



City of  
**Peterborough**

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**To:** Members of the Committee of the Whole

**From:** W.H. Jackson, Director of Utility Services

**Meeting Date:** December 5, 2016

**Subject:** Report USDIR16-015  
Capital Asset Management Plan 2016

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## **Purpose**

A report to update the current Capital Asset Management Plan.

## **Recommendation**

That Council approve the recommendation outlined in Report USDIR16-015 dated December 5, 2016 of the Director of Utility Services as follows:

That Council approve the Capital Asset Management Plan update as outlined in Report USDIR16-015, dated December 5, 2016 of the Director of Utility Services.

## **Budget and Financial Implications**

Having a current up to date Capital Asset Management Plan (the “Plan”) is critical for funding applications of various projects. This plan will assist the City in obtaining grants and also meets the new requirements for receiving Federal Gas Tax funding.

Accepting the updated Capital Asset Management Plan does not inherently create budget implications. The Plan will, however, begin to assist in decision making in upcoming budgets.

## **Background**

In 2014 the City completed its first Plan to meet the new funding requirements for the Ministry of Ontario’s Building Together program. The assets required in the 2014 Plan

included Wastewater, Roads, Bridges and Social Housing. This Plan has been successfully used to gain funding for key projects identified in the document.

Asset management programs and their associated plans are being identified by more funding agencies as critical requirements for applications. They are also required for meeting the requirements of Bill 6 for the use of development charges for asset improvements.

The updated Plan will cover assets previously included with the addition of:

- Sidewalks, trails, parking structures, fleet, street lights, signals, traffic control systems, guiderails, road furniture etc.
- Transit
- Affordable Housing
- Arena Assets

This Plan covers \$2.5 billion in assets which carries \$1.4 billion in associated risks. The executive summary to the updated Plan is provided in Appendix A. A full copy of the Plan is provided on the City's website "Studies Page.

(<http://www.peterborough.ca/Assets/City+Assets/Engineering/Documents/Draft+Capital+Asset+Management+Plan+2016.pdf>).

## Summary

The Plan is an important document for the City providing direction on asset and financial planning. An up-to-date plan is critical for gaining funding from both federal and provincial agencies. These municipal plans are public documents that help to show the public and government agencies that Cities are operating as responsible stewards for the assets and the services they deliver.

Submitted by,

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Director of Utility Services

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Attachments:  
Appendix A: Capital Asset Management Plan Executive Summary

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## **Appendix A: Capital Asset Management Plan Executive Summary**

### **Introduction to the Capital Asset Management Plan**

Capital Asset Management Plans support and promote evidence based decision making and the development of strategies to extend the lifecycle of assets while maintaining services and reducing risks. Asset management planning benefits the City by looking to the future and identifying the best places to invest limited dollars to provide the greatest benefit the citizens, visitors and businesses.

The Plan reviews the growth and demand that the City is expected to meet based on the Province's "Places to Grow" growth plan for the Greater Golden Horseshoe. Peterborough is a gateway to the cottage communities, a commuter area to and from the GTA and young adult hub due to post secondary institutions. These features are expected to draw more people to the City in the next 20 years. This expected growth has real implications on how the City will develop and maintain their asset base.

Asset management requires an understanding of what we have, what services we are going to deliver and how we are going to deliver it. To do this, the Asset Management Plan will review the current state of the infrastructure, the current levels of service delivered, the strategies used to manage assets, and the funding used to finance these strategies.

Capital Asset Management Plans are continuously improving documents. The previous Capital Asset Management Plan covered:

- Transportation (Bridges, Roads)
- Sanitary (Conveyance, Treatment)
- Storm Water (Conveyance, Treatment)
- Social Housing

The updated plan has included the above assets along with additional assets:

- Transportation ( Roads, Sidewalks, Trails, Bridges, Parking Structures, Fleets, Miscellaneous)
- Transit (Fleet, Buildings, Miscellaneous)
- Sanitary (Conveyance, Treatment, Buildings, Fleet)
- Storm (Conveyance, Treatment)
- Social Housing
- Arenas (Arena Facilities, Non-Arena Facilities)

### **Infrastructure Overview**

The City's current infrastructure started being developed in the early 1900s with construction booms in the 1960s and 1970s and then again in the 1990s and 2000s. The value of the City's infrastructure included in this plan is \$2.5B.

The City uses a number of strategies to maintain and improve the infrastructure and extend the useful life of the assets. By having assets professionally inspected and combining this information with known maintenance and operation records, a greater understanding of the actual condition can be ascertained. The City has had formal condition assessments on 83% of the assets included in this plan and based on these inspections, the assets are in good condition.

The condition of the assets can help inform the probability that an asset will fail. The second part of the equation for understanding risk is the consequences of the failure. Where possible, data associated with the asset such as size and material were used to understand the consequences of failure. Where this data is unknown or insufficient, a consequence score was applied using a template which evaluates the environment, society, finance, and reputation. The value of “High” risk assets in this plan is \$1.4B.

### **Service Overview**

The City does not build infrastructure without considering the services the infrastructure will provide. This includes consideration of the expectations that citizens, visitors and businesses have about what services a city offers and to what level these services are offered. There are also often legal requirements that cities must meet for service delivery.

The City’s assessment of service analysis shows how the City delivers services both from the perspective of the service user and from the perspective of service delivery. Through this analysis the City has been meeting service targets in most areas with the exception of Arenas and Storm Water Management.

### **Strategy Overview**

The City applies a number of strategies to maintain, improve and grow our assets in a sustainable effective manner. The strategies applied in Sanitary Treatment show the most maturity and show how effective asset management strategies and funding can be applied to reduce overall funding needs while improving the service and condition.

### **Funding Overview**

Asset strategy funding is often a complex process drawing from a number of funding sources. The funding of the City’s programs strive to maximize the use of external funding to limit the need for politically unappealing tax or rate increases. However, ageing infrastructure and population demographic changes will create a need to replace and expand the current asset base which requires funding. The current funding deficit for asset renewals and growth is \$14 million annually.

### **Program Prioritization**

Through asset management planning, decision making strategies and 2016-2021 budget request analysis the current top 5 priorities for the City are:

1. Sanitary Sewer Master Plan Implementation
2. New Arena Facility / Replace Northcrest
3. Storm Sewer Rehabilitation Program
4. Citywide Storm Water Quality Master Plan Implementation
5. Sidewalk Reconstruction Program

### **Summary**

The Capital Asset Management Plan has identified a number of key programs and strategies the City should consider as higher priority to maintain or improve service, and reduce the risks with respect to the assets included in this plan.

The Plan also identifies a number of assumptions made to generate the Plan. Wherever possible, future plans will seek to reduce the number of assumptions made. A comprehensive improvement strategy has been detailed in this Plan. Capital asset management plans are not static documents. This Plan will improve yearly not only with new assets included but also with the information used and the strategies implemented.