



ADMINISTRATIVE REPORT

Report Date: February 26, 2014
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VanRIMS No.: 08-2000-20
Meeting Date: March 12, 2014

TO: Standing Committee on City Finance and Services
FROM: Director of Finance
SUBJECT: 2014 Capital Budget Adjustments and 2013 Q4 Closeouts

RECOMMENDATION

- A. THAT Council approve adjustments to the 2014 Capital Budget as outlined in Appendix 1, resulting in an increase of \$10 million to the Total Multi-Year Capital Project Budget for the following projects:
 - i. \$4.8 million for Heritage Density Bank Transfer;
 - ii. \$3.7 million for Southeast Vancouver Senior Centre; and
 - iii. \$1.5 million for Bloedel Conservatory Roof Replacement.
- B. THAT subject to approval of Recommendation A, Council approve an increase of \$4.8 million to the 2014 Annual Capital Budget for expenditures relating to the Heritage Density Bank Transfer, resulting in a revised overall 2014 Annual Capital Budget of \$289.9 million.
- C. THAT, as part of the quarterly Capital Budget closeout process, Council approve the closeout of completed capital projects with variances exceeding 15% and \$50,000 of the approved budget as outlined in this report and Appendix 2.

REPORT SUMMARY

On December 17, 2013, Council approved a 2014 Annual Capital Budget of \$285.1 million. Budget adjustments are generally managed within the approved annual budget envelope, with no changes to the overall Annual Capital Budget. The increase to the 2014 Annual Capital Budget proposed in this report represents a capital priority to address the Heritage Density Bank which has been identified subsequent to the approval of the 2014 Annual Capital Budget and which cannot be offset through reductions in planned 2014 expenditures in other projects or programs.

As part of the quarterly capital budget review process, projects/programs completed in each quarter are reported to Council. Council approval is therefore also being requested to close 73 programs/projects completed in Q4 2013, with a net surplus of \$3.4 million, as outlined in Appendix 2.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

On September 24, 2013 (RTS 10130), in order to immediately reduce the balance in the Heritage Amenity Bank, Council approved the allocation of funds totalling \$4.8 million held by the City which were paid as community amenity contributions but remained unallocated at the time.

The City has a policy to plan for capital project expenditures on a multi-year cycle. Since 1990, capital plans have been developed in 3-year terms in order to match the term of Council and allow for a borrowing plebiscite to be held in conjunction with the civic election. In September 2011, Council approved the 2012-2014 Capital Plan in the amount of \$702 million (RTS 9318).

It is Council policy to fund capital expenditures for waterworks, sewerage & drainage and energy utility systems from debenture borrowing; 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 three-year Capital Plan is allocated to specific capital programs and projects through the annual Capital Budgeting process. Council approval of the annual Capital Budget is required before work can proceed on specific programs/projects.

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 & drainage and energy utility systems without the assent of the electorate. Section 245 requires that the borrowing authority for all other purposes be established through the electorate's approval of a borrowing plebiscite.

The requirement to borrow funds to finance capital expenditures is established by Council at the time of the approval of the annual capital budget and through special approvals. Borrowed funds are generally paid back over periods ranging from 10 to 40 years to ensure that a systematic borrowing program can be administered, that outstanding debt does not accumulate to unacceptable levels and that interest and repayment costs 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 and childcare projects in proportions specified in various DCL By-laws. CACs are developer contributions that arise from rezonings; these are directed toward the cost of public amenities in the area affected by the rezoning. The allocation of both DCL and CAC funding to specific amenities requires Council approval.

Council authority is required to close capital accounts with variances exceeding 15% and \$50,000 of the approved budget, and to reallocate capital funding over \$50,000.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The Capital Budget is the main tool by which the City implements its 3-year capital plan, as it provides the authority to proceed with specific programs/projects, and defines the approved annual expenditure for Capital. 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, departments are able to request Capital Budget adjustments on a quarterly basis. This streamlines the Capital Budget process and reduces the number of ad-hoc Council reports being submitted for approval.

Capital Budget adjustments include:

- 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.

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

Quarterly capital budget reviews are provided to Council in a Council memo and posted externally on the City's website at <http://vancouver.ca/your-government/financial-reports-and-information.aspx>.

The 2013 Year-End Capital Budget Review memo comments on the 2013 Capital results, while this report focuses on Capital Budget adjustments and capital closeouts for Council approval.

REPORT***Background/Context***

On December 17, 2013, Council approved a 2014 Annual Capital Budget of \$285.1 million.

As part of the capital budgeting process, proposed adjustments to the current Capital Budget and closeout of completed projects requiring Council approval are identified in the quarterly capital budget reviews and reported to Council for approval in this report. Budget adjustments and project closeouts are presented to Council quarterly. Budget adjustments and project or program closeouts will be presented to Council for approval in May 2014 (Q1), September 2014 (Q2), November 2014 (Q3), and March 2015 (Q4). This allows for timely requests and approvals to proceed with new emerging priority projects, reallocations between existing projects or programs, and to receive donations.

Quarterly Capital Budget adjustment requests are categorized as follows:

A. Administrative consolidation, budget restatements, and Council-approved additions:

Includes the consolidation of like programs/projects into one larger program/project for management purposes; budget restatements to reflect changes in reporting presentation;

B. Emerging priority projects:

Includes new projects that have been identified to address unforeseen urgent issues or new priorities emerging outside of the regular Capital Plan/Capital Budget cycle;

C. Timing uncertain budget additions / acceleration of projects:

Includes the addition of expenditure budgets for projects noted as "Timing Uncertain" in the Annual Capital Budget where timing subsequently becomes certain; addition of expenditure budgets for acceleration of expenditure timelines arising from external funding opportunities, economies of scale, etc.;

D. Budget increases or decreases to existing projects/programs:

Includes programs or projects where costs have increased or decreased due to unforeseen changes in market economic conditions or changes in project scope thereby advancing the timing of work on a project; increases in scope afforded by external funding contribution opportunities;

E. Reallocations:

Includes the reallocation of funding between existing projects or funding sources reflecting revised priorities and/or cost estimates.

Strategic Analysis

A. Capital Budget Adjustments

Table 1 summarizes the proposed adjustments to the Total Capital Multi-Year Project Budget. Due to the nature of capital expenditures, spending may span multiple years. The Total Multi-Year Project Budget Impact represents the funding proposed to be added to projects or programs; the Total 2014 Capital Budget Impact is the effect on spending anticipated for 2014 for the related projects or programs.

This report proposes an increase of \$10 million to the Total Multi-Year Project Budget, comprising additions of \$3.7 million to the Southeast Vancouver Senior Centre project budget and \$1.5 million to the Bloedel Conservatory Roof Replacement project budget, and the creation of a \$4.8 million budget for Heritage Density Bank Transfer.

Budget adjustments are generally managed within the total overall Annual Capital Budget, whereby additions to the budget are offset by corresponding reductions in budgets elsewhere in the overall Annual Capital Budget. Planned 2014 expenditures relating to the creation of the Heritage Density Bank Transfer project budget, however, warrant an increase to the 2014 Annual Capital Budget as they represent a 2014 capital priority arising subsequent to the approval of the current budget and for which budget offsets (reductions in planned 2014 expenditures in other projects or programs) are not available. Details for the adjustments are provided in Appendix 1.

Table 1 - Proposed Changes to Total Project Budget and 2014 Capital Budget (\$000's)

Category	Budget Impact	
	Total Multi-Year Project	Total 2014 Capital Budget
A. Administrative consolidation, restatements, Council-approved additions	\$ 4,800	\$ 4,800
B. Emerging priority projects	-	-
C. Timing uncertain budget additions / acceleration of projects	3,700	100
D. Budget increases to existing projects/programs	1,500	1,500
E. Reallocations	-	600
Total Proposed 2014 Capital Budget Adjustments	\$ 10,000	\$ 7,000
Total Proposed 2014 Capital Budget Offsets		\$ (2,200)
Proposed Increase to Total Project Budget and 2014 Capital Budget	\$ 10,000	\$ 4,800
Current Approved 2014 Capital Budget		\$ 285,140
Proposed Revised 2014 Capital Budget		\$ 289,940

B. Capital Closeouts

The Capital closeout process is the mechanism by which the City's Capital programs and/or 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 capital programs/projects where completion spend variances exceed 15% and \$50,000 of the approved budget.

A total of 73 programs/projects with budgets totaling \$131.9 million and expenditures of \$128.5 million were completed in the period between the 2013 Q3 Capital Closeout (RTS 9958) and the end of the fourth quarter of 2013 (December 31, 2013), resulting in a net surplus of \$3.4 million.

Appendix 2 provides a summary of the proposed allocation (funding sources) of project/program closeout surpluses (deficits).

Seven of the completed projects/programs have completion surpluses exceeding 15% and \$50,000. Appendix 2 provides explanations for these significant surpluses/deficits as well as financial details, by project and department, for projects/ programs closed in Q4 2013.

CONCLUSION

As part of the capital budgeting process, adjustments to the Annual Capital Budget and the closeout of projects/programs requiring Council approval are identified and brought to Council through the quarterly reporting process.

The purpose of this report is to request Council approval of budget adjustments resulting in an increase of \$10 million to the Total Multi-Year Projects Budget, and an increase of \$4.8 million to the 2014 Annual Capital Budget for a revised Annual Capital Budget of \$289.9 million.

This report also requests Council approval for the closeout of seven programs/projects with completion variances exceeding 15% and \$50,000 of the approved budget and funding.

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			Budget Impact											
			Multi-Year Project Budget			2014 Capital Expenditure Budget								
A. Administrative consolidation, restatements; Council-approved additions			Includes the ongoing consolidation of like programs/projects into one larger program/project (normally no net impact on the annual budget); the addition of Capital Budget projects approved by Council outside the regular Capital Budget cycle; other restatements.											
Department	Project	Rationale/Reason for Adjustment	Current	Proposed	Change	Current	Proposed	Change	Funding Source 1	Funding Source 2	Capital Budget Change / Proposed Offset			
Planning & Development	Heritage Density Bank Transfer	Policy Adjustment for Heritage Density Bank. Use of unallocated CAC dollars to reduce Heritage Amenity Bank as approved by Council September 24, 2013 (RTS 10130). Payment to be made in 2014.	0	4,800,000	4,800,000	0	4,800,000	4,800,000	CAC: Rezoning at 201-299 Burrard Street area \$1.0 million	CAC: Rezonings within Triangle West area \$3.8 million	Net increase to 2014 Expenditure Budget.			
Engineering Services	2012-14 Burrard Bridge Bearing Replacement	Original project budgets were based on separate contracts being awarded for the bearing replacement and rehabilitation work, but the work ended up being covered by, and managed within, a single contract.	5,360,000	9,960,000	4,600,000	6,650,298	6,804,878	154,580	N/A	N/A	No change to overall 2014 Expenditure Budget. Existing expenditure budgets consolidated into one budget.			
	2012-14 Burrard Bridge Rehabilitation		4,600,000	0	(4,600,000)	154,580	0	(154,580)	N/A	N/A				
Financial Services	Xtract Replacement - VPD	Funding source change only: Funding is available in the Revenue Budget Equipment Reserve (Police Xtract Hardware Replacement) specifically held for costs associated with this application. This funding adjustment will reduce the amount of Capital from Revenue funding originally approved for this project in the 2012 Capital Budget.	302,000	302,000	0				Addition: Revenue Budget Equipment Reserve \$100,000	Reduction: Capital from Revenue \$100,000	Funding source change only. No change to 2014 Expenditure Budget.			
Total - Administrative Consolidation; Restatements; Council-approved Additions			\$ 10,262,000	\$ 15,062,000	\$ 4,800,000	\$ 6,804,878	\$ 11,604,878	\$ 4,800,000						
B. Emerging priority projects														
New projects that have been identified to address unforeseen urgent issues or new priorities emerging outside of the regular capital budget cycle.														
Department	Project	Rationale/Reason for Adjustment	Current	Proposed	Change	Current	Proposed	Change	Funding Source 1	Funding Source 2	Capital Budget Change / Proposed Offset			
None														
Total - Emerging Priority Projects			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
C. Timing Uncertain budget additions														
Addition of expenditure budgets for projects noted as "timing uncertain" in the Annual Capital Budget where timing subsequently becomes certain.														
Department	Project	Rationale/Reason for Adjustment	Current	Proposed	Change	Current	Proposed	Change	Funding Source 1	Funding Source 2	Capital Budget Change / Proposed Offset			
Real Estate & Facilities Management	Southeast Vancouver Senior Centre	Southeast Vancouver Senior Centre project was classified as "Timing Uncertain," pending confirmation of Federal funding contribution. Funding has been confirmed and project will start in 2014. Project budget is now estimated at \$7.5M based on design-build contract (single point of responsibility contract which minimizes risks for the City and reduces the delivery schedule by overlapping the design phase and construction phase of the project). Additional funding of \$3.7M is requested to facilitate the award of the design-build contract.	3,800,000	7,500,000	3,700,000	0	100,000	100,000	Federal Government \$2,500,000	2013 Operating Budget surplus \$1,200,000 (Motion unanimously carried by Council February 5, 2014)	No change to overall 2014 Expenditure Budget. Increase in 2014 Expenditure Budget for Southeast Vancouver Senior Centre to be offset by corresponding decrease in 2014 Expenditure Budget for Powell Street Overpass.			
Total - Timing Uncertain budget additions; Project acceleration			\$ 3,800,000	\$ 7,500,000	\$ 3,700,000	\$ -	\$ 100,000	\$ 100,000						

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Appendix 1 - 2014 Capital Budget Adjustment Requests			Budget Impact																				
			Multi-Year Project Budget			2014 Capital Expenditure Budget																	
D. Budget increases/decreases to existing projects/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.																							
Department	Project	Rationale/Reason for Adjustment	Current	Proposed	Change	Current	Proposed	Change	Funding Source 1	Funding Source 2	Capital Budget Change / Proposed Offset												
Real Estate & Facilities Management	Bloedel Conservatory Roof Replacement	Current budget allows for replacement of approximately 1/3 of the roof. The estimated contract value for entire roof replacement is about \$2.5M. Additional funding of \$1.5M is requested to cover the increased scope of work. Total project budget increases to \$2,736,800.	1,236,800	2,736,800	1,500,000	1,076,420	2,576,420	1,500,000	City-Wide Unallocated (Capital from Revenue) \$1,400,000	Donation \$100,000	No change to overall 2014 Expenditure Budget. Increase in 2014 Expenditure Budget for Bloedel Conservatory Roof Replacement to be offset by corresponding decrease in 2014 Expenditure Budget for Powell Street Overpass.												
Total - Budget Increases/Decreases to Existing Projects/Programs			\$ 1,236,800	\$ 2,736,800	\$ 1,500,000	\$ 1,076,420	\$ 2,576,420	\$ 1,500,000															
E. Reallocations																							
Reallocation of funding between existing projects reflecting revised priorities and/or cost estimates, and or reallocations of funding sources.																							
Department	Project	Rationale/Reason for Adjustment	Current	Proposed	Change	Current	Proposed	Change	Funding Source 1	Funding Source 2	Capital Budget Change / Proposed Offset												
Engineering Services	2012-14 Burrard Bridge Bearing Replacement/ Rehabilitation	Increase in project budget is required to ensure provisional concrete repairs to the bridge deck undersurface occur in 2014 as part of the bearings and joints contract, and to develop alternate design for Burrard Bridge rehabilitation that includes future trolley pole accommodation and sidewalk widening on the west side of the north end of the bridge.	9,960,000	10,510,000	550,000	6,804,878	7,354,878	550,000	Reallocation of existing capital (Debenture)	N/A	No change to overall 2014 Expenditure Budget. Increase in 2014 Expenditure Budget for Burrard Bridge Bearing Replacement/Rehabilitation to be offset by corresponding decrease in 2014 Expenditure Budget for Powell Street Overpass.												
	2012-14 Granville Bridge Bearing Replacement	Granville Bridge bearing replacement project is substantially complete.	8,695,000	8,145,000	(550,000)				N/A	N/A													
Engineering Services	Gastown Steam Clock Major Repairs	Steam clock has seen a significant increase in callouts and downtime due to recurring malfunctions. Repairs are to replace problem spots in gear winding mechanism, and replace aged steam piping and whistle controls.	0	50,000	50,000	0	50,000	50,000	Reallocation of existing capital (Debenture)	N/A	No change to overall 2014 Expenditure Budget. Addition of 2014 Expenditure Budget for Gastown Steam Clock to be offset by corresponding decrease in 2014 Expenditure Budget for Granville Bridge Bearing Replacement.												
	2012-14 Investigation for Design	Reallocation of project budget to provide funding for the emerging priority repair work required for the Gastown steam clock.	1,339,000	1,289,000	(50,000)				N/A	N/A													
Real Estate & Facilities Management	Kerrisdale Community Centre (Seniors Wing) Re-Roofing	This capital maintenance program typically covers multiple minor facility maintenance projects. The project to replace the roof at the Kerrisdale Community Centre is a major project (\$325,000) warranting separate capital tracking.	0	325,000	325,000	0	325,000	325,000	Reallocation of existing capital (Debenture)	N/A	No change to overall 2014 Expenditure Budget. Increase in 2014 Expenditure Budget for Kerrisdale Community Centre Re-Roofing to be offset by corresponding decrease in 2014 Expenditure Budget for Capital Maintenance of Recreation Facilities.												
	2012-14 Capital Maintenance of Recreational Facilities	The capital maintenance project to replace the roof at the Kerrisdale Community Centre is a major project (\$325,000) warranting separate capital tracking.	2,871,165	2,546,165	(325,000)	650,841	325,841	(325,000)	Reallocation of existing capital (Debenture)	N/A													
Total - Reallocations			\$ 22,865,165	\$ 22,865,165	\$ -	\$ 7,455,719	\$ 8,055,719	\$ 600,000															

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Appendix 1 - 2014 Capital Budget Adjustment Requests			Budget Impact								
			Multi-Year Project Budget			2014 Capital Expenditure Budget					
Total Capital Budget Adjustment Requests		\$ 38,163,965	\$ 48,163,965	\$ 10,000,000	\$ 15,337,017	\$ 22,337,017	\$ 7,000,000				
Proposed Capital Budget Adjustment Offsets											
Department	Project	Rationale/Reason for Adjustment	Current	Proposed	Change	Current	Proposed	Change	Funding Source 1	Funding Source 2	Capital Budget Change / Proposed Offset
Engineering Services	Powell Street Overpass	Decrease in 2014 Expenditure Budget for Powell Street Overpass arising from 2013 Q4 expenditures being higher than originally estimated, reducing the expenditures required for 2014.				23,090,766	20,940,766	(2,150,000)	N/A	N/A	Decrease in 2014 Expenditure Budget: Powell Street Overpass expenditures originally planned for 2014 were accelerated into Q4 2013 to take advantage of contract schedule efficiencies.
	2012-14 Granville Bridge Bearing Replacement	Granville Bridge bearing replacement project is substantially complete.				270,000	220,000	(50,000)	N/A	N/A	Granville Bridge Bearing Replacement project is now substantially complete, reducing the planned expenditure requirements for 2014.
Total Proposed Capital Budget Adjustment Requests			\$ -	\$ -	\$ -	\$ 23,360,766	\$ 21,160,766	\$ (2,200,000)			
Total Adjustment to Total Multi-Year Project Budget / 2014 Expenditure Budget			\$ 38,163,965	\$ 48,163,965	\$ 10,000,000	\$ 38,697,783	\$ 43,497,783	\$ 4,800,000			

Appendix 2 - Q4 2013 Capital Closeouts					
Project/Program Name	Budget	Actuals	Surplus (Deficit)	%	Closeout Variance Explanation (for variances > \$50K and 15% of budget)
Community Services					
Contribution to Restoration York Theatre	\$ 2,280,720	\$ 2,280,000	\$ 720	0%	
Affordable Housing Tenant Improvements	1,100,000	1,100,000	-	0%	
Grant - Kitsilano Neighbourhood House	150,000	150,000	-	0%	
Grant - Atira Women's Resource Society	92,000	92,000	-	0%	
Grant - Frog Hollow Neighbourhood House	76,883	76,883	-	0%	
Grant - Atira Women's Resource Society	40,000	40,000	-	0%	
Grant - Cedar Cottage Neighbourhood House	20,000	20,000	-	0%	
Community Services Total	\$ 3,759,603	\$ 3,758,883	\$ 720	0%	
Engineering Services					
2010, 2011 New Water Service Installation (User-Fee Funded)	4,633,561	5,161,046	(527,485)	-11%	NOTE: Program deficit is primarily due to crews having to return to service installation sites to cap off old service connections ("discontinues"). Until recently, as an accommodation to developers, service installations were completed prior to capping the old services, which allowed continuous access to water for the developments but resulted in increased mobilization costs for crews to return to complete the discontinues. Scheduling and process improvements now allow the service installation and discontinues to be completed at the same time.
2012 Vehicle & Equipment Replacements & Additions	20,340,000	19,964,655	375,345	2%	
2009, 2011 Cycling Program	\$ 5,489,500	\$ 5,382,278	\$ 107,222	2%	
2011 Greenways Program/Central Valley Greenway	6,199,206	6,255,843	(56,637)	-1%	
2011 Material & Asset Management	800,000	791,912	8,088	1%	
EasyPark closeouts:					
EasyPark Head Office - Website Phase III Online	35,000	2,449	32,551	93%	
EasyPark Lot 7 - Software Upgrade PCI compliance	50,000	24,706	25,294	51%	
EasyPark Lot 54 - Revenue control equipment	30,000	11,480	18,520	62%	
EasyPark Lot 9 - New Revenue Control Equipment	850,000	831,715	18,285	2%	
EasyPark Lot 7 - Revenue Control Equipment	250,000	243,947	6,053	2%	
EasyPark Lot 54 - Consolidate Access Control	11,923	17,475	(5,552)	-47%	
EasyPark Lot 27 - Library Square - Lighting Upgrade	162,000	158,786	3,214	2%	
EasyPark Head Office - Network Upgrade (VoIP)	25,000	22,006	2,994	12%	
EasyPark Collections Vehicle	40,000	37,301	2,699	7%	
EasyPark Lot 2 - Wheel Stops and Painting	50,000	47,752	2,248	4%	
EasyPark Lot 9 - Pacific Centre - Entrance Signage Replacement	61,000	59,246	1,754	3%	
EasyPark Lot 9 - Entrance Ramp	30,000	28,380	1,620	5%	
EasyPark Lot 31 - Fencing and Gate	50,000	48,691	1,309	3%	
EasyPark Lot 9 - Parkade Survey	7,000	6,678	322	5%	
EasyPark Lot 4 - Surface Repairs & Membrane Replacement	1,135,000	1,135,314	(314)	0%	
EasyPark Lot 7 - Parkade Survey	5,000	4,950	50	1%	
EasyPark Head Office - Monthly Parking Data Bank & System Integration	120,000	120,000	-	0%	
EasyPark Head Office - Training Centre (Simulator)	30,000	30,000	-	0%	
EasyPark Head Office - Server Upgrade	30,000	30,000	-	0%	
EasyPark Head Office - Workstations	10,000	10,000	-	0%	
Engineering Services Total	\$ 40,444,190	\$ 40,426,609	\$ 17,581	0%	

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Appendix 2 - Q4 2013 Capital Closeouts					
Project/Program Name	Budget	Actuals	Surplus (Deficit)	%	Closeout Variance Explanation (for variances > \$50K and 15% of budget)
Financial Services / IT					
IT Work & Resource Portfolio Management	896,300	49,500	846,800	94%	Initial work on this project determined that the scope and approach originally planned for this initiative should not proceed. Future project strategy will be developed in the next capital plan and in consideration of other City priorities.
SAP - BI Module (part of IMS)	826,532	649,437	177,095	21%	Project has been completed in terms of developing a pilot and the processes involved with (BI) Business Intelligence. The implementation phase for this specific initiative will not proceed (scope reduced) and instead will be considered within the development and rollout of a broader BI strategy.
ENGIS Route Manager Replacement	150,000	28,000	122,000	81%	Re-evaluated need and reduced scope to assess GPS-related considerations.
On-Line Service Implementation	1,251,500	1,306,851	(55,351)	-4%	
GIS Upgrade	34,000	-	34,000	100%	Now expect to provide functionality using a different tool.
2009-11 Debenture Discount	2,962,000	2,992,112	(30,112)	-1%	
Ticket Manager Interface to Tempest	75,000	48,854	26,146	35%	
SAP Minor Upgrade 2013	200,000	220,138	(20,138)	-10%	
GIS Hardware & Software	304,209	318,345	(14,136)	-5%	
Upgrade/Relocate VPD Branch Offices 2011	96,000	86,316	9,684	10%	
IMS- Engineering	\$ 12,978,445	\$ 12,971,469	\$ 6,976	0%	
Open Data Open Standards Open Source	312,000	317,716	(5,716)	-2%	
Corporate Risk Data Management System	600,000	595,761	4,239	1%	
SQL Server 2008 Upgrade (2011)	210,000	206,058	3,942	2%	
Enhance Network Security	63,000	66,198	(3,198)	-5%	
VoIP Upgrades	638,000	635,362	2,638	0%	
Data Storage Replacement & Expansion	2,360,000	2,362,141	(2,141)	0%	
VPD Network Access Control 2011	210,000	209,334	666	0%	
Network Enhanced Monitoring Tools	66,000	65,842	158	0%	
Fibre Relocation West 2nd	300,000	300,000	(0)	0%	
Financial Services / IT Total	\$ 24,532,986	\$ 23,429,433	\$ 1,103,553	4%	
Parks & Recreation					
Park Land Purchase 2013	1,800,000	1,711,360	88,640	5%	
Park Land Purchase 2012	825,000	805,957	19,043	2%	
2012-14 Planning and Research - Seawall	50,000	50,900	(900)	-2%	
Concessions 2011	199,000	198,864	137	0%	
2008 Concessions	875,000	874,883	117	0%	
Park Planning & Research 2011	151,000	150,951	49	0%	
Parks & Recreation Total	\$ 3,900,000	\$ 3,792,914	\$ 107,086	3%	
Planning and Development Services					
Downtown Eastside Unallocated from Prior Year Closeouts	\$ 8,915	\$ -	\$ 8,915	100%	
Planning and Development Services Total	\$ 8,915	\$ -	\$ 8,915	100%	

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Appendix 2 - Q4 2013 Capital Closeouts					
Project/Program Name	Budget	Actuals	Surplus (Deficit)	%	Closeout Variance Explanation (for variances > \$50K and 15% of budget)
Real Estate & Facilities Management					
Government of Canada Infrastructure Stimulus Fund (ISF) project closeouts:					
ISF - VPD Property/Forensic Storage Facility	\$ 30,300,000	\$ 29,832,554	\$ 467,446	2%	NOTE: ISF project budgets included estimated funding contribution from Federal Infrastructure Stimulus (ISF) program based on planned scope of work and program-eligible costs. Final eligible costs were less than planned and accordingly the ISF contributions were less than budgeted.
ISF - Consolidation/Relocation Police Operations	16,295,000	15,995,880	299,120	2%	
ISF - City Hall Heritage Exterior Upgrade	3,825,000	3,909,450	(84,450)	-2%	
VPD Cordova Annex Tenant Improvements/Capital Maintenance	4,588,272	3,397,708	1,190,564	26%	Costs for water re-piping, re-roofing, and mechanical work were less than planned for in budget; contingency in project budget was not needed.
Britannia Dry-A-Tron	94,200	-	94,200	100%	Project costs were covered by other Britannia capital maintenance program work.
Barclay Roof Replacement 2010	329,000	245,863	83,137	25%	Project budget included contingency for higher remediation costs as it was difficult to determine the extent of damage to the roof and interior structures. Actual costs were lower than anticipated.
2012-14 Capital Maintenance - Police Facilities	60,000	-	60,000	100%	Work was completed under Police Operations Consolidation/Relocation project.
HVAC Systems 2009-2011	1,170,000	1,141,102	28,898	2%	
Mechanical Systems 2009-2011	400,000	421,405	(21,405)	-5%	
Energy Conservation Initiative 2011	91,000	103,998	(12,998)	-14%	
Modifications to USAR Warehouse	165,000	159,509	5,491	3%	
Floor Replacements	104,000	106,707	(2,707)	-3%	
Accessibility Retrofits 2011	200,000	199,999	1	0%	
Real Estate & Facilities Management Total	\$ 57,621,472	\$ 55,514,173	\$ 2,107,299	4%	
Vancouver Police Department					
Jail and Interview CCTV	\$ 1,612,500	\$ 1,558,716	\$ 53,784	3%	
Vancouver Police Department Total	\$ 1,612,500	\$ 1,558,716	\$ 53,784	3%	
Total Q4 2013 Capital Closeouts	\$ 131,879,666	\$ 128,480,728	\$ 3,398,938	3%	

Budget Status at Completion (# of projects/programs)	Budget	Actual	Surplus (Deficit)	%
Surplus greater than \$50K & 15% (7)	\$ 6,944,304	\$ 4,370,508	\$ 2,573,796	37%
Deficit greater than \$50K & 15% (0)	0	0	0	0%
Surplus/deficit less than \$50K & 15% (66)	124,935,362	124,110,221	825,142	1%
TOTAL (73 projects/programs)	\$ 131,879,666	\$ 128,480,728	\$ 3,398,938	3%

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Proposed Allocation of Closeout Surpluses/Deficits:			
From	To		
Community Services			
Restoration York Theatre closeout surplus	CAC (remove commitment from CAC Reserve)	\$	720
Community Services net closeout surplus		\$	720
Engineering Services			
City-Wide Unallocated from Closeouts (Water Debenture)	2010, 2011 New Water Service Installation closeout deficit	\$	(527,485)
Unplanned Translink BICCS cycling funding received for 59th Ave Phase 1 & 2 bikeway following completion of 2011 Greenway program work.	2011 Greenways Program/Central Valley Greenway closeout deficit		(56,637)
2012 Vehicle & Equipment Replacements & Additions closeout surplus	Plant and Equipment Reserve (remove commitments)		375,345
Net remaining Engineering Services project closeout surplus (excluding EasyPark projects)	City-Wide Unallocated from Closeouts		115,310
Net EasyPark projects closeout surplus	Parking Sites Reserve (remove commitments)		111,047
Engineering Services net closeout surplus		\$	17,581
Financial Services (IT)			
2012-14 Debenture Discount (ongoing)	2009-11 Debenture Discount closeout deficit	\$	(30,112)
Net Financial Services (IT) closeout surplus	City-Wide Unallocated from Closeouts		1,133,665
Financial Services (IT) net closeout surplus		\$	1,103,553
Parks & Recreation			
Park Land purchases 2012/2013 closeout surplus	DCL (remove commitments from DCL Reserve)		107,683
2012-14 Parks Project Management & Overhead (ongoing)	Net remaining Parks & Recreation closeout deficits		(597)
Parks & Recreation net closeout surplus		\$	107,086
Planning and Development Services			
Downtown Eastside Unallocated from Prior Year Closeouts	City-Wide Unallocated from Closeouts	\$	8,915
Planning and Development Services net closeout surplus		\$	8,915
Real Estate & Facilities Management			
City-Wide Unallocated from Closeouts	ISF - VPD Property/Forensic Storage Facility (City-funded portion)	\$	(62,702)
	Infrastructure Stimulus funding eligibility reduction (final eligible project costs were less than budgeted)		530,148
ISF - VPD Property/Forensic Storage Facility net closeout surplus			467,446
Tactical Training Centre (ongoing)	ISF - Consolidation/Relocation Police Operations (City-funded portion)		(78,263)
City-Wide Unallocated from Closeouts			(75,118)
Funding provided from VPD Operating in 2011 to cover added scope of work			(104,172)
	Infrastructure Stimulus funding eligibility reduction (final eligible project costs were less than budgeted)		556,673
ISF - Consolidation/Relocation Police Operations net closeout surplus			299,120
City-Wide Unallocated from Closeouts	ISF - City Hall Heritage Exterior Upgrade (City-funded portion)		(96,798)
	Infrastructure Stimulus funding eligibility reduction (final eligible project costs were less than budgeted)		12,348
ISF - City Hall Heritage Exterior Upgrade net closeout deficit			(84,450)
VPD Cordova Annex Tenant Improvements/ Capital Maintenance closeout surplus	Capital Financing Fund (reduce loan commitment)		1,190,564
Net remaining Real Estate & Facilities Mgmt closeout surplus	City-Wide Unallocated from Closeouts		234,618
Real Estate & Facilities Management net closeout surplus		\$	2,107,298

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Proposed Allocation of Closeout Surpluses/Deficits:	
From	To
Vancouver Police Department	
Jail and Interview CCTV	City-Wide Unallocated from Closeouts \$ 53,784
Vancouver Police Department net closeout surplus	\$ 53,784
Net Q4 2013 Capital Closeout Surplus	\$ 3,398,938