



Date: July 11, 2002

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
SUBJECT: Ice Allocation Review

RECOMMENDATION

THAT the Board receive this report for information

BACKGROUND

Vancouver has a long history in providing rink facilities and programs. The Board operates seven "single sheet" rinks throughout the City. The programming of Park Board ice rinks is governed by the Board's Ice Rink Programming Policy (see Appendix A). Originally adopted by the Board in 1989, this Policy outlines a joint ice allocation process between staff and local associations which includes definitions for allocation entitlements for various user groups and sport associations, eligibility for fee reductions, prime and non prime bookings and a review process. In 1999, a Rink Task Force was assembled to review ice allocation standards and subsidized ice rental rates. Outcomes included the graduated increase in rental rates and minor changes to the programming policy.

Probably the most significant change in the provision of rink services has been the emergence of the private sector in the construction and operation of ice facilities in adjacent municipalities. With the addition of the new "private" rinks, there appears to be excess capacity within the regional supply of ice facilities. This availability of prime ice time has resulted in the loss of historic adult "market rate" rentals for Park Board and this has had a significant financial impact on the operating budget for rinks. However, this trend has not applied to minor sports as the demand for "subsidized ice time" remains strong within the city.

During the past three years, the Board has undertaken two studies to address the provision of ice facilities and services within the city. In 2000, a study by PERC Consultants reviewed and subsequently recommended allocation, future requirements and management practices for ice facilities. As a component of the Board's 2003-2005 capital planning process, staff and users groups formulated a Long Range Renewal Strategy for Rinks. Both of these studies as well as the 1999 Task Force recommended that the Board formally review and update the its ice allocation policy.

DISCUSSION

The objective of this allocation review is to develop and implement a comprehensive ice allocation policy for the Park Board which will enable the Board to achieve the following:

- operate the services and facilities in an equitable, cost-effective and fiscally sustainable manner;
- meet current and future demands for both organized and casual participants; and
- balance local services and needs with those of the City as a whole.

The allocation policy review will align with the objectives outlined in the Board's Strategic Plan:

Service Delivery Plan: define and review programs and services; provide a comprehensive program based on the needs of residents; promote and provide equitable access to programs and facilities.

Strategic Alliances: review and renew partnerships consistent with Park Board's mission, vision and strategic objectives; provide opportunities for users/stakeholders to influence policy and planning decisions.

Infrastructure Renewal: provide and maintain infrastructure to support current as well as future delivery plans.

Sustainability Plan: provide and sustain funding which enables the provision of core facilities and services; achieve the provision of services and facilities in a fiscally responsible manner; ensure that neighbourhood requirements are balanced fairly with city-wide needs.

Issues

Access and Equity

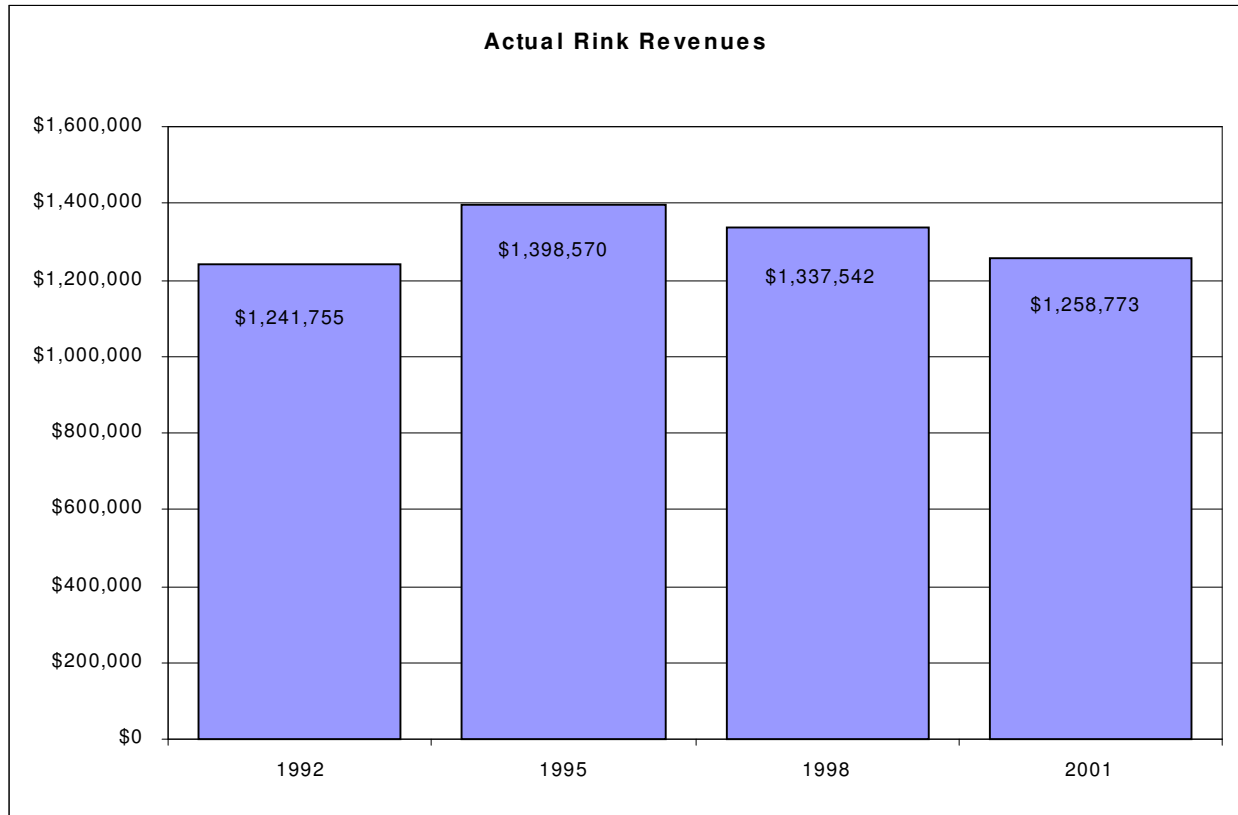
The demand for and provision of ice facilities and services has changed significantly since the adoption of the 1989 Allocation Policy. Various stakeholders, user groups and programming staff are questioning: whether the policy results in the most efficient and effective use of rinks; the rationale behind ice allocation ratios and user definitions; and seasonal access (spring/summer) to facilities. In addition, there is some question regarding whether the Board's current ice allocation practices are consistent with the Policy.

Financial

The costs of operating rink services and facilities are partially offset by revenues from rink rentals and admission fees, with the operating loss for rinks incorporated in the annual Park Board operating budget.

Table 1 illustrates the trends in rink revenues over the past 10 years.

Table 1

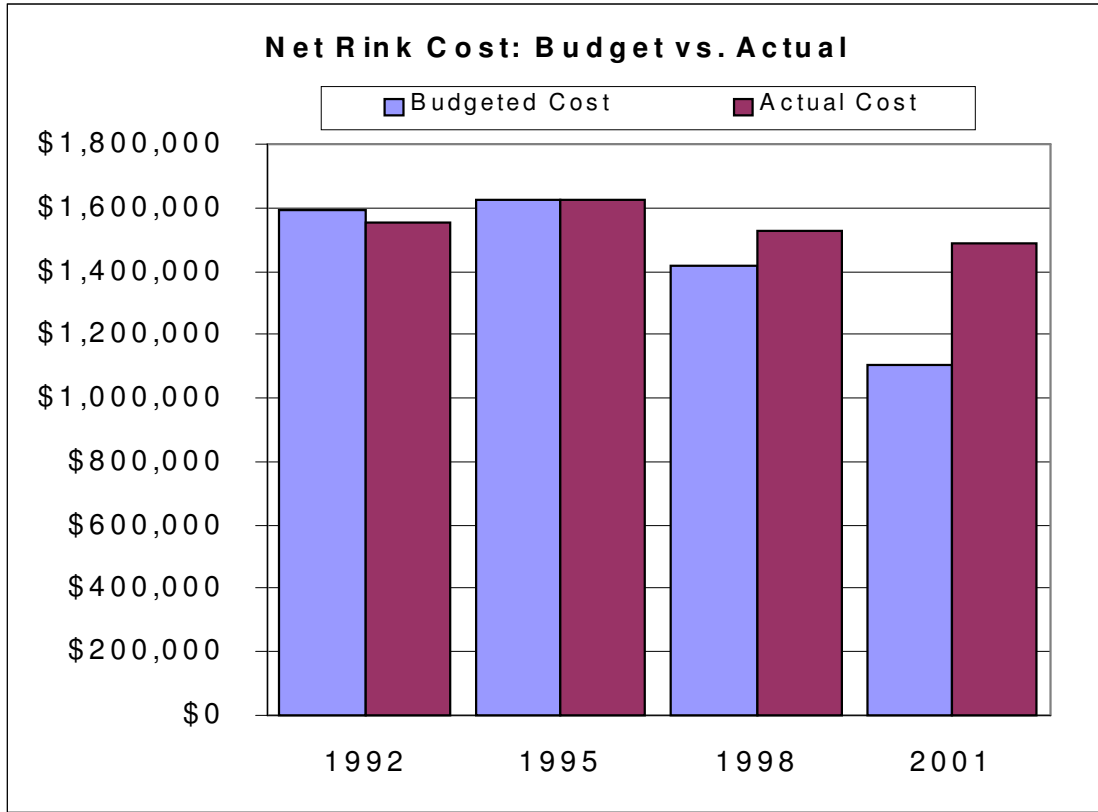


The generally downward revenue trend coincides with the addition of new private rinks in the Lower Mainland, which have increased the supply of prime-time ice for adult use. As a result, many of the lucrative late night rental groups using Board facilities switched to more attractive time slots offered at these rinks. This has had a significant negative impact on revenue and consequently on the net operating budget for Park Board rinks, as current revenues are approximately the same as the were 10 years ago.

To further compound the problem, expenditures for Park Board rinks have increasingly exceeded budget during the past ten years. In 1992, rink costs were over budget by \$89,800 and by 2001 that over expenditure had increased to \$190,800. Reasons for over expenditures include fluctuating hydro costs, the requirement to replace aging equipment and staff related costs.

These experiences with both revenues and expenses over the past ten years have meant that there is an increasingly widening gap between the expected cost of rinks and their actual costs to the Park Board. Table 2 illustrates this fact by showing the increasing difference between the budgeted net cost and the actual experience. In 1992, rinks costs were \$42,000 less than expected, while in 2001, costs were \$381,000 more than expected.

Table 2



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fluence rink revenues by encouraging increased use of the facilities through ice allocation and/or by adjusting the fees and charges for rink programs and services. The Board can also ensure that the rinks are operated in a cost efficient manner. Both of these approaches can result in decreased subsidization of the rinks.

While the ice allocation review will primarily concentrate on the revenue stream, staff will also be investigating efficiencies and practices which will enable the rinks to operate within their budget allocation. The expectation is that rinks will operate within their assigned operating budgets.

Infrastructure

While not the primary focus of this review, infrastructure renewal obviously plays an important role in the delivery of rink services. As a component of 2003-2005 Capital Planning process, staff and user group representatives have met to develop a long range ice renewal strategy for the Board. Strategy workshops concluded that while there appears to be excess capacity within the regional supply of ice facilities, there is a high demand for and limited supply of "subsidized ice time" by minor sport. In order to accommodate this high demand for subsidized ice, the committee recommended that the Board review ice allocation policies to ensure a high efficiency of use is achieved for the existing ice rinks.

The long term strategy for rinks could be greatly influenced by a successful 2010 Olympic bid. A successful bid would have both positive program and financial implications. A formal "Long Term Rink Renewal Strategy" report will be forwarded by this committee to the Board in the near future.

Ice Allocation Task Force - Terms of Reference

In June 2002, staff met with ice rink stakeholders to develop the following terms of reference for the review of the Park Board's ice allocation policy. From these meetings, there was consensus that the review will be directed by a Task Force Committee composed of:

- two Park Board senior management representatives.
- Up to five Park Board staff representatives.
- Up to ten (10) representatives of a cross-section of ice users.

Minor Hockey -	2 reps	Adult Rental Group	- 1 rep
Figure Skating -	2 reps	Public	- 1 rep
Speed Skating -	1 rep	Women's Hockey	- 1 rep
Ringette -	1 rep	Community Association	- 1 rep

It is important to note that this group represents a cross section of ice users. The Task Force will consult with the larger rink stakeholder group at various times during the review. We have commenced recruitment for the Task Force and it is expected that these positions will be appointed by September.

The Task Force will be supported by a team of staff, who will carry out the work program outlined in the Terms of Reference and develop draft policies and procedures for Task Force review. The Task Force members present at the June 25th meeting reviewed and approved the project's Terms of Reference and the Project's time line.

Work Plan

The work program will be organized into two phases:

Research Phase - Historical Benchmarks

Use Assessment: listing of activities programmed; responsibility for program (Park Board, Association, Rental, etc.); allocation by sport and age group; ice use by time of day as well as by user group; seasonal factors (spring/summer ice).

User Demand: participation volume; current membership and waiting lists by sport; trend indicators including Lower Mainland and provincial trends; developmental and organizational requirements.

Financial Assessment: revenue and expenditures for the past five years.

Ice Allocation: current allocation: policy vs. practice.

Analysis Phase

Supply vs. Demand: current service capacity vs. present and future demand; shortfall/over allocation including access and equity issues; optimum service configuration; options for closing the service gap and/or increasing service capacity; efficiency of use and demand management;

Cost Efficiencies and Recovery: management of rink operations; deployment of staff; centralized vs. decentralized allocation and booking; fees and charges; recovery rates; service improvement strategies.

Review of Ice Allocation Policies: review and analyze ice allocation policies from surrounding municipalities.

CONCLUSION

The goal of this review is to develop a comprehensive ice allocation policy for the Board's consideration. The allocation policy presented will manage demand so as to ensure all users have fair and equitable access to rink facilities as well as ensure that these services are provided in a fiscally responsible manner. It is expected that this allocation review will be completed early in 2003. Any changes to existing Ice Rink Programming Policy would be implemented in September of 2003.

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