MEMO TO COUNCIL

To: Mayor Soloman and Members of Council

From: Meghan Townsend, CAO/Clerk

Meeting Date: 2026-06-23

Subject: Asset Management Program Update 2025-2026

Recommendation

THAT Council receives Memo – Asset Management Program Update 2025-2026 for information purposes.

Purpose

To present Council with an annual review on the Town's Asset Management Program.

Background

Under Ontario Regulation 588/17 of the *Infrastructure for Jobs and Prosperity Act, 2015,* every municipal council is required to have asset management plans in place for all assets that they own and/or operate. Section 9 of the regulation states requirements for annual reporting:

> **Annual review of asset management planning progress**
> **9.** (1) Every municipal council shall conduct an annual review of its asset management progress on or before July 1 in each year, starting the year after the municipality's asset management plan is completed under section 6.
> (2) The annual review must address,
> (a) the municipality's progress in implementing its asset management plan;
> (b) any factors impeding the municipality's ability to implement its asset management plan; and
> (c) a strategy to address the factors described in clause (b).

The Town recently adopted the Asset Management Plan required under this regulation, which was to be adopted by July 2025; therefore, the annual report for the Town needs to be conducted for July 2025-June 2026.

Discussion

The following sections will address the matters required under Subsection 9(2) stated above.

Asset Management Policy Overview
The Town of Grand Valley's Asset Management Policy is a statement of leadership for stewarding the Town's various assets. By using sound asset management practices, the Town will work to ensure that all municipal infrastructure assets meet expected performance levels and continue to provide desired service levels in the most efficient, reasonable and effective manner.
Through the implementation of this policy, we will shift our focus from budget-driven infrastructure investment to service outcome asset management. This policy demonstrates an organization-wide commitment to the good stewardship of municipal infrastructure assets, and to improved accountability and transparency to the community through the adoption of best practices regarding asset management planning. In addition, this policy will align practices with provincial and federal standards and regulations and help the Town take full advantage of available grant funding opportunities.

To complete our Annual Review under the established provincial regulations, we examine the following matters:

Progress in implementing its Asset Management Plan for July 2025-June 2026

Capital Delivery Review

- Additions, deletions
  - Southeast Sewage Pumping Station
  - Expansion of Sewer Trunk along Emma Street
  - New Gateway Signage
  - New line painter and bannerman for ball diamonds
  - New pressure washer for public works
  - Salt/sand distribution system for Truck 46
- Rehabilitations
  - Water Tower Rehabilitation
  - Microsurfacing projects
  - North Shop rehabilitation
  - Bridge 5 rehabilitation
  - Wastewater Treatment Plant Pump Rehabilitation

- Completed projects
    - Completion of large addition to the Grand Valley & District Community Centre
    - Completion of two new ball diamonds at the Concession 2-3 park
    - Water System Computer Replacement
    - Windows 10 Computer Replacements
- Projects in planning stage
    - Bridge 7 replacement
    - Generator for Water Tower
    - Hill Town Drive construction in Monticello
    - Recreation facilities at Concession 2-3 park
    - Scott Street drainage and road upgrades
    - Luther Road Inflow and Infiltration Remediation

Factors impeding the municipality's ability to implement its asset management plan

Level of Service and Risk Review

- The Town recently established levels of service for all asset types in the 2025 Asset Management Plan. Updates on this subject will appear in future annual reports.
- Federal and Provincial Governments' focus on new infrastructure to support new housing may affect our ability to use annual funding toward rehabilitation or replacement of existing infrastructure as the upper levels put restrictions on the use of their funding.
- Qualitative/quantitative performance indicators
    - Qualitative observation from the 2025 Asset Management Plan would note that the Town's infrastructure is in various states of repair
        - Gravel Road rehabilitation has become a priority because of low investment in previous years
    - Quantitative observation indicates that funding in the 2026 budget is well below the anticipated needs for the asset management plan's full execution
- Improving/stable/declining
    - The Town is currently maintaining stability, but asset failure will have significant impacts due to the lack of reserves
    - We are relying on multiple avenues to try to accomplish the minimum. The Town is not benefiting from what is being done aside from meeting minimum requirements set out by the government.

  - Delays in rehabilitation increases risk of asset failure and increased financial and community impacts.
  - Our asset data pool is of average quality but our ability to use and maintain that data is limited by the capacity of staff to maintain the data and the tools that we have available to maintain the information

Strategy to address the factors stated above
The asset management strategy in the 2025 Asset Management Plan provides the recommended course of actions required to maintain (or move towards) a sustainable asset position while delivering the levels of service discussed in the previous section. The course of action, when combined, forms a long-term operating and capital forecast that includes:

- Non-infrastructure solutions: Reduce costs and / or extend expected useful life estimates.
- Maintenance activities: Regularly scheduled activities to maintain existing levels of service, or repairs needed due to unplanned events.
- Renewal / Rehabilitation: Significant repairs or maintenance planned to maintain the levels of service and increase the remaining life of assets.
- Replacement / Disposal: Complete disposal and replacement of assets when renewal or rehabilitation is no longer an option.

Priority identification becomes a critical process during the development of an asset management strategy. Priorities have been determined based on assessment of the overall risk of asset failure, which is determined by looking at both the probability of an asset failing, as well as the consequences of asset failure. The consequences of the municipality not meeting desired levels of service must also be considered in determining risk. As discussed in Section 3.0, adding enhanced levels of service results in both operating and capital budget impacts over the 10-year forecast period. This must be taken into consideration, with the overall objective of reaching sustainable levels while mitigating risk.

Elements of the Strategy for July 2026-June 2027 include:

Asset Management System and Practices review

- 2025 AMP update completed and the plan and the policy will be reviewed with new term of Council

Upcoming 12 month’s data collection

- OSIM 2027

Upcoming 12 month’s opportunities

- Application for recreation facility funding
- Finalize plans for Luther Road I&I remediation for potential funding opportunities

Upcoming 12 months Works
- Southeast Sewage Pumping Station Construction
- Hill Town Drive construction
- Water Tower Generator installation
- Council Chamber and hybrid meeting technology project
- Repairs at Medical Centre building
- Bridge 5 rehabilitation
- Bridge 7 capital replacement project plan
- Amaranth-East Luther Townline Structures 201 and 203
- Prepare for and tender Well 3 rehabilitation

Financial Impact

The Town needs to establish and commit to a multi-year financing strategy to meet the near and further future needs of its assets. Such a plan has been started in the 2025 Asset Management Plan for Council consideration and execution. Difficult decisions will need to be made in order to ensure continuity of quality service for the community.

This Council Memo was submitted by,
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This Council Memo was approved by,
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