



City of Richmond

Report to Committee

To General Purposes - Sept 18, 2006

To: General Purposes Committee

Date: August 10, 2006

From: Andrew Nazareth
General Manager, Business and Financial Services

File: 01-0370-03-01

Re: Olympic Oval and Olympic business resource allocation
for the 2nd Quarter ended June 30, 2006.

Staff Recommendation

That the report on resource allocation relating to the Olympic Oval and Olympic business for the 2nd Quarter ended June 30, 2006 be received for information.

Andrew Nazareth
General Manager, Business and Financial Services
(4095)

REVIEWED BY TAG	YES <input checked="" type="checkbox"/>
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REVIEWED BY CAO	YES GD <input checked="" type="checkbox"/>
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Staff Report

Origin

At the General Purposes meeting of June 5th, 2006 staff presented a report on staff time and travel expenses related to the Olympic Oval and Oval business. At that meeting the committee adopted the following resolution; "That updated reports on this matter be provided at least quarterly". The following report addresses the referral with expenses pertaining to the 2nd Quarter ended June 30, 2006.

Analysis

Staff Time Calculations relating to the Olympic Oval project

Staff identified time spent on Olympic Oval related projects in four different categories for the 3 month period April to June 30th, 2006.

1. The Oval Project Design & Construction category includes work in the following areas:
 - researching
 - designing the Oval and site
 - constructing the Oval and site
 - project management

2. The Olympic Business & Related Opportunities category includes work in the following Olympic related areas:
 - preparing the City to host the Speed Skating Venue for the 2010 Olympic games
 - legal agreements with Olympic Partners
 - developing the Richmond Olympics Strategic Plan
 - informing the community and stakeholder groups about the progress of the Oval project
 - leveraging the Olympic opportunity
 - hosting meetings, liaising and/or supporting four committees: Spirit of BC, Steering, Stakeholder and Building
 - developing the pre games programming of the Oval

3. Post-Olympics Oval (Community Facility) - Staff time in this category has largely been related to maximizing the potential of post games operations of the Olympic Oval and related economic development for the City and can thus be considered an investment into the future legacy of the project and includes:

- developing the post games programming of the Oval
 - negotiating such items as legacy funding
 - exploring sponsorship opportunities
 - exploring mutual benefit materials and products
 - identifying technology trade-off sponsorship opportunities
 - identifying and attracting tenants to the Oval
 - preparing the Oval Post Games Operating Business Plan
4. The Oval Site Development Category can be considered value added expenses associated with the sale of the lands and will be fully recouped through the sale transaction. It should also be noted that the River Road lands could have been developed independent of the Oval project, as it will generate revenue that the City will use in other areas. Staff work in this category includes:
- preparing the Oval Gateway program
 - preparing the precinct Public Art Plan
 - Negotiating and analysis of the RFP submissions

Each individual staff time allocation to Oval related projects was then totalled and converted into Full Time Equivalent (FTE) positions as outlined:

“...FTE is the amount of time spent or required in an activity or position that is calculated as a percentage of a full time position on an annual basis. A person hired for a 12 month period to work 20 hours/week if a full week is 40 hours of work would be considered to be 0.5 FTE...”

Staff time has been divided into two categories: Regular Staff, and Dedicated Staff. Regular Staff have been working on the Olympic initiatives as part of their normal responsibilities. Dedicated Staff are fully dedicated to the Olympic project and responsible for the City's preparations for hosting the 2010 Olympic Winter Games and post-Games plans.

Equivalent Value of Allocated Staff Time

To estimate the equivalent value of allocated staff time, the FTEs for each category were multiplied by the City's average actual quarterly salary and increased by 30% in recognition of the fact that the staff involved are generally of a more senior level.

Equivalent FTE of Allocated Staff Time

Category	Staff	Quarter 2, 2006
1- Oval Project Design & Construction	Regular	0.94
	Dedicated	3.20
	Sub total	4.14
2- Olympic Business & Related Opportunities	Regular	0.62
	Dedicated	3.50
	Sub total	4.12
3- Post Olympics Oval (Community Facility)	Regular	0.82
	Dedicated	3.03
	Sub total	3.85
4- Oval Site Land Development	Regular	0.25
	Dedicated	0.90
	Sub total	1.15
TOTAL FTE	Regular	2.63
	Dedicated	10.63
		13.26

Equivalent Value of Allocated Staff Time

Category	Staff	Quarter 2, 2006	YTD 2006
1- Oval Project Design & Construction	Regular	\$21,473	\$ 79,954
	Dedicated	\$73,101	\$119,931
	Sub total	\$94,574	\$199,885
2- Olympic Business & Related Opportunities	Regular	\$14,163	\$ 88,178
	Dedicated	\$79,954	\$172,929
	Sub total	\$94,117	\$261,107
3- Post Olympic Oval (Community Facility)	Regular	\$18,732	\$ 50,028
	Dedicated	\$69,217	\$ 78,355
	Sub total	\$87,949	\$128,383
4- Oval Site Land Development	Regular	\$ 5,711	\$33,809
	Dedicated	\$20,560	\$29,697
	Sub total	\$26,271	\$63,506
TOTAL VALUE	Regular	\$60,080	\$251,969
	Dedicated	\$242,832	\$400,912
		\$302,911	\$652,882

Olympic Oval Related Travel Expenses

Olympic Oval related travel has been conducted for various purposes. Objectives for these trips have been to inform, educate and prepare City Council and staff to build an iconic post games multi-purpose facility for sport and wellness, as well as to host and stage a successful Olympic speed skating venue in 2010.

To date, Oval related travel has included due diligence, technical, best practices research, programming, economic development and tourism related trips to different Oval and Sport facilities/venues in Canada, USA, and Europe including the 2006 Olympic Games in Torino, Italy. The latest being representing the City at Speed Skating Canada 2006 AGM.

Travel during the second quarter was mainly conducted to meet with various National Sport Organizations. These trips have given staff the opportunity to present the Oval Layout and plans and to establish valuable contacts within the sport community. These contacts will be a valuable asset as the City continues to prepare the Oval and the City for the 2010 Olympic Winter Games and beyond.

Travel Expenses Relating to The Olympic Oval and Olympic Business

(All expenses are for Travel outside the GVRD)

Expense type	2nd Quarter	YTD 2006
Accommodation	\$6,908	\$64,372
Air Fare	\$8,943	\$49,557
Meals/ Per Diem	\$348	\$15,388
Misc	\$2,556	\$36,513
Total	\$18,755	\$165,830

Financial Impact

Estimated total equivalent value of staff time worked on Oval related projects for the second fiscal quarter of 2006 is \$302,911 and has been covered within existing approved budgets. No new tax impacts arising from staff time allocated to Olympic related work and travel expenses has been incurred to date. Some staff time related to the Olympic Business & Related Opportunities category will be recouped through future revenue streams. The cost of staff time related to land development will be fully recouped through the sale transaction.

Conclusion

The results from the second fiscal quarter report indicates that there has not been any significant increase in staff time and travel expenses related to the Olympic Oval. When comparing the allocated time and effort with some of the important initiatives the equivalent value of staff time

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and travel expenses has been reasonable relative to the magnitude of the project and the return on the investment that the City and community will realize. It should also be noted that this has been done without any impact on property taxes.

A handwritten signature in black ink, appearing to read "Tom Andersson", with a long horizontal line extending to the right.

Tom Andersson
Manager, Finance & Administration
Olympic Business Office
(4194)