



REPORT

To: Rural Budgets Administration Committee

Report Number: ENV-RBAC-024

From: Kari Bondaroff, Environmental Services Manager

Date: January 21, 2021

Subject: Function 701 North Peace Airport Subdivision Water Draft 2021 Budget

RECOMMENDATION:

That the Rural Budgets Administration Committee recommend that the Regional Board include the draft 2021 budget for Function 701 – North Peace Airport Subdivision Water 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 \$182,921. This is a 52.56% increase from 2020. As per the Rural Budgets Administration Committee meeting on December 17, 2020, a \$35,000 Area C – Fair Share allocation was approved to help fund the 2020 capital/operational repairs and upgrades required for this function. An additional \$125,000 in Area C - Fair Share allocation was made for the remainder of the hydrant repairs required for the function. Both of these allocations have been applied within the 2021 Draft Budget.

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):

Highlights of increases and decreases in the operational portion of the draft North Peace Airport Subdivision Water 2021 budget include. It should be noted that the fourth quarter billing has yet to be entered into the 2020 budget.

Operational Funding Sources:

- Parcel Tax – increase of \$5,000
- Surplus – decrease of \$24,347.
- Fees Paid – increase of \$4,000.
- Area C Fair Share – increase of \$35,000.
- Area C PRA – decrease of \$47,000.

Net sum of the above increases/decreases is -\$37,347 in revenue.

Operations:

- Wages, benefits, WCB, Contingency – increase of \$14,033.
- Insurance – decrease of \$111.
- General operations – decrease of \$29,661.
- Allocations (Admin and Fleet) – increase of \$3,425.
- Sewer Charges – increase of \$4,000.
- Transfer to capital reserve – decrease of \$19,255.

The net sum of the above increases/decreases is -\$37,347 in expenditures.

Capital Funding Sources:

- Fair Share Reserve – increase \$125,000.
- Surplus – decrease of \$29,908.

Net sum of the above increase/decrease is \$95,092 in revenue.

Operations:

- Capital Infrastructure – increase of \$95,902.

The net sum of the above increase is \$95,902 in expenditures.

Operating Reserve

- The balance of the operational reserve is \$30,211.

Capital Reserve

- The balance of the capital reserve is \$39,481.

COMMUNICATIONS CONSIDERATION(S):

A letter is going to be sent to the service area residents within the North Peace Airport Subdivision water 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 701 North Peace Airport Subdivision Water Draft 2021 Operational Budget.
2. Function 701 North Peace Airport Subdivision Water Draft 2021 Capital Budget.