

2002 RECREATION AND CULTURE BUDGET

Recommendation

The Commissioner of Community Services in consultation with the Director of Recreation and Culture recommends:

That the following report be received for information.

Purpose

The purpose of this report is to provide the Audit Committee with information as to the over expenditures in the Recreation and Culture 2002 operating budget.

Background - Analysis and Options

In 2002 major budgeting shortfalls from the previous year required the department to seriously review their budget processes and operating business practises. This exercise started in the September of 2002, which enabled staff to address a number of issues immediately. Unfortunately the bulk of the over expenditures were in summer youth and camp programs along with preschool and children's programs which had already taken place and could not benefit from this budget and operating review. The department's total net variance amounted to \$230,715 and was a result of a number of challenges.

Department issues varied widely from over expenditures of a new bus company contract to providing a higher level of staff resources at program locations. In some areas programs were offered without the necessary budgeted dollars to support programs fully. For other department programs revenues were unrealistic.

Further to the budget review in the fall of 2002 new measures in April of 2003 have been introduced to reduce potential shortfalls for the remainder of the year. They include the following steps:

1. To review all registered class programs.
2. To increase the minimum class participation to 75% capacity. Until recently many classes were offered at 40 – 50% capacity.
3. To cancel classes that don't meet new minimum requirements and/or greatly reduce the operating costs. (e.g. fewer staff)
4. To increase participant to instructor ratios wherever possible as long as health and safety are not compromised. This would mean a reduction in part-time staff expenses.
5. The review of all third party agreements to ensure that they meet new operating guidelines.
6. No new programs will be introduced in the fall of 2003 without a cost benefit analysis to support the initiative.
7. To continuously analyze all recreation and culture programs to improve efficiencies and operating practises.

Conclusion

The Recreation and Culture's budget showed that there was an unfavourable total net variance of \$230,715 from the 2002 budget. Issues varied widely from over expenditures of part-time staff salaries, increased programming costs to unbudgeted new programs. Significant costs saving measures and new operating practises continue to be introduced to ensure budget targets can be met.

Attachments

None

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Respectfully submitted,

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Commissioner of Community Services