

Council Information Session

Asset Management Plan

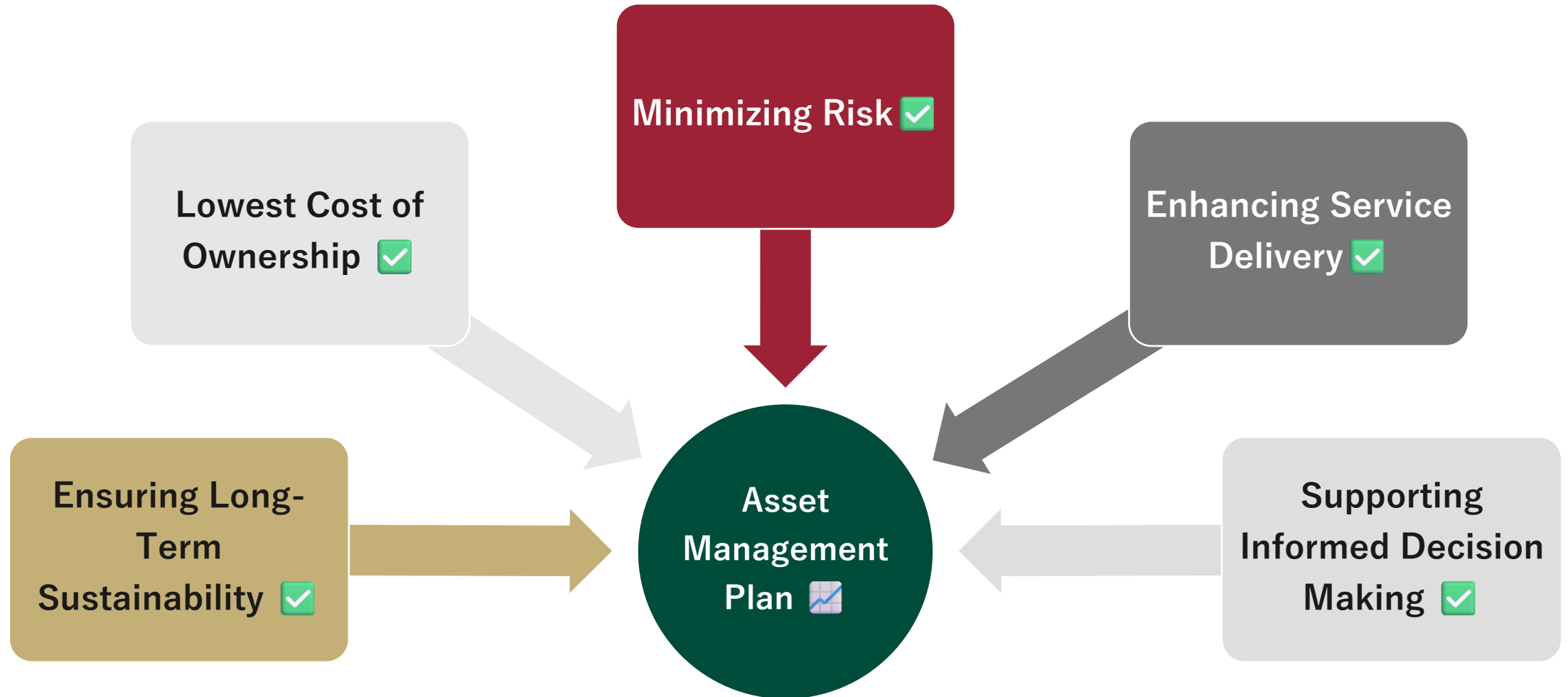


WELLINGTON COUNTY
MAY 13, 2025

Source: www.wellington.ca



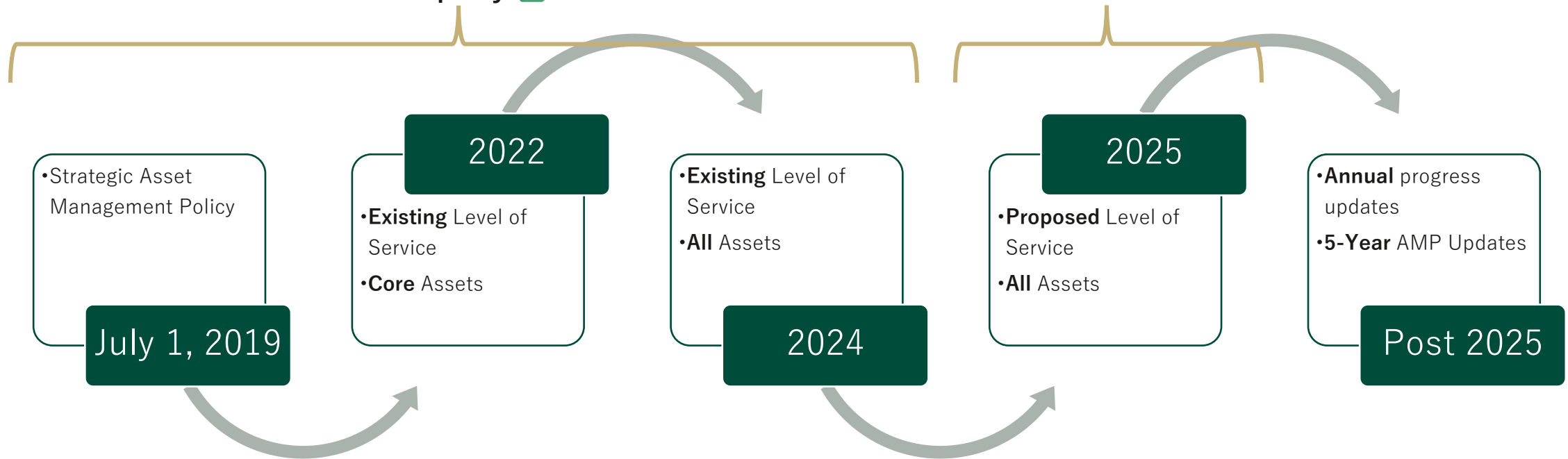
The Asset Management Plan Supports Better Informed Decision Making



Asset Management Progress: O. Reg. 588/17 (Current Approach)

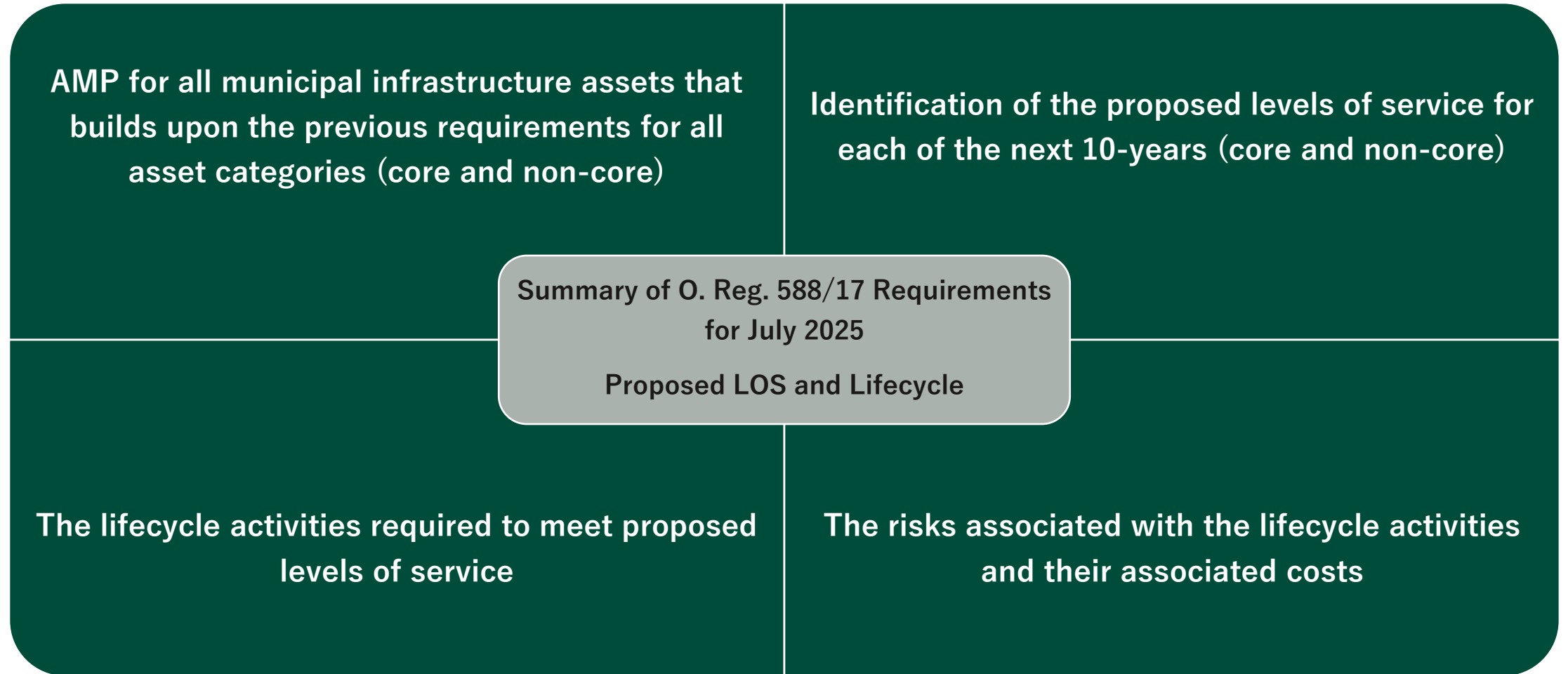


Requirement
completed by
Municipality ✓

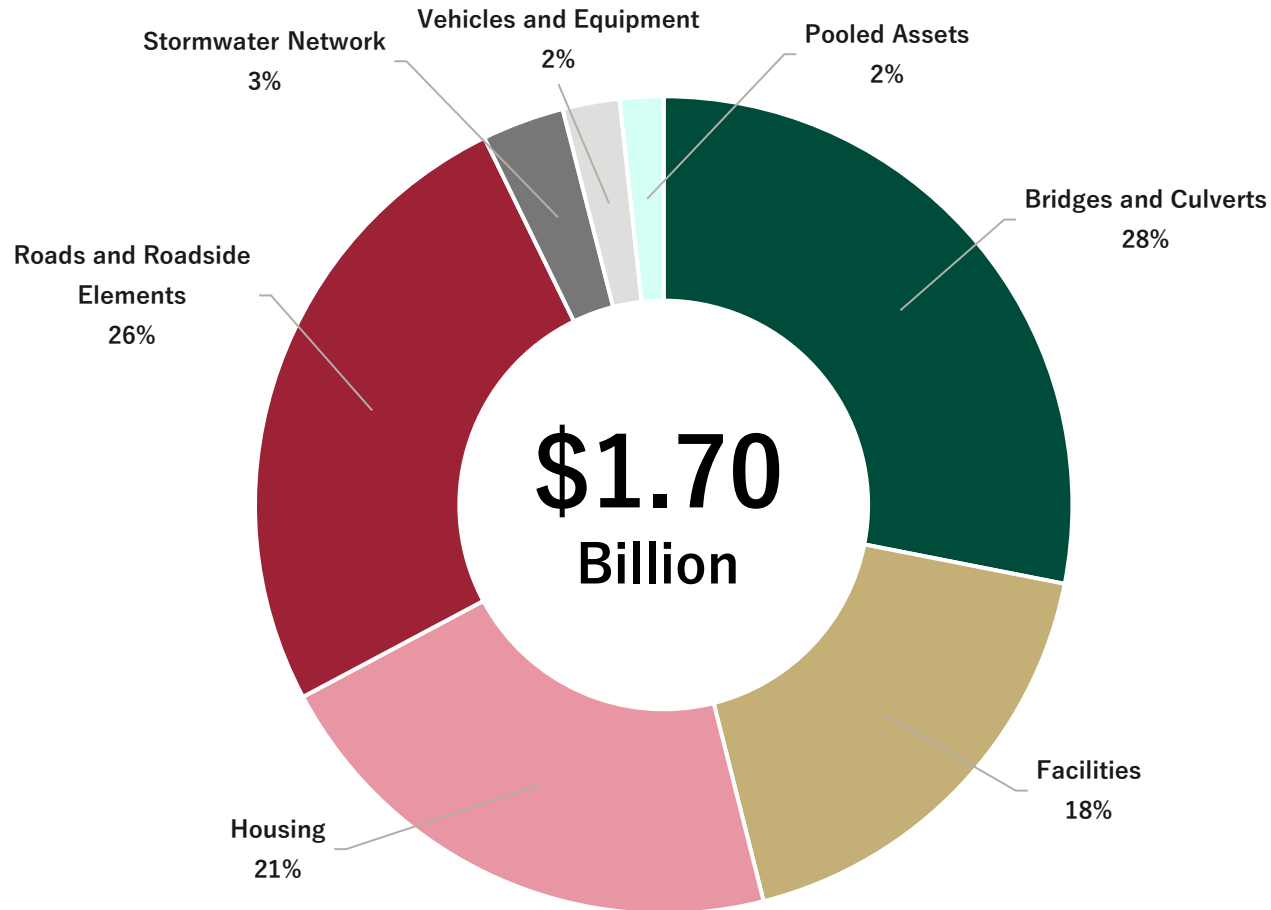


Note: On March 11, 2021 the Province revised O. Reg. 588/17 to extend regulatory deadlines by one year.

Key Requirements in Ontario Regulation 588/17 for July 2025



The County Asset Portfolio is Extensive and Valued at about \$1.7 Billion

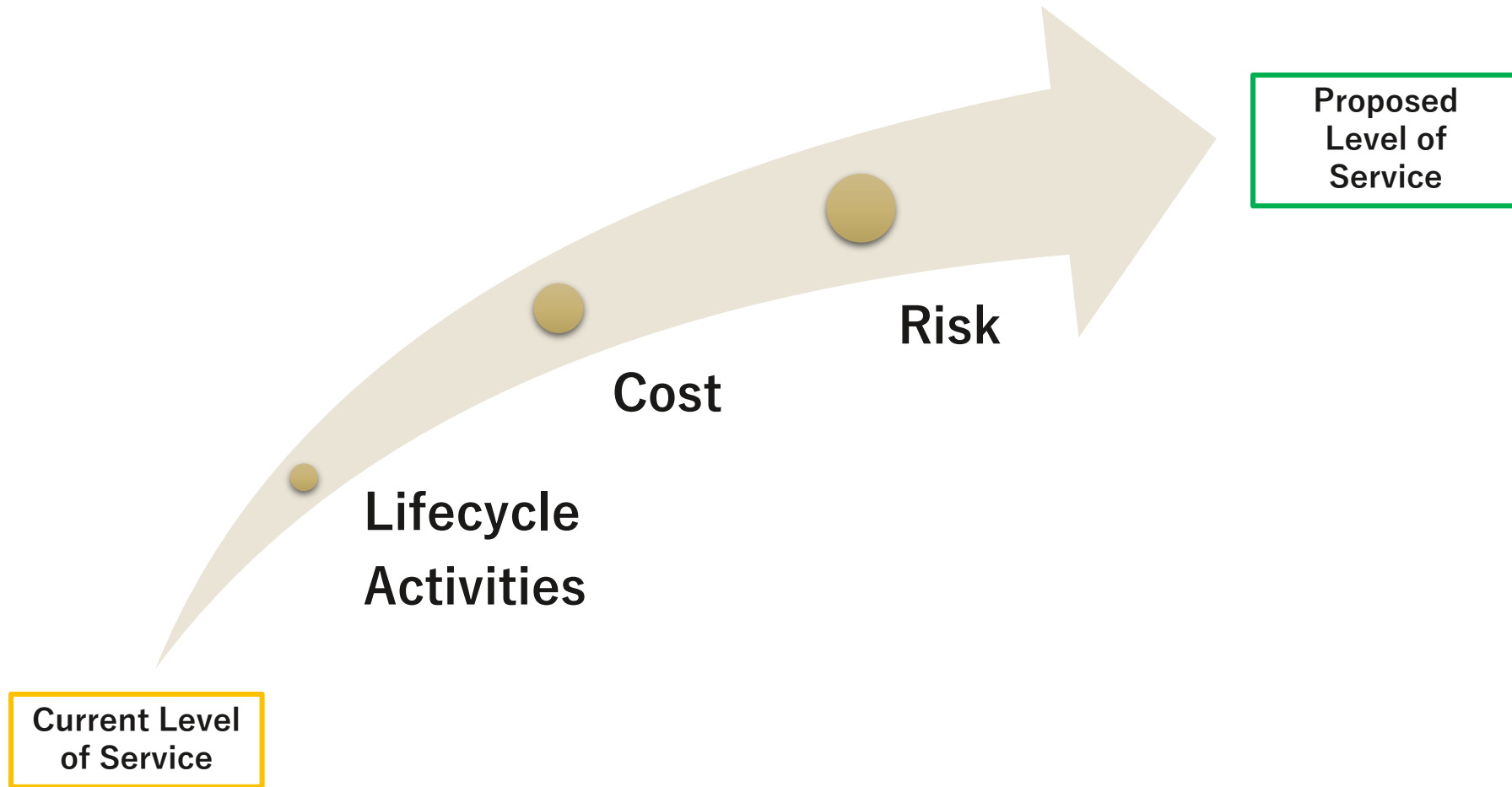


Roads, Bridges and Culverts Represent over 50% of total Value

Assets are in GOOD Condition overall

Replacement Value at \$15,800 per Capita

Key Objective: Proposed Levels of Service



Summary of Proposed Level of Service

For paved roads in the municipality, the average pavement condition index value (O. Reg. 588/17)

- Current: 72 PCI
- Proposed: Minimum of 70

For unpaved roads in the municipality, the average surface condition (O. Reg. 588/17)

- Current: 81 PCI
- Proposed: Minimum of 80

Duration of road closure (days) (unplanned)

- Current: 1 Day per Year
- Proposed: Reduce to 0

PCI Trend 2022-2024			
Year	2022	2023	2024
Paved Roads	70	67	72
Unpaved Roads	85	82	81



Summary of Proposed Level of Service

For bridges in the municipality, the average bridge condition index value (O. Reg. 588/17)

- Current: 71 BCI
- Proposed: Minimum of 70

For structural culverts in the municipality, the average bridge condition index value (O. Reg. 588/17)

- Current: 71 BCI
- Proposed: Minimum of 70

% of bridges in the municipality with loading or dimensional restrictions (O. Reg. 588/17)

- Current: 7%
- Proposed: Reduce to 0%

**BCI Trend 2022-2024
(Bridges and Culverts)**

2022	2023	2024
73	71	71

Very Good
BCI: 85-100



Good
BCI: 70-85



Fair
BCI: 60-70



Poor
BCI: 50-60



Very Poor
BCI: 0-50



Summary of Proposed Level of Service

Percentage of Machinery and Equipment outlasting their planned EUL

- Current: 7%
- Proposed: Maximum of 7%

Percentage of the municipal stormwater management system resilient to a 5-year storm (O.Reg. 588/17)

- Current: 100%
- Proposed: 100%

Percentage of Facilities in “Good” or Better Condition

- Current: 87%
- Proposed: Minimum of 85%

Average building condition of Social and Affordable Housing (FCI)

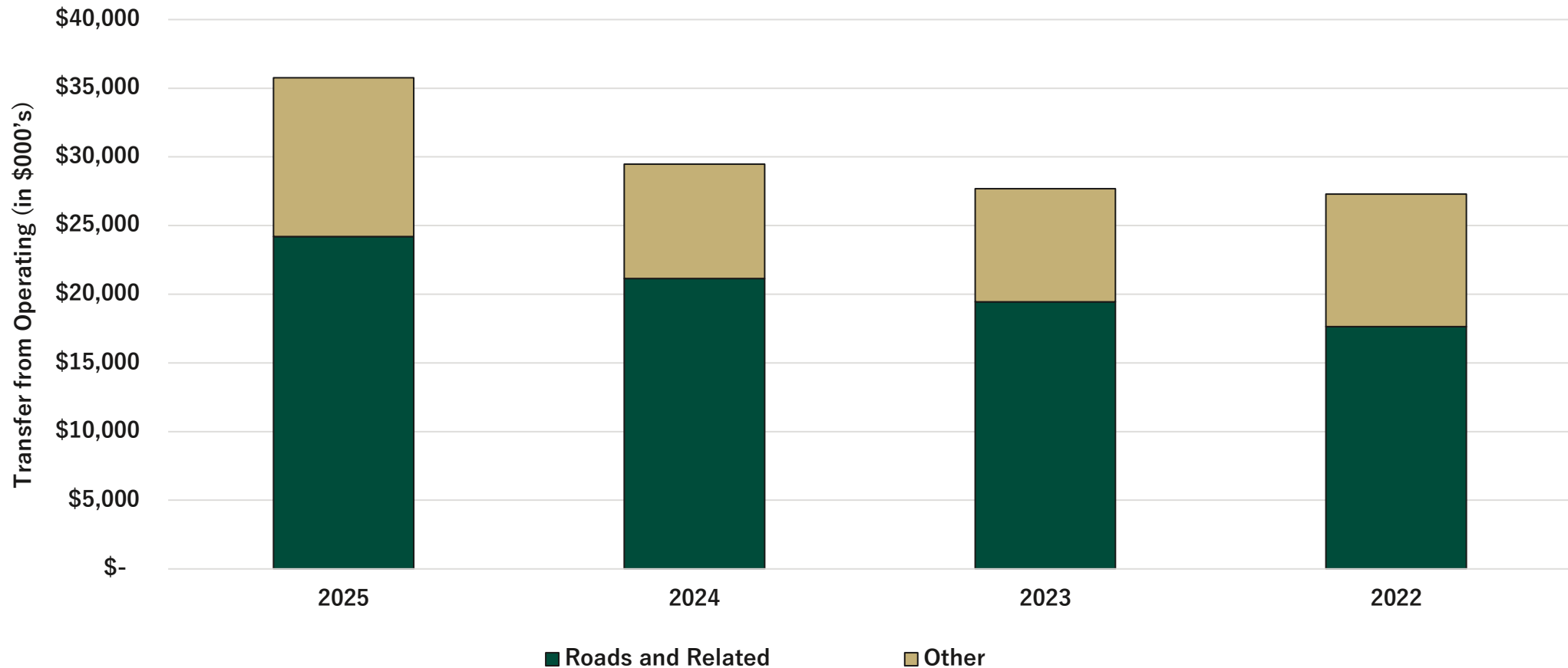
- Current: 6%
- Proposed: Maximum of 5%

All other Levels of Service

- Proposed: Generally, maintain the current level of service or better



Tax Funded Transfers to Capital Have Increased Since 2022 ⁽¹⁾

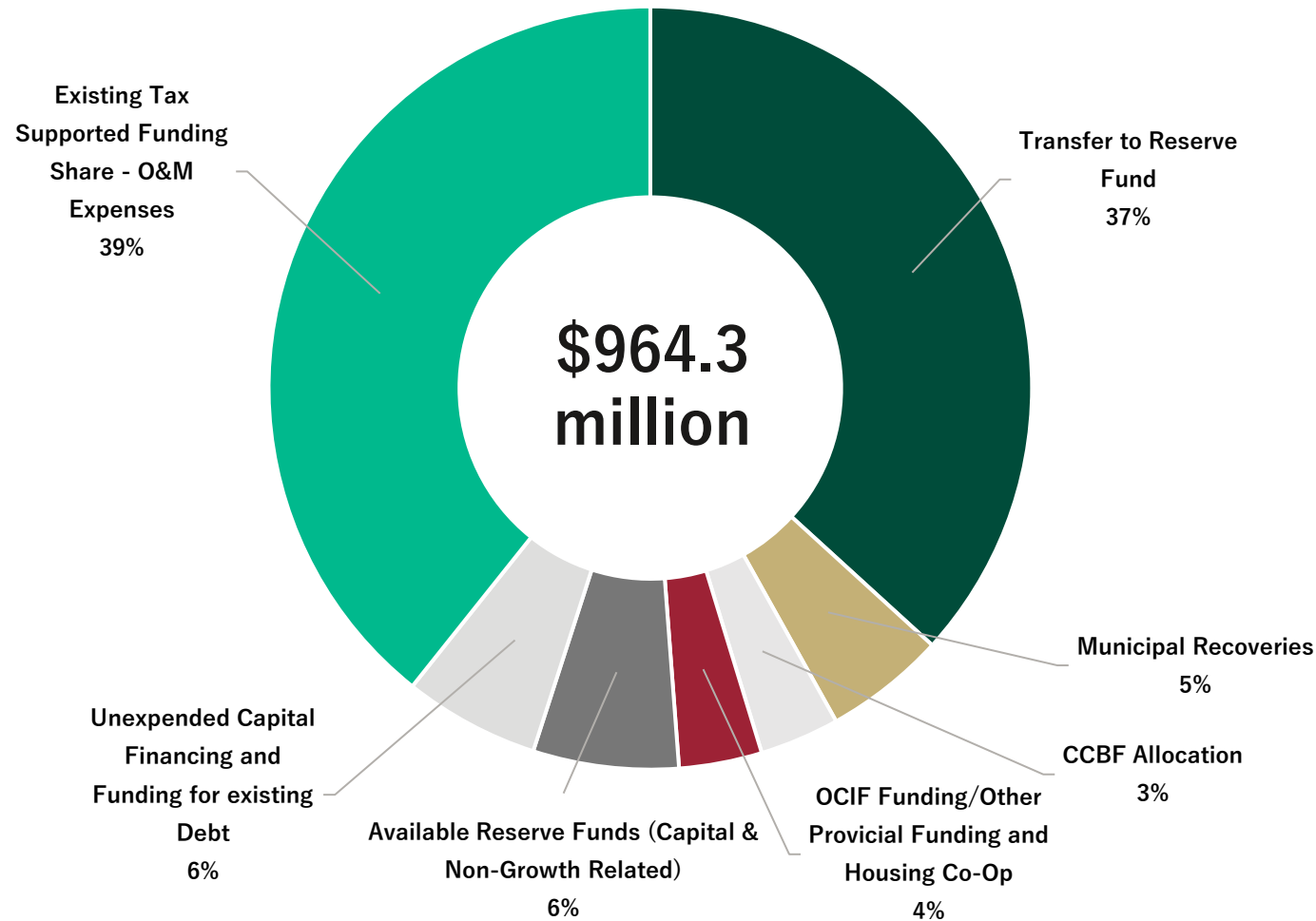


Note 1 : Figures include the transfer from operating contributions (exclude interest earned and other transfers in)

Note 2: Roads and Related includes the Roads Capital and Roads Equipment Replacement. Other includes all other capital related contributions (excludes contingency and stabilization reserves and discretionary reserves)

Source: County of Wellington 2022-2025 Budget Book

Total 10-Year Lifecycle Funding at Current Levels for Tax Funded Services (2025-2034)



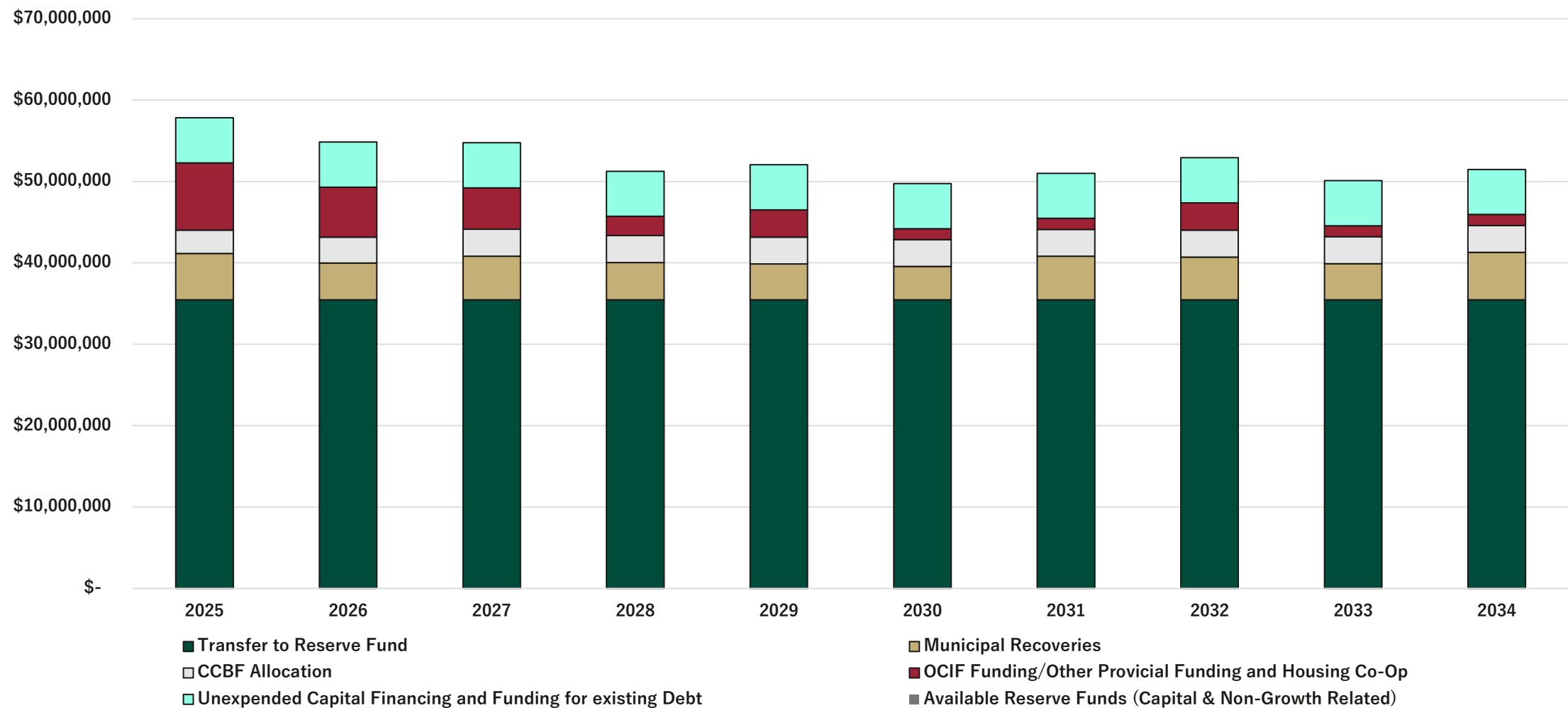
Assumed Revenues largely based on Confirmed Funding

Inputs derived from County Operating & Capital Plan

Revenues from taxes represent the largest funding support for the management of municipal infrastructure

Source: 2024 AMP, 2025-2034 Capital Plan, Financial information from staff and the Wellington County Budget Book.

Breakdown of Tax Supported Capital Funding (\$2025)



11 Source: 2025-2034 Capital Budget, 2024 AMP and Discussions with County staff
For the purposes of this Graph, the unexpended capital financing and available reserve funds have been smoothed equally over the period (light blue bar)

What are the Lifecycle Activities?

Non-Infrastructure Solutions

- Actions or policies that can lower costs or extend asset life

Expansion Activities

- Acquiring assets or expanding current asset capacity

Maintenance Activities

- Servicing assets on a regular basis to fully realize the original service potential (not performing maintenance activities could reduce an asset's service life)

Renewal/Rehabilitation Activities

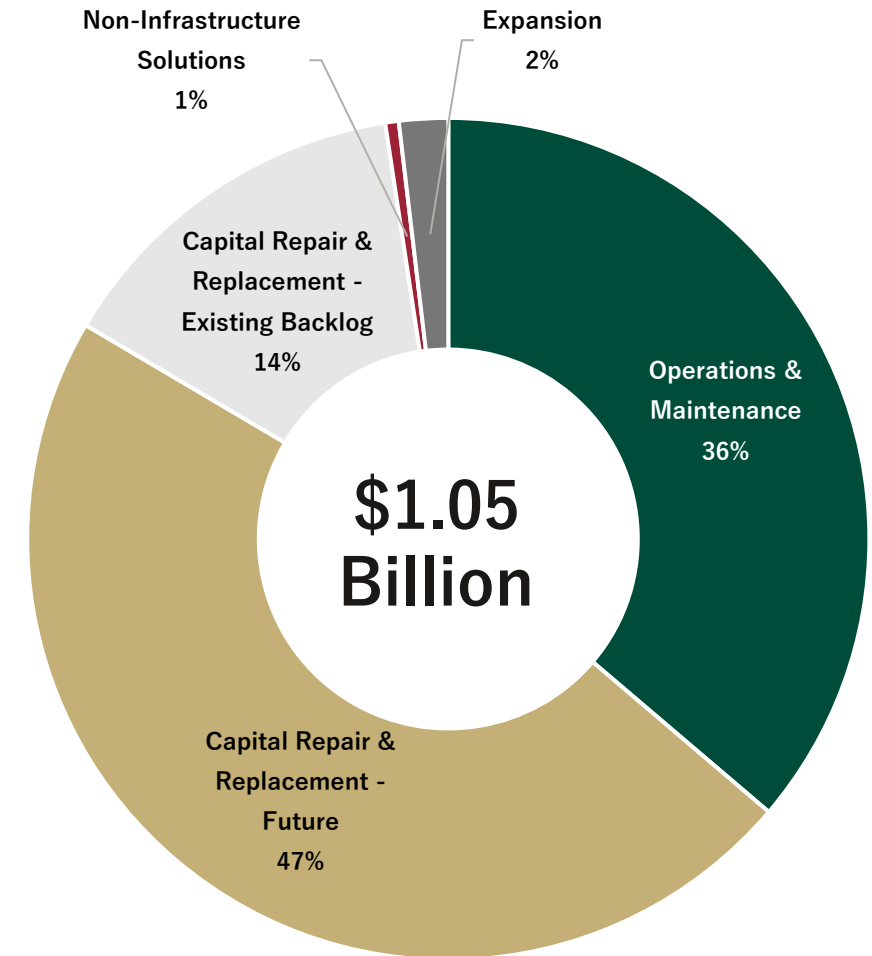
- Enhancements that improve the service potential of an asset (including reaching target condition and meet regulations)

Replacement Activities

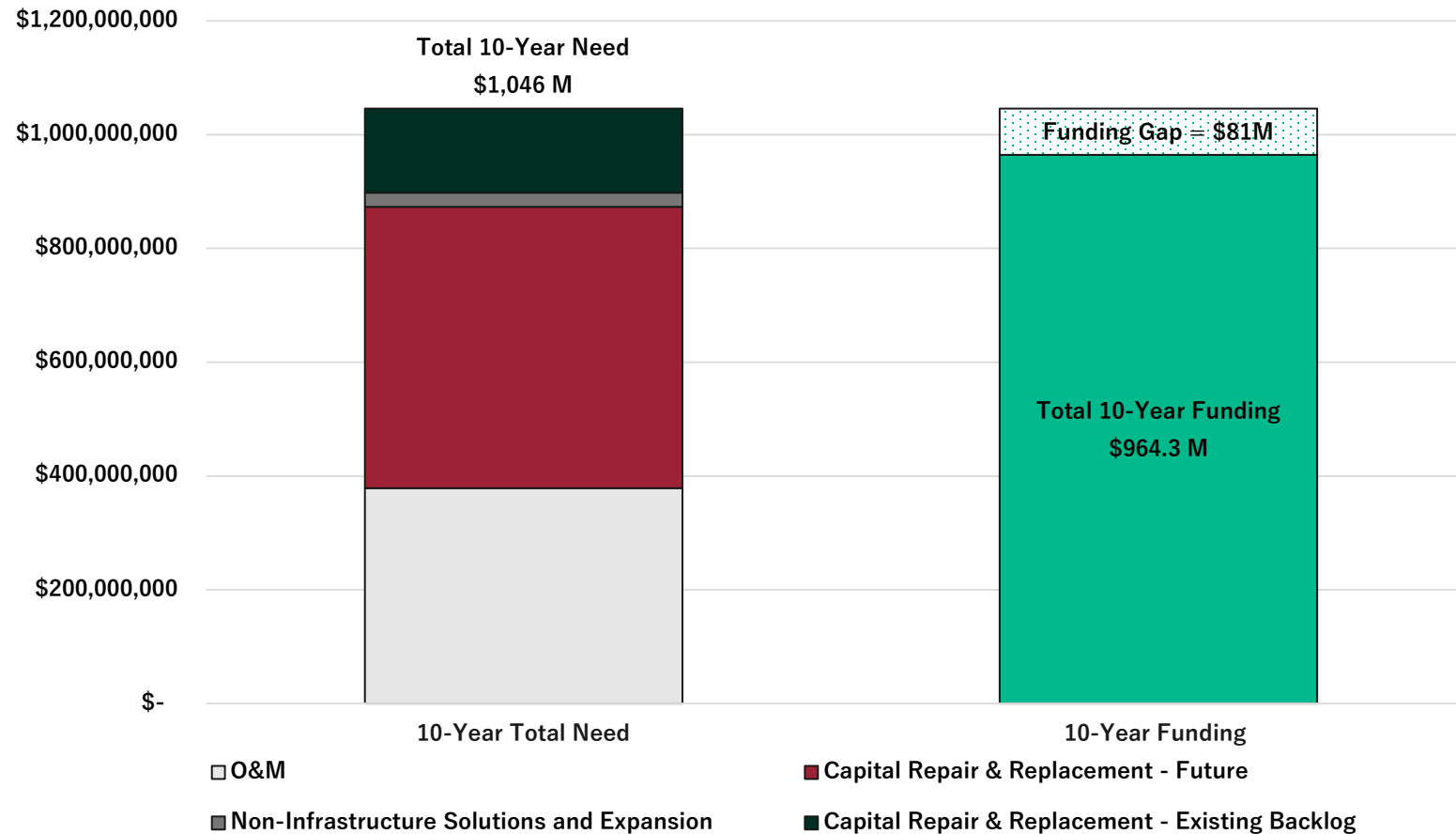
- Allows an asset to reach target functional condition and meet regulations by completely replacing or restructuring the asset (like for like replacement)

Disposal Activities

- Some assets have costs associated with disposal or demolition



Benchmark Tax Funded Capital vs Current Funding 10-Years (2025-2034)



10 Year Gap = \$81 M

Avg. Increase Required per annum = \$8.1M

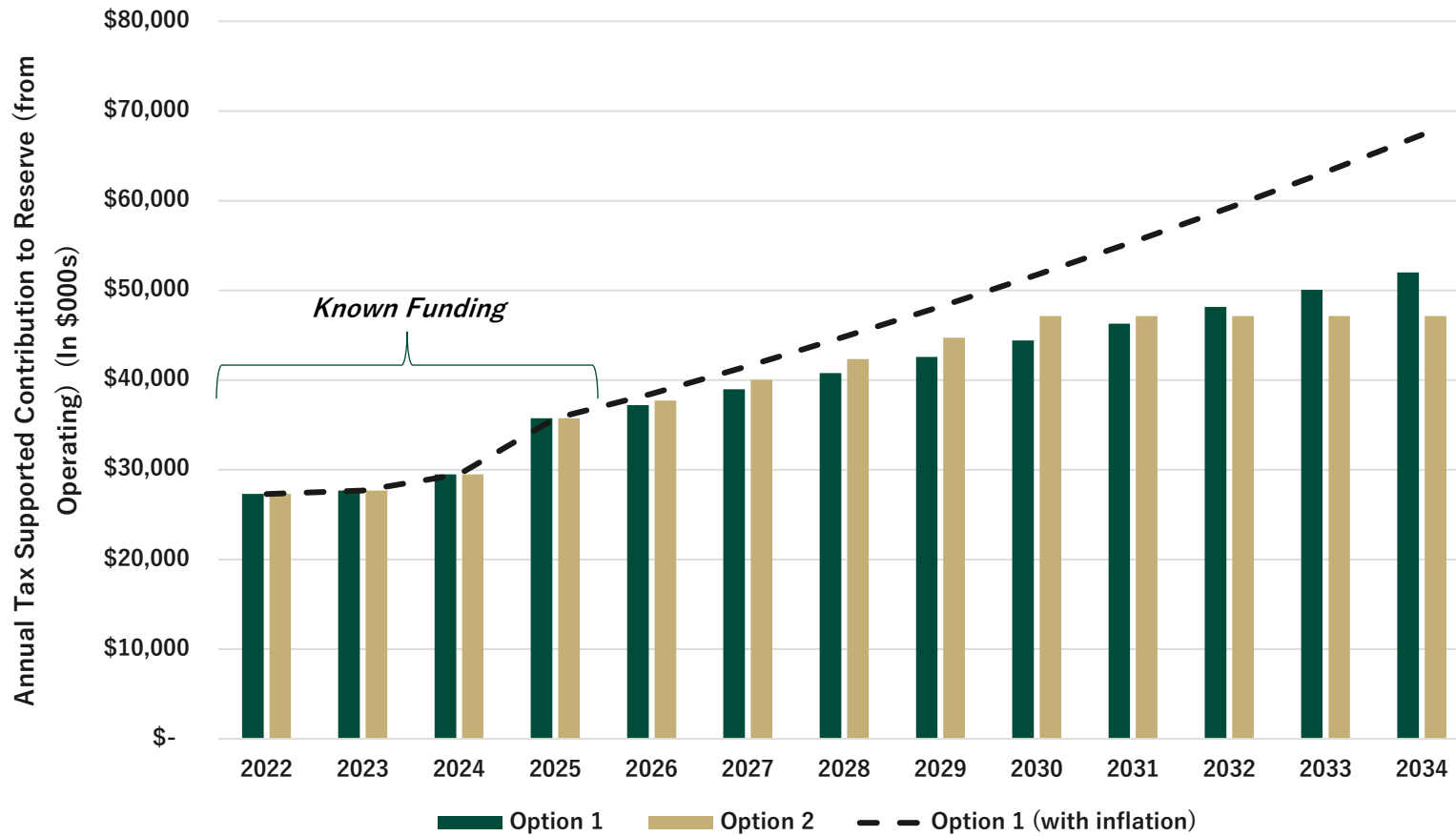
5.8% Tax Levy impact in Year 1 (relative to 2025 budget)*

Note: All figures in constant 2025 dollars.

**2025 Tax Levy = \$139,579,600*

Note: Needs have been adjusted to reflect \$53M in WIP capital which has not been capitalized while the revenues also include \$27M in unexpended capital financing to reduce the gap

Strategies to Address the Gap



Option 1: Close the Gap over 10 Years
1.25% Tax Levy Impact per Annum*

Option 2: Close the Gap over 5 Years
1.62% Tax Levy Impact per Annum*

*2025 Tax Levy = \$139,579,600 (these two options do not account for inflation or investment revenues and represented in constant \$2025)

The inflation scenario adjusts the contributions each year for the effects of inflation at 3.5%. Importantly, the County may also see corresponding changes in revenues from assessment, investment revenues and an increased share of grant money to reflect the time value of money to help offset inflationary pressures moving forward.

Risks Associated to the Level of Service

Risk	Consequence	Mitigation Strategy
Insufficient Funding	<ul style="list-style-type: none"> Competing priorities for tax funded services Economic shocks, such as the pandemic, may affect revenues Unpredictability of grant revenues 	<ul style="list-style-type: none"> Robust budget process considers the needs of each service area The 10-year capital plan captures immediate needs, and the County ensures funds are available to mitigate the impacts As debt retires, transition the “available capacity” to capital investments
Supply Chain Constraints / Tariffs	<ul style="list-style-type: none"> The County strives to replace and renew assets as required to maintain services; however, supply constraints and imposition of new tariffs may cause assets to be operated beyond their design life to manage expenses 	<ul style="list-style-type: none"> Plan well in advance of scheduled replacements
Climate Change	<ul style="list-style-type: none"> More intensive and frequent flooding events may affect roads conditions 	<ul style="list-style-type: none"> While the County has challenges in managing major stormwater and weather-related events, the County is being proactive through its ongoing climate change and stormwater mitigation strategies

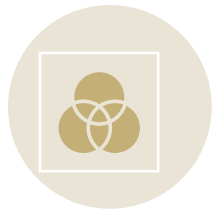
Moving Forward



**Continue to seek Funding Support
from Upper Levels of Government**



**Monitor Levels of Service Measures in
conjunction with Financial Strategy**



Project Co-ordination



**Increased Investment in
Infrastructure**



Improve Data Quality



Advancing Risk Model