



# **EAST HANTS SPORTSPLEX RATE INCREASE PROPOSAL AND 2022/23 DEFICIT FACTORS**

June 15, 2023

# RATE INCREASE PROPOSAL - BACKGROUND

- Budget 2022/23 – First full fiscal budget created after the purchase of the facility by MEH. Fiscal year changed for the EHAA from Sept 1 through Aug 31 to April 1 through March 31 to line up with MEH.
- Significance: created in Dec 2021, 10 months before our peak season, comparable months not available
  - Covid – 19 unknowns, inflation, consumables(food, oil, propane, wages)
  - rate increase and decrease were discussed by the BOD based on market factors, but motion was passed to hold rates for the 2022/23 season.
- Results: \$ **114 400.00** deficit against budget

## FACTORS - UNBUDGETED EXPENSES

- Roof repair IPB flashing Hurricane Fiona - \$ 14 000.00
- Dome Deflation Hurricane Fiona - \$ 10 000.00
- Bingo - additional jackpot and lucky ball paid out - \$ 20 700.00 (risk)
- Utility costs up (oil and propane) \$ 20 000.00
- Wages – market up as much as 20%, EHS 6.5% - \$ 32 700.00

Total - \$ 97 400.00

## FACTORS – BUDGETED REVENUE NOT REALIZED

- Events – Jig the Joker \$ 49 200.00 (risk)

Total - \$ 49 200.00

# IMPACT

Revenue not realized - \$ 49 200.00

Expenses unbudgeted- \$ 97 400.00

Total - \$ 146 600.00

EHAA could have realized \$ 21 300.00 surplus without the above noted budget misses.

# SUMMARY

- 2023/24 budget was prepared and presented in Dec 2022. The projected surplus was \$ 38 300.00. After reviewing and factoring in the current position the 2022/23 fiscal position at the time the budget committee recommended a rate increase was needed to protect against the inflation factors in the marketplace. Although there remains some uncertainty with the repayment of the Canada Emergency Business Account date currently Dec 31, 2023, contingency plans to cover the payment has been factored into the rate increase.
- 1. Labour rates remain high expected to increase 2.3% – Annual impact \$ 12 000.00
- 2. Power increase will be 7% - Annual impact \$ 22 000.00
- 3. Canada Emergency Business Account (CEBA) repayment - \$ 40 000.00
- A 3% increase on ice rental and 4% on field rentals was proposed.
- Rate recommendation resulted in an additional \$ 37 500.00 revenue increase for a total surplus of \$ 75 800.00 to the budget.