



Date: 06/10/2021

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_Oct14_2021

File: 8030-20-02

Short Summary:

South Cariboo Recreation and Culture Services 2022 Business, Financial, and Capital Plans

Voting:

By consensus

Memorandum:

The attached 2022 business plan goals, five-year financial plan and capital plan for South Cariboo Recreation and Culture 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.

As directed in 2021, the primary goal for the 2022 plan is to prepare for a referendum on a proposed expansion of the South Cariboo Recreation and Culture taxation boundary planned for June 2022.

Under the current financial plan as attached, the 2022 tax requisition is increased by 1% from the 2021 requisition amounting to \$7,541 for a total requisition of \$761,713. The requisition is also increased by 1% annually from 2023-2026 to account for operating cost increases and to maintain appropriate capital reserves.

The 2021 requisition was increased by 1% from the 2020 requisition.

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 \$232,370 in 2019 increasing to \$254,130 in 2024. Through the current contract, Canlan receives a management fee of \$60,500 in 2019 increasing to \$68,903 in 2024 with a bonus payment based on meeting operational cost targets. Canlan also retains the revenues from use of the facility to off-set operational costs based on fees and charges reviewed and set by the Regional District.

The Regional District renewed five-year Operation and Occupancy agreements (2019-2023) with the 100 Mile and District Curling Club. 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.

Other annual agreements within the service include \$7,000 for the 108 Ranch Community Association (2022-2024) 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 of the 100 Mile Soccer Park at \$61,000 (2020-22) and Martin Exeter Hall theatre and Lodge complex at \$60,000 (2020-22).

The five-year capital plan for the service maintains a consistent annual expenditure, between \$100,000 and \$150,000, depending on necessary purchases. Large purchases are planned, several years in advance, by making contributions to capital reserves. A major parking lot resurfacing project is planned for 2022.

The service had an outstanding debt of \$302,046 as of December 31, 2021, from borrowing on the South Cariboo Recreation Centre reconstruction in 2003. The debt will be repaid by 2023.

The service has projected capital reserve funds of \$701,000 at the end of 2021 taking into account that no transfer into reserves is planned due to unforeseen costs for ceiling repair at the recreation centre and a commitment to the Nordics ski society of matching funding for a grant to purchase a trail groomer. The contributions thereafter to capital reserves, amounting to \$500,000 over the five-year plan, are to facilitate major capital projects at the South Cariboo Recreation Centre and surrounding property.

Also attached, is the updated capital plan for the South Cariboo Recreation Centre, which includes the status of 2021 projects and proposed works for 2022-2025.

Key capital projects planned for 2022 include an asphalt overlay to repair the parking lot and installation of a photovoltaic solar panel system at the rec centre. Construction of a low mobility wheelchair accessible trail at 108 Lake, is planned but also subject to securing grant funding for the majority of the cost.

Key administrative goals include updating the fees and charges bylaw as well as reviewing the contribution agreements with the District of 100 Mile House for operations of the soccer fields and Martin Exeter Hall and the occupancy agreement with the Agriplex Society for the Stan Halcro Arena.

Attachments:

SC Recreation Business Plan
SC Recreation Five-Year Financial Plan
SC Recreation Centre Capital Plan

Financial Implications:

The 2022 tax requisition is increased by 1% from the 2021 requisition amounting to \$7,541 for a total requisition of \$761,713. The requisition is also increased by 1% annually from 2023-2026 to account for operating cost increases and to maintain appropriate capital reserves.

It is also expected that the taxation subsidy target in the service contract with Canlan Ice Sports for operation of the recreation centre will not be met in 2021 as a direct impact from the COVID-19 situation which decreased revenues and increased maintenance costs at the facility. There is also a significant loss of revenue due to the Wranglers Junior B Hockey Club not playing in the 2020-2021 season.

The financial plan includes a revenue replacement contribution of up to \$40,000 of COVID-19 Safe Restart funding from a regional allocation of \$300,000 as approved by the Regional District Board.

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:

- Communication:** Facilitate communication strategies throughout the entire Cariboo Regional District that meet the needs of residents, community stakeholders, and other levels of government.
- Planning:** Intentionally plan services and activities of the CRD to prepare for future needs of residents and community stakeholders.
- Economic Sustainability:** Foster an environment to ensure the economic sustainability of CRD communities and the region.
- Governance:** Ensure that CRD governance policy and practices are intentional, transparent, and respectful.

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CAO Comments:

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Options:

- 1) Endorse recommendation;
- 2) Receipt and other action at the direction of the Committee;

- 3) Receipt only;
- 4) Defer.

Recommendation:

That the agenda item summary from Darron Campbell, Manager of Community Services, dated October 6, 2021, regarding the 2022 five-year business and financial plans for the South Cariboo Recreation and Culture Services function and the South Cariboo Recreation Centre capital plan, be received and endorsed.