



Motion

Councillor Alysson Storey

Re: Providing Detailed Financial Reporting and Transparency on Ongoing Lifecycle and Operating Costs for the CK Hub

Whereas in the interests of transparency Council and the taxpayers should have the full financial picture of the old Sears proposal in order to make an informed decision about whether or not to proceed with the next phase;

And whereas the costs of any project are not just upfront construction costs but long-term lifecycle and maintenance costs, operating costs like increased staffing needs, utilities, insurance, security, equipment, IT and more;

And whereas Council and the public have not yet been presented with detailed ongoing operating costs of this proposal;

And whereas under provincial legislation Chatham-Kent is legally required to fully understand and plan for the costs for delivering services, including requirements to produce and maintain asset management strategic policies, plans, service levels, financial and lifecycle planning;

And whereas administration's October 21, 2024 report passed by Council "Detailed Asset Management Plans and Overview Document" states: "Once CK 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, Chatham-Kent must approach its asset planning with a long-term view to ensure it effectively manages the assets and assists in making informed choices."

And whereas as identified in the "Detailed Asset Management Plans" report to Council on April 28, 2025 there is a \$236.3M annual funding shortfall for the next 10 years, for a total of \$2.3Billion for current assets owned by Chatham-Kent; a cost that does not appear to be sustainable without tax impacts or elimination of assets; this is without the addition of the old Sears building reconstruction;

And whereas Council has not yet received a detailed Asset Management Plan (AMP) specifically related to the old Sears proposal to date, including the cost increases associated with the 41,118 sq. ft. increase in size of the Civic Centre, Library and Museum over existing building sizes, and further these costs do not appear to be included in the existing budgets or the \$236.3M annual AMP funding shortfall;

And whereas any potential increase in staff or potential increase in operating budgets for the Chatham Library branch at the old Sears site, and Chatham-Kent Museum branch at the old Sears site despite an increase in space of 90% and 150% respectively, have not yet been provided to Council.

Therefore, in order for Council to have a full financial picture of all potential costs of the old Sears building that includes not only up-front construction costs but ongoing annual lifecycle, financial and sustainability requirements required by Provincial legislation, be it resolved that this item be deferred until complete ongoing costs of this proposal can be prepared by administration for Council and public review.

This report should include the incremental annual lifecycle costs and any potential tax impacts needed to ensure the sustainability of the old Sears building, including but not limited to:

- i. full costs for project manager for duration of the project
- ii. amount of annual increases from utilities, maintenance and security costs
- iii. interest charges from all debentures
- iv. amount of annual increases for costs resulting from increase in operating size including flooring, furniture, shelving, HVAC, roofing, mechanical, electrical, exterior and interior upgrades, parking
- v. any increase in staff and any increase in respective operating budgets resulting in expanding the Chatham-Kent Museum space by approximately 150% and Chatham Library branch space approximately 90% and how any potential increases will impact overall Museum and Library service levels across Chatham-Kent

Staff return to Council with this information before the end of 2025 [or suitable date for administration].

Administration Response – Notice of Motion

Topic: Providing Detailed Financial Reporting and Transparency on Ongoing Lifecycle and Operating Costs for the CK Hub

Requesting Councillor: Councillor Alysson Storey

Name of staff completing this form: Marissa Mascaro Amyotte

Council meeting date NOM presented: October 6, 2025

Council meeting date to be voted on: October 20, 2025

1. Has this request come before Council previously? Yes No

If so, when and what was the Council decision?

2. Does this request support a Council Term Priority? Yes No

If so, the notice of motion would support the following area(s) of strategic focus:

			
Deliver Excellent Service	Promote Safety & Well-Being	Grow Our Community	Ensure Environmental Sustainability
5a		3a	

3. What is the cost/ budget implication (at a high level), if any: \$ N/A

Explanation of cost estimate

The information available is included in the [October 21, 2024](#), [May 12, 2025](#) and [October 20, 2025](#) reports to Council.

4. Is it already in the queue with administration? Yes No

If yes, date expected to come to Council: October 20, 2025

This information is included in the [October 21, 2024](#), [May 12, 2025](#) and [October 20, 2025](#) reports to Council. Additional information will be presented through the 2028-2031 multi-year budget subject to recommendations from EMT for Council consideration through future budget processes.

5. Should a report from administration be completed? Yes No

Why? **As noted above, this information is included in a Report to Council dated October 21, 2024 as well as within the report to Council dated October 20, 2025**

Type of Report? Information Report Recommendation Report

6. What is the estimated time to complete this request? N/A

Date expected to return to Council: N/A

7. What items, if any, are needed to be put on hold in order to complete this task?

None at this time.

8. General or other comments:

The Request for Proposals for the construction of the Chatham-Kent Community Hub was advertised on the Municipality's Bids & Tenders website on June 25, 2025 and closed on August 27, 2025. The construction procurement carries a 90 day Consideration Period, in accordance with standard procurement practices, during which bids remain valid for the Municipality's consideration. This Consideration Period extends to November 28, 2025.

Bidders are required to maintain their proposals and associated pricing for this period, however, following this date, the proposals expire and bidders are no longer bound by their submitted pricing or terms. The contract does not provide for any further right to negotiate beyond that point, and as such, the Municipality is recommended to make a decision on this procurement prior to the expiry of this Consideration Period, to provide direction to staff and provide staff sufficient time to prepare a contract on the basis of the terms of the proposal should Council direct staff to proceed with award of a contract. A non-decision by this point would result in the expiry of the bids received and the Municipality would not be able to

proceed with this procurement. The schedule for the recommended Contractor is based on the approval of Council by November 2025, with plans to commence pre-construction activities upon contract award, and construction beginning in December of this year. A delay in awarding the contract may impact the Contractor's planned schedule.

As per the Report to Council on May 12, 2025, Administration completed a high-level cost comparison for upgrading the existing Civic Centre, Museum and Library buildings, including an expansion of the library to 35,000 square feet. These cost estimates aligned with the same standards as proposed for the CKCH to ensure consistency in accessibility, energy efficiency, modernized infrastructure, and public service delivery. The reports assessed lifecycle renovations and upgrades required at the existing Municipal facilities to meet CKCH standards. Upgrading the existing facilities in place presents operational and logistical challenges with limitations to parking expansion, accessibility and modernization.

The high-level cost comparison analysis illustrates that renovating the existing facilities to achieve the CKCH standards to be \$55,264,530 more expensive in comparison to the CKCH project budget, requiring a \$55 million larger debenture and a significant property tax increase to fund the payments. It should further be noted that these costs were not based on the level of detail of the CKCH. Further investigation would need to be completed to develop a more detailed cost estimate and to investigate infrastructure requirements and restraints for each current facility.

Additionally, the cumulative square footage for the CKCH is smaller compared to the square footage of renovating existing facilities because of the shared usage of mechanical systems, hallways, washrooms, storage and parking. Significant efficiencies are realized in having more services within one facility. These ancillary spaces need to be duplicated in separate facilities to ensure each building has the required mechanical and associated space allocations. The consolidation of the Civic Centre, Chatham Library and Museum to one site will have a positive impact on the Municipality's Asset Management Plan infrastructure gap by having a newly renovated building with a more efficient building footprint, and selling two buildings in need of repairs, which have been estimated to be a much greater cost than the proposed CKCH.

(i) full costs for project manager for duration of the project

This information is included in the [October 20, 2025 Report to Council](#) in Table 3.

As per the report, in January 2024, Council approved a temporary 3-year contract position for a Project Manager – Facilities to facilitate the design and construction process for the Chatham-Kent Community Hub. This three-year contract expires in Q2 2027. Based on the Contractor's schedule, construction is expected to continue until Q1 2028, with move-in and opening of the building following this, and the one-year warranty period occurring to Q1 2029. As such, it is proposed to extend the contract for the Project Manager for an additional two years to support the delivery of the project through to completion.

The cost for the temporary Project Manager – Facilities for an additional two years is approximately \$320,000 (including salary, labour burden, computer/software, cellphone). The total cost over the five years for the Project Manager - Facilities (five-year contract) is \$717,692.00.

(ii) amount of annual increases from utilities, maintenance and security costs

Operational costs for the proposed building, including security services, are outlined in the [October 21, 2024 Report to Council](#). Future reports will refine these costs. The building incorporates energy-efficient systems, and though they won't fully offset increases in hydro, water, and other utilities, they present a cost savings as compared to increasing the footprints of each of the existing buildings separately, and accordingly allow for these cost efficiencies to be realized with expanding the services within one shared facility. The expanded footprint also accommodates necessary common spaces for multiple users. The need for these additional spaces has been established to meet current facility deficiencies.

The following provides a detailed financial projection from the October 21, 2024 council report for existing and forecasted utilities, including hydro, water, and gas. This projection accounts for the expanded space and the proposed energy-saving measures integrated into the facility design.

Table 1 - Existing and Forecasted Utility Costs for CKCH

Description		Civic Centre	Library	Museum
Existing	Hydro	\$117,643	\$63,964	\$10,616
	Water	\$5,210	\$2,647	
	Gas	\$39,669	\$10,203	\$2,731
	Total Costs	\$162,522	\$78,814	\$13,347
Total Space Current		43,500 sq. ft.	22,960 sq. ft.	11,700 sq. ft.
Total Space Proposed		46,385 sq. ft.	43,569 sq. ft.	119,278 sq. ft.
Increase %		7%	90%	150%
Forecast	Hydro	\$112,901	\$109,240	\$23,964
	Water	\$4,999	\$4,521	
	Gas	\$38,069	\$17,425	\$6,160
	Total Costs	\$155,970	\$131,186	\$30,124
Net Costs		(\$6,552)	\$52,372	\$16,777

* Existing values are based on 3-year average costs

* Forecasted values are based on 3-year average square foot costing with 10% efficiency applied for more efficient systems

The following breaks down facility maintenance costs from the October 21, 2024 council report, including general upkeep, repairs, housekeeping, landscaping, and snow removal. The table demonstrates both current and forecasted costs, reflecting the needs of the larger facility and ensuring ongoing operational efficiency.

Table 2 - Existing and Forecasted Maintenance Costs for CKCH

Description		Civic Centre	Library	Museum
Existing	General Maintenance	\$38,619	\$11,215	\$5,873
	Housekeeping (FM)	\$107,821	\$40,259	\$423
	Landscaping	\$8,891	\$2,883	\$0
	Snow Removal	\$12,246	\$4,686	\$4,825
	Property Insurance	\$9,801	\$4,592	\$2,824
	Public Internet	\$0	\$2,675	\$0
	Total Costs	\$177,379	\$66,311	\$13,945
Forecast	General Maintenance	\$16,472	\$8,512	\$5,888
	Housekeeping (FM)	\$114,972	\$76,395	\$1,062
	Landscaping	\$4,740	\$2,735	\$0
	Snow Removal	\$9,141	\$6,225	\$8,465
	Property Insurance	\$10,450	\$8,713	\$7,078
	Public Internet	\$7,641	\$7,365	\$5,710
	Total Costs	\$163,416	\$109,945	\$28,203
Net Costs		(\$13,963)	\$43,634	\$14,258

* Existing values are based on 3-year average costs

* Forecasted values are based on 3-year average square foot costing with:

- Maintenance reduced by 60% as this is a new building.
- Housekeeping provided at same service level.
- Landscaping has a 50% reduction to account only for planters and trees in plaza areas.
- Snow removal has a 30% reduction as majority of parking is managed by mall.
- Same level of service for property insurance
- Inclusion of public Wi-Fi system for entire building

(iii) interest charges from all debentures

As noted in the [October 20, 2025 Report to Council](#), the debenture is expected to be issued in 2028-2029 after the two surplus buildings and library parking lot are sold, the project is completed, donations or naming rights are received and unused contingencies released. The funding for the annual debt payment is recommended to be funded through the existing Facility Replacement operating budget with no tax increase required. The financial plan for the project, included in the October 20, 2025 report, remains as presented in previous reports to Council.

(iv) amount of annual increases for costs resulting from increase in operating size including flooring, furniture, shelving, HVAC, roofing, mechanical, electrical, exterior and interior upgrades, parking

No increases in additional costs for furniture, shelving, HVAC, roofing, mechanical, electrical, exterior and interior upgrades or parking for the project are proposed at this time beyond what is included in the \$52.8 million project budget. Future lifecycle cost updates will be incorporated into lifecycle reserve funding and planning through the Municipality's asset management planning processes. These costs will be offset from the lifecycle costs currently required for these assets based on the current conditions of these assets in these three separate facilities. As noted in the [Report to Council dated May 12, 2025](#), the consolidation of the Civic Centre, Chatham Library and Museum to one site will have a net positive impact

on the Municipality's Asset Management Plan infrastructure gap by having a newly renovated building and selling two buildings in need of repair. With the new construction, there are no anticipated lifecycle costs for the next ten years.

Increases in space for the library and museum were determined through the development of concept design, subject to input from stakeholders and the public, and identified in the previous Library Master Plan.

(v) any increase in staff and any increase in respective operating budgets resulting in expanding the Chatham-Kent Museum space by approximately 150% and Chatham Library branch space approximately 90% and how any potential increases will impact overall Museum and Library service levels across Chatham-Kent

No increases in staffing for the Museum or Library are proposed at this time. As noted in the [Report to Council dated May 12, 2025](#), increases in resources such as staffing and/or supplies to maintain current levels of service or for increased level of services and/or program delivery for the library and museum to meet community needs would be requested in the 2028-2031 multi-year budget if recommended by EMT. Council will have the opportunity to consider these staffing and associated service level increases as part of future budget processes.

If there are future naming rights or donations, these could be considered as funding sources for any future increases in levels of service at the Library or Museum, and would be subject to future Council approval.