



## THE CORPORATION OF THE MUNICIPALITY OF KINCARDINE

**Subject:** 2022 Asset Management Plan

**Director:** Corporate Services

**Manager:** Manager.

**Report Number:** Financial Services-2022-06

**Meeting Date:** Monday, June 13, 2022

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**Recommendation:** THAT Council receives report Financial Services-2022-06 and adopts the 2022 Asset Management Plan as presented.

**Date to be considered by Council:** Monday, June 13, 2022

**Report Summary:**

The purpose of this report is to present the 2022 Asset Management Plan (AMP) to Council for approval, in accordance with Ontario Regulation 588/17 and amended by Ontario Regulation 193/21. This AMP meets the legislative deadline for Phase 2 (July 1, 2022) for all core assets and current levels of service. Additionally, this AMP positions Kincardine as a leader in Asset Management Planning as it includes discussion on proposed levels of service for all assets (core and non-core) which is not required until July 1, 2025 (Phase 4). Additional work will need to be invested to continue updating our asset data, focusing on condition assessments and performance measures. Future updates will need to include green infrastructure assets (i.e. natural assets) owned by the Municipality and further assessment on infrastructure vulnerability to the impacts caused by climate change related to operations, levels of service and lifecycle management.

**Origin:** O. Reg. 588/17; O. Reg. 193/21

**Existing Policy:** GG.2.22 Asset Management Policy

**Background/Analysis:** As of January 1st, 2018, Ontario municipalities must comply with Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure. This regulation provides the authority for the Province to regulate municipal asset management planning. The regulation provides a degree of consistency to asset management plans, and leverages asset management planning to optimize infrastructure investment decisions. The

requirements of the Regulation were phased in as follows with amendments (as filed under O.Reg 193/21 on March 15, 2021):

- Phase 1 - July 1, 2019: Date for municipalities to have a finalized strategic asset management policy.
- Phase 2 - July 1, 2022: Date for municipalities to have an approved asset management plan (AMP) for core assets (roads, bridges and culverts, water, wastewater and stormwater management) that discusses current levels of service and the cost of maintaining those services.
- Phase 3 - July 1, 2024: Date for municipalities to have an approved asset management plan for all infrastructure assets that discusses current levels of service and the cost of maintaining those services.
- Phase 4 - July 1, 2025: Date for municipalities to have an approved asset management plan for all assets that builds upon the requirements set out in 2024. This includes a discussion of proposed levels of service, what activities will be required to meet proposed levels of service, and a strategy to fund the activities.

Upon adoption of the attached 2022 Asset Management Plan, the Municipality of Kincardine will have met all of the minimum requirements under O.Reg 588/17 up to and including Phase 4. Kincardine has taken the approach of becoming an early adopter of these requirements, particularly with respect to the completion of Phase 4 in establishing the proposed levels of service and related funding strategy.

Staff have been working over the last 3 years on updating the asset data and completing condition and cost assessments including:

- Completed a streetscan in 2021 providing a 3D scan of the road surface to calculate an objective Pavement Condition Index (PCI) rating
- CCTV inspections of the storm sewer network in 2019
- OSIM bridge inspections completed in 2019 which provide a Bridge Condition Index (BCI) for bridges and culverts > 3 metres
- Conducted an internal review of building conditions, including rating the condition of typical building components for each facility
- Updated replacement cost data for roads, stormwater, water, and waste water assets

By continuing to update our asset data, the future financial requirements for the eventual replacement of these assets will be updated and become more reliable and accurate to allow for improved decision making.

As indicated, the 2022 AMP includes a discussion of the proposed LOS as well as an associated funding strategy (Phase 4). In order to establish the proposed LOS, a public survey was used to solicit feedback from the public. The survey results were reported back to Council in December 2021 and through this process, Council passed the following Resolution # 12/13/21-07:

THAT Council direct Staff to develop the Asset Management Plan (AMP) proposed Levels of Service (LOS) framework using Scenario 2 (as outlined in Report Financial Services 2021-03) and establish the 2031 proposed LOS as presented in the table.

Scenario 2 requires an increase in annual funding in order to maintain current levels of service, thereby achieving full lifecycle funding by 2031. The calculated increase in the tax levy would be 6.7% every year, solely for capital/infrastructure replacement plus an increase in user fees of 6.9% and 8.8% annually for water and wastewater, respectfully.

This 2022 AMP has been developed using the proposed LOS as directed by Council (maintain current LOS).

The Roadmap with Next Steps is detailed in the AMP, with highlights that include the following:

- Establish a program for regular condition inspections to identify the required capital investments for buildings and facilities, roads, bridges, sanitary and storm sewers
- Expand the collection of performance data to track and report on meeting the proposed LOS, such as traffic counts, fleet performance, and usage rates.
- Establish a cross-functional AM Team that guides the planning and implementation of the AM program
- Communicate the benefits of AM internally to staff and Council

Future updates to the AMP will need to include green infrastructure assets (i.e. natural assets) and further assessment on infrastructure vulnerability to the impacts of climate change.

**Integrated Strategy 2020 – 2025** Implement a proactive infrastructure, through capital planning, to serve existing residents and enable future growth.

**Financial Implications:** Asset management planning is part of a strategic planning process that is integrated with budgeting processes and long-term financial planning. Good asset management planning helps municipalities make well-informed and evidence-based decisions about their infrastructure assets.

The financial implications have been outlined in this report.

**Attachments: 2022 Asset Management Plan; AMP Presentation**

**Prepared by:**

**Submitted by:**