

Date: March 19, 1998

**SUBJECT: 1998/1999 BUDGET MANAGEMENT INITIATIVES**

**RECOMMENDATION:**

- A. THAT the Board approve the attached preliminary Budget Management Initiatives as outlined in Appendix 1 for Council's review and development of taxation plans.**
- B. THAT after Council has established the budget parameters, the Budget Management Initiatives will be reported back to the Board for further consideration and public consultation.**

**DISCUSSIONS**

Based on the preliminary review of the operating budget, it was clear that without expenditure reductions, Council's target of a tax increase in the range of local inflation cannot be achieved.

The following are cost increases beyond inflationary level:

- (1) peak debt charges to fund approved capital programs;
- (2) loss of non-tax revenue;
- (3) an arbitrated settlement for police officers significantly beyond inflation; and
- (4) increases in regional sewer levies.

To confine tax increases within inflationary level, the City Manager requests departments (including Park Board) to submit a two year plan, with an interim estimate of 3% or \$7.0 million dollar expenditures reductions beyond those achieved through normal budget review process for consideration in developing the two year taxation plan.

The attached Appendix 1 outlines the Budget Management Initiatives developed and evaluated by staff and recommended to the Board for submission to Council for preliminary review and development of two year taxation plan.

At this time, it is unknown of the extent of reduction. Before finalization of any initiative, the Board will evaluate carefully these initiatives and consult extensively with all affected parties.

## **JUSTIFICATION**

These initiatives are prepared to meet the City Manager's request and are developed based on objective sets of evaluation criteria.

Prepared by:  
Corporate Services  
Board of Parks and Recreation  
City of Vancouver  
AH Attachment.

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**FOR A COPY OF APPENDIX A  
PLEASE CALL JULIE/BARB  
AT 257-8448**

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