



## REPORT

Report Date: February 11, 2020  
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Meeting Date: May 12, 2020

[Submit comments to Council](#)

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

### ***RECOMMENDATIONS***

- A. THAT Council approve budget and funding adjustments totalling a net increase of \$6.4 million to the Multi-Year Capital Projects Budget maintaining City assets in a state of good repair and to achieve operating efficiencies, as outlined in this report and Appendix 2, with no change to the 2019-2022 Capital Budget and no change to the current overall 2020 Capital Expenditure Budget.
- B. THAT, as part of the quarterly Capital Budget closeout process, Council approve the closeout of 19 capital projects that were completed with a surpluses or deficits exceeding \$200,000, as outlined in this report and Appendix 3.
- C. THAT Council receive for information the budget surpluses or deficits for capital projects included in this quarter closeout that were funded by voter-approved capital funding, as noted in Appendix 4.

### ***REPORT SUMMARY***

In response to the COVID-19 situation, staff are evaluating all current capital projects to assess whether the projects can continue in light of social distancing and other COVID-19 mitigation guidelines or whether delivery of the projects will be forced to slow down or pause. The review will also ensure that in the initial recovery stages as COVID-19 restrictions are reduced that capital projects are aligned with operating cost efficiencies, funding availability restrictions, and senior government infrastructure stimulus funding opportunities. The adjustments in this report focus on current efforts to maintain City operational efficiencies and maintain City assets in a state of good repair, and do not reflect the full impact of the COVID-19 capital project review underway.

On December 17, 2019, Council approved the 2020 Capital Budget, including new multi-year capital projects, bringing the total approved Multi-Year Capital Projects Budgets for open projects at that time to \$1.337 billion and a 2020 Annual Capital Expenditure Budget of \$701.8 million.

At the time of the 2020 Budget development, some planned capital projects were not yet at the stage to bring to Council for approval or were at a preliminary stage of planning and scoping. This quarterly capital budget adjustments report includes project budget adjustment requests that reflect refinement or finalization of project scoping. This report accordingly recommends an increase of \$6.4 million to Multi-Year Capital Projects Budgets funded from the current 2019-2022 Capital Plan. Expenditures in 2020 relating to the increases to Multi-Year Capital Projects Budgets will be managed within the current overall 2020 Annual Capital Expenditure Budget of \$701.8 million.

The adjustments outlined in this report primarily include the replacement of parking infrastructure in multiple areas of the City, including the implementation of the first stage of a multi-year project to replace individual parking meters with pay stations to improve operating efficiency, curb space use optimization, data collection and payment card compliance. The other adjustments are related to facilities maintenance to ensure ongoing operations of assets in a state of good repair.

In addition, in conjunction with the quarterly Capital Budget review process and in accordance with the City's Capital Budget Policy, Council approval is requested to close 19 capital projects that were completed with surpluses or deficits exceeding \$200,000. Also in accordance with the City's Capital Budget Policy, this report includes for Council information all budgets surpluses or deficits for completed capital projects that were funded by voter-approved capital funding, as noted in this report.

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

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

### **CITY MANAGER'S COMMENTS**

The City Manager recommends approval of the foregoing.

### **REPORT**

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

In July 2018, Council approved the 2019-2022 Capital Plan as a guiding document for the next four years. The Capital Plan will evolve over the course of the four year period, in order to address emerging needs and as additional development contributions and partnership funding are secured or reserve funding becomes available. The original Capital Plan contemplated \$2.771 billion of capital investments, comprised of \$2.203 billion City-led capital programs and

\$0.569 billion in-kind contributions achieved through development. Details on the 2019-2022 Capital Plan are available online at [council.vancouver.ca/20180724/documents/regurr1.pdf](http://council.vancouver.ca/20180724/documents/regurr1.pdf).

The City's Capital Budget process has been developed to ensure assets and investments are managed comprehensively, with rigour and transparency, in a manner that ensures the City is achieving value for money and that staff resources are used efficiently. The Capital Budget is the primary tool by which the City implements its four-year Capital Plan, providing the authority to proceed with specific capital programs and projects. It also defines the multi-year capital project budgets and outcomes, plus a corresponding annual capital expenditure budget to manage the timely delivery of these outcomes.

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

### ***Strategic Analysis***

#### **A. Capital Budget Adjustments**

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

##### ***Changes to Multi-Year Capital Projects Budgets***

This report proposes an increase of \$6.4 million for new or increased capital projects budgets focused on operating efficiencies and maintaining City assets in a good state of repair. The following highlights the major recommended adjustments by Capital Plan service category:

##### Transportation / Managing Transportation Network

- Allocation of \$2.5 million from the 2019-2022 Capital Plan to the multi-year capital program budget for the 2019-22 Metered Parking Program to support the replacement of parking infrastructure in multiple areas of the City, including the implementation of the first stage of a multi-year project to replace individual parking meters with pay stations to improve operating efficiency, curb space use optimization, data collection and payment card compliance. The revised total multi-year capital project budget for this stage of the project will be \$3.5 million and involve about 2,000 parking spaces.

##### Affordable Housing / Non-Market Rental Housing

- Allocation of \$1.5 million from the 2019-2022 Capital Plan to the Roddan Lodge Redevelopment/Evelyne Saller capital project (a project initiated in the 2015-2018 Capital Plan) to address additional costs that were incurred during site excavation as a result of significant challenges with soil conditions at the site. The revised total multi-year capital project budget for this capital project will be \$56.9 million.

## **Community Facilities / Recreation Facilities**

- Allocation of \$1.2 million from the 2019-2022 Capital Plan to the multi-year capital program budget for 2020 Renovations/Upgrades to Recreation Facilities to initiate procurement for renovation projects at the West Point Grey Community Centre (washroom and storage renovations) and the West End Community Centre (fitness facility renovations and fitness equipment). The revised total multi-year capital project budget for this capital program will be \$2.5 million.

## **Public Safety / Fire & Rescue & Affordable Housing / Non-Market Rental Housing**

- Allocation of \$0.2 million from the 2019-2022 Capital Plan to the Fire Hall No. 5 Replacement/Social Housing capital project (a project initiated in the 2012-2014 Capital Plan) and inter-project budget reallocations of \$0.2 million to address additional costs tied to project delivery complexities arising from the co-location of social housing with the new fire hall. The revised total multi-year capital project budget for this capital project will be \$23.3 million.

Appendix 2 provides additional details for the adjustments to the Multi-Year Capital Projects Budgets recommended in this report.

### ***Changes to 2019-2022 Capital Plan***

The changes to the Multi-Year Capital Projects Budget recommended in this report will not require or result in a change to the current 2019-2022 Capital Plan, which remains at \$2.868 billion.

Appendix 1 provides an overview of the 2019-2022 Capital Plan, including updates to the capital plan to date and allocations proposed in this report.

### ***Summary of Proposed Changes***

The current total of approved Multi-Year Capital Projects Budgets for all open projects is \$1,336.7 million. This report proposes an increase of \$6.4 million for new or increased capital projects budgets and a decrease of \$139.0 million for capital projects that were completed in the first quarter of 2020, resulting in a net decrease of \$132.6 million to the overall Multi-Year Capital Projects Budgets. With the project adjustments and closeouts recommended in this report, the revised total of the approved Multi-Year Capital Projects Budgets for all open projects will be \$1,204.1 million.

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

Table 1 - Proposed Changes to 2019-2022 Capital Plan and Multi-Year Projects Budgets (\$ Millions)		
	2019-2022 Capital Plan	Multi-Year Capital Projects Budgets (for open projects)
Current Capital Plan / Budget	\$ 2,868.1	\$ 1,336.7
<b>Adjustment Category</b>		
A. Administrative consolidations, funding source changes	\$ -	\$ -
B. New priority projects		-
C. Budget increases/decreases to existing projects/programs		6.4
<b>Proposed Adjustments</b>	\$ -	\$ 6.4
Multi-year Project Closeouts		\$ (139.0)
Proposed Revised Capital Plan / Budget	\$ 2,868.1	\$ 1,204.1

### **2020 Annual Capital Expenditure Budget**

Adjustments to annual expenditure budgets at a project level are generally managed within the departmental or Citywide annual capital expenditure budget envelope, with no changes to the overall Annual Capital Expenditure Budget. Expenditures in 2020 relating to the new or adjusted Multi-Year Capital Projects Budgets will be managed within the current overall 2020 Annual Capital Expenditure Budget of \$701.8 million.

### **B. Capital Closeouts**

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

A total of 47 programs/projects with multi-year capital project budgets totalling \$139.0 million and expenditures of \$122.4 million were closed in the first quarter of 2020, with a net surplus of \$16.6 million.

This report seeks Council approval to close 19 capital projects/programs that were completed in the first quarter of 2020 with surpluses or deficits exceeding \$200,000. Explanations for the closeout surpluses and deficits are provided in Appendix 3.

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

### **CONCLUSION**

The purpose of this report is to request Council approval of an increase of \$6.4 million to Multi-Year Capital Projects Budgets (funded from the 2019-2022 Capital Plan and budget

reallocations). Expenditures in 2020 relating to the increases to Multi-Year Capital Project Budgets will be managed within the current overall 2020 Annual Capital Expenditure Budget of \$701.8 million.

A total of 47 projects/programs were completed in the first quarter of 2020, with an overall net surplus of \$16.6 million, or 12% of the multi-year capital project budgets closed in the quarter. This report also requests Council approval for the closeout of 19 capital projects and programs that were completed with surpluses or deficits exceeding \$200,000. This report also provides for Council information a summary of capital projects that were closed in the first quarter of 2020 that were funded from voter-approved capital funding.

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Appendix 1 - 2019-2022 Capital Plan Summary												
Service Categories	2019-2022 Capital Plan (\$ millions)				Allocated vs. Balance Remaining in the Revised 2019-2022 Capital Plan (\$ millions)							
	Original (July 2018)	Council Approved Changes	Proposed Changes*	Revised	2019 Budget Allocations	2020 Budget Allocations (Approved by Council Dec 2019)	Proposed Quarterly Budget Adjustments	Total Budget Allocations to Date	Remaining in Capital Plan			
Affordable Housing	\$ 140.1	\$ 23.0	\$ -	\$ 163.1	\$ 33.3	\$ 72.3	\$ 1.8	\$ 107.3	\$ 55.8	34%		
Childcare	85.9	32.7	-	118.7	23.8	8.2	-	32.0	86.6	73%		
Parks and Open Spaces	264.5	4.4	-	268.9	57.1	43.9	-	101.1	167.8	62%		
Arts & Culture	142.0	5.2	-	147.2	25.2	13.5	-	38.7	108.5	74%		
Community Facilities	146.0	2.1	-	148.1	13.4	41.3	1.2	55.9	92.2	62%		
Public Safety	47.6	0.3	-	47.8	13.2	9.8	-	23.0	24.8	52%		
Civic Facilities & Equipment	108.4	3.6	-	112.0	32.8	29.8	-	62.6	49.4	44%		
Transportation & Street Use	310.7	15.0	-	325.7	93.7	77.0	2.5	173.2	152.5	47%		
One Water (Water, Sewer & Green Infrastructure)	615.8	0.6	-	616.3	100.4	146.9	-	247.3	369.1	60%		
Solid Waste	92.2	2.5	-	94.7	40.4	24.6	-	65.0	29.7	31%		
Renewable Energy	41.5	6.1		47.5	24.6	8.2	-	32.7	14.8	31%		
Technology	100.0	0.4	-	100.4	27.1	25.9	-	53.0	47.3	47%		
Overhead	20.0	-	-	20.0	5.8	7.6	-	13.4	6.6	33%		
Emerging Priorities	88.0	-	-	88.0	-	-	-	-	88.0	100%		
<b>Total City-led Capital Investments</b>	<b>\$ 2,202.6</b>	<b>\$ 95.7</b>	<b>\$ -</b>	<b>\$ 2,298.3</b>	<b>\$ 490.7</b>	<b>\$ 509.0</b>	<b>\$ 5.4</b>	<b>\$ 1,005.2</b>	<b>\$ 1,293.1</b>	<b>56%</b>		
In-Kind Contributions	568.6	1.4	-	570.0					570.0	100%		
<b>Total 2019-2022 Capital Plan</b>	<b>\$ 2,771.2</b>	<b>\$ 97.1</b>	<b>\$ -</b>	<b>\$ 2,868.3</b>	<b>\$ 490.7</b>	<b>\$ 509.0</b>	<b>\$ 5.4</b>	<b>\$ 1,005.2</b>	<b>\$ 1,863.1</b>	<b>65%</b>		

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

NOTE: Totals may not add due to rounding.

**Appendix 2 - Capital Budget Adjustment Requests**

				BUDGET IMPACT				
				Multi-Year Project Budget				
<b>A. Administrative adjustments including 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).								
<b>Impact on 2019-2022 Capital Plan</b>	<b>2019-2022 Capital Plan Service Category / Sub-Category</b>	<b>Project Name</b>	<b>Reason for Adjustment</b>	<b>Current</b>	<b>Change</b>	<b>Proposed</b>	<b>Funding Source(s) for Changes to Multi-Year Project Budget</b>	<b>Addition to 2019-2022 Capital Plan</b>
No impact (Reallocation of previously approved capital budget)	09. One Water B. Potable Water	2020 Water Transmission Main Renewal	<b>Administrative Multi-Year Project Budget Realignment (no change to overall multi-year project budget):</b> One of the projects contemplated in the 2019-2022 Capital Plan for the Water Transmission Main Replacement program Capital Plan is Haro Street. As a result of pressure testing and related design modifications for this section of transmission main, the Haro Street project is now expected to require the majority of the funding in this program. Accordingly, this adjustment is to consolidate the 2019 and 2020 Water Transmission Main Replacement program funding into a single budget to facilitate cost tracking and project delivery.	7,507,000	(7,507,000)	0	Reallocation of previously approved capital funding (Water pay-as-you-go)	
No impact (Reallocation of previously approved capital budget)	09. One Water B. Potable Water	2019 Water Transmission Main Renewal (to be renamed to Water Transmission Main Renewal - Haro Street)		7,300,000	7,507,000	14,807,000	Reallocation of previously approved capital funding (Water pay-as-you-go)	
<b>Total - Administrative adjustments</b>				\$ 14,807,000	\$ -	\$ 14,807,000		\$ -
<b>B. New 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.								
<b>Impact on 2019-2022 Capital Plan</b>	<b>2019-2022 Capital Plan Service Category / Sub-Category</b>	<b>Project Name</b>	<b>Reason for Adjustment</b>	<b>Current</b>	<b>Change</b>	<b>Proposed</b>	<b>Funding Source(s) for Changes to Multi-Year Project Budget</b>	<b>Addition to 2019-2022 Capital Plan</b>
None						0		
<b>Total - New priority projects</b>				\$ -	\$ -	\$ -		\$ -
<b>C. 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.								
<b>Impact on 2019-2022 Capital Plan</b>	<b>2019-2022 Capital Plan Service Category / Sub-Category</b>	<b>Project Name</b>	<b>Reason for Adjustment</b>	<b>Current</b>	<b>Change</b>	<b>Proposed</b>	<b>Funding Source(s) for Changes to Multi-Year Project Budget</b>	<b>Addition to 2019-2022 Capital Plan</b>
No impact (Reallocation of previously approved capital budget)	N/A N/A	Reconstruction Landfill Entrance (2012-2014 Capital Plan)	The landfill entrance reconstruction project is substantially complete; however, some minor additional scope of work remains that will be managed through a separate project budget funded from the remaining portion of the landfill entrance reconstruction project budget. The remaining scope of work includes household hazardous waste (HHW); bay shelters for four bays in the Residential Drop Off area; wheel wash for commercial vehicles exiting the landfill; and concrete apron for the garage.	17,116,000	(2,100,000)	15,016,000	Reassignment of CFF loan facility	
No impact (Reallocation of previously approved capital budget)	N/A N/A	Landfill Entrance Renovations		0	2,100,000	2,100,000	Reassignment of CFF loan facility	

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Appendix 2 - Capital Budget Adjustment Requests				BUDGET IMPACT				
Impact on 2019-2022 Capital Plan	2019-2022 Capital Plan Service Category / Sub-Category		Project Name	Multi-Year Project Budget				
	Current	Change		Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2019-2022 Capital Plan			
Allocation from 2019-2022 Capital Plan	08. Transportation	B. Managing Transportation Network	2019-22 Metered Parking Program	<b>Increase to Multi-Year Project Budget (funded from 2019-2022 Capital Plan):</b> This adjustment is to increase the multi-year budget for the 2019-2022 Parking Meter Program to support the replacement of parking infrastructure in multiple areas of the City, including the implementation of the first stage of a multi-year project to replace individual parking meters with pay stations to improve operating efficiency, curb space use optimization, data collection and payment card compliance. The revised total multi-year capital project budget for this stage of the project will involve approximately 2,000 parking spaces.	1,000,000	2,500,000	3,500,000	2019-2022 Capital Plan (Transportation/Managing Transportation Network) Meter Reserve
No impact (Reallocation of previously approved capital budget)	08. Transportation	B. Managing Transportation Network	2019-22 Metered Parking Program	<b>Multi-Year Project Budget Reallocation (no change to overall net multi-year capital project budget):</b> This adjustment is to consolidate the uncommitted funding remaining in the 2017 Parking Meter Replacement Program with the 2019-22 Metered Parking Program to continue with business-as-usual program capital expenditures, such as replacement of handheld enforcement devices.	3,500,000	890,000	4,390,000	Reallocation of previously approved capital funding (Meter Reserve)
No impact (Reallocation of previously approved capital budget)	N/A	N/A	2017 Metered Parking Program (2015-2018 Capital Plan)		1,490,940	(890,000)	600,940	Reallocation of previously approved capital funding (Meter Reserve)

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**Appendix 2 - Capital Budget Adjustment Requests**

Impact on 2019-2022 Capital Plan				Reason for Adjustment	BUDGET IMPACT			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2019-2022 Capital Plan
					Multi-Year Project Budget				
	Current	Change	Proposed						
Impact on 2019-2022 Capital Plan	2019-2022 Capital Plan Service Category / Sub-Category	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2019-2022 Capital Plan	
Allocation from 2019-2022 Capital Plan	04. Community Facilities B. Recreation facilities	2020 Renovations/Upgrades - Recreation Facilities	<b>Increase to Multi-Year Project Budget (funded from 2019-2022 Capital Plan and multi-year project budget reallocations):</b> Two of the projects moving forward in 2020 under the Renovations/Upgrades-Recreation Facilities program are the West Point Grey Washroom and Storage renovation and the West End Community Centre Fitness renovation, including fitness equipment. This adjustment is to consolidate prior year renovation program funding relating to these two projects into the 2020 program under which the projects will be delivered. The consolidation of prior year funding and the funding to be drawn from the 2019-2022 Capital Plan are required in order to initiate the procurement process.	500,000	2,025,000	2,525,000	<ul style="list-style-type: none"> <li>• Reallocation of previously approved capital funding (Debenture) \$853,000</li> <li>• 2019-2022 Capital Plan (Community Facilities/ Recreation Facilities)           <ul style="list-style-type: none"> <li>- Debenture \$722,000</li> <li>- CAC \$450,000</li> </ul> </li> </ul>		
No impact (Reallocation of previously approved capital budget)	N/A	N/A	<b>Decrease to Multi-Year Project Budget (Reallocation):</b> The West Point Grey Storage project is a project that had been planned under the 2018 Renovations/Upgrades program for Recreation Facilities but was put on hold due to the discovery of archeological artifacts. A review has been completed and the concerns have now been addressed. The project is now able to move forward with construction. This adjustment is to consolidate the corresponding 2018 program funding with the 2020 Renovations/Upgrades program under which this project will be delivered.	1,000,000	(308,000)	692,000	Reallocation of previously approved capital funding (Debenture)		
No impact (Reallocation of previously approved capital budget)	04. Community Facilities B. Recreation facilities	2019 Renovations/Upgrades - Recreation Facilities	<b>Decrease to Multi-Year Project Budget (Reallocation):</b> The West End Community Centre Fitness Renovation project is a project that had been planned under the 2019 Renovations/Upgrades program for Recreation Facilities but was delayed as design and planning took longer than expected and implementation needed to be considered in conjunction with the West End Community Centre Master Plan. This adjustment is to consolidate the corresponding 2019 program funding with the 2020 Renovations/ Upgrades program under which this project will be delivered.	545,000	(545,000)	0	Reallocation of previously approved capital funding (Debenture)		

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**Appendix 2 - Capital Budget Adjustment Requests**

Impact on 2019-2022 Capital Plan					BUDGET IMPACT				Addition to 2019-2022 Capital Plan
					Multi-Year Project Budget				
	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget					
Impact on 2019-2022 Capital Plan	2019-2022 Capital Plan Service Category / Sub-Category	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2019-2022 Capital Plan	
Allocation from 2019-2022 Capital Plan	01. Affordable housing	B. Non-market rental	Replacement of Fire Hall No. 5, with Social Housing (2012-2014 Capital Plan)	<b>Increase to Multi-Year Project Budget (funded from 2019-2022 Capital Plan and multi-year project budget reallocation):</b> The Fire Hall 5 and YWCA Housing project was a unique partnership opportunity to address the lack of affordable housing for single mothers and their children. Reflecting the challenges of this unique co-location project combining a social housing component with construction of a fire hall, complexities around the functional and technical coordination arose throughout the delivery of the project. This budget adjustment is to address additional costs tied to some of these project delivery complexities.	22,838,000	420,000	23,258,000	<ul style="list-style-type: none"> <li>• Reallocation of previously approved capital funding (Debenture) \$156,000</li> <li>• 2019-2022 Capital Plan (Affordable Housing/Non-Market Rental Housing) DCL \$264,000</li> </ul>	
No impact (Reallocation of previously approved capital budget)	06. Public Safety	B. Fire & rescue	Fire Hall No. 12 Seismic Upgrades	<b>Decrease to Multi-Year Project Budget (Reallocation):</b> The structural consultant for this project was able to achieve a design for the seismic upgrade that would not require having to move the staff out to a different location, and with less disruption to the day-to-day operations of the fire hall.	1,000,000	(156,000)	844,000	Reallocation of previously approved capital funding (Debenture)	
Allocation from 2019-2022 Capital Plan	01. Affordable housing	B. Non-market rental	Roddan Lodge Renewal, combined with Evelyne Saller Centre (2015-2018 Capital Plan)	<b>Increase to Multi-Year Project Budget (funded from 2019-2022 Capital Plan):</b> This adjustment is to increase the multi-year project budget for this project to address additional costs that were incurred by the contractor during site excavation as a result of significant challenges with unforeseen soil conditions that were discovered at the site.	55,400,000	1,500,000	56,900,000	2019-2022 Capital Plan (Affordable Housing/Non-Market Rental Housing) DCL	
No impact (Reallocation of prior capital project closeout surpluses)	N/A	N/A	2015-18 REFM Facilities Capital Planning	<b>Increase to Multi-Year Project Budget (funded from prior capital project closeout surpluses):</b> This program has been completed and the final costs were greater than the program budget, reflecting a higher than anticipated scope of work covered by Facility Planning group, including consulting costs related to City land/facility planning, Trans Gender Welcome Signage for washrooms, and legal costs related to CAC negotiations. This adjustment is to allocate funding from prior capital program closeout surpluses to address the closeout deficit in this 2015-18 program.	6,293,000	604,316	6,897,316	Citywide Unallocated from Closeout Surpluses (Capital from Revenue)	

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Appendix 2 - Capital Budget Adjustment Requests				BUDGET IMPACT					
Impact on 2019-2022 Capital Plan	2019-2022 Capital Plan Service Category / Sub-Category	Project Name	Reason for Adjustment	Multi-Year Project Budget					
				Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2019-2022 Capital Plan	
No Impact (Reallocation of prior capital project closeout surpluses)	N/A	N/A	2016 Sewer Water Combined Connections	<b>Increase to Multi-Year Project Budget (funded from prior capital project closeout surpluses):</b> This program has been completed and the final costs were greater than the program budget. The actual cost for individual projects may be higher or lower than the corresponding revenues charged for the work based on the rates as provided for in the rate by-law. This adjustment is to allocate funding from prior Utilities capital program closeout surpluses to address the 2016 combined connections program closeout deficit.	19,021,000	369,465	19,390,465	Citywide Unallocated from Closeout Surpluses (Debenture)	
<b>Reallocations between open multi-year project budgets</b>									
No impact (Reallocation of previously approved capital budget)	09. One Water	A. Green infrastructure	Green Infrastructure Planning - General	<b>Administrative Multi-Year Project Budget Realignment (no change to overall multi-year project budget):</b> This adjustment is to segregate the Clean Waters Planning scope of work from the overall Green Infrastructure Planning program for tracking and reporting purposes. The Clean Waters Planning program is on track to accelerate planning work in response to direction in 2019 from Council, delivering a plan to accelerate action on mitigating combined sewer overflows and pollution from rainwater runoff. This will require an integrated and holistic approach to management of various water resources and water infrastructure typologies. Procurement has been initiated to contract a third party to help build the first stage of the plan.	3,728,524	(1,060,000)	2,668,524	Reallocation of previously approved capital funding (Utility DCL)	
No impact (Reallocation of previously approved capital budget)	09. One Water	A. Green infrastructure	Green Infrastructure Planning - Clean Waters Planning		1,330,550	1,060,000	2,390,550	Reallocation of previously approved capital funding (Utility DCL)	

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**Appendix 2 - Capital Budget Adjustment Requests**

Impact on 2019-2022 Capital Plan	2019-2022 Capital Plan Service Category / Sub-Category	Project Name	Reason for Adjustment	BUDGET IMPACT			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2019-2022 Capital Plan	
				Current	Change	Proposed			
<b>Reallocations between open multi-year project budgets</b>									
No impact (Reallocation of previously approved capital budget)	07. Civic Facilities and Equip	A. Administrative facilities	2020 Capital Maintenance - Administrative Facilities	Multi-Year Project Budget Reallocations (no change to overall net multi-year capital project budget): Capital Maintenance program adjustments in several facility service categories to reflect project reprioritization as part of a February 2020 in-depth review of factors including building condition, regulatory compliance (including health and safety), building service level impacts, and project phasing. Capital Maintenance budgets were developed in the fall of 2019 based on high-level estimates at the time. The budget priorities were refined in February 2020 during a capital maintenance validation process.  As well, subject to procurement and coordination with different service groups, there may be opportunities to accelerate certain work as some community facilities are currently closed due to the COVID-19 situation.	1,000,000	445,000	1,445,000	Reallocation of previously approved capital funding (Debenture)	
No impact (Reallocation of previously approved capital budget)	02. Childcare	B. Infant, Toddler & Preschool (0-4 Yrs)	2020 Capital Maintenance - Childcare Facilities		0	180,000	180,000	Reallocation of previously approved capital funding (Debenture)	
No impact (Reallocation of previously approved capital budget)	05. Arts & Culture	B. Entertainment & exhibition facilities	2020 Capital Maintenance - Entertainment & Exhibition Facilities		1,800,000	212,000	2,012,000	Reallocation of previously approved capital funding (Debenture)	
No impact (Reallocation of previously approved capital budget)	05. Arts & Culture	B. Entertainment & exhibition facilities	2019 Capital Maintenance - Entertainment & Exhibition Facilities		1,180,000	660,000	1,840,000	Reallocation of previously approved capital funding (Debenture)	
No impact (Reallocation of previously approved capital budget)	06. Public Safety	B. Fire & rescue	2019 Capital Maintenance - Fire Facilities		0	135,000	135,000	Reallocation of previously approved capital funding (Debenture)	
No impact (Reallocation of previously approved capital budget)	04. Community Facilities	A. Libraries and Archives	2020 Capital Maintenance - Library Facilities		1,500,000	1,225,000	2,725,000	Reallocation of previously approved capital funding (Debenture)	
No impact (Reallocation of previously approved capital budget)	04. Community Facilities	B. Recreation facilities	2020 Capital Maintenance - Recreation Facilities		3,159,000	1,467,000	4,626,000	Reallocation of previously approved capital funding (Debenture)	
No impact (Reallocation of previously approved capital budget)	06. Public Safety	C. Police	2020 Capital Maintenance - VPD Facilities		250,000	540,000	790,000	Reallocation of previously approved capital funding (Debenture)	
No impact (Reallocation of previously approved capital budget)	05. Arts & Culture	A. Cultural facilities	2020 Capital Maintenance - Cultural Facilities		3,500,000	(864,000)	2,636,000	Reallocation of previously approved capital funding (Debenture)	
No impact (Reallocation of previously approved capital budget)	07. Civic Facilities and Equip	B. Service Yards, Vehicles & Equipment	2020 Capital Maintenance - Service Yards		2,000,000	(1,835,000)	165,000	Reallocation of previously approved capital funding (Debenture)	
No impact (Reallocation of previously approved capital budget)	04. Community Facilities	C. Social facilities	2020 Capital Maintenance - Social Facilities		500,000	(115,000)	385,000	Reallocation of previously approved capital funding (Debenture)	

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Appendix 2 - Capital Budget Adjustment Requests				BUDGET IMPACT				
Impact on 2019-2022 Capital Plan	2019-2022 Capital Plan Service Category / Sub-Category	Project Name	Reason for Adjustment	Multi-Year Project Budget			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2019-2022 Capital Plan
				Current	Change	Proposed		
<b>Reallocations between open multi-year project budgets</b>								
No impact (Reallocation of previously approved capital budget)	04. Community Facilities	C. Social facilities	2020 Capital Maintenance - Social Facilities	(Capital Maintenance program adjustments continued from preceding page)	500,000	(115,000)	385,000	Reallocation of previously approved capital funding (Debtenture)
No impact (Reallocation of previously approved capital budget)	06. Public Safety	A. Animal control	2020 Capital Maintenance - Animal Control		100,000	(100,000)	0	Reallocation of previously approved capital funding (Debtenture)
No impact (Reallocation of previously approved capital budget)	03. Parks and Open Spaces	C. Park buildings	2020 Capital Maintenance - Park Buildings		2,000,000	(1,950,000)	50,000	Reallocation of previously approved capital funding (Debtenture)
No impact (Reallocation of previously approved capital budget)	N/A	N/A	2015-18 New Pedestrian & Bicycle Signals	<b>Multi-Year Project Budget Reallocation:</b> This program has been completed and the final costs were greater than originally estimated in the project budget due to BC Hydro intersection new requirements not included in the original scope of work. This adjustment is to allocate funding from the 2019-22 New Pedestrian & Bicycle Signals program budget to address the 2015-18 program closeout deficit.	3,318,161	219,017	3,537,178	Reallocation of previously approved capital funding (DCL)
No impact (Reallocation of previously approved capital budget)	08. Transportation	B. Managing Transportation Network	2019-22 New Pedestrian & Bicycle Signals		2,000,000	(219,017)	1,780,983	Reallocation of previously approved capital funding (DCL)
No impact (Reallocation of previously approved capital budget)	08. Transportation	B. Managing Transportation Network	2019 Local Roads Rehabilitation	<b>Multi-Year Project Budget Reallocation:</b> This program has been completed and the final costs were greater than the program budget due to higher than anticipated contributions from this program to the City/Property Owners cost-shared Local Lane Improvements program. This adjustment is to allocate funding from the 2020 Local Roads Rehabilitation program budget to address the 2019 program closeout deficit.	1,407,916	358,255	1,766,171	Reallocation of previously approved capital funding (Debtenture)
No impact (Reallocation of previously approved capital budget)	08. Transportation	B. Managing Transportation Network	2020 Local Roads Rehabilitation		2,000,000	(358,255)	1,641,745	Reallocation of previously approved capital funding (Debtenture)
<b>Total - Budget Increases/Decreases to Existing Projects/Programs</b>				\$ 160,478,091	\$ 6,409,781	\$ 166,887,872		\$ -
<b>Total Capital Budget Adjustment Requests</b>				\$ 175,285,091	\$ 6,409,781	\$ 181,694,872		\$ -

<b>Appendix 3 - Q1 2020 Capital Closeouts with surpluses or deficits exceeding \$200,000</b>				
<b>Project/Program Name</b>	<b>Budget</b>	<b>Actual</b>	<b>Surplus (Deficit)</b>	<b>Closeout Variance Explanation</b>
2020 Water Transmission Main Replacement	7,507,000	0	7,507,000	This balance is to be consolidated with the 2019 Water Transmission Main Replacement program budget, as the majority of work in the program will now be required for one project (Haro Street).
Reconstruction of Vancouver Landfill Entrance	17,116,000	14,946,109	2,169,891	This project is substantially complete; however, some minor additional scope of work remains that will be managed through a separate project budget funded from the remaining portion of the landfill entrance reconstruction project budget (included as a proposed capital budget adjustment in this report).
2015-18 Childcare Age 5 to 12 Program	2,000,000	40,130	1,959,870	There have been limited opportunities for the City to partner with operators for the 5-12 school care age group as this age group requires an existing operator (i.e., community centres) that runs an out-of-school program. The existing operator must also be within a certain distance of schools. For these reasons, opportunities to construct add-ons of multi-purpose rooms to existing operators has been limited.
Pilot Housing Initiative (July 2016)	4,000,000	2,952,760	1,047,240	The budget was based on high-level estimates. As the project was implemented, the cost estimates were refined and the overall costs came in lower than originally anticipated.
nācaʔmat ct Strathcona Branch Library	17,747,131	16,729,538	1,017,593	A large portion of the project budget surplus relates to a favourable land swap at the time the site for this new branch library was acquired.
2017 Parking Meter Replacement Program	1,490,940	607,580	883,360	Remaining uncommitted funding in the 2017 program to be consolidated with 2019-22 program to support the Citywide meter replacement plan.
2015-18 Real Estate & Facilities Management (REFM) Facilities Capital Planning Program*	6,293,000	6,897,316	(604,316)	Overage costs are related to additional staff hired during 2016-2017 for increased workload covered by Facility Planning group, consulting costs related to City land/facility planning that was not provided in Capital Plan or Budget, Trans Gender Welcome Signage for washrooms, and legal costs related to CAC negotiations. The deficit in the 2015-18 REFM Facilities Capital Planning program will be funded from prior capital project closeout surpluses (budget adjustment included in this report).
Grant - Co-op Housing	6,000,000	5,524,618	475,382	Grant was based on an estimate at the time for major repairs to housing facility. Final costs were less than the initial estimate.
2018 Capital Maintenance Program - Service Yards	1,825,000	1,416,451	408,549	The cost of replacing the watermain at Manitoba Yards was less than estimated in the budget and the contingency component of the budget was not required.

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<b>Appendix 3 - Q1 2020 Capital Closeouts with surpluses or deficits exceeding \$200,000</b>				
<b>Project/Program Name</b>	<b>Budget</b>	<b>Actual</b>	<b>Surplus (Deficit)</b>	<b>Closeout Variance Explanation</b>
2016 Sewer & Water Combined Connections Program*	19,021,000	19,390,465	(369,465)	For user-fee funded utilities work, the actual cost for individual projects may be higher or lower than the corresponding revenues charged for the work based on the rates as provided for in the rate by-law. For the program being closed out this quarter, the net deficit is proposed to be funded from prior year utilities program closeout surpluses (budget adjustment included in this report).
2019 Local Roads Rehabilitation Program*	1,407,916	1,766,171	(358,255)	Contributions from the City-funded 2019 Local Roads Rehabilitation program to the City/Property Owners cost-shared Local Lane improvements program were higher than what had been anticipated at the time the Local Roads budget was developed (i.e., more than expected demand from property owners for local lane improvements). The resulting funding shortfall in the 2019 Local Roads program will be covered by the 2020 program budget (budget adjustment included in this report).
2015-18 Sewer Residential & At-Cost Connections Program	1,300,000	994,681	305,319	This program is funded entirely from property owners. The surplus in the 2015-18 program reflects fewer residential requests received during the program period than had been estimated in the budget.
2018 Capital Maintenance Program - Market Rental Housing	300,000	0	300,000	During the Capital Maintenance detailed planning and prioritization process conducted by Real Estate & Facilities Management in early 2020, it was determined that certain requests for maintenance work were not high priority and did not meet a prescribed urgency level (i.e., health and safety issue, asset at end of useful life, etc.).
Fire Hall Headquarters Replacement Planning	250,000	18,230	231,770	These funds were originally planned for Fire Hall No. 1. Potential sites were evaluated and determined to be not suitable. Consultants concluded that the soil at the potential sites were not strong enough to construct on and bear the weight of buildings. Fire Hall No. 9 is now being considered for renewal as a Fire Hall Headquarters. That evaluation is funded under the Fire Hall Renewal Planning program.
2018 Citywide Seismic Program	230,000	6,050	223,950	A major project planned for the 2018 seismic program was the West Annex Parkade Improvement project. Subsequent to the development of the 2018 seismic program budget, a decision was made that EasyPark would manage and fund this project.

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<b>Appendix 3 - Q1 2020 Capital Closeouts with surpluses or deficits exceeding \$200,000</b>				
<b>Project/Program Name</b>	<b>Budget</b>	<b>Actual</b>	<b>Surplus (Deficit)</b>	<b>Closeout Variance Explanation</b>
2015-18 New Pedestrian & Bicycle Signals Program*	3,318,161	3,537,178	(219,017)	Deficit due to intersection new requirements not included in the original scope of work. Such infrastructure requirements came from BC Hydro at a specific intersection: Clark and Frances The resulting funding shortfall in the 2015-18 New Pedestrian & Bicycle Signals Program program will be covered by the 2019-22 program budget (budget adjustment included in this report).
Renfrew Ravine Park Renewal/Upgrades	1,200,000	988,651	211,349	Final costs for this project were less than estimated in the project budget, reflecting competitive construction bidding results.
2015-16 Capital Maintenance Program - Service Yards	1,444,754	1,236,348	208,406	Multiple projects under this program completed under budget and with minimal use of contingency, including roof replacements at Vancouver Transfer Station, Manitoba Yard equipment building, Evans Yard building envelope audit, and Evans Yard exterior wall repair.
Marpole Community Facility - Planning	200,000	0	200,000	This project has been deferred pending the outcome of ongoing engagement with the Indigenous community. Funding and prioritization for this project will be revisited upon conclusion of this engagement process.
<b>Total</b>	<b>92,650,902</b>	<b>77,052,276</b>	<b>15,598,626</b>	

\* Prior to reallocation of surplus funding to cover deficits for projects closed out this quarter (see Appendix 1)

<b>Appendix 4 - Q1 2020 Completed Capital Projects with funding from Voter-Approved Capital Funding</b>			
<b>Project/Program Name</b>	<b>Budget</b>	<b>Actual</b>	<b>Surplus (Deficit)</b>
2018 Active Transp Corridors and Spot Improvements	22,351,402	17,702,119	4,649,283
2016 Sewer/Water Combined Connections	19,021,000	18,626,761	394,239
n̄āca?mat ct Strathcona Branch Library	17,747,131	16,729,538	1,017,593
2015-18 New Pedestrian & Bicycle Signals	3,318,161	3,502,189	(184,028)
Park Pavement and Drainage	2,208,000	2,204,544	3,456
2018 Capital Maintenance - Service Yards	1,825,000	1,416,451	408,549
2015-16 Capital Maintenance - Service Yards	1,444,754	1,236,348	208,406
2019 Local Roads Rehabilitation	1,407,916	1,766,171	(358,255)
2018 Renovations/Upgrades - VPD Safe Drug Lab	1,300,000	1,194,972	105,028
2017 Renovations/Upgrades - Fire Halls	757,540	640,383	117,157
Access to Nature (Park Board)	570,000	569,015	985
2017-18 Renovations/Upgrades - Libraries & Archives	537,000	463,012	73,988
2017 Capital Maintenance - Recreation Facilities	500,000	418,093	81,907
PNE Garden Auditorium Upgrades	500,000	396,008	103,992
2017 Capital Maintenance - Service Yards	400,000	315,084	84,916
2018 Capital Maintenance - Fire Halls	360,000	201,038	158,962
2018 Capital Maintenance - Market Rental Housing	300,000	0	300,000
2017 Capital Maintenance - Market Rental Housing	272,000	101,210	170,790
2016-18 Fire Hall Headquarters Replacement - Planning	250,000	18,230	231,770
2018 Citywide Facilities Seismic Program	230,000	6,050	223,950
2018 Renovations/Upgrades - Park Buildings	205,000	207,949	(2,949)
Downtown Historic Railway Decommissioning	201,381	200,387	994
Marpole Community Facility - Planning	200,000	0	200,000
2017-18 Capital Maintenance - Social Facilities	185,200	185,217	(17)
2018 Capital Maintenance - Childcare	136,500	88,167	48,333
2018 Renovations/Upgrades - Fire Halls	27,000	0	27,000
<b>Total</b>	<b>76,254,985</b>	<b>68,188,936</b>	<b>8,066,049</b>