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**REPORT TO PARKS AND RECREATION COMMISSION
MEETING OF MONDAY, FEBRUARY 15, 2016**

ITEM 6.1

REVISED

SUBJECT 2015 PARKS AND RECREATION OPERATING AND CAPITAL BUDGETS

ISSUE

This report provides the details of the 2015 operating surpluses for the Pool and Parkland Combined, Community Parks and Community Recreation operating accounts and includes a recommendation for the use of the surplus in the 2016 budgets.

BACKGROUND

The 2015 operating surplus for the Pool and Parkland Combined, Community Parks and Community Recreation operating accounts was **\$232,448**. This surplus is the result of:

Surplus	Amount	Recommended Transfer:
1) Pool	\$119,958	Pool ERF \$69,958 Pool CRF \$50,000
2) Park Land	\$88,978	Centennial Park CRF \$82,838 C/F from 2015 to 2016 \$6,140
3) Community Parks	\$9,336	Centennial Park CRF \$9,336
4) Community Recreation	\$14,176	C/F from 2015 to 2016 \$14,176

- 1) Pool and Parkland Combined Surplus of \$208,936 mainly attributed to:
- a) Lower than budgeted utilities for the pool \$25,483
 - b) Higher than budgeted program and admission revenue \$38,238
 - c) Lower than budgeted debt servicing \$55,172
 - d) Lower than budgeted wages and \$25,376
 - e) Lower than budgeted costs for programs and services \$17,739
 - f) Higher than budgeted revenue for internal recoveries \$24,050
 - g) Lower than budgeted costs for printing additional trail guides \$6,140
 - h) Lower than budgeted planning costs for the Centennial Park Master Plan \$15,000
 - i) Miscellaneous **\$1,738**

The installation of new LED lighting in the pool during the 2014 annual shutdown has proven to show a large return on the investment. The main tank was not drained during the 2015 shutdown providing additional savings for water.

The implementation of a reduced annual passes with monthly payment options was a success during the March pilot with 47 passes sold in 2015 compared to six in 2014.

\$2,500,000 of the \$2,900,000 in debt has reached its 10 year anniversary and the pool debt payment was expected to drop to 1.55% in 2016 for a savings of \$75,000. There was an additional debt reduction of \$55,172 in debt servicing that happened in the fall of 2015. As the pool reaches its 10th anniversary the allocation to the pool capital reserve fund needs to be increased to allow for facility repairs that cannot be charged to the equipment replacement fund.

Park Land wages and labour consumption were down in 2015 partially resulting from wages being charged to additional capital projects that were grant funded. New staff who have entered at a lower pay step also contributed to the surplus. Reduced labour consumption for bylaw enforcement, legal services, real-estate and other internal CRD labour charges were also factors. Revenue from programs and services that are being offered through other budgets contribute to internal recoveries, offsetting additional administrative support.

5000 additional trail guides were budgeted to be printed in 2015. Updates to the trail guides were required before more copies could be printed. To print additional trail guides these funds will need to be carried forward to 2016.

The Centennial Park Master plan is currently underway and needs to be funded over 2015 and 2016. To fund this project over two years a transfer from the surplus to capital reserves of \$15,000 is required to meet the \$30,000 consultant fees that will be paid out in 2016. The Master Plan will provide recommendations for park improvements including washroom replacements that are scheduled for 2017/18 and are currently only partially funded.

Based on the Mechanical Lifecycle Report that was updated last May there will be \$213,965 in planned equipment replacement expenses over the next five years. Aware of these anticipated costs, the commission passed the following motion at the October 19, 2015 meeting.

That the Salt Spring Island Parks and Recreation Commission recommend to the Capital Regional District Board:

- 1) To approve the 2016-2020 operating and capital budgets for Salt Spring Island Pool and Parkland Combined, Community Parks and Community Recreation as presented.*
 - 2) To transfer any surplus attributed to the pool at year-end to the pool equipment replacement fund.*
-
- 1) Community Parks Surplus of \$9,336 mainly attributed to:
 - a) Higher than budgeted revenue for rental fees \$34,790
 - b) Higher than budgeted contract for services -\$8,896
 - c) Higher than budgeted expenses for staff wages -\$15,077
 - d) Miscellaneous supplies for operating and maintenance -\$1,481

The higher than budgeted rental fees are mainly attributed to the increase to market fees and the addition of the Sunday Long Weekend Markets.

Additional costs for the Sunday long weekend market coordinator, a fee increase for the Saturday long weekend market coordinator and charges for the final report on the 2014 long weekend markets contributed to the contract for services being higher than budgeted.

An additional park attendant was hired during the market season to provide additional support during the Saturday market, the Sunday long weekend markets and other special events.

The purpose of the Saturday market fee increase was to move away from a break even model and allow for annual contributions into the Centennial Park Capital Reserve fund.

- 2) Community Recreation Surplus of \$14,176 mainly attributed to:
- a) Lower than budgeted program and planning costs \$15,542
 - b) Higher than budgeted facility rental fees -\$3,905
 - c) Higher than budgeted wages for summer camps -\$8,375
 - d) Higher than budgeted program revenue \$26,469
 - e) Higher than budgeted internal allocations -\$15,000
 - f) Miscellaneous -\$555

Additional programs were offered late in 2015 and resulted in a recreation assistant not being hired until quarter four reducing program and planning costs.

The Portlock portable was not available for programs during the past year so additional rental fees were incurred.

New camps during the summer months and spring break in addition to a variety of pilot programs last fall contributed to an increase in program revenue.

With additional programs being offered any surplus associated with recreation programs should be carried forward as additional revenue to offset future startup cost and offset additional administrative support.

ALTERNATIVES

That the Salt Spring Island Parks and Recreation Commission recommend to the Capital Regional District Board:

Alternative 1

- 1. To transfer the \$69,958 surplus attributed to pool revenue to the pool equipment replacement fund;
- 2. To transfer the \$50,000 surplus attributed to pool debt reduction to the pool capital reserve fund;
- 3. To transfer the \$82,838 surplus attributed to lower than budgeted planning costs for the Centennial Park Master Plan, lower than budgeted wages and labour consumption to the Centennial Park capital reserve fund;
- 4. To transfer the \$9,336 surplus attributed to the community parks revenue to the Centennial Park capital reserve fund; and
- 5. To carry forward the \$14,176 as revenue for recreation program development in 2016.

Alternative 2

That the report be referred back to staff for further review.

CONCLUSION

The combined requisition increase for Pool and Parkland, Community Parks and Community Recreation operating accounts is 1.5% in 2016. With \$213,965 in planned equipment replacement expenses over the next five years it is recommended that the scheduled transfer of \$20,000 to the equipment replacement fund be increased. As the pool nears its 10 year anniversary any

surplus from debt servicing should be transferred to the pool capital reserves to address any future building repairs that may be required.

There are several projects that have been identified in the five year parks and recreation capital plan. Several of these projects only have partial funding requiring additional transfers to capital reserves including the Centennial Park Master plan and playing field development.

Program revenue continues to increase allowing for us to offset operating costs and increase our programs and services while supporting local contractors.

RECOMMENDATION

That the Salt Spring Island Parks and Recreation Commission recommend to the Capital Regional District Board:

1. To transfer the \$69,958 surplus attributed to pool revenue to the pool equipment replacement fund;
2. To transfer the \$50,000 surplus attributed to pool debt reduction to the pool capital reserve fund;
3. To transfer the \$82,838 surplus attributed to lower than budgeted planning costs for the Centennial Park Master Plan, lower than budgeted wages and labour consumption to the Centennial Park capital reserve fund;
4. To transfer the \$9,336 surplus attributed to the community parks revenue to the Centennial Park capital reserve fund; and
5. To carry forward the \$14,176 as revenue for recreation program development in 2016.



Dan Ovington
Parks and Recreation Manager



Karla Campbell
Senior Manager
Salt Spring Island Electoral Area

DO:ts

Attachment: 2015 Operating Budget Surplus
2016- 2020 5 Year Capital Expenditure Fund

SALT SPRING ISLAND RECREATION - SWIMMING POOL		2015		2016 BUDGET
	BOARD BUDGET	ESTIMATED ACTUAL	ACTUAL	
OPERATING COSTS:				
Contract for Services	572,770	572,770	569,988	584,110
Utilities	127,180	110,725	101,697	109,240
Programs and Other Operating	20,320	20,195	22,328	44,890
Maintenance & Insurance	21,230	21,250	22,009	21,450
Internal Allocations	9,200	9,200	9,200	-
TOTAL OPERATING COSTS	750,700	734,140	725,221	759,690
*Percentage Increase				
CAPITAL / RESERVE				
Transfer to Capital Reserve Fund	-	-	50,000	22,760
Transfer to Equipment Replacement Fund	20,000	40,000	89,958	17,400
DEBT CHARGES				
	276,300	276,300	221,128	201,300
TOTAL CAPITAL / RESERVES	296,300	316,300	361,086	241,460
TOTAL COSTS	1,047,000	1,050,440	1,086,307	1,001,150
Internal Recoveries	(107,250)	(107,250)	(107,250)	-
OPERATING LESS RECOVERIES	939,750	943,190	979,057	1,001,150
FUNDING SOURCES (REVENUE)				
Estimated balance C/F from 2015 to 2016	-	2,240	-	(0)
Balance C/F from 2014 to 2015	(10,980)	(10,980)	(10,979)	-
Revenue - Fees	(193,000)	(197,000)	(231,238)	(194,550)
Payments in Lieu	(670)	(670)	(669)	(680)
Revenue - Other	(2,100)	(3,780)	(3,172)	(3,140)
TOTAL REVENUE	(206,750)	(210,190)	(246,058)	(198,370)
REQUISITION	(733,000)	(733,000)	(733,000)	(802,780)
SURPLUS	-	-	(0)	-
				19,470

lower than budgeted debt servicing difference of \$69,958

SALT SPRING ISLAND - PARKS, LAND & RECREATION PROGRAMS		2015		2016 CORE BUDGET
		BOARD BUDGET	ESTIMATED ACTUAL	
<u>OPERATING COSTS:</u>				
Salaries & Wages		232,700	201,110	219,390
Allocation to SSI Admin		107,810	107,810	115,040
Maintenance, Disposal & Security		138,130	146,670	29,260
Utilities & IT		43,830	44,340	54,380
Contract for Services, Rent & Legal		34,630	29,660	35,320
Recreation Programs		20,160	5,160	29,470
Advertising, Promotion & Planning		18,750	24,330	18,910
Internal Allocations		21,940	66,170	22,930
Travel & Training		7,150	7,410	7,290
Licences, Fees & Insurance		7,590	2,170	8,270
Supplies & Other		16,820	20,310	10,020
TOTAL OPERATING COSTS		649,510	655,140	550,280
*Percentage Increase				
<u>CAPITAL / RESERVE</u>				
Capital Equipment Purchases		-	-	-
Transfer to Equipment Replacement Fund		-	-	25,000
Transfer to Reserve Fund - Pool		-	116,420	45,000
Transfer to Reserve Fund - Parkland		128,300	5,000	56,860
				difference of \$82,838
TOTAL CAPITAL / RESERVES		128,300	121,420	126,860
TOTAL COSTS		777,810	776,560	677,140
Internal Recoveries		(67,040)	(66,220)	(67,430)
OPERATING LESS RECOVERIES		710,770	710,340	609,710
<u>FUNDING SOURCES / REVENUE</u>				
Estimated balance C/F from 2015 to 2016		-	-	6,140
Balance C/F from 2014 to 2015		(50,130)	(50,130)	-
Rental Income		(520)	-	-
Payments in Lieu		(580)	(580)	(580)
Revenue - Other		(900)	(990)	(800)
TOTAL REVENUE		(52,130)	(51,700)	4,760
REQUISITION		(658,640)	(658,640)	(614,470)
SURPLUS		-	-	0

Trail guides to be printed in 2016

	BUDGET REQUEST					
	2015 BOARD BUDGET	ESTIMATED ACTUAL	ACTUAL	2016 BUDGET	SUPPLEMENTARY	TOTAL
SALT SPRING ISLAND RECREATION - COMMUNITY PARKS						
OPERATING COSTS:						
Salaries	193,330	205,830	121,724	209,330	6,500	215,830
Maintenance, Security & Insurance	51,070	45,250	43,682	47,000	-	47,000
Internal Allocations	69,640	69,640	69,640	71,110	-	71,110
Utilities & Operating - supplies	26,330	31,770	33,550	34,820	-	34,820
Contract for Services	21,500	35,900	30,396	25,000	5,000	30,000
Travel - Vehicles	21,220	15,740	16,989	16,000	-	16,000
Operating - Other	8,890	16,120	13,304	10,590	-	10,590
TOTAL OPERATING COSTS	391,980	420,250	329,284	413,850	11,500	425,350
*Percentage Increase						8.5%
CAPITAL / RESERVE						
Transfer to Equipment Replacement Fund	10,200	10,200	10,200	-	-	-
Transfer to Reserve Fund	6,390	9,700	15,726	9,970	-	9,970
TOTAL CAPITAL / RESERVES	16,590	19,900	25,926	9,970	-	9,970
Internal Time Charges	19,700	7,200	106,383	20,000	-	20,000
TOTAL COSTS	428,270	447,350	461,592	443,820	11,500	455,320
FUNDING SOURCES (REVENUE)						
Estimated balance C/F from 2015 to 2016	-	4,940	-	(4,940)	-	(4,940)
Balance C/F from 2014 to 2015	(7,400)	(7,400)	(7,396)	-	-	-
Rental Income	(64,100)	(88,430)	(98,890)	(78,600)	(11,500)	(90,100)
Payments in Lieu	(310)	(310)	(312)	(310)	-	(310)
Revenue-Other	(7,390)	(7,080)	(10,864)	(3,920)	-	(3,920)
TOTAL REVENUE	(79,200)	(98,280)	(117,462)	(87,770)	(11,500)	(99,270)
REQUISITION	(349,070)	(349,070)	(349,070)	(356,050)	-	(356,050)
SURPLUS	-	-	(4,940)	-	-	-

difference of \$9,336

**SALT SPRING ISLAND - COMMUNITY
RECREATION PROGRAMS**

	2015		2016
	BOARD BUDGET	ESTIMATED ACTUAL	BUDGET
<u>OPERATING COSTS:</u>			
Salaries and Wages	23,920	23,920	24,400
Recreation Programs	39,190	41,190	56,696
Internal Allocations	7,350	7,350	7,340
Travel and Insurance	10,840	10,840	11,070
Other Operating	4,840	8,120	4,910
TOTAL OPERATING COSTS	86,140	91,420	104,416
*Percentage Increase			
TOTAL COSTS	86,140	91,420	104,416
<u>FUNDING SOURCES (REVENUE)</u>			
Estimated balance C/F from 2015 to 2016	-	9,800	(14,176)
Balance C/F from 2014 to 2015	(12,530)	(12,530)	-
Revenue - Fees	(31,300)	(46,380)	(47,300)
Payments in Lieu	(40)	(40)	(40)
Revenue - Other	(410)	(410)	(410)
TOTAL REVENUE	(44,280)	(49,560)	(61,926)
REQUISITION	(41,860)	(41,860)	(42,490)
SURPLUS	-	-	-

\$630

5 Year Capital Expenditure Plan
EQUIPMENT REPLACEMENT FUNDS

	2015	2016	2017	2018	2019	2020
Beginning Balance	216,756	254,222	228,796	170,851	153,336	156,396
NEW FUNDING						
Transfers from Operating Budgets	100,158	44,149	20,360	20,830	21,300	40,725
Interest Income	-	-	-	-	-	-
Total New Funding	100,158	44,149	20,360	20,830	21,300	40,725
Expenditures						
Pool	(59,029)	(19,575)	(29,305)	(20,345)	(18,240)	(8,500)
Parks	-	-	(45,000)	(18,000)	-	-
Recreation	(3,663)	(50,000)	(4,000)	-	-	-
Total Expenditures	(62,692)	(69,575)	(78,305)	(38,345)	(18,240)	(8,500)
Ending Balance	254,222	228,796	170,851	153,336	156,396	188,621

SSI Parks & Rec Equipment Replacement Funds
Note: 2016 - 2030 the Mechanical Lifecycle Report identifies \$361,575 equipment replacement requirements

SSI POOL - ERF						
101412	2015	2016	2017	2018	2019	2020
Beginning Balance	116,908	149,239	147,064	135,569	133,454	133,864
Transfer from Operating Budget	89,958	17,400	17,810	18,230	18,650	38,025
Expenditures						
Air Handlers / Exhaust Transfer Fans	-	(6,500)	(5,405)	(6,120)	(8,160)	(2500)
Pumps (Circulating, Submersible, Heat)	(9,398)	-	-	-	(10,080)	-
Pool Filters /Heat Exchanger	-	-	(3,000)	-	-	-
Pool Vacuum (RecX every other time)	(14,338)	-	-	-	-	-
Chilled water cooling coil	(20,524)	(12,075)	(12,650)	(13,225)	-	-
Storage Tanks (Hot water)	-	-	-	-	-	-
Lockers	-	-	(8,250)	(1,000)	-	(1,000)
Boilers	-	(1,000)	-	-	-	-
Probes (Every two years)	(4,498)	-	-	-	-	-
UV Lights (Every year)	(10,271)	-	-	-	-	(5,000)
Other	-	-	-	-	-	-
Interest	1,402	-	-	-	-	-
Ending Balance	149,239	147,064	135,569	133,454	133,864	163,389

SSI PARK - ERF						
101444	2015	2016	2017	2018	2019	2020
Beginning Balance	71,679	83,151	83,151	38,151	20,151	20,151
Transfer from Operating Budget	10,200	-	-	-	-	-
Expenditures						
Parks Mtce Truck - replaces unit 894	-	-	(45,000)	(18,000)	-	-
Mower	-	-	-	-	-	-
Interest	1,272	-	-	-	-	-
Ending Balance	83,151	83,151	38,151	20,151	20,151	20,151

SSI RECREATION - ERF						
101445	2015	2016	2017	2018	2019	2020
Beginning Balance	28,169	24,921	1,670	220	2,820	5,470
Transfer from Operating Budget	-	26,749	2,550	2,600	2,650	2,700
Expenditures						
Computer Upgrades	(3,663)	(10,000)	-	-	-	-
Photocopier	-	(15,000)	-	-	-	-
Office Equip	-	-	(4,000)	-	-	-
Recreation Software Updgrade	-	(25,000)	-	-	-	-
Interest	415	-	-	-	-	-
Ending Balance	24,921	1,670	220	2,820	5,470	8,170

5 Year Capital Expenditure Plan

SSI Pool CRF 1078 102045						
Bylaw 3686	2015	2016	2017	2018	2019	2020
Beginning Balance	57,476	224,835	304,595	74,595	99,595	124,595
Transfers from Operating Budgets	50,000	22,760	25,000	25,000	25,000	25,000
Transfers from Park Land Ops Budget	116,420	45,000	-	-	-	-
Contribution from Spplash	-	25,000	-	-	-	-
Leisure Pool	-	-	-	-	-	-
Multipurpose Room (Soft Costs)	-	-	(35,000)	-	-	-
Multipurpose Room Construction	-	-	(220,000)	-	-	-
Replace Pool Flooring	-	(13,000)	-	-	-	-
Interest	939	-	-	-	-	-
Ending Balance	224,835	304,595	74,595	99,595	124,595	149,595

SSI Comm Parks CRF - Centennial Park 1064 101792						
Bylaw 3085	2015	2016	2017	2018	2019	2020
Beginning Balance	47,580	151,921	218,751	171,261	174,711	201,281
Transfers from Operating Budgets	15,726	9,970	8,390	10,410	10,640	10,850
Transfers from Park Land Ops Budget	87,838	56,860	44,120	43,040	15,930	46,860
Grant Funding Required	-	-	200,000	50,000	-	-
Park Washrooms	-	-	(300,000)	(100,000)	-	-
Interest	777	-	-	-	-	-
Ending Balance	151,921	218,751	171,261	174,711	201,281	258,991

SSI Comm Parks CRF - Boardwalk/Waterfront Access 1060 102030						
Bylaw 2859	2015	2016	2017	2018	2019	2020
Beginning Balance	22,193	22,555	27,555	22,655	27,855	23,155
Transfers from Operating Budgets	-	5,000	5,100	5,200	5,300	5,410
Beach Access Improvements	-	-	(10,000)	-	(10,000)	-
Boardwalk Repair	-	-	-	-	-	-
Interest	362	-	-	-	-	-
Ending Balance	22,555	27,555	22,655	27,855	23,155	28,565

SSI Parks/Rec CRF - Tennis 1060 101786						
Bylaw 2859	2015	2016	2017	2018	2019	2020
Beginning Balance	85,576	112,016	114,516	92,066	94,666	97,316
Transfers from Operating Budgets	-	2,500	2,550	2,600	2,650	2,700
Donations	25,000	-	-	-	-	-
Upgrade Multi-Purpose Court	-	-	(25,000)	-	-	-
Interest	1,440	-	-	-	-	-
Ending Balance	112,016	114,516	92,066	94,666	97,316	100,016

SSI Parks/Rec CRF 1060 101603						
Bylaw 2859	2015	2016	2017	2018	2019	2020
Beginning Balance	409,891	198,276	181,155	218,945	6,535	32,165
Transfers from Operating Budgets	-	11,130	67,790	67,590	95,630	65,550
Transfers from 1071 101898	-	26,749	-	-	-	-
Grant / Donation Funding Required	-	-	-	750,000	-	-
181 Brinkworthy - Purchase	(170,781)	-	-	-	-	-
Ball Field development	-	-	-	(1,000,000)	-	-
Utility Vehicles	-	-	-	-	(40,000)	-
Park/Trail Projects: Mouat Park	(22,500)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Park/Trail Projects: Duck Creek	(5,000)	-	-	-	-	-
Park/Trail Projects: Liberty Hall	(11,100)	-	-	-	-	-
Park/Trail Projects: Hedger	(7,500)	-	-	-	-	-
Portlock Renovations	-	(25,000)	-	-	-	-
Interest	5,266	-	-	-	-	-
Ending Balance	198,276	181,155	218,945	6,535	32,165	67,715

SSI Park Land Acquisition 1035 101379						
RS-2110	2015	2016	2017	2018	2019	2020
Beginning Balance	524,220	22,788	22,788	22,788	22,788	22,788
Cash in Lieu Contribution	17,500	-	-	-	-	-
181 Brinkworthy - SSI Land Acquisition	(524,219)	-	-	-	-	-
Interest	5,287	-	-	-	-	-
Ending Balance	22,788	22,788	22,788	22,788	22,788	22,788

SSI Park 2nd Service CRF 1071 101898						
1071 101898	2015	2016	2017	2018	2019	2020
Bylaw 3286	2015	2016	2017	2018	2019	2020
Beginning Balance	26,319	26,749	-	-	-	-
Transfer to 1071 101898	-	(26,749)	closed and transferred to SSI Recreation - ERF 101445			
Interest	430	-	-	-	-	-
Ending Balance	26,749	-	-	-	-	-