

County road conditions could force future tax hike

If Dufferin County were to begin afresh, duplicating all its present infrastructure including roads, buildings, machinery and all other tangible assets, it would need to have \$367-million available to pay the tab.

Three hundred and sixty seven million dollars is the estimated replacement cost of the county's asset inventory as presented by Treasurer Alan Selby in an outline of the Asset Management Plan (AMP) ? the document that would not only influence future capital budgets by requiring long-term capital plans, but one that is mandatory for future grant applications.

Were it not for the provincial requirement for the AMP and an amortization provision, the total asset value wouldn't mean much. Hypothetically, however, if it could be assumed that all current infrastructure would need to be replaced in, say, precisely 20 years, the county would be required to have \$367-million available for replacement of everything 20 years hence, based on a 20-year lifespan.

The AMP study had to be completed prior to Dec. 31, 2013. It was required to be publicly aired by May 2014, but county Clerk Pam Hillock says it will be posted for public view immediately, now that it has been accepted by county council.

Fortunately, as Mr. Selby points out, not everything deteriorates at the same rate, and the expected lifespan of most infrastructure can be extended through proper maintenance.

The county's 322 km road network is the most prominent asset in that regard, with a replacement value of about \$110-million. About \$75-million of that is for surfaces, and \$35-million for bases.

Although the county spent about \$5-million on resurfacing in 2013, only about half the network is in ?good to excellent? condition. Mr. Selby says the county needs to budget more like \$11-million annually, or about \$6-million more than it does now. That could translate into a six per cent tax hike.

Specifically, an AMP chart shows about 48 km as being in ?poor to very poor? condition, about 124 km as ?fair,? 109 km as ?good,? and 47 km as ?excellent.?

?Currently about 88% of the road network surfaces are in a fair-or-better state of repair.

This is a reasonably good-looking chart today, but several km need to be resurfaced every year to keep it this way. You cannot tell from this chart how many of the Fair km are getting close to falling back to Poor status,? the AMP reads.

A second chart illustrates the years in which various lengths of roadways were resurfaced. It shows a downward trend since the 2006-2010 period.

?If the recent trend continues, the results will become evident on future-year versions of these two charts. The Very Poor and Poor bars will grow, the Good and Excellent bars will shrink. This is not only a Capital Budget problem. There will be negative impacts to the Roads Operating budget, because maintenance costs for patching and crack sealing will have to be increased. This has already been factored into the 2014 Budget,? the report reads.

In addition to road resurfacing, the county owns 38 bridges, of which 14 have been rated as ?poor? by a mandatory 2-year inspection. Two of the poor bridges are being replaced by Simcoe County on a shared-cost basis, leaving 12 for Dufferin to replace ?in one to five years.?

Generally speaking, road maintenance has always been worrisome for the council when trying to avoid major tax hikes. At a recent meeting, Grand Valley Mayor John Oosterhof warned of the dangers of falling behind on a road-resurfacing schedule.

But the AMP also warns that not all roads will deteriorate at the same rate. Although he doesn't specify which roads, Mr. Selby points out that there are differences in road-wear amongst cars, trucks and tractor-trailers.

Apart from roads, Mr. Selby's conclusion is that the county has a good track record for maintenance. He cites budgets of \$908,000 in vehicle operations, \$4.2-million for building maintenance, \$417,000 for staffing the Dufferin Oaks, and \$1-million for other maintenance staff.

He also includes \$4.8-million for road maintenance in his track record, even though it does fall short of a true requirement.

By Wes Keller