

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)

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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.

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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.