

**Minutes of Meeting of the Board of Parks and Recreation
Services & Budgets Committee Meeting
Held at the Vancouver Park Board Office on
Tuesday, December 8, 2009**

ATTENDEES:

Park Board Commissioners

Aaron Jasper, Vice Chair
Constance Barnes
Ian Robertson
Raj Hundal

Park Board Staff

Anita Ho	Director, Corporate Services
Peter Kuran	Acting General Manager
David Graham	Manager, Supply Management
Hart Nijjar	Recorder

Delegations:

John Coupar, Friends of Bloedel
Tamara Flick-Parker
Raymond Greenwood

The meeting was chaired by Commissioner Jasper.

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

1. Approval of Minutes of September 15, 2009
Approval of Minutes of October 13, 2009
2. 2009/2010 Operating Budget Update
3. Procurement Strategy
4. 2010 Committee Meeting Schedule

1. Approval of Minutes

The minutes of the meeting of the Services and Budgets Committee held on Tuesday, September 15, 2009 were adapted as circulated. The minutes of the meeting held on Tuesday, October 13, 2009 were received for information but can not be adopted as quorum was not met at the October 13th meeting.

2. 2009/2010 Operating Budget Update

Staff presented the Committee with an update on the 2009/2010 Operating Budget. At the end of October 2009, actual revenue totalled approximately \$35.9 million, which

represents an increase of \$1.9 million compared to 2008 numbers. Actual expenditures decreased by \$0.8 million compared to 2008, with net expenditures totalling \$84 million. However, 2009 budget reduction targets were not met due to high supply costs and lower than target savings in labour costs. The projected surplus financial position at the end of October 2009 resulted primarily from higher than expected revenue due to warm and sunny weather in the summer and fall. Staff expressed concern that the 2009 budget savings targets were not met. As the expected savings for 2010 are greater, there is concern about the Board's ability to balance the 2010 budget.

The 2010 Operating Budget will require the Park Board to further reduce expenditures as the Net Operating Budget will be reduced by 7% as compared to 2009. The Net Operating Budget for 2010 will total \$57,109,628.

Some factors that have contributed to the reduction of the 2010 Budget are the City's decision not to provide funding for the New and Non Recurring Budget, transfers of funds to other city departments, and core program review service adjustments. Specifically, the Park Board will transfer \$357,100 to Project 311, and \$190,000 in maintenance costs for the #1 Kingsway building will be transferred to the City's Facility Maintenance department. These two transfers will total \$547,100. A further \$2,791,000 reduction is a result of the core service review stemming from the Vancouver Services Review. Lastly, the Budget will be reduced by \$3.2 million for shared services and process improvement adjustments.

Funding will be added to the 2010 Budget for net new operating costs associated with new or expanded capital additions to the parks and recreation system and other adjustments. For 2010, this budget totals \$1.8 million and includes funding for the new community centre and park in South East False Creek, the Hillcrest facility, and other projects completed part way through 2009. Included in the schedule presented was also a marker of budget re-allocations related to the golf program as part of the 2010 budget.

Discussion

The Committee asked for clarification on budget reductions for sanitation and how that would impact the Park Board services. Staff noted that the sanitation budget for 2010 has been reduced because services will be transferred to other City departments, although details of what specific sanitation services will be transferred have yet to be worked out. However, the Board will be provided with the opportunity to debate, discuss, and hear from the public regarding proposed implementation of any shared services.

The Committee thanked Staff for the report.

The following delegations requested to speak to the Committee:

- John Coupar, Friends of Bloedel
- Tamara Flick-Parker
- John Greenwood

The following is a summary of comments provided by the foregoing delegations

- Many citizens feel disappointed by the Board's decision to close the Bloedel Conservatory, as demonstrated by a petition signed by over 4,000 Vancouverites objecting to the slated closure
- The Conservatory honours the legacy of visionaries of the 1960's and it should be preserved
- It is a horticultural jewel
- Lack of promotion of the Conservatory, Canada Line and other construction projects have hindered visitors from coming to the Conservatory
- Many people support the Farmyard and citizens will watch process of budget approval carefully
- The Park Board can do a better job of promoting the Farmyard
- Some ideas to bolster visitor numbers include:
 - Providing discounts through Tourism Vancouver
 - 2 for 1 tickets to Conservatory and VanDusen
 - Price breaks for tour operators
 - Coffee bar
 - Put up more signage for Farmyard
 - Promote school visits to Farmyard
 - Give more freedom to staff to come up with ways to promote both the Farmyard and the Conservatory

The Committee thanked all delegations for their presentations.

3. Procurement Policy

Staff provided the Committee with an overview of the Supply Chain Shared Services strategy. Proposed changes to the supply chain are a result of the findings of the Vancouver Services Review and aim to realize cost savings.

Currently, the supply chain is composed of three items: procurement, warehouse and logistics, and production. Analysis of the procurement portion is well underway and has created some key proposed changes in policy. Policy changes include increasing spending authority levels, standardization of documents, centralization of the procurement function as a shared service, the creation of a Bid Committee, and increased accountability.

In the procurement program there is an interaction between strategic procurement and transactional procurement. Currently, transactional procurement is highly decentralized, resulting in duplication of services. Proposed changes to the procurement program would see the introduction of strategic procurement and creation of contract plans, both of which would aid in creating a more standardized procurement process. Technological upgrades through the Procure to Pay Project will help identify duplications and improve efficiencies.

The scope of the proposed changes is guided by revisions to the City's Procurement Policy. Key elements include replacement of current policy, embedding of a shared services concept, increased efficiency of the bid process and contract execution process, and sustainability. Category managers will be assigned to overlook implementation of the strategic procurement strategy and tasked with re-engineering processes to save money and drive cost-savings.

The key changes to calling bids will create a more centralized system, ensure consistency, rigour, transparency in evaluation, address legal requirements and standardize documentation. Changes to awarding and executing contracts will see an increase in award limits where staff will be able to award contracts up to a certain amounts based on their designated authority, and the creation of a bid committee.

The Sustainable and Ethical Purchasing Policy will address ethical standards around agricultural products and clothing. A framework has been created and will be implemented in March of 2010.

Implementation of shared services will create standardization, eliminate duplication, improve service levels, result in cost savings and centralize advisory and transactional activities. Risks to be considered include lack of proper resourcing and not meeting department expectations. The proposed changes to the Procurement Policy will go to Council for approval on December 15, 2009 and will be recommended to the Park Board for endorsement.

The Committee thanked staff for their presentation.

Discussion

The Committee asked staff whether Category Managers will be hired internally. Staff replied that the positions will first be posted internally, and if the requirements for the position can not be met, the positions will be posted externally. Staff also clarified that the composition of the Bid Committee is up to the discretion of the Board and all Requests for Proposal that are above a certain monetary amount will have to be approved unanimously by this committee.

The Committee enquired as to when this matter would come to the Board. Staff replied the matter will be put forward for the Board's approval in January of 2010.

4. Committee meeting dates

The Committee determined that it will meet on the third Tuesday of every month at 6:30pm in 2010.

The meeting adjourned at 7:30 pm

Anita Ho, Director,
Corporate Services

Commissioner Aaron Jasper,
Vice Chair