

# City of Pembroke

# Asset Management Planning

Major Recreation Buildings  
September 2023 Update

# Goal of Asset Management

- Provide safe, secure, seamless and sustainable services to residents
- Optimize the value of the infrastructure while minimizing lifecycle costs
- Manage risks to ensure service delivery is predicable to residents

# Effective asset management means...

Asking what services does our community need and want both NOW and in the FUTURE?

The quality of City services are directly linked to keeping our assets in a state of good repair

What services is our community willing and able to pay for?

The City must manage its assets in a strategic way that aligns with community expectations

# Benefits of Good Asset Management

- ✓ Improves decision making, resource allocations and services in the community
- ✓ Improves overall understanding and communication of challenges, choices and shared responsibilities
- ✓ Provides a better appreciation of costs and value of local services
- ✓ Helps manage risk, avoids crisis and reduces volatility

# AM Roles

## Role of Council

- Represent the public, the needs of the community, and advocate for services.
- Provide strategic direction through policies, bylaws.
- Approve levels of service.
- Allocate resources through budgets and long-term financial plans to meet objectives while managing risks.
- Assume risks and consequences.

## Role of Staff

- Develop AM competencies, gather information/facts/data, evaluate options and provide fearless advice.
- Ensure the AM program aligns with the City's strategic plan.
- Meet legislative levels of service as well as customer levels of service as set by Council.
- Manage budgets based on lifecycle activities.
- Outline risks and consequences.

In Spring 2023, oversight for the City's AM plan moved from the Operations Dept. to the Treasury Dept.

# Regulatory Requirements

Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure requires every municipality prepare an asset management plan under the following deadlines:



## **Phase 2: July 1, 2022**

Asset management plan for core infrastructure assets which include water, wastewater and stormwater assets, roads, bridges and culverts; within this, the plan for core assets must also include current levels of service and costs to maintain these levels.



## **Phase 3: July 1, 2024**

Asset Management Plan for all municipal assets, including current levels of service and costs to maintain these levels.



## **Phase 4: July 1, 2025**

Builds on phase 3 where plans shift from current levels of service to focus on proposed levels of service and related lifecycle management and financial strategy for all assets.

# Purpose of Presentation

- Provide information on the current status of the City's key recreation buildings:
  - Kinsmen Pool
  - Pembroke Memorial Centre Arena
  - Pembroke and Area Community Centre

While emphasis has been placed on the pool, the two arenas are of an age where significant investments will also be required to keep these buildings in a good state of repair to provide service to residents.



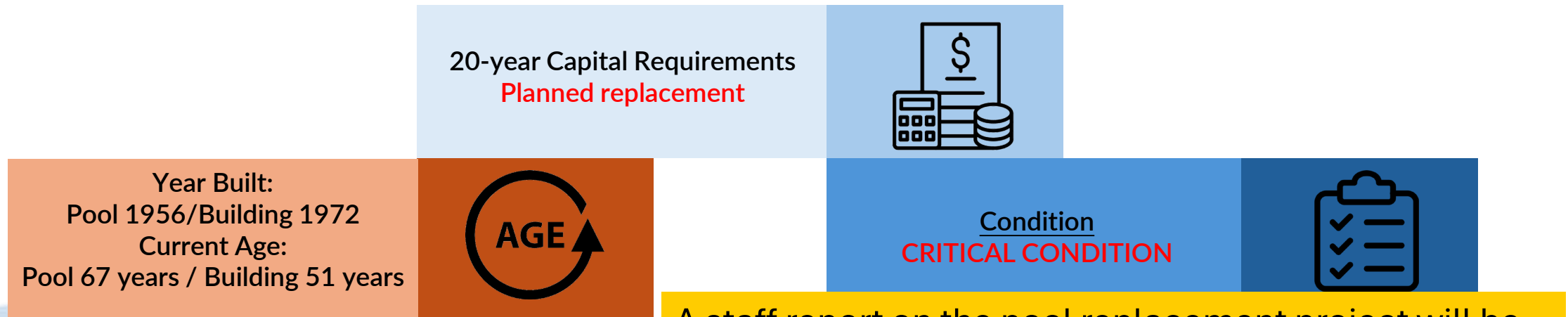


# Kinsmen Pool



# Kinsmen Pool: Building Stats

- Structural reviews in 2016, 2018 and 2021 strongly recommended the immediate replacement of the roof panels, wall panels, and girts of the pool enclosure. Snow loads require monitoring to ensure the structural integrity of the building is being maintained.
- Minimal building maintenance has been performed since at least 2019 in anticipation of a new build. The City has not developed a maintenance plan for the current pool.
- If a decision is made to not replace the existing pool, then a remediation plan for the existing building should be developed.



A staff report on the pool replacement project will be brought to Council at a future meeting for discussion.

# Kinsmen Pool: Financing

- Replacement has been recommended by staff for a number of years as the City has sought (unsuccessfully) for grant funding to assist with the financing of the project.
  - As an asset the City has owned for over 50 years, other levels of government typically expect municipalities to fund their own “base” level of service, particularly when it comes to non-core assets.
  - As the City has only started to set aside funding for a new pool during the last term of Council, replacing the existing pool would need to be primarily financed through debt. The addition of partners in this potential capital project would reduce the amount of debt required to finance this project.
  - If the City wishes to continue offering this service to residents, debt will need to be incurred to either renovate and remediate the existing building or build a new one.

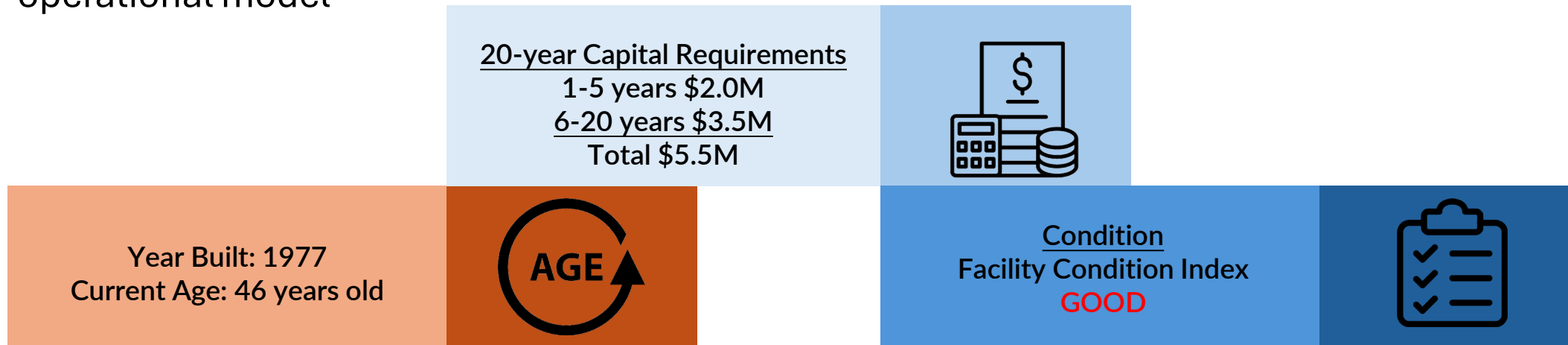
A staff report on the pool replacement project will be brought to Council at a future meeting for discussion.



# Pembroke & Area Community Centre

# PACC: Building Stats

- A building condition assessment was conducted in 2021-22 by McIntosh Perry.
- Over the next 20-years it is anticipated that most building equipment and systems will require major repair or replacement to maintain the building in a state-of-good repair under the current operational model



Typical lifespan for a building is 75-years with major renewals every 25-30 years

Size and scope of age-related replacements will soon push this building into a **FAIR** condition rating

# PACC: Priorities

Major replacements and recommended upgrades for this building include:



**2025**

Replace siding in poor condition \$245,000

**2026**

Recommend addition of sprinkler system \$330,000

**2028**

Replace refrigerated floor slab \$480,000

**2030**

Replace dasher boards and glazing \$378,000

Note: Pre-COVID Cost Estimates

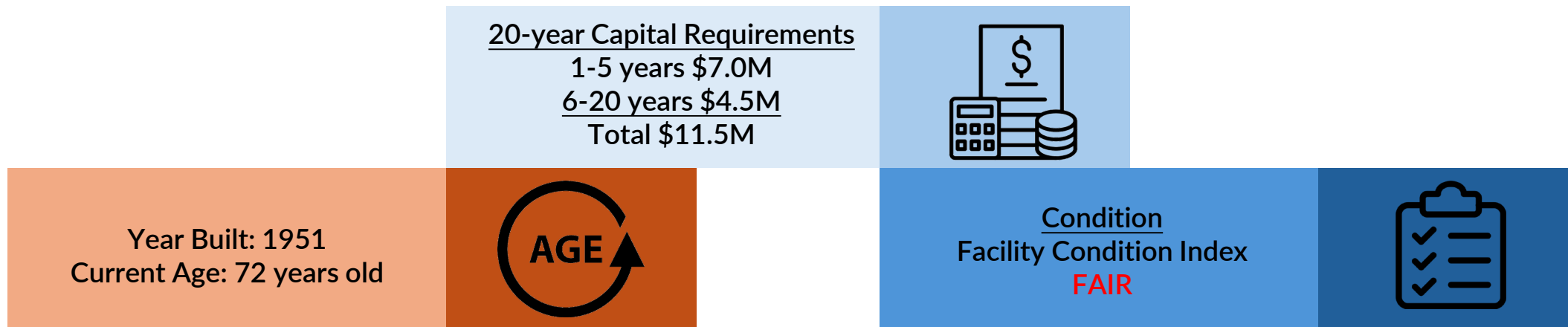




# Pembroke Memorial Centre

# PMC: Building Stats

- A building condition assessment was conducted in 2020 by McIntosh Perry which found that the building was adequately maintained but is reaching end of useful service life.



Typical lifespan for a building is 75-years with major renewals every 25-30 years

Size and scope of age-related replacements will soon push this building into a **POOR** condition rating

# PMC: Priorities

Major replacements and recommended upgrades for this building include:



Note: Pre-COVID Cost Estimates

**2025**

Recommend addition of sprinkler system, building automation and dehumidifier \$705,000

**2026**

Replace elevator, siding, chiller, seating, sound system, ice resurfer \$2,177,000

**2027/8**

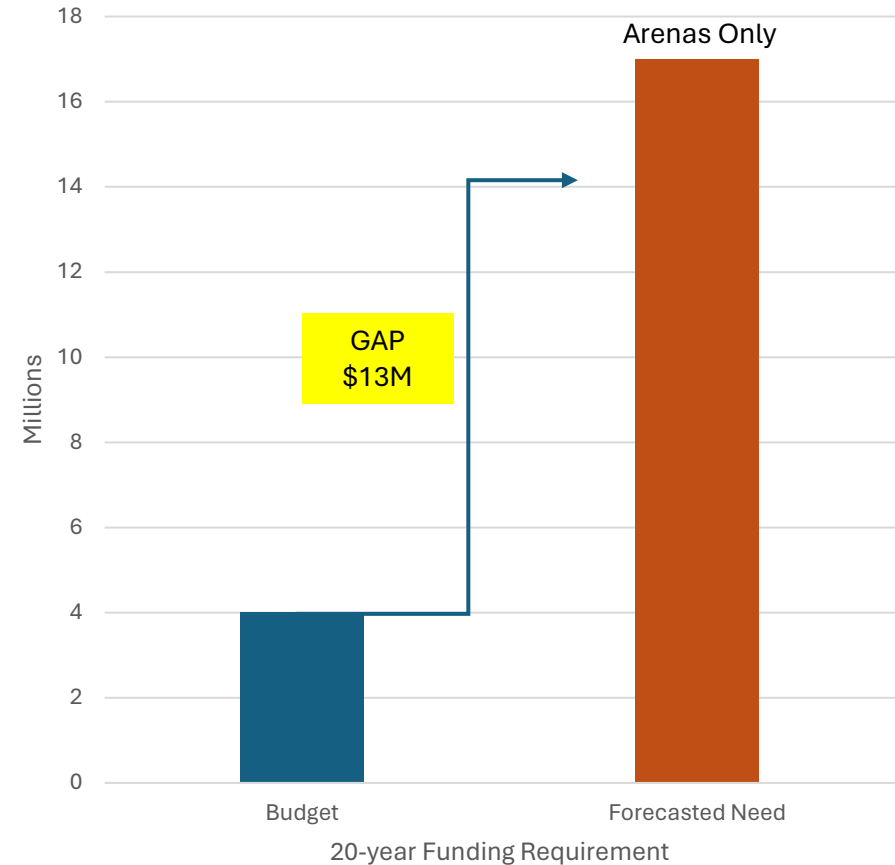
Replace plumbing, repaving overflow parking lot \$337,000

**2031**

Replace heater, dasher boards and glazing \$648,000

# Capital Funding: Recreation Facilities

- Historically, the City has been allocating \$200,000 of funding per year to capital projects for recreation facilities. With a forecasted need of \$17M over the next 20-years for the two arenas, this funding level creates a shortfall of at least \$13M excluding consideration of a new pool.





# Operating Funding

- Excluding the contribution to the aquatic centre reserve, the City currently budgets \$1.8M for the operation of the facilities. A review of facility operations reveals that:

## Pool Operator Gap

Pool operations is currently understaffed by 0.5 Full-Time Equivalent with one pool operator working 6-7 days per week (+\$42K annual impact).

## Service Expectation Gap

Arena openings in Aug/Sep create staffing shortages in park maintenance, lowering the ability to deliver quality park services. This creates service gaps in the “shoulder” seasons between the expected level of service from residents vs. the City’s ability to deliver.

## New Aquatic Facility Funding Gap

Construction of a new regional recreation facility would increase operating costs with additional staff required to deliver new services offered (lifeguards for therapeutic pool, pool operator and front desk staff).



# Risks & Consequences

- Current lack of capital funding means that the City is unable to complete age-related replacement of building components. This can lead to the:
  - Deterioration of assets to the point of replacement as opposed to repair; or decreased lifespan of assets (both of which can be more costly).
  - Loss of service which can contribute to a loss of reputation/political consequences:
    - For example: A heavy snow load may require the immediate shut down of the Kinsmen Pool for structural repairs or permanent closure impacting programs in progress and future program availability.

# Staff Recommendations: Short-Term

In the short-term:

- Obtain Council direction on the status of the Kinsmen pool project as a strategic priority (repair, replace or close) in step with the service expectations of residents now and in the future.
- Adopt a risk-based approach to asset renewal and prioritize replacement on life-safety, service delivery and asset condition.
- Consider debt to pay for major capital repairs on all facilities.
- Use the newly created recreation reserve to fund unexpected asset failures and unbudgeted emergency repairs.

# Staff Recommendations: Medium-Term

In the medium-term:

- Increase available capital funding over time to close the lifecycle funding gap for these aging facilities.

# FEEDBACK

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