



ADMINISTRATIVE REPORT

Report Date: June 13, 2010
 Contact: Annette Klein
 Contact No.: 604.873.7789
 RTS No.: 8697
 VanRIMS No.:
 Meeting Date: City Clerks Use Only

TO: Vancouver City Council
 FROM: Director of Finance
 SUBJECT: 2010 Capital Budget, Close-out, & Status

RECOMMENDATIONS

- A. THAT Council approve the 2010 Capital Budget Program of \$459,902,600 million, made up of 2010 requests (\$273,121,700), previously approved 2003 - 2009 capital projects/carry forwards (\$149,482,700), and reallocated 2003 - 2009 funding from Close-outs(\$37,298,200) as summarized in Table 8 (page 13) and detailed in the Appendices.
- B. THAT Council approve the following funding sources for the 2010 Capital Budget (new requests):

Funding Sources	Total Funding 2010	Previously Approved	2010 New Approval
Capital from Revenue	17,783,400	3,047,000	\$14,736,400
Debenture	113,877,900	87,911,000	\$25,966,900
DCL/CACs	27,377,500	9,425,000	\$17,952,500
Federal Government Infrastructure Funding	50,720,400	50,720,400	\$0
External & Other Funding	63,362,500	39,701,200	23,661,300
Total	\$273,121,700	\$190,804,600	\$82,317,100

- C. THAT Council approve the reallocation of unexpended Capital funding from Close-outs and carry forwards as detailed in Appendix 1 and 2 as well as \$14.3 million reallocation of funding for Southeast False Creek Affordably Housing by the varying of \$12.2 million in debenture funding from Street and Bridge Infrastructure to Affordable Housing for the 2009-2011 Capital Plan, and

reallocating \$2.1 million in Close-out and Carry Forward Unallocated Capital from Revenue.

The variation of debt financing requires 8 votes of Council

- D. THAT Council approve in advance of the 2011 Capital Budget \$15,255,000 million in Engineering related capital work as detailed in Table 9 on page 14 to maintain appropriate procurement processes for work to be done in early 2011.

CITY MANAGER AND GENERAL MANAGER'S COMMENTS

As directed by Council in mid June 2010, a number of changes to the Capital program have been made over the last year. The Vancouver Services Review completed a business case on the existing Capital process and made a number of key recommendations, such as greater oversight, longer term planning horizon, and the need to incorporate all capital related programs into the planning process regardless of funding sources. The VSR has recently initiated a program to review and implement the recommendations in time for the 2012 Capital Budget/Plan.

Rather than wait for the larger VSR implementation, staff took the opportunity to drive for some short term process changes. The key philosophical change to the Capital program was to align the capital budget with the capacity to complete the projects in 2010, especially in light of the high risk/tight timeline for the Federal infrastructure projects, and to review new capital requests in conjunction with all open capital projects and the availability of any funding from closed capital projects.

In the context of the high level of carry forward project funding from prior years (approximately \$150 million), additional funding through the Federal Infrastructure projects, the availability of close out funding from projects completed prior to 2009 and the available capacity to deliver a large capital program, the original departmental requests were reduced by approximately \$65 million. As a result staff were able to identify needed funding for the South East False Creek affordable housing and other council priorities such as cycling infrastructure.

A significant portion of the 2010 Capital Budget has already been approved in advance (\$190.8 million), including Federal Infrastructure related projects (\$143.8 million) and time-critical projects such as the reconstruction of Trout Lake Community Centre (\$45.9 million). Therefore, the net incremental approval being requested in this report to the 2010 Capital Budget is \$82.3 million bringing the 2010 Capital Budget request to \$273.1 million.

Council is also, for the first time, being asked to approve all of the components that make up 2010 Capital Program - 2010 new Capital requests, previously approved Carry Forwards, and reallocation of Close Outs. Bringing all these elements together identifies that the total capital budget for 2010 is \$459.9 million and increases the visibility to Council of the total activity for 2010. Moreover, our auditors have encouraged us to have a budget that reflects expected spending versus an allocation of funding. The recommended 2010 Capital Budget takes a significant step toward that objective.

While significant gains have been made to reduce the overall capital program to a level that reflects our capacity to deliver in 2010, it should be noted we are still planning an expenditure that outstrips the maximum historical one year spending of approximately \$360 million leading up to the 2010 Olympic and Paralympic Games. The 2011 Capital Budget will build on many of these process improvements.

COUNCIL POLICY

It is Council policy to plan for capital expenditures on a multi-year cycle. Capital Plans are developed in 3-year terms in order to match the term of Council, and allow for a borrowing plebiscite to be held in conjunction with the civic election.

Funding from the three year Capital Plan is allocated to specific Capital Programs and Projects through the annual Basic Capital Budgeting process. Council approval of the annual Basic Capital Budget is required before work can proceed on specific programs/projects.

Council's policy for capital works is to fund sewer and water capital expenditures from debenture borrowing and to fund the balance of capital expenditures from a combination of debenture borrowing, contributions from the Operating Budget ("Capital from Revenue"), Development Cost Levies ("DCLs"), Community Amenity Contributions ("CACs"), and contributions from senior governments and third parties.

Sections 236 and 242 of the Vancouver Charter give Council the authority to approve borrowing authority for capital expenditures related to water, sewer and neighbourhood energy without reference to the electors. Section 245 requires that borrowing authority for other capital expenditures be approved by a majority of the electorate through a borrowing plebiscite (Plebiscite Borrowing Authority).

In June 2003, Council approved the Financing Growth Policy which set out policy for the collection and use of DCLs and CACs. The allocation of both DCL and CAC funding to specific amenities is approved by City Council.

- DCLs assist in recovering capital-related growth costs that arise from new developments. DCLs are generally allocated on a "cash available" basis among park, replacement housing, transportation, and childcare projects in proportions specified in the DCL Bylaw.
- CACs are developer contributions that arise from rezonings and which are directed toward mitigating the impact of a new development. Council is not limited in the expenditure of these funds, however, generally these expenditures are made in the general area affected by the rezoning.

The following areas have for the first time been incorporated into the annual Capital Budget process in order to have a single, comprehensive budget. Previously, separate reports were prepared for Council:

- Information Technology Infrastructure Expansion and Replacement program (\$7.5 million)
- Easy Park (1.4 million)
- Solid Waste and Landfill Operations (\$12.7 million)

Council authority is required to close capital accounts with variances exceeding 15% of the approved budget and \$50,000 of the approved budget, and to reallocate Capital funding over \$50,000.

PURPOSE

The purpose of this report is to provide a status of all capital projects and seek Council approval of the 2010 Capital Budget (made up of all 2010 requests, previously approved capital projects from 2003 - 2009 (carry forwards) as well as approval for Capital Close-Outs and any reallocations.

BACKGROUND

On June 11, 2009, Council approved the following pertaining to the City's capital budgeting/monitoring process:

THAT staff review capital planning processes of other public sector organizations and come back to Council with recommendations on changes to the City's capital planning process that supports more rigor in financial estimates, timelines and project oversight and completion.

To address this directive, a review of the Capital Planning/Budgeting process was conducted in the summer of 2009 as part of the Vancouver Services Review (VSR). The recommendations from this review are now a key initiative of the VSR implementation phase which was initiated in mid 2010.

Concurrent to the VSR, staff have conducted a comprehensive review of the City's capital budget. The results of this review are incorporated into this report, which includes the 2010 Capital budget requests, a status review of all open projects from 2003 - 2009, and an analysis of all closed capital projects.

The staff review of the capital program identified a significant amount of outstanding capital with unexpended balances and potential close out funds. When this was combined with the 2010 capital requests, the total potential capital program was estimated at \$525 million. Staff recognized that it was unrealistic that such a large capital program could be completed in 2010 given the estimated maximum annual historical spending rates of \$360 million as the City prepared for the 2010 Olympic and Paralympic Games.

In response, a greater effort was made to align the Capital budget request with the capacity to complete the work on the 2010 timeframe. This provided the opportunity to reallocate funding to council priorities that require funding, such as the Southeast False Creek Affordable Housing and Cycling and Pedestrian programs. Moreover, rather than requesting that Council approve the annual budget in isolation of open projects, Council is being asked to approve a budget that includes not only the current annual request but also a reaffirmation of existing carryforward funding for previously approved budgets. The result is that Council is able to provide direction/approval on all capital works whether previously approved or not, increasing the comprehensiveness of the 2010 Capital Budget.

The City's capital budgeting process will continue to evolve given that it is one of the key process improvement initiatives initiated in mid 2010 as part of the VSR. However, as noted, prior to the VSR initiative, significant strides have been made and are summarized as follows:

- New Capital Budget submission forms - Streamlined Capital Budget submission forms were created allowing for a more efficient Capital Budgeting process. Critical information has been gathered for key project milestones (e.g. planning, design, execution). As well, cash flow estimates have been provided.
- Capital Close-out Process - A formal review of all outstanding Capital Projects/Programs (e.g. 2003-05, 2006-08, and 2009) was completed to streamline the process between the Capital Close-outs and Capital Status which historically were reported separately.
- Inclusion of Information Technology Infrastructure Expansion and Replacement, Easy Park, and Solid Waste/Transfer & Landfill Operations Capital requests - In the past, approvals of these Capital requests were done as separate reports to Council as they are not included in the overall 3 year Capital Plan. In order to streamline the process and provide a more complete overview of Capital requests across the City, these requests will now be included in the Corporate Capital Budgeting process.
- Federal Infrastructure Capital Oversight Program - The City has put in place a rigorous oversight program for all projects receiving Federal Infrastructure funding which will include regular status reporting on these projects.
- Comprehensive Capital Review - Staff have reviewed funds carried forward over the 2003 - 2009 timeframe to determine why projects are carried over from year to year. This is part of an initiative to move from a commitment based budget where funds are requested for multiyear spending to an annual "spend" based capital budget. This enables more rigorous reporting of our spending profile.

In summary, the key objective for the 2010 Capital Budget was to minimize the new budget requests by maximizing the use of unexpended carry forward and close out funds, and to maintain any available funds for future emergent priorities.

DISCUSSION

1. 2009-2011 Capital Plan

The 2009-2011 Capital Plan provides the framework that guides the development of annual Basic Capital Budgets in 2009, 2010, and 2011. Approval of Capital Plan allocations does not provide authority to undertake a program or project expenditures. Council confirms these expenditures and the appropriate funding sources as part of the annual 2009, 2010, and 2011 Basic Capital Budgets.

Adjustments have been made to the Capital Plan due to additional funding provided from area-specific DCLs and CACs, as appropriate, and by property owners (through the Local Improvement Process), senior governments and other outside sources including the Federal Infrastructure program.

The 2009-2011 Capital Plan approved by Council in September 2008 contemplated Capital expenditures of \$521.0 million. The revised capital plan shows Capital expenditures of \$629.2 million, reflecting mainly increases in external funding. Funding for the Capital Plan is derived from:

Table 1: Revised 2009 - 2011 Capital Plan Funding (\$million)

Funding Source	2009-2011 Funding	
	Original	Revised
Plebiscite-approved borrowing authority	\$222.0	\$222.0
Council-approved Sewer borrowing authority	\$96.9	\$96.9
Council-approved Water borrowing authority	\$62.3	\$62.3
Council-approved Natural Energy Utility borrowing authority	\$0	\$1.4
Capital from Revenue (Operating Funding)	\$75.0	\$75.0
Development Cost Levies (DCL)	\$63.4	\$65.4
Community Amenity Contributions (CAC)	\$1.4	\$8.2
Other City Funding (not included in the Plan)		\$5.4
Total City Funding		\$536.6
External Funding (not included in Plan)		\$92.6
Total Revised Capital Plan	\$521.0	\$629.2

Table 2 summarizes the revised 2009-2011 Capital Plan based on approvals to date, and recommended reallocations within this report.

Table 2: Revised Capital Plan Summary (\$000)

Ref #	Department	Gross Funding	Operating Funding	Debtenture Funding	DCL Funding	CAC Funding	Other City Funding	Total City Funding	Other Funding
Utilities									
D	PUBLIC WORKS - SEWERS	116,353	0	95,820	0	0	0	95,820	20,533
F	PUBLIC WORKS - WATERWORKS	64,749	0	61,582	0	0	0	61,582	3,167
	Total Utilities	181,102	0	157,402	0	0	0	157,402	23,700
Other Public Works									
A	PUBLIC WORKS - STREETS	112,485	7,425	78,260	19,500	0	0	105,185	7,300
B	PUBLIC WORKS - ELECTRICAL PLANT	19,448	4,775	14,500	0	0	0	19,275	173
	Total Public Works	131,933	12,200	92,760	19,500	0	0	124,460	7,473
Total									
	NEU	2,100	0	1,400	0	0	0	1,400	700
I	LIBRARY	6,600	2,500	4,100	0	0	0	6,600	0
J	PUBLIC SAFETY - FIRE & RESCUE	1,295	0	1,295	0	0	0	1,295	0
K	PUBLIC SAFETY - POLICE SERVICES	48,450	0	23,450	0	0	0	23,450	25,000
L - O	COMMUNITY SERVICES	64,585	19,800	10,500	23,100	6,300	4,850	64,550	35
P - R	PARKS & RECREATION	124,490	9,600	61,165	20,790	1,860	621	94,036	30,454
U	OTHER / IT	9,312	9,100	0	0	0	0	9,100	212
W	CIVIC PROPERTY MANAGEMENT	46,017	12,800	26,230	2,000	0	0	41,030	4,987
	DEBENTURE COSTS	4,270	0	4,270	0	0	0	4,270	0
	INFLATION ADJUSTMENT	4,000	4,000	0	0	0	0	4,000	0
	SUPPLEMENTARY CAPITAL	5,000	5,000	0	0	0	0	5,000	0
	TOTAL CAPITAL PLAN	629,154	75,000	382,572	65,390	8,160	5,471	536,593	92,561

*Note: The adjusted Capital Plan above does not include 2010 requests for IT expansion & replacement, Easy Park, and Solid Waste/Transfer & Landfill Operations as they are not part of the Council approved Capital Plan. However, new for this year, these 2010 requests are included in the Capital Budget report.

Profile of 2009 - 2011 Capital Budget

Along with the 2009 approved Capital Budget and the recommended 2010 Capital Budget, there is \$166.6 million remaining to be allocated in 2011. Staff will conduct a comprehensive review of the 2011 Capital requests in a similar manner to this 2010 review in order to match to capacity to deliver and align with council priorities and emerging issues.

TABLE 3: Capital Budget Profile 2009 - 2011 \$million

2009	2010*	2011	Revised Capital Plan
\$194.6	\$268.0	\$166.6	\$629.2

*Excluded is \$5.2 million related to Non-Capital Plan requests (IT Expansion & Replacement, Easy Park, and Solid Waste/Transfer & Landfill).

2. Capital Status and Close-Out (2003 - 2009)

Capital Status: Appendix 1 provides details of the Capital Status of all open projects (2003 - 2009) along with proposed adjustments that can be reallocated to other priority projects.

As of February, 2010, Capital programs/projects initiated between 2003 - 2009 with budgets totalling \$631.4 million were ongoing, with expenditures against those budgets of \$478.6, unexpended balances of \$152.8 million, and a projected positive variance of approximately \$12.8 million, as summarized in Table 4. The majority of these positive projected variances arise from:

- Public Works including Utilities (\$7.4 million) - due to:
 - Burrard Bridge rehabilitation
 - Clark/Knight Street Left Turn Bay
 - Residential Drop-Off and Weigh Scale project
- The Vancouver Police Department (\$2.7 million) - due to savings in the Tactical Training Facilities project costs.
- Information Technology (\$1.1 million) - due to anticipated savings in 311 project

The general direction set for the 2010 Capital Budget was to use 2003-2009 carry forward funds first to complete approved projects, reallocate surplus funds, reprioritize projects, all with a goal to minimize the 2010 Capital Budget request and to better match the City's capacity to complete work in 2010. It is anticipated that other than a few larger projects that may have spending requirements into 2011, the majority of existing carry forward balances will be spent by the first quarter of 2011.

Of the projected variance, \$1.4 million (Capital from Revenue) is recommended to be reallocated for SEFC Affordable Housing as outlined on Page 12. Staff will continue to review these open projects which will be reported on as part of the 2011 Capital Budget.

Table 4: Capital Status Summary (2003 - 2009 Projects)

Outstanding Capital Programs/Projects (2003 - 2009)				
Department/Area	Budget	Actual	Balance	Projected Variance
Engineering Services - Public Works	112,298	96,690	15,608	6,343
Engineering Services - Utilities	109,275	80,929	28,346	990
Parks & Recreation	131,654	104,398	27,256	148
Community Services	104,334	67,743	36,591	242
Civic Property Management	63,752	52,296	11,456	303
Information Technology	51,565	37,336	14,229	1,132
Vancouver Police Department	35,027	27,285	7,742	2,667
Vancouver Fire & Rescue Services	11,710	2,122	9,588	-
Library	11,773	9,752	2,021	991
TOTAL	631,388	478,551	152,837	12,816

Capital Close-Out: Appendix 2 provides details, along with a summary in Table 5, of the Capital Close Out for all completed projects (2003 - 2009) along with proposed program reallocations. Overall, \$47 million of Close-Out funding is available. \$31 million has been reallocated within existing programs to reduce the amount of new capital requests, mitigate safety risk, minimize staffing impact, or leverage external funding. Some of the key areas prioritized for receiving reallocated close-out funds are:

- Cycling and pedestrian upgrades
- Upgrading and replacement of sewer pump station
- Improvements to Engineering Yards for critical infrastructure lifecycle replacement
- Affordable and Supportive Housing
- Childcare facility financial contributions
- Library Renewal
- Critical renovation at the City Hall precinct
- IT infrastructure projects

Overall, there is \$15.9 million of funding available from close-outs for other emerging capital priorities. Given that \$2.9 million relates to utilities, reserves, and DCLs, only \$13.0 million of this funding is available for other purposes. Reallocation of the \$13 million of funding is recommended on page 12 of this report.

Table 5: Capital Close Out Summary (\$000)

Capital Programs/Projects - Closeouts					
Department/Area	Budget	Actual	Balance (Avaliable Funding)	Program Reallocations	Net Available Funding
Engineering Services - Public Works	73,499	54,243	19,256	6,785	12,471
Engineering Services - Utilities	135,417	124,519	10,898	9,223	1,675
Parks & Recreation	30,965	30,013	952	102	850
Community Services	44,992	37,400	7,592	7,197	395
Civic Property Management	24,035	21,233	2,802	2,247	555
Information Technology	21,350	15,902	5,448	5,448	-
Vancouver Police Department	379	332	47	47	-
Vancouver Fire & Rescue Services	321	309	12	12	-
Library	20	12	8	8	-
TOTAL	330,978	283,963	47,015	31,069	15,946

3. New 2010 Capital Budget Requests

The 2010 Capital Budget (new requests) seeks approval of major planned expenditures for:

- Engineering (Capital Plan: Sewer, Water, Streets, Electrical Plant; Non Capital Plan: Easy Park, Solid Waste/Transfer & Landfill Operations);
- Parks;
- Civic Property Management;
- Community Services, including Southeast False Creek Affordable Housing;
- Information Technology (Capital Plan and Non Capital Plan);
- Other (Library, Vancouver Fire & Rescue Services, Vancouver Police Department).
- 2010 Supplementary Capital - Annual allocation of funding for capital and rehabilitation expenditures that arise outside of the Capital Planning process with no alternate source of funding.

The high level breakdown is shown in Table 6 and the details for the 2010 Capital Budgets are provided for in Appendix 3. Table 7 summarizes the Capital Budget by program/project area and funding source.

The total request for 2010 is \$273.1 million, of which \$190.8 has been pre-approved under three separate reports related to Federal Infrastructure program along with time-critical projects. The final request for new 2010 funds included in this report is \$82.3 million (see Appendix 4 for a list of pre-approved projects).

Table 6 - Summary of 2010 Capital Budget Requests

	2010 Gross Budget	Pre Approved Funding			To Be Approved
		Pre-Approved Infrastructure	Time Critical Projects	Total Pre Approved	
Utilities					
Public Works - Sewer	\$39,405,000	\$25,000,000	\$0	\$25,000,000	\$14,405,000
Public Works - Waterworks	\$16,620,000	\$9,500,000	\$0	\$9,500,000	\$7,120,000
Total Utilities	\$56,025,000	\$34,500,000	\$0	\$34,500,000	\$21,525,000
Other Public Works					
Public Works - Streets	\$21,985,704	\$15,000,000	\$0	\$15,000,000	\$6,985,704
Public Works - Electrical Plant	\$5,688,111	\$0	\$0	\$0	\$5,688,111
Total Other Public Works	\$27,673,815	\$15,000,000	\$0	\$15,000,000	\$12,673,815
NEU	\$2,100,000	\$2,100,000	\$0	\$2,100,000	\$0
Library	\$4,470,000	\$0	\$0	\$0	\$4,470,000
Fire	\$500,000	\$0	\$0	\$0	\$500,000
Police	\$42,065,000	\$42,065,000	\$0	\$42,065,000	\$0
Community Services	\$26,349,296		\$0	\$0	\$26,349,296
Parks	\$79,735,000	\$35,125,000	\$39,100,000	\$74,225,000	\$5,510,000
IT	\$6,304,670	\$0	\$3,067,700	\$3,067,700	\$3,236,970
Facilities	\$17,858,000	\$14,960,000	\$288,000	\$15,248,000	\$2,610,000
Inflation Adjustment	\$2,110,000			\$0	\$2,110,000
Debenture Costs	\$1,473,401			\$1,137,421	\$335,980
Supplementary Capital	\$1,310,000			\$0	\$1,310,000
Total Capital Plan	\$267,974,182	\$143,750,000	\$42,455,700	\$187,343,121	\$80,631,061
Non Capital Plan					
Easy Park	\$1,061,500	\$0	\$1,061,500	\$1,061,500	\$0
Solid Waste/Landfill	\$4,086,000	\$0	\$2,400,000	\$2,400,000	\$1,686,000
2010 TOTAL BUDGET	\$273,121,682	\$143,750,000	\$45,917,200	\$190,804,621	\$82,317,061

¹ Facilities and Information Technology have adjusted their pre-approved capital projects: the Re-roofing of the City's Archives (\$1.2 million) has been deferred to 2012 and two of the IT project budgets have been reduced by a total of \$0.14 million due to improved estimates.

² The \$15 million of pre-approved infrastructure funding in Public Works - Streets includes \$1.5 million that is being reallocated to fund SEFC Affordable Housing. The Streets project will use \$1.5 million in unallocated close-out funds to make up the City share of the funding.

³ Park Board had a total of \$36.4 million pre-approved. However, \$1.75 million of that was funded through reallocation of carry forward funding.

Table 7 - 2010 Capital Budget Funding Sources

Ref #	Department	Summary - 2010 Budget Requests (\$000's)							
		Gross Funding	Operating Funding	Debenture Funding	DCL Funding	CAC Funding	Other City Funding	City Funding	Other Funding
Utilities									
D	PUBLIC WORKS - SEWERS	39,405	0	18,872	0	0	0	18,872	20,533
F	PUBLIC WORKS - WATERWORKS	16,620	0	12,149	0	0	1,304	13,453	3,167
	Total Utilities	56,025	0	31,021	0	0	1,304	32,325	23,700
Other Public Works									
A	PUBLIC WORKS - STREETS	21,986	968	10,521	2,753	0	445	14,685	7,300
B	PUBLIC WORKS - ELECTRICAL PLANT	5,688	891	4,624	0	0	0	5,515	173
	Total Public Works	27,674	1,859	15,144	2,753	0	445	20,200	7,473
Sub Total		83,699	1,859	46,165	2,753	0	1,749	52,525	31,173
	NEU	2,100	0	1,400	0	0	0	1,400	700
I	LIBRARY	4,470	1,970	2,500	0	0	0	4,470	0
J	PUBLIC SAFETY - FIRE & RESCUE	500	0	500	0	0	0	500	0
K	PUBLIC SAFETY - POLICE SERVICES	42,065	0	17,065	0	0	0	17,065	25,000
L - O	COMMUNITY SERVICES	26,349	1,625	5,889	8,500	6,300	4,000	26,314	35
P - R	PARKS & RECREATION	79,735	3,861	33,845	6,675	1,150	3,750	49,281	30,454
U	OTHER / IT	6,305	2,739	0	0	0	3,354	6,093	212
W	CIVIC PROPERTY MANAGEMENT	17,858	2,310	5,040	0	2,000	3,521	12,871	4,987
	DEBENTURE COSTS	1,473	0	1,473	0	0	0	1,473	0
	INFLATION ADJUSTMENT	2,110	2,110	0	0	0	0	2,110	0
	SUPPLEMENTARY CAPITAL	1,310	1,310	0	0	0	0	1,310	0
TOTAL CAPITAL PLAN		267,974	17,783	113,877	17,928	9,450	16,374	175,412	92,561
NON CAPITAL PLAN									
	EASY PARK	1,062	0	0	0	0	974	974	88
	SOLID WASTE / LANDFILL	4,086	0	0	0	0	3,076	3,076	1,010
TOTAL		273,121	17,783	113,877	17,928	9,450	20,424	179,462	93,659

Southeast False Creek Affordable Housing Funding Proposal

On April 22, 2010, Council approved the affordable housing plan for the Southeast False Creek Olympic Village. In total \$32 million of additional funding was approved with \$21.3 million subject to report back (\$7 million reallocation of City Wide Affordable Housing DCLs and \$14.3 million reallocation of 2009-11 and prior year's Capital).

The \$7 million reallocation of City Wide DCLs is incorporated in the Community Services \$8 million of Non-Market Social Housing DCL allocation, leaving \$1 million for other projects.

The remaining \$14.3 million is recommended to be funded from Capital from Revenue arising from close out balances (\$0.66 million) and projected carry forward surpluses (\$1.4 million). The remaining \$12.2 million is to be provided by varying \$12.2 million in debenture funding from Street and Bridge Infrastructure to Affordable Housing for the 2009-2011 Capital Plan.

Debenture Costs, Inflationary Adjustment, and Operating Budget impacts:

The 2009-2011 Capital Plan contemplates City funding of \$8.3 million for program/project cost inflation adjustment (\$4.0 million) and debenture costs (\$4.3 million).

Inflationary Adjustment: As part of the 2009-11 Capital Planning process, departments submitted costs based on 2009 dollars. The staff review group then considered the potential implications of inflation in these costs. \$4 million dollars was allocated for inflationary increases as part of the 2009-11 Capital Planning process. In 2009, \$1.89 million was allocated. In 2010, a general allocation of approximately \$2.1 million has been allocated.

Debenture costs: Debenture cost allocation in 2010 has been allocated proportionately to the amount of debenture funding proposed. Total Debenture cost allocation for 2010 is \$1.5 million. Detailed allocations by program area are provided in subsequent sections below.

Operating Budget Impacts: Many of the proposed Capital programs/projects require a subsequent increase to Operating Budgets. Although these increases have been detailed in the individual Basic Capital Budget forms, the approval of this report does not constitute an approval of these operating costs. Proposed increases are dealt with as part of the annual Operating Budget review process.

4. Total Combined Capital Budget for Council Approval

The 2010 Capital Budget process has combined all available capital funding to ensure that Council approves the City's comprehensive 2010 Capital Budget. Table 8 below identifies the combined capital requests from the three sources (new requests, carry forwards, and Close-Out Reallocations).

Table 8: Total 2010 Capital Program (Request, Carry Forward, & Reallocations)

	2010 Gross Capital Budget	Closeout Reallocations	Carryforward Balance	Total 2010 Capital Spend
Utilities				
Public Works - Sewer	\$39,405,000	\$3,645,199	\$15,811,773	\$58,861,972
Public Works - Waterworks	\$16,620,000	\$4,078,327	\$4,102,563	\$24,800,890
Total Utilities	\$56,025,000	\$7,723,526	\$19,914,336	\$83,662,862
Other Public Works				
Public Works - Streets	\$21,985,704	\$12,359,916	\$35,602,864	\$69,948,484
Public Works - Electrical Plant	\$5,688,111	\$0	\$4,685,577	\$10,373,688
Total Other Public Works	\$27,673,815	\$12,359,916	\$40,288,441	\$80,322,172
NEU	\$2,100,000	\$0	\$0	\$2,100,000
Library	\$4,470,000	\$7,821	\$1,314,247	\$5,792,068
Fire	\$500,000	\$11,596	\$5,410,000	\$5,921,596
Police	\$42,065,000	\$47,222	\$4,822,530	\$46,934,752
Community Services	\$26,349,296	\$7,852,000	\$27,923,062	\$62,124,358
Parks	\$79,735,000	\$102,000	\$23,431,542	\$103,268,542
IT	\$6,304,670	\$5,447,905	\$8,475,000	\$20,227,575
Facilities	\$17,858,000	\$2,246,980	\$10,485,753	\$30,590,733
Inflation Adjustment	\$2,110,000			\$2,110,000
Debenture Costs	\$1,473,401			\$1,473,401
Supplementary Capital	\$1,310,000			\$1,310,000
Total Capital Plan	\$267,974,182	\$35,798,966	\$142,064,911	\$445,838,059
Non Capital Plan				
Easy Park	\$1,061,500	\$0	\$330,387	\$1,391,887
Solid Waste/Landfill	\$4,086,000	\$1,499,191	\$7,087,448	\$12,672,639
2010 TOTAL BUDGET	\$273,121,682	\$37,298,157	\$149,482,746	\$459,902,585

*Carry Forward balance as of February 2010

6. 2011 Advance Approvals

The Engineering Capital Budget only includes funding, with the exception of the Federal Infrastructure projects, for work to be completed up to December 31, 2010. There are a number of projects that require advance approval of the funds to be expended in 2011 to

ensure that appropriate procurement processes can be met (i.e. ensure funding is secure prior to tendering contracts). As a result, the following project funding requires Council approval.

Table 9: 2011 Advance Approvals

Capital Plan Reference	Project	2011 Expenditure Amount	Total Project Cost	Funding Source	Description
A2c2	Special Projects - PCB Removal Bridges	\$300,000	\$1,200,000	General Debt	Relates to ongoing work for the bearing replacement on the Granville and Burrard Bridges.
A3a	Burrard Bridge Cycling Improvements	\$1,200,000	\$2,000,000	General Debt	Relates to the study of future uses and updating required for the Burrard Bridge; total projected cost \$1.4 million
A3r	2009 Blueways Program	\$60,000	\$400,000	Capital from Revenue	Relates to costs for an accessibility study for the City's docks in False Creek
A4a2	Powell Street Overpass	\$1,700,000	\$13,650,000	Capital from Revenue	Relates to anticipated expenditures in advance of the Powell Street Overpass project.
A4a3	Georgia and Dunsmuir Viaducts Study	\$395,000	\$695,000	General Debt	Relates to a study to determine the current condition and roles of the Georgia and Dunsmuir Viaducts. Study is expected to extend into 2011 with a total estimated cost of \$695,000.
A4a4	Transportation Plan Update	\$200,000	\$400,000	General Debt	Relates to the Transportation Plan Update, expected to extend into 2011 with a total estimated cost of \$400,000
D1d	Upgrade & Replacement of Pump Station	\$2,600,000	\$5,200,000	Sewer Debt	Relates to a proposed contract for the replacement of a Sewer Pump Station
N/A	Residential Drop Off Area Upgrades	\$4,800,000	\$5,000,000	Solid Waste Capital	Relates to design of improvements to the residential drop off area at the Landfill. Total project cost is expected to be \$5 million
N/A	Landfill Phase 2 & W40Ha Closure Project	\$4,000,000	\$5,000,000	Solid Waste Capital Reserve	Relates to design of the phase 2 closure program at the landfill. Design costs are expected to continue into 2011.
Total 2011 Advance Approvals		\$15,255,000			

CONCLUSION

The 2010 Basic Capital Budget represents the second annual budget arising from the 2009-2011 Capital Plan. This report provides a summary of the 2010 Basic Capital Budget, 2010 Supplementary Capital Budget, and Capital Close-outs for Council review and approval.

* * * * *

DEPARTMENTAL APPROVAL AND REPORT CONCURRENCES

General Mgr./Dept. Head:

Report Date: June 16, 2010

Author: Annette Klein/Liz Jones

Date:

Phone No.: 604.873.7184/

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

Concurring Departments:

Appendix 1 - Capital Status of Open Projects (2003 - 2009)

Appendix 2 - 2010 Capital Close Out

Appendix 3 - 2010 Capital Budget Submissions

2010 Capital Budget Summary

2010 Budget **\$273,121,682**

The annual Capital Budget consists of Basic Capital - Annual allocation of available City funding to specific programs/projects that were included in the Capital Plan. New for this year, Capital Programs not included in the 2009-2011 Capital Plan are included (i.e. IT Infrastructure Expansion and Replacement, Easy Park, and Solid Waste/Transfer & Landfill Operations).

The table below provides a summary of the 2010 Capital Budget requests by program/project area, including the sources of funding. Specific details are provided in subsequent sections, and detailed Basic Capital budget submissions for each program/project will be on file in the City Clerk's Office by August 1, 2010.

Ref #	Department	Summary - 2010 Budget Requests (\$000's)							
		Gross Funding	Operating Funding	Debenture Funding	DCL Funding	CAC Funding	Other City Funding	City Funding	Other Funding
Utilities									
D	PUBLIC WORKS - SEWERS	39,405	0	18,872	0	0	0	18,872	20,533
F	PUBLIC WORKS - WATERWORKS	16,620	0	12,149	0	0	1,304	13,453	3,167
	Total Utilities	56,025	0	31,021	0	0	1,304	32,325	23,700
Other Public Works									
A	PUBLIC WORKS - STREETS	21,986	968	10,521	2,753	0	445	14,685	7,300
B	PUBLIC WORKS - ELECTRICAL PLANT	5,688	891	4,624	0	0	0	5,515	173
	Total Public Works	27,674	1,859	15,144	2,753	0	445	20,200	7,473
	Sub Total	83,699	1,859	46,165	2,753	0	1,749	52,525	31,173
	NEU	2,100	0	1,400	0	0	0	1,400	700
I	LIBRARY	4,470	1,970	2,500	0	0	0	4,470	0
J	PUBLIC SAFETY - FIRE & RESCUE	500	0	500	0	0	0	500	0
K	PUBLIC SAFETY - POLICE SERVICES	42,065	0	17,065	0	0	0	17,065	25,000
L - O	COMMUNITY SERVICES	26,349	1,625	5,889	8,500	6,300	4,000	26,314	35
P - R	PARKS & RECREATION	79,735	3,861	33,845	6,675	1,150	3,750	49,281	30,454
U	OTHER / IT	6,305	2,739	0	0	0	3,354	6,093	212
W	CIVIC PROPERTY MANAGEMENT	17,858	2,310	5,040	0	2,000	3,521	12,871	4,987
	DEBENTURE COSTS	1,473	0	1,473	0	0	0	1,473	0
	INFLATION ADJUSTMENT	2,110	2,110	0	0	0	0	2,110	0
	SUPPLEMENTARY CAPITAL	1,310	1,310	0	0	0	0	1,310	0
	TOTAL CAPITAL PLAN	267,974	17,783	113,877	17,928	9,450	16,374	175,412	92,561
	NON CAPITAL PLAN								
	EASY PARK	1,062	0	0	0	0	974	974	88
	SOLID WASTE / LANDFILL	4,086	0	0	0	0	3,076	3,076	1,010
	TOTAL	273,121	17,783	113,877	17,928	9,450	20,424	179,462	93,659

Engineering Basic Capital Budget

\$83,698,815

The 2010 Engineering Basic Capital Budget consists of four major Programs: Sewers, Waterworks, Streets, and Electrical Plant. In addition, non-capital plan budget requests related to the Vancouver Landfill, the Southeast False Creek Neighbourhood Energy Utility and EasyPark are included.

Sustainable practices and technologies have been incorporated into many aspects of the planning, design and construction processes for capital works within Engineering Services.

In addition, staff pursue cost-sharing and funding opportunities with senior governments for all areas of Engineering Services as they arise (e.g., Provincial and Federal Grants, ICBC, utility companies, Transport Canada, other Government agencies). Provincial and regional government funding that is available or may become available to help fund capital projects includes the following:

- *TransLink Minor Capital* - This category only includes new works or improvements on the MRN that generally address congestion, safety, and capacity issues. TransLink will fund 50% of the cost of these projects up to a pre-established maximum funding level.
- *TransLink Operation, Maintenance, and Rehabilitation (OMR)* - Part of the OMR program funding provides for rehabilitation of existing pavement and rehabilitation of other existing infrastructure (e.g. curbs, shoulders, pedestrian facilities, drainage, street lighting and traffic signal systems, etc.) on the Major Road Network.
- *TransLink Bicycle Infrastructure Capital Cost Sharing Program (BICCS)* - This funding is utilized towards development and construction of new roads and facilities in order to enhance Vancouver's Bicycle Network.
- *TransLink Transit Related Road Infrastructure Program* - The Transit Related Road Infrastructure Program (TRRIP) was established to fund roadway infrastructure facilities required for the delivery of transit (bus-based) services in Greater Vancouver.
- *Federal Infrastructure Stimulus Fund* - This fund provides funding towards the rehabilitation or construction of municipal infrastructure projects and provides funding for one third of the eligible project costs. The focus of the program is for job creation and as such generally requires that the projects be undertaken by third parties on a contract basis. However, two sewer projects have been approved with the use of City crews. Several projects in the Engineering have been approved. Another requirement is that selected projects be started and substantially completed prior March 31, 2011.

Public Works: Sewers

\$39,405,000

(Capital Plan Reference D)

The 2009-2011 Sewers Capital Plan focuses on four areas of sewer work that include: System Replacement, System Management, Pollution Abatement, and Special Projects. The key projects for the 2010 Sewers Program are Upper Trout Lake main sewer separation, reconfiguration of the English Bay Interceptor to reduce combined sewer overflows (Greening EBI), and the replacement of the Granville Island Pump Station.

D-1 System Replacement

\$26,650,000

The 2010 Sewers Capital Budget is a continuation of an ongoing infrastructure program that began in the early 1970's. This program consists of the renewal of sewer mains, connections, manholes, catch basins and pump stations. Factors considered in selecting the projects in this category include replacements for physical failure, deterioration from age, inadequate capacity and related flooding problems, environmental benefits, and Liquid Waste Management Plan requirements (LWMP).

The City has adopted a strategy of continuous sewer replacement to replace 1% of the existing sewer system over a 100-year life instead of periodic large reconstruction programs.

The City has received funding under the Federal Infrastructure Stimulus Fund program for three projects. Two major and related projects involve sewer separation in the Upper Trout Lake area. The total estimated cost of these projects is \$20 million with the Federal Government contributing approximately one third of the project costs. These projects will be undertaken using City crews. A third project involves the redirection of three forcemains from the English Bay Interceptor to the 8th Avenue Interceptor. This will redirect sewage flows from combined sewer outfalls which can impact English Bay, False Creek and Vancouver Harbour to the Iona sewage treatment plant. This project has an estimated cost of \$5 million and will be contracted to a third party and funded one-third by the Federal Government.

The remaining budget request is for reconstruction of manholes, connections, catch basins and other local repairs. Work will continue in the basic main sewer reconstruction program and will focus on critical prior-to-paving and flood-mitigation work as well as the replacement of the Granville Island Pump Station.

D-2 System Management

\$150,000

The System Management Program provides funds to support a variety of information and research projects. This Program is divided between two sub-programs: Television Inspection and Investigation for Design. These projects provide key information that is used to prioritize the 1% Replacement Program and establish routine maintenance programs. This Program also provides funds for a variety of tools that support cost-effective capital work programs, including sewer system modeling, field monitoring of sewer flows, construction site exposures, soundings of underground facilities, and investigation of new products and technical standards for sewer design and construction.

D-4 Pollution Abatement

\$605,000

The 2010 budget request is for Sewer Separation on Private Property. The program was established 1978 in order to achieve the pollution control benefits of a separated sewer system. This program allows for a maximum \$1,000 reimbursement towards the cost of plumbing alterations on private property and the provision for a separated sewer connection to serve the property. It is an essential element needed to meet our commitments under the Liquid Waste Management Plan to continuously reduce combined sewer overflows, with the current focus on addressing Clark Drive CSO impacts and on continuing False Creek water quality improvements.

D-6 Other Projects \$12,000,000

Based on recent reviews of permit applications and residential and commercial construction activity, it is anticipated that about \$12.0 million of public sewer connections will be installed in 2010. The cost of this work will be recovered from public sewer connection fees charged to developers and builders.

Public Works: Waterworks **\$16,620,000**
(Capital Plan Reference F)

The 2009-2011 Capital Plan is based on the Waterworks Long Range Plan (LRP). The LRP outlines the City's plans for water quality improvement, addressing growth, demand management, emergency preparedness, infrastructure management, business process improvement, and financial planning. The Waterworks Program for 2010 will continue to focus on the systematic replacement and rehabilitation of aging distribution mains, water meters and services, pressure reducing valve (PRV) stations, and fire hydrants.

The 2010 Waterworks Capital Budget includes the following:

F-1 Aging Infrastructure Replacement \$16,045,000

A key strategic objective of the Waterworks Long Range Plan is to manage infrastructure proactively. The City's water system consists of approximately 1,440 km of water mains, as well as associated facilities such as pressure regulating stations, and other fixtures such as valves, fire hydrants, and service connections. With such an extensive system, it is important to maintain reliable water service and follow a replacement program that renews infrastructure components that are suffering from corrosion attack and mechanical wear.

Aging distribution mains replacement is the focus of 2010 program funding with replacement work planned for 25 sites within the City. As well, funding has been received under the Federal Infrastructure Stimulus fund program for additional distribution main replacement projects. These additional projects in the Kitsilano, Point Grey, Kerrisdale and Fraserview neighbourhoods will be undertaken by third party contractors. The total estimated cost of these projects is \$7,500,000, approximately one third of which will be funded by the Federal government.

The remaining budget request is for aging water service replacement and Pressure Regulating Valve (PRV) station construction. Funding under the Federal Infrastructure Stimulus program has been received toward the replacement of three PRV stations. This work, with an estimated cost of \$2 million, will be undertaken by third party contractors, and funded one third by contributions from the Federal government.

F-2 Addressing Growth \$0

This Program addresses population growth and development impacts, funding infrastructure upgrades to increase supply capabilities, new connections and meters, and a conservation program to help curb water demand. The focus of work in 2010 is installation of approximately 1,000 automated meter reading (AMR) units using existing funds.

F-3 Emergency Planning \$75,000

The Emergency Planning Program for 2010 consists of funding to review, remediate, and replace wells in the existing well fields that are not currently usable. In addition, a number of minor upgrades and replacements will be undertaken on the Dedicated Fire Protection System. This system was built to provide fire fighting capabilities in the event of a significant disaster.

F-4 Investigation, Monitoring and Control \$500,000

The 2010 budget provides funding for updating the Waterworks telemetry system to ensure its ongoing functionality. Funding is also provided for engineering and site investigations which include product evaluations, testing and monitoring projects, computer design as well as plans to investigate the condition of high pressure concrete water mains.

F-5 Water Quality Projects \$ 0

This Program funds capital improvements to ensure adequate water quality throughout the distribution system. A fundamental goal is the avoidance of waterborne health problems due to bacterial or chemical contamination. Projects typically focus on preventing stagnation in areas where building density is low and water supply capacity (for firefighting) far exceeds daily domestic flows. In 2010, a water main looping project is planned using existing funds.

Streets **\$21,985,700**
(Capital Plan Reference A)

The Streets Program for 2010 includes new sidewalks, new curb ramps, upgraded bicycle routes, and major rehabilitation of deteriorating streets infrastructure. Funding is also requested for continued local improvements for back lanes, reconstruction of existing sidewalks, and bridge rehabilitation work.

As well, funding under the Federal Infrastructure Stimulus Fund program has been received for four street related projects. In order to promote pedestrian mobility and accessibility under the Greenest City transportation objectives, the stimulus programs include the installation of sidewalks on approximately 60 city blocks primarily adjacent to parks and schools and the installation of approximately 400 curb ramps to improve sidewalk accessibility. To provide rehabilitation of existing assets, the stimulus funding will also be used to include the rehabilitation of pavements, sidewalks and curb ramps on 41st Avenue (a major transit route between Cambie Street and Kingsway), and rehabilitation of the Grandview Viaduct by replacing seized bridge bearings and expansion joints. These projects will be undertaken by third party contractors and the Federal government will contribute approximately one third of the project costs.

A brief description of the Streets Programs follows:

A-1 Infrastructure \$14,190,700

The Streets Infrastructure program addresses the ongoing need to rehabilitate the City's existing street infrastructure. Management of existing assets is a priority and a key aspect for

sound infrastructure asset management. This section is divided into three main sub-programs: Sidewalks and Boulevards, Roads and Pavement, and General programs.

The Sidewalk and Boulevard component of this program provides funding for installation and reconstruction of sidewalks to facilitate the completion of the City's sidewalk network in support of the City's Transportation Plan. Funding requested will provide approximately 60 block faces of new sidewalk and reconstruction of approximately 15 commercial sidewalks. Part of the funding is also allocated for installation of curb ramps to provide accessible sidewalks. These projects are expected to be supported with funding from the Federal Infrastructure Fund in the amount of approximately \$2,333,400. Sidewalks and curb ramps support the Greenest City transportation objectives and reflect the goals of the City's sidewalk construction program approved by Council on April 8, 2004.

Funding allocated for the Roads and Pavements program will be used for reconstruction of deteriorated transit routes on major city streets, rehabilitation of local streets (with a focus on bicycle routes), back lanes, and bus slabs. The Infrastructure Program for 2010 includes major rehabilitation of arterial streets, with funding allocated specifically for Victoria Street (1st Avenue to Broadway), Nanaimo (Grandview Highway to Kingsway), MacKenzie Street (King Edward to 41st Avenue), Arbutus (14th Avenue to King Edward) and 41st Avenue (Cambie Street to Kingsway). The rehabilitation work for arterial streets on MRN Program is expected to be augmented with \$2,300,000 of TransLink funding and \$2,000,000 from the Federal Infrastructure Stimulus Fund. Other supplemental funding for street work includes approximately \$306,600 from property owners for Local Improvement petitions.

The General Funding covers construction for peat areas with poor soil conditions where normal maintenance or rehabilitation is not effective. Drainage improvement and replacement of damaged sidewalk or streets after development or utility work are also included as projects in the general infrastructure funding.

A-2 Bridges and Structure

\$2,225,000

This funding provides for structural improvements to City bridges and other City and pedestrian structures. For 2010, approximately 90% of program funding is allocated to two special bridges projects: Grandview Viaduct Rehabilitation and PCB removal on Granville Bridge for compliance with federal and environmental regulations. The project related to the Grandview Viaduct is expected to receive \$667,000 from the Federal Infrastructure Stimulus Fund.

A-3 Major Projects

\$0

This project encompasses two major items: 1) the design and costing of Council directed programming of the bridge deck (cycling and pedestrian enhancements), and 2) the design and costing of all significant repairs and required rehabilitation of the bridge. Funding will be provided from the 2006-08 Engineering Capital Budget and Burrard Bridge Bicycle & Pedestrian Upgrades.

A-4 Strategic Transportation \$5,570,000

This program provides funding to advance the City's transportation priorities. Projects are targeted at improving comfort and safety for sustainable transportation modes, walking, cycling, and transit. Projects include the development of citywide and neighbourhood greenways, new bike routes and bicycle facilities, bus shelters and landings, installation of neighbourhood traffic controls, and transportation monitoring.

Some of the neighbourhood traffic control projects for 2010 include the continued installation of traffic circles, bulges, diverters, and other traffic calming measures throughout City streets.

Electrical Infrastructure **\$5,688,111**
(Capital Plan Reference B)

There are three main categories of Electrical Infrastructure programs identified under the 2009-2011 Capital Plan: Communications, Street Lighting, and Traffic Signal programs. A brief description of each of the programs follows:

B-1 Communications \$506,250

The City's communications system is made up of the Engineering radio dispatch system which operates on wide band assignments, as well as a communications cable network. An effective communication system is essential to the efficient operation of the City departments and is essential to all aspects of emergency response. The 2010 Communications Capital Budget provides funding for the continuation of underground cable replacement and expansion programs.

B-2 Street Lighting \$2,343,861

The 2010 Street Lighting Capital Budget provides for the ongoing infrastructure replacement program for the Street Lighting Infrastructure. The Street Lighting infrastructure continues to age, with many components now past their estimated service life. This program will provide for the replacement of street lighting poles, service panels, conduit, and other components. Delays in replacing street lighting infrastructure increases the liability risk associated with falling poles or energized poles and panels. Street lighting outages will also be reduced by rebuilding connections on trolley routes and replacing badly corroded service panels.

Funding is also requested to upgrade lighting levels in response to local public safety and security concerns, and for the City's share of new lighting projects approved through the Local Improvement process (an additional \$228,000 is expected from property owners for this purpose).

B-3 Traffic Signal Program \$2,838,000

This funding covers new pedestrian and vehicular signal installations and the modification, renovation, and replacement of existing signals. This Program is expected to receive \$160,000 from Translink as part of the MRN OMR Program.

Approval in Advance

The following Engineering programs received approval of funding in advance of the 2010 Basic Capital Budget:

▪ Sewers (RTS 8492):	<u>\$millions</u>
▪ Main Sewer Reconstruction:	
○ Upper Trout Lake East Sewer Separation	\$10.0
○ Greening English Bay Interceptor	\$5.0
○ Upper Trout Lake West Sewer Separation	<u>\$10.0</u>
Total Sewers advance funding	\$25.0
▪ Waterworks (RTS 8492):	
○ Distribution Main Replacement - Kits & Point Grey	\$2.5
○ Distribution Main Replacement - Kerrisdale & Fraserview	\$5.0
○ Distribution System PRV Replacement	<u>\$2.0</u>
Total Waterworks advance funding	\$9.5
▪ Streets and Transportation (RTS 8492):	
○ Major Maintenance of City Bridges - Grandview Viaduct	\$2.0
○ Disability Access - Curb Ramps Project	\$2.0
○ New Pedestrian Collector Sidewalks Project	\$5.0
○ Major Streets - MRN - 41 st Avenue Rehabilitation Project	<u>\$6.0</u>
Total Streets and Transportation advance funding	\$15.0

Source of Funds Summary

		Table 4.2: Summary - 2010 Budget Requests (\$000's)							
Ref #	Department	Gross Funding	Operating Funding	Debenture Funding	DCL Funding	CAC Funding	Other City Funding	City Funding	Other Funding
Utilities									
D	PUBLIC WORKS - SEWERS	39,405	0	18,872	0	0	0	18,872	20,533
F	PUBLIC WORKS - WATERWORKS	16,620	0	12,149	0	0	1,304	13,453	3,167
	Total Utilities	56,025	0	31,021	0	0	1,304	32,325	23,700
Other Public Works									
A	PUBLIC WORKS - STREETS	21,986	968	10,521	2,753	0	445	14,685	7,300
B	PUBLIC WORKS - ELECTRICAL PLANT	5,688	891	4,624	0	0	0	5,515	173
	Total Public Works	27,674	1,859	15,144	2,753	0	445	20,200	7,473
	Total 2010 Request	83,699	1,859	46,165	2,753	0	1,749	52,525	31,173

Note: Totals do not include debenture costs.

Debenture Costs **\$537,000**

Debenture Costs has been allocated to Engineering programs/projects as follows:

- Sewers \$213,000
- Waterworks \$151,000
- Streets \$122,000
- Electrical Plant \$51,000

Non-Capital Plan Capital Budget Requests

Vancouver Landfill **\$4,086,000**

The Vancouver Landfill undertakes capital projects throughout the year. These projects are not included in the 2009 - 2011 Capital Plan as the projects are funded either by loans from the Capital Financing Fund if the project is for operating needs, or from the Solid Waste Capital Reserve when the work is for permanently closing segments of the Landfill.

There are five projects proposed, two of which are receiving partial funding through the Federal Infrastructure Stimulus Fund.

1. Landfill Gas Collection Infrastructure Expansion \$500,000

This project will see the extension of the piping (header) system to encircle the site which will allow greater vacuum in the system resulting in better collections. In addition, additional vertical wells will be installed in Phase 2 and horizontal wells will be installed in Phase 3.

It is expected that the project will be completed over several years at a total cost of \$6,000,000. This project will be funded as a loan from the Capital Financing Fund.

2. Pump Station Upgrades \$1,400,000

An onsite pump station is required to pump leachate from the Landfill to the sewer system. Continuous operation of the pump station is paramount to avoid overflows and spillage into the environment, particularly in the wetter months. Several issues with the current pump system have been identified that need to be addressed to ensure reliable operation of the pump system.

This project has qualified for funding of one third of the project costs from the Federal Infrastructure Stimulus Fund with the balance of the funding as a loan from the Capital Financing Fund.

3. Water Line Extension \$1,000,000

A water line was installed on a portion of the site in 1980. However, as the future footprint of the Landfill is now established, the goal is to extend the water line along the southern perimeter of the site to connect to the municipal water supply and improve system pressure at the east end of the site. This is important as water connections are needed to allow the Fire Department to help fight possible fires on the site.

This project has qualified for funding of one third of the project costs from the Federal Infrastructure Stimulus Fund with the balance of the funding as a loan from the Capital Financing Fund.

4. Machine Based GPS Project \$186,000

As areas of the landfill near capacity, it is important that the exact dimensions of the waste in place meet the approved design grades of the fill plan. This allows for the maximum amount of waste to be placed in the approved space, without overfilling and requiring costly adjustments.

The installation of GPS technology on the heavy equipment used to place the waste will improve the capability of properly meeting the design grades. This project will be funded as a loan from the Capital Financing Fund.

5. Phase 2 and Western 40 Hectare Closure Project \$1,000,000

The scope of work for this project is to complete the construction of Phase 2/W40Ha closure. Consulting services are required for design. This work will be undertaken in 2010, while construction activities are expected to begin in 2011. Construction is expected to be staged over two to three years due to the need to install the geomembrane during dry, warm weather. Total project costs are expected to be approximately \$25 million. However, better cost estimates will be established once design is completed and contracts are tendered.

EasyPark **\$ 1,061,500**

EasyPark is the operator of several City owned off-street parking facilities, each year capital projects are proposed to improve the City's assets.

Funding for the capital program is from the Parking Sites Reserve.

There are three projects proposed for 2010;

1. CP#2 - 150 W. Pender Surface and Structural Repairs \$ 638,000

Serious structural and surface deficiencies were identified in a recent report from a consulting engineer. As a result 60 parking stalls were closed. This project will undertake to remedy the highest priority items.

2. CP#22 - 1180 Mainland Membrane Replacement \$ 390,500

The waterproof protective membrane on the traffic bearing surface of the parkade has been damaged through normal wear and tear, and partly due to impacts of the construction of the Canada Line. This membrane protects the reinforcing steel in the concrete and prevents leakage and corrosion, which weakens the strength of the structure.

SNC Lavalin will contribute \$87,500 to the total \$390,500 cost of the project as compensation for the damage caused as a result of the Canada Line construction.

3. CP#4 - 107 E. Cordova Door and Hardware Repairs \$ 33,000

This project will repair or replace damaged doors and jambs in the parkade.

Kerrisdale Parkade \$ 120,000

Repairs to the deck joints on all three levels of the parkade are required. This project is to be funded from the Parking Sites Reserve.

NEU - Distribution System Extension \$ 2,100,000

The Neighbourhood Energy Utility ("NEU") is a renewables-based district heating system that provides thermal energy services for space heating and domestic hot water to all new development within the Southeast False Creek ("SEFC") Official Development Plan Area. This project will extend the NEU distribution network to connect the system to new development sites. All SEFC development is obligated by bylaw to connect to the system, and through NEU connection greenhouse gas emissions are reduced by more than 50%. Work includes the design and construction of NEU hot water distribution pipelines and energy transfer stations to connect new customer buildings. The budget includes adequate funding to connect three SEFC development sites to the system.

Approval in Advance

The following Engineering programs received approval of funding in advance of the 2010 Basic Capital Budget :

Easy Park (RTS 8492):

○ CP#2 - 150 W. Pender Surface and Structural Repairs	\$638,000
○ CP#22 - 1180 Mainland Membrane Replacement	\$33,000
○ CP#4 - 107 E. Cordova Door and Hardware Repairs	<u>\$390,500</u>
Total Easy Park advance funding	\$1,061,500

Solid Waste (RTS 8492):

○ Water Line Extension	\$1,000,000
○ Pump Station Upgrades	<u>\$1,400,000</u>
Total Solid Waste advance funding	\$2,400,000

Parks Basic Capital Budget

\$79,735,000

The 2010 Parks Basic Capital Budget consists of four main Programs: Parks; Park Land Acquisition and New Park Development; Recreation Facilities; and Street Tree Planting. These Programs are summarized in the following sections.

The recommended 2010 Parks Basic Capital Budget is \$79,735,000. The Park Board is scheduled to consider their capital budget on June 21, 2010. Resolutions from the Board will be forwarded to Council shortly thereafter.

Parks

\$23,693,000

(Capital Plan Reference P)

The goals of the Parks programs are to ensure the safety of park visitors, maintain the proper functioning of park features, and ensure the park system (more than 200 parks) meets the needs of the community. Major tasks include the repairing, upgrading, and enhancements of existing parks and facilities within these parks, such as walking and cycling paths, children's playgrounds, sport fields, sport courts, and the seawall.

In addition to the City funding of \$15,011,000 Parks has also received and allocated \$8,682,000 in external funding toward this program, including \$8,033,000 in Federal government grants from two programs: the Infrastructure Stimulus Program (\$6,033,000) and the Recreational Infrastructure Program (\$2,000,000).

Projects receiving Federal funding are:

- Park Renewals: Fraserview, Grandview and Norquay;
- Synthetic Turf Playfields and one running track;
- English Bay Seawall Structural Repairs;
- Stanley Park Road Repaving;
- Queen Elizabeth Park Road Repaving;
- Stanley Park Sewer Pump Station Upgrades;
- Stanley Park Seawall / Brockton Point Lighthouse Rehabilitation;
- Park Lighting Infrastructure / Fieldhouses.

Additional projects planned for 2010 include:

- Improving grass playing fields at Moberly Park;
- Replacing and upgrading the children's playground at Kitsilano Park to become a Universally Accessible playground;
- Preparing a redevelopment plan for Burrard Marina;
- Installing upgraded electrical services in Stanley Park.

Park Land Acquisition & New Park Development **\$0**
(Capital Plan Reference Q)

The goal of the Park Land Acquisition program is to increase the supply of parks (currently about 1,300 hectares) to meet the needs of a growing population (Vancouver's population is anticipated to grow by about 100,000 people over the next 20 years). Major tasks include the purchase of land and subsequent construction of the new park areas. Since there are carry-forward available funds no new funding is included in the 2010 Capital Budget.

Recreation Facilities **\$54,042,000**
(Capital Plan Reference R)

The goals of the Recreation Facilities program are to ensure the safety of patrons and workers, maintain the proper functioning of buildings, and ensure the recreation facility system (more than 200 buildings) meets the needs of a diverse and growing population. Major tasks include the repairing, upgrading, expansion and/or replacement of community centres, swimming pools, ice rinks, field houses, and other recreation facilities.

In addition to the City funding of \$28,520,000, Parks has also received and allocated \$25,522,000 in external funding toward this program, including \$7,500,000 in Federal government grants from the Infrastructure Stimulus Program.

Projects receiving Federal funding are:

- VanDusen Botanical Garden: New Visitor Centre;
- Stanley Park: Malkin Bowl Performance Centre Upgrade;
- Roundhouse Community Centre: Turntable Plaza Rehabilitation;
- Stanley Park: Pavilion and Fieldhouse Upgrades.

Other major projects planned for 2010 include:

- Post-Olympic conversion of the Vancouver Olympic/Paralympic Centre at Hillcrest Park into Riley Park Community Centre, Riley Park Ice Rink, Vancouver Curling Club and Riley Park Library;
- Renewal of Trout Lake Community Centre;
- Expansion of visitor centre and washrooms at Totem Pole site

Street Tree Planting Program **\$350,000**
(Capital Plan Reference S)

The goal of the Street Tree Planting program is to increase the number of trees along streets throughout the City to about 155,000 trees (currently there are about 135,000, up from about 90,000 in 1989). Major tasks include the purchase of trees and the planting of trees. About 1100 to 1150 trees are expected to be planted in 2010.

Overhead **\$1,650,000**
(Capital Plan Reference 'Overhead Charges')

Parks Overhead consists of costs for Planning and Development staff (e.g., Project Managers) as well as General Administration costs which are directly attributable to Parks Capital programs/projects and as such are fully recoverable from Capital.

As noted in the detail submissions, overhead is allocated to specific programs/projects such that gross budgets and actuals form the basis for budget monitoring and asset capitalization.

Approval in Advance

The following Parks programs received approval of funding in advance of the 2010 Basic Capital Budget:

- Advance Approval of Capital Expenditure (RTS 8505):
 - Riley Park Community Centre and Ice Rink \$11,350,000

 - Advance Approval of Capital Expenditure (RTS 8492):
 - Infrastructure Stimulus Funds projects \$36,400,000
 - Recreation Infrastructure Canada Fund projects \$9,000,000
 - Trout Lake CC Renewal \$18,750,000
- Total Parks advance funding \$75,500,000

Source of Funds Summary

		Table 4.3: Summary - 2010 Budget Requests (\$000's)							
Ref #	Department	Gross Funding	Operating Funding	Debenture Funding	DCL Funding	CAC Funding	Other City Funding	City Funding	Other Funding
	OVERHEAD	\$1,650	\$800	\$550	\$300	\$0	\$0	\$1,650	\$0
P	PARKS	\$23,693	\$1,124	\$6,362	\$6,375	\$1,150	\$0	\$15,011	\$8,682
Q	PARK LAND ACQUISITION / NEW PARKS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
R	RECREATION FACILITIES	\$54,042	\$1,587	\$26,933	\$0	\$0	\$3,750	\$32,270	\$21,772
S	STREET TREES	\$350	\$350	\$0	\$0	\$0	\$0	\$350	\$0
TOTAL PARKS & RECREATION		\$79,735	\$3,861	\$33,845	\$6,675	\$1,150	\$3,750	\$49,281	\$30,454

Note: Totals do not include debenture costs.

Debenture Costs

\$365,000

\$366,000 in Debenture Costs has been allocated to Parks programs/projects.

Civic Property Management Basic Capital Budget **\$17,858,000**
(Capital Plan Reference W)

The 2010 Civic Property Management Basic Capital Budget consists of seven main Programs: Major/Minor New Construction; General Capital Maintenance; Building Specific Capital Maintenance; PNE Capital Maintenance; Renovation and Enhancements; Inspections and Audits; and Environmental Program. These Programs are summarized in the following sections.

W1 Major / Minor New Construction **\$500,000**

This program includes the construction of new facilities and additions to/redevelopment of major renovations to existing facilities. Funding to start the planning of the Strathcona/DTES Library Branch is also included in this program.

W3 General Capital Maintenance **\$1,295,000**

This program is intended to address the lifecycle replacement and major maintenance of building systems at various civic-use facilities. Funding for this program allows for general Capital Maintenance including HVAC Systems, Mechanical Systems, Electrical Systems, Fire Protection Systems, Building Interior Systems, and Building Envelope (including roofing).

W3-3 Building Specific Capital Maintenance **\$15,248,000**

This program is intended to address special capital maintenance projects that are linked to specific programs or facilities or are significant in size /cost and must be done in their entirety or not at all. Four projects are being implemented in 2010, all of which are receiving partial funding through the Federal Infrastructure Program. These projects include: Orpheum Upgrades & Capitol 6 Interface & Finish, QET Plaza Improvements and Carnegie Centre - Heritage Window and Main Stair Rehabilitation and the City Hall - Façade and Window Rehabilitation.

W3-4 PNE Capital Maintenance **\$200,000**

This program consists of funding for Capital Maintenance at the PNE. Specific lifecycle replacement work planned for 2010 includes the installation of backflow-preventers at the Coliseum to address an outstanding code issue.

W4 Renovation and Enhancement **\$735,000**

This category of work covers renovations, improvements, and enhancements to support changes in programming or building usage. The priorities for this work are considered more discretionary and are managed separately from Capital Maintenance. Projects planned for 2010 include minor renovations and relocations in City Hall Precinct facilities and the installation of shelving to display Olympic memorabilia at the Vancouver Museum.

W5 Inspections and Audits

\$0

This program is intended to investigate and develop action plans relating to emergent health, safety, and environmental issues arising in City facilities and to conduct general condition assessments of City buildings in order to prepare long-term recapitalization plans. Sub-categories include facility condition audits, indoor air quality investigations, and environmental site assessments. This category will be funded from carry-forward from 2009.

W6 Environmental Program

\$80,000

This program consists of projects involving the removal/abatement of identified hazardous materials from City facilities and the development and implementation of an expanded Corporate recycling program at various City facilities. Additional funding is being provided from carry-forward from 2009.

Approval in Advance

The following Civic Property Management programs received approval of funding in advance of the 2010 Basic Capital:

- Re-roof Archives and Records Facility (RTS 8633) \$1,488,000

Note: Only \$288,000 for design is being requested in 2010 with the remainder being deferred to 2011.

- Building Specific Capital Maintenance (RTS 8492):
 - Orpheum Upgrades & Capitol 6 Interface & Finish \$3,000,000
 - QET Plaza Improvements \$5,060,000
 - Carnegie Centre Windows and Heritage Work \$4,000,000
 - W3-3 City Hall Heritage Exterior Upgrades \$2,900,000
- Total Capital Maintenance advance funding \$16,448,000

Source of Funds Summary

		Table 4.4: Summary - 2010 Budget Requests (\$000's)							
Ref #	Department	Gross Funding	Operating Funding	Debenture Funding	DCL Funding	CAC Funding	Other City Funding	City Funding	Other Funding
W1	MAJOR/MINOR NEW CONSTRUCTION	\$588	\$0	\$440	\$0	\$0	\$148	\$588	\$0
W3	GENERAL CAPITAL MAINTENANCE	\$1,295	\$1,295	\$0	\$0	\$0	\$0	\$1,295	\$0
W3-3	BUILDING SPECIFIC MAINTENANCE	\$14,960	\$0	\$4,600	\$0	\$2,000	\$3,373	\$9,973	\$4,987
W3-4	PNE CAPITAL MAINTENANCE	\$200	\$200	\$0	\$0	\$0	\$0	\$200	\$0
W4	RENOVATION AND ENHANCEMENT	\$735	\$735	\$0	\$0	\$0	\$0	\$735	\$0
W5	INSPECTIONS AND AUDITS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
W6	ENVIRONMENTAL PROGRAM	\$80	\$80	\$0	\$0	\$0	\$0	\$80	\$0
TOTAL CIVIC PROPERTY MANAGEMENT		\$17,858	\$2,310	\$5,040	\$0	\$2,000	\$3,521	\$12,871	\$4,987

Note: Totals do not include debenture costs.

Debenture Costs **\$46,000**

\$46,000 in Debenture Costs has been allocated to Civic Property Management programs/projects.

Community Services Basic Capital Budget **\$26,349,296**

The 2010 Community Services Basic Capital Budget consists of three main Programs: Housing; Social and Cultural Facilities; and Neighbourhood Initiatives (Downtown Eastside Revitalization Program). Funding requests for 2010 are summarized in the following sections.

Housing **\$24,689,000**

(Capital Plan Reference L)

The 2010 Housing Basic Capital Budget request is for Supportive Non-Market Housing sites and specifically, land acquisition for social and supportive housing outside the Downtown Eastside. The objective of this initiative is to support Council Policy by expanding housing opportunities in Vancouver for low and modest income households with priority given to families with children, seniors on fixed incomes or in need of support, SRO residents, the mentally ill, the physically disabled, and others at risk of homelessness.

On April 22, 2010, Council approved the affordable housing plan for the Southeast False Creek Olympic Village. In total \$32 million of additional funding was approved with \$21.3 million subject to report back (\$7 million reallocation of City Wide Affordable Housing DCLs and \$14.3 million reallocation of 2009-11 and prior year's Capital). This funding is being made up of a reallocation of 2010 new requests as well as unallocated close-out and carry forward funding from previous projects.

The \$7 million reallocation of City Wide DCLs is incorporated in the Community Services \$8 million of Non-Market Social Housing DCL allocation, leaving \$1 million for other projects.

Social and Cultural Facilities **\$1,625,000**

(Capital Plan Reference N)

Programs within the Social and Cultural Facilities Capital Budget include Childcare, Social and Cultural Facilities, Civic Theatres, Capital Grants, Special Projects, and Public Art.

Major programs/projects planned for 2010 include:

- Social and Childcare Capital Grants (Social and Cultural Facilities) - \$75,000 contribution to non-profit social services and childcare organizations of no more than 1/3 of the total capital costs for the renovation and expansion of the existing facilities.

- Festival Sustainability - \$150,000 for sewer, water and electrical improvements in City parks that host major festivals and events (Vanier, Oppenheimer, John Hendry and Jericho Parks).
- Cultural Infrastructure - Funding of \$1,000,000 for Cultural Infrastructure Grants, plus \$200,000 for staffing and research associated with the grant program, plus \$200,000 for the remaining contribution for the York Theatre.

Social Facilities Priorities Plan

\$35,000

To develop, for Council approval, principles to guide staff in the allocation of resources and in the planning and permitting of social infrastructure and to secure Council approval for further public consultation.

Source of Funds Summary

		Table 4.5: Summary - 2010 Budget Requests (\$000's)							
Ref #	Department	Gross Funding	Operating Funding	Debenture Funding	DCL Funding	CAC Funding	Other City Funding	City Funding	Other Funding
L	SUPPORTIVE NON-MARKET HOUSING	\$24,689	\$0	\$5,889	\$8,500	\$6,300	\$4,000	\$24,689	\$0
N	SOCIAL AND CULTURAL FACILITIES	\$1,625	\$1,625	\$0	\$0	\$0	\$0	\$1,625	\$0
O	DTES REVITALIZATION PROGRAM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	NON CAPITAL PLAN	\$35	\$0	\$0	\$0	\$0	\$0	\$0	\$35
TOTAL COMMUNITY SERVICES		\$26,349	\$1,625	\$5,889	\$8,500	\$6,300	\$4,000	\$26,314	\$35

Note: Totals do not include debenture costs.

Debenture Costs

\$0

\$67,000 in Debenture Costs has been allocated to Community Services programs/projects.

Other Basic Capital Budget	\$50,286,000
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Detailed Basic Capital Budget submission forms will be on file with the City Clerk by August 1, 2010.

Library Basic Capital Budget (Capital Plan Reference I)	\$4,470,000
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The 2010 Library Basic Capital Budget seeks funding for three projects:

- Riley Park/Hillcrest Library Branch - Request for funds to start conversion of part of the curling facility to a branch library. This includes funds to repay the advance received under report RTS 06068;
- Library Radio Frequency Identification (RFID) - Request for funds to support retagging the VPL collection, purchase of RFID-based self-service equipment, transition costs, and renovation costs.
- Strathcona/DTES Library Branch - Request for funding (\$300,000) to start planning the new branch is included in the Civic Property Management request.

Public Safety - Vancouver Fire and Rescue Services (VFRS) (Capital Plan Reference J)	\$500,000
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The 2010 VFRS Basic Capital Budget seeks funding for major repairs and renovations to extend the life of the Firehall 5, given the direction has changed from Fire Hall replacement to Fire Hall refurbishing. The cost for a full needs assessment, as recommended by Facilities Design & Maintenance, is approximately \$100,000 and will be completed before year-end. The assessment will identify the most urgent repairs and renovations that can be completed within the remaining project allocation of \$400,000, for an overall project cost of \$500,000. Firehall 17 is of a similar era, built in 1954, and also urgently requires some renovations, including a separate dorm and washroom for dual gender workforce requirements. If funding remains after work is completed at Firehall 5, VFRS will make a request to allocate remaining funds toward renovations at Firehall 17.

Public Safety - Vancouver Police Department (VPD) **\$42,065,000**
(Capital Plan Reference K)

Approval in Advance

The following Vancouver Police Department programs received approval of funding in advance of the 2010 Basic Capital Budget:

- Gravelly Site Relocation (RTS 08300) **\$15,300,000**

The relocation and reorganization of the Vancouver Police Department as an interim step in the planning and delivering on new purpose built police facilities.

- Property and Forensic Storage Facility (RTS 8401) **\$26,765,000**

The Property and Forensic Storage Facility will consolidate these programs into one centralized facility which will minimize the risk to the chain of custody process and provide a proper environment for the storage of evidence.

Information Technology **\$6,304,670**
(Capital Plan Reference U)

Information Technology Basic Capital Budget **2010 Budget \$3,250,670**

The 2010 IT Basic Capital Budget consists of three major programs: Content Management System (Web Renewal), VanDocs (ERDMS Electronic Records and Document Management System) and VPD Jail & Interview CCTV (Closed Circuit Recording).

Content Management System **\$1,760,000**

The purpose of this project (also called Web Renewal) is to create an integrated web presence for City-funded websites (internal and external-facing) that will provide users with an easy-to-use, reliable platform for accessing timely, accurate and authoritative information, for participating in democratic processes and for fulfilling their commercial and service transactions.

This project is necessary in order to meet growing expectations from audiences regarding online access to City services, information and consultation processes. Consistent with the objectives of the Vancouver Services Review, the project will achieve operational efficiencies while protecting and enhancing services to the public.

The project also has the potential to help the City meet other long-term goals and objectives such as fostering green economic development, promotion and easy access to open data sets, reducing the need for paper-based communications and expanding the range and number of citizens informed and engaged in civic business.

VanDocs / ERDMS Electronic Records and Document Management

\$978,670

Electronic Records and Document Management System (ERDMS - now known as VanDocs) is the City's enterprise-wide records repository. The project objective is to build and implement a records repository that manages the entire life-cycle of electronic records, from creation to final disposition. This application is for continuation of the project implementation, started in 2007, where the scope of work for 2010 is focused on the ongoing deployment (target for 1,500 users) of VanDocs across departments including HR, Engineering, CSG, Legal Services and VFRS along with change management and training for City staff.

VPD Jail & Interview CCTV (Closed Circuit Recording)

\$512,000

The purpose of this project is to capture and store full audio & video recording and storage as required by provincial regulations. The cost is partially covered (\$212,000) by funds returned last year by the provincial government while the regulations were still under discussion.

Information Technology Infrastructure Budget

2010 Budget \$3,054,000

The IT Infrastructure Budget provides for life-cycle replacement of obsolete information technology infrastructure and for several expansions of existing infrastructure to maintain existing service levels or meet new business demand in a number of areas throughout the City organization.

Funding for these initiatives totalling \$7,488,934 are provided by the 2010 contribution of \$3,054,000 and a re-allocation of funds currently in the IT Unallocated category of the remaining \$4,434,934.

The City's information assets and communications resources are managed and made accessible through a complex IT infrastructure that consists broadly of:

- "Front-end" devices - desktop and laptop computers, handheld devices, and telephones;
- "Back-end" systems - data storage, application and database servers, and
- A communications network that connects the two and permits information retrieval by, and communication between, both staff and public.

These infrastructure components have limited lives, typically of 3-5 years, after which they become either physically or functionally obsolete.

In 1997, Council created the Information Technology Long Term Financing Plan to ensure that this basic infrastructure could be maintained and replaced on a life-cycle basis. This plan is funded from an annual allocation and transfer from the Operating Budget.

Typically, through advances in technology, obsolete equipment is replaced with equipment that has higher capacity and increased functionality - hence the description "expansion and replacement". This process also serves to accommodate the increasing demands that the City, like other comparable organizations, places on its IT infrastructure.

The 2010 IT Infrastructure Budget consists of nine major programs as shown in the table below. The total amount of \$7,488,934 is to be funded partially through the 2010 allocation of funds to the Plan and re-allocation of unspent funds from previous project submissions.

1. PC Replacement

The City has a policy of replacing desktop computers and laptops on a four year lifecycle basis. Monitors have a longer useful life of six years. This program provides for the replacement of approximately 1890 desktop computers, 358 laptop computers and 1537 monitors amongst VPD, VPL and other City staff.

After removing all data from the hard drives, the old computer equipment will be donated to programs that provide computers to low income groups in the City of Vancouver.

2. Storage and Backup expansion and renewal

Disk based backup systems need to be expanded to accommodate the growing amount of data storage and to ensure that recovery can be performed successfully and efficiently. \$263,000 will be used to scale data protection storage capacity at the City by 20 TB (20 billion characters). There will be annual operating costs of \$16,000 beginning in 2011. \$475,000 will be used to increase data protection capacity at VPD. For this there will be annual operating costs of \$56,000 in 2010, \$60,000 in 2011 and \$68,000 in 2012 onwards.

One of the City's Storage Area Networks (SANs) has reached end of life and needs to be replaced. \$331,000 will be used to replace this SAN and to increase storage space by 7.5TB to meet the growing demand for storage. Availability and performance will also be improved in order to support major applications such as SAP, IMS, 311 and VanDocs. There will be annual operating costs of \$15,000 beginning in 2012. \$260,000 will be used to replace the current File Cluster Servers that have reached capacity and end of life. The File Cluster service will be migrated to a new Network Attached Storage (NAS) file system that will allow for higher capacity and greater efficiency. For this there will be annual operating costs of \$8,000 beginning in 2011.

Expansion of the VPD Storage Area Network (SAN) is also required to support the needs of the Video Forensics Unit. \$150,000 will be used to meet the demand for storage of this technology where the use is growing rapidly and where alternative storage methods are not efficient or secure. There will be annual operating costs of \$30,000 beginning in 2014.

3. Security Enhancements and Renewal

The City continually reviews its computer systems to ensure they are secure and that the City's data is secure. Security reviews and audits have identified several areas where City computer systems security should be enhanced to meet known and evolving security risks.

\$441,000 is required for the project to ensure that IT infrastructure and applications are compliant with policies and procedures required by the Payment Card Industry (PCI). Numerous applications make use of online payments and with that are obligations for how

security is built into the entire project life cycle from application development to production and storage.

\$130,000 is required for the project to replace the City's email firewall that is used to filter and block unwanted emails to and from the internet and the internal email system. The current email firewall reaches end of life in 2010 and will no longer be supported with security updates that are required to protect this environment.

\$129,000 will be used to replace the VPN Router, which is an appliance that is used to allow staff the ability to remotely and securely access the internal computer systems at the City. This router is also used to connect 22 remote sites to the City network where dedicated fibre connections have not been established. The current router reaches end of life in 2010 and will no longer be supported at that time. There will be annual operating costs of \$16,000 beginning in 2011.

\$115,000 will be used to further extend the secure, remote access to Terminal Server applications and data for VPD staff. There will be annual operating costs of \$20,750 beginning in 2012.

\$23,000 is required for the project to establish Active Directory control over servers that are used to provide public services. These servers include the City's public website, VanMap and parking ticket payments. Active Directory is the City's Windows directory service. This arrangement will provide better control and security of these servers and user accounts that are used to access them.

\$19,700 will be used to replace the internet firewalls at VPL that are at end of life.

4. Server Replacements

The City manages around 250 servers, about 150 of which fall into the category of infrastructure servers. With a lifecycle that is not standardised but is between 3 and 5 years, depending on function, 40 need replacing annually, with associated costs including data centre upgrades that are almost exclusively hardware-related.

\$245,000 will be used to replace up to 18 servers that will require replacement during 2010. In addition, \$259,000 will be used to expand the virtualized server environment rather than purchasing physically separate servers. Server virtualization technology allows multiple servers to run on one physical server providing efficiencies in the management of servers and reduces power and cooling requirements for their operation.

\$155,000 will be used to replace servers and associated storage systems that provide email services to the City. The current systems are reaching end of life and have reached their capacity limits.

\$44,000 is required for 3 additional data centre racks that will be used to accommodate the expected increase in servers and associated switches and storage.

\$20,000 is required for the project to upgrade the Rightfax system (server and software) in order to connect with the new VOIP phone system. This system provides centralized ingoing and outgoing paperless faxing for staff.

5. Office Upgrade

This project is to upgrade the City's standard productivity software suite - presently Microsoft Office 2003. This project will evaluate and select an appropriate replacement product, conduct compatibility testing, mitigate implementation issues and roll this out to approximately 5000 City desktop and laptop computers.

6. Network Infrastructure

With increasing use and reliance on the City data network continued attention is required on various network-related items. \$154,000 is required for a number of network upgrades including replacement of 20 network hubs that are end of life, upgrade of data cabling for fibre-connected Firehalls, environmental monitoring at six key network locations and the addition of a network traffic analyzer module to the central network monitoring tool.

\$270,000 will be used to upgrade the private network at VPL to be fully compatible with the implementation of VOIP and to create opportunities from a standardized network platform with the City.

\$72,000 will be used to purchase spare network and telecommunication equipment that can be used to quickly recover from equipment problems that might occur. This will cover equipment that is no longer on warranty and which does not make sense to add to a maintenance contract.

7. SQL Database Upgrade

Corporate IT currently supports over 130 applications on its SQL Server database server. Many of these applications are directly used by the public through the City's website and/or are critical to various ongoing operations within the City.

The current version in use is SQL Server 2005 and will become end of life in 2011. This project will establish the server and software environment using SQL Server 2008 that can be used for any new applications and databases required. A follow-on project will be initiated in 2011 for the migration of any current data and applications still residing on SQL Server 2005 at that time.

8. Application Renewal

\$120,000 will be used to convert the application used by FARP (False Alarm Reduction Program) onto the Amanda platform already in use by the City. The technology currently used is nearly obsolete and is becoming increasingly difficult to maintain.

\$81,000 will be used for software upgrades and hardware replacements associated with the SuperText evidence management system in use at VPD. This system originally introduced in 2003 has been in use for several years at VPD, has been adopted by the Crown and is the de

facto standard for documenting exhibits and other files for the prosecution of cases in court. There will be annual operating costs of \$14,000 beginning in 2011.

\$30,000 will be used to upgrade the Help Centre call tracking tool, Service Desk Express (SDE) to the latest version as the current version in use is reaching end of life for support.

9. Open Data, Open Standards, Open Source

This project will build the foundation for open data, open standards and open source at the City. Building upon the pilot open data site introduced in 2009, this will investigate the costs and benefits of delivering and maintaining additional datasets to the public via this web forum. This will also include the decision framework, policies and processes to support the roll-out of open standards and open source software to ensure open products are reviewed on a level playing-field with commercial products.

10. Other

Three other items that involve infrastructure upgrade and replacement:

\$12,400 will be used at VPL to upgrade graphics software tools and associated hardware technology to support graphics work including scanners, video cards and memory. These are primarily used by the Marketing and Communications department to support the Library's programs and web presence.

\$7,400 will be used at VPL to replace a number of specialty receipt printers and barcode readers that have reached the end of their operational life. These units are used in direct public service and impact service delivery when they are not functioning.

\$7,000 will be used at VPL to replace their Google mini-search appliances that provide indexing and search functionality on the VPL website and local department intranet.

Funding for this program is provided by an annual transfer from the Operating Budget to the Information Technology Long Term Financing Plan (Capital Fund) and allocated to specific projects by Council in periodic program reports.

Funding for these initiatives totalling \$7,488,934 are provided by the 2010 contribution of \$3,054,000 and a re-allocation of funds currently in the IT Unallocated category of the remaining \$4,434,934.

Source of Funds Summary

		Table 4.6: Summary - 2010 Budget Requests (\$000's)							
Ref #	Department	Gross Funding	Operating Funding	Debenture Funding	DCL Funding	CAC Funding	Other City Funding	City Funding	Other Funding
I	LIBRARY	\$4,470	\$1,970	\$2,500	\$0	\$0	\$0	\$4,470	\$0
J	PUBLIC SAFETY - FIRE & RESCUE	\$500	\$0	\$500	\$0	\$0	\$0	\$500	\$0
K	PUBLIC SAFETY - POLICE SERVICES	\$42,065	\$0	\$17,065	\$0	\$0	\$0	\$17,065	\$25,000
U	OTHER / IT	\$6,305	\$2,739	\$0	\$0	\$0	\$3,354	\$6,093	\$212
TOTAL		\$53,340	\$4,709	\$20,065	\$0	\$0	\$3,354	\$28,128	\$25,212

Note: Totals do not include debenture costs.

Debenture Costs

\$49,000 in Debenture Costs has been allocated to Other programs/projects as follows:

- Library \$1,000
- Public Safety - Fire & Rescue \$6,000
- Public Safety - Police \$42,000

2010 Supplementary Capital Budget

\$640,000

Supplementary Capital provides a source of funding for capital and rehabilitation expenditures that arise outside of the 3-year Capital Planning process. The 2009-2011 Capital Plan provides \$5 million in Capital from Revenue for Supplementary Capital.

Supplementary Capital provides a source of funding for capital and rehabilitation expenditures that arise outside of the 3-year Capital Planning process. The 2009-2011 Capital Plan provides \$5 million in Capital from Revenue for Supplementary Capital.

A provision for \$1.31 million was made for 2010. As was the case in 2009, due to the intense focus on Operating Budget reductions and cost saving opportunities, funding has been recommended only for projects deemed by the Supplementary Capital Review Committee to be absolutely critical to City operations. A total of 10 requests totalling \$3.1 million were received. Of these funding requests, \$322,000 was recommended to be funded from other sources. The Final Review Panel recommended Supplementary Capital funding allocations of \$1.31 million to priority projects.

Evaluation Team

Consistent with previous years, a Supplementary Capital Review Committee was formed to evaluate the Supplementary Capital submissions. The committee was chaired by the Director of Budget Services and included the following representatives:

- Manager, Capital Budget Services, Financial Services;
- Chief Information Officer, Information Technology, Financial Services
- Director, Facilities Design & Management, Business Planning & Services
- Director, Public Access & Council Services, Public Access & Council Services;
- Manager, Business Logistics & Projects, Business Planning & Services
- Manager, Business Planning, Business Planning Secretariat.

A Technical Advisory Sub-Committee was formed to provide an assessment of funding submissions relating to Civic Facilities and Information Technology based on corporate priorities. The Sub-Committee was comprised of:

- Chief Information Officer, Information Technology, Financial Services;
- Director, Facilities Design & Management, Business Planning & Services.

Evaluation of Applications

To effectively allocate the limited funding among the competing applications, the following criteria were considered:

- Compliance with legal and/or regulatory requirements;
- Mitigation of unacceptable risks (legal, public and employee health and safety, financial, business continuity);
- Replacement of aging and obsolete technology;
- Enhancement of health and safety conditions;

- Enhancement of operational effectiveness and efficiency;
- Enhancement of security, internal control, policy compliance and management capabilities;
- Conformance to corporate priorities.

Departments/Boards were invited to present their submissions and clarify the questions raised by the Review Committee and the Technical Advisory Team.

New for this year, a ranking system was developed to assist with the prioritization process. The Supplementary Capital requests were ranked by the Review Committee according to the following ranking model developed by Corporate Budget Services:

City of Vancouver - Capital Budget Ranking Criteria		
(Project Name)		
Score out of 65, weighted score out of 100	Score (1-5)	Weighted Score
A. Corporate/Strategic Alignment	0	0
1 To what extent does the program/project support/align with the City's Long Term Strategic Goals? (5 = high, 1 = low)	-	
2 Does the program/project advance the strategic direction of the City? (5 = high, 1 = low)	-	
B. Financial	0	0
1 The program/project budget is firm (5 = firm, 1 = estimate)	-	
2 The program/project results in new revenue stream to the City (5=yes, 1=no)	-	
3 The program/project results in incremental operating costs for the City (5 = no, 1=yes)	-	
4 The program/project results in quantifiable operating savings to the City (5=yes, 1=no)	-	
C. Corporate Risk Management	0	0
1 Not completing the program/project results in a financial risk to the City [5 = yes, 1 = no]	-	
2 Not completing the program/project results in a legal/regulatory risk to the City [5 = yes, 1 = no]	-	
3 Not completing the program/project results in a operational risk to the City [5 = yes, 1 = no]	-	
4 Not completing the program/project results in a environmental risk to the City [5 = yes, 1 = no]	-	
5 The economic outlook is a risk to the program/project [5 = no, 1 = yes]	-	
D. Other	0	0
1 The program/project aligns with Council priorities (5 = high, 1=low)	-	
2 Public perception/ sensitivity (1=negative perception/high sensitivity, 5=positive perception/low sensitivity)	-	
TOTAL	0	0

Recommended Funding Allocation **\$1,310,000**

The following is a summary of the recommended 2010 Supplementary Capital allocations. Further details are provided in the Supplementary Capital submission forms (Appendix 3).

1. Britannia Community Services Centre - Fitness Centre Pool HVAC Replacement \$244,000

Replacement of the 36-year-old air handling system in the Britannia Community Service Centre pool/fitness centre complex.

The project cost is estimated at \$420,000, based on a contractor quote. Consistent with the 60/40 cost-sharing agreement between the City and the Vancouver School Board for Britannia

Community Services Centre capital maintenance, the City's contribution to the project cost is \$252,000, less \$8,000 funding previously allocated in 2008 (New and Non-Recurring funding) to address air quality issues at the fitness centre. The net Supplementary Capital funding requested was \$244,000.

The Review Committee agreed that the replacement of the air handling system is critical for the health, safety, and comfort of the fitness centre patrons.

Supplementary Capital allocated: \$244,000

2. Community Services - Non-Market Operations \$350,000
Old Continental Residence - Interior Upgrades

Supply materials/labour and install sub-flooring, vinyl floor covering, replace existing deteriorated counter/cabinets with new product, paint interior units as required. Supplementary Capital funding of \$350,000 was requested.

The Review Committee recommended funding this project, as it directly supports stated Council priorities for homelessness and affordable housing, and minimizes health and safety risks to the facility's tenants.

Supplementary Capital allocated: \$350,000

3. Community Services - Non-Market Operations \$304,000
Barclay Heritage Square - Building/Roof Upgrade and Assessment

Replace four worn/damaged roofs and gutters; conduct building assessment and remediation of potential fungal contamination in suites, including related plumbing and wall repairs.

The total project cost is estimated at \$329,000. Barclay Heritage Square is owned by Vancouver Public Housing Corp (VPHC), a corporation solely owned by the City of Vancouver. Under an operating agreement between VPHC and BC Housing, a reserve fund is maintained for the facility's capital maintenance. The Barclay Heritage Square Replacement Reserve Fund, however, is not large enough to cover replacement of all four roofs and the targeted suite renovations. With BC Housing's concurrence, \$25,000 will be provided from the Replacement Reserve Fund to replace one of the four roofs. Supplementary Capital funding of \$304,000 was therefore requested to replace the other three roofs and conduct the building assessment and remediation.

The Review Committee recommended funding this project, as it directly supports stated Council priorities for homelessness and affordable housing, and minimizes health and safety risks to the facility's tenants.

Supplementary Capital allocated: \$304,000 [project has been approved in advance]

4. Vancouver Fire & Rescue Services \$412,000
Warehouse for Urban Search & Rescue Team

Construction of an 8,000 square foot warehouse/mustering/training facility to support the City's Urban Search & Rescue team and VF&RS technical rescue team.

Construction of this facility qualifies for Federal Government funding of 75%, to a maximum federal contribution of \$1million. The USAR/Technical Rescue Team equipment is currently secured in a leased warehouse facility; however, the lease expires in July 2010. Construction of the warehouse/training facility will enable the City to maintain its inventory of emergency response equipment at an operational state of readiness in a secure environment and provide a USAR/Technical Rescue-specific training facility for team and fire crews to maintain required skills for this discipline.

The Review Committee recognized the importance of taking advantage of the current opportunity for a Federal Government contribution of up to \$1 million towards this project. Facilities Design & Management has estimated that the cost for the project, including design, construction, and costing contingencies, is \$1,740,000. Given the very limited Supplementary Capital funding available for 2010, the Review Committee recommended funding the project based on total project cost of \$1.6 million, with the City portion to be provided through \$412,000 from 2010 Supplementary Capital and \$188,000 from 2011 Supplementary Capital, subject to approval of the 2011 Capital Budget.

Supplementary Capital allocated: \$412,000 [funding has been approved by Council in Advance]

Appendix 4 List of Projects Approved in Advance

Table 5: Approval In Advance - 2010 Basic Capital Budget Requests (\$000's)		
Capital Plan Reference	Program / Project	2010 Amount
A2a	Major Maintenance of City Bridges Grandview Viaduct Rehabilitation Phase 1	2,000,000
A1b3	Disability Access - Curbs Ramp Project	2,000,000
A1b1	New Pedestrian Collector Sidewalks Project	5,000,000
A1a2	Major Streets - MRN - 41st Avenue Rehabilitation Project	6,000,000
D1a1	Main Sewer Reconstruction - Upper Trout Lake East Sewer Separation	10,000,000
D1a1	Main Sewer Reconstruction - Greening English Bay Interceptor	5,000,000
D1a1	Main Sewer Reconstruction - Upper Trout Lake West Sewer Separation	10,000,000
F1a	Distribution Main Replacement Kits & Point Grey (Infrastructure Prgm #1)	2,500,000
F1a	Distribution Main Replacement Kerrisdale & Fraserview (Infrastructure Prgm #2)	5,000,000
F1c	Distribution System PRV Replacement (Infrastructure Funding)	2,000,000
NEU	Distribution System Extension	2,100,000
Easy Park	CP#2 - 150 W. Pender Surface/Structure Repairs	638,000
Easy Park	CP#4 - 107 E. Cordova Door & Hardware Repairs	33,000
Easy Park	CP#22 - 1180 Mainland Membrane Replacement	390,500
Landfill	Water Line Extension	1,000,000
Landfill	Pump Station Upgrades	1,400,000
K1b	Property & Forensic Storage Facility (RTS 8401)	26,765,000
K1cf	Graveley Site Relocation	15,300,000
R01b	Riley Park Community Centre & Ice Rink (RTS 8505)	11,350,000
P-01d	Other Parks: Fraserview, Grandview and Norquay Parks	3,000,000
P-04b	Synthetic Turf Playfields	6,000,000
R-01f	Trout Lake Community Centre Renewal	18,750,000
R-02a	Stanley Park: Pavillion and Fieldhouse Upgrades (Washrooms & Fieldhouses)	500,000
R-01g	Stanley Park: Malkin Bowl Performance Centre Upgrade	600,000
P-09b	Queen Elizabeth Park Road Repaving (Roads and Parking Lots)	1,000,000
P-09g	Stanley Park: Sewer Pump Station Upgrads (Electrical, Water and Sewer Infrastructure)	1,000,000
R-01k	Roundhouse Turntable Plaza Rehabilitation	1,800,000
P-09i	Park Lighting Infrastructure / Fieldhouses	2,100,000
P-07b	English Bay Seawall Improvements: English Bay to Sunset Beach (Seawall Structural Repairs)	3,000,000
P-09b	Stanley Park Road Repaving: Sections of Park Drive and Pipeline Road (Roads and Parking Lots)	3,000,000
P-09h	Stanley Park: Seawall & Brockton Point Lighthouse Rehabilitation	4,000,000
R-01c	VanDusen Botanical Garden New Visitor Centre	19,400,000
U-5c	Content Management System (Web Renewal)	1,760,000
IT	Email Firewall Replacement	130,000
IT	Exchange Email System Upgrade	155,000
IT	File Cluster Services Upgrade	260,000
IT	Data network hardware spares	72,000
IT	Data Protection Upgrade	475,000
IT	Secure Remote Access (phase II)	115,000
IT	Super Text System Upgrade	81,000
IT	VPL - Firewall Replacement	19,700
U7d	Reroof Archives and Records Facility	288,000
NCPF	Orpheum Upgrades & Capitol 6 Interface & Finish	3,000,000
NCPF	QET Plaza Improvements	5,060,000
NCPF	Carnegie Centre Windows and Heritage Work	4,000,000
W3-3	City Hall Heritage Exterior Upgrades	2,900,000
TOTAL APPROVED IN ADVANCE		190,942,200

The pre-approved total, excluding the \$1,275,000 in Park Board projects and including the debenture costs \$190,804,600

Note:

¹ Facilities and Information Technology have adjusted their pre-approved capital projects: the Re-roofing of the City's Archives (\$1.2 million) has been deferred to 2012 and two of the IT project budgets have been reduced by a total of \$0.14 million due to improved estimates.

² The \$6 million of pre-approved infrastructure funding in Project A1a2 Major Streets - 41st Avenue Rehabilitation Works - Streets includes \$1,5 million that is being reallocated to fund SEFC Affordable Housing. The project will use \$1.5 million in unallocated close-out funds to make up the City share of the funding.

³ Park Board had a total of \$36.4 million pre-approved. However, \$1.75 million of that was funded through reallocation of carry forward funding. The total above includes the \$1,275,000.

⁴ The above total does not include debenture costs.