



FINANCIAL SERVICE REPORT

To: Curtis Slingerland, Chief Administrative Officer

From: Ye-Ne Byun, Finance Manager

Meeting Date: February 10, 2022

Subject: Preliminary Budget vs Actual Variance Report Jan – Dec 2021

Board Meeting

FEB 10 2022

CCRD ITEM (C) (e)

Recommendation:

THAT the Board of Directors of the Central Coast Regional District receives the Preliminary Budget vs Actual Variance Report for the period January 01 – December 31, 2021.

Service Summary:

It is important to note that this report and the attachments are preliminary results and are not yet audited or final. The field audit will take place during the week of February 14th and the final audited statements will be presented for board approval at the April meeting of the board.

COVID-19 has the regional district continuing to operate in a context of uncertainty, and the pandemic continues to have a financial impact on the CCRD. The loss of variable revenue, especially user fee revenue at the Bella Coola Airport due to reduced transportation services has continued, and will continue into 2022.

The other major financial component this year is the conversion of the Hagensborg Waterworks and Fire Protection District to services of the regional district. Water billings were completed in early July and work associated with the infrastructure project is underway.

Grant Funded Projects Administered Under the Service:

Approximately 25 separate grants are under financial administration in 2021, representing 84% of total revenues. This is in addition to the 26 mandated functions and services already under financial administration.

Board Priorities - Service Specific Progress of CCRD Strategic Plan 2019 – 2022:

The Board began the process of re-imagining the strategic plan during a special workshop for the same on July 27 and 28, 2020. The board adopted the CCRD 2019-2022 Strategic Plan amendments later in the October 8 meeting, arising from COVID-19 related resourcing and capacity constraints and therefore the 2021 annual budget aligns with the Board's updated priorities. On October 14, 2021 the Plan amendments and priorities were reviewed and adopted as amended.

The 2021 strategic priorities of the board included:

- Staff recruitment, development and retention

Although not starting work until 2022, a Chief Administrative Officer was hired as was a Corporate Officer. Progress was made on appointing a Chief Financial Officer. Efforts continue to hire, appoint or contract an Emergency Program Coordinator.

- Official Community Planning

The Housing Needs Assessment was mostly completed. Work has commenced with the development of a planning needs assessment in preparation for OCP development in 2022 and 2023.

- Fixing Revenue Issues

User fees and charges bylaws were updated for Parks and Recreation, Solid Waste Management, Bella Coola Airport, Bella Coola Waterworks, and Fire Tolls.

- Government to Government relations

Continue to improve regional government-to-government relations with First Nations. This initiative is in progress

Financial/Budgetary:

The Preliminary, pre-audit, Budget Variance Report for the period January to December, 2021 is attached. The board adopted the Five-Year Financial Plan for the period 2021 – 2025 in March, 2021.

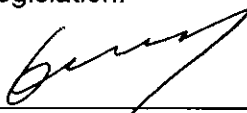
Apportioned Administration Reflecting Time Requirements – Staff and Elected Officials:

Financial service is an important and key component to all services and functions and is a significant part of apportioned administration. The department strives to ensure that the regional district maintains a high degree of integrity and compliance within the organization. This is necessary to ensure our communities and neighborhoods continue to benefit from the services provided. Apportioned administration is as developed in conjunction with the Five-Year Financial Plan and as mandated by policy.

CCRD Mandate for Service Delivery:

Financial services are a core component of the delivery of all services and functions of the regional district as regulated by our own policies and procedures, the Local Government Act and other provincial and federal legislation.

Respectfully Submitted by:



 Ye-Ne (Sandra) Byun, Finance Manager

Reviewed by:



 Curtis Slingerland, Chief Administrative Officer

CENTRAL COAST REGIONAL DISTRICT

**Preliminary Financial Variance Report
January to December 2021**

Attached is the Revenue & Expenditures – Actual vs Budget report for the period January 1 to December 30, 2021. It is important to note that the figures have not been audited and are not considered to be final until after the board approves the audited financial statements at the April 2022 board meeting.

REVENUE

Overall, revenues are at 26% of budget. This is deemed to be below expectations given that most entries affecting revenue have already been recorded and are close to final.

Property taxation revenues are recorded, and levies were received at the beginning of August.

Regional District Basic Grant (\$200,000) has now been received.

The Nuxalk Nation contributions (\$105,000) to landfill operations reflect the period January to December, and are as budgeted.

User fees for recreation programs are in line with projections.

- The swimming pool has recorded \$25,700 against a budget of \$20,000,
- recreation fees are behind with \$1,300 out of \$3,300 being realized.
- The airport user fee revenue will come in slightly over budget (\$134,900 budgeted; \$132,600 actual).
- The user fees from landfill operations have exceeded the budget for the year (actual \$76,000 vs budget of \$37,500). This is attributable to the implementation of the new fee structure bylaw #499 adopted by the board of directors in December 2020. Directors may recall that this bylaw was reviewed at the October 2021 board meeting and small modifications were made to the rate structure for 2022.
- Water toll revenue for both Hagensborg and Bella Coola services has been recorded (\$151,000 against a budget of \$143,000) and the relatively small variation was for a new service.
- Fire tolls are in line with budget.

Provincial/Federal Grant revenue is less than 11% of the annual budget (actual of \$1,059,000 against a budget of \$10,003,000).

- The board may already recall that UBCM had notified local government that a “top up” to the Gas Tax Funding for the Community Works Fund was anticipated. In fact, the “top up” amounted to an unexpected deposit of an additional \$204,000. Also, as the board was notified at the June board meeting, UBCM paid the full portion of the grant in June as opposed to splitting the payments between July and November as is usually the case.
- Strategic Priority Funding for Denny Island Water (\$1.4 million) and for the Swimming Pool (\$2.7 million) has been deferred from 2020 and recorded as revenue in 2021. Of this, \$6,000 has now been recorded and the rest will be deferred to revenue in 2022. Likewise, provincial grants for the Bella Coola Valley Risk Assessment and Flood Modeling (\$.5 million) were deferred and

recorded in 2021 with \$446,000 of that now being deferred to 2022. Funding for the Hagensborg Waterworks Potable Water project (\$1.46 million) was received in 2020 and recorded as revenue in 2021. Of the total, \$40,000 has been recorded and the remainder will be deferred to 2022.

- The swimming pool also received \$991,000 from the Community Economic Recovery Infrastructure Program as budgeted. This has been deferred to 2022 revenue.
- New Provincial grant revenue has been issued in the amount of \$55,000 as part of the COVID-19 Safe Re-start Grant. (Directors may recall that \$340,000 was issued in 2020 bringing the total to \$395,000.) The Bella Coola Airport also received \$180,000 for COVID-19 Airport Relief Funding.
- Funding (\$15,000) has been received from the province for the Hagensborg Waterworks conversion and this has been completed. \$40,000, also from the province for a study to assess options for governance of the converted services has not progressed since there was no response received to the Request For Proposals. This will carry forward to 2022.

Other Revenue \$207,000 of the budgeted \$587,700 has been recorded as revenue.

- Other grant revenue includes funding from Rural Dividend for tourism and capacity development. This is deferred to 2022;
- from Rural Dividend for Regional Connectivity project;
- from NDI for Love Northern BC grants;
- from Vancouver Coastal Health for the Active Communities Project on Denny Island – We anticipate the completion of the project at the beginning of 2022.
- from UBCM for 2019 Housing Needs Report Program;
- from NDI for 2019 Community Planning for Housing grants;
- from the province for a Hagensborg Waterworks Asset Planning Grant; and

Budget revenue not yet received includes:

- a) Great Bear Playground (\$902,000);
- b) Replacement of Gas Fuelling System at the Bella Coola Airport (\$512,500 of 568,000);
- c) Organics Infrastructure Program at the Thorsen Creek Waste and Recycling Centre (\$98,000);
- d) Cultural Safety and Humility Training (\$50,000); and
- e) CRI FireSmart Community (\$104,000);
- f) Centennial Pool Renewal grant from Northern Development Initiative Trust (NDIT) (\$250,000);
- g) \$50,000 was budgeted funding from the Municipal Asset Management Program for Official Community Plan and Asset Management

Sources of funding that are budgeted but not yet found include:

- h) a 1/3 contribution to the Organics Infrastructure Program at Thorsen Creek (\$50,000) and
- i) a possible contribution for ground water program and/or interim cover at the Waste & Recycling Centre (\$300,000).

EXPENDITURES

ADMINISTRATIVE SERVICES

Community Works Fund

- Funds have been set aside (\$752,000) for Centennial pool retrofit project, Denny Island water system project, asset management planning, implementing a new accounting standard (Asset Retirement Obligations), the contribution towards a FCM Municipal Asset Management Program for OCP updates and developing the landfill operations and closure plan. To date there have only been funds expended on the landfill operations closure plan (\$37,700 of \$62,000 budgeted.)

Feasibility Studies

- Feasibility studies have been put on hold this year due to the realignment of board priorities in the October 2021 amendment to the Strategic Plan arising from COVID-19 related resourcing and capacity constraints. Remaining funds (\$25,000) will carry over and be available for the planned studies in 2022. There have been no expenditures in 2021.

General Operations

-Overall, actual expenditures are under budget by approximately 15% or \$175,000.

-Directors'/Governance expenses are approximately 53% of budget (\$62,000 of \$120,000 spent). It is down from budget largely on account of convention and board meeting travel costs and board public relations expenses not yet incurred.

-Professional Fees: Overall, professional fees will be underspent by approximately \$17,000 which had been set aside for a review and rework of the remuneration bylaw (on target for 2022 - \$8,000) and other consultation assistance such as records management, CAO evaluation, IT support, staff work planning support, and engagement support. Financial services were overspent by \$22,000 but included costs for records management and other supports budgeted on other line items. The audit fees will exceed budget by approximately \$7,000 due to extra work associated with landfill liability calculations and projections.

-\$159,000 of the \$17,000 budget for capital works has been spent for new computer work stations and a screen and camera for public board meetings and for the building purchase at the airport which was authorized by resolution of the board. Funds have also been budgeted from the COVID-19 Safe Restart Grant to purchase new board room chairs, but this did not occur.

-The bulk of the maintenance expenditures are under budget. \$55,000 was budgeted for office building upgrades and property maintenance and this is not yet spent. A design professional was engaged to do some drawings but a quote received from a local contractor was more than triple the budget. Plans to address the outstanding work are in progress – clearly we need to reduce the scope of the upgrade or find additional revenue.

-\$16,600 of the \$33,300 budget has been spent on operating expenses which include janitorial services, freight, mileage and postage. The budget also includes \$6,800 for employees' travel expenses, most of which were not been incurred or were allocated to other services.

-Payroll expenses are underspent by \$112,000. The vacant Public Works Technician position was filled in August but the original budget was for a full year. The position for a Recreation Coordinator has been put on hold and was not filled.

Professional development expenses are under expended by \$13,600. \$21,000 had been budgeted for all positions to attend various professional training opportunities and all were held virtually, which eliminated travel costs, or the events were not attended.

Grants in Aid

- Grants in aid were paid out pursuant to board resolution in August. \$272 is available to carry forward to 2022.

DEVELOPMENT SERVICES

Economic Development

- 38% or \$87,000 of the planned and budgeted expenditures (\$228,000) have been incurred at year end.

-The \$141,000 budgeted for Economic Development Initiatives projects have not yet been fully expended although some progress has been made on the carving and installation of cultural pieces at the airport (\$13,600). The budget includes funding from Rural Dividend for Rural and Remote Communications Connectivity and Bella Coola Airport Tourism and Capacity Enhancement. (Nuxalk Nation cultural liaison and interpretation, trailhead kiosks, carving and installation of cultural pieces, airport greenspace and play area at the airport, Klonik riverside greenspace and viewing area, trail rehabilitation and construction, and a pedestrian bridge at the Beaver Pond.) \$127,000 of this funding remains unspent.

- \$20,000 has been set aside for NDIT Community Promotion Video project and Love Northern BC Program funded by NDIT. Of this, \$13,500 has been expended to date.

-The \$10,550 budgeted has been expended for the contract grant writer as primarily funded by NDIT.

-\$5,000 was budgeted for Ocean Falls Revitalization Committee travel costs in the event grant funds could not be secured to offset the costs. This remains largely unspent.

Land Use Planning

- Of the \$42,400 total Housing Needs Assessment project budget from the Union of BC Municipalities (UBCM) nearly \$40,000 has been spent on Urban Systems Ltd's professional services in regard to reviewing materials for stakeholder engagement sessions, finalizing survey and reviewing housing projection methodology. \$6,000 of the \$10,000 in additional funding from Northern Development Initiative Trust (NDIT) for continuation of Housing Needs Assessments has been expended.

- Funds (\$30,000) had been earmarked for OCP updates for Bella Coola Valley and exploratory OCP planning for the outer coast communities and this project is still in the planning stages.

Street Lights

-Both Valley and townsite street lights expenditures are within budget projections although the town site hydro expenses will come in at approximately \$6,000 less than budgeted due to the phase-in of BC Hydro costs increases.

ENVIRONMENTAL SERVICES

Solid Waste Management

- Overall, expenditures are only at 44% of budget (\$348,000 actual vs \$798,000 budget) due to no progress on the organics infrastructure composting project and the possible INAC contribution for the groundwater monitoring program.

-Total operating expenditures have exceeded budget by \$5,000 due to extra costs associated with recycling and product care handling as well as extra force-account work by the operating and maintenance contractor.

-\$10,000 in the capital works budget for 4 new bins at Thorsen Creek Waste and Recycling Centre has been expended and came in at \$8,000.

-\$150,000 has been set aside for Organics Infrastructure composting project. 2/3 of the funding has been secured through a grant and discussions for the remaining capital costs of this project are pending with the Nuxalk Nation.

-The total budget for maintenance and for supplies and small tools and contingencies came in on target.

Bella Coola Waterworks

- Approximately 40% of the anticipated expenses (or \$45,000 of \$114,000) have been incurred.

-\$15,000 was budgeted for maintenance items, including a service/teardown of all hydrants and curb stop mapping. \$2,700 has been expended on site maintenance which was contracted out for hydrant testing and maintenance.

-\$37,000 remains unspent in the contingency budget which includes provision for replacement of the main water meter.

-\$3,000 of the budgeted \$5,000 has not yet been spent in capital works to replace a gate valve at a specified location. The work has been postponed to next season due to high water levels during the Water Tech visit in late September, however the parts required to replace the valve have been purchased and expensed.

-\$6,000 also remains unspent for a water operator contract which is meant to deal with regular maintenance issues. Part of the work associated with this position (line flushing) was completed under contract.

Denny Island Waterworks

-\$5,600 of the \$1,462,000 budgeted has been spent on engineer services delivered by Urban System for the Denny Island Water System project.

Hagensborg Waterworks

-\$54,000 of the total special project budget (\$1,473,000) has been spent on professional services for Hagensborg Water System Upgrade project and Hagensborg water asset inventory. Works also include groundwater potential evaluation, field and topographic surveys and an environmental permit application.

LEISURE SERVICES

Parks & Recreation – Bella Coola

-The remaining funds (\$17,000) for the trail construction and the bridge installation supervision project funded by Rural Dividend have not been expended.

-\$7,600 of the \$13,000 budgeted for park maintenance contract, ice rink asphalt repairs, and road maintenance in the big cedar trail has been expended.

- \$1,000 has been spent against a budget of \$8,000 for operational costs which include insurance, janitorial and utility charges.

-\$10,000 remains unspent in capital works for fencing ball diamond, skirting around the concession building, and railings on concession steps at Walker Island park.

- The CCRD was awarded a grant of \$902,655 from Ministry of Municipal Affairs and Housing for the Great Bear Playgrounds project which includes playground upgrades at Walker Island and Nusatsum parks. Less than \$1,000 has been spent on professional fees for surveying.

Recreation – Denny Island

-Funds (\$8,900 of \$9,300 budgeted) for initiatives associated with the Active Communities Project from Vancouver Coastal Health have been spent on the new scope of this project, trail construction in Denny Island.

-\$3,500 was budgeted for capital works and \$4,600 for contingency, neither of which was expended.

- \$1,900 remains unspent in the program expense budget for small allotments for Christmas gifts, Halloween fireworks, and Easter Supplies.

Swimming Pool

- Operating expenses of \$14,000 were incurred against a budget of \$8,000 due to heating fuel consumption and mileage overruns.

-\$23,000 was budgeted in capital works for a pool pump and sand filter units. These were not required for the season and so not purchased.

-Maintenance costs were under budget by \$5,000. Projected costs were not incurred for building, equipment or site maintenance.

-Professional development or training expenses were budgeted at \$8,000 but came in at \$14,000 as a result of extra guidance on service delivery from a professional to CCRD operations. Some qualified or already certified workers from the previous season did not

return to the pool operations in 2021 which resulted in more training required for other new or returning staff.

- In Special Projects, three separate grant funds totalling \$3.9 million have been secured through the Community Economic Recovery Infrastructure funding Program (\$990,840) and through the Strategic Priority Fund (Gas Tax) (\$2,690,991) and from NDIT (\$250,000) for the pool retrofit project. The expenditures have not yet occurred.

Vancouver Island Library

- There is nothing significant to report financially. Some expenses were not received in time to be included in the year end accounts and needed be recorded in 2022.

PROTECTIVE SERVICES

Emergency Management

-\$33,000 was budgeted for contribution to the Nuxalk Nation for the Shared Emergency Program Coordinator and this was not disbursed.

-\$34,700 of the \$38,500 budgeted remains unspent for consulting fees with regard to emergency management support.

-There has been no significant financial activity to date. Expenditures are 46% of budget.

Emergency Management Initiatives

-The regional district has been approved for grant funding (in 2018) for a Bella Coola Valley Risk Assessment and Flood Modeling project in the amount of \$500,000 and the remaining funds \$488,000 were deferred to 2021. This funding stream will allow us to move to the next phases of the Bella Coola Valley Flood Risk Assessment and Modeling project after wrapping up of Phase 1 funded through UBCM Community Emergency Preparedness Fund (\$150,000). We are currently in Phase III of the project. Currently \$446,000 remains in the budget. The \$41,500 spent this year to date was for professional services to develop natural hazards assessment approach, climate change adaptation and modelling refinements.

- The CCRD was awarded a grant of \$50,000 from UBCM for Indigenous Cultural Safety and Cultural Humility Training and no expenditures have been made to date. The project completion date per the grant agreement is August 30, 2021, however Administration has undertaken conversations with UBCM to extend the grant.

- \$104,000 has been granted from UBCM for CCRD Coastal Wildfire Protection Plan (CWPP) project and the funds has not yet been expended. Discussions with the Heiltsuk Tribal Council for developing a scope of work are still pending for this project and the completion date of the project has been extended to March, 2022.

- The CCRD was awarded a grant of \$25,000 from UBCM for Denny Island Sea-Can and supplies project and no expenditures have been made to date. The project completion date per the grant agreement is May 31, 2022. It was not included in the 2021 budget due to the timing of the grant agreement but will be carried forward to 2022.

- Additional costs of just under \$30,000 have been incurred in supporting mandated efforts of the local health authority and the operation of CCRD's regional Emergency Operation Center to help ensure the safety of the public and CCRD staff, and to ensure CCRD essential services continue. These costs were offset by reimbursement from EMBC.

Fire Protection- Bella Coola

-\$9,700 remains unspent in the capital works budget for an electric door opener, concrete floor work and electrical panel work at the fire hall.

-\$5,000 was budgeted for consulting fees with regard to developing a training plan and operations manual and this has not been spent.

-Operating costs are \$1,700 over budget on account of higher fuel heating and snow clearing costs.

-Maintenance costs are \$2,800 under budget due to less than anticipated commercial vehicle inspection costs.

Fire Protection- Hagensborg

-Firemen's honorariums and gift certificates were paid out (\$5,000) as authorized at the December board meeting but were expensed under the General Operations service budget due to a budgeting error in the apportioned administration charges. In 2022 the honorariums will be paid directly from the fire department budget.

-Maintenance expenses are about 38% of budget with \$6,700 remaining for repairs.

-Operating costs are in line with budget (\$4,000).

TRANSPORTATION SERVICES

Bella Coola Airport

-\$6,000 of \$33,500 budgeted for capital works (electrical repairs to the terminal building, west end clearing, and bear proof garbage can) has been spent on a bear resistant bin and on west end clearing.

-Operating expenses are about 90% expended. Snow clearing costs came in at \$5,000 below budget but we're not certain we can expect the same in 2022!

-\$21,000 remains unspent in the maintenance budget for brush removal, crack sealing contract, mowing weed eating contract, and other ground or runaway maintenance

-\$10,000 budgeted for Safety Management Systems external audit consulting fees and other consulting fees with regard to project development and design support has not yet occurred. Supplies and tools are underspent by \$4,000.

-\$5,000 contingency was not required for additional building repairs or for extra snow plowing.

-The CCRD was awarded a grant of \$563,000 from Ministry of Transportation and Infrastructure for replacement of JET A and LL100 AV gas fueling system at Bella Coola airport. To date \$51,000 has been spent on professional fees for background data collection and preparation of a front end Request for Proposals and a 3rd apron

management plan, design services and architectural drawings, general project management and site preparation (gravel placement).

- The \$2,700 available for the obstacle removal project at Bella Coola Airport which is funded from BC Air Access Program (BCAAP) has been completed.

-The remaining funds (\$30,210) from Rural Dividend for Bella Coola Airport Tourism and Capacity Enhancement have not been expended. This project which involves surveying and appraisal of airport lands has not been completed.

Denny Island Airport

- \$14,000 was budgeted in capital works for terminal roof repair at Denny Island airport and this has not been spent, nor has the \$4,000 budgeted for maintenance.

-There has been no significant financial activity to date. Other than the standard costs for hydro, insurance, apportioned administration and asset replacement, the only expenditure has been \$168 for a windsock.