



## The Corporation of the Township of King Report to Council

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**From:** Public Works and Finance – Asset Management Division

**Report Number:** PW-AMP-2025-001

**Date:** Tuesday, June 17, 2025

**Title:** **2025 Comprehensive Asset Management Plan**

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### Recommendation

1. That Council receive Report PW-AMP-2025-001; and,
2. That Council approve the Township's 2025 Comprehensive Asset Management Plan, which includes a 2.33% increase for the capital portion of the 2026 tax levy.

### 1. Report Highlights

- The 2025 Asset Management Plan (AMP) complies with the requirements of *Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure* (O. Reg. 588/17) prior to the July 1, 2025 deadline.
- The estimated replacement value of the Township's infrastructure assets is estimated at \$1.36 billion.
- Staff are recommending a 10-year phase-in for the increase to capital funding required to achieve the recommended service levels detailed in this report.
- The 2.33% increase to the Capital portion of the 2026 tax levy supports the tax funded asset classes (including transportation, facilities, fleet and equipment, and parks and forestry) to be fully funded by 2035 (10 Years).
- Water and wastewater assets are currently adequately funded by the existing water and wastewater rate. However, the rate will be reviewed with the 2026 budget to adjust for inflation if needed.
- The stormwater rate remains at the same funding level for 2026 until condition assessments are completed. The stormwater portion of the AMP will be brought back to council within the next two years with updated information on the long-term funding strategy needs.

### 2. Purpose

To provide council with an asset management overview and obtain approval of the Township's fully funded comprehensive AMP in accordance with the provisions of O. Reg. 588/17.

### 3. Background

#### What is Asset Management?

The Township's infrastructure systems are essential for providing various municipal services that allow residents, businesses, and visitors to live, work, and play within the Township. As these assets age, it is necessary to invest in their maintenance and eventual replacement to ensure services remain safe, reliable, and efficient, especially as the Township grows.

#### Why is Asset Management Important?

Under O. Reg. 588/17, every municipality in Ontario is required to prepare an asset management policy, a plan to maintain municipal infrastructure, define current and proposed levels of service (LOS), lifecycle strategies, a long-term financial strategy, and a publicly accessible asset management plan.

The primary goal of asset management is to maximize the value of the Township's assets, balancing risk, performance, and cost. Staff conduct various activities that guide the process of making the best possible decisions regarding the building, operating, maintaining, renewing, replacing, and disposing of infrastructure assets. One of those activities is the development of this AMP, and its required components include:

- Asset Inventory
- Levels of Service
- Lifecycle Management Strategy
- Financial Strategy

#### What are the Regulation Requirements?

In 2017, The Province of Ontario enacted O. Reg. 588/17 under the Infrastructure for Jobs and Prosperity Act, which has four main requirements including three phases of the AMP. The timelines and main details associated with the regulation are outlined below.

Phase 1	Phase 2	Phase 3
AMP for <u>core</u> infrastructure assets that includes the following: <ul style="list-style-type: none"> <li>• Summary information on core infrastructure assets;</li> <li>• Current levels of service being provided by core infrastructure assets;</li> <li>• Summary of lifecycle management strategies;</li> <li>• 10-year forecast of lifecycle activities related to core infrastructure assets to maintain current levels of service; and</li> <li>• Annual funding targets.</li> </ul>	AMP for <u>non-core</u> infrastructure assets that includes the following: <ul style="list-style-type: none"> <li>• Summary information on non-core infrastructure assets;</li> <li>• Current levels of service being provided by non-core infrastructure assets;</li> <li>• Summary of lifecycle management strategies;</li> <li>• 10-year forecast of lifecycle activities related to non-core infrastructure assets to maintain current levels of service; and</li> <li>• Annual funding targets.</li> </ul>	AMP for all infrastructure assets that includes the following: <ul style="list-style-type: none"> <li>• Establishment of proposed levels of service;</li> <li>• 10-year forecast of lifecycle activities related to all infrastructure assets to achieve the proposed levels of service; and</li> <li>• Financial strategy that outlines how the municipality plans to support the forecast of lifecycle activities and long-term lifecycle funding requirements.</li> </ul>

**What are the main objectives of the 2025 fully funded Asset Management Plan?**

- Bring the Township into compliance with the next phase of O. Reg. 588/17 (July 1, 2025 requirements).
- Use the Township's best available information to develop a long-term plan for managing the Township's assets over their entire lifecycle.
- Develop a LOS framework for tracking asset performance and setting future targets.
- Establish a sustainable level of annual capital investment for assets by examining their lifecycle needs.

**What Progress has the Township made in fulfilling the regulation requirements?**

**Corporate Asset Management Policy:**

- [COR-POL-132](#) was approved by Council June 24, 2019 and was updated June 17, 2024 to better reflect current asset management practices in the township and to better align with the policy requirements of O. Reg. 588/17.
- The regulation requires the policy be reviewed and if necessary, updated at least every five years.

**Phase 1: [Core AMP](#) (current LOS)**

- The 2022 Core AMP (roads, bridges and culverts, water, wastewater, and stormwater) was approved by council January 10, 2022 (Report [JR2022-002](#)).

**Phase 2: [Non-Core AMP](#) (current LOS)**

- The 2024 Non-Core AMP (sidewalks, regulatory and warning signs, fleet and equipment, facilities, and parks and forestry) was approved by council June 17, 2024 (Report [PW-AMP-2024-001](#)).

**Phase 3: Comprehensive AMP**

- The Township retained Watson & Associates Economists Ltd. to build on Phase 1 and 2 to include the proposed LOS, lifecycle management, and financial strategy which will be outlined in the analysis section of this report.
- A Working Session of Council was held on April 29, 2025 which outlined proposed LOS for the Township's assets and included two potential options to fund the AMP.
  - The LOS targets included proposed improvements to roads and facilities including a road pavement condition index (PCI) value of 80, remaining gravel roads to be converted to a paved surface and an increase to the gross floor area (sq. ft.) of public works facilities to accommodate a joint operations centre.
  - The first option (10-year phase-in with gravel road conversions) proposed a 3.18% increase to the capital portion of the tax levy and an alternate option was

provided with the same LOS but no gravel road conversions which proposed a 2.93% increase to the capital portion of the tax levy.

## 4. Analysis

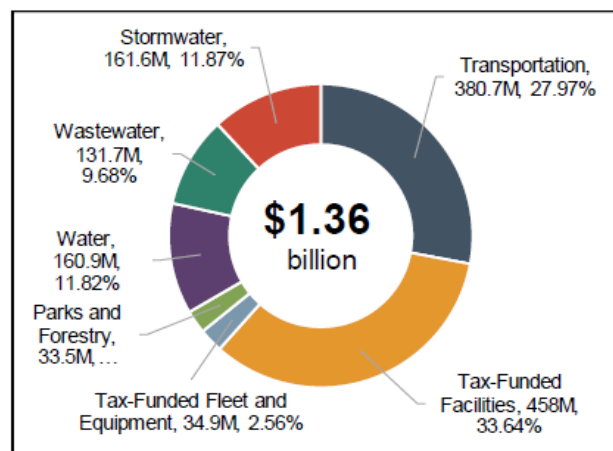
### 1. Replacement Cost – All Assets

The total current replacement cost for the Township's infrastructure assets is estimated to be \$1.36 billion. Tax-funded facilities represent the largest share of replacement cost at \$458 million (33.64%), followed by transportation assets at \$380.7 million (27.97%), stormwater management system assets at \$161.6 million (11.87%), water distribution system assets at \$160.9 million (11.82%), wastewater collection system assets at \$131.7 million (9.68%), tax-funded fleet and equipment at \$34.9 million (2.56%), and lastly, parks and forestry assets at \$33.5 million (2.46%). The distribution of replacement cost by asset category is provided in Table 1-1 and further illustrated in Figure 1-1.

Table 1-1: Distribution of Replacement Cost by Asset Category

Asset Category	Current Replacement Cost	Percentage of Total
Transportation	\$380,690,000	27.97%
Tax-Funded Facilities	\$457,958,000	33.64%
Tax-Funded Fleet and Equipment	\$34,876,000	2.56%
Parks and Forestry	\$33,458,000	2.46%
Water	\$160,941,000	11.82%
Wastewater	\$131,740,000	9.68%
Stormwater	\$161,629,000	11.87%
<b>Total</b>	<b>\$1,361,292,000</b>	<b>100.00%</b>

Figure 1-1: Distribution of Replacement Cost by Asset Category



## 2. State of Local Infrastructure and Condition

### Transportation

The distribution of replacement cost by the asset category transportation is further broken down below by roads in Figure 2-1, bridges and structural culverts in Figure 2-2, and road-related (road signs, streetlights, sidewalks and paved pathways) Figure 2-3.

Figure 2-1: Roads – Length, Average Age, and Current Replacement Cost by Surface Type

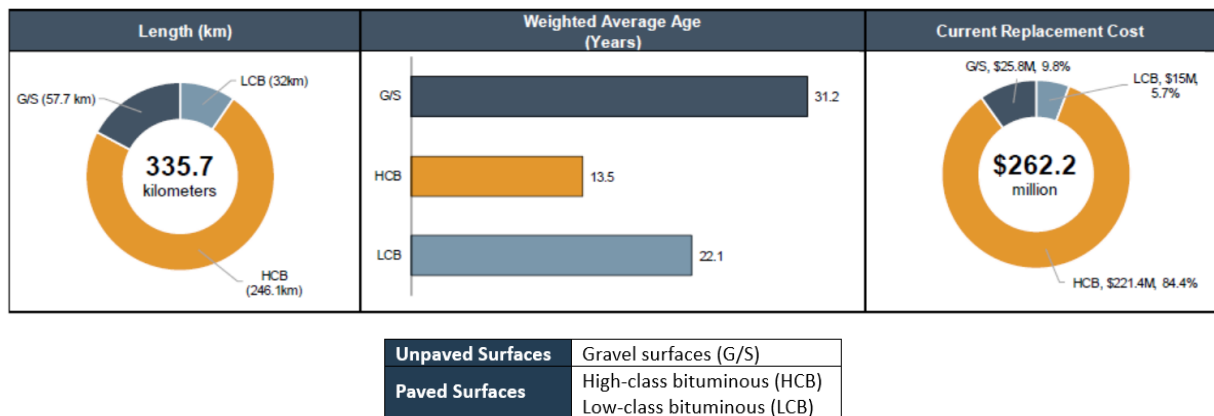


Figure 2-2: Bridges and Structural Culverts - Quantity, Average Age, and Current Replacement Cost

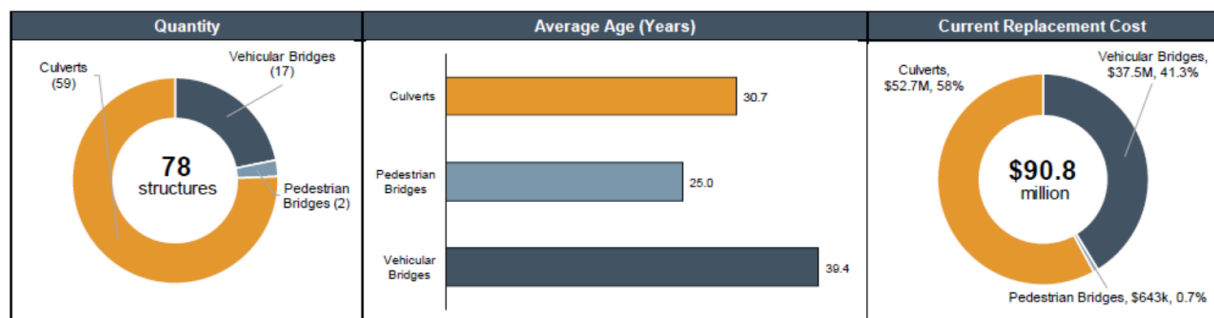
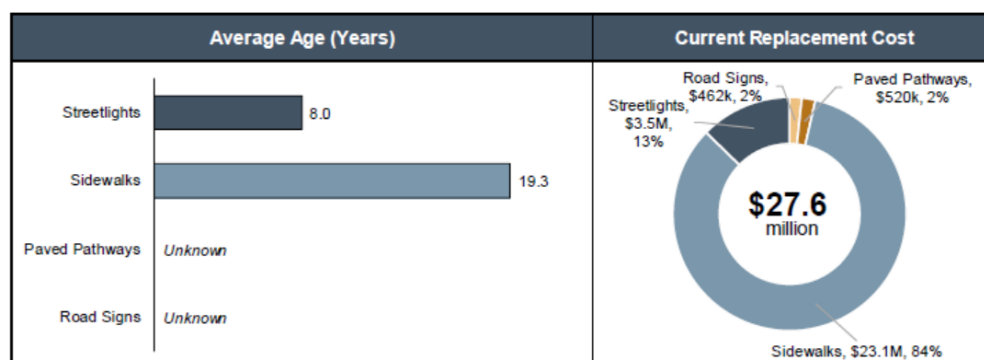


Figure 2-3: Road-related Assets – Quantity, Average Age, and Replacement Cost



The condition ratings of the Township's transportation assets are outlined in the chart below.

Transportation Asset Type	Condition Metric	Overall Condition State
Road Network	Average PCI = 83.5	Good
Vehicular Bridges	Average BCI = 80.6	Good
Structural Culverts	Average BCI = 77.6	
Pedestrian Bridges	Average BCI = 74	
Sidewalks	Average Score = 4*	Good
Road Signs	93.8% Passed	Good
Streetlights	ULC% = 32%	Very Good

PCI	Pavement Condition Index
BCI	Bridge Condition Index
ULC	Useful Service Life Consumed

\*Sidewalks score is out of 5

## Water Distribution

The distribution of replacement cost for water assets is represented in Table 2-11.

Table 2-11: Water – Quantities, Average Age, and Replacement Cost

Asset Type	Quantity	Average Age <sup>[1]</sup>	Current Replacement Cost
Watermains	114.7 km	25.7 years	\$160,510,000
Shared Fleet & Equipment	13 assets	5.4 years	\$431,000
<b>Total</b>		<b>25.6 years<sup>[2]</sup></b>	<b>\$160,941,000</b>

The overall average useful service life consumed (ULC%) for all water system assets is 30.4%, indicating that the water system is in a 'Very Good' condition state.

## Wastewater Distribution

The distribution of replacement cost by the asset category wastewater is further broken down in Table 2-15.

Table 2-15: Wastewater – Quantities, Average Age, and Replacement Cost

Asset Type	Quantity	Average Age <sup>[1]</sup>	Current Replacement Cost
Wastewater Mains	107.2 km	11.9 years	\$127,263,000
Pumping Stations	7 stations	14.0 years	\$4,006,000
Shared Fleet & Equipment	13 assets	5.4 years	\$431,000
Grinder Pumps	14 pumps	Unknown	\$40,000
<b>Total</b>		<b>11.9 years<sup>[2]</sup></b>	<b>\$131,740,000</b>

The overall average ULC% for wastewater assets is 13.1%, indicating that these assets are in a 'Very Good' condition state.



## Stormwater

The distribution of replacement cost by the asset category stormwater is further broken down below by in Table 2-20.

Table 2-20: Stormwater – Quantities, Average Age, and Replacement Cost

Asset Type	Quantity	Average Age <sup>[1]</sup>	Current Replacement Cost
Stormwater Mains	94.6 km	23.5 years	\$129,048,000
Stormwater Ponds	22 ponds	13.3 years	\$31,287,000
Oil and Grit Separators	13 assets	Unknown	\$1,294,000
<b>Total</b>		<b>21.1 years<sup>[2]</sup></b>	<b>\$161,629,000</b>

The Township's stormwater mains have an average ULC% of 29.3%, indicating that they are currently in a 'Very Good' condition state.

## Facilities

The distribution of replacement cost by the asset category facilities is further broken down below in Table 2-23.

Table 2-23: Facilities – Quantity, Average Age, and Replacement Cost

Classification	Quantity	Gross Floor Area (sq.ft.)	Average Age <sup>[1]</sup>	Current Replacement Cost
Municipal Facilities	12 facilities	162,864 ft <sup>2</sup>	39.3 years	\$162,511,000
Recreation Facilities	16 facilities	205,405 ft <sup>2</sup>	24.9 years	\$236,405,000
Libraries	4 facilities	28,777 ft <sup>2</sup>	15.8 years	\$59,042,000
<b>Total</b>	<b>32 facilities</b>	<b>397,046 ft<sup>2</sup></b>	<b>28.8 years</b>	<b>\$457,958,000</b>

The 10-year cumulative facility condition index (FCI%) for all Township's tax-funded facilities is 4.33%, indicating that facilities are in an overall 'Good' condition state.

## Fleet and Equipment

The distribution of replacement cost by the asset category fleet and equipment is further broken down below in Table 2-27.

Table 2-27: Fleet and Equipment – Average Age and Replacement Cost

Asset Type	Average Age <sup>[1]</sup>	Current Replacement Cost
Tax-supported Passenger Vehicles	7.3 years	\$415,000
Tax-supported Operations Assets	8.7 years	\$15,132,000
Fire and Emergency Services Assets	9.7 years	\$19,329,000
<b>Total</b>	<b>9.2 years</b>	<b>\$34,876,000</b>

The overall average ULC% for all fleet and equipment assets is 86%, indicating that while most assets have expended at least 50% of their estimated useful lives, they are expected to be in a 'Good' condition state and continue functioning as originally intended.

## Parks and Forestry

The distribution of replacement cost by the asset category parks and forestry is further broken down in Table 2-31.

Table 2-31: Parks and Forestry – Average Age and Replacement Cost

Asset Type	Average Age <sup>(1)</sup>	Current Replacement Cost
Park Furnishings	5.8 years	\$1,719,000
Play Equipment	6.6 years	\$10,434,000
Park Shelters & Structures	5.6 years	\$4,933,000
Sports Fields & Courts	12.5 years	\$16,095,000
Light Fixtures	3.9 years	\$277,000
<b>Total</b>	<b>9.2 years</b>	<b>\$33,458,000</b>

The overall average ULC% for all parks and forestry assets is 35%, indicating that they are expected to be in a 'Very Good' condition state.

### 3. Proposed Levels of Service

To comply with O. Reg. 588/17, asset management plans must identify the LOS being provided for each asset class. Whereas O. Reg. 588/17 prescribes several community and technical LOS that must be included in asset management plans for core assets, it makes no such prescription for non-core assets. The Township has established its own LOS frameworks for its non-core assets to describe both qualitatively and quantitatively the objectives it intends its assets to deliver. A fully developed LOS framework allows the Township to:

- communicate its objectives to stakeholders;
- inform stakeholders of any planned changes;
- track performance against objectives to identify trends, and
- make budget decisions that are linked to LOS outcomes.

Included within the LOS framework are performance measures that the Township will continue to track over time. The LOS framework provided in the AMP identifies both the LOS that assets are currently providing as well as the proposed levels of service (target performance) that the Township is striving for. The comprehensive list of community and technical LOS for each asset class is provided in the attached Asset Management Plan. The table below provides a condensed summary of the LOS.



## Technical Levels of Service

Service Attribute	Performance Measure	2024 Performance	Target Performance
<b>Transportation</b>			
<b>Scope</b>	Lane-km of gravel roads as a percentage of the total lane-km of the road network.	15.1%	0%
<b>Quality</b>	For paved roads in the Township, the average pavement condition index value.	83.5	PCI > 75
<b>Stormwater</b>			
<b>Reliability</b>	Percentage of the stormwater system flushed and inspected via CCTV in the past 7 years.	0%	100%
<b>Facilities</b>			
<b>Capacity</b>	Gross floor area (sq.ft.) of public works facilities per km of roads.	180.64 ft <sup>2</sup> per km	270.96 ft <sup>2</sup> per km
<b>Fleet and Equipment</b>			
<b>Reliability</b>	Replacement cost of fleet and equipment assets in use beyond their optimal service life standards compared to the replacement cost of all fleet assets.	28.7%	Minimize

#### 4. Lifecycle Management and Annual Capital Expenditure Forecast

The lifecycle management strategies in the AMP identify the activities needed to provide the proposed LOS. Lifecycle activities are the specific actions that need to be performed on an asset to ensure it is performing as expected and/or to prolong its remaining service life.

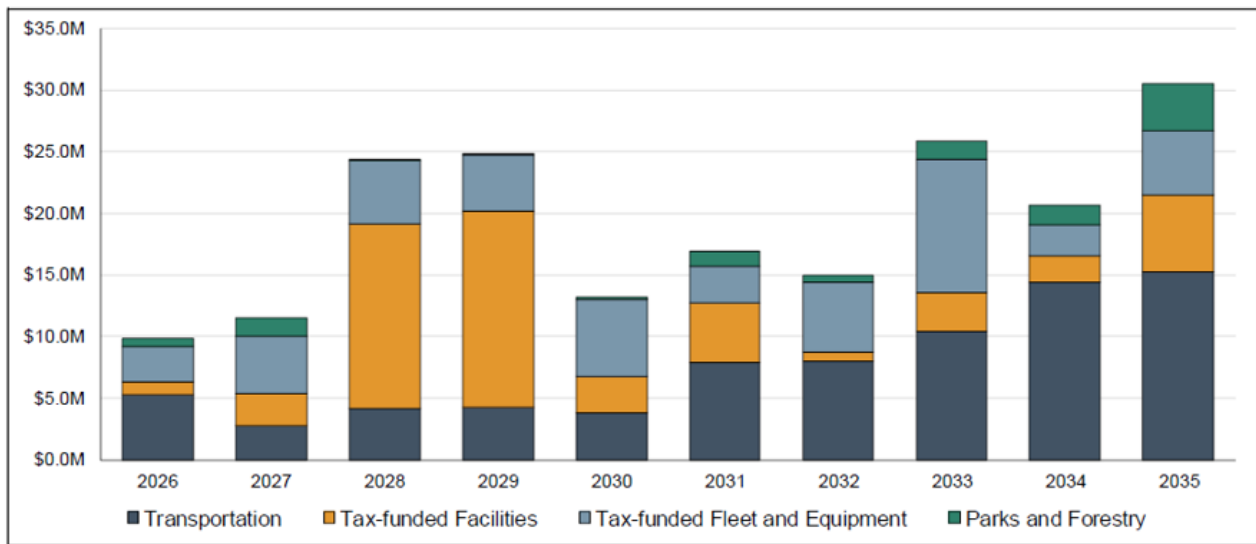
#### Tax Funded Assets

Table 4-1 presents the overall capital expenditure forecast for the Township's tax-funded infrastructure assets in tabular form on an inflated basis and this information is illustrated in Figure 4-1. Capital expenditures over the 10-year forecast horizon including inflationary adjustments total \$192.5 million or an average of \$19.3 million annually.

Table 4-1: Tax-funded Assets – Overall Capital Expenditure Forecast (Inflated)

Asset Category	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Transportation	\$5,292,000	\$2,755,000	\$4,201,000	\$4,246,000	\$3,788,000	\$7,844,000	\$8,022,000	\$10,420,000	\$14,425,000	\$15,233,000
Tax-funded Facilities	\$979,000	\$2,659,000	\$14,976,000	\$15,927,000	\$2,950,000	\$4,920,000	\$752,000	\$3,166,000	\$2,162,000	\$6,260,000
Tax-funded Fleet & Equipment	\$2,949,000	\$4,602,000	\$5,076,000	\$4,592,000	\$6,289,000	\$2,966,000	\$5,598,000	\$10,773,000	\$2,475,000	\$5,265,000
Parks and Forestry	\$642,000	\$1,500,000	\$27,000	\$9,000	\$143,000	\$1,206,000	\$625,000	\$1,532,000	\$1,562,000	\$3,732,000
<b>Total Capital Expenditures</b>	<b>\$9,862,000</b>	<b>\$11,516,000</b>	<b>\$24,280,000</b>	<b>\$24,774,000</b>	<b>\$13,170,000</b>	<b>\$16,936,000</b>	<b>\$14,997,000</b>	<b>\$25,891,000</b>	<b>\$20,624,000</b>	<b>\$30,490,000</b>

Figure 4-1: Tax-funded Assets – Overall Capital Expenditure Forecast (Inflated)



\*The cost associated with the construction of the joint operations centre is expected in 2028 and 2029

## Water and Wastewater

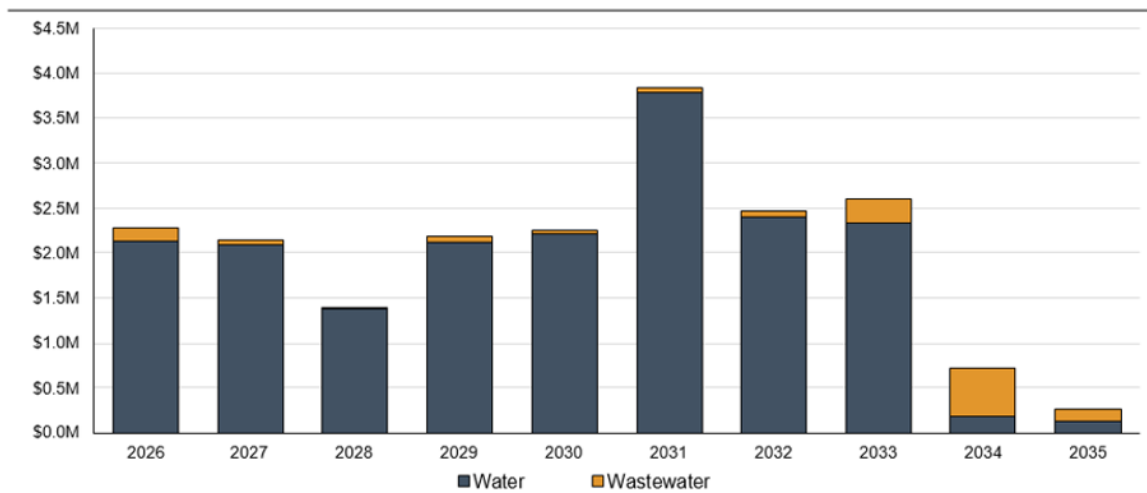
Capital expenditures over the 10-year forecast horizon are expected to total \$16.5 million, an average of \$1.6 million annually, in current (2025) dollars (uninflated). Once the impacts of estimated inflation on capital costs are incorporated, capital expenditures are expected to total \$20.2 million, an average of \$2.0 million annually.

Table 4-5 presents the overall capital expenditure forecast for the Township's water and wastewater assets in tabular form and this information is illustrated in Figure 4-10.

Table 4-5: Water &amp; Wastewater Assets - Overall Capital Expenditure Forecast (Inflated)

Service Area	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water	\$2,134,000	\$2,097,000	\$1,388,000	\$2,118,000	\$2,211,000	\$3,784,000	\$2,400,000	\$2,328,000	\$190,000	\$135,000
Wastewater	\$151,000	\$54,000	\$2,000	\$76,000	\$45,000	\$60,000	\$73,000	\$274,000	\$529,000	\$135,000
<b>Total Capital Expenditures</b>	<b>\$2,285,000</b>	<b>\$2,151,000</b>	<b>\$1,390,000</b>	<b>\$2,194,000</b>	<b>\$2,256,000</b>	<b>\$3,844,000</b>	<b>\$2,473,000</b>	<b>\$2,602,000</b>	<b>\$719,000</b>	<b>\$270,000</b>

Figure 4-10: Water &amp; Wastewater Assets - Overall Capital Expenditure Forecast (Inflated)

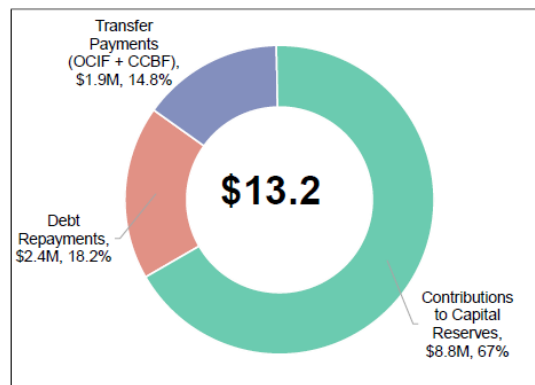


## 5. Financial Considerations

The financial strategy that supports the Asset Management Plan (AMP) is designed for the Township to achieve financial sustainability and intergenerational equity as it relates to the Township's infrastructure assets over the long-term. Approval of the Township's comprehensive AMP will fund the current shortfalls in long-term infrastructure funding and will inform future capital planning for asset infrastructure replacement going forward.

### Tax Funded Assets

The Township allocated approximately \$13.2 million in its 2025 Council approved budget towards capital-related needs for its tax-funded infrastructure assets.



The annual lifecycle funding target for the Township's tax-funded assets is \$17.3 million which leaves an annual infrastructure gap of approximately \$4.1 million.

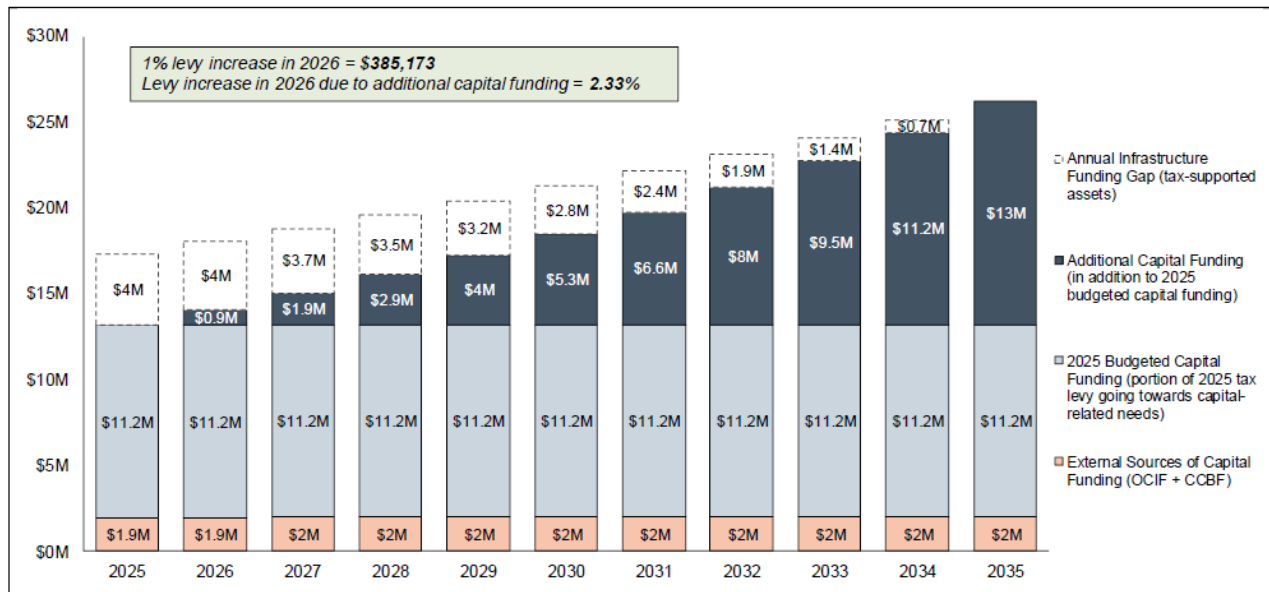
To address the gap in funding within a 10-year period, the financial strategy is to increase the base funding by 2.33% (or \$896,000) on the capital portion of the tax levy which is required in 2026 (based on a 1% tax level increase of \$385,173). The increase represents approximately \$83.07 on a property assessment at \$1,000,000 based on the 2025 tax levy.

To manage the overall increase the following recommendations were taken to reduce the impact:

- Removal of funding requirements for leased or closed buildings including the Nobleton Community Hall, King City Lions Arena and the King City Senior Centre
- Parks Depot and Works Yard long-term asset needs and disposition of these facilities will be reviewed after a new Joint Operation Centre is built
- Maintaining King's strategy to continue the conversion of gravel roads until all roads within the Township are paved
- Reducing the service level of roads to a Pavement Condition Index (PCI) of 75%
- Keeping within Council's 10-year financial strategy to reduce the impact on future generations of increases to the tax levy

Figure 4-5 below shows the increase required each year to fund the financial strategy within the 10 years.

Figure 4-5: Tax-funded Assets – Capital Funding Forecast with 10-year Phase-in Period (Inflated)



The tax levy increase amount will be re-evaluated and adjusted each year based on assessment growth to gradually eliminate this funding gap. This allocation would need to increase from approximately \$13.2 million in 2025 to approximately \$24.2 million by 2035.

### Capital Funding (15-year phase-in) – Alternate Option

If the Township chooses to eliminate the annual infrastructure funding gap over a 15-year timeframe (by 2040), the capital portion of the general tax levy would need to increase by approximately \$767,000, or 1.99% in 2026. The impact of this increase to the capital portion of the property tax bill of a residential property assessed at \$1 million is \$71.04 (6.84%).

### Water and Wastewater Rate Funded

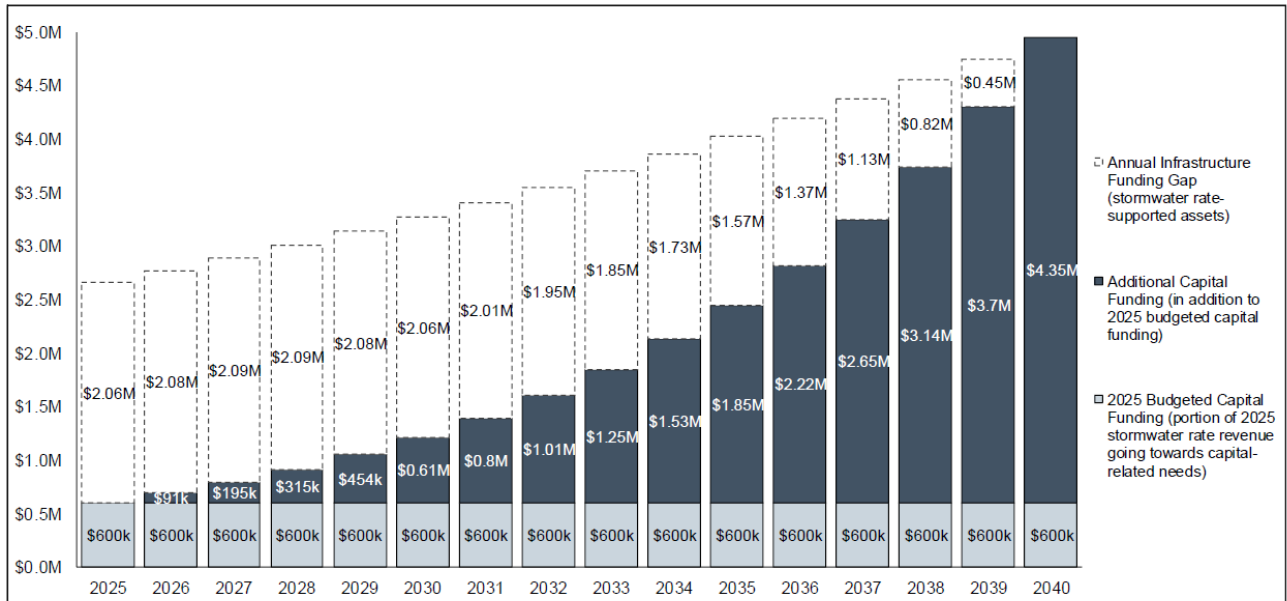
Water and Wastewater assets show a different story as the annual lifecycle funding target is \$3.38 million and currently the amount within the water and wastewater rate is \$3.81 million at this point it is fully funded. As part of the 2026 Budget this will be reviewed to ensure that inflation is adjusted to the rate if needed each year to ensure the funding remains adequate to meet the financial strategy.

### Stormwater Levy

Given the additional work to be conducted for stormwater assets and condition assessments the financial strategy at this time is to remain at the same level as approved for the 2023 levy amount. As part of the 2023 approval of the stormwater levy the Township was to collect approximately \$1 million per year to be used for operational matters and capital projects

related to stormwater. To address the shortfall in the stormwater annual lifecycle funding target a portion of the operating budget will be re-allocated to the capital portion and funding is over 15 years as shown in Figure 4-18. As further condition assessments are conducted the stormwater portion of the AMP will be brought back to council within the next two years with updated information and a new funding strategy to address long-term needs.

Figure 4-18: Stormwater Assets – Capital Funding Forecast with 15-year Phase-in Period (Inflated)



## 6. Alignment to Strategic Plan

The 2023-2026 Corporate Strategic Plan (CSP) was adopted by Council on June 12, 2023. The CSP reflects the priorities of utmost importance to the community and defines the obligations and commitments of the Township of King to its citizens and to the public. The CSP is aligned with the Townships long-term vision defined in the “Our King” Official Plan. The CSP also aims to ensure that staff initiatives focus on and work towards supporting King’s Vision, Mission and Values.

This report is in alignment with the CSP’s Priority Area(s), and/or associated Objective(s) and/or Key Results(s):

Priority Area: Sustainable Asset Management

Objective: Develop asset-funding strategies that ensure long-term fiscal sustainability.

Key Result: Finalize and implement the Asset Management Program by 2025

Key Result: Create and implement an Asset-Funding Strategy by 2025.

## 7. Conclusion

The Township's AMP is an ongoing strategy that is meant to be flexible and adaptable and will be regularly updated and refined to meet the changing needs of the Township. The AMP will undergo continuous evaluation and adjustments as we update asset condition assessments, acquire new assets and dispose of existing assets to ensure alignment with the Township's priorities. O. Reg. 588/17 requires updates to this AMP to be conducted at minimum every five-years and annual updates on the performance of the LOS through a new asset management progress report.

## 8. Attachments

Appendix A - Township of King 2025 Asset Management Plan – Draft Report – R2

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