



## STAFF REPORT ACTION REQUIRED

### Facilities & Real Estate - 2008 Capital Budget Reallocations

<b>Date:</b>	May 29, 2008
<b>To:</b>	Government Management Committee
<b>From:</b>	Chief Corporate Officer
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2008\Internal Services\F&re\Gm08055F&re – (AFS 7871)

#### **SUMMARY**

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This report requests Council's authority to reallocate funds within the Facilities and Real Estate Division (F&RE) 2008 Approved Capital Budget. The reallocation of funds will have a zero net impact corporately and will better align 2008 cash flows with Facilities and Real Estate's program requirements.

#### **RECOMMENDATIONS**

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**The Chief Corporate Officer recommends that:**

1. City Council authorize the reallocation of funds in the 2008 Approved Facilities and Real Estate Capital Budget in the amount of \$1.008 million, as illustrated in schedule "A" (Part 1) attached, with a zero gross and net impact.
2. City Council authorize reallocation of funds in the 2008 Approved Facilities and Real Estate Capital Budget in the amount of \$0.177 million to the two previously approved projects, North York Civic Centre – Railing System – CCA 151-12 (\$0.030 million) and Swansea Town House Community Centre and Library – 95 Lavinia – Replace windows – CCA 159-04 (0.147 million), as illustrated in Schedule "A" (Part 2) attached, with a zero gross and net impact.

## **FINANCIAL IMPACT**

There are no additional costs to the City as a result of approval of this report.

The approval of this report will result in the reallocation of 2008 approved cash flows in the total amount of \$1.184 million within the Facilities and Real Estate 2008 Approved Capital Budget (Schedule "A"). It will also authorize the spending in two previously approved capital projects (for a zero net impact) which had no approved cash flows in 2008, but require additional funding due to unforeseen circumstances (Schedule "A", Part 2).

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

The 2008 Capital Budget for Facilities and Real Estate, with a 2008 cash flow of \$39.768 million, was approved by City Council at its meeting on December 11, 12, and 13<sup>th</sup>, 2007.

## **ISSUE BACKGROUND**

F&RE requires the reallocation of funds in the 2008 Approved Capital Budget to increase the level of completion for the capital program.

The reallocation will ensure proper funding and cash flows are in place to tender and award contracts, as existing funding levels were deemed insufficient after bid prices came in higher than budgeted.

Furthermore, detailed investigations at sites have revealed unforeseen conditions that must be addressed, but were not anticipated during the budget planning phase. The requested reallocation will allow Facilities and Real Estate to deal with these unforeseen issues, and deliver the completion of the projects in a timely manner.

Lastly, changes to City policies and legislative requirements, including physical testing of hazardous materials and safety devices, have placed a financial strain on a number of projects. These requirements were not in place during the budget planning phase, and therefore were not accounted for when determining the funding requirements for the projects. The reallocation of cash flows will ensure these policies and requirements are adhered to and that the affected projects can be completed as scheduled.

The reallocation of funding will have no net impact on the approved 2008 Approved Capital Budget for Facilities and Real Estate, as no additional funding has been requested.

## **COMMENTS**

Facilities and Real Estate seeks approval for the reallocation of the 2008 Capital Budget, as outlined in the attached schedule "A", to better align 2008 cash flows with program requirements, in accordance with Section 71-9 B & E of the Financial Control By-Law.

## **CONTACT**

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## **SIGNATURE**

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Bruce Bowes, P.Eng.  
Chief Corporate Officer

## **ATTACHMENTS**

Schedule "A" - Facilities and Real Estate - 2008 Capital Budget Reallocations