



# REPORT

To: Chair and Directors

Report Number: CS-BRD-056

From: North Peace Leisure Pool Commission

Date: February 17, 2021

**Subject: Function 245 North Peace Leisure Pool Draft 2021 Budget**

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The following recommendations from the [January 25, 2021 North Peace Leisure Pool Commission meeting](#) are being presented to the Regional Board for its consideration:

**RECOMMENDATION #1: [Corporate Weighted]**

That the Regional Board approve the supplemental request for \$75,000, to be paid for through requisition, to conduct a facility condition assessment, and include it in the 2021 North Peace Leisure Pool Budget.

**RECOMMENDATION #2: [Corporate Weighted]**

That the Regional Board approve the supplemental request for \$670,000, with \$125,000 to be paid for through surplus and \$545,000 to be paid for through capital reserve unless the Investing in Infrastructure Grant – COVID Resiliency Stream grant is successful, to replace the air handling unit, and include it in the 2021 North Peace Leisure Pool Budget.

**RECOMMENDATION #3: [Corporate Weighted]**

That the Regional Board approve the supplemental request for \$35,000, to be paid for through surplus, to upgrade the sound system, and include it in the 2021 North Peace Leisure Pool Budget.

**RECOMMENDATION #4: [Corporate Weighted]**

That the Regional Board approve the supplemental request for \$50,000, to be paid for through surplus, to upgrade the staff change rooms, and include it in the 2021 North Peace Leisure Pool Budget.

**RECOMMENDATION #5: [Corporate Weighted]**

That the Regional Board include the draft 2021 North Peace Leisure Pool budget in the 2021 Financial Plan.

**BACKGROUND/RATIONALE:**

At the December 18, 2020 meeting of the North Peace Leisure Pool Commission the following resolutions were passed:

*That the Peace River Regional District budget be included in future North Peace Leisure Pool Commission budget approval meetings.*

*That the 5 Year Financial Plan be adopted as a provisional budget until the final figures for general operations, salaries, wages and employee benefits, are determined.*

*That the 5 year capital plan be approved as presented.*

The Peace River Regional District (PRRD) received final (estimated) 2020 budget numbers on January 19, 2021 from the City of Fort St John. This information was required in order to calculate the surplus/deficit from 2020. Below are the highlights of the PRRD budget for the North Peace Leisure Pool function.

#### **Supplemental Request – Operational Projects:**

##### **1) Facility Condition Assessment**

As a requirement of the asset management planning process (one of the Board's Strategic Initiatives), facility condition assessments must be completed for all PRRD owned facilities. This assessment will:

- document any major deficiencies of the facility and provide a correction plan and cost
- develop an understanding of the remaining useful life of the facility components (e.g., building envelope, mechanical system, electrical system, etc.)
- estimate the capital expenditures required to maximize the lifecycle expectations of a building
- provide a current estimated value of the facility and an estimated replacement value
- provide a preventative maintenance schedule and program for use by both the PRRD and the facility operator.

The condition assessment will be completed by a qualified professional following a public procurement process. PRRD and Fort St John staff will work together to develop the scope of work, review proposals and select the successful proponent.

#### **Supplemental Requests - Capital Projects:**

##### **1) Air Handling Unit Replacement - \$670,000**

In December 2019 a mechanical assessment of the facility was completed. At that time it was identified that the air handling unit was in need of replacement and had reached the end of its useful life. As such, the "air quality in the pool varies from acceptable to unacceptable" which can force the shutdown of the facility and can contribute to the erosion of equipment.

Further, the natatorium heat recovery ventilator is located on the roof of the building which has been identified as a concern by WorkSafe BC in terms of accessing it for repairs and maintenance. If the system is replaced and remains on the roof, additional work may be required to support the unit and ensure that access meets WorkSafe BC requirements.

Finally, the December 2019 report urgently recommends that the slide tower exhaust fan be replaced. The situation is that a combination of increased water agitation due to the addition of a second waterslide, coupled with no additional airflow from the space has led to poor air quality in the slide tower.

In 2020 the City tendered the replacement of the air handling unit, however, the tenders received far exceeded the budgeted amount of \$125,000 and as such the replacement was not conducted in 2020 during the pool shut down. \$670,000 has been budgeted in 2021 in the capital plan to complete this project.

On January 14, 2021 the Regional Board passed the following resolution:

***MOVED, SECONDED, AND CARRIED***

That the Regional Board approve that a grant application be submitted in the amount of up to \$670,000 to the Investing in Canada Infrastructure Program - COVID-19 Resilience Infrastructure Stream for the replacement of the air handling unit at the North Peace Leisure Pool and that the Regional Board commit to any ineligible costs and cost overruns associated with the project (to come from capital reserves), should the application be successful.

If the grant application is successful it may pay up to 100% of the costs. If the grant application is not successful the project will be funded through a combination of capital reserves and surplus. See the supplemental request for additional information.

2) Sound System - \$35,000

The sound system was approved to be upgraded in 2020. The project was not completed in 2020 and will be carried forward for completion in 2021.

3) Staff Change Room Upgrades - \$50,000

The staff change rooms require upgrades in 2021 to make them more functional as they have not been updated since the construction of the pool in 1996.

**ALTERNATIVE OPTIONS:**

1. That the Regional Board provide further direction.

**STRATEGIC PLAN RELEVANCE:**

- ☒ Organizational Effectiveness
- ☒ Develop a Corporate Asset Management Program

**FINANCIAL CONSIDERATION(S):**

**Budget Highlights:**

- Requisition:
  - \$2,960,079 which is a decrease of \$5,017 from 2020
- Surplus:
  - \$267,699 to be carried forward to reduce the requisition for operating costs (\$57,699) and eliminate the need to requisition funds for capital projects (\$210,000)
- Transfer to Reserves:
  - \$500,000 for capital, \$50,000 to establish an operational reserve

- Transfer from Capital Reserves:
  - \$545,000 only to be transferred should the PRRD not be successful in the Investing Infrastructure Grant
- PRRD Administration Costs:
  - \$455,790 which includes \$343,149 for Fort St John's Admin Fee
- Pool Operating Costs:
  - \$2,421,620 which is \$484,891 less than in 2020 due to an over budgeting error. \$2,905,511 was budgeted, however, only \$2,287,319 should have been budgeted.
- Capital Costs:
  - \$755,000 which is an increase of \$495,000
- Estimated Tax Rate: \$0.2465 which is down from \$0.2564 in 2020

Capital Reserve	2021
Building Replacement Opening Balance	\$3,724,655.23
General Opening Balance	\$2,282,694.97
2021 Transfer to Reserves	\$500,000
<b>TOTAL</b>	<b>\$6,507,350.20</b>

- Note that if the PRRD is not successful in obtaining the Investing in Infrastructure Grant for \$670,000 then \$545,000 will be transferred from the General Capital Reserve for the Air Handling Unit.
- If the PRRD is successful in obtaining the Investing in Infrastructure Grant, then \$545,000 will remain in the capital reserve.

Operational Reserve	2021
Opening Balance	\$0
2021 Transfer to Reserves	\$50,000
<b>TOTAL</b>	<b>\$50,000</b>

#### Historic Tax Rates

Year	Rate
2021 proposed	\$0.2465
2020	\$0.2564
2019	\$0.3349
2018	\$0.3071
2017	\$0.2920
2016	\$0.2920
2015	\$0.3040

#### COMMUNICATIONS CONSIDERATION(S):

None.

#### OTHER CONSIDERATION(S):

None.

Attachments:

1. Function 245 North Peace Leisure Pool Draft 2021 Budget & Tax Rate Sheet
2. NPLP Operating Budget Approved January 25, 2021 by Commission
3. Function 245 – Supplemental - Facility Condition Assessment
4. Function 245 – Supplemental - Air Handling Unit
5. Function 245 – Supplemental - Sound System
6. Function 245 – Supplemental - Staff Change Room Upgrades

External Links:

[COVID-19 Resilience Grant North Peace Leisure Pool Air Handling Unit– See Item 10.8](#)