Chatham-Kent

DETAILED ASSET MANAGEMENT PLAN 2024

Recreation Facilities

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Chatham-Kent Rec Facilities Report Card

over 100,000
permit hours are booked in Recreation Facilities annually

Annual Funding Gap	Asset Renewal Ratio	% of 10-Year Plan Funded
-$8,742,978 Million	0%	50%

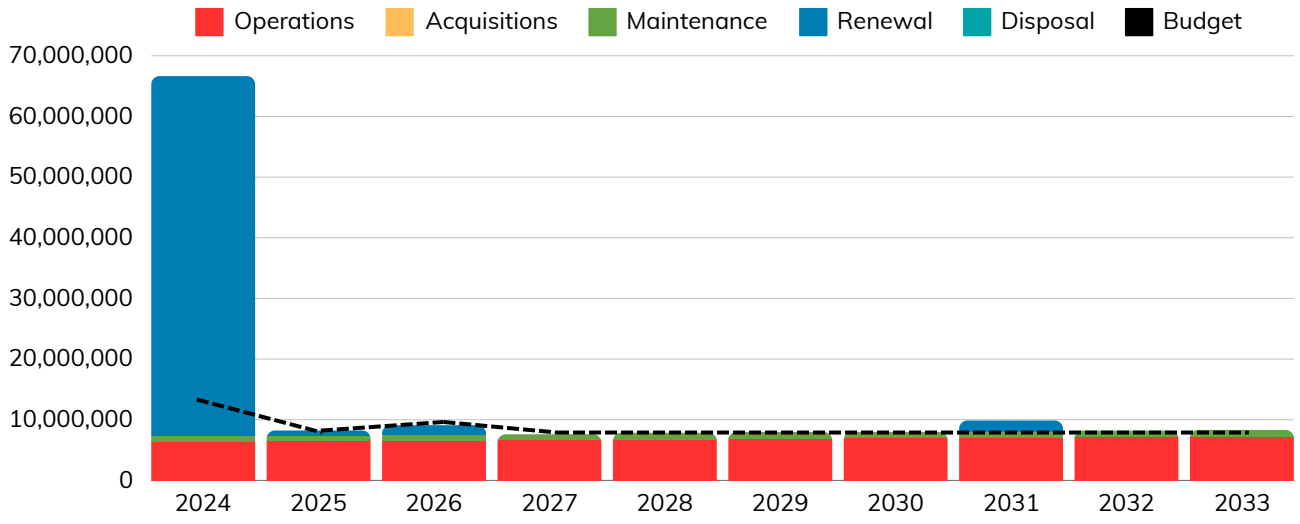
Asset Summary

Assets	Items	Replacement
	10 Arenas	$177,000,000
	2 Indoor Pools	$18,700,000
	1 Marina	$2,700,000
	4 Beaches	$11,300,000
	7 Outdoor Pools	$10,200,000

Assets	Items	Replacement
	8 Community Halls	$16,800,000
	1 Campground	$2,100,000
	8 Boat Docks	$14,900,000
	9 Boat Launches	$14,700,000
	Vehicles & Equipment	$1,700,000

$271M Total Replacement Cost

10 Year Life Cycle Forecast



Data Confidence	Low	Medium	High

2.0 INTRODUCTION

2.1 Background - Recreation Facilities

The Municipality of Chatham-Kent proudly boasts robust recreational infrastructure comprising of arenas, indoor & outdoor pools, community halls, beaches, boat launches, campgrounds, docks and a marina. These facilities serve as hubs for a diverse range of activities and programs catering to the general public, organized sports and recreation groups, and community gatherings. From town hall meetings and birthday parties to business functions, expositions, and engagement parties, these venues play a vital role in fostering community engagement and celebration.

The ages of these recreational facilities span from 20 to 70 years, yet many continue to serve as cherished focal points in their respective Chatham-Kent communities. These assets actively promote recreation, community gathering, and physical fitness, hosting organized groups, teams, and special events. Recognizable landmarks in their communities, these facilities cater to organized sports teams, casual recreational groups, fitness class participants, special event attendees, and the general public. Remarkably, more than 100,000 permit hours are booked in Chatham-Kent's recreation facilities annually.

Chatham-Kent's recreation facilities are strategically located across 14 urban centers or hamlets within Chatham-Kent's 2,500 square km boundary. This geographical dispersion presents a travel challenge for residents seeking permit time, particularly at arenas, without the necessity of travelling to a different location. Several community halls operate under the management and support of volunteer groups. While this model may provide cost savings for the municipality, it introduces an inconsistency in service expectations for event holders, contingent on the specific hall they choose for their activities.

The operation of these essential facilities encounters numerous challenges due to a variety of factors, such as the extensive service area, changing legislation, staffing models, and the facilities' aging infrastructure. Legislation regulating the operation of industrial refrigeration units, primarily used in arenas, presents challenges in attracting and retaining qualified personnel. The detailed knowledge necessary for operating such specialized equipment and associated hazards and preventative maintenance routines is vital for ensuring continuous service delivery. This challenge is exacerbated by the need to keep staff skilled in ice maintenance.

The age of Chatham-Kent's recreation facilities emerges as a significant obstacle to its operations, demanding continual repairs by staff and grappling with a lack of modern amenities or accessibility standards expected by the public. Navigating these challenges is imperative to ensure that these integral recreational assets continue to serve the evolving needs of the Chatham-Kent community.

The Recreation Facilities detailed asset management plan (DAMP) communicates the requirements for the sustainable delivery of services through asset management, program delivery, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The DAMP is to be read with the Municipality of Chatham-Kent's planning documents. This should include the Strategic Asset Management Policy, along with these other key planning documents:

- Chatham-Kent Parks & Recreation Master Plan
- Municipality of Chatham-Kent – Strategic Plan 2022-2026
- 2024 - 2027 Multi-Year Budget
- Short-term and long-term financial plans

This is the 1st DAMP for Recreation Facilities. Future iterations of the plan will see improvements, and as asset management knowledge matures across CK, the breadth and scope of the plans will capture the full cost to deliver the service. The intention is to update the plan annually to ensure data quality improves to enable and support evidence-based decisions. This DAMP will have a ten-year planning horizon at minimum, and they will connect fully to the Long-Term Financial Plan (LTFP) by 2027.

The infrastructure assets covered by this DAMP include arenas, indoor and outdoor pools, buildings, facilities, vehicles, and equipment required to deliver recreation services in all communities across CK. For a detailed summary of the assets covered in this DAMP, refer to **Table 2.3.1**.

These assets are used to provide:

- Recreational spaces for ice skating and hockey
- Indoor and outdoor pools for swimming, aquatics, and therapeutic services like hydrotherapy

- Community halls for event hosting and rentals, as well as community cultural and social programs
- Beaches, campgrounds, boat launches, and marinas offer a wide variety of recreational activities

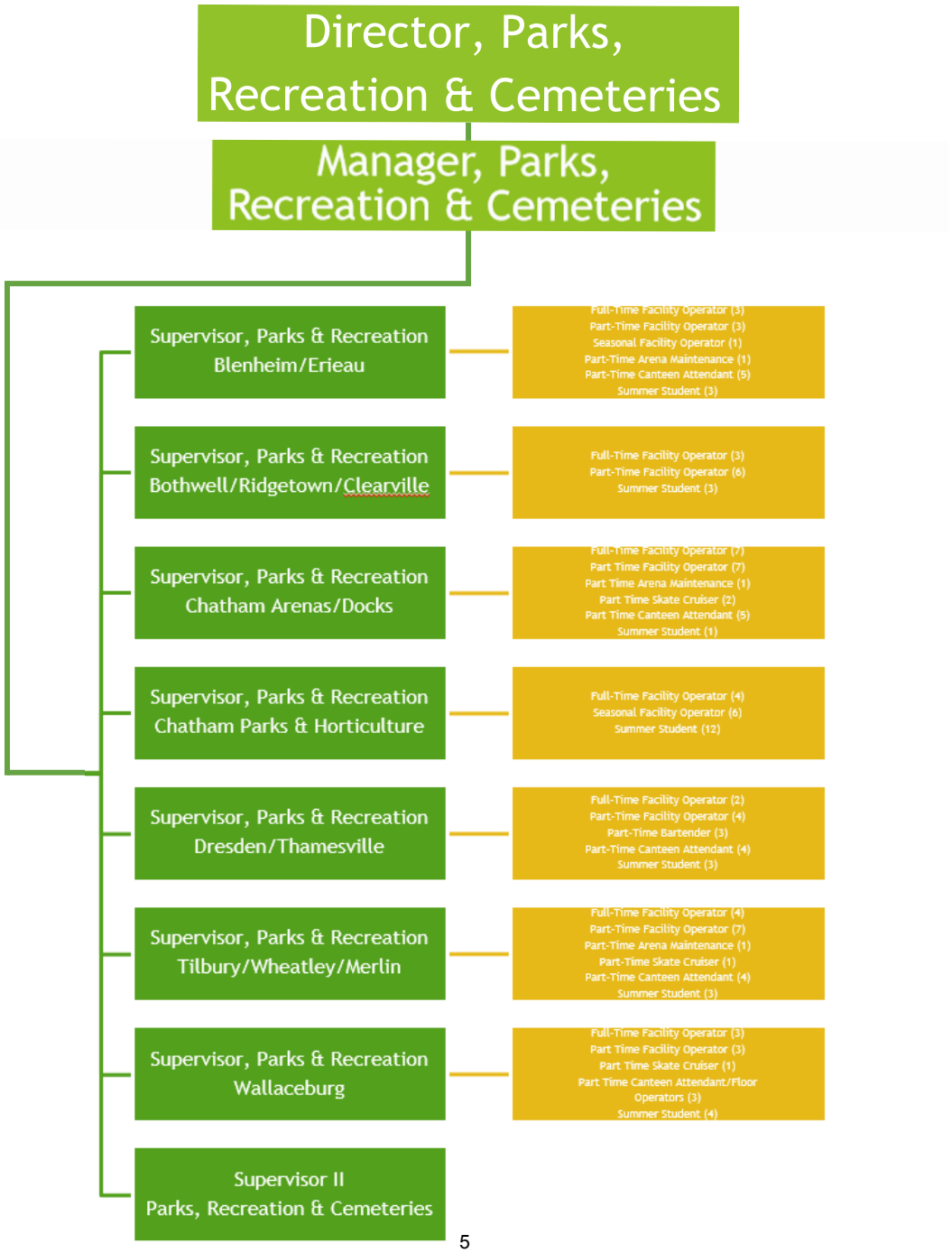
The infrastructure assets included in this plan have a total estimated replacement value of $207,866,000. Key stakeholders in the preparation and implementation of this DAMP are shown in **Table 2.1.**

Key Stakeholder	Role in Asset Management Plan
Chatham-Kent Council	• Distribute resources to achieve planning objectives in service provision while effectively mitigating risks. • Back asset management initiatives to enhance understanding and guide decision-making. • Allocate funding to sustain the desired level of service throughout the entire life cycle.
Mayor/CAO	• Advocate for and champion the adoption of asset management principles within the organization. • Guarantee the availability of sufficient resources to foster the development of staff knowledge and skills, facilitating the implementation and ongoing enhancement of asset management practices.
General Manager, Infrastructure and Engineering Services	• Allocate resources to meet the organization's objectives in providing services while managing risks. • Overall responsibility for Asset Management, provide leadership in influencing decision-making processes related to Asset Management.
Director, Parks, Fleet and Facilities	• Delivering nominated renewal and upgrade projects • Reviews, updates, and plans long-term projects
Manager, Parks, Recreation and Cemeteries	• Manages service delivery and provides expert opinion to inform asset management plan
Asset Management Team	• Establish top-level priorities for the development of asset management and increase awareness of this function among staff and external contractors. • Provide support for the measures outlined in the DAMP aimed at improving asset management and service delivery. • Back the asset management-driven budget and LTFP with a 10-year horizon.

Table 2.1: Key Stakeholders in the DAMP

Key Stakeholder	Role in Asset Management Plan
Community	• Engage in facilitated discussions to enable the municipality to comprehend the community's preferred level of service. • Express support for the DAMP, even if it involves reducing service levels, aligning with the community's objective of minimizing taxation.

Recreation Facilities organizational structure for service delivery from infrastructure assets is detailed below,



2.2 Asset Hierarchy & Registry

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

An asset registry is a single data source that contains an inventory of asset data, including attribute information for each individual asset. This attribute information includes a record for each individual asset, including condition, age, replacement cost, and asset-specific information (e.g., length, diameter, material, etc.). At this time, the Recreation Facilities asset registry is structured in the form of an asset hierarchy, explained below.

Chatham-Kent is working towards establishing a functional asset hierarchy, which means the hierarchy has been established based on what the asset owner needs or wants the asset or system to do. Generally, assets and systems are organized according to their primary function.

The service hierarchy is shown in **Table 2.2.1**.

Memorial Arena, Chatham

Table 2.2.1: Asset Service Hierarchy

Service Hierarchy	Service Level Objectives
Arenas	Provide high-quality, safe, and accessible ice skating and event facilities
Indoor Pools	Offer safe, clean, and well-maintained indoor swimming facilities for public use and programs
Marina	Ensure safe and well maintained docking facilities with excellent customer service
Beaches	Maintain clean, safe, and enjoyable swimming areas
Outdoor Pools	Provide enjoyable, safe, and clean outdoor swimming facilities during the summer season
Community Halls	Provide versatile, clean, and accessible community spaces for events, meetings, and programs
Campgrounds	Offer clean, well-maintained camping sites with efficient reservation systems and amenities
Boat Docks	Provide accessible and safe docking spaces with regular maintenance and availability
Boat Launches	Maintain safe and well-maintained boat launch facilities with clear signage and accessibility
Vehicles and Equipment	Ensure availability and reliability of vehicles and equipment to support all recreational activities and programs

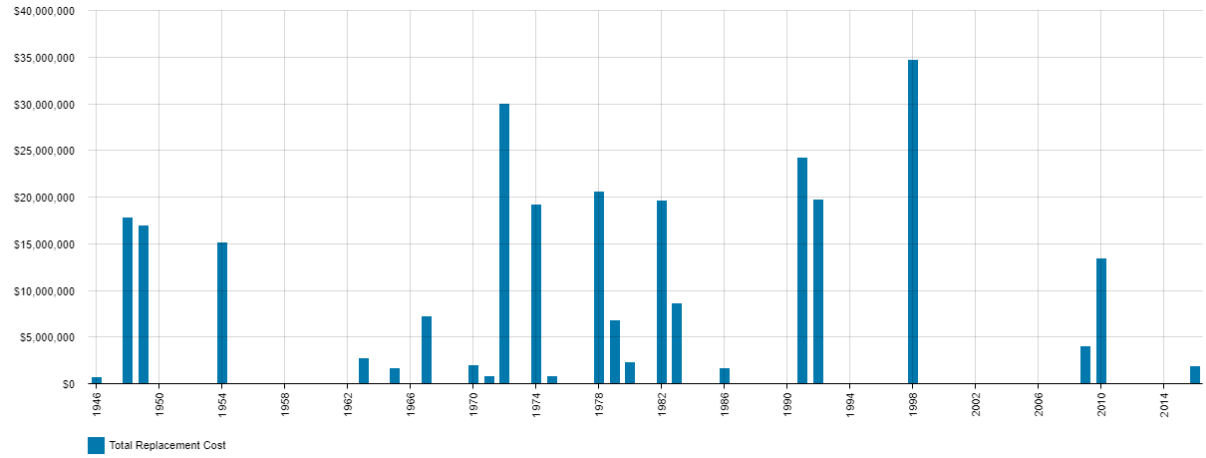
2.3 Asset Registry

The assets covered by this DAMP are shown in **Table 2.3.1.**
The current asset mix and location of recreation facilities in Chatham-Kent reflect a strategic distribution to serve diverse community needs; however, issues related to aging infrastructure, varying levels of accessibility, and inconsistent usage patterns require targeted interventions and upgrades. The age profile of the assets included in this DAMP is shown in **Figure 2.3.1.**

Table 2.3.1: Service Assets

Asset Category	Description	Age or Average Age	Average Condition	Avg Estimate Service life Remaining	Current Replacement Value
Arenas	10 arenas	1971	Good	TBD 2025	$177,473,888
Indoor Pools	2 indoor pools	1991	Good	TBD 2025	$18,715,837
Marina	1 marina	1998	Good	TBD 2025	$2,796,417
Beaches	4 beaches	1987	Good	TBD 2025	$11,310,248
Outdoor Pools	7 outdoor pools	1966	Good	TBD 2025	$10,247,448
Community Halls	8 community halls	1972	Good	TBD 2025	$16,812,944
Campgrounds	1 campground	2009	Good	TBD 2025	$2,174,008
Boat Docks	8 boat docks	1989	Good	TBD 2025	$14,963,852
Boat Launches	9 boat launches	1998	Good	TBD 2025	$14,796,417
Vehicles and Equipment	Pick-Up Trucks, Ice Resurfacers	2016	Good	TBD 2025	$1,766,000
				Total	**$271,057,060**

Figure 2.3.1 Assets Age Profile Graph



All figure values are shown in 2024 dollars.

The Recreation Facilities assets in Chatham-Kent, acquired between 1946 and 2016, reflect notable investment peaks in 1972, 1991, and 1998, the latter coinciding with the various municipalities amalgamating. These periods of significant infrastructure development are now approaching critical renewal phases. Older assets from the 1940s to the 1970s are well beyond their typical useful life, necessitating substantial renewal or replacement to ensure continued service quality.

Some assets from the 1980s and 1990s are also nearing the end of their lifecycle and will soon require major investment to extend their operational life and avoid service disruptions. In contrast, the newer assets, acquired post-2000, are in relatively good condition but will need strategic planning for mid-life maintenance and future upgrades. This profile underscores the importance of proactive renewal planning to manage aging infrastructure effectively and sustain high service levels.

William K. Erikson Arena, Chatham

2.4 Asset Condition

The condition is currently monitored mainly through expert opinion on the subject matter and not through any formalized process. Building Condition Assessments (BCAs) were conducted on a select number of Recreation Facilities/building assets. Condition assessments were provided for the following Recreation Facilities assets:

- All 10 arenas
- All 9 pools
- 3 of 8 community halls

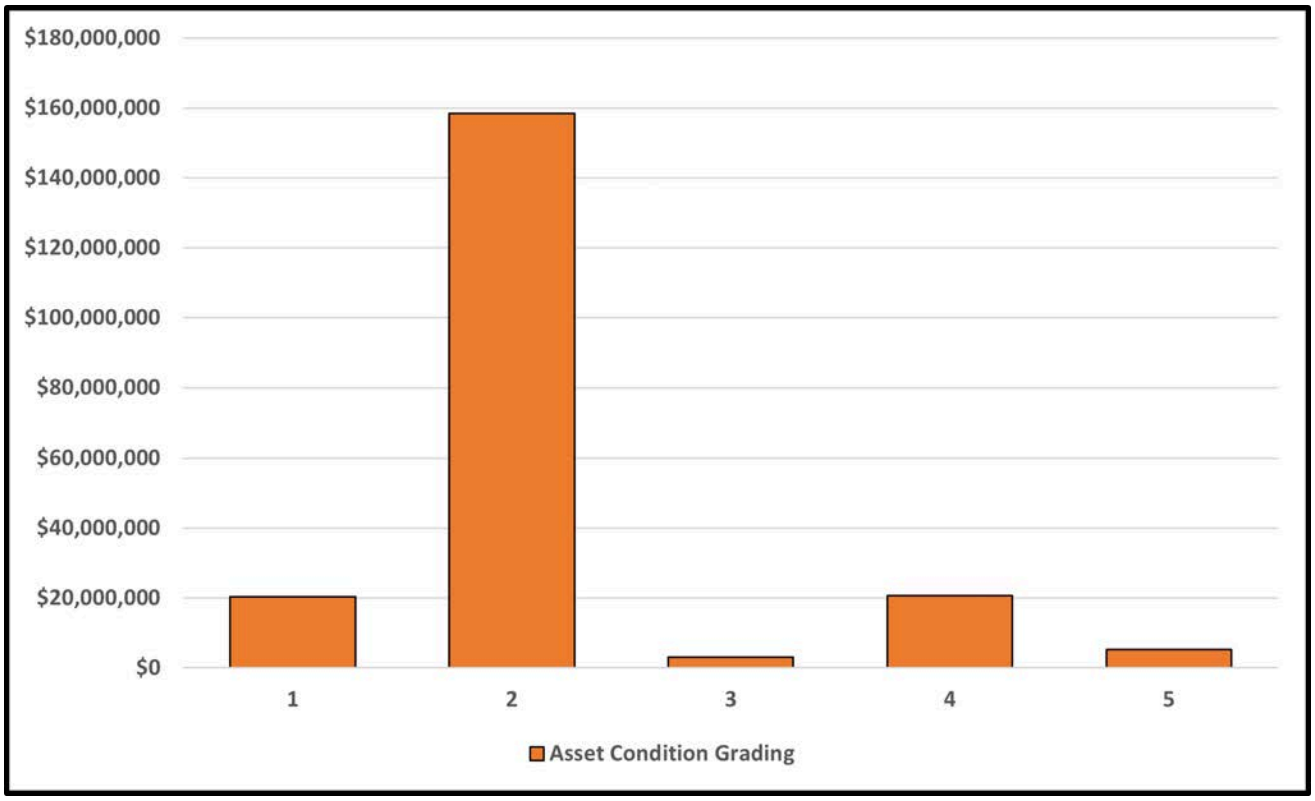
Condition is measured using a 1 – 5 grading system, as detailed in **Table 2.4.1.** A consistent approach to reporting asset performance is essential for effective decision support. A finer grading system may be used at a more specific level; however, for reporting in the DAMP, results are translated to a 1 – 5 grading scale for ease of communication.

Table 2.4.1: Condition Grading System

Condition Grading	Description of Condition
1	**Very Good**: free of defects, only planned and/or routine maintenance required
2	**Good**: minor defects, increasing maintenance required plus planned maintenance
3	**Fair**: defects requiring regular and/or significant maintenance to reinstate service
4	**Poor**: significant defects, higher order cost intervention likely
5	**Very Poor**: physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of Recreation Facilites assets is shown in **Figure 2.4.1.**

Figure 2.4.1: Asset Condition Profile



All figure values are shown in 2024 dollars.

The asset condition distribution reveals that approximately $160 million of the $200+ million in recreational assets are in good condition, indicating a strong foundation for ongoing service delivery. Approximately $20 million in assets are in very good condition, suggesting that these facilities are well-maintained and will require minimal immediate investment. Conversely, around $20 million in assets are in poor condition, necessitating urgent attention to prevent service disruptions and ensure user safety.

Of particular concern are the 16 assets with unknown conditions, predominantly boat launches and docks. The lack of condition data for these assets poses a significant risk as it hampers effective planning and prioritization for maintenance and renewal. Without this information, there is potential for unexpected failures or safety hazards, leading to service interruptions and increased costs.

Some assets do not currently have a formal condition measurement. Recreation Facilities will continue to evolve its methodology to measure conditions where appropriate.

2.5 Asset capacity and performance

Assets are generally provided to meet design standards where available. However, there are insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in **Table 2.5.1.**

Table 2.5.1: Known Service Performance Deficiencies

Location	Service Deficiency
Boat Docks	Aging docks with inadequate maintenance can lead to unsafe conditions and reduced functionality
Boat Launches	Limited parking space for vehicles and trailers leading to congestion and inconvenience
Community Halls	Lack of modern audio-visual equipment, internet access, and other necessary amenities for events and meetings
Arenas	Outdated facilities with deteriorating seating, locker rooms, and restrooms, reducing overall comfort and functionality

The above service deficiencies were identified from Recreation Facilities staff and subject matter opinion.

3.0 LIFECYCLE MANAGEMENT

The lifecycle management plan will detail how Recreation Facilities plan to operate the assets at the agreed levels of service through managing its lifecycle costs. These costs are categorized by lifecycle phases, which include acquisition, operations, maintenance, renewal and disposal. It is a budget-based approach but will evolve into a full lifecycle approach by 2027, where appropriate.

3.1 Acquisition Plan

Acquisition reflects are new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to the Municipality of Chatham-Kent.

3.1.1 Selection criteria

Proposed acquisition of new assets and upgrade of existing assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others.

Potential upgrades and new works should be reviewed to verify that they are essential to the Recreation Facilities service's needs. The proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled for future work programs. The priority ranking criteria are detailed in Table 3.1.1.

Table 3.1.1: Acquired Assets Priority Ranking Criteria

Criteria	Weighting
Increased demand	50%
Criticality	20%
Lifecycle cost	20%
Safety	10%
Total	100%

When Recreation Facilities commits to new assets, it must be prepared to fund future operations, maintenance, and renewal costs. CK must also account for future depreciation when reviewing long-term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by Recreation Facilities.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

At this time, no assets are identified for acquisition within the Recreation Facilities plan. If acquisitions occur in the future, this section will outline the costs, timing, and service impacts to the Recreation Facilities DAMP.

Community swimming pool, Thamesville

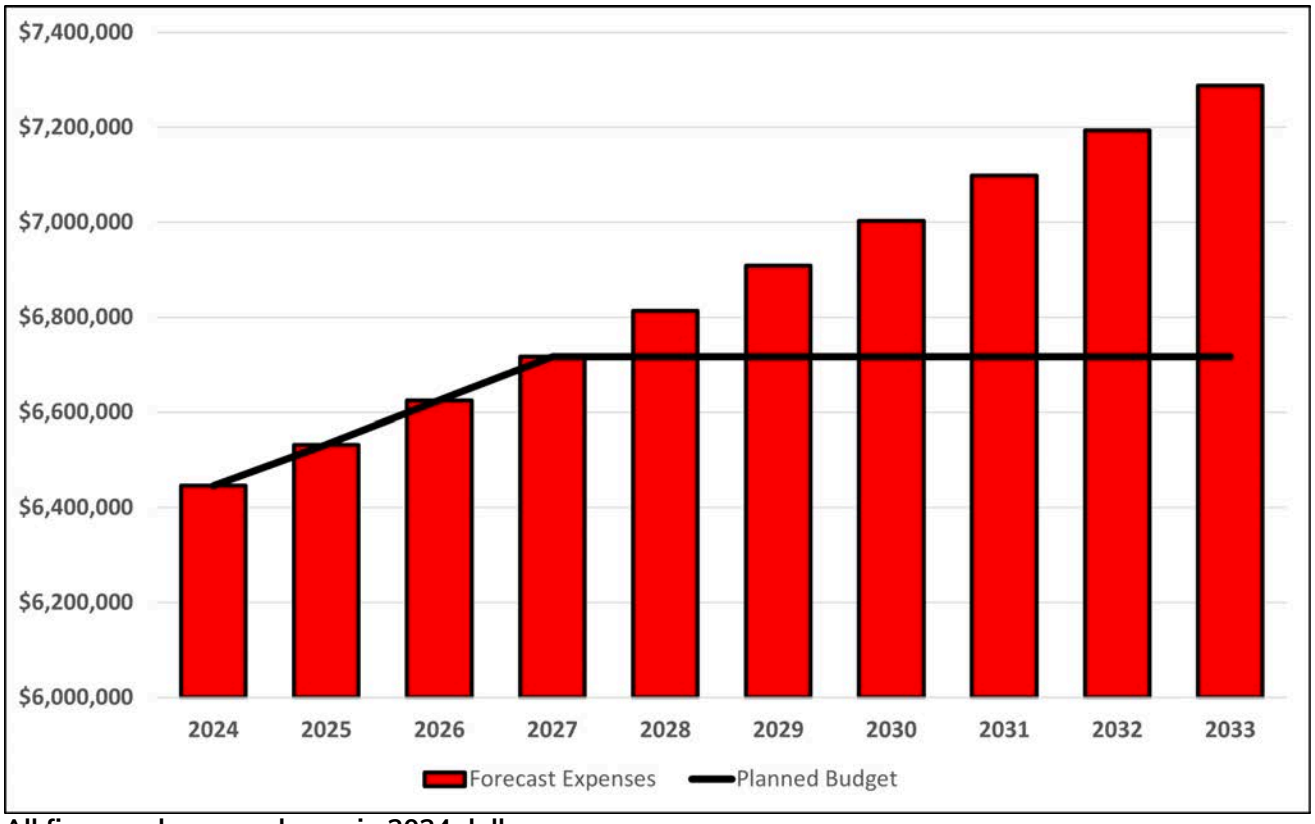
3.2 Operations Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, emptying waste receptacles, facility inspections, and utility costs. Typical operational activities performed to provide the Recreation Facilities service include:

- regular ice resurfacing using a Zamboni or other equipment
- managing booking schedules for public skating, sports leagues, and events
- regular testing and balancing of water pH and chlorine levels
- cleaning pool filters and skimmers
- winterizing outdoor pools and equipment at the end of the season
- regular inspection and repair of docks, pilings and mooring facilities
- regularly removing trash and debris from beaches
- cleaning of event spaces, restrooms, and kitchens
- conducting safety inspections and monitoring for hazards
- frequent cleaning of vehicles and equipment to maintain hygiene and functionality

All of these operational activities ensure that Chatham-Kent's Recreation Facilities assets are safe, attractive, and functional.

Figure 3.2.1: Operations Summary



All figure values are shown in 2024 dollars.

Summary of forecast operations costs

Forecast operations costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations costs are forecast to increase. If assets are disposed of, the forecast operation costs are expected to decrease. **Figure 3.2.1** shows the forecast operations costs relative to the proposed operations Planned Budget.

To maintain the projected service levels over the ten-year planning horizon, the operational budget requires an increase. This adjustment is necessary to accommodate the anticipated 2% annual inflation beyond 2027, mirroring the reality of escalating costs. Persistent financial challenges for Recreation Facilities must be addressed in subsequent versions of the DAMP to ensure the defined service level is met and to clearly convey the ramifications of an inadequate budget once the 2025 service levels are set.

Table 3.2.1: Operations Budget Trends

Year	Operations Budget
2024	$6,446,000
2025	$6,532,000
2026	$6,624,000
2027	$6,717,000

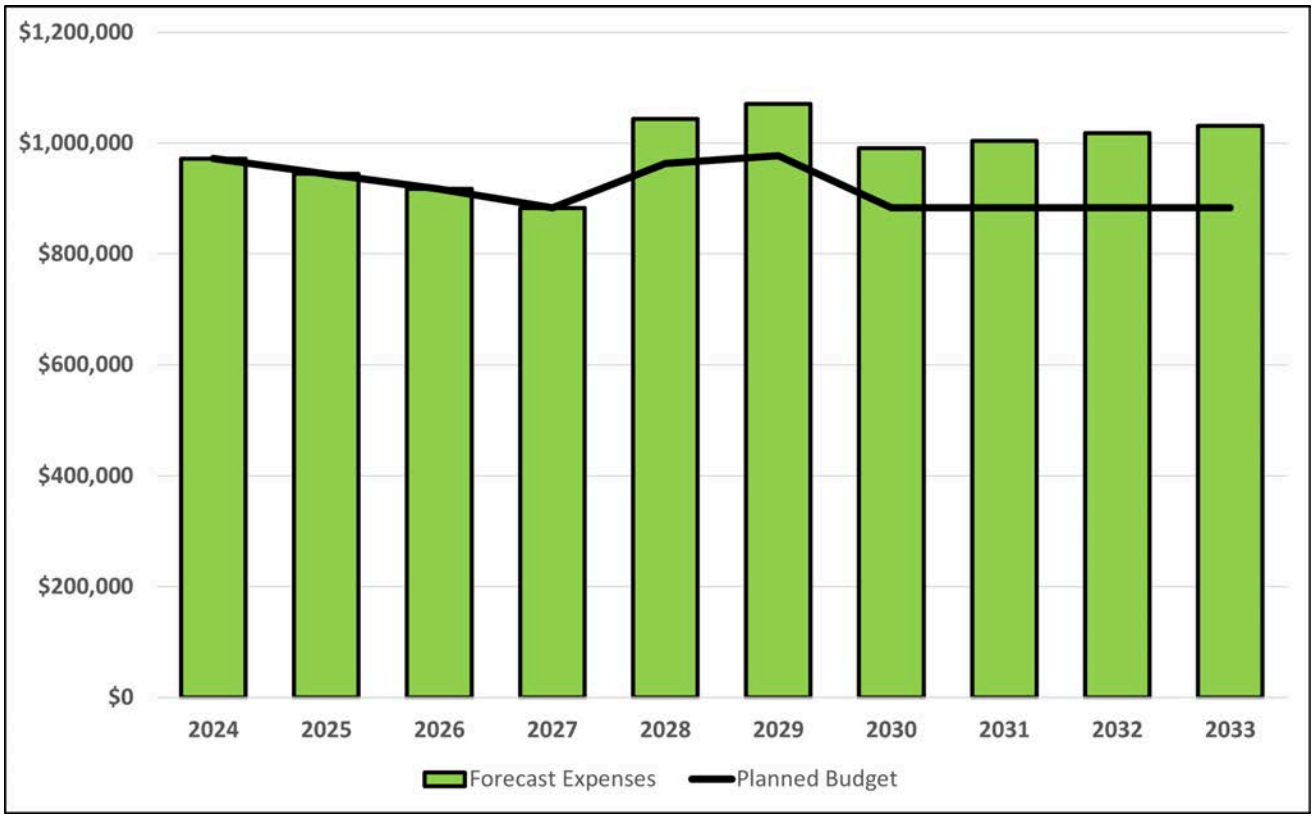
Brunner Community Centre, Thamesville

3.3 Maintenance Plan

Summary of forecast maintenance costs

Forecast maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, future maintenance costs are forecast to increase. If assets are disposed of, the forecast maintenance costs are expected to decrease. **Figure 3.3.1** shows the forecast maintenance costs relative to the proposed maintenance Planned Budget.

Figure 3.3.1: Maintenance Summary



All figure values are shown in 2024 dollars.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pipe repairs, parking lot crack sealing or patching, and equipment repairs.
The trend in maintenance budgets is shown in **Table 3.3.1.**

Table 3.3.1: Maintenance Budget Trends

Year	Maintenance Budget
2024	$1,450,939
2025	$1,682,605
2026	$2,479,515
2027	$1,811,164

Maintenance budget levels are considered to be **inadequate** to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and highlighted in this DAMP, and service risks are considered in the Infrastructure Risk Management Plan. Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

The forecast maintenance costs for Chatham-Kent's Recreation Facilities assets show a range of costs overall between 2024 and 2027. There is a growing need for maintenance investment as existing assets age and new assets come online.

Deferred maintenance (i.e. works that are identified for maintenance activities but unable to be completed due to available resources) should be included in the infrastructure risk management plan**.**

Ken Houston Memorial Arena, Dresden

To mitigate the maintenance budget shortfall, various lifecycle reserves can be leveraged to address scheduled maintenance more effectively. The available reserves include:

- Lifecycle Pools Building Replacement: $150,000
- Lifecycle Halls Recreation Facilities: $177,000
- Lifecycle Community Halls: $246,000
- Lifecycle Arenas: $892,000
- Clearville Park: $391,000
- Lifecycle Indoor Pools: $291,000
- Lifecycle Outdoor Pools: $270,000

Incorporating all of these reserves, the total available budget for maintenance in 2024 would be approximately $2.9 million. While this combined budget represents a significant increase from the initially planned amount, it is still insufficient to fully address the extensive backlog and future renewal needs. None of these reserves have been allocated in this DAMP.

In 2024, major forecast maintenance projects include:

- AED replacements in arenas
- Washroom upgrades at Clearville Park
- Replacement of the scoreboard at Wallaceburg Kinsmen Park
- Replacement of the roof at Tilbury Arena

In 2025, major forecast maintenance projects include:

- Replacement of the chiller at the Bothwell Arena
- Replacement of the condenser at the Ridgetown Arena
- Replacement of the HVAC at the Tilbury Arena
- Replacement of the boards and glass at Wallaceburg Arena
- Replacement of the filtration systems at the Gable Rees Rotary Pool and the Sydenham Pool

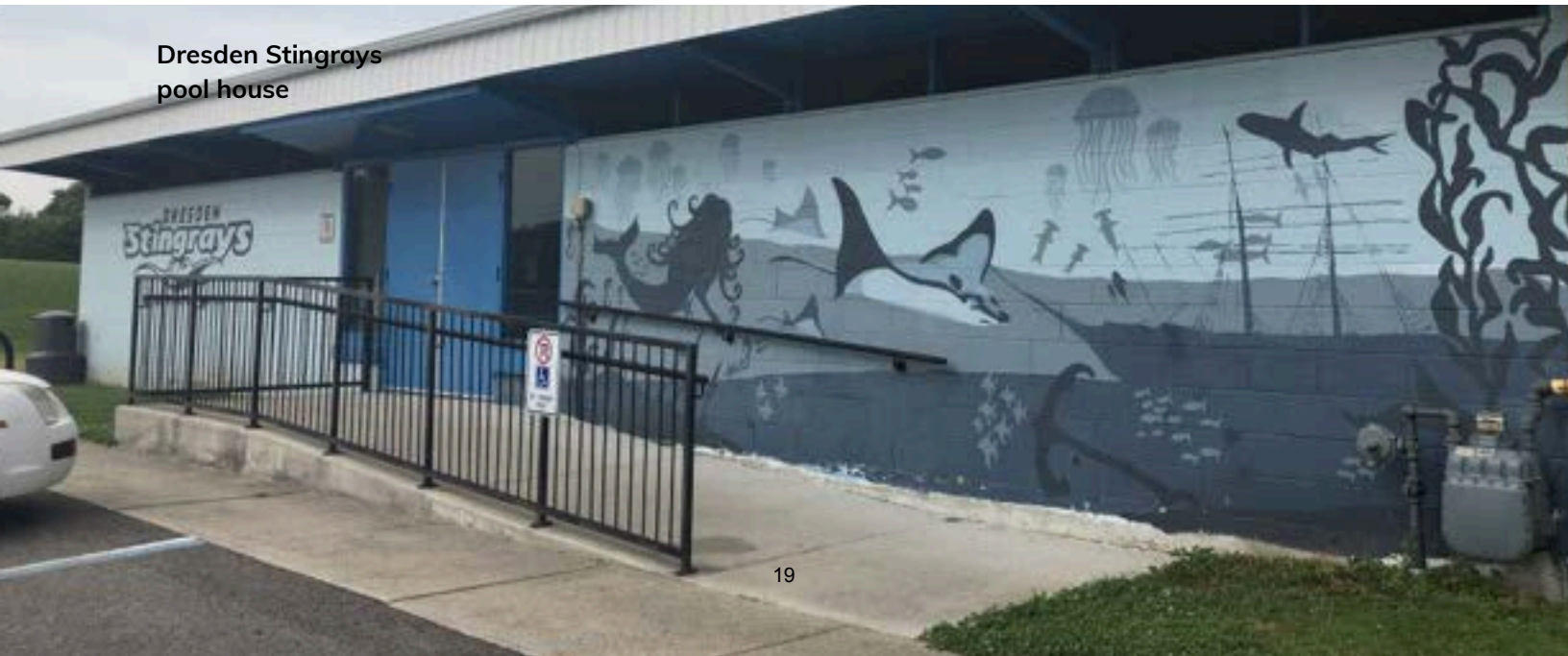
In 2026, major forecast maintenance projects include:

- Replacement of the boards and glass at Thames Campus Arena and Wheatley Arena
- Replacement of the roof at Tilbury Arena
- Replacement of the HVAC at Wallaceburg Arena and the Ridgetown Youth Centre
- Repairs to the ramp and Tilbury Government Dock
- Replacement of the decking at the Sydenham Pool.

In 2027, major forecast maintenance projects include:

- Replacement of the low-E-ceiling at the Ken Houston Memorial Arena
- Replacement of the HVAC at Tilbury Arena
- Replacement of the brine pump at Wallaceburg Arena
- Replacement of the roof at Wheatley Arena

Dresden community pool



Dresden Stingrays pool house

3.4 Renewal Plan

Renewal is major capital work that does not significantly alter the original service provided by the asset but restores, rehabilitates, replaces, or renews an existing asset to its original service potential. Work beyond restoring an asset to its original service potential is considered to be an acquisition, resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year) or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or others).

Table 3.4.1 shows the typical useful lives of assets used to develop projected asset renewal forecasts. The useful lives of assets were last reviewed on **May 17th, 2024**.

Table 3.4.1: Useful Lives of Assets

Asset (Sub) Category	Useful Life
Arenas	70 years
Pools	40 years
Community Halls	40 years
Beaches	100 years
Campgrounds	100 years
Marinas, boat launches, and docks	50 years

The estimates for renewals in this DAMP were based on the asset register method.

3.4.2 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing an arena), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a beach).

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.

The ranking criteria used to determine priority of identified renewal proposals is detailed in **Table 3.4.2.**

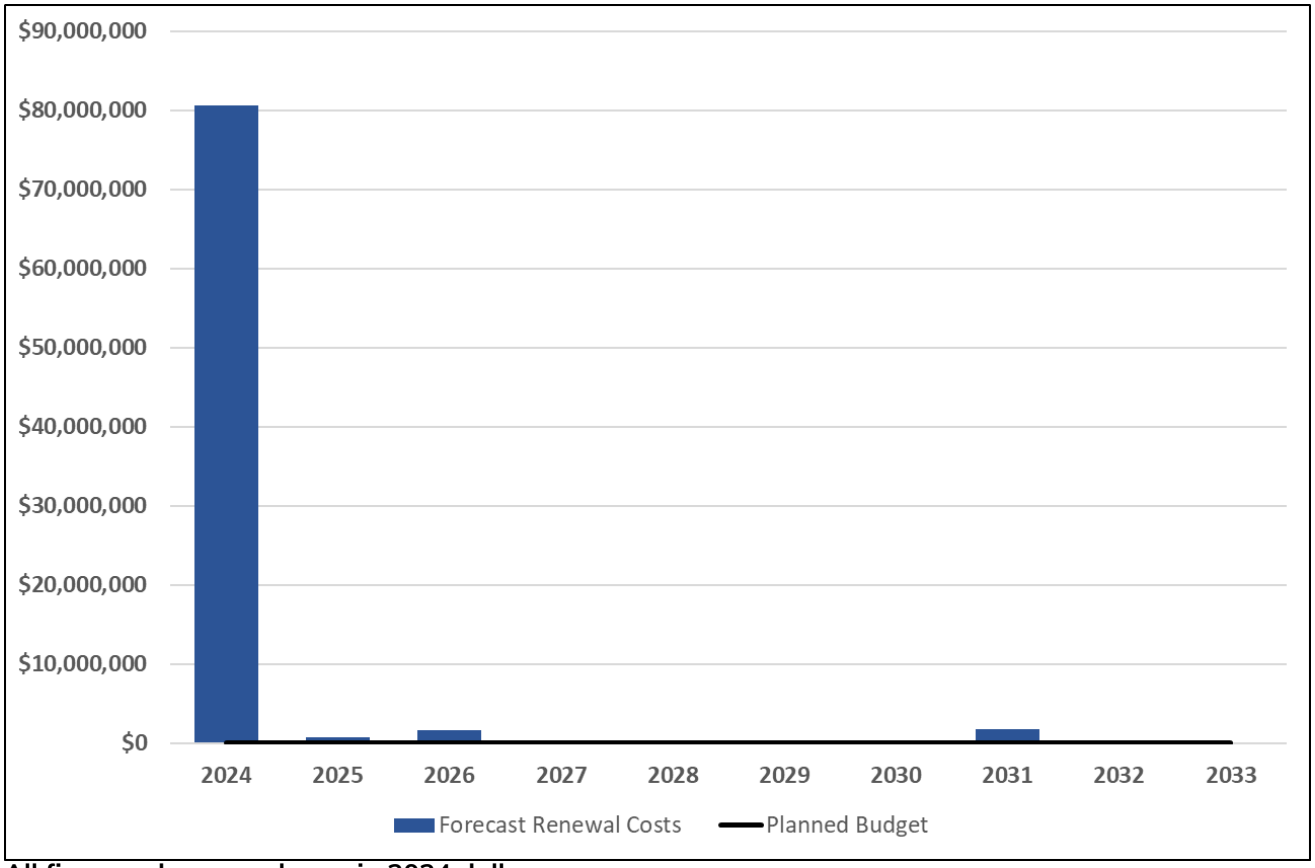
Table 3.4.2: Renewal Priority Ranking Criteria

Criteria	Weighting
Condition	80%
Legislative Requirement	10%
Technological Changes	10%
Total	100%

3.5 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in **Figure 3.5.1.**

Figure 3.5.1: Forecast Renewal Costs



All figure values are shown in 2024 dollars.

The forecast renewal costs for Chatham-Kent's Recreation Facilities assets show a substantial backlog of just over $80 million in assets that have surpassed their typical useful life. This backlog includes critical community infrastructure such the Bothwell Scout Hut, the Orville Wright and Walter Hawkins pools, and significant arenas like the Chatham Memorial Arena and Wallaceburg Memorial Arena. Additionally, assets expected to exceed their useful life within the coming years include three docks in 2025, requiring an estimated $750,000, the Morpeth Community Centre in 2026, projected to cost $1.55 million, and a necessary renewal of the fleet of Zambonis and trucks by 2031, anticipated to cost approximately $1.76 million.

There are no planned budget amounts for renewals over the initial years of the plan, which illustrates the significant gap between required investment and the allocated funds. This planned expenditure falls far short of the estimated renewal costs needed to address the backlog and future needs.

3.6 Disposal Plan

Disposal includes any activity associated with disposing of a decommissioned asset, including sale, demolition, or relocation. At this time, no assets have been identified for disposal within the Recreation Facilities plan. In the future, if there are disposals, this section will outline the costs, timing, and service impacts on the Recreation Facilities DAMP.

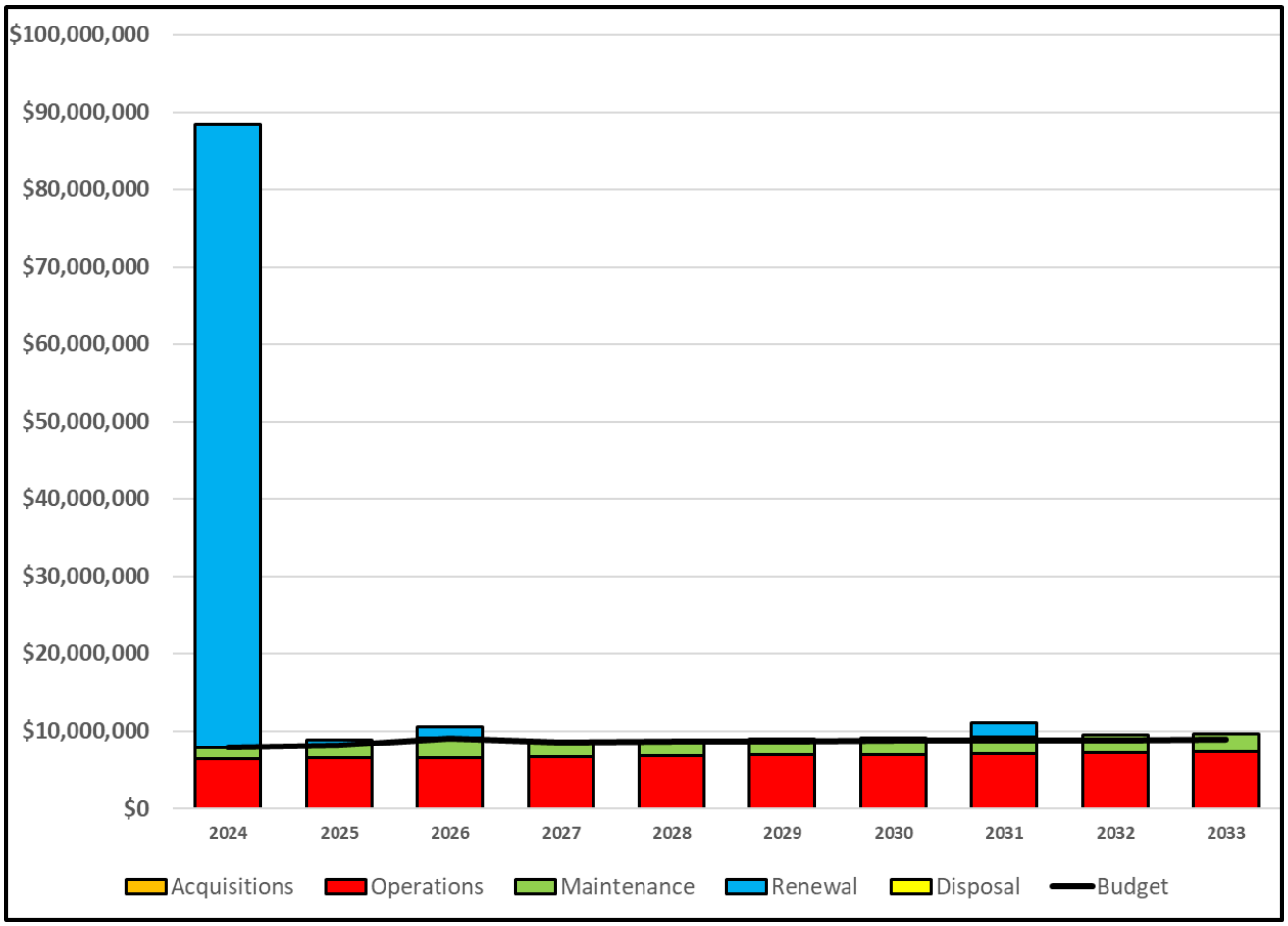
Wallaceburg Arena

3.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in **Figure 3.7.1.** These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.
The bars in the graphs represent the forecast costs needed to minimize the life cycle costs associated with the service provision. The proposed budget line indicates the estimated amount of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving the balance between costs, levels of service and risk to achieve the best value outcome.

Tilbury Arena

Figure 3.7.1: Lifecycle Summary **All figure values are shown in 2024 dollars.**



The forecast renewal costs for Chatham-Kent's Recreation Facilities assets reveal a significant disparity between the required investment and the proposed budget, underscoring a challenging financial landscape for maintaining and renewing these critical community facilities. The total replacement value of the assets stands at $271,057,059. Over the next decade, the average annual planned budget for all Recreation Facilities services is $8,663,010, significantly lower than the annual average lifecycle forecast of $17,405,988. This results in an average annual shortfall of $8,742,978, which, if unaddressed, could exacerbate a backlog of over $80,000,000 in assets that have already exceeded their useful life.

Examining the specific budget allocations further highlights the budgetary constraints faced by Chatham-Kent. The planned 10-year average annual budget for operations is $6,662,000, slightly below the forecasted average operations costs of $6,863,000, indicating a small but manageable shortfall of $240,000 per year. Maintenance also shows a discrepancy, with an annual average planned budget of $2,000,000 against an average forecast of $2,077,000 reflecting a modest gap of $77,000.

However, the most critical shortfall is observed in renewal costs, with a planned budget of $0 to a forecast requirement of $8,466,042. This significant gap indicates that the current budget allocation for renewals is insufficient to meet the growing needs for asset renewal, particularly as more approaches exceed their useful lifespan.

The big picture reveals a concerning trend: planned budget allocations consistently fall short of forecasted requirements, particularly in terms of renewals, which poses a risk to the long-term sustainability and service quality of Chatham-Kent's Recreation Facilities assets. Without significant increases in funding or reallocations, Chatham-Kent will face increasing challenges in managing its Recreation Facilities infrastructure, potentially leading to service interruptions, increased maintenance costs, and diminished quality of Recreation Facilities services.

Wheatley Arena

4.0 LEVELS OF SERVICE

Levels describe the value that Recreation Facilities services provide to the community and are typically spoken about in 'measures.' Utilizing service measures allows decision-makers to understand what the outcome of investments will be, allowing those making choices to clearly understand how a dollar, more or less, will impact Chatham-Kent's ability to deliver its services. These measures also allow Chatham-Kent to communicate with the public as to the cost of the services that they receive today and will be able to afford in the future.

Service levels are defined in four ways: legislative compliance, customer values, customer levels of service and technical levels of service.

4.1 Legislative Requirements

Meeting legislative requirements should be the bare minimum level of service Chatham-Kent provides. These requirements often drive many lifecycle costs and staff tasks to ensure that Chatham-Kent is compliant with all legislations that range from Federal to Provincial or even Chatham-Kent's own bylaws. There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Recreation Facilities service are outlined in **Table 4.1.1.**

Table 4.1.1: Legislative Requirements

Legislation	Requirement
Ontario Regulation 565 - Public Pools, Section 7	Every operator of a pool and spa shall manually test and record the required parameters 30 minutes prior to operating. This will verify that the facility's water parameters are within the correct range prior to bather use, or will provide time to resolve any water quality issues.
Ontario Regulation 565 - Public Pools, Section 8	Make-up water meter reading for pools, and if applicable for spas
	Spa drainage, inspection and refill, if applicable
	Amount of chemicals added manually, if applicable

Table 4.1.1: Legislative Requirements

Legislation	Requirement
Ontario Regulation 565 - Public Pools, Section 11	Every operator of a Public Pool shall ensure a clean, well ventilated and free of hazardous obstructions environment
Ontario Regulation 565 - Public Pools. Section 5	Every owner and every operator shall ensure that, (a) all components of the pool or spa are maintained in proper working order; (b) all surfaces of the pool or spa deck and walls are maintained in a sanitary condition and free from potential hazards;
By-law Number 178-2019, Section 2.2	Treat any Sidewalk abutting his or her buildings or lands on all sides within twenty four (24) hours following notice being released by the Corporation that there is a substantial probability of ice forming on a Sidewalk; and (ii) Treat Sidewalks that are icy within twenty four (24) hours of the ice formation.
FIRE CODE / ONTARIO REGULATION 213/07, Section 1.1.1.2.(1)	Inspect extinguishers monthly
FIRE CODE / ONTARIO REGULATION 213/07, Section 2.8.3.2	Conduct fire drills annually
AODA	Confirm each municipal building meets AODA compliance
Ministry Of Labour	Monthly building inspections
CSA B52 Refrigeration Code	Yearly testing of all safeties in Refrigeration Plant
OFC	Monthly Testing of emergency lighting
	Fire alarm testing
OBC	Building Structural Inspection
OFC & OBC	smoke & heat sensor inspection
	fire suppression systems sprinklers inspections

Table 4.1.1: Legislative Requirements

Legislation	Requirement
TSSA	TSSA Inspections on generators and tanks
ESA	ESA Inspections
TSSA & CSA B52 RFC	Daily Compressor Checks
Zamboni, Zamboni Circle Check List	Zamboni Inspections
ORFA	Ice Measurements

4.2 Customer Research and Expectations

This DAMP is prepared to facilitate consultation prior to the adoption of levels of service by the Chatham-Kent Council. Future revisions of the DAMP will incorporate customer consultation on service levels and costs of providing the service. This will assist Chatham-Kent Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

Recreation Facilities currently have no research on customer expectations. This will be investigated during its master planning process in 2024-2025 and will be updated for future iterations of the DAMP.

4.3 Customer Values

Service levels are defined in 4 ways: legislative compliance, customer values, customer levels of service and technical levels of service. **Customer Values indicate:**

- what aspects of the service are essential to the customer,
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

Table 4.3.1: Customer Values

Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Ice/Water Quality	TBD 2025	TBD 2025	TBD 2025
Safety & Cleanliness	TBD 2025	TBD 2025	TBD 2025
Accessibility	TBD 2025	TBD 2025	TBD 2025

4.4 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

Condition How good is the service ... what is the condition or quality of the service?
Function Is it suitable for its intended purpose .... Is it the right service?
Capacity/Use Is the service over or under used ... do we need more or less of these assets?

In **Table 4.4.1** under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

Table 4.4.1: Customer Level of Service Measures

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	Maintenance standards	Monitor the maintenance standards of rec facilities, including grass cutting, landscaping, and cleanliness	TBD 2025	TBD 2025
Function	Availability of ice time	Track the availability of ice time for groups who wish to book it	TBD 2025	TBD 2025
Capacity	Complaint resolution time	Track the time taken to resolve customer complaints and concerns	TBD 2025	TBD 2025

4.5 Technical Levels of Service

Technical Levels of Service – To deliver the customer values and impact the achieved Customer, Levels of Service are operational or technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance. Technical service measures are linked to the activities and annual budgets covering:

Acquisition – the activities to provide a higher level of service (e.g. expanding a community hall, replacing an arena with a larger size) or a new service that did not exist previously (e.g. a new boat launch).

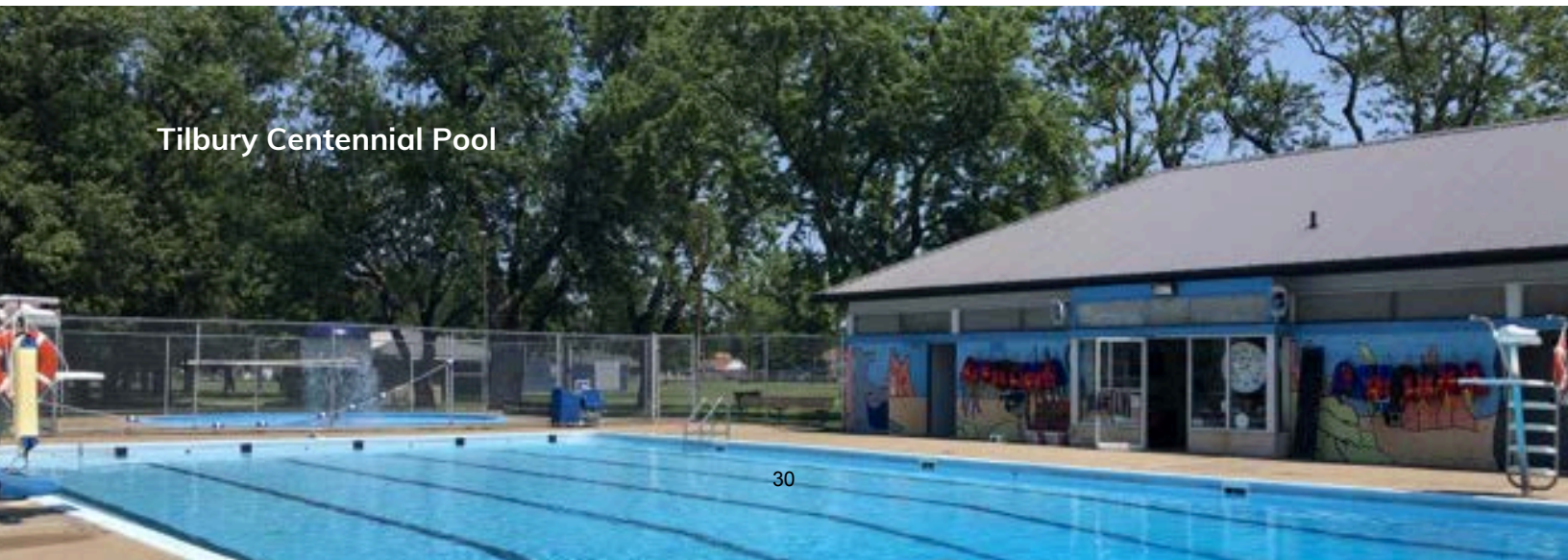
Operation – the regular activities to provide services (e.g. Customer interactions, garbage collection, opening hours, cleansing, mowing grass, energy, inspections, etc.

Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. building and structure repairs, replacing components of a boat launch),

Renewal – the activities that return the service capability of an asset up to that which it had initially been provided (e.g. major asset rehabilitation, asset replacements)

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.

Table 4.5.1 shows the activities expected to be provided under the current 10-year Planned Budget allocation and the Forecast activity requirements being recommended in this DAMP.



Tilbury Centennial Pool

Table 4.5.1: Technical Levels of Service

Lifecycle Activity	Level of Service Statement	Activity Measure	Current Performance	Recommended Performance
Operation	To ensure regular grass cutting at recreation facilities	Grass cutting occurs on a regular basis during the growing season	TBD 2025	TBD 2025
		Budget	$183,724	$221,189
	To ensure regular collection of garbage from recreation facilities	Garbage collection occurs on a regular basis year-round	TBD 2025	TBD 2025
		Budget	$32,899	$38,845
Maintenance	To preserve recreation services infrastructure in a suitable condition	Regular maintenance of recreation grounds, equipment, and facilities is completed as needed	TBD 2025	TBD 2025
		Budget	$625,064	$748,245

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances, such as technology and customer priorities, will change over time.

5.0 FUTURE DEMAND

5.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, environmental awareness, etc.

5.2 Purpose Statement

This DAMP is prepared in accordance with the Municipality of Chatham-Kent's vision, mission, goals, and objectives.

The vision is:
Rooted in our values, united in our actions and growing to our potential.

CK's mission is:
The Corporation of the Municipality of Chatham-Kent is a proud, proactive, progressive team committed to innovation and leadership through the provision of services that enhance the quality of life in our community.

Chatham-Kent Council has set strategic goals. **Table 5.2.1** summarizes the relevant goals and objectives and how these are addressed in this DAMP**.**

Table 5.2.1: Goals and how these are addressed in this Plan

Goal	Objective	How Goal and Objective are addressed in the DAMP
Grow Our Community	Strategic investments to diversify, rationalize assets and level of services	This plan will ensure Council is making informed decisions on its investment and achieving value for money from its investment in the long term.
Promote Community Safety & Well Being	Explore new and enhance existing recreational opportunities	An assessment of demand drivers was conducted as part of the DAMP to effectively respond to the growth of our community.

Table 5.2.1: Goals and how these are addressed in this Plan

Goal	Objective	How Goal and Objective are addressed in the DAMP
Ensure Environmental Sustainability	Enhance community resiliency to climate change impacts.	Proactive environmental mitigation strategies will be addressed in the Climate Change section

5.3 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and asset use have been identified and documented. **Table 5.4.1** shows the impact of demand drivers that may affect future service delivery and asset use.

Demand for new services will be managed by managing and upgrading existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks, and managing failures. **Table 5.4.1** shows opportunities identified for demand management to date. Future revisions of this DAMP will develop further opportunities.

5.4 Demand Impact and Demand Management Plan

Demand for new services will be managed by managing existing assets, upgrading existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in **Table 5.4.1** below. Further opportunities will be developed in future revisions of this DAMP.

Pool house, Tilbury

Table 5.4.1: Demand Management Plan

Demand Driver	Current Position	Projection (10 Years)	Impact on services	Demand Management Plan
Population growth	105,110	112,000	Increased usage of facilities	Increase operating and maintenance costs, re-evaluate lifecycle projections, potential asset acquisition
Sport-specific guidelines		Changes in guidelines	Dressing room demands change with shift in guidelines to accommodate transgender athletes	Consider capital renovations as part of Master Plan review
Environmental awareness	Rising community interest in maintaining natural environments	Increasing demand for environmentally friendly beach management and amenities	Need to balance recreational use with environmental preservation	Seek funding for sustainable initiatives through grants and partnerships

5.5 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Acquiring new assets, such as new equipment, would commit Recreation Facilities to ongoing operations, maintenance, and renewal costs for the period for which the service provided by the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance, and renewal costs for inclusion in the LTFP in the finance section of the report.

Additionally, future versions of the DAMP will incorporate methods to gauge demand, including public meetings, staff interactions, legislative changes, legal obligations, and council strategic goals.

6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: **''Coordinated activities to direct and control with regard to risk.'** Chatham Kent is developing and implementing a formalized risk assessment process to identify service delivery risks and mitigate risks to tolerable levels. The assessment will identify risks that will result in:

- loss or reduction of the level of service,
- personal injury,
- environmental impacts,
- a 'financial shock',
- reputational impacts or
- other consequences.

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. It will also include developing a risk rating, evaluating the risks, and developing a risk treatment plan for those risks deemed unacceptable.

6.1 Critical Assets

Critical assets are defined as those with a high consequence of failure, causing significant loss or service reduction. Critical assets have been identified, and their typical failure mode and the impact on service delivery are summarized in **Table 6.1.1.** Failure modes may include physical failure, collapse, or essential service interruption.

Table 6.1.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
Arenas	Physical failure (extensive damage to landscaping, facilities, or infrastructure)	Service interruption, economic loss, community impact
Pools	Physical failure (deck degradation, liner cracks, flooding)	Service reduction, safety hazards, economic loss
Community Halls	Physical failure (equipment breakage, structural collapse)	Safety hazards, service interruption, community impact

By identifying critical assets and failure modes Recreation Facilities can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

6.2 Risk Assessment

The risk management process used by Chatham-Kent is an analysis and problem-solving technique designed to provide a logical process for selecting treatment plans and management actions to protect the community against unacceptable risks. It is based on the fundamentals of the International Standard ISO 31000:2018.

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, the development of a risk rating, the evaluation of the risk and the development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the infrastructure risk management plan. **Table 6.2.1** shows initial asset registry risk assessment completed for the DAMP. Future iterations of the risk assessment will include residual risk and treatment costs of implementing the selected treatment plan. It is essential that these critical risks and expenses are reported to management and the council.

Table 6.2.1: Risks and Treatment Plans

Risk to Providing Service	What can Happen	Risk Rating	Existing controls	Treatment Cost
Arenas	Physical failure (extensive damage to landscaping, facilities, or infrastructure)	High	Regular maintenance, emergency response plans	TBD 2025
Pools	Physical failure (deck degradation, liner cracks, flooding)	High	Scheduled maintenance, usage monitoring	TBD 2025
Community Halls	Equipment breakage, structural collapse	High	Regular inspections, safety checks	TBD 2025

It should be noted that this is not an exhaustive list of all risks associated with Recreation Facilities. As the DAMPs develop over time, this area will be expanded to demonstrate how much the existing controls mitigate the risk and at what cost. This will inform future budget and risk management choices.

6.3 Infrastructure Resilience Approach

The resilience of Recreation Facilities' critical infrastructure is vital to customer service. To adapt to changing conditions, Chatham-Kent needs to understand its capacity to 'withstand a given level of stress or demand' and respond to possible disruptions to ensure continuity of service: resilience recovery planning, financial capacity, climate change risk assessment, and crisis leadership. Recreation Facilities does not currently measure resilience in service delivery in alignment with the AM process. This will be included in future iterations of the DAMP as further investigations are completed.

6.4 Service and Risk Trade-Offs

The adoption of this DAMP is guided by the goal of maximizing benefits from existing resources. Given that resources are not unlimited, some risks will inevitably remain unmitigated. Recreation Facilities will continue to review its risk registry and recognize the necessary trade-offs to maintain an acceptable level of risk tolerance.

If forecast work (operations, maintenance, renewal, acquisition or disposal) cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- Reduced service availability
- Decreased safety and quality
- Increased costs and inconvenience

6.4.1 What cannot be done

There are some operations and maintenance activities and capital projects that cannot be undertaken within the next 10 years. These include:

- Renewal / replacement of the Bothwell Scout Hut
- Renewal / replacement of the Orville Wright and Walter Hawkins Pools
- Renewal / replacement of the Thamesville Brunner Centre
- Facility upgrades, safety improvements, and advanced maintenance practices

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- Reduced service availability
- Decreased safety and quality
- Increased costs and inconvenience

6.4.2 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Increased safety hazards
- Accelerated asset deterioration
- Environmental degradation
- Reduced community satisfaction

These actions and expenditures are considered and included in the forecast costs and, where developed, the Risk Management Plan.

7.0 Climate Change Adaptation

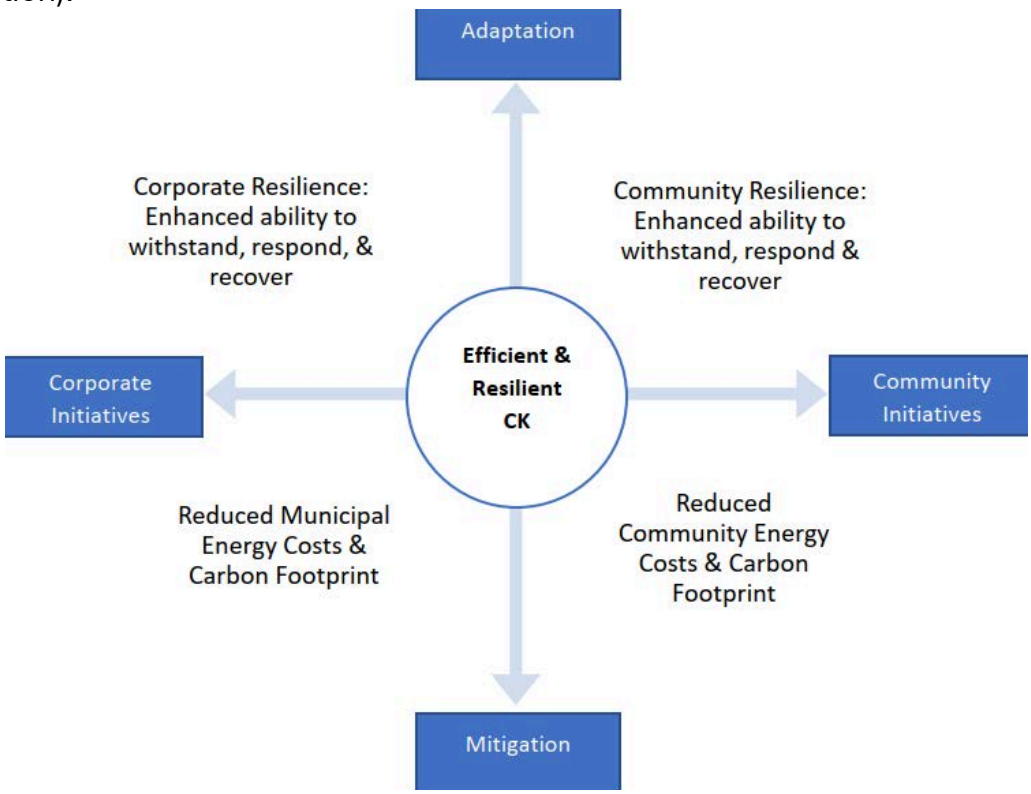
The impacts of climate change may have a significant impact on the assets Recreation Facilities manages and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts assets will vary depending on the location and the type of services provided, as will the way in which Recreation Facilities responds to and manages those impacts. At the minimum, Recreation Facilities must consider how to manage existing assets, given the potential climate change impacts on the region.

Blenheim Memorial Arena

Recognizing these continuing climate change impacts, the Council declared a climate emergency in Chatham-Kent on July 15, 2019. It directed municipal staff to develop a climate change action plan (CCAP) to reduce CK's contribution to climate change (known as climate mitigation) and to enhance the community's resiliency to climate change (known as climate adaptation).

The Municipality of Chatham-Kent is completing its CCAP, which will be presented to the Council and the public by the end of 2024. The CCAP actions presented in the CCAP report document will inform the Climate Section of the DAMPs in 2025. The CCAP actions will also be presented within the departments responsible for their completion.



Based on the Climate Atlas of Canada, historical climate patterns show that CK's climate has become hotter, wetter, and wilder over the last six decades, and this trend is expected to continue.

Hotter: Average annual temperatures have risen by 0.5°C and are expected to increase between 3.5°c and 5.8°c by the 2080s.

Wetter: Average annual precipitation has increased by 49.8mm (1.96in) and is expected to grow between 78mm and 127mm (5in) by the 2080s.

Wilder: Rainstorms have increased in frequency and severity, and seasonal precipitation patterns have changed, and this is expected to continue.
"From 1983 to 2008, insurers spent on average $400 million yearly on catastrophic claims; since 2009, the yearly average has risen to almost $2 billion. These "once in 100 years" events are happening more frequently and are becoming more severe and more costly." (Statistics Canada, 2024) Risk and opportunities identified to date are shown in Table 7.0.1.

Table 7.0.1 Managing the Impact of Climate Change on Assets and Services

Climate Impact (Assets level or Service level)	Current Position (Today)	Projected Position (in 10 years)	Potential Impact on Assets & Services	Climate Management Plan
Temperature fluctuations	Increasing variability in temperatures	Continued increase in average temperatures	Increased use of pool facilites	Enhance shading and cooling features at outdoor pools
Precipitation patterns	More erratic precipitation	More intense rainfall events	Damage to docks and boat launches from high water levels	Install adjustable dock systems that can accommodate changing water levels
Storm frequency and intensity	Increasing occurrence of severe weather events	Increased frequency and severity of storms	Damage to roofs and structural components	Install storm-resistant roofing materials

Additionally, how Recreation Facilities constructs new assets or when it renews assets should recognize that there is an opportunity to build resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change;
- Services can be sustained, and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint

The impact of climate change on assets is a new and complex discussion, and further opportunities will be developed in future revisions of this DAMP. **Table 7.0.2** summarizes some asset climate change resilience opportunities.

Table 7.0.2 Building Asset Resilience to Climate Change

New Asset Description	Climate Change Impact these assets?	Build Resilience in New Works
Arenas	Increased temperatures leading to higher energy costs for ice maintenance	Install energy-efficient HVAC systems and advanced insulation
Pools	Higher temperatures increasing demand and strain on water resources	Use water-efficient systems and recycling technology to reduce water usage
Campgrounds	Increased temperatures affecting visitor comfort and infrastructure integrity	Provide shaded areas with heat-resistant, durable materials for facilities

The impact of climate change on assets is a new and complex discussion, and further opportunities will be developed in future revisions of this DAMP.

Gable Rees Rotary Pool, Blenheim

8.0 FINANCIAL SUMMARY

8.1 Financial Sustainability and Projections

This section outlines the financial requirements derived from the data in the preceding sections of this DAMP. The financial forecasts will be refined through ongoing discussions about the desired service levels and as Asset Management expertise within Chatham-Kent matures. It is crucial to align the budgeting process, the LTFP, and the DAMPs to address all of Recreation Facilities needs. At the same time, the Municipality establishes a definitive financial strategy with measurable goals and targets.

Effective asset and financial management will enable Recreation Facilities to ensure its services provide the appropriate level of service for the community to achieve its goals and objectives. Reporting to stakeholders on service and financial performance ensures the Municipality fulfills its stewardship accountabilities transparently. Recreation Facilities LTFP is critical to ensure the network lifecycle activities, such as renewals, operations, maintenance, and acquisitions, can happen optimally.

Reporting on service and financial performance to stakeholders guarantees that the Municipality is transparently fulfilling its stewardship responsibilities. LTFP is essential for Recreation Facilities to ensure that the asset network lifecycle activities, including renewals, operations, maintenance, and acquisitions, occur at the optimal times.

8.1.1 Sustainability of service delivery

Two key indicators of sustainable service delivery are considered in the DAMP for this service area. The two indicators are the following:

- **Asset Renewal Funding Ratio** (proposed renewal budget for the next ten years / proposed renewal outlays for the next ten years shown in the DAMP) and
- **Lifecycle Funding Ratio** (proposed lifecycle budget for the following ten years / proposed lifecycle outlays for the next ten years shown in the DAMP).

Asset Renewal Funding Ratio (ARFR)

Asset Renewal Funding Ratio **0%**

The Asset Renewal Funding Ratio (ARFR) is an important indicator that illustrates that over the next ten years, Chatham-Kent expects to have **0%** of the funds required for optimal asset renewal.

Lower ARFR typically occurs due to;

- Chronic underinvestment,
- A lack of permanent infrastructure funding from senior levels of government,
- A freeze on funding allocations from senior levels of government,
- Large spikes of growth throughout the years or amalgamations.

The ARFR is considered a stewardship measure that indicates whether Chatham-Kent is achieving intergenerational equity. Correcting this funding ratio so that it can meet its financial target over time is essential to ensuring Recreation Facilities is considered sustainable.

If assets are not renewed at the appropriate timing, it will inevitably require difficult trade-off choices that could include:

- A reduction of the level of service and availability of assets;
- Increased complaints and reduced customer satisfaction;
- Increased reactive maintenance and renewal costs; and,
- Damage to Recreation Facilities reputation and risk of fines or legal costs

The shortage of renewal resources will be tackled in upcoming DAMPs to ensure alignment with the LTFP. This approach will enable staff to devise options and strategies for addressing the challenges of long-term renewal rates. Chatham-Kent plans to reassess its renewal allocations after verifying and consolidating the entire inventory.

Lifecycle Funding Ratio(LFR)- 10-year financial planning period

The current **10-year Lifecycle Financial Ratio is 50%**

This DAMP identifies the forecast operations, maintenance, and renewal costs required to provide an agreed-upon and affordable level of service to the community over ten years. This includes input into 10-year financial and funding plans to deliver the required services sustainably. This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The total forecast operations, maintenance and renewal costs over the 10-year planning period is **$174,059,880 or $17,405,988** on average per year. The proposed (budget) operations, maintenance and renewal funding is **$8,663,010** on average per year, giving a 10-year funding shortfall or '**Gap'** of **$8,742,978** per year. This indicates that **50%** of the forecast costs needed to provide the services documented in this DAMP are accommodated in the proposed budget. Note that these calculations exclude acquired assets.

8.2 Forecast Costs (outlays) for the long-term financial plan

Table 8.2.1 shows the forecast costs (outlays) required for consideration in the 10-year LTFP. Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan **i**ndicates further work is required on reviewing service levels in the DAMP and/or financial projections in the LTFP.

Chatham-Kent Recreation Facilities will manage any 'gap' by developing this DAMP to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Morpeth Community Hall

Table 8.2.1: Forecast Costs (outlays) for the Long-Term Financial Plan

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2024	-	$6,446,118	$1,450,939	$80,589,424	-
2025	-	$6,532,252	$1,682,605	$750,000	-
2026	-	$6,624,683	$2,479,515	$1,555,000	-
2027	-	$6,716,778	$1,811,164	-	-
2028	-	$6,813,561	$2,021,740	-	-
2029	-	$6,908,502	$2,101,614	-	-
2030	-	$7,003,444	$2,182,540	-	-
2031	-	$7,098,385	$2,264,540	$1,766,000	-
2032	-	$7,193,326	$2,347,637	-	-
2033	-	$7,288,268	$2,431,849	-	-

Forecast costs are shown in 2024 dollar values.

8.3 Funding Strategy

The proposed asset funding is detailed in Chatham-Kent's multi-year budget and LTFP. These operational and capital budgets outline the provision of funds incorporated into the DAMP. The DAMP details the expenditure timeline and associated service and risk implications. Subsequent versions of the DAMP will offer service delivery choices and alternatives to optimize the use of limited financial resources. Future iterations will focus on the sustainability of Recreation Facilities services and determine how much is required to be contributed to the reserves over time to ensure that there are sufficient funds available for future needs.

8.4 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the service. As projections improve and are validated with market pricing, net valuations will likely increase significantly over the 10-year planning horizon. Additional assets will increase operations and maintenance costs in the longer term and future renewal costs.

Any asset disposals would decrease operations and maintenance needs in the longer term and remove the high-cost renewal obligations. At this time, it is not possible to separate the disposal costs from the renewal or maintenance costs; however, this will be improved for the next iteration of the plan. The best available estimate of the value of assets included in this DAMP is shown below.

8.4.1 Asset valuations

The best available estimate of the value of assets included in this DAMP are shown below.

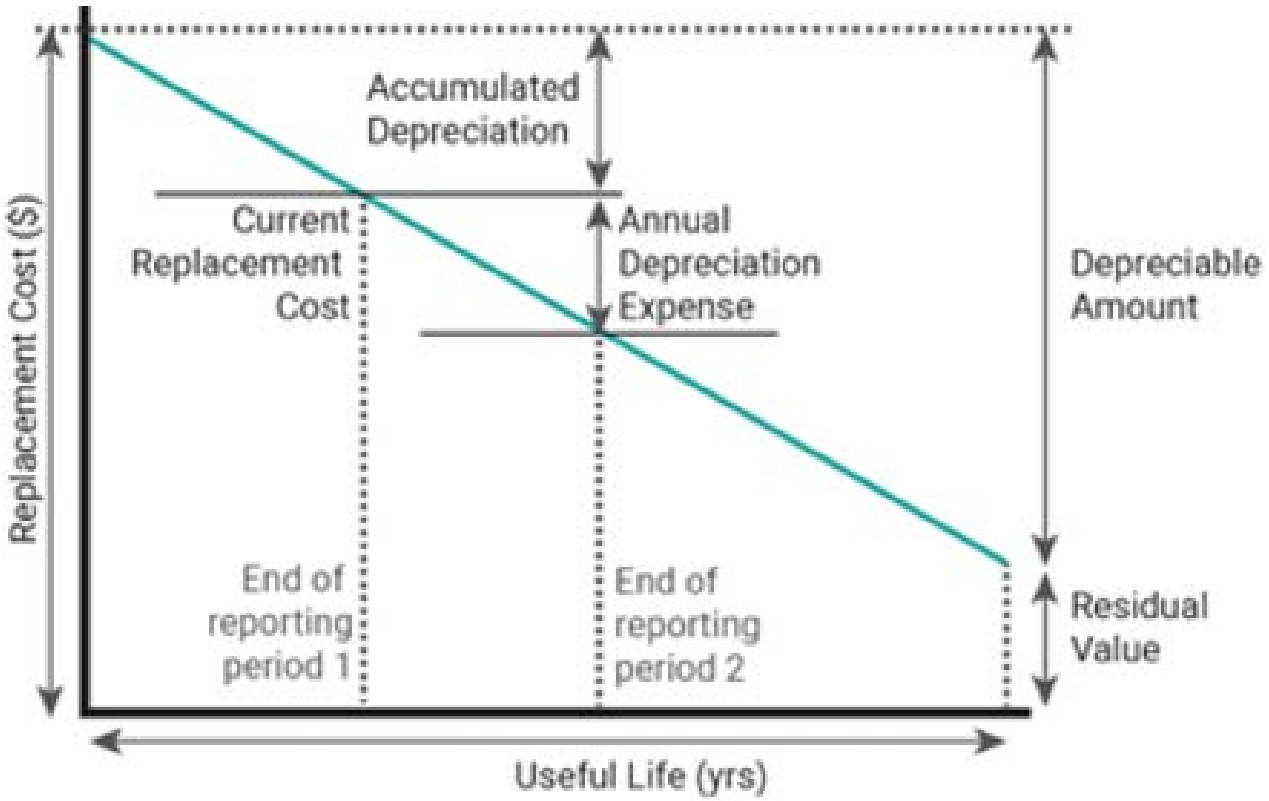


Table 8.4.2 Asset valuation table

Assets Valuation	Financial Value
Replacement Cost (Gross)	**$271,057,060**
Depreciable Amount	**$271,057,060**
Current Replacement Cost	**$84,146,208**
Annual Depreciation Expense	**$4,583,456**

Asset values are forecast to increase as additional assets, such as new pools or community halls, are acquired, and new services in arenas are created. If disposals occur, they will reduce the budget's cost.

Additional assets will generally increase operations and maintenance needs in the longer term, require additional costs due to future renewals, and contribute to future depreciation forecasts.

8.5 Key Assumptions Made in Financial Forecasts

Some assumptions were necessary to compile this DAMP. This section details the key assumptions made in its development and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.
Key assumptions made in this DAMP are:

- Assumptions were made regarding the existing and planned budget for maintenance and renewal, using professional judgment.
- The omission of disposal assets during this budget period, as well as small projects, will have a minor impact on disposal projections.
- Budgets have been allocated based on the best available data on assets.

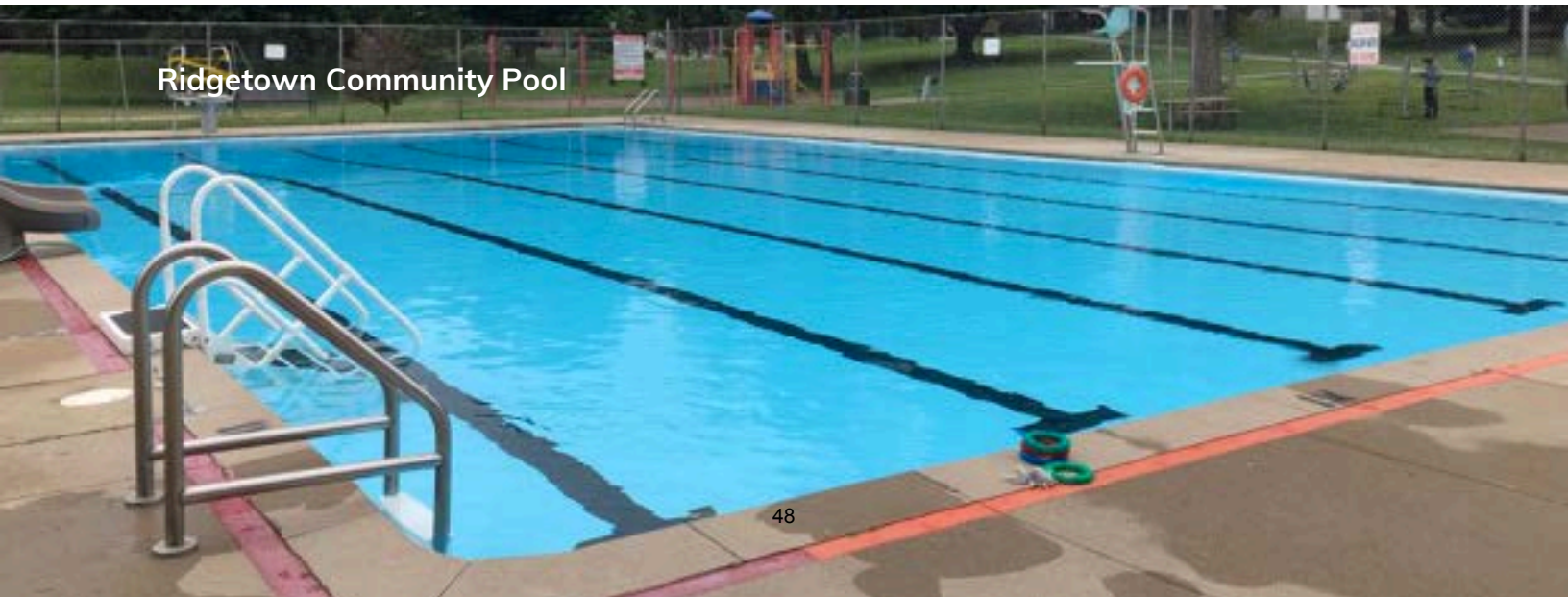
8.6 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this DAMP are based on the best available data. For effective asset and financial management, the information must be current and accurate. Data confidence is classified on the **A - E level scale** in accordance with **Table 8.6.1.**

Table 8.6.1: Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ± 2%
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ± 25%
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ± 40%
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this DAMP is shown in **Table 8.6.2.**



Ridgetown Community Pool

Table 8.6.2: Data Confidence Assessment for Data used in DAM plan

Data	Confidence Assessment	Comment
Demand drivers	Low	Population is growing and is expected to continue
Growth projections	Medium	Demographics trending analysis would improve data quality
Acquisition forecast	Medium	Will Monitor Annually
Operation forecast	Medium	Data available on the existing operation expenditures used to set future budget
Maintenance forecast	Medium	Data available on the existing maintenance expenditures used to set future budget
Renewal forecast - Asset value	Low	Requires alignment with reserve contributions and ESL improvement items
-Asset useful lives	Low-Medium	Most align with purchasing practices but should be improved and vetted annually
Condition modeling	Low	This requires improvement and is identified in continuous Improvement plans
Disposal forecast	Medium	None anticipated

The estimated confidence level and reliability of data used in this DAMP is considered to be **Low - Medium** confidence level.

9.0 PLAN IMPROVEMENT AND MONITORING

Status of Asset Management Practices
ISO 55000 Refers to this as the Asset Management System

9.1 Accounting and financial data source

This DAMP utilizes accounting and financial data. The source of the data is

- Chatham-Kent 2024 - 2027 Multi-Year Budget (Capital & Operating)
- Internal Market Price Valuations
- BCA data
- AM Software Multi-Year Forecasting Models
- Council Reports
- Financial Exports from various systems
- Fleet procurement documents

9.2 Asset management data sources

This DAMP also utilizes asset management data. The sources of the data are;

- Asset Registers
- Insurance Data
- Tangible Capital Asset Data
- BCA Data
- Fleet Vehicle Data
- Inspection Logs
- Subject Matter Expert Knowledge and Anecdotal Information

9.3 Continuous Improvement Plan

It is important that Chatham-Kent recognizes areas within the DAMP and within its planning processes that require future improvements to ensure effective asset management and informed decision-making. The tasks listed below are essential to improving the DAMP and CK's ability to make evidence-based and informed decisions. These improvements span from improved lifecycle activities, improved financial planning, and plans to physically improve the assets.

The Improvement Plan, **Table 9.3.1,** highlights proposed improvement items that will require further discussion and analysis to determine feasibility, resource requirements and alignment to current work plans.

Future iterations of this DAMP will provide updates on these improvement plans. The costs and resources to complete each of these tasks have not been included in the lifecycle models to data, and resource requirements would need to be reviewed for internal resource-driven projects.

The improvement plan generated from this DAMP is shown in Table 9.3.1.

Table 9.3.1: Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	Review staff levels to optimize staff resources	Rec staff, Asset and Quality Management (AQM) staff	40 hours FTE	2025
2	Define condition rating index/decision tree for major assets	Rec staff, AQM staff	15 hours FTE	2025
3	Exploration of alternative funding sources for lifecycle activities	Rec staff, AQM staff	20 hours FTE	2025
4	Grass cutting analysis and optimization	Rec staff, Parks staff	60 hours FTE	2025
5	Review asset registry to improve Provincial Asset Retirement Obligation reporting	Finance, Rec staff, AQM staff	20 hours FTE	2025-2027
6	Inventory and add natural assets to Rec DAMP	AQM staff, Rec staff	Four summer students for four years	2025-2027
7	Develop preventative maintenance plan	Rec staff, AQM staff	40 hours FTE	2025 -27
8	Develop condition assessment process	Rec staff, AQM staff	40 hours FTE	2025-27
9	Climate resilience planning	Rec staff, AQM staff	40 hours FTE	2026

Table 9.3.1: Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
10	Explore green infrastructure integration	Rec staff , Parks staff	40 hours FTE	2026
11	GIS / JDE work order integration	Rec staff, ITT, Parks staff	120 hours FTE	2027
12	Review renewal strategy	Rec staff, AQM staff	40 hours FTE	2027

9.4 Monitoring and Review Procedures

This DAMP will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs, and proposed budgets resulting from budget decisions.

The DAMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The DAMP has a maximum life of 1 year and will be updated annually. This plan will receive a complete revision and update in 2027 to enable the Chatham Kent Recreation Facilities service to be prepared for the 2028 four-year budget process.

9.5 Performance Measures

The effectiveness of this DAMP can be measured in the following ways:

- The degree to which the required forecast costs identified in this DAMP are incorporated into the long-term financial plan,
- The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures consider the ‘global’ work program trends provided by the DAMP,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieves the Organizational target (this target is often 90 – 100%).

Document Control

Rev No	Date	Revision Details	Author	Reviewer	Approver
1	August 2024	1st Detailed Asset Management Plan	Mike Smith	Director, Parks, Fleet & Facilities	Chatham-Kent Council

For more information, email
To view all the asset management plans, visit
www.chatham-kent.ca/assetplans