



Date: 05/01/2024

**To:** Chair and Directors, Finance/Budget Committee

**And To:** Murray Daly, Chief Administrative Officer

**From:** Kevin Erickson, Chief Financial Officer

**Date of Meeting:** Finance-Budget Committee\_Jan11\_2024

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## Short Summary:

Revised 2024 – 2028 Provisional Five Year Financial Plan Discussion and Review

## Voting:

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## Memorandum:

Attached is a revised version of the Cariboo Regional District's 2024 – 2028 Five Year Financial Plan. Since its presentation at the November 8<sup>th</sup>, 2023 Finance/Budget Committee, the 2024 Financial Plan has increased from a total of \$68,544,043 and a requisition of \$32,073,965 to a total Budget of \$69,750,314 and a requisition of \$32,725,512, an increase of \$651,547.

Below is a listing of the services where the changes have occurred and the reasons behind them.

**Administrative Services:** an additional 2.4 % or \$93,763 for a total department increase of 17.7%

The increase here is due to the creation of a new Indigenous Relations management position. As this position is new, taxes must be increased to cover salary and benefit costs. This cost is distributed 75% to Electoral Area Administration and 25% to General Administration. There have been no additional costs for the feasibility and Governance functions.

**Airport Services:** No change since November 8<sup>th</sup>, 2023

**Contribution Services:** No change since November 8<sup>th</sup>, 2023

**Grants for Assistance:** -29.5% decrease of \$ 13,599

Grants for assistance have now been updated for Grants approved and final surplus balances resulting in a decrease of \$13,599 over the change reported November 8<sup>th</sup>.

**Development Services:** Additional increase of .03% or \$38,206

The increase in the requisition is for an additional staff member in the Planning Department. The Province has brought in new legislation that imposes more responsibilities on the Planning Department. The Province did provide a grant to help offset the costs of the new requirements but it will not support the new position in the long term. Grant funding and accumulated surpluses will be used until the requisition has risen enough to cover the cost of the new position in the future.

**Director's EA Administration:** Decrease of \$44,793

Year end balances have been adjusted and tax requisitions set so that each Electoral Area Director will have access to \$5,000.00 of discretionary funds. The ending balances in most accounts were such that anticipated requirements for taxation could be significantly reduced.

**Emergency Planning:** No change since November 8<sup>th</sup>, 2023

**Environmental Services:** Additional increase of 6.9% or 365,113

The increases are in both Solid Waste Management to cover the increases in costs anticipated from the implementation of the updated Solid Waste Management Plan. This service saw a 7.5% increase over 2023 for a requisition increase of \$364,199. Solid Waste Management Planning was increased an additional 7% over 2023 for a total increase of \$1,035. This increase was seen as necessary as this service has relied on Community Works Funds in the past. With that program's future uncertain the increase will build up surplus when it comes time for the next renewal of the Solid Waste Management Plan.

**Library, Culture, and Heritage Services:** Decrease of \$4,515

The decrease is the result of a reduction of grant funding in the Central Cariboo Arts and Culture Function. As there was a reduction in Grants to be given out, the requisition could be adjusted down accordingly.

**Protective Services:** Increase 0.4% or \$21,534

The CRD's contract with the District of One Hundred Mile House for Rural Fire Protection in the fringe areas has expired. In talks with the District, it was shown that the CRD is underpaying for the services it receives when calculated by both assessment values and call volumes. The increase is the first of three to get the CRD contribution to a more equitable level.

**Recreation Services:** Increased an additional 2.2% for total department increase of \$195,839.

Previously reported amounts were made pending meetings of Joint Committees regarding the budgets of the North Cariboo and Central Cariboo Recreation functions. The Central Cariboo

Recreation budget is now finalized for an 8% increase to the requisition in 2024. No change was made to the North Cariboo Recreation budget previously reported on.

**Sewer Services:** No change since November 8<sup>th</sup>, 2023

No tax increase is budgeted in 2023 however, increases to user fees are budgeted for all Sewer Services.

**Water Services:** No change since November 8<sup>th</sup>, 2023

No tax increase is budgeted in 2023 however, increases to user fees are budgeted for all Sewer Services.

**Streetlighting:** No change since November 8<sup>th</sup>, 2023

In summary the total Requisition Increase for 2024 contained in the Revised 2024 – 2028 Provisional Five Year Financial Plan is \$2,892,232 for an overall Tax Requisition increase of 9.7%.

**Utilities:**

The sewer and water Services have also been experiencing increasing costs. Labour, fuel, utilities and repairs and maintenance for these services have all experienced increases in costs over the last couple of years. Now, for many of the smaller utilities, the fees collected are not covering their operating costs. The budgeted increases to Sewer fees range from 5.1% to 8.2%. For Water, increases range from 0% to 13.5%.

**Issue of Significance:**

The Community Works Funds program expires in March 2024. At this time, no information has been received regarding a renewal or replacement for this program. The 2024 – 2028 Five Year Financial Plan includes an allocation of \$3,283,300 and future allocations of \$5,638,040. These amounts, coupled with projects that are currently ongoing mean that the CRD’s Community Works Funds reserve is oversubscribed. Department heads are aware of this and are prepared to alter their business plans and budgets when the fate of the Community Works Funds is known. No problems are anticipated in 2024 and any cuts necessary will be to initiatives planned in 2025 and later years.

Additional details are available in the attachments to this agenda item.

**Attachments:**

- 2023 vs 2024 Tax Requisition Changes
- 2024 Budget by Service Group Graph
- 2024 CRD Budgeted Revenues and Expenditures Chart
- 2023vs 2024 Comparative Ad Valorem Requisition rate details
- 2023 vs 2024 Utility User Fee Summary
- 2024 - 2028 Provisional Five Year Financial Plan Summary

### **Financial Implications:**

As outlined above and in the supporting attachments

### **Policy Implications:**

n/a

### **Alignment with Strategic Plan:**

- Infrastructure and Asset Management:** To establish a systematic, predictable approach to managing the regional district's assets and infrastructure that builds on current asset management data and condition assessments.
- Enhanced Communications and Engagement:** To build trust and credibility of the regional district by enhancing our communications and engagement with citizens, stakeholders, and volunteers.
- Effective and Responsive Land Use Planning and Development:** To ensure our land use planning and development is responsive to future growth and housing needs, anticipates risks and hazards associated with climate change and provides efficient and consistent processes for landowners and developers.
- Relationships with First Nations:** To foster a healthy and inclusive region by building and strengthening our relationships with First Nations and embracing the principles of reconciliation.

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### **CAO Comments:**

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### **Options:**

1. Endorse recommendation;
2. Other action.

### **Recommendation:**

That the information provided in this agenda item summary be forwarded to the CRD's Communications Department to be circulated for public consultation.