

STAFF REPORT

Department: Public Works

Date: January 22, 2025

Item: Public Works Garage Capital Planning

Recommendation: Be It Resolved That: Council provides staff with direction to earmark the required funds for the pre-design activities understanding that this project will need to be funded through debt and that Council will have the opportunity to make the final decision on this item based on financing options to be explored by the Treasurer.

- **Background:** Under Goal 6 of the Strategic Plan: Effective Municipal Governance and Operations, it was identified that the design and upgrade of the Public Works Garage is a priority as part of the Town's future facility planning needs.
- The main garage was constructed in 1975. It is 50 years old this year. It is 4,000 square feet in size.
- The Recycle Shed was constructed in 1997. It is 28 years old. It is 2,500 square feet in size. The Recycle Shed was constructed at a lower roof elevation than the main garage and the roll-up door is 2ft lower than the roll-up doors in the main garage. This limits what pieces of equipment we can store inside the Recycle Shed due to them being over-height for the door.
- Currently both are undersized to house all winter maintenance equipment, so several pieces sleep outside throughout the winter. There are occasions when equipment does not start when required due to cold temperatures. This delays our deployment and the completion of the affected routes.
- To get the most critical pieces of equipment inside, we crowd our main garage & recycle shed. This has led to contacts between pieces of equipment accessing and egressing the garage as well as restricts the walking paths through the garage accessing the office facilities, washrooms and exits.
- A "facility condition assessment" was conducted in 2018 by Macintosh Perry, an engineering firm now known as Egis Group. It was a visual inspection.
- The report found that the main garage required extensive repairs to improve Health & Safety, functionality, energy efficiency and overall usability.
- It estimated that the cost of repairs required to the main garage and recycle shed from 2018 until today equaled \$294,994. The report also recommended that another \$274,405 will be required to these buildings over the next 20 years. This does not include other site and out-building upkeep costs over the next 20 years, estimated at an additional \$150,655. All of these estimates were



calculated in 2018 and 7 years has passed with no progress as the focus was on the administration portion of the facility and accessibility. Over the next 20 years it was estimated that \$720,054 would be required total, which is closer to \$909,025 today with inflation (plus tax). This is simply to repair existing features and bring up to current standards. This does not expand the Department's capacity which was part of the intent of the inclusion of this item in the Town's Strategic Plan: "Designing the upgrade of the Public Works garage to expand capacity and constructing the upgrade."

Analysis: Main Garage Report Overview

- The concrete slab/foundation was found to be in good condition.
- The summarized list of repairs recommended to be completed by the end of 2025 are as follows:
 - Interior and exterior steel cladding (siding) replacement due to extensive corrosion
 - Windows, steel pedestrian doors and all garage bay roll-up doors and hardware require replacement due to age and condition
 - Improvements to the HVAC system including the addition of a CO monitoring system are recommended

Recycle Shed Report Overview

- The concrete slab/foundation was found to be in good condition.
- The summarized list of repairs recommended to be completed by the end of 2025 are as follows:
 - Exterior steel cladding (siding) replacement due to extensive corrosion
 - Steel pedestrian doors and garage bay roll-up door and hardware require replacement due to condition
 - Roof raingoods (eavestrough) requires replacement
 - Improvements to the HVAC system including the addition of a CO monitoring system are recommended

Project Concept

- Today's concept is that we would renovate the existing main garage, demolish the Recycle shed and build a new section of garage that matches the profile of the main garage while adding space for more indoor storage including a drive-through bay at the back (1 – 2 additional bays).
- A class D estimate was completed for this concept and the estimated total cost to complete the project as described is \$6,202,075 plus tax. This is a very preliminary # and is likely to change as the design process progresses.
- As it stands right now, the garage facilities are in a state of disrepair and at minimum require significant repairs according to the Macintosh Perry report.
- It would make sense to delay repairs of the existing facility if we are moving in a direction towards reconstruction as it would remedy every listed current deficiency.



- Also, if we did not proceed in a direction towards eventual reconstruction, we will not be in a position to proceed on short notice should funding come available. By having a year's worth of pre-construction design work completed, we are far closer to being "shelf-ready" for the project. It should be noted however, that external funding for the project is unlikely. There may be funding programs pertaining to energy efficiency that can apply.

2025 Recommendation

- It is recommended to commence as though the reconstruction project was approved. Pre-Design as well as schematic and design development would take place in 2025 at an estimated cost of \$167,500 plus tax. Pre-design tasks include surveying, geotechnical investigation and a design report that includes a class C cost estimate. Developing the design including schematics and a more fulsome report including a class B estimate would follow (same year).
- The detailed design could then be undertaken in 2026 and the project would be considered "shelf-ready" for construction in 2027 should funds become available.

Other Options

- Council could elect to not proceed with the project design tasks suggested for 2025 and instead consider performing repairs to the existing garage facilities. Being as the entire facility will require reconstruction at some point, it is likely that some of the repairs will be redone during a more fulsome project down the road.
- Council could elect to do nothing in the direction of full facility reconstruction OR portions of renovations/repairs. This would put our operation at risk as we are already overdue on many of the recommended repairs. Public Works is an essential service that the community relies upon. The facility is essential to providing legislated services such as road maintenance, water distribution and sewer collection.

Existing Policy: N/A

Strategic Goal: Effective Municipal Governance and Operations

Financial Commitment:

Today, we are seeking Council's direction on whether there is an appetite to commit to debt financing for this project, with a maximum cost of \$7 million.

This decision does not commit us to immediate expenditures. Financing options will have to come back to Council for approval once determined. Debt for construction projects is typically undertaken in phases, and we have the ability to front some costs through reserves, giving us flexibility as the project progresses.



Additionally, locking in interest rates early would help reduce future financial pressures. Based on our calculations, the annual cost of the debt—including principal and interest—would be approximately \$404,000 to \$630,000 annually.

If there isn't an appetite for debt financing, we will need to consider alternative solutions. At a minimum, we would need to include \$50,000 in the 2025 operating budget for a study on short-term fixes. Beyond that, addressing the backlog of issues would require an estimated \$300,000 in rehabilitation costs in 2026, followed by ongoing costs of approximately \$100,000 annually over the next five years.

Existing Policy: Click or tap here to enter text.

Strategic Goal: Click or tap here to enter text.

Financial Commitment: Click or tap here to enter text.

Budgeted: **Yes** **No**

Implementation: Upon budget approval with return to Council pursuant to Procurement Policy at various stages

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Approval of Recommendation: **Yes** **No**

Comments: