

22. LEISURE UNIT FINANCIAL REPORT TO 30 APRIL AND PROJECTIONS TO 30 JUNE 2000

Officer responsible Leisure Manager	Author Lyall Matchett
Corporate Plan Output: Leisure Unit as a whole	

The purpose of this report is to update the Parks and Recreation Committee on the financial position of the Leisure Unit. The Committee has requested monthly reports be presented to the remaining meetings for this financial year.

Since March a number of actions have been taken to reduce the operating costs of the unit. A number of staff vacancies have not been filled providing an overall saving to the unit of approximately \$33,000. Building maintenance staff at QEII have been reduced from 12 staff to 6, saving approx \$3,000 per week. All non urgent maintenance work at facilities has been put on hold and a Financial Services staff member is now working at QEII two days per week to review operating and maintenance expenditures. Two areas have been identified as requiring specific attention. One is to determine whether the annual maintenance budget is actually sufficient to keep the facility functioning and meet its current levels of service. The other is to review the operating costs of recreation classes and consider if alterations to number of classes etc is required.

In the past few weeks, it has been identified that a significant amount of the maintenance operating expenditure should be reclassified as capital and listed as improvements to fixed assets rather than expensed in the annual operating budget.

These items are:

Construct new long jump pit and runway	\$49,062
Complete media boxes in stadium	\$81,144
Replacement of the running track rail	\$21,962
Completion of the Gymnasium	\$184,791
Items of plant replacement	\$19,369
Completion of new car park	\$19,594
Village Green development	\$11,250
Signage	\$828
Total	\$388,000

This will reduce the projected operating deficit for QEII to \$355,218 which is 12.5% above budget.

The impact of this reduction will be to reduce the projected net operating cost for the Leisure Unit to \$472,352 or 4.2% above budget.

The introduction of a new accounting system to the Council in March/ April has made it difficult to clearly identify the financial movements, especially for QEII as a number of revenue transactions for April were not included and items have been incorrectly posted. Clarifying this information has resulted in delays in preparing this report.

Recommendation: That the information be received.

Chairman's

Recommendation: Not seen by Chairman.