



# REPORT

To: Chair and Directors

Report Number: ENV-BRD-030

From: Rural Budgets Administration Committee

Date: February 17, 2021

**Subject: Function 603 North Peace Airport Subdivision Sewer 2021 Draft 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 603 – North Peace Airport Subdivision 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 \$864,795, an increase of \$776,649 or 651.39% from 2020. As per the Rural Budgets Administration Committee meeting on December 17, 2020, an \$800,000 Area C - PRA allocation was approved to fund the 2021 Capital repairs and upgrades required 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 operational portion of the 2021 draft budget are provided below.

- Operational Funding Sources:
  - Parcel Tax – increase of \$5,000.
  - Surplus – decrease of \$35,476.
  - Fees Paid – increase of \$3,000.
  - Area C Fair Share – increase of \$22,131.
  - Area C PRA – decrease of \$39,089.

Net sum of the above increase/decrease is -\$44,434 in revenue.

- Operations:
  - Wages, benefits, WCB, Contingency – increase of \$14,033.
  - Insurance – decrease of \$172.
  - General operations – decrease of \$49,768.
  - Allocations (Admin and Fleet) – increase of \$2,549.
  - Sewer Charges – increase of \$3,000.
  - Transfer to capital reserve – decrease of \$14,076.

The net sum of the above increases/decreases is -\$44,434 expenditures.

- Capital Funding Sources:
  - PRA – increase \$789,089.
  - Capital Reserve – increase \$10,911.

Net sum of the above increases is \$800,000 in revenue.

- Operations:
  - Capital Infrastructure – increase of \$800,000.

The net sum of the above increases is \$800,000 in expenditures.

The balance of the operational reserve is \$52,150 and the balance of the capital reserve is \$33,798.

### **COMMUNICATIONS CONSIDERATION(S):**

A letter is going to be sent to the service area residents within the North Peace Airport Subdivision sewer system upon adoption of the 2021 Budget. This letter will notify residents of the parcel tax increase for 2021 and the future increases that will be necessary to both sustain this function as well as build capital reserves for future capital infrastructure upgrades and repairs.

### **OTHER CONSIDERATION(S):**

None at this time.

Attachments:

1. Function 603 North Peace Airport Subdivision Sewer 2021 Draft Budget and Parcel Tax