

Item 7.7

2172 Collison Ave
P.O. Box 183
Masset, BC
V0T 1M0

DIXON ENTRANCE MARITIME MUSEUM SOCIETY

December 1, 2012

Ms. Jennifer Robb, Treasurer
Skeena-Queen Charlotte Regional District
100 - 1st Ave East
Prince Rupert, BC
V8J 1A6

Dear Ms. Robb:

Re: D.E.M.M.S. request for funding assistance for the year 2013

The Board of Directors requests a grant of \$8000 for the year 2013.

The following documentation is enclosed:

- Stats for the year 2011 and 2012 to date for comparison
- A copy of our Operating Budget for the year 2013 with anticipated Income/Expenses.
- A copy of our Account Balances Report as of December 1, 2012
- A copy of our 2012 Income & Expenditures Statement.
- A copy of Income/Expense Comparison by Category 2011/2012
- A copy of our Online Banking Transactions for the 2012 to December 1, 2012
- A copy of our Reserve and Cheque Registers for 2012

The other sources of funding that we have are:

- Annual Christmas Social & Auction which is put towards our Operating Expenses
- Spring Tea & Loonie Auction ***
- Door Admissions
- Artists Sales Commissions
- Rental of our Gallery space and building

*** We are using the profits raised from our Annual Spring Tea & Loonie Auction to pay for the installation of a "Fire Detection System" in the museum.

The \$1,534.48 presently in the Reserve Account are being held for this purpose and when sufficient funds are available this system will be installed.

The lighting in the museum is in some need of upgrading (not safety related) but this has been put off into the future.

.....

January 15, 2013
Page 2

With the exception of the three summer months when we have 3 members of the community staff the museum for 4 hours a day at \$10.00 an hour, the museum is operated by all volunteers from the community and the Board of Directors.
We are a "hands on" Board of Directors.

If I have missed any information you require please call me at (250) 626-3671 or my home e-mail address "jafajack@gmail.com".

We thank the Regional Board of Directors for their consideration of our request for funding and appreciate the financial support we have received in the past.

Yours truly,

Jack Thorgeirson
Treasurer

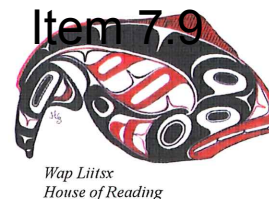
Haida Gwaii Regional Recreation Commission - 2013 Requested Budget

Operating Costs	Rent	\$350.00 /month		\$4,200.00
	Office	Postage		\$1,100.00
		Supplies		\$2,400.00
		Bank Charges		\$120.00
	Casual Assistants	\$20.00 /hour	4 hrs/week	\$4,160.00
	Interim Coordinator	\$24.48 /hour	32 hrs/week	\$14,100.48 *
		EI	2.64%	\$372.25
		CPP	4.95%	\$697.97
		Vacation Pay	4%	\$564.02
		WCB	1.01%	\$142.41
	Bookkeeper	\$20.00 /hour	10 hrs/week	\$10,400.00 **
		EI	2.64%	
		CPP	4.95%	
		Vacation Pay	4%	
		WCB	1.01%	
	Advertising			\$10,840.00
	Telephone and Fax			\$1,850.00
	Internet Router Installation			\$900.00
	Website Maintenance			\$600.00
	Commissioner's Travel /Meetings			\$2,000.00
	Co-ordinator's Travel /Meetings			\$3,500.00
	BCRPA Conference			\$2,600.00
	Special Events			\$900.00
	Moresby Island Travel Fund			\$1,800.00
	Waiver Updates			\$1,500.00
Total - Haida Gwaii Regional Recreation Commission (HG Rec)				<u>\$64,747.14</u>

* note this increase is as a result of the contracted Interim Coordinator Jan-Apr 2013

** note that was the 2012 Book-Keeper wage

Prince Rupert Public Library



101 6th Avenue West, Prince Rupert, B.C. V8J 1Y9 Phone: 250-627-1345 Fax: 250-627-7743 www.princerupertlibrary.ca

Board of Directors
Skeena-Queen Charlotte Regional District
100-1st Ave E
Prince Rupert, B.C. V8J 1A6

November 12, 2012

To the Board,

The Prince Rupert Library is asking for a grant of **\$5,000.00** for **2013** to support library service to outlying areas of the SQCRD. This figure is calculated on a formula of \$2.62 per capita in Electoral areas A and C, based on Electoral A population of 1334 and Electoral C population of 572. Population figures used are the 2011 Census.

Attached you will find:
SOFI for 2011
Budget for 2013
2012 Budget Projected and Actual until July 31
Current financial statement to October 31, 2012

Over the past several years our main source of support has decreased and economies have been realized wherever we can find them. The grant we receive from the SQCRD matches the grant we receive from the province to provide library service to outlying areas. It goes to support the online services accessed through our website: the library catalogue, Library To Go – a service that provides free downloads of talking books and ebooks to library members, online databases, and reference service available through email or telephone. Upon request, residents in outlying areas also receive books and other library materials through the mail.

We thank you for supporting our goal to provide service to the communities in the Regional District. Your annual grant is an important part of the budgeting process each year and we rely on it.

Please contact me if you require any information.

Sincerely,

Joe Zelwietro
Chief Librarian
Prince Rupert Library

Prince Rupert Library

Budget 2013

Revenues	2013 Budget
Fines	11,000
Fees	2,500
Lost Books	1,000
Copier Service	1,000
Rentals	500
Donations	7,000
Internet	6,000
Sales Revenue	6,000
Digitization Grant	14,000
Prov Grants	81,000
Fed Grants	9,000
Municipal Grant	522,000
Other Grants	16,000
Total Revenues	677,000

Expenditures	
Wages	420,000
Benefits	94,000
Collections	70,000
Prof Development	5,000
Office supplies	6,000
Equipment	2,000
Furniture	3,000
Computer Technology	9,000
Digitization Project	7,000
Postage/Freight	5,000
Public Relations	1,000
Misc. Expenses	2,000
Bldg Maint.	20,000
Utilities	25,000
Communications	8,000
Total Expenditures	677,000

Prince Rupert Library

Budget 2012

	2012 Budget	2012 Budget (July 31)	Projected Year End 2012
Revenues			
Fines	11,000	5,327	11,000
Fees	2,500	1,277	2,500
Lost Books	1,000	544	1,000
Copier Service	1,000	442	1,000
Rentals	500	0	200
Donations	7,000	1,265	5,000
Internet	6,000	2,347	6,000
Sales Revenue	5,000	3,167	5,000
Digitization Grant	14,000	7,000	14,000
Prov Grants	80,000	81,521	81,521
Fed Grants	9,000	10,413	10,413
Municipal Grant	522,000	522,000	522,000
Other Grants	37,295	22,942	37,000
Total Revenues	696,295	658,245	696,634
Expenditures			
Wages	420,000	218,580	420,000
Benefits	94,045	53,808	94,045
Collections	70,000	42,162	70,000
Prof Development	5,000	2,706	5,000
Office supplies	6,000	5,302	6,000
Equipment	2,000	400	2,000
Furniture	3,000	267	3,000
Computer Technology	10,000	9,318	10,000
Digitization Project	7,000	122	7,000
Modernization Project	17,000	16,995	16,995
Postage/Freight	5,000	1,213	5,000
Public Relations	1,250	80	1,200
Misc. Expenses	3,000	582	3,000
Bldg Maint.	20,000	11,656	20,000
Utilities	25,000	16,213	25,000
Communications	8,000	3,694	8,000
Total Expenditures	696,295	383,098	696,240

Department Report



GL5330

Page : 1

Date : Nov 02, 2012

Time : 2:13 pm

Year : 2012

Period : 10

Budget : Final Budget

Group by: Default

Description	Open Bal	Current	Year to Date	Budget	Variance	% Used
LIBRARY						
LIBRARY OPERATING FUND						
REVENUES						
70100 LIBRARY FINES	-7,028	-776	-7,804	0	7,804	0
70200 FEES	-1,739	-426	-2,165	0	2,165	0
70300 LOST BOOKS	-632	-40	-672	0	672	0
70400 COPIER SERVICE	-661	-87	-747	0	747	0
70600 DONATIONS	-1,449	-2,649	-4,098	0	4,098	0
70700 INTERNET REVENUE	-3,309	-359	-3,668	0	3,668	0
70800 BOOK SALES REVENUE	-3,633	-1,461	-5,095	0	5,095	0
70900 MISCELLANEOUS	-164	-132	-297	0	297	0
71000 PROVINCIAL GRANTS	-88,521	0	-88,521	0	88,521	0
71100 FEDERAL GRANTS	-12,320	0	-12,320	0	12,320	0
71110 LIBRARY MODERNIZATION GRANTS & DC	-18,663	0	-18,663	0	18,663	0
71200 MUNICIPAL GRANT	-522,000	0	-522,000	0	522,000	0
71300 OTHER GRANT	-8,779	0	-8,779	0	8,779	0
LIBRARY	-668,897	-5,931	-674,828	0	674,828	
REVENUES	-668,897	-5,931	-674,828	0	674,828	
EXPENDITURES						
71000 SALARIES, WAGES & BENEFITS	371,680	36,472	408,152	0	-408,152	0
71300 MOVING/RECRUITMENT	154	0	154	0	-154	0
73100 COLLECTION MATERIALS	48,934	794	49,727	0	-49,727	0
74100 PROFESSIONAL DEVELOPMENT	3,814	0	3,814	0	-3,814	0

Department Report



Date : Nov 02, 2012

Time : 2:13 pm

Year : 2012
Period : 10

Budget : Final Budget

Description	Open Bal	Current	Year To Date	Budget	Variance	% Used
LIBRARY						
75100 OFFICE SUPPLIES	6,030	48	6,078	0	-6,078	0
75110 EQUIPMENT	567	0	567	0	-567	0
75120 FURNITURE	1,434	151	1,585	0	-1,585	0
75130 COMPUTER TECHNOLOGY	9,532	0	9,532	0	-9,532	0
75135 DIGITIZATION PROJECT	3,311	13,755	17,066	0	-17,066	0
75140 POSTAGE AND FREIGHT	2,095	0	2,095	0	-2,095	0
75150 PUBLIC RELATIONS	301	63	364	0	-364	0
75165 LIBRARY MODERNIZATION	16,955	0	16,955	0	-16,955	0
75170 MISCELLANEOUS EXPENSES	955	0	955	0	-955	0
76100 BUILDING MAINTENANCE	14,584	1,024	15,608	0	-15,608	0
76110 UTILITIES	18,950	1,878	20,828	0	-20,828	0
76120 COMMUNICATIONS	5,535	0	5,535	0	-5,535	0
77702 LIBRARY COMPUTERS	-356	0	-356	0	356	0
LIBRARY	504,474	54,185	558,658	0	-558,658	
EXPENDITURES	504,474	54,185	558,658	0	-558,658	
LIBRARY OPERATING FUND	-164,424	48,254	-116,170	0	116,170	
LIBRARY Total	-164,424	48,254	-116,170	0	116,170	

January 6, 2013

TO:

Skeena Queen Charlotte Regional District (SQCRD)
Chair and Directors of the Board
100 First Avenue East
Prince Rupert, BC V8J 1A6

FROM:

Dodge Cove Recreation Society (DCRS)
Lou Allison, Director
PO Box 789
Prince Rupert, BC V8J 3Y1

Thank you to the SQCRD for granting a request made in January 2012 for \$2000 for operating costs of the Dodge Cove community building. We had not thought to receive the grant due to budget constraints and it was a pleasant and welcome surprise to receive the funds in December after all.

I am writing on behalf of the Dodge Cove Recreation Society (DCRS) to request a grant of \$2000 from the SQRD to help with the maintenance and operating costs in 2013.

Our operating costs have remained fairly constant in the last few years. Improvements to the building have not resulted in the reduction in Hydro costs that we hoped. Our Hydro bill for November and December 2012 was very high. We had some glitches with the wiring done during our last round of renovations, and on Friday January 4, the electrician came back for the third time. We sincerely hope we have the final bugs worked out and we can realize the hoped for savings.

Please find enclosed copies of our financial statements to the end of 2011. In 2012, we put a proper overhang on the NW end of the roof, and finished painting inside, spending the last of the funds raised for that purpose. Our bookkeeper will have the 2012 figures ready for our AGM in April. If the board wishes, we can provide those figures at that time.

We greatly appreciate your assistance in helping us maintain and operate this building, which is central to our community life.



Lou Allison
Director, DCRS

cc. Des Nobels, Representative to the SQCRD for DC

ORCA

Oona River Community Association

October 15, 2012

Jennifer Robb, CMA
Treasurer
100 1st Ave. East
Prince Rupert, BC
RE:- Requested funds

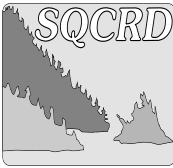
Dear Ms. Robb,

On behalf of the Orca, I would like to take this opportunity to that the Regional District for the past few years of providing funds to assist with our BC Hydro & Telus payments to keep our local community center open.

Again we are asking for your support to provide \$2500.00 for the year to be used for the hydro and phone bills. The facility is being enjoyed by all and has been very well received by our visitors to the community.

Thank you in advance for your support.
Sincerely

Mark Rudderham
President
Orca



STAFF REPORT

DATE: January 19, 2013

FROM: Joan Merrick, Chief Administrative Officer
Jennifer Robb, Treasurer

SUBJECT: 2013 Budget Process

Recommendation:

THAT the Board receives the staff report “2013 Budget Process”.

Background:

As part of the annual budget, staff has prepared an overview of the process which they hope will serve both to inform the new Directors and to act as a refresher to existing Directors of the recommended process to be used.

Overview:

Budget / Financial Plan / Provisional Budget

Although the terms “budget and “financial Plan” are interchangeable, for this purpose, the term “budget” is used when referring to the current year and “financial plan” is used when referring to the five-year plan. The “Financial Plan” process should be a logical, orderly series of steps - detailed, yet fairly simple to follow - designed to ensure the goals and objectives of the organization are quantified and executed.

In order to carry on activities and operations prior to the adoption of the financial plan in March, a provisional budget is used. The provisional budget is the annual budget for the current year that was approved by the Board as part of the previous year’s financial plan and is in effect between January 1st and the adoption of the new Financial Plan in March. For example, when the 2012 Financial Plan was approved, it included five years of budgets - 2012 through 2016. The amounts approved for 2013 (as part of the 2012 bylaw) will serve as the 2013 provisional budget.

Five Year Financial Plan 2012 - 2016

Exhibit 1: Administration

2011 Actual	2011 Budget	2012 Budget	2013	2014	2015	2016
				Financial Plan		

This becomes the Provisional Budget for 2013 until the adoption of the new budget bylaw.

Between January 1st and the adoption of the financial plan in March, expenditures are limited to those included in the Provisional Budget until the adoption of the new financial plan. If an expenditure is required that is not included in the provisional budget, staff is required to seek the approval of the Board prior to making the expenditure. For capital projects that were approved but not completed in the prior year, staff will seek Board approval to amend the provisional budget to include those projects.

Regional District Services

Regional Districts differ from municipalities in that each service is treated as if it were a stand-alone service in terms of funding and expenditures. While some services are funded by all the electoral areas and member municipalities, others are funded only by the participants identified within the service establishment bylaws. For example: Everyone participates in Administration while only the island communities participate in the Island Solid Waste service. This has implications in terms of who can vote on certain issues regarding a service.

The *Local Government Act* is specific in that the cost of each service must be borne by that service, including the cost of administration. To this end, a number of costs that are recorded under the administration function are recovered as support service charges to other functions or services. A separate report has been prepared by staff to further explain support service allocations.

Strategic / Policy Direction

A key element to the financial plan process is the role that the Board and Staff play:

1. The role of the Board is to provide strategic and policy direction to staff for all activities carried out by the Regional District.
2. The role of Staff is to evolve the strategic and policy direction into work plans designed to achieve the desired Board-directed results – that is, the objectives contained within the Strategic Plan.

The SQCRD does not currently have a strategic plan; however, the Board's commitment to proceed with a priority setting workshop in April should contribute to the development of a strategic plan over time.

Financial Sustainability

Another important aspect to note is the need to strive for financial sustainability. In recent years, financial sustainability has come to the forefront in order to help local governments address the ever increasing pressure to become more fiscally prudent, while still addressing the demand for services. A financial sustainability policy addresses key areas of concern such as growth, demand for services, alternative revenues, capital and surplus funds and specifies guidelines to aid the Board in making sound decisions in relation to achieving stable, equitable and affordable taxation and fees in relation to the services provided.

Although the Board has not adopted a formal financial sustainability policy, it has implemented a number of key principles of financial sustainability, such as not using one-time revenues to fund ongoing costs.

The Process

The Financial Plan process includes three rounds of review prior to the adoption of the final financial plan in the form of a bylaw. Progressively, during the three rounds of discussion and review, the financial plan should be matured and refined to a level of taxation and service that is acceptable to the Board.

Staff recommends the Board use the following system for reviewing the Financial Plan and making changes if required:

1. Each function / service's financial plan will be reviewed and discussed individually by the Board. The Board should make motions for each financial plan to either amend or approve it as presented.
2. Motions should be in the form of:
 - a. Receive the individual financial plan as presented.
(This would mean that the financial plan would be automatically brought back for further review at Round 2).
 - b. Amend the individual financial plan and refer to Round 2 for further review.
 - c. Receive the individual financial plan as presented and refer to Round 3.
(This could be used if no further changes are anticipated prior to adoption. The whole financial plan would be subject to review for the final time at Round 3.)

Example of the motions are as follows:

MOVED by Director XX, SECONDED by Director YY, that the Round 1 financial plan for Administration be received as presented.

Or

MOVED by Director XX, SECONDED by Director YY, that the Round 1 financial plan for Administration be amended to include \$xxxx under legal expenses for the xxx project.

Or

MOVED by Director XX, SECONDED by Director YY, that the Round 1 financial plan for Oona River Telephone be referred to round three as presented.

The goal, as the Board moves through the three rounds of review is to refine the financial plan so that, by the time it is presented for public consultation (following Round 2), it is a substantially complete document. Changes during Round 3 should be minor or

that were the result of public input or some other unknown factor. The final review happens during Round 3. At the March 15th, 2013 Board meeting, when the bylaw is brought forward for adoption (with the Round 3 numbers), it is more of a housekeeping matter and there should be no expectation that further changes would be made to the financial plan at that time.

Although most of the focus is directed to the current year budget, it is important to remember that the subsequent four years included in the financial plan should also be reviewed. This helps to identify trends such as user fees not keeping up with costs and to ensure that the Board is aware of any significant projects that have been identified for future years; i.e.: replacement of capital.

Round One (R1) – January 19th, 2013 (a full day of review)

This is when the most comprehensive review should take place. As it is the first opportunity for the Board to review the financial plan, staff encourages Directors to ask questions on any item of concern.

Following the direction provided by the Board in Round 1, the financial plan will be amended by staff and reproduced for review in Round 2.

Round Two (R2) – February 9th (half-day review).

During Round 2 discussions, further amendments may be identified. At the end of Round 2, the financial plan, including any identified amendments, should be a close representation of the desired final financial plan.

Public Consultation

The public consultation process takes place between Rounds 2 and Round 3, when the financial plans have been “matured” to provide a realistic representation of the budget, taxation and service impacts. The public process required by the *Local Government Act* does not specify a particular format for the public consultation. Staff recommends the following for the public consultation process:

1. All budget meetings are open to the public and the meeting times and agendas will be posted to the website and notice board. Paper copies of the financial plan will be available upon request.
2. Following Round 1, the financial plan will be amended as directed and subsequently forwarded to the CAOs of each member municipality, the Moresby Island Management Committee, and any other agencies or committee the Board recommends. In addition, it will be posted to Regional District website.
3. Following Round 2, the financial plan will be amended as directed and subsequently forwarded to the agencies identified in 2 above, with an explanation of any significant changes from Round 1. It will be posted to the website along with an invitation for the public to provide written comments.

Round Three (R3) – March 2nd, 2013 (half-day review)

Following the direction provided in Round 2, the financial plan will be amended by staff and reproduced for review in Round 3. Round 3 is the final opportunity for the Board to make changes to the financial plan in preparation for its adoption.

Financial Plan Bylaw Adoption – March 15th, 2013

The financial plan bylaw must be adopted before March 31st each year. Following Round 3, staff will make any final amendments and update all tax calculations using the Revised Assessment Rolls. The Financial Plan Bylaw will be produced for three readings and adoption by the Board.



STAFF REPORT

DATE: January 19, 2013

FROM: Joan Merrick, Chief Administrative Officer
Jennifer Robb, Treasurer

SUBJECT: Administrative (Support Services) Overview

RECOMMENDATIONS:

THAT the staff report entitled “Administrative (Support Services) Overview” be received.

REASON FOR REPORT:

The purpose of this report is to provide background on the SQCRD administrative (support service) allocation, including the corresponding legislation.

BACKGROUND:

The terms administration, support services, and general government are frequently used interchangeably. For clarity, staff recommends that, going forward, the following terms be used:

Administration – is the common name for the individual service referred to under section 804 (2)(a) of the *Local Government Act* (or General Administration). This is also commonly referred to as “General Government”.

Electoral Area Administration – is the common name for the individual service referred to under section 804 (2)(b) of the *Local Government Act*.

Support Services – is used to describe the resources used (within the General Administration service) in support of other services.

Support Services Recovery – is the budget line item that transfers the cost of support services from Administration to other services.

Support Services Allocation – refers to the method or model used to calculate the support service recovery.

There are a number of important matters related to the cost of Administration for the Regional District and the support service allocation that staff wishes to emphasize, including:

Legislation:

1. Regional Districts were created, by statute, to provide a structure for regional governance. One of their purposes is to provide a political forum for representation of residents and communities and a vehicle for advancing the interests of the region as a whole.
2. Section 804 (2) of the *Local Government Act* specifies that the cost of “General Administration” is to be borne by all the participating electoral areas and municipalities within the regional district. Any taxation used to fund those costs should be apportioned on the basis of the converted value of land and improvements in the service area, with the service area deemed to be the entire regional district.
3. Section 803.1 of the *Local Government Act* specifies that all costs incurred by a regional district in relation to a service, including the cost of administration attributable to the service, are part of the costs of that service.

What the above means is that the Skeena-Queen Charlotte Regional District has a legislative obligation to provide regional governance for which the costs must be borne by the whole of the region, and that the costs for this “General Administration” (Administration Service) must be borne by the whole region and any taxation must be distributed based on the assessed values.

It also means that other services established by the Regional District, whether for the whole region or for a specified area, must “pay their own way”.

Although the legislation is silent on what costs are considered to be Administration costs which must be funded by the whole region, it is widely recognized that the “Board costs”, as well as any costs that would be incurred for the “continued operation” of the Regional District, are considered part of the Administration service. For the purposes of this Discussion, staff proposes that “Board costs” include Board remuneration, meeting expenses, travel costs, and other expenses incurred for the Board to meet and carry on the business of the Regional District. Costs associated with the “continued operation” would include those expenses related to the Regional District having a physical presence and to having sufficient staff capacity to undertake the Board directives and meet any legislative requirements related to regional governance. To put it another way, Administration would include all the costs the Regional District would incur if it did not provide any other services but still existed as a government body.

Principles:

In relation to the requirement for a service to bear “all” the costs of providing that service, there are two principles that are used to ensure that costs are distributed appropriately:

1. **Direct costs** – those costs that can be readily identified and assigned to a particular project or service. Direct costs are charged to the service or services for which they were incurred and are not allocated through a support service recovery.
2. **Indirect costs** – those costs that cannot be readily identified with a particular project or service. Indirect costs may be allocated to the appropriate services based on a formula or logical method or they may be charged to Administration and then recovered through an administrative (support service) allocation.

Because of the complexity of identifying and allocating the appropriate support service costs, it is important to establish a system or model by which administration costs are allocated. There is no prescribed method for allocating support service costs and what works for one region may not be appropriate for another; however, a support service allocation model should have the following characteristics:

- a) Fairness - services should pay for the support services they consume;
- b) Transparency - it should be clear what support services and how much a service pays for;
- c) Consistent and equitable application;
- d) Application of generally accepted accounting principles;
- e) Ease of administration; and
- f) Easily understood by the Board, administration and service participants.

Regional Districts that have numerous services and large budgets tend to have a measure of equity built into the allocation models based on the volume and breadth of recoveries made. For the SQCRD, which has a limited number of services, developing a model that meets the above characteristics is difficult. In addition, there is limited historical information on which to base estimates of the relativity of certain costs to various services.

History:

Staff has reviewed the administrative recovery for the past four years (2009 to 2012) and, although the rationale to how the recovery was calculated has not been documented, staff has noted the following:

- Significant changes have been made over the past three years - in the amount recovered and the number of services contributing.
- The net amount contributed by the Administration service to the staffing costs has remained relatively constant over the past three years (slight increase in line with cost of living increases).
- In 2009, only 31% of the staff wages and benefits charged to Administration were recovered from other services. Many services were not charged any administration.
- In 2012, 56% of staff wages and benefits charged to Administration were recovered from other services. This demonstrates that the cost of new staffing added since 2009 is being funded by services other than Administration.

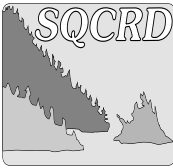
Another aspect that staff has identified as unusual in the SQCRD budget is the way the cost for Electoral Area Director remuneration and 40% of the basic grant from the province is separated out from General Administration. It is important to note that all areas pay into General Administration including the electoral areas, but only the electoral areas pay into Electoral Area Administration. It should also be noted that if the costs borne by the Electoral Administration service and the offsetting grant were flowed through General Administration, the municipal contribution to taxation would increase by \$62,000.

In speaking with the Ministry, this was identified as unusual; however, the legislation is silent on what costs should be borne by Electoral Area Administration. Given the complexity of this region and the nature and scope of services provided by the Regional District, this practice may have some merit; however, staff recommend reviewing this in conjunction with the Support Service allocation during budget discussions.

CONCLUSION:

Staff will present a separate report with a comprehensive analysis of support service costs and the proposed allocation model during budget discussions; however, staff would like to point out that significant improvements have been made over the past three years.

An important part of the support service allocation process is to continually review the allocation model and to strive for recovery that meets the principles above. Staff continues to look for ways to refine the allocation and ensure fairness to all the participating areas.



STAFF REPORT

DATE: April 11, 2012

FROM: Joan Merrick, Chief Administrative Officer
Jennifer Robb, Treasurer

SUBJECT: Support Service Allocation 2013

Recommendation:

THAT the Board receives the staff report “Support Service Allocation 2013”.

Background:

The support service allocation is reviewed annually as part of the budget process. In recent years, several changes have been implemented in the way the allocation has been calculated in an attempt to provide a fair distribution method.

Discussion:

Staff has reviewed the General Administration budget to identify costs that could be appropriately distributed to other services through a support service recovery. While staffing costs continue to be the largest cost identified for recovery (90%), staff is recommending that other costs including the cost for liability insurance, some Human Resource (HR) consulting, the annual maintenance of the accounting system and the annual audit fees could also be distributed. This recognizes that various services benefit from incurring these costs. It is important to note, however, that a portion of these costs is also borne by General Administration, as it also benefits.

A summary of the various distribution methods is provided below:

1. Staffing (refer to Appendix A):

The cost of wages, benefits and other staff related costs, such as training or conferences, is distributed on a percentage basis to all services. Although the allocation is somewhat subjective, staff feels that over time the distribution is fair. In other words, although the amount of time staff spend on a particular issue or service in any one year will vary, over time the allocation should prove to be equitable and a strong representation of the work undertaken by staff.

For 2013, staff have included a more detailed allocation model for the clerical staff by splitting out proportionately the amount of time spent on accounts receivable, accounts payable, payroll, utility billing, and general clerical. This provides more clarity in regard to the tasks performed and which services benefit from that time (i.e.: Island solid Waste and Sandspit Water are the only two services that benefit from utility billing).

2. Other Costs (refer to Appendix B):

The proposed allocation of the following costs is new for 2013.

- a. Liability Insurance – the cost of Liability Insurance (\$7,600) is allocated out proportionally to those services that generate the greatest risk for the Regional District, as well as the size of the budget (i.e. Recreation carries a greater liability than Recycling).
- b. Human Resources – although staff propose to include \$5,000 in the Administration budget to update various corporate policies related to human resources and recruiting (this is proposed to be funded from the 2012 surplus), staff has also included \$5,000 for HR consulting which has been allocated based on the number of staff for each service. This amount will to be used to update job descriptions and to address some staffing issues specific to some of the services.
- c. Accounting System – the annual maintenance costs (\$11,000) for the Vadim system have been distributed based on the size and complexity of the budgets.
- d. Audit – the cost of the annual audit (\$15,000) has been distributed based on the size and complexity of the budgets.

The combined support service allocation is shown in **Appendix C**. One area that stands out to staff is the allocation to Electoral Area Administration. There is little work done directly by staff for Electoral Area Admin, however, since 2010 there has been roughly \$50,000 of staff time absorbed by the electoral areas in recognition that some staff spend time on electoral area issues regardless of whether there has been a service established or not (eg., feasibility studies, emergency programming, and working with the various committees established for some of the electoral areas).

Administrative Support Allocation**Staffing Allocation 2013 Round 1**

Administrative Support Allocation		Staffing Allocation 2013 Round 1							Clerks												
										\$ 117,057 25%		25%		10%		20%		20%			
	CAO	Treasurer	Dep. Corp Officer	Accounts Receivable	Accounts Payable	Utility Billing	Clerical	Payroll	CAO	Treasurer	Dep. Corp Officer	Accounts Receivable	Accounts Payable	Utility Billing	Clerical	Payroll	General	2013 Total			
Wages and Benefits									157,014	113,198	86,070	29,264	29,264	11,706	23,411	23,411		473,339			
Other costs									1,800	4,600	5,300						175	11,875			
Total									158,814	117,798	91,370	29,264	29,264	11,706	23,411	23,411	175	485,214			
Administration / Gen Government	36.0%	35.0%	100.0%		10.0%		100.0%	38.0%	57,173	41,229	91,370	-	2,926	-	23,411	8,896		225,007			
Electoral	30.0%	3.0%			2.0%			14.0%	47,644	3,534	-	-	585	-	-	3,278		55,041			
Emergcnry Programs	0.0%								-	-	-	-	-	-	-	-		-			
Rural Planning	13.0%	1.0%		0.0%	10.0%				20,646	1,178	-	-	2,926	-	-	-		24,750			
Reg Recycling	7.0%	25.0%		30.0%	30.0%			28.0%	11,117	29,450	-	8,779	8,779	-	-	6,555		64,680			
ISWAC	7.0%	25.0%		50.0%	30.0%	67.0%		17.0%	11,117	29,450	-	14,632	8,779	7,843	-	3,980		75,801			
Reg Waste Man									-	-	-	-	-	-	-	-		-			
Feasibility	0.0%								-	-	-	-	-	-	-	-		-			
QCI Recreation	2.0%	2.0%			2.0%			3.0%	3,176	2,356	-	-	585	-	-	702		6,820			
Mainland Recreation	0.0%	0.0%			0.0%				-	-	-	-	-	-	-	-		-			
PR Regional Archives	0.5%	0.5%			2.0%				794	589	-	-	585	-	-	-		1,968			
North Pacific Cannery	0.5%	0.5%			2.0%				794	589	-	-	585	-	-	-		1,968			
Haida Gwaii Museum	0.5%	1.0%			2.0%				794	1,178	-	-	585	-	-	-		2,557			
Van Island Reg. Library	0.5%	0.5%			2.0%				794	589	-	-	585	-	-	-		1,968			
Sandspit Fire	0.5%	1.0%			2.0%				794	1,178	-	-	585	-	-	-		2,557			
Sandspit Water	2.0%	5.0%		20.0%	6.0%	33.0%			3,176	5,890	-	5,853	1,756	3,863	-	-		20,538			
Econ Dev	0.5%	0.5%							794	589	-	-	-	-	-	-		1,383			
Projects - DC Water, SS Hall									-	-	-	-	-	-	-	-		-			
Oona River Telephone									-	-	-	-	-	-	-	-	175	175			
MM Debt									-	-	-	-	-	-	-	-		-			
Gas Tax									-	-	-	-	-	-	-	-		-			
Landfill Closure									-	-	-	-	-	-	-	-		-			
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	158,814	117,798	91,370	29,264	29,264	11,706	23,411	23,411	175	485,214			
									-	-	-	-	-	-	-	-		-			

Administrative Support Allocation**Other Costs Allocation 2013 Round 1**

	Vadim	Audit	Liab. Ins	HR		Vadim	Audit	Liab. Ins	HR	2013 Total
Other costs						11,100	15,000	7,600	5,000	38,700
Total						11,100	15,000	7,600	5,000	38,700
Administration / Gen Government	35.0%	35.0%	20.0%	38.0%		3,885	5,250	1,520	1,900	12,555
Electoral	1.0%	1.0%	3.0%	14.0%		111	150	228	700	1,189
Emergency Programs						-	-	-	-	-
Rural Planning	1.0%	1.0%	2.0%			111	150	152	-	413
Reg Recycling	24.0%	24.0%	15.0%	28.0%		2,664	3,600	1,140	1,400	8,804
ISWAC	24.0%	24.0%	15.0%	17.0%		2,664	3,600	1,140	850	8,254
Reg Waste Man						-	-	-	-	-
Feasibility						-	-	-	-	-
QCI Recreation	3.0%	3.0%	25.0%	3.0%		333	450	1,900	150	2,833
Mainland Recreation	0.0%	0.0%				-	-	-	-	-
PR Regional Archives	0.5%	0.5%				56	75	-	-	131
North Pacific Cannery	0.5%	0.5%				56	75	-	-	131
Haida Gwaii Museum	0.5%	0.5%				56	75	-	-	131
Van Island Reg. Library	0.5%	0.5%				56	75	-	-	131
Sandspit Fire	1.0%	1.0%				111	150	-	-	261
Sandspit Water	8.0%	8.0%	20.0%			888	1,200	1,520	-	3,608
Econ Dev	1.0%	1.0%				111	150	-	-	261
Projects - DC Water, SS Hall						-	-	-	-	-
Oona River Telephone						-	-	-	-	-
MM Debt						-	-	-	-	-
Gas Tax						-	-	-	-	-
Landfill Closure						-	-	-	-	-
	100.0%	100.0%	100.0%	100.0%	0.0%	11,100	15,000	7,600	5,000	38,700

Administrative Support Allocation**Total Allocation 2013 Round 1**

Administrative Support Allocation		Total Allocation 2013 Round 1					Clerks								
	2009 allocation	2010 allocation	2011 allocation	2012 allocation	2013 allocation	CAO	Treasurer	Dep. Corp Officer	Accounts Receivable	Accounts Payable	Utility Billing	Clerical	Payroll	Other Costs	2013 Total
Wages and Benefits	294,615	432,973	447,941	460,448	473,339	157,014	113,198	86,070	29,264	29,264	11,706	23,411	23,411	-	473,339
Other costs			34,550		50,575	1,800	4,600	5,300						38,875	50,575
Total	294,615	432,973	482,491	460,448	523,914	158,814	117,798	91,370	29,264	29,264	11,706	23,411	23,411	38,875	523,914
Gen Government	204,656	242,460	247,312	219,797	237,562	57,173	41,229	91,370	-	2,926	-	23,411	8,896	12,555	237,562
Electoral Admin	7,105	53,000	53,884	63,196	56,230	47,644	3,534	-	-	585	-	-	3,278	1,189	56,230
			-	-	-	-	-	-	-	-	-	-	-	-	-
Rural Planning	6,340	24,000	10,238	19,214	25,163	20,646	1,178	-	-	2,926	-	-	-	413	25,163
Reg Recycling	34,978	32,000	45,623	47,905	73,484	11,117	29,450	-	8,779	8,779	-	-	6,555	8,804	73,484
ISWAC	38,257	47,000	76,549	68,549	84,055	11,117	29,450	-	14,632	8,779	7,843	-	3,980	8,254	84,055
Emergency Programs	Included as part of electoral area Admin			-	-	-	-	-	-	-	-	-	-	-	-
Reg Waste Man	-	-	500	-	-	-	-	-	-	-	-	-	-	-	-
Feasibility	-	-	250	250	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-
QCI Recreation	2,186	2,661	5,156	5,140	9,653	3,176	2,356	-	-	585	-	-	702	2,833	9,653
Mainland Recreation	-	-	400	400	-	-	-	-	-	-	-	-	-	-	-
PR Regional Archives	-	-	3,500	3,500	2,099	794	589	-	-	585	-	-	-	131	2,099
North Pacific Cannery	-	-	4,200	4,200	2,099	794	589	-	-	585	-	-	-	131	2,099
Haida Gwaii Museum	-	-	2,550	3,556	2,688	794	1,178	-	-	585	-	-	-	131	2,688
Van Island Reg. Library	-	-	1,750	1,750	2,099	794	589	-	-	585	-	-	-	131	2,099
Sandspit Fire	-	252	1,250	1,250	2,818	794	1,178	-	-	585	-	-	-	261	2,818
Sandspit Water	1,093	9,600	11,079	19,817	24,146	3,176	5,890	-	5,853	1,756	3,863	-	-	3,608	24,146
Econ Dev	-	-	1,750	1,750	1,644	794	589	-	-	-	-	-	-	261	1,644
Projects - DC Water, SS Hall	-	10,000	16,000	-	-	-	-	-	-	-	-	-	-	-	-
Oona River Telephone	-		500	175	175	-	-	-	-	-	-	-	-	175	175
MM Debt			-	-	-	-	-	-	-	-	-	-	-	-	-
Landfill Closure		12,000	-	-	-	-	-	-	-	-	-	-	-	-	-
	294,615	432,973	482,491	460,448	523,914	158,814	117,798	91,370	29,264	29,264	11,706	23,411	23,411	38,875	523,914

**BOARD REPORT – SPECIAL MEETING (BUDGET)**

DATE: January 19, 2013
FROM: Jennifer Robb, Treasurer
SUBJECT: Budget Overview 2013

Summary:

The budget, as presented, is primarily status quo with some adjustments to grants and inflation where appropriate. Budget line items that appeared to be out of line with the actuals for 2012 have been adjusted where appropriate.

Of significance is the new format for the budget. With the implementation of the new accounting system (Vadim) staff have moved away from budgeting in excel and are now able to provide a much more detailed budget for each department or service. In comparing the new budget to 2012 budget and actuals staff caution that there is still some work to be done on the 2012 numbers. The conversion to the new system was not as seamless as would be hoped and staff are still in the process of “cleaning up” both the budget and actual figures for 2012 to ensure they are reflected in the appropriate accounts..

For this first budget review staff have made refinements to the administration recovery allocation. These refinements more accurately reflect the amount of staff support required for each service. Please refer to the staff report for more details.

The grants-in lieu have been kept at the 2012 actual levels.

Also note that the grants for various agencies and nonprofit groups have been updated per their budget requests.

Budgets:

Department 110 – Administration

2012 – The estimated surplus for this department is approximately a \$35,000, primarily due to the 3rd management position being filled in the second quarter.

2013 – This budget has been adjusted for inflation in some of the line items such as wages.

Overall taxation for this function has decreased by 6.8% or \$23,913.

Professional Fees was the largest increase of \$7,000. This reflects the costs associated with hosting strategic planning sessions with John Talbot during 2013. In addition, a one-time cost of \$5,000 for HR Consulting to address corporate policies has been included. Staff suggests that these one-time costs be funded from the 2012 surplus.

Overall on the revenue side, the most significant change is the increase to the Support Service Recovery of \$45,200 to bring the total recovered up to \$286,352

Investment income was higher than anticipated by \$6,800. Staff have adjusted the investment income budget to a more realistic level but caution against raising it any higher.

The budgeted amount for Director Remuneration (as per Bylaw 537) was increased by 2%. In addition, as per the bylaw an additional \$1,200 increase for each board member in December 2013 has been included.

Memberships for 2013 were increased for the Coastal Community Network membership. In 2013 the fee has risen to \$3,600.

Additional cost savings have been noted in the following areas: Building Maintenance (\$16,200), Staff Training & Conferences (\$4,300), Postage (\$3,000), Email/Website (\$1,050) and Bank Charges (\$825).

The savings in postage reflects the cost allocation from the Administration function out to the appropriate service. Staff have recovered postage costs from billing from Sandspit Water, Solid Waste Collection and Regional Recycling as it more accurately reflects the true cost of the service.

Staff have also included funds for the C2C Forum hosted by Port Edward. Staff would like to confirm that the Board is interested in participating in the event.

2014 to 2017 – The subsequent years include an inflationary factor. No other significant changes have been made.

Staff Recommendations: That the budget for the Administration be approved as presented.

And that the Board supports participation in the 2013 C2C Forum hosted in Port Edward.

Department 120 - Electoral Areas

2012 – On budget for 2012.

2013 – This budget represents an overall tax increase of 2.7% or \$2,760.

Cost increases are represented in the following areas: Director Travel (\$7,320), Director Conferences (\$4,640), Director Benefits (\$1,100) and staff travel (\$1,000).

Decreases in costs are noted in: Support Services Allocation (\$7,000), Memberships (\$2,000) and meeting expenses (\$1,500).

Budgeted amounts for Director Remuneration was further refined. Although the total budget amount has decreased, Electoral Area Director Remuneration has experienced the same increase as in Administration (Cost of Living increase of 2% and \$1,200 increase).

2014 to 2017 – The subsequent years include an inflationary factor. No other significant changes have been made.

Staff Recommendations: That the budget for the Electoral Area Administration be approved as presented.

Department 130 - Elections

This department contributes \$5,000 each year towards the cost of elections. These funds are set aside to minimize large tax swings in election years. In the years 2014 and 2017, funds (\$15,000 + interest) will be withdrawn to pay for the related elections expenses.

Staff Recommendations: That the budget for Elections be approved as presented to Round 3.

Department 170 – Grant in Aid

This department contributes \$2,400 a year towards the Prince Rupert Transition House.

Staff Recommendations: That the budget for Elections be approved as presented to Round 3.

Department 171 – Grant in Aid – Area A

This department contributes \$660 a year towards Dodge Cove Solid Waste Removal.

Staff Recommendations: That the budget for Elections be approved as presented to Round 3.

Department 174 – Grant in Aid – Area E

This department contributes \$4,000 a year towards operations in Electoral Area E. This \$4,000 is split between costs of Sandspit Hall Insurance (\$2,850) and the Sandspit Community Society (\$1,150).

Staff Recommendations: That the budget for Elections be approved as presented.

Department 190 - Municipal Debt Service

This service is a direct recovery of the debt service costs related to member municipality borrowing. All costs are recovered directly from the municipalities. There is no recovery for administration costs for this service.

Staff are in the process of reviewing the debt schedule and will update the budget for Round 2 to reflect any debentures maturing during the course of the financial plan.

Staff Recommendations: That the budget for the Municipal Debt Service be referred to the next round of budget discussions.

Department 210 - Sandspit Volunteer Fire Department

2012 – On budget.

2013 – This service has reached its taxation limit of \$27,500. As this service has reached its taxation limit, the grant has been adjusted accordingly to balance the budget.

Staff Recommendations: That the budget for SVFD be approved as presented.

Department 220 – Emergency Program Areas A & C

2012 – Surplus of \$5,000.

2013 – This department contributes \$5,000 a year towards the cost of emergency planning. Previously this was budgeted under Planning. Staff have separated out this amount between two new functions to provide clarity.

Staff Recommendations: Staff is seeking direction regarding this budget.

Department 225 – Emergency Program Areas D & E

2012 – This department has a total surplus of \$38,500. In 2011 year \$28,500 was budget and remains unspent (\$10,000 for Area E and \$18,500 for Area D). In addition, \$10,000 that was budgeted under planning for “Emergency Planning” has been moved to this function.

2013 –\$10,000 has been budgeted in.

With the proposed split of Emergency Planning into separate services for Area D and E the amounts will need to be updated.

Staff Recommendations: Staff is seeking direction on this budget.

Department 310 - 319 – Islands Waste Management

Rob Kidd presenting

In order to better show the true cost of the components that make up the total cost of Island Solid Waste Service, staff have split this budget into the following functions:

- 310 – General**
- 311 – Recycling**
- 313 – Hauling**
- 315 – Transfer Station**
- 317 – Landfill**
- 319 – Collection**

2012 – The 2012 was on budget.

2013 – There are a number of large cost increases in the overall ISW budget including:

- 1) Increase in Support Service Allocation (\$15,506)
- 2) Road access (\$19,000) – this is required approximately every three years
- 3) Additional Costs associated for Recycling primarily related to the operations at the depot in Queen Charlotte (\$24,000)
- 4) Additional lease costs for the new Haul Truck (\$18,900)

In order to keep taxation within the limit of \$140,000, have eliminated the transfer to reserve.

2014 to 2017 – Inflationary increases have been included for wages, utilities and fuel. Replacement Bins have been budgeted every 2 years including 2015 and 2017. As well, the road access has been included in the 2016 budget.

It is important to note that there are no proposed increases to user fees, however, this should be reviewed in light that this budget has reach the maximum taxation level.

Staff Recommendations: Staff is seeking direction regarding the Island Solid Waste budget.

Department 330 - Regional Waste Management

2012 – This service has had a surplus for several years. In 2012 the balance was transferred in to a reserve for future use.

2013 – For 2013 staff have not budgeted any funds.

2014 to 2017 – Not applicable.

Staff Recommendations: That the Regional Waste Management Budget be received as presented

Department 340 - Mainland Recycling

Tim DesChamp presenting

2012 – Mainland Recycling had an approximate surplus of \$15,000 in 2012.

2013 - The budget, as presented, includes stable revenue estimates as projected by the Manager.

In regard to expenditures, the largest increase is due to the adjustment of the Support Service Allocation. Other areas of increases include Benefits (\$7,500) and Baler lease payments (\$20,100).

Cost Savings have been recorded in: Repairs and Maintenance (\$4,800), Building Maintenance (\$3,500) and Repairs & Maintenance for the Facility (\$4,500).

Taxation has been increased by \$25,000. There is an amount (\$20,000) included as 'Required Revenue' which is due to the increase lease costs for the new baler. Staff had previously recommended some options to address these costs and will provide more details for Round 2.

2014 to 2017 – The financial plan continues to be adjusted for inflationary increases

Staff Recommendations: That the budget for the Mainland Recycling Service be referred to the next round of budget discussions.

Department 510 - Rural Land Use Planning

2012 –This department had an approximate surplus of \$18,000. Savings were noted in the following areas: Contract services (\$13,600), Professional fees (\$8,458) and Grants (\$6,200).

2013 – The Support Services allocation is the most significant increase for 2013. This increased by 23% or \$6,000.

The increased costs for 2013 are partially offset by the recovery of Planning Fees based on the new Planning Procedures Bylaw (549-2013).

2014 to 2017 – The financial plan includes the continuation of the planning consultant funding, GIS mapping as well as the clerical support funding.

Staff Recommendations: That the budget for the Planning Service be approved as presented.

Department 570 - Economic Development

2012 – The Regional District had budgeted for a grant from NDI in the amount of \$35,000 which was provided to the Misty Isles Economic Development Society.

2013 – The budget is presented as status quo with the \$35,000 grant being split equally between the Misty Isles Economic Development Society and a project for the mainland rural areas. What is the project???

2014 to 2017 - The financial plan is presented with no changes for the subsequent years.

Staff Recommendations: That the budget for the Economic Development service be approved as presented.

Department 710 - Prince Rupert Regional Archives

2012 – The 2012 budget included a grant of \$64,504 to the archives.

2013 – The grant requested is shown in the budget at \$70,900. This represents a 10% increase to the grant.

2014 to 2017 – The financial plan has been presented with the increase continued throughout the subsequent years.

Staff Recommendations: That the Board consider whether to increase the operating grant as requested for the Prince Rupert Regional Archives Service.

Department 715 - North Pacific Cannery (Port Edward Historical Society)

2012 – The 2012 budget allowed for a grant of \$84,000.

2013 – At the time of writing this report NPC had not submitted a formal funding request for 2013. The tax limit for this service is \$100,000 under Bylaw 208.1.

2014 to 2017 – The financial plan includes a continuation of the 2012 actual grant for the subsequent four years.

Staff Recommendations: That the Budget for the North Pacific Cannery be received as presented.

Department 720 - Haida Gwaii Museum & Arts Council Contributions

2012 – A small budget surplus of \$3100 due to an increase of Grant in Lieu payments.

2013 – The budget is status quo. Please see requests below:

	2011 Actual	2012 Actual	2013 Request
Haida Gwaii	35,000	40,000	40,000
Dixon Entrance	8,000	8,000	8,000
Port Clements Historical	8,500	8,500	8,500
HGI Arts Council*	3,500	3,500	3,500
Delkatla Nature Centre	2,000	2,000	4,000
Total	\$57,000	\$64,000	\$64,000

** To date we have not received a funding request from the HG Arts Council.*

2014 to 2017 – The budget shows a continuation of the requested budget.

Staff Recommendations: That the Board consider the operating grants as requested for the Haida Gwaii Museum and Arts Council Contributions Service.

Department 725 - Vancouver Island Regional Library

2012 – This service had a small surplus (\$870).

2013 – The Vancouver Island Regional Library has increased their levy to \$38,690.

2014 to 2017 – The financial plan does not include any increases for future years. However, the library may request increased funding based on the formula used by them as per the Library act.

Staff Recommendations: That the budget for Vancouver Island Regional Library Service be approved as presented.

Department 730 – Haida Gwaii Recreation

2012 – This service has a small surplus of approximately \$4,300.

2013 – The budget includes an increase to the core grant of 34% or \$16,521 to cover the cost for the interim recreation coordinator. This is offset by a decrease in the wages for the co-ordinator while she is on unpaid leave. As well they have requested \$1,500 for updating the waiver forms. The Support Service allocation was increased by \$4,513.

2014 to 2017 – The staffing costs have been adjusted back. No other changes.

Staff Recommendations: That the Board approve the budget for the Haida Gwaii Recreation Service as presented.

Department 750 - Mainland Recreation

2012 – This service provided small grants of \$2000 for the Dodge Cove Hall and \$2500 for the Oona River Hall.

2013 – The department now budgets for the following grants: Oona River Community Association (\$2,500), Oona River Community Hall Insurance (\$2,235), Dodge Cove Community Association (\$2,000), Prince Rupert Public Library (\$4,000). The hall insurance and library grant were previously budgeted under Electoral Area Administration. Staff have moved them to this service as administration was no an appropriate mechanism to fund these costs.

The Prince Rupert Public Library has requested an increase of \$1,000 increasing their total grant to \$5,000. This is not reflected in the current budget.

2014 to 2017 – No changes have been incorporated into the financial plan.

Staff Recommendations: Staff is seeking direction from the Board regarding this service.

Department 810 - Sandspit Water Utility

2012 - The 2012 actuals resulted in a small surplus (\$4,400). This is mainly due to the savings in Professional Fees (\$5,000).

2013 – The budget for 2013 has a number of small changes. The support service allocation has increased by \$4,300 to better reflect the amount of staff time dedicated to this department. As well, utilities have been adjusted to 2012 actual levels.

The 2013 budget and Financial plan does not currently include a contribution to reserves.

Note: presently this budget is not balanced and requires an adjustment to revenues (see '*Required Revenue*'). Because it is funded through parcel tax and user fees, consideration needs to be given to increasing one or the other to adequately fund the service on a go forward basis.

It should be noted that parcel taxes are generally used for capital replacement; however currently all parcel taxes are being used to fund operations.

Some of these concerns should be addressed when the new fees bylaw is adopted.

2014 to 2017 – The financial plan shows the grant at the levels requested by MIMC.

Staff Recommendations: That the Board consider whether to increase the operating grant to MIMC and options for increasing revenues;

Department 901 - Feasibility Studies

2012 - The 2012 budget included a contribution of \$5,000 towards building a feasibility reserve.

2013 – The 2013 budget maintains the contribution of \$5,000 towards the “Feasibility Fund”.

2014 to 2017 – The financial plan continues with an annual contribution of \$5,000 towards building the “Feasibility fund”.

Staff Recommendations: That the Board approve the Feasibility Studies budget as presented.

Department 950 - Oona River Local Telephone Service

2012 – On budget.

2013 – No changes have been made to this budget.

2013 to 2017 – This debt will be paid off in 2014.

Staff Recommendations: That the budget for Oona River Telephone Service be approved as presented to Round 3.