To: Mayor and Council
From: Rob Buchan, CAO
Re: Municipal Hall Project

RECOMMENDATION(S):

That Council receive this report.

STRATEGIC PLAN IMPLICATIONS:

This matter relates to Council’s strategic priorities:

No. 4 Build a Strong and Vibrant Community
The Municipal Hall is a key facility in the ongoing work of Council and Staff in building a strong and vibrant community.

No. 5 Ensure Strong Leadership, Fiscal Responsibility and Transparent Government
Undertaking a phased approach to a design build construction project is typically less expensive than the conventional tender process. Council would have firm contract prices for the building construction prior to committing to Phase 2 of the project.

INTRODUCTION/BACKGROUND:

Due to structural deficiencies and failing infrastructure in two parts of the Municipal Hall, Council has directed staff to develop plans and secure pricing for replacing the Accounting and Administration section and the Council Chambers and Service section. After review of the plans and pricing, Council will determine whether or not to proceed with construction.

The structural problems with these buildings include the need for seismic upgrades, repairs to deal with water damage that has caused structural damage, lead in the pipes that carry potable water and ventilation problems that affect heating and cooling and result in inefficient energy use. These infrastructure issues have been affecting the buildings for some time and staff has had extensive studies done to assess the damage as well as options for either repairing or replacing part of the buildings.

In the Fall of 2014, our newsletter included information about the condition of the Municipal Hall and the need for extensive repairs. After considering the repair or replacement options for portions of the existing Municipal Hall, Council has directed staff to proceed with securing building plans and prices for the partial replacement option for consideration by Council. This partial replacement option is being considered on the premise that all costs would be covered by current reserve funds and not require any tax increase or borrowing. Accordingly, staff have
been directed to hire a project manager to have the plans prepared and prices secured for further consideration.

The replacement option has a number of advantages. It would provide better facilities in terms of functionality, operational efficiency, minimal disruption to service and enhanced post-disaster use. It would also be a more certain option in terms of final costs since there can be considerable unexpected costs involved in extensive repair and renovations. In the replacement option, a new wing could be built prior to removing the current lobby, chambers and east wing.

The proposed layout in the attached concept drawing would provide additional space in the Municipal Hall due to the administration, planning/building and service wing expansion and the Council Chambers. This would address over-crowded offices (two have two occupants sharing the same office). Significant operational improvements would result from a single service counter and adjacent service meeting rooms. The modestly larger Council chambers would enable the District to accommodate greater turnouts for municipal elections without moving to a new location. The basement would no longer be used for offices which would enable us to return our files from off-site storage. Another important improvement would be a fully functional Emergency Operations Centre with back-up generator.

**Planning and Responsible Solutions**

We have been aware of the deteriorating conditions of the two sections for some time and initiated studies to look at our options to deal with the problems. As part of sustainable financial planning for facility management, we save money in our reserve fund to ensure we can address these problems without any additional cost to taxpayers.

We studied the cost to repair the building sections versus replace them and assessed the pros and cons of both options. The cost to repair the buildings would be approximately $1.3 million just for the projected repairs. This would not include additional costs for renting office space required for staff. There can also be significant remediation costs to remove asbestos safely from the affected areas. Even with investing $1.3 million or more, we would still be faced with an old building that comes with significant maintenance costs going forward. Because of this, Council wants to see what the contract price for partial replacement would be.

A repair option could be like throwing money at an old, rusty, fuel-guzzling car knowing you’ll be facing more costs as other parts fail going forward, when it could be a reasonable incremental amount more to buy a new car that is more fuel efficient and has better safety standards.

Replacing the building sections means that we can build to meet or exceed current safety standards and explore opportunities for energy efficiencies that will lower our operational costs in the long term. The building would be designed to provide a better front-desk service centre for our community and improved work space to accommodate staff needs. The new building sections would also have a significantly longer service life, with only regular building maintenance required rather than continued repairs.

By using a project management Request for Proposal process, Council would have the ability to secure contract prices before committing to undertake the project. This will enable the District to ensure that the project costs are manageable.
Following are some of the benefits we would anticipate from a partial replacement option:

1. Replacing the administration/finance and the Council Chamber sections of the Municipal Hall to address several health and safety issues stemming from building deficiencies.

2. These building sections do not meet seismic standards and there are structural problems such as stress fractures in the masonry and destabilized wood frame from significant water damage.

3. There are health safety issues such as lead in the drinking water due to soldered joints that are leaching lead, asbestos in the flooring and insulation in the brickwork that would require remediation, and a lack of an adequate first aid station which meets current Occupational and Health requirements.

4. Poor ventilation systems are also impacting work areas, such as an inability to provide sufficient heat in colder seasons, and overheating during the summer, as well as air leakage through the building frame.

5. The seismic upgrades needed are critical for the safety of staff and visitors in the buildings, and also because when an earthquake hits, it’s our job to support our community and help to keep you safe. Our Emergency Operations Centre will be at the Municipal Hall. The existing finance/administration section can’t handle even a moderately-strong earthquake. This is a serious risk to our staff and our community.

6. Health and safety risks would be addressed to protect Council, staff and visitors to Municipal Hall.

7. The new design would include a single service counter to provide community members with a convenient access point.

8. An expanded Council Chambers would provide more space for staff, community and media in attendance.

9. There would be opportunities to explore energy efficiency measures in the new design to help reduce operational costs and reduce the District’s carbon footprint.

10. Working conditions for staff would be improved through proper heating and cooling, enhanced air circulation and better use of work space as there are currently some areas with overcrowding.

11. Additional meeting rooms would be closer to the front counter area to facilitate improved service.

12. Seismic upgrades would help to ensure the Emergency Operations Centre can function at Municipal Hall to help direct and support emergency response and recovery following an earthquake and other crisis situations.

13. File archives currently stored off site in rented space would be returned to Municipal Hall, which would improve access to this information and eliminate storage fees.

We currently have a conceptual plan for a replacement option (see Appendix A). When we have detailed plans and prices, these will be shared with our residents.
Process

The recent Fire Hall project cost approximately $120,000.00 in design and legal fees before Council had a firm contract which they could consider. We used a project manager contract in that project and delivered the project within the approved budget. We are proposing to use a project management approach for the Municipal Hall. We would hire a project manager to take the concept drawings already prepared through to final drawings and present contract-ready prices before Council commits to the construction project. We estimate that we can hire a project manager and have the plans prepared for about $80,000.00 including legal fees. In the project management approach, the project manager works directly with the sub-consultants/trades to get efficient and cost effective designs and consequently better prices.

FINANCIAL IMPLICATIONS:

There are sufficient reserves to enable Council to finance this project without going to external borrowing.

LEGAL IMPLICATIONS:

There are no legal concerns.

CONSULTATIONS:

As previously directed by Council, the Building Condition reports were placed on the website and the repair/replacement options have been shared with the public in a District Newsletter. Once designs are finalized, staff recommend having a public open house to share and discuss the plans and rationale for the project with our residents. It is also recommended to include information on the municipality’s web site and Idea’s Forum and newsletters.

SUMMARY/CONCLUSION:

Staff recommend that Council receive this report for the public record.

Respectfully submitted,

Rob Buchan, Chief Administrative Officer
Front Elevation

Main Floor

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<thead>
<tr>
<th>Existing To Be Demolished</th>
<th>Proposed</th>
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<tbody>
<tr>
<td>Council cambers with Expansion Area</td>
<td>130 sq.m. / 1400 sq.ft.</td>
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<td>140 sq.m. / 1500 sq.ft.</td>
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<tr>
<td>Main Floor Adminstration area</td>
<td>150 sq.m. / 1600 sq.ft.</td>
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<td>420 sq.m. / 4500 sq.ft.</td>
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<tr>
<td>Lower Floor Area</td>
<td>330 sq.m. / 3500 sq.ft.</td>
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<td>340 sq.m. / 3600 sq.ft.</td>
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<tr>
<td>Main Floor Area</td>
<td>330 sq.m. / 3500 sq.ft.</td>
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<td>690 sq.m. / 7400 sq.ft.</td>
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<tr>
<td>Total Floor Area</td>
<td>660 sq.m. / 7000 sq.ft.</td>
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<td>1030 sq.m. / 11000 sq.ft.</td>
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Proposed North Saanich Municipal Hall Improvements
North Saanich, B.C.