

Chair and Members
Civic Works Committee

March 21, 2014
(Award Contract)

RE: Hyde Park Industrial Subdivision
Capital Project ES3110 - Hyde Park Industrial Subdivision Sewer
Capital Project EW3804 - Hyde Park Industrial Subdivision Water
Capital Project TS3014-12 - 2012 Road Rehab - Local & Rural
Capital Project TS3037-13 - 2013 Sidewalk Repair & Replacement
Capital Project TS3037-14 - 2014 Sidewalk Repair & Replacement
Capital Project EW3743 - 2013 Watermain Extensions
J-AAR Contractor - \$3,625,603.80 (excluding H.S.T.)

FINANCE REPORT ON THE SOURCES OF FINANCING:

Finance confirms that the cost of this project can be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Managing Director, Environmental and Engineering Services & City Engineer, the detailed source of financing for this project is:

	Approved Budgets	Financing Adjustment	Revised Budget	Committed to Date	This Submission	Balance for Future Work
SUMMARY OF ESTIMATED EXPENDITURES						
ES3110 - Hyde Park Industrial Subd. Sewer						
Engineering	40,000		40,000	40,000		0
Construction	430,000		1,537,561	2,035	1,522,663	12,863
Property Owners Share	1,530,000		422,439		422,439	0
City Related Expenses	40,000		40,000			40,000
	<u>2,040,000</u>	<u>0</u>	<u>2,040,000</u>	<u>42,035</u>	<u>1,945,102</u>	<u>52,863</u>
EW3804 - Hyde Park Industrial Subd. Water						
Construction	206,000		515,368		515,368	0
Property Owners Share	618,000		308,632		308,632	0
	<u>824,000</u>		<u>824,000</u>	<u>0</u>	<u>824,000</u>	<u>0</u>
TS3014-12 - 2012 Road Rehab-Local & Rural	7)					
Construction	159,943		159,943		159,943	0
TS3037-13 - 2013 Sidewalk Repair & Repl.	7)					
Construction	260,574		260,574		260,574	0
TS3037-14 - 2014 Sidewalk Repair & Repl.	7)					
Construction	299,036	0	299,036		299,036	0
EW3743-2013 Watermain Extensions	7)					
Construction	200,757		200,757	0	200,757	0
	<u>200,757</u>	<u>0</u>	<u>200,757</u>	<u>0</u>	<u>200,757</u>	<u>0</u>
NET ESTIMATED EXPENDITURES	\$3,784,310	\$0	\$3,784,310	\$42,035	\$3,689,412	\$52,863

SUMMARY OF FINANCING:

ES3110 - Hyde Park Industrial Subd. Sewer						
Drawdown from Sewage Works R.F.	510,000		510,000	42,035	415,663	52,302
Tsf drawdown from Sewage Works R.F.	2) & 3)	957,000	957,000		957,000	0
Tsf. Of Sewer Rates	2) & 3)	150,000	150,000		150,000	0
Property Owners Share	2)	1,530,000	(1,107,000)		422,439	561
		<u>2,040,000</u>	<u>0</u>	<u>2,040,000</u>	<u>42,035</u>	<u>52,863</u>
EW3804 - Hyde Park Industrial Subd. Water						
Debenture Quota	6)	206,000	206,000		206,000	0
Tsf. Capital Water Rates	2) & 4)	0	310,000		309,368	632
Property Owners Share	2)	618,000	(310,000)		308,632	(632)
		<u>824,000</u>	<u>0</u>	<u>824,000</u>	<u>0</u>	<u>0</u>
TS3014-12 - 2012 Road Rehab-Local & Rural	7)					
Debenture By-Law No. W.-5327-304		159,943	159,943		159,943	0
TS3037-13 - 2013 Sidewalk Repair & Repl.	7)					
Capital Levy		260,574	0	260,574	260,574	0
TS3037-14 - 2014 Sidewalk Repair & Repl.	7)					
Capital Levy		299,036	0	299,036	0	299,036
EW3743-2013 Watermain Extensions	7)					
Drawdown from Capital Water R.F.		200,757	200,757		200,757	0
TOTAL FINANCING		\$3,784,310	\$0	\$3,784,310	\$42,035	\$3,689,412

1) **FINANCIAL NOTE:**

	ES3110 Corporation	ES3110 Owner	EW3804 Corporation	EW3804 Owner	TOTAL
Contract Price -	\$1,496,328	\$415,135	\$506,454	\$303,294	
Add: HST @13%	194,523	53,968	65,839	39,428	
Total Contract Price Including Taxes	1,690,851	469,103	572,293	342,722	
Less: HST Rebate	168,188	46,664	56,925	34,090	
Net Contract Price	<u>\$1,522,663</u>	<u>\$422,439</u>	<u>\$515,368</u>	<u>\$308,632</u>	
	TS3014-12	TS3037-13	TS3037-14	EW3743	TOTAL
Contract Price	\$157,177	\$256,067	\$293,864	\$197,285	\$3,625,604
Add: HST @13%	20,433	33,289	38,202	25,647	471,328
Total Contract Price Including Taxes	177,610	289,356	332,066	222,932	4,096,932
Less: HST Rebate	17,667	28,782	33,030	22,175	407,520
Net Contract Price	<u>\$159,943</u>	<u>\$260,574</u>	<u>\$299,036</u>	<u>\$200,757</u>	<u>\$3,689,412</u>

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- Capital Project EW3743 - 2013 Watermain Extensions
- J-AAR Contractor - \$3,625,603.80 (excluding H.S.T.)

2) In accordance with By-law S.A.S.-274-88 and By-law W.M.-13-93, the approved budgets for ES3110 - Hyde Park Industrial Subd. Sewer and EW3804 - Hyde Park Industrial Subd. Water were set at **75% owner's share** and **25% Corporation's share**. Based on actual costs, the revised budget for the two projects combined is **26% owner's share** and **74% Corporation's share**, a difference of \$1,416,929 (see chart below). This change in source of financing requires an increase of \$1,107,000 from wastewater rates and \$310,000 from water rates.

Other related works for roads, sidewalks and watermains for a total of \$920,310 are also being completed at this time, 100% funded by the Corporation. Including the other related works, the total revised budget is **19% owner's share** and **81% Corporation's share**.

	Approved Budget		Revised Budget		Difference
ES3110 - Hyde Park Industrial Subd. Sewer					
Corporation	\$510,000	25%	\$1,617,561	79%	\$1,107,561
Property Owner	\$1,530,000	75%	\$422,439	21%	(\$1,107,561)
Subtotal	\$2,040,000	100%	\$2,040,000	100%	
EW3804 - Hyde Park Industrial Subd. Water					
Corporation	\$206,000	25%	\$515,368	63%	\$309,368
Property Owner	\$618,000	75%	\$308,632	37%	(\$309,368)
Subtotal	\$824,000	100%	\$824,000	100%	
SUBTOTAL HYDE PARK INDUSTRIAL SUBD.					
Corporation	\$716,000	25%	\$2,132,929	74%	\$1,416,929
Property Owner	\$2,148,000	75%	\$731,071	26%	(\$1,416,929)
Subtotal	\$2,864,000	100%	\$2,864,000	100%	
Other Related Works - 100% Corporation					
TS3014-12 - 2012 Road Rehab-Local & Rural	\$159,943		\$159,943		
TS3037-13 - 2013 Sidewalk Repair & Repl.	\$260,574		\$260,574		
TS3037-14 - 2014 Sidewalk Repair & Repl.	\$299,036		\$299,036		
EW3743-2013 Watermain Extensions	\$200,757		\$200,757		
Subtotal	\$920,310		\$920,310		
TOTAL INCLUDING OTHER RELATED WORKS					
Corporation	\$1,636,310	43%	\$3,053,239	81%	\$1,416,929
Property Owner	\$2,148,000	57%	\$731,071	19%	(\$1,416,929)
Subtotal	\$3,784,310	100%	\$3,784,310	100%	

3) The additional funding requirement of \$1,107,000 from wastewater rates can be transferred from other wastewater capital projects that have a surplus (see chart below).

Wastewater Projects with Surplus	Transfer	Current Project
ES6071 - Southcrest Storm Outlet	\$107,000 a	ES3110 - Hyde Park Industrial Subd. Sewer
ES3058 - Burbrook Lateral Program	\$550,000 a	
ES2414-13 - 2013 Sewer Replacement	\$300,000 a	
ES2523-11 - 2011 Sewer Construction-Extension & Repairs	\$150,000 b	
Total	\$1,107,000	

a Source of Financing = Sewage Works Reserve Fund
b Source of Financing = Sewer Rates

4) The additional funding of \$310,000 from water rates is available as a transfer another water capital project that has a surplus (see chart below).

Water Projects with Surplus	Transfer	Current Project
EW3833-11 - 2011 Main Replacement	\$310,000 a	EW3804 - Hyde Park Industrial Subd. Water
Total	\$310,000	

a Source of Financing = Capital Water Rates

5) Future additional annual operating costs of \$3,000 for sewers and \$10,600 for water distribution system are recognized as a result of this project noting that these costs are as a result of new infrastructure installation and will be considered and accommodated within future Wastewater & Treatment and Water operating budgets.

6) **Note to City Clerk:**

Administration hereby certifies that the estimated amounts payable in respect of this project does not exceed the annual financial debt and obligation limit for the Municipality of Municipal Affairs in accordance with the provisions of Ontario Regulation 403/02 made under the Municipal Act, and accordingly the City Clerk is hereby requested to prepare and introduce the necessary authorizing by-laws.

An authorizing by-law should be drafted to secure debenture financing for project EW3804-Hyde Park Industrial Subdivision - Watermain for the net amount to be debentured of \$206,000.

7) The budget and submitted amounts listed above for the following capital projects represents only the portion required to complete the Hyde Park Industrial Subdivision. The complete budgets and balance for future work for these accounts is as follows:

	Approved Budgets	Financing Adjustment	Revised Budget	Committed to Date	This Submission	Balance for Future Work
TS3014-12 - 2012 Road Rehab-Local & Rural	\$5,100,000	\$0	\$5,100,000	\$4,852,815	\$159,943	\$87,242
TS3037-13 - 2013 Sidewalk Repair & Repl.	\$1,200,000	\$0	\$1,200,000	\$939,426	\$260,574	\$0
TS3037-14 - 2014 Sidewalk Repair & Repl.	\$1,200,000	\$0	\$1,200,000		\$299,036	\$900,964
EW3743-2013 Watermain Extensions	\$840,000	\$0	\$840,000	\$0	\$200,757	\$639,243