



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: April 28, 2008
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Meeting Date: May 15, 2008

TO: Standing Committee on City Services and Budgets
FROM: General Manager of Park Board
SUBJECT: Park Board Capital Plan Closeouts

RECOMMENDATION

THAT Council receive information on the Park Capital Closeouts and approve the transfer of capital funds between Park Board capital accounts as detailed in this report.

COUNCIL POLICY

Funding from the Capital Plan is allocated to specific capital projects through annual Capital Budgets.

Council has authorized Department Heads to close out capital projects whose expenditures do not exceed 15% and \$50,000 of the approved budgets. Capital projects being closed out that do not meet this criterion will be reported to Council for information and approval.

CITY MANAGER'S COMMENTS

The City Manager recommends the approval of the recommendation.

DISCUSSION

Council authority is required to close capital projects with a variance of more than 15% and \$50,000 of the approved budget, and to reallocate capital funding of more than \$50,000. Explanations for accounts with a significant variance are provided for Council's information. Staff establish budgets for each project as per the approved Capital Plans. Park Board capital accounts are divided into four Areas: Facility Development, Park Development, Land Acquisition and Overhead.

At present there are two Capital Plans being monitored: 2003 to 2005 and 2006 to 2008. This report will close out all remaining projects in the 2003 to 2005 Capital Plan except the Sunset Community Centre, whose grand opening was April 7, 2008 and the Queen Elizabeth Park reservoir restoration.

Details of the close out balance and the proposed allocation in each area are shown on the following pages. The net overall close out balance in each area is summarized in Table 1 and in most cases, the Areas have unspent balances except Overhead with a small deficit of \$247. Any project account with a deficit balance, funding sources are identified to cover the shortfall and presented for the Council's approval. Funding for incomplete projects from the 2003-05 Capital Plan will be carried forward to the 2006-08 Capital Plan.

Table 1: Closeout Position Summary by the Four Division Areas

Division Area	Capital Budget \$	Total Balance \$	Carry Forward \$ (incomplete projects)	Close Out Balance \$ (complete projects)
Facility Development	12,278,531	257,391	250,000	7,391
Park Development	7,882,578	1,243,186	850,000	393,186
Land Acquisition and Planning	2,990,353	2,601,127	2,601,127	0
Overhead	1,500,000	(247)	0	(247)
Total	24,651,462	4,101,457	3,701,127	400,330

Facility Development Closeout Summary

Table 2 summarizes the completed Facility Development project balances. The net budget is \$12,278,531 resulting in a surplus of \$257,391, which is 2% of the total budget. Table 3 explains projects that have variances of 15% and \$50,000. Table 4 explains the recommended reallocation and budget transfer of the \$257,391 surplus in Facility Development.

Table 2: Facility Development Closeout Summary

Capital Plan Description	Budget \$	Actual \$	Closeout Balance \$	Carry Forward \$	Variance %
Facility Development 2003 to 2005*	11,557,887	11,300,496	7,391	250,000	2%
Facility Development 2006 to 2008	720,644	720,644	0	0	0%
Facility Development Surplus	12,278,531	12,021,140	7,391	250,000	2%

*Indicates that there are projects with a variance of more than 15% and \$50,000. See Table 3.

Table 3: Variance Explanations for Facility Development

Capital Program Description	Budget \$	Actual \$	Balance \$	Variance %
<i>Rink Regulation and Compliance</i>	235,000	111,628	123,372	52%
The balance of \$123,372 will be carried forward into the 2006-2008 Capital Plan. These funds have been earmarked for Rink Regulation and Compliance work at the West End Rink and will be combined with other funding for works currently carried out at West End Rink. Work is expected to complete in 2008.				
<i>VanDusen Gardens</i>	250,000	0	250,000	100%
The 2003-05 Capital Plan provided \$250,000 for the initial phase of VanDusen Garden Building and the 2006-08 Capital Plan provided additional \$6.55 million. This project has been delayed because of project managers being assigned to other priority projects. The 2003-05 funding will be carried forward and combined with funding in the 2006-08 Capital Plan. The project commenced in late 2007 and is expected to begin construction in 2009 with an anticipated completion of Phase I in 2010.				

Table 4: Allocation of Closeout Balance for Facility Development

Allocation of Closeout Balance	Balance \$
Carry Forward to VanDusen Gardens	250,000
Combine with Funding for Rink Compliance/West End Rink Repair	123,372
Other close out deficits to be funded from Park Development 2003-05 surplus and 2006-2008 capital for Cliff Scaling.	(115,981)
Facility Development	257,391

Park Development Closeout Summary

Table 5 summarizes the completed Park Development project balances. The net budget is \$7,882,578 resulting in a surplus of \$1,243,186, which is 16% of the total budget. Table 6 explains projects that have variances of 15% and \$50,000. Table 7 explains the recommended allocation and budget transfers of the \$1,243,186 surplus.

Table 5: Park Development Closeout Summary

Capital Plan Description	Budget \$	Actual \$	Closeout Balance \$	Carry Forward \$	Variance %
Park Development 2003 to 2005*	6,957,578	5,830,711	276,867	850,000	16%
Park Development 2006 to 2008*	925,000	808,681	116,319	0	13%
Park Development Surplus	7,882,578	6,639,392	393,186	850,000	16%

*Indicates that there are projects with a variance of more than 15% and \$50,000. See Table 6.

Table 6: Variance Explanations for Park Development

Capital Program Description	Budget \$	Actual \$	Balance \$	Variance %
<i>Osler Park</i>	571,000	478,128	92,872	16%
The surplus of \$92,872 will offset other close out projects with deficits. The surplus from the project is due to design savings, as the project was designed in house, and lower than anticipated construction costs.				
<i>Stanley Park Utilities</i>	369,500	114,422	255,078	69%
The project was for a sewage lift station and storm water and sanitary separation. Completed work to date is the required cross connection controls for health reasons, fire suppression water piping to a Heritage building and a water conservation project. \$250,000 of the remaining funding will be transferred to 2006-08 Park Development Unallocated Account as the Park Board has reserved this funding for reallocation to the Killarney Rink Rebuild which needs to be completed prior to 2010. Details of the funding reallocation are covered in the Park Capital Budget report (RTS07403).				
<i>Hastings Park</i>	850,000	0	850,000	100%
The Hasting Park funding is to be carried forward and is for the next phase of the park development, to be determined by Council.				
<i>Jericho Marginal Wharf</i>	100,000	30,447	69,553	70%
The remaining funding of \$69,553 will be carried forward into the 2006-2008 Capital Plan. This project has been delayed as a result of current construction costs outstripping the budgeted amount of this project. If additional funding is secured, the project will be completed by 2010.				

Table 7: Allocation of Closeout Balance for Park Development

Allocation of Closeout Balance	Balance \$
To 2006-08 Park Development Unallocated Account	250,000
Carry Forward to Hastings Park 2006-08	850,000
Combined Budget to Jericho Marginal Wharf and Pier	69,553
Surplus will be used to offset deficits in the Facility Development close out	73,633
Park Development Surplus	1,243,186

Land Acquisition and Planning

The unspent balance of \$2,601,127 on a budget of \$2,990,353, which is 87% of the budget, is recommended to be carried forward and consolidated with the current capital plan budget. These funds will be used to assist the Park Board in purchasing land when available.

CONCLUSION

Periodic monitoring of capital projects result in administrative actions to update and close out accounts where projects are completed. This process ensures ongoing compliance to financial policies and identifies funds that can be transferred to other projects to balance deficits and surpluses. The Board requests Council's approval for projects being closed that have variances over \$50,000 and 15% of the budget, as detailed in the report.

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