



## CITY OF VANCOUVER

### ADMINISTRATIVE REPORT

Date: June 8, 2006  
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TO: City Services and Budgets Committee  
FROM: General Manager of Corporate Services/Director of Finance  
SUBJECT: Capital Program Status Review - December 2005

#### RECOMMENDATIONS

- A. THAT council receive the Capital Program Status Review report for information.
- B. THAT Council approve a policy that staff report annually on the status of all capital projects.
- C. THAT Council approve the creation of one new regular full-time Capital Budgets Manager position, subject to classification by the General Manager of Human Resources. Annual cost of the position, including benefits is \$91,200 (prorated 2006 costs of \$38,000) plus one time costs of \$8,000 for a computer and office related costs. Funding for 2006 (\$46,000) to be provided from within Corporate Services budget, and the balance for 2007 (\$45,200) to be added to the Operating Budget without offset.

#### COUNCIL POLICY

Council approves a Capital Plan every three years. There are currently two Capital Plans that have on going projects as at December 31, 2005; they are the 2000 - 2002 Capital Plan and 2003 - 2005 Capital Plan.

Council approves individual capital projects either through the annual Basic Capital Budget process or separate reports.

## PURPOSE

This report reviews the project status for all outstanding capital programs that are not yet completed or administratively closed as at December 31, 2005. The programs include projects funded from: debentures; capital from revenue; DCLs/CACs; outside sources; reserves; and internal financing. Departments were asked to identify any projects that are either delayed or anticipated to be over budget. Emphasis is given in this report for those projects or programs that have unspent capital greater than \$500,000 at December 31, 2005 or a negative variance greater than \$100,000.

Lastly, this report requests that Council approve a policy requiring staff to report on the status of all capital projects on an annual basis and to regularize a Capital Budget Manager position for Corporate Budget Services.

## BACKGROUND

The three year Capital Plan forms the framework within which annual capital budgets are prepared. Specific projects/programs to be carried out in each year and the funding allocation are approved either through the annual Basic Capital Budget process or by separate report to Council. Annual reviews are performed to identify completed projects/programs for administrative closeout. Completed projects with a variance over \$50,000 and 15% of the approved budget require Council approval for closeout (this is referred to in the report as "closeout process").

A formal and comprehensive reporting of outstanding capital budgets is a new process for the City. Generally, Council has received updates on an individual project basis or at the time when projects are closed out. This report lays out the foundation for future reporting requirements. To formalize this process, Recommendation B requests Council approve a policy to annually report to Council on the status of all capital projects.

The Capital Budget Status Review highlights that as at December 31, 2005, there was a balance of \$188.5 million of funding related to Capital work still outstanding from a total budget of \$468.5 million. Projects or programs are often delayed for the following reasons:

- Time required for consultation and review by the public and/or with city departments,
- Time required to obtain additional funding, and
- Awaiting recovery of costs from external agencies, etc.

Corporate Budget Services has coordinated this status review of all outstanding capital programs/projects. Appendix 1 shows the budget and unspent balance as of December 31, 2005, and projected variance for ongoing/outstanding capital programs at a summary level. Appendix 2 shows the same information at a more detailed level. These appendices show outstanding capital projects and programs with remaining spending of \$188.5 million and a projected positive variance of \$10.1 million.

Table 1 summarizes the results of the Capital Budget Status Review. Of the \$10.1 million projected positive variance, the larger variances are attributed to savings in the implementation of the automated garbage system within Solid Waste (\$3.3 million) and recoveries from outside agencies (\$2.5 million).

Positive variances, most notably within Engineering Public Works and the Sewer and Water Utilities, are generally reapplied during the close out process (with Council approval) within their respective programs to preserve the integrity of these Capital programs. Further, the projected Park Board shortfall has been addressed during the 2006 close out process. Therefore, the projection has been adjusted to a net position of \$3.3 million which relates to the implementation of the automated garbage system. This \$3.3 million positive position reduces the level of borrowing required from the Solid Waste Reserve as originally planned.

**Table 1**

City of Vancouver - Outstanding Capital at December 31, 2005 (in millions)

Program	Outstanding Capital Projects at Dec. 31/05			Projected Variance	Reallocation of Funds within Programs*	Adjusted Variance
	Budget	Actual	Balance			
Engineering - Public Works	114.7	70.3	44.4	5.5	5.5	0.0
Engineering - Utilities	135.7	124.1	11.5	4.8	1.5	3.3
Parks & Recreation	53.6	42.3	11.3	(0.3)	(0.3)	0.0
Public Safety	11.2	0.9	10.3	0.0	0.0	0.0
Community Services	18.3	2.4	15.9	0.0	0.0	0.0
Other	68.0	34.7	33.3	0.1	0.1	0.0
Special Projects	67.1	5.3	61.7	0.0	0.0	0.0
<b>Total</b>	<b>468.5</b>	<b>280.0</b>	<b>188.5</b>	<b>10.1</b>	<b>6.8</b>	<b>3.3</b>

\*Council approval sought through the close out process

***Cost Escalation and Funding Uncertainties***

The increasing labor and material costs currently being experienced in the construction industry has meant that cost escalation is becoming an issue to capital projects that require tendering. Where contracts have already been tendered, the risks have been addressed and cost escalation is not an issue. An example of the latter is the #1 Kingsway Civic Facility. However where a project has been delayed, the previously approved budget might become inadequate due to cost escalation of building materials (i.e. cost of steel or concrete) or cost of construction crews. Further funding will then have to be found, reallocated or projects delayed until adequate funding is available. Alternatively, the project scope will have to be redefined to fit within the previously approved budget.

Examples of projects that have recently been impacted by cost escalation include:

- the Sunset Community Centre, with additional funding of \$1.1 million recently added,
- the acoustic separation of the Vancouver Playhouse from the Queen Elizabeth Theatre, which required an additional \$2.4 million added to its budget; and
- the Little Mountain Neighborhood House Redevelopment requires additional funding of \$2.7 million due to escalating construction costs and the premiums associated with

having to build on a constrained site. Staff is to report back to Council on the funding arrangements and project alternatives once the Society has identified firm funding sources for their project or in 12 months, whichever comes first.

The Status Review also identified areas at risk for cost escalation. This risk has not been quantified given the need for further reporting back by Staff:

- Burrard Bridge - the Capital Program includes \$11.7 million for cycling improvements (as well as \$2.4 million for repair or replacement of the existing railings on the Bridge) which was based on 2002 cost estimates. Staff are to report back on design options and cost estimates to determine the overall funding requirements.
- Replacement of Firehall #15 - The 2003-2005 Capital Plan only included funding for the design of the replacement of Firehall #15 which is expected to be balanced. However, the total cost of the project (funded in the 2006-2008 Capital Plan) has increased from \$4.9 million to \$6.0 million. Staff will report back on options including final estimates in 2006.
- Vancouver Police Training Facility - The 2003-2005 Capital Plan included \$9.0 million for a joint VPD/RCMP Police Training Facility. With the RCMP no longer participating in this project, Staff are to report back on a design and costs of a sole VPD facility.
- Engineering Infrastructure Management System - In late 2004, Council approved the development of a system to improve the management of the City's network of assets. It is anticipated that the total funding requirements will exceed the \$5 million approved by Council. For the status review \$1.0 million of Information Technology savings has been identified as a potential offset. However, the total requirement is not yet known and will be reported to Council in the fall of 2006.

The following provides details on the Capital Status Review.

## CAPITAL PROGRAM STATUS

### 1. ENGINEERING CAPITAL

Most of the Engineering Capital Budget is made up of ongoing programs which provide the City with healthy renewal of aging infrastructure. Recurring sources of funding from TransLink and one time infrastructure awards from the Federal and Provincial governments have strengthened the reconstruction efforts. However, it is difficult to budget for these contributions as they are often confirmed after finalizing the City's portion of the budget, resulting in positive variances to some project budgets. Transportation and Streets type of Capital work is most often affected by this timing lag in external funding which, combined with a public consultation phase, can often extend the length of the project.

Table 2 summarizes of Public Works and Utilities Capital Budget Status as of December 31, 2005. The overall projected positive variance is \$10.3 million. Of this variance, \$7 million relates to unbudgeted contributions from outside agencies and program/project deferral. These variances are reported on during the annual close out process and reallocated within existing programs to preserve the long term integrity of these capital programs. The only projected positive variance not to be reapplied is \$3.3 million savings from the implementation of the automated garbage system. This savings results in a reduced loan requirement from the Solid Waste Reserve.

Table 2 - Engineering Summary

Program	Outstanding Capital at Dec. 31, 2005			Projected Variance
	Budget	Actual	Balance	
	\$'000	\$'000	\$'000	\$'000
<b>Engineering</b>				
Streets & Bridge Infrastructure	21,489	15,451	6,038	273
Pedestrian and Cycling Facilities	13,679	10,707	2,972	824
Traffic signals	8,636	6,619	2,017	1
Transit and Safety Improvement	11,235	9,917	1,318	1,144
Local Area Improvements	17,924	15,708	2,216	1,471
Major Projects	32,005	4,276	27,729	1,061
<b>Total for Streets</b>	<b>104,969</b>	<b>62,678</b>	<b>42,291</b>	<b>4,774</b>
Communications & Street Lighting	7,778	7,039	739	685
Sewers	70,576	71,203	(628)	1,110
Yards	1,935	597	1,338	0
Waterworks	48,222	43,694	4,528	383
Landfill/Refuse Disposal Projects	968	264	705	0
Automated Garbage Collection	15,900	8,964	6,936	3,300
<b>Total Engineering</b>	<b>250,348</b>	<b>194,438</b>	<b>55,910</b>	<b>10,252</b>

**STREETS**

		<b>December 2005</b>	
	<b>Budget</b>	<b>Unspent Balance</b>	<b>Projected Variance</b>
Street Infrastructure	\$ 21.5 million	\$ 6.0 million	\$0.3 million
Pedestrian & Bikeway	\$ 13.7 million	\$ 3.0 million	\$0.8 million
Traffic Signals	\$ 8.6 million	\$ 2.0 million	Balanced
Transit & Safety	\$ 11.2 million	\$ 1.3 million	\$1.1 million
Local Area Improvements	\$ 17.9 million	\$ 2.2 million	\$1.5 million
Other Projects	\$ 32.0 million	\$27.7 million	\$1.1 million
<b>Total</b>	<b>\$105.0 million</b>	<b>\$42.3 million</b>	<b>\$4.8 million</b>

**Streets Details**

Major outstanding programs are;

- |                                      |                       |                      |                      |
|--------------------------------------|-----------------------|----------------------|----------------------|
| <b><u>Street Infrastructure:</u></b> | <b>\$21.5 million</b> | <b>\$6.0 million</b> | <b>\$0.3 million</b> |
|--------------------------------------|-----------------------|----------------------|----------------------|
- **Arterial Reconstruction** \$17.7 million      \$3.2 million      \$0.2 million
    - The objective of the Arterial Reconstruction program is to maintain and improve the condition of the City funded arterial street network to an acceptable level. The major projects that have been completed as part of the \$17.7 million budget include the Burrard Street Rehabilitation Project, Victoria, 41<sup>st</sup> to SE Marine Drive and 4<sup>th</sup> Avenue Project.
    - Of the \$3.2 million remaining for Arterial Reconstruction, the Broadway Corridor Section makes up \$2.0 million (a further \$1.25 million will be added to the project in 2006 from the Major Road Network (MRN) Translink program). With design work completed, construction is to begin this spring with completion by the end of the year
    - An additional \$742,000 will be used to complete the Main Street Showcase by November 2006.
  
  - **Major Maintenance - Bridges** \$2.7 million      \$2.6 million      \$0.1 million
    - Major Maintenance - Bridges includes \$2.4 million budgeted for the replacement of the railings on the Burrard Street Bridge. This work is to be coordinated with the sidewalk improvements proposed for the Bridge. As noted in a following section on the Burrard Bridge improvements, a report back to Council will confirm if present funding is adequate for the improvement options proposed for the Burrard Bridge. Expected completion date is 2008. The remaining savings of \$0.1 million will remain unallocated until future requirements are assessed.

	<u>Budget</u>	<u>Unspent Balance</u>	<u>Projected Variance</u>
<b><u>Pedestrian &amp; Bikeways:</u></b>	\$13.7 million	\$3.0 million	\$0.8 million
<ul style="list-style-type: none"> <li>• <b>New Sidewalks</b> <span style="float: right;">\$2.6 million    \$0.2 million    (\$0.6) million</span> <ul style="list-style-type: none"> <li>○ Engineering was pursuing a Council initiative to construct sidewalks on all City streets with the immediate goals of having sidewalks near or adjacent to transit routes completed by 2007 and sidewalks near arterials completed by 2009. The negative variances came from projects in the June 2005 Court of Revision. The projects were estimated based on standard sidewalk installation costs which were increased due to the unexpected construction of retaining walls, bus shelters, and extra landscaping work. The individual sidewalk projects were committed by Council for construction. The extra costs for the sidewalks will be funded from the 2006 Basic Capital and will be reported to Council upon closeout.</li> </ul> </li> <li>• <b>Sidewalk Reconstruction - Local Improvements</b> <span style="float: right;">\$0.8 million    \$0.8 million    Balanced</span> <ul style="list-style-type: none"> <li>○ The Local Improvement Process is a mechanism that a property or business owner can use to petition and initiate as a project that has not been previously identified as a priority by the City. This program funds the City portion of the replacement and repair of existing sidewalks. Damage to sidewalks is caused mostly by the heaving of tree roots. The major outstanding project is for the completion of sidewalk reconstruction on Commercial Drive by July 2006 at a cost of \$700,000.</li> </ul> </li> <li>• <b>Sidewalk Reconstruction - Partial Block</b> <span style="float: right;">\$3.4 million    \$0.4 million    \$0.1 million</span> <ul style="list-style-type: none"> <li>○ On April 8<sup>th</sup>, 2004, Council approved a recommendation that existing sidewalks be reconstructed at Council's discretion outside the Local Improvement Process at City cost. This gave the City the ability to deal much more decisively with those areas that are in poor condition. The majority of the funding is used for City prioritized projects which are usually associated with larger street rehabilitation projects.</li> </ul> </li> <li>• <b>Curb Ramp Program</b> <span style="float: right;">\$1.0 million    \$0.5 million    Balanced</span> <ul style="list-style-type: none"> <li>○ With the City's goal of making the sidewalk network more accessible, this program funds the installation or "retrofitting" of curb ramps at street and lane corners to provide a level and uninterrupted access to the sidewalks. Engineering's goal is to have curb ramps in all intersections of the City by the year 2030. The balance of funding was from the 2005 Capital Budget approved in May 2005. Projects are expected to be complete by August 2006.</li> </ul> </li> <li>• <b>Bicycle Network</b> <span style="float: right;">\$3.1 million    \$0.3 million    \$1.2 million</span> <ul style="list-style-type: none"> <li>○ In 1997 Council approved the Vancouver Transportation Plan that recognized the need for the City to develop more bikeways and to rank cyclists in priority after pedestrians. In 1999 Council approved the 1999 Bicycle Plan that establishes a goal of developing in the City a bicycle network that ensures a grid of bicycle routes approximately 1 kilometer (km) apart. While the total distance of proposed</li> </ul> </li> </ul>			

routes per the original 1999 Bicycle Plan totaled 176 km, the current Plan now totals approximately 260 km. By the end of this summer, it is estimated that 186 km of the designated bikeways will have been built, or approximately 72% of the proposed total bicycle network. The anticipated positive variance of \$1.2 million is due to pending recoveries from Translink, the full extent of which was not known at the time that the original budget was set. This funding will be reported as part of the annual close out process and will be used to augment the bicycle network capital program outlined in the 2006-2008 Capital Plan based on Council priorities.

- **Beautification & Street Trees**                      \$0.6 million              \$0.6 million              Balanced
  - This program funds the construction of beautification and street tree projects in commercial and residential areas and aims to make traveling through the City a more pleasant and interesting experience. The funding is used for the development of various Neighborhood Centres in the City as well as to fund requests from property owners and business associations to improve and beautify their neighborhoods. If the proposal is perceived to be a benefit to the City at large, the City generally contributes 1/3 of the project's cost. Major outstanding projects include completion of Crown Street Phase 2 for \$240,000 and Gravelly Street for \$275,000. Both projects are to be completed by November 2006.
  
- **Greenways**    \$1.8 million              \$0.3 million              Balanced
  - In July 1995 Council approved the Greenways Plan which included the development of City-wide Greenways and Neighborhood Greenways. Greenways connected neighborhoods along routes with public art and community spaces while encouraging people to bike or to walk. The balance of the unspent capital will be used to complete the Tupper Neighborhood Greenway which was approved by Council in February 2006.

	<u>Budget</u>	<u>Unspent Balance</u>	<u>Projected Variance</u>
<b><u>Traffic Signals:</u></b>	<b>\$8.6 million</b>	<b>\$2.0 million</b>	<b>Balanced</b>
• <b>New Pedestrian and Vehicular Signals</b>	\$3.7 million	\$1.4 million	\$0.5 million
○ This is an on-going program to fund the installations of new pedestrian and traffic signals, where needed. Detailed studies are undertaken annually, in consultation with users of the transportation network, to determine the best locations that require pedestrian or traffic control signals. Projects have been delayed due to material shortages and longer lead time needed for equipment. In April 2006, Council approved the transfer of \$426,000 from the 2005 budget for Traffic Signals to the 2006 Signal Program, while the remaining balance will be to complete the 2005 program including adding three signals for the Main Street Showcase. The expected positive variance will be used to fund the over-expenditure in the Downtown Implementation Plan as noted below			



- **Modify Existing Signals** \$1.7 million \$0.6 million Balanced
  - This program provides funding to modify or retrofit existing pedestrian and traffic signals to meet the City's current standards for level of service. This includes left turn phasing signals at intersections, audible signals, pedestrian indicators, etc. Major outstanding work includes the program to modify signals on Main at Kingsway and Terminal, which will be completed by September 2006 at an estimated cost of \$210,000.
  
- **Replacing Aging Signal Plant** \$2.3 million \$0.3 million Balanced
  - This program is to fund the renovation and replacement of aging signal equipment at intersections whose equipment has reached the end of its useful service life. This funding is necessary for the reconstruction of intersections built in the 1940's and which are experiencing significantly higher maintenance costs than newer intersections, and to replace aging signal equipment. Engineering is looking at a replacement rate of one and a half percent in order to have a more sustainable infrastructure. Remaining projects to be completed in 2006.
  
- **Downtown Transportation Plan**  
Implementation Phase 1 & 2 \$0.6 million (\$0.4) million (\$0.5) million
  - In July 2002, Council approved the Downtown Transportation Plan (DTP), whose goal was to improve downtown accessibility and livability by creating a balanced transportation system. In June 2003, Council approved an implementation plan (DTP Implementation Plan) which translated the DTP recommendations into 83 initiatives that were to be implemented within a three year time period.

With Phase 1 and 2 completed, on May 30<sup>th</sup>, 2006, City Staff reported back to Council on the status of the rest of the Downtown Implementation Plan. It stated that 62% of the initiatives have been completed (Phase 1 and 2 of the DTP Implementation Plan objectives), 22% have been initiated and 16% were outstanding.

Future reporting on the status of the Downtown Transportation Plan recommendations will be done in conjunction with the Vancouver Transportation Plan monitoring program.

The negative variance in the Downtown Implementation Plan is due to scope changes at several intersections and competing priorities. Additional signal and trolley wire work had to be performed in the conversion of one way streets to two ways at the Homer, Cambie, Beatty and Georgia street locations. This over-expenditure will be offset with funding from the New Signal Program and reported on as part of the 2006 annual close out process.

	<u>Budget</u>	<u>Unspent Balance</u>	<u>Projected Variance</u>
<b><u>Transit &amp; Safety:</u></b>	\$11.2 million	\$1.3 million	\$1.1 million

- **Arterial Improvements** \$7.9 million    \$0.2 million    \$0.1 million
  - This program focuses on the network of arterial streets and on improvements as a result of safety concerns and to better accommodate transit. These improvements will be consistent with those of the Community Visions, CityPlan directions and the Vancouver Transportation Plan. Such improvements would include the installations of left turn bays or curb bulges, to reduce short-cutting through residential neighborhoods, and to modify secondary arterials that have been reclassified to the status of collector streets.

Although the balance is not projected to change significantly, there are a few major outstanding projects in this category. These outstanding projects include the Knight and 49<sup>th</sup> left turn bay, Cambie Street curb realignment, the Pedestrian Crossing Enhancement Program and various projects related to the Kingsway and Knight Neighbourhood Centre. The gross expenditures related to these projects are estimated to be \$5.0 million. Offsetting these expenditures are outstanding recoveries from completed projects (\$2.9 million) plus the anticipated recoveries for the outstanding projects (\$2.0 million). The outstanding recoveries represent contributions from external sources such as Translink, ICBC and developers. In some cases, these contributions were not anticipated when the projects were budgeted and therefore there will be a small positive variance in this program that can be carried forward to fund 2006 projects.

- **Aging Uncurbed Arterials** \$0.4 million    \$0.4 million    \$0.4 million
  - This program is to fund the improvements to arterial and collector streets that are made up of an uncurbed pavement in varying condition (i.e. North-West Marine Drive and East Boulevard from 52<sup>nd</sup> to 57<sup>th</sup>). Funding to be carried forward to fund 2006 projects, including The balance of funding related to work intended for Blenheim Street which was delayed due to public consultation. This funding is intended to be carried forward to augment 2006 projects including the Blenheim Street reconstruction.

- **Bus Slabs & Landings** \$0.7 million    \$0.6 million    \$0.5 million
  - This program is to fund the improvement of the surface condition in bus stop areas. In order to deal with the roadway failure in areas that are heavily used bus zones, this program funds the removing of the present asphalt pavement and replaces it with a more resistant asphalt mix. Filler walk or concrete slabs will be installed at pedestrian landing areas to improve accessibility. There was a delay in the installation of bus slabs and passenger landings pending Translink's study of new Accessible Trolley Bus Routes and Universally Accessible Bus Stop Project. Due to the delay, a report back to council will be made if funds are to be reallocated.

- **Property Fund - Transit & Safety**                      \$2.2 million    \$0.1 million    \$0.1 million
  - This program provides funding in advance of transit or safety related projects so that properties as they become available, can be purchased at a time which is least disruptive to the property owner and thereby, reducing acquisition costs. The fund is reimbursed by the individual street projects that require the property, and also by the sale of residual property.

	<u>Budget</u>	<u>Unspent Balance</u>	<u>Projected Variance</u>
<b>Local Area Improvements:</b>	<b>\$17.9 million</b>	<b>\$2.2 million</b>	<b>\$1.5 million</b>
• <b>Neighborhood Traffic Control</b>	\$2.0 million	\$0.7 million	Balanced
○ Consistent with the goal of the Vancouver Transportation Plan (approved by Council in 1997) that pedestrians have the highest priority, this program is to enhance the livability and safety on local neighborhood streets by implementing traffic calming measures, such as speed bumps, curb bulges, traffic diverters, etc. Traffic calming projects are developed in consultation with the neighborhoods and implemented based on priority. Outstanding projects include the Marpole West, Collingwood Village and Grandview Woodland areas which are to be completed by the fall of 2007.			
• <b>Higher Zoned Streets - Local Improvement</b>	\$2.5 million	\$0.4 million	Balanced
○ This program deals with the reconstruction of streets in industrial, commercial, multiple dwelling areas, and other higher use areas through the local improvement process. Due to petitioners typically having difficulty in contacting absentee landlords in higher zoned areas, the projects are often initiated by City staff.			
• <b>Residential Streets - Local Improvements</b>	\$6.5 million	\$0.6 million	\$0.3 million
○ This program primarily deals with the reconstruction of streets in residential areas through the local improvement process. The projects include the paving, curbing and installing of trees in residential areas. They are usually initiated by the property owners though some projects are initiated by City staff. The unspent funds are for ongoing work from a number of Court of Revisions and are due to be completed by the end of 2006.			
• <b>Residential Lanes - Local Improvements</b>	\$3.5 million	(\$0.8) million	(\$0.2) million
○ This program is to fund the reconstruction of lanes in residential areas and is usually initiated by a petition from property owners in regards to potholes, drainage or dust. For many years, the standard has been to pave the lane with full width asphalt. In 2004, Council approved the standard to be the Centre strip of asphalt, allowing the grass and gravel shoulders to remain. The negative variance is due to the unexpected actual costs for the construction of the centre strip lanes. The lane connections for these types of lanes were very labor intensive whereas full width lanes are much less labor intensive. The change in the balance, from the current state to the projected variance, is due to the timing of completing a project versus when the property owners are invoiced. Property Owners are not			

invoiced until the project is complete. The negative variance in this program will be funded from the 2006 Basic Capital budget and reported as part of the annual capital closeout process.

- **Minor Property Acquisition**                                 \$0.4 million     \$0.4 million     \$0.4 million
  - This funding is intended for minor property acquisitions, typically required for corner cut-off and other minor widenings, frequently related to transit. Funding was not required during the 2003-05 period. Therefore the balance of funding is to be allocated to 2006-08 transportation related projects for minor property acquisitions.
  
- **Other Charges - Debenture Discounts**                 \$0.7 million     \$0.6 million     \$0.6 million
  - Positive variance is due to not needing to borrow as much as planned. To be carried forward into the 2006-08 capital plan.

	<u>Budget</u>	<u>Unspent Balance</u>	<u>Projected Variance</u>
<u>Other Projects</u>	\$32.0 million	\$27.7 million	\$1.1 million

The majority of outstanding projects in this category are for the Urban Transportation Showcase and improvements related to the Burrard Bridge.

- **Urban Transportation Showcase**                         \$15.6 million     \$15.3 million     Balanced
 

The Urban Transportation Showcase Program is a pilot program initiated by Transport Canada to reduce gashouse emissions by encouraging municipalities to adopt more energy-efficient transportation and land use practices. In November 2003, Transport Canada announced that the Greater Vancouver Transportation Authority (Translink) was awarded up to \$8.8 million under this program. Translink and the City of Vancouver are participating in the following three programs under the Showcase program. The gross budgets of projects in the Urban Transportation Showcase are \$15.6 million with \$11.4 million coming from external funding and are made up of the:

  - **Main Street Showcase**             (\$6.0 million)
 

This initiative is to implement various measures through the Main Street Corridor to improve pedestrian and transit traffic along Main Street. Work on this project has been underway since Council approval in June 2005. This project is about 25% complete and is to be completed by the end of 2007.
  - **Central Valley Greenway**             (\$6.7 million)
 

This project, when completed, will provide residents of Greater Vancouver a continuous 25 kilometer route linking key residential, educational and shopping areas in Vancouver, Burnaby and New Westminster. The detailed designs for the three sections of the Greenway were approved by Council in late 2005 and early 2006. Preparation for tendering the work is under way. This Greenway project is to be completed by late 2007.

- **Commercial Broadway Transit Village (\$2.9 million)**  
 Transit Villages are compact, mixed-use developments designed to reduce the need to drive by providing better access to amenities and services for transit users and the surrounding community. Improvements to the Broadway Skytrain Station and immediate area will be the first steps in planning for the future of this Transit Village. A series of public open houses and meetings were held over the course of 2005 during which time the public provided constructive feedback on the preliminary plans. As of May 2006, proposals have been submitted for consulting services that will provide detailed designs for the fall of 2006, with construction scheduled to begin in 2007.

	<u>Budget</u>	<u>Unspent Balance</u>	<u>Projected Variance</u>
• <b>Burrard Bridge Pedestrian &amp; Cycling Improvements</b>	\$11.7 million	\$11.7 million	Uncertain
○ In the 1994-96 and 2003-2005 Capital Plan, plebiscites approved borrowing authority for pedestrian and cyclist improvements to the Bridge, making available \$11.7 million (as well, as noted previously, \$2.4 million for repair or replacement of the existing railings on the Bridge.) These cost estimates are based on 2002 construction costs and are vulnerable to cost escalation. In May 2005, a report was presented to Council outlining various options for the Burrard Bridge and in December 2005 Council asked City staff to report back on final design options. This report back, scheduled for late 2006, will provide a better indication of the estimated costs for the proposed options.			
• <b>Burrard Bridge Seismic Upgrade</b>	\$4.2 million	\$0.7 million	Balanced
○ A program to strengthen the Granville and Burrard Bridges and Georgia Viaduct in the case of a major earthquake was undertaken in the 1990's. The seismic upgrades were completed for the Granville Bridge and Georgia Viaduct by 1996. The only work left was the strengthening of the southern spans of the Burrard Bridge. The total budget for the project is \$4.7 million, made up of City funding of \$2.7 million and \$2.0 million from the Canada/BC Infrastructure Program. Work was started in 2005 and is expected to be completed by the end of June 2006.			
• <b>Other Projects - Streets &amp; Bridges</b>	\$0.4 million	\$0.1 million	\$1.1 million
○ The positive variance is due to external funds received from the Concord Land development for offsite green improvements in the downtown area. Transportation initiatives may include bike lanes, pedestrian and transit related improvements. The project proposals would be prioritized by City staff and brought before council for funding approval.			

## **COMMUNICATIONS & STREET LIGHTING**

The Communications Capital budget provides funding for the continuation of the underground cable plant replacement and expansion program. The Street Lighting Capital provides for ongoing infrastructure replacement of street lighting plant and lighting level upgrade to address local public safety concerns.

		<b>December 2005</b>	
	<b>Budget</b>	<b>Unspent Balance</b>	<b>Projected Variance</b>
Communications	\$2.6 million	\$0.6 million	\$0.6 million
Street Lighting	\$5.2 million	\$0.1 million	\$0.1 million
<b>Total</b>	<b>\$7.8 million</b>	<b>\$0.7 million</b>	<b>\$0.7 million</b>

- **Communications** \$2.6 million \$0.6 million \$0.4 million
  - **Underground Network Expansion** \$1.2 million (\$0.1) million (\$0.1) million)  
 This funding is to increase the capacity of the underground copper cable system, as well as to continue a program of adding fibre optic cable to the underground plant. The creation of local area networks under the City control provides secure, cost effective and independent circuits whereas other carrier circuits are not secure and sometimes, not available when needed. There is a negative variance in this program because the amount of cable expansion work required was greater than anticipated. The alternative to this was to lease costly commercial lines until more funds became available. If necessary, the variance will be funded from the 2006-2008 Capital Plan.
  - **Underground Cable Replacement** \$0.6 million \$0.0 million Balanced  
 This program provides funding for the replacement of the cable in the underground communications network. The network made up of about 70 miles of underground cables, is estimated to have an average life of 40 years and is being replaced at an annual rate of 2%.
  - **Other** \$0.6 million \$0.7 million \$0.7 million  
 Funding in this category includes project funds to review the replacement of the Public Works radio system, which does not meet current regulatory standards, as well as to acquire a logging recorder to records the related radio traffic. Based on anticipated consultant review of the radio system and how best to replace it, a request for proposals for the study is to be issued. Also included in this funding category is \$0.4 million of unallocated capital from a previous closeout.
- **Street Lighting** \$5.2 million \$0.1 million \$0.1 million
  - **Renovate & Upgrade Plant** \$5.0 million \$0.1 million Balanced  
 This is to fund the replacing of the street lighting plant before it comes to the end of its service life, and to update the plant for new technology that has economic or environmental benefits and to new lighting standards. Components of the plant include lighting fixtures, poles, wiring and service panels. Work is proceeding as planned.

**SEWERS**

The Sewers Capital budget provides funding for the ongoing infrastructure program that covers system replacement and separation, system management and other pollution abatement that are achieved through Liquid Waste Management Plan and sewer separation on private property. In addition to the Basic Capital funding provision, additional external funding was received through the Canada BC Infrastructure Program for sewer separation work in the China Creek Basin in the 2003-05 Capital Plan.

		<b>December 2005</b>	
	<b>Budget</b>	<b>Unspent Balance</b>	<b>Projected Variance</b>
Main Sewer Reconstruction	\$ 62.9 million	(\$2.2) million	\$0.5 million
Connection & Manhole Reconstruction	\$ 2.2 million	(\$0.3) million	(\$0.3) million
Upgrading & Replacement of Pump Stations	\$ 1.2 million	\$ 0.7 million	\$0.7 million
Other	\$ 4.3 million	\$1.2 million	\$0.2 million
2003-05 Sewer Capital	\$70.6 million	(\$0.6) million	\$1.1 million

The total Sewer budget includes \$59.6 million City-funded capital work and \$13.9 million of work funded from the Canada-BC Infrastructure program.

- **Main Sewer Reconstruction**                      **\$65.8 million**                      **\$2.2 million**                      **\$0.5 million**

This program is intended to replace 1% of the main sewer system per year. Within the overall budget given to this program for this purpose, individual budgets are set for different drainage basins that reflect the general priority between the basins. However, the original priorities are subject to adjustments as the Sewer construction program responds to emerging issues. Such issues that often change the priority among the basins include coordination with other utility work, response to local flooding problems and opportunities to participate in senior government funded programs.

Major basin projects include:

- **Fraser River Basin**                      \$4.0 million                      \$0.5 million                      \$0.2 million  
 All jobs have been completed except at Blenheim Street which has been delayed to 2006 in order to coordination with paving projects at Blenheim Street and West 41<sup>st</sup> Avenue.
- **West Point Grey Basin**                      \$9.0 million                      \$1.2 million                      \$1.2 million  
 Sewer work at this basin was cut back pending the finalization of the City's policy on Concrete Street Replacement now scheduled for 2006 and included in the 2006 Capital Budget. Resources were redeployed to the work being done at the Cambie/Heather Basin.
- **Balaclava Basin**                      \$6.7 million                      \$1.2 million                      \$1.2 million  
 A number of projects scheduled for Blenheim Streets were rescheduled to 2006, and included in the 2006 Capital Budget, to coincide with the revised Street

- Reconstruction schedule. Resources were redeployed to the Canada/BC Infrastructure program.
- **Kitsilano Basin**                      \$2.6 million                      \$0.0 million                      Balanced  
 Work on this basin was completed in 2005 and is on target
  - **Cambie/Heather Basin**                      \$7.0 million                      (\$2.2) million                      (\$1.9) million  
 Due to the complexity of the overall Canada Line construction schedule, more sewer replacement work was done in the Cambie Basin in 2005 than was originally planned. This over-expenditure will be offset by the under expenditure in the West Point Grey Basin.
  - **Grandview Woodland Basin**                      \$3.3 million                      \$0.1 million                      \$0.1 million  
 Some minor paving jobs were deferred to 2006, accounting for the positive variance.
  - **Hasting-Sunrise Basin**                      \$2.4 million                      \$1.0 million                      \$1.0 million  
 The Commercial Drive project was postponed to the summer of 2006 in order to coincide with other Utility work, and subsequently will be funded from the 2006 Capital Budget resulting in this positive variance.
  - **China Creek Basin**                      \$15.0 million                      (\$1.1) million                      (\$1.1) million  
 The projected over-expenditure, representing a variance of less than 8%, is due to higher than estimated costs on some projects in combination with a re-prioritization of work to this area in order to maximize cost sharing through the Canada BC Infrastructure Program (CBCIP). This over-expenditure can be offset by the positive variances in other basins. The significant difference in the current versus projected balance is a result of the timing between finishing the work and receiving the funding from the CBCIP.

The Canada BC Infrastructure Program (CBCIP) has been progressing in accordance with Engineering's work plan and as of December 31, 2005 is about 79% complete. The program is scheduled to be completed by March 2007. There is an outstanding recoverable of \$2.9 million from the CBCIP which will bring the program back into a positive variance.

- |   | <u><b>Budget</b></u> | <u><b>Unspent<br/>Balance</b></u> | <u><b>Projected<br/>Variance</b></u> |
|---|----------------------|-----------------------------------|--------------------------------------|
| • <b>Connection &amp; Manhole Reconstruction</b>  | \$2.2 million        | (\$0.3) million                   | (\$0.3) million                      |
| ○ Due to Sewer's commitment to the Canada BC Infrastructure Program, Engineering determined that funding was available for only the most deteriorated connections and manholes to be rebuilt. However the actual number that required reconstruction was higher than planned, resulting in the negative variance. The variance is to be covered off by other positive variances within the Sewer program. |                      |                                   |                                      |
| • <b>Upgrading &amp; Replacement of Pump Stations</b>   | \$1.3 million        | \$0.7 million                     | \$0.7 million                        |
| ○ Capital budget allocated to this account in the 2003-2005 Capital Plan related to the replacement of worn equipment at the City's 26 sanitary sewage pumping stations, structural stability, integrity testing of all old force main and upgrade of Supervisory Control and Data Acquisition system. As some of the pump stations might be included in the pump station replacement program for total   |                      |                                   |                                      |



reconstruction, some work was curtailed in the 2003-2005 Capital Plan awaiting the finalization of the overall assessment of the Pump Station Replacement Program. The assessment has been completed and work plan is in place to carry out the replacement of three pump stations in 2006. The positive variance in this account will be carried forward to 2006 and reported to Council.

- Sewer Separation & Liquid Waste Management \$1.5 million (\$0.1) million (\$0.2) million
  - It has always been the policy of the department to perform the separation work when it provides significant benefit (ie. Lower pollution) to the City. The negative variance is to be covered off by other positive variances within the Sewer program.

## YARDS

	<b>Budget</b>	<b>December 2005 Unspent Balance</b>	<b>Projected Variance</b>
Manitoba Yards	\$ 1.9 million	\$1.3 million	Balanced

The 2003-2005 capital plan originally provided funding for the Manitoba Yards Improvement to accommodate staff presently in separate trailers and to suit the organizational needs. As \$800,000 had been re-allocated to complete the National Yard project, the funding presently available of \$1.3 million for the Operations Building will allow completion of the design work, with balance of funding to complete the renovation included in the recommended funding for the 2006-2008 plan.

## WATERWORKS

The Waterworks Capital budget provides funding for replacement of aging system infrastructure, water services and meters, system capacity and fire protection improvements, emergency preparedness and other works such as water quality projects.

	<b>Budget</b>	<b>December 2005 Unspent Balance</b>	<b>Projected Variance</b>
Distribution System	\$ 21.4 million	(\$0.2) million	(\$0.5) million
Aging Water Meter & Service Replacement	\$ 8.2 million	\$ 0.0 million	(\$0.3) million
New Meter & Service Installation	\$ 4.4 million	\$ 4.0 million	\$0.6 million
Miscellaneous Water Quality Projects	\$ 3.1 million	(\$ 0.3) million	(\$0.3) million
Other	\$ 11.1 million	\$ 1.0 million	\$0.9 million
Waterworks	\$48.2 million	\$4.5 million	\$0.4 million

Major variances are in:

	<u>Budget</u>	<u>Unspent Balance</u>	<u>Projected Variance</u>
• <b>Distribution System</b>	\$21.4 million	(\$0.2) million	(\$0.5) million
<p>The program is for the systematic replacement and rehabilitation of aging distribution mains. The City's distribution main network covers virtually every street in the City of Vancouver, moving water from transmission pipelines to customer connections. This program reduces pipeline maintenance costs and system leakage, limits damage to City and private property caused by water main failures, and helps to ensure continued safe and reliable water service to customers. The projected variance for this program is due to higher than anticipated costs associated with work started late in 2005 and continued partially into 2006. This negative variance will be offset by positive variances from other Waterworks programs and reported as part of the annual closeout.</p>			
• <b>Aging Water Meter &amp; Service Replacement</b>	\$8.2 million	\$0.0 million	(\$0.3) million
<p>○ The negative variance in this area has been caused by a higher than anticipated service pipe failure rate, an increased need to coordinate the work with street paving and sewers construction projects and inflationary increases in construction costs. This negative variance will be offset by positive variances from other Waterworks programs and reported as part of the annual closeout.</p>			
• <b>New Meters &amp; Service Installation</b>	\$4.4 million	\$4.0 million	\$0.6 million
<p>○ Of the \$4.0 million unspent balance, \$3.4 million relates to the new meter installation program approved by Council in late 2004. This program involved implementing a voluntary metering program for current un-metered residential customers as well as a mandatory program for new developments. Staff are to report back on the economic and environmental impacts of this program in the summer of 2006.</p> <p>The remainder of the funding is for the regular New Meter and Services Program which covers the purchase of meters for new developments and service connections for secondary suites. Spending in this program varies, depending on the number of new developments and secondary suite installations and has been lower than anticipated, resulting in an anticipated \$0.6 million positive variance. Based on this experience, staff has lowered the 2006-2008 capital plan allocation for the Regular New Meter Program. The unspent balance in this program is intended to offset over-expenditures in other programs and is to be reported to Council as part of the 2006 Capital close out process.</p>			
• <b>Miscellaneous Water Quality Projects</b>	\$3.1 million	(\$0.3) million	(\$0.3) million
<p>○ There was a negative variance of \$280,000 due to staff having to address water quality issues at Stanley Park, which will be offset by funds in the regular new meter and services program and reported as part of the annual closeout.</p>			

**SOLID WASTE**

		<b>December 2005</b>	
	<b>Budget</b>	<b>Unspent Balance</b>	<b>Projected Variance</b>
Automated Garbage Collection	\$15.9 million	\$6.9 million	\$3.3 million
Landfill/Refuse Disposal Projects	\$ 1.0 million	\$0.7 million	Balanced
<b>Total</b>	<b>\$16.9 million</b>	<b>\$7.6 million</b>	<b>\$3.3 million</b>

- **Automated Garbage Collection Program    \$15.9 million    \$6.9 million    \$3.3 million**
  - Of the \$15.9 million budget for this program, \$13.5 Million was allocated to purchase the garbage and yard trimming carts. The remaining \$2.4 Million was provided for implementation costs. The program had been delayed three months due to the prolonged negotiation of the cart contract. The total value of the cart contract is \$10.1 Million representing a \$3.4 Million reduction in the amount of funding necessary from the Solid Waste Capital Reserve. Delivery of the garbage carts and the automated garbage pickup was started in Fall 2005. Delivery of the yard trimming carts and the collection program was started in Spring 2006. The program is expected to be completed by the end of 2006 at a total cost of \$12.6 million; \$3.3 million lower than the original budget due to the favorable cart contract. This savings results in a reduced loan requirement from the Solid Waste Reserve.
  
- **Landfill/Refuse Disposal Projects    \$1.0 million    \$0.7 million    Balanced**
  - In 2001, Council had approved three projects at the Landfill at a total budget of \$3.1 million; leachate collection and containment upgrades, landfill gas system expansion and waterline extension. The first two projects have been completed and closed out with a positive variance of \$830,000. The waterline extension has not been completed because the leachate collection ditches needed to be rerouted prior to extending the waterline. The rerouting has now taken place with the extension now starting and expecting to be completed by 2007.

## 2. PARK BOARD CAPITAL

Capital spending is needed to acquire, construct, maintain and renew the Park Board's large and diverse system of buildings and open spaces. The Park Board are stewards of an extensive recreation system containing over 200 parks with many outdoor play facilities and over 220 buildings including community centres, field houses, pools, rinks, restaurants, concession stands and service buildings. As the City's population continues to grow, more parkland and recreation facilities will be needed. Most of the improvements undertaken are funded through the City's three year Capital Plans which are approved by the Board, Council and supported by residents.

	<b>Budget</b>	<b>December 2005 Unspent Balance</b>	<b>Projected Variance</b>
Recreation Facilities	\$ 30.5 million	\$ 2.9 million	(\$0.1) million
Major Maintenance	\$ 1.1 million	\$ 0.3 million	Balanced
Land Acquisition & Planning	\$ 3.6 million	\$ 3.3 million	Balanced
Park Development	\$ 18.4 million	\$ 4.8 million	(\$0.2) million
<b>Total</b>	<b>\$53.6 million</b>	<b>\$11.3 million</b>	<b>(\$0.3) million</b>

Recreation Facilities    \$30.5 million                        \$2.9 million    (\$0.1) million

The Park Board maintains over 220 buildings including Community Centres that are run jointly by the Park Board and the local community association. These buildings are constructed and maintained by the Park Board.

- **VanDusen Botanical Gardens**    \$2.2 million                        \$2.2 million                        Balanced
  - o Vancouver's most significant civic garden, the VanDusen Botanical Gardens, first opened in 1975 and attracts about 150,000 annually. The "VanDusen Botanical Garden Concept Plan" was approved by the Park Board in March 2002. The Plan proposes to renovate and expand the facilities to provide more opportunities for additional programs and services.

The first phase of a long-term renewal plan would involve the opening up and expanding of the entrance and reception areas and would involve the renovating of 5,800 square feet while adding another 7,000 square feet. A \$2.0 million grant was received from Canada-BC Infrastructure Program in 2005 for this project with City funding of \$2.8 million approved in the 2006-2008 Capital Plan. The remaining balance of the estimated budget of \$6.6 million for the Phase I Building Renewal is to come from the VanDusen Botanical Garden Society. A project manager is

expected to be assigned to the project in the Fall of 2006. At that time detailed planning can begin.

	<u>Budget</u>	<u>Unspent Balance</u>	<u>Projected Variance</u>
<ul style="list-style-type: none"> <li>• <b>Renfrew Pool Rebuild</b> <ul style="list-style-type: none"> <li>○ The Renfrew swimming pool rebuild is complete and open to the public. The project included a completely rebuilt pool wall, filters and pumps, the installation of a new elevator and upgrading the Renfrew Community Centre to an acceptable standard of seismic resistance. As part of the 2006 close-out process, additional funding of \$143,000 was approved from the 2005 General Facility Development budget to cover the negative variance that resulted from poor soil conditions and the installation of acoustic tiling (that was not part of the original project scope).</li> </ul> </li> </ul>	\$2.8 million	(\$0.1) million	(\$0.1) million
<ul style="list-style-type: none"> <li>• <b>Sunset Community Centre</b> <ul style="list-style-type: none"> <li>○ The replacement and relocation of the Sunset Community Centre is underway with an estimated completion date of April 2007. The project had an original budget of \$10.5 million but due to cost escalations and the initial construction bid coming in at \$2.8 million over budget, additional funding was required. Even with a modified design, the total additional funding of \$1.1 million was added to the project in 2006, as outlined in Park's 2006 Capital Budget report and approved by Council in May 2006. The \$1.1 million in additional funding is provided from the following sources: \$0.6 million from Land Acquisition and Planning (see below), \$0.4 million from a donation from the Sunset Community Association, and \$0.1 million from the Stanley Park Sewage and Utility. Total funding for this project is broken down as follows: \$6.7 million from the City of Vancouver, \$4.0 million from the Canada BC Infrastructure grants and a \$0.9 million contribution from the Sunset Community Association.</li> </ul> </li> </ul>	\$10.5 million	\$0.0 million	Balanced *

Note \* Balanced after additional funding of \$1.1 million provided to offset inflationary pressures as described above.

<b><u>Major Maintenance</u></b>	<b>\$1.1 million</b>	<b>\$0.3 million</b>	<b>Balanced</b>
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In order to maintain the Park Board's aging facilities infrastructure regular upgrades and repairs are required.

- The unspent balance of \$0.3 million will be spent on roofing, abatement program, flooring, irrigation and street trees.

<b><u>Land Acquisition &amp; Planning</u></b>	<b>\$3.6 million</b>	<b>\$3.3 million</b>	<b>Balanced</b>
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- Acquiring new green space is a major role of the Park Board in neighborhoods where the population is growing and in park deficient areas. Land with special features and waterfront properties are also a high priority to protect. The current balance is to be

spent on land acquisitions as opportunities arise, however \$0.6 million is to be transferred to the Sunset Community Centre Rebuild (see above section on Sunset Community Centre) while \$1.0 million is reserved for Marpole.

	<u>Budget</u>	<u>Unspent Balance</u>	<u>Projected Variance</u>
<b><u>Park Development</u></b>	\$18.4 million	\$4.8 million	(\$0.2) million

Neighborhoods parks, large and small, knit Vancouver’s communities together with park areas within walking distance of residences. Many of these parks are being renewed.

- **Synthetic Turf Fields**                                 \$2.9 million                 \$1.1 million                 Balanced

  - The Park Board is committed to adding synthetic turf fields to its inventory of playing fields so that these fields can be used year round without weather (rain) restrictions. The total budget for the development of synthetic turf field is \$2.9 million. The major project associated with this program was the Point Grey artificial field, which was completed at a cost of \$1.8 million. The remaining funding of \$1 million will be used for the Vancouver Technical Secondary School artificial field, as approved by the Park Board on May 29, 2006. It is expected to be completed in 2007.
  
- **Park Enhancement**                                 \$2.3 million                 \$1.6 million                 Balanced \*

  - The Park Board’s inventory of over 200 parks require ongoing investment to adapt to changing recreation preferences, changing priorities or increases in the diversity of park uses and the volume of park visitations. The delay in spending is due primarily to the extensive public consultation. The remaining unspent capital is committed to a new park at Osler and 70<sup>th</sup> (\$0.5 million) with the remaining budget for improvements at the following parks: China Creek (\$0.4 million), Waterloo street closure (\$0.1 million) and Falaise (\$0.1 million). As part of the 2006 close out process, \$0.3 million was used to fund negative variances from previous capital plans.

\* Park enhancements were projected at a \$0.3 million positive variance; however, this variance was eliminated after the 2006 close out.
  
- **Park Construction at 910 Mainland**             \$0.5 million                 \$0.5 million                 Balanced

  - Park construction has begun and should be completed by the end of 2006.
  
- **Stanley Park Improvements**                     \$2.6 million                 \$0.7 million                 Balanced

  - This program is comprised of a combination of projects: repair and stabilization of the seawall, Stanley Park sewer and water upgrades and Stanley Park forest regeneration. This program has a total budget of \$2.6 million, with \$0.7 million remaining to cover the ongoing projects for seawall repairs, Prospect Point cliff scaling and forest regeneration.

- **Hastings Park** \$0.9 million \$0.9 million Balanced
  - Covering some 162 acres, Hastings Park has, since the 1890s been home to the Pacific National Exhibition (PNE), an annual summer fair, seasonal amusement park, and related sport and recreation facilities as well as a horse racecourse.

In 1997 in anticipation of the relocation of the PNE, the Park Board on behalf of the City began a process to green portions of Hastings Park with funds allocated in previous Capital Plans. In 2004, the governance of the PNE transferred from the Province to the City. Following an extensive public consultation process, City Council approved a new approach for development of Hastings Park which includes PNE activities. A comprehensive master plan, informed by a number of on-going studies, is in development and will be completed by 2008. Capital improvements will need to proceed in advance of the master plan to respond to the opportunities arising from the use of onsite venues for 2010 Olympic purposes. To fund these activities, there is presently \$850,000 remaining from the 2003-05 Capital Plan that will be transferred to the Community Services Group, who has now taken over the development of Hastings Park from the Park Board. As well, the 2006-2008 Capital Plan, includes \$3.0 million (\$2.0 million within CSG and \$1.0 million within Engineering) for Hastings Park improvements and studies.

Completion of this work will ensure the western portions of Hastings Park are completed to match the high level of greening completed to date, as well as the Olympic investments within the venues.

- **Queen Elizabeth Reservoir Rebuild** \$5.8 million \$0.0 million Balanced
  - The project will restore the rooftop park at the top of Queen Elizabeth Park after the demolition and rebuilding of the Greater Vancouver Water District Little Mountain Reservoir. This project was initiated in 2003 with an anticipated completion in 2004. However delays by the GVRD in completing the reservoir deferred the start of this project. Complications associated with utility services at the Wedding Pavilion and the associated washroom facilities necessitated the adding and replacement of water, sewer and electrical infrastructure. Due to the delays in construction, the Park Board received funding to compensate for lost revenues at the Bloedel Conservatory from 2003 to 2006 inclusive, for a combined total of \$0.6 million.

Further, cost escalation, due to rapidly rising construction costs, resulted in the bids received being higher than estimated. This resulted in the re-estimation of the project's budget from the original \$3.4 million to \$4.4 million. Also the Wedding Pavilion venue was added to the project which is being funded from Park Reserves in the amount of \$1.4 million. The total budget for the Deck Plaza and landscape restoration is \$5.8 million with \$1.9 million funded from other sources. The project is expected to be completed by the late summer of 2006.

- **Emery Barnes** \$1.4 million (\$0.2) million (\$0.2) million
  - Funding was provided for the development of Phase I of Emery Park in Downtown South. This park development included a water feature, pump room, seating area, play area and green space. Phase I (Emery Barnes) required extensive site remediation work resulting in a negative variance of \$176,000. A report back to Council on Phase II park development will be made in 2006, which will recommend DCL funding to cover the \$176,000 variance.

### 3. COMMUNITY SERVICES INITIATIVES

The Community Services Initiatives Capital comprises a number of programs which address the social and cultural facilities owned by the City and others. They include: upgrading and re-location of daycare, social and cultural facilities; renovating or upgrading residential hotels to affordable housing facilities; capital grants to non-profit social and cultural organizations; public art program and emerging neighborhood program. Many of these projects involve partnership with outside organizations (i.e. Housing projects, childcare facilities) and as a result, require a longer period of time to secure funding and to complete the project.

	<b>Budget</b>	<b>December 2005 Unspent Balance</b>	<b>Projected Variance</b>
Affordable Housing	\$ 3.5 million	\$ 3.3 million	Balanced
Childcare	\$ 1.9 million	\$ 1.9 million	Balanced
Other Social & Cultural Facilities	\$ 1.8 million	\$ 1.1 million	Balanced
Downtown Eastside Revitalization Program	\$ 2.1 million	\$ 1.9 million	Balanced
Heritage Façade Rehabilitation Grants	\$ 1.5 million	\$ 1.5 million	Balanced
Capital Grants	\$ 0.4 million	\$ 0.4 million	Balanced
Public Art	\$ 1.7 million	\$ 0.6 million	Balanced
Civic Theatres Upgrade	\$ 5.4 million	\$ 5.1 million	Balanced
<b>Total</b>	<b>\$18.3 million</b>	<b>\$15.9 million</b>	<b>Balanced</b>

- **Affordable Housing** \$3.5 million \$3.3 million Balanced
  - The Affordable Housing Fund was set up to provide capital grants for social and other housing projects that meet the City's affordable housing objectives. All but \$750,000 has been allocated but not yet paid pending satisfaction of grant's pre-requirements.
- **Childcare** \$1.9 million \$1.9 million Balanced
  - This program is to fund the creation and replacement of childcare facilities as well as to provide capital support to programs operated by the non-profit societies. The main projects in this program are the Learning Tree/Playhouse Childcare Development and the City Gate II Childcare project.
    - This project consolidates two existing daycare portable programs into a permanent facility, to be owned by the City and jointly operated by the two non-profit societies presently managing the programs (the Brant Villa



Day Care Society and Developmental Disabilities Association). The Learning Tree/Playhouse Development, which currently has funding of \$1.2 million for the first phase of the project, is nearing completion of a preliminary design. From the design, the total project cost will be estimated with a reported back to Council in the fall. It is anticipated that the total project will be approximately \$2.5 million which will require that the two societies, to secure the additional funding.

- The City Gate II Childcare project, which has committed \$0.5 million in CAC funding, has been delayed pending partnership funding from the Province.

	<u>Budget</u>	<u>Unspent Balance</u>	<u>Projected Variance</u>
• <b>Other Social &amp; Cultural Facilities</b>	<b>\$1.8 million</b>	<b>\$1.0 million</b>	<b>Balanced</b>
○ The main item in this category is a \$750,000 Challenge Grant made to the Vancouver East Cultural Centre (VECC) for its phase I revitalization approved by Council in late 2004. The City grant is contingent on the Society securing the remaining balance of the funding required for the project which is still outstanding. In addition, in late 2004, Council approved a grant of \$215,000 towards the construction of Kiwassa Neighborhood House. Most of the work has been done and it will be completed in 2006.			
• <b>Non City-Owned Social Facility</b>	<b>\$0.6 million</b>	<b>\$0.1 million</b>	<b>Balanced</b>
○ The major project included in this category is the emergency repairs to the Mount Pleasant Neighborhood House for \$620,000. Repairs have been undertaken with the deficiencies to be completed shortly.			
• <b>Capital Grants Program</b>	<b>\$0.4 million</b>	<b>\$0.4 million</b>	<b>Balanced</b>
○ This program provides capital grants to non-profit social service and cultural organizations to assist in the purchase, renovation or upgrades of facilities not owned by the City. This assistance cannot be more than one-third of the total cost of the project. Grants have been approved in 2005 and are to be paid out in 2006 and 2007 when conditions are met.			
• <b>Public Art Program</b>	<b>\$1.7 million</b>	<b>\$0.6 million</b>	<b>Balanced</b>
○ Capital funds are allocated to this program to encourage artwork in publicly accessible spaces throughout the City including parks, greenways, bikeways, street improvements and libraries. Major projects in progress include a comprehensive program review, the Community Public Art Grant program (\$75,000) and the completion of artwork at the #1 Kingsway Civic Centre (\$150,000), Clark Knight Corridor (\$100,000) and Library Square (\$135,000).			
• <b>Downtown Eastside Revitalization Program</b>	<b>\$2.1 million</b>	<b>\$1.9 million</b>	<b>Balanced</b>
○ In conjunction with the Vancouver Agreement (VA), the goals of this program are to improve safety, reduce the impacts of the drug trade and to stimulate economic development in the Downtown Eastside. The unspent funding from the 2003-05 Capital budget is for Downtown Eastside public realm improvements and other			

community initiatives which include the childcare centre at 717 Princess Street, the WISH Wellness Centre for women and capital projects that are being developed in conjunction with Building Opportunities with Business (BOB), an organization that was formed in 2005 to help implement the VA Economic Revitalization Plan. City staff are working with the community and the partnership organizations on the plan for the Downtown Eastside and will report back to Council in 2006 on the specific projects or initiatives that the funding will be used for.

	<u>Budget</u>	<u>Unspent Balance</u>	<u>Projected Variance</u>
• Heritage Façade Rehabilitation Grants	\$1.5 million	\$1.5 million	Balanced
○ By leveraging with private investment, this program's goal is to facilitate the renovation, maintenance and conservation of heritage buildings in the historic areas of Gastown and Chinatown. Since mid 2003, Council has approved 13 grant applications totaling \$1.1 million with an additional 7 applications currently under review. As the grants are not paid until fulfillment of conditions by the applicant, the actual grant payments are not made until much later.			
• Civic Theatres Upgrade	\$5.4 million	\$5.1 million	Balanced *
○ In November 2005, Council approved the allocation of \$4.35 from the Theatres Capital Reserve for a number of projects including \$0.6 million for design development of the Queen Elizabeth Theatre (QET) Redevelopment and \$3.5 million for the final design and construction of the acoustic separation of the Vancouver Playhouse (PH) from the Queen Elizabeth Theatre (QET). Staff will report back to Council on the proposed design, cost and funding requirements for the QET redevelopment in the spring of 2007.			

When the Vancouver Playhouse was built in 1962, it was structurally bonded to the back wall of the QET stage. With the modern sound systems used today, this has caused sound problems between the two buildings. For the acoustic separation of the Vancouver Playhouse from the QET, the anticipated cost for this budget had increased from \$3.5 million to \$5.92 million due to cost escalation and an accelerated construction schedule. Council approved the additional funding on May 16, 2006 with \$1.76 million coming from the Capital Facilities Fund Reserve, \$0.6 million from the allocation of private funds raised for the Queen Elizabeth Redevelopment Fund and the reallocation of \$60,000 that was previously approved to modify the Vancouver Playhouse loading dock. This phase of the project is scheduled for completion by October of 2006.

Note \* Balanced after additional funding of \$2.4 million approved for acoustic separation project, as described in the note above.

#### 4. Public Safety

The Public Safety Capital provides funding for Firehall and Police facility upgrades and maintenance.

##### Firehall

	<b>Budget</b>	<b>December 2005 Unspent Balance</b>	<b>Projected Variance</b>
	\$1.3 million	\$1.0 million	Balanced

Major outstanding projects include;

- Replacement of Firehall #15                      \$0.30 million                      \$0.25 million                      Balanced
  - Included in the 2003-2005 Capital Plan was funding for the design of Firehall #15 for \$300,000. The project has been delayed as staff has been asked to look at various options for saving or moving the existing Firehall building, and to report back to Council with their proposal. On May 18, 2006, City staff reported back to Council recommending that the Firehall be redeveloped on the existing site while incorporating features of the existing building in the new design. The report stated that over the past year, due to rising construction costs, the revised cost for the project had increased by \$1.2 million to \$6.0 million. Total available funding for the project is \$4.9 million, with \$300,000 from the 2003-05 Capital Plan and \$4.6 million from the 2006-08 Capital Plan. Council postponed a decision on the status of Firehall 15 for 60 days to allow for public consultation on options to keep the existing fire hall. City staff are to report back on alternate locations to build a new station or to relocate the existing firehall structure and design options for a two-bay structure.
  
- Unallocated Capital from previous closeout for future Firehall projects                      \$0.27 million                      Balanced
  - Funding was provided from the 2004 closeout of various capital projects including the construction of the Training Centre, two Firehall reconstructions, Firehall # 13 replacement, as well as other minor projects and Fire Unallocated funding. At the time of the 2004 closeout, \$50,000 was specifically allocated for a fuel tank replacement at Firehall # 14. However, due to the uncertainty about the soil conditions and remediation costs, and a possible estimated project cost of \$120,000, the project will not proceed until additional funding is secured and approved by Council. This funding would be a likely source for any cost overruns, along with providing for the other fuel tanks that are currently out of service.

**Police**

	<b>Budget</b>	<b>December 2005 Unspent Balance</b>	<b>Projected Variance</b>
	\$ 9.9 million	\$ 9.3 million	Uncertain

Prior to the development of the 2003-05 Capital Plan, the Vancouver Police Department (VPD) completed a review of its facility requirements, with the highest priority identified being the upgrade of its officer training facilities. As a result, \$9.0 million was included for the Police Training Facility in the 2003-2005 Capital Plan, subject to finalization of a business plan for a possible joint facility with the Royal Canadian Mounted Police (RCMP). Over two years, the VPD and RCMP formalized plans and designs for the joint facility, until January 2006 when the RCMP pulled out due to budgetary concerns. The VPD is currently working with consultants to design the Training Facility and prepare cost estimates, in concert with the new Forensic Storage Facility. The two facilities are proposed to be located on the same site (on Glen Drive at 5<sup>th</sup> Avenue), purchased for \$0.5 million by the Property Endowment Fund in 2004. The VPD will report back to Council in the Fall of 2006 with the business plan for the Training Facility including cost estimates and proposed funding sources. Given the original vision was a cost sharing model, the actual funding requirements for this facility are uncertain at this time.

**5. Other**

The Other Category includes allocations for Library facilities planning and projects, Civic Theatres upgrades, maintenance of the City Hall Precinct (City Hall, East Wing and West Annex buildings), maintenance for other civic facilities, Information Technology maintenance and expansion and other capital projects.

	<b>Budget</b>	<b>December 2005 Unspent Balance</b>	<b>Projected Variance</b>
Library Facilities	\$ 0.4 million	\$ 0.2 million	Balanced
Civic Property Upgrades & Maintenance	\$ 7.1 million	\$ 4.2 million	Balanced
Information Technology	\$34.5 million	\$16.7 million	\$1.0 million
Sundry Capital	\$26.0 million	\$12.2 million	Balanced
<b>Total</b>	<b>\$68.0 million</b>	<b>\$33.3 million</b>	<b>\$1.0 million</b>

- **Library Facilities** **\$0.4 million**      **\$0.2 million**      **Balanced**
  - Funding is mostly for minor renovation of library branches which were placed on hold pending potential of related renovations, replacements and other program priorities. The planned renovations at the Fraserview, Kitslano and Oakridge branches are expected to be completed by the end of 2006.
  
- **Civic Property Upgrades & Maintenance** **\$7.1 million**      **\$4.2 million**      **Balanced**
  - **Building Maintenance Program** **\$3.8 million**      **\$2.6 million**      **Balanced**

The 2003-05 Capital Budgets include over \$5 million (Basic Capital and supplementary capital funding) for building maintenance and restoration of civic facilities. The remaining balance of \$2.6 million represents funding committed for projects identified in the past year but delayed due to various reasons such as resource constraints and planning and coordination with other related projects. Major projects include;

    - City Hall Interior Upgrades and Plumbing Work to be completed by the end of 2006 - \$228,000
    - Non structural seismic upgrades to be done in conjunction with renovation projects at City Hall - \$178,000
    - City Hall Plumbing work of \$99,000 to go to tender in 2006
    - Repairs to the City Hall West Annex Elevator - \$150,000 to be completed in 2006
    - Repairs to the City Hall West Annex Planter Membrane are nearly completed - \$88,000
    - St. Roch Shelter Window to be completed by August 2006 - \$158,000
    - Renovation work is underway on Orpheum seating - \$72,000
    - Funding for the phase 1 of Orpheum Carpet Replacement of \$97,000. To go to tender before end of year.
    - Due to projects in adjacent areas, project regarding Orpheum Electrical Substation of \$120,000 is not proceeding; to be put to unallocated and reallocated upon closeout
    - Interior upgrade to lobby of Queen Elizabeth Theatre of \$92,000 is on hold pending completion of redesign work
    - Vancouver Police Department Fire Suppression System for \$450,000 is on hold pending relocation of facilities.

- |  | <u><b>Budget</b></u> | <u><b>Unspent Balance</b></u> | <u><b>Projected Variance</b></u> |
|--|----------------------|-------------------------------|----------------------------------|
| <ul style="list-style-type: none"> <li>○ <b>Roof Replacement Program</b> <span style="float: right;"><b>\$0.9 million</b>      <b>\$0.6 million</b>      <b>Balanced</b></span> <p>This is an ongoing program to replace roofs in the City buildings with the total budget for 2003-05 plan being \$0.9 million. Reroofing requires good weather and the availability of skilled contractors (heritage stonework), both of which were in short supply last year to undertake several major projects. Projects to be completed in 2006 are Firehall 17 and 19, Orpheum (Westcoast Hall) and phased stonework repair at the Art Galley or City Hall.</p> </li> </ul> |                      |                               |                                  |

- **City Hall Precinct & Other Facility Upgrades** \$1.8 million \$0.8 million **Balanced**  
Over the past few years, a number of office upgrades/renovation projects have been carried out which included the conversion of various committee rooms, upgrades to the council chamber AV system and creation of the HR Training Centre (phase one). Unallocated or close-out funding (\$306,000) has been committed to partially fund various renovation projects in the City Hall Precinct in combination with additional funding from the 2006-08 Capital Plan, such as the renovations to the upper floors occupied by the Engineering department. Several postponed projects such as upgrades to bicycle facilities (\$71,000) and accessibility improvements (\$67,000) are now underway. All projects are expected to be completed by the end of 2006.
  
- **Information Technology** **\$34.5 million** **\$16.7 million** **Balanced**
  - **IT Infrastructure Program** **\$20.8 million** **\$9.1 million** **Balanced**  
This is an ongoing program which includes the managed replacement of computer technology, both hardware and software, used by all City departments and associated boards such as the Park Board, Vancouver Police Department and Vancouver Public Library. The unspent funding is committed for the continuation of the Desktop "Front-end" Refresh program (\$3.1 million), the Data Storage Systems Replacement (\$0.5 million) and the IT Infrastructure Replacement and Expansion program approved by Council in November 2005 (\$5.5 million).
  
  - **Core System (SAP)** **\$2.6 million** **\$1.0 million** **Balanced**  
The major system included in this category is the upgrade of the City SAP system to the 'MySAP ERP' platform, which started in summer 2005. Of the \$1.0 million left in unspent capital, \$582,000 is left to complete the MySAP Upgrade, to be completed in August 2006 with a positive variance of \$550,000 due to the use of internal City resources rather than external consultants for the implementation process. The \$550,000 is anticipated to be utilized for SAP modules related to the Engineering Infrastructure Management System discussed in the subsequent section.

The remaining unspent capital of \$418,000 is to be combined with the 2006 budget for other core SAP system upgrades, such as the implementation of SAP Netweaver and real estate module in 2006.

	<u>Budget</u>	<u>Unspent Balance</u>	<u>Projected Variance</u>
○ <b>Other Application</b>	\$11.1 million	\$6.7 million	Uncertain
The ongoing projects under this category are:			
1) Revenue Billing System (balance \$1.4 million) which is in its system implementation phase. The project will be completed by April of 2007 with an estimated positive variance of \$452,000 mainly due to utilizing internal resources on the project without backfilling.			
2) VPL Integrated Library System (balance \$0.5 million) which is in the development phase pending delivery of a software module from the vendor. This is also to be completed on budget by the end of 2006.			
3) Engineering Infrastructure Management Strategy (IMS) project (balance \$4.8 million) - This system is to help the City operate and maintain its public network of assets with three main objectives: to enhance customer service; to manage the asset infrastructure more effectively; and to enhance customer satisfaction and departmental effectiveness. The system will also help the City meet its budgeting and reporting requirements, including Public Sector Accounting Board (PSAB) asset reporting requirements effective 2009. Work was started in 2005 on system specifications and vendor selection. Staff will report back to Council in 2006 on the conceptual design, implementation plan, funding strategy and cost/benefits analysis of the proposed system solution.			

The evaluation to date of the system options is pointing to a multiple vendor solution including SAP. Further the project specifications include Corporate requirements that extend beyond Engineering needs which may not have been factored in the original cost estimates. Therefore, the overall funding requirements may exceed the original \$5 million previously approved by Council. At this point, the overall variance for the project is not known. However, it is assumed that the available funding of \$1.0 million that has been identified in Core System (SAP) and in Other Applications capital programs will be available for this project, subject to Council approval.

• <b>Sundry Capital</b>	<b>\$26.0 million</b>	<b>\$12.2 million</b>	<b>Balanced</b>
○ <b>Woodward Development</b>	<b>\$6.7 million</b>	<b>\$0.0 million</b>	<b>Balanced</b>
The Woodward's Department Store closed its doors in 1993. Through the years numerous redevelopment proposals were made by various parties for the site, but never came to fruition. In March 2003, the City purchased the Woodward's building for \$5.5 million, believing it to be the catalyst for the revitalization of the Downtown Eastside and surrounding heritage areas, such as Gastown and Chinatown. After extensive public consultations with Vancouver residents and the community, which began in May 2003, Westbank Projects/Peterson Investment			

Group was selected as the developer for the Woodward Project. This project, a mixture of market and non-market housing, retail, daycare, public green space and educational facility, began redevelopment in December 2005 and is scheduled to be completed by January 2009.

	<u>Budget</u>	<u>Unspent Balance</u>	<u>Projected Variance</u>
○ <b>Millennium Sport Facility</b>	\$1.4 million	\$0.1 million	\$0.1 million
The Millennium Sport Facility was a joint project built by a partnership between two non-profit recreation groups: the Phoenix Gymnastics Club and the Pacific Indoor Bowls Club. The two level facility was to include the lower level for an indoor lawn bowling facility and on the upper level, space for a gymnastics program. Due to rising construction costs, project changes and changes in the Development Cost levies, the society was short by \$1.2 million of the needed budget target of \$4.7 million. In January 2004, Council approved funding support of \$1.05 million and a further \$400,000 in 2005 to cover additional costs. The facility was completed in September 2005 with a positive variance of \$0.1 million.			
○ <b>Little Mountain Neighborhood</b>			
<b>House (LMNH) Redevelopment</b>	\$5.1 million	\$4.8 million	Balanced *
In June 2005 Council approved a funding package of \$5.1 million for this project, including \$2.0 million provided by the Province and City funding of \$2.6 million (which included the cost of the site), and \$0.5 million to be raised by LMNH.			
<p>On May 4, 2006, Council was provided with an update on the redevelopment of the LMNH and their requirement for additional funding of \$2.7 million, caused by escalating construction costs and the premiums associated with having to build on a constrained site. Council confirmed its support to the project within its previously approved funding and requested Staff to report back on the funding arrangements and project alternatives once the Society has identified firm funding sources for the project, or in 12 months, whichever comes first.</p>			
<p>Note * Total project funding requirements greater than originally estimated by approximately \$2.7 million. Staff is to report back to Council on the funding arrangements and project alternatives once the Society has identified firm funding sources for the project or in 12 months, whichever comes first.</p>			
○ <b>Urban Native Youth Centre</b>	\$2.9 million	\$0.9 million	Balanced
The Urban Native Youth Association has proposed to build a multi-purpose facility for native youths in the Downtown area. The City is facilitating the process, initially with the site acquisition of \$2.0 million, and has received contributions from external sources for this purpose. The funding will be held by the City pending project approval and confirmation of funding from senior governments.			



	<u>Budget</u>	<u>Unspent Balance</u>	<u>Projected Variance</u>
○ <b>Aquarium</b>	\$8.2 million	\$5.9 million	Balanced
The City received an \$8.2 million grant from the Province to fund the development of a Discovery Education Centre at the Vancouver Aquarium. The Vancouver Aquarium is contributing \$7.8 million, making the total budget for this project of \$16 million. The project is to expand the Aquarium's capacity for delivery of educational programming while also renewing its aging infrastructure. The project is administered by the Park Board and Aquarium staff, with the City making progress payments to the Aquarium. The project is expected to be complete by the end of 2006.			

## 6. Special Projects

		<b>December 2005</b>	
	<u>Budget</u>	<u>Unspent Balance</u>	<u>Projected Variance</u>
#1 Kingsway Civic Facility	\$ 24.0 million	\$ 20.2 million	Balanced
RAV 2 <sup>nd</sup> Avenue Station	\$ 28.1 million	\$ 27.0 million	Balanced
Cemetery Re-development	\$ 15.0 million	\$ 14.5 million	Balanced
<b>Total</b>	<b>\$67.1 million</b>	<b>\$61.7 million</b>	<b>Balanced</b>

- **#1 Kingsway Civic Facility**                      **\$24.0 million**                      **\$20.2 million**                      **Balanced \***
  - The #1 Kingsway project evolved over a five year period from the replacement of the Mount Pleasant Community Centre, into a major multi-service complex that combines such facilities such as a community centre, library, child care centre, rental housing and underground parking. On July 19, 2005, due to cost escalation, Council approved an additional \$4.3 million of funding to bring the total project cost to \$50.4 million, with \$26.4 million for the market housing component from the Property Endowment Fund, and \$24.0 million to come from a combination of City's borrowings, DCLs, Community Amenity Contributions (CACs) and Capital from Revenue. Construction began in fall 2005 with completion estimated for the spring of 2007.

Note \* Balanced after additional funding of \$4.3 million as described in the note above.

- **RAV 2<sup>nd</sup> Avenue Station**                      **\$28.1 million**                      **\$27.0 million**                      **Balanced**
  - The funding of \$28.1 million for the building of the RAV 2<sup>nd</sup> Avenue station is comprised of \$15.3 million from the Property Endowment Fund, \$5 million from

the \$20 million of borrowing authority for cost shared capital projects approved by the voters in 2002 and \$7.8 million from the Provincial Government. The City's contribution to the project is limited to the \$20.3 million with Translink/Ravco assuming all the cost risks in building the station. Construction on the site has been proceeding, with the station scheduled to be completed by November 2009.

- **Cemetery Re-development**                      **\$15.0 million**                      **\$14.5 million**                      **Balanced**
  - This project is for the redevelopment and reopening of the Mountain View Cemetery. The budget of \$15.0 million is for the initial phase of the project, covering 6 of the Cemetery's 106 acres and involves the replacement of existing buildings and infrastructure and landscaping improvements. Request for tenders for the building and landscaping improvements have been issued. Staff will report back to Council in July 2006 with recommendations for award of construction contract, the budget and an updated business plan. Work on site is anticipated to begin in August 2006, with the bulk of the improvements to be completed in 2007.

### Capital Budget Resources

Over the last two years, Corporate Budget Services has completed an extensive review of processes and policies related to Capital Budgeting at the City of Vancouver. The Capital Review, facilitated by an independent consultant, involved major stakeholders to the capital budget process: Park Board, Engineering, Facilities and Design, Financial Services, and Community Services Group. The review was an outgrowth of a 2003 Internal Audit of the Capital Budget which had noted some issues in the existing capital budget processes and systems.

Recommendations from the Capital Review were approved by the Corporate Management Team in December 2004 and included:

- Development of a comprehensive policy and procedures document
- Continued need to review systems opportunities to improve reporting and auditing capacities for Capital
- The need to complete capital status reports on regular basis
- Continue to review the requirement for additional resources within Corporate Budget Services, however, in the short term hire a temporary Capital Budget Manager to help implement the deliverables outlined in the Capital Review.

To date, the following has been achieved:

- Draft Capital Policy and Procedures to be distributed to stakeholders for comment
- A number of SAP reports have been developed to facilitate reporting and control capabilities
- A review of systems opportunities as part of the Engineering Infrastructure Management project
- A status report of all outstanding Capital Projects

Though having the availability of temporary funds to hire a Capital Budget Manager to help implement the recommendations of the Capital Review, Corporate Budget Services has not been successful in hiring for the position. The temporary position was posted on two

occasions and each time a suitable candidate was not found. Therefore, the implementation of the recommendations of the Capital Review has taken longer than originally anticipated.

It is not feasible for existing Corporate Budget Services staff to meet the budgeting and asset reporting requirements proposed through the Capital Review and those being mandated by the Public Sector Accounting Board (PSAB). Currently, there is one Senior Capital Budget Analyst fully devoted to Corporate Capital Budgeting with part time supervision by the Manager of Budget Services. To meet these requirements, which include a single comprehensive capital budget document, annual status reports, thorough review of all Capital Budget submissions, and year-end financial reporting, it is recommended that the temporary position of Capital Budget Manager be regularized with first year funding provided from existing budget and incremental on-going funds added to the Operating Budget without offset.

## FINANCIAL IMPLICATIONS

The total annual cost including benefits, for a regular full-time Capital Budgets Manager, subject to classification by the General Manager of Human Resources, is \$91,200. Prorated for the last five months of 2006, the cost is \$38,000. There are also one-time estimated expenditures for the position of \$8,000 for a desktop and office related costs. 2006 funding (\$46,000) will be provided from existing Corporate Service 2006 budgets with the incremental funding in 2007 (\$45,200) to be added to the Operating Budget without offset.

## CONCLUSION

This Capital Program Status Review summarizes the budget and actual expenditure for the ongoing outstanding programs/projects as of December 31, 2005. The overall position indicates that there is available funding for the capital work planned in each area. Departments have been instructed to review areas that may have potential funding gaps and to identify additional funding requirement, if appropriate.

Staff will continue to monitor the remaining projects to ensure that resources are utilized effectively and within the budgets approved by Council. Annual reports will be provided to Council to report on capital status as part of the continued monitoring of the City's Capital Plans and formalized with a new Council policy as outlined in Recommendation B.