



Date: 11/10/2018

AGENDA ITEM SUMMARY

To: South Cariboo Joint Committee

And To: John MacLean, Chief Administrative Officer

From: Darron Campbell, Manager of Community Services

Date of Meeting: South Cariboo Joint Committee_Oct15_2018

File: 8030-20-02

Short Summary:

South Cariboo Recreation Services 2019 Business and Financial Plans and Capital Projects Plan

Voting:

By Consensus

Memorandum:

The attached 2019 business plan goals, five-year financial plan and capital plan for the South Cariboo Recreation Services were developed as part of the annual function management and planning process. These documents are presented to the South Cariboo Joint Committee for information and endorsement prior to final submission to the Regional District Board.

The primary goal for the 2019 plan remains undeveloped at this time and should reflect the highest strategic priority for South Cariboo Recreation Services. Focus of discussion for the joint committee could include potential options, such as developing a sub-regional recreation asset inventory and long-term capital investment/construction plan, or a review and consideration of amendments to the recreation taxation boundary or focusing on a major infrastructure project such as relocation of the equestrian grounds or development of an aquatic centre proposal.

Funding to support a primary strategic goal as contemplated above is currently not included in the provisional 2019 financial plan but can be included prior to moving forward to the Regional District Board based on direction provided by the joint committee.

It is expected the funding necessary to undertake the first steps of a strategic priority goal in 2019 can be absorbed into the existing budget without increasing the requisition level beyond the proposed amount of 1% per year.

Under the current financial plan as attached, the 2019 tax requisition is increased by 1% from the 2018 requisition amounting to \$7,321 for a total requisition of \$739,373. The requisition is also increased by 1% annually from 2020-2023 to account for operating cost increases and to maintain appropriate capital reserves.

The 2018 requisition was increased by 2% from the 2017 requisition.

A large requisition increase occurred in 2014 of 20%, amounting to \$116,741 from the 2013 requisition. These changes in the financial plan amounted to a residential tax rate increase in 2014 of about \$10 per \$100,000 of assessed value, which is within the range presented to the public as part of the referendum process, to amend the establishment bylaw.

The increase was required to accommodate an increased scope of services for community programs within the Recreation Services Management Agreement with Canlan Ice Sports as well as contributions of up to \$121,000 to the District of 100 Mile House for operation of the soccer fields and the Martin Exeter Hall complex.

Deficit targets for the operational costs for the recreation centre, including activity program delivery, are set within the five-year contract with Canlan Ice Sports and equate to \$212,000 in 2014 increasing to \$221,000 in 2018. Through the current contract, Canlan receives a fixed management fee of \$55,000 per year with a bonus payment based on meeting operational cost targets. Canlan also retains the revenues from use of the facility based on fees and charges reviewed and set annually by the Regional District.

An Expression of Interest for the recreation management contract is in development and will be a first step towards determining the course for continuing the agreement.

The Regional District renewed five-year Operation and Occupancy agreements (2014-2019) with the 100 Mile and District Curling Club in April 2014. As part of these agreements, the Regional District will cover the building's utility costs for the ice season and allow the Club time to rebuild its membership and stabilize its revenues. The previous debt, amounting at one point to about \$21,000 owed by the club was paid in full in 2014.

Other annual agreements within the service include \$7,000 for the 108 Ranch Community Association (2019-2021) to maintain the beaches on 108 and Sepa Lakes and \$15,000 for maintenance of the Lumberman's and Robinson Ball Parks (2019-2021) with the District of 100 Mile House.

Annual funding contribution agreements are also in place with the District of 100 Mile House for operation the 100 Mile Soccer Park at \$61,000 (2017-19) and Martin Exeter Hall theatre and Lodge complex at \$55,000 (2017-19).

The five-year capital plan for the service maintains a consistent annual expenditure, between \$80,000 and \$100,000, depending on necessary purchases. Large purchases are planned, several years in advance, by making contributions to capital reserves.

The service had an outstanding debt of \$916,481 as of December 31, 2018, from borrowing on the arena reconstruction. The debt will be repaid by 2023.

The service has projected capital reserve funds of \$342,544 at the end of 2018 taking into account a net transfer out of reserves of \$110,000 in 2018 for the installation of a lift station at the water park in Centennial Park. The increased contributions thereafter to capital reserves are planned to facilitate major renovations to the Martin Exeter Hall complex and projects at the SCRC.

Also attached, is the updated capital plan for the South Cariboo Recreation Centre, which includes the status of 2018 projects and proposed works for 2019-2022.

Key capital projects planned for 2019 include the creation of a dog park, replacement of ice plant equipment, some renovations to the curling rink lounge and to the rec centre administration office.

Key program goals include continuing to offer and expand community activity programs and events and host provincial-level tournaments.

Attachments:

SC Recreation Business Plan

SC Recreation Five-Year Financial Plan

SC Recreation Centre Capital Plan

Financial Implications:

The 2019 tax requisition is increased by 1% from the 2018 requisition amounting to \$7,321 for a total requisition of \$739,373. The requisition is also increased by 1% annually from 2020-2023 to account for operating cost increases and to maintain appropriate capital reserves.

Policy Implications:

As part of the joint governance approach to the South Cariboo sub-regional recreation function, the plans are presented for the receipt and review of the Joint Committee prior to final submission to the Regional District Board's annual financial planning process.

Alignment with Strategic Plan:

- ☒ Ensuring Sufficient and Sustainable Funding
- ☐ Building on our Relationships
- ☒ Providing Cost Effective High Quality Services
- ☐ Focusing on Being Well Governed

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CAO Comments:

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Options:

- 1) Receipt;
- 2) Receipt and provide direction;
- 3) Defer

Recommendation:

That the agenda item summary from Darron Campbell, Manager of Community Services, dated October 11, 2018, regarding the 2019 five-year business and financial plans for the South Cariboo Recreation Services function and the South Cariboo Recreation Centre capital plan, be received. *Direction on the strategic priority for recreation services to be confirmed by the committee for inclusion into the plans prior to submission to the Regional District Board.*

