



FINANCE AND ADMINISTRATION COMMITTEE

**Tuesday, July 8, 2014
4:00 PM**

Henry Baker Hall, Main Floor, City Hall



**Public Agenda
Finance and Administration Committee
Tuesday, July 8, 2014**

Approval of Public Agenda

Minutes of the meeting held on June 10, 2014.

Administration Reports

FA14-18 Renovations to Building A at City Yard - 4th Avenue

Recommendation

1. That the renovations to Building A, consistent with implementing contemporary asset lifecycle management practices, be approved and funded as follows:
 - a. \$175,000 from the General Utility Reserve;
 - b. \$340,000 from the Solid Waste Reserve; and
 - c. \$610,000 from the Asset Revitalization Reserve.
2. That this report be forwarded to the July 28, 2014 City Council Meeting for approval.

Adjournment

AT REGINA, SASKATCHEWAN, TUESDAY, JUNE 10, 2014

AT A MEETING OF THE FINANCE AND ADMINISTRATION
COMMITTEE
HELD IN PUBLIC SESSION

AT 4:00 PM

These are considered a draft rendering of the official minutes. Official minutes can be obtained through the Office of the City Clerk once approved.

Present: Councillor Wade Murray, in the Chair
Councillor Bryon Burnett
Councillor Shawn Fraser
Councillor Bob Hawkins
Councillor Terry Hincks

Also in Attendance: Committee Assistant, Ashley Thompson
Solicitor, Mark Yemen
Chief Financial Officer, Ed Archer
Director, Assessment and Property Taxation, Don Barr
Manager of Corporate Accounting, Lorrie Schmalenberg

APPROVAL OF PUBLIC AGENDA

Councillor Bob Hawkins moved, AND IT WAS RESOLVED, that the agenda for this meeting be approved, as submitted.

ADOPTION OF MINUTES

Councillor Terry Hincks moved, AND IT WAS RESOLVED, that the minutes for the meeting held on May 6, 2014 be adopted.

COMMUNICATIONS

FA14-16 2013 Public Accounts

Recommendation

That the 2013 Public Accounts document be forwarded to City Council as information.

Councillor Bryon Burnett moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

ADMINISTRATION REPORTS

FA14-17 Global Transportation Hub Authority - Assessment & Taxation Services Agreement

Recommendation

1. That the Executive Director, City Planning & Development be delegated the authority to negotiate and approve a five-year agreement between the City of Regina and the Global Transportation Hub Authority regarding assessment and taxation services as further described in this report;
2. That the Executive Director, City Planning & Development be delegated the authority to extend the initial five year agreement on similar terms for a further five years should the terms continue to be satisfactory to the City;
3. That the City Clerk be authorized to execute the agreement between the City and the Global Transportation Hub Authority described in this report, in a form approved by the City Solicitor; and
4. That this report be considered by City Council on June 23, 2014.

Councillor Shawn Fraser moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

RESOLUTION FOR PRIVATE SESSION

Councillor Terry Hincks moved, AND IT WAS RESOLVED, that in the interests of the public that the remainder of the items on the agenda be considered in private.

RECESS

Councillor Shawn Fraser moved, AND IT WAS RESOLVED, that the Committee recess for five minutes.

The meeting recessed at 4:25 p.m.

Chairperson

Secretary

July 8, 2014

To: Members,
Finance and Administration Committee

Re: Renovations to Building A at City Yard - 4th Avenue

RECOMMENDATION

1. That the renovations to Building A, consistent with implementing contemporary asset lifecycle management practices, be approved and funded as follows:
 - a. \$175,000 from the General Utility Reserve;
 - b. \$340,000 from the Solid Waste Reserve; and
 - c. \$610,000 from the Asset Revitalization Reserve.

2. That this report be forwarded to the July 28, 2014 City Council Meeting for approval.

CONCLUSION

Renovations to Building A at the City Yard on 4th Avenue is being recommended at this time for two key reasons:

- The facility is currently less than half occupied, providing an opportunity to undertake needed renovations at a lower cost by avoiding the need for temporary leased office space. The relatively small number of employees working at this location could be housed within the City's available inventory of office space.
- It provides an appropriate solution to accommodate the City's Emergency Operations Centre, which has been an outstanding issue since the Forum space at City Hall has become unavailable. Prior to 2011, the City's EOC had been operated out of the City Hall Forum; however, since then it has been used to accommodate swing and special project space.

The renovations to Building A will allow for improved responsiveness and coordination of the following services that could be centralized in Building A but are currently located at various facilities throughout the City:

- Roadways and Transportation Services
- Water Work Services
- Solid Waste Services

Additionally, these renovations will provide the City with a functioning primary EOC located at Building A. It is important that the City have a functioning EOC established as a central command and control space to be used for carrying out emergency preparedness, emergency management and disaster management functions at a strategic level in an emergency situation, ensuring business continuity. This supports the City's capacity for emergency response. An EOC can be designed in such a way that it uses existing space and amenities that can be converted quickly and used as a command centre.

The project will ensure the City is maximizing the useful life of its assets (consistent with contemporary asset lifecycle management practices), improve energy efficiencies and will also maximize both capacity and effective use of space for the services. The renovations of Building A would produce the following results:

- Create an open environment that increases capacity by an estimated 20% and provides a functional, contemporary and collaborative work environment.
- Facility retrofits that improve the work environment and extend the useful life of the facility while minimizing operating costs.
- Create a flexible multi-purpose space that would serve as the City's primary Emergency Operations Centre when required.
- Provide a viable administrative space for City Operations for a minimum of another 15 years.

The cost of this work is estimated at \$1.7M and will take 8 to 10 months to complete. Undertaking this project in 2014 while the facility is not fully occupied will save an estimated \$100,000 that would otherwise be required for providing temporary accommodations related to the relocation of current occupants within the facility. The financing plan included in this report includes the reallocation of approved capital funds in addition to the recommended draws from reserves.

BACKGROUND

Building A is primarily an administrative building in the City Yards at 4th Avenue. It is an office building of 8,400 square feet (similar to a floor of City Hall). The facility was constructed in 1965 and was last renovated in 1983. The facility has an emergency generator to provide business continuity for the dispatch (49) office. There are currently 37 work spaces.

In 2010, Facility Management Services (FMS) conducted a needs assessment for Public Works. The results of this work outlined the need for increased administrative and shop space to support the programs and services delivered by Public Works.

To accommodate corporate space needs, in general, leasing space may be a viable option. Staff do not believe leasing is appropriate in this instance because Building A's location – within the City Operations Yard – and the ongoing operating needs of the affected services makes renovating a more economical option. Building A is a good candidate to renovate, due to its existing condition and it is in a preferred location within the City Operations Yard.

DISCUSSION

Since Building A's last renovation in 1983, several advancements in building systems and office layout have occurred. Renovation of office space and incorporating contemporary office space design enhances work processes and employee experiences while realizing space efficiencies and maximizing effectiveness. The current configuration at Building A is a traditional closed office with only a couple of open environments to create collaborative work stations. In total (closed and open) there are 37 offices.

In its current configuration building occupancy could be increased by up to 10% if existing offices were outfitted with two workstations instead of the one workstation they were originally designed to hold. However, this would exacerbate capacity constraints in the rest of the building

including washroom facilities, meeting space and other common areas and is not a feasible option. Using contemporary corporate space standards and current design guidelines, the renovations would produce a minimum 20% increase in capacity and new amenities like meeting rooms, privacy rooms, service centres and appropriate refreshment centres would be created.

The recommendation to pursue renovations now at Building A is a direct result of the facility being largely vacant. Swing space is often required to accommodate employees during major renovations and it is in scarce supply. Currently, there are 18 employees working out of Building A, which is about half of the normal occupancy of this building. There is an estimated \$100,000 in cost avoidance as a direct result of only having to relocate these staff versus a fully occupied facility.

The list of potential departments that have staff that might be appropriately located in Building A include the Roadways and Transportation (R&T) Department, the Solid Waste Department and some Water Works Services staff and support staff. In total FMS is aware of requests to move at least another 25 people into this facility, which is more than can be accommodated in its current state. Building A could become an open office that could be fitted to create a contemporary, collaborative work environment.

An additional opportunity created by renovating Building A is the creation of a new primary EOC. While there is no legislation requiring the presence of an Emergency Operations Centre, there are standards (CSA and NFPA), which require the City to have one. An EOC is considered standard industry practice as they are crucial in the successful response, recovery and resolution of any major emergency or disaster. Currently, the City's primary EOC is located in the Regina Police Service (RPS) Head Quarters and has been located there since 2011 when the City Hall Forum became unavailable. Given space constraints at RPS Head Quarters, FMS and the Emergency Management Office believe that a primary EOC at Building A will provide a more suitable long-term solution with appropriate amenities to support the City's emergency response capabilities. Future changes to RPS Head Quarters will include plans to accommodate a secondary EOC should it be required.

An EOC can be designed in such a way that it uses existing space and amenities in the event of a significant emergency or disaster. There are several characteristic of Building A that make it well-suited for an EOC from a specific requirements and best practices perspective. These include:

- A location close to major arterials for easy access.
- Emergency/back up power. This is already available at Building A.
- Preferred location to be away from city centre.
- Adequate parking.
- Located away from major railways.
- Stand alone facility that staff can relocate to during an emergency to remove themselves from other possible distractions.

Accommodating both the EOC and the space needs of other work groups could be accomplished with a renovation to Building A. Main elements of this renovation would include:

- Removal of the existing closed office spaces to create an open environment with collaborative works stations.

- Facility retrofits including: energy-efficient windows, HVAC, flooring, lighting, washrooms and necessary accessibility and security improvements to improve the environment and extend the useful life of the facility.
- Development of appropriate amenities to support a collaborative and contemporary work environment.
- Creation of flexible multi-purpose space appropriate designed to become an EOC when required.

The cost to accomplish this renovation is estimated at \$1.7M including furniture and equipment to make the space ready for use. The timing of this project is recommended to be immediate such that work could be completed and occupancy of the building occurs in the first half of 2015. The recommended financing plan includes a combination of reserves dedicated to this purpose, funding reallocations from approved projects where funding is available and approved funds specifically for this work. There will be no impact to the projects approved in the 2014 capital budget.

The following recommendations are made as funding sources for this project:

- \$313,000 previously approved funding for the development of an EOC.
- \$105,000 reallocation of remaining funds from the Public Works Facilities Master Plan.
- \$165,000 reallocation from the Mobile Equipment Enclosed Parking Project
- \$175,000 transferred from the General Utility Reserve.
- \$340,000 transferred from the Solid Waste Reserve.
- \$610,000 transferred from the Asset Revitalization Reserve.

The funding recommend from the General Utility Reserve and the Solid Waste Reserve are based on the percentage of existing or potential occupancy in this facility to enable the delivery of service. The Asset Revitalization Reserve is intended to fund the strategic priorities of the City to assist in managing growth and revitalization of the City. The preservation of City facilities and renovations such as the proposed Building A support the efficiency and effectiveness of City operations through functional and adaptable work spaces and optimize the value of the facility asset.

The demand for staff to be located in the City yards is high. Leaving Building A as is provides some functional space and staff would use it to house as many staff as it could efficiently hold. Work would still be required to locate a primary EOC space.

However, the outdated heating and ventilation equipment make it challenging to provide an acceptable environment for employees to work in. It is difficult to consistently control the heating in the winter and cooling in the summer throughout the facility. In absence of a full renovation, the facility will continue to be inefficient and its HVAC systems would remain at higher than acceptable risk of failure.

RECOMMENDATION IMPLICATIONS

Financial Implications

The following recommendations are made as funding sources for this project:

| Amount | Funding Source | Approval required from | Comments |
|------------------------------|------------------------------|---|--|
| \$313,000 | FMS account | - N/A | Funding previously approved for EOC development |
| \$105,000 | FMS Reallocations | - City Manager approval for the reallocation. | Reallocation for funding from the PWFMP (Public Works Facilities Master Plan) Project to this project. |
| \$340,000 | General Utility Reserve | City Manager approval for the reallocation. - City Council approval required | Reallocation of \$165,000 from Mobile Equipment Enclosed Parking Project \$175,000 new funding from the General Utility Reserve |
| \$340,000 | Solid Waste Reserve | - City Council approval required | \$340,000 new funding from the Solid Waste Reserve |
| \$610,000 | Asset Revitalization Reserve | - Council approval required | \$610,000 allocation from the Asset Revitalization Reserve (ARR) |
| Total \$1,708,000 | | | |

The funds identified are full costs and include all consulting and contracted services that would be required for this project. The management of this project will reside within Facilities Engineering and capacity is available to manage this project.

The General Utility Reserve, the Solid Waste Reserve and Asset Revitalization Reserve all have adequate funding would not fall outside their limits with the approval of this request.

Environmental Implications

This project is maximizing the useful life of the asset. Additionally, the proposed improvements for the facilities such as HVAC improvements and window replacement will result in better energy management of the facility.

Policy and/or Strategic Implications

This project has been identified in the Interim Implementation Plan for the Corporate Facilities Master Plan and is a direct contributor to achieving Strategic scorecard measure 3.2.4 Percentage of milestones achieved in the implementation of the Corporate Facilities Master Plan.

Building A as a specific project was not previously identified in FMS business plan as the opportunity of a half empty facility was not anticipated. The proposed plan for Building A; however, is consistent with FMS Corporate Office Space Improvement Program that is targeted at updating and maximizing the flexibility of existing City owned office space by completing the required base building improvements and applying the Contemporary Office Space Guidelines. This program is identified in FMS business plan and will form part of the Corporate Facilities Master Plan.

Other Implications

Improving the functionality, flexibility and capacity of office spaces are the primary objectives of any project under the Corporate Office Space Improvement program. The Building A project will achieve improved functionality not only by improving work group adjacencies, but also through the creation of an EOC, which will be a new function within the facility. Using the modular furniture and wall systems the facility will have increased flexibility to adapt to a variety of requirements. Finally, the capacity of the facility will be increased by a minimum of 20%.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

Communication of this project will be closely aligned with the communication of the City Operation reorganization. FMS will also work closely with impacted work groups to identify their business requirements.

DELEGATED AUTHORITY

This report requires City Council approval.

Respectfully submitted,



Karen Gasmó, Director
Facilities Management Services

Respectfully submitted,



Ed Archer,
Chief Financial Officer
Respectfully submitted,



Brent Sjoberg,
Deputy City Manager & COO
City Operations

Report prepared by:
Karen Gasmó, Director, Facilities Management Services