



REPORT

To: Chair and Directors

Report Number: FN-BRD-046

From: Teri Vetter, Chief Financial Officer

Date: February 17, 2021

Subject: Function 100 Administration Draft 2021 Budget

RECOMMENDATION #1: *[Corporate Weighted]*

That the Regional Board approve the supplementary request to purchase an Off-site Back-up server for \$70,000.

RECOMMENDATION #2: *[Corporate Weighted]*

That the Regional Board approve the supplementary request to purchase Asset Management Software for \$100,000.

RECOMMENDATION #3: *[Corporate Weighted]*

That the Regional Board approve the supplementary request to purchase a new Audio/Visual system for the Board Room for \$100,000.

RECOMMENDATION #4: *[Corporate Weighted]*

That the Regional Board approve the supplementary request to purchase Procurement Platform Software for \$10,000.

RECOMMENDATION #5: *[Corporate Weighted]*

That the Regional Board approve the supplementary request to complete Condition Assessments on the Dawson Creek Regional District office and the Field Services warehouse for \$30,000.

RECOMMENDATION #6: *[Corporate Weighted]*

That the Regional Board approve the supplementary request to upgrade the PRRD website for \$20,000.

RECOMMENDATION #7: *[Corporate Weighted]*

That the Regional Board include the draft 2021 budget for Function 100 Administration 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 \$4,881,773 for Operational expenses and \$270,000 for Capital expenses totaling \$5,151,773, a 1.76% decrease in Operations and a 57.43% increase in Capital for an overall reduction to the Administration budget of 0.22%.

Supplemental Items**General Administration**

Condition Assessment – As per the Board's Strategic Plan, Asset Management is a crucial initiative. Thus, a condition assessment for both the Dawson Creek office and Warehouse needs to be conducted to gather accurate, up-to-date data on these assets and plan for future expenses if necessary.

Finance

Asset Management Software – The PRRD currently keeps a record of all its capital assets in an excel spreadsheet, prone to error. Asset Management software is a dedicated application used to record and track assets throughout their life cycle, taking into account replacement costs and allowing the PRRD to accurately ensure that adequate reserves are in place to replace and maintain the assets when they reach the end of their useful lives. This software assists with the long-term goals of asset management and the financial plan.

Procurement Platform – Streamlines sourcing, contract management, and vendor performance. The software will remove the manual work that the PRRD does and will empower more impactful bid and RFP decision making. Currently, the PRRD uses three spreadsheets in the Procurement process. The software platform will allow the PRRD to centralize this process to become more efficient and effective in the RFP process and contract management.

Information Technology

Board Room Audio/Visual Upgrade – The PRRD has been experiencing disruptions and interference with its current audio/visual system and needs updating. This new system would include additional functionality for the Chair to control microphones and manage the speaking order, and a professional audio receiver, speakers, microphones, indicator lights, wireless handheld microphone, and any other necessary equipment.

Offsite Back-up Server – The current PRRD offsite back-up solution is approaching maximum capacity and needs an upgrade as the current one has been in service for ten years. The server provides data and server redundancy for the PRRD. As reliance on electronic data continues to grow, especially with COVID-19, a more robust, higher-capacity server is needed to keep up with growth.

Communications

Website Upgrade – The website has grown steadily since the last upgrade in 2015, but growth has not been strategically managed. The requested funds would allow detailed analysis of Google Analytics usage data; conduct task-testing and user-sorting exercises with screen movement recordings to determine the most common user behavior and paths taken on the site. Additionally, removal of out-of-date, infrequently used, and less important information. The goal is that the PRRD website has a new look and feel, more images and videos, and clear and concise information for the taxpayers while holding to the established PRRD brand.

ALTERNATIVE OPTIONS:

1. That the Regional Board provide further direction.

STRATEGIC PLAN RELEVANCE:

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

FINANCIAL CONSIDERATION(S):

Overall, the tax requisition decreased \$1,747 or 0.07% for a total of \$2,617,555 (\$2,619,302 in 2020). The 2020 approved budget was \$5,140,488 while the draft 2021 budget is \$5,151,773. Highlights of increases and decreases are provided below.

Administration expense increased by \$21,476 or 2.94%, primarily due to \$30,000 budgeted for a condition assessment on the Dawson Creek office and warehouse.

Finance expenses decreased by \$7,624 or 0.70%, primarily due to travel being reduced by \$5,500 due to COVID-19.

Corporate Services expenses decreased by \$31,151 or 2.99%, primarily due to travel being reduced by \$10,975 and a reduction in wages of \$27,226.

Information Technology decreased \$86,047 or 9% primarily due to a decrease in Consulting Services of \$150,000.

Human Resources decreased \$23,770 or 4.07% primarily due to a decrease in Transfer to Reserves of \$57,000.

Communications increased \$25,826 or 6.54% primarily due to the supplementary request of \$20,000 to upgrade the website.

COMMUNICATIONS CONSIDERATION(S):

None.

OTHER CONSIDERATION(S):

None.

Attachments:

1. Function 100 Administration Draft 2021 Budget and Tax Rate
2. F100 – Supplemental – Back-up Server
3. F100 – Supplemental – AM Software
4. F100 – Supplemental – Board Room Audio–Visual Upgrade
5. F100 – Supplemental – Procurement Platform
6. F100 – Supplemental – Condition Assessment
7. F100 – Supplemental – Website Upgrade