

Staff Report



To	Committee of the Whole
Service Area	Infrastructure, Development and Enterprise Services
Date	Monday, May 3, 2021
Subject	Core Asset Management Plans

Recommendation

1. That the Core Asset Management Plans dated May 3, 2021, included as Attachment-1 to this report, be approved.
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Executive Summary

Purpose of Report

The purpose of this report is to seek Council approval of the 2021 Core Asset Management Plans developed as per the requirements of [O. Reg 588/17 Asset Management Planning for Municipal Infrastructure](#).

Key Findings

In December 2017 the Provincial government issued Ontario Regulation (O. Reg.) 588/17 Asset Management Planning for Municipal Infrastructure. The O. Reg. details a number of requirements for the development of asset management plans focused on what is identified as the core municipal infrastructure assets. This includes all assets in the roads, bridges and structures, stormwater management, water, and wastewater asset groups.

The [Core Asset Management Plans](#) (Core AMPs) are based off the same data used in the 2020 Corporate Asset Management Plan, and delve into greater detail for each asset category. They were developed for Transportation (road, bridges and structures), Stormwater, Water and Wastewater.

The Current Replacement Value (CRV) of all assets owned and operated by the City is \$4.3 billion. The total CRV of assets included in the Core AMPs is \$3.5 billion, or approximately 81% of the total asset inventory by value. Based on current data and knowledge, there is a backlog of approximately \$202 million in the core asset areas, or 6% of the CRV, which is in line with information reported in 2020.

Financial Implications

This report contains no specific financial implications. The implications of approving the Core Asset Management Plans requires the continued investment in both capital and operating budgets to ensure funding is available to carry out required maintenance, renewal and replacement of assets.

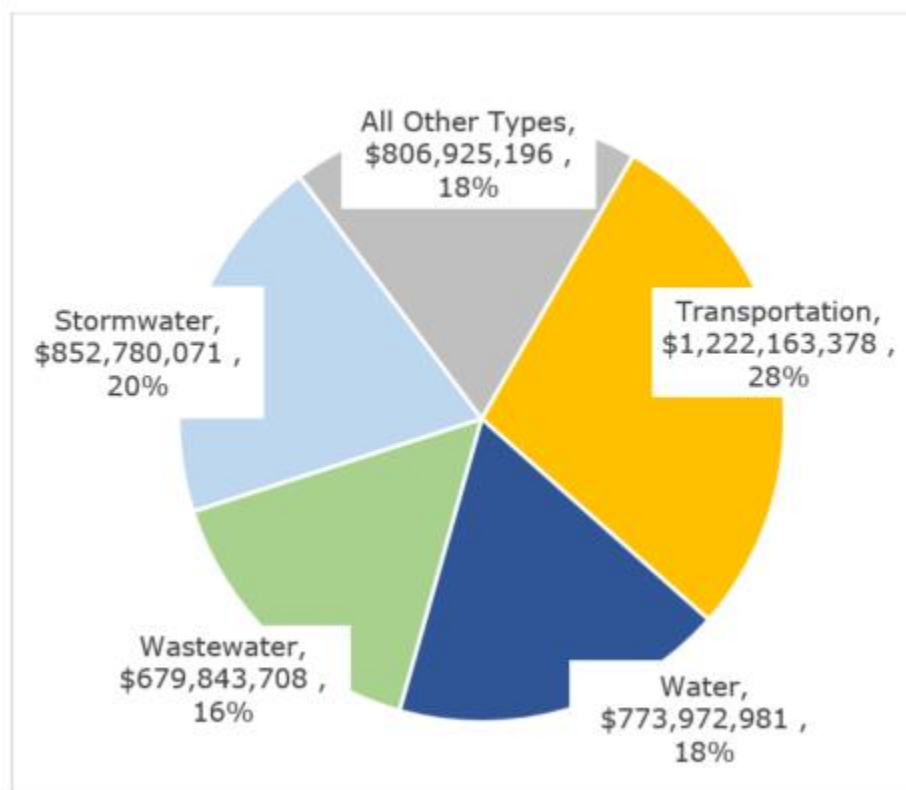
Report

Background

In December 2017, the Province of Ontario issued its first regulations governing the activities of Asset Management. One of the requirements of O. Reg 588/17 Asset Management Planning for Municipal Infrastructure is the development of asset plans for all asset categories identified as core infrastructure. This includes roads, bridges and culverts, stormwater, wastewater and water assets. The deadline for completion of these plans was initially July 1, 2021, however due to the Covid-19 Pandemic, the Province has recently extended the deadline to July 1, 2022.

To fulfill these Provincial requirements, the City developed the [Core Asset Management Plans](#) (Core AMPs). These plans are broken into Transportation (Roads, Bridges and Culverts greater than 3 meters), Stormwater, Wastewater and Water asset categories. The Core AMPs go into more detail on the core asset types, and present more targeted recommendations for next steps than what is presented in the [Corporate Asset Management Plan](#) (Corporate AMP). Figure 1 describes the value and overall percentage of the asset portfolio by replacement value of each of the four core asset categories, plus the value of the remaining asset portfolio.

Figure 1: City of Guelph's Current Replacement Value by Asset Category



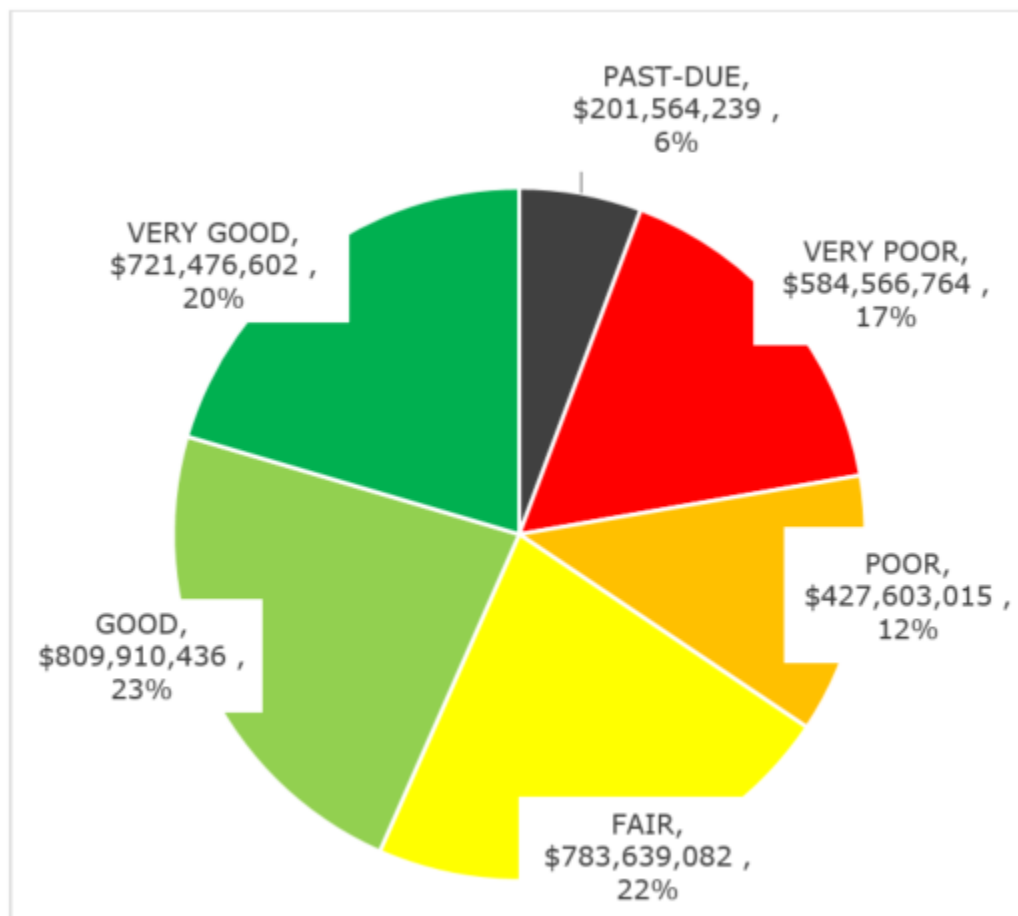
State of the Core Assets

Overall, there is a good distribution of assets across condition categories, indicating that regular activities have been occurring to maintain the asset base in a functional state. The findings of the analysis are consistent with what was originally reported in the updated 2020 Corporate AMP. The asset conditions are summarized in Figure 2

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Approximately 6% total of the core assets included in these plans are considered “past due”, with an estimated value of \$202 million. Again, this is consistent with findings of the 2020 Corporate AMP that estimated the total backlog (not just core assets) at approximately 7% of the total current replacement value, or approximately \$289 million.

Figure 2: Core Assets Grouped by Condition Rating



Asset Levels of Service

One of the critical requirements of O. Reg 588/17 was the inclusion of a specific set of asset Levels of Service (LOS) metrics. The LOS metrics identified in the Core AMPs are currently based on regulatory or legislative requirements that are already a mandatory monitoring and reporting need for that asset category, or are defined in the O. Reg 588/17.

As the City moves to an advanced state of asset management maturity, the City plans to develop a comprehensive approach to City-specific levels of service for its assets. The findings will be released as part of the next major Corporate AMP update (anticipated in 2023/2024).

Impacts of Climate Change

The Core AMPs document the risks and potential impacts of climate change for each of the core asset types. Work is ongoing in all of the core asset types to better understand and document these risks through the overall asset management program of work.

Summary

The City continues to act as an industry leader in asset management practices. The development of these Core AMPs is a critical step in furthering asset management practices across the Corporation. Continued enhancements to these plans are identified in the Corporate Asset Management program of work, and will further refine the data and analysis used to support asset management across the City.

Financial Implications

The implications of approving these Core AMPs requires continued investment in both capital and operating budgets to ensure funding is available to carry required maintenance, renewal, and replacement of assets. In the long-term, implementation of comprehensive asset management processes and practices will result in the optimization of both capital and operating financial investments.

The Core AMPs further confirm and detail the findings of the Corporate AMP. They provide additional context around the needs of the individual asset groups included in the Core AMPs, and the recommendations remain consistent with those provided in the Corporate AMP.

Financing Strategies

The 2021 Core AMPs demonstrate that the City's approved financial strategies are required to continue as outlined in the 2020 Corporate AMP.

Recommendations around sustainable funding targets remain the same as was originally proposed in the 2020 Corporate AMP. For tax funded areas – i.e. the Transportation asset category – the progress made since 2017 through annual increases in capital funding remains in line with the new estimate. Based on the analysis completed in 2020 and this review, sustainable tax funding is anticipated by approximately 2037. Refinement of these results and targets will continue as the asset management program matures.

Consultations

Consultation and communication are a key element of all corporate asset management initiatives. The Core AMPs were developed in consultation with the business areas responsible for the operations and maintenance of the asset groups, and with internal subject matter experts. These consultations will be on-going as efforts to refine the contents of the Core AMPs are made.

Strategic Plan Alignment

Priority

Working Together for our Future

Direction

The Core AMPs will align with developing a long-term financial and resource strategy focused on affordably achieving effective service delivery through the City's assets.

Alignment

To be achieved by:

- Clarifying the service levels the City delivers to the Community;

- Establishing a multi-year budgeting and planning processes; and,
- Exploring new funding options, service delivery models and partnerships to ease taxes for residents and businesses.

Priority

Building Our Future

Direction

Maintain existing community assets and secure new ones in alignment with growth, resiliency and continual improvement.

Alignment

This is one of the main components of asset management and will be achieved by:

- Managing existing infrastructure;
- Continuing to develop new assets that respond to Guelph's growing and changing social, economic and environmental needs; and,
- Supporting the development of new assets through advocacy and policy work.

Attachments

Attachment-1 [2021 Core Asset Management Plans](#)

Departmental Approval

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Asset Management Steering Committee

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