



## ADMINISTRATIVE REPORT

Report Date: July 11, 2017  
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Meeting Date: July 25, 2017

TO: Vancouver City Council  
FROM: Director of Finance  
SUBJECT: 2017 Q2 Capital Budget Adjustments and Closeouts

### ***RECOMMENDATION***

- A. THAT Council approve a net decrease of \$1.1 million to the 2015-2018 Capital Plan, as outlined in this report and Appendix 1.
- B. THAT Council approve the varying of borrowing authority of a total of \$2.0 million included in the 2015-2018 Capital Plan, as follows:
  - (i) \$1,176,040 from "Public Safety & Public Works/Street and Bridge Infrastructure" to "Community and Civic Facilities/Civic Facilities and Infrastructure."
  - (ii) \$823,960 from "Public Safety & Public Works/Street Lighting, Traffic Signals and Communications Systems" to "Community and Civic Facilities/Civic Facilities and Infrastructure."

*The variation of debt financing requires 2/3 affirmative votes of all Council members.*

- C. THAT Council approve the diverting of surplus borrowed funds of \$1.82 million from debt issued under borrowing authority in the 2009-2011 Capital Plan, from "Public Works/Street and Bridge Infrastructure" to "Parks and Recreation Facilities/Parks."

*The diverting of debt financing requires 2/3 affirmative votes of all Council members.*

- D. THAT, subject to approval of Recommendations A, B, and C, Council approve budget and funding adjustments totaling \$1.2 million to the Multi-Year Capital Project Budgets, as outlined in this report and Appendix 1, with no change to the 2017 Capital Expenditure Budget.
- E. THAT, as part of the quarterly Capital Budget closeout process, Council approve the closeout of four completed capital projects with variances exceeding both \$50,000 and 15% of the approved multi-year capital project budget as outlined in this report and Appendix 2.

### ***REPORT SUMMARY***

On December 13, 2016, Council approved the 2017 Capital Budget, including new multi-year capital projects, bringing the total approved multi-year capital budgets for open projects at that time to \$1.433 billion (including the multi-year projects completed in Q2 2017 presented for closeout in this report) and a 2017 Annual Capital Expenditure Budget of \$485.5 million. Council has subsequently approved adjustments and closeouts to the multi-year capital budgets, bringing the current total approved multi-year capital budgets for open projects to \$1.278 billion.

This report recommends a net decrease of \$1.1 million to the 2015-2018 Capital Plan, reflecting a decrease of \$11.0 million as a result of a favourable construction contract award for the Vancouver Landfill Western 40 Hectare Closure project, offset by increases totaling \$9.8 million for new capital investment priorities. This report also recommends an increase of \$1.2 million to the Multi-Year Capital Project Budgets, with no change to the 2017 Annual Capital Expenditure Budget. These Capital Plan and multi-year project budget adjustments represent capital priorities identified subsequent to the approval of the 2017 Capital Budget, including priority capital work required for commercial water connections, paving projects for Stanley Park and Queen Elizabeth Park, and public/stakeholder engagement and design for a Robson and Alberni Streets Public Space Improvements project.

In addition, in conjunction with the quarterly Capital Budget review process, Council approval is requested to close four completed capital projects which had final actual-to-budget variances exceeding both \$50,000 and 15% of the approved multi-year capital project budget. A total of 19 programs/projects were completed in Q2 2017, with a total multi-year capital project budget of \$95.4 million and a net deficit of \$0.7 million (1%), 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. In October 2014 (RTS 10507), Council approved the 2015-2018 Capital Plan in the amount of \$1.085 billion. New capital priorities identified and approved by Council since 2014, including the acquisition of the Arbutus Corridor in February 2016, have increased the 2015-2018 Capital Plan total to \$1.338 billion.

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

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

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

The requirement to borrow funds to finance capital expenditures is established by Council at the time of the approval of the multi-year capital project 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. Within the context of the City's Financing Growth Policy, an offer of a CAC to address the impacts of rezoning can

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

Council authority is required to close capital accounts with variances that exceed both \$50,000 and 15% of the approved multi-year capital project budget, and to reallocate capital funding over \$50,000.

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

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

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

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

Capital Budget adjustments include, for example:

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

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

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

Quarterly Operating and Capital Budget reviews are posted externally on the City's website at

<http://vancouver.ca/your-government/financial-reports-and-information.aspx>.

The 2017 Q2 Operating and Capital Budget Review scheduled to be posted to the City's website in August 2017 will comment on 2017 second quarter year-to-date capital expenditures, while this report focuses on 2017 Q2 Capital Budget adjustments and capital closeouts recommended by staff for Council approval.

## ***REPORT***

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

On December 13, 2016, Council approved the 2017 Capital Budget, including new multi-year capital projects, bringing the total approved multi-year capital budgets for open projects at that time to \$1.433 billion (including the multi-year projects completed in Q2 2017 presented for closeout in this report) and a 2017 Annual Capital Expenditure Budget of \$485.5 million. Council has subsequently approved adjustments and closeouts to the multi-year capital budgets, bringing the current total approved multi-year capital budgets for open projects to \$1.278 billion.

The 2009-2011 Capital Plan included electorate-approved borrowing authority of \$66.6 million for Public Works/Street and Bridge Infrastructure capital works. Some of the capital projects funded through debt under this borrowing authority were completed below budget resulting in project surpluses. These surpluses have been held as a potential funding source for street and bridge infrastructure projects where final costs exceed the budget. This report includes a recommendation to repurpose \$1.8 million of the \$66.9 million street and bridge infrastructure borrowed funds (approximately 3%) from the 2009-2011 Capital Plan to be used for current City priorities for park infrastructure renewal.

Adjustments to the annual expenditure budget are generally managed within the approved annual budget envelope, with no changes to the overall Annual Capital Expenditure Budget.

As part of the capital budgeting process, proposed adjustments to the current Capital Plan and to the Capital Budget, including multi-year project budgets and the annual expenditure budget, and closeouts of completed projects requiring Council approval are identified in the quarterly capital budget review and reported to Council for approval. This report includes recommendations for adjustments to the 2015-2018 Capital Plan, the Multi-Year Capital Projects Budget and the 2017 Capital Expenditure Budget, as well as recommendations to close out projects completed in the second quarter of the City's 2017 financial year.

### ***Strategic Analysis***

#### **A. 2017 Q2 Capital Budget Adjustments**

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

Quarterly Capital Budget adjustment requests are categorized as follows:

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

The 2015-2018 Capital Plan was approved in October 2014 at \$1.085 billion, and with subsequent Council approved changes, has a current total of \$1.338 billion covering projects across all City departments and agencies. This report proposes a net decrease of \$1.1 million to the 2015-2018 Capital Plan, comprising a decrease of \$11.0 million relating to a revised cost estimate for a Vancouver Landfill closure project and increases totaling \$9.8 million for several priority projects that have arisen subsequent to the development of the 2017 Capital Budget in late 2016, including development-driven commercial water connections, paving projects for Stanley Park and Queen Elizabeth Park, and design for a Robson and Alberni Streets Public Space Improvements project. With adjustments recommended in this report, the revised total 2015-2018 Capital Plan will be \$1.337 billion.

The current total of approved multi-year capital budgets for all open projects is \$1.278 billion. This report proposes a net decrease of \$94.2 million, reflecting an increase of \$1.2 million for new or increased multi-year capital project budgets and a reduction of \$95.4 million for capital projects that were completed in Q2 2017. With the 2017 Q2 project closeouts and multi-year project budget adjustments recommended in this report, the revised total of the approved multi-year capital budgets for all open projects will be \$1.183 billion.

The following highlights the larger recommended changes to the 2015-2018 Capital Plan and multi-year projects budget, reflecting capital priorities arising subsequent to the approval of the 2017 Capital Budget in early December 2016:

- a reduction of \$11.0 million to the 2015-2018 Capital Plan and to the multi-year project budget for the Vancouver Landfill Western 40 Hectare Closure project, reflecting the May 2017 award of a construction contract at a lower than expected cost;
- an increase of \$3.1 million to the 2015-2018 Capital Plan and to the multi-year project budget for 2016 Water Commercial Connections, reflecting a higher than anticipated volume of connections requests driven by new residential and commercial construction;
- an increase of \$1.7 million to the 2015-2018 Capital Plan and to the multi-year project budget for park pavement and drainage for road asphalt replacement for Stanley Park and Queen Elizabeth Park (revised total multi-year project budget to be \$2.0 million);
- \$1.2 million for a new multi-year project budget for extending open space improvements at the Vancouver Art Gallery to Hornby Street Block 51, including extending the finishes and features incorporated in the Vancouver Art Gallery North Plaza and 800 Block Robson public space improvement projects; \$0.6 million to be added to the 2015-2018 Capital Plan;

- \$1.0 million for a new multi-year project budget for the design phase of a Robson & Alberni Street Improvement project, to be added to the 2015-2018 Capital Plan;
- an increase of \$0.7 million to the 2015-2018 Capital Plan and to the multi-year project budget for Vancouver Art Gallery north plaza improvements, including a funding contribution of \$0.5 million from the Province of BC toward additional scope of work for fountain demolition requested by the Province (revised total multi-year project budget to be \$9.1 million).

Expenditures relating to these multi-year capital project budget adjustments will be managed within the overall 2017 Capital Expenditure Budget of \$485.5 million. Details for all proposed capital budget adjustments are provided in Appendix 1.

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

Table 1 below summarizes the changes to the 2015-2018 Capital Plan, Multi-Year Capital Projects Budget and Annual Capital Expenditure Budget as a result of the recommended capital budget adjustments and closeouts.

Table 1 - Proposed Changes to 2015-2018 Capital Plan, Multi-Year Projects Budget, and 2017 Annual Expenditure Budget (\$ Millions)				
	2015-2018 Capital Plan Impact	Capital Budget Impact		
		Multi-Year Capital Project Budgets (for Open Projects)	2017 Annual Expenditure Budget	
Current Capital Plan / Budget	\$ 1,338.4	\$ 1,277.5	\$ 485.5	
Adjustment Category				
A. Administrative consolidations and restatements	\$ 0.1	\$ -	\$ -	
B. Emerging priority projects	2.5	3.4	1.5	
C. Timing uncertain budget additions / acceleration of projects	-	-	-	
D. Budget increases/decreases to existing projects/programs	(3.7)	(2.2)	(3.7)	
E. Reallocations	-	-	2.2	
Proposed Adjustments	\$ (1.1)	\$ 1.2	\$ -	
Multi-year Project Closeouts		\$ (95.4)		
Proposed Revised Capital Plan / Budget	\$ 1,337.3	\$ 1,183.3	\$ 485.5	

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.

## B. 2017 Q2 Capital Closeouts

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

The purpose of this report is to request Council approval to close capital programs/projects where completion spend variances exceed both \$50,000 and 15% of the approved multi-year capital projects budget.

A total of 19 programs/projects with multi-year capital project budgets totalling \$95.4 million and expenditures of \$96.1 million were completed in the period between the 2017 Q1 Capital Closeout (RTS 11830) and the end of the second quarter of 2017 (June 30, 2017), with deficit of \$0.7 million. Four of the 19 completed programs/projects had a completion variance exceeding both \$50,000 and 15% of the approved multi-year capital projects budget; these variances are explained in Appendix 2.

Appendix 2 also provides financial details, by project and department, for projects/programs closed in Q2 2017 and a summary of the proposed allocation (funding sources) of project/program closeout surpluses (deficits).

### *CONCLUSION*

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

The purpose of this report is to request Council approval of increases and decreases to the 2015-2018 Capital Plan for a net decrease of \$1.1 million, and funding and budget reallocation adjustments to the Multi-Year Capital Project Budgets totalling \$1.2 million, with no change to the 2017 Annual Capital Expenditure Budget.

This report also requests Council approval for the closeout of four projects with a completion variance exceeding 15% and \$50,000 of the approved budget. A total of 19 projects/programs were completed in Q2 2017, with an overall net deficit of \$0.7 million.

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Capital Budget Adjustment Requests			BUDGET IMPACT							
			Multi-Year Project Budget			2017 Capital Expenditure Budget				
<b>A. Administrative consolidation, restatements, or funding source changes</b> Includes the ongoing consolidation of like programs/projects into one larger program/project (normally no net impact on the annual budget); other restatements; changes to project funding source(s).										
Department	Project Name	Reason for Adjustment	Current	Change	Proposed	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
<b>Administrative Consolidation:</b>										
Engineering Services	2015-18 Aging Service Replacement	<b>Administrative Consolidation of Multi-Year Project Budget and Annual Capital Expenditure Budget:</b> Consolidation of two related waterworks program budgets. The focus of the Clean Water program is directed toward leak detection, identifying water services that require replacement.	5,350,000	200,000	5,550,000	2,000,000	200,000	2,200,000	Reallocation of previously approved capital funding - Capital from revenue	
	Water Service Replacement (Clean Water Program)		200,000	(200,000)	0	200,000	(200,000)	0		
<b>Funding source additions/changes:</b>										
Board of Parks & Recreation	Stanley Park Waterfront and Seawall	<b>Change in Funding Source for Multi-Year Budget:</b> Replace \$500,000 debenture funding with grant funding received from the Federal Government as part of the Western Economic Diversification Canada program.	5,020,000	0	5,020,000	4,866,831	0	4,866,831	<b>Increase:</b> Federal Government \$500,000 <b>Decrease:</b> Debenture \$500,000	
Board of Parks & Recreation	Sunset Park Renewal/Upgrades	<b>Change in Funding Source for Multi-Year Budget:</b> Replace a portion of the project's DCL funding with debenture funding to reflect refinement of project scope that involves renewal of existing assets versus upgraded or expanded assets.	2,200,000	0	2,200,000	700,000	0	700,000	<b>Increase:</b> Reallocation of prior capital plan closeout surplus funding (Debenture) \$100,000 <b>Decrease:</b> DCL \$100,000	100,000
Engineering Services	2017 Active Transportation Corridors	<b>Change in Funding Source for Multi-Year Budget:</b> • Replace \$2,070,870 City-wide DCL project funding with Translink funding received for 10th Avenue, Adanac Bikeway, and SW Marine Dr. projects. • Replace \$100,000 City-wide DCL funding with a funding contribution received from Beth Israel Synagogue for the 20th Avenue Bike Lane project.	14,462,185	0	14,462,185	13,162,185	0	13,162,185	<b>Increase:</b> Translink \$2,070,870  <b>External contribution (Beth Israel Synagogue) \$100,000</b> <b>Decrease:</b> City-wide DCL \$2,170,870	
Engineering Services	Seaside Greenway - South False Creek	<b>Change in Funding Source for Multi-Year Budget and Addition to 2015-2018 Capital Plan:</b> Replace \$125,000 City-wide DCL project funding with Translink funding received for the Seaside Greenway - South False Creek project.	9,000,000	0	9,000,000	6,750,000	0	6,750,000	<b>Increase:</b> Translink \$125,000 <b>Decrease:</b> City-wide DCL \$125,000	

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Capital Budget Adjustment Requests			BUDGET IMPACT							
Department	Project Name	Reason for Adjustment	Multi-Year Project Budget			2017 Capital Expenditure Budget			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
			Current	Change	Proposed	Current	Change	Proposed		
Engineering Services	2015-18 Sidewalks New Construction	<b>Change in Funding Source for Multi-Year Budget:</b> Replace \$203,400 DCL project funding with Translink funding received for the Joyce Collingwood Access-to-Transit project.	1,567,675	0	1,567,675	733,376	0	733,376	Increase: Translink \$203,400  Decrease: DCL \$203,400	
Engineering Services	Office Work Space Expansion	<b>Change in Funding Source for Multi-Year Budget:</b> A recently approved lease for additional civic office space included interim funding of \$2 million from the Capital Facilities Reserve for leasehold improvements required at the site. This adjustment is to replace the Capital Facilities Reserve funding with reallocated debenture funding, subject to Council approval of a diversion in debenture borrowing authority recommended in this report.	2,800,000	0	2,800,000	0	0	0	Increase: Debenture \$2,000,000  Decrease: Capital Facilities Reserve \$2,000,000	
<b>Total - Administrative Consolidations; Funding Source Changes</b>			\$ 40,599,860	\$ -	\$ 40,599,860	\$ 28,412,392	\$ -	\$ 28,412,392		\$ -

**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	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
Board of Parks & Recreation	South East False Creek (SEFC) Park	<b>New Multi-year Project Budget and Annual Capital Expenditure Budget:</b> Establish a multi-year project budget and 2017 expenditure budget to initiate consulting work for a new park in South East False Creek (SEFC).	0	200,000	200,000	0	75,000	75,000	2015-2018 Capital Plan (Parks, Open Spaces & Recreation) DCL	
Library	Archives Move - Staff Library Staff Relocation Planning	<b>New Multi-Year Project Budget and Annual Capital Expenditure Budget:</b> Establish a multi-year project budget and 2017 expenditure budget for planning required for the relocation of library staff from Central Library level 7 in conjunction with the relocation of the City Archives to the Central Library building.	0	80,000	80,000	0	80,000	80,000	Citywide Unallocated from Closeouts (Capital from Revenue)	

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Capital Budget Adjustment Requests			BUDGET IMPACT							
Department	Project Name	Reason for Adjustment	Multi-Year Project Budget			2017 Capital Expenditure Budget			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
			Current	Change	Proposed	Current	Change	Proposed		
Real Estate & Facilities Mgmt	VAG Plaza Open Space Improvements (Open Space Extension to Hornby Street Block 51)	<b>New Multi-Year Project Budget and Annual Capital Expenditure Budget; Increase to 2015-2018 Capital Plan:</b> Establish a multi-year project budget and 2017 expenditure budget for extending the finishes and features incorporated in the Vancouver Art Gallery North Plaza and 800 Block Robson public space improvement projects, completing the original intent to provide a consistent look and feel over blocks 51, 61 and 71. The funding sources include \$600,000 from the 2015-2018 Capital Plan and \$600,000 CAC funding to be added to the capital plan.	0	1,200,000	1,200,000	0	500,000	500,000	• CAC from rezoning for 555 Robson Street, 775 Richards Street, 520 West Georgia Street (TELUS Garden) \$600,000 • 2015-2018 Capital Plan (Community Facilities) Capital from Revenue \$400,000 Debtenture \$200,000	600,000
Engineering Services	East Fraser Lands Area 2 Foreshore Park Flood Protection Works - Design	<b>New Multi-Year Project Budget and Annual Capital Expenditure Budget; Increase to 2015-2018 Capital Plan:</b> Establish a multi-year project budget and 2017 expenditure budget for design and geotechnical engineering for a dike at the base of Kerr Street, as part of a development plan in East Fraser Lands.	0	500,000	500,000	0	300,000	300,000	Citywide DCL (Engineering Infrastructure)	500,000
Engineering Services	Robson & Alberni Street Improvement - Design	<b>New Multi-Year Project Budget and Annual Capital Expenditure Budget; Increase to 2015-2018 Capital Plan:</b> Establish a multi-year project budget and 2017 expenditure budget for consulting resources to lead public and stakeholder engagement and design for the Robson and Alberni Streets Public Space Improvements project. The project will be delivered as part of the West End Plan implementation, enhancing public spaces in Robson Village and the Alberni Retail District to improve walkability and vibrancy, create gathering spaces, support commerce, and enhance the distinctive character of each shopping area.	0	1,000,000	1,000,000	0	100,000	100,000	CAC's from rezonings for 1025 Robson Street and 1550 Alberni Street	1,000,000
Community Services	Orpheum Theatre Organ Maintenance	<b>New Multi-Year Project Budget and Annual Capital Expenditure Budget; Increase to 2015-2018 Capital Plan:</b> Establish a multi-year project budget and 2017 expenditure budget for minor restoration of a 1927 heritage pipe organ at the Orpheum theatre. Full restoration is planned within the next ten years but some minor restoration is required immediately in order to keep the pipe organ in working order and maintain compliance with contractual commitments to Orpheum tenants, including the Vancouver Symphony Orchestra.	0	80,000	80,000	0	80,000	80,000	Vancouver Civic Theatre Capital Reserve	80,000

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Capital Budget Adjustment Requests			BUDGET IMPACT									
Department	Project Name	Reason for Adjustment	Multi-Year Project Budget			2017 Capital Expenditure Budget			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan		
			Current	Change	Proposed	Current	Change	Proposed				
Community Services	Queen Elizabeth Theatre Base Building Improvements	<b>New Multi-Year Project Budget and Annual Capital Expenditure Budget; Increase to 2015-2018 Capital Plan:</b> Establish a multi-year project budget and 2017 expenditure budget for base building improvements to an area of the Queen Elizabeth Theatre as part of a revitalization of the Queen Elizabeth Theatre complex and plaza. The building improvements include upgrades to electrical, water, and HVAC systems.	0	350,000	350,000	0	350,000	350,000	Vancouver Civic Theatre Capital Reserve	350,000		
<b>Total - Emerging Priority Projects</b>			\$ -	\$ 3,410,000	\$ 3,410,000	\$ -	\$ 1,485,000	\$ 1,485,000		\$ 2,530,000		
<b>C. Timing Uncertain budget additions</b>												
Addition of expenditure budgets for projects noted as "timing uncertain" in the Annual Capital Budget where timing subsequently becomes certain.												
Department	Project Name	Reason for Adjustment	Current	Change	Proposed	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan		
			None									
<b>Total - Timing Uncertain budget additions; Project acceleration</b>			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		
<b>D. Budget increases/decreases to existing projects/programs</b>												
Programs/projects where costs or expenditure timing has increased/decreased due to unforeseen changes in market economic conditions or unavoidable changes in project scope; increases in scope afforded by external funding contribution opportunities.												
Department	Project Name	Reason for Adjustment	Current	Change	Proposed	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan		
			Board of Parks & Recreation	Park Pavement and Drainage	<b>Increase to 2015-2018 Capital Plan, Multi-year Project Budget, and Annual Capital Expenditure Budget:</b> Increase to the Park Pavement and Drainage program budget to reflect the replacement of road asphalt in 2017 in Stanley Park and Queen Elizabeth Park. The funding source for this budget increase is to be surplus debenture funding from a prior capital plan, subject to Council approval of a diversion in debenture borrowing authority recommended in this report; to be added to the current capital plan.	310,000	1,720,000	2,030,000	233,171	1,720,000	1,953,171	Reallocation of prior capital plan closeout surplus funding (Debtenture)

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Capital Budget Adjustment Requests			BUDGET IMPACT							
Department	Project Name	Reason for Adjustment	Multi-Year Project Budget			2017 Capital Expenditure Budget			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
			Current	Change	Proposed	Current	Change	Proposed		
Board of Parks & Recreation	Renfrew Ravine Park Renewal/Upgrades	<b>Increase to Multi-year Project Budget and Annual Capital Expenditure Budget:</b> Establish a multi-year project budget and 2017 expenditure budget for the renewal of Renfrew Ravine Park, including new trails, new plantings and a new dog off-leash area. The project budget includes the reallocation of a portion of the Neighbourhood Park Renewal program budget and additional funding from the 2015-2018 Capital Plan.	0	1,200,000	1,200,000	0	500,000	500,000	• 2015-2018 Capital Plan (Parks, Open Spaces & Recreation) DCL \$400,000  • Reallocation of previously approved capital funding (DCL) \$800,000	
Board of Parks & Recreation	Neighbourhood Park Renewal	<b>Decrease to Multi-year Project Budget and Annual Capital Expenditure Budget:</b> Reallocation of a portion of the Neighbourhood Park Renewal program budget to a separate project budget for major work planned for Renfrew Ravine Park.	2,080,000	(800,000)	1,280,000	724,464	(300,000)	424,464	Reallocation of previously approved capital funding (DCL) \$800,000	
Board of Parks & Recreation	2015-18 Playgrounds, Water/Skate Parks	<b>Increase to Multi-year Project Budget and Annual Capital Expenditure Budget; Increase to the 2015-2018 Capital Plan:</b> Increase to 2015-18 Playgrounds & Water/Skate Parks program for a requested replacement of Clark Park playground, funded from a donation from Stratford Hall, a private school. The first donation instalment was received from Stratford Hall earlier in the year and the final instalment has now been received. The donation represents an increase to the 2015-2018 Capital Plan.	2,600,000	25,000	2,625,000	352,258	25,000	377,258	Donation (Stratford Hall School)	25,000
Board of Parks & Recreation	Sunset Park Renewal/Upgrades	<b>Increase to Multi Year Project Budget:</b> The Sunset Park renewal construction project has been tendered and is anticipated to be awarded in July 2017. This budget adjustment is to reflect a refinement of the project scope and cost estimates since the initial budget was set. Expenditures will be managed within the current overall expenditure budget.	2,200,000	350,000	2,550,000	700,000	0	700,000	2015-2018 Capital Plan (Parks, Open Spaces & Recreation) DCL	
Real Estate & Facilities Mgmt	REFM Facilities Capital Planning	<b>Increase to Multi-year Project Budget and Annual Capital Expenditure Budget; Increase to the 2015-2018 Capital Plan:</b> Increase to the Real Estate & Facilities Management (REFM) Facilities Capital Planning program budget to reflect expanded facilities planning required as a result of an increased scope of work around Citywide strategic land and civic facility planning.	1,153,000	820,000	1,973,000	1,153,000	820,000	1,973,000	Citywide Unallocated from Closeouts (Capital from Revenue)	820,000

Continued on next page

Capital Budget Adjustment Requests			BUDGET IMPACT							
Department	Project Name	Reason for Adjustment	Multi-Year Project Budget			2017 Capital Expenditure Budget			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
			Current	Change	Proposed	Current	Change	Proposed		
Real Estate & Facilities Mgmt	Vancouver Art Gallery North Plaza Improvement	<b>Increase to Multi-year Project Budget and Annual Capital Expenditure Budget; Increase to the 2015-2018 Capital Plan:</b> Increase to the Vancouver Art Gallery North Plaza Improvement project budget relating to additional scope of work for fountain demolition requested/funded by the Province of BC, as well as additional project costs arising as a result of unforeseen site conditions and plaza event coordination logistics.	9,050,000	700,000	9,750,000	3,812,001	700,000	4,512,001	• Province of British Columbia \$500,000  • CAC from rezoning for 1380-1382 Hornby Street and 801 Pacific Street \$200,000	700,000
Real Estate & Facilities Mgmt	2017 Capital Maintenance for Service Yards	<b>Increase to Multi-year Project Budget and Annual Capital Expenditure Budget:</b> Increase to the 2017 Service Yards Capital Maintenance program budget to address a higher than expected volume of 2017 planned and emergency maintenance work requests.	300,000	300,000	600,000	275,000	150,000	425,000	2015-2018 Capital Plan (Civic Facilities) Debenture	
Real Estate & Facilities Mgmt	2017 Energy Optimization Program	<b>Increase to Multi-year Project Budget and Annual Capital Expenditure Budget:</b> Increase to the Energy Optimization program budget to address a higher than expected volume of 2017 energy retrofit work requests.	1,500,000	300,000	1,800,000	750,000	250,000	1,000,000	2015-2018 Capital Plan (Civic Facilities) Debenture	
Real Estate & Facilities Mgmt	2016 Capital Maintenance for Service Yards	<b>Increase to Multi-year Project Budget and Annual Capital Expenditure Budget:</b> Increase to the 2016 Service Yards Capital Maintenance program budget to address higher than expected construction costs for some structural repairs underway at Manitoba Works Yard.	1,250,000	200,000	1,450,000	450,299	200,000	650,299	2015-2018 Capital Plan (Civic Facilities) Debenture	
Real Estate & Facilities Mgmt	2017 Capital Maintenance for Police Facilities	<b>Increase to Multi-year Project Budget and Annual Capital Expenditure Budget:</b> Increase to the 2017 Police Facilities Capital Maintenance program budget to address a higher than expected volume of 2017 facilities maintenance work requests.	600,000	200,000	800,000	350,000	100,000	450,000	2015-2018 Capital Plan (Civic Facilities) Debenture	
Real Estate & Facilities Mgmt	2017 Capital Maintenance for Administrative Facilities	<b>Increase to Multi-year Project Budget and Annual Capital Expenditure Budget:</b> Increase to the 2017 Administrative Facilities Capital Maintenance program budget to address a higher than expected volume of 2017 facilities maintenance work requests.	195,000	150,000	345,000	145,000	100,000	245,000	2015-2018 Capital Plan (Civic Facilities) Debenture	
Engineering Services	2016 Water Commercial Connections	<b>Increase Multi-Year Program Budget and Annual Capital Expenditure Budget; Increase to the 2015-2018 Capital Plan:</b> Increase to the 2016 Water Commercial Connections program budget and 2015-2018 Capital Plan to reflect a higher volume of water commercial connections requests driven by new residential and commercial construction.	1,900,000	3,100,000	5,000,000	681,755	2,200,000	2,881,755	User Fees/Property Owners	3,100,000

Continued on next page

Capital Budget Adjustment Requests			BUDGET IMPACT							
Department	Project Name	Reason for Adjustment	Multi-Year Project Budget			2017 Capital Expenditure Budget			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
			Current	Change	Proposed	Current	Change	Proposed		
Engineering Services	2016 New Water Meters	<b>Increase Multi-Year Program Budget and Annual Capital Expenditure Budget; Increase to the 2015-2018 Capital Plan:</b> Increase to the 2016 New Water Meters program budget and 2015-2018 Capital Plan to reflect a higher volume of new water meter installation requests driven by new residential and commercial construction.	163,000	137,000	300,000	83,686	90,000	173,686	User Fees/Property Owners	137,000
Engineering Services	Vancouver Landfill Transfer Station Improvements	<b>Increase Multi-Year Program Budget and Annual Capital Expenditure Budget:</b> Increase to the Vancouver Landfill Transfer Station Improvements project to address higher than expected construction costs relating to unforeseen site conditions.	5,725,980	750,000	6,475,980	3,389,442	750,000	4,139,442	Capital Financing Fund (Internal Loan)	750,000
Engineering Services	Vancouver Landfill Western 40 Hectare Closure	<b>Decrease Multi-Year Project Budget and Annual Capital Expenditure Budget:</b> Decrease to the Vancouver Landfill Western 40 Hectare Closure project budget, reflecting the recent award of the closure work contract at a lower cost than estimated in the project budget.	43,325,000	(11,000,000)	32,325,000	15,000,000	(2,500,000)	12,500,000	Capital Financing Fund - Solid Waste Capital Reserve	(11,000,000)
Technology Services	POSSE Transition	<b>Decrease Multi-Year Project Budget and Annual Capital Expenditure Budget:</b> Decrease to the POSSE Transition project budget to reflect a reduction in the originally planned scope of work as a result of resource availability constraints.	1,650,000	(329,000)	1,321,000	1,000,000	(329,000)	671,000	Debenture	
<i>The following are adjustments to the profile of the 2017 Expenditure Budget reflecting timing changes in the execution of projects. No change to the overall multi-year project budget.</i>										
Public Library	Archives Accommodation Pre-Move	<b>Increase to Annual Capital Expenditure Budget:</b> Establish a 2017 capital expenditure budget for work planned for the Archive pre-move project this year, including cataloging and inventorying existing archived materials.	3,951,000	0	3,951,000	0	167,900	167,900	N/A	
Board of Parks & Recreation	Stanley Park Waterfront and Seawall	<b>Decrease to Annual Capital Expenditure Budget:</b> A portion of the seawall repair project work that had been planned for 2017 has been rescheduled into 2018.	5,020,000	0	5,020,000	4,866,831	(2,020,000)	2,846,831	N/A	
Engineering Services	Knight & Marine Intersection Improvements	<b>Increase to Annual Capital Expenditure Budget:</b> An increase to the multi-year-project budget for Knight and Marine Intersection Improvements was approved by Council June 28, 2017 (RTS 12060). This adjustment is to increase the corresponding 2017 expenditure budget for the project.	5,200,000	0	5,200,000	3,350,000	1,700,000	5,050,000	N/A	

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Capital Budget Adjustment Requests			BUDGET IMPACT							
Department	Project Name	Reason for Adjustment	Multi-Year Project Budget			2017 Capital Expenditure Budget			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
			Current	Change	Proposed	Current	Change	Proposed		
Engineering Services	2017 Parking Meter Replacement	<b>Increase to Annual Capital Expenditure Budget:</b> Project timelines have been accelerated for installations of new single-space meter equipment, replacements of aging multi-space equipment, and new investments in meter security equipment.	500,000	0	500,000	250,000	250,000	500,000	N/A	
Engineering Services	Burrard Bridge Marine Fenders	<b>Decrease to Annual Capital Expenditure Budget:</b> Project construction phase has been delayed into 2018 due to higher than expected construction tender bids received in early 2017 leading to retendering.	2,500,000	0	2,500,000	2,500,000	(1,500,000)	1,000,000	N/A	
Engineering Services	Cart and Sanitation Services System	<b>Decrease to Annual Capital Expenditure Budget:</b> This project is contingent upon the implementation of the fleet GPS project, which has been delayed until later in 2017, pushing the Cart and Sanitation Services System project into 2018.	500,000	0	500,000	500,000	(500,000)	0	N/A	
Engineering Services	Landfill Flare Replacement 2016	<b>Decrease to Annual Capital Expenditure Budget:</b> Design consultant has proposed multiple options for the flare replacement design; project team requires additional time to evaluate the design options.	3,500,000	0	3,500,000	950,000	(500,000)	450,000	N/A	
Real Estate & Facilities Mgmt	Britannia Community Centre Capital Maintenance	<b>Increase to Annual Capital Expenditure Budget:</b> Increase to the Britannia Community Centre Capital Maintenance program expenditure budget to address a higher than expected volume of pool and rink maintenance work prioritized for 2017.	323,600	0	323,600	150,000	150,000	300,000	N/A	
Real Estate & Facilities Mgmt	2015/16 Capital Maintenance for Childcare Facilities	<b>Increase to Annual Capital Expenditure Budget:</b> Some expenditures planned for 2016 for City Hall childcare HVAC upgrades were rescheduled to 2017.	350,000	0	350,000	183,574	75,000	258,574	N/A	
Real Estate & Facilities Mgmt	Office Workspace Expansion	<b>Increase to Annual Capital Expenditure Budget:</b> A multi-year project budget for leasehold improvements for office space acquired for civic administrative use was approved in June 2017. This adjustment is to establish a 2017 capital expenditure budget for the leasehold improvement work to be completed before the end of this year.	2,800,000	0	2,800,000	0	2,000,000	2,000,000	N/A	

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Capital Budget Adjustment Requests			BUDGET IMPACT							
Department	Project Name	Reason for Adjustment	Multi-Year Project Budget			2017 Capital Expenditure Budget			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
			Current	Change	Proposed	Current	Change	Proposed		
Real Estate & Facilities Mgmt	Drivers Program Office Space	<b>Decrease to Annual Capital Expenditure Budget:</b> The 2017 capital expenditure budget for this project is no longer required as the scope of work will now be covered by the Office Workspace Expansion project.	0	0	0	500,000	(500,000)	0	N/A	
Real Estate & Facilities Mgmt	Fire Hall No. 5 and Social Housing	<b>Decrease to Annual Capital Expenditure Budget:</b> Expenditures for 2017 are now anticipated to be less than originally planned as a result of construction delays due to unfavourable weather and site conditions.	21,738,000	0	21,738,000	11,500,000	(2,000,000)	9,500,000	N/A	
Real Estate & Facilities Mgmt	Burrard Marina Upgrades	<b>Decrease to Annual Capital Expenditure Budget:</b> Expenditures for 2017 are now anticipated to be less than originally planned, reflecting a later than planned award of contracts for the floats and upland infrastructure work. Construction to start in mid-2017 with completion in spring 2018.	3,350,000	0	3,350,000	2,400,000	(500,000)	1,900,000	N/A	
Real Estate & Facilities Mgmt	2017 Ergonomic Furniture Replacement Program	<b>Decrease to Annual Capital Expenditure Budget:</b> Expenditures for 2017 are now anticipated to be less than originally planned, as some of the furniture that was expected to be received in 2017 was received in late 2016.	177,540	0	177,540	250,000	(72,500)	177,500	N/A	
Real Estate & Facilities Mgmt	Marpole Place Base Building Upgrades	<b>Decrease to Annual Capital Expenditure Budget:</b> Expenditures for 2017 are now anticipated to be less than originally planned, reflecting a longer than expected planning process which delayed the timing of the construction tendering and contract award. Construction to start in summer 2017 with completion in fall 2018.	2,992,200	0	2,992,200	1,886,381	(500,000)	1,386,381	N/A	
Real Estate & Facilities Mgmt	Fire Hall No. 17 Renewal	<b>Decrease to Annual Capital Expenditure Budget:</b> Expenditures for 2017 are now anticipated to be less than originally planned, reflecting a longer than expected process for scope review required for the temporary fire hall and for the new facility in order to incorporate green initiatives for energy optimization.	3,200,000	0	3,200,000	2,200,000	(600,000)	1,600,000	N/A	

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Capital Budget Adjustment Requests			BUDGET IMPACT							
Department	Project Name	Reason for Adjustment	Multi-Year Project Budget			2017 Capital Expenditure Budget			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
			Current	Change	Proposed	Current	Change	Proposed		
Real Estate & Facilities Mgmt	Fleming Elementary School Childcare	<b>Decrease to Annual Capital Expenditure Budget:</b> This City/Vancouver School Board (VSB) partnership project is managed by VSB. Expenditures for 2017 are now anticipated to be less than originally planned, reflecting a longer than expected timeline required for finalizing the partnership agreement for this childcare project. The project is currently in the design phase and VSB will be tendering the construction contract in summer 2017 with construction anticipated to start before the end of the year.	8,500,000	0	8,500,000	3,050,000	(1,000,000)	2,050,000	N/A	
Community Services	Contribution to Property Endowment Fund (PEF) for use of PEF property for Social Housing	<b>Increase to Annual Capital Expenditure Budget:</b> A multi-year budget for compensating the Property Endowment Fund (PEF) for the use of a PEF land site for social housing purposes was approved by Council in May 2017. At the time, due to uncertainties around the specific timing of the funding transfer to the PEF, a 2017 expenditure budget was not set. This adjustment is to establish an expenditure budget for the compensation transfer anticipated to occur before the end of this year.	3,000,000	0	3,000,000	0	3,000,000	3,000,000	N/A	
Community Services	Non Mkt Housing Grant Program	<b>Decrease to Annual Capital Expenditure Budget:</b> Decrease to 2017 capital expenditure budget to align anticipated grant disbursements with the current, updated project timeline.	2,970,000	0	2,970,000	2,970,000	(2,970,000)	0	N/A	
Community Services	SRO Grants- Privately owned SRO stock	<b>Decrease to Annual Capital Expenditure Budget:</b> Decrease to 2017 capital expenditure budget to align anticipated grant disbursements with the current, updated project timeline.	2,000,000	0	2,000,000	2,000,000	(2,000,000)	0	N/A	
VAHA - Housing	Non-Mkt Housing Land Acq - EFL	<b>Increase to Annual Capital Expenditure Budget:</b> Establish a 2017 capital expenditure budget for planned strategic land acquisitions during 2017 which will be earmarked for crystallizing more affordable rental housing units.	900,000	0	900,000	0	900,000	900,000	N/A	
VAHA - Housing	Pilot Housing Initiative (Jul 2016)	<b>Increase to Annual Capital Expenditure Budget:</b> Increase to 2017 capital expenditure budget to reflect expenditures anticipated for land-related due diligence required during 2017 for potential future modular housing sites.	4,000,000	0	4,000,000	2,000,000	200,000	2,200,000	N/A	

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Capital Budget Adjustment Requests			BUDGET IMPACT							
Department	Project Name	Reason for Adjustment	Multi-Year Project Budget			2017 Capital Expenditure Budget			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
			Current	Change	Proposed	Current	Change	Proposed		
VAHA - Housing	Land Acquisition 2 - Mar 2016	<b>Decrease to Annual Capital Expenditure Budget:</b> A land acquisition that had been expected in 2017 is now expected for Q2 2018.	4,000,000	0	4,000,000	1,756,019	(1,756,019)	0	N/A	
Technology Services	GIS Strategic Roadmap Implementation	<b>Increase to Annual Capital Expenditure Budget:</b> A stage of the GIS Tools pilot program (relating to geospatial technology renewal and implementation) that was originally scheduled to begin in October and running into 2018 will now begin in July.	1,080,000	0	1,080,000	820,000	75,000	895,000	N/A	
Technology Services	SAP Enhancements & Upgrades	<b>Decrease to Annual Capital Expenditure Budget:</b> Resources that had been planned for this project for 2017 were reassigned/reprioritized to the Empty Homes Tax program implementation.	1,620,000	0	1,620,000	710,000	(75,000)	635,000	N/A	
Technology Services	VPL - Software Upgrades	<b>Decrease to Annual Capital Expenditure Budget:</b> Expenditures planned for 2017 will be less than originally budgeted as resources have been reprioritized to focus on disaster preparedness.	330,000	0	330,000	273,000	(228,000)	45,000	N/A	
<b>Total - Budget Increases/Decreases to Existing Projects/Programs</b>			\$ 158,504,320	\$ (2,177,000)	\$ 156,327,320	\$ 74,165,881	\$ (3,727,619)	\$ 70,438,262		\$ (3,748,000)

**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	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
Real Estate & Facilities Mgmt	2017 City Hall Facility Planning (Office Accommodation Plan)	<b>Increase to Multi-Year Project Budget (Reallocation) and Annual Capital Expenditure Budget:</b> Increase to multi-year budget and expenditure budget to address higher than anticipated consulting costs.	500,000	120,000	620,000	500,000	50,000	550,000	Reallocation of previously approved capital funding (Debenture)	
	2017 Administrative Facilities Renovation	<b>Decrease to Multi-Year Project Budget (Reallocation) and Annual Capital Expenditure Budget:</b> Projects planned for 2017 under this program have been reprioritized to provide additional funding for the City Hall Facility Planning project.	600,000	(120,000)	480,000	600,000	(120,000)	480,000	Reallocation of previously approved capital funding (Debenture)	

Continued on next page

Capital Budget Adjustment Requests			BUDGET IMPACT							
Department To / From	Project Name	Reason for Adjustment	Multi-Year Project Budget			2017 Capital Expenditure Budget			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
			Current	Change	Proposed	Current	Change	Proposed		
Real Estate & Facilities Mgmt	2017 Service Yards Planning	<b>Increase to Multi -Year Project Budget (Reallocation) and Annual Capital Expenditure Budget:</b> Increase to the 2017 Service Yards Planning budget in order to hire consultants to complete feasibility studies and facility planning for the Parks Sunset Service Yard and Engineering Manitoba Works Yard in advance of the development of the 2019-2022 Capital Plan.	100,000	170,000	270,000	100,000	170,000	270,000	Reallocation of previously approved capital funding (Debenture)	
	2017 Service Yards Renovation	<b>Decrease to Multi -Year Project Budget (Reallocation) and Annual Capital Expenditure Budget:</b> Projects planned under this program have been reprioritized to provide additional funding for the Service Yards Facility Planning project.	100,000	(100,000)	0	100,000	(100,000)	0	Reallocation of previously approved capital funding (Debenture)	
	2015/16 Service Yards Renovation Program	<b>Decrease to Multi -Year Project Budget (Reallocation) and Annual Capital Expenditure Budget:</b> Expenditures for 2017 are anticipated to be less than originally planned as most of the projects for the year are nearing completion.	200,000	(70,000)	130,000	130,381	(70,000)	60,381	Reallocation of previously approved capital funding (Debenture)	
Engineering Services	2015-18 Street Activity Improvements	<b>Increase to Multi -Year Project Budget (Reallocation) and Annual Capital Expenditure Budget:</b> Increase to the 2015-18 Street Activity Improvements program budget in order to commence work on Council priority Street Activity projects, including Bike Rack Design Competition and Streeteries.	770,000	300,000	1,070,000	354,046	300,000	654,046	Reallocation of previously approved capital funding (DCL)	
	2017 Active Transportation Corridors	<b>Decrease to Multi -Year Project Budget (Reallocation):</b> Decrease in 2017 Active Transportation Corridors program budget reflecting a reduction in project costing as a result of a revision to capital support overhead rates.	14,462,185	(300,000)	14,162,185	13,162,185	0	13,162,185	Reallocation of previously approved capital funding (DCL)	

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Capital Budget Adjustment Requests			BUDGET IMPACT							
Department To / From	Project Name	Reason for Adjustment	Multi-Year Project Budget			2017 Capital Expenditure Budget			Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2015-2018 Capital Plan
			Current	Change	Proposed	Current	Change	Proposed		
Engineering Services	Landfill Additional Gas Works	<b>New Multi -Year Project Budget (Reallocation) and Annual Capital Expenditure Budget:</b> This adjustment is to establish a separate project budget for the gas works component of the Landfill Phase 3 Southeast Closure project.	0	5,000,000	5,000,000	0	1,000,000	1,000,000	Reallocation of previously approved capital funding (Solid Waste Capital Reserve)	
	Landfill Phase 3 Southeast Closure	<b>Decrease to Multi -Year Project Budget (Reallocation) and Annual Capital Expenditure Budget:</b> The Landfill Phase 3 Southeast Closure project included a component for related landfill gas works. This adjustment is to move this gas works component to a separate project for more efficient tracking purposes.	15,950,000	(5,000,000)	10,950,000	15,243,589	(1,690,000)	13,553,589	Reallocation of previously approved capital funding (Solid Waste Capital Reserve)	
VAHA - Housing	Capital to Support Vancouver Affordable Housing Agency Projects	<b>Decrease to Multi -Year Project Budget (Reallocation) and Annual Capital Expenditure Budget:</b> Reallocation to 2015-18 Housing Land Acquisition to support strategic land acquisition opportunities anticipated in 2017. These land parcels will be earmarked for crystallizing new affordable rental housing units.	28,000,000	(4,400,000)	23,600,000	25,848,480	(5,912,454)	19,936,026	Reallocation of previously approved capital funding (DCL)	
	2015-18 Housing Land Acquisition	<b>Increase to Multi -Year Project Budget (Reallocation) and Annual Capital Expenditure Budget:</b> To be used for strategic land acquisition opportunities during 2017 which will be earmarked for the crystallization of new affordable rental housing units.	6,731,500	4,400,000	11,131,500	2,516,427	8,615,073	11,131,500	Reallocation of previously approved capital funding (DCL)	
<b>Total - Reallocations</b>			\$ 67,413,685	\$ -	\$ 67,413,685	\$ 58,555,108	\$ 2,242,619	\$ 60,797,727		\$ -
<b>Total Capital Budget Adjustment Requests</b>			\$ 266,517,865	\$ 1,233,000	\$ 267,750,865	\$ 161,133,381	\$ -	\$ 161,133,381		\$ (1,118,000)

Appendix 2 - Q2 2017 Capital Closeouts					
Project/Program Name	Budget	Actuals	Surplus (Deficit)	%	Closeout Variance Explanation (Required for variances > \$50,000 and 15% of budget)
<b>Community Services</b>					
New Public Art 2012-2014	250,000	250,000	-	0%	
Grant - Firehall Theatre Society (Final Instalment)	12,500	12,500	-	0%	
Grant - Performing Arts Lodge (Final Instalment)	22,250	22,250	-	0%	
<b>Community Services Total</b>	<b>284,750</b>	<b>284,750</b>	<b>-</b>	<b>0%</b>	
<b>Engineering Services</b>					
Railway Grade Crossing Upgrades	30,000	38,204	(8,204)	-27%	
2011 Streets Local Improvements	391,700	302,063	89,637	23%	Property owner demand for street local improvement projects was less than originally estimated in the project budget.
2015-16 Major Roads Rehabilitation - City	6,828,581	6,998,991	(170,410)	-2%	
2015-16 Major Roads Rehabilitation - MRN (Major Road Network)	7,900,000	7,874,912	25,088	0%	
2015-16 Water Distribution Main Replacement	13,636,984	13,742,651	(105,667)	-1%	
2015-16 Sewer Main Reconstruction	59,233,055	60,247,309	(1,014,254)	-2%	Slight overall program cost overrun due to deficiencies encountered for a couple of major sewer main projects (e.g., Point Grey Road, Downtown Burrard, West 35th Avenue).
2014 New Water Connection Service Installations	3,242,200	3,086,303	155,897	5%	
<b>Engineering Services Total</b>	<b>91,262,520</b>	<b>92,290,433</b>	<b>(1,027,913)</b>	<b>-1%</b>	
<b>Parks and Recreation</b>					
2012-14 New/Enhanced Activity Features in Parks	931,600	947,906	(16,306)	-2%	
2012-14 Planning/Research - Recreation Facilities	368,900	380,110	(11,210)	-3%	
2012-14 Conversion Streets to Mini-Parks	832,233	791,558	40,675	5%	
2015 New Parks	255,000	245,297	9,703	4%	
<b>Parks and Recreation Total</b>	<b>2,387,733</b>	<b>2,364,871</b>	<b>22,862</b>	<b>1%</b>	
<b>Planning, Urban Design, and Sustainability</b>					
Grant - Community History Map Project	10,000	10,000	-	0%	
<b>Planning, Urban Design, and Sustainability Total</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>0%</b>	
<b>Real Estate &amp; Facilities Management</b>					
2015-18 Childcare Age 5-12 - International Village School	1,000,000	846,729	153,271	15%	Project was managed by Vancouver School Board and cost-shared with City on a 50/50 basis. Final costs invoiced to City were less than estimated in budget.
2015 Park Building Renovations/Upgrades	50,000	42,221	7,779	16%	
2012-14 New Buildings in Parks	150,000	-	150,000	100%	Program is funded from DCL. No DCL-eligible projects have been required to date; therefore, the DCL funding is being returned to the DCL reserve for future use.
2015 City Facilities Planning & Research	300,000	300,000	-	0%	
<b>Real Estate &amp; Facilities Management Total</b>	<b>1,500,000</b>	<b>1,188,950</b>	<b>311,050</b>	<b>21%</b>	
<b>Total Q2 2017 Capital Closeouts</b>	<b>95,445,003</b>	<b>96,139,004</b>	<b>(694,001)</b>	<b>-1%</b>	

Budget Status at Completion (# of projects/programs)	Budget	Actual	Surplus (Deficit)	%
Surplus greater than \$50K & 15% (3)	1,541,700	1,148,792	392,908	0%
Deficit greater than \$50K & 15% (1)	30,000	38,204	(8,204)	0%
Surplus/deficit less than \$50K & 15% (15)	93,873,303	94,952,008	(1,078,705)	-1%
<b>TOTAL (19 projects/programs)</b>	<b>95,445,003</b>	<b>96,139,004</b>	<b>(694,001)</b>	<b>-1%</b>

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<b>Proposed Allocation of Closeout Surpluses/Deficits:</b>		
<b>From</b>	<b>To</b>	<b>Amount</b>
<b>Engineering Services</b>		
2017 Active Transportation Corridors (ongoing)	Railway Grade Crossing Upgrades closeout deficit	(8,204)
2017 Major Roads Rehabilitation - City (ongoing)	2015-16 Major Roads Rehabilitation (City) closeout deficit	(170,410)
2017 Distribution Main Replacement (ongoing)	2015-16 Distribution Main Replacement closeout deficit	(105,667)
2017 Sewer Main Reconstruction (ongoing)	2015-16 Sewer Main Reconstruction closeout deficit	(1,014,254)
2014 New Water Connection Service Installations closeout surplus	Volume of user-funded water connection installations and corresponding fees were less than anticipated in budget. Closeout surplus represents portion of project budget that was not required.	155,897
2015-16 Major Roads Rehabilitation - MRN (Major Road Network) closeout surplus	Translink OMR Reserve (remove commitment from reserve)	25,088
2011 Streets Local Improvements closeout surplus	Unbudgeted property owner funding received toward local improvement projects in this program	(181,084)
	Citywide Unallocated from Closeouts (net City funding portion of surplus)	270,721
<b>Engineering Services net closeout deficit</b>		\$ (1,027,913)
<b>Parks and Recreation</b>		
Net Parks and Recreation closeout surplus	DCL (remove commitment from reserve)	22,862
<b>Parks and Recreation net closeout surplus</b>		\$ 22,862
<b>Real Estate &amp; Facilities Management</b>		
2015-18 Childcare Age 5-12 - International Village School closeout surplus	CAC (remove commitment from reserve)	153,271
2012-14 New Buildings in Parks closeout surplus	DCL (remove commitment from reserve)	150,000
2015 Park Building Renovations/Upgrades closeout surplus	Citywide Unallocated from Closeouts	7,779
<b>Real Estate &amp; Facilities Management net closeout surplus</b>		\$ 311,050
<b>Net closeout deficit for Q2 2017 Capital Closeouts</b>		\$ (694,001)