

2024 Asset Management Plan

Town of South Bruce Peninsula

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Project Background

Asset
Management Plan
Town of South Bruce Peninsula

2024

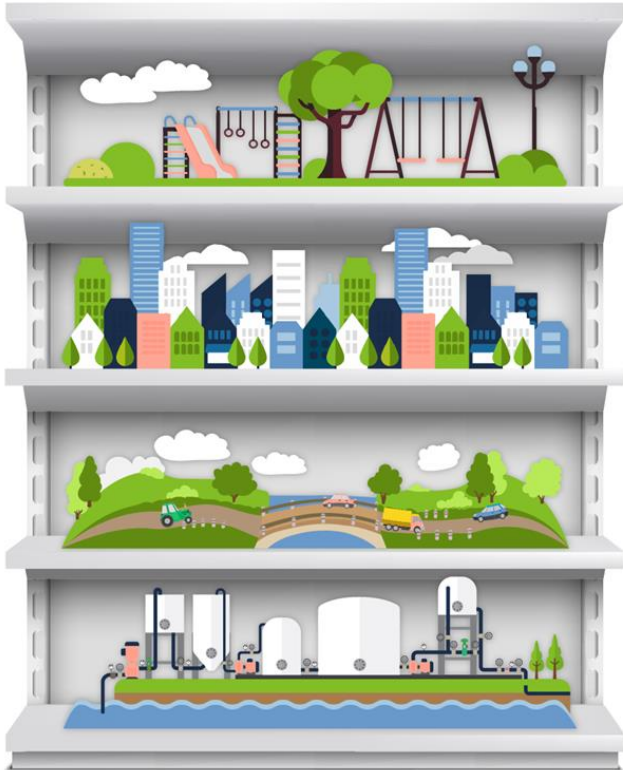
Primary Deliverable

AMP (2024 O. Reg. 588/177 Compliant)

Supporting Workshops

- Inventory Data Refinement
- Risk & Criticality Analysis
- Lifecycle Strategies
- Levels of Service

Infrastructure assets are vital for communities

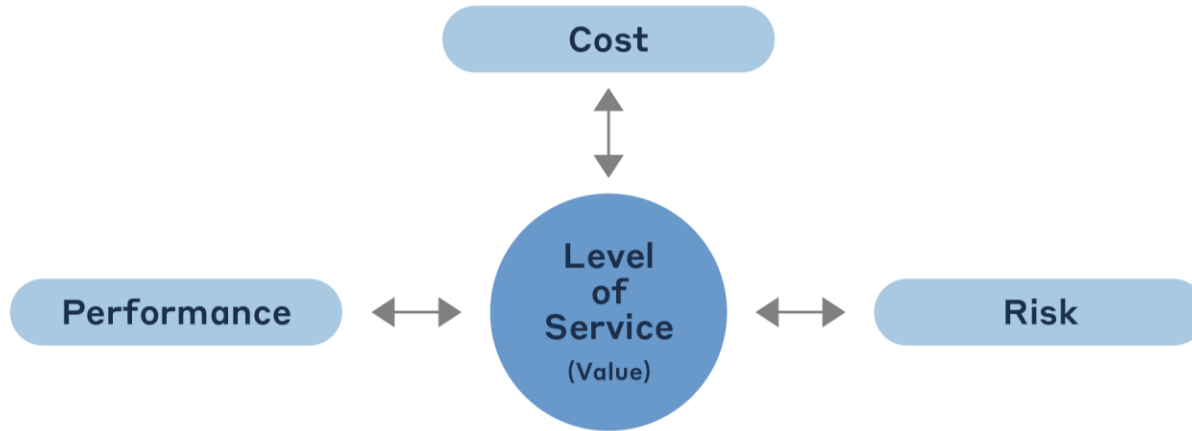


- We need a meaningful way to organize what we own
- We need a way to understand what services we provide
- We need a way to ensure accountability to our residents and stakeholders for the services they use

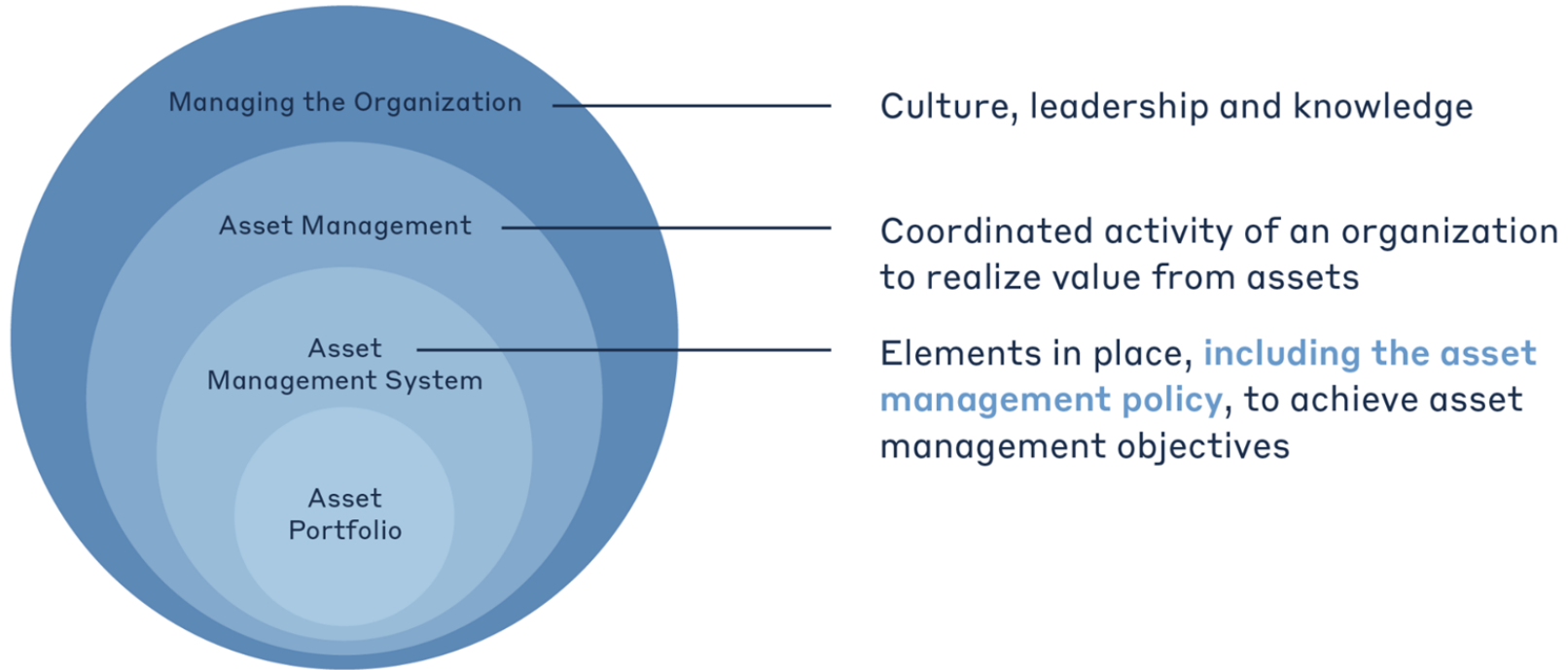


What does Asset Management involve?

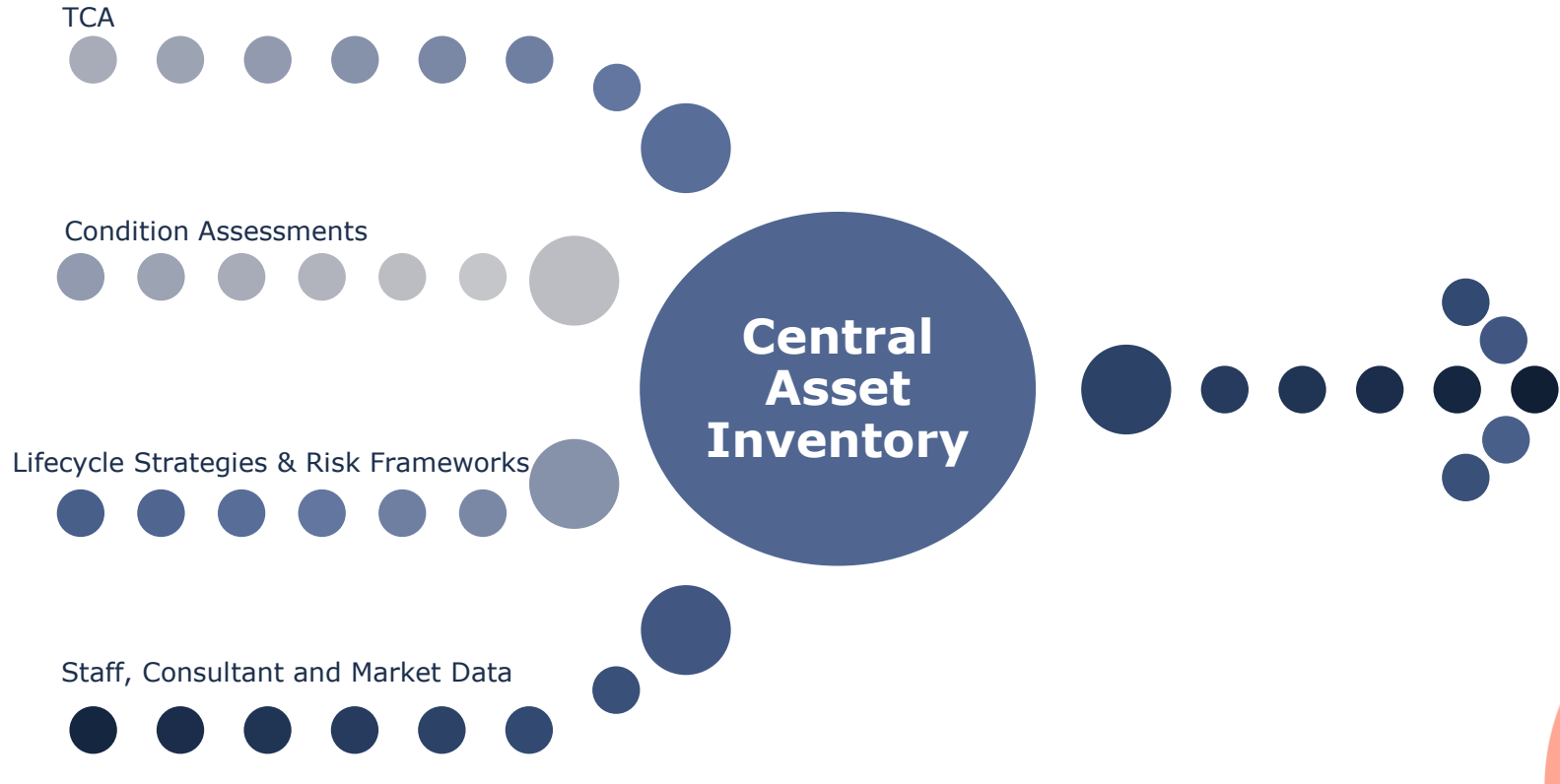
ISO 55000: “Coordinated activity of an organization to realize value from assets”



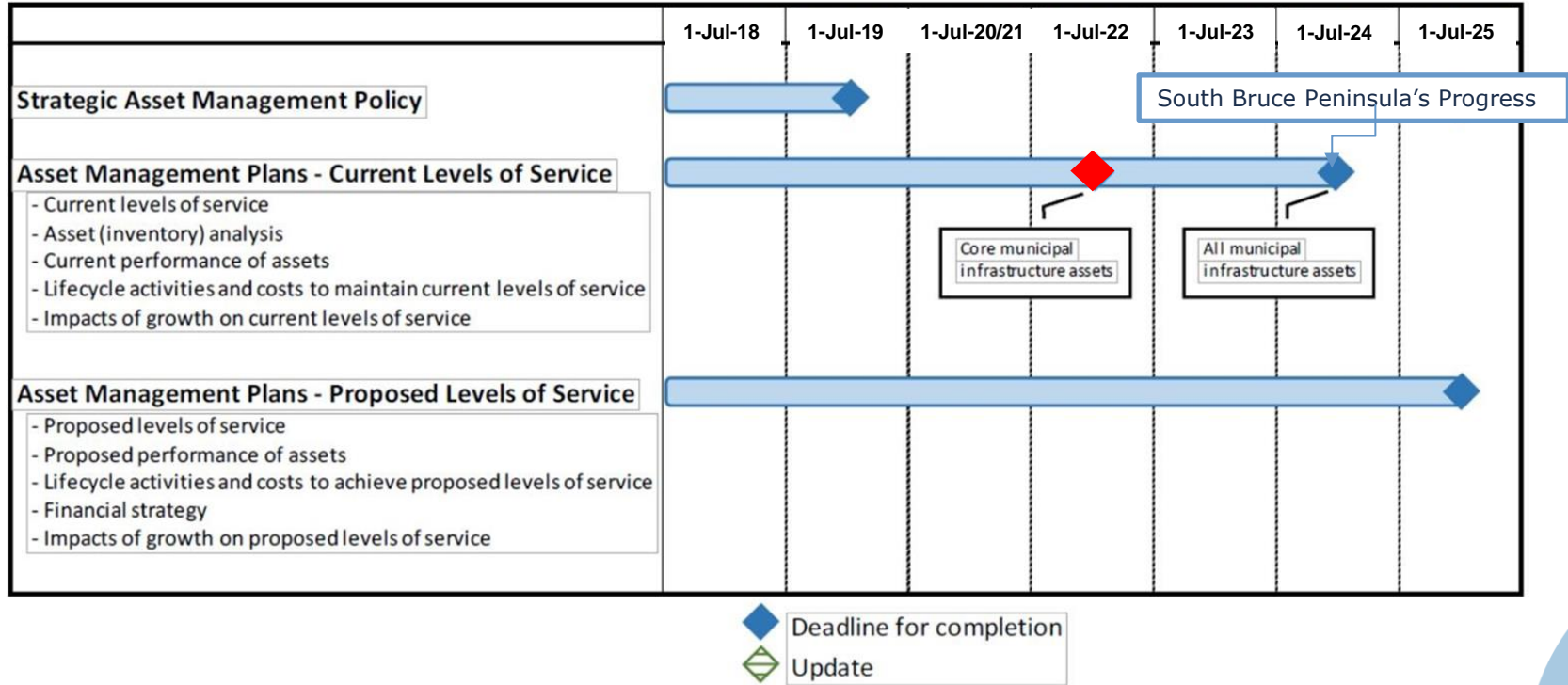
What does Asset Management involve?



Town's Capital Asset Inventory



Ontario Regulation 588/17 - Compliance



AMPs - Updating, Reviewing & Public Posting

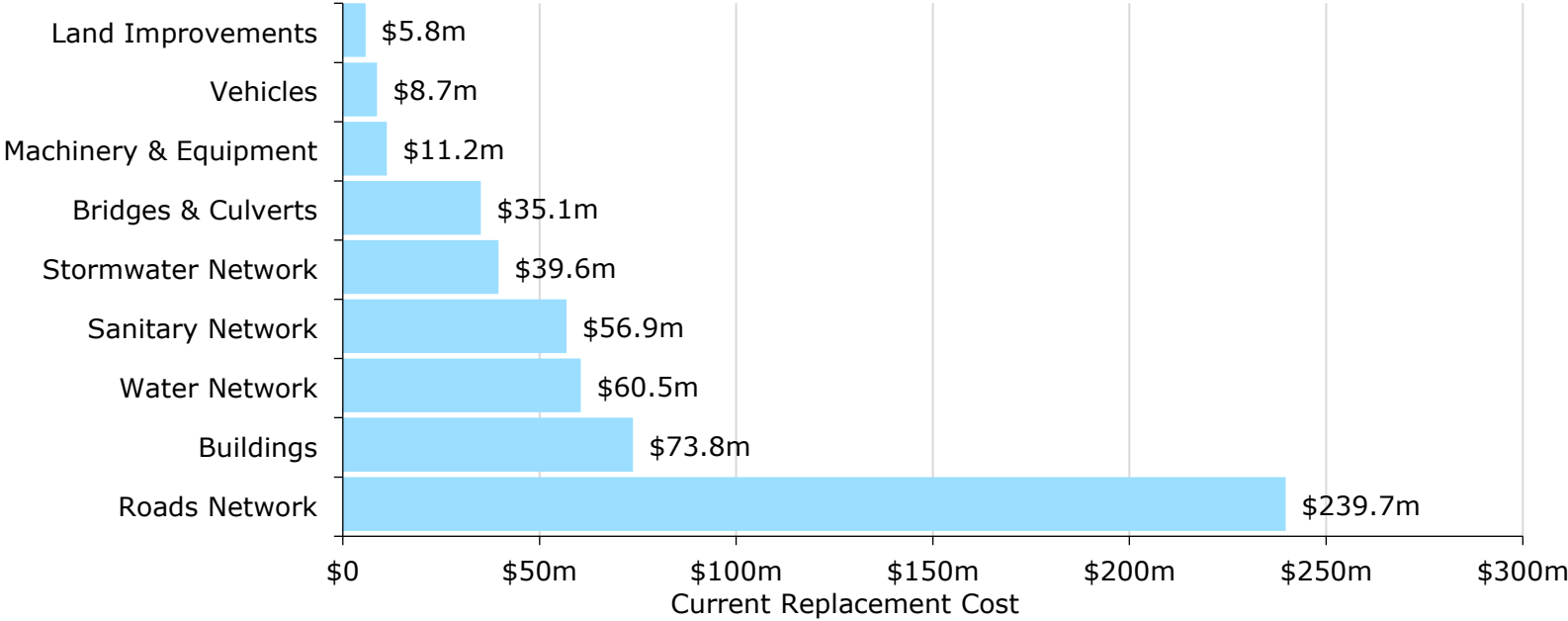


- After 2025, asset management plans must be updated at least once every 5 years
- Every municipal council shall conduct an annual review of its asset management progress on or before July 1st
- The asset management policy and plan should be posted to the municipal website

Asset Management Plan (2023 year-end)

- 1 What is the current state of municipal infrastructure?
- 2 What process improvements can increase confidence in analysis and decision-making?
- 3 What is the Town financial capacity to meet long-term capital requirements?

Total Replacement Cost of the Asset Portfolio



Total = \$531.2M



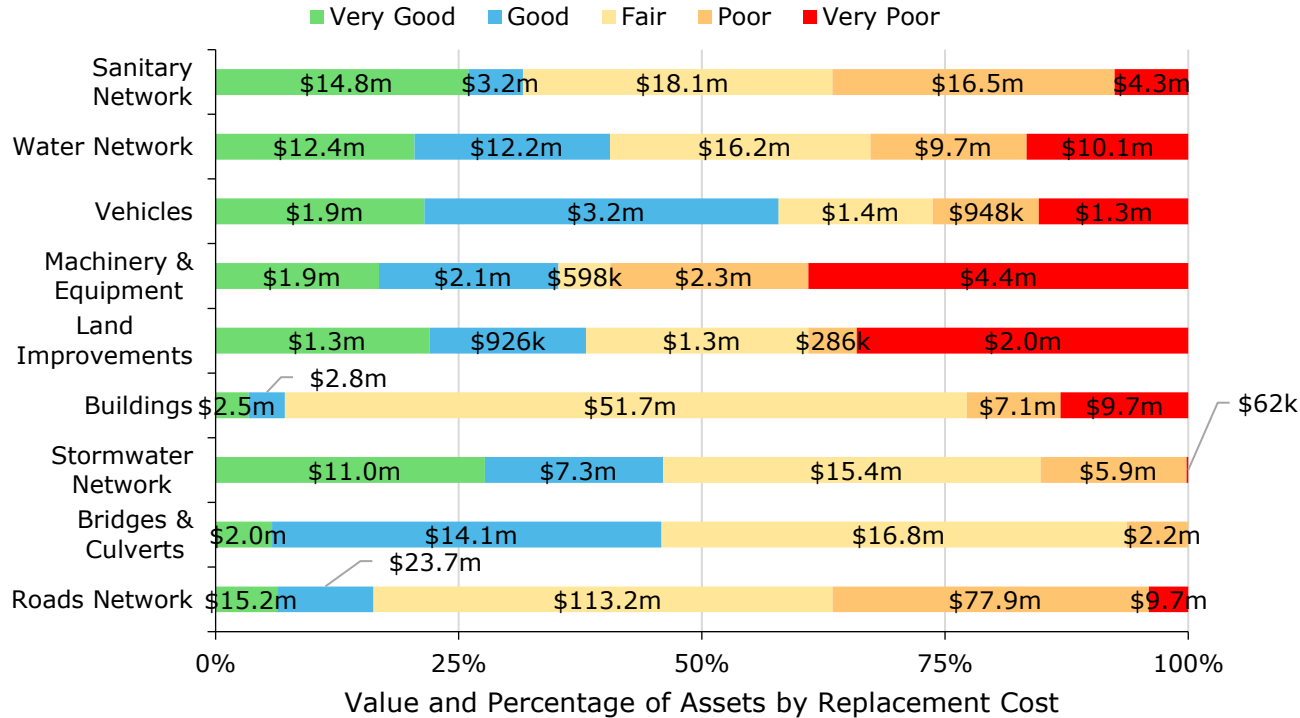
Replacement Cost Method of Asset Portfolio

Category	Primary Replacement Cost Method
Bridges & Culverts	User-Defined Cost
Buildings	User-Defined Cost
Land Improvements	CPI Tables
Machinery & Equipment	CPI Tables
Roads Network	Cost/Unit
Stormwater Network	Cost/Unit
Sanitary Network	Cost/Unit
Vehicles	User-Defined Cost
Water Network	Cost/Unit

The accuracy and reliability of lifecycle costs is critical for asset management.



Overall Condition of the Asset Portfolio



69% assets are in fair or better condition



Condition Assessments in the Asset Portfolio

Asset Category	Asset Segment	% of Assets with Assessed Condition	Source of Condition Data
Roads Network	Paved Roads	92% Assessed	Roads Needs Assessment 2019
	Roadside Barriers	0% Assessed	Age-Based
	Sidewalks	100% Assessed	Sidewalk Evaluation
	Signs	100% Assessed	2023 Traffic Signs Evaluation
	Streetlights & Traffic Signals	0% Assessed	Age-Based
	Unpaved Roads	99% Assessed	Road Needs Study 2019
Bridges and Culverts	Bridges	100% Assessed	OSIM 2022
	Culverts	100% Assessed	OSIM 2022
Stormwater Network	Catchbasins	6% Assessed	Municipal Staff
	Culverts	99% Assessed	Municipal Staff
	Manholes	43% Assessed	Municipal Staff
	Oil Grit Separator	0% Assessed	Age-Based
Buildings	Storm Mains	13% Assessed	Municipal Staff
	Environmental Services	100% Assessed	
	General Government	19% Assessed	
	Health Services	0% Assessed	Building Condition Assessment 2020 & Municipal Staff
	Protection Services	100% Assessed	
	Recreational Services	90% Assessed	
Land Improvements	Transportation Services	100% Assessed	
	Cemetery	0%	Age-Based
	Columbarium	0%	Age-Based
	Landfill Assets		
	Parking Lots	5%	Building Condition Assessment 2020
	Parks	14% Assessed	Staff Assessments
	Playground Structures	23% Assessed	Staff Assessments
	Signage	0% Assessed	Age-Based
Sport Structures	15% Assessed	Staff Assessments	
Trail Systems	11% Assessed	Staff Assessments	

Asset Category	Asset Segment	% of Assets with Assessed Condition	Source of Condition Data
Machinery & Equipment	Environmental Services	83%	Staff Assessments
	General Government	35%	Staff Assessments
	Protection Services	6%	Staff Assessments
	Recreational Services	32%	Staff Assessments
	Transportation Services	71%	Staff Assessments
Vehicles	Protection Services	100%	Staff Assessments
	Recreation Services	100%	Staff Assessments
	Transportation Services	100%	Staff Assessments
Sanitary Network	Lagoons	99% Assessed	OCWA 2020
	Manholes	5% Assessed	Staff Assessments
	Pumping Stations	0% Assessed	Age-Based
	Sewage Treatment Plant	58% Assessed	OCWA 2020
	Sewer mains	63% Assessed	2021 CCTV Report
Water Network	Hydrants	7% Assessed	Staff Assessments
	Pumping Stations	0% Assessed	Age-Based
	Tower/Booster Equipment	97% Assessed	OCWA 2020
	Treatment Equipment	70% Assessed	OCWA 2020
	Treatment Plants	29% Assessed	OCWA 2020
	Valves	81% Assessed	OCWA 2020
	Water Mains	6% Assessed	Staff Assessments
	Water Meters	0% Assessed	Age-Based

Age-based condition data typically overstates needs and overall deficit. Assessed condition data builds confidence in decision making.



Assessed Condition Data in AM Decision Making



Mitigation of risks associated with asset failure



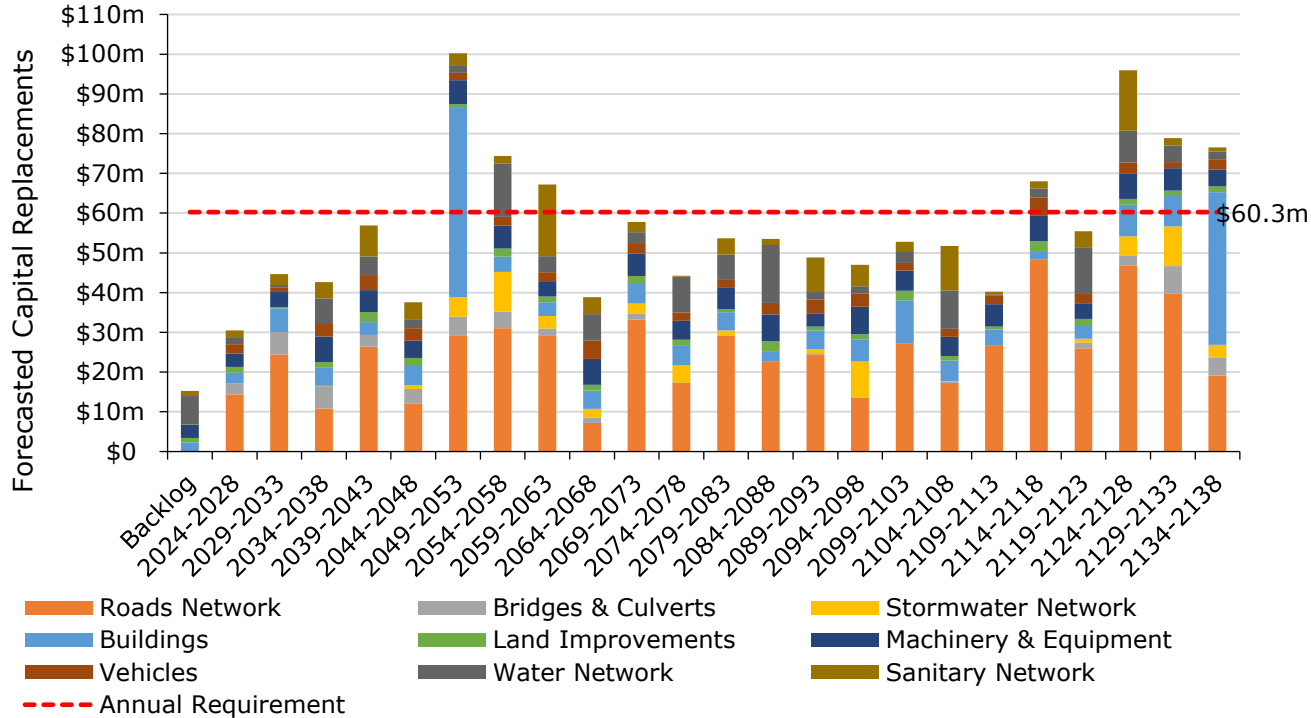
Identifying the most economic intervention



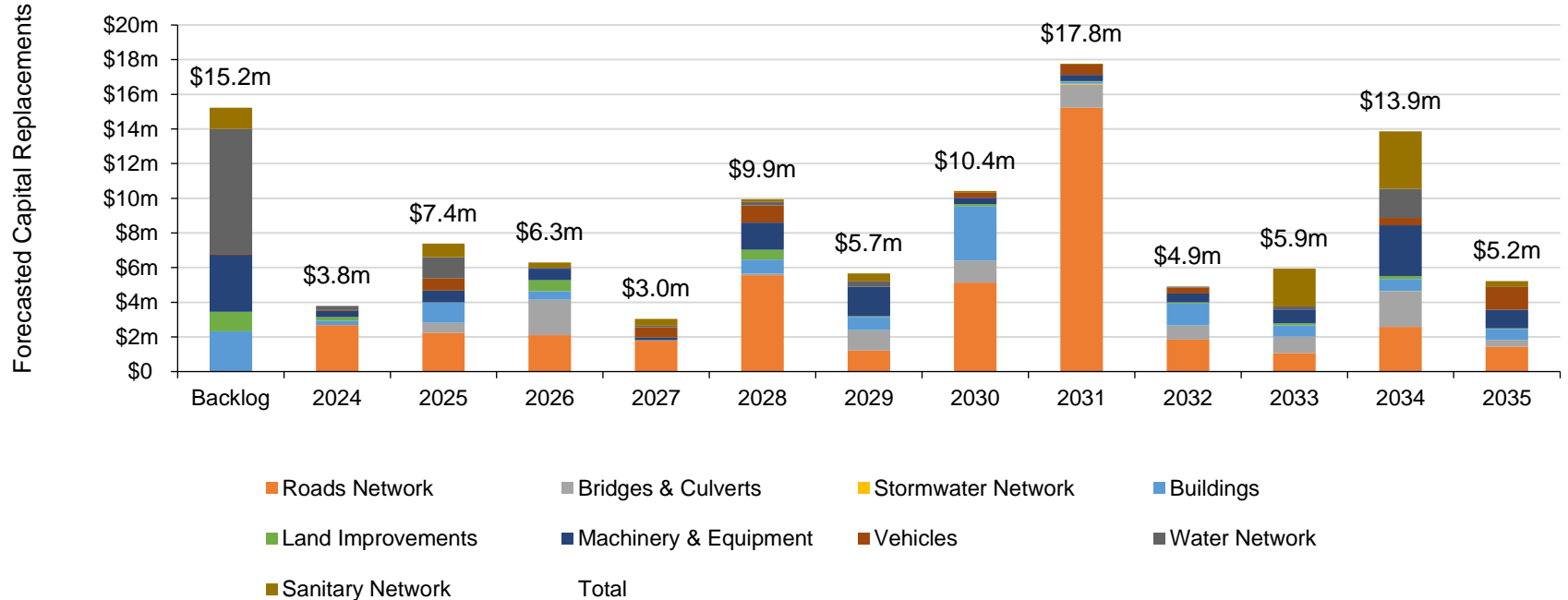
Accurate predication of future expenditure requirements



Forecasted Capital Requirements – 115 Years



Forecasted Capital Requirements – 10 Years



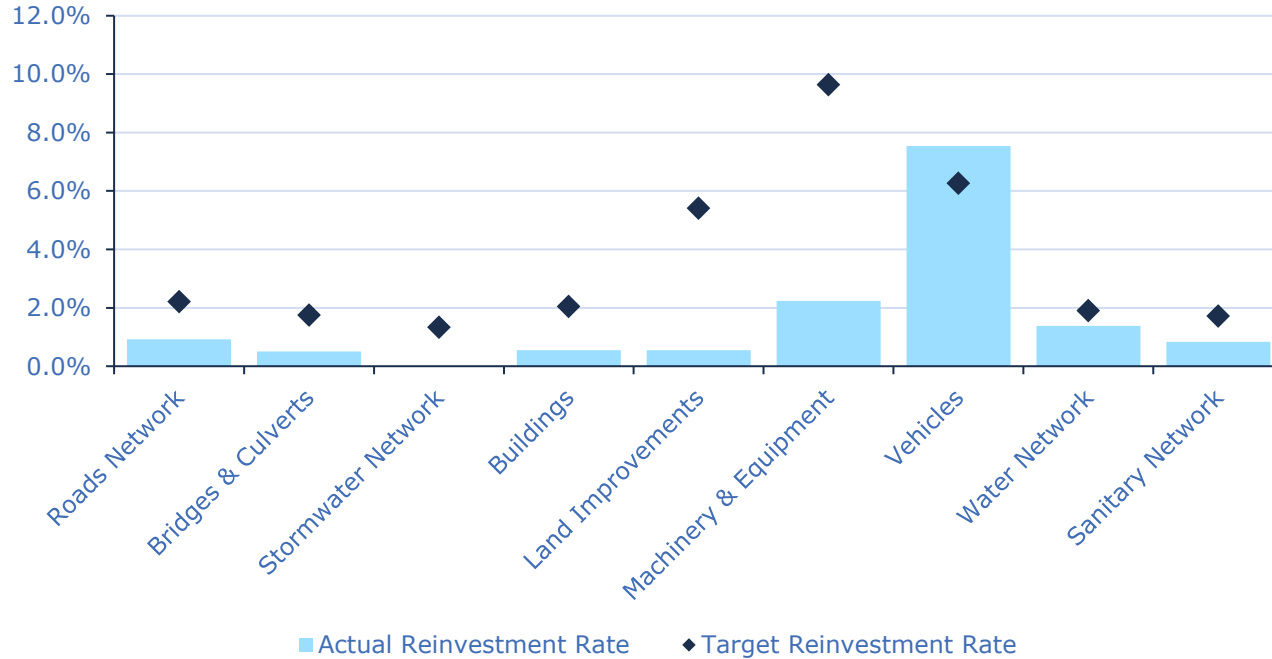
Annual Capital Requirement & Infrastructure Deficit

**Sustainable Funding Sources:
Gas Tax, OCIF, Reserves, etc.**

Funding Source	Annual Capital Requirement	Funding Available	Annual Capital Deficit
Tax-Funded Assets	\$9,914,000	\$3,718,040	\$6,195,960
Water Rate-Funded	\$1,157,000	\$837,600	\$319,400
Sanitary Rate-Funded	\$980,000	\$476,050	\$503,950
Total:	\$12,051,000	\$5,031,690	\$7,019,310

Assets are currently funded at 42% of their long-term capital requirements

Target vs. Actual Reinvestment Rate



Target Reinvestment Rate
2.3%

Actual Reinvestment Rate
0.9%

Financial Strategy

Funding Source	Years until Full Funding	Total Tax/Rate Increase	Annual Tax/Rate Increase
Tax-Funded	15	50%	2.9%
Water Rate-Funded	15	13.9%	0.9%
Sanitary Rate-Funded	15	38.2%	1.9%

- Both sustainable and one-time grants/transfers will continue to be an essential source of revenue for investment in capital infrastructure
- Adjustments to taxes should be supplemented with project prioritization and evaluation of the desired levels of service



Recommendations & Next Steps

1

Continue to review and refine asset inventory in consultation with internal departments/stakeholders

- Implement a portfolio-wide **data governance strategy** to increase accuracy/confidence in data
- Develop an established cycle for updating replacement cost and condition information
- Review all Estimate Useful Lives defined in the Tangible Capital Asset Policy as part of a regular policy review

2

Prepare for O.Reg. 588/17 2025 Requirements

- Identify **Proposed levels of service** for the 2025 requirement
- Develop a medium to long-term external communication strategy to **engage the public** on asset management and obtain feedback to inform development of proposed levels of service

3

Continuous improvement and regular review

- An asset management plan is a **living document** that should be updated regularly to inform long-term planning
- Accordingly, the yearly capital operating budget should include funding for the assessment of the Town's assets that will be used to update future iterations of the plan





Questions?