
REPORT NAME

Warburg Arena Funding

RECOMMENDATION

That Council approve an additional funding contribution to the Warburg arena project up to \$1,330,000 with the additional \$220,000 allocated from the statutory municipal reserve.

IMPLICATIONS

Reason: Capital program funding adjustment

Authority: (MGA section/bylaw/policy number): N/A

Amount of funding required: \$220,000

Funding source: Statutory Municipal Reserve

BACKGROUND

In September 2022, Council provided conditional funding to support the phase 2 redevelopment of the Warburg arena. This project was to construct a new Zamboni room, storage space and replace the existing ice plant. Following this approval, the Village of Warburg and the Warburg arena board applied to the Province of Alberta for a grant of 1 million dollars, which was successfully announced in 2023. Administration has been working with the Village and community volunteers since this time to prepare for and select contractors to complete this work. The ice plant was tendered in the fall of 2023 and the Zamboni room was recently tendered.

The final numbers are now confirmed and to complete the work an additional Leduc County contribution of \$220,000 is required.

The following factors were identified as contributors to the shortfall of funding. Administration has supported adjustments as they will result in long term efficiencies and savings for both the County and Village. Our belief is that an investment today will result in future benefits.

1. The financial budget was reviewed and amended in 2022 for grant purposes. It did not anticipate the cost of construction or an inflationary factor for 2024. The industry has experienced significant costs increases for construction since 2022.
2. A scope change was supported to include the appropriate sizing of the ice plant to accommodate connection to the adjacent curling rink. This would result in future savings from having two ice plants in the community and would also result in annual operating savings due to maintenance and repairs costs. It was also determined that connecting the curling rink and this time would also result in efficiencies and savings.

Submitted by: Dean Ohnysty, Director – Community Services

Reviewed by: Alan Grayston, General Manager – Development and Community Services

Date: 04/09/24

3. Certain components of the ice plant were supported that would have long term benefits to the community. This included the decision to complete the heat floor and to have a heat recovery option available that could support facility energy efficiency. Both decisions will result in improved operations and future savings.
4. The scope of construction was adjusted to remove storage space previously planned. The committee felt that the ice plant connectivity was the priority.
5. The Warburg Ag society is currently applying for a grant of up to \$100,000 which would reduce the total contributions of the Village/County and a \$75,000 contingency remains in the budget for unexpected costs found during construction.

In 2017, Council approved a redevelopment plan for the Warburg arena that included 3 phases. Phase 1 included dressing rooms and has proven to have a positive impact on the community and in attracting users from across the region. This included a \$500,000 grant from the Province to support the project. Phase 2 is intended to provide improved safety and secure the core operations of the facility for several years to come. The new ice plant will be efficient and provide a detached structure complete with modern day monitoring tools and control features. Our investment continues to support many ice users from September to March each year.

With Council approval, we will continue to work with the Village of Warburg to secure contracts and immediately begin construction. Local companies have also been contracted for minor work that has also helped to reduce costs. Projects timelines continue to be complete for the fall operating season.