

ITEM //  
MANAGER'S REPORT NO. 11  
COUNCIL MEETING 89/02/06

RE: FINANCIAL IMPACT OF CONSTRUCTION DELAYS ON THE 1988 BONSOR RECREATION  
COMPLEX OPERATING BUDGET

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Recreation & Cultural Services  
be adopted.

\* \* \* \* \*

1989 FEBRUARY 01

TO : MUNICIPAL MANAGER  
FROM : DIRECTOR RECREATION & CULTURAL SERVICES  
RE : FINANCIAL IMPACT OF CONSTRUCTION DELAYS ON THE 1988 BONSOR  
RECREATION COMPLEX OPERATING BUDGET

PURPOSE: To provide Council with information of the impact on the 1988  
Operating Budget as a result of Bonsor Recreation Complex not  
opening on schedule because of construction delays.

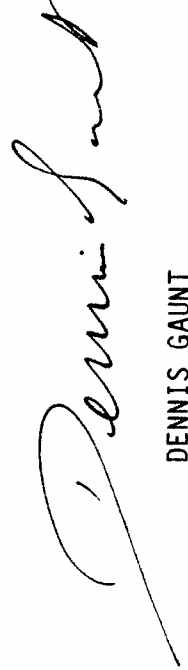
RECOMMENDATION:

1. THAT this report be received for information purposes.

REPORT

Arising from Council's review of the 1989 Operating Budget, a request was made  
to report the impact on the 1988 Operating Budget as a result of Bonsor  
Recreation Complex not opening on schedule because of construction delays.

In response the attached staff report was received by the Parks & Recreation  
Commission at its meeting of 1989 February 01.



DENNIS GAUNT  
DIRECTOR RECREATION &  
CULTURAL SERVICES

PAL:jel  
Attach.

cc: Director Finance

RE: FINANCIAL IMPACT OF CONSTRUCTION DELAYS ON THE 1988 BONSOR RECREATION COMPLEX OPERATING BUDGET

ITEM	//
MANAGER'S REPORT NO.	11
COUNCIL MEETING	89/02/06

RECOMMENDATION:

1. THAT a copy of this report be sent to Municipal Council for information purposes.

REPORT

Arising from Council's review of the 1989 Operating Budget, a request was made to report the impact on the 1988 Operating Budget of the result of Bonsor Recreation Complex not opening on schedule because of construction delays. 1988 year end figures are now available permitting a response to this question as reported below.

The following are general comments:

- a) expenditures were reduced;
- b) revenue was reduced because of the delayed opening but then increased slightly because the weightroom and pool exceeded revenue expectations;
- c) the net financial result was positive because of a decrease in the tax draw;
- d) the net service result was negative because of a reduction in service.

The following are the pertinent figures:

	*1 PROVISIONAL August 1987	*2 ANNUAL Jan./Feb. 1988	*3 RECAST July 1988	*4 YEAR END Dec.31,1988
Expenditures	\$1,785,690	\$1,655,952	\$1,588,210	\$1,526,178
Revenue	730,320	597,647	502,212	524,067
Net (Tax Draw)	<b>\$1,055,370</b>	<b>\$1,058,305</b>	<b>\$1,085,998</b>	<b>\$1,002,111</b>
	=====	=====	=====	=====

- \*1 The Provisional Budget was prepared in July of 1987 before the extreme delays became apparent and reflects the best estimate of the operating costs for this new venture for which there is no direct comparison elsewhere in the system.
- \*2 The Annual Budget was prepared at the end of January 1988 and anticipated a late February start.
- \*3 The Recast Budget prepared in July 1988 reflects a nine month operation from 1988 April 09 (the date of possession) to December 31, plus some start up costs; both expenditures and revenues are reduced from the Annual Budget.
- \*4 These are actual figures and show that in relation to the Recast Budget, our expenditures were underspent and revenue increased. This revenue increase was net. First we lost revenue because of the delayed construction due to overheating during the summer months which resulted in a reduction in the use of the weightroom, racquet courts, etc. but secondly, there was a compensating increase in revenue because the use of the weightroom and the pool, when fully operating, exceeded our predictions.

- 2 -

ITEM	11
MANAGER'S REPORT NO.	11
COUNCIL MEETING	89/02/06

DIRECTOR'S REPORT NO. 3  
~~COMMISSION MEETING 89 02 01~~

It should also be noted that for purposes of this comparison, the year end expenditures have been reduced by retroactive and continuing Union increases in order to make a direct comparison with the recast figures.

Provisions for the Union contract increases for 1988 were budgeted at the Municipal contingency level. The actual 1988 expenditures for Bonsor reflecting the contract increases were \$1,562,989 and therefore the resulting net tax draw was \$1,038,922.

DG:hh

c.c. Director Finance

