

**REPORT TO PENINSULA RECREATION COMMISSION
MEETING OF TUESDAY, JULY 21, 2020**

SUBJECT **2020 Financial Plan Amendment**

ISSUE SUMMARY

To seek approval from the Capital Regional District (CRD) Board to amend the 2020 Panorama Recreation financial plan for forecasted deficit due to COVID-19.

BACKGROUND

At its June 8, 2020 meeting, the Peninsula Recreation Commission approved the proposed phased reopening of facilities, programs and services. The forecasted deficit of the phased reopening of facilities, programs and services (including the aquatic facility) is \$413,562.

In alignment with Local Government Act Section 374 (5), the Panorama Recreation Centre service is required to balance the change in the budget by ensuring proposed expenditures and transfers do not exceed the total proposed funding.

ALTERNATIVES

Alternative 1

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

That the 2020 Panorama Recreation financial plan be amended to reduce the planned transfers to the capital reserve by \$411,204 and transfers to the operating reserve by \$2,358 to cover the forecasted deficit of \$413,562, as a result of the COVID-19 closures and phased re-opening plan, as outlined in Appendix A.

Alternative 2

That the 2020 Panorama Recreation financial plan amendment be referred back to staff for additional information.

IMPLICATIONS

Financial Implications

At its January 23, 2020 meeting, the Peninsula Recreation Commission approved the transfer of the 2019 year-end operating surplus to the capital reserve. The 2019 operating surplus for 2019 was \$571,638.

The transfer of the 2019 operating surplus effectively pre-paid the 2020 capital transfers and results in no negative impact on the 2020-2024 capital plan. The ending capital reserves balance was projected for December 31, 2024, at \$2,803,008 in the 2020-2024 capital plan. With the addition of the 2019 operating surplus transfer and the reduction of the 2020 transfer, the new

estimated balance of the capital reserve at December 31, 2024, is \$3,032,767. The reduction of the 2020 transfers to capital have no negative impact on the capital plan.

In an effort to mitigate costs and potential losses as a result of the facility closure, auxiliary staff were laid off on March 31, 2020; regular staff, excluding maintenance, as of April 27, 2020, were placed on furlough and redeployed to other CRD operations. In development of the phased re-opening plan, staff balanced mitigating costs and meeting the Commission's mission and goals of making available a wide range of services and maximizing participation under the guidelines provided from BCRPA, Island Health and WorkSafeBC.

Looking forward to 2021, staff have not built any impacts of COVID-19 into the current 2020-2024 financial plan. This will be reviewed in October when service levels are considered and the provisional budget for 2021 to 2025 is presented.

CONCLUSION

As a result of the forecasted deficit from the COVID-19 closures and phased re-opening of facilities, programs and services, an amendment is required to balance the 2020 budget. Appendix A shows the proposed amendment to Panorama Recreation Center's 2020-2024 Committee Summary. The amendment balances the forecasted deficit by reducing the 2020 budgeted contribution to capital reserve by \$411,204 and operating reserve by \$2,358.

RECOMMENDATION

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

That the 2020 Panorama Recreation financial plan be amended to reduce the planned transfers to the capital reserve by \$411,204 and transfers to the operating reserve by \$2,358 to cover the forecasted deficit of \$413,562, as a result of the COVID-19 closures and phased re-opening plan, as outlined in Appendix A.

Submitted by:	Lorraine Brewster, Senior Manager
Concurrence:	Larisa Hutcheson, P. Eng., General Manager, Parks & Environmental Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT

Appendix A: Amended 2020-2024 Panorama Recreation Center Committee Summary