

CAPITAL PROFILE REPORT

PROFILE NAME: **MES HEAVY REPAIR & EQUIP BUILD FAC**
 PROFILE NUMBER: **09-25-9000**
 DEPARTMENT: **City Operations**
 LEAD BRANCH: **Fleet and Facility Services**
 PROGRAM NAME:
 PARTNER:
 BUDGET CYCLE: **2008**

FUNDED

| | |
|-----------------------|----------------|
| PROFILE STAGE: | Approved |
| PROFILE TYPE: | Standalone |
| LEAD MANAGER: | Rapanos S. |
| PARTNER MANAGER: | |
| ESTIMATED START: | January, 2009 |
| ESTIMATED COMPLETION: | December, 2015 |

| | | |
|-------------------|-------------------|-------------------|
| Service Category: | Corporate Support | Major Initiative: |
|-------------------|-------------------|-------------------|

| | | | |
|---------------|----------------|-----------------------|--------|
| GROWTH | RENEWAL | PREVIOUSLY APPROVED: | 49,276 |
| | 100 | BUDGET REQUEST: | - |
| | | TOTAL PROFILE BUDGET: | 49,276 |

PROFILE DESCRIPTION

This project will provide funding to acquire and renovate existing land/building in which Mobile Equipment Services will perform heavy maintenance on City vehicles which includes major inspections; seasonal overhauls of summer and winter equipment; mid-life refurbishments; major accident repairs, as well as fabricate new vehicles or portions of vehicles. The site size is 18 acres, the building size is 130,000 sq. ft. Renovation is to be completed in 2010.

This project is required because of the rapid and sustained growth in the City's mobile equipment fleet. The current load is straining existing facilities and has surpassed the existing capacity to efficiently meet the maintenance load.

The project will facilitate a modification to the maintenance loading of existing garages with an overall result of greater efficiencies for the total maintenance system. The existing garages, which are geographically spread around the city, will continue to meet the clients' requirements for unscheduled, breakdown maintenance and preventive maintenance requirements. Unloading heavy maintenance from these facilities will result in increased capacity to meet clients' emergent maintenance requirements.

Currently the emergent maintenance requirements are integrated with heavy maintenance requirements at each of the garages. The urgent nature of emergent matters and the co-location of the resources assigned to each category of maintenance often results in resource draw-down from scheduled tasks to unscheduled tasks (regardless of strategic priority) with resultant inefficiencies. Geographic separation of the maintenance categories facilitates management of the resources to increase efficiencies in the heavy maintenance tasks through utilization of batching, less variance from planned production, and less loss productivity through interrupted tasks. Additionally, the co-location of the heavy maintenance tasks with a well equipped fabrication capability enables efficiencies of grouping of capital production work (which is also most efficiently accomplished in batches with limited disruptions) with the heavy maintenance tasks. This concentration of in-depth maintenance and fabrication tasks also provides an outstanding skills development facility to enhance the quality and schedule of apprentice production and qualification of mechanics on a variety of specialty equipment.

NOTE: The initial land acquisition is funded through the Land Acquisition Reserve.

Profile is based on the purchase of the Willbros Building. If not approved, a new capital profile based on New Construction must be added with a total cost of \$154,895,000.

With New Construction, similar personnel efficiencies and utilities will apply, however, debt servicing costs will be significantly higher at \$12.4M versus \$4.7M (using 2008 dollars and rates).

BA#12 \$5,964 K Debt Released back to Corporate Pool in 2013.

PROFILE JUSTIFICATION

The scheduled inspection and new equipment build functions have been a chronic area of less than optimum schedule and cost performance due to the congestion and conflicting priorities in the existing garages. The continued growth of the city fleet exacerbates the inefficiencies related to these functions. Part of the mandate of the MES transformation project is to create the efficiencies and economies to provide sustainable support to the City's fleet. This project provides the required capacity to facilitate the required improvements.

This project is required because of the rapid and sustained growth in the City's mobile equipment fleet. The current load is straining existing facilities and has surpassed the existing capacity to efficiently meet the maintenance load.

Purchasing and renovating the existing building at a cost of \$56M is beneficial to the City compared to spending \$155M on a new facility.

The estimated useful life of the assets is 25 years or more and the debenture term is 20 years.

CAPITAL PROFILE REPORT

PROFILE NAME: **MES Heavy Repair & Equip Build Fac**
 PROFILE NUMBER: **09-25-9000**
 BRANCH: **Fleet and Facility Services**

FUNDED
 PROFILE TYPE: **Standalone**

CAPITAL BUDGET AND FUNDING SOURCES (000's)

| | Prior Years | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | Beyond 2030 | Total |
|---|---------------------------------------|---------------|----------|----------|----------|----------|----------|----------|----------|----------|-------------|---------------|
| | | | | | | | | | | | | |
| APPROVED BUDGET | Approved Budget | | | | | | | | | | | |
| | Original Budget Approved | 81,600 | - | - | - | - | - | - | - | - | - | 81,600 |
| | 2009 CBS Budget Adjustment | -6,495 | - | - | - | - | - | - | - | - | - | -6,495 |
| | 2010 CBS Budget Adjustment | -21,855 | - | - | - | - | - | - | - | - | - | -21,855 |
| | 2011 CBS Budget Adjustment | -9,287 | - | - | - | - | - | - | - | - | - | -9,287 |
| | 2012 CBS Budget Adjustment | 3,810 | - | - | - | - | - | - | - | - | - | 3,810 |
| | 2013 Cap Carry Forward | - | - | - | - | - | - | - | - | - | - | - |
| | 2013 CBS Budget Adjustment | 2,263 | - | - | - | - | - | - | - | - | - | 2,263 |
| | 2014 Cap Carry Forward | - | - | - | - | - | - | - | - | - | - | - |
| | 2014 Cap Release to Corp Pool | -760 | - | - | - | - | - | - | - | - | - | -760 |
| | 2015 Cap Carry Forward | - | - | - | - | - | - | - | - | - | - | - |
| | 2016 Cap Capital Budget Adj (one-off) | - | - | - | - | - | - | - | - | - | - | - |
| | 2016 Cap Carry Forward | - | - | - | - | - | - | - | - | - | - | - |
| | 2017 Cap Carry Forward | - | - | - | - | - | - | - | - | - | - | - |
| | Current Approved Budget | 49,276 | - | - | - | - | - | - | - | - | - | - |
| Approved Funding Sources | | | | | | | | | | | | |
| Tax-Supported Debt | 49,276 | - | - | - | - | - | - | - | - | - | - | 49,276 |
| Current Approved Funding Sources | 49,276 | - | - | - | - | - | - | - | - | - | - | 49,276 |

| BUDGET REQUEST | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | Beyond 2030 | Total |
|----------------|------|------|------|------|------|------|------|------|------|-------------|-------|
| Budget Request | - | - | - | - | - | - | - | - | - | - | - |

| REVISED BUDGET (IF APPROVED) | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | Beyond 2030 | Total |
|------------------------------|--------|------|------|------|------|------|------|------|------|-------------|--------|
| Revised Budget (if Approved) | 49,276 | - | - | - | - | - | - | - | - | - | 49,276 |
| Requested Funding Source | | | | | | | | | | | |
| Tax-Supported Debt | 49,276 | - | - | - | - | - | - | - | - | - | 49,276 |
| Requested Funding Source | 49,276 | - | - | - | - | - | - | - | - | - | 49,276 |

CAPITAL BUDGET BY ACTIVITY TYPE (000's)

| REVISED BUDGET (IF APPROVED) | Activity Type | Prior Years | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | Beyond 2030 | Total |
|------------------------------|---------------|---------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-------------|---------------|
| | Other Costs | 49,276 | - | - | - | - | - | - | - | - | - | - | 49,276 |
| | Total | 49,276 | - | - | - | - | - | - | - | - | - | - | 49,276 |

OPERATING IMPACT OF CAPITAL

Type of Impact:

| Branch: | | | | | | | | | | | | | | | | |
|-------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | Rev | Exp | Net | FTE | Rev | Exp | Net | FTE | Rev | Exp | Net | FTE | Rev | Exp | Net | FTE |
| Total Operating Impact | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |