

## MULTIPLEX NEWS

The Russell Regional Multiplex Committee will be running a number of articles over the next few weeks and months providing information about the status of the project. The articles are intended to ensure that residents of our area are informed about the progress and issues related to the construction of the facility.

The first of these articles will discuss the value of the construction of the facility. There appears to be some confusion on the street and in the community as to the exact value of the construction of the project. Some of that confusion stems from the evolution of the project and some with the exclusion or inclusion of a contingency fund.

The original value of the multiplex concept as submitted to the Building Canada Fund (BCF) was for \$12 million. This project was to be funded equally between the Federal Government, Provincial Government and local resources. The original application although approved by BCF was downsized to a \$6 million project again funded 1/3 by the Federal Government, 1/3 by the Province and 1/3 by the local community.

When the Committee sat down to revise the original project to the lower funding level, it became clear quite quickly that \$6 million would not be sufficient to build a facility that would meet the needs of the community and the requirements of our funding partners at the Federal and Provincial levels. Changes were made and estimates were projected by our architects that the project would be somewhere between \$7 and \$7.5 million.

During the summer of 2010 the revised project went to tender and once the dust cleared we had a \$7.5 million project which included an ice plant that would need to be upgraded if it was going to meet the demands of the users of the facility and provide the heat recovery benefit that is key to keeping future operating costs of the multiplex as low as possible. The upgraded ice plant cost \$400,000 and thus resulted in a total tendered project value of \$7.9 million. The final add in on the value of the facility is a \$200,000 contingency fund that is in place to deal with unforeseen items. Given the nature of the construction, i.e. partial renovation, the inclusion of a contingency was deemed to be prudent and thus the overall budget of the Russell Regional Multiplex is \$8.1 million.

The Multiplex Project is a significant construction venture, unfortunately the development of such a project takes time and as the project evolves the construction costs also change. Not until the project was tendered could the committee be comfortable with the actual number for construction.

The good news is that the project continues on schedule and on budget to be completed by September 1<sup>st</sup>, 2011 at a price of \$8.1 million including a contingency of \$200,000.