

## STAFF REPORT

**FINANCIAL STATUS OF THE FURMAN AQUATIC CENTER**

May 12, 2009

Work activity at the new Aquatic Center is progressing well. It is anticipated that the facility will open in July. Staff wanted to take this opportunity to review the **\$10,658,000 Project Budget** (Attachment A) and provide Council with a financial status report as numerous changes have occurred since this project began in the fall of 2007.

Budget expenses are divided into seven main categories:

	<b>EXPENSES</b>	
	<b>ORIGINAL</b>	<b>REVISED</b>
<b>Construction Contract (General Contractor)</b>	<b>\$8,824,708</b>	<b>\$8,875,389*</b>
<b>Site Preparation (Earthwork)</b>	<b>\$ 475,000</b>	<b>\$ 437,565</b>
<b>Construction Observation (ISU)</b>	<b>\$ 100,000</b>	<b>\$ 40,000</b>
<b>Owner Provided Items</b>	<b>\$ 235,000</b>	<b>\$ 437,233</b>
<b>Engineering (RDG)</b>	<b>\$ 718,000</b>	<b>\$ 722,256</b>
<b>Miscellaneous</b>	<b>\$ 0</b>	<b>\$ 20,000</b>
<b>Contingency</b>	<b><u>\$ 305,292</u></b>	<b><u>\$ 125,557</u></b>
<b>TOTAL:</b>	<b>\$10,658,000</b>	<b>\$10,658,000</b>

\* Includes Change Order #3 presented for City Council approval in the amount of \$63,019

**OVERVIEW OF CHANGES TO EXPENSES**

**CONSTRUCTION CONTRACT (General Contractor):** Change orders have been minimal and to date, subject to City Council approval of Change Order #3, the *net* cost increase to the contract totals \$50,681. (Change Orders 1 and 2 resulted in a reduction to the contract of \$12,338.)

**SITE PREPARATION (Earthwork):** This project was completed in the fall of 2008 at a savings of \$37,435. Less fill material was needed than originally estimated.

**CONSTRUCTION OBSERVATION (ISU):** Due to having an excellent general contractor and sub-contractors, ISU staff has not needed to stop as frequently at the site for construction observation. To date, they have expended only 21% of their anticipated hours of site observation. The agreement calls for ISU to only invoice the City for actual hours worked, not a lump sum fee. Therefore, with less than two months of construction work remaining, this line item can be reduced to \$40,000, versus the original estimate of \$100,000.

**OWNER PROVIDED ITEMS:**

- **Materials Testing:** The original budget number of \$25,000 was an estimate based upon the anticipated number of concrete tests to be taken by Terracon. An additional \$12,517 is needed to assure adequate testing can be performed through the end of the project.
- **Traffic Lights on 13<sup>th</sup> Street:** Costs for the traffic lights were inadvertently excluded from the original project budget. This work activity is being administered through Public Works at a total cost of \$159,831. The project was authorized by City Council last fall.
- **Public Address System / Cameras / Signage:** Approximately \$20,000 is needed for a public address system, security cameras in the concession stand, and entry signage.
- **Plaque:** A bronze dedication plaque was not included in the original budget, and is estimated to cost between \$3,000 and \$4,000.

**ENGINEERING (RDG Planning and Design):** Allowable costs (printing) increased by \$4,256 during the bidding phase of the project.

**MISCELLANEOUS:** \$20,000 was needed to print bid documents, install a security gate on site, and purchase permits and signage.

**CONTINGENCY:** As of May 8, 2009 the available contingency totals \$125,557. With less than two months to opening, staff is confident that the contingency fund should be adequate to address any remaining change orders.

**PROJECT FUNDING**

The original funding projections in the project budget have remained unchanged since construction began (see below). However, it is of interest to note that following the award of bid, the general contractor revised his sales tax refund estimate from \$100,000 to a range of \$250,000 to \$270,000. However, this amount will not be determined until the project is closed out and all contractors report their sales tax expenditures. To be conservative, staff recommends leaving the original sales tax refund at \$100,000. In the event additional taxes are received at the end of calendar year, staff will determine what additional equipment and amenities could be purchased prior to opening the Aquatic Center in 2010 based on customer feedback from the 2009 season.

G.O. Bonds	\$ 8,488,000
Furman Gift	\$ 1,000,000
Anonymous Gift	\$ 1,000,000
Sales Tax Refund	\$ 100,000
Interest on Gifts	\$ 70,000
<b>TOTAL:</b>	<b>\$10,658,000</b>

**ATTACHMENT A**

**FURMAN AQUATIC CENTER  
BUDGET SUMMARY  
May 8, 2009**

	ORIGINAL	REVISED
<b>FUND TOTAL</b>	<b>\$10,658,000</b>	<b>\$10,658,000</b>
G.O. Bonds	\$ 8,488,000	\$ 8,488,000
Furman Gift	\$ 1,000,000	\$ 1,000,000
Anonymous Gift	\$ 1,000,000	\$ 1,000,000
Sales Tax Refund*	\$ 100,000	\$ 100,000
Interest on Gifts	<u>\$ 70,000</u>	<u>\$ 70,000</u>
<b>TOTAL FUNDS:</b>	<b>\$10,658,000</b>	<b>\$10,658,000</b>

**EXPENSES**

ISU FP&M	\$ 100,000	\$ 40,000
Site Preparation / Earthwork	\$ 475,000	\$ 437,565
Construction (Sande)	\$ 8,824,708	\$ 8,875,389
<b>Owner:</b>		
Prairie	\$ 60,000	\$ 60,000
Minor Equipment	\$ 150,000	\$ 155,885
Material Testing	\$ 25,000	\$ 37,517
Traffic Lights	\$ 0	\$ 159,831
PA/Security/Signage	\$ 0	\$ 20,000
Plaque	\$ 0	\$ 4,000
RDG (engineering)	\$ 718,000	\$ 722,256
Miscellaneous	\$ 0	\$ 20,000
Contingency	<u>\$ 305,292</u>	<u>\$ 125,557</u>
<b>TOTAL EXPENSES:</b>	<b>\$10,658,000</b>	<b>\$10,658,000</b>