

TLC 2021 Operational Deficit



TransAlta
Tri Leisure Centre

Impacts on TLC Operational Budget

- Facility Closures – January 1 – February 8 and May 9 – June 14 (10 weeks total)
 - ✓ Membership and drop-in revenues
 - ✓ Facility rentals
 - ✓ Tenant Rent (received grant revenue which reduced impact)
- Provincial Restrictions & Implementation of Restrictions Exemption Program
 - ✓ Membership retention
 - 400 members cancelled upon implementation
 - ✓ Staffing required to screen-in patrons

Measures taken to reduce expenses

- Collective Agreement amended; COLA reduced to 0% for 2021
- Staffing levels reduced during closures and based on activity levels
- Continued with reduced facility hours
- Material and supplies budget reduced
- Training and travel budgets frozen
- Reduction in contracted services (security and custodial)

Revenues to year-end: 67.8% of budget

Expenses to year-end: 72.7% of budget

Deficit Projection vs Final

- Initial deficit projections in July 2021- \$160,000 approximately
- Final deficit - \$352,191

What led to this change?

- Restrictions Exemption Program
 - ✓ Decrease in membership upon implementation
 - ✓ Costs associated with screening patrons
- Unanticipated decrease in field rentals

TLC Reserves

- As per the MOA (Article 7.5), the TLC currently has two reserves; Operations and Capital
- Operations Reserve is to be used to fund future deficits of the corporation
- Capital Reserve is intended to offset future capital purchases in any given year
- At the end of 2021, TLC Reserves were:
 - ✓ Operations (98,471)
 - ✓ Capital - \$839,873 (\$364,875 committed to 2022 Infrastructure Projects)
- Deferred revenue from previous capital and infrastructure projects - \$113,147

Option 1

Fund deficit utilizing:

- Operations Reserve \$98,471
- Deferred Revenue \$113,147
- Capital Reserve \$140,573 (\$334,426 remaining for future use)

Pros

- No need for additional financial support from the municipalities

Cons

- Operations Reserve is reduced to zero
- Deferred Revenue and Capital Reserved reduced for future use

Option 2

Increased Contribution from Municipalities

Pros

- Both reserves and deferred revenue remain intact for future use

Cons

- Additional and unexpected financial burden on municipalities

Funding Options

1. Fund from Operations Reserve, Deferred Revenue and Capital Reserve
2. Fund from an increased contribution from municipalities

TLC Administrative and Board Recommendation: Option #1

