

# Municipal Financial Sustainability

## Asset Valuation and Capital and Rehabilitation Needs Assessment



The model allows a Municipality to assess capital needs for addressing:

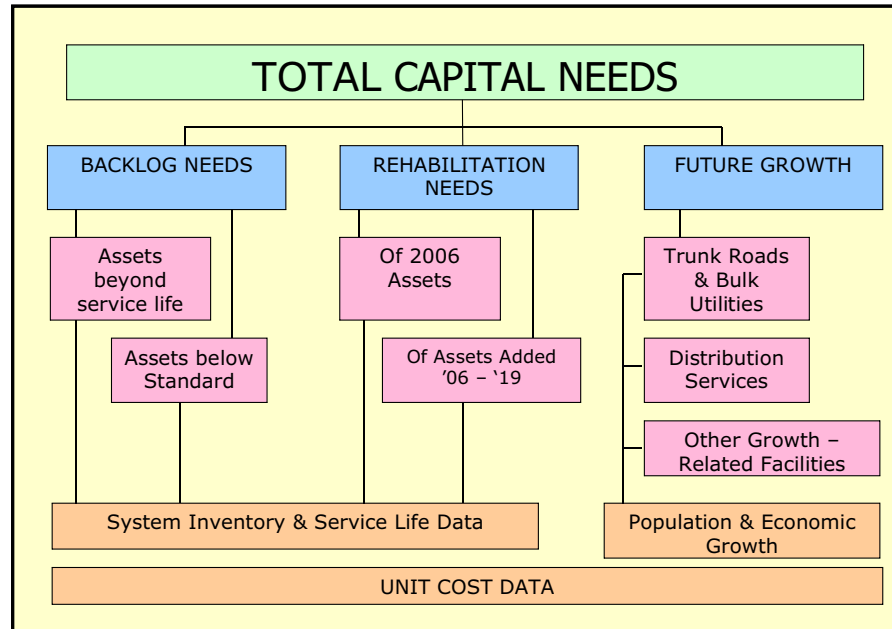
- Service backlog.
- Future development.
- Rehabilitation of ageing infrastructure.



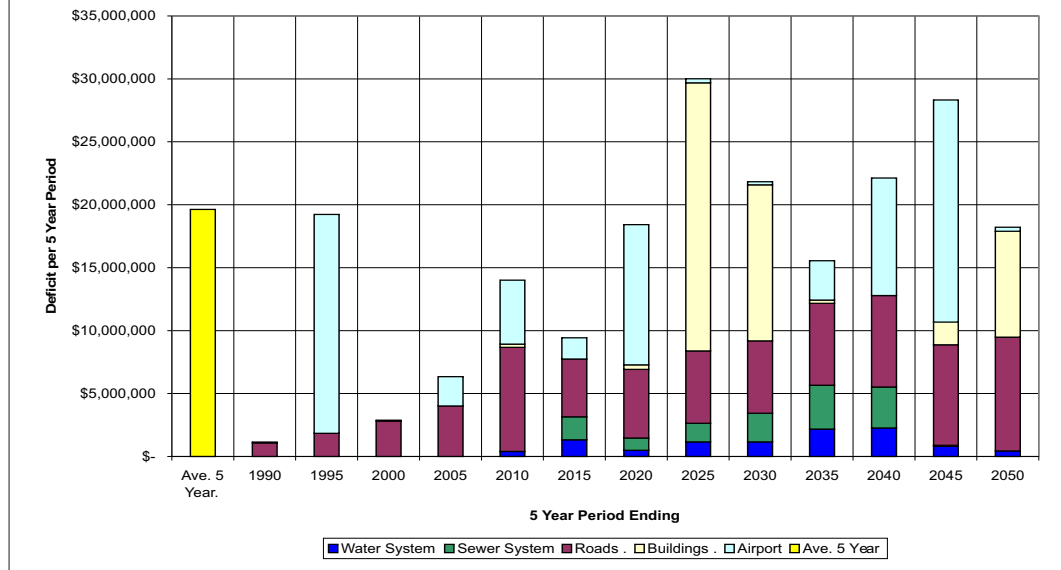
**Dayton & Knight Ltd.**  
CONSULTING ENGINEERS

# Municipal Financial Sustainability: Model Structure and Output

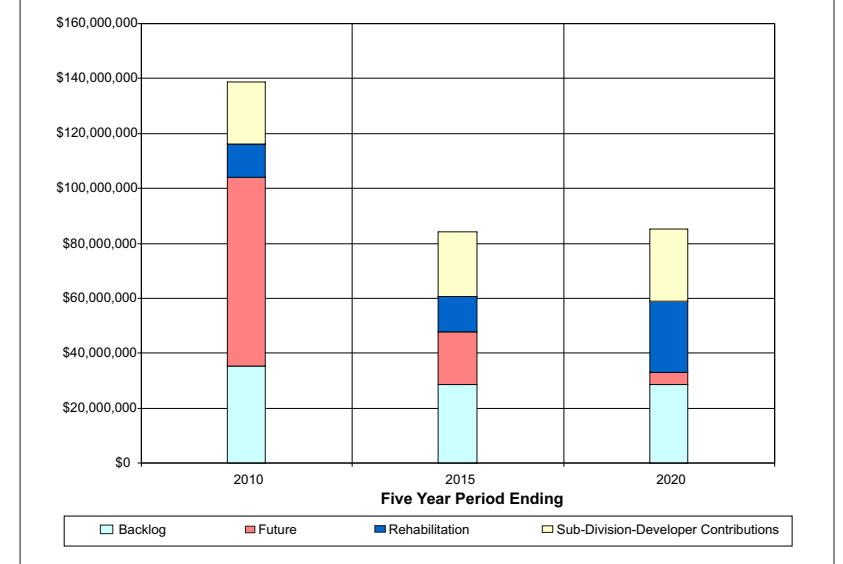
**Model Structure**



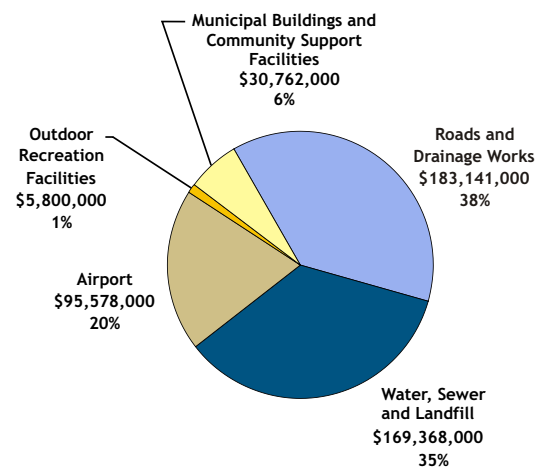
**Total Deficit by Asset**



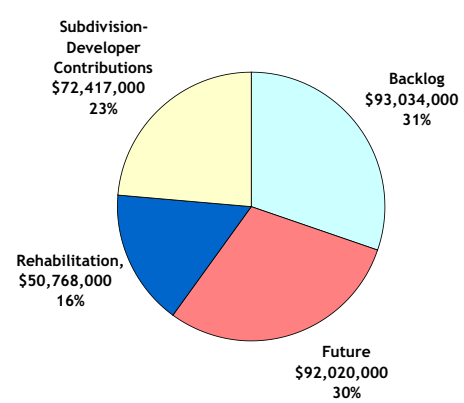
**Capital Needs per Five Year Period by Category**



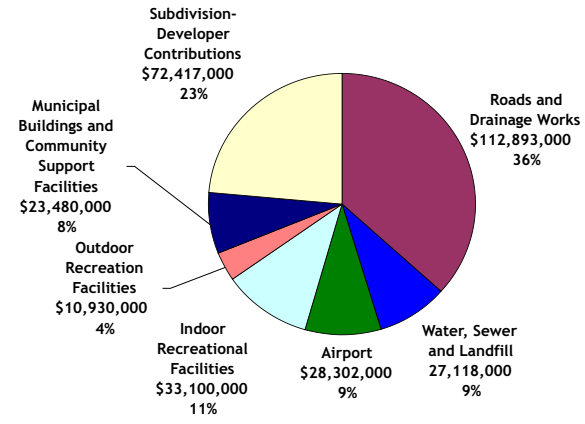
**Existing Infrastructure Replacement Value**



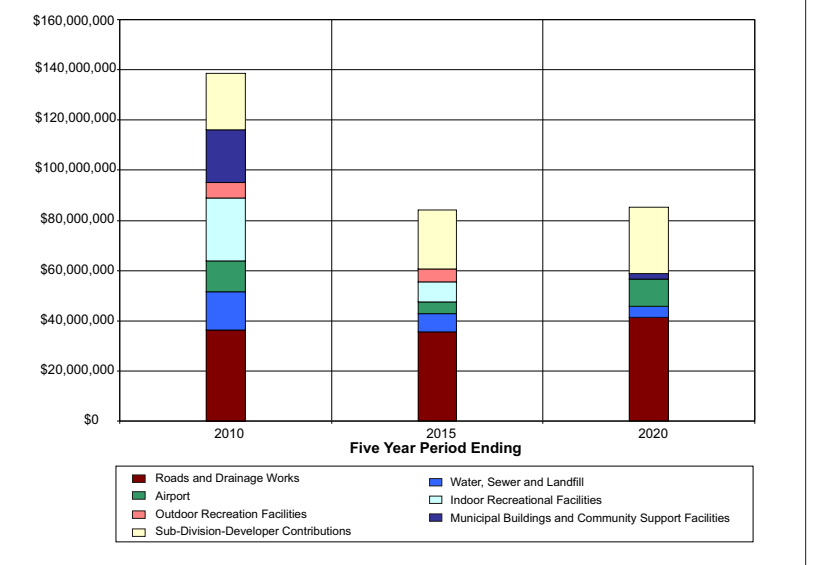
**Capital Need by Category**



**Capital Need by Type of Infrastructure**



**Capital Needs per Five Year Period by Type of Infrastructure**



## Model Capability

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- This comprehensive, long-term capital needs assessment model for all municipal infrastructure calculates the replacement value of all assets. This contributes to meeting the requirements of PSAB 3150.
  - The model also allows a Municipality to quickly and easily understand, at a reasonable cost, the capital investment required to achieve a desired “Quality of Place”.<sup>1</sup> The investment required to address service level backlog, future development and rehabilitate ageing infrastructure is assessed.
  - The model is applicable to both small and large Municipalities. Grant funding can be obtained to supplement the cost of the study.
  - Data requirements are modest and the model tolerates a variety of formats and incomplete data.
  - Future investment required in infrastructure for bulk utilities, collector roads and recreational facilities is based on available studies, or in their absence can be derived from population projections.
  - The model presents the capital needs in tables and graphs which facilitate communication with councilors and the public.
  - By varying parameters, the user may understand the relative and absolute importance of each. The portion of the model which assesses the rehabilitation requirements can be used alone to determine the investment needed over time.
- 1 “Quality of Place” includes the service level of utilities, roads system and recreational and service buildings and airport.

## Model Results

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- An infrastructure asset register, complete with replacement values, is produced at a reasonable cost. Based on this, the model determines the capital investment required to achieve a defined “Quality of Place”.
- The cost of addressing service level backlog, future development and rehabilitating ageing infrastructure is assessed.
- Output from the model contributes to meeting the requirements of PSAB 3150 and facilitates decision making between councilors, officials and the public regarding desired “Quality of Place”.
- By utilizing this model, managers are able to assess the rehabilitation investments needed over time and to understand the capital required to develop vibrant, competitive and sustainable communities over the long term.

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