



**2022**

**Township  
of La Vallee**



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## EXECUTIVE SUMMARY

In response to the Ministry of Infrastructure's release of a ten-year infrastructure plan, "Building Together," the Township of La Vallee (the Township) has taken a proactive approach in preparing a detailed Asset Management Plan (AMP) to support its request for provincial and federal capital funding. The Building Together infrastructure plan focuses on building a more standardized and consistent municipal asset management plan approach.

As the Township's municipal assets continue to age, it becomes increasingly important to go through a formal process to determine how they are managed over time. Completing this assessment will help ensure safety standards, regulations, and expected service levels continue to be met, given the town's financing capabilities.

The current asset management plan aligns with the Township's Strategic Asset Management Policy adopted in 2019, which addresses the requirements of Ontario Regulation #588/17, as well as the Official Plan. The Township is working towards meeting the established deadlines for the implementation of all aspects of that policy. The Township's Strategic Asset Management Policy includes multiple commitments such as:

1. Maintain and manage municipal assets at defined levels to support safety, community well-being, and Township goals.
2. Monitor standards and service levels to ensure they meet and support the community, and Council's goals and objectives.
3. Develop and maintain inventories of its municipal assets.
4. Establish asset replacement strategies using full life cycle costing principles,
5. Plan financially for the appropriate level of maintenance of assets to deliver service levels and extend the useful life of assets.
6. Plan for and provide stable long-term funding to replace and/or renew and/or decommission infrastructure assets.
7. Consider and incorporate tangible capital assets management in its other corporate plans.
8. Report to citizens once during each term of Council on the status of the Township's management program and work done following this Strategic Management Policy.

This AMP identifies the characteristics and condition of the Township's owned infrastructure assets, levels of service expected from them, planned actions to ensure the assets are meeting the expected level of service, and financing strategies to implement the planned measures. The AMP's overall intent is to help the Township ensure investments are made at the right time, future repair and rehabilitation costs are minimized, and municipal assets are being appropriately maintained.

The Township's AMP undergoes a full review & update and is re-approved by Council once every four years, aligning with Council's term in office. Outside of its four-year review cycle, the only changes made to the AMP are updates of its enclosed Financial Analysis and Detailed 10-Year Financial Forecast for Infrastructure Assets. This is done to ensure continued alignment with the town's most current ten-year investment plan, which is updated annually based on the foundational asset repair and replacement philosophies outlined in this AMP document. The most recently included 10-Year Forecast for Infrastructure Assets covers the period of 2022 to 2032.



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## 1.0 INTRODUCTION

Public infrastructure is central to our prosperity and quality of life. In 2011, The Province of Ontario released "Building Together," a long-term infrastructure plan for Ontario that responds to the far-reaching trends that will affect Ontario's infrastructure needs. These trends include a more global and service-oriented economy, a larger, older, and more urbanized population, and the effects of a changing climate. The plan sets out a strategic framework that will guide future investments in ways that support economic growth and are fiscally responsible and responsive to changing needs. A vital element of this framework is ensuring good stewardship through proper asset management. Despite significant investments by all levels of government, more needs to be done to address current and emerging municipal infrastructure needs. The Province of Ontario will work together with local municipalities and the federal government to establish a municipal infrastructure strategy.

The Province of Ontario approved an Asset Management Planning for Municipal Infrastructure Regulation (O. Reg 588/17) which introduced more prescriptive asset management requirements for its municipalities. Compliance with these new requirements is being phased in over a period of six years. The first requirement under this regulation is the development and implementation of a Strategic Asset Management Policy by July 1, 2019; see **Appendix "A"**. The policy must include seven overarching elements that include commitments to the utilization of service information levels, lifecycle management, mitigation approaches to climate change, and coordination where possible with upper and neighbouring municipalities in its asset maintenance and R&R decision points.

The second requirement of the Ontario Regulation 588/17 consists of preparing an AMP regarding its core municipal infrastructure assets by July 01, 2021 and considering all its other municipal infrastructure assets by July 01, 2023. This part of the regulation focuses on the current levels of service. This plan complies with this section of the regulation. The third part of the regulation focuses on the "proposed level of service," and municipalities need to comply by July 01, 2024.

Like all other municipalities throughout Ontario and Canada, the Township delivers many critical services to its residents, and these services rely on well-planned, well-built, and well-maintained infrastructure. The Township's AMP has been developed to assist the Township's Council in making informed future investment choices.

The AMP addresses the challenges of current and future infrastructure needs and guides financial and investment decisions. This plan helps define future spending priorities, identifies estimated maintenance costs for existing assets, and establishes a financing strategy. This process aims to provide the Township with the information required to ensure that it can develop a financing strategy to maintain satisfactory levels of service and undertake required investments in the future.

This Asset Management Plan is an outcome of the Township's stewardship responsibilities. It sets out its approach to reviewing and managing its active capital assets to ensure continued and sustainable operations, operating and service capability of each asset, and the necessary financial plan to ensure that the required investments can be made when expected. Additionally, this process reviews each asset's lifecycle cost, including construction, ongoing maintenance, and disposal. Consideration has been given to ensuring that services are maintained in an environmentally sustainable manner, as per the Township's Official Plan.

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This plan's key feature is that it will provide the Township with a prioritized listing of infrastructure needs. This listing of priorities will help the Township to identify projects to undertake in the coming years, with a clear focus on the most urgent priorities. These projects will require investment within the next five years. This plan is designed to cover each asset's lifecycle. It is intended as a living document to be amended as required or when new tangible assets are added to the Asset Listing.

### **1.1 Asset Management Planning**

Asset management planning is part of a strategic planning process integrated with budgeting processes and long-term financial planning. This Asset Management Plan has been developed to help the Township of La Vallee make well-informed and evidence-based decisions about its infrastructure assets and contains four key components:

1. Asset Inventory,
2. Levels of service,
3. Asset Management Strategy,
4. Financial Strategy.

### **1.2 Benefits of an Asset Management Plan**

Specific benefits associated with an AMP include:

1. Better decision-making regarding resource allocation,
2. More effective communications with ratepayers, elected officials, financial rating organizations, and regulatory agencies,
3. Providing consistent levels of service to the public,
4. Better risk management practices for the municipality,
5. More effective financial planning,
6. Reduced lifecycle costs,
7. More efficient data management,
8. Facilitates the establishment and subsequent implementation of policy objectives and the related measurement of performance,
9. Avoids potential problems and crises, and,
10. Results in positive institutional change.

### **1.3 Impact on Planning and Financial Budgeting**

The Asset Management Plan has a significant impact on the planning and financial budgeting process, which are dependent on each other. The AMP identifies the timing for asset renewal, asset maintenance, asset replacement, additions, and disposals and their associated costs. This directly ties into planning and financial budgeting by providing the knowledge of the timing and magnitude of future investments required to operate, maintain, renew and acquire assets.



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While the AMP outlines the timing and costs to maintain infrastructure assets at a certain level and condition, the capital and operating budgets ensure:

- the acquisition and management of assets are linked to Council goals and strategies,
- focus on community service expectations,
- growth and demand projects,
- asset lifecycle management, and,
- operating and maintenance programs.

The AMP also outlines any funding shortfalls or additional funds required to be raised to maintain assets at desirable conditions.

## **1.4 The Framework**

This asset management plan is based on a three-level framework focused on establishing a clear alignment between management's goals and objectives and asset management activities. The end outcome of this plan is to attain the following results:

1. Align management's objectives with the asset management policies and goals needed to deliver them.
2. Align management's objectives with the levels of service that assets should deliver.
3. Guide the asset management priorities and work required on the assets to achieve objectives and ensure adequate financial resources to support that work.

The asset management framework outlined in this document provides the Township with the essential elements necessary to maintain a sustainable and affordable asset management plan.

## 2.0 TOWNSHIP OF LA VALLEE INFRASTRUCTURE ASSETS

The Township is responsible for the following asset classes; Facilities/Buildings, Roads, Bridges/Culvert, Parklands and Recreation, and Fleet/Vehicles. **Table 1** below provides a summary list of the Township's assets.

**Table 1: List of Assets**

Asset Name	Asset No.	Ext. No.	Asset Code	Quantity	Units
Devlin Fire Hall	100000	01	A3H	284.31	sq. m.
Quonset Building	100100	01	A2B	215.94	sq. m.
Fuel Shed	100200	01	A2B	21.16	sq. m.
Municipal Office/Garage	100300	01	A2B	596.43	sq. m.
Devlin Community Hall	100400	01	A6A	429.44	sq. m.
Washroom Building	100500	01	A6H	27.75	sq. m.
Canteen Building	100600	01	A6G	36.97	sq. m.
Dozer Building	100700	01	A5D	24.37	sq. m.
Landfill Access Building	100800	01	A5D	11.81	sq. m.
Pavilion Building	100900	01	C5F	74.32	sq. m.
Playground	200000	01	C5A	1	ea.
Ball Field	201000	01	C5B	1	ea.
Well	400000	01	B1F	1	ea.
Municipal Landfill	450000	01	B4B	1	ea.
La Vallee Road North	600000	01	D1B	12.7	km.
La Vallee Road South	600100	01	D1B	9.9	km.
Heward Road	600200	01	D1B	1.5	km.
McTavish Road	600300	01	D1B	2.8	km.
Belluz Road	600400	01	D1B	0.9	km.
Hill Road	600500	01	D1B	1.2	km.
Wasaw Road	600600	01	D1B	6.5	km.
Dance Boundary Road	600700	01	D1B	1.6	km.
Rea Road	600800	01	D1B	0.3	km.
River Road	600900	01	D1B	6.5	km.
Rose Road	601000	01	D1B	1.6	km.
Kennett Road	601100	01	D1B	1.6	km.
Trimble Road	601200	01	D1B	1.1	km.
Rittau Road	601300	01	D1B	1.6	km.

**Table 1: List of Assets - Continued**

Asset Name	Asset No.	Ext. No.	Asset Code	Quantity	Units
Smith Road	601400	01	D1B	1.6	km.
Burriss Road West	601500	01	D1B	3.5	km.
Burriss Road East	601600	01	D1B	4.4	km.
Van Druen Road	601700	01	D1B	7.5	km.
Hastie Road	601800	01	D1B	3.3	km.
Maki Road	601900	01	D1B	2.0	km.
Norris Road	602000	01	D1B	6.7	km.
Booth Road	602100	01	D1B	0.3	km.
Clark Road	602200	01	D1B	1.6	km.
Whiddon Road	602300	01	D1B	1.2	km.
Cross Road	602400	01	D1B	1.6	km.
Pyne Road	602500	01	D1B	2.0	km.
Cemetery Road	602600	01	D1B	3.3	km.
Main Street	602700	01	D1B	0.15	km.
Main Street Offshoot	602800	01	D1B	0.15	km.
Church Road	602900	01	D1B	0.4	km.
Hall Road	603000	01	D1B	2.0	km.
Tausendfrende Road	603100	01	D1B	3.7	km.
Hughs Road	603200	01	D1B	1.8	km.
Ogier Road	603300	01	D1B	0.25	km.
Shute Road	603400	01	D1B	3.5	km.
Boxalder Road East – Low Usage	603500	01	D1B	1.3	km.
Boxalder Road East	603600	01	D1B	3.3	km.
Boxalder Road West	603700	01	D1B	3.3	km.
Hyatt Road	603800	01	D1B	1.6	km.
Busch Road	603900	01	D1B	0.8	km.
Selman Road	604000	01	D1B	1.8	km.
Cain Road	604100	01	D1B	3.4	km.

**Table 1: List of Assets - Continued**

Asset Name	Asset No.	Ext. No.	Asset Code	Quantity	Units
Mutz Road	604200	01	D1B	1.1	km.
Pruys Road	604300	01	D1B	0.3	km.
Hamilton Road	604400	01	D1B	0.4	km.
McKinnon Road	604500	01	D1B	3.2	km.
Martin Road	604600	01	D1B	0.2	km.
Murdock Road	604700	01	D1B	0.1	km.
Burriss Road East Bridge	800000	01	D2A	85.15	sq. m.
Cemetery Road Bridge	800100	01	D2A	178.5	sq. m.
Shute Road Bridge	800200	01	D2A	229.5	sq. m.
Cain Road Bridge	800300	01	D2A	227.65	sq. m.
La Vallee Road South Bridge	800400	01	D2A	260.76	sq. m.
Boxalder Road East Bridge	800500	01	D2A	143.8	sq. m.
Fire Truck 8-4	901000	01	E1B	1	ea.
Fire Rescue Cube Van	901100	01	E1C	1	ea.
Fire Truck 8-1	901000	01	E1B	1	ea.
2003 Ford Half Ton	902000	01	E8P	1	ea.
Caterpillar D3 Dozer	902100	01	E7E	1	ea.
John Deere Loader	902200	01	E8I	1	ea.
Freightliner Plow Truck	902400	01	E8Z	1	ea.
Dodge Ram 1500	902500	01	E6C	1	ea.
Ford F-150 Pickup	902600	01	E6C	1	ea.
2020 Chevy Silverado	902700	01	E6C	1	ea.
Low Bed Trailer Tridem Tag Deck	902800	01	E7O	1	ea.
Sold Mulcher	902900	01	E7Z	1	ea.
Link-Belt Excavator	903000	01	E7A	1	ea.
John Deere Grader	903100	01	E7L	1	ea.
Low-Pressure Propane Steamer	950000	01	B2Z	1	ea.

## 2.1 The User Groups

Service levels are often directed by a combination of the user community's expected needs, the service's affordability level, and the existing infrastructure's capacity. As the first step in this process, the various asset classes' users are defined to guide service-level definitions and performance targets.

**Table 2: User Groups**

Functional Area	Associated Service Provider	Community User
<b>Facilities/Buildings</b>	<ul style="list-style-type: none"> <li>Township Staff</li> <li>Contractors</li> </ul>	<ul style="list-style-type: none"> <li>Residents</li> <li>Program Users</li> <li>Fire Department</li> <li>Community Groups</li> <li>Federal and Provincial Programs</li> <li>Internal Departments/Staff</li> </ul>
<b>Parklands and Recreation</b>	<ul style="list-style-type: none"> <li>Township Staff</li> <li>Contractors</li> </ul>	<ul style="list-style-type: none"> <li>Residents</li> <li>Program Users</li> <li>Community Groups</li> </ul>
<b>Water and Sewer</b>	<ul style="list-style-type: none"> <li>Township Staff</li> <li>Contractors</li> </ul>	<ul style="list-style-type: none"> <li>Residents</li> <li>Program Users</li> <li>Fire Department</li> <li>Internal Departments/Staff</li> </ul>
<b>Solid Waste</b>	<ul style="list-style-type: none"> <li>Township Staff</li> <li>Contractors</li> <li>MOE</li> </ul>	<ul style="list-style-type: none"> <li>Residents</li> <li>Business</li> <li>Industry</li> <li>Program Users</li> <li>Community Groups</li> </ul>
<b>Roads and Bridges</b>	<ul style="list-style-type: none"> <li>Township Staff</li> <li>Contractors</li> <li>MTO</li> </ul>	<ul style="list-style-type: none"> <li>Residents, Businesses, Industry</li> <li>Tourists</li> <li>Pedestrians/Cyclists</li> <li>Transit</li> <li>Emergency Services</li> </ul>
<b>Fleet/Vehicles</b>	<ul style="list-style-type: none"> <li>Township Staff</li> <li>Contractors</li> </ul>	<ul style="list-style-type: none"> <li>Fire Department</li> <li>Internal Departments/Staff</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>Township Staff</li> </ul>	<ul style="list-style-type: none"> <li>Internal Departments/Staff</li> </ul>

Service levels are defined in **Section 3** and stem from the Township's Official Plan.

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## 2.2 Desired Service Levels

For the purposes of this AMP, it is assumed that all assets owned by the municipality will continue to be used for their existing purpose at the current level of service. All defined maintenance items are indicated based on this assumption.

This assumption was developed based upon the following from the Township's Official Plan document dated February 2013 section 1.4 "Objectives":

"The Township is committed to actively seeking and encouraging new development that maintains and improves the quality of life of residents, the health of existing businesses and diversifies the economy"

1. The objectives of this Official Plan are as follows:
  - a. To promote compact development.
  - b. To encourage patterns of development which facilitate the provision of local services.
  - c. To direct residential development to the Village of Devlin and the Village of La Vallee settlement areas.
  - d. To permit limited residential growth in the rural area, where lot size and configuration can support private water supply and sanitary sewage systems, and where the development would be compatible with the character of the land use in the surrounding area.
  - e. To preserve and enhance, where possible, the environmental quality of the area and minimize impacts of land use on the natural environment and protect the integrity and functions of ecosystems.
  - f. To protect natural and cultural heritage features and areas, surface water and groundwater features.
  - g. Protect and set aside lands that contain natural environmental hazards, natural heritage features and cultural heritage resources, surface water and groundwater features, where possible.
  - h. Encourage recreational opportunities that are compatible with the natural environment and are economically feasible.
  - i. Have regard for the importance of natural resources including forest and mineral resources within the township concerning their contribution to the economic and social well-being of its residents.
  - j. Minimize negative impacts on air quality and climate change by encouraging energy-efficient buildings and development.
  - k. Promote reduction, reuse and recycling of waste, where feasible.
  - l. Ensure that buildings, streetscapes, and landscapes contribute to everyday living positively.
  - m. Facilitate new business development and the expansion of existing businesses; and,
  - n. Encourage the creation of housing, which is affordable, accessible, adequate and appropriate to a full range of households in the Township and ensure that an adequate supply of land is available to meet the housing needs of its residents.

Furthermore, The Township of La Vallee Official Plan document has outlined levels of service regarding roads in Sections 5.1 and 5.3:

### 2.2.1 General

"This Plan encourages the safe and efficient movement of people and goods within the Township and to and from adjacent municipalities. The road system should safely serve the Township but should not be developed to a standard or extended beyond which would result in a burden to the residents and taxpayers of the Township. The roads in the Township as shown on all schedules in this Plan

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include provincial highways and Township roads. Provincial highways in the Township include Highways 11, 602 and 613.”

“It is the intent of this Plan to restrict the development of new roads and restrict new development to the existing road system unless future development proceeds by Plan of Subdivision or an access or service road is required to accommodate new development along the highway corridors”.

### **2.2.2 Township Roads**

“This system of roads applies to all roads under the jurisdiction of the Township of La Vallee. The Township has a Roads Department that is responsible for the maintenance of all roads within its jurisdiction. The primary purpose of the Township roads is to facilitate local travel and areas for development. Direct access to Township roads is normally permitted from any abutting lot provided there are adequate sight lines, suitable grades and the access will not cause traffic hazards.”

1. Should the construction of a new road or extension of an existing road be warranted, the road shall be designed and constructed to meet approved standards and the road shall be suitable for assumption into the Township Road system.
2. The Township of La Vallee is not responsible for the costs associated with the design and construction of new roads or the extension of existing roads. These costs are the direct responsibility of the proponent for the new road and/or road extension.
3. Unless it is clearly in the public interest, private roads will not be assumed by the Township into the Township Road system.
4. Year-round maintenance will be provided on all roads under the jurisdiction of the Township of La Vallee and the Ministry of Transportation.

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## 3.0 EXTERNAL TRENDS OR ISSUES

External trends that may affect the Expected Levels of Service or the town's ability to meet them include:

1. Climate change,
2. Changing accessibility standards,
3. Taxpayer concerns on service levels,
4. Tax levy, Federal and Provincial Government funding availability,
5. Growth and requirement for additional/new services.

### 3.1 Assumptions & Performance Measures

#### **Facilities/Buildings**

It is assumed that all buildings will continue to be used for their current purpose for the plan's duration. If a service change is required, it is assumed that a corresponding increase in tax revenue will offset any increase in the level of service or operating requirements. It is recommended that the Township follow up on all maintenance items identified in the inspection reports appended to the plan to ensure that all buildings can operate at their present level of service and conform to code requirements. See the asset reports for a detailed listing of maintenance needs and a description of the buildings.

If new buildings are required, it is assumed that the costs to construct new structures would be offset by a corresponding increase in tax revenue or a debt financing solution and outlined with a Financial Plan.

#### **Parklands and Recreation**

Given the relatively decreasing population trends in the Township, it is assumed that all recreation equipment will continue to be used for its current purpose, at a similar level of use, for the plan's duration. If a service change is required, it is assumed that a corresponding increase in tax revenue will offset any increase in the level of service or operating requirements. It is recommended that the Township continue to undertake regular maintenance to ensure that the equipment remains in good working order and is safe to use.

#### **Water and Sewer**

Since the Township has only one well to take care of and is in good condition, it is assumed that it will continue to be used for its current purpose, at a similar level of use, for the plan's duration. It is recommended that the Township continue to undertake regular maintenance to ensure that it remains in good working order.

#### **Solid Waste**

It has been determined that the Township's landfill is in good condition and assumed that will continue to be used for its intended purpose. No maintenance-related issues have been identified in this report, but it is further assumed should future needs be identified the Township will address them at that time.

#### **Roads**

It is assumed that all roads will be maintained and rehabilitated as required to continue to offer the existing level of service. It is further assumed that the Official Plan will apply when an increase in a level of service occurs. A corresponding increase in tax revenue will offset any increase in service level. Estimated annual daily traffic ranges are appended to this report.



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While the Township can control development within its boundaries, activities occurring in surrounding areas can impact levels of use. If an increase in traffic volume creates increased maintenance costs that cannot be offset by tax revenue, the Township should re-visit its Financial Plan to:

- Determine the best means to cover the cost to maintain the existing level of service during the period of increased use, using the options outlined in the financial plan.

**OR**

- If it is not feasible to cover the cost to maintain the existing level of service, the Township could consider reducing the level of service. By reducing the level of service, the Township may deter the factors leading to increased asset use.

### **Bridges/Culverts**

It is assumed that all bridges will continue to serve the same function as they currently do. Therefore, it is assumed that they will be maintained, rehabilitated, and replaced to perform the same function and handle the same traffic volumes and loads as they are currently designed to do. It is further assumed that the Official Plan will apply when an increase in a level of service occurs. A corresponding increase in tax revenue will offset any increase in service level. Estimated annual daily traffic ranges are appended to this report (see traffic numbers for associated roads). While the Township can control development within its boundaries, activities occurring in surrounding areas can impact levels of use. If an increase in traffic volume creates increased maintenance costs that cannot be offset by tax revenue, the Township should re-visit its financial plan to:

- Determine the best means to cover the cost to maintain the existing level of service during the period of increased use, using the options outlined in the Financial Plan.

**OR**

- If it is not feasible to cover the cost to maintain the existing level of service, the Township could consider reducing the level of service. By reducing the level of service, the Township may deter the factors leading to increased asset use.

### **Fleet/Vehicles**

It is assumed that all vehicles will continue to be used for their current purpose for the plan's duration. It is recommended that the Township follow up on all maintenance items identified in the inspection reports appended to the plan to ensure that all vehicles can operate at their present level of service. It should be noted that while many of the vehicles are older, they are in good condition, and it is anticipated that with proper maintenance, the vehicles should last for the duration of the plan.

*Note:* Detailed inspection reports regarding each asset are appended to this report. Descriptions of each asset are available under the General Description heading contained within each asset report.

### **Other**

It is assumed that all equipment will continue to be used for its current purpose for the plan's duration. It is recommended that the Township follow up on all maintenance items identified in the inspection reports appended to the plan to ensure that all equipment can operate at their present level of service.

## 4.0 CURRENT LEVEL OF SERVICE PROVIDED

**Appendix "B"** contains a detailed condition report for each asset grouping and includes pictures of asset conditions. Regarding core community infrastructure assets (road and bridge/culvert), current service levels have been developed as prescribed by Ontario Regulation 588/17.

**Table 3: Current Levels of Service - Facilities/Buildings**

Service Attribute	Community Level of Service	Technical Level of Service
<b>Scope</b>	<ul style="list-style-type: none"> <li>The facilities are available to meet community and programming needs. Some facilities are also used for public enjoyment and are kept up to standards of general acceptability.</li> </ul>	<ul style="list-style-type: none"> <li>The facilities meet their intended purposes and comply with the repair and maintenance schedule.</li> </ul>
<b>Quality</b>	<ul style="list-style-type: none"> <li>The Township's combined assets in this grouping have been kept in relatively good condition to serve their community purpose. A few assets require some additional care due to their age and use. All are defined in the asset management plan.</li> </ul>	<ul style="list-style-type: none"> <li>The average condition of all facility assets is 7.3, which is considered good.</li> </ul>

**Table 4: Parklands & Recreation**

Service Attribute	Community Level of Service	Technical Level of Service
<b>Scope</b>	<ul style="list-style-type: none"> <li>Ensure that community facilities are kept up to proper standards to meet the community/resident's recreational needs, public enjoyment, and the public's general acceptability.</li> </ul>	<ul style="list-style-type: none"> <li>The facilities meet their intended purposes and comply with repair and maintenance schedules. Reconditioning of assets is scheduled within a one-year period.</li> </ul>
<b>Quality</b>	<ul style="list-style-type: none"> <li>Quality facilities are in good condition and are available for public enjoyment.</li> </ul>	<ul style="list-style-type: none"> <li>The average condition of all these assets ranks at 7.6, which is to be considered good.</li> </ul>

**Table 5: Water and Sewer**

Service Attribute	Community Level of Service	Technical Level of Service
<b>Scope</b>	<ul style="list-style-type: none"> <li>Ensure that the community well are kept up to proper standards to meet the community's need.</li> </ul>	<ul style="list-style-type: none"> <li>The well meets its intended purposes and at this time does not require any maintenance.</li> </ul>
<b>Quality</b>	<ul style="list-style-type: none"> <li>The quality of the asset is in good condition and is available for the intended purpose.</li> </ul>	<ul style="list-style-type: none"> <li>The average condition of all these assets ranks at 7 which is to be considered good.</li> </ul>

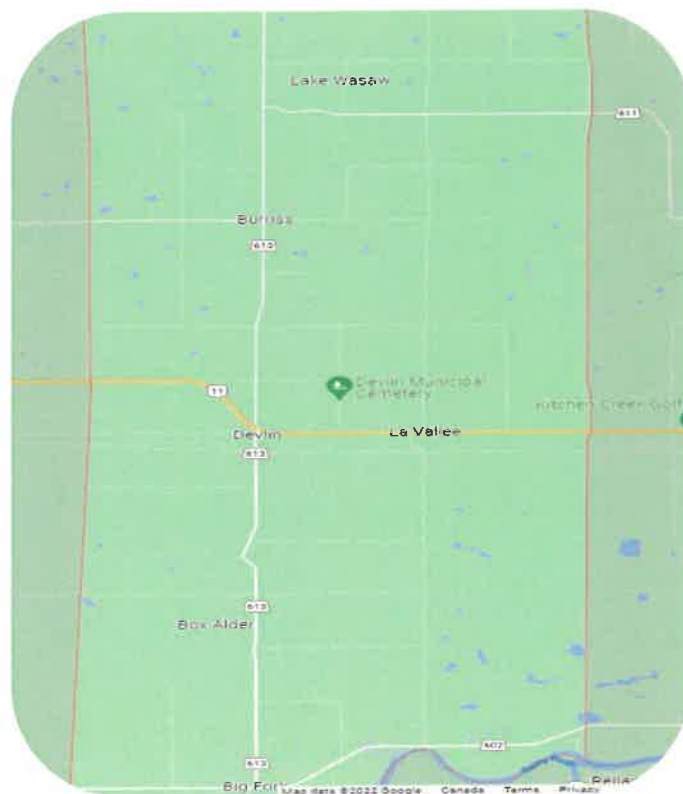
**Table 6: Solid Waste**

Service Attribute	Community Level of Service	Technical Level of Service
<b>Scope</b>	<ul style="list-style-type: none"> <li>Ensure that the landfill is kept up to proper standards to meet the community/resident's needs and the public's general acceptability.</li> </ul>	<ul style="list-style-type: none"> <li>The landfill meets its intended purposes and requires no maintenance at this time.</li> </ul>
<b>Quality</b>	<ul style="list-style-type: none"> <li>The quality of the landfill is in good condition and is available for public use.</li> </ul>	<ul style="list-style-type: none"> <li>The condition of all these assets ranks at 7, which is to be considered good.</li> </ul>

**Table 7: Current Level of Service - Roads**

Service Attribute	Community Level of Service	Technical Level of Service
<b>Scope</b>	<ul style="list-style-type: none"> <li>Figure 1 below illustrates the road network and connectivity.</li> </ul>	<ul style="list-style-type: none"> <li>The total kilometres of roads managed by the Township are 121.55.</li> </ul>
<b>Quality</b>	<ul style="list-style-type: none"> <li>The Township's roads are all gravel roads. The average surface age is approximately ten years.</li> </ul>	<ul style="list-style-type: none"> <li>The average conditions of all Township roads rank at 77/100. Based on the PCR the average surface condition is good.</li> </ul>

**Figure 1: Road Network and Connectivity**



**Table 8: Current Levels of Service – Bridges/Culverts**

Service Attribute	Community Level of Service	Technical Level of Service
<b>Scope</b>	<ul style="list-style-type: none"> <li>The traffic that is supported by the Township's six bridges ranges from heavy transport vehicles to cyclists. The township manages a 1,125.4 m<sup>2</sup> bridge surface area.</li> </ul>	<ul style="list-style-type: none"> <li>Bridge conditions under a certain level.</li> </ul>
<b>Quality</b>	<ul style="list-style-type: none"> <li>The general conditions of all six bridges range from fair to good. At this time, their conditions would not negatively affect their use.</li> </ul>	<ul style="list-style-type: none"> <li>The average condition of the bridges is 7.2, which is considered good.</li> </ul>

**Table 9: Fleet/Vehicles**

Service Attribute	Community Level of Service	Technical Level of Service
<b>Scope</b>	<ul style="list-style-type: none"> <li>Maximize equipment capital and maintenance investment as well as maximize equipment up-time.</li> </ul>	<ul style="list-style-type: none"> <li>Two of the vehicle assets require repairs and extraordinary maintenance. All others will be subjected to ordinary maintenance.</li> </ul>
<b>Quality</b>	<ul style="list-style-type: none"> <li>Most fleet assets still have a life cycle beyond ten years and are in good operating condition. Three assets have reached the end of life and may need to be replaced within the next ten years.</li> </ul>	<ul style="list-style-type: none"> <li>The average condition of all fleet assets is 7.6. Fleet assets rank in good condition.</li> </ul>

**Table 10: Other**

Service Attribute	Community Level of Service	Technical Level of Service
<b>Scope</b>	<ul style="list-style-type: none"> <li>Maximize equipment capital and maintenance investment.</li> </ul>	<ul style="list-style-type: none"> <li>The equipment asset requires minor maintenance. The asset will be subjected to regular ordinary maintenance.</li> </ul>
<b>Quality</b>	<ul style="list-style-type: none"> <li>The equipment asset still has a life cycle beyond ten years and is in good operating condition. When the asset reaches the end of life it may need to be replaced within the next ten years.</li> </ul>	<ul style="list-style-type: none"> <li>The average condition of the equipment assets identified in this plan is 7. Equipment asset ranks in good condition.</li> </ul>

## 4.1 Specific Service Levels for Each Asset

Service levels have been defined based on the expected needs of the various community users. They form a high-level set of objectives that either directly support user needs or indirectly support those needs through other requirements such as legislative compliance, sustainability, or economic efficiency, leading to improved customer experience. **Tables 11 to 18** identify specific service levels for each asset class as identified in the asset needs schedule in **Appendix "C"** as well as the drivers that shape the service level. From this information, performance metrics and related targets are defined, which form the basis upon which the existing community's asset requirements are built. The facilities/buildings portfolio includes buildings and related property concerning administration services, fire services, storage, and other miscellaneous buildings.

**Table 11: Service Levels – Facilities/Buildings**

Service Level	Driver	Performance Metric	Target
<b>Facilities/buildings upkeep</b>	<ul style="list-style-type: none"> <li>• Health &amp; Safety</li> <li>• Public</li> <li>• Users</li> <li>• Legislation</li> <li>• Economics</li> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Meet asset repair and maintenance schedule</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of the planned maintenance schedule within 3 years.</li> </ul>
<b>General acceptability of facilities/buildings</b>	<ul style="list-style-type: none"> <li>• Health &amp; Safety</li> <li>• Public</li> <li>• Users</li> <li>• Legislation</li> <li>• Economics</li> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Meet health and safety requirements</li> <li>• Cleaning effectiveness</li> <li>• Frequency of cleaning</li> </ul>	<ul style="list-style-type: none"> <li>• 100% compliance.</li> <li>• Quarterly management inspections per facility.</li> <li>• Meet planned cleaning schedules 95% of the time.</li> </ul>

**Table 12: Service Level – Parklands & Recreation**

Service Level	Driver	Performance Metric	Target
<b>Public enjoyment of Ballpark</b>	<ul style="list-style-type: none"> <li>• User expectation</li> <li>• Public health</li> <li>• Economics</li> <li>• Cultural support</li> </ul>	<ul style="list-style-type: none"> <li>• Meet asset maintenance schedule</li> </ul>	<ul style="list-style-type: none"> <li>• &lt;2 years</li> </ul>
<b>Public enjoyment of Playground</b>	<ul style="list-style-type: none"> <li>• User expectation</li> <li>• Public health</li> <li>• Economics</li> </ul>	<ul style="list-style-type: none"> <li>• Meet asset maintenance schedule</li> </ul>	<ul style="list-style-type: none"> <li>• &lt;2years</li> </ul>

**Table 13: Service Levels – Water & Sewer**

Service Level	Driver	Performance Metric	Target
<b>Maintain System Pressure in the target range</b>	<ul style="list-style-type: none"> <li>• Facility needs</li> <li>• Protection of system</li> <li>• User experience</li> </ul>	<ul style="list-style-type: none"> <li>• Low-pressure events</li> <li>• Water main/line breaks</li> </ul>	<ul style="list-style-type: none"> <li>• &lt;0/year</li> <li>• &lt;1/year</li> </ul>
<b>Provide safe potable water</b>	<ul style="list-style-type: none"> <li>• Legislation</li> <li>• Public health</li> <li>• System security</li> </ul>	<ul style="list-style-type: none"> <li>• Incidence of adverse water quality</li> <li>• Water sampling</li> <li>• Watermain flushing</li> </ul>	<ul style="list-style-type: none"> <li>• Within provincial standards.</li> </ul>

**Table 14: Service Levels – Solid Waste**

Service Level	Driver	Performance Metric	Target
<b>Waste</b>	<ul style="list-style-type: none"> <li>Public safety</li> <li>User expectation</li> </ul>	<ul style="list-style-type: none"> <li>Refuse is covered regularly</li> </ul>	<ul style="list-style-type: none"> <li>Year 1 - 10</li> </ul>
<b>Maximize recycled material and recovery rate</b>	<ul style="list-style-type: none"> <li>Sustainability</li> <li>Environmental benefit</li> <li>Economic benefit</li> </ul>	<ul style="list-style-type: none"> <li>Waste diversion at 49%, provincial average</li> <li>Maximize recycling potential where feasible</li> </ul>	<ul style="list-style-type: none"> <li>Year 1 - 10</li> </ul>

The Township is responsible for local roads and bridges/culverts, as listed in **Tables 15 and 16**.

**Table 15: Service Levels - Roads**

Service Level	Driver	Performance Metric	Target
<b>Road Condition and driver experience</b>	<ul style="list-style-type: none"> <li>Legislation</li> <li>User expectation</li> <li>Public safety</li> <li>Asset reliability</li> </ul>	<ul style="list-style-type: none"> <li>Restore surface</li> <li>Restore drainage</li> <li>Vegetation Control</li> <li>Patching and Sealing</li> </ul>	<ul style="list-style-type: none"> <li>&lt; 4 years</li> <li>&lt; 4 years</li> <li>&lt; 3 years</li> <li>&lt; 4 years</li> </ul>
<b>Traffic Flow and Network reliability</b>	<ul style="list-style-type: none"> <li>Public safety</li> <li>User expectation</li> </ul>	<ul style="list-style-type: none"> <li>Traffic signage and street names</li> </ul>	<ul style="list-style-type: none"> <li>&lt; 3 years</li> </ul>

**Table 16: Service Level – Bridges/Culverts**

Service Level	Driver	Performance Metric	Target
<b>Bridge condition and driver experience</b>	<ul style="list-style-type: none"> <li>Legislation</li> <li>User expectation</li> <li>Public safety</li> <li>Asset reliability</li> </ul>	<ul style="list-style-type: none"> <li>Vegetation control</li> <li>Inspections</li> <li>Paint steel I-beams</li> <li>Replace rotting timbers</li> <li>Install erosion protection and abutments</li> </ul>	<ul style="list-style-type: none"> <li>&lt; 3 years</li> <li>&lt; 3 years</li> <li>&lt; 3 years</li> <li>&lt; 3 years</li> <li>&lt; 3 years</li> </ul>
<b>Traffic Flow and Network reliability</b>	<ul style="list-style-type: none"> <li>Public safety</li> <li>User expectation</li> </ul>	<ul style="list-style-type: none"> <li>Install/replace guardrails and reflectors</li> </ul>	<ul style="list-style-type: none"> <li>&lt; 2 years</li> </ul>

All of the Township's Rolling stock is included in this portfolio.

**Table 17: Service Level - Fleet/Vehicle**

Service Level	Driver	Performance Metric	Target
<b>Maximize equipment capital and maintenance investment</b>	<ul style="list-style-type: none"> <li>Sustainability</li> <li>Cost-effectiveness,</li> <li>Economics</li> </ul>	<ul style="list-style-type: none"> <li>Asset replacement target</li> </ul>	<ul style="list-style-type: none"> <li>As per asset life cycle or &gt; 10% value of maintenance cost per year.</li> </ul>

**Table 18: Service Level – Other**

Service Level	Driver	Performance Metric	Target
<b>Maximize equipment capital and maintenance investment</b>	<ul style="list-style-type: none"> <li>• Sustainability,</li> <li>• Cost-effectiveness,</li> <li>• Economics</li> </ul>	<ul style="list-style-type: none"> <li>• Asset replacement target</li> </ul>	<ul style="list-style-type: none"> <li>• As per asset life cycle or &gt;10% value of maintenance cost per year.</li> </ul>

## 4.2 State of Local Infrastructure

This section provides the overall condition assessment of assets conducted as of October 2022, and outlines the following:

1. Asset types (Roads, Buildings, Equipment, Bridges / Culverts, and Vehicles).
2. Identification of maintenance, repair, remediation, and replacement costs for assets.
3. Age of assets, including the age of assets as a portion of expected life.
4. Condition of assets, as per standard engineering practices. Roads, vehicles, buildings, and recreation equipment were inspected for this process, and a Professional Engineer analyzed the most recent bridge inspection reports.

It is recommended that the tables included herein be updated with current information as it becomes available. The asset management planning process is ongoing, and the condition of assets, especially those requiring immediate repair, can impact the budget process. Data will be updated as identified in Municipal policy, which complies with Provincial requirements (i.e., as required inspections are undertaken, at regular intervals).



The overall asset conditions are based on the following rating system and assumptions:

1. Estimated life value assumes that identified maintenance is completed and regular ongoing maintenance is performed. The estimated remaining life for vehicles in good condition is assumed to be ten (10) years.
2. Roads use Pavement Condition Rating values from 0-100.
3. Building Conditions rating scale as follows:

Scale	Asset Condition
0	Closed/Non-operational
1-3	Poor
4-6	Fair
7-9	Good
10	New/Excellent

**Table 19: State of Local Infrastructure – Facilities/ Building**

Facilities & Buildings	Quantity	Units	Financial Accounting Value	Replacement Cost Valuation	Year Built/ Purchase	Estimated Remaining Life	Overall Asset Condition
<b>Devlin Fire Hall</b>	284.31	M <sup>2</sup>	\$58,529.88	\$473,000.00	1991	30	8
<b>Quonset Building</b>	215.94	M <sup>2</sup>	\$21,085.90	\$250,000.00	1983	25	7
<b>Fuel Shed</b>	21.16	M <sup>2</sup>	\$6,194.34	\$10,500.00	1999	25	7
<b>Municipal Office/ Garage</b>	596.43	M <sup>2</sup>	\$131,853.74	\$1,200,000.00	1996	35	8
<b>Devlin Community Hall</b>	429.44	M <sup>2</sup>	\$60,425.00	\$935,000.00	1991	30	8
<b>Washroom Building</b>	27.75	M <sup>2</sup>	N/A	\$15,000.00	1991	25	7



**Table 20: State of Local Infrastructure – Facilities/ Building - Continued**

Facilities & Buildings	Quantity	Units	Financial	Replacement	Year Built/ Purchase	Estimated	Overall
			Accounting Value	Cost Valuation		Remaining Life	Asset Condition
<b>Canteen Building</b>	36.97	M <sup>2</sup>	N/A	\$30,000.00	1991	25	7
<b>Dozer Building</b>	24.37	M <sup>2</sup>	N/A	\$8,000.00	2009	30	6
<b>Landfill Access Building</b>	11.81	M <sup>2</sup>	\$5,495.91	\$6,000.00	2009	30	7
<b>Pavillion Building</b>	74.32	M <sup>2</sup>	\$23,892.00	\$44,000.00	2018	30	8

**Table 21: State of Local Infrastructure – Parklands/Recreation**

Parkland & Recreation	Quantity	Units	Financial	Replacement	Year Built/ Purchase	Estimated	Overall
			Accounting Value	Cost Valuation		Remaining Life	Asset Condition
<b>Ball Diamond</b>	1	EA.	\$0.00	\$275,000.00	1997	25	8
<b>Ball Diamond Fence</b>	1	EA.	\$19,260.72	\$36,000.00	2015	18	8
<b>Playground Equipment</b>	1	EA.	\$17,253.30	\$25,000.00	2019	10	7
<b>Well</b>	1	EA.	\$5,396.00	\$16,000.00	1997	10	7

**Table 22: State of Local Infrastructure – Water & Sewer**

Water and Sewer	Quantity	Units	Financial	Replacement	Year Built/ Purchase	Estimated	Overall
			Accounting Value	Cost Valuation		Remaining Life	Asset Condition
<b>Well</b>	1	EA.	\$5,396.00	\$16,000.00	1997	10	7

**Table 23: State of Local Infrastructure – Solid Waste**

Solid Waste	Quantity	Units	Financial	Replacement	Year Built/ Purchase	Estimated	Overall
			Accounting Value	Cost Valuation		Remaining Life	Asset Condition
<b>Municipal Landfill</b>	1	Each	\$0.00	\$300,000.00	1974	45	7

**Table 24: State of Local Infrastructure – Roads**

Roads	Quantity	Units	Financial Accounting Value	Estimated Surface Value	Estimated Surface Age	Estimated Rehabilitation & Upgrade Value	Overall Asset Condition Rated out of 100
<b>La Vallee Road North</b>	12.7	KM.	\$0.00	\$195,072.00	10	\$19,600.00	85
<b>La Vallee Road South</b>	9.9	KM.	\$0.00	\$109,296.00	10	\$8,900.00	83
<b>Heward Road</b>	1.5	KM.	\$0.00	\$16,200.00	10	\$2,400.00	75
<b>McTavish Road</b>	2.8	KM.	\$0.00	\$40,992.00	10	\$21,250.00	82
<b>Belluz Road</b>	0.9	KM.	\$0.00	\$10,368.00	10	\$11,500.00	77
<b>Hill Road</b>	1.2	KM.	\$0.00	\$12,096.00	10	\$75,800.00	70
<b>Wasaw Road</b>	6.5	KM.	\$0.00	\$84,240.00	10	\$12,600.00	80
<b>Dance Boundary Road</b>	1.6	KM.	\$0.00	\$21,120.00	10	\$96,700.00	77
<b>Rea Road</b>	0.3	KM.	\$0.00	\$2,808.00	10	\$20,700.00	73
<b>River Road</b>	6.5	KM.	\$0.00	\$93,600.00	10	\$4,600.00	80
<b>Rose Road</b>	1.6	KM.	\$0.00	\$23,808.00	10	\$16,300.00	75
<b>Kennett Road</b>	1.6	KM.	\$0.00	\$15,744.00	10	\$20,300.00	67
<b>Trimble Road</b>	1.1	KM.	\$0.00	\$11,088.00	10	\$7,750.00	75
<b>Rittau Road</b>	1.6	KM.	\$0.00	\$18,048.00	10	\$1,600.00	80
<b>Smith Road</b>	1.6	KM.	\$0.00	\$19,200.00	10	\$1,550.00	80
<b>Burriss Road West</b>	3.5	KM.	\$0.00	\$47,880.00	10	\$17,700.00	75
<b>Burriss Road East</b>	4.4	KM.	\$0.00	\$58,136.00	10	\$112,850.00	73
<b>Van Druen Road</b>	7.5	KM.	\$0.00	\$99,000.00	10	\$305,300.00	61
<b>Hastie Road</b>	3.3	KM.	\$0.00	\$40,392.00	10	\$1,600.00	80
<b>Maki Road</b>	2.0	KM.	\$0.00	\$23,520.00	10	\$73,000.00	80
<b>Norris Road</b>	6.7	KM.	\$0.00	\$73,968.00	10	\$207,250.00	75

**Table 23: State of Local Infrastructure – Roads - Continued**

Roads	Quantity	Units	Financial	Estimated	Estimated	Estimated	Overall
<b>Booth Road</b>	0.3	KM.	\$0.00	\$2,664.00	10	\$15,500.00	70
<b>Clark Road</b>	1.6	KM.	\$0.00	\$18,048.00	10	\$50,650.00	76
<b>Whiddon Road</b>	1.2	KM.	\$0.00	\$20,160.00	10	\$900.00	90
<b>Cross Road</b>	1.6	KM.	\$0.00	\$20,736.00	10	\$1,300.00	85
<b>Pyne Road</b>	2.0	KM.	\$0.00	\$23,040.00	10	\$7,250.00	85
<b>Cemetery Road</b>	3.3	KM.	\$0.00	\$41,976.00	10	\$1,850.00	82
<b>Main Street</b>	0.15	KM.	\$0.00	\$4,104.00	10	\$600.00	80
<b>Main Street Offshoot</b>	0.15	KM.	\$0.00	\$2,484.00	10	\$900.00	80
<b>Church Road</b>	0.4	KM.	\$0.00	\$4,896.00	10	\$1,200.00	85
<b>Hall Road</b>	2.0	KM.	\$0.00	\$22,080.00	10	\$32,650.00	76
<b>Tausend-frende Road</b>	3.7	KM.	\$0.00	\$45,166.00	10	\$1,650.00	83
<b>Hughes Road</b>	1.8	KM.	\$0.00	\$24,624.00	10	\$48,750.00	77
<b>Ogier Road</b>	0.25	KM.	\$0.00	\$2,520.00	10	\$2,200.00	70
<b>Shute Road</b>	3.5	KM.	\$0.00	\$36,390.00	10	\$107,300.00	75
<b>Boxalder Road East – Low Usage</b>	1.3	KM.	\$0.00	\$11,856.00	10	\$301,700.00	50
<b>Boxalder Road East</b>	3.3	KM.	\$0.00	\$33,600.00	10	\$102,150.00	76
<b>Boxalder Road West</b>	3.3	KM.	\$0.00	\$48,312.00	10	\$1,800.00	82
<b>Hyatt Road</b>	1.6	KM.	\$0.00	\$18,048.00	10	\$1,900.00	80
<b>Busch Road</b>	0.8	KM.	\$0.00	\$6,912.00	10	\$500.00	60
<b>Selman Road</b>	1.8	KM.	\$0.00	\$19,440.00	10	\$56,100.00	80
<b>Cain Road</b>	3.4	KM.	\$0.00	\$35,904.00	10	\$104,850.00	75
<b>Mutz Road</b>	1.1	KM.	\$0.00	\$12,672.00	10	\$1,000.00	85
<b>Pruys Road</b>	0.3	KM.	\$0.00	\$2,880.00	10	\$950.00	77

**Table 23: State of Local Infrastructure – Roads - Continued**

Roads	Quantity	Units	Financial	Estimated	Estimated	Estimated	Overall
<b>Hamilton Road</b>	0.4	KM.	\$0.00	\$3,936.00	10	\$600.00	78
<b>McKinnon Road</b>	3.2	KM.	\$0.00	\$30,720.00	10	\$160,200.00	65
<b>Martin Road</b>	0.2	KM.	\$0.00	\$2,640.00	10	\$900.00	85
<b>Murdock Street</b>	0.1	KM.	\$0.00	\$1,272.00	10	\$1,700.00	85
<b>Cornell Road</b>		KM.	\$0.00	\$0.00	10	\$0.00	Not Assessed
<b>Bellamy Road</b>		KM.	\$0.00	\$0.00	10	\$0.00	Not Assessed

**Table 25: State of Local Infrastructure – Bridges/Culverts**

<b>Bridges &amp; Culverts</b>	<b>Quantity</b>	<b>Units</b>	<b>Financial</b>	<b>Replacement</b>	<b>Year Built/ Purchase</b>	<b>Estimated</b>	<b>Overall</b>
			<b>Accounting Value</b>	<b>Cost Valuation</b>		<b>Remaining Life</b>	<b>Asset Condition</b>
<b>Burris Road East Bridge</b>	1	EA.	\$146,137.64	\$750,000.00	1987	40	8
<b>Cemetery Road Bridge</b>	1	EA.	\$26,874.85	\$750,000.00	1965	40	8
<b>Shute Road Bridge</b>	1	EA.	\$132,722.02	\$950,000.00	1981	40	6
<b>Cain Road Bridge</b>	1	EA.	\$150,324.91	\$950,000.00	1978	35	6
<b>La Vallee Road South Bridge</b>	1	EA.	\$920,850.16	\$1,200,000.00	2009	50	9
<b>Boxalder Road East Bridge</b>	1	EA.	\$44,828.29	\$780,000.00	1971	40	6
<b>Culvert</b>	1	EA.	\$10,313.69	Not assessed	2019	37	Not assessed
<b>Culverts Hastie Road</b>	1	EA.	\$5,299.03	Not assessed	2011	29	Not assessed
<b>Culverts Cain &amp; Pyne Rd</b>	1	EA.	\$4,984.98	Not assessed	2009	27	Not assessed
<b>Culverts</b>	1	EA.	\$70,287.87	Not assessed	1990	8	Not assessed
<b>Culverts Rose, River and Martin Road</b>	1	EA.	\$8,864.64	Not assessed	2021	79	Not assessed
<b>Norris Road Culvert</b>	1	EA.	\$62,863.54	Not assessed	1984	42	Not assessed

**Table 26: State of Local Infrastructure – Fleet/Vehicles**

<b>Fleet/ Vehicles</b>	<b>Quantity</b>	<b>Units</b>	<b>Financial</b>	<b>Replacement</b>	<b>Year Built/ Purchase</b>	<b>Estimated</b>	<b>Overall</b>
			<b>Accounting Value</b>	<b>Cost Valuation*</b>		<b>Remaining Life</b>	<b>Asset Condition</b>
<b>Int'l Tanker Truck</b>	1	EA.	\$33,968.40	\$259,000.00	2002	6	8
<b>Ford Cube Van</b>	1	EA.	\$0.00	\$65,000.00	2000	0	8
<b>2004 Fire Pumper</b>	1	EA.	\$18,282.54	\$280,000.00	2004	2	9
<b>2003 Ford Half Ton</b>	1	EA.	\$0.00	\$60,000.00	2003	0	6
<b>Caterpillar D3 Dozer</b>	1	EA.	\$4,200.00	\$270,000.00	1977	7	5
<b>John Deere Loader</b>	1	EA.	\$110,880.25	\$250,000.00	2011	13	8
<b>Freightliner Plow Truck</b>	1	EA.	\$73,758.30	\$240,000.00	2012	10	7
<b>Dodge Ram 1500</b>	1	EA.	\$0.00	\$59,000.00	2002	0	2
<b>Ford F-150</b>	1	EA.	\$16,864.17	\$67,000.00	2017	5	9
<b>Chevy Silverado</b>	1	EA.	\$12,388.28	\$72,000.00	2020	18	9
<b>Low Bed Trailer</b>	1	EA.	\$29,841.00	\$42,000.00	2019	10	9
<b>Sod Mulcher</b>	1	EA.	\$57,827.00	\$60,000.00	2021	10	9
<b>Linkbelt Excavator</b>	1	EA.	\$207,849.65	\$250,000.00	2019	17	9
<b>John Deere Grader</b>	1	EA.	\$470,000.00	\$500,000.00	2021	10	9

\* Replacement costs are quoted for new vehicles. Depending on the use and purpose of the asset, if replacement is required, certified used vehicles will provide cost savings to the Township.

**Table 27: State of Local Infrastructure – Other**

<b>Fleet/ Vehicles</b>	<b>Quantity</b>	<b>Units</b>	<b>Financial Accounting Value</b>	<b>Replacement Cost Valuation</b>	<b>Year Built/ Purchases</b>	<b>Estimated Remaining life</b>	<b>Overall Asset Condition</b>
<b>Jaws of Life</b>	1	EA.	\$0.00	\$15,000.00	2002	0	Not assessed
<b>Fire Depart. Supplies</b>	1	EA.	\$75,548.00	\$200,00.00	2018	6	Not assessed
<b>Bunker Gear</b>	1	EA.	\$4,311.00	\$6,500.00	2020	8	Not assessed
<b>Breathing Tubes</b>	1	EA.	\$4,898.00	\$6,000.00	2021	9	Not assessed
<b>Low- Pressure Propane Steamer</b>	1	EA.	\$0.00	\$35,000.00	1985	15	7

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## 5.0 LIFECYCLE ACTIVITIES

Lifecycle activities refer to activities undertaken concerning a municipal infrastructure asset over its service life, including constructing, maintaining, renewing, operating, decommissioning, and engineering and design work associated with those activities.

**Figure 2: Lifecycle Activities**



Based on the conditions and age of the Township's assets, the current plan has not identified the need to rebuild/replace any of its existing or add any new assets over the next 10-year period. Over the next ten years, the lifecycle activities identified consist primarily of repairs and maintenance to maintain the current level of service. Assumptions concerning service levels are listed in **Section 4.0**. Should there be a need to rebuild/replace or add any assets during this period, the plan will be updated to take into account these events.

To maintain the current level of service, **Appendix "C"** provides details of the activities with their associated cost (lowest cost). The summary of these costs is shown in **Table 28**.



**Table 28: Asset's Full Lifecycle**

	Planning & Design	Procurement	Construction	Operation & Maintenance	Disposal
<b>Facilities/Buildings</b>				*	
<b>Roads</b>			*	*	
<b>Bridges/Culverts</b>			*	*	
<b>Fleet/Vehicles</b>				*	
<b>Playgrounds &amp; Recreation</b>				*	

**Table 29: Cost of Lifecycle Activities for the 10-Year Period**

	0	1	2	3	4	5	6-10	Total
<b>Facilities/Budgets</b>	\$14,650.00	\$29,975.00	\$2,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,625.00
<b>Playgrounds &amp; Recreation</b>	\$0.00	\$9,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,400.00
<b>Roads</b>	\$43,050.00	\$1,091,150.00	\$806,100.00	\$99,000.00	\$0.00	\$0.00	\$0.00	\$2,039,300.00
<b>Bridges/Culverts</b>	\$34,750.00	\$349,550.00	\$9,000.00	\$0.00	\$0.00	\$9,000.00	\$0.00	\$402,300.00
<b>Fleet/Vehicles</b>	\$0.00	\$19,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,700.00
<b>Other</b>	\$0.00	\$1,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000.00
<b>Total</b>	\$92,450.00	\$1,500,775.00	\$817,100.00	\$99,000.00	\$0.00	\$9,000.00	\$0.00	\$2,518,325.00

## 5.1 Associated Risk

The most significant risk in generating expected service levels is financial. The achievement of a desired level of service is dependent upon resource availability. Historically, the Township has had sufficient resources to meet service level expectations, resulting in the town regularly experiencing financial and infrastructure surpluses. Other risks related to the Township are potential unplanned actions stemming from updated engineering reports and other studies resulting in additional unexpected costs.

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## 6.0 FUTURE CHANGES IN POPULATION AND ITS IMPACT ON INFRASTRUCTURE

The Township of La Vallee reported a population of 788 in 2021, a decrease of 16% since the 2016 census. The community has 379 private dwellings of which 350 are occupied by usual residents change of -12.1% since 2016. The average age is 42.3 years while the median is 44.8 years. The average household size is 2.5.

Table 20 shows the population trend for 25 years. As stated above, based on the 2021 census, the Township has a population of 788 people. Overall, the population of La Vallee has dropped 43.4% over the 25 years from 1996 to 2021. The Township's population dropped by 150 people in the last two censuses. The yearly average decline rate is -1.87% per year from 1996 to 2021 with the highest percentage decline in 2021 of -16% (Statistics Canada, 2016 Census).

**Table 30: Historical Population Data**

Year	Population	+/-%
1996	1,130	
2001	1,073	-5.0
2006	1,067	-0.6
2011	988	-7.4
2016	938	-5.1
2021	788	-16.0

<https://www12.statcan.gc.ca>

Based on the above data and historical trend, one can assume that, should the population continue to decline at similar rates as described above, there would be an additional impact on the existing infrastructure and service level.

### 6.1 Future Asset Demands

Future asset demands are driven by demographic change, community growth pressures, obsolescence, technology changes, and economic changes in the broader environment. These demands are typically forecasted through various studies and planning exercises from which the demand for new infrastructure is identified. Studies are also completed for various assets to assess their current condition and operational/maintenance needs. All of this information is used to develop various operational, maintenance, and capital plans. **Table 30** summarizes the key study & planning documents utilized by the town for this purpose.

**Table 31: Studies and Plans**

Study/Plan	Asset Affected	Comments
• Official Plan	• Roads, Bridges/culverts, Buildings/facilities • Parklands and Recreation	• To guide the physical development of the Community
• AMP Inspection Reports	• All assessed assets	• Updated on a 10-year basis
• Strategic Asset Management Policy	• Municipal Infrastructure	• To support the delivery of sustainable community services
• Energy Management Plan	• Building/Facility assets	• To reduce our energy consumption and its related environmental impact.

The above reports are available to the public through the Township administration office. As per the Township's 2019 Strategic Asset Management Policy, the Township will report to citizens once during each term of Council on the status of the Township's asset management progress and work done following the Strategic Asset Management Policy

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## 7.0 ASSET MANAGEMENT STRATEGY

The asset management strategy is a set of planned actions that will allow the Township of La Vallee to ensure that its assets offer the desired levels of service for a sustainable cost while managing risk.

This section summarizes the following:

1. Non-infrastructure solutions.
2. Maintenance activities.
3. Renewal / Rehabilitation activities.
- 3 Replacement activities.
- 4 Disposal activities.
5. Expansion activities.

### 7.1 Non-Infrastructure Solutions

Non-infrastructure solutions are actions or policies that can lower costs or extend asset life. The Township of La Vallee has identified many of these solutions in its official plan. The plan was approved in 2011 and is intended to last 20 years.

Included in the basis for the plan are the following:

1. The Township of La Vallee is characterized primarily by rural residential development and agriculturally based activities. The rural character of the Township will be maintained over the lifetime of this plan.
2. Private water and sewage will continue to be the primary source of lot servicing in the Township. As a result, developments that require communal or complete municipal services will be considered only with an amendment to this plan. Any application to extend services from an adjacent municipality will be considered only with an amendment to the Official Plan.
3. Much of the Township's existing non-residential development occurs along Highway 11/71. This plan recognizes the Highway 11/71 corridor as the continued focus of primary economic development in the Township.
4. The municipality presently provides an adequate level of services to allow for sufficient growth over this plan's lifetime. Development in the Township will occur based on the existing level of municipal services.

Additionally, **Section 5.0** of the plan indicates a mechanism for demand management and a mechanism for directing development to limit existing road assets' burden.

It is recommended that the Township of La Vallee continue to undertake land use planning, undertake development following the Official Plan, and continue with the fiscally sound methodology outlined in the Official Plan. Doing so will help manage demand and ensure that the Township develops so that it has a sustainable plan to cover the costs needed to maintain service levels.

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## 7.2 Maintenance Activities

The operations and maintenance strategy guides these functions, resulting in developing an annual work plan and operating/maintenance budget. The strategic objectives for O&M are:

1. Provide adequate capacity to balance user service level expectations with the cost of new infrastructure.
2. Maintain public health and safety as a priority.
3. Invest based on life cycle awareness of extending the useful life at the optimal cost while meeting desired service levels.
4. Recommend asset replacement when O&M costs exceed target thresholds for sustainable operation.
5. Determine use in prioritizing O&M conditions compared to other assets. For example, a road used by 3 people with a GCR (Grade Crossing Regulation) of 5 compared to a road with a GCR of 7 with 200 people using it.
6. Consider both demand-side and supply-side capacity management opportunities when investing O&M dollars (i.e., fixing leaks before building more pipes).
7. Consider sustainability and environmental opportunities in O&M decisions where appropriate.
8. Consider emergency response planning requirements and alternative operating modes in response to known emergency conditions.
9. Ensure adequate skills are available through training and mentorship.
10. Ensure systems are in place to support data management and O&M recording and reporting to assist in long-term asset decision-making.
11. Periodically review asset functionality to ensure the intended purpose is met.
12. Focus on proactive maintenance planning and execution through the use of maintenance management software.
13. Identify the appropriate mode of operation based on asset class (RCM, run to failure, risk-based redundancy, etc.).
14. Define standard workflow and work procedures for improved consistency and efficiency.

A detailed list of each asset's maintenance activities is contained in this report in **Appendix "C"**. It is recommended that the Township undertake the identified maintenance within the timeframe specified in each asset report.

Some significant maintenance activities that were identified during the inspection process include (these include critical health and safety issues and building code issues).

## 7.3 Renewal / Rehabilitation Activities

A detailed list of maintenance activities for each asset is appended to this report. It is recommended that the Township undertake the identified maintenance within the timeframe specified in each asset report. Renewal / Rehabilitation costs are identified within each asset report.

It should be noted that it is recommended that all roads be rehabilitated as described in the individual asset reports within ten (10) years, as identified.

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## 7.4 Replacement Activities

A detailed list of maintenance activities for each asset is appended to this report. It is recommended that the Township undertake the identified maintenance within the timeframe specified in each asset report. When required, replacement costs are identified within each asset report. This plan does not recommend the replacement of any assets.

## 7.5 Disposal Activities

It is recommended that the Township disposes of assets according to their procurement policy if the asset has potential value (e.g., used vehicle, building). Otherwise, the Township should dispose of assets following environmental regulations as required. Disposal of assets should occur following the Official Plan. Currently this plan does not foresee the disposal of any asset.

## 7.6 Expansion Activities

According to the Official Plan, (Section 3 - Land Use Designation), this section intends to promote the optimum land use by minimizing land use conflict and providing an attractive development pattern consistent with existing land use and economic development of the township. Expansion activities should occur, utilizing a fiscally responsible approach to development focused on the Village Area and Highway 11/71 corridor, limiting financial exposure.

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## 8.0 FINANCIAL PLAN

### 8.1 Operations Plan and Financial Strategy

The Township's operations plan's primary objective has been to develop an operations & maintenance (O&M) program that meets the short to intermediate needs of the town's existing assets while maintaining a relatively stable annual cost profile. This objective aims to allow for the effective maintenance of the Township's assets while minimizing the disruptive impact of swings in annual operating budget requirements. Achieving stability in this annual cost profile reduces the tax rate's impact from costs of this nature in any given year. The current approach to developing the operations plan is as follows:

1. Assess the O&M needs for each of the asset classes.
2. Establish a funding target that balances the level of service requirements with asset condition/serviceability.
3. Monitor annual effectiveness of O&M program to meet set criteria.
4. Forecast budget adjustments in out years as needed to maintain service level/O&M program balance.
5. Identify anomalous expenditure requirements for inclusion in the 10-year capital plan.
6. Identify the importance of the O&M in the life cycle of an asset.

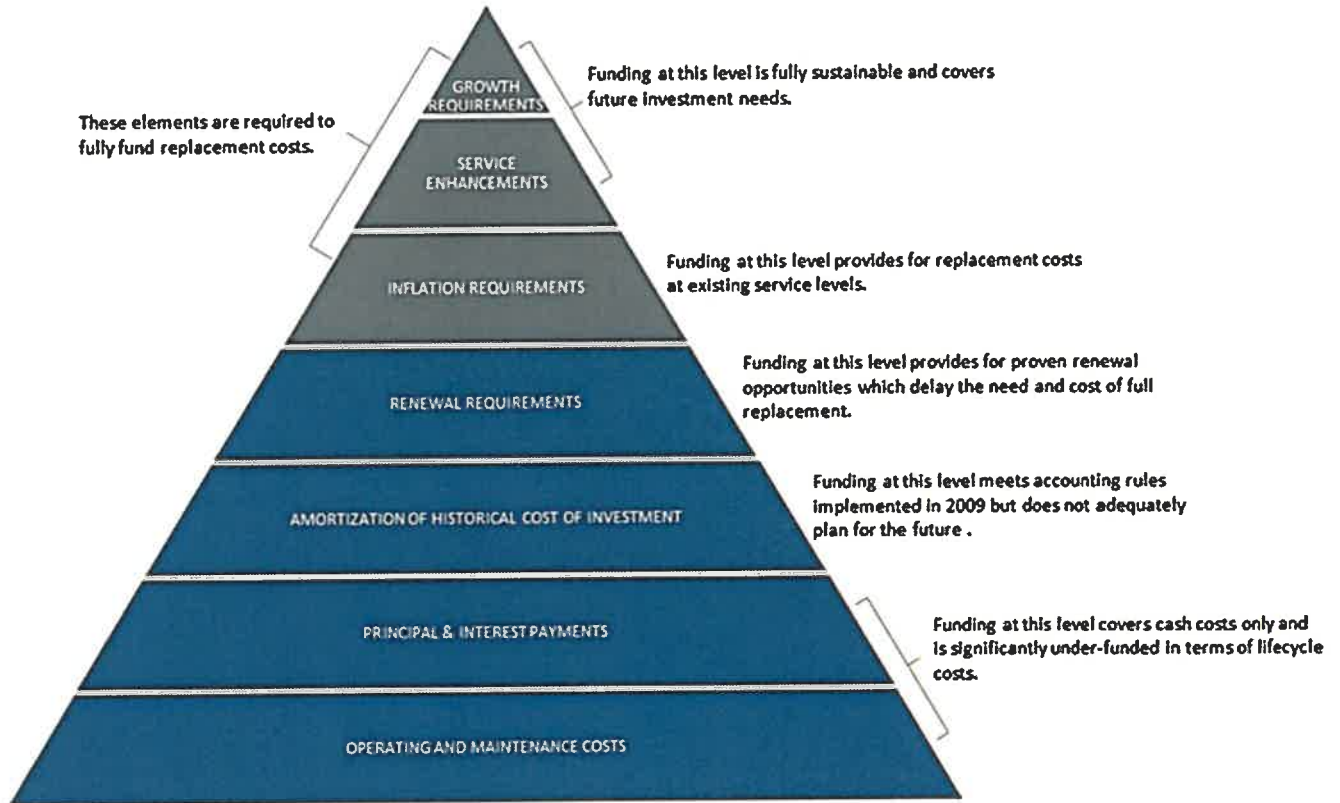
### 8.2 General Overview of Financial Plan Requirements

For an Asset Management Plan (AMP) to be effectively put into action, it must be integrated with financial planning and long-term budgeting. The development of a comprehensive financial plan will allow the Township to identify the financial resources required for sustainable asset management based on existing asset inventories, desired levels of service, and projected growth requirements.



The following pyramid depicts the various cost elements and resulting funding levels incorporated into AMP's based on best practices.

**Figure 3: Cost Pyramid and Funding Levels**



This report develops such a financial plan by presenting several scenarios for consideration and culminating with final recommendations. As outlined below, the scenarios presented model different combinations of the following components:

**a) The financial requirements for:**

1. Existing assets.
2. Existing service levels.
3. Requirements of contemplated changes in service levels (none identified for this plan).
4. Requirements of anticipated growth (none identified for this plan).

**b) Use of traditional sources of municipal funds:**

1. Tax levies.
2. User fees.
3. Reserves.
4. Debt.
5. Development charges (not applicable).



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**c) Use of non-traditional sources of municipal funds:**

1. Reallocated budgets (not required for this AMP).
2. Partnerships (not applicable).
3. Procurement methods (no changes recommended).

**d) Use of other orders of government funds:**

1. Federal gas tax.
2. Grants.

If the financial plan component of an AMP results in a funding shortfall, the Province of Ontario requires the inclusion of a specific plan on how the impact of the shortfall will be managed. In determining the legitimacy of a funding shortfall, the Province of Ontario may evaluate a municipality's approach to the following:

**a) To reduce financial requirements, consideration has been given to revising service levels downward.**

**b) All asset management and financial strategies have been considered. For example:**

1. If a zero-debt policy is in place, is it warranted? If not, the use of debt should be considered.
2. Do user fees reflect the cost of the applicable service? If not, increased user fees should be considered.
3. At an Ontario Good Roads Association meeting, in which both the Premier and Minister of Infrastructure encouraged the carrying of a maximum of 11% debt load by municipalities. Thus a 10-year plan to finance a bridge would be viewed quite favourably by Provincial and Federal funding agencies.

This AMP includes recommendations that avoid long-term funding deficits.

### 8.3 Capital Plan and Financial Strategy

The Township's capital plan is presently forecasted over a 10-year time horizon and is reported through a corporate financial planning document referred to as the 10-Year Capital Investment Plan. In this plan's development, the assurance of sufficient project delivery capacity and applicable reserve health over the intermediate to long term is a cornerstone of its financial strategy. All future year requirements have been indexed as per the most recently available inflation rate projections. The capital planning process is as follows:

1. Review all master plans and other study results to ensure continued alignment with the ten-year capital plan.
2. Review existing capital plan as per established capital asset service standard targets and in consideration of all other applicable key R&R decision point variables.
3. For example, for linear assets, review forecasted construction year based on asset life, condition, growth pressures, maintenance record, and coordination of the related assets, risk considerations, and corporate priorities.
4. Make necessary annual priority adjustments.
5. Verify in-year projects through condition and performance review and defer projects that can be extended without long-term impact on asset value and produce an economic benefit by deferral.
6. Review forecast cost estimates.

7. Assign appropriate funding sources.
8. Review overall cash flow impact to ensure the ongoing financial health of applicable contributing reserves or ensure alternative funding strategy if there is insufficient funding availability. If required, planned capital project work will be adjusted accordingly based on priorities.
9. As part of the reserve health analysis, staff will define the required level of reserve fund replenishing contributions necessary to maintain desired reserve financial health. If the required contribution is not financially feasible, it will trigger an adjustment of the capital plan accordingly.
10. Recommend an overall 10-year forecast and in-year capital projects for Council acceptance and general support.

## 8.4 Financial Information Relating to the Township of La Vallee's AMP

### 8.4.1 Funding Objective

The overall cost of this 10-year AMP is \$2,518,325.00 which is not a huge amount over the lifetime of the plan (10 years). The cost for construction and maintenance of roads and bridges accounts for \$2,441,600.00 (96.95%) of the total plan. Due to safety-related risks, the plan shows the majority of the above cost distributed over the first three years. This short time frame does somewhat create a cash flow problem for Township.

We have developed scenarios that would enable the Township of La Vallee to achieve full funding within the lifetime of the plan for the following assets. For each scenario developed, we have included strategies, where applicable regarding the use of tax revenues, grant revenues, reserves, deferred revenues and debt financing.

- a) Tax funded assets – Facilities; Recreation; Road network; Bridges & Culverts; Vehicles; Equipment

In developing these scenarios, it was projected that a percentage of total taxation revenue allocated to capital projects would be approximately 32% of the total taxation revenue. This was the percentage used for all projected taxation revenue dedicated to capital throughout this financial plan. It should be noted that the level of tax revenue that the Township can dedicate to capital is quite exceptional as, for example, the City of Thunder Bay is only able to allocate approximately 10% of its budget to capital.

**Table 31** lists the potential revenue sources identified for the above strategy.

**Table 32: Township's Revenue Sources**

Revenue Source	2021 Actuals	Yearly Allocation	%
<b>Taxation</b>	\$1,061,490.00	\$339,676.80	32.00%
<b>Gas Tax</b>	\$154,322.00	\$55,000.00 circa	100.00%
<b>User Fees/Licences/Permits etc.</b>	\$35,361.00	\$ -	0.00%
<b>Investment Income</b>	\$7,079.00	\$ -	0.00%
<b>Transfers – Provincial/Federal</b>	\$394,092.00	\$ -	0.00%
<b>Penalties and Interest on tax</b>	\$20,449.00	\$ -	0.00%
<b>Other</b>	\$9,035.00	\$ -	0.00%
<b>Total</b>	\$1,646,978.00	\$373,447.00	

As noted previously, the financial burden of the AMP is concentrated in the first three years, this is due to the present state of roads and bridges which pose a safety risk. These capital projects should be completed earlier rather than later.

The Township of La Vallee's major income streams are Taxation and Government transfers and from the 2020 and 2021 audits the Township's major expenses are Transportation Service, Protection Service and General Government. In 2020 and 2021, the Township spent over \$480,000.00 each year on transportation services (construction and maintenance of roads and bridges) and has been able to generate surpluses each year.

Considering the financial burden of this plan, options and additional revenue sources need to be explored if the plan needs to be fully funded. Potential options:

- 1) Distribute capital costs throughout the lifetime of the AMP.
- 2) Access other Federal and Provincial grant funding.
- 3) Debenture a portion of the cost of the AMP.
- 4) Dedicate the Deferred Revenues<sup>1</sup> \$315,128.00 to the AMP.
- 5) Dedicate and yearly surpluses to the AMP.

## 8.4.2 Tax-Funded Assets

### 8.4.2.1 Current funding position

**Tables 33 to 34** outline, by asset category, the Township's projected annual asset investment requirements, projected funding positions, and funding changes projected and required to achieve full funding on assets funded by taxes. The potential revenues identified in **Table 32** would be sufficient to fund the AMP at \$2,518,325.00. Timing and distribution of cost can prove to be challenging as well as the financial stress of the Township's operations.

**Table 33: Potential Revenue Sources – Fully Funded by Taxes**

Revenue Sources	Yearly Allocation	Committed Years	Total
<b>Taxation</b>	\$335,000.00	5	\$1,675,000.00
<b>Gas Tax</b>	\$55,000.00	10	\$550,000.00
<b>Deferred Revenues</b>	\$315,000.00	1	\$315,000.00
<b>Other</b>			
<b>Total</b>			\$2,540,000.00

<sup>1</sup> Federal Gas Tax – The Federal Government advances the Municipality funding related to the gasoline tax. This funding must be spent on approved infrastructure projects. The funding can be deferred for a maximum of five (5) years

**Table 34: Projected Annual Infrastructure Requirement and Projected Annual Funding**

Year 0						
Asset Category	Projected Investment	Taxes	Gas Tax	Other	Total	Surplus/ (Deficit)
<b>Facilities/ Buildings</b>	\$14,650.00	\$15,000.00	\$0.00	\$0.00	\$15,000.00	\$350.00
<b>Parks/Rec</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Roads</b>	\$43,050.00	\$0.00	\$45,000.00	\$0.00	\$45,000.00	\$1,950.00
<b>Bridges/ Culverts</b>	\$34,700.00	\$35,000.00	\$0.00	\$0.00	\$35,000.00	\$250.00
<b>Fleet/ Vehicles</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Other</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total</b>	\$92,450.00	\$50,000.00	\$45,000.00	\$0.00	\$95,000.00	\$2,550.00

**Table 35: Year 1 to 5 Projected Annual Funding Available**

Year 1 to 5						
Asset Category	Projected Investment	Taxes	Gas Tax	Other	Total	Surplus/ (Deficit)
<b>Facilities/ Buildings</b>	\$31,975.00	\$31,975.00	\$0.00	\$0.00	\$31,975.00	\$0.00
<b>Parks/ Rec</b>	\$9,400.00	\$9,400.00	\$0.00	\$0.00	\$9,400.00	\$0.00
<b>Roads</b>	\$1,996,250.00	\$1,612,925.00	\$275,000.00	\$0.00	\$1,887,925.00	-\$108,325.00
<b>Bridges/ Culverts</b>	\$367,550.00	\$0.00	\$0.00	\$300,000.00	\$300,000.00	-\$67,550.00
<b>Fleet/ Vehicles</b>	\$19,700.00	\$19,700.00	\$0.00	\$0.00	\$19,700.00	\$0.00
<b>Other</b>	\$1,000.00	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$0.00
<b>Total</b>	\$2,425,875.00	\$1,675,000.00	\$275,000.00	\$300,000.00	\$2,250,000.00	-\$175,875.00

**Table 36: Year 6 to 10 Projected Annual Funding Available**

Asset Category	Years 6 to 10					Surplus/(Deficit)
	Projected Investment	Taxes	Gas Tax	Other	Total	
<b>Facilities/ Buildings</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Parks/Rec</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Roads</b>	\$0.00	\$0.00	\$140,000.00	\$0.00	\$0.00	\$31,675.00
<b>Bridges/ Culverts</b>	\$0.00	\$0.00	\$80,000.00	\$0.00	\$0.00	\$12,450.00
<b>Fleet/ Vehicles</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Other</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total</b>	\$0.00	\$0.00	\$220,000.00	\$0.00	\$0.00	\$44,125.00

### 8.4.2.2 Recommendations for Full Funding

The annual investment requirement for roads, bridges/culverts; facilities and equipment, and the annual revenue allocated to these assets are:

**Table 37: Summary of Investment Requirements and Revenues Allocated**

	Investment Required	Revenue Allocated	Surplus/(Deficit)
<b>2022</b>	\$92,450.00	\$95,000.00	\$2,550.00
<b>Year 1 to 5</b>	\$2,425,875.00	\$2,250,000.00	\$-175,875.00
<b>Years 6 to 10</b>	\$0.00	\$220,000.00	\$220,000.00
<b>Total</b>	\$2,518,325.00	\$2,565,000.00	\$46,675.00

Based on the assumptions above, over the plan's lifetime, the Township of La Vallee would face a total surplus of \$46,675.00 if the expenditures were also distributed over the same period. One thing to keep in mind is, even though the plan covers a ten-year period and the expenditure is within the first half of the plan, the lion's share of these expenditures are in years 1 and 2 which creates a potential cash flow problem for the Township. Timing of the expenditures can create a heavy deficit that would need to be addressed by better distributing costs over time.

These infrastructure categories are projected to be funded via taxation revenue at 74.44% of the Township's long-term requirements. As illustrated in **Table 32**, budgeted annual tax revenues are estimated at \$335,000.00. In the second 5-year window, taxation revenue is not used while the gas tax continues for four years. To keep to the

above scheduled planned funding, the Township would not be required to increase tax revenues through higher tax rates but would need to increase the allocation of tax revenue to meet the plan and move expenditures throughout the second 5-year window.

For full funding to be achieved over ten years, the Township of La Vallee has some other options:

1. Dedicate taxation allocation between 30% and 32.5%.
2. Move \$1,000,000.00 of Road and Bridge expenses between years 6 and 10.
3. Dedicate any yearly surpluses toward the implementation of the AMP.
4. Allocating 100% of the gas tax revenue (\$55,000 circa) to the road category for the plan's entire life.
5. Increasing existing and future infrastructure budgets by the applicable inflation index on an annual basis.
6. Applying for other Federal and Provincial grant funding as required, as indicated below.
7. Allocating reserve funds to the six asset categories as outlined below.
8. Utilizing debt financing as required, as outlined below.

Although each option or a combination of them achieves full funding on an annual basis in 10 years and provides financial sustainability over the period modelled, the recommendations do require prioritizing capital projects to fit the resulting annual funding available. Prioritizing these and future projects will require age-based data to be replaced by condition-based data.

## 8.5 Use of Grant Funding

### 8.5.1 Grant Funding

For the purpose of the Township's financial plan, we have accounted for three possible scenarios pertaining to potential grant funding for the widening of roads and repairs to the bridges. As indicated in engineering reports, the roads need to be widened and rehabilitated within the 1 to 5 years period at an estimated total cost of \$1,996,250.00. Given the projected costs for rehabilitation of the Township's various other assets over the 1-to-5-year period, we project that the Township will not be able to fund roads through taxation revenue, differed revenues and any reserves alone. **Table 37** indicates scenarios regarding grant funding for the widening and rehabilitation of the road network.

**Table 38: Years 1 to 5 Grant Funding Scenarios**

Scenario 1		Primary Grant Funded			
	Investment Required	Grant Funding	Debt Financing	Taxation Revenue	Surplus/(Deficit)
	\$1,996,250.00	\$2,000,000.00	\$ 0.00	\$ 0.00	\$3,750.00
Scenario 2		Primary Grant Funded			
	Investment Required	Grant Funding	Debt Financing	Taxation Revenue	Surplus/(Deficit)
	\$1,996,250.00	\$ 0.00	\$1,996,250.00	\$ 0.00	\$ 0.00
Scenario 3		Primary Grant Funded			
	Investment Required	Grant Funding	Debt Financing	Taxation Revenue	Surplus/(Deficit)
	\$1,996,250.00	\$1,000,000.00	\$1,000,000.00	\$ 0.00	\$ 3,750.00

If the Township is unable to receive grant funding for 100% of the road projects, debt financing may be required to complete the project's funding. In the "Use of Debt" section below, we outline potential financing costs related to any debt financing needed as part of this financial plan.

### 8.5.2 Recommendations

In our opinion, the most beneficial scenario for the Township would be to have the road projects 100% grant funded. However, we also believe this is the least likely scenario, given the provincial and federal government's history of requiring municipalities to participate as partners in major capital projects. In our opinion, the most likely scenario would be that the Township can find grant funding for a portion of the road projects sometime within the 1-to-5-year period. In this case, we assume the project is 50% grant-funded and 50% debt-financed. The portions grant funded as compared to financed may vary from these estimates. The project's possible funding sources would be Canada-Ontario Municipal Rural Infrastructure Fund (COMRIF) or the Small Rural & Northern Municipal Infrastructure Fund. There is also the possibility that the Township is unable to locate grant funding for road and bridge projects and may be required to finance the projects at 100%. We believe that the Township would have minimal trouble 100% financing the project, given the Township's strong historical financial data. The negative consequences of fully financing the project would be that the Township would incur significantly more financing costs than if the project was partially or fully grant-funded.

### 8.6 Use of Debt

For reference purposes, **Table 38** outlines the premium paid on a project if financed by debt. For example, a \$1M project financed at 3.0% over 15 years would result in a 26% premium or \$260,000 of increased costs due to interest payments. For simplicity, the table does not consider the time value of money or the effect of inflation on delayed projects.

**Table 39: Total Interest Paid as a % of Project Cost**

Interest Rate	Number of Years Financed					
	5	10	15	20	25	30
7%	22%	42%	65%	89%	115%	142%
6.6%	20%	39%	60%	82%	105%	130%
6.0%	19%	36%	54%	74%	96%	118%
5.5%	17%	33%	49%	67%	86%	106%
5.0%	15%	30%	45%	60%	77%	95%
4.5%	14%	26%	40%	54%	69%	84%
4.0%	12%	23%	35%	47%	60%	73%
3.5%	11%	20%	30%	41%	52%	63%
3.0%	9%	17%	26%	34%	44%	53%
2.5%	8%	14%	21%	28%	36%	43%
2.0%	6%	11%	17%	22%	28%	34%
1.5%	5%	8%	12%	16%	21%	25%
1.0%	3%	6%	8%	11%	14%	16%
0.5%	2%	3%	4%	5%	7%	8%
0%	0%	0%	0%	0%	0%	0%

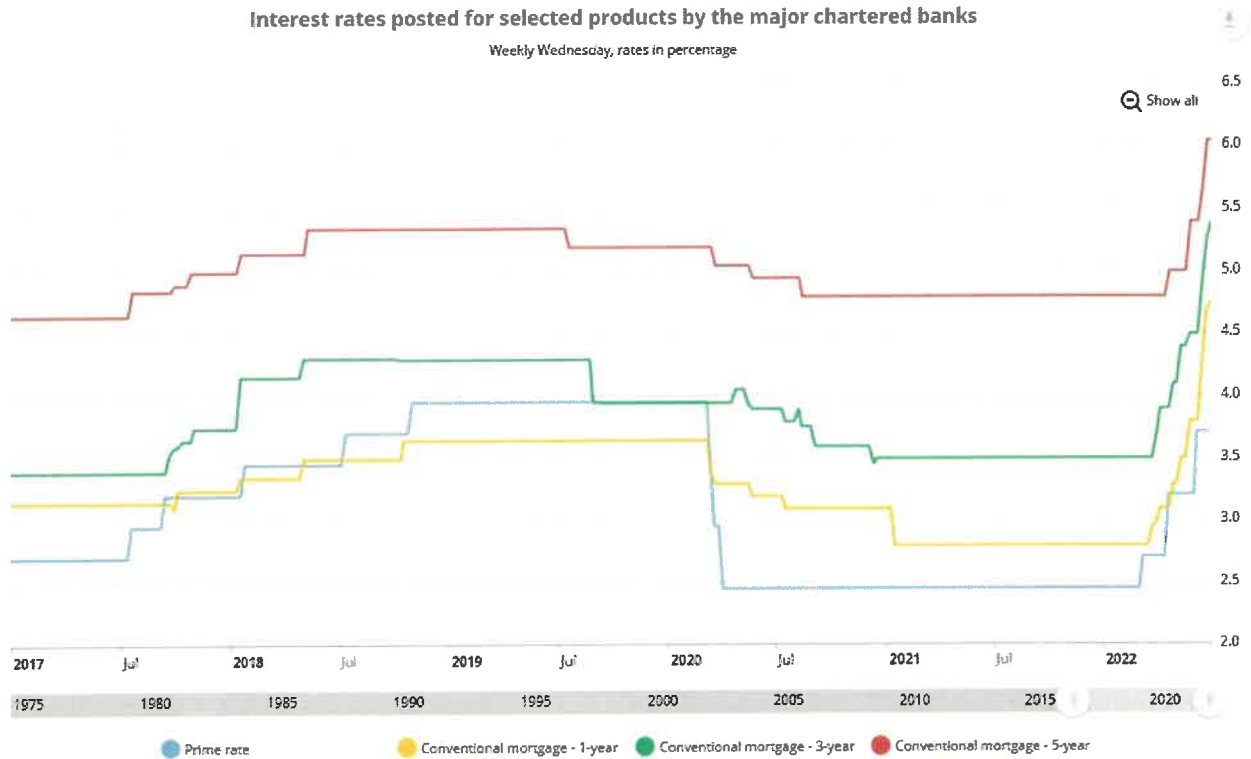
It should be noted that current interest rates are slowly climbing in order to fight inflation. Sustainable funding models that include debt need to incorporate the risk of rising interest rates. Table 38 and Chart 1 shows where historical lending rates have been. As illustrated in **Table 38**, a change in 15-year rates from 3% to 6% would change the premium from 26% to 54%. Such a change would have a significant impact on a financial plan.

**Table 40: Lending Rates**

Period	Prime Rate	Mortgage Rates		
		1 Year	3 Year	5 Year
January 2016	2.7	3.14	3.39	4.64
July 2016	2.7	3.14	3.39	4.47
January 2017	2.7	3.14	3.39	4.64
July 2017	2.7	3.14	3.39	4.46
January 2018	3.2	3.24	3.74	4.49
July 2018	3.45	3.49	4.30	5.34
January 2019	3.64	3.95	4.29	5.34
July 2019	3.64	3.50	4.29	5.34
January 2020	3.64	3.95	3.95	5.19
July 2020	2.45	3.19	3.89	4.94
January 2021	2.45	3.09	3.49	4.79
July 2021	2.45	2.79	3.49	4.79
January 2022	2.45	2.79	3.49	4.79
April 2022	3.20	3.09	3.89	4.79
May 2022	3.20	3.29	4.09	4.99
June 2022	3.70	4.75	4.49	6.04



**Figure 4: Lending Rate Chart**



<https://www.bankofcanada.ca/rates/banking-and-financial-statistics/posted-interest-rates-offered-by-chartered-banks/>

From the Township’s financial statements, it appears that the Township of La Vallee does not use debt financing for capital projects. For the 2021 fiscal year, the Township shows no long-term debt.

As illustrated in this plan, The Township of La Vallee may be required to finance a portion of the asset management plan’s investment requirements. **Table 40** outlines projected financing costs resulting from various funding scenarios related to the financing of:

**Table 41: Planned Debt Financing**

Principal	Term	Interest Rate	Monthly Payment	Financing Cost
\$1,000,000.00	10-year	4.0%	\$10,108.87	\$213,064.42
\$1,000,000.00	10-year	6.0%	\$11,065.10	\$327,811.90
\$1,000,000.00	20-year	4.0%	\$6,042.46	\$450,191.52
\$1,000,000.00	20-year	6.0%	\$7,121.88	\$709,252.26
\$2,000,000.00	10-year	4.0%	\$20,217.74	\$426,128.83
\$2,000,000.00	10-year	6.0%	\$22,130.20	\$474,359.40
\$2,000,000.00	20-year	4.0%	\$12,084.93	\$900,383.03
\$2,000,000.00	20-year	6.0%	\$14,243.77	\$1,418,501.52

As indicated above, ideally, The Township of La Vallee would receive grant funding for at least 50% of the road projects and could then finance only 50% of the project. If this were the case, the financing costs for the project would be contained. The project's financing could be held to a shorter term, and the monthly payments would not be overly cumbersome under the Township's budget.

### 8.6.1 Recommendation

It is recommended that if the project is grant-funded for approximately 50% or more, The Township of La Vallee obtain financing for at most a 10-year term to minimize the debt financing costs. Should La Vallee be required to finance the project entirely, it would be most beneficial to the Township to keep the term loan a maximum of 10 years to minimize financing costs. However, we would suggest that the Township review its budget to ensure that the monthly financing payments are not overly cumbersome.

Given the fact that the other levels of government are supporting the practice of municipalities using debt to finance major capital projects, this use of debt by the Township of La Vallee would likely assist with future funding applications.

## 8.7 Use of Reserves

### 8.7.1 Available Reserves

Reserves play a critical role in long-term financial planning. The benefits of having reserves available for infrastructure planning include:

1. The ability to stabilize tax rates when dealing with variable and sometimes uncontrollable factors.
2. Financing one-time or short-term investments.
3. Accumulating the funding for significant future infrastructure investments.
4. Managing the use of debt.
5. Normalizing infrastructure funding requirements. By reserve type, **Table 41** outlines the details of the reserves available to the Township of La Vallee as per 2021 financial statements.

**Table 42: Summary of Reserves Available**

Reserve Type	Balance
<b>Reserve Funds</b>	
Capital	\$500,327.00
Other – Capital Projects	\$28,742.00
<b>Deferred Revenues</b>	
Gas Tax	\$315,128.00

There is considerable debate in the municipal sector regarding the appropriate level of reserves that a municipality should have on hand. There is no clear guideline that has gained wide acceptance.

Factors that municipalities should consider when determining their capital reserve requirements include:

1. Breadth of services provided.
2. Age and condition of infrastructure.
3. Use and level of debt.
4. Economic conditions and outlook.
5. Internal reserve and debt policies.

At this time the Township has its Reserve Funds all dedicated to other projects.

### 8.7.2 Tax Based Reserves

As part of this financial plan, the Township of La Vallee will not be required to utilize various reserve funds to implement the maintenance schedule recommended within the asset management plan based on the fact that Reserve Funds are already committed. Should Council decide to redirect these funds or commit future reserve funds to the roads and bridges capital cost, project financing will be adjusted.

Outlined in **Table 42** are the scheduled annual uses and contributions to reserve funds and deferred revenues recommended as part of this financial plan. It has been our understanding that the existing reserve funds are committed and at this time are not part of the financial plan. **Table 43** outlines the cumulative usage and contributions to reserve funds.

**Table 43: Reserve Fund Annual Contribution and Usage**

Reserve Type	2022	Year 1-5	Year 6-10
<b>Reserve Funds</b>			
Capital	\$0.00	\$0.00	\$0.00
Other – Capital Projects	\$0.00	\$0.00	\$0.00
<b>Deferred Revenues</b>			
Gas Tax	\$0.00	\$300,000.00	\$0.00

**Table 44: Reserve Fund Annual Contribution and Usage**

Reserve Type	2022 Budgeted	2022 Projected	Year 1-5 Projected	Year 6-10 Projected
<b>Reserve Funds</b>				
Capital	\$0.00	\$0.00	\$0.00	\$0.00
Other – Capital Projects	\$0.00	\$0.00	\$0.00	\$0.00
<b>Deferred Revenues</b>				
Gas Tax	\$0.00	\$0.00	\$0.00	\$0.00

### 8.7.3 Recommendations

Under the plan, the Township of La Vallee will not be required to use existing reserve funds but will be required to use its deferred revenues as outlined above to implement the financial plan required to fund the AMP outlined. The Township may want to explore the utilization of any future surpluses, redirect some of the existing reserve funds and contribute contributing to the reserve funds for future capital projects. These actions will lessen the financial burden on the Township.

### 8.8 Summary of Financial Plan

Table 44 illustrates the expected annual capital investments, revenues, reserve allocations, and debt financing required under the recommended financial plan.

**Table 45: Summary of Annual Capital Transactions under the Financial Plan - Year 0**

Year 0 Capital Transaction Summary								
Asset Category	Annual Investment	Projected Tax Revenue	Projected Gas Tax	Projected Grants	Surplus (Deficit)	Deferred Revenues Allocation	Debt Finance	Adjusted Surplus or (Deficit)
Facilities/ Buildings	\$14,650	\$14,650	\$ 0	\$0	\$0	\$0	\$0	\$0
Parks/ Rec	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Roads	\$43,050		\$45,000	\$0	\$1,950	\$0	\$0	\$1,950
Bridges/ Culverts	\$34,750	\$35,350	\$0	\$0	\$600	\$0	\$0	\$600
Fleet/ Vehicles	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0		\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$92,450</b>	<b>\$50,000</b>	<b>\$45,000</b>	<b>\$0</b>	<b>\$2,550</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,550</b>



**Table 46: Summary of Annual Capital Transactions under the Financial Plan - Year 1 to 5**

Year 1 to 5								
Capital Transaction Summary								
Asset Category	Annual Investment	Projected Tax Revenue	Projected Gas Tax	Projected Grants	Surplus (Deficit)	Deferred Revenue Allocation	Debt Finance	Adjusted Surplus (Deficit)
Facilities/ Buildings	\$31,975	\$0	\$31,975	\$0	\$0	\$0	\$0	\$0
Parks/ Rec	\$9,400	\$0	\$9,400	\$0	\$0	\$0	\$0	\$0
Roads	\$1,996,250	\$675,000	\$145,375	\$1,000,000	\$(175,875)	\$0	\$0	\$(175,875)
Bridges/ Culverts	\$367,550	\$0	\$67,550	\$0	\$(300,000)	\$300,000	\$0	\$0
Fleet/ Vehicles	\$19,700	\$0	\$19,700	\$0	\$0	\$0	\$0	\$0
Other	\$1,000,000	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$2,425,875</b>	<b>\$675,000</b>	<b>\$275,000</b>	<b>\$1,000,000</b>	<b>\$(475,875)</b>	<b>\$300,000</b>	<b>\$0</b>	<b>\$(175,875)</b>

**Table 47: Summary of Annual Capital Transactions under the Financial Plan - Year 6 to 10**

Years 6 to 10								
Capital Transaction Summary								
Asset Category	Annual Investment	Projected Tax Revenue	Projected Gas Tax	Projected Grants	Surplus (Deficit)	Deferred Revenue Allocation	Debt Finance	Adjusted Surplus (Deficit)
Facilities/ Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parks/ Rec	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Roads*	\$0	\$0	\$220,000	\$0	\$0	\$0	\$0	\$220,000
Bridges/ Culverts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fleet/ Vehicles	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$220,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$220,000*</b>

\*The overall surplus at the end of the lifetime of the plan is \$46,675,000

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The recommended plan will result in the Township of La Vallee completing all recommended investments in the capital assets as outlined by the AMP. The financial plan will not cause the Township of La Vallee to annually increase its tax rate over the next ten years, even though the Township should consider small increases every year. It is assumed that Gas Tax revenue will remain constant at \$55,000.00 yearly over the next ten years as there is no indication from the information reviewed that these revenues will significantly increase and is used according to the plan. As in previous years, 30% of taxation continues to play a significant funding role in this plan.

We are assuming that the Township of La Vallee will qualify for grant revenues for at least \$1,000,000.00 over the first five years of this plan to assist in financing the roads and bridges projects. Considering the healthy balance of the Gas Tax-Deferred Revenue, we are not recommending any debt financing be utilized to make up the difference between the grant funding received and the investment required for the recommended capital projects. Finally, we recommend exploring the utilization of a portion of the existing reserve funds as necessary and the buildup of reserves where possible. We anticipate that the Township continues to accumulate capital reserves and the Gas Tax-Deferred Revenue at the end of this plan.



## 9.0. CONTINUOUS IMPROVEMENT STRATEGY

It is recommended that the Township of La Vallee consider developing and implementing a Continuous Improvement Strategy. The continuous improvement strategy for asset management is measured against twenty-four criteria that touch on the plan's various aspects.

**Table 48: Continuous Improvement Criteria**

#	Criteria	#	Criteria
1	AM Policy	13	Decision Making
2	AM Strategy	14	Operational Plan
3	AM Plan	15	Maintenance Plan
4	Strategic Long-Term Planning	16	Capital Plan
5	Data Management	17	Financial Reporting
6	AM Roles/Practices	18	Financial Planning
7	Key Performance Indicators	19	Information Systems
8	Demand Forecasting	20	Quality Management
9	Levels of Service	21	Improvements
10	Asset Register Data	22	Sustainability
11	Asset Conditions	23	Asset Handover Plan
12	Risk Management	24	Capital Delivery

The purpose of this self-assessment is to identify areas where there is a relative opportunity for improvement and plan projects focused on improving the maturity level and application of the various criteria. The following table outlines the definitions for the scores.

**Table 49: Continuous Improvement Score Definition**

Score	Description
0	Not performed
1	Aware of the need and risk
2	Informal application and undocumented processes
3	Partial documented processes partial use
4	Application of documented processes
5	Best practice

Once each criterion is evaluated and scored from 0 to 5, the results are plotted on a Spider Graph. **Figure 5** shows a Spider Graph template, the scoring from 0 to 5 is measured along each axis, and each axis represents one of the 24 criteria. For visualization purposes, **Figure 6** illustrates a Spider Graph with plotted data. As a Continuous Improvement Strategy is implemented and improvements are attained, the future Spider Graphs will show the scoring move toward the outer layers.

Figure 5: Continuous Improvement Spider Graph Template

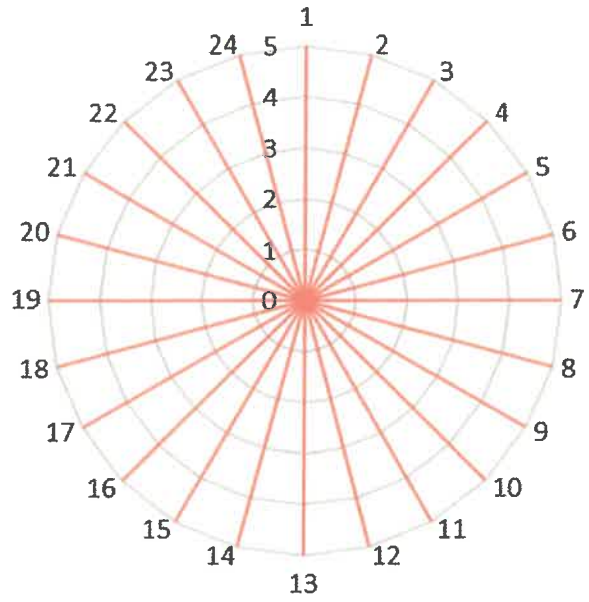


Figure 6: Continuous Improvement Spider Graph – With Plotted Data

