

Date February 26, 2020
Author Holly Ronnquist, CFO
Subject 2020-2024 Five-year Financial Plan – Draft #2

Financial Plan Summary

Attached for review is a draft five-year financial plan. Included is a summary showing overall changes from 2019 and identifying larger items impacting the operating budget. Following that is a spreadsheet summarizing the impacts on taxation (requisition) broken down by jurisdiction. These requisition figures are not an invoice to municipalities, but rather a tax levy on municipal properties for RDEK services that are collected on behalf of the RDEK. As a regional district, we are not a taxing authority; we rely on municipalities and the Province to collect property taxes from our constituents within their respective jurisdictions.

Tax changes for each jurisdiction vary depending on the Services in which they participate, and the tax requirements of those Services. Apportionment among participants is also affected by changes in assessed values. Where assessments increase in one area and decrease in another, taxation will shift to those areas with increasing assessed values.

Individual Service Budgets

Following the summary are separate budgets for each RDEK Service, along with budget summary memos for most Services, which have been updated with decisions made at the February 13, 2020 Committee meetings (highlighted in yellow). Each Service stands alone financially, and all funds collected for a Service remain with it. Unless otherwise noted, the 2019 surplus for each service is carried forward to support 2020 expenditures. The amount of the surplus impacts the amount of taxation required in 2020. You will note this effect referenced in many of the budget memos, under 'CFO Comments.'

The Services to be reviewed in each Committee meeting are bookmarked on that Committee's agenda.

Salaries

As part of the process for each Service to track expenses separately, staff who work on multiple Services (which is most of us) code their time out on their weekly timesheets so that salaries are charged to the Services we spend time on. During the financial plan process, we try to forecast which Services our time will be spent on in the coming year. As a result of the difference between our predictions and the reality in the year, there will be variances, with some Services being over budget for salaries, and others under.

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BACKGROUND

The draft #1 of the financial plan was presented for review and discussion at the February Board meeting. The attached draft incorporates the changes made at that time, as well as changes resulting from new information, and budget meetings held since then.

INFORMATION

Attached is an updated version of the five-year financial plan. Overall, budgeted expenditures are \$75,940 lower than presented in February. Changes from the version presented in February are outlined below:

- General Administration – Tax increase of \$10,600 due to adding the AKBLG annual sponsorship of \$4,000 to the service, providing a \$7,500 grant to the Kootenay Indian Anniversary of Residential School Closing; increasing the Ktunaxa/Kinbasket Treaty Advisory Committee by \$1,750 and a reduction in wages.
- Electoral Area Administration – Tax decrease of \$6,494 due to moving the AKBLG sponsorship to General Administration, a reduction in wages and additional surplus from 2019.
- DGIA Electoral Area F – Tax increase of \$5,050 to partially fund addition of grant to CV Victim Assistance of \$11,000, the remainder from reduction in general grants.
- DGIA Electoral Area G – Tax increase of \$2,500 to partially fund addition of grant to CV Victim Assistance of \$5,000, the remainder from reduction in general grants.
- Animal Control – Tax decrease of \$4,000 due to additional 2019 surplus of \$5,498. Year end 2020 surplus increased by of \$1,498.
- Fernie Rural Fire – Tax decrease of \$33,311 due to additional 2019 surplus.
- Columbia Valley Solid Waste – Tax decrease of \$20,000 due to committee decision to increase the District of Invermere transfer station grant by \$50,000 instead of the \$70,000 requested.
- Area F Cemeteries – Tax decrease of \$3,500 as the result of a \$5,000 decrease in grant request for Fairmont cemetery, increased 2020 year end surplus by \$1,500.
- Planning – Reduction of Municipal Contract revenue by \$20 due to dissolution of Jumbo Glacier Resort Municipality and increase portion paid by Electoral Areas through taxation.

- Columbia Valley Economic Development – Tax decrease of \$11,312 by reducing other projects budget to maintain taxation at 2019 level.
- Columbia Valley Recreation – Tax increase of \$4,457 due to committee approval of Columbia Lake Recreation Centre grant of \$30,000; reduction to Columbia Valley Centre grant from \$120,000 requested to \$100,000; decision to keep Lake Windermere Whiteway grant at \$7,500 and additional 2019 surplus.
- Libraries Grant in Aid – Tax decrease of \$40,337 due to committee decision to deny requested increases for Invermere and Radium Library grants and increase by 2% inflation.
- Holland Creek Sewer – Tax decrease of \$7,000 due to updated 2019 surpluses.

The total taxation from the financial plan has decreased by \$103,347.

The cover memos for the above services have been updated with these changes and are available on the full version of the 2020 – 2024 Financial Plan Draft #2.

Attachment