



STAFF REPORT TO COMMITTEE

DATE OF REPORT July 22, 2019
MEETING TYPE & DATE Electoral Area Services Committee Meeting of August 7, 2019
FROM: Public Safety Division
Community Services Department
SUBJECT: Budget Amendment – Fire Protection North Oyster
FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to request approval for an amendment to the Function 350 - Fire Protection North Oyster 2019 Budget.

RECOMMENDED RESOLUTION

That it be recommended to the Board that the 2019 budget for Function 350 - Fire Protection North Oyster be amended as follows:

1. Reduce Transfer to Capital Reserve by \$84,578
2. Increase Transfer from Capital Reserve by \$51,151
3. Increase Capital Expenditure – Buildings by \$135,729

BACKGROUND

In October 2019 the Board approved a budget of \$3,185,000 for construction of the new North Oyster Fire Hall addition as well as improvements to the existing Fire Hall. The project has been organized into three separate phases:

- Phase 1: Earth works for the new Fire Hall addition
- Phase 2: Construction of the new Fire Hall addition
- Phase 3: Renovation to the existing Fire Hall

In September 2018 the Board approved a budget increase of \$285,000, primarily to address overages related to unforeseen costs that had occurred in Phase 1.

During the course of Phase 2 and Phase 3 work, a number of both unforeseen circumstances and unforeseen site conditions developed resulting in project expenses that either were not budgeted for or exceeded the allocated budget. Although staff worked closely with the project management team to reduce the project scope to reduce costs, and to cut costs in other areas of the project to reduce the overall budget, the necessary changes in scope resulted in extra costs of \$ 135,729.

ANALYSIS

A number of unforeseen circumstances arose during Phase 2 that resulted in unforeseen increased costs relating to: water-system related issues; concrete and pumping; rough carpentry; carnage; roof trusses; gear lockers; and asphalt. A number of unforeseen site conditions arose during Phase 3, especially at the time the envelope and roof were exposed and it became clear that various aspects of the original structure required more extensive repairs than what was planned or complete replacement. As a result of these various changes, the project also incurred extra costs related to architectural services.

The total of the unforeseen costs is approximately \$135,729. The North Oyster Fire Hall project is now complete.

FINANCIAL CONSIDERATIONS

1. Reduce Transfer to Capital Reserve by \$84,578
2. Increase Transfer from Capital Reserve by \$51,151
3. Increase Capital Expenditure – Buildings by \$135,729
4. The uncommitted Capital Reserve balance for this function as at December 31, 2018 was \$83,524
5. The uncommitted Operating Reserve balance for this function as at December 31, 2018 was \$78,303, which is more than minimum but less than maximum.

Total project costs for Phases 1, 2 and 3 is \$3,320,729.

COMMUNICATION CONSIDERATIONS

N/A

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

N/A

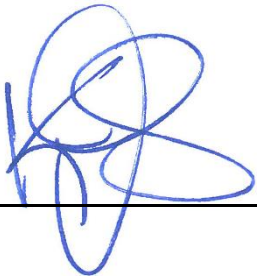
GENERAL MANAGER COMMENTS

☐ Not Applicable

Referred to (upon completion):

- ☐ Communications & Engagement
- ☐ Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- ☒ Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- ☐ Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- ☐ Land Use Services (*Community Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)

Prepared by:



Keir Gervais
Manager

Reviewed by:

Not Applicable
Not Applicable



Terri Askham
A/General Manager

Reviewed for form and content and approved for submission to the Committee:

Resolution:

Financial Considerations:

☒ Corporate Secretary, Legislative Services

☒ Manager, Finance