



**TOWN OF AMHERSTBURG
COUNCIL MEETING
SUPPLEMENTARY AGENDA**

Monday, April 24, 2017

6:00 p.m.

Council Chambers

271 Sandwich Street South, Amherstburg

For information pertaining to this agenda or to arrange for any additional accessibility needs please contact Tammy Fowkes, Deputy Clerk at tfowkes@amherstburg.ca

Information will be gathered in accordance with the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA). All comments and communications received will become part of the public record unless you expressly request the Town to remove it. If you want to learn more about why and how the Town collects your information, write to the Town Clerk's Office, 271 Sandwich Street South, Amherstburg, ON N9V 2A5 or call 519-736-0012.

9. DELEGATIONS

9.2 Integrity Amherstburg Admirals Jr. C – Wes Ewer and Matt Fox

That the delegation **BE RECEIVED.**

9.3 Amherstburg Minor Hockey Association – Marc Renaud

That the delegation **BE RECEIVED.**

9.4 Skate Amherstburg – Lynn Fox

That the delegation **BE RECEIVED.**

15. REPORTS – CAO's OFFICE

15.2 Libro Centre Financial Update

(As deferred from November 29, 2016 and January 9, 2017 Council meetings)

It is recommended that:

1. The report from the CAO, Manager of Facilities and Manager of Recreation Services dated November 15, 2016, regarding Libro Centre Financial Update **BE RECEIVED**;
2. The requested funding for the Libro Centre **BE CONSIDERED** during the 2017 Operating Budget Deliberations;
3. Administration **BE DIRECTED** to develop a programming plan to utilize the dry floor surface in both rinks between the months of ~~May~~ **June and July**;
4. A facility surcharge **BE APPROVED** for the Libro Centre to fund the Libro Capital Reserve; and,
5. Administration **BE DIRECTED** to consult with stakeholders and prepare a surcharge schedule for Council approval for all rentals at the Libro Centre.

15.3 Libro Centre – Engineering Report

It is recommended that:

1. The report from the Chief Administrative Officer dated April 21, 2017 regarding Libro Centre-Engineering Report dated April 11, 2017 **BE RECIEVED**;
2. Administration **BE DIRECTED** to adopt the recommendations contained in the Fieldcraft Engineering Report; and,
3. The Chief Administrative Officer **BE AUTHORIZED** to move forward with **Option B** as identified in the report.



Town of Amherstburg Delegation Request Form

I wish to appear before:

- Council
- Advisory Committee of Council Specify: _____

Date of Meeting: Monday April 24th

Name of Delegate(s): Wes Ewer and Matt Fox

Address: 3295 Meloche Road, Amherstburg, On, N9V 2Y8

Phone: 519-990-6980 Email: wes_ewer@hotmail.com

Attending as an Individual

Representing a Group/Organization Amherstburg Admirals
(Name of Group/Organization/Business)

Have you contacted Administration regarding this matter? Yes No

If yes, who? _____

Reason(s) for Delegation Request (subject matter to be discussed):

If the request is in response to an item on the agenda, please specify the item by agenda item #.

In regards to the engineering report and the recommendation to remove the ice from both Pads at
the Libro Centre for the Summer Months.

(Use a separate page if more space is required or attach additional documentation.)

If your request is in response to an agenda item, are you in favour of the recommendation? If not, please provide your reasoning below:

We are not in favour of both rinks being taken out

****Speaking notes and presentation materials must accompany this request.**

Additional documentation attached?

Yes

No

Will a PowerPoint presentation be made?

Yes

No

Note: An electronic copy of the PowerPoint presentation is required to be submitted to the Town Clerk no later than 12:00 noon on the Friday before the meeting.

The completed Delegation Request Form is to be submitted to the Town Clerk, Town of Amherstburg, 271 Sandwich Street South, Amherstburg, ON N9V 2A5
Phone: 519.736.0012 Fax: 519.736.5403 or email pparker@amherstburg.ca.

For office use only:

Date request received: _____ Request Received by (initials): _____

Request relates to: _____

Staff Report: _____ Staff Name: _____

Personal information contained on this form is authorized under Section 5 of the Town of Amherstburg's Procedure By-law, for the purpose of contacting individuals and/or organizations requesting an opportunity to appear as a delegation before Council or an Advisory Committee of Council. The Delegation Request Form may be published in its entirety with the public agenda which is also posted on the Town's website. The Procedure By-law is a requirement of Section 238(2) of the Municipal Act, 2001.

Please note that all meetings are open to the public except where permitted to be closed to the public under legislated authority. Questions regarding collection of the information on this form or additional accessibility requirements may be directed to the Municipal Clerk, 271 Sandwich Street South, Amherstburg, ON N9V 2A5, 519.736.0012.



Town of Amherstburg Delegation Request Form

In accordance with the Town's Procedure By-law, a by-law governing the proceedings of Council, the conduct of its members and the calling of meeting for the Town of Amherstburg:

- Delegations may address Council or Committee for the purpose of bringing a specific matter before Council. In this instance, the request form must be received prior to the preparation of the agenda, no later than 12:00 noon on the Wednesday prior to the Monday meeting.
- Delegations may address Council or Committee with respect to an item on the agenda, to which the individual/group has a bona fide interest and verbally present information on matters of fact. In this instance, the request form must be received by 12:00 noon on the Friday preceding the Council meeting.
- There is a strict time limit for delegations at meetings. Delegations will have 5 minutes to speak, not inclusive of questions from Council or the Committee. No more than 4 delegations will be heard per item of discussion by Council.
- Delegation requests received after the deadline will not be added to the public agenda. In the event registration with the Clerk is not made by 12:00 noon on the Friday preceding the meeting, but prior to 4:00 pm on the date of the meeting, the Clerk will bring the request to the attention of Council. Council, on a majority vote, may decide to hear the delegation.
- PowerPoint presentations are permitted provided that an electronic copy of the presentation is submitted to the Town Clerk no later than 12:00 noon on the Friday before the meeting. A copy of the presentation will be distributed to Council or Committee, as the case may be, as part of the delegation submission.
- A copy of the delegations speaking notes/presentation material must be submitted with the delegation request form to comply with Section 5.11 of the Procedure By-law.



THE CORPORATION OF THE TOWN OF AMHERSTBURG
OFFICE OF PARKS, FACILITIES, RECREATION & CULTURE

MISSION STATEMENT:

Author's Name: Giovanni (John) Miceli, Sandy Lindsay & Rick Daly	Report Date: November 15, 2016
Author's Phone: 519 736-5712 ext. 2126	Date to Council: November 29, 2016
Author's E-mail: jmiceli@amherstburg.ca slindsay@amherstburg.ca rdaly@amherstburg.ca	Resolution #: N/A

To: Mayor and Members of Town Council

Subject: Libro Centre Financial Update

1. RECOMMENDATION:

It is recommended that:

1. The report from the CAO, Manager of Facilities and Manager of Recreation Services dated November 15, 2016, regarding Libro Centre Financial Update **BE RECEIVED**;
2. The requested funding for the Libro Centre **BE CONSIDERED** during the 2017 Operating Budget Deliberations;
3. Administration **BE DIRECTED** to develop a programming plan to utilize the dry floor surface in both rinks between the months of ~~May~~ **June and July**;
4. A facility surcharge **BE APPROVED** for the Libro Centre to fund the Libro Capital Reserve; and,
5. Administration **BE DIRECTED** to consult with stakeholders and prepare a surcharge schedule for Council approval for all rentals at the Libro Centre.

EXECUTIVE SUMMARY:

The Libro Centre is a state-of-the-art facility that the Town and residents take great pride in. The facility is well utilized and enjoyed by a large number of user groups and individuals. However, since opening, the facility has been operating on a budget that

does not adequately provide for a level of service that citizens have become accustomed to and expect.

Avoiding timely maintenance and inspections in effort to stay on budget presents several risks such as loss of the facility LEED Certification, deferred and inflated “unbudgeted” repair and maintenance costs, further deterioration of the facility and most importantly citizen safety. In an effort to avoid these risks, Administration has provided three alternative options that may assist in the reduction of the overall operating costs of the Libro Centre for Council’s consideration.

2. BACKGROUND:

Leadership in Energy and Environmental Design (LEED) is a rating system devised to evaluate the environmental performance of a building and encourages market transformation towards sustainable design. Projects earn points for environmentally friendly actions taken during construction and use of a building.

To maintain LEED Certified accreditation, the facility requires re-certification every five years. This requires demonstration of compliance for the entire period of time from the project’s previous certification and requires administration to continuously assess the environmental performance of their buildings. Failure to comply with these requirements puts the LEED certification at risk.

The Libro Credit Union Centre (Libro Centre) is a LEED-Silver certified, state-of-the-art building that opened in 2010. Encompassing approximately 165,000 square feet, the Libro Centre provides a wide variety of amenities that suit the needs of our community.

LEED is a voluntary program; however, prior to construction the Town committed to obtaining a LEED certification for the Libro Centre. Obtaining a LEED certification projects a positive environmental image to the community. Additionally, using many green building practices can result in better indoor air quality and energy and cost savings over the life of the structure.

The Libro Centre Indoor features:

- two NHL-sized ice pads
- sledge hockey compatibility
- goalie/shooting/training rink
- 16 dressing rooms (8 dressing rooms are AODA accessible)
- indoor turf regulation soccer field
- walking track
- tournament room
- concession facility with food court
- meeting and banquet facilities
- leasing space
- community kitchen
- recreation zone
- On-site sports shop with skate sharpening

The Libro Centre Outdoor features:

- premier baseball diamond
- Miracle League diamond - specially designed to make mobility easier for children with walkers and wheelchairs
- 20 soccer fields - festival ready for all age categories
- turf field for football or soccer
- field house
- horseshoe pits
- outdoor concession facilities
- dressing rooms and AODA accessible washrooms

With a facility of this size and complexity, there is a constant need for preventative maintenance. There are also unexpected operational costs and pressures that will arise. As the building ages these needs and pressures only increase as major building components start to fail and require replacement. For example, much of the mechanical equipment used in such facilities are designed by manufacturers to meet American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) standards and have a life cycle expectancy of 20 years. This life cycle is determined with established preventative maintenance occurring. With much of the budget reductions experienced at the Libro Centre since opening, preventative maintenance has been minimized and the Town has adopted a reactive method of maintenance.

This is not a problem unique to Amherstburg. A high level comparison of arena operating costs of other local Municipalities, that offer similar facilities and offer similar programming, confirmed the financial pressures and lack of capital reinvestment is a common factor.

It should be noted that Lasalle recently completed a detailed review of their Recreation operations, which has resulted in a proposal to significantly increase their Recreation User Fees in 2017. Council may elect to take a similar path or address service levels or a combination thereof.

3. DISCUSSION:

On August 8th 2008, a special public meeting was held at the Verdi Club for a presentation from Nustadia, the Town engaged consultants. Nustadia presented a feasibility study regarding the viability of a Multi-Use Recreation facility for the Town of Amherstburg. There were also presentations from the then Manager of Recreation Services and Supervisor of Budget Services, as well as many user groups and residents. (see Appendix A)

This presentation included a financial estimate that showed projected revenues at \$1,248,900 for the multi-pad-plus indoor facilities, with an estimated operating cost before debt repayment of \$938,250 and a projected surplus of \$310,650 to service any debt repayment. This meeting began the process of the development of the building now known as the Libro Centre.

From August 8th 2008 to its opening in December 2010, the community rallied behind the project and fundraising and grant efforts took place to make the new facility a reality for the citizens of Amherstburg.

In 2011, the Town set a budget for the first year of operations of the new facility. The budgeted revenue was set at \$1,239,800 which was consistent with the projections from Nustadia. The actual revenue recognized was \$682,941; this created a revenue shortfall of (\$556,859). From an expenditure standpoint 2011 had a proposed budget of \$1,220,328; the actual costs came in at \$1,532,657, a budget shortfall of (\$312,329). The Libro Centre overall, year-end variance for 2011 was a deficit of (\$869,188).

	Nustadia Suggested Budget	2011 Budget	2011 YE Actuals	2011 YE Variance
Revenue	\$1,248,900	\$ 1,239,800	\$ 682,941	(\$556,859)
Expenses	\$ 938,250	\$ 1,220,328	\$ 1,532,657	(\$312,329)
Year End:	\$ 310,650	\$ 19,472	(\$ 849,716)	(\$869,188)

These results are significantly different than the projected operating surplus of \$310,650, originally presented by Nustadia. This resulted in change net in position from budget to actual of (\$1,179,838). It is also important to note that no provision was made in the operating budget for the future replacement of major equipment or major facility capital replacements going forward into a reserve. The purpose of such a contribution would be to mitigate the impact on future rate payers for the facility. Typically, such contributions are 1% to 2% of the construction cost of such a facility. The cost of the facility was \$24,770,418 and therefore the range of the annual contribution would be \$247,704 to \$495,408 and would have increased the operating deficit accordingly to \$1,116,892 and \$1,364,596.

This was the town's first indication that the revenue and expense projections presented during the business case for the arena would not be a realistic outcome to expect with this new facility. Accordingly, decisions were made by Council (both current and future) and managers of municipal facilities to endeavor to run the facility as lean as possible and minimize the impact on ratepayers. It appears that all involved believed that running the facility as lean as possible was the most appropriate solution and decisions were made to support such an outcome.

After 2011, budgets were significantly adjusted, specifically on the revenue side. Budget to actuals figures stabilized in 2012-2015 without significant variances to the organization, however in the years 2014 and 2015 as financial constraints became a concern for the organization, the Libro Centre budget was reduced in an effort to reduce spending. The reduced budget makes it difficult to effectively maintain the building at an appropriate level of standard without producing a deficit variance at year end.

Going forward, this issue must be addressed. There are challenges that are being experienced in the operation of the Libro Centre, affecting the mechanical and refrigeration systems of the facilities. User groups such as the seniors have come

before Council with complaints regarding inadequate heating/cooling issues that have been present since inception. As a result, Council has earmarked \$25,000 for administration to address the issue. Other user groups such as the Amherstburg Admirals and AMHA have had concerns with the quality of ice.

As a result of the mechanical and refrigeration concerns of the facility, Administration has engaged the services of Mechanical Engineer Mark Kurzuk of Fieldcraft Engineering Ltd to review the performance and operation of the facility’s mechanical systems and return the building to its LEED status operation when previously commissioned. Fieldcraft has advised that this process will take several months to complete.

In an effort to provide Council options for consideration that may assist in the reduction of the overall operating costs of the Libro, Administration has reviewed the following options:

1. Do nothing and continue operation as is resulting in status quo budget request.
2. Increase revenues through increased user fees and/or alternative programming, resulting in either reduced operating costs or the development of a reserve to address future facility requirements.

Administration supports the development of a reserve to ensure that the current and future users of the facility are contributing to funding the future replacements. It should be noted that ice rentals account for approximately 82% of the rental revenue. For illustrative purposes the report will only address the ice rental component of the facility however, Council may wish to apply a surcharge to all rentals at the facility including indoor soccer and outdoor sports field rentals. The following chart summarizes ice hours rented at the Libro Centre for each full year.

Year	Movati Rink Rental Hours	Rink A Rental Hours	Goalie Rink Rental Hours	Total Rental Hours
2013	2,458.5	2,020.5	547	5,026
2014	1,920	2,428	711	5,059
2015	2,254.25	2,286.25	706	5,246.5
2016	2,198.75	2,058.75	705	4,962.5
Average	2207.875	2198.375	667.25	5,073.5

For illustrative purposes, the following chart indicates the impact a surcharge will have on revenue generation for total hours rented at the facility:

Total Average Hours	\$5.00 Surcharge	\$10.00 Surcharge	\$15.00 Surcharge
5,074	\$25,370	\$50,740	\$76,110

Should Council adopt the surcharge model, all revenues collected will be collected to fund the Libro Reserve. The purpose of the reserve is to provide funding for capital expenditures and the future replacement of the facility.

3. Reduce service levels and hours of operation thus reducing operating costs resulting in reduced budget request.

In this option Administration believes that Council may wish to consider the time period ice is offered to users. It should be noted that Ice Rentals include Goalie Pad rentals and rentals during the summer months when ice is removed from the rinks and replaced with a dry floor rental opportunity. Of the \$575,000 projected to be gained through ice rental for the year, the following is a breakdown of summer ice rental (April – August) for 2016, not including dry floor rentals:

	Movati Rink		Rink A		Goalie Pad Rink		Totals	
	Rental Hours	Revenue @ \$132.53/hr	Rental Hours	Revenue @ \$132.53/hr	Rental Hours	Revenue @ \$32.10/hr	Rental Hours	Revenue
April	0*	\$ 0	145.5	\$19,283.12	65	\$ 2,086.50	210.5	\$ 21,369.62
May	0*	\$ 0	95.5	\$12,656.62	53	\$ 1,701.30	148.5	\$ 14,357.92
June	13*	\$ 1,722.89	9**	\$ 1,192.77	28	\$ 898.80	50	\$ 3,814.46
July	75	\$ 9,939.75	0**	\$ 0	36	\$ 1,155.60	111	\$ 11,095.35
August	209	\$27,698.77	10**	\$ 1,325.30	56	\$ 1,797.60	275***	\$ 30,821.67
Totals	297	\$39,361.41	260	\$34,457.81	238	\$ 7,639.80	795	\$ 81,459.02

* ice was removed beginning of April and put back in on week of June 14th

** ice was removed week of June 5th and put back in week of August 15th

*** majority of ice rented in August for resident hockey camp and AMHA and Admirals tryouts.

As indicated, ice rentals are low during the months of May to July. Revenue generated during this period is calculated at **\$29,267.73**. With all three ice surfaces running, along with all other activity within the Libro Centre, the average cost of utilities is \$49,000 per month + HST for a utility cost of \$147,000 +HST. When one ice surface is removed and a dry floor is substituted in as a rental opportunity, the average cost of utilities is reduced to \$40,000.00 per month + HST. It is estimated utilities for the Libro Centre without any ice production would cost approximately \$20,000.00 +HST per month resulting an estimated savings of \$29,000 per month.

For illustrative purposes, a review of the last four years' May-July Rental Hours demonstrates a downward trend.

May-July for the Year	Movati Rink Rental Hours	Rink A Rental Hours	Goalie Pad Rental Hours
2013	308	43	85
2014	16	331	152
2015	154.5	12	143
2016	88	104.5	117

If the Town was to shut down the ice making plant between the months of May and July, an estimated cost savings on utilities alone would be approximately \$87,000.00. In addition, other savings or benefits that may be realized are:

- Reduced staffing levels or repurposing staff for other municipal purposes
- Reduced wear and tear on refrigeration system and pumps therefore extending the useful life of the equipment
- Opportunity for annual maintenance and inspections outside of operating hours

Should Council choose to move forward with this option, Administration will explore new recreation programming opportunities utilizing the second dry floor surface. Possible opportunities include:

- Ball Hockey Leagues and tournaments (adult and youth)
- In Line Hockey Leagues
- Added Pickleball courts (would now have ability to run tournaments and leagues)
- Parent/Tot Activity Centre
- Basketball/Dodgeball Leagues
- Indoor Tennis Camps/Leagues
- Other rentals e.g. home shows, auctions, etc

Revenue would be generated from these new opportunities that would offset the loss of revenue that is generated from ice rentals, while at the same time adding to the overall cost savings in the operation of the Libro Centre in the summer months and maximizing use of the facilities.

4. RISK ANALYSIS:

As discussed, LEED re-certification for the Libro Centre is at risk should the building not be maintained at the level of standards required. Over the past several years, decisions have been made independent of the system design and performance requirements that were driven primarily from a financial perspective which have now impacted the systems performance. As a result, a re-commissioning and rebalancing of the building system is necessary to return the facility to the LEED certified and commissioned design. Failure to do will result in loss of the LEED certification and accordingly will impact the performance of the building's mechanical system and result in increased operating and capital costs.

Financial risks exist should the Municipality run into a scenario in which town-wide budgetary dollars cannot sustain a departmental variance of this size. In other words, annually, the other departments will collectively need to produce a surplus at year end which is large enough to cover the deficit produced at the Libro Centre. Should this not occur, the tax stabilization account may be required as a funding source in order to prevent increases to the tax rate. This practice is not sustainable and will eventually deplete the reserve, thus the need to create a self-sustaining reserve for the Libro Centre. The reserve should be funded by users of the facility to ensure the ongoing sustainability of the facility.

Future Libro Centre budgets should be adjusted to prevent this scenario and to ensure proper preventative maintenance programs are being done to prolong the life of this significant asset.

Preventative maintenance is a mitigation measure not only used to ensure the longevity of municipal infrastructure; it is also used to ensure the safety of facility users. If the facility is allowed to further deteriorate, the risk of personal injury increases. Both the facility and the safety of its users are of the utmost importance to the organization.

5. FINANCIAL MATTERS:

The 2016 expense budget for Libro Centre is \$329,258 lower than it was in 2013 and 2016 projected costs have increased by \$13,484, for the same period. This would indicate that the budget has been adjusted to a level below what the service levels and the facilities require to successfully operate.

There are several factors that make developing the budget for a facility such as the Libro Centre challenging: programming usage, utilities, staffing needs, etc.

Budget to Actuals comparison of Total Expenses-Libro Centre, over the past 4 years are as follows:

Year	Budget	Year End Actuals	Year End Variance Surplus/(Deficit)
<i>*2017</i>	\$ 1,622,666		
<i>**2016</i>	\$ 1,111,920	\$ 1,498,923	\$ (387,003)
2015	\$ 1,368,697	\$ 1,367,672	\$ 1,625
2014	\$ 1,439,618	\$ 1,272,918	\$ 166,700
2013	\$ 1,441,178	\$ 1,485,439	\$ (44,261)

**Proposed Budget*

***Projected YE Actuals and Variance*

2016 Budget to Actuals-By Category of Expenses-Libro Centre:

Expense Category – Libro Centre	Proposed 2017 Budget	2016 Budget	Actual as at Sept 30, 2016	Projected Year End Actuals	Projected Year End Variance
Salaries, Wages & Benefits	\$ 836,496	\$ 575,762	\$ 502,543	\$ 657,414	\$ (81,652)
Benefits	253,470	171,950	118,764	180,891	(8,941)
Allocation of Salaries and Benefits to Facilities	(220,000)	(149,542)	(112,157)	(149,542)	-
General Expenses	102,000	32,750	93,970	112,958	(80,208)
Building	634,700	464,000	565,872	681,202	(217,202)
Equipment and Vehicles	16,000	17,000	10,867	16,000	1,000
Total Expenses – Libro Centre	\$1,622,666	\$1,111,920	\$1,179,859	\$1,498,923	\$(387,003)

The projected year-end variance for the Libro Centre expenses is (\$387,003), due to unexpected repairs and rising utilities cost, as well as variances in staffing cost. The projected deficit is broken down into two areas: Salaries, Wages & Benefits which make up (\$90,593) of the variance, and General Expenses, Building, Equipment and Vehicles – which make up the remaining (\$296,410) deficit.

Salaries & Wages, Benefits: (\$ 90,593)

The projected year end staffing costs are consistent with prior years; however there was a \$107,235 decrease in the 2016 budget in this area from 2015, resulting in a projected

year end deficit of (\$90,593). Both Libro Centre staff and Facilities Operations staff are combined in this data. Facility staffing costs are re-allocated to Facility Operations each pay period at a fixed amount, which offsets the staffing costs and is factored into these calculations. Unbudgeted, full-time positions were established in 2016 through Collective Bargaining. Administration has adjusted the 2017 Proposed Budget for staffing costs accordingly.

Moving forward, the staff will be doing some work in-house that was previously performed by outside contractors, as the Town is in the process of hiring skilled labour positions, a plumber and an electrician.

General Expenses, Building, Equipment & Vehicles: (\$ 296,410)

	2016 Budget	Projected YE Variance
Utilities	\$ 360,000	\$ (130,000)
Contracted Services	9,000	-
Misc. Expenses (Training, Office Supplies, etc)	23,750	-
Bldg Repairs & Maintenance & Programming Materials	104,000	(167,410)
Equipment & Vehicle Maintenance	17,000	1,000
Totals:	\$ 513,750	\$ (296,410)

Utilities

There is a \$513,750 operating budget relating to the costs of maintaining and operating the building and/or facilities. Utilities make up the most of this budget at \$360,000 and also contribute a (\$130,000) deficit to this year-end projected (\$296,410) variance, with a year-end projected total cost of \$490,000, which is an approximately \$10,000 increase over 2015.

Contracted Services

The \$9,000 Contracted Services budget relates to routine contracts for pest control, mats throughout the building, drinking water, disposal services and telecommunications. The year-end cost for these contracted services will be within budget, with no variance projected.

Miscellaneous Expenses

There are miscellaneous expenses such as clothing, health & safety, training, office supplies, etc. that are trending to be on budget with no variance projected.

Building Repairs and Maintenance & Programming Materials

The Libro Centre building and programming budget is \$104,000. The costs for building repairs, maintenance and programming materials are trending a year-end deficit of (\$160,202).

	Expenses as at Sept 30, 2016
Unexpected Repairs	\$ 66,823
Miscellaneous Building Maintenance	52,132
Programming Materials: Sportsfields & Ice	29,130
Fire Protection/Sprinkler System	16,883
Total as at Sept 30, 2016:	\$ 164,968

Unexpected Repairs: \$66,823

These repairs are not routine in nature and not considered routine maintenance repairs.

There were a number of leaks in the system related to the association refrigeration piping that caused further leaks and eventually caused leakage to the glycol system, resulting in various pressure fluctuations. A complete shut-down was necessary to complete the costly repair to the entire refrigeration system.

In addition to the refrigeration issues, there was a costly repair required to the Fieldhouse electrical system.

In early 2016, due to a significant rainfall, the ground was saturated causing damage to a previously repaired electrical line from the Libro Centre to the Fieldhouse, which houses the building management system. This computerized system is used for the baseball, soccer/football field lighting and associated power and lighting to the Fieldhouse itself.

The necessary repairs were completed. However, the cost to replace the circuit boards of the building management system was estimated in excess of \$10,000. To mitigate some of these replacement costs, the decision was made to replace the system with a manual system at a lower expense.

Miscellaneous Building Maintenance: \$52,132

These costs relate to janitorial supplies, parking lot maintenance, entranceway repairs, and routine inspections, heating & cooling system, the boiler and the facility plumbing. These are costs that are to be expected on an annual basis.

Programming Materials: \$29,130

These costs relate to the materials required for the program activities at the Libro Centre. For example, the paint for the field lines and glass repairs to the arena boards. Again, these are expected annual costs related to the business of programming recreational activities.

It should be noted, moving forward, the staff (where feasible) will be doing some work in-house that has typically been performed at a higher cost, by outside contractors, for example, painting the ice surfaces. Painting and logo installation for the three ice pads could cost upwards of \$8,000. In 2016, the Libro Centre purchased ice painting equipment and staff is being trained to perform this work in-house, which will reduce the overall cost to the Town.

Fire Protection/Sprinkler System: \$16,883

Annual inspections of fire protection systems such as the sprinkler system at the Libro are required under the Ontario Fire Code.

Several deficiencies were noted in the annual inspection from previous years and discussions with the Deputy Fire Chief took place. Administration from the Libro Centre was informed that the deficiencies noted required repair and there was no extension of time given to complete these repairs.

These fire code deficiencies are a violation of the Ontario Fire Code and are also a health and safety concern for staff and the public who attend the Centre. Not completing these deficiencies was not an option and thus, they were completed in 2016.

Equipment and Vehicle Maintenance

Equipment and Vehicle Maintenance budget is \$17,000. This area is trending a slight surplus of \$1,000 for year-end.

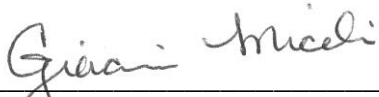
6. CONSULTATIONS:

Justin Rousseau, Director of Corporate Service/Treasurer
Bobbi Reive, Financial Planning Administrator
Lee Tome, Deputy Fire Chief

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7. **CONCLUSION:**

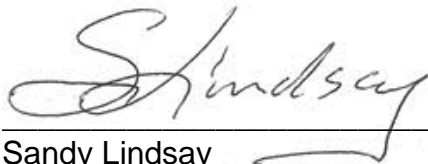
A full service delivery and cost analysis is required to continue to address operating costs of the Libro Centre; furthermore the establishment of a Libro Reserve is necessary to assist in the long term maintenance and replacement of capital items at the facility. This facility is a significant community asset that if not maintained will continue to experience operational and capital challenges in the future.



Giovanni (John) Miceli
C.A.O. & Acting Director Parks, Facilities, Recreation & Culture



Rick Daly
Manager, Recreation Services



Sandy Lindsay
Manager, Municipal Facilities

br



THE CORPORATION OF THE TOWN OF AMHERSTBURG

OFFICE OF THE CAO

MISSION STATEMENT: Committed to delivering cost-effective and efficient services for the residents of the Town of Amherstburg with a view to improve and enhance their quality of life.

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To: Mayor and Members of Town Council

Subject: Libro Centre – Engineering Report

1. **RECOMMENDATION:**

It is recommended that:

1. The report from the Chief Administrative Officer dated April 21, 2017 regarding Libro Centre-Engineering Report dated April 11, 2017 **BE RECIEVED**;
2. Administration **BE DIRECTED** to adopt the recommendations contained in the Fieldcraft Engineering Report; and,
3. The Chief Administrative Officer **BE AUTHORIZED** to move forward with **Option B** as identified in the report.

2. **BACKGROUND:**

On November 29, 2016, Council adopted the following resolution (Resolution # 20170109-500):

*“That the report from the CAO, Manager of Facilities, and Manager of Recreation Services dated November 15, 2016, regarding Libro Centre Financial Update **BE DEFERRED** until additional details, including what is not running properly at the Libro Centre, can be brought back in a report to Council.”*

The Libro Centre is approximately 165,000 square feet and provides a wide variety of facilities that suit the ever-evolving needs of our community The Libro Credit Union

Centre (Libro Centre) is a LEED (Leadership in Energy and Environmental Design)-Silver certified, state-of-the-art building that opened in 2011. The building received LEED Silver certification in 2013.

LEED-certified buildings are resource efficient. They use less water and energy and reduce greenhouse gas emissions. LEED certification provides independent, third-party verification that a building was designed and built using strategies aimed at achieving high performance in key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality.

From the time the Libro Centre has opened many users of the facility have raised concerns relating to occupancy issues such as the temperature of the building being too hot or too cold. This is important to note as the Mechanical Refrigeration System of the building was an integral part of the Energy efficient operation of the facility and was commissioned and verified by an independent third party. In light of the concerns raised, Administration engaged the services of Mark Kurzuk, Fieldcraft Engineering to review the approved certified design versus the present operating conditions.

3. DISCUSSION:

Attached to this report is Mr. Kurzuk 's report dated April 11, 2017. The report highlights and outlines **'as-found' conditions, repair & service work completed as part of this process, and recommendations to maintain the original intended performance of all related systems.**

The report identified the need for the system to undergo a re-commissioning procedure in order to operate properly and efficiently. The report highlights the steps taken by Fieldcraft to re-commission the mechanical systems for the facility and provides a list of recommendations with regards to the ongoing maintenance, building automation, training, and standardization as well as limiting access to the Building Automation System.

As is noted in the report, there are number of recommendations tabled by the consultant for consideration. Many of the findings of Fieldcraft are a result of the lack of a preventative maintenance program and programming alterations made by staff. Decisions made at this facility by previous managers were done in an effort to reduce operating costs for the facility due to budgetary pressures placed on the facility resulting from budget reductions. Unfortunately these decisions were made unilaterally by Council and then implemented by staff without communicating the ongoing impact of such decisions on the facility going forward.

It would appear from the consultant's report that staff adopted an "as needed" reactive approach to managing the facility rather than a proactive approach in an effort to reduce operating costs and meet budgetary constraints. These past decisions of Council and staff have manifested into the current situation at the Libro Centre. As noted in the consultant report, all issues identified have been repaired and rectified as of April 11, 2017.

There are a number of recommendations that need to be addressed going forward by the Town to ensure the building operates efficiently and effectively. The recommendations will have a financial implication to the 2017 operating budget

approved by Council should Administration move forward to implement the recommendations of Fieldcraft. It is important to note that in the 2017 operating budget, Council approved an increase in General and Building Expenses from of \$496,750 in 2016 to \$736,700 in 2017. These budgets were adjusted upward based on the current spending levels of the Town and reactive practices. The recommendations included in the Fieldcraft report, specifically recommendations 1,2,3,4 &5 were not included in its entirety in the 2017 operating budget submission as the full review of the facility was not completed prior to its development which was approved by Council.

Fieldcraft is recommending that the Town move from the current reactive maintenance approach of managing the facility to a more proactive preventative maintenance approach. The current practice of reactive maintenance has been ongoing for some time as the building has faced budgetary pressures since opening in 2011.

Many of the recommendations contained in the Fieldcraft report (see page 3 & 4 of report) are framed in a manner to guide and assist the Town into adopting and maintaining critical components of the mechanical systems of the building in a preventative proactive manner. It would not be unreasonable for one to conclude that well maintained equipment performs better than poorly maintained equipment. Furthermore equipment that is poorly maintained typically requires more electricity or fuel to run. Equipment that is routinely serviced on a regular schedule usually requires no extra electricity or fuel to run even after years of use.

There are a number of advantages associated with moving forward with recommendations of Fieldcraft which include, but are not limited to, the following:

1. Extends the useful lifecycle of assets decreasing the need for capital replacements.
2. Enhances the efficiency of equipment keeping them running more efficiently and lowering power expenses.
3. Enhances the performance of assets by increasing uptime.
4. Enhances customer (internal or external) service because there is less unplanned maintenance and staff can respond quicker to new problems.
5. Assists the Town in developing and maintain an effective asset management plan for one of the Town's most valued community assets.
6. Contributes positively to the reputation of Town as users of the facility and the community will see operational improvements

The issue at hand is for Council to decide if they are going to preserve the investment in Libro Facility asset and address user complaints through adopting a proactive approach to maintaining the Libro Centre as identified in Recommendations 1,2,3,4 & 5 of the April 11, 2017 Fieldcraft report going forward, or is Council going to decide to continue the existing practice and disregard user complaints. It is important for Council to make this decision in the context of the November 15, 2016 report deferred by Council on November 29, 2016.

In light of this, Council has three options to consider which are as follows:

- **Option A:** Engage the services of a mechanical contractor to provide the maintenance requirements identified in Recommendation 1- Maintenance of the Fieldcraft report dated April 11, 2017.
- **Option B:** Hire a qualified refrigeration mechanic to provide the maintenance requirements identified in Recommendation 1- Maintenance of the Fieldcraft report dated April 11, 2017.
- **Option C:** Do nothing and continue current practice acknowledging that issues may arise affecting the operation of the facility as a result.

4. RISK ANALYSIS:

There is a significant amount of risk associated with the Libro Centre should Council continue to operate the facility in a reactive manner. These risks are political and financial in nature as users of the facility are expecting Council to address the concerns raised. Council is well aware of the facility users who have appeared before Council requesting that Council resolve the matter of heating, cooling or ice surface conditions.

The findings and recommendations of Fieldcraft suggest that the solution to this issue is to become more proactive in addressing and managing the maintenance of mechanical systems in the facility. Presently, there is a resource risk as the Town does not have the appropriate service contract to address this issue nor does the Town have the appropriate trained qualified staff to address the key maintenance issues identified by Fieldcraft. In light of the consultant's findings, Administration has presented Council with two viable options that would address the lack of maintenance; however they are not without financial implications to the Town. The timing of the implementation of the recommendations presented by Fieldcraft is critical as users will anticipate that the recommendations will be addressed prior to the 2017/18 ice season and will have an impact on users.

5. FINANCIAL MATTERS:

For illustrative purposes Administration has tabulated the amount of monies spent on maintenance and repairs for 2016 and 2017 (to date) which are:

YEAR	TOTAL INV	HST	NET
2016	\$ 191,188.60	\$ 21,124.86	\$ 172,034.66
2017	\$ 134,184.80	\$ 19,811.73	\$ 114,373.07
TOTAL:	\$ 327,344.32	\$ 40,936.59	\$ 286,407.73

It is unknown how much of these costs could have been avoided if the town adopted preventative maintenance practices however, should the town continue without adopting such practices it is not unreasonable to conclude that unexpected costs will be incurred. The recommendations presented by Fieldcraft in the report dated April 11, 2011

suggest the Town move forward in a proactive manner for maintenance. In light of the issues identified, Administration has presented Council with two options for consideration to address the ongoing maintenance requirements of the facility:

- **Option A:** Engage the services of a mechanical contractor to provide the maintenance requirements identified in Recommendation 1- Maintenance of the Fieldcraft report dated April 11, 2017. Administration estimates the value of such a contract based on the recommendations of the Fieldcraft report to be in a range between \$40,000 and \$65,000 plus HST.
- **Option B:** Hire a qualified refrigeration mechanic to provide the maintenance requirements identified in Recommendation 1-Maintenance of the Fieldcraft report dated April 11, 2017. Administration estimates that the cost of hiring a refrigeration mechanic based on the skilled trade compensation package with the IBEW inclusive of benefits to be approximately \$83,000 per year.

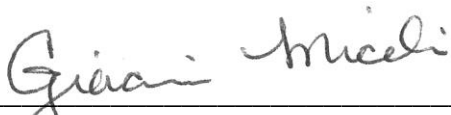
Although Option A presents Council with the least costly solution from a budgetary perspective, it only addresses the Libro Centre. Option B presents Council with an opportunity to not only complete proactive maintenance at the Libro Centre but Town wide at municipally owned facilities which presently are also maintained on an as needed basis. It is important for Council to note that any variances resulting in the adoption of Options A or B will be presented to Council during the quarterly variance reporting. Should Council approve Option A or B the expected impact on 2017 operations would be approximately half of the estimated cost identified above.

6. CONSULTATIONS:

Mark Kurzuk, P.Eng – Fieldcraft Engineering Ltd
Sandy Lindsay, Manager Municipal Facilities

7. CONCLUSION:

Administration is supportive of the findings contained in the Fieldcraft Engineering report dated April 11, 2017. In light of the consultant's report and the need to maintain municipal facilities in a proactive manner Administration recommends **Option B** contained within the report and that a refrigeration mechanic position be approved and recruited for the Town.



Giovanni (John) Miceli
Chief Administrative Officer

GJM



Libro Credit Union Centre
3295 Meloche Road,
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April 11, 2017

Attn: Mr. Sandy Lindsay, Manager of Operations

Libro Credit Union Centre – Mechanical and Refrigeration System Review

Summary

The Libro Centre was granted LEED Silver certification by the Canada Green Building Council in 2013. The Mechanical Refrigeration System was an integral part of the Energy efficient operation of the facility. Per the requirements of LEED Certification, the refrigeration and HVAC systems were commissioned and verified by a ‘third party’ consultant.

This report was prepared based upon our site review of the existing conditions relating to the operational issues that have developed over time with the refrigeration system and associated geothermal bed, dehumidification systems, and heating ventilation and air conditioning (HVAC) systems.

The report outlines ‘as-found’ conditions, repair & service work completed as part of this process, and recommendations to maintain the original intended performance of all related systems.

Objectives

- 1. To determine ‘as-found’ conditions relating to the proper operation of related systems.*
- 2. To re-establish the operation of the refrigeration plant and heating, ventilation, and air conditioning systems.*
- 3. To complete necessary repair & service work and recommissioning of related systems.*
- 4. To make recommendations relating to regular maintenance and verification of related systems.*
- 5. To make recommendations for improved operations of the mechanical and refrigeration systems as they relate to the use of the Facility.*

General Overview

1. Refrigeration Plant:

The refrigeration plant consists of 10 heat pump units. Heat from the ice making and cooling process is rejected to the Arena area pre-heating systems, a Zamboni snow melt pit system, hot water pre-heat systems, sub-slab ice rink heating, and a geothermal bed. Any excess heat is rejected through a cooling tower.

2. Individual HVAC Units:

Individual roof mounted heating, ventilating, and cooling units are utilized in the main entrance lobby & sports retail, multi-purpose rooms, kitchen and common corridors, offices, and the indoor soccer field. These HVAC units are not associated with the refrigeration plant and operate separately.

3. Building Automation Controls Systems (BAS):

All systems are controlled through a common 'Delta' Building Automation System.

'As- Found' Observations and Repairs

The system was in need of re-commissioning procedure in order to operate properly and efficiently.

This procedure required coordination with the Controls Contractor (Delta), Arena service provider (Fahrhall), the water and air balancing contractor (Caltab).

Generally, the refrigeration plant, individual HVAC units, and the Building Automation Control systems were reviewed, serviced, and re-commissioned as follows:

1. Refrigeration Plant

- *The heat pumps were individually tested. Any required repairs were completed. The related systems were re-commissioned.*
- *The building pre-heat systems that utilize the heat rejected from the ice making process were individually tested. Any required repairs were completed. The related systems were re-commissioned.*
- *The Zamboni snow-melt pit system was tested. Any required repairs were completed. The related systems were re-commissioned.*
- *The hot water pre-heating system was tested. Any required repairs were completed. The related systems were re-commissioned.*
- *The sub-slab ice rink heating system was tested. Any required repairs were completed. The related systems were re-commissioned.*
- *The geothermal heat rejection system was tested. Any required repairs were completed. The related systems were re-commissioned.*

- *The cooling tower heat rejection system was tested. Any required repairs were completed. The related systems were re-commissioned.*
 - *The entire refrigeration plant was re-balanced and set to the original design conditions.*
2. *Individual HVAC units:*
- *All individual HVAC units were individually tested. Any required repairs were completed. The related systems were re-commissioned.*
 - *All HVAC systems were re-balanced and set to operate to the original design conditions.*
3. *Building Automation Control Systems:*
- *The BAS system software was upgraded with the latest version of software.*
 - *All control points were reviewed and verified. Any control points that were not operating correctly were repaired and reset.*
 - *All set-points were reviewed and reset as required.*

Recommendations:

1. *Maintenance:*

Complete a quarterly Maintenance Program for all Refrigeration plant and Mechanical equipment.

Complete a semi-annual BAS control system review for all Refrigeration plant equipment and related systems.

Include the following equipment and systems:

1. *HVAC units*
2. *Heat pumps*
3. *Exhaust Fans*
4. *Dehumidification units*
5. *Energy Recovery Ventilation Units*
6. *Pumps*
7. *Control valves*
8. *Dampers*
9. *Cooling tower*
10. *BAS system and all related control points and set-points.*

2. *Building Automation Monitoring:*

Provide alarms BAS system and send notifications to Libro maintenance staff and the Service contractor in order to respond quickly to any issues. Set up alarms and notifications for Rink A and Rink B for the following:

1. *Ice temperature out of range.*
2. *Arena Humidity and/or temperature out of range.*

3. *Heat pump failure.*
4. *System Hydronic pressure out of range.*

3. *Training:*

Provide training on the Refrigeration systems, HVAC systems, and the BAS to the Libro Centre maintenance staff. Training to include the following:

1. *Overall operation of the systems.*
2. *Set-points and allowable ranges of set-points.*
3. *Regular maintenance and inspections.*
4. *Identifying issues and procedures to make any repairs.*

4. *Standardizing:*

Standardize the temperature set-points for all rental areas and incorporate them into the BAS master scheduling and programming. Temperature settings to include the following:

1. *Occupied Heating setpoint*
2. *Occupied Cooling setpoint*
3. *Un-occupied Heating setpoint*
4. *Un-occupied Cooling setpoint*

5. *Limit BAS Access and Tracking:*

Limit the access to the BAS system programs and set-points. Only approved and trained personnel should be able to access the system and change any set-points. A tracking log should be kept for reference.

Mark Kurzuk P.Eng.
FLDCRAFT ENGINEERING LTD.