

# Asset Management Proposed Levels of Service June 2025



# Introduction

- Asset management ensures infrastructure sustainability and efficiency.
- Establishing appropriate Levels of Service (LOS) is key to meeting community and organizational goals.
- This presentation outlines the framework for defining and implementing Proposed LOS and includes an update on the recently completed public engagement.

# Asset Management Plan – O. Reg. 588/17

|                                                                          |                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Phase 1</p> <p>Asset Management Policy</p>                            | <ul style="list-style-type: none"> <li>• Every municipality in Ontario must have a strategic asset management policy approved by Council</li> <li>• The policy is to be reviewed, and if necessary updated, at least every five years</li> <li>• Completed and approved by Council by July 1, 2019</li> </ul> |
| <p>Phase 2</p> <p>Asset Management Plan<br/>Core Infrastructure</p>      | <ul style="list-style-type: none"> <li>• Every municipality in Ontario must have approved asset management plans for core infrastructure assets at the <u>current</u> levels of service</li> <li>• Completed and approved by Council by July 1, 2022</li> </ul>                                               |
| <p>Phase 3</p> <p>Asset Management Plan<br/>All Other Infrastructure</p> | <ul style="list-style-type: none"> <li>• Every Municipality in Ontario must have approved asset management plans for all other infrastructure (non-core) assets at the current levels of service.</li> <li>• Requires Council approval and to be made available to the public by July 1, 2024</li> </ul>      |
| <p>Phase 4</p> <p>Proposed Levels of Service<br/>by Category</p>         | <ul style="list-style-type: none"> <li>• Every asset management plan must include proposed levels of service for each category of infrastructure assets</li> <li>• Requires Council approval and to be made available to the public by July 1, 2025</li> </ul>                                                |

# Asset Management Plan – O. Reg. 588/17

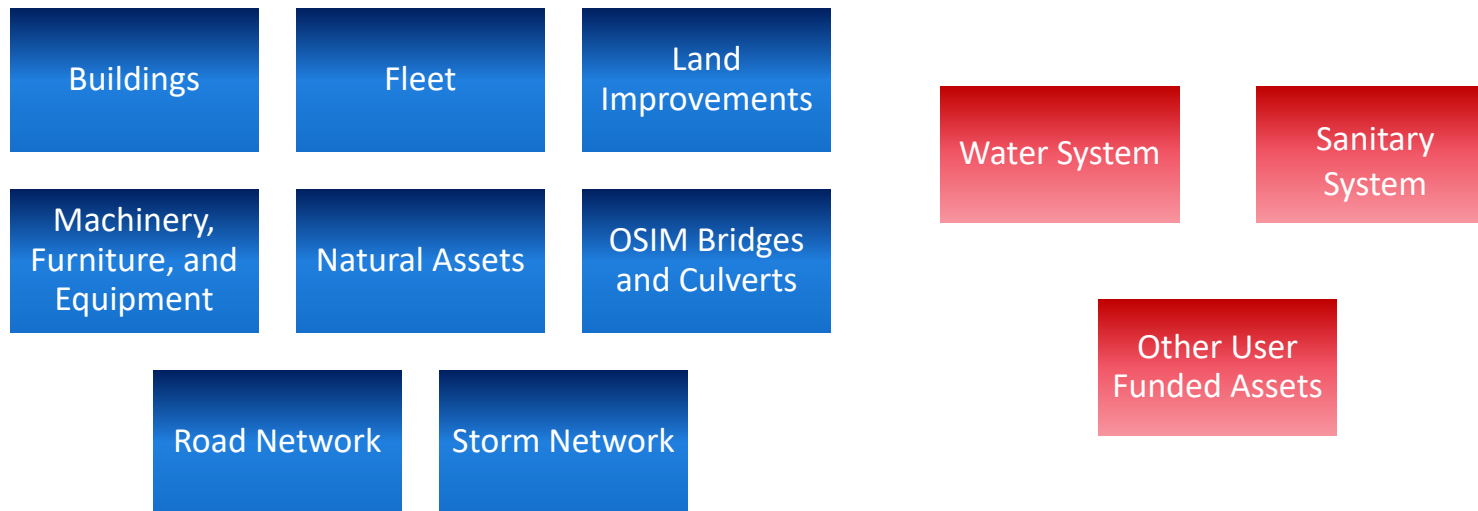
Ontario Regulation **588/17: Asset Management Planning for Municipal Infrastructure** requires municipalities to establish **proposed levels of service** as part of their asset management planning. Specifically, it mandates that municipalities:

- Define Proposed Levels of Service
- Use Quantitative & Qualitative Measures
- Consider Lifecycle Costs & Risk Management
- Align with Current & Expected Future Needs
- Incorporate Financial Strategy
- Meet Compliance Deadlines

## Asset Management Plan – O. Reg. 588/17

- The "**proposed level of service**" is where the municipality **wants to go**, while the "**financial strategy**" must outline what it would take to **get there sustainably**, including backlog reduction if needed.

## Asset Categories



General Rate

User Funded

## 2024 Asset Management Plan - Funding Gap

### General Rate

|                            |         |
|----------------------------|---------|
| Average Annual Requirement | \$10.6M |
| Annual Funding Available   | \$5.2M  |
| Annual Deficit             | \$5.4M  |

Council adopted a 20-year plan of annual increases plus CPI to eliminate the gap starting in 2022.

### User Rates

|                            |        |
|----------------------------|--------|
| Average Annual Requirement | \$5.9M |
| Annual Funding Available   | \$3.4M |
| Annual Deficit             | \$2.5M |

General rate 1.1% annual increases

Water rate 0.2% annual increases

Sewer rate 1.0% annual increases

# Public Consultation



# Public Consultation – Asset Management



## Asset Management

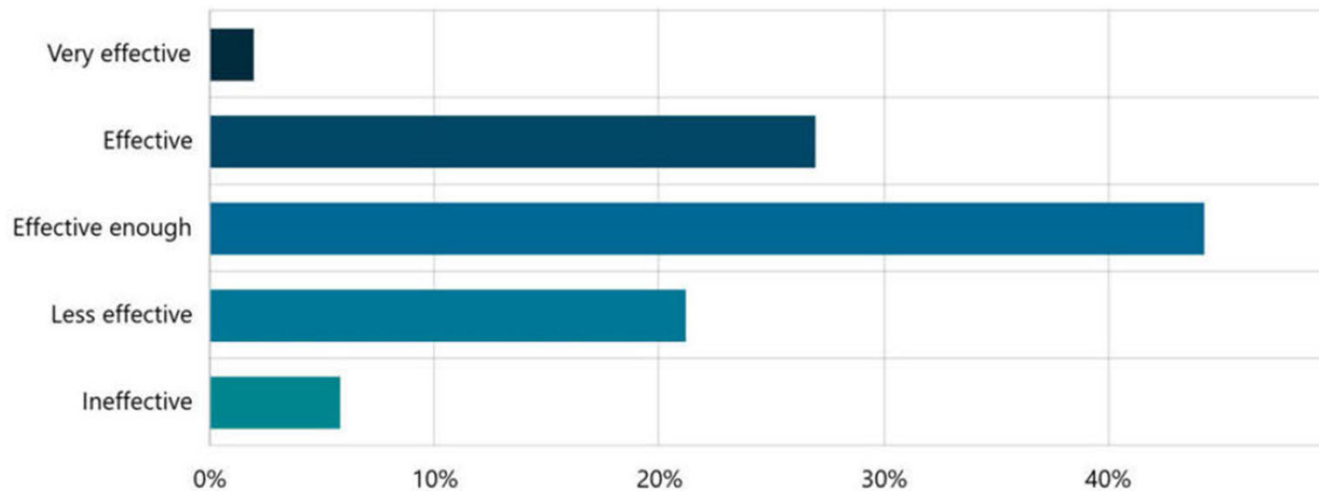
Last updated: 02 Jun, 2025

The asset management plan is a key strategic tool for the municipality to manage its long-term capital budget and funding requirements.

- Utilized the Engage Loyalist Site
- 53 Survey Responses – Small sample size, 50/50 Rural/Urban respondents
- The survey asked respondents to identify priorities, satisfaction levels, and preferences regarding infrastructure investment and service delivery.

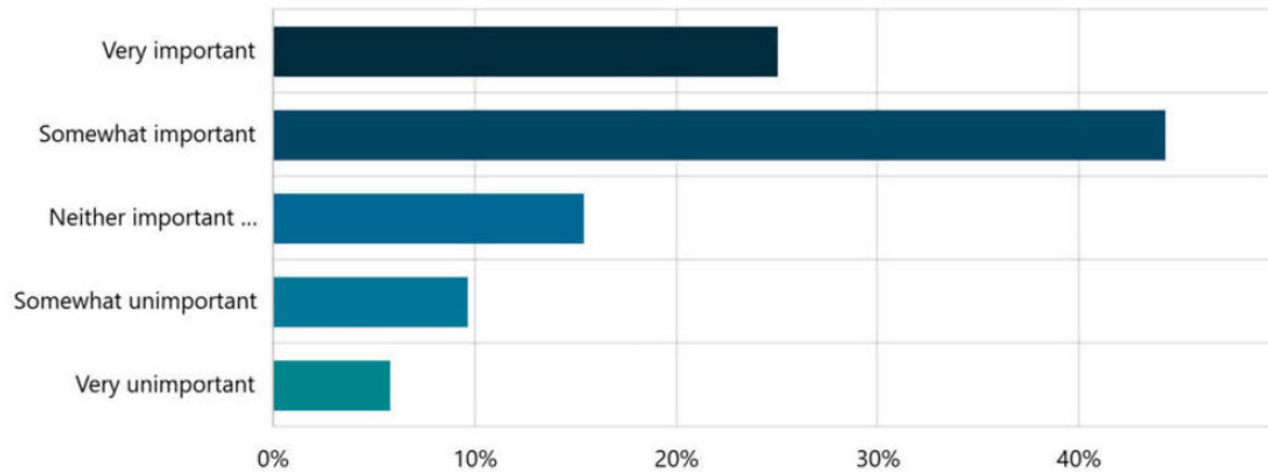
## Public Consultation – Key Highlights

73% of respondents felt the Township was effective in maintaining its public infrastructure



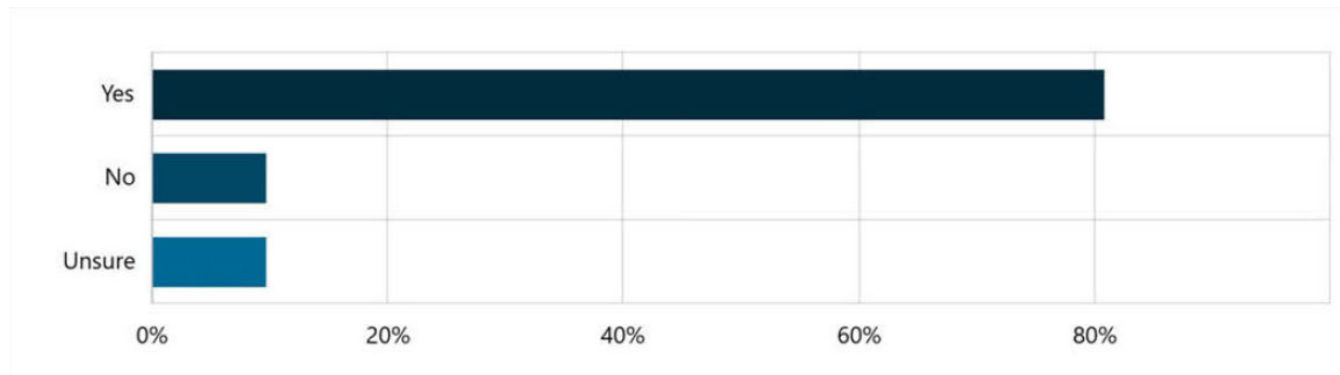
## Public Consultation – Key Highlights

69% of respondents felt that sustainability and resilience was very or somewhat important in asset management decisions



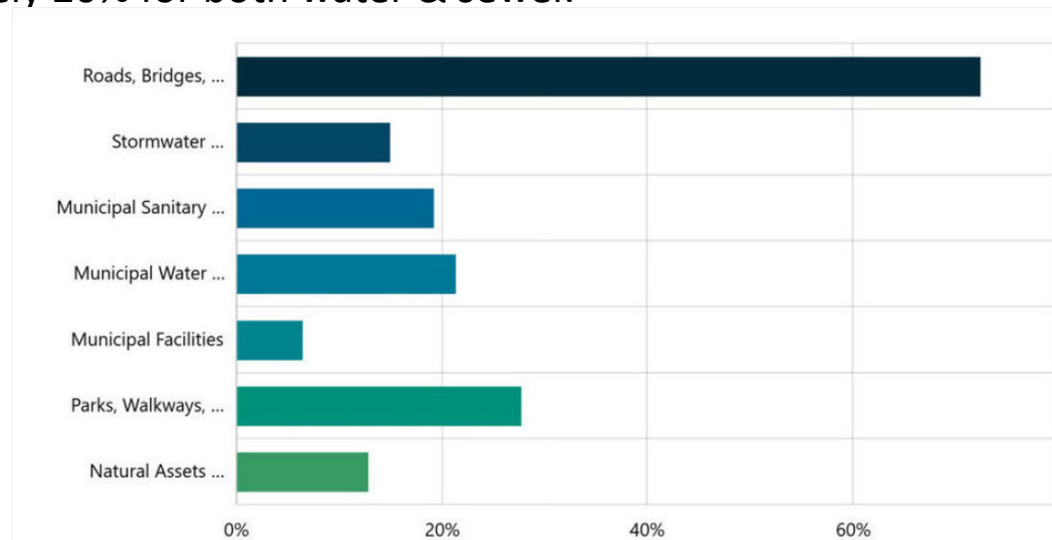
## Public Consultation – Key Highlights

81% of respondents supported regular preventative maintenance to extend the life of assets



## Public Consultation – Key Highlights

When asked which asset categories they would like to provide feedback on, 72% of respondents commented on roads, 28% on Parks, Walkways, Trails & Beaches, and approximately 20% for both water & sewer.



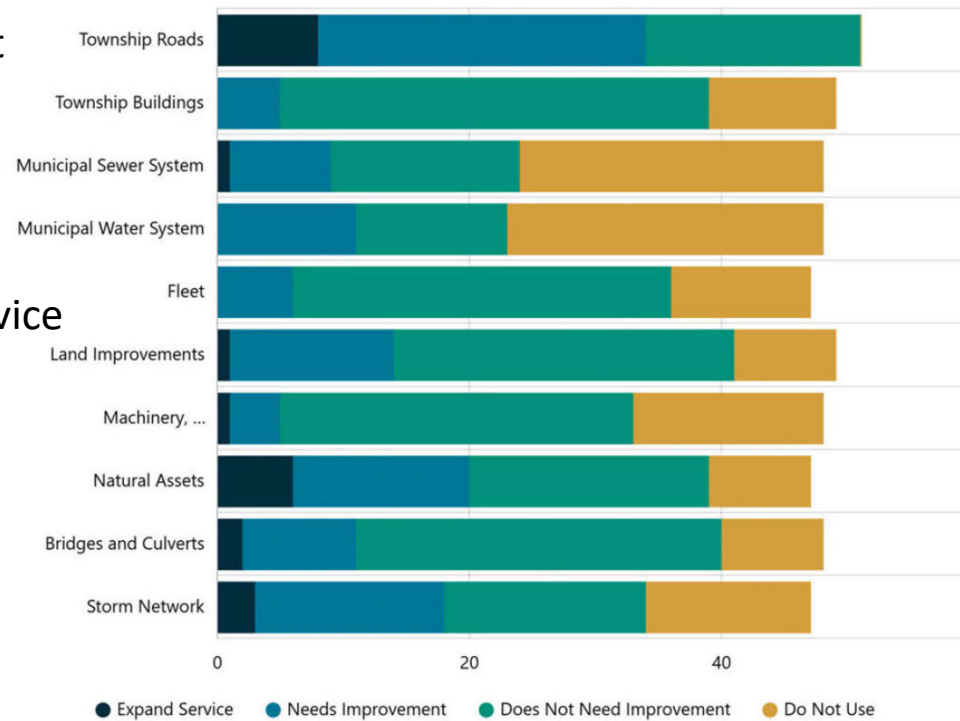
# Public Consultation – Key Highlights

## Highest need for improvement

- 51% Roads
- 32% Stormwater

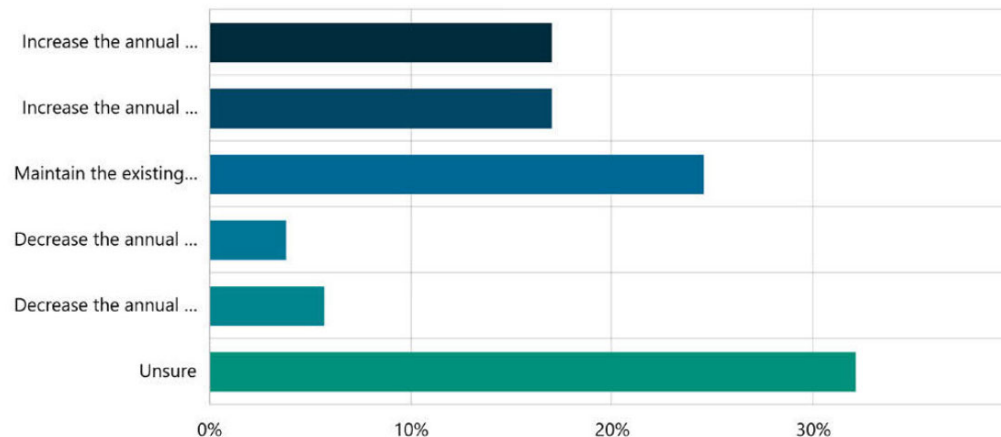
## Highest request to expand service

- 16% Roads
- 13% Natural Assets



## Public Consultation – Key Highlights

When asked about which action they would prefer to address the funding gap, 17% indicated increase capital contribution and expand services, 17% increase capital contributions but maintain services, while 25% indicated maintaining the current 20-year plan. Only 5.6% wanted to see decreased service levels.



# Draft Proposed Levels of Service

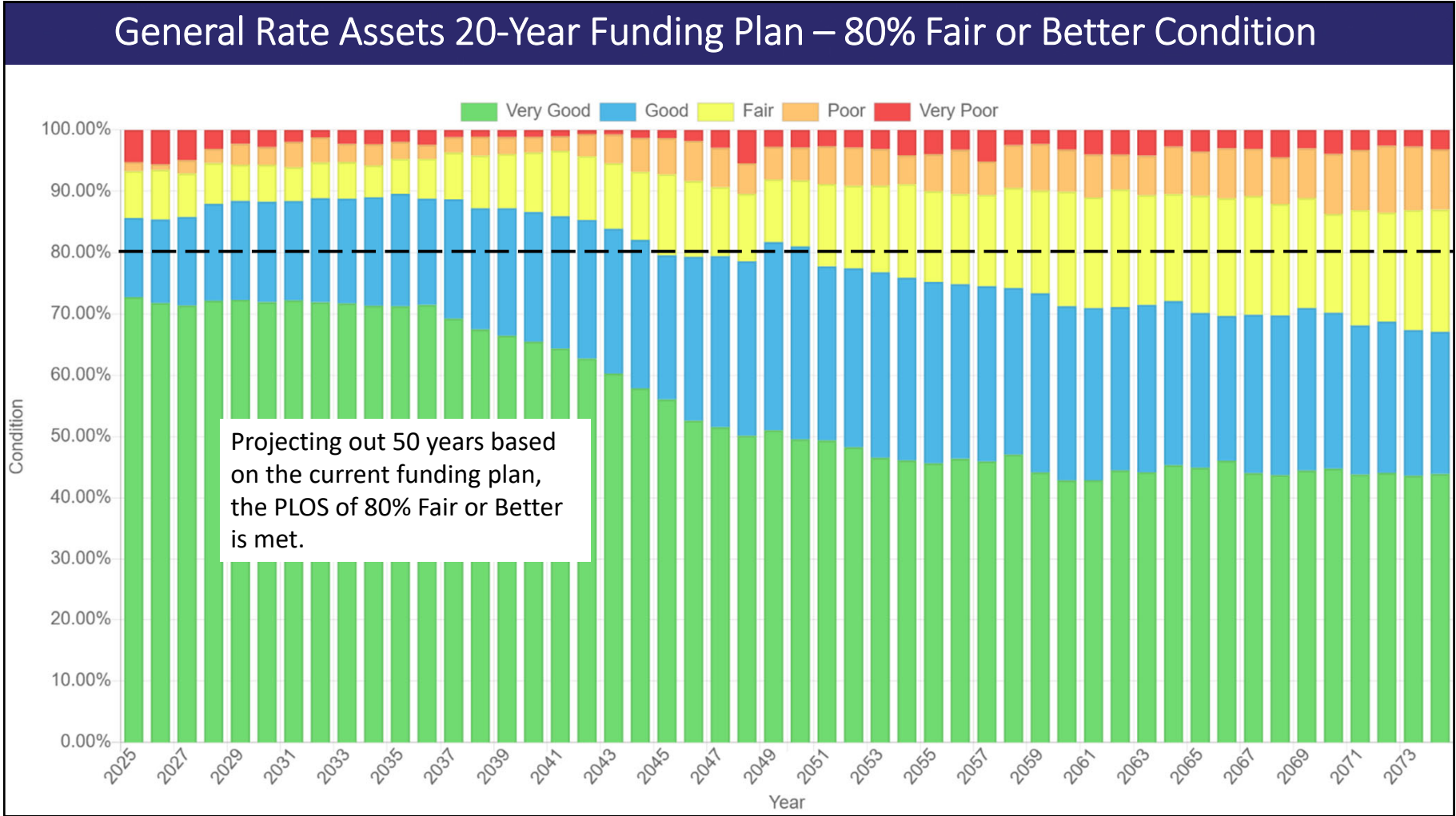


## Working Groups - Proposed Levels of Service

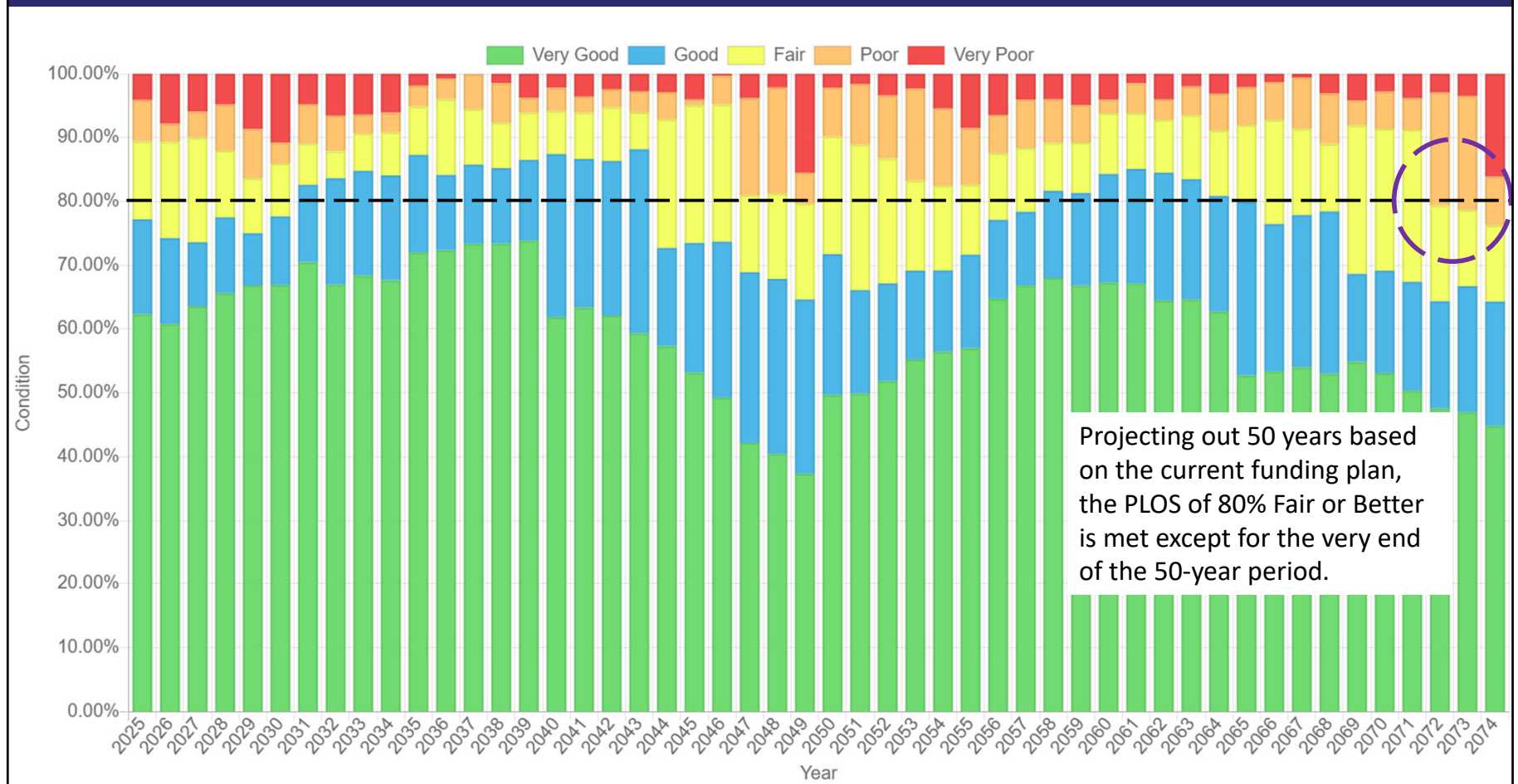
- Percentage of Assets in Fair or Better Condition – 80% for all asset categories
- Average Condition of Assets – Good (60-80%) for all asset categories
- Energy Consumption Reductions
- Increasing Capital Re-Investment Rates as per 20-year approved plans
- Some minor category specific PLOS changes

# Draft Proposed Levels of Service 80% Fair or Better Condition

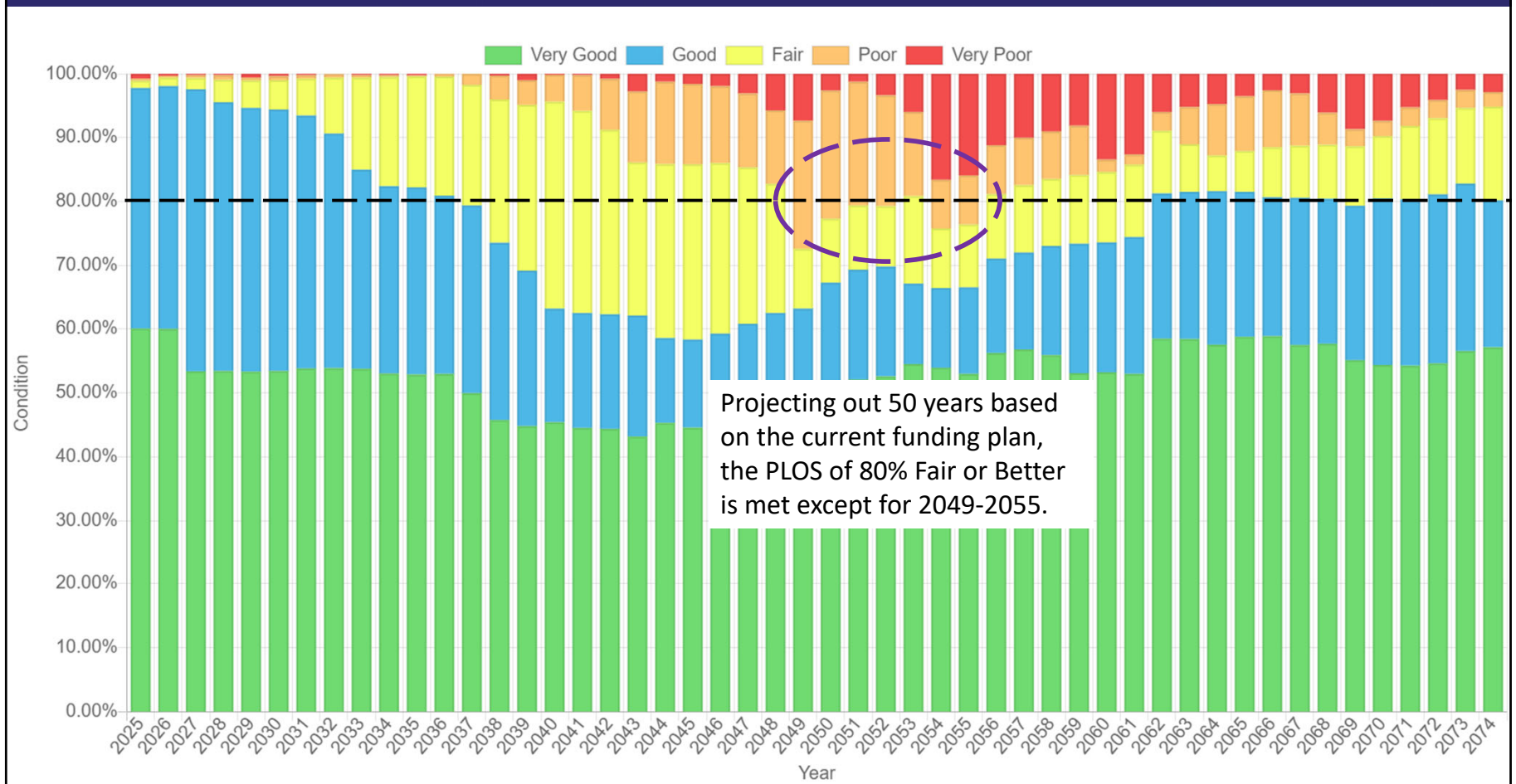




## Water System Assets 20-Year Funding Plan – 80% Fair or Better Condition



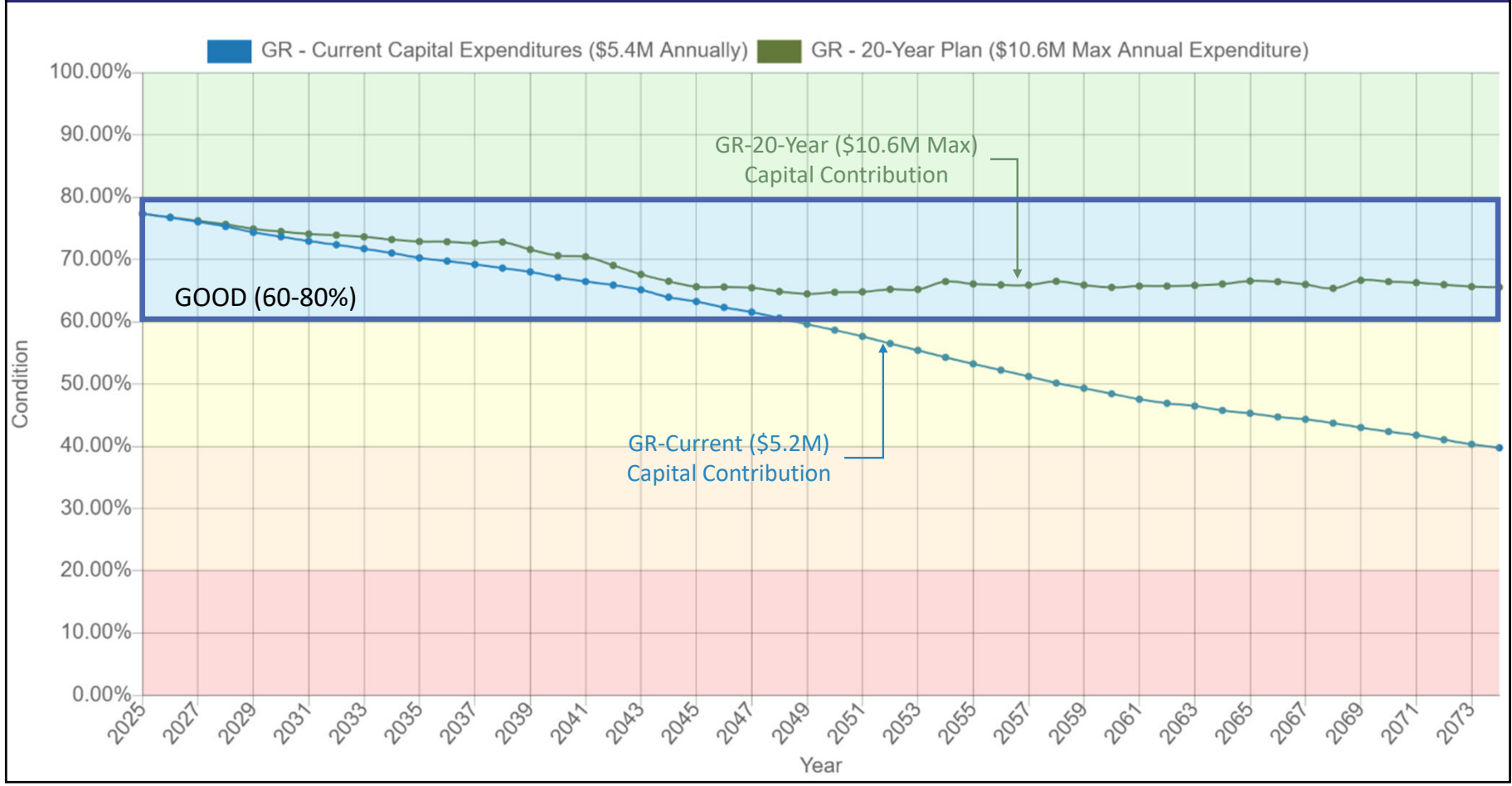
## Sanitary System Assets 20-Year Funding Plan – 80% Fair or Better Condition



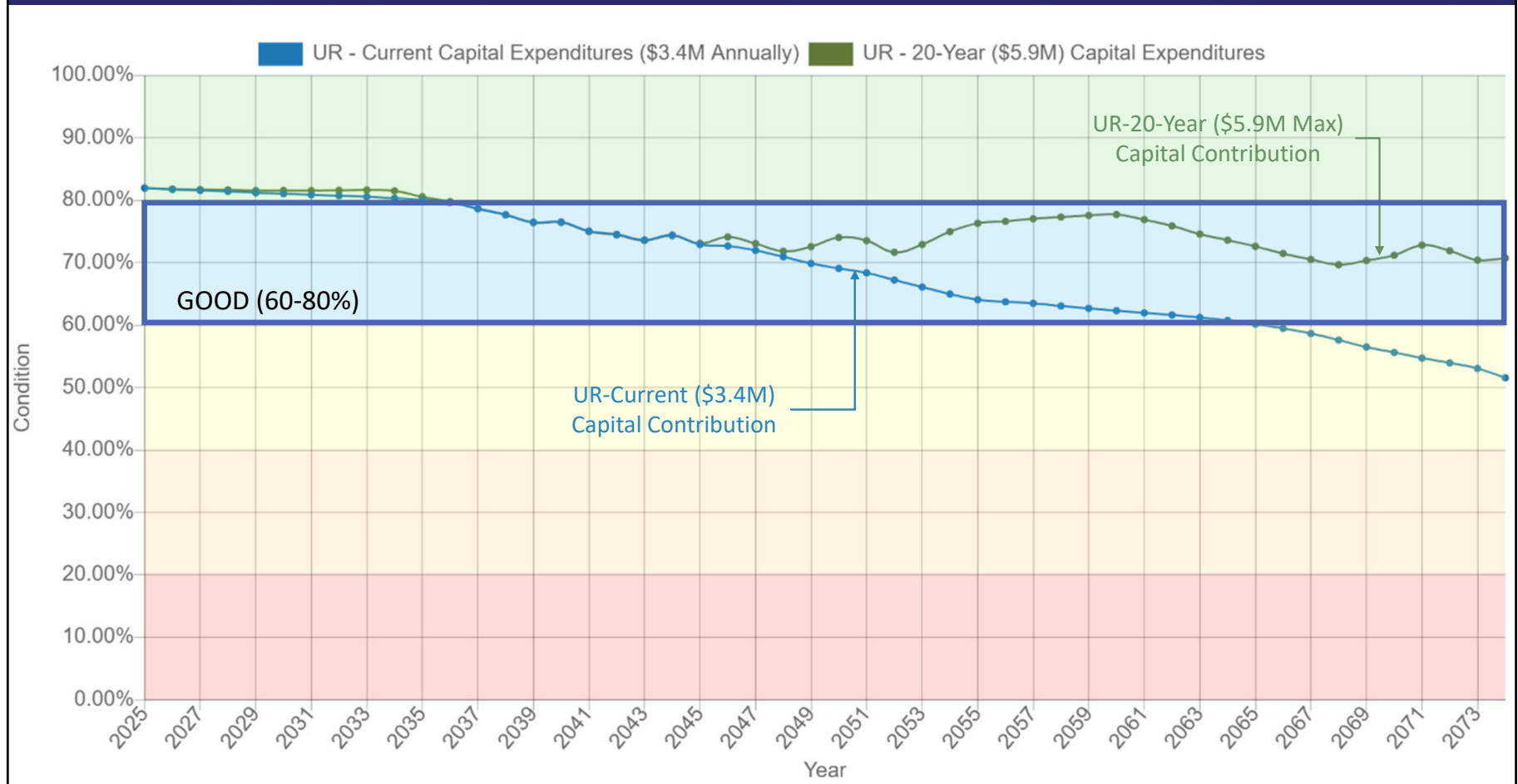
# Draft Proposed Levels of Service Average Condition



# GR 20-Year Plan vs Current Capital Contributions – Avg Condition (Good)



## UR 20-Year Plan vs Current Capital Contributions – Avg Condition (Good)



# Draft Proposed Levels of Service Appendix A



| Proposed Levels of Service                    |                                                                    |            |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------|--------------------------------------------------------------------|------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                               |                                                                    | 2025       | Proposed       | Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Fleet (Non-Core)                              |                                                                    |            |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Quality                                       | % of assets in fair or better condition<br>Utilities               | 70%<br>66% | 80%            | Citywide projects between 82 & 92 if everything is done                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                               | Average condition of assets<br>Utilities                           | 85%<br>77% | Good<br>60-80% | Citywide projects between 70 & 88 if everything is done                                                                                                                                                                                                                                                                                                                                                                                                            |
| Environmental Stewardship                     | Energy Consumption - % of vehicles that are zero emission vehicles | 1%         | Increase       | CAP goal #16 - Optimize use of municipal vehicles by promoting eco driving techniques and inter-departmental vehicle sharing, installing auxiliary power units in vehicles to reduce idling.<br>CAP goal #17 - Electrify the municipal fleet- replace fossil fuel powered vehicles with electric alternatives as part of lifecycle activities.<br>CAP goal #18 - Replace heavy duty vehicles with zero emissions alternatives as the technology becomes available. |
| Performance                                   | Capital re-investment rate                                         | 3.17%      | Increase       | 6.91% for Full Funding @ 20 years                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Machinery, Furniture and Equipment (Non-Core) |                                                                    |            |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Quality                                       | % of assets in fair or better condition<br>Utilities               | 77%<br>79% | 80%            | Citywide projects between 77 & 95 if everything is done                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                               | Average condition of assets<br>Utilities                           | 81%<br>84% | Good<br>60-80% | Citywide projects between 70 & 87 if everything is done                                                                                                                                                                                                                                                                                                                                                                                                            |
| Performance                                   | Capital re-investment rate                                         | 1.50%      | Increase       | 5.39% for Full Funding @ 20 years                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                               |                                                                    |            |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Proposed Levels of Service   |                                         |       |          |                                                         |
|------------------------------|-----------------------------------------|-------|----------|---------------------------------------------------------|
|                              |                                         | 2025  | Proposed | Notes                                                   |
| Facilities (Non-Core)        |                                         |       |          |                                                         |
| Quality                      | % of assets in fair or better condition | 84%   | 80%      | Citywide projects between 85 & 99 if everything is done |
|                              | Utilities                               | 94%   |          |                                                         |
|                              | Average condition of assets             | 80%   | Good     | Citywide projects between 69 & 85 if everything is done |
|                              | Utilities                               | 76%   | 60-80%   |                                                         |
| Performance                  | Capital re-investment rate              | 0.63% | Increase | 2.14% for Full Funding @ 20 years                       |
| Land Improvements (Non-Core) |                                         |       |          |                                                         |
| Quality                      | % of assets in fair or better condition | 73%   | 80%      | Citywide projects between 76 & 95 if everything is done |
|                              | Average condition of assets             | 79%   | Good     | Citywide projects between 72 & 82 if everything is done |
|                              |                                         |       | 60-80%   |                                                         |
| Performance                  | Capital re-investment rate              | 1.28% | Increase | 4.37% for Full Funding @ 20 years                       |
|                              |                                         |       |          |                                                         |

| Proposed Levels of Service |                                                                                                             |                                                               |                |                                                                                                                                                                             |
|----------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            |                                                                                                             | 2025                                                          | Proposed       | Notes                                                                                                                                                                       |
| Road Network (Core)        |                                                                                                             |                                                               |                |                                                                                                                                                                             |
| Scope                      | Lane-kilometers of Township Arterial Roads (MMS Road Classes 1 and 2) per land area (k/km <sup>2</sup> )    | 0.00 km/km <sup>2</sup>                                       | Maintain       |                                                                                                                                                                             |
|                            | Lane-kilometers of Township Collector Roads (MMS Road Classes 3 and 4) per land area (k/km <sup>2</sup> )   | 0.50 km/km <sup>2</sup>                                       | Maintain       |                                                                                                                                                                             |
|                            | Lane-kilometers of Township local roads (MMS Road Classes 5 and 6) per land area (k/km <sup>2</sup> )       | 1.00 km/km <sup>2</sup>                                       | Maintain       |                                                                                                                                                                             |
| Quality                    | For paved roads in the municipality, the average pavement condition index value.                            | HCB Roads<br>76%<br>(Good)<br>LCB Roads<br>82%<br>(Very Good) | Good<br>60-80% |                                                                                                                                                                             |
|                            | For unpaved roads in the municipality, the average surface condition (e.g., excellent, good, fair, or poor) | 67.70%<br>Good                                                | Good<br>60-80% |                                                                                                                                                                             |
|                            | % of assets in fair or better condition                                                                     | 93%                                                           | 80%            | Citywide projects between 81 & 95 if everything is done, could also separate by road classes with different goals for each. Generally higher averages for busier roads etc. |
|                            | Average condition of assets                                                                                 | 81%                                                           | Good<br>60-80% | Citywide projects between 55 & 81 if everything is done                                                                                                                     |
|                            |                                                                                                             |                                                               |                |                                                                                                                                                                             |
| Performance                | Capital re-investment rate                                                                                  | 1.47%                                                         | Increase       | 2.41% for Full Funding @ 20 years                                                                                                                                           |

29

| Proposed Levels of Service |                                                                        |                                                                                                                                                                                                                                                                                                                                             |                |                                                                                                                                                          |
|----------------------------|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            |                                                                        | 2025                                                                                                                                                                                                                                                                                                                                        | Proposed       | Notes                                                                                                                                                    |
| Storm System (Core)        |                                                                        |                                                                                                                                                                                                                                                                                                                                             |                |                                                                                                                                                          |
| Scope                      | Percentage of properties in municipality resilient to a 100-year storm | The percentage of properties resilient to a 100-year storm is not available at the time of this report. All stormwater systems that are within subdivisions that were constructed after 1970 are protected from the 100-year storm. Some areas of old Odessa are 'drainage supported only' as opposed to formal minor storm sewer serviced. | Increase       | As areas are reconstructed improvements are made to stormwater drainage, all new developments will continue to be designed for the 100-year storm event. |
| Quality                    | % of assets in fair or better condition                                | 87%                                                                                                                                                                                                                                                                                                                                         | 80%            | Citywide projects between 88 & 99 if everything is done                                                                                                  |
|                            | Average condition of assets                                            | 92%                                                                                                                                                                                                                                                                                                                                         | Good<br>60-80% | Citywide projects between 70 & 92 if everything is done                                                                                                  |
| Performance                | Capital re-investment rate                                             | 0.44%                                                                                                                                                                                                                                                                                                                                       | Increase       | 1.5% for Full Funding @ 20 years                                                                                                                         |
|                            |                                                                        |                                                                                                                                                                                                                                                                                                                                             |                |                                                                                                                                                          |

| Proposed Levels of Service |                                                                                                                                                                             |        |                |                                                                                           |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----------------|-------------------------------------------------------------------------------------------|
|                            |                                                                                                                                                                             | 2025   | Proposed       | Notes                                                                                     |
| Water System (Core)        |                                                                                                                                                                             |        |                |                                                                                           |
| Scope                      | Percentage of properties connected to the municipal water system                                                                                                            | 71.00% | Maintain       |                                                                                           |
|                            | Percentage of properties where fire flow is available                                                                                                                       | 99.65% | Maintain       |                                                                                           |
| Quality                    | Number of connection days per year where a boil water advisory notice is in place compared to the total number of properties connected to the municipal water system        | 0      | Maintain       |                                                                                           |
|                            | Number of connection days per year where water is not available due to water main breaks compared to the total number of properties connected to the municipal water system | 0      | Maintain       |                                                                                           |
|                            | % of assets in fair or better condition                                                                                                                                     | 86%    | 80%            | Citywide projects between 70 & 99 if everything is done, drop below 80 occurs after 2064. |
|                            | Average condition of assets                                                                                                                                                 | 88%    | Good<br>60-80% | Citywide projects between 66 & 88 if everything is done                                   |
| Performance                | Capital Reinvestment Rate                                                                                                                                                   | 0.90%  | Increase       | 1.11% for Full Funding @ 20 years                                                         |
|                            |                                                                                                                                                                             |        |                |                                                                                           |

| Proposed Levels of Service |                                                                                                                                                                                                        |          |                |                                                         |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------|---------------------------------------------------------|
|                            |                                                                                                                                                                                                        | 2025     | Proposed       | Notes                                                   |
| Sewer System (Core)        |                                                                                                                                                                                                        |          |                |                                                         |
| Scope                      | Percentage of properties connected to the municipal wastewater system                                                                                                                                  | 69%      | Maintain       |                                                         |
| Quality                    | % of assets in fair or better condition                                                                                                                                                                | 95%      | 80%            | Citywide projects between 88 & 99 if everything is done |
|                            | Average condition of assets                                                                                                                                                                            | 84%      | Good<br>60-80% | Citywide projects between 67 & 84 if everything is done |
| Reliability                | Number of events per year where combined sewer flow in the municipal wastewater system exceeds system capacity compared to the total number of properties connected to the municipal wastewater system | 0.000000 | Maintain       |                                                         |
|                            | Number of connection days per year having wastewater backups compared to the total number of properties connected to the municipal wastewater system                                                   | 0.000000 | Maintain       |                                                         |
|                            | Number of effluent violations per year due to wastewater discharge compared to the total number of properties connected to the municipal wastewater system                                             | 0.0004   | Reduce         |                                                         |
| Performance                | Capital Reinvestment Rate                                                                                                                                                                              | 1.00%    | Increase       | 3.16% for Full Funding @ 20 years                       |
|                            |                                                                                                                                                                                                        |          |                |                                                         |

# Next Steps



## Next Steps

- Updated condition assessments, unit costs, replacement costs etc
- Completion of BCAs & replacement costs
- Finalize modelling of recommended scenarios
- Report to Council on 2025 Asset Management Plan – August 2025

# Recommendations



## Recommendations

That the presentation and report from the Corporate Services, Strategy and Innovation Department, dated June 10, 2025, re: Asset Management – Proposed Levels of Service, be received; and

That Council endorse the proposed service level targets as outlined in appendix A; and

That staff be directed to incorporate these targets into the 2025 Asset Management Plan update and continue to optimize financial strategies to meet the proposed service levels sustainably.