



# REPORT

To: Rural Budgets Administration Committee

Report Number: CS-RBAC-006

From: Trish Morgan, General Manager of Community Services

Date: January 21, 2021

**Subject: Function 265 Buick Arena Draft 2021 Budget**

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## **RECOMMENDATION:**

That the Rural Budgets Administration Committee recommend that the Regional Board include the draft 2021 budget for function 265 – Buick Area in the 2021 Financial Plan.

## **BACKGROUND/RATIONALE:**

The Buick Arena was constructed in 2010 by the Peace River Regional District, who holds the debt for the construction. The Arena is owned by School District No 60 and the Buick Creek Community Club operates the facility with majority of their operational funding coming from a service area established by the PRRD.

The Buick Arena is in its 11<sup>th</sup> year of operation. The Buick Creek Community Club, continues to operate the facility in a fiscally responsible manner and has requested \$85,000 for operations in 2021, which is consistent with previous years' requests.

Municipal Finance Authority long-term debt payments have been adjusted starting in 2021 and due to a much lower interest rate of 1.28% (from approximately 4%), the debt payments have decreased substantially since 2010. As such \$71,699 will be able to be transferred to reserves for the Arena and the requisition will be decreased by approximately \$3,300 maintaining a relatively consistent tax rate. These funds may be used in the future to assist with capital improvements or maintenance, such as the possible addition of two more dressing rooms.

The Electoral Area 'B' Director reviewed the Buick Arena budget on Friday, January 8, 2021. Following a review of the current assessment data the transfer to reserves was reduced from \$80,000 to \$71,699 in order to maintain a similar tax rate as 2020.

## **ALTERNATIVE OPTIONS:**

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

## **STRATEGIC PLAN RELEVANCE:**

☒ Not Applicable to Strategic Plan.

**FINANCIAL CONSIDERATION(S):**

## Budget highlights:

- Requisition = \$298,000 a decrease of \$11,629 from 2020
- Long term debt = \$114,735 a decrease of \$67,182 from 2020
- Transfer to reserves = \$71,699 an increase of \$56,669 from 2020

## Operating Reserve

- 2020 Balance \$89,829
- 2021 Draft Budget – increase \$0, bringing the total to \$89,829

## Capital Reserve

- 2020 Balance \$224,132
- 2021 Draft Budget – increase by \$56,669, bring the total to \$280,801

**Tax Rate History**

2015	1.1550
2016	1.1170
2017	1.0940
2018	0.9720
2019	1.0605
2020	1.1108
2021 estimate	1.1140

**COMMUNICATIONS CONSIDERATION(S):**

None at this time.

**OTHER CONSIDERATION(S):**

None at this time.

## Attachments:

1. Function 265 - Buick Arena Draft 2021 Operating Budget
2. Buick Creek Community Club Draft 2021 Budget Submission