

SPID Finance Report Fiscal 2019

SUMMARY

In 2019 SPID realized an overall operating deficit of \$1,005; \$11,155 better than forecast. The Administration, Fire and Water Department costs were \$7,632 over; \$213 under, and \$4,735 over budget respectively .

2020 parcel tax and water toll levies were increased to cover increasing costs across all departments.

An amount of \$1,255,000 was budgeted for the design and construction of Phase III of the Water Infrastructure renewal Project.

The Capital Reserve Renewal Fund balance closed the year at \$611,594. Annual levies for the fund are not expected to increase in the foreseeable future.

At year-end SPID's debt for the water project was \$1,548,233 and for the fire truck was \$1,44,389.

DETAIL

Budgets

2019 Operating Budget

Primarily due to the unbudgeted collection of taxes and water tolls in arrears, SPID realized an overall operational deficit of \$1,006; \$11,154 better than forecast.

Administration Department costs were \$7,632 over budget, mainly due to higher office and office service expenses; Fire Department costs were \$213 under budget; and Water Department costs were \$4,735 over budget due to higher than expected costs for chlorine and water testing as well as the cost of repairing a watermain leak under Ships Point Road.

Attached is the performance to budget report for December 2019. The board receives and reviews this report each month.

2020 Operating Budget

2020 parcel tax and water tolls were increased to cover anticipated cost increases across all departments. Administration Department costs are slightly higher than 2019 actuals; Fire Department costs show a moderate increase and costs for operating the Water Department are expected to increase primarily due to increases in labor costs.

The 2020 budget forecasts a deficit of \$7,200 primarily due to the implementation of a 7-10 year program designed to bring the Fire Department's equipment more up-to-date.

The 2020 budget is attached.

2020 Capital Budget

An amount of \$1,255,000 is budgeted for design and construction costs for Phase 3 of the Water Infrastructure Renewal Project. The board recognizes that this amount may be substantially different than forecast once tenders for construction are received.

Capital Reserve Renewal Fund

As of December 31, 2019, the balance of the Capital Reserve Renewal Fund was \$611,594 plus accrued interest from investments. The annual levy for the Capital Reserve Renewal Fund is not expected to increase in the foreseeable future.

Debt

The loan secured to finance Phase 1 of the Water Infrastructure Renewal Project was renewed in June 2019 for a term of 5 years at a rate of 3.38%. SPID also negotiated the ability to pay down 10% of the principal balance each year over the amortization period of the loan. At year-end, SPID's total debt load for the water project was \$1,548,233 and for the fire truck was \$144,389.

Attachments

- A. 2019 Performance to Budget**
- B. 2020 Budget**