

# 2025 Asset Management Plan

Town of Essex

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# Project Background

## Asset Management Plan 2025

Town of Essex  
January 2026



### Primary Deliverable

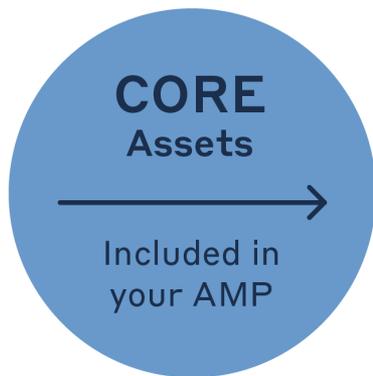
AMP (2025 O. Reg. 588/17 Compliant)

### Key Staff

- Erica Tilley, Assistant Manager, Capital Works & Asset Management
- David McBeth, Manager, Capital Works & Asset Management
- Kate Rowe, Director of Corporate Services
- Ann Marie Unis, Manager, Finance

# O. Reg. 588/17 Compliance

Phase I  
**2022**



⋮

- Levels of Service
- Performance of each asset category
- Particulars per asset category
- Lifecycle activities to maintain current Level of Service per asset category

Phase II  
**2024**



⋮

- Levels of Service
- Performance of each asset category
- Particulars per asset category
- Lifecycle activities to maintain current Level of Service per asset category

Phase III  
**2025**



⋮

- Proposed Levels of Service
- Explanation of proposed Levels of Service
- Proposed performance of asset categories
- Lifecycle management and financial strategy

# AMPs - Updating, Reviewing & Public Posting



- After 2025, asset management plans must be updated at least once every 5 years
- Every municipal council shall conduct an annual review of its asset management progress on or before July 1st
- The asset management policy and plan should be posted to the municipal website

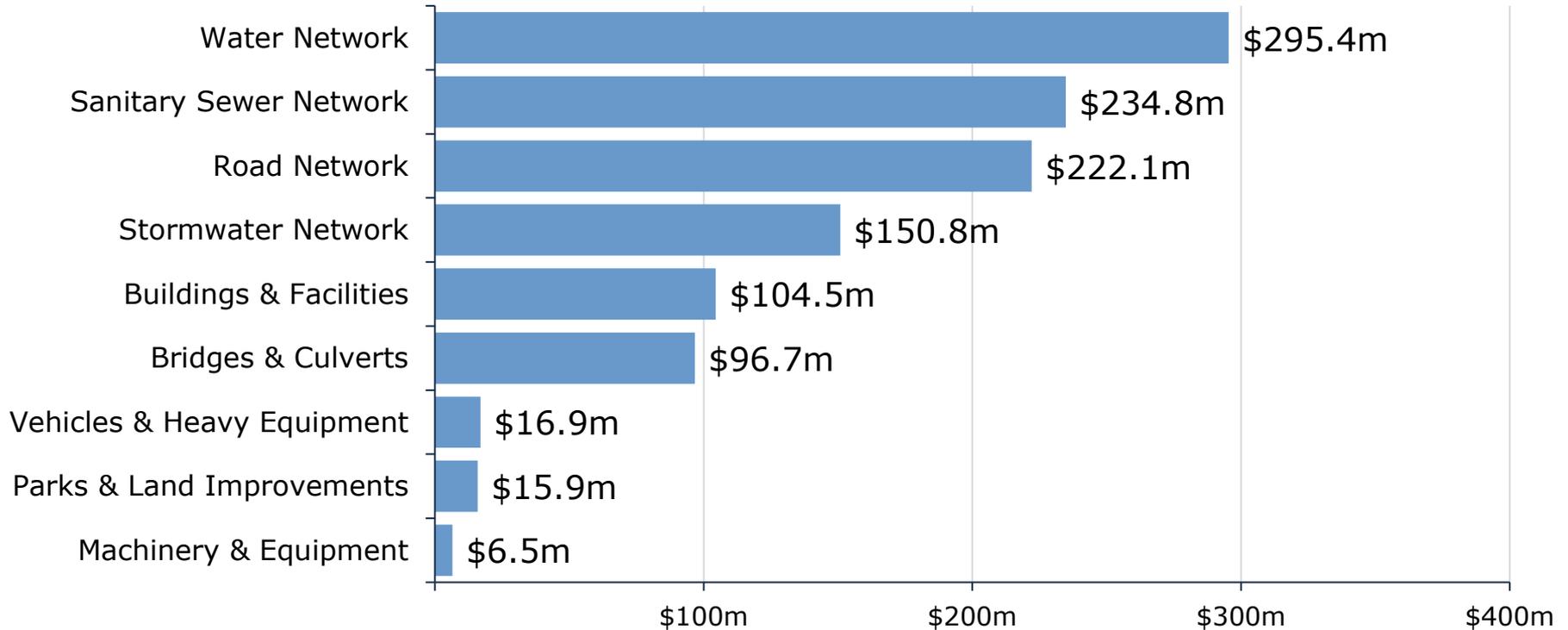


# State of the Infrastructure

Recap of Current Infrastructure



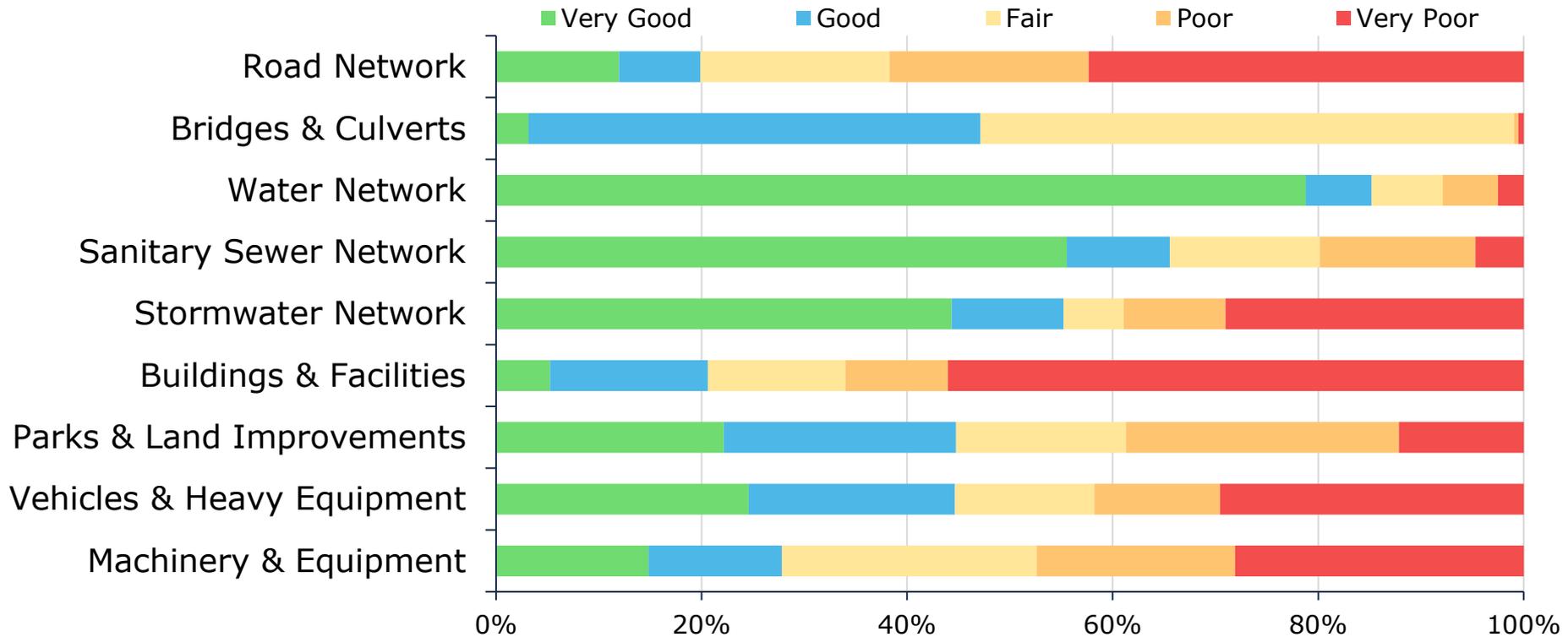
# Total Replacement Cost of the Asset Portfolio



**Total = \$1.1 billion**



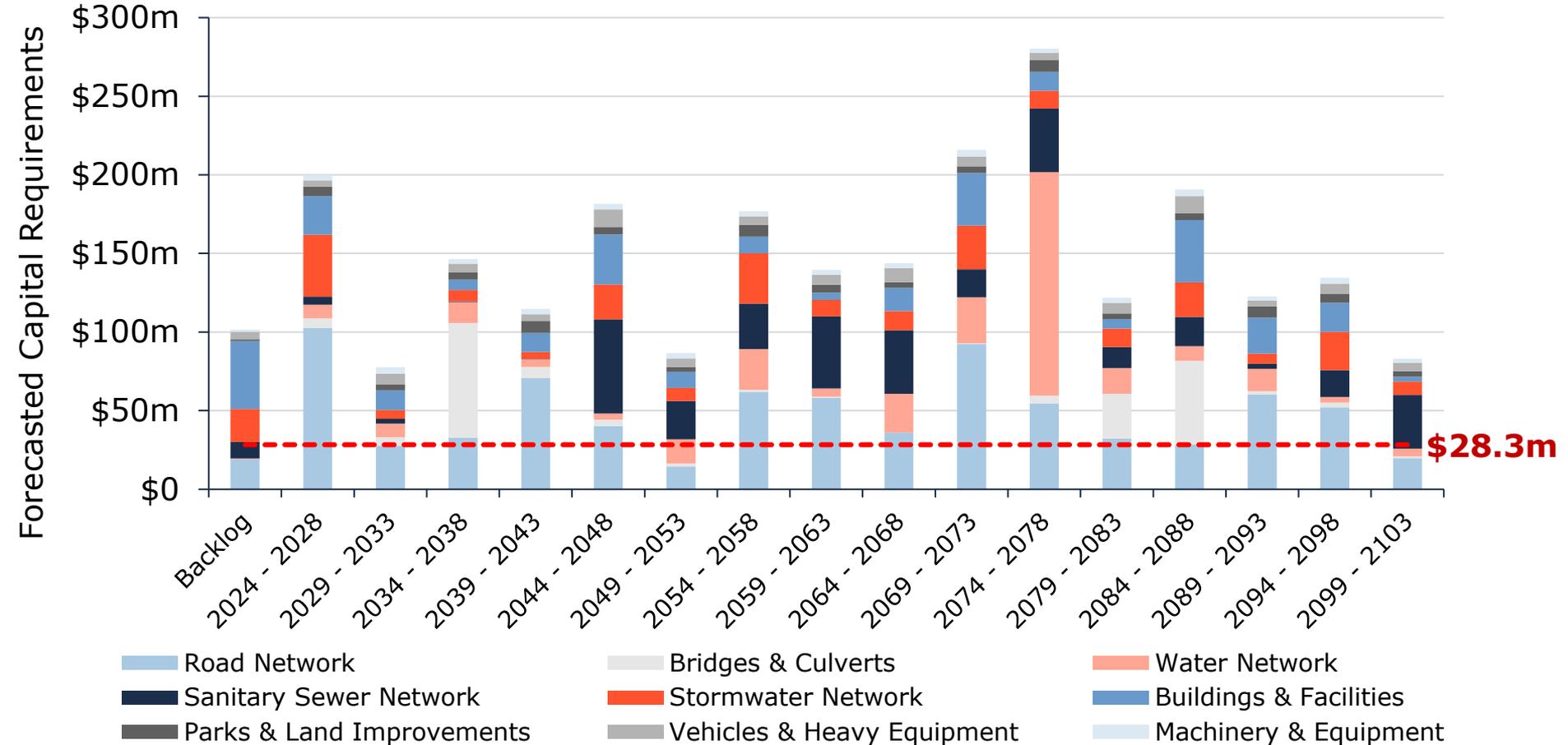
# Overall Condition of the Asset Portfolio



**69% assets are in fair or better condition**



# Forecasted Capital Requirements (ideal funding)





# Proposed Levels of Service

New Requirement of 2025 AMP



# What are Proposed Levels of Service (LOS)?

- ◆ Current LOS are the past performance metrics of an asset category up until present day.
- ◆ In contrast, Proposed LOS looks toward the municipality's goal for asset performance by a defined future date.

**Note:** O. Reg 588/17 does not dictate which proposed LOS metrics municipalities need to strive for. A proposed LOS will be very specific to each community's resident desires, political goals, and financial capacity.



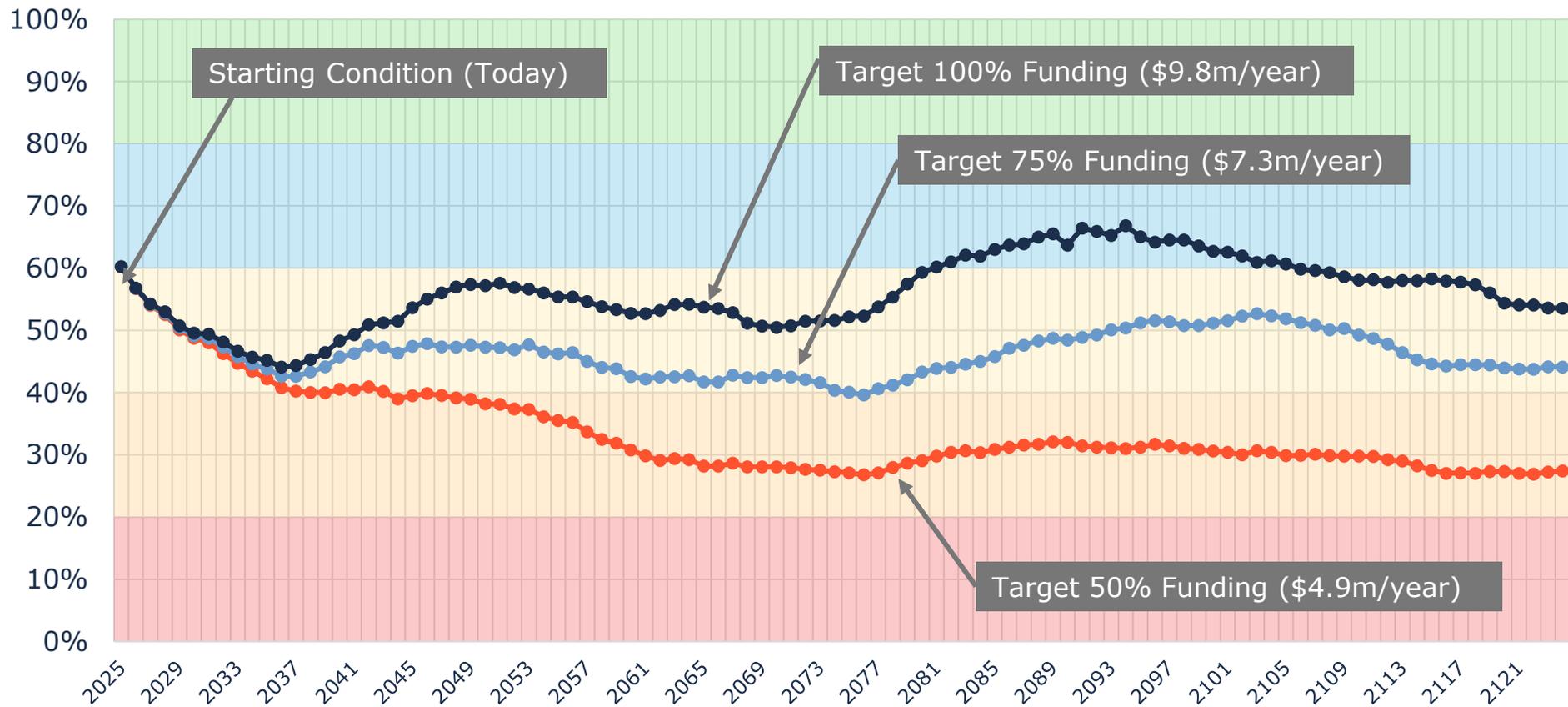
# PLOS Scenarios Modelled

Scenario	Pros	Cons
<b>Scenario 1:</b> <b>50% Funding in 20 Years</b>	<ul style="list-style-type: none"><li>◆ Least expensive option for residents.</li><li>◆ Lowest financial burden for residents and businesses</li></ul>	<ul style="list-style-type: none"><li>◆ Significantly increased infrastructure backlog.</li><li>◆ Underfunding risks asset failure and service impact.</li><li>◆ Heavy reliance on grants and future funding uncertainty.</li></ul>
<b>Scenario 2:</b> <b>75% Funding in 20 Years</b>	<ul style="list-style-type: none"><li>◆ More manageable increases.</li><li>◆ Moderate balance between service delivery and financial feasibility.</li></ul>	<ul style="list-style-type: none"><li>◆ Infrastructure backlog increased moderately.</li><li>◆ Increased reliance on grants may lead to future funding instability.</li></ul>
<b>Scenario 3:</b> <b>100% Funding in 20 Years</b>	<ul style="list-style-type: none"><li>◆ Full funding for infrastructure.</li><li>◆ Gradual cost increases.</li><li>◆ Clear path to achieve full funding.</li><li>◆ Proactive approach infrastructure investment.</li></ul>	<ul style="list-style-type: none"><li>◆ High long-term financial burden.</li><li>◆ Delayed asset renewal due to 20-year ramp up period.</li></ul>

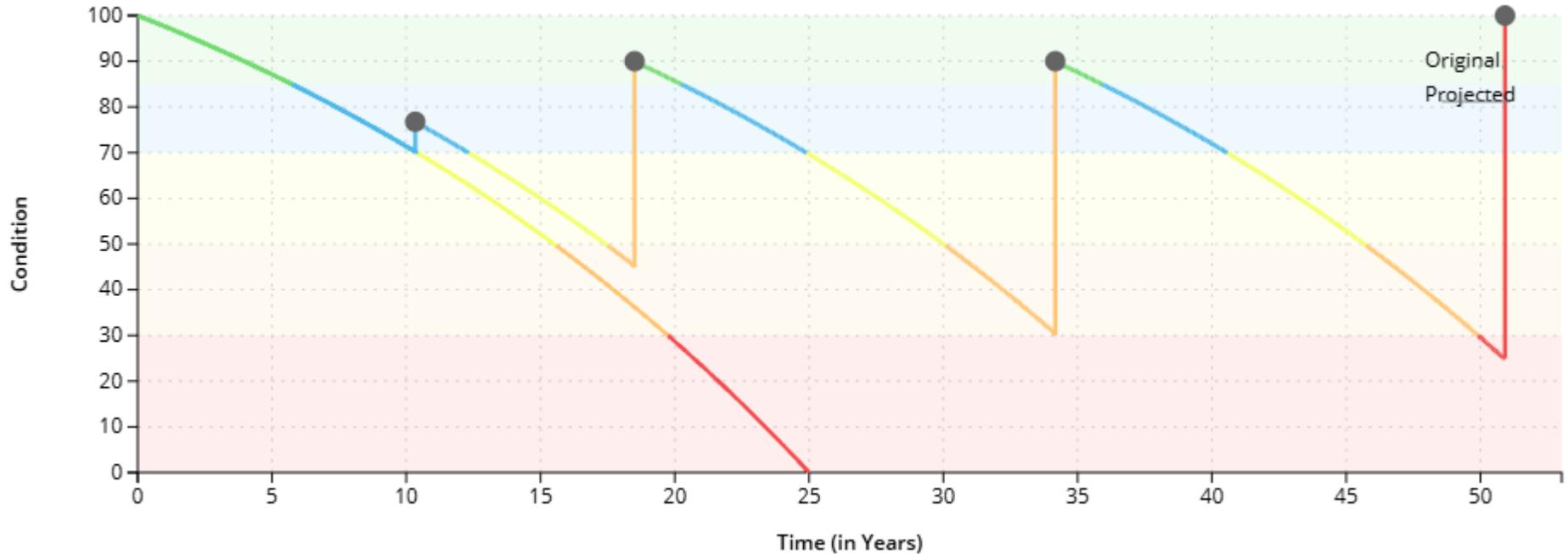


# PLOS Scenario Modelling – Example (Roads)

—●— S1 - Road Network (50%) —●— S2 - Road Network (75%) —●— S3 - Road Network (100%)



# Road Lifecycle Modelling – Cost Savings



**Essex's current lifecycle strategy results in savings of 32% over simple replacement**



# Risks of Chronic Underinvestment in Infrastructure

- Service Disruptions
  - Bridge/Road Closures
  - Sudden Arena/Community Center Closures
  - Watermain Breaks and/or Boil Water Advisories
- Significant Future Tax/Rate Increases
- Forced Level of Service Reductions
  - While LOS reductions are a key strategy for cost savings, it is detrimental to the community when it is because of asset failure and not because of careful consideration by the Council
- Resident Discontent
- Lack of Future Investment
  - Developers and Businesses want to see stability in the areas they invest in





# Financial Strategy

# How to Achieve the Proposed Levels of Service (20 Year Implementation)

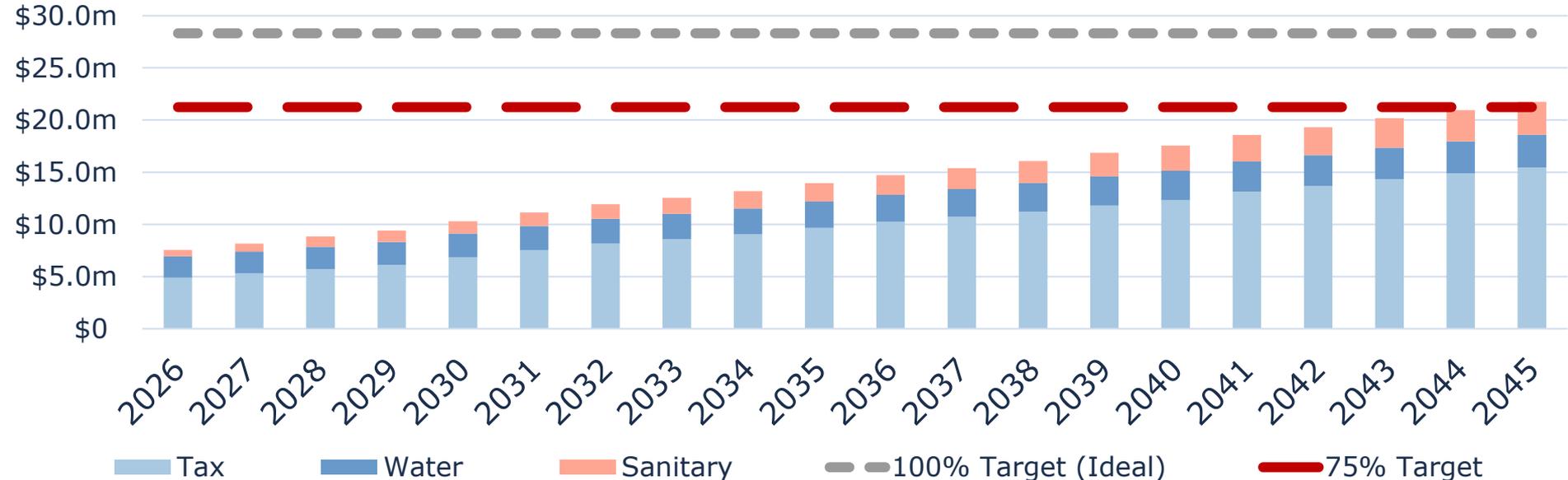
Scenario	Description	Annual Tax Increase	Annual Water Rate Increase	Annual Wastewater Rate Increase
<b>Scenario 1</b>	50% Funding	1.1%	0.1%	1.7%
<b>Scenario 2</b>	75% Funding	<b>2.1%</b>	<b>1.3%</b>	<b>2.8%</b>
<b>Scenario 3</b>	100% Funding	2.9%	2.2%	3.6%

- Both sustainable and one-time grants/transfers will continue to be an essential source of revenue for investment in capital infrastructure
- Adjustments to taxes should be supplemented with project prioritization and evaluation of the desired levels of service



# 20-Year Outlook of Financial Strategy

## Scenario 2: 75% Funding in 20 Years



**Important:** In years where the full recommended amount is not allocated to current projects, the excess funds should be saved in Reserves to account for future expenditures



# Recommendations

&  
Next Steps



# Recommendations

1

## Asset Inventory

- ◆ Regularly update the asset management software with accurate replacement costs, particularly following significant asset replacements or condition assessments, to ensure capital projections are accurate.
- ◆ Conduct further data improvements to asset inventory
- ◆ Develop condition assessment strategies, where practical and economical

2

## Continuous Improvement and Regular Review

- ◆ An asset management plan is a **living document** that should be updated regularly to inform long-term planning. Accordingly, the yearly operating budget should include funding for the assessment of the Municipality's assets that will be used to update future iterations of the plan

3

## Levels of Service

- ◆ Measure levels of service according to the metrics identified in the AMP, ensuring these metrics align with the Municipality's goals for meaningful asset management planning.



# Next Steps

- ◆ Review and consider the findings of the Asset Management Plan in future budget deliberations
- ◆ Consider what supports administration may need to improve the confidence in asset management planning (i.e. staffing, condition assessments, consultant assistance)
- ◆ Develop a process for regular review and tracking of asset management progress, including reporting to Council

**Per O. Reg. 588/17, the next iteration of the Municipality's Asset Management Plan is due in 2031**





Questions?