

To: Mayor Burrow and Council

From: Charles Dowdall, Director of Finance

Subject: Frankville Public School – Building Assessment

RECOMMENDATION

THAT Council receive this Report F-26-14 – Frankville Public School – Capital Repairs;

AND THAT Council directed staff to report back to Council on April 27, 2026, with an integrated review of the capital requirements of the New Dublin Garage, Township Municipal Building, and Frankville Public School to include the financial implications for each project individually and on a consolidated basis.

BACKGROUND:

On February 23, 2026, Council approved the purchase of the former Frankville Public School at a purchase price of \$325,000 and waiving of its conditions. The sale of the property to the Township has a closing date of May 25, 2026.

Further contained in that approval was the direction to staff to proceed with a review of the building assessment report provided by the seller and completion of a cost analysis for any repair and/or renovations to the building. Staff were to report back to Council no later than April 27, 2026, on the results of their review, assessment, and cost analysis with further recommendations on potential future use of the building.

DISCUSSION:

The Chief Building Official and the Building Facilities Manager undertook an assessment of the current structure and as contained in the assessment report provided by the seller, the major structural element to be addressed is the current condition of the roof. The assessment report provided by the seller was completed in August 2024 by Shoalts & Zaback Architects with engineering review provided by Eastern Engineering Group (Attachment # 1).

A. Roof Structure

Building Assessment Report – Reinforced Autoclaved Aerated Concrete RAAC)

The assessment report reviewed outlined that RAAF has been identified as a problematic building material which can be at risk of structural defects and possible failure. The building was found to have a limited quantity of RAAC products composing the roof slabs found on the eastern end of the building.

The report found that sections of the roof in the eastern end of the building where the RAAC is located were in poor condition and required repair or replacement within 1-3 years. The report outlines that the damage in this specific area to the roof is extensive and that salvaging of the heavily damaged slabs is unlikely and replacement with structural steel framing would be required. The extensive damage to the roof slabs was found in 7 specific locations in the eastern end of the building, specifically the central corridor of the building where steel post supports have been installed temporarily to provide additional support. The report recommends that these 7 specific locations should be addressed as soon as possible.

The report further outlines that there are 30 locations in the building where grouting repair is required; however, these locations are less urgent to repair in nature and can be addressed later.

Based on the review of the prior assessment by staff, there are two options to be considered, that being a repair of the existing roof or complete replacement of the roof.

(i) Repair of the Existing Roof

Staff have determined the best course of action in this case would be the removal of the damaged slabs in the main corridor with no replacement of these slabs. These slabs would be replaced with drywall to the underside of the roof thereby providing the necessary fire rating and preventing any long-term structural issues within the roof. Leaving the slab structure for the remainder of the building in its current format exceeds the minimum fire resistance rating that is required under the current Building Code.

The assessment report provided does not identify any other areas of the roof that affect the structural integrity of the building outside of the specific 7 locations in the main corridor where temporary steel supports are currently in place. With the removal of the impacted slabs identified in the assessment report, staff recommend then proceeding with the installation of a wood frame truss and metal roofing. The present roof structure does not have any insulation. With the installation of a wood truss and metal roof, staff further recommend that R60 insulation be placed in the roof which

provides for a level of energy efficiency similar to what would be found in a new building construction.

The assessment report on file from the seller outlines that if a repair of the impacted concrete slabs was undertaken, the projected cost for this work would be \$278,000. However, this cost estimate was completed in August 2024. Considering the current market conditions as it relates to the cost of materials and tariffs on steel products, staff estimate that the total cost for repair of the roof as described would be \$500,000 including the applicable HST and HST rebate that would be reimbursed to the Township.

(ii) Replacement of the Existing Roof

Although the assessment report in 2024 does not make specific recommendation to undertake the replacement of the current roof, the report does outline that a full replacement of the roof should be considered based on the damage identified to specific cement slabs.

A total replacement of the roof would involve a complete renovation of the building to include over and above the obvious work, replacement of interior walls, replacement of floor, replacement of all electrical and utilities within the building supported by the existing structure.

Staff obtained a Class “C” cost estimate from Eastern Engineering Group who completed the building assessment in 2024 and have considerable familiarity with the current structure. The cost estimate they have provided for the replacement of the roof to include other related structural components that will require replacement associated with this work is \$1,616,474 plus HST composed of \$903,474 for the renovations and \$713,000 for the removal of the existing roof. It needs to be pointed out, that the Class “C” cost estimate provided includes a 15% contingency. (Attachment # 2).

B. Other Structural Elements

In addition to the roof structure, which is the focus of the assessment report provided, staff further reviewed the exterior of the building in the absence of any assessment report on file. Based on their review, staff are recommending that when the work is undertaken for the roof, the exterior cladding be taken off simultaneously and the exterior walls insulated followed by the cladding being replaced. Further, to take advantage of the cladding being removed, staff are further recommending that all exterior windows in the building be replaced with ER 40 windows based on the Canadian Standards Association (CSA) A440.2 standard. This will provide for a more energy efficient heat transfer and solar heat gain coefficient throughout the building.

Staff estimate that the costs to be incurred for the other structural work as outlined to be \$400,000 including the applicable HST and HST rebate that would be reimbursed to the Township.

C. Future Use of the Building

On February 5, 2026, Council was provided with staff report F-26-05 for information purposes. This report outlined the declaration of the Frankville Public School as a surplus asset by the Upper Canada District School Board (UCDSB) for consideration of being purchased by the Township.

In that report, staff outlined that if the former school was purchased by the Township, the future use of the school potentially could be the relocation and consolidation of all administration for the Township (New Dublin and Toledo) into one location including the relocation of Council chambers.

As contained in staff report, F-26-05, a summary of both locations for comparison is provided as follows:

	Current Location 6544 New Dublin Road	Proposed Location 231 County Rd 29
Interior Area Size	6,140 sq ft	12,938 sq ft
Year of construction	1830's (original)	1960's
Number of Floors	3	1
Storage Area Size	860 sq ft	1,500 – 2,000 sq ft
Exterior Property Size	0.84 acres	4.03 acres
Sewer System	Septic	Septic
Zoning	Institutional	Institutional
Heating Fuel	Propane	Natural Gas
Heating Type	Electric Baseboard and Electric Heat Pump– 2 nd Floor 2 Propane Forced Air – Lower/Main Level	Hot Water Radiator
Air Conditioned	Yes	Partially
Self contained offices	No	Yes
AODA Compliant	No – Modifications Required	Yes – with some minor modifications

If the former school was transformed into the new administration building for the Township, it would provide double the usable floor space to accommodate the Township's administrative operations. This larger floor space would also provide for the inclusion of other Township services that could be offered in one central location. For example, consideration could be given for the relocation of the Toledo library to the former school as part of a consolidation of municipal services at this site. The property dimensions are 299.8 feet frontage on CR 29 and a depth of 584.8 feet or

4.03 acres which could allow for recreational programming or community space outdoors on the site.

OPTIONS TO BE CONSIDERED:

Based on the review of the assessment report related to the roof; the assessment of other structural building issues with no supporting report; and the potential future use of the former school, staff have identified 5 options for Council consideration.

Option # 1 – Do not undertake any capital repairs and sell the building upon possession.

As previously mentioned, the Township purchased the property for \$325,000 and the closing date for the transaction is May 25, 2026. Given the cost estimates of the capital repairs structurally that will be required, the Council could proceed in selling the property after it has taken possession and no undertake completing any of the capital repairs that have been identified.

This option would not require any capital costs to be incurred, and the Township could resell the property for the same price as purchased and recoup the monies that have been spent for the purchase. Further, depending on the market conditions, the Township may be able to sell the property for a small premium over what was paid and if this was the case, the Township would retain any surplus funds on the sale. There is nothing in the Purchase and Sale Agreement with the school board that prevents the Township from reselling the property or requiring the Township to return any surplus funds in whole or in part to the school board from a resale of the property.

Option # 2 – Proceed with the repair of the roof at a total cost of \$500,000 and sell the building upon completion of the repair to the roof.

This option would address the current structural issue to the roof and improve the resale value of the building if a future use for the building is not identified. However, the ability for the Township to recoup all the expenditures for the roof repair if sold under this premise is dependent on the real estate market conditions. There is no guarantee that all funds in this case for the capital repairs would be recouped to make the expenditure cost neutral.

Option # 3 – Proceed with the repair of the roof and other structural elements at a total cost of \$900,000 (\$500,000 to repair the roof and \$400,000 to repair other structural elements).

If the decision of Council is to retain the building regardless of the future use for the building, as recommended in the assessment report provided by the seller, the repair to the roof structure must be addressed in earnest to avoid further deterioration and subsequent damage to the building. The structural repairs identified by staff to include the removal of cladding, applying insulation, reapplying of cladding and installation of

new windows will increase the marketability and subsequent sale price of the property if a potential future use of the building is not identified. However again, whether or not the Township would be able to fully recoup the capital costs invested for the repairs cannot be determined and will be dependent upon the real estate market conditions at that time.

Option # 4 – Proceed with replacement of the roof structure at a total cost of \$1,616,474.

As in the case of Option # 2, another way of addressing the current structural issue with the roof is a full replacement of the roof. As previously outlined, this would require a large-scale construction to also include replacement of walls and floors in the building interior as a result of the removal of the existing roof and installation of a new roof. Again, this investment would increase the value of the property if the Council decided to sell the property if no potential use of the building is identified; however, again as in the case of Option # 2, the increase in the value of the property with this scale of work cannot be determined and would be dependent on real estate market conditions at the time of sale.

Option # 5 – Proceed with the capital repairs contained in Option # 3 and designating the former school as the future site of the Township Municipal Building and selling the current Township Municipal Building in New Dublin thereby removing the capital repairs required for AODA compliance and building upgrades identified for the New Dublin site.

Again referring to staff report, F-26-05 that was presented to Council on February 5, 2026, staff estimated that a project budget of \$2,000,000 excluding the purchase price of \$325,000 would be required to complete the repairs and renovations identified at the former school if it was to become the site of the Township Municipal Building. Upon reviewing of the assessment reports and based on staff recommendations for completion of other structural repairs to the exterior, the project budget presented to Council on February 5, 2026 has been amended within identified categories to include the installation of new windows, engineering design, and a reduction in moving costs and contingency costs. However, the overall estimated project budget remains the same as what was originally presented to Council which is summarized as follows:

Item	Estimated Cost
Repair of roof and installation of a truss.	\$500,000
Interior renovations, painting, flooring, lighting, AODA compliance, minor layout modifications, new boiler, new windows, new security system, engineering design.	\$1,200,000

Moving costs, computer transfer, server installation, office equipment installations, office equipment purchases	\$150,000
Contingency	\$150,000
Estimated Cost	\$2,000,000

If the decision of Council was to undertake this option, the current Township Municipal Building would be put on the market for sale. In the absence of a formal commercial property appraisal, based on informal discussion with local market experts, staff estimate that a sale price of \$800,000 would be attainable. The proceeds of this sale would then be applied to the capital cost of repairs and the purchase price of the former school thereby reducing the total capital costs associated with this option to \$1,556,980 as described further on in this report under “Recommendations”.

FINANCIAL ANALYSIS:

Option # 1

There would be no financial implications in the case of Option # 1 as the capital work identified would not be undertaken and the property would be sold after the Township takes possession to recoup the monies spent for the purchase of the property. Unless there was a dramatic shift in the real estate market conditions, this option should be cost-neutral to the Township.

Option # 2, 3, 4, 5

For the remaining options under consideration, the funding that is needed would require the Township to secure long-term debt financing.

However, in the case of Option # 2, the funding for the capital expenditures could come from excess cashflow to be replenished from the sale of property. Although this is a viable consideration, it poses a risk to the Township insofar as the use of excess cashflow for this purpose may put pressure on daily financial operations meaning that the Township may be required to access its operating line of credit more frequently as a source of working capital. It is the recommendation of staff that excess cashflow not be used for the capital expenditures associated with Option # 2.

A summary of the long-term debt financing implications for Options # 2, 3, 4 and 5 are summarized as follows:

Financing Cost:

Description	Option # 2	Option # 3	Option # 4	Option # 5
Total Amount Financed	\$500,000	\$900,000	\$1,616,474	\$1,556,980
Interest Rate	2.91%	2.91%	2.91%	2.91%
Amortization	10 years	15 years	20 years	20 years
Project Specific Annual Debt Repayment	\$57,687	\$74,116	\$106,707	\$102,779
Consolidated Annual Debt Repayment	\$798,162	\$814,591	\$847,182	\$843,254
Annual Repayment Limit (ARL)	9.22%	9.41%	9.79%	9.75%
Long Term Debt available to Township	\$6,800,000	\$6,600,000	\$7,700,000	\$8,300,000

Annual Repayment Limit (ARL)

Council has directed staff to ensure that the Annual Repayment Limit of the Township does not exceed 15%. This means as reported in staff report, F-26-13; the maximum annual debt payments for the Township cannot exceed \$1,297,911.

Based on the above summary of financing cost for each option, the annual debt payments would increase to the range of \$798,162 to \$847,182 with a consolidated ARL of 9.22% to 9.75%.

Further, based on the above summary of financing cost for each option, the total long-term debt available for the Township to undertake without exceeding an ARL limit of 15% would be between \$6,600,000 and \$8,300,000. It needs to be pointed out that in contrast to a related calculation of the ARL in staff report, F-26-13, there is a wider variance on the ARL in this case as the financing options presented in this report involves multiple amortization periods being considered based on the amount of funding to be borrowed.

RECOMMENDATIONS:

After consideration of the structural assessments as outlined in this report and considering the cost implications for capital repairs required to the current Township Municipal Building for AODA compliance as outlined in a subsequent staff report F-26-13, staff are recommending Option # 5, to proceed with the capital repairs at the former school with the intention that this will be the future site of the Township Municipal Building.

A comparison of costs for the completion of capital work at both sites identified in staff report F-26-13 and F-26-14 is summarized as follows for consideration:

Description	Township Building 6544 New Dublin Rd.		Frankville Public School CR 29 Frankville
	AODA Renovations Scenario # 1	AODA Renovations Scenario # 2	
Purchase Price			\$325,000
Capital Cost of Repairs/Renovations	\$1,500,000	\$2,500,000	\$2,000,000
HST	\$195,000	\$325,000	\$260,000
HST Rebate	(\$171,015)	(\$285,025)	(\$228,020)
Capital Cost of Repairs/Renovations (Net of HST Rebate)	\$1,523,985	\$2,539,975	\$2,356,980
Sale of Property			(\$800,000)
Total Cost	\$1,523,985	\$2,539,975	\$1,556,980

As outlined in staff report F-26-13, a complete renovation of the current Municipal Township Building will be required for AODA compliance for both the public and for staff. To achieve this requirement, the Township will be required to expend \$1,500,000 to \$2,500,000 without consideration of HST related components. To undertake these renovations will require the temporary relocation of all administration given that the nature of the work is extensive and the building must be vacant for this work to be completed. It is estimated that a temporary relocation of administration would be for a period of up to one year. The associated costs with this temporary relocation of administration have not been determined or factored into the financial analysis presented in both staff reports.

Although the capital repairs to the current Township Municipal Office will address the AODA compliance, it does not increase the amount of the physical working space in the building. In fact, the amount of physical working space may be reduced with the required renovations for accessibility. If the goal is to increase the physical working space of the current location, an addition to the current building would be required; however, there are limitations on how this could occur. Staff are of the opinion that if an addition was put on the current building it would need to be the construction of a second storey at the rear of the building as opposed to an expansion of the current building into the existing parking lot. It is estimated if this was undertaken it would provide an additional 1,200 to 1,500 sq ft at best.

The capital repairs to the current Municipal Township Building for AODA compliance will in fact increase the market value of the property; however, how much of the capital expenses related to this renovation can be recouped through an improved market value cannot be determined. In addition, the current structure of the Township Municipal Building in its current format is marketable for multiple uses, for example, conversion to multi-residential or community shared office space. Upon the completion of the capital repairs for AODA compliance, the building will become

“solely institutional” which may negatively impact the marketability of the property either in valuation or intended usage.

Recommendation Summary

The transition of the Township Office Building from its current location to the site of the former school provides double the operational space, provides efficiency of service delivery in one location, provides for inclusion of other community services, and provides expansive outdoor space for future community program development or community recreational use. From an AODA compliance perspective, the former school is one floor providing ease of access for residents and staff within the building. The financial impact with this transition puts less pressure on the Annual Repayment Limit for the Township insofar as the Township is not incurring a capital cost for repairs to the current building for AODA compliance while balancing the carrying costs of the former school which may include repair of the roof until a decision is made as to whether the building will be maintained for a future use or resold.

LINK TO STRATEGIC PLAN

We will strive to be fiscally sustainable through prudent and future focused financial management to ensure that cost savings and financial efficiencies are identified to support the effective delivery of services.

OTHERS CONSULTED

- Rob Nolan, CAO
- Tracy Gallipeau-Nolan, Chief Building Official
- Jason Myre, Building Facilities Manager
- Brandon Campbell, Eastern Engineering Group
- Rabi Chowdhury, Infrastructure Ontario