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# Haldimand County

## Report FCA-03-2025 Asset Management Plan Update

For Consideration by Council in Committee on June 17, 2025

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### 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-03-2025 Asset Management Plan Update be received;
2. AND THAT the proposed Asset Management Plan for Haldimand County, included as Attachment 1 to Report FCA-03-2025, be approved as required by O. Reg. 588/17 Asset Management Planning for Municipal Infrastructure.

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**Reviewed by:** Jeff Oakes, Manager, Facilities Capital & Asset Management

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**Approved:** Cathy Case, Chief Administrative Officer

### Executive Summary:

In December 2017, Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure (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 mandatory requirement under O. Reg. 588/17. By July 1, 2025, municipalities must update their AM Plans for all asset categories to include proposed levels of service, as well as lifecycle management and financial strategies. This builds upon the foundational requirements from July 1, 2022 (for core assets) and July 1, 2024 (for all assets).

As part of the O. Reg. 588/17 requirements, once a municipality has prepared an asset management policy, it must review and, if necessary, update it at least every five years. Report FCA-03-2024, which addressed last year's AM Plan update, indicated that the County would update its policy before July 1, 2025. However, with the recent adoption of the Corporate Strategic Plan and ongoing work on asset management strategies and governance, it is more appropriate to defer the policy update to 2026 to ensure alignment and integration with these initiatives.

## Background:

The Province of Ontario has focused on strengthening asset management planning for municipal infrastructure since 2012. Many municipalities are facing infrastructure that is deteriorating faster than it can be repaired or replaced, putting service delivery at risk. To address this, the Province enacted O. Reg. 588/17 and continues to collaborate with municipalities and the federal government to support long-term infrastructure planning.

The regulation outlines specific requirements for municipalities, to be implemented through a phase-in schedule from July 1<sup>st</sup>, 2019 to July 1<sup>st</sup>, 2025, with additional requirements applicable beyond these deadlines. Due to the COVID-19 pandemic, the original deadlines after 2019 were extended by one year. The summarized requirements and revised schedule is as follows:

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	Require an adopted asset management plan for all municipal infrastructure assets, which also discusses proposed levels of service. The plan must include lifecycle management and financial strategies outlining how the proposed levels of service will be achieved and sustained over the long term.
Annually by July 1	An annual review of the municipality's progress in implementing its asset management plan, including identification of any factors impeding implementation and strategies to address them.
Every 5 years	Update the asset management plan and review the strategic asset management policy, updating it if necessary.

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. An update was provided in December 2014 via 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 assets including buildings, land improvements (e.g., cemeteries, parking lots, pathways, sports fields), machinery & equipment (e.g., furniture & fixtures, library books, tools), and fleet vehicles.

Later in 2018, the County restructured and established the Facilities Capital & Asset Management (FCA) division. One of its key responsibilities was to lead the County's asset management program in compliance with provincial legislation.

In June 2019, FCA staff presented the County's first Asset Management Policy through Report FCA-01-2019. This policy provided a consistent, organization-wide framework for the development and implementation of the Haldimand County Asset Management System (AMS).

In June 2021, through Report ECW-07-2021, Council approved funding for an external consultant to complete the AM Plan updates, following a staff review of workload and long-term strategic impacts. In July 2021, the County entered into an agreement with PSD Citywide Inc. (PSD), who had also completed the 2014 and 2018 AM Plans.

In the 2022 capital budget, Council approved a new initiative for a three-year asset management program. This included funding for an external consultant in 2022 and the opportunity for continued funding in 2023 and 2024. This initiative provided necessary resources to support the development of asset management plans, competencies and overall program.

In December 2022, following a submission extension granted by the Province, Council approved the 2022 Asset Management Plan through Report FCA-03-2022.

In the 2023 capital budget, Council approved the second year of funding for the ongoing asset management program.

In the 2024 capital budget, a portion of the third year of funding was approved. In June 2024, Council approved the 2024 Asset Management Plan Update through Report FCA-03-2024.

In 2025, through the capital budget, Council approved the balance of the third year of funding. The updated 2025 Asset Management Plan is now being presented through this report.

## **Analysis:**

### **AM Contributors, Challenges and Initiatives**

PSD Citywide Inc., the developer of the Citywide software, also serves as the County's consultant for AM Plan and program development. PSD's expertise continues to guide and support the County in refining asset data, and developing strategies for levels of service, asset lifecycle, financial, risk, growth, and climate change management.

The Asset Management (AM) Steering Team, comprised of key General Managers, Managers and staff from FCA, Engineering & Capital Works, Public Works Operations, Financial Services, Planning & Development, Legal & Support Services, Innovation & Technology Services (ITS) and Human Resources, continues to provide leadership and guidance for the County's asset management program.

FCA works closely with asset owners and key divisions including GIS, Finance, and ITS, to collect and centralize asset information (asset registry) within the Citywide software platform. This collaboration aims to close data gaps, improve accuracy and consistency, and ensure that asset information is readily accessible to all users.

Despite progress, data gaps remain – particularly in condition assessments and the consolidation of existing asset records and information. These challenges are common among municipalities, including Haldimand County. Additional factors such as staff turnover, restructuring, and software changes can cause delays, leading to data dormancy. Ensuring information is centralized, accessible, and regularly updated remains an ongoing challenge and priority.

As part of the MAP Project, led by ITS, the recently launched Asset Stream component focuses on implementing a new work order system and further integration of asset management information. PSD's software has also been selected for this future work order system.

Integrating and connecting asset management data across systems such as GIS, financial software, and work order platforms is a major focus of the County's efforts and will be critical in overcoming the challenges outlined above.

While this work requires significant time and collaboration across multiple stakeholders, it is essential for developing a robust AMS. It also offers opportunities to improve operational efficiencies and build internal asset management expertise, supporting the long-term sustainability of the program.

### **Role of the AM Plan**

As outlined in Attachment 1, the AM Plan is a foundational document for asset management planning and reporting. The AM Plan is intended to be a continually evolving, 'living' document, and asset management involves much more than simply reporting on assets.

Effective asset management requires a thorough understanding of the characteristics and condition of infrastructure assets, the service levels expected, and whether those levels can be met. It also includes determining what is needed to deliver these services sustainably while considering organizational, financial, risk, growth, and climate change factors.

It is important to recognize that AM Plans are snapshots in time. As data becomes more refined and centralized, the information in each plan will evolve. However, due to limited data on asset information such as assessed condition, assumptions are often necessary – such as estimating condition based on asset age when formal assessments were unavailable. Assumptions and known data limitations are acknowledged in the 2025 AM Plan. Where there are key data gaps, the County should view the information, such as asset health or financial status, as estimated forecasts and use them as indicators for review, rather than for comparison purposes.

### **AM Plan Progress Since 2022**

The 2022 AM Plan re-established a baseline in the County's asset management journey. It fulfilled legislative requirements for core assets and built the framework to support the development of future AM Plans.

The 2024 AM Plan document served as an update to the core asset information and addressed non-core asset legislative requirements. It further expanded the existing financial asset data sets to incorporate additional information from the divisions that own and manage these assets.

The 2025 AM Plan continues this progress. It introduces proposed levels of service and identifies the funding and lifecycle management requirements needed to sustain those levels over a 10-year period.

### **Proposed Levels of Service and Funding Requirements**

To meet capital replacement and rehabilitation needs for existing infrastructure, prevent infrastructure backlogs, and achieve long-term sustainability, the County's proposed level of service recommendation is to maintain the current average condition of its assets.

Achieving this level of service requires a consistent and realistic funding investment. The 2025 AM Plan estimates a replacement value of \$3.9 billion for the included asset categories and identifies an estimated annual funding deficit of \$17.4 million. For context, previous AM Plans reflected the following values:

- 2024 – asset replacement value of \$3.8 billion; annual funding deficit of \$50.4 million
- 2022 – asset replacement value of \$3.3 billion; annual funding deficit of \$43.3 million

These changes reflect ongoing updates to asset data and improved alignment with current funding levels. While an infrastructure gap is expected, it will continue to evolve as the asset management program matures and as long-term funding strategies are refined and implemented.

Notably, the recommended 1.75% annual funding increase over the next 10 years is closely aligned with the County's existing funding strategy and is attainable – a significant achievement given that many municipalities continue to face major challenges closing their infrastructure funding gaps.

## **Looking Ahead**

The recommendations outlined in the 'Recommendations' section of the 2025 AM Plan are intended to guide further discussions and inform next steps and decisions essential for the program's success. Finance will lead the development and implementation of any financial strategy recommendations, which will be brought forward through established budget processes.

In addition to meeting O. Reg. 588/17 compliance, FCA's key priorities centre on advancing the County's asset management program by:

- Centralizing and integrating asset information
- Supporting asset owners through training, collaboration, and tools to improve data quality and asset stewardship
- Enhancing asset management awareness and communication across the organization to support informed decision-making and ensure program sustainability.

## **Financial/Legal Implications:**

Completion of an AM Plan is required for the County to comply with O. Reg. 588/17 legislation and to remain eligible for federal and provincial infrastructure funding programs such as the Canada Community Building Fund (CCBF, formerly the Gas Tax Fund) and the Ontario Community Infrastructure Fund (OCIF). Such infrastructure funding is critical for municipalities to support asset lifecycle activities to provide safe, reliable levels of service to the community.

AM Plans are a key organizational tool that help the County assess the state of its infrastructure assets, define levels of service and estimate associated lifecycle costs, while accounting for risk, growth and climate impacts.

As mentioned above, the financial funding strategy to achieve the proposed level of service is one of the necessary milestones of this update to the AM Plan. Finance has been cognizant of the fact that increases to the capital levy would be required to start closing the infrastructure gap, and undertook a funding review during 2025 Capital Budget deliberations. The resulting budget approved a capital levy increase to 1.25%, with a strategy to increase this levy in 2026 and future years to 1.5%. The AM Plan funding strategy recommends a capital levy of 1.75% going forward.

## **Stakeholder Impacts:**

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 the Senior Management Team and Council. The success of the County's asset management program depends on building awareness and understanding, improving information and processes to drive continuous improvement, and maintaining a strong commitment while encouraging innovation to achieve excellence.

**Report Impacts:**

Agreement: No

By-law: No

Budget Amendment: No

Policy: No

**References:**

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

**Attachments:**

1. 2025 Asset Management Plan for Haldimand County as prepared by PSD Citywide Inc.
2. 2025 Asset Management Plan Presentation as prepared by PSD Citywide Inc.