
HALDIMAND COUNTY

Report ECW-07-2021 Budget Amendment – Asset Management Plan Update For Consideration by Council in Committee on June 1, 2021



OBJECTIVE:

To obtain approval for a capital budget amendment for an update to the County's Asset Management Plan as required by O. Reg. 588/17 Asset Management Planning for Municipal Infrastructure legislation.

RECOMMENDATIONS:

1. THAT Report ECW-07-2021 Budget Amendment – Asset Management Plan Update be received;
2. AND THAT the revised budgets outlined in Report ECW-07-2021, be approved.

Respectfully submitted: Tyson Haedrich, M. Eng., P. Eng., General Manager of Engineering & Capital Works

Approved: Craig Manley, MCIP, RPP, Chief Administrative Officer

EXECUTIVE SUMMARY:

By July 1st of this year, municipalities were required to have an updated Asset Management Plan (AMP) for core assets such as roads, bridges, and culverts identifying current levels of service and ongoing maintenance costs. However, due to the pandemic, this deadline has been extended to July 1, 2022.

Facilities Capital & Asset Management's 2021 work plan included the AMP update with the work to be completed in-house, however, based on a recent review of the work involved in the update as well as the potential impact of the updated plan on the County's long term asset management strategy, staff are recommending that this work be done by the consultant (Public Sector Digest) who completed the original 2014 AMP as well as the 2018 AMP update.

Staff are also recommending that this work be completed this year to coordinate with the planned implementation of the Asset Management module through the Business Application Software program.

The Asset Management Plan Update project requires a budget amendment to provide funding for the project. The proposed budget amendment impacts only the capital reserve fund balances noted within the report.

BACKGROUND:

The Province of Ontario has focused on improving asset management planning for municipal infrastructure since 2012. At that time, the Ministry of Infrastructure worked with municipalities and the federal government to establish a municipal infrastructure strategy.

Effective January 1st, 2018, the Province implemented O. Reg. 588/17 Asset Management Planning for Municipal Infrastructure which was approved under the Infrastructure for Jobs and Prosperity Act, 2015. The goal of the legislation is to assist municipalities with their infrastructure planning to ensure that

municipal services are sustainable, through consistent standards and the sharing of best practices and comparable data.

As part of this legislation, municipalities are required to meet the following requirements:

July 1, 2019	Adopt initial strategic Asset Management Policy. Section 3 of the legislation sets out 12 matters that this policy must include and the policy must be reviewed every 5 years. <i>Completed through Report FCA-01-2019 Asset Management Policy.</i>
July 1, 2021	Require an adopted Asset Management Plan for core assets (roads, bridges and culverts, water, wastewater and storm water management) that discusses current levels of service and the cost of maintaining those services. The regulation sets out both qualitative descriptions and technical metrics for each of the core assets.
July 1, 2023	Require an adopted Asset Management Plan for all other municipal infrastructure assets, which also discusses current levels of service and the cost of maintaining those services. The municipality is to set the technical metrics and qualitative descriptions for its other assets (e.g., culture and recreation facilities).
July 1, 2024	Approved Asset Management Plans shall include a discussion of proposed levels of service, the assumptions related to the proposed levels of service, what activities will be required to meet proposed levels of service and a strategy to fund the activities.

Due to the current pandemic, on March 15, 2021, the Ministry of Infrastructure amended O. Reg. 588/17 to extend the timelines under the regulation by one year.

By July 1st of this year, municipalities were to have had an approved asset management plan for core assets such as roads, bridges, and culverts which identifies current levels of service and the cost of maintaining them. The regulation now requires that this milestone be completed by July 1, 2022. The other milestones have also been extended to July 1, 2024 and July 1, 2025, respectively.

Council Report History

In April 2014, through Report PW-GM-01-2014 – 2014 Asset Management Plan, staff presented an Asset Management Plan (AMP) to Council for core infrastructure assets, including roads, bridges, culverts, water/wastewater and storm water systems and provided an update in December 2014 through Report PW-GM-03-2014 – 2014 Update on the County Asset Management Plan.

In June 2018, through Report CS-FI-12-2018 Asset Management Plan, staff presented an updated AMP to Council for non-core infrastructure assets including buildings, land improvements, machinery/equipment and fleet vehicles.

These plans included asset information such as inventory, valuation/replacement cost, function/performance, asset life requirements (maintenance, rehabilitation or replacement), useful life analysis, investment requirements and long term financial plans. However, due to the lack of data for asset conditions and deterioration/replacement indicators, assumptions were made using asset age and useful life estimates.

In June 2019, through Report FCA-01-2019 Asset Management Policy, staff presented an Asset Management Policy to Council. The purpose of the policy is to provide guidance and a consistent,

organization-wide framework for the development and implementation of the Haldimand County Asset Management System (AMS).

The Asset Management Policy also formalizes Haldimand County's commitment to good stewardship of its tangible infrastructure assets and affirms that asset management practices will be legislatively compliant, performed in a safe and environmentally sustainable manner and are aligned with the County's strategic mission, vision and objectives.

ANALYSIS:

By July 1st, 2022, the County must develop and approve an updated Asset Management Plan (AMP) for core assets (roads, bridges and culverts, water, wastewater and storm water management infrastructure) that establishes current levels of service and the cost of maintaining those services. The regulation sets out both qualitative descriptions and technical metrics for each of the core assets.

Facilities Capital & Asset Management's 2021 work plan included the AMP update with the work to be completed in-house, however based on a recent review of the work involved in the update as well as the potential impact of the updated plan on the County's long term asset management strategy, staff are recommending that this work be done by the consultant (Public Sector Digest) who completed the original 2014 AMP as well as the 2018 AMP update.

Understanding that the deadline has been extended for a year, staff are also recommending that this work be completed this year to coordinate with the planned implementation of the Asset Management module through the Business Application Software program.

It should be noted that an up-to-date Asset Management Plan is a required component for the majority of provincial grant program applications and must be available at the time of grant application submission.

FINANCIAL/LEGAL IMPLICATIONS:

As this work has not been previously budgeted, a new capital project will need to be added to the 2021 Approved Capital Budgets and Forecasts. The project will be funded from the following reserves and, if approved, the following budget revision will be required:

Financing	Current Approved Budget	Proposed Revised Budget
CRR - Roads Infrastructure	-	\$40,000
CRR - Storm Sewer	-	\$5,000
CRRF - Water	-	\$10,000
CRRF - Sewer	-	\$10,000
Total Financing	-	\$65,000
AMP Update (Consulting Services)	-	\$65,000
Total Expenditures	-	\$65,000

It should be noted that this project will have a negative impact on the reserves funding the project. As there are numerous ongoing County projects funded from these reserves, the overall net savings/over expenditures from these projects is returned to/funded from these reserves to fund future projects.

STAKEHOLDER IMPACTS:

The Asset Management Policy and the on-going development of the County's Asset Management Plan is a County-wide initiative that involves and impacts all levels of the organization, public/community/commercial stakeholders, neighbouring municipalities/industry and government bodies.

REPORT IMPACTS:

Agreement: No

By-law: No

Budget Amendment: Yes

Policy: No

ATTACHMENTS:

1. None.