

# Asset Management Plan

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Town of Aylmer  
Council Presentation

December 11, 2013

# Asset Management Overview

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- Great tool for Infrastructure planning
  - Identify capital priorities
  - Tie to budget & capital forecast, rate study, DC study, other strategic planning documents
  - Long term financial plan
- A living document:
  - Only useful if it is kept up to date
  - Update when Town priorities change

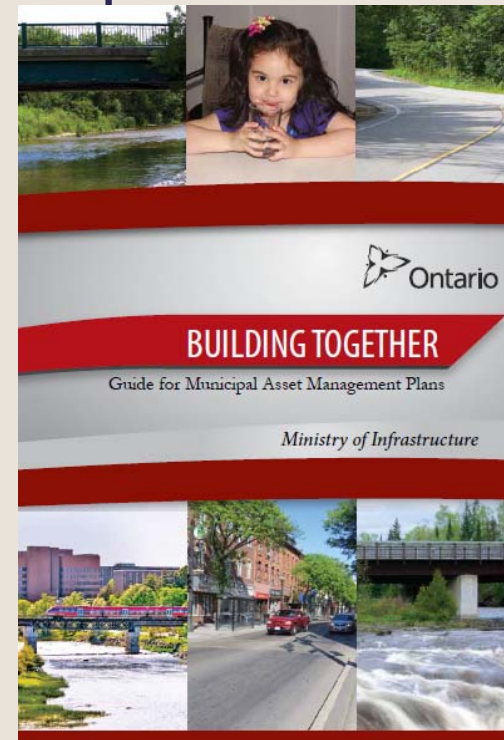
# Provincial Requirement

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- Province: Municipal Infrastructure Strategy
  - Municipalities seeking provincial capital funding must submit a detailed asset management plan
    - Must demonstrate how the proposed project is a “priority” within the detailed asset management plan
  - Provincial Guide: ***Building Together: Guide for Municipal Asset Management Plans***
  - MIII: Municipal Infrastructure Investment Initiative
    - \$98 million in funding over the next 3 years
      - Prepare asset management plans (smaller municipalities)
      - Build road, bridge, water and wastewater projects

# *Building Together Guide*

- Guide documents the components, information and analysis that are required to be included in a municipality's asset management plan
  1. Executive Summary
  2. Introduction
  3. State of Local Infrastructure
  4. Expected Levels of Service
  5. Asset Management Strategy
  6. Financing Strategy



# Asset Management Plan Components

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# State of Local Infrastructure

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## □ Requirements:

- Asset listing (types, sub-types, quantities, materials, etc);
- Financial accounting valuation;
- Replacement cost valuation;
- Asset age distribution and asset age analysis;
- Asset condition, using standard engineering practices;
- Records of all assumptions incorporated into the asset inventory;
- A data verification policy/condition assessment policy.

# State of Local Infrastructure

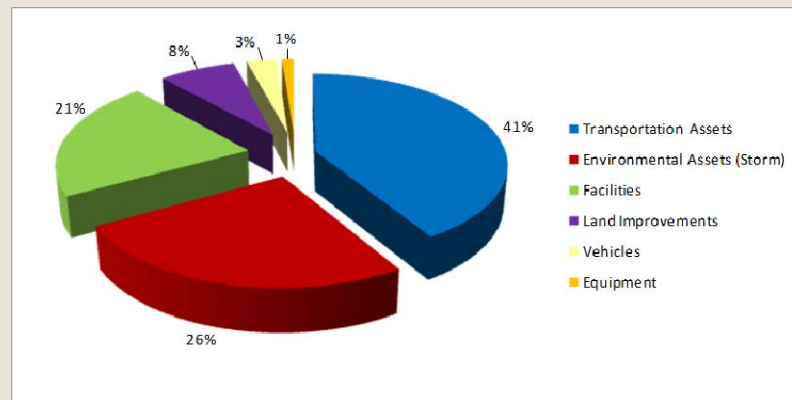
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## Sources of Information:

- Town Staff
- 2012 Facility Condition Assessments
- 2011 Water and Wastewater Rate Study
- Engineering Assistance (CJDL Consulting Engineers):
  - Roads
  - Storm
  - Water
  - Wastewater

# Tax Supported Assets

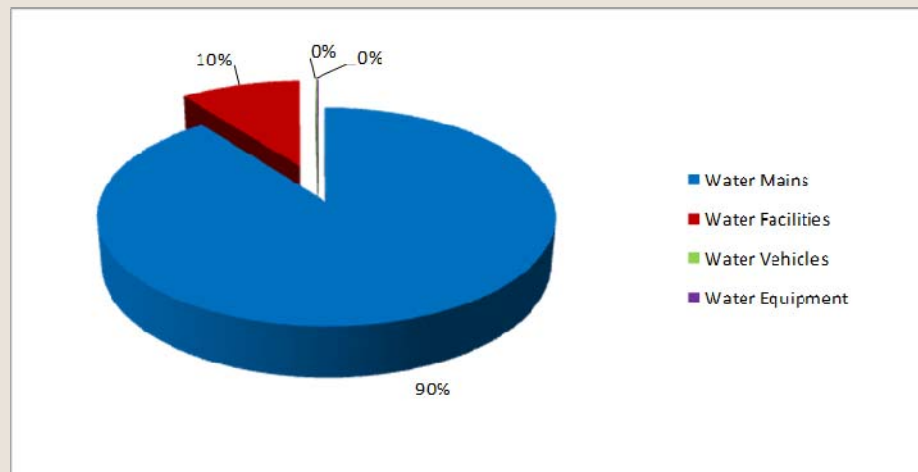
Asset Type	Historical Cost 12/31/2012	Accumulated Amortization 13/31/2012	Net Book Value 12/31/2012	Replacement Cost 2013\$
Transportation Assets	15,718,845	5,786,459	9,932,386	43,444,633
Environmental Assets (Storm)	9,458,000	2,576,781	6,881,219	27,087,328
Facilities	14,200,307	2,658,036	11,542,271	22,596,367
Land Improvements	2,240,820	728,365	1,512,455	7,952,665
Vehicles	1,983,742	1,452,341	531,400	3,121,595
Equipment	856,474	411,381	445,093	1,205,487
<b>Total Tax Supported Assets</b>	<b>\$ 44,458,188</b>	<b>\$ 13,613,364</b>	<b>\$ 30,844,824</b>	<b>\$ 105,408,075</b>





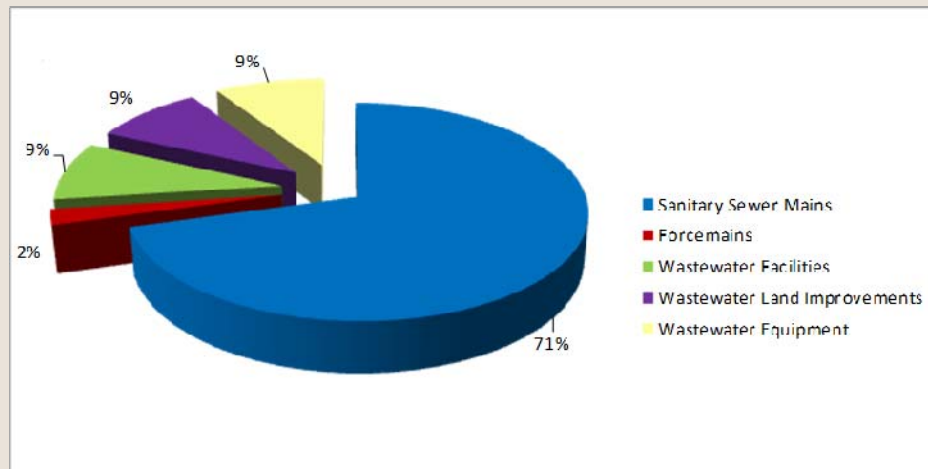
# Water Assets

Asset Type	Historical Cost 12/31/2012	Accumulated Amortization 13/31/2012	Net Book Value 12/31/2012	Replacement Cost 2013\$
Water Mains	10,458,905	2,328,337	8,130,568	30,091,606
Water Facilities	1,388,351	825,443	562,908	3,382,330
Water Vehicles	28,790	25,451	3,340	33,548
Water Equipment	37,895	8,708	29,187	39,413
<b>Total Water Assets</b>	<b>\$ 11,913,940</b>	<b>\$ 3,187,938</b>	<b>\$ 8,726,002</b>	<b>\$ 33,546,898</b>



# Wastewater Assets

Asset Type	Historical Cost 12/31/2012	Accumulated Amortization 13/31/2012	Net Book Value 12/31/2012	Replacement Cost 2013\$
Sanitary Sewer Mains	9,481,495	2,603,286	6,878,209	33,168,696
Forcemains	258,978	124,994	133,984	1,097,750
Wastewater Facilities	2,343,354	1,385,523	957,831	4,150,425
Wastewater Land Improvements	2,282,577	1,217,864	1,064,713	4,267,715
Wastewater Equipment	2,520,995	1,312,069	1,208,926	4,294,434
<b>Total Wastewater Assets</b>	<b>\$ 16,887,399</b>	<b>\$ 6,643,736</b>	<b>\$ 10,243,664</b>	<b>\$ 46,979,020</b>



# Expected Levels of Service

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- Level of Service (LOS) Requirements:
  - Performance measures, targets and timeframes illustrating defined levels of service;
  - External trends or issues that may affect desired levels of service or the municipality's ability to meet them; and
  - Show current performance relative to the targets established
  
- Compare: Current LOS to Expected LOS

# Expected Levels of Service

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Roads	Bridges/Culverts	Buildings/ Equip./Vehicles	Water/Wastewater
Minimum Maintenance Standards	Maintain adequate condition and load limits	Meet Legislative Requirements (Building Code, Fire Code, etc.)	Meet Legislative Requirements
Proactive Shave & Pave/Maintenance Program	Required Inspections every 2 years	Planned condition assessments	Minimize Unaccounted for Water
More efficient streetlight technology (LED)		Available Back-up Power to Key Buildings	Initiate a Smart Metering program

# Asset Management Strategy

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- Recommended course of actions (i.e. long term forecast) required to move towards a sustainable position while delivering at the expected levels of service in a cost effective manner
  - Non-infrastructure solutions & Maintenance activities
  - Renewal/rehabilitation activities
  - Replacement activities
  - Expansion activities
- Options analysis
- Risk Assessment
- Procurement Discussion

# Asset Management Strategy

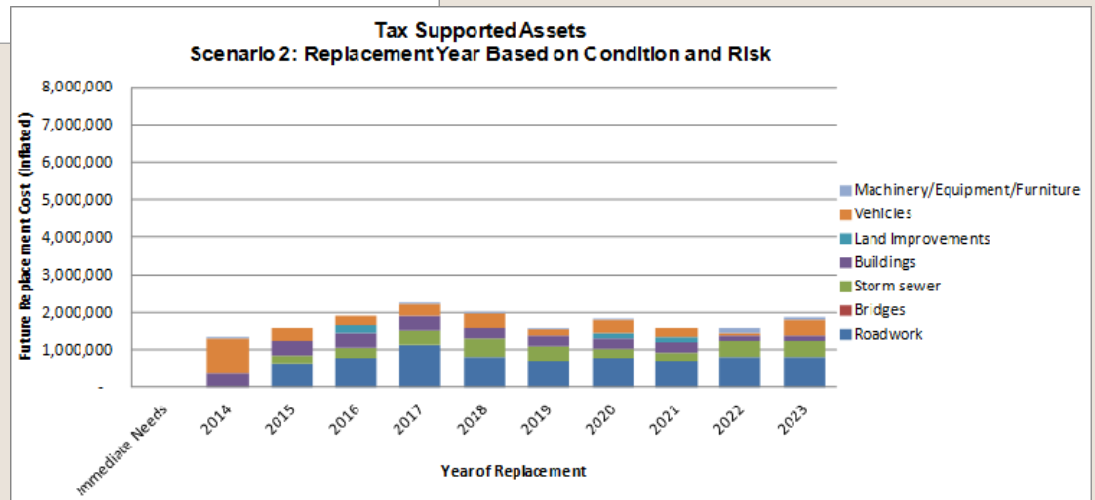
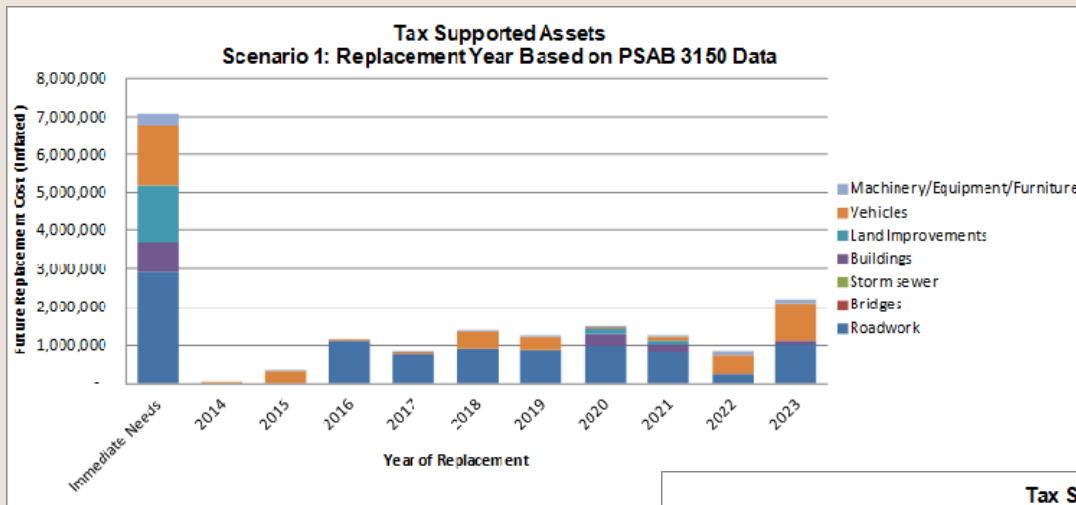
## Risk Assessment

- “Probability of Failure” X “Consequence of Failure”

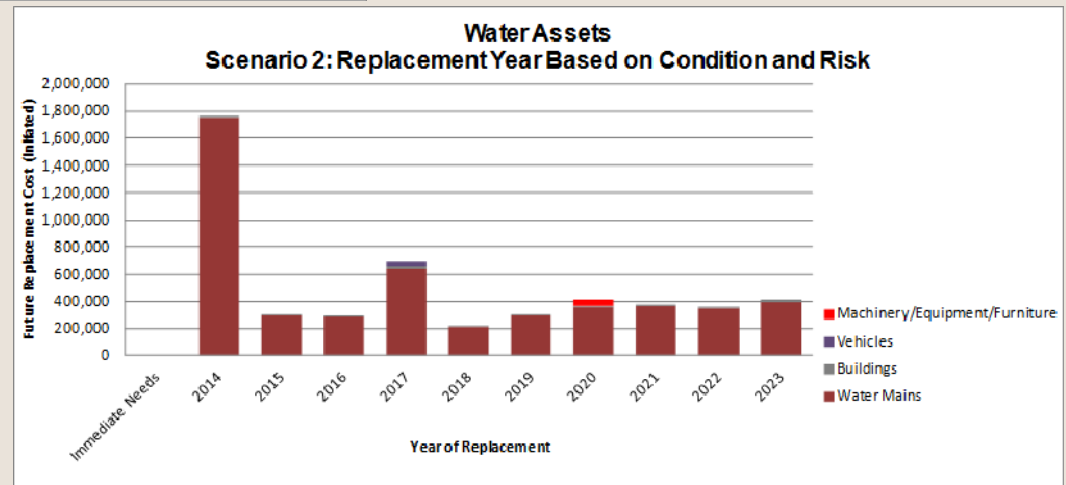
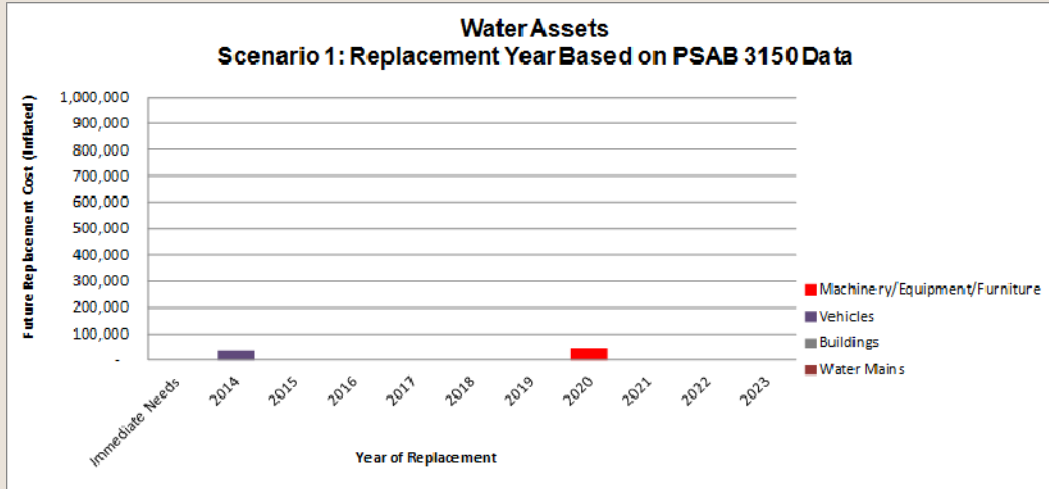
Probability of Failure	Consequence of Failure				
	Insignificant	Minor	Moderate	Major	Catastrophic
Rare	L	L	M	M	H
Unlikely	L	M	M	M	H
Possible	L	M	M	H	E
Likely	M	M	H	H	E
Almost Certain	M	H	H	E	E

- Risk Mitigation:
  - Focus on High (H) and Extreme (E) risk levels
- Used the risk assessment and staff discussions to identify asset priorities

# Tax Supported Replacement Forecast

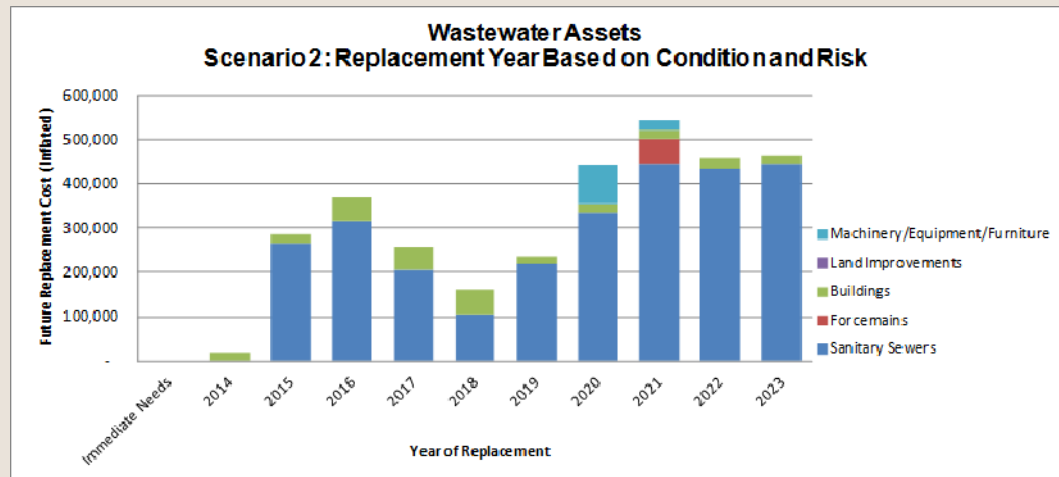
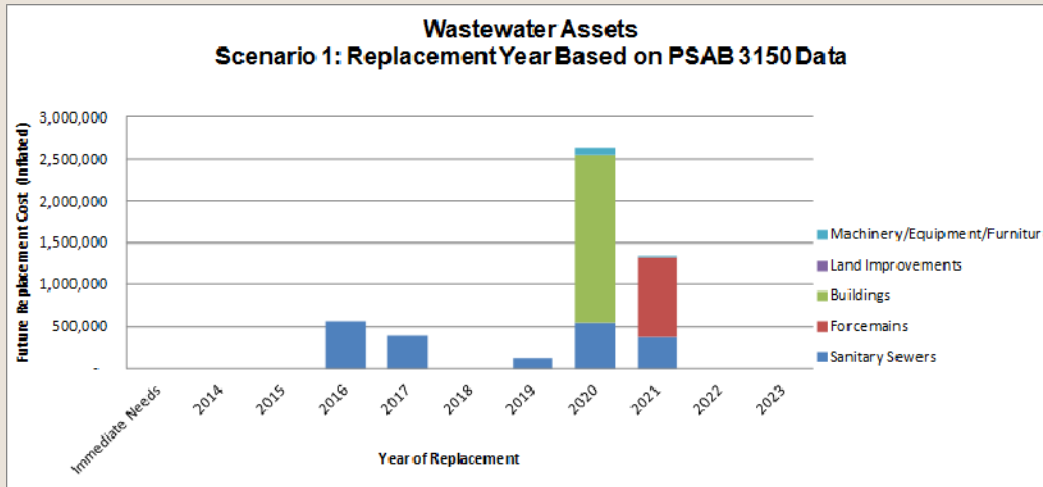


# Water Replacement Forecast





# Wastewater Replacement Forecast



# Financing Strategy

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- Financing Strategy to include:
  - Annual expenditure forecasts broken down by:
    - Non-infrastructure solutions & Maintenance Activities;
    - Renewal/rehabilitation activities;
    - Replacement activities; and
    - Expansion activities
  - Actual expenditures in the above named categories for the past 2 to 3 years
  - A breakdown of annual revenues by source
  - Identification of the “Infrastructure Funding Deficit”
    - How to reduce the deficit over time

# Financing Strategy

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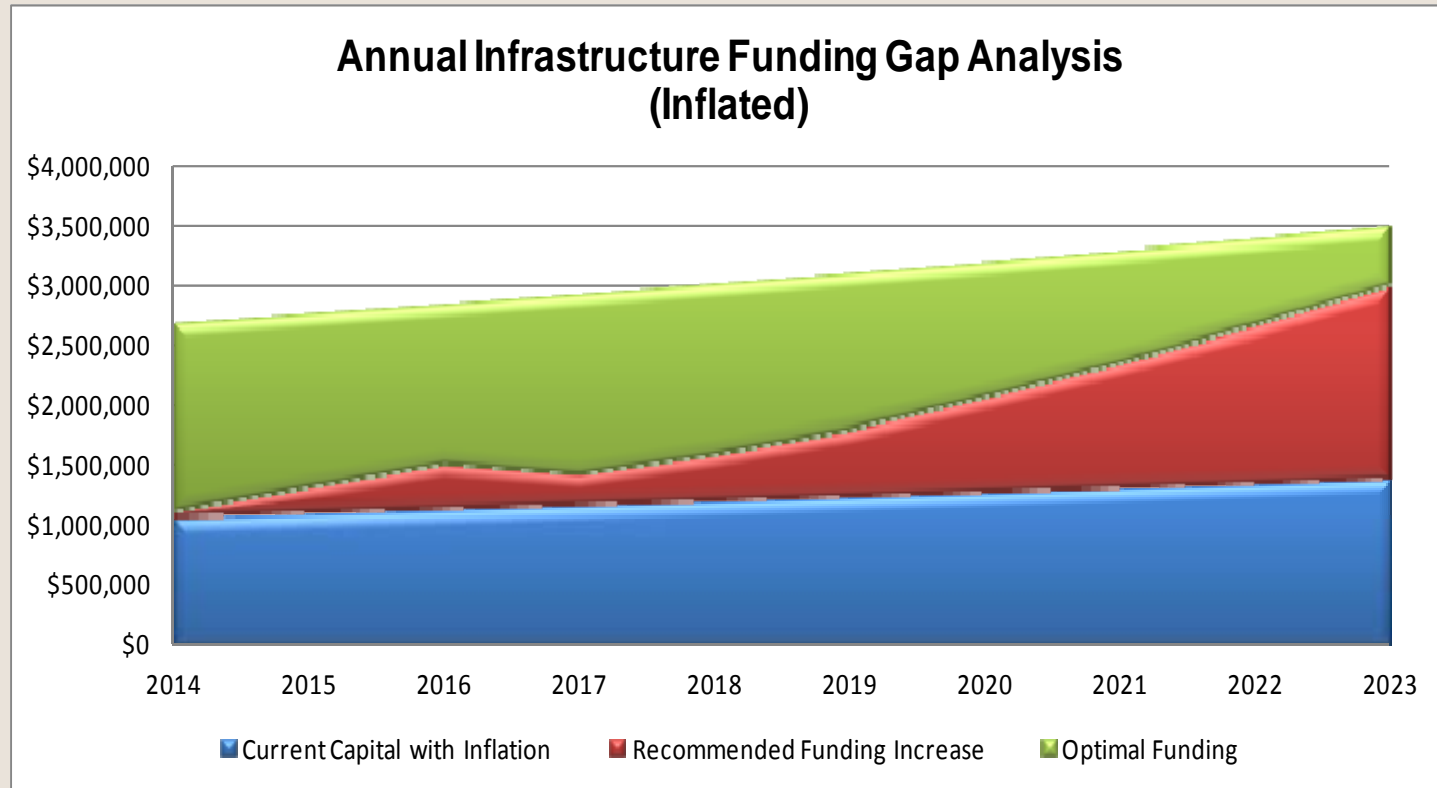
- Funding Considered:
  - Taxation (tax supported assets);
  - Water Rates (water assets);
  - Wastewater Rates (wastewater assets);
  - Grants (recent application);
  - Development Charges;
  - Gas Tax Funds;
  - Capital Reserves & Reserve Funds; and
  - Debt

# Financing Strategy

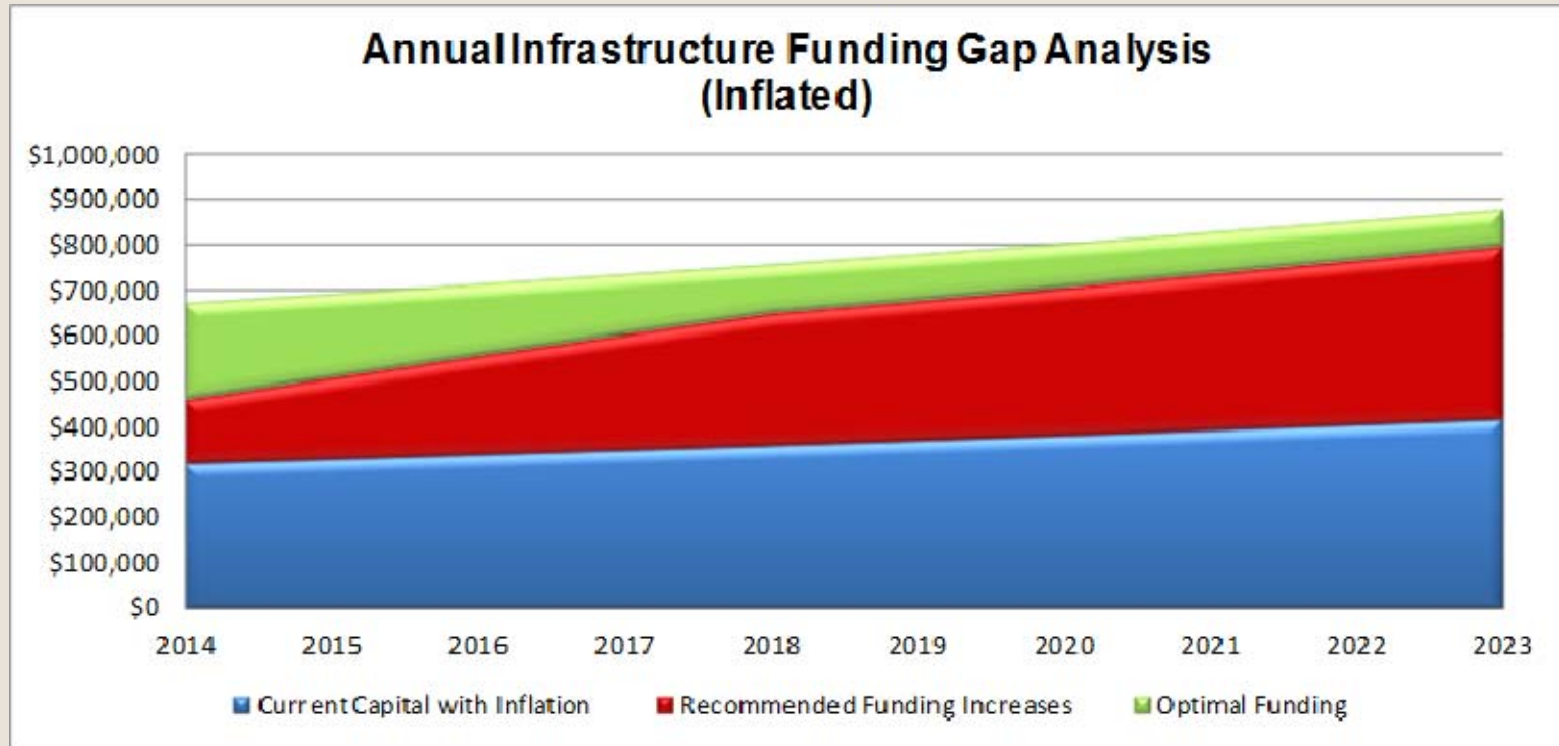
- If other funding sources (grants, other contributions, etc) are not available
- Should be monitored as part of annual budget deliberations

Taxation Impact	Water Impact	Wastewater Impact
<ul style="list-style-type: none"><li>□ 3.3% increase per year for the first 10 years</li><li>□ 1.2% increase thereafter<ul style="list-style-type: none"><li>▪ Above any inflationary or other operating increases</li></ul></li></ul>	<ul style="list-style-type: none"><li>□ Consistent with Water Rate Study Recommendations:<ul style="list-style-type: none"><li>▪ 10.4% increase in 2014</li><li>▪ 4% increase in 2015</li><li>▪ 3.9% increase in 2016</li><li>▪ 2.65% increase thereafter</li></ul></li></ul>	<ul style="list-style-type: none"><li>□ Slightly higher than Wastewater Rate Study Recommendations:<ul style="list-style-type: none"><li>▪ 12.3% increase for the first 5 years</li><li>▪ 7.3% increase thereafter</li></ul></li></ul>

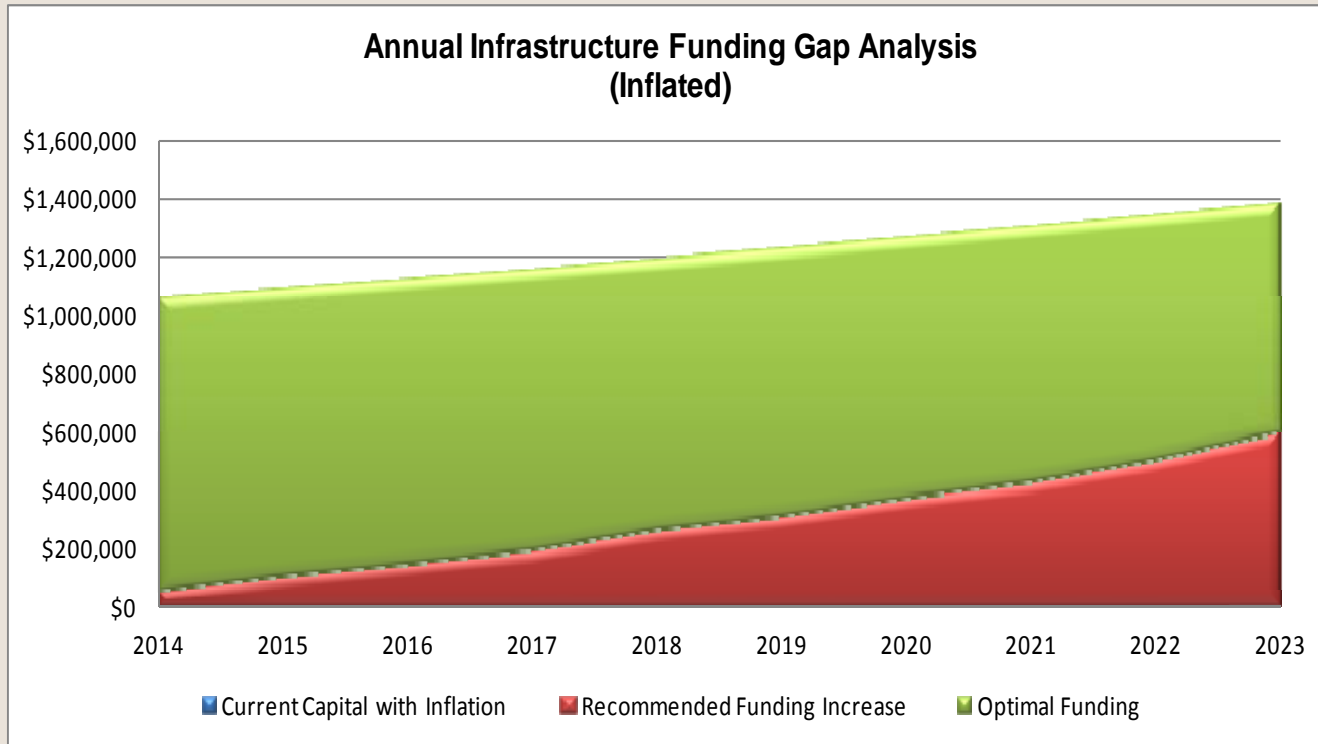
# Annual Infrastructure Funding Deficit – Tax Supported



# Annual Infrastructure Funding Deficit - Water



# Annual Infrastructure Funding Deficit - Wastewater



# Recommendations

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- That Council receive and approve the Asset Management Plan;
- That Council consider the Asset Management Plan during annual budget deliberations; and
- That the Plan be updated as needed over time as Town priorities change.



# Questions?

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