



## ADMINISTRATIVE REPORT

Report Date: July 10, 2018  
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Meeting Date: July 24, 2018

TO: Vancouver City Council  
FROM: Director of Finance  
SUBJECT: 2018 Q2 Capital Budget Adjustments and Closeouts

### ***RECOMMENDATIONS***

- A. THAT Council approve an increase of \$13.8 million to the 2015-2018 Capital Plan as outlined in this report and Appendix 1.
- B. THAT, subject to approval of Recommendation A, Council approve budget and funding adjustments totaling a net increase of \$24.3 million to Multi-Year Capital Project Budgets as outlined in this report and Appendix 1, with no change to the overall 2018 Capital Expenditure Budget.
- C. THAT, subject to approval of Recommendations A and B, Council approve an increase of \$600,000 to a capital grant to Gordon Neighbourhood House as outlined in Appendix 1; source of funds to be Community Amenity Contribution included in Recommendation B with details noted in Appendix 1.
- D. THAT, as part of the quarterly Capital Budget closeout process, Council approve the closeout of four (4) completed capital projects with a surplus or deficit exceeding \$200,000 as outlined in this report and Appendix 2.

Recommendation C requires 2/3 affirmative votes of all Council members pursuant to Section 206(1) of the *Vancouver Charter*.

### ***REPORT SUMMARY***

On December 12, 2017, Council approved the 2018 Capital Budget, including new multi-year capital projects, bringing the total approved Multi-Year Capital Project Budgets for open projects at that time to \$1.484 billion (including the multi-year projects completed in Q2 2018 presented for closeout in this report) and a 2018 Annual Capital Expenditure Budget of \$426.4 million.

Council subsequently approved adjustments and closeouts to the multi-year capital budgets and 2018 capital expenditure budgets, bringing the current total approved multi-year capital budgets for open projects to \$1.413 billion and the current 2018 Capital Expenditure Budget to \$444.0 million.

This report recommends increases of \$13.8 million to the 2015-2018 Capital Plan and \$24.3 million to Multi-Year Capital Project Budgets, reflecting new capital investment priorities arising since the 2018 Capital Budget was approved, including increases to capital project budgets for the new Smithe & Richards park, the reconstruction of Landfill Entrance, the development of three new parks in East Fraser Lands, advance procurement for upgrades to the North approach to the Granville bridge and implementation of the recently approved Microsoft Enterprise Agreement. Expenditures in 2018 relating to the increases to Multi-Year Capital Project Budgets will be managed within the current overall 2018 Annual Capital Expenditure Budget.

In addition, in conjunction with the quarterly Capital Budget review process, Council approval is requested to close four completed capital projects with a surplus or deficit exceeding \$200,000. A total of 31 programs/projects were completed in Q2 2018, with total Multi-Year Capital Project Budgets of \$198.7 million and a net surplus of \$3.9 million (2%), as outlined in Appendix 2.

### **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

Council recently approved a revised Capital Budget Policy (RTS 12144, approved April 17, 2018). The following highlights the key Council approval authorities in the revised policy:

Council approval is required for:

- new capital projects and corresponding multi-year capital project budgets
- additions to the Capital Plan
- increases to existing multi-year capital project budgets with funding from the Capital Plan
- increases to existing multi-year capital project budgets with funding to be added to the Capital Plan
- changes in funding sources for existing multi-year capital project budgets
- funding reallocations greater than \$500,000 between existing open multi-year capital project budgets
- increases to the total Citywide Annual Capital Expenditure Budget
- closeouts of completed capital projects with a deficit or surplus greater than \$200,000.

The City has a policy to plan for capital project expenditures on a multi-year cycle. In October 2014 (RTS 10507), Council approved the 2015-2018 Capital Plan in the amount of \$1.085 billion. As factors impacting capital priorities change, the Capital Plan is adjusted as needed to align with current priorities and budget challenges. Examples include the addition of new priority projects, the deletion of cancelled or deferred projects and changes in planned sources of project funding. New capital priorities identified and approved by Council since 2014, including the acquisition of the Arbutus Corridor land parcel in February 2016, have increased the 2015-2018 Capital Plan total to \$1.499 billion.

Section 242 of the *Vancouver Charter* gives Council the authority to borrow funds for the construction, installation, maintenance, replacement, repair and regulation of waterworks, sewerage and drainage, and energy utility systems without the assent of the electorate; borrowing authority for all other purposes must be established through the electorate's approval of a borrowing plebiscite. A change in the use of electorate-approved borrowing authority prior to borrowing funds, or diverting borrowed funds to some other purpose, requires approval by a two-thirds majority of Council members.

It has been Council practice to fund capital expenditures for waterworks, sewerage & drainage, and energy utility systems from debenture borrowing. As part of the City's debt management strategy, commencing in the 2012-2014 Capital Plan, the water utility began to transition its infrastructure lifecycle replacement program from debt financing to pay-as-you-go over two Capital Plans. The transition is anticipated to be complete within the four-year term of the 2015-2018 Capital Plan. Similarly, commencing in the 2015 Capital Budget and continuing with the 2016, 2017, and 2018 Capital Budgets, the sewer utility also began a transition to a pay-as-you-go funding model. The balance of capital expenditures are funded from a combination of debenture borrowing, direct contribution from the annual Operating Budget (Capital from Revenue), Development Cost Levies (DCLs) and Community Amenity Contributions (CACs) from developers, special-purpose reserves, internal loans, fees and levies collected from property owners and contributions from senior governments and other funding partners.

Funding from the multi-year Capital Plan is allocated to specific capital programs and projects through the annual Capital Budgeting process. Council approval of the capital program/project and the corresponding Multi-Year Capital Project Budget and annual Capital Expenditure Budget is required before work can proceed on the program/project. During the course of a capital project, as the project progresses through planning and design and final costing, the nature and final scope of work becomes more refined and in some cases requires an update to the originally planned funding sources. As well, over the four years of a capital plan, the original planned uses of debenture funding across the capital plan categories may change and other funding sources, including senior government funding contributions or funding partnerships with other external organizations, may become available.

The requirement to borrow funds to finance capital expenditures is established by Council at the time of the approval of the Multi-Year Capital Project Budgets. Borrowed funds are generally paid back over 10 years to ensure that outstanding debt does not accumulate to unacceptable levels, and that annual debt servicing charges (principal and interest) are maintained at a level that does not put undue pressure on the operating budget.

Section 247A of the *Vancouver Charter* requires that full provision of annual debt servicing charges, both principle and interest, be made in the annual operating budget. This ensures that debenture holders are paid the interest component at the prescribed rate and time, and that sufficient funding is available to retire the obligation at maturity.

In June 2003, Council approved the Financing Growth Policy which sets out policy for the collection and use of DCLs and CACs. Pursuant to Section 523D of the *Vancouver Charter*, DCLs are collected to assist in recovering growth-related capital costs that arise from new developments. DCLs are generally allocated on a "cash available" basis among park, replacement housing, transportation, utilities, and childcare projects in proportions specified in various DCL By-laws. CACs are developer contributions that arise from rezonings. Within the

context of the City's Financing Growth Policy, an offer of a CAC to address the impacts of rezoning can be anticipated from the owner of a rezoning site. CAC offers typically include either the provision of on-site amenities or a cash contribution towards other public benefits and they take into consideration community needs, area deficiencies and the impact of the proposed development on City services. The allocation of both DCL and CAC funding to specific amenities requires Council approval.

### **CITY MANAGER'S/GENERAL MANAGER'S COMMENTS**

The Capital Budget is the primary tool by which the City implements its multi-year Capital Plan. It provides the authority to proceed with specific capital programs and projects, and defines the multi-year capital project budgets and outcomes, as well as a corresponding annual expenditure budget to ensure timely delivery of these outcomes. It is important in fostering and maintaining public accountability and transparency, and provides detailed information about specific programs/projects, such as budgets by cost category, identification of specific funding sources, and outcomes that are clearly identifiable and measurable.

The City's Capital Budget process has been developed to ensure assets and investments are managed comprehensively, with rigor and transparency, in a manner that ensures the City is achieving value for money, and that staff resources are used efficiently.

As part of the City's Capital Budget process, Council considers Capital Budget adjustments on a quarterly basis. This streamlines the Capital Budget process and also reduces the number of capital budget related reports being submitted to Council for approval of capital funding and expenditures.

Capital Budget adjustments include, for example:

- Reallocations to projects or programs from other projects or programs to reflect changes in capital priorities;
- Additions to the Capital Budget for projects or programs for which the timing of expenditures are uncertain at the time of approving the annual budget but which subsequently becomes more certain (e.g., projects awaiting resolution of factors external to the City, such as partnership funding commitments);
- Requests for funding from future years of the Capital Plan to advance or expedite projects or programs in a given year; and
- Revisions to funding sources.

This report reflects the City's continued focus on managing capital expenditures and balancing capital infrastructure priorities with consideration of value for money spent.

Before City staff bring a proposed capital project to Council for approval, the associated operating cost implications for current and future operating budgets are reviewed to ensure that City departments will have sufficient operating budget capacity.

Quarterly Operating and Capital Budget reviews are posted externally on the City's website at <http://vancouver.ca/your-government/financial-reports-and-information.aspx>.

The 2018 Second Quarter Operating and Capital Budget Review scheduled to be posted to the City's website in August 2018 will comment on capital expenditures for the first half of 2018, while this report focuses on second quarter 2018 Capital Budget adjustments and capital project closeouts recommended by staff for Council approval.

## **REPORT**

### ***Background/Context***

On December 12, 2017, Council approved the 2018 Capital Budget, including new multi-year capital projects, bringing the total approved Multi-Year Capital Project Budgets for open projects at that time to \$1.484 billion (including the multi-year projects completed in Q4 2017 presented for closeout in this report) and a 2018 Annual Capital Expenditure Budget of \$426.4 million. Council subsequently approved adjustments and closeouts to the multi-year capital budgets and 2018 capital expenditure budgets, bringing the current total approved multi-year capital budgets for open projects to \$1.413 billion and the current 2018 Capital Expenditure Budget to \$444.0 million.

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 Annual Capital Expenditure Budget. As projects proceed, however, circumstances may arise for some projects which significantly affect the timing of the execution and expenditures planned for the current year, either accelerating or delaying the planned spending. Where the effect on the total Citywide planned expenditures becomes significant and has a high level of certainty, an adjustment to the overall Annual Capital Expenditure Budget is recommended to Council for approval through the quarterly capital budget adjustment process.

As part of the capital budgeting process and in accordance with the City's recently updated Capital Budget Policy, proposed adjustments to the Capital Plan, the Multi-Year Capital Budget and the total Annual Capital Expenditure Budget requiring Council approval; and closeouts of completed projects with surpluses or deficits greater than \$200,000 are identified in the quarterly capital budget review and presented to Council for approval. This report includes recommendations for adjustments to the 2015-2018 Capital Plan and to Multi-Year Capital Project Budgets, as well as recommendations to close out projects completed in the second quarter of the City's 2018 financial year with surpluses or deficits greater than \$200,000.

### ***Strategic Analysis***

#### **A. 2018 Q2 Capital Budget Adjustments**

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

Quarterly Capital Budget adjustment requests are categorized as follows:

- Administrative consolidation of multiple projects into one program, budget restatements, and funding source changes;

- Emerging priority projects that have been identified to address unforeseen urgent issues or new priorities emerging outside of the regular four-year Capital Plan/annual Capital Budget cycles;
- Timing uncertain budget additions/acceleration of projects;
- Budget increases or decreases to existing projects/programs based on scope changes, results of contract tendering or changes in cost structure of a project, or changing priorities for the timing of project deliverables; and
- Budget reallocations between projects, with no change to the overall multi-year project budgets or annual capital expenditure budget.

### ***Increase to 2015-2018 Capital Plan***

The 2015-2018 Capital Plan was approved in October 2014 at \$1.085 billion. Over the course of the four years of the capital plan, the plan is adjusted to align with changing priorities and budget pressures as they arise. Examples include the addition of new priority projects, the deletion of cancelled or deferred projects and changes in planned sources of project funding. With Council-approved adjustments to date, funded primarily by development revenue and senior government funding that was not included in the original plan, the 2015-2018 Capital Plan is now \$1.499 billion covering projects across all City departments and agencies (not including the proposed additions to the Capital Plan in this report). This report proposes an increase of \$13.8 million to the 2015-2018 Capital Plan, including funding partnership additions and a quarterly update to the number of requests to connect new properties to the City's water, sanitary, and stormwater sewer services. With the adjustments recommended in this report, the revised total 2015-2018 Capital Plan will be \$1.513 billion.

### ***Net increase to Multi-Year Capital Project Budgets***

The current total of approved Multi-Year Capital Project Budgets for all open projects is \$1.413 billion. This report proposes a net decrease of \$174.4 million to Multi-Year Capital Project Budgets, reflecting a reduction of \$198.7 million for capital projects that were completed in Q2 2018 and an increase of \$24.3 million for new or increased Multi-Year Capital Project Budgets. With the project closeouts and multi-year capital project budget adjustments recommended in this report, the revised total of the approved Multi-Year Capital Project Budgets for all open projects will be \$1.238 billion.

The following highlights the larger recommended changes to the 2015-2018 Capital Plan and Multi-Year Capital Project Budgets, reflecting capital priorities arising subsequent to the approval of the 2018 Capital Budget in December 2017:

- an increase of \$6.0 million to the multi-year capital project budget for the Smithe & Richards Park project to reflect the complexity of the park design, higher construction costs, and a Class A cost estimate provided from a cost consultant. The more detailed Class A estimate follows rigorous public engagement processes and two rounds of urban design panel reviews and incorporates a pavilion, skywalk, destination playground and sustainable features (revised total multi-year capital project budget to be \$12.0 million);
- an increase of \$6.9 million to the 2015-2018 Capital Plan and to the multi-year capital project budgets for 2016, 2017, and 2018 Sewer and Water Combined Connections programs (funded by property owners) to reflect an update to the number of requests to connect new properties to the City's water, sanitary, and stormwater sewer services (revised total multi-year capital project budgets to be \$31.3 million);

- an increase of \$3.8 million to the multi-year capital project budget for the Reconstruction of the Vancouver Landfill Entrance project, to be funded from reallocations of funding from other landfill capital projects (revised total multi-year capital project budget to be \$13.6 million);
- an increase of \$3.3 million to the multi-year capital project budget for East Fraser Lands Parks (funded from DCL) for construction of three new parks in the East Fraser Lands (revised total multi-year capital project budget to be \$4.8 million); and
- an increase of \$2.1 million to the 2015-2018 Capital Plan and to the multi-year capital project budget for the Georgia Dunsmuir Viaduct Removal /NEFC Redevelopment project (\$1.51 million funded from DCL and \$0.6 million from reallocation) to reflect the cost of change orders that were approved as part of Phase 3A of the project (revised total multi-year capital project budget to be \$36.9 million).

### **2018 Annual Capital Expenditure Budget**

Expenditures in 2018 relating to the new or adjusted Multi-Year Capital Project Budgets will be managed within the current overall 2018 Annual Capital Expenditure Budget.

### **Funding Source Updates**

Appendix 1 also provides details for proposed funding source updates for three projects. During the course of a capital project, as the project progresses through planning and design and final costing, the nature and final scope of work becomes more refined and in some cases requires an update to the originally planned funding sources. As well, over the four years of a capital plan, the original planned uses of debenture funding across the capital plan categories may change.

Table 1 below summarizes the changes to the 2015-2018 Capital Plan and Multi-Year Capital Project Budgets as a result of the recommended capital budget adjustments and closeouts.

<b>Table 1 - Proposed Changes to 2015-2018 Capital Plan and Multi-Year Project Budgets (\$ Millions)</b>		
	<b>2015-2018 Capital Plan</b>	<b>Multi-Year Capital Project Budget (for open projects)</b>
<b>Current Capital Plan / Budget</b>	\$ 1,499.1	\$ 1,412.8
<b>Adjustment Category</b>		
A. Administrative consolidations and restatements	\$ -	\$ -
B. Emerging priority projects	0.8	1.8
C. Timing uncertain budget additions / acceleration of projects	-	-
D. Budget increases/decreases to existing projects/programs	13.0	22.4
E. Reallocations	-	-
<b>Proposed Adjustments</b>	\$ 13.8	\$ 24.3
<b>Multi-year Project Closeouts</b>		\$ (198.7)
<b>Proposed Revised Capital Plan / Budget</b>	\$ 1,512.9	\$ 1,238.4

Staff continue to very closely manage the capital spend on a quarterly basis to enhance risk mitigation and ensure optimal delivery of projects within the projected timeline and annual expenditure budget. Strategic review of progress on projects is done on a regular basis, and

where timing of projects are advanced or delayed, budgets are recommended for adjustment. With the exception of emergency situations, expenditures are not permitted until the corresponding annual capital expenditure budget or increase to the annual capital expenditure budget is approved by Council.

## B. 2018 Q2 Capital Closeouts

The Capital closeout process is the mechanism by which the City's capital programs/projects are closed, completion deficits and surpluses are identified and, to the extent applicable, offset. Net closeout surpluses are transferred to City-Wide Unallocated Funding from Capital Closeouts for funding future Capital programs and/or projects.

The purpose of this report is to request Council approval to close four capital programs/ projects where the surplus or deficit was greater than \$200,000.

A total of 31 programs/projects with multi-year capital project budgets totalling \$198.7 million and expenditures of \$194.8 million were completed in the period between the 2018 Q1 Capital Closeout (RTS 12471) and the end of the second quarter of 2018, with a net surplus of \$3.9 million. Four of the 31 completed programs/projects had a surplus or deficit greater than \$200,000; explanations for these variances are provided in Appendix 2.

Appendix 2 also provides financial details, by project and department, for all projects/programs closed in Q2 2018 and a summary of the proposed allocation of the closeout surpluses and funding sources for closeout deficits.

## CONCLUSION

As part of the capital budgeting process, adjustments to Multi-Year Capital Project Budgets and Annual Capital Expenditure Budget, and closeout of programs/projects that require Council approval, are identified and brought to Council through the quarterly reporting process.

The purpose of this report is to request Council approval of an increase of \$14.2 million to the 2015-2018 Capital Plan and \$24.4 million to Multi-Year Capital Project Budgets, with no change to the 2018 Annual Capital Expenditure Budget.

This report also requests Council approval for the closeout of four projects completed with a surplus or deficit greater than \$200,000. A total of 31 projects/programs were completed in Q2 2018, with an overall net surplus of \$3.9 million, or 2% of the multi-year capital project budgets closed in the quarter.

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<b>Capital Budget Adjustment Requests</b>							
			<b>BUDGET IMPACT</b>				
			<b>Multi-Year Project Budget</b>				
<b>A. Administrative consolidation, restatements, or funding source changes</b> 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).							
Department	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
<b>Funding source additions/changes:</b>							
Engineering Services	2018 Active Transportation Corridors and Spot Improvements	<b>Change in Funding Source for Multi-Year Project Budget and 2015-2018 Capital Plan:</b> In the 2018 Capital Budget for Active Transportation Corridors and Spot Improvements, funding for the 2018 program included interim funding of \$8 million from the Capital Facilities Reserve, to be replaced by Transportation Development Cost Levy (DCL) funding as new DCL funding is received during 2018. The Capital Facilities Reserve funding was also added to the 2015-2018 Capital Plan at the time. Sufficient DCL funding has now been received to replace the Capital Facilities Reserve funding with DCL funding and to update the 2015-2018 Capital Plan to reflect this funding change.	20,311,402	0	20,311,402	<b>Increase:</b> City-wide DCL \$8,000,000  <b>Decrease:</b> Capital Facilities Reserve \$8,000,000	<b>Increase:</b> City-wide DCL \$8,000,000  <b>Decrease:</b> Capital Facilities Reserve \$8,000,000
Engineering Services	2018 Active Transportation Corridors and Spot Improvements	<b>Change in Funding Source for Multi-Year Project Budget:</b> Increase Translink funding for competitive (BICCS) and increase Bike BC funding received toward Cambie Bridge Active Transportation Improvements and decrease DCL funding	20,311,402	0	20,311,402	<b>Increase:</b> Translink \$1,178,100 Province of BC (BikeBC) \$332,000  <b>Decrease:</b> City-Wide DCL \$1,510,100	
Parks & Recreation	Dr. Sun Yat-Sen Garden Improvements	<b>Change in Funding Source for Multi-Year Project Budget:</b> Replace \$255,754 of project DCL funding with Federal Government funding (National Program for Heritage Places program) received towards the restoration work at Dr. Sun Yat-Sen Gardens.	805,000	0	805,000	<b>Increase:</b> Government of Canada (National Program for Heritage Places) \$255,754  <b>Decrease:</b> DCL \$255,754	

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<b>Capital Budget Adjustment Requests</b>							
Department	Project Name	Reason for Adjustment	BUDGET IMPACT				
			Current	Change	Proposed		
Real Estate & Facilities Management	2015-16 Energy Optimization Program	<b>Change in Funding Source for Multi-Year Project Budget:</b> Replace \$75,000 of debenture funding with BC Hydro energy rebate funding received as a result of the City's energy optimization projects. The BC Hydro Continuous Optimization Program is a joint offer from BC Hydro and FortisBC which provides customer assistance to save energy and improve operations in large commercial buildings.	2,655,000	0	2,655,000	<b>Increase:</b> External (BC Hydro energy rebates) \$75,000  <b>Decrease:</b> Debenture \$75,000	
<b>Total - Administrative Consolidations; Funding Source Changes</b>			\$ 44,082,804	\$ -	\$ 44,082,804		\$ -
<b>B. Emerging priority projects</b> New projects that have been identified to address unforeseen urgent issues or new priorities emerging outside of the regular capital budget cycle.							
Department	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
Real Estate & Facilities Management	Marpole Place Exterior Upgrades	<b>New Multi-Year Project Budget (funded from CAC); Increase to 2015-2018 Capital Plan:</b> A condition included in the rezoning of 375 West 59th Avenue specified that a minimum of \$500,000 of the Community Amenity Contribution from the developer be used toward renewal of Marpole Place. This project is for exterior improvements to Marpole Place, including the outdoor playground and plaza. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	0	500,000	500,000	CAC from rezoning of 375 West 59th Avenue	500,000
Real Estate & Facilities Management	Social Housing in SEFC Area 3B - Post-Construction Works	<b>New Multi-Year Project Budget:</b> This project budget covers the cost of outstanding deficiencies and post-construction warranty works for the substantially completed social housing facility in SEFC Area 3B. (The related Social Housing-SEFC Area 3B project is being closed out this quarter). Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	0	500,000	500,000	Reallocation of previously approved capital funding (DCL)	

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Capital Budget Adjustment Requests			BUDGET IMPACT				
Department	Project Name	Reason for Adjustment	Multi-Year Project Budget			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
			Current	Change	Proposed		
Real Estate & Facilities Management	Renovation of Aberthau Mansion Youth Room at West Point Grey Community Centre	<b>New Multi-Year Project Budget (funded from donation); Increase to 2015-2018 Capital Plan:</b> Renovation of the Youth Room at West Point Grey Community Centre facilities in the Aberthau Mansion to improve the ability to offer more diverse programming to the community. This project was requested by the West Point Grey Community Association and will be fully funded by the Association. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	0	299,200	299,200	External (West Point Grey Community Association)	299,200
Parks & Recreation	Golf Course Irrigation Pump Stations	<b>New Multi-Year Project Budget (funded from 2015-2019 Capital Plan):</b> Replacement of three irrigation pump stations that are beyond their useful life and failing regularly. These pump stations are required to irrigate the City's three golf facilities, drawing water from underground aquifers and established irrigation ponds. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	0	550,000	550,000	2015-2018 Capital Plan (Parks, Open Spaces and Recreation) Reserve - Green Fund	
Technology Services	Microsoft Enterprise Agreement Implementation	<b>New Multi-Year Project Budget (funded from reallocation):</b> Implementation of the Microsoft Enterprise Agreement approved by Council June 20, 2018, including planning, designing, and implementing the system server and City desktop software imaging for Windows products. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	0	270,000	270,000	Reallocation of previously approved capital funding (Capital from Revenue)	
Technology Services	IT Infrastructure Maintenance/Upgrades/Expansion	<b>Decrease in Multi-Year Project Budget (Reallocation):</b> A portion of the IT infrastructure scope of work originally planned for the 2015-18 program has been deferred to the 2019 program.	15,375,000	(270,000)	15,105,000	Reallocation of previously approved capital funding (Capital from Revenue)	

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<b>Capital Budget Adjustment Requests</b>						
			BUDGET IMPACT			
			Multi-Year Project Budget			
Department	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget
Technology Services	IT Data Centre Relocation Planning	<b>New Multi-Year Project Budget (funded from reallocation):</b> Multi-year project budget for the planning phase for the relocation of the city's Data Centre to provide resiliency for the City's systems and corporate data protection. A project budget for the implementation phase to begin in 2019 will be included in the development of the 2019 Capital Budget, with a target to complete the migration of storage and computing services from City Hall by 2020. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	0	100,000	100,000	Reallocation of previously approved capital funding (Capital from Revenue)
Technology Services	IT Capital Resource Pool	<b>Decrease in Multi-Year Project Budget (Reallocation):</b> The extent of Technology Services (TS) resourcing required to support TS capital projects in 2018 is now anticipated to be less than budgeted as some of the projects that had been planned for 2018 have been deferred to 2019.	732,000	(100,000)	632,000	Reallocation of previously approved capital funding (Capital from Revenue)
<b>Total - Emerging Priority Projects</b>			\$ 16,107,000	\$ 1,849,200	\$ 17,956,200	\$ 799,200
<b>C. Timing Uncertain budget additions</b> Addition of expenditure budgets for projects noted as "timing uncertain" in the Annual Capital Budget where timing subsequently becomes certain.						
Department	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget
None						
<b>Total - Timing Uncertain budget additions; Project acceleration</b>			\$ -	\$ -	\$ -	\$ -

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<b>Capital Budget Adjustment Requests</b>												
			<b>BUDGET IMPACT</b>									
			<b>Multi-Year Project Budget</b>									
<b>D. Budget increases/decreases to existing projects/programs</b>												
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.												
Department	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan					
Real Estate & Facilities Management	2018 Energy Optimization Program	<b>Increase in Multi-Year Project Budget:</b> Increase in 2018 Energy Optimization capital program budget in order to undertake additional projects to achieve further energy savings; to be funded from BC Hydro energy rebates received as a result of other City energy optimization projects under BC Hydro's Continuous Optimization Program (a joint offer from BC Hydro and FortisBC which provides customer assistance to save energy and improve operations in large commercial buildings). Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	550,000	200,000	750,000	External (BC Hydro energy rebates)	200,000					
ACCS	Gordon Neighbourhood House Grant	<b>Increase to Multi-Year Project Budget:</b> Increase to the capital grant to Gordon Neighbourhood House approved in the 2016 Capital Budget, to add interior redesign and additional washrooms to serve the steady increase in membership, to be funded from a CAC contribution from the June 2017 rezoning of 969 Burrard and 1019-1045 Nelson (First Baptist Church), that was allocated to Gordon Neighbourhood House for growth related upgrades. Disbursements will be managed within the current overall Annual Capital Expenditure Budget.	1,100,000	600,000	1,700,000	CAC from rezoning of 969 Burrard Street and 1019-1045 Nelson Street	600,000					

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Capital Budget Adjustment Requests							
Department	Project Name	Reason for Adjustment	BUDGET IMPACT			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
			Current	Change	Proposed		
Engineering Services	Georgia Dunsmuir Viaduct Removal / NEFC Redevelopment	<b>Increase to Multi-Year Project Budget:</b> Increase to the project budget to reflect the cost of change orders that were approved as part of Phase 3a of the NEFC Georgia Viaduct Removal. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	36,877,084	2,100,000	38,977,084	<ul style="list-style-type: none"> <li>• City-Wide DCL \$1,510,000</li> <li>• Reallocation of previously approved capital funding (DCL) \$590,000</li> </ul>	1,510,000
Engineering Services	Seaside Greenway - South False Creek	<b>Decrease to Multi-Year Project Budget:</b> The Seaside Greenway-South False Creek project is substantially completed and this budget reduction request represents the release of contingency funding that is no longer expected to be required.	8,329,122	(390,000)	7,939,122	Reallocation of previously approved capital funding (DCL)	
Engineering Services	Burrard Bridge Upgrades	<b>Decrease to Multi-Year Project Budget:</b> The Burrard Bridge Upgrades project is substantially completed and this budget reduction request represents the release of contingency funding that is no longer expected to be required.	35,030,000	(200,000)	34,830,000	Reallocation of previously approved capital funding (DCL)	
Engineering Services	2016 Sewer Water Combined Connections	<b>Increase to Multi-Year Project Budget and 2015-2018 Capital Plan:</b> Multi-year project budget increase to reflect the expected work to be initiated on combined sewer & water connections directly related to the revenues received in advance. These revenues are driven by residential and commercial construction. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	15,739,241	281,759	16,021,000	User Fees/Property Owners	281,759

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Capital Budget Adjustment Requests			BUDGET IMPACT				
Department	Project Name	Reason for Adjustment	Multi-Year Project Budget			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
			Current	Change	Proposed		
Engineering Services	2017 Sewer & Water Combined Connections	<b>Increase to Multi-Year Project Budget and 2015-2018 Capital Plan:</b> Multi-year project budget increase to reflect the expected work to be initiated on combined sewer & water connections directly related to the revenues received in advance. These revenues are driven by residential and commercial construction. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	7,515,136	1,415,864	8,931,000	User Fees/Property Owners	1,415,864
Engineering Services	2015-18 Traffic Signal Rehabilitation	<b>Increase to Multi-Year Project Budget:</b> Increase to the multi-year project budget for the 2015-18 Traffic Signal Rehabilitation program to reflect funding received from ICBC to perform additional scope of work related to traffic counters and signal rehabilitation at ICBC priority locations. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	7,732,483	825,500	8,557,983	ICBC	825,500
Engineering Services	Granville Bridge Upgrade	<b>Increase to Multi-Year Project Budget:</b> Increase to the multi-year project budget for Granville Bridge Upgrade to reflect Translink funding of \$1.9 million that has been endorsed as part of Translink's MRN Structure Program; the funding to be used toward the concrete rehabilitation work at the North Approach of Granville Bridge. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	2,450,000	1,886,792	4,336,792	Translink	1,886,792
Engineering Services	2018 Sewer & Water Combined Connections	<b>Increase to Multi-Year Project Budget and 2015-2018 Capital Plan:</b> Multi-year project budget increase to reflect the expected work to be initiated on combined sewer & water connections directly related to the revenues received in advance. These revenues are driven by residential and commercial construction. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	1,150,000	2,451,000	3,601,000	User Fees/Property Owners	2,451,000

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Capital Budget Adjustment Requests							
Department	Project Name	Reason for Adjustment	BUDGET IMPACT			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
			Current	Change	Proposed		
Engineering Services	2017 Water Commercial Connections	<b>Increase to Multi-Year Project Budget and 2015-2018 Capital Plan:</b> Multi-year project budget increase to reflect the expected work to be initiated on commercial water connections directly related to the revenues received in advance. These revenues are driven by commercial construction. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	3,040,000	1,533,000	4,573,000	User Fees/Property Owners	1,533,000
Engineering Services	2015-18 Aging Hydrant Replacement	<b>Increase to Multi-Year Project Budget and 2015-2018 Capital Plan:</b> The Aging Fire Hydrant Replacement program includes the replacement of unrepairable or obsolete stock (due to the aging of the water system) and replacement of hydrants damaged by vehicles (incident driven and therefore difficult to predict). This budget adjustment is to reflect funding received from ICBC for the replacement of damaged hydrants. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	1,513,295	300,000	1,813,295	ICBC	300,000
Engineering Services	Landfill Phase 3 Northeast/Phase 4 Southeast Closure & Gas	<b>Increase to Multi-Year Project Budget and 2015-2018 Capital Plan:</b> This budget adjustment is to increase the multi-year project budget in order to initiate the procurement process for 2019 closure design work. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	23,325,000	1,500,000	24,825,000	Solid Waste Capital Reserve	1,500,000
Parks & Recreation	East Fraser Lands Parks	<b>Increase to Multi-Year Project Budget:</b> The current multi-year budget for this project covers the design phase for the development of new parks in the East Fraserlands ("EFL"). This budget adjustment is to increase the multi-year project budget in order to initiate procurement for the construction of three new parks in EFL, to be tendered in Q4 2018 (Kinross North, Mid-Kinross and Neighbourhood Park South).	1,475,000	3,300,000	4,775,000	City-Wide DCL (East Fraser Lands)	

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<b>Capital Budget Adjustment Requests</b>							
<b>Department</b>	<b>Project Name</b>	<b>Reason for Adjustment</b>	<b>BUDGET IMPACT</b>			<b>Funding Source(s) for Changes to Multi-Year Project Budget</b>	<b>Addition to 2015-2018 Capital Plan</b>
			<b>Current</b>	<b>Change</b>	<b>Proposed</b>		
Parks & Recreation	Smithe & Richards Park	<b>Increase to Multi-Year Project Budget:</b> The initial budget for this project was based on a preliminary cost estimate. This adjustment is to increase the multi-year project budget to reflect the complexity of the park design, higher construction costs, and a Class A cost estimate provided from a cost consultant. The more detailed Class A estimate follows rigorous public engagement processes and two rounds of urban design panel reviews and incorporates a pavilion, skywalk, destination playground and sustainable features. This will be a world class urban downtown park accommodating 11,000 residents and 17,000 daily workers within a 5 minute walk. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	6,000,000	6,000,000	12,000,000	Downtown South DCL	
Parks & Recreation	2017 Playgrounds	<b>Increase to Multi-Year Project Budget: and 2015-2018 Capital Plan:</b> A renewed playground is being built at Douglas Park. This budget adjustment is to increase the multi-year project budget to reflect additional scope of work on the playground requested by, and funded from, the Douglas Park Community Association. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	2,820,000	480,000	3,300,000	External (Douglas Park Community Association)	480,000
Parks & Recreation	2015-18 Park Planning & Policy Studies	<b>Increase to Multi-Year Project Budget:</b> This budget adjustment is to increase the multi-year project budget in order to accomodate additional planning studies requested by the Park Board (e.g., VanPlay and washrooms). Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	2,068,000	150,000	2,218,000	City-Wide DCL	
<b>Total - Budget Increases/Decreases to Existing Projects/Programs</b>			\$ 141,596,361	\$ 22,865,915	\$ 164,462,276		\$ 13,415,915

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<b>Capital Budget Adjustment Requests</b>							
			<b>BUDGET IMPACT</b>				
			<b>Multi-Year Project Budget</b>				
<b>E. Reallocations</b> Reallocation of funding between existing projects reflecting revised priorities and/or cost estimates, and or reallocations of funding sources.							
Department To / From	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
Engineering Services	2018 Distribution Main Replacement	<b>Increase to Multi-Year Project Budget (Reallocation):</b> Increase to the 2018 Water Distribution Main Replacement program budget through reallocation, to reflect projects reprioritized from the 2017 program to the 2018 program to align with crew scheduling/availability and coordination with other work being done in the area (e.g., street paving). Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	9,227,510	791,393	10,018,903	Reallocation of previously approved capital funding (Capital from Revenue)	
	2017 Distribution Main Replacement	<b>Decrease to Multi-Year Project Budget (Reallocation):</b> A portion of the scope of work planned for the 2017 program was cancelled (replacement of a water main at Manitoba Yard will now be completed by as a Real Estate & Facilities Management [REFM] project), and is being reallocated to the 2018 Distribution Main Replacement program.	8,894,333	(791,393)	8,102,940	Reallocation of previously approved capital funding (Capital from Revenue)	

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Capital Budget Adjustment Requests						
			BUDGET IMPACT			
			Multi-Year Project Budget			
Department To / From	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget
Engineering Services	Vancouver Landfill - Reconstruction of Landfill Entrance	<b>Increase to Multi-Year Project Budget (Reallocation):</b> The bid results for construction contract tendering for this project were higher than had been estimated in the project budget, reflecting an escalation of costs in the construction market. This adjustment is to increase the multi-year project budget accordingly. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	9,846,000	3,770,000	13,616,000	Reallocation of previously approved capital funding (Capital Financing Fund Loan)
	Vancouver Landfill Flare Replacement	<b>Decrease to Multi-Year Project Budget (Reallocation):</b> Reallocation of a portion of the multi-year project budget for the replacement of gas flare stacks at the Vancouver Landfill, reflecting favourable contract tendering results compared to what had been estimated in the project budget.	3,500,000	(250,000)	3,250,000	Reallocation of previously approved capital funding (Capital Financing Fund Loan)
	Vancouver Landfill Construction & Demolition Resource Recovery Facility	<b>Decrease to Multi-Year Project Budget (Reallocation):</b> Feasibility study for this new facility has been completed. Based on the results of the study, the project has been deferred pending the development of a business case to proceed with full-scale project.	6,525,000	(3,020,000)	3,505,000	Reallocation of previously approved capital funding (Capital Financing Fund Loan)
	City Laydown Area Cleanup	<b>Decrease to Multi-Year Project Budget (Reallocation):</b> Monitoring results are currently indicating the need for additional monitoring with no remediation required at this time.	1,000,000	(500,000)	500,000	Reallocation of previously approved capital funding (Capital Financing Fund Loan)

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Capital Budget Adjustment Requests						
			BUDGET IMPACT			
			Multi-Year Project Budget			
Department To / From	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget
Engineering Services	2016 Sewer Water Combined Connections	<b>Increase to Multi-Year Project Budget (Reallocation):</b> All new construction or major redevelopment to residential properties requires a permit to connect to the sewer system. Construction of new public sewer and water connections are funded in full in advance by the building permit applicant at rates in effect at the time of application. Depending on the time between the connection fee payment and the connection installation, there may be a difference between the funding and the installation costs. This budget increase is to align the program funding with the costs to complete the work. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	15,739,241	3,000,000	18,739,241	Reallocation of previously approved capital funding (Debtenture)
	2018 Sewer Separation	<b>Increase to Multi-Year Project Budget (Reallocation):</b> Increase to the 2018 program budget through reallocation, to reflect projects reprioritized from the 2017 program to the 2018 program to align with crew scheduling/availability and coordination with other work being done in the area (e.g., street paving). Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	29,266,750	1,045,408	30,312,158	Reallocation of previously approved capital funding (Debtenture)
	2017 Sewer Separation	<b>Decrease to Multi-Year Project Budget (Reallocation):</b> Decrease to the 2017 Sewer Separation program budget through reallocation, to reflect projects reprioritized from the 2017 program to the 2018 program to align with crew scheduling/availability and coordination with other work being done in an area (e.g., street paving), as well as a reallocation of available uncommitted 2017 Sewer Separation program funding to the 2016 Sewer Water Combined Connections program budget to fund a difference between the connections fee revenues and the installation costs attributable to the time between the connection fee payment and the connection installation.	17,985,746	(4,045,408)	13,940,338	Reallocation of previously approved capital funding (Debtenture)

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Capital Budget Adjustment Requests							
Department To / From	Project Name	Reason for Adjustment	BUDGET IMPACT			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
			Current	Change	Proposed		
Real Estate & Facilities Management	2017 Administrative Facilities Renovation Program	<b>Increase in Multi-year Project Budget (Reallocation):</b> Increase in project budget in order to undertake renovations to some City office space to be used for displays and public open houses to showcase various high-profile City capital projects and facilitate public input. Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	480,000	432,000	912,000	Reallocation of previously approved capital funding (Debenture; Capital from Revenue/Pay-as-you-go; Translink)	
Engineering Services	2018 Sewer Separation	<b>Decrease to Multi-Year Project Budget (Reallocation):</b> Decrease to the 2018 Sewer Separation program budget through reallocation, reflecting revised project estimates for major projects in the program.	30,312,158	(246,000)	30,066,158	Reallocation of previously approved capital funding (Debenture)	
	2018 Distribution Main Replacement	<b>Decrease to Multi-Year Project Budget (Reallocation):</b> Decrease to the 2018 Distribution Main Replacement program budget through reallocation, reflecting revised project estimates for major projects in the program.	10,018,903	(56,000)	9,962,903	Reallocation of previously approved capital funding (Capital from Revenue/Pay-as-you-go)	
	2018 Major Roads Rehabilitation - City	<b>Decrease to Multi-Year Project Budget (Reallocation):</b> Decrease to the 2018 Major Roads Rehabilitation (City) program budget through reallocation, reflecting revised project estimates for major projects in the program.	3,023,357	(65,000)	2,958,357	Reallocation of previously approved capital funding (Debenture, Translink)	
	2018 Active Transportation Corridors and Spot Improvements	<b>Decrease to Multi-Year Project Budget (Reallocation):</b> Decrease to the 2018 Active Transportation Corridors and Spot Improvements program budget through reallocation, reflecting revised project estimates for major projects in the program.	20,311,402	(65,000)	20,246,402	Reallocation of previously approved capital funding (Translink)	

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Capital Budget Adjustment Requests								
Department To / From	Project Name	Reason for Adjustment	BUDGET IMPACT					
			Current	Change	Proposed			
Real Estate & Facilities Management	Central Library Expansion of Public Space	<b>Increase to Multi-Year Project Budget (Reallocation):</b> Increase to the multi-year project budget for the expansion of public space at Central Library to reflect the complex nature of the renovation project and the resulting increase in the project cost estimate. There have been numerous hidden conditions and complexities in the building that have impacted the construction schedule and cost, as well as project scope additions to support future library programs.	16,063,500	730,000	16,793,500	Reallocation of previously approved capital funding (Debenture)		
	nə̄ca?mat ct Strathcona Branch Library	<b>Decrease to Multi-Year Project Budget (Reallocation):</b> The nə̄ca?mat ct Strathcona Branch Library was opened in April 2017. The project has remained open to cover the cost of deficiencies; current cost projections indicate that the project budget will have a surplus when the project is closed out and therefore project funding is available for reallocation to the project for expanding public space at Central Library.	17,575,811	(730,000)	16,845,811	Reallocation of previously approved capital funding (Debenture)		
VAHA	Vancouver Affordable Housing Agency - Land Preparation Costs	<b>New Multi-Year Project Budget (Reallocation):</b> New multi-year capital project for site preparation costs for prospective affordable housing sites (e.g., soil remediation, geotechnical engineering, etc.). Expenditures will be managed within the current overall Annual Capital Expenditure Budget.	0	1,500,000	1,500,000	Reallocation of previously approved capital funding (DCL)		
	Capital to support Vancouver Affordable Housing Agency projects	<b>Decrease to Multi-Year Project Budget (Reallocation):</b> Reallocation of a portion of this Affordable Housing capital support funding toward a specific project for site preparation costs associated with prospective affordable housing sites.	14,194,698	(1,500,000)	12,694,698	Reallocation of previously approved capital funding (DCL)		
<b>Total - Reallocations</b>			\$ 213,964,409	\$ -	\$ 213,964,409		\$ -	
<b>Total Capital Budget Adjustment Requests</b>			\$ 415,270,574	\$ 24,283,115	\$ 439,553,689		\$ 13,783,115	

Appendix 2 - Q2 2018 Capital Closeouts					
Project/Program Name	Budget	Actual	Surplus (Deficit)	%	Closeout Variance Explanation (Required for variances > \$200,000)
<b>Arts, Culture, and Community Services</b>					
Kits Montessori Daycare (2001 W 10th Av)	2,545,385	2,545,385	-	0%	
Grant - Vancouver Food Bank Society	25,000	25,000	-	0%	
<b>Arts, Culture, and Community Services Total</b>	<b>2,570,385</b>	<b>2,570,385</b>	<b>-</b>	<b>0%</b>	
<b>Engineering Services</b>					
2012-14 Arterial Projects *	5,805,000	5,674,849	130,151	2%	
Powell Street Overpass *	50,000,000	50,055,568	(55,568)	0%	The Powell Street Overpass project was completed in 2014. The City contributed \$3.75 million to the project, and was responsible for delivering the project on behalf of funding partners, which included Port Metro Vancouver, Transport Canada, CP, and TransLink. The project has been kept open until now to allow for final cost-sharing validation and settlement of project funding.
2012-14 Parking Meter Replacement	291,851	307,866	(16,015)	-5%	
2012-14 Residential B Permits	800,400	864,321	(63,921)	-8%	
2012-14 Commercial C Permits	6,018,200	6,211,954	(193,754)	-3%	
2014 Sewer Water Combined Connections	21,003,876	21,003,876	-	0%	
2015 Sewer Water Combined Connections	18,906,167	19,519,245	(613,078)	-3%	All new construction or major redevelopment to residential properties requires a permit to connect to the sewer system. Construction of new public sewer and water connections are funded in full in advance by the building permit applicant at rates in effect at the time of application. Depending on the time between the connection fee payment and the connection installation, there may be a difference between the funding and the installation costs. The deficit in the 2015 Sewer Water Combined Connections program reflects the difference between the connection fees collected and the cost of installing the connections.
Seaside Greenway - Point Grey Road *	6,100,000	5,995,558	104,442	2%	
2017 Local Improvement Projects *	366,000	213,778	152,222	42%	
2015-16 Major Roads Rehabilitation - MRN (Major Road Networks)	7,898,213	7,874,912	23,301	0%	
2015 New Water Meters	220,000	338,563	(118,563)	-54%	
2016 New Water Meters	300,000	319,267	(19,267)	-6%	
2015 Water Commercial Connections	3,500,000	3,412,858	87,142	2%	
2016 Water Commercial Connections	5,000,000	4,751,125	248,875	5%	Volume of requests for commercial water connections in the 2016 program was less than had been estimated in the budget.
<b>Engineering Services Total</b>	<b>126,209,707</b>	<b>126,543,740</b>	<b>(334,033)</b>	<b>0%</b>	

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Appendix 2 - Q2 2018 Capital Closeouts					
Project/Program Name	Budget	Actual	Surplus (Deficit)	%	Closeout Variance Explanation (Required for variances > \$200,000)
<b>Parks and Recreation</b>					
Park Land Acquisition 1 (Mar 2018)	1,752,000	1,752,000	-	0%	
<b>Parks and Recreation Total</b>	<b>1,752,000</b>	<b>1,752,000</b>	<b>-</b>	<b>0%</b>	
<b>Real Estate &amp; Facilities Management</b>					
Social Housing - SEFC Area 3B	38,950,000	35,257,637	3,692,363	9%	This social housing facility was constructed by the developer. Expenditures were less than budgeted as a result of cost efficiencies achieved as two buildings were constructed concurrently and the project contingency was not required.
2015-18 Non-Market Housing Facilities Upgrades *	500,000	499,548	452	0%	
2017 Capital Maintenance - Childcare Facilities *	150,000	98,988	51,012	34%	
Childcare Amenities at 1396 Richards	2,581,116	2,581,116	-	0%	
Vancouver Art Gallery Plaza Improvements *	10,300,000	10,343,389	(43,389)	0%	
2015-16 Fieldhouse Renovations/Upgrades *	500,000	174,036	325,964	65%	Remaining program funding is primarily DCL, which can be only for growth-related projects. No further projects within this program are eligible for DCL use.
2012-14 Capital Maintenance - Britannia *	123,600	66,267	57,333	46%	
2015-18 Capital Maintenance - Libraries/Archives *	1,156,316	1,079,730	76,586	7%	
2015-18 Capital Maintenance - Firehalls *	978,620	876,307	102,313	10%	
2015-18 Capital Maintenance - Administration Facilities *	350,000	318,938	31,062	9%	
Seismic Upgrades - City Hall West Annex *	5,365,000	5,283,384	81,616	2%	
City Hall East Annex (East Wing) Deconstruction *	5,700,000	5,721,762	(21,762)	0%	
2015-18 Service Yards Minor Upgrades *	130,000	110,451	19,549	15%	
<b>Real Estate &amp; Facilities Management Total</b>	<b>66,784,652</b>	<b>62,411,553</b>	<b>4,373,099</b>	<b>7%</b>	
<b>Technology Services</b>					
Empty Homes Tax Program Software	1,360,000	1,538,403	(178,403)	-13%	
<b>Technology Services Total</b>	<b>1,360,000</b>	<b>1,538,403</b>	<b>(178,403)</b>	<b>-13%</b>	
<b>Total Q2 2018 Capital Closeouts</b>	<b>198,676,744</b>	<b>194,816,081</b>	<b>3,860,663</b>	<b>2%</b>	

\* Project funding includes voter-approved debenture

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Proposed Allocation of Closeout Surpluses & Funding Sources for Closeout Deficits:		
From	To	Amount
<b>Engineering Services</b>		
2012-14 Arterials closeout surplus	Citywide Unallocated from Closeouts (Debenture)	130,151
Seaside Greenway - Point Grey Road closeout surplus	Citywide Unallocated from Closeouts (Debenture)	104,442
Citywide Unallocated from Closeouts (Debenture)	Powell Street Overpass closeout deficit	(55,568)
2015-16 Major Roads Rehabilitation - MRN closeout surplus	OMR Reserve (remove commitment from reserve)	23,301
Parking Meter Reserve	2012-14 Parking Meter Replacement closeout deficit	(16,015)
2017 Local Improvement Projects closeout surplus	Property owner funding surplus to reflected in residents' property tax billings	47,542
	Citywide Unallocated from Closeouts (Debenture)	104,680
	Property owner funding planned in budget but not realized (see NOTE)	421,290
Unplanned developer funding received toward 2009-11 Sewer Separation program		(421,290)
2014 Sewer & Water Combined Connections program closeout balance		-
Property owner funding planned in budget but not realized (see NOTE)		1,270,508
Unplanned developer funding received for 2009-11 Waterworks Distribution Main Replacement program		(1,205,782)
Sewer/Water Rate Stabilization Reserve		(677,804)
2015 Sewer & Water Combined Connections program closeout deficit		(613,078)
Property owner funding received in excess of planned funding		(4,269)
Unplanned developer funding received for 2009-11 Waterworks Distribution Main Replacement program		(59,652)
2012-14 Residential B Permits program closeout deficit		(63,921)
Property owner funding received in excess of planned funding (see NOTE)		(108,392)
Unplanned developer funding received toward 2009-11 Sewer Separation program		(85,362)
2012-14 Commercial C Permits program closeout deficit		(193,754)
	Property owner funding planned in budget but not realized (see NOTE)	1,403
Citywide Unallocated from Closeouts (Pay-as-you-go Water)		(119,966)
2015 New Water Meters closeout deficit		(118,563)
Property owner funding received in excess of planned funding (see NOTE)		(9,188)
Citywide Unallocated from Closeouts (Pay-as-you-go Water)		(10,079)
2016 New Water Meters closeout deficit		(19,267)

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Proposed Allocation of Closeout Surpluses & Funding Sources for Closeout Deficits:		
From	To	Amount
Property owner funding received in excess of planned funding (see NOTE)		(45,903)
	Citywide Unallocated from Closeouts (Pay-as-you-go Water)	133,045
2015 Water Commercial Connections closeout surplus		87,142
	Property owner funding planned in budget but not realized (see NOTE)	245,070
	Citywide Unallocated from Closeouts (Pay-as-you-go Water)	3,805
2016 Water Commercial Connections closeout surplus		248,875
<b>Engineering Services net closeout deficit</b>		\$ (334,033)
<b>Real Estate &amp; Facilities Management</b>		
Social Housing - SEFC Area 3B closeout surplus	DCL (remove commitment from reserve)	3,692,363
Net remaining Real Estate & Facilities Management closeout surplus	City-Wide Unallocated from Closeouts (Debenture)	680,736
<b>Real Estate &amp; Facilities Management net closeout surplus</b>		\$ 4,373,099
<b>Technology Services</b>		
Revenue Stabilization Reserve	Empty Homes Tax Program Software closeout deficit	(178,403)
<b>Technology Services net closeout deficit</b>		\$ (178,403)
<b>Net closeout surplus for Q2 2018 Capital Closeouts</b>		\$ 3,860,663

**NOTE:**

All new sewer and water construction or major redevelopment for residential or commercial properties requires payment in full in advance at rates in effect at the time of building permit application. Depending on the time between the connection fee payment and the connection/meter installation, there may be a difference between the funding and the installation costs.