

MUNICIPALITY OF LEAMINGTON

AGENDA



SPECIAL COUNCIL MEETING

THURSDAY, NOVEMBER 26, 2009
COMMENCING AT 7:00 P.M.
IN THE COUNCIL CHAMBERS

(A) **CALL TO ORDER:**

(B) **REPORTS OF STAFF & DELEGATIONS:**

1. Report CAO 14/09 dated November 18, 2009 re: Award of Tender - New Municipal Building
Pages 2-6

- Madeleine Naeyaert, 81 Marlborough Street West

(C) **MATTERS FOR APPROVAL:**

1. The following resolution to be considered for adoption:

"That the Council of the Municipality of Leamington establish a tax levy due date of December 21, 2009 for supplementary assessment notices issued on or about November 19, 2009 under Sections 33 and 34 of the Assessment Act. The total shall be levied in one (1) instalment."

(D) **CONSIDERATION OF BY-LAWS:**

By-law 955-09, being a by-law to amend Schedule B to By-law 898-09, being a by-law to adopt the Budget Estimates and levy taxes for the year 2009;

By-law 956-09, being a by-law to confirm the proceedings of the Council of the Municipality of Leamington at its special meeting held November 26, 2009

(E) **ADJOURNMENT:**

JB

REPORT

TO: MAYOR AND MEMBERS OF COUNCIL

FROM: WILLIAM J. MARCK
CHIEF ADMINISTRATIVE OFFICER

DATE: NOVEMBER 18, 2009

RE: AWARD OF TENDER - NEW MUNICIPAL BUILDING

AIM:

To request that Council award a tender to construct a new municipal building at 111 Erie Street North.

BACKGROUND:

Council at its meeting held April 20, 2009 enacted Resolution C-110-09 which directed administration to instruct J.P. Thomson and Associates to finalize design; development of working drawings and tender documents; and a tender for municipal building to be constructed at 111 Erie Street North.

Further, Council at its meeting held April 27, 2009 enacted Resolution C-127-09 directing administration to make the appropriate application pursuant to Intake 2 of the Build Canada Fund (BCF) program for the construction of a new municipal building (\$12.5 Million) as part of the Infrastructure Stimulus Fund (ISF) component.

During the summer of 2009, David Van Kestern MP for Chatham-Kent-Essex and Pat Hoy MPP for Chatham-Kent-Essex announced the municipal building project was approved for BCF funding in the total amount of \$4.167 Million from the Federal Government and \$4.167 Million from the Provincial Government.

Property was previously purchased for the municipal building at 111 Erie Street North in the amount of \$400,000 (land purchases are not eligible for grant funding).

Tenders for the municipal building were let October 17, 2009 and closed November 17, 2009. The Corporation received a total of 10 tenders (summary attached- Separate Price A was to allow for a credit for tile flooring) and the lowest tender was submitted by Oscar Construction in the total amount of \$9,299,387 plus GST.

J.P. Thomson have examined the tender of Oscar Construction and advised that it is in order. Oscar Construction is a reputable firm and has successfully constructed similar facilities.

As per BCF requirements, the construction project must be substantially completed by March 31, 2011. The contractors have advised that provided there are no unforeseen circumstances, the project can be completed by the prescribed deadline.

FINANCIAL IMPACT: (note: figures exclude GST)**Estimates**

The total estimated cost for the municipal building project was \$12,551,750 (building, architect fees, permits, etc.) plus \$500,000 for land purchase. Of that total, the estimated cost for building construction was \$11,140,000.

The estimated municipal share of the project cost was \$4,667,000 (\$4.167 million plus \$500,000 land cost).

Tender

As a result of tendering the updated estimate for the total cost of the municipal building project is \$10,887,000 (building, architect fees, geotechnical, land and fit up contingency) of which \$9,299,387 is for building construction.

The purchase of the land (\$400,000) and proposed allowances (\$300,000) for fit out items such as furniture, communications, security equipment and other contingency costs are not eligible for BCF funding. Therefore, it is estimated that Leamington's share of the total project cost would be \$4,157,000 (\$3,757,000 plus \$400,000). It should be noted that as per the purchasing policy, reports for items associated with fit out would be subject to Council approval.

Grant

As Council is aware, Leamington was the recipient of Build Canada Fund (Infrastructure Stimulus Fund) which reflected the Federal, Provincial and Municipal Governments would each contribute up to \$4,166,000 towards the new municipal building.

Tax Rate Impact

If the full \$4.157 million were borrowed utilizing the Infrastructure Ontario Loan Program lending rate of 4.93% (as at November 23, 2009) for a debenture amortized over 25 years would result in an increase of \$20.49 on a home valued at \$150,000. The debt would not be issued until the project is completed, and therefore there would be some carrying charges.

Based on the debenture issue of \$4.157 Million, the Director of Finance and Business Services advised the amount is within the borrowing limits of the municipality. Further, through review of the other grant funded projects approved by Council after the 2009 budget was passed, it is expected that debt funding may be required for the Erie/Seacliff Improvements project. Attached is an updated Annual Repayment Limit calculation which includes the estimated municipal share of the building project being \$4.157 Million (previously \$13 Million) and an allowance for debt funding related to the Erie/Seacliff Improvements project in the amount of \$650,000.

Upon awarding the tender, a further report will be forthcoming recommending that the Corporation make application pursuant to the Green Municipal Fund which could provide for up to a \$4 Million Dollar loan at a rate that is 1.5% below the Canadian bond rate and a grant up to \$400,000. The outcome of FCM application and use of contingency allowances may result in a lower overall cost to the Corporation.

CONCLUSION:

The corporate strategic plan contains a strategy to optimize the provision of municipal services by ensuring we have adequate structures and facilities to provide municipal services. The process to examine spatial requirements, existing facilities, expansion, site selection and building design commenced in 2006.

The new facility contains a number of energy efficient components, is accessible, and provides for meeting, plans examination and storage rooms. Further, the tender includes funding for the development of the adjacent trails and the development of a gathering place in front of the facility for outdoor functions. The Council Chambers have been designed to allow for overflow. The building contains the Corporations Emergency Operations Centre, and therefore would be constructed to meet post disaster criteria. The building contains security features to allow for access and staff safety, etc. The foyer is designed to take advantage of energy efficiencies i.e. development of a growing wall, and can be used when hosting municipal functions.

The current economic environment has resulted in very competitive bids for this project and the approved grant funding provides an opportunity for council to obtain a municipal building that will meet service delivery requirements for many years to come, at a fraction of the cost and taxation impact to Leamington ratepayers.

RECOMMENDATION:

That the Council of the Corporation of the Municipality of Leamington award the tender for the new municipal building to Oscar Construction at a total cost of \$ 9,299,386 plus GST to be charged to Account# 2-310-8822-7630.

And that the Mayor and Clerk be directed to sign any necessary documents related thereto.
(CAO Report 14/09)

Respectfully submitted,

WJM/ka

FILE: T:\CAO\CAO 2009\2009 Reports\Word Reports\CAO 14-Award of Tender-Municipal Building.doc

MUNICIPALITY OF LEAMINGTON

PRELIMINARY RESULTS

Minutes of the Tender Closing

Leamington Municipal Building

Held Tuesday, November 17, 2009 at 2:00 p.m. - Leamington Council Chambers

Attendance: Bill Marck, C.A.O.
Doug Morrish, Director of Development Services
Colin McDonald - Architect, J.P. Thomson Associates Ltd.
Mark Beaulieu - Principal, J.P. Thomson Associates Ltd.
Carol Derksen, Corporate Assistant

Contractor	Bid Bond	Stipulated Price Bid	Separate Price "A"
Alliance General Contracting	X	\$9,873,968.00	\$ 39,000.00
Amico Design Build Inc.	X	\$9,700,000.00	\$100,000.00
APM Construction	X	\$10,300,000.00	\$ 94,200.00
Belrock Construction Ltd.	X	\$9,935,000.00	\$138,000.00
DeAngelis Construction Inc.	X	\$9,353,000.00	\$ 39,000.00
Loaring Construction	X	\$9,448,124.00	\$0
Oscar Construction	X	\$9,299,387.00	\$ 36,000.00
Rob Piroli Construction Inc.	X	\$9,596,662.00	\$ 98,000.00
T. Grossi & Son Construction	X	\$10,250,000.00	\$ 70,000.00
Trillium Contracting Inc.	X	\$9,907,132.95	\$ 34,000.00

MUNICIPALITY OF LEAMINGTON

UPDATED ANNUAL REPAYMENT LIMIT FOR 2009

Pursuant to Municipal Act, Sec 401(4) Reg 403/02

PER 2009 ANNUAL REPAYMENT LIMIT CALCULATED BY LEAM BASED ON 2008 FIR

Budgeted Revenue Fund Revenues				52,337,270	
Less: Tile & Shoreline Recoveries				48,340	
Ontario Grants				469,057	
Canada Grants				11,643,911	
Other Municipalities' Grants				703,154	
Net Revenue Fund Revenues				<u>39,472,808</u>	
Gross Debt Servicing Limit				9,868,202	25.00%
Less: Current debt service budget					
310 - Gen Govmt		346,142			
410 - Fire		71,352			
420 - Police		41,007			
540 - Parking		0			
610 - Sewers		519,781			
680 - Drainage		131,563			
660 - PCC		632,583			
690 - Water		155,927			
830 - Rec Complex		750,039			
UNION WATER		2,011,803		4,660,197	11.81%
Excess Debt Servicing Limit				<u>5,208,006</u>	13.19%
In Year Debt Issues Approved		Debt	Revenues	Payments	
320 - Engineering		1,333,000		124,121	
310 - Gen Govt		4,157,000		292,883	
610 - Sewers		1,702,000		158,480	
660 - PCC		3,934,000		366,310	
		0		0	
		0		0	
		0		0	
		0		0	
		0		0	
				<u>0</u>	<u>941,794</u>
Amended Excess Debt Servicing Limit				<u>4,266,212</u>	10.81%
Amended Debt Servicing Expenditure				<u>5,601,990</u>	15.86%

Additional Debt that could be issued

Rate	Repayment Term (years)					
	5	10	15	20	25	30
4.50%	18,728,571	33,757,333	45,817,178	55,494,614	63,260,282	69,491,850
4.75%	18,598,811	33,346,196	45,039,705	54,311,732	61,663,716	67,493,257
4.93%	18,506,260	33,054,830	44,492,089	53,483,411	60,551,878	66,108,704
5.05%	18,444,964	32,862,715	44,132,542	52,941,752	59,827,588	65,209,993
5.15%	18,394,128	32,703,904	43,836,244	52,496,686	59,234,106	64,475,506