

**DATE:** December 22, 2022

**TO:** MAYOR AND COUNCIL

**NAME AND TITLE:** Walter Babicz, City Manager

**SUBJECT:** Budget Amendment for Daycare Projects

**ATTACHMENT(S):** None

**RECOMMENDATION(S):**

1. That Council APPROVES a budget amendment to Project #3352 – Malaspina Avenue Daycare to decrease the budget from \$5,135,299 to \$4,795,299 with a funding source of Grants.
2. That Council APPROVES a budget amendment to Project #3353 – Dagg Road Daycare to increase the budget from \$2,381,493 to \$2,721,493 with a funding source of Grants.

**PURPOSE:**

At its July 12, 2021 Regular Meeting, Council approved the addition of the Malaspina Daycare project to the 2021-2025 Financial Plan with a budget of \$2,998,818, to be funded by the Province of BC. At the same meeting, Council also approved the addition of the provincially funded Dagg Road Daycare project to the 2021-2025 Financial Plan, with a budget of \$2,381,493.

On March 14, 2022 Council approved an amendment to the Malaspina Avenue Daycare project #3352 budget in the 2021-2025 Financial Plan from \$2,998,818 to \$5,135,299, to be fully funded by the Province of BC.

The purpose of this report is to obtain Council's approval to further amend approved budgets for the Malaspina Avenue and Dagg Road daycare projects.

**BACKGROUND:**

With Council approval, Administration entered into an amended BC New Spaces funding agreement with the Province of BC to enable construction of the 83 space Malaspina Avenue Daycare Centre. Colliers Project Leaders was retained to provide project management services. Datoff Bros. Construction (Datoff) in partnership with Sahuri & Partners Architecture (Sahuri), the successful proponent team, was hired by the City of Prince George as Design-Builder of the Malaspina Daycare facility. The facility is nearing substantial completion and the City has been advised by Colliers Project Leaders that all committed and anticipated project expenditures have been reconciled, resulting in a project surplus of \$340,000. Administration is therefore seeking Council approval to amend the budget for Project #3352 – Malaspina Avenue Daycare by decreasing it to \$4,795,299.

Administration, with Council approval, also entered into a BC New Spaces funding agreement with the Province of BC to enable construction of the 60 space Dagg Road Daycare Centre (named Tsuhl' Cho Daycare) with a budget of \$2,381,493. The City entered into a Development and Construction Agreement with the Prince George Native Friendship Centre (PGNFC). The agreement obligated PGNFC to construct a 60-space centre at 6776 Dagg Road at its cost in compliance with the budget, schedule, and plans approved by the Province. PGNFC opted to provide in-kind project management and general contractor services, which would be eligible project expenses, to ensure costs related to completing the project did not exceed the funding envelope. Administration is therefore seeking Council approval to amend the budget for Project #3353 – Dagg Road Daycare by increasing it to \$2,721,493. This will allow PGNFC to be reimbursed for its costs associated with project management and general contractor services.

The Province of BC, the funder of both projects, approves and encourages flexibility with respect to the distribution of the total funding envelope across approved projects, and approves of this proposed re-distribution of budget monies.

**STRATEGIC PRIORITIES:**

The 2022/23 Corporate Work Plan identifies the completion of daycare developments as an activity that aligns with Council priorities. In addition, the City's facilitation of these developments aligns with the City's Child Care Action Plan that highlights the need for more childcare spaces throughout the City to meet demand.

**SUMMARY AND CONCLUSION:**

The purpose of this report is to obtain Council's approval to amend approved budgets for the Malaspina Avenue and Dagg Road daycare projects. The Malaspina Avenue Daycare is nearing substantial completion and the City has been advised by Colliers Project Leaders that all committed and anticipated project expenditures have been reconciled, resulting in a project surplus of \$340,000. Administration is therefore seeking Council approval to amend the budget for Project #3352 – Malaspina Avenue Daycare by decreasing it to \$4,795,299. In addition, Administration is seeking Council approval to amend the budget for Project #3353 – Dagg Road Daycare by increasing it to \$2,721,493. This will allow PGNFC to be reimbursed for costs associated with project management and general contractor services. The Province of BC, the funder of both projects, approves and encourages flexibility with respect to the distribution of the total funding envelope across approved projects.

**RESPECTFULLY SUBMITTED:**

Walter Babicz, City Manager

**PREPARED BY:** Chris Bone, Senior Manager of Civic Initiatives & Partnerships

Meeting Date: 2023/01/16