

**MINUTES OF MEETING
FINANCE COMMITTEE
HELD ON FRIDAY, MAY 30, 2003
9:20 AM TO 11:30 AM**

PRESENT:

Commissioner Anita Romaniuk	- Chair
Commissioner Heather Deal	
Commissioner Loretta Woodcock	
Commissioner Suzanne Anton	
Anita Ho	- Director of Corporate Services
Lori MacKay	- Director of Vancouver East District
Ron Caswell	- Manager of Operations, Vancouver East District
Philip Josephs	- Manager of Revenue Services

Approval of Minutes

The Minutes from the Finance Committee held on April 14, 2003 were adopted as circulated.

Brockton Gift Shop - Agreement Renewal

Philip Josephs, Manager of Revenue Services, presented the options to renew the Food Service and Gift Shop Lease with Legends of the Moon at the Brockton Totem Poles in Stanley Park. It was one of the main attractions in Stanley Park with no public washrooms. In 2000, the Board approved and acquired a loan of \$.5 million from the City to renovate and expand facilities including a gift shop, concession and washrooms at this site. Good feedbacks from customers were received. The Board entered a 3 year contract (plus a 2 year lease option) with Legends of the Moon). The 2 year lease option requires to be renewed with one year's notice. The first year rental revenue was \$145,358. The projected revenue for the second year operation was \$179,095 (23.3%). The rent paid by the Legends of the Moon is higher than other similar outlets in Vancouver.

The activities at this site had been very busy and feedback from park visitors have been positive.

Moved by Commissioner Deal

THAT the committee direct staff to prepare a recommendation to the Board to extend the 2 year lease option.

- Carried Unanimously.

Operating Budget Status Report

Anita Ho presented an overview of the financial statements for the 4 months ending April 30, 2003. The Board expenditures as at April 30, 2003 had been 37% of the net budget and were 4% higher than average if the seasonality of the Board's operation was not taken into account. Revenue operations were seasonal, started slowly in winter and peak during the summer months. One notable exception was golf which was approximately \$300,000 below budgeted due to a wet month of April. Expenditures were at 31% which were higher than last year. The higher expenditures were mainly due to park maintenance staff commenced maintenance work earlier than expected due to the warm weather. Staff would continue to closely monitor the budget and report back at the next Committee meeting.

Moved by Commissioner Romaniuk,

THAT the committee direct staff to prepare a report to the Board to accept the Operating Statement ending April 30, 2003.

-Carried Unanimously.

Golf Course Financial Update

Ron Caswell and Lori MacKay, Parks & Recreation, Vancouver East District presented a financial update on Golf Operations.

The 2003 budget of golf operations was \$9,363,400. Half of the budget was for the golf operating expenses and the balance was for loan payments and contribution to the Park Board general revenue. The significant portion of the loan (\$28 million) would be paid off in 2009, with a final loan payment (approximately \$500,000) due in January 2010

Discussion went on about the club houses operations. Staff reported that the club house financial position had been improved to breaking even. Initiatives geared to expense reduction, promotion and marketing for new business would be continued to be implemented. Maintenance practices in parks and golf courses are on target

Due to wet weather, golf rounds are below target in March and April and rounds had decreased steadily for the past 5 years although our courses were at the top of maximizing the number of rounds and at the upper end of the threshold in the industry.

Seniors initiatives

Staff reported that 537 discounted senior green fees sold in April and 21% of the total were senior rounds. Low demand times offered were not filled possibly due to rainy weather.

Keith Jacobson presented to the Committee a suggestion to introduce differential rates for non-residents. Staff would continue evaluating the green fee structure and will report back to the Board for any changes.

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The meeting adjourned at 11:30 AM

Next meeting scheduled for Thursday, June 26, 2003 from 8:30 to 10:30 A.M