



# Committee Report

<b>To:</b>	Warden and Members of Grey County Council
<b>Committee Date:</b>	June 9, 2022
<b>Subject / Report No:</b>	FR-CW-10-22
<b>Title:</b>	Grey County 2021 Asset Management Plan
<b>Prepared by:</b>	Amanda Brooks, Asset Management Coordinator
<b>Reviewed by:</b>	Asset Management Steering Committee
<b>Lower Tier(s) Affected:</b>	None
<b>Status:</b>	

## Recommendation

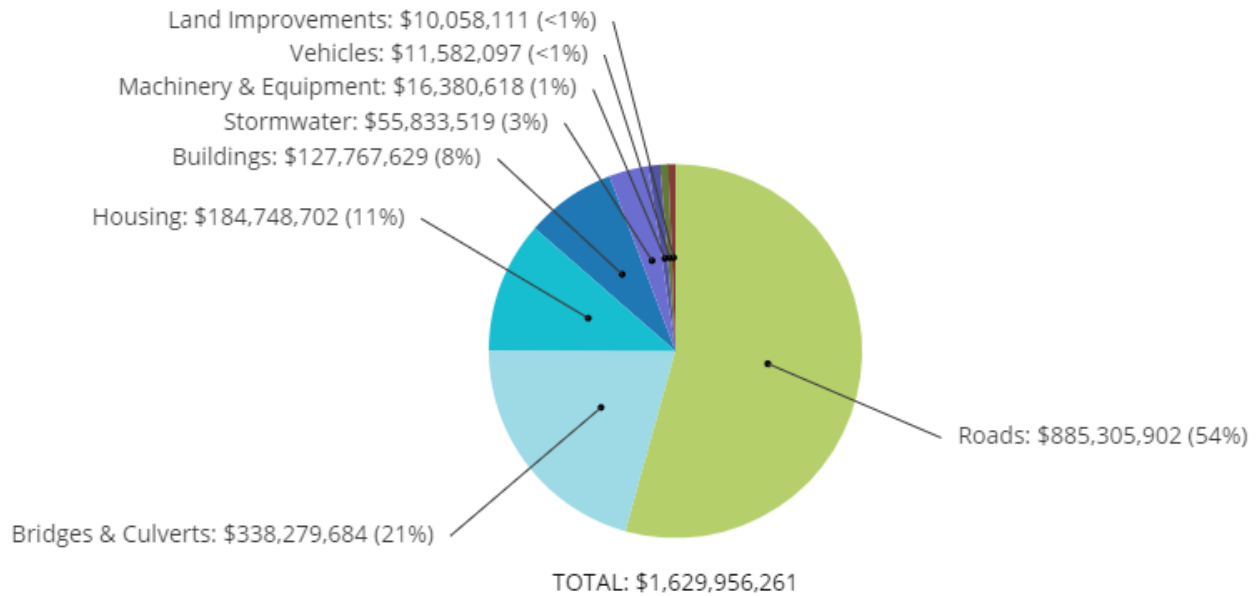
- 1. That Report FR-CW-10-22 regarding the Grey County 2021 Asset Management Plan be received; and**
- 2. That the Grey County 2021 Asset Management Plan be endorsed as presented.**

## Executive Summary

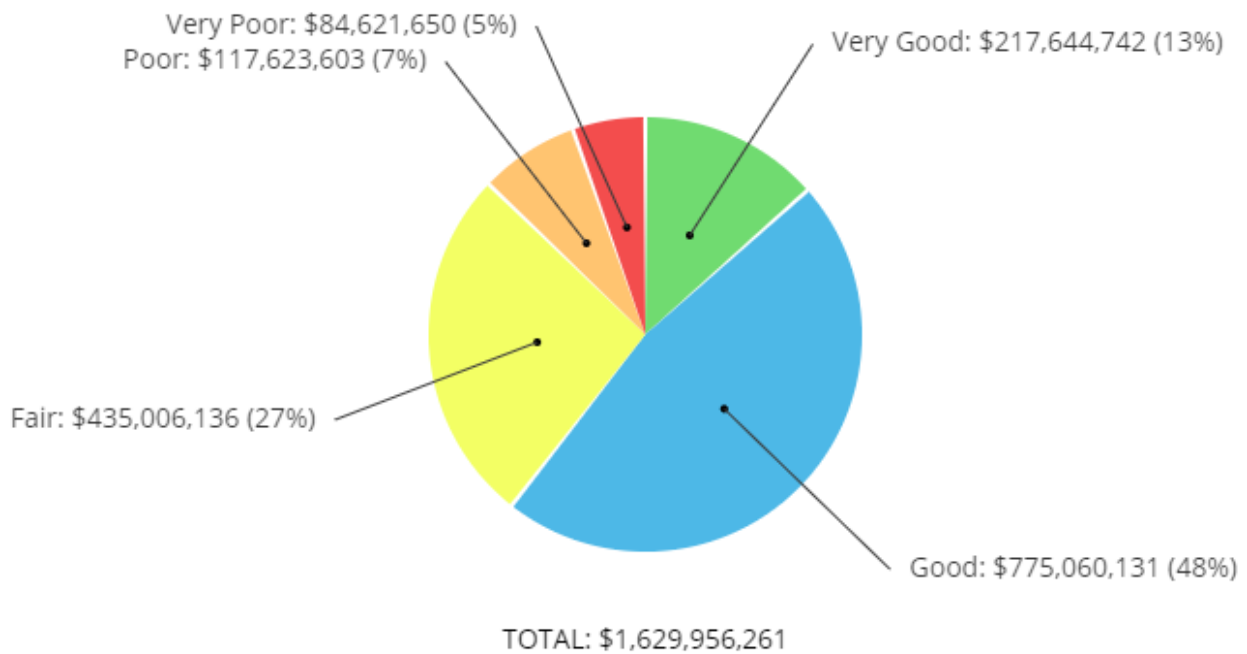
Grey County is working to continuously develop and improve its asset management program to ensure the County's assets are managed in a manner that provides the optimal balance of maximizing the service levels provided by County assets while minimizing the costs and risks of usage of these assets. A frequently updated Asset Management Plan (AMP) is a critical part of an effective asset management program.

The major changes from the County's last AMP are the addition of stormwater asset data and the building componentization work that was done in 2021 based upon the most recent building condition assessments. The building componentization information involved splitting the County's building assets into their major components and reallocating them between asset categories as appropriate; therefore certain components such as parking lots have moved from the buildings and facilities category to the land improvements category.

The County's asset portfolio has an overall estimated current replacement cost of over \$1.6 billion, 54% of which is the County road network.



This portfolio includes 869 kilometers of roads with accompanying stormwater network, 210 bridges and structural culverts, 77 kilometers of CP Rail Trail, 8,500 acres of forest, 996 housing units, 49 other buildings and facilities, as well as machinery, equipment, and vehicles used across County operations that are required to deliver services at an acceptable level to residents. In 2021, 88% of the County’s assets were in fair or better condition.



The infrastructure deficit based on available funding is \$15,883,091. The AMP proposes an annual 1.57% tax levy increase over a 15-year phase in period to achieve full funding for the County's infrastructure program. This is a slight increase from the 1.21% per year tax increase proposed in the 2020 Asset Management Strategy. Based on 2022 tax rates the incremental increase would be approximately \$228,600. This proposed increase is being suggested to be first considered as part of the County's 2023 budget process.

## Background and Discussion

Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure became effective on January 1, 2018. This regulation required all municipalities in Ontario to first develop an Asset Management Policy by July 1, 2019, and then Asset Management Plans by July 1, 2021, 2023, and again in 2024, with increasing levels of detail. On March 15, 2021, the regulation was revised to extend each of these deadlines by an additional year, so this iteration of the AMP has been prepared to be in compliance with the July 1, 2022 deadline requirements.

It is important to note that asset management is a continuous process, and factors and variables change each and every day the County operates. Maintenance strategies, lifespan estimates, required assets and their associated replacement and maintenance costs are all constantly changing based on the best information available. The data presented in this AMP are the best available at a point in time and will continue to evolve and improve over time.

The 2021 AMP has been created based upon the data available for 2021; considering the County's asset inventory as at December 31, 2021, asset replacement plans as at that time, 2021 inflation rates, the 2021 building condition assessments (BCAs) and division of buildings into their various components based upon the BCAs, and the levels of service being offered through the use of County assets in 2021.

Ultimately, the goal of Grey County's asset management program is to manage existing and new assets so that they are able to provide continuous services to residents at the level required, all while balancing the associated costs and risks to constituents.

## Legal and Legislated Requirements

This AMP was developed with the intent of meeting all and exceeding many of the requirements per Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure.

## Financial and Resource Implications

Staff from Finance, Transportation Services, Paramedic Services, Housing, Long Term Care, Grey Roots, Planning, and Information Technology all contributed significantly to the completion of this work. All asset-owning departments provided and updated many datasets and contributed a significant amount of technical knowledge to this work.

The final draft version of the AMP proposes an annual 1.57% tax levy increase over a 15-year phase in period to achieve full funding for the County's infrastructure program. This is a slight increase from the 1.21% per year tax increase proposed in the 2020 Asset Management Strategy presented to Grey County council by PSDCitywide in April of 2021, but is believed to be reasonable given the many factors considered when calculating the funding requirements and replacement value of the County's assets based on 2021 values. These include a significant increase in inflation, with the non-residential building construction price index (NRBCPI) from Q4 2020 to Q4 2021, which was used as the basis for inflating replacement costs within the AMP where better data was unavailable, rising to 17.2%, and improved data being now available as per the 2020 BCAs, as well as many other factors, all of which have been discussed within the AMP. In 2022, the additional 1.21% which equated to \$754,348 of funding was allocated from the Ontario Community Infrastructure Fund (OCIF). Therefore, the theoretical asset management dedicated tax levy increase from 1.21% to 1.57% would be an incremental increase of \$228,600 for the 2023 budget compared to the 2022 budget if the 2022 budget had funded this increase from levy, as a 1% increase of the 2022 budget was calculated to be \$635,000. This proposed increase is being suggested to be first considered as part of the County's 2023 budget process.

Recommendations in this AMP are dependent upon access to necessary staffing resources. Any financial implications of the plan will be included in future budgets for consideration and staff will pursue senior level government funding opportunities as they become available.

## Relevant Consultation

- Internal: Senior Management Team, Asset Management Steering Committee, Asset Management Cross-Functional Team, Finance

- External: Public Sector Digest

## Appendices and Attachments

[County of Grey 2021 Corporate Asset Management Plan](#)

[Grey County 2020 Asset Management Strategy](#)

[Strategic Asset Management Policy 4-4](#)

[Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure](#)