

Vancouver Board of Parks and Recreation
Schedule of 2010 Operating Budget
Service and Budget Committee – December 8, 2009

2009 Net Operating Budget (include 2009 reduction for hiring freeze, efficiency, NNRs & Others - \$1,954,150)	\$61,407,764		
Less : 2009 NNRs	(20,850)	(20,850)	Note 1
Inflation Adjustments:			
Add: Salaries, Wages and Employee Benefits	2,386,900		
Less: Supplies, Utilities, City Equipment adjustments	(360,879)		
Less: Revenue and Recoveries	(1,600,000)	426,021	Note 2
Transfers to Other City Departments:			
Less: 311 Transfer (half year)\$714,200 (full year)	(357,100)		
Less: Mt. Pleasant Maintenance transfer to Facilities	(190,000)	(547,100)	Note 3
Core Program Review Adjustment:			
Less: Service/Program Reductions	(2,791,600)	(2,791,600)	Note 4
Added Basics (New Facilities)Adjustments:			
Add: Hillcrest	964,500		
Add: South East False Creek Centre & Parks	800,000		
Add: Others	54,800	1,819,300	Note 5
Sub-Total	\$60,293,535		
Shared Services & Process Improvements Adjustments:			
Less: Supply Chain	(2,133,953)		
Less: Attendance Management	(391,966)		
Less: IT	(7,988)		
Less: Sanitation	(650,000)	(3,183,907)	Note 6
2010 Net Operating Budget	\$57,109,628		
Decrease from 2009 Net Operating Budget	(\$ 4,298,136)		
% Decrease from 2009 Net Operating Budget	(7.00%)		

Note 1:

New and Non Recurring Budget

Funding for new and non-recurring items, such as replacement of equipment or minor building maintenance or modification, is separated 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. Traditionally, the city-wide NNR budget has been \$2 million.

For the last several years this has been reduced to \$800,000 as part of the corporate adjustments used to minimize the tax increases needed balance the budget. For 2010 the total city-wide NNR budget has been reduced to zero, resulting in no additional funding for the Park Board.

Note 2:

Inflation Adjustments

The budget has been increased by \$2.4 million for inflationary adjustments for regular fulltime salary costs. No increase was allocated for temporary fulltime or auxiliary budgets, in keeping with the approach used for all other City departments. This increase is offset by reductions in supply costs, utilities, and city equipment of \$360,000 and increase of 4% to the fees and charges budget of \$1.6 million. The net funding adjustment for inflation is \$426,021.

Note 3:

Transfers to other City Departments

As part of this budget process \$357,100 has been transferred to the Project 311 office for the continuation of some services which began in 2009 and those starting in 2010. Project 311 was approved by the Board at its meeting on January 15, 2007 and is being implemented over a three year period beginning in 2010.

As well, with the opening of the #1 Kingsway building, maintenance costs for Mt Pleasant Community Centre have been transferred to the City's Facility Maintenance department, as they will now be responsible for the cleaning and major maintenance at this facility.

Note 4:

Core Program Review Adjustments

The Park Board's share of core program review reductions stemming from the Vancouver Services Review total \$2,791,600. Details of the specific service/program adjustments were approved by the Board at their meeting of November 25, 2009, with the exception of the item pertaining to Sunset Nursery, along with a request to staff to explore other options to meet the 2010 budget target.

Note 5:

Added Basic (New Facilities) Adjustments

The Added Basic Budget represents the net new operating costs associated with new or expanded capital additions to the parks and recreation system and other adjustments. For 2010 this budget totals \$1,819,300.

In 2010 this funding includes \$800,000 for the new community centre and parks in South East False Creek, \$964,500 for the increased costs associated with the operation of the new Vancouver Olympic Centre and \$54,800 to reflect the full year cost of facilities that were completed part way through 2009.

Note 6:

Shared Services and Process Improvement Adjustments

Included in the proposal to Council for the 2010 operating budget is a target of \$10.2 million in savings for shared services and process improvement initiatives. This savings target was set as part of the recommendations stemming from the Vancouver Services Review that was undertaken in 2009. The savings target which has been nominally allocated to the Park Board is \$3,183,900. At this point this savings target is nominal only – operating budgets in all City departments and Boards will be adjusted based on actual experience from implementation of the Shared Services and Process Improvement initiatives.

The total adjustment from 2009 net operating budget for 2010 is a reduction of 7% or a little over \$4.3 million. This \$4.3 million is in addition to the \$1.9 million reductions in 2009.

Allocations Within the Operating Budget

For the past 10 years, the Board has been making loan payments to repay funds provided by the City's capital financing fund (CFF) for the redevelopment of the golf courses. This loan was repaid in full during 2009. As part of the 2009 operating budget process, the golf revenue budget was reduced by \$1,709,100 (the difference between the budgeted loan payment and the actual payment owing) to reduce the golf revenue shortfall and make the golf revenue budget more realistic. The funds currently in the Park Board's budget for the loan payment are \$2,547,300.

As previously approved by the Board, this budget is to be allocated to repay a new loan for the escalation in costs for the construction of Olympic legacy facilities and to the upkeep of the golf courses.

During the construction of the Olympic legacy facilities, construction costs escalated and \$8.5 million was obtained from the City to complete the projects. Repayment of the \$8.5 million loan will commence in 2010. The repayment of the loan will be made by a budget transfer of \$1.09 million to the City in 10 years with interest at 5%. (This transfer is not reflected in the totals noted above, as it is not included in the December 1, 2009 Council report.)

This transfer would leave approximately \$1.4 million remaining of the golf loan budget. As originally approved by the Board in 2001 (<http://vancouver.ca/parks/board/2001/010528/golf.pdf>) and updated and approved again in 2007 (http://vancouver.ca/parks/board/2007/070917/Golf_Marketing_Plan_Report.pdf), \$550,000 is to be allocated to establish a Golf Course Capital Reserve Fund to provide for the ongoing upkeep of the golf courses in order to avoid major capital costs in the future. The remaining budget would be used to set up a reserve to fund drainage improvements at Langara Golf Course (as recommended by the consultant in the 2007 report approved by the Board) and to further reduce the golf course revenue budgets to 2009 actual level.