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**TO:** Mayor Kogon and Members of Council

**SUBMITTED BY:** Shelley Rector, CPA, CMA – Chief Financial Officer

**DATE:** June 17, 2019

**SUBJECT:** Adjustment to Capital Budget for Roof Replacement for the Community Credit Union Business Innovation Center

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**ORIGIN:** Information received from the Capital Asset Coordinator / Property Manager.

**LEGISLATIVE AUTHORITY:** 37000-01 Procurement Policy and the MGA, Section 65.

**RECOMMENDATION:** That Council refer approval of amending this year's capital budget (2019-2020) to include \$75,000 for the replacement of the roof at the Community Credit Union Business Innovation Center to the regular meeting of Council on June 24, 2019 and remove it from the year two capital budget (2020-2021).

**BACKGROUND:** The roof over the conference room at the Community Credit Union Business Innovation Centre has been leaking over the past several months. Last fall, some repairs were made that were hoped to solve the problem until a roof replacement could be done in the summer of 2020. These repairs included fixing the curb and edges on the roof as water was coming in through these areas. It was anticipated that this repair would provide a few additional years before the roof needed to be replaced. Unfortunately, the roof is continuing to leak and there has been ongoing damage to the ceiling. The potential for damage to the electronic equipment mounted in the areas where the leaks are coming through is cause for concern.

**DISCUSSION:** The roof is a fiber membrane roof with tar and gravel. As the roof ages and dries, it is easy for cracks to happen which can result in leaks. As the repair completed last fall has not resolved the issue, it does not make sense to continue to make repairs to the roof as it is difficult to identify where the issue lies or to ensure another leak will not occur after a repair has been completed. The anticipated life of a new roof is at least 20-25 years. If there is a surplus from the 2018-2019 fiscal year, this money could be used to fund the cost of the project. If not, this is a project where borrowing for 15 years would make sense as it is an asset with a long-term useful life. This project was in year 2 of the capital budget for \$75,000 and was to be financed through long-term borrowing.

**FINANCIAL IMPLICATIONS:** This will increase this year's capital budget by \$75,000 making the total capital budget equal to \$3,769,229 and will be financed through long-term borrowing or with the 2018-2019 surplus if applicable. It is anticipated that there will be ongoing ceiling and/or electronics repair costs if the replacement is not completed.



**COMMUNITY ENGAGEMENT:** No community engagement is anticipated.

**ENVIRONMENTAL IMPLICATIONS:** The existing tar and gravel roof will be removed and disposed of in landfill. A new tar and gravel roof will be installed, with a life expectancy of approximately 20-25 years.

**SOCIAL JUSTICE IMPLICATIONS:** There are no social justice implications.

**ALTERNATIVES:**

1. Make repairs to the roof during this fiscal year and complete the replacement in 2020.
2. Allow the leaks to continue.

**ATTACHMENTS:**

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Report prepared by: Shelley Rector CPA, CMA - CFO  
Report and Financial approved by: