

January 6, 2021

Report To: Operations & Facilities Executive Committee Members

From: Travis Rob, Manager Operations & Facilities

RE: First Draft of 2021 Operating Budget for the Operations & Facilities Division

A meeting is scheduled for Wednesday January 20, 2021 to review Draft One of the Operations & Facilities Division Operating Budget for 2021, Water Fund, and Sewer Fund. In order to ensure that the Operations & Facilities Executive Committee has a full understanding of how the proposed budget was developed it is pertinent that the enclosed documentation is reviewed and fully understood by each member of the committee.

Some Major Highlights are as follows:

- 0% increase in diesel and gasoline costs with reductions in some areas for better pricing obtained through LAS Group Purchasing
- 0% change in natural gas costs.
- 1.9% increase in hydro costs, where warranted for O&F accounts.
- 0.6% increase in user fees and charges are reflected in the document at this time.
- 2.7% increase in water & sewer costs in accordance with the Water and Sewer Financial Plan and approved rates.
- 0% Increase in Recycling Contracted Works for Asselin's handling of the bins at the compactors, \$45,868 increase to Emterra recycle processing and transportation collection contract costs.
- \$8893 increase in streetlight electrical – the three-year average plus 1.9%
- proposed staff adjustments are as follows;
 - Addition of cleaning staff at Public Works instead of utilizing contract cleaners effective January 1, 2021.
- Substantial changes in the Airport operations to offset impacts of COVID-19 expected in 2021.

- All landing fees, passenger fees, terminal fees are based on the assumption of 1 Bearskin flight per day, 3 days per week, transporting 1 passenger.
- Substantial decrease in fuel sales anticipated at the Airport with related decrease in fuel purchased for re-sale.
- Increase in bridges contracted works for the required 2021 structural assessment.
- Decrease in training costs across the O&F division, other than water and sewer, reflecting lack of training related travel due to COVID-19.
- Addition of funds to Storm Water Management – Urban for a 2021 zoom camera inspection program – pending Asset Management Grant receipt.
- Additional funds in Software for Road Condition Assessment app – pending Asset Management Grant receipt.
- Costs curbed throughout the budget to account for increased expenses due to operating under COVID-19 restrictions.

The remainder of this report explains how the budget documentation should be used.

- **The Operations & Facilities Division - 2021 Operating Budget is broken down into three (3) areas;**
 - 1) Public Works – Roads, Sidewalks, Engineering, Streetlights, Waste Management, Vehicle/Equipment Maintenance, Water and Sewer
 - 2) Parks & Cemeteries – self explanatory
 - 3) Airport- self explanatory

In Appendix “A” there is an operating budget reconciliation spreadsheet outlining the major variances in the budgeted amount from 2020 to 2021 for each sub-section in each of the three (3) areas. Also outlined there are explanatory notes highlighting the major factors contributing to the variances. In order to fully appreciate how the 2021 budgeted amounts have been determined, please review the Operations & Facilities Division budget document outlined in Appendix “B”. These spreadsheets include explanatory notes as well as both the sewer and water operating budget amounts.

- **Sewer & Water Funds - 2021 Operating Budgets**

Please find the following pertinent information in Appendix "C":

- 1- Reconciliation spreadsheet of the Sewer General Fund for the operating budget.
- 2- Reconciliation spreadsheet of the Water General Fund for the operating budget.

- **Operations & Facilities Division 2021 Capital Budget**

Again for 2021, Administration will present a complete capital budget that has already been prioritized and ranked. This is scheduled to be presented to Council at the February 1, 2021 Budget Meeting.

Summary

Hopefully the information attached in this document will aid you in understanding the Operations & Facilities Division Budget and the Sewer and Water Funds. If you have any questions prior to the scheduled meeting, please feel free to contact me. This report has been prepared for the Operations & Facilities Executive Committee to better understand how the 2021 budget was assembled.



Travis Rob, P.Eng.
Manager of Operations & Facilities

c.c. - Dawn Galusha, Treasurer
Doug Brown, CAO