



Public Information Backgrounder:

On the Deferment of Golden Municipal Swimming Pool 2020 Operations

Thursday, June 4th-

On Wednesday, June 3rd Golden Town Council announced it would not be authorizing the opening of the Golden Municipal Swimming Pool for the 2020 season. It is the purpose of this document to provide the information to the public that Council used to make this difficult decision.

Reactionary safety measures happened quickly to close our recreation facilities and limit the spread of COVID-19. There has been a collaborative effort from numerous associations to develop guidelines and recommendations to re-open municipal facilities safely.

The Town has been inundated by countless guidelines and recommendations on the operation of the outdoor pool in a COVID-19 context. Documents have come from the Lifesaving Society, BC Recreation and Parks Association (BCRPA), Workers Compensation of BC (WCB), the BC Safety Authority, the Municipal Insurance Association, Technical Safety BC, Interior Health and the Provincial Health Authority. This array of overlapping authorities and positions have placed an immensely challenging administrative and risk imperative environment upon municipalities.

Other Contexts

- Pitt Meadows outdoor pool: <https://www.pittmeadows.ca/our-community/news/media-releases/harris-road-outdoor-pool-remain-closed-summer>
- Red Deer outdoor pool: <https://www.reddeer.ca/recreation-and-culture/recreation/recreation-facilities/recreation-centre/recreation-centre-amenities/recreation-centre-outdoor-pool/>
- All City of Edmonton outdoor pools: https://www.edmonton.ca/activities_parks_recreation/outdoor-pools.aspx
- Both indoor and outdoor pools remain closed across the Lower Mainland with one news outlet reporting this week that none of the Metro Vancouver municipalities that responded to inquiries had a concrete date set for reopening.”

<https://www.citynews1130.com/2020/06/03/coronavirus-when-will-metro-vancouver-pools-reopen/>

The Regional District of Central Kootenay (RDCK) has recently announced in order to meet its 2020 financial plan and to deliver the safest, most cost-effective programming that will result in a balanced budget, they will keep all indoor recreation facilities, including pools and skating rinks closed until at least August 18, 2020. A number of other municipalities across B.C. and Canada have also made similar decisions.

Topical Concerns

Opening the pool and safely addressing the restrictions associated with our ‘new normal’ would present a daunting list of challenges. Some of the noteworthy ones include, but are not limited to:

- Ensuring visitors follow the 5 meter radius physical distancing recommendations at all times:
 - All visitors to the pool would need to ensure they maintain this distance at all programming.

- Logistical concerns for how to comply with these recommendations.
- Concerns around how to manage family units and friends who are within their own pandemic bubble.
- Concerns with how to manage kids dropped off at the pool to play with friends.
- Figuring out how to ensure we are providing effective guard.
- COVID-19 safety planning and new regulations
 - Staff are required to draft a COVID-19 specific chapter for the pool safety plan in order to open the facility. The guidelines document from the lifesaving society provides good recommendations, however the majority of this information would need to be re-crafted to a facility specific plan.
- Securing a full complement of staff to run the pool effectively under the new guidelines
 - Training time for COVID-19 specific protocols is an estimated 2 weeks in addition to regular training.

Facility Capacity

Based on using the 5 meters radius recommendations for indoor space calculations (change rooms/lobby) and reviewing lifeguard to patron ratios for the pool basin, staff could operate the facility with a 40 person maximum capacity, as opposed to 100 in pre-Covid times.

COVID-19 Changes

Along with the reduction in facility capacity there are numerous recommendations that would need to be implemented to manage the facility under the new COVID-19 guidelines. These changes include but are not limited to:

- New minimal capacity for all inside places including the lobby and change rooms
 - 2 people in the lobby and 5 people in the change rooms at any given time
- Enhanced cleaning procedures and regular sanitization of key touch points
 - Additional labor associated with all cleaning including a mid-day closure for cleaning was proposed
- Implementing one way directional flow through the facility
 - Visitors would be encouraged to exit the facility from the side gates of the pool deck to limit “doubling back” in to the change rooms as others enter
 - To comply with pre-covid regulations we would need to install a door system that does not allow patrons to enter the pool deck from this door
- Major changes to in-water rescue protocols and CPR that would require re-training for all staff
 - Clarity on how to train staff on CPR and maintain distancing is not defined at this point in time
- Significant requirements for Personal Protective Equipment (PPE) such as routine use of reusable masks for employees, use of surgical masks and coveralls or gowns during first aid, protective barriers at the front counter
- Regular check in procedures with staff to ensure no one is showing signs and symptoms of COVID-19
- Increased requirement for public education and communications on what’s changed with facility operations

Scheduling

Due to the significantly limited visitor capacity, the enhanced sanitization needs including before and after patron entrance and exits, and limiting patron exposure, enforced maximum 1 hour long visits by the public would be implemented during a compressed schedule, afternoons only.

Operational Restrictions

- The proposed plan would attempt to make the building accessible for as many people as possible per day and provide opportunities for regular touch point cleaning.
- With a 40 person capacity (this includes the pool, lobby and change rooms) public swim times would be limited to 1 hour only as means to bump patrons through the facility and allow for cleaning of high touch points

- Staff foresaw numerous challenges with this operating model as it would be dramatically different to past models. We would not be able to accommodate people who want to spend an entire afternoon at the building.

Swim Club: The club had requested to rent the full pool for 1.5hrs four days per week and individual lane time (up to 4 lanes at once) during the mornings and mid-morning. All these rental times would be layered into the proposed schedule above to keep daily shifts under 8hrs per shift.

Lessons and Programming

Existing guidelines make hosting swimming lessons extremely challenging. The Red Cross group lessons were not proposed to run this year due to the challenges with managing high risk swimmers and distancing. There were to be many challenges with social distancing, and patron safety with swimming lessons as the majority of the lessons include an instructor (staff) being in the water with the student.

Aquafit patrons would typically have been considered high risk under the COVID-19 protocols, staff would plan to conduct a simple phone poll with regular attendees to gain a level of confidence on potential participation in the program.

Staffing

Recruitment for the GSP summer team began in early February and was supported with an aggressive plan executed by the communications official. As recruitment of lifeguards for all communities continues to be challenging, staff wanted to be ahead of the curve with ensuring that the GSP was one of the first seasonal facilities posting positions.

These efforts provided some great results. At the onset of the pandemic, management had provided 19 verbal offers to potential lifeguards. As the safety concerns around COVID-19 escalated, formal job offers were not provided as it was unclear on when the facility would be able to open.

Four potential staff rescinded their interest in working and another 8 would not be able to work as guards as **the lifesaving society is not supporting any lifeguard certification and re-certification courses at this point in time.** Seven people remain on the certified and interested list with one person only able to work casual hours. This provided a situation wherein the facility was barely able to operate to required conditions and not all of the 7 individuals were firmly committed.

It is not easy to find certified/qualified lifeguards that are willing to re-locate to Golden for a 2 month season. The lifeguard shortage is a national concern and there is not a surplus of certified/qualified people who are looking for work.

Operational Capacity and Health Risk Imperative

While health officials have been quoted on record stating there is no evidence of viable Covid19 transmission in chlorinated pool water, it is the common areas, human density and interaction, warm and humid conditions, uncertain capacity for enforcement, and limited resources that barely meet operational capacity that present a risk imperative for Council's consideration.

Financial Risk Imperative

The Recreation department's budget and costs need to be considered in the conjunction with the corporation as a whole. The Town's Recreation, Parks and Cultural services department annual budget is funded by property taxes (81%) and user fees (19%).

The pool's 2017 – 2019 actuals and the 2020 amended operating budget reflect similar recoveries to the overall Recreation Department's budget. The proposal for opening the pool requires a further amendment due to the delay in the opening. The assumptions made are that the recreation pool staff would begin June 7 and that the pool would be open July 1 to September 6, 20120.

2020 Amended Budget	
Revenue	
Sales of Goods & Services	244,516
CSRD Core Funding	98,561
Total Revenue	343,077
Expenditures	
	1,261,128
Net Surplus (Deficit)	(918,051)
Funding Sources:	
Revenue Recovery	19%
Tax	81%
Town of Golden	73%
CSRD	8%

There are reductions in the service fee revenue of \$51,446, CSRD contribution of \$5,797 and expenditures \$68,509. This results in a revenue recovery from service fees of \$30K or 11% and tax support of \$252K or 89%. The Town's portion for tax support is \$201K.

	2017 Actual Costs	2018 Actual Costs	2019 Actual Costs	2020 Adopted Budget	2020 Proposed Budget (COVID-19)
Revenue					
Sale of Goods & Services					
Pool - Facility Rental Revenue	9,967	10,237	11,790	10,927	6,131
Pool - Program and Course Revenue	21,652	28,653	27,185	31,689	-
Pool - Membership and Punch Card Revenue	38,669	40,196	17,553	33,606	22,516
Pool - Merchandise Revenue	-	5,117	3,684	4,371	1,000
Pool - Other Revenue	4,212	-	1,067	1,000	500
Subtotal Sale of Goods and Services	74,500	84,203	61,279	81,593	30,147
Regional District Contribution					
Core Service Pool	-	-	51,284	56,133	50,336
Subtotal Regional District Contribution	-	-	51,284	56,133	50,336
Total Revenues	74,500	84,203	112,563	137,726	80,483
Expenditures					
Salaries, wages, benefits	218,636	278,581	260,015	215,930	171,679
Contracted and general services	33,059	29,395	37,450	33,328	23,657
Materials, goods, & utilities	65,971	80,632	80,063	101,077	86,492
Total Expenditures	317,666	388,608	377,528	350,336	281,827
Net Surplus (Deficit)	(243,165)	(304,405)	(264,964)	(212,610)	(201,344)
Revenue Recovery Rate %	23%	22%	16%	23%	11%
Tax Recovery %	77%	78%	84%	77%	89%
Town Portion	77%	78%	70%	61%	71%
CSRD Portion	0%	0%	14%	16%	18%
Revenue Recovery \$	74,500	84,203	61,279	81,593	30,147
Tax Recovery \$	243,165	304,405	316,249	268,743	251,681
Town Portion	243,165	304,405	264,964	212,610	201,344
CSRD Portion	-	-	51,284	56,133	50,336
Days of Operation	100	107	100	100	68
Average daily costs	3,176.66	3,631.85	3,775.28	3,503.36	4,144.52

Here are some of costs for the casual staff and delivery of services and programs.

1. Weekly Costs of Casual Staff by Week and Weekend:

Description	Position	Total Hours	Subtotal	FB	Total
Weekly Opening Costs					
Weekday Total		225	5,263.50	894.80	6,158.30
Weekend Total		45	1,059.00	180.03	1,239.03
Total Week		270	6,322.50	1,074.83	7,397.33

2. Total Casual Labour: Training and Services Delivered

Training & Pool Activities

Training

Description	Position	Total Hours	Subtotal	FB	Total
Aquatics Worker 3	AQ3	75	5,602.50	952.43	6,554.93
Aquatics Worker 2	AQ2	25	1,770.75	301.03	2,071.78
Aquatics Worker 1	AQ1	25	2,277.00	387.09	2,664.09
Recreation Clerk	Rec Clerk	25	1,656.75	281.65	1,938.40
Total		150.00	11,307.00	1,922.19	13,229.19

Activities

Description	Position	Total Hours	Subtotal	FB	Total
Lane Swim		1,125	26,475.00	4,500.75	30,975.75
Public Swim		1,215	28,320.00	4,814.40	33,134.40
Cleaning		360	8,430.00	1,433.10	9,863.10
Total		2,700	63,225.00	10,748.25	73,973.25

Total Training & Pool Activities		2,850	74,532.00	12,670.44	87,202.44
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Determining the financial impact on tax revenues for the Town will remain unknown until the October 1, penalty date, however, the July 2 deadline may provide some idea of the impact. To address the potential gap resulting from lost revenue, the Town will mitigate as much as possible through actions such as staff layoffs, cost containment, holds on hiring and utilizing working capital and capital reserves. However, these steps will not be sufficient if the timeline progresses. The Town will need to focus on providing public safety and other essential services while being prepared for the recovery of the economy. Council needs to consider the longer-term service requirements and the possible financial impacts that the short-term decisions may have on the delivery of those services.

There is a risk to the Town's cash flow if property tax payment delinquencies increase because of the financial hardship experienced by many residents, businesses, and community organizations. At this early time, it is not possible to quantify this risk, but every 10% increase in delinquencies results in a \$562K decrease in property tax payments received. The Town has legal mechanisms to recover unpaid property taxes from the sale of property, but this process can take multiple years, and in the interim the Town must fund its operations. To put this into perspective, a 20% tax payment delinquency results in \$1.124 million decrease. The total Recreation Department budget as amended in April is \$1.261 million and pool portion of this is about 27% of this total.

Here is one possible scenario to consider in the case of the financial impact of opening the pool in conjunction with a 10% delinquency in tax payments. The funds supporting the pool are lost permanently and the delinquent taxes could take three years before they are recovered. The town must continue to provide services and remit the money collected to the other tax authorities in August (\$1.147 million) and December (\$1.517 million). The permanent loss of revenue will likely impact the Town's ability to deliver services in the future and meet its financial obligations.

Town of Golden Tax Support	\$201,344
10% delinquency in Tax Payments	<u>\$562,000</u>
Total Tax Revenue	<u>\$763,344</u>

The Town maintains several operating and capital reserves which were established to begin addressing the asset management needs to continue to provide services to the residents and businesses of the Town. Provincial Order M159 authorizes borrowing from a reserve fund established under the *Community Charter*, s. 188. The funds borrowed may be used for any operational shortfall in the 2020 calendar year, at the discretion of Council, despite the restrictions against using funds in a reserve set out in a s. 189 and other statutory provisions that would normally apply. Money borrowed pursuant to this Order is not subject to interest but must be repaid to the reserve fund of origin on or before December 31, 2025. Outstanding money unpaid at that time must be added to the 2026 financial plan as a cash transfer to the reserve plus a penalty of 5% of the debt outstanding as of that date.

Given the uncertainty around the length of time the crisis will continue and the magnitude of potential deficits, the ability to fund ongoing operations through the reserves is limited and there will be a need to maintain a minimum level of the reserves should the economy take longer to recover, and to maintain adequate contingency for further unplanned events. Borrowing from the capital reserves to address any operating shortfalls combined with the reductions made in the amended 2020 financial plan will impact the asset management and maintenance deficits which already exist by extending the timeline further into the future. Further, funds will need to be replenished in future financial plans.

The Town can implement its Revenue Anticipation Borrowing Bylaw which allows the Town to borrow up to \$3.5 million dollars. Any amounts borrowed must be repaid with interest by the end of 2021. This means that the principal and interest will need to be included in the 2021 financial plan. Using this bylaw would be the recommended approach to fund revenue shortfalls in the short term.

Staff will begin to provide Council with better information in July as the financial impacts of the COVID-19 crisis become clearer. Actions will be planned to mitigate the revenue impacts but with the uncertainty that remains, it is important to consider the potential long-term budget impacts. Council needs to consider the long-term impacts of the decisions it makes in the coming months because they will likely affect the financial situation over the long term.

Across Canada, local government are facing significant financial challenges. Unlike the provincial and federal governments local governments cannot run deficits or borrow to balance operating budgets. In BC, local government operating budgets are largely funded by property taxes and utility fees and augmented with other revenues such as recreation programs.

Some of these other (non-property tax, non-utility) revenues have already declined or will decline significantly because of the voluntary closure of non-essential municipal services and the province wide physical distancing guidelines. These decreases in revenue represent a funding gap issue for local government, not just a cash flow issue, because the revenues that are lost during this time of the COVID-19 pandemic in most cases will not be recovered in the future.

Local governments collect taxes on behalf of Other Taxing Authorities (Provincial School Tax, Police, BC Assessment, East Kootenay Regional District Hospital, CSRD, Municipal Finance Authority). The table below outlines the tax levy apportioned to the Town and other taxing authorities in 2020 and the remittance due dates.

The Town keeps 68% of the of the overall total taxes collected to pay for Town services and is required to remit funds to the other taxing authorities. Based on the 2020 tax levy, should the Town experience an increase of tax payment delinquency, the Town would have to prioritize the use of working capital, reserves and/or borrowing to pay taxing authorities and the provincial government their share of the tax levies before the actual collection from property

Tax Authority	Tax Amount	%	Due Date
Town of Golden - General Purpose Tax	5,618,747	68%	n/a
East Kootenay Regional Hospital District	248,042	3%	August 1, 2020
CSRD	557,759	7%	August 1, 2020
BC Assessment	51,590	1%	August 1, 2020
MFA	210	0%	August 1, 2020
School Tax	1,516,516	18%	December 31, 2020
Police	289,821	3%	August 1, 2020
Total Property Tax	8,282,686	100%	

owners. The school tax remittance will be deferred to December, but the other taxing authorities must be paid by August 1 (\$1,147,423). If the delinquency is significant, the Provincial School Tax remittance could become a heavy financial burden for the Town even with the delayed remittance date.

The Town has already implemented the following:

1. Tax Revenue increase held at 0% or \$184K
 - a. Equivalent reductions made to transfers to the capital reserves
2. General operating and capital budget deferrals totaling \$1.601 million
3. Delaying the tax penalty from July 3 to October 1
4. Business licenses cut by 50% and not due until late November
5. Adopted a Revenue Anticipation Borrowing Bylaw for \$3.5 million

After physical distancing restrictions are lifted, revenues will take time to recover to pre-COVID levels. Travel restrictions will likely continue even as physical distancing restrictions are limited, impacting revenues that are linked to summer season tourism. Re-opening Town facilities and restoring scheduling for programs and events will take time before usage can return to pre-COVID levels. Property tax and utility revenue payment defaults encountered during the response phase may continue to remain outstanding during the recovery phase, though as owners' financial positions improve or the Town is able to recover unpaid amounts through legal process, the outstanding amount will decrease. Recovery of a number of Town user fee revenues will be linked to the overall economic recovery of the region and the speed at which businesses that have closed are able to reopen and residents impacted by financial hardship are able to recover.