



Municipality of Thames Centre

Asset Management Plan 2025

Jasmine Shadd, Asset Management Advisor, PSD Citywide
Council Presentation | June 9, 2025



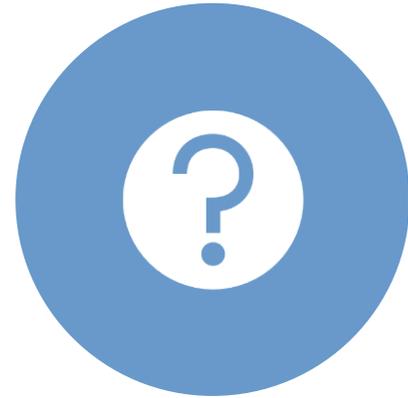
Agenda



REGULATORY
CONTEXT



2025 ASSET
MANAGEMENT PLAN



QUESTIONS

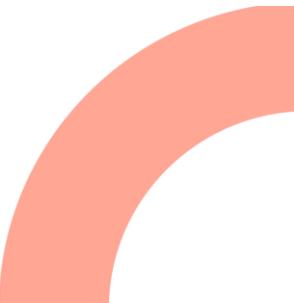


Regulatory Context



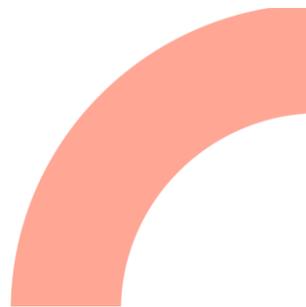
Background and Context

- As part of the Infrastructure for Jobs and Prosperity Act, 2015, the Ontario government introduced Regulation 588/17 - Asset Management Planning for Municipal Infrastructure (O. Reg 588/17).
- Requires Ontario municipalities to develop an asset management policy and AMPs between 2022 and 2025 with increasing complexity.
- As part of our current engagement, PSD Citywide developed an AMP that meets the requirements of O. Reg 588/17 - 2025 requirements.



Ontario Regulation 588/17

Requirement	2019	2022	2024	2025
1. Strategic Asset Management Policy	✓		✓	
2. Asset Management Plans		✓	✓	●
State of infrastructure for core assets		✓		
State of infrastructure for all assets			✓	●
Current levels of service for core assets		✓		
Current levels of service for all assets			✓	
Proposed levels of service for all assets				●
Lifecycle costs associated with current levels of service		✓	✓	
Lifecycle costs associated with proposed levels of service				●
Growth impacts		✓	✓	●
Financial strategy			✓	●





2025 Asset Management Plan

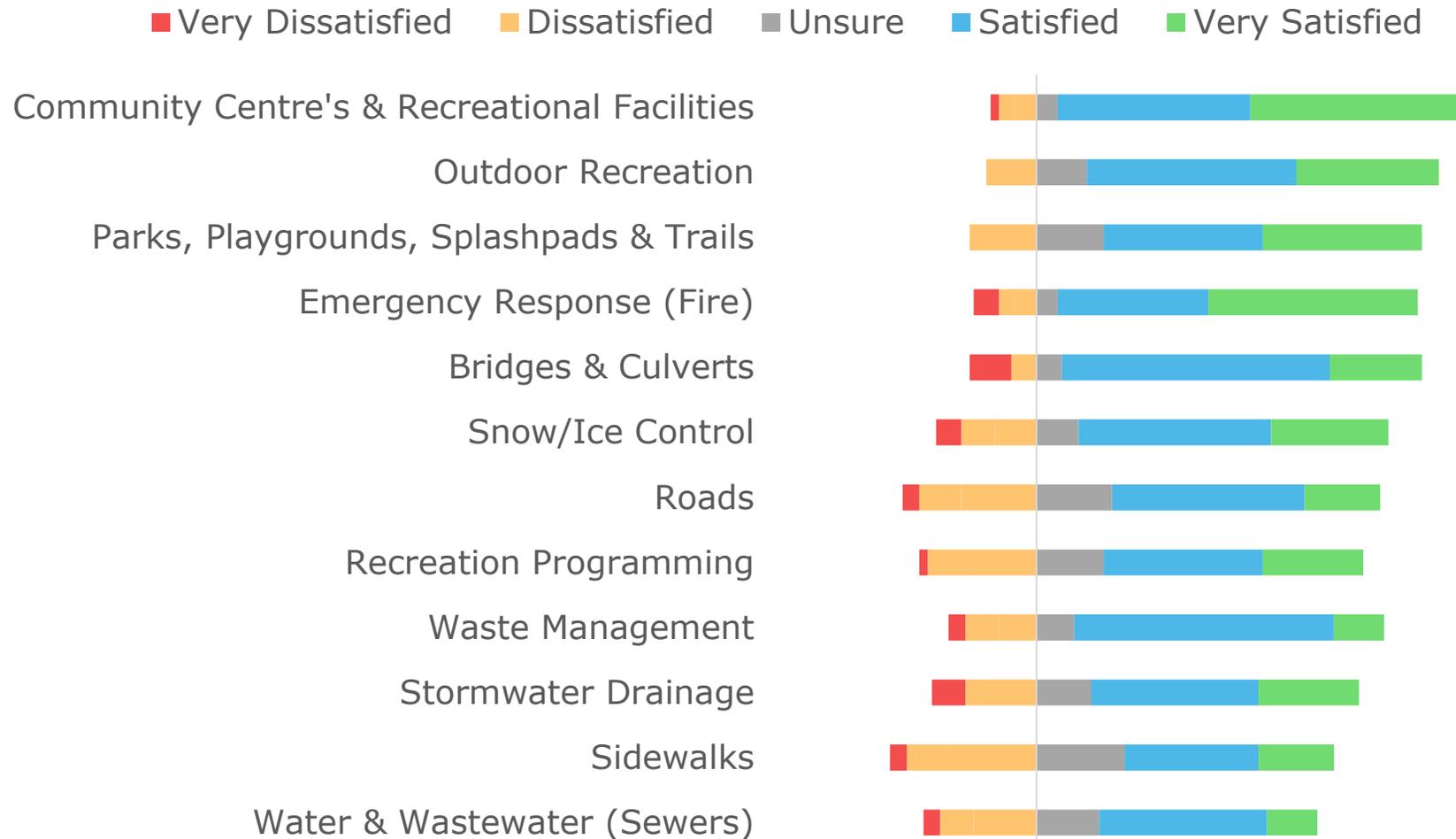


Community Engagement Responses

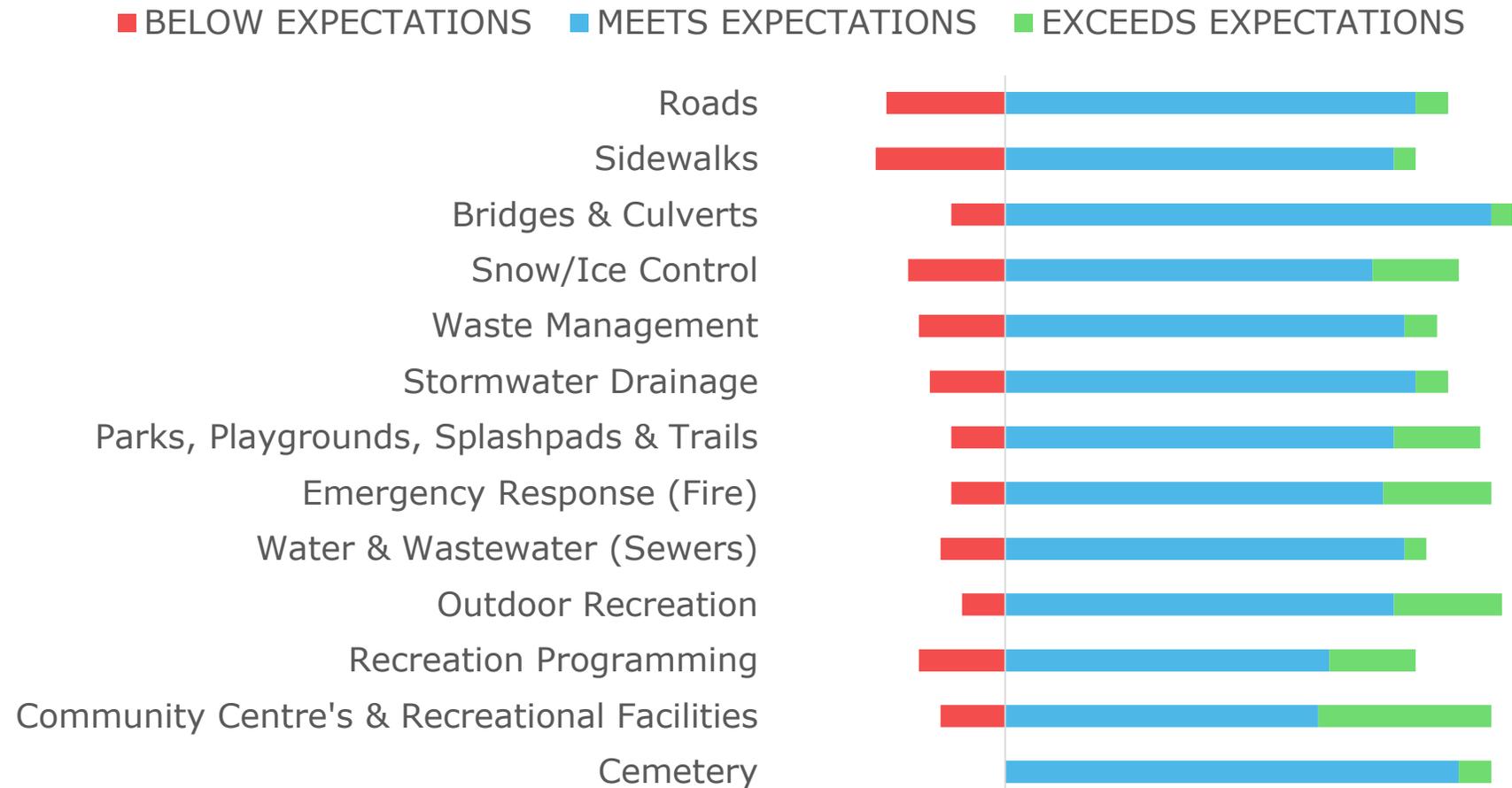
- Community feedback helps ensure that proposed service levels reflect local priorities, values, and willingness to pay
- It's also a requirement under Ontario Regulation 588/17 to consider public input in asset planning
- Who responded?
 - 58 residents provided feedback through the consultation process
- Cost-Conscious Preferences
 - 59% of respondents prefer maintaining current tax rate
- Top Satisfaction Areas
 - Bridges & Culverts (90%)
 - Emergency response services (90%)
 - Parks, playgrounds, splash pads, and outdoor recreation facilities (85%)



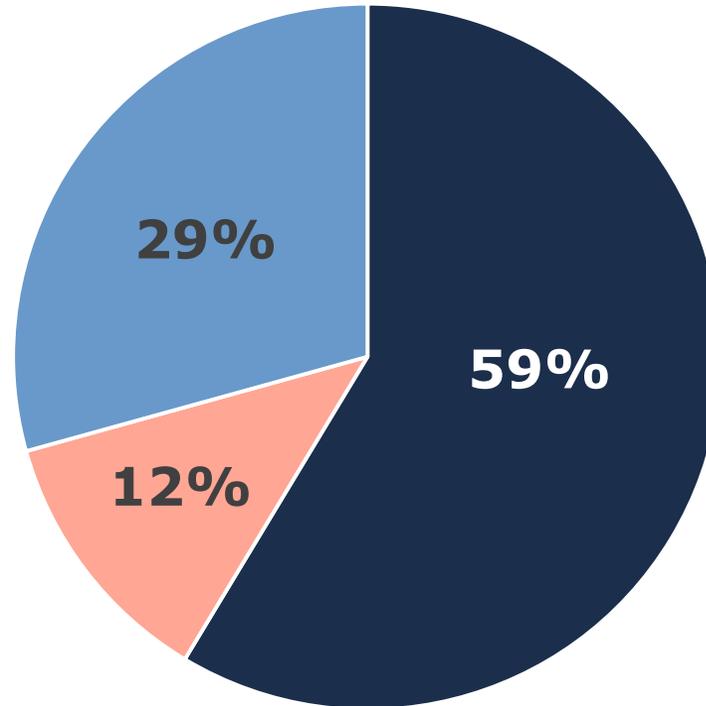
How would you rate the overall quality of the following municipal infrastructure?



In your opinion, are the service levels provided by each of the following assets exceeding expectations, meeting expectations, or below expectations?



Which of the following statements best represents your opinion on changing services?



- Maintain current tax levels and services
- Pay more taxes for improved services
- Pay less taxes, even if it means fewer services

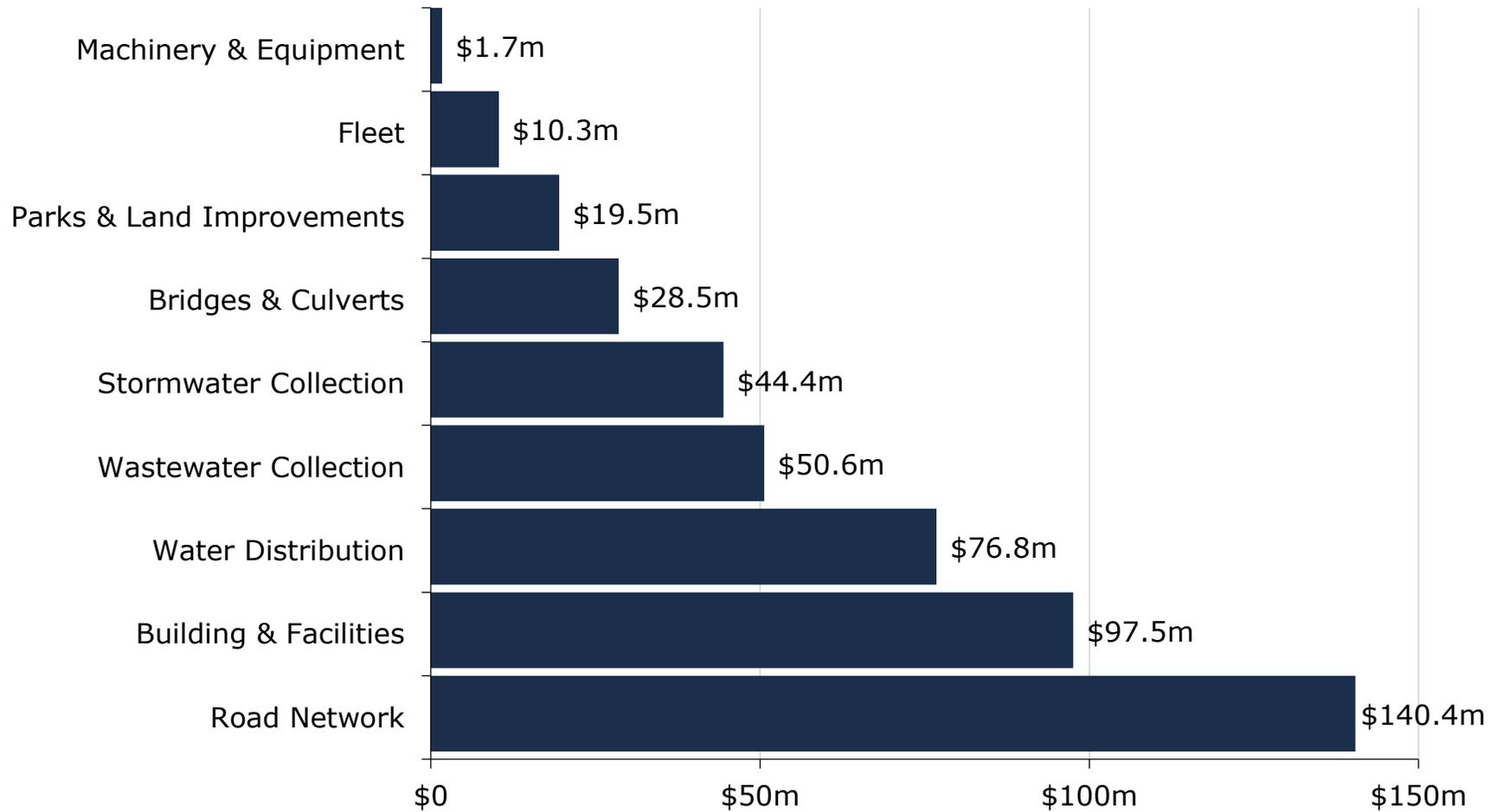
AMP 2025

- Core assets include roads, bridges & culverts, water, and wastewater infrastructure.
- Non-core assets includes all other capital assets, including fleet & equipment, parks and land improvements, and buildings
- Supports efficient use of funds on infrastructure programs
- Provides an important tool for communicating internally and externally



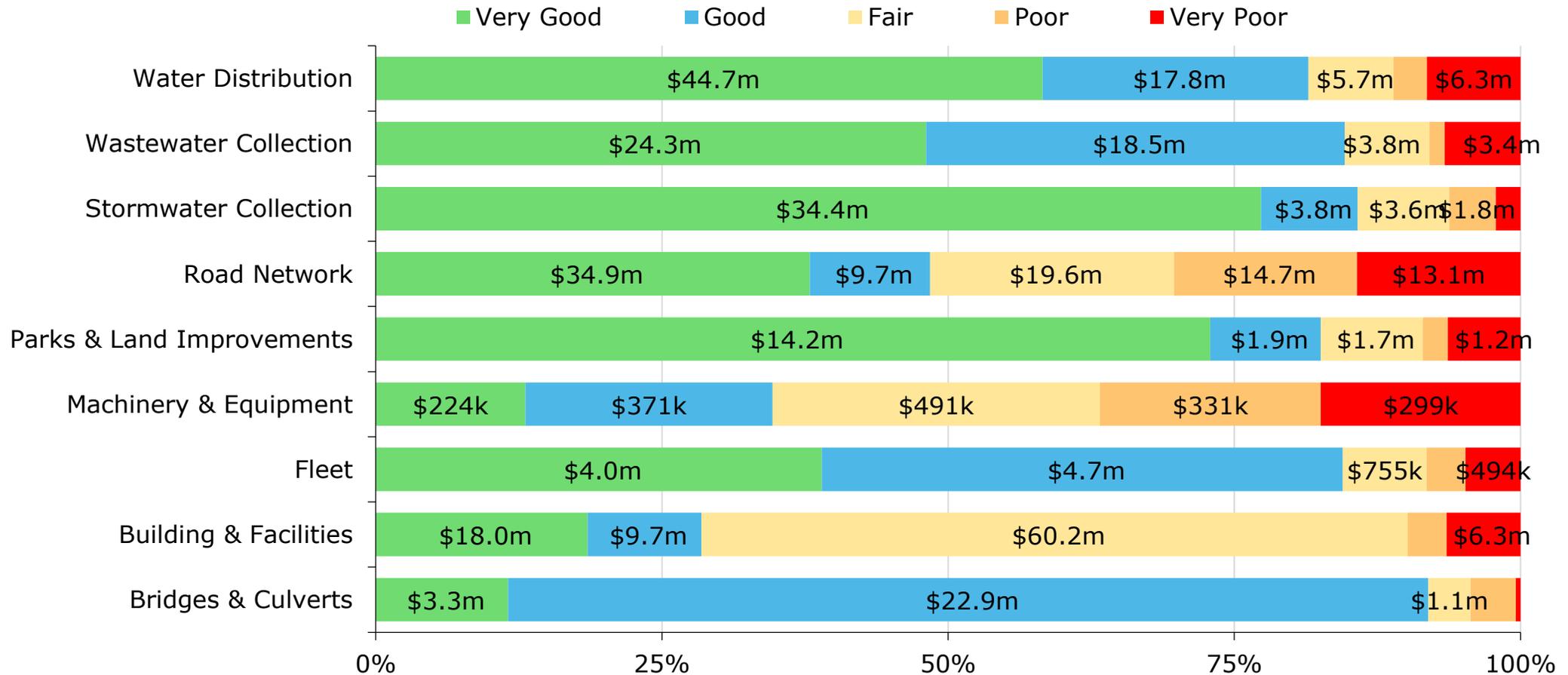
Replacement Cost

- Total Current Replacement Cost = **\$469.8 million**



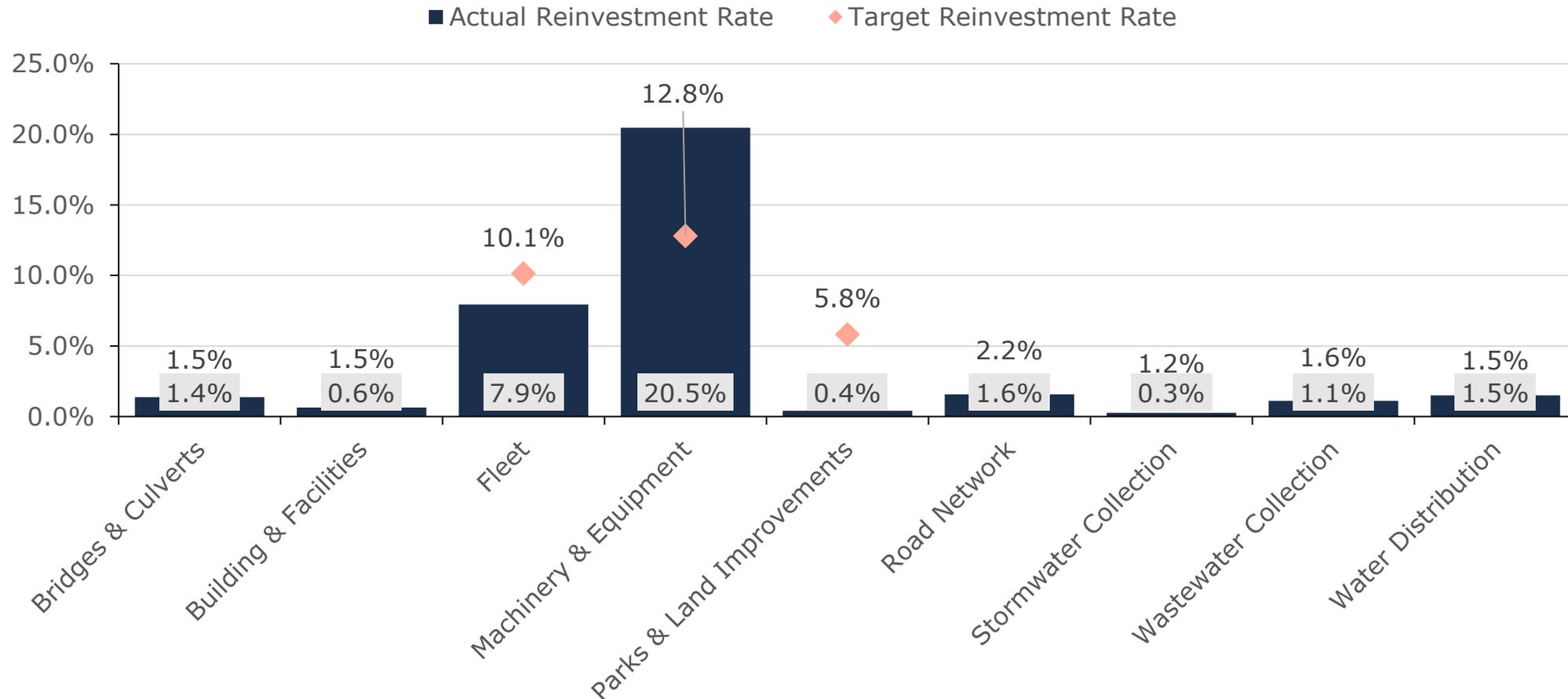
Asset Condition

- 78% of the Township's infrastructure portfolio is in fair or better condition
- Overall average condition is Good or 65.4%



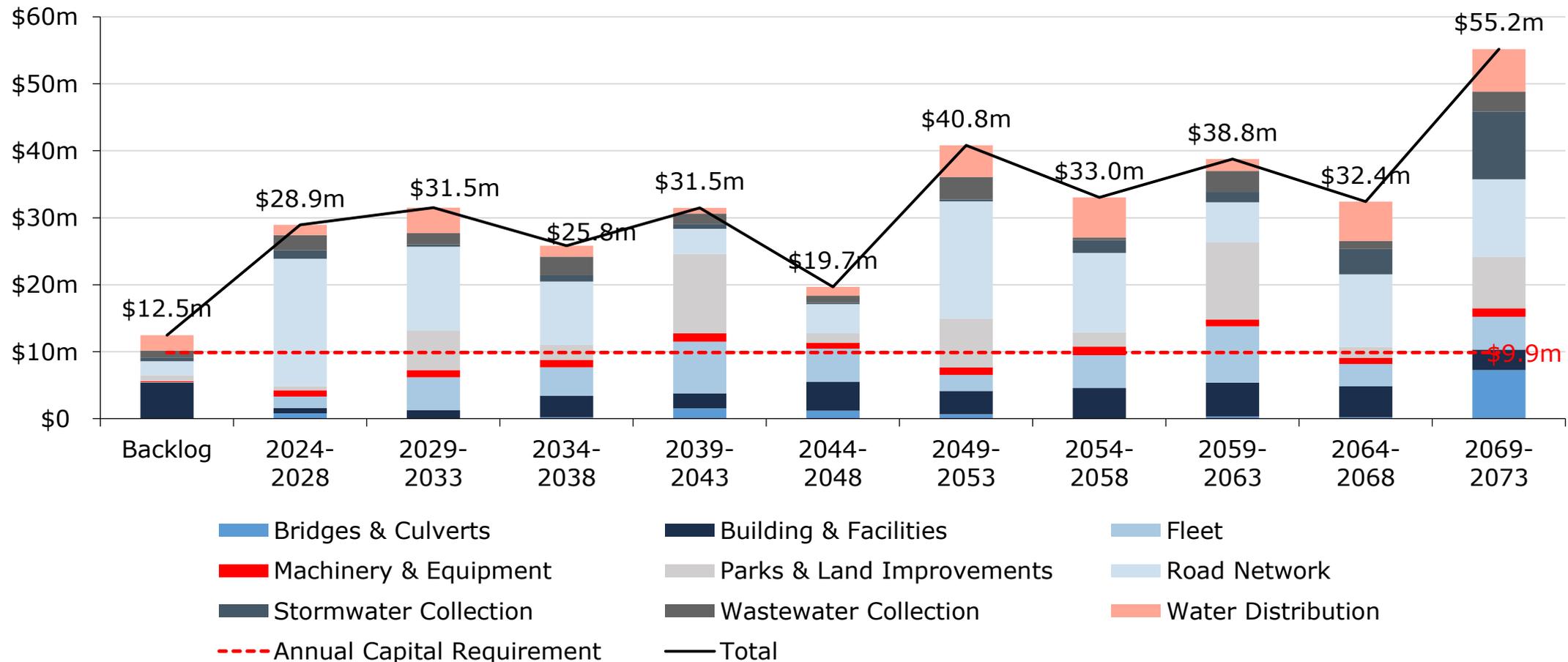
Current Funding Levels

- At existing levels, the municipality is funding ___% of its annual capital requirements for all infrastructure analyzed.



System-Generated Annual Capital Requirements

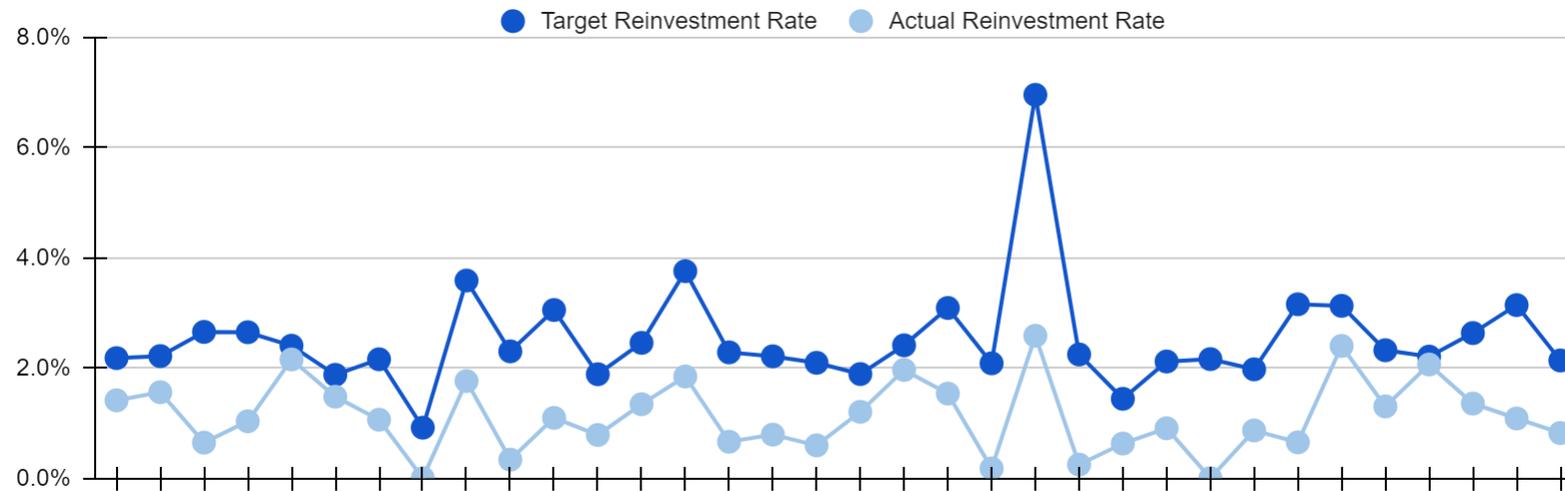
- Based on the current replacement cost of the portfolio, the average annual capital needs over the lifecycle off all assets total \$9.9m (red dotted line).



Funding Needs and Challenges Across Canada

- Most municipalities across Canada do not have adequate funds to keep up with annual infrastructure needs. Addressing these annual funding shortfalls is a difficult and a long-term endeavour.

Target vs. Actual Reinvestment Rates



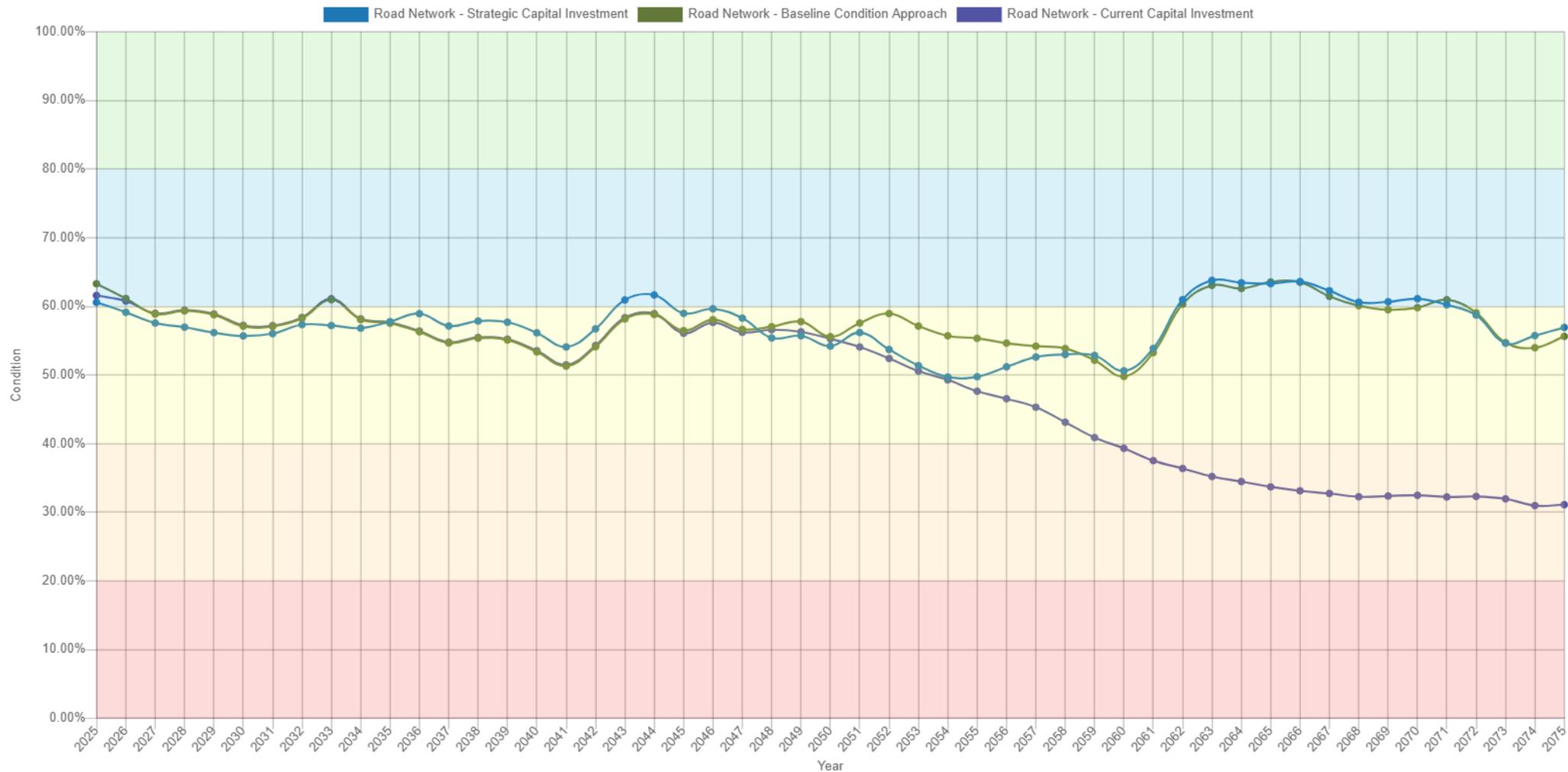
Most municipalities are underinvesting in their infrastructure programs.

On average, municipalities are funding about **44%** of their annual capital requirements.

Average reinvestment rate is about 1%, compared to a target reinvestment of about 2.1%.

Citywide Decision Support

- System modeling to project future asset conditions under various funding scenarios, helping to assess the long-term impacts of different investment levels.



Scenario Modelling

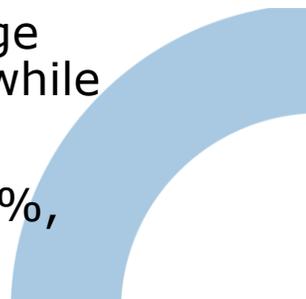
Scenario 1: Current Capital Investment

- **Approach:** This scenario maintains the current level of capital investment, projecting asset conditions and risk based on existing funding levels.
 - Taxation increase: 0%, Water rates increase: 0%, Wastewater rate increase: 0%, Stormwater rate increase: 0%

Scenario 2: Strategic Capital Investment

- **Approach:** This scenario follows the system-generated capital investment, projecting future asset conditions and risk based on optimal funding levels aligned with inventory needs.
 - Taxation increase: 1.4%, Water rates increase: 0%, Wastewater rate increase: 0.9%, Stormwater rate increase: 8.6%

Scenario 3: Sustainable Condition Approach

- **Approach:** 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.
 - Taxation increase: 1.0%, Water rates increase: 0.4%, Wastewater rate increase: 0.5%, Stormwater rate increase: 6.7%
- 

Average Annual Requirement – Proposed LOS

	Average Annual Requirement		
	Current Capital Investment	Strategic Capital Investment	Sustainable Condition Approach
Road Network	\$2,212,555	\$3,045,065	\$2,856,852
Bridges & Culverts	\$390,568	\$431,623	\$542,600
Buildings	\$613,637	\$1,501,130	\$954,338
Machinery & Equipment	\$351,235	\$219,533	\$215,782
Land Improvements	\$79,264	\$1,135,938	\$911,924
Fleet	\$818,505	\$1,045,633	\$933,781
Water Distribution	\$1,157,266	\$1,119,174	\$1,288,374
Wastewater Collection	\$572,345	\$831,334	\$703,699
Storm Water Network	\$119,868	\$553,560	\$406,964
Total	\$6,315,243	\$9,882,991	\$8,814,314

Infrastructure Deficit – Proposed LOS

Asset Type	Annual Capital Requirement	Funding Available	Annual Capital Deficit
Tax-Funded Assets	\$6,415,277	\$4,465,763	\$1,949,515
Rate-Funded Assets	\$2,399,037	\$1,849,479	\$549,558
Total:	\$8,814,314	\$6,315,242	\$2,499,073

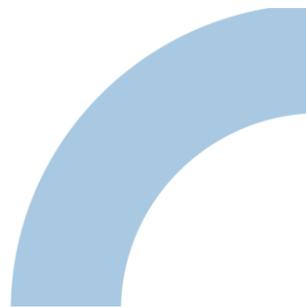


Phase-in Period & Current Capital Levy

- **Recommended Strategy (Over 15 Years)**

- Water Rate Increase: 0.4% annually
- Wastewater Rate Increase: 0.5% annually
- Stormwater Rate Increase: 6.7% annually
- Capital Levy: Maintain existing 1.0% annual levy on property taxes

	Taxation Phase-in Period			
	5 Years	10 Years	15 Years	20 Years
Infrastructure Deficit	1,949,515	1,949,515	1,949,515	1,949,515
Change in Debt Costs	0	-61,256	-71,055	-71,055
Resulting Infrastructure Deficit:	1,949,515	1,888,259	1,878,460	1,878,460
Tax Increase Required	15.6%	15.1%	15.1%	15.1%
Annually:	3.0%	1.5%	1.0%	0.8%



All Assets – Sustainable Condition Approach

- ✓ **Balanced and Strategic**
 - Focuses on maintaining stable asset conditions and risk over time – not overcommitted or underinvesting
- ✓ **Balances Community Expectations**
 - Supports service levels that residents rely on (safety, reliability, and usability).
- ✓ **Realistic & Achievable**
 - 15-year phased approach keeps tax and rate increases manageable.
- ✓ **Preserves Asset Value**
 - Prioritizes timely rehab over costly replacements.
- ✓ **Supports Risk Management**
 - Addresses critical needs early, reducing risk of failure.



Next Steps



Continuous Improvement

- Continue to refine the inventory and align with operations



Updates and Reviews

- Updates to AMP – every 5 years
- Revise levels of service and performance measures based on the most recent data





Questions?

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