



Staff Report

Finance – Budgets & Accounting

Report To: COW-Finance, Admin, Fire, Legal, Community Services
Meeting Date: June 5, 2023
Report Number: FAF.23.060
Title: Asset Management Plan Annual Update
Prepared by: Vicky Bouwman, Asset Management Specialist and Nicholas Cloet, Sustainability Coordinator

A. Recommendations

THAT Council receive Staff Report FAF.23.060, entitled “Asset Management Plan Annual Update” for information purposes.

B. Overview

The Ontario Regulation 588/17 (O. Reg. 588/17) Asset Management Planning for Municipal Infrastructure requires the Town’s Council to annually review the Asset Management Plan (AMP) progress on or before July 1st of each year. This progress report focuses on the introduction of natural assets as a future component in the AMP.

C. Background

In 2021 Council approved the (AMP) and has implemented it into regular business practices through maintenance activities and creation of capital budgets. The AMP is built on current levels of service, which are services that the Town provides now with existing assets. To meet legislation, staff is working on the proposed levels of service, building on public input gathered in the Town’s 2022 Resident Satisfaction Survey, Part 2 which included questions regarding levels of satisfaction with various Town assets, such as roads, facilities, and more. To improve the accuracy of AMP replacement cost and reserve fund transfer amounts, staff continually update benchmark costs to be used in the 2024 capital budget. According to O. Reg. 588/17, proposed levels of service are required by July 1, 2025. Alongside this update, Town staff are planning to include a more detailed natural asset component.

O. Reg. 588/17 lays out the requirements for municipal asset management planning, referring to municipal infrastructure assets which include green infrastructure assets as defined below:

- Municipal infrastructure asset: “an infrastructure asset, including a green infrastructure asset, directly owned by a municipality, or included on the consolidated financial statements of a municipality, but does not include an infrastructure asset that is managed by a joint municipal water board”.

- Green infrastructure asset:” infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, stormwater management systems, street trees, urban forests, natural channels, permeable surfaces, and green roofs”.

D. Analysis

As the Town’s current AMP meets the requirements of the regulation, there is a clear focus on engineered infrastructure assets like the roadway systems, bridges, facilities, and other built infrastructure that provide critical services to the community. Asset management is an important component of ongoing municipal service provision and community resilience. The focus on engineered infrastructure is typical of municipalities across Canada, but the focus is changing to identify natural assets as its own asset class.

Natural Assets Management (NAM)The Natural Assets Initiative (NAI) is a not-for-profit organization that works with local governments to make natural asset management a mainstream practice across Canada. NAI divides Green Infrastructure into the following three categories and focuses on enhancing municipalities’ knowledge and awareness of the first category: natural assets.

Natural Assets	Enhanced Assets	Engineered Assets
Wetlands	Rain gardens	Permeable pavement
Forests	Bioswales	Green roofs
Parks	Urban trees	Rain barrels
Lakes/rivers/creeks and coastline	Urban parks	Green walls
Fields	Biomimicry	Cisterns
Soil	Stormwater ponds	

Natural assets have typically been left out of municipal asset management planning, despite providing communities with many services and community benefits, including (but not limited to):

- Stormwater management
- Potable water
- Transportation (e.g. hiking trails, water-based travel)
- Recreation
- Public Health
- Biodiversity
- Climate mitigation and/or adaptation
- Local economic development
- Cultural heritage

As with engineered municipal assets such as roads and facilities, it is possible to assess levels of service associated with natural assets, though this a newer field and this can be challenging. And as with any municipal asset, there are risks that may affect the lifespan and level of service

of natural assets. Infrastructure may need renewal due to wear-and-tear or age-related impacts. Climate change is another risk, which is expected to place increasing strain on various types of engineered and green infrastructure.

While natural assets may be negatively affected by climate change, they also have the potential to help mitigate some of the growing risks of climate change-related impacts, including extreme heat and increased precipitation. For example, natural assets such as wetlands, streams, and other pervious land uses can absorb, retain, and direct excess rainfall and assist in reducing flood risk. Many natural assets already provide important municipal services and may be able to continue to provide such services in the future if they are maintained, or even remediated or restored as healthy, functioning assets.

With the growing risks of climate change, increasing costs of engineered assets and growing concern over environmental sustainability in general, the Town is taking a close look at Natural Asset Management (NAM) as a way to complement the Town's engineered infrastructure asset management efforts and meet the requirements of O. Reg. 588/17 Asset Management Planning for Municipal Infrastructure.

NAM Roadmap

The roadmap exercise led by the Natural Assets Initiative utilizes a format organized into the following categories, which align with five 'Competencies' identified in the Federation of Canadian Municipalities' Asset Management Planning framework:

1. Policy and Governance
2. People and Leadership
3. Data and Information
4. Planning and Decision-Making
5. Contribution to Asset Management Practice

The full Natural Asset Management Roadmap is included in Attachment 1. The following discussion outlines some of the NAM Roadmap's near-term action items.

The NAM Roadmap has been brought to the Town's Senior Management Team (SMT), and this report provides it to Council for information, satisfying the first two roadmap actions.

A student has been hired to begin conducting an inventory of Town-owned trees in the summer of 2023. Staff from Operations, Community Services, and Finance & IT Services have collaborated on developing a work plan for the student, which will involve following a "Neighbourwoods" program design utilized by other municipalities. This method should also allow for resident volunteers to assist the Town in identifying street and park trees, assessing their size, health, and condition, and submitting this information to the Town for integration into a GIS (Geographic Information System) dataset. Data input will be facilitated by a mobile app created by GIS staff. While street trees are 'Enhanced Assets' and not Natural Assets as defined by NAI, they are nevertheless a key priority for the community and will be integrated into the natural assets inventory as a distinct GIS layer.

Also in the near term, the Town will develop a broad-scoped natural assets inventory covering all lands within The Blue Mountains' geography. An RFP is being written in collaboration with Planning staff, as there may be cost savings and other efficiencies to have the same consultant also conduct the Natural Heritage Study required for the Official Plan Review. The scope of work is anticipated to include both natural and enhanced features and will need to integrate the Town's tree inventory. It will also include desktop-level assessments of asset quality, levels of service, and risk.

The Town will be able to directly manage natural assets and other types of green infrastructure (e.g. street trees) where they are located on Town-owned land; however, many natural assets across The Blue Mountains' geography are owned by Conservation Authorities, higher-tier governments (Grey County or the Province of Ontario), land trusts and conservancies, and private owners. In these cases, the Town does not have control and can only influence best practices to manage natural assets. This may involve collaborating with other public sector partners and/or designing programs to incentivize property owners to assist in managing natural assets on their properties. The natural asset inventory will enable the Town to identify the extent and variety of natural assets and may help identify types of natural assets in need of further attention. A long-term goal is for Natural assets on Town-owned lands to eventually be included in the Town's formal Asset Management Plan.

Natural assets management is a new field for most municipalities across the country, and it will be necessary for staff to continue learning as this work continues. Future updates to the AMP will come before Council and staff are aiming to include a more fulsome understanding of natural assets in the AMP by 2025.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

No negative environmental impacts are anticipated to result from the recommendations in this report. The future natural assets inventory, including tree inventory on Town lands, are expected to enhance the Town's ability to manage natural assets and improve environmental sustainability.

G. Financial Impacts

Staff continues to strive to complete the AMP with internal staff resources to meet the Town's needs. The cost associated with the working being done in 2023, namely the co-op student, is funded from the 2023 Approved Operating budget.

H. In Consultation With

Jeffery Fletcher, Manager of Sustainability and Solid Waste
Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budget

I. Public Engagement

Any comments regarding this report should be submitted to Vicky Bouwman, Asset Management Specialist, budgetteam@thebluemountains.ca.

J. Attached

1. Natural Asset Management Roadmap

Respectfully submitted,

Vicky Bouwman
Asset Management Specialist

For more information, please contact:
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Report Approval Details

Document Title:	FAF.23.060 Asset Management Annual Update.docx
Attachments:	- Att 1 - NAM Roadmap - TBM May 2023.pdf
Final Approval Date:	May 24, 2023

This report and all of its attachments were approved and signed as outlined below:

Sam Dinsmore - May 24, 2023 - 2:36 PM

Ruth Prince - May 24, 2023 - 4:21 PM

Natural Asset Management Roadmap template

List the actions that you identified in your workshop that you'll be including in your roadmap.

Note whether they are linked to other actions in the roadmap, who will be responsible for the action, who should be involved, and whether the action requires council approval.

COMPETENCY 1: POLICY AND GOVERNANCE				
Recommended actions:	Priority H, M, L	Timing S T or M T	Responsible (bold) Involved (not bold)	Council approval (Y/N)
1.1 AMP policy update is required by July 2025. Aim to recognize Natural Assets Management as a component of updated AMP. Role of staff also impacted (see 2.1) See also 2.1, 4.3.	H	MT	Asset Management Specialist, Deputy Treasurer/Manager of Accounting and Budgets Sustainability Coordinator, Manager of Sustainability and Solid Waste, Director of Operations	Y
1.2 Risk assessments of built assets identified as a prerequisite to focused risk assessments of natural assets. Ensure AMP progresses and is ready to include NAM. Follows 1.1	M	MT	Asset Management Specialist, Deputy Treasurer/Manager of Accounting and Budgets	Y
1.3 Explore new policies/programs or partnerships to influence upkeep, restoration and/or expansion of natural assets not owned by the Town (e.g. private or Crown owned lands)	M	MT	Sustainability Coordinator, Manager of Sustainability and Solid Waste Operations & Planning staff (tree-related programs)	Y
1.4				
1.5				

COMPETENCY 2: PEOPLE AND LEADERSHIP

Recommended actions:	Priority H, M, L	Timing S T or M T	Responsible (bold) Involved (not bold)	Council approval (Y/N)
<p>2.1 Include Natural Asset Management in roles/responsibilities of the Town's Asset Management team. Scope is to ensure Town meets any upcoming NAM-related requirements of O Reg. 588/17 prior to July 2025 (see 1.1)</p>	M	MT	<p>Asset Management Specialist, Deputy Treasurer/Manager of Accounting and Budgets Sustainability Coordinator/Manager of Sustainability and Solid Waste, Director of Operations, other staff as appropriate</p>	N
<p>2.2 Bring NAM roadmap to SMT for information and feedback as part of AMP update. Endorsement by SMT in principle as a prerequisite to bringing forward to Council (see 4.1). Aim for April SMT meeting.</p>	H	ST	<p>Sustainability Coordinator/Manager of Sustainability and Solid Waste, Director of Operations Asset Management Specialist, Deputy Treasurer/Manager of Accounting and Budgets</p>	N
<p>2.3 Collaborate with others in Town working on asset registry/AMP for built infrastructure. Support consideration and integration of natural assets across the organization and as relevant to new plans/strategies (e.g. biodiversity strategy)</p>	H	ST	<p>Sustainability Coordinator/Manager of Sustainability and Solid Waste, Director of Operations Asset Management Specialist, Deputy Treasurer/Manager of Accounting and Budgets, Director of Community Services, Director of Operations, other staff involved in asset management</p>	N
<p>2.4</p>				
<p>2.5</p>				

COMPETENCY 3: DATA AND INFORMATION				
Recommended actions:	Priority H, M, L	Timing S T or M T	Responsible (bold) Involved (not bold)	Council approval (Y/N)
3.1 Complete initial Natural Assets Inventory. Scope to include ownership status, desktop-level quality assessments, possibly high-level risk identification (but not analysis/at depth). Key part of ICSP (Bold Action 5). RFP to be released in short term.	H	ST	Sustainability Coordinator/Manager of Sustainability and Solid Waste, Manager of Community Planning Consult Director of Community Services, Director of Operations, Asset Management Specialist, other staff as appropriate	N
3.2 Identify partners/sources of data and information on natural assets quality, risk, ownership, etc. Complement/enhance work of consultant (3.1) to map and build on these relationships (perhaps using completed natural assets inventory as a touchpoint)	M	MT	Consultant hired for natural heritage study & natural asset inventory Sustainability Coordinator/Manager of Sustainability and Solid Waste, Manager of Community Planning	N
3.3 Develop understanding of costs associated with Town-owned Natural Asset Management and next steps (maintaining inventory, training, etc.). Align with need to identify green infrastructure assets by July 2024, and levels of service and strategy to fund overall AMP implementation by July 2025 (O Reg 588/17). Will keep Council up-to-date through the AMP process, regular Council updates.	H	MT	Sustainability Coordinator/Manager of Sustainability and Solid Waste, Director of Operations, Asset Management Specialist Director of Operations, Deputy Treasurer/Manager of Accounting and Budgets	N
3.4 Undertake tree inventory on Town lands (street and park trees) - these "enhanced" assets will be explored alongside natural assets. Include tree quality characteristics and connect to ArcGIS. Explore "citizen science" models to update database over time.	H	ST	Summer student, GIS Specialist, Sustainability Coordinator, Director of Operations Manager of Sustainability and Solid Waste, Director of Community Services	N
3.5				

COMPETENCY 4: PLANNING AND DECISION-MAKING

Recommended actions:	Priority H, M, L	Timing S T or M T	Responsible (bold) Involved (not bold)	Council approval (Y/N)
<p>4.1 Bring roadmap summary to Council in summer 2023 as part of Building awareness of Natural Assets Management, place in context of formal AMP process and in context of overall journey the Town is embarking on, steps in this roadmap.</p>	H	ST	<p>Sustainability Coordinator, Manager of Sustainability and Solid Waste, Asset Management Specialist, Deputy Treasurer/Manager of Accounting and Budgets Consult Senior Management Team</p>	N
<p>4.2 Alongside Grey County community-scope climate change adaptation plan (Bold Action 3; likely to begin in 2024/25), undertake climate risk assessments for natural assets inventory. These are typically high-level but would use localized climate change projections as an input.</p>	M	MT	<p>Sustainability Coordinator/Manager of Sustainability and Solid Waste, Asset Management Specialist</p>	N
<p>4.3 Include NAM considerations as a dedicated part of the 2026 budget cycle. Follows 1.1.</p>	M	MT	<p>Asset Management Specialist, Deputy Treasurer/Manager of Accounting and Budgets, Senior Management Team Sustainability Coordinator/Manager of Sustainability and Solid Waste, other staff in consultation or advisory roles</p>	Y
<p>4.4 Complete a Biodiversity Strategy. Combine with climate-related risk assessments (4.2) to explore new policies/programs to integrate the upkeep, restoration and/or expansion of Town owned natural assets, such as Green Infrastructure Engineering Standards (Bold Action 4) and/or Natural Asset Management strategy.</p>	M	MT	<p>Sustainability Coordinator, Manager of Sustainability and Solid Waste Director of Community Services, Director of Operations, CS/OPS staff as needed, Communications staff</p>	Y
<p>4.5</p>				

COMPETENCY 5: CONTRIBUTION TO ASSET MANAGEMENT PRACTICE

Recommended actions:	Priority H, M, L	Timing S T or M T	Responsible (bold) Involved (not bold)	Council approval (Y/N)
<p>5.1 Education - keep up to date with NAM best practices, case examples, etc. including: * MNAI resources (incl. "Developing levels of service for natural assets") * Upcoming CSA standard for NAM</p>	M	MT	<p>Sustainability Coordinator, Manager of Sustainability and Solid Waste, Asset Management Specialist Manager of Community Planning, Director of Community Services, other staff as appropriate</p>	N
<p>5.2</p>				
<p>5.3</p>				
<p>5.4</p>				
<p>5.5</p>				