



SUBJECT	University Neighbourhoods Association (UNA) 2019-2020 Annual Update and 2020-2021 Operating Budget
SUBMITTED TO	People, Community, and International Committee
MEETING DATE	June 1, 2020
SESSION CLASSIFICATION	Recommended session criteria from Board Meetings Policy: OPEN
REQUEST	For information only - No action requested
LEAD EXECUTIVE	Robin Ciceri, Vice-President External Relations
SUPPORTED BY	Michael White, Associate Vice-President Campus + Community Planning Peter Smailes, Vice-President Finance & Operations Carole Jolly, Director, Community Development & Engagement, Campus + Community Planning Chris Fay, Senior Manager, Strategic Policy, Campus + Community Planning

PRIOR SUBMISSIONS

The subject matter of this submission has been considered previously by the Neighbourhood Liaison Committee on the following occasions:

1. May 08, 2019 UBC Neighbourhoods Liaison Committee (CLOSED SESSION)
Action/Follow up: Report received for information.

EXECUTIVE SUMMARY

This report provides the University Neighbourhoods Association 2020-2021 Operating Budget and Annual Update, in accordance with the *Neighbours' Agreement* between UBC and the UNA. The report also summarizes the UNA's emerging financial strategy in response to operational impacts of COVID-19.

The UNA's total planned expenses are \$8.0M for 2020-2021. This includes the recent \$4.8M operating budget approved by the UNA Board of Directors, in addition to some Service Levy revenue that UBC retains in the Neighbours Fund for deductions associated with annual contributions to Reserves, and other UBC costs associated with UNA operating expenses (provincial fire protection costs, sewage and water costs, access to UBC athletic facilities). Overall, the UNA's 2020/2021 budget has increased by 29% from last year. Some of these increases are related to one-time costs including expenses associated with the recruitment process to hire a new Chief Administrative Officer (formally the Executive Director Role); and additional operating costs related to a bylaw amendment process to evolve organizational governance (including the requirement to hold a Special General Meeting). Other cost increases will ensure the UNA can continue to deliver on its mandate and support the needs of a growing community, including: an increase in engineering and operating costs (primarily landscaping); an increase in fire service fees based on a per capita assessment; an increase in community centre programming costs; salary adjustments to reflect general cost of living increases; and additional annual insurance costs and Board Director stipends as a result of bylaw changes. The majority of these costs are non-discretionary and directly support the core operating needs of the organization.

The majority of the UNA's funding comes from Service Levy revenue collected from campus leaseholders. Based on assumptions for 2020 assessment values and tax rates, the UNA is projecting a 27% increase in revenue over last year, resulting in an overall budget shortfall of \$529,000. This budget shortfall will be funded in part by a \$0.5M contribution from the UBC Community Services Grant, endorsed by the Board of Governors in 2018, with the remaining shortfall to be funded out of the UNA Contingency Reserve. There has been a continued decline in the budget deficit amount over the previous two years due to increases in Service Levy revenue. In future years, Services Levy revenue is projected to continue to grow with the overall growth in residents in the neighbourhoods. Current projections show the UNA's overall budget shortfall will be eliminated in 2021/2022, alongside the phasing out of 2016 Joint Task Force recommendations that were put in place to help manage UNA funding pressures during budget shortfalls.

The UNA has also been closely monitoring the financial and operational impacts of COVID-19, including projected revenue savings and losses. Based on current projections, the UNA is not anticipating the need for any additional funding above \$0.5M through the UBC Community Services Grant. Any budget shortfalls related to COVID-19 will be funded through the UNA Contingency Reserve fund. The following strategies have been implemented in response to COVID-19:

- Following Provincial Health Orders, temporary closures of community centres and suspended community programs and services, cancellation of community events, closures of playgrounds and turf field, and signage to reinforce physical distancing requirements in open park areas;
- Supporting remote work arrangements wherever possible for staff and the UNA Board of Directors;
- Similar to other municipalities, temporary layoffs of non-essential part time front desk and fitness centre staff;
- Transitioning part of the Old Barn Community Centre to a YMCA-run temporary full-time daycare for essential workers;
- To help ensure compliance with physical distancing requirements, monitoring UNA areas with support from UBC Development Services staff as part of their delivery of crucial services;
- Continued monitoring of Provincial Health Orders to help inform transition plan for re-opening Community Centres and easing off of related temporary program suspensions;
- Applying for the Canada Emergency Wage Subsidy for essential full-time staff.

UBC and the UNA will continue to monitor any changes to both the financial and operational impacts of COVID-19, and the Services Levy assumptions and budget projections using the UNA 5-year financial model. The Joint Finance Task Force will be reconvened this year to review the UNA Financial Reserves Policy, financial impacts of COVID-19, and strategies for ensuring long term fiscal health.

UNA Annual Report

In addition to managing the organization's financial health, the UNA has also been focusing on the implementation of its strategic priorities including:

- Operations: ongoing service delivery, growing recreational programs, continued delivery of childcare and out of school care programs and expansion of child-care facilities; enhanced staff engagement, continued engagement with UBC on areas of shared interest.

- Governance: evolving governance to meet the needs of a growing population including UNA Constitution and Bylaw review, and related Neighbours Agreement amendments, recruitment strategy for UNA Chief Administrative Officer (formally Executive Director role). The updated Neighbours Agreement is being presented under a separate cover to Board in June 2020.
- Finance: Ongoing budget management to address structural deficit and external funding pressures.
- Community Engagement and Volunteerism: Continued strong community participation from volunteers to support community-based programs and initiatives, scoping of Community Engagement Committee to help inform Board priorities, and continued exploration of opportunities to enhance town/gown relationships.

As a corporate entity under the Societies Act, the UNA files an Annual Report and Financial Statement within six months of its March 31st year-end. The Annual Report will be available later this year and presented at the UNA Annual General Meeting.

APPENDICES

1. University Neighbourhoods Association Annual Operating Budget 2020-2021



UNIVERSITY
NEIGHBOURHOODS
ASSOCIATION

University Neighbourhoods Association (UNA)
Operating Budget 2020-21
Summary

	2020-21 APPROVED BUDGET
1 FUNDING SOURCES	
2 Neighbours Levy (Service Levy & GMSL)	5,993,640
3	
4 Contributions to Reserves (Outgoing Funds)	
5 Infrastructure Replacement Fund	(143,847)
6 Capital Replacement Fund	(71,924)
7 Rate Stabilization Fund	(59,936)
8 Contingency Reserve Fund	-
9 UNA/VSB Playing Field Replacement Reserve	(180,000)
10 Total Contributions to Reserves	(455,707)
11 Deductions	
12 Engineering & Operations	
13 Water & Sewage	(536,020)
14 Fire Services Fee	(1,354,735)
15 Total Engineering & Operating Services	(1,890,755)
16 Recreation & Culture	
17 Athletics Access Fee	(449,523)
18	
19 General Operating Services	
20 GST (unrecoverable: Neighbours Levy less UBC Costs & Contributions to Reserves)	(61,493)
21	
22 Total Neighbours Levy & Reserves Available	3,136,162
23	
24 REVENUE	
25 Recreation & Culture	
26 Wesbrook Community Centre	381,294
27 Old Barn Community Centre	123,678
28 Programming	776,667
29 Playing Fields & Park Rentals	82,770
30 Total Recreation & Culture	1,364,409
31 Other Revenue	
32 Parking	140,251
33 Miscellaneous	21,901
34 Total Other Revenue	162,152
35 Grants & Other Funding	
36 External Grants & Miscellaneous	155,758
37 Total Grants & Other Funding	155,758
38	
39 TOTAL FUNDING SOURCES & REVENUE	4,818,480



		2020-21 APPROVED BUDGET
40	EXPENDITURES	
41	Engineering & Operations Services	
42	Parking & Emergency Management	143,695
43	General Maintenance	10,000
44	Common Area Maintenance Fees	
45	Landscaping	301,484
46	Road, Gutter and Sidewalk Maintenance	23,042
47	Streetlights	54,687
48	UBCPT Management Fees	63,000
49	Electricity	106,982
50	Other Common Area Maintenance Costs	62,621
51	Total Engineering & Operations Services	765,510
52	Recreation & Culture Services	
53	Wesbrook Community Centre	510,100
54	Old Barn Community Centre	230,945
55	Recreation Salaries & Benefits	1,029,692
56	Programming	605,718
57	Fields	17,800
58	Community Access	121,800
59	Community Support	42,800
60	Total Recreation & Culture Services	2,558,855
61	General Operation Services	
62	Administration Salaries & Benefits	1,038,985
63	Sustainability	23,100
64	General Operating Services	233,738
65	Professional Fees	177,000
66	Communications	240,000
67	Public Engagement	72,000
68	Total General Operation Services	1,784,823
69		
70	Contingency (2% on Engineering & Ops and Recreation & Culture S	66,487
71	TOTAL EXPENDITURES	5,175,676
72		
73	BALANCE SURPLUS OR (STRUCTURAL DEFICIT)	(357,196)
75	Additional Costs Due to Bylaw and Neighbours Agreement Amendments	
76	Special General Meeting	30,000
77	Insurance	130,000
78	Stipend for Additional Elected Directors	12,000
79		172,000
80	ADJUSTED BALANCE SURPLUS OR (STRUCTURAL DEFICIT)	(529,196)
81	APPROVED STRUCTURAL DEFICIT FUNDING	
82	Transfers from Reserves:	
83	Rate Stabilization Reserve	-
84	Contingency Fund	29,196
85	UBC Community Services Grant	500,000
86	Surplus Reserve Funds from 2012-2015	-
87	SURPLUS (OR DEFICIT)	0