

CAPITAL REGIONAL DISTRICT

2024 BUDGET

Finance

COMMITTEE REVIEW

OCTOBER 2023

Service: 1.017 Finance

Committee: Governance Committee &
Finance Committee

DEFINITION:

Authorized by Letters Patent to provide financial services to the Board of the Capital Regional District.

SERVICE DESCRIPTION:

Financial services and systems including budget preparation, financial accounting and reporting, financial analysis, accounts payable and payments, revenue billing and collection, payroll, financial systems support, banking, investments, long term debt and bylaw preparation.

PARTICIPATION:

All municipalities and electoral areas and the Songhees and Tsawout Nations

MAXIMUM LEVY:

N/A

MAXIMUM CAPITAL DEBT:

N/A

COMMITTEE:

Governance Committee and Finance Committee

FUNDING:

Requisition and internal recoveries

1.017 - FINANCE	2023		BUDGET REQUEST				FUTURE PROJECTIONS			
	BOARD BUDGET	ESTIMATED ACTUAL	CORE BUDGET	2024 ONGOING	ONE-TIME	TOTAL	2025	2026	2027	2028
<u>OPERATING COSTS:</u>										
Salaries and Wages	6,817,656	6,361,860	7,048,131	212,702	-	7,260,833	7,538,196	7,713,579	7,579,221	7,759,707
Allocations	304,251	304,369	328,522	-	-	328,522	342,976	358,157	374,067	389,541
Auditing Expense	79,000	79,000	83,000	-	-	83,000	86,000	89,000	90,780	92,600
Contract for Services	555,330	403,503	214,220	-	120,000	334,220	250,000	250,000	250,000	250,000
Postage & Freight	246,540	220,238	255,170	-	-	255,170	260,280	265,490	270,800	276,220
Supplies	86,320	76,590	78,890	-	9,000	87,890	80,480	79,910	81,520	83,150
Other Operating Expenses	335,190	314,194	339,620	9,400	28,600	377,620	356,190	363,520	370,960	378,580
TOTAL OPERATING COSTS	8,424,287	7,759,754	8,347,553	222,102	157,600	8,727,255	8,914,122	9,119,657	9,017,347	9,229,797
*Percentage Increase over prior year			-0.9%	2.6%	1.9%	3.6%	2.1%	2.3%	-1.1%	2.4%
<u>CAPITAL / RESERVE</u>										
Transfer to Equipment Replacement Fund	35,000	50,000	35,000	-	-	35,000	35,000	35,000	35,000	35,000
Transfer to General Capital Fund	-	335,000	-	-	-	-	-	-	-	-
TOTAL CAPITAL / RESERVES	35,000	385,000	35,000	-	-	35,000	35,000	35,000	35,000	35,000
TOTAL COSTS	8,459,287	8,144,754	8,382,553	222,102	157,600	8,762,255	8,949,122	9,154,657	9,052,347	9,264,797
*Percentage Increase over prior year			-0.9%	2.6%	1.9%	3.6%	2.1%	2.3%	-1.1%	2.3%
<u>REVENUE</u>										
US Bank Rebate	(59,880)	(50,000)	(61,980)	-	-	(61,980)	(63,220)	(64,480)	(65,770)	(67,090)
Provincial Grants	(60,000)	(65,000)	(60,000)	-	-	(60,000)	(61,200)	(62,420)	(63,670)	(64,940)
Sales of Services	(224,830)	(202,581)	(240,330)	-	-	(240,330)	(245,140)	(250,040)	(255,040)	(260,140)
Other	(86,911)	(86,291)	(90,406)	-	-	(90,406)	(92,721)	(95,083)	(97,504)	(99,973)
Allocation Recoveries	(104,040)	(156,060)	(107,680)	-	-	(107,680)	(109,830)	(112,030)	(114,270)	(116,560)
Transfer from Reserve	(669,224)	(359,044)	(351,362)	-	(120,000)	(471,362)	(303,470)	(310,744)	-	-
TOTAL REVENUES	(1,204,885)	(918,975)	(911,758)	-	(120,000)	(1,031,758)	(875,581)	(894,797)	(596,254)	(608,703)
NET COSTS	7,254,402	7,225,779	7,470,795	222,102	37,600	7,730,497	8,073,541	8,259,859	8,456,094	8,656,095
*Percentage increase over prior year Net Costs			3.0%	3.1%	0.5%	6.6%	4.4%	2.3%	2.4%	2.4%
<u>AUTHORIZED POSITIONS:</u>										
Salaried	49.0	49.0	49.0	1.0	-	50.0	51.0	51.5	51.5	51.5
Term	2.5	2.5	2.5	1.0	-	3.5	3.0	2.5	0.5	0.5

Change in Budget 2023 to 2024
Service: 1.017 Finance

Total Expenditure

Comments

2023 Budget **8,459,287**

Change in Salaries:

Base salary and benefit change	131,863	Inclusive of estimated collective agreement changes
Step increase/paygrade change	87,660	Inclusive of annualization and reclassification of 2023 IBC positions
1.0 FTE Financial Analyst	75,288	2024 IBCs Various Support
0.5 FTE Financial Analyst (Term)	68,707	2024 IBC Support: 5a-1.1 Capital Project Delivery
0.5 FTE Financial Analyst (Term)	68,707	2024 IBC Support: 4a-1.1 Transportation Service
Other	10,952	Increase on auxiliary labour, overtime, and standby pay

Total Change in Salaries **443,177**

Other Changes:

Building Occupancy	21,155	Facilities allocation
Office and Equipment Costs	47,000	Office costs associated with office renovation, new on-going, and term FTEs
Contract for Services (one-time)	(100,650)	Reduction for 2023 one-time KPMG G/L and reporting tools
	(110,000)	Reduction for 2023 one-time SAP Funds Management module consulting
Other Costs	2,286	

Total Other Changes **(140,209)**

2024 Budget **8,762,255**

Summary of % Expense Increase

2024 Base salary and step increases	2.6%
2023 One-time Contract Costs (Reserve-funded)	-2.5%
2024 IBC Expense	3.1%
Balance of increase	0.4%
% expense increase from 2023:	3.6%

% Requisition increase from 2023 (if applicable): **3.1%** *Requisition funding is 38% of service revenue*

Overall 2023 Budget Performance
(expected variance to budget and surplus treatment)

There is an estimated one-time favourable variance of \$28,623 (0.3%) due mainly to hiring challenges of vacant positions and hiring new staff at lower pay steps; offset by one-time Equipment Replacement Reserve contributions. This surplus will be transferred to the Legislative and General Operating Reserve.

CAPITAL REGIONAL DISTRICT
FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2024 to 2028

Service No.	1.017 Finance	Carry Forward from 2023	2024	2025	2026	2027	2028	TOTAL
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EXPENDITURE

Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$222,885	\$506,549	\$228,994	\$58,043	\$12,994	\$38,549	\$845,129	
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$222,885	\$506,549	\$228,994	\$58,043	\$12,994	\$38,549	\$845,129	

SOURCE OF FUNDS

Capital Funds on Hand	\$200,000	\$425,000	\$200,000	\$0	\$0	\$0	\$625,000	
Debenture Debt (New Debt Only)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment Replacement Fund	\$22,885	\$81,549	\$28,994	\$58,043	\$12,994	\$38,549	\$220,129	
Grants (Federal, Provincial)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Donations / Third Party Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$222,885	\$506,549	\$228,994	\$58,043	\$12,994	\$38,549	\$845,129	

CAPITAL REGIONAL DISTRICT

5 YEAR CAPITAL PLAN

2024 - 2028

Service #: 1.017

Service Name: Finance

				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward from 2023	2024	2025	2026	2027	2028	5 - Year Total
23-01	Replacement	Computer	Computer and Office Equipment Replacement	\$ 82,110	E	ERF	\$ 22,885	\$ 22,885	\$ -	\$ -	\$ -	\$ -	\$ 22,885
24-01	Replacement	Computer	Computer and Office Equipment Replacement	\$ 58,664	E	ERF	\$ -	\$ 58,664	\$ -	\$ -	\$ -	\$ -	\$ 58,664
25-01	Replacement	Computer	Computer and Office Equipment Replacement	\$ 28,994	E	ERF	\$ -	\$ -	\$ 28,994	\$ -	\$ -	\$ -	\$ 28,994
26-01	Replacement	Computer	Computer and Office Equipment Replacement	\$ 58,043	E	ERF	\$ -	\$ -	\$ -	\$ 58,043	\$ -	\$ -	\$ 58,043
27-01	Replacement	Computer	Computer and Office Equipment Replacement	\$ 12,994	E	ERF	\$ -	\$ -	\$ -	\$ -	\$ 12,994	\$ -	\$ 12,994
28-01	Replacement	Computer	Computer and Office Equipment Replacement	\$ 38,549	E	ERF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,549	\$ 38,549
21-01	New	Enterprise Asset Management	SAP Software & Hardware costs for IBC 15b-2 "Asset Management and Risk Analysis"	\$ 625,000	E	Cap	\$ 200,000	\$ 425,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 625,000
													\$ -
													\$ -
													\$ -
													\$ -
			Grand Total	\$ 904,354			\$ 222,885	\$ 506,549	\$ 228,994	\$ 58,043	\$ 12,994	\$ 38,549	\$ 845,129

Reserve Schedule

Reserve Fund: 1.017 Finance

Reserve Cash Flow

Fund: 1022 Fund Center: 101420

ERF Group: FIN.ERF

	Estimated	Budget				
	2023	2024	2025	2026	2027	2028
Beginning Balance	413,696	404,471	357,922	363,928	340,885	362,891
Actual Purchases	(59,225)					
Planned Purchases (Based on Capital Plan)		(81,549)	(28,994)	(58,043)	(12,994)	(38,549)
Transfer from Operating Budget	50,000	35,000	35,000	35,000	35,000	35,000
Interest Income	-	-	-	-	-	-
Ending Balance \$	404,471	357,922	363,928	340,885	362,891	359,342

Assumptions/Background:

2024 - Replace 21 standard laptops, and 1 ultra-portable laptop, plus peripherals and workstations

2025 - Replace 7 standard laptops, 1 semi-ruggedized laptop, peripherals and binding equipment for print shop

2026 - Replace 17 standard laptops, 1 semi-ruggedized laptop, and 1 ultra-portable laptop, peripherals and postage meter for print shop

2027 - Replace 3 standard laptops, 1 semi-ruggedized laptop, plus peripherals

2028 - Replace 21 standard laptops, and 1 ultra-portable laptop, plus peripherals

Capital Fund Schedule

Reserve Fund: Asset Management

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Capital Fund Cash Flow

Capital Fund Fund Center: 191087	Estimated	Budget				
	2023	2024	2025	2026	2027	2028
Beginning Balance	625,000	625,000	200,000	-	-	-
Actual Purchases	-	-	-	-		
Planned Purchases (Based on Capital Plan)	-	(425,000)	(200,000)	-	-	-
Transfer from Operating Budget	-					
Transfer from Operating Reserve Fund	-					
Interest Income	-	-	-	-	-	-
Ending Balance \$	625,000	200,000	-	-	-	-

Assumptions/Background: