

**Minutes of Meeting of the Board of Parks and Recreation
Services & Budgets Committee Meeting
Held at the Vancouver Park Board Office on
Tuesday, May 24th, 2011**

ATTENDEES: Park Board Commissioners

Loretta Woodcock, Chair
Constance Barnes
Aaron Jasper
Ian Robertson

Park Board Staff

Meg Elliott	Acting Director, Corporate Services
Gordon Barber	Manager, Revenue Services
Kevin Tuerlings	Recorder

Delegations:

- Muncie Booth

The meeting was called to order at 6:30 pm, with the following agenda:

1. Approval of Minutes of April 26, 2011
2. McCleery Golf Course - Golf Professional Services Contract
3. April Financial Statement

1. Approval of Minutes

The minutes of the meeting of the Services and Budgets Committee held on Tuesday, April 26th, 2011 were adopted as circulated.

2. McCleery Golf Course - Golf Professional Services Contract

Staff presented a recommendation to further extend the current Golf Professional Services contract by two years. Upon the initial awarding of the contract, the golf pro was to provide a \$300,000 capital investment, with a primary focus on upgrading the driving range. This agreement was to be a 5 year term with the option to extend it for another 5 year term.

The driving range construction would have been ready to start in the summer of 2005, but due to a number of complications an agreement was not finalized. The agreement was extended by 2 years in 2006 because of the past delays, and due to further delays between then and 2011, another 2 year extension is being sought.

Discussion:

A member of the Committee asked when the current term is set to end. Staff answered the current term would have expired January 1st, 2016, but with the extension of 2 years the term would then end on December 31st, 2017.

A member of the Committee asked the golf pro if by taking this extension, does the delegation feel a firm commitment from the board to continue with the plans. The delegation responded that it would be happy with the commitment, as well as the additional time to pay off the loan needed to fund the project.

A member of the Committee asked which upgrades were made to the facility. The delegation answered that a series of upgrades were made. Construction mainly benefited issues with customer service, such as providing covered stalls for the driving range, onsite washrooms, a classroom for junior classes and summer camps, and staff supervision at the driving range. Through these additions the driving range no longer needs to rely on the club house nearby, and has the ability to remain open from 7am to 10pm. The increase in revenue since the additions has been quite dramatic and higher than anticipated.

A member of the Committee asked how much the improvements cost. The delegation answered it cost \$450,000 and that the Park Board funded \$100,000 of it.

The Committee recommended that the item return to the Board.

3. April Financial Statement

Staff presented on the financial statement for the month of April. Expenses and debt for April seem high, though the trend was expected given the poor weather that has greatly affected revenue, such as golf courses, restaurants, and concessions. Likewise, the timing of transfers (taking place earlier in the year than previous years) has had a negative effect on expenses, but will fall in line with expectations as the year goes on. The year-to-date net expense is up 7% over the previous year which shows a need to monitor the budget through the coming months.

One area that saw an increase in revenue was the non-revenue programs. Marinas saw a significant increase in costs, though this is not a problem as it is again due to timelier transfers, such as the transfer of net revenue at Heather marina that goes into the property endowment fund, so the costs appear to be higher now, but will not have an impact at year's end.

Similarly, Support Services and Administration appear to have uncharacteristically high costs (\$900,000) but this is due to the loan payment for the Hillcrest construction conversion from last year. The other area of significant change is Other Operations; this is an area that has undergone significant changes since sanitation and janitorial services

have become shared services. The current increase in costs is from city equipment and allocation of costs earlier than normal.

Payroll expenses are up by 2%, so if there are to be cutbacks, a large portion will come from payroll and outside auxiliary workers. Supplies, Services and Transfers are up by 10%, and though it was expected due to the weather, golf services are down in revenue by 8%.

Per the Global Budget arrangement, savings in utilities, city equipment, fringe benefits and insurance cannot be used to offset expenditures on payroll, supplies, services or transfers, which may impact expense budget. Lastly, the large numbers of long-term employee retirements from last year are still being paid deferred vacation continuing into 2011, accounting for approximately \$300,000.

Discussion:

A member of the Committee asked what the annual loan payment is. Staff answered the current annual loan payment is approximately \$1.08 million.

A member of the Committee asked why the street trees revenues are down 33%. Staff answered that street trees do not generate revenue, but do have cost recoveries. The city conducts the work concerning street trees when needed, and then bills the proper person upon completion. If the Park Board incurs costs from street trees, they recover it through payments for the work.

A member of the Committee asked when the Park Board would begin to consider cutting costs, and to which areas, if the weather does not improve for the revenue-generators. Staff replied that the May statement should be analyzed and a decision to reduce expenses reached by June. There is a limit to what can be cut; the first choices would be to layoff temporary staff sooner than later, consider consolidating facility hours, and to not fertilize grass and plants so maintenance does not have to occur as often. At this time there is some concern for cutbacks but because it is early in the season and the weather can turn around considerably, no action is needed yet.

4. 2010 Internal Audit Review Results

Staff presented briefly on the internal audit review of the Park Board, noting that the results were very positive and promising, and that the auditor intends to make a presentation on his findings, along with recommended changes, to the Board at the June 13th Board Meeting.

The meeting adjourned at 7:20 pm.

Meg Elliott
Acting Director, Corporate Services

Commissioner Loretta Woodcock
Chair