

Date: March 14, 2000

Subject: Capital Budget 2000

RECOMMENDATION

(A) THAT the Board approve the net Capital budget of \$10,930,666 for the year 2000 as described in Appendix A to this Report;

(B) THAT the Board approve up to \$2,795,000 of additional Capital expenditure, funded by contributions from senior levels of government and community organizations, as outlined in this report.

POLICY

The Board has final approval with respect to budget priorities, consistent with program objectives outlined in the Capital Plan plebiscite question and agreements with external agencies. The Board also approves how funding is allocated over the three year Capital Plan cycle.

City Council's endorsement of the Board's Capital Budget is also required.

BACKGROUND

The 2000 - 2002 Capital Plan of \$31,500,000 for 'Parks' and 'Recreation Facilities' was submitted to the voters in the November 1999 Civic Election. The electorate approved borrowing of \$26.46 million, with the balance to be derived from operating revenue.

Additional Capital funding for the year 2000 has been secured from senior levels of government and community organizations, as itemized below.

This report outlines a proposed strategy for Capital Plan implementation over the three year cycle, and seeks approval for the 2000 capital budget.

DISCUSSION

Appendix 'A' outlines the net funding assigned to each Capital Plan Program area (after deductions for debenture and overhead costs) and, within each Program area, (1) the capital development and major maintenance projects proposed for 2000 and (2) tentative allocations for 2001 and 2002. The Appendix does *not* reference projects approved for the 1997 - 1999 Capital Plan cycle, some of which are still outstanding. Projects undertaken in the current year will, therefore, address a mix of previous and current Capital Plan objectives.

Also identified in Appendix A are the debenture and overhead costs charged to the Capital Plan. Debenture costs represent the brokerage fees and related charges that the City incurs in the process of borrowing Capital funds, which are passed on to Departments and Boards in proportion to their Capital Plan share. The overhead cost deduction is to cover costs to the Park Board associated with Capital Plan administration, including purchasing, accounting, budgeting and clerical support functions. The deducted amount is calculated based on expenses incurred in previous Capital Plan cycles.

Debenture costs are \$425,000 and Overhead costs will be \$1,200,000 over the three year period. The combined costs amount to a 5.2% charge against the total \$31.5 million of the Plan. The project allocations have accordingly been adjusted downwards to balance off this deduction. Not included in the charge is the work performed by Parks and Facilities Development staff assigned to manage individual projects. This work typically requires an additional 6-12% from each line item, depending on the complexity and scale of the project.

The proposed distribution of funds over the three year cycle has been guided by the following considerations:

The urgency to complete the project, in terms of cost containment or service demand;

The time required to secure matching funds;

The need to balance project demands against staff availability; and

The need to distribute funds more or less evenly over the three year period.

A draft version of this Capital Budget report was circulated to partner organizations and stakeholder groups, and a public information session on the capital budget was held on Monday, March 23. Feedback received via this meeting and by telephone was recorded, and is summarized on the table in [Appendix B](#).

Four minor changes have been made to the draft version of the capital budget as previously circulated, in light of new information:

(a) Rink major maintenance (line item 9) was increased by \$90,000 for the current year, and reduced by an equivalent total for the years 2002 - 2002, in order to cover additional urgent work at Trout Lake and Killarney Rinks,

(b) A \$95,000 commitment was assigned against the 2000 General Facility Improvements budget (line item 18) to supplement funding in place for the Thunderbird Neighbourhood Centre 2nd Floor Expansion.

(c) The allocation in the current year under Sport Courts (line item 30) for sand volleyball court construction was increased by \$25,000 as per the estimate for a 16 court 'sandpit.'

(d) The work program for 2000 includes a commitment to complete improvements to Heather Park, so funding of \$80,000 has been advanced from 2001 for this purpose.

The Capital Budget for 2000 has also been enhanced by contributions and commitments totaling \$2,795,000 from external sources, allocated towards the following projects:

	Project	Contributor	Amount
1.	Stanley Park Salmon Stream	Vancouver Aquarium Association	\$1,500,000
2.	Hastings Park Restoration: Phase 3A	Community donations	\$500,000
3.	Thunderbird Community Centre 2 nd Floor Expansion	Thunderbird Neighbourhood Association	\$537,000
4.	False Creek Community Centre renovations	False Creek Community Association and Canada Mortgage and Housing Corporation (Granville Island Trust)	\$258,000
Total:			\$2,795,000

SUMMARY

The Board is asked to approve the Capital budget for 2000 as outlined in this Report and its Appendix.

Prepared by:

Planning and Operations

Board of Parks & Recreation

Vancouver, B.C.

MV:mv