

High Level Financial Overview

What does the dollar amount requested in a Referendum question represent?

Presentation Goals

- * Goal is to better understand the procurement process
- * Clarify how project cost sharing will occur
- * Demonstrate project management principles and goals
- * Clarify certain project details
- * Clarify regional relationship realities

The Referendum Question

? What would the Question and the dollar amount represent?

- * Provincial Government mandated content
- * Represents a “**worst case**” scenario project costing estimate
- * Specifically related to a **maximum** borrowing
- * Costs based on land cost estimates, square footage and application of industry standard costs
- * Includes ALL costs related to the project not paid for by reserves or surplus
- * Contains a responsible amount of contingency funding
- * Requires a Town Bylaw with 3 readings prior to referendum

Town Funding and Other Contributions

? Is the amount in the Question the actual amount the Creston Taxpayers will be expected to pay for?

- * No
- * Again, “**worst case**” scenario- costs will likely be reduced
- * Doesn't include grants
- * Doesn't include savings from competitive bid process
- * Town taxpayers only pay for the Town's share
- * RDCK pay their share (contractual obligation +/- 28%)

ASC Principles

? How will the fiscal goals of the ASC be included in the project costing deliverables?

- * Borrowing amount is “**worst case**” scenario
- * ASC principles are already guiding the process
- * ASC principles will be built into procurement processes moving forward
- * Design and RFP processes will be influenced by these principles
- * Wording in design and RFP documents will reflect these principles

Procurement

? How does procurement influence cost and local content?

- * There are legal standards and processes
- * All contractors and professionals are hired through a competitive process (Request for Proposal, Request for Quotation or Tender)
- * Local contractors are able to compete
- * Interprovincial free trade agreements ensure broad competition
- * Once bids are received the Town has 3 choices:
 - Accept a qualified bid and proceed
 - Accept a proposed alternative only from the lowest qualified bidder
 - Reject all bids

Cost Savings

? Will cost savings be returned to taxpayers?

- * Yes
- * Borrowing is only done for actual costs
- * Project management processes ensure limits on scope creep

Financial Controls

? How will financial controls be applied throughout the project?

- * Usually provided by project professionals
- * Proper insurance acquired
- * Monitoring of quality and timing of work
- * Cost tracking and change order management
- * Payments to contractors
- * Management holdback
- * On time, on budget, on design
- * Project commissioning and warranty period
- * Grant administration as required

Building Occupancy

? Does the project contain money for additional furniture and equipment?

- * Most fixtures are included in design
- * Office equipment and fire specialty equipment are transferrable
- * Additional requirements will be addressed in standard municipal budget processes

Regional Funding

? Who gets to vote in the Referendum?

- * The vote is not for the Fire Hall project itself - the vote relates to the borrowing
- * The Town of Creston would be doing the borrowing for the full amount of the project as the Town would be the owner of the building
- * Having the RDCK borrow for their share is inconsistent with current contract for service
- * The RDCK has already contractually committed to pay +/- 28% of the project through its existing taxation authorization (no public approval required)

Questions?

