



SUBJECT 2023-2024 University Neighbourhoods Association (UNA) Operating Budget

SUBMITTED TO Finance Committee

MEETING DATE March 22, 2023

SESSION CLASSIFICATION Recommended session criteria from Board Meetings Policy:
OPEN

REQUEST APPROVAL REQUESTED
IT IS HEREBY RESOLVED that the Finance Committee, in accordance with authority delegated by the Board of Governors, approves as circulated the 2023-2024 University Neighbourhoods Association Operating Budget.

LEAD EXECUTIVE Robin Ciceri, Vice-President External Relations

SUPPORTED BY Frank Laezza, Vice-President Finance & Operations
Michael White, Associate Vice-President Campus and Community Planning
Matthew Boydston, A/Comptroller, Finance
Chris Fay, Director, Strategic Policy, Campus and Community Planning

PRIOR SUBMISSIONS

The subject matter of this submission is received annually by the Finance Committee, most recently on [March 22, 2022](#) (OPEN SESSION) – University Neighbourhoods Association (UNA) 2022-2023 Operating Budget

EXECUTIVE SUMMARY

This briefing seeks Finance Committee approval of the University Neighbourhoods Association’s (UNA) 2023-2024 operating budget, approved by the UNA Board on February 21, 2023. Under the 2020 UBC-UNA Neighbours’ Agreement, UBC must approve the budget on an annual basis to ensure the budgeted expenditures do not contravene the purposes for which the Neighbourhood Levy is collected.

The UNA’s 2023-2024 budget is balanced with \$7.3M in expenditures, including one-time costs for the transition of municipal services delivery (described below). After previous challenging financial years due to rising costs and the provincial transfer of fire services costs, the UNA’s financial projections over the next five years continue to strengthen based on growing Neighbourhood Levy revenue generated from campus neighbourhood leaseholders.

2023-2024 UNA Operating Budget

Under the UBC-UNA Neighbours’ Agreement, the UNA is responsible for operating and maintaining services and facilities for residents on UBC’s behalf. UNA funding comes primarily from the Neighbourhood Levy, which is similar to a municipal property tax. Residents also pay a Rural Tax to the Province and regional taxes for services like TransLink and schools. All of these costs added together are the same amount as a property owner in the City of Vancouver would be charged on a property with the same assessed value. This “pegged” rate was a provincial requirement for campus leases when UBC began residential development.

With the projected increase in Neighbourhood Levy revenue and the incremental increase in planned expenditures, the UNA is forecasted to balance its 2023-2024 budget. Based on financial projections, the Neighbourhood Levy is projected to increase by 17% from 2022-2023 due to continued growth in neighbourhood assessments and the residential Vancouver tax rate. The remaining revenue is derived from recreation, programming, parking and external grants and is expected to increase with inflation.

UNA expenditures are projected to increase by \$700k (12%) from 2022-2023, primarily due to staffing needs to provide recreational programming to support a growing population and the UNA's municipal service operations (landscaping, road maintenance, playground repair, etc.). The budget also includes \$200k for minor capital expenditures including leasehold improvements to the Community Centres, furniture and multi-media equipment. These expenditures will be funded through the UNA's internal capital reserve, created last year as a measure of prudent asset management consistent with the Neighbours' Agreement and lease obligations.

Projected Future Financial Outlook (2024-2027)

UBC and the UNA use a five-year financial model to assess the UNA's future financial outlook based on neighbourhood development, future assessments, and forecasted property tax rates. For 2024-2027, the UNA is forecasted to post growing surpluses from a growing Neighbourhood Levy (8% annually) and operational revenue (3%). Expenditures are projected to increase 5% per year with the buildout of the Wesbrook neighbourhood and increased recreational offerings, keeping pace with the needs of a growing community. Based on the model, the UNA is expected to be fully funded over the next five years through annual revenue and not require additional UBC financial support, with the exception of potential landscape transition funding support described in more detail below. Over the next year, the model will be updated to include the growth projections presented as part of Campus Vision 2050.

Municipal Services Transition

UBC Properties Trust currently manages the delivery of several important neighbourhood municipal services on the UNA's behalf through agreements with third party contractors, including landscaping and road maintenance. Beginning April 1, 2023, the UNA will be managing the third-party agreements directly. In advance of this, the Administration has been working with the UNA and UBC Properties Trust to clarify and document service standards and costs, including support to maintain service levels for the upcoming year. This collaboration will inform a transition plan developed through 2023-2024 that enables the UNA to deliver municipal services in a financially sustainable manner.

Neighbours' Agreement Update

UBC has been working with the UNA to update the Neighbours' Agreement to reflect current practices and clarify the roles of each organization in neighbourhood service delivery and governance. This involves specific updates to the body of the agreement along with several Schedule updates including: service standards for municipal services; an updated fee formula for the UNA's annual contribution to UBC for athletics facilities and cultural facilities access; and, finalizing an annual contribution for UBC-UNA Reserve funds that balances long-term asset replacement costs with the UNA's financial reality. The updated Neighbours Agreement is expected to be presented to the UNA and UBC Boards later in 2023 for approval.

APPENDICES

1. University Neighbourhoods Association 2023-2024 Operating Budget

Appendix One: University Neighbourhoods Association 2023-2024 Operating Budget



OPERATING BUDGET:

University Neighbourhoods Association (UNA)
Operating Budget 2023-24 (Summary)

University Neighbourhoods Association (UNA)	2023-24 APPROVED BUDGET
REVENUE	
Payments from UBC	
Neighbours Levy	4,946,636
Total Payment From UBC	4,946,636
Recreation & Culture	
Wesbrook Community Centre	383,000
Old Barn Community Centre	140,000
Programming	698,500
Playing Fields & Park Rentals	105,000
Total Recreation & Culture	1,326,500
Other Revenue	
Parking	111,900
Miscellaneous	32,840
Common Area Maintenance Support (UBCPT)	733,256
Total Other Revenue	877,996
Grants & Other Funding	
External Grants & Miscellaneous	165,000
Total Grants & Other Funding	165,000
TOTAL REVENUE	7,316,132



University Neighbourhoods Association (UNA)	2023-24 APPROVED BUDGET
EXPENDITURES	
Engineering & Operations Services	
Parking & Bylaw Enforcement	161,856
General Maintenance	132,520
Common Area Maintenance	
Landscaping	1,249,736
Road, Gutter and Sidewalk Maintenance	53,550
Streetlights	53,000
UBCPT Management Fees	-
Electricity	80,000
Other Common Area Maintenance Costs	52,500
Total Engineering & Operations Services	1,783,161
Recreation & Culture Services	
Wesbrook Community Centre	529,650
Old Barn Community Centre	219,602
Recreation Salaries & Benefits	1,292,487
Programming	708,500
Fields	18,000
Community Access (VPL)	120,000
Community Support	76,500
Total Recreation & Culture Services	2,964,739
General Operation Services	
Administration Salaries & Benefits	1,540,274
Sustainability	32,029
General Operating Services	662,889
Professional Fees	155,660
Communications	106,000
Public Engagement	71,380
Total General Operation Services	2,568,232
TOTAL EXPENDITURES	7,316,132
SURPLUS OR (DEFICIT)	(0)
TRANSFERS FROM RESERVES AND RESTRICTED / UNRESTRICTED NET ASSETS	
Transfer from Restricted Net Assets	-
Transfer from Unrestricted Net Assets	-
BALANCE	-\$ 0



CAPITAL BUDGET:

**University Neighbourhoods Association (UNA)
Capital Budget 2023-24 (Summary)**

University Neighbourhoods Association (UNA)	2023-24 APPROVED BUDGET
CAPITAL PROJECTS	
Leasehold Improvements	32,000
Furniture, Fixtures & Equipment	64,500
Computer Software & Hardware	8,200
Multi Media Equipment	60,000
Recreational & Fitness Equipment	43,000
TOTAL CAPITAL PROJECTS COSTS	207,700
TRANSFERS FROM RESERVES, UNRESTRICTED NET ASSETS & OTHERS	
Transfers from Replacement Reserves:	
Infrastructure Replacement Reserve	-
Capital Replacement Reserve	-
Transfer from Unrestricted Net Assets	
Transfer from UNA Capital Reserve	207,700
BALANCE	\$ -