



REPORT

To: Chair and Directors

Report Number: ENV-BRD-034

From: Rural Budgets Administration Committee

Date: February 17, 2021

Subject: Function 606 Kelly Lake Sewer Draft 2021 Budget

The following recommendation from the January 21, 2021 Rural Budgets Administration Committee meeting is being presented to the Regional Board for its consideration:

RECOMMENDATION: *[Corporate Weighted]*

That the Regional Board include the draft 2021 budget for Function 606 – Kelly Lake 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 \$165,701, an increase of \$46,098 or 39.35% from 2020. As per the Rural Budgets Administration Committee meeting on December 17, 2020, a \$100,000 Area D - PRA allocation was approved to fund the 2021 condition assessment for this function.

ALTERNATIVE OPTIONS:

1. That the Regional Board provide further direction.

STRATEGIC PLAN RELEVANCE:

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

FINANCIAL CONSIDERATION(S):

Highlights of increases and decreases in the draft 2021 Kelly Lake Sewer budget include:

Funding Sources:

- Parcel Tax – increase of \$4,687.
- Surplus – increase in deficit of \$2,452.
- Transfer from operating reserve – increase of \$21,039.
- PRA – increase of \$11,495.

Net sum of overall increase in revenue is \$46,098.

Operations:

- Wages and benefits – increase of \$7,374.
- Insurance – increase of \$485.
- General operations – increase of \$37,228.
- Allocations (Admin and Fleet) – increase of \$3,463.

Net sum of overall increase in expenses is \$46,098.

Operating Reserve

- The balance of the operational reserve is \$21,736.

Capital Reserve

- The balance of the capital reserve is \$12,077.

COMMUNICATIONS CONSIDERATION(S):

Due to the increase in parcel tax for the benefitting area (which comprises 21 properties), staff will compile a notification letter to send out to residents to inform them of the proposed increase to requisition and the reasons for the increase. Residents within the benefitting area will receive the document in advance of the tax notices, which go out before the end of Q2 2021.

OTHER CONSIDERATION(S):

None.

Attachments:

1. Function 606 Kelly Lake Sewer Draft 2021 Budget and Parcel Tax.