



## CORPORATE REPORT

To: CAO for the Recreation, Culture & Airpark Services Commission      Date: 2019-03-05  
From: Mike Veenbaas, Director of Financial Services      File No: 1720-20  
**Subject: DRAFT 2019-2023 Recreation, Culture & Airpark Services Financial Plan**

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### STRATEGIC AREA(S) OF FOCUS

Support Healthy & Sustainable Community  
Provide Responsive & Effective Public Services

### PRIORITIES

Priority #4 Tourism

### BACKGROUND

The Fraser Valley Regional District has been undergoing the 2019-2023 financial planning process following the general election in Fall 2018. One step in this process is the presentation of proposed financial plans for 4 service areas to the Recreation, Culture and Airpark Services (RCAS) Commission. Staff have prepared a report and presentation to be delivered that will allow the Commission the opportunity to provide direction and feedback on Staff proposals.

### DISCUSSION

There are four services areas that fall under the purview of the RCAS Commission. Below is a summary of the proposed 2019 financial plan for each service to help provide some foundation information to the Commission. There will also be a financial plan presentation delivered at the March 5<sup>th</sup> meeting to provide further information and seeking direction/feedback from the Commission on the financial plan proposals.

#### 709 - Hope & District Recreation Centre (Hope & Area B)

In recognition of increasing costs to area taxpayers and the need to balance the financial impact of increasing costs to service delivery, Staff have prepared a 2019 budget proposal with a 2.3% requisition increase that can be funded within the projected non-market change assessment growth. This growth represents new assessment values in the service area from development (subdivision, rezoning, new buildings).

The proposed requisition adjustment is needed to help fund inflationary increases to wages, including the additional expense of the new employer health tax, along with facility operating expenses such as utilities.

#### 710 - Hope & District Recreation Programming (Hope, Area A & Area B)

With almost half of the Recreation Programming budget set aside for staff resources this budget also has cost inflationary pressures, coupled with the new employer health tax. This is partially funded with a nominal requisition increase of \$1,120 or 0.6% plus a reduction in the planned transfer to surplus for future operations. Staff are proposing the surplus transfer reduction option given that the service's surplus balance is estimated to be \$249,000 at the end of 2018, providing sufficient funding to a) address unplanned operational items or b) new one-time initiatives that the Commission would look to provide the community. Given that non-market change growth for this service is estimated at 2.5%, the net result of the small requisition increase will actually be tax rate decrease for taxpayers.

#### 711 - Almer Carlson Pool (Area A)

In 2019 funds have been included to provide for phase 2 of the Building Exterior project (\$10,000), upgrade to the security system (\$5,000), repairs to the adjacent playing field (\$5,000) and a replacement pool vacuum (\$3,000). These are all funded from the pool's capital reserve, which has a balance of \$154,000. The proposed requisition increase of \$1,810 or 2.8% is needed to fund inflationary increases to wages plus the additional expense resulting from the new employer health tax. With a projected assessment growth from development in Electoral Area A of 1.0%, the proposed budget will result in a tax rate increase.

#### 301 - FVRD Regional Airpark (Hope, Area A & Area B)

Staff are proposing a status quo 2019 budget for the airpark with a small requisition increase of \$2,240 to help allocate more funding to the capital reserve for future major maintenance and capital replacement/improvements. The airpark operations continue to be funded primarily from taxation at \$90,000 with supplementary funding of \$30,000 projected from land and building leases. In addition, the budget is set to see a \$10,000 net return on fuel sales. The single largest expense component of the airpark remains to be the contract services of the operator, budgeted at \$53,000. This is followed by the \$16,000 going into the capital reserve and \$12,000 for general administration/overhead support.

The proposed 2019 requisition represents a 2.6% increase over 2018 and is essentially fully funded by the assessment growth from development in District of Hope and Electoral Areas A & B. This means the requisition increase will result in a minimal tax rate increase.

## COST

The proposed budgets and direction/feedback provided by the Commission will be included in the 5 year financial plan bylaw to be presented to the Regional Board for consideration on March 20<sup>th</sup>.

The table below summarizes the estimated property tax impact from the proposed financial plans:

Service	District of Hope		Electoral Area A		Electoral Area B	
	2019	2018	2019	2018	2019	2018
Recreation Centre	\$ 241.43	\$ 229.96	\$ -	\$ -	\$ 134.12	\$ 131.17
Recreation Programming	29.11	28.09	8.05	8.10	16.17	16.02
AC Pool	-	-	54.21	50.02	-	-
FVRD Airpark	<u>13.74</u>	<u>13.01</u>	<u>3.80</u>	<u>3.75</u>	<u>7.63</u>	<u>7.42</u>
	\$ 284.28	\$ 271.06	\$ 66.06	\$ 61.87	\$ 157.92	\$ 154.61
\$ Increase	\$13.22		\$4.19		\$3.31	
% Increase	4.9%		6.8%		2.1%	
Avg. Value	\$ 400,450	\$ 337,230	\$105,220	\$ 92,370	\$ 211,360	\$ 182,770
Avg. Value % Increase	19%		14%		16%	

The 2019 over 2018 increase reflects a higher value for an average residential property in District of Hope as a result of a) residential assessment values increasing at a greater rate than Area A & B and b) District of Hope having higher average residential assessment values as a base.

## CONCLUSION

Staff have prepared updated financial plans for the Recreation Centre, Recreation Programming, AC Pool and FVRD Airpark service areas for the Commission to consider and provided direction/feedback. This information will then be consolidated with all FVRD services into a Five Year Financial Plan Bylaw.

## COMMENTS BY:

**Paul Gipps, Chief Administrative Officer:**

Reviewed and supported