

March 10, 2009

To: Executive Committee

From: Budget Committee

Subject: Facilities and Real Estate – 2009 Capital Budget Adjustments

Recommendation:

The Budget Committee recommended to the Executive Committee that:

- 1. City Council authorize the reallocation of funds in the 2009 approved Facilities and Real Estate Capital Budget in the amount of \$1.856 million, as illustrated in Schedule “A” of the report, with zero gross and net impact.**

Background:

The Budget Committee on March 10, 2009, considered a letter (March 6, 2009) from the Chief Corporate Officer, entitled “Facilities and Real Estate – 2009 Capital Budget Adjustments”.

for City Clerk

Merle MacDonald/mb

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STAFF REPORT ACTION REQUIRED

Facilities & Real Estate – 2009 Capital Budget Adjustments

Date:	March 6, 2009
To:	Budget Committee
From:	Facilities and Real Estate
Wards:	Various
Reference Number:	P\2009\Internal Services\F&re\Bc09025F&re - (AFS #9634)

SUMMARY

This report requests Council's authority to amend the Facilities and Real Estate Division's (F&RE) 2009 approved capital budget by reallocating funding within the budget and by adding one new subproject to the F&RE capital budget. The adjustment of funds will have a zero net impact corporately and will better align 2009 cash flows with F&RE's program requirements.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council authorize the reallocation of funds in the 2009 approved F&RE capital budget in the amount of \$1.856 million, as illustrated in schedule "A" attached, with 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 2009 approved cash flows in the total amount of \$1.856 million, as illustrated in the schedule "A" attached. It will also authorize the spending in one previously approved capital project (for a zero net impact) which had no approved cash flows in 2009, but requires additional funding due to unforeseen circumstances (Schedule "A", Part B).

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

DECISION HISTORY

The 2009 capital budget for F&RE, with a 2009 cash flow of \$45.055 million and 2008 carry-forward funding of \$2.344 million, was approved by City Council at its meeting on December 10, 2008.

At its meeting on October 29 and 30, 2008, City Council (EX24.22) approved the reallocation of cash flows in F&RE's 2008 capital plan, increasing the project cost for 519 Church renovations for the construction of the 519 Church Community Centre in the amount of \$0.5 million.

The total costs incurred at the 519 Church St. site by the F&RE division to date are \$6.85 million, which includes both phase one and phase two of the 6000 square feet addition to the Community Centre, and various other state of good repair projects. With respect to the addition to the Community Centre, \$2.35 million was spent on phase one, with \$0.6 million funded by the 519 Church group and the remaining \$1.75 million funded by CFC / debt (all prior to 2004). Currently, \$2.59 million has been spent on phase two. The original approved budget for this phase was \$2.2 million in 2006, with \$0.9 million of funding coming from the 519 Church group and the remaining \$1.3 million from section 37 and 42 funds. An additional \$0.5 million of CFC / debt funding was subsequently added to the project, as stated above. Of the \$2.7 million budget, \$2.59 million has been spent to date. Regarding state of good repair projects, \$1.91 million has been spent on various projects dating back to 2001. These include structural repairs (underpinnings), electrical upgrades, masonry wall restorations, mould removal, and various other repairs. These state of good repair projects have all been funded by CFC / debt, and the only project ongoing is the masonry wall restoration.

ISSUE BACKGROUND

F&RE requires the amendments of the 2009 approved capital budget to better align cash flows with -project requirements.

519 Church – Structural Remediation

The original project cost for the phase two renovations of the 519 Church Community Centre was \$2.2 million. An additional \$0.5 million was added to the project in 2008 to address unforeseen conditions at the site, such as asbestos abatement and mould remediation, bringing the total project cost to \$2.7 million. Currently, F&RE has spent and committed all but \$0.1 million of this project cost.

Site conditions have revealed that structural remediation is required due to significant building settlement. The work includes reinforcing interior load bearing walls, installation of new beams, floor framing and reinstatement of fireproofing to correct floor elevations.

Failure to carry out the work will result in an inability to occupy the balance of the facility. The 519 Community Center is relying on completion of the facility in its entirety to facilitate delivery of community programs which have been scaled back over the past three years due to the necessary renovations.

The cost for the additional structural work, fire rating and floor levelling is \$0.583 million, bringing the total expenditure to \$3.283 million.

40 College – UPS and Back-Up Generator System

Additional funding is required for the project at 40 College related to the installation of a new UPS and the back-up generator system. The original project cost was \$3.865 million. Currently F&RE has spent and committed \$0.2 million of this for engineering services for the installation of a new UPS and back-up generator system, inclusive of increased loading and distribution requirements to support demand in emergency situations. Therefore, only \$3.655 million remains for the award of the construction contract. Additional funding required to award and proceed with the implementation of this project is mandatory. Failure to comply will compromise the ability of Toronto Police Service to respond to catastrophic emergency situations putting the public safety at risk.

COMMENTS

Facilities and Real Estate seeks approval for the amendment of the 2009 capital budget, as outlined in the attached schedule “A” to better align cash flows with program requirements, in accordance with Section 71-9 B & E of the Financial Control By-Law.

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SIGNATURE

Bruce Bowes, P.Eng.
Chief Corporate Officer

ATTACHMENTS

Schedule “A” - Facilities and Real Estate - 2009 Capital Budget Reallocations