

2024 Asset Management Plan

The Nation Municipality

Project Background

Asset Management Plan 2024

The Nation Municipality

January 2025



Primary Deliverables

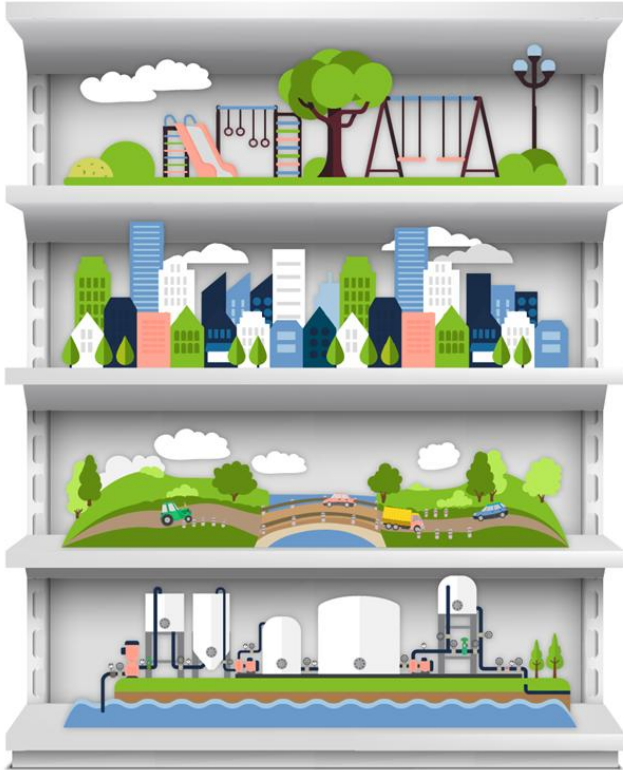
2024 AMP (2024 O. Reg. 588/177 Compliant)

2025 AMP – Proposed Level of Service

Key Staff

- Nadia Knebel, Treasurer
- Alexandre Ranger, Deputy Treasurer

Infrastructure assets are vital for communities

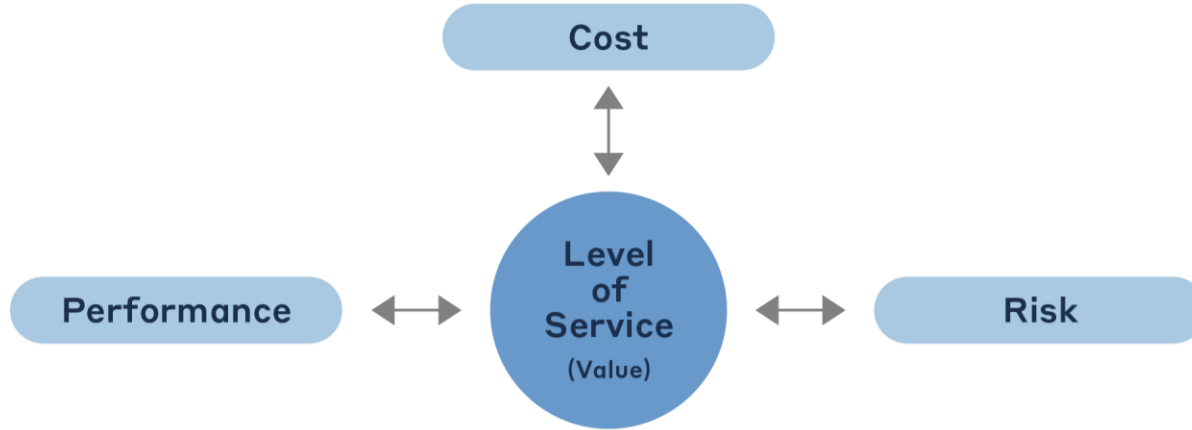


- We need a meaningful way to organize what we own
- We need a way to understand what services we provide
- We need a way to ensure accountability to our residents and stakeholders for the services they use



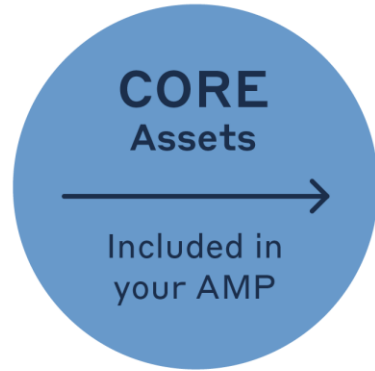
What does Asset Management involve?

ISO 55000: “Coordinated activity of an organization to realize value from assets”



O. Reg. 588/17 Compliance

Phase I
2022



⋮

- Levels of Service
- Performance of each asset category
- Particulars per asset category
- Lifecycle activities to maintain current Level of Service per asset category

Phase II
2024



⋮

- Levels of Service
- Performance of each asset category
- Particulars per asset category
- Lifecycle activities to maintain current Level of Service per asset category

Phase III
2025



⋮

- Proposed Levels of Service
- Explanation of proposed Levels of Service
- Proposed performance of asset categories
- Lifecycle management and financial strategy

AMPs - Updating, Reviewing & Public Posting

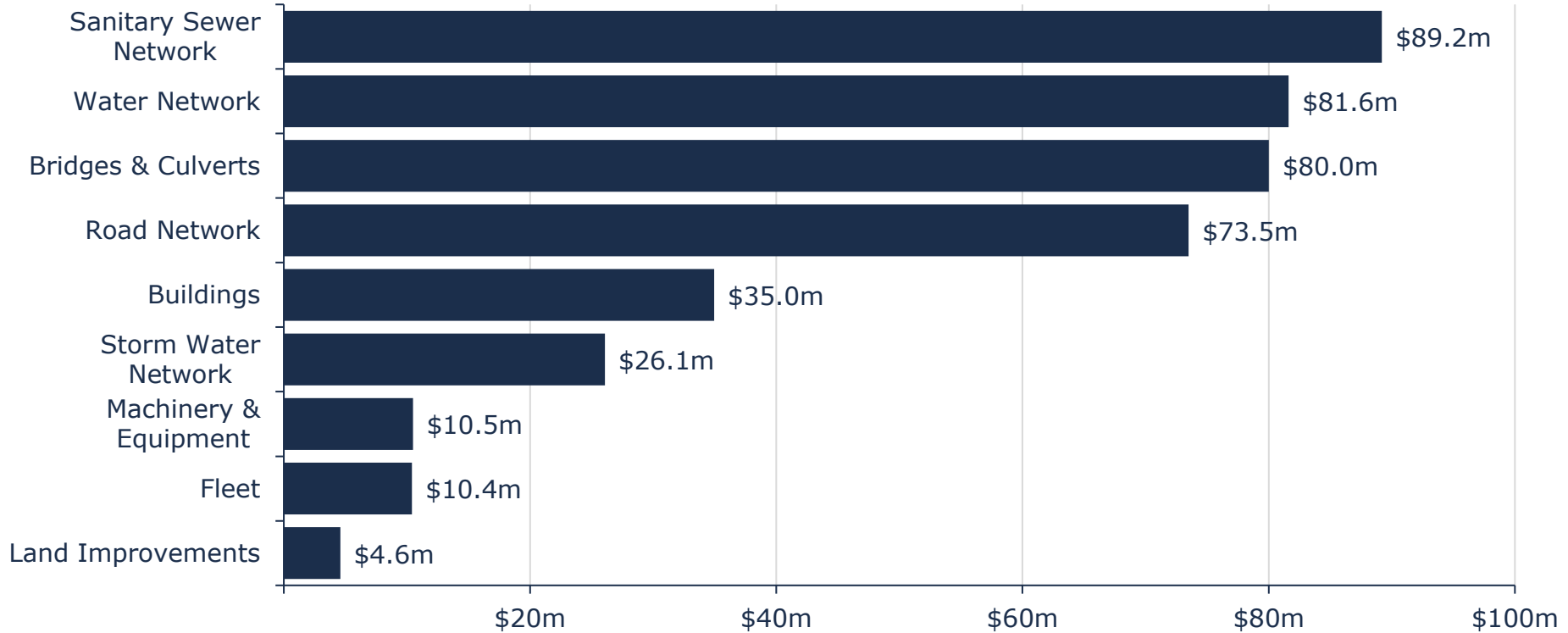


- After 2025, asset management plans must be updated at least once every 5 years
- Every municipal council shall conduct an annual review of its asset management progress on or before July 1st
- The asset management policy and plan should be posted to the municipal website

Asset Management Plan (2023 year-end)

- 1 What is the current state of municipal infrastructure?
- 2 What process improvements can increase confidence in analysis and decision-making?
- 3 What is the Municipality's financial capacity to meet long-term capital requirements?

Total Replacement Cost of the Asset Portfolio



Total = \$411 million



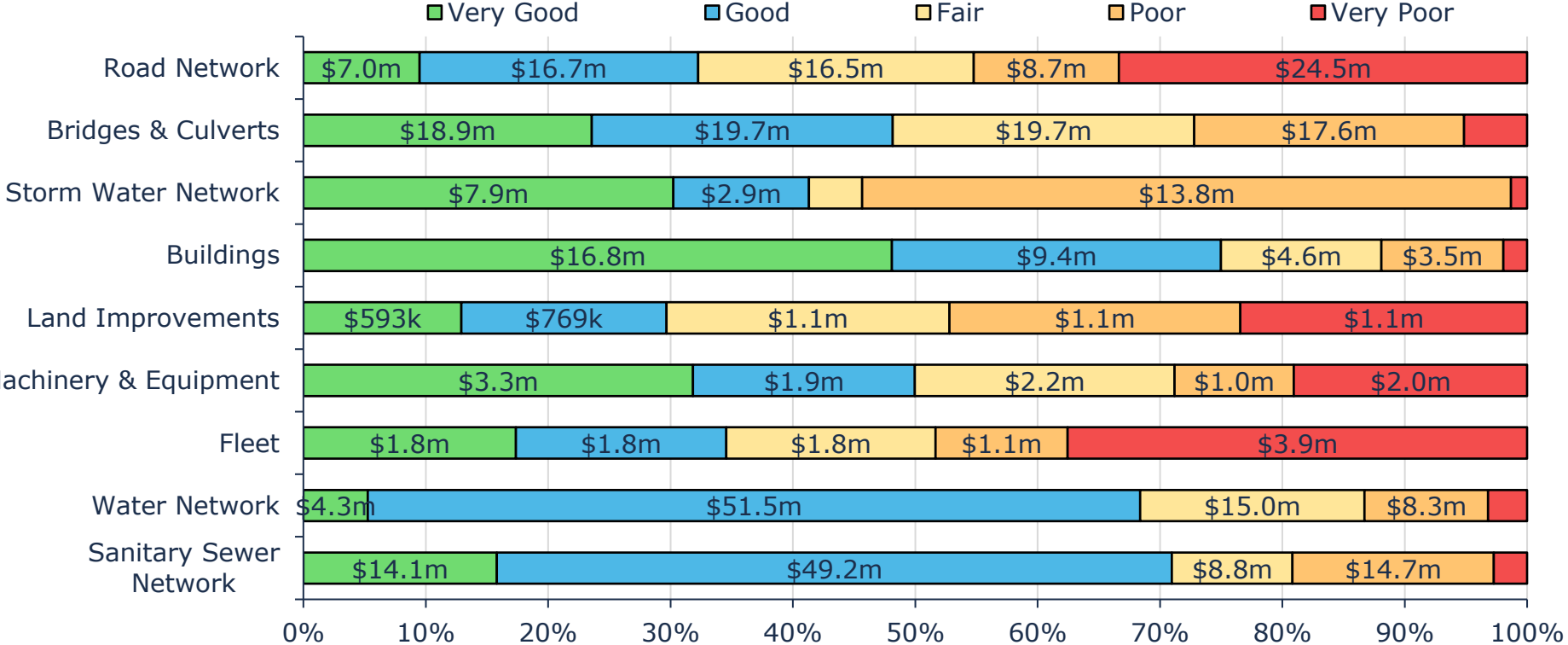
Replacement Cost Method of Asset Portfolio

Category	Primary Replacement Cost Method
Road Network	CPI Tables
Bridges & Culverts	User-Defined
Water Network	CPI Tables
Sanitary Sewer Network	CPI Tables
Stormwater Network	CPI Tables
Buildings	CPI Tables
Land Improvements	CPI Tables
Fleet	CPI Tables/User Defined
Machinery & Equipment	CPI Tables/User-Defined

The accuracy and reliability of lifecycle costs is critical for asset management.



Overall Condition of the Asset Portfolio



73% assets are in fair or better condition



Condition Assessments in the Asset Portfolio

Asset Category	Asset Segment(s)	% of Assets with Assessed Conditions	Source of Condition Data
Road Network	All	99%	Internal Assessment
Bridges & Culverts	All	100%	2023 OSIM Inspections
Water Network	All	99%	Internal Assessment
Sanitary Sewer Network	All	100%	Internal Assessment
Stormwater Network	All	19%	Internal Assessment
Buildings	All	89%	Internal Assessment
Land Improvements	All	88%	Internal Assessment
Fleet	All	69%	Internal Assessment
Machinery & Equipment	All	61%	Internal Assessment

**Age-based condition data typically overstates needs and overall deficit.
Assessed condition data builds confidence in decision making.**



Assessed Condition Data in AM Decision Making



Mitigation of risks associated with asset failure



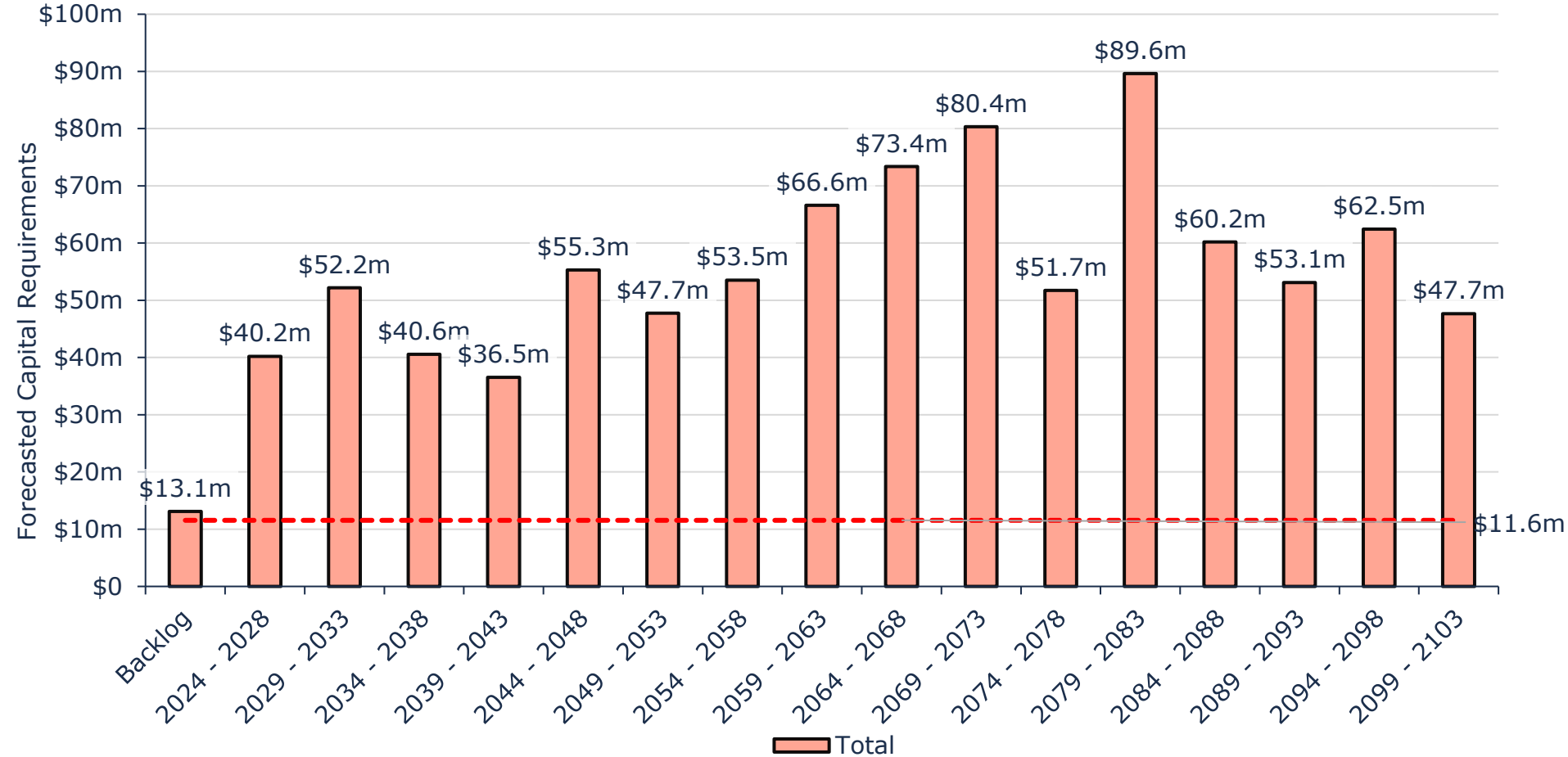
Identifying the most economic intervention



Accurate predication of future expenditure requirements



Forecasted Capital Requirements – 80 Years





Financial Strategy and Recommendations

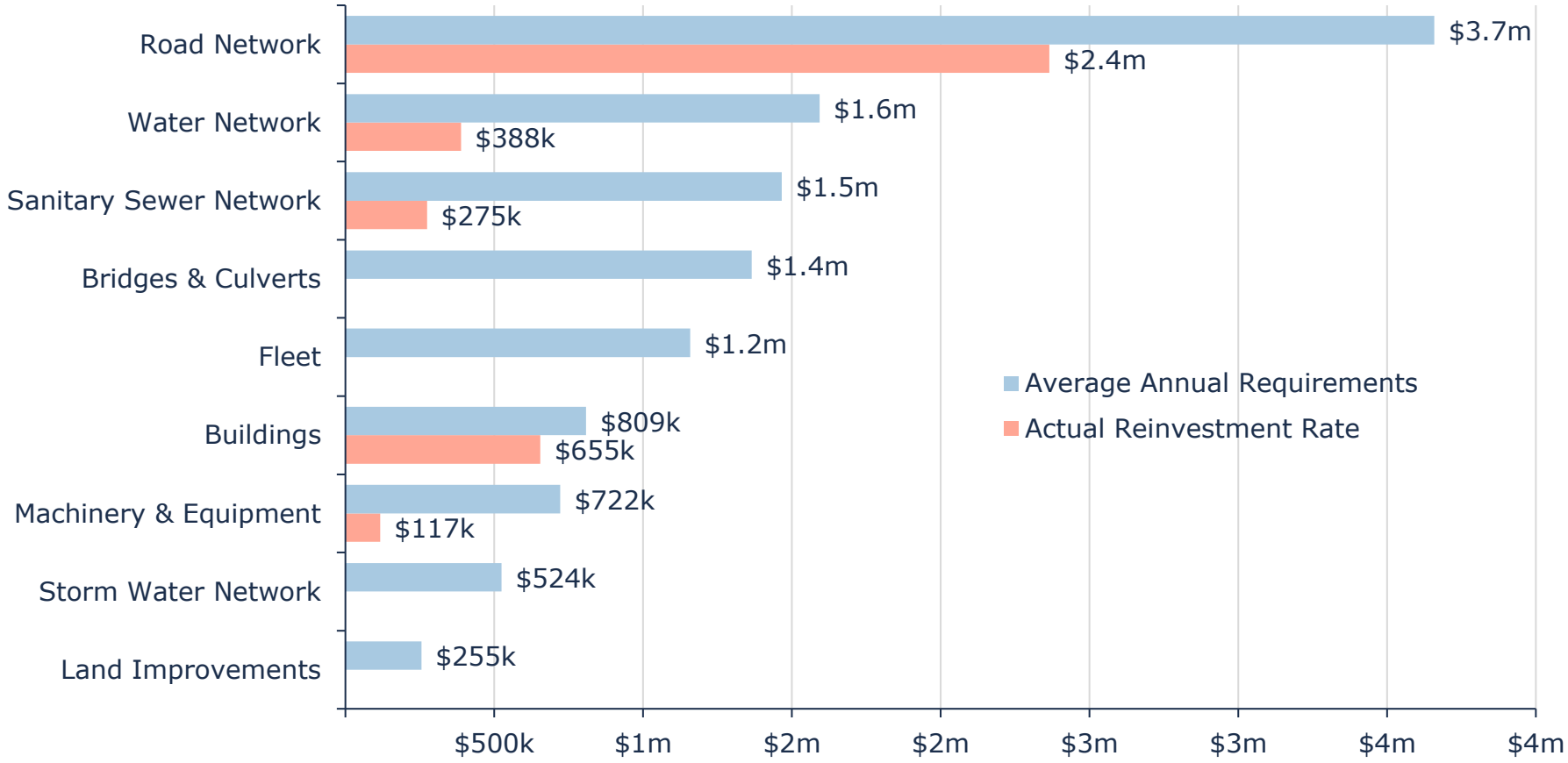


Annual Capital Requirement & Infrastructure Deficit

Sustainable Funding Sources:
CCBF, OCIF, Reserves, etc.

Funding Source	Annual Capital Requirement	Funding Available	Annual Capital Deficit	Percent Funded
Tax-Funded Assets	\$8,493,000	\$3,137,000	\$5,356,000	37%
Water Rate-Funded	\$1,593,000	\$388,000	\$1,205,000	24%
Sanitary Rate-Funded	\$1,466,000	\$275,000	\$1,192,000	19%
Total:	\$11,553,000	\$3,800,000	\$7,753,000	

Annual Capital Requirement vs. Available Funding

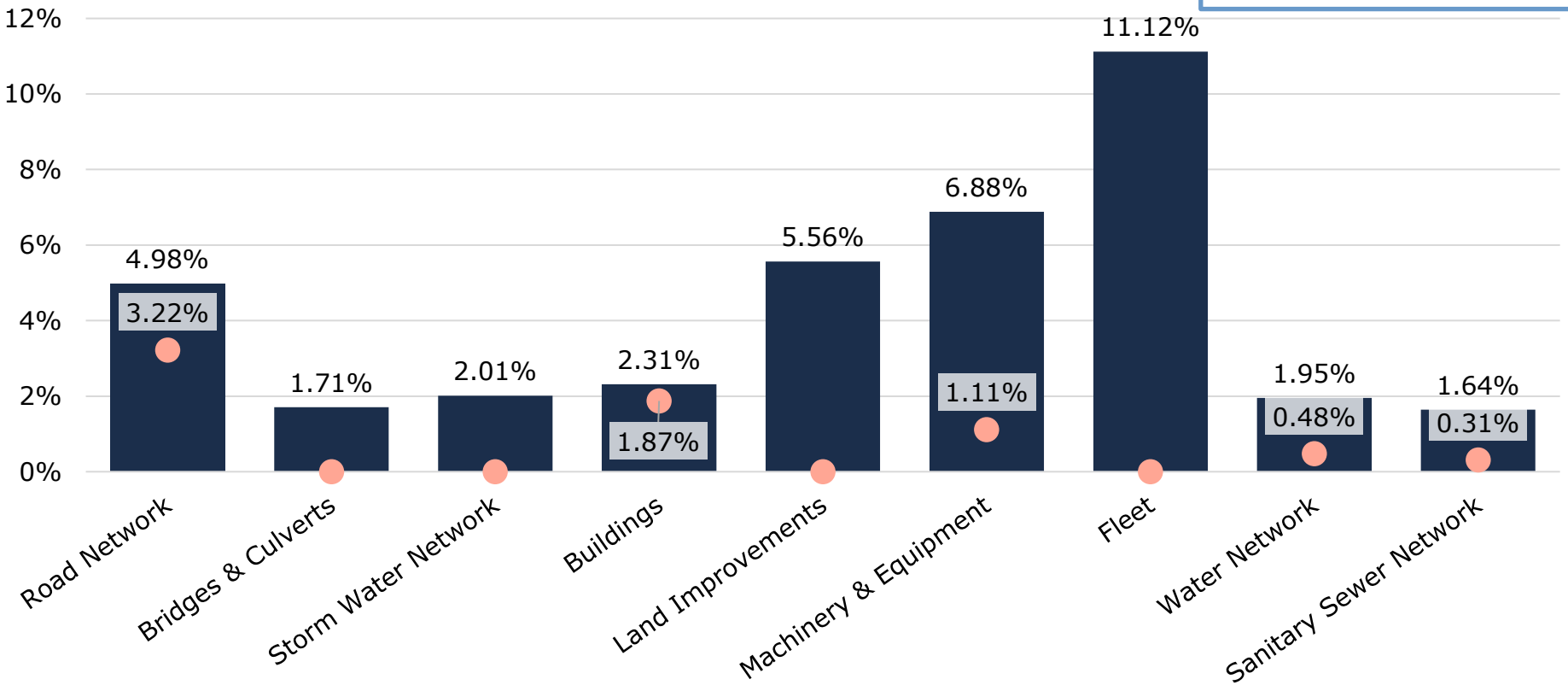


Target vs. Actual Reinvestment Rate

Target Reinvestment Rate
2.81%

Actual Reinvestment Rate
0.92%

■ Target Reinvestment Rate ● Actual Reinvestment Rate



Achieving Full Funding (Total Increases)

Asset Category	Tax Change Required for Full Funding
Road Network	9.9%
Bridges & Culverts	10.5%
Stormwater Network	4.0%
Buildings	1.2%
Land Improvements	2.0%
Fleet	8.9%
Machinery & Equipment	4.6%
Total	36.9%

Asset Category	Rate Change Required for Full Funding
Water Network	92.6%
Sanitary Sewer Network	115.7%



Financial Strategy

Funding Source	Years until Full Funding	Total Tax/Rate Increase	Annual Tax/Rate Increase
Tax-Funded	15	36.9%	2.2%
Water Rate-Funded	20	92.6%	3.0%
Sanitary Rate-Funded	20	115.7%	3.9%

- Both sustainable and one-time grants/transfers will continue to be an essential source of revenue for investment in capital infrastructure
- Adjustments to taxes should be supplemented with project prioritization and evaluation of the desired levels of service



Recommendations & Next Steps

1

Continue to review and refine asset inventory in consultation with internal departments/stakeholders

- Develop and implement an **Asset Management Strategy** as an actionable guiding document for improved AM processes.
- Implement a portfolio-wide **data governance strategy** to increase accuracy/confidence in data
- Develop an established cycle for updating replacement cost and condition information
- Review all Estimate Useful Lives defined in the Tangible Capital Asset Policy as part of a regular policy review

2

Prepare for O.Reg. 588/17 2025 Requirements

- Identify **Proposed levels of service** for the 2025 requirement
- Develop a strategy to benchmark levels of service in determining appropriate levels of service

3

Continuous improvement and regular review

- An asset management plan is a **living document** that should be updated regularly to inform long-term planning
- Accordingly, the yearly capital operating budget should include funding for the assessment of the Municipality's assets that will be used to update future iterations of the plan





Questions?