

Audit of Recreation Facility Asset Management

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CITY OF
VANCOUVER

Office of the
Auditor General

- Request by the Vancouver Board of Parks and Recreation (Park Board) for a second audit
- Topic of Capital Asset Management of parks and recreation infrastructure included in the OAG's 2024 Audit Plan
- City identified a \$500 million annual funding deficit related to its infrastructure
- Recreation Facilities – \$2.1 billion replacement value (2022 est.)

- The Park Board has authority over park buildings, including recreation facilities such as community centre, pools and rinks
- Vancouver City Council approves capital plan requests, and operating and capital budget requests from the Park Board
- Responsibility for recreation facility asset management includes the Park Board, Real Estate, Environment and Facilities Management (REFM), and Finance and Supply Chain Management (FSC)

- An organization-wide approach to planning for new assets and managing existing assets to ensure efficiency, minimize risks, maximize benefits and deliver expected levels of service (LoS)
- Asset management policies, strategies and plans are increasingly adopted by local governments
- Available guidance includes frameworks, international standards and regulations developed in other jurisdictions

- **Community LoS:** measure services the assets need to deliver from a customer's perspective
- **Technical LoS:** define asset performance levels that drive required lifecycle activities and associated funding

Audit Objective

- To determine if the Vancouver Board of Parks and Recreation and the City of Vancouver effectively manage existing recreation facilities to align with strategic goals, meet service level priorities and optimize asset lifecycles

Audit Period

- January 1, 2019 to June 30, 2024

We examined the following areas, related to the management of existing recreation facility assets:

- Governance, Strategy and Plans
- Asset Lifecycle Management
- Financial State of Assets
- Performance Measurement and Monitoring

- 46 recreation facilities (pools, rinks, and community centres) the Park Board is responsible for
- Asset Management activities undertaken by
 - Park Board
 - REFM
 - FSC
- Visited 6 recreation facilities and met with staff

Not In Scope

- Governance processes by the Park Board or City unrelated to facility asset management
- Non-building assets related to parks and open spaces
- Planning, designing, budgeting, procuring and construction of new facilities
- Procurement related to facilities management

We concluded that during the audit period the City's recreation facilities were not effectively managed to align with strategic goals, meet service level priorities and optimize asset lifecycles

- 13 recommendations to strengthen the capability of the Park Board and the City to better define and meet current and desired levels of service and ensure the lifecycles of existing facilities are optimized
- Park Board and the City have accepted and provided action plans for all recommendations

Governance, Strategy and Financial State of Recreation Facilities

- The City did not have a Council-approved policy or strategy, or a formalized asset management framework, to guide asset management planning for recreation facilities
- Goals to repair and renew aging recreation facilities had been established
- The City and Park Board identified investment priorities, but targets and funding approved by Council were not aligned

Governance, Strategy and Financial State of Recreation Facilities

- Park Board staff identified some desired LoS in the draft 30-year vision & 10-year strategy for recreation facilities
- However, there was no established framework to assess whether the existing operating maintenance and capital maintenance programs were prioritized in alignment with them

Governance, Strategy and Financial State of Recreation Facilities

- Park Board Commissioners and Council received reports and updates but were missing consolidated LoS and financial analysis to support effective asset management
- The City did not have an Asset Management Plan for facilities

The City should implement an asset management framework.

Foundationally, the framework should include:

- An asset management policy to set guiding principles when using asset management practices to meet the requirements of the City's strategic plans; and,
- An asset management strategy to define how the City's strategic objectives translate to levels of service and other objectives, along with associated decision-making criteria, to guide the development of asset management plans.

The Park Board and REFM should develop an asset management plan for recreation facilities. The Park Board and REFM should determine which entity should lead the development of the plan, or whether it should be co-led. The plan should:

- Align with the City's asset management framework (see Recommendation 1);
- Be approved by the Park Board and Council;

- Include the following elements:
 - State of infrastructure (asset types, inventory and valuation, age and condition);
 - Current and planned levels of service (community and technical);
 - Lifecycle management strategy (growth and enhancements, refurbishment and renewal, operations and maintenance); and,
 - Financial strategy (infrastructure funding deficit, historic and projected expenditures, funding resources).

To support consistent and defensible methodologies for prioritization and trade-off decisions within approved funding envelopes, the City should integrate the recreation facility plan as a component of a broader plan for all City facilities. This plan should be used as an input for City-wide asset prioritization processes.

Once levels of service have been defined for asset management, the City should establish and implement the level of asset management reporting (i.e., City-wide, service group or facility type) required by elected officials for effective strategic decision-making.

- Reporting should include risks and impacts to community levels of service related to forecast funding scenarios and technical level of service targets.

Governance, Strategy and Financial State of Recreation Facilities

- The City had developed some high-level targets, estimated asset renewal costs and forecast capital maintenance costs for recreation facilities
- However, it did not fully calculate lifecycle costs relative to desired LoS
- 28% of recreation facilities in good or fair condition (FCI)
- Aim to improve this to 70-80% by 2050
- Lack of agreed-upon investment targets for renewal or maintenance tied to LoS

Governance, Strategy and Financial State of Recreation Facilities

- The City identified an infrastructure funding deficit for existing City-wide assets and a revenue generating strategy that was projected to partially address the deficit
- However, specific analysis for recreation facilities was not completed
- Estimated funding deficit for Park Board recreation facilities, using the City's data, is \$33 million per year
- Funding shortfall projected to 2075

The City should:

- Calculate and consolidate relevant lifecycle cost estimates (such as operating maintenance, capital maintenance, renewals and replacement) for recreation facilities to support long-term investment planning;
- Update the infrastructure funding gap calculation to reflect these lifecycle costs; and,
- Analyze the updated funding gap relative to current and planned community levels of service to ensure funding alignment. Levels of service or funding investments should be adjusted as required to address the shortfall.

Governance, Strategy and Financial State of Recreation Facilities

- The roles and responsibilities of the Park Board and the City's REFM department were not sufficiently defined in the 2014 Partnership Agreement to ensure clarity for both entities

The Park Board and REFM's Partnership Agreement should be updated to include:

- REFM's accountability requirements to the Park Board, including defining and reporting on metrics that include targets and results related to technical levels of service;
- Defined roles and responsibilities for the development of an asset management plan for recreation facilities (as per Recommendation 2);
- A definition of 'base building' and detailed guidance on which entity is responsible for maintenance of base building components vs programming equipment; and,
- Alignment between maintenance responsibilities and budgets.

Facility Asset Lifecycle Management

- REFM used two systems for asset maintenance management which were adequate to store information and data
- However, the systems were not well integrated for analysis and reporting purposes

The City should implement an integrated information technology solution to manage and report on its capital asset related data.

Facility Asset Lifecycle Management

- A preventative maintenance program was in place for Park Board recreation facilities
- However, it lacked formalized reviews and adjustments for aging facilities and predictive maintenance capabilities

REFM should formalize a process to regularly assess the effectiveness of preventative maintenance schedules and leverage data analytics to support predictive maintenance.

Facility Asset Lifecycle Management

- A demand maintenance program was in place for Park Board recreation facilities
- However, there were delays in closing work orders and issues with data accuracy

REFM should improve its data reliability to accurately assess work order completion rates, and the Park Board and REFM should implement risk-informed measures to reduce the delays in demand maintenance completion.

Facility Asset Lifecycle Management

- The City used a reactive approach to maintaining recreation facilities that were not prioritized for capital maintenance investment
- There was no formal risk and criticality matrix to support decisions on when to use reactive maintenance

Facility Asset Lifecycle Management

- REFM had a capital maintenance program in place that provided services for recreation facilities
- Capital maintenance was prioritized by considering impacts of different tiers of building systems and investment categories developed by REFM
- Approved funding levels were insufficient to address REFM's forecast costs to address critical needs and reduce the maintenance backlog

Facility Asset Lifecycle Management

- REFM had not analyzed how suspended or delayed capital and preventative maintenance affected demand maintenance costs, service disruptions, and LoS

In conjunction with the Park Board, REFM should assess the benefits of implementing a balanced maintenance strategy that shifts focus towards planned and predictive maintenance. This includes:

- Ensuring that maintenance data is of sufficient quality to support analysis (complete and accurate);
- Assessing the gap between the operating maintenance and capital maintenance required to reduce demand maintenance (i.e. how much demand maintenance is the result of planned/preventative maintenance or capital maintenance projects not being completed as required);

Recommendation 10 (Continued)

- Developing and using a risk and criticality matrix to determine which asset components can be left to reactive maintenance without significant negative impact on levels of service;
- Determining the budget and staff capacity required; and,
- Developing a funding strategy to efficiently and effectively carry out the preventative and capital maintenance required to shift the balance from reactive to proactive maintenance and address the capital maintenance backlog of recreation facilities
 - This strategy should incorporate the service levels specified in Recommendation 2 and be included in the overall funding gap analysis in Recommendation 5.

Facility Asset Lifecycle Management

- The City had a process for prioritizing renewal and replacement projects
- However, there were no documented capital planning procedures to ensure a consistent and defensible framework was applied during each capital plan cycle

With input from the Park Board, the City should develop a standardized framework for prioritizing recreation facility asset renewal, replacement and disposal. The framework should incorporate clear evaluation criteria and documented rationale to support transparent and defensible decision-making.

Performance Measurement and Monitoring

- There was no overarching framework for asset management performance
- The Park Board and REFM tracked some performance metrics
- However, there was no consolidated set of key performance indicators to provide an overall view of recreation facility operating efficiency relative to LoS
- The Partnership Agreement included a section on key performance indicators but did not require REFM to report to the Park Board on performance metrics

Recommendation 12

The Park Board and City should review and update their current metrics to create key performance indicators that integrate measures of utilization, maintenance and cost efficiency. This would allow for more comprehensive monitoring and reporting of recreation facility performance relative to community and technical service levels.

After accountability requirements have been updated in the Partnership Agreement (as per Recommendation 6), REFM should report its results against agreed-upon performance measures and targets to the Park Board to demonstrate its fulfilment of facility asset management obligations.

Questions

- THAT the Vancouver Board of Parks and Recreation receive the Auditor General's report "Recreation Facility Asset Management," dated September 2025
- FURTHER THAT the report's 13 recommendations be endorsed