

Date: February 27, 2020
Submitted by: Shannon Moskal, Corporate Officer
Service Name: General Administration
Service Purpose: Operations affecting the entire RDEK
Participants: All Jurisdictions

Operational Items:

General:

- Salaries have increased by \$40,000. Includes 15 month RDI Intern position with wages and employer costs of \$36,160 in 2020 and \$31,640 in 2021. A total of \$60,000 will be funded by a Rural Divident Fund grant over the two years through the Rural Development Institute.
- Consulting – IT security services audit \$22,000 carried forward to Jan 2020. Miscellaneous \$20,000.
- Grants:
 - SPCA \$7,197
 - BC Hydro Community Energy Manager \$20,000
 - KKTAC \$5,250 for 2020 and \$3,500 each year after
 - Discretionary fund for non-routine grant requests \$5,000
 - RDI Grant \$40,000 carried forward from 2019
 - Kootenay Clean Energy Transition Pilot \$15,000 funded from the Climate Action Reserve
 - AKBLG Sponsorship \$4,000 (approved February 14, 2020)
 - Kootenay Indian Residential School Anniversary of Closing Grant \$7,500 (approved February 14, 2020)
- Building reserve contribution increased to \$200,000 from \$100,000.

Board Costs:

- Implementation of board remuneration panel recommendations \$11,725 increase.

Shared Costs:

- Office Supplies:
 - Printer and copier replacements \$17,375 reducing toner costs in future years
- Software Licences:
 - Software and licenses for continuing enhancement of IT security \$16,675
- Photocopier lease fees of \$9,500 annually removed for Cranbrook office main and second floor due to purchase of these 2 copiers in 2019/2020
- Consulting – building inspection and planning software process review \$10,500
- Cell phones – replacement of all RDEK cell phones during plan renewal \$18,000

Capital Items:

General:

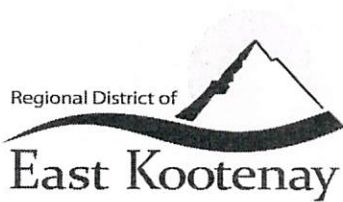
- IT – computer equipment replacements \$49,172
- Photocopiers – final purchase payout for Cranbrook office main and upstairs \$22,843
- Records Management – document scanner replacement \$13,000
- IT – core and client switches \$53,072
- Phone System – replacement \$90,000 (going to RFP). Current system is no longer supported.
- Backup generator \$25,000 current estimate. The actual cost may be much higher. This budget items would allow moving forward if a lower-cost approach can be found.

Board Costs:

- Board Room – \$51,200 for new audio equipment, including microphones (total costs of \$68,267 – shared 75/25% with KERHD)

CFO Comments:

- Taxation increase of \$321,773 = 21.5% = \$6 per average residential property valued at \$354,000 proposed in 2020, which includes:
 - Additional building reserve \$100,000
 - Boardroom audio and microphones \$51,200 (General Admin share)
 - General Administration share of required replacement of phones, Boardroom audio and IT capital \$179,444
 - Backup generator \$25,000
 - Board remuneration increase \$11,725
 - Energy Manager increase \$5,000
- The draft financial plan includes the transfer of the remaining Tax Stabilization Reserve of \$108,735. Without utilization of this reserve, taxation would have increased an additional 7.2%.
- Transfers to reserves includes \$200,000 to the building reserve for the main Cranbrook office as part of asset management and preparing for the eventual replacement of the building, and \$350,000 for the transfer of interest earnings to RDEK Reserves.
- The five year plan includes new transfers to reserves in future years to build a fund for future IT and communication equipment replacements as part of asset management planning.
- Wildsight Education Beyond Recycling Program grant request (not supported by Board February 14, 2020).



General Administration
Five Year Financial Plan
 With Revenues and Expenditures
 For the Twelve Months Ending Tuesday, December 31, 2019
 2/26/2020

	2019 BUDGET	2019 ACTUAL	2020 BUDGET	2021 BUDGET	2022 BUDGET	2023 BUDGET	2024 BUDGET
Revenue							
Requisition	\$1,490,827	\$1,490,827	\$1,812,600	\$1,821,000	\$1,859,000	\$1,908,000	\$1,938,000
Payments in Lieu of Taxes	5,000	14,734	10,000	10,000	10,000	10,000	10,000
Provincial Grants	160,000	170,000	170,000	170,000	170,000	170,000	170,000
Local Government Grants & Regional Transfers	9,329	5,329	45,500	28,000			
Fees & Charges	25,575	31,017	10,850	11,000	11,150	26,175	11,450
Interest	360,000	599,091	360,000	360,000	360,000	360,000	360,000
Prior Period Surplus	164,418	167,094	62,000	30,000	30,000	30,000	30,000
Total Revenue	2,215,149	2,478,092	2,470,950	2,430,000	2,440,150	2,504,175	2,519,450
Expenditures							
Salaries & Benefits	1,005,458	983,884	1,043,036	1,059,474	1,044,627	1,062,270	1,081,371
Administration & Overhead	15,650	19,222	22,000	22,675	23,220	23,610	24,005
Consulting & Professional Services	37,000	3,920	47,000	25,000	25,000	25,000	25,000
Grants	75,487	18,233	103,947	54,913	40,135	40,364	40,600
Shared Overhead	(3,765)	(13,675)	(46,589)	(31,207)	(2,202)	29,933	33,529
Total General	1,129,830	1,011,585	1,169,394	1,130,855	1,130,780	1,181,177	1,204,505
Board Costs							
Remuneration	453,830	459,926	469,194	480,788	492,299	501,128	493,165
Legislative Services	49,960	37,233	27,660	45,810	29,310	51,710	27,010
Travel, Training, and Conferences	42,250	34,442	42,550	44,550	52,550	44,550	42,550
Administration & Overhead	21,500	22,871	16,600	16,900	16,600	16,600	16,900
Telephone & Utilities				900			900
Total Board Costs	567,540	554,472	556,004	588,948	590,759	613,988	580,525
Shared Overhead							
Administration & Overhead	371,101	298,989	375,921	343,066	363,281	343,361	350,381
Operations & Maintenance	125,500	100,313	137,920	123,500	117,780	119,460	130,440
Vehicle & Hauling Costs	3,600	4,024	4,000	4,000	4,000	4,000	4,000
Consulting & Professional Services	108,000	100,371	112,500	104,000	112,000	108,000	116,000
Telephone & Utilities	105,100	104,386	130,486	129,356	120,076	122,886	137,871
Shared Overhead	(713,301)	(608,083)	(760,827)	(703,922)	(717,137)	(697,707)	(738,692)
Total Expenditures	1,697,370	1,566,057	1,725,398	1,719,803	1,721,539	1,795,165	1,785,030



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	<u>2019</u> BUDGET	<u>2019</u> ACTUAL	<u>2020</u> BUDGET	<u>2021</u> BUDGET	<u>2022</u> BUDGET	<u>2023</u> BUDGET	<u>2024</u> BUDGET
Revenue less Expenditures	517,779	912,036	745,552	710,197	718,611	709,010	734,420
Transfers to Reserves	(450,000)	(680,873)	(550,000)	(610,000)	(633,000)	(658,000)	(683,000)
Transfers from Reserves	150,458	57,739	108,735	15,000			
Capital Expenditures	(207,209)	(226,902)	(304,287)	(115,197)	(85,611)	(51,010)	(51,420)
Surplus (Deficit)	11,028	62,000					
 Reserve Funds		93,735					
Capital Reserve		245,536					
Vehicle and Equipment Reserve Fund		36,212					