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CITY OF OWEN SOUND

ASSET MANAGEMENT PLAN

NON-CORE INFRASTRUCTURE

2025

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Acknowledgment

The City of Owen Sound extends its sincere appreciation to residents, business owners, and visitors who participated in the 2025 community engagement survey and provided valuable feedback on infrastructure service levels and priorities. The insight and commitment of all participants were instrumental in the development of the 10-Year Community Level of Service analysis in this report, which will guide infrastructure improvement efforts for years to come.

2. Asset Management Plan - Non-Core

2.1. Executive Summary

The ability of the City of Owen Sound (the City) to provide services to the community relies on the existence of a network of assets and is restricted by the condition of those assets. Choosing a financially sustainable level of service and maintaining, rehabilitating and replacing assets to meet that level of service in the most cost-effective manner is not only important for the fiscal health of the community, but it is also at the core of what asset management is all about.

Asset management is the coordinated activity in place to manage the way in which the City realizes value from its assets to provide services effectively and in a financially sustainable manner. It helps to reduce risk and allows municipalities to provide reliable and affordable services to residents of the community while ensuring the needs and expectations of current and future users are being met.

Building upon the City's Strategic Asset Management Policy that was created in 2019 and the 2022 Asset Management Plan for Core Assets, the City also developed the 2024 asset management plan to cover its non-core assets. This plan detailed information about the City's non-core assets and the actions required to provide an agreed upon level of service in the most cost-effective manner managing known risks. The 2025 Asset Management Plan builds upon those previous plans.

This Report supports the development of the City of Owen Sound's 2025 Asset Management Plan (AMP) for Non-Core Assets by providing a structured analysis of asset performance, public priorities, and infrastructure risk. Key activities, including a City-wide public survey, framework for customer-Level of Service (LOS) assessment, risk evaluation and high-level lifecycle planning were conducted as public-informed inputs to support long-term decision making and provide guidance for infrastructure investments under the 2025-2035 planning horizon.

The LOS evaluation was based on a public survey capturing residents' and users' perspectives on non-core asset groups. Of the 60 respondents, about 85% were City residents, with the rest working in or frequently visiting the City. Participants, representing various age groups, rated infrastructure assets on quality, reliability, and availability.

Survey results established LOS framework for non-core assets, offering a high-level view of user satisfaction and perceived service gaps. These scores informed a risk assessment by highlighting low-performing areas and estimating potential service impacts, leading to a prioritization matrix. The information collected through this process will be used to develop Lifecycle strategies based on risk and LOS performance.

While this approach supports planning, it reflects perception-based analysis and does not assess the condition of individual asset components. Further technical evaluation will be needed for future refinements.

To ensure long-term sustainability and reliable service delivery, the City of Owen Sound must take the next steps in strengthening its asset management practices. This begins with developing a more detailed Level of Service (LOS) framework, one that moves beyond public perception and incorporates measurable performance indicators. Alongside this, a systematic condition assessment program is essential to understand the true state of infrastructure assets.

With better data in hand, the City can refine its risk assessments and lifecycle strategies, allowing for smarter prioritization of maintenance and investment decisions. Finally, a well-aligned financial strategy will be key to ensuring that infrastructure funding supports both current needs and future growth.

The analysis presented in this report serves as a **foundational framework** to guide the City in developing a more robust asset management system. It highlights the importance of integrating public input with technical data and strategic planning to ensure that infrastructure investments are both effective and aligned with community expectations.

This plan covers the City's non-core assets within the following areas:

- Arenas and Recreational Centres
- Corporate Facilities
- Fire Services
- Information Technology
- Parks and Open Spaces
- Non-Core Road Network

The City's non-core assets have a combined replacement value of over $297.3 million.

Specific details on the components within each of these categories, as well as the total current replacement value, annual deficit, and overall rating for each asset category, can be seen in the table below.

Table 2.1.1: Non-Core Asset Network Overview

Asset Category	Asset Details	Replacement Value (2024 $)	Average Annual Deficit $	Average Condition Rating
Arenas and Recreational Centres	Arena Facilities, Equipment, and Refrigeration Equipment	110,187,292	2,199,749	Poor
Corporate Facilities	Administrative, Cultural, Support Facilities and Equipment	53,215,093	1,147,033	Fair
Fire & Emergency Services	Facilities, Equipment and Apparatus	12,441,000	217,944	Fair
Information Technology	Hardware, Equipment and Software	642,525	0	Fair
Parks and Open Spaces	Parks, Campgrounds, Active Transportation, Transportation Network, Forestry, Horticulture, Fleet, and Park Amenities	76,647,212	835,073	Very Poor (Excluding Forestry)
Non-Core Road Network	Parking Lots, Streetlights, Traffic Signals and Retaining Walls	44,165,099	532,129	Fair
Total Non-Core Assets		297,298,221	4,931,926	Fair

The City's non-core asset management plan measures the current condition of assets at a basic level, with the majority of assessments being based on remaining useful life. This method is not ideal as it is based on age-only and

does not reflect usage, maintenance, or other factors that can more accurately assess condition.

Additionally, the plan employs an overall condition rating method that lacks weighting, thereby risking significant inaccuracies in reflecting the true state of municipal assets. For instance, a high-value asset such as a multi-million-dollar facility in good condition is assessed with the same influence as a significantly smaller-scale asset that might be in very poor condition. This approach can distort the portfolio's perceived health, as it often involves a concentration of numerous smaller assets, which can account for a majority of the condition scores, even if the value of these assets is significantly less than that of other asset categories with a smaller number of assets. Staff will work towards a more accurate weighting system in future asset management plans or software implementation.

This plan highlights the lifecycle activities, which are not often documented or tracked, and associated costs that are required to maintain the current level of service based on existing operating budgets. As with anything, there is a certain level of risk associated with any actions (or inactions) the City takes, which have also been discussed in this plan.

In order to maintain the current levels of service provided for non-core assets, the City requires an average annual investment of $10 million; however, given the current capital and operating budgets, only approximately 50% of this amount is anticipated to be funded. The City has an expected annual infrastructure deficit for non-core assets of $4.9 million. If more money is allocated towards these assets in the capital budget, the City can expect this funding shortfall to continue to grow and accumulate, putting the City at risk of not being able to provide the current levels of service. The forecasted 10-year deficit, if funding were to be maintained at its current level of service, is $56 million over this period and adds to what is likely already a considerable backlog of assets requiring rehabilitation or replacement.

As the City moves forward in its asset management journey, this asset management plan will continue to be refined and further developed to ensure the accuracy and reliability of information. The ultimate goal is for the City's asset management plans to become living documents that are continually updated as new information is obtained and capital work is undertaken. This will allow for the City's asset management plan to act as a resource for staff and Council when making decisions that impact how funds are raised, allocated, and ultimately how projects are prioritized as those funds are spent.

2.1.1. Scope of the Asset Management Plan – Non-Core Assets

This AMP covers the City's non-core assets, including Arenas and Recreational Centres, Corporate Facilities, Fire Services, Information Technology, Parks and Open Spaces and Road Network.

For each category, the plan should include the following elements, where data exists:

- A summary of assets;
- The replacement cost of assets;
- The average age of assets;
- The condition of assets;
- The current levels of service being provided;
- The current performance of assets;
- The lifecycle activities that are completed to maintain the current level of service and the associated costs to do so; and
- A description of assumptions regarding future changes in population or economic activity.

The sections of this executive summary include:

- State of local infrastructure
- Levels of service
- Asset management strategy
- Financial strategy
- Improvement plan

The state of local infrastructure summarizes the "who, what and where" of the City's assets. It inventories the City's assets and provides replacement cost information as well as other attributes such as age, expected useful life, and condition. Ideally, this component of the plan should be updated annually to ensure that inventories are complete and accurate. Condition assessments should be performed on a rotating schedule to ensure that physical attribute information remains up to date.

Levels of service have been measured in a very basic format of the percentage of assets in a good or very good condition for each type of asset. For the purposes of this AMP, only current levels of service were considered. For the current 2025 Non-Core Asset Management Plan, survey responses were used to establish Customer-level LOS framework for some (but not all) non-core asset groups including arenas and recreation centres, parks and open spaces, trails, outdoor facilities, parking facilities, amenities and road network. It is important to note that this analysis is perception-based and does not reflect the technical condition of individual assets. Therefore, while this report provides a valuable starting point, it is not a substitute for a comprehensive asset management system.

The asset management strategy includes the activities that are undertaken to maintain current levels of service. These actions may include regular maintenance and renewal activities, timing the replacement of assets that have reached the end of their useful lives, as well as non-infrastructure solutions such as completing condition assessments and implementing policies. The management strategy will take risk assessments into consideration in prioritizing projects and maintenance activities. The LOS data was used to conduct a quantitative risk assessment. A risk matrix was developed to categorize assets based on their likelihood of underperformance and associated impact on users. Moreover, lifecycle recommendations were developed based on the intersection of LOS performance and risk exposure. These recommendations support a proactive approach to asset management, though they remain high-level in scope. Further refinement at the sub-asset level will help improve precision in cost planning and investment targeting as the City continues to advance its asset management practices.

Next, the financing strategy section provides a brief overview of financial planning and available funding sources. This section will be substantially expanded upon in future iterations of the plan. Eventually, the financing strategy will consider all available funding sources including but not limited to reserves, debt instruments, user fees and the tax levy as well as known contributions from third parties. The ultimate result will be a deficit or surplus that is the difference between expenditure requirements and available financing.

Finally, the improvement plan outlines key areas of focus for future iterations of the plan. This could range from further investigation into/validation of data, increased resident engagement/feedback, expanding on existing sections of the plan, or adding new sections of the plan, among

other items. The improvement plan lays out the recommended improvement along with who is responsible, what resources are required, and the target timeframe to have the improvement completed.

2.1.2. State of Local Infrastructure

2.1.2.1. Introduction

This section of the AMP provides an overview of the City's current position regarding non-core assets. The State of Local Infrastructure section contains key asset data such as inventory, replacement cost, average age, and condition for assets in each category, where the information is available.

For this AMP, the majority of the data had to be collected and organized on a more componentized level. This data continues to be reviewed, verified, updated, and supplemented by more recent asset data as contained within the City's asset management systems, regularly completed third-party asset assessment/condition reports and other reports, data collected and maintained by field staff, and professional judgment and expertise.

2.1.2.2. Asset Condition Assessment

The City can undertake numerous investigative techniques to determine and track the physical condition of its infrastructure. For instance, City facilities can be assessed through a third-party building condition assessment. These inspections are guided by standard principals and condition rating that allow for a physical condition "score" for the infrastructure to be developed. For assets without a standardized approach to condition assessment scoring, a remaining useful life approach was applied until the City can further develop its asset databases.

The table below provides a summary of the assets covered by this plan, along with the total replacement value of assets in each category and the percentage of the City's total non-core infrastructure replacement value each category represents.

Table 2.1.2: Non- Core Asset Summary

Asset Category	Asset Details	Replacement Value (2024 $)	Replacement Value (%)
Arenas and Recreational Centres	- Facilities - Refrigeration Equipment - Fleet	110,187,292	37.1%

Corporate Facilities	- Support Facilities - Cultural Facilities - Administrative Facilities	53,215,093	17.9%
Fire Services	- Facility - Apparatus - Equipment	12,441,000	4.2%
Information Technology	- Network Hardware - Computer Hardware - General Hardware	642,525	0.2%
Parks and Open Spaces	- Facilities - Parks - Active Recreation - Forestry - Horticulture - Harbour - Cemetery Facilities/Buildings - Transportation Networks - Signage - Park Amenities - Fleet	76,647,212	25.8%
Non-Core Road Network	- Retaining Walls - Streetlights - Traffic Signals - Core Parking Lots - Fleet - Facilities	44,165,099	14.9%
Total		297,298,221	**100%**

2.1.3. Levels of Service

2.1.3.1. Overview

The goal of every asset manager should be to move away from reactive and "worst first" planning to maintenance of assets in a "state of good repair." This is the most economical way to manage assets and provide higher levels of service. The path to get there requires a long-term strategy and organizational and community buy-in to assure change.

Levels of service (LOS) describe what people (residents, users of assets, etc.) experience from a municipality's infrastructure. Levels of service can be qualitative in nature (based on customer values) and describe what is important to users of the service and how users feel about the services, or

they can be quantitative in nature (based on specific data, measurables, and metrics).

For the purpose of this Asset Management Plan (AMP), the City of Owen Sound has developed this Customer Level of Service (LOS) section to strengthen its understanding of current infrastructure performance and to help define measurable service delivery targets for the next decade. This section complements the broader asset management planning work underway and reinforces the City's commitment to maintaining and enhancing service levels for the benefit of current and future residents. It is essential to acknowledge that the analysis presented in this report is primarily based on stakeholder perceptions and does not incorporate detailed technical evaluations of individual asset conditions. While this approach offers meaningful insights and serves as a valuable foundation for strategic planning, it should be regarded as an initial framework rather than a comprehensive asset management system grounded in empirical data.

2.1.3.2. Introduction

To support the development of proposed Levels of Service (LOS) for the 2025 Asset Management Plan, the City of Owen Sound utilized its public engagement tools to better understand users' satisfaction with current service levels. The City's engagement platform, Our City, serves as a central hub for sharing and gathering information on various municipal initiatives.

A dedicated page—2025 Asset Management Plan – Community Engagement for Proposed Levels of Service—has been created to inform residents about the Plan's development and highlight where community input is needed. This page includes background on the City's existing Asset Management Plans (AMPs), a video from the Municipal Finance Officers Association (MFOA) summarizing asset management planning, and details on how residents can contact City staff with questions or feedback.

The page also features a survey designed to collect community input on several key areas:

- Demographic information
- Understanding of the City's 2022 and 2024 AMPs
- Satisfaction with the quality, reliability, and availability of City assets

Residents were encouraged to provide written comments and identify areas where they believe additional investment is needed, while recognizing the City's significant funding deficit for asset rehabilitation and replacement.

This report outlines a proposed 10-year Level of Service (LOS) strategy and the methodology used to derive Community Levels of Service for infrastructure assets in the City of Owen Sound. Survey data collected between March 17 and April 29, 2025, provides valuable insights into public perception of asset quality, reliability, and availability, as required under Ontario Regulation 588/17. The City's goal is to ensure sustainable, equitable, and measurable improvements in infrastructure service delivery while maintaining transparency, fiscal responsibility, and alignment with community expectations.

2.1.3.3. Components of Community Levels of Service: Quality, Reliability, Availability

Levels of Service define the quality, reliability, and availability that our infrastructure (assets) deliver.

- Quality refers to the standard or condition in which an asset is provided to the public. For example, in roads, the quality of assets could relate to how smooth the roads are, while in facilities, quality of the assets could relate to how well-maintained the exterior and interior of the buildings are.
- Reliability refers to the consistency and dependability of an asset. It is a measure of how often the asset can be counted on to function without interruptions or failures. For example, in a sports complex, reliability could mean that the ice pad is consistently open during advertised hours and that equipment is in working condition.
- Availability measures the accessibility and the extent to which an asset is ready for use when needed. In the context of infrastructure, availability could refer to the continuous access to roadways, reliable communication networks, or distance to access public parks. It reflects how easily users can access the service, whether the infrastructure can handle peak demand, and how available it is to all users, regardless of time or location.

Also the assets that are covered in this survey are as follows:

- Arenas and Recreational Centres
- Parks and Open Spaces (e.g., sportfields, playgrounds, trails)
- Roads and sidewalks
- Parking lots

2.1.3.4. Community Engagement, Assumptions and Methodology

A total of 60 participants contributed to the community engagement survey conducted between March 17 and April 29, 2025. The age distribution of the participants is as follows: 26% were between 18 and 44 years old, 41% were between 45 and 64 years old, and 31% were 65 years and older. This diverse age range ensures a broad representation of community perspectives.

Approximately 85% of the participants are residents of the City of Owen Sound, providing insights directly from those who live within the community. The remaining 15% of respondents either work in or regularly visit the City, offering valuable viewpoints from individuals who interact with the City's infrastructure on a frequent basis.

This feedback will play a significant role in guiding future community planning and decision-making efforts. The survey results will help inform strategies aimed at fostering a more inclusive, responsive, and vibrant community environment.

2.1.3.4.1. Assumptions

The following assumptions were applied to the analysis:

- All survey responses were weighted equally.
- Minor discrepancies in sample sizes across asset types were considered negligible.
- LOS results are based on customer-level survey responses and reflect group-level perception. Specific subcomponents such as arena specialized equipment, or mechanical systems were not assessed individually and may differ in condition.
- The dimensions of quality, reliability and availability were weighted equally in calculating overall scores.
- Asset groups were organized logically based on functional similarities and survey structure.
- Availability was interpreted to encompass both geographic distribution and operational access.

2.1.3.4.2. Methodology

Community feedback was gathered through a structured survey where residents rated each infrastructure asset type across three dimensions: Quality, Reliability and Availability.

Survey responses were collected and assessed using a standardized weighted scoring approach. Responses were converted into numerical values for analysis, as shown in the table below:

Table 2.1.3: Attributions and Assigned Value

Attribution	Response	Assigned Value
Quality	Very Good	4
	Good	3
	Fair	2
	Poor	1
Reliability	Very Reliable	4
	Reliable	3
	Somewhat Reliable	2
	Unreliable	1
Availability	Abundant	3
	Adequate	2
	Inadequate	1

2.1.3.4.3. Scoring and Classification

Weighted average scores were calculated for each asset type and each LOS dimension using the numerical values. The resulting average scores were then categorized into performance levels to enable interpretation and alignment with the LOS framework.

Weighted LOS scores for each asset group were calculated using the formula:

$$\text{Weighted Quality LOS score from 4} = \frac{(4\times Very\ Good)+(3\times Good)+(2\times Fair)+(1\times Poor)}{Total\ Responses}$$

$$\text{Weighted Reliability LOS score from 4} = \frac{(4\times Very\ Reliable)+(3\times Reliable)+(2\times Somewhat\ Reliable)+(1\times Unreliable)}{Total\ Responses}$$

$$\text{Weighted Availability LOS score from 3} = \frac{(3\times Abundant)+(2\times Adequate)+(1\times Inadequate)}{Total\ Responses}$$

Since Availability scores were gathered based on a 3-point scoring structure, results were converted to a 4-point scale, which were then used to calculate an overall average LOS score (from 4) across Quality, Reliability, and Availability.

$$\text{Overall LOS Score from 4} = \frac{(\text{Quality LOS Score from 4})+(Reliability\ Score\ from\ 4)+(\text{Availablity LOS Score from 4})}{3}$$

The following thresholds were used to classify the overall LOS scores.

Table 2.1.4: Customer LOS Score interpretation

Average Score	Description	Interpretation
3.5 – 4.0	Very Good	Strong community satisfaction; infrastructure is exceeding expectations.
2.5 – 3.49	Good	Generally performing with minor issues.
1.5 – 2.49	Fair	Several issues noted; improvements are needed.
< 1.5	Poor	Significant concerns; possible service failure.

2.1.3.4.4. Survey Summary and Baseline LOS

The following table presents the baseline Level of Service (LOS) scores for each major infrastructure asset group assessed in 2025. Each group has been evaluated separately in terms of quality, reliability and availability. The overall score represents the average across these the three attributes and has been classified according to standardized LOS categories (very good, good, fair, poor). These baseline results provide a reference point for measuring future progress toward the City's service level targets over the next decade.

Table 2.1.5: Customer Based Level of Service Scores

Asset Group	Assets	Quality Score	Reliability Score	Availability Score	Overall LOS Score	Overall LOS Category
Arenas and Recreation Centres	Bayshore Community Centre, - Julie McArthur Regional Recreation Centre	3.16	3.32	3.05	3.18	Good
Parks and open Spaces	Ball Diamond, Sportfields, Basketball, Open Spaces, Playground Structures	2.39	2.62	2.55	2.52	Fair to Good
Trails	Paved Trails, Granular Trails	2.61	2.7	3.87	3.06	Good
Outdoor Facilities	Outdoor Rink, Outdoor Pool,	2.46	2.34	2.23	2.34	Fair

	Tennis Court, Skateboard Park					
Road Networks	Paved Roads, Sidewalks	2.01	2.34	2.51	2.29	Fair
Parking Facilities	Municipal Parking Lots	2.57	2.87	2.84	2.76	Good
Amenities	Washrooms, Benches, Picnic Tables	2.21	2.26	2.23	2.23	Fair

Following the baseline LOS assessment, it is apparent that City's infrastructure assets present a mixed service performance. In the view of the community, Arenas and Recreation Centres are performing well, achieving a good overall rating, with relatively strong reliability, quality, and availability scores, as compared to other asset groups. Trails are another relatively strong area, showing an overall LOS score of 3.06 and notably high availability (3.87), suggesting that trail networks all well distributed and operationally accessible to residents.

Parks and open spaces, outdoor facilities, road network and amenities exhibit fair overall service levels. Road networks demonstrate the need for attention, with low quality scores, reinforcing the importance of targeted maintenance and rehabilitation initiatives. Amenities such as washrooms, benches and picnic tables also received a fair LOS rating with low quality, reliability, and availability scores, highlighting the Community's desire to expand and maintain these community features.

Across all categories, the baseline findings underscore that while some areas are stable, sustained investment and strategic interventions are required to achieve the City's desired future LOS targets.

The LOS assessment presented in this section is based primarily on public survey responses, offering a valuable reflection of user experience across asset groups. While this approach captures overall perceptions of quality, reliability, and accessibility, it does not extend to detailed evaluations of internal asset components. For instance, although the technical LOS facility condition index (FCI) suggests that arenas are in a fair to good condition overall (refer to the "Arena and Recreational Centre Non-Core Asset Management Report"), these facilities include several distinct sub assets such as mechanical systems, specialized equipment, or spectator infrastructure, that were not individually assessed through the survey. Generally, based on age-based condition assessment these subcomponents

are in poor condition than the facility, which may not be adequately reflected in the LOS results.

This highlights a limitation in the current LOS methodology, where complex assets comprising multiple components are represented by a single aggregated rating, which may not fully capture differences in condition or performance across their sub-elements. To improve the accuracy and applicability of LOS findings, future assessments may benefit from technical evaluations or targeted condition audits for critical subcomponents. This would support more accurate lifecycle planning and allow investment priorities to be more closely aligned with both user experience and operational needs.

The City's primary objective is to maintain existing service levels, using them as a baseline until a more robust LOS framework is developed. The tables presented below represent high-level conceptual frameworks derived from public survey responses. While these insights are valuable, they are preliminary in nature. To support more informed decision-making and realistic lifecycle strategies, it is essential to establish detailed LOS definitions, both from a public and technical performance perspective.

2.1.3.4.5. 10-Year Level of Service Framework (2025-2035)

The table below, summarizes the planned strategic actions to improve the quality of the City's infrastructure assets from 2025 to 2035. Quality initiatives focus on the physical condition, user experience, and functionality of community assets.

Table 2.1.6: 10-Year Strategic Quality Level of Service Plan

Year Range	Quality Goal	Strategic Action
2025-2026	Stabilize Quality around 2.0-3.0 for all groups	Preventive maintenance and minor upgrades focused on road networks, and amenities. Maintenance for arenas, trails and parking facilities to develop a sustainable rating of good.
2027-2028	Improve Quality > 2.8 for Trails, Parks, Roads[1], Outdoor Facilities and Parking Facilities	Moderate renewals (e.g., playgrounds, paved trails, minor road resurfacing, outdoor Facility upgrades, and parking lot surface repairs)
2029-2030	Improve quality to 3.3 across most groups	Rehabilitation (e.g., Arenas, open spaces, outdoor facilities, and parking lots)

[1] The Technical LOS index for Road Networks is PCI

2031-2032	Improve and ideally achieve quality > 3.5 (very good) across most groups	Major capital renewal (e.g., roads, parks and recreation centers)
2033-2035	Achieve and sustain very good quality (> 3.5) City-wide	Considering budget constraints, develop an optimized plan to complete facility upgrades, reconstruction and long-term maintenance programs.

The following table describes the strategic actions proposed to maintain the reliability of infrastructure assets between 2025 and 2035. Reliability improvements will prioritize operational performance through preventive maintenance, regular inspections, early detection of issues, and timely minor repairs. Over time, reliability efforts will evolve from basic maintenance programs to advanced monitoring, predictive maintenance, and rapid response systems, supporting the City's goal of sustaining very good reliability across its asset portfolio.

Table 2.1.7: 10-Year Strategic Reliability Level of Service Plan

Year Range	Reliability Goal	Strategic Action
2025-2035	Stabilize reliability > 2.5 (Good)	Launch preventive maintenance programs; initiate regular inspections for trails, parks, arenas and parking facilities to catch early-stage failures. Implement quick response repair protocols for minor service interruptions.
TBD	Improve reliability > 2.8	Expand condition monitoring systems; introduce predictive maintenance technologies; schedule inspections to minimize breakdown; build rapid repair teams to address emerging issues promptly.
TBD	Improve reliability > 3.3 for majority of groups	Move forward to deploy full reliability centered maintenance programs; address recurring defects in high-use infrastructure such as roads, and parking lots.
TBD	Improve and ideally achieve reliability > 3.5 (very good) across most groups	Conduct major interventions on assets identified through monitoring a high-risk for failure. Move toward integrating proactive lifecycle management into all asset maintenance plans.
TBD	Achieve and sustain very good reliability (> 3.5) City-wide	Continue preventive maintenance cycles. Review and update reliability focused operational procedures

		annually. Maintain strong monitoring systems.

The Table below outlines the strategic goals and actions for maintaining the availability of the City's infrastructure assets over 10-Year period from 2025 to 2035. Availability improvements focus on expanding physical and operational access to parks, outdoor facilities, road networks and amenities, ensuring that residents have equitable, year-round access to essential community assets.

Table 2.1.8: 10-Year Strategic Availability Level of Service Plan

Year Range	Availability Goal	Strategic Action
2025-2035	Address major access gaps (below 2.0)	Expansion planning and operational improvements for outdoor facilities, and amenities.
TBD	Improve availability > 2.5	Expand park coverage, improve access to outdoor facilities and amenities, increase parking capacity, improve sidewalk and crossing accessibility. Minor improvements to trail operations.
TBD	Expand availability in underserved areas	Construct more amenities, expand parking lots, improve park and facility accessibility.
TBD	Improve and achieve abundant access status for majority of assets	Complete filling major coverage gaps and optimize operational access for many of facilities.
TBD	Sustain abundant access (> 3.5) City-wide	Regular access audits and community surveys; continues minor expansions and operations based on emerging needs.

2.1.3.5. Funding Strategies

The City's core and non-core Asset Management Plans identify significant funding constrains in the delivery of services through the City's asset. In the context of the City's broader asset planning efforts, LOS section contributes to a more detailed understanding of service expectations and funding priorities. While other components of the asset management framework address lifecycle and financial dimensions, the LOS analysis supports decision making by highlighting how service level targets may influence future funding requirements, particularly as the City navigates the challenges associated with aging infrastructure and constrained resources.

Participants in the community survey were asked to indicate their preferred funding approach. The results are depicted in the figure below:

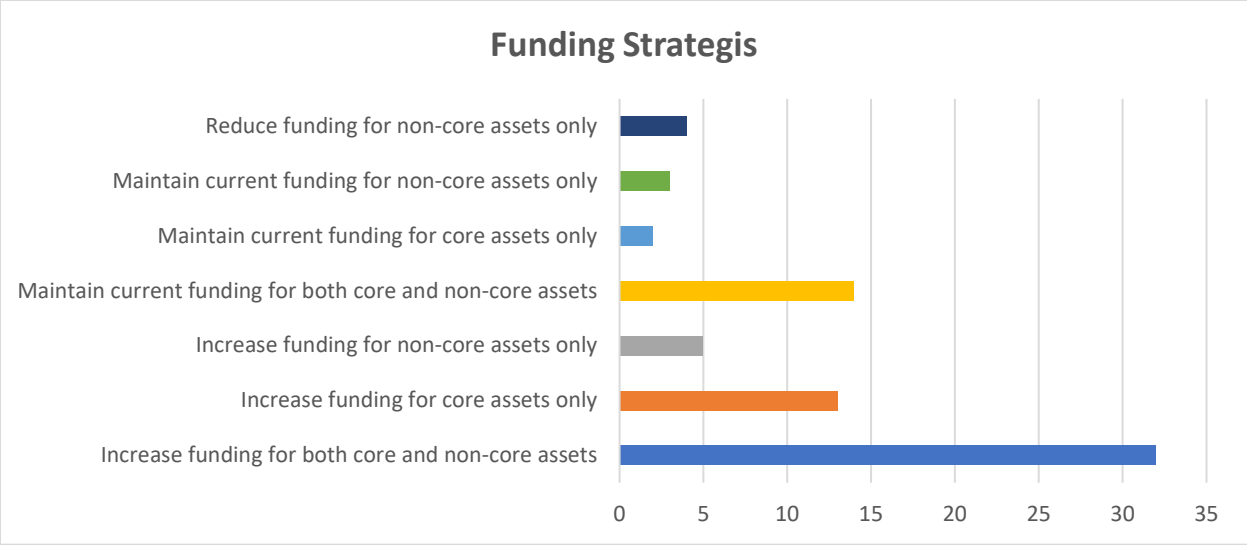


Figure 2.1.1: Funding Strategies Based on Survey Results

The majority of participants expressed a desire to either increase funding for both core and non-core assets or to increase funding for core assets only. Few participants advocated for maintaining existing funding levels without an increase, and virtually none supported funding reduction. These results indicate that residents and stakeholders recognize the importance of infrastructure renewal and service enhancement. The findings validate the strategic direction of increasing capital investment in infrastructure to achieve the targeted service improvements outlined in this plan.

This feedback aligns with key findings from the City's core and non-core Asset Management Plans:

- Increased funding will improve the quality, reliability, and availability of assets, but would mainly be necessary to maintain the current standards as assets age.
- Maintaining current funding would aim to preserve the quality and reliability of assets but would likely result in gradual deterioration, reducing quality, reliability and availability over time.
- Reducing funding would decrease asset quality and reliability, potentially causing asset failure as assets continue to deteriorate.

Given these considerations, the survey results provide strong support for pursuing increased infrastructure funding as part of the City's 2025 Asset Management Plan strategy.

2.1.3.6. Conclusion

The 10-year LOS development section represent a critical step in the City of Owen Sound's commitment to strategic, data-driven asset management. By analyzing the current condition of the City's infrastructure across key attributes, quality, reliability and availability, the City has established a clear, evidence-based baseline that highlights targeted areas for future investment and improvement.

The community engagement process reinforced the importance of infrastructure renewal with public support for increasing funding levels to meet future service needs. Survey Feedback revealed that while some asset groups, such as arenas, trails and parking facilities are currently performing at good levels, other groups such as parks and open spaces, outdoor facilities, amenities, and road networks require attention to prevent service degradation and to meet the growing expectation of the residents and businesses.

It is important to note that the LOS evaluation in this report reflects public perception at the asset group level. While the LOS results in this report provide valuable insight into overall service experience, they would not fully represent the condition of individual components within more complex facilities. The internal variances are not visible in group-level ratings, underscoring the need to complement perception-based assessments with technical evaluations to better inform long-term asset planning.

The strategic framework outlined in this section sets a phased plan to stabilize existing conditions, deliver measurable improvement over time, and ultimately sustain high levels of service across all asset categories. The integration of service level targets with broader asset management planning, financial strategies, and lifecycle approaches will ensure that infrastructure renewal efforts are both technically sound and fiscally responsible.

2.1.4. Asset Management Strategy

2.1.4.1. Overview

An asset management strategy is a set of planned actions that will enable the asset to provide the agreed upon levels of service in a sustainable way, while managing risk, at the lowest lifecycle cost.

For the purposes of the AM strategy, there are six lifecycle maintenance strategies considered in the overall sustainable management of assets.

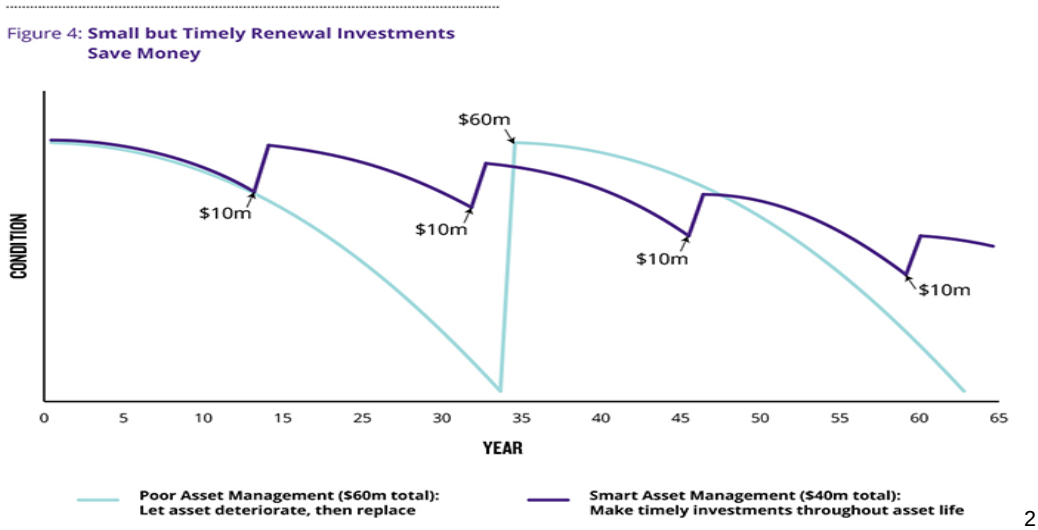
Table 2.1.9. Lifecycle Activities Overview

Activity	Definition
Non-infrastructure Solutions	Actions or policies that can lower costs or extend life and can include adjustments to levels of service.
Maintenance	Regularly scheduled inspection and maintenance, or more significant repair and activities associated with unexpected events.
Rehabilitation	Significant repairs designed to extend the life of the asset.
Replacement	Activities that are expected to occur once an asset has reached the end of its useful life and renewal/rehabilitation is no longer an option.
Disposal	Activities associated with disposing of an asset once it has reached its useful life, or is otherwise no longer needed by the municipality.
Expansion	Planned activities required to extend services to previously unserviced areas – or expand services to meet growth demands.

The asset management strategy will develop a process that can be applied to the lifecycle of an asset that will assist in the development of a multi-year plan to ensure the best overall health and performance of the City's infrastructure.

Maintaining accurate asset data, in addition to having proper planning and budgeting processes in place, is paramount to the success of effective asset management. If an organization can accurately monitor the condition of its assets and anticipate when issues may arise (i.e. deterioration of an asset over time based on age), it will be able to plan for timeline maintenance and renewal investments for those assets. This will not only help to ensure the asset reaches (or perhaps even exceeds) its useful life, but it will also help the organization to accurately forecast how much money it should be budgeting for investments at which points in time. As can be seen in the figure below, timely investments are extremely important to help an organization manage assets in the most cost-effective manner. By making smaller but more frequent pre-emptive investments into the asset over the course of its life (for things such as operations, maintenance, and rehabilitation), an organization will actually save money over the life of the asset in comparison to if the organization does not make any pro-active

investments and waits until the asset has reached the need for complete renewal.



[2]

Figure 2.1.2: Asset Deterioration Curve and Management Strategies[3]

2.1.4.2. Risk Management

A large component of managing risk is ensuring that decision makers are informed about the potential consequences of actions (or inactions). There are many types of risk, such as planning risks, management risks, delivery risks, and physical asset risks (risk of asset failure).

All organizations have to accept some level of risk. The important aspect is ensuring the acceptance of risk occurs at the right level.

The risk process is comprised of many stages, such as establishing the context, identifying risks, analyzing risks, evaluating risks, and finally treating risks.

Service consequences, as it relates to risk, are the potential impacts to the reliability and/or quality of a service being provided by an asset. Risk consequences is a broader term that can include financial implications, loss of reputation from users, impacts to the environment, injury to staff or the public, and loss or reduction in service.

While it is important to be aware of the risks associated with all asset types and components, a municipality should place the highest focus on critical

[2] https://www.ontario.ca/document/building-better-lives-ontarios-long-term-infrastructure-plan-2017/chapter-2-planning-future
[3] This is an image for illustrative purposes.

assets (those that would have a highly significant impact if the risk occurred). In order to determine which assets are critical, a municipality can assess the risk of each asset through assigning it a risk score. A risk score can be calculated by multiplying the likelihood that a risk will occur by the possible consequences (impact or magnitude of the effect) if the risk does occur. Possible consequences can be determined based on one of the risk consequences elements mentioned above.

It is important that municipalities are aware of their risks, develop a risk management plan/strategy, and build risk resilience into their services and operations. It is anticipated that the development and maintenance of a risk model will be supported by asset management software in the future.

2.1.4.3. Risk Assessment

In this Asset Management Plan, based on the baseline Level of Service (LOS) scores for each asset group, a preliminary risk assessment has been developed to help identify where service gaps may translate into operational, financial or declining service performance over time if left unaddressed. This assessment considers low performance in any of the three LOS attributes, quality, reliability and availability, as indicators of potential service-level risk. Each asset group was evaluated for likelihood and consequence of service failure and categorized using a standard risk matrix approach.

2.1.4.3.1. Criteria and Scoring for Risk Determination and Prioritization

The assessment criteria for determining infrastructure risk were grounded in a review of LOS performance across each asset (probability), multiplied by how critical an asset is to safety, public mobility, and community function (consequence).

Asset groups with one or more attributes, quality, reliability and availability, scoring below 2.5 were flagged as having potential service concerns (high probability). The extent and combination of those low scores informed the likelihood that a given asset group may experience service degradation or require increased attention in the future. A high probability was assigned to assets with two or more attributes below threshold (multiplier = 3), while a medium likelihood applied to groups with a single weak attribution (multiplier = 2). Low probability was reserved for those assets with acceptable performance across all LOS measures (multiplier = 1). This is summarized in the table below:

Table 2.1.10: Probability Criteria

Probability Level	Criteria Description

High (Multiplier = 3)	Two or more LOS attributes below 2.5
Medium (Multiplier = 2)	One LOS attribute below 2.5
Low (Multiplier = 1)	All LOS attributes at or above 2.5

On the other hand, high consequence was attributed to assets that, if degraded, could pose a risk to essential services or safety (multiplier = 3). Medium consequence was used for assets in which reduced service could affects comfort, access, or user satisfaction but with manageable consequences (multiplier = 2). Assets with minimal direct service impact if degraded, were assigned a low consequence (multiplier = 1).

Table 2.1.11: Consequence Criteria

Consequence Level	Criteria Description
High (Multiplier = 3)	Asset Failure may impact safety, emergency response, mobility, or major service disruption
Medium (Multiplier = 2)	Assets condition affects comfort, access, or user satisfaction but with manageable consequences
Low (Multiplier = 1)	Minimal impact if degraded or unavailable temporarily

For calculating a final risk rating, probability and consequence scores are multiplied and translated into a risk priority rating using the below table.

Table 2.1.12: Risk Score Range

Final Risk Score Range	Risk Priority
1 - 2	Low Priority
3 - 6	Moderate Priority
9	High Priority

The table below summarizes the results of the quantitative risk assessment:

Table 2.1.13: Quantitative Customer Based LOS based Risk Assessment

Asset Group	LOS Risk Score (Probability)	Consequence	Risk Score	Risk Priority
Arenas and Recreation Centres	Low (1)	Low (1)	1	Low

Parks and Open Spaces	Medium (2)	Medium (2)	4	Moderate
Trails	Low (1)	Low (1)	1	Low
Outdoor Facilities	High (3)	Medium (2)	6	Moderate
Road Networks	High (3)	High (3)	9	High
Parking Facilities	Low (1)	Medium (2)	2	Low
Amenities	High (3)	Medium (2)	6	Moderate

The resulting risk matrix below illustrates how probability and consequence combine to determine final concern level. Each cell corresponds to a typical scenario using a color-coded approach.

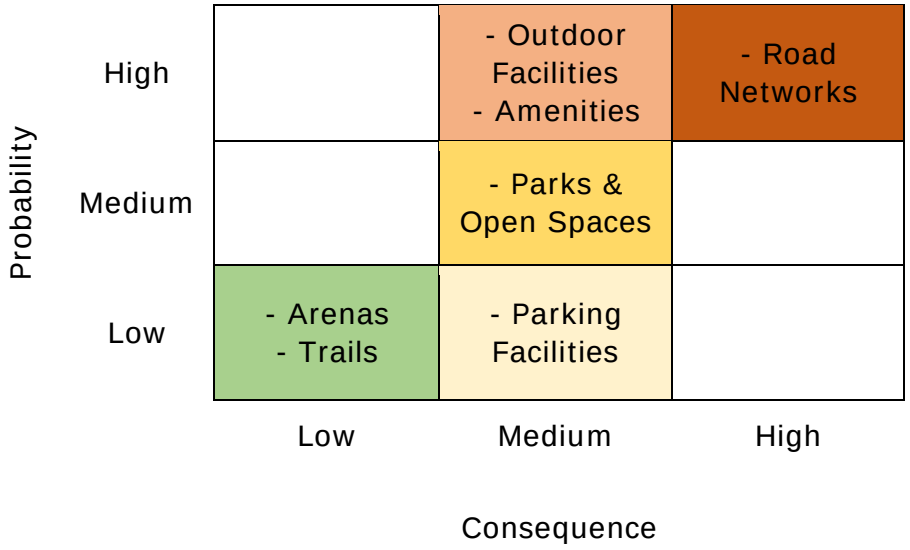


Figure 2.1.3: Probability vs. Consequence Rating Matrix[4]

2.1.4.4. Summary and Implications

This quantitative assessment reinforces the strategic priorities previously identified and supports the City's risk-informed infrastructure planning approach. Road networks emerged as high-risk areas due to combined LOS deficiencies and the significant consequences led to public mobility and accessibility. Parks and open spaces, outdoor facilities and amenities are identified as moderate priority based on access limitations, while arenas, trails, and parking facilities present low risk but still require ongoing maintenance and monitoring.

[4] This is an image for illustrative purposes.

While this assessment provides a structured and objective basis for prioritizing infrastructure risks, it is important to acknowledge that the LOS evaluation used in this analysis represents a high-level overview of service performance. LOS scores are based on aggregated public perceptions and generalized asset group data, which may not fully account for the varying conditions of specific subcomponents within each group. For complex facilities such as arenas or outdoor spaces, individual systems and infrastructure elements may differ significantly in condition or function, even when the overall group score appears stable. As such, these results are most effective when interpreted as part of a broader planning context that includes technical assessments and detailed asset review.

By relying on this structured, evidence-based risk scoring system, the City can more confidently prioritize capital projects, allocate resources, and communicate investment decisions to stakeholders. The quantitative model not only validates community feedback but also enhances internal consistency in future updates to the Asset Management Plan.

2.1.4.5. Lifecycle Strategy Analysis Based on LOS and Risk

This table outlines recommended lifecycle interventions for each asset group based on their LOS performance and risk assessment. It identifies key service issues, suggests appropriate lifecycle actions, and provides an estimated implementation timeframe. As the customer LOS framework is not based on detailed technical assessments, the lifecycle strategies presented here are intended as a conceptual guide for future planning. These strategies are not final or prescriptive, but rather serve as a foundation for more in-depth analysis and refinement as more accurate data and evaluation tools become available.

Table 2.1.14: 10-Year Customer Based LOS and Risk Based Life Cycle Assessment

Asset Group	Risk Level	Key LOS Issues	Recommended Action	Timing
Road Networks	High	Low Quality & Reliability	Major Rehabilitation or Phased Replacement	Short-term (1–3 yrs)
Outdoor Facilities	Moderate	Access and Condition Gaps	Preventive Rehab & Accessibility Upgrades	Medium-term (4–6 yrs)

Amenities	Moderate	Low Quality & Reliability & Availability	Rehab & Expansion	Medium-term (4–6 yrs)
Parks & Open Spaces	Moderate	Quality Below 2.5	Site-level Maintenance	Medium-term (4–6 yrs)
Arenas & Recreation Centres	Low	Stable across all LOS	Routine Maintenance	Long-term (7–10 yrs)
Trails	Low	Stable across all LOS	Minimal Intervention	Long-term (7–10 yrs)
Parking Facilities	Low	Slight Quality Gap	Surface Maintenance	Long-term (7–10 yrs)

Asset groups with higher risks and lower LOS scores are prioritized for rehabilitation or replacement in the short term, while assets with stable performance are recommended for long-term monitoring or routine maintenance. This structured approach ensures the City can proactively manage infrastructure over the next decade, balancing service delivery with cost-effective interventions.

It is also recognized that the presented recommendations are developed at the asset group level. While this provides strategic direction, it does not fully account for the distinct conditions and operational needs of individual subcomponents within each group. For instance, a facility may be assessed as low risk overall, even though specific systems or features within it might be in poor condition. As planning continues to mature, they might be benefit in refining lifecycle activities at a more detailed level to ensure interventions are responsive to actual asset performance and maintenance demand.

Looking ahead, the LOS framework established in this report supports a proactive approach to infrastructure management. By integrating LOS targets with capital planning and continuous performance tracking, the City will be well-positioned to deliver accessible, reliable, and sustainable services to its residents for years to come.

2.1.5. Financial Strategy

2.1.5.1. Financial Planning Overview

The ultimate goal is to have the Asset Management Plan linked to the long-term financial plan and future years' budgets. Future iterations of the AMP will include the development of a comprehensive financial plan that will allocate dedicated financial resources to meeting the funding needs identified in the Asset Management Plan.

A fully funded scenario would include costs for regular operating and maintenance (operating budget), debt payments (operating budget), major capital rehabilitation (capital budget), and future replacement including amortization of historical costs and indexed to include inflation, growth of the network and changes in service levels.

2.1.5.2. Sources of Financing

Financing sources available to the municipality to be applied in the long-term financial plan include:

- Municipal Tax Levies;
- User fees (including Water and Sewer charges);
- Reserve balances;
- Debenture Issues;
- Sale of assets;
- Municipal partnerships; and
- Dedicated government grants (Ontario Community Infrastructure Fund, Canada Community Building Fund, and other programs where there is an agreement in place that is expected to be ongoing and remain stable).

2.1.6. Future Changes in Population or Economic Activity

According to a third-party study completed at the request of Grey County, the upper-tier municipality in Grey-Bruce, the population of the City of Owen Sound is expected to increase by just over 10% over the next 25-years, bringing the total population of the municipality to just under 25,000. Owen Sound has also seen a surge in development in the past couple of years and this trend is expected to continue with more residential and commercial builds projected to occur in the coming years.

The City has also spent significant time rebranding and renewing its downtown core, now known as the *River District*, to highlight its natural beauty and local businesses, making it more of a tourist attraction. This renewal includes increased advertising and promotion of the downtown area, the introduction of new events (such as a bi-weekly Music at the Market event in the summer), among other initiates. With changes such as this, the City can anticipate more tourism and an increased ability to attract those from out of town as well as City residents to the area, thus increasing the amount of money spent in the City.

Despite being good for the City's local economy and small businesses, this anticipated increase in population and tourism will put additional strain on

the City's existing infrastructure which may cause it to wear out faster than previously expected, thus decreasing its EUL and remaining lifespan; however, with increased tourism comes an increase in spending in the City which may lead to increased revenues for the City which could help to offset some of the costs associated with more frequent or aggressive performance of the lifecycle activities for the City's core assets.

2.1.7. Improvement Plan

Asset management is a process. While the development of this AMP is a great start in helping the City better understand its current position and future goals, there is always room to improve. In addition to working towards the completion requirements under O. Reg. 588/17, the following table identifies some areas of improvement that the City should work towards as part of future iterations of this AMP.

Table 2.1.15: Improvement Plan

Task #	Task Details	Responsibility	Resources Required	Timeline
1	Verify and update inventory of all assets*	Asset Coordinator, Field Staff (i.e. Engineering, PW, etc.), Finance, GIS	Asset Coordinator, Field Staff (i.e. Engineering, PW, etc.), Finance, GIS	1 – 2 years
2	Verify and update estimated useful life and actual age of all assets*	Asset Coordinator, Field Staff (i.e. Engineering, PW, etc.), Finance, GIS	Asset Coordinator, Field Staff (i.e. Engineering, PW, etc.), Finance, GIS	1 – 2 years
3	Verify and update condition of all assets	Asset Coordinator, Field Staff (i.e. Engineering, PW, etc.), Finance, GIS, may require a consultant to determine asset conditions	Asset Coordinator, Field Staff (i.e. Engineering, PW, etc.), Finance, GIS, may require a consultant to determine asset conditions	2 years
4	Update levels of service for all assets to include proposed level of service	Asset Coordinator, Field Staff (i.e. Engineering, PW, etc.)	Asset Coordinator, Field Staff (i.e. Engineering, PW, etc.), Finance	2 years
5	Receive updated input of residents and Council towards	Asset Coordinator in consultation with Communications	Asset Coordinator, Communications, Senior Leadership	1-2 years

	developing Levels of Service	department and Senior Leadership		
6	Integrate asset management plan with long-term financial plan and strategic plan	City Manager and Senior Leadership in consultation with Finance and Asset Coordinator	City Manager, Senior Leadership, Finance, Asset Coordinator	3 years

Moreover, given the City's expected population increase of approximately 10% over the next decade, infrastructure systems, especially road network, parks, amenities and outdoor facilities, will face increased usage and service demand. Additionally, the growing frequency weather events due to climate change introduces further vulnerabilities to assets such as roads, trails and storm sensitive facilities. All improvement actions should be aligned with LOS goals, risk scores lifecycle timing and adaptive planning for climate-related and demographic shifts.

To support these priorities, the City will need to adopt a forward-looking infrastructure investment approach that strengthens resilience, meet rising service expectations, and maintain sustainable delivery across a changing community and climate.

owen sound
where you *want* to live

2025 Asset Management Plan

Arenas & Recreation Centres

2.2. Arenas And Recreation Centres

2.2.1. Introduction

The City operates two arenas/recreation facilities each with their own specialized equipment and fleet. For the purpose of this asset management plan, the arena and recreation centre assets will be broken out into the following three categories:

- **Facilities:** Arena and Recreation Centre facilities are the core of this service area. They offer places for residents, and visitors to partake in various sports, events, and recreation activities.
- **Specialized Equipment:** Equipment that is not captured as a part of the facility, but is essential for icemaking, ice maintenance, and refrigeration.
- **Fleet**: The light duty truck to support the maintenance and travel between the two arenas and recreation facilities.

2.2.2. State of Infrastructure

2.2.2.1. Inventory

Table below summarizes the Arena and Recreation Centres inventory by asset class.

Table 2.2.1: Arenas and Recreation Centres Inventory

Asset Class	Asset Type	Current Inventory
Facilities[5]	Building	• Julie McArthur Regional Recreation Centre • Harry Lumley Bashore Community Centre
	Ice Pads	• 2 (Julie McArthur Regional Recreation Centre) • 1 (Harry Lumley Bashore Community Centre)
Specialized Equipment	Machinery	11
	Ice Making Equipment	41
Fleet	Light Duty Truck	1

[5] The City's facility related database is being developed to componentize buildings into multiple assets that make up a single structure, following UNIFORMAT II guidelines. However, when discussing inventory for the purposes of asset management, it is more practical to report on the number of structures/buildings rather than each component.

2.2.2.2 Valuation

2.2.2.2.1. Replacement Cost Valuation - Facilities

The replacement values are derived from the most recent Building Condition Assessments conducted in 2024.

2.2.2.2.2. Replacement Cost Valuation - Specialized Equipment and Fleet

The replacement costs for specialized equipment and fleet were determined based on estimated replacement value through historical costs updated by inflation, market research, and other industry standards. Fleet replacement costs align with the Fleet Reserve Schedule.

As of the end of 2024, the estimated replacement cost of the City's arena assets is $110.2 million.

Table 2.2.2: Arenas and Recreation Centres Replacement Valuation

Asset Class	Unit Replacement Cost	Replacement Cost	% of Total Value
Facilities	Lump Sum	$107,334,292	97.4%
Specialized Equipment	Lump Sum	$2,758,000	2.5%
Fleet	Lump Sum	$95,000	0.1%
Total		**110,187,292**	**100%**

2.2.2.3. Assessment Approach

2.2.2.3.1. Facilities

The state of the Arena facilities is determined through third-party building condition assessments (BCA) and are given a Facility Condition Index[6] (FCI) score. The City last conducted BCA's in 2024 through Roth IAMS.

Table 2.2.3: Arenas and Recreation Centres Facilities Rating

Rating	Facility Condition Index (FCI)
Very Good	<5%
Good	5-9%
Fair	10-19%

[6] FCI is equal to the Total Building Repair/Upgrade/Renewal needs in dollars ($) divided by the Current Replacement Value of Building Components in dollars ($). FCI is obtained by aggregating the total cost of any needed or outstanding repairs, renewal or upgrade requirements at a building compared to the current replacement value of the building components.

Poor	20-29%
Very Poor	>30%

2.2.2.3.2. Fleet and Specialized Equipment

The City's fleet is maintained by in-house mechanics and through third party specialists if required. The in-house mechanics assess the vehicles as needed. The City does not have an assessment tool in place for assessing vehicle condition and uses the age-based rating system for its fleet. The remaining useful life was determined by taking the replacement year used in the fleet reserve schedule. Specialized Equipment condition is determined by using the replacement year estimated through the useful life of the assets. It is important to note that the RUL method used to determine the condition is solely age-based and does not consider any maintenance activities undertaken to extend the useful life of the assets. The confidence in the accuracy of the condition with this method is low.

Table 2.2.4: Fleet and Specialized Equipment Rating

Rating	RUL % (Age Based)
Very Good	95-100
Good	80-94
Fair	40-79
Poor	10-39
Very Poor	<9

2.2.2.4. Asset Condition Assessment

The table below provides the average condition score of the arena assets based on the above-noted scoring system.

Table 2.2.5: Condition Assessment - Arenas and Recreation Centres

Asset Class	Condition Score	Condition System
Facilities	Fair (13%)	FCI
Specialized Equipment	Poor (27.8 %)	RUL (Age Based)
Fleet	Poor (26.7%)	RUL (Age Based)

A pie chart breaking out the assets by condition for the arena and recreation centre assets is shown in the Figure below.

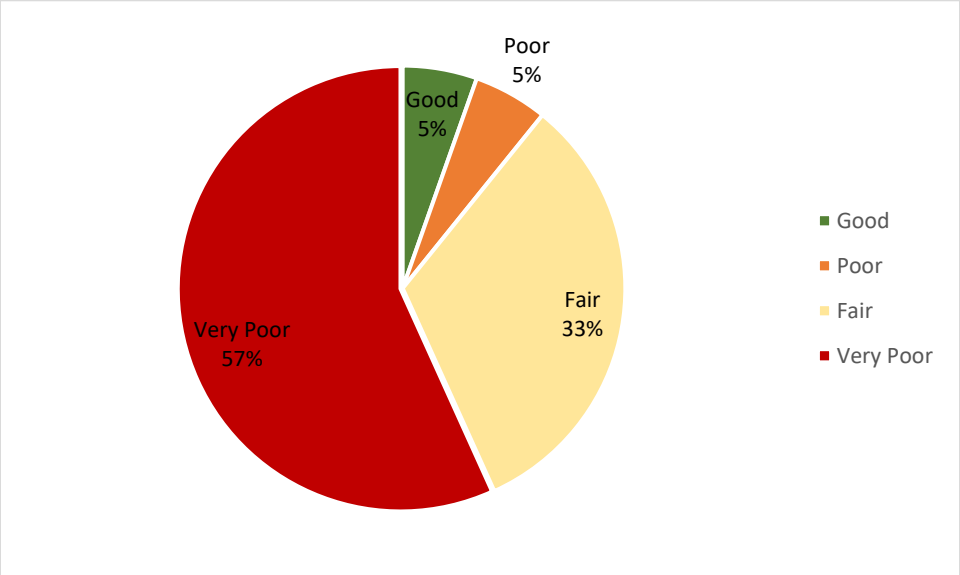


Figure 2.2.1: Arena and Recreation Centre Asset Condition Assessment

The pie chart illustrates the State of Assets in 2025, showing that 5% of arena assets are in very good or good condition, 33% are in fair condition, and 62% are in poor or very poor condition.

2.2.2.5. Useful Life

The useful life of the arena and recreation centre assets will vary by component, and the overall life is significantly impacted by the maintenance strategies and the level of use. There are currently no defined maintenance strategies deployed to extend the useful life, however, guidelines are followed to ensure the assets are kept in safe working order, and preventative maintenance is routinely completed on fleet.

Facilities are unlike other assets because they comprise numerous components, each with its own distinct lifespan and maintenance requirements. The overall life of a building is significantly impacted by the maintenance strategies employed and the level of use each component endures. The City understands that there are various maintenance strategies tailored to each asset component.

The City is currently developing a fleet management strategy. This strategy will confirm the anticipated useful life for similar fleet assets across the organization.

It is possible to have some assets that exceed the lives defined as well as some that require replacement prior to the end of their anticipated life due to several factors including change of use, climate and significant weather, preventative treatment etc.

The below Table outlines the anticipated useful life for each asset class, along with the anticipated added life for each type of maintenance strategy. These lives are used for PSAB purposes and align with the City's Tangible Capital Asset policy.

Table 2.2.6: Useful Life - Arenas and Recreation Centres

Building Component	Anticipated Useful Life (years)
Facilities[7]	10-100
Specialized Equipment	10-20
Fleet	10

2.2.3. Level of Service

Unlike the 2022 Asset Management Plan for Core Assets (roads, bridges, stormwater, water, and wastewater), O. Reg. 588/17 does not identify requirements for reporting on non-core Levels of Services such as arenas.

Levels of Service (LOS) refers to the quality and availability of services provided to residents and are defined by various performance measures.

With no guidance in the regulation, the only measurable LOS statement currently available is based on the condition of the assets. However, the Customer Level of Service (LOS) assessment which can be found in 2025 Asset Management Plan for Non-Core Assets Executive Summary Report has been developed based on public observation and perception, offering a high-level understanding of how users experience municipal assets.

For example, the two arenas, Julie McArthur Recreational Centre and Bayshore community Centre, are generally viewed as being in good shape in terms of quality, reliability and availability by the public, which is reflected in their positive LOS scores. Based on FCI index, both assets are in average good condition. This perception aligns with their Facility Condition Index (FCI) rating, which also indicate that both facilities are in good physical condition.

[7] The large span in anticipated useful life is due to the fact that buildings are broken out into 6 components as per Uniformat II guidelines, with each component type having varying useful lives.

However, it is important to recognize that these assessments reflect only the observation aspects of the facilities. Key subcomponents, such as specialized equipment are not typically visible to the public and were not evaluated through the customer- level survey, as they required technical, age-based assessment. Until more comprehensive LOS targets are developed, using asset condition as a key indicator will help guide strategic planning and resource allocation.

The following table summarizes the current level of service performance, based on the most recent data available.

Table 2.2.7: Current Level of Service - Arenas and Recreation Centres

Level of Service Statement	Technical Level of Service	Current Performance	Target Performance
Facilities and equipment are safe to use, and do not pose any harm to the public.	% of Assets in fair or better condition.	38%	Maintain Current Condition

2.2.3.1. Corporate Objective

The corporate objective of arenas and recreation facilities, as per the Recreation, Parks and Facilities Master Plan (2018) is to encourage participation for all abilities and ages, while being a community hub for health and wellness in Owen Sound and the wider region. Section 7.5.1.2 of the City's Official plan also states that expansion, redevelopment and extension of facilities, parks and trails associated programs will be encouraged where financially feasible partnerships are developed, and community needs are addressed.

2.2.3.2. Legislative Requirements – General

A non-exhaustive list of the legislative requirements that impact the delivery of arenas and recreation facilities services include the following:

- Ontario Building Code
- Integrated Accessibility Standards Regulation
- Ontario Fire Code Regulation
- Elevating Devices Regulation
- Community Recreation Centres Act

- Ministry of Tourism and Recreation Act

2.2.4. Asset Management Strategy

2.2.4.1. Lifecycle Activities and Planned Actions

To effectively maintain arenas and recreation facilities assets at the established service levels, they require the appropriate maintenance or rehabilitation strategy applied throughout their lifecycle. There are six lifecycle maintenance strategies considered in the overall sustainable management of corporate facilities, described in the Table below.

Table 2.2.8: Lifecycle Activities - Arenas and Recreation Centres

Activities	Planned Actions	Lifecycle Activities
Non-infrastructure Solutions	Actions or policies that can lower costs or extend life and can include adjustments to levels of service	• Third-party Building Condition Assessments • Space Needs Analysis • Facility Master Planning
Maintenance	Regularly scheduled inspection and maintenance, or more significant repair and activities associated with unexpected events.	• Monthly Building Inspections • Third-party Equipment Inspections
Renewal/Rehabilitation	Significant repairs designed to extend the life of the asset.	• Equipment component replacement • Equipment component rebuilds
Replacement	Activities that are expected to occur once an asset has reached the end of its useful life and renewal/rehabilitation is no longer an option.	• Complete Asset Replacement – Condition Based
Disposal	Activities associated with disposing of an asset once it has reached its useful life, or is otherwise no longer needed by the municipality.	• Facility Rationalization

Activities	Planned Actions	Lifecycle Activities
Expansion	Planned activities required to extend services to previously unserviced areas – or expand services to meet growth demands.	• Facility Additions • Equipment Additions

2.2.4.2. Risks Associated with the Strategy

A risk assessment and 10-year lifecycle strategy were developed as part of the 2025 Asset Management Plan None-Core Assets Executive Summary report. These analyses were based on customer-level LOS scores, offering a high-level view of asset condition and service risk from a user perspective. While they help guide general investment timing and prioritization, they are intended as broad planning tools and framework. More specific assessments remain necessary for evaluating individual asset components in detail.

Effective facility management is crucial for maintaining operational efficiency, safety, and financial stability. For arenas and recreational assets, several key practices are essential to mitigate risks and ensure optimal performance. The following sections outline potential risks associated with various aspects of facility management in case of not completing the above lifecycle activities:

Third-party Building Condition Assessments
Failure to conduct third-party building condition assessments risks an inaccurate understanding of the actual state of facilities, leading to unanticipated repairs and maintenance costs. These missed insights could also compromise safety standards, decrease asset longevity, and result in decreased investment return.

Space Needs Analysis
Without regular space needs analysis, inefficiencies and inadequacies in facility usage may occur over time. This failure can lead to overcrowded or underused spaces, which can hinder productivity, increase operating costs, and delay necessary expansions or modifications.

Facility Master Planning
Neglecting facility master planning may cause misaligned goals between facility capabilities and organizational objectives. This can result in budgeting issues, operational disruptions, and reactive decision-making, ultimately limiting the capacity to effectively manage growth and changes.

Monthly Building Inspections
Missing monthly building inspections can lead to undetected minor issues escalating into significant problems. This oversight may compromise safety, inflate repair costs, affect compliance with regulations, and potentially heighten liability risks.

Third-party Equipment Inspections
Failure to perform third-party equipment inspections may result in undiagnosed mechanical or operational issues, leading to unexpected breakdowns. Such failures can increase downtime, escalate repair expenses, and possibly breach safety standards and regulations.

Manufacturer Recommended Maintenance Program
Failure to maintain the manufacturer-recommended maintenance program may void equipment warranties and lead to premature equipment failure. This can result in increased downtime and maintenance costs, along with potential losses in operational efficiency and equipment lifespan.

Equipment Component Replacement
Not replacing equipment components promptly risks exacerbating wear and tear on machinery. Continued operation with failing components can lead to more significant equipment breakdowns, higher replacement costs, and compromised service delivery continuity.

Equipment Component Rebuilds
Failure to rebuild equipment components as necessary can dramatically decrease operational efficiency and equipment life expectancy. This may increase operational costs through reduced performance and compel replacements instead of repairs, impacting overall financial planning.

Complete Asset Replacement
Delaying complete asset replacement at end of useful life can lead to increased repair costs and decreased efficiency in service delivery. This delay likely results in non-compliance with safety standards and potential liabilities due to outdated infrastructure.

Facility Rationalization
Without facility rationalization, an organization might suffer from portfolio inefficiencies, maintaining non-essential or underperforming assets. This can lead to inflated operational costs and impede investment in strategically significant facilities.

Equipment Additions
Neglecting to consider equipment additions could constrain operational

flexibility and overall capability. This oversight might hinder advancement and modernization efforts and amplify pressure on existing resources, affecting efficiency and output capacity.

Looking ahead, the Customer-Level LOS framework established in this report supports a high-level proactive approach to infrastructure management. By integrating LOS targets with capital planning and continuous performance tracking, the City will be well-positioned to deliver accessible, reliable, and sustainable services to its residents for years to come.

2.2.4.3. Lifecycle Analysis

The above lifecycle activities are typically undertaken as needed, rather than within a predetermined timeframe, usually when an asset begins to deteriorate or fail. These strategies are prioritized through the capital and operating budget processes, guided by third-party Building Condition Assessments and internal assessments that help identify the needs of the facility assets.

A high-level lifecycle cost analysis (LCA), grounded in LOS risk scoring, was included in the 2025 Asset Management Plan for Non-Core Assets Executive Summary Report. This approach provided a useful framework for identifying priorities across broad asset groups. While the analysis offers an insightful starting point, it needs to reflect the varying characteristics of subcategories within each asset type. Establishing more detailed lifecycle activities at the subcategory level would be beneficial to better account for the diverse functions, usage patterns, and maintenance requirements across the asset portfolio.

During the capital planning process, staff identify the most cost-effective options for completing projects while maintaining the current level of service. Guiding documents, such as Building Condition Assessments, specify the materials and standards required to meet these established levels of service.

To support more tailored lifecycle planning, it is recommended that a comprehensive lifecycle strategy for non-core assets be developed in the future, aligned with the proposed customer level of service outlined in the Executive Summary Report of the 2025 Asset Management Plan and defined through consultation with Council. This strategy will be crucial to ensure a systematic approach to asset management, allowing for proactive maintenance and timely upgrades. By aligning the strategy with the established levels of service, the City can optimize resource allocation, minimize unexpected failures, and maintain infrastructure quality, ultimately

leading to cost savings and improved public satisfaction. It is important to note that balancing these costs within the City's budgets may necessitate reducing levels of service and seeking additional funding sources.

2.2.5. Financing Strategy

2.2.5.1. Annual Funding vs Investment Required

O. Reg. 588/17 requires the Municipality to identify the cost of the lifecycle activities that would need to be undertaken to maintain the current levels of service for each of the ten years following the year for which the current levels of service are determined along with the costs of providing those activities.

The Figure on the next page outlines the 10-year lifecycle costs of arena and recreation centre assets currently being funded:

2.2.5.1.1. Funding

Table 2.2.9: Annual Funding – Arenas and Recreation Centres[8]

Activities	Annual Costs										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Non-Infrastructure Solutions	-	-	-	-	-	-	-	-	-	-	-
Maintenance	$ 337,686	$ 346,128	$ 354,782	$ 363,651	$ 372,742	$ 382,061	$ 391,613	$ 401,403	$ 411,438	$ 421,724	$ 432,267
Renewal/Rehabilitation	-	-	-	-	-	-	-	-	-	-	-
Replacement	$ 1,015,000	$ 1,715,000	$ 125,000	$ 460,000	$ 330,000	$ 652,833	$ 652,833	$ 652,833	$ 652,833	$ 652,833	$ 652,833
Disposal	-	-	-	-	-	-	-	-	-	-	-
Expansion	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 1,352,686**	**$ 2,061,128**	**$ 479,782**	**$ 823,651**	**$ 702,742**	**$ 1,034,894**	**$ 1,044,446**	**$ 1,054,236**	**$ 1,064,271**	**$ 1,074,557**	**$ 1,085,100**

The average annual investment, as included in the City's annual operating budget, approved multi-year capital plan, and adjusted for the five years outside of the multi-year capital plan is $1,070,681. Maintenance costs have been determined through the end of year 2024 Operating budget and are inflated by 2.5% each year for the period of this plan. Renewal/Rehabilitation costs will be derived from the Multi-Year Capital Plan as the City better defines these activities in future capital detail sheets. For the purposes of this report, these activities have been identified as replacement activities. Replacement costs have been taken from the Multi-Year Capital Plan and Fleet Reserve Schedule. The multi-year capital plan is approved out to 2029. To forecast the subsequent years, an average of the previous years was used for the final five years of this plan.

It is important to note that the above table includes all budgeted items, no matter the source of funding. Funding sources include reserves, taxation, and grants. Due to this, the funding amounts are not ensured and can be dependent on receiving a grant.

2.2.5.1.2. Investment Required

The table below outlines the 10-year annual investment required to maintain the current level of service of Corporate Facility assets utilizing the results of condition assessments and best practice applications:

8 This is an image for illustrative purposes.

Table 2.2.10: Annual Investment Required - Arenas and Recreation Centres[9]

Activities	Annual Costs										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Non-Infrastructure Solutions	-	-	-	-	-	-	-	-	-	-	-
Maintenance	$ 337,686	$ 346,128	$ 354,782	$ 363,651	$ 372,742	$ 382,061	$ 391,613	$ 401,403	$ 411,438	$ 421,724	$ 432,267
Renewal/Rehab	-	-	-	-	-	-	-	-	-	-	-
Replacement	$ 425,594	$ 854,138	$ 1,543,708	$ 9,646,223	$ 4,322,054	$ 4,648,360	$ 256,289	$ 4,559,766	$ 3,622,556	$ 1,865,395	$ 15,156.80
Disposal	-	-	-	-	-	-	-	-	-	-	-
Expansion	-	-	-	-	-	-	-	-	-	-	-
Total	**$ 763,280**	**$ 1,200,266**	**$ 1,898,490**	**$ 10,009,874**	**$ 4,694,797**	**$ 5,030,421**	**$ 647,901**	**$ 4,961,168**	**$ 4,033,994**	**$ 2,287,118**	**$ 447,424**

The average annual investment required for arenas and recreation centres to maintain the current level of service for this portfolio is $3,270,430.

Maintenance costs have been determined through the end of year 2024 Operating budget and are inflated by 2.5% each year for the period of this plan. Renewal/Rehabilitation costs have been identified as replacement activities until such time the City updates it capital detail process. Replacement costs have been taken from a replacement schedule aligning with the end of useful life for assets, the 2024 Building Condition Assessments, which outlines the activities to be undertaken to maintain the facility in a state of good repair and the Fleet Reserve Schedule.

2.2.5.2. Annual Funding vs Annual Investment Required Analysis

The analysis between the funding and the investment required identifies the funding gap between the two financial models. The result of this analysis is included in the next Table:

9 This is an image for illustrative purposes.

Table 2.2.11: 10 Year Total - Funding vs Need – Arenas and Recreation Centres[10]

	Annual Costs											
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	10 Year Total
Funding	$ 1,352,686	$ 2,061,128	$ 479,782	$ 823,651	$ 702,742	$ 1,034,894	$ 1,044,446	$ 1,054,236	$ 1,064,271	$ 1,074,557	$ 1,085,100	**$ 11,777,495**
Need	$ 763,280	$ 1,200,266	$ 1,898,490	$ 10,009,874	$ 4,694,797	$ 5,030,421	$ 647,901	$ 4,961,168	$ 4,033,994	$ 2,287,118	$ 447,424	**$ 35,974,734**
Funding Gap	$ 589,406	$ 860,862	$ (1,418,708)	$ (9,186,223)	$ (3,992,054)	$ (3,995,527)	$ 396,545	$ (3,906,932)	$ (2,969,723)	$ (1,212,561)	$ 637,677	**$ (24,197,239)**

Note: The years where there appears to be more funding than need, is due to replacement years from the forecasted replacement schedules, and BCA recommendations being recommended in different years than reflected in the multi-year capital plan.

The chart on the next page is a visual representation of the 10-year funding vs need for arenas and recreation centres.

10 This is an image for illustrative purposes.

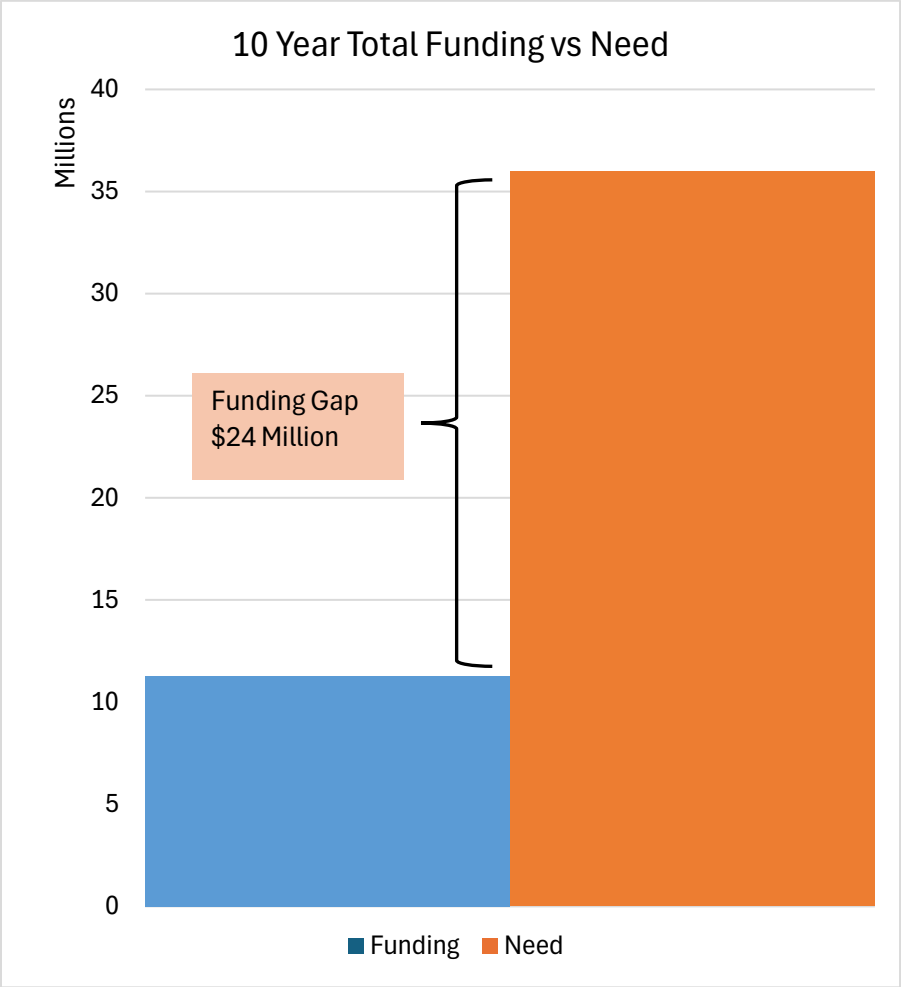


Figure 2.2.2: Arena and Recreation Centre 10 Year Total Funding vs Need

Based on the above, the 10-year funding gap is $25 million, and the average annual funding gap is $2.2 million.

In order to meet the financial requirements of the Lifecycle Financing Strategy, the City will be required to fund projects through additional revenue tools such as reserve and reserve funds, grants, debt, new revenues, or additional annual levy increases. Alternatively, projects will need to continue to be deferred, which will have a negative impact on the overall condition.

2.2.5.3. Lifecycle Financing Strategy Limitations

The Lifecycle Financing Strategy has been developed on the current levels of service and programs being delivered by the City. This strategy implies that these practices have been in place since the installation of the assets and

does not recognize the impacts of previous investment that has resulted in the current system condition, nor does it take into account any backlog. Additionally, the current strategy was produced with the limited data available, and therefore, there may be inaccuracies in replacement costs, end of useful life, replacement timing, etc.

2.2.6. Improvement Plan and Recommendations

The following recommendations are based on the review of current management practices; and inventory, valuation and condition analysis.

Table 2.2.12: Asset Management Planning Recommendations – Arenas & Recreation Centres

	Recommendations
1.	Continue with the completion of Building Condition and Equipment Assessments for all arena assets.
2.	Update Building Condition and Equipment Assessments on a five-year cycle, unless otherwise legislated, to monitor conditions
3.	While the initial Customer Levels of Service (LOS) have been established, there remains an opportunity for further refinement in the future. This will help ensure that the diverse asset types within the City's portfolio are accurately represented and their specific needs and expectations are met.
4.	Develop a lifecycle management plan to ensure component quality and extend the useful life where possible.
5.	Enhance the Risk Toolkit and Risk Profile for all City assets to aid in the decision making of replacements, renewals and maintenance.

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2025 Asset Management Plan

Corporate Faciltiies

2.3. Corporate Facilities

2.3.1. Introduction

The City's Corporate Facilities assets are broken down into the following four areas:

- **Administrative:** buildings designated for offices, meeting rooms, and general work areas required to manage and execute organizational, governmental, or civic administrative functions, focusing on enabling effective coordination, communication, and operational support services.
- **Cultural:** venues such as art galleries, museums, and seniors centres, designed to promote community engagement, preserve cultural heritage, while also providing spaces for social interaction and educational activities.
- **Support:** Support facilities are essential infrastructure points like police stations, transit terminals, and animal shelters, which provide critical public services, ensure community safety and facilitate transportation.
- **Fleet:** The light duty truck and to support the maintenance and travel between facilities.

For the purpose of asset management planning, the City's Corporate facilities do not encompass facilities tied to a specific service area with a separate asset management report card (Parks and Open Spaces, Fire and Emergency Services, Arenas & Recreation Centres and Non-core Road Network). For instance, campground washrooms are included in the Parks and Open Spaces Asset Management Plan. This approach has been done to more accurately reflect the conditions, levels of service, and financial requirements for those services.

2.3.2. State of Infrastructure

2.3.2.1. Inventory

The City's facility related database is being developed to componentize buildings into multiple assets that make up a single structure, following UNIFORMAT II guidelines. However, when discussing inventory for the purposes of asset management, it is more practical to report on the number of structures/buildings rather than each component.

The breakdown of building components, as per the UNIFORMAT II guidelines is as follows:

- Substructure
- Shell
- Interiors
- Services
- Equipment & Furnishings
- Site Work

The Table below summarizes the Corporate Services Facilities inventory by asset class.

Table 2.3.1: Corporate Facilities Inventory

Service Class	Asset Type	Current Inventory
Administrative	Buildings	• City Hall
Cultural	Buildings	• Billy Bishop Museum • CP Rail Station • CN Station • Tom Thomson Art Gallery • Owen Sound North Grey Union Public Library • Market Building • McQuay Tannery • Harrison Park Seniors Centre • Harrison Park Inn
Support	Buildings	• Animal Shelter • Transit Terminal • Police Station
Corporate Facility Maintenance	Fleet	• Truck • Dump Trailer

2.3.2.2. Valuation

2.3.2.2.1. Replacement Cost Valuation - Facilities

The replacement cost of Corporate Facilities was determined through the Building Condition Assessments completed in 2024. The replacement cost of facilities not assessed in 2024 have been estimated using the 2024 insured value under the City's property insurance policy.

2.3.2.2.2. Replacement Cost Valuation - Fleet

The 2024 replacement costs for specialized equipment and fleet were determined based on estimated replacement value through historical costs updated by inflation, market research, and other industry standards, aligning with the Fleet Reserve Schedule.

As of the end of 2024, the estimated replacement cost of corporate facilities is 53.2 million.

Table 2.3.2: Corporate Facilities Replacement Valuation

Asset Class	Unit Replacement Cost	Replacement Cost	% of Total Value
Administrative Buildings	Lump Sum	$11,599,389	22.2%
Cultural Buildings	Lump Sum	$29,737,660	55.9%
Support Buildings	Lump Sum	$11,793,044	21.8%
Fleet	Lump Sum	$85,000	0.2%
Total		**$53,215,093**	**100%**

2.3.2.3. Assessment Approach

2.3.2.3.1. Corporate Facilities

The state of the Corporate Facilities is determined through third-party building condition assessments (BCA) and are given a Facility Condition Index[11] (FCI) score. The City last conducted BCA's in 2024 through Roth IAMS. For facilities without a BCA, an estimated FCI was given using a best practice method.[12]

[11] FCI is equal to the Total Building Repair/Upgrade/Renewal needs in dollars ($) divided by the Current Replacement Value of Building Components in dollars ($). FCI is obtained by aggregating the total cost of any needed or outstanding repairs, renewal or upgrade requirements at a building compared to the current replacement value of the building components.

[12] Estimated FCI = (Replacement Value*.015)*Building Age/Replacement Value
(Replacement Value*.015)=Annual Need

Table 2.3.3: Facilities Condition Rating

Rating	Facility Condition Index
Very Good	<5%
Good	6-10%
Fair	11-30%
Poor	31-60%
Very Poor	>60%

2.3.2.3.2. Fleet

The City's fleet is maintained by in-house mechanics and through third party specialists if required. The in-house mechanics assess the vehicles as needed. The City does not have an assessment tool in place for assessing vehicle condition and uses the age-based rating system for its fleet. The remaining useful life (RUL) was determined by taking the replacement year used in the fleet reserve schedule. It is important to note that the RUL method used to determine the condition is solely age-based and does not consider any maintenance activities undertaken to extend the useful life of the assets.

Table 2.3.4: Fleet Condition Rating

Rating	RUL % (Age Based)
Very Good	95-100
Good	80-94
Fair	40-79
Poor	10-39
Very Poor	0-9

2.3.2.4. Asset Condition Assessment

The next Table provides the condition score of the Corporate facilities, based on the above-noted scoring system.

Table 2.3.5: Corporate Facilities Condition Assessment

Asset Class	Average Condition Score	Condition System
Administrative Buildings	Very Good (1%)	FCI
Cultural Buildings	Fair (16%)	FCI + Estimated FCI
Support Buildings	Fair (14%)	FCI
Fleet	Poor (30%)	RUL (Age Based)

A pie chart breaking out the assets by condition for the corporate facilities assets is shown in the next Figure.

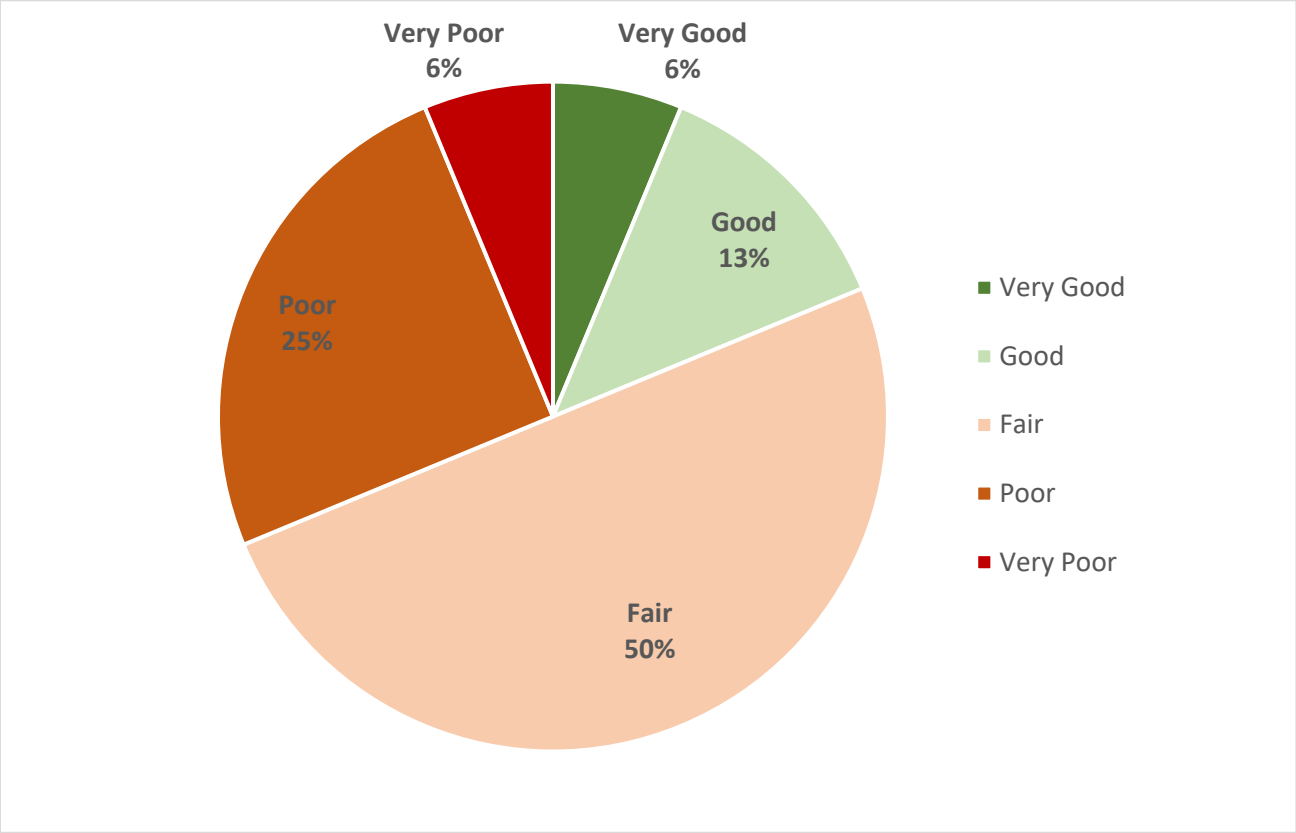

Figure 2.3.1: Visual Corporate Facilities Condition Assessment

The State of Assets with the most recent 2024 data, indicates that 19% of Corporate Facility Assets are in very good or good condition, 50% are in fair condition, and 31% are in poor or very poor condition.

2.3.2.5. Useful Life

The useful life of Corporate Facilities assets will vary by component and the elements within each component. Buildings are unlike other assets because they comprise numerous components, each with its own distinct lifespan and maintenance requirements. The overall life of a building is significantly impacted by the maintenance strategies employed and the level of use each component endures. The City understands that there are various maintenance strategies tailored to each asset component.

The City is currently developing a fleet management strategy. This strategy will confirm the anticipated useful life for similar fleet assets across the organization.

It is possible to have some assets that exceed the lives defined as well as some that require replacement prior to the end of their anticipated life due to several factors including change of use, climate and significant weather, preventative treatment etc.

Table below outlines the anticipated useful life for each building component and fleet assets. These useful lives are used for Tangible Capital Asset (TCA) accounting purposes and align with the Municipality's capital asset policy.

Table 2.3.6: Useful Life – Corporate Facilities

Building Component	Anticipated Useful Life (years)
Substructure	50-100
Shell	20-100
Interiors	15-40
Services	15-50
Furnishings	10-25
Sitework	10-70
Fleet	**Anticipated Useful Life (years)**
Light Duty Truck	10
Trailer	10

2.3.3. Level of Service

Unlike the 2022 Asset Management Plan for Core Assets (roads, bridges, stormwater, water, and wastewater), O. Reg. 588/17 does not identify requirements for reporting on non-core Levels of Services such as Corporate Facilities.

Levels of Service (LOS) refers to the quality and availability of services provided to residents and are defined by various performance measures.

With no guidance in the regulation, the only measurable LOS statement currently available is based on the condition of the assets. Until more comprehensive LOS targets are developed, using asset condition as a key indicator will help guide strategic planning and resource allocation.

The following table summarizes the current level of service performance, based on the most recent data available.

Table 2.3.7: Current Level of Service – Corporate Facilities

Level of Service Statement	Technical Level of Service	Current Performance	Target Performance
Facilities and equipment are safe to use, and do not pose any harm to the public.	% of Assets in Fair or better condition.	69%	Maintain Current Condition

A high-level Customer Level of Service (LOS) assessment as a framework, available in the 2025 Asset Management Plan for Non-Core Assets Executive Summary Report, was developed based on public observations and perceptions. It provides a high-level understanding of how users experience municipal assets. However, it is important to note that these assessments primarily reflect observational aspects.

Using the mentioned framework, the City will need to develop a comprehensive Community and Community and Technical Levels of Services for corporate facilities to be maintained by the City as it continues to develop its asset management program.

2.3.3.1. Corporate Objective

The corporate objective of Corporate Facilities portfolio is to provide administrative, cultural, and support facilities to support the delivery of a wide variety of City operations. While the administrative and support facilities provide direct support to City operations, some of the cultural facilities are leased out to third-party operators. The majority of these leases require the City to be responsible for the rehabilitation and replacement of building components.

2.3.3.2. Legislative Requirements – General

A non-exhaustive list of the legislative requirements that impact the Corporate Facilities portfolio include the following:

- Ontario Building Code
- Integrated Accessibility Standards Regulation
- Ontario Fire Code Regulation
- Elevating Devices Regulation
- Electrical Safety Code

2.3.4. Asset Management Strategy

2.3.4.1. Lifecycle Activities and Planned Actions

To effectively maintain Corporate Facilities at the established service levels, they require the appropriate maintenance or rehabilitation strategy applied throughout their lifecycle. There are six lifecycle maintenance strategies considered in the overall sustainable management of corporate facilities, described in the next Table.

Table 2.3.8: Lifecycle Activities – Corporate Facilities

Activities	Planned Actions	Lifecycle Activities
Non-infrastructure Solutions	Actions or policies that can lower costs or extend life and can include adjustments to levels of service	• Third-party Building Condition Assessments • Space Needs Analysis • Facility Master Planning
Maintenance	Regularly scheduled inspection and maintenance, or more significant repair and activities associated with unexpected events.	• Manufacturer Recommended Maintenance Program • Monthly Building Inspections • Third-party Equipment Inspections
Renewal/Rehabilitation	Significant repairs designed to extend the life of the asset.	• Equipment component replacement • Equipment component rebuilds
Replacement	Activities that are expected to occur once an asset has reached the end of its useful life and renewal/rehabilitation is no longer an option.	• Complete Asset Replacement - Condition Based

Activities	Planned Actions	Lifecycle Activities
Disposal	Activities associated with disposing of an asset once it has reached its useful life, or is otherwise no longer needed by the municipality.	• Facility Rationalization
Expansion	Planned activities required to extend services to previously unserviced areas – or expand services to meet growth demands.	• Facility Additions • Equipment additions

2.3.4.2. Risks Associated with the Strategy

A risk assessment and 10-year lifecycle strategy were developed as part of the 2025 Asset Management Plan Non-Core Assets Executive Summary report. These analyses were based on customer-level LOS scores, offering a high-level view of asset condition and service risk from a user perspective. While they help guide general investment timing and prioritization, they are intended as broad planning tools and framework. More specific assessments remain necessary for evaluating individual asset components in detail.

Risks associated with not completing the above lifecycle activities are as follows:

Third-party Building Condition Assessments
Failure to conduct third-party building condition assessments risks an inaccurate understanding of the actual state of facilities, leading to unanticipated repairs and maintenance costs. These missed insights could also compromise safety standards, decrease asset longevity, and result in decreased investment return.

Space Needs Analysis
Without regular space needs analysis, inefficiencies and inadequacies in facility usage may occur over time. This failure can lead to overcrowded or underused spaces, which can hinder productivity, increase operating costs, and delay necessary expansions or modifications.

Facility Master Planning
Neglecting facility master planning may cause misaligned goals between

facility capabilities and organizational objectives. This can result in budgeting issues, operational disruptions, and reactive decision-making, ultimately limiting the capacity to effectively manage growth and changes.

Monthly Building Inspections
Missing monthly building inspections can lead to undetected minor issues escalating into significant problems. This oversight may compromise safety, inflate repair costs, affect compliance with regulations, and potentially heighten liability risks.

Third-party Equipment Inspections
Failure to perform third-party equipment inspections may result in undiagnosed mechanical or operational issues, leading to unexpected breakdowns. Such failures can increase downtime, escalate repair expenses, and possibly breach safety standards and regulations.

Manufacturer Recommended Maintenance Program
Failure to implement the manufacturer-recommended maintenance program may void equipment warranties and lead to premature equipment failure. This can result in increased downtime and maintenance costs, along with potential losses in operational efficiency and equipment lifespan.

Equipment Component Replacement
Not replacing equipment components promptly risks exacerbating wear and tear on machinery. Continued operation with failing components can lead to more significant equipment breakdowns, higher replacement costs, and compromised service delivery continuity.

Equipment Component Rebuilds
Failing to rebuild equipment components as necessary can dramatically decrease operational efficiency and equipment life expectancy. This may increase operational costs through reduced performance and compel replacements instead of repairs, impacting overall financial planning.

Complete Asset Replacement
Delaying complete asset replacement at end of useful life can lead to spiraling repair costs and decreased efficiency in service delivery. This delay likely results in non-compliance with safety standards and potential liabilities due to outdated infrastructure.

Facility Rationalization
Without facility rationalization, an organization might suffer from portfolio inefficiencies, maintaining non-essential or underperforming assets. This can

lead to inflated operational costs and impede investment in strategically significant facilities.

Equipment Additions
Neglecting to consider equipment additions could constrain operational flexibility and overall capability. This oversight might hinder advancement and modernization efforts and amplify pressure on existing resources, affecting efficiency and output capacity.

The implication of not completing these lifecycle activities primarily centers around increased risk, cost, and operational inefficiencies, and inherently creates liabilities concerning safety and compliance. Further exploration could include the cost-benefit analysis of proactive asset management versus reactive maintenance strategies.

2.3.4.3. Lifecycle Analysis

The above lifecycle activities are typically undertaken as needed, rather than within a predetermined timeframe, usually when an asset begins to deteriorate or fail. These strategies are prioritized through the capital and operating budget processes, guided by third-party Building Condition Assessments and internal assessments that help identify the needs of the facility assets.

A high-level lifecycle cost analysis (LCA), grounded in LOS risk scoring, was included in the 2025 Asset Management Plan for Non-Core Assets Executive Summary Report. This approach provided a useful framework for identifying priorities across broad asset groups. While the analysis offers an insightful starting point, it needs to reflect the varying characteristics of subcategories within each asset type. Establishing more detailed lifecycle activities at the subcategory level would be beneficial to better account for the diverse functions, usage patterns, and maintenance requirements across the asset portfolio.

During the capital planning process, staff identify the most cost-effective options for completing projects while maintaining the current level of service. Guiding documents, such as Building Condition Assessments, specify the materials and standards required to meet these established levels of service.

It is recommended that a comprehensive lifecycle strategy for non-core assets be developed in the future, aligned with the proposed customer levels of service outlined in the Executive Summary Report of the 2025 Asset Management Plan and defined through consultation with Council. This

strategy will be crucial to ensure a systematic approach to asset management, allowing for proactive maintenance and timely upgrades. By aligning the strategy with the established levels of service, the City can optimize resource allocation, minimize unexpected failures, and maintain infrastructure quality, ultimately leading to cost savings and improved public satisfaction. It is important to note that balancing these costs within the City's budgets may necessitate reducing levels of service and seeking additional funding sources.

2.3.5. Financing Strategy

2.3.5.1. Annual Funding vs Annual Investment Required

O. Reg. 588/17 requires the Municipality to identify the cost of the lifecycle activities that would need to be undertaken to maintain the current levels of service for each of the ten years following the year for which the current levels of service are determined along with the costs of providing those activities.

The next Table outlines the 10-year lifecycle costs of Corporate Facility assets currently being funded:

2.3.5.1.1. Funding

Table 2.3.9: Annual Funding – Corporate Facilities[13]

Activities	Annual Costs ($)										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Non-Infrastructure Solutions	$ 50,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Maintenance	$ 110,956	$113,730	$ 116,573	$ 119,488	$ 122,475	$ 125,537	$ 128,675	$ 131,892	$ 135,189	$138,569	$ 142,033
Renewal/ Rehabilitation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replacement	$ 77,000	$ 97,000	$ 75,000	$ 110,000	$ 45,000	$ 114,000	$ 114,000	$ 114,000	$ 114,000	$114,000	$ 114,000
Disposal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Expansion	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$ 237,956**	**$710,730**	**$ 191,573**	**$ 229,488**	**$167,475**	**$ 239,537**	**$ 242,675**	**$ 245,892**	**$ 249,189**	**$252,569**	**$256,033**

The average annual investment, as included in the City's annual operating budget, approved multi-year capital plan, and adjusted for the five years outside of the multi-year capital plan is $274,829. Non-Infrastructure Solutions is derived from the Multi-Year Capital Plan, and operating budget, where applicable and are identified in the lifecycle strategy section above. Maintenance costs have been determined through the end of year 2024 Operating budget and are inflated by 2.5% each year for the period of this plan. Renewal/Rehabilitation costs will be derived from the Multi Year Capital Plan as the City better defines these activities in future capital detail sheets. For the purposes of this report, these activities have been identified as replacement activities. Replacement costs have been taken from the Multi-Year Capital Plan and Fleet Reserve Schedule. The multi-year capital plan is approved out to 2029. To forecast the subsequent years, an average of the previous years was used for the final five years of this plan.

It is important to note that the above table includes all budgeted items, no matter the source of funding. Funding sources include reserves, taxation, and grants. Due to this, the funding amounts are not ensured and can be dependent on receiving a grant.

13 This is an image for illustrative purposes.

2.3.5.1.2. Investment Required

The Table below outlines the 10-year annual investment required to maintain the current level of service of Corporate Facility assets utilizing the results of condition assessments and best practice applications:

Table 2.3.10: Annual Investment Required - Corporate Facilities[14]

Activities	Annual Costs ($)										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Non-Infrastructure Solutions	$ 50,000	$ -	$ -	-	-	-	-	-	-	-	$ -
Maintenance	$ 110,956	$ 113,730	$ 116,573	$ 119,488	$ 122,475	$ 125,537	$ 128,675	$ 131,892	$ 135,189	$ 138,569	$ 142,033
Renewal / Rehabilitation	$ -	$ -	$ -	-	-	-	-	-	-	-	$ -
Replacement	$ 691,083	$ 2,890,319	$ 1,805,802	$ 358,983	$ 2,592,135	$ 8,437,536	$ 624,912	$ 189,419	$ 869,367	$ 2,773,562	$ 281,173
Disposal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Expansion	$ -	$ 500,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$ 852,039**	**$ 3,504,049**	**$ 1,922,375**	**$ 478,470**	**$ 2,714,610**	**$ 8,563,073**	**$ 753,588**	**$ 321,312**	**$ 1,004,556**	**$ 2,912,131**	**$423,207**

The average annual investment required for Corporate Facilities to maintain the current level of service for this portfolio is $2,131,765.

Non-Infrastructure Solutions are derived from the Multi-Year Capital Plan and operating budget, where applicable and are identified in the lifecycle strategy section above. Maintenance costs have been determined through the 2024 Operating budget and are inflated by 2.5% each year for the period of this plan. Renewal/Rehabilitation costs have been identified as replacement activities until such time the City updates its capital detail process. Replacement costs have been taken from the 2024 Building Condition Assessments, which outlines the activities to be undertaken to maintain the facility in a state of good repair and Fleet Reserve Schedule.

14 This is an image for illustrative purposes.

2.3.5.2. Annual Funding vs Annual Investment Required Analysis

The analysis between the Investment Required and the Funding identifies the funding gap between the two financial models. The result of this analysis is included in the Table below:

Table 2.3.11: 10 Year Total - Funding vs Need – Corporate Facilities[15]

	Annual Costs ($)											
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	10 Year Total
Funding	237,956	710,730	191,573	229,488	167,475	239,537	242,675	245,892	249,189	252,569	256,033	**3,023,117**
Need	852,039	3,504,049	1,922,375	478,470	2,714,610	8,563,073	753,588	321,312	1,004,556	2,912,131	423,207	**23,449,410**
Funding Gap	**$ (614,083)**	**$ (2,793,319)**	**$ (1,730,802)**	**$ (248,983)**	**$ (2,547,135)**	**$ (8,323,536)**	**$ (510,912)**	**$ (75,419)**	**$ (755,367)**	**$ (2,659,562)**	**$ (167,173)**	**$ (20,426,292)**

The chart on the next page is a visual representation of the 10-year funding vs need, which identifies the funding gap.

15 This is an image for illustrative purposes.

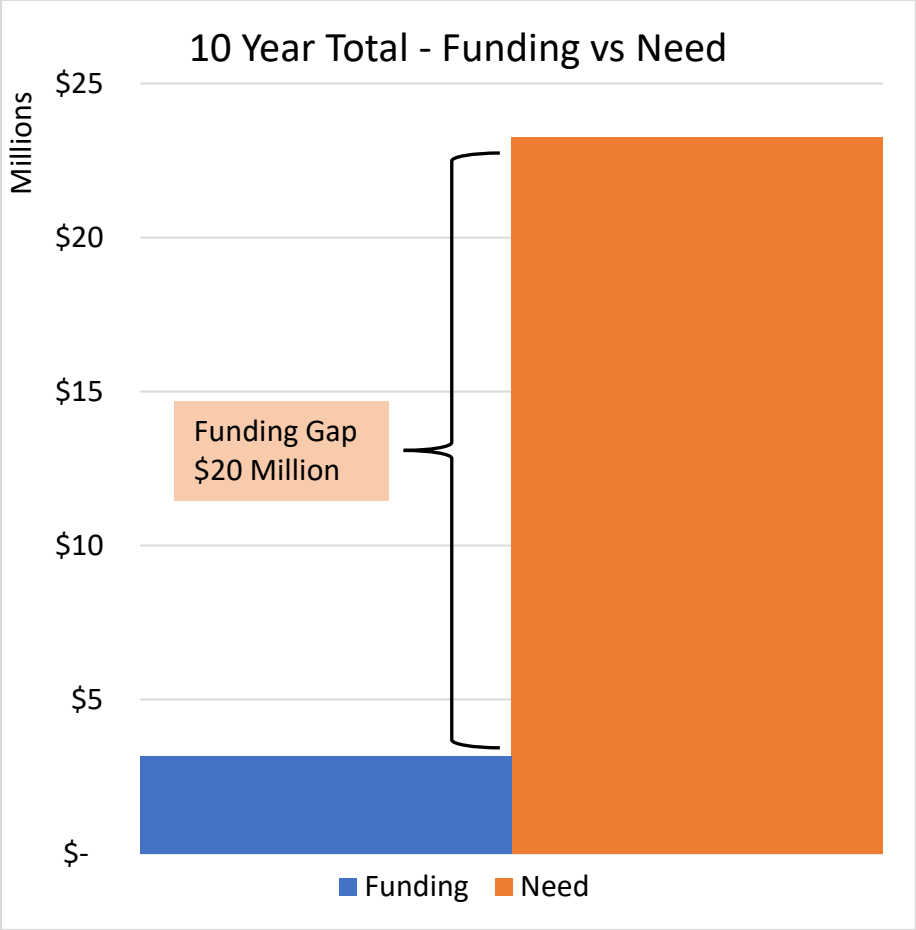

Figure 2.3.2: 10 Year Total - Funding vs Need – Corporate Facilities

Based on the above, the 10-year funding gap is $20 million, and the average annual funding gap is $1.8 million.

In order to meet the financial requirements of the Lifecycle Financing Strategy, the City will be required to fund projects through additional revenue tools such as reserve and reserve funds, grants, debt, new revenues, or additional annual levy increases. Alternatively, projects will need to continue to be deferred, which will have a negative impact on the overall condition.

2.3.5.3. Lifecycle Financing Strategy Limitations

The Lifecycle Financing Strategy has been developed on the current levels of service and programs being delivered by the City. This strategy implies that these practices have been in place since the installation of the assets and does not recognize the impacts of previous investment that has resulted in the current system condition, nor does it consider any backlog. During the creation of the 2025 plan, Level of Service workshops with Council will be

held. If levels of service are recommended to be changed, the change will affect the financing strategy.

2.3.6. Improvement Plan and Recommendations

The following recommendations are based on the review of current management practices; and inventory, valuation and condition analysis.

Table 2.3.12: Asset Management Planning Recommendations – Corporate Facilities

	Recommendations
1.	Continue with the completion of Building Condition Assessments for all City facilities
2.	Update Building Condition Assessments on a five-year cycle to monitor conditions
3.	Develop a comprehensive Levels of Service to reflect the various facility types in the City's portfolio
4.	Develop a lifecycle management plan to ensure component quality and extend the useful life where possible.

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2025 Asset Management Plan

Fire & Emergency Services

2.4. Fire and Emergency Services

2.4.1. Introduction

The City's Fire & Emergency Services is broken out into four asset classes and includes the following:

- **Personal Protective Equipment (PPE)**: PPE is equipment that is worn by firefighters and includes bunker gear and self-contained breathing apparatus.
- **Equipment:** Fire and Emergency Services require different pieces of equipment to support operations for fire, medical, and other events.
- **Apparatus:** The fleet of vehicles that is utilized by Fire & Emergency Services for responses to fire, medical, and other events.
- **Facilities:** Administration, mechanic and storage space required to support the delivery of Fire and Emergency Services.

2.4.2. State of Infrastructure

2.4.2.1. Inventory

The Table below summarizes the Fire and Emergency Services inventory by asset class.

Table 2.4.1: Fire & Emergency Service Inventory

Asset Class	Asset Type	Current Inventory
PPE	Bunker Gear	32*
	Breathing Apparatus	21
Equipment	Telecommunications	31
	Specialized	30
	Miscellaneous (Hoses)	119
Apparatus	Truck	6
	Boat	1
Facilities [16]	Fire Hall	1

** Includes 1 Bunker Gear Drying Rack and 1 Bunker Gear Washing Machine*

[16] The City's facility related database is being developed to componentize buildings into multiple assets that make up a single structure, following UNIFORMAT II guidelines. However, when discussing inventory for the purposes of asset management, it is more practical to report on the number of structures/buildings rather than each component.

2.4.2.2. Valuation

2.4.2.2.1. Replacement Cost Valuation - Facilities

The replacement cost of buildings was determined through the Building Condition Assessment completed in 2023.

2.4.2.2.2. Replacement Cost Valuation - PPE, Equipment, Apparatus

The replacement costs were determined based on estimated replacement value through historical costs updated by inflation, market research, and other industry standards.

As of the end of 2024, the estimated replacement cost of the City's Fire and Emergency Services assets is $12.4 million.

Table 2.4.2: Fire and Emergency Services Asset Replacement Valuation

Asset Class	Unit Replacement Cost	Replacement Cost	% of Total Value
PPE	Pooled	$613,000	5%
Equipment	Pooled	$378,000	3%
Apparatus	Pooled	$8,250,000	66%
Facilities	Pooled	$3,200,000	26%
	Total	$12,441,000	**100%**

2.4.2.3. Assessment Approach

2.4.2.3.1. PPE & Equipment

The City does not currently undertake third-party condition inspections for its apparatus, PPE or equipment, therefore the condition of these assets is estimated using the remaining useful life (RUL) method, and where possible through internal subject matter expert inspections. It is important to note that the RUL method used to determine the condition is solely age-based and does not consider any maintenance activities undertaken to extend the useful life of the assets. The confidence in the accuracy of the condition with this method is typically low. However, it should be noted that the replacement of many fire assets is heavily regulated, and therefore the replacement schedule for the majority of assets is in conjunction with its estimated useful life.

Table 2.4.3: PPE & Equipment Rating

Rating	RUL % (Age Based)
Very Good	>95
Good	80-94
Fair	40-79
Poor	10-39
Very Poor	<10

2.4.2.3.2. Apparatus

The City's apparatus is maintained by an in-house mechanic and through third party specialists if required. Fleet maintenance and replacement is in accordance with NFPA 1911: Standard for the Inspection, Maintenance, Testing, and Retirement of In-Service Automotive Fire Apparatus.

Table 2.4.4: Apparatus Rating

Rating	Age (years)
Very Good	<5
Good	6-9
Fair	10-14
Poor	15-19
Very Poor	>20

2.4.2.3.3. Facilities

The state of the Fire Hall facility is determined through third-party building condition assessments (BCA) and is given a Facility Condition Index[17] (FCI) score. The Fire Hall building condition assessment was conducted in 2023 through McIntosh Perry Limited.

Table 2.4.5: Facilities Rating

Rating	Facility Condition Index
Very Good	<5%
Good	6-10%
Fair	11-30%
Poor	31-60%

[17] FCI is equal to the Total Building Repair/Upgrade/Renewal needs in dollars ($) divided by the Current Replacement Value of Building Components in dollars ($). FCI is obtained by aggregating the total cost of any needed or outstanding repairs, renewal or upgrade requirements at a building compared to the current replacement value of the building components.

Rating	Facility Condition Index
Very Poor	>60%

2.4.2.4. Asset Condition Assessment

The Table below provides the average condition score of the Fire and Emergency Service assets by asset class.

Table 2.4.6: Equipment and Fleet Condition Assessment

Asset Class	Condition Score	Condition System
PPE	Fair (45%)	RUL (Age-based)
Equipment	Fair (55%)	RUL (Age-based)
Apparatus	Fair (14yrs)	Average Age
Facilities	Poor (43.2%)	FCI

A pie chart breaking out the assets by condition for the Fire and Emergency services assets is shown in Figure below.

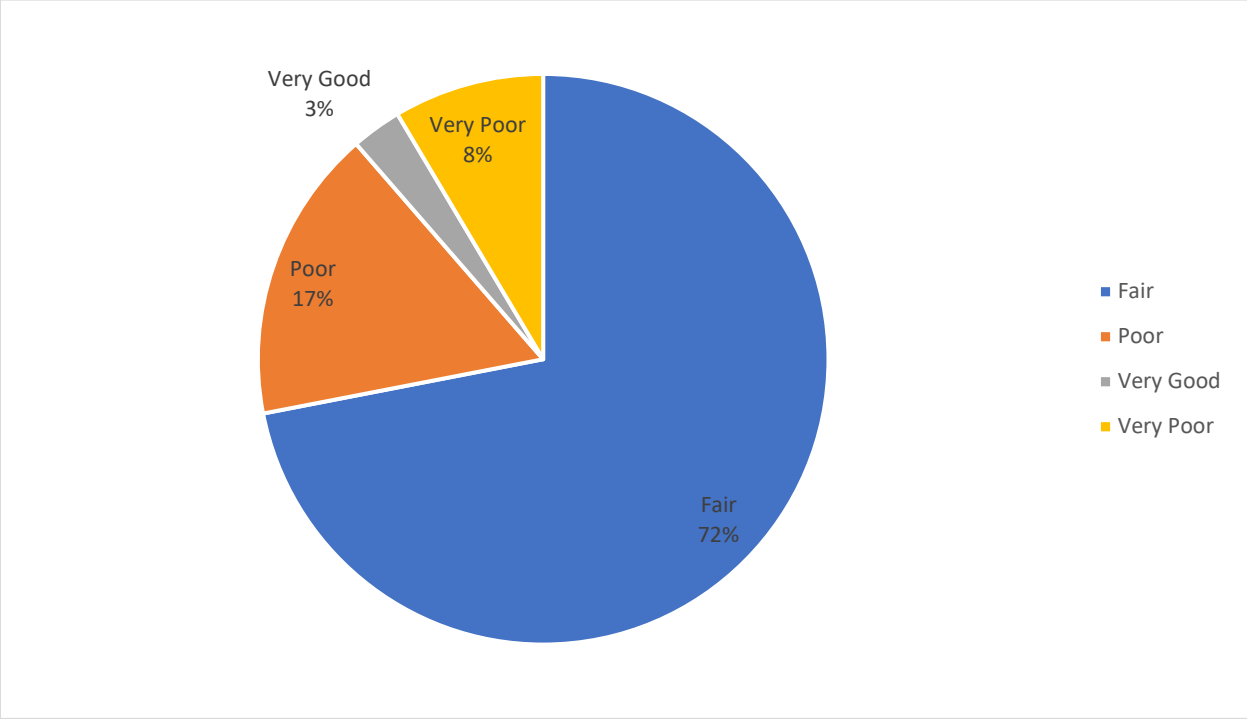

Figure 2.4.1 Visual Fire and Emergency Services Condition Assessment

The State of Assets with the most recent data indicates that 3% of Fire and Emergency Assets are in very good condition, 72% are in fair condition, and 25% are in poor or very poor condition.

2.4.2.5. Useful Life

The useful life of the Fire and Emergency Services assets will vary by component, and the overall life is significantly impacted by the level of use. There are currently no defined maintenance strategies deployed to extend the useful life, however, NFPA guidelines are followed to ensure the assets are kept in safe working order, and preventative maintenance is routinely completed on fire apparatuses. It is possible to have some equipment that exceeds the lives defined as well as some equipment that requires replacement prior to the end of their anticipated life, however, due to the nature of fire assets, many do not exceed their anticipated useful lives. Some fire assets are often promptly replaced at the end of their useful life, no matter the inspected condition, due to governing regulations.

Facilities are unlike other assets because they comprise numerous components, each with its own distinct lifespan and maintenance requirements. The overall life of a building is significantly impacted by the maintenance strategies employed and the level of use each component endures. The City understands that there are various maintenance strategies tailored to each asset component.

The City is currently developing a fleet management strategy. This strategy will confirm the anticipated useful life for similar fleet assets across the organization.

The Table below outlines the anticipated useful life for each asset class. These lives are used for PSAB purposes and align with the Municipality's tangible capital asset (TCA) policy.

Table 2.4.7: Useful Life by Asset Class – Fire and Emergency Services

Asset Class	Anticipated Useful Life (years)
PPE	5-20
Equipment	5-20
Apparatus	20
Facilities[18]	10-100

2.4.3. Level of Service

Unlike the 2022 Asset Management Plan for Core Assets (roads, bridges, stormwater, water, and wastewater), O. Reg. 588/17 does not identify

[18] The large span in anticipated useful life is due to the fact that buildings are broken out into 6 components as per Uniformat II guidelines, with each component type having varying useful lives.

requirements for reporting on non-core Levels of Services such as Fire and Emergency Services.

Levels of Service (LOS) refers to the quality and availability of services provided to residents and are defined by various performance measures.

With no guidance in the regulation, the only measurable LOS statement currently available is based on the condition of the assets. Until more comprehensive LOS targets are developed, using asset condition as a key indicator will help guide strategic planning and resource allocation.

The following Table summarizes the current level of service performance, based on the most recent data available.

Table 2.4.8: Current Level of Service – Fire and Emergency Services

Level of Service Statement	Technical Level of Service	Current Performance	Target Performance
Assets are maintained in a state of good repair and are reliable.	% of Fire assets in fair or better condition.	75%	Maintain Current Condition

Although a high-level Customer Level of Service (LOS) assessment framework—outlined in the 2025 Asset Management Plan for Non-Core Assets Executive Summary Report—was developed based on public observations and perceptions, the City is recommended to use this framework to guide the development of both Community and Technical Levels of Service for fire and emergency services assets. This approach will support the ongoing advancement of the City's asset management program.

2.4.3.1. Corporate Objective

In Ontario, a municipalities fire department is an "all hazards" emergency response organization that provides its residents, visitors and businesses with protection against loss of life, property and the environment from the effects of fire, illness, accidents and all other hazards through preparedness, prevention, public education and emergency response. As per the City's Strategic Plan, the Owen Sound Fire Department aims to foster a safe community by providing emergency services to meet the community's safety needs in a respectful manner.

2.4.3.2. Legislative Requirements – General

A non-exhaustive list of the legislative requirements that impact the delivery of Fire & Emergency Services include the following:

- Fire Protection and Prevention Act
- National Fire Protection Association Standards
- Ontario Fire Marshall
- Ontario Building Code (Prevention)
- Section 21 Guidance Notes
- Transport Canada Regulations
- Ontario Ministry of Transportation

2.4.4. Asset Management Strategy

2.4.4.1. Lifecycle Activities and Planned Actions

To effectively maintain the Fire & Emergency Services assets at the established service levels, they require the appropriate maintenance or rehabilitation strategy applied throughout an asset's lifecycle. All equipment and apparatus are inspected and repaired based on an annual schedule that complies with government-regulated standards and mandates. There are six lifecycle maintenance strategies considered in the overall sustainable management of fire assets, described in the next table.

Table 2.4.9: Lifecycle Activities – Fire & Emergency Services

Activities	Planned Actions	Lifecycle Activities
Non-infrastructure Solutions	Actions or policies that can lower costs or extend life and can include adjustments to levels of service.	• Master Planning • Third-party Building Condition Assessments

Activities	Planned Actions	Lifecycle Activities
Maintenance	Regularly scheduled inspection and maintenance, or more significant repair and activities associated with unexpected events.	• Bunker Gear Cleaning • Bunker Inspection • SCBA Inspection • Small Equipment Maintenance • Manufacturer Maintenance Guidelines
Renewal/Rehabilitation	Significant repairs designed to extend the life of the asset.	• Equipment Refurbishment
Replacement	Activities that are expected to occur once an asset has reached the end of its useful life and renewal/rehabilitation is no longer an option.	• Replacement as per NFPA Standards • Condition Based Replacement
Disposal	Activities associated with disposing of an asset once it has reached its useful life, or is otherwise no longer needed by the municipality.	• Sale of assets
Expansion	Planned activities required to extend services to previously unserviced areas – or expand services to meet growth demands.	• Facility expansion to meet community needs

2.4.4.2. Risks Associated with the Strategy

A risk assessment and 10-year lifecycle strategy were developed as part of the 2025 Asset Management Plan Non-Core Assets Executive Summary report. These analyses were based on customer-level LOS scores, offering a high-level view of asset condition and service risk from a user perspective. While they help guide general investment timing and prioritization, they are intended as broad planning tools and framework. More specific assessments

remain necessary for evaluating individual asset components in detail. Risks associated with not completing the above lifecycle activities are as follows:

Third-party Building Condition Assessments

Failure to conduct third-party building condition assessments risks an inaccurate understanding of the actual state of facilities, leading to unanticipated repairs and maintenance costs. These missed insights could also compromise safety standards, decrease asset longevity, and result in decreased investment return.

Bunker Gear Cleaning

Not conducting regular bunker gear cleaning poses critical safety risks as it increases personnel exposure to hazardous materials and contaminants, thus compromising health and operational performance. The effectiveness and reliability of the gear are also jeopardized, which could impact task execution in emergencies. From a legislative standpoint, failure to maintain the gear properly may result in a breach of Occupational Health and Safety regulations. Additionally, over time, the lifecycle of the gear is reduced due to material degradation caused by the accumulation of contaminants.

Bunker Inspection

Neglecting bunker inspections is fraught with operational risks, primarily missing the detection of damage that might lead to gear failure during emergencies, compromising the safety of personnel. This oversight amplifies the risk of injury by not recognizing integrity issues ahead of time. In a legislative context, non-compliance with mandated safety regulations and standards can have serious repercussions. Financially, neglected inspections might lead to higher costs due to the urgent need for gear replacement under emergency conditions.

SCBA Inspection

Without regular SCBA inspections, there are substantial safety risks, such as malfunctioning equipment potentially resulting in fatalities during hazardous operations. The lack of inspection could lead to unreliable equipment performance when it is most needed. From a legislative perspective, failure to meet mandatory inspection intervals and maintain proper records can constitute serious breaches of regulations. Additionally, the new lifecycle defects remain undiscovered, diminishing the effective operational life of the equipment.

Small Equipment Maintenance

By not adhering to small equipment maintenance schedules, performance risks increase, which can lead to equipment failure at critical moments, directly impacting task efficiency and effectiveness. Financially, neglected maintenance often results in increased repair and replacement costs.

Manufacturer Maintenance Guidelines

Ignoring manufacturer maintenance guidelines can void warranties, subsequently leading to increased costs associated with repairs and replacements. It elevates operational risks due to potential equipment failure caused by improper maintenance practices and can lead to costly emergency repairs.

Replacement as per NFPA Standards

Neglecting to replace equipment according to NFPA (National Fire Protection Association) standards introduces significant safety risks, as outdated or worn equipment may fail during critical operations. This noncompliance with established standards could lead to legislative risks, including potential penalties or fines, as adherence to NFPA guidelines is often mandated by law. The operational effectiveness of firefighting and emergency response could be severely compromised, resulting in increased risks to personnel and the public. Additionally, ignoring these standards may lead to higher long-term costs due to more frequent breakdowns and emergency replacements, which can be both financially burdensome and inefficient.

Condition Based Replacement

Failure to implement condition-based replacement strategies can lead to unnecessary risks, as equipment might be kept in service beyond its functional lifespan, risking failure when needed most. This oversight can result in increased safety hazards and operational inefficiencies. Without these timely evaluations, financial risks increase due to unexpected repair and replacement needs, alongside potential productivity losses.

2.4.4.3. Lifecycle Analysis

The City endeavors to follow the National Fire Protection Association Standards for the lifecycle maintenance and replacement of PPE, equipment, and Apparatus. While many of the standards identify lifecycle activities, the replacement of PPE, equipment, and apparatus is determined by age and suggested useful life, and where applicable, legislation.

The lifecycle strategies are prioritized through the capital and operating budget processes, guided by needs studies, legislation and standards, and internal assessments that help identify the needs of the fire assets.

During the capital budget process, staff identify the most cost-effective options for completing projects while maintaining the current level of service.

It is recommended that a comprehensive lifecycle strategy for non-core assets be developed in the future, aligned with the proposed levels of service outlined in the Executive Summary of the 2025 Asset Management Plan defined through consultation with Council. This strategy will be crucial to ensure a systematic approach to asset management, allowing for proactive maintenance and timely upgrades. By aligning the strategy with the established levels of service, the City can optimize resource allocation, minimize unexpected failures, and maintain infrastructure quality, ultimately leading to cost savings and improved public satisfaction. It is important to note that balancing these costs within the City's budgets may necessitate reducing levels of service and seeking additional funding source

2.4.5. Financing Strategy

2.4.5.1. Annual Funding vs Annual Investment Required

O. Reg. 588/17 requires the Municipality to identify the cost of the lifecycle activities that would need to be undertaken to maintain the current levels of service for each of the ten years following the year for which the current levels of service are determined along with the costs of providing those activities.

2.4.5.1.1. Funding

The Table below outlines the 10-year lifecycle costs of fire assets currently being funded:

Table 2.4.10: Annual Funding – Fire & Emergency Services[19]

Activities	Annual Costs										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Non-Infrastructure Solutions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Maintenance	$ 93,275	$ 95,607	$ 97,997	$ 100,447	$ 102,958	$ 105,532	$ 108,170	$ 110,875	$ 113,647	$ 116,488	$ 119,400
Renewal/Rehabilitation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replacement	$ 384,300	$ 52,400	$ 122,500	$ 75,600	$ 77,400	$ 92,440	$ 92,440	$ 1,600,000	$ 100,000	$ 92,440	$ 92,440
Disposal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Expansion	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 477,575	$ 148,007	$ 220,497	$ 176,047	$ 180,358	$ 197,972	$ 200,610	$ 1,710,875	$ 213,647	$ 208,928	$ 211,840

The average annual investment, as included in the City's annual operating budget, approved multi-year capital plan, and adjusted for the five years outside of the multi-year capital plan is $358,760.

Non-Infrastructure Solutions is derived from the Multi-Year Capital Plan, and operating budget, where applicable and are identified in the lifecycle strategy section above. Maintenance costs have been determined through the end of year 2024 Operating budget and are inflated by 2.5% each year for this plan. Renewal/Rehabilitation costs will derived from the Multi Year Capital Plan as the City better defines these activities in future capital detail sheets. For the purposes of this report, these activities have been identified as replacement activities. Replacement costs have been taken from the Multi-Year Capital Plan and Fleet Reserve Schedule. Expansion activities have been derived from needs identified from consultants, and relate to facility expansion. This amount was derived from the multi-year capital plan.

19 This is an image for illustrative purposes.

The multi-year capital plan is approved out to 2029. To forecast the subsequent years, an average of the previous years was used for the final five years of this plan.

It is important to note that the above table includes all budgeted items, no matter the source of funding. Funding sources include reserves, taxation, and grants. Due to this, the funding amounts are not ensured and can be dependent on receiving a grant.

2.4.5.1.2. Investment Required

The table below outlines the 10-year annual investment required to maintain the current level of service of Fire and Emergency Services assets utilizing the results of condition assessments and best practice applications.

Table 2.4.11: Annual Investment Required – Fire & Emergency Services[20]

Activities	Annual Costs											
	Backlog	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Non-Infrastructure Solutions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Maintenance	$ -	$ 93,275	$ 95,607	$ 97,997	$ 100,447	$ 102,958	$ 105,532	$ 108,170	$ 110,875	$ 113,647	$ 116,488	$ 119,400
Renewal/Rehabilitation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replacement	-$ 1,227,820	$ 914,356	$ 113,640	$ 96,540	$ 598,890	$ 189,420	$ 147,800	$ 342,000	$1,769,800	$ 164,560	$ 42,000	$ 149,216
Disposal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Expansion	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	-$ 1,227,820	$ 1,007,631	$ 209,247	$ 194,537	$ 699,337	$ 292,378	$ 253,332	$ 450,170	$1,880,675	$ 278,207	$ 158,488	$ 268,616

The average annual investment required for the non-core road network to maintain the current level of service for this portfolio is $576,703.

Non-Infrastructure Solutions are derived from the Multi-Year Capital Plan and operating budget, where applicable and are identified in the lifecycle strategy section above. Maintenance costs have been determined through the 2024 Operating budget and are inflated by 2.5% each year for the period of this plan. Renewal/Rehabilitation costs have been identified as replacement activities until such time the City updates its capital detail process. Replacement costs have been taken from the 2024 Building Condition Assessments, which outlines the activities to be undertaken to maintain the facility in a state of good

20 This is an image for illustrative purposes.

repair, Fleet Reserve Schedule and a replacement schedule for all other assets based on end of useful life date. Expansion activities have been derived from needs identified from consultants and relate to facility expansion.

2.4.5.2. Annual Funding vs Annual Investment Required Analysis

The analysis between the Investment Required and the Funding identifies the funding gap between the two financial models. The result of this analysis is included in the Table below:

Table 2.4.12: 10 Year Total Funding vs Need – Fire & Emergency Services[21]

	Annual Costs												
	Backlog	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	10 Year Total
Funding	$ -	$ 477,575	$ 148,007	$ 220,497	$ 176,047	$ 180,358	$ 197,972	$ 200,610	$ 1,803,315	$ 213,647	$ 208,928	$ 211,840	$ 4,038,795
Need	$ 1,227,820	$ 1,007,631	$ 209,247	$ 194,537	$ 699,337	$ 292,378	$ 253,332	$ 450,170	$ 1,880,675	$ 278,207	$ 158,488	$ 268,616	$ 6,920,437
Funding Gap	-$ 1,227,820	-$ 530,056	-$ 61,240	$ 25,960	-$ 523,290	-$ 112,020	-$ 55,360	-$ 249,560	-$ 77,360	-$ 64,560	$ 50,440	$ 480,456	-$ 2,881,642

21 This is an image for illustrative purposes.

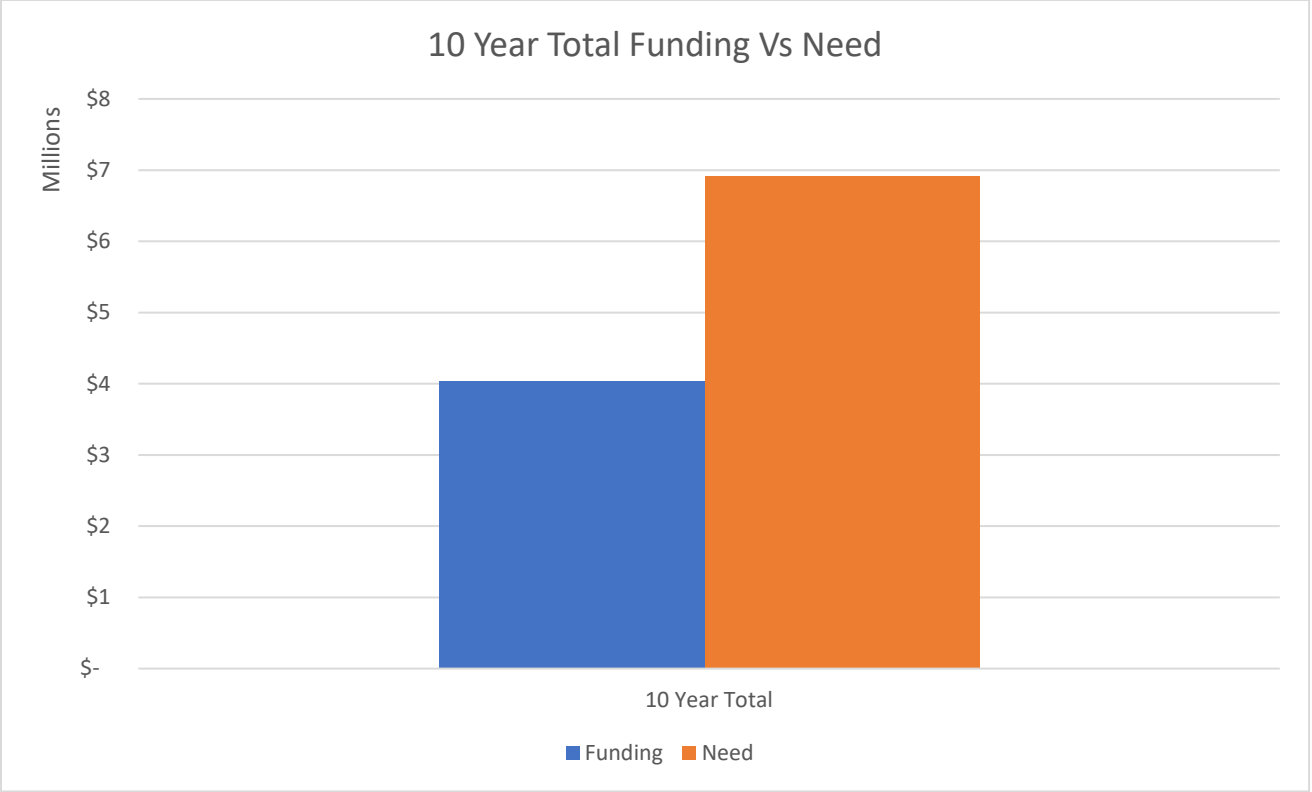

Figure 2.4.2: 10 Year Total Funding vs Need – Fire & Emergency Services

Based on the above, the 10-year funding gap is $2.8 million, and the average annual funding gap is $2,344,410.

In order to meet the financial requirements of the Lifecycle Financing Strategy, the City will be required to fund projects through additional revenue tools such as reserve and reserve funds, grants, debt, new revenues, or additional annual levy increases. Alternatively, projects will need to continue to be deferred, which will have a negative impact on the overall condition.

2.4.5.3. Lifecycle Financing Strategy Limitations

The Lifecycle Financing Strategy has been developed on the current levels of service and programs being delivered by the Municipality. This model implies that these practices have been in place since the installation of the assets and does not recognize the impacts of previous investments that have resulted in the current system condition, nor does it take into account any backlog.

2.4.6. Improvement Plan and Recommendations

The following recommendations are based on the review of current management practices; and inventory, valuation and condition analysis.

Table 2.4.13: Asset Management Planning Recommendations – Fire & Emergency Services

	Recommendations
1.	Continue with the completion of Building Condition and Equipment Assessments for all fire assets.
2.	Update Building Condition and Equipment Assessments on a five-year cycle, unless otherwise legislated, to monitor conditions.
3.	Develop Levels of Service to reflect the various asset types in the City's portfolio
4.	Develop a lifecycle management plan to ensure component quality and extend the useful life where possible.

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2025 Asset Management Plan

Information Technology

2.5. Information Technology

2.5.1. Introduction

The City's Information Technology (IT) asset management report card includes assets that support the provision of administrative and corporate-wide services, and technology solutions that support service delivery.

The City's IT services is broken out into 3 asset classes and includes the following:

- **Computer Hardware -** all physical devices used in computing, such as desktops, laptops, monitors and tablets.
- **Network Hardware -** equipment that facilitates network connectivity and communication, including routers, switches, firewalls, and access points.
- **General Hardware -** devices like cellphones, cameras, and printers, essential for organizational operations.

The City also runs various software and licensing to support the City operations, however, since software isn't a physical asset with a defined useful life, it won't be included in this plan. The City is looking into ways to incorporate software and licensing in future versions of the plan.

2.5.2. State of Infrastructure

2.5.2.1. Inventory

The IT asset registry is being updated at the time of this report, and all assets may not be captured in this asset management plan. Future plans will have a comprehensive, accurate inventory. The Table below summarizes the IT inventory by asset class.

Table 2.5.1: IT Inventory

Asset Class	Asset Type	Current Inventory
Computer Hardware	Desktops	32
	Laptops	63
	Monitors	221
	Tablets/iPads	17
	Docking Stations	60
Network Hardware	Servers	4
	Storage	2

Asset Class	Asset Type	Current Inventory
	Firewalls	7
	Switches	44
	Fibre	Not currently tracked
	Wi-Fi Access Points	41
General Hardware	Printers/Copiers/Scanners	Not currently tracked
	Cameras	Not currently tracked
	Cell phones	73

2.5.2.2. Valuation

2.5.2.2.1. Replacement Cost Valuation

The replacement costs were determined based on estimated replacement value, historical costs updated by inflation, market research, and other industry standards. Assets that are not currently tracked, such as switches, and Fibre, are not included in the replacement cost. As of the end of 2024, the estimated replacement cost of the City's IT assets is $642,525.

Table 2.5.2: IT Replacement Valuation

Asset Class	Unit Replacement Cost	Replacement Cost	% of Total Value
Computer Hardware	Pooled	$248,105	39%
Network Hardware	Pooled	$365,220	57%
General Hardware	Pooled	$29,200	5%
	Total	**$642,525**	**100%**

2.5.2.3. Assessment Approach

The City does not currently undertake third-party or internal condition inspections for its IT assets. Therefore, the condition of these assets is estimated using the remaining useful life (RUL) method. It is important to note that the RUL method used to determine the condition is solely age-based and does not consider any maintenance activities undertaken to extend the useful life of the assets. The confidence in the accuracy of the condition with this method is low.

Table 2.5.3: IT Assets Condition Rating

Rating	RUL % (Age Based)
Very Good	95-100
Good	80-94
Fair	40-79
Poor	10-39
Very Poor	<9

2.5.2.4. Asset Condition Assessment

The Table below provides the pooled condition score of IT assets by class determined through the RUL method. Specific to IT, assets are often promptly replaced at the end of their useful life due to the substantial decrease in productivity and functionality of these assets, affecting daily operations. Additionally, due to their short lifespan, many assets are due for replacement each year, and the overall condition of each asset class changes frequently. For example, an asset with a 3-year life span will drop to fair in year 2 with the current condition system.

Table 2.5.4: IT Condition Assessment

Asset Class	Condition Score	Condition System
Computer Hardware	Fair (50%)	RUL (Age Based)
Network Hardware	Fair (74%)	RUL (Age Based)
General Hardware	Poor (16%)	RUL (Age Based)

A pie chart breaking out the assets by condition for the IT assets [22]is shown in the next Figure.

[22] Age-based condition assessment indicates that the majority of assets will fall into the poor or very poor categories by the end of year 2025, as their expected useful life (typically only 3 to 5 years) is nearing its end.

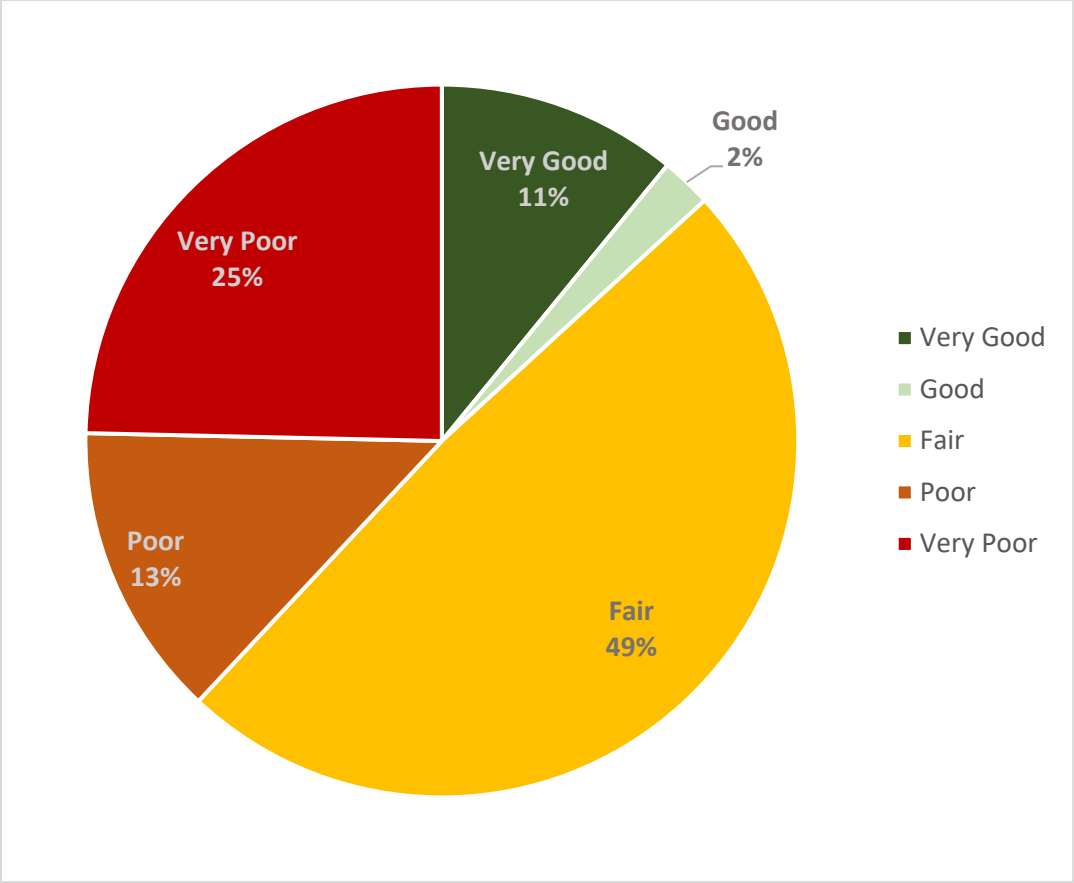

Figure 2.5.1 Visual IT Network Condition Assessment

The State of Assets with the most recent 2024 data, indicates that 13% of IT Assets are in very good or good condition, 49% are in fair condition, and 38% are in poor or very poor condition.

2.5.2.5. Useful Life

The useful life of the IT assets will vary by component. The nature of IT assets makes it so that maintenance activities do not significantly extend their useful life. As noted previously, IT assets are often replaced promptly at the end of their useful life due to the substantial decrease in productivity and functionality of these assets. It is possible to have some assets, such as computer monitors, that exceed the lives defined and some that require replacement before the end of their anticipated life.

The next Table outlines the anticipated useful life for each asset class. These lives are used for PSAB purposes and align with the Municipality's tangible capital asset (TCA) policy.

Table 2.5.5: Useful Life by Asset Class

Asset Class	Anticipated Useful Life (years)
New Asset / Replacement	
Computer Hardware	5
Network Hardware	3-7
General Hardware	3-5

2.5.3. Level of Service

Unlike the 2022 Asset Management Plan for Core Assets (roads, bridges, stormwater, water, and wastewater), O. Reg. 588/17 does not identify requirements for reporting on non-core Levels of Services such as IT.

However, the table below provides a snapshot of internal service performance across key operational dimensions such as system uptime and application response time. It compares actual performance values to defined targets, offering insight into how effectively IT infrastructure is supporting reliability and expectations.

Table 2.5.6: Level of Service - IT

Level of Service Statement	Technical Level of Service	Current Performance	Target Performance
Assets are maintained in a state of good repair and are reliable.	% of IT assets in fair or better condition.	62%	Maintain Current Condition
Measures the reliability of IT system	System Uptime	99.9997	Within target LOS
Evaluate how quickly system or application responds	Application Response Time (ms)	Application Response time ≤ 1ms	Within target LOS
Tracks how often security breaches or threats occur	Number of Security Incidents	0 per year	Within target LOS
End-user satisfaction score.(based on number of complains)	End-User Satisfaction Score	100	Within target LOS
Measures how quickly IT support can resolve issues.	Mean Time to Repair (MTTR)	Mean time to Repair ≤ 1 hour	Within target LOS

Indicates whether the system is nearing overload or operating efficiency.	Server/Network Utilization (%)	Server/Network utilization - 17 percent	≤30% average Utilization

The current Level of service (LOS) assessment for IT assets shows that most key service attributes, such as availability, performance, security, user satisfaction and supportability, are performing within defined targets, indicating stable and reliable IT service delivery. However, age-based performance data from late 2024 data indicates that 38% of IT assets are approaching or have exceeded their expected service life (typically 3 to 5 years for most IT assets). This raises the risk of hardware failures, reduced compatibility, and growing maintenance costs. Additionally, server and network utilization, measured at 17%, may indicate underused capacity suggesting opportunities for greater efficiency and alignment.

2.5.3.1. Corporate Objective

The corporate objective of Information Technology at the City is to provide innovative, reliable, and secure technology solutions that enhance municipal operations and improve service delivery to residents, businesses, and visitors. IT aims to leverage digital tools to support efficient governance, ensure data integrity, and drive continuous improvement in public services, fostering a connected and sustainable community.

2.5.3.2. Legislative Requirements – General

Legislative requirements impacting the use and management of IT services frequently originate from the various City departments that the IT assets support. A non-exhaustive list of these are as follows:

- Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)
- Accessibility for Ontarians with Disabilities Act (AODA)
- Electronic Commerce Act, 2000
- Bill 194 – Enhancing Digital Security and Trust Act

2.5.4. Asset Management Strategy

2.5.4.1. Lifecycle Activities and Planned Actions

Lifecycle planning for IT assets can be effectively guided by ongoing monitoring of LOS performance trends. Indicators such as rising application response times may signal underlying issues such as aging infrastructure or

declining system efficiency, conditions that warrant mid-term interventions like system upgrades or optimization. Similarly, persistently high Mean Time to repair (MTTR) values may reveal inefficiencies in support operations or point to outdated hardware or software components, prompting consideration for asset renewal or vendor assessment. Lifecycle analysis for IT assets provides a structured approach to planning the timely renewal, upgrade, and optimization of infrastructure based on service performance, asset age, and risk exposure. Given the relatively short useful life of IT assets, regular review and strategic reinvestment are essential to maintain system reliability, performance, and cost efficiency.

Here is a high-level LOS based lifecycle analysis for next 10 years:

- Short-term (1-3 years): Identify and replace aging assets nearing end-of- life. Optimize underutilized servers and assess potential for consolidation.
- Medium-term (4-6 years): Expand use of virtual infrastructure or cloud solutions to enhance flexibility and reduce physical overhead.
- Long-term (7-10 years): Implement adaptive lifecycle planning tools to support evolving IT demands and performance monitoring.

To effectively maintain the IT assets at the established service levels, they require the appropriate maintenance or rehabilitation strategy applied throughout an asset's lifecycle. There are six lifecycle maintenance strategies considered in the overall sustainable management of IT assets, described in the next Table.

Table 2.5.7: Lifecycle Activities - IT

Activities	Planned Actions	Lifecycle Activities
Non-infrastructure Solutions	Actions or policies that can lower costs or extend life and can include adjustments to levels of service	• Needs Studies
Maintenance	Regularly scheduled inspection and maintenance, or more significant repair and activities associated with unexpected events.	• Manufacturer Maintenance Guidelines • Hardware Enhancements

Activities	Planned Actions	Lifecycle Activities
Renewal/Rehabilitation	Significant repairs designed to extend the life of the asset.	• Fibre Network Infrastructure Upgrades
Replacement	Activities that are expected to occur once an asset has reached the end of its useful life and renewal/rehabilitation is no longer an option.	• Condition Based Replacement
Disposal	Activities associated with disposing of an asset once it has reached its useful life, or is otherwise no longer needed by the municipality.	• Secure disposal through the Municipal Information Systems Association (MISA)
Expansion	Planned activities required to extend services to previously unserviced areas – or expand services to meet growth demands.	• N/A

2.5.4.2. Risks Associated with the Strategy

Risk assessment in the IT context can be informed by deviation in LOS indicators such as availability, performance and security. These metrics act as early signals of potential vulnerabilities. For instance, if system uptime consistently falls below the target threshold of 99.9%, it may increase the likelihood of unplanned service disruptions. Likewise, the occurrence of multiple security incidents, even if not yet critical, can elevate the potential consequences for operational continuity. By comparing actual performance to target expectations, the gaps can be identified into risk scores that help identify which IT assets may warrant immediate attention, enhance support protocols, or lead to more resilient infrastructure designs. It is recommended that the City develop a corporate wide risk management toolkit within the next 1 to 3 years.

Risks associated with not completing the above lifecycle activities include:

Needs Studies

Without regular needs studies, the city could miss critical insights into evolving technology requirements. This oversight makes it difficult to plan

for future upgrades and expansions accurately, potentially leading to misaligned investments and the inability to address emerging challenges effectively.

Manufacturer Guideline Maintenance

Ignoring manufacturer maintenance guidelines may lead to premature hardware failures and increased downtime. This compromises the reliability of IT systems, making them more prone to breakdowns and potentially leading to costly emergency repairs.

Hardware Enhancements

Delays in hardware enhancements can mean operating on outdated and less efficient technology. This reduces the productivity and functionality of the services provided, preventing the municipality from leveraging new capabilities and efficiencies that modern IT infrastructure can offer.

Network Upgrades

Failing to complete fibre network infrastructure upgrades can result in network unavailability, slower connectivity, and potential data transmission issues. This negatively impacts municipal operations and citizen services, leading to inefficiencies and potential dissatisfaction among residents who rely on swift and reliable digital communications.

Condition Based Replacements

Neglecting condition-based replacements can lead to continued reliance on deteriorating assets. This escalates repair costs and poses a significant risk of sudden system breakdowns that disrupt daily operations, further stressing the importance of timely and condition-based asset renewal strategies.

Secure Disposal

Insecure disposal practices not in compliance with MISA standards can result in data breaches and non-compliance with data protection regulations. This not only risks legal repercussions but also erodes community trust if citizen data is compromised due to poor asset disposal protocols.

2.5.4.3. Lifecycle Analysis

This report presents a high-level assessment of IT assets using technical LOS indicators to evaluate service performance. Although this offers a valuable framework for strategic decision making, there remains a need for a more detailed and comprehensive 10-year lifecycle plan to ore accurately reflect asset-specific needs, enhance budget planning, and ensure long-term

service reliability. The mentioned lifecycle activities above are typically undertaken as needed, rather than within a predetermined timeframe, usually when an asset begins to deteriorate or fail. These strategies are prioritized through the capital and operating budget processes, guided by needs studies, the IT strategy, and internal assessments that help identify the needs of the IT assets.

During the capital budget process, staff identify the most cost-effective options for completing projects while maintaining the current level of service.

It is recommended that a comprehensive lifecycle strategy for non-core assets be developed in the future, aligned with the proposed levels of service outlined in the Executive Summary of the 2025 Asset Management Plan defined through consultation with Council. This strategy will be crucial to ensure a systematic approach to asset management, allowing for proactive maintenance and timely upgrades. By aligning the strategy with the established levels of service, the City can optimize resource allocation, minimize unexpected failures, and maintain infrastructure quality, ultimately leading to cost savings and improved public satisfaction. It is important to note that balancing these costs within the City's budgets may necessitate reducing levels of service and seeking additional funding sources.

2.5.5. Financing Strategy

2.5.5.1. Annual Funding vs Investment Required

O. Reg. 588/17 requires the Municipality to identify the cost of the lifecycle activities that would need to be undertaken to maintain the current levels of service for each of the ten years following the year for which the current levels of service are determined along with the costs of providing those activities.

The next Table outlines the 10-year lifecycle costs of IT network assets currently being funded:

2.5.5.1.1. Funding

Table 2.5.8: Annual Funding – IT[23]

Activities	Annual Costs										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Non-Infrastructure Solutions	$ 35,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Maintenance	$ 103,525	$ 106,113	$ 108,766	$ 111,485	$ 114,272	$ 117,129	$ 120,057	$ 123,059	$ 126,135	$ 129,289	$ 132,521
Renewal/Rehabilitation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replacement	$ 117,000	$ 100,100	$ 175,400	$ -	$ 248,700	$ 128,240	$ 151,617	$ 151,617	$ 151,617	$ 151,617	$ 132,521
Disposal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Expansion	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$ 255,525**	**$ 206,213**	**$ 284,166**	**$111,485**	**$ 362,972**	**$ 245,369**	**$ 271,674**	**$ 274,675**	**$ 277,752**	**$280,905**	**$ 265,042**

The City's IT program is structured in a more ideal fashion than other asset portfolios in that the use of technology is relatively new compared to many other assets and is used by every department. The City uses a financing model that collects fees from all user departments with technology and includes consideration for both operating and capital needs.

The average annual investment, as included in the City's annual operating budget, approved multi-year capital plan, and adjusted for the five years outside of the multi-year capital plan is $ 257,798.

Non-Infrastructure Solutions is derived from the Multi-Year Capital Plan, and operating budget, where applicable and are identified in the lifecycle strategy section above. Maintenance costs have been determined through the end of year 2024 Operating budget and are inflated by 2.5% each year for the period of this plan. Renewal/Rehabilitation costs will be derived from the Multi-Year Capital Plan as the City better defines these activities in future capital detail sheets. For the purposes of this report, these activities have been identified as replacement activities. Replacement costs have been taken from the Multi-Year Capital Plan. The multi-year capital plan is approved out to 2029. To forecast the subsequent years, an average of the previous years was used for the final five years of this plan.

23 This is an image for illustrative purposes.

2.5.5.1.2. Investment Required

The Table below outlines the 10-year annual investment required to maintain the current level of service of IT network assets.

Table 2.5.9: Annual Investment Required - IT[24]

Activities	Annual Costs										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Non-Infrastructure Solutions	$ 35,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Maintenance	$ 103,525	$ 106,113	$ 108,766	$ 111,485	$ 114,272	$ 117,129	$ 120,057	$ 123,059	$ 126,135	$ 129,289	$ 132,521
Renewal/Rehabilitation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replacement	$ 43,695	$ 72,515	$ 154,105	$ 37,460	$ 366,724	$ 40,265	$ 53,810	$ 20,600	$ 115,604	$ 98,700	$ 72,030
Disposal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Expansion	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$ 182,220**	**$ 178,628**	**$ 262,871**	**$ 148,945**	**$ 480,996**	**$ 157,394**	**$ 173,867**	**$ 143,659**	**$ 241,739**	**$ 227,989**	**$ 204,551**

24 This is an image for illustrative purposes.

Currently, the City's IT portfolio is adequately funded. As mentioned, The City uses a financing model that collects fees from all user departments with technology and includes consideration for both operating and capital needs. However, continued work is required to further build out and componentize the asset database to reflect the useful lives of smaller components.

2.5.5.3. Annual Funding vs Annual Investment Required Analysis

With the current financing model IT employs, there is currently no funding gap. Each level of service need is currently being met through collecting fees from user departments with technology. It is important to note that this is based on meeting the current level of service activities.

2.5.5.4. Lifecycle Financing Strategy Limitations

The Lifecycle Financing Strategy has been developed on the current levels of service and programs being delivered by the Municipality. This model implies that these practices have been in place since the installation of the assets and does not recognize the impacts of previous investments that have resulted in the current system condition, nor does it take into account any backlog. Additionally, the current strategy was produced with the limited data available, and therefore, there are inaccuracies with the number of assets, and there may be inaccuracies in replacement costs, end of useful life, replacement timing, etc.

2.5.6. Improvement Plan and Recommendations

The following recommendations are based on the review of current management practices; and inventory, valuation and condition analysis.

Table 2.5.10: Asset Management Planning Recommendations – IT Network

	Recommendations
1.	Collect all IT assets and create a comprehensive asset register in short -term (1-3 yrs)
2.	Continue to utilize needs studies to inform future IT infrastructural plans.
3.	Develop a schedule for regular hardware upgrades and enhancements to keep the technology up to date.
4.	Explore the feasibility and effectiveness of maintaining a redundancy register, to minimize downtime and inefficiencies.

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Asset Management Plan

Parks & Open Space

2.6. Parks and Open Spaces

2.6.1. Introduction

The City's Parks & Open Spaces is broken out into 11 asset classes and includes the following:

- **Parks**: The City manages 36 parks throughout the City which are vital for community gatherings and outdoor activities, enhancing residents' well-being. This plan does not list parks as assets at this time due to limited guidelines for tracking parks as a tangible asset. Instead, the features within these parks are tracked. These include playgrounds and various park amenities.
- **Campgrounds:** These outdoor spaces in Owen Sound cater to temporary stays for camping enthusiasts, increasing tourism to the City. The campgrounds include serviced and unserviced sites, as well as cabins.
- **Active Recreation:** Owen Sound's active recreation assets include sports fields and outdoor venues such as pools and courts that provide for various sports and physical activities, promoting exercise, teamwork, and community engagement.
- **Transportation Networks:** Owen Sound's trail network offers pedestrian, and cyclist pathways, facilitating alternative transportation, outdoor recreation, and access to natural areas. The City's trails may be supported by parking lots, and stairways, providing access to the active transportation corridors.
- **Forestry:** Owen Sound is home to various natural assets, and the tracking of these as assets is in the early stages. This plan will only focus on the trees within the City.
- **Harbour:** The harbour asset class includes two boat launches, providing critical access for recreational and commercial watercraft activities, and serving as a hub for community engagement, tourism, and economic opportunities connected to maritime operations.
- **Facilities:** There are many buildings that support the service, or enhance the cultural aspect of parks and open space. For this plan, these facilities are not grouped into service areas, or specific parks, but rather by type of facility.
- **Horticulture:** Green spaces, gardens, and flower beds, focusing on the cultivation of plants, and shrubs to enhance urban environments,

support biodiversity, and improve the aesthetic and environmental quality of public spaces.

- **Fleet:** Light duty, Heavy duty, equipment, and machinery essential for parks and open space operations.
- **Signage –** Within City parks and open spaces are various signs that help direct people, identify spaces, and meet regulatory requirements.
- **Park Amenities -** This category may encompass various additional assets not covered by the above classifications that provide different benefits and user experiences to parks and open spaces.

For the purpose of this plan, “parks and open space(s)” will refer to all of the above asset classes.

2.6.2. State of Infrastructure

2.6.2.1 Inventory

The Table below summarizes the Parks & Open space inventory by asset class.

Table 2.6.1: Parks & Open Space Inventory by Classification

Asset Class	Asset Type	Current Inventory
Parks	Playground Structures	25
Campgrounds	Serviced Site	97
	Un-Serviced Site	65
	Camping Cabin	1
Active Recreation	Baseball Diamond – Class A	4
	Baseball Diamond – Class B	1
	Baseball Diamond – Class C	10
	Soccer Field – Class A	1
	Soccer Field – Class B	5
	Soccer Field – Class D	3
	Tennis Court	1
	Basketball Court	3 half courts
	Pools - Outdoor	1
	Ice Rinks – Outdoor	1
	Splash Pad	1

Asset Class	Asset Type	Current Inventory
	Skateboard Park	1
	Mini Golf	1
	Running Track	1
Transportation Networks	Trail – Paved	13,180 m2
	Trail – Stonedust	12,360 m2
	Park Roads - Asphalt	6,157 m2
	Park Roads – Gravel	8,645 m2
	Parking Lot - Asphalt	46,490 m2
	Parking Lot – Gravel	84,139 m2
Fleet	Light-Duty	8
	Heavy-Duty	2
	Utility	2
	Trailer	5
Forestry	Parks Trees	Approx. 16,000
	Street Trees	Approx. 24,000
Horticulture	Community Gardens, Garden Beds, Containers, Baskets	2067
Harbour	Boat Launch	2
	Docks	10
Facilities[25]	Administrative	2
	Cultural	9
	Support	39
Signage	Wayfinding	77
	Regulatory	374
	Interpretive	99
	Memorial	24
	Park ID	54
Park Amenities	Benches, Bike Racks, Picnic Tables, Bollards, Bleachers,	1,814

[25] The City's facility related database is being developed to componentize buildings into multiple assets that make up a single structure, following UNIFORMAT II guidelines. However, when discussing inventory for the purposes of asset management, it is more practical to report on the number of structures/buildings rather than each component.

Asset Class	Asset Type	Current Inventory
	Waste Receptacles, Flagpoles, Fencing & Gates, Lights	

2.6.2.2. Valuation

2.6.2.2.1. Replacement Cost Valuation - Facilities

The replacement cost of buildings was determined through the Building Condition Assessments completed in 2024. The replacement cost of facilities not assessed in 2024 have been estimated using the 2024 insured value under the City's property insurance policy.

2.6.2.2.2. Replacement Cost Valuation - All Other Asset Classes

The replacement costs were determined based on estimated replacement value through historical costs updated by inflation, market research, and other industry standards.

As of the end of 2024, the estimated replacement cost of the City's Parks & Open Space assets is $76.6 million.

Table 2.6.2: Parks & Open Space Replacement Valuation

Asset Class	Unit Replacement Cost	Replacement Cost	% of Total Value
Parks	Lump Sum	$4,040,000	5.3%
Campgrounds	Lump Sum	$1,370,000	1.8%
Active Recreation	Lump Sum	$18,605,000	24.6%
Transportation Networks	Lump Sum	$12,891,529	17.0%
Forestry	Lump Sum	$2,380,908	3.1%
Harbour	Lump Sum	$916,472	1.2%
Horticulture	Lump Sum	$635,178	0.8%
Fleet	Lump Sum	$2,021,580	2.7%
Facilities	Lump Sum	$24,810,555	32.8%
Signage	Lump Sum	$1,017,850	1.3%
Park Amenities	Lump Sum	$6,958,140	8.9%
Total		**$76,647,212**	**100%**

2.6.2.3. Assessment Approach

2.6.2.3.1. Parks and Outdoor Recreation Facilities

The state of the City's Parks buildings is determined through third-party building condition assessments (BCA), where applicable, and are given a Facility Condition Index[26] (FCI) score. The City last conducted BCA's in 2024 for 14 parks buildings through Roth Iams. For facilities without a BCA, an estimated FCI was given using a best practice method.[27]

Table 2.6.3: Facilities Condition Rating

Rating	Facility Condition Index
Very Good	<5%
Good	6-10%
Fair	11-30%
Poor	31-60%
Very Poor	>60%

2.6.2.3.2. Forestry

Recently, the City began to collect its tree database, and through this process, the tree's condition was assessed. The knowledge and expertise of these assessors were used to provide a subject matter expert (SME) opinion condition score. Until further guidelines are developed, the City will continue to assess forestry assets based on SME opinion. It is noted that SME opinion condition ratings have a medium accuracy as there is the opportunity for subjectivity.

2.6.4: Forestry Condition Rating

Rating	Tree Criteria
Very Good	Represents all expected characteristics of the species with little to no deformities or defects
Good	Very limited or no risk, acceptable abnormalities
Fair	Noticeable decline, showing more abnormalities, potentially posing structural failure
Poor	Structural failure likely, removal recommended

[26] FCI is equal to the Total Building Repair/Upgrade/Renewal needs in dollars ($) divided by the Current Replacement Value of Building Components in dollars ($). FCI is obtained by aggregating the total cost of any needed or outstanding repairs, renewal or upgrade requirements at a building compared to the current replacement value of the building components.
[27] Estimated FCI = (Replacement Value*.015)*Building Age/Replacement Value
(Replacement Value.015)=Annual Need*

Rating	Tree Criteria
Very Poor	Tree appears to be dead, removal needed

2.6.2.3.3. Parks, Campgrounds, Active Recreation Areas, Signage, Fleet, Horticulture, Forestry, Transportation Networks, Park Amenities

The City does not currently undertake third-party condition site inspections for campgrounds, active recreation areas, signage, fleet, horticulture, transportation networks or park amenities. Playgrounds are only inspected to ensure safe operations and are not inspected for a condition rating. Therefore, the condition of these assets is estimated using the remaining useful life (RUL) method in accordance with the estimated useful life. It is important to note that the RUL method used to determine the condition is solely age-based and does not consider any maintenance activities undertaken to extend the useful life of the assets. The confidence in the accuracy of the condition with this method is low.

2.6.5: Parks, Campgrounds, Active Recreation Areas, Signage, Fleet, Horticulture, Transportation Networks, Park Amenities Condition Rating

Rating	RUL % (Age Based)
Very Good	95-100
Good	80-94
Fair	40-79
Poor	10-39
Very Poor	<9

2.6.2.4. Asset Condition Assessment

There are some asset classes seen below, where the year installed is unknown, therefore the RUL method cannot be used, and additionally, there are no condition inspections. Due to this, these asset classes will not have condition data for this plan. The City is working towards obtaining condition data on all asset classes for future plans.

The next Table provides the condition score of the parks and open space assets, based on the above-noted scoring systems.

Table 2.6.6: Parks, Recreation & Open Space Condition Assessment

Asset Class	Condition Score	Condition System
Parks	Very Poor (-15.7%)	RUL (Age Based)

Asset Class	Condition Score	Condition System
Campgrounds	Fair (41.67%)	RUL (Age Based)
Active Recreation	Very Poor (-8%)	RUL (Age Based)
Transportation Networks	Not Tracked	Not Tracked
Forestry	Good	SME Opinion
Horticulture	Not Tracked	Not Tracked
Facilities	Very Poor (68%)	FCI (BCA) & FCI Estimates
Harbour	Poor (25%)	RUL (Age Based)
Fleet	Poor (13.5%)	RUL (Age Based)
Signage	Not Tracked	Not Tracked
Park Amenities	Not Tracked	Not Tracked

A pie chart breaking out the assets by condition for the parks and open space assets is shown in Figure below. This breakdown does not include the assets listed above as not tracked. When this data becomes available, the change will be reflected.

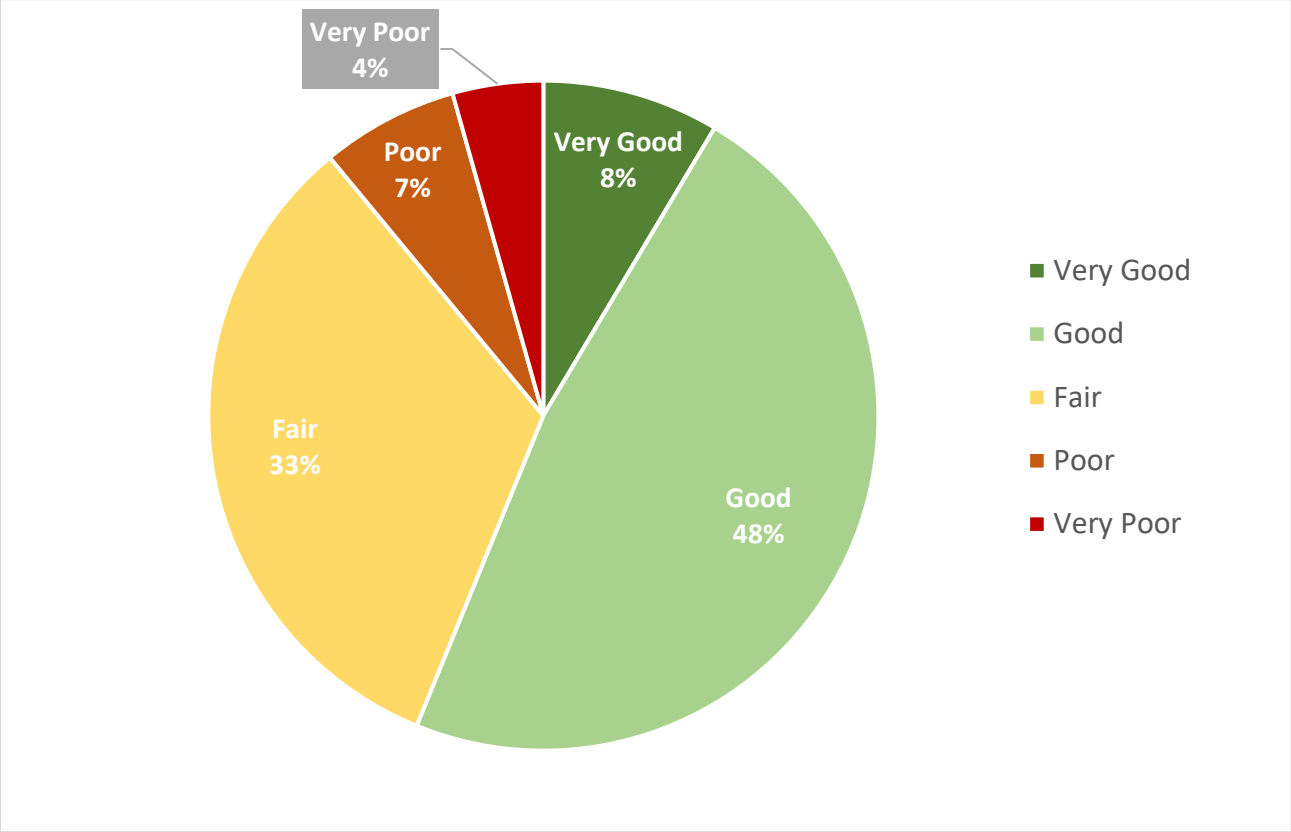

Figure 2.6.1 Parks and Open Space Condition Assessment – Including Forestry

The State of Assets - including forestry at based on 2024 data indicates that 56% of parks assets are in very good or good condition, 33% are in fair condition, and 11% are in poor or very poor condition.
99% of the asset data depicted is made up of forestry assets. Due to this, the data is slightly skewed, reflecting mainly the condition of these forestry assets.

The next Figure breaks out the condition of parks and open spaces assets, excluding forestry assets. This better captures the actual state of the tangible park's assets. This breakdown also does not include the assets listed above as not tracked.

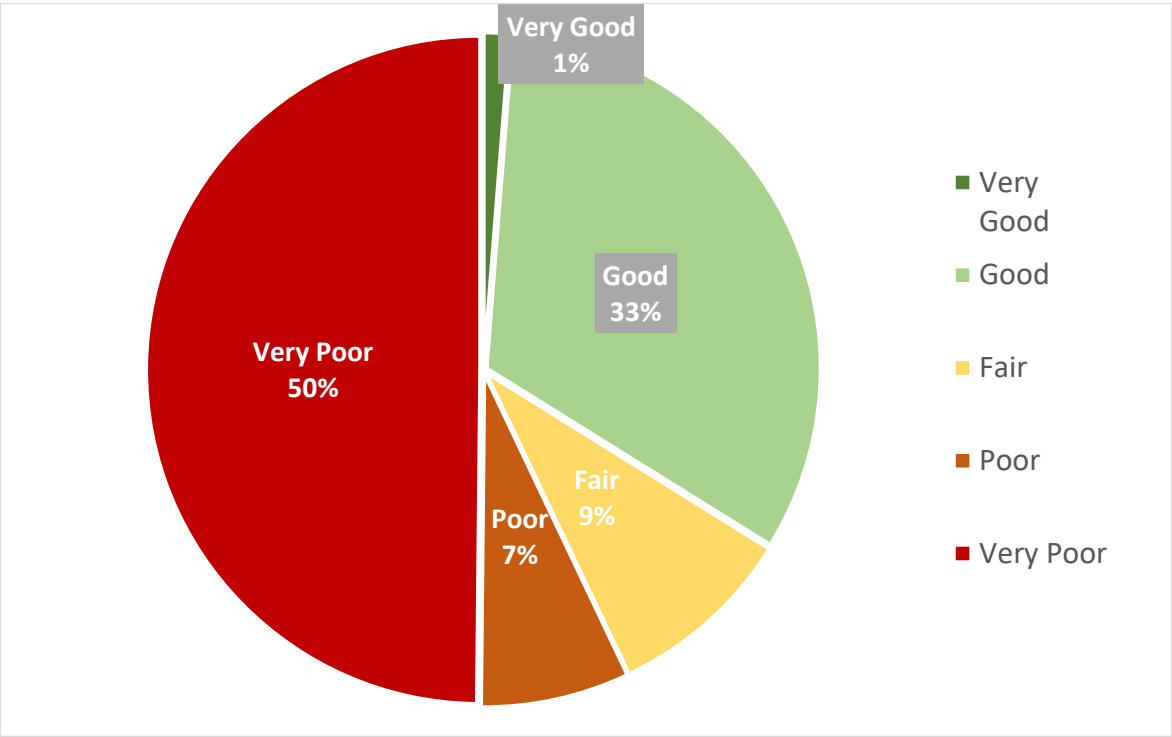

Figure 2.6.2 Parks and Open Space Condition Assessment – Excluding Forestry

The State of Assets – excluding forestry based on 2024 data indicates that 34% of parks assets are in very good or good condition, 9% are in fair condition, and 57% are in poor or very poor condition.

2.6.2.5. Useful Life

The useful life of the Parks and Open Spaces assets will vary by component, and the overall life is significantly impacted by the maintenance strategies and the level of use. There are currently no defined maintenance strategies deployed to extend the useful life, however, guidelines are followed to ensure the assets are kept in safe working order, and preventative maintenance is routinely completed on fleet.

The City is currently developing a fleet management strategy. This strategy will confirm the anticipated useful life for similar fleet assets across the organization.

It is possible to have some assets that exceed the lives defined as well as some that require replacement prior to the end of their anticipated life due to several factors including change of use, climate and significant weather, preventative treatment etc.

The next Table outlines the anticipated useful life for each asset class, along with the anticipated added life for each type of maintenance strategy. These lives are used for PSAB purposes and align with the City's Tangible Capital Asset policy.

Table 2.6.7: Useful Life – Parks & Open Space

Asset Class	Anticipated Useful Life (years)
New Asset / Replacement	
Parks (Playgrounds)	15-20
Campgrounds (excluding facilities)	20-50
Active Recreation	20-30
Transportation Networks	30
Forestry	Unknown
Facilities[28]	10-100
Harbour	25
Fleet	10-20

[28] The large span in anticipated useful life is due to the fact that buildings are broken out into 6 components as per Uniformat II guidelines, with each component type having varying useful lives.

Asset Class	Anticipated Useful Life (years)
Horticulture	Unknown
Signage	Unknown
Park Amenities	Unknown

2.6.3. Level of Service

Unlike the 2022 Asset Management Plan for Core Assets (roads, bridges, stormwater, water, and wastewater), O. Reg. 588/17 does not identify requirements for reporting on non-core Levels of Services such as Parks, Trails, Sports fields and Outdoor Recreation.

Levels of Service (LOS) refers to the quality and availability of services provided to residents and are defined by various performance measures.

With no guidance in the regulation, the only measurable LOS statement currently available is based on the condition of the assets. Until more comprehensive LOS targets are developed, using asset condition as a key indicator will help guide strategic planning and resource allocation. The following table summarizes the current level of service performance, based on the most recent data available.

Table 2.6.8: Current Level of Service – Parks & Open Space

Level of Service Statement	Technical Level of Service	Current Performance	Target Performance
Parks and Open Spaces are kept in good condition for reliable use.	% of Parks and Open Space assets in Fair or better condition.	43% (excluding forestry) 89% (including forestry)	Maintain current condition

A high-level Customer Level of Service (LOS) assessment as a framework, available in the 2025 Asset Management Plan for Non-Core Assets Executive Summary Report, was developed based on public observations and perceptions. It provides a high-level understanding of how users experience municipal assets. For example, parks and open spaces are generally perceived by the public as being in fair condition in terms of quality, reliability, and availability—reflected in their LOS scores. According to age-

based condition analysis, parks and open spaces are also in fair physical condition, supporting the public's perception. Also, park amenities are in poor condition based on their age-based condition assessment, and public survey reflects low customer LOS in terms of quality, reliability and availability. However, it is important to note that these assessments primarily reflect observational aspects. Key components are not typically visible to the public and were not evaluated through the customer-level survey, as they required technical, age-based assessment.

Using the mentioned framework, the City will need to develop a comprehensive Community and Technical Levels of Services to be maintained by the City as it continues to develop its asset management program.

2.6.3.1. Corporate Objective

The corporate objective of Parks & Open Space, as per the Recreation, Parks and Facilities Master Plan (2018) is to encourage residents of all ages to maintain physical, social and mental well-being through the provision and facilitation of a range of opportunities and choices. Section 7.5.1.2 of the City's Official plan also states that expansion, redevelopment and extension of facilities, parks and trails associated programs will be encouraged where financially feasible partnerships are developed, and community needs are addressed.

2.6.3.2. Legislative Requirements – General

A non-exhaustive list of the legislative requirements that impact the delivery of Parks & Open Space services include the following:

- Occupational Health and Safety Act (OHSA)
- Ontario Trails Act, 2016
- Occupiers Liability Act
- CSA Z614-20 Standards for Children's Play Spaces
- O.Reg. 565: Public Pools under the Health Protection and Promotion Act
- Bill 99, Garrett's Legacy Act (Requirements for Movable Soccer Goals), 2024
- O.Reg. 134/20 Pesticides Act
- Ontario Field of Play Inspection Guideline

2.6.4. Asset Management Strategy

2.6.4.1 Lifecycle Activities and Planned Actions

To effectively maintain the Parks & Open Space assets at the established service levels, they require the appropriate maintenance or rehabilitation strategy applied throughout an asset's lifecycle. There are six lifecycle maintenance strategies considered in the overall sustainable management of parks and open spaces, described in Table below.

Table 2.6.9: Lifecycle Activities – Parks & Open Space

Activities	Planned Actions	Lifecycle Activities
Non-infrastructure Solutions	Actions or policies that can lower costs or extend life and can include adjustments to levels of service	• Master Planning • By-law No. 1994-020 – Shade Tree By-law • By-law No. 1992-014 – Regulate and Control Parks
Maintenance	Regularly scheduled inspection and maintenance, or more significant repair and activities associated with unexpected events.	• Routine Inspections • Routine Operations and Maintenance • Reactive invasive species control • Hazard Tree Removals • Tree pruning and maintenance • Noxious Weed Control • Storm response cleaning
Renewal/ Rehabilitation	Significant repairs designed to extend the life of the asset.	• Limited to addressing defects and safety concerns • Renewal of Parkland and Sportsfield Turf • Shoreline restoration and stabilization • Corrective tree and shrub pruning and bracing
Replacement	Activities that are expected to occur once an asset has reached the end of its useful life and renewal/rehabilitation is no longer an option.	• Condition Based Replacement • Planting to support renewal of urban tree canopy coverage

Activities	Planned Actions	Lifecycle Activities
Disposal	Activites associated with disposing of an asset once it has reached its useful life, or is otherwise no longer needed by the municipality.	• Facility demolition • Decommissioning of end of life assets
Expansion	Planned activities required to extend services to previously unserviced areas – or expand services to meet growth demands.	• Addition of new assets through development (Street tree additions, new pathways and trails)

2.6.4.2. Risks Associated with the Strategy

A risk assessment and 10-year lifecycle strategy were developed as part of the 2025 Asset Management Plan None-Core Assets Executive Summary report. These analyses were based on customer-level LOS scores, offering a high-level view of asset condition and service risk from a user perspective. While they help guide general investment timing and prioritization, they are intended as broad planning tools and framework. More specific assessments remain necessary for evaluating individual asset components in detail.

Risks associated with not completing the above lifecycle activities are as follows:

Master Planning
Not engaging in master planning for Owen Sound's parks and open spaces increases the risk of misalignment between community priorities and recreational asset provision. This oversight can lead to inefficient resource allocation, missed opportunities for enhancement, and ultimately depreciates the community's quality of life and environmental health.

Routine Inspections
Missing routine inspections exposes the parks and open spaces to undetected hazards and maintenance issues. This neglect can degrade infrastructure quality, compromise public safety, lead to increased liability, and elevate unplanned expenditures from emergency repairs.

Routine Operations and Maintenance
Bypassing routine operations and maintenance can cause facilities to fall into disrepair, reducing their functionality and appeal. Longer-term costs can

escalate vastly compared to investing in regular upkeep, affecting budget forecasts and community satisfaction levels.

Reactive Invasive Species Control
Failure to control invasive species reactively allows them to proliferate, potentially displacing native species and disrupting local ecosystems. This can cause long-term harm that is costly and difficult to reverse, reducing biological diversity and ecological function.

Hazard Tree Removals
Ignoring hazard tree removal increases the risk of trees causing property damage or personal injury during storms or natural events. This can elevate municipal liability risks and compromise the aesthetic and ecological value of park areas.

Tree Pruning and Maintenance
Foregoing tree pruning, and maintenance may result in overgrown, unhealthy trees that pose safety risks and potential liability from falling branches. Proactive upkeep is crucial to tree health and the long-term beautification of urban environments.

Noxious Weed Control
Neglecting noxious weed control allows these plants to thrive, impacting biodiversity by outcompeting native vegetation. This negatively affects the visual appeal of parks, annoys park users, and may add to long-term control costs if not addressed promptly.

Storm Response Cleaning
Failure to respond to storm-related debris and damage can leave spaces hazardous and unusable. Debris can block pathways, cause an increase in infrastructure damage, and risk user safety, leading to elevated emergency response costs.

Limited to Addressing Defects and Safety Concerns
An approach solely focused on defect correction and safety limitations misses opportunities to improve and adapt spaces for better community engagement and usage efficiency. This can lead to stagnation and decreased public appeal over time.

Renewal of Parkland and Sportsfield Turf
Avoiding turf renewal for parks and sportsfields could result in compacted, worn terrain that is less functional, less attractive, and can increase the risk of injury during use. This can diminish user experience and satisfaction with these spaces.

Shoreline Restoration and Stabilization
Failing to pursue shoreline restoration and stabilization leaves areas vulnerable to erosion and ecological degradation, impacting recreational enjoyment and increasing the risk of property loss or infrastructure damage over time.

Corrective Tree and Shrub Pruning and Bracing
Skipping corrective pruning and bracing of trees and shrubs may allow structural weaknesses that risk damage during adverse weather events. Ensuring healthy growth patterns is vital for aesthetics, tree health, and preventing unforeseen collapse.

Condition-Based Replacement
By not applying condition-based replacement strategies, park infrastructure may decline to the point of failure before action is taken. This reactive approach can sharply increase repair or replacement costs and cause service

Decommissioning of End-of-Life Assets
Delaying the decommissioning of assets at the end of their life cycle can lead to inefficient use of resources. It risks safety hazards and incurs costs without delivering meaningful community benefits.

2.6.4.3. Lifecycle Analysis

The above lifecycle activities are typically undertaken as needed, usually when an asset begins to deteriorate or fail, rather than within a predetermined preventative timeframe. These strategies are prioritized through the capital and operating budget processes, guided by legislation, master plans, public input and internal assessments that help identify the needs of the parks and open space assets.

A high-level lifecycle cost analysis (LCA), grounded in LOS risk scoring, was included in the 2025 Asset Management Plan for Non-Core Assets Executive Summary Report. This approach provided a useful framework for identifying priorities across broad asset groups. While the analysis offers an insightful starting point, it needs to reflect the varying characteristics of subcategories within each asset type. Establishing more detailed lifecycle activities at the subcategory level would be beneficial to better account for the diverse functions, usage patterns, and maintenance requirements across the asset portfolio.

During the capital budget process, staff identify the most cost-effective options for completing projects while maintaining the current level of service. Guiding documents, such as the Parks, Trails and Recreation

Facilities Master Plan specify the materials and standards required to meet these established levels of service.

It is recommended that a comprehensive lifecycle strategy for non-core assets be developed in the future, aligned with the proposed customer levels of service outlined in the Executive Summary of the 2025 Asset Management Plan and defined through consultation with Council. This strategy will be crucial to ensure a systematic approach to asset management, allowing for proactive maintenance and timely upgrades. By aligning the strategy with the established levels of service, the City can optimize resource allocation, minimize unexpected failures, and maintain infrastructure quality, ultimately leading to cost savings and improved public satisfaction. It is important to note that balancing these costs within the City's budgets may necessitate reducing levels of service and seeking additional funding sources.

2.6.5. Financing Strategy

2.6.5.1. Annual Funding vs Annual Investment Required

O. Reg. 588/17 requires the Municipality to identify the cost of the lifecycle activities that would need to be undertaken to maintain the current levels of service for each of the ten years following the year for which the current levels of service are determined along with the costs of providing those activities.

The Table below outlines the 10-year lifecycle costs of parks and open space assets currently being funded.

2.6.5.1.1. Funding

Table 2.6.10: Annual Funding – Parks & Open Space[29]

Activities	Annual Costs										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Non-Infrastructure Solutions	$ -	$ -	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Maintenance	$ 517,318	$ 530,250	$ 543,507	$ 557,094	$ 571,022	$ 585,297	$ 599,930	$ 614,928	$ 630,301	$ 646,059	$ 662,210
Renewal/Rehabilitation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replacement	$ 437,500	$ 647,500	$ 434,500	$ 610,000	$ 60,000	$ 479,500	$ 479,500	$ 479,500	$ 479,500	$ 479,500	$ 479,500
Disposal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Expansion	$ 120,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$ 1,074,818**	**$ 1,177,750**	**$ 993,007**	**$ 1,167,094**	**$ 631,022**	**$ 1,064,797**	**$ 1,079,430**	**$1,094,428**	**$ 1,109,801**	**$1,125,559**	**$ 1,141,710**

The average parks and open space annual investment, as included in the City's annual operating budget, approved multi-year capital plan, and adjusted for the five years outside of the multi-year capital plan is $ $1,059,947.

Non-Infrastructure Solutions is derived from the Multi-Year Capital Plan, and operating budget, where applicable and are identified in the lifecycle strategy section above. Maintenance costs have been determined through the end of year 2024 Operating budget and are inflated by 2.5% each year for the period of this plan. Renewal/Rehabilitation costs will be derived from the Multi-Year Capital Plan as the City better defines these activities in future capital detail sheets. For the purposes of this report, these

29 This is an image for illustrative purposes.

activities have been identified as replacement activities. Replacement costs have been taken from the Multi-Year Capital Plan and Fleet Reserve Schedule. The multi-year capital plan is approved out to 2029. To forecast the subsequent years, an average of the previous years was used for the final five years of this plan.

It is important to note that the above table includes all budgeted items, no matter the source of funding. Funding sources can include reserves, taxation, and grants. Due to this, the funding amounts are not ensured and can be dependent on receiving a grant.

2.6.5.1.2. Investment Required

The Table below outlines the 10-year annual investment required to maintain the current level of service of parks and open space assets, utilizing the results of condition assessments and best practice applications.

Table 2.6.11: Annual Investment Required – Parks & Open Space[30]

Activities	Annual Costs											
	Backlog	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Non-Infrastructure Solutions	$ -	$ -	$ -	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Maintenance	$ 504,700	$ 517,318	$ 530,250	$ 543,507	$ 557,094	$ 571,022	$ 585,297	$ 599,930	$ 614,928	$ 630,301	$ 646,059	$ 662,210
Renewal/Rehabilitation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replacement	$ 1,714,733	$ 769,138	$ 1,247,477	$ 1,901,295	$ 934,407	$ 1,693,117	$ 3,380,837	$ 805,121	$ 789,645	$ 591,363	$ 774,610	$ 1,040,876
Disposal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Expansion	$ -	$ 120,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$ 2,219,433**	**$ 1,406,455**	**$1,777,728**	**$ 2,459,801**	**$ 1,491,501**	**$ 2,264,139**	**$ 3,966,134**	**$ 1,405,051**	**$ 1,404,573**	**$ 1,221,664**	**$ 1,420,668**	**$ 1,703,086**

The average annual investment required for parks & open spaces to maintain the current level of service for this portfolio is $1,895,019.

Non-Infrastructure Solutions are derived from the Multi-Year Capital Plan and operating budget, where applicable and are identified in the lifecycle strategy section above. Maintenance costs have been determined through the 2024 Operating budget and are inflated by 2.5% each year for the period of this plan. Renewal/Rehabilitation costs have been identified as replacement activities until such time the City updates it capital detail process. Replacement costs have been taken from a replacement schedule

30 This is an image for illustrative purposes.

aligning with the end of useful life for assets, the 2024 Building Condition Assessments, which outlines the activities to be undertaken to maintain the facility in a state of good repair and Fleet Reserve Schedule, which identifies replacement year. For assets categories with no installation date or estimated useful life, a best practice was used to determine the yearly amount required to fund the assets replacement.

2.6.5.2. Annual Funding vs Annual Investment Required Analysis

The analysis between the Investment Required and the Funding identifies the funding gap between the two financial models. The result of this analysis is included in the Table below as follows:

Table 2.6.12: 10 Year Total - Funding vs Need – Parks & Open Space[31]

	Annual Costs ($)												
	Backlog	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	10 Year Total
Funding	-	$ 1,074,818	$ 1,177,750	$ 993,007	$ 1,167,094	$ 631,022	$ 1,064,797	$ 1,079,430	$ 1,094,428	$ 1,109,801	$ 1,125,559	$ 1,141,710	**$ 11,659,416**
Need	$ 1,027,233	$ 1,406,455	$ 1,777,728	$ 2,459,801	$ 1,491,501	$ 2,264,139	$ 3,966,134	$ 1,405,051	$ 1,404,573	$ 1,221,664	$ 1,420,668	$ 1,040,876	**$ 20,885,823**
Funding Gap	$ (1,027,233)	$ (331,638)	$ (599,977)	$ (1,466,795)	$ (324,407)	$ (1,633,117)	$ (2,901,337)	$ (325,621)	$ (310,145)	$ (111,863)	$ (295,110)	$ 100,834	**$ (9,226,408)**

The chart on the next page is a visual representation of the 10-year funding vs need for parks and open space. Based on the chart, the 10-year funding gap is $9.2 million, and the average annual funding gap is $ (9,226,408).

In order to meet the financial requirements of the Lifecycle Financing Strategy, the City will be required to fund projects through additional revenue tools such as reserve and reserve funds, grants, debt, new revenues, or additional annual levy increases. Alternatively, projects will need to continue to be deferred, which will have a negative impact on the overall condition.

31 This is an image for illustrative purposes.

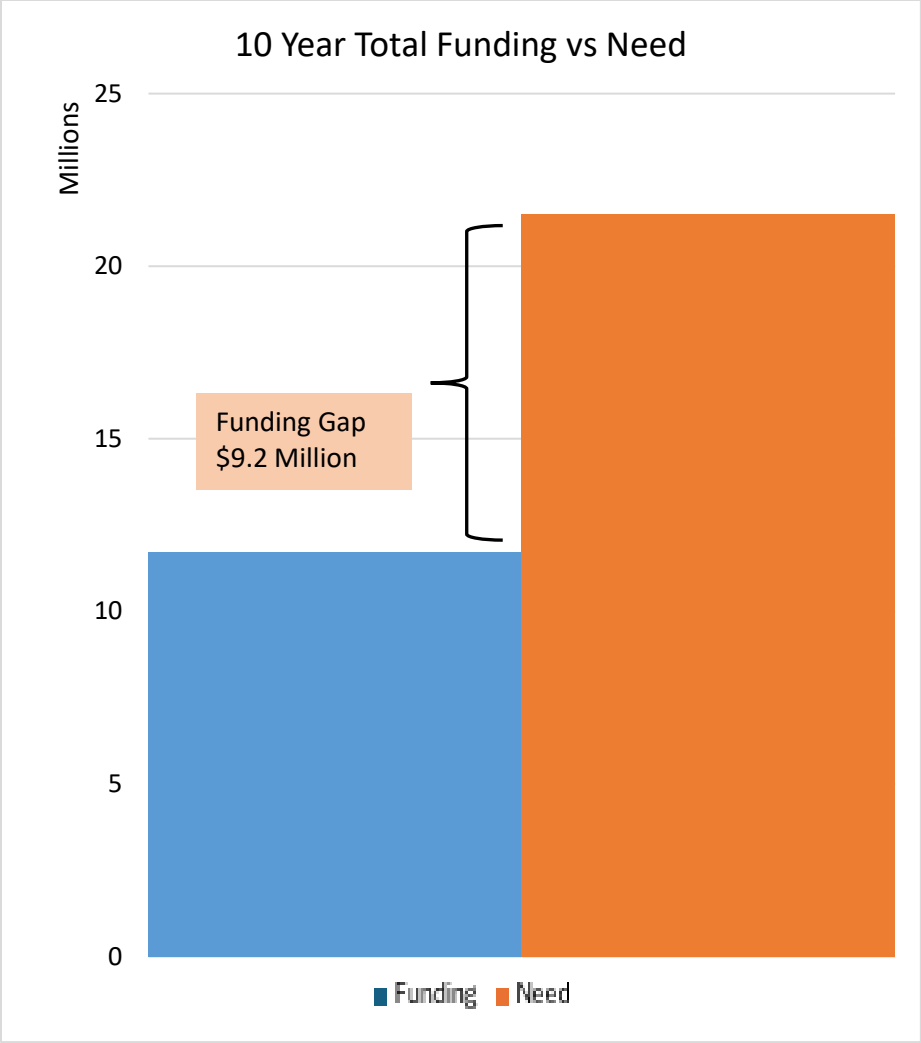

Figure 2.6.3: 10 Year Total Funding vs Need – Parks & Open Space

2.6.5.4. Lifecycle Financing Strategy Limitations

The Lifecycle Financing Strategy has been developed on the current levels of service and programs being delivered by the City. This strategy implies that these practices have been in place since the installation of the assets and does not recognize the impacts of previous investment that has resulted in the current system condition, nor does it take into account any backlog.

2.6.6. Improvement Plan and Recommendations

The following recommendations are based on the review of current management practices; and inventory, valuation and condition analysis.

Table 2.6.13: Asset Management Planning Recommendations – Parks & Open Space

	Recommendations
1.	Complete third-party Condition Assessments for assets such as playgrounds, trails, parking lots, and other equipment in accordance with industry best practices and standards
2.	Update historical assessments on a five-year cycle, unless otherwise legislated, to monitor conditions.
3.	Develop Levels of Service to reflect the various asset types in the City's portfolio.
4.	Develop a lifecycle management plan to ensure component quality and extend the useful life where possible.

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Asset Management Plan

Non-Core Road Network

2.7. Non-Core Road Network

2.7.1. Introduction

The City's road network assets are broken out into 4 asset classes and includes the following:

- **Streetlights:** Lighting fixtures installed along streets and public areas to illuminate the surroundings during nighttime hours to enhance visibility for drivers and pedestrians, improve safety, and contribute to urban security and aesthetics.
- **Traffic Signals:** Control devices located at intersections and pedestrian crossings that regulate vehicular and pedestrian traffic flow, ensuring safe and orderly movement, reducing traffic congestion, and preventing accidents.
- **Retaining Walls:** Structures designed to hold back soil and prevent erosion, often used to create level areas on sloped terrain for landscaping, roads, or property development. Their primary function is to provide stability and support to the terrain, preventing land movement and minimizing the risk of landslides.
- **Parking Lots:** Convenient parking space for residents, visitors, and businesses. Located near shops, dining, and attractions, they support local commerce and events by providing accessible short- and long-term parking options. This plan only captures the core downtown parking lots.
- **Fleet:** Light duty, Heavy duty, equipment, and machinery essential for the road network operations.
- **Facilities:** Support and administrative facilities for storage, maintenance work, and operations of road network assets.

The main core road network assets are addressed in the 2025 Core Asset Executive Summary Report, as well as in individual reports developed for each core asset to support ease of reference. The core road assets can be found under the Road Network Core Assets report. However, this report focuses on a selection of road networks classified as non-core assets, which have been examined separately to provide additional insight into their condition and management needs

2.7.2. State of Infrastructure

2.7.2.1. Inventory

The next Table summarizes the road network assets by asset class.

Table 2.7.1: Non-Core Road Network Inventory by Classification

Asset Class	Item	Current Inventory
Streetlights	Conventional Streetlight - Utility-owned Pole (arm only)	1500
	Conventional Streetlight - City-owned Pole (arm) - Direct Bury Pole (Incl. underground electrical supply)	500
	Conventional Streetlight - Luminaire	2000
	Decorative streetlight - decorative luminaire & arm (concrete base-mounted pole)	50
	Decorative Streetlight - Pole Top Luminaire (no arm) (concrete base-mounted pole)	50
Traffic Signals	Class 1	8
	Class 2	12
	Class 3	3
	Pedestrian Crossover	4
Retaining Walls	OSIM Identified Retaining Walls	38
Parking Lots[32]	Municipal lots	7
Fleet	Light Duty Vehicles	7
	Heavy Duty Vehicles	5
	Light Duty Equipment	17
	Heavy Duty Equipment	5
Facilities[33]	Roads Support Buildings	• Sand Domes (2) • Murray McDonald Building (Shop/Office) • Storage Shop

[32] Core municipal parking lots only. Additional parking lots will be included in a future asset management plan update, when the data is available.
[33] The City's facility related database is being developed to componentize buildings into multiple assets that make up a single structure, following UNIFORMAT II guidelines. However, when discussing inventory for the purposes of asset management, it is more practical to report on the number of structures/buildings rather than each component.

2.7.2.2. Valuation

2.7.2.2.1. Replacement Cost Valuation - Streetlights, Traffic Signals, Parking Lots, Fleet

The 2024 estimated replacement costs were determined through historical costs updated by inflation, price indices, and the City's 2023 Development Charges Study where appropriate.

2.7.2.2.2. Replacement Cost Valuation - Retaining Walls

Replacement costs for retaining walls are provided annually in the Ontario Structure Inspection Manual (OSIM) summary reports. These reports estimate the costs of replacing each retaining wall with a similar structure, as any future modifications must comply with detailed design and current design standards.

2.7.2.2.3. Replacement Cost Valuation - Facilities

The replacement cost of buildings was determined through the Building Condition Assessments completed in 2024. The replacement cost of facilities not assessed in 2024 have been estimated using the 2024 insured value under the City's property insurance policy.

As of the end of 2024, the estimated replacement cost of the City's non-core road assets is $44,165,099 million.

Table 2.7.2: Non-Core Road Assets Replacement Valuation

Asset Type	Replacement Cost	Replacement Cost	% of Total Value
Streetlights	Lump Sum	$12,850,000	29%
Traffic Signals	Lump Sum	$6,510,000	15%
Retaining Walls	Lump Sum	$6,818,200	15%
Parking Lots	Lump Sum	$1,031,760	2%
Fleet	Lump Sum	$6,436,000	15%
Facilities	Lump Sum	$10,519,139	24%
	Total	**$ 44,165,099**	**100%**

2.7.2.3. Assessment Approach

2.7.2.3.1. Streetlights, Traffic Signals, Parking Lots, Fleet

While the City follows O.Reg 239/02, Minimum Maintenance Standards for Municipal Highways, and conducts third-party inspections for streetlights and traffic signals to ensure they are in working order, a condition score is not given. Additionally, the City does not currently undertake internal or third-party condition inspections for parking lots. Due to this, the condition of these assets is based on their remaining useful life (RUL). It is important to note that the RUL method used to determine the condition is solely age-based and does not consider any maintenance activities undertaken to extend the useful life of the assets. The confidence in the accuracy of the condition with this method is low.

Table 2.7.3: Streetlight, Traffic Signals, Parking Lots, Fleet Condition Rating

Rating	RUL % (Age Based)
Very Good	95-100
Good	80-94
Fair	40-79
Poor	10-39
Very Poor	<9

2.7.2.3.2. Retaining Walls

The state of the City's retaining walls is determined under the direction of a professional engineer and in accordance with the Ontario Structure Inspection Manual (OSIM), as per O.Reg 104/97. The City last conducted a third-party inspection of retaining walls in 2023 through GM BluePlan Engineering. Through these inspections, the retaining walls are given a Bridge Condition Index[34] (BCI) score.

Table 2.7.4: Retaining Wall Condition Rating

Rating	BCI
Very Good	80.0 - 100
Good	65.0 - 79.9

[34] The Bridge Condition Index (BCI) for each structure is determined based on the MTO Methodology. The BCI determined helps to schedule maintenance and rehabilitation work and is not an indication of the safety of the bridge. The BCI is related to the condition defined within the MTO Methodology.

Fair	45.0 - 64.9
Poor	40.00 - 44.9
Very Poor	0 - 39.9

2.7.2.3.3. Facilities

The state of the facilities is determined through third-party building condition assessments (BCA) where they are given a Facility Condition Index[35] (FCI) score. The City last conducted BCA's in 2024 through Roth IAMS. For facilities without a BCA, an estimated FCI was given using a best practice method.[36]

Table 2.7.5: Facilities Condition Rating

Rating	Facility Condition Index
Very Good	<5%
Good	6-10%
Fair	11-30%
Poor	31-60%
Very Poor	>60%

2.7.2.4. Asset Condition Assessment

The Table below provides the pooled condition score of non-core road assets by class.

Table 2.7.6: Condition Assessment – Non-Core Road Network

Asset Class	Condition Score	Condition System
Streetlights	Fair (57%)	RUL (Age Based)
Traffic Signals	Poor (33%)	RUL (Age Based)
Retaining Walls	Good (75)	BCI
Parking Lots	Fair (58%)	RUL (Age Based)
Fleet	Fair (37%)	RUL (Age Based)
Facilities	Fair (16%)	FCI

[35] FCI is equal to the Total Building Repair/Upgrade/Renewal needs in dollars ($) divided by the Current Replacement Value of Building Components in dollars ($). FCI is obtained by aggregating the total cost of any needed or outstanding repairs, renewal or upgrade requirements at a building compared to the current replacement value of the building components.

[36] Estimated FCI = (Replacement Value*.015)*Building Age/Replacement Value
(Replacement Value.015)=Annual Need*

A pie chart breaking out the assets by condition for the Municipality's non-core road assets is shown in the next Figure.

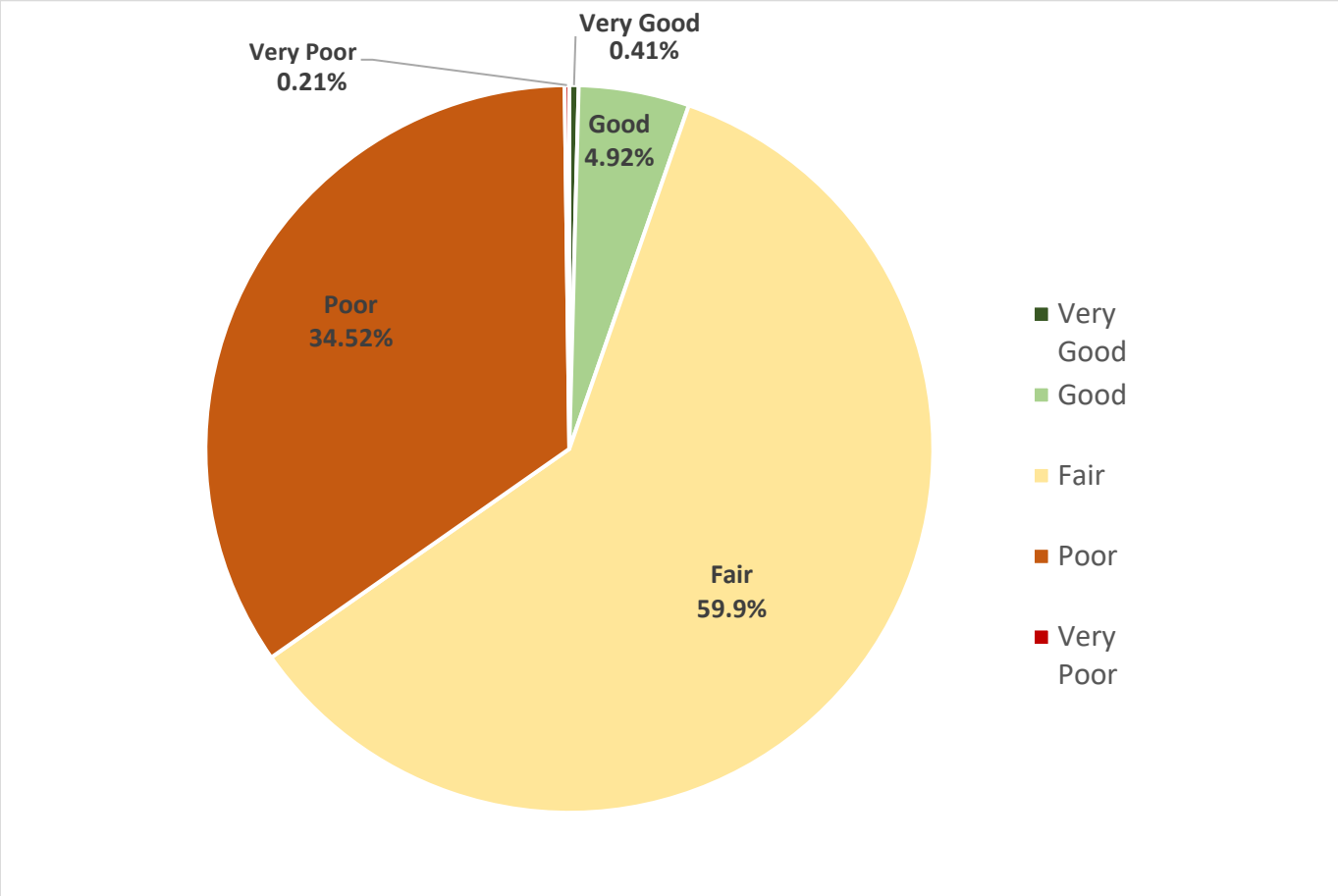

Figure 2.7.1: Visual Non-Core Road Network Condition Assessment

The State of Assets with the most recent 2024 data indicates that 5.33% of non-core road network assets are in Very Good or Good condition, 59.9% are in Fair condition, and 34.73% are in poor or very poor condition.

Note: Streetlights are currently a grouped asset, with one average condition rating for all assets within the group. This group of assets makes up a large portion of road network assets in poor condition. It is suspected that when these assets are tracked individually, the overall condition score will improve.

2.7.2.5. Useful Life

The useful life of the non-core road network assets will vary by component, and the overall life is significantly impacted by the maintenance strategies and the level of use. There are currently no defined maintenance strategies deployed to extend the useful life, however, guidelines are followed to

ensure the assets are kept in safe working order, and preventative maintenance is routinely completed on fleet.

Facilities are unlike other assets because they comprise numerous components, each with its own distinct lifespan and maintenance requirements. The overall life of a building is significantly impacted by the maintenance strategies employed and the level of use each component endures. The City understands that there are various maintenance strategies tailored to each asset component.

The City is currently developing a fleet management strategy. This strategy will confirm the anticipated useful life for similar fleet assets across the organization.

It is possible to have some assets that exceed the lives defined as well as some that require replacement prior to the end of their anticipated life due to several factors including change of use, climate and significant weather, preventative treatment etc.

The next Table outlines the anticipated useful life for each asset class, along with the anticipated added life for each type of maintenance strategy. These lives are used for PSAB purposes and align with the City's Tangible Capital Asset policy.

Table 2.7.7: Useful Life by Asset Class – Non-core Road Network

Asset Class	Anticipated Useful Life (years)
Streetlights	25-65
Traffic Signals	25
Retaining Walls	50
Parking Lots	40
Fleet	7-25
Facilities[37]	10-100

2.7.3. Level of Service

Unlike the 2022 Asset Management Plan for Core Assets (roads, bridges, stormwater, water, and wastewater), O. Reg. 588/17 does not identify

[37] The large span in anticipated useful life is due to the fact that buildings are broken out into 6 components as per Uniformat II guidelines, with each component type having varying useful lives.

requirements for reporting on non-core Levels of Services such as Fire and Emergency Services.

Levels of Service (LOS) refers to the quality and availability of services provided to residents and are defined by various performance measures.

With no guidance in the regulation, the only measurable LOS statement currently available is based on the condition of the assets. Until more comprehensive LOS targets are developed, using asset condition as a key indicator will help guide strategic planning and resource allocation.

The following Table summarizes the current level of service performance, based on the most recent data available.

Table 2.7.8: Current Level of Service – Non-core Road Network

Level of Service Statement	Technical Level of Service	Current Performance	Target Performance
Assets are maintained in a state of good repair.	% of non-core road network assets in fair or better condition.	65.23%	Maintain Current Condition

A high- level Customer Level of Service (LOS) assessment as a framework, available in the 2025 Asset Management Plan for Non-Core Assets Executive Summary Report, was developed based on public observations and perceptions. It provides a high-level understanding of how users experience municipal assets. For example, parking facilities are generally perceived by the public as being in good condition in terms of quality, reliability, and availability—reflected in their positive LOS scores. According to age-based condition analysis, parking facilities are also in fair to good physical condition, supporting the public's perception. However, it is important to note that these assessments primarily reflect observational aspects. Key components such as streetlights were not included in the customer-level survey, as they require technical, evaluations to accurately assess their condition.

Using the mentioned framework, the City will need to develop a comprehensive Community and Technical Levels of Services to be maintained by the City as it continues to develop its asset management program.

2.7.3.1. Corporate Objective

The corporate objective of infrastructure services as per the City's Official Plan (2022) is to improve, maintain and expand the City's infrastructure network, including transportation, and servicing infrastructure in order to better serve residents, businesses and visitors. The City's transportation network is designed to facilitate the safe, convenient and reliable movement of people, goods and services between within the City and to external destinations.

2.7.3.2. Legislative Requirements – General

A non-exhaustive list of the legislative requirements that impact the delivery of non-core road network services include the following:

- Ontario Minimum Maintenance Standards
- Ontario Highway Traffic Act
- Building Code Act & Ontario Building Code
- Environmental Assessment Act
- Accessibility for Ontarians with Disabilities Act (AODA)

2.7.4. Asset Management Strategy

2.7.4.1. Lifecycle Activities and Planned Actions

To effectively maintain the road network assets at the established service levels, they require the appropriate maintenance or rehabilitation strategy applied throughout an asset's lifecycle. There are six lifecycle maintenance strategies considered in the overall sustainable management of these assets, described in the Table below.

Table 2.7.9: Lifecycle Activities – Non-core Road Network

Activities	Planned Actions	Lifecycle Activities
Non-infrastructure Solutions	Actions or policies that can lower costs or extend life and can include adjustments to levels of service	• Master Planning • Third-party Building Condition Assessments

Activities	Planned Actions	Lifecycle Activities
Maintenance	Regularly scheduled inspection and maintenance, or more significant repair and activities associated with unexpected events.	• OSIM inspections legislatively required every 2 years • Streetlight Bulb Retrofits • Minimum Maintenance Standards Inspections
Renewal/ Rehabilitation	Significant repairs designed to extend the life of the asset.	• Crack Repair (Retaining Walls) • Equipment component replacement
Replacement	Activities that are expected to occur once an asset has reached the end of its useful life and renewal/rehabilitation is no longer an option.	• Complete Asset Replacement – Condition Based
Disposal	Activities associated with disposing of an asset once it has reached its useful life, or is otherwise no longer needed by the municipality.	• Environmental Remediation
Expansion	Planned activities required to extend services to previously unserviced areas – or expand services to meet growth demands.	• Construction of new parking lots, streetlights, retaining walls etc. due to development.

2.7.4.2 Risks Associated with the Strategy

A risk assessment and 10-year lifecycle strategy were developed as part of the 2025 Asset Management Plan None-Core Assets Executive Summary report. These analyses were based on customer-level LOS scores, offering a high-level view of asset condition and service risk from a user perspective.

While they help guide general investment timing and prioritization, they are intended as broad planning tools and framework. More specific assessments remain necessary for evaluating individual asset components in detail.

Risks associated with not completing the above lifecycle activities are as follows:

Third-party Building Condition Assessments
Failure to conduct third-party building condition assessments risks an inaccurate understanding of the actual state of facilities, leading to unanticipated repairs and maintenance costs. These missed insights could also compromise safety standards, decrease asset longevity, and result in decreased investment return.

Inspections
Neglecting regular inspections of road network assets can result in undetected deterioration or damage. Without timely identification of issues, minor problems may escalate into larger failures, leading to increased repair costs, safety risks, and disruptions in service. Inspections are critical for proactive asset management and maintaining infrastructure reliability.

Minor Repairs (e.g., Crack Repair on Retaining Walls)
Ignoring minor repairs, such as crack repairs on retaining walls, can compromise structural integrity over time. Small defects, if left untreated, may develop into serious failures, requiring more extensive and expensive rehabilitation or replacement. This also introduces safety risks, particularly in areas with significant traffic or pedestrian activity.

Equipment Component Replacement
Not replacing equipment components promptly risks exacerbating wear and tear on machinery. Continued operation with failing components can lead to more significant equipment breakdowns, higher replacement costs, and compromised service delivery continuity.

Condition-Based Replacement
Failing to replace assets based on their condition can lead to significant deterioration, resulting in higher costs due to emergency repairs or unplanned replacements. It can also cause safety hazards for road users, reduced service levels, and potential liability issues for the City.

Environmental Remediation After Disposal
Skipping environmental remediation after asset disposal can result in contamination of soil, water, or air, causing environmental damage and potential regulatory violations. This can expose the city to legal liabilities,

fines, and increased costs for future clean-up efforts, in addition to harming public health and the surrounding ecosystem.

2.7.4.3. Lifecycle Analysis

The above lifecycle activities are typically undertaken as needed, rather than within a predetermined timeframe, usually when an asset has significantly deteriorated or failed. There is currently no timely rehabilitation that occurs throughout the non-core road assets' life to extend their useful life.

Once an asset has begun to deteriorate, the above strategies are prioritized through the capital and operating budget processes, guided by OSIM reports, Minimum Maintenance Standards Inspections, and internal assessments that help identify the needs of the road network assets.

A high-level lifecycle cost analysis (LCA), grounded in LOS risk scoring, was included in the 2025 Asset Management Plan for Non-Core Assets Executive Summary Report. This approach provided a useful framework for identifying priorities across broad asset groups. While the analysis offers a insightful starting point, it needs to reflect the varying characteristics of subcategories within each asset type. Establishing more detailed lifecycle activities at the subcategory level would be beneficial to better account for the diverse functions, usage patterns, and maintenance requirements across the asset portfolio.

During the capital budget process, staff identify the most cost-effective options for completing projects while maintaining the current level of service. Guiding documents, such as the Transportation Master Plan, specify the materials and standards required to meet these established levels of service.

It is recommended that a comprehensive lifecycle strategy for non-core assets be developed in the future aligned with the proposed customer levels of service outlined in the Executive Summary of the 2025 Asset Management Plan and defined through consultation with Council. This strategy will be crucial to ensure a systematic approach to asset management, allowing for proactive maintenance and timely upgrades. By aligning the strategy with the established levels of service, the City can optimize resource allocation, minimize unexpected failures, and maintain infrastructure quality, ultimately leading to long-term cost savings and improved public satisfaction. However, it is important to note that balancing these costs within the City’s budgets may necessitate reducing levels of service in areas, and seeking additional funding sources.

2.7.5. Financing Strategy

2.7.5.1. Annual Funding vs Annual Investment Required

O. Reg. 588/17 requires the Municipality to identify the cost of the lifecycle activities that would need to be undertaken to maintain the current levels of service for each of the ten years following the year for which the current levels of service are determined along with the costs of providing those activities.

2.7.5.1.1. Funding

The next Table outlines the 10-year lifecycle costs of the non-core road network assets currently being funded:

Table 2.7.10: Annual Funding – Non-Core Road Network[38]

Activities	Annual Cost										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Non-Infrastructure Solutions	$ -	$ 250,000	$ -	$ 300,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Maintenance	$ 456,125	$ 467,528	$ 479,216	$ 491,197	$ 503,477	$ 516,064	$ 528,965	$ 542,189	$ 555,744	$ 569,638	$ 583,879
Renewal/Rehabilitation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replacement	$ 192,000	$ 447,000	$ 1,423,500	$ 1,459,500	$ 499,000	$ 699,000	$ 699,000	$ 699,000	$ 699,000	$ 699,000	$ 699,000
Disposal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Expansion	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$ 648,125**	**$ 1,164,528**	**$ 1,902,716**	**$ 2,250,697**	**$ 1,002,477**	**$ 1,215,064**	**$ 1,227,965**	**$ 1,241,189**	**$ 1,254,744**	**$ 1,268,638**	**$ 1,282,879**

The average annual investment, as included in the City's annual operating budget, approved multi-year capital plan, and adjusted for the five years outside of the multi-year capital plan is $ 1,314,456. Non-Infrastructure Solutions is derived from the Multi-Year Capital Plan, and operating budget, where applicable and are identified in the lifecycle strategy section above. Maintenance costs have been determined through the 2024 Operating budget and are inflated by 2.5% each year for this plan. Renewal/Rehabilitation costs will be derived from the Multi Year Capital Plan as the City better defines these activities in future capital detail sheets. For the purposes of this report, these activities have been identified as replacement activities. Replacement costs have been taken from the Multi-Year Capital Plan and Fleet Reserve Schedule. The multi-year capital plan is approved out to 2029. To forecast the subsequent years, an average of the previous years was used for the final five years of this plan.

It is important to note that the above table includes all budgeted items, no matter the source of funding. Funding sources include reserves, taxation, and grants. Due to this, the funding amounts are not ensured and can be dependent on receiving a grant.

38 This is an image for illustrative purposes.

2.7.5.1.2. Investment Required

The Table below outlines the 10-year annual investment required to maintain the current level of service of the non-core road network assets utilizing the results of condition assessments and best practice applications:

Table 2.7.11: Annual Investment Required – Non-core Road Network[39]

Activities	Annual Costs ($)											
	Backlog	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Non-Infrastructure Solutions	-		$ 250,000		$ 300,000							
Maintenance	-	$ 456,125	$ 467,528	$ 479,216	$ 491,197	$ 503,477	$ 516,064	$ 528,965	$ 542,189	$ 555,744	$ 569,638	$ 583,879
Renewal/Rehabilitation	-											
Replacement	$ 2,253,409	$ 1,330,988	$ 1,446,927	$ 2,830,780	$ 1,864,492	$ 873,816	$ 3,665,939	$ 997,904	$ 43,981	$ 103,200	$ 39,482	$ 464,082
Disposal	-											
Expansion	-											
Total	**$ 2,253,409**	**$ 1,787,113**	**$ 2,164,455**	**$ 3,309,996**	**$ 2,655,689**	**$1,377,292**	**$ 4,182,002**	**$ 1,526,869**	**$ 586,171**	**$ 658,944**	**$ 609,119**	**$ 1,047,960**

The average annual investment required for the non-core road network to maintain the current level of service for this portfolio is $1,846,585.

Non-Infrastructure Solutions are derived from the Multi-Year Capital Plan and operating budget, where applicable and are identified in the lifecycle strategy section above. Maintenance costs have been determined through the 2024 Operating budget and are inflated by 2.5% each year for the period of this plan. Renewal/Rehabilitation costs have been identified as replacement activities until such time the City updates it capital detail process. Replacement costs have been taken from the 2024 Building Condition Assessments, which outlines the activities to be undertaken to maintain the facility in a state of good repair, Fleet Reserve Schedule, which identifies replacement year, and a replacement schedule for all other assets based on end of useful life date, with input from the OSIMs for retaining walls.

39 This is an image for illustrative purposes.

2.7.5.2. Annual Funding vs Annual Investment Required Analysis

The analysis between the Investment Required and the Funding identifies the funding gap between the two financial models. The result of this analysis is included in the Table below as follows:

Table 2.7.12: 10 Year Total - Funding vs Need – Non-core Road Network[40]

	Annual Costs												
	Backlog	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	10 Year Total
Funding	-	$ 648,125	$ 1,164,528	$ 1,902,716	$ 2,250,697	$ 1,002,477	$ 1,215,064	$ 1,227,965	$1,241,189	$ 1,254,744	$ 1,268,638	$ 1,282,879	$ 14,459,021
Need	$ 2,253,409	$ 1,787,113	$ 2,164,455	$ 3,309,996	$ 2,655,689	$ 1,377,292	$ 4,182,002	$ 1,526,869	$ 586,171	$ 658,944	$ 609,119	$ 609,119	$ 21,720,179
Funding Gap	$ (2,253,409)	$ (1,138,988)	$ (999,927)	$ (1,407,280)	$ (404,992)	$ (374,816)	$ (2,966,939)	$ (298,904)	$ 655,019	$ 595,800	$ 659,518	$ 673,759	$ (7,261,158)

Note: The years where there appears to be more funding than need, is due to OSIM replacement years being recommended earlier than reflected in the multi-year capital plan.

The chart on the next page is a visual representation of the 10-year funding vs need, which identifies the funding gap. The 10-year funding gap is $7.2 million, and the average annual funding gap is $7,261,158.

In order to meet the financial requirements of the Lifecycle Financing Strategy, the City will be required to fund projects through additional revenue tools such as reserve and reserve funds, grants, debt, new revenues, or additional annual levy increases. Alternatively, projects will need to continue to be deferred, which will have a negative impact on the overall condition.

40 This is an image for illustrative purposes.

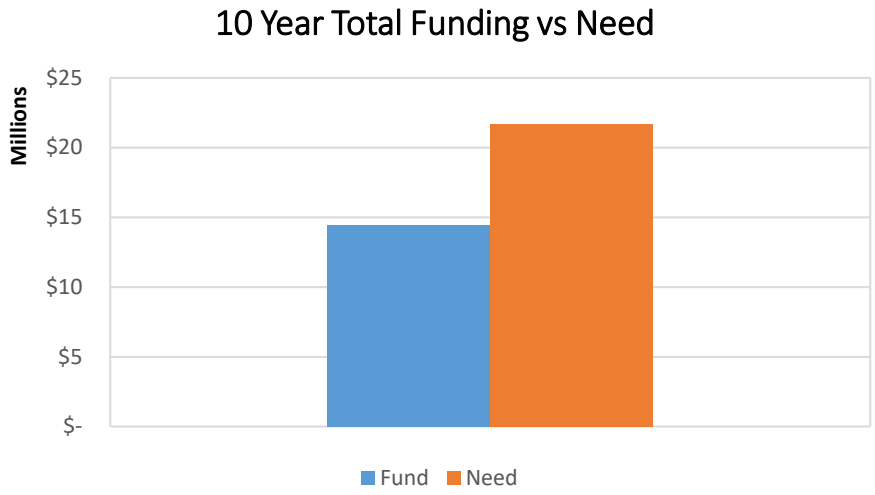

Figure 2.7.2: 10 Year Total Funding vs Need – Non-core Road Network

2.7.5.3. Lifecycle Financing Strategy Limitations

The Lifecycle Financing Strategy has been developed on the current levels of service and programs being delivered by the City. This model implies that these practices have been in place since the installation of the assets and does not recognize the impacts of previous investments that has resulted in the current system condition, nor does it take into account any backlog. Additionally, the current strategy was produced with the limited data available, and therefore, there may be inaccuracies in replacement costs, end of useful life, replacement timing, etc.

2.7.6. Improvement Plan and Recommendations

The following recommendations are based on the review of current management practices; and inventory, valuation and condition analysis.

Table 2.7.13: Asset Management Planning Recommendations – Non-Core Road Network

	Recommendations
1.	Conduct condition inspections on traffic signals, streetlights, and parking lots in 2025 and beyond to monitor lifecycle work completed to date and to develop a model for these asset classes.
2.	Establish and monitor appropriate and measurable levels of service and performance measures, including the establishment of target asset conditions for each asset class.

Recommendations	
3.	Establish a dedicated funding stream for the management of non-core road network assets.
4.	Implement a scoring system integrated with GIS mapping to correlate asset condition ratings for the non-core road network assets, ensuring timely rehabilitation or replacement of all assets within the road corridor.