



# City of Richmond

## Report to Committee

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**To:** Finance Committee

**Date:** February 19, 2021

**From:** George Duncan  
Chief Administrative Officer  
& President and CEO  
Richmond Olympic Oval

**File:** 03-1200-09/2021-Vol  
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Rick Dusanj  
Acting Chief Financial Officer &  
Interim Senior Manager, Finance & Administration

**Re: Richmond Olympic Oval Corporation – 2021 Annual Operating and Capital Budgets**

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### Staff Recommendation

That the report titled “Richmond Olympic Oval Corporation - 2021 Annual Operating and Capital Budgets” dated February 19, 2021 from the Interim Senior Manager, Finance & Administration, Richmond Olympic Oval Corporation be received for information.

George Duncan  
Chief Administrative Officer  
& President and CEO  
Richmond Olympic Oval

Rick Dusanj  
Acting Chief Financial Officer &  
Interim Senior Manager, Finance & Administration

**DATE:** February 19, 2021

**TO:** George Duncan  
Chief Executive Officer, Richmond Olympic Oval Corporation

**FROM:** Rick Dusanj, CPA, CA  
Interim Senior Manager, Finance & Administration

**Re:** **Richmond Olympic Oval Corporation – 2021 Annual Operating and Capital Budgets**

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### Origin

This staff report addresses the Richmond Olympic Oval Corporation's (the "Corporation") 2021 annual operating and capital budgets which were unanimously approved by the Corporation's Board of Directors ("BOD"), and as stipulated in the Oval/City Operating Agreement are being presented to City Council for information.

### Analysis

#### 2021 Operating Budget

In 2020, the COVID-19 pandemic had a significant impact on Oval operations. In 2021, the Oval will continue to build on the operational success from 2020 in dealing with the new and challenging environment. Through enhanced cleaning protocols, pre-registration for all activities, and one-way movement through the building, the Oval has continued to take proactive measures to ensure the health and safety of Richmond residents and the broader community as they safely return to sport and fitness routines. An expected outcome of operating in this environment is the additional expense required to provide services to the public. In preparing the budget, the expenses included primarily focus on sustaining operations with on-going pandemic protocols, planning and executing the progressive resumption of programs and services, and ensuring the Oval's clientele remains engaged. The Oval will continue with an appropriately timed resumption of programs and services using the restoration of programs and services continuum as a guide which takes into account level of risk, exposure, and ability to mobilize service delivery with strict adherence to health and safety guidelines. Given the uncertainty with respect to the health guidelines and health outcomes, staff have prepared a cautious 2021 operating budget that has been unanimously approved by the BOD (please see Attachment 1).

### 2021 Outlook

2020 was a challenging year for the Richmond Olympic Oval. With fluid public health orders and uncertain health outcomes during the ongoing COVID-19 pandemic, the Oval has continued to provide a safe and expansive space for the community to engage in sport and fitness activities. With strong health and safety protocols in place, the Oval will continue to provide the community with drop-in sport and fitness offerings, sport programs such as Learn to Skate lessons, children's camps and climbing programs in a modified capacity to adhere to public health orders. Some of the community groups and organizations from Richmond or with strong Richmond-based participation expected for 2021 include, but are not limited to: Drive Basketball, Richmond FC, Richmond Rockets Speed Skating Club, Aura Gymnastics, Brazilian Soccer School, Urban Rec, Connaught Figure Skating Club, Richmond Arenas Community Association (RACA), and Richmond Sockeyes.

Much of the focus for 2021 will be to continue the gradual resumption of membership offerings, with agile planning intended to scale operations up or down as health outcomes change. Recognizing the importance of daily physical activity, the Oval's top priority in 2021 is a safe return to sport and fitness. Virtual fitness offerings will continue in 2021 for those unable to attend workouts at the facility, with plans to introduce onsite enhanced fitness programs when restrictions lift on high-intensity group fitness classes.

The Oval will continue to provide essential space and services for national-level and high-performing athletes to continue their training. The Canadian Senior Women's National Volleyball Program will continue to utilize the Oval as their home training facility. The Oval, as a national training centre for Climbing Escalade Canada, will continue to be used by national team athletes in 2021 including those preparing for the Tokyo Summer Olympic Games. Other national team programs training out of the Oval in 2021 in preparation for the Olympic or Paralympic games include Field Hockey Canada and Wheelchair Rugby Canada.

### 2021 Capital Budget

The 2021 capital budget is a total of \$0.82M which is approximately 60% lower than the average capital budget over the past 4 years. The capital projects included are primarily for those projects that are required to maintain or replace the existing capital assets and infrastructure and those projects required to support Oval programming. This includes \$0.23M of building operations requirements (e.g. circulation pump replacements), \$0.24M of program related improvements and equipment (e.g. sporting equipment), \$0.15M of computer software & equipment and a \$0.20M contingency for any safety, security, or other related issues.



Rick Dusanj, CPA, CA  
Interim Senior Manager, Finance & Administration

ATTACHMENT 1

2021 Operating Budget

<b>RICHMOND OLYMPIC OVAL CORPORATION</b>					
<b>Operating Budget</b>					
<b>Unaudited, prepared by management</b>					
	<b>2020 BUDGET</b>	<b>2020 UNAUDITED</b>	<b>2021 BUDGET</b>	<b>2021 Budget vs 2020 Unaudited \$ Increase (Decrease)</b>	<b>2021 Budget vs 2020 Unaudited % Increase (Decrease)</b>
<b>REVENUES</b>					
2010 Games Operating Trust	\$ 2,900,000	\$ 2,957,347	\$ 3,725,000	\$ 767,653	26%
Contribution from City of Richmond	3,597,926	3,597,926	3,669,885	\$ 71,958	2%
Memberships, admissions and programs	9,367,603	3,589,553	4,294,411	\$ 704,858	20%
Other	1,957,277	1,391,102	1,320,973	\$ (70,129)	-5%
	<b>17,822,806</b>	<b>11,535,928</b>	<b>13,010,269</b>	<b>1,474,341</b>	<b>13%</b>
<b>EXPENSES</b>					
Memberships, admissions and programs	6,405,633	4,173,198	4,860,786	\$ 687,588	16%
Facility Operations	4,721,527	3,685,207	4,205,075	\$ 519,867	14%
Marketing	686,470	461,334	527,951	\$ 66,617	14%
Admin/Finance	3,306,216	2,603,200	3,250,597	\$ 647,397	25%
	<b>15,119,846</b>	<b>10,922,939</b>	<b>12,844,409</b>	<b>1,921,469</b>	<b>18%</b>
<b>Net income before amortization and transfers</b>	<b>\$ 2,702,960</b>	<b>\$ 612,989</b>	<b>\$ 165,860</b>	<b>\$ (447,129)</b>	<b>-73%</b>
Amortization	2,000,000	1,668,195	2,000,000	\$ 331,805	20%
<b>Net after amortization and before transfers</b>	<b>\$ 702,960</b>	<b>\$ (1,055,207)</b>	<b>\$ (1,834,140)</b>	<b>\$ (778,933)</b>	<b>74%</b>
Transfers to reserves/provisions (Note 1)	TBD	TBD	TBD		
<b>Net after amortization and transfers</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>		
<b>Note 1 - This budgeted transfer to reserves/provisions is an estimate and the final amount will be determined by the Capital Works Committee.</b>					