Agenda - Executive Policy Committee – September 19, 2007

Report - Standing Policy Committee on Infrastructure Renewal and Public Works - September 11, 2007

Item No. 3 Funding Shortfall – Waterslide Replacement at Elmwood Kildonan Indoor Pool
(Elmwood-East Kildonan Ward)
File PR-2.2

STANDING COMMITTEE RECOMMENDATION:

On September 11, 2007, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the administrative recommendation and submitted the following to Council:

1. That an additional $250,000.00 be approved to fund projected shortfalls associated with the replacement of the waterslide at Elmwood Kildonan Indoor Pool.

2. That a first charge of up to $250,000.00 from the 2008 Capital Indoor Aquatic Facilities budget be approved to allow the replacement of the waterslide at Elmwood Kildonan Indoor Pool.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda - Executive Policy Committee – September 19, 2007

Report - Standing Policy Committee on Infrastructure Renewal and Public Works - September 11, 2007

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 11, 2007, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

RE: FUNDING SHORTFALL - WATERSLIDE REPLACEMENT AT ELMWOOD KILDONAN POOL

FOR SUBMISSION TO: **Standing Policy Committee on Infrastructure Renewal and Public Works**

ORIGINAL REPORT SIGNED BY: **L.S.W. Larkin, P. Eng., Director of Public Works**

REPORT DATE: **July 16, 2007**

RECOMMENDATION:

It is recommended that council approve the following:

3. That an additional $250,000 be approved to fund projected shortfalls associated with the replacement of the waterslide at Elmwood Kildonan indoor pool.

4. That a first charge of up to $250,000 from the 2008 Capital Indoor Aquatic Facilities budget be approved to allow the replacement of the waterslide at Elmwood Kildonan Indoor Pool.

Report Summary

Key Issues:

- Building Codes requirements, limited number of waterslide suppliers, and cost escalations have resulted in a new project cost of $450,000 to replace the waterslide.
- The waterslide has reached the end of its useful life. Further repairs would not be possible or cost effective and the waterslide cannot be operated in its current condition. As such, a new waterslide was proposed in the 2007 Capital Budget.
- In January 2006 budget estimates obtained from the industry indicated that $200,000 would be sufficient to replace the existing waterslide in kind at Elmwood Kildonan Indoor Pool.
- In March 2007 Council approved in the 2007 Capital Budget which included $200,000 to replace the Water Slide at Elmwood Kildonan Indoor Pool.
- Delaying the project to the 2008 Capital approval process will result in additional project price creep, inflation and community frustration.
- In order for the project to be tendered in 2007, additional funds in the amount of $250,000 are required to fund the budget shortfall.

- **Implications of the Recommendation(s):**

General Implications

( ) None
(**x**) For the organization overall and/or for other departments
(**x**) For the community and/or organizations external to the City
( ) Involves a multi-year contract

Comment(s):
Additional funding sources need to be identified and approved in order to construct the waterslide in 2007.

Policy Implications

(**x**) No
( ) Yes

Comment(s):

Regulatory Implications

(**x**) None
( ) Eliminates or reduces regulatory impact
( ) Proposes regulatory impact

Comment(s):

Environmental Implications

(**x**) No
( ) Yes

Comment(s):

Human Resources Implications

(**x**) No
( ) Yes

Comment(s):

Financial Implications

( ) Within approved current and/or capital budget
(**x**) Current and/or capital budget adjustment required

Comment(s):
Additional funding sources of $250,000 need to be identified and approved in order to construct the waterslide in 2007. The project estimated cost is $450,000. The 2007 Adopted Capital Budget for Indoor Aquatic Facilities, Project Number 003-181000-180680-1882001207, provides a budget of $200,000. The shortfall of $250,000 requires an additional source of funding. The recommendation is that this amount be funded by a first charge from the Indoor Aquatic Facilities Budget of $2,450,000 identified in the 2008 preliminary capital budget.

Report

REASON FOR THE REPORT:

Council approval is required for a first charge to the 2008 Indoor Aquatic Facilities Capital Budget**.**

HISTORY:

The waterslide at Elmwood/Kildonan Indoor Pool was installed in 1995 and has been in use for almost 11 years.

Annual inspections were instituted as the waterslide aged and parts began to wear. In 2004, these inspections resulted in remedial work being undertaken on the slide as a short term measure to keep it in operation.

In January 2006, budget estimates obtained from the industry indicated that $200,000 would be sufficient to replace the waterslide on the existing structure at Elmwood Kildonan pool.

An inspection in April 2006 determined that the slide again had issues. It was taken out of service. Plans were made to replace the waterslide with a new slide as the existing slide had come to the end of its life cycle. Note: waterslides have an expected life of between 10 and 15 years.

The amount of $200,000 was included in the 2007 Capital Budget for Indoor Aquatic Facilities. Council approved the 2007 Capital including the funding for the waterslide in March 2007.

DISCUSSION:

The Community Services Department has advised that the following revenues have been collected from patrons who pay a surcharge in order to use the current waterslide:

Year	Waterslide Participation	Waterslide Revenue	Total EK Pool Participation	Total EK Pool Revenue
2001 -	32,868	$37,470	168,981	$614,395
2002 -	28,782	$32,811	148,697	$577,267
2003 -	26,580	$30,301	126,844	$543,227
2004 -	22,104*	$25,199	163,483	$533,600
2005 -	22,022	$24,885	105,968	$538,033
2006 -	not available as waterslide closed		100,467	$482,235

Note: waterslide closed for part of the year

Members of the public are anxious for the replacement slide to be put into service as soon as possible.

The waterslide has reached the end of its useful life. Further repairs would not be cost effective and the waterslide cannot be operated in its current condition. As such, a new waterslide was proposed in the 2007 Capital Budget.

In April 2007, preparation work began for the supply and installation of the replacement waterslide. Building Codes requirements, limited number of waterslide suppliers, and cost escalations have resulted in a new project cost of $450,000.

Based on the recent history of increasing construction costs, delaying of this project until the 2008 Capital Budget is approved will increase the cost further.

As such, it is recommended that the $200,000 approved in the 2007 Capital Budget for this project be augmented as follows:

1. An additional $250,000 be approved to fund the projected shortfalls associated with the replacement of the waterslide at Elmwood Kildonan indoor pool.

2. A first charge of up to $250,000 from the 2008 Capital Indoor Aquatic Facilities budget be approved to allow the replacement of the waterslide at Elmwood Kildonan Indoor Pool.

Financial Impact Statement

Date: July 4, 2007

Project Name: FUNDING SHORTFALL - WATERSLIDE REPLACEMENT AT ELMWOOD KILDONAN POOL

First Year of Program 2007

	2007	2008	2009	2010	2011
Capital					
Capital Expenditures Required	$ 450,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	200,000	-	-	-	-
Additional Capital Budget Required	$ 250,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ 250,000	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other		-	-	-	-
Total Funding	$ 250,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 250,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ 40,500	$ 40,500	$ 40,500	$ 40,500
Less: Incremental Revenue/Recovery	25,825	-	-	-	-
Net Cost/(Benefit)	$ (25,825)	$ 40,500	$ 40,500	$ 40,500	$ 40,500
Less: Existing Budget Amounts	(25,825)	40,500	40,500	40,500	40,500
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

The project estimated cost, inclusive of overheads in the amount of $25,825 is $450,000. The 2007 Adopted Capital Budget for Indoor Aquatic Facilities, Project Number 003-181000-180680-1882001207, provides a budget of $200,000. The shortfall of $250,000 requires an additional source of funding. The recommendation is that this amount be funded by a first charge from the Indoor Aquatic Facilities Budget of $2,450,000 identified in the 2008 preliminary capital budget. The 2007 adopted capital budgeted costs, and 2008 preliminary capital budgeted costs are financed by Cash to Capital.

'Original Signed by Darcy Stewart, CA'

Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:
Community Services Department

External Consultation With:
N/A

THIS REPORT SUBMITTED BY:

Department: Public Works Department
Division: Building Services Division
Prepared by: Barry Evenson, P. Eng., Manager of Building Services
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