



City of Richmond

Report to Committee

To: General Purposes Committee

Date: November 9, 2006

From: Tom Andersson
Manager, Finance & Administration Olympic
Business Office

File:

Re: Olympic Oval and Olympic business resource allocation for the 3rd Quarter
ended September 30, 2006.

Staff Recommendation

That the report on resource allocation relating to the Olympic Oval and Olympic business for the 3rd Quarter ended September 30, 2006 be received for information.

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

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

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 expenses pertaining to the 3rd Quarter ended September 30, 2006.

Analysis

Staff identified time spent on Olympic Oval related projects in four different categories for the 3 month period July to September, 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 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 Dedicated Staff;

1. Regular Staff that have been working on the Olympic initiatives as part of their normal responsibilities; 2. Dedicated Staff that 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 quarterly salary and increased by 30% in recognition of the fact that the staff involved are generally of a more senior level.

FTE of Allocated Staff Time

Category	Staff	Quarter 3, 2006
1- Oval Project Design & Construction	Regular	0.57
	Dedicated	4.15
	Sub total	4.72
2- Olympic Business & Related Opportunities	Regular	1.89
	Dedicated	2.52
	Sub total	4.41
3- Post Olympics Oval	Regular	0.83
	Dedicated	2.33
	Sub total	3.16
4- Oval Site Land Development	Regular	0.16
	Dedicated	0.70
	Sub total	0.86
TOTAL FTE	Regular	3.45
	Dedicated	9.70
		13.15

Equivalent Value of Allocated Staff Time

Category	Staff	Quarter 3, 2006	YTD 2006
1- Oval Project Design & Construction	Regular	\$13,021	\$92,975
	Dedicated	\$94,803	\$214,734
	Sub total	\$107,824	\$307,709
2- Olympic Business & Related Opportunities	Regular	\$43,175	\$131,353
	Dedicated	\$57,567	\$230,496
	Sub total	\$100,742	\$361,849
3- Post Olympic Oval	Regular	\$18,961	\$68,989
	Dedicated	\$53,227	\$131,581
	Sub total	\$72,187	\$200,570
4- Oval Site Land Development	Regular	\$3,655	\$37,464
	Dedicated	\$15,991	\$45,688
	Sub total	\$19,646	\$83,152
TOTAL VALUE	Regular	\$78,812	\$330,781
	Dedicated	\$221,587	\$622,499
		\$300,399	\$953,280

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.

Travel during the third quarter was conducted as a part of normal operations. It is worth noting that the credit recorded in the 3rd Quarter accommodation expenses is due to a security deposit refund from the Torino Olympics for accommodation. The security deposit had been recorded as an expense in a previous period 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)

Expense type	3rd Quarter	YTD 2006
Accommodation	-\$10,193	\$54,179
Air Fare	\$2,533	\$52,090
Meals/ Per Diem	\$691	\$16,079
Misc	\$213	\$36,726
Total	-\$6,756	\$159,074

Financial Impact

Estimated total equivalent value of staff time worked on Oval related projects for the third fiscal quarter of 2006 is \$300,399 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 land sale transaction.

Conclusion

The results from the third fiscal quarter report indicates a slight decrease 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 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.



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