



2018 Operating & Capital Budgets Parks and Recreation

Special Park Board Meeting
Tuesday, November 14, 2017



To seek the Board's approval of the 2018 Operating & Capital Budgets as submitted by staff.

- 2018 Operating Budget
- 2018 Capital Budget
- Recommendation



2018 Operating Budget



Budget Approach

- The 2018 Operating Budget begins with the 2017 budget as a base

Goals

- Continue providing valued services as efficiently as possible
- Ensure alignment with Park Board priorities
- Identify new sources of revenue to fund new initiatives
- Seek productivity improvements

Building the Operating Budget

		Revenue	Expense	Impact on tax-based Funding
2017 Restated* Budget		\$57.2 M	\$119.2 M	\$62.0 M
Revenue Increases – Rate/Volume	+	\$2.3 M	\$0.9 M	(\$1.4 M)
Fixed Cost Increases and Adjustments	+	\$0.0 M	\$2.1 M	\$2.1 M
New Services/Programs	+	\$0.0 M	\$0.3 M	\$0.3 M
Operating Impact of Capital Projects	+	\$0.0 M	\$0.9 M	\$0.9 M
Productivity Savings Initiatives	+	\$0.0 M	(\$0.6 M)	(\$0.6 M)
2018 Proposed Budget	=	\$59.5 M	\$122.8 M	\$63.3 M
Net Change		\$2.3 M	\$3.6 M	\$1.3 M

* The 2017 budget has been restated to reflect reorganizations, changes in shared support services, and wage settlements to make the 2017 and 2018 budgets comparable

Revenue Increases

		Revenue	Expense	Impact on tax-based Funding
Revenue Increases – Rate/Volume	+	\$ 2.3 M	\$ 0.9 M	(\$ 1.4 M)
User Fee Changes	+	\$ 0.8 M	\$ 0.0 M	(\$ 0.8 M)
Volume Increases	+	\$ 0.8 M	\$ 0.8 M	\$ 0.0 M
New Sources	+	\$ 0.7 M	\$ 0.1 M	(\$ 0.6 M)

	Details
User Fee Changes	<ul style="list-style-type: none"> Fees and charges for 2018 as proposed to the Park Board for approval; 1.4% average impact on rates
Volume Increases	<ul style="list-style-type: none"> Volumes experienced in 2016 and 2017 were incorporated into 2018 budget, along with changes to associated direct costs Key areas which were adjusted include: VanDusen Garden, Bloedel Conservatory, film/special events, and parking
New Sources	<ul style="list-style-type: none"> A number of new revenue sources are expected to commence including parking at Spanish Banks and a lease with Stanley Park Brewing for the former Fish House space.

Fixed Costs Increases



	\$ Budget	Details
Wages	\$1,820 K	2% increases for CUPE 15 & 1004 per collective agreements
Loan repayments	\$250 K	Increased budget to repay construction loans
Equipment and fleet	\$145 K	Increased budget for vehicles and small equipment
Building occupancy costs	\$ 68 K	Net adjustments for natural gas, electricity, steam heat, janitorial services & supplies, property insurance, etc.
Internal allocations & other costs	(\$183 K)	Efficiencies in support services from other city departments & supply & other cost savings.

New Services/Programs



	\$ Budget	Strategic Context
<p>Park Maintenance</p> <ul style="list-style-type: none"> One-time investment in street beautification 	\$250 K	<p>Permanent solutions to median/boulevard plantings in high traffic areas to improve appearance and enable more efficient ongoing maintenance</p>

New Services/Programs, cont'd



In addition to providing new services from incremental funding, Park Board staff have identified opportunities to “self-fund” investments in priority areas. Efficiencies and reprioritization enable the investments below with **no net impact** on the budget.

Investment	\$ Budget	Description & strategic context
JOA Implementation	\$575 K	<ul style="list-style-type: none">• Additional services and staff related to the implementation of the new Joint Operating Agreement, including additional funds earmarked for Strathcona Community Centre
Park Safety & Cleanliness	\$150 K	<ul style="list-style-type: none">• One-time funding provided through re-prioritization of operating budget to support the continuation of service agreement with the City’s Engineering Streets division to assist with key problem parks, as well as additional security attendants at Andy Livingstone and Creekside. Funding supports initiative through to mid-2018 at which point Staff will report back with a comprehensive and sustainable Park Ranger Service Model, inclusive of funding source, in collaboration with VPD and the City.

New Services/Programs, cont'd



Investment	\$ Budget	Description & strategic context
Reconciliation Coordinator	\$150 K	<ul style="list-style-type: none">• Creation of a regular fulltime position responsible for development and implementation of a Park Board Reconciliation Strategy will further Board reconciliation work.
Park Washroom Cleanliness	\$100 K	<ul style="list-style-type: none">• An action plan to improve service levels, particularly in peak spring and summer seasons
Park Board Security Action Plan	\$75 K	<ul style="list-style-type: none">• In partnership with the Corporate Security Team, a jointly funded cooperative action plan will enhance safety and security.

Operating Costs of Capital



Service Areas	\$ Budget	Service Impact
Killarney Seniors Centre	\$492 K	<ul style="list-style-type: none"> Part-year funding for programming and maintenance staff and supplies. Full year funding will commence in 2019. One-time funding for purchase of equipment and furnishings to support centre programming & maintenance
Park Board Systems Support staff	\$261 K	<ul style="list-style-type: none"> Staff for ongoing support of point of sale and registration software systems (ActiveNet & Club Prophet).
Urban Forest Maintenance	\$191 K	<ul style="list-style-type: none"> Supports the necessary maintenance of newly planted trees

Productivity Savings



Service Areas	\$ Budget	Service Impact
Vacancy savings / Incremental Revenue	(\$425 K)	<ul style="list-style-type: none"> This equates to 0.7% of the regular staff wage budget. As historical turnover has averaged roughly 8% annually, savings are expected to be achieved via vacancies caused by regular “time-to-hire” processes resulting in low service level impact. Incremental revenue opportunities with a net budget contribution will continue to be sought.
Seasonal service adjustments	(\$137 K)	<ul style="list-style-type: none"> Adjustment to maintenance schedules to reflect seasonality of park maintenance

2018 Capital Budget



Budget Approach

- The Annual Capital Budget for 2018 is derived from the 10-year Strategic Outlook and 4-year Capital Plan (2015 – 2018)

Goals

- Respond to the needs and pressures of a growing city
- Maintain, improve and grow Park Board parks, amenities, and facilities
- Continue providing valued services as efficiently as possible
- Ensure alignment with Park Board priorities

The Capital Budget Consists of Two Components

1. Multi-year Capital Project Budget - the budget for the total costs and the corresponding funding source(s) committed to a specific Capital Project.
2. Annual Capital Expenditure Budget - a project or program's planned expenditures in the associated year, funded from the overall approved Multi-Year Capital Project Budget

2018 Park Board Capital Expenditure Budget \$39.3M

Service Categories:

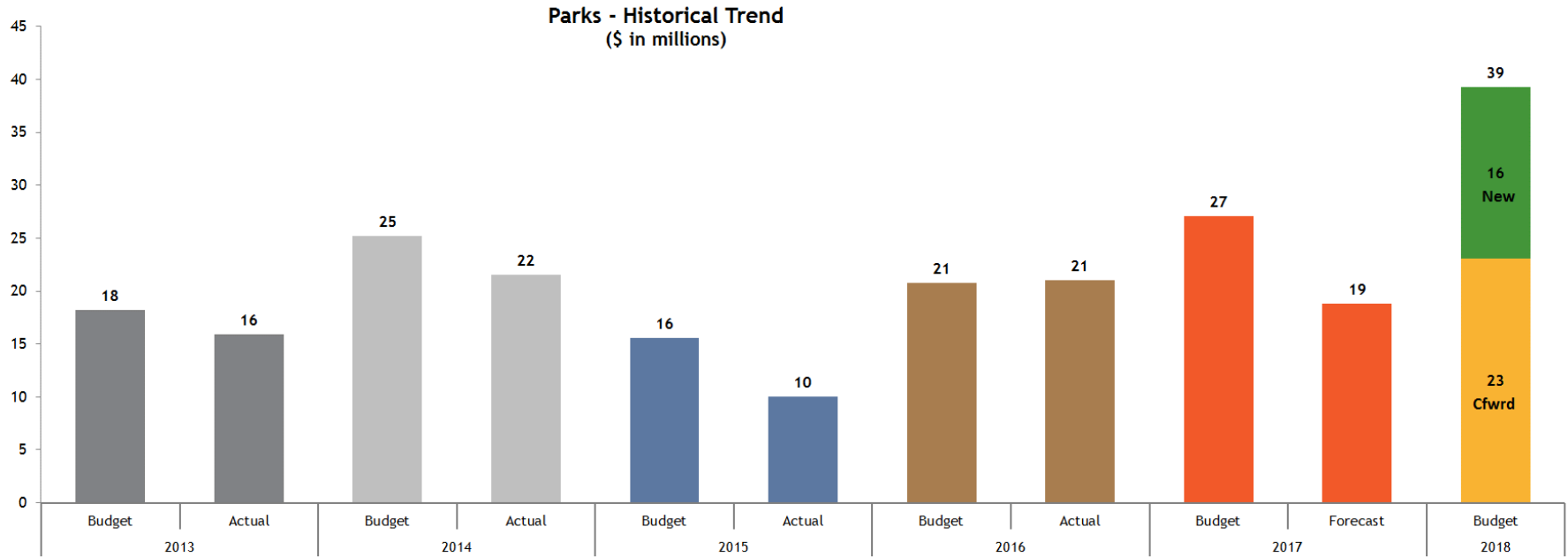
• Activity Features	\$11.2M
• New Parks and Renewals	\$17.1M
• Park Infrastructure	\$2.1M
• Seawall and Waterfront	\$4.1M
• Urban Forestry and Natural Features	\$4.5M
• Recreation Facilities	\$0.2M
Total *	\$39.3M

**Totals may not add due to rounding*

The above noted annual expenditure budget is supported by previously approved multi-year capital project budgets, plus a new request for \$23M of new multi-year project budget requested as part of the 2018 Capital Budget



Parks Historical Spending Trend



\$39M annual capital budget at its highest in the last 5 years.

Higher than average spend the result of a few large construction projects expected to commence in 2018. Further details in coming slides

Activity Features \$11.2M

Construction & Delivery Stage Projects:

- Golf Course & Langara Drainage Improvements - \$3.5M
- Playgrounds (for use in 2018) - \$2.3M
 - Ash, Beaconsfield, Champlain Heights, Charleson, Collingwood, Jones, Winona Parks, Douglas and Clark Parks
- 2017 Major Playfield Renewal (for use 2019) - \$1.0M
- New Synthetic Turf Field (for use 2019) - \$0.5M
- Dog parks – new/upgrades - \$0.5M
- Other - \$2.2M
 - Sports fields and Courts, Cambie North Project, Wading Pools and Spray Parks, and others

Early Concept, Planning & Design Projects:

- New Outdoor Pool - planning & design - \$0.8M
- Track and field – study & engagement - \$0.4M

Full list of projects can be found in Appendix B to the report, with detailed description in Appendix D



- The Park Board remains committed to the delivery of a new outdoor pool for the residents of and visitors to Vancouver
- Actions planned for 2018 to move forward on priority
 - Once a location for a new outdoor pool is confirmed as an action for implementation from VanSplash, the next step is design
 - \$0.8M of funding earmarked in 2018 budget to fund planning & design work based on recommended location, funds will be used for:
 - Public Engagement
 - Design Development
 - Upon completion of design, staff will work with City staff to seek options for phasing of construction based on funding availability

New Parks and Renewals \$17.1M

Construction & Delivery Stage Projects:

- Smithe & Richards Park - \$5.5M (Opening expected 2019)
- Sunset Park Renewal - \$1.3M (Opening 2018)
- Renfrew Ravine - \$1.1M (Opening 2018)
- Riley Park Farmer's Market Pavilion - \$0.5M (Opening expected 2019)
- East Fraser Lands, Phase 1 - \$0.8M (Opening expected 2019)

Early Concept, Planning & Design Projects:

- South East False Creek Park - \$0.3M

Supporting Components:

- Parkland Acquisitions - \$3.2M
- Park Planning & Policy Studies - \$1.2M
 - Includes continued work on VanPlay, On Water, Stanley Park Planning and Skateboard Strategy
- Park Project Management Team - \$1.9M
- Other - \$1.3M



Construction & Delivery Stage Projects:

- Roads, Pathways and Drainage \$1.7M
- Green Ops & Musqueam Bridge \$0.4M



Construction & Delivery Stage Projects

- Stanley Park Waterfront and Seawall \$3.4M
- Seaside Greenway (Stanley Park cycling plan) & Marine Study & Bikeway \$0.7M



Construction & Delivery Stage Projects

- Park and Street Trees - planting of new trees \$2.5M

Early Concept, Planning & Design Projects:

- Biodiversity Enhancements - Tatlow Stream & Beaver Lake \$1.0M
- Lost Lagoon Study – opportunity to create tidal marsh \$0.1M

Supporting Components:

- Other \$0.9M

Supporting Components:

- Community Recreation Facilities Upgrades \$0.2M
 - Specific projects to be determined in consultation with CCAs following the signing of the JOA



2018 REFM Capital Expenditure Budget \$14.7M



- For consideration in the 2018 Capital Budget, projects related to Park Board facilities will be included by REFM for consideration by Council
- Details on these projects are provided in the following slides broken down by Recreation Facilities and Park Buildings



Construction & Delivery Stage Projects

- Kits Pool Structural and Mechanical Upgrades - \$2.1M
- Burrard Marina Upgrades - \$1.2M
- Southeast Vancouver (Killarney) Senior Centre - \$1.1M
- Capital Maintenance & Renovations - Rec Facilities - \$3.5M
 - See Appendix G for further details on potential projects planned for 2018

Early Concept, Planning & Design Projects

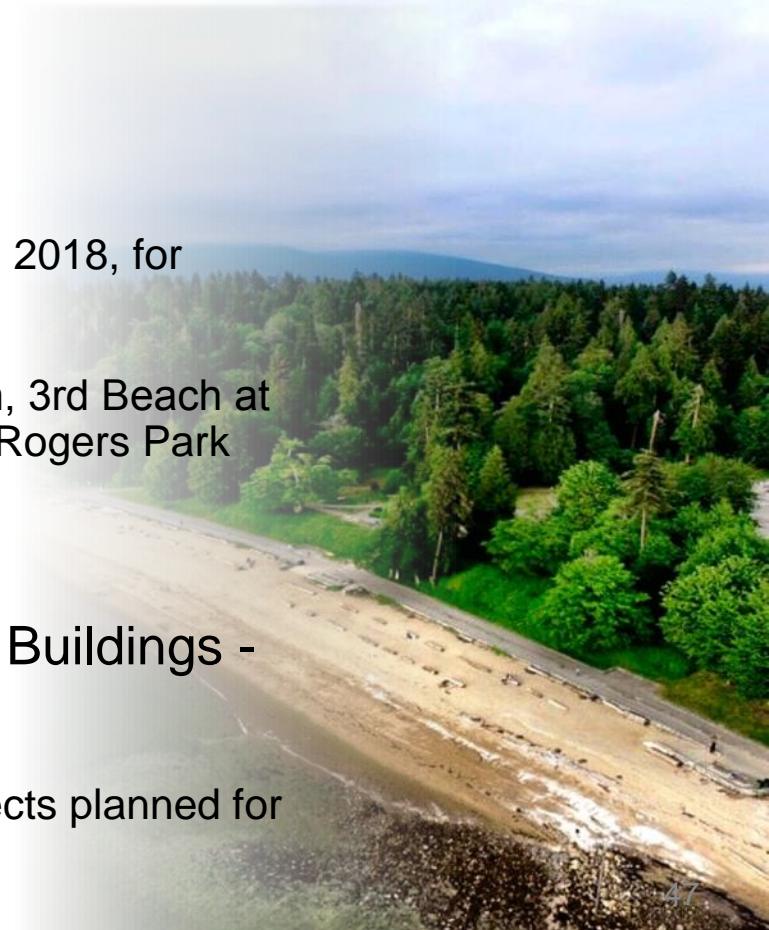
- Marpole Community Centre - Planning - \$0.6M
- Britannia CC Pool and Rink - \$1.3M



- The renewal of existing community centers remains a top priority for the Park Board to ensure the recreational needs of a growing city can be met well into the future
- Community engagement related to the programming and facility needs has started in 2017 and will be completed in early 2018
- Actions planned for 2018
 - 2018 Expenditure Budget \$0.6M (Forecasted \$1.3M to be spent in 2019), to fund:
 - Complete Design
 - Initiate process to obtain Development Permits
- Procurement of construction requires ~\$40M which will be included in 2019-2022 Capital Plan (for consideration by Council in June 2018)

Construction & Delivery Stage Projects

- Parks Washroom Renewal - \$2.4M
 - Construction on 5 washrooms scheduled to begin in 2018, for delivery in 2019
 - Priority washrooms identified as: Lumberman's Arch, 3rd Beach at Stanley Park, Clinton Park, Falaise Park, Jonathan Rogers Park
- Park Fieldhouse Upgrades - \$1.1M
- Capital Maintenance & Renovations - Park Buildings - \$1.5M
 - See Appendix G for further details on potential projects planned for 2018



THAT the Vancouver Park Board approve:

- A. The 2018 Park Board Operating Budget of \$122,805,851 in expenditures and transfers, funded by \$59,549,538 in revenues and \$63,256,313 of tax-based operating funds, as outlined in this report and in Appendix A;

- B. The 2018 Park Board Multi-Year Capital Project Budget in the amount of \$22,986,450 as outlined in Appendix B of this report;

- C. The 2018 Park Board Annual Capital Expenditure Budget in the amount of \$39,270,379 as outlined in Appendix C of this report; and
- D. Subject to approval of recommendations A, B and C above, the submission of the Park Board's 2018 Operating and Capital Budgets to Vancouver City Council for consideration in the approval of the City of Vancouver's 2018 Operating Budget and 2018 Capital Budget.

