



# Vancouver Park Board Financial Update Q1 2017

Staff/Board Briefing  
Wednesday, May 31, 2017



The purpose of this briefing is to provide Commissioners with an update on the financial results for the three-month period ending March 31, 2017.

Over the next 60 minutes we will cover:

- Q1 Highlights
- Q1 Performance Metrics
- Q1 Operating Results
- FY17 Operating Forecast
- FY17 Capital Update

# Q1 2017 Highlights



- Winter Storms resulted in unbudgeted spend for snow removal (\$400K) and pavement repairs (\$325K)
  - Council approved an increase of \$550K to the Park Board Operating Budget to assist in covering the unplanned costs; remaining \$175K to be absorbed



- Adverse weather had a significant impact on Q1 operating revenues
  - Championship Golf Courses were closed a total of 118 days (~39/course)



- \$1.2 million of additional funding has been added to the Park Board 2017 Capital Budget to support the renewal of all 5 high priority washrooms – to be completed in 2018



- Major Seawall capital project will be partially delayed to 2018 due to inability to identify a qualified contractor who could meet original time line

# Q1 Performance Metrics



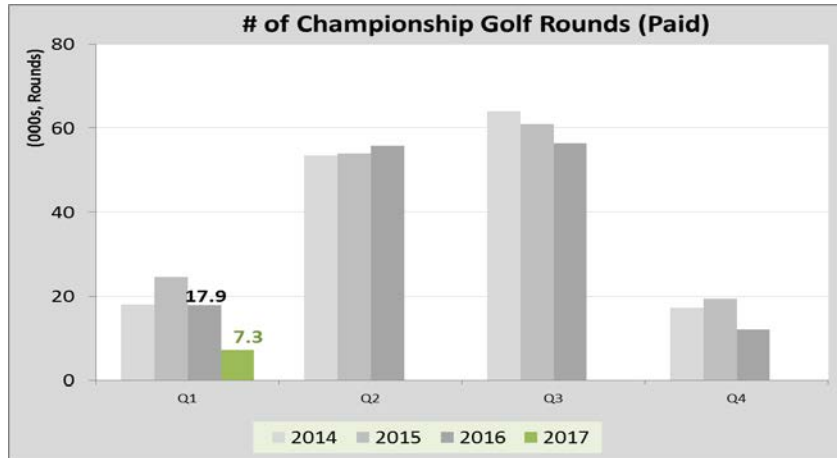
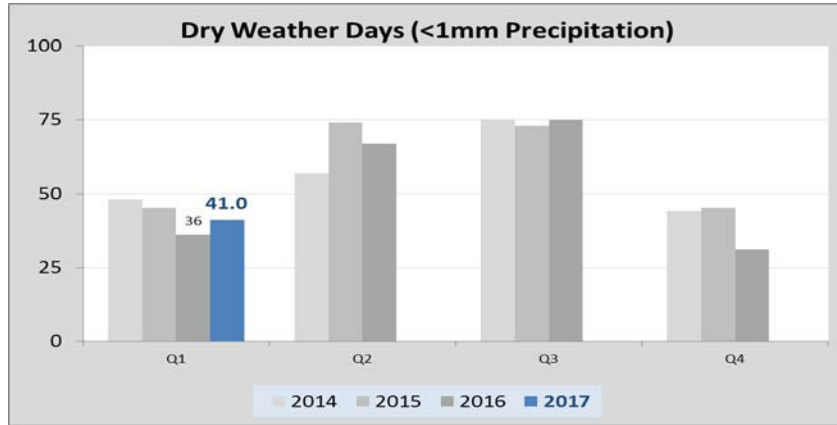


*“If you can't measure it, you can't improve it” – Peter Drucker*

Beginning to foster a culture of performance measurement through:

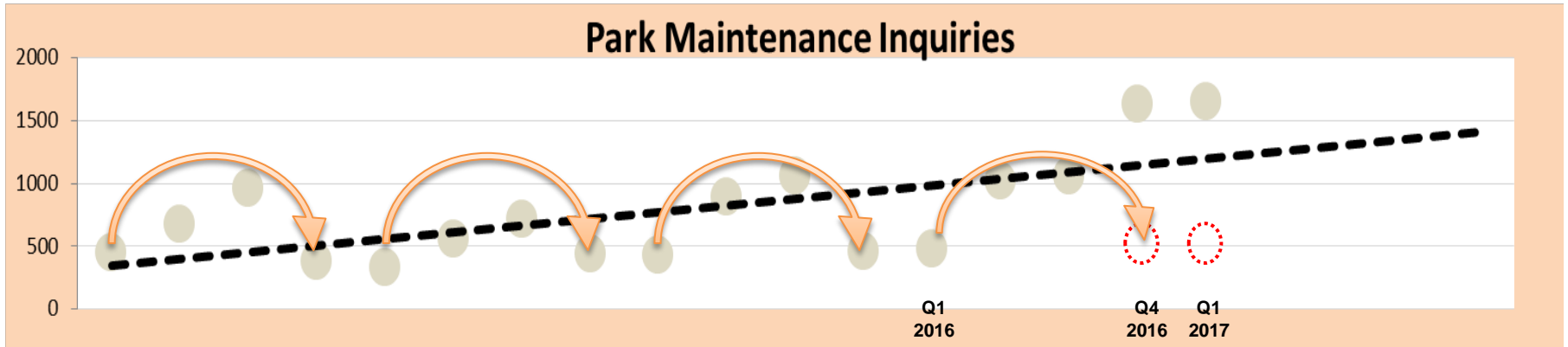
- Quarterly GM Dashboards
- Investment Metrics / Benefits Realization
- Refined Service Plan Metrics

# Performance Metrics – Weather Impacts



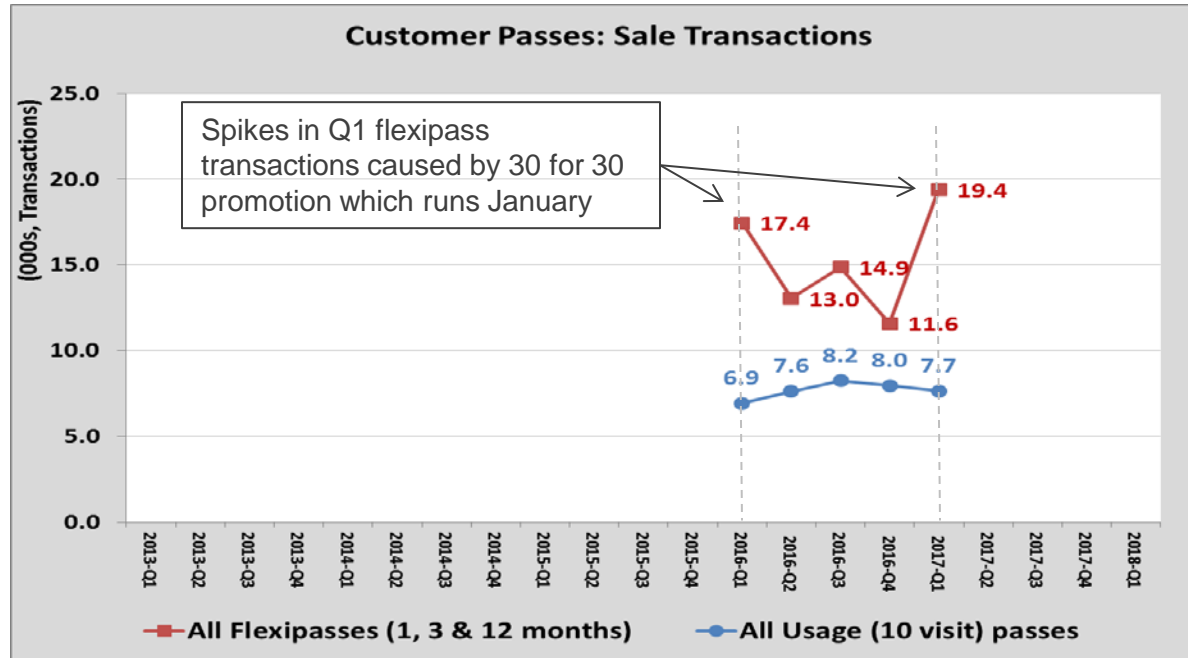
- A number of Park Board commercial revenue sources are impacted by weather – eg. Golf, Concessions, & Attractions
- Despite Q1'17 recording more “dry weather days” than the same quarter in 2016, weather dependent businesses were negatively impacted by the presence of snow, frost cover, and ice from below average temperatures
- Golf Rounds down ~ 10,600





Snow build-up, freezing pathways, and fallen trees contributed to 3x higher than normal inquiries in Q1'17

# Performance Metrics – ActiveNet & Recreation



- Pass sale transactions up 11% over comparable period
- Total Pass Sale transactions estimated at 300/day
- Working on developing forward looking sales forecasts to early identify gaps



# Q1 Financial Results



# Q1 Results – Park Board Overall



	Mar - YTD				Variance by Division					
	Actual	Budget	Var \$	%	Rec	Parks	Comm	Bus Dev	Admin	
<b>Revenues</b>										
Program Fees	6,955	7,709	(754)	-10%	16	3	(800)	28	-	
Parking	1,094	1,005	89	9%	-	-	3	86	-	
Rental, Lease & Other	163	26	137	+/- is >500%	9	9	(2)	127	(7)	
Cost Recoveries & Donations	1,333	1,250	84	7%	(165)	130	43	1	74	
Recoveries - Group 1 (CCA)	545	784	(239)	-30%	(239)	-	-	-	-	
Other Cost Recoveries/Donations	788	465	323	69%	74	130	43	1	74	
<b>Total Revenues</b>	<b>9,546</b>	<b>9,990</b>	<b>(444)</b>	<b>-4%</b>	<b>(140)</b>	<b>143</b>	<b>(757)</b>	<b>242</b>	<b>67</b>	
<b>Expenditures</b>										
Salaries & Benefits	16,678	18,044	1,367	8%	308	995	175	(70)	(42)	
Non-recoverable Salaries & FB	16,132	17,260	1,128	7%	69	995	175	(70)	(42)	
Group 1 (CCA) Salaries & FB	545	784	239	30%	239	-	-	-	-	
Utilities, Building & Equipment	3,737	3,532	(205)	-6%	(299)	171	(26)	(34)	(16)	
Other Direct & Indirect Costs	4,444	4,905	461	9%	16	180	300	6	(40)	
<b>Total Expenditures</b>	<b>24,859</b>	<b>26,482</b>	<b>1,623</b>	<b>6%</b>	<b>24</b>	<b>1,345</b>	<b>449</b>	<b>(98)</b>	<b>(98)</b>	
Debt & Transfers	297	165	(133)	-81%	-	(15)	-	(0)	(118)	
<b>NET SURPLUS / (DEFICIT)</b>	<b>(15,611)</b>	<b>(16,656)</b>	<b>1,046</b>	<b>6%</b>	<b>(116)</b>	<b>1,474</b>	<b>(307)</b>	<b>144</b>	<b>(148)</b>	

- Overall Net Surplus of \$1,046K
- Revenues (\$444K)
  - Program Fees – Mainly Commercial Division; down due to impacts from weather on golf
  - Parking – increase in parking specific to special events
  - Rental, Lease & Other – Up due to higher than planned special events & film
- Expenditures +1,623K
  - Lower spend than budget due to timing of staffing spend mainly in park operations as management are building up a surplus through delayed hires to increase funding available for peak seasons (Summer/Fall)

# Q1 Revenues - Recreation



	Mar - YTD			
	Actual	Budget	Var \$	%
<b>Revenues</b>				
Program Revenue	4,547	4,532	16	0%
Flexipasses	1,366	1,295	71	6%
Usage Passes	422	430	(8)	-2%
Admission	594	702	(108)	-15%
LAP/Discounts/Other	(153)	(172)	20	11%
Aquatics	776	753	23	3%
Arenas	832	902	(70)	-8%
Fitness	139	132	7	5%
Outdoor Sports Facilities	304	257	47	18%
Community Centre Services	269	235	34	14%
Rental, Lease, Other	15	6	9	153%
Cost Recoveries & Donations	799	964	(165)	-17%
CCA Group 1	545	784	(239)	-30%
Other Recoveries	253	179	74	41%
<b>Total Revenues</b>	<b>5,361</b>	<b>5,501</b>	<b>(140)</b>	<b>-3%</b>

- Overall Program fees are **on track** to budget
- Cost recoveries are offset within expenses – no net impact

# Q1 Revenues – Commercial Operations



	Mar - YTD			
	Actual	Budget	Var \$	%
<b>Revenues</b>				
Program Revenue	1,849	2,650	(800)	-30%
Golf Courses	386	860	(474)	-55%
Leases & Admin	567	684	(117)	-17%
Marinas	790	806	(17)	-2%
Concessions	38	115	(77)	-67%
Attractions	42	159	(117)	-74%
Parking	26	26	(0)	0%
Parking Fees	935	932	3	0%
Rental, Lease, Other	3	5	(2)	-42%
Cost Recoveries & Donations	58	15	43	286%
<b>Total Revenues</b>	<b>2,845</b>	<b>3,602</b>	<b>(757)</b>	<b>-21%</b>

Program revenues were **\$800K** lower than budget

- Primarily due to course closures caused by severe weather
- Shortfall in Leases, Concessions, and Attractions are considered to be timing related, and should reverse through busier spring/summer months
- Revenue Stabilization Reserve (~\$3M) available in the event revenue deficit does not reverse

# Q1 Revenues – Business Development



	Mar - YTD			
	Actual	Budget	Var \$	%
<b>Revenues</b>				
Program Revenue	555	528	28	5%
Bloedel Rev Ops	158	105	53	51%
VanDusen Rev Ops	165	241	(76)	-32%
Special Events/Film	170	120	51	42%
Marketing/Corporate Sponsorship	62	62	0	0%
Parking Fees	159	73	86	118%
Rental, Lease, Other	134	7	127	+/- is >500%
Cost Recoveries & Donations	1		1	
<b>Total Revenues</b>	<b>849</b>	<b>607</b>	<b>242</b>	<b>40%</b>

## Revenues ahead of plan \$242K

- Driven primarily by higher volumes of film activity resulting in higher permit revenues, as well as ancillary parking
- Bloedel results were ahead of plan thanks to success of Spring Break programming





# FY17 Operating Forecast

# Full Year 2017 Forecast



	Full Year			
	Forecast	Budget	Var	%
<b>Revenues</b>				
Program Fees	43,846	44,735	(890)	-2%
Parking	7,188	7,188	-	0%
Rental, Lease & Other	200	200	-	0%
Cost Recoveries & Donations	4,840	5,079	(239)	-5%
Recoveries - Group 1 (CCA)	2,826	3,065	(239)	-8%
Other Cost Recoveries/Donations	2,015	2,015	(0)	0%
<b>Total Revenues</b>	<b>56,074</b>	<b>57,202</b>	<b>(1,129)</b>	<b>-2%</b>
<b>Expenditures</b>				
Salaries & Benefits	76,815	77,229	414	1%
Non-recoverable Salaries & FB	73,990	74,165	175	0%
Group 1 (CCA) Salaries & FB	2,826	3,065	239	8%
Utilities, Building & Equipment	14,952	14,952	-	0%
Other Direct & Indirect Costs	24,449	24,358	(91)	0%
<b>Total Expenditures</b>	<b>116,216</b>	<b>116,539</b>	<b>323</b>	<b>0%</b>
Debt & Transfers	2,264	2,264	-	0%
<b>NET SURPLUS / (DEFICIT)</b>	<b>(62,406)</b>	<b>(61,601)</b>	<b>(806)</b>	<b>-1%</b>

Forecasted net deficit of **\$806K**

- Driven primarily by known and anticipated lost revenues resulting from severe weather conditions in Q1, and continued wet weather through Q2
- Partial offset by savings in salaries & benefits resulting from unplanned vacancies and timing of replacements



# FY17 Capital Update



# Capital Budget – Full Year Forecast



	2017 Budget	2017 Forecast	Variance
Parks, Open Spaces and Recreation	\$21,898,053	\$17,102,141	\$4,795,912

- Planned underspend of \$4.8M in 2017 is mainly due to:
  - \$3.3M Stanley Park Seawall Repairs – delayed into 2018
    - Initial tender did not receive sufficient qualifying bids to award work
    - A portion of overall project to be tendered for completion in 2017, with remainder pushed to 2018
  - \$1.0M Smithe and Richards Park – delayed into 2018, full project completion remains on schedule
    - Delays caused by permitting process

# Capital Adjustments & Closeouts



Project	Adjustment \$	Description
Park Board Washroom Improvements	+ \$1,200,000	Increase in funding provided by the City to fund all 5 high priority washrooms
Field House Upgrades	+ \$181,000	Begin to address upgrades to 22 field houses which required code upgrades
Lost Lagoon Study	+ \$50,000	Advances funds forward from 2018 in order to conduct study in 2017 to align with plans for restoring the Lost Lagoon Fountain (see next)
Lost Lagoon Fountain Design	+ \$150,000	Increase in funding to address increase in scope required to “future-proof” the fountain so that it can integrate to the potential reintroduction of a tidal marsh into the Lagoon

