**Agenda - Council – July 20, 2011**

**Report - Standing Policy Committee on Property and Development – July 5, 2011**

**Item No. 13 Amendment to the Linden Woods Community Centre Gymnasium Project Budget**
**(River Heights-Fort Garry Ward)**

STANDING COMMITTEE RECOMMENDATION:

On July 13, 2011, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submits the following to Council:

1. That the Linden Woods Community Centre Gymnasium Project capital budget be amended to a total of $2,886,911, the final $20,000 of which is contingent upon funding contributions received from the Linden Woods Community Centre.

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

**Report - Standing Policy Committee on Property and Development – July 5, 2011**

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 13, 2011, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On July 5, 2011, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

# ADMINISTRATIVE REPORT

**Title:** Amendment to the Linden Woods Community Centre Gymnasium Project Budget

**Critical Path:** Standing Policy Committee on Property and Development – Executive Policy Committee - Council

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| M. McGinn | D. Joshi | Mike Ruta<br>Deputy CAO/CFO | Phil Sheegl<br>CAO |

## RECOMMENDATIONS

1. That Standing Policy Committee on Property and Development recommends to EPC and Council approval of the amendment of the Linden Woods Community Centre Gymnasium Project capital budget to a total of $2,886,911, the final $20,000 of which is contingent upon funding contributions received from the Linden Woods Community Centre.

## REASON FOR THE REPORT

Council approval is required to amend Capital Project and/or Program Budgets.

## IMPLICATIONS OF THE RECOMMENDATIONS

- The budget for the Linden Woods Community Centre Gymnasium Project ("the project") will increase from $2,750,000 to $2,866,911 and, potentially, by another $20,000 to a total of $2,886,911 contingent upon funding contributions from the Linden Woods Community Centre ("LWCC").
- Sufficient appropriate funding has been identified for the amended budget.
- The funding sources to be consolidated immediately consist of $20,000 approved by Community Committee, $28,000 approved by the Director of Planning, Property and Development, both under authority delegated by Council, and external contributions of $68,911 (i.e. from the LWCC).
- LWCC continues to secure funding for the project. The project budget will be increased by an additional $20,000, dependent upon the amount of funding contributed by LWCC, without submission of an additional report(s) to Council.
- Consolidation within the capital *project* budget simply makes accounting for and reporting on the financial status of the project less complex and more transparent.
- Consolidation of budgets (and actual amounts spent to-date) will enable the Public Service to more effectively and efficiently track progress on and the final cost of the project.

## HISTORY

The Linden Woods Community Centre Gymnasium Project ("the project") involves an addition to the existing community centre of approximately 9,700 S.F., which includes a full size gymnasium, office, kitchen, universal washrooms, mechanical & storage rooms and entry vestibule.

A number of additional work items were initiated at the request of the LWCC. Some of these items include; flooring upgrades, electrical changes, structural modifications for sports equipment, kitchen cabinets, feature wall and door, window & lockset keying changes. The required budget associated with these items was funded by contributions from the LWCC. Some additional items, pending receipt of funding from the LWCC are: structural and electrical modifications for gymnasium equipment, gymnasium door modifications, water fountain installation and asphalt paving of the new fire lane.

It is common for projects involving community centres to include numerous, relatively small dollar contributions from the particular community centre board. Funds are secured to address unforeseen items and/or items that were deleted from the original scope of the project due to budget constraints. Generally, these contributions are received on an intermittent basis during the course of the project and proposed change notices are approved on an individual basis when sufficient funding has been secured. This results in the need to increase a project's budget by a low dollar amount on several occasions, which can result in payment delays to contractors and/or disruptions to the project schedule. Approval of a budget increase contingent upon and limited to the amount of additional contributions by the LWCC will allow the project to proceed on a timely basis without financial risk to the City.

Consolidation of the multiple funding sources will enable the Winnipeg Public Service, once the projects are complete, to better answer the question "What were the total costs of each project?" Because funding sources are widely distributed it is difficult to answer this question without first consolidating the relevant accounts. Consolidation would also facilitate improved project management and administration as Project Manager(s) would be accountable for one project budget rather than numerous different ones and this will simplify the tracking of costs-to-date versus available budget.

## FINANCIAL IMPACT

### Financial Impact Statement — Date: July 4, 2011

**Project Name:** — **First Year of Program** 2011

Amendment to the Linden Woods Community Centre Gymnasium Project Budget

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| **Capital** | | | | | |
| Capital Expenditures Required | $ 2,886,911 | $ - | $ - | $ - | $ - |
| Less: Existing Budgeted Costs | 2,750,000 | - | - | - | - |
| Additional Capital Budget Required | $ 136,911 | $ - | $ - | $ - | $ - |
| **Funding Sources:** | | | | | |
| Debt - Internal (PPD NSCA) | $ 28,000 | $ - | $ - | $ - | $ - |
| Debt - External | - | - | - | - | - |
| Grants (Enter Description Here) | - | - | - | - | - |
| Reserves, Equity, Surplus | 20,000 | - | - | - | - |
| Other - Contributions by LWCC | 88,911 | - | - | - | - |
| Total Funding | $ 136,911 | $ - | $ - | $ - | $ - |
| Total Additional Capital Budget Required | $ 136,911 | | | | |
| Total Additional Debt Required | $ - | | | | |
| **Current Expenditures/Revenues** | | | | | |
| Direct Costs | $ - | $ - | $ - | $ - | $ - |
| Less: Incremental Revenue/Recovery | - | - | - | - | - |
| Net Cost/(Benefit) | $ - | $ - | $ - | $ - | $ - |
| Less: Existing Budget Amounts | - | - | - | - | - |
| Net Budget Adjustment Required | $ - | $ - | $ - | $ - | $ - |

**Additional Comments:** The recommendation is that the budget be increased by $136,911, this increase to be funded by $20,000 from the Land Dedication Reserve Fund (City Centre C.C.), budget transfer of $28,000 from PP&D's Non-Specified Capital Account and $88,911 in funding contributed by the Linden Woods Community Centre. Note that $68,911 in funding has been received from LWCC; the budget is to be increased from $2,866,911 to $2,886,911 only upon receipt of additional funding, to a maximum of $20,000, from LWCC. See attached Appendix 1 for details.

*"Original signed by"*
Mike McGinn, CA
Manager of Finance

## CONSULTATION

**In preparing this report there was consultation with:**

Corporate Finance

## SUBMITTED BY

Department: Planning, Property and Development
Division: Financial Services
Prepared by: Mike McGinn – Manager of Finance
Date: July 4, 2011
File No.

o:\reports directive\financial services\funding consolidation reports\budget increase and funding consolidation report - lindenwoods c.c._revised july 4.doc

# APPENDIX 1

## Consolidation of Budgets for Linden Woods Community Centre Gymnasium Project

The Linden Woods Community Centre Gymnasium Project ("the project") involves an addition to the existing community centre of approximately 9,700 S.F., which includes a full size gymnasium, office, kitchen, universal washrooms, mechanical & storage rooms and entry vestibule.

Funding for the project currently totals $2,750,000 and is reflected in one capital *project* budget. Additional funding sources totaling $136,911 are currently included in one capital *program* budget, one reserve budget as well as in the form of contributions received from LWCC. Subject to Council approval, consolidation of these budgets into a single capital project budget of $2,886,911 will facilitate transparency and ease of recordkeeping and reporting related to the work performed at this site.

| Capital Program # / Funding Source | Description | Council-Approved Budget | Portion Related to Linden Woods C.C. |
|---|---|---|---|
| 6399000309 | Lindenwoods Community Centre | 2,750,000 | 2,750,000 |
| | | | |
| ***Incremental*** **Funding Sources to be Consolidated Subject to Approval by Council:** | | | |
| Approved by Community Committee on March 7, 2011: | | | |
| 209-543010-638010-63171 | Land Dedication Reserve Fund | 20,000 | 20,000 |
| Approved by the Director of PP&D on June 30, 2011: | | | |
| 63970000NS | PP&D Non-Specified Capital Account | 28,000 | 28,000 |
| Other Funding Sources: | | | |
| n/a | Contribution from Linden Woods Community Centre received as at June 30, 2011 | 68,911 | 68,911 |
| n/a | Additional contributions from Linden Woods Community Centre yet to be received as at June 30, 2011 - maximum of $20,000 | 20,000 | 20,000 |
| | | 136,911 | 136,911 |
| **Total Funding** | | **2,886,911** | **2,886,911** |