			
Total 2013 CHEV SILVR PU (HF9		16,801	15,914	8,293	19,058	19,203	0	0	
7321 PROMASTER 1 DODGE VAN (3648TT)									
01-2-7321-2373	INSURANCE/AUTOMOTIVE EQUIPMENT	120	600	1,107	1,200	1,200			
01-2-7321-2470	PURCHASED REPAIRS - VEHICLE	0	150	0	300	300			
01-2-7321-2570	PURCHASED MAINTENANCE/VEHICLE	0	250	0	500	500			
01-2-7321-5310	FUEL & LUBRICANTS	3,773	1,750	3,160	3,500	3,500			
01-2-7321-5610	VEHICLE & EQUIPMENT PARTS	280	125	216	250	250			
01-2-7321-8215	INTEREST	172	537	240	885	697			
01-2-7321-8216	PRINCIPAL	4,500	4,500	0	8,385	7,962			
Total PROMASTER 1 DODGE VAN		8,845	7,912	4,723	15,020	14,409	0	0	
7323 PROMASTER 2 DODGE VAN									
01-2-7323-2373	INSURANCE/AUTOMOTIVE EQUIPMENT	0	0	1,574	600	1,500			
01-2-7323-2470	PURCHASED REPAIRS - VEHICLE	0	0	0	150	150			
01-2-7323-2570	PURCHASED MAINTENANCE/VEHICLE	0	0	313	250	250			
01-2-7323-5310	FUEL & LUBRICANTS	0	0	1,754	1,750	1,750			
01-2-7323-5610	VEHICLE & EQUIPMENT PARTS	0	0	0	125	125			
01-2-7323-8215	INTEREST	0	0	233	860	676			
01-2-7323-8216	PRINCIPAL	0	0	0	8,142	7,730			
Total PROMASTER 2 DODGE VAN		0	0	3,874	11,877	12,181	0	0	
8221 TRANSFER/GENERAL CAPITAL FUND									
01-2-8221-6126	VEHICLES & MACHINERY	85,956	90,000	40,272	0	0			
Total TRANSFER/GENERAL CAPITAL FUND		85,956	90,000	40,272	0	0	0	0	
9900 INTERNAL RECOVERIES									
01-2-9900-4578	ALLOC - ENGINEERING WAGES	-1,784,160	-1,784,160	-1,832,790	-1,832,796	-1,897,812			
01-2-9900-4586	ALLOC - UTILITIES OVERHEAD	-572,902	-572,902	-529,084	-529,086	-484,047			
Total INTERNAL RECOVERIES		-2,357,062	-2,357,062	-2,361,874	-2,361,882	-2,381,859	0	0	
Total OPERATING EXPENSES		-63,766	90,000	-1,223,033	35,000	17,500			
CAPITAL REVENUE									
9120 TRANSFER FROM OPERATING RESERVE									
01-7-9120-0000	TRANSFER FROM OPERATING RESERVE	0	0	0	-85,000	0			
Total TRANSFER FROM OPERATING RESERVE		0	0	0	-85,000	0	0	0	

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Account Code : - - - To : - - -

Function Type : Selective

GENERAL REVENUE FUND							
576 - ENGINEERING - UTILITIES							
	2016	2016	2017	2017	2018		
	ACTUAL	AMEND BUDGET	ACTUAL	AMEND BUDGET	DRAFT BUDGET		
Total CAPITAL REVENUES	0	0	0	-85,000	0		
CAPITAL EXPENSI							
8221 TRANSFER/GENERAL CAPITAL							
01-8-8221-6126 VEHICLES & MACHINERY	0	0	0	85,000	0		
Total TRANSFER/GENERAL CAP	0	0	0	85,000	0	0	0
Total CAPITAL EXPENSES	0	0	0	85,000	0		
Surplus/Deficit	-160,359	0	-1,223,033	0	0		

Cowichan Valley Regional District
Budget Report by Cost Center



Account Code : - - - To : - - -

Function Type : Selective

	2016 ACTUAL	2016 AMEND BUDGET	2017 ACTUAL	2017 AMEND BUDGET	2018 DRAFT BUDGET
Summary Total Revenues	-96,593	-90,000	0	-35,000	-17,500
Summary Total Expenses	-63,766	90,000	-1,223,033	35,000	17,500
Summary Surplus/Deficit	-160,359	0	-1,223,033	0	0

COWICHAN VALLEY REGIONAL DISTRICT**2018-2022 FINANCIAL EXPENDITURE PROGRAM**

FORM C-1

Dept Function: Engineering Services - Utilities

Function: 576

TOTAL EXPENDITURE	2017	2018	2019	2020	2021	2022
Operational Costs	\$2,365,591	\$2,342,092	\$2,364,188	\$2,405,261	\$2,460,000	\$2,490,000
Long Term Debt						
Short Term Debt	31,291	39,767	45,812	54,739	50,000	50,000
Capital	85,000		50,000	50,000	60,000	60,000
Transfer to Capital Reserve						
TOTAL APPLICATION OF FUNDS	\$2,481,882	\$2,381,859	\$2,460,000	\$2,510,000	\$2,570,000	\$2,600,000
SOURCES OF FUNDS						
Requisition/Parcel Tax						
User Fee						
Transfer from Capital Reserve						
Transfer from Gas Tax Reserve	35,000					
Other	2,361,882	2,381,859	2,410,000	2,460,000	2,510,000	2,510,000
Debt Proceeds			50,000	50,000	60,000	60,000
Transfer from Operating Reserve	85,000					
Surplus/(Deficit)						
TOTAL SOURCE OF FUNDS	\$2,481,882	\$2,381,859	\$2,460,000	\$2,510,000	\$2,570,000	\$2,600,000

2016 Debt Short Term with Principle & Interest

Borrowed	Outstanding	Maturity	P & I
Truck	\$7,530	2018	\$7,680
Truck	\$6,887	2019	\$5,475
Van	\$32,944	2021	\$8,658
Van	\$31,985	2021	\$8,406
Proposed	Amount	Maturity	P & I
Truck	\$45,000	2022	\$9,548

COWICHAN VALLEY REGIONAL DISTRICT
2018-2022 FINANCIAL EXPENDITURE PROGRAM

Total

\$31,361

2018 Budget Review

Function: 576 - Engineering - Utilities

A) Core Budget

	<u>2017</u> <u>Allocation</u>	<u>Proposed</u> <u>2018</u> <u>Allocation</u>	<u>Allocation</u> <u>\$ Increase</u> <u>(Decrease)</u>	<u>Allocation</u> <u>% Increase</u> <u>(Decrease)</u>
	\$2,361,882	\$2,381,859	\$19,977	0.85%
Explanation of increase:				
Increase Wages			51,600	2.18%
Increase Benefits			13,416	0.57%
Increase Engineering Allocations (includes street light functions in 2018)			9,679	0.41%
Decrease Admin Allocations			(117)	0.00%
Decrease Bank Charges			(1,000)	-0.04%
Decrease Contignecy			(35,373)	-1.50%
Decreased costs for 2006 Utility Deisel Cube Van disposed in 2017			-5,600	-0.24%
Decreased costs for 2008 Utility Ford F350 to be disposed in mid 2018			(11,200)	-0.47%
Increased debt costs for 2015 Chev Van			1	0.00%
Increased insurance for 2017 Utility GMC Sierra			374	0.02%
Decreased costs for 2008 Utilities Smart Car to be disposed in 2017			(1,641)	-0.07%
Increased debt costs for 2013 Utility Chev Silv PU			145	0.01%
Decreased debt costs for 2016 Utilities Promaster Dodge Van			(611)	-0.03%
Increased costs for 2016 Utilities Promaster Dodge Van for full year of service			304	0.01%
		Subtotal	\$19,977	0.85%

B) Prior Year One-time Items

	<u>Allocation</u> <u>\$ Increase</u> <u>(Decrease)</u>	<u>Allocation</u> <u>% Increase</u> <u>(Decrease)</u>
Decrease Asset Management (50% project completed in 2017)	(17,500)	-0.74%
Decrease in Transfer from Gas Tax Reserve	17,500	0.74%
Decrease in Transfer from Operating Reserve	\$85,000	3.60%
Decrease in Vehicles and Machinery	-\$85,000	-3.60%
	\$0	0.00%

Subtotal sections A + B **\$19,977** **0.85%**

C) Supplemental Items

	<u>2018</u> <u>Cost</u>	<u>Allocation</u>	<u>Allocation</u> <u>% Increase</u>
1) Crane vehicle to replace 2008 Ford F350			
Capital	98,400	0	0.00%
Annual maintenance - Vehicle	Operating	15,000	
Debt Servicing	Operating	21,018	0.89%
2) Hiring Instrumentation Technician Operator (1.0 FTE)			
Wages and Benefits	Operating	115,315	4.88%
Allocations (HR and IT)	Operating	7,000	0.30%
Vehicle purchase (Short Term Debt)	Capital	45,000	0.00%
Annual maintenance - Vehicle	Operating	3,100	0.13%
Debt Servicing - Vehicle	Operating	9,550	0.40%
3) Hiring Technologist (1.0 FTE)			
Wages and Benefits	Operating	87,187	3.69%
Allocations (HR and IT)	Operating	7,000	0.30%
4) Hiring Co-op Student (One additional Term)			
Total cost	15,000	15,000	0.64%
Total Cost	\$423,570	\$280,170	11.86%

Subtotal sections A + B + C **\$300,147** **12.71%**

Notes:

1. The total uncommitted Operating Reserve available in 2017 is \$84,867

2018 BUDGET - SUPPLEMENTAL ITEMDEPARTMENT: Engineering ServicesPREPARED BY: Brian DennisonFUNCTION: 576 - Engineering UtilitiesDATE: May 25, 2017PROGRAM:PRIORITY: 2DESCRIPTION OF SUPPLEMENTAL:

Instrumentation Technician Operator plus vehicle – 2018

TOTAL ANTICIPATED COSTS: \$ 122,315 (person) \$45,000 vehicle (capital) +\$12,650 expenseIMPACT ON REQUISITION: \$ 0 -BENEFITS OF SUPPLEMENTAL ITEM:

Hiring of an instrumentation technician/operator was suggested in the 2017 Innova Report. Repair/upgrades in 2016 costs were \$115,114 (less tax). Broken down, \$31,230 were parts, \$81,513 was labour and \$2,371 was travel time. Therefore approximately \$84,000 of the annual cost of about \$135,000 (except for vehicle purchase in first year) already exists in the utility budgets. When instrumentation and programming is not required, this person can work on operational tasks.

A vehicle will be required for this person, which can be short term borrowed over 5 years. Anticipated cost is \$45,000 Capital for 2018 only, normally lasting 8-10 years. Operational costs of this vehicle, including debt are included in this overall anticipated cost. There is anticipated surplus in 2017- 576 budget due to staff vacancies.

IMPACT IF NOT APPROVED:

Continued high cost of electrical work.

FUNDING BREAKDOWN:

REQUISITION: \$

OTHER REVENUE: \$ 134,965

SPECIFY: Allocation

DEBT: \$ 45,000 TYPE: SHORT TERM TERM: 5 Yrs

RESERVES: \$

TYPE OF RESERVES:

BREAKDOWN OF ANNUAL COSTS:

SALARIES/WAGES:	91,520
BENEFITS:	23,795
DEBT: Principal and Interest costs	9,550
ALLOCATIONS: HR and IT	7,000
CAPITAL:	45,000
OTHER (SPECIFY): Vehicle Operation	<u>3,100</u>
TOTAL ESTIMATED ANNUAL COSTS:	179,965

2018 BUDGET - SUPPLEMENTAL ITEMDEPARTMENT: Engineering ServicesPREPARED BY: Brian DennisonFUNCTION: 576 - Engineering UtilitiesDATE: May 25, 2017PROGRAM:PRIORITY: 2DESCRIPTION OF SUPPLEMENTAL:

Technologist 2 – 2018

TOTAL ANTICIPATED COSTS: \$ 92,187 (person) _____IMPACT ON REQUISITION: \$ 0 - Paid by user fees & parcel tax from utility systems _____BENEFITS OF SUPPLEMENTAL ITEM:

Hiring of a Technologist was recommended in the 2017 Innova Report.

The intent is to help with the back log of work for the utility systems. Tasks will include asset management, emergency plans and other administrative work.

As inside wage costs are paid by all parcels within the utility systems, overall cost per customer is approximately \$13 per home/year.

IMPACT IF NOT APPROVED:

Inability to catch up with management of utilities.

FUNDING BREAKDOWN:

REQUISITION: \$

OTHER REVENUE: \$ 92,187

SPECIFY: User fees & parcel tax

DEBT: \$ TYPE: TERM:

RESERVES: \$

TYPE OF RESERVES:

BREAKDOWN OF ANNUAL COSTS:

SALARIES/WAGES: 69,196

BENEFITS: 17,991

SOFTWARE:

ALLOCATIONS: 7000

CAPITAL:

OTHER (SPECIFY): Vehicle Operation

TOTAL ESTIMATED ANNUAL COSTS: 92,187

2018 BUDGET - SUPPLEMENTAL ITEMDEPARTMENT: Engineering ServicesPREPARED BY: Brian DennisonFUNCTION: 576 - Engineering UtilitiesDATE: May 25, 2017PROGRAM:PRIORITY: 3DESCRIPTION OF SUPPLEMENTAL:

Operations – Co-op Student 1 additional term

TOTAL ANTICIPATED COSTS: \$ 15,000IMPACT ON REQUISITION: \$ 0BENEFITS OF SUPPLEMENTAL ITEM:

Hiring of an additional operational co-op student is intended to help for the utility operators. CVRD has had success with co-op students in the practical work settings. Often these students are in the first or second term and gain practical hands on experience while assisting operations staff in such tasks as water sampling and meter reading. In several recent cases, these students moved on to inside co-op positions later in their education. Cell phones, etc can be shared as these positions do not overlap.

IMPACT IF NOT APPROVED:FUNDING BREAKDOWN:

REQUISITION: \$

OTHER REVENUE: \$ 15,000

SPECIFY: Allocation

DEBT: \$ TYPE: TERM:

RESERVES: \$

TYPE OF RESERVES:

BREAKDOWN OF ANNUAL COSTS:

SALARIES/WAGES: 13,638

BENEFITS: 1,362

SOFTWARE:

ALLOCATIONS:

CAPITAL:

OTHER (SPECIFY): Vehicle Operation

TOTAL ESTIMATED ANNUAL COSTS: 15,000



STAFF REPORT TO COMMITTEE

DATE OF REPORT June 15, 2017
MEETING TYPE & DATE Regional Services Committee Meeting of June 28, 2017
FROM: Office of the CAO
SUBJECT: 2018 Allocation Budgets - Supplemental Requests
FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to present the senior management team's recommendations for the 2018 Allocation Budgets Supplemental Requests.

RECOMMENDED RESOLUTION

That the 2018 Allocation Budgets Tier I Supplemental Budget Requests be considered for inclusion in the 2018 Budget.

BACKGROUND

At the April 26, 2017 Board meeting staff presented a report recommending a revised budget process, this new process and budget time lines were approved. The revised Budget process includes preparing the Draft 2018 Budget exclusively based on Core expenditures and presenting Supplemental Requests for any proposed non-core expenditures and any new capital items regardless of them being replacements or not. The Draft 2018 Budgets do not include any of the Supplemental Requests; they will be presented separately and only added to the Draft Budget once the committee has approved them.

It is the responsibility of the CAO and senior staff to make recommendations to the Board on potential Budget expenditures. The purpose of this report is to present the Allocation Budgets recommendations regarding supplemental requests for consideration by the Board.

Six Tier I Supplemental Requests are being recommended, of which five are one time items.

As always, it is the goal of staff to present clear options and information to the Board. The individual supplemental requests are included in the budget reports that are being presented by the managers.

ANALYSIS

Organizational priorities, service requests and on going sustainability were considered in determining the priority of supplemental requests. The result of this review is the following list of supplemental requests, divided into three tiers:

1. Tier I supplemental requests are those deemed urgent and of highest overall priority.
2. Tier II supplemental requests are those deemed to be of an important priority.
3. Tier III supplemental requests are the remaining staff requests.

Only long-term projects of the highest overall priority for the CVRD have been recommended to be included as Tier I requests. The two large capital items, Phone Replacement and Server/Network Replacement, are recommended to be financed over five years through short term borrowing. The Roof Safety Restraint System is for staff safety and the Firewall Appliance is for security of CVRD assets. Staff are recommending the use of operating

reserves in year one for the Occupational Health and Safety Coordinator with the goal of receiving a rebate in year two and beyond, resulting in cost neutrality.

Tier 1 Supplemental Requests		Cost	Allocation % Increase
105 – IT/HR/MIA/GIS	1. New Telephone System for VOIP: Debt Payment Software/Maintenance	52,900. 37,500.	7.58 5.38
200 – Administration Office	2. Roof Safety Restraint System	15,000.	2.15
200 – Administration Office	3. Space Plan	20,000.	2.87
105 – IT/HR/MIA/GIS	4. Server/Network Replacement: Debt Payment	32,855.	5.04
105 – IT/HR/MIA/GIS	5. Firewall Application	10,000.	1.53
105 – IT/HR/MIA/GIS	6. Occupational Health and Safety Coordinator (.5 FTE)	57,556.	8.70

Tier II Supplemental Requests		Cost	Allocation % Increase
105 – IT/HR/MIA/GIS	1. IT Staff, (1.0 FTE) (wages, benefits & allocations)	78,600.	12.06
199 – GM Community Services / DM Facilities & Transit	2. Administrative Support, (1.0 FTE) (wages, benefits, allocations, other)	72,617.	18.03
576 – Engineering Utilities	3. Engineering Technologist, (1.0 FTE) (wages, benefits, & allocations)	94,187.	3.99
576 – Engineering Utilities	4. Electrician/Operator, (1.0 FTE) (wages, benefits, & allocations and new vehicle cost)	134,965.	5.73
576 – Engineering Utilities	5. Vehicle with Crane: Debt Payment	21,018.	0.89

Tier III Supplemental Requests		Cost	Allocation % Increase
105 – IT/HR/MIA/GIS	1. Ortho Photos	75,000.	12.98
105 – IT/HR/MIA/GIS	2. Land Management Software	55,000.	9.52

200 – Administration Office	3. Lighting Replacement	63,675.	9.13
576 – Engineering Utilities	4. Engineering Co-op Student	15,000.	0.64

FINANCIAL CONSIDERATIONS

Any supplemental approvals by the Board will have varying impact through out the Regional District since each of the Allocation Budgets use a different method to distribute their expenditures to the functions that use their service. As a result, staff have included the percentage increase on the respective Budget, for example, the debt payment for the new phone system of \$52,900 results in an increase to the Administration Office Budget of 5.38%.

COMMUNICATION CONSIDERATIONS


STRATEGIC/BUSINESS PLAN CONSIDERATIONS

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community & Regional Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:

Reviewed by:



 Brian Carruthers
 Chief Administrative Officer

 Not Applicable
 Not Applicable

 Not Applicable
 Not Applicable

ATTACHMENTS:

- Attachment A –
- Attachment B –

