# Township of West Lincoln 2021 Asset Management Plan

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# 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

You are here

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |

**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
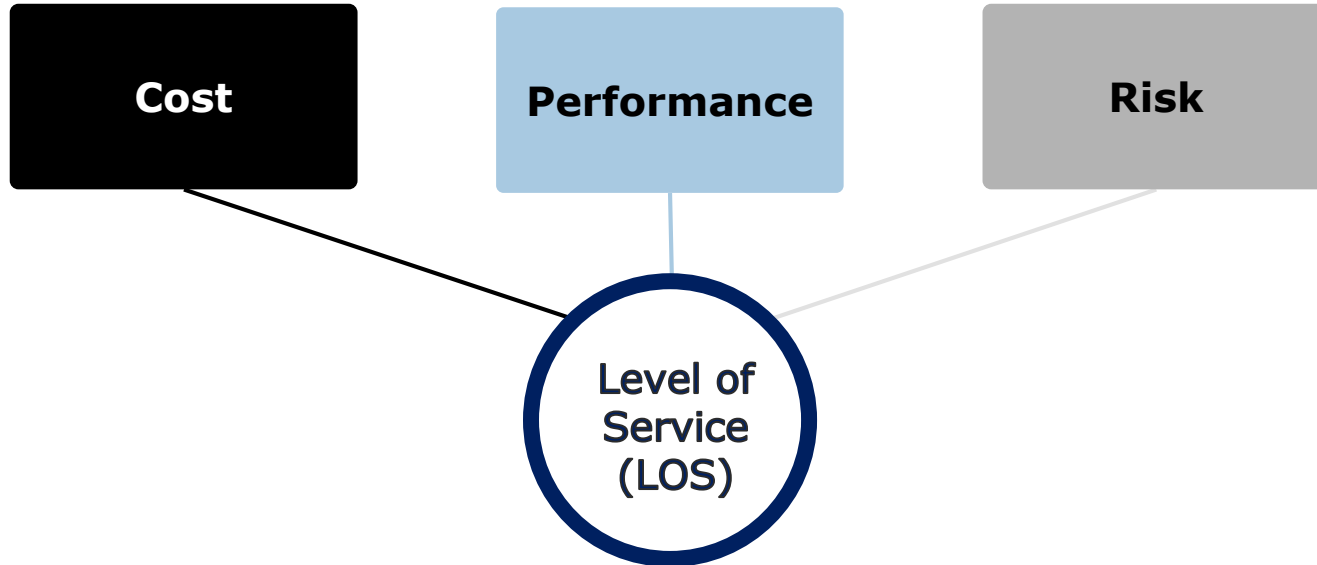
**Asset Management Policy Update**

# Asset Management = Service Management

- Roads and bridges allow for people and goods to move; Transportation Service.

- Watermains provide safe, quality drinking water; Environmental Service.

- Parks and arenas enhance the quality of life; Recreational Service.

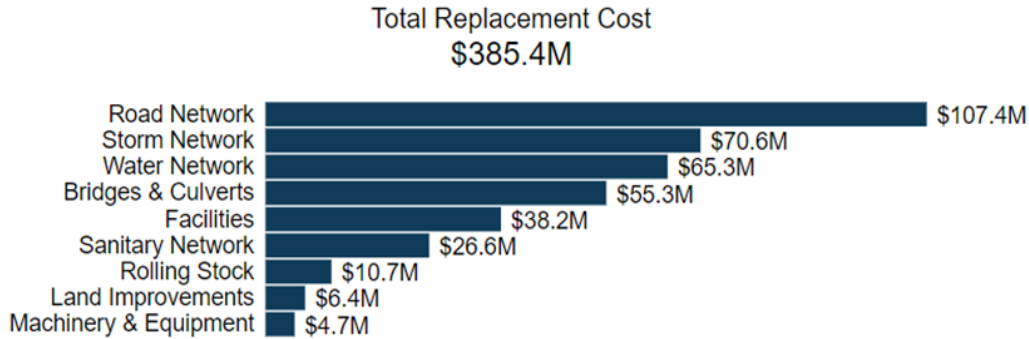- Vehicles and equipment support service delivery; Emergency Service.

# What does Asset Management involve?

**ISO 55000:** "Coordinated activity of an organization to realize value from assets"
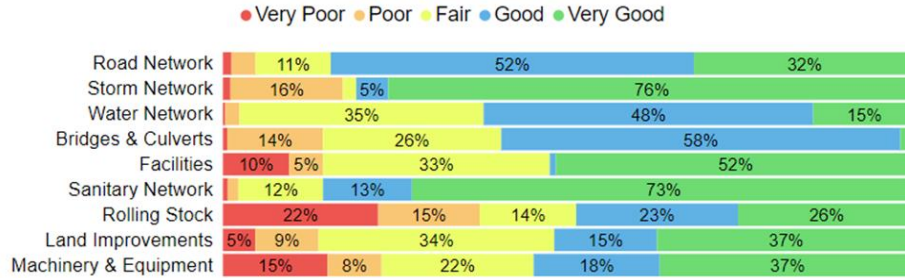
# Valuation of Asset Portfolio – 2021 Year End Data

### Total Replacement Cost
### $385.4M

| Asset | Cost |
|---|---|
| Road Network | $107.4M |
| Storm Network | $70.6M |
| Water Network | $65.3M |
| Bridges & Culverts | $55.3M |
| Facilities | $38.2M |
| Sanitary Network | $26.6M |
| Rolling Stock | $10.7M |
| Land Improvements | $6.4M |
| Machinery & Equipment | $4.7M |

Replacement cost
per household (2021 Census)
## $71,000

| Asset Category | Replacement Cost Method | |
| --- | --- | --- |
| | User-Defined | Historical Inflation |
| **Road Network** | 100% | 0% |
| **Bridges & Culverts** | 100% | 0% |
| **Water Network** | 100% | 0% |
| **Sanitary Network** | 98% | 2% |
| **Storm Network** | 100% | 0% |
| **Facilities** | 49% | 51% |
| **Rolling Stock** | 90% | 10% |
| **Machinery & Equipment** | 0% | 100% |
| **Land Improvements** | 6% | 94% |
| **Overall** | **91%** | **9%** |

# State of the Infrastructure - Condition



Chart legend: ● Very Poor ● Poor ● Fair ● Good ● Very Good

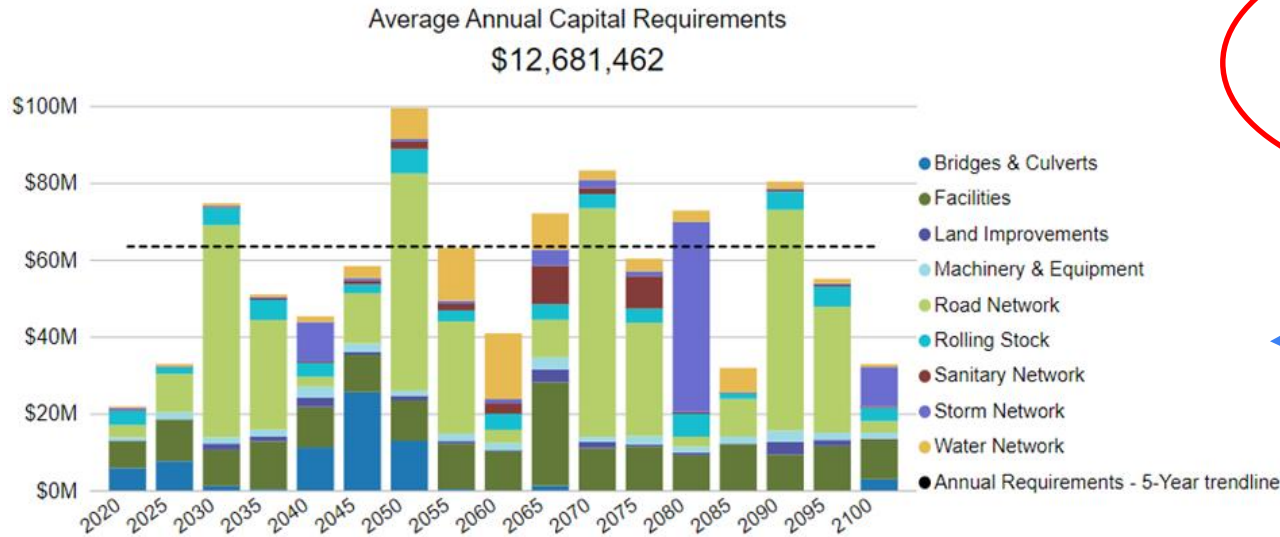| Asset | Very Poor | Poor | Fair | Good | Very Good |
|---|---|---|---|---|---|
| Road Network | | 11% | | 52% | 32% |
| Storm Network | | 16% | 5% | 76% | |
| Water Network | | | 35% | 48% | 15% |
| Bridges & Culverts | | 14% | 26% | 58% | |
| Facilities | 10% | 5% | 33% | | 52% |
| Sanitary Network | | 12% | | 13% | 73% |
| Rolling Stock | 22% | 15% | 14% | 23% | 26% |
| Land Improvements | 5% | 9% | 34% | 15% | 37% |
| Machinery & Equipment | 15% | 8% | 22% | 18% | 37% |

**90%** of assets are in Fair-Very Good Condition

| Asset Category | Asset Segment | % of Assets with Assessed Condition | Source of Condition Data |
|---|---|---|---|
| Road Network | Paved & Unpaved Roads | 100% | 2019 Roads Needs Study |
| | Other | 20% | Public Works Staff Assessments |
| Bridges & Culverts | All | 100% | 2021 bridge inspections |
| Water Network | All | <1% | Staff Assessments |
| Storm Network | All | 0% | Age-Based |
| Sanitary Network | Sanitary Mains | 96% | 2020 CCTV inspections |
| | Sanitary Manholes | 84% | |
| Facilites | All | 100% | 2020 Building Condition Assessments |
| Machinery & Equipment | All | 0% | Age-Based |
| Rolling Stock | All | 96% | Staff Assessments |
| Land Improvement | All | 9% | Staff Assessments |
| **Overall** | | **62%** | |

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

# Forecasted Capital Requirements



Average Annual Capital Requirements
$12,681,462

Includes scheduled capital rehabilitation for Bridges/Culverts & Roads assets

Legend:
- Bridges & Culverts
- Facilities
- Land Improvements
- Machinery & Equipment
- Road Network
- Rolling Stock
- Sanitary Network
- Storm Network
- Water Network
- Annual Requirements - 5-Year trendline

# Infrastructure Deficit

| Asset Type | Annual Capital Requirement | Funding Available | Annual Capital Deficit |
|---|---|---|---|
| Tax-Funded Assets | 11,045,000 | 1,874,000 | 9,171,000 |
| Rate-Funded Assets | 1,636,000 | 1,011,000 | 625,000 |
| **Total:** | **12,681,000** | **2,885,000** | **9,796,000** |

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 | 20 Years | 5.0% |
| Rate-Funded: Water Assets | 15 Years | 2.9% |
| Rate-Funded: Wastewater Assets | Maintain status quo | |

Doesn't include O&M or Growth

# Key AM Program Recommendations

1. Develop a data governance framework, including condition assessment strategy.

2. Continue to operationalize AMP findings in Citywide and update database regularly

3. Track **Current** Levels of Service and evaluate **Proposed** Levels of Service

   ○ Conduct Public Engagement survey

4. Continuous improvement and regular review

   ○ Continue to review and refine Citywide with different elements of asset

   management