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**TO: GENERAL COMMITTEE**

**SUBJECT: FACILITIES PLANNING AND DEVELOPMENT 2022 CAPITAL FUNDING**

**WARD: ALL**

**PREPARED BY AND KEY CONTACT: J. DEVROOM, FACILITIES CAPITAL PROJECT SUPERVISOR, EXT. 4531**

**SUBMITTED BY: R. PEWS, DIRECTOR OF CORPORATE FACILITIES**

**GENERAL MANAGER APPROVAL: D. MCALPINE, GENERAL MANAGER OF COMMUNITY & CORPORATE SERVICES**

**CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER**

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**RECOMMENDED MOTION**

1. That the 2022 budgets for the eight projects identified within the report and set out in Appendix "A" of Staff Report FAC002-22 be increased by a total of \$798,300 to be funded from the Tax Capital Reserve.
2. That the 2022 budget for capital project FC1139 – City Hall Renovation Project be decreased by \$798,300, with this reduction in funding to be returned to the Tax Capital Reserve.

**PURPOSE & BACKGROUND**

Report Overview

3. The purpose of this Staff Report is to request the redistribution of 2022 Capital Planning budget from the City Hall Renovation Project to eight currently underfunded projects. Funding is necessary to ensure that the complete scope of the projects, as identified within the Capital Plan can be achieved as outlined and approved by Council.
4. The City of Barrie's capital facilities projects are facing significant cost escalation pressures. Facilities Planning and Development Staff, supported by Cost Consultants, have seen substantial increases in project costs related to inflation over the last two years during the on-going global pandemic.
5. Key drivers associated with expected cost escalations and budget pressures are cost increases related to commodity price rises, shortages in skilled labour and the rise of general inflation. The volume of capital projects coming to the market impact contractor and consultant availability and price. Building construction costs have increased by 30% to 35% in the last two years.
6. Budgets prepared by staff and Cost Consultants in past years reflected the building cost at the time of budgeting with the addition of standard year-on-year inflation. The budgets did not account for the inflation brought on by the global pandemic. As a result of the unprecedented and unforeseen rising construction costs, budgets created for the 2020 budget and since 2020 are insufficient. It was necessary to place some of the 2020 projects on a temporary hold due to COVID-19 restrictions and in an attempt to mitigate the City's financial exposure during this unprecedented time.

7. The eight projects that have been identified within staff report FAC002-22, are priority projects as they impact facility operations. The projects identified have dedicated resources and are supported in the 2022 procurement plan. The projects address life safety components of city assets, impact health and safety or are at the end of their expected life.

### ANALYSIS

8. The following eight projects have been identified as priority projects requiring the redistribution of 2022 approved capital budget to complete the scope of work identified within the capital plan. Below are descriptions of each priority project.

- **FC1251 - Sadlon Arena Fire System Replacement**

The Sadlon Arena Fire Alarm System Replacement project involves the removal and replacement of the existing fire alarm system including main annunciation panel, fixtures, and wiring. The project was originally identified as a priority due to its condition in 2019 and received budget approval in 2021. Since the project was identified and budgeted, costs have increased significantly along with lead times for the purchase and acquiring of the various components being replaced. The fire alarm system is at the end of its useful life and requires replacement to meet current Ontario Building and Fire Codes.

- **FC1166 - Allandale Recreation Centre Restoration**

The Allandale Recreation Centre Restoration Project was identified as required in 2016 as a restoration project to renovate the lobby area and entrance vestibules to address the existing conditions. In addition, the project includes the safe removal of designated substances located within the vestibule ceiling space. In 2020, the flooring of the lobby was replaced addressing part of the project scope. Upon completion of the design and a consultant's cost estimate, the initial budget is not sufficient to complete the project. The budget requires additional funding to offset the current escalated estimated cost which is due to the current pandemic. The restoration project is an important project to the Allandale Recreation Centre as the replacement will address health and safety and accessibility concerns. In addition, the doors are at the end of their useful life and a replacement is more cost effective than continual repairs.

- **FC1199 - Holly Community Centre Parking Lot Refurbishment**

The need for repairs to the Holly Community Centre parking lot was identified in 2016 and due to financial constraints was added to the 2020 Capital Plan. During the early stages of the project, it was identified by the consultant that the failing condition of the parking lot was more significant than originally identified. The repairs to the parking lot are a priority as much of the repair work was identified as a health and safety concern. A significant amount of concrete sidewalk along the east side of the building has frost heaved and has the potential to become a tripping hazard. Completing this project will mitigate the potential risk to the City.

- **FC1224 - 56 Mulcaster Roof Top and HVAC Replacement**

As noted within the 56 Mulcaster Facility Condition Assessment, the roof and HVAC were in poor condition and at end of life. The project was identified in 2019 as required and approved within the 2020 Capital Plan. In 2021, the roof of 56 Mulcaster was replaced and the design of the HVAC scope of the project was initiated. Through the design process it was determined that the operating costs could be reduced with the installation of an energy efficient system. The system type designed is a VRF system which matches the HVAC system recently installed within City Hall. A VRF system will support the City's Strategic Plan to improve the energy efficiency of the corporation and reduce its carbon footprint.

- **FC1252 - East Bayfield Community Centre Air Cooled Condenser Replacement**

The East Bayfield Community Centre cooling tower was identified for replacement in 2019 and due to financial constraints was approved within the 2021 Capital Plan. The current consultants cost estimate reflects an estimation of the 2022 construction cost. The roof top condenser is at the end of its useful life and is at risk of major failure which will impact the facilities day to day operations. Lead times for replacement parts or a full replacement are extensive (24+ weeks). Any delay to the project would put the operation of the facility at risk. If the unit fails, there is a potential for significant down time to facility services resulting in lost revenue.

- **FC1279 - East Bayfield Community Centre Flat Roof Replacement**

The East Bayfield Community Centre Flat Roof project had been identified for replacement in 2021 and approved within the 2022 Capital Plan. Significant sections of the gravel surface built up roofing have failed and leaks have become more common with patching required on a regular basis. The roof requires replacement prior to further roof leaking and causing damages to the interior finishes of the building. Should the roof leaks increase or occur in publicly occupied areas of the building, the programming of the building would be affected and result in significant down time to facility services resulting in lost revenue.

- **FC1238 - Allandale Recreation Centre Large Pool Heating System Replacement**

The Allandale Recreation Centre Large Pool Heating System Replacement project consists of the replacement of the main boiler and its associated controls. The boiler is essential to the pool heating system and is at the end of its useful life. The system has required regular costly repairs to maintain the system and avoid downtime of the large pool. The consultant associated to the project has recommended a full replacement as a complete failure is probable. In the case of a system failure, the large pool of the Allandale Recreation Centre would be down for a significant amount of time causing a long period of disruption to the public programming and lost revenue.

- **FC1291 - Painswick Library Metal Roof Repair**

The Painswick Library Metal Roof Repair project was identified for replacement in 2021 as ongoing leaks have caused damages to the interior finishes. A consultant's report has provided various options for the repair with estimated costs. All costs were reflective of 2021 dollars. The leaks are continually causing damages to the interior finishes of the library. If not addressed immediately, further damage to a City asset will occur with the potential of a negative impact to the services provided to the community. In addition, the infiltration of water into closed ceiling spaces creates a risk of mould forming which would elevate the concern of health and safety within the facility.

- **FC1139 – City Hall Redevelopment**

The City Hall Redevelopment project was identified in 2018 as a multi-year project, with the purpose of renovating each floor to increase space efficiencies to support consistent growth. By renovating each floor of City Hall, the occupant capacity would be increased by approximately 30%. With this increase in space, the City of Barrie would be able to push out the need for a costly addition to City Hall. The 3<sup>rd</sup> floor was renovated in 2019 with the fourth floor planned to follow in 2020. As a result of the pandemic and the uncertainty of future space requirements, the fourth-floor renovation was paused. As shown in Appendix A, \$1,114,755 of the overall budget is uncommitted, with additional budget allocated to future years. Staff estimate that approximately \$420,600 will be needed in 2022 to continue with the design and the construction of the fourth floor and therefore request Council approval to reallocate the remainder of these previously approved funds to the other projects listed above. Future funding requirements for FC1139 will be included as part of future capital budget submissions.

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## **ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS**

9. The projects identified are primarily replacement projects that will address the end of life or failure of various components of a facility, however the replacement of these components will also create energy efficiencies as proposed technologies produce less greenhouse gases than the current systems in place.

## **ALTERNATIVES**

10. The following alternatives are available for consideration by General Committee:

**Alternative #1** General Committee could choose to not endorse the recommended motion contained in staff report FAC002-22.

This alternative is not recommended as the various Capital Projects identified are priority projects that will ensure the affected facilities remain operational and avoid an interruption of services to the residents of Barrie. Should the recommended motion not be endorsed, a significant reduction of the scope of work of each project will be required in order proceed with a portion of the project that the current budget can accommodate. Separating the project into smaller portions is not recommended and in some cases is not viable. The remainder of the scope would still be required at a near future date, which would result in duplication of some costs associated with the works.

## **FINANCIAL**

11. The redistribution of capital budgets associated with the recommended motion of staff report FAC002-22 have been shown in the table included under Appendix A.
12. The City's reserves are overcommitted on a consolidated basis. To mitigate additional pressure on reserves, the additional 2022 budget request of \$798,300 for the eight projects identified in paragraph 1 is being offset by returning budget of \$798,300 for the one project identified in paragraph 2. The budget being returned is not expected to be utilized in 2022, and the timing and budget for the project will be reconsidered as part of the 2023 Capital Plan.

## **LINKAGE TO 2018–2022 STRATEGIC PLAN**

13. The recommendation(s) included in this Staff Report support the following goals identified in the 2018-2022 Strategic Plan:
- Fostering a Safe and Healthy City
14. The recommendations included in this Staff Report support Fostering a Safe and Healthy City as it ensures that City owned civic facilities and their associated assets are safe, functional, and well maintained



**Appendix A – 2022 Project Budget Request**

Capital Projects		Year Identified	Budget			Cost Estimate		Funding Source
			2022 Approved Project Budget	Assigned Budget (\$)	Uncommitted Budget (\$)	Consultants Cost Estimate (Incl. of Inflation)	Redistributed Budget Required (Including Contingency)	
Sadlon Arena Fire System Replacement	FC1251	2019	\$225,000	\$6,869	\$218,131	\$280,500	<b>\$71,800</b>	Tax Capital Reserve
Allandale Recreation Centre Restoration	FC1166	2016	\$500,000	\$214,432	\$285,568	\$433,783	<b>\$170,500</b>	Federal Gas Tax Reserve
Holly Community Centre Parking Lot Refurbishment	FC1199	2016	\$150,000	\$23,714	\$126,286	\$217,300	<b>\$104,700</b>	Tax Capital Reserve
56 Mulcaster Roof Top and HVAC Replacement	FC1224	2019	\$500,000	\$200,426	\$299,574	\$354,560	<b>\$63,300</b>	Tax Capital Reserve
East Bayfield Community Centre Air Cooled Condenser Replacement	FC1252	2019	\$425,000	\$36,634	\$388,366	\$465,000	<b>\$88,200</b>	Cash-In-Lieu Parkland Reserve
East Bayfield Community Centre Flat Roof Replacement	FC1279	2021	\$1,500,000	\$48,600	\$1,451,400	\$1,514,000	<b>\$72,000</b>	Cash-In-Lieu Parkland Reserve
Allandale Recreation Centre Large Pool Heating System Replacement	FC1238	2016	\$500,000	\$50,000	\$450,000	\$583,000	<b>\$153,000</b>	Cash-In-Lieu Parkland Reserve
Painswick Library Metal Roof Repair	FC1291	2022	\$285,000	\$0	\$285,000	\$350,000	<b>\$74,800</b>	Tax Capital Reserve
City Hall Redevelopment	FC1139	2021	\$2,350,000	\$1,235,245	\$1,114,755	\$420,600	<b>-\$798,300</b>	Tax Capital Reserve
							<b>\$0</b>	