



REPORT

To: Rural Budgets Administration Committee

Report Number: ENV-RBAC-017

From: Kari Bondaroff, Environmental Services Manager

Date: January 21, 2021

Subject: Function 603 North Peace Airport Subdivision Sewer Draft 2021 Budget

RECOMMENDATION:

That the Rural Budgets Administration Committee recommend that the Regional Board include the draft 2021 budget for Function 603 – North Peace Airport Subdivision Sewer in the 2021 Financial Plan.

BACKGROUND/RATIONALE:

The 2021 Budget Process and 2021 Budget Calendar were approved at the November 12, 2020 Board meeting. The 2021 budget is based on core expenses and presents any proposed non-core expenses as supplemental items, as required.

The 2021 draft budget is currently at \$864,795. This is a 625.3% increase from 2020. As per the Rural Budgets Administration Committee meeting on December 17, 2020, an \$800,000 Area C - PRA allocation was approved to fund the 2021 capital repairs and upgrades required for this function.

Highlights of increases and decreases in the operational portion of the draft 2021 North Peace Airport Subdivision Sewer budget include:

Operational Funding Sources:

- Parcel Tax – increase of \$5,000
- Surplus – Decrease of \$35,476
- Fees Paid – increase of \$3,000.
- Area C Fair Share – increase of \$22,131.
- Area C PRA – decrease of \$39,089.

Net sum of the above increase/decrease is -\$44,434 in revenue.

Operations:

- Wages, benefits, WCB, Contingency – increase of \$14,033.
- Insurance – decrease of \$172.
- General operations – decrease of \$49,768.
- Allocations (Admin and Fleet) – increase of \$2,549.
- Sewer Charges – increase of \$3,000.
- Transfer to capital reserve – decrease of \$14,076.

The net sum of the above increases/decreases is -\$44,434 expenditures.

Capital Funding Sources:

- PRA – increase \$789,089.
- Capital Reserve – increase \$10,911.

Net sum of the above increases is \$800,000 in revenue.

Operations:

- Capital Infrastructure – increase of \$800,000.

The net sum of the above increases is \$800,000 in expenditures.

ALTERNATIVE OPTIONS:

1. That the Rural Budgets Administration Committee provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Organizational Effectiveness
 - ☒ Develop a Corporate Asset Management Program

FINANCIAL CONSIDERATION(S):

1. The balance of the operational reserve is \$52,150.
2. The balance of the capital reserve is \$33,798.

COMMUNICATIONS CONSIDERATION(S):

A letter is going to be sent to the service area residents within the North Peace Airport Subdivision sewer system upon adoption of the 2021 Budget. This letter will notify residents of the parcel tax increase for 2021 and the future increases that will be necessary to both sustain this function as well as build capital reserves for future capital infrastructure upgrades and repairs.

OTHER CONSIDERATION(S):

None at this time.

Attachments:

1. Function 603 North Peace Airport Subdivision Sewer Draft 2021 Operational Budget.
2. Function 603 North Peace Airport Subdivision Sewer Draft 2021 Capital Budget.