



BUILD ON

Update on Municipal Asset Management Planning Regulation

Asset Management Ontario

Ontario Ministry of Infrastructure

December 11, 2017





Overview

- Development of the proposed regulation
- Highlights of proposed requirements
- Recent feedback from the municipal sector
- Next steps

Context



- Many municipalities are facing challenges to achieving sustainable infrastructure:
 - Ageing assets
 - Increased capital funding needs.
- There is a need to do things differently and collaborate to address “infrastructure gap”.

Why regulate?

- Despite the progress that has been made, significant differences exist between the completeness, level of detail, methodology and assumptions used to develop plans.
- Good asset management planning is more important than ever, given significant infrastructure pressures and new challenges resulting from a changing climate.
- To support further improvements in municipal asset management planning the province has been developing a proposed regulation under the authority of the *Infrastructure for Jobs and Prosperity Act, 2015* since early 2016.

 <small>1st SESSION, 41st LEGISLATURE, ONTARIO 64 ELIZABETH II, 2015</small>	 <small>1^{re} SESSION, 41^e LÉGISLATURE, ONTARIO 64 ELIZABETH II, 2015</small>																
<p>Bill 6</p> <p><i>(Chapter 15 Statutes of Ontario, 2015)</i></p> <p>An Act to enact the Infrastructure for Jobs and Prosperity Act, 2015</p>	<p>Projet de loi 6</p> <p><i>(Chapitre 15 Lois de l'Ontario de 2015)</i></p> <p>Loi édictant la Loi de 2015 sur l'infrastructure au service de l'emploi et de la prospérité</p>																
<p>The Hon. B. Duguid Minister of Economic Development, Employment and Infrastructure</p>	<p>L'honorable B. Duguid Ministre du Développement économique, de l'Emploi et de l'Infrastructure</p>																
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Consultations with Municipal Sector



Proposal Posted to Environmental Registry (2017)

Strategic Asset Management Policy (by January 1, 2019)

Would require municipalities to outline commitments to best practices and continuous improvement

Asset Management Plan: Phase 2 (by January 1, 2021)

Would build out the Phase 1 plan to include **all assets**

Additional Information

- Municipalities under 25,000 not required to discuss detailed risk analysis or growth.
- Plans would be updated every 5 years; annual progress update given to council.
- Selected data reported to province.

Asset Management Plan: Phase 1 (by January 1, 2020)

For **core assets**:

- **Inventory of assets**
- **Current levels of service** measured by standard metrics
- **Costs to maintain levels of service**

Asset Management Plan: Phase 3 (by January 1, 2022)

Would build on Phase 1 and 2 by adding:

- **Proposed levels of service**
- **Lifecycle management strategy**
- **Financial strategy**

Proposed Strategic Asset Management Policy Requirement

- All municipalities would be required to develop and adopt a strategic asset management policy by January 1, 2019. The policy would include:



Proposed Service Level Approach

- The proposed regulation would require a description of levels of service, including:
 - Customer level – images and/or descriptions of what the end-user experiences
 - Technical level – using metrics that describe what the organization provides

Service attribute	Applicable FIR categories	Community levels of service	Technical levels of service
Scope	<ul style="list-style-type: none"> • Bridges 	<ul style="list-style-type: none"> • Description of the ability of the bridge to provide access to different users (e.g., heavy transport vehicles, motor vehicles, emergency vehicles, pedestrians, cyclists, etc.) 	<ul style="list-style-type: none"> • % of bridges with loading or dimensional restrictions

Proposed Data Collection

- Actuals Reporting, collected annually
 - Current Levels of Service and Revenue Dedicated to Capital Financing
- Projections Reporting, collected with each update of Plan (every 5 years)
 - Proposed Levels of Service
 - Replacement Cost Value
 - Projected expenditure and financing metrics
- Proposed Level of Service (outlined for each year, over a ten year period)
 - Community Levels of Service and Technical Levels of Service metrics

What we heard

- Through the recent posting to the Environmental Registry, the province heard from about 140 municipalities, municipal sector organizations, members of the public and other groups. Key themes included:

Municipal capacity is a challenge. Tools and supports are needed.

Need more time to comply with the proposed requirements.

Building a culture of asset management is critical to informed decision-making.

The regulation needs to align with growth planning, development charges, and other existing obligations.

The proposed requirements are too prescriptive (e.g., engineering sign-off).

Capacity Building

- Asset management is a practice that requires local ownership for success.
- Many good practices exist throughout Ontario, and there are ongoing opportunities to share information, work together and innovate.
- A significant amount of work is being done in the sector (e.g. training and assistance from associations, communities of practice, etc.).



- There is funding available to support this work (e.g., Ontario Community Infrastructure Fund).
- We continue to explore resources to support implementation.

Next Steps

Fall 2017

- Proposed regulation is finalized
- If approved, regulation is filed, posted to e-Laws website
- Develop tools and supports

2018 – ongoing

- Implementation of tools and supports; building capacity of municipalities
- Compliance phased in gradually



Questions?