



REPORT

To: Rural Budgets Administration Committee

Report Number: FN-RBAC-062

From: Teri Vetter, Chief Financial Officer

Date: March 18, 2021

Subject: Sub-Regional Recreation Insurance Reserve

RECOMMENDATION:

That the Rural Budgets Administration Committee receive the report titled "Sub-Regional Insurance Reserve – FN-RBAC-062", which provides background on the Sub-Regional Recreation Insurance Reserve, for discussion.

BACKGROUND/RATIONALE:

On February 18, 2021, the Rural Budgets Administration Committee passed the following resolution:

On May 19, 2005, the Rural Budgets Administration Committee passed the following resolution:

MOVED, SECONDED and CARRIED

That the Rural Budgets Administration Committee authorize that a report on the history and uses of the Sub-Regional Recreation Insurance Reserve fund be provided to a future Rural Budgets Administration Committee meeting.

MOVED, SECONDED and CARRIED

- a) that a not for profit society be formed with seven first directors with the purpose of seeking better property insurance rates for its members;
- b) that there be a \$1,000 allocation from the 2005 South Peace Rural Grants-in-Aid for the proposed society;
(please note: this \$1,000 grant is incorporated into the 2005 South Peace Rural Recreation and Culture Grants-in-Aid)
- c) that the \$100,000 South Peace Sub-Regional Rural Grants-in-Aid budget contingency be placed in a reserve for future use by the proposed society;
- d) that the South Peace Sub-Regional Rural Grants-in-Aid budget be increased from \$120,000 to \$130,000; and
- e) that section #9 of the Recreation and Culture Grants-in-Aid form be referred to the Grant Criteria Committee to determine relevance.

From researching this reserve further, it appears that the \$100,000 was put in a reserve fund for South Peace Rural Community Benefits Society (formerly South Peace Insurance Committee) and the objectives of the society were to:

- Cooperative and collectively secure fair property insurance for members;
- Educate and encourage not-for-profits to raise community halls to BC building code standards;
- Educate and encourage not-for-profits to risk management and liability related issues; and

- To encourage full participation in the society.

The society was incorporated on November 23, 2006 and was dissolved on June 25, 2010 due to failure to file.

ALTERNATIVE OPTIONS:

1. That the Rural Budgets Administration Committee provide further direction on how to move forward with this reserve.

STRATEGIC PLAN RELEVANCE:

- ☒ Not Applicable to Strategic Plan.

FINANCIAL CONSIDERATION(S):

Original amount transferred to reserve was \$100,000. In 2019 and 2020, \$25,000 was budgeted as a transfer to this reserve. The balance as at December 31, 2020 was \$170,585.45.

In 2021, \$25,000 has been budgeted as a transfer to reserve in Function 221 -Sub-Regional Recreation, which will bring the 2021 balance to \$195,585.45 plus any interest earned.

COMMUNICATIONS CONSIDERATION(S):

None.

OTHER CONSIDERATION(S):

This reserve fund could be reallocated to offset requisition in future years in Function 221 -Sub-Regional Recreation or could be utilized to grant funding to not-for-profits to pay insurance premiums.

Attachments:

1. April 27, 2007 Information Report
2. BC Society Summary as of January 26, 2021