



ISLAND SAVINGS CENTRE COMMISSION SPECIAL MEETING

Monday, February 20, 2012
3:00 pm/ ISC Mesachie Room

AGENDA

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| 11. <u>NEXT MEETING:</u> | |
| - Next Regular Meeting proposed for March 8, 2012 or at the call of the Chair, | |

DISTRIBUTION:

Commission Members:

Mr. A. Siebring
Ms B. Lines
Ms J. Woike
Ms L. Iannidinardo

Mr. L. Duncan
Mr. P. Kent
Mr. T. Duncan

Other Contacts For Commission Information Distribution:

Mr. B. Fraser
Ms G. Giles

Mr. M. Walker
Mr. R. Hutchins

Ms L. Heinio

Staff Contacts for Commission Information Distribution:

Mr. R. Austen, General Manager, Parks, Recreation & Culture, CVRD
Mr. J. Ellis, Manager, Corporate Planning, CVRD
Mr. J. Elzinga, Manager, Island Savings Centre, CVRD
Mr. J. Wakeham, Manager, Facility, Fleet and Transit, CVRD
Ms K. Schrader, Manager, Arts & Culture, CVRD
Mr. M. Kueber, General Manager, Corporate Services, CVRD
Ms S. Moss, Manager, Finance Division, CVRD
Mr. S. Hurcombe, Budget Coordinator, CVRD
Mr. W. Jones, Chief Administrative Officer, CVRD
Mr. T. Ireland, Chief Administrative Officer, City of Duncan
Mr. D. Devana, Chief Administrative Officer, Municipality of North Cowichan
Mr. M. Ruttan, Corporate Officer, Municipality of North Cowichan
Mr. E. Mansueti, Director, Municipality of North Cowichan Parks and Recreation
Ms A. Spalding, Administration & Facility Booking Coordinator, CVRD
Mr. B. Coleman, Operations Coordinator, CVRD

Minutes of the Special Meeting of the Island Savings Centre Commission held in the Centre Board Room, 2687 James Street, Duncan, on Tuesday, February 14, 2012 at 2:30 pm.

PRESENT: L. Iannidinardo, P. Kent, A. Siebring, B. Lines, J. Woike,
L. Duncan, Alternate S. Jackson

ALSO

PRESENT: J. Elzinga, Manager, ISC/ CVRD
K. Schrader, Manager, Arts & Culture CVRD
J. Ellis, Manager, Corporate Planning CVRD
M. Kueber, General Manager, Corporate Services CVRD
S. Moss, Manager, Finance CVRD
S. Hurcombe, Budget Coordinator CVRD
J. Wakeham, Manager, Facility, Fleet & Transit CVRD
B. Coleman, Facility Coordinator, North/Central Cowichan CVRD
J. Lefebure, Mayor, District of North Cowichan
E. Mansueti, Director, North Cowichan Parks & Recreation
A. Spalding, Admin & Facility Booking Coordinator ISC/ CVRD
A. Plunet, Recording Secretary ISC/ CVRD

CALL TO ORDER
2:31 pm

The Island Savings Centre Commission Chair called the meeting to order.

The Agenda was corrected to read Tuesday, February 14, 2012 in the Mesachie Room, with the adoption of February 2, 2012 minutes.

**APPROVAL OF
AGENDA**
12- 08

It was moved and seconded that the agenda be approved with amendments and changes in order as presented.

MOTION CARRIED

**ADOPTION OF
MINUTES**
12-09

It was moved and seconded that the minutes of the February 2, 2012 Island Savings Centre Commission be approved.

MOTION CARRIED

STAFF REPORTS:
SR1

February 8, 2012 Staff Report by Manager J. Elzinga reported on recent changes to Food and Beverage Services at the Island Savings Centre.

Beginning March 1, 2012, facility users will be permitted to bring in their own food and non-alcoholic beverages. The theatre concession will continue to be run by staff, but with more Arts & Culture involvement. The Centre will continue to cater events up to June 30, 2012, after which the ISC will no longer offer catering as a service. After June 30, 2012, the

arena concession will no longer be operated by the Island Savings Centre. A request for proposals for the redevelopment of the arena concession space is expected to be released as of March 1, 2012. A new model of food and beverage services is expected by September 2012.

**UNFINISHED
BUSINESS**
UB1

Manager J. Elzinga recognized J. Ellis for his time spent developing the Sustainable Plan for the Island Savings Centre, and the Corporate Services team for their time spent preparing for the presentation of the ISC Budget 2012.

The Manager presented a Staff Report to discuss the 2012 budget with appendices of a five year consolidated plan; the Staff Report from the Manager of Corporate Planning outlining the Sustainable Plan; and recommended implementation phases over the next 9 years.

The Island Savings Centre Manager reported that in a review of the budget booklet, it was discovered that Island Savings Credit Union sponsorship funds were being used to pay for operating expenses instead of the required capital. Correcting this error would produce a total shortfall of \$69,896.

A February 09, 2012 Staff Report recommended that:

- 1) The capital budget be increased by \$69,896 and the requisition be increased to cover these additional expenditures;
- 2) The current core 2012 budget be amended by the inclusion of the listed supplemental items;
- 3) The 5 year plan for the Island Savings Centre be approved, including the 2012 budget as amended.

It was noted that a fourth recommendation was necessary, as a debt for short term borrowing will expire in August 2012, sooner than expected. The manager recommends that the savings of \$18,471 be transferred to reserve.

Commission members requested that the recommended items be addressed one at a time.

12-10

It was moved and seconded that the Capital Budget be increased by \$69,896 and the requisition be increased to cover these additional expenditures.

MOTION CARRIED

It was noted that within this amended budget:

- A \$56,564 surplus from 2011 was transferred to reserve;
- The increased sponsorship revenue of \$180,393 would be spent on \$15,000 for a photocopier, \$140,000 for theatre speakers and \$31,393 for exit doors;
- The budget is at a 1.29% requisition increase before any of the supplemental items are considered.

The presented supplemental items were considered.

There was discussion that the recommended transfer to reserve could be reduced by the 2011 surplus and noted short term debt retirement savings to approximately \$160,000.

It was moved and seconded to accept the following supplemental items listed in the 2012 Budget: The Assistant Technical Director position; the Lead Hand position; the increase to the Theatre Presenting budget; repair of furniture and fixtures; repair of Multi-Purpose Hall ceiling and Arena ceiling; upgrades to the multi-media switching equipment; and reduction to the reserve fund to approximately \$160,000.

3 votes in favour

4 votes opposed

Motion Defeated

It was stated in the ensuing discussion that the Commission required more information on the supplemental items. Staff were directed to prioritize the supplemental items, submit a breakdown of costs for each item, and the impact and investment these items could translate to the Centre.

The decision was made to postpone acceptance of a motion until costs could be identified by staff.

12-11

It was moved and seconded that staff report back to the Commission with clarification of costs of the items listed in the defeated motion, with priority levels set from staff.

Motion Carried

NEW BUSINESS

NB1

The ISC Manager relayed for information purposes, that School District 79 Board of Education has expressed an interest in meeting with Commission members to discuss a potential Joint Use Agreement with the Island Savings Centre.

QUESTION PERIOD

No questions were received.

**ADJOURNMENT
12-12**

4:12 p.m.

It was moved and seconded that the meeting be adjourned at 4:12 p.m.

MOTION CARRIED

NEXT MEETING

A follow up meeting to discuss the Budget of the Island Savings Centre will be held Monday, February 20, 2012, at 3:00 pm or at the call of the Chair.

Certified Correct:

Chairperson

Secretary

Dated:



STAFF REPORT

ISLAND SAVINGS CENTRE COMMISSION MEETING FEBRUARY 20, 2012

DATE: February 15, 2012
FROM: John Elzinga, Manager
SUBJECT: Budget 2012 revised

Recommendation/Action:

1. To amend the current core 2012 budget by the inclusion of the listed supplemental items.
2. To approve the 5 year plan for the Island Savings Centre, including the 2012 budget as amended.

Relation to the Corporate Strategic Plan:

Develop a long term financial management plan that addresses the lifecycle costs of CVRD assets and maintains adequate capital / operating reserves to strengthen financial stability.

Financial Impact: (Reviewed by Finance Division: SEM)

The financial impact of supplemental items are listed, both in terms of the cost per \$100,000 household, as well as the increase in percentage the supplemental item would have on requisition.

Background:

At the February 14th budget meeting, the core budget was amended by increasing both requisition and capital expenditures by \$69,896. This allowed the expenses of a photocopier, theatre speakers and improvements to exit doors to be paid for by the increased Island Savings Credit Union sponsorship allotment for 2012.

The Commission identified in both the February 2nd and February 14th meeting items that should no longer be considered for inclusion in the 2012 budget. These items are listed below, with the staff noting both impact and next steps with each item.

1. Welcome signage / public art
Impact and next steps: Staff will provide a lower cost "band-aid" fix to the maintenance concerns within the current operating budget. Staff will work with the Cowichan Valley Arts Council on an improved entrance potentially funded by grants.

2. Arena / sports programmer
Impact and next steps: Staff will continue offering less programs than in previous years. Staff will bring the position back for consideration for the 2013 budget.
3. Aquannis Centre renovation
Impact and next steps: Staff will continue to work with North Cowichan and Duncan on a transfer of ownership, and with Vancouver Island University on a potential partnership unless the Commission advises staff that there is a change of direction. There will not be an Island Savings Centre initiative in 2012 to fund any part of the renovation, move the existing conceptual design for the 6000 square feet of unused space to the next step of detailed design, or have a public process to examine long term usage of the Aquannis Centre facility.
4. Cowichan Place signage
Impact and next steps: Staff at Vancouver Island University, Cowichan Aquatic Centre, and Cowichan Secondary School will be advised that at this time the Island Savings Centre and the Cowichan Theatre can not commit to assisting with funding any Cowichan Place signage. Island Savings Centre staff anticipate further defining the look and costs of signage through 2012, and any potential alternate funding sources. If alternate funding is not found, staff will bring this item back for consideration for the 2013 budget.

The Commission identified that the remainder of the supplemental items may be included in the 2012 budget, but would like more information on each individual item. Staff have attempted to provide firmer costs and options as well as more information on each item.

Photos of some of the capital items will be distributed around the table. A tour of the Centre including the capital items is available to the Commission at the call of the Chair.

1. Assistant Technical Director (\$ 71,042)

Advantages:

- Higher skill level than average casual call in
- More consistent service
- Current call in system causes many renter complaints
- Greater ability to bring in larger shows
- Reduction of staff burnout
- Greater ability to keep up with demands on aging facility
- Greater ability to perform preventative maintenance
(current estimates that approximately 550 hours of preventative maintenance are required annually, we're doing about 200)
- Casual call ins not specialized enough to maintain equipment
- Greater ability to assist other areas of the Island Savings Centre
(approximately 100 hours annually is required on systems in the arena, dance studios, halls)

Budget implications:

Will be able to cut casual wage expenses for call ins by **\$9,883**.
Position could start July 1, reducing cost on 2012 budget by half, noting that the full cost of the position would result in an automatic increase for 2013. Savings would be **\$35,321**.

New Total for this Supplemental Item for 2012: **\$25,638**

2. Lead Hand Operations Attendant (\$82,588)

Advantages:

Around the clock supervision
Additional coverage for missed shifts, through vacation or sickness
Greater ability to keep up with demands on aging facility
Assistance for operations coordinator in keeping up with projects
Greater ability to keep up with preventative maintenance

Budget implications:

Will be able to cut casual wage expenses for call-ins by **\$11,424**
Position could start July 1, reducing cost on 2012 budget by half, noting that the full cost of the position would result in an automatic increase for 2013. Savings would be **\$41,294**.

New Total for this Supplemental Item for 2012: **\$29,870**

3. Increase Theatre presenting budget

The Cowichan Theatre is both a rental house and a presenting house, which means that we provide services for renters (both non-profit and commercial), and we buy shows that would not otherwise come to our venue at our own financial risk. This money is used to pay artist guarantees, accommodation costs for performers, travel costs, catering and beverage costs, and any other miscellaneous requirements.

Advantages:

More money to buy shows
More flexibility to provide a variety of shows
Shows can be purchased for cultural benefit, as well as revenue
More money for larger shows
Greater allowance for risk (Manager can purchase a larger show, and allow for the possibility of some loss without automatically incurring a deficit, i.e., act as a contingency)
The Theatre would have greater use
Potential of more spin off benefits to local area (local restaurants, hotels busier on Theatre nights)
Better relationship with agencies, promoters, so that presenting opportunities don't pass by
Currently left out of some provincial and national touring circuits because we have limited ability to negotiate costs.

No Change to Total for this Supplemental Item for 2012: **\$20,000**

4. Furniture and Fixtures

An example of an expense to be funded by this supplemental request – aging fixtures to be replaced by touchless flush valves. A minimum of 39 valves are necessary in the building @ \$375 each, totaling \$14,625. Many other fixture upgrades are necessary, so staff recommends that the total request remains as is.

No Change to Total for this Supplemental Item for 2012: **\$18,607**

5. Multi – purpose hall ceiling / beams

Concerns:

Sound baffling insulation falling on user groups, creating safety concern
Existing media falling onto lights
Perception of poor maintenance standards
10,560 square feet to be covered

Total for this Supplemental Item for 2012: **\$60,000, please see arena ceiling for reasoning of revised amount**

6. Arena ceiling / beams

Concerns:

Fatigued original coatings
Flaking falling to floor, ice, could be safety concern
Corrosion due to humidity levels
Perception of poor maintenance standards
Dark, existing coating absorbs light instead of reflecting
23,000 square feet to be covered

Budget implications:

Staff have re-examined the arena ceiling and multi-purpose hall ceiling projects, and have asked for a quote for the work with significant staff involvement (included in core staff wages), instead of contractor's cost. Further savings occurred when the quote for contractor's portion was less than budgeted. Staff have lessened some contingency on this project. With these factors, staff feel that the total budget for the combined projects could be reduced. With a budget of \$60,000 total for cleaning and the addressing of corrosion, the revised quote of \$40,000 for painting, \$30,000 for the repair of arena acoustical tiles, and \$10,000 for contingency, staff can recommend a reduced total for the two projects.

New Total for this Supplemental Item for 2012: **\$80,000**

7. Multi-media switching project

The multi-media switching hardware is the equipment used to pick the source that is sent to the projector. The source could be satellite, Blu Ray or from computers. Every source requires a monitor, which is part of the hardware package we require.

Advantages:

- Increase size of video distribution
- Replace analog equipment from the 1970s and 80s
- Much of the equipment not compatible with current digital technology (including receivers and projector for Live at the Met series)
- Much of the equipment not compatible with equipment currently provided by renters
- Attempting to achieve compatibility often takes considerable tech time and costs.

No Change to Total for this Supplemental Item for 2012: **\$27,000**

8. Transfer to reserve

Option A: \$234,000 plus \$56,564 from surplus and \$18,471 from short term debt retirement for a total of \$309,035.

Option B: \$158,965 plus \$56,564 from surplus and \$18,471 from short term debt retirement for a total of \$234,000

Revised supplemental list (in priority order)

| | Revised cost | Cost per \$100,000 | Requisition Increase |
|---|------------------|-----------------------|-------------------------|
| 1. Multi-media switching equipment | \$27,000 | \$0.47 | 0.84% |
| 2. Assistant Technical Director | \$25,368 | \$0.44 | 0.79% |
| Lead Hand Operations Attendant | \$29,870 | \$0.52 | 0.93% |
| 3. Multi-purpose hall ceiling | \$60,000 | \$1.05 | 1.86% |
| Arena ceiling | \$80,000 | \$1.56 | 2.50% |
| 4. Repair furniture and fixtures | \$18,607 | \$0.32 | 0.58% |
| Increase theatre presenting | \$20,000 | \$0.35 | 0.62% |
| 5. Transfer to reserve (option B) | \$158,965 | \$2.78 | 4.93% |
| Totals | \$419,810 | \$7.49 | 13.02% |
| Currently included over 2011 | \$41,515 | \$0.73 | 1.29% |
| Grandtotal of requisition increase | \$461,325 | \$8.22 | 14.31% |

Submitted by,

John Elzinga, Manager,
Island Savings Centre.

Kirsten Schrader, Manager,
Arts and Culture,

Brad Coleman,
North / Central Facilities Coordinator

Reviewed by:

Division Manager:

Approved by:

General Manager:
