



MEMO

TO: Finance Committee
FROM: Monica Hughes
DATE: January 18, 2023
RE: Replacement of pool heaters

The capital budget for 2023 includes the replacement of one of the pool heaters at a budgeted cost of \$45,000. The pool operates with 2 heaters and staff is requesting consideration of replacing both heaters this year. During the budget process in the summer of 2022, staff received 2 quotes for the project; one was \$30,000 and the second was \$39,000. The Village budgeted \$45,000 to prepare for cost increases and additional electrical work that might be needed.

Staff now requested an updated quote from Dillet Mechanical and their \$30,000 quote has now risen to \$34,000. This past summer the pool functioned with only one working heater which proved challenging to maintaining a comfortable water temperature for pool users. Staff is now requesting consideration to replace both pool heaters which were installed in 2003. This will provide reliable equipment for this and future years. It is estimated that the project would total approximately \$70,000 as compared to the current \$45,000 budget.

The Village saw savings in the recreation operating budget for 2022 with the open position of the recreation manager from mid-October through year end. This provided both wage and benefit savings. A budget amendment to the 2022 budget to transfer these savings to the capital budget would assist in funding this increased project. The savings from this open position are approximately \$15000.

Preliminary financial statements for the year also indicate that the general fund will be under budget for 2022. This would allow additional funds to be transferred to the capital fund to support this and future projects. Staff will prepare a draft of the yearend financial statements for the February meeting and as has been the past practice, will include a budget amendment for consideration.