

Asset Management Plan

The Corporation of the Town of Wasaga Beach



July 2024 -
Approved

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Executive Summary

The required changes in financial reporting for municipalities in 2008/2009 brought needed attention to aging infrastructure, and challenges for local governments in funding operations, renewal and growth of their infrastructures. Asset management principles and practices were developed to help local governments face these challenges. Asset information and planning are important components of optimal asset management, and provide decision makers with needed information for assessing sustainable levels of service and funding strategies.

The Town's Strategic Asset Management Policy, provides the following policy statement;

“The Town will develop an asset management plan (AMP) that incorporates all infrastructure categories and municipal infrastructure assets that are necessary to the provision of services. This may include assets that fall below their respective capitalization thresholds as outlined in the Town's Tangible Capital Asset Policy. The scope of these assets will be determined, according to relevance, based on the professional judgment of Town senior staff. The AMP will be reviewed annually to address the Town's progress in implementing its asset management plan and updated at least every five years in accordance with O. Reg. 588/17 requirements, to promote, document and communicate continuous improvement of the asset management program.”

According to the Province's Building Together Guide: *“Asset management planning is the process of making the best possible decisions regarding the building operating maintaining, renewing, replacing and disposing of infrastructure assets. The objective is to maximize benefits, manage risk, and provide satisfactory levels of service to the public in a sustainable manner. Asset management requires a thorough understanding of the characteristics and condition of infrastructure assets, as well as the service levels expected from them. It also involves setting strategic priorities to optimize decision-making about when and how to proceed with investments. Finally, it requires the development of a financial plan, which is the most critical step in putting the plan into action.”*

A complete asset management plan includes expenditures and funding for operating, renewal and new infrastructure. The information and plans contained in this update are for renewal of existing assets. All costs are expressed in current dollars. The Town of Wasaga Beach has over \$338 Million invested in infrastructure.

This document contains the Asset Management Plan for the Town of Wasaga Beach and has been prepared into the following sections:

- 1) Introduction;
- 2) Mission and Goals;
- 3) State of Local Infrastructure;
- 4) State of Other Assets;

- 5) Desired Levels of Service;
- 6) Asset Management Strategy;
- 7) Long Term Forecast and Financing Strategy;
- 8) Summary and Conclusions.

The “state of local infrastructure” section provides detailed information on the Town’s asset inventory, and includes the accounting valuations, replacement costs, useful life, age and where available the asset condition. This information provides the starting point for the development of the asset management plan.

“Desired Levels of service” describes the current levels of service and explains the key performance indicators for each service.

The “asset management strategy” details the set of planned actions over the next ten (10) years to ensure that the Town’s assets provide the desired levels of service in a sustainable way, while managing risk, at the lowest lifecycle cost.

The “financing strategy” identifies how the Town will plan and pay for any rehabilitation, replacement and preventative costs in a fiscally responsible manner.

The asset management plan is a tool to be used by Town staff and Council to assist in operational, capital and financial decision making. It is meant to work in conjunction with the annual Budgets as well as the Long term forecasts and is supported by various documents such as the “Roads Needs Study” and the bi-annual Ontario Structure Inspection Manual (OSIM) reports.



1. Introduction

Asset Management includes the planning, design, construction, operation and maintenance of infrastructure used to provide services. Asset Management is not new; it has always been a core function of local government.

The Asset Management Process defines:

- What we own? (Inventory)
- What is it worth? (Valuation)
- Where is it? (Geographical Information System)
- How we operate? (Service Level)
- What is its condition? (Risk of Failure / Consequence of Failure)
- What do we need to do? (Construct, Maintain or Replace)
- How much will it cost and how will it be funded? (Financial Plan)

The Town of Wasaga Beach manages assets with a value of approximately \$338 Million. Services are provided for water, wastewater, storm drainage and transportation to the Town's population of over 24,862 permanent residents and seasonal residents. Currently, the Town is able to provide excellent service with the assets that Council has invested in. The Town's assets are on average less than half-way through their life cycle but as these assets age the replacement costs will burden the Town's financial capacity.

The Town adopted a Strategic Asset Management Policy effective June 25, 2019, as required under Ontario Regulation 588/17. The policy provides leadership in and commitment to the development and implementation of the Town's asset management program. Some of the key elements captured in the policy are;

- Policy Statements
- Definitions
- Alignment with the Town's Strategic Direction
- Roles and Responsibilities
- Key Principles

This document provides an overview of the Town's strategic approach to asset management and should be referenced in relation to this Asset Management Plan. The Policy is attached as an Appendix.

The Town of Wasaga Beach faces the same challenges as all other municipalities in Canada. This Asset Management Plan is expected to assist:

- Storm Sewer Assets:
 - Sewer Mains;
 - Manholes;
 - Oil/Grit Separators;
 - Catchbasins; and
 - Storm Ponds

- Sanitary Sewer Assets:
 - Mains;
 - Wastewater Treatment Facilities and Pumping Stations;
 - Force Mains; and
 - Sanitary Sewer Manholes

- Water Infrastructure Assets
 - Mains;
 - Air Release Valve Chambers;
 - Water Treatment Facilities and drilled wells; and
 - Fire Hydrants

- Bridges and Culverts

- Roads:
 - Road Surface;
 - Road Base;
 - Road Shoulders and Curbs;
 - Sidewalks; and
 - Guide Rails.

- Vehicles and Equipment:
 - Streetlighting;
 - Library Collection;
 - Water Meters and parts;
 - Office Furniture
 - Computer Hardware
 - Scoreboards and etc.

- Buildings:
 - Town Hall, Public Works, Library, Fire Stations, Recplex and Arena
 - Pumping Stations;
 - Water & Wastewater Treatment Plants; and
 - Storm Water Management Structures

The plan was developed through work generated by the Public Works Department, the Treasury Department, outside engineering firms for both the Roads Needs Study and the OSIM report, and the Ontario Clean Water Agency (OCWA). The plan does not include an evaluation of the underground infrastructure where the

information is based on the number of years in service and a conservative approach to renewal and replacement of those assets.

The Asset Management Plan provides information useful for the budget process to ensure both Staff and Members of Council understand to what extent the plan has been included in the annual budget and where areas for improvement are necessary. The regulation requires specific management of the assets as well as reporting. In response to this requirement, staff implemented an Enterprise Asset Management Software System in early 2024, which provides ad-hoc reports and asset and maintenance tracking. The software system is capable of capturing necessary information about what assets the Town owns (inventory); the useful life; replacement values; condition assessments; maintenance and repairs; replacements; financial forecasts; ect. This will help with ensuring the Town is in compliance with the requirements of the Ontario Regulation 588/17 going forward.

2. Mission and Goals

The purpose of Asset Management is to systematically manage the Town's assets in an efficient, effective and sustainable manner across the organization and support the delivery of sustainable community services for now and the future.

The goals of the plan include:

1. To provide levels of service that meets the needs of the community.
2. To provide an Asset Management process that is effective, achievable and efficient.
3. To enable the collection, coordination, sharing and communication of information.
4. To develop operating, maintenance and capital financial plans that supports the defined levels of service.
5. To manage the assets in a sustainable manner.



3. State of Local Infrastructure

This section of the plan details the capital assets owned by the Town and summarizes the information into tables that include:

- An asset database documenting asset types, sub-types including quantities, materials and other similar asset attributes;
- Financial accounting valuation (where available);
- Replacement cost valuation;
- Asset age distribution analysis and asset age as a proportion of expected useful life;
- Asset condition information (where available);

The Town has a detailed inventory listing that was introduced alongside the PSAB 3150 standards introduced in 2009. This information over recent years has assisted in the capital planning process and is updated annually. This was the starting point for the asset management plan document. The detailed inventory listing provides current financial account valuations (i.e. historical cost, accumulated amortization and net book value) as well as useful life, age, and replacement cost.

The following data and reports were also used in conjunction with the Town's asset inventory during this process:

- a) 2021 Water and Wastewater Rate Study;
- b) 2020 Development Charge Study;
- c) Facility Condition Assessment – Arena;
- d) OCWA – WWTP/SPS/WTP – 10 Year Capital Forecast;
- e) 2018 Roads Needs Study; and
- f) 2020 OSIM Report.

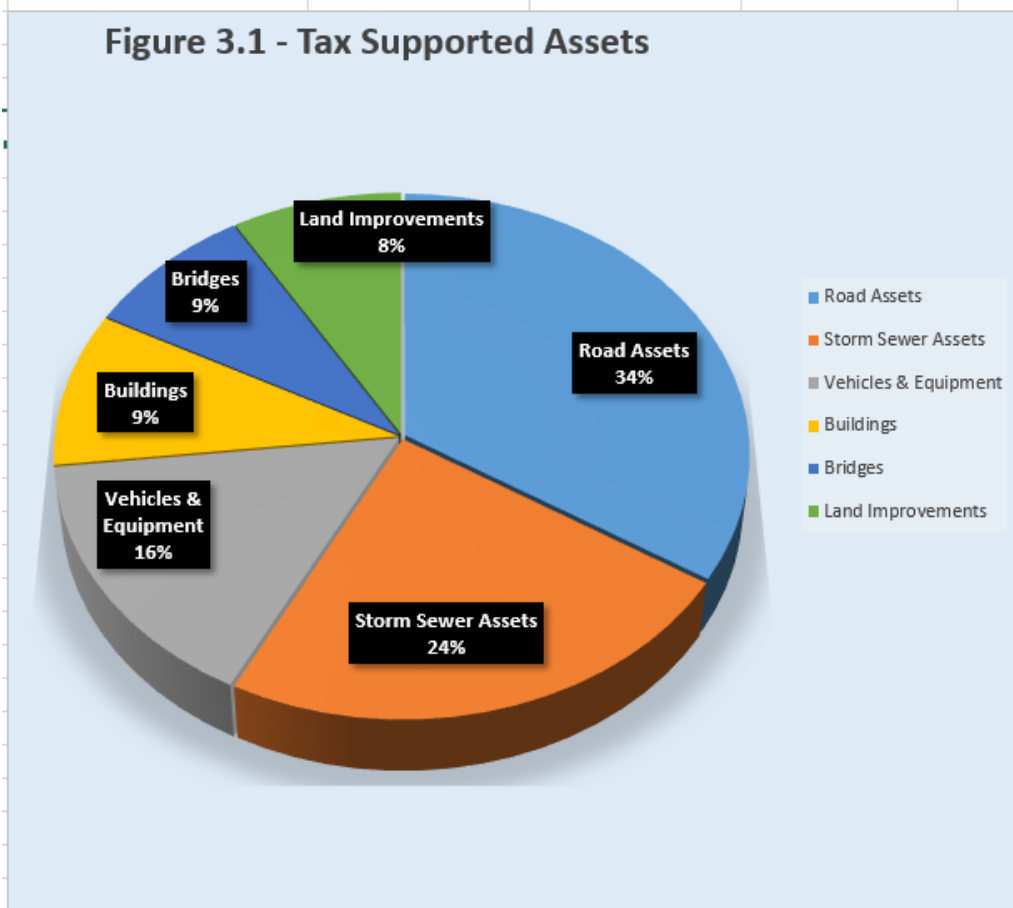
3.1 Capital Asset Summary – Tax Supported

The Town currently owns and manages a total of \$185 Million in tax supported capital assets excluding land with an estimated replacement value of \$401 Million. Table 3.1 and figure 3.1 below details the breakdown of the types of assets by asset class, historical cost and estimated replacement cost.

Table 3.1 - Summary Tax Supported Assets

Asset Class	Historical Cost Jan. 1, 2023	Accumulated Amortization Jan. 1, 2023	Net Book Value Jan. 1, 2023	Estimated Replacement Cost in 2023 \$
Road Assets	\$ 62,983,066	\$ 33,003,622	\$ 29,979,444	\$ 203,746,956
Storm Sewer Assets	\$ 43,858,050	\$ 8,183,929	\$ 35,674,121	\$ 58,794,841
Vehicles & Equipment	\$ 29,053,693	\$ 14,154,927	\$ 14,898,766	\$ 27,011,887
Buildings	\$ 17,706,158	\$ 8,234,340	\$ 9,471,818	\$ 71,326,645
Bridges	\$ 16,015,736	\$ 2,902,057	\$ 13,113,679	\$ 33,935,639
Land Improvements	\$ 15,929,618	\$ 5,343,443	\$ 10,586,175	\$ 6,955,689
Total Tax Supported Assets	\$ 185,546,322	\$ 71,822,318	\$ 113,724,003	\$ 401,771,657

Figure 3.1 - Tax Supported Assets



The following sections details this information by asset type and includes where available:

Asset Inventory and Value with the asset value calculated using historical cost. A detailed inventory of all assets is maintained in the Town's PSAB information as well as in the Geographical Information System (GIS).

Estimated Replacement Cost is calculated based on engineering estimates for most linear assets and an inflationary factor of 1.5% per year for all other assets.

Remaining Useful Life – where condition assessments are available (roads and bridges) this is calculated based on that information, however where condition assessments are not available the expected useful life of an asset is based on industry standards.

Weighted Average Useful Life Remaining – this is calculated based on the weighted replacement value of the asset in comparison to the entire class and the remaining useful life for assets without condition ratings only.

Estimated Annual Replacement Cost – In most cases this calculation is based on the estimated current replacement cost divided by the expected asset life. Some exceptions to this include roads where the maintenance and rehabilitation programs extend asset life and do not require the replacement of the entire asset.

Current Investment – Indicates the average annual funding the Town has invested in the last three to five years. This funding is primarily from the capital budget but also includes operating budget expenditures that help maintain or extend asset life.

3.2 Road Assets

The road assets class includes items such as road surface, base, shoulders, curbs, sidewalks and guiderails. These assets vary in the number of years they will last as well the type of maintenance they require. All regular and preventative maintenance such as cold patching and crack repair included in the annual operating budget does significantly affect the useful life of the asset.

The condition assessment of the roads discussed below is based on the 2018 Roads Need Study conducted by an outside engineering firm. The Town has a total of 1071 km of roads with over 80% of those roads being from 70 to 100 on the pavement condition index (PCI). The average PCI for the Town is 90.43, a summary table of these results is provided below.

Pavement Condition Index (PCI)	Sections	% of total sections	Centre Line Length (kms)	% of total length
90 to 100	747	70%	137.0	67%
80 to 90	165	15%	31.9	16%
70 to 80	96	9%	15.4	8%
60 to 70	25	2%	5.6	3%
50 to 60	20	2%	7.4	4%
40 to 50	13	1%	4.2	2%
30 to 40	3	0%	1.4	1%
20 to 30	1	0%	0.9	0%
10 to 20	1	0%	0.1	0%
0 to 10	0	0%	0.0	0%
Total	1071	100%	203.8	100%
Average	90.43		87.65	

(Note that the table above does not include gravel roads.)

Additionally an overall ride condition rating shows that more than 80% of the Town's roads are in good to excellent condition as shown in the table below.

Ride Condition Rating		Sections	% of total sections	Length	% of total length
8-10	Excellent	191	18%	39.8	19%
6-8	Good	774	71%	138.4	67%
4-6	Fair	115	11%	28.1	14%
2-4	Poor	6	1%	0.6	0%
0-2	Very Poor	1	0%	0.1	0%
Total		1087	100%	206.9	100%
Average		7.6		7.6	

These results are indicative of both the age of the Town's assets as well as the preventative maintenance program that has been followed.

Finally, the Roads Need Study also identified where improvement was necessary to ensure continued good performance of the Towns roads and the cost of those works.

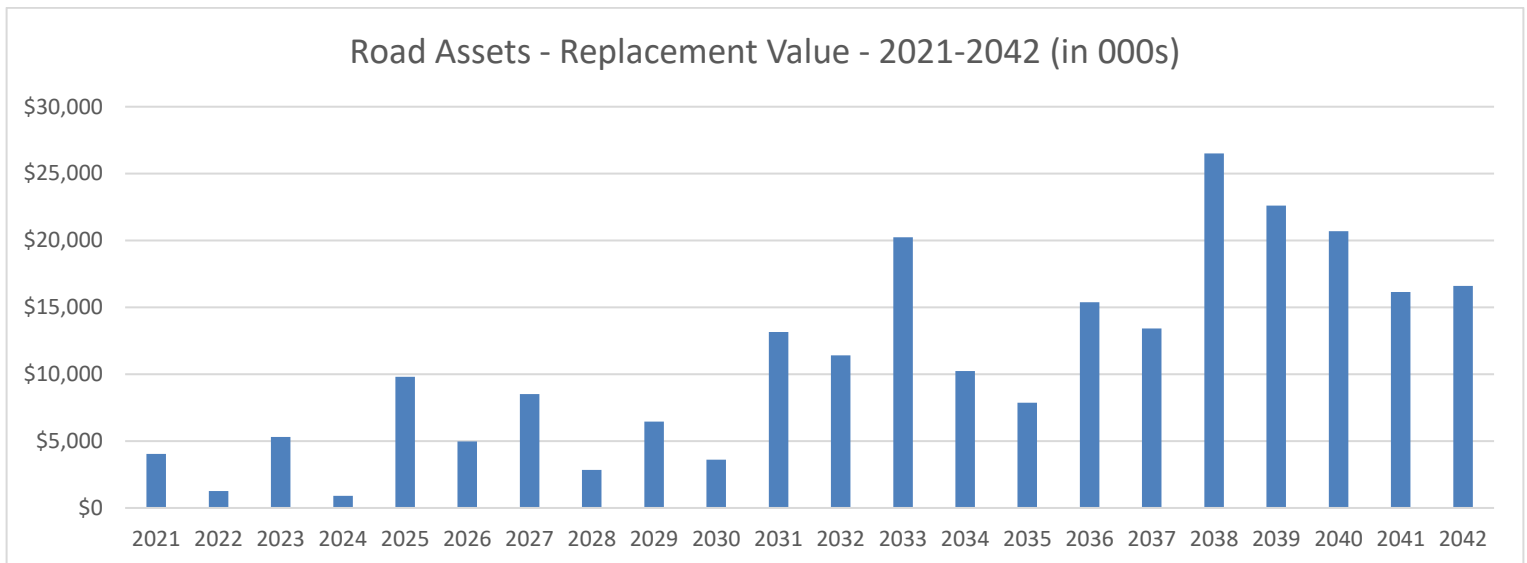
Improvement Type	Sections	% of total sections	Length	% of total length	Cost	Cost/km
Do Nothing	885	81%	164.3	79%	\$ -	\$ -
Sand Maintenance	4	0%	0.9	0%	\$ -	\$ -
Gravel Maintenance	12	1%	2.3	1%	\$ 28,300	\$ 13,000
Routine Maintenance	90	8%	14.6	7%	\$ 364,900	\$ 26,000
Preventative Maintenance	50	5%	9.4	5%	\$ 533,000	\$ 57,000
Resurface	26	2%	5.8	3%	\$ 823,300	\$ 142,000
Rehabilitate	19	2%	9.6	5%	\$2,835,800	\$ 297,000
Reconstruct	1	0%	0.1	0%	\$ 48,000	\$ 640,000
Total	1087	100%	206.9	100%	\$4,633,300	

Below table 3.2 details the historical costs, estimated replacement costs and remaining useful life based on PSAB standards and the Roads Need Study.

Table 3.2 - Road Assets

Asset Class	Historical Cost Jan. 1, 2023	Accumulated Amortization Jan. 1, 2023	Net Book Value Jan. 1, 2023	Estimated Replacement Cost in 2023	Average Useful Life (Years)	Average Condition %	Estimated Annual Replacement Cost
Road Assets	\$ 62,983,066	\$ 33,003,622	\$ 29,979,444	\$ 203,746,956	34	90%	\$ 5,958,579

The graph below depicts the replacements required by year over the next 20 years.



3.3 Storm Sewer Assets

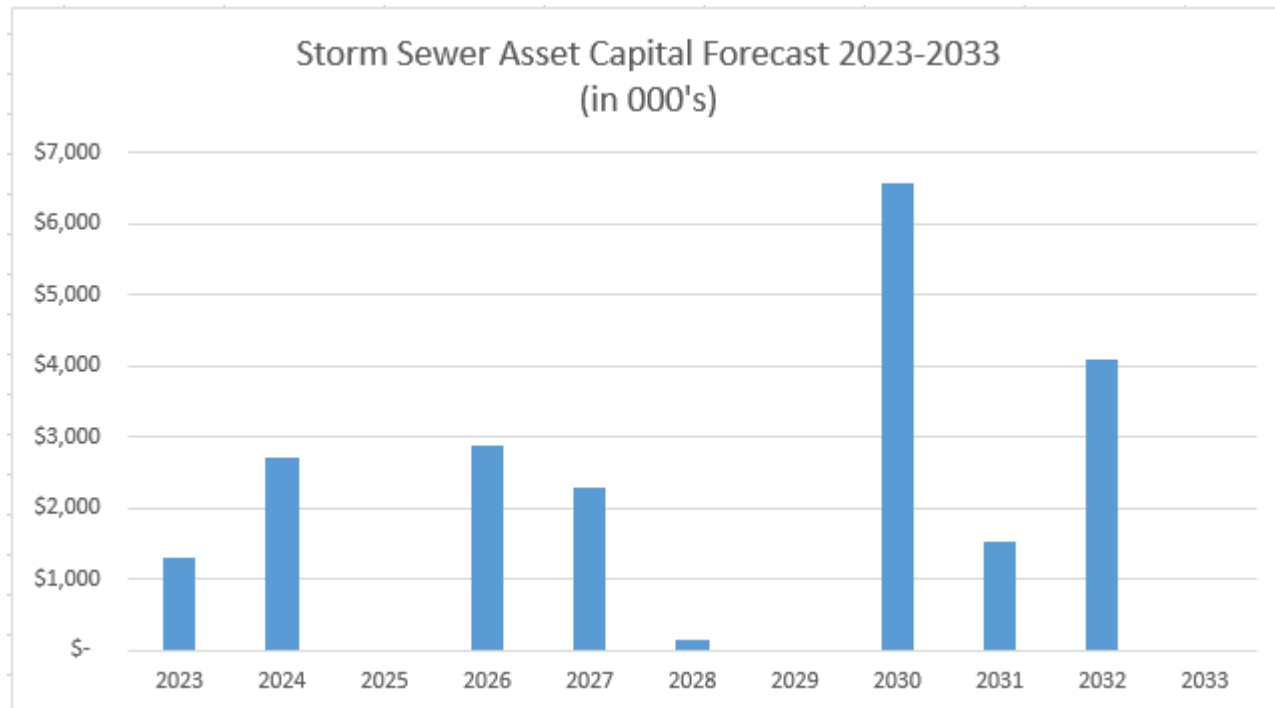
The storm sewer asset class includes items such as mains, catch basins, ponds and manholes. These assets vary in the number of years they will last as well as the type of maintenance they require. Condition assessments have not been conducted on this class of assets and thus the remaining useful life and replacement timing is estimated based on the age of the asset. Replacement costs have been estimated based on engineering standards and an inflationary rate of 2% per year.

Table 3.3 illustrates the details of the historical costs, estimated replacement costs and remaining useful life based on PSAB standards.

Table 3.3 - Storm Sewer Assets

Asset Class	Accumulated			Estimated Replacement Cost in 2023	Average Useful Life (Years)	Average Weighted Useful Life Remaining (Years)	Estimated Annual Replacement Cost
	Historical Cost Jan. 1, 2023	Amortization Jan. 1, 2023	Net Book Value Jan. 1, 2023				
Storm Mains	\$ 29,964,690	\$ 5,609,323	\$ 24,355,367	\$ 42,169,660	80	60	\$ 527,121
Catch Basins	4,696,147	859,356	3,836,791	6,518,815	80	59	81,485
Manholes	7,456,576	1,215,575	6,241,001	8,008,131	80	60	100,102
Storm Ponds	1,740,363	499,675	1,240,688	2,098,437	40	25	52,461
	\$ 43,857,776	\$ 8,183,929	\$ 35,673,847	\$ 58,795,043	70	51	\$ 761,168

Based on this information these assets will have minimal replacement needs over the next ten to twenty years, however will require a contribution to the Capital Replacement Reserve to ensure that funds are available when they are necessary. Additionally considerable maintenance needs are required on an annual basis i.e. storm water management (SWM) pond and oil grit separator (OGS) clean out.



Some budgeted and forecasted Storm Water Capital projects include:

- Bay Sands North Drainage Improvements
- Zoo Park Rd N Urbanization
- River Rd E / Santos/ Hiawatha Drainage Improvements
- Shore Lane Drainage Improvements
- West End Drainage Improvements (George, Marilyn, Robert)
- Marl Creek Culvert Replacement
- 71st St Canal – Cast in Place Wall Replacement
- Wesley Ave N – Storm Sewer
- Deerbrook Drive Culvert Replacement

3.4 Vehicles and Equipment

The vehicles and equipment asset class includes items such as tractors, snow-plows, fire trucks, pick-up trucks, passenger vehicles, scoreboards, office furniture, computer hardware, library collection items and streetlighting. These assets vary in the number of years they will last as well the type of maintenance they require. Condition assessments have not been conducted on this class of assets and thus the remaining useful life and replacement timing is estimated based on the age of the asset. Replacement costs have been estimated based on an inflationary rate of 1.5% per year. Please note vehicles are reviewed by the Town’s mechanics during the scheduled replacement year, where it makes economic sense (i.e. maintenance costs are reasonable) vehicles are kept until they are no longer effective in completing their function.

Table 3.4 illustrates the details the historical costs, estimated replacement costs and remaining useful life based on PSAB standards.

Table 3.4 - Vehicles and Equipment

Asset Class	Historical Cost Jan. 1, 2023	Accumulated Amortization Jan. 1, 2023	Net Book Value Jan. 1, 2023	Estimated Replacement Cost in 2023	Average Useful Life (Years)	Average Weighted Useful Life Remaining (Years)	Estimated Annual Replacement Cost
Vehicles	\$ 14,334,450	\$ 8,202,088	6,132,362	\$ 16,179,216	10	2	\$ 1,693,184
General Equipment	6,699,425	2,575,010	4,124,415	4,031,738	12	5	333,773
Infrastructure Equipment	8,019,818	3,377,829	4,641,989	6,800,934	20	10	340,047
Total	\$ 29,053,693	\$ 14,154,927	\$ 14,898,766	\$ 27,011,887	16	8	\$ 2,367,004

Some tax supported vehicles due for replacement within the next 10 years include:

- Light duty pickup trucks
- SUV's
- ¾ Ton pickup truck
- Full size work vans
- Ice Resurfacers
- Pumper Fire Trucks
- Aerial Platform Truck
- Park Equipment Tractors and Mowers
- Various trailers and dump trailers
- Plow trucks and sanders

- Wheel loaders, graders, backhoes, tractors, sweepers



3.5 Buildings

The buildings class of assets includes all municipal facilities with the exception of water and wastewater facilities that are included in the water and wastewater system assets. These buildings include the Wasaga Stars Arena, Town Hall, Library, RecPlex, Public Works, Fire Stations and more. Replacement costs have been estimated based on an inflationary rate of 1.5% per year.

Table 3.5 details the historical costs, estimated replacement costs and remaining useful life based on PSAB standards.

Table 3.5 - Buildings

Asset Class	Historical Cost Jan. 1, 2023	Accumulated Amortization Jan. 1, 2023	Net Book Value Jan. 1, 2023	Estimated Replacement Cost in 2023	Average Useful Life (Years)	Average Weighted Useful Life Remaining (Years)	Estimated Annual Replacement Cost
Buildings	\$ 17,706,158	\$ 8,234,340	\$ 9,471,818	\$ 22,606,175	37	13	\$ 611,325

The Twin Pad Arena and Library is not reflected in the building values as at January 1, 2023 as it was still classified as construction in progress. It is expected to be included into the asset values for the December 31, 2023 reporting period. Within the next year, the Town is also expecting to conduct an internal study for the old Wasaga Stars Arena facility to determine how to proceed with the use of this building after the new arena is active. This building is at the end of its useful life cycle.

Other notable buildings being planned for in the next 5 years include:

- West End Works Depot

The Town has partnered with the Simcoe County District School Board through a Joint Use and Cost Sharing Agreement in the building of a future elementary school in the Sunnidale subdivision. This school is scheduled to open in September 2024. The partnership provides for the joint use recreation facilities. The Town will have regular access to run programs in the shared space. While ownership of the building

remains with the School Board, the town will have a share of operating costs associated with this facility and provides a capital contribution to the building of the school.

The current floorplan of the elementary school defines a joint use facility area just over 1300m² or roughly 30% of the entire school building. The joint use components include lobby, multiple washrooms, a multi-purpose room twice the size of the small meeting room at the RecPlex, and a kitchenette all adjacent to a double gym, with opening partitions and a portable stage system.

Purpose built features account for almost 450m² of additional floor space included in the school's design to accommodate community uses when students and teachers vacate for the day. By entering into this agreement the Town commits to the actual capital cost of the additional 450m² of building construction that would not have otherwise been included or funded by the board. Enhancement space in the school is made up of the following features:

Gymnasium	267m ²
Kitchenette	14m ²
Gym Storage	46m ²
Washrooms	8m ²
Gross Up	114m ²
TOTAL	449m ² = 4833 s.f.

Enhanced building features incorporated into the design include a wood gym floor as well as an enlarged gymnasium, dedicated kitchen space, accessible public washrooms in the lobby area of the school and purpose built storage space for Town and Community Group program equipment. In addition to the enhanced building features, the Town will also pay the actual cost of enlarging a parking lot straddled by the park and school with an additional 35 parking slots. Over 100 parking slots in total will be available for community use when the school is vacant. The general contractor awarded the school construction project will also finalize a playing field on the park block with coordinated site works and servicing.

3.6 Bridges

The bridge assets class includes the bridge superstructures and bridge decks. The Town has 19 bridges and culverts, where 2 are considered to be major structures, that it maintains and is responsible for and conducts an OSIM (Ontario Structure Inspections Manual) evaluation every two years. The condition assessment is based on the latest 2020 OSIM report which is included as an appendix to this report.

Based on the latest OSIM report the average BCI (Bridge Condition Index) is 80 or very good. The Main Street Bridge rehabilitation was completed in 2021.

The OSIM report provided the following recommendations over the next 5 years, beginning in 2020.

Bridge Name	BCI	Maintenance Needs	Urgent / 2020	2021	2022	2023	2024	2025+	Total
William Avenue Bridge	82.5	Replace south timber curb Remove vegetation growing against wingwall		2,500					\$ 2,500
James Avenue Bridge	76.7	Replace north hand railing Replace timber curbs	3,000	3,000					\$ 6,000
Cedar Grove Bridge	64.7	Replace broken reflectors on TCB's Replace missing bolts and correct SBGR lap Rehabilitation		750				24,500	\$ 25,250
Schoonertown Bridge	88.7	Replace expansion joint seals			24,000				\$ 24,000
Freethy Road Bridge #2	67.1	Install "Object Marker" (Wa-33l & Wa-33r) signs Clean debris from deck top and both barrier curbs	1,500	1,000					\$ 2,500
Freethy Road Bridge #3	68.4	Clean debris from deck top and barrier curbs Remove vegetation growing against and over wingwalls, curbs and barriers Install roadside protection (SBGR)		49,000					\$ 49,000
Main Street Bridge	60.5	Rehabilitation completed in 2021							\$ -
Sturgeon Creek Bridge	83.3	Replace snow plow marker at southeast Remove tree overhanging bridge at northeast	500	1,500					\$ 2,000
Meadowlark Boulevard Box Culvert	93.1	Remove fallen tree from watercourse		1,500					\$ 1,500
Northwood Drive Box Culvert	91.7	Remove upstream blockage		1,000					\$ 1,000
41st Street South Box Culvert	91.4	Remove downstream blockage Remove vegetation growing against structure at southeast Remove debris on inlet		3,000					\$ 3,000
Deerbrook Drive Box Culvert	75	Correct snow plow marker installation at northwest	200						\$ 200
Flos Road 10 Culvert	59.9	Tighten loose cables of guide rail Remove and replace structure	500	105,000	810,000				\$ 915,500
Ryther Road Culvert	75.5	Install roadside protection (SBGR)		45,000					\$ 45,000
Total->			\$ 5,700	\$ 213,250	\$ 834,000	\$ -	\$ -	\$ 24,500	\$ 1,077,450

Table 3.6 below illustrates the details of the historical costs, estimated replacement costs and remaining useful life.

Table 3.6 - Bridges

Asset Class	Historical Cost Jan. 1, 2023	Accumulated Amortization Jan. 1, 2023	Net Book Value Jan. 1, 2023	Estimated Replacement Cost in 2023	Average Useful Life (Years)	Average Weighted Useful Life Remaining (Years)	Estimated Annual Replacement Cost
Bridges	\$ 16,015,736	\$ 2,902,057	\$ 13,113,679	\$ 33,935,639	64	29	\$ 533,894.02

3.7 Capital Asset Summary – Water/Wastewater User Fee Supported

The Town currently owns and manages a total of \$160 Million in water/wastewater user fee supported capital assets excluding land and land improvements with an estimated replacement value of \$281 Million. Table 3.7 and figure 3.7 below details the breakdown of the types of assets by asset class, historical cost and estimated replacement cost.

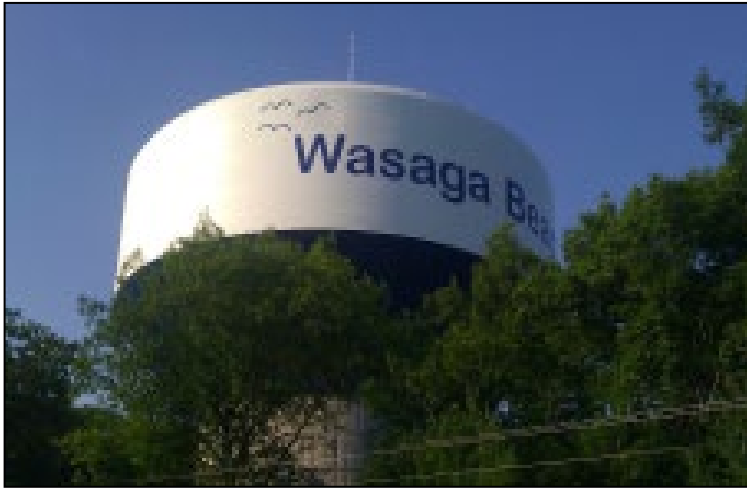
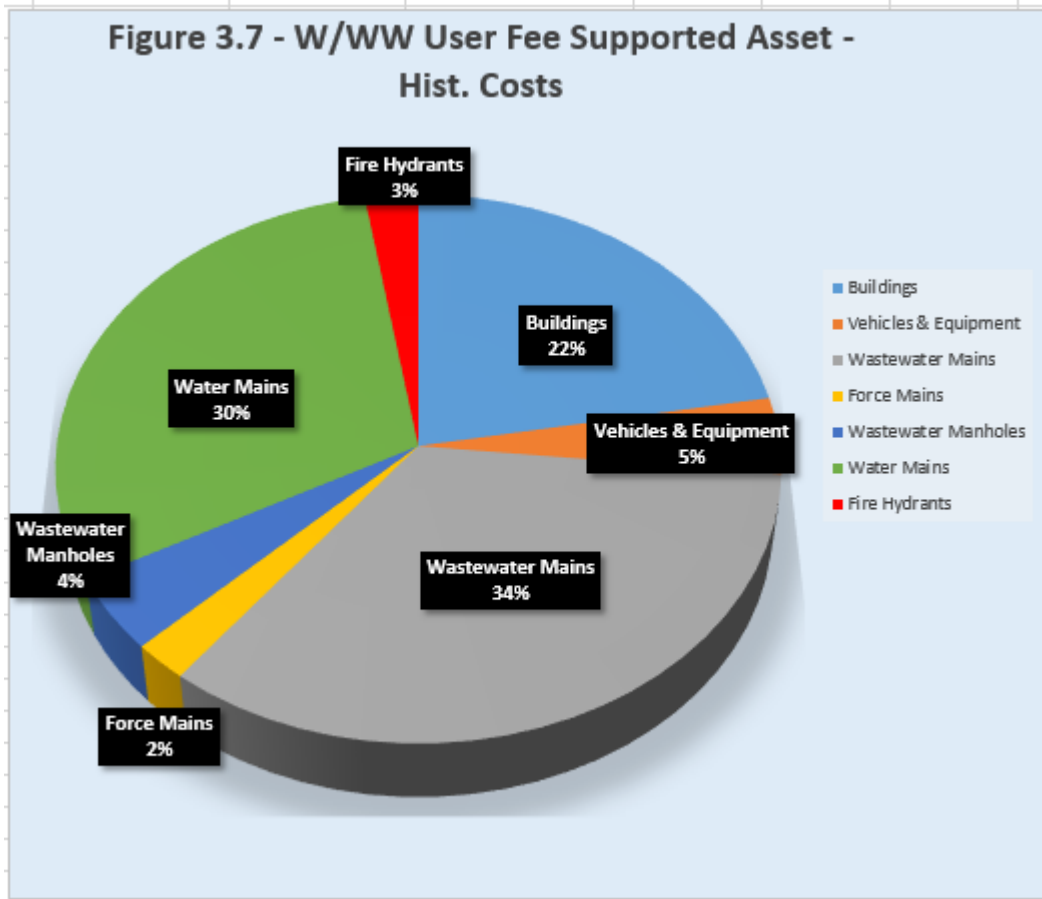


Table 3.7 -Summary Water/Wastewater User Fee Supported Assets

Asset Class	Historical Cost	Accumulated	Net Book Value	Estimated
	Jan. 1, 2023	Amortization Jan. 1, 2023	Jan. 1, 2023	Replacement Cost in 2023
Buildings	35,510,709	16,987,233	18,523,477	50,581,865
Vehicles & Equipment	7,227,768	3,470,661	3,757,107	6,318,459
Wastewater Mains	54,392,490	15,171,355	39,221,135	107,486,866
Force Mains	3,632,994	997,732	2,635,262	8,875,514
Wastewater Manholes	7,015,827	1,762,795	5,253,032	12,857,436
Water Mains	48,514,990	12,284,606	36,230,384	87,478,700
Fire Hydrants	4,119,801	1,847,992	2,271,809	7,783,439
Total	\$ 160,414,579	\$ 52,522,374	\$ 107,892,205	\$ 281,382,278



3.8 Buildings – Water/Wastewater User Fee Supported

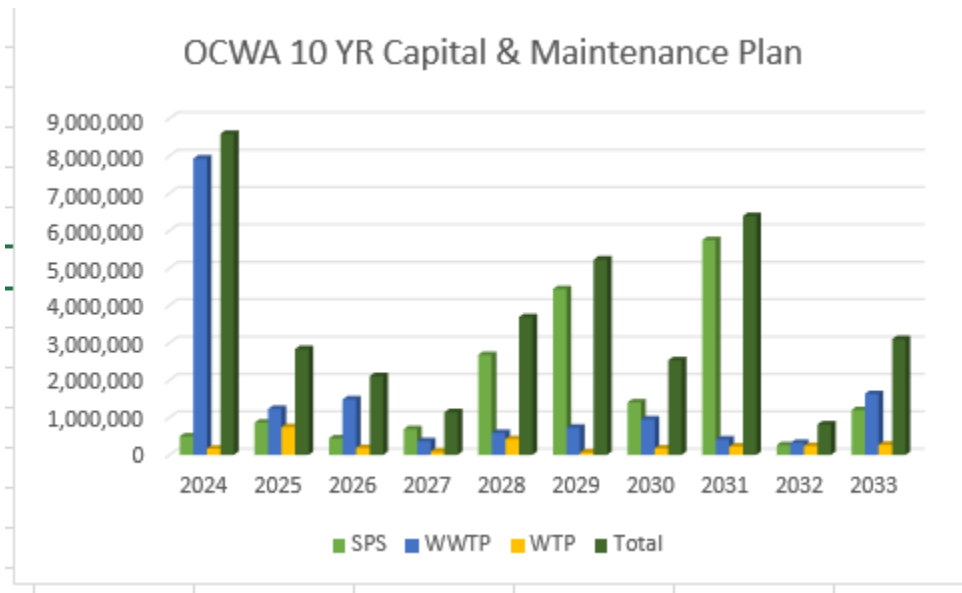
The buildings included in this class of assets include: the wastewater treatment plant (WWTP), pumping stations (SPS), water treatment plant (WTP) and water towers. A 10 Year Capital Plan was conducted by the Ontario Clean Water Agency (OCWA) throughout 2021 and has been used to assist in developing the condition and replacement costs of these assets. Table 3.7 illustrates the historical costs, estimated replacement costs and remaining useful life based on PSAB standards and condition assessments.

Table 3.8 - Buildings - W & WW

Asset Class	Historical Cost Jan. 1, 2023	Accumulated Amortization Jan. 1, 2023	Net Book Value Jan. 1, 2023	Estimated Replacement Cost in 2023	Average Useful Life (Years)	Average Weighted Useful Life Remaining	Estimated Annual Replacement Cost
Buildings	\$35,510,709	\$ 16,987,233	\$ 18,523,477	50,581,865	51	27	\$ 991,801

During the summer of 2016 OCWA conducted a thorough inspection of all water and wastewater facilities to assist the Town in understanding the needs over the next 10 years. The 10-year forecast is updated annually by OCWA. As depicted in the graph and chart below a total of \$36 Million will be required to both maintain and update these facilities, with the largest need required in the year 2024. In order to ensure the appropriate amounts are available these figures are included in the annual Water/Wastewater Rates Update which also takes into account the residents ability to pay.

Building Class	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
SPS	493,250	859,250	438,250	686,250	2,672,870	4,434,350	1,404,010	5,747,550	261,250	1,198,750
WWTP	7,925,796	1,227,262	1,482,500	365,993	586,723	729,000	949,500	413,000	316,500	1,628,000
WTP	166,250	740,750	185,000	87,500	420,500	63,000	174,000	223,500	238,500	268,500
Total	8,585,296	2,827,262	2,105,750	1,139,743	3,680,093	5,226,350	2,527,510	6,384,050	816,250	3,095,250



3.9 Vehicles & Equipment – Water/Wastewater User Fee Supported

The vehicles and equipment asset class includes items such as flusher trucks, service trucks, small tools and water meters. These assets vary in the number of years they will last as well the type of maintenance they require. Condition assessments have not been conducted on this class of assets and thus the remaining useful life and replacement timing is estimated based on the age of the asset. Replacement costs have been estimated based on an inflationary rate of 1.5% per year. Please note vehicles are reviewed by the Town’s mechanics during the scheduled replacement year, where it makes economic sense (i.e. maintenance costs are reasonable) vehicles are kept until they are no longer effective in completing their function.

Table 3.9 illustrates the details the historical costs, estimated replacement costs and remaining useful life based on PSAB standards.

Table 3.9 - Vehicles & Equipment - W & WW

Asset Class	Historical Cost Jan. 1, 202	Accumulated Amortization Jan. 1, 2023	Net Book Value Jan. 1, 2023	Estimated Replacement Cost in 2023	Average Useful Life (Years)	Average Weighted Useful Life Remaining (Years)	Estimated Annual Replacement Cost
V & E	7,227,768	3,470,661	3,757,107	6,318,459	17	9	\$ 370,584

3.10 Wastewater Infrastructure – W/WW User Fee Supported

The wastewater infrastructure asset class includes items such as mains, force mains and manholes. These assets vary in the number of years they will last as well the type of maintenance they require. Condition assessments have not been conducted on this class of assets and thus the remaining useful life and replacement timing is estimated based on the age of the asset. Replacement costs have been estimated based on engineering standards and OCWA’s assumptions.

Table 3.10 illustrates the details the historical costs, estimated replacement costs and remaining useful life based on PSAB standards.

Table 3.10 - Wastewater Infrastructure - W & WW Supported

Asset Class	Historical Cost	Accumulated Amortization	Net Book Value	Estimated Replacement	Average Useful Life	Average Weighted Useful Life	Estimated Annual Replacement Cost
	Jan. 1, 2023	Jan. 1, 2023	Jan. 1, 2023	Cost in 2023	(Years)	Remaining (Years)	
Wastewater	\$65,041,311	\$ 17,931,882	\$ 47,109,429	129,219,816	80	54	\$ 1,615,248

Based on this information these assets will have minimal replacement needs over the next ten to twenty years, however will require a contribution to the Capital Replacement Reserve to ensure that funds are available when they are necessary.

3.11 Water Infrastructure – W/WW User Fee Supported

The water infrastructure asset class includes items such as mains and fire hydrants. These assets vary in the number of years they will last as well the type of maintenance they require. Condition assessments have not been conducted on this class of assets and thus the remaining useful life and replacement timing is estimated based on the age of the asset. Replacement costs have been estimated based on engineering standards and OCWA’s assumptions.

Table 3.11 illustrates the details for historical costs, estimated replacement costs and remaining useful life based on PSAB standards.

Table 3.11 - Water Infrastructure - W & WW Supported

Asset Class	Historical Cost	Accumulated Amortization	Net Book Value	Estimated Replacement	Average Useful Life	Average Weighted Useful Life	Estimated Annual Replacement Cost
	Jan. 1, 2023	Jan. 1, 2023	Jan. 1, 2023	Cost in 2023	(Years)	Remaining (Years)	
Water	\$52,634,791	\$ 14,132,598	\$ 38,502,193	95,262,138	78	52	\$ 1,221,309

Based on this information these assets will have minimal replacement needs over the next ten to twenty years, however will require a contribution to the Capital Replacement Reserve to ensure that funds are available when they are necessary.



3.12 Land – Tax Supported

The land asset class includes all land owned by the Town. These assets have an infinite life and therefore are not amortized and do not have a useful life shown. There is no replacement value for these assets.

Table 3.12 - Land

Asset Class	Historical Cost Jan. 1, 2023	Accumulated Amortization Jan. 1, 2023	Net Book Value Jan. 1, 2023	Estimated Replacement Cost in 2023	Average Useful Life (Years)	Average Weighted Useful Life Remaining (Years)	Estimated Annual Replacement Cost
Land	44,706,684	-	44,706,684	-	-	-	\$ -

3.13 Land Improvements – Tax Supported

The land improvements asset class includes items such as fencing, irrigation systems, park equipment, and transit shelters. These assets vary in the number of years they will last as well the type of maintenance they require. Condition assessments have not been conducted on this class of assets and thus the remaining useful life and replacement timing is estimated based on the age of the asset. Replacement costs have been estimated based on an inflationary rate of 1.5% per year.

Table 3.13 - Land Improvements - Tax Supported

Asset Class	Historical Cost Jan. 1, 2023	Accumulated Amortization Jan. 1, 2023	Net Book Value Jan. 1, 2023	Estimated Replacement Cost in 2023	Average Useful Life (Years)	Average Weighted Useful Life Remaining (Years)	Estimated Annual Replacement Cost
Land Improvements	15,929,618	5,343,443	10,586,175	6,955,689	26	12	\$ 267,527

4.0 Desired Levels of Service (LOS)

Levels of Service are a key business driver and influence many asset management decisions. Doing this type of analysis allows the Town to document and understand the current LOS and determine where expectations fall short. Expected LOS are impacted by many factors including:

- 1) Resident Expectations;
- 2) Council and Staff Expectations;
- 3) Financial Constraints, including Tax Rate flexibility; and
- 4) Legislative/Technical Requirements.

The LOS analysis uses this information to determine realistic goals and risks for the Town. The Town engaged staff from Ontario Clean Water Agency (OCWA), who manages our water/wastewater treatment plants, to prepare levels of service. Accompanying this report in an Appendix is a chart prepared by

OCWA consultants, summarizing the performance measure and current performance level for the core assets; Roads; Bridges and Culverts; Water; Wastewater and Stormwater Management. Both the Community Levels of Service (qualitative) and Technical Levels of Service (technical metrics) are reported.

The following tables are sourced from the OCWA Asset Management Report 2021 prepared for the Town.

Table ES1: Asset Portfolio Summary

System/Asset Group	Current Replacement Value (millions)
Roads	\$194.3
Sidewalks and Guard Rails	\$3.4
Bridges and Culverts	\$32.9
Watermains	\$91.1
Water Facilities	\$19.0
Sewers and FMs	\$123.6
Wastewater Facilities	\$110.8
Storm Sewers	\$53.4
Stormwater Management	\$2.0
Total	\$630.5

Note: Actual costing values are subject to market forces at the time of infrastructure construction / improvement activity, above values are based on historical averages and industry standards.

Asset Performance Rating Descriptions:

Table ES2: Asset Performance Rating Descriptions

Performance Category	Description	State of asset
Good	Asset performance meets or exceeds its objectives/requirements.	No Deficiencies
Fair	Asset performance is nearing the point where it will not meet its objectives/requirements.	Has Deficiencies
Poor	Asset performance is not meeting its objectives/requirements.	Requires Treatment (Spending)

2021 Asset Performance Summary:

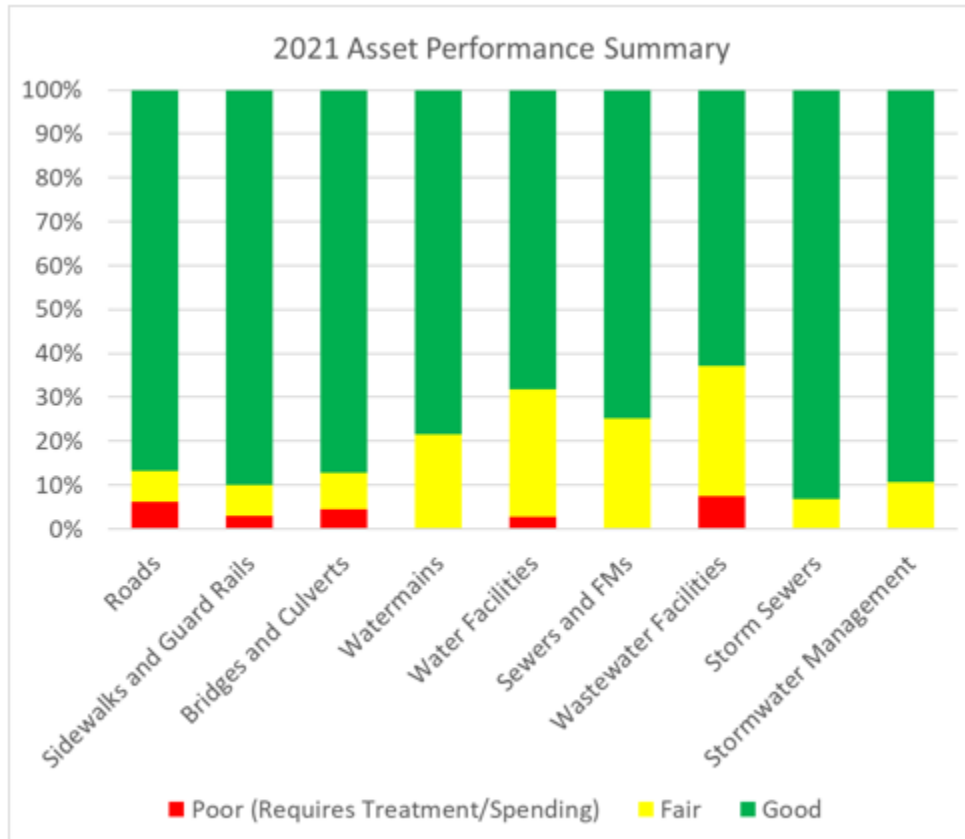


Figure ES1: Current Performance Distribution

“The total replacement cost of the assets in the poor performance category is of approximately \$22.4 million, which represents approximately 3.5% of the total asset portfolio.”¹

5.0 Asset Management Strategy

The asset management strategy is the set of planned actions that will enable the assets to provide the desired levels of service in a sustainable way, while managing risk, at the lowest lifecycle cost. The key principles used when making decisions regarding asset management are outlined in the Strategic Asset Management Policy. In addition to these key principles, the town will apply these actions;

A) **Non-infrastructure** solutions include actions or policies that can lower costs or extend asset life (e.g., better integrated infrastructure planning and land use planning, demand management, insurance, process optimization, managed failures, etc.). The Town will continue with the following assessment tools:

- 1) Roads Need Study – conduct every five years;
- 2) Bridge Structural Condition Inspections (OSIM) – conduct every two years;
- 3) Building Assessments will be conducted when required; and

¹ Asset Performance Measurement Report 2021, prepared by OWCA for the Town

- 4) Vehicles will continue to be assessed according to the Vehicle Replacement Schedule by Town mechanics.
- B) **Maintenance activities** include regularly scheduled inspection and maintenance, or more significant repair and activities associated with unexpected events. Through the various condition assessments noted above maintenance plans are created and managed through the Public Works and Parks, Facilities and Recreation Departments.
- C) **Renewal/Rehabilitation activities** - With respect to major repairs and rehabilitation for assets these are addressed through the annual budget process and financed through various means including the use of the Capital Replacement Reserve.
- D) **Replacement/Disposal Activities** - Assets will be replaced based on condition assessments and/or failure, and the procurement of those assets will follow the Town's Purchasing Policy. In many cases where vehicles and/or equipment is purchased the Town may work with other Municipalities and/or the County of Simcoe to pool projects with the hopes of achieving lower costs.
- E) **Expansion Activities** – Expansion and growth activities will occur in accordance with the Town's Development Charge Background study where actual growth meets the forecasted amounts.

5.1 Procurement Methods

The Town's Council-approved Purchasing Bylaw #2022-68 guides all procurement practices. The Bylaw is scheduled to be updated in September 2027. The key objectives of the procurement process are to:

- (a) to describe the roles, responsibilities, authorities and accountabilities of the CAO, Treasurer and others involved in the procurement and contracting process;
- (b) promote openness, honesty, fairness, integrity, accountability, and transparency while obtaining the best value for money in the procurement of Goods and Services;
- (c) promote ethical conduct and avoid conflicts of interest – real, apparent, and potential – between suppliers and elected officials and staff;
- (d) promote goals of environmental sustainability and ensure accessibility requirements are met in procurement; and
- (e) ensure procurement processes are consistent with legal and trade agreement obligations.

6.0 Long-Term Forecast & Financing Strategy

The Town has maintained a 10 Year Capital Plan and 4 Year Operating forecast for several years. This 10 Year Capital Plan assists staff in determining the needs of the community.

Over the past several years the average taxation levy in support of the Capital Program has been approximately \$3.5 Million providing support to the total capital program (excluding Water/Wastewater) of approximately \$16 to \$28 Million. Several larger capital works were undertaken in 2023. Looking forward the capital program (excluding Water/Wastewater) is approximately \$13M to \$35M. The tax levy support required going forward is closer to \$5M to \$8M. Overall this program has been supported through the following revenue sources:

- 1) Tax Levy – average \$3 Million/year;
- 2) Transfers from Reserves – average \$4 Million/year;
- 3) Grant Funding – average \$2 Million/year;
- 4) Debentures – average \$1 Million/year; and
- 5) Development Charges - \$5 Million to \$10 Million/year.

The Town’s current Annual Repayment Limit provides for opportunity to borrow. The current Annual Repayment Limit is \$9.7M which sets the maximum annual carrying cost the Town can carry. The Town is utilizing approximately \$2.8M of the available carrying cost, or 29%. Additional debt is forecasted for the new Twin-pad Arena and Library, with an annual carrying cost estimated at \$1.5M.

Additionally it is important to note that the annual maintenance program funded through the Operational Budget averages at \$1.0 Million per year.

The Town has included in its long-term forecast a major multi-year project to redevelop the Beachfront. One of the capital projects – reconstruction of Beach Drive, including a new roundabout, will cost approximately \$20M over the years 2025 to 2028. The project is 50% Development Charge eligible. The Town is evaluating several options for funding the remaining 50%, and likely multiple funding streams will be used, such as land sales, grant funds, or interim financing to align with future cash flows. At the time of writing this report, the project organization is still in progress.

6.1 Tax Supported Assets – Lifecycle Contribution

Based on the information provided throughout the asset management plan the following chart shows the amounts that should be reserved each year in order to ensure funds are available for the lifecycle replacement and/or rehabilitation.

Asset Class	Estimated Replacement Cost in 2023	Average Useful Life (Years)	Average Weighted Useful Life Remaining (Years)	Estimated Annual Replacement Cost
Road Assets	203,746,956	34	18	5,958,579
Storm Sewer Assets	58,795,043	70	51	839,929
Vehicles & Equipment	27,011,887	16	8	1,703,589
Buildings	22,606,175	37	13	611,325
Bridges	33,935,639	64	29	533,894
Land Improvements	6,955,689	26	12	267,527
Total Tax Supported Assets	\$346,095,701			\$ 9,647,316

As discussed in section 6.0 the Town currently invests approximately 35% (on average) of its’ total Capital Budget (excluding new twin-pad arena and library buildings) in replacement and/or rehabilitation activities or \$5.6 Million. **This leaves a funding gap of \$4.0 Million annually based on the current assessment of assets, this is currently offset by the average annual contribution to the Capital Replacement**

Reserve at \$1.0 Million leaving the gap at \$3.0 Million. The Town is not alone in this situation as many municipalities across the country are dealing with similar shortfalls (i.e. funding gap). However the Town is fortunate in that most of its' assets continue to perform at expected service levels. Council continues to allocate the Ontario Municipal Partnership Fund (OMPF) grant towards the capital replacement reserve. This grant is declining at the rate of 15% per year. The 2023 contribution to the reserve was \$832k, representing 75% of the total \$1.1M annual contribution. Recent budgets have included some capital asset replacement dollars above the OMPF grant amount and future forecasts will need to continue to build in capital asset replacement funding for asset management sustainability.

6.2 Tax Supported Assets – Financing Strategy

As discussed in the previous section the current funding gap for the Town is \$3.0 Million, this includes a dedicated **contribution to the Capital Replacement Fund. This \$1.0 Million contribution per year (down from the last asset management plan amount of \$1.5 million) is vitally important to ensure viability and feasibility of the Asset management Plan and needs to be increased.**

Based on the Town continuing to contribute \$1.0 Million to the Capital Replacement Fund the following financing strategy for tax supported assets will ensure appropriate funding is available where necessary:

- 1) Continued Contribution of \$1.0 M on average per year (keeping in mind affordability and budget restrictions);
- 2) Increase the Municipal Capital Levy where possible, from the current \$3.5 million level to \$5 Million tax supported Capital Levy amount where the difference between actual capital projects and the total of \$5 Million are transferred to reserves in low capital intensive years – (to be incorporated over the next 7 years). Note the higher tax supported capital levy portion recognizes estimated future asset acquisitions;
- 3) Use of Grant annual amount assumed at \$1 to \$2 Million (i.e. Federal Gas Tax / OCIF); and
- 4) Debentures applied where needed based on the replacement schedule.

Following the above financing schedule would mean that the Town will be increasing the debt levels however given the current ARL, it is manageable.

6.3 W/WW – User Fee Supported Assets – Lifecycle Contribution

Based on the information provided throughout the asset management plan the following chart shows the amounts that should be reserved each year in order to ensure funds are available for the lifecycle replacement and/or rehabilitation. Annually staff updates the Water/Wastewater rates that take this information into consideration along with the residents' ability to pay; based on this information the average amount transferred to the Lifecycle reserve has been about \$3.1 Million per year over the last 3 years.

Asset Class	Estimated Replacement Cost (2023\$)	Average Useful Life (Years)	Average Weighted Useful Life Remaining (Years)	Estimated Annual Replacement Cost
Buildings	50,581,865	51	27	991,801.26
Vehicles & Equipment	6,318,459	17	9	370,584.11
Wastewater Assets	129,219,816	80	54	1,615,247.70
Water Assets	95,262,138	78	52	1,221,309.47
Total	\$281,382,278			\$ 4,198,943

As there are larger projects scheduled in the next few years, the Town has increased the water and wastewater rates to help maintain the level of reserve contributions required to meet the replacement schedule (based on Water/Wastewater Rate Study). Even with the increased rates, the reserve contributions will be lower towards the \$2M level. This leaves a shortfall of \$2.1 Million per year.

6.4 W/WW – User Fee Supported Assets – Financing Strategy

As discussed in the previous section the current funding gap for the Town is \$2.1 Million, this includes a dedicated **contribution to the Water/Wastewater Replacement Fund of approximately \$2 Million per year and thus is vitally important to ensure feasibility of the Asset management Plan.**

Based on the Town continuing to contribute \$2 Million to the Water/Wastewater Replacement Fund the following financing strategy for water/wastewater supported assets will ensure appropriate funding is available where necessary:

- 1) Continued Contribution of \$2 M (keeping in mind affordability and budget restrictions);
- 2) Rate increases of 4.0% per year for water and 8.25% for wastewater per year
- 3) Use of Grants where they become available; and
- 4) Debentures applied where needed based on the replacement schedule.

7.0 Summary and Conclusions

Residents of the Town of Wasaga Beach enjoy services from, the road network, water system, sanitary sewer collection system, community facilities and drainage works that exist in the community. To maintain these services the Town faces the same challenges as all other municipalities in Canada. Challenges that include more stringent environmental regulations, sustainability issues, increasing power and fuel costs, growth and aging infrastructure.

The Town's infrastructure, including the road network, water system, sanitary collection system, drainage works and buildings, has grown considerably over the last thirty years. The Town however is fortunate in

that the current inventory of assets is both young and in good condition. This provides an opportunity to the Town to begin the savings today to ensure a sustainable future.

The long term financial plans for asset renewal will provide Council with information needed to develop longer term strategies for funding asset renewal. Town staff will continue to develop asset management capacity within the organization to provide critical information for decision making.

Future Asset Management Updates will have long term plans that include the next phase of the regulation, which requires all assets be accounted for with targeted service levels.