

## ADMINISTRATIVE REPORT

Date: Aug 27, 2002  
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TO: Vancouver City Council  
Vancouver Board of Parks and Recreation

FROM: General Manager, Board of Parks and Recreation

SUBJECT: Park Board Pre-2000 Budget Close Outs

### **RECOMMENDATION**

*THAT the transfer of Capital Funds for Park Board capital account close out as detailed in this report be approved.*

### **POLICY**

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

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

### **PURPOSE**

The purpose of this report is to seek the Board/Council approval to close out \$30 million in pre 2000 capital accounts which have been completed and transfer funds from various accounts to balance the pre 2000 Capital Plans.

### **DISCUSSION**

Periodically the staff review capital projects to determine accounts that can be closed out and identify sources of funds to balance any deficits or surpluses that can be transferred to other

projects. The periodic review improves monitoring of project costs and ensures funds are available for all capital projects.

Staff have reviewed accounts in the Capital Plans prior to 2000 and completed the task of closing out accounts as appropriate. In addition to these closeouts and transfers, a number of budget transfers were done at the administrative level, in particular, the one-time consolidation of accounts just prior to moving from the legacy system to SAP. Details of the recommended transfers and close outs are outlined below. Council approval is requested where noted for projects involving transfers between Capital accounts of over \$50,000 and 15% of the budget.

### **Facility Development**

Of the 96 individual account groups closed in this category, 3 groups (as detailed in the following table) have expenditures that vary from their appropriation by more than 15% and \$50,000 and therefore require detailed explanations.

<b>Project</b>	<b>Appropriation</b>	<b>Balance</b>
<b>30001060 Brockton Totem Pole Visitor Centre 94-96</b> The original design for the project turned out to be too expensive and the facility had to be substantially redesigned, which incurred additional fees. Additional fees were also incurred during the civic strike of 2000, when the consultants were asked to take on additional site inspection duties. Electrical services to both the info booth and Brockton totem pole visitor centre needed upgrading over and beyond what was budgeted for.  Post design changes to the sewage system also resulted in additional costs. These factors combined led to an overrun of \$159,568.	\$666,173	(\$159,568)

<p><b>3000998 General Facility Improvement 97 &amp; 30001022 General Facility Improvement 98</b>          Normally, these accounts would fund staff time not allocated to individual projects, feasibility and cost studies, small but urgent projects and contingencies associated with funded projects. During the transition to a new computer system these transactions were not properly allocated. Instead of staff time being charged to individual capital projects, it was charged to two orders in facility development. Allocating these charges to individual orders now would be time consuming and of little value since the orders affected are now set for closure.</p>	<p>\$502,728</p>	<p>(\$78,950)</p>
<p><b>30001012 Fieldhouse Upgrading 98</b>          The fieldhouse upgrading involves projects in a number of the 66 fieldhouses. Some of these projects have been reassigned a lower priority or deferred to a subsequent capital budget. There is sufficient funding in the 2002 Capital Plan to cover the anticipated work to the end of the year. Funding thus freed up is being used to offset other Facility Development project overruns.</p>	<p>\$272,100</p>	<p>\$164,765</p>

For the Facilities Development Group as a whole, the projects being closed out have budgets of **\$7,168,924** and expenditures of **\$7,316,143**, resulting in a balance of **\$147,219** to be funded from the following source:

- **\$148,000** to be funded from 2001 & 2002 Concession Rebuilds (30003275 & 30005624) for Brockton Totem Pole Visitor Centre

This requires changes in the scope of contemplated concession projects yet to be undertaken.

## Park Development

Of the 94 individual account groups closed in this category, 7 groups (as detailed in the following table) have expenditures that vary from their appropriation by more than 15% and \$50,000 and therefore require detailed explanations.

Project	Appropriation	Balance
<p><b>30000877 General Park Improvement 97</b> Inadvertently staff time which should have been charged to 2000, 2001 and 2002 order numbers was charged to this order number. As a result of the transfers proposed in this report, the deficit in this cost centre will be covered by unused funding in 2000, 2001 and 2002 cost centres, thus rectifying this situation.</p>	\$129,865	(\$181,382)
<p><b>30000880 General Park Planning 98</b> This account captured project staff charges normally allocated to individual park development projects. During the transition to a new computer system these transactions were not properly allocated. Instead of staff time being charged to individual capital projects, it was all charged to a couple of orders in park development. Allocating these charges to individual orders now would be time consuming and of little value since the orders affected are now set for closure.</p>	\$109,000	(\$161,466)
<p><b>30000892 Queen Elizabeth Park Tennis Courts 97, 30000893 Tennis Courts 98 and 30000894 Sport Courts Development 97</b> Additional work in tennis and sport court development was undertaken to manage emerging liability issues, resulting in an over expenditure.</p>	\$620,532	(\$162,741)
<p><b>30000845 and 30000847 Oakridge Langara Park Design 94-96</b> Two parks, Tisdall and Oak Park, were upgraded with these funds. Oak Park ran over the budget due to underestimation of the cost of the sports court.</p>	\$315,000	(\$66,220)
<p><b>30000868 New Park Development 97</b> Staff salaries associated with project development were charged to this work order between 2000 and 2002. To correct this now by allocating these charges to individual orders would be time consuming and of little value since the orders affected are now set for closure.</p>	\$258,032	(\$74,660)

<p><b>30000910 Stanley Park Service Yard Parking Lot 87-90 and 30001525 Additional Revenue from Parking 97-99</b></p> <p>When the Stanley Park Service Yard Parking Lot project went over budget for reasons outlined below, additional funds were allocated from Parking revenue in Stanley Park to cover these projected costs. The remaining \$158,053 is needed to cover costs in the other Stanley Park projects as below:</p> <ul style="list-style-type: none"> <li>• Unforeseen soils problems in the Stanley Park Service Yard parking lot and a decision to install an environmentally sustainable surface drained system instead of a traditional drainage system.</li> <li>• Water treatment and circulation in a three pond system was a new design technology for the Park Board. Also unknown existing infrastructure added to costs.</li> <li>• Forestry overruns were due predominantly to storms causing unusually high forest management costs in Stanley Park.</li> </ul>	<p>\$555,000</p>	<p>\$158,053</p>
<p><b>30000859 Second Beach Erosion Control 94-96</b></p> <p>As a result of a lengthy impact review process under the Department of Fisheries and Oceans the erosion control is not going ahead so these funds can now be re-assigned.</p>	<p>\$239,000</p>	<p>\$145,860</p>

For the Park Development Group as a whole, the projects being closed out have budgets of **\$19,532,815** and expenditures of **\$19,673,890**, resulting in a balance of **\$141,075** to be funded from the following sources:

- **\$47,500** to be funded from 2002 Irrigation (30005637)
  - **\$40,000** to be funded from 2001 Beaches/Shoreline (30003288)
  - **\$30,000** to be funded from 89/91/94/96 New Brighton Park Improvements (30000954) and
  - **\$ 24,000** to be funded from 2002 Beach Erosion Monitoring (30005635)
- \$141,500**

The New Brighton Park and Beaches/Shoreline accounts had surpluses after project completion and in the other accounts, changes in the scope and/or deferral of contemplated projects are required.

**Land Acquisition**

Of the 18 individual account groups closed in this category, 2 groups (as detailed in the following table) have expenditures that vary from their appropriation by more than 15% and \$50,000 and therefore require detailed explanations.

Project	Appropriation	Balance
<b>30002776 Demolition - 1141 Richards Street</b> An asbestos problem in the building and a soil contamination problem needed to be addressed, resulting in an over expenditure.	\$50,000	(\$61,729)
<b>30001869 Woodland Drive Park Site</b> The bid for this site was unsuccessful and the funds should be returned to the unallocated budget in the pre-2000 capital plan	\$290,000	\$290,000

For the Land Acquisition Group as a whole, the projects being closed out have budgets of **\$3,261,673** and expenditures of **\$3,096,965**, resulting in a balance of **\$164,708**. This balance should be transferred to a land acquisition account in the 2002 Land Acquisition group to fund future property purchases based on future Board and Council approvals.

## CONCLUSION

Currently, there are 443 capital project accounts including both pre 2000 and current 2000-2002 Capital Plans. It is prudent to closely monitor costs of each project to ensure resources are utilized effectively and within the funds approved by the Board/Council. The close out of the above recommended 208 completed capital accounts and fund transfers will balance the pre 2000 Capital Plans. Staff will continue to monitor the remaining 235 projects in the current and pre-2000 Capital Plans.

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General Mgr./Dept. Head:

Report dated: August 27, 2002

Author: Piet Rutgers

Date:

Phone: 257-8463

This report has been prepared in consultation with the departments listed to the right, and they concur with its contents

Concurring Departments

Corporate Services: Annette Klein

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