



PENINSULA RECREATION COMMISSION
Special Meeting
Thursday, February 04, 2021 at 1 pm
Greenglade Community Centre, Room 6
2151 Lannon Way, Sidney, BC

AGENDA

1. Approval of Agenda
2. Presentations/Delegations
3. Special Meeting Matters
 - a) 2021 Budget Update to Final from Provisional Approval Report
4. Adjournment



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**REPORT TO PENINSULA RECREATION COMMISSION
MEETING OF THURSDAY, FEBRUARY 04, 2021**

SUBJECT 2021 Budget Update to Final from Provisional Approval

ISSUE SUMMARY

To report back to the Peninsula Recreation Commission on the requisition impact of updating the final 2021 budget from the provisional 2021 budget.

BACKGROUND

At its October 15, 2020 meeting, the Peninsula Recreation Commission recommended that the 2021 budget be approved by the Capital Regional District Board. At the January 28, 2021 Peninsula Recreation Commission meeting, staff were directed to provide scenarios for reducing the 2021 requisition increase down to a range of 0% and approved \$413,258 of the 2020 operating surplus to be transferred to reserves.

The preliminary 2021 budget was significantly affected by the COVID-19 restrictions. Operational revenue continues to be constrained, with reduced programing and the elimination of annual passes resulting in an estimated reduction of \$2.1 million from pre-COVID service levels.

The effects of the COVID-19 pandemic were extremely difficult to project for Panorama Recreation staff. After operating under the COVID-19 restrictions for six months, staff have had the opportunity to analyze and review 2020 operating results. With additional operating result data, staff have reassessed 2022 budget projections. Staff have projected increased revenues, particularly in youth community recreation for aquatics and programming admissions revenue. Youth community recreation has been the least impacted by health orders and COVID-19 restrictions.

Below is a summary of the impact to requisition:

Year	Preliminary 2021 Budget	% increase	Alternative 1	% increase	Alternative 2	% increase
2021	\$5,175,221	3.6 %	\$5,093,722	2%	\$4,993,847	0%
2022	\$5,607,787	8.40%	\$5,343,790	4.91%	\$5,343,790	7.01%
2023	\$5,835,262	4.10%	\$5,566,176	4.16%	\$5,566,176	4.16%
2024	\$5,927,958	1.60%	\$5,653,708	1.57%	\$5,653,708	1.57%
2025	\$5,885,354	-.7 %	\$5,605,813	-.85%	\$5,605,813	-.85%

ALTERNATIVES

Alternative 1

The Peninsula Recreation Commission recommends to the Capital Regional District Board:

That the Panorama Recreation preliminary 2021 budget be updated for the final 2021 budget to carry over the remaining 2020 operating surplus after 2020 transfers are reinstated. This will reduce the increase to the 2021 requisition to 2%, partially restoring 2021 transfers to capital and to adjust for new operating projections, as referenced in Appendix A.

Alternative 2

The Peninsula Recreation Commission recommends to the Capital Regional District Board:

That the Panorama Recreation preliminary 2021 budget be updated for the final 2021 budget to carry over the remaining 2020 operating surplus after 2020 transfers are reinstated, reducing the increase to the 2021 requisition to 0% and to adjust for new operating projections, as referenced in Appendix B.

Alternative 3

That the Peninsula Recreation Commission direct staff to look for other alternatives to reduce the 2021 requisition in the preliminary 2021 budget.

FINANCIAL IMPLICATIONS

In the preliminary 2021 budget, the revenue losses were generally offset by reduced program operating costs, postponement of new positions and a reduced transfer to the capital reserve fund of \$213,826.

Carrying forward operating surplus into the next year's operations and reducing the requisition by the same, causes fluctuations on tax requisition, takes away from the capital reserves and encourages spending of operational funds at year-end, so as to not 'lose' the surplus.

As the 2020 operating surplus was sufficient to reinstate the originally budgeted 2020 transfers to reserves, the remaining surplus can be carried forward into 2021 operations to reduce the requisition increase to 2% and restore partial transfers to reserves to reduce the impact to the 2021-2025 capital plan.

CONCLUSION

Panorama Recreation adapted quickly to changing conditions in 2020 due to the COVID-19 pandemic, with reduced discretionary expenditures and providing programs and services that exceeded forecasted revenue. The primary results show an estimated \$600,000 surplus, allowing a restoration of transfers to reserves that were removed from the 2020 amended budget. It also allows for the remaining surplus balance to be carried forward into 2021 operations and reducing the 2021 requisition and partial restoration of transfers to reserves.

RECOMMENDATION

The Peninsula Recreation Commission recommends to the Capital Regional District Board:

That the Panorama Recreation preliminary 2021 budget be updated for the final 2021 budget to carry over the remaining 2020 operating surplus after 2020 transfers are reinstated. This will reduce the increase to the 2021 requisition to 2%, partially restoring 2021 transfers to capital and to adjust for new operating projections, as referenced in Appendix A.

Submitted by:	Lorraine Brewster, Senior Manager
Concurrence:	Larisa Hutcheson, P. Eng., General Manager, Parks & Environmental Services

ATTACHMENTS

Appendix A: 2021 Budget Update to Final from Provisional, 2% Requisition Increase

Appendix B: 2021 Budget Update to Final from Provisional, 0% Requisition Increase

PANORAMA RECREATION	BUDGET REQUEST						FUTURE PROJECTIONS			
	2020 BOARD BUDGET	2020 AMMENDED BUDGET	2021 CORE BUDGET	2021 ONGOING	2021 ONE-TIME	2021 TOTAL	2022 TOTAL	2023 TOTAL	2024 TOTAL	2025 TOTAL
OPERATING COSTS:										
Salaries and Wages	5,199,618	3,827,584	4,075,145	-	-	4,075,145	4,495,694	4,590,506	4,687,310	4,786,152
Utilities	756,547	655,576	629,978	-	-	629,978	645,103	660,599	676,473	692,738
Recreation Programs and Special Events	448,774	165,102	342,554	-	51,000	393,554	352,405	359,453	366,642	373,976
Operating Supplies & Promotion	343,393	226,933	267,777	-	-	267,777	273,133	278,597	284,165	289,850
Maintenance and Repairs	373,016	330,521	387,696	-	-	387,696	396,150	403,273	410,507	417,888
Internal Allocations	438,587	436,587	513,422	-	-	513,422	559,854	571,051	582,471	594,121
Licences/Surveys/Legal/Meeting	161,337	138,107	170,459	-	-	170,459	173,868	177,347	180,893	184,512
Advertising/Printing/Brouchures/Signs	105,133	42,693	35,285	-	-	35,285	35,991	36,709	37,445	38,194
Telephone/IT & Network Systems	54,378	54,378	54,779	-	-	54,779	55,875	56,992	58,132	59,294
Vehicles and Travel	85,008	55,361	68,889	-	-	68,889	70,266	71,674	73,105	74,569
Insurance	41,980	41,980	42,760	-	-	42,760	43,615	44,488	45,377	46,285
Contingency	50,000	50,000	50,000	-	-	50,000	50,000	50,000	50,000	50,000
TOTAL OPERATING COSTS	8,057,771	6,024,822	6,638,744	-	51,000	6,689,744	7,151,953	7,300,688	7,452,520	7,607,578
*Percentage increase over prior year			10.19%			11.04%	6.91%	2.1%	2.1%	2.1%
CAPITAL / RESERVE										
Transfer to Operating Reserve Fund	7,728	5,370	7,805	-	-	7,805	7,961	8,120	8,283	8,448
Transfer to Capital Reserve Fund	411,204	-	305,477	-	-	305,477	205,602	411,204	890,831	890,831
Transfer to Equipment Replacement Fund	396,000	396,000	215,170	-	-	215,170	396,000	396,000	396,000	396,000
Capital & Equipment Purchases	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL / RESERVES	814,932	401,370	528,452	-	-	528,452	609,563	815,324	1,295,114	1,295,279
*Percentage increase over prior year			31.66%			31.66%	15.35%	33.76%	58.85%	0.01%
DEBT CHARGES	818,029	756,214	776,834	-	-	776,834	926,877	857,977	378,350	241,001
TOTAL COSTS	9,690,732	7,182,406	7,944,030	-	51,000	7,995,030	8,688,393	8,973,989	9,125,983	9,143,858
*Percentage increase over prior year		-25.88%	10.60%			11.31%	8.67%	3.29%	1.69%	0.20%
Internal Recoveries										
Recoveries - Other	-	-	-	-	-	-	-	-	-	-
OPERATING LESS RECOVERIES	9,690,732	7,182,406	7,944,030	-	51,000	7,995,030	8,688,394	8,973,989	9,125,983	9,143,858
FUNDING SOURCES (REVENUE)										
Estimated balance C/F from current to Next year										
Balance C/F from Prior to Current year	-	-	(181,374)	-	-	(181,374)				
Fee Income	(3,528,195)	(1,520,819)	(1,689,149)	-	-	(1,689,149)	(2,292,310)	(2,338,160)	(2,384,914)	(2,432,626)
Rental Income	(964,545)	(478,406)	(806,300)	-	-	(806,300)	(866,614)	(883,535)	(900,794)	(918,396)
Sponsorships	(35,770)	(12,459)	(12,610)	-	-	(12,610)	(17,305)	(17,594)	(17,890)	(18,189)
Transfer from Operating Reserve Fund	-	-	-	-	(51,000)	(51,000)	-	-	-	-
Payments - In Lieu of Taxes	(160,875)	(160,875)	(160,875)	-	-	(160,875)	(160,875)	(160,875)	(160,875)	(160,875)
Grants - Other	(7,500)	(16,000)	-	-	-	-	(7,500)	(7,650)	(7,803)	(7,959)
TOTAL REVENUE	(4,696,885)	(2,188,559)	(2,850,308)	-	(51,000)	(2,901,308)	(3,344,604)	(3,407,813)	(3,472,275)	(3,538,045)
*Percentage increase over prior year		-53.40%	30.24%			32.57%	15.28%	1.89%	1.89%	1.89%
REQUISITION	(4,993,847)	(4,993,847)	(5,093,722)	-	-	(5,093,722)	(5,343,790)	(5,566,176)	(5,653,708)	(5,605,813)
*Percentage increase over prior year			2.00%			2.00%	4.91%	4.16%	1.57%	-0.85%
PARTICIPANTS: North Saanich, Sidney, Central Saanich										
AUTHORIZED POSITIONS:										
Salaried	34.85	34.85	34.85	0.00	0.00	34.85	34.85	34.85	34.85	34.85
Converted Auxiliaries	0.50	0.50	0.50	0.00	0.00	0.50	0.50	0.50	0.50	0.50

APPENDIX B

PANORAMA RECREATION	BUDGET REQUEST						FUTURE PROJECTIONS			
	2020 BOARD BUDGET	2020 AMMENDED BUDGET	2021 CORE BUDGET	2021 ONGOING	2021 ONE-TIME	2021 TOTAL	2022 TOTAL	2023 TOTAL	2024 TOTAL	2025 TOTAL
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Telephone/IT & Network Systems	54,378	54,378	54,779	-	-	54,779	55,875	56,992	58,132	59,294
Vehicles and Travel	85,008	55,361	68,889	-	-	68,889	70,266	71,674	73,105	74,569
Insurance	41,980	41,980	42,760	-	-	42,760	43,615	44,488	45,377	46,285
Contingency	50,000	50,000	50,000	-	-	50,000	50,000	50,000	50,000	50,000
TOTAL OPERATING COSTS	8,057,771	6,024,822	6,638,744	-	51,000	6,689,744	7,151,953	7,300,688	7,452,520	7,607,578
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Transfer to Equipment Replacement Fund	396,000	396,000	215,170	-	-	215,170	396,000	396,000	396,000	396,000
Capital & Equipment Purchases	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL / RESERVES	814,932	401,370	428,577	-	-	428,577	609,563	815,324	1,295,114	1,295,279
*Percentage increase over prior year			6.78%			6.78%	42.23%	33.76%	58.85%	0.01%
DEBT CHARGES	818,029	756,214	776,834	-	-	776,834	926,877	857,977	378,350	241,001
TOTAL COSTS	9,690,732	7,182,406	7,844,155	-	51,000	7,895,155	8,688,393	8,973,989	9,125,983	9,143,858
*Percentage increase over prior year		-25.88%	9.21%			9.92%	10.05%	3.29%	1.69%	0.20%
Internal Recoveries										
Recoveries - Other	-	-	-	-	-	-	-	-	-	-
OPERATING LESS RECOVERIES	9,690,732	7,182,406	7,844,155	-	51,000	7,895,155	8,688,394	8,973,989	9,125,983	9,143,858
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Transfer from Operating Reserve Fund	-	-	-	-	(51,000)	(51,000)	-	-	-	-
Payments - In Lieu of Taxes	(160,875)	(160,875)	(160,875)	-	-	(160,875)	(160,875)	(160,875)	(160,875)	(160,875)
Grants - Other	(7,500)	(16,000)	-	-	-	-	(7,500)	(7,650)	(7,803)	(7,959)
TOTAL REVENUE	(4,696,885)	(2,188,559)	(2,850,308)	-	(51,000)	(2,901,308)	(3,344,604)	(3,407,813)	(3,472,275)	(3,538,045)
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REQUISITION	(4,993,847)	(4,993,847)	(4,993,847)	-	-	(4,993,847)	(5,343,790)	(5,566,176)	(5,653,708)	(5,605,813)
*Percentage increase over prior year			0.00%			0.00%	7.01%	4.16%	1.57%	-0.85%
PARTICIPANTS: North Saanich, Sidney, Central Saanich										
AUTHORIZED POSITIONS:										
Salaried	34.85	34.85	34.85	0.00	0.00	34.85	34.85	34.85	34.85	34.85
Converted Auxiliaries	0.50	0.50	0.50	0.00	0.00	0.50	0.50	0.50	0.50	0.50