



Date: February 15, 2012

**TO: Board Members – Vancouver Park Board**  
**FROM: General Manager – Parks and Recreation**  
**SUBJECT: 2012 Operating Budget Initiatives**

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## RECOMMENDATION

*THAT the Board approve the 2012 strategic budget initiatives of \$1.366M and the one-time budget adjustments of \$1.031M, as outlined in this report*

## POLICY

There is no applicable policy

## BACKGROUND

In preparing the 2012 operating budget, Council's preliminary estimates show total pressures on the 2012 operating budget which create a gap of \$52 million or about 5% of the total operating budget. These pressures reflect cost increases such as inflationary cost increases for fuel, equipment, utilities and insurance, the incremental operational costs of new facilities, and cost increases by other agencies over which Council has no control.

During January and February, City and Board staff worked to develop strategies to mitigate any tax increases required to bridge the budget gap by carefully looking at all operations and identifying transformational opportunities to achieve budget efficiencies. In addition, a high level consultation process to seek public input on the 2012 Operating Budget was completed. Council will receive the results of the public consultation in time for deliberations on the 2012 Operating Budget on February 28, 2012. The final 2012 Operating Budget estimates will be presented to Council on March 5, 2012.

As part of the overall City of Vancouver budget strategy, the Park Board has identified strategic budget initiatives and one-time adjustments that total 2.3% of the total Park Board budget and are detailed in this report. Despite this, the Park Board budget is increasing in 2012 to account for new facilities and parks coming on-line as well as costs associated with inflationary items such as fuel and utilities.

## DISCUSSION

This report provides details of the \$1.366 M strategic budget initiatives and the \$1.031M one-time budget adjustments to the 2012 Park Board operating budget to assist in minimizing the 2012 property tax impact. The identified initiatives/adjustments aim to protect core programs while minimize the impacts of service changes to the public.

To achieve these savings in 2012 staff proposed the following adjustments to the Board at a briefing on February 13, 2012. Details of the initiatives/adjustments are laid out in the table below.

<b>Description of 2012 Strategic Budget Initiatives</b>	<b>Budget Savings in 2012 \$1.366M (\$000s)</b>	<b>FTE Impact</b>
<b>Park Services – increase management span of control; implement more efficient routing and practices</b>	<b>\$600</b>	
Eliminate 3 management positions resulting from changing from a geographic management structure to a functional one and reorganizing staff deployment & supervision. These positions are either currently vacant or have been occupied on an “acting” basis, so no layoffs will result.	377	3 RFT exempt
Implement consistent park maintenance standards and practices, improve routing and make equipment changes. This will eliminate the need for additional seasonal staff equivalent to 2.0 FTE	223	2.0 FTE seasonal CUPE 1004
<b>Recreation Services – increase management span of control &amp; consolidate clerk work; consolidate programming at rink/fitness centres; optimize recreation facility use during low use periods; focus lifeguarding services at 5 high use beaches.</b>	<b>\$766</b>	
Eliminate 3 management positions by “twinning” management at six recreation centres (moving to 1 supervisor for 2 recreation centres); eliminate one vacant clerk position by reorganizing administrative work; consolidate fitness and rink programming.	396	3 RFT exempt 2 RFT CUPE 15 (-3 vacant, +1 Programmer)
Optimize facility programming during low use periods in partnership with associations (900 fewer hours spread across 20 community centres (less than 1 hr/wk)); generate \$25,000 in savings from reduced aux staff at rinks, fitness centres & pools; extend Lord Byng summer maintenance closure for July & August	100	3.1 FTE Aux CUPE 15
Focus Lifeguarding at 5 high use beaches: English Bay, Kits Beach, Locarno, Spanish Banks East, Third Beach	270	4.3 FTE seasonal CUPE 1004

<b>Description of 2012 one-time Budget Adjustments</b>	<b>Budget Savings in 2012 \$1.031M (\$000)</b>	<b>FTE Impact</b>
Defer non-essential maintenance equivalent to 3% of the gross operating budget for one year, by prioritizing project work. This is aligned with a city-wide initiative and will be reviewed as part of the city-wide facility shared services project.	\$431	3.3 FTE TFT staff (mix of CUPE 15 & CUPE 1004)
Shift the timing of fee increases to match with the start of the school year which aligns fee increases to those of recreation services in most other jurisdictions. This provides a one-time only increase to revenue of \$250,000 by shifting the timing of increases forward by 4 months.	\$250	n/a
For 2012 only, defer transfer of a portion of the \$500,000 in fees generated from artificial turf fields to the replacement reserve. The reserve currently has \$1.8 million and no funds are need for replacement of fields until 2015 or later. The foregone transfer will be made up from extra contributions planned in 2013 & 2014 when savings from other initiatives are greater.	\$350	n/a
<b>Total 2012 Budget Initiatives and one-time Adjustments</b>	<b>\$2,397</b>	<b>20.7 FTE (8 RFT vacant: 6 Exempt, 2 CUPE 15; all others are TFT, seasonal or auxiliary)</b>

The 2012 savings from one-time budget adjustments will be offset in 2013 and beyond by further savings and increased revenue in other areas, including continued management & staff restructuring and the pursuit of new long term revenue sources.

All initiatives/adjustments will be closely monitored to assess impacts and staff will regularly advise the Board on the progress toward the savings goals and the impact from these initiatives.

The Park Board will achieve this lower staffing number through existing vacancies and fewer seasonal staff.

### Next Steps in the Budget Process

Council will receive a report on February 28, 2012 on the interim estimates for the 2012 operating budget. Included in this report to Council, will be an overview of all the budget changes for the Park Board, including increases for inflation, for the cost of operating new facilities, for transfers of work to other city departments and for reductions totaling an amount equal to the initiatives noted above. The total expense budget of the Park Board will increase in 2012 to \$103.8 M from \$103.1 M in 2011. Similarly, the revenue budget will increase in 2012 to \$47.9 M from \$47.4 M in 2011.

Council has set aside time on the evening of February 29 to hear feedback from the public on the proposed 2012 budget and is planning to give final budget approval on March 5, 2012. After Council approval of the 2012 envelope of funding for the Park Board, a report detailing all of the changes will be prepared for the Board so that it can approve the 2012 operating budget at a meeting in March

### **SUMMARY**

The strategic budget initiatives and one-time adjustments for the Park Board's 2012 operating budget are detailed in the body of this report. These initiatives/adjustments were developed to support Council's direction to confine property tax increases and balance the operating budget. The initiatives/adjustments total \$2.397 million and represent 2.3% of the Board's 2011 gross operating budget.

The total of all changes for the Park Board are noted in the Council Report on the Interim budget. The total expense budget of the Park will increase in 2012 to \$103.8 M from \$103.1 M in 2011. Similarly, the revenue budget will increase in 2012 to \$47.9 M from \$47.4 M in 2011.

Staff will begin to implement the 2012 strategic budget initiatives and one-time adjustments once approved by the Board. After Council approval of the 2012 envelope of funding for the Park Board, a report detailing all of the changes will be prepared for the Board so that it can approve the 2012 operating budget at a meeting in March.

Prepared by:  
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