Chatham-Kent

DETAILED ASSET MANAGEMENT PLAN | 2024

Arts & Culture

Contents

5.0 FUTURE DEMAND

6.0 RISK MANAGEMENT PLAN

7.0 CLIMATE CHANGE ADAPTATION

8.0 FINANCIAL SUMMARY

9.0 PLAN IMPROVEMENT AND MONITORING

Chatham-Kent Community Report Card

150 events held in 2023

100 YEARS OLD two CK museums are over the age of

15 art exhibits in 2023

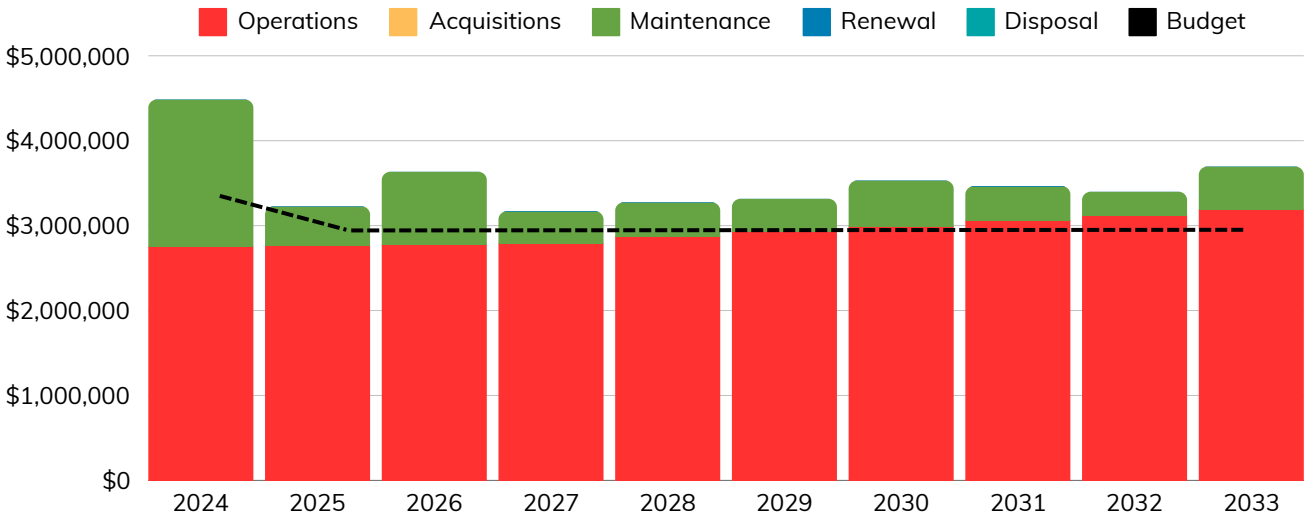
Annual Funding Gap	Asset Renewal Ratio	% of 10-Year Plan Funded
$527,000	29%	85%

Asset Summary

Assets	Items	Replacement
Facilities		$123,086,000
Equipment		$670,000
Technology		$800,000

$124,556,000 Total Replacement Cost

10 Year Life Cycle Forecast



Data Confidence Low Medium High

2.0 INTRODUCTION

2.1 Background / Purpose of Service

Community Cultures & Connections (C3) is responsible for managing Arts and Culture's (A&C's) municipal venues and associated programming. C3's mission is to support the development and enhancement of community culture and to foster connections. Part of the mandate includes offering a diverse range of cultural programs, thereby enhancing the public's access to cultural experiences.

A&C is dedicated to enhancing quality of life and fostering community unity and pride by cultivating a vibrant creative economy that energize the arts and culture sectors and supports creative professionals in earing a livelihood. By offering a diverse and captivating array of shows and events, A&C enhances Chatham Kents allure a community of choice to live and invest in as well as to visit.

Each year, A&C proudly welcomes approximately 100,000 visitors to its five facilities, including the Chatham Cultural Centre (which houses the CK Musem, Thams Art Gallery, Kiwanis Theatre, and Studio's One and Two that are used for programming and rentals, Chatham Captial Theatre, ARTspace, and the Milner Heritage House and Ridge House Museum

The A&C venues stand as the Municipality's key cultural assets, serving as a foundational support for local artists and organizations while fostering dialogue and reflection on the social and environmental issues that touch the local community and the broader world.

Museums

Museums serve the community through the research, collection, conservation, interpretation, and exhibition of tangible and intangible heritage. They offer a window into the history of humankind. As public, accessible, and inclusive spaces, museums promote diversity and sustainability by providing a range of experiences for education, enjoyment, reflection, and the sharing of knowledge.

The international Council of Museums defines museums as "not-for-profit, permanent institutions in the service of society that research, collect, conserve, interpret and exhibit tangible and intangible heritage. Open to the public, accessible, and inclusive, museums foster diversity and sustainability. They operate and communicate ethically, professionally and with the participation of communities, offering varied experience for education, enjoyment, reflection, and knowledge sharing".

The Municipality of Chatham-Kent has three museum sites: the Chatham-Kent Museum, Milner Hertiage House, and Ridge House Museum, that strive to present new and engaging exhibits and programming throughout each year. In 2023, CK Museums offered

- 6 new exhibitions,
- 14 children's workshops,
- 34 education programs,
- 6 PA Day camps,
- 5 week-long camps,
- 7 lectures, 2 exhibition openings, 3 special events/tours, and 1 symposium,

Theatres

The Municipality of Chatham-Kent owns and manages 2 theatres, The Chatham Captiol Theatre and the Kiwanis Theatre. A theatre's purpose is to provide a healthy space for the community to connect to various ideas and perspectives, be entertained, and ensure there is a space to enhance both cultural and societal needs. Theatres are critical tools for;

- Allowing people to see different perspectives from their own
- Promoting learning
- Promoting social discourse, dialogue and potential social change
- Supporting the local economy

Combined, the Capitol and Kiwanis theatres host over 150 events each year, which include;

- Perfomrance
- Concerts
- Plays
- Community events
- Corporate events

These events typically attract 80,000 patrons annually from diverse demographics from across Southwestern Ontario, mainly from London, Windsor, and Sarnia, as well as visitors from Michigan and Ohio.

Art Gallery

The Municipality of Chatham-Kent manages the Art Gallery and ARTspace.

The Ontario Arts Council definition of public art galleries is as follows: “Public art galleries promote and encourage understanding of the visual arts. Their professional staff create the context in which artists’ works are seen in relation to community and culture. Through exhibitions, publications, education and outreach initiatives, public art galleries present and interpret works of art, and hold art collection in trust for their communities.”

The Thames Art Gallery (TAG) places emphasis on arts education and diverse multidisciplinary programming that encourages engagement and fosters critical dialogues. TAG’s primary curatorial activity is the interpretation of contemporary Canadian art and hits history, with a focus on artist from Southwester Ontario being represented both within the gallery and offsite. Another Key function of TAG is to preserve and procure essential pieces, including paintings, sculptures, and photographs to ensure they are well preserved for posterity.

In 2023, the space provided;

- 9 new art exhibitions
- 3 free community arts initiatives
- 2 community Art Crawls

TAG programming nurtured future and current artists in 2023 by providing programming that was attended by various groups, including;

- 42 in-person programs (32 specifically attended by children)
- 427 schoolchildren took part in education workshops
- 170 children enrolled in PA Day, March Break and Summer Day camps

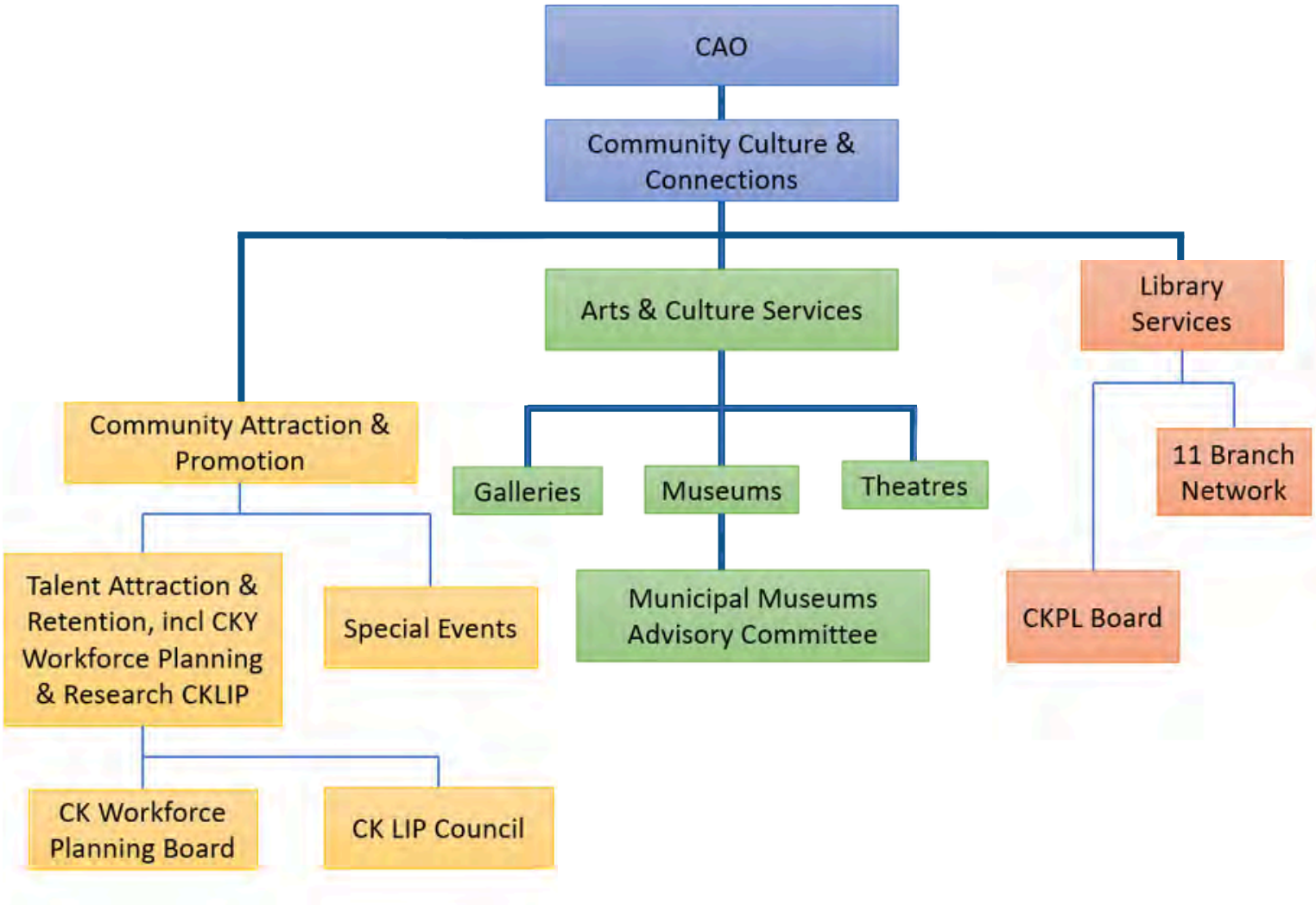
ARTspace is a community arts initiative dedicated to the promotion and development of CK artists engaged in contemporary visual arts practice. In 2023, ARTspace delivered:

- 7 art exhibitions
- 2 community window displays celebrating and raising awareness
- 4 community arts initiatives
- 2 community Art Crawls

Table 2.2: Key Stakeholders in the DAMP

Key Stakeholder	Role in Asset Management Plan
Chatham-Kent Council	• Distribute resources to achieve planning objectives in service provision while effectively mitigating risks. • Back asset management initiatives to enhance understanding and guide decision-making. • Allocate funding to sustain the desired level of service throughout the entire life cycle.
Mayor/CAO	• Advocate for and champion the adoption of asset management principles within the organization. • Guarantee the availability of sufficient resources to foster the development of staff knowledge and skills, facilitating the implementation and ongoing enhancement of asset management practices.
General Manager	• Allocate resources to meet the organization's objectives in providing services while managing risks. • Overall responsibility to provide leadership in influencing decision-making processes related to Asset Management.
Director	• Allocate resources to meet the organization's objectives in providing services while managing risks. • Provide leadership in influencing decision-making processes related to Asset Management.
Staff	• Inform management to changes in asset conditions or known faults and risks • Proactively care for assets to ensure they can achieve their desired ESL
Community	• Engage in facilitated discussions to enable the municipality to comprehend the community's desired level of service.
Various Committees & Community Organizations	• Municipal Museums Advisory Committe provides guidance and support for AM related practices • Gallery Advisory committee supports and provides guidance for AM related practices • Public Art Advisory Committee • Museum Network & the CK Arts & Council Network provide community input

A&C organizational structure for service delivery from infrastructure assets is detailed below.



A&C detailed in this DAMP does not include Libraries or Community Attraction & Promotion (presented in their own DAMP), identified in orange and yellow in the organizational structure above.

2.3 Asset Hierarchy, Registry & Age Profile

An asset hierarchy provides a framework for structuring data in an information system to assist in data collection, reporting, and decision-making. The hierarchy includes the asset class and components used for asset planning and financial reporting, as well as the service level hierarchy used for service planning and delivery.

An asset registry is a single data source containing an asset data inventory, including attribute information for each asset. This attribute information includes a record of each asset, including condition, age, replacement cost, and asset-specific information (e.g., length, diameter, material, etc.). A&C's asset registry is currently structured as an asset hierarchy, explained below.

Chatham-Kent is working towards establishing a functional asset hierarchy, which means the hierarchy has been established based on what the asset owner needs or wants the asset or system to do. Generally, assets and systems are organized according to their primary function. The service hierarchy is shown in **Table 2.3.1.**

Table 2.3.1: Asset Service Hierarchy

Service Hierarchy	Service Level Objectives
Facility	Provide a safe, clean space for cultural opportunities and activities
Equipment	Ensure that A&C has sufficient quantity of equipment to deliver high quality cultural event
Technologies	Provide adequate technology to support programming and operational levels of service

Asset Registry

Table 2.3.2 shows the assets covered by this DAMP. These include all facilities, equipment, technology and software required for Chatham-Kent to deliver its service to the community.

Table 2.3.2: Service Assets

Asset Category	Description	Age or Average Age	Average Condition	Avg Estimate Service life Remaining	Current Replacement Value
Facilities	Art Gallery (2) Museums (3) Theatres (2)	65 Years	Fair	34 Years	**$123,086,000**
Equipment	Lights, Control Boards, Lifts, Speakers, Monitors, Microphones	Varies	Good	14 Years	**$670,000**
Technology	Software, Computers, Monitors, POS, Imagination Sation, Equipment	Varies	Good	6 YEars	**$800,000**
				Total Rep Value	**$124,556,000**

All figure values are shown in 2024 dollar value.

Theatre Facilities

At this time, CK owns and operates two theatre spaces: Chatham Capitol Theatre and the Kiwanis Theatre.

Chatham-Kent Capitol Theatre - The theatre was built in the 1930s as a movie theatre retains much of its historical grandeur, with art deco detailing, gilded décor, opera boxes and an ornate ceiling. The Capitol is a performing arts centre and is suitable for large-scale concerts and events and is a popular stop for national and international touring artists. The 1210 seat venue has 455 seats on the balcony level and 755 seats on the orchestra level. The 65-foot fly tower and state-of-the-art rigging allow for large-scale, technically advanced productions. The orchestra pit is designed for the optimal acoustic experience.

Interior Capitol Theatre

Interior CapitolTheatre

The second floor of the Theatre contains a lounge, which provides intermission space for beverage service. The Theatre also has a lounge space in the basement, which is a flexible room often utilized for rehearsals, lectures, and receptions which can accommodate approximately 250 people.

Kiwanis Theatre - The Kiwanis Theatre, is located within the Cultural Centre, 75 William Street North, is a versatile live performance venue.

Annually, the Kiwanis Theatre showcases a variety of professional performances and spotlights talent from Chatham-Kent. It offers rental space to various community groups and is also utilized by national and regional promoters for professional shows. The Kiwanis Theatre features a proscenium stage with an extended apron and seats approximately 679 people, depending upon the configuration required by each production.

Exterior Kiwanis Theatre

Interior Kiwanis Theatre

Museum Facilities- At this time, CK owns and operates three museum spaces across the municipality.

Cultural Centre/CK Museum—The museum is located at 75 William Street North in Chatham-Kent. It was constructed in 1988 as a multi-use addition spanning 11,571 square feet to the CK Cultural Centre. The museum collection includes approximately 300,000 artifacts, photographic images, and documents that are the basis of in-house exhibitions, research, and programming. and provides interactive exhibits that explore the past and the future. The museum rotates several exhibits each year to ensure that residents and visitors have multiple reasons to come.

Exterior Museum

Imagination Station at CK Museum

Ridge House Museum - The museum is a restored 1875 Victorian home located at 53 Erie St. S. in Ridgetown. The site was the original residence of Mr. and Mrs. George Mulholland, and this modest middle-class family home in Ridgetown was constructed in 1875 for $200. The house was designed as a typical Gothic revival home with a symmetrical floor plan, front and side porches, and a single front gable above the centre front door. The museum was established to collect and preserve artifacts and specimens significant to the area represented by Ridgetown and the former Howard Township.

Ridge House Museum Exterior

Ridge House Museum Exterior

Milner Heritage House - The Milner Heritage House is part of the CK museum and is located at 59 William Street North in Chatham. It was built in 1897 by Robert Milner (industrialist) and his wife Emma Wicks (artist). In 1943, their children donated the house to the City of Chatham. For over 43 years, the residence served as the CK Museum.

Today, the Milner Hertiage House is operated as part of the CK museum featuring a collect of art by Emma Milner.

Interior Milner Heritage House

Exterior Milner Heritage House

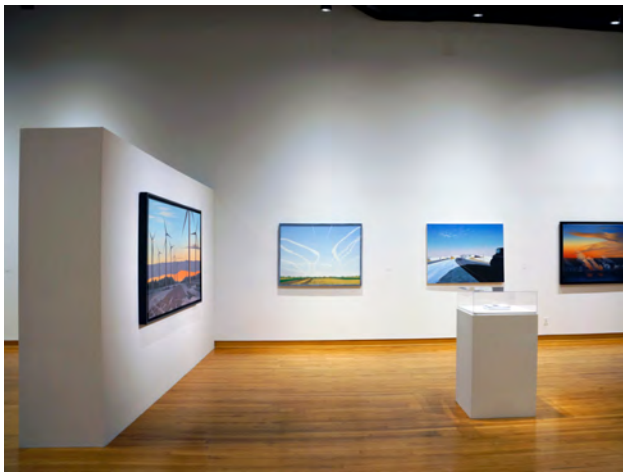
There are additional facilities that provide museum services throughout the municipality and are currently included in the replacement costs however council supports their operation through various grants and are not directly under the supervision of A&C. These will be investigated further in future iterations of the A&C DAMPs to ensure the full cost of all A&C expenses are included within the DAMPS

Thames Art Gallery & Art Space - The gallery is situated at 75 William Street North, Chatham, and it was initially the site of the Chatham Vocational School, established in 1925. In 1963, the abandoned school was sold to the purchased for $37,500 by a group of community members eager to create an art center in Chatham. By 1969, the Thames Theatre Association for the Arts began hosting live performances in the original school theater, while the former gymnasium transformed into an art gallery. A community fundraising initiative led to significant renovations of the gymnasium and studio spaces in 1975, during which TAG received Federal designation as a National Exhibition Centre. In 1980, the City of Chatham took over the financial responsibilities for the Gallery.

The TAG creates diverse exhibitions aimed at addressing challenges in showcasing innovative art, including installations, interactive works, and performance, both on-site and off-site. Its programming encourages reflection on local culture while expanding the definition of art within contemporary society. Key components include public programs, curatorial research, collecting, preservation, and inclusive audience development.

ARTspace- is located at 165 1/2 King St. W, in downtown Chatham and currently represents 34 CK artisans. Developed as a TAG community initiative in partnership with a group of interested CK artists, ARTSspace aims to expand artist discourse through exhibition programming and professional development through workshops, studio visits, volunteering opportunities and art gallery openings.

TAG Exhibit



ARTspace Exhibit

Museum Collection - While it is important to recognize the value of historical collections, they generally do no hold a replacement cost value as they are often one of a kind and could not be replaced. The collection consists of the following:

- 5,000 artifacts at Ridge House Museum
- 6,700 3D artifacts at CK Museums
- 300,000 textiles, art and archival materials at CK Museum

Within the DAMP, the cost of the collection is considered through operational dollars spent on insurance or efforts to maintain the condition of the collection to ensure it does not fall into disrepair or is unable to be utilized. It would not be practical or useful to monetize a historical collection that cannot be replaced if they were ever to be lost or damaged in some way.

Equipment - A&C owns a significant amount of equipment to support the delivery of its services at its various locations.

Theatre Equipment - Significant equipment is required to support live productions at either of its locations.

- Lighting - Intelligent lighting, Light Boards/Controls, DMX cables, Dimmers, follow spots, Cyclorama lighting and haze machines
- Sound - Sound Board/Console, speakers, amplifiers, DI boxes, microphones (SM58's, SM57's, Lapel, lavaliers, playback devices, stage crew headsets
- Stage - Curtains, Backdrops, Tracks, Rigging etc.

Museum Equipment - to support museum activities, programming, and exhibits (in person, digitally and virtual program options.)

- Exhibit props (mannequins, risers, display cases)
- Projector, scanner
- Hygrothermographs, data logger
- IPADS, frames, videos game table, lite brite, light cubes and interactive supplies
- Percussion wall
- Archival storage and reference library

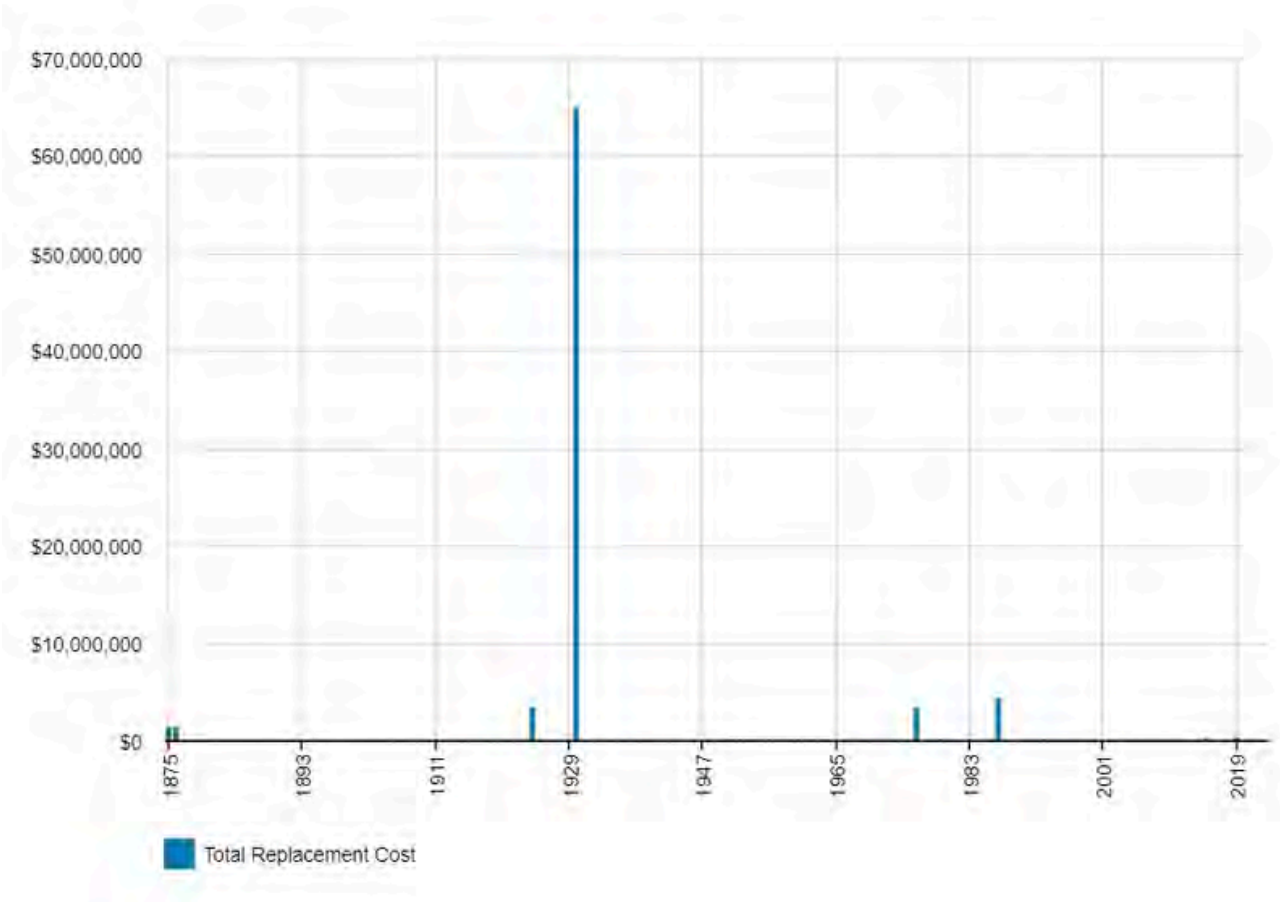
Gallery Equipment - Equipment is required to support exhibitions and public programming including lectures, artists talks, art workshops/classes in person and virtual at both locations.

- Installation equipment - scissor lift, plinths, moveable walls
- Sound equipment - speakers, microphones
- New Media - Projecto, monitors, media players
- Programming - Pottery wheels, kilns, tables supplies etc.

Asset Age

The age of an asset plays a crucial role in asset management, serving as a default basis for planning. Assets typically have an estimated service life (ESL) that guides their replacement schedule. Assets with lower costs or criticality may be renewed based on age, serving as an interim measure for condition assessment until more robust methodologies are developed. Age can also be a renewal indicator when there are legislatively mandated age requirements for assets. However, it's essential to recognize that asset condition assessments based solely on age are generally regarded as low-confidence indicators. Age is a mandatory measurement required by O.Reg. 588/17. The age profile of the assets included in this DAMP is shown in **Figure 2.3.3.**

Figure 2.3.3 Assets Age Profile Graph



All figure values are shown in 2024 dollar value.

2.4. Asset Condition

The condition rating communicates the necessary maintenance for an asset to either return to an improved state, remain operational or achieve its expected lifespan. Condition is the leading indicator for maintenance activities.

A standardized assessment of building conditions was carried out in 2024 to determine facility condition ratings. At the time of writing the plan, CK had not received all of the reports for A&C, and as such, it should be acknowledged that there is an incomplete assessment of the facilities. Over the next year, Facilities Services will be reviewing all of the BCA reports and will work with A&C to create a 10-year lifecycle plan for its facilities. A&C will utilize a standardized condition rating system for all critical assets to assist in future planning. At this time, facilities are the only assets that are currently undergoing condition assessments.

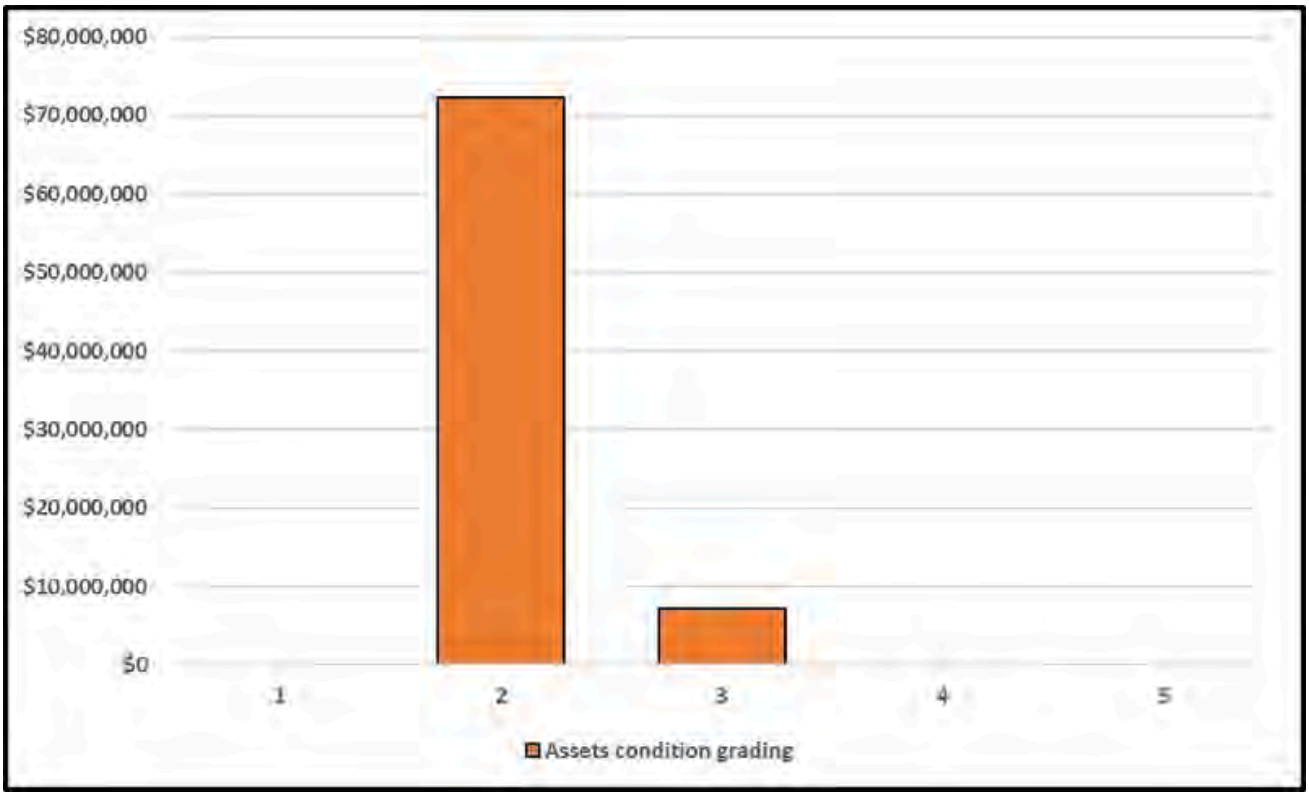
Conditions will be measured using a 1 – 5 grading system in future plan iterations, as detailed in **Table 2.4.1**. A consistent approach must be used in reporting asset performance, enabling adequate decision support. A finer grading system may be used at a more specific level; however, for reporting in the DAMP, results are translated to a 1 – 5 grading scale for ease of communication.

Table 2.4.1: Condition Grading System

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

The condition profile of A&C assets is shown in **Figure 2.4.2.**

Figure 2.4.2: Asset Condition Profile



All figure values are shown in 2024 dollars.

On average, most assets in the A&C registry are deemed to be in fair/good condition. However, this does not imply that all assets are in good condition. Significant assets, in terms of criticality and cost, are rated as fair, poor, or even very poor.

Maintaining A&C assets in good condition is vital for the service, as it heavily depends on their availability and state. For instance, if most maintenance activities were postponed for ten years, the facility's condition rating would deteriorate from good to very poor in less than nine years. In future iterations of the DAMP, A&C will further expand on the condition of assets as the AM knowledge matures.

2.5. Asset capacity and performance

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

Table 2.5.1: Known Service Performance Deficiencies

Location	Service Deficiency
Cultural Centre	Roof needs to be replaced in several areas Elevator requires repairs Asphalt parking lot requires repairs
Buxton Museum	Parking lot requires replacement and pedestrian pavement needs repairs
Capitol Theatres	Major roofing and roof systems requiring either repair or renewal
Wallaceburg Museum	Elevator requires replacement Windows and some brick exterior need replacement/repars

The above service deficiencies were identified from the 2024 Building Condition Assessment, which was completed in 2024. This is not an exhaustive list, as at the time of writing plans, there are still outstanding BCA details on A&C facilities. The service deficiencies will be updated in the next iteration of the DAMP.

3.0 LIFECYCLE

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

Once A&C acquires an asset, the municipality must fund the remaining lifecycle costs, such as operations, maintenance and likely inevitable renewal. These other lifecycle costs are far more significant than the initial construction or purchase cost and are often multigenerational. Since lifecycle costs are spread across multiple decades, A&C must approach its asset planning with a long-term view to ensure it effectively manages the assets and assists in making informed choices.

3.1 Acquisition Plan

Acquisitions reflect new assets that did not previously exist or works that will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, and social or environmental needs. Any asset donated to A&C is also considered an acquisition.

3.1.1 Selection criteria

Proposed acquisition of new assets and upgrade of existing assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrades and new works should be reviewed to verify that they are essential to the A&C needs. The proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled for future work programs. The priority ranking criteria are detailed in **Table 3.1.1.**

Table 3.1.1: Acquired Assets Priority Ranking Criteria

Criteria	Weighting
Increase to Level of Service	45%
Legislative Requirements or Obligations	45%
Emerging Technology	10%
Total	100%

Summary of future asset acquisition costs

At this time, A&C has no major acquisitions planned. A&C is determining whether acquiring space will enable optimized service delivery over time and will continue to pursue viable options to support the goal of achieving sustainability. At the time of writing this DAMP, no actions have been committed; however, if there are any future acquisitions for A&C, they will be included in the next iteration of the DAMP.

Image: Gordon, Hortense. Sun, Moon, Space Arrangement, 1960. oil on canvas. This work was generously donated by A.B Colerick. Thames Art Gallery Permanent Collection G965.07.01.

3.2 Operations Plan

Operations encompass critical and routine tasks to support A&C in delivering its various services. Everyday operational activities include staff costs, cleaning spaces, program delivery, administrative activities, software licensing, insurance, public engagement, utility expenses, obtaining program supplies, artist fees, exhibit fees, and conducting training sessions. These tasks and activities are essential for the service's daily operations.

A&C is a service driven by its personnel and the facilities that provide the service space. While a significant portion of the budget costs are associated with employees, the facilities themselves also constitute a substantial part of the operational investment required to provide cultural services within Chatham-Kent. For A&C to function efficiently and effectively, staffing with a variety of skills is necessary to attain the desired service level. Currently, A&C employs;

- 2 Leadership and Administrative FTE’s
- 3.5 Museum FTE’s
- 3.5 Gallery FTE’s
- 6.5 Theatre FTE’s
- 2 Facility FTE’s

In addition to full-time roles, A&C employes part-time venue attendants, part-time maintenance staff, and a pool of call-in stagehands and technicians to support programming, venues and shows.

The staff provides support through day-to-day operational activities to ensure residents are engaged through cultural programming and exhibits. A&C to ensure the following core care services are provided:

- **Museums** - The CK museums offer programming and special events including full-day weeklong children's camps, children's workshops and lectures. The collections of artifacts form the foundation of museums exhibitions, programming and research. The Museums also offer:
    - **Virtual Exhibitions and Collections** - Exhibits that can be shared virtually to ensure that members of the public who cannot physically visit the space still have opportunities for enrichment and enjoyment. Artifacts are uploaded to a digital platform to increase accessibility and inclusivity of the museum collection for researchers, educators, students and virtual content consumers.

- **Outreach Programming and Exhibits -** Strategic participation in community events and with community partners across CK increase knowledge and access to museum services.

- **TAG/ARTspace -** The TAG and ARTspace's regular operating days are Wednesday through Sunday. varying hours of availability. Staff are on-site to answer guest questions, lead programs, and assist with customer eds. TAG also provides a variety of programs to C.K. residents, such as:
  - Spar Joy! Art Series for Seniors - Designed for those 55 years and up, which connects seniors to new artistic skills and regular opportunities to explore hidden talents
  - Children's programs include P.A. Day activities, March break, and summer camps, where children can learn about watercolours, collages, printmaking, sewing, crafts, and clay sculptures. These inclusive activities are fun and foundational for sculpting and inspiring the next generation of artists.
  - Adult programs and events - These activities and events are open and available to the public and include 'Beginner Wheel Pottery,' 'Drop in and Draw,' 'Thai Chi in the Gallery,' 'Hand-Building with Clay' as well as 'Art & Wine - Origin Stories'
  - School Day Trips—Thames Art Gallery customizes school trips to include cultural education and creative play and is geared towards any age group. The types of programming offered include Acrylic Painting, Watercolor Painting, Clay Tiles, making clay instruments, and much more.

Beginner Wheel Pottery

Hand Building With Clay

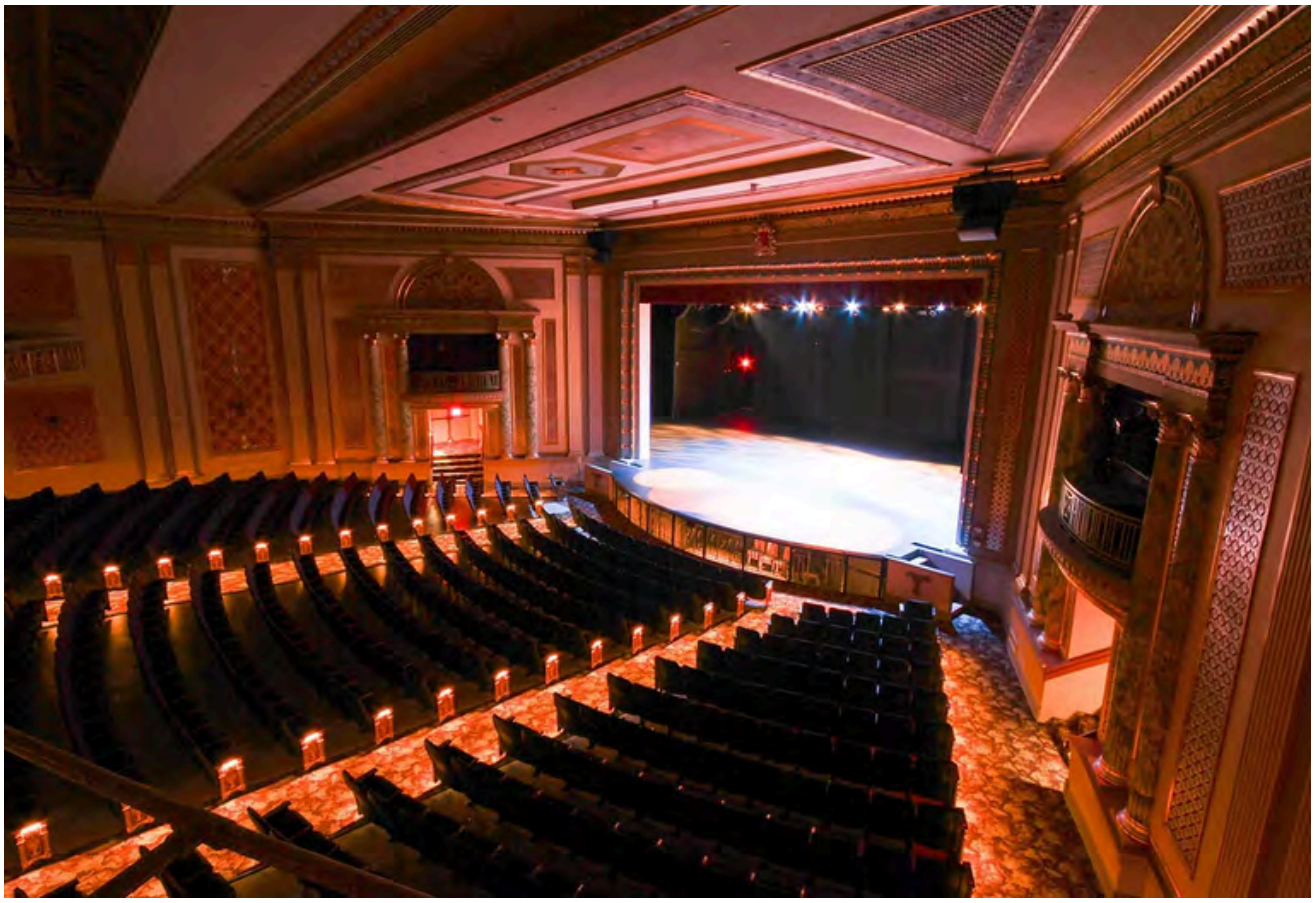
Theatre—Both theatres annually present a variety of professional performances and showcase some of Chatham-Kent's finest talents. The theatres offer rental space to numerous community groups and are also leased by various national and regional promoters for professional entertainment. The performances include live bands, comedians, theatre productions, solo shows, improvisation, and lectures. Additionally, the Capitol Theatre screens a diverse selection of movies.

Staff activities encompass the continuous operation and maintenance of each performance. The staff manage the theatre from both the front of the house (FOH) and the back of the house (BOH).

FOH is responsible for ticket and concession sales, cleaning, and ushering guests to their seats, among other tasks. Additionally, this includes the theatre's administration, which involves booking acts, scheduling rehearsals, and staffing for shows.

BOH activities in technical theatre encompass sound checks, lighting programming, stage maintenance, prop management, light bulb replacement, fixture gelling, microphone feedback elimination, scenery rigging, and orchestra setup.

Interior Capitol Theatre



Over the 10-year planning period, A&C forecasts it will need to invest;

- **$19,412,000** in staff wages
- **$4,032,000** for facility operating costs (Energy costs, cleaning, inspections, BCA's)
- **$1,816,000** Entertainment fees (Entertainment Fees/Costs)
- **$642,000** Exhibit Costs (Installations, shipping, rental fees, openings, artists fees)
- **$657,000** for supplies
- **$1,734,000** for Grants to Buxton National Historical Site & Museum, CKBHSA & Black Mecca Museum & Wallaceburg and District Museum
- **$600,000** for programming costs (Educational supplies, instructor frees, exhibits)
- **$135,000** for software support and maintenance fees
- **$406,000** for janitorial supplies

Multiple factors can affect operational costs, including labour Provincial funding levels or changes in priorities, labour negotiations and recruitment costs, Council funding or changes in priorities, rising energy costs, rising food costs, and inflationary impacts. All of these factors will impact the future costs of these services.

A small portion of operational costs are funded by the provincial government annually; however, it is not practical or logical to assume that the funding envelopes will keep pace with rising costs. Historically, the Provincial government has been slow to react to funding change requirements, and the burden falls on the Municipality to absorb the rising costs.

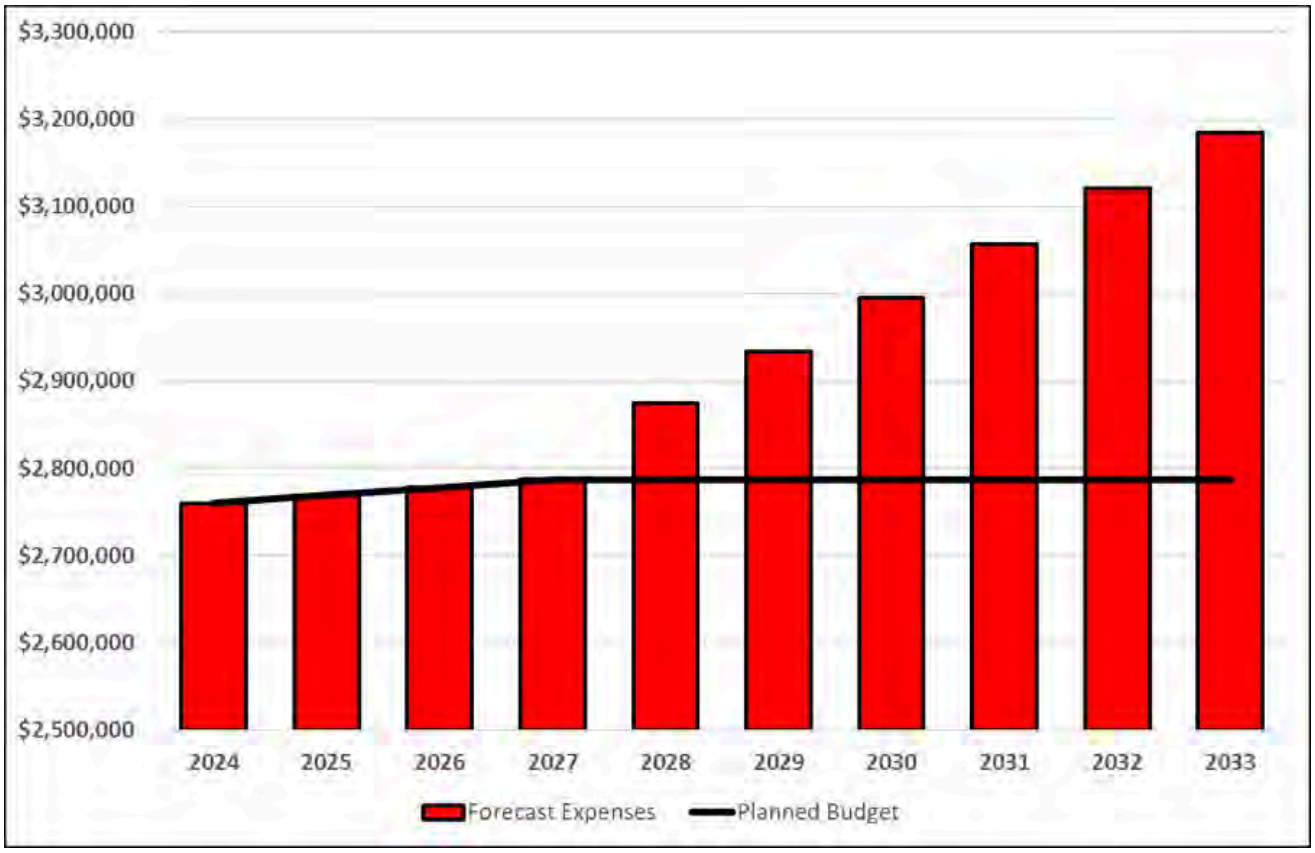
At the time of writing this DAMP, it was impossible to adequately separate some of the costs to detail how much is invested each year for specific programs. Over the next three years, A&C will work with the Asset and Quality Management (AQM) division to separate the operational programs and costs, ensure that they can be included in the operational explanations and connect the costs to specific technical levels of service.

Summary of forecast operations costs

Forecast operations costs are expected to vary in relation to the total value of the asset and operational staffing needs. If additional assets or staffing are acquired, the future operations costs are forecast to increase. If assets are disposed of, the forecast operation costs are expected to decrease. Changes in levels of service directed by the council will also affect the operational forecasts.

Figure 3.2.1 shows the forecast operations costs relative to the proposed operations Planned Budget.

Figure 3.2.1: Operations Summary



All figure values are shown in 2024 dollars.

At this time, there is enough funding allocated to maintain most of the planned operations for A&C. Budgetary impacts will begin to affect operations in 2028, where there is projected to be an $86,000 operational gap, which is anticipated to increase to $397,000 annually by 2033. These costs will impact operating hours, staff levels and program delivery. There are options to manage the costs over time that could include raising user fees, increasing council investment, grants, advertising or other financial options. These options, amongst others, will be considered by A&C to work towards a sustainable level of service.

To maintain the projected service levels over the ten-year planning horizon, the operational budget requires an increase. This adjustment is necessary to accommodate the anticipated 2% annual inflation beyond 2027, mirroring the reality of escalating costs. A primary concern is the inflation-related rise in energy costs for all the facilities. Managing operational costs is a persistent challenge for A&C. It will be addressed in subsequent versions of the DAMP to ensure the defined service level is met and to clearly convey the ramifications of an inadequate budget once the 2025 service levels are set.

Table 3.2.2: Operations Budget Trends

Year	Operational Budget
2024	$2,760,000
2025	$2,769,000
2026	$2,778,000
2027	$2,787,000

All figure values are shown in 2024 dollars.

Operational budget levels are considered inadequate to meet the projected level of service. Where operational budget allocations are such that they will result in a lesser level of service, some of the service consequences and service risks have been identified. The DAMP highlights service risks, and the Infrastructure Risk Management Plan considers service risks. Staff evaluate and prioritize operational necessities based on their expertise and opinion on the subject matter. Subsequent versions of the DAMP will explore and elaborate on the operational repercussions and the effects of these deficiencies on service levels.

Tales of Fantasy - Myths and Legends Exhibits

3.3 Maintenance Plan

Maintenance should be viewed as the ongoing management of deterioration. The goal of planned maintenance is to proactively apply the appropriate interventions to assets, ensuring they achieve their intended useful life. Maintenance doesn't substantially prolong the life of an asset; it is the actions necessary to enable assets to meet their expected lifespan by restoring them to a preferred 'improved' condition.

Proactive maintenance planning dramatically diminishes the need for reactive maintenance, which carries a greater risk to human safety and incurs higher financial costs. It is crucial for Chatham-Kent to strategically plan and adequately fund its maintenance activities to guarantee the reliability of A&C assets and the achievement of the expected service level.

Examples of typical maintenance activities include general maintenance on the facility, HVAC component replacement, speaker repairs, pottery wheel repairs, parking lot repairs, along with the appropriate staffing and material resources required to perform these activities. Planned maintenance dramatically reduces the need for reactive maintenance, which is often associated with greater risks to human safety and increased financial costs. A&C will strategically plan and adequately finance its maintenance activities to maintain the desired service level.

All A&C facilities underwent a preliminary Building condition assessment (BCA) in 2024 to provide a baseline assessment of the facilities and inform future investment choices. At the time of writing this plan, the BCAs have not been fully vetted to confirm that all actions outlined in the BCA are planned actions that will be undertaken by A&C. It is also acknowledged that due to time constraints, major maintenance activities identified outside of the BCA process may not have been included within this DAMP.

Summary of forecast maintenance costs

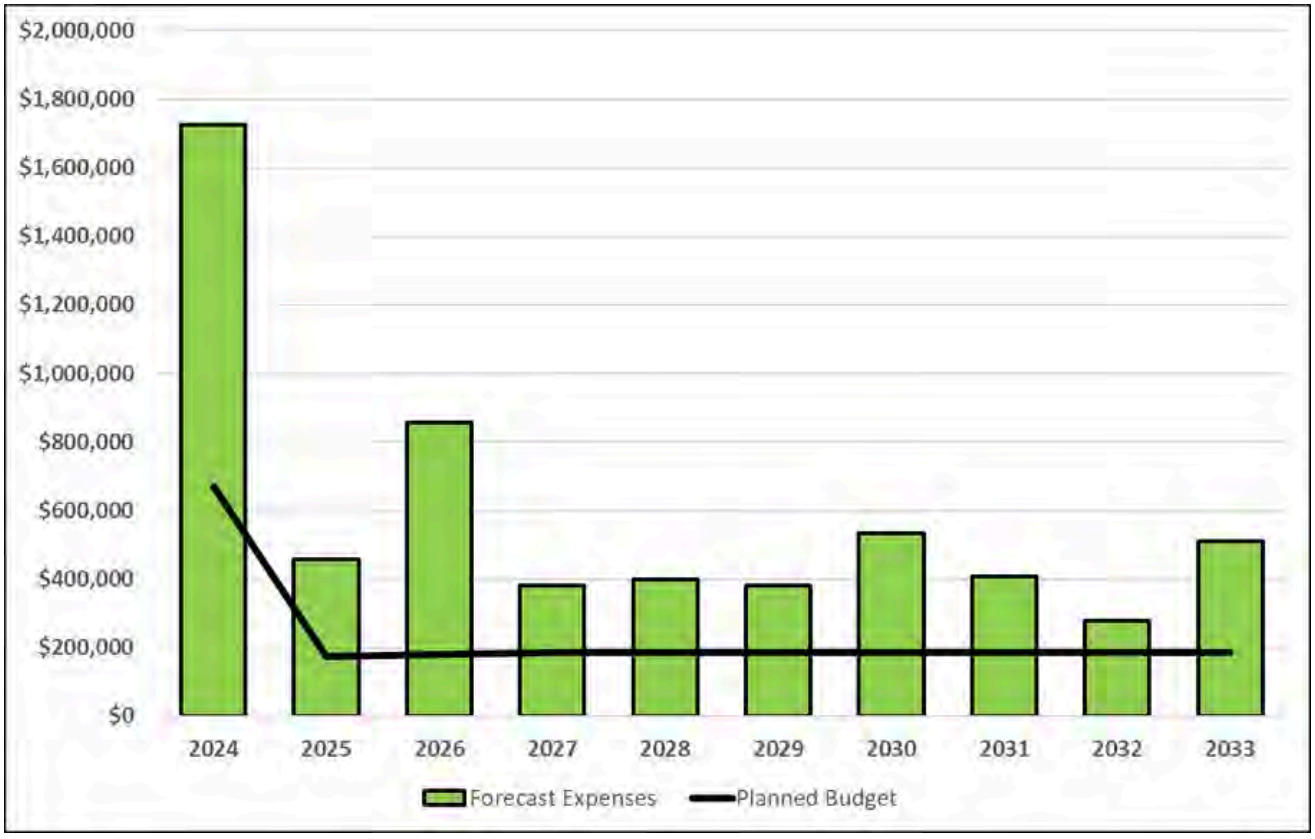
Forecast maintenance costs are expected to vary depending on the total value of the asset stock. If additional assets are acquired, future maintenance costs are forecast to increase. If assets are disposed of, forecast maintenance costs are expected to decrease. At this time the only committed and funded maintenance projects for 2024 are outlined below.

2024 Major Maintenance Projects - Total investment - $515,000

- **$50,000** - HVAC control repairs at Cultural Centre
- **$15,000** - LED upgrades at Cultural Centre
- **$75,000 -** Capitol Theatre lounge repairs
- **$190,000** - Capitol Theatre exterior, bar and lighting projects
- **$170,000** - Chatham Cultural Centre (exterior repairs, roof replacement)
- **$15,000** - Chatham Cultural Centre office entrance repairs

F**igure 3.3.1.** illustrates the forecast maintenance costs relative to the proposed maintenance Planned Budget. The significant difference between the planned and forecasted budgets is due to the recent BCAs in 2024 that identified previously unidentified maintenance work.

Figure 3.3.1: Maintenance Summary



All figure values are shown in 2024 dollars.

Maintenance budget levels are considered inadequate to meet projected service levels. Generally, A&C's maintenance allocation is less than it should be on average. Some of the projects identified through the BCA process indicate that over the 10-year planning period, CK will need to consider cost implications of completing major works such as;

- **$154,000** at the Milner house for window repairs, foundation repairs, flooring, humidifier replacements
- **$53,000** at the Buxton Museum for HVAC replacement, windows, security systems
- **$1,061,000** at the cultural centre for elevator replacements, exterior wall repairs, roof repairs, heating unit replacements
- **$610,000** at Wallaceburg Museum for elevator replacement, wall repairs, door replacements
- **$775,000** at the Capitol Theatre for TPO roof system replacement, Elevator modifications, replacing cooling tower, EPDM roof system replacement

Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified. The DAMP highlights service risks, and the Infrastructure Risk Management Plan considers service risks. Staff assess and prioritize reactive maintenance using experience and judgment.

In future iterations of the DAMP (2025—Ongoing), A&C will implement lifecycle models to guide maintenance activities and report the associated costs for those assets. This will offer enhanced clarity on expenditures, informing future acquisitions, budgeting, reserve allocations, and reporting obligations. The trend in maintenance budgets is shown in **Table 3.3.2.**

Table 3.3.2: Maintenance Budget Trends

Year	Planned Maintenance Budget
2024	$674,000
2025	$174,000
2026	$180,000
2027	$185,000

All figure values are shown in 2024 dollars.

3.4 Renewal Plan

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

Assets requiring renewal are identified from the asset register data to project the renewal costs (replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year). **Table 3.4** shows the typical useful lives of assets used to develop projected asset renewal forecasts. Asset useful lives related to A&C were last reviewed on **May 1st, 2024**.

Table 3.4.1: Useful Lives of Assets

Asset (Sub) Category	Useful Life
Facilities	100 Years
Equipment	20 Years
Computer Hardware	4 - 5 Year
Theatre Lighting	20 Years
Sound Equipment	25 Years
Art Gallery Equipment	15 Years
Software	15 - 20 Years
Museum Equipment	20 Years

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

3.4.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a sound board with a similar sound board) or
- Ensure the infrastructure is of sufficient quality to meet the service requirements (e.g., the condition of equipment).

A&C will prioritize renewals by identifying assets or asset groups that:

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

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

Criteria	Weighting
Critical Asset Condition	60%
Lifecycle Cost Savings	15%
Council Strategic Priorities	15%
Legislative Requirements	10%
Total	100%

Table 3.4.2: Renewal Priority Ranking Criteria

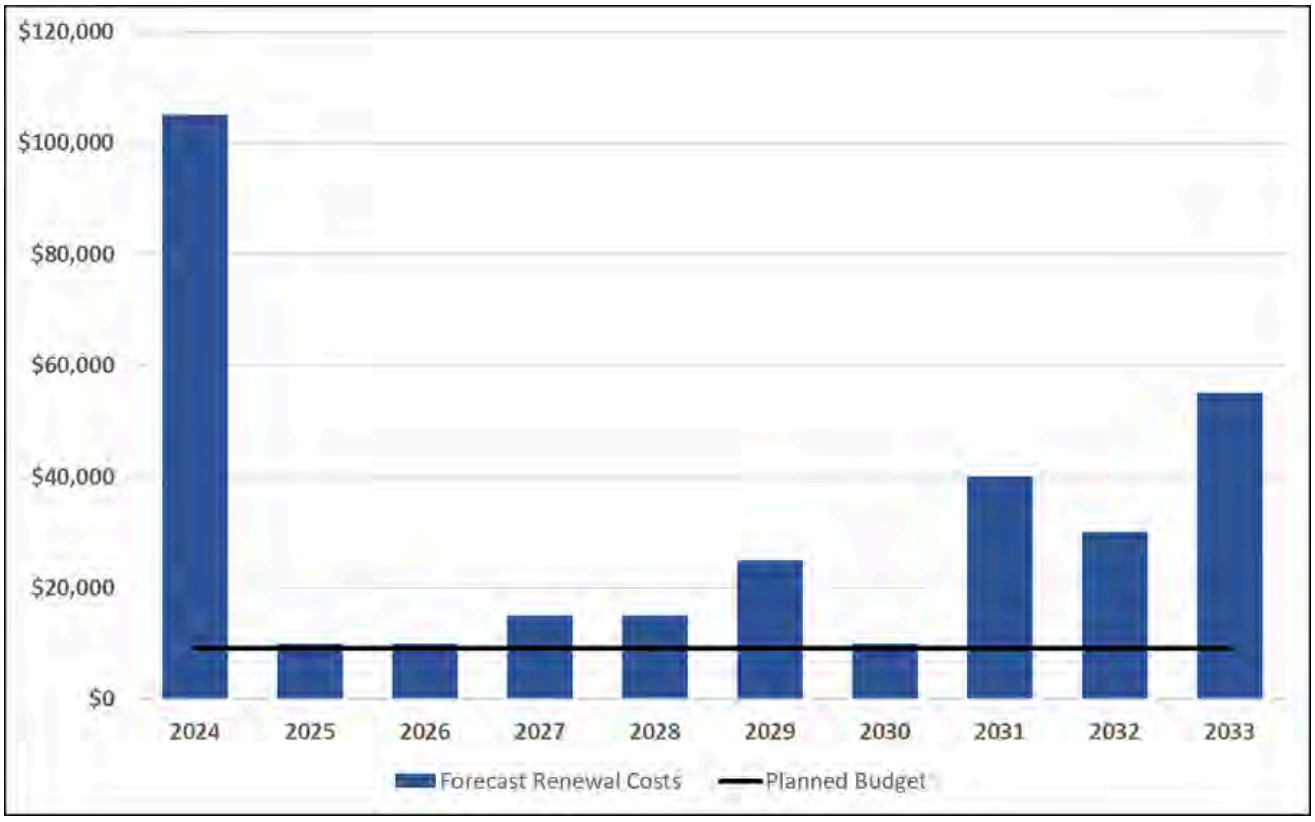
3.5 Summary of future renewal costs

Over the next 10-year planning window, A&C is forecasted to invest approximately **$300,00** to renew some of its assets, and currently, it only has **$91,000** budgeted to perform those renewals. This will include the following:

- **$90,000 Computer Hardware/Workstations**
- **$195,000 Theatre Equipment (Lighting Controls, Hazers, Dimmers, Sound equipment, Intelligent lighting, spotlights)**
- **$15,000 Software**

Assets maintained beyond their expected useful life are marked as backlog items on the graph, which may increase operational and maintenance costs if their service is extended. This ESL plan is based on legislative requirements or industry best practices. Lifecycle models will be developed to confirm these assets' optimal ESL and evaluate their current lifespans. Forecast renewal costs are projected to increase if the asset stock increases. Figure 3.5.1 shows the forecast costs associated with renewals relative to the proposed renewal budget.

Figure 3.5.1: Forecast Renewal Costs



All figure values are shown in 2024 dollars.

At this time, there needs to be more budget allocated for the spike of renewals in 2025 and 2030, which will require A&C to either defer renewals or borrow from future reserve contributions. The significant 'peaks' of renewal needs across the ten-year plan compared to the planned budget create years where the gap would require borrowing against the reserve while in other years, the excess would be contributed to the reserve for future years to utilize. While this will allow A&C to manage most of the planned renewals, there still exists an annual gap in funding for renewals of $103,000 annually over the entire life of the plan.

3.6 Disposal Plan

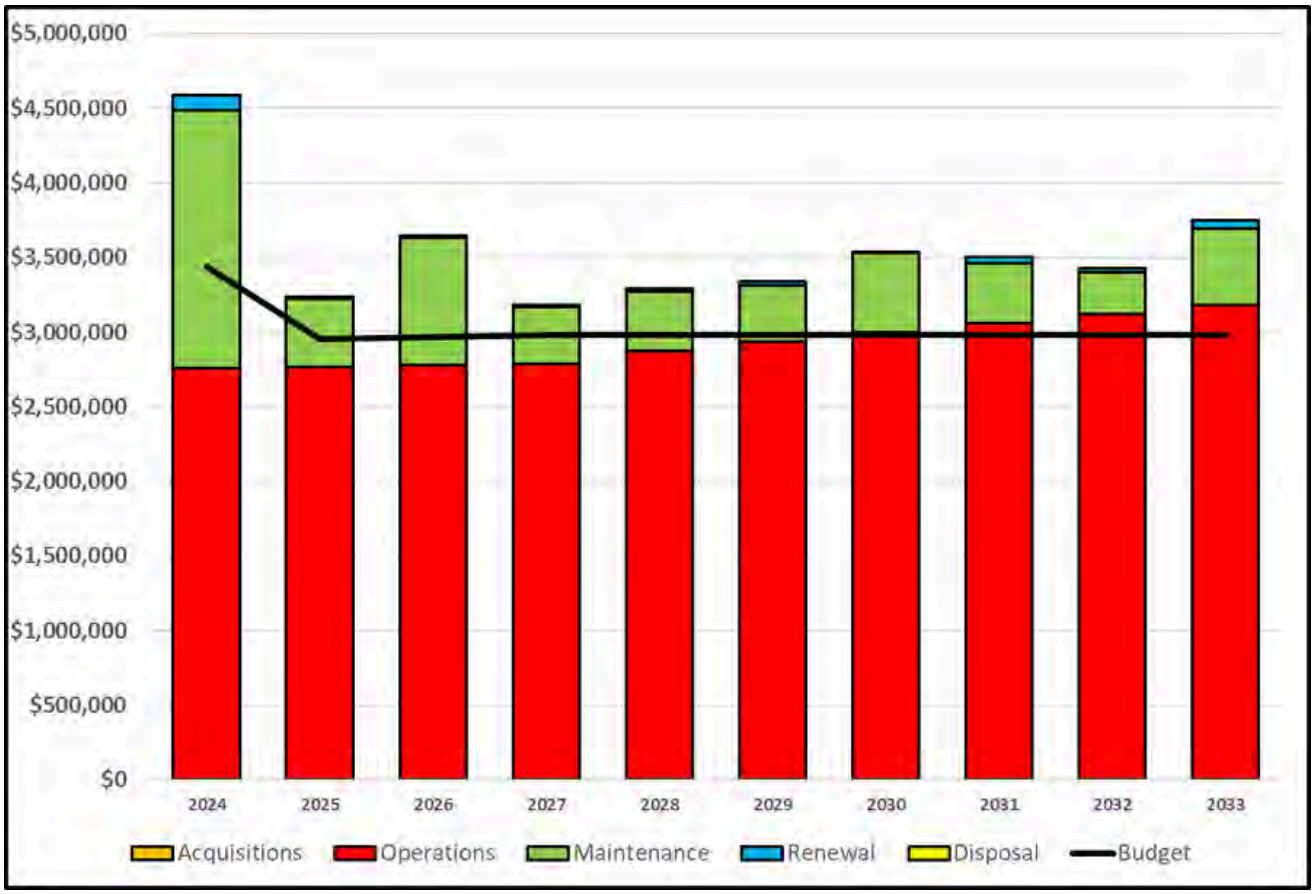
There are no planned disposals at this time. Future iterations of the DAMP will investigate and include any planned disposals.

3.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in **Figure 3.7.1.** These projections include forecast acquisition, operation, maintenance, renewal, and disposal costs. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimize the life cycle costs associated with the service provision. The proposed budget line indicates the estimated amount of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving the balance between costs, levels of service and risk to achieve the best value outcome.

Figure 3.7.1: Lifecycle Summary



All figure values are shown in 2024 dollars.

During most of the 10-year planning period, there are insufficient funds to complete all the forecasted lifecycle activities. There are sufficient funds to operate for most of the planning horizon; however, operational impacts will begin to impact service levels starting in 2028, while impacts due to underfunding of Maintenace will begin impacting service levels much earlier. More funds are needed for each lifecycle activity that requires funding.

Deferring renewal costs may even further exacerbate the operational shortfalls, as deferrals often lead to higher planned and reactive maintenance costs and even operational cost increases. Renewals also include material collections that could A&C. Planned lifecycle models will help to inform the lifecycle projections and will be completed between 2024 and 2027.

4.0 LEVELS OF SERVICE

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

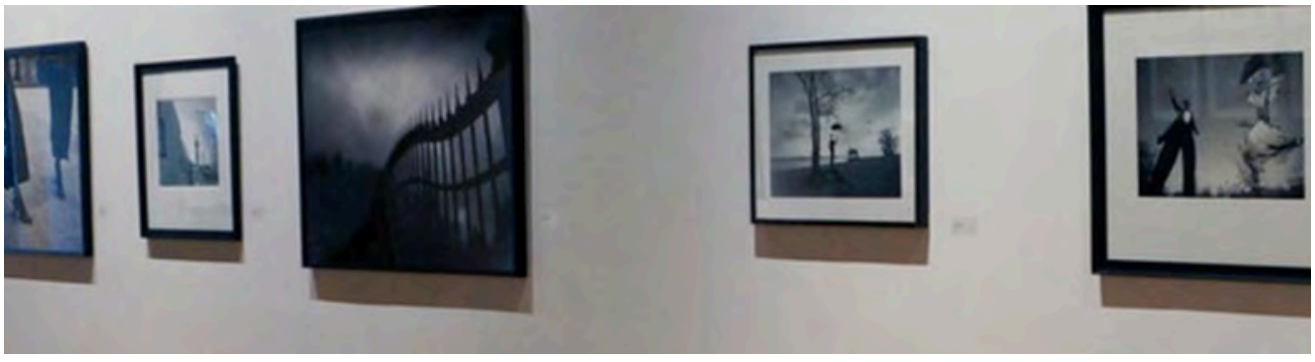
Service levels are defined in four ways: legislative compliance, customer values, customer levels of service and technical levels of service.

4.1 Legislative Requirements

Meeting legislative requirements should be the minimum level of service Chatham-Kent provides. These requirements often drive many lifecycle costs and staff tasks to ensure that Chatham-Kent complies with all legislation, from Federal to Provincial or Chatham-Kent's bylaws. There are many legislative requirements relating to asset management. Legislative requirements that impact the delivery of A&C's service are outlined in **Table 4.1.1**.

Table 4.1.1: Legislative Requirements

Legislation or Regulation	Requirement
Occupational Health and Safety Act	This act guides operational activities, processes, inspections and improvements across the lifecycle of A&C assets including items such as upgrades to facilities
Firearms Act	The museum collection contains firearms and as such the museum itself is licensed as well as the curatorial staff



4.2 Customer Research and Expectations

This DAMP is prepared to facilitate consultation before A&C adopts its levels of service. Future revisions of the DAMP will incorporate customer consultation on service levels and costs required to provide its services. This will assist the Council and stakeholders in matching the necessary level of service, service risks and consequences with the customer's ability and willingness to pay for the service.

4.3 Customer Value

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

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

Table 4.3.1: Customer Values

Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Facilities are safe, inviting and available.	% of residents surveyed who are satisfied with the A&C facilities safety and cleanliness	TBD in 2025	TBD in 2025
Staff are friendly, knowledgeable, and accessible	Customer Survey 2025	TBD in 2025	TBD in 2025
Reliable programing	Customer Survey 2025	TBD in 2025	TBD in 2025
Exhibits, programs, entertainment choices are diverse and meet consider various customer preferences	Customer Survey 2025	Customer Survey 2025	Customer Survey 2025

Currently, A&C is investigating its customer values and feedback for future iterations of the DAMP.

4.4 Customer Levels of Service

The Customer Levels of Service are considered in terms of:
Condition: How good is the service ... what is the condition or quality of the service?
Function: Is it suitable for its intended purpose .... Is it exemplary service?
Capacity/Use: Is the service over or underused... does A&C need more or less of these assets?

Table 4.4: Customer Level of Service Measure

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	**Deliver a welcoming and comfortable environment**	% of survey participants who believe A&C spaces are in good condition, safe and comfortable	TBD in 2025	TBD in 2025
Function	**Provide appropriate programming to meet the various needs of the community**	% of survey participants who believe A&C programs meet their overall needs	TBD in 2025	TBD in 2025
Capacity	**Ensure there is sufficient space to meet the needs of the community**	% of survey participants who are satisfied with the availability of space for A&C.	TBD in 2025	TBD in 2025

4.5 Technical Levels of Service

Technical Levels of Service – These represent lifecycle performance measures that gauge how A&C intends to attain desired customer outcomes, showcasing effective performance, compliance, and management. These metrics will illustrate the alignment of A&C service delivery with customer values and act as potential levers to affect and influence Customer Levels of Service. A&C will track specific lifecycle activities to evidence service performance in meeting the desired service level and to shape customer perceptions of the services received from the assets.

These are measures of fact related to the service delivery outcome (e.g., the number of occasions when service is unavailable or the proportion of replacement value by condition %'s) to provide a balance compared to the customer perception, which may be more subjective.

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

Acquisition – the activities to provide a higher level of service (e.g. Increasing # of Facilities) or a new service that did not exist previously (e.g. new technology).

Operation – the regular activities to provide services (e.g. total staff hours, cleaning, inspections, training, service programs, energy costs, etc.)

Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. fixing sound equipment, Facility repairs, parking lot repairs)

Renewal – the activities that return an asset's service capability up to what it had originally provided (e.g., computer replacement, facility replacement.)

Service and asset managers plan, implement, and control technical service levels to influence service outcomes. Table 4.5 shows the activities expected to be provided under the current 10-year Planned Budget allocation and the Forecast activity requirements being recommended in this DAMP.

Table 4.5.1: Technical Levels of Service

Lifecycle Activity	Level of Service Statement	Activity Measure	Current Performance	Recommended Performance (10 Years)
Operations Theatres	Provide a variety of entertainment for the community and customers	# of events at CK theatres annually	150 + Events (2023)	150 + Events
Operations Theatres	Provide a variety of entertainment for the community and customers	Annual Attendance for both theatres (2023)	80,000 Patrons (approx.)	100,000 Patrons
Operations Galleries	Provide cultural enrichment opportunities for the community	# of children attended educational workshops annually	427 Students (2023)	450 Students
Operations Galleries	Provide a variety of exhibits for the community and customers	# of Exhibits Annually (2023)	15 Art Exhibits	15 Art Exhibits
Operations Galleries	Provide unique programming and events that will attract residents and customers	# of visitors to the TAG / ARTspace annually	16,900 visitors	17,000 visitors
Operations Museums	Provide cultural enrichment opportunities for the community	# of Lecturer events annually	7 (2023)	8 annually
Operations Museums	Provide unique programming and events that will attract residents and customers	# of visitors to the museum spaces annually	7,406 Visitors (2023)	10,000 Visitors

Table 4.5.1: Technical Levels of Service

Lifecycle Activity	Level of Service Statement	Activity Measure	Current Performance	Recommended Performance (10 Years)
Maintenance	Ensure buildings are maintained in good condition	% of Planned Maintenance projects completed as scheduled (2023)	100%	95 % of planned projects completed as scheduled
Renewal Museums	Ensure equipment in good condition and fit for use	% of assets beyond estimated service life (ESL)	TBD in 2025	No more than 5% of equipment exceeds ESL
Renewal Theatre	Ensure equipment in good condition and fit for use	% of assets beyond estimated service life (ESL)	TBD in 2025	No more than 5% of equipment exceeds ESL
Renewal Art Gallery	Ensure equipment in good condition and fit for use	% of assets beyond estimated service life (ESL)	TBD in 2025	No more than 5% of equipment exceeds ESL

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

5.0 FUTURE DEMAND

5.1 Demand Drivers

Drivers affecting demand include population change, customer health emergencies, regulations, demographic changes, seasonal factors, vehicle ownership rates, consumer expectations, technological changes, economic factors, environmental awareness, etc.

5.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and asset use have been identified and documented. **Table 5.5** shows the impact of demand drivers that may affect future service delivery and asset use.

Demand for new services will be managed by managing and upgrading existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks, and managing failures. **Table 5.5** shows opportunities identified for demand management to date. Future revisions of this DAMP will develop further opportunities.

5.3 Council Strategic Priorities for A&C

Future iterations of the DAMP will detail the Council's strategic priorities and how they will impact service levels. The priorities will be operationalized through the DAMP and its continuous improvement initiatives.

5.4 Demand Impact and Demand Management Plan

Demand for new services will be managed by managing existing assets, upgrading existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures. **Table 5.4.1** shows the impact of demand drivers that may affect future service delivery and asset use.

5.4.1. Demand Impact and Demand Management Plan

Demand Driver	Current Position	Projection 10 Years	Impact on services	Demand Management Plan
Population Growth	112,000	116,848	As the population grows A&C will likely see increases to visitors and users of cultural services	• Monitor Impacts to service • Adjust budget and staffing requirements • Optimize operational activities • Facilites utilization and disposition analysis
Customer Preferences	TBD 2025	TBD 2025	Changes in customer preference must be considered or there will be • A decrease in customer visits • A decrease in reputation	• Montor customer impact through engagement surveys and customer feedback opportunities • Consider feedback in program planning each year
Technological Change	Rapid Change	Increased pace of change from current position	Challenges keeping pace with technological change	• Review reserve contributions for renewals to ensure A&C can keep pace with pace of change • Review Renewal and Acquisition plan for technology within facilities

Table 5.5.1: Demand Managment Plan

Demand Driver	Current Position	Projection 10 Years	Impact on services	Demand Management Plan
Security	Unknown # of incident reports - TBD in 2025	TBD 2025	• Safety concerns for staff and public. • Impact on maintaining welcoming environment for all A&C users. • Increase in emotional labor and mental health days	• Increase security staffing; • Update Code of Conduct and related procedures; continue staff training; • Review security measures (panic alarms, emergency cell phones, security cameras), staffing levels and hours of operation

5.5 Asset Programs to meet Demand

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

When A&C updates its Master Plan, it will be used to inform future DAMPs. The Master Plan will detail service demands, considering population growth and the potential for asset acquisition and disposal. Such opportunities will require a funding analysis, which will be elaborated in subsequent iterations. Additionally, future versions of the DAMP will incorporate methods to gauge demand, including public meetings, staff interactions, legislative changes, legal obligations, and council strategic goals.

6.0 RISK MANAGEMENT PLANNING

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

Risk Management is defined in ISO 31000:2018 as: **'Coordinated activities to direct and control risk'**

Chatham Kent is developing and implementing a formalized risk assessment process to identify service delivery risks and mitigate risks to tolerable levels. The assessment will identify risks that will result in:

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

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

6.1 Critical Assets

Critical assets are defined as those with a high consequence of failure, causing significant loss or service reduction. Critical assets have been identified, and their typical failure mode and the impact on service delivery are summarized in **Table 6.1.** Failure modes may include physical failure, collapse, or essential service interruption.

Table 6.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
Facilities	Major maintenance unable to be done due to funding shortfalls, Unknown maintenance issue, weather related maintenance/damage	Reduced operating hours, increased costs due to reactive maintenance, damage to reputation

Critical Asset(s)	Failure Mode	Impact
Technology	Wear and tear, cyber attack, loss of internet, essential service disruption	Customers lose access databases and physical/digital collection materials, customer frustration. Decrease of level of service, increased reactive costs

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

6.2 Risk Assessment

The risk management process used by Chatham-Kent is an analysis and problem-solving technique designed to provide a logical process for selecting treatment plans and management actions to protect the community against unacceptable risks.
The process is based on the fundamentals of International Standard ISO 31000:2018.
The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, the development of a risk rating, the evaluation of the risk and the development of a risk treatment plan for non-acceptable risks.

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

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the infrastructure risk management plan. **Table 6.2** shows the residual risk and existing controls. These critical risks and expenses must be reported to management and the council. This list is neither exhaustive nor comprehensive of all risks associated with A&C. Subsequent versions of this DAMP will elaborate on risks and associated treatment costs.

Table 6.2: Risks and Treatment Plans

Risk to Providing the Service	What can Happen	Risk Rating	Existing controls	Treatment Cost
Facilities	HVAC systems break down, roof leaking, vandalism etc.	Very High	Building Condition Assessment (every 5 years) as well as planned facilities inspections, reactive repairs by facilities	TBD in 2025
Internet or Technology	Disruption from cyber-attacks, external source or infiltration from virus	Very High	Education on Internet safety & Phishing protocols, Various software to analyze and mitigate threats, proactive monitoring by staff	TBD in 2025
Security Concerns	Possible altercations with visitors can create an unwelcoming or unhealthy environment for staff and customers	Low	Education and training for staff, de- escalation techniques, calling A&C, sufficient staffing	TBD in 2025
Decreased Funding	Decreased funding due to changing priorities and lack of available funds	High	Ensure budgets are transparent and managed responsibly, advocate through municipal budget process and customer engagement	TBD in 2025
Employee Attraction	Without proper staffing levels it can reduce the levels of service such as hours of operation, reduction in demand, increased complaints, increased costs with overtime	High	Manage staff hours, review feasibility of service, continue recruitment efforts	TBD in 2025

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

6.3 Infrastructure Resilience Approach

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

6.4 Service and Risk Trade-Offs

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

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

- As the condition of buildings continues to deteriorate, it will result in a lower level of service or increased response times and possible closures
- Increased maintenance costs for aging A&C facilities
- Unable to expand service in line with population growth

6.4.1 What cannot be done

Some activities and projects cannot be undertaken within the next ten years. These include:

- Increase the levels of operation, maintenance and renewal activities beyond currently approved budgetary allowances.
- Ensure that all future renewals outside the planning period can be completed, as the plan's scope is limited to a 10-year planning horizon.
- Renewing equipment in alignment with the desired ESL
- Improve the current levels of service without increased funding
- Allocate total maintenance costs within the DAMP that are part of the operational contract
- Ensure there are sufficient reserves to complete all projected renewals

7.0 Climate Change Adaptation

Climate change will significantly impact assets and the services they provide. In asset management planning, climate change can be considered both a future demand and a risk. How climate change impacts assets will vary depending on the location and the type of services provided, as will how A&C responds to and manages those impacts.

At a minimum, A&C will consider how to manage its existing assets, given the potential climate change impacts on the region. The effects of climate change may significantly impact the assets CK manages and the services it provides. This can include;

- Impacting Asset Lifecycle Costs
- Affect the level of service that can be provided
- Increase demand for services
- Impact Risks involved with delivering services

In the Asset Management Planning process, climate change can be considered a future demand and a risk.

The impacts of climate change on assets will vary depending on the location and the type of services provided, as will how A&C responds to and manages those impacts. There have been many weather and climate-related impacts on the CK community, including the following:

- Extended summer heat waves in 2017 and 2018;
- Severe rain storms of 2018 (and related flooding);
- Unseasonably wet spring and fall of 2019, which impacted crop production; and
- Record-breaking water levels within river systems and the Great Lakes in 2019 and early 2020 caused significant erosion and flooding in the community.

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

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

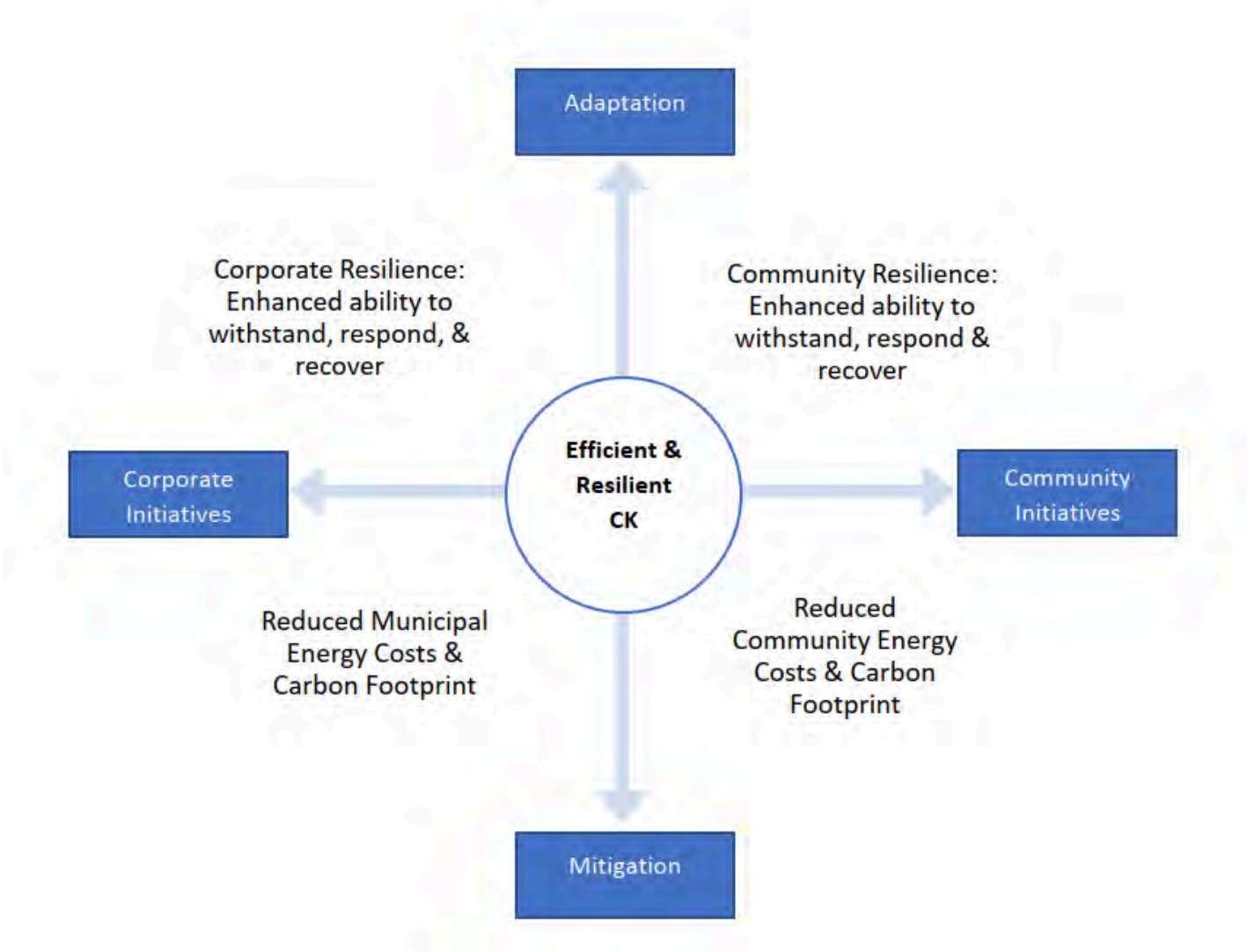


Table 7.0.1 Managing the Impact of Climate Change on Assets and Services

Climate Impact (Assets level or Service level)	Projected Position (in 10 years)	Potential Impact on Assets & Services	Climate Management Plan
Annual Precipitation (mm) increase	+45mm annually	Roadways impassable resulting staff delays and impacts to operating hours. Power outages could impede service delivery including technology, digital material availability, checking out materials. Roof Leaking and damaging the facility, physical collection, equipment etc.	Ensure when renewing or acquiring facilities modernized buildings and facilities. Preform BCA and inspections regularly to anticipate and proactively address maintenance issues related to climate impacts Develop sustainability plan and integrate into budget requests
Significant snow event	More than 4 Events per year	Damage to property, buildings and facilities. Possible delays to opening hours or staff availability	Ensure when renewing or acquiring facilities modernized buildings and facilities.
Annual Very Hot Days, (+30 degrees Celsius), increase	+20 days, annually	Increased energy/cooling costs, more individuals seeking relief from heat, possible medical situations, increased renewal times for HVAC units	Inspect and maintain HVAC units at libraries to a good condition, Ensure sufficient budget is allocated to maintain facilities for peak climate impacts.

Climate Impact (Assets level or Service level)	Projected Position (in 10 years)	Potential Impact on Assets & Services	Climate Management Plan
Carbon Tax, Shipping GHG impacts	TBD in 2026	Increased costs for collections, supplies, kilometers reimbursement costs	Budget increase
Air Quality	TBD	Reduced visits to A&C facilities, fewer outdoor events, impact to outreach programs, reduced school trips	Create alternate programming options to decrease exposure to outside elements

Additionally, how A&C construct new assets should recognize that there is an opportunity to build resilience to climate change impacts. Building resilience can have the following benefits:

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

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

Table 7.0.2 Building Asset Resilience to Climate Change

New Asset Description	Climate Change Impact these assets?	Build Resilience in New Works
Facilities	Increased Energy costs,	Design and build to ensure facilities are resilient to climate change and are energy efficient to reduce whole life costs

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

8.0 FINANCIAL SUMMARY

8.1 Financial Sustainability and Projections

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

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

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

8.1.1 Sustainability of service delivery

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

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

Asset Renewal Funding Ratio (ARFR)

Asset Renewal Funding Ratio **29%**

The Asset Renewal Funding Ratio (ARFR) is an important indicator that illustrates that over the next ten years, Chatham-Kent expects to have **29%** of the funds required for optimal asset renewal.

Lower ARFR typically occurs due to;

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

The ARFR is considered a stewardship measure that indicates whether Chatham-Kent is achieving intergenerational equity. Correcting this funding ratio to meet its financial target over time is essential to ensuring the A&C service is considered sustainable.

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

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

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

Lifecycle Funding Ratio (LFR)

The current **10-year Lifecycle Financial Ratio is 85%**

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

The total forecast operations, maintenance, and renewal costs over the 10-year planning period are **$35,504,000 or $3,550,000** on average per year. The proposed (budget) operations, maintenance, and renewal funding are **$3,023,000** annually, giving a 10-year funding shortfall or **'Gap'** of **$5,274,000** or, on average, **$527,000** per year.

This indicates that the proposed budget accommodates **85%** of the forecast costs needed to provide the services documented in this DAMP.

Funding an annual funding shortfall or funding 'gap' cannot be addressed immediately. The overall gap in funding for each of Chatham-Kents' services will require vetting, planning, and resources to begin incorporating gap management into future budgets. This gap will need to be managed over time to reduce it sustainably and limit financial shock to customers.

Options for managing the gap include;

- **Financing strategies** – increased funding, grant opportunities, envelope funding for specific lifecycle activities, long-term debt utilization;
- **Adjustments to lifecycle activities** – increase/decrease maintenance or operations, increase/decrease frequency of renewals, extend estimated service life, limit acquisitions or dispose of underutilized assets; and,
- **Influence level of service** - managing expectations or influencing demand drivers.

These options and others will allow A&C to manage the gap appropriately and ensure the level of service outcomes the community desires. Providing sustainable services from infrastructure requires managing service levels, risks, forecast outlays, and financing to eventually achieve a financial indicator of **90-110%** for the first years of the DAMP and ideally over the 10-year life of the LTFP.

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

A gap between the forecast outlays and the amounts allocated in the financial plan indicates that further work is required to review service levels in the DAMP and/or financial projections in the LTFP. The initial DAMP only attempts to quantify the financial gap for the service. Future plans will focus on managing that gap over time to achieve sustainable services and intergenerational equity.

The Current Gap for a 10-year planning period is **$5,274,000** or **$527,000** annually.

Chatham-Kent will manage any ‘gap’ by developing this DAMP, which will guide future service levels and resources required to provide these services in consultation with the community. **Table 8.2.2** shows the forecast costs (outlays) required for consideration in the 10-year LTFP. Providing services in a financially sustainable manner requires balancing the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the LTFP.

Table 8.2.2: Forecast Costs (outlays) for the Long-Term Financial Plan

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2024	-	$2,760,000	$1,724,000	$105,000	-
2025	-	$2,769,100	$457,000	$10,000	-
2026	-	$2,778,000	$855,000	$10,000	-
2027	-	$2,787,000	$382,000	$10,000	-
2028	-	$2,874,000	$400,000	$15,000	-
2029	-	$2,934,000	$381,000	$15,000	-
2030	-	$2,995,000	$535,000	$10,000	-
2031	-	$3,057,000	$407,000	$40,000	-
2032	-	$3,120,000	$278,000	$30,000	-
2033	-	$3,184,000	$510,282	$55,000	-
Total	**-**	**$29,260,000**	**$5,929,000**	**$300,000**	**-**

Forecast costs are shown in 2024-dollar values.

8.4 Funding Strategy

The proposed asset funding is detailed in Chatham-Kent's multi-year budget and LTFP. These operational and capital budgets outline the provision of funds incorporated into the DAMP. The DAMP details the expenditure timeline and associated service and risk implications. Subsequent versions of the DAMP will offer service delivery choices and alternatives to optimize limited financial resources.

A considerable part of the A&C annual budget is derived from self-generated revenue. This includes ticket sales, memberships, fundraising, food and beverage sales, program fees, rental income, school visits, workshops, classes, and summer camps, which collectively contribute about 1 million dollars annually to Chatham Kent. These revenues typically cover a portion of the overall A&C annual expense, with an additional $125,000 coming from federal and provincial subsidies, grants, and donations from the public.

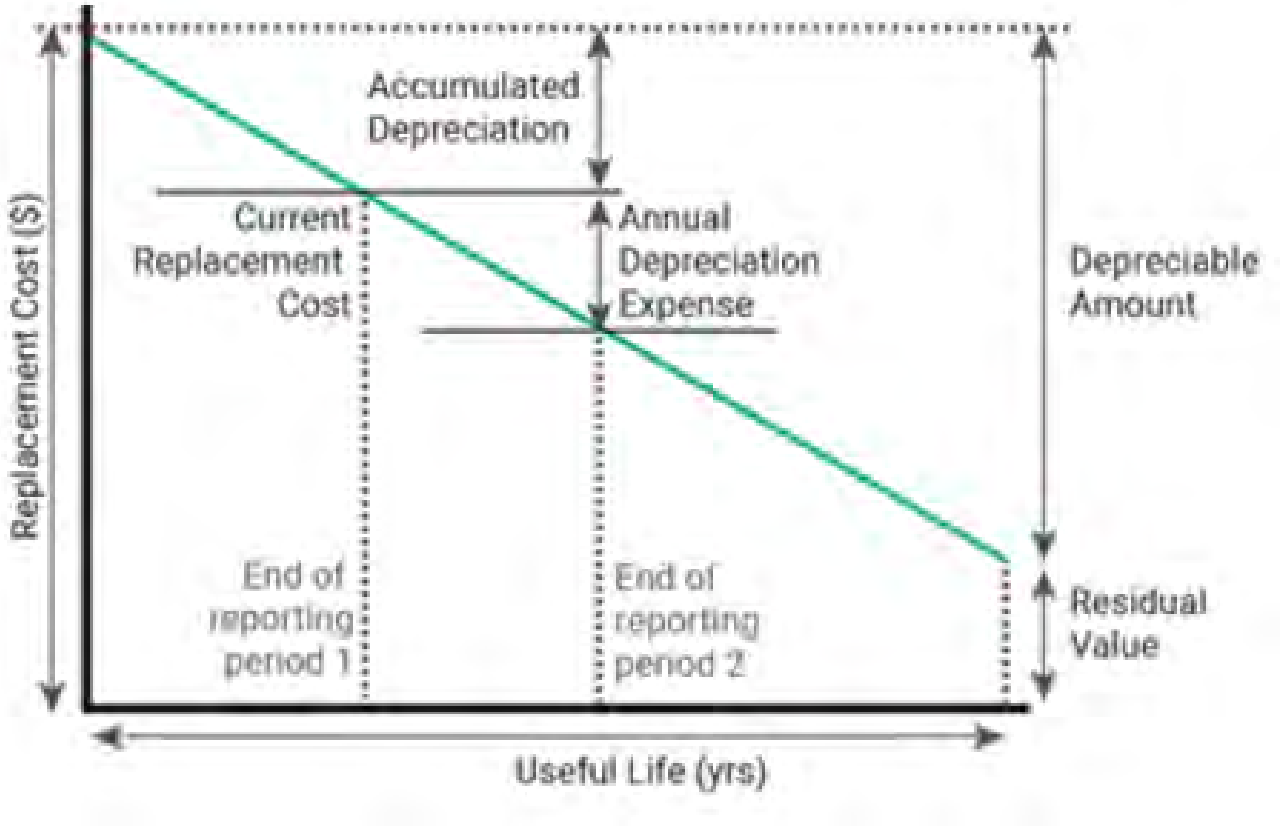
While revenue-generating, A&C requires additional funding to ensure that it can deliver vibrant programs and meet all the goals for cultural necessities such as Museums, Theatre, and Art galleries/spaces. On average, the council allocates **$1.8 million** annually to offset costs not covered by revenue-generating activities.

At this time, there are insufficient corporate reserves to accommodate all forecast costs detailed in this plan. Future iterations of the DAMP will focus on the sustainability of A&C services and determine how much is required to contribute to the reserve and be available for future needs.

8.5 Valuation Forecasts

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

Any asset disposals would decrease operations and maintenance needs in the longer term and remove the high-cost renewal obligations. At this time, it is impossible to separate the disposal costs from the renewal or maintenance costs; however, this will be improved for the next iteration of the plan. The best available estimate of the value of assets included in this DAMP is shown below.



The assets are valued utilizing Current Replacement Cost (Market Prices Index)

Replacement Cost (Gross)	**$124,556,000**
Depreciable Amount	**$124,556,000**
Current Replacement Cost	**$29,425,000**
Annual Depreciation Expense	**$1,203,0003**

8.6 Key Assumptions Made in Financial Forecasts

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

- Assumptions were made regarding the existing and planned budget for maintenance and renewal, using professional judgement.
- Omission of select disposal assets during this budget period; small projects will have a minor impact on disposal projections
- Budgets have been allocated based on the best available data on assets
- A 2% annual inflationary amount has been applied to the operational and maintenance forecast to reflect the projections that costs will increase over time
- Replacement costs are based on current market pricing and are determined to be a like-for-like replacement
- There may be additional assets not included in the forecasts or planned budget due to the timing of the plan creation and resource constraints in delivering the initial plan.
- Maintenance forecasts are based on the current budget allocated and require further refinement to align the costs with technical levels of service.
- Operational forecasts are based on current budget allocations and encompass known anticipated needs.

8.7 Forecast Reliability and Confidence

This DAMP's forecast costs, proposed budgets, and valuation projections are based on the best available data. Current and accurate information is critical for effective asset and financial management. Data confidence is classified on an A-E scale by **Table 8.2.1.**

Table 8.2.1: Data Confidence Grading System

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

The estimated confidence level for and reliability of data used in this DAMP is shown in **Table 8.2.2.**

Table 8.2.2: Data Confidence Assessment for Data used in DAMP

Data	Confidence Assessment	Comment
Demand drivers	Low	Demand drivers need additional data to integrate into lifecycle analysis and budgets once defined levels of service are complete
Growth projections	Medium	Need to standardize growth projections and determine the impacts to current level of service
Acquisition forecast	Medium	Unknown future creates uncertainty and will be reviewed annually to improve quality
Operation forecast	Medium	Will improve once growth is established and continuous improvement items are completed
Maintenance forecast	Low	Requires further analysis of costs to ensure allocation for maintenance is correct
Renewal forecast - Asset value	Low	Requires alignment with reserve contributions and ESL. Market price information to be updated annually.
Asset useful lives	Medium	Most align TCA practices. This will be improved and vetted annually
Condition modeling	Low	Requires investigation and resources to align assets to the 5-point condition scale required for system alignment across the municipality
Disposal forecast	Low	This requires further discussion to document current process and administration of Disposals

The estimated confidence level and reliability of data used in this DAMP are considered **low-medium**.

9.0 PLAN IMPROVEMENT AND MONITORING

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

9.1.1 Accounting and financial data source

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

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

9.1.2 Asset management data sources

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

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

9.2 Improvement Plan

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

The Improvement Plan, **Table 9.2**, highlights proposed improvement items requiring further discussion and analysis to determine feasibility, resource requirements and alignment to current work plans. Future iterations of this DAMP will provide updates on these improvement plans. The costs and resources to complete each task have yet to be included in the lifecycle models to data, and resource requirements would need to be reviewed for internal resource-driven projects.

The improvement plan generated from this DAMP is shown in **Table 9.2**.

Table 9.2: Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	**Complete Lifecycle models on critical assets**	A&C, AQ&M	4 Hour Annually (Within existing Capacity)	**2025 - 2027**
2	**Develop Risk processes and Demand Drivers through the AM review process**	A&C, AQ&M	10 Hours Annually (Within existing Capacity)	**2025 - 2027**
3	**Define Level of Service for 2025 DAMP**	A&C, AQ&M	10 Hours (Within existing Capacity)	**Q1 2025**
4	**Annual update of Technical LOS**	A&C, AQ&M	10 Hours Annually (Within existing Capacity)	**Annual**
5	**Update asset registry for all A&C assets to include Mandatory AM Information**	A&C, AQ&M	10 Hours Annually	**Annual**
6	**Analyze accessibility requirements in the Cultural Centre and create an action plan for implementation**	Arts and Culture	420 FTE hours	**2024**
7	**Connect with community organizations to leverage partnership and/or sponsorship opportunities**	Arts and Culture	210 FTE hours	**Q4 2024**

Task	Task	Responsibility	Resources Required	Timeline
8	**Investigate the functionality of Financial reporting to improve cost analysis**	A&C. Finance	20 Hours FTE	**2025 - 2027**
9	**Discussion with Facilities to determine if any municipal facilities/A&C facilities could be more effectively maintained by the other group**	A&C, Facilities	5 Hours (within existing capacity)	**2025**

The detailed improvements are intended to ensure that A&C can achieve sustainable service over time. Some initiatives are required to meet legislative requirements, and others improve service or data quality. While not legislative, some initiatives are intended to find financial efficiencies or are required for other operational improvements.

Upon council approval, certain improvements can be accomplished within staffing capacity and should be included as work plan items for the service. Other initiatives necessitate resources beyond those allocated in the current budget. Should resources be inadequate for the identified items, the strategy is to postpone them. Annually, the DAMP will be revised to align Continuous Improvement items with the opportunities and constraints of the budgetary provisions.

9.3 Monitoring and Review Procedures

This DAMP will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs, and proposed budgets resulting from budget decisions. The DAMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the LTFP or will be incorporated into the LTFP once completed. The DAMP has a maximum life of one year and will be updated annually. This plan will be completely revised and updated in 2027 to prepare A&C for the 2028 four-year budget process.

9.4 Performance Measures

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

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

Document Control

Rev No	Date	Revision Details	Author	Reviewer	Approver
1	August 2024	1st Detailed Asset Management Plan	Sean Hilderley		Council

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