

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Finance Committee (Round 1 Budget) – November 25 and 26, 2024

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SUBJECT: 2025 ROUND 1 BUDGET PROPOSAL FOR RECREATION FACILITIES [615]

RECOMMENDATION(S)

THAT the report titled 2025 Round 1 Budget Proposal for Recreation Facilities [615] be received for information.

BACKGROUND

As part of the Budget Process staff report potential budget adjustments to the Board. Budget Proposals provide the detail to support the potential adjustment and allow the Board to make informed decisions regarding funding projects or service enhancements, as well as ways to reduce the budget.

DISCUSSION

2025 R1 Budget Proposals

1	<i>Function Number – Project Title:</i>	[615] – Facility Services Inflationary Expense Increase - Base Budget Lift
	<i>Risk Factor:</i>	MEDIUM: Normal - Service Level Impact
	<i>Category:</i>	Non-Mandatory Base Budget Increase
	<i>Geographic Areas Affected:</i>	Sechelt, Gibsons
	<i>2025 Funding Required:</i>	\$90,600 (Ongoing) \$15,000 (One-time)
	<i>Funding Source(s):</i>	Taxation (Ongoing) Operating Reserves (One-time)
	<i>Rationale / Service Impacts:</i>	This budget proposal requests a base budget increase for various fixed expenses to respond to cost increases due to inflation as well as post-pandemic trends. The cost to procure goods and

		<p>services has risen significantly over past five years, without a corresponding budget lift.</p> <p>Since 2019, the following fixed expenses have increased:</p> <ul style="list-style-type: none">• Telecommunications – increase of 4.5%• Natural Gas* – increase of 51%• Water** - increase of 56%• Janitorial Supplies – increase of 34%• Pool Chemicals – increase of 13%• GDAF Pool Basin Painting - increase of 40%• Pool Maintenance Supplies (Unit Cost) – increase of 84% <p>*Excludes SAC data due to failed heat pumps impacting gas consumption.</p> <p>**Excludes GACC 2023 data due to condenser issue increasing water consumption, GACC data based on 2022 cost.</p> <p>To date, in order to mitigate the impacts of these fixed cost increases, staff have adjusted spending in other areas of the base budget, that has resulted in a reduction in contingencies for non-fixed costs such as repairs and non-critical maintenance. As the facilities age, the budget for these non-planned repair and maintenance items should be increasing. In 2023/24, non-planned repairs were greater than \$75,000 (steam room, condenser, ice resurfacer) placing further pressure on limited budgets. This is not sustainable over the long term.</p> <p>The proposed increase of 16.65% base Materials and Supplies and Repairs and Maintenance will restore the historical levels of budget for maintenance and repairs at the recreation facilities and avoid further deferral of maintenance. The increase equates to \$90,600 or a 5.58% overall increase to the base budget (excluding salaries/benefits).</p> <p>Further, within this budget proposal is one-time funding of \$15,000 to complete the header trench cleaning for SCA and GACC. Header trench cleaning at SCA is an item that has been deferred. The header trench cleaning process is normally completed every three years, SCA is</p>
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		now overdue by 2 years (GACC is due again in 2025).
	<i>HR Implications</i>	<input type="checkbox"/> Additional FTE <input type="checkbox"/> Existing FTE <input checked="" type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)
	<i>Future Financial Implications and Life Cycle Cost Breakdown</i>	2026 Financial Implication: \$90,600 ongoing
	<i>Asset Management Implications:</i>	n/a - Operational
	<i>Climate Action Plan Goal and Impact (if applicable)</i>	n/a

2	<i>Function Number – Project Title:</i>	[615] – FTE Alignment for Joint Use Agreement Staffing
	<i>Risk Factor:</i>	MEDIUM: Normal - Service Level Impact
	<i>Category:</i>	Non-Mandatory Base Budget Increase
	<i>Geographic Areas Affected:</i>	Regional
	<i>2025 Funding Required:</i>	Internal Recovery (\$18,992)
	<i>Funding Source(s):</i>	None required
	<i>Rationale / Service Impacts:</i>	<p>The purpose of this budget proposal is to include the incremental additional staffing required to delivery on the Joint Use Agreement (JUA) with SD46. The base operating budget was approved in 2023 for the staffing related to swim lessons offered through the JUA, however due to an administrative oversight, the funding was not accounted for in the correct general ledger nor were the associated FTE included.</p> <p>The proposal is cost neutral, includes the 0.24 FTE, and moves the budget to the correct general ledger account (salaries and wages).</p> <p>This budget is not pro-rated and is reflective of 12 months in 2025.</p>
	<i>HR Implications</i>	<input checked="" type="checkbox"/> Additional FTE <input type="checkbox"/> Existing FTE <input type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)

		Staffing (2025) Ongoing FTE: 0.24 Cost: Internal recovery (\$18,992)
	<i>Future Financial Implications and Life Cycle Cost Breakdown</i>	n/a - Operational
	<i>Asset Management Implications:</i>	n/a - Operational
	<i>Climate Action Plan Goal and Impact (if applicable)</i>	n/a

3	<i>Function Number – Project Title:</i>	[615] – Sechelt Aquatic Centre - Pumps for Water Features (slide, lazy river, play feature)
	<i>Risk Factor:</i>	MEDIUM: Normal - Service Level Impact
	<i>Category:</i>	Non-Mandatory Discretionary
	<i>Geographic Areas Affected:</i>	Sechelt
	<i>2025 Funding Required:</i>	\$44,100 (One Time)
	<i>Funding Source(s):</i>	Operating Reserve
	<i>Rationale / Service Impacts:</i>	<p>This budget proposal is to replace the pumps from the water slide, play feature and lazy river.</p> <p>During the creation of capital renewal plans for the recreation facilities, assets were classified as critical or non-critical. Critical assets support the basic core function of the facility, for example HVAC, lighting, building envelopes and pool systems such as filtration, circulation and primary water heating. Non-critical assets support ancillary functions of the facility, for example steam room, sauna and pool water features such as lazy river, water slide, and play features (tipping buckets, spray arch, etc.). The current board approved capital renewal funding only supports the replacement of assets classified as critical.</p> <p>Regardless of the classification of the asset, these non-critical capital assets enhance the patron experience and form part of the historical expected service level of the facilities.</p>

		<p>Through the 2024 annual maintenance of pump systems at SAC significant corrosion was discovered in the volutes of the water slide and play feature pumps. Temporary repairs were attempted on both pumps with only the play feature pump being successful, the water slide pump is currently inoperable resulting in closure of the water slide in July. Staff attempted to source replacement parts for the pumps, however the parts are no longer available, complete pump replacement is the only option.</p> <p>If the funding is not approved, the water slide will remain closed and imminent asset failure of the other pump is anticipated which would result in closure of the lazy river and play feature. All water feature pumps were installed during original construction in 2007.</p> <p>The replacement pumps will include epoxy coated volutes and stainless-steel impellers to reduce corrosion and extend the expected service life.</p>
	<i>HR Implications</i>	<input type="checkbox"/> Additional FTE <input type="checkbox"/> Existing FTE <input checked="" type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)
	<i>Future Financial Implications and Life Cycle Cost Breakdown</i>	n/a
	<i>Asset Management Implications:</i>	2.0 O&M and Capital Planning
	<i>Climate Action Plan Goal and Impact (if applicable)</i>	n/a

4	<i>Function Number – Project Title:</i>	[615] – Joint Health and Safety (Recreation Services)
	<i>Risk Factor:</i>	LOW: Minimal / None
	<i>Category:</i>	Non-Mandatory Discretionary
	<i>Geographic Areas Affected:</i>	Regional
	<i>2025 Funding Required:</i>	\$18,590 (ongoing)
	<i>Funding Source(s):</i>	Taxation

	<p><i>Rationale / Service Impacts:</i></p>	<p>Joint Health and Safety Committees (JHSC) have been in place for many years, however the expectations and responsibilities for committee members have increased especially with the focus on achieving COR certification. There are two JHSC’s for Recreation Services, with members involved in facility inspections, incident reviews, and meetings. Employer and employee representation on the committee is required as per the terms of reference. Employee representatives are often filled by positions that require backfill (lifeguard, facility operator), while other committee members complete their responsibilities as part of their workplan. This budget proposal is to institute a budget for JHSC time/responsibilities.</p> <p>Staff are proposing an ongoing increase and corresponding base budget lift to support the staff time and costs related to the JHSC participation for both committees.</p> <p>The 2025 budget request is not pro-rated as expenses are incurred for the full 12 months.</p>
	<p><i>HR Implications</i></p>	<p><input checked="" type="checkbox"/> Additional FTE <input type="checkbox"/> Existing FTE <input type="checkbox"/> No Additional FTE or Resourcing <input type="checkbox"/> Term or Student (TIME)</p> <p>Staffing (2025) Ongoing FTE Count: 0.1107 Cost: \$10,675 Additional Staffing Costs: \$7,916 Future Year FTE Request FTE Count:0.1107 Cost: \$18,590</p>
	<p><i>Future Financial Implications and Life Cycle Cost Breakdown</i></p>	<p>2026 Financial Implications: \$18,590 (ongoing)</p>
	<p><i>Asset Management Implications:</i></p>	<p>n/a - Operational</p>
	<p><i>Climate Action Plan Goal and Impact (if applicable)</i></p>	<p>n/a</p>

Financial Implications

Five-Year Capital Reserve Plan (or longer, if applicable)					
(use table illustrating capital contributions and expenditures, if available)					
	2025	2026	2027	2028	2029
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in reserve	\$2,552,253	\$1,963,850	\$1,953,520	\$1,663,391	\$ 664,131
Contributions Surplus	-\$ 588,403	-\$ 10,330	-\$ 290,129	-\$ 999,260	\$1,420,056
Building	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance in Reserve	\$1,963,850	\$1,953,520	\$1,663,391	\$ 664,131	\$2,084,187

Five-Year Operating Reserve Plan (or longer, if applicable)
 (use table illustrating capital contributions and expenditures, if available)

	2025	2026	2027	2028	2029
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in Reserve	\$ 909,048	\$ 1,018,784	\$ 1,024,084	\$ 1,022,884	\$ 1,028,184
2024 Operating Surplus	\$ 178,946	\$ -	\$ -	\$ -	\$ -
2025 Budget Proposals	-\$ 59,100	\$ -	\$ -	\$ -	\$ -
Contribution to Reserve	-\$ 10,110	\$ 5,300	-\$ 1,200	\$ 5,300	\$ 5,300
Closing Balance in Reserve	\$ 1,018,784	\$ 1,024,084	\$ 1,022,884	\$ 1,028,184	\$ 1,033,484

Reviewed by:			
CAO		Legislative	
CFO		Manager	
GM	X – S. Gagnon	Other Staff	