



TOWNSHIP OF ADMASTON/BROMLEY EXPANDED ASSET MANAGEMENT PLAN

Purpose

The Township of Admaston/Bromley's Asset Management Plan (the "Plan") will guide the investment in capital works of the Township. The Plan is a summary document that provides a comprehensive reference for council, managers and staff. The Plan delivers a planned approach to the long-term management of assets, by providing a framework for optimizing future expenditures that match the community's desired levels of service; this plan will enable the most cost efficient allocation of resources.

The plan will be reviewed regularly to provide assurance to council, staff, customers and other stakeholders that the roads the Township is responsible for are being managed efficiently and sustainably.

Goals and Objectives

The goals of the Township of Admaston/Bromley's Asset Management Plan are to:

- Provide for investment in the Township's capital assets which match minimum service standards with the needs of the community while providing a long-term plan for the allocation of the Township's scarce resources in order to address its aging and deteriorating infrastructure.
- Provide quality, cost effective services for the Township's road network and storm water management which match minimum service standards with the needs of the community while providing a long-term plan for the allocation of the Township's scarce resources in order to address its aging and deteriorating infrastructure.

With information provided through a Customer Satisfaction Survey, 2013 Roads Needs Study, the Township's 10 year Capital Plan, Energy Management Plan and Tangible Capital Asset Policies and Amortization Schedules, Council, staff and the public have determined that the following objectives will be used to achieve the above stated goal by:

- Adopting energy efficiencies for buildings in good condition that repair small problems before they become larger and to extend the life of the asset

- Adopting maintenance policies for equipment in good condition that repair small problems before they become larger and to extend the life of the asset
- Selecting options that will provide the best long term solution for buildings in poor condition
- Selecting replacement options that will provide the best long term solution for equipment in poor condition
- Adopting preservation strategies for roads in good condition that repair small problems before they become larger and to extend the life of the asset
- Selecting options that will provide the best long term solution for roads in poor condition

To confirm that the goals and objectives have been achieved, the following targets will be used:

- Defer maintenance for all buildings until required. Rehabilitate on a worst comes first basis.
- Energy consumption evaluations will be completed annually
- Continue to implement energy efficiency according to the Townships Energy Management Plan and the energy audits compiled in 2010.
- Continue to implement the 10 year capital plan to ensure replacement of equipment before end of life.
- Defer maintenance for Paved Roads with AADT<200, convert to Gravel at end of life. Rehabilitate all other roads on a worst comes first basis.
- Pavement evaluations will be completed on a 4 year cycle to update the condition index
- Implement a preservation strategy by capping rehabilitated roads 3 to 4 years after resurfacing to extend the life of the asset.
- Within 10 years, improve local roads from fair to good condition for a minimum average condition of 6.9.

Renewal/Rehabilitation/Replacement Policies

The Roads condition ratings and renewal/rehabilitation/replacement policies are attached hereto under Appendix 1.

The Township's storm water infrastructure consists mostly of culverts and ditches. The renewal/rehabilitation/replacement policies regarding these are included as part of the road policies. The Township does have 30 catch basins 26 located in the Hamlet of Douglas and 4 located in the Village of Osceola. A list of these assets, condition ratings and rehabilitation/replacement policies are attached under Appendix 2.

For facilities, equipment and vehicles the Township has established a 10 year capital plan with a replacement policy that ensures annual investment to sufficiently maintain the Township's facilities, equipment and fleet.

	Purchase	Year of	Amortization	Year of
	Cost	Purchase	Period	Replacement
<u>General Admin</u>				
Server	\$ 18,000.00	2014	8 years	2022
Smartboard	\$ 3,500.00	2009	10 years	N/A
Photocopier	\$ 10,000.00	2016	8 years	2024
Telephones	\$ 3,000.00	2010	15 years	2025
Software	\$ 25,000.00	2013	8 years	2021
Furnace	\$ 8,500.00	2010	25 years	2035
Flooring	\$ 8,000.00	2010	15 years	2025
Blinds	\$ 2,000.00	2010	25 years	2035
Septic System	\$ 5,000.00	1990	30 years	2020
<u>Barr Line</u>				
Furnace	\$ 8,000.00	1990	30 years	2020
Septic System	\$ 5,000.00	1990	30 years	2020
Blinds	\$ 1,000.00	1990	30 years	2020
Flooring	\$ 6,000.00	2010	20 years	2030
<u>Fire</u>				
Pumper Truck	\$ 250,000.00	2009	20 years	2030
Ford LTC	\$ 86,000.00	1986	20 years	N/A
Freightliner MVC	\$ 188,000.00	1998	25 years	2024
GMC Cubevan	\$ 62,000.00	2007	5 years	2016
Septic System	\$ 5,000.00	1990	30 years	2021
Furnace	\$ 10,000.00	1990	30 years	2020
<u>Recreation</u>				
Douglas Maintenance	\$ 15,000.00	1985	50 years	2035
Admaston Maintenance	\$ 15,000.00	2010	50 years	2060
<u>Waste</u>				
Western Star	\$ 50,000.00	2001 (2014)	5 years	2019
International	\$ 50,000.00	2004(2013)	10 years	2023
Osceola Scales	\$ 125,000.00	2007	15 years	2021
Bins	\$ 30,000.00	2001	15 years	2017

Roads Equipment				
Clark Loader	\$ 175,000.00	1984	12 years	2018
Volvo Grader	\$ 175,000.00	2011	20 years	2031
Ford Sterling	\$ 182,000.00	2005	15 years	2019
LS Tractor	\$ 50,000.00	2014	14 years	2028
Brush Chipper	\$ 40,000.00	1998	12 years	2020
CAM 25CA Trailer	\$ 20,000.00	2014	10 years	2023
GMC 3/4 ton	\$ 42,000.00	2009	5 years	2017
Sweeper	\$ 15,000.00	2001	15 years	2020
Volvo Backhoe	\$ 100,000.00	2004	12 years	2017
Excavator	\$ 200,000.00	2007	20 years	2027
Chev Silverado	\$ 42,000.00	2015	5 years	2020
GMC Sierra	\$ 32,000.00	2011	7 years	2018
Ford Sterling	\$ 192,000.00	2009	14 years	2022
Volvo Grader	\$ 145,000.00	2009	20 years	2029
Generator	\$ 20,000.00	2013	20 years	2033
Western Star	\$ 200,000.00	2016	14 years	2030
Western Star	\$ 200,000.00	2014	14 years	2028
Bush Hog	\$ 40,000.00	2010	10 years	2020
Furnace Stone Rd	\$ 10,000.00	1990	30 years	2020
Furnace Cobden	\$ 10,000.00	1990	30 years	2020
Septic Cobden	\$ 5,000.00	1990	30 years	2020
TOTAL COST	\$ 2,884,000.00			

Building Condition Ratings

Asset ID	Roll Number	Address	Description	Condition Rating
AMO001	42-010-18610	477 Stone Road	Municipal Office	8
AMG001	42-010-18610	477 Stone Road	Stone Road Garage	5
AOR001	42-010-13800	182 Stone Road	ARC Building	10
WDO001	54-010-09900	166 Pit Road	Osceola Landfill Building	9
MHB001	54-010-10300	498 Micksburg Road	Osceola Historical Building	3
BCC001	54-015-02000	1766 Barr Line	Barr Line Community Centre	7
DFH001	54-015-25100	5226 Queen Street	Fire Hall	7
CMG001	54-020-03100	1239 Cobden Road	Cobden Road Garage	5
DCC001	54-015-22700	5366 Highway 60	Douglas Recreation Complex	6

Condition Ratings – Methodology and Numerical Explanation

The Condition Ratings are out of 10. 10 out of 10 being a brand new building
1 out of 10 being a building at the end of its life with no net book value.

The condition ratings were an average of the following calculations:

Net book value of the asset divided by asset cost = %

Residual life of the asset divided by the life span of the asset = %

Add the two totals together and times by 10 to get the condition rating.

Additional data was collected by conducting an onsite inspection of each individual building to further evaluate the buildings conditions. This data was also taken into consideration with the financial data to get a proper condition rating on the 1 to 10 scale. Conducting the inspection insured that a proper condition rating was achieved in case the estimated figures used in depreciation such as residual value and useful life need to be revised to reflect the tangible asset correctly, due to any economic changes that have occurred.

The average condition rating for Admaston/Bromley facilities is 7.

Current Asset Performance

Inventory of Assets

The Township of Admaston/Bromley maintains 9 municipal facilities and 2 sand domes with a replacement cost of \$7 million (see table below) and a fleet of equipment with a replacement cost of \$2.88 million (see listing on page 2 and 3) in order to provide government administration, road, waste and fire services. In addition, the Township maintains a network of roads that has a total replacement value of \$132 million. The road system is 317.9 lane kilometers of 2 lane road which spans across rivers and drainage systems within the municipality. 17.4 kilometers of boundary road are also maintained by the Township through agreement with abutting municipalities. The Road System has its own Asset Management Plan based on a road needs study performed in 2013 which is attached as Appendix 1. The total replacement value for Township assets is valued at over \$141 million.

Facility Name	Total Area (m²)	Replacement Cost per (m²)	Total Replacement Cost
Municipal Office	420	\$3,393	\$1,425,060
Stone Road Garage	368	\$3,393	\$1,248,624
Stone Road Salt Dome	21	\$3,393	\$71,253
ARC Building	55	\$3,393	\$186,615
Osceola Landfill Building	93	\$3,393	\$315,549
Osceola Historical Building	81	\$3,393	\$274,833

Barr Line Community Centre	242	\$3,393	\$821,106
Fire Hall	187	\$3,393	\$634,491
Cobden Road Garage	368	\$3,393	\$1,248,624
Cobden Road Salt Dome	21	\$3,393	\$71,253
Douglas Recreation Complex	223	\$3,393	\$756,639
Total Replacement Cost			\$7,054,047

Notes: The replacement cost per m² was calculated by using the cost of the addition to the Municipal Office constructed in 2010 and dividing it by the total m² of the addition. This resulted in a cost per m², 10% was added to this amount to adjust for inflation of 1.5% per year which was then multiplied by the total m² of each building to get an estimated replacement cost for the 9 municipal facilities and 2 sand domes.

Based on the Current Facility Condition Rating the Township considered the following Scenarios for investment in municipal facilities:

Scenario No.	Scenario Description	Current Condition	End of Period (2026) Condition	Condition Target	Cost (\$/year)
1	Do-Nothing	7	4	6 to 7	\$ -
2	Defer maintenance for all facilities. Only Repair when emergency (ie replace septic, furnace)	7	5	6 to 7	\$ 5,800.00
3	Defer major maintenance for all facilities. Include Improvements for floors, walls, windows, energy efficiencies, shingles, septic and furnace.	7	6	6 to 7	\$ 10,200.00
4	Unlimited Funding Scenario	7	7	6 to 7	\$ 80,000.00

The Township has considered options including:

- (1) Doing nothing, which will not address the Township's deteriorating infrastructure,
- (2) Defer maintenance and only perform emergency repairs

(3) Rehabilitate the buildings to a tolerable standard by deferring major reconstruction but performing necessary repairs, replacement and rehabilitation to increase energy efficiencies and keep the buildings in decent condition. Scenario number 3 is the current target scenario for the Township.

(4) Reconstruction to full standards, which would be too costly.

Planned Actions

Costs, Funding Projections and Implementation

The target Scenario for roads and storm water assets selected by Council to achieve the desired level of service is outlined in Appendix 1 as Scenario 4 which will be partly achieved through taxation for maintenance and construction as well as funding from the federal and provincial levels of government. However with a yearly cost of over \$800,000 additional funding will be required and the ability to pay this amount through the property tax base is impossible. With over 600 lane kilometers of road to maintain, the Township strives to maintain the desired level of service in the face of challenging fiscal circumstances. In addition to the municipal levy, the Township will continue to apply for funding from the federal and provincial levels of government every year to assist with the cost of the rehabilitation of our infrastructure. The Association of Municipalities of Ontario in 2017 released a research report – Local Share - identifying a \$4.5 billion annual infrastructure funding gap in Ontario. The report identifies that municipalities are responsible for more infrastructure costs than both the Federal and Provincial Governments combined and the burden for rectifying this situation cannot be borne by the property tax base alone. Extensive public polling identified a 1% increase in the HST dedicated exclusively to funding municipal infrastructure as having the most public support. The implementation of this policy would assist the Township in achieving its desired level of service.

The target Scenario for facilities selected by Council to achieve the desired level of service is Scenario 3 above. This funding scenario can be achieved through the tax base by continuing to fund energy efficiency projects and the current 10 year Capital Plan which invests \$225,000 per year in equipment, vehicles and facilities. In addition the Capital Plan will be indexed at 1.5% per year to adjust for inflation. This will allow the Township to achieve the desired goals and objectives. Currently the Township budgets \$2,500 for energy efficiency projects annually and budgets for building improvements, septic, and furnace replacement as part of the capital plan in the amount of \$7,700 per year over the next 10 years. This amounts to \$10,200.00 annually to be funded through tax revenue for improvements and maintenance of the 9 Township facilities.

Therefore by 2026 the average condition rating for buildings will decrease slightly however they will remain within the Target Condition rate and the continued energy savings may allow for additional investment in building improvements. Should funding become available reconstruction of the facilities based on priority and condition would be considered. The 10 year capital plan and Asset Management Plan for Roads, Buildings and Equipment needs to be reviewed every term of Council to ensure the Plans are up to date with the current needs of the Township.

The following items impact on the Township's ability to fund Scenario 3:

- The need to replace the Fire Hall or purchase a custom built fire truck by 2024 due to the new truck specifications on the market at an increased cost of approximately \$250,000.00. This will impact the Townships ability to fund other capital plan purchases and building improvement requirements without additional funding assistance.
- The road surface depreciation is \$225,000 per year. The Township dedicates its federal gas tax funds of \$90,584 strictly towards surface treated roads however our annual deficit is still \$134,416.
- The road base depreciation is \$1.2 Million per year. The Township allocates approximately \$377,474 each year including \$192,474 from Ontario Community Infrastructure Fund towards road base and gravel roads however our annual deficit is still \$822,526.
- The Township has \$579,642 of outstanding debt and current reserves of \$437,852.
- The Assessment Base is 24% farm and managed forest; and
- The Township is zoned 40% agriculture, crown land and county forest therefore development is very limited. This is reflected in the Township's property assessment values and restricts opportunities for tax revenue increases.

Without funding the Townships linear assets will deteriorate further and the ability to fund our capital plan and building improvements will become increasingly difficult.

Revenue Schedule for Investment in Capital Assets (2014-2024)

Attached as Appendix 4 is a schedule of revenues from all sources allocated or anticipated for investment in capital assets. This schedule demonstrates the ongoing investment and the funding gap for all capital assets within the Township from 2014 to 2024.

Accountability & Feedback

Performance Measures

In addition to the performance measures included in the Municipal Performance Measurement Program for Roads, the Township of Admaston/Bromley will supplement the list with the measures shown in the table below. These measures will be included in an annual report posted on the Township's website by March the following year.

Financial	Quality	Management
% annual (\pm) change in net book value of road assets.	% of roads with a net book value of 60% of original asset cost.	% of capital rehabilitation projects completed on time and within budget

Financial	Quality	Management
% annual (\pm) change in net book value of municipal facilities.	% of facilities at a condition rating of 6 or better.	% of rehabilitation projects completed on time and within budget

Financial	Quality	Management
% annual (\pm) change in net book value of equipment.	% of equipment with 60% remaining life.	% of capital plan purchases completed on time and within budget

Term of the Plan

This plan will cover the period January 1, 2016 to December 31, 2026. At the beginning of every year the costs included in the plan will be updated. The plan will undergo a thorough review once every 4 years as soon as possible following the election of a new council. Therefore the 1st major review of this document will be January 2019.

Conclusion

The implementation of this Asset Management Plan will provide guidance for this and future councils and staff to meet the needs of our community and improve our infrastructure over the timeframe in this plan. The key benefit of this plan is:

- Knowing the total lifecycle costs, will improve council and staff's ability to select options for operations, maintenance, renewal and replacement of buildings and equipment that provide the lowest long-term cost.
- This will provide financial stability while meeting the Townships standard level of service in the most cost effective way.

List of Tables:

Appendix 1 Road Asset Management Plan December 2013

Appendix 2 Additional Storm Water Assets

Appendix 3 Energy Management Plan July 2014

Appendix 4 Revenue Schedule for Investment in Capital Assets (2014-2024)