2024 Asset Management Plan for Non-Core Infrastructure
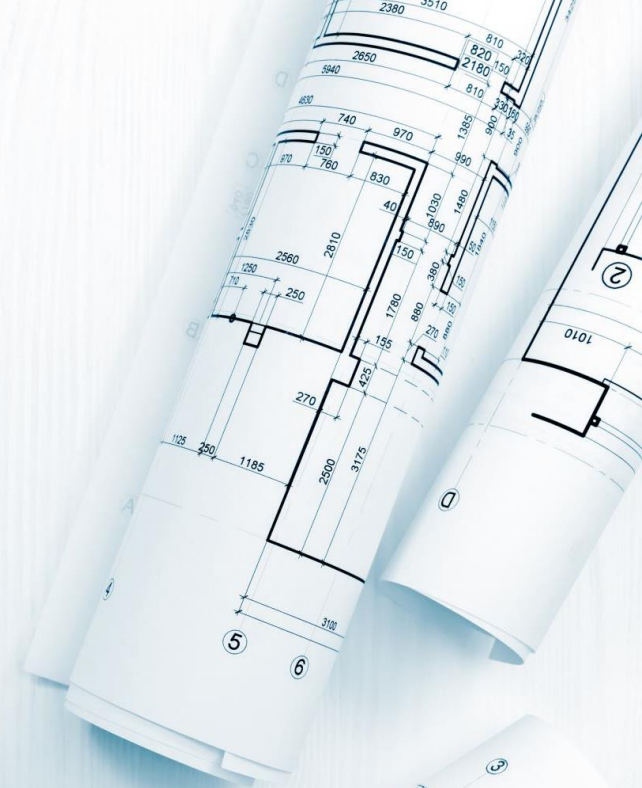
Town of Orangeville AM Plan

July 8th, 2024

AGENDA

- What is Asset Management?

- O.Reg. 588/17 Requirements and Town Progress in Asset Management

- Key Outcomes of the AM Plan

    - State of Infrastructure

    - Levels of Service

    - Risk & Lifecycle Strategy

    - Financial Strategy

- Next Steps

What is Asset Management?

- **Minimizing total costs** of acquiring, operating, maintaining, and renewing assets within an environment of **limited resources**

- Continuously **delivering the service levels** customers need and regulators require

- Creating an **acceptable level of risk** to the organization

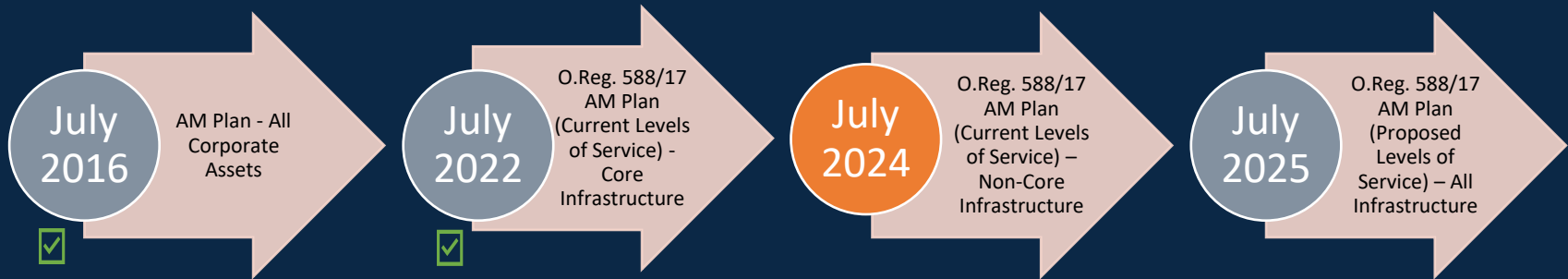Core Assets

- Roads, Bridges, Water, Wastewater, Stormwater

Non-Core (remaining) Assets

- Parks, Facilities, Fleet, IT, Library, Fire, Traffic, Transit, Cemetery

Level of Service

Cost of Service

Risk

Asset Management Progress

- Development of AM Plans is an iterative process that includes improving data, processes, systems, staff skills, and organizational culture

- O.Reg. 588/17 sets out required timelines for AM Plans starting in 2022

- This AM Plan covers remaining Town assets not covered in the 2022 Core AM Plan

July 2016 — AM Plan - All Corporate Assets ✓

July 2022 — O.Reg. 588/17 AM Plan (Current Levels of Service) - Core Infrastructure ✓

July 2024 — O.Reg. 588/17 AM Plan (Current Levels of Service) – Non-Core Infrastructure

July 2025 — O.Reg. 588/17 AM Plan (Proposed Levels of Service) – All Infrastructure

Key Outcomes

|	
Iterative Plan	• Town's first AM Plan to meet O.Reg. 588/17 requirements for non-Core assets – future updates will continue to improve on accuracy and completeness
Average Asset Condition is between Fair & Good	• 63.7% are in fair or better condition, and continued investment is required to maintain this service level
Identified Financial Gap for Existing Assets	• Estimated annual funding gap of $2.7 million per year for state of good repair (renewal) needs for non-core assets
Additional Growth Need	• Alder Library expansion and portion of Operations Centre expansion are not currently funded

State of Non-Core Infrastructure – Replacement Value

- The Town's portfolio of non-core assets has an estimated replacement value of $171.5 million (2024$)

Service Area / Division	Asset Category	Replacement Value ($M)	Percentage of Total
Cemetery		$0.6	0.3%
Traffic and Transportation	Transit	$3.7	2.1%
	Traffic Equipment	$5.6	3.3%
Fire (including facilities)		$14.8	8.6%
Library (including facilities)		$6.6	3.8%
Parks (including facilities)		$97.7	57.4%
Public Works (including facilities)		$17.6	10.2%
Municipal Administration (including facilities)		$24.7	14.3%
	Total	**$171.5**	**100.0%**

State of Non-Core Infrastructure - Condition

- Assets are generally in fair to good condition (63.7% in fair or better condition)

- $45.5M of assets (26%) are estimated to be in Poor or Very Poor condition

- 9.7% of assets were not assessed due to missing condition rating or installation dates

- Completing condition assessment programs are critical to resolving gaps and increasing accuracy in the AM Plan's state of infrastructure and forecast analysis

State of Non-Core Infrastructure - Condition
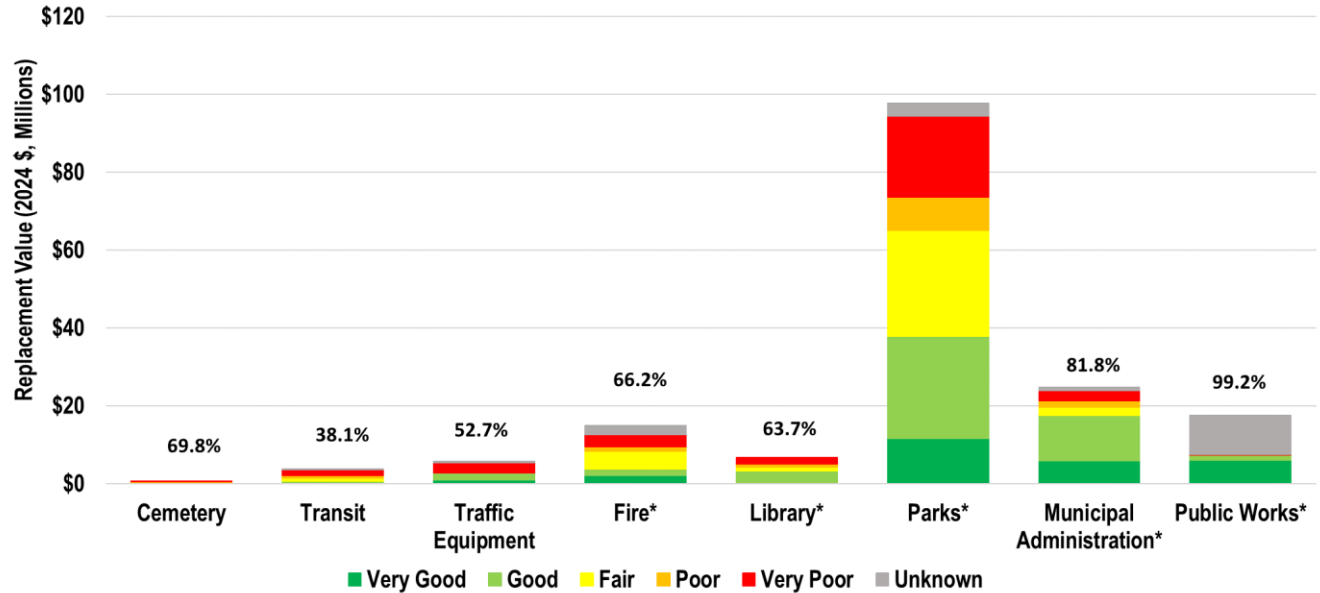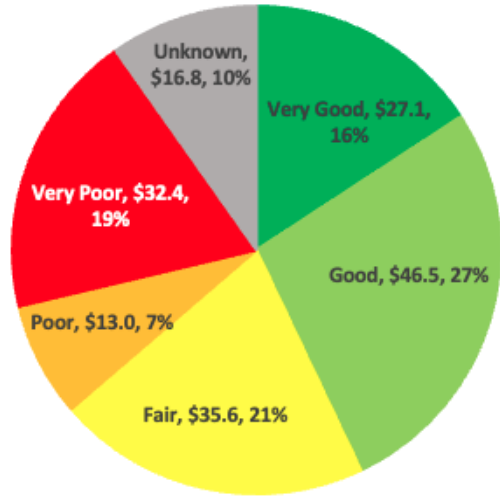
*Includes facilities

Levels of Service – Key Asset Measures

- AM Plan supports elements of Strategic Priorities:

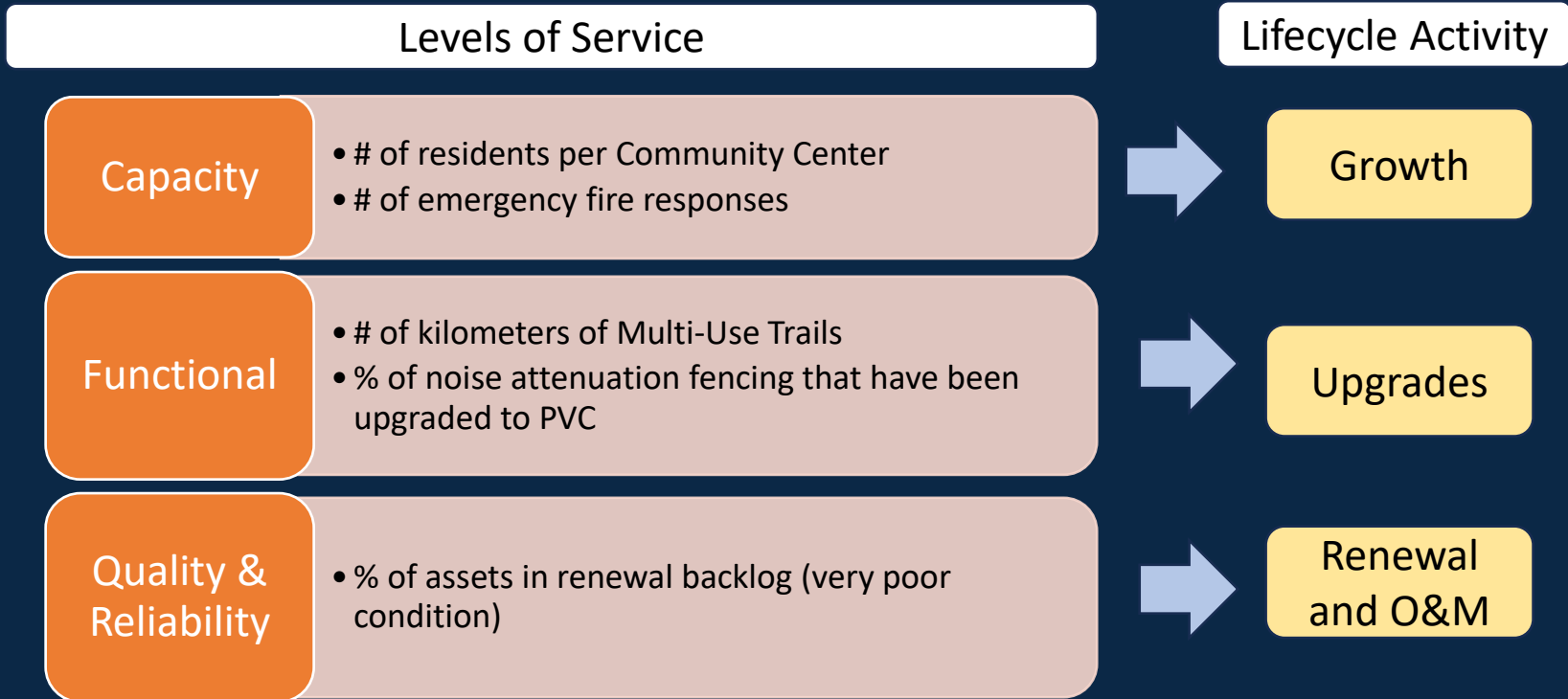|			
• An effective level of corporate capacity means that the Town is organized, resourced, positioned, and ready to deliver its current mandate.	• The Town can prepare itself to meet the needs of tomorrow through thoughtful policymaking, robust financing planning, and well-prepared infrastructure.	• The Town nurtures the livability of its community through pride of place and by supporting groups that cultivate positive, supportive connections across society. The Town wants to reinforce a tangible feeling of belonging among those who live, work, and play here.	• The Town wants to ensure the reliance of its economy by proving an ecosystem of support and flexibility. The Town works to meet the changing needs of developers and entrepreneurs and to take an active role in economic development.
Corporate Capacity	**Future Readiness**	**Community Vitality**	**Economic Resilience**

Levels of Service – Key Asset Measures

- Service levels inform lifecycle activity decisions

| Levels of Service		Lifecycle Activity
Capacity	• # of residents per Community Center • # of emergency fire responses	Growth
Functional	• # of kilometers of Multi-Use Trails • % of noise attenuation fencing that have been upgraded to PVC	Upgrades
Quality & Reliability	• % of assets in renewal backlog (very poor condition)	Renewal and O&M

10

Risk & Lifecycle Strategy

Renewal

- To manage risks of aging infrastructure, the average annual capital renewal need is estimated at $6.0 million per year
- Risk and asset criticality inform prioritization of work
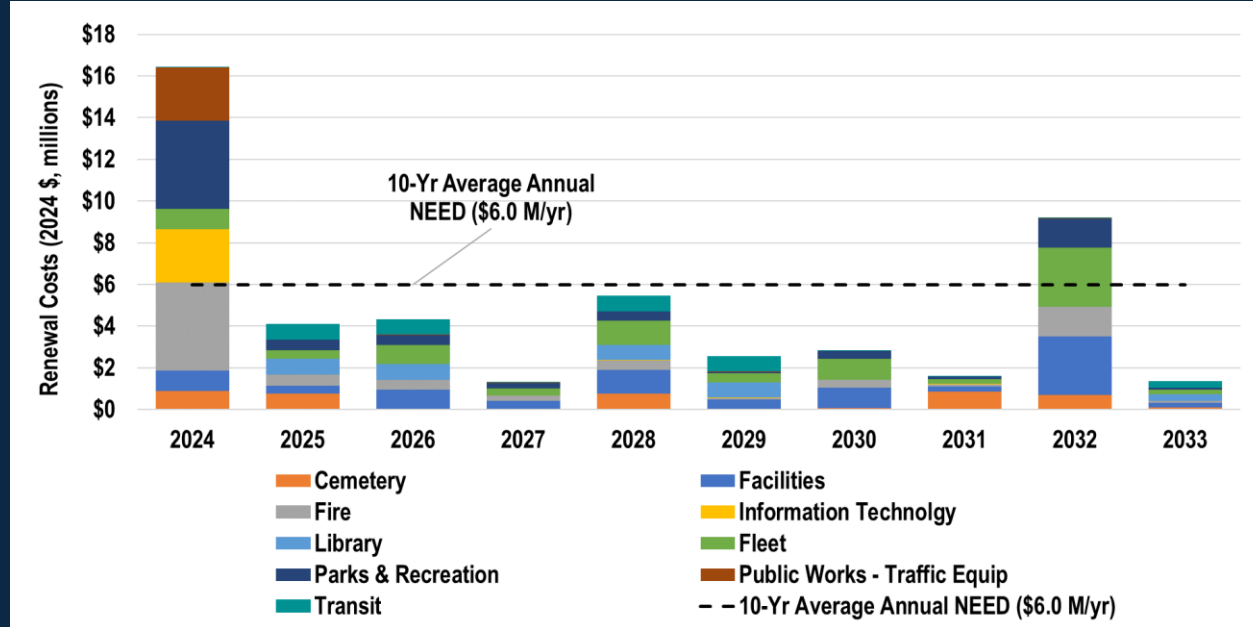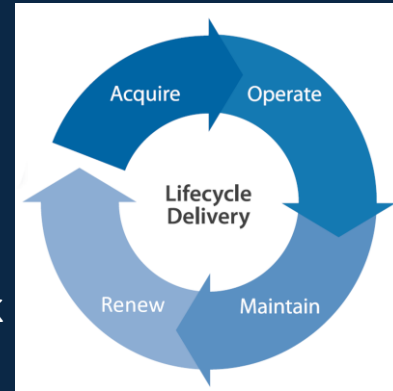
Lifecycle Strategy & Impact on Levels of Service

Renewal

← Maintaining service level →
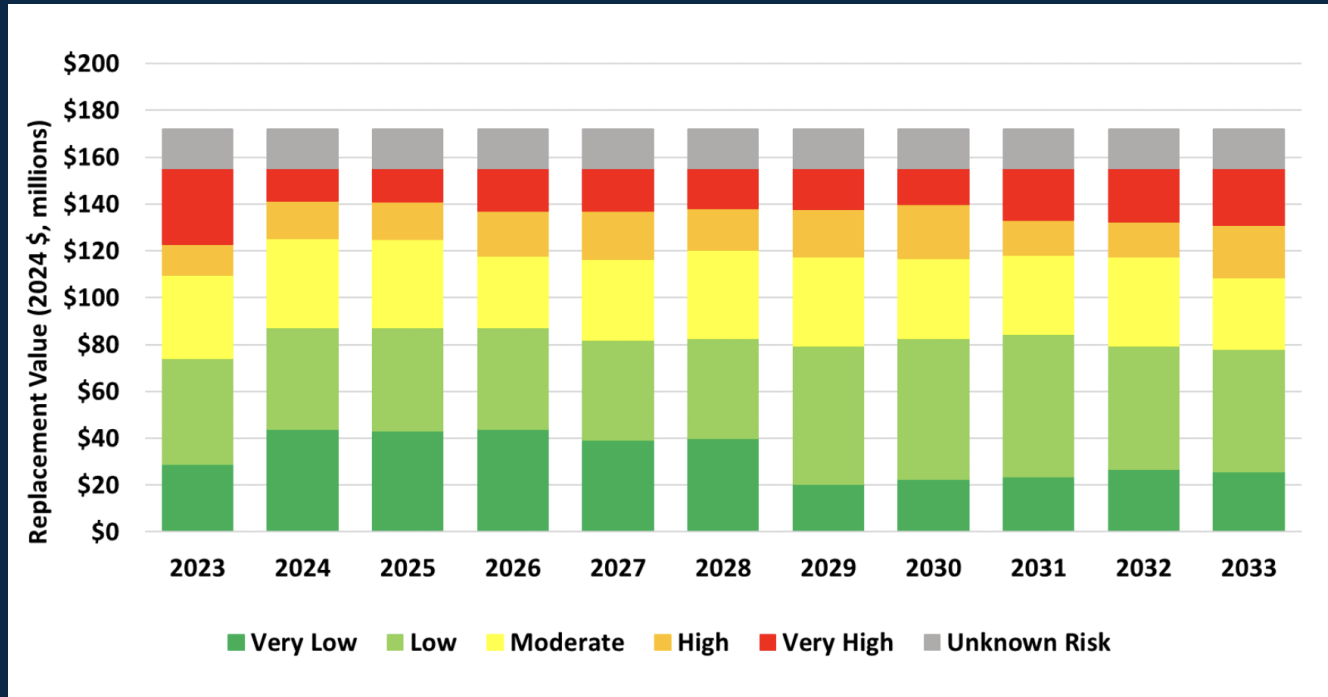
Financial Analysis for Non-Core Infrastructure

- Estimated renewal gap: $26.7 million over 10 years ($2.7 million per year) for non-core infrastructure, mainly in facilities renewal which will be refined with condition assessment data

Service	Average Annual Renewal Need ($M)	Average Annual Funding Available ($M)	Percentage of Needs Funded	Average Annual Gap* ($M) *Totals may not add up due to rounding
Municipal Administration	$3.03	$2.99	98.7%	$0.03
Cemetery	$0.18	$0.02	11.0%	$0.16
Library	$3.35	$2.98	89.0%	$0.37
Fire	$6.44	$5.88	91.3%	$0.56
Transit	$3.33	$2.67	80.2%	$0.66
Traffic Equipment	$2.62	$1.95	74.4%	$0.68
Public Works	$8.52	$5.89	69.1%	$2.63
Parks	$7.99	$4.17	52.2%	$3.82
Facilities	$24.39	$6.60	27.1%	$17.80
Total	**$59.9**	**$33.2**	55.4%	$26.7

Financial Analysis for Non-Core Infrastructure

Growth

- Growth projects to address population and demographic risks: $42.3 million for non-core infrastructure, including new Fire Hall (by 2026)
- $12.2 million funding gap, including $11.0 million for the Alder Library Expansion and $0.89 million for Operations Centre Expansion

Service	Total 10-Year Growth Needs ($M)	Total 10-Year Growth Funding Available ($M)	Total 10-Year Growth Funding Gap ($M)
Cemetery	$0.08	$0.08	-
Transit	$0.20	$0.20	-
Traffic Equipment	-	-	-
Parks	$0.48	$0.48	-
Municipal Administration	$1.72	$1.72	-
Fire	$22.55	$22.50	$0.05
Facilities	$2.80	$2.50	$0.30
Public Works	$3.25	$2.36	$0.89
Library	$11.23	$0.23	$11.00
Total	**$42.3**	**$30.1**	**$12.2**

Next Steps

- **Key Continuous Improvements for the AM Plan**
    - Develop data governance and continue to improve knowledge of asset replacement costs and current condition of the assets
    - Improve facility TCA data and complete facility condition assessments
    - Leverage City-Wide and AM software for inventory and work order planning and maintenance management
    - Improve understanding of growth and upgrade needs by incorporating recommendations from future plans and studies (such as Transportation, Fleet, IT and Cemetery Master Plans)

- **Next AM Plan**
    - Develop proposed service levels and determine associated forecasted needs and shortfall per O.Reg. 588/17 by July 2025

- **Annual Council Updates**
    - Provide annual updates to Council on progress of AM Plan and AM Program implementation starting in 2026

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