



REPORT

Report Date: May 4, 2021
Contact: Denise Lam
Contact No.: 604.873.7974
RTS No.: 14196
VanRIMS No.: 08-2000-20
Meeting Date: May 18, 2021
[Submit comments to Council](#)

TO: Vancouver City Council
FROM: Director of Finance
SUBJECT: Quarterly Capital Budget Adjustments and Closeouts

RECOMMENDATIONS

- A. THAT Council approve capital budget and funding adjustments as outlined in this report and Appendix 2, which will result in:
 - a. An increase of \$18.9 million to the 2019-2022 Capital Plan;
 - b. An increase of \$26.4 million to the Multi-Year Capital Project Budgets;
and
 - c. No change to the current Citywide overall 2021 Capital Expenditure Budget.
- B. THAT, as part of the Capital Budget closeout process, Council approve the closeout of 1 capital project that was completed with surplus exceeding \$200,000, as outlined in this report and Appendix 3.
- C. THAT Council receive for information the budget surpluses or deficits for capital projects included in this closeout that were funded by voter-approved capital funding, as noted in Appendix 4.

REPORT SUMMARY

Background

The 2019-2022 Capital Plan was approved by Council and the Park Board in July 2018. The plan presents a comprehensive overview of planned City capital investments in infrastructure and amenities across various service categories, along with the associated funding strategy and debt capacity for the capital investment priorities over the four years.

The City has experienced unprecedented financial pressures in 2020 because of the COVID-19 pandemic. Extensive work has been undertaken to recalibrate the 2019-2022 Capital Plan to reflect the fiscal reality while maintaining the City's infrastructure and amenities in a state of good repair and advancing Council priorities on Climate Emergency Response, equity and resilience. Through a comprehensive review of the major programs and projects across all service areas, staff have presented to Council, and Council approved in September of 2020, a recalibrated 2019-2022 Capital Plan. The recalibrated 2019-2022 Capital Plan includes adjustments to (1) reduce the Capital Plan funding as part of the COVID-19 pandemic response and recovery and (2) allocate the emerging priorities funding within the plan to support Council priorities on Climate Emergency Response, equity and resilience. The [Recalibrated 2019-2022 Capital Plan](#) is available online.

Summary of Adjustments

The increases to the Capital Plan in this report are a result of utilization of external funding and Empty Homes tax as well as an administrative adjustment to incorporate funding previously approved by Council into the Capital Budget. The following is a synopsis of the primary driving factors. More details are outlined in the strategic analysis content of this report and detailed numbers are provided in Appendix 2 of this report.

The report includes adjustments totalling \$2.2M to utilize external funding, comprised of \$1.4M from developer service agreements, \$0.75M from Union of BC Municipalities (UBCM) grant and \$0.1M from Federation of Canadian Municipalities (FCM) grant. The developer service agreements are for the provision of signal upgrades, intersection lighting upgrade to LED, and new pedestrian/bicycle signal. The FCM grant is for the planned costs for the Charleson catchment project and the UBCM grant is for the planned costs for the Southlands tidal gates project.

In addition to adjustments to utilize external funding, the report includes adjustments to incorporate Empty Homes Tax funding into the Capital Plan and Capital Budget, as outlined in the 2019 Tax year Empty Homes Tax Annual report to Council. This includes adjustments totalling \$12.1M for non-market rental affordable housing capital projects and programs, comprised of the use of \$11.4M from Empty Homes Tax Reserve and the allocation of \$0.7M from the Housing DCL funding available in the 2019-2022 Capital Plan. As outlined in the 2019 Tax Year Empty Homes Tax Annual Report, an additional \$2 million will be added to support additional CHIP Grants, and \$8 million be added to enable more housing on City land to support the delivery of the Housing Vancouver strategy priorities and targets. Another \$1.4M funding from Empty Homes Tax Reserve will be added to the Multi-Year Project Budget for Roddan Lodge Redevelopment to support additional scope to improve security, facility durability, hygienic and safety components, and to minimize operating costs. In addition, there is an allocation of \$0.7M Housing DCL funding from the Capital Plan to support Council's decision in November 2019 (RTS 12760) to secure the Balmoral and Regent Hotel properties through additional building hardware, security systems and on-site and mobile patrols.

This report includes an administrative adjustment of \$6.2M to incorporate funding already approved by Council as part of the Operating budget into the Capital Plan and Capital Budget.

This report also includes adjustments to the Multi-year capital budget to bring forward funding from the Current Capital Plan, including traffic signal upgrades and accessibility program by allocating funding from the 2019-2022 Capital Plan. \$1M will be added/allocated to the Multi-Year Project Budget to complete traffic signal upgrades at various intersections along Richards

Street. \$0.5M will be added/allocated to the Multi-Year Project Budget for Accessibility Program to support high priority accessibility upgrades that have been identified in a feasibility study for health, safety, dignity and equity. These adjustments do not result in any change to the 2019-2022 Capital Plan.

In conjunction with the Capital Budget review process and in accordance with the City's Capital Budget Policy, Council approval is requested to close one capital project that was completed with surplus exceeding \$200,000. Also in accordance with the City's Capital Budget Policy, this report includes for Council information all budgets surpluses or deficits for completed capital projects that were funded by voter-approved capital funding, as noted in this report.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- In April 2018, Council approved a revised Capital Budget Policy.
- In July 2018, Council approved the 2019-2022 Capital Plan.
- In December 2018, Council approved the 2019 Capital Budget.
- In December 2019, Council approved the 2020 Capital Budget.
- In September 2020, Council approved the Recalibrated 2019-2022 Capital Plan.
- In December 2020, Council approved the 2021 Capital Budget.

CITY MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

In July 2018, Council approved the 2019-2022 Capital Plan as a guiding document for the four-year period. The original Capital Plan contemplated \$2.771 billion of capital investments, comprised of \$2.203 billion City-led capital programs and \$0.569 billion in-kind contributions achieved through development. The Capital Plan will evolve over the course of the four-year period, in order to address emerging needs and as additional development contributions and partnership funding are secured or reserve funding becomes available. The adjusted 2019-2022 Capital Plan, as of the end of August 2020 and before the Capital Plan recalibration, stood at \$2.889 billion, including \$2.319 billion worth of City-led capital investments and \$570.0 million worth of in-kind contributions achieved through development.

The COVID-19 pandemic has posed significant financial strain on the City, our business community, non-profit partners, and residents. Extensive work has been undertaken to recalibrate the Capital Plan to reflect the fiscal reality while maintaining a keen focus on maintaining the City's infrastructure and amenities in a state of good repair, as well as to advance Council priorities on climate emergency response, equity and resilience. In September of 2020, Council approved the recalibrated Capital Plan in principle, including \$253.2 million adjustments to the 2019-2022 Capital Plan, reducing from ~\$2.90 billion to ~\$2.636 billion. Subsequent to the recalibrated capital plan approval, approximately \$148 million has been added to the capital plan. The adjusted 2019-2022 Capital Plan to date is \$2.784 billion,

including \$2.209 billion of City-led capital investments and \$574.4 million of in-kind contributions achieved through development.

There are a few major items contributing to the addition: The Coal Harbour Project, the Housing Land Acquisition, solid waste projects and Grandview Firehall Project housing component. The Coal Harbour Project includes external funding from VBE contribution, development contribution funding towards housing and childcare components of the project and Provincial Government childcare funding, adding total of \$85.5 million to the Capital Plan. The Housing Land Acquisition Project Budget includes \$51.5 million from the Federal Rapid Housing Initiative (RHI) for the purchase of Days Inn and Best Western Hotels to deliver social/supportive housing. Solid waste projects include utilization of \$6.1 million Provincial Clean BC funding toward closure maintenance and landfill gas works (LFG). Grandview Firehall Project includes addition of \$5 million development contributions toward the housing component of the project. The rest of the Capital Plan increases include various types of external funding such as modular housing external funding, transportation projects Translink funding, Metro landfill funding, UBCM grant, FCM grant and developer service agreements.

The City's Capital Budget process has been developed to ensure assets and investments are managed comprehensively, with rigor and transparency, in a manner that ensures the City is achieving value for money and that staff resources are used efficiently. Based on the principle that the Capital Budget is the primary tool by which the City implements its four-year Capital Plan, this Council report focuses on project budget requests to implement the recalibrated Capital Plan, to advance projects corresponding to Council priorities and to recognize external funding contributed by partners.

As part of the capital budgeting process and in accordance with the City's Capital Budget Policy, proposed adjustments to the Capital Plan and the Capital Budgets that require Council approval, and proposed closeouts of completed projects with surpluses or deficits greater than \$200,000 are presented to Council for approval.

Strategic Analysis

A. Capital Budget Adjustments

As part of the on-going work and oversight related to the City's Capital Plan and Capital Budget, staff periodically review priorities, respond to emerging needs, and where appropriate bring forward recommendations for adjustments to the Capital Budget and/or Capital Plan.

Changes to 2019-2022 Capital Plan and Multi-Year Capital Project Budgets

This report proposes an increase of \$18.9 million to the 2019-2022 Capital Plan and an increase of \$26.4 million to the Multi-Year Capital Project Budgets, reflecting additional funding to advance projects of Council priorities as well as utilization of external partner funding. With the adjustments recommended in this report, the revised total 2019-2022 Capital Plan will be \$2.803 billion.

The following highlights the major recommended changes to the 2019-2022 Capital Plan and the Multi-Year Capital Project Budgets:

Affordable Housing: non-market rental affordable housing capital projects and programs

Empty Homes Tax Reserve \$10 million per annual report use of funds

Since the inception of the Empty Homes Tax, funding from the Empty Homes Tax Reserve has been allocated to support a variety of affordable housing initiatives to increase the supply and affordability of social housing and to support renters. As outlined in the Use of Funds section in the January 1, 2019 to December 31, 2019 Tax Year Empty Homes Tax Annual Report with activity to November 1, 2020:

- An additional \$2 million will be added to the Capital Budget and the Capital Plan to support additional CHIP Grants to deepen affordability of social housing and meet affordability targets in the Housing Vancouver strategy.
- An additional \$8 million will be added to the Capital Budget and Capital Plan for Housing towards land acquisition / development opportunities to enable more housing on City land to support the delivery of the Housing Vancouver strategy priorities and targets.

Empty Homes Tax Reserve \$1.4 million for Roddan Lodge Redevelopment Project

This use of fund towards Roddan Lodge Redevelopment Project is for additional scope to improve security, facility durability, hygienic and safety components, and to minimize operating costs. This increase in project scope will lead to improvements in outcomes and deliverables.

Capital Plan funding allocation of \$0.7 million to housing project

As part of the council decisions in November 2019 (RTS 12760), \$700K was to be budgeted to secure the Balmoral and Regent Hotel properties through additional building hardware, security systems and on-site and mobile patrols. This adjustment is to implement the Council decision.

External Funding and Developments Contributions

It is important that the City continue to work with external partners for funding to address the critical infrastructure and community needs. In this report, there are a few adjustments to bring in external partner funding for Capital Projects.

Developer Service Agreements \$1.4 million for various locations works

- The provision of a pedestrian/bicycle actuated signal at Maple Street & 12th Ave
- The pre-works towards a signal at the intersection of Columbia Street and King Edward Avenue
- For additional scope related to signal upgrades at the intersections of Richards Street with Helmcken Street and Drake Street
- Reinstatement of concrete and asphalt along the development's frontage on Richards Street after replacement of the sewer line
- Implementation of countdown timers and improved intersection lighting (upgrade to LED) at the Pender Street and Richards Street intersection

Union of BC Municipalities (UBCM) grant \$750K for Tidal Gates Replacement Project

This Budget adjustment request is to bring in the \$750K grant received from the Union of BC Municipalities (UBCM) as part of the Community Emergency Preparedness Fund (CEPF). The amount covers planned costs for the Southlands tidal gates project.

Federation of Canadian Municipalities (FCM) grant \$100K for Utility Planning

This Budget adjustment request is to bring in the \$100K grant received from the Federation of Canadian Municipalities (FCM). The amount covers planned costs for the Charleson catchment project.

Administrative adjustment for Capital Overhead

\$6.2 million increase to the Capital Plan for Citywide Overhead

This is an administrative adjustment to increase the Multi-Year Project Budget for Capital Overhead as well as 2019-22 Capital Plan for costs funded in the Operating budget and accounted for in the Capital budget. This adjustment was intended as a regular annual update; however the adjustment was not made in 2019 or 2020. As such, this reflects the amount for the three years of 2019-2021. Capital Overhead includes supports such as legal, procurement, finance and human resources and is required in order to deliver on programs and projects in the Capital Plan. This \$6.2 million increase also includes an administrative adjustment to increase the 2019-22 Capital Plan for PNE Overhead by \$0.4M, funded from the Hastings Park Reserve.

Appendix 1 provides an overview of the updates to 2019-2022 Capital Plan, including updates since the capital plan recalibration and allocations proposed in this report. Appendix 2 provides details on the Multi-Year Capital Project Budgets recommended in this report.

Summary of Proposed Changes

The current total recalibrated 2019-2022 Capital Plan is \$2.784 billion, with the additions of \$18.9 million proposed in this report, the revised total 2019-2022 Capital Plan will be \$2.803 billion.

The current total of approved Multi-Year Capital Project Budgets for all open projects is \$2.190 billion. This report proposes an increase of \$26.4 million for new or increased capital projects budgets and a decrease of \$141.7 million for capital projects that were completed in the first quarter of 2021, resulting in a net decrease of \$115.3 million to the overall Multi-Year Capital Project Budgets. With the project adjustments and closeouts recommended in this report, the revised total of the approved Multi-Year Capital Project Budgets for all open projects will be ~\$2.075 billion.

Table 1 summarizes the changes to the 2019-2022 Capital Plan and Multi-Year Capital Project Budgets as a result of the capital budget adjustments and closeouts recommended in this report.

Table 1 - Proposed Changes to 2019-2022 Capital Plan and Multi-Year Projects Budgets (\$ Millions)		
	2019-2022 Capital Plan	Multi-Year Capital Projects Budgets (for open projects)
Current Capital Plan / Budget	\$ 2,783.8	\$ 2,190.3
Adjustment Category		
A. Budget increases / decreases to existing projects and programs*	\$ 12.8	\$ 20.6
B. Administrative consolidations, funding source changes	\$ 6.2	\$ 5.8
Proposed Adjustments	\$ 18.9	\$ 26.4
Multi-year Project Closeouts		\$ (141.7)
Proposed Revised Capital Plan / Budget	\$ 2,802.7	\$ 2,075.0

Note: Totals may not add due to rounding

2021 Annual Capital Expenditure Budget

Adjustments to annual expenditure budgets at a project level are generally managed within the departmental or Citywide annual capital expenditure budget envelope, with no changes to the overall Citywide Annual Capital Expenditure Budget. Expenditures in 2021 relating to the new or adjusted Multi-Year Capital Project Budgets will be managed within the current overall 2021 Annual Capital Expenditure Budget of \$770.7 million.

B. Capital Closeouts

The Capital Closeout process is the mechanism by which the City's capital programs/projects are closed and completion deficits and surpluses identified. Closeout surpluses are transferred to a City-Wide capital account for funding future capital programs/projects. Funding of closeout deficits are addressed through budget adjustments included as part of the corresponding report's capital budget adjustments.

A total of 27 programs/projects with Multi-Year Capital Project Budgets totalling \$141.7 million and expenditures of \$140.9 million were closed in the first quarter of 2021, with a net surplus of \$747K.

This report seeks Council approval to close one capital project/program that was completed in the first quarter of 2021 with surplus exceeding \$200,000. Explanations for the closeout surplus are provided in Appendix 3.

Appendix 4 provides for Council information a summary of capital projects closed in the first quarter of 2021 that were funded from voter-approved capital funding.

CONCLUSION

The purpose of this report is to request Council approval of \$26.4 million increase to Multi-Year Capital Project Budgets (funded from Empty Homes Tax Reserve, additional external funding and 2019-2022 Capital Plan). Expenditures in 2021 relating to the increases to Multi-Year Capital Project Budgets will be managed within the current overall Citywide 2021 Capital Expenditure Budget of \$770.7 million.

A total of 27 projects/programs were completed in the first quarter of 2021, with an overall net surplus of \$747K. This report also requests Council approval for the closeout of one capital program that was completed with a surplus exceeding \$200,000. This report also provides for Council information a summary of capital projects that were closed in the first quarter of 2021 that were funded from voter-approved capital funding.

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Appendix 1 - 2019-2022 Capital Plan Summary																
Service Categories	2019-2022 Capital Plan (\$ Millions)				Allocated vs. Balance Remaining in the Revised 2019-2022 Capital Plan (\$ Millions)											
	Capital Plan AFTER Recalibration	Changes Approved to date	Proposed Changes*	2019-2022 Capital Plan	Budgets Approved to date	Proposed Adjustments	Reserves	Capital from Revenue	Utility Pay-as- you-go	Connections Fees	Debt	Development Contributions	Federal / Provincial	Total Budget Allocations	Remaining in Capital Plan	
Affordable Housing	\$ 183.6	\$ 94.0	\$ 11.4	\$ 289.1	\$ 238.4	\$ 12.1	\$ 11.4	\$ -	\$ -	\$ -	\$ -	\$ 0.7	\$ -	\$ 250.5	\$ 38.6	13%
Childcare	120.0	0.0	-	120.0	44.5	-	-	-	-	-	-	-	-	44.5	75.5	63%
Parks and Open Spaces	225.6	3.1	-	228.7	172.2	(0.4)	-	-	-	-	(0.4)	-	-	171.8	56.9	25%
Arts & Culture	83.9	(1.5)	-	82.4	50.1	0.8	-	-	-	-	0.8	-	-	50.8	31.5	38%
Community Facilities	140.6	27.0	-	167.6	88.1	0.4	-	-	-	-	0.4	-	-	88.4	79.2	47%
Public Safety	88.4	1.4	-	89.8	44.1	0.2	-	-	-	-	0.2	-	-	44.4	45.4	51%
Civic Facilities & Equipment	105.7	3.2	-	108.9	86.3	(0.5)	-	0.2	-	-	(0.7)	-	-	85.8	23.1	21%
Transportation & Street Use	316.6	13.7	1.4	331.6	260.0	3.2	-	-	-	-	1.8	1.4	-	263.1	68.4	21%
One Water (Water, Sewer & Green Infrastructure)	503.5	0.1	-	503.5	340.9	4.0	-	-	(0.9)	4.0	-	-	0.9	344.9	158.6	31%
Solid Waste	92.0	6.5	-	98.5	76.4	0.8	-	-	0.8	-	-	-	-	77.3	21.2	22%
Renewable Energy	53.1	0.5	-	53.6	39.6	-	-	-	-	-	-	-	-	39.6	14.0	26%
Technology	104.8	-	-	104.8	81.2	-	-	-	-	-	-	-	-	81.2	23.5	22%
Overhead	20.6	0.2	6.2	26.9	20.6	5.8	0.2	5.6	-	-	-	-	-	26.4	0.6	2%
Emerging Priorities	23.0	-	-	23.0	-	-	-	-	-	-	-	-	-	-	23.0	100%
Total City-led Capital Investments	\$ 2,061.4	\$ 148.0	\$ 18.9	\$ 2,228.3	\$ 1,542.4	\$ 26.4	\$ 11.6	\$ 5.8	\$ (0.0)	\$ 4.0	\$ 2.1	\$ 2.1	\$ 0.9	\$ 1,568.8	\$ 659.5	30%
In-Kind Contributions	574.4	-	-	574.4	-	-	-	-	-	-	-	-	-	-	574.4	100%
Total 2019-2022 Capital Plan	\$ 2,635.8	\$ 148.0	\$ 18.9	\$ 2,802.7	\$ 1,542.4	\$ 26.4	\$ 11.6	\$ 5.8	\$ (0.0)	\$ 4.0	\$ 2.1	\$ 2.1	\$ 0.9	\$ 1,568.8	\$ 1,233.9	44%

* Includes 2019-2022 Capital Plan changes proposed in this Council Report, subject to Council approval

NOTE: Totals may not add due to rounding.

Appendix 2 - Capital Budget Adjustment Requests										
						BUDGET IMPACT				
						Multi-Year Project Budget				
A. Budget increases / decreases to existing projects and programs Programs/projects where costs or expenditure timing has increased/decreased due to unforeseen changes in market economic conditions or unavoidable changes in project scope; increases in scope afforded by external funding contribution opportunities.										
Impact on 2019-2022 Capital Plan	2019-2022 Capital Plan Service Category / Sub-Category		WBS	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2019-2022 Capital Plan
Allocation from 2019-2022 Capital Plan	07. Civic Facilities and Equip	C. All City Facilities	NCS-00159	2021 Accessibility Program	Increase to Multi-Year Project Budget (funded from 2019-2022 Capital Plan): This Budget adjustment is to allocate remaining funding in the Capital Plan to support high priority accessibility upgrades that have been identified in a feasibility study for health, safety, dignity and equity. The constituent projects will focus on washroom upgrades at community centres, libraries, social and cultural buildings. This adjustment will increase time and cost efficiency by awarding the work under one contract, with project work and related expenditure to occur over the next couple of years.	1,500,000	500,000	2,000,000	• Debenture 2b \$300,000 • Capital from Revenue \$200,000	-
Addition to 2019-2022 Capital Plan	01. Affordable Housing	B. Non-Market Rental	CNH-00031	Roddan Lodge Redevelopment (Cap)	Increase to Multi-Year Project Budget and 2019-2022 Capital Plan: This Budget adjustment request is for additional scope to improve security, facility durability, hygienic and safety components, and to minimize operating costs. This increase in project scope will lead to improvements in outcomes and deliverables, while project timelines are not impacted by this increase in project scope.	49,650,000	1,400,000	51,050,000	Empty Homes Tax Reserve	1,400,000
Addition to 2019-2022 Capital Plan	08. Transportation & Street Use	B. Managing Transportation Network	CET-00032	2019-22 New Pedestrian/Bike Signals Cap	Increase to Multi-Year Project Budget and 2019-2022 Capital Plan: This Budget adjustment request is for the provision of a pedestrian/bicycle actuated signal at Maple Street & 12th Ave, and the pre-works towards a signal at the intersection of Columbia Street and King Edward Avenue. This increase to the 2019-22 New Pedestrian and Bike Signals program is funded by developers under two service agreements.	3,505,983	225,000	3,730,983	Developer funding under service agreement	225,000
Addition to 2019-2022 Capital Plan	08. Transportation & Street Use	A. Expand Sustainable Transportation	CER-00252	Richards Street Upgrades (Cap)	Increase to Multi-Year Project Budget and 2019-2022 Capital Plan: This Budget adjustment request is for additional scope related to signal upgrades at the intersections of Richards Street with Helmcken Street and Drake Street, reinstatement of concrete and asphalt along the development's frontage on Richards Street after replacement of the sewer line, implementation of countdown timers and improved intersection lighting (upgrade to LED) at the intersection of Richards Street and Pender Street. This additional scope, resulting in improved outcomes and extra deliverables, will be funded by developers under four service agreements.	9,500,000	1,134,043	10,634,043	Developer funding under service agreement	1,134,043
Allocation from 2019-2022 Capital Plan	08. Transportation & Street Use	A. Expand Sustainable Transportation	CER-00252	Richards Street Upgrades (Cap)	Increase to Multi-Year Project Budget (funded from 2019-2022 Capital Plan): This Budget adjustment request is to complete signal upgrades at various intersections along Richards Street and is funded by the existing 2019-22 Traffic Signal Rehabilitation program.	9,500,000	1,000,000	10,500,000	Debenture 1b	-

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Impact on 2019-2022 Capital Plan	2019-2022 Capital Plan Service Category / Sub-Category		WBS	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2019-2022 Capital Plan
Allocation from 2019-2022 Capital Plan	08. Transportation & Street Use	B. Managing Transportation Network	CEL-00027	2019-22 H-Frame Replacement	Increase to Multi-Year Project Budget (funded from 2019-2022 Capital Plan): This Budget adjustment request is to follow behind BC Hydro's work to replace infrastructure, above the ground, with underground infrastructure. The City usually takes advantage of the opening of land surface, by BC Hydro, to install conduits along the various tranches. The City has been informed of BC Hydro's program acceleration and therefore, this adjustment request seeks to align with BC Hydro's schedule in order to accelerate the City's work on this program.	3,900,000	800,000	4,700,000	Debtenture 1b	-
Allocation from 2019-2022 Capital Plan	11. Solid Waste	A. Disposal	CEG-00034	VSTS Transfer Station Structural Repairs	Increase to Multi-Year Project Budget (funded from 2019-2022 Capital Plan): This Budget adjustment request is to factor in higher repair costs than initially anticipated, and consulting work on soffits and electrical assessment.	550,000	375,000	925,000	Solid Waste PAYG	-
Allocation from 2019-2022 Capital Plan	11. Solid Waste	A. Disposal	CEG-00045	Upgrade Existing Compost Facility (VLF)	Increase to Multi-Year Project Budget (funded from 2019-2022 Capital Plan): This Budget adjustment request is to account for accelerated outcomes that will allow for additional paved area. Related to some operation issues, this adjustment is required for the compost facility and safe operation of equipment in the area.	1,000,000	450,000	1,450,000	Solid Waste PAYG	-
Allocation from 2019-2022 Capital Plan	09. One Water	C. Sewerage & Drainage	CEC-00026	2020 Sewer & Water combined connections	Increase to Multi-Year Project Budget (funded from 2019-2022 Capital Plan): This adjustment is to increase the Multi-Year Capital Project Budget for the 2020 Sewer & Water Combined Connections program to reflect revenues collected during the period. These revenues are driven by residential and commercial construction.	11,000,000	800,000	11,800,000	2019-2022 Capital Plan (One Water/Sewerage & Drainage) Connection fees	-
Allocation from 2019-2022 Capital Plan	09. One Water	C. Sewerage & Drainage	CEC-00027	2021 Sewer & Water Combined Connections	Increase to Multi-Year Project Budget (funded from 2019-2022 Capital Plan): This adjustment is to increase the Multi-Year Capital Project Budget for the 2021 Sewer & Water Combined Connections program to reflect revenues collected during the period. These revenues are driven by residential and commercial construction.	100,000	2,000,000	2,100,000	2019-2022 Capital Plan (One Water/Sewerage & Drainage) Connection fees	-
Allocation from 2019-2022 Capital Plan	09. One Water	B. Potable Water	CEW-00111	2020 Water Commercial Connections (Cap)	Increase to Multi-Year Project Budget (funded from 2019-2022 Capital Plan): This adjustment is to increase the Multi-Year Capital Project Budget for the 2020 Water Commercial Connections program to reflect revenues collected during the period. These revenues are driven by commercial construction.	4,200,000	700,000	4,900,000	2019-2022 Capital Plan (One Water/Potable Water) Connection fees	-

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Appendix 2 - Capital Budget Adjustment Requests										
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Programs/projects where costs or expenditure timing has increased/decreased due to unforeseen changes in market economic conditions or unavoidable changes in project scope; increases in scope afforded by external funding contribution opportunities.										
Impact on 2019-2022 Capital Plan	2019-2022 Capital Plan Service Category / Sub-Category		WBS	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2019-2022 Capital Plan
Allocation from 2019-2022 Capital Plan	09. One Water	B. Potable Water	CEW-00120	2021 Water Commercial Connections (Cap)	Increase to Multi-Year Project Budget (funded from 2019-2022 Capital Plan): This adjustment is to increase the Multi-Year Capital Project Budget for the 2021 Water Commercial Connections program to reflect revenues collected during the period. These revenues are driven by commercial construction.	250,000	500,000	750,000	2019-2022 Capital Plan (One Water/Potable Water) Connection fees	-
Allocation from 2019-2022 Capital Plan	01. Affordable Housing	B. Non-Market Rental	CNH-00033	Housing Property Acq (Jul 2018) IC	Increase to Multi-Year Project Budget (funded from 2019-2022 Capital Plan): As part of the council decisions in November 2019 (RTS 12760), \$700K was to be budgeted to secure the Balmoral and Regent Hotel properties through additional building hardware, security systems and on-site and mobile patrols. This adjustment is to implement the Council decision.	11,861,777	700,000	12,561,777	Housing DCLs	-
Addition to 2019-2022 Capital Plan	01. Affordable Housing	B. Non-Market Rental	NNH-00085	2019-22 Community Housing Incentive Prog	Increase to Multi-Year Project Budget and 2019-2022 Capital Plan: As outlined in the Empty Homes Tax Annual Report with activity to November 1, 2020, an additional \$2 million will be added to the 2019-2022 Capital Plan to support additional CHIP Grants from EHT revenue collected in 2020. This adjustment is to implement the Empty Homes Tax Annual Report use of funds to deepen affordability of social housing and meet affordability targets in the Housing Vancouver strategy.	25,000,000	2,000,000	2,700,000	Empty Homes Tax Reserve	2,000,000
Addition to 2019-2022 Capital Plan	01. Affordable Housing	B. Non-Market Rental	CNH-00034	2019-22 Housing Land Acquisition	Increase to Multi-Year Project Budget and 2019-2022 Capital Plan: As outlined in the Empty Homes Tax Annual Report with activity to November 1, 2020, it was recommended that \$8 million be added to the Housing Capital Budget to enable more housing on City land to support the delivery of the Housing Vancouver strategy priorities and targets. This adjustment is to implement the Empty Homes Tax Annual Report use of funds towards land acquisition / development opportunities.	110,913,223	8,000,000	118,913,223	Empty Homes Tax Reserve	8,000,000

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Programs/projects where costs or expenditure timing has increased/decreased due to unforeseen changes in market economic conditions or unavoidable changes in project scope; increases in scope afforded by external funding contribution opportunities.										
Impact on 2019-2022 Capital Plan	2019-2022 Capital Plan Service Category / Sub-Category	WBS	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2019-2022 Capital Plan	
Reallocations between open multi-year project budgets										
No impact (Reallocation of previously approved capital budget)	07. Civic Facilities and Equip	C. All City Facilities	NCS-00158	2021 Seismic Program	Decrease to Multi-Year Project Budget (reallocation): This Budget adjustment is to reallocate funding from the 2021 Seismic Program to support seismic upgrade work in the Heritage Hall Building Envelope.	700,000	(500,000)	200,000	Debenture 2b	-
No impact (Reallocation of previously approved capital budget)	05. Arts & Culture	A. Cultural Facilities	CNS-00089	2021 Cap Mtce - Cultural Facilities	Decrease to Multi-Year Project Budget (reallocation): This Budget adjustment is to reallocate funding from the 2021 Capital Maintenance - Cultural Facilities program to address additional scope in the higher priority Heritage Hall Building Envelope project.	1,850,000	(500,000)	1,350,000	Debenture 2a	-
No impact (Reallocation of previously approved capital budget)	05. Arts & Culture	A. Cultural Facilities	CCS-00143	Heritage Hall Building Envelope	Increase to Multi-Year Project Budget (reallocation): This Budget adjustment request is to address additional project scope to replace poor condition roofing and the copper trim, that became evident after the roof was removed, and seismic upgrades. The items contributing to the additional scope are major copper ornaments beneath the roof, most of which require replacement, structural details conflicting with the roof slates installation and the existing mechanical system, which conflicts with drawings. These items could not be completely evaluated prior to the removal of the roof. The seismic upgrades include a new roof seismic diaphragm, anchoring of the roof diaphragm, pinning the masonry, and steel bracing to address the clock tower's instability.	4,086,542	1,000,000	5,086,542	• Debenture 2a \$500,000 • Debenture 2b \$500,000	-
No impact (Reallocation of previously approved capital budget)	03. Parks and Open Spaces	C. Park Buildings	CPM-00043	2021 Cap Mtce - Park Buildings	Decrease to Multi-Year Project Budget (reallocation): These Budget decrease adjustment requests are to reflect Capital Maintenance Program project reprioritization based on an in-depth review of factors including building condition, building components and their risk of failure, regulatory compliance (including health and safety), building service level impacts, and project phasing.	1,800,000	(375,000)	1,425,000	Debenture 2a	-
No impact (Reallocation of previously approved capital budget)	04. Community Facilities	B. Recreation Facilities	CPM-00044	2021 Cap Mtce - Recreation Facilities	The 2021 Capital Maintenance Budgets were based on high level estimates from the fall of 2020. Estimates were subsequently refined in February 2021 during a detailed project validation process, which included site reviews. Project scopes, timelines, outcomes and deliverables were adjusted accordingly as a result of this validation process.	3,500,000	(1,499,000)	2,001,000		-
No impact (Reallocation of previously approved capital budget)	07. Civic Facilities and Equip	B. Sevice Yards, Vehicles & Equipment	CCS-00172	2021 Cap Mtce - Service Yards		1,060,000	(490,000)	570,000		-

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Appendix 2 - Capital Budget Adjustment Requests										
						BUDGET IMPACT				
						Multi-Year Project Budget				
A. Budget increases / decreases to existing projects and programs										
Programs/projects where costs or expenditure timing has increased/decreased due to unforeseen changes in market economic conditions or unavoidable changes in project scope; increases in scope afforded by external funding contribution opportunities.										
Impact on 2019-2022 Capital Plan	2019-2022 Capital Plan Service Category / Sub-Category		WBS	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2019-2022 Capital Plan
No impact (Reallocation of previously approved capital budget)	06. Public Safety	C. Police	CCP-00030	2021 Cap Mtce - VPD Facilities	Increase to Multi-Year Project Budget (reallocation): These Budget decrease adjustment requests are to reflect Capital Maintenance Program project reprioritization based on an in-depth review of factors including building condition, building components and their risk of failure, regulatory compliance (including health and safety), building service level impacts, and project phasing. The 2021 Capital Maintenance Budgets were based on high level estimates from the fall of 2020. Estimates were subsequently refined in February 2021 during a detailed project validation process, which included site reviews. Project scopes, timelines, outcomes and deliverables were adjusted accordingly as a result of this validation process.	685,000	55,000	740,000	Debenture 2a	-
No impact (Reallocation of previously approved capital budget)	05. Arts & Culture	A. Cultural Facilities	CNS-00089	2021 Cap Mtce - Cultural Facilities		1,850,000	235,000	2,085,000		-
No impact (Reallocation of previously approved capital budget)	05. Arts & Culture	B. Entertainment & Exhibition Facilities	CNS-00090	2021 Cap Mtce - Entertain & Exhibit		150,000	25,000	175,000		-
No impact (Reallocation of previously approved capital budget)	06. Public Safety	B. Fire & Rescue	CCS-00170	2021 Cap Mtce - Fire Hall		90,000	184,000	274,000		-
No impact (Reallocation of previously approved capital budget)	04. Community Facilities	A. Libraries and Archives	CCS-00169	2021 Cap Mtce - Library Facilities		830,000	1,245,000	2,075,000		-
No impact (Reallocation of previously approved capital budget)	04. Community Facilities	C. Social Facilities	CNS-00091	2021 Cap Mtce - Social Facilities		850,000	620,000	1,470,000		-
Total - Budget Increases/Decreases to Existing Projects/Programs						\$ 259,882,525	\$ 20,584,043	\$ 256,166,568		\$ 12,759,043

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Appendix 2 - Capital Budget Adjustment Requests										
						BUDGET IMPACT				
						Multi-Year Project Budget				
B. Administrative adjustments including consolidation, restatements, or funding source changes Includes the ongoing consolidation of like programs/projects into one larger program/project (normally no net impact on the annual budget); other restatements; changes to project funding source(s).										
Impact on 2019-2022 Capital Plan	2019-2022 Capital Plan Service Category / Sub-Category		WBS	Project Name	Reason for Adjustment	Current	Change	Proposed	Funding Source(s) for Changes to Multi-Year Project Budget	Addition to 2019-2022 Capital Plan
No Impact (Change to Project Funding Source only)	09. One Water	C. Sewerage & Drainage	NEI-00002	2019 Utility Planning	Change in Funding Source for Multi-Year Project Budget: This Budget adjustment request is to bring in the \$100,300 grant received from the Federation of Canadian Municipalities (FCM) by changing the funding source; the amount covers planned costs for the Charleson catchment project.	4,096,498	-	4,096,498	Increase: Federation of Canadian Municipalities (FCM) grant \$100,300 Decrease: Sewer PAYG \$100,300	-
No Impact (Change to Project Funding Source only)	09. One Water	C. Sewerage & Drainage	CES-00078	Tidal Gates Replace (Cap)	Change in Funding Source for Multi-Year Project Budget: This Budget adjustment request is to bring in the \$750,000 grant received from the Union of BC Municipalities (UBCM) as part of the Community Emergency Preparedness Fund (CEPF) by changing the funding source; the amount covers planned costs for the Southlands tidal gates project.	1,700,000	-	1,700,000	Increase: Union of BC Municipalities (UBCM) grant \$750,000 Decrease: Sewer PAYG \$750,000	-
Addition to 2019-2022 Capital Plan	13. Overhead	A. Overhead	NSP-00042	2019-22 City-Wide OH - Capital Admin	Increase to Multi-Year Project Budget and 2019-2022 Capital Plan: This change reflects an administrative adjustment to increase the Multi-Year Project Budget for Capital Overhead as well as 2019-22 Capital Plan. This was planned and funded to support the 2019-2022 Capital Plan, and was intended as a regular update to the Capital Plan as the funding was made available in the annual budgets (2019-2021). Capital Overhead includes supports such as legal, procurement, finance and human resources, and is required in order to deliver on programs and projects in the Capital Plan. Upon approval of this request, the Multi-Year Project Budget and 2019-22 Capital Plan for Capital Overhead will increase by \$5.8 million to reflect Capital from Revenue transferred to the Capital Fund in the approved Operating Budget.	7,430,500	1,500,000	8,930,500	Capital from Revenue	5,781,150
Addition to 2019-2022 Capital Plan	13. Overhead	A. Overhead	NSP-00043	2019-22 City-Wide OH - Legal		5,970,000	2,000,000	7,970,000	Capital from Revenue	
Addition to 2019-2022 Capital Plan	13. Overhead	A. Overhead	NSP-00044	2019-22 Finance PMO		2,400,000	950,000	3,350,000	Capital from Revenue	
Addition to 2019-2022 Capital Plan	13. Overhead	A. Overhead	NSP-00045	2019-22 City-Wide OH - Communications		1,160,600	300,000	1,460,600	Capital from Revenue	
Addition to 2019-2022 Capital Plan	13. Overhead	A. Overhead	NSP-00049	2019-22 City-Wide OH - HR		622,000	200,000	822,000	Capital from Revenue	
Addition to 2019-2022 Capital Plan	13. Overhead	A. Overhead	NSP-00046	2019-22 Debenture Discount		2,000,000	831,150	2,831,150	Capital from Revenue	
Addition to 2019-2022 Capital Plan	13. Overhead	A. Overhead	NSP-00039	City-wide Overhead - PNE Capital Admin		Change in Funding Source for Multi-Year Project Budget: This request is to change the Multi-Year Project Budget for PNE capital overhead funding source to be Hastings Park Reserve. We have budgeted (and expensed) these funds in the operating budget. Administratively they should be reflected in the capital fund, as planned.	840,000	-	840,000	
Total - Administrative Adjustments						\$ 26,219,598	\$ 5,781,150	\$ 32,000,748		\$ 6,161,150
Total Capital Budget Adjustment Requests						\$ 286,102,123	\$ 26,365,193	\$ 288,167,316		\$ 18,920,193

Appendix 3 - Q1 2021 Capital Closeouts with surpluses or deficits exceeding \$200,000				
Project / Program Name	Budget	Actual	Surplus / (Deficit)	Closeout Variance Explanation
2018 Cap Mtce - Entertainmnt & Exhib Fac	\$ 700,000	\$ 466,344	\$ 233,656	The PNE Coliseum Fire Alarm System Replacement and various maintenance works, funded by REFM but managed by PNE, were completed with minimal unforeseen site conditions and minimal use of contingency.
Total	\$ 700,000	\$ 466,344	\$ 233,656	

Appendix 4 - Q1 2021 Completed Capital Projects with funding from Voter-Approved Capital Funding			
Project / Program Name	Budget	Actual	Surplus / (Deficit)*
2018 Cap Mtce - Entertainmnt & Exhib Fac	\$ 700,000	\$ 466,344	\$ 233,656
2020 Major Roads Rehab - City	\$ 1,400,000	\$ 1,535,563	\$ (135,563)
2019 Major Roads Rehab - City	\$ 5,700,000	\$ 5,574,051	\$ 125,949
PNE Garden Auditorium Re-Roof	\$ 2,042,408	\$ 1,927,984	\$ 114,424
2018 Renovation - Admin Facilities	\$ 300,000	\$ 211,864	\$ 88,136
2019 FF&E Non-Mkt Housing	\$ 250,000	\$ 300,184	\$ (50,184)
2020 Cap Mtce - Park Buildings	\$ 50,000	\$ 26,660	\$ 23,340
2019 Security Program	\$ 250,000	\$ 270,184	\$ (20,184)
2019 Reno-Childcare (0-4 Yrs)	\$ 187,000	\$ 188,750	\$ (1,750)
Total	\$ 10,879,408	\$ 10,501,583	\$ 377,825

** Prior to reallocation of surplus funding to cover deficits for projects closed out this quarter*