



REPORT

Report Date: February 12, 2021
Contact: Denise Lam
Contact No.: 604.873.7974
RTS No.: 14197
VanRIMS No.: 08-2000-20
Meeting Date: February 23, 2021
[Submit comments to Council](#)

TO: Vancouver City Council
FROM: Director of Finance
SUBJECT: Quarterly Capital Budget Adjustments and Closeouts

RECOMMENDATIONS

- A. THAT Council approve capital budget and funding adjustments as outlined in this report and Appendix 2, which will result in:
 - a. An increase of \$8.1 million to the 2019-2022 Capital Plan;
 - b. An increase of \$12.4 million to the Multi-Year Capital Project Budgets; and
 - c. No change to the current Citywide overall 2021 Capital Expenditure Budget.
- B. THAT, as part of the Capital Budget closeout process, Council approve the closeout of 3 capital projects that were completed with surpluses or deficits exceeding \$200,000, as outlined in this report and Appendix 3.
- C. And THAT Council receive for information the budget surpluses or deficits for capital projects included in this closeout that were funded by voter-approved capital funding, as noted in Appendix 4.

REPORT SUMMARY

The 2019-2022 Capital Plan was approved by Council and the Park Board in July 2018. The plan presents a comprehensive overview of planned City capital investments in infrastructure and amenities across various service categories, along with the associated funding strategy and debt capacity for the capital investment priorities over the four years.

The City has experienced unprecedented financial pressures in 2020 because of the COVID-19 pandemic. Extensive work has been undertaken to recalibrate the 2019-2022 Capital Plan to reflect the fiscal reality while maintaining the City's infrastructure and amenities in a state of good repair and advancing Council priorities on Climate Emergency Response, equity and resilience. Through a comprehensive review of the major programs and projects across all service areas, staff have presented to Council and Council approved in September of 2020 a recalibrated 2019-2022 Capital Plan. The recalibrated 2019-2022 Capital Plan includes adjustments to (1) reduce the Capital Plan funding as part of the COVID-19 pandemic response and recovery and (2) allocate the emerging priorities funding within the plan to support Council priorities on Climate Emergency Response, equity and resilience. The [Recalibrated 2019-2022 Capital Plan](#) is available online.

With its limited funding sources, it will not be possible for the City to address the critical infrastructure and community needs in a meaningful way without strategic intergovernmental partnerships and a predictable, long-term funding arrangement. There are five priority areas that City staff have been focusing on to seek senior government support:

- Affordable housing
- Childcare
- Climate emergency and resilience infrastructure
- Community and cultural infrastructure
- Rapid transit and transportation infrastructure

The increases to Capital Budget and Capital Plan are primarily driven by implementation of Council priorities, utilization of external funding, and to address replacement and repair. This Capital Budget adjustments report includes \$2.5M adjustments to implement Council approved one-time initiatives to accelerate action on climate change as part of the approved 2021 Budget. The one-time initiatives in this report include Support for Active Travel to Schools program, Walking/cycling improvement and EV charging infrastructure. In addition, to advance Council's priority to deliver additional deep carbon building retrofits, this report includes a request to reallocate the funding for City owned buildings to the Energy Optimization Program to allow the Real Estate and Facilities Management department to manage the retrofits on City owned buildings. There is an adjustment request to increase the multi-year project budget by \$255K for police vehicles as outlined in the VPD's Operational Review and this adjustment captures the vehicles required for police officers to fulfill their duties. This report proposes increases to the Capital Plan and to the Multi-Year Project Budgets to reflect a \$15K UBCM Grant awarded for Green Infrastructure Asset Management initiatives and a \$186K funding from Fortis as part of the cost sharing agreement to complete upgrades of the Sanitation Facility at Manitoba Yards.

Also, this report captures \$1.7M adjustments to utilize Downtown South development contributions funding towards the Park at Smithe and Richards project, primarily in response to increased scope of work due to unforeseen circumstances. The \$2.7M increase for Manitoba Yards Capital Budget is to facilitate the replacement and upgrade of the fuel station at the Yards to address potential environmental and fleet fuelling service risks associated with end of life of the fuel station. This report includes an adjustment of \$0.7M for the repair of Stanley Park Seawall resulting from the storm on January 12 of this year. The storm caused damages to the Stanley Park Seawall that calls for the need of repair to stabilize and rebuild damaged sections of the seawall and shoreline as well as incorporate measures to increase resiliency to future storms to ensure the public can enjoy the park environment safely.

In conjunction with the Capital Budget review process and in accordance with the City's Capital Budget Policy, Council approval is requested to close 3 capital projects that were completed with surpluses or deficits exceeding \$200,000. Also in accordance with the City's Capital Budget Policy, this report includes for Council information all budgets surpluses or deficits for completed capital projects that were funded by voter-approved capital funding, as noted in this report.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- In April 2018, Council approved a revised Capital Budget Policy.
- In July 2018, Council approved the 2019-2022 Capital Plan.
- In December 2019, Council approved the 2020 Capital Budget.
- In September 2020, Council approved the 2019-2022 Capital Plan Recalibration
- In December 2020, Council approved the 2021 Capital Budget.

CITY MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

In July 2018, Council approved the 2019-2022 Capital Plan as a guiding document for the next four years. The original Capital Plan contemplated \$2.771 billion of capital investments, comprised of \$2.203 billion City-led capital programs and \$0.569 billion in-kind contributions achieved through development. The Capital Plan will evolve over the course of the four-year period, in order to address emerging needs and as additional development contributions and partnership funding are secured or reserve funding becomes available. The adjusted 2019-2022 Capital Plan, as of the end of August 2020 and before the Capital Plan recalibration, stood at \$2.889 billion, including \$2.319 billion worth of City-led capital investments and \$570.0 million worth of in-kind contributions achieved through development.

The COVID-19 pandemic has posed significant financial strain on the City, our business community, non-profit partners, and residents. Extensive work has been undertaken to recalibrate the Capital Plan to reflect the fiscal reality while maintaining a keen focus on maintaining the City's infrastructure and amenities in a state of good repair, as well as to advance Council priorities on climate emergency response, equity and resilience. In September of 2020, Council approved the recalibrated Capital Plan in principle, including \$253.2 million adjustments to the 2019-2022 Capital Plan, reducing from ~\$2.90 billion to ~\$2.64 billion. Subsequent to the recalibrated capital plan approval, \$88.4 million has been added to the capital plan. The addition is primarily from the implementation the Coal Harbour project by bringing in external funding from VBE contribution and development contribution funding towards housing component of the project. The rest of the capital plan increase is from modular housing external funding, Grandview Firehall housing component development contribution funding, transportation projects Translink funding, solid waste projects Provincial Clean BC funding and Metro landfill funding. The adjusted 2019-2022 Capital Plan to date is \$2.724

billion, including \$2.150 billion of City-led capital investments and \$574.4 million of in-kind contributions achieved through development.

The City's Capital Budget process has been developed to ensure assets and investments are managed comprehensively, with rigour and transparency, in a manner that ensures the City is achieving value for money and that staff resources are used efficiently. Base on the principle that the Capital Budget is the primary tool by which the City implements its four-year Capital Plan, providing the authority to proceed with specific capital programs and projects, this capital budget adjustment report focuses on project budget requests to implement the recalibrated capital plan, to advance projects corresponding to Council priorities and to recognize external funding contributed by partners.

As part of the capital budgeting process and in accordance with the City's Capital Budget Policy, proposed adjustments to the Capital Plan and the Capital Budgets that require Council approval, and proposed closeouts of completed projects with surpluses or deficits greater than \$200,000 are presented to Council for approval.

Strategic Analysis

A. Capital Budget Adjustments

As part of the on-going work and oversight related to the City's Capital Plan and Capital Budget, staff periodically review priorities, respond to emerging needs, and where appropriate bring forward recommendations for adjustments to the Capital Budget and/or Capital Plan.

Changes to 2019-2022 Capital Plan and Multi-Year Capital Project Budgets

This report proposes an increase of \$8.1 million to the 2019-2022 Capital Plan, reflecting additional funding to advance projects in response to Council priorities as well as external partner funding committed since capital plan recalibration. With the adjustments recommended in this report, the revised total 2019-2022 Capital Plan will be ~\$2.731 billion.

This report proposes an increase of \$12.4 million for new or increased Multi-Year Capital Project Budgets, focused on rolling out projects in response to Council Priorities. The following highlights the major recommended changes to Capital Plan and Multi-Year Capital Project Budgets:

Accelerate Action on Climate Change

\$2.5 million increase to the Capital Plan and Multi-Year Capital Project Budget for implementation of Council approved one-time initiatives

As part the approved 2021 Budget, Council approved the reallocation of the \$8 million from the deferral of capital projects as part of the recalibrated 2019-2022 Capital Plan towards one-time initiatives in the Operating and Capital budgets. On the list of approved initiatives, three are Capital Projects which are directed to accelerate action on climate change. They include walking and cycling improvement for \$1.5 million, Support for Active Travel to Schools program for \$0.5 million and EV charging infrastructure for \$0.5 million.

\$2.0 million reallocation to the Multi-Year Capital Project Budget for Energy Optimization Program

The funding approved by Council in 2019 for building retrofits is intended to support both private and City owned building retrofits. The City is demonstrating significant leadership through retrofitting civic buildings to achieve deep reductions in emissions. These retrofit projects set an important example for the private sector and serve as an educational opportunity for the public about low carbon and renewable energy technologies. When 2021 annual budget was put together, the entire amount of funding (\$4.1 million per year for 2020 to 2022) was put into the Deep Emission Building Retrofits Program before details of each portion are available. This request is to reallocate the funding for City owned buildings to the Energy Optimization Program to allow the Real Estate and Facilities Management department to manage the retrofits on City owned buildings, to ensure the buildings are constructed in a climate-friendly way and reduce carbon pollution, and the upgrades to facilities will also reduce greenhouse gas emissions.

External Funding and Developments Contributions

It is important that the City continue to work with external partners for funding to address the critical infrastructure and community needs. In this report, there are two adjustments to bring in external partner funding for Capital Projects.

\$186K increase to the Capital Plan and Multi-Year Capital Project Budget for Service Yards Renovation

The adjustment is to incorporate the funding from FortisBC as part of the cost sharing agreement to complete the compressed natural gas (CNG) upgrades of the Sanitation Facility at Manitoba Yards.

\$15K increase to the Capital Plan and Multi-Year Capital Project Budget for Green Infrastructure Asset Management initiatives

The adjustment is to bring in a \$15K UBCM Grant for Asset Management initiatives. The award was awarded in mid November of 2020 and could not meet the timeline of finalizing the 2021 Capital Budget.

\$1.7 million increase to the Capital Plan and Multi-Year Capital Project Budget for Park at Smithe and Richards

The adjustment utilizes Downtown South development contributions funding towards the Park at Smithe and Richards project, in response to increased scope primarily due to unforeseen circumstances. The unforeseen subsurface conditions not identified during initial site remediation include: underground oil tanks, significant buried building foundations, footings encroaching from adjacent building that required shoring up, and significant amount of buried building material including red brick which requires special handling and disposal due to asbestos content. The budget increase also covers additional design requirements and the work for emerging Reconciliation priorities expressed through public art, and park naming. Base cafe improvements are also included.

Adjustments for Replacement and Repair

\$2.7 million increase to the Capital Plan and Multi-Year Capital Project Budget for Manitoba Yard Fuel Tank Replacement

The adjustment is to facilitate the replacement and upgrade of the fuel station at Manitoba Yards. The fuel station is part of a central refuelling and service hub for the City of Vancouver, and primarily services light, medium and heavy duty vehicles and equipment of the Engineering Operations branches operating out of Manitoba Yards. The current fueling station is long past its useful life with potential environmental and fleet fueling service risks associated with delay in replacement, due to non compliant fuel station infrastructure and soil and groundwater contamination potential.

The original fueling infrastructure at Manitoba Yards is over 50 years old and is a key service to the City's Engineering fleet when delivering core municipal services. The project includes replacement of tanks, pumps, dispensers, and fuel management system; upgraded tank monitoring system; consolidation of 11 to 8 tanks; technology update to make the station more resilient; and more importantly, includes strategy to provide renewable diesel that is not available as retail fuel.

The benefits include reduced environmental impact through the ability to use renewable diesel, support of the City's broader Green Fleet strategy, regulatory compliance, and ability to maintain fuel station service to the City's fleet.

\$0.7 million increase to the Capital Plan and Multi-Year Capital Project Budget for Stanley Park Seawall Repair and Maintenance

In the aftermath of the storm of January 12, 2021, Park Operations teams worked quickly to clear the debris and restore access where possible. Staff and external consultants also conducted inspections to assess safety and are currently developing repair plans. The repair work will stabilize and rebuild damaged sections of the seawall and shoreline as well as incorporate measures to increase resiliency to future storms. The work will be completed using a combination of internal and external resources. Staff are currently evaluating the total cost of the repairs but believe that the majority of the urgent repairs can be completed for a total of \$700,000.

Appendix 1 provides an overview of the updates to 2019-2022 Capital Plan, including updates since the capital plan recalibration and allocations proposed in this report. Appendix 2 provides details on the Multi-Year Capital Projects Budgets recommended in this report.

Summary of Proposed Changes

The current total recalibrated 2019-2022 Capital Plan is ~\$2.724 billion, with the additions of \$8.1 million proposed in this report, the revised total 2019-2022 Capital Plan will be ~\$2.732 billion.

The current total of approved Multi-Year Capital Project Budgets for all open projects is approximately \$1.820 billion. This report proposes an increase of \$12.4 million for new or increased capital projects budgets and a decrease of \$54.3 million for capital projects that were

completed in the fourth quarter of 2020, resulting in a net decrease of \$41.9 million to the overall Multi-Year Capital Project Budgets. With the project adjustments and closeouts recommended in this report, the revised total of the approved Multi-Year Capital Project Budgets for all open projects will be ~\$1.790 billion.

Table 1 summarizes the changes to the 2019-2022 Capital Plan and Multi-Year Capital Project Budgets as a result of the capital budget adjustments and closeouts recommended in this report.

Table 1 - Proposed Changes to 2019-2022 Capital Plan and Multi-Year Projects Budgets (\$ Millions)			
	2019-2022 Capital Plan	Multi-Year Capital Projects Budgets (for open projects)	
Current Capital Plan / Budget	\$ 2,724.2	\$ 1,819.8	
Adjustment Category			
A. Budget increases / decreases to existing projects and programs*	\$ 8.1	\$ 12.4	
B. Administrative consolidations, funding source changes	\$ -	\$ -	
Proposed Adjustments	\$ 8.1	\$ 12.4	
Multi-year Project Closeouts		\$ (54.3)	
Proposed Revised Capital Plan / Budget	\$ 2,732.3	\$ 1,790.2	

2021 Annual Capital Expenditure Budget

Adjustments to annual expenditure budgets at a project level are generally managed within the departmental or Citywide annual capital expenditure budget envelope, with no changes to the overall Citywide Annual Capital Expenditure Budget. Expenditures in 2021 relating to the new or adjusted Multi-Year Capital Project Budgets will be managed within the current overall 2021 Annual Capital Expenditure Budget of \$770.7 million.

B. Capital Closeouts

The Capital Closeout process is the mechanism by which the City's capital programs/projects are closed and completion deficits and surpluses identified. Closeout surpluses are transferred to a City-Wide capital account for funding future capital programs/projects. Funding of closeout deficits are addressed through budget adjustments included as part of the corresponding report's capital budget adjustments.

A total of 39 programs/projects with Multi-Year Capital Project Budgets totalling \$54.3 million and expenditures of \$53.6 million were closed in the fourth quarter of 2020, with a net surplus of \$390K.

This report seeks Council approval to close 3 capital projects/programs that were completed in the fourth quarter of 2020 with surpluses or deficits exceeding \$200,000. Explanations for the closeout surpluses and deficits are provided in Appendix 3.

Appendix 4 provides for Council information a summary of capital projects closed in the fourth quarter of 2020 that were funded from voter-approved capital funding.

CONCLUSION

The purpose of this report is to request Council approval of an increase of \$8.1 million to the 2019-2022 Capital Plan and \$12.4 million increase to Multi-Year Capital Projects Budgets (funded from additional external funding, 2019-2022 Capital Plan and budget reallocations). Expenditures in 2021 relating to the increases to Multi-Year Capital Project Budgets will be managed within the current overall Citywide 2021 Annual Capital Expenditure Budget of \$770.7 million.

A total of 39 projects/programs were completed in the fourth quarter of 2020, with an overall net surplus of \$390K. This report also requests Council approval for the closeout of 3 capital projects and programs that were completed with surpluses or deficits exceeding \$200,000. This report also provides for Council information a summary of capital projects that were closed in the fourth quarter of 2020 that were funded from voter-approved capital funding.

* * * * *

Appendix 1 - 2019-2022 Capital Plan Summary

Service Categories	2019-2022 Capital Plan (\$ Millions)				Allocated vs. Balance Remaining in the Revised 2019-2022 Capital Plan (\$ Millions)									
	Capital Plan AFTER Recalibration	Changes Approved to date	Proposed Changes*	2019-2022 Capital Plan	Budgets Approved to date	Proposed Adjustments	Reserves	Capital from Revenue	Connections Fees	Debt	Development Contributions	Donations / Other Partners	Total Budget Allocations	Remaining in Capital Plan
Affordable Housing	\$ 184.5	\$ 42.5	\$ -	\$ 227.0	\$ 187.7	\$ -	-	-	-	-	-	-	\$ 187.7	\$ 39.3 17%
Childcare	120.2	0.0	-	120.2	44.7	-	-	-	-	-	-	-	44.7	75.5 63%
Parks and Open Spaces	225.5	0.7	2.4	228.5	169.6	2.4	-	-	-	0.7**	1.7	-	172.0	56.5 25%
Arts & Culture	83.8	(1.4)	-	82.4	50.1	-	-	-	-	-	-	-	50.1	32.3 39%
Community Facilities	140.6	27.0	-	167.5	89.6	-	-	-	-	-	-	-	89.6	78.0 47%
Public Safety	87.8	1.1	0.3	89.2	43.2	0.3	0.3	-	-	-	-	-	43.5	45.7 51%
Civic Facilities & Equipment	106.3	(1.7)	2.9	107.5	83.0	4.9	2.7	2.0	-	-	-	0.2	87.9	19.6 18%
Transportation & Street Use	316.6	11.7	2.0	330.2	258.5	2.0	-	2.0	-	-	-	-	260.5	69.7 21%
One Water (Water, Sewer & Green Infrastructure)	503.5	0.0	0.0	503.5	336.5	4.3	-	-	4.3	-	-	-	340.8	162.7 32%
Solid Waste	92.0	6.5	-	98.5	76.4	-	-	-	-	-	-	-	76.4	22.0 22%
Renewable Energy	53.1	2.0	0.5	55.6	41.6	(1.5)	-	(1.5)	-	-	-	-	40.1	15.5 28%
Technology	104.8	-	-	104.8	80.2	-	-	-	-	-	-	-	80.2	24.5 23%
Overhead	20.0	-	-	20.0	19.8	-	-	-	-	-	-	-	19.8	0.2 1%
Emerging Priorities	23.0	-	-	23.0	-	-	-	-	-	-	-	-	-	23.0 100%
Total City-led Capital Investments	\$ 2,061.4	\$ 88.4	\$ 8.1	\$ 2,157.9	\$ 1,481.0	\$ 12.4	\$ 3.0	\$ 2.5	\$ 4.3	\$ 0.7	\$ 1.7	\$ 0.2	\$ 1,493.4	\$ 664.5 31%
In-Kind Contributions	574.4	-	-	574.4	-	-	-	-	-	-	-	-	574.4	100%
Total 2019-2022 Capital Plan	\$ 2,635.8	\$ 88.4	\$ 8.1	\$ 2,732.3	\$ 1,481.0	\$ 12.4	\$ 3.0	\$ 2.5	\$ 4.3	\$ 0.7	\$ 1.7	\$ 0.2	\$ 1,493.4	\$ 1,238.9 45%

* Includes 2019-2022 Capital Plan changes proposed in this Council Report, subject to Council approval

**Closeout surplus from prior Capital Plan (2015 - 2018)

NOTE: Totals may not add due to rounding.

Appendix 2 - Capital Budget Adjustment Requests

					BUDGET IMPACT				
					Multi-Year Project Budget				
A. Budget increases / decreases to existing projects and programs Programs/projects where costs or expenditure timing has increased/decreased due to unforeseen changes in market economic conditions or unavoidable changes in project scope; increases in scope afforded by external funding contribution opportunities.									
Impact on 2019-2022 Capital Plan	2019-2022 Capital Plan Service Category / Sub-Category	WBS	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2019-2022 Capital Plan
Addition to 2019-2022 Capital Plan	06. Public Safety	C. Police	CEQ-00033	2019-22 Fleet-VPD Increase to Multi-Year Project Budget and 2019-2022 Capital Plan: The adjustment request is to increase the multi-year project budget for police vehicles as outlined in the VPD's Operational Review. This adjustment captures the vehicles required for police officers to fulfill their duties.	13,699,557	255,000	13,954,557	Fleet Reserves Account	255,000
Addition to 2019-2022 Capital Plan	10. Renewable Energy	A. EV Infrastructure	CER-00210	Electric Vehicle Infrastructure (Cap) Increase to Multi-Year Project Budget and 2019-2022 Capital Plan: In the 2021 Budget (RTS 13672), Council approved some of the funds freed up from capital plan recalibration to reinvest in capital projects. This adjustment to increase the multi-year project budget and capital plan is to implement the capital projects which include Support for Active Travel to School (\$0.5M), Walking and Cycling Improvements (\$1.5M), and EV charging infrastructure (\$0.5M).	3,000,000	500,000	3,500,000	Capital from Revenue	500,000
Addition to 2019-2022 Capital Plan	08. Transportation	B. Managing Transportation Network	CER-00234	2019-22 School Safety/Active Rtes Imp Cap Increase to Multi-Year Project Budget and 2019-2022 Capital Plan: This adjustment to increase the multi-year project budget and capital plan is to implement the capital projects which include Support for Active Travel to School (\$0.5M), Walking and Cycling Improvements (\$1.5M), and EV charging infrastructure (\$0.5M).	1,875,000	500,000	2,375,000	Capital from Revenue	500,000
Addition to 2019-2022 Capital Plan	08. Transportation	A. Expand Sustainable Capacity	CER-00250	2020 Active Transp Corridors (Cap) Increase to Multi-Year Project Budget and 2019-2022 Capital Plan: Active Travel to School (\$0.5M), Walking and Cycling Improvements (\$1.5M), and EV charging infrastructure (\$0.5M).	4,443,000	1,500,000	5,943,000	Capital from Revenue	1,500,000
Addition to 2019-2022 Capital Plan	09. One Water	A. Green Infrastructure	CEI-00003	2019 GI implementation - Pblc Realm (Cap) Increase to Multi-Year Project Budget and 2019-2022 Capital Plan: The adjustment request is to increase the multi-year project budget to reflect a \$15K UBCM Grant awarded for Asset Management initiatives.	8,499,452	15,000	8,514,452	Provincial Funds	15,000
Allocation from 2019-2022 Capital Plan	09. One Water	C. Sewerage & Drainage	CEC-00025	2019 Sewer & Water Combined Conn (Cap) Increase to Multi-Year Project Budget (funded from 2019-2022 Capital Plan): This adjustment is to increase the multi-year project budget to reflect work related to connections revenues received in advance. These revenues are driven by residential and commercial construction.	12,000,000	300,000	12,300,000	2019-2022 Capital Plan (One Water/Sewerage & Drainage) Connection fees	-
Allocation from 2019-2022 Capital Plan	09. One Water	B. Potable Water	CEW-00111	2020 Water Commercial Connections (Cap) Increase to Multi-Year Project Budget (funded from 2019-2022 Capital Plan): This adjustment is to increase the multi-year project budget to reflect work related to connections revenues received in advance. These revenues are driven by commercial construction.	2,700,000	1,500,000	4,200,000	2019-2022 Capital Plan (One Water/Potable Water) Connection fees	-
Allocation from 2019-2022 Capital Plan	09. One Water	C. Sewerage & Drainage	CEC-00026	2020 Sewer & Water combined connections Increase to Multi-Year Project Budget (funded from 2019-2022 Capital Plan): This adjustment is to increase the multi-year project budget to reflect work related to connections revenues received in advance. These revenues are driven by residential and commercial construction.	8,500,000	2,500,000	11,000,000	2019-2022 Capital Plan (One Water/Sewerage & Drainage) Connection fees	-

(continued on next page)

Appendix 2 - Capital Budget Adjustment Requests					BUDGET IMPACT				
					Multi-Year Project Budget				
A. Budget increases / decreases to existing projects and programs Programs/projects where costs or expenditure timing has increased/decreased due to unforeseen changes in market economic conditions or unavoidable changes in project scope; increases in scope afforded by external funding contribution opportunities.									
Impact on 2019-2022 Capital Plan	2019-2022 Capital Plan Service Category / Sub-Category	WBS	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2019-2022 Capital Plan
Addition to 2019-2022 Capital Plan	03. Parks and Open Spaces	8. Park Amenities	CPP-00074	Smithe & Richards Park Increase to Multi-Year Project Budget and 2019-2022 Capital Plan: Adjustment in response to increased scope primarily due to unforeseen subsurface conditions not uncovered during initial site remediation that includes: underground oil tanks, significant buried building foundations, footings encroaching from adjacent building that required shoring up, and significant amount of buried building material including red brick which requires special handling and disposal due to asbestos content. The budget increase also covers additional design requirements and the work for emerging Reconciliation priorities expressed through public art, and park naming. Base cafe improvement also included.	16,200,000	1,700,000	17,900,000	Downtown South DCL	1,700,000
Addition to 2019-2022 Capital Plan	07. Civic Facilities and Equip	B. Sevice Yards, Vehicles & Equipment	CCS-00099	Manitoba Yard Fuel Tank Replacement Increase to Multi-Year Project Budget and 2019-2022 Capital Plan: The adjustment is to increase the multi-year project budget and the capital plan to facilitate the replacement and upgrade of the fuel station at Manitoba Yards. This project is carried from the prior capital plan and will address potential environmental and fleet fueling service risks associated with end of life of the fuel station. The fuel station is a key component to the operations of the City. Amongst others, they provide renewable diesel to our construction fleet, not available through retail.	800,000	2,700,000	3,500,000	Fleet Reserves Account	2,700,000
Addition to 2019-2022 Capital Plan	07. Civic Facilities and Equip	B. Sevice Yards, Vehicles & Equipment	CCS-00163	2020 Reno - Service Yards Increase to Multi-Year Project Budget and 2019-2022 Capital Plan: The adjustment request is to increase the multi-year budget for Service Yards Renovation to incorporate funding from Fortis as part of the cost sharing agreement to complete upgrades of the Sanitation Facility at Manitoba Yards.	805,000	186,000	991,000	External funding from Fortis BC basis a cost sharing agreement	186,000
Addition to 2019-2022 Capital Plan	03. Parks and Open Spaces	F. Seawall and Waterfront	New	Stanley Park Seawall Repair and Maintenance Increase to Multi-Year Project Budget and 2019-2022 Capital Plan: As a result of a storm in January 2021, a portion of the seawall at Stanley park was damaged. This adjustment is to create a new project for repair work to stabilize and rebuild damaged sections of the seawall and shoreline as well as incorporate measures to increase resiliency to future storms.	-	700,000	700,000	Closeout surplus from prior Capital Plan (2015 - 2018)	700,000
Reallocations between open multi-year project budgets									
No impact (Reallocation of previously approved capital budget)	03. Parks and Open Spaces	F. Seawall and Waterfront	CPP-00087	Marine Structures (Piers, Docks, Brdwlk) Increase to Multi-Year Project Budget (reallocation): Detailed design for the Alder Bay dock has identified the need for additional budget required for dredging and environmental mitigation. This request is to reallocate funding (\$0.2M) from the Jericho Pier project budget to support the additional budget required.	3,000,000	200,000	3,200,000	• Debenture \$70,000 • DCL \$130,000	-

(continued on next page)

Appendix 2 - Capital Budget Adjustment Requests

					BUDGET IMPACT					
					Multi-Year Project Budget					
A. Budget increases / decreases to existing projects and programs Programs/projects where costs or expenditure timing has increased/decreased due to unforeseen changes in market economic conditions or unavoidable changes in project scope; increases in scope afforded by external funding contribution opportunities.										
Impact on 2019-2022 Capital Plan	2019-2022 Capital Plan Service Category / Sub-Category	WBS	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2019-2022 Capital Plan	
No impact (Reallocation of previously approved capital budget)	03. Parks and Open Spaces	F. Seawall and Waterfront	CPP-00088	Jericho Pier	Decrease to Multi-Year Project Budget (reallocation): Detailed design for Jericho Pier has been deferred while fundraising is still underway. This request is to reallocate funding from this multi-year project budget to support the work for the Alder Bay Dock (\$0.2M) and Harbour Green Dock (\$0.5M). In the interim, remaining funds will be used to assess the existing structure and perform key repairs to ensure safety and continued access. The approved concept will also be reviewed for opportunities to phase the project and reduce the upfront cost.	1,000,000	(700,000)	300,000	• Debenture (\$230,000) • DCL (\$470,000)	-
No impact (Reallocation of previously approved capital budget)	03. Parks and Open Spaces	F. Seawall and Waterfront	New	Harbour Green Dock	Increase to Multi-Year Project Budget (reallocation): The Harbour Green Dock has been closed due to structural damage and requires significant repairs that are not planned in the Capital Plan. This adjustment is to create a new project for the Harbour Green Dock repair work to reallocate funding (\$0.5M) from the Jericho Pier project budget. The repair work is targeted to be completed in 2021.	-	500,000	500,000	• Debenture \$160,000 • DCL \$340,000	-
No impact (Reallocation of previously approved capital budget)	10. Renewable Energy	C. Building Retrofits	NCS-00140	Deep Emission Building Retrofits Program	Decrease to Multi-Year Project Budget (reallocation): The funding approved by Council in 2019 for building retrofits is intended to support both private and City owned building retrofits. This request is to reallocate the funding for City owned buildings to the Energy Optimization Program to allow the Real Estate and Facilities Management department to manage the retrofits on City owned buildings.	11,600,000	(2,000,000)	9,600,000	Capital from Revenue	-
No impact (Reallocation of previously approved capital budget)	07. Civic Facilities and Equip	C. All City Facilities	NCS-00130	2019 Energy Optimization Program	Increase to Multi-Year Project Budget (reallocation): The funding approved by Council in 2019 for building retrofits is intended to support both private and City owned building retrofits. This request is to reallocate the funding for City owned buildings to the Energy Optimization Program. This reallocation will allow the Real Estate and Facilities Management team to manage the projects on city owned buildings, to ensure the buildings are constructed in a climate-friendly way and reduce carbon pollution, and the upgrades to facilities will also reduce greenhouse gas emissions.	5,763,526	2,000,000	7,763,526	Capital from Revenue	-
Total - Budget Increases/Decreases to Existing Projects/Programs					\$ 98,405,535	\$ 12,356,000	\$ 110,761,535		\$ 8,056,000	

(continued on next page)

Appendix 2 - Capital Budget Adjustment Requests					BUDGET IMPACT					
					Multi-Year Project Budget					
B. Administrative adjustments including consolidation, restatements, or funding source changes Includes the ongoing consolidation of like programs/projects into one larger program/project (normally no net impact on the annual budget); other restatements; changes to project funding source(s).										
Impact on 2019-2022 Capital Plan	2019-2022 Capital Plan Service Category / Sub-Category	WBS	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2019-2022 Capital Plan	
No impact (Reallocation of previously approved capital budget)	09. One Water	A. Green Infrastructure	NES-00057	2019 GI Planning	Administrative Multi-Year Project Budget Realignment (no change to overall multi-year project budget): This adjustment is to transfer the budget for the Combined Sewer Overflow (CSO) Clean Water Planning scope of work from the overall GI Planning program to the Clean Water Planning program, for tracking and reporting purposes.	2,257,974	(1,845,953)	412,021	Utility DCL	-
No impact (Reallocation of previously approved capital budget)	09. One Water	A. Green Infrastructure	NEI-00009	2020 Clean Water Planning		3,972,845	1,845,953	5,818,798	Utility DCL	-
No impact (Reallocation of previously approved capital budget)	09. One Water	C. Sewerage & Drainage	CES-00083	2021 Sewer Main Reconstruction (Cap)	Administrative Multi-Year Project Budget Realignment (no change to overall multi-year project budget): Sewer Main Reconstruction program budget includes \$1.5M for a hydrovac facility. Hydrovac trucks are trucks that work as a soil vacuum with a number of benefits to regular excavation. These trucks require special storage so a facility is needed to store them. This adjustment is to create a new project for the Hydrovac Facility Implementation work to be executed by the Real Estate Facility Management team to facilitate better tracking and project management. The Sewer Main Reconstruction project is expecting to meet its target of 30 km of sewer mains being replaced this Capital Plan.	36,000,000	(1,500,000)	34,500,000	Sewer Debenture	-
No impact (Reallocation of previously approved capital budget)	09. One Water	C. Sewerage & Drainage	New	Hydrovac Facility Implementation		-	1,500,000	1,500,000	Sewer Debenture	-
No impact (Reallocation of previously approved capital budget)	12. Technology	A. Technology	CUB-00183	2021 TS Business Projects	Administrative Multi-Year Project Budget Realignment (no change to overall multi-year project budget): This adjustment is to consolidate the funding for Technology Services discretionary business projects to accommodate projects that span over multiple years, and also to allow for better tracking, reporting and management of the projects.	5,000,000	(5,000,000)	-	Capital from Revenue	-
No impact (Reallocation of previously approved capital budget)	12. Technology	A. Technology	CUB-00182	2020-2022 TS Business Projects		4,308,500	5,000,000	9,308,500	Capital from Revenue	-
Total - Administrative Adjustments					\$ 51,539,319	\$ -	\$ 51,539,319		\$ -	
Total Capital Budget Adjustment Requests					\$ 145,424,854	\$ 12,356,000	\$ 157,780,854		\$ 8,056,000	

Appendix 3 - Q4 2020 Capital Closeouts with surpluses or deficits exceeding \$200,000				
Project / Program Name	Budget	Actual	Surplus / (Deficit)	Closeout Variance Explanation
Orpheum AV VSO Matching Funds	750,000	1,009,694	(259,694)	The actual expenditures of this project include cost sharing with The Vancouver Symphony Orchestra (VSO) as per the cost sharing agreement. This project closed with a deficit to reflect funding received from VSO to cover the deficit.
Marpole Place Base Bldg Upgrades	2,992,200	2,699,387	292,813	The scope for this project was reduced from what was originally expected based on drawings from the landscape architect. Digging deep underground and additional soil preparation was not required to install the irrigation equipment; a simpler solution was used to install the equipment.
Microsoft Enterprise Agreement	6,688,196	7,085,568	(397,372)	As a result of COVID-19, an increased number of licenses and laptops were required to enable remote working for City staff. The deficit will be covered through identified savings in related projects for Technology Services as part of the adjustment process.
Total	10,430,396	10,794,649	(364,253)	

Appendix 4 - Q4 2020 Completed Capital Projects with funding from Voter-Approved Capital Funding			
Project / Program Name	Budget	Actual	Surplus / (Deficit)
Marpole Place Base Bldg Upgrades	2,992,200	2,699,387	292,813
2017-18 Cultural Facilities Reno/Upgrade	450,000	325,721	124,279
Park Washrooms Renewal	3,495,000	3,611,133	(116,133)
Coliseum Ice Plant Risk Assessd Certific	150,000	61,635	88,365
PNE Coliseum Ice Plant Upgrades	2,250,000	2,180,276	69,724
2018 Reno & FF&E - Social Facilities	304,158	234,555	69,603
2015 Social Facilities Renos/Upgrades	2,435,868	2,384,034	51,834
2019 Sidewalk Rehabilitation	998,000	947,570	50,430
2017 Cap Mtce - Fire Halls	130,000	96,182	33,818
Pathway Improvements	375,000	359,530	15,470
2019 Accessibility Program	285,000	274,277	10,723
Total	13,865,226	13,174,299	690,927

* Prior to reallocation of surplus funding to cover deficits for projects closed out this quarter (see Appendix 2)