

**DATE:** November 18, 2024

**REPORT NO:** T-24-2024

**SUBJECT:** **Asset Management Plan Phase 3 – Budget Amendment**

**CONTACT:** Katelyn Repovs, CPA, CA Manager of Finance/Deputy Treasurer  
Donna DeFilippis, CPA, CA Director of Finance/Treasurer

**OVERVIEW:**

- The Township is legislated through O. Reg. 588/17 to have Phase 3 of the AMP complete by July 1, 2025 for all municipal infrastructure assets.
- Phase 3 is to identify proposed levels of services, lifecycle activities that are required to meet proposed levels of service, and a strategy to fund these activities.
- Administration is requesting approval of a 2024 Budget Amendment for \$60,000 to establish a project and proceed with work required to complete Phase 3 of the Township’s Asset Management Plan (AMP).
- A Request for Proposal is planned for issuance, once the requested Budget Amendment is approved, in order to obtain qualified professional firm services related to the development of Phase 3 of the AMP.

**RECOMMENDATION:**

- 1) That, Recommendation Report T-24-2024, titled “Asset Management Plan Phase 3 – Budget Amendment”, dated November 18, 2024, be received; and,
- 2) That, Budget Amendment BA2024-12 for an amount of \$60,000, funded through the Capital Reserve, be approved by Council.

**ALIGNMENT TO STRATEGIC PLAN:**

- **Theme #4: ADVANCE organizational capacity and effectiveness:** Through proactive asset management, the Township will continue to care for assets and strategically invest and manage reserves, to ensure assets are in a suitable condition in order to provide the services the community expects.

**BACKGROUND:**

Ontario municipalities are legislated through O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure to have Phase 3 of their Asset Management Plans (AMP) completed by July 1, 2025 for all municipal infrastructure assets.

Phase 3 of an AMP is crucial as it brings together the first and second phases of the AMP, by identifying proposed levels of service for all municipal assets and lifecycle management needs, and adding a funding strategy for lifecycle activities over a 10-year period. This strategy will identify the gap between the need and a municipality's own source revenues.

To date, the following milestones under the Province's legislation have been achieved by Administration:

- The Township's Strategic Asset Management Policy (POL-ADMIN-02-2019) was presented to Council on April 15, 2019 through Report RFD-T-08-19. This Policy provides a framework for the development and implementation of the Township's asset management program.
- Phase 1 of the AMP was presented to Council on June 20, 2022 through Report T-19-2022. This Phase included core assets (roads, bridges and culverts, water, wastewater, and stormwater management systems) and identified the current levels of service and the cost of maintaining those levels of service.
- Phase 2 of the AMP was presented to Council on October 21, 2024 through Report T-22-2024. This Phase covered all assets (core and non-core assets) and identified the current levels of service and the cost of maintaining those levels of service.

### **CURRENT SITUATION:**

The Township's Ten Year Capital Plan, most recently approved by Council during 2024 budget deliberations, does not reflect a project for Phase 3 of the AMP. Given the deadline for achieving Phase 3 is July 1, 2025, Administration has identified the need to request a 2024 Budget Amendment related to this project. This is to ensure the work can begin in a timely manner and that the legislated deadline can be reasonably met.

Phase 1 of the AMP was developed through assistance from PSD Citywide, a professional services firm. Phase 2 of the AMP was completed by Administration with no third-party assistance. Phase 3 of the AMP involves complex, specialized analysis and Administration does not have the expertise, resources, or tools to complete the project in its entirety. Therefore, Administration has identified the need to obtain professional firm services for development of Phase 3 of the AMP.

In order to complete Phase 3 of the AMP, Council is asked to approve Budget Amendment BA2024-12 for \$60,000. A review of other local Niagara municipalities was completed to determine an appropriate budget amount to request for this work.

A Request for Proposal (RFP) is planned for issuance once the requested Budget Amendment is approved, in accordance with the Township's Purchasing Policy, in order to obtain professional services related to the development of Phase 3 of the AMP. The RFP will be posted on the Township's Bids and Tenders platform.

**FINANCIAL IMPLICATIONS:**

The project budget of \$60,000 is requested. Budget Amendment BA2024-12, in the amount of \$60,000, will be funded through a transfer from the Township's Capital Reserve. There are currently no grant funding opportunities available to assist with this project work, however Administration will remain vigilant if any suitable grant opportunities arise. In addition, this project plan work is not eligible to be funded through Development Charges, as it is not concerning future growth-driven assets.

Phase 3 of the AMP will produce a funding strategy that will identify the gap between the Township's asset lifecycle needs/costs and the Township's own source revenues, and will guide the Township on how to achieve full funding goals over the life of the plan. In order to address this infrastructure gap, there will be an impact on the Township's future operating and capital budget plans.

Completion of an AMP, in accordance with the legislated phases and deadlines, is required to receive and remain eligible for infrastructure funding, such as the Canada Community Building Fund (CCBF) 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.

**INTER-DEPARTMENTAL COMMENTS:**

This report was discussed with the Senior Leadership Team. The Township's Asset Management Committee, which is comprised of representatives from the Operations, Engineering, Community Services, and Corporate Services departments, will be involved in and provide input to the Phase 3 project, which will be guided by a professional firm.

**CONCLUSION:**

This report outlines the importance of completing Phase 3 of the Township's Asset Management by the legislated deadline of July 1, 2025. Completion of Phase 3 is required to ensure the Township continues to remain eligible for critical infrastructure funding. Council is requested to approve Budget Amendment BA2024-12 for \$60,000, funded by the Capital Reserve, in order to complete this project work.

**Prepared by:**

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**Manager of Finance/Deputy Treasurer**

**Approved by:**

**Truper McBride**  
**CAO**

**Reviewed by:**

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**Director of Finance/Treasurer**