

**REPORT TO ELECTORAL AREA SERVICES COMMITTEE
MEETING OF WEDNESDAY, 06 FEBRUARY 2008**

SUBJECT ELECTORAL AREA FEASIBILITY STUDY RESERVE FUND

PURPOSE

The purpose of this report is to provide the committee with a cash flow report for the Electoral Area Feasibility Study Reserve Fund for the year 2008 so they may consider whether or not to requisition.

BACKGROUND

During the November budget review meeting on November 19, the Electoral Area Services Committee did not consider a requisition for the Electoral Area Feasibility Study Reserve Fund for 2008. A review has been done of the expenditure commitments made to date, the grants applied for and/or the community funding to be received during 2008.

The attached Schedule A provides a summary of the projects being funded, the source of the funding and a cash flow projection for the year 2008. If all the expected funding is received by December 31, 2008, and no new projects are added, the fund will be in a deficit of \$48 at the end of 2008.

The requisition for the Electoral Area Feasibility Study Reserve Fund since its inception is as noted in the table below.

Feasibility Study Reserve Fund	2007	2006	2005	2004	2003	2002
Requisition from EAs of SSI, SGI and JDF	\$30,000	0	0	0	0	\$50,000

ALTERNATIVES

- 1) Consider a proposed requisition of \$50,000 to cover a projected deficit and provide for adequate funding of future projects.
- 2) Consider a proposed requisition of some amount to cover the projected deficit and to provide additional funding for other studies in the future.

FINANCIAL IMPLICATIONS

The Feasibility Study Reserve Fund cannot be in a deficit position over a year end. Monthly deficits attract an interest charge.

The Electoral Area Feasibility Study Reserve Fund requisition is apportioned on the basis of converted assessments. Based on the completed assessments (not the final) for 2008, the cost of the requisition is apportioned as follows:

Electoral Area	Requisition For \$10,000	Requisition For \$30,000	Requisition For \$50,000
Juan de Fuca	2,077	6,231	10,385
Salt Spring Island	4,218	12,655	21,091
Southern Gulf Islands	3,705	11,114	18,523

SUMMARY/CONCLUSIONS

Based on current cash flow projections, the Feasibility Study Reserve Fund for the Electoral Areas will be in a deficit position at the end of December, 2008.

RECOMMENDATION

That the committee requisition \$50,000 for the Electoral Area Feasibility Study Reserve Fund to offset a projected deficit and to provide funds for future studies.

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Attachment (1)