



Date: July 16, 1998

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
SUBJECT: KERRISDALE COMMUNITY CENTER RENOVATION

RECOMMENDATION

1. **THAT** the Board temporarily transfer \$90,000 from other 1998 Capital Plan accounts to supplement the funding for the Kerrisdale renovation project.
2. **THAT** the borrowed \$90,000 be returned to the original accounts on March 1, 1999 from the unspent \$443,000 balance from the 1997-1999 Capital Plan funding allocated for the Kerrisdale Community Center renovation project.

BACKGROUND

Included in the 1997-1999 Capital Plan approved by voters was \$891,000 for renovating the Kerrisdale Community Center and replacing the boiler. The boiler work is expected to cost up to \$140,000 leaving about \$750,000 available for renovations. This funding was based on the Kerrisdale Community Center Society raising a matching amount and obtaining another matching amount from senior governments.

An information report to the Board dated November 2, 1995 identified a three-phase renovation project costing \$2.27 Million with the first phase estimated to cost \$900,000, excluding the boiler work. For the 1998 Capital Plan year, \$198,000 was provided by the Board to start the project subject to the Society achieving their funding commitment. When the Society informed the Board that they had raised \$350,000 but were still waiting for a response to their infrastructure grant application, the Board approved increasing their amount to \$448,000 on May 25, 1998 to fund both the boiler work and the renovation project, thereby acknowledging that it was not holding the Society to its commitment to provide two thirds of the funding.

With the budget established at \$658,000 based on the Society's \$350,000 and the Board's \$308,000 (\$448,000-\$140,000), the first phase scope of work was established to be a renovation of selected rooms on the main floor and in the basement. The estimated cost was \$740,000, including contingency. If the contingency proved to be required, then the multipurpose room on the main floor would have been deleted and the revised estimated project cost would have been \$660,000, including contingency.

When the Society subsequently obtained a \$251,000 grant from the Infrastructure Works program, the project budget became \$909,000 and the Board's share became one third of the project budget in accordance with the original 1/3/23 sharing formula, less if money that the Society spent to develop the renovation project and related reports and drawings were included.

Because of the additional grant funding, the Society wants to re-introduce a partial renovation of the old Health Unit, in part because this area is comprised of small, inefficient medical consultation rooms and in part because the project description in the grant application included this area. The grant funding will also permit the floor of the existing fitness area (the old squash court) to be raised from its sub-basement elevation to flush with the new fitness area.

DISCUSSION

Assuming that the Kerrisdale Community Center boiler replacement work does not exceed the \$140,000 (including contingency allowance) Park Board budget assigned to this project, then the funding presently available for the renovation project is:

	<u>Source</u>	<u>Amount</u>
1.	Park Board	\$309,000
2.	Kerrisdale Community Center Society	<u>601,000</u>
	Total	\$910,000

The estimated cost for the high priority, first phase of the proposed renovation project, comprising selected rooms & corridors in the basement, main floor and old Health Unit, is \$1,000,000 (including contingency allowance), 40% of which will be used for upgrading mechanical & electrical items and removing asbestos.

Because a contract is expected to be awarded for the renovation work this October for which adequate funding must be available, \$90,000 is recommended to be temporarily transferred from other 1998 capital accounts which will not need to be funded until after March 1, 1999. The money borrowed from these accounts would be returned on March 1, 1999 from the \$443,000 uncommitted balance presently remaining in the 1997-1999 Capital Plan funding allocated for the Kerrisdale Community Center.

SUMMARY

In recognition of the \$600,000 raised by the Kerrisdale Community Center Society, \$350,000 of which comes from private donations and \$251,000 from their successful application for an Infrastructure Works grant, the Board would recognize this fundraising achievement by borrowing an additional \$90,000 and increasing their funding share from 33% to 40% of the estimated cost of the project.

Prepared by:
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Attachment

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Attachment