

APPENDIX A

Revised: November 20, 2009



TO: Board Members – Vancouver Park Board
FROM: General Manager – Parks and Recreation
SUBJECT: 2010 Operating Budget Update

RECOMMENDATION

THAT the Board approve the proposed 2010 budget initiatives as outlined in this report.

POLICY

There is no applicable policy.

BACKGROUND

On February 3, 2009, Council passed a motion directing the City Manager to “immediately take all necessary steps to produce a 2009 Operating Budget that will protect taxpayers and mitigate any compromise of key City services” and requesting that the City Manager “be asked to consider steps which may possibly include:

- review of all “projects” underway
- expedited implementation of shared services across all City departments, outside Boards (Parks and Recreation, Vancouver Public Library, Vancouver Police, Vancouver Civic Theatres) and owned/controlled entities (Parking Corporation of Vancouver, Pacific National Exhibition)
- hiring freezes
- pay freezes
- triage and limiting of all external consultant engagements
- early retirement
- review and adjust City business activities to align with the City core mandate under the Vancouver Charter”

As well, Council instructed the City Manager to “continue these efforts as necessary to limit future property tax increases in 2010 and 2011.”

In preparing the 2010 operating budget, the City has identified a budget gap of \$61.7 million. A number of initiatives have been identified to help close that gap. With

the implementation of this plan, the tax increase required to balance the City's 2010 operating budget can be reduced to 2.0%.

Overall the 2010 City allocation to the Board will increase by \$4.2 million over the 2009 budget. This increase is for both salary inflationary adjustment of \$2.3 million and operating funds for new facilities of \$1.8 million. This increase will assist but not totally cover the anticipated cost pressures for 2010 facing the Board.

The specific measures which impact the Board's 2010 operating budget are:

- A \$1.6 million increase to the Board's revenue budget. The Board will consider the 2010 Fees and Charges to achieve this revenue target at its meeting on November 16, 2009.
- Transfer of \$357,100 from the Park Board budget to the new 311 Operations Centre, to reflect the changes in service delivery.
- "Bridging" (Continuation of the hiring freeze and the curtailment of discretionary spending until the City can fully realize savings from shared services). The Park Board will continue the temporary vacancy savings of \$1,179,000 identified during the creation of the 2009 budget
- "How's" (the implementation of shared services and rationalization of services). Implementing the "How's" will be done via shared services and process improvements. The notional savings targets allocated to the Park Board total \$2.9 - \$3.1 million and will include savings from IT services, supply chain management, decreased absenteeism, and the elimination of duplication in sanitation services.
- "What's" (the re-evaluation of all services provided and reduction to those which are core to the City's mandate). Implementing the "What's" involves reexamining all the services the Park Board provides and prioritizing the programs provided. To that end, those core services most closely related to our responsibilities for park and recreation services will be maintained.

DISCUSSION

This report provides details of service adjustments on the proposed changes to the Park Board operating budget to address the \$2.8 million target allocated to the Park Board.

In developing service adjustment proposals, general principles as listed below were developed with the overall goal of protecting core services and programs:

- **Parks** – Preserve maintenance of high use/demand parks.
- **Recreation** – Preserve core programs in community centres, rinks & pools to ensure access and meet demand.
- **Maintenance** – Preserve park and recreation facilities and structures.
- **Revenue** – Protect services, programs and businesses that return net revenues to the Park Board.

Staff proposed a number of service adjustments, which were presented to the Board at a briefing on November 9, 2009. After reviewing the options proposed by staff, the Board endorsed the specific service adjustments listed below to achieve the \$2.8 million target.

Description of Change, Impact to Services & Mitigation Strategy	Budget Savings in 2010 (\$000s)	FTE Impact
Park Services – street cleaning, litter, plant material, street trees, park maintenance	\$571.0	
<u>Reduction in garbage pickup and street sweeping. This may involve reducing garbage totes from some parks. Mitigation will occur by prioritizing the cleaning of high use parks & facilities. A communication plan (e.g. pack it in, pack it out) will be initiated to help reduce garbage in parks.</u>	100.0	1.0 TFT/ Auxiliary + 1.0 RFT CUPE 1004
<u>Change in the operation of Sunset Nursery. The greenhouse operation will continue to grow unique and specialty plants. Common plant varieties will be purchased from local wholesale growers. These changes will improve efficiency and reduce costs. Over half of the anticipated cost savings are attributable to the closure of the Bloedel Conservatory, as the Nursery provides plants for this facility. Staff will strive to source the highest quality plants to keep our parks and gardens to the current standards.</u>	250.0	Combination of 2.0 RFT/TFT CUPE 1004
<u>Reduction in Street Tree replacement. Tree work will be prioritized. Trees which die during the year will not be replaced. The number of trees planted in 2010 will total approximately 800, which is a one third reduction from the total planted in 2008. The Park Board will promote the Adopt a Tree program where residents can either adopt or purchase a new tree.</u>	146.0	2.5 TFT/ Auxiliary CUPE 1004
<u>Reduced maintenance in QE Park will include reducing plant varieties and the frequency of plantings. Naturalization will be expanded in low traffic areas of the park.</u>	75.0	1.0 TFT/ Auxiliary CUPE 1004

Description of Change, Impact to Services & Mitigation Strategy	Budget Savings in 2010 (\$000s)	FTE Impact
Recreation Services – prioritization and coordination of program and facility hours.	\$1,333	
<u>Funding under the formal Active Communities banner will be discontinued and programming refocused to encourage physical activity and healthy lifestyles through other resources, including community centre activities and partnerships with schools and other agencies. The funding of Active Communities was initiated with the purpose of increasing the level of physical activity in Vancouver by 20% by 2010. Opportunities to continue certain programs will be evaluated within the Vancouver Sport Strategy – Active For Life program.</u>	100.0	n/a
<u>The Park Board will no longer provide program support staff to the community school. Programs at the school are operated by the Champlain Community Centre Association with Park Board staff support. Staff is working with interested parties to ensure the continuation of programs at the Community School (particularly the out-of-school program) under a new format.</u>	60.0	1.0 RFT + 0.3 Auxiliary CUPE 15
<u>Recreation Services costs will be reduced by 5% similar to other adjustments in other areas of the Park Board. Savings will be achieved through service reductions in community centres, fitness centres, pools and rinks. The Park Board will meet with community associations and staff to determine how to best achieve these reductions.</u>	1,173.0	Combination of RFT & Aux. -15.5 CUPE 15
Maintenance – Reduced maintenance, ensuring prioritizing for risk reduction and life cycle impacts.	\$740.0	
The safety of our buildings and structures for users remains the highest priority. Maintenance is being reduced by 5%, resulting in approximately 1,000 fewer work orders being processed (the current level is 12,800). This will be mitigated by giving priority to risk reduction and life cycle impact over more aesthetic maintenance.	700.0	1.0 TFT CUPE 15 6.0 TFT + 4 RFT CUPE 1004
Reduction in clerical support in Planning	40.0	0.5 RFT CUPE 15

Description of Change, Impact to Services & Mitigation Strategy	Budget Savings in 2010 (\$000s)	FTE Impact
Revenue Services – Closure of businesses non-core to Park Board and currently subsidized	\$73.0	
<p>Closure of Children’s Farmyard. The Farmyard attracts more than 150,000 visitors a year, <u>including 35,000 during the spring/summer months and the balance during the Ghost Train and Bright Nights events. The operation is subsidized by approximately \$160,000 annually. Stanley Park will continue to have the mini-train attraction during the summer and at the two seasonal events. The Park Board is committed to finding the best and most appropriate home for the animals at the Farmyard and the closure will not happen until this transition is complete. The savings for 2010 reflect the need for this process, but in 2011 will annualize at \$100,000 per year.</u></p>	50.0	5.0 TFT/ Auxiliary + 1.0 RFT CUPE 1004
<p>Closure of Bloedel Conservatory (net budget savings). This is an ageing facility (40 years old) which will require significant capital funds for replacement soon. <u>Reduced attendance and increasing maintenance and utility costs have resulted in the Conservatory being subsidized by about \$250,000 annually despite a budgeted loss of only \$23,000. A careful process will be undertaken to examine options for the use or disposition of the building and options for the future of the birds and plants. The conservatory will remain open until March 1, 2010, after which decommissioning of the facility will occur. The Park Board will proceed with a Request For Proposal process to determine the opportunities and interest in potential future uses of the facility.</u></p>	23.0	1.77 RFT + 8.0 Auxiliary CUPE 15 2.0 RFT + 1.23 TFT/ Auxiliary CUPE 1004
Other	\$75.0	
<p><u>Events hosted by the Park Board will be redesigned to a more modest scale including those functions for volunteer and long service recognition. Administrative supplies will also be reduced.</u></p>	75.0	n/a
Total	2,792.0	28.07 CUPE 15 (RFT/TFT/Auxiliary). 26.73 CUPE 1004 (RFT/TFT/Auxiliary)

All initiatives will be closely monitored to assess impacts. Staff will regularly advise the Board on the progress and impact from these initiatives.

SUMMARY

The service adjustments for the Park Board's 2010 operating budget are detailed in the body of this report. These initiatives were developed to support Council's direction to confine property tax increase and balance the operating budget.

Once Council approves the 2010 operating budget in December, staff will begin to implement the service adjustments approved by the Board.

Prepared by:
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