



## 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:** 2025 Asset Management Plan  
**Date of Report:** May 29, 2025  
**Date of Meeting:** June 9, 2025  
**Report No:** 2025-FI-023

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#### 1.0 Issue / Origin

This report provides an update on the Township's Asset Management Plan, to support O. Reg 588/17 and the July 1, 2025 requirements.

#### 2.0 Background

Well-managed public infrastructure is vital to the prosperity of communities. Given the range and scope of services provided, Ontario municipalities have a unique responsibility to ensure that infrastructure is planned, built, and maintained in an efficient and sustainable way. Therefore, O.Reg. 588/17: Asset Management Planning for Municipal Infrastructure was developed by the Province of Ontario in 2017. This regulation builds upon the Municipal Infrastructure Strategy and "Building Together" Guide for Municipal Asset Management Plans launched in 2012 and the Infrastructure for Jobs and Prosperity Act, 2015, to strengthen the role of municipal asset management through evidence based and strategic long-term infrastructure planning and budgeting.

The 2025 Asset Management Plan (AMP) is an update to the Township's 2019 Asset Management Plan (which was updated in March 2023), which is available on the Township's website. It is designed to advance the Township's asset management practices by developing a set of asset management strategies to the specific needs of each service area. It provides information to guide sustainable infrastructure investment and financing decisions.

The Township's 2019 AMP was completed to meet O.Reg.588/17 requirements that all Ontario municipalities adopt an Asset Management Plan for core assets (roads, bridges, culverts, sidewalks and assets used to deliver stormwater services), reporting current levels of service as legislated and lifecycle needs to sustain those levels of service (was due by July 1, 2022 and the Township is in compliance with this requirement). At this time, the Township also adopted its plan for all remaining non-core assets (which was not required under the regulation until July 1, 2024). This was updated in March 2023.

Further to those requirements, under O.Reg.588/17, by July 1, 2025 all Ontario municipalities must have completed an updated asset management plan for all municipal infrastructure (core and non-core). These additional requirements include but are not limited to:

- Defining proposed levels of service including qualitative descriptions and technical metrics for each service area for the next 10 years;
- Describing the lifecycle activities (operating and capital) required to provide for those proposed levels of service; and
- Stating the risks and associated annual costs of those lifecycle activities including projected funding availability and shortfalls.

On November 18, 2024, the updated AMP, which also included the lifecycle management and financial strategy to manage the municipal assets (over a 10 year period) was presented to Council. This was later discussed at length during the 2025 budget process and Council approved an Infrastructure Management Levy of 2%.

This report will summarize the final results of the Asset Management Plan. For the 10-year period from 2025 to 2034, the Township's AMP meets the requirements of O. Reg. 588/17 for all Township owned and operated assets.

### **3.0 Analysis**

In order to meet the July 1, 2025 requirements, the Township entered into a consulting agreement with Hemson Consulting Ltd. (Hemson). Hemson consulted extensively with Township staff to prepare the 2025 Asset Management Plan (and prior versions) and presented to Council. The 2025 AMP incorporates information associated with core and non-core assets. All figures are in constant 2024 dollars. The 2025 AMP will describe the actions required to manage the Township's portfolio of assets in a way that supports the adopted proposed service levels, while managing risks and costs.

There are five key components to the 2025 Asset Management Plan:

- A. State of Local Infrastructure
- B. Levels of Service
- C. Asset Management Strategy
- D. Financing Strategy
- E. Monitoring and Improvement Plan

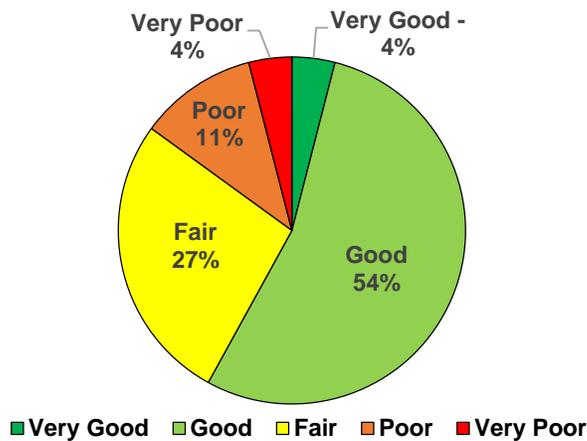
**State of Local Infrastructure**

This section provides a brief summary of the Township’s assets with reference to asset quantity and quality. To provide a wide range of services to its residents and businesses, the Township relies on an estimated \$667.4 million of assets (estimated replacement value).

**Table 1: Replacement Value by Asset Type**

Asset Type	Replacement Value (in 2024 \$, millions)	%
Roads	\$456.9	68%
Bridges & Culverts	\$93.8	14%
Buildings	\$84.2	12%
Vehicles and Machinery	\$12.4	2%
Land Improvements	\$5.5	1%
Sidewalks & Pathways	\$5.2	1%
Equipment and Furnishings	\$4.7	1%
Stormwater Infrastructure	\$4.6	1%
<b>Total</b>	<b>\$667.4</b>	<b>100%</b>

**Figure 1: Asset Replacement Condition by Replacement Value**



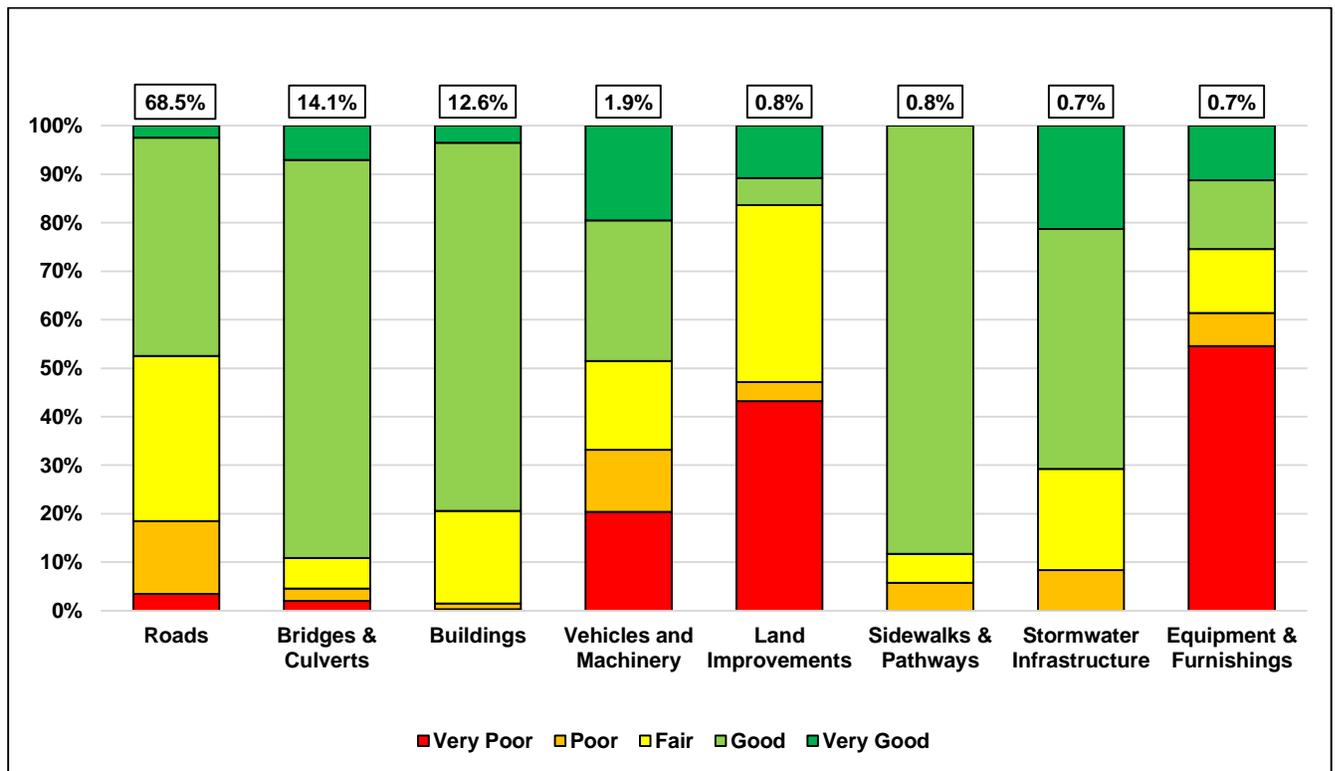
The Township's assets are determined to be in good condition on average as presented in Figure 1, with 58% of assets being in good or very good condition.

Table 2 and Figure 2 presents the condition of assets by asset type. Highlighted at the top of each category in Figure 2 is the percentage of replacement value of each asset type relative to the total \$667.4 million replacement value.

**Table 2: Asset Condition by Asset Type**

Asset Type	Very Good	Good	Fair	Poor	Very Poor	Overall Rating
Roads	3%	45%	34%	15%	3%	Fair
Bridges and Culverts	7%	82%	6%	3%	2%	Good
Buildings	4%	76%	19%	1%	<1%	Good
Vehicles and Machinery	20%	29%	18%	13%	20%	Fair
Land Improvements	11%	6%	36%	4%	43%	Poor
Sidewalks and Pathways	0%	88%	6%	6%	0%	Good
Equipment and Furnishings	11%	14%	13%	7%	55%	Poor
Stormwater Infrastructure	21%	50%	21%	8%	0%	Good

**Figure 2: Asset Condition by Category**



As presented in Tables 1 and 2, the largest components of the Township's asset portfolio are roads, bridges and culverts and buildings, with respective overall condition assessments of Fair, Good and Good, which largely drive the overall good asset condition assessment for Township assets.

Generally, long-lived assets such as buildings can continue to be used well past their design life with proper ongoing maintenance and renewal activities. As age-based conditions are not appropriate for all types of assets, the 2025 AMP uses engineered conditions and staff consultation to determine conditions wherever possible.

Finally, it is important for the Township to monitor assets categorized in fair condition to ensure they do not deteriorate to poor condition and ensure levels of service do not decline.

### **Levels of Service**

Levels of service (LOS) describe the outputs/objectives the Township intends to deliver to its residents, where performance may be measured to benchmark the current service levels and targets can be set to ensure residents' needs are met. Having well-defined service levels will allow the Township to be transparent with its stakeholders to find the appropriate balance between affordability and service expectations. The 2025 AMP includes both Customer/Community Levels of Service and Technical Levels of Service. This report will focus on presenting the Technical Levels of Service. Customer/Community Levels of Service can be found in Table 7 of the 2025 AMP.

### **Current Levels of Service**

Asset management decisions must be made with reference to the level of service planned for by the Township. Current service levels in the Township of Brock are based on a combination of internal asset management practices, community expectations, statutory requirements, industry operation and safety standards and funding availability.

In 2019, the Township's current levels of service were reported on for core and non-core assets, respectively. Tracking levels of service over time is essential to measuring the success of service delivery and the asset management strategy overall. The current level of service measures for each asset category are summarized in Table 3 by service area as at December 31, 2024. These measures represent the best available information at the time.

## **Proposed Levels of Service**

In addition to updating current level of service reporting, O. Reg. 588/17 requires municipalities to define its proposed levels of service by July 1, 2025. Proposed levels of service are intended to provide the Township with a measurable future target state for the services it provides, particularly with regards to municipal infrastructure. The proposed levels of service act as a guide for infrastructure planning, investment and maintenance over the 10-year planning period from 2025 to 2034, to ensure sustainable and cost-effective service delivery.

A summary of the proposed levels of service as developed by staff and adopted by the Finance Committee are summarized in Table 3. These levels were established to ensure targets can be aligned with Township lifecycle management strategies. Progress overtime will be measured by comparing the Township's current levels of service to the target levels of service to identify areas of improvement and to ensure actual levels of service do not decline.

In general, the proposed level of service is generally set to maintain the current level of service over the 10-year period.

**Table 3 – Current and Proposed Levels of Service Metrics by Service Area**

<b>Service</b>	<b>Technical Level of Service</b>	<b>Current LOS</b>	<b>Proposed LOS</b>
<b>Roads</b>	Number of lane-kilometres of each of arterial roads, collector roads, and local roads as a proportion of square kilometres of land area of the municipality (O. Reg. 588/17)		
	Arterial	N/A	N/A
	Collector	87%	Maintain CLOS
	Local	86%	Maintain CLOS
	For paved roads in the municipality, the average pavement condition index value (O. Reg. 588/17)	71%	Maintain CLOS
	For unpaved roads in the municipality, the average surface condition (O. Reg. 588/17)	68%	Maintain CLOS
	Ratio of Paved vs. Unpaved Roads	1.47	Maintain CLOS
<b>Bridges and Culverts</b>	Percentage of bridges in the municipality with loading or dimensional restrictions (O. Reg. 588/17)	2%	Maintain CLOS
	For bridges in the municipality, the average bridge condition index value (O. Reg. 588/17)	68 out of 100	75 out of 100
	For structural culverts in the municipality, the average bridge condition index value (O. Reg. 588/17)	64 out of 100	75 out of 100
<b>Stormwater Infrastructure</b>	Percentage of properties in the municipality resilient to a 100-year storm (O.Reg. 588/17)	90% (Urban Area)	95% (Urban Area)
	Percentage of the municipal stormwater management system resilient to a 5-year storm (O.Reg. 588/17)	100% (Urban Area)	100% (Urban Area)
<b>Sidewalks</b>	Total Meters of Sidewalk Constructed per Annum	425M	500M
<b>Buildings</b>	Asset Replacements that result in improved environmental efficiencies	100%	Maintain CLOS
	Energy Efficient Lighting Retrofits	14%	100%
	<b>Average Facility Condition Index</b>		
	Library	Good	Good
	Recreation	Good	Good
	Public Works	Good	Good
	Health Services	Good	Good
	Animal Services	Very Good	Very Good
<b>Fire</b>	Fire	Good	Good
	Average Response Time	7 minutes, 17 seconds	Maintain CLOS
	Percentage of Regulated Inspection Completed	100%	Maintain CLOS

Service	Technical Level of Service	Current LOS	Proposed LOS
<b>Vehicles</b>	Average Weighted Condition Assessment		
	Public Works	Fair	Fair
	Canine/By-Law	Fair	Fair
	Building Services	Fair	Fair
	Recreation and Culture	Fair	Fair
	Parks	Fair	Fair
	Fire	Good	Good
<b>Library</b>	Number of Book Lockers	0	2
	Average Wait Time for Requested Materials	1 Week	1 Week
	Number of Hotspots Available for Use	9	Maintain CLOS
<b>Parks and Recreation</b>	Grass Cutting Frequency in Parks	Weekly	Weekly
	% of Play Structures that are AODA Compliant	15%	50%

### **Asset Management Strategy**

This section of the 2025 AMP sets out an action plan that will assist the Township in maintaining assets to meet proposed level of service objectives. The asset management strategy includes lifecycle costs needed to meet proposed levels of service over the next 10-years for each lifecycle activity as well as the associated risk analysis. Lifecycle activities include non-infrastructure solutions, maintenance activities, renewal/ rehabilitation, replacement, disposal, and expansion activities, where applicable.

Highlights of the asset management strategy include:

- Table 11 of the 2025 AMP outlines the methodologies and 10-year costs required to meet the ideal “benchmark” investment scenario. Over the 10-year period, the total lifecycle costs needed to maintain the infrastructure is estimated at \$212.9 million. Approximately 87% of these costs are attributed to saving for renewal, rehabilitation or replacement of infrastructure.
- Table 11 of the 2025 AMP also outlines the 10-year lifecycle costs needed to meet the proposed levels of service as presented. The estimated need to maintain the proposed levels of service is approximately \$98.5 million (\$9.0 million per year). Under this scenario, about \$6.4 (or 71%) million is required per year specifically for renewal, rehabilitation or replacement of infrastructure.
- Table 15 of the 2025 AMP presents the findings of the risk analysis for all assets other than roads, bridges and culverts (as the repair and replacement needs of these assets are included in separate reports based on engineering assessments). Most of the Township’s assets continue to have relatively low risk (with the exception of Equipment and Furnishings), an indication of good maintenance practices overall. However, maintenance activities and capital works must continue to ensure that proposed levels

of service can be met, otherwise additional risk can be expected. Assets with a higher risk rating are to be prioritized earlier in replacement schedules.

- Climate change integration is also addressed as part of the 2025 AMP requirements.

For full details of the asset management strategy, see section 4 of the 2025 AMP.

### **Financing Strategy**

The financing strategy of the 2025 AMP is intended to help the Township build on the existing asset management practices, recognizing that the Township has continually undertaken both operating and capital expenditures necessary to maintain tax funded services. In prior years, the investments made by the Township have fallen short of the required need to meet the proposed levels of service.

In the 2025 budget, following recommendations of the AMP, Council approved an Infrastructure Levy of 2% of the prior year levy. It is strongly recommended that this practice be continued in 2026 and future years and that the funding level be revisited for potential increase as costs continue to rise. These contributions are needed to ensure the Township meets the proposed levels of service and ensure that current service levels do not decline.

The financing strategies presented in the 2025 AMP provide the Township with feasible options to increase capital funding in a sustainable manner to meet proposed service levels. The strategies take into consideration all municipal revenue sources available, allocating the sources to the most appropriate asset type/activity. It should be noted that certain funding sources are dependant on the continued allocation of funds from upper levels of government, which are not all guaranteed at this time for the full 10-year period.

### **Benchmark Infrastructure Funding Gap**

Under the benchmark scenario an infrastructure funding gap exists of \$133.4 million over the 10-year period. This gap represents a measure of the “ideal” spending that would need to be undertaken if all assets were repaired or replaced as outlined in the engineered reports or based on their design life versus maintaining funding at current levels. The total 10-year need is estimated at \$212.9 million compared to current 10-year funding of \$79.5 million. To eliminate this gap, annual capital contributions would need to increase above current practices annually by \$2.4 million per year for 10 years (plus inflation). This is equivalent to an additional 21% of the Township’s total 2025 tax levy.

## **Proposed Level of Service Infrastructure Funding Gap**

The plan recognizes that the benchmark gap is unrealistic to address in the short-term and instead presents a second more manageable infrastructure funding gap based on the proposed levels of service. This gap represents a measure of the spending that would need to be undertaken to meet proposed levels of service as previously presented versus maintaining funding at current levels. As the 10-year lifecycle costs required to meet the proposed levels of service is \$98.5 million, a funding gap of \$19.1 million exists with the current 10-year funding of \$79.4 million (levy and grant funding). This is a reduction of \$114.4 million compared to the benchmark gap.

## **Closing the Funding Gap**

The Township's Asset Management Plan recommends an Asset Management (Infrastructure Levy) of 3.3% be added per year, for each of 10 years, to assist with closing the infrastructure gap.

During the 2025 Budget, Council approved the adoption of a 2% infrastructure levy. This decision was made with resident affordability considerations in mind and knowing that this funding level would be insufficient to close the infrastructure gap over the 10 years.

That being said, with a proposed level of service need (10 year need) of \$98.5M, adding a dedicated infrastructure levy of 2% per year (for the next 10 years), the remaining funding gap will be approximately \$7.0 million.

The Township will need to monitor this gap closely as costs rise to ensure that we are continuing to meet our proposed levels of service and to adjust the expenditure needs as required. Increases to this infrastructure may be required in future years.

In addition, the following approaches to additional measures to close the Funding Gap are suggested:

<b>Category</b>	<b>Description</b>
Improved Data Quality	As the Township matures its asset management practices, improving data quality across service areas will help to achieve a proper assessment of the condition of assets. Improved lifecycle cost data will facilitate evidence-based decision making and support in achieving lower lifecycle costing through prioritization of repair and replacement activities.

Levels of Service	As part of the 2024 AMP, levels of service measures by asset category have been established. Tracking LOS measures may identify areas where funding needs could be recalibrated based on performance.
Assessing Risk Tolerance	Further detailed risk analysis including defining risk tolerance levels for individual asset classes will help to further refine prioritization of the investment needs and levels of service. Although not always desirable, it may be possible to accept a higher degree of asset risk to help lower ongoing asset costs. Further advancement in the risk model could be one avenue to address the gap over time.
Seek Enhanced Funding Support from Upper Levels of Government	<p>The Township continues to demonstrate a significant commitment to asset management and developing a set of renewal practices to ensure that services are delivered in the most cost-efficient manner.</p> <p>Despite the efforts, upper levels of government support is required to supplement the Township's practices to balance affordability. For long-term financial planning and accurately assessing the infrastructure gap, it is equally important that upper-level government funding is stable and predictable. Any additional grant funding received beyond current OCIF and CCBF allocations should be allocated to the asset management program to address the remaining gap to meet the proposed levels of service. It is not recommended that the 2% dedicated levy be reduced by any new incoming grants over the planning horizon.</p>
Continued Project Co-ordination with the Region on Infrastructure Projects	In exploring opportunities with the Region, overall cost efficiencies may be achieved during linear asset rehabilitation and replacement (i.e. storm sewers, roads, bridges, culverts, etc.) by better aligning capital ventures (if applicable or possible)

## **Monitoring and Improvement Plan**

This section of the 2025 AMP addresses future monitoring and improvement of asset management practices, which the Township continuously works towards. Through various asset management practices, the Township will continue to take incremental steps to maximize benefits, manage risk and provide satisfactory levels of service to the public in a cost-effective manner. Table 23 of the 2025 AMP provides areas of improvement that can be addressed in the short to long-term. As per O. Reg. 588/17, municipalities are required to conduct an annual review that addresses their progress in implementing the asset management plan, factors impeding their ability in implementing the asset management plan, and a strategy to address these factors.

Through a grant with the Province, the Township will be working with Hemson consulting to develop a framework for annual reporting.

### **Asset Management Reserve**

As previously mentioned, during the 2025 budget process, a 2% dedicated infrastructure levy was approved. In speaking with a number of municipalities with a dedicated infrastructure levy, it appears that most municipalities transfer the infrastructure levy to an infrastructure reserve and that withdrawals from the reserve to support infrastructure purposes be done through the annual budget process..

#### **4.0 Related Policies / Procedures**

2025 Asset Management Plan

#### **5.0 Financial / Budget Assessment**

There are no financial implications arising directly from this report or from the 2025 Asset Management Plan.

It is recommended that Council include, as a minimum, a 2% infrastructure levy per year, over the next 10 years and that this contribution level be reviewed annually as part of the annual asset management update to Council and during the annual budget process.

#### **5.1 Asset Management**

This report addresses overall asset management practices, activities and funding levels of the Township.

## **6.0 Climate Change Impacts**

As per Ontario Regulation 588/17 s3(5), municipalities must include a commitment in their asset management planning to address the vulnerabilities of climate change with respect to operations, levels of service and lifecycle management. There must also be consideration for anticipated costs, mitigation and adaptation approaches and disaster planning to meet all regulatory requirements in Ontario municipal asset management.

In response to the regulatory requirements, the Township adopted its first Strategic Asset Management Policy in 2019 and committed to integrating climate change as part of its asset management planning. Table 18 of the 2025 Asset Management Plan provides a framework for Climate Change Integration with Risk Considerations.

## **Communications**

N/A

## **7.0 Conclusion**

That Council approve the 2025 Asset Management Plan.

## **8.0 Recommendation**

That Report 2025-FI-023, 2025 Asset Management Plan be received;

That the Township of Brock's 2025 Asset Management Plan be adopted by Council and posted on the Township's website;

That Council continue to include Dedicated Funding at a minimum of 2% per year (of prior year levy), for the next 10 years, in the annual budget to assist with closing the infrastructure gap; and

That staff continue to monitor existing service levels for all assets and take advantage of any external funding opportunities that may arise, assuming the related projects have been assigned the relevant priority with the AMP.