

**Minutes of Meeting of the Board of Parks and Recreation
Services & Budgets Committee Meeting
Held at the Vancouver Park Board Office on
Tuesday, September 15, 2009**

ATTENDEES:

Park Board Commissioners
Loretta Woodcock, Chair
Aaron Jasper
Constance Barnes
Raj Hundal

Park Board Staff
Anita Ho Director of Corporate Services
Meg Elliott Senior Business Analyst
Shala Hay Recorder

Commissioner Robertson was absent.

The meeting was called to order at 6:30 pm, with the following Agenda:

1. Approval of Minutes of June 16, 2009
2. Community Meetings
3. Vancouver Services Review
4. Operating Budget Update – August 2009
5. HST Impact

1. Approval of Minutes

The minutes of the meeting of the Services & Budgets Committee held on Tuesday, June 16th, 2009, were adopted as circulated.

The chair requested that the HST Impact and Vancouver Services Review agenda items be brought to the top.

2. HST Impact

Staff provided an overview of the impact of the introduction of the HST in July 2010. Currently, only GST (5%) is charged at Park Board facilities, therefore fees and charges would increase by an additional 7% with the introduction of the HST.

In addition to this, staff received direction from the City to increase fees and charges by 4% for an inflation adjustment, as of January 1st, 2010. Staff sought direction from the Committee regarding the 2010 fees and charges. Based on the direction received from the Committee, staff will prepare a proposed schedule of the 2010 fees and charges for review at the next Services and Budgets Committee Meeting, on October 13th, 2009. A public consultation will then ensue during the period October 14th to November 1st, 2009, the results of which would be brought to the Board with a recommendation on November 2nd, 2009.

Staff raised the concern that, while other park and recreation facilities may pass on the entire 7% from the HST to consumers, the Park Board would be at a competitive disadvantage if fees would be further increased by 4% for inflation. This would reduce the public's ability to afford park and recreation programs and the Board would run the risk of losing customers. It would also be the second consecutive year that the Board has increased fees and charges by a rate above the average inflation. It is estimated that a 4% increase would lead to a reduction of approximately \$2 million in revenue over a full year.

Discussion:

A member of the Committee inquired whether two weeks would be sufficient for the public consultation. Staff informed the Committee that this could be extended if necessary, but sufficient time would be needed to print the 2010 schedules and passes. A series of notifications would be issued to the public explaining the reasons for the increase, as well as, the impact of the HST introduction. Notification would be provided via the Park Board's website, newspapers, mail/email and signage.

A member of the Committee inquired into the possibility of seeking an exemption from the tax increase from the Provincial government. This would also indicate to the public the Park Board's dedication to providing affordable facilities. A campaign was recommended for this initiative.

Commissioner Woodcock requested staff to look into the feasibility of initiating a campaign to seek an exemption from the provincial government, for the tax increase of 7% on Park Board services that would arise with the introduction of the HST in July 2010. It was suggested that staff draft a letter to the British Columbia Recreation and Parks Association (BCRPA) to seek its assistance in gaining the support of Parks and Recreation departments in other municipalities. The other Committee members endorsed these steps.

A Committee member inquired into the implications of not going forward with the entire 4% increase. Staff advised that other measures would have to be found to generate the additional revenue. A Committee member asked what the other municipalities are doing regarding the HST introduction. Staff stated that the other municipalities are looking towards the Park Board for direction. A Committee member inquired into the possibility of implementing the increase and then reviewing its impact in the spring, before July

2010, to determine whether the 4% should be reduced with the HST introduction. Staff informed the Committee that this may not be practical as yearly and seasonal passes would have already been issued.

Commissioner Hundal had to leave the meeting at this time.

The Committee concurred that they would move on to the Vancouver Services Review agenda item before coming to a decision on the fees increase.

3. Vancouver Services Review

Staff informed the Committee that the results of the Vancouver Services Review (VSR) would be the driver of the 2010 operating budget. The City has a \$50 million budget shortfall. Staff explained the Corporate Prioritization exercise (80/20 Core Services Review), which focused on keeping the 80% of the budget that is considered 'core' services and providing justification for the remaining 20% of department budgets, in 5% increments. The Shared Services/ Business Case section of the VSR looked into shared services that are currently being duplicated within City departments. On September 28th, 2009, there will be a Council/Board Workshop where the VSR findings would be discussed. This would provide an opportunity for the Board to raise any concerns and would give an indication of what will be in the October 20th, 2009 Council Report.

A copy of the motion that was approved by the Board on April 6th, 2009, pertaining to Council's use of an external auditor to conduct a comprehensive review, was provided to the Committee (see attachment).

Discussion

A member of the Committee asked what is expected to be the Park Board's portion of the \$50 million shortfall. Staff informed the Committee that there is no way of determining this, as neither the Board nor the General Manager has the findings from the VSR. Staff expressed concern as to whether the VSR team is fully able to understand how the Park Board works, as it is the only City department of its type, where 40% of its budget is generated from revenue. Staff noted that once the Park Board's portion of the shortfall is determined it would be up to the Board to decide how it would be achieved. The Committee was reminded that, in the April 6th, 2009 motion, Council was advised that the Board supported the use of an external auditor to conduct a comprehensive review and had requested that the auditor report directly to the Board on activities that relate to the Board.

A Committee member asked what would be the impact of the Shared Services Review. Staff stated that there would be a need for prioritization of the services that will be centralized. There was a question about whether shared services would reduce the Board's control over these services and what impact would it have on the level of customer service offered.

The Committee concluded, that based on the discussions at the workshop and the contents of the Council report, the implications for the 2010 budget would be determined and measures could be looked into to achieve the required savings.

2. HST Impact

The Committee decided to readdress this item.

Discussion

A member of the Committee suggested that the public consultation process proceed based on a 4% increase in fees and charges, which could be later adjusted based on the results of the consultation. Staff advised that if it is decided to reduce the fees, some other way(s) of compensating for the balance of the \$1.6 million budget reduction would have to be determined. The Committee inquired into whether the City would absorb the shortfall. Staff stated that a request to reduce the required increase was already made to the Finance staff and the past experience has not been very successful. It is the Park Board's responsibility to balance the books and if the savings does not come by way of increased fees some other alternative would have to be sought. Based on the projection, revenue would fall if the fees are increased by the full 4%.

The Committee decided that the fees and charges should be increased by 2%, which is more in line with the Consumer Price Index (CPI). Staff would present a fee schedule at the next Services and Budgets Committee meeting and look into the possibility of obtaining an exemption from the 7% tax increase.

4. Operating Budget Update – August 2009

Staff presented an overview of the operating statement for August 2009. Revenue has increased by \$2 million and expenses have increased by \$0.8 million, in comparison to August 2008. Overall, total net expenses has fallen by \$1.2 million, in comparison to 2008. Significant revenue increases occurred in the area of Recreation Programs which rose by \$1.097 million, and Parking which rose by \$ 0.419 million. Payroll, and Utilities & City Equipment decreased by \$0.6 million and \$1.2 million respectively; while Supplies rose by \$0.6 million, mainly due to costs increase directly related to revenue, and one-time Building & Facility Maintenance costs which occurred earlier in the year in comparison to 2008. Based on the performance up to August 31, 2009, the Board is on track to meet the budget targets. However, staff noted that there are a few large scale activities scheduled for the end of the year which can impact on the budget outcome, such as Bright Nights and Festival of Lights.

5. Community Meetings

Staff reported on the Committee's request to host Services and Budgets Committee meetings in the community and advised that the scheduling of these meetings should allow sufficient notice to be provided to the public. Possible locations should be considered which may include community centres as well as other Park Board facilities. The cost implications should also be taken into consideration.

Discussion:

A member of the Committee stated that this was also discussed at the Planning and Environment Committee meeting where it was decided that the matter should be looked at in detail when developing the 2010 budget in November. A member of the Committee inquired into the average cost of hosting one of these meetings. Staff stated that the average cost is around \$2,500 for a Community Board Meeting, most of which is for audio visual equipment and advertising of the meeting location to the public. While conducting Committee meetings in community facilities may not require audio visual equipment, the meeting locations would need to be advertised and therefore some cost would be incurred.

A Committee member suggested that the decision to re-locate meetings in the community be based on the topics on the agenda. Staff advised that this may be difficult to arrange, as agenda topics are not always decided that long in advance for there to be sufficient notification and coordination. The Committee member stated that this could be overcome by not using community centres in these cases, as it would also require re-organizing the centre's program schedules.

The Committee decided to look into the cost implications of community meetings when the 2010 budget is being developed and to also take into consideration substituting some Community Services and Budgets Committee meetings for Community Board meetings.

The meeting was adjourned at 9:03 pm.

The next Services & Budgets Committee meeting would be on Tuesday October 13th, 2009.

Anita Ho, Director,
Corporate Services

Commissioner Loretta Woodcock,
Chair

Attachment:

MOTION APPROVED AT THE MEETING OF THE BOARD HELD ON
MONDAY, APRIL 06, 2009

- A. THAT the Board approve the proposed 2009 Park Board Global Budget of \$61,386,930 including the \$60,509,780 Basic Budget, \$856,300 for 2009 Added Basic costs and \$20,850 for 2009 New and Non-Recurring costs subject to Council approval on April 7, 2009.**
- B. THAT staff report back to the Services and Budget Committee on the service impact due to staff cuts and review alternative reductions to other areas of operation.**
- C. THAT City Council be advised that the Park Board:**
- 1. supports the intent of City Council's motion to utilize an external auditor to conduct a comprehensive review of the businesses in City Departments and Boards,**
 - 2. will participate in the review and exercise its authorities as per the Vancouver Charter to custody, care and management of parks and recreation by having the external auditor report directly to the Park Board for the activities that relate to the Park Board, and,**
 - 3. request financial support as per the 2009 Interim Budget Estimates Report from the Restructuring Fund to implement any changes approved by Park Board to drive efficiencies as per the Council motion.**