

## REPORT

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**TO:** Council  
**FROM:** Charity Post  
**DATE:** December 7, 2022  
**REPORT:** FIN.22.21  
**SUBJECT:** 2022 Asset Management Status Update

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### **RECOMMENDATION:**

That FIN.22.21 Asset Management Status Update be received by Council for information and to fulfill requirements of the Strategic Asset Management Policy

### **BACKGROUND AND ANALYSIS:**

The Strategic Asset Management Policy A09-F-07 was adopted by Council in July 2019. Under the section "Responsibilities of Key Stakeholders", Council is responsible for the following:

- d) conduct annual reviews of asset management plan implementation progress from reports provided by the Asset Management Team including:
  - Progress on ongoing efforts to implement the asset management plans
  - Any factors affecting the ability of the Municipality of Grey Highlands' to implement its asset management plans
  - A Strategy to address these factors including the adoption of appropriate practices
  - Review implementation of the plan as part of the annual budget process

### **OPERATIONAL CONSIDERATIONS:**

#### Accomplishments:

-Asset Management Team Members Holly Cullihall (TPS Coordinator) and Lina Pacheco (Financial Analyst) have completed the PEMAC Asset Management Training qualifying them for the Certified Asset Management Professional (CAMP) designation.

"The AMP program introduces the participants to the latest in strategic AM thinking, develops the capacity to engage others and build their knowledge and skill in key subject areas such as risk management, knowledge management, and tools for strategic decision making at each stage of the asset lifecycle. Participants research and reference many sources of AM wisdom from around the globe, to identify the core

principles and to determine how to leverage them from their current role in their current organization in its current state of maturity.

Graduates have considered and understood the high-level AM principles and are able to make informed decisions about how to apply these principles to their organization. They have a broad yet practical understanding and are ready to collaborate with others in their organization in the promotion and implementation of asset management principles.” (N. Guillen, PEMAC, personal communication, June 9, 2022)

-The capital budget will distinguish between projects included in the AMP and investment in new assets that will increase our infrastructure deficit and operating budget.

-Grey Highlands has a remarkably diverse asset portfolio that can create some challenges when discussing and/or recording assets and their components due to a lack of familiarity for all parties involved. To gain a better understanding of water/wastewater assets, the Asset Management Team did a tour of the relevant facilities. It was beneficial to see how different and complex the individual systems are for providing the same type of service and we highly recommend that council does the same at the beginning of their term to gain a better understanding of our major municipal assets.

-Including Asset Management roles and responsibilities is one of the requirements to reach level 3 (of 5) Accountability under People and Leadership in the [FCM Asset Management Readiness Scale assessment tool](#). Job Descriptions have been updated to reflect AM responsibilities for every staff position within the municipality. Examples of wording that has been added to Job Descriptions include:

1. Communicating asset maintenance needs and concerns,
2. Providing updated documentation,
3. Maintenance of asset inventories and databases,
4. Direction, oversight, and support.

#### Ongoing / Works in Process:

-One of the commitments we made to FCM for grant funding was drafting an update to the Asset Capitalization Policy. The draft was provided as part of the grant conditions but is still a work in process which will be forwarded to the Senior Management Team in the new year for their review, before a presentation to council.

-PSAB 3280 – Asset Retirement Obligations came into effect on April 1, 2022. Some examples where there are legal obligations associated with the retirement of assets under this accounting standard are:

- Wastewater or sewage treatment facilities,
- Septic beds,
- Landfill closure and post-closure.
- Buildings with asbestos

As a result, staff are compiling a list of the assets that may be affected by this legislation

-Asset Management Roadmap and Terms of reference (People and Leadership, Accountability level 2 requirement (Roadmap is also a level 2 Policy and Governance Strategy requirement)) are things that we need to work on to progress in our [AM readiness](#), we will attempt to complete these tasks internally

-On July 17, 2019, Grey Highlands '[Strategic Asset Management Policy](#)' came into effect. This is a guiding document for the Asset Management Team that is to be reviewed/revised regularly. The creation of this policy was mandated by the provincial government through [O'Reg. 588/17 as amended by O'Reg. 193/21](#). These regulations were put in place to help improve the way municipalities plan for their infrastructure due to existing infrastructure degrading faster than it is being repaired or replaced. As we have increased our knowledge of asset management since this policy came into effect, the Asset Management Team will be reviewing, improving, and following it more closely moving forward.

-Two members of the Asset Management Team are also members of the Grey Bruce Asset Management Steering Committee (GBAMSC). This is a group of individuals from surrounding municipalities in Grey and Bruce counties that have asset management responsibilities. The committee was developed as an asset management resource for the development of AMP's and for discussing challenges and solutions.

For many members of the committee, asset management is included as a secondary task in their job description. It has been noted by the group that this results in data gaps and AMPs being outsourced to consultants. Municipalities that are producing their AMPs internally, and are considered more advanced in their asset management, tend to have dedicated staff positions that focus on asset management. These positions include Asset Management Coordinators, GIS Specialists, and/or Managers of Capital Projects. Having a dedicated Asset Management position allows for greater coordination of asset management activities, improved lifecycle management planning, and ultimately more efficient and reliable assets with decreased costs.

-In June, Asset Management Team members Anna McCarthy (Treasurer) and Charity Post (Deputy Treasurer) attended a Climate resilience workshop with a focus on buildings. The course emphasized that we should be taking a lifecycle approach that considers the impacts on our facilities as a result of climate change. Examples include: an increase in freeze-thaw cycles can lead to premature deterioration of concrete/paved surfaces, ice damming on roofs, and moisture damage. Higher temperatures could result in increased corrosion, building facades deteriorating faster, premature weathering, and fractures and spalling. An increase in precipitation events can speed up decay processes, rain penetration and moisture absorption, decrease the durability of materials, all resulting in damaged or flooded buildings. It is advised that we look at climate change projections and use this information for planning our AM strategy to maintain levels of service and mitigate risks associated with climate change. A link to a news article that discusses the fiscal impact of climate change on public transportation infrastructure is included at the bottom of this report. It is recognized in our Strategic Asset Management Policy that Climate Change must be considered as part of our risk management approach which must be embedded in our asset management planning methods.

-In 2022, Council approved the completion of a Building Condition Assessment Study. Staff are awaiting a preliminary cost estimate and proposal from a consultant who specializes in Building Condition Assessments for government properties. This condition data is essential for proper asset management planning for our buildings and facilities and will inform our Asset Management Plan and future capital and operating budgets.

-With the approval to move forward with condition assessments for all our facilities the only asset class for which we will have no condition information for is stormwater infrastructure. The Asset Management Team recommends moving forward with a stormwater condition study so we can create a plan to maintain levels of service and reduce the risk of failure. A stormwater study has been identified in the preliminary Development Charges capital list.

-Reducing capital investment increases operating costs due to the additional maintenance needs of assets that are beyond their useful life. It also increases the risk of failure, and leads to responses to problems as they arise, rather than taking a more proactive approach that reduces the risk of catastrophic failure. It is anticipated that building and stormwater condition assessments will identify weaknesses that will put more pressure on both the operating and capital budgets where difficult decisions will need to be made.

#### **GREY HIGHLANDS STRATEGIC PLAN:**

Strong Governance - Create a Grey Highlands Asset Management Plan to inform current and future requirements, and capital costs associated in replacing, maintaining, and anticipating infrastructure needs.

#### **STAFFING IMPACT:**

Members of the Asset Management Team are:

Charity Post - Deputy Treasurer and Asset Management Coordinator

Holly Cullihall - Municipal Services Technician

Jeff Elchuk - Public Utilities Team Leader

Anna McCarthy - Treasurer

Senior Management are consulted and updated as required.

#### **POLICIES/LEGISLATION::**

[Strategic Asset Management Policy](#)

[O. Reg. 588/17 Asset Management Planning for Municipal Infrastructure](#)

#### **FILE OR REFERENCE:**

[Asset Management Readiness Scale](#)

[Global News - Climate change effect on public transportation infrastructure](#)

**Approved By:**

Anna McCarthy, Treasurer  
Karen Govan, Chief  
Administrative Officer

**Status:**

Approved - 25 Nov 2022  
Approved - 28 Nov 2022