



Date May 28, 2002

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
SUBJECT: 2002 New and Non-Recurring (NNR) Budget

RECOMMENDATION

That the Board approves the 2002 New and Non-Recurring (NNR) Budget in the amount of \$600,000 as outlined in Appendix 1.

BACKGROUND

Funding for New and Non-Recurring (NNR) Budget such as replacement of equipment or building maintenance 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 City Council has reviewed the preliminary budget and determined the level of total NNR funding for all departments that can be afforded for the year.

The 2002 Operating Budget of \$46,962,800 including \$466,000 for Added Basic was approved by the Board on May 6, 2002. The remaining 2002 budget item for the Board approval is the NNRs.

DISCUSSION

The City has now allocated the total NNR funding for 2002 (\$1.6 million). Based on the Board’s historical share, the Park Board 2002 level has been established at \$600,000. This compares to the \$660,000 (due to the City Council’s decision to reduce NNR funding by \$200,000) that we received in 2001 and \$580,000 in 2000. Staff have reviewed this allocation in relation to the total City NNR funding and are satisfied that the Board has been treated equitably.

In establishing the recommendation, staff have applied the following general principles :

- higher priority on funding health and safety issues,
- higher priority on dealing with building maintenance issues,
- priority on funding requests that improve operational efficiency; and
- priority on equipment replacement.

Appendix 1 provides details of all the 2002 NNR projects being recommended by staff.

Due to the exceptional cold and wet weather in the Spring, the revenue generated from the Board's income operations have been lower than budgeted. If the decline in revenue continues, the Board is anticipating a budget deficit at end of the year. Staff have been working on plans to rectify the situation and recommend that NNR expenditures will not be made until the financial deficit of the Board is rectified.

SUMMARY

The allocation of the Park Board's share of the total NNR funding for the City is equitable and represents our historical proportionate share (37% of total City NNR budgets) as agreed to under the Global Budget arrangements.

Prepared by:

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Board of Parks & Recreation
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