

**Full Authority
15 March 2018
Agenda Item: 11**

2018 Draft Budget Notes

Further to the direction given to staff at the 22 February 2018 Board meeting, the following notes are provided for the Board's consideration.

Staff reviewed both the operational and capital budget to ensure all expenses and revenue had been reflected accurately and no opportunities had been overlooked. This exercise resulted in the same conclusion by the Board, increasing revenue in the Operations Budget would be the key to reducing the CVCA levy to the municipalities.

Operations and Administration Budget

- Amanda and I engaged staff to assist with the review of the permit and planning fees, determine the appropriate increases and to assess implications of the increase on the regulations and planning services.
- Staff concluded the largest increase should be for permits that have to be issued for buildings, shorelines and fill. Therefore a 20% increase for these areas was used for the operations budget.
- The remaining fees were adjusted to account for inflation for the last three years, resulting in a 6% total. The last three years was used since it was when the fee structure was changed.
- The combined net effect on the regulation permits is a 19.3% increase to the revenue.
- Planning fees were 20% across the board.
- The combined result raised revenue estimates (and I stress estimates) is enough to reduce the overall operational levy increase to 7.49%.
- Fortunately, the additional revenue resulted in no changes to the other main components of this year's operational budget. Proposed staffing step increases and the .5FTE position remain in this current version of the operational budget.

Capital Budget

- There are only two changes to the Capital Budget. As mentioned at the last Board meeting, there was an additional WECI project submitted to the Ministry of Natural Resources and Forestry. As a result, it is now included in the Capital Budget and the corrected amount is \$55,125. The motion passed by the Board will need to be revised to reflect the change.
- The second change was a reduction of the new vehicle expense from \$40,000 to \$32,000.