



Date March 30, 2001

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
SUBJECT: 2001 OPERATING BUDGET REDUCTIONS

RECOMMENDATION

THAT the Board approve the budget initiative outlined in this report to meet a budget reduction target allocated by City Council in response to its approval of the Park Board Global Budget of \$44,698,700, including \$672,900 for new or expanded facilities and a \$330,000 reduction target.

BACKGROUND

The City Council, when reviewing the 2001 budget requirements, was advised that due to the following cost increases, Council's target of a tax increase in the range of local inflation cannot be achieved without reductions. The cost increases are:

- 1) Salary and benefits cost increases in excess of 2.5%
- 2) Non-salary cost increases above inflation, especially in natural gas.
- 3) New programs and services such as enhanced occupational health and safety program, new parks and expanded recreation facilities.

To confine tax increases within an inflationary level of 2.75%, the City Council has approved:

- (1) the Park Board Global Budget of \$45,028,700 including the following adjustments

2000 Global Budget		\$41,723,400
Adjustments:		
Salary and fringe benefits	\$1,000,600	
New programs and services	672,900	
Non-labour costs	1,631,800	<u>3,305,300</u>
2001 Global Budget		<u>\$45,028,700</u>

- (2) budget reduction target of \$330,000 to the 2001 Park Board Global Budget along with budget adjustments that can be implemented without significant impact on services to other City departments.

DISCUSSION

To minimize impacts on existing positions or service levels, staff recommend the following initiatives:

(1) Increase parking rates - \$180,000

Pay Parking Increases for Stanley Park - 2001

Pay parking was introduced into Stanley Park in 1991, and has been in effect throughout the Park since 1994. The last change in rates was in **1997** when summer fees were increased from \$1.00/2 hours to **\$1.00/hour** and from \$3.00 to **\$5.00 maximum all day**. Winter fees remained unchanged in order to take into account the off-peak period and the fact that it is mainly local residents who use the park during this season.

1. Proposed Increase

Several scenarios were considered to raise revenues to meet the budget target. The recommended parking fee change is to **\$1.00/ 45 minutes** and **\$4.00 maximum all day** during the summer months of **April to September**. This will increase the short term rate by 25% and reduce the daily rate by 20%.

2. Ticket Dispensers

Although the new ticket dispensers are capable of giving change, any price which is not rounded to the nearest dollar would quickly deplete the stock of coin available as change. The machines would then no longer be able to give change, and visitors who did not have exact change would effectively be overcharged for parking.

While all of the pay stations now take credit cards, experience since they were installed in December indicates that less than 20% of parking is currently being paid for by credit card.

3. Reduced Daily Rate

The \$4.00 reduced daily rate (after 3 hours) encourages visitors to stay longer in Stanley Park and enjoy the many attractions and services it has to offer.

4. Passes for Regular Users

Currently there are three different parking passes available for Stanley Park:

- **monthly pass** (\$25.00/month from April - September, \$15.00/month from October - March). This pass is available only to staff of businesses operating in the Park.

- **season pass** (\$150.00, valid April 1 - Sept 30). This pass was introduced three years ago, primarily for the benefit of the regular park user groups.

- **annual pass** (\$200.00). This pass is available for year round park users.

5. Increased Revenues to the Board

The rate changes would be implemented on **May 1**. The estimated additional revenues to the Board from these parking rate increases for the five month period when the increased rates will be in effect in 2001 (May - September), are **\$180,000**.

6. Other Parking Rate Increases in 2001

As part of the annual fees & charges review, the Board approved the following major increases, effective January 2001

Sunset Beach - increased from \$1.00/2 hours, maximum \$3/day to \$1.00/hour, no maximum (the same as the two English Bay loops)

Kitsilano Beach and Queen Elizabeth Park - summer rates (May - September) increased from \$1.00/2 hours, maximum \$3.00/day to \$1.00/hour, maximum \$5.00/day. Winter rates remained unchanged at \$1.00/2 hours, maximum \$3.00/day

Attached is a complete schedule of the current rates for all Park Board pay parking facilities.

(2)Reduction of non-labour costs - \$150,000

The non-labour budget is \$19,767,994 and is comprised of supplies, contracted services, utilities, equipment charges and other miscellaneous expenditures. The proposed reduction of \$150,000 represents 0.75% of this budget, which provides considerable flexibility to staff in allocating the reduction or in managing the budget effectively.

SUMMARY

The global budget of \$44,698,700 including \$330,000 of reduction target represents 7.13% increase over the 2000 budget. The proposed reduction initiatives bear minimal impacts to services provided directly to the public.

Prepared by:
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