



## Staff Report

**Report No.** CSF-006-25

**To:** Mayor and Members of Council

**From:** Director of Corporate Services and Treasurer

**Meeting Date:** June 9, 2025

**Subject:** 2025 Corporate Asset Management Plan

### Recommendation:

**THAT** Report No. CSF-006-25 **BE RECEIVED** for information;

**AND THAT** the 2025 Corporate Asset Management Plan attached to this report **BE APPROVED**;

**AND THAT** the staff **BE DIRECTED** to submit the 2025 Corporate Asset Management Plan to the Ministry of Infrastructure and publicly published on the website for the Municipality of Thames Centre;

**AND THAT** the 2025 Asset Management Plan **BE REFERRED** to the 2026 budget planning for consideration.

### Purpose:

To seek Council approval of the 2025 Corporate Asset Management Plan in compliance with [Ontario Regulation 588/17](#) entitled "Asset Management Planning for Municipal Infrastructure".

### Background:

As per Section 5 of O.Reg. 588/17, every Municipality "shall" prepare an asset management plan based on the following schedule:

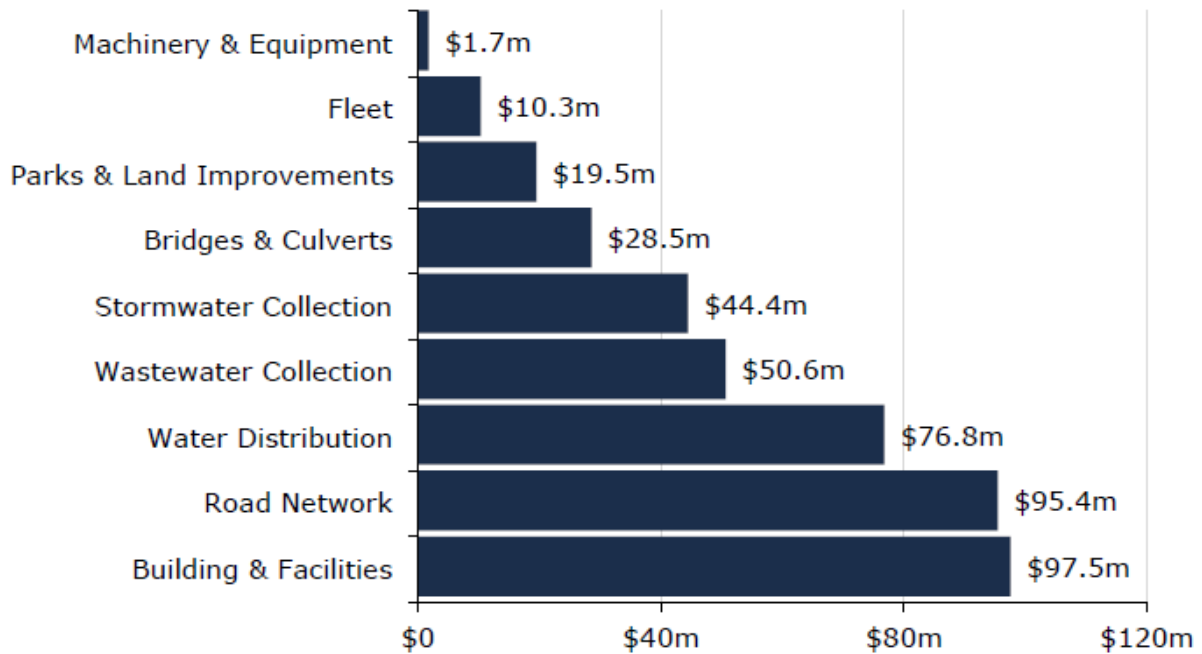
Description of Asset Management Plan (AMP)	Date	Thames Centre Compliance
Finalize a strategic AMP that promotes best practices and links asset management planning with budgeting, operations, maintenance and other municipal planning activities.	July 1, 2019	Yes
Municipalities have an AMP for core assets (roads, bridges and culverts, water, wastewater and stormwater management systems) that identifies current levels of service and the cost of maintaining those levels of service.	July 1, 2022	Yes
AMP to include all core and all other (non-core) infrastructure municipal assets.	July 1, 2023	Yes
AMP to include: <ul style="list-style-type: none"> <li>▪ Current level of service for each asset type; and</li> <li>▪ Cost of maintaining current level of service</li> </ul>	July 1, 2024	Yes
AMP to Include: <ul style="list-style-type: none"> <li>▪ Proposed level of service over the next 10 years;</li> <li>▪ Activities required to meet the proposed level of service; and</li> <li>▪ Funding strategies to fund those activities.</li> </ul>	July 1, 2025	Pending approval of the attached AMP to this report.
Every municipal council shall conduct an annual review of its asset management progress on or before July 1st each year. The annual review must address: <ul style="list-style-type: none"> <li>▪ the municipality's progress in implementing its asset management plan;</li> <li>▪ any factors impeding the municipality's ability to implement its asset management plan; and</li> <li>▪ a strategy to address the factors described in clause (b).</li> </ul>		
Every municipality shall review and update its asset management plan at least five years after the year in which the plan is completed under section 6 and at least every five years thereafter.		

## Comments:

The preparation of the attached Asset Management Plan was a collaborative approach with the project team members (GIS Technician/Asset Management Assistant, Project Manager, Treasurer, and the Asset Management Advisor from PSD City Wide) in consultation with the CAO and Department Heads.

## Replacement Value of Assets

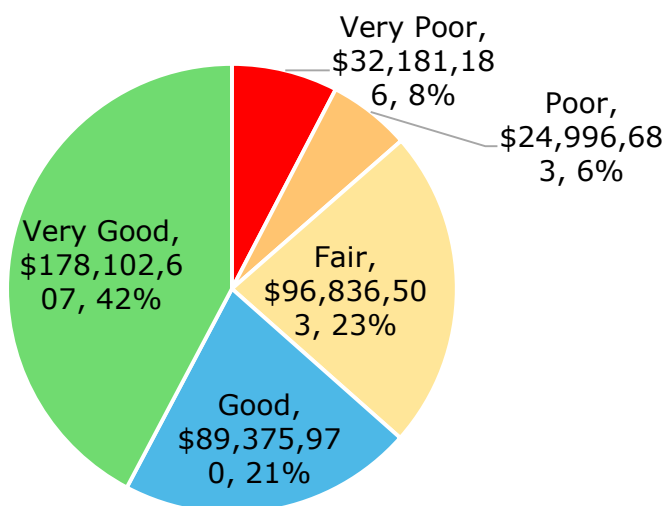
The total replacement value of Thames Centre assets is estimated to be \$424.9 million. Key factors that drove the increase from previous AMPs include updated asset replacement costs, effects of inflation, and inclusion of a broader range of assets compared to what was included in the 2021 Corporate Asset Management Plan.



## Asset Condition

Understanding an asset's useful and remaining life helps assess condition, renewal needs, and risk of failure, which impact service levels. In asset management planning, both condition and age relative to useful life are key factors.

Overall, 80% of Municipal assets (estimated at approximately \$341.4 million), are in very good, good, or fair condition, with 20% (or \$23.5 Million) are in poor or very poor condition. These highlighted areas that may require prioritized maintenance or renewal and considered in subsequent years of budget planning.



The municipality has identified 1.6% (or 98 out of 6,041) to be high risk, with a replacement value of \$40.8 million. These assets do not pose an immediate operational risk to the public.

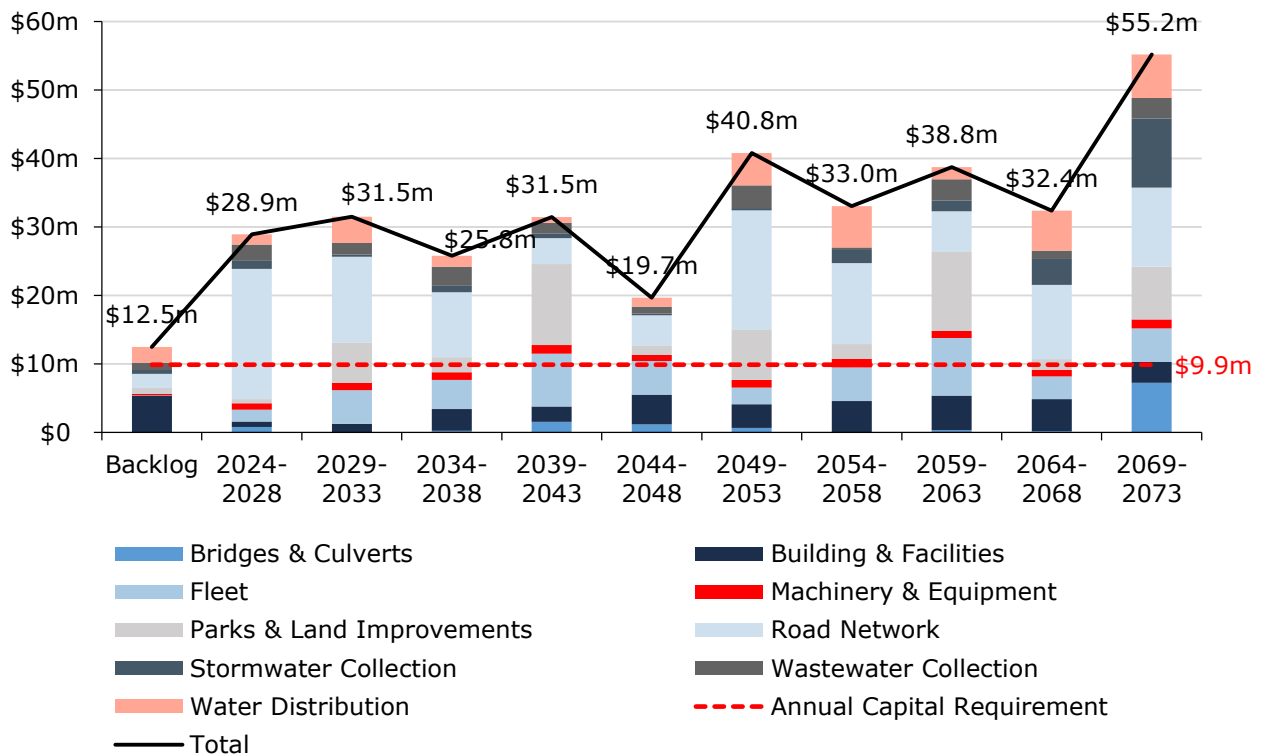
Staff will review the list of very high-risk assets to evaluate how best to mitigate the level of risk the municipality is experiencing and thereby advance the municipality's asset management program.

### Forecasted Capital Requirements (Full Funding Requirements)

On average, \$9.9 million in annual investment is needed to keep pace with capital replacement needs for the municipality's existing assets, based on the inventory as of December 31, 2023 (red dotted line).

The chart also illustrates a backlog of \$12.5 million, comprising assets that remain in service beyond their estimated useful life. It is unlikely that all such assets are in a state of disrepair, requiring immediate replacements.

For reference, in 2025, the municipality budgeted \$10.8 million in capital expenditures.



## Proposed Level of Service

The AMP contemplates three different level od service scenarios as described below:

Scenario	Description
<b>Current Capital Investment</b>	This scenario maintains the current level of capital investment, projecting asset conditions and risk based on existing funding levels.
<b>Strategic Capital Investment</b>	This scenario follows the system-generated capital investment, projecting future asset conditions and risk based on optimal funding levels aligned with inventory needs.
<b>Sustained Condition Goal</b>	This scenario assesses the investment necessary to sustain a specified average condition for the infrastructure within the asset category, holding the condition constant while determining the required funding.

Based on staff consultations, Scenario 3, referred to as the Sustained Condition Goal, has been identified as the most appropriate option for the Municipality to support the proposed levels of service in accordance with O. Reg. 588/17. This scenario provides a balanced and strategic approach to managing infrastructure by focusing on maintaining stable asset conditions over the long term, rather than pursuing full funding or deferring significant investment.

## Financial Strategy

The average annual investment requirement for the proposed levels of service is \$8,814,314. Annual revenue (taxation, rates, sustainable grant funding) currently allocated to these assets for capital purposes is \$6,315,241 leaving an annual deficit of \$2,499,073.

Asset Category	Sustained Condition Goal Average Annual Requirement
<b>Road Network</b>	\$2,856,852
<b>Bridges &amp; Culverts</b>	\$542,600
<b>Buildings</b>	\$954,338
<b>Machinery &amp; Equipment</b>	\$215,782
<b>Land Improvements</b>	\$911,924
<b>Fleet</b>	\$933,781
<b>Water Distribution</b>	\$1,288,374
<b>Wastewater Collection</b>	\$703,699
<b>Storm Water Network</b>	\$406,964
<b>Total</b>	\$8,814,314

The Financial Strategy in the 2025 AMP recommends increasing tax revenues by 1.0%, rate revenues by 0.4% for water services, 0.5% for wastewater services and 6.7% for stormwater services each year for the next 15 years to gradually implement the funding strategy outlined in the selected scenario.

In the Council approved 2024 and 2025 levy and rate supported budgets, this recommended financial strategy is already being achieved and will continue to be planned for in subsequent years.

### **Financial Implications:**

An approved Asset Management Plan is required to secure and/or maintain funding from sources like the Canada Community-Building Fund, application-based grants, and Ontario Development Charges Act programs.

The Council's approval of this report has no direct financial implications, however, will be used as a guiding document for annual budget preparation for Council consideration.

Data, information, strategy and levels of service that arise from the Asset Management Plan are considered in the development of the annual capital budget.

### **Strategic Plan Link:**

**Pillar:** *Sustainability*

**Goal:** *Ensure that the Municipality maintains fiscal prudence, along with affordable and sustainable taxation levels*

### **Consultation:**

The development of the 2025 Corporate Asset Management Plan involved the consultation with the CAO, Department Heads (and their respective team members).

### **References:**

[Ontario Regulation 588/17](#)

[2024 Asset Management Plan](#)

### **Attachments:**

Prepared by: C. D'Angelo, Director of Corporate Services/Treasurer

Reviewed by: D. Barrick, Chief Administrative Officer