

# 2024 Asset Management Plan

Township of Douro-Dummer

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# Project Background

Township of Douro-Dummer | Asset Management Plan

## 2024



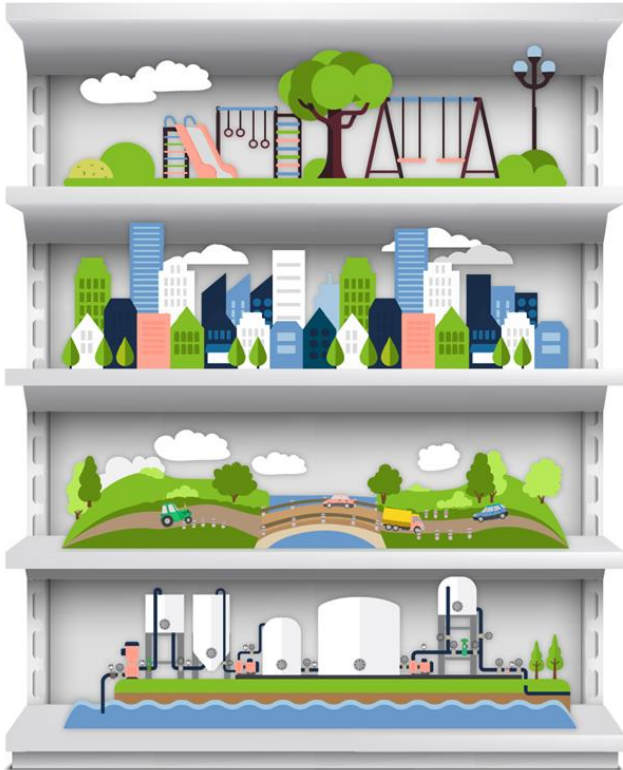
## Primary Deliverable

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

## Key Staff

- Paul Creamer, Treasurer

# Infrastructure assets are vital for communities

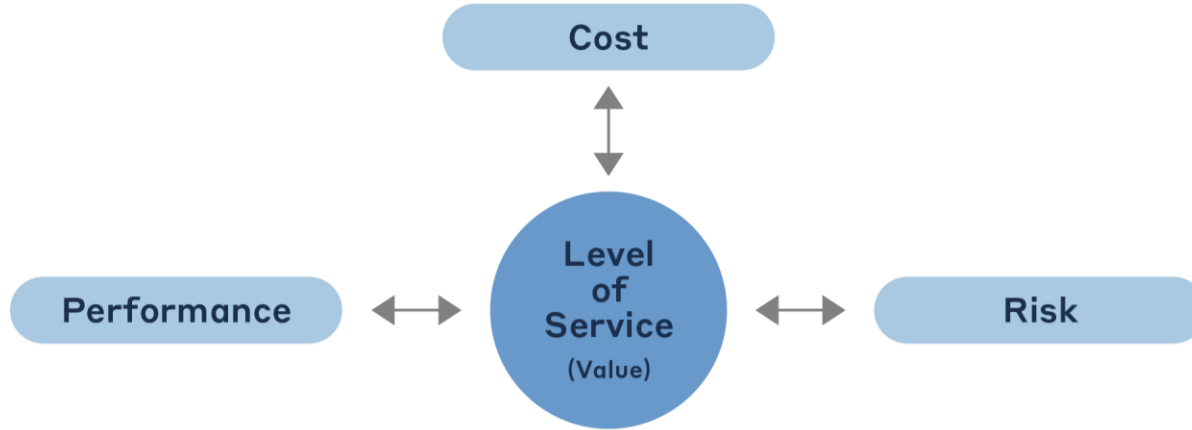


- We need a meaningful way to organize what we own
- We need a way to understand what services we provide
- We need a way to ensure accountability to our residents and stakeholders for the services they use

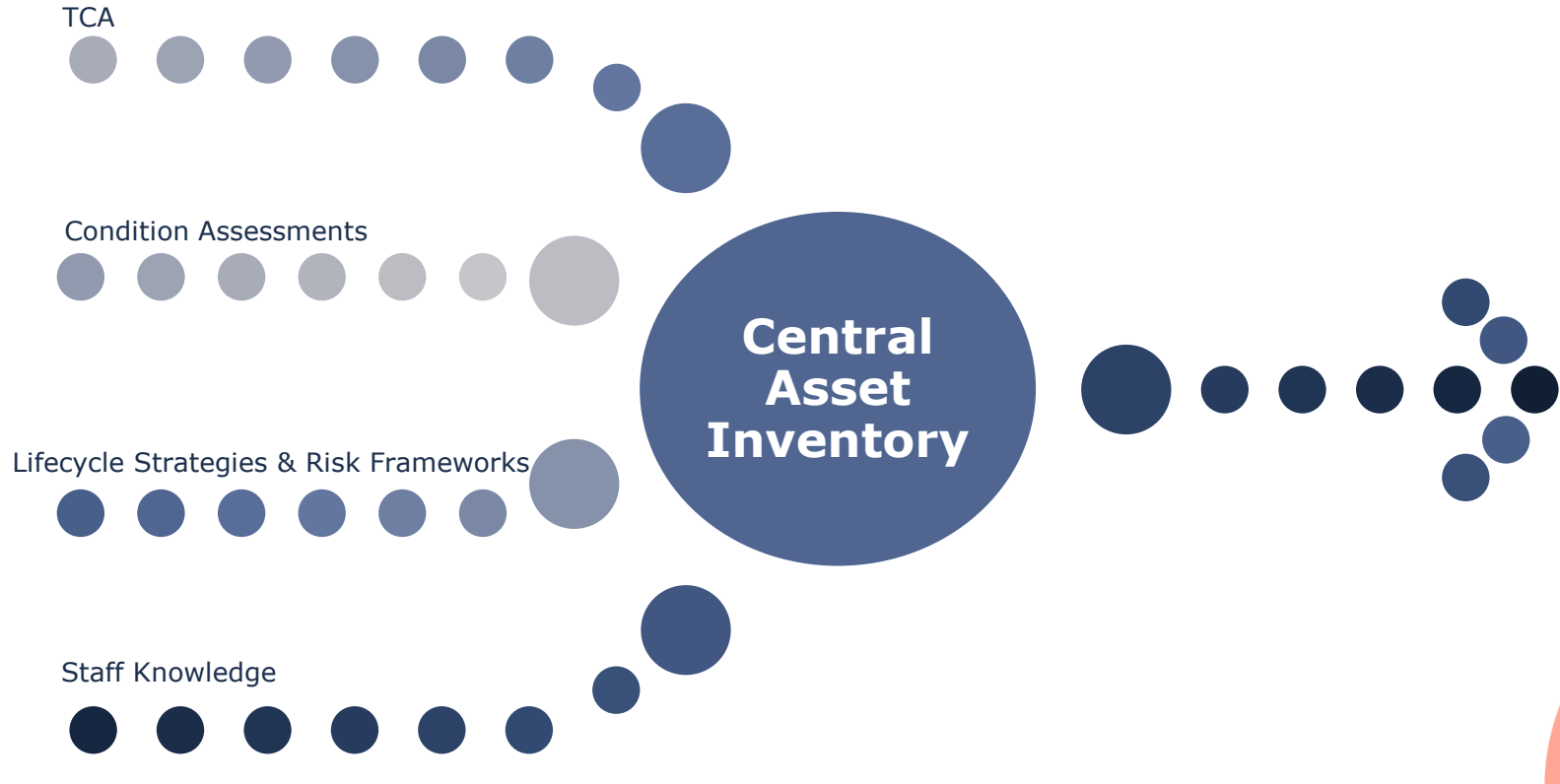


# What does Asset Management involve?

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

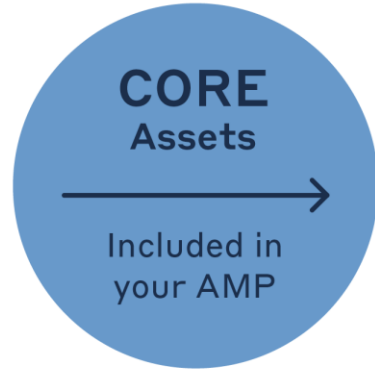


# Townships Capital Asset Inventory



# O. Reg. 588/17 Compliance

Phase I  
**2022**



⋮

- Levels of Service
- Performance of each asset category
- Particulars per asset category
- Lifecycle activities to maintain current Level of Service per asset category

Phase II  
**2024**



⋮

- Levels of Service
- Performance of each asset category
- Particulars per asset category
- Lifecycle activities to maintain current Level of Service per asset category

Phase III  
**2025**



⋮

- Proposed Levels of Service
- Explanation of proposed Levels of Service
- Proposed performance of asset categories
- Lifecycle management and financial strategy

# AMPs - Updating, Reviewing & Public Posting



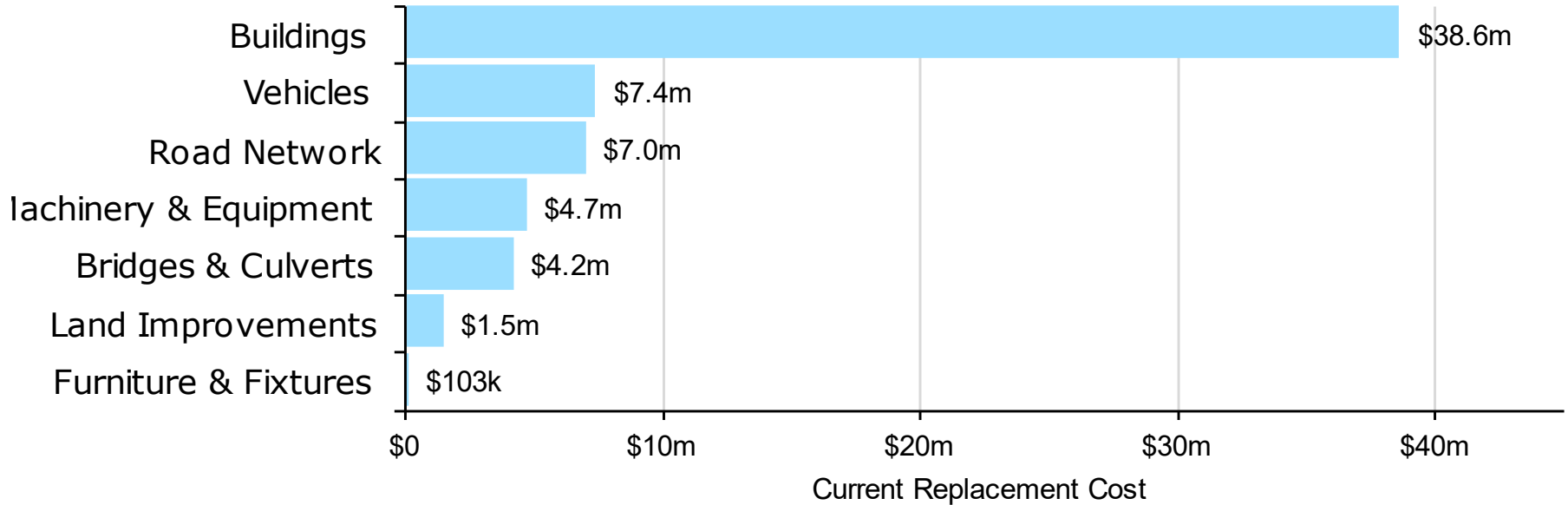
- After 2025, asset management plans must be updated at least once every 5 years
- Every municipal council shall conduct an annual review of its asset management progress on or before July 1st
- The asset management policy and plan should be posted to the municipal website

# Asset Management Plan (2022 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 Township financial capacity to meet long-term capital requirements?



# Total Replacement Cost of the Asset Portfolio



**Total = \$63 million**



# Replacement Cost Method of Asset Portfolio

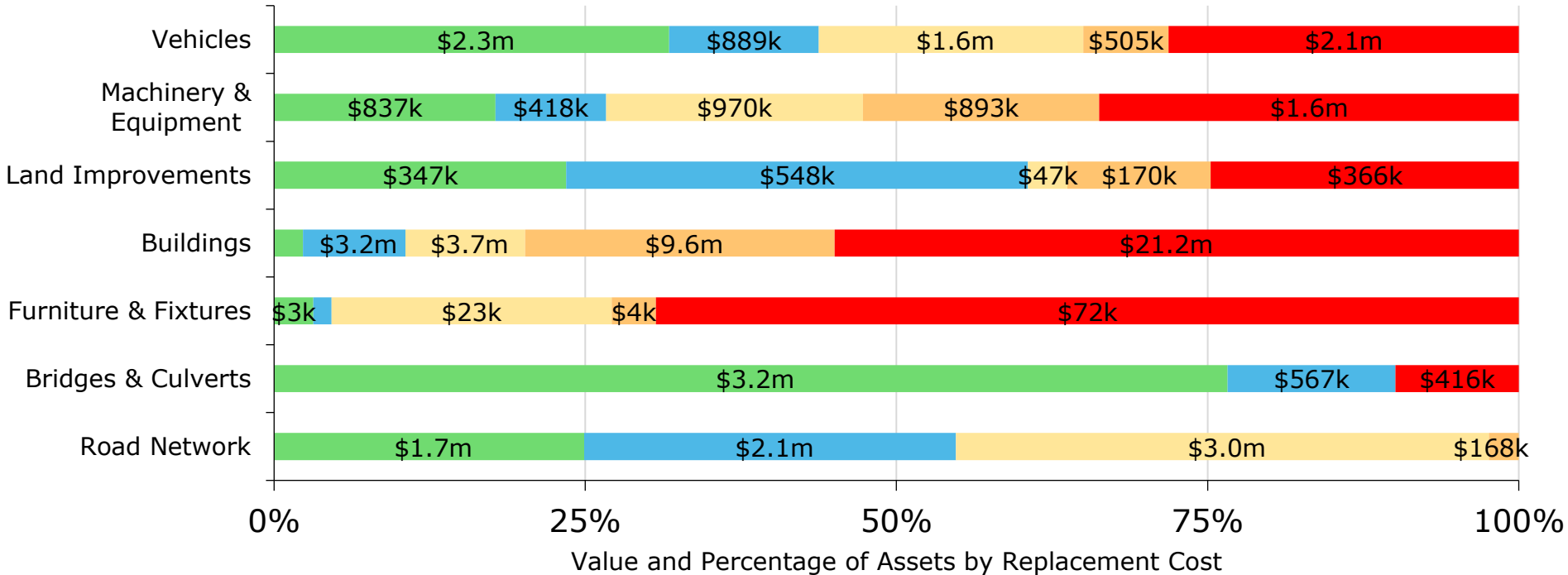
<b>Category</b>	<b>Primary Replacement Cost Method</b>
Bridges & Culverts	User-Defined Cost
Buildings	User-Defined Cost
Furniture & Fixtures	CPI Tables
Land Improvements	CPI Tables
Machinery & Equipment	CPI Tables
Road Network	Cost/Unit
Vehicles	User-Defined Cost

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



# Overall Condition of the Asset Portfolio

Very Good Good Fair Poor Very Poor



**42% assets are in fair or better condition**



# Assessed Condition Data in AM Decision Making



Mitigation of risks associated with asset failure



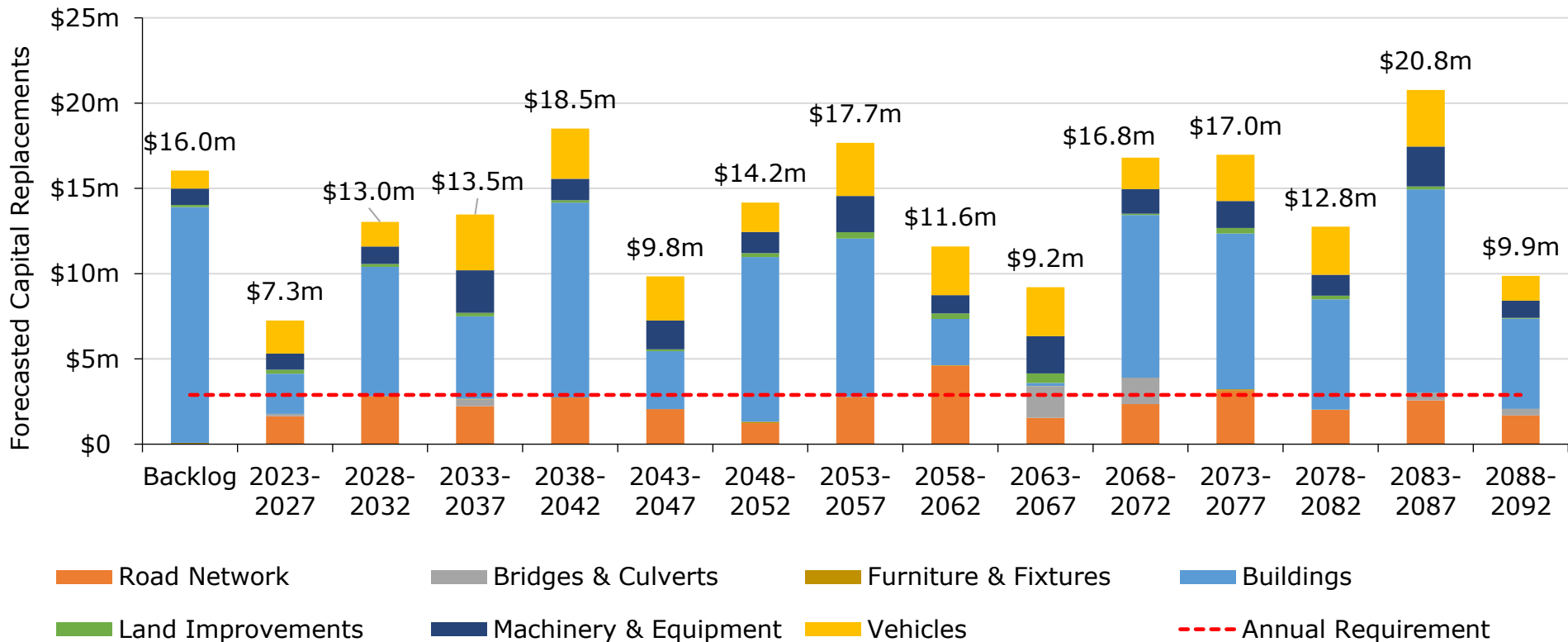
Identifying the most economic intervention



Accurate predication of future expenditure requirements



# Forecasted Capital Requirements – 75 Years



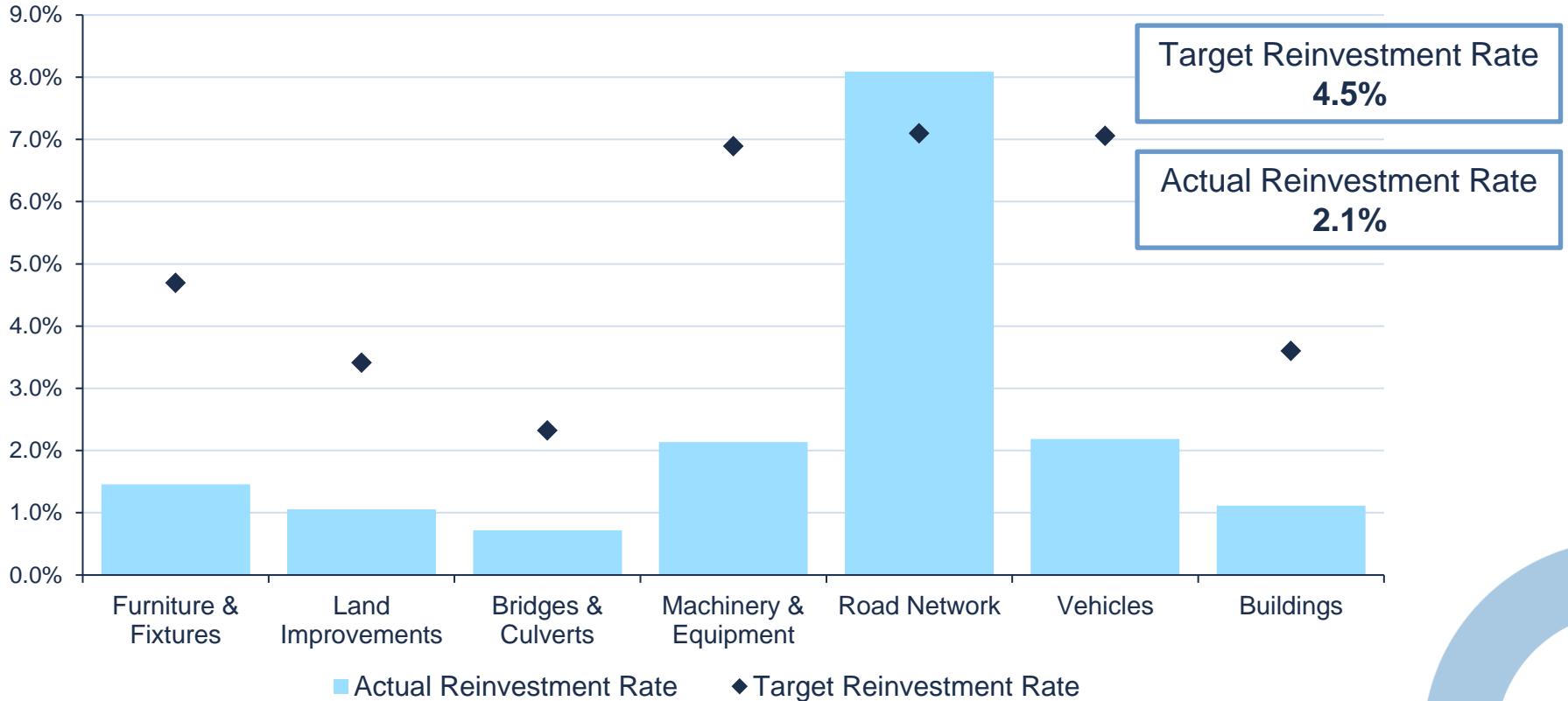
# Annual Capital Requirement & Infrastructure Deficit

Sustainable Funding Sources:  
CCBF, OCIF, etc.

Funding Source	Annual Capital Requirement	Funding Available	Annual Capital Deficit
<b>Tax-Funded Assets</b>	\$2,887,000	\$1,306,000	\$1,581,000
<b>Total:</b>	<b>\$2,887,000</b>	<b>\$1,306,000</b>	<b>\$1,581,000</b>

Assets are currently funded at 45% of their long-term capital requirements

# Target vs. Actual Reinvestment Rate



# Financial Strategy

<b>Funding Source</b>	<b>Years until Full Funding</b>	<b>Total Tax/Rate Increase</b>	<b>Annual Tax/Rate Increase</b>
<b>Tax-Funded</b>	10	24.8%	<b>2.3%</b>

- 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 Township's assets that will be used to update future iterations of the plan





Questions?