



ADMINISTRATIVE REPORT

Report Date: May 12, 2015
Contact: Sarah Kapoor
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Meeting Date: May 27, 2015

TO: Standing Committee on Planning, Transportation and Environment
FROM: Director of Finance
SUBJECT: 2015 Q1 Capital Budget Adjustments and Closeouts

RECOMMENDATION

- A. THAT Council approve funding and budget reallocation adjustments to the Multi-Year Capital Projects Budget totalling \$11.6 million as outlined in Appendix 1, with no change to the 2015 Annual Capital Expenditure Budget.
- B. THAT, as part of the quarterly Capital Budget closeout process, Council approve the closeout of completed capital projects with variances exceeding \$50,000 and 15% of the approved budget as outlined in this report and Appendix 2.

REPORT SUMMARY

On March 3, 2015, Council approved a 2015 Annual Capital Expenditure Budget of \$306.0 million.

Funding and budget adjustments to the Multi-Year Capital Projects budget totaling \$11.6 million are being requested in Q1, with no impact to the total 2015 Capital Expenditure Budget. The changes to the Multi-Year Capital Projects Budget and the 2015 Annual Capital Expenditure Budget recommended in this report represent capital priorities identified subsequent to the approval of the 2015 Capital Budget, and adjustments to expenditures which are offset by reductions in planned 2015 expenditures in other projects or programs.

In addition, as part of the quarterly Capital Budget review process, Council approval is being requested to close 23 programs/projects completed in Q1 2015, with budget of \$66.4 million and a net surplus of \$0.6 million (1%) as outlined in Appendix 2. Council approval is also requested to use \$3.8 million of currently unallocated Capital from Revenue funding in the Capital Fund to address a funding shortfall for the Cultural Precinct Redevelopment project closed out in Q4 2014.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The City has a policy to plan for capital project expenditures on a multi-year cycle. Since 1990, capital plans were 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. On May 29, 2014, the Province enacted legislation to extend the term of Council from 3 years to 4 years effective 2014. Capital Plans are now developed in 4-year terms, starting with the 2015-2018 Capital Plan. In October 2014, Council approved the 2015-18 Capital Plan in the amount of \$1.085 billion (RTS 10507).

It has been Council practice to fund capital expenditures for waterworks, sewerage and drainage, and energy utility systems from debenture borrowing. As part of the City's debt management strategy, commencing in the 2012-2014 Capital Plan, the water utility began to transition its infrastructure lifecycle replacement program from debt financing to pay-as-you-go over two Capital Plans. The transition will be completed in the 2015-2018 Capital Plan. Similarly, commencing in the 2015 Capital Budget, the sewer utility is also beginning 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.

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

The requirement to borrow funds to finance capital expenditures is established by Council at the time of the approval of the annual capital budget. Borrowed funds are generally paid back over 10 years to ensure that outstanding debt does not accumulate to unacceptable levels, and that annual debt servicing charges (principal and interest) are maintained at a level that does not put undue pressure on the operating budget.

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

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

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

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

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

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

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

Capital Budget adjustments may include:

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

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

Quarterly budget reviews are provided to Council in a Council memo and posted externally on the City's website at

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

The 2015 First Quarter Budget Review memo comments on 2015 Capital results, while this report focuses on Capital Budget adjustments and capital closeouts recommended by staff for Council approval.

REPORT

Background/Context

On March 3, 2015, Council approved a 2015 Annual Capital Expenditure Budget of \$306.0 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 review and reported to Council for approval in this report. Budget adjustments and project closeouts are presented to Council quarterly. This report concerns the first quarter (Q1) of the City's 2015 financial year.

Strategic Analysis

A. 2015 Q1 Capital Budget Adjustments

As part of the on-going work and oversight related to the Capital Budget, staff continually review priorities, respond to emerging needs, and where appropriate bring forward recommendations for adjustment to the Capital Budget at the time of quarterly reports. 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 Capital Plan/Capital Budget cycle;
- Timing uncertain budget additions / acceleration of projects;
- Budget increases or decreases to existing projects/programs based on scope changes, results of tendering or changes in cost structure of a project, or changing priorities for timing of a project;
- Reallocations between projects with no impact on the overall annual or multiyear budget.

The 4 year Capital Plan had a total budget allocation of \$1.085 billion and covered projects across all City departments and agencies. Over the first quarter of 2015, senior staff have spent time reviewing the specific projects and their relative prioritization against Council's agenda. This report proposes new multi-year budget allocations totalling \$11.6 million from the \$1.085 billion Capital Plan for a small number of multi-year projects across city departments. In addition approximately 60 projects from across the city are shown in Appendix 1 to have a variety of adjustments which fall into the categories listed above. These adjustments are part of our ongoing scrutiny of our capital program.

Major Projects within the \$11.6M allocation include:

- \$3.6 million for Stanley Park electrical infrastructure upgrades to increase capacity and upgrade the electrical distribution system to meet current standards and to provide a long term solution to address identified system deficiencies. Funding for Phase 1 (electrical system upgrade) was originally planned for 2016 in order to allow for completion of scheduled dialogue with local First Nations bands. Phases 1 and 2 (overhead wiring upgrade) are now being accelerated following an assessment of potential wire damage from wind and falling branches with the potential for both safety and operational compromise;

- \$3.1 million to commence design and procurement for three Landfill closure projects (Western 40 Hectare closure, Phase 3 southeast closure, Phase 3 northeast gas works) - this allocation will allow this project to move into the procurement phase ahead of schedule;
- \$1.4 million to implement required changes to the City's payment card security standards to comply with the new PCI (Payment Card Industry) standard; the updated V3 standard was announced late in December 2014 by the City's payment processor and staff have required several months to scope out the project needs;
- An additional \$1.1 million is being requested to implement a software scheduling system to be used by Vancouver Fire & Rescue (VFRS) to replace its current manual whiteboard system. The 2015 Capital Budget included \$0.1 million for planning only. The planning work is complete and in order to expedite this much needed system, funding is now being requested. It is anticipated that this system will be able to be used by other teams and groups throughout the City, with VFRS as the lead group;
- \$0.7 million for replacement of end-of-life storage, network switches and firewall infrastructure at the Vancouver Police Department - this is a project which the budget has been clarified and the timing brought forward for this fiscal year due to the impending failure of these systems.

Appendix 1 lists all the changes in funding sources, budget increases and reallocations, to be managed within the 2015 Annual Expenditure Budget, as well as several administrative consolidations and restatements.

The adjustments highlighted above as well as additional items detailed in Appendix 1 will result in an increase of \$11.6 million to active Multi-Year Capital Projects but no change in the \$1.085 billion Capital Plan approved by Council.

Table 1 - Proposed Changes to Multi-Year Projects Budget and 2015 Annual Capital Expenditure Budget (\$000's)		
Category	Budget Impact	
	Multi-Year Projects Budget	2015 Annual Capital Expenditure Budget
A. Administrative consolidations and restatements	\$ -	\$ -
B. Emerging priority projects	9,288	1,129
C. Timing uncertain budget additions / acceleration of projects	-	-
D. Budget increases/decreases to existing projects/programs	2,338	560
E. Reallocations	-	-
Total Proposed Multi-Year Projects Budget Adjustments / 2015 Annual Capital Expenditure Budget Adjustments	\$ 11,626	\$ 1,689
Total Proposed 2015 Annual Capital Expenditure Budget Offsets		(1,689)
Proposed Change in Multi-Year Projects Budget / 2015 Annual Capital Expenditure Budget	\$ 11,626	\$ -
Current Approved Total 2015 Annual Capital Expenditure Budget		306,042
Proposed Revised Total 2015 Annual Capital Expenditure Budget		\$ 306,042

Staff continue to very closely manage the capital spend on a quarterly basis to enhance risk mitigation and ensure optimal delivery of projects within the projected timeline and annual expenditure budget. Strategic review of progress on projects is done on a regular basis, and where timing of projects are advanced or delayed, budgets are recommended for adjustment. With the exception of emergency situations, expenditures are not permitted until the

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

As of March 31, 2015, the active Multi-Year Capital Projects Budget for open capital programs/projects totaled \$1.04 billion, adjusted for actual revenues received for user-fee funded utilities programs being closed in Q1. The proposed revised total reflecting Q1 project/program closeouts and multi-year project budget adjustments is \$0.99 billion.

	Multi-Year Projects Budget
Multi-Year Projects Budget at March 31, 2015	\$ 1,040.6
Proposed Q1 Closeouts	(66.4)
Proposed Q1 Adjustments	11.6
Proposed Revised Multi-Year Projects Budget	\$ 985.9

B. 2015 Q1 Capital Closeouts

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

The purpose of this report is to request Council approval to close capital programs/projects where completion spend variances exceed \$50,000 and 15% of the approved budget. In addition, Council is also requested to approve funding for an overall project funding shortfall in the Cultural Precinct Redevelopment project closed out in Q4 2014, as detailed in Appendix 2. While the project was closed with a project surplus of \$1.2 million, the original project budget included \$5 million in 3rd party contributions that were not realized. The balance of \$3.8 million is proposed to be funded from currently unallocated Capital from Revenue funding in the Capital Fund.

A total of 23 programs/projects with multi-year project budgets totalling \$66.4 million and expenditures of \$65.8 million were completed in the period between the 2014 Q4 Capital Closeout (RTS 10822) and the end of the first quarter of 2015 (March 31, 2015), with a net surplus of \$0.6 million.

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

Four of the 23 completed programs/projects had a completion variance exceeding \$50,000 and 15% of the approved budget. Appendix 2 provides explanations for significant surpluses/deficits as well as financial details, by project and department, for programs/projects closed in Q1 2015.

CONCLUSION

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

The purpose of this report is to request Council approval of funding and budget reallocation adjustments to the Multi-Year Capital Projects Budget totaling \$11.6 million, with no change to the 2015 Annual Capital Expenditure Budget.

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

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Capital Budget Adjustment Requests									
			BUDGET IMPACT						
			Multi-Year Project Budget			Annual Capital Expenditure Budget			
A. Administrative consolidation or restatements: Includes the ongoing consolidation of like programs/projects into one larger program/project (normally no net impact on the annual budget); other restatements.									
Department	Project Name	Reason for Adjustment	Current	Change	Proposed	Current	Change	Proposed	Funding Source(s)
Community Services	Facility Improvements - 162 West 1st	<p>Change to project funding source (no change to budget): This project is for tenant improvements for Bard on the Beach and Arts Club tenancy at 162 West 1st Avenue.</p> <p>One of the anticipated CAC's expected to fund this project did not materialize. The funding will now be from the Southeast False Creek unallocated CACs (from rezoning of 1695 Main Street).</p>	7,000,000	0	7,000,000	5,000,000	0	5,000,000	<p>Addition: \$1,100,000 CAC from rezoning at 1695 Main Street</p> <p>Reduction: \$1,100,000 CAC from rezoning of 1334 Howe Street</p>
Engineering Services	2015-18 Sewer Main Reconstruction	<p>Change to program funding source (no change to budget): As approved by Council December 16, 2014 (RTS 10716), the City will begin transitioning the capital program for the Sewer Utility from debt funding to a Pay As You Go strategy along the lines of a similar funding strategy transition already underway for the Water Utility. This transition will begin with the 2015 Capital Budget for the Sewer Main Reconstruction/Separation program, replacing \$1.2 million in debt funding with Pay-As-You-Go funding.</p>	25,000,000	0	25,000,000	25,000,000	0	25,000,000	<p>Addition: \$1,200,000 Capital from Revenue (Sewer Pay-As-You-Go)</p> <p>Reduction: \$1,200,000 Debenture (Utility)</p>

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Capital Budget Adjustment Requests									
			BUDGET IMPACT						
			Multi-Year Project Budget			Annual Capital Expenditure Budget			
A. Administrative consolidation or restatements: Includes the ongoing consolidation of like programs/projects into one larger program/project (normally no net impact on the annual budget); other restatements.									
Department	Project Name	Reason for Adjustment	Current	Change	Proposed	Current	Change	Proposed	Funding Source(s)
Planning & Development	Downtown Eastside (DTES) Capital Grant Programs	<p>Administrative consolidation: Consolidation of unspent/uncommitted funding remaining (\$2.6 million) in previously approved Downtown Eastside (DTES) capital grant programs noted below into three new grant streams as envisioned in the DTES Area Plan approved by Council in March 2014 (RTS 10175).</p> <p>These grants are to DTES non-profit organizations to strategically advance the social, economic and environmental objectives of the DTES Plan.</p>							N/A
		(New) Downtown Eastside (DTES) Community Asset Management for Community Asset Management grants, for the retention and improvement of valuable assets identified in the Social Impact Assessment (SIA).	0	1,215,105	1,215,105	0	111,462	111,462	N/A
		(New) Community Economic Development for Community Economic Development grants, to encourage a vibrant and inclusive economy through Community Economic Development.	0	750,501	750,501	0	71,146	71,146	N/A
		(New) Downtown Eastside (DTES) Neighbourhood Improvements for DTES Neighbourhood Improvements grants, to support improvements to the neighbourhood places and spaces for community well-being, safety and walkability.	0	595,906	595,906	0	54,546	54,546	N/A
		<p>Consolidation of unspent/uncommitted funding remaining (\$2.6 million) from the following previously approved DTES capital grant programs into three new grant streams as noted above.</p> <ul style="list-style-type: none"> • Downtown Eastside (DTES) Revitalization 2009-11 • 2012-14 Downtown Eastside (DTES) Capital Program-Unallocated • Community Social & Economic Development Project • Tenant Improvement Woodward's Development • Hastings Street Renaissance Phase 2 • Chinatown Public Realm Improvement • Gastown Public Realm Improvement • Public Realm/Programming Infrastructure • Strathcona/Oppenheimer Revitalization • Emerging Initiatives Oppenheimer • Grant - Blooming Boulevard - 300 Alexander • Grant - Historic Market Alley Commemorative Project • Grant - Sole Farm to Kitchen Program 	5,257,445	(2,561,512)	2,695,933	1,685,028	(237,154)	1,447,874	N/A
Total - Administrative Consolidation; Restatements; Council-approved Additions			\$ 37,257,445	\$ -	\$ 37,257,445	\$ 31,685,028	\$ -	\$ 31,685,028	

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Capital Budget Adjustment Requests									
			BUDGET IMPACT						
			Multi-Year Project Budget			Annual Capital Expenditure Budget			
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)
Financial Services	PCI V3 Compliance (Payment Card Industry Data Security Standard)	New project to be funded from 2015-2018 Capital Plan: The Payment Card Industry Data Security Standard (PCI DSS) is a security standard that must be met by organizations that handle major credit cards. In December 2014, the City's card provider announced version 3 of PCI compliance. Scoping for this new version of PCI compliance was only completed in Q1 2015 and funding is now being requested to complete these mandatory PCI requirements, involving updates to applications and to network hardware/software.	0	1,350,000	1,350,000	0	1,350,000	1,350,000	2015-2018 Capital Plan (Emerging Priorities) Debenture
Financial Services	Hansen Upgrade	New project to be funded from 2015-2018 Capital Plan: Hansen, a software application used by the City's engineering department for asset and infrastructure management, requires a version upgrade in order to maintain vendor support. Originally scheduled for 2016 in the information technology capital plan, this work has been reprioritized ahead of other SAP upgrade work in 2015.	0	200,000	200,000	0	100,000	100,000	2015-2018 Capital Plan (Equipment & Technology) Capital from Revenue
Financial Services	SAP Upgrade	Decrease in Annual Capital Expenditure Budget: Work plan has been reprioritized in order to commence a version upgrade on Hansen in 2015 in addition to the SAP Upgrade.	200,000	0	200,000	200,000	(100,000)	100,000	N/A
Financial Services	Vancouver Fire & Rescue Services Scheduling System	New project to be funded from 2015-2018 Capital Plan: This project is to implement a software scheduling system to be used by Vancouver Fire & Rescue (VFRS) department to replace its current manual whiteboard system. It is anticipated that this system will be able to be used by other teams and groups throughout the City, but VFRS will be the lead group. The 2015 budget originally approved \$100K to scope the requirements and systems, and provide recommendations to move forwards. This work has now been performed, and the request is to move forward with vendor selection and implementation. The request is for software, as well as implementation and project management funding.	100,000	1,088,000	1,188,000	100,000	54,000	154,000	2015-2018 Capital Plan (Equipment & Technology) Capital from Revenue

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Capital Budget Adjustment Requests									
			BUDGET IMPACT						
			Multi-Year Project Budget			Annual Capital Expenditure Budget			
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)
Real Estate & Facilities Mgmt	Stanley Park West High Voltage Distribution System Upgrades	<p>New project to be funded from 2015-2018 Capital Plan: To increase capacity and upgrade the electrical distribution system in Stanley Park to meet current standards and to provide a long term solution to address system deficiencies. The project scope includes upgrades to the cable system feeding the Park Board Administration building, Ceperley Meadow kiosk, Second Beach Pool, Rawlings Trail and Third Beach.</p> <p>This project was originally intended to be implemented and funded in two phases: \$2 million in the 2015-18 Capital Plan for Phase 1 electrical system upgrade and \$1.6 million in the subsequent capital plan for Phase 2 overhead wiring.</p> <p>Phase 1 funding was planned for 2016 to allow for completion of a scheduled dialogue with local First Nations bands. Phase 2 is also now being accelerated due to an increased risk of wire damage from wind and falling branches. Combining both phases is also expected to reduce park disruption and provide other service delivery and economic benefits.</p>	0	3,600,000	3,600,000	0	200,000	200,000	2015-2018 Capital Plan (Parks, Open Spaces & Recreation) Debenture \$3,500,000 DCL \$100,000
Engineering Services	Landfill Western 40 Hectare Closure	<p>New project to be funded from 2015-2018 Capital Plan: The closure of the western 40 hectare section of the Vancouver Landfill is a multi-year project scheduled for 2017-2019. This budget is for the initial management and design aspects.</p> <p>Funding is required in 2015 to begin procurement for an external Project Manager and Design Consultant to enable construction to begin on time. The project manager is needed to assist with the procurement of the design consultant and to manage the design project as well as the 3-year construction project. The multi-year budget for project management (2015/2016) is estimated at \$200,000 and the design at \$1,000,000, which will go through to the project wrap-up report in 2019 or 2020.</p>	0	1,200,000	1,200,000	0	225,000	225,000	2015-2018 Capital Plan (Utilities - Solid Waste & Neighbourhood Energy) Solid Waste Capital Reserve
Engineering Services	Landfill Phase 3 Southeast Closure	<p>New project to be funded from 2015-2018 Capital Plan: Phase 3 closure of the southeast section of the Vancouver Landfill is scheduled for 2017, however, the lead time for the multi-year external project management and design aspects of the project require funding of \$1.2 million in 2015 for procurement.</p> <p>Funding of \$150,000 is also required in 2015 to construct operational gas works necessary as the fill plan progresses as outlined in the 2014 Design, Operations and Progressive Closure Plan for Vancouver Landfill. This will contribute toward meeting the 75% gas collection target.</p>	0	1,350,000	1,350,000	0	375,000	375,000	2015-2018 Capital Plan (Utilities - Solid Waste & Neighbourhood Energy) Solid Waste Capital Reserve

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Capital Budget Adjustment Requests									
			BUDGET IMPACT						
			Multi-Year Project Budget			Annual Capital Expenditure Budget			
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)
Engineering Services	Landfill Phase 3 Northeast Gas Works	New project to be funded from 2015-2018 Capital Plan: Funding is required to construct operational gas works necessary as the fill plan progresses as outlined in the 2014 Design, Operations and Progressive Closure Plan for Vancouver Landfill. This will contribute toward meeting the 75% gas collection target. The multi-year capital project budget request is for \$500,000 (Phase 3 Northeast), which is included in the 2015-2018 Capital Plan. This funding will be used to construct a portion of the project in 2015 (\$300,000) and the remainder in 2016 (\$200,000).	0	500,000	500,000	0	300,000	300,000	2015-2018 Capital Plan (Utilities - Solid Waste & Neighbourhood Energy) Solid Waste Capital Reserve
Engineering Services	2012-2014 Reconstruction Landfill Entrance	Decrease Expenditure Budget: Project will be delayed to allow higher priority projects to proceed.	5,720,000	0	5,720,000	2,000,000	(775,000)	1,225,000	N/A
Engineering Services	Waste Containers - Solar Compactors	Decrease in Annual Capital Expenditure Budget: The proposed designs of cart enclosures that came in Q4 2014 from Request for Proposal (RFP) proponents were too expensive; staff are therefore reviewing other options and expenditures will be delayed.	1,000,000	0	1,000,000	500,000	(300,000)	200,000	N/A
Engineering Services	Cart and Sanitation Services System	Decrease in Annual Capital Expenditure Budget: Project will be delayed to allow higher priority projects to proceed.	500,000	0	500,000	500,000	(300,000)	200,000	N/A
Total - Emerging Priority Projects			\$ 7,520,000	\$ 9,288,000	\$ 16,808,000	\$ 3,300,000	\$ 1,129,000	\$ 4,429,000	
C. Timing Uncertain budget additions: Addition of expenditure budgets for projects noted as "timing uncertain" in the Annual Capital Budget where timing subsequently becomes certain.									
Department	Project Name	Reason for Adjustment	Current	Change	Proposed	Current	Change	Proposed	Funding Source(s)
None					0			0	N/A
Total - Timing Uncertain budget additions; Project acceleration			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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Capital Budget Adjustment Requests									
			BUDGET IMPACT						
			Multi-Year Project Budget			Annual Capital Expenditure Budget			
D. Budget increases/decreases to existing projects/programs: Programs/projects where costs or expenditure timing has increased/decreased due to unforeseen changes in market economic conditions or unavoidable changes in project scope; increases in scope afforded by external funding contribution opportunities.									
Department	Project Name	Reason for Adjustment	Current	Change	Proposed	Current	Change	Proposed	Funding Source(s)
Engineering Services	Engineering Capital PMO (Project Management Office)	Increase to Multi-Year Capital Project Budget and Annual Expenditure Budget (Reallocation): The Project Management framework will form the foundation for processes carried out in the new Engineering Project Management Office (PMO). Several benefits of creating a PMO include improved governance, cost avoidance, project coordination and reduced risk. The 2015 Capital Budget provided for consultant support for the first phase of this project including the development of the first seven modules of the project management framework as well as initial project manager (PM) training. As part of the first phase, the project team assessed the approach, schedule and change management for adoption across the Engineering department. The additional funding is required to support the completion of the framework and implement across Engineering Services, a learning support specialist for training, as well as consultant PM support for a selection of Engineering Services branch projects. The request will be funded by re-prioritizing work within the existing capital budget with the objective to deliver long term benefits through the establishment of the PMO.	1,000,000	1,540,219	2,540,219	786,000	227,964	1,013,964	Reallocation of existing Capital - Capital from Revenue/Reserve
	2015-18 Sewer Main Reconstruction		25,000,000	(654,945)	24,345,055	25,000,000	(654,945)	24,345,055	Reallocation of existing Capital - Capital from Revenue (Sewer Pay-As-You-Go)
	2015-18 Water Distribution Main Replacement		6,000,000	(134,864)	5,865,136	6,000,000	(134,864)	5,865,136	Reallocation of existing Capital - Capital from Revenue (Water Pay-As-You-Go)
	2015-18 Active Transportation Corridors		2,000,000	(220,923)	1,779,077	2,000,000	(220,923)	1,779,077	Reallocation of existing Capital - Capital from Revenue
	2015-18 Major Roads Rehabilitation		4,700,000	(220,419)	4,479,581	4,700,000	(220,419)	4,479,581	Reallocation of existing Capital - Capital from Revenue
	Landfill Transfer Station Improvements		5,000,000	(149,020)	4,850,980	968,978	(22,049)	946,929	Reallocation of existing Capital - Reserve
	2015-18 Vehicles & Equipment Replacement/Additions		22,000,000	(160,048)	21,839,952	11,000,000	(23,680)	10,976,320	Reallocation of existing Capital - Reserve
Financial Services	City IT Infrastructure Maintenance/Upgrades/Expansion	Increase to Annual Capital Expenditure Budget: Replacements and version upgrades for a number of IT infrastructure components throughout the City. These replacements and upgrades are being advanced due to impending end-of-life issues, as they are no longer going to be supported by the software providers. Included in this list of projects is an upgrade to email infrastructure to address problems with performance and capacity management.	4,500,000	0	4,500,000	3,500,000	720,000	4,220,000	N/A
Financial Services	Vancouver Police Department IT Infrastructure Maintenance/Upgrades/Expansion	New project to be funded from 2015-2018 Capital Plan: Replacement of end-of-life storage, network switches and firewall infrastructure at VPD. Approval requested at this time in order to begin the procurement process within 2015.	0	700,000	700,000	0	700,000	700,000	2015-2018 Capital Plan (Equipment & Technology) Capital from Revenue
Financial Services	Fleet GPS	Decrease in Annual Capital Expenditure Budget: This project will now follow a phased approach with Phase 1 to include approximately 170 vehicles targeted to Sanitation Operations and tandem trucks and once milestones and objectives are met for this phase, Phase 2 for the remaining City fleet vehicles would proceed in late 2015 to 2016.	1,500,000	0	1,500,000	1,500,000	(500,000)	1,000,000	N/A

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Capital Budget Adjustment Requests									
			BUDGET IMPACT						
			Multi-Year Project Budget			Annual Capital Expenditure Budget			
D. Budget increases/decreases to existing projects/programs: Programs/projects where costs or expenditure timing has increased/decreased due to unforeseen changes in market economic conditions or unavoidable changes in project scope; increases in scope afforded by external funding contribution opportunities.									
Department	Project Name	Reason for Adjustment	Current	Change	Proposed	Current	Change	Proposed	Funding Source(s)
Financial Services	Business Intelligence (BI)	Decrease in Annual Capital Expenditure Budget: This project is delayed. The City is currently developing the Business Intelligence (BI) Strategy and hiring a new Director of BI.	1,100,000	0	1,100,000	300,000	(200,000)	100,000	N/A
Financial Services	IT Strategic Initiatives	Decrease in Annual Capital Expenditure Budget: This program provides funding for minor IT capital projects that may arise during the year. No funding allocations have been required to date, so the estimate of 2015 expenditures is being revised downward.	500,000	0	500,000	300,000	(150,000)	150,000	N/A
Financial Services	City-Wide Overhead - Capital Administration	Increase to existing program budget with funding provided from the 2015-2018 Capital Plan: The 2015 Budget was developed using a revised cost allocation methodology that identified corporate shared support services that are now delivered through consolidated operations. Costs of corporate shared support services that are directly attributable to an individual department or the Capital Program (e.g., dedicated staff and resources in Corporate service areas such as Finance, IT, Procurement, building occupancy costs, and 3-1-1) are now included in department budgets and capital program budgets to align to best practice and more accurately reflect cost of service. This adjustment request is to increase the funding for Capital Administration to reflect the Procurement costs directly attributable to the Capital Program.	1,144,000	563,480	1,707,480	1,144,000	563,480	1,707,480	2015-2018 Capital Plan (City-Wide) Capital from Revenue
Engineering Services	Western 40 Hectare Closure (Materials)	Increase to existing project budget with funding provided from the 2015-2018 Capital Plan: As of Q2 2014, Transfer & Landfill Operations (TLO) began working with Kent Yards to begin stockpiling for the Vancouver Landfill western 40 hectare closure construction scheduled for 2017-2019. This funding request is to allow for additional material stockpiling in advance of the 2017 closure project. Stockpiling over time provides better pricing of material rather than buying immediately prior to required closure. Furthermore, it mitigates the risk of insufficient material for closure required in a short construction window.	525,000	475,000	1,000,000	275,000	475,000	750,000	2015-2018 Capital Plan (Utilities - Solid Waste & Neighbourhood Energy) Solid Waste Capital Reserve

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Capital Budget Adjustment Requests									
			BUDGET IMPACT						
			Multi-Year Project Budget			Annual Capital Expenditure Budget			
D. Budget increases/decreases to existing projects/programs: Programs/projects where costs or expenditure timing has increased/decreased due to unforeseen changes in market economic conditions or unavoidable changes in project scope; increases in scope afforded by external funding contribution opportunities.									
Department	Project Name	Reason for Adjustment	Current	Change	Proposed	Current	Change	Proposed	Funding Source(s)
Parks & Recreation	Park Renewal - Riley Park and Hillcrest Park	Administrative consolidation: Consolidation of project budgets for Riley Park and Hillcrest Park.	0	2,155,000	2,155,000	0	2,155,000	2,155,000	Reallocation of existing Capital - Debenture/DCL
	12-14 Park Renewals Major		2,353,900	(1,520,000)	833,900	1,620,877	(1,520,000)	100,877	Reallocation of existing Capital - Debenture/DCL
	Hillcrest and Riley Park	Hillcrest Park is a multi-year project which was initiated by deconstructing the old Riley Hillcrest community centre, pool and curling centre.	1,563,810	(135,000)	1,428,810	147,794	(135,000)	12,794	Reallocation of existing Capital - Debenture/DCL
	Neighbourhood Park Renewal		760,000	(500,000)	260,000	760,000	(500,000)	260,000	Reallocation of existing Capital - Debenture/DCL
Parks & Recreation	Park Renewal - Riley Park and Hillcrest Park	Increase to existing project budget with funding to be provided from the 2015-2018 Capital Plan: The project scope for the renewal of Riley Park/Hillcrest Park has been expanded to include public-requested new items, including as traffic management, utilities, drainage, a children's play area, and pathways. Additional funding of \$600,000 is being requested to accommodate this increase in the project scope of work. The park is planned to be open in 2016. With the funding increase, the total multi-year capital project budget will be \$2,755,000.	2,155,000	600,000	2,755,000	2,155,000	0	2,155,000	2015-2018 Capital Plan (Parks & Recreation) City-Wide DCL
Total - Budget Increases/Decreases to Existing Projects/Programs			\$ 81,801,710	\$ 2,338,480	\$ 84,140,190	\$ 62,157,649	\$ 559,564	\$ 62,717,213	
E. Reallocations: Reallocation of funding between existing projects reflecting revised priorities and/or cost estimates, and or reallocations of funding sources.									
Department	Project Name (To / From)	Reason for Adjustment	Current	Change	Proposed	Current	Change	Proposed	Funding Source(s)
Engineering Services	2015-18 Ferry Dock Replacement	Increase to the Multi-Year Capital Project Budget and Annual Expenditure Budget (Reallocation): Based on final design and costing, the estimated cost to replace the Aquatic Centre Ferry dock is higher than originally anticipated.	700,000	220,000	920,000	700,000	200,000	900,000	Reallocation of existing Capital - Debenture
	2012-14 Blueways	Decrease to the Multi-Year Capital Project Budget and Annual Capital Expenditure Budget (Reallocation): The 2012-14 Blueways program included funding preliminarily earmarked for the replacement of the Aquatic Centre Ferry Dock. The project is now proposed to be done in 2015 through a separate 2015-18 capital project. This adjustment request is to transfer the earmarked dock replacement funding from the 2012-14 Blueways program to the 2015-18 Ferry Dock Replacement project. With this funding reallocation, the 2012-14 Blueways program is deemed to be closed.	272,000	(220,000)	52,000	200,000	(200,000)	0	Reallocation of existing Capital - Debenture

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Capital Budget Adjustment Requests									
			BUDGET IMPACT						
			Multi-Year Project Budget			Annual Capital Expenditure Budget			
E. Reallocations: Reallocation of funding between existing projects reflecting revised priorities and/or cost estimates, and or reallocations of funding sources.									
Department	Project Name (To / From)	Reason for Adjustment	Current	Change	Proposed	Current	Change	Proposed	Funding Source(s)
Engineering Services	2013-14 Vehicles & Equipment Replacement/Additions	Increase to the Annual Capital Expenditure Budget (Reallocation): Some vehicle deliveries that were originally planned for Q4 2014 are now anticipated to be received in Q2 2015.	35,888,000	0	35,888,000	14,947,922	97,650	15,045,572	N/A
	Equipment Services Fuel Information System	Increase to the Annual Capital Expenditure Budget (Reallocation): Project was anticipated to be completed in Q4 2014 but is now forecast to be completed in Q2 2015.	180,000	0	180,000	0	68,751	68,751	N/A
	2015-18 Vehicles & Equipment Replacement/Additions	Decrease in the Annual Capital Expenditure Budget (Reallocation): 2015 expenditures in this program will be managed within this reduced expenditure budget to accommodate the reallocation of expenditure budget to the 2013-14 Vehicles & Equipment Replacement/Additions program and the Equipment Services Fuel Information System project as noted above.	22,000,000	0	22,000,000	11,000,000	(166,401)	10,833,599	N/A
Engineering Services	Fireboat Replacement 2014	Increase to the Annual Capital Expenditure Budget (Reallocation): Final invoicing and payment was anticipated to be complete in Q4 2014, but unforeseen manufacturer delays have shifted the final payments to 2015.	3,412,000	0	3,412,000	1,741,849	930,024	2,671,873	N/A
	2014 Fire Truck Replacement	Decrease in the Annual Capital Expenditure Budget (Reallocation): Expenditures planned for 2015 are now anticipated to occur in 2016 due to revised delivery schedules from the manufacturer for the fire trucks.	35,235,238	0	35,235,238	4,805,000	(930,024)	3,874,976	N/A
Real Estate & Facilities Mgmt	Kerrisdale Rink Ammonia Detection System Upgrades	Increase to Multi-Year Capital Project Budget and Annual Capital Expenditure Budget (Reallocation): Initial project cost estimate was based on historical data. Current consultant report now indicates a higher project cost due to additional requirements from Safety Authority and Worksafe BC.	100,000	140,000	240,000	100,000	140,000	240,000	Reallocation of existing Capital - Debenture
	2012-14 Capital Maintenance Program for Recreation Facilities	Decrease in Multi-Year Capital Project Budget and Annual Capital Expenditure Budget (Reallocation): Projects in this program are nearing completion and are anticipated to require less funding than originally budgeted.	2,506,165	(140,000)	2,366,165	200,000	(140,000)	60,000	Reallocation of existing Capital - Debenture

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Capital Budget Adjustment Requests									
			BUDGET IMPACT						
			Multi-Year Project Budget			Annual Capital Expenditure Budget			
E. Reallocations: Reallocation of funding between existing projects reflecting revised priorities and/or cost estimates, and or reallocations of funding sources.									
Department	Project Name (To / From)	Reason for Adjustment	Current	Change	Proposed	Current	Change	Proposed	Funding Source(s)
Real Estate & Facilities Mgmt	First Aid Rooms in Park Service Yards	Increase to the Annual Capital Expenditure Budget (Reallocation): This project was originally planned for 2014 completion. Project planning required more time than anticipated, however, and completion is now planned for 2015.	100,000	0	100,000	0	100,000	100,000	N/A
	Manitoba Yard Fuel Tank Replacement	Decrease in the Annual Capital Expenditure Budget (Reallocation): Anticipate lower spending in 2015 as more time is required for planning and defining the scope of work. It is now anticipated that this project will complete in 2016.	800,000	0	800,000	800,000	(100,000)	700,000	N/A
Real Estate & Facilities Mgmt	Evans Yard HVAC Shop	Increase to the Annual Capital Expenditure Budget (Reallocation): This project was originally planned to start and complete in 2014. Due to a longer than anticipated time for project planning and scoping (working with the service groups), however, the project started later than anticipated and therefore was not completed in 2014 as originally planned. The work planned for 2014 is now planned for 2015.	200,000	0	200,000	0	200,000	200,000	N/A
	Manitoba Yard Fuel Tank Replacement	Decrease in the Annual Capital Expenditure Budget (Reallocation): Anticipate lower spending in 2015 as more time is required for planning and defining the scope of work. It is now anticipated that this project will complete in 2016.	800,000	0	800,000	700,000	(200,000)	500,000	N/A
Real Estate & Facilities Mgmt	Fire Hall No. 15 Mechanical Upgrades	Increase to the Annual Capital Expenditure Budget (Reallocation): This project was approved in Q4 2014, and given the timing, was not included in the 2015 annual capital expenditure budget. This budget adjustment is to add the 2015 annual capital expenditure budget to reflect the planned expenditures for 2015.	100,000	0	100,000	0	100,000	100,000	N/A
	Replacement of Fire Hall No.5	Decrease in Annual Capital Expenditure Budget (Reallocation): Capital expenditures for 2015 will be less than originally planned. More time than originally anticipated is required for planning with stakeholders, due to the complexity of combining the fire hall with a housing component. The rezoning application is in process, with the application submitted.	18,500,000	0	18,500,000	1,200,000	(100,000)	1,100,000	N/A

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Capital Budget Adjustment Requests									
			BUDGET IMPACT						
			Multi-Year Project Budget			Annual Capital Expenditure Budget			
E. Reallocations: Reallocation of funding between existing projects reflecting revised priorities and/or cost estimates, and or reallocations of funding sources.									
Department	Project Name (To / From)	Reason for Adjustment	Current	Change	Proposed	Current	Change	Proposed	Funding Source(s)
Real Estate & Facilities Mgmt	Environmental Site Assessment - City Sites	Increase to the Annual Capital Expenditure Budget (Reallocation): Funding for this project was approved in Q4 2014 with the expectation that the related 2015 annual capital expenditure budget would be requested once the scope and timing of work had been further defined. This request is to add a 2015 annual capital expenditure budget to hire a consultant for environmental site assessments of City-owned properties.	325,000	0	325,000	0	200,000	200,000	N/A
	2014 Hazardous Materials Abatement Program	Decrease in the Annual Capital Expenditure Budget (Reallocation): Capital expenditures in 2015 be less than originally planned. The timing of project is unpredictable due to the unforeseeable nature of the program.	1,625,000	0	1,625,000	400,000	(100,000)	300,000	N/A
	Replacement of Fire Hall No. 5	Decrease in the Annual Capital Expenditure Budget (Reallocation): Capital expenditures for 2015 will be less than originally planned. More time than originally anticipated is required for planning with stakeholders, due to the complexity of combining the fire hall with a housing component. The rezoning application is in process, with the application submitted.	18,500,000	0	18,500,000	1,100,000	(100,000)	1,000,000	N/A
Real Estate & Facilities Mgmt	Deconstruction of Structure on Acquired City Site	Increase to the Annual Capital Expenditure Budget (Reallocation): Deconstruction of this property was approved by Council in March, with funding from the Land Purchase Reserve. This deconstruction was not anticipated for 2015, and therefore was not included in the 2015 expenditure budget.	100,000	0	100,000	0	100,000	100,000	N/A
	2015-18 Capital Maintenance Program for Social Facilities	Decrease in the Annual Capital Expenditure Budget (Reallocation): Expenditures in 2015 are now anticipated to be less than originally planned as some social facility buildings are currently under review and anticipated to start later in the year.	700,000	0	700,000	400,000	(100,000)	300,000	N/A
Real Estate & Facilities Mgmt	2015 Administrative Facilities Renovations/Upgrades	Increase to the Annual Capital Expenditure Budget (Reallocation): More projects are anticipated for completion in 2015 than originally planned, due to the acceleration of planned renovations to other City administration facilities to accommodate staff relocations from the City Hall East Annex in order to allow for the start of deconstruction of the East Annex building.	440,000	0	440,000	240,000	100,000	340,000	N/A
	2015 Capital Maintenance for Libraries/Archives	Decrease in the Annual Capital Expenditure Budget (Reallocation): Expenditures for 2015 will be less than originally planned as tenders (and therefore expenditures) for some of the planned work have come in lower than budgeted.	800,000	0	800,000	500,000	(100,000)	400,000	N/A

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Capital Budget Adjustment Requests									
			BUDGET IMPACT						
			Multi-Year Project Budget			Annual Capital Expenditure Budget			
E. Reallocations: Reallocation of funding between existing projects reflecting revised priorities and/or cost estimates, and or reallocations of funding sources.									
Department	Project Name (To / From)	Reason for Adjustment	Current	Change	Proposed	Current	Change	Proposed	Funding Source(s)
Community Services	Capital Maintenance Non-Market Housing	Increase to Multi-Year Capital Project Budget and Annual Capital Expenditure Budget (Reallocation): Request to reallocate funding from the Tenant Relocation - Kingsway Continental project to this non-market housing capital maintenance program to cover minor wear-and-tear costs associated with tenant moves at other non-market housing sites.	148,401	88,786	237,187	0	66,050	66,050	Reallocation of existing Capital - Debenture
	Tenant Relocation - Kingsway Continental	Decrease in Multi-Year Capital Project Budget and Annual Capital Expenditure Budget (Reallocation): Request to move funding from this project to general capital maintenance for non-market housing to cover minor wear-and-tear costs associated with tenant moves at other non-market housing sites. The relocation of tenants from the Old Continental facility to the Kingsway Continental site has been completed, and with this funding reallocation, the project is deemed to be closed.	170,000	(88,786)	81,214	68,428	(66,050)	2,378	Reallocation of existing Capital - Debenture
Community Services	Capital Improvements at Supportive Housing Site	Increase to the Annual Capital Expenditure Budget (Reallocation): Funding for this project was approved in 2014 as a reallocation from the Non-Market Housing Affordable Housing Opportunities budget. This request is to transfer \$200,000 from the 2015 expenditure budget for Non-Market Housing Affordable Housing Opportunities to this project to establish a 2015 capital expenditure budget.	200,000	0	200,000	0	200,000	200,000	N/A
	Non-Market Housing - Affordable Housing Opportunities	Decrease in the Annual Capital Expenditure Budget (Reallocation): Funding for the Capital Improvements Supportive Housing Site project was approved in 2014 as a reallocation from the Non-Market Housing Affordable Housing Opportunities budget. This request is to transfer \$200,000 from the 2015 expenditure budget for Non-Market Housing Affordable Housing Opportunities to the Capital Improvements Supportive Housing Site project to establish a 2015 capital expenditure budget.	140,000	0	140,000	340,000	(200,000)	140,000	N/A
Total - Reallocations			\$ 143,941,804	\$ -	\$ 143,941,804	\$ 39,443,199	\$ -	\$ 39,443,199	
Total Capital Budget Adjustment Requests			\$ 270,520,959	\$ 11,626,480	\$ 282,147,439	\$ 136,605,876	\$ 1,688,564	\$ 138,294,440	

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Capital Budget Adjustment Requests									
			BUDGET IMPACT						
			Multi-Year Project Budget			Annual Capital Expenditure Budget			
Proposed Annual Capital Budget Reductions									
Department	Project Name	Reason for Adjustment	Current	Change	Proposed	Current	Change	Proposed	Funding Source(s)
Vancouver Public Library	11600th Street Strathcona Branch Library	Decrease in the Annual Capital Expenditure Budget: Construction delayed at least 9 weeks due to soil and encroachment issues. Now likely to achieve 60%-70% completion in 2015 instead of the 75%-80% originally planned.	18,397,131	0	18,397,131	7,068,700	(500,000)	6,568,700	N/A
Engineering Services	2015-18 Sewer Main Reconstruction	Decrease in the Annual Capital Expenditure Budget: Projections indicate that benchmarking contracts will not be occurring until Q4. Contracted design/construction portion of the sewers separation program will be implemented in late 2015/2016.	24,345,055	0	24,345,055	24,345,055	(519,564)	23,825,491	N/A
Parks & Recreation	Park Renewal - Riley Park and Hillcrest Park	Decrease in the Annual Capital Expenditure Budget: The park renewal construction schedule has been delayed. The Hillcrest Park/Riley Park Master Plan was approved in 2014 but the park renewal project will now being tendered in June 2015 instead of January 2015.	2,755,000	0	2,755,000	2,175,000	(259,000)	1,916,000	N/A
Parks & Recreation	Hastings Park Greening	Decrease in the Annual Capital Expenditure Budget: Contractor completed components of project work earlier than expected, in Q4 2014 instead of Q1 2015, therefore reducing anticipated expenditures in 2015.	10,523,000	0	10,523,000	1,366,922	(410,000)	956,922	N/A
Total - Proposed Annual Capital Budget Adjustment Requests			\$ 56,020,186	\$ -	\$ 56,020,186	\$ 34,955,677	\$ (1,688,564)	\$ 33,267,113	
Total Adjustment to Total Multi-Year Project Budget and Annual Expenditure Budget			\$ 326,541,145	\$ 11,626,480	\$ 338,167,625	\$ 171,561,553	\$ -	\$ 171,561,553	

Appendix 2 - Q1 2015 Capital Closeouts					
Project/Program Name	Budget	Actuals	Surplus (Deficit)	%	Closeout Variance Explanation (Required for variances > \$50,000 and 15% of budget)
Community Services					
Non-Market Housing Land Acquisition - December 2014	11,491,000	11,491,000	-	0%	
Grant - The Bloom Group (formerly St. James Community Services Society) - Powell Place Shelter	500,000	500,000	-	0%	
Signage to Vanier Park	50,000	-	50,000	100%	Project cancelled.
Vancouver Art Gallery Relocation - Planning	200,000	130,122	69,878	35%	The planning process for the relocation of the Vancouver Art Gallery is requiring significantly more analysis and coordination than originally anticipated, extending the timeline indefinitely. As a result of the uncertainties around final relocation options, timelines, and related funding requirements, staff recommend closing this budget at this time and reporting back to Council when options have been determined.
Cultural Spaces Incubator Development	35,000	22,474	12,526	36%	
Community Services Total	12,276,000	12,143,596	132,404	1%	
Engineering Services					
2012-14 Active Transportation Corridors & Spot Improvements	10,034,486	10,024,016	10,470	0%	
2012-14 Transit Related Improvements	1,286,616	1,286,112	504	0%	
2012-14 Capital Maintenance of Vehicle Bridges	695,000	579,864	115,136	17%	All planned projects are complete. The Granville Bridge Gantry project was postponed to 2015 in order to tender out a more complete rehabilitation package, and will be funded from the 2015 program budget.
False Creek Geotechnical Investigation	200,000	203,445	(3,445)	-2%	
2012-14 H Frame Replacement	2,280,000	2,304,524	(24,524)	-1%	
2012-14 Traffic Calming	500,000	469,346	30,654	6%	
2012-14 Climate Change Adaptation Strategy	590,000	584,993	5,007	1%	
User-fee Funded Utilities Programs:					
2012-13 Sewer & Water Commercial Connections	28,429,077	29,583,893	(1,154,816)	-4%	For user-fee funded utilities work, the actual cost for individual projects may be higher or lower than the corresponding revenues charged for the work based on the rates as provided for in the rate by-law. For the programs being closed out this quarter, the net deficit is proposed to be funded through reallocations from other ongoing Utilities program budgets. NOTE: Budget amounts for these user demand driven programs have been adjusted to reflect actual revenues received for the work performed.
2012-13 New Water Meter Installations	556,441	535,352	21,089	4%	
2012 New Water Service Installations	2,383,007	2,331,050	51,957	2%	
Net total for User-fee funded Utilities programs	31,368,525	32,450,295	(1,081,770)	-3%	
Engineering Services Total	46,954,627	47,902,594	(947,967)	-2%	

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Appendix 2 - Q1 2015 Capital Closeouts					
Project/Program Name	Budget	Actuals	Surplus (Deficit)	%	Closeout Variance Explanation (Required for variances > \$50,000 and 15% of budget)
Financial Services / Information Technology					
Voting System 2013	2,000,000	609,564	1,390,436	70%	Actual costs were lower than anticipated as the decision was made to lease rather than purchase some components given the significant election-related legislation changes expected for 2018.
Financial Services / IT Total	2,000,000	609,564	1,390,436	70%	
Parks & Recreation					
Park Land Acquisition - May 2014	3,685,000	3,675,000	10,000	0%	
Parks & Recreation Total	3,685,000	3,675,000	10,000	0%	
Planning & Development Services					
Pantages Theatre Pre- & Post-Demolition	50,000	40,954	9,046	18%	
Planning & Development Services Total	50,000	40,954	9,046	18%	
Real Estate & Facilities Management					
Permanent Paddling Facility - Project Definition	125,000	131,924	(6,924)	-6%	
PNE Coliseum Ice Plant Compressor	60,000	56,260	3,740	6%	
2012-14 Capital Maintenance - Administration Facilities	1,010,000	1,002,314	7,686	1%	
Real Estate & Facilities Management Total	1,195,000	1,190,498	4,502	0%	
Vancouver Public Library					
2013 Branch Refurbishment and Minor Renovations	200,000	200,000	-	0%	
Vancouver Public Library Total	200,000	200,000	-	0%	
Vancouver Police Department					
VPD Capital Facilities Transition Fund	1,731	1,716	15	1%	
Vancouver Police Department Total	1,731	1,716	15	1%	
Total Q1 2015 Capital Closeouts	66,362,358	65,763,922	598,436	1%	

Budget Status at Completion (# of projects/programs)	Budget	Actual	Surplus (Deficit)	%
Surplus greater than \$50K & 15% (4)	2,945,000	1,319,550	1,625,450	55%
Deficit greater than \$50K & 15% (0)	0	0	0	0%
Surplus/deficit less than \$50K & 15% (19)	63,417,358	64,444,372	(1,027,014)	-2%
TOTAL (23 projects/programs)	66,362,358	65,763,922	598,436	1%

Addendum to Q4 2014 Capital Closeout					
Cultural Precinct Redevelopment Phase 1 Funding Shortfall (NOTE: Funding only)	(3,793,287)	-	(3,793,287)	N/A	Project funding for the Cultural Precinct Redevelopment project (closed out in Q4 2014) included \$5 million in private capital contributions anticipated at the time the project was approved in October 2006, but which were never realized. The net shortfall, taking into account the project expenditure surplus of \$1,155,713 as reported in the Q4 2014 closeout, is \$3,793,287. Staff recommend that this shortfall be funded from currently unallocated Capital from Revenue funding in the Capital Fund.
Addendum to Q4 2014 Closeout	(3,793,287)	-	(3,793,287)		

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Proposed Allocation of Closeout Surpluses/Deficits:		
From	To	Amount
Community Services		
Vancouver Art Gallery Relocation - Planning closeout surplus	Cultural Precinct Reserve (remove commitment from reserve)	\$ 69,878
Remaining Community Services net closeout surplus	City-Wide Unallocated from Closeouts	62,526
Community Services net closeout surplus		\$ 132,404
Engineering Services		
2009-11 Sewer Separation on Private Property (ongoing)		\$ (92,500)
Sanitary Sewer Upgrades (ongoing)		(100,000)
Pump Station Upgrades & Replacements (ongoing)		(154,000)
Replacement of Aging Connections & Manholes (ongoing)		(150,000)
2015-18 Transmission Replacement (ongoing)		(317,152)
2015-18 Investigation for Design (ongoing)		(103,118)
City-Wide Unallocated from Prior Closeouts (Utilities)		(165,000)
	Net User-fee Funded Utilities Program closeout deficit	\$ (1,081,770)
2012-14 Active Transportation Corridors & Spot Improvements closeout surplus	DCL (remove commitment from reserve)	\$ 10,470
Remaining Engineering Services net closeout surplus	City-Wide Unallocated from Closeouts	123,333
Engineering Services net closeout surplus		\$ (947,967)
Financial Services (IT)		
Voting System 2013 closeout surplus	Future Revenue Fund Budgets Reserve (remove commitment from reserve)	\$ 1,390,436
Financial Services (IT) net closeout surplus		\$ 1,390,436
Planning & Development Services		
Pantages Theatre Pre- & Post-Demolition closeout surplus	City-Wide Unallocated from Closeouts	\$ 9,046
Planning & Development Services net closeout surplus		\$ 9,046
Parks & Recreation		
Park Land Acquisition (May 2014) closeout surplus	DCL (remove commitment from reserve)	\$ 10,000
Parks & Recreation net closeout surplus		\$ 10,000
Vancouver Police Department		
VPD Capital Facilities Transition Fund closeout surplus	City-Wide Unallocated from Closeouts	\$ 15
Vancouver Police Department net closeout surplus		\$ 15
Real Estate & Facilities Management		
Real Estate & Facilities Management net closeout surplus	City-Wide Unallocated from Closeouts	\$ 4,502
Real Estate & Facilities Management net closeout surplus		\$ 4,502
Net closeout surplus for Q1 2015 Capital Closeouts		\$ 598,436