

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

DATE OF MEETING: September 27, 2004

ATTENDEES: Park Board Commissioners
Commissioner Anita Romaniuk, Committee Chair
Commissioner Heather Deal
Commissioner Loretta Woodcock
Commissioner Suzanne Anton

Park Board Staff

Susan Mundick	General Manager
Anita Ho	Director of Corporate Services
Liane McKenna	Director of Queen Elizabeth District
Piet Rutgers	Director of Planning and Operations
Alison Dempsey	Business Services
Susan Gordon	Arts and Multiculturalism
Barbara Joughin	Recorder of Minutes

The meeting was called to order at 6:50 p.m. Commissioner Woodcock chaired the meeting until Commissioner Romaniuk arrived. The Agenda for the meeting was as follows:

1. Review of Agenda
2. Review of meeting minutes of July 12, 2004
3. Operating Agreement Renewal - Vancouver Rowing Club Parking Lot
4. Downtown Eastside Public Space Arts Programming Proposal
5. Queen Elizabeth Celebration Pavilion
6. 2005 Operating Budget
7. 2004 Operating Statement - August (8 month) Review
8. C.F. Moore Donation

1. Review of Agenda:

The agenda was approved as presented.

2. Review of the Minutes of the July 12, 2004 Meeting:

The minutes of the Finance Committee of July 12, 2004 were adopted as presented.

3. Operating Agreement Renewal - Vancouver Rowing Club Parking Lot:

Alison Dempsey gave the Finance Committee a report about the renewal of the operating agreement between the Vancouver Rowing Club (the Club) and the Park Board that grants the use of the small parking lot adjacent to the Rowing Club clubhouse to the Club. The Club sub-leases the two lots where its clubhouse and wharves are located from the City, and has requested that the parking lot operating agreement dated September 15, 1999 be renewed for the period from September 15, 2004 until the expiry of its sub-leases from the City on August 30, 2007. Annual increases during the new agreement term will be applied, based on the Consumer Price Index for Vancouver. This and all future operating agreements will include a provision that links it to the expiry or termination of the City's lease with the Federal Government for the foreshore

lots that are subleased by the Club. The Club is in agreement with this proposal. Staff are recommending that the Board approve the renewal.

Recommendation:

Commissioner Deal moved that the Finance Committee recommend that the Board approve the proposed renewal of the Vancouver Rowing Club Parking Lot Operating Agreement. Commissioner Woodcock seconded the motion, and it was passed (all in favour).

4. Downtown Eastside Public Space Arts Programming Proposal:

Susan Gordon described a proposal from several community groups to the Park Board to develop a coordinated arts program and event plan for Downtown Eastside (DTES) parks and open spaces. She explained that the DTES hosts an active arts community, and that arts programs are an effective way to bring the community together while supporting economic revitalization goals and building community identity and capacity. The proposal describes the process to produce a detailed program and event plan. Proposed parks include Victory Square, Pigeon Park, Andy Livingstone, Strathcona, Oppenheimer and Portside. The proposal has been considered by the Vancouver Agreement partners and they have conditionally agreed to match the Park Board contribution of \$25,000.

Staff requested that the Finance Committee recommend that the Board approve a \$25,000 expenditure from the Corporate Sponsorship Fund for the development of a plan for arts programming and events in DTES parks and open spaces subject to support from local organizations and to matching funds from the Vancouver Agreement.

Recommendation:

Commissioner Deal moved that the Finance Committee recommend that the Board approve the spending of \$25,000 from the Corporate Sponsorship Fund for the development of a plan for arts programming and events in DTES parks and open spaces subject to support from local organizations and to matching funds from the Vancouver Agreement. Commissioner Woodcock seconded the motion. All were in favour and it was passed.

5. Queen Elizabeth Celebration Pavilion:

Piet Rutgers gave the Committee an overview of the plan to redevelop the top of the GVRD reservoir at Queen Elizabeth Park with a pavilion and other elements (plaza, parking lot, public art and fountain). The Celebration Pavilion is intended to be a venue for weddings and other celebrations that will generate significant revenues for the Park Board. Liane McKenna provided background on how the market research was conducted and shared the results of a market survey, and Anita Ho presented an analysis of the business case, funding options and possible financial implications.

Staff prepared a draft fee structure from 2006 to 2015 based on a market survey and a review of similar facilities in the region. Funding required to complete construction of the pavilion with related expenses is \$1.4 million as determined by tender. Neither donations nor sponsorships have been forthcoming to fund construction of the pavilion. In order to facilitate discussion of possible funding options, Anita Ho presented several scenarios that analyzed projected revenues and expenses, loan repayment, and required contribution sharing. Staff identified two funding options: borrow money from the City, or borrow from Park Board reserves. The Board has approximately \$1.7 million in reserves which are from donations and corporate sponsorships and

are at this time not committed or restricted.

Staff advised the Committee that the Celebration Pavilion is a sound business case that is expected to generate enough revenues to repay the loan within 7-10 years, and asked the Committee to recommend that the Board use its reserve funds to finance the Queen Elizabeth Park Celebration Pavilion. Staff also recommended that interest be charged to the project to be returned to the Board's reserve fund.

Discussion:

- Staff described the benefits of borrowing money from the Board's own reserve. The Board retains control over the loan, and can decide to not charge interest on the loan (with related savings), or charge interest to the project and return it to the reserve fund for future use. A loan arrangement with the City would place a financial burden on the Board (paying interest to the City) while removing a viable opportunity to replenish its reserve.
- The disadvantage of borrowing money from the reserve fund is that availability of reserve funds in 2005 would be limited to \$300,000. Staff noted that the Board has spent less than \$80,000 per year on average since 1997 from the Corporate Sponsorship fund. However, a member of the Committee reminded staff that there may be an event in 2005 requiring the use of reserve funds.
- The Committee discussed the possibility of borrowing a portion of the funds from the City and the remainder from Board reserves to reduce the interest payable to the City while maintaining a higher balance in the reserves during the loan payback period.
- Staff advised the Committee that one guideline for the use of the Corporate Sponsorship Fund limits one time expenditures to \$50,000 to be repaid within three years, and recommended that an exception be granted to this project in order to finance revenue generation activities.

Action:

The Committee asked staff to prepare analyses of different partial borrowing options (ie. Board lend 25%, 50%, and 75%) for review and consideration before the item is brought forward for a decision at the October 18, 2004 Board meeting.

6. 2005 Operating Budget:

Anita Ho reported to the Committee about different aspects of the 2005 Operating Budget, and the Committee and staff discussed the general process and timeline, fees and charges, Added Basic Request, and the public consultation process.

Discussion:

- Staff told the Committee that they are working with the City on the impact of inflation on several major items on the 2005 budget (fees and charges, insurance, natural gas and collective agreements). The Park Board has been asked to find an additional \$800,000 through an increase in user fees in the 2005 budget. The Committee was also apprised of the timeline of the process.
- Staff has assessed the City's request that the Park Board adjust its fees and charges upward by 2.75% in 2005 and reported that increases are manageable except in two areas, golf and parking, where current levels cannot be met and fees cannot be raised. However, staff are exploring options and are proposing a slightly higher increase in pitch and putt fees and a new marketing strategy to help increase revenues.

- A summary of the draft Added Basics Request outlined how requests are distributed by district and departments, with a total request of \$634,900 in 2005.
- Staff reviewed past public consultation activities and gave a report listing several recommendations for improving the process. The Committee was asked for feedback and direction on topics, timing, and possible format for 2005 budget open houses.

Next Steps:

The Committee chose October 28, 2004 as the date for the October Public Open House. The time and location will be announced, and it was decided that the event should take place in a central community centre and in the evening.

7. 2004 Operating Statement - August (8 month) Review:

Anita Ho presented the operating statements for the eight month period ending August 31, 2004, and summarized the extensive reviews that staff have conducted. To date, 66.7% of the year has expired and the Park Board has spent 64.4% of the net budget. Overall, net expenditures are 2.3% below budget and are projected to break even by year end unless wet weather prevails with associated negative impacts on golf revenues. The Committee was assured that monitoring is ongoing and cost containment initiatives will be implemented to deal with the projected shortfall.

Conclusion:

The Finance Committee reviewed the August financial statements and staff will continue monitoring revenues and expenditures in order to achieve a balanced budget at year end.

8. C.F. Moore Donation:

Anita Ho reported the donation from the Charles Franklin Moore estate to the Park Board for park beautification and maintenance. Staff have worked with the donor's family to develop recommendations for the best use of the donation and for suitable recognition of the gift. The family has agreed to the staff recommendation to use \$250,000 to renovate the four tennis courts at Lost Lagoon in Stanley Park, and to use the balance of the donation (estimated to be \$200,000) to create an endowment fund that earns annual interest income for recreational activities in parks. A plaque will be placed at the tennis court to indicate that the renovation was supported by the Charles Franklin Moore estate, and the donor's contribution will be acknowledged whenever funds from the endowment fund are used.

Next Steps:

The Moore family will be invited to attend the October 18th Board meeting to receive the Board's acceptance of and appreciation for the donation.

9. Next Meeting:

The meeting was adjourned at 9:30 pm. The next Finance Committee meeting is scheduled for November 8, 2004 at 6:30 pm. Possible agenda items include:

1. Follow-up of October 28, 2004 Budget Open House
2. 2005 Operating Budget
3. September 2004 Operating Statements