THE ASSET MANAGEMENT PLAN

CASE STUDY: CITY OF OWEN SOUND
Kate Allan, Manager of Accounting Services
Owen Sound, ON
Community Context

- Population: 22,000 (2011)
- Slow population growth: 2.4% compared to 3.5% SW average (2011 to 2013)
- Low avg. household income: $61,000 compared to $94,000
- Change in un-weighted assessment: 2.9% compared to 4.2% (2012 to 2013)*

Fiscal challenges:
- Reduction in OMPF funding - $2,034,000 (2009) to $961,520 (2014)
- Expensive wage increases for police and fire services – 3 to 4% per year
- Loss of largest tax payer and significant employer – $10,000,000 lost in industrial assessment

* BMA Study
AMP Planning & Development

State of the Data

- Gaps in data following PSAB 3150:
  - Missing detail on linear assets
  - Fragmented data sets
- Asset management system:
  - CityWide Tangible Assets

Leadership & Expertise

- Team Lead: THEN – Manager of Public Works
  NOW – City Manager
- Asset Management Team: Finance, Operations, & IT
- Ineligible for MIII Capacity Funds
- Procured asset management software through RFP
Sources of Data

• PSAB 3150 data
• GIS asset maps/As-built drawings
• OSIM inspections for bridges, culverts
• Hired consultant through RFP to collect data on roads, sidewalks, water, and storm
  • Performed condition assessments on roads/sidewalks
  • For water, wastewater, and storm used age-based/material-based condition
• CCTV inspections now underway on wastewater infrastructure
• Consultant provided replacement costs
Challenges & Successes

**Challenges**
- Managing the volume of information/data
- Coordinating consultants
- No MIII Capacity Funding – AMP written in-house
- Lack of industry standards for determining asset network ratings
- Lack of guidance from province on determining desired levels of service

**Successes**
- Data all centrally located/formatted
- Improved TCA data
- Linking asset information to GIS
- Involvement from all departments
- $350,000 increase in tax funded capital in 2014
- Approved for grants under SRNMIF
The AMP

Total replacement value for assets: $358 million
Value of assets per household: $35,811
Total annual deficit: $3.131 million
Tax increase required to fully fund assets: 8.6% or $2.175 million

Recommendations

• Dedicated tax increase of 1% per year until 2023 to fully fund tax funded assets included in the plan
• Allocate 100% of gas tax revenue to road and bridge projects
• Increase revenues by 10% for water and 11% for wastewater from 2011 to 2015 and by 5% (water) and 6% (wastewater) from 2016 to 2020
## The AMP

### City of Owen Sound Infrastructure Report Card

<table>
<thead>
<tr>
<th>Asset Network</th>
<th>Condition vs. Performance Rating</th>
<th>Funding vs. Need Rating</th>
<th>Overall Rating</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Linear Assets</td>
<td>Fair (57%)</td>
<td>Fair (63%)</td>
<td>C</td>
<td>Approximately 11% of all linear assets have less than 20% of their service life remaining or have exceeded their estimated service life entirely.</td>
</tr>
<tr>
<td>Roads</td>
<td>Good (61%)</td>
<td>Very Poor (20%)</td>
<td>D</td>
<td>While 50% of the road network is in good to fair condition nearly 20% is in poor to very poor condition.</td>
</tr>
<tr>
<td>Bridges</td>
<td>Fair (53%)</td>
<td>Very Good (100%)</td>
<td>B</td>
<td>Nearly 40% of the bridge network is in poor to very poor condition.</td>
</tr>
<tr>
<td>Water Distribution</td>
<td>Good (66%)</td>
<td>Good (70%)</td>
<td>C</td>
<td>About 40% of the water distribution network is in good to fair condition however 15% is in poor to very poor condition.</td>
</tr>
<tr>
<td>Wastewater Collection</td>
<td>Fair (52%)</td>
<td>Good (75%)</td>
<td>C</td>
<td>While 50% of the wastewater collection is in good to fair condition nearly 30% is in poor or very poor condition.</td>
</tr>
<tr>
<td>Stormwater Collection</td>
<td>Fair (48%)</td>
<td>Poor (40%)</td>
<td>D</td>
<td>Only 45% of the stormwater collection system is in very good to good condition with 30% in poor to very poor condition.</td>
</tr>
</tbody>
</table>

1. Each asset network is rated on two key, equally weighted (50/50) dimensions: Condition vs. Performance, and Funding vs. Need.
2. The ‘Overall Rating’ is the average of the two dimensions converted to letter grades.
“In the end, we got a wealth of knowledge about the state of the assets of the city. It worked out quite well.”

– Kevin De Leebeeck, Former Manager of Public Works

“Right now, a lot of what we spend on our capital budget each year isn’t even addressing the capital assets in this plan. So, as we bring in more assets, to be able to communicate that is important.”

- Kate Allan, Manager of Accounting Services
Moving Forward

A Team Sport

• Retain Corporate Team approach to asset management
• Determine how information will flow/who owns it
• Use centralized database
• Use 8th Street East project as case study (SRNMIF Top-up Grant)
• Look for direction from council
• Integrate work order/work flow system
• Add asset classes to plan: Streetlights, retaining walls
Q & A

Kate Allan, Manager of Accounting Services
City of Owen Sound