Town of Amherstburg
2021 Asset Management Plan

Jordan Gonda, Senior Asset Management Consultant, PSD Citywide

psdcitywide

Ontario Regulation 588/17

One Year Extension
Established on March 15, 2021

Asset Management Policy

AMP: All Assets
Same requirements as 2021, but to include core and non-core assets

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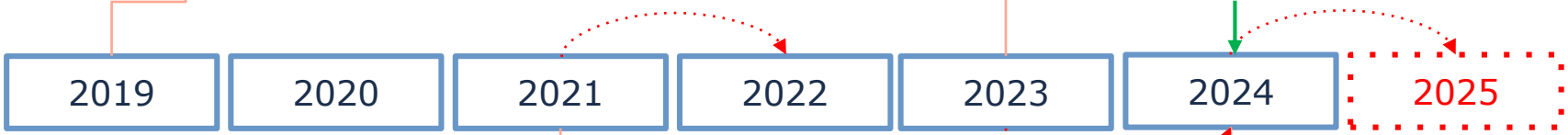


AMP: Core Assets

1. Current levels of service
2. Inventory analysis
3. Lifecycle activities to sustain LOS
4. Cost of lifecycle activities
5. Population and employment forecasts
6. Discussion of growth impacts

AMP: All Assets

1. Proposed levels of service for next 10 years
2. Updated inventory analysis
3. Lifecycle management strategy
4. Financial strategy and addressing shortfalls
5. Discussion of how growth assumptions impacted lifecycle and financial strategy

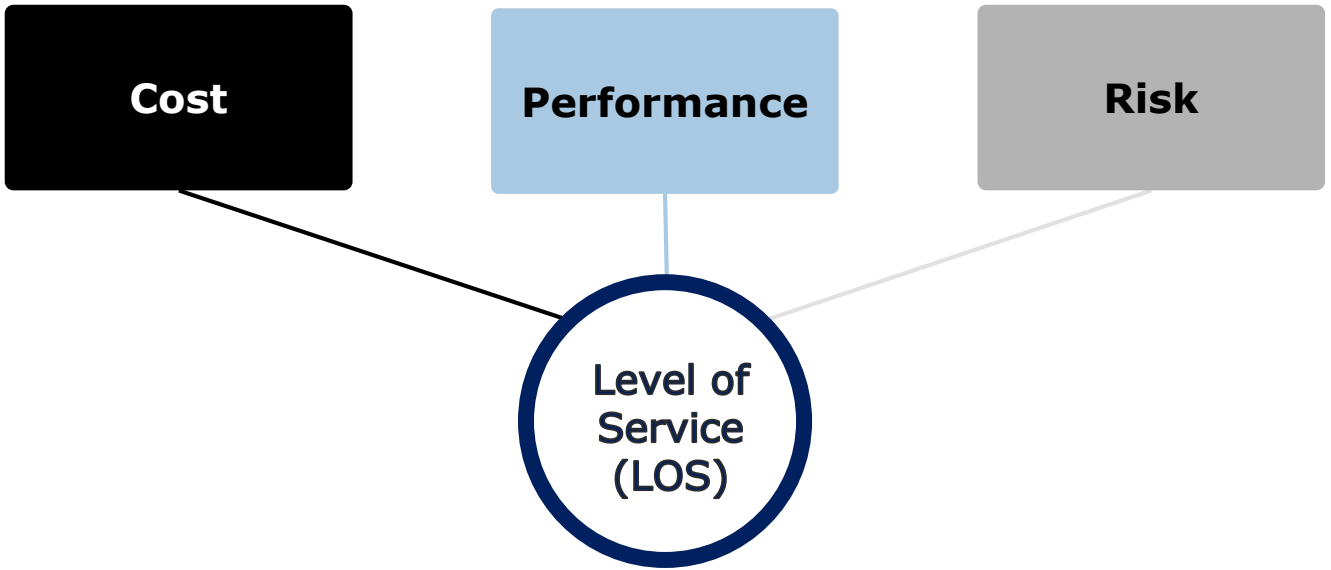
Asset Management Policy Update

Asset Management = Service Management

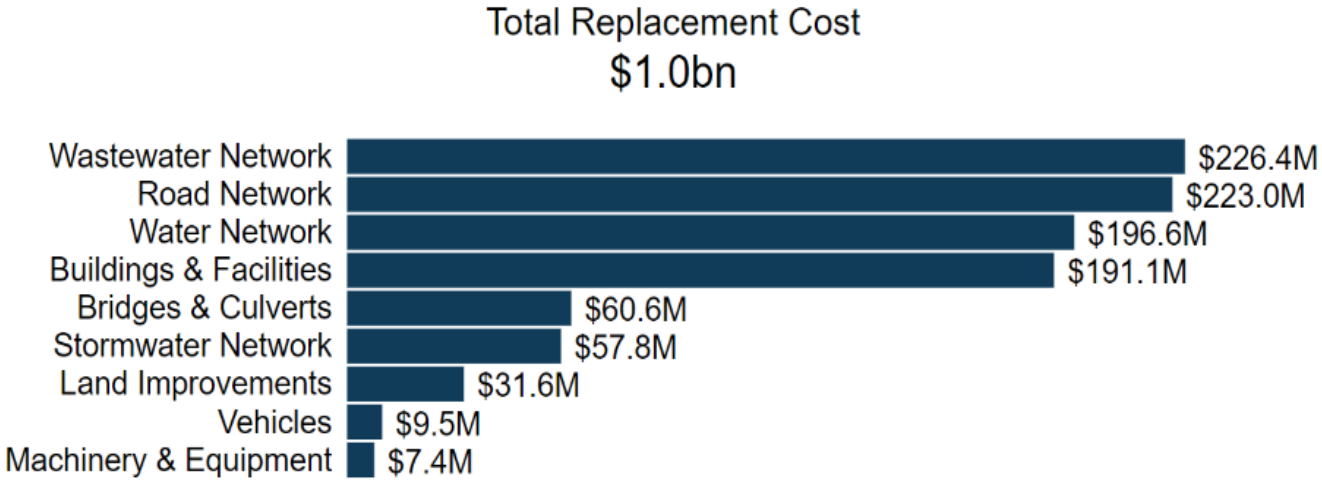
- Roads and Bridges allow for people and goods to move; Transportation Service.
- Watermains and treatment plants provide safe, quality drinking water; Environmental Service.
- Parks and Arenas enhance the quality of life; Recreational Service.
- Vehicles and equipment support service delivery; Emergency Service.

What does Asset Management involve?

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



Valuation of Asset Portfolio – 2021 Year End Data



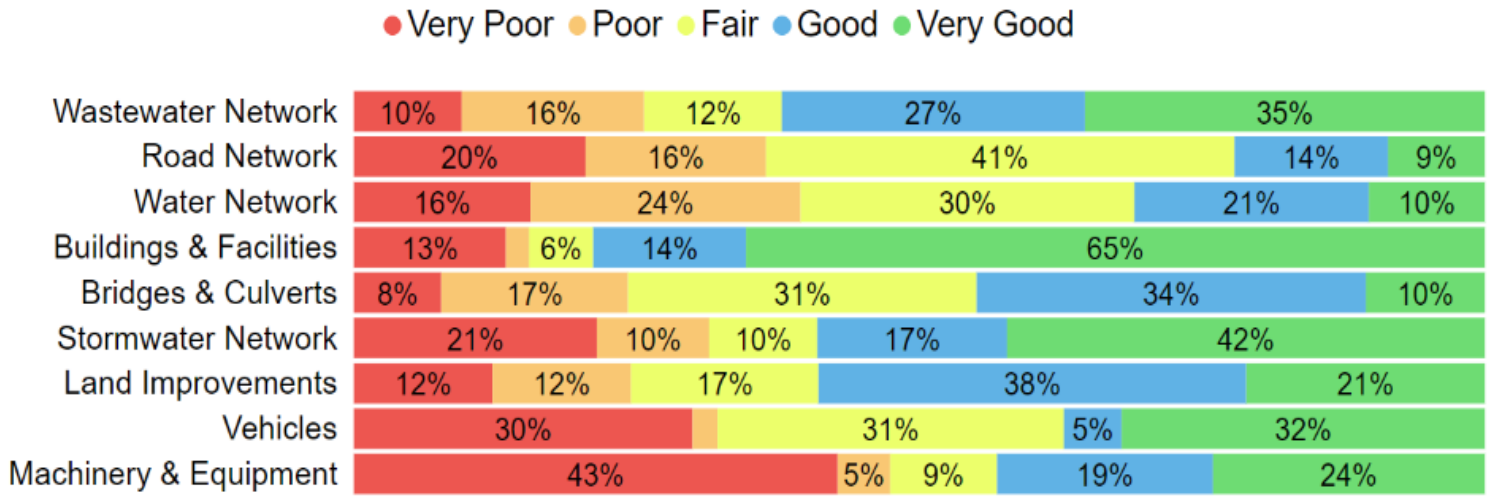
Replacement cost of asset portfolio

$1.0 billion

Replacement cost per household (2021 Census)

$105,141

State of the Infrastructure - Condition



% of assets with assessed condition ratings	% of assets in fair or better condition
50%	71%

In absence of physical inspection, staff expertise was used to provide condition assessment, where possible

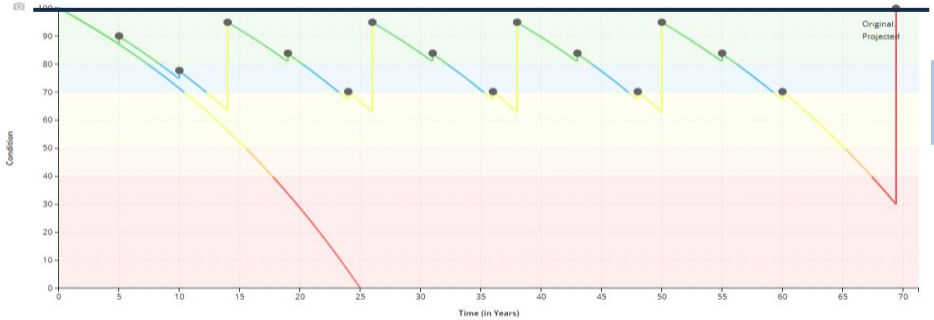
Lifecycle Strategies

Renewal: Assume replacement at end-of-life

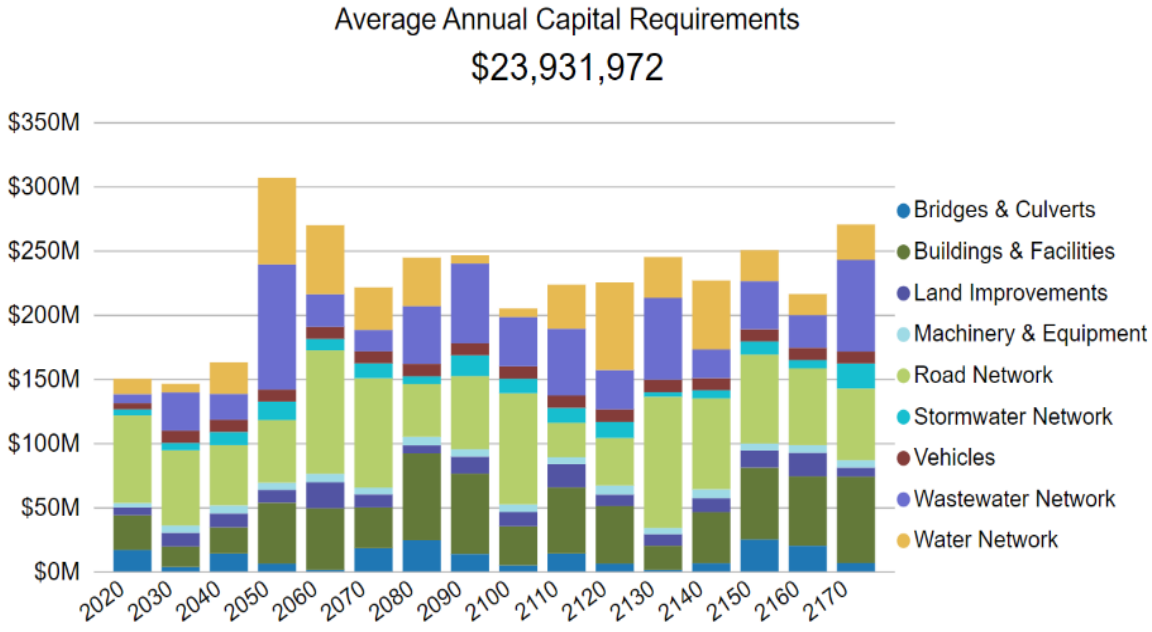
Specific Strategies:

- **Road Network:** lifecycle models using staff input and Roads Needs Study
- **Bridges and Culverts:** Recommended capital activities from Bridge Inspection Report

Urban – Semi Urban Roads		
Event Name	**Event Class**	**Event Trigger**
Crack Sealing	Maintenance	5 Years (Repeated)
Single Lift Mill and Pave 1	Rehabilitation	14 Years
Double Lift Mill and Pave	Rehabilitation	26 Years
Full Depth Asphalt Removal and Overlay	Rehabilitation	38 Years
Single Lift Mill and Pave 2	Rehabilitation	50 Years
Full Reconstruction	Replacement	30 Condition



Forecasted Capital Requirements



Backlog

$79 million

Yearly Capital Requirements

$24 million

Infrastructure Deficit

Asset Type	Annual Capital Requirement	Funding Available	Annual Capital Deficit
Tax-Funded Assets	$16,452,000	$9,109,000	$7,343,000
Rate-Funded Assets	$7,481,000	$4,867,000	$2,614,000
Total:	**$23,933,000**	**$13,976,000**	**$9,957,000**

The financial strategy and its recommendations are based on the capital replacement/rehabilitation needs required to maintain the **current** levels of service. As staff establish their **target/desired** levels of service, the required capital investment and financial strategy will be revised.

Financial Strategy

- Both sustainable and one-time grants/transfers will continue to be an essential source of revenue for investment in capital infrastructure
- Assumes no new debt will be taken on to pay for existing infrastructure
- Adjustments to taxes/rates should be supplemented with project prioritization and evaluation of desired level of service

Asset Type	Years Until Full Funding	Average Annual Tax/Rate Change
Tax-Funded Assets	15 Years	1.5%
Rate-Funded: Water Assets	10 Years	1.4%
Rate-Funded: Wastewater	10 Years	0.1%

Only includes current capital infrastructure

Risk – Prioritize the work

EXAMPLE – Road Network

Risk – The Process

Used a model to determine the likelihood of asset failure and various consequences of asset failure:

- Socio-economic
- Financial
- Environmental

Models developed using staff input from workshops. Each asset assigned a risk score.

Risk can be used to prioritize limited resources.

Key AM Program Recommendations

- Continuous refinement of asset inventory data
  - Continue to operationalize AMP findings in Citywide Software
  - Develop a data governance framework, including condition assessment strategy for non-core assets.

- Prepare for O.Reg. 588/17 2024 and 2025 Requirements
  - Develop a communication strategy to engage the Public on asset management and obtain feedback to inform development of proposed levels of service

- Continuous improvement and regular review
  - An asset management plan is a living document that should be updated regularly to inform long term planning.

Key Considerations

- AMP is a snapshot in time; state of infrastructure is constantly changing
  - EXAMPLE: recent decision to reduce 3 fire halls down to 2
  - EXAMPLE: recent assessment of parking lots estimates an addition ~$8 million replacement cost

- AMP provides high-level; long-term insights to managing infrastructure assets
  - EXAMPLE: large backlog of $79 million. Need to prioritize
  - EXAMPLE: long-term financial strategy to close funding gap
  - EXAMPLE: Condition assessments and whole-life activity planning key to understanding infrastructure needs.

- Roads and Bridges renewal follows recommendations of third party assessments. All other assets assume replacement at end of life. A suitable backlog and risk tolerance needs to be assessed to determine a more realistic capital needs

- Operating costs excluded from this analysis. A detailed study may be required to understand the true operating requirements to maintain service levels.

Jordan Gonda

jgonda@psdcitywide.com