



**Department: Community and Corporate Services**

**Division: Corporate Services**

**Report Number: 2014-27**

**Date: July 14, 2014**

**SUBJECT: Vale Health & Wellness Centre Preliminary Financial Overview**

**1) PURPOSE:**

This report is prepared to provide Council an overview of the preliminary costing results for the Vale Health & Wellness Centre as provided from the Project Manager.

**2) HISTORY, BACKGROUND, COUNCIL POLICY, PRACTICES**

Construction of the Vale Health & Wellness Centre was substantially completed in December of 2012 with finishing touches completed and the Centre was opened in February of 2013. Currently there is a warranty period and some deficiencies are still being addressed by the contractor. Staff has been actively inspecting the facility to ensure that any deficiencies with the construction have been listed and is being dealt with for completion.

**3) STAFF COMMENTS AND DISCUSSIONS**

This report is prepared as a preliminary cost overview as the final cost report has not yet been received from our Project Manager MHPM as there are outstanding holdbacks and cost recoveries/grants still being pursued to reduce the overall cost of the project. With this being such a large project and a warranty period to adhere to while documenting and ensuring all deficiencies are addressed, the final reporting will be presented to Council at a future date when it is received.

As Council is aware, staff worked in conjunction with our Project Management team from MHPM to ensure costs were controlled and within the original budget set at \$32,249,000. The Public Liaison committee was always part of the process and played a lead role in the development and ongoing decisions for this project including the budget and any change orders required for various reasons. Throughout the process and construction, MHPM reported on a cost tracking log, all costs incurred for the consulting, construction, contingency costs, change orders and furniture, fixtures and equipment. In addition, the YMCA, upon becoming a partner to provide the services on the warm side of the facility, requested changes to suit their operation and budgeted to pay for any costs associated with the YMCA and included the purchase of all fitness equipment and required furniture and equipment for their operation.

Financially, MHPM has provided a cost tracking as of March 1<sup>st</sup>, 2013, which represents costs and forecasted costs at the completion and opening of the Vale Health & Wellness Centre. The preliminary cost and forecasted costs of this project is \$31,987,483 and within the budget of \$32,249,000. As we have not received the final report from the Project Managers regarding the final costs with all deficiencies being addressed, a further report will be presented to Council upon receipt of the report. In addition, we are in the middle of our year end for 2013 and reviewing and analyzing the capital costs for our annual audit and 2013 financial reporting.

The detail of costs as presented below, include consultants, engineers, architects, construction, contingencies, equipment, permits and certifications for the facility:

| Summary of Costs                           | Budget            | Forecast Cost     |
|--|-------------------|-------------------|
| Consulting-Engineering/Design/Project Mgmt | 2,457,000         | 2,507,000         |
| Consulting-Programs/Fundraising            | 70,126            | 155,516           |
| Environmental Assessment Costs             | 34,043            | 39,219            |
| Score Clocks (Donations received)          | 0                 | 65,447            |
| Construction Costs                         | 26,850,871        | 26,957,020        |
| Construction Contingency for change orders | 801,780           | 865,456           |
| YMCA Credit for change orders              |                   | (545,369)         |
| Contingency for Soft Costs/change orders   | 1,621,720         | 1,521,415         |
| Furniture, Fixtures & Equipment            | 400,000           | 395,000           |
| Miscellaneous                              | 13,460            | 26,779            |
| <b>TOTAL</b>                               | <b>32,249,000</b> | <b>31,987,483</b> |

This facility was funded through various sources with the major source of funding being the Building Canada Fund which the City received a grant of \$13,733,334 where the City had to fund the last third of the application with \$6,866,666 for a total of \$20,600,000. The balance of the funding includes; Federal Gas Tax \$1,000,000; Provincial Grant plus interest \$3,200,000; Development Charges-Water \$100,000; Signage Donations \$100,000; Score Clock donations \$65,447; approximately \$5,000,000 Hydro funds and the balance through fundraising efforts to pay the annual debt on the debenture issued. To date, approximately \$1,550,000 is committed to the Vale Health & Wellness Centre.

**4) OPTIONS AND FINANCIAL CONSIDERATIONS:**

a) This report is provided for information purposes. A further report will be provided to Council when a final report is received from our Project Manager MHPM and reconciled with the City's 2013 year end.

**5) COMPLIANCE WITH STRATEGIC PLAN INITIATIVES**

This report is prepared in compliance with priority 2 from the last strategic planning session with regards to building a new Community Centre.

**6) ATTACHMENTS**

None

**7) RECOMMENDATION**

1/ That Council of the City of Port Colborne receives this report for information purposes.

**8) SIGNATURES**

Prepared on June 25, 2014 by:



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Reviewed and Respectfully Submitted:



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