



Strathroy-Caradoc Asset Management Plan

Agenda

Asset Management Plan

- Key Statistics
- A Deeper Dive – AMP Findings
- Information & Data Gaps

Future Ready Strathroy-Caradoc

- Key Components for Future O Reg Compliance
- What's Next?





Asset Management Plan

Overview




Key Statistics

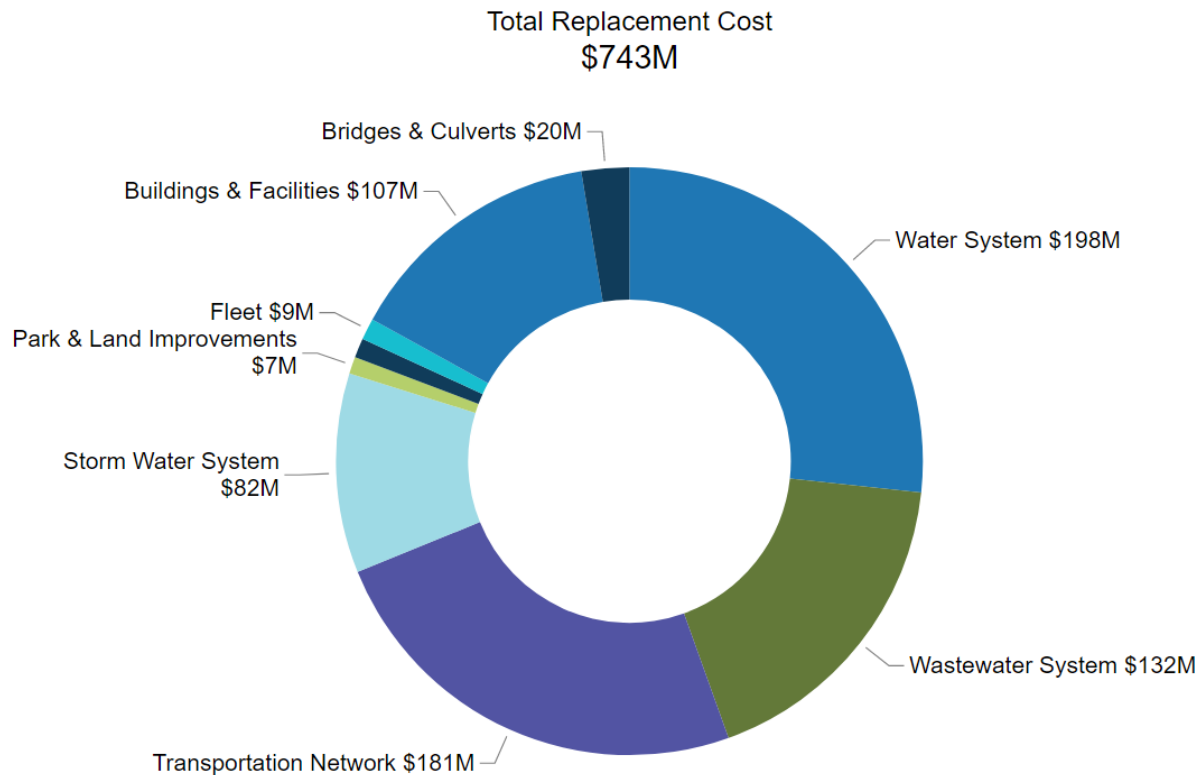
\$743 million Replacement cost of asset portfolio (gravel roads excluded)	\$89,865 Replacement cost of infrastructure per household (2016)
1.77% Target average annual infrastructure reinvestment rate	0.90% Actual average annual infrastructure reinvestment rate
60% Percentage of assets in fair or better condition	49% Percentage of annual infrastructure funding needs currently being met
22% Portion of total infrastructure funding that comes from the Gas Tax	32% Annual cost savings for roads, storm water, water and wastewater mains through proactive lifecycle management
\$6.5 million Annual capital infrastructure deficit	15 & 20 Years Recommended timeframe for eliminating annual infrastructure deficit for tax-funded and utility rate- funded assets respectively

- Condition % calculated by portfolio value
 - Assessed Condition – Bridges & Culverts, Transportation Network, Facilities
 - Age Based Condition – Non Core Assets

 - Core Infrastructure Annual Deficit - \$3.4 million
 - Non Core Assets Annual Deficit - \$3.1 million
 - 2% Annual Tax Increase – 15 Years

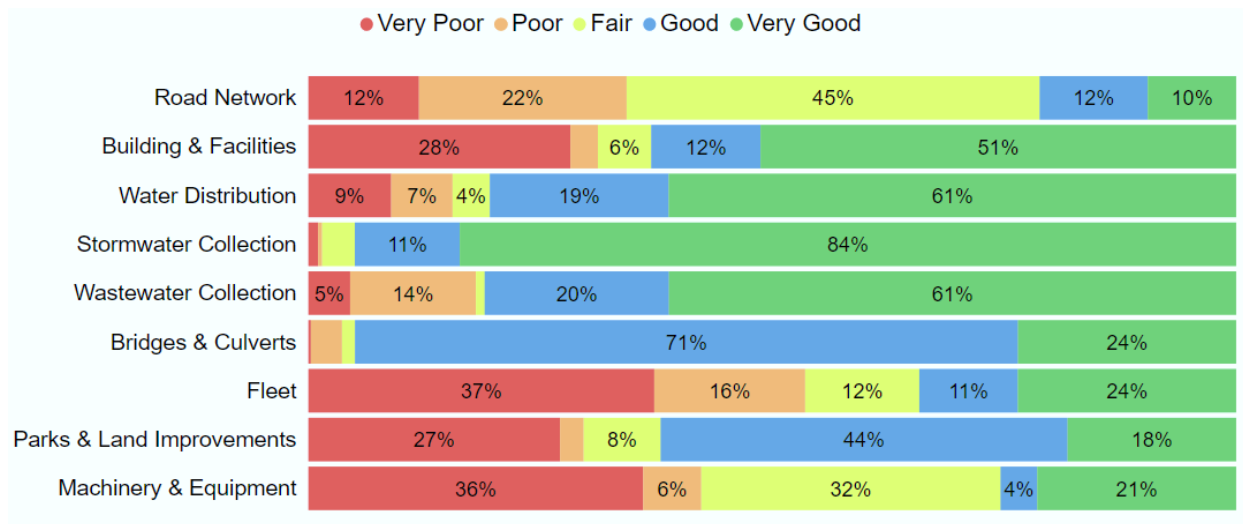
 - 0.87% Increase to ARR
 - \$1589 ACR per Household
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AMP Findings



AMP Findings

- Portfolio Condition
 - 34% Assessed Condition
 - 66% Age Based Condition

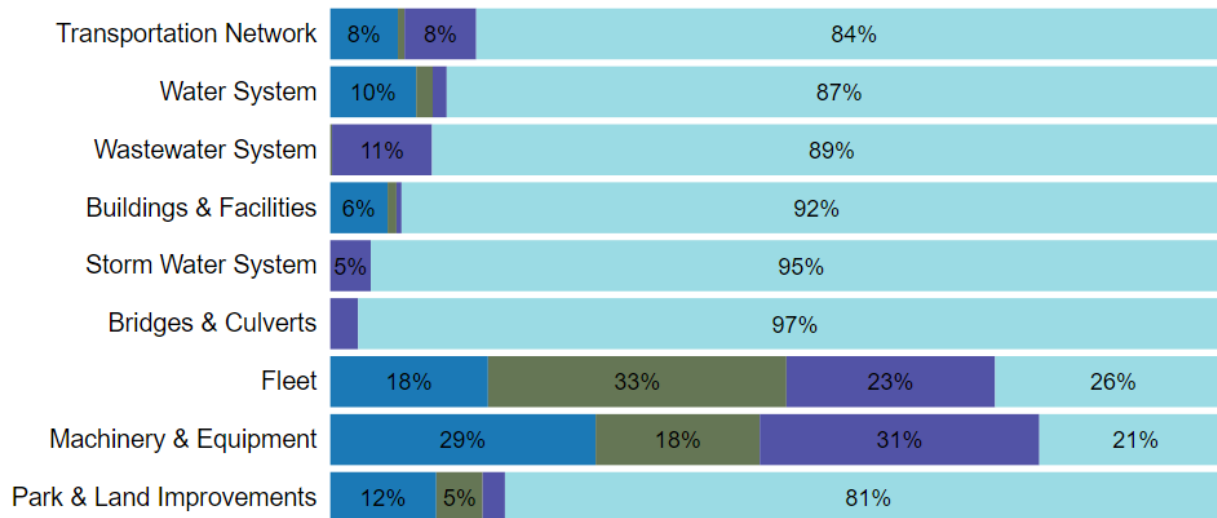


AMP Findings

- Service Life Remaining

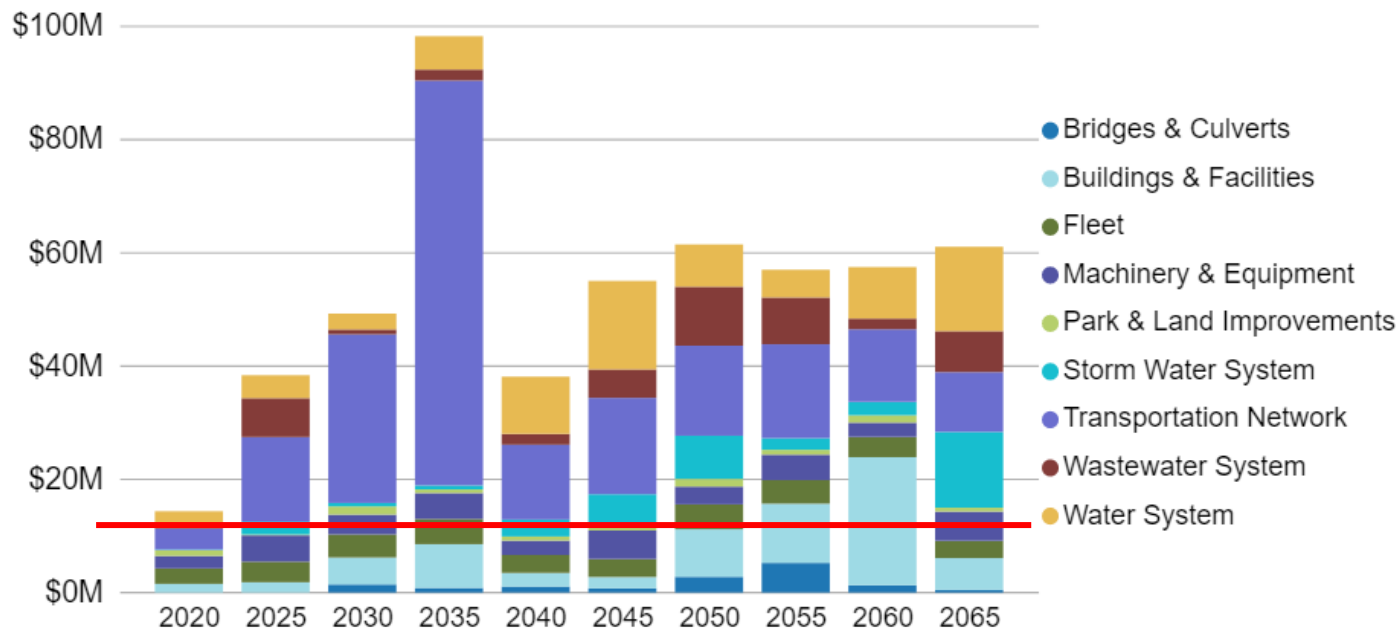
- 7% of all assets will require replacement over the next 10 years

● No Service Life Remaining ● 0-5 Years Remaining ● 6-10 Years Remaining ● Over 10 Years Remaining



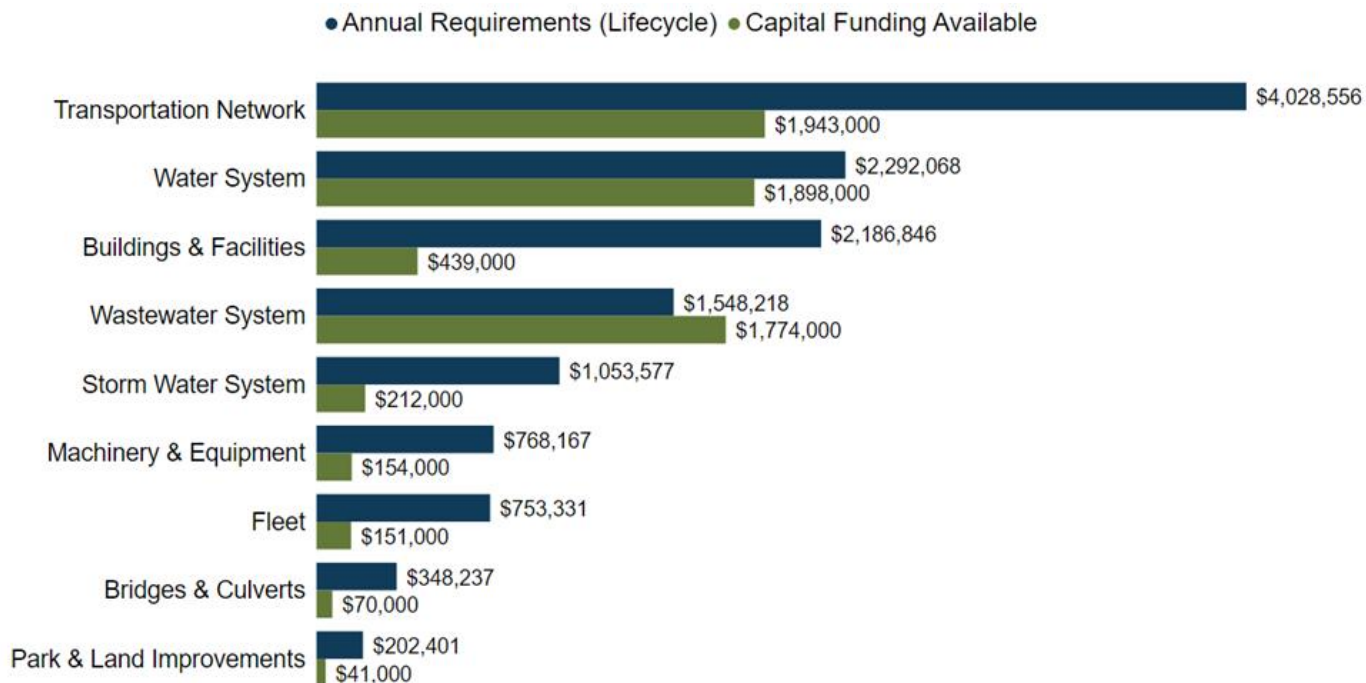
AMP Findings

- Forecasted Capital Requirements



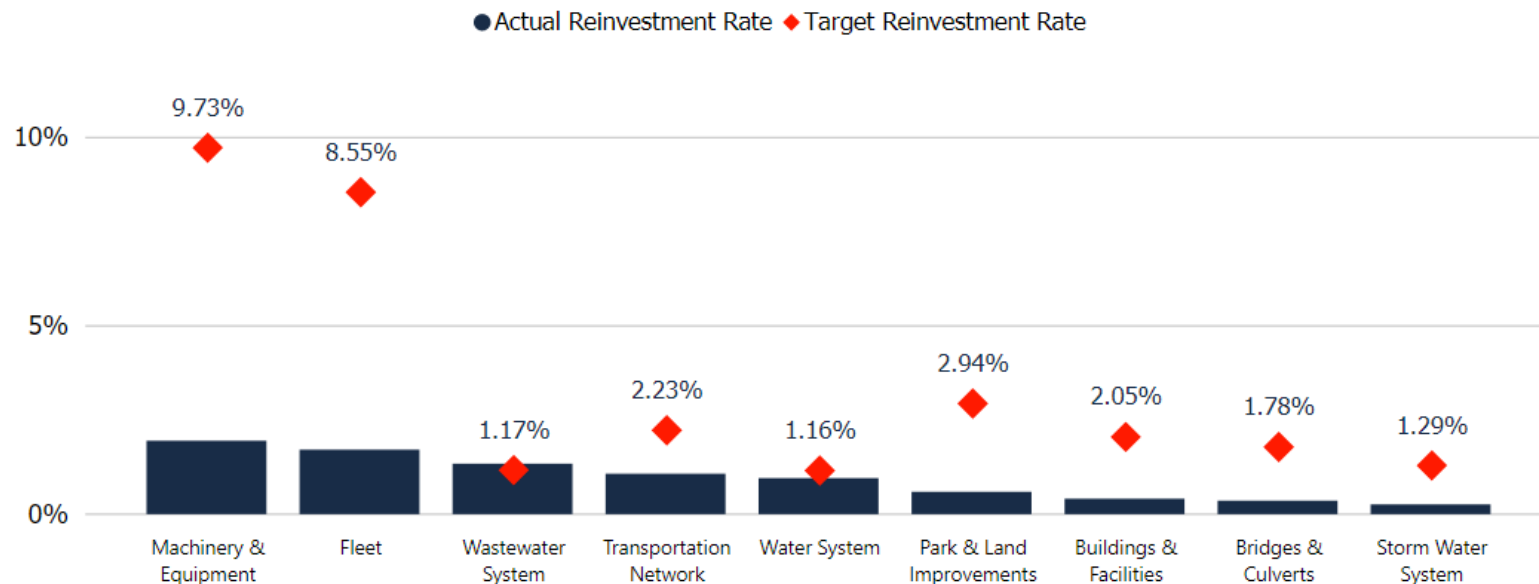
AMP Findings

- Annual Requirements vs Capital Funding Available



AMP Findings

- Current funding gap of \$6.5 million annually
- \$46.2 million infrastructure backlog



AMP Findings - Tax Funded Assets

- Sustainability Requirements

Asset Category	Tax Change Required for Full Funding
Transportation Network	11.2%
Storm Water System	4.5%
Bridges & Culverts	1.5%
Buildings & Facilities	9.4%
Machinery & Equipment	3.3%
Park & Land Improvements	0.9%
Fleet	3.2%
	34.0%



AMP Findings - Tax Funded Assets

- Financial Strategy

	Without Capturing Changes				With Capturing Changes			
	5 Years	10 Years	15 Years	20 Years	5 Years	10 Years	15 Years	20 Years
Infrastructure Deficit	6,331,000	6,331,000	6,331,000	6,331,000	6,331,000	6,331,000	6,331,000	6,331,000
Change in Debt Costs	N/A	N/A	N/A	N/A	-266,000	-620,000	-620,000	-620,000
Change in OCIF Grants	N/A	N/A	N/A	N/A	0	0	0	0
Resulting Infrastructure Deficit:	5	10	15	20	5	10	15	20
Tax Increase Required	34.0%	34.0%	34.0%	34.0%	32.6%	30.7%	30.7%	30.7%
Annually:	6.8%	3.4%	2.3%	1.7%	6.5%	3.1%	2.0%	1.5%

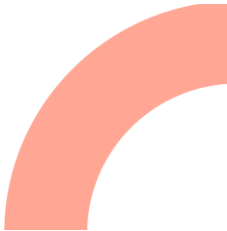
AMP Findings – Rate Funded Assets

- Current Annual Rate Revenues - \$3.7 million
- Annual Investment Required - \$3.8 million
- Water & Wastewater Assets - 96% Funded



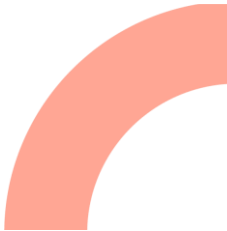
Data Gaps – Core Infrastructure

- Roads
 - Current valuation
 - Additional asset specific data
 - Expand LOS KPI's
 - Further disaggregate pooled inventories
- Bridges & Culverts
 - Validate inventory data, assessed condition data, and replacement costs for all bridges and structural culverts upon the completion of OSIM inspections every 2 years



Data Gaps – Core Infrastructure

- Wastewater & Water Systems
 - Confirm inventory completeness and accuracy
 - Current Valuation
 - Condition assessment strategies for high value and high-risk system assets
 - Expand LOS KPI's
- Storm System
 - Confirm inventory completeness and accuracy
 - Current Valuation
 - Expand LOS KPI's



Data Gaps – Non Core Assets

- Facilities
 - Need for a complete componentized asset registry aligned with industry standards and best practices (Uniformat II)
 - Accurate Valuation
 - Assessed condition
 - LOS KPI's
 - Park & Land Improvements
 - Need for a complete asset registry including a functional data hierarchy that meets all departmental needs and reporting
 - Accurate Valuation
 - Assessed condition
 - LOS KPI's
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Data Gaps – Non Core Assets

- Fleet
 - Accurate Valuation
 - Assessed Condition
 - LOS KPI's
- Machinery & Equipment
 - Accurate Valuation
 - Assessed Condition
 - LOS KPI's



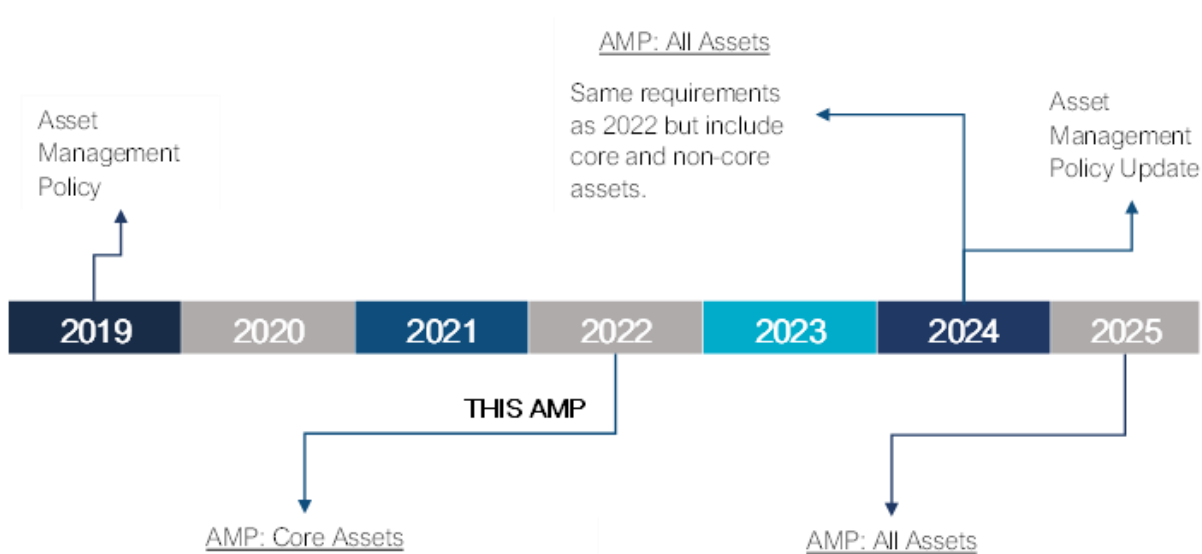


Future Ready Strathroy-Caradoc

O. Reg. 588/17




O. Reg. 588/17 Compliance Status



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

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.

What's Next

- Continue to compile a complete and accurate centralized asset repository for all asset categories
 - Include qualitative descriptions which may include maps of core infrastructure in the Municipality and its level of connectivity to meet O.Reg 588/17 compliance by July 1, 2022
 - Gather and document missing Levels of Service Technical Metric data for core infrastructure to meet O.Reg 588/17 compliance by July 1, 2022
 - Include qualitative descriptions which may include maps, and Levels of Service Technical Metric data for non-core infrastructure to meet O.Reg 588/17 compliance by July 1, 2024
 - Work towards identifying proposed levels of service and identify the strategies that are required to close any gaps between current and proposed levels of service to meet O.Reg 588/17 compliance by July 1, 2025
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