

Township of South Stormont

ACTION REQUEST

Finance Department



To: Council
From: Yun Ke Ni Director of Finance/Treasurer
Date of Meeting: January 13, 2021
Subject: Support for Extending Asset Management Deadline

Recommendation:

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 standards 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 that 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 of 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 that Council of the Township of South Stormont supports MFOA's letter to the Ministry of Infrastructure requesting a one-year extension of deadlines in O. Reg. 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.

Executive Summary:

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

Background:

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 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 unlikely meet the July 1, 2021 target date to have an approved asset management plan for core assets, there have been delays in obtaining information due to COVID-19 and the storm water, water and wastewater information is not yet gathered. The extension of one year would allow for more meaningful information to be gathered and would also support the many municipalities currently facing capacity and resource constraints in relation to asset management.

Options and Discussion:

1. Approve the request for support. This option would allow the Township to focus on the current challenges of the pandemic and would provide adequate time to obtain relevant data that supports a meaningful asset management plan. This is the recommended option.
2. That Council not approve the request for support. Not supporting the request for an extension could result in the Township implementing a plan that does not include the required information or data analysis to support the plan.

Financial Impact:

Provide the Township the flexibility of financial process.

Others Consulted:

Local SDG Treasurers