



Date: 11/10/2023

To: South Cariboo Joint Committee

And To: Murray Daly, CAO

From: Darron Campbell, Manager of Community Services

Date of Meeting: South Cariboo Joint Committee_Oct16_2023

File: 8020-02

Short Summary:

South Cariboo Recreation and Culture Business, Financial and Capital Project Plans

Voting:

By Consensus

Memorandum:

The attached 2024 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 2023, the primary goal for the 2024 plan is to proceed with a design, cost estimate and potential construction of an outdoor rink at the South Cariboo Recreation Centre. In order to enable this major project, a significant increase in tax requisition is planned for 2024. This action will also build capital reserves for future projects and major maintenance of existing infrastructure.

The 2024 tax requisition is increased by 20% from the 2023 requisition amounting to \$155,382 for a total requisition of \$932,294. This increase is to support the designs and potential builds of several major capital projects, including an outdoor rink and media booth in the recreation centre. The requisition is also increased by 2% annually from 2025-2028 to account for operating cost increases and to rebuild appropriate capital reserves for future projects.

Deficit targets for the operational costs of the recreation centre, including activity program delivery, are set within the five-year contract with Canlan 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 possible bonus payment based on meeting operational cost targets.

Canlan also retains the revenues from the facility to cover direct operating costs such as staffing and utilities. Facility revenues are based on fees and charges established by the Regional District.

The current contract with Canlan will expire in March 2024 and negotiations are underway for terms of a renewal agreement.

The Regional District has five-year Operation and Occupancy agreements (2019-2023/24) 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 allowing the club to focus on building its membership and stabilizing its revenues.

Other annual agreements within the service include \$8,000 for the 108 Greenbelt Commission (2022-2024) to maintain the beaches on 108 and Sepa Lakes and \$15,000 for maintenance of the Lumberman's and Robinson Ball Parks (2022) 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 (2023-2025) and Martin Exeter Hall theatre and Lodge complex at \$60,000 (2023-2025).

The five-year capital plan for the service maintains a consistent annual expenditure, between \$100,000 and \$150,000, depending on necessary purchases. Large projects are planned, several years in advance, by making contributions to capital reserves. A parking lot resurfacing project was completed in 2022, which required a transfer from reserves of \$400,000.

The service has no outstanding debt as of December 31, 2023, with the borrowing for arena construction fully repaid in 2023.

The service has projected capital reserve funds of about \$210,000 at the end of 2023. Contributions to capital reserves amounting to \$1.3 million are now included over the five-year financial plan 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 2023 projects and proposed works for 2024-2026.

Key capital projects planned for 2024 include an outdoor covered skating rink, replacement of the digital welcome sign, and upgrade of the bleachers and lighting at the ball fields. Construction of a low mobility wheelchair accessible trail at 108 Lake is also in progress with grant funding approved for a majority of the cost. Completion of the trail work is expected by June 2024.

Key administrative goals include increasing the annual tax requisition to build capital reserves and increasing the contribution amount to the 108 Greenbelt Commission to accommodate maintenance of the new fishing dock at 108 Lake.

Attachments:

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

Financial Implications:

The 2024 tax requisition is increased by 20% from the 2023 requisition amounting to \$155,382 for a total requisition of \$932,294. This increase is to support the design and build of several major capital projects, including an outdoor rink and media booth in the recreation centre. The requisition is also increased by 2% annually from 2025-2028 to account for operating cost increases and to rebuild appropriate capital reserves for future projects.

It is also expected that the taxation subsidy target in the service contract with Canlan Sports for operation of the recreation centre will be met in 2023. It appears all lingering impacts from the COVID-19 situation have passed and programs and rentals have fully returned.

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 12, 2023, regarding the 2024 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. Further that the business plan, financial plan and capital plan be endorsed as presented.