



Committee Report

Report FR-CW-25-17

To: Warden Barfoot and Members of Grey County Council
From: Kevin Wepler, Director of Finance
Meeting Date: November 23, 2017
Subject: **Building Condition Assessments and Reserve Fund Studies**
Status: Recommendation adopted by Committee as presented per Resolution CW263-17; Endorsed by Council December 14, 2017 per Resolution CC06-18;

Recommendation

1. That Report FR-CW-25-17 regarding Building Condition Assessments and Reserve Fund Studies be received; and
2. That staff utilize the Building Condition Assessments and Reserve Fund Studies as a resource in developing capital forecasts and annual budgets.

Background

The County of Grey awarded RFP-FIN-02-16 for consulting services to the Stonewell Group Inc. to undertake building condition assessments, facility condition indexes, reserve fund studies and energy audits for approximately 26 County buildings.

This study will assist County staff in gaining an improved understanding of the physical condition of the County's buildings and to project the long term capital requirements needed to maintain these buildings in an efficiently, functionally and structurally sound condition.

The building condition assessment, the facility condition index, the reserve fund study and energy audit, include the following scope of work:

1. Conduct a detailed non-destructive assessment of each building element as described in the proposal;
2. Identify problem areas that require in-depth destructive testing for proper evaluation of underlying defects;
3. Calculate and provide a prioritized list for elements that require repairs, retrofits and replacement of existing building elements;
4. Calculate the cost for future replacements;
5. Develop and incorporate 30-year cash flow projections, which list each of the identified elements that will require repairs, retrofits and replacement;
6. Identify financial factors and assumptions to be used in the cash flow projections;
7. Provide electronic copy of spreadsheets that can be used as a tool for County staff to

- assist with capital and asset management planning;
8. Photograph examples of deficiencies and include electronic copies with the report;
 9. Provide a reserve fund study that will project the future costs of capital repairs, and a cash flow analysis of the reserve fund balance;
 10. Calculate a facility condition index for each of the buildings using the facility condition index industry standard;
 11. Identify potential energy saving items.

The following buildings were included in the study:

Administration General Portfolio

- Morrison Building
- POA Storage Building
- Administration Garage

Long Term Care Portfolio

- Grey Gables
- Lee Manor
- Rockwood Terrace

Heritage Portfolio

- Grey Roots Museum and Archives
- Moreston Village

Paramedic Services Portfolio

- Owen Sound Station
- Craigleith Station

Transportation Services Portfolio

- Chatsworth Depot
- Clarksburg Depot
- Ayton Depot
- Dundalk Depot

Analysis

The building condition assessment included the following areas:

- Site work
- Structure
- Building Exterior
- Building Interior
- Elevators and Lift System
- Electrical Systems
- Mechanical Systems

Each component was evaluated and provided a condition rating (Excellent, Good, Fair and Poor) and provided a replacement prioritization system (Life Safety, Structural Integrity, Legislative Requirements, Building Functionality and Cost-Effective Initiatives). As well, the report provided information on life expectancy, the estimated remaining life, the effective age, cost estimate, capital work, and life span of building components.

The facility condition index is calculated by taking the replacement deficiencies of the facility divided by the current replacement value of the facility. The replacement deficiencies of the facility are the current costs resulting in repairs which have been deferred and repairs required in the very near future. To reduce some of the subjectivity in determining deficiencies the study has used the sum of the repairs identified in the next 5 years as the “replacement deficiencies of the facility”.

The facility condition index results in a very small number and the smaller the number the better the condition. The guidelines used are:

Under 0.05	= Good Condition
Between 0.05 and 0.10	= Fair Condition
Over 0.10	= Poor Condition

Assessments

Based on the building condition assessments completed, the following summary provides a list of the ten year repairs, retrofits and replacement costs.

Building	Replacement Deficiencies 2017-2021	Reserve Balance Dec. 31/16	2017 Budgeted Contributions/ Expenditures	Replacement Deficiencies 2022-2026
Administration Portfolio	\$115,482	\$170,000	\$3,000	\$67,926
Long Term Care Portfolio	\$2,093,726	\$2,604,614	\$462,180	\$2,355,436
Ontario Early Years Centre	\$247,329	\$217,007	\$18,600	\$28,043
Heritage Portfolio	\$1,059,423	\$341,249	\$141,400	\$46,278
Paramedic Services Portfolio	\$20,892	\$0	\$18,331	\$206,436
Transportation Services Portfolio	\$878,308	\$204,120	\$240,000	\$1,184,706
Total	\$4,415,160	\$3,536,990	\$883,511	\$3,888,825

Financial/Staffing/Legal/Information Technology Considerations

The Building Condition Assessment and Reserve Fund Studies have been developed as a tool to assist in the development of future annual budgets, capital forecasts, and supporting documentation for the County's Asset Management Plan.

Planning for future expenditures when building components reach their end of their useful life is important to ensure sufficient funding is available to maintain these buildings in an efficiently, functionally and structurally sound condition. The use of reserves and planning for these future repairs, retrofits and replacement is required in order to avoid funding shortfalls and large increases in the annual budget requirements.

It is recommended that staff continue to utilize the Building Condition Assessments and Reserve Fund Studies as a resource in developing capital forecasts and annual budgets.

Link to Strategic Goals/Priorities

This report links to Goal 3 to deliver excellence in governance and service and focus on enhanced asset management and long term financial planning.

Attachments and Background Information

[Roll-up of County Admin Buildings 2017](#)

[Roll-up of Long Term Care Buildings 2017](#)

[Roll-up of Childcare Buildings 2017](#)

[Roll-up of Grey Roots \(Heritage\) Buildings 2017](#)

[Roll-up of Paramedic Services Buildings 2017](#)

[Roll-up of Transportation Services Patrol Yards Buildings 2017](#)

Respectfully submitted by,

Kevin Wepler
Director of Finance