

Marr Residence Roof Repair

ISSUE

The Facilities Management Department (Facilities) is responsible for the management of maintenance and capital renewal for the Marr Residence. This Municipal Heritage Property does not contribute to the Civic Building Comprehensive Maintenance (CBCM) Reserve or any other capital reserve. Recent damage to the roof has resulted in the need for repairs that exceed available operating budgets for the building.

BACKGROUND

History

The Marr Residence is 210 square meters, two stories, with a basement. Originally constructed in 1884 it is now Saskatoon's oldest house still standing on its original site and was designated as a heritage building by the City of Saskatoon (City) in 1982. The Marr Residence has both a mansard and a flat roof.

The Marr Residence currently needs a partial roof replacement. As the Marr Residence does not contribute to a capital reserve, there are no funds available for this work. Historically, all maintenance and repairs have been able to be accommodated within operating budgets but the estimated costs for the roof replacement exceed the ongoing maintenance funding. In 2020, the Marr Residence operating budget was \$22,200 of which \$12,800 was allocated to maintenance and janitorial services, \$4,800 for utility costs and the remainder to programming costs. The current estimates for partial roof replacement are approximately \$60,000 - 80,000.

Current Status

Damage to the roof was observed in 2020, and the roof was formally inspected before the start of winter in 2020 to develop a plan for repair for submission to the 2022-2023 Business Plan and Budget deliberations. Over the winter, the heavy snow accelerated the deterioration of the roof, resulting in the need to proceed with repairs in 2021 to limit water damage to the interior of the building. Otherwise the building is in a state of good repair from ongoing maintenance activities and current assessments.

Several members of the community have approached the City to offer support for repairing the roof of the Marr Residence. Local contractors have expressed a willingness to donate time or provide some other form of discounted pricing for repairing the roof. Repairing the roof of this heritage building requires a professionally managed process and public procurement that meets the standards of Facilities. All work will be done in accordance with the Civic Heritage Policy and the *Heritage Property Act*.

Public Engagement

Facilities meets regularly with representatives for the Marr Residence. The City also has a Municipal Heritage Advisory Committee. These groups will be presented with the planned repair strategy and any aesthetic implications. Further public engagement may

also be required if substantial changes to the building aesthetic are necessary; however, substantial changes are not expected at this time.

City of Saskatoon's Current Approach

Capital reserves for civic facilities support proactive planning for future capital renewal projects and mitigate the need for requests for large unfunded capital expenditures. Except for heritage buildings, all buildings that Facilities is responsible for contribute to the Civic Building Comprehensive Maintenance (CBCM) reserve. Buildings managed by other departments have specific reserves for the purpose of maintaining these assets. City Council, at its May 19, 2020, meeting approved Council Policy C07-031, Corporate Asset Management Policy. To be compliant with this policy and to ensure all civic buildings have enough funding to sustain expected service levels, an asset management plan is being developed for civic facilities and sites under the scope of Facilities Management Department and will be presented to Standing Policy Committee on Finance in Q2 2021. The asset management plan will outline a strategy to support City-owned heritage buildings, including the Marr Residence.

OPTIONS

Option 1 (Do Nothing)

In this option the existing operating funding will be used to continue to maintain the building and not undertake a partial roof replacement.

Advantages: Funding would be allocated during budget deliberations instead of outside of this process. Major repairs would be delayed, and funding could be accumulated over a period of time.

Disadvantages: Water ingress into buildings can cause significant damage and operating funds are not sufficient to stop this from occurring. As an important civic heritage site, this option is not recommended. Total lifecycle costs would also be greater as more interior damage would need to be repaired because of delaying the roof repairs.

Option 2 (Fund a Capital Project from Reserve for Capital Expenditure (RCE) and Accept Donations)

In this option, up to \$80,000 would be requested from RCE for the roof repairs and to remediate associated water damage. Given the apparent willingness on the part of certain members of the public to contribute to the repair, the Administration is also recommending that the Corporate Revenue Department, Corporate Financial Services Division, be authorized and requested to accept donations and issue receipts to donors who contribute to this project. Any donations received will offset the funding requirement from RCE and allow some funds to be returned following completion of the project.

Advantages: Repairs would be able to be completed in 2021. There are no other appropriate sources of capital funding for the partial roof repair and the Marr Residence is an important civic heritage site.

Disadvantages: Funding would be allocated outside of the annual budget deliberation process. Funding allocated to this project would not be available for alternate projects.

Option 3 (Fund a Capital Project from CBCM)

In this option, a capital projects would be created and funded from CBCM for the repairs to the roof and to remediate water damage that resulted from issues with the roof.

Advantages: The CBCM reserve currently has sufficient funding to allow the work to commence immediately.

Disadvantages: The Capital Reserve Bylaw, Bylaw No. 6774, states that “The purpose of the Civic Buildings Comprehensive Maintenance Reserve is to finance the cost of repairs to those of the City’s buildings and structures in respect of which monetary contributions are made to this Reserve”. The Marr Residence is not a contributing building to the reserve and is therefore not eligible for CBCM funding under the current policy. Allowing a non-contributing building to draw on the CBCM reserve is in violation of the bylaw and may also set a precedent to allow other non-contributing buildings to draw on the reserve, which could result in significant strain on the reserve and limit funding for those facilities that contribute.

RECOMMENDATION

That the Standing Policy Committee on Finance recommend to City Council:

- 1) That \$80,000 from the Reserve for Capital Expenditures be allocated to a capital project for roof replacement and associated repairs to the Marr Residence (Option 2);
- 2) That the Marr Residence Roof Repair Project be approved as a municipal project to receive donations; and
- 3) That the Corporate Revenue Department, Corporate Financial Services Division, be authorized and requested to accept donations for this project and issue appropriate receipts to donors who contribute funds to the project.

RATIONALE

Option 2, Fund a Capital Project from RCE and Accept Donations, is recommended. There is no dedicated capital reserve funding currently available for the Marr Residence and repairs are required in 2021 to preserve this heritage property. The purpose of RCE is to finance the cost of capital expenditures at City Council's discretion. Funds are currently available in RCE to fund this project. In conjunction with the request for funding from RCE, the Administration will continue to work with the community to accept donations and/or seek out opportunities for grants to offset the costs of the project.

The Income Tax Act (Act) provides for the same tax receipts to be issued for gifts to a municipality as for gifts to registered charities. In order to facilitate the receipt of donations, the Administration is recommending that this be designated as a municipal project and that the Corporate Revenue Department be directed to accept donations and issue appropriate receipts as permitted under the Act. The Act provides for the

same tax receipts to be issued for gifts to a municipality as for gifts to registered charities. An income tax receipt will be issued for items that are contributed and qualify and will be valued as prescribed by the Act. Also, as per the Act, a gift for which an official donation receipt may be issued can be defined as a voluntary transfer of property without consideration. There must be a donor who freely disposes of the property and there must be a donee who receives the property given. In other words, the transfer must be freely made and no right, privilege, material benefit, or advantage may be conferred on the donor or on the person designated as the donee as a consequence of the gift.

FINANCIAL IMPLICATIONS

Estimated costs to repair the Marr Residence roof are \$60,000 - \$80,000 including contingency, project management, and repairs to areas damaged by water ingress before the repairs can be completed. The Administration and the Marr Residence Board are both exploring options for donations and grants to offset a portion of the costs, which if successful, would allow a portion of funds to be returned to RCE.

ADDITIONAL IMPLICATIONS/CONSIDERATIONS

There are no additional implications/considerations at this time.

COMMUNICATION ACTIVITIES

Facilities meets regularly with representatives of the Marr Residence. The City also meets monthly with the Municipal Heritage Advisory Committee. Communication activities may include a press release and social media posts when the repairs are complete.

NEXT STEPS

As part of the Facilities Asst Management Plan to be completed in 2021 Q2, the Administration will present to City Council, the long-term financial requirements needed to maintain service levels for this building.

Report Approval

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