

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

DATE OF MEETING: February 20, 2007

ATTENDEES: Park Board Commissioners
Commissioner Marty Zlotnik, Committee Chair
Commissioner Korina Houghton
Commissioner Loretta Woodcock
Commissioner Spencer Herbert

Park Board Staff

Susan Mundick
Anita Ho Director, Corporate Services
Piet Rutgers Director, Planning and Operations
Mark Vulliamy Manager of Research and Planning
John Brossard Business Analyst
Barbara Joughin Committee Secretary

Delegations

Joan Reekie

The meeting was called to order at 5:40 pm. The agenda for the meeting was as follows:

1. Approval of January 20, 2007 meeting minutes
2. 2007 Operating Budget
3. 2007 Capital Budget

1. Approval of January 20, 2007 Meeting Minutes:

The minutes of the January 20, 2007 meeting were approved as presented.

2. 2007 Operating Budget

Anita Ho distributed copies of the 2007 Operating Budget: Interim Estimates Council Report to the Committee, and highlighted information about the Park Board.

The total City budget increase that is needed for current service levels and new programs is 5.53%. The City Manager recommends that a property tax increase be confined to 4%, and that the difference be covered by corporate and departmental budget reductions of 1.53%. The Park Board's share of (ongoing) base adjustments is proposed to be \$440,800, and its share of (one-time) corporate reductions is \$116,800, for a total proposed reduction of \$587,600 to the Board's 2007 operating budget.

Discussion

- A member of the Committee asked for more information about the golf loan and staff explained that the Park Board borrowed \$24.5 million from the City in 1997 to renovate golf courses. The loan has an escalating payment schedule over 10 years, and \$3.8 million is budgeted to be paid in 2007, \$4 million in 2008, and the remainder in 2009.

- Staff described how the annual NNR amount is determined and noted that the Park Board share is set at 37% of the city total, and is reduced to \$296,000 in 2007 from \$370,000 in 2006.

Commissioner Woodcock arrived at this time.

Delegations

Joan Reekie told the Committee that the Board is willfully incompetent because it does not format its financial reports properly or make them available in a timely fashion. She said the Board refuses to allow for any public response to preliminary budgets and there are no links to budgets or financial statements on the website. Without good financial information the Board can't make good financial decisions, and once financial statements are prepared and formatted properly, the patterns and problems will be obvious.

The Committee said the delegation's questions were good and acknowledged staff for working hard to provide proper financial reports. The Committee discussed the allegations. Staff explained that different levels of detail are reported at different times throughout the budget cycle and that there is always a gap between the year-end, the auditor's review, and staff's report back to the Board.

Anita Ho told the Committee that staff have reviewed the proposed 2007 Operating Budget reductions of \$440,800 and \$116,800 and determined that it will be difficult to meet these reductions without impacting services. She said that staff can identify ways to achieve the corporate target of \$116,800 without significant impact, and requested that the Finance Committee ask Council to not set the proposed departmental reduction target of \$440,800 for the Park Board.

Motion

Moved by Commissioner Houghton,

Whereas the Park Board is unable to meet the proposed operating budget reductions without affecting service levels that will impact the overall quality of our parks and facilities and create difficulties for residents and visitors to be active and involved in recreation activities;

Whereas the Board is committed to working with City Council to address the 2007 operating budget challenge;

Therefore be it resolved that:

- A. the Board develop budget initiatives with minimal impact to park and recreation programs to achieve the Board's share of the corporate reduction (\$116,800) as outlined on Appendix 3, Page 42 of the 2007 Operating Budget: Interim Estimates Report; and**

- B. the Board request City Council approve Recommendation B: Park Board Global Budget, without reductions as outlined on Page 51 of Appendix 4 (#38 - \$440,800) of the 2007 Operating Budget: Interim Estimate Report.**

- Carried.

Commissioner Woodcock contrary.

3. 2007 Capital Budget

Piet Rutgers provided the Committee with a status update on Capital Plans for 2006, a preview of 2007 capital project spending, and a summary of capital project closeouts.

2006 Capital Status Update and 2007 Preview

Piet Rutgers presented a summary of open capital projects as at December 31, 2006, and identified several surpluses, deficits, and reallocations. Highlights include:

- Sunset Community Centre – estimated shortfall of \$250,000
- Percy Norman Pool – groundbreaking event on February 23, 2007
- Rinks – new arenas at Trout Lake and Killarney are currently in the design phase
- Concession Rebuilds – currently two design projects are underway, to be followed by Phase 2 of the Concession Strategy
- VanDusen Garden – building renewal is ready to start now with a new project manager
- Park Enhancement Projects – summary of 2006 projects and preview of 2007 projects
- New Brighton Park foreshore – funds from 2000-2002 capital plan will be reallocated
- Jericho Marginal Wharf and Pier public consultation process – design work to continue in 2007
- Stanley Park sewer, water and utilities – lift station at 2nd beach to be installed in 2007
- Air India memorial – outside funding
- Queen Elizabeth Park – estimated shortfall of \$250,000

The draft 2007 Capital Budget is \$69,097,000.

Discussion

- A member of the Committee inquired if the Park Board's #1 Kingsway is included in the summary and preview, and staff explained that Park Board contributions of \$12 million have been transferred to the City and do not appear in the summary.
- A member of the Committee requested additional information about the challenges at Queen Elizabeth Park. Staff explained that there was a combination of different situations that arose during the development of the Celebration Pavilion and the Tai Chi Shelter, including a late start, delays due to the discovery of cracks in the GVRD's reservoir, construction issues, and a series of change orders.

Commissioner Zlotnik left the meeting at this time and Commissioner Houghton chaired the remainder of the meeting.

- Staff clarified that although a surplus of \$11,400 shows for the Kitsilano Community Centre playground, it will be spent on extra work and the remainder will be returned to the Association. Current commitments in the Air India Memorial project are for the architect.
- A member of the Committee requested an update on the leak at the Vancouver Aquatic Centre and staff will report back.

Capital Project Closeouts

Piet Rutgers explained that Park Board staff have reviewed project accounts in the 2000-2002 and 2003-2005 Capital Plans and will close all remaining open projects in the 2000-2002 Capital Plan. In total, \$9.35 million in 50 projects are being closed out. There are two projects from the 2000-2002 Capital Plan that require Council approval because the completed project costs vary from the approved budgets by more than \$50,000 and 15%. These projects are Emery Barnes Park Phase 1, with a shortfall of \$176,000 which will be funded from the Downtown South DCL, and New Brighton Park upgrade, with a surplus of \$136,000 which will be carried forward to the current Capital Plan to complete foreshore development work.

Summary

The Finance Committee received the draft 2007 Capital Budget and the 2007 projects proposed for close out for information.

4. Next Meeting

The meeting was adjourned at 7:00 pm.