

Date: February 15, 2008



**TO: Board Members – Vancouver Park Board**  
**FROM: General Manager – Parks and Recreation**  
**SUBJECT: 2008 Operating Budget**

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## **RECOMMENDATION**

*THAT the Board approve the proposed 2008 Park Board Global Budget of \$59,339,100, including the \$58,598,500 Basic Budget, \$444,600 for Added Basic costs and the \$296,000 for New and Non-Recurring cost subject to Council approval in April 2008.*

## **POLICY**

There is no applicable policy.

## **BACKGROUND**

On February 12, 2008, the City General Manager of Corporate Services presented the 2008 Interim Operating Budget Report to City Council. At that meeting, Council received the report for information and postponed decision on approval until April 1, 2008, pending public input. The report recommends approval of a budget of \$59,339,100 for the Park Board, including \$444,600 for Added Basic and one-time adjustments and \$296,000 for the 2008 New and Non-Recurring Budget.

The 2008 Operating Budget Interim estimate was prepared using the normal rules under the Global Budget methodology.

## **DISCUSSION**

The Park Board Global Operating Budget has three components:

- 1) Basic Budget
- 2) Added Basic Budget
- 3) New and Non-Recurring (NRR) Budget

**1) Basic Budget**

The Basic Budget represents the 2008 approved operating budgets (less NNR and one-time funding) inflated to reflect 2008 dollar equivalents. It also includes adjustments for any Council approved programs.

The following table outlines the adjustments to the Park Board Basic Budget.

2007 Budget Net Operating Budget	\$55,809,900
Less: 2007 NNRs and one-time funding	(412,500)
Add: Salaries, wages and employee benefits	\$1,900,000
2007 Basic Budget	\$57,297,400
Inflation Adjustments:	
Salaries, wages and employee benefits (both 2007 & 2008)	\$3,067,000
Supplies (2.00%) and other adjustments	124,300
Sport Hosting (ongoing funding)	\$200,000
Revenue and recoveries (2.75% / 2.25% where applicable)	(1,638,200)
Other adjustments:	
Park Board share of city turnover savings increase (subject to annual review)	(\$105,800)
Efficiencies	(346,200)
2008 Basic Budget	\$58,598,500
\$ Increase over 2007 Basic Budget	\$1,301,100
% Increase over 2007 Basic Budget	2.27%

The budget has been increased by \$3.4 million for inflationary adjustments for salary costs, supply costs, utilities, city equipment and the transfer of the Sport Hosting program funding. This is offset by inflationary increases in fees and charges of \$1.6 million.

As part of city-wide budget adjustments, turnover savings targets have been assigned to all city departments. The targets are meant to capture savings from delays in filling positions and targets are at the same level as 2007; Park Board’s share of this city-wide adjustment is \$105,800.

For 2008, staff propose to implement \$346,200 in efficiency initiatives. To ensure customer service needs are met and resources are used efficiently and effectively, reviews are conducted and adjustments are made as part of the planning process for each budget year. The initiatives implemented for 2008 include increasing the revenue budget by \$49,000 which will come from billing outside agencies for arboriculture services and from leased restaurant revenues. Budgets for facility and park maintenance have been adjusted to reflect \$223,800 in savings realized from changes in work routes and scheduling, coordination of seasonal staff allocation and the use of new more efficient equipment. In recreation operations, savings of \$29,000 will be achieved by coordinating recreation facility schedules during low use periods and maintenance closures. As well, \$44,400 is expected to be saved in postage, courier and photocopy costs by increases in the use of electronic alternatives (document scanning, email, faxing, etc.) and by streamlining food delivery from the warehouse to concession stands.

The current operating budget is tight and requires careful monitoring to ensure the Board does not overspend.

## **2) Added Basic Budget**

The Added Basic Budget represents net new operating costs associated with new or expanded capital additions to the parks and recreation system and one-year adjustments. For 2008 this amounts to \$444,600. Of this, \$337,100 is ongoing funding for costs associated with new or expanded capital additions to the budget. As well \$45,000 has been included for additional ongoing costs associated with a new janitorial contract.

This budget also provides one year net adjustments of \$62,500 for Bloedel Conservatory reduced revenue and expenses, due to the park construction project and Canada Line construction.

Appendix I outlines the detailed budgets for the various projects.

## **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 2008 the city-wide budget is \$800,000, of which the Board’s share is \$296,000. After assessing operational needs and discussion with partners exploring ways to maximize use of the fund, staff establish priorities in allocating this funding to projects and Appendix II outlines the projects recommended for approval for 2008.

## **SUMMARY**

The Park Board Global Operating Budget for 2008 is \$59,339,100 including \$58,598,500 in base budget funds, \$444,600 for Added Basic and one-time adjustments and \$296,000 for New and Non-Recurring projects. This represents a total increase of \$1,301,100 or 2.27% over the 2007 net operating budget. The Global Operating Budget allows the Board to operate the new and expanded facilities and maintain the current level of park and recreation services with minimal adjustments.

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