

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2017 November 08

FROM: MAJOR CIVIC BUILDING PROJECT
COORDINATION COMMITTEE

FILE: 4220 05

SUBJECT: DEER LAKE CENTRE 1 AND 2 IMPROVEMENTS

PURPOSE: To obtain approval to use surplus funds and request Bylaw funding to undertake improvements at Deer Lake Centre 1 and 2.

RECOMMENDATIONS:

1. **THAT** the Financial Management Committee recommend Council approve the use of surplus Bylaw funds from the West Building renovation project to undertake improvements at Deer Lake Centre 2.
2. **THAT** the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserves Bylaw in the amount of \$125,000 to finance improvements at Deer Lake Centre 1.

REPORT**1.0 BACKGROUND**

In 2015, a space needs assessment review was undertaken to determine current space requirements for the existing departments in the West Building with the intention of providing additional office space within the current footprint of the West Building to ease the space pressures.

To achieve this objective, it was determined that it would be necessary to relocate some of the existing West Building staff into the Deer Lake Centre office buildings. After evaluating a number of options and criteria, it was determined to relocate two divisions of the IT Department (i.e. Program Delivery and Business Solutions) to Deer Lake Centre 2 with IT Infrastructure remaining in the West Building – Ground Floor.

In 2016 March, renovations commenced in Deer Lake 2 on Units (#201, #202 and #204) to accommodate the relocated IT Divisions. An adjacent Unit (#203) of approximately 1,500 sq. ft. located at the end of the public corridor, which would have connected the Program Delivery Division with Business Solutions Division offices into one area, was not available at the time as it was under lease.

2.0 DEER LAKE 1 AND 2 IMPROVEMENTS

Unit #203 has since become available and it would be desirable to incorporate the unit within the IT space to provide an internal connection that will physically integrate the two IT divisions. The addition of the new space will also be used to relocate the LIPS project team currently situated in Unit #215 in Deer Lake Centre 1 to this space, thus consolidating the IT operations in Deer Lake Centre 2.

The renovation costs for Unit #203 Deer Lake 2 are estimated in the range of \$180,000, and would utilize the existing furniture work-station(s) presently located in Unit #215 Deer Lake Centre 1.

As well, Unit #215 Deer Lake Centre 1 space would be renovated to accommodate other administrative staff. The estimated cost for this renovation is \$125,000.

3.0 PROJECT FINANCING AND ESTIMATE

Following the move of the IT Divisions from the West Building to Deer Lake Centre 2 in 2016 July, design work commenced on the West Building renovations. The project was subsequently tendered in mid-2017 and is expected to be fully completed by year end. There is an expected project surplus of approximately \$180,000 from the funds previously approved by Council for the West Building and Deer Lake 2 work.

The bylaw funding approved by Council under Bylaw #13556 and Bylaw #13744 included the IT renovations in Units #201, #202, #204 in Deer Lake Centre 2, Unit #215 in Deer Lake Centre 1, and the West Building (Main and Upper Floors), but did not include Unit #203 in Deer Lake Centre 2 as it was not available at the time.

Based on the expected surplus at the end of the project, there are sufficient funds to complete the proposed renovations to Unit #203 Deer Lake Centre 2 which would consolidate all areas of the IT Department (i.e. Program Delivery, Business Solutions and the LIPS staff) in Deer Lake Centre 2.

Estimated funding of \$125,000 is required for the proposed expenditures to complete the renovations for Unit #215 Deer Lake Centre 1 to accommodate other administrative staff. A capital funding allocation for this expenditure will be included in the 2018 – 2022 Financial Plan under the City Hall/Buildings component.

4.0 CONCLUSION

In this regard, approval is requested to use the balance of surplus funds from the West Building renovation project to complete the required work in Unit #203 at Deer Lake Centre 2 and relocate the LIPS team from Unit #215 in Deer Lake Centre 1. The proposed work in Unit #203 is estimated to cost in the range of \$180,000.

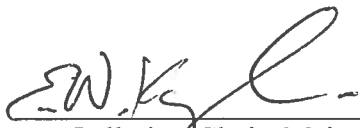
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Subject to receiving the necessary funding approval, the project for Unit #215 Deer Lake 1 will also commence early in the New Year.

The final project costs for all areas will be the subject of a future report to the Committee and Council at the completion of the construction phase.

It is recommended that the Financial Management Committee recommend Council approve the use of surplus Bylaw funds from the West Building renovation project to undertake improvements at Deer Lake Centre 2 and authorize the City Solicitor to bring forward a Capital Reserves Bylaw in the amount of \$125,000 to finance improvements at Deer Lake Centre 1.

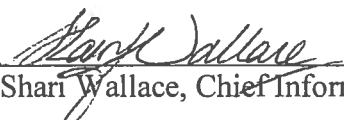
The budget for these expenditures will be included in the 2018 – 2022 Provisional Financial Plan under the City Hall Buildings component. Sufficient Capital Reserves are available to cover the expenditures.



Lou Pelletier, Chair, Major Civic Building
Project Coordination Committee



Leon Gous, Director Engineering



Shari Wallace, Chief Information Officer

JC:ap:jw

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cc: City Manager
Director Finance
Purchasing Manager

Deputy City Manager
Chief Building Inspector