

May 28, 2010

To: Executive Committee

From: Budget Committee

Subject: Facilities Management 2010 Capital Budget Adjustments

Recommendations:

The Budget Committee recommends to the Executive Committee that:

- 1. City Council authorize the reallocation of funds in Facilities Management's 2010 Approved Capital Budget and 2011-2019 Capital Plan in the amount of \$1.318 million, which includes acceleration and offsetting deferral of funds, as illustrated in Appendix 1 of the report (May 10, 2010) from the Chief Corporate Officer, with zero gross and net impact.**
- 2. City Council authorize an increase to Facilities Management's 2010 Approved Capital Budget in the amount of \$0.060 million, and to allow Facilities Management to receive this funding from a 3rd party contributor, with a zero net impact.**

Background:

The Budget Committee on May 28, 2010, considered a report (May 10, 2010) from the Chief Corporate Officer, entitled "Facilities Management 2010 Capital Budget Adjustments".

for City Clerk

Merle MacDonald/tk

g:\sec\legislative docs\2010\standing\budget\letters\2010-05-28-bu72.2.doc



STAFF REPORT ACTION REQUIRED

Facilities Management 2010 Capital Budget Adjustments

Date:	May 10, 2010
To:	Budget Committee
From:	Chief Corporate Officer
Wards:	Various
Reference Number:	P:\2010\Internal Services\Fac\Bc10010Fac- (AFS 12144)

SUMMARY

This report requests Council's authority to amend the Facilities Management Division's (FM) 2010 Approved Capital Budget and 2011-2019 Capital Plan, by reallocating funding within the budget and plan, to better meet program requirements. The adjustment of funds will have a zero net impact corporately and will better align 2010 and future cash flows with FM's program requirements.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council authorize the reallocation of funds in Facilities Management's 2010 Approved Capital Budget and 2011-2019 Capital Plan in the amount of \$1.318 million, which includes acceleration and offsetting deferral of funds, as illustrated in appendix 1 attached, with zero gross and net impact.
2. City Council authorize an increase to Facilities Management's 2010 Approved Capital Budget in the amount of \$0.060 million, and to allow FM to receive this funding from a 3rd party contributor, with a zero 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 \$1.318 million. 2010 approved cash flows in the amount of \$0.860 million will be reallocated (see appendix 1). These amendments will have a zero net impact. It will also authorize the acceleration and offsetting deferral of funds in the 2010 Approved FM Capital Budget and 2011-2019 Capital Plan in the total amount of \$0.458 million (see appendix 1). FM's 2010 Approved Capital Budget will also be increased by \$0.060 million gross, with revenue to be received from a 3rd party contributor in the same amount, resulting in a zero net impact.

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

DECISION HISTORY

The 2010 Capital Budget and 2011-2019 Capital Plan for Facilities Management and Real Estate, with a 2010 cash flow of \$67.987 million, 2009 carry-forward funding of \$6.659 million, and a 2011-2019 recommended capital plan of \$311.529 million was approved by City Council at its meeting on December 8, 2009.

<http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-12-08-cc44-dd.htm>

ISSUE BACKGROUND

A constant water leak at 277 Victoria St. has led to the need for extensive repair of the exterior cladding system, along with repair to damaged interior finishes. Failure to repair this condition will result in continued water penetration, further interior damage and mould growth. These issues are, and will continue to, negatively impact Toronto Public Health's day to day operations in the building. After further investigation of this issue additional funding is required, on top of accelerating planned funding from 2011, to rectify the problem.

An adjustment of funding between sub-projects at 157 King St. and 18 Cranfield Rd. is required due to a correction related to an ISF funded sub-project at 157 King St. for a roof replacement. Funds were budgeted for the roof replacement at this location in a non-ISF sub-project as well. This funding should have been budgeted in the 18 Cranfield sub-project.

In addition, acceleration of funds is requested in order to address a retrofit of air conditioning and windows at 89 Northline Rd., which will be needed prior to the upcoming 2010 municipal elections.

Lastly, FM is currently carrying out various state of good repair work at Swansea Town Hall. In order to provide the client with the desired repairs additional funding is required. The Board of Management of Swansea Town Hall has agreed to contribute funding to this work to ensure it is completed as desired.

COMMENTS

Facilities Management seeks approval for the amendment of the 2010 Capital Budget and the 2011-2019 Capital Plan, as outlined in the attached appendix 1 to better align cash flows with program and client requirements, in accordance with Section 71-9 B to E of the Financial Control By-Law.

CONTACT

Richard Coveduck, P.Eng.
Director
Design, Construction, and Asset Preservation
Phone: 416-338-2737
Fax: 416-392-4828
E-mail: rcovedu@toronto.ca

Chuck Donohue, P.Eng.
Executive Director
Facilities Management
Phone : 416-397-5151
Fax : 416-392-4828
E-mail: cdonohue@toronto.ca

SIGNATURE

Bruce Bowes, P.Eng.
Chief Corporate Officer

ATTACHMENTS

Appendix 1 – 2010 Capital Budget and 2011 - 2019 Capital Plan Adjustments - 2nd Quarter