



TOWN OF MINTO

DATE: June 17th, 2025
REPORT TO: Mayor and Council
FROM: Gordon Duff, Treasurer
SUBJECT: FIN 2025-008 2025 Asset Management Plan Adoption

RECOMMENDATIONS:

THAT the Council of the Town of Minto hereby receives report FIN 2025-008 regarding 2025 Asset Management Plan Adoption, prepared by the Treasurer, for information purposes;

AND FURTHER THAT the Council of the Town of Minto formally adopts the attached 2025 Asset Management Plan.

BACKGROUND:

Town of Minto Council and staff have been working on asset management for many years. The introduction of Tangible Capital Asset (TCA) reporting by the Public Sector Accounting Standards Board (PSAB) s.3150 in 2008 required an overhaul of municipal accounting practices that had been in place for over a hundred years. An inventory of all eligible TCAs, not just core assets such as roads, water and sanitary sewers have been included in Minto's TCA records from the inception of the adoption of PS 3150.

In 2012, the Province of Ontario introduced the mandatory concept of asset management for municipalities beyond the historical cost accounting outlined in PSAB 3150. The Town of Minto through By-Law 2013-17 Schedule A, committed to the creation or improvement of existing asset management plans in accordance with the Building Together: Guide for Municipal Asset Management Plans with work on plans complete by December 31, 2013. The first comprehensive Asset Management Plan (AMP) was adopted by Council on December 17, 2013 and an updated AMP, which covered Core Assets – Roads, Bridges & Culverts, Stormwater, Water and Wastewater - was adopted in November, 2019. This Plan was then updated in 2022 and approved in September of 2022 which brought the Town of Minto into compliance with the requirements of O Reg 588/17 for that year.

In 2016, as part of the Infrastructure for Jobs and Prosperity Act, the Province passed O. Reg. 588/17 which outlined a timetable for an expanded approach to Asset Management and related timelines. The first milestone was the passage of a Strategic Asset Management Policy by July 2019 and the Town of Minto passed this Policy in June 2019. This Regulation prescribed expanded and updated Asset Management Plans be adopted by all Ontario municipalities according to a set timetable. The dates set out were extended due to the burden of coping with the ongoing pandemic.

In June 2024, the Town of Minto met the next milestone under O Reg 588/17 which was to adopt an Asset Management Plan covering all assets, outlining Current Levels of Service

(LOS), lifecycle activities to sustain the Current LOS, related costs, and discussion of population, employment and growth impacts.

This version of the AMP is due July 1, 2025 and includes:

1. Proposed levels of service for the next 10 years
2. Updated inventory analysis
3. Lifecycle management strategy
4. Financial strategy and addressing shortfalls
5. Discussion of how growth assumptions impact lifecycle and financial strategy

COMMENTS:

The Town of Minto worked with PSD Citywide Inc. through its Citywide software to convert the original asset database created in Keystone software in 2008-2009 to the Citywide platform in 2012. The Town undertook the Asset Management Roadmap project with PSD and an updated AMP in the mid-2010s.

The Citywide Maintenance Manager Module was implemented in 2017 which assisted with meeting other legislative requirements surrounding documentation of communications with citizens and improved operating efficiencies in addition to progress on asset management Levels of Service work. The Strategic Asset Management Policy was adopted in 2019 and the updated AMP covering Core Assets was adopted in late 2019. The 2022 AMP covered the state of infrastructure for core assets and the current levels of service for these assets and the related lifecycle costs. The 2024 AMP built upon the 2019 Plan and incorporated current legislative requirements, covering all assets. Again, the focus was on current levels of service for all assets and the associated lifecycle costs.

The 2025 Plan continues the process of building upon previous work as it includes the state of the infrastructure for all assets, but is broadened to include proposed levels of service, the related lifecycle costs, the effects of growth and a Financial Strategy to fund the proposed levels of service.

The Executive Summary highlights the Town of Minto's current position. Estimated Replacement Costs of all assets are estimated at \$525.6 million. 76% of assets are rated as in Fair or better condition. To maintain this overall condition rating, the Town needs to set aside \$10.3 million per year. However, current funding averages \$4.1 million which translates to funding only 40% of annual capital needs. If this shortfall continues, the condition ratings of our assets is projected to fall to Poor in 20 years and Very Poor in 30 years.

The Town of Minto adopted an updated Strategic Plan in 2024. This Plan was developed over time and incorporated input from Council, staff and the community. Five strategic goals were identified which direct Proposed Levels of Service required to meet these goals. A municipality's capital assets are instrumental in providing these services for our residents. PSD Citywide interviewed staff from all departments to obtain their input and opinions which are summarized in Appendix M of the AMP.

Three scenarios were used to assess how best to achieve these goals and recognize the financial ability to deliver the various levels of service. Scenario 1 – Current Lifecycle Activities – would maintain an average condition rating of 72%, which is approximately in the middle range of the Good rating band. Scenario 2 – Current Capital Reinvestment – shows what the average condition rating will be at the current level of capital spending. Unfortunately, the forecast shows that we are on track to have a Poor or 35% condition rating in 20 years. This condition rating will fail to support the delivery of adequate services to the community. Scenario 3 adopts a goal of a long-term condition rating of 60% which is at the low end of the Good condition rating band. It is a balanced approach that maintains infrastructure in a state of good repair at a lower financial burden than that of Scenario 1.

The attached AMP goes into much detail for each Asset Category and the effects of each Scenario on condition ratings and levels of service. It describes specific maintenance, rehabilitation and replacement actions and monitoring strategies which are appropriate to the relevant category. The graphs included in each section vividly illustrate the consequences of adopting a particular scenario. The issue of climate change is addressed at a high level in the Plan. The storm water category is most affected by these challenges. Estimates of Useful Lives (EUL) for assets are difficult to verify in many cases. A good example is the Street Lighting Segment in the Road Network Category. LED lights were new technology when installed ten years ago. The EUL was set at ten years. Now the ten years are almost up, and the Age-Based condition rating indicates they are mostly in Very Poor condition. However, in fact the lights are working well and the EUL should be extended, and the Condition Rating revised upward.

It is the opinion of staff that Scenario 1, while producing the best outcomes in terms of asset conditions, is not affordable. The increases in taxes that it will require will reduce the funds available for other important purposes. Scenario 2, while being most affordable, will reduce the levels of service provided to our residents below acceptable levels in the medium- to long-term. It would likely lead to more unplanned expenditures and unacceptable high tax increases in the future. Therefore Scenario 3 provides the best balance of adequate condition ratings over the next 20 years and consistent funding levels. It will still put pressure on future councils to make choices as expected future revenue will likely not be sufficient to meet the demands of all stakeholders.

Water and wastewater rates are currently under review as part of the requirement for regular updates of their respective Financial Plans and those recommendations will be considered when received.

The Ontario Regulation 588/17 requires that Asset Management Plans are reviewed annually. These annual reviews must address the Town's progress in implementing the AMP, any factors which impede its implementation and strategies to address these factors. The provision of adequate staff resources is critical in maintaining and improving the stewardship of the assets, which is part of our responsibility to our residents.

FINANCIAL CONSIDERATIONS:

The recommended Scenario of maintaining an average condition rating of 60% or Good is forecast to require an annual Capital Tax Levy of 3%. This would be reviewed annually as part of the budget process.

STRATEGIC PLAN:

GOAL 5: Responsible Government

Deliver services in an open, accountable, and transparent manner while providing an outstanding working environment for employees and community.

Gordon Duff
Treasurer/Deputy CAO