

### **REPORT FROM THE SPECIAL PROJECTS MANAGER**

Re: Structural Wood Repairs of the Centennial Arena

#### **RECOMMENDATION**

That Council approve the use of the negotiation method as described in the City's procurement policy to sole source the provision of services to provide structural repairs to the Centennial Arena to Timber Restoration Services at an upset limit of \$4.3M plus applicable taxes; and

That Council approve the use of the negotiation method as described in the City's procurement policy to sole source the provision of services to provide geotechnical and concrete foundation investigation and reporting at the Centennial Arena to Wood Restoration and Design at an upset limit of \$40,000 plus applicable taxes; and

That the associated costs be drawn from the City's Buildings and Facilities Capital Reserve; and

That Council direct Staff to return with a funding plan for the Centennial Arena Repair / Renewal project as soon as it can be practically developed.

#### **BACKGROUND**

On April 8, 2024, Council passed the appropriate by-law to enter into an agreement with Wood Research and Development (WRD) to prepare designs required to affect structural repairs to the Centennial Arena.

As discussed at the April 8, 2024 Council meeting, the installed health monitoring systems at the arena has been detecting movement in the primary structural elements of the arena. Working with Staff and TRS on site, WRD has been able to determine that these alarms have been triggering due to design deficiencies in the arena's foundation system. A preliminary design has been prepared by WRD to address these deficiencies, but finalizing this design is dependant on both geotechnical investigation of the soils surrounding the facility and determination of the suitability of the existing concrete pier foundations. Sub-consultant engineers have been scheduled to provide this reporting in the coming weeks, and Staff anticipates that full issued for construction drawing set will follow shortly thereafter from WRD once it is in hand. Estimates from WRD to provide this geotechnical and concrete condition assessment reporting is attached to this report for Council's consideration.

Since last discussed at Council, WRD has completed draft design sets of drawings for the structural wood repairs that incorporate the research from the fall 2023 full canvas inspection as well as

feedback from on-site workers from Timber Restoration Services (TRS). Those drafts have been provided to Staff and TRS to allow work to continue on site, and to allow TRS to prepare budget pricing for the wood structural repairs at the facility. TRS has done so, and attached to this report is a Class C (+/- 15%) budget estimate for the wood structural repairs moving forward.

As Staff indicated to Council on the April 8, 2024 meeting, TRS returned to site during the week of April 15<sup>th</sup>, 2024 to continue repair work of known scope items to be found in the final design. Work has progressed well, and many structural enhancements have been installed on the arena's truss system.

## ANALYSIS

The budget quote from TRS in the amount of \$4.3 Million represents the total anticipated costs for the repairs to the facility's wood structure based on currently known information. This amount includes labour and material costs incurred through the month of April 2024.

TRS has indicated to Staff that it will require most material costs to be paid in advance of continuing the project to ensure that material orders and delivery can take place and to maintain the current project schedule.

Prior reports to Council, provided the following Council approved expenditures.

<b><i>Council Approved Expenditures</i></b> (in order of approval)		
1.	WRD Installs Real Time Health-Monitoring in the Facility	\$58,356
	1a) \$9,930 per month for Health Monitoring (est. 6mo)	\$59,580
2.	WRD Designs Preliminary Shoring	\$26,535
3.	City Installs Temporary Shoring (Upset Limit of \$50,000)	\$50,000
4.	WRD Offers Formal Guidance on Occupancy <i>Inc. in #1. Above</i>	
5.	City Forces Tear Out Interior Finishes to Facilitate Full Canvas Inspection for WRD	
6.	WRD Does Full Canvas Inspection of All Structural Wood Components	\$129,015
	Plus Contingency for Extra Day: \$5,000	\$5,000
7.	WRD Continues Full Canvas Inspection of All Structural Wood Components	\$66,827
8.	WRD Provides Winter Shoring Design	\$19,200
9.	Targeted Repairs to Wood Structure	\$350,000
10.	WRD Repair Design	\$186,900
<b><i>Total Council Approved To Date</i></b>		<b>\$951,413</b>

The (unaudited) expenditures at the Centennial Arena total \$1,071,705 since the start of the project.

<b>Centennial Arena Expenditures at May 7, 2024</b>	<b>2023</b>	<b>2024</b>
ADVANCED RESEARCH & DEVELOPMENT	\$31,248	\$370,868
ALGOMA BUILDERS SUPPLY LTD	\$11,358	\$234
CANADIAN TIRE - ELLIOT LAKE	\$1,509	\$545
ELLIOT EQUIPMENT	\$8,431	\$0
ELLIOT LAKE TRADING POST	\$468	\$1,443
FIRECHEK PROTECTION SERVICES INC	\$636	\$0
LH OUTDOOR LIVING	\$2,890	\$0
MASLACK SUPPLY LTD	\$149	\$0
METAL- AIR MECHANICAL SYSTEMS LTD	\$0	\$2,949
RELIABLE MAINTENANCE PRODUCTS	\$189	\$0
SKYWAY CANADA LIMITED	\$12,547	\$29,807
SOO MILL BUILDALL	\$3,528	\$224
SOUCIE SALO SAFETY	\$74	\$0
NAPA POWER SPORTS	\$141	\$0
TULLOCH ENGINEERING INC	\$5,672	\$0
UNITED RENTALS	\$50,630	\$32,755
WOOD RESEARCH AND DEVELOPMENT	\$307,775	\$195,638
<b>Total Expenditures</b>	<b>\$437,244</b>	<b>\$634,461</b>

## FINANCIAL IMPACT

Due to the urgency that the community and Council has placed on this project, Staff is concurrently engaged in planning funding, commissioning design and having vendors realize the project. This situation is far from ideal, but is often the nature of dealing with emergent projects.

Moving forward, this accelerated timeline will have a significant impact on the financial planning for the project. Community fundraising is underway and grant funders have been approached for support, until the level of support from funding initiatives is known and the actual project costs are known, the City will have to dynamically manage the financing of the project. Managing the cash flow required to realize the project may be a challenge for the City.

At the May 3, 2024 adhoc budget committee the report from the Director of Finance and Treasurer provided that the Building and Facilities reserve has a January 1, 2024 opening balance of \$1,146,344. Funding this project requires attention; the building and facilities reserve cannot support this project.

The 2024 balance held in Working Funds per the Reserves Report is at its target level. All other discretionary reserves are insufficient to finance this project. The directed/specific purpose reserves are committed or restricted reserves including, Elections, Landfill, Water/Wastewater, Accessibility, ELRDC, Building Controls, and Cemetery. Also included in the directed/specific purpose reserves is the Arts and Culture Hub, this reserve was established under directed/specific purpose; however expenditures from

this reserve are not legislated or committed and can be done by resolution of council. The Arts and Culture Hub reserve has a January 1, 2024 opening balance of \$3,155,422.

Staff have begun exploring Infrastructure Ontario Loans as a financing option.

Staff recommends that a formal report to Council come forward as soon as sufficient clarity on project scope, costs and funding requirements becomes available.

## **LINKS TO STRATEGIC PLAN**

This project directly relates to the following key section of the strategic plan:

- Continued investment into infrastructure
- Environmental Stewardship
- Strong financial foundation for the municipality

## **SUMMARY**

Staff recommends that Council give approval to sole source geotechnical reporting and concrete foundation assessment reporting for Centennial Arena as described in the attached proposals to Wood Research and Development Canada for work totalling \$40,000. Staff further recommends that Council give approval to sole source the repairs to the arena's wood structure to Timber Restoration Services at an upset limit of \$4.3M.