

Type of Decision									
Meeting Date	Friday, July 18, 2013				Report Date	Tuesday, July-09-13			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction	x	Information Only			Type of Meeting	X	Open		Closed
REPORT TITLE									
Hall Expansion Cost Report - 18/07/13/1203									

Subject: Cost estimate from Mackey Construction for the hall extension.

RECOMMENDATION: That Council pass the attached resolution authorizing additional funding and the ground breaking for the hall expansion project.

**WHEREAS** architectural and engineering drawings have been completed and reviewed by staff, our CBO and Mackey Construction;

**AND WHEREAS** the original plans are to be followed as close as possible in order to meet the requirements of the funding proposals;

**THEREFORE BE IT RESOLVED THAT** the Council of the United Townships of Head, Clara & Maria does hereby declare that the hall/kitchen expansion project be commenced based on the original applications approved through the Seniors New Horizon Fund and the Continuous Infrastructure Improvement Funds;

**AND FURTHER THAT** staff is directed to work with the contractor to include as many "wish list" items as possible while keeping within approved funding;

**BE IT FURTHER RESOLVED THAT** the replacement of the furnace be pursued as a separate project utilizing Gas Tax Funds in the amount of \$7,000 with additional funds in the amount of \$9,850 to be utilized from the unallocated 2012 surplus;

**AND FURTHER THAT** Council authorize staff to spend \$4,650 from the 2012 unallocated surplus to pay for architectural and engineering costs;

**AND FURTHER THAT** Council authorize staff to spend up to \$52,000 from the 2012 audited surplus and \$67,000 from the hall/office reserves to pay for remaining heating costs and wish list items.

BACKGROUND/EXECUTIVE SUMMARY: HCM was successful in obtaining grant funding for specific projects. A wish list was created by the design committee which overhauled a number of other areas of the hall which may or may not be financially viable at this time.

The 20 some year old furnace requires attention either now or in the near future. As discussed previously, funds exist in the Gas Tax Fund for projects which fall under their guidelines which include heating and energy conservation.

The above resolution will allow staff to move forward with the project, working with the contractor to include as many "wish list" items as possible while keeping within our originally approved budget.

Darryl Francoeur has provided a quote broken down below. The costs include labour, materials and profit. Profit has been determined at 10% of overall costs before volunteer labour is removed. HCM will assume 100% of any found costs. Mackey Construction and HCM will share equally at 50% of found savings. This provides incentive for the contractor to find savings on costs of materials as the project proceeds.

HCM's costs will decrease based on the number of hours of labour which can be volunteered. As a simple explanation, if demolition is estimated at 25 hours of paid labour and if, with volunteers, paid labour only amounts to 5 hours, HCM has saved 20 hours of labour costs.

Basic items/projects for volunteer hours would include as an example:

1. Demolition and transportation to the disposal sites;
2. Delivery and unloading of materials;
3. Framing;
4. Drywall;
5. Concrete block removal/demolition;
6. Painting;

Our insurer has been consulted and our volunteer coverage is valid. I have advised that we will hold an H&S training for all volunteers prior to them entering the worksite and that all PPE must be worn, with municipal policy and OHSa being followed. A volunteer Registration Form and Waiver have been created based on a form provided by our insurer for use on this project.

The attached is a capture of the quote received from Darryl Francoeur. Cost savings will come from the \$23,000 labour portion. Other costs are not variable as subs complete the work. These are also listed in the chart below. The \$258,505 below includes the furnace costs not originally included in the grant funding of approximately \$30,000 (including transfer to propane). It does not include the carts or islands discussed or the millwork for closets. Contrary to the architect's drawings, this size of a closet door would be too large and would require "normal" doors. At this point, we have not sourced them.

Items which may be modified to result in reduced costs include:

1. Roll up doors - \$12,000;
2. Using vinyl siding instead of attempting to match the brick - \$3,000 - \$4,000;
3. Electrical – the engineer had expressed that a 400 amp service was required for the large air exchange units. Bob Labre has determined that they are NOT required. The electrical quote will be modified as a result. At this point, we do not know what the savings will be.
4. Doors, hardware, bathroom fixtures could all be adjusted for savings;
5. The architect specified 3 – 7' windows. These could/should be reduced as much use is at night which would result in additional cost savings.

6. Of course use of labour for those jobs which lend itself to it.

Item	Cost			
Demo	\$ 5,850.00			
Excavate and Backfill	\$ 16,500.00			
Concrete and foundation	\$ 22,511.00			
Dframe Building	\$ 23,719.00			
Ceiling	\$ 2,464.00		Labour	\$ 23,032.00
Flooring	\$ 28,005.00		Subs	Excavating \$ 16,500.00
Kitchen cabinets and millwork	\$ 31,979.00			Concrete \$ 22,511.00
plumbing	\$ 2,800.00			Kitchen cabinets \$ 31,979.00
Electrical	\$ 25,600.00			Electrical \$ 25,600.00
Doors and hardware	\$ 7,006.75			
Roll up doors	\$ 12,000.00			
windows	\$ 4,030.00			
soffit and fascia siding	\$ 4,754.75			
Insulation	\$ 7,620.00			
Drywall	\$ 5,036.28			
Brick	\$ 6,500.00			
Paint	\$ 2,748.00			
Bathroom/shower	\$ 5,382.00			
<b>Total</b>	<b>\$ 214,505.78</b>			
Furnace	\$ 30,000.00			
On demand hot water	\$ 1,000.00			
Appliances	\$ 13,000.00			
<b>Total Renovation</b>	<b>\$ 258,505.78</b>			

Item	Original Project or Wish list	Notes
Building Extension	Original Project	Included
Family Washroom and Shower	Original Project	Included
Entrance Remodel	Wish List	Included
Floor to Ceiling Closets	Wish List	Not Included
Furnace/Heating	Wish List	Required at this time – can use Gas Tax funds
Resurface Existing Floor	Wish List	Have applied for additional NHSP funding
Kitchen Appliances	Original Project	Included

Options/Considerations: many.

Financial Considerations:

Funding Source	Amount	Confirmed/Unconfirmed
HCM share of NHSF (2013 budget)	\$8,410	Confirmed/Allocated
NHSF – 2012	\$25,000	Confirmed/Allocated
HCM share of CIIF (2013 budget)	\$82,000	Confirmed/Allocated
CIIF – 2012	\$70,250	Confirmed/Allocated
<b>Original Project before wish list and furnace replacement</b>	<b>\$185,660</b>	<b>Confirmed/Allocated</b>
<b>Additional Available Funding Sources</b>		
Hall/office reserves	\$67,500	Unallocated/Available
Budget 2013 surplus (known at budget time but reserved for project contingency)	\$14,500	Unallocated/Available
Plus 2013 Audited Surplus (\$58,000 less \$6,000 reserved for HCM contribution to 2013 NHSP application for flooring)	\$52,000	Unallocated/Available
2013 Gas Tax – suggested for furnace replacement and propane tank installation for water heater	\$7,000	Unallocated/Available
<b>Additional Available Funds</b>	<b>\$141,000</b>	
<b>Total Available</b>	<b>\$326,660</b>	
<b>Total Quoted</b>	<b>\$258,505</b>	
<b>Difference</b>	<b>\$68,155</b>	<b>Available for cost overruns, additional wish list items or returned to reserves.</b>

**Note:** These calculations **DO NOT** consider \$75,000 in Contingency Fund reserves or \$150,000 in Working Capital Reserves. These would remain to be used for emergency events as always. **ONLY** surpluses and reserves specifically maintained for hall/office/upgrades/repairs and the

operating surplus of 2012 are being considered for wish list projects. Gas Tax funds are to be used for specific projects, as yet unallocated but energy efficiency is one such eligible project and could be utilized.

**With this total, no one's taxes will go up. Available funds have increased due to increased assessments and increased payments in lieu of taxes from the province even with taxes being reduced for 2013.**

Policy Impact: As per policy.

Others Consulted: Gerry Morris, Morris Theumen; Ed Schulz, Jp2g; Darryl Francoeur, Mackey Construction; Robert Labre, CBO; Noella LeBreton, Treasurer;

Approved and Recommended by the Clerk

Melinda Reith,  
Municipal Clerk

*Melinda Reith*