



Administrative Report

To: Warden MacDonald and Members of Essex County Council

From: Heidi McLeod, CPA, CA
Manager, Accounting - Administration/Deputy Treasurer

Date: Wednesday, December 4, 2024

Subject: 2025 Asset Management Plan (AMP) Proposed Level of Service Discussion

Report #: 2024-1204-FIN-R24-HM

Purpose

The purpose of this report is to seek Council's direction on the County's 2025 Asset Management Plan Proposed Levels of Service as required by Ontario Regulation 588/17.

Background

An Asset Management Plan (AMP) is a systematic process that provides for the operation, maintenance, upgrade and ultimately disposal and/or replacement of physical infrastructure/assets. The process combines multi-disciplinary management techniques, including technical and financial, over the lifecycle of the asset(s). The objective is to maximize the benefits of the asset, manage the risk associated with the asset and provide appropriate levels of service to the public in a sustainable manner.

Ontario Regulation 588/17 (O. Reg 588/17) sets a phased timeline for municipalities to enhance their asset management practices, with a specific focus on better planning and managing infrastructure assets.

The 2024 Asset Management Plan, approved by Council on June 5, 2024, reported on the current Levels of Service for all municipal infrastructure assets, including core (roads, bridges, culverts and stormwater mains) and non-core assets (fleet, facilities, equipment, etc.). This included a comprehensive review of the current condition and estimated replacement cost for each asset category, as well as the associated risk assessment.

By July 1, 2025, municipalities must build on this by updating and expanding their AMP to include:

- 1) **Proposed Levels of Service (LOS)** for each category of core and non-core infrastructure assets for the next 10 years. This includes clearly defined service levels and how they align with the municipality's objectives.
- 2) **Proposed Performance** of each asset category for the next 10 years. This will be based on performance measures that the County has determined to be appropriate for each category.
- 3) **Lifecycle Management and Financial Strategy** that outlines:
 - The activities necessary to provide the proposed Levels of Service;
 - An assessment of the risks associated with these activities;
 - An estimate of the costs of the lifecycle activities for the next 10 years; and
 - A plan that identifies the funding sources available to finance and sustain these service levels over the same 10-year period.

The 2025 AMP will provide a long-term view, focusing on sustainability, risk management and how infrastructure will be financed in the future to support delivery of services.

This report seeks Council's direction on Administration's recommendations for the proposed LOS for the County. The 2025 AMP, which will incorporate the new requirements, will be presented for Council's approval in June 2025.

Discussion

The 2025 AMP will represent a critical step forward in the County's commitment to maintaining and improving its infrastructure. This ensures that Council and the community have a clear understanding of service expectations, funding requirements and long-term sustainability of County assets.

The following sections outline the current LOS provided by each County department as reported in the 2024 AMP, as well as Administration's recommendation for proposed LOS.

Infrastructure and Planning Services

Road Network

The County is committed to providing a well-maintained road network that facilitates the movement of people and goods between our local municipalities and our neighbouring municipalities.

Current Level of Service (LOS):

- **Community Level of Service:** The road network is described in terms of its ability to support regional traffic flows, including a focus on reliability, safety and efficiency.
- **Technical Level of Service:** The average pavement condition index for paved roads is 68.2%, indicating that the majority of roads are in Good condition.

Proposed Level of Service (LOS):

The County proposes maintaining the current LOS for the road network, with an ongoing focus on preventive maintenance and capital reinvestment to maintain the network's reliability. Minor increases in funding are proposed to accommodate expected increases in traffic and a return to previous levels of rehabilitation required to maintain current LOS.

Bridges and Culverts

The County's bridges and culverts are integral for regional transportation and stormwater management, providing reliable access to municipalities across the region.

Current Level of Service (LOS):

- **Community Level of Service:** The bridge and culvert networks facilitate the movement of people and goods while managing stormwater effectively.
- **Technical Level of Service:** The average bridge condition index is 64.7% (Good), while the average culvert condition index is 58.2% (Fair). One bridge has loading restrictions, and there are no plans to mitigate this due to its heritage status.

Proposed Level of Service (LOS):

The County proposes a continuation of existing standards, with targeted investments in bridge and culvert rehabilitation. While significant changes in

service levels are not anticipated, ongoing maintenance and risk mitigation strategies will be essential to maintaining the system's integrity over time.

Stormwater Management

The County is committed to maintaining its stormwater network in a good state of repair to minimize safety risks associated with its failure and to ensure the network is reliable.

Current Level of Service (LOS):

- **Community Level of Service:** The County's stormwater network is maintained to effectively manage 5-10-year storm events with no significant flooding issues.
- **Technical Level of Service:** 87.6% of stormwater assets are currently in good or very good condition, reflecting the system's strong performance.

Proposed Level of Service (LOS):

The County plans to maintain current service levels, with no major changes recommended. The department will continue to focus on preventive maintenance and occasional upgrades to improve system resilience, especially in light of changing climate conditions.

Non-Core Assets

The Infrastructure and Planning Services department oversees the County's buildings, fleet and equipment, ensuring that non-core assets support the goal of providing a safe, reliable and efficient infrastructure network. As reported in the 2024 AMP, IPS buildings remain in Good condition, while fleet and equipment, which are essential to supporting operations, continue to deteriorate. The result is an increase in repair and maintenance costs as well as safety risk.

Current Level of Service (LOS):

- **Community Level of Service:** Fleet and building infrastructure are maintained to ensure core services are delivered efficiently.
- **Technical Level of Service:** Currently, 31% of the fleet is in good or very good condition, and the average remaining service life of heavy trucks is 37.7%.

Proposed Level of Service (LOS):

The County proposes a gradual increase in the capital reinvestment rate for IPS non-core assets with a goal to improve fleet and equipment conditions

and reduce maintenance costs over time. A provision has been included in the Proposed 2025 Budget to address this. This aligns with the County's sustainability goals and ensures continued efficiency in delivering essential services.

Sun Parlor Home

Sun Parlor Home (SPH) provides a safe and secure home for its 206 diverse residents. These residents, many with acute and complex care needs, receive a high quality, responsive and personalized level of care that serves to enhance their quality of life.

Current Level of Service (LOS):

- **Community Level of Service:** SPH is committed to providing an environment that meets residents' personal, healthcare, and social needs. The home is accessible, well-maintained, and offers a safe environment where residents can enjoy quality of life.
- **Technical Level of Service:** Currently, 97% of residents report that SPH is a good place to live. Occupancy levels are currently at 97% on average during the year.

Proposed Level of Service (LOS):

The County proposes to maintain the high satisfaction levels among residents while continuing to provide a clean, safe and accessible environment. This will assist in making SPH a place where people want to live and enable current occupancy levels to be maintained, maximizing value for Ministry of Health and Long-Term Care funding.

Emergency Medical Services

Emergency Medical Services (EMS) strives to deliver high-quality emergency response services in a manner that is accessible, accountable, responsive and integrated. Maintaining vehicles and equipment in good working order ensures services are available when needed.

Current Level of Service (LOS):

- **Community Level of Service:** EMS uses the latest technology and specialized vehicles and equipment to provide the best patient care possible.

- **Technical Level of Service:** As of December 31, 2023, the average age of frontline vehicles is 2.83 years, with 50.0% in Good or Very Good condition.

Proposed Level of Service (LOS):

To improve fleet reliability, EMS proposes increasing the percentage of the fleet in Good or Very Good condition to align with pre-pandemic service levels, approximately 60%. This is currently being focused on by addressing delivery delays and prioritizing pre-budgetary approvals to secure future orders earlier.

General Government Services

General Government Services manages non-core assets such as buildings, land improvements, fleet and IT equipment to efficiently support administrative functions.

Current Level of Service (LOS):

- **Community Level of Service:** These assets provide the necessary infrastructure and resources to facilitate day-to-day operations, ensure compliance with regulatory requirements, support employee productivity and deliver services effectively to the community.
- **Technical Level of Service:** 99.2% of assets are currently in Good or Very Good condition.

Proposed Level of Service (LOS):

The proposed LOS aims to maintain the current condition of assets, ensuring they continue to support operations efficiently. Investments will continue to be made to upgrade technology, enhance productivity and improve efficiency of administrative operations.

Essex County Library

The Essex County Library (ECL) strives to offer a welcoming space for its membership where knowledgeable staff provide access to relevant resources, cutting-edge technology, engaging programs and comprehensive collections.

Current Level of Service (LOS):

- **Community Level of Service:** ECL ensures that resources and materials are current, relevant and available to customers in a reasonable amount of time.
- **Technical Level of Service:** ECL saw an 8.8% increase in annual circulation and a 6.1% decrease in annual holds on tangible materials from 2021 to 2022.

Proposed Level of Service (LOS):

The ECL Board is ultimately responsible for establishing the desired LOS, however County Administration recommends the proposed LOS seek to maintain positive increases in circulation rates of tangible resources, and a continued decrease in the number of holds. This will be supported by focusing on further innovation and enhancements to tangible collections.

Essex-Windsor Solid Waste Authority

The Essex-Windsor Solid Waste Authority (EWSWA) is committed to providing an economical and environmentally conscious integrated solid waste management system for the region.

Current Level of Service (LOS):

- **Community Level of Service:** Solid waste and recycling services are provided reliably and are adequate to meet the needs of the region.
- **Technical Level of Service:** Currently, 86% of assets are in Good or Very Good condition.

Proposed Level of Service (LOS):

The EWSWA Board is ultimately responsible for establishing the desired LOS, the results of which will be included in the Asset Management Plans of the County of Essex and City of Windsor according to the 50/50 shared agreement.

Summary

The current performance indicators across all County departments generally reflect a strong level of reliability, quality and accessibility, a direct result of Council's commitment to protecting the County's valuable infrastructure.

While Council has the authority to change these Levels of Service, Administration's recommendation is to continue to maintain the existing levels in an effort to balance affordability with already increasing costs of ownership.

Financial Implications

Maintaining the proposed levels of service across all departments is expected to have financial implications, which will require a longer period of time to implement. At a minimum, inflationary increases are immediately needed to cover lifecycle activity and short-term capital costs. Current performance indicators show that our assets are reliable and effective in meeting community needs, however without an increase in reinvestment, the condition of our assets will deteriorate, resulting in significantly higher costs in the future.

Long-Term Financial Strategy

The 2025 AMP will include a comprehensive financial strategy detailing the costs for the proposed Levels of Service. This strategy will also identify potential funding sources to effectively sustain service levels.

Administration is actively addressing the annual spending gap identified in the 2024 AMP by incorporating an additional \$1 million into the County budget each year, with a target to closing this gap over a 10-year period. Actual annual contributions may vary based on Council's direction during annual budget deliberations.

Consultations

- Asset Management Steering Committee
- County Senior Leadership Team (SLT)

Strategic Plan Alignment

Working as Team Essex County	Growing as Leaders in Public Service Excellence	Building a Regional Powerhouse
<ul style="list-style-type: none"> <input type="checkbox"/> Scaling Sustainable Services through Innovation <input checked="" type="checkbox"/> Focusing "Team Essex County" for Results <input type="checkbox"/> Advocating for Essex County's Fair Share 	<ul style="list-style-type: none"> <input type="checkbox"/> Being an Employer with Impact <input checked="" type="checkbox"/> A Government Working for the People <input checked="" type="checkbox"/> Promoting Transparency and Awareness 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Providing Reliable Infrastructure for Partners <input checked="" type="checkbox"/> Supporting Dynamic and Thriving Communities Across the County <input checked="" type="checkbox"/> Harmonizing Action for Growth <input type="checkbox"/> Advancing Truth and Reconciliation

Recommendation

That Essex County Council approve report number 2024-1204-FIN-HM, 2025 Asset Management Plan (AMP) Proposed Levels of Service Discussion as information and direct Administration to align Proposed Levels of Service with current levels identified in the Discussion section for each department.

Approvals

Respectfully Submitted,
Heidi McLeod

Heidi McLeod, CPA, CA, Manager, Accounting - Administration/Deputy Treasurer

Concurred With,
Melissa Ryan

Melissa Ryan, CPA, Director, Financial Services/Treasurer

Concurred With,
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Appendix	Title
N/A	N/A