Minutes – Executive Policy Committee – November 18, 2009

Minute No. 17
Report – Standing Policy Committee on Finance – November 12, 2009

Item No. 1 Refurbishment of the Fort Rouge Leisure Centre, 625 Osborne Street, Phase I - Revisions to 2005 and 2009 Capital Budgets
eFile PR-2(32)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Finance and submits the following to Council:

1. That the 2005 Community Facilities Refurbishment Capital account number 1884000205 program be revised as follows:

   A. Delete "Mechanical System Refurbishment at St James Civic Centre"

   B. Add "Fort Rouge Leisure Centre Building System refurbishment"

2. That the 2009 Community Facilities Refurbishment Capital account number 6390000109 program be revised as follows:

   A. Delete "to refurbish the HVAC System at St. James Civic Centre"

   B. Add "Fort Rouge Leisure Centre Building System refurbishment"

3. That subject to approval of Recommendations 1 and 2, the multiple Capital Budget funding sources related to the refurbishment of the Building Systems at Fort Rouge Leisure Centre be consolidated under one capital account.

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

Minutes – Executive Policy Committee – November 18, 2009

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DECISION MAKING HISTORY:

Moved by Councillor Fielding,

That the recommendation of the Standing Policy Committee on Finance be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On November 12, 2009, the Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

ISSUE: Council approval is required in order to revise the 2005 and 2009 Capital budget in order to provide sufficient funds to undertake Phase I of the refurbishment of the Fort Rouge Leisure Centre (625 Osborne Street)

Critical Path: Standing Policy Committee on Finance, Executive Policy Committee; Council

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Evenson	D. Joshi	M. Ruta	A. Robinson Deputy CAO

RECOMMENDATIONS

1. **That the 2005 Community Facilities Refurbishment Capital account number 1884000205 program be revised as follows:**

    a. **Delete "Mechanical System Refurbishment at St James Civic Centre"**
    b. **Add "Fort Rouge Leisure Centre Building System refurbishment"**

2. **That the 2009 Community Facilities Refurbishment Capital account number 6390000109 program be revised as follows:**

    a. **Delete "to refurbish the HVAC System at St. James Civic Centre"**
    b. **Add "Fort Rouge Leisure Centre Building System refurbishment"**

3. **That subject to approval of Recommendations 1 and 2 herein, the multiple Capital budget funding sources related to the refurbishment of the Building Systems at Fort Rouge Leisure Centre be consolidated under one capital account.**

4. **That the proper officers of the City be authorized do all things necessary to implement the intent of the foregoing.**

IMPLICATIONS OF THE RECOMMENDATIONS

The Heating and Ventilation System at Fort Rouge Leisure Centre is currently at the end of its life cycle. There is a risk that the major Heating Ventilating and Air Conditioning (HVAC)

components will fail and the facility will be closed as a result of not proceeding with this work. This will result in public dissatisfaction and loss of revenue as a result of closure.

The work at Fort Rouge Leisure Centre is determined to be of a more critical nature that the planned work at St James Civic Centre. As such, this report recommends that the program funding be utilized at the Fort Rouge Leisure Centre Phase 1.

The report simply recommends a change in the community facility on which funds will spent and is consistent with the program capital requirements. The overall capital budget will remain the same; there are no financial implications to making this change.

If the change in the community facility on which funds will spent, then it is recommended that the funding sources for the Fort Rouge Leisure Centre be consolidated in one account to enable the Public Service to effectively and efficiently track progress on and the final cost of the project.

HISTORY

The Fort Rouge Leisure Centre located at 625 Osborne Street was constructed in 1958 as a Loblaws grocery store. In the 1970s the City of Winnipeg acquired the building and renovated the space to accommodate various community uses including a fitness room, gymnasium, a senior's centre and a conference room. During that renovation there were few changes made to the original Heating Ventilating and Air Conditioning (HVAC) system to accommodate change in use from a grocery store to these different uses.

The systems have been identified as requiring replacement by the asset management assessment team (VFA). Today, these systems are well past their useful life and need to be refurbished before they fail to accommodate the current building use in accordance with current codes and sustainability requirements. The phased approached is the most effective and efficient method of replacing the antiquated system in a planned manner. Should the project be delayed there is a risk that individual components will be replaced making this integrated system approach unfeasible. The risk would also include not achieving desired energy reductions and public comfort.

A Consultant has completed a design to refurbish and/or replace the current antiquated system that will accommodate present-day programming needs, meet current building codes and apply energy reduction measures .

Initially, the project was designed to be completed as a single project. During the Corporate review of unexpended capital budget in May 2009, the funding that had been approved over a number of budget years was reduced to $500,500.

As such, the project will have to be completed in two phases

Phase 1 Fort Rouge Leisure Centre upgrade $825,500

- Installation of an Air handling unit in the weight room
- Installation of an Air handling unit in the multipurpose room
- Lighting upgrade and lighting control in the weight room
- Upgrade of the sprinkler system, fire alarm and emergency lighting
- Building Code upgrade
- Electrical upgrade for Phase 1
- Asbestos abatement as required

Phase 2 Fort Rouge Leisure Centre upgrade $ 490,000

- Installation of an Air handling unit in the seniors centre
- Installation of an Air handling unit in the common areas
- Installation of an air handling unit in the 2nd floor areas
- Boiler replacement
- Electrical upgrade for equipment and facility
- Funding to be included in the 2011 Capital Budget

Total Project Cost **$1,315,500**

The following table lists the funding sources for phase 1 of the Fort Rouge Leisure Centre upgrade:

Project	Capital Description	Existing Amount
1885000105	A/C Plant Refurbishment – Ozone Depleting Act Compliance	100,000
1885000106	A/C Plant Refurbishment – Ozone Depleting Act Compliance	200,000
1884000205 (*)	Community Facilities	125,000
1884000204	Community Facilities	24,000
1884000106	Community Facilities	176,500
6394000109 (*)	Community Facilities	200,000
Total		825,500

(*) Funding Pending approval of recommendations 1 and 2 of this report

FINANCIAL IMPACT

Financial Impact Statement **Date:** October 27, 2009

Project Name:

Phase I of the refurbishment of the Fort Rouge Leisure Centre (625 Osborne Street)

COMMENTS:

The recommendations included in this report are 1) that the 2005 Community Facilities Refurbishment Capital account number 1884000205 program be revised as follows:
a. Delete "Mechanical System Refurbishment at St James Civic Centre"
b. Add "Fort Rouge Leisure Centre Building System refurbishment", and; 2) that the 2009 Community Facilities Refurbishment Capital account number 6390000109 program be revised as follows:
a. Delete "to refurbish the HVAC System at St. James Civic Centre"
b. Add "Fort Rouge Leisure Centre Building System refurbishment" and 3) that subject to approval of Recommendations 1 and 2, the multiple Capital budget funding sources related to the refurbishment of the Building Systems at Fort Rouge Leisure Centre be consolidated under one capital account.

There are no net financial implications associated with these recommendations.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

CONSULTATION

In preparing this Report there was consultation with:

N/A

SUBMITTED BY

Department : Planning, Property and Development
Division Municipal Accommodations
Prepared by: Kristine Corbett
Date: October 28, 2009
File No.

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