



Corporation of the Township of Brock

Staff Report to the Mayor and Members of Council

From: Trena DeBruijn
Position: Director of Finance/Treasurer
Title / Subject: Asset Management Financing
Date of Report: November 7, 2023
Date of Meeting: November 18, 2024
Report No: 2024-FI-032

1.0 Issue / Origin

This report follows the presentation from Hemson Consulting, presented to Council on November 18th, and makes a recommendation for Council consideration as part of the upcoming 2025 budget.

2.0 Background

As discussed this morning in our presentation from Hemson Consulting, the Township has a 10-year infrastructure need of over \$210,000,000. At our current funding levels, this represents an unfunded deficit of approximately \$133,000,000 over the next ten (10) years when considering the investments needed to replace assets at the end of their useful life and carryout the capital needs outlined in our most recent needs studies.

The Provincial Asset Management regulation required that municipalities complete an asset management plan (AMP) outlining a lifecycle management and financial strategy to manage municipal assets for a ten (10) year period. Not only will the AMP be used by municipalities to help better understand and inform municipal capital investment decisions, but the plan will also be used to continue receiving much needed grant funding moving forward.

3.0 Analysis

Despite the funding gap identified, the requirements of the asset management regulation require municipalities to consider their current funding levels, current levels of service and the proposed service levels (PLOS) over the next 10 years. The draft results of the asset management plan as presented by Hemson Consulting outlines an alternative financing strategy for Council consideration over the next 10 years that will seek to better align the

priorities of the municipality to develop a strategy that focuses on achieving proposed levels of service over the next 10 years. This plan proposes funding these needs over the next 10 years and would require increased (additional) levy contributions of approximately 3.34% per year (compounded) for the next 10 years.

It is staffs recommendation that this consideration be referred to the upcoming 2025 budget deliberations.

4.0 Related Policies / Procedures

N/A

5.0 Financial / Budget Assessment

Funding for increased asset management requirements will form part of the 2025 budget and budget deliberations.

5.1 Asset Management

As outlined in the report and presentation from Hemson Consulting and in this report.

6.0 Climate Change Impacts

N/A

7.0 Communications

N/A

8.0 Recommendation

That Council receive report 2024-FI-032 and consider additional funding for asset management requirements in the upcoming 2025 budget.