

Report HDR-SS-06-16

To: Chair Dwight Burley and Members of the Social Services Committee
From: Anne Marie Shaw, Director of Housing
Meeting Date: April 13, 2016
Subject: **Housing Department 2017-2021 Draft Five Year Capital Budget**
Status: Recommendation adopted by Committee as presented per Resolution SSC34-16; Endorsed by County Council May 3, 2016 per Resolution CC56-16;

Recommendation(s)

THAT report HDR-SS-06-16 regarding the Housing Department 2017-2021 Draft Five Year Capital Forecast be received as presented and forwarded for inclusion in the corporate Five Year Capital & Extra-Ordinary Expenditures Forecast for consideration by County Council.

Background

Attached is a summary of the Housing Department Five Year Capital Forecast for 2017-2021 along with detailed capital project forms for each of the proposed projects.

The proposed capital budget submissions are important as they set out proposed plans for future capital spending and attempt to provide sufficient information for Councilors to make informed decisions. 2013 Building Condition Assessments along with input from Property Supervisors, Custodians and our Technical Supervisor was used in the development of the capital forecast. Costing for proposed projects has been adjusted to reflect needs and current market value for the products.

The 2017-2021 Five Year Capital Forecast being presented to the Committee requires a levy commitment of \$1,316,278, which is an increase of \$62,680 to the approved 2016 capital budget.

In 2017 there are a number of buildings that require new windows. The windows are past their life span and are not energy efficient. The windows are being replaced with

new energy star rated windows. This will increase the energy efficiency of the buildings and reduce operating costs. Windows have a 25 year life span and come with a warranty.

Argyle Street, Markdale	21 windows	\$50,000
100 Margaret Elizabeth, Markdale	41 windows	\$50,000
Alpha Street, Owen Sound	332 windows	\$250,000

The windows at Alpha Street are part of our revitalization project to restore and sustain the 68 building family complex. This project builds on the 2016 work of insulation, waterproofing, new and extended back patios, new enclosures and landscaping.

Markdale windows include 21 larger windows in units and common room window for Argyle Street and 41 windows in units and common room window replacement at Margaret Elizabeth.

Replacement of asphalt is needed at two buildings. Legion Road in Meaford the asphalt has started to crack and has uneven surfaces. Replacement will decrease slips and falls. The asphalt at Argyle Street in Meaford also needs replacement and the retaining wall needs to be replaced due to rotting wood because of age and movement of the soil.

Our Flesherton building houses 10 units and is need of a new roof. The current roof is a built up flat roof system and is over 15 years old and is leaking. Plans are to build a peak on to the roof if possible and replace with a steel roof. This will increase the life span of the roof and is a more cost effective solution for the future

The remaining projects are identified as projects past their life span and in need of replacement. Projects include a water pipe replacement, ceiling and lighting replacement with asbestos abatement, flooring, and bath rebuilds.

The bath rebuilds in Thornbury are the original bathrooms from 1977. Bathroom rebuilds would include new tub and tub surround, flooring, vanity, shower controls and lighting for 24 units. The new bathrooms will include energy and water saving models of lights, exhaust fans and toilets. New gypsum board with be installed that is mold and mildew resistant.

Capital projects over the next few years focus on energy efficiencies and savings. Housing will continue to apply for rebates for capital projects through Ecofit and other rebate programs that are available to social housing until 2018.

The proposed capital budget also includes the use of Federal Gas Tax funding for the window replacement at Alpha Street at \$250,000, window replacement at Arygle Street, Markdale at \$50,000 and window replacement at 100 Margaret Elizabeth Street, Markdale at \$50,000. In addition, the proposed budget includes transfers to the Housing Reserve over the next five years totaling \$1,786,266; these funds are being set aside in order to have adequate funding for future capital projects that will be required in order to maintain the aging housing portfolio. The proposed capital budget shows a 5% increase to the levy requirement each year with the amount transferred to reserve varying depending on the estimated value of projects staff recommends for each year. This provides a stable source of funding as well as eliminates spikes to the levy requirement in years that have larger projects. The five year plan may require adjustments once the regeneration scan of the oldest single family unit homes is completed this year; staff has delayed capital projects that were recommended in the building condition assessment for these homes until this information is received.

Financial / Staffing / Legal / Information Technology

Considerations

The Housing capital forecast as presented to the Social Services Committee totals a 2017 net levy amount of \$1,316,278, requiring a net levy increase of \$62,680 or a 5.0% increase over the 2016 approved capital budget. This \$62,680 increase would reflect a 0.12% increase to the corporate net levy requirement for 2017.

Link to Strategic Goals / Priorities

Goal 1.6 of the Corporate Strategic Plan. The goal identifies the importance of accelerating Council's commitment to lifecycle planning for the long term investment of county owned capital assets.

Attachments

Attachment to HDR-SS-06-16 Housing 2017-2021 Draft Five Year Capital Forecast

Respectfully submitted by,

Anne Marie Shaw
Director of Housing