

APPENDIX "A"

Chair and Members
Corporate Services Committee

#15154
October 9, 2015
(Increase Award)

RE: Renovation to the Normal School - Phase II
Capital Budget Project No. GG1558 - Purchase & Renovation of Normal School
Tonda Construction Limited - \$8,038,875.29 (excluding HST)
The Ventin Group Ltd (+VG Architects) - \$577,186.25 (excluding HST)

FINANCE REPORT ON THE SOURCES OF FINANCING:

Finance confirms that the cost of this project can not 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, Corporate Services and City Treasurer, Chief Financial Officer, the detailed source of financing for this project is:

<u>ESTIMATED EXPENDITURES</u>	Approved Budget	Additional Funding Required	Revised Budget	Committed To Date	This Submission
Engineering	\$472,166	\$115,178	\$587,344	\$472,166	\$115,178
Land Acquisition	1,755,007		1,755,007	1,755,007	0
Construction	6,824,999	1,875,353	8,700,352	6,824,999	1,875,353
City Related Expenses 3)	275,000	21,944	296,944	275,000	21,944
NET ESTIMATED EXPENDITURES	\$9,327,172	\$2,012,475	\$11,339,647	\$9,327,172	\$2,012,475
<u>SOURCE OF FINANCING</u>					
Capital Levy	\$3,000,000		\$3,000,000	\$3,000,000	\$0
Debenture By-Law No. W.-5556-167 4)	6,327,172	2,012,475	8,339,647	6,327,172	2,012,475
TOTAL FINANCING	\$9,327,172	\$2,012,475	\$11,339,647	\$9,327,172	\$2,012,475

1) <u>Financial Note:</u>	<u>Tonda</u>	<u>Ventin</u>	<u>City Related</u>	<u>Total</u>
Revised Estimated Expenditure	\$8,038,875	\$577,186	\$296,944	\$8,913,005
Less amount previously approved	6,195,957	464,000	275,379	6,935,336
Contract Price Increase	\$1,842,918	\$113,186	\$21,565	\$1,977,669
Add: HST @13%	239,579	14,714	2,803	257,096
Total Contract Increase Including Taxes	2,082,497	127,900	24,368	2,234,765
Less: HST Rebate	207,144	12,722	2,424	222,290
Net Contract Increase	<u>\$1,875,353</u>	<u>\$115,178</u>	<u>\$21,944</u>	<u>\$2,012,475</u>

2) On February 28, 2013, Council approved \$1 million of annual operating funding for the Normal School project including ongoing costs and debt servicing. The additional funding requirement of \$2,012,475 is available as Capital Levy and Debenture Quota that will not be issued before 2016. Debt servicing costs will be financed through remaining annual commitments over a ten year period.

3) Additional City Related expenses totaling \$21,565 (excl. HST) is being requested for monitoring of the excavation on the Normal School grounds by an archaeologist as required by the Ontario Heritage Trust.

4) **NOTE TO CITY CLERK:**

The City Clerk be authorized to increase Debenture By-Law No. W.-5556(a)-327 by \$1,012,475 from \$7,327,172 to \$8,339,647.

EH

Larry Palarchio
Director, Financial Planning & Policy