

# City Staff Report

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Original signed by: City Manager Johnson

**Report Date:** November 5, 2021  
**Meeting Date:** November 9, 2021 – Joint Advisory Committee

**To:** City Manager  
**From:** Director of Community Services  
**Subject:** COVID-19 Safe Restart Funding

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## Purpose

The purpose of this report is to update the Committee on the impacts of COVID-19 on the Municipal Operating Contract in 2021 and to recommend that the City and CRD each allocate a portion of COVID-19 Safe Restart Funds in 2022 to offset the continued impact of COVID-19 on the NCRP budget.

## Summary

- At the October 12, 2021 meeting of the North Cariboo Joint Advisory Committee, staff presented a report regarding the 2022-2026 financial plan for the North Cariboo Recreation and Parks Service (NCRP), which included references to the impacts of COVID-19.
- A request was made at the meeting that staff provide more detailed information to a future meeting regarding the impact of COVID-19 at the Arts and Recreation Centre and arenas and to make a recommendation regarding the use of COVID 19 Safe Restart Funds in 2022.
- The proposed 2022 Municipal Contract operating budget was approved at the October 12, 2021 meeting. The budget was based on the assumption that lost revenue due to COVID-19 will be offset by reduced expenditures and/or the use of Safe Restart funds.
- The City and CRD each committed a portion of their COVID-19 Safe Restart funds to offset NCRP lost revenues in 2021 due to COVID-19.
- Based on current projections, the operating subsidy for the Municipal Contract in 2021 is expected to be approximately \$100,000 higher than budgeted which is considerably lower than originally projected therefore only a portion of the COVID-19 Safe Restart Funds allocated by the City and CRD in 2021 will be required to offset this impact.
- It can be assumed that the impacts of COVID-19 will continue to be experienced well into 2022.
- While it is difficult to predict what that impact will be, it is likely that a similar budget shortfall can be expected in 2022. As such, it is recommended that the City and CRD each allocate \$50,000 in 2022 to offset revenue shortfalls in the NCRP budget.

## Recommendation

**That the North Cariboo Joint Advisory Committee recommend to Quesnel City Council and the Cariboo Regional District Board that the City and Regional District each respectively allocate up to**



## **\$50,000 of COVID-19 Safe Restart Funds in 2022 to offset lost revenue in the North Cariboo Recreation and Parks budget as a result of COVID-19.**

### **Background**

- Revenues to the end of September for the Municipal Operating Contract are approximately \$320,000 lower than they were at this time in 2019, before the COVID-19 pandemic began.
- While revenues are improving as restrictions are lifted, the pandemic is expected to continue to impact revenues through the balance of 2021 and into the new year.
- Pool admissions in October, for example, were considerably higher this year than 2020 (up approx. 60%) but remain well below 2019 levels (down 27%).
- Despite the overall loss of revenue, there has been some encouraging trends in 2021:
  - Revenue and participation in swimming lessons for adults and children are at, or are exceeding pre-COVID levels.
  - Revenue from first aid courses has increased a remarkable 83% compared to 2019.
  - The Summer Day Camp at the Arts and Recreation Centre was extremely successful this year, with revenues 24% higher than budgeted.
- The loss of revenue to date in 2021 compared to 2019 has come primarily from the following areas:
  - \$52,700 Adult ice rentals
  - \$69,900 Weight Room admissions/passes
  - \$97,000 Pool admissions/passes
- While the complete ban on adult sports that was in place for most of the 2020/2021 ice season have been lifted, the current restrictions continue to impact the number of hours of rentals at the arenas. On average, 16 fewer hours per week are rented this fall by adult user groups compared to 2019, and 13 fewer hours per week in youth ice rentals for a total decrease in ice rentals of approximately 29 hours per week.
- While revenues overall have decreased by approximately \$320,000 (30%) compared to 2019, expenditures have also decreased, approximately \$275,000 lower than 2019, which have offset much of the impact of lost revenue.
- Much of the savings in expenditures can be attributed to reductions in staffing, primarily at the arenas due to the reduction in facility rentals and in costs linked directly to revenues (ie: revenue lost because of decreased concession or liquor sales is offset by savings in inventory purchases and staff costs, program cancellations result in lost revenue but also provide savings in instructor and program costs.)