

Minutes of the Special Budget Meeting of the Island Savings Centre Commission held in the Centre Board Room, 2687 James Street, Duncan, on Thursday, February 24, 2011 at 1:30 pm.

**PRESENT:** Councillors A. Siebring, T. Duncan, D. Haywood, G. Seymour, Director L. Duncan, Alternate Director L. Heinio

**ALSO**

**PRESENT** R. Austen, General Manager, Parks, Recreation & Culture  
M. Kueber, General Manager, Corporate Services  
S. Moss, Manager, Finance Division  
S. Hurcombe, Budget Coordinator  
J. Wakeham, Manager, Facility, Fleet & Transit Division  
J. Elzinga, Manager, ISC  
K. Schrader, Manager, Arts & Culture Division  
B. Coleman, Operations Coordinator  
A. Spalding, Administration & Facility Booking Coordinator  
A. Plunet, Recording Secretary

**CALL TO ORDER** The Island Savings Centre Commission Chair called the meeting to order.

**APPROVAL OF  
AGENDA  
11- 04**

**It was moved and seconded that the agenda be amended with the addition of New Business item:**

**NB2 Tyesha Jones Community Fundraiser**

**And further that the agenda, as amended, be approved.**

**MOTION CARRIED**

**ADOPTION OF  
MINUTES  
11-05**

**It was moved and seconded that the minutes of the February 10, 2011 regular meeting of the Island Savings Centre Commission be approved.**

**MOTION CARRIED**

**UNFINISHED  
BUSINESS**

**UB1  
ISC Budget 2011**

The Arts and Culture Manager and Island Savings Centre Manager presented an updated 2011 Budget Options Report for the Commission as requested:

1. More information on appropriate budgeting for BC Hydro;
2. More specific information on 2010 year-end figures on items significantly under or over budget;

3. Impact of transferring significant funds to reserve;
4. Information on the reserve fund procedures of other Theatres;
5. Line by line figures for the entire Island Savings Centre and Arts and Culture Budget for reference;
6. A revised review of options.

A five year financial plan was also presented.

The Commission was reminded that in the previous two years, the budget included several reductions to service, including:

- A reduction of 12 ½ hours per week of ticket centre reception
- A reduction of 10 hours per week of Theatre crew chief
- An acting program coordinator position cut
- Two programmer positions cut (replaced by part time assistant positions)
- Elimination of a café'
- Reductions in casual staffing for public skating, multi-purpose hall events, and concession.

CVRD Budget Coordinator S. Hurcombe spoke on how BC Hydro's changes to the Billing Structure affects all recreation centres whose hours of operational needs fall within the penalizing time period. As the baseline will change every year, he stated that the actual impact will require annual assessment, and based on the BC Hydro forecasting tools, energy charges will likely increase by 10.2% even with no increase in energy use in 2012.

Significant under and over budgeted figures were discussed. Jr. A ticket sales; Transit Ticket Inventory; Flooring for Genoa Room agreement with SD79; Gas Tax Funded Energy Management Project; and Youth Outreach contribution from other areas were not causes of the deficit as they are holding accounts – revenue typically matches expenditures.

Hydro and fuel show a \$30,000 deficit with no offsetting revenue. Theatre Ticket sales for rentals and sponsored shows showed a combined loss of \$195,872. Food and Beverage had a deficit just over \$81,000.

K. Schrader, Manager of Arts and Culture Division submitted information based on the standard practice of similar sized Theatres to build up their Capital Reserves by contributing to it annually through ticket user fees. She recognized that this user increase has become a necessity in most communities.

Director Duncan requested that staff provide a more distinct Food and Beverage financial line in the combined function reports. Staff will be providing quarterly reports specifically on Food and Beverage.

The impact of transferring significant funds to reserve was discussed. Staff stated that a 1% requisition increase will occur for every \$29,339 of transfer and, as suggested at the February 10 Commission meeting, a 15% increase in requisition would equate to a transfer of \$440,085 into reserves.

General Manager M. Kueber and Director L. Duncan left the meeting at 3:00 pm.

In a combined review of options for the Island Savings Centre and Arts and Culture Divisions, cuts were identified in order to achieve the suggested 2% requisition figure of \$2,992,719. This would not account for accurate estimates of hydro, fuel or garbage collection, and a requisition increase of 5.75% would be necessary for accurate estimates in these accounts.

Highest priority services that had been previously cut in order to meet the proposed 2% requisition increase were identified as a crippling cut to the Arts and Culture Division, and re-introduced for a total requisition increase of 7.15%, or \$3,143,586 if reinstated.

Highest priority Capital items of storm pump and door replacement were reintroduced for a total requisition increase of 8.51%, or \$3,183,586.

Options for transferring into Reserves were discussed:

- 1% of requisition (\$29,339) for a 9.51% increase or \$3,212,925 total
- 2% of requisition (58,678) for a 10.51% increase or \$3,242,264 total.

Staff recommended a \$10.51% requisition increase as outlined.

Alternate Director L. Heinio left the meeting at 3:25 pm.

Discussion ensued on considering the option to increase funding in Capital Reserves on a long term basis, including the rolling over of debt retirement funds into reserves. After a lengthy discussion, the Commission was in agreement to accept a 9.51% requisition increase for the 2011 Island Savings Centre Budget.

11-06

**It was moved and seconded that the Island Savings Centre Commission approve a 9.51% requisition increase for the Island Savings Centre 2011 Budget Year.**

**MOTION CARRIED**

The 2011 – 2015 Financial Expenditure Program was discussed and approved as presented, with the inclusion of the approved 9.51% requisition increase.

- 11-07**                      **It was moved and seconded that the Island Savings Centre Commission approve the 5 year Financial Plan as amended to include the approved 9.51% requisition increase for the Island Savings Centre 2011 Budget Year.**

**MOTION CARRIED**

General Manager R. Austen left the meeting at 3:40 pm.

The Island Savings Centre Manager stated that a public survey would be forthcoming to assist staff with identifying capital priorities based on public approval.

Further discussions took place on the establishment of an increased cost in Ticket User Fees for both community and professional groups, in order to build up Capital Reserves. The Arts and Culture Manager was directed to compare and review procedures taken by other Theatres regarding the use of ticket user fees and return with a report to the Commission, prior to the beginning of the 2011/2012 Theatre season.

- 11-08**                      **It was moved and seconded that the Arts and Culture Division staff prepare a report on Ticket User Fees with options and recommendations, identifying costs to both professional and community groups, and return with a report to the Island Savings Centre Commission.**

**MOTION CARRIED**

**NEW BUSINESS  
NB1**

The ISC Manager shared a verbal request by the Cowichan Valley Arts Council for permission to display above their doorway the name of a local business offering them corporate sponsorship.

The Commission denied the request.

**NB2**

The family of Tyesha Jones will be hosting a community dance at the Island Savings Centre as a fundraising event. The Island Savings Centre has agreed to transfer \$464 of the Centre's Hardship funds to pay for Food and Beverage wages. The Commission discussed that associated costs for rent and supervisory staff wages be waived for this event.

- 11-09**                      **It was moved and seconded to approve that the Facility Rent and Event Supervisor Wages be waived for the Tyesha Jones' fundraising event at the Island Savings Centre at a cost of \$495; and that the transfer of \$465 from the Centre's Hardship Funds be approved to pay for Food and Beverage wages.**

**MOTION CARRIED**

**ADJOURNMENT  
11-10**

**It was moved and seconded that the Special Budget Meeting of the Island Savings Centre Commission adjourn.**

**MOTION CARRIED**

The meeting adjourned at 4:10 pm

The next regular Island Savings Centre Commission Meeting will be held March 24, 2010, at 2:30 pm, or at the call of the Chair.

Certified Correct:

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Dated: