
Winter Recreation Park at Diefenbaker Park (Optimist Hill) – Budget Adjustment Request

Recommendation

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council that the proposed budget adjustment of \$100,000, with funding from the Dedicated Lands Reserve, for Capital Project No. 2602 – Winter Recreation Park at Diefenbaker Park, be approved.

Topic and Purpose

The purpose of this report is to request a budget adjustment of \$100,000 for Capital Project No. 2602 – Winter Recreation Park at Diefenbaker Park (Optimist Hill Project). The additional funding is required to address recent cost increases related to earth work for the project, and would allow for the completion of the installation of the required utilities, including the storm water infrastructure costs at Diefenbaker Park as part of the Optimist Hill Project.

Report Highlights

1. The construction of a winter recreation park at Diefenbaker Park and the completion of the installation and required earth work for utilities for the Optimist Hill Project requires an additional \$100,000 in funding.

Strategic Goal

Under the Strategic Goal of Quality of Life, this report supports the four-year priority to provide opportunities for activities in a winter city. Also within the Strategic Goal of Quality of Life, this report supports the long-term strategy to ensure existing and future leisure centres and other recreational facilities are accessible, both physically and financially, and meet community needs.

Background

In March 2014, City Council approved a report recommending that Diefenbaker Park be approved, in principle, as the proposed location for the project planned by the Optimist Club of Saskatoon Inc. (Optimist Club).

In September 2014, City Council approved the submission of the Optimist Club's business plan for the Optimist Hill Project.

In December 2014, City Council approved the 2015 capital budget, including \$535,000 for Capital Project No. 2602 - Winter Recreation Park at Diefenbaker Park. This project includes the design and installation of necessary utility services (water, sewer, and electrical).

In March 2015, the City of Saskatoon (City) signed a Memorandum of Understanding with the Optimist Club. The Memorandum of Understanding is intended to set out the basic business terms upon which the Optimist Club shall proceed to refine the business plan, solicit funding for the Optimist Hill Project, and lead to the negotiation of a lease and operating agreement for the facility.

In November 2015, City Council received a report from the General Manager, Community Services Department, approving the Optimist Club's planned approach for donor solicitation, recognition, and offering of naming rights to Optimist Hill. City Council approved Optimist Hill as the proposed name of the facility.

In April 2018, City Council received a report from the General Manager, Community Services Department, with an update that the Optimist Hill Project was ready to begin construction, and resolved, in part:

- “1. That the City Solicitor be requested to prepare the appropriate agreement between OSP Community Development Corporation and the City of Saskatoon for the design and construction of Optimist Hill at Diefenbaker Park Phase One.”

Report

Capital Project Funding and Recent Tenders

Since receiving official approval to proceed in April 2018, work on the Optimist Hill Project has included finalizing designs, getting appropriate approvals, and tendering work through a construction project management agreement.

A tender to complete installation of utilities for the site and address storm water mitigation on site, slope stability, and required earth works for the project, closed in late August 2018. Based on the results of the tender, Capital Project No. 2602 – Winter Recreation Park at Diefenbaker Park, which is the City's contribution to the overall Optimist Hill Project, requires an additional \$100,000 to complete construction of the Optimist Hill. Various causes of the increase since the capital project was first approved in 2014 include increases to fuel prices, timing of the tendering for the work, and the increased application of PST to construction projects.

The City and the Optimist Club have been meeting since the tenders closed and are working to reduce and relegate any costs that could be deferred to future years. The end result is, that in order to keep the project on time for its planned opening near the end of 2018, and based on the tender results and the cost mitigation plan, the project requires an additional \$100,000 to complete this component of the work.

Options to the Recommendation

City Council could choose to deny the Administration's budget adjustment request; further direction would then be required.

Public and/or Stakeholder Involvement

The Administration has been working closely with the Optimist Club throughout the stages of design, construction, permitting, and tendering of the work for the project.

Financial Implications

As per Policy No. C03-001, The Budget Process Policy, prior approval is required by City Council to over-expend previously approved capital projects where the anticipated over-expenditure exceeds \$100,000.

The proposed budget adjustment does not exceed \$100,000, but given that this amount is on the threshold, the Administration wants to ensure a transparent request in this situation. The proposed funding source is the Dedicated Lands Reserve, which has an uncommitted balance available of \$150,000. The balance in the Dedicated Lands Reserve is sufficient to cover this budget adjustment.

Safety/Crime Prevention Through Environmental Design (CPTED)

A safety/CPTED review of Optimist Hill was completed in April 2018.

Other Considerations/Implications

There are no policy, environmental, or privacy implications or considerations; a communication plan is not required at this time.

Due Date for Follow-up and/or Project Completion

The construction work on the Optimist Hill Project continues. Pending approval of the additional required funding, the Optimist Hill Project is proposed to be open for use in the 2018/2019 winter season.

Public Notice

Public notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Report Approval

Written by: Andrew Roberts, Special Use Facilities and Capital Planning Manager
Reviewed by: Lynne Lacroix, Director of Recreation and Community Development
Approved by: Randy Grauer, General Manager, Community Services Department
Jeff Jorgenson, City Manager