



ADMINISTRATIVE REPORT

Report Date: November 19, 2013
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Meeting Date: December 3, 2013

TO: Vancouver City Council
FROM: Director of Finance
SUBJECT: 2013 Q3 Capital Budget Adjustments and Closeouts

RECOMMENDATION

- A. THAT Council approve adjustments to the Capital Budget as outlined in Appendix 1, resulting in an increase of \$14.1 million to the Total Multi-Year Capital Project Budget, with no change to the 2013 Capital Budget.
- B. THAT, as part of the quarterly Capital Budget closeout process, Council approve the closeout of completed capital projects with variances exceeding 15% and \$50,000 of the approved budget as outlined in this report and Appendix 2.

REPORT SUMMARY

On December 11, 2012, Council approved a 2013 Capital Budget of \$261 million. Subsequently, through First Quarter and Second Quarter budget adjustments and intervening capital project approvals, Council approved additions to the budget totalling \$27 million, bringing the current 2013 Capital Budget to \$288 million.

Budget adjustments requested in this report will be managed within the current 2013 expenditure budget envelope, with no change to the overall 2013 Capital Budget.

In addition to approval of budget adjustments through the quarterly Capital Budget review process, Council approval is also sought each quarter for the closeout of projects/programs with completion surpluses or deficits greater than \$50,000 and 15% of the project/program budget. In this report, Council approval is requested to close two programs/projects completed in Third Quarter (Q3) 2013 with completion variances exceeding 15% and \$50,000 of the approved budget and funding.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

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

It is Council policy to fund capital expenditures for waterworks, sewerage & drainage and energy utility systems from debenture borrowing; the balance of capital expenditures are funded from a combination of debenture borrowing, direct contribution from the annual Operating Budget (Capital from Revenue), Development Cost Levies (DCLs) and Community Amenity Contributions (CACs) from developers, special-purpose reserves, internal loans, fees and levies collected from property owners and contributions from senior governments and other funding partners.

Funding from the three-year Capital Plan is allocated to specific capital programs and projects through the annual Capital Budgeting process. Council approval of the annual Capital Budget is required before work can proceed on specific programs/projects.

Section 242 of the Vancouver Charter gives Council the authority to borrow funds for the construction, installation, maintenance, replacement, repair and regulation of waterworks, sewerage & drainage and energy utility systems without the assent of the electorate. Section 245 requires that the borrowing authority for all other purposes be established through the electorate's approval of a borrowing plebiscite.

The requirement to borrow funds to finance capital expenditures is established by Council at the time of the approval of the annual capital budget and through special approvals. Borrowed funds are generally paid back over periods ranging from 10 to 40 years to ensure that a systematic borrowing program can be administered, that outstanding debt does not accumulate to unacceptable levels and that interest and repayment costs are maintained at a level that does not put undue pressure on the operating budget.

Section 247A of the Vancouver Charter requires that full provision of annual debt servicing charges, both principle and interest, be made in the annual operating budget. This ensures that debenture holders are paid the interest component at the prescribed rate and time, and that sufficient funding is available to retire the obligation at maturity.

In June 2003, Council approved the Financing Growth Policy which sets out policy for the collection and use of DCLs and CACs. Pursuant to Section 523D of the Vancouver Charter, DCLs are collected to assist in recovering growth-related capital costs that arise from new developments. DCLs are generally allocated on a "cash available" basis among park, replacement housing, transportation and childcare projects in proportions specified in various DCL By-laws. CACs are developer contributions that arise from rezonings; these are directed toward the cost of public amenities in the area affected by the rezoning. The allocation of both DCL and CAC funding to specific amenities requires Council approval.

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

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The Capital Budget is the main tool by which the City implements its 3-year capital plan, as it provides the authority to proceed with specific programs/projects, and defines the approved annual expenditure for Capital. It is important in fostering and maintaining public accountability and transparency, and provides detailed information about specific programs/projects, such as budgets by cost category, identification of specific funding sources, and outcomes that are clearly identifiable and measurable.

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

As part of the City's Capital Budget process, departments are able to request Capital Budget adjustments on a quarterly basis. This streamlines the Capital Budget process and reduces the number of ad-hoc Council reports being submitted for approval.

Capital Budget adjustments include:

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

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

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

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

REPORT

Background/Context

On December 11, 2012, Council approved a 2013 Capital Budget of \$261 million. Subsequently, through First Quarter and Second Quarter budget adjustments and intervening capital project approvals, Council approved additions to the budget totalling \$27 million, bringing the current 2013 Capital Budget to \$288 million.

As part of the capital budgeting process, proposed adjustments to the current Capital Budget and closeout of completed projects requiring Council approval are identified in the quarterly capital budget reviews and reported to Council for approval in this report. Budget adjustments and project closeouts are presented to Council quarterly. Budget adjustments and project or program closeouts for the Fourth Quarter 2013 (Q4) will be presented to Council for approval in March 2014. This allows for timely requests and approvals to proceed with new emerging priority projects, reallocations between existing projects or programs, and to receive donations.

Quarterly Capital Budget adjustment requests are categorized as follows:

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

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

B. Emerging priority projects:

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

C. Timing uncertain budget additions / acceleration of projects:

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

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

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

E. Reallocations:

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

Strategic Analysis

A. Capital Budget Adjustments

Table 1 summarizes proposed 2013 Q3 adjustments to the Total Capital Multi-Year Project Budget and Total 2013 Capital Budget. Due to the nature of capital expenditures, spending may span multiple years. The Total Multi-Year Project Budget Impact represents the funding proposed to be added to projects or programs; the Total 2013 Capital Budget Impact is the spending anticipated for 2013 for the related projects or programs. This report proposes an

increase of \$14.1 million to the Total Multi-Year Project Budget, including \$6.0 million for a new park site acquisition and \$8.1 million in additions to existing projects. The increase to the Total Multi-Year Project Budget will not change the current 2013 Capital Budget, however, as spending in 2013 associated with these incremental project budget increases will be offset by corresponding reductions in 2013 expenditure budgets for other projects within the 2013 Capital Budget. Details for the adjustments are provided in Appendix 1.

Table 1 - Proposed Changes to Total Project Budget and 2013 Capital Budget (\$000's)		
Category	Budget Impact	
	Total Multi-Year Project	Total 2013 Capital Budget
A. Administrative consolidation, restatements, Council-approved additions	\$ 7,650	\$ -
B. Emerging priority projects	6,000	5,805
C. Timing uncertain budget additions / acceleration of projects	-	2,281
D. Budget increases to existing projects/programs	-	-
E. Reallocations	430	-
Total Proposed 2013 Capital Budget Adjustments	\$ 14,080	\$ 8,086
Total Proposed 2013 Capital Budget Offsets	\$ -	\$ (8,086)
Proposed Increase to Total Project Budget and 2013 Capital Budget	\$ 14,080	\$ -
Current Approved 2013 Capital Budget		\$ 287,561
Proposed Revised 2013 Capital Budget		\$ 287,561

B. Capital Closeouts

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

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

A total of 24 programs/projects with budgets totaling \$30.4 million and expenditures of \$30.0 million were completed in the period between the 2013 Q2 Capital Closeout (RTS 9957) and the end of the third quarter of 2013 (September 30, 2013), resulting in a net surplus of \$0.4 million.

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

Two of the completed projects/programs have completion surpluses exceeding 15% and \$50,000. Appendix 2 provides explanations for these significant surpluses/deficits as well as financial details, by project and department, for projects/ programs closed in Q3 2013.

CONCLUSION

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

The purpose of this report is to request Council approval of budget adjustments resulting in an increase of \$14.1 million to the Total Multi-Year Projects Budget, with no change to the current 2013 Capital Budget of \$288 million.

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

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Appendix 1 - 2013 Q3 Capital Budget Adjustment Requests											
			Budget Impact								
			Multi-Year Project Budget			2013 Capital Expenditure Budget					
Department	Project	Rationale/Reason for Adjustment	Current	Proposed	Change	Current	Proposed	Change	Funding Source 1	Funding Source 2	Capital Budget Change / Proposed Offset
A. Administrative consolidation, restatements; Council-approved additions											
Includes the ongoing consolidation of like programs/projects into one larger program/project (normally no net impact on the annual budget); the addition of Capital Budget projects approved by Council outside the regular Capital Budget cycle; other restatements.											
Community Services	Supportive Housing (Taylor Manor)	Funding source change only: Funding of \$14.5 million (\$4 million debenture & \$2.85 million DCL from the 2012-2014 Capital Plan; and \$7.45 million DCL & \$0.2M Capital from Revenue reallocated from 2009-11 Supportive Non-Market Housing approved in 2012 and 2013 Capital Budgets) was set aside for Taylor Manor Reconstruction. Partnership funding contributions totalling \$11.4 million have now been secured for this project. This adjustment will replace the City funding with the external funding, return \$2.85 million to the DCL reserve for other City Housing initiatives and \$7.65 million to the Supportive Non-Market Housing project budget.							Addition: • External (BC Housing) \$10.0 million; • External (Streethome Foundation) \$1.4 million	Reduction: • DCL City-Wide \$10,300,000 • Debenture \$900,000 • Capital from Revenue \$200,000	Funding source change only. No change to 2013 Expenditure Budget.
Community Services	Supportive Non-Market Housing Site Acquisition	Return \$7.65 million to the Supportive Non-Market Housing project budget, reallocated in 2013 from 2009-11 Supportive Non-Market Housing to Taylor Manor Reconstruction and subsequently replaced by external funding (see above)	0	7,650,000	7,650,000	0	0	0	City Wide DCL \$7,450,000	Capital from Revenue \$200,000	No change to 2013 Expenditure Budget as no expenditures are planned for 2013.
Total - Administrative Consolidation; Restatements; Council-approved Additions			\$ -	\$ 7,650,000	\$ 7,650,000	\$ -	\$ -	\$ -			
B. Emerging priority projects											
New projects that have been identified to address unforeseen urgent issues or new priorities emerging outside of the regular capital budget cycle.											
Department	Project	Rationale/Reason for Adjustment	Current	Proposed	Change	Current	Proposed	Change	Funding Source 1	Funding Source 2	Capital Budget Change / Proposed Offset
Parks & Recreation	New Park - Smithe & Richards	Acquisition of site for new park at the corner of Smithe & Richards in Downtown South. Project budget of \$6M includes cost of acquisition (\$5,683,000) and deconstruction of buildings (\$317,000). Project funded from Community Amenity Contribution previously allocated to this project by Council (RTS 9314). Planning for the new park to begin in 2014.	0	6,000,000	6,000,000	0	5,805,000	5,805,000	CAC (Telus rezoning at Georgia & Richards)	N/A	Net increase to the 2013 Expenditure Budget.
Total - Emerging Priority Projects			\$ -	\$ 6,000,000	\$ 6,000,000	\$ -	\$ 5,805,000	\$ 5,805,000			
C. Timing Uncertain budget additions											
Addition of expenditure budgets for projects noted as "timing uncertain" in the Annual Capital Budget where timing subsequently becomes certain.											
Department	Project	Rationale/Reason for Adjustment	Current	Proposed	Change	Current	Proposed	Change	Funding Source 1	Funding Source 2	Capital Budget Change / Proposed Offset
Community Services	Existing project - Contribution to Restoration York Theatre	The timing of the payment is now known. It is expected to be paid in Dec 2013, when the renovation and restoration of the Building is expected to be completed and occupancy permits issued.	2,280,720	2,280,720	0	0	2,280,720	2,280,720	N/A	N/A	Net increase to the 2013 Expenditure Budget.
Total - Timing Uncertain budget additions; Project acceleration			\$ 2,280,720	\$ 2,280,720	\$ -	\$ -	\$ 2,280,720	\$ 2,280,720			
D. Budget increases/decreases to existing projects/programs											
Programs/projects where costs or expenditure timing has increased/decreased due to unforeseen changes in market economic conditions or unavoidable changes in project scope; increases in scope afforded by external funding contribution opportunities.											
Department	Project	Rationale/Reason for Adjustment	Current	Proposed	Change	Current	Proposed	Change	Funding Source 1	Funding Source 2	Capital Budget Change / Proposed Offset
None											
Total - Budget Increases/Decreases to Existing Projects/Programs			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			

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E. Reallocations											
Reallocation of funding between existing projects reflecting revised priorities and/or cost estimates, and or reallocations of funding sources.											
Department	Project	Rationale/Reason for Adjustment	Current	Proposed	Change	Current	Proposed	Change	Funding Source 1	Funding Source 2	Capital Budget Change / Proposed Offset
Engineering Services	EOS Fuel Info System	Initial \$90,000 approved in Q1 2013 (RTS 9958) was to implement an upgrade to the fuel information system for National Yard and Landfill Transfer station fuel pumps, as the need for upgrading was becoming critical. This request for additional funding is to expand the scope of the upgrade project to the fuel pumps at Manitoba Yard.	90,000	180,000	90,000	90,000	180,000	90,000	Plant and Equipment Reserve	N/A	No change to overall 2013 Expenditure Budget. Increase in 2013 Expenditure Budget for Fuel Information System to be offset by corresponding decrease in 2013 Expenditure Budget for Reconstruction of Landfill Entrance, which has been delayed to 2014 and 2015.
Engineering Services	2012-14 Reconstruction of Landfill Entrance	Decrease in 2013 Capital Budget for Reconstruction of Landfill Entrance to offset increase in 2013 Capital Budget for EOS Fuel Information System.	5,720,000	5,720,000	0	690,000	600,000	(90,000)	N/A	N/A	
Engineering Services	2012-14 Replace/Upgrade- Traffic Signals	Incremental costs for full rehabilitation of 1st/Burrard and Cypress/Cornwall traffic signals. The current traffic signals are reaching the end of their service life. As the Burrard/Cornwall Intersection Project requires replacement/relocation of parts of the 1st/Burrard and Cypress/Cornwall signals, this funding will allow full rehabilitation of the signals while construction on the signal is already underway.	4,165,000	4,505,000	340,000	2,668,335	3,008,335	340,000	General Unallocated - Debenture	N/A	No change to overall 2013 Expenditure Budget. Increase in 2013 Expenditure Budget for Replacement/Upgrading of Existing Traffic Signals to be offset by corresponding decrease in 2013 Expenditure Budget for Granville Bridge Bearing Replacement, which is now anticipated to cost less than originally budgeted due to lower contingency requirement.
Engineering Services	2012-14 Granville Bridge Bearing Replacement	Decrease in 2013 Capital Budget for Granville Bridge Bearing Replacement to offset increase in 2013 Capital Budget for Replace/Upgrade Traffic Signals.				8,713,552	8,373,552	(340,000)	N/A	N/A	
Engineering Services	2012-14 Arterials Program	Additional funding for Clarendon Connector for unexpected extra costs related to the site grades that were identified through Streets 3-D design (including over-excavation, catch basin relocations, retaining wall and fencing, and additional electrical and traffic signal work).	5,054,000	5,504,000	450,000	1,200,000	1,520,000	320,000	Reallocation of existing Capital - External (Translink)	N/A	No change to overall 2013 Expenditure Budget. Increase in 2013 Expenditure Budget for Arterials Program to be offset by corresponding decrease in 2013 Expenditure Budget for Transit Related Improvements.
	Transit Related Improvements	Decrease in 2013 Capital Budget for Transit Related Improvements to offset increase in 2013 Capital Budget for Arterials Program.	936,616	486,616	(450,000)	700,000	380,000	(320,000)	N/A	N/A	
Engineering Services	Vehicle & Equipment Replacement Program	Increase to the 2013 Capital Budget required to continue planned replacement of vehicles and equipment that have reached the end of their economic lives. Budget shortfall for 2013 is due to underestimate of carryforward from 2012 when the 2013 Capital Budget was developed.	10,322,500	10,322,500	0	7,447,500	8,447,500	1,000,000	N/A	N/A	No change to overall 2013 Expenditure Budget. Increase in 2013 Expenditure Budget for Vehicle & Equipment Replacement Program to be offset by decreases in 2013 Expenditure Budgets for Waste Containers-Solar Compactors and Reconstruction of Landfill Entrance.
	Waste Containers - Solar Compactors	Decrease in 2013 Capital Budget for Waste Containers - Solar Compactors to offset increase in 2013 Capital Budget for Vehicle & Equipment Replacement Program.				520,000	20,000	(500,000)	N/A	N/A	
	2012-14 Reconstruction of Landfill Entrance	Decrease in 2013 Capital Budget for Reconstruction of Landfill Entrance to offset increase in 2013 Capital Budget for Vehicle & Equipment Replacement Program.				600,000	100,000	(500,000)	N/A	N/A	
Engineering Services	2012-14 Burrard Bridge Bearing Replacement	ITT PS20130604 Burrard Bridge Bearing and Joint Replacement closed Oct. 17th. The project is within budget except with a lower than recommended project contingency for rehabilitation/renovation type work. The budget adjustment is requested to increase the project contingency to recommended levels from 10% to 15%.	5,000,000	5,360,000	360,000	1,750,000	2,110,000	360,000	Reallocation of existing Capital - Debenture	N/A	No change to overall 2013 Expenditure Budget. Increase in 2013 Expenditure Budget for Burrard Bridge Bearing Replacement to be offset by corresponding decrease in 2013 Expenditure Budget for Granville Bridge Bearing Replacement.
	2012-14 Granville Bridge Bearing Replacement	Decrease in 2013 Capital Budget for Granville Bridge Bearing Replacement to offset increase in 2013 Capital Budget for Burrard Bridge Bearing Replacement.	9,255,000	8,895,000	(360,000)	8,373,552	8,013,552	(360,000)	N/A	N/A	

Appendix 1 - 2013 Q3 Capital Budget Adjustment Requests											
			Budget Impact								
			Multi-Year Project Budget			2013 Capital Expenditure Budget					
Department	Project	Rationale/Reason for Adjustment	Current	Proposed	Change	Current	Proposed	Change	Funding Source 1	Funding Source 2	Capital Budget Change / Proposed Offset
Engineering Services	2012-14 Replace/Upgrade- Traffic Signals	A complete traffic signal rebuild at the Main & 2nd intersection was recently completed and the final costs were higher than anticipated due to damaged underground fiber optic cables during construction. Therefore, additional funding is requested in order to complete the remaining traffic signal work currently in progress in this program.	4,505,000	4,705,000	200,000	3,008,335	3,208,335	200,000	Reallocation of existing Capital - Debenture	N/A	No change to overall 2013 Expenditure Budget. Increase in 2013 Expenditure Budget for Replacement/Upgrading Traffic Signals to be offset by corresponding decrease in 2013 Expenditure Budget for Pedestrian & Bike Signals Rehabilitation.
	2012-14 Pedestrian & Bike Signals Rehabilitation	Decrease in 2013 Capital Budget for Pedestrian & Bike Signals Rehabilitation to offset increase in 2013 Capital Budget for Replacement/Upgrade Traffic Signals.	2,329,000	2,129,000	(200,000)	1,166,208	966,208	(200,000)	N/A	N/A	
Engineering Services	False Creek Geotechnical Investigation	Geotechnical investigation and assessment to determine soil liquifaction potential and to support multiple projects currently being reviewed in False Creek. This scope of work will also assist with the development of Citywide soil mapping currently being considered/ developed by the Office of Emergency Management.	0	200,000	200,000	0	200,000	200,000	Reallocation of existing Capital - Debenture	N/A	No change to overall 2013 Expenditure Budget. Addition of 2013 Expenditure Budget for False Creek Geotechnical Investigation to be offset by corresponding decrease in 2013 Expenditure Budget for Granville Bridge Bearing Replacement.
	2012-14 Granville Bridge Bearing Replacement	Decrease in 2013 Capital Budget for Granville Bridge Bearing Replacement to offset addition of 2013 Capital Budget for False Creek Geotechnical Investigation.	8,895,000	8,695,000	(200,000)	8,013,552	7,813,552	(200,000)	N/A	N/A	
Engineering Services	2012-14 Aging Services Replacement	Average costs in this program are approximately \$1.5M per year. The program adds good value to the City by replacing critical leaky services that are negatively impacting consumption and will increase maintenance costs.	2,500,000	2,930,000	430,000	1,500,000	1,930,000	430,000	Reallocation of existing Capital - Debenture	N/A	No change to overall 2013 Expenditure Budget. Increase in 2013 Expenditure Budget for Aging Services Replacement to be offset by corresponding decrease in 2013 Expenditure Budget for Transmission Main Replacement.
	2012-14 Transmission Main Replacement	Decrease in 2013 Capital Budget for Transmission Main Replacement to offset increase in 2013 Capital Budget for Aging Water Services Replacement.	6,500,000	6,070,000	(430,000)	2,500,000	2,070,000	(430,000)	N/A	N/A	
Engineering Services	2012-14 Water System Extensions	In 2012, Metro Vancouver undertook an infrastructure improvement project for their 16th Avenue and Boundary Road #5 mains. Unanticipated but vital spending occurred in this program to re-connect the City's water system to the regional one by building new connections to the new Metro Vancouver infrastructure. This transfer shifts funding to cover the increased expenditure.	75,000	350,000	275,000	0	225,000	225,000	Reallocation of existing Capital - Debenture	N/A	No change to overall 2013 Expenditure Budget. Increase in 2013 Expenditure Budget for Water System Extensions to be offset by corresponding decrease in 2013 Expenditure Budget for Dedicated Fire Protection System.
	2012-14 Dedicated Fire Protection System	Decrease in 2013 Capital Budget for Dedicated Fire Protection System to offset increase in 2013 Capital Budget for Water System Extensions.	275,000	0	(275,000)	225,000	0	(225,000)	N/A	N/A	
Total - Reallocations			\$ 65,622,116	\$ 66,052,116	\$ 430,000	\$ 49,166,034	\$ 49,166,034	\$ -			
Total Capital Budget Adjustment Requests			\$ 67,902,836	\$ 81,982,836	\$ 14,080,000	\$ 49,166,034	\$ 57,251,754	\$ 8,085,720			
Proposed Capital Budget Adjustment Offsets											
Department	Project	Rationale/Reason for Adjustment	Current	Proposed	Change	Current	Proposed	Change	Funding Source 1	Funding Source 2	Capital Budget Change / Proposed Offset
Real Estate & Facilities Management	Taylor Manor Reconstruction	Project expenditures originally planned for 2013 have shifted to 2014 due to extended timeline for hazardous materials abatement and foundation work, and review of tender for building envelope construction. Following completion of foundation work, construction of addition to building is anticipated to start in early 2014.				5,440,010	3,440,010	(2,000,000)	N/A	N/A	Decrease in 2013 Expenditure Budget: Project expenditures originally planned for 2013 have shifted to 2014.
Library	Strathcona/DTES Library	Project expenditures originally planned for 2013 are now expected to shift to 2014 due to extended timelines for rezoning and development permits.				2,400,000	600,000	(1,800,000)	N/A	N/A	Decrease in 2013 Expenditure Budget: Project expenditures originally planned for 2013 have shifted to 2014.

Appendix 1 - 2013 Q3 Capital Budget Adjustment Requests											
			Budget Impact								
			Multi-Year Project Budget			2013 Capital Expenditure Budget					
Department	Project	Rationale/Reason for Adjustment	Current	Proposed	Change	Current	Proposed	Change	Funding Source 1	Funding Source 2	Capital Budget Change / Proposed Offset
Parks & Recreation	Hastings Park Greening	The Hastings Park Greening project includes Empire Fields, the Plateau and Greenways. Project expenditures originally planned for 2013 are now expected to shift to 2014 due to extended timeline for awarding of tender incorporating full scope of multi-year project, delaying planned start of construction.				3,000,000	1,500,000	(1,500,000)	N/A	N/A	Decrease in 2013 Expenditure Budget: Project expenditures originally planned for 2013 have shifted to 2014.
Real Estate & Facilities Management	Bloedel Conservatory Roof Replacement (Phase 1)	Project expenditures originally planned for 2013 are now expected to shift to 2014 due to extended timeline for review of options for single glazed versus double glazed. Major Projects Committee approved single glazed option in September 2013; RFP process restarted in October 2013.				950,000	150,000	(800,000)	N/A	N/A	Decrease in 2013 Expenditure Budget: Project expenditures originally planned for 2013 have shifted to 2014.
Real Estate & Facilities Management	Replacement of Overhead Doors at Manitoba Yard	Project expenditures originally planned for 2013 have shifted to 2014 due to extended timeline for evaluation of rubber versus steel doors and resulting delay in contract award to Q3, together with a longer lead time required for custom build of individual doors.				1,000,000	400,000	(600,000)	N/A	N/A	Decrease in 2013 Expenditure Budget: Project expenditures originally planned for 2013 have shifted to 2014.
Real Estate & Facilities Management	Office Accommodation Plan	Project expenditures originally planned for 2013 have shifted to 2014 due to delays in moving staff from Vancity building to City Hall building, leasing building for IT staff move, and changes required in the Accommodation Plan to meet department space needs.				4,960,000	4,260,000	(700,000)	N/A	N/A	Decrease in 2013 Expenditure Budget: Project expenditures originally planned for 2013 have shifted to 2014.
Real Estate & Facilities Management	Planning & Research - Facilities	Project expenditures originally planned for 2013 are now expected to shift to 2014 due to extended timeline for pilot condition assessment and subsequent full scale assessment studies. Detailed seismic assessment studies have been deferred to 2014 pending Council approval.				1,245,000	945,000	(300,000)	N/A	N/A	Decrease in 2013 Expenditure Budget: Project expenditures originally planned for 2013 have shifted to 2014.
Real Estate & Facilities Management	Kensington Childcare/Community Hall	Project expenditures originally planned for 2013 are now expected to shift to 2014 due to extended timeline for planning process and review of phased approach. Design started in 2013, with construction expected to start in spring 2014.				1,337,157	951,437	(385,720)	N/A	N/A	Decrease in 2013 Expenditure Budget: Project expenditures originally planned for 2013 have shifted to 2014.
Total Proposed Capital Budget Adjustment Offsets			\$ -	\$ -	\$ -	\$ 20,332,167	\$ 12,246,447	\$ (8,085,720)			
Total Adjustment to Total Multi-Year Project Budget and 2013 Expenditure Budget			\$ 67,902,836	\$ 81,982,836	\$ 14,080,000	\$ 69,498,201	\$ 69,498,201	\$ -			

Appendix 2 - Q3 2013 Capital Closeouts

Project/Program Name	Budget	Actuals	Surplus (Deficit)	%	Closeout Variance Explanation (for variances > \$50K and 15% of budget)
Community Services					
Theatre Equipment & Furnishings	\$ 83,046	\$ 73,889	\$ 9,157	11%	
Grant - Quest Outreach Society	30,000	30,000	0	0%	
2010 Social Facilities Priorities Plan	35,000	35,000	0	0%	
Naming Rights Consultation	31,962	0	31,962	100%	NOTE: Funds have been held since 2010 for facility naming rights consultation. No requests have been received over this time period for this consultation, so funding is being released for other City priorities.
Broadway Commercial Amenity Site Preparation	115,000	110,490	4,510	4%	
Community Services Total	\$ 295,008	\$ 249,379	\$ 45,629	15%	
Engineering Services					
2009 Streets - Local Improvements	\$ 940,000	\$ 874,276	\$ 65,724	7%	
2011 Neighbourhood Collector Program	350,000	380,084	(30,084)	-9%	
2012-14 Rehabilitation Curb Ramps	115,000	114,051	949	1%	
2006 Residential Lanes - Local Improvements	450,000	361,517	88,483	20%	Residential demand for lane local improvements was less than originally planned for in project budget.
2011 New Signal Construction	1,807,000	1,876,349	(69,349)	-4%	
EasyPark Lot 1 Painting and Office Renovation	25,000	26,337	(1,337)	-5%	
EasyPark Lot 3 - Parkade Restoration and Wearcourse Replacement / Painting	1,215,000	1,218,718	(3,718)	0%	
EasyPark Lot 16 - New Asphalt	30,000	29,425	575	2%	
EasyPark Parkade Surveys (Lots 19, 27, 31)	18,000	17,050	950	5%	
Engineering Services Total	\$ 4,950,000	\$ 4,897,807	\$ 52,193	1%	
Financial Services					
2010 SQL Infrastructure	\$ 152,500	\$ 152,638	\$ (138)	0%	
Change Management Module - Service Desk Express System	50,000	44,592	5,408	11%	
Fairfax Remittance Advice Scanner Upgrade	171,000	87,499	83,501	49%	Scope of work was reduced to exclude non-critical items.
Project Inspectors Mobile - Assessment	50,000	5,000	45,000	90%	
Financial Services Total	\$ 423,500	\$ 289,729	\$ 133,771	32%	
Parks & Recreation					
Trout Lake Community Centre	\$ 20,328,241	\$ 20,194,031	\$ 134,210	1%	
Jericho Park Marginal Wharf 2009, 2012	2,720,233	2,673,868	46,365	2%	
Mt Pleasant Park Design	1,000,000	1,002,352	(2,352)	0%	
Basketball Courts 2009	68,000	55,937	12,063	18%	
Minor Park Upgrades 2011	428,000	444,720	(16,720)	-4%	
Rock Scaling/Slope Stabilization 2011	219,000	256,952	(37,952)	-17%	
Parks & Recreation Total	\$ 24,763,474	\$ 24,627,859	\$ 135,615	1%	
Total Q3 2013 Capital Closeouts	\$ 30,431,982	\$ 30,064,774	\$ 367,208	1%	

Budget Status at Completion (# of projects/programs)	Budget	Actual	Surplus (Deficit)	%
Surplus greater than \$50K & 15% (2)	\$621,000	\$449,016	\$171,984	28%
Deficit greater than \$50K & 15% (0)	0	0	0	0%
Surplus/deficit less than \$50K & 15% (22)	29,810,982	29,615,758	195,224	1%
TOTAL (24 projects/programs)	\$30,431,982	\$30,064,774	\$367,208	1%

Appendix 2 - Q3 2013 Capital Closeouts

Proposed Allocation of Closeout Surpluses/Deficits:

From	To	
Community Services		
Net Community Services closeout surplus	City-Wide Unallocated from Closeouts	45,629
Community Services net closeout surplus		\$ 45,629
Engineering Services		
External funding received toward traffic signal project costs (ICBC)	2011 New Signal Construction closeout deficit	\$ (69,349)
2009 Streets Local Improvements closeout surplus	Property owner funding share of local improvement budget not required because the local improvements were not required	\$ 65,724
EasyPark Lot 2 Membrane Replacement (ongoing)	Net EasyPark projects closeout deficit	\$ (3,530)
Net remaining Engineering Services closeout surplus	City-Wide Unallocated from Closeouts	\$ 59,348
Engineering Services net closeout surplus		\$ 52,193
Financial Services (IT)		
Net Financial Services (IT) closeout surplus	City-Wide Unallocated from Closeouts	\$ 133,771
Financial Services (IT) net closeout surplus		\$ 133,771
Parks & Recreation		
Trout Lake Community Centre closeout surplus	City-Wide Unallocated from Closeouts	134,210
12-14 Capital Maintenance of Existing Natural Features (ongoing)	Rock Scaling/Slope Stabilization 2011 closeout deficit	(37,952)
Net remaining Parks & Recreation closeout surplus	DCL (remove commitments from DCL Reserve)	39,357
Parks & Recreation net closeout surplus		\$ 135,615
Net closeout surplus		\$ 367,208