

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

DATE OF MEETING: October 23, 2006

ATTENDEES: Park Board Commissioners
Commissioner Marty Zlotnik, Committee Chair
Commissioner Ian Robertson
Commissioner Loretta Woodcock
Commissioner Allan De Genova
Commissioner Spencer Herbert

Park Board Staff

Anita Ho	Director, Corporate Services
Jim Lowden	Director, Stanley District
Lori MacKay	Director, Queen Elizabeth District
Liane McKenna	Director, Vancouver East District
Philip Josephs	Manager of Revenue Services
Alison Dempsey	Supervisor of Business Services
Ron Caswell	Manager of Operations, Vancouver East District
Greg Eng	Manager of Recreation Services, Stanley District
Meg Elliott	Senior Business Analyst (Recorder)

The meeting was called to order at 5:04 pm. The Agenda for the meeting was as follows:

1. Approval of September 25, 2006 Meeting Minutes
2. Corporate Sponsorship
3. 2007 Operating Budget
4. 2007 Fees and Charges
5. McCleery Contract Extension

1. Approval of September 25, 2006 Meeting Minutes:

A correction to the spelling of Commissioner Spencer Herbert's name was made. The corrected minutes of the September 25, 2006 meeting were approved.

2. Corporate Sponsorship

Philip Josephs made a presentation on the details of the award of beverage supply and Corporate Sponsorship contract.

Background information on the details of the previous 10 year contract was outlined, along with the process that was followed for seeking corporate sponsors for a new contract.

Commissioner De Genova arrived at 5:09 pm

Coca-Cola and Pepsi provided proposals as part of the Request for Proposals (RFP) process and these were compared and evaluated by staff. A financial summary was presented, which detailed the main components of the two proposals over the ten year term of the contract. Staff are

recommending the proposal from Coca-Cola and further details of this proposal were presented. These included the total cash payments due to the Board over the next 10 years, the general marketing fund, and the product selection and support provided.

Commissioner Woodcock arrived at 5:13 pm.

Philip Josephs further outlined the details for the vending service, cost of product and other conditions of the contract.

Discussion

Members of the Committee asked a number of questions including ones about the variety of products available, the option of passing cost savings on to customers, how the free product was distributed to Community Associations and clarifying questions about the community association share of vending revenues. A Commissioner also asked whether a similar process was followed for coffee supplies and if so, what type of offers had been made.

Staff showed examples of the type of products available, and explained that community associations and staff were able to select any combination of products from the Coca-Cola line, including water, juices, energy drinks and soft drinks. The “healthy choice” pricing model was explained (large juices/teas priced \$0.25 lower and water priced \$0.50 lower than large pop) as was the rationale (encouraging healthier choices) for passing the savings on to customers. The process for distribution of equal amounts of free products to the Community Associations was also clarified. Staff also explained that while a request for expressions of interest for a similar arrangement for coffee had been made, they were not as successful and the granting of the coffee contract was more cost effective without tying it to a sponsorship agreement.

A sponsorship arrangement with Coca-Cola allows one alternate brand of soft drink (up to four flavours) from other vendors except Pepsi to be available at the concessions. (minutes amended November 20, 2006)

Recommendation

The Finance Committee recommended that the presentation on the Corporate Sponsorship/Beverage contract be presented to the Board at the next available regular Board meeting for review, discussion and approval.

3. 2007 Operating Budget

Anita Ho provided an updated schedule of activities for the 2007 budget process. She also outlined the current budget gap between the projected 2007 City revenues and expenses, and the potential gap that would be assigned to the Park Board.

She described some of the budget challenges for the upcoming year, including park safety issues and the need for more park rangers, the expected golf course revenue shortfall, and the need for defibrillators in facilities and the associated training costs for staff.

She also requested feedback from the Committee for incorporation into the upcoming Board 2007 Operating Budget presentation to Council on October 30, 2006.

Discussion

A member of the Committee asked the Project 311 cost, both overall and the contribution that the Park Board is expected to make.

Anita responded that she had tried to arrange for a presentation on the project for the Committee but that City staff were unable to attend the current meeting. The report will come before Council on November 28, 2006.

Members of the Committee requested information on the impacts of last years budget cuts, including impacts to program registrants at community centres.

Staff stated that the main impacts were in the form of inconvenience, especially increased waiting times.

The Committee members also wanted staff to report back on what activities or programs could not be carried out or that were carried out in a significantly reduced way. They discussed the need for the Board to be more independent of Council in terms of its ability to control funding for Board programs and discussed the need for some other arrangement to be raised to make this happen.

Summary

The Finance Committee received the update on the 2007 operating budget process, the challenges of providing the needed additional programs, and directed staff to prepare a presentation to Council outlining the Board's issues, challenges and the impact any cuts will have to the Board's operations.

4. 2007 Fees and Charges

Anita Ho presented the Committee with a proposed schedule of 2007 Fees and Charges, and detailed changes above or below inflation for various fees. She reminded the Committee of the Global Budget arrangement's requirement for the Board to increase fees by the agreed to inflationary estimate in order to receive inflationary increases for expenses such as salaries, utilities, and general supplies.

She also pointed out the process that staff go through to arrive at the proposed schedule of Fees and Charges, including an analysis of the various markets (both other public providers in surrounding communities and private business rates, where there is direct competition for provision of services).

Discussion

Members of the Committee asked questions throughout the presentation on various topics related to the proposed increases. During the presentation of rates for VanDusen Gardens, a Commissioner raised the question of why youth pay more than seniors and a short discussion ensued among the Committee members. During the presentation of the recommended Recreation admission rates, this point was raised again and a general discussion was held on the merits of the current policy to charge seniors less than youth, the history of that policy and the impact to both youth and senior participation.

Staff were directed by the Committee to explore options to see youth pay less and seniors pay more, but in a way that would not generate additional revenues for the Board.

There were also brief discussions about the Golf increases, which were minimal pending the outcome of the upcoming golf marketing plan, and the merits of making all tennis court throughout the City pay tennis courts like those in Stanley Park.

Commissioners De Genova and Robertson left the meeting at approximately 6:45 pm.

Recommendation

The Finance Committee directed staff to explore options to change the fees structure that would result in seniors paying more for admission than youth, with the provision that the proposed changes would neither increase nor decrease revenues. Staff were to recommend specific changes and incorporate those changes in to the 2007 Fees and Charges schedule to be presented to the Board at its meeting on October 30, 2006.

5. McCleery Contract Extension

Lori MacKay outlined the proposed golf professional services contract for McCleery Golf course.

She outlined some details of the previous contract, including the option of a five year extension based on a requirement for the golf professional to make \$300,000 in capital improvements to the facility.

The discussions leading up to the contract proposal had raised the need for a longer term extension (7 year instead of 5) to reflect the length of time to develop the contract and the complexity of the proposed contract.

A copy of the report going forward to the Board on October 30, 2006 was provided to the Committee.

Recommendation

The Finance Committee recommended that the Board review and approve the recommendations put forward by staff in the McCleery golf professional services contract report.

6. Next Meeting

The Finance Committee meeting ended at 7:15 pm. The next Finance Committee meeting is scheduled for November 20, 2006 at 5:00 pm.