
HALDIMAND COUNTY

Report FCA-03-2022 Asset Management Plan Update

For Consideration by Council in Committee on December 6, 2022



OBJECTIVE:

To provide an updated Asset Management Plan, as required by O. Reg. 588/17 Asset Management Planning for Municipal Infrastructure, and to comply with funding eligibility requirements for applicable federal and provincial infrastructure grants.

RECOMMENDATIONS:

1. THAT Report FCA-03-2022 Asset Management Plan Update be received;
2. AND THAT the proposed Asset Management Plan for Haldimand County, included as Attachment 1 to Report FCA-03-2022, be approved as required by O. Reg. 588/17 Asset Management Planning for Municipal Infrastructure.

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

EXECUTIVE SUMMARY:

In December 2017, Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure legislation (O. Reg. 588/17) was approved under the Infrastructure for Jobs and Prosperity Act, 2015 to regulate asset management planning activities and to improve municipalities' infrastructure decision-making processes. Good asset management practices enable a municipality to maximize benefits and mitigate risk for their infrastructure assets in order to provide acceptable and sustainable levels of service to its community.

An Asset Management Plan (AM Plan) is a required component of O. Reg. 588/17 and by July 1st of this year, municipalities were required to have an updated AM Plan for core assets which includes roads, bridges and culverts, and water, sanitary and storm networks. Haldimand received an extension to the end of 2022 to complete this task from the Province.

Included as Attachment 1 is Haldimand County's 2022 Asset Management Plan, incorporating both core assets as indicated above and also non-core assets.

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. Under O. Reg. 588/17 they outlined requirements to assist municipalities with their infrastructure planning.

These requirements are as follows and include the extended deadlines as amended by the Ministry of Infrastructure due to the COVID 19 pandemic:

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.
July 1, 2022	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, 2024	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, 2025	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.

In April 2014, through Report PW-GM-01-2014 – 2014 Asset Management Plan, Public Works staff presented an AM Plan to Council for core infrastructure assets as outlined above 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, Finance staff presented an updated AM Plan to Council for non-core infrastructure assets including buildings, land improvements (ex: cemeteries, parking lots, pathways, sports fields, etc.), machinery & equipment (ex: furniture & fixtures, library books, divisional machinery & equipment, etc.) and fleet vehicles.

Later in 2018, the County restructured and the Facilities Capital & Asset Management (FCA) division was created in part to develop the County's asset management program in compliance with legislative requirements.

In June 2019, through Report FCA-01-2019 Asset Management Policy, FCA 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).

In June 2021, Council approved funding for an outside consultant to complete the AM Plan updates after a staff review of the work involved and the potential impact of the updated plan on the County's long-term asset management strategy. In July of that same year, the County entered into an agreement with PSD Citywide Inc. (PSD) for the completion of this work. PSD (previously Public Sector Digest) also completed the County's original 2014 AM Plan and the 2018 AM Plan.

As identified by FCA in the 2022 capital budget, Council approved a new initiative for a three-year asset management program. This approval supplied consultant funding in 2022 and opportunity for continued funding for the next two years, providing a necessary resource for the development of the County's asset management competencies and overall program.

As the AM Plan July 1st 2022 deadline approached, the County notified the Ministry of Infrastructure that the County's AM Plan would be completed by December 15th, 2022 as project delays were

experienced from various factors including the pandemic, corporate software changes/ implementations affecting asset management and substantial staff turnover in key supporting areas. The Province extended the submission time to the end of December 2022.

ANALYSIS:

As outlined in Attachment 1, an AM Plan is a foundational document for asset management planning and reporting. The AM Plan needs to be a continually evolving, 'living' document and asset management activities need to include much more than just asset reporting. Responsible asset management requires having a thorough understanding of the characteristics and condition of infrastructure assets, knowing what service levels are expected and whether they can be met. It also involves knowing and incorporating what is needed to make this happen in a sustainable manner, while considering organizational, financial, risk, growth, supply and climate change environments.

With past AM Plan documents, the County 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 - for example using asset age and useful life estimates when condition assessments weren't available.

Through the development of the County's asset management program and the AM Plan update work, it is apparent that the County continues to experience data gaps in particular related to condition assessments needing to be completed for certain assets and consolidation with existing records. As mentioned in the plan, the County is not alone in this struggle and since the last plans were completed, work has stalled or progress has been delayed due to staff turnover, organizational restructuring, software changes and the COVID pandemic resulting in data dormancy and significant complications with respect to how and where the data needs to be stored.

In order to re-establish a starting point, the AM Plan update included information for both core assets and non-core assets along with legislated level of service requirements where this information was available. Any assumptions due to information gaps are identified in the AM Plan document.

As non-core assets were not part of the 2022 legislative deadline, the information used for this asset group came from existing financial data sets. The data hierarchy structuring and the inventory review wasn't completed as with the core assets. These steps will be included in the next phase of work for the O. Reg. 588/17 requirements that are due by July 1st, 2024.

Readers need to be aware that the AM Plan is a 'snapshot' in time and information will continue to change as new data becomes available and more refined and as asset data collection activities improve. When there are key information data gaps, the County should treat asset health and financial status information contained in the AM Plan as estimated forecasts, and use indicators for review, not comparison purposes.

To help fill these data gaps, FCA is working with the asset owner divisions and key supporting divisions such as GIS, Finance and ITS to collect and document this information in a centralized registry within Citywide (for enterprise asset management - EAM), while supplementing and connecting it with additional information in other software systems such as ArcGIS (for GIS mapping and spatial analysis) and Pearl (for work order management). Although this work is time consuming and extensive requiring the involvement of many, it is necessary to provide the basis for asset decision-making strategies and processes. It also provides opportunities for business efficiencies in accessing asset information and advances asset management knowledge throughout the organization to help ensure understanding and sustainability of the asset management program.

PSD is the owner/ creator of the Citywide software and as they develop the County's AM Plans, staff will use their expertise to continue to populate and improve their asset information, incorporate levels of service and develop lifecycle, financial, risk, growth, supply and climate change management strategies and activities. Although PSD owns the software, the County retains ownership of the data and plan information should alternative software be implemented or a different consultant is hired in the future. This work will also include an asset management roadmap to outline program work still required and guidance to identify and expand tools for analysis, planning and decision-making.

Overall, the 2022 AM Plan indicates a replacement value of \$3.3 billion for the asset categories included and owned by Haldimand County and an estimated annual funding deficit of \$43.3 million. It should be noted that an infrastructure gap is expected and will continue to be refined as our asset management program is further developed. This infrastructure gap will be addressed related to our financial position in 2025 when our legislated asset management plan will include a discussion of levels of service, required activities and a strategy to fund the activities.

Condition data was available for 50% of the County's assets, however only core assets were reviewed for this information at the time of the update and condition information will continue to be gathered as work progresses. Also, as the County improves its asset inventory and lifecycle activities including cost valuations, AM Plan indicators will also improve, providing the County with a better-quality perspective going forward.

The purpose of the consultant's recommendations outlined in section (i) of the AM Plan, is to provide necessary information for further discussions and to guide determination of next steps essential for the success of the County's asset management program. Financial strategy recommendations will not be brought forward until further input and analysis can take place. FCA's focus in the next year will be on the asset data central registry and recommendations outlined under risk and level of service, initially dealing with compiling the necessary asset data across all asset groups and improving asset management communications, knowledge, awareness to County staff, SMT, Council and external stakeholders.

FINANCIAL/LEGAL IMPLICATIONS

Completion of AM Plans are required for the County to comply with O. Reg. 588/17 legislation and to receive or continue to remain eligible for Federal and Provincial infrastructure funding such as the Canada Community Building Fund (CCBF – previously known as the Gas Tax Fund) and the Ontario Community Infrastructure Fund (OCIF). Infrastructure funding is imperative for municipalities to fund asset lifecycle activities in order to provide safe and reliable levels of service to its community. AM Plans are an integral organizational asset management component required to help the County determine the state of its infrastructure assets, levels of service and associated lifecycle costs while considering risk, growth and climate impacts.

STAKEHOLDER IMPACTS:

In order for asset management to be effective and sustainable, it must involve the entire corporation and all stakeholders including the community. Asset management needs to become a 'way of work' and continue to be championed by SMT and Council. The success of the County's asset management program will depend on increased awareness and knowledge in order to develop; better information and processes in order to continually improve; and applied commitment and innovation in order to excel.

REPORT IMPACTS:

Agreement: No

By-law: No

Budget Amendment: No

Policy: No

REFERENCES:

1. [Policy No. 2019-03 Asset Management Policy](#)

ATTACHMENTS:

1. The 2022 Asset Management Plan for Haldimand County as prepared by PSD Citywide Inc.