

Date: April 17, 2008



TO: Board Members – Vancouver Park Board
FROM: General Manager – Parks and Recreation
SUBJECT: Park Board Capital Plan Close Outs

RECOMMENDATION

THAT the Board approve and request that Council close out and make the transfer between Park Board capital projects as outlined in this report.

POLICY

Funding from the Capital Plan is allocated to specific capital projects through annual Capital Budgets. Close outs of completed Capital Projects where variances differ by \$50,000 and 15% of the approved budgets require Council approval.

BACKGROUND

Periodically Park Board staff review completed capital projects and identify sources of funds that can be transferred to balance any deficits or surpluses. The periodic review improves monitoring of project costs and ensures funds are available for all capital projects.

DISCUSSION

Council authority is required to close capital projects with a variance of more than 15% and \$50,000 of the approved budget, and to reallocate capital funding of more than \$50,000. Explanations for accounts with a significant variance are provided for the Board's information. Staff establish budgets for each project as per the approved Capital Plans. Park Board capital accounts are divided into four Areas: Facility Development, Park Development, Land Acquisition and Overhead.

At present there are two Capital Plans being monitored: 2003-2005 and 2006-2008. This report will close out all remaining projects in the 2003-2005 Capital Plan except the Sunset Community Centre, whose grand opening was April 7, 2008 and the Queen Elizabeth Park reservoir restoration.

Details of the close out balance and the proposed allocation in each area are shown on the following pages. The net overall close out balance in each area is summarized in Table 1 and in most cases, the Areas have surpluses except Overhead with a small deficit of \$247.

Any project account with a deficit balance, funding sources are identified, allocated and presented for the Board's approval.

Table 1: Closeout Position Summary by the Four Division Areas

Division Area	Capital Budget \$	Closeout Surplus/(Deficit) \$
Facility Development	12,278,531	257,391
Park Development	7,882,578	1,243,186
Land Acquisition and Planning	2,990,353	2,601,127
Overhead	1,500,000	(247)
Total	24,651,462	4,101,457

Facility Development Close Out Summary

Table 2 summarizes the completed Facility Development project balances. The net budget is \$12,278,531 resulting in a surplus of \$257,391, which is 2% of the total budget. Table 3 explains projects that have variances of 15% and \$50,000. Table 4 explains the recommended reallocation and budget transfer of the \$257,391 surplus in Facility Development.

Table 2: Facility Development Closeout Summary

Capital Plan Description	Budget \$	Actual \$	Surplus \$	Variance %
Facility Development 2003-2005*	11,557,887	11,300,496	257,391	2%
Facility Development 2006-2008	720,644	720,644	0	0%
Facility Development Surplus	12,278,531	12,021,140	257,391	2%

*Indicates that there are projects with a variance of more than 15% and \$50,000. See Table 3.

Table 3: Variance Explanations for Facility Development

Capital Program Description	Budget \$	Actual \$	Surplus \$	Variance %
<i>Rink Regulation and Compliance</i>	<i>235,000</i>	<i>111,628</i>	<i>123,372</i>	<i>52%</i>
The budget surplus of \$123,372 will be carried forward into the 2006-2008 Capital Plan. These funds have been earmarked for Rink Regulation and Compliance work at the West End Rink and should be completed in 2008.				
<i>VanDusen Botanical Garden</i>	<i>250,000</i>	<i>0</i>	<i>250,000</i>	<i>100%</i>
The budget surplus of \$250,000 will be carried forward into the 2006-2008 Capital Plan. This project has been delayed because of project managers being assigned to other priority projects. The project commenced in late 2007 and is expected to begin construction in 2009 with an anticipated completion of Phase I in 2010.				

Table 4: Allocation of Close Out Balance for Facility Development

Allocation of Close Out Balance	Surplus/(Deficit) \$
Carry Forward Budget to Rink Compliance/West End Rink Repair	123,372
Carry Forward Budget to VanDusen Botanical Garden	250,000
Other projects being closed out administratively deficit funding source is from Park Development 2003-2005 surplus and Cliff Scaling 2006-2008	(115,981)
Facility Development Surplus	257,391

Park Development Close Out Summary

Table 5 summarizes the completed Park Development project balances. The net budget is \$7,882,578 resulting in a surplus of \$1,243,186, which is 16% of the total budget.

Table 6 explains projects that have variances of 15% and \$50,000. Table 7 explains the recommended allocation and budget transfers of the \$1,243,186 surplus.

Table 5: Park Development Close Out Summary

Capital Plan Description	Budget \$	Actual \$	Surplus \$	Variance %
Park Development 2003-2005*	6,957,578	5,830,711	1,126,867	16%
Park Development 2006-2008*	925,000	808,681	116,319	13%
Park Development Surplus	7,882,578	6,639,392	1,243,186	16%

*Indicates that there are projects with a variance of more than 15% and \$50,000. See Table 6.

Table 6: Variance Explanations for Park Development

Capital Program Description	Budget \$	Actual \$	Surplus \$	Variance %
<i>Osler Park</i>	<i>571,000</i>	<i>478,128</i>	<i>92,872</i>	<i>16%</i>
The budget surplus of \$92,872 will offset other close out projects with deficits. The surplus from the project is due to design savings, as the project was designed in house, and lower than anticipated construction costs.				
<i>Stanley Park Utilities</i>	<i>369,500</i>	<i>114,422</i>	<i>255,078</i>	<i>69%</i>
\$250,000 of the surplus will be transferred to the Killarney Rink Rebuild because of the Board's decision to defer this project so that the funds can be reallocated to a higher priority project, which needs to be completed prior to 2010.				
<i>Hastings Park</i>	<i>850,000</i>	<i>0</i>	<i>850,000</i>	<i>100%</i>
The Hasting Park funding is for the next phase of the park development, to be determined by Council.				
<i>Jericho Marginal Wharf</i>	<i>100,000</i>	<i>30,447</i>	<i>69,553</i>	<i>70%</i>
The budget surplus of \$69,553 will be carried forward into the 2006-2008 Capital Plan. This project has been delayed as a result of current construction costs outstripping the budgeted amount of this project. Future funding will be sought in the 2009-2011 Capital Plan and if approved the project will be completed by 2010.				

Table 7: Allocation of Close Out Balance for Park Development

Allocation of Close Out Balance	Surplus \$
Carry Forward Budget to Killarney Rink	250,000
Carry Forward Budget to Hastings Park	850,000
Carry Forward Budget to Jericho Marginal Wharf and Pier	69,553
Surplus will be used to offset deficits in the current close out	73,633
Park Development Surplus	1,243,186

Land Acquisition and Planning

The surplus of \$2,601,127 on a budget of \$2,990,353, which is 87% of the budget, is recommended to be carried forward and consolidated with the current capital plan budget. These funds will be used to assist the Park Board in purchasing land when available.

SUMMARY

Periodic monitoring of capital projects result in administrative actions to update and close out accounts where projects are completed. This process ensures ongoing compliance to financial policies and identifies funds that can be transferred to other projects to balance deficits and surpluses. The Board requests Council's approval for projects being closed that have variances over \$50,000 and 15% of the budget, as detailed in the report.

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