



REPORT

To: Chair and Directors

Report Number: ENV-BRD-026

From: Rural Budgets Administration Committee

Date: February 17, 2021

Subject: Function 430 Rolla Creek Dyking 2021 Draft 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 430 – Rolla Creek Dyking 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 \$30,424. This is a decrease of \$32,051 or 51.3% from 2020. As this function has an extremely small tax base (6 parcels), with only \$488 in operating reserve and zero capital reserve, it is necessary to utilize the residual Peace River Agreement (PRA) funds of \$28,924 to assist with the funding of the core budget.

ALTERNATIVE OPTIONS:

1. That the Regional Board provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Organizational Effectiveness

FINANCIAL CONSIDERATION(S):

Highlights of increases and decreases in the 2021 draft budget are provided below:

- Funding Sources:
 - Parcel Tax – decrease of \$375.
 - Surplus – decrease of \$1,360.
 - Transfer from PRA – decrease of \$33,036.

The net sum of the above increase/decrease is -\$32,051.

- Operations:
 - Wages, benefits, WCB, Contingency – increase of \$14,913.
 - Liability Insurance – increase of \$223.

- General operations – decrease of \$51,968.
- Allocations (Admin and Fleet) – increase of \$4,781.

The net sum of the above increases/decrease is -\$32,051.

The balance of the Rolla Creek Dyking operational reserve, including the 2020 surplus, is \$487 and there is no capital reserve.

COMMUNICATIONS CONSIDERATION(S):

None.

OTHER CONSIDERATION(S):

Given the small tax base, there will be challenges in maintaining the function in order to build its reserves and ensure that the dyke remains in compliance with provincial legislation. The following are the primary steps that will be conducted in order to attempt to get this function self-sustaining. It needs to be recognized that there may be additional steps required depending on the outcome of these first steps.

1. Board approval to amend bylaw to increase operational expenditure to a maximum of \$35,000.
2. Seek Ministry approval of bylaw amendment, to allow for 6 parcels to pay these operational costs through parcel tax.
3. Communication with the service area residents to inform them of the budgetary requirements.

Attachments:

1. Function 430 Rolla Creek Dyking Draft 2021 Budget