




Hamilton

# INFORMATION REPORT

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	November 27, 2020
<b>SUBJECT/REPORT NO:</b>	Capital Lifecycle Renewal - Facilities Roof Replacements (PW18065(b)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Janet Warner (905) 546-2424 Ext. 7041
<b>SUBMITTED BY:</b>	Rom D'Angelo, C.E.T.; CFM Director, Energy, Fleet and Facilities Management Public Works Department
<b>SIGNATURE:</b>	

## COUNCIL DIRECTION

Not Applicable.

## INFORMATION

The purpose of this Information Report is to update members of the General Issues Committee of previous reports regarding facilities lifecycle renewal funding, specifically for the replacement of facility roofs, as it relates to the next few years.

The 2021 Capital Budget year marks the second year of a multi-year plan whereby a significant portion of the Facilities Capital Block Funding will be redirected to a much-needed Roof Management Program in order to ensure a state of good repair and prevent further deterioration to a critical building component. Therefore, being proactive with the health of a roofing system will ultimately reduce the building financial liability.

At the November 29, 2019 General Issues Committee, staff from the Energy, Fleet & Facilities Management Division (Public Works) presented an Information Report PW18065(a) which outlined the need for funding of \$5.8 million in addition to the allotted Facilities Block Funding as part of the 2020 Capital Budget. The Information Report was to highlight and address the urgent priority for the replacement of nine unfunded roofs,

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OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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based on the considerations previously outlined for investment in the roof infrastructure renewal such as end-of-life assets and public perception. The primary focus and consideration of the roof replacements is on health and safety related to not only the facility, but in regard to air quality and mould issues (i.e. as it relates to roof leaks) within public buildings, as well as prevent continued (potential) damage to the rest of the facilities.

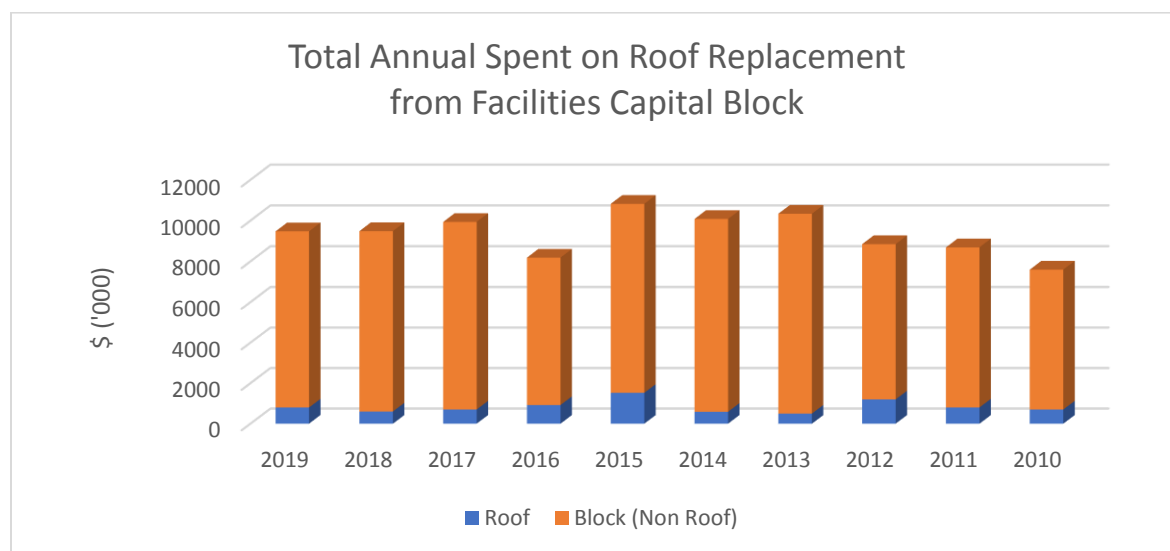
The basis of the Roof Replacement Report PW18065(a), was predicated on staff's earlier introduction of Report PW18065 – 'Capital Lifecycle Renewal – Strategic Renewal of Facilities' which outlined a growing capital backlog of over \$216M, translating to significant end-of-life infrastructure and in particular, roofs - failing or at risk of failing.

**BACKGROUND**

The total cost of all priority roofs which have reached or will soon exceed end-of-life is anticipated to be over \$60 million (at over 135 locations). Within the inventory of 135 locations, replacing approximately 20 of the most critical roofs before 2025 will cost approximately \$20 million.

As illustrated in Chart 1, over a 10-year period (2010–2019), approximately 9% of the annual Corporate and Recreation Capital Block Funding, or just over \$8M (\$800k annually) out of approximately \$93M, has been allocated to the repair and replacement of aging and failing roofs in order to maintain both the health and safety to the public and staff.

Chart 1



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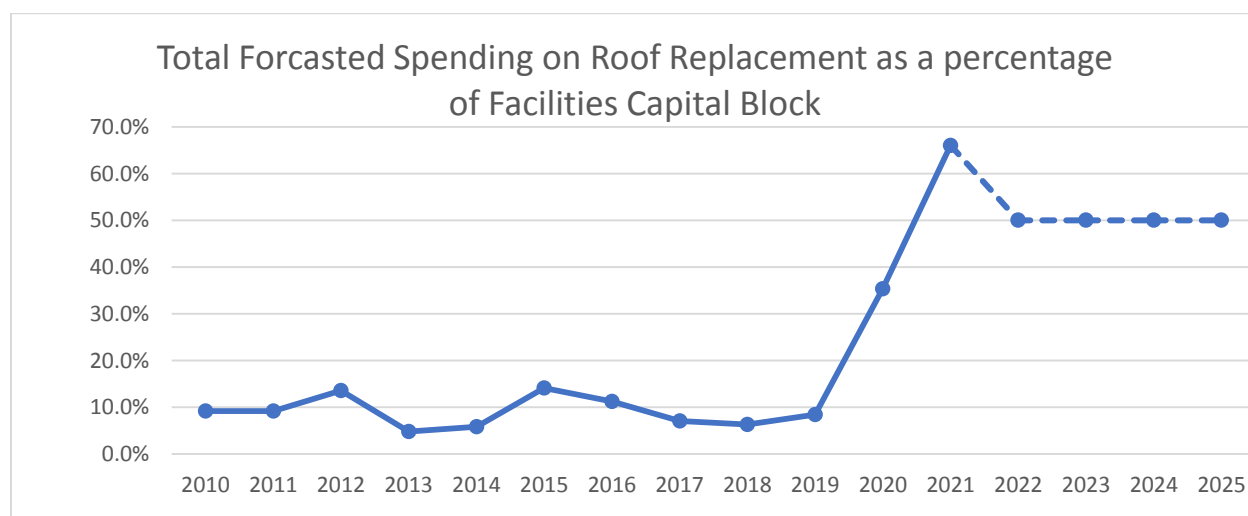
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The most cost-efficient way to maintain any building is to proactively plan for repairs and upgrades. As budgets for annual asset maintenance and annual capital stay static, or increase marginally, the priorities for spending that money can change rapidly.

Unlike previous years, 2020 has seen a significant priority shift in the Roof Management Program whereby 35.3% (\$3.3M) of the annual Facilities Block Funding went towards a number of roof replacements in order to address leaking roofs and roofs beyond their end of life at various arenas, recreation centres and other public facing facilities.

The 2021 Facilities Capital allocation will be no different than the current year, where a large portion of the funding will go towards the Roof Management Program. In fact, the roofing program will account for 66% of the Facilities gross capital budget in 2021.

Chart 2



In order to address 20 of the most urgent roofs by 2025, assuming no funding from other levels of government, approximately 60% - 70% of the Facilities Block funds would need to be expended on roofs across all facilities portfolios. As illustrated in Chart 2 the forecast in 2022 to 2025 has been adjusted based the anticipation of funding approvals from other levels of government (Investing in Canada Infrastructure Program (ICIP)).

As infrastructure priorities shift, the City-owned facility roofs will continue to be reviewed and assessed through the Roof Management Program and Facilities' Building Condition Assessments (BCA) to determine priorities on a yearly and as-needed basis. Future capital will be requested and required to undertake the necessary roof replacements either as separate projects or where possible, as part of a larger, capital project in order to benefit from synergies with other works required. Combining works within a larger-

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scale project will realize and maximize savings, time as well as minimize disruption to the public and those who utilize the facility.

A reprioritization of Facilities Block Funding toward the Roof Management Program would effectively require delaying or ultimately reducing the funding distribution of the following block-funded Facilities Capital Programs & Projects in order to address roof replacement:

- Mechanical Infrastructure Life-cycle renewal;
- Parking Lot Rehabilitation;
- Facility Upgrades to Hamilton Public Libraries;
- Fire stations Facility Upgrade;
- Recreation Centre Retrofits;
- Senior Centre Retrofits;
- Arena Retrofits;
- Park & Fieldhouse Retrofits;
- Community Halls Retrofits;
- Yard capital renewal;
- Facility Capital Maintenance;

Further deferring these capital programs may result in failure of other key end-of-life infrastructure. One example could be a failure in the mechanical infrastructure used to heat a facility. This may result in staff returning to Council for funding for emergency repairs. For under-funded facilities, delaying budgets for capital repairs elevates risks on the feasibility of keeping select facilities open to the public in coming years.

Based on previous year(s) funding approvals for the Roof Management Program, Facilities' staff have initiated the design and replacement (underway) of the following roofs in 2020:

- Hamilton Farmer's Market;
- Terryberry Library which is also being coordinated with necessary HVAC and building envelope work resulting in synergies and a more wholesome and complete project;
- Westdale Library will also include HVAC and envelope work and will be tendered as one project;
- Spring Valley Arena;
- Ancaster Seniors' Centre (completed);
- Valley Park facility roof repairs have been incorporated into the larger, capital project;
- Parkdale Arena roof work has been included in the capital project tendered in 2020.

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Additionally, and in combination with the 2021 Capital Budget, Facilities' staff will commence the design of the following roofs without compromising other infrastructure block funded programs, the following will be 'tender ready' for the 2021 season:

- City Hall Garage
- Lawfield Arena
- Beverly Arena
- Carlisle Arena

**OTHER FUNDING SOURCES**

Report FCS19-080, Investing in Canada Infrastructure Program (ICIP) - Community, Culture and Recreation Stream Intake, was presented and approved by General Issues Committee on October 16, 2019. Staff brought forward several roofing priorities in Recreation Facilities, compiled as 4 Phases of 17 roof replacements.

**APPENDICES AND SCHEDULES ATTACHED**

Not Applicable.