

ADMINISTRATIVE REPORT

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TO: Vancouver City Council
FROM: General Manager, Board of Parks and Recreation
SUBJECT: Park Board Pre 2000 and 2000-2002 Capital Plan Close Outs

RECOMMENDATION

THAT the transfer of Capital Funds between Park Board capital accounts as detailed in this report be approved in order to close out the completed Capital projects.

POLICY

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

Close outs of completed Capital Projects where expenditures exceed \$50,000 and 15% of the approved budgets require Council approval.

DISCUSSION

Periodically Park Board staff review capital projects to determine accounts that can be closed out and to identify sources of funds that can be transferred to other projects to balance any deficits or surpluses. The periodic review improves monitoring of project costs and ensures funds are available for all capital projects. This report closes out 124 projects worth almost \$29 million in the Pre 2000 and 2000 - 2002 Capital Plans.

Park Board capital accounts are divided into four areas: Facility Development, Park Development, Land Acquisition and Overhead/Debentures. Within each account, staff establish budget for each project as per the approved Capital Plans. At present there are three Capital Plans being monitored: Pre 2000, 2000 - 2002 and 2003 - 2005.

Council approval is required for projects involving transfers between Capital accounts of over \$50,000 and 15% of the budget. Staff have reviewed accounts in the Pre 2000 and 2000-2002 Capital Plans and have completed the task of closing out accounts as appropriate. The following table outlines the projects that are being closed out by major categories in the 2000 to 2002 and pre-2000 capital plan.

Description	Budget	Surplus/ (Deficit)
<i>2000 to 2002 Capital Plan</i>		
Debentures and Overhead	1,625,000	99,727
Facilities Development	5,864,583	(110,579)
Park Development	2,445,500	(86,010)
Land Acquisition	4,569,908	1,099,087
Total 2000 to 2002 Capital Plan Closed Projects	14,504,991	1,002,225
<i>Pre 2000 Capital Plan</i>		
Facilities Development	10,790,338	73,183
Park Development	36,969	16,090
Land Acquisition	3,484,608	194,934
Total Pre 2000 Capital Plan Closed Projects	14,311,915	284,207
Grand Total of Capital Plan Closed Projects	28,816,906	1,286,432

In addition to the close outs and transfers listed in detail within this report, a number of budget transfers were done for amounts less than \$50,000 and 15% of the approved budget, consistent with existing policies. Recommended transfers and close outs are detailed below, and projects where Council approval is required (expenditures vary by more than \$50,000 and 15% from budget) are noted.

Pre 2000 Capital Plan

Facility Development

As illustrated in the Table below, a total of \$10,790,338 in Pre 2000 Facility Development projects are being closed out, for a net surplus of \$73,183. This \$73,183 surplus is comprised of:

- a \$28,406 deficit in the 1998 False Creek Community Centre Renovation Project, which will be transferred to the 2003-2005 False Creek Community Centre Project, which is ongoing and in a surplus position;
- a \$14,240 surplus in the 1998 Kerrisdale Community Centre project, which will be transferred to the 2003-05 Kerrisdale Community Centre capital project;
- a \$72,896 deficit (comprised of a number of small Facility Development area deficits) which will be offset within the Pre 2000 Park Development (\$16,090) and Land Acquisition (\$56,806); and
- a \$160,245 surplus in Concessions Upgrades due to delays in renovations since the Board was exploring other alternatives to operate concessions such as private public partnerships will be transferred to the 2000-2002 Plan to cover ongoing work. This project closeout and transfer requires Council approval, as it's surplus is greater than \$50,000 and 15% of the budget.

	Original Budget	Surplus/ (Deficit)	Offset (Deficit)	Transfer Surplus/ (Deficit)
Pre 2000 Facility Development	10,407,231	(87,062)		
Adjustments:				
• transfer 30000975 - 1998 False Creek Community Centre Project deficit to 2003-05				(28,406)
• transfer 30000977 - 1998 Kerrisdale Community Centre Project surplus to 2003-05				14,240
• Balance of deficit mainly caused by Kitsilano Community Centre 1997-1998: 30000966 deficit of \$97,843 caused by over expenditure in asbestos removal costs and locker purchases. Exceeds 15% and \$50,000.				
• The deficit will be offset by surpluses in:				
Pre 2000 Land Acquisition			(56,806)	
Park Development as detailed below			(16,090)	
Concession Upgrades: 30001574/2683. Surplus in Concessions due to delays in renovations as the Board was exploring other alternatives will be transferred to the 2000-02 Plan to cover ongoing work. Exceeds 15% and \$50,000.	383,107	160,245		160,245
Total Pre 2000 Facility Development	10,790,338	73,183	(72,896)	146,079

Park Development

A total of \$36,969 in projects are being closed out, with a net surplus of \$16,090. None of the projects had a discrepancy greater than \$50,000 and 15% of the project budget and have therefore been dealt with administratively. This surplus is being used to partially offset the Facility Development deficit as noted above.

	Original Budget	Surplus	Offset Surplus	Transfer Surplus
Pre 2000 Park Development Adjustment: To offset deficit of Pre 2000 Facility Development	36,969	16,090	16,090	
Total Pre 2000 Park Development	36,969	16,090	16,090	

Land Acquisition

Seven projects with budgets of \$3,484,608 are being closed out. These projects have a net surplus of \$194,934, of which \$56,806 is being used to offset over-expenditures in Facility Development as detailed above. None of the projects had a discrepancy greater than \$50,000 and 15% of the project budget and have therefore been dealt with administratively. The remaining \$138,128 is to be transferred to 2003-2005 Land Acquisition.

	Original Budget	Surplus	Offset Surplus	Transfer Surplus
Land Acquisition: 30000828, 829, 831, 1679, 1680, 1899, 2474 After purchases, there remains a surplus of \$194,934 in this area. Adjustment: <ul style="list-style-type: none"> • \$56,806 to be utilized to offset deficits in Facility Development Pre 2000 • \$138,128 to be transferred to 2003-2005 Land Acquisition. 	3,484,608	194,934	56,806	138,128
Total Pre 2000 Land Acquisition	3,484,608	194,934	56,806	138,128

2000-2002 Capital Plan

Debenture and Overhead

Capital funding includes basic capital, development cost levies (“DCL”), community amenity contributions (“CAC”) and other funding. A total of \$1,625,000 allocated to fund debenture costs and overhead in the 2000-2002 capital plan is being closed out. The resulting surplus of \$99,727 is being used to offset a number of small over expenditures in 2000-2002 Facility Development. None of the closed projects had a discrepancy greater than \$50,000 and 15% of the project budget and have therefore been dealt with administratively.

	Original Budget	Surplus	Offset Surplus	Transfer Surplus
Debenture Discount 30003141, 30003307, 30005653 These projects were set up to charge cost of placing bonds, to borrow funds in connection with the Park Board Capital Plan. Fewer funds had to be borrowed than planned, thus creating a surplus of \$99,727. Adjustment: <ul style="list-style-type: none"> • Offset deficit of 2000-2002 Facility Development 	1,625,000	99,727	99,727	
Total Debenture and Overhead 2000-2002	1,625,000	99,727	99,727	

Facility Development

A total of \$5,864,583 in projects are being closed out, with a net deficit of \$110,579. None of the projects had a discrepancy greater than \$50,000 and 15% of the project budget and have therefore been dealt with administratively. As previously explained, this deficit will be offset by the \$99,727 surplus in the 2000-2002 Debenture and Overhead and \$10,852 from the surplus in 2000-2002 Land Acquisition.

	Original Budget	(Deficit)	Offset (Deficit)	Transfer (Deficit)
Facility Development 2000-2002 Adjustment: <ul style="list-style-type: none"> • offset by surplus of 2000-2002 Debentures and Overhead • offset by surplus of 2000-2002 Land Acquisition account 	5,864,583	(110,579)	(99,727) (10,852)	
Total 2000-2002 Facility Development	5,864,583	(110,579)	(110,579)	

Park Development

A total of \$2,445,500 in projects is being closed out. A number of projects had small overruns and under expenditures for a net deficit of \$86,010. This deficit is covered from surpluses in the 2000-2002 Land Acquisition, as noted below. Since these individual projects were in the 15% and \$50,000 policy limits the necessary transfers have been dealt with administratively.

	Original Budget	(Deficit)	Offset (Deficit)	Transfer (Deficit)
Park Development 2000 - 2002 Adjustment: <ul style="list-style-type: none"> • deficit of \$86,010 to be covered by Land Acquisition 2000-2002 (as detailed below) 	2,445,500	(86,010)	(86,010)	
Total 2000-2002 Park Development	2,445,500	(86,010)	(86,010)	

Land Acquisition

Ten Land Acquisition projects with a budget allocation of \$4,569,908 from basic capital and DCL funding are being closed out, with a net surplus of \$1,099,087. A surplus of \$1,002,225 is to be transferred to the 2003-2005 Land Acquisition budget, with the remainder balancing off over expenditures of \$10,852 in 2000-2002 Facility Development, and \$86,010 in 2000-2002 Park Development. This transfer, together with existing 2003-2005 funding, can be used to meet park acquisition objectives, which have remained consistent over the various plans. The surplus resulted

from no appropriate land purchase opportunities as well, staff had begun planning for funding needs for #1 Kingsway. Approximately \$1 million of these funds are reserved for #1 Kingsway. This closeout and transfer requires Council approval as it's variance is greater than 15% of the budget.

	Original Budget	Surplus	Offset Surplus	Transfer Surplus
Land Acquisition: 30002854, 30003376, 30003285, 30003958, 30005338, 30004258, 30004898, 30005851, 30006522, 30005633. These projects are being closed out as currently none are ongoing or likely to materialize. Adjustment: <ul style="list-style-type: none"> • \$10,852 of the surplus to offset 2000-2002 Facility Development • \$86,010 of surplus to offset 2000-2002 Park Development • The remaining balances are to be consolidated with existing 2003-2005 Land Acquisition funding where they can be used to meet future land acquisition objectives. Exceeds 15% and \$50,000	4,569,908	1,099,087	10,852 86,010	1,002,225
Total 2000-2002 Land Acquisition	4,569,908	1,099,087	96,862	1,002,225

Summary of Capital Budget Transfers

The following table illustrates the transfer of funds to the 2000 to 2002 and 2003 to 2005 Capital Plan.

Description	Transfer Surplus/(Deficit)
<i>Transfer to 2003 to 2005 Capital Plan</i>	
Facility Development	14,240
Pre-2000 Land Acquisition	138,128
2000 to 2002 Land Acquisition	1,002,225
Transfer to 2003 to 2005 Capital Plan	1,154,593
<i>Transfer to 2000 to 2002 Capital Plan</i>	
Facility Development	(28,406)
Concession Upgrades	160,245
Transfer to 2000 to 2002 Capital Plan	131,839
Grand Total of Transfer from Capital Plan Closed Projects	1,286,432

CONCLUSION

In total, \$28,816,906 in 124 projects are being closed out in this report, resulting in a net surplus of \$1,286,432 or 4.5% of the budget of the closed projects. Most of this is in the land account, where no appropriate opportunities for purchases materialized, but it is expected that the funds will be utilized in 2004. Of the total being transferred, \$131,839 is to the 2000-2002 Capital Plan and a further \$1,154,593 is to the 2003 to 2005 Capital Plan.

With this close out the pre-2000 capital plan will have closed 241 projects with a total budget of \$49,666,688, leaving 35 projects with a total budget of \$12,055,969 remaining open. Of these 35 projects 11 are active with a budget of \$2,900,380. The remainder is almost entirely Hasting Park projects which are in the process of being closed.

In the 2000-2002 capital plan, 88 projects with a total budget of \$14,504,991 are being closed. Seventy-four projects with a total budget of \$25,287,677 remain open, including Champlain Heights

Community Centre, Renfrew Community Centre and Pool, and Mount Pleasant Community Centre (#1 Kingsway), all of which are active projects.

In requesting these transfers, staff can ensure that capital projects are managed within the resources established. As well, transfers to more recent Capital Plans will provide consolidated up-to-date information, which will allow for easier monitoring of ongoing projects. Board and Council's approval is sought to comply with City policy.

Staff will continue to monitor the remaining projects to ensure that resources are utilized effectively and within the funds approved by the Board and Council. Regular reports will continue to be provided to the Board and Council for Capital project closeout and transfers as part of the monitoring of our Capital Plans.