Agenda – Council – June 26, 2013

Report – Standing Policy Committee on Property and Development – June 11, 2013

Item No. 11 Sturgeon Heights Community Centre - Amalgamation Capital Project Budget Amendment (St. James-Brooklands Ward)

STANDING COMMITTEE RECOMMENDATION:

On June 19, 2013, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the following to Council:

1. That the amendment of the Sturgeon Heights Community Centre capital project # 6399000310 to a total of $5,758,624 as laid out in this report be approved.

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

Agenda – Council – June 26, 2013

Report – Standing Policy Committee on Property and Development – June 11, 2013

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 19, 2013, 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 June 11, 2013, 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: Sturgeon Heights Community Centre Amalgamation Capital Project Budget Amendment

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

AUTHORIZATION

Author	Department Head	CFO	CAO
I. Day	B. Thorgrimson	M. Ruta	D. Joshi COO

RECOMMENDATIONS

1. That Standing Policy Committee on Property and Development recommends to EPC and Council approval of the amendment of the Sturgeon Heights Community Centre capital project # 6399000310 to a total of $5,758,624 as laid out in this report.

REASON FOR THE REPORT

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

IMPLICATIONS OF THE RECOMMENDATIONS

- The budget for the Sturgeon Heights Community Centre Amalgamation project ("the project") will increase from $5,541,113 to $5,758,624.
- The budget increase of $217,511 is funded by transfers from a capital ***program*** budget of $200,000 and external contributions of $17,511.
- Subject to Council approval of the recommendation contained in this report, a contract over-expenditure request for Prairie Architects Inc. will be submitted to the Chief Financial Officer.
- Consolidation of budgets will enable the expenditure of funding provided through provincial programs as well as contributions from the Community Centre and Manitoba Hydro.
- Consolidation of budgets (and actual amounts spent to-date) will also enable the Public Service to more effectively and efficiently track progress on and the final cost of the project.

HISTORY

The Sturgeon Heights Community Centre was officially opened on April 16, 2012. The new 18,000 square foot facility features a multi-purpose room, four change rooms, a 1,400 square foot zamboni garage and a 5,900 square foot gymnasium, one of the largest community centre gyms in the city. The integrated facility, which is LEED-Gold certified, makes extensive use of natural light and, where needed, energy efficient lighting and occupancy sensors throughout the building are helping to reduce energy costs. Drought tolerant plants, low-flow faucets, and other features mean this facility will use roughly 50 percent less water compared to a conventional building.

For a major construction project such as the Sturgeon Heights Community Centre Amalgamation, it is not uncommon that financial items are resolved after project completion. As completion of the project neared, Prairie Architects Inc., the design and contract administration consultant, and the Public Service entered discussions/negotiations regarding the former's compensation for services provided throughout the course of the project. Their contract was based on the work entailed within the project's initial construction budget of $3,677,500. The work required of Prairie Architects Inc. within the final construction cost of $5,025,374 was significantly greater than the contract based on the initial budget.

The additional work required was due to changes to the original project involving an enlarged multi-purpose room and entry corridor, the 1,400 square foot zamboni garage and site works such as the paved parking lot and fire lane, parking lot fencing, sidewalks, tree plantings and sod. This increased scope of work was approved by Council on July 20, 2011.

The Recreation and Leisure Infrastructure Program Management Committee has delegated authority to reallocate funding under the RLIP program. At the October 31, 2011 committee meeting, $200,000 of RLIP funding was approved by the Committee for reallocation to the Sturgeon Heights Community Centre Amalgamation project. It is recommended that this funding be added to the capital project by way of capital consolidation.

Council approval is required to increase the budget for the $17,511 in external contributions received. These contributions consist of $8,923 from Manitoba Hydro under the Power Smart Program and $8,588 from the Community Centre for specific change orders (e.g. revisions to the canteen & recycling room, additional floor sockets, etc.)

FINANCIAL IMPACT

Financial Impact Statement

Date: May 28, 2013

Project Name: Sturgeon Heights Community Centre Amalgamation Capital Project Budget Amendment

First Year of Program 2013

	2013	2014	2015	2016	2017
Capital					
Capital Expenditures Required	$ 5,758,624	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	5,541,113	-	-	-	-
Additional Capital Budget Required	$ 217,511	$ -	$ -	$ -	$ -
Funding Sources:					
City share of RLIP	$ 120,000	$ -	$ -	$ -	$ -
MB Hydro - Power Smart Incentive	8,923	-	-	-	-
Provincial share of RLIP	80,000	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Contribution from S.H.C.C.	8,588	-	-	-	-
Total Funding	$ 217,511	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 217,511				
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 recommended $217,511 increase to the budget is financed by $8,588 in contributions from the Sturgeon Heights Community Centre to fund specific change order requests, $8,923 in Manitoba Hydro Power Smart financial incentives plus $200,000 in reallocated Recreation & Leisure Program funding. The latter item was approved under delegated authority by the RLIP Management Committee. See attached Appendix 1 for details. No incremental funding is being requested.

"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: June 3, 2012
File No.

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APPENDIX 1

Consolidation of Budgets for Sturgeon Heights Community Centre

The Sturgeon Heights Community Centre Amalgamation project ("the project") involves the amalgamation of the existing Sturgeon Creek Community Centre and the Silver Heights Community Centre at one location. The scope of the project includes a new facility of approximately 15,000 square feet in size complete with a regulation size gymnasium, office, canteen, a central kitchen, dressing rooms, and a skate change room with rink viewing area, gym equipment storage and garage.

Coincident with the amalgamation project, additional works are being undertaken at the site including the demolition of the existing community centre facility & backfilling of the building footprint, relocation of the existing zamboni garage & garage slab demolition, reconstruction of the existing parking lot complete with asphalt pavement and dedicated fire access lane, parking lot fencing and landscaping (site grading, tree planting, sod and walkways).

Funding for the project, which totals $5,758,624, is currently included in one capital *project* budget, one capital *program* budget and one balance sheet account. Consolidation of these funds into a single capital *project* budget will facilitate transparency and ease of recordkeeping and reporting related to the work performed at this site.

STURGEON HEIGHTS COMMUNITY CENTRE AMALGAMATION

Capital Project #	Description		Budget
Approved by Council - July 20, 2011:			
6399000310	Sturgeon Heights Community Centre		5,541,113
Additonal Funding Source to be Consolidated:			
n/a	Contribution from Sturgeon Heights C. C. - Change Order 12	4,465	
n/a	Contribution from Sturgeon Heights C. C. - Change Order 13	727	
n/a	Contribution from Sturgeon Heights C. C. - Change Order 14	3,396	8,588
n/a	Manitoba Hydro Power Smart - Financial Incentive		8,923
			5,558,624
Approved by RLIP Management Committee - October 31, 2011:			
6399000109	Recreation and Leisure Facilities		200,000
Total Funding			**5,758,624**