

**Minutes of Meeting of the Board of Parks and Recreation
Services & Budgets Committee Meeting
Held at the Vancouver Park Board Office on
Tuesday, July 19th, 2011**

ATTENDEES: Park Board Commissioners

Loretta Woodcock, Chair
Constance Barnes
Aaron Jasper
Ian Robertson

Park Board Staff

Meg Elliott	Acting Director, Corporate Services
Gordon Barber	Manager, Revenue Services
Ken Maguire	Supervisor, Business Services
Octavio Silva	Manager, Business Development
Kevin Tuerlings	Recorder

Delegations:

- Eleanor Hadley

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

1. Approval of Minutes of May 24, 2011
2. Golf Course Liquor Licensing
3. Café Award - Hillcrest Centre
4. June Financial Statement

1. Approval of Minutes

The minutes of the meeting of the Services and Budgets Committee held on Tuesday, May 24th, 2011 were adopted as circulated.

2. Golf Course Liquor Licensing

Staff presented on the proposed revision to the current liquor license at the three Park Board golf courses: Fraserview, McCleery, and Langara. The current license allows the sale of alcohol in the clubhouse and food service areas only. The proposed expansion of the license will allow players to consume alcohol throughout the course.

The benefits of the new liquor license would improve the overall guest experience and reduce the possibility of fines or suspensions by increasing the liquor license area to the entire course.

During research, staff contacted 8 other golf courses (a combination of private and public, municipal courses from North Vancouver, Richmond, Surrey and Burnaby) and all of them provide alcohol service on the course. The Park Board's move toward on-course alcohol service will allow the Park Board courses to be competitive with other surrounding courses.

Staff is looking to receive feedback from the Committee. If the Committee is supportive, staff would seek approval from the Board in the fall. If approved by the Board, the formal application process to the liquor licensing Board will be made and the implementation of the new liquor license will take place in 2012.

The following delegations requested to speak to the Committee:

- Eleanor Hadley

The following is a summary of the foregoing delegations:

- Opposed to liquor on the public park golf courses. If players want liquor they can go to the private courses.
- Park Board is more concerned with selling liquor than the game of golf.

Discussion

A member of the Committee asked how the other courses in the area serve alcohol on the course. Staff answered some have a mobile cart offering drinks, whereas others serve at the clubhouse and allow the drinks to be taken on the course. The Park Board courses will offer beer, wine, and non-alcoholic beverages.

A member of the Committee asked if the plan was to have a mobile cart selling drinks, or if it was to allow patrons to carry drinks from the clubhouse onto the course. Staff answered it is the latter option, and that there are currently no plans to provide mobile cart or on course service. After implementing the proposed plan, staff can look into offering on-course services in future plans.

A member of the Committee asked if under the current liquor license, if someone were to stash a beer in their bag and have it on the course, would the Park Board be at fault. Staff answered that the fault would primarily fall on the individual. However there could still be a risk to the course's liquor licence and preventing the situation in the first place would be the best case scenario to avoid any possible risk for the Park Board.

A member of the Committee asked if there is an expected drastic increase in revenue with the extension of the liquor license. Staff replied it is estimated the new liquor license will produce up to \$120,000 based on regular play at the three Park Board courses.

A member of the Committee asked if cans of beer can be sold instead of using disposable cups to decrease garbage. Staff answered that beer cans could be recycled rather than

disposable cups being thrown out, but the license may dictate the types of alcohol that could be sold. Currently the Park Board courses only sell draft beer.

A member of the Committee asked why the proposal does not include carts selling beer on the course. Staff replied that the plan at this point is to evaluate the extended liquor license, take the first step, then look at the broader picture and the possibility to include sales carts in the future. The liquor license would allow two drink carts on the course at once: one on the front 9 holes, and one on the back 9 holes.

The Committee approved the current proposal to come to the Board in September. The Committee also directed staff to investigate the costs and feasibility of a beverage kiosk on the course, as well as two mobile drink carts, and to bring it back to the Committee in the fall.

At this point Commissioner Barnes entered the meeting.

3. Café Award - Hillcrest Centre

Staff presented on the planned schedule and operation of the soon to be awarded café at Hillcrest Centre, Vancouver's largest and first fully integrated City-wide recreation facility. The Centre is in its final stages of conversion from an Olympic sport facility and is scheduled to be fully operational in late 2011.

The food service portion of the café will be approximately 600 square feet, with the primary customer service area on the main concourse, and the office/storage area located at ice level. Blue Parrot Coffee, owned by Arkady Draliuk, was the preferred submission during the tender process. The owner currently operates Blue Parrot Coffee on Granville Island, Bean Brothers Café Bistro in Kerrisdale, as well as several mobile services for special events.

The term offered to the operator is 5 years with the opportunity to renew for two additional 5 year terms. The financial offer includes an \$80,000 per year fixed fee, as well as 10% of gross revenues up to \$800,000, or 15% of gross revenues over \$800,000. The initial capital investment expected of the operator stands at \$600,000.

The staff recommendation is that the Committee endorse this proposal and forward it to the Board for review and consideration at its meeting on July 25, 2011.

Discussion

A member of the Committee asked how this would impact food services at the curling rink at Hillcrest. Staff answered they will be independent, as the curling club food service is primarily intended for the curling members.

A member of the Committee asked if additional costs of plumbing and kitchen installations will be provided by Blue Parrot. Staff answered that the common practice in

the industry is that the owner brings the basic services, such as water and electricity, to the site, but equipping the actual service area is the responsibility of the operator.

A member of the Committee asked if Blue Parrot is a Canadian company. Staff replied it is Canadian and it is local. They also use sustainable practices and are committed to green feasibility to reduce their footprint, offer fair trade coffee, and coffee produced with positive business ethics.

A member of the Committee asked if someone were to rent a hall or room in the community centre, would it be mandatory that they use this service. Staff clarified that they would recommend the food services in the facility but that renters would have the option for outside catering.

The Committee recommended that the proposal be presented at the next Board meeting.

At this point Commissioner Jasper left the meeting.

4. June Financial Statement

Staff presented the June financial statement.

The poor weather Vancouver has experienced throughout the spring has greatly impacted revenues, down 4.4% compared to the same time last year, and additionally, expenses are up 3.2% over last year. A notable contribution to the increased expenses is the shift in paying for certain mandatory services earlier in the year, rather than spread out throughout the year in the past.

In June of 2010 less than half the budget had been spent for the year, whereas in June 2011 the Park Board has spent 57% of its budget. Marinas have seen an increase in overall revenue, but revenue is down in golf, concessions, parking, and restaurants. Golf and pitch and putt are expected to earn a net return of \$4 million annually, but so far have incurred \$375,000 in net costs. Recreation revenue is up by 2%, largely contributed by Hillcrest Pool. However, additional costs in recreation are outpacing the increased revenue.

So far the Park Board has earned \$730,000 less than last year across all services, and the budget target for revenue increased over last year as well, which means budgeted revenue is not being met by a large margin. Because of the above factors and the opening of facilities this year, spending is up 3% over last year.

On a positive note there are some areas where there are reduced expenses compared to last year, primarily in golf and concessions. When fewer patrons use these services, there is less need to restock supplies and reduced need for maintenance.

In areas where the Park Board can directly control it's spending, payroll is up by 2% and supplies and services are up by 7%. Changes will need to be made to reduce these

growing numbers. If changes are not made from last year's model, the Park Board may be over the expected budget by \$3 million. If such a loss occurs, the revenue stabilization funds may need to be used, though it will only recover \$1 million.

Discussion:

A member of the Committee asked what the Park Board can do to start alleviating the current expenditure. Staff replied there are a number of options that will impact services but not result in closures, though they may not save enough money to offset the possible \$3 million gap in revenue. Staff would continue to closely monitor expenses and revenues, take action that would not impact services where required and report back to the Committee in September with the results of the August statement.

A member of the Committee asked when the outdoor pool expenses will be known. Staff answered that the numbers for the summer would be available at the end of the summer. Outdoor pools are budgeted to generate almost \$1 million in revenue, though they cost more than that to operate during the time they are open from May to September.

The meeting adjourned at 8:08 pm.

Meg Elliott
Acting Director, Corporate Services

Commissioner Loretta Woodcock
Chair