



STAFF REPORT TO COUNCIL

Report No: TR201-02

January 1, 2021

From: Kimberley Goyette, Director of Finance/Treasurer

RE: Support of Extending O.Reg. 588/17 Asset Management Deadline

Recommended Motion:

WHEREAS the COVID-19 pandemic has had significant financial and operational impacts on Ontario municipalities;

AND WHEREAS municipalities have had to divert resources towards addressing the immediate needs of the pandemic and maintaining service delivery standard despite evolving restrictions and limited funds;

AND WHEREAS the Government of Ontario has delayed timelines with respect to several pieces of legislation;

AND WHEREAS the Government of Ontario has regulated municipal asset management through O.Reg. 588/17: Asset Management Planning for Municipal Infrastructure under the Infrastructure for Jobs and Prosperity Act, 2015;

AND WHEREAS O. Reg. 588/17 mandates every municipality shall prepare an asset management plan in respect of its core municipal infrastructure assets by July 1, 2021 and in respect of all its other municipal infrastructure assets by July 1, 2023;

AND WHEREAS the key components of an asset management plan as required by the regulation are:

1. Infrastructure asset inventory
2. Levels of service
3. Lifecycle management and financial strategy

AND WHEREAS there is a concern amongst Municipal Finance Officers' Association of Ontario (MFOA) members and their municipalities that current capacity challenges (redeployment of staff, and lack of available resources) will result in limitations for purposeful asset management planning;

AND WHEREAS Ontario municipalities do not anticipate the current capacity challenges to be resolved in the short term;

NOW THEREFORE BE IT RESOLVED, the Council of the Township of North Glengarry supports MFOA's letter to the Ministry of Infrastructure requesting a one year extension of the deadlines in O.R. 588/17: Asset Management Planning for Municipal Infrastructure under the Infrastructure for Jobs and Prosperity Act, 2015; so that all municipalities can focus on the immediate needs of the pandemic and engage in municipal asset management planning when capacity challenges are resolved.

Background / Analysis:

The province implemented the *Asset Management Planning for Municipal Infrastructure Regulation*, O.Reg. 588/17 on January 1, 2018. The goal of the regulation is to improve asset management practices.

The timelines established in O.Reg 588/17 are as follows:

- July 1, 2019 – Implement a Strategic Asset Management Policy
- July 1, 2021 – Approved Asset Management Plan for core assets, including roads, bridges and storm. Current levels of service and cost of maintaining those levels of service must be established.
- July 1, 2023 – Expand on the approved Asset Management Plan to include all assets.
- July 1, 2024 – Asset Management Plan must include proposed levels of service, lifecycle management and financial strategy.

The Municipal Finance Officers Association (MFOA) has requested that the Minister of Infrastructure extend the timeline for municipalities to have an approved Asset Management Plan by one year. The current deadline is July 1, 2021. It is recognized that many municipalities are facing challenges in meeting this deadline and the pandemic has further added to the burden of obtaining the relevant information required for the plan.

The extension of the July 1, 2021 deadline by one year will not have an impact on the overall timelines outlined in O. Reg 588/17. All municipalities are required to have a complete Asset Management Plan by July 1, 2024.

The Township will try its best to meet the July 1, 2021 target date to have an approved asset management plan for core assets however there have been delays in obtaining information due to COVID-19 and the availability of resources to assist in its creation. With the resignation of the GIS/Asset Management Coordinator, resources are even more scarce to complete this. The extension of one year would allow for more meaningful information to be gathered and would also support the many municipalities, like ours, currently facing capacity and resource constraints in relation to asset management.

Alternatives:

1. Approve the request for support.
2. Do not approve the request for support.

Financial Implications:

The 2020 budget had \$20,000 for an Asset Management Building assessment to be completed. However, with COVID limiting access to buildings and consultants, this was not completed. It is now being requested in the 2021 budget.

Although not specifically indicated, not meeting this July 1, 2021 deadline could result in reduced funding through Provincial grant sources.

Attachments & Relevant Legislation:

MFOA Letter
O.Reg. 588/17

Others Consulted:

Local SDG Treasurers

Reviewed and Approved by:
Sarah Huskinson, CAO/Clerk