

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

DATE OF MEETING: July 18, 2005

ATTENDEES: Park Board Commissioners

Commissioner Anita Romaniuk, Committee Chair
Commissioner Heather Deal
Commissioner Loretta Woodcock
Commissioner Suzanne Anton (arrived at 8:05pm)

Park Board Staff

Anita Ho	Director of Corporate Services
Lori MacKay	Director of Vancouver East District
Philip Josephs	Manager of Revenue Services
Alison Dempsey	Business Services
Barbara Joughin	Recorder of Minutes

The meeting was called to order at 7:25 pm. The Agenda for the meeting was as follows:

1. Review of meeting minutes of June 20, 2005
2. Train Finance Plan
3. Parking Contract
4. 2005 Operating Budget – June Statement
5. Enquiries

1. Review of meeting minutes of June 20, 2005:

The minutes of the Finance Committee of June 20, 2005 were adopted as presented.

2. Train Finance Plan:

Alison Dempsey told the Committee that there is an opportunity to purchase a used engine and three carriages for the Board's 20-gauge Miniature Railway in Stanley Park, which currently operates with three engines and ten carriages. The addition of extra rolling stock to the Ghost Train and Bright Nights events will help meet customer demand, which currently exceeds capacity for these events, as well as increase revenues for the Board and expand coverage for out-of-service equipment. She said that new rolling stock is very expensive and there is a limited used market. However, staff have been working with an American broker who has recently located a used 20-gauge CP Huntington engine and three carriages in West Virginia for a purchase price of US\$45,000.

Experienced Park Board staff inspected the equipment, and endorse the purchase. The engine is in reasonable condition and requires about \$20,000 in repairs, and the carriages are in excellent condition, but will require replacement of the canvas roofs in about four years, at an estimated cost of \$10,000. An offer to purchase has been made and accepted, subject to Board approval.

Staff estimate that it will cost about \$90,000 Cdn to buy and bring the new stock into service. Funding for this amount can come from the Board's donation reserve as a four year loan, with 5% interest and annual repayments of about \$25,000. Annual net revenues from additional ticket sales created by a third train at the Ghost Train and Bright Nights events are estimated at about \$24,000, which initially can be applied to the loan repayment, and provide future revenue to the Board once the donation fund is replenished.

Staff requested that the Committee recommend that the Board approve a loan of \$90,000 from its donation reserve to finance the purchase of a 20-gauge engine and three carriages for its Miniature Railway in Stanley Park.

Recommendation:

The Finance Committee recommended that the Board approve a loan of \$90,000 from its donation reserve to finance purchase of a 20-gauge engine and three carriages for the Miniature Railway in Stanley Park.

3. Parking Contract:

The Board's pay parking lots are operated by parking management companies chosen through a competitive bidding process. The current contract was awarded to Ideal Parking Inc., doing business as Central Parking System (CPS), in 2000 for five years with an option to negotiate a further five year term. Philip Joseph reported to the Committee that staff have negotiated and are recommending that the Board approve a second five year term for the operation of the Board's parking facilities by CPS.

Staff said that the possibility of turning the management of the Board's parking facilities over to the City of Vancouver's Parking Administration was carefully considered, and City staff prepared projections for services equivalent to those proposed by a second term with CPS, with similar financial arrangements. After counting all relevant factors, the City Engineer concluded that there is no good business case for the City to assume management of the Board's pay parking.

The proposed terms of the second five year agreement with CPS include a management fee of 6% of parking revenues, increased from 4.61%. CPS will install all new pay station equipment in the Board's lots, and these upgrades will enhance the Board's revenues and expand ease of use for customers. CPS will receive 100% of the violation fine revenues, and will be able to charge ICBC's fee to search for vehicle owner information back to the violating customer.

Staff advised the Committee that they are satisfied with CPS's service to date and that the Board has received very few customer complaints as a result of CPS staff acting as parking ambassadors rather than enforcers.

Discussion:

- A member of the Committee said it was important that due diligence be followed with regard to the contracting out of parking management versus in-house delivery of this service, and staff said that extensive discussions were held with city staff to ensure the

in-house option was thoroughly evaluated.

- The group discussed the value of contracting the Board's pay parking locally rather than to a US company, and a Committee member asked how many employees work in the local office. A member of the Committee asked if CPS contributes to the community and said this should be required.
- A member of the Committee asked what revenues are generated from parking violations and staff estimated that about \$350,000, or 35% of tickets issued, is recovered annually.
- Staff advised the Committee that the Board sets parking fine amounts which cannot be changed without Board approval. Parking fines were last changed in 1997.

Conclusion:

The Finance Committee approved the draft parking report and recommended it to the Board for approval.

4. 2005 Operating Budget – June Statement:

Anita Ho reported the operating statements of the Park Board as at June 30, 2005 and reviewed revenues and expenditures compared to 2003 and 2004. In the first six months of 2005 (49.6% of the year), 50.7% of the net budget has been spent. Gross revenues are \$14,111,831 (42.5% of budget), and gross expenditures are \$41,224,989 (47.6% of budget). Overall, net expenditures are 50.7% and are 1.1% above budget.

Poor weather conditions continued through June and led to lower than projected revenues, although there have been improvements in June since the May 2005 report to the Board. Overall, the drop in income from revenue generating programs compared to 2004 decreased from \$550,000 in May 2005 to \$130,000 at the end of June. Concession and golf revenues are still below 2003 and 2004 levels, but concession revenues are expected to recover and the annual net effect should be negligible. Golf revenues are at 48.7 % of budget, but with good weather, current strategies in place to mitigate the shortfall should balance the budget by year end.

Overall, a shortfall in revenues is anticipated, accompanied by an offsetting savings in gross expenditures for a balanced year-end budget.

Discussion:

- A member of the Committee asked how expenditures could be reduced and staff noted such possibilities as extending holiday closures and rescheduling programming around lightly attended sessions and cancellations.
- Staff told the Committee that the majority of NNR funding was already committed and not available for holdback.
- The group discussed the relationship of concession revenues to weather and fewer customers, and staff said that a consistent downward trend at all locations has also been experienced by private concession operators.
- Anita Ho reminded the Committee that the City is closely monitoring their budget due to a potential deficit for 2005 from increased fuel costs and a shortfall in casino

revenues. Delayed implementation and cancelled expenditures are possible for all City departments to help balance the overall 2005 City budget.

Summary:

Staff recommended that service levels be maintained with close monitoring of the situation. Staff will report back to the Finance Committee in September with the August operating statement.

5. Enquiries

The Finance Committee asked staff for information on the following items:

1. A member of the Committee noted that the Board had approved a concession consultant and had requested that CUPE 15 staff at concession services be consulted. Information has been received that this consultation has not occurred. Staff informed the Committee that a consultant was hired in May and had met with supervisory and CUPE 15 staff at the concession office and warehouse. Staff assured the Committee that it will be a thorough consultancy, and a member of the Committee asked staff to report on the consultancy in the final report.
2. A member of the Committee enquired about the purpose of a notice for a long-term lease at Nat Bailey Stadium. Staff informed the Committee that the lease for Nat Bailey Stadium will be expanded beyond one year and will include a call for capital improvements.
3. Commissioners received complaints from the public about the “heritage market” outside the Vancouver Folk Music Festival in Jericho Park, and members of the Committee expressed concern about issues of hygiene and sanitation, unlicensed food stands, and alcohol consumption.

6. Next Meeting:

The meeting was adjourned at 8:45 pm. The next Finance Committee meeting is scheduled for September 26, 2005 at 7:00 pm. Possible agenda items include:

- Operating Statement August 2005
- 2006 Operating Budget
- 2006 Fees and Charges
- Fraserview Cell Tower
- Jericho Hostel Agreement