

Parks, Forestry and Recreation – Capital Program – The Backlog in Needed Repairs Continues to Grow

Date:	January 23, 2009
To:	Audit Committee
From:	Jeff Griffiths, Auditor General
Wards:	All
Reference Number:	

SUMMARY

The objective of this review was to assess the extent to which the Parks, Forestry and Recreation Division manages its capital program with due regard to economy, efficiency and effectiveness, from a broad high level perspective.

Our review identified a number of issues areas relating to the growing state of good repair backlog and management of the capital program. While the review was focused on Parks, Forestry and Recreation Division, most of the issues identified have broader implications from a corporate perspective and therefore require City-wide solutions.

Addressing the recommendations in this report will enhance the Parks, Forestry and Recreation Division's and the City's efforts in improving and expanding significant infrastructure assets through more cost-effective management of limited resources.

RECOMMENDATIONS

The Auditor General recommends that:

1. The General Manager, Parks, Forestry and Recreation, develop a comprehensive master service and infrastructure plan, incorporating the Division's "Our Common Grounds" strategy and all related studies being developed or planned pertaining to parks and recreation facilities, and report to the Community Development and Recreation Committee by June 30, 2010. Such master plan to include, but not limited to

- a. specific action plans, timelines and responsibility for implementation
 - b. estimated costs and potential funding sources or partnership opportunities to be explored
 - c. reporting on the status of the master implementation plan as part of the annual capital budget submission.
2. The General Manager, Parks, Forestry and Recreation, take appropriate steps to
- a. develop criteria for determining when a City facility is considered to be no longer cost-effective to maintain, taking into consideration such factors as utilization, ongoing operating and capital maintenance costs, location, and proximity to other facilities, community impact and changing demographics
 - b. where practical, incorporate the criteria developed into the capital asset management system
 - c. compile a comprehensive inventory of all facilities that are no longer cost-effective to maintain based on criteria developed in (a.)
 - d. identify opportunities for consolidation of operations within existing facilities or potential new ones and recommend facility closures, if warranted
 - e. determine the full financial implications of either maintaining, enhancing or closing facilities, including any potential program changes resulting from each option
 - f. where a facility closure is recommended, develop alternate accommodation for viable affected programs
 - g. conduct appropriate community consultations of any planned actions.
3. The City Manager give priority to the development and implementation of a City-wide prioritization framework for capital repairs, as previously recommended in an Auditor General's report entitled "Maintenance and Administrative Controls Review – Facilities and Real Estate" dated September 2005. Further, the priority framework be enhanced by including all new capital projects.
4. The General Manager, Parks, Forestry and Recreation report to Budget Committee, as recommended by Council, by November 2009, on the outcome of the Capital Budget Task Force. Such report to include
- a. issues identified and factors contributing to project delays
 - b. recommendations to address issues identified and minimize delays
 - c. status, timelines and responsibility of implementation of each of the recommendations being made.

5. The City Manager, review the funding allocation between state of good repair projects and service improvement or growth-related projects, both at the division and city-wide levels, and take appropriate steps to develop a sustainable long-term strategy to reduce the current and projected state of good repair backlog.
6. The Deputy City Manager and Chief Financial Officer require all major projects for new infrastructure include future capital maintenance costs for reporting under financial implications at the time of project approval.
7. The City Manager, in consultation with the General Manager, Parks, Forestry and Recreation and the Director, Toronto Office of Partnerships, develop, for approval by Council, a comprehensive City-wide policy on naming rights and other private funding arrangements, such policy to
 - a. consider all existing policies related to
 - i. Parks and Recreation Naming and Renaming Policy
 - ii. Donations policy
 - iii. Advertising
 - iv. Unsolicited bids
 - v. Sponsorships and partnerships
 - b. include guidelines on
 - i. eligibility criteria for facilities to be considered for naming rights
 - ii. responsibility and control processes for securing and accepting naming rights or other private funding arrangements
 - iii. the creation of endowment, or similar funds, to offset future maintenance and repair costs for new facilities put in place under this policy.
8. The Director, Toronto Office of Partnerships, in consultation with appropriate divisional staff, identify all potential projects and facilities that may benefit from naming rights or other private funding arrangements and, with the approval of Council, pursue such funding according to corporate guidelines.
9. The General Manager, Parks, Forestry and Recreation, give priority to completing the development and implementation of the work order system for Parks, Forestry and Recreation Division to provide the tracking of both operating and capital costs of each facility.
10. The City Clerk, in consultation with the City Solicitor, clarify Council procedures with respect to recommendations at Community Councils on matters that are contrary to Council policy, and consider requiring that such recommendations state explicitly that a Council policy is being contravened.

FINANCIAL IMPACT

The implementation of recommendations in this report will improve efficiency and effectiveness of the management of the Parks, Forestry and Recreation Division's and the City's capital program. The extent of any resources required or potential cost savings resulting from implementing the recommendations in this report is not determinable at this time.

DECISION HISTORY

This report provides the results of the Auditor General's review of the capital program of the Parks, Forestry and Recreation Division. This review was conducted as part of the Auditor General's Annual Work Plan.

COMMENTS

The Auditor General's report entitled "Parks, Forestry and Recreation – Capital Program – The Backlog in Needed Repairs Continues to Grow" is attached as Appendix 1. Management's response to each of the recommendations contained in this report is attached as Appendix 2.

CONTACT

Jerry Shaubel, Director, Auditor General's Office
Tel: 416-392-8462, Fax: 416-392-3754, E-mail: jshaubel@toronto.ca

Sonia Villanueva, Senior Audit Manager, Auditor General's Office
Tel: 416-392-8473, Fax: 416-392-3754, E-mail: svillanu@toronto.ca

SIGNATURE

Jeffrey Griffiths, Auditor General

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ATTACHMENTS

- Appendix 1: Parks, Forestry and Recreation – Capital Program – The Backlog in Needed Repairs Continues to Grow
- Appendix 2: Management's Response to the Auditor General's Review of Parks, Forestry and Recreation – Capital Program – The Backlog in Needed Repairs Continues to Grow