

Date: April 2, 2009



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

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 divisions: Facility Development, Park Development, Land Acquisition and Overhead.

At present there are two Capital Plans being monitored: 2003-2005 and 2006-2008. There are two projects open in the 2003-2005 Capital Plan; this report closes the Sunset Community Centre project which leaves the Queen Elizabeth Park reservoir restoration project as the only remaining project in the 2003-2005 Capital Plan.

Details of the close out balance and the net overall close out balance in each area is summarized in Table 1. Any project account with a deficit balance, funding sources are identified, allocated and presented for the Board's approval as summarized in Table 4.

Table 1: Closeout Position Summary of the Four Divisions

Division Area	Capital Budget \$	Closeout Surplus/ (Deficit) \$
Facility Development	13,784,889	(547,775)
Park Development	188,312	(47,277)
Land Acquisition and Planning	49,589	80
Overhead	900,000	458,082
Total	14,922,790	(136,890)

Closeout Summary

Table 2 summarizes the completed Capital Project balances. The net budget is \$14,922,790 resulting in a deficit of \$136,890, which is (1%) of the total budget. Table 3 explains the projects that have a variance of 15% and \$50,000. Table 4 explains the recommended funding sources for the \$136,890 deficit.

Table 2: Close out Summary

Capital Plan Description	Budget \$	Actual \$	Surplus/ (Deficit) \$	Variance %
Facility Development	13,784,889	14,332,664	(547,775)	(4%)
Park Development	188,312	235,589	(47,277)	(25%)
Land Acquisition and Planning	49,589	49,509	80	0%
Overhead *	900,000	441,918	458,082	51%
Capital Deficit	14,922,790	15,059,680	(136,890)	(1%)

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

Table 3: Variance Explanations

Capital Program Description	Budget \$	Actual \$	Surplus \$	Variance %
<i>Overhead *</i>	<i>900,000</i>	<i>441,918</i>	<i>458,082</i>	<i>51%</i>
The budget surplus of \$458,082 will offset other close out projects with deficits. The surplus from this project is due to savings in the delay of recruiting a Facility Development Coordinator and the 3-month work stoppage.				
<i>Sunset Community Centre</i>	<i>11,746,174</i>	<i>12,257,406</i>	<i>(511,232)</i>	<i>(4%)</i>
The budget deficit of \$511,232 is due to the following reasons:				
<ul style="list-style-type: none"> • Worse than anticipated soil conditions • Higher than anticipated costs associated with the LEED Gold target • Higher rate of change orders arising out of design coordination • 3-month delay in construction schedule 				

Table 4: Funding of Close out Balances

Allocation of Close out Balance	Amount \$
Facility Development Other Renovations 2006-2008	46,000
Building Infrastructure (Community Centres) 2009-2011	43,693
Minor Park Improvements 2006-2008	47,197
Capital Deficit	136,890

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.

Prepared by:

Planning and Operations/Corporate Services
Vancouver Board of Parks & Recreation
Vancouver, BC
PR/jb