



Date: March 16, 2000

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
SUBJECT: 2000 Operating Budget

RECOMMENDATION

THAT the Board receive this report for information.

POLICY

BACKGROUND

The following will be reported back to City Council on April 3, 2000. Once City Council decides on a tax increase and the budget reduction is confirmed, Park Board staff will report back on the options to achieve the specific Park Board budget challenges, define the process for public input and develop the implementation plan.

On February 15th, 2000, City Council approved the following motions regarding the 2000 Budget:

"That the preliminary estimates of the 2000 Operating Budget, be received for information, noting that the estimates suggest a general purpose tax increases of 5.25%.

That the preliminary estimates be referred back to the Corporate Management Team and the Budget Office for detailed review and report back, and that this review focus on:

- - bringing departmental budgets within appropriate target levels that reflect the cost of providing 1999 service levels at 2000 costs.
- - identifying any supplemental requests that reflect increased service levels or new programs or staffing and instruct departments to bring these requests to Council for consideration, with appropriate offsetting expenditure reductions or revenue increases.

That Council instruct the Director of Finance, in consultation with the Corporate Management Team, to report back as quickly as possible with budget management proposals that will allow the interim estimates to be developed with an increase in property taxes between 2% and 4 %."

DISCUSSION

1. To confine a property tax increase to 2%, the proposed preliminary city-wide budget reduction required is \$7.5 million.

Based on gross expenditures, the Park Board's share is estimated to be \$1.2 million of this amount. As the City has reduced its budgets consecutively for a number of years, it has been concluded by all departments that further reductions to budgets cannot be achieved without service/program cuts. To minimize impacts to customers and staff, it is agreed that the City will adopt a more aggressive approach to revenue generation and also include revenue from other sources, such as gaming, to fund operating requirements.

2. With the above approach, to confine tax increases to 3%, the required budget reduction for the City is \$1.8 million. To achieve such reduction, CMT recommends the following initiatives:

(1) reduce sick time/overtime, thus reduce causal labour costs

Police/Fire Departments.....target savings \$0.5 million

Other non Police/Fire Departments.....target savings \$0.5 million

(2) reduce budget allowance for New/Non Recurring Budget from \$2 million to \$1.5 million

(3) reduce budget reserve to fund Strategic Initiatives by \$0.3 million.

The above initiatives are recommended as they bear minimal adverse impact on service/programs and staff. At this time, we are not certain about the Park Board's share.

3. With an aggressive approach to revenues and a tax increase of 2%, the required reduction to the proposed budget is \$3.6 million. After careful evaluation, it is agreed that reduction in services/programs is inevitable in order to achieve such a savings. To minimize the adverse impact to staff and services/programs, the following is recommended:

(1) reduce funding of \$1.6 million to the Capital Budget.

(2) program/services reductions by \$2 million (Park Board's share is \$250,000).

Again, staff will be able to report back with definitive numbers with respect to the Park Board budget once the reduction targets are set by Council.

Prepared by:
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