



**Subject: Linear Asset - Capital Asset Management Plan**

**To: Council**

**From: Corporate Services Department**

Report Number: 2022-147

Meeting Date: June 28, 2022

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**Recommendation:**

That Corporate Services Department Report 2022-147 be received; and

That the Linear Asset – Capital Asset Management Plan in Appendix B of Corporate Services Report 2022-147 be approved.

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**Purpose:**

The City of Port Colborne's linear infrastructure supports a variety of municipal services that residents and business rely on every day including roads and bridges which facilitate travel, watermains which deliver clean drinking water, and wastewater and storm sewer systems which manage waste and excess rainfall.

An asset management plan (AMP) helps guide decision making with respect to infrastructure.

This AMP aligns with the guidelines set out by the Ontario Ministry of Infrastructure's (OMI) Building Together Guide for Municipal Asset Management Plans as well as Ontario Regulation 588/17 under the *Infrastructure for Jobs and Prosperity Act*.

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**Background:**

This AMP on linear infrastructure is an interactive step towards building a full AMP for all assets. The City's initial AMP was approved by Council for the July 1, 2019, completion date as established by the OMI. The AMP attached as Appendix B has a required completion date of July 1, 2022. The next AMP iteration is due July 1, 2024, and it will include all other City assets. In preparation of the next AMP iteration, facility

condition assessments are currently underway. The final AMP iteration is due July 1, 2025, and it will need to identify levels of service the city desires to move towards.

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## **Discussion:**

The AMP is designed as a comprehensive document that facilitates a better understanding of the City infrastructure, its relationship to financial requirements, levels of service, and lifecycle strategies surrounding infrastructure.

Readers of this document are advised this will be a living document. Looking forward, decisions will need to be made with respect to levels of service, risk appetite and the related costs (willingness to financially fund).

To support that decision making process an Infrastructure Needs Study (INS) is currently underway. The expected completion date is fall of this year. That study takes a more detailed look at specific infrastructure assets to prioritize which assets should be considered for improvement, replacement, and even divesture.

The AMP identifies the current estimated replacement value of linear assets is \$847 million. Water and wastewater and storm sewer infrastructure makes up 75% of that balance.

The AMP identifies that 74% of City linear assets are rated in fair condition or higher. The City's roads, bridges and culverts, and storm sewer infrastructure all have over 80%, with roads over 90% of assets rating as fair condition or higher.

The areas with the greatest need for investment is water and wastewater infrastructure.

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## **Internal Consultations:**

The development of the AMP was a cooperative effort between Public Works and Corporate Services. While this may be a Corporate Services report, the AMP is the result of the leadership within Public Works.

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## **Financial Implications:**

The AMP financial modeling was designed to target assets in the very poor category, which currently make up 17% of assets in terms of dollars with a total dollar figure of \$146,480,151.

Council has been a leader in funding capital assets by increasing the funding factor on the levy to 1.75% in recent years. In the 2023 Capital and Related Budget, Staff are intending to recommend that factor level be increased to 2%. Staff highlight that even

with this recommendation the budget funding for the linear assets covered in this AMP would only be \$3.2 million, which compares to an average annual spending requirement calculated in this AMP of \$16.2 million. This figure of \$16.2 million includes the estimated costs of replacement, including the cost of engineers, architects, and project management, and funding to allow for improvements when appropriate.

To close this funding gap, the AMP identifies the city will need to review lifecycle strategies, levels of service, funding opportunities which Staff identify will need to include strategic growth, asset divestitures, and the development of operational efficiencies.

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### **Public Engagement:**

The AMP will be available on the City's website.

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### **Strategic Plan Alignment:**

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Service and Simplicity - Quality and Innovative Delivery of Customer Services
- City-Wide Investments in Infrastructure and Recreational/Cultural Spaces
- Value: Financial Management to Achieve Financial Sustainability
- Governance: Communications, Engagement, and Decision-Making

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### **Conclusion:**

That Council receive Corporate Services Department Report 2022-147 and that the Linear Asset – Capital Asset Management Plan in Appendix B of Corporate Services Report 2022-147 be approved.

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### **Appendices:**

- a. Appendix A – Asset Management Plan Presentation
- b. Appendix B – Asset Management Plan

Respectfully submitted,

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### **Report Approval:**

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.