



Park Board








March 2, 2015

*Presentation for Review of 2015
Proposed Operating & Capital Budgets*





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2015 Budget Introduction

Defining the Budget:

- Annual budgets for Capital (major capital projects) and Operating (services)
- Results-driven approach to provide value for money spent, and align spending with Park Board, City Council and Resident priorities
- Service Metrics to provide accountability for service delivery
- Intent is a responsible, balanced approach with focus on the long term



2015 Budget Timeline

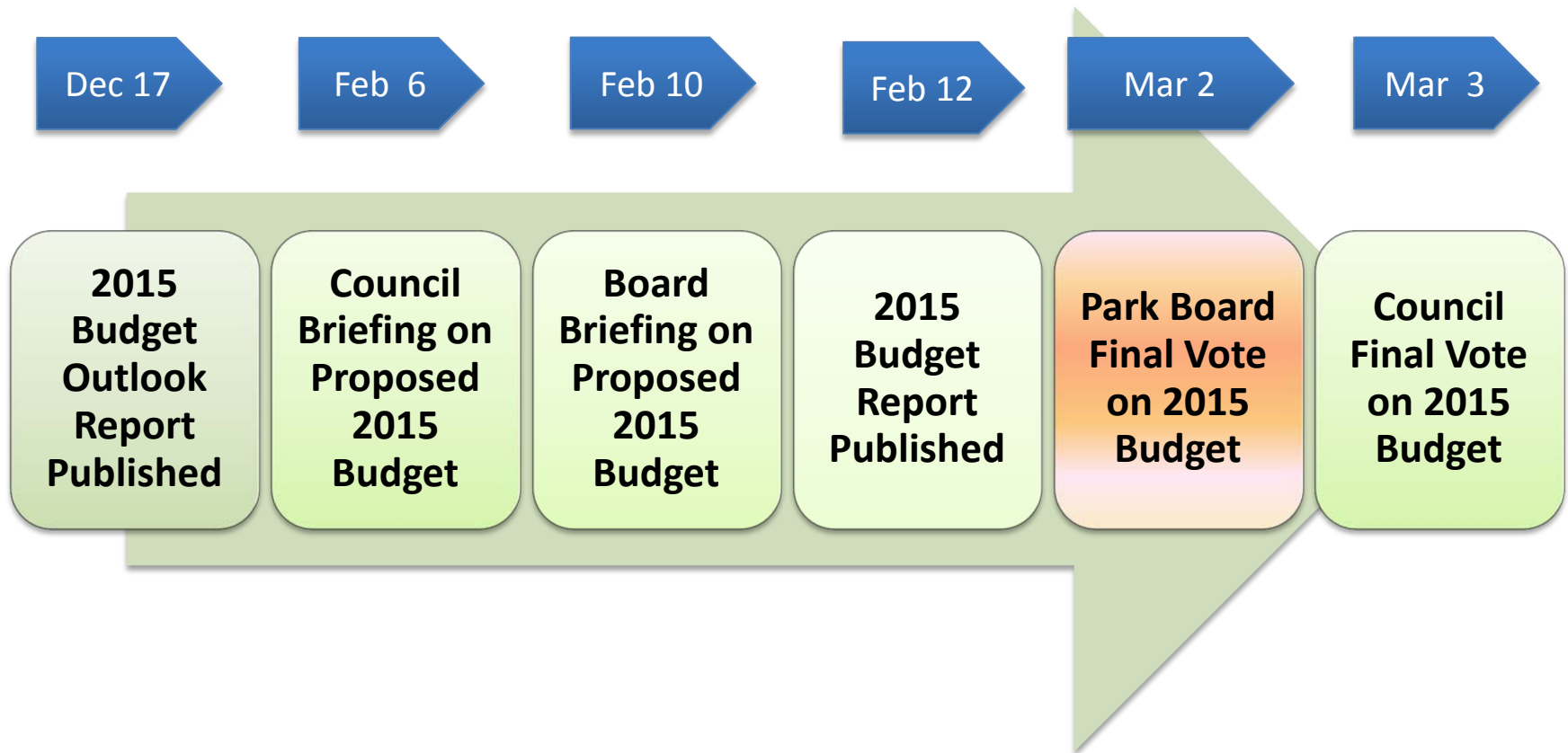




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Building the Budget

Budget Approach

- The Capital Budget is derived from the 10-year Strategic Outlook (2014 – 2024) and 4-year Capital Plan (2015 – 2018)
- The Operating Budget is based on a 4-year high-level outlook

Looking Ahead to 2015

- Costs are increasing greater than inflation (wage settlements, fixed cost increases in utilities, fuel, rents and software maintenance)
- Additional funding requirements for new and enhanced services, including operating costs of approved capital projects
- High level outlook exposes a citywide gap of between \$15 and \$20 million each year over the next 3 years







Goals

- Continue providing valued services while keeping taxes reasonable and address public priorities
- Seek productivity improvements and improve value for money to align cost of services with revenue
- Ensure that new and enhanced services are aligned with Park Board and Council priorities



Key 2015 Operating Budget Assumptions

2014 Approved Budget amounts are carried forward with the following adjustments:

-  Fixed Cost Increases such as inflationary wage adjustments, fringe benefit cost increases and utility rate increases
-  Revenue Increases, including price and volume increases
-  Value Propositions, specific funding for new and enhanced services
-  Operating Impact of Approved Capital Projects
-  Productivity Initiatives
-  Shared Service Allocations

 **2015 Proposed Operating Budget**



Fiscally Responsible Budget

Guiding Principles for Financial Sustainability:

Fiscal Prudence

- live within our means
- consider long-term implications in all decisions
- maintain a stable and predictable revenue stream
- build in flexibility and contingencies for emerging priorities and opportunities

Affordability and Cost Effectiveness

- deliver services that are relevant and result in desired public outcomes
- ensure value for money through productivity and innovation
- keep property tax and fees affordable (in line with inflation)

Asset Management

- maintain assets in a state of good repair
- optimize capital investments to meet public and economic needs while achieving value for the investment



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Overview



- Recreation Services
- Park Operations
- Park Development & Planning
- First Nations Engagement
- Corporate & Revenue Services
- Tourism Impacts
- Accessibility & Inclusivity
- Urban Forest Strategy
- Leader in Greening





Recreation Services

- OneCard growth
- ActiveNet implementation
- Sport field amenity improvements
- Artists in field houses



Park Operations

- New service standards
- Customer service improvements
- Staff development
- Green Operations Plan implementation





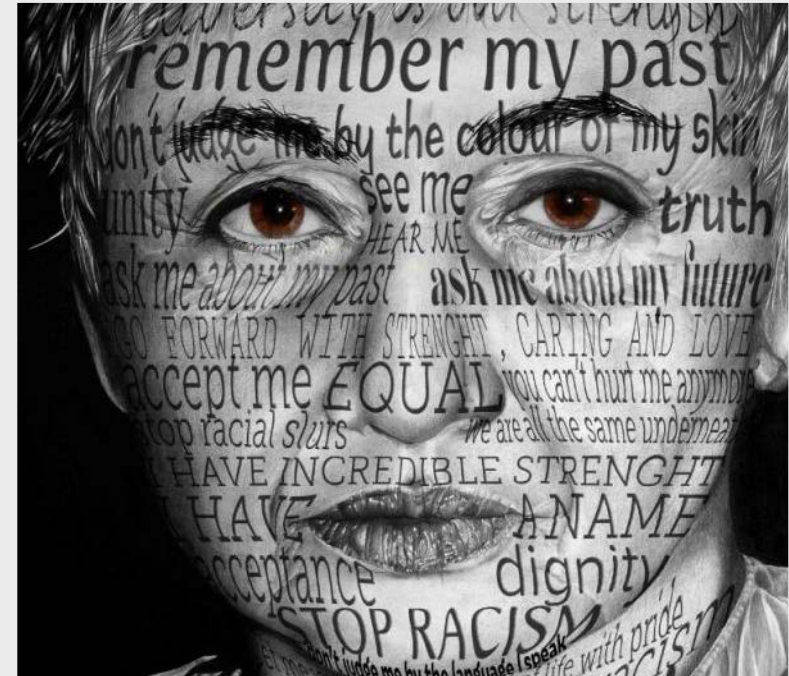
Park Development & Planning

- Hastings Park redevelopment
- Approved master plans
- New parks



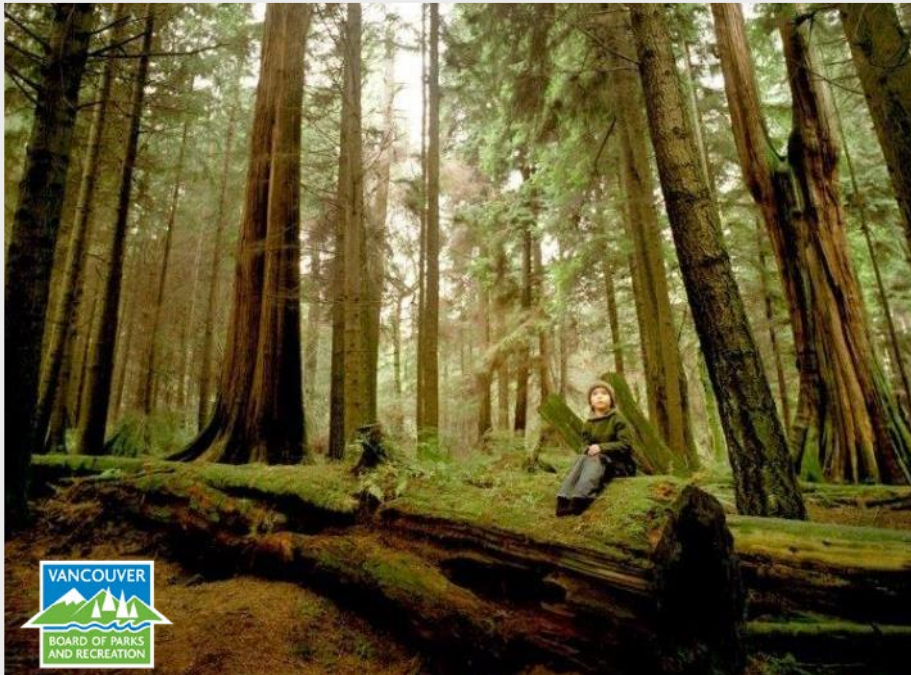
First Nations Engagement

- Stanley Park Master Plan
- Year of Reconciliation
- Aboriginal Art in Venues



Corporate & Revenue Services

- New golf app
- Festival of Lights & Bright Nights success
- Strong marketing results
- Donation program



Tourism Impacts

- Destination attractions
- Food & beverage services
- Large-scale events & sport hosting initiatives





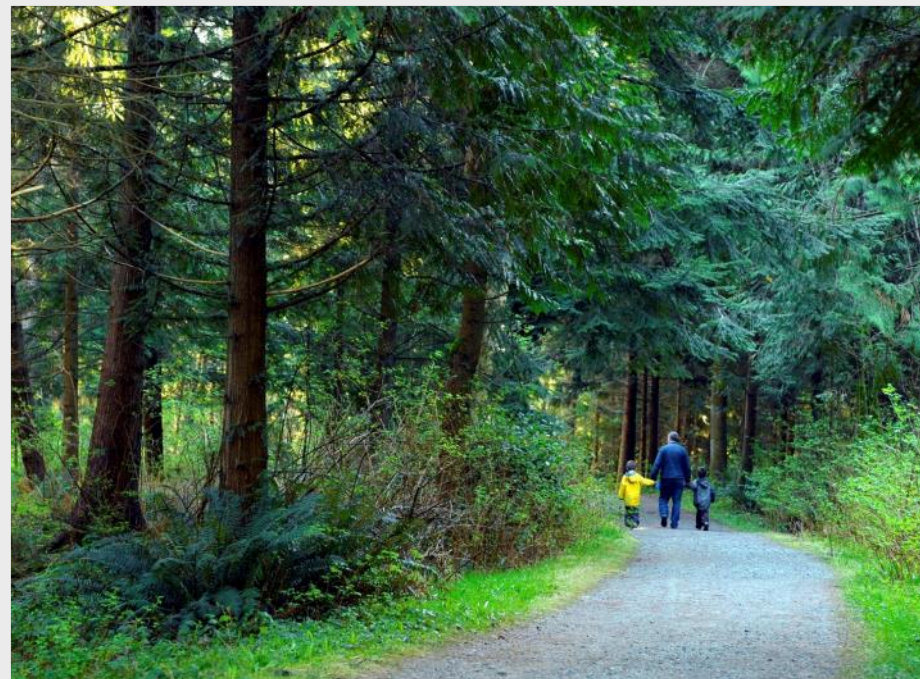
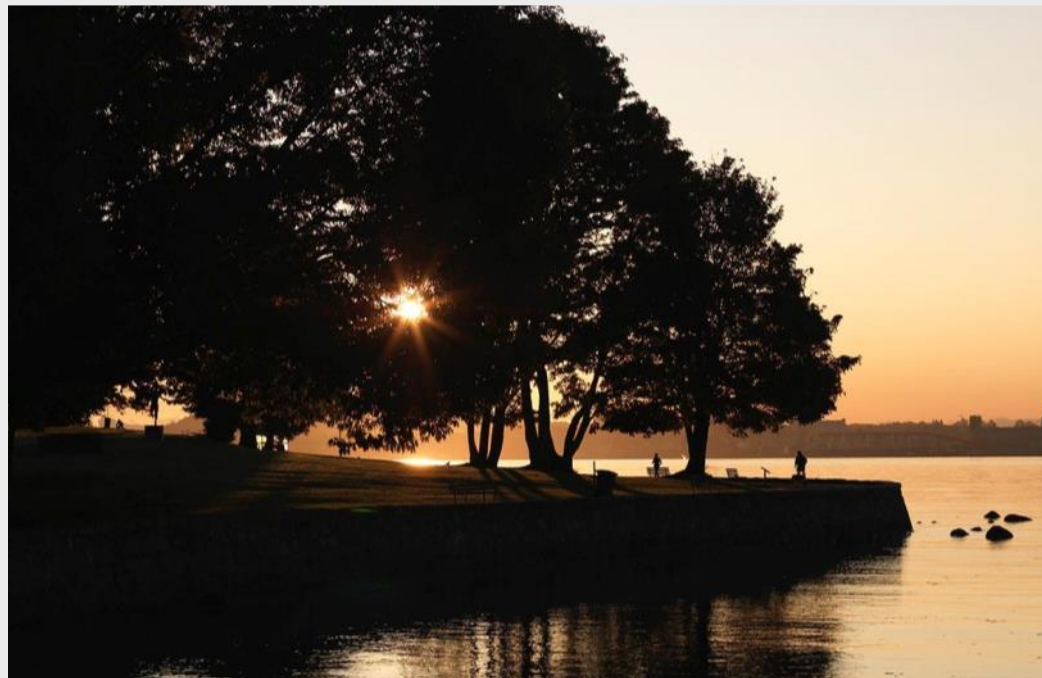
Accessibility & Inclusivity

- Increased Leisure Access participation
- Trans & gender-variant initiatives
- Improved accessibility



Urban Forest Strategy

- Approval of strategy framework
- By-law amendment
- Over 10,000 new trees planted





Leader in Greening

- Beaver Lake & Jericho Beach Park restorations
- New community gardens
- Biodiversity & Bird Strategies





Our services will ensure Vancouver remains one of the most vibrant and livable cities in the world!





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2015 Operating Budget & Changes

| | | Revenue | Expense | Net |
|---|---|----------|-----------|-----------|
| 2014 Restated Budget | | \$49.6 M | \$109.5 M | \$60.0 M |
| Fixed Cost increases/decreases | + | \$0.0 M | \$2.6 M | \$2.6 M |
| Revenue increases | + | \$3.0 M | \$1.8 M | (\$1.2 M) |
| Operating Impact of Approved Capital Projects | + | \$0.0 M | \$0.6 M | \$0.6 M |
| Value Propositions | + | \$0.0 M | \$0.2 M | \$0.2 M |
| Productivity Initiatives | + | \$0.0 M | (\$1.3 M) | (\$1.3 M) |
| 2015 Proposed Budget | = | \$52.6 M | \$113.4 M | \$60.8 M |
| Net Change | | \$3.0 M | \$3.8 M | \$0.8 M |



2014 Proposed Operating Budget & Changes for Review

| Major Category (\$ million) | 2015 Proposed Budget | 2014 Restated Budget | Net Change (\$) | Net Change (%) |
|--|----------------------|----------------------|-----------------|----------------|
| Revenues | | | | |
| Program | | | | |
| Recreation (rinks, pools, fitness) | \$ 17.6 | \$ 16.8 | \$ 0.8 | 4.8% |
| Marinas and other attractions | 8.1 | 7.6 | 0.5 | 6.6% |
| Golf | 9.3 | 9.1 | 0.2 | 2.7% |
| Leases and Concessions | 6.3 | 6.0 | 0.3 | 5.1% |
| Other | 0.4 | 0.4 | 0.1 | 22.7% |
| Parking | | | | |
| Parks | 6.4 | 5.9 | 0.5 | 7.7% |
| Cost Recoveries, Grants and Donations | | | | |
| Parks and Recreation | 4.5 | 3.9 | 0.6 | 16.6% |
| Total Revenues | \$ 52.6 | \$ 49.6 | \$ 3.0 | 6.1% |
| Expenditures | | | | |
| Recreation | 46.5 | 44.5 | 2.0 | 4.5% |
| Park Maintenance and Operations | 31.3 | 30.1 | 1.2 | 4.0% |
| Facility Maint. and Corporate Services | 14.6 | 13.8 | 0.8 | 5.5% |
| Golf, Marinas and Other Attractions | 13.2 | 13.2 | 0.0 | 0.2% |
| Leases, Concessions and Parking | 2.1 | 2.4 | (0.3) | -11.4% |
| Shared Support Services | 2.7 | 2.7 | 0.1 | 2.6% |
| Transfers to Reserves & Other Funds | 3.0 | 2.9 | 0.1 | 2.0% |
| Total Expenditures | \$ 113.4 | \$ 109.5 | \$ 3.8 | 3.5% |
| Net Operating Budget | \$ (60.8) | \$ (60.0) | \$ (0.8) | 1.3% |

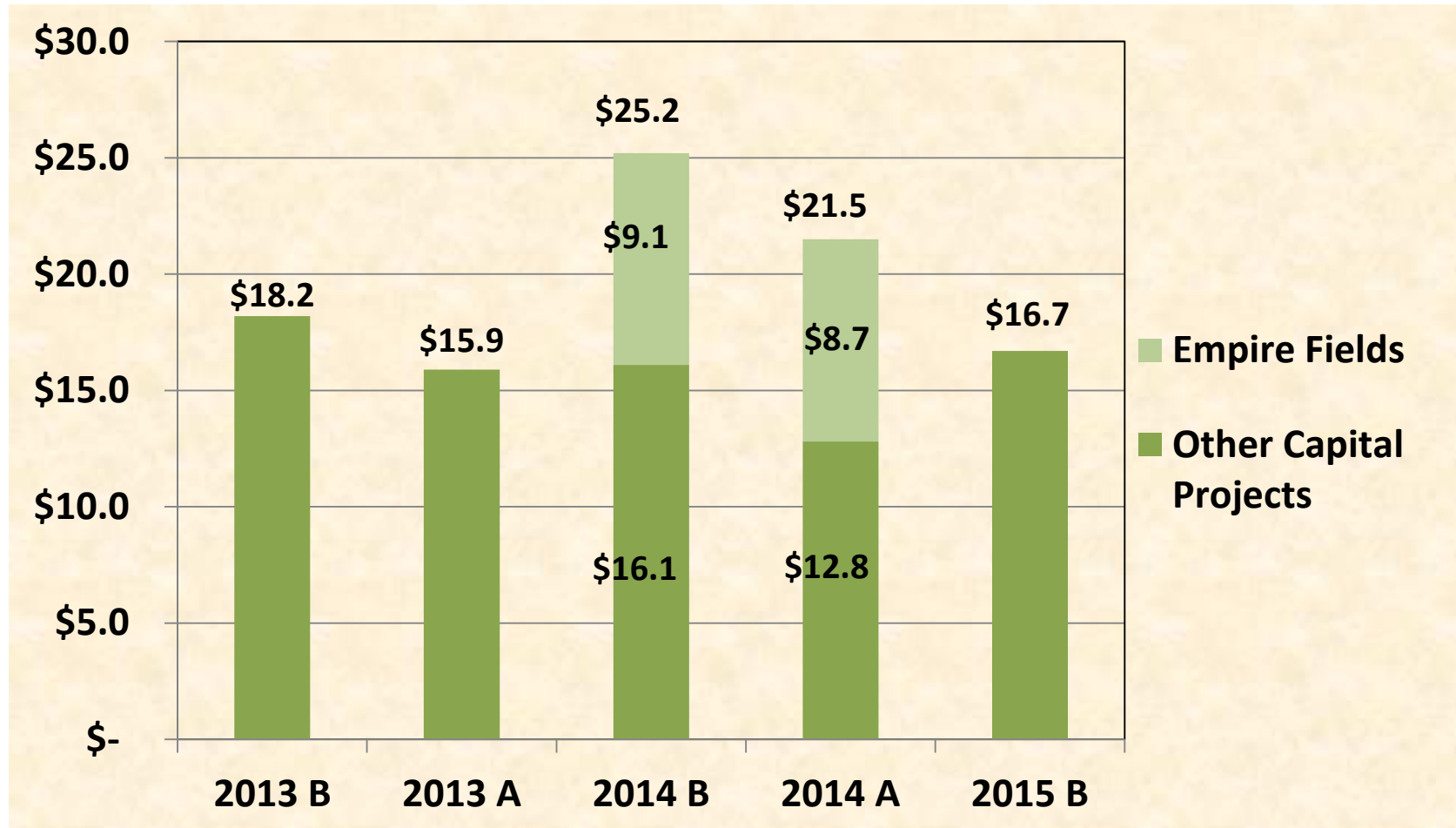


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2015 Capital Budget Trend





2015 Notable Capital Projects

\$ millions

| Project Name (\$ million) | Total Project Budget | 2014 Actual Expenditure | 2015 Budget | Future Years | Total Project Spend |
|---|---------------------------------|-------------------------|-------------|---------------------------------|---------------------------------|
| Parks and Recreation | | | | | |
| Urban Forestry | Ongoing, annual program funding | 2.0 | 2.0 | Ongoing, annual program funding | Ongoing, annual program funding |
| Playgrounds, Tennis, Playfields and Pathways in Parks | Ongoing, annual program funding | 1.2 | 2.5 | Ongoing, annual program funding | Ongoing, annual program funding |
| Greening of Hillcrest and Riley Parks | Ongoing, annual program funding | 0.3 | 2.3 | Ongoing, annual program funding | Ongoing, annual program funding |
| Empire Fields, Plateau and Greenways | 10.5 | 8.7 | 1.4 | 0.0 | 10.5 |
| Dr. Sun-Yat-Sen Gardens | 1.0 | 0.0 | 0.1 | 0.9 | 1.0 |
| Vanier Docks | 0.5 | 0.0 | 0.5 | 0.0 | 0.5 |
| New park - Richards & Smithe | 2.0 | 0.0 | 0.4 | 1.6 | 2.0 |

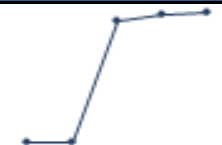






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2015 Service Metrics - Recreation

| Metric Type | COV Metric | 2010 | 2011 | 2012 | 2013 | 2014F | Trendline (2010-2014F) |
|-------------|---|--------|--------|---------|---------|---------|---|
| Quantity | # of recreation classes offered across network of community centres | NDA | NDA | 22,098 | 23,361 | 23,800 |  |
| | Average # of recreation classes offered per community centre | NDA | NDA | 960 | 1,015 | 1,035 |  |
| | Average # of registrants per community centre class | NDA | NDA | 7.8 | 8.6 | 8.5 |  |
| | Registrants in community centre programs | NDA | NDA | 173,297 | 200,922 | 202,500 |  |
| Quality | # of enrollments in learn-to-swim programs | 45,200 | 49,710 | 52,363 | 46,133 | 46,590 |  |
| | | | | | | | |
| | | | | | | | |



2014 Service Metrics - Parks



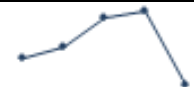




| Service | Metric Type | COV Metric | 2010 | 2011 | 2012 | 2013 | 2014F | Trendline (2010-2014F) |
|-----------------------|-------------|---|---------|---------|---------|---------|---------|---|
| Parks and Green Space | Quantity | Hectares of park space | 1,304.8 | 1,304.8 | 1,305.0 | 1,305.6 | 1,305.6 |  |
| | | New Fruit Trees Planted | 55 | 42 | 250 | 798 | NDA |  |
| | | Non-Fruit Trees Planted | 2,543 | 3,487 | 6,136 | 6,813 | NDA |  |
| | | Trees Maintained | 19,454 | 19,689 | 19,934 | 34,114 | 34,200 |  |
| | | # of annuals planted | 593,670 | 565,400 | 526,000 | 515,000 | 515,000 |  |
| | Quality | % of canopy coverage | NDA | NDA | 17% | 18% | NDA |  |
| | | % of land base within 5 minutes walk to green space | 92.6% | 92.6% | 92.6% | 92.7% | NDA |  |



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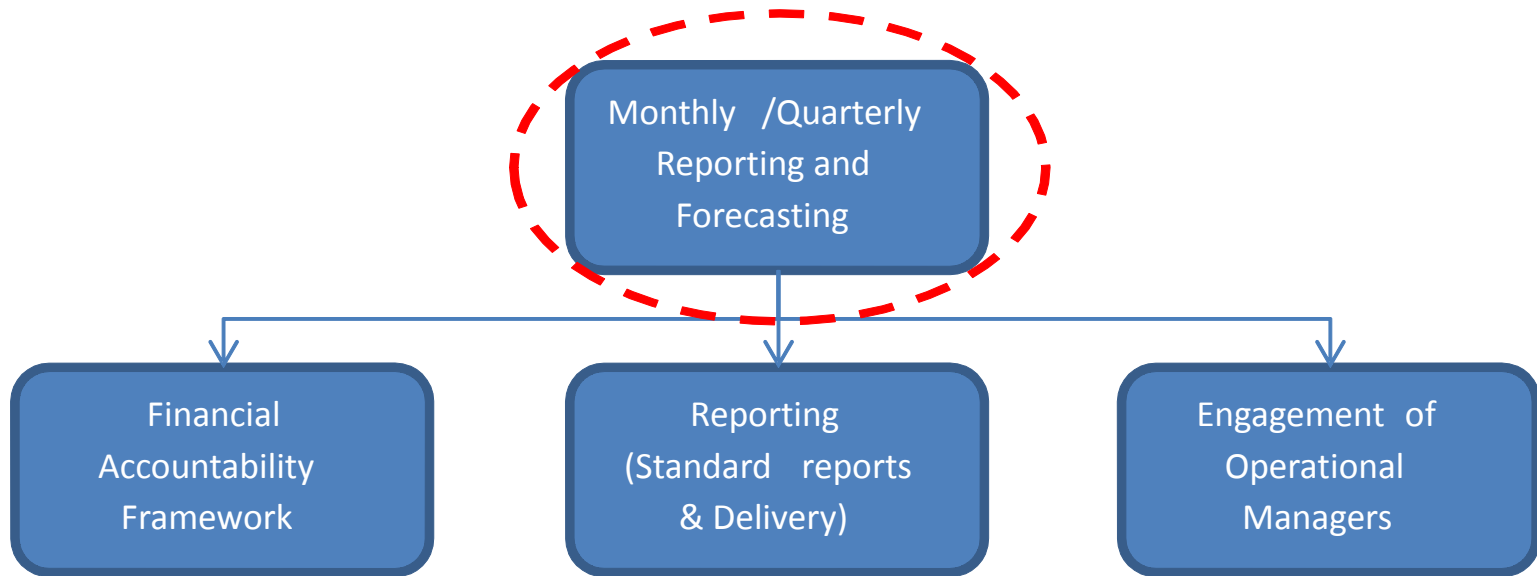
Strategic Framework 2013 - 2017

2013 Action Plan for Priority Strategic Objective 8.1 – Enhanced Fiscal Planning & Management





Support Financial Services Group Shared Services Initiative: Monthly/Quarterly Reporting & Forecasting





Appendix I – Budgeted Revenue Increases

| | 2014B | 2015B | Y-o-Y Budget Increase | % | Type of Increase | | 2014A |
|-------------------------------------|------------|------------|-----------------------------|-------|------------------|-----------|------------|
| | | | | | Rate (2%) | Volume | |
| Recreation Services: | | | | | | | |
| Indoor Aquatics | 7,593,000 | 7,738,600 | 145,600 | 1.9% | 151,860 | (6,260) | 7,892,543 |
| Beaches & Outdoor Pools | 970,900 | 1,041,300 | 70,400 | 7.3% | 19,274 | 51,126 | 1,268,882 |
| Arenas | 2,856,500 | 2,914,900 | 58,400 | 2.0% | 57,130 | 1,270 | 2,896,649 |
| Fitness Centres | 3,046,500 | 3,215,500 | 169,000 | 5.5% | 60,930 | 108,070 | 3,287,935 |
| Outdoor Sports | 1,047,400 | 1,127,400 | 80,000 | 7.6% | 20,948 | 59,052 | 1,117,805 |
| Special Events & Film | 540,800 | 629,400 | 88,600 | 16.4% | 10,816 | 77,784 | 651,851 |
| Creekside Programs | 653,100 | 756,200 | 103,100 | 15.8% | 13,062 | 90,038 | 872,617 |
| Community Centre Services | 2,413,800 | 3,102,900 | 689,100 | 28.5% | 48,276 | 640,824 | 2,812,740 |
| Other | 224,260 | 250,440 | 26,180 | 11.7% | 226 | 25,954 | 212,301 |
| | 19,346,260 | 20,776,640 | 1,430,380 | 7.4% | 382,522 | 1,047,858 | 21,013,323 |
| Revenue Services: | | | | | | | |
| Parking | 6,062,900 | 6,380,720 | 317,820 | 5.2% | 0 | 317,820 | 6,273,602 |
| Golf Operations | 9,055,600 | 9,148,190 | 92,590 | 1.0% | 181,086 | (88,496) | 9,398,090 |
| Leases | 3,470,000 | 3,630,230 | 160,230 | 4.6% | 69,400 | 90,830 | 3,693,609 |
| Concessions | 2,744,554 | 2,761,560 | 17,006 | 0.6% | 54,891 | (37,885) | 2,802,018 |
| Marinas | 2,970,100 | 3,174,460 | 204,360 | 6.9% | 59,402 | 144,958 | 3,212,826 |
| Attractions (Mini-Train, Celeb Pav) | 1,597,000 | 1,609,660 | 12,660 | 0.8% | 0 | 12,660 | 1,730,574 |
| | 25,900,154 | 26,704,820 | 804,666 | 3.1% | 364,779 | 439,887 | 27,110,719 |
| Parks and Other Services: | | | | | | | |
| VanDusen Gardens | 2,450,400 | 2,859,150 | 408,750 | 16.7% | 48,728 | 360,022 | 3,965,420 |
| Bloedel Conservatory | 568,600 | 579,970 | 11,370 | 2.0% | 11,370 | 0 | 554,272 |
| All Other | 1,302,600 | 1,687,580 | 384,980 | 29.6% | 0 | 384,980 | 1,838,256 |
| | 4,321,600 | 5,126,700 | 805,100 | 18.6% | 60,098 | 745,002 | 6,357,948 |
| TOTAL PARK BOARD | 49,568,014 | 52,608,160 | 3,040,146 | 6.1% | 807,399 | 2,232,747 | 54,481,990 |

