

Strait Talk, April 2010

The SCRD's annual budget process concluded March 30 with a very successful result. Overall, taxation is up only .4%, about even with 2009 levels. The total budget is around \$40,000,000, about \$13,000,000 coming from property taxes. The rest comes from grants and user fees (e.g. water rates, garbage collection fees, bus fares, recreation admissions, etc.) Because each rural area and municipality subscribes to a different suite of services, has experienced different rates of growth and assessment levels, the change from 2009 taxation rates varies depending upon where you live. What is important to note is the new process the SCRD has used to make budget decisions and the new policies around financial sustainability being developed.

Previously, the budget process began by including all proposed improvements to services, wish lists for increased staffing and other project enhancements. This was followed by a 3 month process of progressive whittling to pare the budget down to a manageable level. This year, the SCRD moved to base budgeting. Following some program and staffing cuts in December ahead of the 2010 budget cycle, managers were asked to bring forward budgets without enhancements or improvements. The wage and benefit increases required under the collective agreement were included and some of the unsustainable cuts made to reduce costs in 2009 were reinstated (e.g. conferences.) From this base operating budget, managers then proposed projects, programs, capital works and other enhancements that were carefully examined on an individual basis. Some that were accepted were fire department enhancements, recreation facility equipment and building improvements, increased parks maintenance budgets, and one temporary staff person (with grant funding) to lead the Community Energy and Emissions Plan implementation.

Budgets are revenue and expenditure predictions. Sometimes, these predictions are not borne out resulting in surpluses. In the last several years, directors have felt pressure to use surpluses to offset taxation. This year managers were asked to analyze the pattern of surpluses in each department. If surpluses were consistently generated for certain items over a number of years, the relevant budgets were reduced. Surpluses from planned projects not happening or costing less than anticipated, were set aside for future one time projects. Some surpluses came from vacant staff positions not being filled. In this case they were set aside in a rate stabilization fund to offset unexpected future costs. In this way, we hope to achieve more financial sustainability and avoid the taxation peaks and valleys we have sometimes experienced.

The SCRD has recently experienced considerable expansion. New recreation facilities and parks have been created. We are tackling sustainability issues and the reduction of energy use and emissions. Water services in Pender and Granthams have been added. Now it is time to pause and take stock, ensure existing facilities are healthy and a plan for ongoing maintenance is in place. With sound financial planning and processes, the SCRD is well positioned moving into the next decade.

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