

PRESS RELEASE

January 20, 2010

Mayerthorpe Exhibition Centre and Outdoor Swimming Pool Replacement Projects

The Town wishes to keep the people of Mayerthorpe updated on the progress of the Mayerthorpe Exhibition Centre and Outdoor Swimming Pool Replacement Projects.

Tech Cost Consulting Ltd. was hired as Project Manager to manage the overall projects from Project Start-up to Occupancy in June 2009. Bearden Engineering Ltd. was hired as Prime Consultant to provide conceptual and preliminary designs for both facilities, prepare working and drawings including site plan, floor plan, structural, mechanical, and electrical, in July 2009. Both firms entered into agreements with the Town that include Fixed Fees based on an estimated construction budget of \$6 million. The Town has not incurred additional expense in design of preliminary drawings of the arena and outdoor swimming pool.

An Open House was held August 18, 2009 to present a conceptual design of a stand alone arena, swimming pool, and site plan with future curling rink. The Town reported that the cost estimate on the conceptual design had not been received at this point, the conceptual design was subject to change based on budget constraints, and that input received taken into consideration. This conceptual design changed to include joining facilities based on public input. The Town received the cost estimate for this revised design on November 13, 2009 and was estimated at \$12 million double the \$6 million budget. As a result, new stand alone preliminary designs for both facilities have been prepared and provided to the Town on November 23, 2009. The Projects continue to move forward with completion of the Site Survey, Phase I Environmental Assessment, Geotechnical, Block Layouts, Site Survey, Preliminary Designs and Cost Estimates. Expense incurred to date is \$123,764.39 primarily paid for with insurance proceeds.

An impasse has been reached in trying to resolve the insurance claim and the Town is now in arbitration with the insurance company. Mr. Daniel Hagg, Q.C. of Bryan and Company LLP, Barristers and Solicitors has been appointed as Umpire through the arbitration process. Mr. Hagg is listed as one of the best lawyers in Canada in the area of Corporate and Commercial Litigation, Insurance Law, and Product Liability Law. It is anticipated that a recommendation will be provided by Mr. Hagg by January 31, 2010. This process has resulted in a 4 to 6 week delay in the Project Schedule. The Project Schedule originally anticipated starting construction in April 2010 with completion May 23, 2011. Items being disputed are directly related to the former Exhibition Centre as it stood five minutes before the fire on July 29, 2008.

A Corporate Donation Committee was formed in June 2009 with (1) member from Arena Operating Committee, (1) member from Mayerthorpe & Area Recreation and Aquatic Society, (2) - current and former elected officials, and (1) citizen at large. This Committee, as well as, community groups throughout the Community has raised \$122,298.91 with donations coming in on a regular basis. Federal and Provincial funding received/committed include: \$222,292 Community Facility Enhancement Program (Swimming Pool), \$25,000 Community Initiatives Program (Tube Slide), \$500,000 Community Facility Enhancement Program (Arena Upgrades), and \$75,000 Agricultural Initiative Program (Arena Stock Holding Facilities) \$822,000 Recreation Infrastructure Canada Program (Arena), Woodlands County \$100,000 (Pool), Lac Ste. Anne County \$100,000 (Pool), Town Recreation Reserve \$136,085 (Pool/Arena), and In-Kind Donation \$37,700 (Pool). All donations are held in trust pending construction of the arena and outdoor swimming pool. Pre-arbitration Insurance offer is \$3,613,492.65. Post-Arbitration is (?) at this point. The Town has received verbal commitments from industry, funds yet to be received. All donations received by the Town are being held in trust pending construction of the Arena and Swimming Pool.

If you have any questions, please feel free to contact Karen St. Martin, Chief Administrative Officer.

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Mayor

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