

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

DATE OF MEETING: January 22, 2007

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

Park Board Staff

Anita Ho	Director, Corporate Services
Lori MacKay	Director, Queen Elizabeth District
Mike Mackintosh	Supervisor of Parks, Queen Elizabeth District
Mike LeBrun	Marina Operator, Burrard Civic Marina
Barbara Joughin	Committee Secretary

Delegations

Gordon Miller	
Sean Smith	Stamps Landing Yacht Club
Heather Wylie	Tiddly Cove Yacht Club
Jordan Dobrikin	Wignaw Navigation
Nicholas Lourotos	
Don Evans	
John Gallagher	

The meeting was called to order at 5:05 pm. The agenda for the meeting was as follows:

1. Approval of November 20, 2006 meeting minutes
2. Burrard Marina Operations
3. Fee Structure
4. 2006 Operating Budget Year End Position
5. 2007 Operating Budget

1. Approval of November 20, 2006 Meeting Minutes:

The minutes of the November 22, 2006 meeting were approved as presented.

2. Burrard Marina Operations

Mike Mackintosh presented an overview of Burrard Civic Marina, located on the south side of False Creek at its entrance. It was constructed in 1963 and upgraded in 1983 to its current capacity of 443 water moorage slips, 149 land storage berths, 12 rowing compounds, and 36 canoe/kayak racks. It offers marina users a convenient location and ample parking, but as a Class B marina there are limited public amenities, and the aging infrastructure and 15 amp power service are disadvantages.

Maintenance priorities for 2007 include replacing anchoring hardware and the dockside crane, upgrading the security access system software, adding kayak racks, and purchasing new furniture for the meeting room. Potential capital funding projects include electrical upgrades, modifications for larger boats, and improvements to the work area and launch ramp. Since 2000, reconfiguration of the marina has commenced for long-term improvements to address demands for larger vessel slips, space for rowing and paddling sports, and more land storage.

Staff identified other marinas in False Creek and compared moorage rates. Burrard Marina moorage fees for 2007 for 21 feet and under and 22 feet and over have increased 15% from 2006. In 2006, marina revenues were \$1,277,400 and expenditures were \$284,800. The net revenues were used to pay for other park and recreation services.

Lori MacKay thanked the Committee for the opportunity to provide information about Burrard Civic Marina and summarized the public input that has been received since the rate increase was approved.

- low level of service provided at the marina
- requests for increased marina services
- the fee increase is excessive
- fees from this facility are subsidizing other Park Board facilities
- lack of consultation
- boating should not become an exclusive sport
- requests for monthly payment schedule

She provided supplementary information that highlighted new budget pressures that the Board faces in 2007. An annual water lot license fee from the False Creek Harbour Authority has recently increased from \$25 to \$16,000, and will be applied retroactively. The overall impact of this increase on the 2007 budget is \$71,000.

Delegations

1. Gordon Miller told the Committee that he is very upset about the 15% increase in moorage fees and that if that he is required to pay such a large amount in 2007, he wants to be able to pay in 12 monthly installments rather than in one lump sum. Although his boat is only 27 feet long, he pays for a 29 foot slip.
2. Sean Smith researched current marina rates in False Creek and found that Burrard Marina's new rates for 2007 place it at the top of the scale for small boats. He wants the extra money paid for mooring at this marina to be reinvested back into the facility, and listed several concerns (many electrical outlets don't work, water supply hoses are few and in poor condition, tie bolts are no longer secure, infrequent security patrols, no closed circuit TV, marina is shallow and may require dredging). He noted that although the marina is well-placed, there are associated drawbacks (strong currents, exposure to wave action during storms, damage from bridge debris). Boat owners have many concerns and may need to form an association to have a voice in how the marina is operated.
3. A member of the public suggested that a pub be included at the marina.
4. Heather Wylie said that boaters are a group and a community, and members of her club are concerned that the Park Board's budget packages marinas with parking lots when they should be treated like community centres. She would welcome opportunities to speak for

boaters.

5. Jordan Dobrikin asked what area of the marina is affected by the waterlot license (staff – the channel adjacent to the False Creek Harbour Authority that is needed to maintain access), and suggested that the increase should apply only to large boats that are moored in that area. He said it was difficult to get information to prepare for this meeting, and asked the Committee to explain the Board's goal for the Burrard Marina, which was originally intended to be a marina for smaller boats but is now becoming a Class A facility.
6. Nicholas Lourotos told the Committee that the Park Board is pricing its facility out of the market. It is now cheaper for him to moor at the Vancouver Rowing Club in Coal Harbour, and he knows of others leaving as well.
7. Don Evans said there has been no communication, that it was very late to be seeing the rate comparisons for the first time, and that there was nothing in tonight's presentation that justified the extraordinary increase. He suggested that the fee increase also be applied to land storage (kayaks, canoes) rates, and suggested that a waitlist fee be charged and the practice of boats in long-term storage be reviewed.
8. John Gallagher has been at Burrard Marina for 37 years, and told the Committee that although it is a good location, he uses eight lines to secure his boat because it is very exposed to wind and tide effects. He noted that Spruce Marina provides many more services for \$10.07/foot than does Burrard Marina at \$10.25/foot, and since the fees at Heather Marina are set according to those at Burrard Marina, the Board will face boaters at Heather when the rates rise there as well.

A member of the public requested that the presentation be made available and the Committee asked staff to provide it as an electronic attachment to the minutes of the meeting.

Discussion

- The Committee asked staff to describe past and current plans for capital improvements at Burrard Marina. Staff explained that there have been no formal proposals for improvements to the capital planning process in the past eight years, and there are none at this time. A member of the Committee said the Board must consider how to provide better services to the facility and Commissioners discussed a list of improvements, including upgrades to the electrical system and the anchoring hardware, bringing docks up to standard, and tiering the dry dock. Staff noted that there is also a need to renew the public dock.
- A member of the Committee inquired about how notification of the fee increase has been provided and staff explained that notice will be included with rental and electrical invoices in February 2007. The Committee encouraged boater groups to organize prior to the 2009-11 capital planning process in order to communicate their needs to the Park Board.
- A member of the Committee asked if other marinas offered monthly payment options and staff replied that it is available with premiums. Many boats under 22 feet in length are removed from Burrard Marina in the winter and are only moored for four months in the summer, and these slips are sold out from May to September. A member of the public suggested that this was an indication that people could not afford to pay the fees year-round. The Committee requested that staff report back with more information about providing a monthly payment feature at Burrard Civic Marina.

- Staff were requested to provide information about the Park Board's arrangement with the Jericho Sailing Club in regard to their restaurant.

Next Steps

The Finance Committee requested that staff report to the Board on the capital and operational priorities and associated cost estimates for Burrard Civic Marina. Staff were also requested to investigate and report on a monthly fee payment structure.

3. Fee Structure

At the regular meeting of the Board on October 30, 2007, staff were requested to report back on a change in the fee structure for discounts to seniors and youth. Meg Elliott explained that fees and charges are reviewed annually and adjusted to accommodate program costs, inflation, and market rates. She described the current fee structure, why a change has been proposed, and the financial impact to the Board of making the proposed changes.

Since the Board's current fee structure was set, there have been changes in the average senior's and youth's financial position and in market practices for recreation age-related discounts. Since 1980, the number of low income seniors in Canada has declined from 34 to 14% while the number of low income youth has increased from 16.2 to 17.7%. A comparison of age-related discounts for municipal recreation services in the lower mainland indicate that Vancouver is the only municipality which continues to provide seniors with a greater discount than youth. Currently in Vancouver, seniors receive a 30% discount and youth receive 25%.

For recreation services only, a rough estimate of the financial impact to the Board shows that changing the senior discount by 5% would have an impact of \$20,000, the same as changing youth rates by 5%. This estimate does not include boat, golf or community centre fees.

Discussion

- The Committee discussed how to resolve the inequity between senior and youth discount rates and best help those who need assistance.
- A member of the Committee requested information on the ages of youth and seniors in the statistics provided by Stats Canada. Staff explained that youth are aged 18 and under, including children, and seniors are 65 and older. Youth under the Park Board system are aged 13-18 years, and seniors are 65 and older.
- A member of the Committee asked if other municipalities are changing their discount structure and staff explained that seniors pay 25% more than youth in Surrey, and 15% more in North Vancouver.

Next Steps

The Finance Committee requested that staff provide the Board with a staff briefing this spring on youth and senior discounts and statistics about Vancouver's low income seniors and youth.

Recommendation

The Finance Committee recommended that there be no change in the discount fee structure for 2007 Fees and Charges.

4. 2006 Operating Budget Year End Position

Meg Elliott reported to the Finance Committee that at December 31, 2006 the Operating Budget statement showed a net deficit of \$246,468. Revenues were up, at \$36,039,474 (103.1% of budget) as were expenditures, at \$91,166,197 (101.5% of budget). She noted that the books are not yet closed but there will be no significant change.

The Committee commended staff for their good work on ending the year with such a small deficit relative to the total budget.

Discussion

- A member of the Committee noted that expenses of \$250,000 have been incurred up to January 22, 2007 from the series of storms affecting Vancouver parks, and asked staff if the year end statement included overtime hours for clean up operations in Stanley Park. Staff explained that about \$80,000 – 100,000 is included in this statement and the rest will be in the January 2007 statement. About one-third of the 2006 year-end variance may be attributed to expenses resulting from the wind storm on December 15, 2006. Donations and corporate sponsorship revenues are not reported in this statement.
- The Committee asked several questions about the Board's operations, and staff will follow up with information.
 - How much is the children's farmyard subsidized?
 - How many Park Rangers were paid in 2006?
 - How many fulltime and part-time staff were employed by the Board in 2006 and the past five years
- A member of the Committee commented that recent targets for golf revenues have been over-optimistic and asked the amount of the golf debt remaining in 2006. Staff told the Committee that \$3.4 million is still to be repaid on the golf loan.

Summary

The Finance Committee received a presentation on the 2006 Operating Budget Year End Position for information.

5. 2007 Operating Budget

Anita Ho informed the Committee that the City has assigned the Park Board a total budget reduction target of \$540,000 (\$440,833 base reduction, \$74,000 reduction in NNRs, and \$25,200 savings from vacant positions) to assist efforts to confine a property tax increase to 4% in 2007. She said that staff are committed to working with the City on this budget challenge and to continuously improve our operations, but noted that it is an increasing challenge to meet public (and City) expectations with current levels of funding.

Approximately 40% of the Board's revenues come from its business operations and are subject to external influences. In 2006, golf revenues experienced a shortfall of \$800,000 caused by a downturn in the overall industry. For 2007, other budget challenges include meeting safety-related requests for more Park Rangers and for defibrillators in community centres, as well as paying for a significant increase in a waterlot license fee in False Creek.

Staff requested that members of the Board speak with City Councillors about the 2007 budget and review the financial position of the Board, what has been done so far, and the impacts of the proposed budget reduction, and to request that a budget reduction not be assigned to the Park Board for 2007.

Discussion

- A member of the Committee asked what the total operating budget is for 2007 and staff replied that gross expenditures total \$92 million before adjustments.
- The Committee discussed some advantages and disadvantages of the global budget arrangement between the Park Board and the City, and requested that staff provide the Board with a workshop for information and discussion about the Board's budget framework, direction, and philosophy.
- Staff told the Committee that the Park Board has dealt with an accumulated \$2.8 million budget reduction over the past ten years, in part by increasing the financial burden to our partners and the public. A Committee member noted that other municipalities spend more per capita than does Vancouver, and that we try to do more with less. The Committee discussed how to best communicate that the City's contribution to the Board's budget is not enough to operate to the levels expected by the public and City Council.

Next Steps

Staff will follow up with the rest of the Board with budget information and key messages. Each Commissioner will discuss the 2007 budget with City Councillors. Staff were requested to provide a workshop on the Board's budget framework and to set budget priorities.

6. Next Meeting

The meeting was adjourned at 8:15 pm. The next Finance Committee meeting is scheduled for February 20, 2007 at 5:00 pm.