



## City of Richmond

## Report to Committee

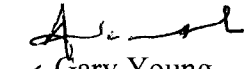
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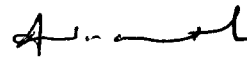
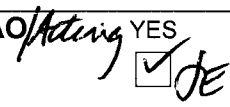
**To:** General Purposes Committee **Date:** January 23, 2007  
**From:** Gary Young **File:**  
Acting Director, Olympic Business Office  
**Re:** **Olympic Oval and Olympic business resource allocation for the 4th Quarter ended December 31, 2006**

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### Staff Recommendation

That the report on resource allocation relating to the Olympic Oval and Olympic business for the 4<sup>th</sup> Quarter ended December 31, 2006 be received for information.

  
Gary Young  
Acting Director, Olympic Business Office  
(4916)

<b>FOR ORIGINATING DEPARTMENT USE ONLY</b>		
<b>CONCURRENCE OF GENERAL MANAGER</b> 		
<b>REVIEWED BY TAG</b>	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
<b>REVIEWED BY CAO/Acting</b>	YES <input checked="" type="checkbox"/> 	NO <input type="checkbox"/>

## **Staff Report**

### **Origin**

At the General Purposes meeting of June 5<sup>th</sup>, 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 expenses pertaining to the 4th Quarter ended December 31, 2006.

### **Analysis**

The initial purpose of this report was to identify staff time and travel expenses associated with the Richmond Oval capital and construction project (Category 1). During the year of 2006 staff took a more comprehensive approach and reported staff time in three additional categories: Olympic Business and Related Opportunities, Post-Olympics Oval, and Oval Site Development (Categories 2-4).

It is important to note that staff time and resource in categories 2-4 are mainly allocated to leverage the Olympic opportunity and ensure future financial returns that will far exceed any of these costs. With the completion of the Oval land sale, work in category 4 will be completed and thus not reported in 2007.

Staff identified time spent on Olympic Oval related projects in four different categories for the 3-month period from October to December 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 on the progress of the Oval project
  - leveraging the Olympic opportunity
  - hosting meetings, liaising and/or supporting committees
  - 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 land 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 totalled and converted into Full Time Equivalent (FTE) positions i.e. "...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 when a full week is 40 hours would be considered to be 0.5 FTE..."

Staff time has been divided into two categories - Regular Staff and Incremental Staff;

1. Regular Staff, that have been working on the Olympic initiatives as part of their normal responsibilities; 2. Incremental Staff, is the staff time that has been added specifically to accommodate Oval and Olympic business projects over and above of normal responsibilities.

#### **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 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 4, 2006 FTE	Quarter 4, 2006 Equivalent Value	YTD 2006 Equivalent Value
1- Oval Project Design & Construction	Regular	1.28	\$29,126	\$123,015
	Incremental	3.90	\$89,092	\$302,683
	<b>Total</b>	<b>5.18</b>	<b>\$118,218</b>	<b>\$425,698</b>

2- Olympic Business & Related Opportunities	Regular	1.70	\$38,858	\$169,297
	Incremental	3.55	\$81,096	\$312,277
	<b>Total</b>	<b>5.25</b>	<b>\$119,954</b>	<b>\$481,574</b>

3- Post Olympics Oval	Regular	0.28	\$6,488	\$76,162
	Incremental	2.85	\$65,105	\$196,687
	<b>Total</b>	<b>3.13</b>	<b>\$71,593</b>	<b>\$272,849</b>

4- Oval Site Land Development	Regular	0.56	\$12,724	\$49,503
	Incremental	0.52	\$11,879	\$57,567
	<b>Total</b>	<b>1.08</b>	<b>\$24,603</b>	<b>\$107,070</b>

***Olympic Business Related Travel Expenses***

Olympic Business related travel has been conducted for various purposes including, technical inspections, best practices research, economic development, business negotiations, etc.

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.

The credit recorded in the 4<sup>th</sup> Quarter accommodation expenses is due to reconciliation of the travel expense accounts and therefore this adjustment is necessary to correct the year to date accommodation expense.

**Travel Expenses Relating to The Olympic Oval and Olympic Business**

(All expenses are for Travel outside the GVRD)

<b>Expense type</b>	<b>4th Quarter</b>	<b>YTD 2006</b>
<b>Accommodation</b>	<b>-\$8,330</b>	<b>\$45,849</b>
<b>Air Fare</b>	<b>\$2,837</b>	<b>\$54,927</b>
<b>Meals/ Per Diem</b>	<b>\$1,438</b>	<b>\$17,517</b>
<b>Misc</b>	<b>\$1,056</b>	<b>\$37,782</b>
<b>Total</b>	<b>-\$2,998</b>	<b>\$156,076</b>

**Financial Impact**

Equivalent value of staff time worked on Oval related projects for the 4th fiscal quarter of 2006 has been covered within existing approved budgets. No new tax impacts arising from staff time allocated to Olympic related work and travel expenses have been incurred to date. Most of staff time related to the categories: Olympic Business & Related Opportunities, Post-Olympics Oval, and Oval Site Development categories will be recouped through future revenue streams.

**Conclusion**

During 2006 staff resources allocated for Olympic Oval and Olympic business has been fairly stable from quarter to quarter. When comparing the allocated time and effort with some of the important initiatives, the equivalent value of staff time 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.



Tom Andersson  
Manager, Finance & Administration Olympic Business Office  
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