

DATE	MONDAY, JUNE 24, 2024
SUBJECT	SERVICE DELIVERY REVIEW – FACILITY SERVICES
REPORT NO.	SDR-24

RECOMMENDATION

That Council of the Municipality of Greenstone approve the following:

1. **THAT** Council approve a new Facility Maintenance Operator staff position to directly support the Manager of Facilities.
2. **THAT** Council direct staff to proceed with divesting of the Nakina daycare building, Geraldton daycare building and the Beardmore ambulance building.
3. **THAT** Council support the inclusion of a Facilities Work Order management system in the 2025 Capital Budget to assist in the implementation of Facilities Inspection and Preventative Maintenance and properly track and document facility maintenance.
4. **THAT** Council direct staff to prepare a Report to Council by the second Council meeting in May 2025 on options for the municipal bandshell situated at MacLeod Provincial Park; and further
THAT the Municipal Bandshell Policy be updated to reflect the decision concerning this asset.

SERVICE SUMMARY

SERVICE		FACILITY SERVICES
DEPARTMENT	Public Services	
SUMMARY	The Municipality has a very large number of facility assets to service its population. These facilities include a variety of core building assets and non-core facilities, as well as associated outbuildings or facility infrastructure. The recent Facility Condition Assessments counted 54 municipal buildings. This does not include many building infrastructure assets such as communication towers, park boardwalks, monuments, docks, pavilions, piers, playgrounds, etc.	

	<p>Asset management planning has drawn attention to the need for annual investments in facility reserve accounts in alignment with facility lifecycles. The Municipality is now faced with difficult decisions on providing adequate funding in the immediate future to sustain levels of service offered through facilities.</p> <p>There is one staff position assigned to the management and maintenance of all municipal facilities.</p>
MANDATORY	<p>Some facilities are necessary to enable the provision of municipal services that the Municipality is legally committed to provide. Others are discretionary and tied to the Municipality's level of service commitments.</p> <p>The mandatory aspect for municipal facilities is that they are maintained in accordance with various legislation.</p>
LEGISLATION	<ul style="list-style-type: none"> • O. Reg. 588/17: ASSET MANAGEMENT PLANNING FOR MUNICIPAL INFRASTRUCTURE filed December 27, 2017 under <i>Infrastructure for Jobs and Prosperity Act, 2015, S.O. 2015, c. 15</i> • Building Code Act, 1992, S.O. 1992, c. 23 • O. Reg. 164/99: ELECTRICAL SAFETY CODE under <i>Electricity Act, 1998, S.O. 1998, c. 15, Sched. A</i> • Technical Standards and Safety Act, 2000, S.O. 2000, c. 16 <ul style="list-style-type: none"> • O. Reg. 209/01: ELEVATING DEVICES • O. Reg. 220/01: BOILERS AND PRESSURE VESSELS • O. Reg. 211/01: PROPANE STORAGE AND HANDLING • O. Reg. 212/01: GASEOUS FUELS • O. Reg. 213/01: FUEL OIL • O. Reg. 214/01: COMPRESSED GAS • O. Reg. 217/01: LIQUID FUELS • O. Reg. 25/23: BROADER PUBLIC SECTOR: ENERGY REPORTING AND CONSERVATION AND DEMAND MANAGEMENT PLANS filed February 23, 2023 under <i>Electricity Act, 1998, S.O. 1998, c. 15, Sched. A</i> • Occupiers' Liability Act, R.S.O. 1990, c. O.2 • Trespass to Property Act, R.S.O. 1990, c. T.21 • Public Lands Act, R.S.O. 1990, c. P.43

	<ul style="list-style-type: none"> • Occupational Health and Safety Act, R.S.O. 1990, c. O.1 • Negligence Act, R.S.O. 1990, c. N.1 • Accessibility for Ontarians with Disabilities Act, 2005, S.O. 2005, c. 11 • O. Reg. 319/08: SMALL DRINKING WATER SYSTEMS • R.R.O. 1990, Reg. 358: SEWAGE SYSTEMS • R.R.O. 1990, Reg. 903: WELLS under Ontario Water Resources Act, R.S.O. 1990, c. O.40
BY-LAWS	<ul style="list-style-type: none"> • By-law 21-21 Declaration of Significant Event Policy • By-law 15-53 Sale and Disposition of Land • By-law 22-82 Disposal of Municipal Assets Policy • By-law 23-54 Municipal Lease Policy • By-law 17-43 Multi-Year Accessibility Plan and an Integrated Accessibility Standards Regulation Policy • RES 14-173 Municipal Band Shell Policy
FEES/CHARGES	<ul style="list-style-type: none"> • Facility rental fees • Recreational user fees

2024 BUDGET SUMMARY

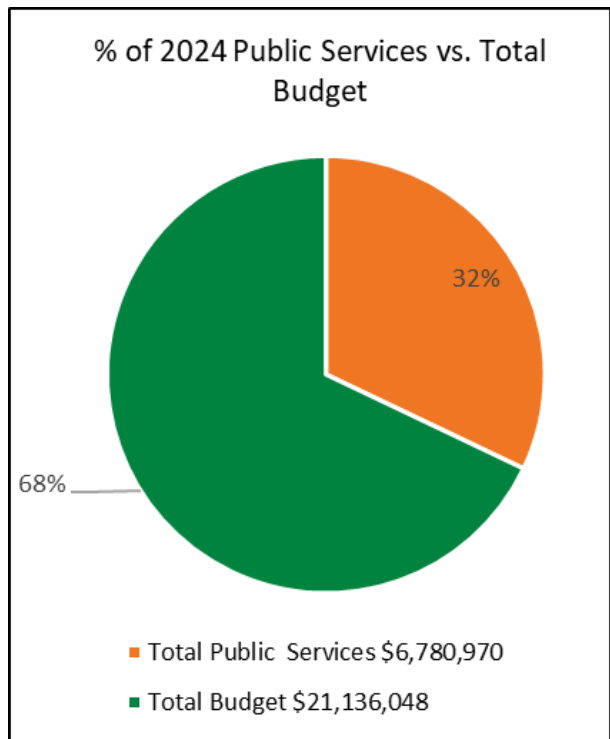
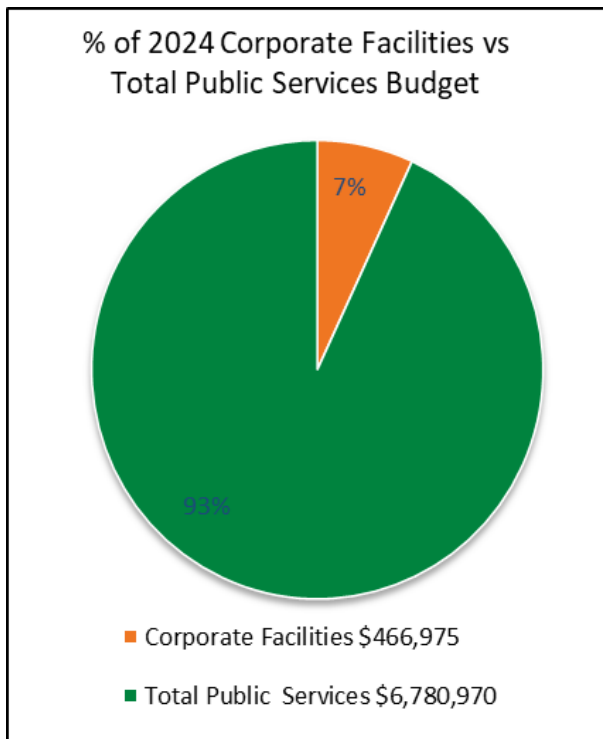
These financial figures do not summarize the cost to maintain all municipal facilities. Costs associated with the Community Centres, Fire Halls, and Parks Facilities are excluded; these costs are addressed in the Service Delivery Reviews for these categories. An overall review of facilities will be conducted this year that will deliver recommendations to Council in Fall 2024.

The financial information presented is limited to municipal buildings providing services through various municipal departments.

2024 Operating Expenditures: \$466,975

2024 Revenues: **-\$0.00**

Net Budget: \$466,975



STAFFING

Facilities maintenance is mostly contracted out, however in an effort to reduce contractor costs the Manager of Facilities attempts to address in-house service requests. The Manager of Facilities position was created several years ago with the realignment of the former Manager of Facilities and Parks position and Manager of Leisure Services position. Whereby staff supervisory duties were transferred, and the position of Manager of Parks and Recreation was introduced. This was done in an effort to balance workloads between the two positions.

Facilities Staff	Positions	Municipal Staff Hours Worked
Full Time Positions	1	1820 (salaried)

Further review of the expectations for this position is required to refocus this position on current and growing management responsibilities.

ORGANIZATIONAL CHART

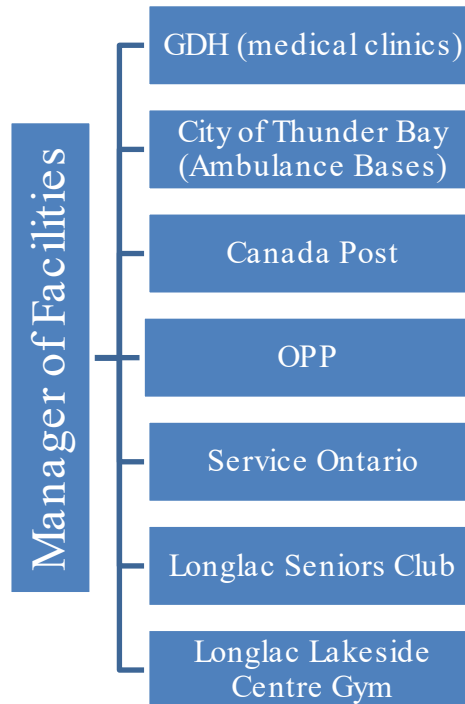
The Public Services Department has responsibility for Infrastructure Maintenance, Regulatory Compliance, Capital Planning and Procurement.



The Corporate Services Department has responsibility for Financial Management, Asset Analysis, and Oversight of Lease Agreement.



The Manager of Facilities and the Manager of Parks liases with external groups that lease municipal facilities. (Excludes those affiliated with recreation facilities)



SERVICE BACKGROUND

The Municipality must provide building infrastructure to support the following mandatory services.

- Drinking Water and Wastewater
- Public Works
- Municipal Administration

There are other services that the Municipality provides that requires infrastructure support, such as fire services, libraries and campgrounds. The Municipality has inherited a large number of buildings from the pre-amalgamation communities. Some of these buildings were either downloaded onto the Municipality by the Province or constructed with funding dollars.

The majority of the Municipality's buildings are experiencing age-related deterioration. Some buildings are at a stage where replacement or disposal is a discussion item rather than rehabilitation. Identifying Rehabilitation vs Replacement timeframes and managing the assets accordingly is one of the main functions of the Senior Analyst/Asset Management Coordinator role.

Building inspections are a main component in facility maintenance.

- The Electrical Safety Authority (ESA) conducts scheduled inspections of the electrical systems for core municipal facilities.
- Municipal staff conduct health and safety inspections of their workplaces to identify any facility hazards.
- CIMCO Refrigeration conducts facility inspections of the arena ice plants as part of their service agreement.

Asset Management Progress to Date

In 2023 the Municipality engaged a consultant to conduct Facility Condition Assessments (FCA) for municipal buildings. The report provides baseline condition data for the asset management plan and will assist in the further evaluation of strategies associated with end-of-life facilities.

What building assets do we have?

Municipal built infrastructure or the "built environment" refers to the buildings that the Municipality owns as well as associated structural land improvements. The FCA lists 54 buildings in the asset list but does not include all structures/assets that are maintained by the Manager of Facilities. If all buildings, docks, pavilions and boardwalks are accounted for the number of assets is close to 200.

For example:

- High Hill Harbour has a washroom facility and a shower facility on site. These two buildings are accounted for in the FCA report, but not the marina docks, boulevard and pavilion, the generator building, the fueling building, the fish cleaning shack, or the breakwater.
- In the FCA report, the Main Administration Office property includes the Administration building and the waterfront washroom building, but does not include the canteen building, boardwalks or waterfront lighting.

Facilities Accounted for in the Facility Condition Assessment (excluding Community Centres)	
Building Facility Type	# of Buildings
Fire Halls	3
Water Treatment Plants	5
Wastewater Treatment Plants	4
Municipal Administration Office/Ward Offices	4
Public Works Garages & Yard Infrastructure	4
Libraries	3
Community Centres	4
Medical Clinics/Ambulance Garages	3
Campgrounds	3
Marina	1
Airports	4
Storage Buildings	3
Leased Buildings	7
Family Resource Centre	1
Staff House	1
Beardmore Snowman	1
Longlac TIC Washroom	1

KEY PERFORMANCE INDICATORS

The following KPI's are designed to reflect facility goals and objectives.

1. The Municipality's public facilities meet the needs and expectations of users as safe and accessible building environments.
2. The Municipality's public facilities contribute to community well-being across Greenstone through a variety of well-attended programming offered at public facilities.
3. The average facility condition rating for municipal building assets is improved through a process of repairs and upgrades, and by divesting underutilized facilities in poor condition.

ASSET USE

The Municipality is required to incorporate its facility assets into the Asset Management Plan to meet the next legislated deadline of July 1, 2024.

Staff have updated facility data in the asset registry to include the 2023 Facility Condition Reports that serve as a benchmark and provide lifecycle information.

A further breakdown of facility assets should be included in the asset registry as there is more infrastructure that exists that are under the operational control of the Manager of Facilities/Public Services Department.

The infrastructure funding gap for municipal buildings prepared by Roth IAMS Ltd. is shown below, noting that these figures **include** community centres.

Roth IAMS Ltd. was retained by Municipality of Greenstone to undertake a Building Condition Assessment (BCA) of their portfolio (includes 54 buildings), located in Beardmore, Caramat, Geraldton, Jellico, Longlac and Nakina Ontario.

Analysis of these assets shows the following renewal needs:

- 10 Year Cumulative \$55,792,486.82
- 20 Year Cumulative \$70,426,527.00
- 30 Year Cumulative* \$81,507,855.01

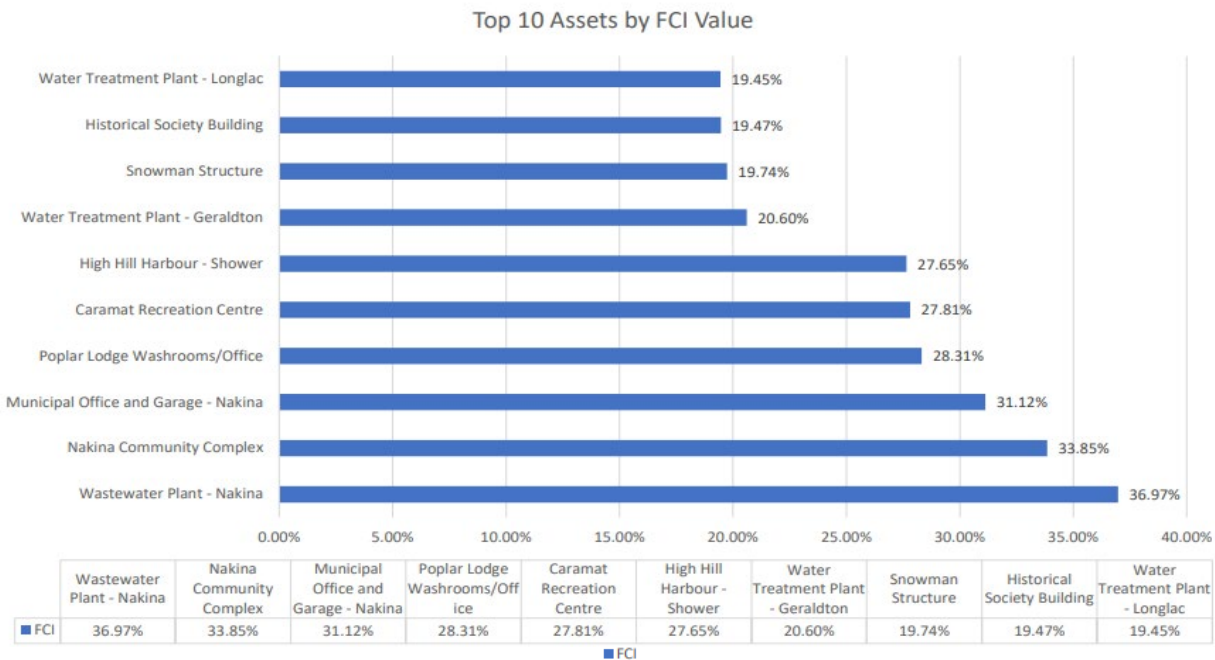
This has been further detailed in the following slides and broken down by tax supported (core/non-core) and user rate supported facilities.

*this does not include approximately \$44M in exterior site needs (i.e. walkways, parking lots, drainage, etc.)

The Facility Condition report detailed the deficiencies noted for each facility. The graph below indicates the facilities that will require priority attention due to condition. The higher the percentage indicated, the greater the deficiency rating. The deficiency rating (as a percentage) is determined through the following calculation:

$$\text{Facility Condition Index} = \frac{\text{Sum of Renewal Needs in a Given Period of Time}}{\text{Current Replacement Value (CRV)}}$$

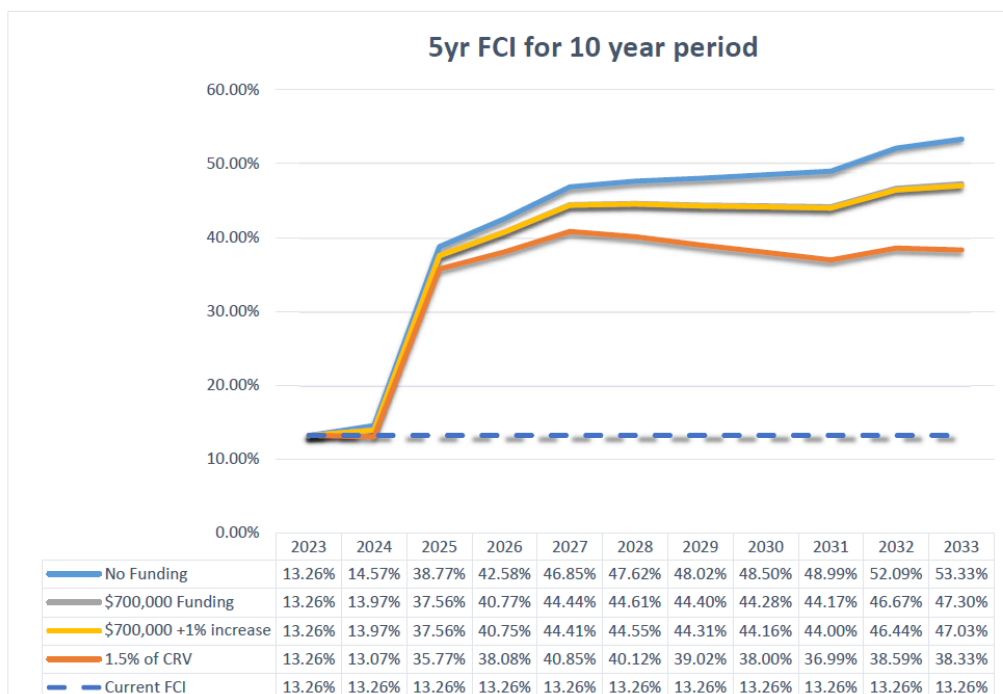
Figure 1. Top 10 Assets listed by Facility Condition Index Value (highest repair need)
Presentation to Council by ROTH Integrated Asset Management Strategies



The current level of funding is largely inadequate to sustain the municipalities facilities as indicated by ROTH Facility Condition Assessments.

Figure 2. Five Year Facility Condition Index (FCI) for a Ten Year Period
Presentation to Council by ROTH Integrated Asset Management Strategies

The figure below shows the 5 Year FCI, for a 10 year period, and the effect of each of the 4 funding scenarios



What do we do now?

The infrastructure deficit is a Canada-wide issue that to some degree will involve investments from provincial and federal governments through the disbursement of funds. However, there is much left to municipalities to resolve how to manage its infrastructure sustainably under current and future financial pressures. Changes will be necessary in an effort to offer service continuity in Greenstone with select facilities.

ANALYSIS

OPTIONS:

1. Enhance Service Delivery
 - The creation of a new worker position is rationalized by the volume of facility maintenance demands that are increasing with aging facility components. These service demands take away from the time needed to perform management responsibilities. A staff position is recommended to address regular and ongoing facility maintenance.
 - Support asset management progress by implementing a preventative maintenance program that includes a work order system.
 - The addition of a staff position to support building maintenance needs.
2. Decrease Service Levels
 - Reducing the number of facilities through which services are provided.
 - Strategically reject the addition of buildings to the municipal facility inventory.
 - Strategically prioritize capital funds to buildings that demonstrate future service longevity.
3. Contracting Services
 - Enter into a Service Agreement with a building maintenance contractor. (This is not recommended due to cost and long-term availability of a local contractor.)
4. Do Nothing
 - It is evident that past budgets have underfunded the municipal facilities. Repairs have been largely reactive as opposed to proactive. The level of investment now needed to sustain current facility services is exponentially increasing in the short-term. The deterioration of a facility has implications for occupancy risks and could result in a loss of service.

IMPROVING IN-HOUSE PROCESS AND PERFORMANCE:

The life-cycle forecasts of the Facility Condition Assessments assume that preventative maintenance activities are performed to maximize service life of facility assets and also to determine the need for disposal of any unused assets. The Municipality currently does not have a preventative maintenance program in place. Preventative maintenance is a cornerstone of extending the life of an asset; investing in preventative maintenance is the main methodology to offset the end-of-life replacement of an asset. As with other physical assets, facilities need to be included in a preventative maintenance program that is tied to the asset management database.

A work order management system is integral to delivering a preventative maintenance program. The current process to report work orders is that staff (or the public) who utilize a particular facility will report a deficiency or damage via phone or email communication to the Manager of Facilities. Facility inspections are also reviewed for maintenance needs. This is an inefficient process, not only to manage the volume of requests, but also to properly and efficiently document what is being done, when it is complete, who did the repair, and what else may be needed.

The acquisition of work order software is warranted for the Municipality; without it the Municipality is hindered in modernizing its asset management processes. Implementing a work order system will improve the asset management dataset, provide documentation that supports risk management, and enable an organized workflow process.

ADJUSTING SERVICE LEVELS:

The Facility Condition Assessments provide current information for an objective analysis of how well each building is performing in terms of useful life. The analysis will be in the form of a Facility Optimization Report prepared in-house. It is anticipated that this report will associate some timelines with specific facilities for a scheduled replacement or, which is a likely scenario for some facilities, a consolidation of service delivery where multiple facilities are redundant or where facilities are underutilized.

In the event a new building is constructed, current building standards apply, including accessibility standards. The Municipality is working towards updating its' Multi-Year Accessibility Plan which may have implications for municipal building infrastructure.

COST AVOIDANCE: OPERATING COSTS AND CAPITAL INVESTMENTS:

Investing for Sustainable Facilities

Full lifecycle costing and asset management strategies should be maintained to ensure that reserves are adequate to meet the ongoing replacement and refurbishment needs of the Municipality's facilities. A Reserve and Reserve Funds Policy was adopted in 2022 via By-law 22-70. Under this policy, corporate facilities are now included. A 20-50 year financial plan should be developed for corporate facility assets, as may be appropriate.

Strategies to Improve Financial Sustainability:

1. Divestiture of Low Priority Assets
2. Transfer Ownership
3. Maximize Grant Programs
4. Recover Costs for Utilities
5. Create Concession Opportunities
6. Consolidate and Repurpose Space
7. Expand Partnership Opportunities
8. Consider Entrance and Amenity Fees

ALTERNATIVE SERVICE DELIVERY INCLUDING SHARED SERVICES OR CONTRACTING OUT:

The Municipality currently partners with local school boards to deliver recreational sports requiring gymnasium space.

The Facility Optimization Report to be presented to Council by the Director of Corporate Services this September, will consider in its review of municipal facilities what opportunities there may be to provide community services through shared facilities or whether a private contractor can deliver a community service through their own facility.

SERVICE STRUCTURE AND STAFFING REALIGNMENT:

It is important to note that it is not the role of Public Works and Parks & Recreation Staff to perform building maintenance. These staff members must be dedicated to performing their respective service delivery roles, which is already a challenge with current staffing levels.

Commercial Building maintenance must be completed by qualified individuals. In the event of a failure of any building system that results in potential litigation, the Municipality must be able to demonstrate that the components have been previously repaired by qualified personnel. The Municipality's ability to make a successful insurance claim, or defend against litigation should an incident happen, could be compromised if records cannot be produced that demonstrate proof of due diligence.

There remains a lack of capacity for the Manager of Facilities to perform all management functions of the position and simultaneously respond to maintenance work requests and address building inspection deficiencies.

Without a Work Order system in place, it is difficult to provide statistics on time allocation for facility maintenance. Table 1 describes some typical maintenance-related tasks that the Manager of Facilities responds to.

Table 1. Examples of Facility Work Requests

MAINTENANCE RELATED TASKS	HOURS including travel time
Replace leaking faucets at Longlac Library. No plumber available.	3
Greenstone Regional Airport generator failed to start during power outage. No mechanic available.	4
Fixed leaking furnace at Nakina Community Centre. No plumber available.	2.5
Changed a light fixture at the Beardmore Ward Office. Then travelled to Greenstone Regional Airport to install new battery on emergency generator.	5
Changed ceiling tiles at Longlac Sportsplex due to roof leak impacting the canteen.	3
Change AED pads. Check boiler at Fire Dept. Clean light fixtures at Nakina Ward Office. Meet electrician at Nakina Public Works to review the installation of receptacles. Change furnace filters.	7
Replace floor vent at Nakina Ward Office. Deliver ceiling fan and controller to Public Works. Drill out lock on furnace room at Nakina Fire Dept. Take photos of boilers and hot water tank for RFQ development. Drop off toilet parts for the Nakina Community Centre.	3
Change two exit signs and emergency lights at Caramat Community Centre.	3.5

Role of the Manager of Facilities

The Manager of Facilities is a management position that should fulfill the following duties:

- Budgeting for upcoming operational and capital project needs
- Capital project oversight with some on-site supervision
- Review and respond to monthly internal facility inspections deficiencies
- Ensure Building Code and other legislative requirements are being met for all municipal facilities to address risks to the Municipality
- Coordinate facility inspections with the Electrical Safety Authority and address identified deficiencies
- Scope of work preparation for procurement projects
- Oversight of contractors for major projects
- Provision of technical advice to Public Services Department staff
- Provide facility maintenance updates to the Asset Management Coordinator
- Provide project updates as required by funding agencies

Providing maintenance services throughout Greenstone is a time-consuming aspect of the Manager of Facilities current daily routine, particularly given the travel times involved. This was not intended to be a main duty of the position; however these service demands are increasing as facilities age and contractor availability is limited. It is very apparent that the administrative functions of the position are compromised as maintenance responses becomes prioritized.

DISCONTINUING THE SERVICE (IF APPLICABLE):

This option is highly subjective among the public. Greenstone municipal services are delivered through a variety of facilities that best fit individual communities as per the available buildings and the practices of the former communities prior to municipal amalgamation.

Now that many of the municipal buildings are showing their age, discussions about the adequacy of the existing buildings in meeting service needs, and the affordability of sustaining facilities for the long-term, is a significant factor in making decisions about major capital investments.

There are several facilities that are in a condition that warrants future discussion about whether to repair, modify, or dispose of them. There is a general understanding that adaptation is a necessity in order to balance budgets (taxation) with service delivery and to accommodate future community growth. The Municipality is tasked with the development of a facility optimization plan that will provide insight on how usage of municipal facilities can be increased.

There are also several facilities that have been unoccupied for a length of time and are in a condition that presents health and safety issues that are costly to rectify, if at all possible. The following facilities are recommended for immediate disposal, either through surplus or demolition:

1. Beardmore Ambulance Base (vacant)
Major remediation is required for a portion of the facility. Sale is recommended.
2. Geraldton Day Care (vacant)
There is a high cost to remodel this facility if the Municipality were to repurpose the building. Sale is recommended.
3. Nakina Daycare (vacant)
Major mold remediation is required throughout the building. Sale or demolition is recommended.

The Municipal Band Shell is a facility asset located within MacLeod Provincial Park. Now that the Municipality is no longer in a service arrangement with Ontario Parks as the Park Operator, a decision is required on what to do with the bandshell. The bandshell was originally acquired for the annual music jamboree event that used to be held in the park. Staff will need to discuss with Ontario Parks whether the options to be considered should include transferring the asset to Ontario Parks. Other possible options are selling the structure or moving it to a suitable municipal property. It is recommended that a report exploring all options be prepared for Council's review and consideration.

Downsizing the facility inventory is one method towards improving the quality and sustainability of facility services. The Facility Optimization report can be expected to specifically comment on the following facilities due to their condition and/or usage:

- Nakina Railway Station
 - Deteriorating condition, one lessee that could be relocated
 - If the lessee can be relocated this facility is recommended for sale
- Jellicoe Fire Hall
 - Houses radio equipment and used for general storage
 - Options for the relocation of radio equipment should be explored prior to considering potential sales
- Caramat Fire Hall
 - Houses radio equipment, has some underground water storage and used for general storage
 - Options for the relocation of radio equipment and assessment of the usability of the water storage should be explored prior to considering potential sales.

The report can be expected to be brought forward to Council in September.

FINANCIAL IMPACT

It is expected that the cost of a Facilities Maintenance Operator will range between \$77,000 and \$82,000 including wages, benefits and payroll overhead, depending on final job description and wage determination.

Implementation of new work order management software is expected to cost \$12,500 for initial licencing and an added \$35,000 for implementation. Annual costs for hosting, version updates and annual support is anticipated to be \$11,000.

NEW REVENUES

The Municipal Lease Policy includes provisions for incorporating facility maintenance costs into the lease rate calculation. This policy will be applied to all leases upon the expiry of their current term.

COST AVOIDANCE

Divesting of facilities will limit the annual cost of utilities, insurance and basic maintenance. In 2023, the cost to carry the facilities is as follows:

- Geraldton Daycare \$14,680
- Nakina Daycare \$2,328
- Beardmore Ambulance Base \$4,932

Moreover, should the facilities be sold to a third party they would no longer be considered tax exempt and would start to generate additional tax levy revenues.

CONTRACTING OUT

The prioritization of preventative maintenance activities will require continuous year-round servicing of facilities.

Entering into a service agreement with a contractor to respond to on-demand repair needs is not a viable option at this time. The Municipality already engages local building services contractors who themselves are at capacity with service demands.

Contracting out, however, is required for the provision of specialized services. E.g. Overhead door maintenance, fence repair, electrical work, plumbing and HVAC.