

Delegation on CW-31-19

Capital Works.

It's More Than 4,000,000

- I am opposed to approving this until all the costs are revealed and the city has a Signed Agreement with LPMA. As originally passed by.
- Last year was supposedly a crisis with no time. This year there is time
- Everything will be in place by September.
- Original direction from council was not to exceed 4,000,000
- This now has \$235,000 of interest payments over 10 years
- There are somewhere between \$20,000 and \$80,000 of annual maintenance costs.
- There is a need for \$133,333/year for replacement in 30 years.

It's More Than 4,000,000

- Last year Staff apparently produced a report in which they concluded replacement cost of docks and wavebreak would cost 11.5million and that LPMA could only cover 5.1 million. (numbers quoted by Councillor Dennison June 18, 2018)

CW-31-19

3

Something Doesn't Add up

- Appendix A has HST at 1.76%
- Appendix A has "Construction Contingency" at \$665,479
- Main body uses HST at 13%
- Total to Kropf is \$3,546,264.31
- Other costs are \$141,000
- So that only leaves \$312,735.69 as "Construction Contingency"
- It's a design/build contract the City doesn't need "Construction Contingency"
- A design change after award for a more robust system is not "Construction Contingency". Get the price before you let the contract.

CW-31-19

4

Funding Alternatives?

- Why aren't we saving \$300,000 and all the compounding costs?
- City manager said last June \$4,000,000 was upset limit. It was not the intent to spend 4 million if it wasn't needed.
- Wasn't staff supposed to negotiate a contribution from LPMA which has collected \$500,000 for new wavebreak?
- Council directed staff in March to look at funding alternatives.
- I don't think the intent of the direction was switch which of the City's Pockets the money comes out of.

- So in conclusion wait till September when all cost are known. Engineers can get revised price if system is not currently adequately designed.