



ASSET MANAGEMENT (A.M.) COUNTY COUNCIL PRESENTATION

SEPTEMBER 2015

How A.M. impacts the County of Dufferin



In the last half century, there has been a dramatic shift in responsibility for infrastructure

Since the 1960s, the municipal share of asset ownership in Ontario has increased significantly

Share (%)	1961	2005
Federal	31%	10%
Provincial	31%	22%
Local	38%	68%

Source: StatsCan, From Roads to Rinks, Table A, Feb. 2008

Slide taken from AMO
 Aug. 2015 Conference
 presentation by Bill
 Hughes, Region of York

Tuesday Aug. 18 Block B
 Concurrent Sessions

With different responsibilities for infrastructure

	Single-tier	Upper-tier		Lower-tier	
		County	Regional	Within Counties	Within Regions
Arterial roads	✓	✓	✓		
Local roads	✓			✓	✓
Transit	✓		✓	✓	
Water & Wastewater	✓		✓	✓	✓
Waste collection	✓			✓	✓
Waste disposal	✓	✓	✓		
Parks and recreation	✓			✓	✓
Fire protection	✓			✓	✓
Policing	✓		✓	✓	
Health and social services	✓	✓	✓		
Social housing	✓	✓	✓		

Notes:

1. There are currently ten District Social Services Administration Boards (DSSABs) in northern Ontario that provide consolidated municipal services.
2. In two-tier municipalities, certain responsibilities may be at the upper tier, the lower tier, or shared (e.g., water and transit)

Source: MMAH

Slide taken from AMO
Aug. 2015 Conference
presentation by Bill
Hughes, Region of York

Tuesday Aug. 18 Block B
Concurrent Sessions

ASSET ANALYSIS: WHAT COUNTY OWNS

- 322 km of paved roads (no unpaved roads), historical cost \$75 million
- 85 Structures= 37 bridges and 48 culverts, historical cost \$20 million
- 30 buildings (Housing 13 + Courthouse 5 + Oaks 3 + all others 9)
- Vehicle fleet of 44 (Paramedics 11, Plow trucks 11, all others 22)
- Technology Equipment valued at \$1.4 million
- Other Equipment: includes traffic signals, parking lots, guiderails, Oaks beds, appliances, furniture, forest gates, lawn tractors, etc. etc.

The **REPLACEMENT VALUE** of all these combined is about \$350 Million.

KEY →

Land is excluded.

Replacement needs of \$130 Million (Gross) have been identified for next 10-year period.

WHAT THE COUNTY IS DOING NOW

- building some modest AM funds through its annual capital budget, which is taking care of areas like fleet, technology, housing repairs, facility repairs, paramedic equipment needs, Oaks beds
- AM emphasis has been on the Maintenance of County assets, in many cases assets remain in-service beyond their ordinary lifespan
- performing asset condition reviews, using external consultants, for independent opinions on the condition of County assets
 - Roads Needs
 - Structures: bridges + culverts (done every 2 years)
 - Housing buildings BCA

BUT...Even well-maintained assets eventually wear out, and must be replaced. Replacement is never avoidable, so it should be planned for.

WHAT THE COUNTY IS NOT DOING (YET)

- Working on the Strategic Plan Objectives related to assets
 - 4.1 Close the Infrastructure Gap (four parts to this one objective)
 - 3.2.4 Long-term financial plan, which considers infrastructure as a key element

KEY

AM is a key component within the strategic concept of SUSTAINABILITY.

THE INFRASTRUCTURE GAP

WHAT ? what's getting done each year < what should be getting done

WHY ? affordability

RESULTS

- slowly deteriorating infrastructure, can be measured by “asset condition”
- increased exposure to the risk of failure (Example: a bridge closure)
- greater risk of reduced level of service (during time that an asset is “out of service”)

KEY

Whenever a project gets deferred, its (future) cost goes up
(because of price increases and/or job size change)

Currently the single largest contributor to the Gap for Dufferin is Road Surfaces.

ROAD SURFACES

- Avg. life 15 yrs./ 322 km = 21.5 km./ year
- Approx. cost = \$300,000 per km. estimate
- Gas Tax now at \$1.75 million per year
- when a road project involves widening as part of the job, the cost will be higher than \$300,000/km.
 - good example, the Road 11 multi-stage project

What about other assets besides roads?

	2015	Ideally
# km paved	13.5	21.5
Estim. Cost	\$5,258,500	\$6,450,000
<u>Funded from</u>		
1. Gas Tax	2,460,000	1,750,000
2. DC	405,800	600,000
3. Taxation	2,392,700	4,100,000
Gas Tax in 2015 included some unspent amounts received in 2014. Gas Tax may be used for other things besides roads, but this assumes it's used only for roads.		These are targeted annual figures, to strive to achieve

ASSETS OTHER THAN ROADS

1. Structures were funded at \$1.1 million in 2015, but need is closer to \$1.5 million annually
2. Oaks needs moderate increase to fund future building repairs (nearing 15 years old)
3. DCMA's needs are similar to the Oaks (facility is now over 20 years old)
4. Social Housing needs increased tax support: capital grants are being reduced as of 2016

Paramedic equipment, Facilities, Technology, and vehicle fleets of all departments are currently being funded close to an adequate level of funding

KEY

All the above items refer to replacement of existing assets.

There is no consideration being given to adding anything new, such as a new Social Housing building, or a new road.

A.M. STRATEGY OVER NEXT 3 YEARS

Step 1

Begin to walk the path of long-term A.M. with 2016 budget

Step 2

Keep on the A.M. strategy path through 2017 & 2018

Step 3

Reach financial sustainability

Like you tell your kids... think long-term!

- ❑ Financial sustainability requires long-term planning; it does not just happen
- ❑ The key to financial sustainability is taking the necessary steps now to manage **both** short and long-term risks
- ❑ This is mostly about managing two things: your service levels and your infrastructure

Taken from AMO Conference 2015 presentation by Bill Hughes, Region of York.

DUFFERIN COUNTY STRATEGIC PLAN has references to FINANCIAL SUSTAINABILITY

The Strategic Plan Objectives related to capital assets are

- PRIORITY of SERVICE EXCELLENCE
 - 4.1 Close the Infrastructure Gap (four pieces to this objective)
 - see 4.1.1 , 4.1.2 , 4.1.3 , 4.1.4
- PRIORITY of GOOD GOVERNANCE
 - 3.2.4 Long-term financial plan, which must include infrastructure as a key element

