



ADMINISTRATIVE REPORT

Report Date: February 17, 2015
Contact: Sarah Kapoor
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VanRIMS No.: 08-2000-20
Meeting Date: March 3, 2015

TO: Vancouver City Council
FROM: Director of Finance
SUBJECT: 2014 Q4 Capital Budget Adjustments and Closeouts

RECOMMENDATION

- A. THAT Council approve funding and budget reallocation adjustments to the Multi-Year Capital Projects Budget as outlined in Appendix 1, with no net change to the Multi-Year Capital Projects Budget or to the 2015 Annual Capital Expenditure Budget.
- B. THAT, as part of the quarterly Capital Budget closeout process, Council approve the closeout of completed capital projects with variances exceeding \$50,000 and 15% of the approved budget as outlined in this report and Appendix 2.

REPORT SUMMARY

On December 17, 2013, Council approved a 2014 Annual Capital Expenditure Budget of \$285.1 million. Council subsequently approved a net increase of \$11.5 million in capital expenditures for a revised 2014 Annual Capital Expenditure Budget of \$296.6 million. Council is scheduled to approve the 2015 Annual Capital Expenditure Budget on March 3, 2015.

The adjustments recommended in this report will not change the total Multi-Year Capital Projects Budget as all adjustments are funded through the reallocation of previously approved project funding. There is also no change to the 2015 Annual Capital Expenditure Budget to be presented for approval to Council on March 3, 2015.

In addition, as part of the quarterly Capital Budget review process, Council approval is being requested to close 88 programs/projects completed in Q4 2014, with a net surplus of \$3.1 million, as outlined in Appendix 2.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

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. (NOTE: On May 29, 2014, the Province enacted legislation to extend the term of Council from 3 years to 4 years effective 2014. Going forward, Capital Plans will be developed in 4-year terms, starting with the 2015-2018 Capital Plan.) In October 2014, Council approved the 2015-18 Capital Plan in the amount of \$1.085 billion (RTS 10507).

It has been Council practice to fund capital expenditures for waterworks, sewerage and 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 will be completed in the 2015-2018 Capital Plan. 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 annual Capital Expenditure 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 and 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. 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 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 \$50,000 and 15% 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 multi-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 Council considers 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 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 2014 Capital Budget Year End Review memo comments on the 2014 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 Expenditure Budget of \$285.1 million. Council subsequently approved a net increase of \$11.5 million in capital expenditures for a revised 2014 Annual Capital Expenditure Budget of \$296.6 million. Council will be deliberating the 2015 Annual Capital Expenditure Budget February 24, 2015, with final approval March 3, 2015.

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 review and reported to Council for approval in this report. Budget adjustments and project closeouts are presented to Council quarterly. This report concerns Q4 of the City's 2014 financial year.

Quarterly Capital Budget adjustment requests are categorized as follows:

A. Administrative consolidation, budget restatements, and funding source changes:

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

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 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. Multi-Year Capital Projects Budget Adjustment requests in Quarter 4 2014

As part of the on-going work and oversight related to the Capital Budget, staff continually review priorities, respond to emerging needs, and on an intermittent basis bring forward recommendations for adjustment to the Capital Budget at the time of quarterly reports.

This report includes 2014 capital budget adjustment recommendations for Q4:

- A change in funding source for the previously approved Permit and Licence Transformation project
- Project funding of \$0.1 million to complete minor work remaining for Fire Hall No. 15;
- New project funding of \$0.3 million for a priority capital project to conduct an environmental assessment of City sites to align with Public Sector Accounting Board financial reporting requirements, to be funded from reallocation of previously approved funding;
- Other capital budget reallocations between previously approved projects, totaling \$0.5 million (Fireboat replacement scope refinement, and Major Bridge Maintenance).

These adjustments will result in no net change to the overall Multi-Year Capital Projects Budget as all adjustment funding implications represent reallocations of previously approved project funding. There is also no change to the 2015 Annual Capital Expenditure Budget to be presented for deliberation by Council on March 3, 2015.

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 expenditure budget or increase to the expenditure budget is approved by Council. Details for all of the adjustments are provided in Appendix 1.

NOTE: As of December 31, 2014, the Multi-Year Capital Projects Budget for open Capital programs/projects totals \$1.026 billion.

B. 2014 Q4 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 capital programs/projects where completion spend variances exceed \$50,000 and 15% of the approved budget.

A total of 88 programs/projects with multi-year project budgets totaling \$247.8 million and expenditures of \$244.7 million were completed in the period between the 2014 Q3 Capital Closeout (RTS 10724) and the end of the fourth quarter of 2014 (December 31, 2014), resulting in a net surplus of \$3.1 million.

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

Eight of the 88 completed programs/projects had a completion variance exceeding \$50,000 and 15% of the approved budget. Appendix 2 provides explanations for significant surpluses/deficits as well as financial details, by project and department, for programs/projects closed in Q4 2014.

CONCLUSION

As part of the capital budgeting process, adjustments to the Annual Capital Expenditure Budget and the closeout of programs/projects 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 funding and reallocation adjustments to the Multi-Year Capital Projects Budget, with no net change to the over Multi-Year Capital Projects Budget, and no change to the 2015 Annual Capital Expenditure Budget scheduled for Council approval March 3, 2015.

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

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Capital Budget Adjustment Requests							
			BUDGET IMPACT		Funding Details		
			Multi-Year Project Budget				
A. Administrative consolidation or restatements Includes the ongoing consolidation of like programs/projects into one larger program/project (normally no net impact on the annual budget); other restatements.							
Department	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source 1	Funding Source 2
Financial Services	Permit & Licence Transformation Program	<p>Earlier than anticipated savings and revenues compared to the business case are enabling some of the project to be funded from operations (Capital from Revenue).</p> <p>The total project budget for the P&L Transformation Program is \$26.0 million. Of this total, \$10.6 million was to be funded from the CFF. This funding source adjustment will reduce the amount of the CFF loan to \$9.7 million.</p>				Addition: Capital from Revenue \$962,213	Reduction: Capital Financing Fund (CFF) \$962,213
Total - Administrative Consolidation; Restatements; Council-approved Additions			\$ -	\$ -	\$ -		
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 Name	Reason for Adjustment	Current	Change	Proposed	Funding Source 1	Funding Source 2
Real Estate & Facilities Mgmt	Fire Hall No. 15 Mechanical Upgrades	<p>A new project to complete minor outstanding work at Fire Hall No. 15 is being requested so that the Multi-Year Capital Project Budget for Fire Hall No. 15 construction can be closed out as the project is substantially complete with a \$1 million surplus.</p> <p>The remaining work involves mechanical upgrades and systems optimization to address specialized operational needs (including gear drying) and enhance performance.</p>	0	100,000	100,000	Reallocation of existing Capital - Debenture	N/A
Real Estate & Facilities Mgmt	Fire Hall No. 15 Construction	<p>Fire Hall No. 15 construction is substantially complete and is being closed out with a \$1 million surplus this quarter.</p> <p>\$100,000 of the surplus will be used to complete remaining minor work at the fire hall.</p>	9,326,000	(100,000)	9,226,000		N/A
Total - Emerging Priority Projects			\$ 9,326,000	\$ -	\$ 9,326,000		
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 Name	Reason for Adjustment	Current	Change	Proposed	Funding Source 1	Funding Source 2
None						N/A	N/A
Total - Timing Uncertain budget additions; Project acceleration			\$ -	\$ -	\$ -		

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Capital Budget Adjustment Requests												
			BUDGET IMPACT		Funding Details							
			Multi-Year Project 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 Name	Reason for Adjustment	Current	Change	Proposed	Funding Source 1	Funding Source 2					
None						N/A	N/A					
Total - Budget Increases/Decreases to Existing Projects/Programs			\$ -	\$ -	\$ -							
E. Reallocations												
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 1	Funding Source 2					
Real Estate & Facilities Mgmt	Environmental Site Assessment of City Sites	A new project is being requested for an environmental assessment of potential contamination of City-owned sites. This is required to comply with the new Public Sector Accounting Board standard for reporting on contaminated sites (PS 3260 - Liability for Contaminated Sites).	0	325,000	325,000	Reallocation of existing Capital - Capital from Revenue	N/A					
	2012-14 Hazardous Materials Abatement	Funding from the Hazardous Materials Abatement program will be used to fund the Environmental Assessment required at City Sites.	2,000,000	(325,000)	1,675,000	N/A	N/A					
Engineering Services	Fireboat Replacement 2014	This is a request to increase Fireboat Replacement capital project budget as a result of changes in scope to accommodate technical specification changes to the fireboat jets and electrical systems and for a higher quality thruster to assist in maneuvering the boat.	3,300,000	112,000	3,412,000	Reallocation of existing Capital - Plant and Equipment Reserve	N/A					
	2013-14 Vehicles and Equipment Replacement Program	Based on projected expenditure requirements for this program, funding is available to increase the Fireboat Replacement capital project for scope changes.	36,000,000	(112,000)	35,888,000	N/A						
Engineering Services	2015-18 Major Bridge Maintenance	This is an increase to the budget for emergency repairs to the Granville Street bridge service galleries which provide access to the underside of the bridge for maintenance, repairs and inspection.	750,000	430,000	1,180,000	Reallocation of existing Capital - Debenture	N/A					
	2012-14 Burrard Bridge Bearing Replacement and Rehabilitation	There is funding available in this program to reallocate because final costs are projected to be less than the capital project budget as the volume of PCB contaminated waste was less than anticipated.	10,620,000	(430,000)	10,190,000	N/A	N/A					
Total - Reallocations			\$ 11,370,000	\$ -	\$ 11,370,000							
Total Capital Budget Adjustment Requests			\$ 61,996,000	\$ -	\$ 61,996,000							

Appendix 2 - Q4 2014 Capital Closeouts					
Project/Program Name	Budget	Actuals	Surplus (Deficit)	%	Closeout Variance Explanation (Required for variances > \$50,000 and 15% of budget)
Community Services					
Grant - Kitsilano Neighbourhood House Renewal	1,600,000	1,600,000	-	0%	
Grant - Marpole Family Place	75,000	75,000	-	0%	
Grant - Frog Hollow Neighbourhood House (2014)	116,700	116,700	-	0%	
Cultural Precinct Phase 1	65,022,094	63,866,381	1,155,713	2%	<p>This project ended in a surplus position as a result of reduced scope compared to the original budget.</p> <p>The original project scope included funding for the restoration of the Queen Elizabeth Theatre exterior plaza. This work was subsequently set up as a separate project funded by the Canada Infrastructure Stimulus Fund in 2010.</p>
2012-14 Cultural Spaces Planning & Research	600,000	596,363	3,637	1%	
Grant - Vancouver Maritime Museum Society	60,000	60,000	-	0%	
Playland Master Plan	269,775	269,775	0	0%	
Hastings Park Plateau Youth Sports Park	91,000	90,911	89	0%	
2012-14 Civic Public Art Maintenance	300,000	300,000	0	0%	
Public Art Projects funded from Prior Closeouts	397,262	395,131	2,131	1%	
Old Continental Wall Repair	23,345	23,345	(0)	0%	
Gresham & Old Continental Upgrades 2008	30,000	30,000	0	0%	
Community Services Total	68,585,176	67,423,606	1,161,571	2%	
Engineering Services					
2012-14 Capital Maintenance of Pedestrian Bridges	65,000	62,767	2,233	3%	
2011 Blueways Program	128,000	126,068	1,932	2%	
2011 Open Streets - Public Spaces	200,050	199,494	556	0%	
2012-14 Pedestrian & Bike Signals Rehabilitation	3,079,000	2,944,304	134,696	4%	
2012-14 New Pedestrian & Bike Signals Construction	2,485,000	2,571,543	(86,543)	-3%	
2012-14 New Curb Ramps	800,000	791,337	8,663	1%	
Nanaimo Pedestrian Footbridge Removal	200,000	195,000	5,000	3%	
Granville Island Tourist Bus Landing	141,000	139,087	1,913	1%	
2012-14 Granville Bridge Bearing Replacement	8,035,000	7,916,349	118,651	1%	
2012-14 Replace/Upgrade Traffic Signals	6,040,000	6,021,820	18,180	0%	
2012-14 Street Lighting Infrastructure - Major Roads	4,384,739	4,532,875	(148,136)	-3%	
Transportation Plan Update	1,850,000	1,835,754	14,246	1%	
2012-14 Transportation Monitoring	1,900,000	1,918,242	(18,242)	-1%	
2012-14 Street Lighting Infill - Local Roads	155,160	125,296	29,864	19%	
2012-14 Water Conservation	100,000	52,581	47,419	47%	
2012-14 Transmission Main Replacement	4,370,000	4,430,875	(60,875)	-1%	
2012-14 System Extensions	500,000	440,106	59,894	12%	
2012-14 Access to Water	200,000	174,110	25,890	13%	
2012-14 Waterworks Engineering & Site Investigation	650,679	669,827	(19,148)	-3%	

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Appendix 2 - Q4 2014 Capital Closeouts					
Project/Program Name	Budget	Actuals	Surplus (Deficit)	%	Closeout Variance Explanation (Required for variances > \$50,000 and 15% of budget)
2012-14 Emergency Preparedness	100,000	-	100,000	100%	Emergency preparedness projects originally planned for the 2012-14 program will be funded from the 2015 program as a result of delays for Queen Elizabeth Reservoir and Metro Vancouver projects. The 2012-14 program is being closed.
					The Queen Elizabeth connection has been delayed to 2015 due to ongoing discussions with Metro Vancouver staff on the design and construction details. While recognizing the value in the project, Metro Vancouver has not been able to provide adequate resources to the project due to competing priorities.
2012-14 Inspection Cost Recovery (User Fee Driven)	712,310	712,310	-	0%	
2012-14 TV Inspection for Anchor Rods (User Fee Driven*)	39,416	39,416	-	0%	
2012-14 Local Repairs/Catch Basins/Spur Reconnections	700,000	620,343	79,657	11%	
2012-14 Sewers: External Billable Work (User Fee Driven*)	952,716	952,716	-	0%	
2012 Greenhouse Gas Reporting & Offset Verification	100,000	-	100,000	100%	The project was completed and funded via the Sustainability operating budget. This capital project funding was therefore not required.
2012-14 Replace Aging Meters	750,000	786,499	(36,499)	-5%	
2012-14 Fire Hydrant Program	1,060,000	1,092,427	(32,427)	-3%	
2012-14 Aging Service Replacement	4,430,000	4,522,297	(92,297)	-2%	
2009-11 Sewer Commercial Connections (User Fee Driven*)	4,017,740	4,017,740	-	0%	
SCBA Equipment Purchase 2013	2,365,400	2,364,702	698	0%	
Engineering Services Total	50,511,210	50,255,885	255,325	1%	
Financial Services / Information Technology					
Two Factor Authentication for Security Compliance	235,000	226,695	8,305	4%	
Network Upgrades	1,081,000	1,108,455	(27,455)	-3%	
VPD Laptop Refresh	1,500,000	1,279,259	220,741	15%	This project was completed under budget as laptop costs were less than estimated.
VPL Integrated Library System Hardware Replacement	120,000	149,537	(29,537)	-25%	
Wi-Fi Implementation - Phase 1	312,500	315,308	(2,808)	-1%	
IT Asset Management	250,000	254,367	(4,367)	-2%	
IT Infrastructure Unallocated from Prior Closeouts	112,138	-	112,138	100%	This is remaining funding from surpluses from previously closed Information Technology projects. These surpluses are now managed at a City-Wide versus Department level.

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Appendix 2 - Q4 2014 Capital Closeouts					
Project/Program Name	Budget	Actuals	Surplus (Deficit)	%	Closeout Variance Explanation (Required for variances > \$50,000 and 15% of budget)
2012-14 City-Wide Overhead - Capital Administration	3,277,000	3,462,299	(185,299)	-6%	
2012-14 City-Wide Overhead - Legal Support	3,000,000	3,000,000	-	0%	
2012-14 City-Wide Overhead - Communications Support	615,600	641,000	(25,400)	-4%	
Financial Services / IT Total	10,503,238	10,436,920	66,318	1%	
Parks & Recreation					
VanDusen Botanical Garden Visitor Centre	23,716,867	23,893,054	(176,187)	-1%	This project was over budget by \$176,187. In addition, there was a funding shortfall of \$973,031.
					\$973,031 of \$4.7 million funding to be contributed to the project budget from the VanDusen Botanical Garden Association (VBGA) was not realized, raising the actual project funding deficit to \$1,149,218. Staff recommend funding the deficit on an interim basis from the Capital Facilities Reserve, and will continue to explore alternative funding options and report back to Council.
2012-14 Park Board Project Management - Parks	2,111,537	2,002,513	109,024	5%	
2012-14 Park Board Project Management - Recreation Facilities	466,666	401,049	65,617	14%	
2012-14 Capital Maintenance of Existing Natural Features in Parks	156,248	156,248	-	0%	
Stanley Park Forest Enhancements	264,200	208,196	56,004	21%	This project was completed under budget as a result of less enhancement work being required than planned.
2012-14 Replacement of Existing Street Trees	1,847,475	1,861,334	(13,859)	-1%	
2012-14 New Street Trees	1,097,562	1,099,900	(2,338)	0%	
Urban Forest Strategy	410,000	399,681	10,319	3%	
Trillium Park Sites	4,565,945	4,543,444	22,501	0%	
2008 Development New Parks	1,000,000	966,931	33,069	3%	
Fraserview Golf Course Culvert Replacement	400,000	277,994	122,006	31%	Contract tender award was less than budget.
Parks & Recreation Total	36,036,500	35,810,344	226,156	1%	
Planning & Development Services					
Chinatown Active Storefront Program	231,754	231,754	-	0%	
Facade Grant - 71 E Hastings St	50,000	50,000	-	0%	
Grant - Carnegie Centre Theatre Upgrade	83,000	83,000	-	0%	
Grant - Vancouver Community College Incubator Kitchen Project	100,000	100,000	-	0%	
Planning & Development Services Total	464,754	464,754	-	0%	
Vancouver Police Department					
Jail Security Control System Replacement	210,800	203,031	7,769	4%	
Vancouver Police Department Total	210,800	203,031	7,769	4%	

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Appendix 2 - Q4 2014 Capital Closeouts					
Project/Program Name	Budget	Actuals	Surplus (Deficit)	%	Closeout Variance Explanation (Required for variances > \$50,000 and 15% of budget)
Real Estate & Facilities Management					
Children's Centre Playground Upgrades	360,000	329,802	30,198	8%	
2150 Maple - Deconstruction/Relocation	100,000	131,539	(31,539)	-32%	
Bloedel Conservatory Roof Replacement	2,736,800	2,755,907	(19,107)	-1%	
Vancouver Maritime Museum (St Roch Structure)	802,000	655,169	146,831	18%	
Hastings Park Livestock Building Roof Replacement	5,896,938	5,616,498	280,440	5%	This project was completed under budget. The original project scope included funding for Phase 1 as well as Phase 2 planning. Phase 1 work was completed. Phase 2 was subsequently deferred to the 2015-2018 Capital Plan.
Kitsilano Community Centre Reader Board & Acoustic Project (100% funded by Kitsilano CC Association)	41,000	17,600	23,400	57%	
#1 Kingsway Construction Contingency	747,446	747,446	-	0%	
Marpole Sites - Land Acquisition 1	13,239,000	13,239,000	-	0%	
Marpole Sites - Land Acquisition 2	2,300,700	2,300,700	-	0%	
Park Board Energy Performance Contract	8,635,000	8,571,821	63,179	1%	
Burrard Marina Renewal	302,000	311,260	(9,260)	-3%	
2012-14 Non-Market Housing Facilities	4,500,000	4,550,365	(50,365)	-1%	
Affordable Housing Building Rehabilitation Assessment/Redevelopment	350,000	350,000	-	0%	
VPD Tactical Training Facility	22,074,737	21,479,473	595,264	3%	
Fire Hall No. 15 Construction	9,326,000	8,287,957	1,038,043	11%	This project was completed under budget as a result of an economical design and lower than expected construction costs.
Animal Control Site Renovations	140,000	153,053	(13,053)	-9%	
2012-14 Office Accommodation Plan	9,115,000	9,788,801	(673,801)	-7%	This project was completed over budget due to unforeseen conditions (vault in West Annex, lighting/wiring issues) non-structural seismic upgrades and additional project scope requested by Service groups.
City Hall Cycling Facility Improvements	360,000	307,341	52,659	15%	
Miscellaneous Energy Efficiency Projects	447,136	459,792	(12,656)	-3%	
2012-14 Indoor Air Quality Investigation	40,000	47,341	(7,341)	-18%	
Real Estate & Facilities Management Total	81,513,757	80,100,865	1,412,892	2%	
Total Q4 2014 Capital Closeouts	247,825,435	244,695,405	\$3,130,030	1%	

* For programs where costs are covered by user fees, revenues received are deemed budget for purposes of this closeout report.

Budget Status at Completion (# of projects/programs)	Budget	Actual	Surplus (Deficit)	%
Surplus greater than \$50K & 15% (8)	\$3,638,338	\$2,727,959	\$910,379	25%
Deficit greater than \$50K & 15% (0)	\$0	\$0	\$0	0%
Surplus/deficit less than \$50K & 15% (80)	\$244,187,097	\$241,967,446	\$2,219,651	1%
TOTAL (88 projects/programs)	\$247,825,435	\$244,695,405	\$3,130,030	1%

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Proposed Allocation of Closeout Surpluses/Deficits:		
From	To	
Community Services		
Cultural Precinct Phase 1 closeout surplus	Capital Financing Fund (reduce loan commitment)	\$ 1,155,713
Hastings Park Plateau Youth Sports Park	DCL (remove commitment from DCL Reserve)	89
Net remaining Community Services closeout surplus	City-Wide Unallocated from Closeouts (Capital from Revenue)	5,769
Community Services net closeout surplus		\$ 1,161,571
Engineering Services		
2012-14 New Curb Ramps closeout surplus	DCL (remove commitment from DCL Reserve)	\$ 8,663
Transportation Plan Update closeout surplus	DCL (remove commitment from DCL Reserve)	14,246
2012 Greenhouse Gas Reporting & Offset Verification closeout surplus	Solid Waste Capital Reserve (remove commitment)	100,000
SCBA (Self-Contained Breathing Apparatus) Equipment Purchase closeout surplus	Plant and Equipment Reserve (remove commitment)	698
2012-14 Local Repairs/Catch Basins/Spur Reconstructions closeout surplus	Translink OMR Reserve	79,657
Additional ICBC funding received toward program costs (not included in original program funding).	2012-14 Fire Hydrant Program closeout deficit	(32,427)
Net remaining Engineering Services closeout surplus	City-Wide Unallocated from Closeouts (Capital from Revenue)	60,104
	City-Wide Unallocated from Closeouts (Debenture - Sewer)	24,384
Engineering Services net closeout surplus		\$ 255,325
Financial Services (IT)		
VPD Laptop Refresh closeout surplus	Mobile Data Terminal Reserve (remove commitment)	220,741
IT Reserve	IT Asset Management closeout deficit	(4,367)
City-Wide Unallocated from Closeouts (Capital from Revenue)	Net 2012-14 City-Wide Overhead closeout deficit	(210,699)
Net remaining Information Technology projects closeout surplus	City-Wide Unallocated from Closeouts (Capital from Revenue)	60,643
Financial Services (IT) net closeout surplus		\$ 66,318
Parks & Recreation		
Capital Facilities Reserve	VanDusen Botanical Garden Visitor Centre (City-funded portion)	\$ (1,149,218)
	External funding contribution portion of project budget less than anticipated	973,031
VanDusen Botanical Garden Visitor Centre net closeout deficit		\$ (176,187)
Stanley Park Forest Enhancements closeout surplus	Stanley Park Restoration Reserve	56,004
Trillium Park Sites closeout surplus	DCL (remove commitment from DCL Reserve)	22,501
2008 Development New Parks closeout surplus	DCL (remove commitment from DCL Reserve)	33,069
Net remaining Parks & Recreation closeout surplus	City-Wide Unallocated from Closeouts (Capital from Revenue)	290,769
Parks & Recreation net closeout surplus		\$ 226,156
Vancouver Police Department		
Jail Security Control System Replacement closeout surplus	City-Wide Unallocated from Closeouts (Capital from Revenue)	\$ 7,769
Vancouver Police Department net closeout surplus		\$ 7,769
Real Estate & Facilities Management		
Children's Centre Playground Upgrades closeout surplus	CAC (remove commitment from CAC Reserve)	\$ 30,198
Housing Land Acquisition 2012 (ongoing)	2012-14 Non-Market Housing Facilities closeout deficit	(50,365)
Animal Shelter Planning/Design (ongoing)	Animal Control Site Renovations closeout deficit	(13,053)
Kitsilano Community Centre Reader Board & Acoustic Project (100% funded by Kitsilano CC Association)	Kits CC Association funding contribution no longer required (one of the projects was cancelled)	23,400
Net remaining Real Estate & Facilities Management closeout surplus	City-Wide Unallocated from Closeouts (Debenture)	1,422,712
Real Estate & Facilities Management net closeout surplus		\$ 1,412,892
Net closeout surplus		\$ 3,130,030