



# REPORT

To: Chair and Directors

Report Number: ENV-BRD-035

From: Rural Budgets Administration Committee

Date: February 17, 2021

**Subject: Function 607 Rolla Sewer Draft 2021 Budget**

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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 607 – Rolla 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 \$707,490 inclusive of both capital and operational activities. This is an increase of \$587,205 or 488.18% from 2020.

As per the Rural Budgets Administration Committee meeting on December 17, 2020, a \$587,200 Area D – Gas Tax allocation was approved to fund the 2021 repairs, upgrades, and infrastructure replacement based on the 2020 condition assessment for the treatment facility portion of this function. Additionally, a \$50,000 Area D – PRA allocation was approved to fund the 2021 condition assessment on this function's collection facility portion.

**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 2021 draft budget are provided below:

- Operational Funding Sources:
  - Parcel Tax – \$75,010 (no change)
  - Surplus – increase of deficit of \$11,328
  - Transfer from operating reserve – increase of \$6,608
  - Gas Tax – increase of \$26,000
  - PRA – \$50,000 (no change)

Net sum of overall increase in operational revenue is \$26,005.

- Operations:
  - Wages and benefits – increase of \$8,950
  - Insurance – increase of \$408
  - General operations – increase of \$13,612
  - Allocations (Admin and Fleet) – increase of \$2,363

Net sum of overall increase in operational expenses is \$26,005.

- Capital Funding Sources:
  - Gas Tax – increase of \$561,200.
- Capital Expenditures:
  - Capital Infrastructure – increase of \$561,200.

The balance of the operational reserve, excluding the budgeted amount: \$7,616 and the balance of the capital reserve is \$10,540.

**COMMUNICATIONS CONSIDERATION(S):**

None.

**OTHER CONSIDERATION(S):**

None.

Attachments:

1. Function 607 Rolla Sewer Draft 2021 Budget and Parcel Tax.