



Committee Report

To:	Warden Hicks and Members of Grey County Council
Committee Date:	August 12, 2021
Subject / Report No:	FR-CW-21-21
Title:	Building Condition Assessments and Reserve Fund Studies
Prepared by:	Amanda Brooks, Asset Management Coordinator
Reviewed by:	Mary Lou Spicer, Director of Finance
Lower Tier(s) Affected:	None
Status:	Adopted as presented by Committee of the Whole through Resolution CW129-21; Endorsed by County Council CC63-21

Recommendation

- 1. That Report FR-CW-21-21 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 asset management plans, capital forecasts and annual budgets, as well as for long term planning.**

Executive Summary

Building condition assessments are a critical tool in understanding the condition and future maintenance requirements of building assets owned, operated, or provided funding by Grey County. The information obtained by this project will be essential to consider in the County's future asset management planning, 10-year capital plans, annual budgets, and all strategic decision-making regarding County buildings. The anticipated costs, risks, and benefits of all actions proposed to be taken in managing these assets will need to be considered in determining the optimal level of service to be offered through these assets. Staff will utilize the information provided in the deliverables from this project to aid Council in their decision making on project priorities regarding County buildings.

Background and Discussion

The County of Grey awarded RFP-CS-01-20 to WalterFedy in September 2020 for consulting services including completing building condition assessments, calculating facility condition indexes, and performing reserve fund studies and energy audits for 94 County building locations. The timeline of this project experienced some unforeseen delays during completion caused by the covid-19 pandemic.

This study will assist County staff in gaining an improved understanding of the physical condition of the County's buildings and in projecting the long-term capital requirements that are recommended to maintain these buildings to ensure they remain efficient, functional, and structurally sound. The information gained during this project will be integrated into the County's CityWide Asset Manager software so that it can be fully utilized in the County's asset management planning and considered in the upcoming 2021 iteration of the Asset Management Plan that is scheduled to be presented later this year.

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

1. Conducting a detailed non-destructive assessment of each building element as described in the proposal;
2. Identifying problem areas that require in-depth destructive testing for proper evaluation of underlying defects;
3. Providing a prioritized list of components that require repairs, retrofits and replacement of existing building elements;
4. Calculating the current and future value of building component replacements;
5. Developing and incorporating 30-year cash flow projections, which list each of the identified elements that will require repairs, retrofits and replacement;
6. Identifying financial factors and assumptions to be used in the cash flow projections;
7. Providing electronic copies of spreadsheets that can be used as a tool for County staff to assist with capital and asset management planning;
8. Photographing examples of components and deficiencies and including electronic copies within the reports;
9. Providing a reserve fund study that will project the future costs of capital repairs, and a cash flow analysis of the reserve fund balance;
10. Calculating a facility condition index for each of the buildings using the facility condition index industry standard;
11. Componentizing and categorizing all building elements in accordance with the Unifomat II Level 3 classification system; and
12. Identifying potential energy saving items.

The project was primarily overseen by the Finance department, but all building-owning departments were heavily involved in leading the onsite visits, providing supporting information, and in reviewing draft reports. All County buildings were included in the study, which include the following portfolios (a comprehensive building list is provided in the chart below with FCI data):

- Administration General Portfolio
- Childcare Portfolio
- Economic Development, Tourism, and Culture Portfolio
- Housing Portfolio
- Long Term Care Portfolio
- Paramedic Services Portfolio
- Transportation Services Portfolio

As a subsidy provider, Grey County also orchestrated the completion of all deliverables for non-profit housing sites as well and the reports and details have been provided to the respective managers of these sites as a resource to help with their asset management and financial planning.

Deliverables received for each building site from WalterFedy included detailed Building Condition Assessment Reports providing a comprehensive analysis of all building components and the ASHRAE Level I Energy Audit details and recommendations, a thorough Vertical Transportation (elevator/lift) Due Diligence Report for sites where relevant, a complete Capital Forecast Excel workbook for each site, and a Raw Data Excel file for each building listing the building's components as per Uniformat II Level 3 categorization.

The building condition assessment final reports included the following sections containing detailed findings regarding all relevant building components:

- Substructure
- Building Exterior
- Building Interior
- Mechanical Services
- Electrical Services
- Site Features

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 Upgrades). As well, the reports provide information on component estimated useful lifespans, the current remaining life, repair and replacement recommendations, and

estimates of all associated costs. A sample report for a Housing building has been linked at the end of this report for reference.

Assessments

The information gathered during this project will be used going forward in annual budgets, 10-year capital plans, long term planning and asset management plans. Please note however that the actual future plans for buildings within the County’s portfolio may differ from the recommended plans per the study as the study makes recommendations assuming the buildings will continue to be used in their current capacities and does not consider potential sales, rebuilds, etc. as directed by Council. The study provides third party objective recommendations based upon the current state of the buildings and considers their current usages. It should also be noted that recommendations are made assuming typical useful lifespans which may vary and assumes that an excellent condition level is desired, and funds are not a concern. It may be determined by decisionmakers that a near perfect condition level is not attainable depending upon the level of service actually required by the building for its intended use, and when considering the associated cost level of obtaining a high condition level.

The facility condition index (FCI) is calculated as the percentage of the total renewal and repair costs to the total building replacement cost, and therefore the smaller the number the better the condition. If repairs are not undertaken, the FCI increases as the condition of the building deteriorates. The following benchmarks are typical industry standards used to indicate the overall building condition based on the FCI calculation:

- 0%-5% = Good Condition
- 5%-10% = Fair Condition
- 10%-30% = Poor Condition
- >30% = Critical Condition

The overall FCI for each County-owned building and portfolio for 2021 and the 10-year average FCI* for each building is listed in the chart below, as well as the associated condition as per the FCI guidelines:

Property/Building Name	Location	Address	Build Year	2021 FCI	2021 Condition	10 Year Average FCI*	10 Year Average Condition*
Administration General Portfolio							
Morrison Building	Owen Sound	509 9th Avenue East	1900	0.18%	Good	6.54%	Fair
POA Storage Building	Owen Sound	595 9th Avenue East	1998	0.13%	Good	2.62%	Good

Property/Building Name	Location	Address	Build Year	2021 FCI	2021 Condition	10 Year Average FCI*	10 Year Average Condition*
Administration Building	Owen Sound	595 9th Avenue East	1960, 2018	0.32%	Good	2.58%	Good
Administration Garage	Owen Sound	595 9th Avenue East	1980	1.03%	Good	21.73%	Poor
Administration Salt Shed	Owen Sound	595 9th Avenue East	2007	0.00%	Good	20.36%	Poor
Overall Administration General Portfolio Average				0.33%	Good	10.77%	Poor
Long Term Care - Grey Gables Portfolio							
Grey Gables	Markdale	206 Toronto Street South	1998	1.26%	Good	9.93%	Fair
Grey Gables - Garage	Markdale	206 Toronto Street South	2002	0.00%	Good	8.55%	Fair
Long Term Care - Lee Manor Portfolio							
Lee Manor	Owen Sound	875 6th Street East	1973	0.44%	Good	4.35%	Good
Long Term Care - Rockwood Terrace Portfolio							
Rockwood Terrace	Durham	875 Saddler Street	1984	0.48%	Good	7.91%	Fair
Overall Long Term Care Portfolio Average				0.55%	Good	7.69%	Fair
Heritage Portfolio							
Grey Roots Museum and Archives	Georgian Bluffs	102599 Grey Road 18	2004	0.30%	Good	10.67%	Poor
Grey Roots - Bandstand	Georgian Bluffs	102599 Grey Road 18	2009	0.00%	Good	3.67%	Good
Grey Roots - Barn	Georgian Bluffs	102599 Grey Road 18	1907	0.00%	Good	0.51%	Good
Grey Roots - George Rice Blacksmith Shop	Georgian Bluffs	102599 Grey Road 18	2009	0.21%	Good	1.83%	Good
Grey Roots - Pioneer Log Blacksmith Shop	Georgian Bluffs	102599 Grey Road 18	1972	0.59%	Good	6.13%	Fair
Grey Roots - Moore & Muir Engine Works	Georgian Bluffs	102599 Grey Road 18	2010	0.27%	Good	0.54%	Good
Grey Roots - Farm House	Georgian Bluffs	102599 Grey Road 18	1892	1.15%	Good	3.41%	Good
Grey Roots - Bluewater Garage	Georgian Bluffs	102599 Grey Road 18	1992	0.99%	Good	2.24%	Good
Grey Roots - Log Cabin	Georgian Bluffs	102599 Grey Road 18	1971	0.00%	Good	4.88%	Good
Grey Roots - Log House	Georgian Bluffs	102599 Grey Road 18	1843	2.87%	Good	9.82%	Fair
Grey Roots - Herb Miller Sawmill	Georgian Bluffs	102599 Grey Road 18	1981	0.51%	Good	1.28%	Good
Grey Roots - School House	Georgian Bluffs	102599 Grey Road 18	2009	0.08%	Good	9.97%	Fair
Grey Roots - Historic Machinery & Equip. Bldg.	Georgian Bluffs	102599 Grey Road 18	2014	0.00%	Good	1.17%	Good
Grey Roots - Orange Hall	Georgian Bluffs	102599 Grey Road 18	2017	0.00%	Good	2.56%	Good
Overall Heritage Portfolio Average				0.50%	Good	4.19%	Good

Property/Building Name	Location	Address	Build Year	2021 FCI	2021 Condition	10 Year Average FCI*	10 Year Average Condition*
Economic Development Portfolio							
Sydenham Hub	Owen Sound	1130 8th Street East	1967	0.58%	Good	3.20%	Good
Childcare Portfolio							
Ontario Early Years Centre	Hanover	519 9th Street	1976	0.39%	Good	6.40%	Fair
Paramedic Services Portfolio							
Paramedic Services Base - Owen Sound	Owen Sound	1211, 3rd Avenue, East	2003	0.18%	Good	9.17%	Fair
Paramedic Services Base - Craigleith	Craigleith	796338 Grey Road 19	2012	0.14%	Good	3.71%	Good
Paramedic Services Base - Chatsworth	Chatsworth	317157 Highway 6&10	2019	0.06%	Good	0.56%	Good
Overall Paramedic Services Portfolio Average				0.13%	Good	4.48%	Good
Transportation Services Portfolio							
Patrol Yard A - Patrol A Portfolio							
Patrol Yard A - Chatsworth Depot Main Office/Garage	Chatsworth	317157 Highway 6&10	1975	1.37%	Good	9.18%	Fair
Patrol Yard A - Chatsworth Depot Sand Dome	Chatsworth	317157 Highway 6&10	1978	0.98%	Good	8.02%	Fair
Patrol Yard A - Chatsworth Depot Salt Shed	Chatsworth	317157 Highway 6&10	2015	0.50%	Good	0.50%	Good
Patrol Yard A - Chatsworth Depot Bridge Crew Shed	Chatsworth	317157 Highway 6&10	2000	0.07%	Good	12.32%	Poor
Patrol Yard A - Chatsworth Depot Storage Shed	Chatsworth	317157 Highway 6&10	2006	0.00%	Good	1.09%	Good
Patrol Yard B - Patrol B Portfolio							
Patrol Yard B - Clarksburg Depot Main Office/Garage	Clarksburg	827489 Grey Road 40	1992	0.03%	Good	6.59%	Fair
Patrol Yard B - Clarksburg Depot Salt & Cold Pack Asphalt Shed	Clarksburg	827489 Grey Road 40	1978	1.15%	Good	7.83%	Fair
Patrol Yard B - Clarksburg Depot Salt Dome	Clarksburg	827489 Grey Road 40	1983	0.00%	Good	3.05%	Good
Patrol Yard B - Clarksburg Depot Carpentry Shop	Clarksburg	827489 Grey Road 40	1995	0.00%	Good	20.41%	Poor
Patrol Yard B - Kimberly Salt Dome	Kimberly	235409 Grey Road 13	1987	0.21%	Good	30.73%	Critical
Patrol Yard B - Markdale Dome	Markdale	075238 Grey Road 12	1985	0.09%	Good	5.43%	Fair
Patrol Yard B - Meaford Storage Shed	Meaford	138143 Grey Road 112	1975	22.99%	Poor	32.78%	Critical
Patrol Yard C - Patrol C Portfolio							
Patrol Yard C - Ayton Depot Main Office/Garage	Ayton	112735 Grey Road 3	2010	0.00%	Good	1.43%	Good
Patrol Yard C - Ayton Depot Sand Dome	Ayton	112735 Grey Road 3	1984	6.76%	Fair	7.64%	Fair
Patrol Yard C - Ayton Depot Salt Shed	Ayton	112735 Grey Road 3	2010	0.00%	Good	1.47%	Good

Property/Building Name	Location	Address	Build Year	2021 FCI	2021 Condition	10 Year Average FCI*	10 Year Average Condition*
Patrol Yard C - Ayton Depot Storage Shed	Ayton	112735 Grey Road 3	2014	0.00%	Good	0.00%	Good
Patrol Yard C - Egremont Salt Shed	Southgate	123066 Southgate Rd 12	2000	0.88%	Good	1.15%	Good
Patrol Yard D - Patrol D Portfolio							
Patrol Yard D - Dundalk Depot Main Office/Garage	Dundalk	170 Glenelg Street	1900, 1960, 1991	2.40%	Good	7.98%	Fair
Patrol Yard D - Dundalk Sand Dome	Dundalk	170 Glenelg Street	1981	14.78%	Poor	14.94%	Poor
Patrol Yard D - Feversham Salt & Sand Dome	Feversham	494140 Grey Road 2	1988	3.24%	Good	9.01%	Fair
Patrol Yard D - Flesherton Portable Salt Shed	Flesherton	104 Collingwood Street East	2005	0.00%	Good	12.84%	Poor
Overall Transportation Services Portfolio Average				2.64%	Good	9.26%	Fair
Housing Properties							
Pleasant View Apartments	Chatsworth	50 McNab Street	1981	3.00%	Good	7.84%	Fair
Duniere Apartments	Dundalk	130 Rowes Lane	1970	1.17%	Good	11.75%	Poor
Highview Apt.	Dundalk	40 Artemesia St.	1975	0.34%	Good	7.83%	Fair
Victoria Apt.	Dundalk	181 Victoria St.	1979	1.56%	Good	8.37%	Fair
Family Units	Durham	167-173 Bruce St 292-294 Queen St S	1970	2.52%	Good	11.62%	Poor
Riverside Apt.	Durham	248 Queen St. South	1970	0.68%	Good	15.37%	Poor
Twin Pines Apt.	Durham	315 Bruce St.	1970	0.88%	Good	14.76%	Poor
Old Mill Apt.	Durham	208 Queen St. South	1973	4.00%	Good	16.49%	Poor
Flesherton Apartments	Flesherton	43 Hill St.	1968	10.62%	Poor	30.30%	Critical
214 11th Ave Apartments	Hanover	214 11th Ave	1970	0.75%	Good	9.72%	Fair
481 11 St. Apartments	Hanover	481 11th St.	1974	1.76%	Good	15.51%	Poor
The Pines	Hanover	250 12th Ave	1979	4.35%	Good	11.01%	Poor
Family Units	Hanover	Various 14th Street	1969	4.91%	Good	10.41%	Poor
Parkside Apartments	Holstein	392051 Grey Road 109	1980	0.69%	Good	9.31%	Fair
Maple Apt.	Markdale	41 Mark St.	1970	1.09%	Good	19.51%	Poor
Argyle Apt.	Markdale	99 Argyle St.	1972	9.45%	Fair	20.69%	Poor
Fairview Apt.	Markdale	100 Margaret Elizabeth Ave	1975	4.57%	Good	16.91%	Poor
Family Units	Meaford	116-118 Collingwood St, 74-88 Paul St	1969	1.76%	Good	8.93%	Fair
Georgian Apt.	Meaford	157 Nelson St.	1969	2.73%	Good	14.22%	Poor
Riverview Apt.	Meaford	17 Legion Road	1971	0.92%	Good	15.16%	Poor

Property/Building Name	Location	Address	Build Year	2021 FCI	2021 Condition	10 Year Average FCI*	10 Year Average Condition*
Fairview Apt.	Meaford	159 Parker St.	1976	0.75%	Good	13.01%	Poor
Golden Town Manor	Meaford	121 William Street	1985	2.72%	Good	11.03%	Poor
Albert Place	Meaford	130 Albert Street	1991	1.61%	Good	11.03%	Poor
Victoria Village - townhomes	Meaford	80 Victoria Street	1991	2.58%	Good	11.46%	Poor
Rockview Apt	Owen Sound	248 7th Ave E	1969	1.94%	Good	23.04%	Poor
Kiwanis Apt.	Owen Sound	490 7th Ave E	1968	0.70%	Good	6.30%	Fair
Twin Pines Apt.	Owen Sound	650 4th St. "A" E	1971	3.49%	Good	9.69%	Fair
Mill Road Apt.	Owen Sound	225 14th St. W	1973	1.50%	Good	11.64%	Poor
Parkway Apt.	Owen Sound	305 14th St. W	1977	1.72%	Good	5.50%	Fair
Family Units	Owen Sound	Alpha Street	1969	0.96%	Good	4.77%	Good
Family Units	Owen Sound	16th St, 7th, and 8th Ave West	1967	0.48%	Good	7.92%	Fair
Westmount Family Units	Owen Sound	1300's 7th and 8th Ave West	1954	1.97%	Good	9.01%	Fair
Family Units	Owen Sound	11th Ave E, 11th, 12th, 15th St East	1974	2.43%	Good	5.99%	Fair
Maple Villa Apt.	Thornbury	81 Bruce St.	1974	1.52%	Good	12.09%	Poor
Lemon Courts Apt.	Thornbury	85 Lemon St.	1977	0.91%	Good	12.14%	Poor
Overall Housing Portfolio Average				2.37%	Good	12.30%	Poor
Overall Non-Profit Housing Properties Average				1.43%	Good	9.87%	Fair

*In order to examine how the condition of the building may change, the 10-year average FCI is calculated assuming a “worst case” scenario where no investment is made to the building going forward. The annual FCI being used to calculate the 10-year average is therefore continuing to worsen (i.e., the percentage value will increase) over the next 10 years. In reality, necessary funds are being allocated as per the County’s 10-Year Capital Plan to projects as required to keep County buildings at the condition level needed for providing their respective services.

The three buildings that were determined to have a “Poor” FCI in 2021 are unique scenarios and are all planned to be addressed as needed. In the Transportation Services portfolio, the Meaford Shed is functioning as needed without the recommended new exterior metal cladding that is significantly contributing to the high current FCI, and the Dundalk Sand Dome is planned to be decommissioned upon the Patrol D new facility construction. In Housing, the Flesherton Apartments are scheduled for significant kitchen, bath, and siding renovations occurring in 2021 and 2022 as per

the 10-Year Capital Plan that were not yet completed at the time of the study and therefore were not considered in the assigned 2021 FCI.

Legal and Legislated Requirements

O. Reg 588/17 requires municipalities to prepare a comprehensive asset management plan for all asset classes, with the requirement that non-core assets such as buildings be included in every Ontario municipality's asset management plan on or before July 1, 2024. The building condition assessment information will be used to address this requirement.

Financial and Resource Implications

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, long term planning and provides documentation to support the County's Asset Management Plan. In calculating the 1.21% tax levy increase proposed in the 2020 Asset Management Strategy for all asset categories that was presented to Council in April 2021, entire building assets were assumed to be replaced at their expected end of useful life at their total replacement costs. With the estimated replacement costs and replacement dates provided in the building condition assessments, this information will be utilized to develop a more refined plan for the replacement of individual building components.

Planning for future expenditures when building components reach the end of their useful life is important to ensure sufficient funding is available to allow these buildings to remain efficient, functional, and structurally sound. By planning for these future repairs, retrofits, and replacements as accurately as possible and understanding that unexpected projects can occur, the objective is to avoid funding shortfalls and large increases in the annual budget requirement or building failures.

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, as well as a critical resource in the County's asset management planning and long term financial planning. The proposed costs, risks, and benefits of all actions proposed to be taken in managing these assets will need to be considered in determining the optimal level of service to be offered through these assets. Staff will utilize this information to aid Council in their decision making on project priorities regarding County buildings.

The 2020-2021 building condition assessments, facility condition indexes, reserve fund studies, and energy audits work was awarded to WalterFedy for a total of \$280,470

excluding taxes in September 2020. This project has been approved for the maximum amount of \$50,000 of funding available through the Municipal Asset Management Program (MAMP) funded by the Government of Canada and delivered by the Federation of Canadian Municipalities (FCM). The remainder of this project was funded from levy and \$125,000 in Federal Gas Tax Funding.

Relevant Consultation

- Internal: All building-owning departments
- External: WalterFedy, non-profit housing managers

Appendices and Attachments

[Final Report - Fairview Apartments 100 Margaret Elizabeth Avenue Markdale](#)