

Asset Management Plan Funding Background and Project Cost Forecast

This Appendix summarizes information previously reported in the report *Facilities Asset Management Plan* report, which was approved by City Council at its Regular Business Meeting held on May 31, 2021. It also provides further cost breakdown and schedule information.

Asset Management Plan Funding Background

If no changes are made to the funding available to renew and maintain Albert Community Centre (ACC) the building is expected to degrade in condition to the point where costs to repair and renew the building will significantly increase. Risk of facility downtime and further building damage will also significantly increase if the aging heating systems fail during the winter. Lifecycle costs to reactively repair the building are expected to be much higher compared to a proactive approach. Eventually the building will no longer be able to be occupied.

The *Facilities Asset Management Plan* report stated that a 2019 condition assessment report of the ACC identified \$6.5M in capital renewal needs in approximately the first 8 years and an additional \$2.1M when forecasting beyond this, for a total of \$8.6M. In addition, the reports recommended annual increases in the reserve contributions associated for ACC to ensure long-term sustainable funding as follows:

Annual Increase in Reserve Contributions - Dollars Per Year					
2022	2023	2024	2025	2026	2027
\$0	\$0	\$24,000	\$48,000	\$72,000	\$96,000

The phase-in of reserve contributions results in a total reserve contribution of approximately \$146,000 in 2027, which is equivalent to 1.2% of the current replacement value. Over 8 years the total contributions to the reserve would be approximately \$0.87M. If these reserve contribution increases are approved in future budgets, the shortfall in capital funding over 8 years is estimated to be \$5.63M. Capital funding of \$5.63M and reserve contribution funding of \$0.87M offsets the \$6.5M in costs forecasted for the first 8 years.

ACC Capital Project Cost Breakdown and Schedule

The following table outlines high-level estimates of the costs for each capital renewal project at ACC, along with the priority of the work and recommended schedule. There is significant uncertainty in the cost premium to retrofit a heritage building and the cost to remove asbestos. The first two priority projects (\$1.7M) are recommended to be completed in 2022, and the second two projects (\$2.2M) are recommended to be completed in 2023, resulting in a total 2022/2023 capital budget request of \$3.9M. The remaining funding would be requested in future budgets.

Priority	Projects and Recommended Schedule	Sub-Project Cost	Sub-Totals	Total
1	Structural Engineering Recommendations (0-2 Years)	\$500,000		
2	Short Term (0-2 Years)	Brick Repointing and Envelope Repairs	\$3,900,000	\$6,500,000
3		Window Replacement		
4		Heating System Renewal		
5	Medium Term (2-8 Years)	Fire Alarm Upgrades	\$2,600,000	
6		Upper Level Flooring Replacement		
7		Roof Replacement and Drainage		
8		Security System Upgrades		
		Washroom and Accessibility Upgrades		
9		Priority Door Upgrades		
	Other Miscellaneous Work	\$400,000		
	Long Term (>8 Years)	\$2,100,000	\$2,100,000	\$2,100,000
	Total	\$8,600,000	\$8,600,000	\$8,600,000