



Parks, Recreation & Cultural Services Committee

Date: Tuesday, October 2, 2007
Place: Anderson Room
Richmond City Hall
Present: Councillor Linda Barnes, Chair
Councillor Sue Halsey-Brandt, Vice-Chair
Councillor Cynthia Chen
Councillor Bill McNulty
Councillor Harold Steves
Call to Order: The Chair called the meeting to order at 4:00 p.m.

MINUTES

1. It was moved and seconded
That the minutes of the meeting of the Parks, Recreation and Cultural Services Committee held on Tuesday, July 24, 2007 be adopted as circulated.

CARRIED

NEXT COMMITTEE MEETING DATE

2. Tuesday, October 23, 2007 (tentative date) at 4:00 p.m. in the Anderson Room.
3. **REFERRAL ARISING FROM THE MAY 29, 2007 PARKS, RECREATION AND CULTURAL SERVICES COMMITTEE MEETING REGARDING THE RICHMOND ARENAS COMMUNITY ASSOCIATION'S QUESTIONS ABOUT THE CITY'S ARENA BUDGET**
(Report: June 27, 2007, File No.: 03-1000-10-022, XR 01-0060-20-RACA1) (REDMS No. 2250607, 2251798, 2252423)

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David McBride, Manager, Aquatic and Arena Services and Jerry Chong, Director, Finance were available to answer questions. Discussion ensued among Committee members and staff and the following was noted:

- the City's share of revenue generated by Richmond Arenas Community Association (RACA) is used to subsidize the majority of the arena's operational and maintenance costs;
- approximately 80% of Ice Centre users are local residents. Out of town users are usually Men's Hockey Leagues, who tend to use the facility after hours, resulting in higher rental rates;
- in conformity with generally accepted accounting principles, it is not possible to charge the lease as a capital expenditure;
- Richmond having a higher non prime time rate, and much lower prime time rate compared to most other communities. The lower prime time rate has been intentionally set to maintain access to community arena's sports;
- the process and factors taken into consideration when determining the annual fees payable by RACA to the City; and
- the issue of fairness to RACA by continuing to charge the lease to the City's Arena operating budget. It was noted that Watermania and a portion of Sportstown BC are operated in a similar manner to the Richmond Ice Centre, both having lease charges applied to their operating budget.

Audrey Truth, Secretary of the Executive Committee of RACA, read a letter written by Frank Claassen, President of RACA, in response to the staff report dated June 27, 2007. A copy of Mr. Claassen's letter is attached as Schedule 1, and forms part of these minutes.

Discussion continued about several issues, including the following:

- the feasibility of reducing fees paid to the City by RACA, including a change to the ratio of profits split by the City and RACA (currently a 50% split above the negotiated annual fixed fee);
- accounting issues regarding removal of the operating lease from the City's Arena operating budget, including having the City fully fund future Arena budget increases through additional tax increases;
- lower fees charged to field sport users in comparison to ice sport users;
- according to the most recent financial statement, Stanley's Sports Bar has a profit of approximately \$5000, an increase from the \$20,000 loss in 2006;
- RACA's annual fee to the City is mainly for the purpose of off-setting increases in operating costs such as hydro, which are subsidized by the City;

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- the majority of revenue generated by the Ice Centre is a result of rental fees, public admissions; and registered programs, which are organized by the City's programming staff. RACA is responsible for the revenue generated by food and beverage sales.

It was moved and seconded

That:

- (1) *The lease charge for the Richmond Ice Centre remain in the City's Arena operating budget; and*
- (2) *The annual operating fee which the Richmond Arenas Community Association pays to the City continue to be negotiated annually to ensure that increases to the City's Arena budget can be partially offset.*

The question on the motion was not called, as the request was made that the recommendations be dealt with separately.

The question on Part (1) of the main motion was called, and it was **CARRIED** with Cllrs. McNulty and Steves opposed

The question on Part (2) of the main motion was called, and it was **CARRIED**.

4. **RICHMOND HOSPITAL FOUNDATION STREET BANNER PROPOSAL**

(Report: September 10, 2007, File No.: 11-7200-20-SBAN1/2007-Vol 01) (REDMS No. 2253902)

Lisa Westermarck, Executive Director, Richmond Hospital Foundation, and Suki Badh, Chair of the Board of Trustees, Richmond Hospital Foundation addressed the Committee regarding the banner proposal and fundraising campaign.

Ms. Westermarck noted that this is the largest campaign ever undertaken by the Foundation, and the goal is to raise funds for an MRI machine and facilities at the Richmond Hospital.

She voiced her concern for Richmond residents requiring an MRI, feeling that they do not receive adequate care. Currently all Richmond residents requiring an MRI are either tested in another manner, or sent to Vancouver General Hospital (physicians who send their patients to Vancouver for an MRI only receive results in text format, and an image is not available for the physician to view).

Discussion ensued among Committee members, staff and the delegation about:

- the Foundation's request for 30 banners, the associated costs, and the feasibility of the City assisting with funding for the purchase of the banners;

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- City staff's recommendation to have 20 Richmond Hospital Foundation banners "wrap" the geographical area surrounding the Richmond Hospital;
- the impact that approval of 30 Richmond Hospital Foundation banners could have on the City's Richmond banner incentive;
- the timeline of October 2007 to March 2008 for the Richmond Hospital Foundation Banner program; and
- difficulties in obtaining provincial funding for hospital equipment, which at this time is mainly funded by the hospital. It was also noted that Richmond has not been prioritized for an MRI by the Vancouver Coastal Health Authority.

Mr. Badh noted that without the Richmond Hospital Foundation, the hospital would not have been able to fund the additional operating room, and upgrades to the emergency room. He believed that funding should be provided by the government, however as this is not the case currently, he concluded by requesting the Committee to consider the possibility of funding the banners for this campaign.

Further discussion took place, during which reference was made to the City's current policy for street banner program sponsorship, and the possibility of revising it to allow the City to provide banners for City-supported organizations. Comments were made in support of the City making a direct donation to the Foundation instead of funding the banners.

It was moved and seconded

That the sponsorship of street banners by the Richmond Hospital Foundation be approved for installation on 4 street lighting fixtures along Gilbert Road, between Azure Road and Westminster Highway, and on 6 street lighting fixtures on Westminster Highway, between Gilbert Road and Alderbridge Way, from October 2007 to March 2008.

CARRIED

It was moved and seconded

That staff report back, providing an overview of the current policy regarding the street banner sponsorship program, and outlining options for revising the policy to differentiate between procedures to be used for sponsorship of non-profit organizations and for sponsorship of business / corporate promotion.

CARRIED

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MANAGER'S REPORT

- a. The Chair referred to a letter received from Mr. S. Charnell (On file, City Clerk's Office), commending City staff for the work that has been done at the Watermania facility.
- b. In response to mail received by Council members about the number of logs at Garry Point Park posing a safety hazard, Dave Semple, Director of Parks and Public Works Operations commented that although logs add to the beautification of the park, too many logs may be unsafe, and the writer's concern is being investigated.
- c. Dave McBride reported on the City's newest fitness initiative, the Grade 5 Active Pass. The City is issuing free passes to all grade 5 students for unlimited use of aquatic facilities, Richmond Ice Centre and Minoru Arenas, West Richmond Pitch and Putt, and various drop-in programs at local community centres. The program offers various prizes for the school that registers the most students, and 220 grade 5 students have already signed up.
- d. Kate Sparrow reported on the Facility and Amenity Strategy, one of the factors currently being examined is an advocacy strategy for obtaining provincial and federal funding for Parks, Recreation and Cultural Services facilities. The issue was recently addressed at a Parliamentary forum, and the Canadian Parks and Recreation Association has issued a press release urging the federal government to take the issue very seriously.

ADJOURNMENT

It was moved and seconded
That the meeting adjourn (5:10 p.m.).

CARRIED

Certified a true and correct copy of the Minutes of the meeting of the Parks, Recreation & Cultural Services Committee of the Council of the City of Richmond held on Tuesday, October 2, 2007.

Councillor Linda Barnes
Chair

Shanan Dhaliwal
Committee Clerk

Dear Committee Members,

I am sorry that I couldn't be here to speak on the issues in person.

I have read the staff report and it is obvious that a serious rebuttal has been made to the proposals that the Arena Association put forward. In deliberating on the issues, I want the Committee to know that the proposals put forward were not designed to benefit the Arena Association. The proposals, if adopted, will work slowly to make the costing for various city programs fairer. I know the City is working with organizations in an effort to standardize accounting and reporting. RACA's proposals are consistent with this initiative.

It seems the City's accounting for programs is not consistent. If an asset is funded through an acquisition, then there is no cost to the operating program, if the asset is leased then there is a charge. How can programs ever be comparable when a financing decision impacts the operating budget? Who gets the capital contribution and who gets stuck with the lease? These are not easy issues to resolve. But to users of different facilities, the financing decision the City makes, apparently does make an impact. Our effort is aimed at minimizing the impact of these types of decisions.

Freezing or limiting the growth of the fee that RACA pays the City will allow RACA to pass on the savings to the minor sports groups and make ice and arena sports slightly less expensive than they otherwise would be. We believe that arena users are paying more than their fair share. This proposal is designed to ensure that the City PRCS programs are funded fairly by the City taxpayers. Might the City consider using its resources to ensure that arena programs are affordable and then make up the shortfall in other areas where users pay little, or nothing. There is substantial support in the community for arena programs.

Although, the two issues before you are very specific, I ask that they be viewed in a broader context of fairness. In closing, I leave you with the following observation: The land that the Richmond Ice Centre is situated on is leased and that cost is being charged to the Arenas budget. There is no similar charge in the fields budget for the land at Hugh Boyd on which the soccer and football fields have been built. What is being done to eliminate the accounting inequity?

Thank you for your consideration.

Frank Claassen