



REPORT

To: Chair and Directors

Report Number: CS-BRD-044

From: Rural Budgets Administration Committee

Date: February 17, 2021

Subject: Function 265 Buick Arena 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 265 – Buick Arena 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 the majority of their operational funding coming from a service area established by the PRRD.

The Buick Arena is in its 11th 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.

The overall draft budget is \$341,149. This is an increase of \$31,520 or 10.18% from 2020. This increase is primarily due to transfer to reserves.

ALTERNATIVE OPTIONS:

1. That the Regional Board provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Not Applicable to Strategic Plan.

FINANCIAL CONSIDERATION(S):

Budget highlights:

- Requisition - decrease of \$11,629
- Long term debt - decrease of \$67,182
- Transfer to reserves - increase of \$56,669

Operating Reserve

- 2020 Balance \$89,829
- 2021 Draft Budget – increase \$43,149 bringing the total to \$132,978

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.

OTHER CONSIDERATION(S):

None.

Attachments:

1. Function 265 Buick Creek Arena Draft 2021 Budget and Tax Rate