



Date: March 22, 2005

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
SUBJECT: 2005 Operating Budget

RECOMMENDATION

THAT the Board approve the Park Board Global Budget of \$53,443,200 including \$778,000 for added basic costs and one-time adjustments and the New and Non-Recurring (NNR) budget of \$462,500.

THAT the Board approve the creation of a CUPE 15 Regular Full-time PC Support Technician position, as funded in the 2005 Added Basic budget.

POLICY

The Global Budget Arrangement with the City allows the Park Board to establish positions at its discretion if funds are in place.

BACKGROUND

On March 15, 2005, the City Director of Finance presented the 2005 Interim Operating Budget Report to City Council. On March 17, City Council approved the 2005 Operating Budget, including the Park Board Global budget of \$52,795,700 (inclusive of \$778,000 in added basic adjustments). As well, a city wide budget for new and non-recurring expenses (NNRs) of \$1,250,000 was approved, of which \$462,500 (or 37%) is allocated to the Park Board. The funding for the Ethical Purchasing Policy implementation was also approved, which includes \$185,000 for the Park Board for 2005. As a result, the Park Board Operating Budget for 2005 currently totals \$53,443,200.

The 2005 Operating Budget was prepared using the normal rules under the Global Budget methodology.

DISCUSSION

The Park Board Global Budget is made up of three components:

- (1) Basic budget
- (2) Added Basic budget
- (3) New and Non-Recurring (NNR) budget

(1) Basic Budget

The Basic Budget represents the 2004 approved basic and added basic budgets inflated to reflect 2005 dollar equivalents. It also includes adjustments for any Council approved programs. The following table outlines the adjustments to the Park Board Basic Budget:

2004 Basic Budget	\$51,673,784
<u>Inflation Adjustments:</u>	
Salaries, wages and employee benefits	1,665,800
Supplies (2.00%) and other adjustments	743,216
Revenue and recoveries (2.75% / 2.00% where applicable)	(1,243,200)
<u>Other adjustments:</u>	
Reduction for GST	(465,300)
Equipment	136,000
Natural Gas	(337,500)
Insurance adjustment	(155,100)
Ethical Purchasing policy implementation	185,000
2005 Basic Budget	\$52,202,700
\$ Increase over 2004 Basic Budget	\$528,916
% Increase over 2004 Basic Budget	1.0%

(2) Added Basic Budget

The Added Basic budget represents new operating costs associated with capital additions to the parks and recreation system, and one-year adjustments for items beyond the Board's control. For 2005 this amounts to \$778,000. Of this, \$544,600 is ongoing funding for costs associated with capital additions to the budget, including \$284,000 for wages and fringe benefits (representing approximately 9,250 additional hours for CUPE 1004 Operations Worker II positions), \$89,800 for related materials, equipment and supplies, and \$170,800 for water, sewer, and telephone adjustments.

This budget also provides one year net adjustments of \$170,000 for Bloedel Conservatory reduced revenue and expenses (due to the ongoing water reservoir construction project) and \$63,400 for reduced revenues and expenses at Killarney Pool during the closure for renovation. Appendix I outlines the detailed budgets for the various projects and adjustments.

The Board is requested to approve the creation of a new regular full time CUPE 15 position for the recreation software upgrade, as funded in the Added Basic Budget. The proposed position, a PC Support Technician, has been reviewed by the General Manager of Human Resources and has been provisionally classified as a Help Centre Support Specialist. Based on preliminary estimates, funding of \$66,600 was requested and approved for the position and related expenses.

The recreation software project is a collaborative, jointly funded initiative between the Park Board and the Community Associations. The rollout of the new Safari system with internet access is well underway. Seven sites are live as of March 2005 (Kerrisdale, Trout Lake, Kitsilano, Killarney, False Creek, Riley Park, and Park Board central bookings). With approximately six to ten more sites expected to come online in 2005, additional support is now required.

(3) New and Non Recurring Budget

Funding for new and non-recurring items, such as replacement of equipment or minor building maintenance or modification, is requested separately from the Basic Budget. 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 receives 37% of the City wide NNR budget each year. For 2005 the city wide budget is \$1,250,000, of which the Board's share is \$462,500. The Board establishes its own priorities in allocating this funding to projects as per the City criteria for allocation. Appendix II outlines the projects recommended for approval for 2005.

SUMMARY

The Park Board Global Operating Budget for 2005 is \$53,443,200 including \$52,202,700 in base budget funds, \$778,000 for added basic and \$462,500 for new and non-recurring projects. This represents a 3.4% increase over the base net budget for operating programs as approved in 2004.

The Park Board 2005 Gross Operating Budget, not including NNRs, is \$85,946,600. It is funded from two sources: \$52,980,700 (62%) from the City of Vancouver and \$32,965,900 (38%) from user fees and charges.

The 2005 Operating Budget includes funding for a number new or improved parks and facilities, including Victory Square, George Wainborn, and the Downtown Skateboard Park. A new CUPE 15 regular full-time position has been funded through the added basic process, and the Board is requested to approve the creation of this position, subject to classification by City Human Resources. As part of the 2005 operating budget process, the Board has also taken steps to address revenue shortfalls in Golf and Pay Parking and to increase access to washrooms in response to public input.

At its meeting on March 21, 2005, the Park Board Finance Committee reviewed this report and recommends that the Board approve the 2005 operating budget and the creation of the PC Support Technician position.

Prepared by:
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