



* **2012 Budget
Recreation Department**

January 13, 2012

The City of Penticton

Vision

Penticton - a vibrant, innovative, adventurous waterfront City focused on sustainability, community and economic opportunity.

The Recreation Department

Mission

Through strong leadership, and in partnership with volunteer, public and private service providers, the Recreation Department promotes and contributes to a healthy community and enhances the quality of life for residents and visitors of Penticton, through the planning, management and delivery of recreation, sport and active living opportunities.

Vision

The Recreation Department - a vibrant and innovative City support, delivering exceptional service and programs in quality facilities allowing Penticton to be a sustainable, diverse, healthy and active community in which to live, work and play.

The Recreation Department

Values

Integrity: *“The Recreation Department aspires to be ethical, responsible, accountable and dedicated to the pursuit of quality recreation services.”*

Respect: *“Through open and honest communication, the Recreation Department will strive to provide an equitable and supportive environment.”*

Leadership: *“The Recreation Department will be responsive to the community needs and through encouragement, empowerment, adaptability and mentorship will foster the growth and potential of participants, staff and volunteers.”*

Sustainability: *“The Recreation Department will act with stewardship in its environmental, lifestyle and fiscal responsibilities.”*

Strategic Priorities & Objectives

Marketing & Communications: *To develop a loyal Recreation User customer base, educate the community and visitors on the benefits and value of Recreation, and promote our programs and services to maximize participation in our facilities and return on investment.*

Programs & Services: *To provide and offer a variety of innovative, high quality and desired programs and services that will attract, capture and retain an expanded customer base.*

People & Employee Relations: *To deliver exceptional service by all Staff, contractors and volunteers through a customer centered community team.*

To create an enriched workplace environment where Staff, contractors and volunteers are respected, valued and engaged in meaningful work.

Community Centre & Recreation Facilities: *To provide the amenities and services for our customers and employees in clean, safe, healthy, accessible, inclusive and exceptional facilities.*

Strategic Priorities & Objectives cont'd

Systems & Information Technology: *To acquire and maintain the necessary information systems and technology that will support all of the processes required to achieve efficiency, productivity and exceptional results in all operational areas.*

To provide and manage the procedures and systems that will support our programs, services and processes.

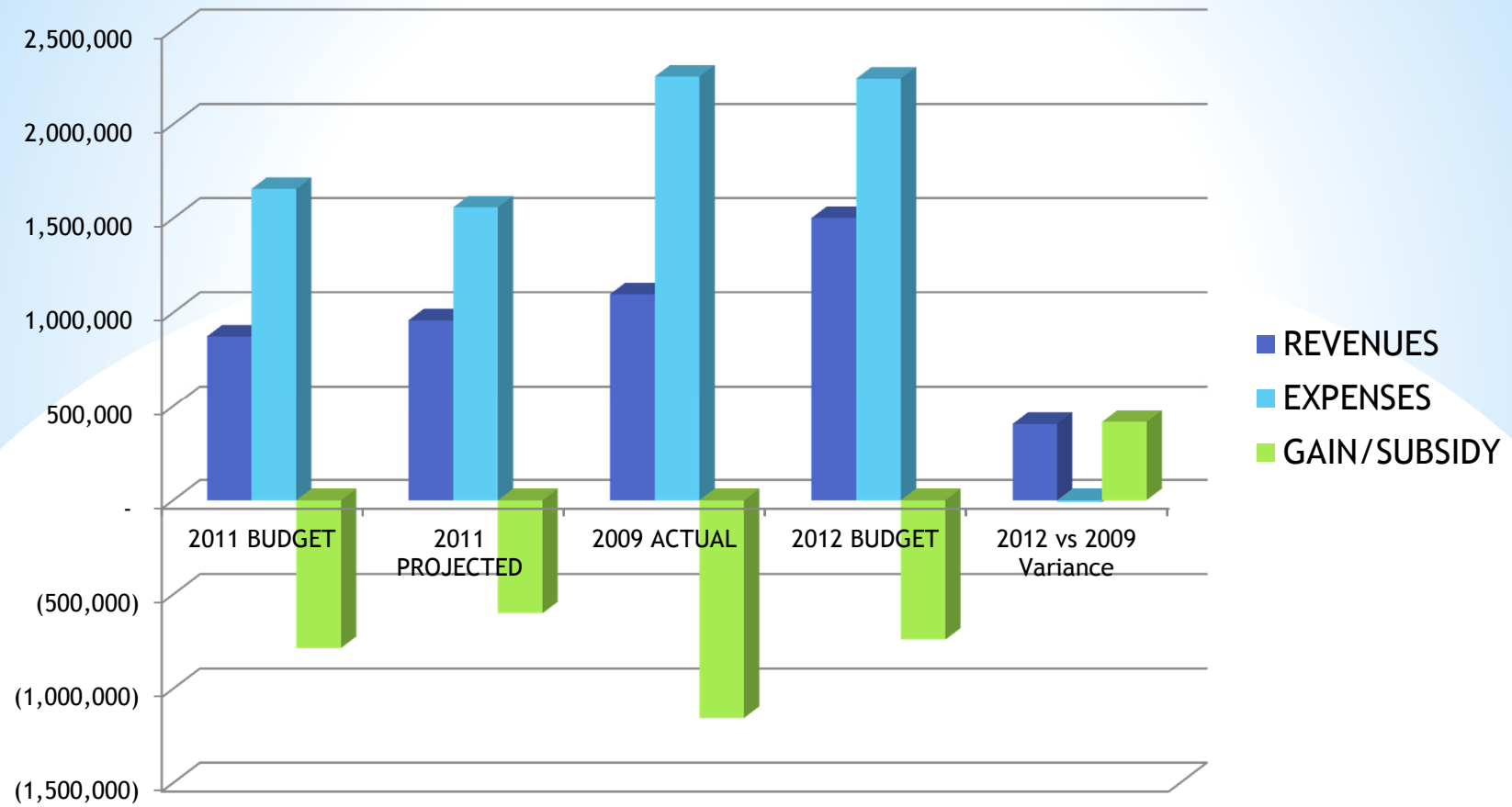
Industry & Market: *To be a proactive leader and partner in maintaining, developing and promoting our community's recreational assets, attributes* and opportunities, thereby maintaining and enhancing our City's sustainability and longevity.*

Finance & Operations: *To explore and implement sustainable revenue generating ideas and operational efficiencies that will ensure fiscal health and responsibility of Recreation.*

*meaning qualities or characteristics

	<u>2011 BUDGET</u>	<u>2011 PROJECTED</u>	<u>2009 ACTUAL</u>	<u>2012 BUDGET</u>	<u>Variance > 2009</u>
REVENUES	\$873,233	\$958,680	\$1,097,152	\$1,501,800	\$404,648
EXPENSES	\$1,657,199	\$1,558,229	\$2,252,102	\$2,241,413	(\$10,689)
GAIN(SUBSIDY)	(\$783,966)	(\$599,549)	(\$1,154,950)	(\$739,613)	\$415,337

*** 2012 Budget**



*** 2012 Budget**

REVENUE	2011 BUDGET	2011 PROJ	2009 ACTUAL	2012 BUDGET	VARIANCE >'09
Library/Museum Aud.	19,055	23,731	18,789	23,000	4,211
School Facility rentals	15,000	19,628	18,826	19,000	174
McLaren Arena fees	183,490	186,740	177,650	190,000	12,350
McLaren-Public Skate	23,000	23,012	18,380	23,000	4,620
Park Bookings	54,590	50,434	47,256	51,000	3,744
School Park Fees	9,000	8,944	9,088	9,000	(88)
Fitness Room	54,600	36,956	85,207	106,500	21,293
Meeting Room	3,300	2,218	4,850	7,000	2,150
Dance Studio	1,200	1,226	1,381	2,000	619
Gym	6,300	5,940	10,770	11,000	230
Pool Rentals	20,900	21,891	56,383	88,000	31,617
Swim Lessons	54,500	57,322	134,362	168,000	33,638
Public Swim	162,500	225,881	204,605	440,000	235,395
Adult Program	6,300	7,169	20,560	21,000	440
Advertising	1,200	1,204	1,903	1,200	(703)
Youth Program	5,600	6,570	9,113	6,900	(2,213)
Special Events	5,300	-	4,770		(4,770)
Fitness Classes	13,800	13,706	29,602	35,000	5,398
Tennis Lessons	6,300	7,831	6,075	6,300	225
Day Camp	56,000	57,566		58,000	58,000
Preschool	22,100	26,335	30,689	32,500	1,811
Equipment Rentals	7,000	7,643	12,778	14,000	1,222
Theatre	18,000	26,228	44,639	51,400	6,761
Recoverable Account	70,000	77,622	88,551	70,000	(18,551)
Children's	28,400	31,894	34,128	33,500	(628)
Pacific sport	14,000	19,189	11,069	19,000	7,931
Misc. Rev	3,800	3,800	6,405	7,500	1,095
Sport Insurance	8,000	8,000	9,323	8,000	(1,323)
TOTAL	873,233	958,680	1,097,152	1,501,800	404,648

 **Revenues**

Proposed 2012 Fees & Charges Effect on Revenue Budget:

- Late 2009 fees & charges analysis undertaken for a 3 year plan
 - A phased in fee increase approach was taken for 2010, 2011 and 2012
 - This adjusted budget reflects these final rate increases for:
 - Library/Museum Auditorium Rental rate
 - Park Bookings
 - Meeting Rooms
 - Activity Spaces; ie. Dance, Gym
 - Effective April 1 reflects 75% annually of rate increase
- Programs & Lessons
 - Rate calculation formula increased 5% to help offset overhead expense
- Facility Admissions
 - Swim, Fitness reflects 75% of 3% annual increase
 - Skating reflects 75% of 5% annual increase

 **Adjusted Revenues**

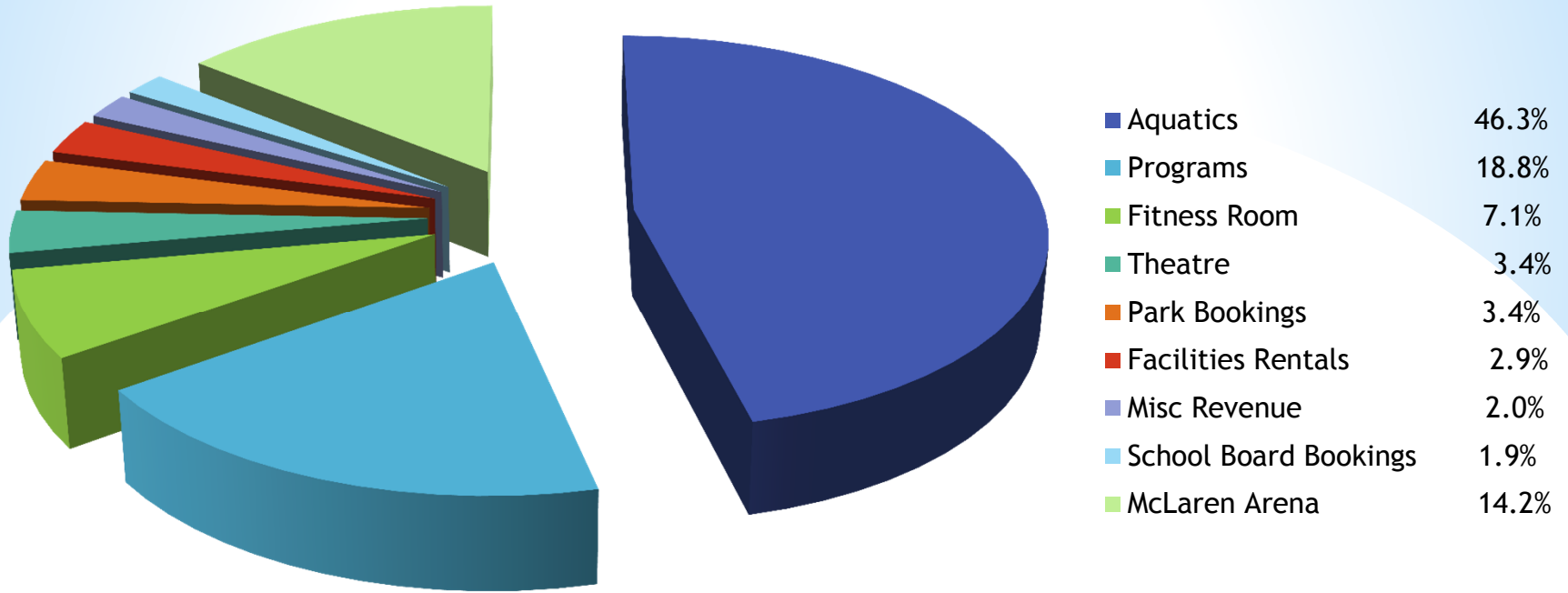
- Facility Rentals
 - Pool , Arena reflects 75% of 3% annual increase
- Theatre Rental
 - Reflects Theatre Technician rate increase
 - Reflects 5% annual expense increase
 - Overall reflects 75% of 10% rate annual increase combining above factors
- Equipment Rentals
 - Represents truer costs of equipment
 - Reflects 75% of 10% annual increase overall
- Miscellaneous Revenue
 - Reflects additional revenue from leased space

*** Adjusted Revenues cont'd**

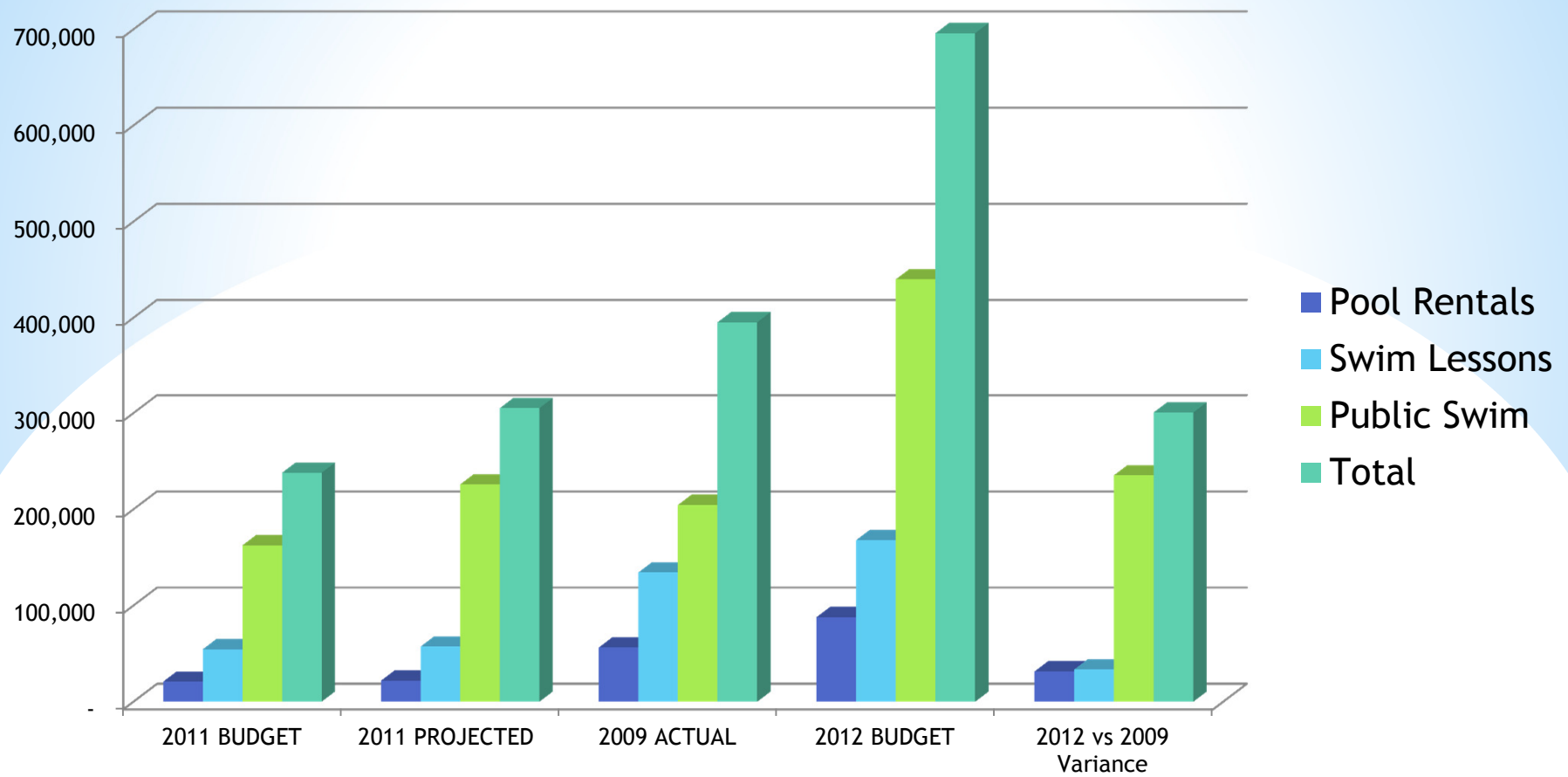
REVENUE	2012 BUDGET	FEES & CHARGES ADJUST	ADJ 2012 BUDGET
Library/Museum Aud.	\$23,000	109.75%	\$25,243
School Facility rentals	\$19,000	100.00%	\$19,000
Mclaren Arena fees	\$190,000	102.25%	\$194,275
Mclaren-Public Skate	\$23,000	103.75%	\$23,863
Park Bookings	\$51,000	111.75%	\$56,993
School Park Fees	\$9,000	100.00%	\$9,000
Fitness Room	\$106,500	102.25%	\$108,896
Meeting Room	\$7,000	107.50%	\$7,525
Dance Studio	\$2,000	107.50%	\$2,150
Gym	\$11,000	107.50%	\$11,825
Pool Rentals	\$88,000	102.25%	\$89,980
Swim Lessons	\$168,000	105.00%	\$176,400
Public Swim	\$440,000	102.25%	\$449,900
Adult Program	\$21,000	105.00%	\$22,050
Advertising	\$1,200	100.00%	\$1,200
Youth Program	\$6,900	105.00%	\$7,245
Special Events	\$0	100.00%	\$0
Fitness Classes	\$35,000	105.00%	\$36,750
Tennis Lessons	\$6,300	105.00%	\$6,615
Daycamp	\$58,000	105.00%	\$60,900
Preschool	\$32,500	105.00%	\$34,125
Equipment Rentals	\$14,000	107.50%	\$15,050
Theatre	\$51,400	107.50%	\$55,255
Recoverable Account	\$70,000	100.00%	\$70,000
Childrens	\$33,500	105.00%	\$35,175
Pacific sport	\$19,000	100.00%	\$19,000
Misc. Rev	\$7,500	340.00%	\$25,500
Sport Insurance	\$8,000	100.00%	\$8,000
TOTAL	\$1,501,800	104.67%	\$1,571,914

* Adjusted Revenues

2012 Budget



* Revenue Category Ranking

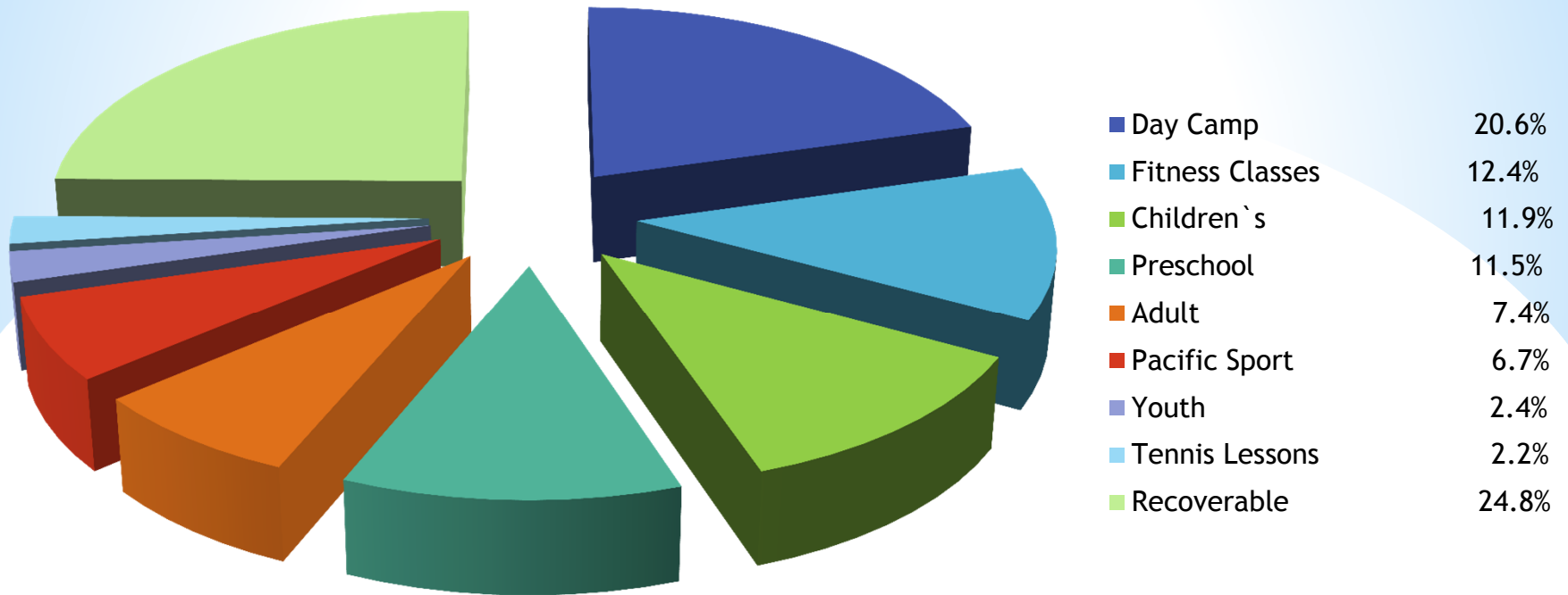


* Aquatic Revenues

PROGRAMS	2011 BUDGET	2011 PROJECTED	2009 ACTUAL	2012 BUDGET	Variance > '09
Day Camp	56,000	57,566	-	58,000	58,000
Fitness Classes	13,800	13,706	29,602	35,000	5,398
Children`s	28,400	31,894	34,128	33,500	(628)
Preschool	22,100	26,335	30,689	32,500	1,811
Adult	6,300	7,169	20,560	21,000	440
Pacific Sport	14,000	19,189	11,069	19,000	7,931
Youth	5,600	6,570	9,113	6,900	(2,213)
Tennis Lessons	6300	7831	6075	6,300	225
Recoverable	70,000	77,622	88,551	70,000	(18,551)
Total	222,500	247,882	229,787	282,200	52,413

* Programs Ranking

2012 Budget



* Programs Revenue Ranking

*Review of Fees & Charges Policy

- Rental cost calculations to be based on truer fully burdened City expenses
- Event rate negotiations based on % of admissions versus just 'park' rent charges; ie. Music Festival
- Indexing of costs/refunds for rental cancellation
- Indexing of price reductions for group rates
- Addition of rental categories to increase rates for size or amenities; ie. Meeting Room 4 vs Room 2 & 3
- Packaging rental for parks and their amenities; ie. Gyro Park bundled with Washroom rental and cleaning

*Revenue Generation Tactics

*Managing Donations In Kind

- New philosophy when requested for D.I.K.
 - “Rental rates for parks, facilities, equipment already represent subsidization or a donation in kind.”
- For 1st time events or festivals when requested for D.I.K., D.I.K. based on performance results.
 - Financial goals will be established mutually with organizer.
 - If the event meets those financial goals, then they would pay up to the rental rates.
 - If they are not met, then the City would subsidize the shortfall up to the maximum of those rates; ie. Skaha Climbing Festival

*Revenue Generation Tactics
cont'd

*Marketing and Promotions

- Change from 3 seasonal Recreation Program Guides to 2 Semi-Annual publications
 - Spring/Summer & Fall/Winter
- Supplement monthly and quarterly with Program Additions through marketing
 - E-newsletters & E-blasts
 - Social networks
 - City page advertising
 - Media coverage in news stories
- Deliver on going promotions of programs and services to increase participation and revenues; ie. “No More Excuses” Fitness
- “Try It For Free” weeks

*Revenue Generation Tactics
cont'd

*Recreation Loyalty Club Membership

- Club membership will represent excellent value to Members
 - Advance registration
 - Point Reward System as Credit for redemption on Recreation Programs in following year; (reduce long term risk of credit build up)
 - Special Member Only promotions
 - Contests & Prizes
- Huge data base developed for Marketing and Communication

*Revenue Generation Tactics
cont'd

* Lease Income From Vacant Space

- RFP for Health & Wellness Services
 - Ideal tenants would provide
 - Lease revenue
 - Client user pay revenues
 - Partner program revenue split
- RFP for Healthy Non-Vending Food & Beverage Services

* Healthy Vending Program

- Established with CC re-opening
- Expanded in September

* Revenue Generation Tactics
cont'd

*Advertising & Naming Rights & Donations

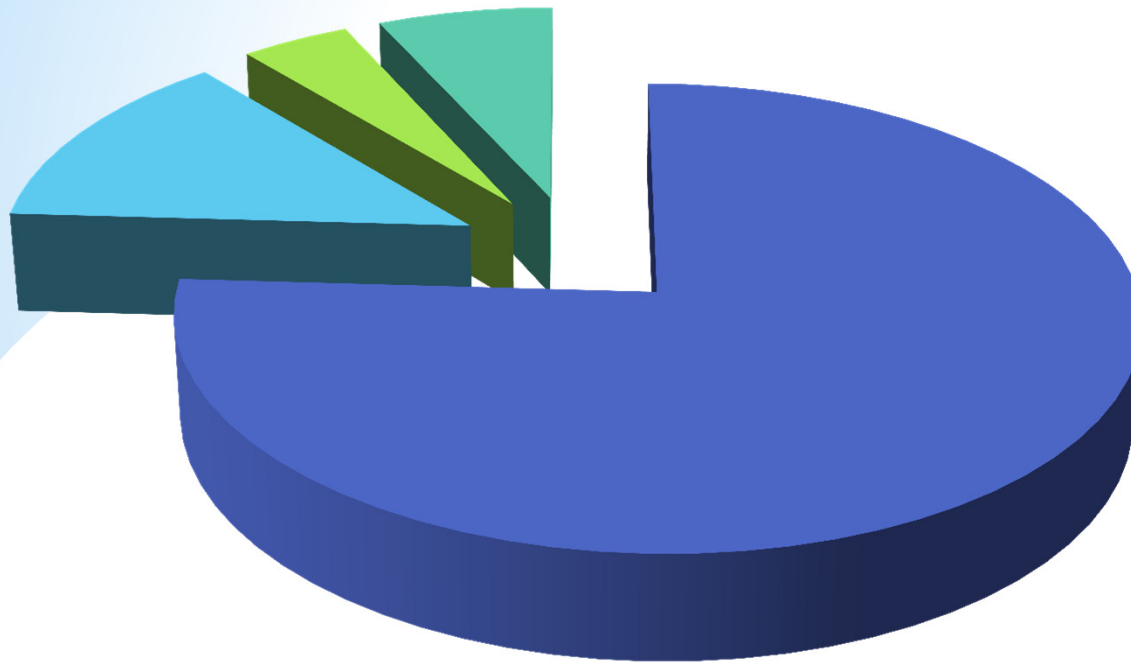
- Advertising, Sponsorship, Donations policies
 - Revised and awaiting presentation to Council for approval
- Kings Park advertising
 - Currently negotiating
- McLaren Arena rink boards, walls, equipment
- Community Centre brochure racks, stairs, pool
- Building naming
- Indoor and outdoor Bench dedications

*Revenue Generation Tactics
cont'd

SALARIES	2011 BUDGET	2011 PROJECTED	2009 ACTUAL	2012 BUDGET	Variance > '09
Programmers	187,600	183,709	238,341	188,811	(49,530)
Lifeguards	535,000	509,540	619,674	888,616	268,942
Office	248,600	230,457	266,918	328,461	61,543
Management	211,050	205,470	508,086	295,250	(212,836)
Total Salaries	1,182,249	1,129,176	1,633,019	1,701,138	68,119
OTHER					
Vehicle Expenses	21,950	19,225	22,000	16,450	(5,550)
Advertising	14,150	15,858	22,858	30,000	7,142
Communication	20,400	20,400	21,593	20,400	(1,193)
Contract Wages	72,200	84,293	130,501	132,375	1,874
Equipment and Maint.	19,600	11,305	14,045	15,000	955
First Aid	1,700	1,697	1,625	2,900	1,275
Program supplies/services	169,150	144,306	146,568	141,350	(5,218)
Arena Wages	15,500	16,410	11,331	15,500	4,169
Staff Uniforms	4,000	4,000	921	4,000	3,079
Volunteers	2,800	1,769	4,585	4,800	215
Special Projects	74,000	80,064	231,280	95,200	(136,080)
Summer Works Program	18,500	12,700	18,760	18,500	(260)
Recreation Master Plan	20,000	9,412	21,535	20,000	(1,535)
School District (facility use)	21,000	21,002	23,727	23,800	73
Total Other	474,949	442,441	671,329	540,275	(131,054)
TOTAL EXPENSES	1,657,199	1,571,617	2,304,348	2,241,413	(62,935)

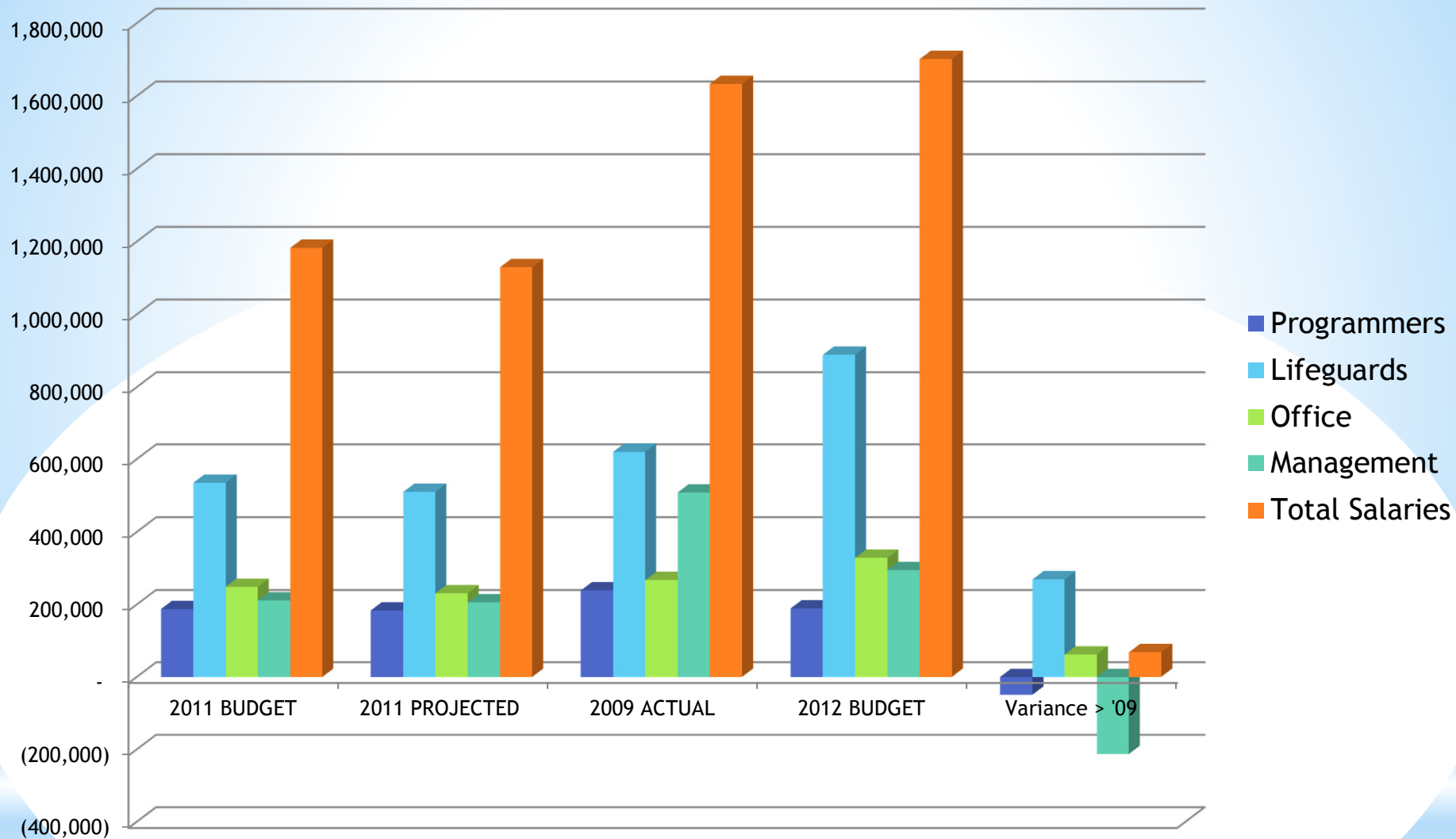
 **Expenses**

2012 BUDGET

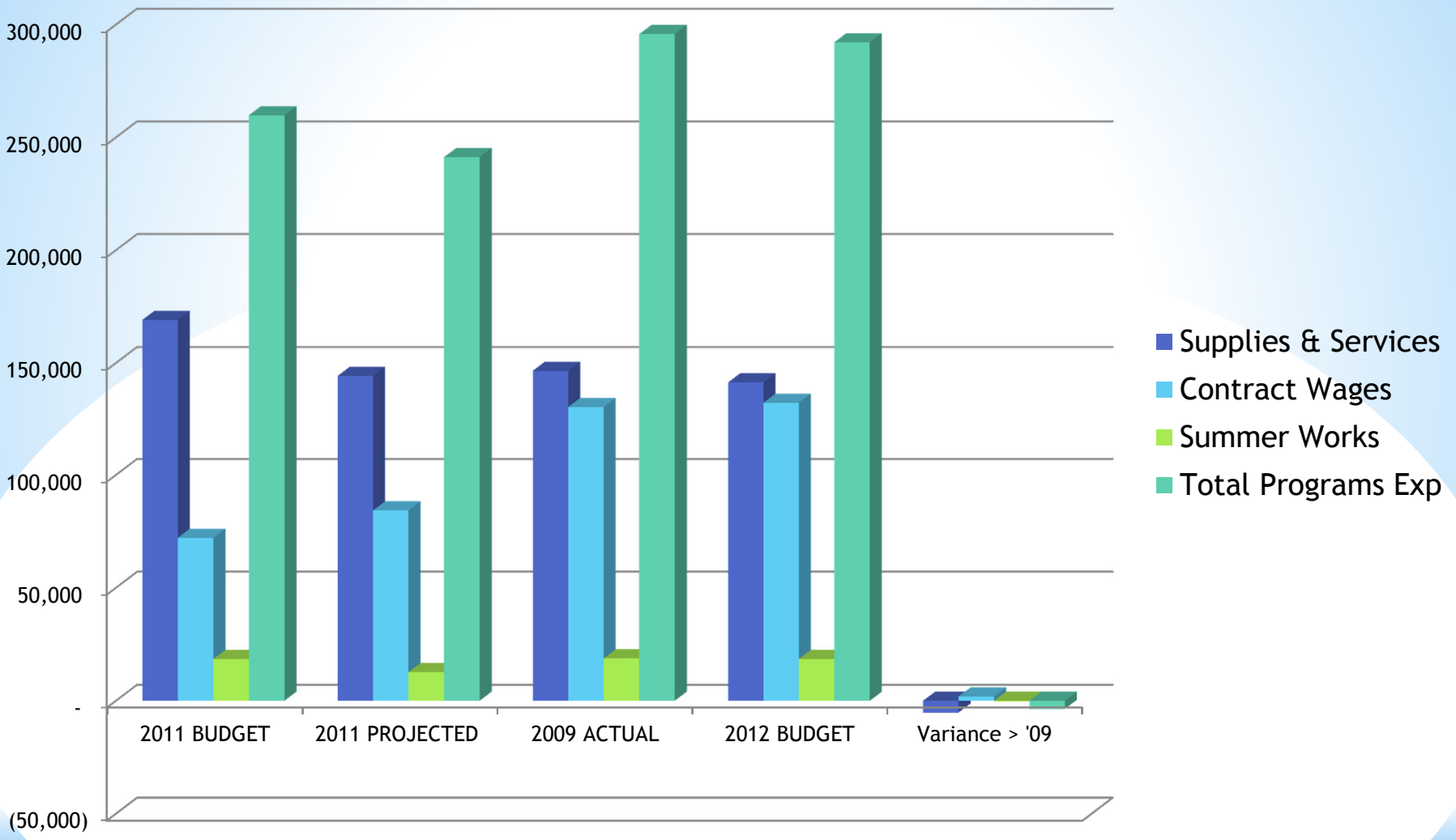


■ Salaries	75.9%
■ Programs Expense	13.0%
■ Special Projects	4.2%
■ Total Other	6.8%

* Expense Category Rankings



*Salaries Expense



* Programs Expense

*Salaries Expense

- Shift to customer contact from support
 - Lifeguard expense increase
 - Expanded hours of operation and use from public
 - Expanded size of facility
 - Increased water features
 - INCREASED REVENUES
 - Reception expense increase
 - As above
- Programmers expense maintained vs 2011
- Management increased 1 FTE vs 2011

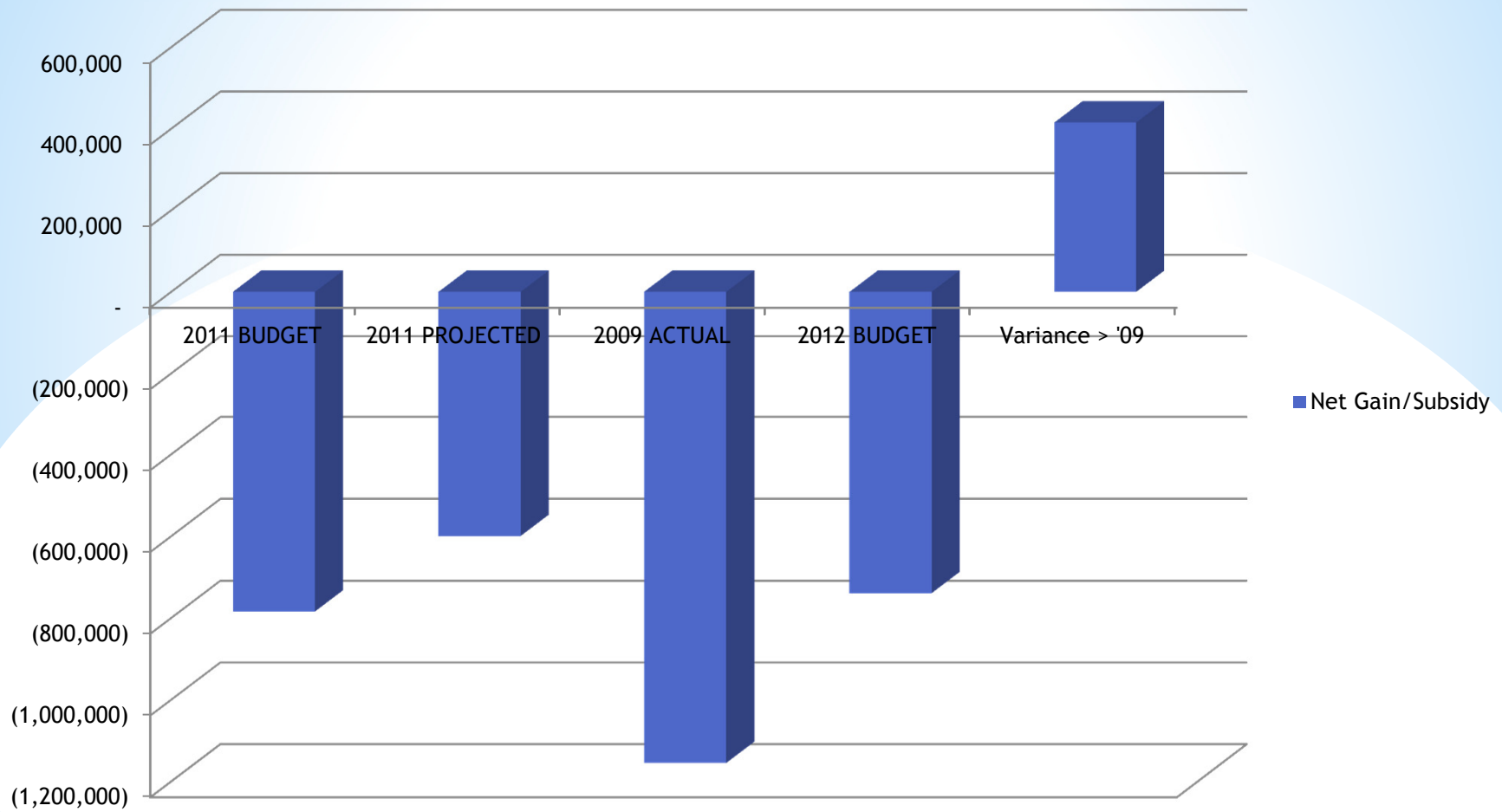
*Salaries Expense

*Additional FTE

- Workload analysis completed
- Reactive not proactive in:
 - Planning
 - Program Development
 - Business Development
- Functions of FTE to be Revenue Driven and include:
 - Pricing & Revenue Generation
 - Business Development
 - Theatre Development
 - New Business & Revenue Streams
 - Marketing, Advertising, Promotions
 - Sponsorships & Naming Rights
 - Loyalty Club management

*Salaries Expense

Net Gain/Subsidy



* City Subsidy

RECREATION

Total Recreation Revenue \$ 1,501,800

Total Recreation Expense \$ 5,181,475

Total Recreation Cost Recovery **29.0%**

** Traditionally Recreation has been at a Cost Recovery Level of 20%.*

*** Cost Recovery Total
Recreation**

Recreation Department

Core Functions

Business Administration

- front office operations, customer service, program registration, admissions, passes, ticket selling, booking payments, etc.
- revenue management
- facility bookings

Recreation

- recreation programs, events and drop-in opportunities
- services such as child minding, birthday parties, day camps
- fitness room
- volunteer opportunities
- public skating and skating programs
- low cost opportunities and financial assistance
- accessible programming

Aquatics

- public swimming
- Red Cross swim lessons
- training courses (NLS, WSI, CPR, etc.)
- aquafit classes
- aquatic rehabilitation program (REACT)
- aquatic recreation programs (parented classes, Swim Fit Core, water running, etc.)
- rentals

Parks & Outdoor Facilities Coordination

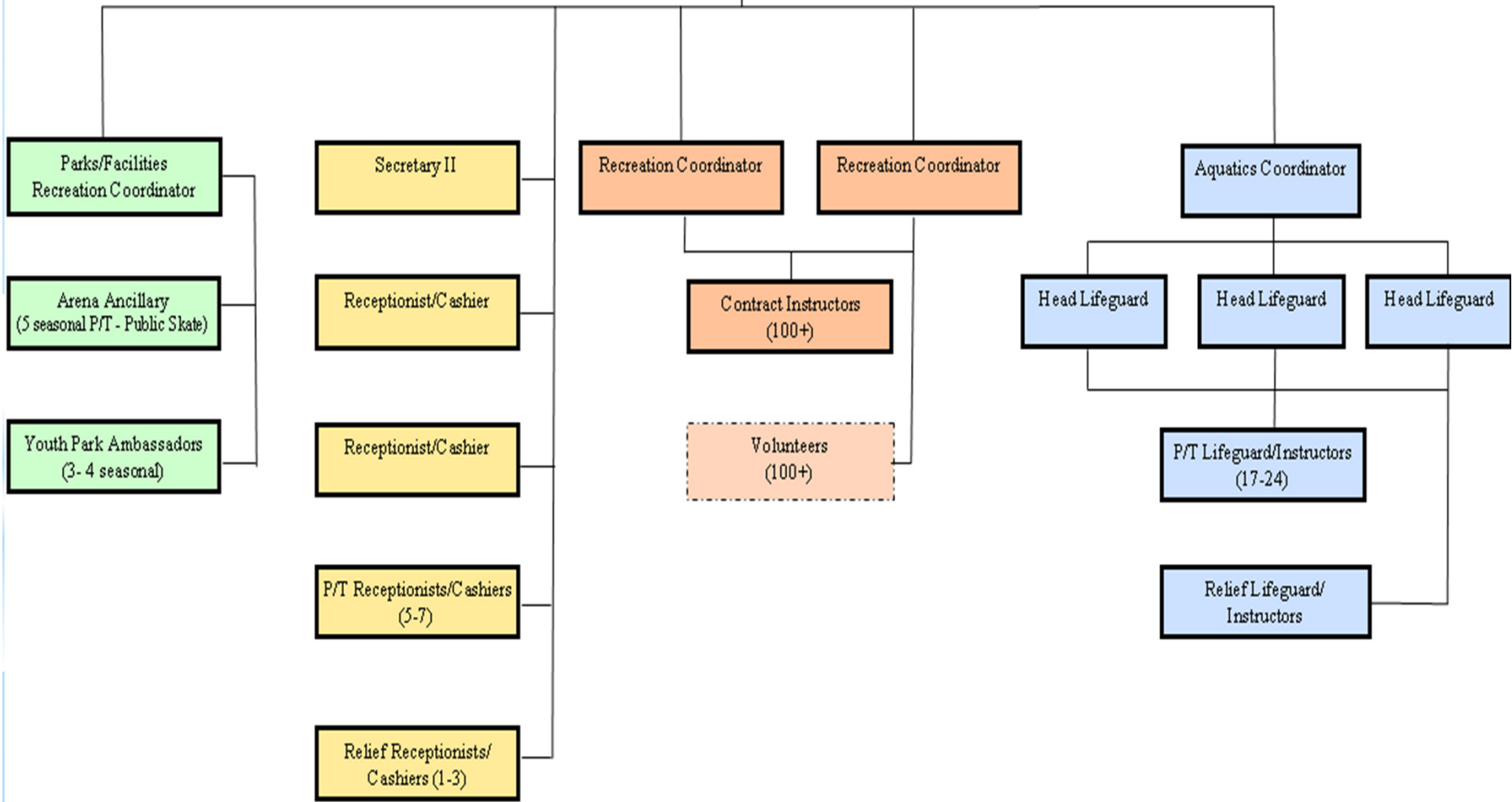
- booking functions for city and school owned parks and outdoor facilities
- booking functions and programming for McLaren Arena
- implement Youth Park Ambassador Program
- special Event and Sport Tourism liaison

2012 Recreation Department
Proposed Organizational Chart

General Manager -
Recreation Services

Recreation Supervisor

Additional Position



FTE Loads

Exempt	3.0
Recreation	2.0
Aquatics	4.0 + 13.9 FTE equivalent (part time)
Admin	3.0 + 3.1 FTE equivalent (part time)
Parks/Fac	<u>1.0</u>
TOTAL	30.0 FTE

Arena Program Staff (seasonal)	0.69 FTE equivalent
Summer Day Camp Staff (seasonal)	1.93 FTE equivalent
Youth Park Ambassadors (seasonal)	0.57 FTE equivalent

Total with seasonal staff is 33.19 FTE.

Does not include contracted program instructors or volunteers.

Process for Determining Core Programming

Established Priorities through a Decision Matrix:

- Community expectation
- Options for other organizations to take it on
- Cost recovery vs. subsidized
- Revenue generation
- At-risk population
- Required staffing resources

Programming Changes:

- Eliminated large scale special events and family events
- Reduced volunteer program
- Implemented partnership relationships
- Reduced youth programming
- Reduced active living programming

Current Non-Core Tasks

- Sales at reception: garbage tags, bus tickets, theatre tickets, sport organization registration, etc.
- Retail sales
- School District facility and park bookings
- Youth Park Ambassador Program

Changes in Level of Service

- Streamlined programming
- Expanded Community Centre operational hours
- Expanded operation of pool features
- Considering opening statutory holidays in 2012

Budget Management

- Once the 2012 budget is approved, the Recreation Department will implement tools which will break the budget down in smaller increments (eg. daily, weekly, monthly, seasonal, annual).
- This will allow staff to:
 - track and measure revenues and expenditures in “real time”
 - compare actuals to budget
 - make ongoing business management decisions in a timely manner

Recreation Impacts on Mandate or Operations of other Departments

- Special event coordination
- Advertising, sponsorship, donations
- Community Centre operating hours

The Recreation Department culture supports the 2012 Budget and the City Vision through employee engagement in:

- strategic planning
- input in to determining core programming and services
- work load analysis
- budget development
- input in to exploring cost savings, revenue generation and developing efficiencies

How Recreation and its proposed budget connects with the City's Vision and Vivid Descriptors:

Vibrant:

- There is a sense of excitement throughout Penticton. Families are celebrating life in the community year-round and attending a robust mixture of festivals and all season events, local markets, cultural institutions and experiences, multicultural events that also attract numerous visitors adding additional life and energy to the community.
- City pride is palpable and evidenced by a rich assortment of active volunteer organizations that enable citizens to engage in and improve their community.

Innovative:

- Well remunerated employment opportunities abound and attract people seeking new economy career opportunities and their families.

Adventurous:

- Penticton offers a wide array of international, national, provincial and regional sport tourism, and outdoor adventure opportunities.
- Penticton promotes the benefits of healthy living for all ages.

Waterfront/Lakefront:

- Penticton's pristine lakes are enhanced by exceptional accommodation, dining and recreational options for residents and visitors alike to gather as a community.

Community:

- Penticton has an outstanding quality of life as reflected by average incomes, favorable positions on social indicator scales (homelessness, personal safety, accessible public transport, social assistance needs, poverty, life satisfaction, education, and leisure).
- There is a true sense of community where we feel good about our neighbours and where collaborative relationships come naturally.

Sustainability:

- Penticton is a leader in balancing social, environmental, economic and agricultural sustainability.
- We have a sustainable environment with a carbon footprint that is among the smallest for communities our size.

Sustainability (continued)

- We seek to **meet the needs of the present generation** without compromising the ability of future generations to meet their needs.
- The City of Penticton is **fiscally sustainable**. It meets service and financial commitments, withstands economic downturns and implements new projects with intergenerational equity and fairness by ensuring that undue costs are not shifted to future generations.

Diversity:

- We accept and respect others and have **created a safe, positive and nurturing environment** to explore and celebrate the richness of human diversity.
- We **understand and believe that each individual is unique** - be it along the dimensions of race, ethnicity, gender, education, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs, or other ideologies.



Penticton Recreation Department

