

DATE: March 4, 2020

FILE: 1700-02/2020/645

TO: Chair and Members
Comox Valley Sports Centre Commission

Supported by Russell Dyson
Chief Administrative Officer

FROM: Russell Dyson
Chief Administrative Officer

R. Dyson

**RE: 2020 - 2024 Recommended Financial Plan – Comox Valley Recreation
Complex Service Function 645**

Purpose

To provide the Comox Valley Sports Centre Commission (CVSCC) with the recommended 2020 - 2024 financial plan and work plan highlights for the Comox Valley Recreation Complex service, function 645, which updates the proposed financial plan presented to the Commission on January 28, 2020

Recommendation from the Chief Administrative Officer:

THAT the recommended 2020 – 2024 financial plan for the Comox Valley Recreation Complex service, function 645, be approved as outlined in the staff report dated March 4, 2020 resulting in a zero increase to the tax requisition in 2020;

Executive Summary

This report presents a recommended financial plan for the Comox Valley Recreation Complexes service that recommends the 2020 tax requisition remain unchanged from 2019.

The 2020– 2024 proposed financial plan and work plan highlights for functions 645 – 649 were presented to the CVSCC on January 28, 2020 and included at that time a \$100,000 increase to the 2020 tax requisition from 2019. However, the 2019 year-end surplus has now been finalized indicating a total surplus carry forward into 2020 of \$508,797, therefore an increase to the tax requisition is not necessary at this time.

This report summarizes the recommended changes as a result of the available prior year's surplus.

Highlights of the changes since the financial plan was reviewed on January 28, 2020 include:

- The 2020 tax requisition is to remain at the 2019 level of \$4,520,250.
- The 2019 surplus is the result of:
 - Higher than anticipated revenues (\$296,769), most notably sales of service user fees, and
 - Lower than forecast expenditures (\$212,028), primarily in personnel costs which were \$141,276 lower than expected.
- In response to Strategic Goal 1- Asset Management Outcome the following expenditures are proposed for 2020:
 - Include professional fees for sports centre pool basin study (\$80,000)
 - A contribution to the capital works reserves of \$30,000 to enable the replacement of the aquatic centre sound system in 2020.

- In response to Strategic Driver - Climate crisis and environmental stewardship and protection –outcome – As part of the Clean BC – low carbon initiative:
 - A contribution to the capital works reserve of \$30,000 to enable the installation of an EV charging station at the sports centre in 2020.
- A further contribution to the capital works reserves of \$96,433 to support future renewal of our facilities in order to prolong their functional lifespans where appropriate.
- Major maintenance and replacement plans for both the sports and aquatic centres continue to be projected in future years.

Prepared by:

Concurrence:

J. Zbinden

D. DeMarzo

Jennifer Zbinden
Senior Manager of Recreation Services

Doug DeMarzo
General Manager of Community Services

Options

1. To approve the 2020-2024 recommended financial plan for the Comox Valley Recreation Complex service, function 645 as presented.
2. To approve the 2020-2024 recommended financial plan for the Comox Valley Recreation Complex service, function 645 with amendments.

Revenue Sources

The main source of revenue for the Comox Valley Recreation Complexes Service is the tax requisition (70 per cent) which is being recommended to remain unchanged for 2020 at \$4,520,250. Upon the completion of 2019 year end, the sales of services and user fee revenues exceeded the budgeted amounts by \$267,640. This is a result of additional sales in memberships, swim/skate lessons under 14 years of age, public swims and arena rentals.

Operations

With the completion of the recreation facilities condition assessments and lifecycle report in 2019 it has been recommended that a pool basin study be completed for the sports centre pool. This study will provide recommendations of the financial support required to maintain the sports centre pool.

Capital

An additional allowance have now been included for replacement of the aquatic centre sound system. As per the recreation facilities condition assessments and lifecycle report the facilities are within their first expenditure spike, due to assets requiring replacements from reaching end of service lives. This item is also due for replacement for patron and staff safety. The addition of an EV charging station at the Sports Centre has also been include in the capital budget to accelerate the availability, acceptability and affordability of low-carbon solutions for a cleaner community.

Reserves

The estimated Capital Works reserve Tables 1 and 2 provide a comparison of both the proposed and recommended budget stages. An additional \$96,433 is recommended to be contributed to reserves with a portion of the 2019 surplus and the reserve withdrawals also now reflect project needs in the recommended budget.

Table 1: Estimated Reserve Fund Status as at Proposed Budget

Capital Reserve	2019	2020	2021	2022	2023	2024
Opening Balance	\$1,008,002	\$1,260,019	\$1,275,951	\$1,220,628	\$1,279,108	\$1,059,532
Contributions	\$559,104	363,682	\$189,677	\$248,480	\$220,424	\$200,726
Withdrawals	(\$307,087)	(\$347,750)	(\$245,000)	(\$190,000)	(\$440,000)	(\$200,000)
Closing balance	\$1,260,019	\$1,275,951	\$1,220,628	\$1,279,108	\$1,059,532	\$1,060,258

Table 2: Estimated Reserve Fund Status as at Recommended Budget

Capital Reserve	2019	2020	2021	2022	2023	2024
Opening Balance	\$1,008,002	\$1,272,827	\$1,385,192	\$1,329,869	\$1,388,349	\$1,168,773
Contributions	\$585,063	520,115	\$189,677	\$248,480	\$220,424	\$202,726
Withdrawals	(\$320,238)	(\$407,750)	(\$245,000)	(\$190,000)	(\$440,000)	(\$200,000)
Closing balance	\$1,272,827	\$1,385,192	\$1,329,869	\$1,388,349	\$1,168,773	\$1,171,499

Citizen/Public Relations

Participants in the service include the City of Courtenay, Town of Comox, Village of Cumberland and the residents of Electoral Areas A (Part Area A Baynes Sound), B and C.