

**Minutes of Meeting
Finance Committee, Vancouver Park Board
2099 Beach Avenue, Vancouver**

DATE OF MEETING: September 25, 2006

ATTENDEES: Park Board Commissioners

Commissioner Marty Zlotnik, Committee Chair
Commissioner Spencer Herbert
Commissioner Korina Houghton
Commissioner Ian Robertson
Commissioner Loretta Woodcock

Park Board Staff

Anita Ho	Director of Corporate Services
Liane McKenna	Director of Vancouver East District
Joyce Courtney	Manager of Communications
Hanna Maron	Recreation Coordinator of West Point Grey Community Centre
Yuna Flewin	Committee Secretary

Delegation

Richard Strachan	Friends of Jericho Arts Centre
------------------	--------------------------------

The meeting was called to order at 4:05 pm, with the following Agenda:

1. Approval of Minutes of September 6, 2006 Meeting
2. Jericho Arts Centre Proposal
3. 2007 Operating Budget Process
4. Golf Plan

1. Approval of Minutes of September 6, 2006 meeting

The minutes of the September 6, 2006 meeting were approved as presented.

2. Jericho Arts Centre Proposal

Richard Strachan from the Friends of Jericho Arts Centre (FoJAC) presented a proposal to lease the Jericho Arts Centre (JAC) directly from the Board. The rationale for this proposal is to simplify the management arrangement of the facility which is used by approximately 8,000 residents. There will not be any significant changes to the activities as a result of this proposal. JAC will continue to host performances, apply for a liquor licence, access new funding that is not currently available, put on visual art exhibits, welcome and facilitate volunteers, operate the Theatre Terrific office, and continue to rent and operate Jericho Hill Production Space.

Mr. Strachan further provided the Committee with background information about FoJAC. Four of the seven founding members of the organisation are currently also members of the West Point Grey Community Association (WPGCA). The remaining three used to serve as Board members. Six are current members of the JAC Committee which manages JAC under WPGCA. Membership of FoJAC will be automatic for those who volunteer in JAC (or pay a membership fee) and the Board of FoJAC will be elected from this membership. FoJAC proposes to maintain close links with WPGCA through Board memberships and the Community Centre Coordinator.

FoJAC proposes to take over responsibilities of cleaning of the building, supply of washroom consumables, small maintenance (e.g. bulbs, inside paintings, etc.) from the Park Board and contribute to the cost of utilities on an increased scale – starting at \$3,000 for the first year and increasing by \$1,000 per year to \$6,000 per year. The Vancouver Park Board will continue to be responsible for all outside maintenance work and all major internal building maintenance work.

In the 2005-2006 fiscal year JAC has generated total revenue of \$27,864 and total expense of \$25,876, which has left a net surplus of \$1,988. The cumulative surplus over the recent years is now \$24,069. The cumulative surplus by year 2010 is estimated to increase to \$73,071 by fundraising and sharing the production facility cost with the resident theatre company, United Players. FoJAC personnel have significant experience in fundraising and have worked with WPGCA and United Players to invest over \$160,000 in JAC over the past few years in the form of improvements. Facility attendance has steadily increased over the past few years, and with 76 per cent of audience coming from outside the West Point Grey area, FoJAC expects to start raising funds from a wide range of sources.

Discussion

- A Commissioner asked what the operating costs were. Liane McKenna explained it's about \$26,000 for the whole year.
- A Commissioner asked for a clarification on the cost related to the Jericho Hill Space. Mr. Strachan stated that the new agreement for Jericho Hill costs FoJAC an extra \$11,000, of which \$8,600 will be paid by the United Players.
- A Commissioner enquired what type of liquor licence FoJAC will apply for. Mr. Strachan explained that liquor will be served to complement the performances and will not be a primary service provided by JAC.

Next Steps

Staff will prepare a report and present the proposal to the Board.

3. 2007 Operating Budget Process

Anita Ho presented a timetable for the 2007 operating budget process. The 2007 budget process began in June 2006 with City staff validating the approved positions and their salaries and wages. In August 2006 upon consultation with City Finance staff the inflationary adjustment to increase the revenue has been set at 2.75%. In the next few weeks staff will work on approaches to achieve the required increases, including consulting the public, and will report back to the Board to seek approval for the new 2007 fees. A schedule of revenues generated by fees and charges was presented, along with the corresponding required 2.75% budget increase. The required increase totals \$910,400. In September staff submitted the preliminary 2007 added basic summary to the City Budget office. As part of operating global budget arrangement with the City, Council funds the additional operating cost of capital projects that are approved. The Board is requesting a total of \$504,600 for the 2007 Added Basic. The current operating budget estimate, excluding inflationary increases for salaries and wages (which are currently in contract negotiation), will increase in 2007 by \$682,900, which is a 1.26% increase. If the City Council approves the added basic request of \$504,600 the total operating budget increase will be 2.19%. On October 3 the City will determine the budget target.

Joyce Courtney explained to the Committee the process of public consultation regarding the development of operating budget. Last year the Park Board prepared a information package of the 2006 Operating Budget, along with a questionnaire asking for feedback on budget priorities and program improvements. This package and questionnaire were distributed to various stakeholders and members of the public. A similar process is recommended for the 2007 Operating Budget with a couple of changes. These changes include: preparing and distributing the package earlier in the fall (with a correspondingly earlier deadline set for feedback (November 2006); linking budget information to the 2005-2010 Strategic Plan; having more information on the challenges of balancing the budget; sending budget information to staff, unions and stakeholders; running advertisements more than once in community newspapers; and expanding advertisements to different ethnic papers to address diverse populations.

Discussion

- A Commissioner asked if the Park Board will automatically increase all revenue sources by 2.75%. Staff explained that as part of the Global Budget Arrangement the City of Vancouver funds the inflationary cost increases in expenditures such as salaries and utilities, and the Park Board in return must raise the fees and charges (40% of the budget) by the agreed inflationary rate. It was also stated that the Board has flexibility in choosing how to adjust the fees and charges to achieve the target increase.

Commissioner Herbert arrived at 4:35pm.

- A Commissioner asked when the public consultation was conducted and if there were any changes made as a result of the survey. Staff replied the survey was

conducted throughout the budget process. Some changes were made to reflect the results of the survey for the 2005 budget.

- A Commissioner asked how much it costs to host the public consultation process. Staff answered the cost was incurred primarily on the advertisement for about \$1,000.
- A Commissioner commented that the Board would like feedback from staff on innovative pricing structures which would achieve a revenue increases.
- A Commissioner asked for a comparative pricing list from other municipalities on fees and charges. Staff explained that the analysis of comparables and impact on the residents and the programs will be included in the Board Report.
- A Commissioner asked for a clarification on increase in the insurance cost. Staff explained the increase comes partly from the rate increase and also from the current increase in the value of capital assets owned by the Park Board.
- A Commissioner asked if the increase will affect the Leisure Access Program. Staff answered there is no impact as there is no fee associated with the program.
- A Commissioner asked why some of the tennis courts charge a fee and others are free. Staff replied that there are two paid tennis courts in Stanley Park, which were introduced due to requests from the public. Staff will report back on this issue as part of the Fees and Charges report.
- A Commissioner commented that the budget public consultation process should be reviewed to determine its value and effectiveness at the end of this year.

4. Golf Plan

Liane McKenna presented background information on the Golf Course Revenue Enhancement Strategies. The golf courses have not met their revenue target in the past few years, which has prompted the Park Board to look at ways to expand revenue. Staff reported on the three key areas in which short and long term actions can be taken: Customer Service Strategy, Marketing Strategy, and Future Directions.

Discussion

- A Commissioner asked if the criteria for setting marketing goals will be presented to the Board for approval. Staff explained three primary objectives that were presented to the marketing company; analysis of the target market, evaluation of previous and current marketing strategies, and development of new marketing strategy. The criteria for selecting the consultant will depend on the proponent's expertise in the golf course operations, the cost of their proposals and the time frame to carry it out.
- A Commissioner commented that the golf courses have to be competitive in the market from the perspective of revenue generation.
- A Commissioner asked why the revenue from the golf courses has decreased. Staff responded that a comprehensive customer services survey is under way, and the result should point out the factors that are affecting the golf courses revenues.

5. Next Meeting

The meeting adjourned at 5:15 pm. The next Finance Committee meeting is scheduled for October 23, 2006.