



Asset Management Plan 2024



2024 Asset Management Plan

- Adopted Ontario Regulation 588/17 for asset management since 2018.
- First Asset Management Plan issued on July 1, 2019.
- Data is from Citywide for 2024.
- Includes proposed levels of service and financial strategy.
- Future updates are required to occur every five years, but internal reviews will continue.



Services Provided by the Town



•**Roads Services:** Maintains roads, bridges, culverts, streetlights, sidewalks, parking, and trails within the Town's right of way.



•**Water Distribution:**
Manages watermains, service pipes, towers, wells, and meters for safe water delivery.



•**Parks and Outdoor Recreation:**
Provides amenities for sports, leisure, and recreation in parks and natural areas.



•**Protection Services:**
Includes fire stations, fleet, and equipment for emergency and fire response.



•**Recreation Facilities:** Operates community centres and arenas offering programs for all ages.



•**Administration Services:**
Supports resident services through facilities, fleet, and equipment.

Impact of Population Growth:

- The Town’s population is expected to grow significantly over the next decade, increasing demand for infrastructure services and requiring both new assets and ongoing maintenance.
- The asset management plan must align with growth projections and integrate them into budget planning to assess financial impacts.
- Development charges are collected to help fund future infrastructure capital projects tied to growth.

| | Year | Population (Including Census Undercount) | Population (Excluding Census Undercount) | Housing Units | Person/Unit |
|------------|----------|---|---|------------------|-------------|
| Historical | Mid 2011 | 11890 | 11418 | 3955 | 2.887 |
| | Mid 2016 | 12910 | 11439 | 4110 | 2.783 |
| | Mid 2021 | 12470 | 11981 | 4220 | 2.839 |
| Forecast | Mid 2024 | 12790 | 12287 | 4333 | 2.836 |
| | Buildout | 26300 | 25500 | 9200 | 2.772 |

Asset Categories:

Core Assets:



Road Network



Bridges & Culverts



Water System



Waste Water

Non-Core Assets:



Buildings



Land Improvements

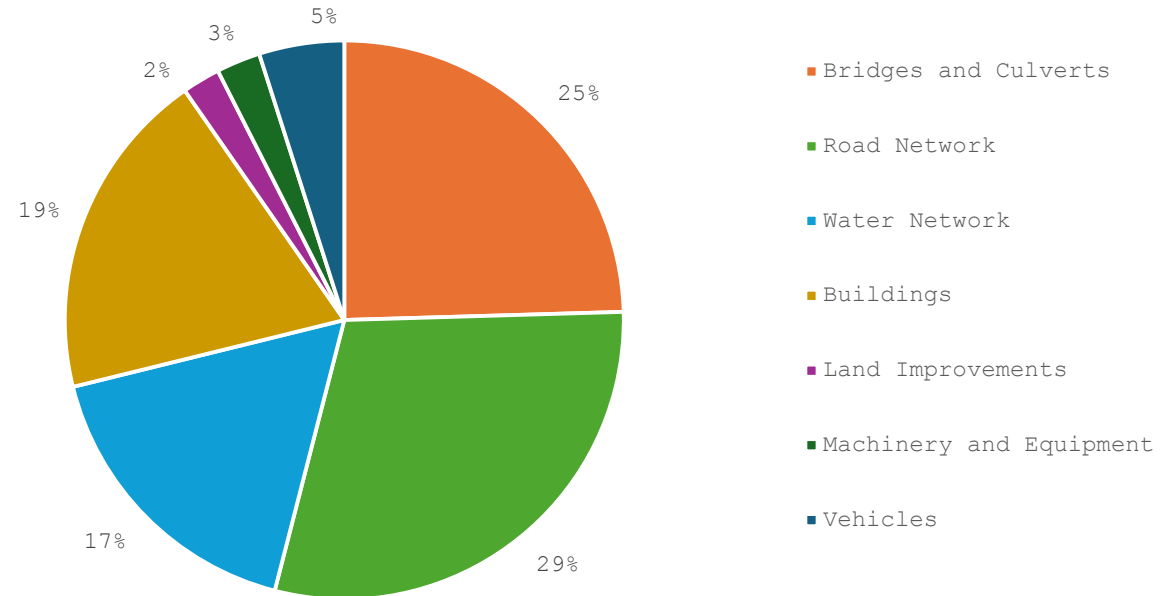


Machinery & Equipment



Vehicles

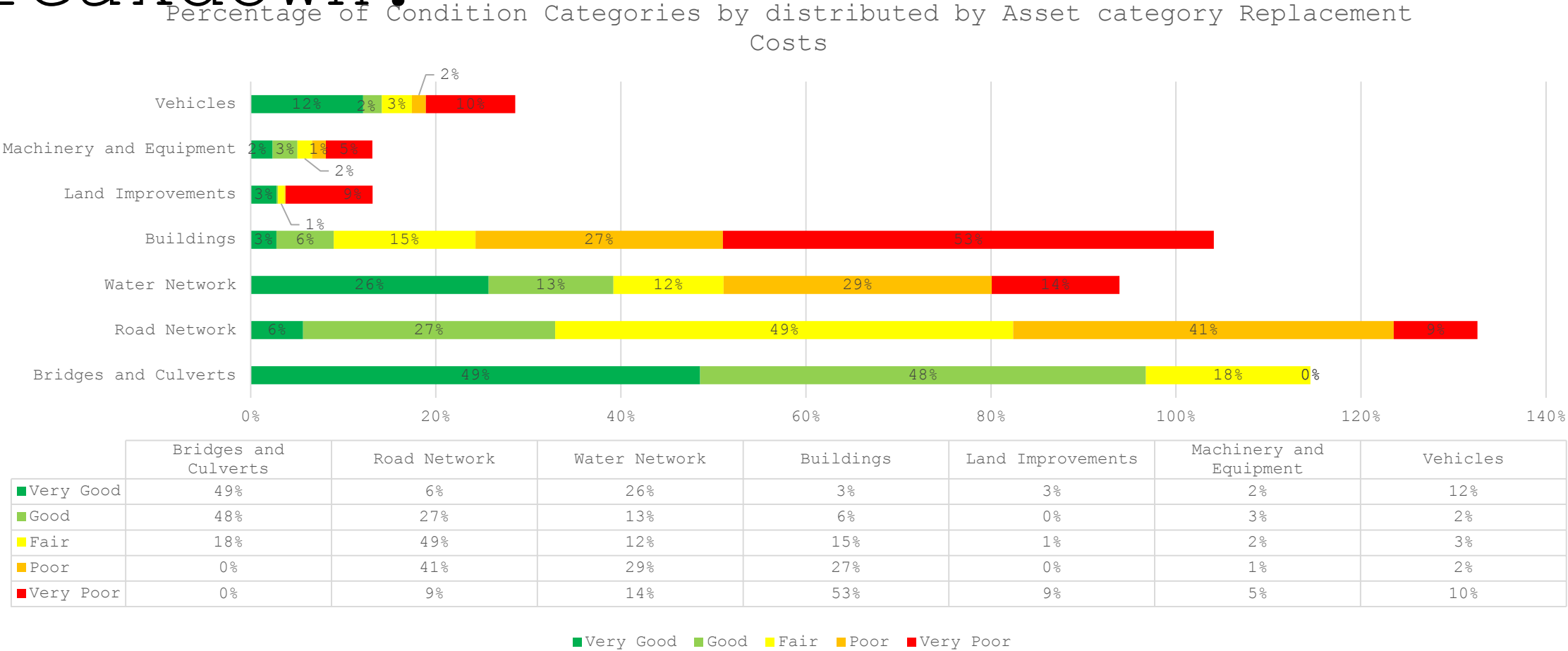
Distribution of Total Assets by Replacement Cost



A total estimated replacement cost of **\$276 million** as of 2024.

Note: Excludes work-in-progress assets. (Wastewater, ECC Reno)

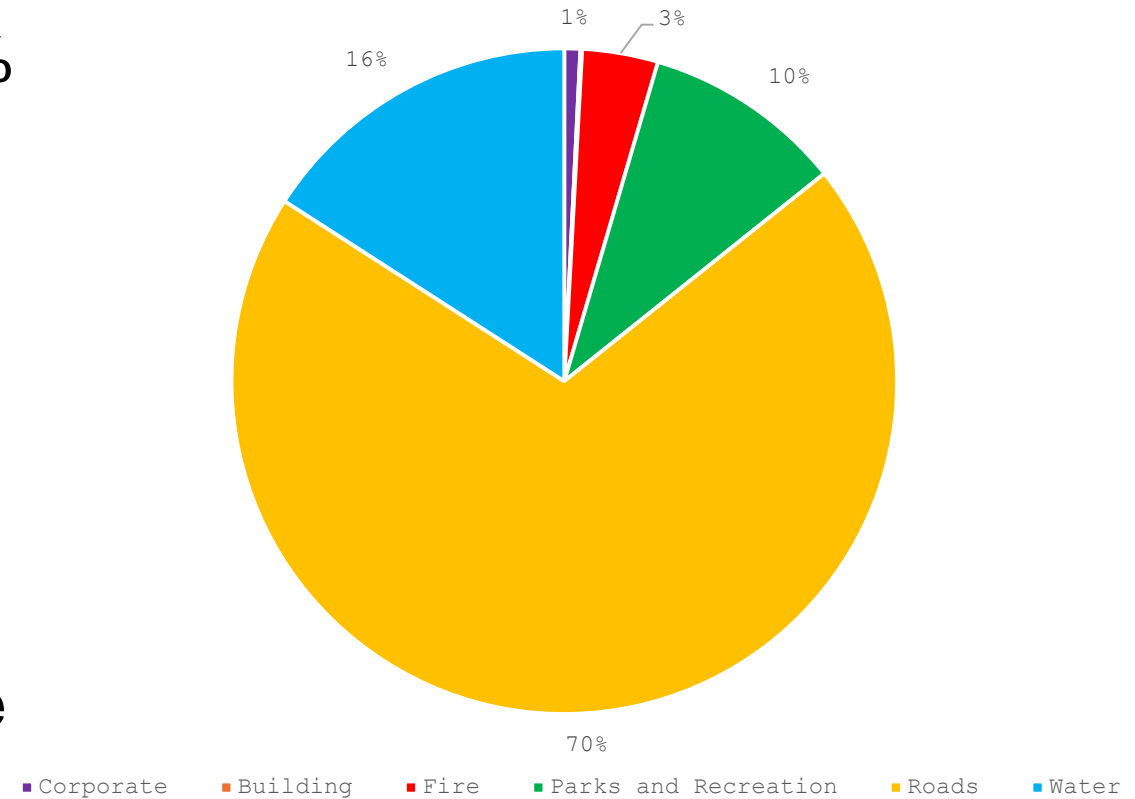
Asset Condition Breakdown:



The Bars compare replacement costs of asset categories, and the percentages are based on the condition category (i.e. 49% of the town’s value of very good condition assets are bridges and culverts)

Departmental Replacement Cost Breakdown

- Roads represent the largest share at 70% divided between vehicles, equipment, roads, bridges and culverts.
- Water accounts for 16% of the total cost mainly infrastructure.
- Parks and recreation make up 10% of the cost largely because of large facilities.



Maintenance Activities

In addition to replacement of assets there is work undergone to extend the service life of assets.



\$0.86 million on road maintenance.



\$1.4 million on maintaining water assets.



\$0.44 million on building maintenance.



\$0.11 million on maintaining land improvements.



\$0.065 million on machinery and equipment maintenance

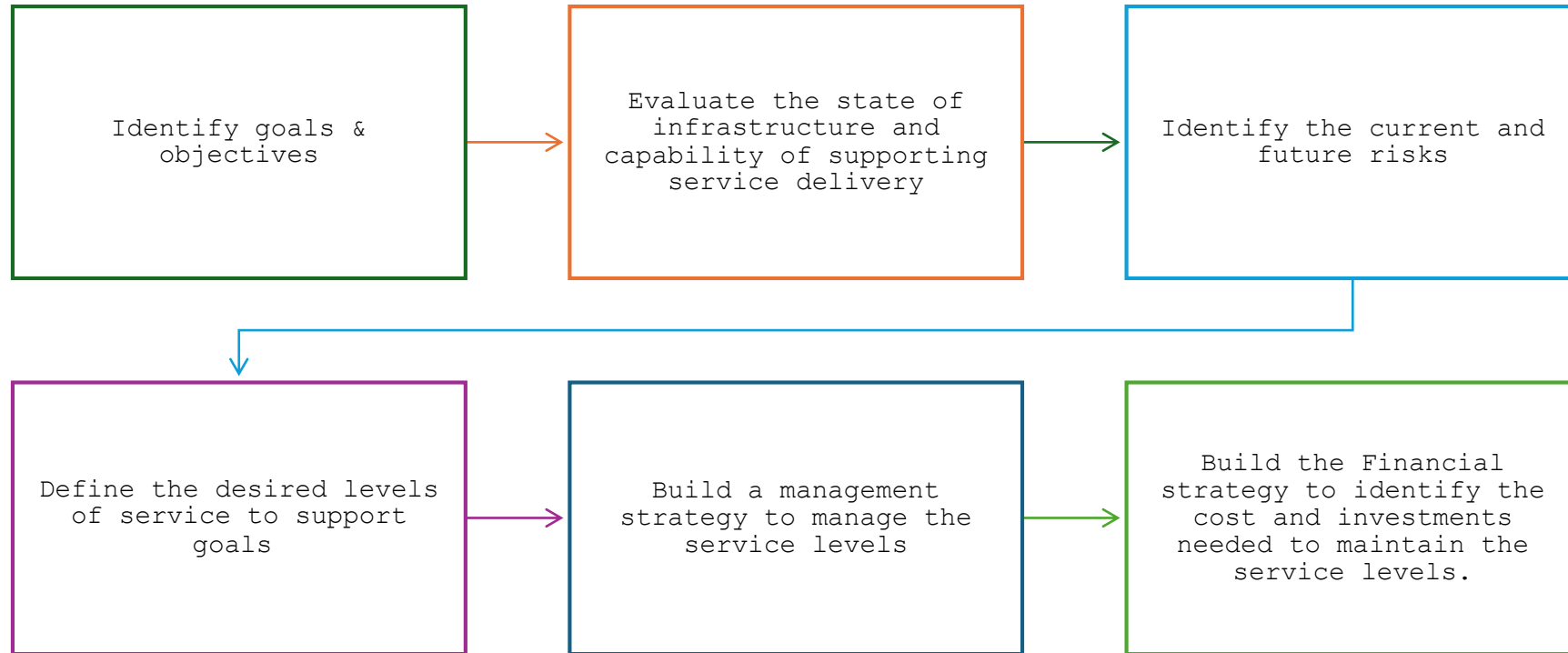


\$0.5 million on vehicle maintenance

In total in the year 2024 the Town of Erin spent \$3.38 million on maintenance activities.

Levels of Service

The Process:



Levels of Service Types:

1. Current Levels of Service:

- The Town developed the Levels of Services framework in 2020 for its core assets and expanded it to include all assets in 2023 AMP as required by O.Reg.588/17.
- The Levels of service are categorized into two primary categories:
 - Community LOS
 - Technical LOS

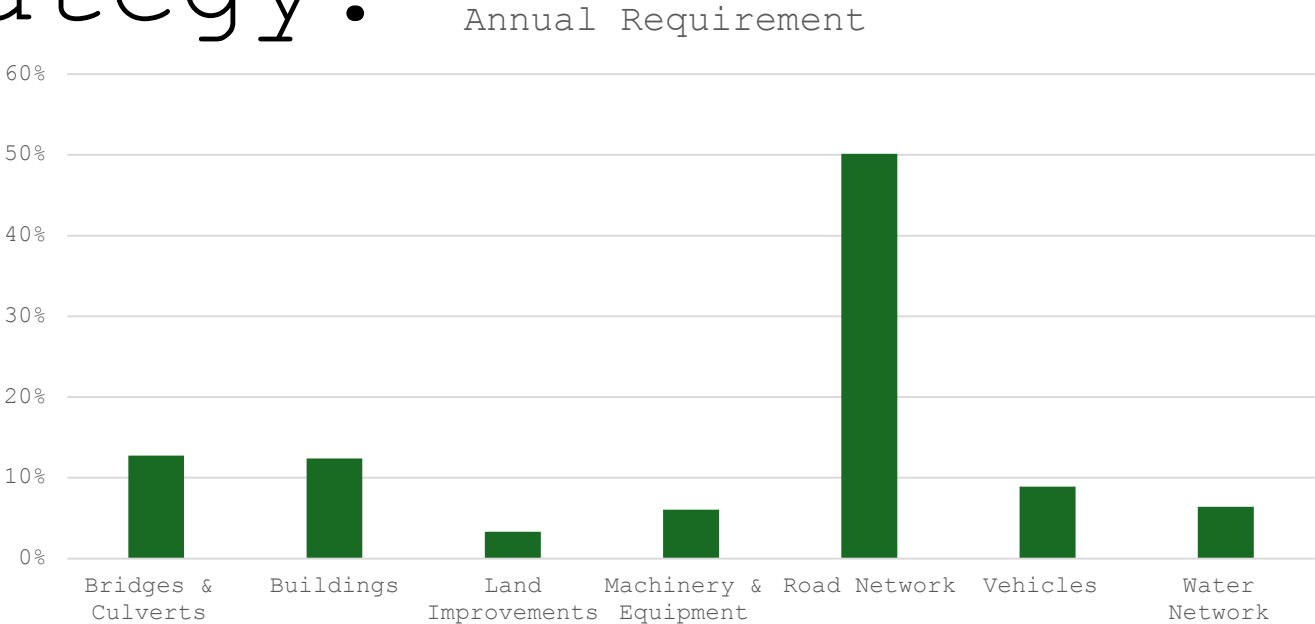
2. Proposed Levels of Service:

- O.Reg.588/17 required municipalities to include their proposed levels of service for the next 10 years as of July 1, 2025.
- The Town's proposed levels of service are set up for each department to meet the requirements and to align with the corporate strategic plan.

Financial Strategy:

The 2024 average annual capital requirements are approximately \$8.0 million, compared to \$6.2 million in 2023.

Note: The capital requirement is a division of total replacement cost by expected usable life remaining



Annual Capital requirements vs Annual

| Year | Targeted Capital Reinvestment Ratio | Actual Capital Reinvestment Ratio | Deficit |
|------|-------------------------------------|-----------------------------------|---------|
| 2024 | 2.6% | 1.1% | 1.5% |
| 2023 | 2.9% | 1.3% | 1.6% |

A deficit of 1.5% is due to the expanding infrastructure deficit of \$4.2 million.

Long Term Financial Plan:

The forecasted long-term financial plan for 20 years is based on the changes in debt costs with fixed infrastructure deficit. To maintain existing assets, an increase of 2.5% in tax revenues is needed for the next 20 years compared to 2.2% in 2023:

| Long Term Financial Plan | | | | |
|---------------------------|----------|-----------|-----------|-----------|
| Taxes Revenues Increase % | Years | | | |
| | <u>5</u> | <u>10</u> | <u>15</u> | <u>20</u> |
| Annually | 11.5% | 5.5% | 3.6% | 2.5% |

Questions?