

**SKEENA-QUEEN CHARLOTTE REGIONAL DISTRICT
SPECIAL BOARD MEETING (BUDGET)**

AMENDED AGENDA

**344 2nd Avenue West, Prince Rupert, BC
Saturday, February 21, 2015
10:00 A.M.**

1. CALL TO ORDER

2. CONSIDERATION OF AGENDA (additions/deletions)

3. BOARD MINUTES & BUSINESS ARISING FROM MINUTES

None	-
------	---

4. STANDING COMMITTEE/COMMISSION MINUTES – BUSINESS ARISING

None	-
------	---

5. DELEGATIONS

5.1 Allen Langdon, Managing Director, Multi-Material BC – MMBC Program as it Pertains to the Skeena-Queen Charlotte Regional District	Verbal
---	--------

6. FINANCE

Round 2 of the draft 2015 – 2019 Skeena-Queen Charlotte Regional District (SQCRD) Financial Plan was distributed to the Board and is available on the SQCRD website.	-
--	---

7. CORRESPONDENCE

7.1 Sandspit Community Hall - 2015 Budget	Pg 1-3
7.2 Haida Gwaii Regional Recreation Commission – 2015 Requested Budget	Pg 4
7.3 Sandspit Emergency Preparedness Planners – 2015 Budget Request	Pg 5

8. REPORTS / RESOLUTIONS

8.1	J. Robb, Treasurer – Support Service Allocation – Sandspit Water	Pg 6-7
8.2	J. Robb, Treasurer – Reserve Funds	Pg 8-9
8.3	T. Des Champ, Recycling Operations Manager – Mainland Recycling – Staffing Levels Robb, Treasurer	Pg 10
<u>Add:</u> <u>8.4</u>	J. Robb, Treasurer – 2015 Budget – Round 2 Summary	Pg 11-15

9. FINANCIAL PLANS' REVIEW

9.1	Administration - Function [110]	Budget P 1-3
9.2	Islands Solid Waste - Function [310 - 319]	Budget P 12-18
9.3	Regional Recycling (Mainland) - Function [340]	Budget P 19-21
9.4	Electoral Area Administration – Function [120]	Budget P 4-5
9.5	Grant-in-Aid Area D – Function [173]	Budget P 6-7
9.6	Grant-in-Aid Area E – Function [174]	Budget P 8-9
9.7	Sandspit Fire – Function [210]	Budget P 10-11
9.8	Haida Gwaii Museum – Function [720]	Budget P 22-23
9.9	Haida Gwaii Recreation – Function [730]	Budget P 24-25
9.10	Sandspit Community Hall – Function [735]	Budget P 26-27
9.11	Sandspit Water – Function [810]	Budget P 28-29

10. OLD BUSINESS

None	-
------	---

11. NEW BUSINESS

None	-
------	---

12. PUBLIC INPUT**13. IN-CAMERA**

None.	-
-------	---

14. ADJOURNMENT**NEXT MEETING:**

**Special Board Meeting (Budget) to be held via teleconference
On Saturday, March 7, 2015 at 3:00 p.m.**

Jennifer Robb

From: Joan Merrick (SQCRD) <jmerrick@sqcrd.bc.ca>
Sent: January-16-15 11:25 AM
To: treasurer@sqcrd.bc.ca
Subject: Proforma budget for Bylaw estimates.xlsx
Attachments: Proforma budget for Bylaw estimates.xlsx

Jennifer

Here is the budget we worked from for the referendum. It shows a total of \$15,000 hall operating deficit that MIMC was carrying since the hall was remodeled.

It is saved under L:\ Sandspit Hall but you may want to save it with your 2015 budget info

Joan

Sandspit Hall - Budget

	2015	2019 **	
Hall Rental	\$ 2,000	\$ 2,000	* \$166 per month
Fund Raising	500	500	
Total Revenues	2,500	2,500	

Expenditures		
Utiliites - Hydro/water/garbage	\$ 4,495	\$ 5,572
Operating Expenses	2,438	2,598
Maintenance	1,071	1,159
Property Insurance	2,700	2,916
Liability Insurance	2,100	2,268
Deficit Repayment		3,000
Reserve Contribution	-	
Reg. Dist. Admin	2,100	2,583
Repayment of Referendum Costs	2,596	
Total Expenditures	17,500	20,096

Net Deficit - Taxation Required	\$ 15,000	\$ 17,596
--	------------------	------------------

* \$15,000 deficit accumulated since 2010 (\$3k per year for 5 years)

* no reserve contribution until referendum and deficit paid off

* Audit/ Budget / Tax Requisition / Bylaw Maint /

* Repay referendum costs off over 2 years (\$2596 & \$1204)

** 2% inflation per year except hydro at 8%

Tax limit for bylaw	2015/16	\$ 15,000
	2017/18	\$ 17,500
	2019/20	\$ 20,000
Thereafter maximum of 25% every 5 years as allowed in LGA if required		

My Budget

	Total
Gwaii Tel Revenue	250
hall donations	200
hall rentals	2,500
sqcrd Grant	15,000
cleaning supplies	-250
Grounds Maintenance	-300
Hydro	-3,300
Janitorial Services	-480
Liability Insurance	-2,100
major repair contingency fund	-1,000
Office	-120
Pest Control	-250
Postage and Delivery	-60
Property Insurance	-2,700
Regional District Admin	-2,100
Repairs And Maintenance	-1,100
repayment to SQCRD	-3,000
Telephone	-900
Water and garbage	-280
Total income:	17,950
Total expenses:	-17,940
Difference:	10

R2

S/S Hall
Budget

Page 2

Page 1

Jun	Jul
21	21
17	17
208	208
1,250	1,250
-21	-21
-25	-25
-275	-275
-40	-40
-175	-175
-83	-83
-10	-10
-21	-21
-5	-5
-225	-225
-175	-175
-92	-92
-250	-250
-75	-75
-23	-23
1,496	1,496
-1,495	-1,495
1	1

Haida Gwaii Regional Recreation Commission - 2015 Requested Budget**Operating Costs**

Rent	\$350.00	/month			\$4,200.00
Office	Postage				\$500.00
	Supplies				\$2,400.00
	Bank Charges				\$180.00
Casual Assistants	\$20.00	/hour	4	hrs/week	\$4,160.00
Bookkeeper	\$22.00	/hour	10	hrs/week	\$11,440.00
	EI	2.24%			\$256.26
	CPP	4.95%			\$566.28
	Vacation Pay	4%			\$457.60
	WCB	1.30%			\$148.72
Advertising					\$9,800.00
Telephone and Fax					\$2,800.00
Website Maintenance					\$600.00
Commissioner's Travel /Meetings					\$2,950.00
Co-ordinator's Travel /Meetings					\$6,000.00
BCRPA Conference / Training					\$2,600.00
Special Events					\$900.00
Moresby Island Travel Fund					\$1,500.00
Waiver Updates					\$1,500.00

Total - Haida Gwaii Regional Recreation Commission (HG Rec)**\$52,958.86**

SEPP Budget Meeting

A meeting was held at noon on Wednesday, January 14, 2015 at the Sandspit Airport Boardroom.

Present: Bob Ells, Peter Grundmann, Behn Cochrane, Corinne Precourt, Warren Foster, Bob Prudhomme, Carole Bowler

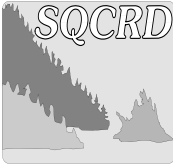
At the meeting held on Jan 12/15, we were tasked with developing an annual budget and a 5-year plan for the Regional District to administer.

After reviewing the discussions from Monday and today it was suggested that the priority of funding required would be:

- | | |
|---------------------------|-------------|
| 1. Siren Project | \$15,000.00 |
| 2. Survey Project | 6,000.00 |
| 3. Education Project | 2,000.00 |
| 4. Plan Exercises Project | 2,000.00 |

The cost details of each of these projects is being researched and will be provided at our next meeting.

SEPP respectfully submits this budget to Skeena-Queen Charlotte Regional District for consideration for the 2015 year.



STAFF REPORT

DATE: February 21st, 2015

FROM: Jennifer Robb, Treasurer

SUBJECT: Support Service Allocation – Sandspit Water

Recommendation:

THAT the Board receives the staff report “Support Service Allocation – Sandspit Water”.

Background:

The support service allocation is reviewed annually as part of the budget process to provide a fair distribution method. Recently, Staff was asked to investigate ways to reduce the administrative costs on Sandspit Water.

Basis of Support Service Allocation to Sandspit Water:

In the 2015 Budget the general administration costs allocated to the Sandspit Water System totaled \$20,560 (\$16,763 staff costs + \$3,797 other costs). A detailed breakdown and explanation of these costs are listed below:

1. Staffing:

The cost of wages, benefits and other staff related costs, such as training or conferences, is distributed on a percentage basis to 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.

Specific staff activities allocated to Sandspit Water include:

- Annual billing & mailing of invoices
- Generating and mailing of reminder notices in June & October
- Receiving daily payments (both online & cheque payments)
- Monthly BC Assessment uploads to utility billing system
- Monthly account reconciliations
- Payment of Utility, operating grant & various invoices for the Water system
- Training & setup of financial system to meet billing requirements
- Ongoing maintenance of the Sandspit water system user database
- Responding to and investigating customer inquiries, complaints & concerns
- Collaborating with Water Operator on various issues
- Year-end transfer of unpaid utilities to property taxes
- Parcel tax process and requisition

- Budget & Audit processes
- Bylaw updates

2. Other Costs:

- a. Liability Insurance – the cost of Liability Insurance (\$1,640) was allocated based on risk for the Regional District and size of the budget.
- b. Accounting System – the annual maintenance costs (\$957) were distributed based on the size and complexity of the budgets.
- c. Audit – the cost of the annual audit (\$1,200) was distributed based on the size and complexity of the budget.

Discussion:

The *Local Government Act* is specific in that the cost of each regional district service must be borne by that service, including the costs of administration. To this end, administration costs must be recovered through support service allocation charges to other functions or services.

Two main underlying principles of fair allocation administrative costs are achieving equity over time and achieving equity over a range of services. In other words, although the amount of time staff spends on a service in any one year will vary, over a number of years and across a variety of services, the allocation should provide a measure of equity.

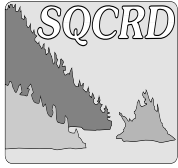
However, this proves to be more challenging with regional districts having few services as economies of scale are difficult to achieve. Meaning, when there are fewer services to allocate costs, those services take up a larger percentage of the support service allocation.

In examining the 2015 administrative support cost allocation, staff feel that the percentages allocated are fair. However, these percentages are reviewed annually as a part of the budget process.

It is important to note that any costs redistributed from the Sandspit Water System must be to be recovered from another service.

Currently staff are actively working to take on more accounting functions and will continue to work with Electoral Area E to undertake several projects such as the water study, updating the contract with the water operator and investigating additional payment methods.

In addition, staff have investigated additional options to make the administrative processes as effective and efficient as possible. Staff will continue to refine processes, for example, reducing the number of invoices during the year. These efficiencies are not likely to result in cost savings. However over time will provide a higher level of service for the dollars spent on administration.



STAFF REPORT

DATE: February 21, 2015
FROM: Jennifer Robb, Treasurer
SUBJECT: Reserve Funds

Recommendation:

THAT the staff report entitled “Reserve Funds” be received for information.

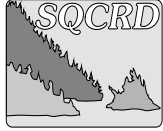
Please refer to the attached for a summary of the Skeena-Queen Charlotte Regional District reserve fund balances.

SQCRD Reserve Balances

2015 Budget - Round 2

	2014 Closing Balance	Round 2 Adjustments	Current Estimated Balance
Admin General Reserve	\$ 80,431	\$ 50,000	\$ 130,431
Electoral Area General Reserve	\$ 37,121	\$ 38,000	\$ 75,121
Election Reserve	\$ -	\$ 7,541	\$ 7,541
ISW General Reserve	\$ 183,048	\$ -	\$ 183,048
ISW Equipment Reserve	\$ 31,220	\$ 62,000	\$ 93,220
Landfill Closure Reserve*	\$ 107,847	\$ 27,000	\$ 134,847
Regional Recycling Equipment Reserve	\$ 34,714	\$ -	\$ 34,714
Regional Recycling Building	\$ 112,815	-\$ 15,000	\$ 97,815
Haida Gwaii Recreation Reserve	\$ 2,784	-\$ 2,783	\$ 1
Sandspit Water Reserve	\$ 75,127	\$ -	\$ 75,127
Feasibility Studies Reserve	\$ 25,208	\$ 5,000	\$ 30,208
	\$ 690,314	\$ 171,758	\$ 862,072

* Minor adjustments to be made through the year end / audit process



STAFF REPORT

DATE: February 21, 2015

FROM: Tim Des Champ, Regional Recycling Manager

SUBJECT: Mainland Recycling – Staffing Levels

RECOMMENDATION:

That the staff report entitled “Mainland Recycling – Staffing Levels” be received.

DISCUSSION:

During Budget discussions in round one budget the Board requested that staff investigate the costs to open and staff the depot for 4 hours on Sundays.

Staff feels that with safety concerns with employees operating a forklift and baling equipment that it will be prudent to have two employees; this will alleviate any liabilities with WorksafeBC.

Staff would have the depot open from 12 pm to 4 pm for the convenience of the public. The Recycling Transfer station will be closed while the depot is open.

Staff is also proposing that the Recycling Transfer station will only be open when the depot is closed. This will eliminate the problem of the residents using both the depot and transfer station creating extra work for staff.

COST & BUDGET IMPLICATIONS:

The costs to provide two additional staff to open the Recycling Depot on Sunday's will increase staff salaries and benefits by an additional \$8,500 for 2015.

CONCLUSION:

Should the Board choose to support the additional four hour shifts on Sundays, these costs will need to be included in the 2015 Mainland Recycling budget.



BOARD REPORT – SPECIAL MEETING (BUDGET R2)

DATE: February 21, 2015
FROM: Jennifer Robb, Treasurer
SUBJECT: 2015 Budget – Round 2 Summary

Summary:

After incorporating changes the Board requested in the Round 1 budget discussions, the Round 2 budget package includes an overall tax increase of 0.3% or \$3,320 over 2014.

Various department budgets were reviewed in Round 1 and the Board referred them directly to Round 3. These are not covered in this report.

Staff have also brought in estimated surplus amounts where appropriate. As yearend has not been completed, these are estimates only and will be finalized before the budget is adopted.

Budgets:

Department 110 – Administration

In the Round 1 Budget, the Board directed staff to include a portion of the accumulated surplus to reserves. Therefore, there is a \$50,000 contribution to reserves for 2015. Staff have provided a separate report on the updated reserve balances.

Salaries and benefits were refined since the last round of budget. However, the change was minimal. In addition, there was a small adjustment to the amount of Grant Writer Grant as well as the related contract.

The tax requisition has decreased by 3.16% from 2014, this is mainly due to the savings in salaries and rent.

Staff Recommendation: That the budget for Administration [110] be referred to Round 3 as presented.

Department 120 - Electoral Areas

Staff have brought in the prior year surplus as well as the contribution to reserves of an estimated \$38,000.

Taxation for this service has decreased 5.24% or \$5,310 compared to 2014.

Staff Recommendation: That the budget for Electoral Area Administration [120] be referred to Round 3 as presented.

Department 173 – Grant in Aid – Area D

\$1,500 has been included in this budget for a grant-in-aid for Jungle Beach. Staff have provided a report regarding the facilities maintenance contract.

Staff Recommendation: That the budget for Grant in Aid – Area D [173] be approved as presented.

Department 174 – Grant in Aid – Area E

The 2014 has been brought into the budget. The contingency line item totals \$5,398.

Staff Recommendation: That the budget for Grant in Aid – Area E [174] be approved as presented.

Department 210 - Sandspit Volunteer Fire Department

Staff has not received a 2015 budget from this service. There has been no change from Round 1 budget discussions.

Staff Recommendation: That the budget for Sandspit Volunteer Fire Department [229] be referred to Round 3 as presented.

Department 310 - 319 – Islands Solid Waste Management

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

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

Staff have transferred \$62,000 to reserves (including the portion earmarked for rate stabilization). In addition, expense accounts have been adjusted in order to maintain a stable tax rate.

The garbage collection contract with Big Red is up for renewal in May 2015. Staff will provide the board on updates to the contract.

Staff Recommendation: That the budgets for Islands Solid Waste Management [310 – 319] be referred to Round 3 as presented.

Department 340 - Mainland Recycling

Some updates have taken place to this budget since Round 1. The Capital Asset Grant has been included. This is reflected in a \$60,000 increase to the “Grants – Conditional” revenue line and is offset by the corresponding expense under “Professional Fees”.

Staff wages & benefits have been further refined according to the new collective agreement. In addition, staff time has been added to accommodate a minimum service level at the Recycling Depot on Sundays. Staff have written a separate report on Sunday Staffing.

Staff Recommendation: That the budget for the Mainland Recycling Service [340] be referred to Round 3 as presented.

Department 720 - Haida Gwaii Museum & Arts Council Contributions

The only change to this budget was the removal of the one-time grant request from the Haida Gwaii Museum. Grants to organizations totaling \$68,500 are comprised of the following:

	2014	2015
- Haida Gwaii	40,000	40,000
- Dixon Entrance	8,000	8,000
- Port Clements Historical	10,000	10,000
- HGI Arts Council	3,500	3,500
- Delkatla Nature Centre	<u>4,000</u>	<u>4,000</u>
	68,500	68,500

Staff Recommendation: That the budget for the Haida Gwaii Museum & Arts Council [720] be approved as presented.

Department 730 – Haida Gwaii Recreation

Since R1 staff have received an updated requests from the HG Recreation. This updated budget has resulted in an increase of \$9,605 or 8.53%. The majority of this increase is due to the increase in staff hours and a one-time payout of overtime. Reserves have been brought in to partially fund the one-time payout.

Staff would like to bring to the Boards attention that the tax limit for this service has been reached and this will be addressed in 2015.

Staff Recommendation: That the budget for Haida Gwaii Recreation [730] be referred to Round 3 as presented.

Department 735 – Sandspit Community Hall

Staff have brought in the budget for this service. However, due to staff changes, the Treasurer would like to clarify a few items with the previous CAO regarding some line items. Therefore staff is proposing to refer this budget to R3.

Staff Recommendation: That the budget for Sandspit Community Hall [735] be referred to Round 3 as presented.

Department 810 - Sandspit Water Utility

At the time the budget was run, staff had not received a budget submission for Sandspit Water.

This R2 budget currently includes line items from a prior year's budget. Staff is suggesting to carry forward to 2014 surplus and raising the parcel tax requisition to the maximum amount (\$50,000) in order to allow a larger contingency for any unexpected expenses.

Staff Recommendation: Staff is seeking direction from the board on this budget.

Round 2