

Date: May 11, 1998

SUBJECT: 1998 BUDGET

## RECOMMENDATION

THAT the Board approve the 1998 Basic, Added Basic Budget, New and Non Recurring Budget and Supplemental Budgets as per Appendix I, II, III and IV.

## BACKGROUND

The 1998 Preliminary Basic and Added Basic Budget has been completed by staff using the normal rules under the global budget methodology as outlined below.

On March 24, 1992, Council adopted the principles of a global budget for the Park Board and approved a funding base for 1992. Under the global budgeting methodology, Council approves the base funding level early in February of each year. The 1992 base took into consideration the basic operating revenues and expenditures that supported the current levels of programming and services offered by the Board. Having established this first global base budget for 1992, the intent was that in subsequent years the Park Board would receive inflationary adjustments consistent with those made available to other departments. For example, the City will continue to provide for the cost of salaries associated with established positions and will adjust the base for the cost of negotiated salary, wage and fringe benefit increases. In addition the Board is entitled to the same inflation rates on other operating costs that are generally provided in the budgeting process. The above process establishes the Basic Budget each year.

- (a) **Basic Budget** - Once the Basic Budget (Preliminary) has been completed as outlined above, a detailed review is undertaken by City Finance and Park Board staffs. This review normally results in a few administrative adjustments with the submission being revised accordingly. This is normally the end of the process, with the budget being submitted to the Board for approval. However, City Council, when reviewing the 1998 preliminary estimates, instructed staff to develop a two year plan for managing budget and tax increases. The Park Board submitted to Council a list of budget reduction proposals totaling \$1,285,916 consisting of a number of revenue generating proposals, efficiency improvement initiatives and service level reductions. In developing the plan for 1998, staff recommended to Council that in Year 1 of the two year plan, no adjustments be made to department and board budgets that would have an impact on encumbered positions or service levels. As a result, a reduction target of \$2.8 million for 1998 was recommended and approved. The Park Board's target share of the figure will be \$149,300. At its regular meeting on April 20, 1998, the Board approved 3 revenue generating and 1 expenditure reduction initiatives totaling \$156,400. These adjustments have been included in the 1998 Base Budget that is being recommended in this report.

In addition, under the new Global Budget arrangement the remainder of the budget is established as follows:

- (b) **Added Basic** - These are primarily new costs associated with new parks and facilities which have been added under the capital construction program. These new operating costs are normally identified as part of the Capital Budget submission and are approved by Council along with the capital programs. Once the project is complete, these will become part of the basic budget.
- (c) **New and Non Recurring Budget** - Funding for new or replacement furniture and equipment is requested separately from the basic budget. This is due to the fact that these expenditures are "one time" costs and, therefore, should not be included in the ongoing basic budget. Under the global budget arrangement, the Park Board will receive a block of funding each year. The Board will then establish its own priorities in allocating this funding to individual NNR projects. The block funding is established after Council has reviewed the preliminary budget and determined the level of total NNR funding for all departments that can be afforded for the year. Once this total is established Parks will receive its historical proportional share. On January 19, 1998, in order to complete projects in a timely manner, the Board has granted early approval to some NNR projects amounting to \$220,000.
- (d) **Supplemental Budget** - These request represent new and/or expanded programs and are increases in present service levels. The main source of funding for the supplemental request under the new Global Budget arrangements are:
  - Relocations of funding from existing programs, and/or
  - Raising of new revenues.

The Board has been fully authorized by Council in both of these areas. Council has delegated unlimited authority to the Board to transfer funds within the global operating budget. Also Council has agreed that the Board will have the option of generating new revenues in order to enhance its service levels. This arrangement includes the sharing of these revenues with 1/3 to City and 2/3 to the Board. In regard to 1998 there appears to be little opportunity for the Board to fund new initiative from new revenues.

## DISCUSSION

### 1. **Basic Budget**

It is under the methodology outlined above that the 1998 Basic Budget was prepared. It represents the 1997 approved basic budget inflated to reflect 1998 dollar equivalents. It also includes the \$156,400 in budget reductions/revenue generations approved by the Board on May 11, 1998.

The inflation rates used are those set by the City for all departments and are as follows:

Salaries	1.0%
Wages	1.0%
Supplies & Services	1.0%
Utilities	1.0%
Equipment Rentals	1.0%
City Vehicle Rental	1.0%
Revenue	1.5%

Appendix I outlines the 1998 basic budget request based on the above. A more detailed breakdown of all expenses and revenues by division and program is included in Appendix I.

The increase in the 1998 Basic Budget over the 1997 approved budget (adjusted for inflation and the budget reduction program) amounts to \$97,500 (as per Appendix I attached). This increase is primarily attributable to the additional funding provided by the City to recognize revenue declines of \$220,000 in ice rinks and concessions, armoured car service rate increase of \$26,800 which are offset by budget reductions of \$149,300.

**2. Added Basic Budget**

As indicated previously the added basic items represent new operating costs associated with the Capital additions to the Parks system. In 1998 this amounts to \$330,000 for items described in Appendix II. These requests have been reviewed with City finance officials and are approved for addition to the basic budget.

**3. New and Non Recurring Budget**

The Corporate Management Team has allocated the total NNR funding for 1998. Based on the Board's historical share, the 1998 level has been established at \$505,000. Staff have reviewed this allocation in relation to the total City NNR funding and are satisfied that the Board has been treated equitably. A summary by Division (including the amount approved in January, 1998) of the 1998 NNR recommendation is as follows:

	<b>1998</b>
	<b><u>RECOMMENDED</u></b>
Administration	\$108,500
Environment and Operations	168,000
Income Operations	89,500
Recreation	139,000

\$505,000

Staff have reviewed the projects originally submitted and prioritized these items within the funding level proposed. Appendix IV attached provides details of all 1998 NNR projects being recommended by staff. A copy of the report and the detailed recommendations have been sent to all Community Associations and other interested parties. They have been advised that the Board will be considering this item on May 25, 1998, at which time they can appear as a delegation if they so wish.

4. **Supplemental Budget** - in the amount of \$168,000. The requests for new and/or expanded services are outlined in Appendix III. As previously indicated, it appears that there is no funding available in 1998 to implement any of these requests.

#### JUSTIFICATION

The Budget submission has been prepared in accordance with established City budget guidelines and total funding requested is within the City's 1998 funding target for the Park Board.

Prepared by:  
Corporate Services Division  
Board of Parks and Recreation  
City of Vancouver  
Attachments.  
AH/lw

#### APPENDIX I

**CITY OF VANCOUVER  
BOARD OF PARKS AND RECREATION  
SUMMARY OF 1998 OPERATING BUDGET**

	(1)	(2)	(3)	(4)	
	1997 ORIGINAL	INFLATED	1998 BASIC	INC <DEC>	
	+ ADDED BASIC -B.R.P.	TO 1998	BUDGET	(3) - (2) = (4)	
	\$	\$	\$	\$ %	
<b>6000'S ADMINISTRATION</b>					
Basic Budget	2,553,300	2,632,600	2,657,192	24,592	
Added Basic*			89,090	89,090	
Total Administration	<u>2,553,300</u>	<u>2,632,600</u>	<u>2,746,282</u>	<u>113,682</u>	4.3
<b>6100'S ENVIRONMENT &amp; OPERATIONS</b>					
Basic Budget	21,413,000 (1)	21,899,700	21,844,700	(55,000)	
Added Basic*			240,910	240,910	
Total Environment & Operations	<u>21,413,000</u>	<u>21,899,700</u>	<u>22,085,610</u>	<u>185,910</u>	0.8
<b>6200'S INCOME OPERATIONS</b>					
Basic Budget	<u>(4,931,500)</u>	<u>(5,043,600)</u>	<u>(5,102,400)</u>	<u>(58,800)</u>	
Total Income Operations	<u>(4,931,500)</u>	<u>(5,043,600)</u>	<u>(5,102,400)</u>	<u>(58,800)</u>	1.2

**6300'S RECREATION**

Basic Budget	<u>17,844,200</u>	<u>17,983,200</u>	<u>18,169,908</u>	<u>186,708</u>	
Total Recreation	<u>17,844,200</u>	<u>17,983,200</u>	<u>18,169,908</u>	<u>186,708</u>	1.0

<b>TOTAL BASIC AND ADDED BASIC</b>	<u><u>36,879,000</u></u>	<u><u>37,471,900</u></u>	<u><u>37,899,400</u></u>	<u><u>427,500</u></u>	1.1
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**SUMMARY**

Basic Budget	36,879,000	37,471,900	37,569,400	97,500	0.3
Added Basic			<u>330,000</u>	<u>330,000</u>	
Total Operating Budget	<u><u>36,879,000</u></u>	<u><u>37,471,900</u></u>	<u><u>37,899,400</u></u>	<u><u>427,500</u></u>	1.1

\* **NOTE: ADDED BASIC IS DISTRIBUTED AND INCLUDED IN BASIC BUDGET AFTER BUDGET APPROVED.**

**(1) NET OF STRIKE SAVING OF  
\$283,000**

**BOARD OF PARKS AND RECREATION  
1998 ADDED BASIC - SUMMARY**

	\$	\$
<b>A. Administration</b>		
1 Telephone	25,340	
2 Two Newwork Support Staff	<u>63,750</u>	
 Total Administration		89,090
 <b>B. Environment &amp; Operations</b>		
1 Maintenance of New Installations	60,400	
2 Street Trees	69,060	
3 Park Landscaping, Irrigation, Lighting & Furniture		
Coopers Park	53,400	
David Lam Extension	24,600	
Harbour Green	28,850	
Montgomery Park Fieldhouse	<u>4,600</u>	
 Total Environment & Operations		240,910
 <b>TOTAL ADDED BASIC</b>		<u><u>330,000</u></u>

**BOARD OF PARKS AND RECREATION  
1998 SUPPLEMENTAL REQUEST - SUMMARY**

	\$	\$
<b>Recreation</b>		
1 Dunbar C.C. - Janitorial Help	7,100	
2 Douglas Park C.C. - Youth Services Project	25,000	
3 West Point Grey C.C. - Added Program Assistant	20,000	
4 Templeton Park Pool - Added Cashiers	10,100	
5 Mount Pleasant C.C. - Cashiers	8,000	
6 Mount Pleasant C.C. - Youth Worker	15,000	
7 Mount Pleasant C.C. - Janitorial Help	3,700	
8 Kensington C.C. - Increased auxiliary Janitorial Appropriation	16,000	
9 Riley Park Community Centre-Main Office Support Staff	12,000	
10 Riley Park Community Centre-Weekend Maintenance Staff	13,600	
11 Renfrew Park C.C. - Funding For Youth	25,000	
12 Kerrisdale C.C. - Youth Development Worker	12,500	
<b>TOTAL SUPPLEMENTAL REQUESTS</b>		<b>168,000</b>

APPENDIX IV

**CITY OF VANCOUVER  
BOARD OF PARKS AND RECREATION  
1998 ANNUAL OPERATING BUDGET  
N.N.R. REQUEST**

<b>DIVISION</b>	<b>\$</b>
ADMINISTRATION	108,500
ENVIRONMENT & OPERATIONS	168,000
INCOME OPERATIONS	89,500
RECREATION	139,000
<b>TOTAL</b>	<b>505,000</b>

## 1998 OPERATING BUDGET

NNR  
(DETAIL)

Department/Division		Corporate Services	Agency #	6	0
ORGN CODE (1)	ASSIGN PRIORITY (2)	Provide Details & Justifications for Items Requested DESCRIPTION & JUSTIFICATION (3)			Cost \$ (4)
6050-800	1	<b><u>Office Equipment - Furniture</u></b>  This is an annual submission to allow for the replacement and updating of equipment and furniture for all divisions located with the Park Board's main office.			6,400
6050-815	1	<b><u>Vancouver Aquatic Centre - Alarm System</u></b>  This request is for the installation of a security monitoring system to protect the assets when the facility is closed or is operating after regular hours. The system will provide some protection to new computer systems that are being installed. If possible, the system will also provide an internal emergency alarm for use during operating hours for the protection of patrons and staff.			9,500
6050-816	1	<b><u>Point of Sale Counter Modifications</u></b>  To cover the cost of Facility Development staff to design counter modifications for community centres implementing the new Point of Sale System. Note that this covers the design work only-the actual construction costs will vary and will be up to individual facilities to fund.  Cost is \$500 per centre- 8 centres expected to implement in 1998 (8 more in 1999).			4,000
6050-805	1	<b><u>Laptops for I/T Staff (1)</u></b>  The Network Support Specialist (Eddie Shiu) and one Systems Analyst (Leslie Conde-Mathot) provide significant amount of service at our remote sites. The service could be provided more efficiently if they had laptop computers that would enable them to take their files and programs with them.			5,000
6050-831	1 APPROVED	<b><u>Consultant's Fees for Recruitment of General Manager</u></b>  Consultant's fees and expenses for recruitment of General Manager. Payment will be made by 3 instalments and commenced in early 1998.			60,000
6050-817	1	<b><u>Cellular Back up for Park Board Alarm Systems</u></b>  To install cellular backup units for alarm systems in the remaining forty eight Park Board locations. This would be completed over a four year period and will include the Park Board locations in the high risk areas during the first year. The cellular backup units will provide our facilities with a continuous connection to our alarm monitoring company, even if phone lines are cut, or phone system is malfunctioning in any way  An estimate for all forty eight locations is \$60,400.00. Twelve sites will be implemented in 1998, and twelve each in 1999, 2000 and 2001 until all forty eight are completed.			15,100
6050-818		<b><u>Counseling Service of Outplaced Staff</u></b>			8,500
<b>TOTAL NNR'S FOR CORPORATE SERVICES</b>					<b><u>108,500</u></b>

## 1998 OPERATING BUDGET

NNR  
(DETAIL)

Department/Division		Environment & Operations	Agency #	6	0
ORGN CODE (1)	ASSIGN PRIORITY (2)	Provide Details & Justifications for Items Requested DESCRIPTION & JUSTIFICATION (3)			
6100-821	1 APPROVED	<b><u>Service Yard Reconstruction</u></b> Lease of temporary office trailers during Service Yard reconstruction. Demolition of existing building will happen early in 1998 - office, washroom and lunchroom required for staff.			15,000
6100-822	1 APPROVED	<b><u>Portable Picnic Tables</u></b> Portable picnic tables - parks throughout the system - approximately 50% of requests for tables to be acquired prior to our picnic season being in full swing.			10,000
6100-823	1 APPROVED	<b><u>VanDusen Gardens Roof Deck Covering</u></b> Roof deck covering - VanDusen Gardens share of cost from Sprinklers Restaurant will not be forthcoming.			12,000
6100-824	1 APPROVED	<b><u>VanDusen Gardens New Garden Access Doors</u></b> VanDusen Gardens - new garden access doors, cash desk and new gift shop entrance. Work needs to be done in January/February to minimize impact on Gift Shop and admissions revenue.			40,000
6100-825	1 APPROVED	<b><u>Bloedel Conservatory - Relocation of Gift Shop Front Counter</u></b> Bloedel Conservatory - relocation of the Gift Shop front counter - work needs to be done in January/February to minimize impact on visitors and level of revenue.			10,000
6100-820	1	<b><u>Stanley Park - Drainage System Upgrade</u></b> The northwest and western hydrologic zones of Stanley Park and associated drainage systems both natural and man-made.  The current drain system of open ditches, pipes, roads and natural run-off in the west and northwest (cliff) area of Stanley Park is dumping large amounts of water into the forest floor. Moving deeply through the forest loam, this water ultimately flows over the cliffs and slopes to the seawall drains below.  This uncontrolled run-off is creating a multitude of problems, the most dramatic of which are the landslides. These slides are steadily eroding the cliffs back, toppling large trees and placing the public at risk. Even trees deeper in the forest have been falling due to undermining and softened soil caused by undirected rain water. During winter, the cliff run-off greatly exacerbates the seawall icing problem and leads to much spalling of the cliff face, necessitating an annual spring scaling program costing twenty to thirty thousand dollars.  <b><u>Stanley Park - Drainage System Upgrade</u></b>  Early studies of this area have shown that the bulk of the water can be directed to three fully controlled discharge sites; two at the Third Beach and one approximately one thousand yards west of Prospect Point. The Third Beach sites can be established over a short time with steady road/ditch drainage upgrades. The Prospect Point site, however, needs immediate attention.			45,000

## 1998 OPERATING BUDGET

NNR  
(DETAIL)

Department/Division		Environment & Operations	Agency #	6	0
ORGN CODE (1)	ASSIGN PRIORITY (2)	Provide Details & Justifications for Items Requested DESCRIPTION & JUSTIFICATION (3)			
6100-842	1	<p>The northwest cliff area presents greater control difficulties because of the terrain's steepness, hardness and topography. Since no trail route with a steady fall can be exploited here, it is proposed that this zone's water be channeled to the most recent slide area where the park is already bare of trees and soil. At this place a natural drain water point of concentration exists which will be utilized as an attractive and functional waterfall feature at the base of which will be a hidden outlet structure to drain the water under the seawall through a grided 24 inch culvert.</p> <p>The benefits of regaining control of the park's run-off water will be immediately apparent. Winter icing dangers and damage on the seawall will be significantly reduced by minimizing cliff face run-off. Of greatest importance, however, will be the elimination of tree loss and park erosion due to uncontrolled groundwater movement.</p> <p><b><u>Bloedel Conservatory - Souvenir Cart</u></b></p> <p>To increase sales by being more visible a mobile store (one cart) for souvenirs outside the Conservatory with low priced items. Communications with visitors will also be improved this way, and the cart will encourage (draw) visitors into the Conservatory.</p>			6,000
6100-841	1	<p><b><u>Cathedral Square - Roof Modification</u></b></p> <p>Removal of acrylic roof panels to discourage the use of this area for drug and sex trade activities.</p>			30,000
<b>TOTAL ENVIRONMENT &amp; OPERATIONS</b>				168,000	

## 1998 OPERATING BUDGET

NNR  
(DETAIL)

Department/Division		Environment & Operations	Agency #	6	0
ORGN CODE (1)	ASSIGN PRIORITY Y (2)	Provide Details & Justifications for Items Requested DESCRIPTION & JUSTIFICATION (3)	Cost \$ (4)		
6200-819	1	<p><b><u>Golf Cart For Disabled Golfers</u></b></p> <p>A program to rent specially equipped golf carts to disabled golfers already exists in Langara (1 cart) and McCleery (1 cart). One similar cart is required for the newly redeveloped Fraserview Course, scheduled to open in July 1, 1998. Cart cost is 6,200. (Shared between Income Operations (50%) and Recreation (50%).</p>	3,100		
6200-820	1	<p><b><u>Catering Equipment and Security Equipment Upgrade - Clubhouses</u></b></p> <p>Miscellaneous equipment to upgrade catering capabilities of the Langara Clubhouse, and to upgrade the security system. Langara needs to increase food and beverage sales to generate profitability. One area being aggressively pursued is catering to golfers as well as non golfers. Additional equipment is required to reduce costly rentals and to provide a good standard of service. Some of this equipment will also be shared with the other two clubhouses as required.</p> <p>The three clubhouses are operated by one manager. The selected office for this function is at Langara. We require one computer and modem to be located at Langara, to assist with all the clerical work related to functions and general management of the facilities as well as menu cost calculations and E-Mail communication (\$3,650.).</p> <p>Present security system does not provide enough security codes. Staff have to share codes (\$1,500.).</p>	13,400		
6200-827 6200-828	1	<p><b><u>Renovations of Stanley Park Pitch and Putt and Minor renovation of Rupert Park Pitch and Putt</u></b></p> <p>Stanley Park Pitch and Putt is patronized by local residents as well as National and International tourists. The kiosk has not been redeveloped since the 1950' s. This high profile location will also sell a limited range of souvenirs in the future to enhance revenues. An interior design firm has already been engaged to prepare plans for the renovations of St. Park P.P., Queen Elizabeth P.P. and a minor upgrade for the sale of merchandise in Rupert P.P.. We request funds for the renovations of St. Park P.P. (15,000.) and Rupert P.P. (5,000.).</p>	20,000		
6200-823	1 APPROVED	<p><b><u>Burrard Marina Asphalt Resurfacing</u></b></p> <p>Creation of 6 additional boat storage spaces will result in approx. 5,000. of additional annual revenue. The cost of additional asphalt is 10,000. , resulting in a 2 year pay back period.</p>	10,000		
6200-822	1 APPROVED	<p><b><u>Major Painting</u></b></p> <p>To cover the cost of requiring and painting the interior and exterior of the following units as required:</p> <p>Concessions Warehouse Popcorn Wagon</p>	15,000		

## 1998 OPERATING BUDGET

NNR  
(DETAIL)

Department/Division		Environment & Operations	Agency #	6	0
ORGN CODE (1)	ASSIGN PRIORIT Y (2)	Provide Details & Justifications for Items Requested DESCRIPTION & JUSTIFICATION (3)			Cost \$ (4)
6200-824	1 APPROVED	<p><b><u>Security Alarms - Concessions</u></b></p> <p>Security requirements have greatly increased in the last two years. Replacement of old, non-monitored systems is required, as well as, additional panic buttons for staff working alone.</p> <p>To be installed in the following concessions:</p> <p>Children's Farmyard English Bay Kits Pavilion Westbank</p>			5,000
6200-821	1 APPROVED	<p><b><u>English Bay Redevelopment</u></b></p> <p>This concession has undergone an exterior face lift in 1997. Design work for the serving counters has started and the renovations will be finished in March 1998. Old equipment needs to be replaced to enable completion of this project, and to enhance the level of service that this renovation will provide.</p> <p>In order to extend the operational season so as to increase revenues and provide a better service (especially in early Spring and Late Fall) we require that space heaters be installed. At present it is too cold for operators to work, and water has to be shut off in the winter. This improvement will also ensure that the materials used in the interior facelift will not deteriorate with dampness (\$8,000.).</p>			18,000
6200-826	1	<p><b><u>Signage</u></b></p> <p>New directional concession signage for Second Beach and Lumberman's Arch will help generate increased revenues.</p> <p>These signs will be professionally designed and constructed to enhance the food services image in Stanley Park.</p>			5,000
<b>TOTAL INCOME OPERATIONS</b>					<b><u>89,500</u></b>

## 1998 OPERATING BUDGET

NNR  
(DETAIL)

Department/Division		Recreation	Agency #	6	0
ORGN CODE (1)	ASSIGN PRIORIT Y (2)	Provide Details & Justifications for Items Requested DESCRIPTION & JUSTIFICATION (3)			Cost \$ (4)
6300-820 6300-827	1	<b>Community Centre - Flooring - Ceiling</b>			<b>\$30,000 \$40,000</b>
		Both amounts are set aside for community centres to replaced badly worned floors and ceilings containing hazardous material (asbestos) in order to prevent tripping and maintain a safe environment.			
6300-822	1	<b><u>Douglas Park C. C. - Double Fire Exit Doors</u></b>			<b>\$4,000</b>
		The double fire exit doors to the gym on the west side are in poor working condition. The doors are warped and will not close properly. The internal parts of the panic bar require regular repair and a gap between the doors prevents the doors from being properly secured against break-ins.			
6300-829	1	<b><u>Fitness Equipment Replacement Plan</u></b>			<b>\$40,000</b>
		This program allows the Board to replace fitness centre equipment as it wears out or becomes obsolete.			
6300-821	1 APPROVED	<b><u>Beaches - Emergency Equipment Replacement</u></b> [deferred from 1996]			<b>\$25,000</b>
		This request is to continue an emergency equipment replacement program. The current inventory includes 30 rowboats, some deemed to be a workplace hazard due to the weight of the boats, as well as other emergency craft. Many are aging and in poor condition, regularly requiring expensive maintenance. As well as the radio system is also aging and requires additional units.			
		<b>TOTAL RECREATION</b>			<b>\$139,000</b>