



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

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TO: Standing Committee on City Services and Budgets

FROM: General Manager of Park Board

SUBJECT: Park Board Pre 2000, 2000-2002, 2003-2005 Capital Plan Close Outs

RECOMMENDATION

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

COUNCIL POLICY

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

Council has authorized Department Heads to close out capital projects whose expenditures do not exceed 15% and \$50,000 of the approved budgets. Capital projects being closed out that do not meet this criterion will be reported to Council for information and approval.

DISCUSSION

Periodically Park Board staff review capital projects to determine accounts that can be closed out and to identify sources of funds that can be transferred to other projects to balance any deficits or surpluses. The periodic review improves monitoring of project costs and ensures funds are available for all capital projects. This report closes out 127 projects worth \$29 million in the Pre 2000, 2000 - 2002 and 2003 - 2005 Capital Plans.

Park Board capital accounts are divided into four areas: Facility Development, Park Development, Land Acquisition and Planning and Overhead/Debentures. Within each account, staff establishes budgets for each project as per the Board approved 3 year Capital Plans and annual capital allocations. At present there are four Capital Plans being monitored: Pre 2000, 2000 - 2002, 2003 - 2005, 2006 - 2008. This report closes out all projects in the Pre 2000 capital plans. The 2006-2008 capital plan was approved by the electorate in the November 2005 elections and the initial 2006 budget is anticipated to be authorized by Council and the Board in May 2006.

When closing out projects, Council approval is required for transfers between Capital accounts in excess of \$50,000 and 15% of the budget. Staff have reviewed projects in the Pre 2000, 2000-2002 and 2003 - 2005 Capital Plans and have closed out accounts as appropriate. The following table outlines the major categories of projects that are being closed out or transferred in the pre-2000, 2000 - 2002 and 2003 - 2005 capital plans.

Description	Budget	Surplus/ (Deficit)
Pre 2000 Capital Plan		
Facility Development	367,500	107,458
Park Development	7,278,469	206,645
<i>Total Pre 2000 Capital Plan Closed Projects in 2006</i>	7,645,969	314,103
2000 - 2002 Capital Plan		
Facility Development	2,737,875	373,009
Park Development	8,678,700	(417,339)
Land Acquisition and Planning	142,500	0
<i>Total 2000 - 2002 Capital Plan Closed Projects in 2006</i>	11,559,075	(44,330)
2003 - 2005 Capital Plan		
Overhead and Debentures	240,000	94,434
Facility Development	5,836,732	342,577
Park Development	2,182,000	25,701
Land Acquisition	1,350,000	(482)
<i>Total 2003 - 2005 Capital Plan Closed Projects in 2006</i>	9,608,732	462,230
Grand Total of Capital Plan Closed Projects in 2006 Close out	28,813,776	732,003

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

Pre 2000 Capital Plans

This report will close all remaining Pre 2000 capital plan projects. In total 30 projects with a gross budget of \$7,645,969 having a surplus of \$314,103 will be closed out.

Pre 2000 Facility Development

As illustrated in the table below, a total of \$367,500 in Pre 2000 Facility Development projects are being closed out, for a net surplus of \$107,458. This surplus is comprised of:

- A \$7,887 unspent balance for Templeton pool which will be transferred to the current Templeton Pool project
- A \$21,073 deficit from several projects will be funded from the 2003 - 2005 facility development surplus

The following item requires Council approval as the variance is over \$50,000 and 15% of the budget:

- A \$120,644 unspent balance for the Stanley Park Pavilion sprinkler system will be transferred to the current budget. The current lease agreement requires that the new lessee complete a series of capital upgrades (including the sprinkler system) which are near completion. Once all of the capital upgrades are complete the Park Board will reimburse the lessee \$200,000, which will include \$120,644 originally provided for in this budget. The remainder is funded from the concession capital accounts.

Description	Original Budget	Surplus/ (Deficit)	Offset Surplus/ (Deficit)	Unspent Balance Transfer
Templeton Pool transfer to 2003 - 2005 capital plan	99,000	7,887		7,887
Pre 2000 Facility Development deficit will be offset by surpluses in the Facility Development 2003 - 2005 capital plan	133,500	(21,073)	(21,073)	
Stanley Park Pavilion sprinkler system transfer to 2006 - 2008 capital plan	135,000	120,644		120,644
Total Pre 2000 Facility Development	367,500	107,458	(21,073)	128,531

Pre 2000 Park Development

As illustrated in the table below a total of \$7,278,469 in projects are being closed out, with a net surplus of \$206,645. This surplus is comprised of:

- An unspent balance of \$19,127 for the Fraser River Signage which will be transferred to the 2006-2008 capital plan
- A deficit of \$110,553 from various Park Development projects will be offset from the 2005 Park Development budget

The following two items require Council approval as the variances are over \$50,000 and 15% of the budgets:

- An unspent balance of \$119,276 for the New Brighton Park Redevelopment will be transferred to the 2000 - 2002 capital plan and will be combined with other funding in order to continue with the New Brighton Park Redevelopment, in particular the foreshore erosion project.
- A deficit of \$56,050 for the Causeway Wetlands project will be closed. This project was largely funded by the British Columbia Transportation Financing Authority ("BCTFA"), except for Park Board staff time and interpretation signage. The deficit will be funded with the \$8,895 surplus from the Pre 2000 Park Development orders and \$47,155 from the 2005 Park Development capital budget
- An unspent balance of \$234,845 for the Lost Lagoon Fountain will be transferred to the 2006-2008 capital plan and this funding will remain dedicated to this project. The Board is seeking to augment the basic funding with additional private donations to enable a complete rebuild. Fundraising is underway.

Description	Original Budget	Surplus/ (Deficit)	Offset Surplus/ (Deficit)	Unspent Balance Transfer
Fraser River Signage transfer to 2006-2008 plan	34,700	19,127		19,127
Pre 2000 Park Development deficit will offset from the 2005 Park Development budget	5,172,589	(110,553)	(110,553)	
New Brighton Park transfer to 2000-2002 plan	1,786,180	119,276		119,276
Causeway wetlands deficit will be funded from the Park Development 2003 -2005 plan	35,000	(56,050)	(56,050)	
Lost Lagoon Fountain transfer to 2006-2008 plan	250,000	234,845		234,845
Total Pre 2000 Park Development	7,278,469	206,645	(166,603)	373,248

2000 - 2002 Capital Plan

In total 46 projects with a gross budget of \$11,559,075 having a deficit of \$44,330 will be closed out in 2006.

2000 - 2002 Facility Development

As illustrated in the table below, a total of \$2,737,875 in 2000 - 2002 Facility Development projects are being closed out, for a net surplus of \$373,009. This surplus is comprised of the following items:

- The remaining projects being closed out have a net deficit of \$22,249 (from various Facility Development projects). This deficit will be funded from the 2003 - 2005 facility development surplus
- Transfer \$50,000 unspent balance from donations received for Mt. Pleasant Community Centre to the current capital plan

The following items require Council approval as the variances are over \$50,000 and 15% of the budget:

- An unspent balance of \$284,584 from three concession projects will be transferred to the 2006 -2008 capital plan. The point of sale upgrade came in under the original budget and the remainder has not been spent pending decisions from the concession strategy plan review. Moving these funds to the current plan will allow funding consolidation and easier project monitoring.
- An unspent balance of \$60,674 from the VanDusen heating budget results from the project being cancelled due to inadequate funding. This surplus is to be transferred to the Sunset Community Centre redevelopment.

Description	Original Budget	Surplus/ (Deficit)	Offset Surplus/ (Deficit)	Unspent Balance Transfer
2000-02 Facility Development deficit will be offset by surpluses in the Facility Development 2003-05 plan	1,516,750	(22,249)	(22,249)	
Mt. Pleasant Donation	350,000	50,000		50,000
Concession transfer to 2006 - 2008 capital plan	799,875	284,584		284,584
VanDusen Heating transfer to Sunset Community Centre redevelopment project	71,250	60,674		60,674
Total 2000 - 2002 Facility Development	2,737,875	373,009	(22,249)	395,258

2000 - 2002 Park Development

As illustrated in the table below, a total of \$8,678,700 in 2000 - 2002 Park Development projects are being closed out, for a net deficit of \$417,339. This deficit is comprised of:

- A deficit of \$114,253 from various Park Development projects, which will be funded from the 2005 Park Development budget
- A \$21,593 unspent balance from the Artificial Turf (Eric Hamber) project will be transferred to the current Artificial Turf project in the 2003-2005 capital plan.

The following items require Council approval as the variance is over \$50,000 and 15% of the budget:

- A deficit of \$324,679 for Neighbourhood Park developments is due to several reasons as follows:
 - Thornton Park was over budget due to park upgrades including coloured concrete, upscale lighting and benches and extensive drainage work
 - Gray's Park was over budget mainly due to more extensive custom carpentry and stone work on the Arbour
 - Strathcona Park was over budget due to higher costs on the Pavilion
 - Previous capital plan costs for playfields and Mclean Park (which have been previously closed out) were charged to the 2000-2002 Park Development budget
- This deficit will be offset from other capital plans as follows:

○ Park Development 2005	\$63,659
○ Facility Development 2003-2005	\$141,367
○ Overhead/Debentures 2003-2005	\$93,952
○ Park Development (various projects see below) 2003-2005	\$25,701

Description	Original Budget	Surplus/ (Deficit)	Offset Surplus/ (Deficit)	Unspent Balance Transfer
2000 - 2002 Park Development deficit will be offset from Park Development 2005 capital plan	6,497,750	(114,253)	(114,253)	
Artificial Turf - Eric Hamber	377,000	21,593		21,593
Neighbourhood Park Development deficit to be funded from: <ul style="list-style-type: none"> • Park Development 2005 • Facility Development 2003-2005 • Overhead/Debentures 2003-2005 • Park Development (various) 2003-2005 	1,803,950	(324,679)	(63,659) (141,367) (93,952) (25,701)	
Total 2000 - 2002 Park Development	8,678,700	(417,339)	(438,932)	21,593

2000 - 2002 Land Acquisition

Four neighbourhood matching fund projects with a budget of \$142,000 will be closed out with a nil balance.

2003 - 2005 Capital Plan

In total 53 projects with a gross budget of \$9,608,732 having a surplus of \$462,230 will be closed out in 2006.

2003 - 2005 Overhead and Debenture

The 2003-2005 overhead account is being closed out with a surplus of \$16,149 as noted in the table below. This will be offset against the 2000-2002 Neighbourhood Park Development deficit, as noted previously.

The following item requires Council approval as the variance is over \$50,000 and 15% of the budget:

- A surplus of \$78,285 for Debenture costs is due to financing costs being lower than budgeted for the Park Board capital plan in 2003 - 2005. A surplus of \$77,803 will be offset against 2000-2002 Park Development deficit and the 2003-2005 Land Acquisition and Planning deficit of \$482.

Description	Original Budget	Surplus/ (Deficit)	Offset Surplus/ (Deficit)	Unspent Balance Transfer
Various Overhead will offset to the 2000-2002 Park Development deficit	0	16,149	16,149	0
Debenture 2003 - 2005 will be offset as follows:	240,000	78,285		0
• 2003-2005 Land Acquisition and Planning			482	
• 2000-2002 Park Development deficit			77,803	
Total 2003 - 2005 Overhead and Debenture	240,000	94,434	94,434	0

2003 -2005 Facility Development

As illustrated in the table below, a total of \$5,836,732 in 2003 - 2005 Facility Development projects are being closed out, for a net surplus of \$342,577. This surplus is comprised of:

- A \$14,866 concession unspent balance will be transferred to the 2006-2008 capital plan and combined with other funds for future concession projects
- A deficit of \$66,249 from various Facility Development 2003-2005 projects will be offset from the Malkin Bowl project surplus, which is detailed below.

The following items require Council approval as the variances are over \$50,000 and 15% of the budgets:

- The 2003 Facility Development project surplus of \$74,195 has been earmarked to offset deficits in the following:
 - Facility Development 2000-2002 deficit \$21,725
 - Facility Development Pre 2000 deficit \$21,073
 - Park Development 2000-2002 deficit \$31,397
- The 2004 Facility Development project surplus of \$109,970 has been put aside to offset part of the Park Development 2000-2002 deficit
- The Facility Development 2005 unspent balance of \$143,023 will be transferred to the Renfrew Pool upgrade to pay for overruns for acoustic tiling and unexpected poor soil conditions which caused delays in the project.
- The Malkin Bowl building upgrade was to be a jointly funded project with Theatre Under the Stars, who could not raise their portion for the project, resulting in cancellation of the inadequately funded project. The surplus of \$66,772 will go to offset the various Facility Development 2003-2005 projects deficit of \$66,249 (as noted above) and \$523 will partially offset the Facility Development 2000-2002 deficit.

Description	Original Budget	Surplus/ (Deficit)	Offset Surplus/ (Deficit)	Unspent Balance Transfer
Concession Surplus transferred to 2006-2008 plan	155,209	14,866		14,866
2003 - 2005 Facility Development deficit will be offset by surplus in the Malkin Bowl project	5,224,751	(66,249)	(66,249)	
Facility Development 2003 surplus to offset deficits as follows: <ul style="list-style-type: none"> • Facility Development 2000-2002 deficit • Facility Development Pre 2000 deficit • Park Development 2000-2002 deficit 	100,000	74,195	21,725 21,073 31,397	
Facility Development 2004 offsets the Park Development 2000-2002 deficit	140,000	109,970	109,970	
Facility Development 2005 transferred to Renfrew Pool rebuild	150,000	143,023		143,023
Malkin Bowl surplus to offset deficits as follows: <ul style="list-style-type: none"> • Facility Development 2003-2005 deficit • Facility Development 2000-2002 deficit 	66,772	66,772	66,249 523	
Total 2003 - 2005 Facility Development	5,836,732	342,577	184,688	157,889

2003 - 2005 Park Development

A total of \$2,182,000 in 2003 - 2005 Park Development projects is being closed out, for a net surplus of \$25,701. This surplus will partially offset the Park Development 2000-2002 deficit, as previously noted and explained.

There are no projects that require Council approval as the variances are not over \$50,000 and 15% of the budgets.

2003 - 2005 Land Acquisition and Planning

A total of \$1,350,000 in Land Acquisition and Planning 2003 - 2005 projects are being closed out, for a net deficit of \$482. This deficit will be offset from the Overhead and Debenture 2003-2005 surplus, as noted previously.

There are no projects that require Council approval as the variances are not over \$50,000 and 15% of the budgets.

CONCLUSION

In total, \$28,813,776 in 129 projects are being closed out in this report, resulting in a net surplus of \$732,003 or 2.5% of the budget of the closed projects. Of this net surplus, \$1,076,519 is being transferred to current projects and a net deficit of \$344,515 is being offset from various projects as described above.

With this report the Pre 2000 capital plan will have closed all of the 279 projects with a total budget of \$57,503,450.

In the 2000-2002 capital plan, 46 projects with a total budget of \$11,559,075 are being closed. 15 projects with a total budget of \$6,279,070 remain open, including Champlain Heights Community Centre and Renfrew Pool and Community Centre.

In the 2003-2005 capital plan, 53 projects with a total budget of \$9,608,732 are being closed. 75 projects with a total budget of \$39,743,593 remain open, including the Queen Elizabeth Reservoir Rebuild, the Sunset Community Centre Redevelopment and the Killarney Pool replacement.

Transfers to more recent capital plans will provide consolidated up-to-date information, which will allow for easier monitoring of ongoing projects. Park Board and City Council's approval is sought to comply with City policy.

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

