



City of Richmond

Report to Committee

To: Finance Committee **Date:** January 24, 2023
From: Jerry Chong **File:** 03-1200-09/2023-Vol
General Manager, Finance and Corporate Services 01
Re: **Richmond Olympic Oval Corporation - 2023 Annual Operating and Capital
Budgets**

Staff Recommendation

That the report on the 2023 Annual Operating and Capital Budgets for the Richmond Olympic Oval Corporation from the Director, Finance, Innovation & Technology, Richmond Olympic Oval Corporation be received for information.

Jerry Chong, CPA, CA
General Manager
Finance & Corporate Services
(604-276-4064)

REPORT CONCURRENCE
APPROVED BY CAO 

DATE: January 20, 2023

TO: Serena Lusk
Chief Administrative Officer, City of Richmond

Jerry Chong
General Manager, Finance & Corporate Services, City of Richmond

FROM: Rick Dusanj, CPA, CA
Director of Finance, Innovation & Technology, Richmond Olympic Oval Corporation

Re: **Richmond Olympic Oval Corporation – 2023 Annual Operating and Capital Budgets**

Origin

This staff report is provided to City Council for information. The Richmond Olympic Oval Corporation's (the "Corporation") Board of Directors ("BOD") are responsible for approving the Corporation's annual budgets and did so unanimously for both the 2023 operating and capital budgets.

Analysis

2023 Operating Budget

The 2023 budget will build on the momentum realized in 2022 and while revenues are continuing on a positive trajectory, the operating costs have also increased as expected as the Corporation has not been immune to the lasting economic impacts of inflation and the pandemic. In 2023, Oval Management will continue to be vigilant in the monitoring of its operating costs and as such, the 2023 budget was prepared with key directives. These include minimizing cost impacts to the following: expenses required to maintain infrastructure and continue on the pandemic recovery path such as scheduled hardwood court resurfacing, expenses from contractual commitments and/or those outside of the Corporation's control such as insurance renewal costs, growth in operations where there was a favorable gross margin impact, and ensuring other non-discretionary increases align with City of Richmond methodology. The BOD approved 2023 operating budget is shown in Attachment 1.

2023 Outlook

In 2023, a range of programs and services for individuals of all ages, abilities, and interests will continue to be offered and will include popular drop-in activities such as basketball, climbing, table tennis, and group fitness, which will be available to both members and guests. In 2022, the Corporation experienced record registration numbers for youth programming, and the hope is this

trend continues in 2023, particularly in programs such as learn to skate, climbing, and sports camps. Training space will also continue to be provided for various community-based sports groups and some of the community groups and organizations from Richmond or with strong Richmond-based participation expected in 2023 include, but are not limited to: Drive Basketball, Richmond FC, Richmond Rockets Speed Skating Club, Aura Gymnastics, Brazilian Soccer School, Urban Rec, Steveston Judo Club, Richmond Jets, Connaught Figure Skating Club, Richmond Arenas Community Association (RACA), and the Greater Vancouver Canadians.

In addition to these programs, the Corporation is excited to introduce The Fields, a year-round outdoor activity space for sports programs and events. The Fields will also be open to the public for use outside of programmed hours and feature amenities such as 4,200 square meters of multi-sport turf, three basketball hard surface half courts, and an outdoor fitness and training area.

2023 will also see the continued strong return of sport hosting related events including many provincial, national, and international level competitions. One of the most notable events is the CARHA Hockey World Cup, which will take place in the first quarter of 2023 after three years of postponements due to the pandemic. This event is expected to bring 100 teams from around the world to Richmond for the world's largest recreational hockey tournament. Another event of note in Richmond is the Sport Event Congress: an annual conference that brings together over 400 individuals representing provincial and national sports organizations, destination tourism companies and event management firms to discuss the latest trends and best practices in the sport tourism industry.

2023 Capital Budget

The 2023 capital budget totals \$2.21M which includes a minor capital budget of \$1.40M and a major capital budget of \$0.81M and will be funded by the Corporation. The minor capital projects are primarily projects that involve the maintenance or replacement of existing capital assets and infrastructure and projects that support programming. This includes \$0.44M of building operations requirements (e.g., ice resurfacer), \$0.60M of program related improvements and equipment (e.g., cardio and strength equipment), \$0.16M of computer software & equipment, and a \$0.20M contingency for any safety, security, or other related issues. The major capital budget of \$0.81M is for long-term facility maintenance items primarily relating to the Corporation's mechanical, refrigeration, and electrical systems and for advance planning.



Rick Dusanj, CPA, CA
Director of Finance, Innovation & Technology, Richmond Olympic Oval Corporation

ATTACHMENT 1

2023 Operating Budget

RICHMOND OLYMPIC OVAL CORPORATION				
Operating Budget				
	2022 BUDGET	2023 BUDGET	\$ Change	% Change
REVENUES				
2010 Games Operating Trust	\$ 3,725,000	\$ 3,725,000	\$ -	0%
Contribution from City of Richmond	3,754,292	3,903,713	149,421	4%
Memberships, admissions and programs	5,854,080	8,379,797	2,525,717	43%
Other	1,174,859	2,405,931	Note 1 1,231,073	105%
	14,508,230	18,414,441	3,906,211	27%
EXPENSES				
Memberships, admissions and programs	5,544,076	6,787,941	1,243,865	22%
Facility Operations	4,608,583	5,020,164	411,581	9%
Marketing	545,155	582,571	37,416	7%
Admin/Finance	3,391,865	3,750,591	358,726	11%
	14,089,679	16,141,267	2,051,588	15%
Net income before amortization and transfers	\$ 418,552	\$ 2,273,174	\$ 1,854,622	443%
Amortization	2,200,000	2,500,000	300,000	14%
Net income after amortization and before transfers	\$ (1,781,448)	\$ (226,826)	\$ 1,554,622	87%
Transfer to reserves/provisions (Note 2)	TBD	TBD		
Net income after amortization and transfers	TBD	TBD		
Note 1 - Includes an estimated \$1M of one-time external funding revenue pertaining to the Fields project. The amount and timing of the revenue recognition will be subject to review by our external auditors.				
Note 2 - The budgeted transfer to reserves/provisions is not estimated at this time as the amount will be determined by the Capital Works Committee.				