

# **BILL BOLTON ARENA**

## **MINUTES FOR MEETING OF BOARD OF MANAGEMENT Monday, June 8, 2020 – 7:20 pm Meeting #3 B (Special) - conducted virtually via WebEx FINAL-APPROVED**

Directors: Craig Cameron (Chair), Shelley Hopkins; Sharon Bider, Richard Bernet; Stephen Longstaff, Ellen McNeil, Caralyn Quan

Manager: Mario Carpino (Manager)

Other Attendees: Chris Quinn (Program Coordinator); Jacob Hammer (Welch LLP – Auditor)

ABSENT: Jan Hughes, James Lam, Councillor Mike Layton

Quorum: Chair / Meeting called to order 7:20 pm

### **1. Approval of Agenda/Conflicts – Monday, June 8, 2020 Agenda**

**MOTION:** To ACCEPT Monday June 8 – Meeting 3B Agenda

**ALL APPROVED** (1 page)

### **2. 2019 Audit Report - Review and Approval**

The chair welcomed Jacob Hammer from Welch LLP to review the findings of the 2019 audit and the BBA financial statements for 2019.

#### **Review of documents:**

- Jacob reviewed several documents:
  - Wm. H. Bolton Arena Report to the Board
  - Wm. H. Bolton Arena Management Representation Letter
  - Wm. H. Bolton Arena 2019 Financial Statements
  
- **Report to the Board:** This is a standard document outlining the general approach taken to the audit by Welch LLP as well as acknowledgement of full cooperation by the manager in the completion of audit activities.

- **Management Representation Letter:**
  - This documents outlines some of the specific auditing practices applied to various assets and liabilities, as well as a declaration that no fraudulent activities or non-compliance with any government or regulatory requirement were detected.
  - This document also notes where variances were found and the corrective action taken to account for these in the financial statements
  - Notable items:
    - Pro-shop margins were higher than expected based on past five years
    - Depreciation for equipment was not accounted for in arena finances
    - One payroll period spanned both 2018 and 2019 and required adjustment
    - A one-time charge to write off a long-standing Accounts Receivable was included
  - **Questions/Discussion:**
    - Re: write-off, have we checked to make sure it is not connected to any board or staff members, past or present?
      - Jacob (auditor): It does not appear so. This item has been deemed unrecoverable as it is at least ten years old and no documentation exists re: the services provided.
    - Clarification on the discrepancy for pro-shop margins was requested and provided (margins were higher than anticipated)
    - The auditors have provided the arena manager and treasurer with a spreadsheet to assist with calculating depreciation on capital assets moving forward. The treasurer will add a line item for depreciation and look into whether the city budget process take this into account.
- **2019 Financial Statement:**
  - Notable items:
    - The statement shows an operating deficit for 2019 of \$20,041, with a net annual deficit of \$8,871 after city adjustments are included. This leave the arena with an accumulated surplus of \$17,407, down from \$26,278 at the conclusion of 2018.
  - **Questions/Discussion:**
  - Question was asked to understand why the line item for “General administration” was so much lower (-\$73,000) than the 2019 budget, and conversely why the figure for line item “Repairs and Maintenance” was so much higher (+\$72,000) than budgeted.

- Jacob (auditor): I don't have line of sight into how the budget is created. It is likely just how things are categorized on the audit vs. the budget between these two line items.
    - The treasurer will work the auditor to obtain their classification for expenses and compare to the budget allocation classification.
  - The treasurer reiterated that the main discrepancies between the arena financials and audit were depreciation, accrued payroll charges due to a pay period straddling two years, and the one-time write off. These items will either be addressed or are not expected to recur.
  - The chair thanked Jacob for joining the board and explaining the audit process and results.
- **MOTION: To ACCEPT the auditor's report and 2019 financial statement as presented.**
  - **APPROVED** (unanimous)
- **ACTION ITEM #1:** Chair to sign and return documents to auditor / City as required

### 3. Chair / Manager's Report

- The chair thanked Mario, Chris and the staff at the arena for their tremendous efforts to keep the public informed during the crisis, including keeping them informed of changes to programming and access, as well as maintaining the facility during the current lockdown. Mario has also made a concerted effort to share information with the chair from the city regarding current and future plans for recreational facilities.
- The manager provided a summary of current state as follows:
  - **City Relations:** The city efforts on restarting is being led by the Toronto Office of Recovery and Rebuild, who will be advising city departments and staff on reopening procedures and implications.
  - **Financial Position:** The arena remains in good financial shape with money in the bank. While some refunds we given for cancelled programs, many users chose to take a credit on the program fees. In addition, registrations for the winter leagues opened up and money has come in from those fees.
  - **City Policy re: Emergency Funding:** The city's policy with arenas is to provide funds only when the arena does not have sufficient funds themselves for payroll, refunds etc. As Bill Bolton has a positive bank balance, the city will not forward money for lost program revenues or refunds. The manager provides the city with a monthly report on the bank balance for the arena and the city makes its payment determinations based on this information

- **DISCUSSION:** A discussion took place about this approach. While the board understands the city's position, it is somewhat uncomfortable with taking in revenue for programs while a restart date remains uncertain. However, as this is the city's approach, we will continue with registrations for future programs in the hopes that these will go ahead.
- **Staffing:** Mario informed the board that part-time staff had been let go. Full time staff remained on the payroll. The city had encouraged staff to use vacation time during the closure period. Mario asked the city if the staff could be brought in to do maintenance and repair work around the arena, including painting and fixing the boards/doors, etc. The city has said that this is OK as long as proper distancing and PPE are provided and the schedule limits the number of staff present at one time. This work has begun.
- **QUESTION:** can the staff use this time for skill upgrades through online courses?
  - Most courses offered to city staff were cancelled. Mario will look into what may now be available through ORFA (Ontario Recreation Facilities Association)
- **QUESTION:** At what point do we consider shutting down the equipment and plant to save money on hydro etc. while the arena is empty?
  - Staff have taken measures to reduce usage of equipment by raising the temperature in the arena. The new equipment is automated and runs much more efficiently. There is also the issue of ice quality, which was a problem last year. If we remove the ice we may face this again. BBA is the only arena with a sand floor which makes this process more problematic. To the manager's knowledge, only North Toronto has taken out the ice surface at the arena at present.
- **Summer Programs/Camps/Courses:** As the date for the programs approaches and there is no reopening timeline or protocols in place, Chris has suggested we cancel these and issues credits/refunds as required. It is highly unlikely that we will be able to offer these programs, and if any do operate they will need to be adjusted in size / timing to allow appropriate distancing and comply with whatever regulations are in place at that time. Once we know what we can offer and the structure of these, we can re-open them and give priority registration to those who were previously registered.
- **MOTION: To ACCEPT Chris's recommendation and cancel summer programming as currently planned and to inform clients and issue immediate refunds/credits**  
**APPROVED (unanimous)**

**ACTION ITEM #2:** Manager to look into online skill upgrades to see if any are available and appropriate for arena staff

#### 4. Other Business

- 2021 Budget Process / Deadline:
  - When will it be due? Mario will ask to find out what the process is and the timing for submitting the budget documents
  
- 'Restart' procedures – the board has asked to meet again once the city / province provide clarity on when and under what circumstance we can reopen to the public. This meeting will include a discussion and decisions around what modifications will be in place and what the revised programs will look like (where revisions are necessary). The current start date for the winter leagues is Sept. 25.
  
- **MOTION:** To adjourn
  - **Moved: Stephen; Seconded: Ellen; APPROVED** (unanimous)

**ACTION ITEM #1:** Chair to sign and return documents to auditor / City as required

**ACTION ITEM #2:** Manager to look into online skill upgrades to see if any are available and appropriate for arena staff

- **MEETING ADJOURNED at 8:50 pm**

**Next Meeting** – date TBD depending on timing of reopening guidelines