REGIONAL DISTRICT OF CENTRAL KOOTENAY

NELSON & DISTRICT RECREATION COMMISISON NO. 5

OPEN AGENDA – SPECIAL BUDGET MEETING

9 a.m.
Tuesday, February 11, 2025

To promote openness, transparency and provide accessibility to the public we provide the ability to attend all RDCK meetings in-person or remote (hybrid model).

Join by Video:
https://rdck-bc-ca.zoom.us/j/91798678746?pwd=DO2FAe8WawHwUPOwHd30LYwYzfsRbZ.1&from=addon**Join by Phone:**
+1-778-907-2071 Canada
1-833-955-1088 Canada Toll-free
Meeting Number (access code): 917 9867 8746
Meeting Password: 857785
In-Person Location: RDCK Board Room, 202 Lakeside Dr., Nelson, BC

COMMISSION/COMMITTEE MEMBERS

Commissioner K. Page	City of Nelson - Chair
Commissioner K. Tait	City of Nelson
Commissioner J. Morrison	City of Nelson
Commissioner C. Graham	Area E
Commissioner T. Newell	Electoral Area F

STAFF

Stuart Horn	Chief Administrative Officer
Joe Chirico	General Manger – Community Services
Trisha Davison	Regional Manager of Recreation and Client Services
Craig Stanley	Regional Manager of Operations and Asset Management
Alana Jenkins	Meeting Coordinator

____ out of _____ voting Commission/Committee members were present – quorum was met.

1. CALL TO ORDER
Chair Page called the meeting to order at _______ a.m.

2. TRADITIONAL LANDS ACKNOWLEDGEMENT STATEMENT
We acknowledge and respect the indigenous peoples within whose traditional lands we are meeting today.

3. ADOPTION OF AGENDA

MOVED and seconded,
AND Resolved:

The Agenda for the February 11, 2025 Nelson & District Recreation Commission No. 5 meeting, be adopted as circulated.

Carried/Defeated/Referred

4. RECEIPT OF MINUTES

The February 5, 2025 Nelson & District Recreation Commission No. 5 minutes, have been received.

5. DELEGATE

5.1 There are no delegates scheduled for this Commission meeting.

6. STAFF REPORTS

6.1 Service No. S226 - Draft 2025 Budget and Five Year Financial Plan

The Commission Report dated February 5, 2025 from Craig Stanley, Regional Manager - Operations & Asset Management re: Service No. S226 Draft 2025 Budget and Five Year Financial Plan was received at the February 5, 2025 Nelson & District Recreation Commission No. 5 meeting. Craig Stanley reviewed revenue and expenses from 2024, along with projections for 2025 then spoke to the 5 year plan and answered questions from the Commission Members.

The following resolution was passed at the February 5, 2025 Nelson & District Recreation Commission meeting:

> The Commission direct staff to prepare a breakdown of how requisitions and user fees are distributed, prepare a budget option that puts more funds in reserves, and list suggested tax increase by dollar figure for an average household.

Moved and seconded,
AND Resolved that it be recommended to the Board that:

[Recommendation]

Carried/Defeated/Referred

7. NEXT MEETING

The next Nelson & District Recreation Commission No. 5 meeting is scheduled for April 30, 2025 at 9 a.m.

8. ADJOURNMENT

MOVED and seconded,
AND Resolved:

The Nelson & District Recreation Commission No. 5 meeting be adjourned at ________ a.m./p.m.

Carried/Defeated/Referred

Commission Report – For Information

February 11, 2025

Service S226 2025 Financial Plan

Author:	Joe Chirico, General Manager of Community Services
File Reference:	01-0520-50
Electoral Area/Municipality:	City of Nelson, Defined Area E, Area F
Services Impacted	Recreation Facility - S226

1.0 PURPOSE OF REPORT

This report provides information to support conversation regarding the 2025-29 Financial Plan.

2.0 BACKGROUND AND UDPATE

The following table summarizes the actual financial results of the last 10 years. Years highlighted in yellow are 'normal' operating years. Years highlighted in blue are years where there was disruptions to the operations.

- 2015 – Aquatic Centre renovation
- 2016 – Aquatic Centre renovation
- 2020 – Pandemic – Facilities closed in March and reopened under restrictions in August
- 2021 – Pandemic – Facilities operated under various restrictions the entire year
- 2022 – Pandemic – Facilities operated on restrictions for the 1st quarter. Restrictions lifted in 2nd quarter. Lifeguard shortage affected operations of Aquatic Centre.
- 2023 – Lifeguard shortage
- 2024 – Return to full operations at the end of 1st quarter

Requisition/Grants in Lieu/Nelson Contributions

This shows the requisitions, Grants in Lieu and the contribution from the City of Nelson to the service as per the establishment bylaw. What is important to note is how this changed:

- 2016-2017 – Reduced requisition that follows the drop in long-term borrowing costs.
- 2019 – The first year to use $180,000 of reserves to fund operations
- The service ran deficits in 2018, 2019 and 2020.

Comparison of Revenue vs Operations Expenses

This section shows the relationship between operating expenses and revenue from admissions, rentals and programs. Note that although the percent of revenue covering operational expenses is increasing but the amount of requisition to recover the difference is increasing as well. This is important to illustrate the one of Commission's role is to set balance services levels with the public good of greater service provision. What is a service level?

- Operating hours
- Programing opportunities
- Providing new services

Funding For Capital Expenditures/Borrowing/Reserve Contributions

Note that the funding for all capital expenditures including the long-term debt (borrowing) is increasingly being funded by the previous year's surplus. Lower service levels (particularly in the aquatic centre) and increasing revenue are primarily driving the surplus.

Capital Expenditures/Borrowing /Reserve Contributions
The important note here is how this decreases to 2022 and requires increases for 2023 and beyond. 2015 and 2016 is primarily the aquatic centre renewal.

Requisition Funding Capital/Reserve/Borrowing
Important to note the decreasing use of requisition to fund these costs. This is one of the impacts on the budget in 2025 as surplus will not cover all capital/reserve/borrowing costs.

	Actual Amounts										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Requisition/Grants in Lieu/Nelson Contributions											
Requisition + Grants in Lieu	3,588,987.03	3,585,643.57	3,579,892.56	3,224,234.75	2,924,750.10	2,980,377.92	3,060,863.40	3,119,203.94	3,184,878.92	3,379,221.26	3,560,948.33
External Contribution - Nelson	184,200.00	184,200.00	184,200.00	184,200.00	184,200.00	184,200.00	184,200.00	184,200.00	184,200.00	184,200.00	184,200.00
Total Non-Revenue Sources	3,773,187.03	3,769,843.57	3,764,092.56	3,408,434.75	3,108,950.10	3,164,577.92	3,245,063.40	3,303,403.94	3,369,078.92	3,563,421.26	3,745,148.33
Comparison of Revenue vs Operations Expenses											
Revenue (Admission/Rental/Programs)	1,359,519.91	1,134,455.61	1,136,867.36	1,728,658.00	1,660,699.30	1,733,532.46	644,193.58	697,053.40	1,533,791.78	1,977,889.00	2,246,426.85
Operational Expenses	3,608,813.71	3,328,507.15	3,506,343.17	4,518,837.51	4,436,105.77	4,560,210.75	3,170,553.74	3,467,391.71	4,409,711.65	4,669,463.85	5,034,332.86
%of Revenue Funding Operations	38%	34%	32%	38%	37%	38%	20%	20%	35%	42%	45%
Funding For Capital Expenditures/Borrowing/Reserve Contributions											
Surplus - From Previous Year	597,120.20	280,788.07	324,463.40	29,941.86	-43,260.49	-127,835.46	-129.68	178,601.32	452,931.59	601,964.59	1,013,628.07
Grants Funding Captial	0.00	10,452.00	4,597,200.00	8,839.00	5,000.00		23,338.57		1,562.00	241,667.88	
Contribution From Reserve		80,000.00		20,427.17	125,830.00	260,153.88		172,368.75			241,667.00
Funding For Capital	597,120.2	371,240.1	4,921,663.4	59,208.0	87,569.5	132,318.4	23,208.9	350,970.1	454,493.6	843,632.5	1,255,295.1
Capital Expenditures/Borrowing /Reserve Contributions											
Borrowing (Principle and Interest)	665,725.85	449,972.42	439,661.46	446,487.20	435,117.13	442,468.48	454,317.33	461,027.16	461,027.16	461,027.16	499,939.00
Contribution to Reserve	607,841.89	265,219.00								273,904.83	185,200.00
Capital Expenditures	610,360.91	939,863.71	6,005,155.34	328,986.21	160,524.59	80,379.49	164,890.38	5,002.95	2,500.00	45,687.93	324,212.47
Cost of Borrowing/Reserve Cont/Capital Expenditures	1,883,928.65	1,655,055.13	6,444,816.80	775,473.41	595,641.72	522,847.97	619,207.71	466,030.11	463,527.16	780,619.92	1,009,351.47
Requisition Funding Capital/Reserve/Borrowing	1,286,808.5	1,283,815.1	1,523,153.4	716,265.4	508,072.2	390,529.6	595,998.8	115,060.0	9,033.6	-63,012.6	-245,943.6
Reserve Balances											
Planning-Operating	21,899.29	22,175.33	22,389.62	22,593.78	22,903.55	23,354.55	23,812.22	24,078.05	24,436.34	25,245.10	25,245.10
Facility	742,225.17	937,967.57	947,031.75	935,147.27	821,275.99	574,732.92	585,995.85	592,537.73	601,354.90	621,257.59	806,457.59
Growing Communities Fund	[redacted]									253,193.38	11,526.38
Total Reserves	764,124.46	960,142.90	969,421.37	957,741.05	844,179.54	598,087.47	609,808.07	616,615.78	625,791.24	899,696.07	843,229.07

Financial Plan - Budget
The following table shows the Financial Plan in the same summary as the evaluation of previous operating years.

Requisition/Grants in Lieu/Nelson Contributions
The increase in requisition is a direct result of the funding required for **Capital/Reserve/Borrowing.** In 2024 the budget had $71,053 in 2025 the budget requires $447,120 to fund these expenses. Note that the requisition does not cover the borrowing.

If the commission's goal is to reduce the requisition, the commission could consider funding like Community Works to fund Capital Projects. If this is the preferred direction, Commission will need to consider that funding like Community Works will need to continue be budgeted to fund Capital/Reserve/Borrowing or a significant impact to requisition will occur in the future.

2030 is the final $46,000 payment on borrowing.

	Budgets					
	2024	2025	2026	2027	2028	2029
Requisition/Grants in Lieu/Nelson Contributions						
Requisition + Grants in Lieu	3,560,948.33	3,971,249.00	4,088,976.47	4,210,235.76	4,335,132.84	4,463,776.82
External Contribution - Nelson	184,200.00	184,200.00	184,200.00	184,200.00	184,200.00	184,200.00
Total Non-Revenue Sources	3,745,148.33	4,155,449.00	4,273,176.47	4,394,435.76	4,519,332.84	4,647,976.82
Comparison of Revenue vs Operations Expenses						
Revenue (Admission/Rental/Programs)	1,943,398.00	2,285,780.66	2,353,578.09	2,423,402.60	2,495,314.91	2,569,377.59
Operational Expenses	5,623,927.00	6,000,859.96	5,881,103.10	6,023,566.71	6,171,063.08	6,318,944.52
%of Revenue Funding Operations	35%	38%	40%	40%	40%	41%
Funding For Capital Expenditures/Borrowing/Reserve Contributions						
Surplus - From Previous Year	1,013,600.00	1,235,487.00				
Grants Funding Captial						0.00
Contribution From Reserve	241,667.00	165,338.00	139,296.00	93,675.00	44,362.00	0.00
Funding For Capital	1,255,267.0	1,400,825.0	139,296.0	93,675.0	44,362.0	0.0
Capital Expenditures/Borrowing /Reserve Contributions						
Borrowing (Principle and Interest)	491,120.00	647,945.00	659,697.00	659,697.00	659,697.00	595,197.00
Contribution to Reserve	185,200.00					
Capital Expenditures	650,000.00	1,200,000.00	232,000.00	235,000.00	235,000.00	285,000.00
Cost of Borrowing/Reserve Cont/Capital Expenditures	1,326,320.00	1,847,945.00	891,697.00	894,697.00	894,697.00	880,197.00
Requisition Funding Capital/Reserve/Borrowing	71,053.0	447,120.0	752,401.0	801,022.0	850,335.0	880,197.0
Reserve Balances						
Planning-Operating	25,245.10	25,245.10	25,245.10	25,245.10	25,245.10	25,245.10
Facility	806,457.59	652,645.97	513,349.97	419,674.97	375,312.97	375,312.97
Growing Communities Fund	11,526.38	[redacted]				
Total Reserves	843,229.07	677,891.07	538,595.07	444,920.07	400,558.07	400,558.07

3.0 NEXT STEPS AND TIMELINE

Staff will amend this draft budget based on feedback from the Commission and present a final draft at the March 6, 2025 Committee meeting.

Respectfully submitted,

J. Chirico

Joe Chirico, General Manager of Community Services

CONCURRENCE

Regional Manager – Recreation and Client Services – Trisha Davidson

Regional Manager – Operations and Asset Management – Craig Stanley