BMO Field – Executive Suites Mould Remediation

Date: July 21, 2014
To: Budget Committee
From: Deputy City Manager and Chief Financial Officer
Wards: All
Reference Number: P:\2014\Internal Services\Fp\Bc14019Fp (AFS #19846)

SUMMARY

This report seeks approval for adjustments to the 2014 Capital Budget for Exhibition Place, which is fully funded from the Soccer Stadium Capital Maintenance Reserve Fund (XR3601) to accommodate the emergency mould remediation work required at BMO Field.

The report also recommends a $240,933 reduction to the Building Repairs project at the National Soccer Stadium (BMO Field) which was carried forward into the 2014 Capital Budget from 2013 unspent funds and is no longer required, to assist in providing funding for the new sub-project for Mould Remediation for $610,256.

RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends that City Council:

1. Amend the 2014 Capital Budget for Exhibition Place by reducing the Building Repairs project at the National Soccer Stadium (BMO Field), funded from the National Soccer Stadium Reserve Fund (XR3601), by $240,933.

2. Amend the 2014 Capital Budget for Exhibition Place by adding a new sub-project for BMO Field Mould Remediation for $610,256, fully funded from the National Soccer Stadium Reserve Fund (XR3601).
Financial Impact

There are no costs to the City that will result from Council adoption of the recommendations in this report, as capital work on the National Soccer Stadium (BMO Field) is funded from the National Soccer Stadium Reserve Fund. This Reserve Fund is funded by contributions for building maintenance arising from the management agreement with Maple Leaf Sports and Entertainment (MLSE) concerning the use of BMO Field. Including other budgeted 2014 contributions and withdrawals from this reserve fund, after recommendations #1 and #2 are implemented, the 2014 year-end balance will be $158,000.

DECISION HISTORY

At its meeting on May 23, 2014 the Board of Governors of Exhibition Place approved item #13, entitled BMO Field – Executive Suites Mould Remediation, requesting that its 2014 Capital Budget be increased to provide funding from the National Soccer Stadium Reserve Fund for the emergency repairs to the executive suites and washrooms. (Appendix A of this report)

At its meeting on June 25, 2014 the Board of Governors of Exhibition Place approved item #8, entitled BMO Field – Executive Suites Mould Remediation, requesting that its 2014 Capital Budget project for BMO Field Building Repairs be reduced by $240,933 to accommodate reserve funding for Mould Remediation. (Appendix B of this report)

ISSUE BACKGROUND

As described in detail in the attached report adopted by the Exhibition Place Board of Governors at its meeting on May 23, 2014, while BMO Field was being prepared for season open on March 22, 2014, mould was discovered in the executive suites and washrooms. A professional environmental management firm was retained to assess the extent of the damage and recommend remediation work. This assessment also made it clear that the reason for the damage lay in the original manner of construction, which was such that after a winter such as the last, moisture was absorbed into the structure resulting in mould.

According to the management agreement with MLSE, Exhibition Place was informed of the mould problem in February 2014, and proceeded to repair and remediate. Work was completed in time for season opening with review through the process by the environmental consultant. The total cost of the work was $610,256.

Subsequently, as a result of the decision of the Board of Governors on June 25, 2014, a $240,933 reduction to previously planned projects drawing from the reserve fund has been requested. This reduction will ensure that the reserve fund is not overdrawn.
The Letter of Intent between the City and MLSE to expand BMO Field approved by City Council on at its meeting on April 1, 2014 and the revised timing approved on June 10, 2014 result in lower capital maintenance requirements during 2014, before the expansion work commences. The National Soccer Stadium Reserve Fund is budgeted to have a balance of $158,000 at the end of 2014, if the Exhibition Place 2014 Capital Budget adjustments recommended in this report are adopted.

**CONTACT**
Josie La Vita  
Director, Financial Planning  
Phone: 416-397-4229  
Fax: 416-397-4465  
Email: jlavita@toronto.ca

**SIGNATURE**

_______________________________  
Roberto Rossini  
Deputy City Manager and Chief Financial Officer

**ATTACHMENTS**

Appendix A: BMO Field -- Executive Suites Mould Remediation, Board of Governors of Exhibition Place, dated May 9, 2014, Item #13, approved May 28, 2014

Appendix B: BMO Field – Executive Suites Mould Remediation, Board of Governors of Exhibition Place, dated June 11, 2014, Item #8 approved June 25, 2014