

**Minutes of Meeting
Finance Committee**

DATE OF MEETING: February 2, 2004

IN ATTENDANCE: **Park Board Commissioners**
Commissioner Suzanne Anton
Commissioner Eva Riccius
Commissioner Anita Romaniuk
Commissioner Loretta Woodcock
Commissioner Lyndsay Poaps

Park Board Staff

Susan Mundick	General Manager
Piet Rutgers	Director of Planning and Operations
Liane McKenna	Director of Queen Elizabeth District
Lori MacKay	Director of Vancouver East District
Anita Ho	Director of Corporate Services
Ron Caswell	Manager of Operations, Van East District
Jim Lowden	Director of Stanley District and Recorder of Minutes

SUBJECT: Finance Committee Meeting

The meeting was called to order at 6:50 p.m.

1. Nat Bailey Stadium

- we are currently operating on a 2003 one year extension of previous lease
- currently no other interested parties
- there is an impending Olympic planning process for the area and the “Canadians” would like to be part of it.
- the offer by the Park Board to the Canadians is a 2 year lease extension at \$75,000 per annum plus Canadians’ commitment to spend \$40,000 in capital upgrades.
- no substantial commitment by the Park Board is desirable until the Olympic planning process is complete: hence the two year term.
- planning process - community consultation will occur during this extension period.

Approval of Minutes

The minutes of the Finance Committee of December 16, 2003 were approved.

3. 2003 Operating Budget Close

- final figures for the December 31 close are still being processed and could involve a \$100,000 - \$200,000 variance from current reporting.
- the final sign off will be in early April and will be subject to normal audit procedures.
- while the Park Board enjoyed a \$900,000 surplus at the end of 2002, this year is looking like a shortfall of \$487,000 in the operating budget for 2003.
- this was unanticipated, based on the financial reporting at November 1, 2003 but still represents a variance of less than 1.0% of \$80M budget.
- irrespective of the final close out position, the past three years have indicated a structural economic problem with the golf budget and related loan retirement.
- the golf financial sustainability plan needs reconsideration in terms of either reduced profit expectations or a modification to the loan repayment program. The \$771,000 golf shortfall versus planned earnings is drawing down the whole system as the golf operation is expected to contribute \$1.5M annual profit to the global budget.
- Q.E. District and Planning and Operations were overspent by roughly \$250,000 each for the year which were not anticipated in October, 2003.
- with Planning and Operations, approximately \$150,000 of the over expenditure was due to city controlled charges for fuel and fleet costs over which the Park Board has no control.
- Stanley District showed a \$500,000 surplus due to weather driven extra revenues and reduced net spending in recreation.

Golf Course Financing

- the plan used an assessment of participation of 100% of anticipated rounds - hence no buffer for weather or competition. A more realistic participation rate would be 85%.
- there is a loss of participation to competitors - a number of public courses were added in the Fraser Valley and N.W. Washington since the golf pro forma was developed.
- the Park Board golf system has financially relied on the budget golfer and they remain price sensitive - there is not limitless room to raise rates although discounts could be re-examined.
- overall annual rounds at all three courses are down from an all time high of 270,000 per annum in the late 1980's to 205,000 per annum today.
- the General Manager explained that more detailed analysis will be brought back to the Finance Committee as part of a discussion on restructuring the golf financial package.

4. 2004 Budget

- what priorities do the Commissioners wish to bring to this year's budget recognizing that we operate within a fixed global budget format.
 - Council will add to the current global cap to cover added basic for 2004, inflation plus other non-controllable increases plus contract wage settlement.
 - NNR's for 2004 are likely to be capped at \$647,000, down \$100,000 from last year.
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- a) Staff priorities - park rangers, record management, public consultation/community liaison, special event/community outreach, playing field maintenance, District clerical support
 - b) Commissioner priorities - ethical procurement, planning resources, fund raising resources, extend operating hours of washrooms, extend facility operating hours, youth legacy programs, childcare, resources to support food policy, improve dog off leash program, native plantings.
 - c) Revenue opportunities - parking - westside beaches, tour buses, concessions, review plan, GST rebate, special event fee increases, loonie to toonie sessions, attraction packages, temporary concession (summer 2004).
 - d) Other budget challenges - govt shortfall - \$400,000 - \$800,000, efficiency improvement \$87,200 and MS office licence fees \$21,410. Staff will provide costings of the above priorities to the Committee.

5. Golf Course Clubhouse Staffing

Presentation by Ron Caswell.

The current staff response to flagging clubhouse performance has been to temporarily install 2 exempt managers to oversee the 3 operations. This has been producing positive financial results.

This proposal to regularize these temporary appointments was previously before the committee and referred back for direct discussions with CUPE 15 on other possible organization models. This has occurred. Staff have reviewed CUPE 15 organization proposals but do not believe they are workable in terms of supervision or profitability.

The Committee agreed to bring the issue before the Board based on a staff recommendation that 2 permanent full time excluded positions be created to manage the golf course club house operations.

The meeting concluded at 10:20 p.m.