ElginCounty

Corporate Asset Management Plan – Non-Core Assets – Supplemental

June 2024

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Section 1: Executive Summary – Update

Municipal infrastructure provides the foundation for the economic, social and environmental health and growth of a community through the delivery of critical services. The goal of asset management is to deliver an adequate level of service in the most cost-effective manner. This involves the development and implementation of asset management strategies and long-term financial planning.

All municipalities in Ontario are required to complete a corporate asset management plan (CAMP) in accordance with Ontario Regulation 588/17. This CAMP outlines the current state of asset management planning in the County of Elgin. It identifies the current practices and strategies that are in place to manage public infrastructure and makes recommendations where they can be further refined. Through the implementation of sound asset management strategies, Elgin County can ensure that public infrastructure is managed to support the sustainable delivery of municipal services.

The County of Elgin completed its core and partial non-core Corporate Asset Management Plan in July 2022, this supplemental update provides information on non-core assets previously not covered in the Asset Management Plan prepared ahead of the July 2022 timeline – hereby referred to as Phase 2 of the Asset Management Plan.

Finally, Phase 3 will build on Phase 1 and 2 by adding the proposed levels of service and a strategy to fund the activities over the 10-year horizon. This funding strategy will further identify the gap between municipal own source revenues and the need. This financial strategy will be completed by July 2025.

This Corporate Asset Management Plan (CAMP) includes the following non-core asset categories:

- Information Technology; and,
- Cultural Services

The overall replacement cost of the asset categories included in this CAMP total $5.97M. 88% of the assets included in this supplemental corporate asset management plan (CAMP) are in Very Good, Good or Fair condition. 12% of the assets within this CAMP are in Poor or Very Poor condition.

The development of a long-term, sustainable financial plan requires an analysis of whole lifecycle costs. This non-core CAMP has used a combination of proactive lifecycle strategies to combine asset replacement where possible to determine the lowest cost option to maintain the current level of service.

With the development of this Phase 2 CAMP, the County of Elgin has achieved compliance with O. Reg. 588/17 to the extent of the requirements that must be completed by July 1, 2024. There are additional requirements concerning proposed levels of service that must be met by July 1, 2025.

This CAMP represents a snapshot in time and is based on the best available processes, data and information at the County. Strategic asset management planning is an ongoing and dynamic process that requires continuous improvement and dedicated resources.

On May 14, 2024, County Council passed By-Law No. 24-17 to adopt a new Official Plan for the County of Elgin (County Official Plan). The new County Official Plan replaces the County's previous Offical Plan approved in 2013. The Official Plan has not yet been approved by the Minister of Municipal Affairs and Housing. Growth projections are included in the new OP as an upper-tier municipality at a growth rate of 0.7% annually. As of 2021, the County of Elgin has a reported population of 53,177 and by 2041 this population will be 60,677 utilizing the current growth projection. Projected employment is expected to rise quicker due to large industrial facilities announced within Elgin County – namely, the PowerCo. Site situated in the City of St. Thomas. Employment growth is projected at 1.9% with 15,750 people employed in 2021 and projected to be 21,770 by 2041.

Section 2: Introduction – Update

Municipalities are responsible for managing and maintaining a broad portfolio of core and non-core infrastructure assets to deliver services to the community. The goal of asset management is to minimize the lifecycle costs of delivering infrastructure services, manage the associated risks, while maximizing the value ratepayers receive from the asset portfolio at a consistant and sustainable manner.

Building capital assets accounts for only 10-20% of their total cost of ownership. The remaining 80-90% comes from operations and maintenance. This AMP focuses its analysis on the capital costs to maintain, rehabilitate and replace existing municipal infrastructure assets. These costs can span decades, requiring planning and foresight to ensure financial responsibility is spread equitably across generations. An asset management plan is critical to this planning, and an essential element of its development is a governing asset management policy.

An asset management policy represents a statement of the principles guiding the County's approach to asset management activities. It aligns with the organizational strategic plan, the County's Offiical Plan and provides clear direction to staff on their roles and responsibilities as part of the asset management program.

The "County of Elgin-Asset Management Policy" was adopted by County Council in May 2019, in accordance with Ontario Regulation 588/17. In part, the policy provides guidance for asset management planning and budgeting activites to:

- **Forward looking**: The County shall take a long-term view while considering demographic and economic trends.
- **Budgeting and planning**: The County shall consider any applicable budgets or fiscal plans, such as fiscal plans released under the Fiscal Transparency and Accountability Act, 2004 and Budgets adopted under Part VII of the Municipal Act, 2001.
- **Prioritizing**: The County shall clearly identify infrastructure priorities which will drive investment decisions.
- **Economic development**: The County shall promote economic competitiveness, productivity, job creation, and training opportunities.
- **Transparency**: The County shall be evidence-based and transparent. Additionally, subject to any prohibition under an Act or otherwise by law on the collection, use, or disclosure of information, the County shall make decisions with respect to Infrastructure based on information that is publicly available or made available to the public and share information with implications on Infrastructure and investment decisions with the Government and broader public sector entities.
- **Consistency**: The County shall ensure the continued provision of core public services.
- **Environmental conscious**: The County shall minimize the impact of Infrastructure on the environment by respecting and helping maintain ecological and biological diversity, by augmenting resilience to effects of climate change and by endeavouring to make use of acceptable recycled aggregates.
- **Health and safety**: The County shall ensure that the health and safety of workers involved in the construction and maintenance of Infrastructure assets is protected.
- **Community focused**: The County shall promote community benefits, being the supplementary social and economic benefits arising from an Infrastructure project that are intended to improve the well-being of a community affected by the project, such as local job creation and training opportunities, improvement of public spaces within the community, and promoting accessibility for persons with disabilities.
- **Innovation**: The County shall create opportunities to make use of innovative technologies, services and practices, particularly where doing so would utilize technology, techniques, and practices developed in Ontario.

Section 2: Introduction – Update

Asset Management Plan Timeline

As part of the *Infrastructure for Jobs and Prosperity Act, 2015*, the Ontario government introduced Regulation 588/17 - Asset Management Planning for Municipal Infrastructure (O. Reg 588/17).

Along with creating better performing organizations, more liveable and sustainable communities, the regulation is a key, mandated driver of asset management planning and reporting. It places substantial emphasis on current and proposed levels of service and the lifecycle costs incurred in delivering them.

The diagram below outlines key reporting requirements under O. Reg 588/17 and the associated timelines.

County of Elgin – Asset Management Policy adopted May 21, 2019

County of Elgin – Corporate Asset Management Plan (Phase 1) adopted August 3, 2022

County of Elgin – Corporate Asset Management Plan – Non-Core Assets – Supplemental (Phase 2) due July 1, 2024

Section 2: Introduction – Update

O. Reg. 588/17 Compliance Review

The following table identifies the requirements outlined in Ontario Regulation 588/17 for municipalities to meet by July 1, 2024. Next to each requirement a page or section reference is included in addition to any necessary commentary.

Requirement	O. Reg. Section	AMP Section Reference	Status
Summary of assets in each category	S.5(2), 3(i)	4.1.1 - 5.2.1	Complete
Replacement cost of assets in each category	S.5(2), 3(ii)	4.1.1 - 5.2.1	Complete
Average age of assets in each category	S.5(2), 3(iii)	4.1.3 - 5.2.3	Complete
Condition of core assets in each category	S.5(2), 3(iv)	4.1.2 – 5.2.2	Complete
Description of Municipality's approach to assessing the condition of assets in each category	S.5(2), 3(v)	4.1.2 – 5.2.2	Complete
Current levels of service in each category	S.5(2), 1(i-ii)	4.1.6 - 5.2.6	Complete
Current performance measures in each category	S.5(2), 2	4.1.6 - 5.2.6	Complete
Lifecycle activities needed to maintain current levels of service for 10 years	S.5(2), 4	4.1.4 - 5.2.4	Complete
Growth assumptions	S.5(2), 6(iii)	Summary	Complete

Section 2: Introduction – Update

SCOPE AND METHODOLOGY

The County of Elgin's Asset Management Plan is created in compliance with Ontario Regulation 588/17. This phase of the plan complies with the July 2024 deadline under the regulation and requires analysis of non-core assets not previously included in the core asset CAMP. The County of Elgin defines non-core assets not previously covered as:

- Information Technology; and,
- Cultural Services.

For each asset class, the following areas of discussion are presented within the AMP:

STATE OF INFRASTRUCTURE – This section will inventory the asset class and assess its component's condition as it relates to the anticipated theoretical service life remaining. Where an asset's condition is unknown (i.e. library furniture) the asset's age has been used as an estimation of its condition and estimated useful life. The estimated useful life (EUL) of an asset is the period over which the owner expects the asset to be available for use and remain in service before requiring replacement or disposal. The EUL for each asset within the plan was developed according to the knowledge and expertise of staff and supplemented by existing industry standards when necessary. The replacement cost of each asset class is also provided utilizing historical unit costs and pricing experience.

LEVELS OF SERVICE – O.Reg. 588/17 provides some level of service (LOS) metrics to be utilized for different asset classes. Where provided, these have been included with the plan and supplemented to add additional LOS metrics where appropriate. LOS standards provide benchmarks and goals for asset managing planning and investment activities.

ASSET LIFECYCLE MANAGEMENT STRATEGY – Each asset has its own unique lifecyle based upon its current condition, age and projected use. The plan defines the activies necessary to ensure the assumed asset lifecycle is achievied while maintaining the goals set out in the LOS for that asset. Specific asset management practices or planned actions are also included with the potential risks associated with these activities identified.

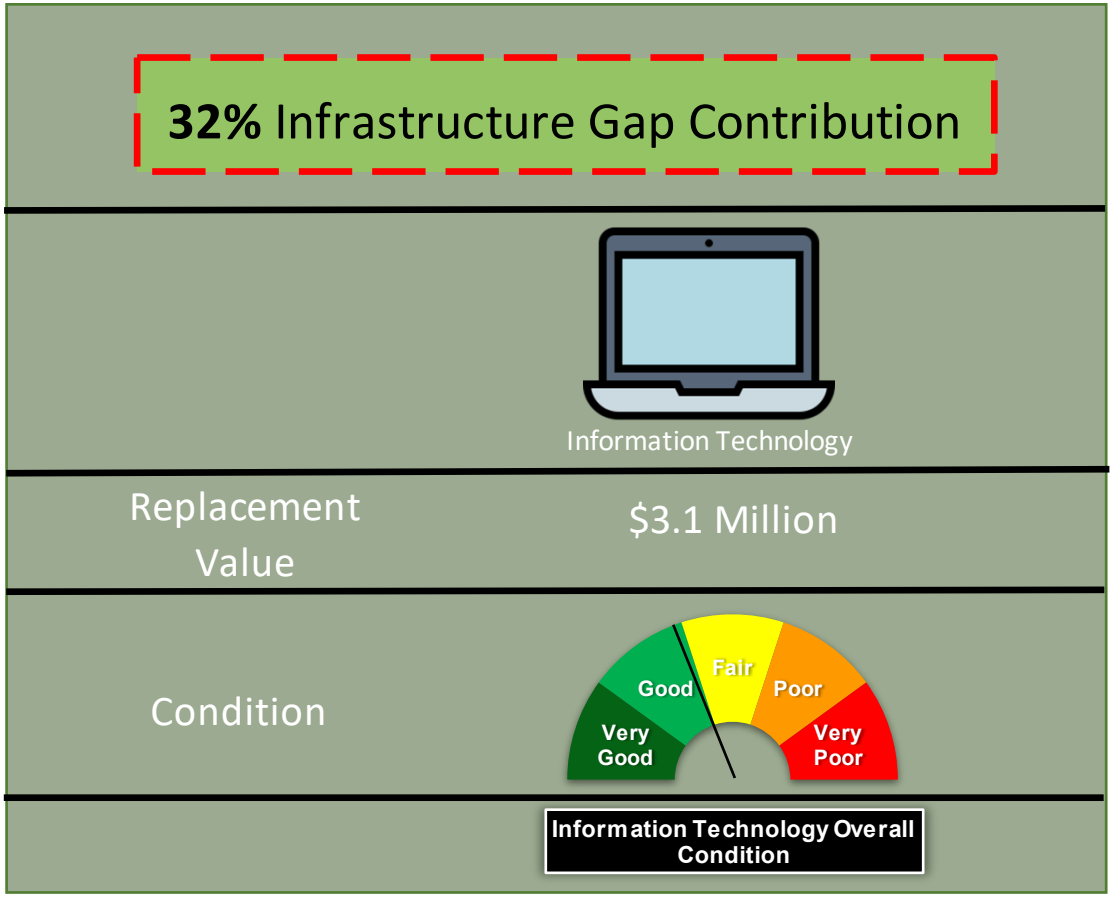
FORECASTED INFRASTRUCTURE GAP – Once complete asset inventories are understood, required needs can be calculated based upon their condition and anticipated lifecycle costs and EUL. The forecased needs compared to the approved capital works plan will define the County's forecasted infrastructure gap for that asset category.

Finally, once each asset category has identified the current forecasted gap, a Financial Strategy is provided as to how to achieve these funding goals over the life of the plan.

Section 10: Information Technology

Quick Facts

- 441 Desktops / Laptops
- 191 Cell Phones / Tablets
- 27 Storage/Backup System / Servers



10.1 State of Local Infrastructure

The Information Technology Services Department (ITS) is responsible for the stable, reliable and, most importantly, the secure operation of the County's server and network infrastructure. County IT currently has shared services agreement that supports two of our local municipal partners: the Municipality of Central Elgin and the Municipality of Bayham. The IT Department is managed within the Finance Department and is supported by a managed service provider (MSP), Stronghold IT Services.

IT is a critical infrastructure that requires co-ordination and monitoring during transformation to ensure our services are delivered in a safe, effective and efficient way. Technology is an essential element that will enable the County to move forward to modernize in a digital environment. IT hardware deployment and tracking is a centralized service. Software champions reside within their respective departments using the various types of software with IT supporting the facilitation of updates and access to main systems as needed.

10.1.1 Asset Inventory & Valuation

To support service delivery, the County of Elgin owns and maintains information technology infrastructure currently valued at $3.1 million. Through its Consultant, the County of Elgin is responsible for maintaining this infrastructure in a condition that ensures continuity of service. IT Assets are County owned only. The value, condition, and gap with respect to the County's tangible assets are based on assets actively in service and are assessed using currently known replacement values. Software valuation is not provided as major systems have or are transitioning to subscription-based products. Asset inventory presented below in Table 10.1: Asset Inventory and Valuation.

Table 10.1: Asset Inventory and Valuation (IT)

Asset Type	Asset	Inventory	Unit	Replacement Value
IT	Audio Visual / Cameras / TV	42	Ea.	$ 580,295
	Cell Phones / Tablets	191	Ea.	$ 145,378
	Monitors / Docking	367	Ea.	$ 153,824
	Network Access Points / Switches / Routers	225	Ea.	$ 360,137
	Phone system / Desktops & Laptops	441	Ea.	$ 769,200
	Printers / Scanners	88	Ea.	$ 224,946
	Storage Systems / Backup Systems & Servers	27	Ea.	$ 856,000
			TOTAL	**$3,089,780**

10.1.2 Age Summary

Figure 10.1 shows the Information Technology average age and useful life by asset. Asset age has been established by Elgin County as per it's Capital Asset Replacement Schedule.

IT assets are amortized on a 4-year rotation. Aging technology is replaced as needed to ensure equipment life is fully maximized when replaced and, in some instances, may be older than their expected life cycle. Application and software installation dates are documented by subscription payment invoice dates. Adoption of new and modernized Cloud based applications that are subscription-based are being encouraged in order to address increasing user needs. These changes ensure that software remains updated and that versions are rolled out seamlessly as initiated by the vendor on demand. Staff are encouraged to use support offered by the vendor and within subscriptions to problem solve software specific issues. Cloud based applications also reduce the need for in-house capital investment and moves costs to annual operations. New solutions improve security by using Multi Factor Authentication (MFA) tools that varies across platforms. The County is currently in the process of several modernization initiatives which are expected to reduce the need for on prem storage. IT infrastructure includes end user devices, and multi function printers.

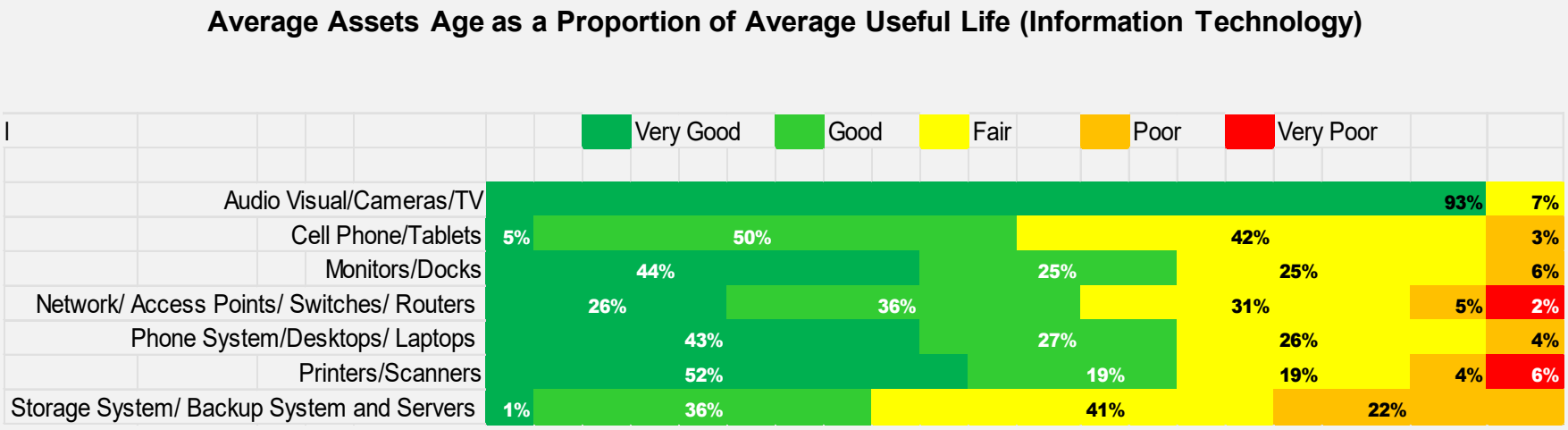


Figure 10.1: Age Distribution of Information Technology

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10.1.3 Asset Condition

The majority of the County's Information Technology equipment falls within the ranges of Very Good to Fair condition at the time of this report. Unlike most other types of assets owned by the County, many IT assets such as desktops and printers, have a short estimated useful life of 4 years and need to be upgraded and replaced regularly. **Condition assessment was determined based on acquisition date of active equipment in use and considers years of in-service use.**

As seen below in ***Figure 10.2***, approximately 87% of the County's Information Technology assets are in Very Good (31%), Good (28%) or Fair (28%) condition, with the remainder assessed to be in Poor (5%) or Very Poor (8%) condition. Our assets are well utilized before disposal with some risk due to age.

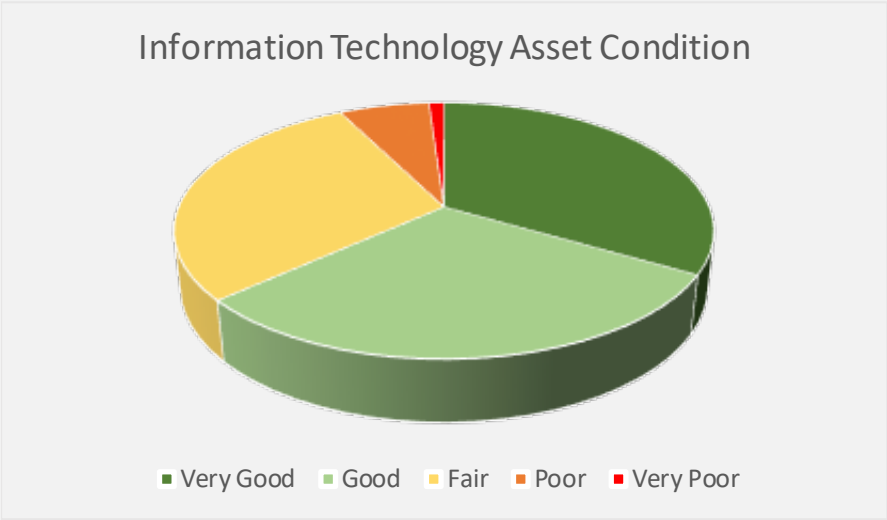

Figure 10.2 Asset Condition Summary (Information Technology)

The following ***Figure 10.3 illustrates*** graphically an example of asset conditions

Rating for IT Hardware and Software	Definition
Very Good (A)	Asset is new. No action required.
Good (B)	Asset is no longer new, but is fulfilling its function. Preventative maintenance is beneficial at this stage.
Fair (C)	Requiring frequent maintenance, adjustment, reset, etc. (Replace in 1-2 years).
Poor (D)	Functioning unreliably, but imminent failure expected. (Replace at least next year).
Very Poor (F)	Device no longer supported by software / security upgrades, not functioning, etc. (Replace as soon as possible).

10.2 Levels of Service

Level of Service (LOS) performance measures are related to Cost Efficiency, Quality, and Environmental and Stewardship/Sustainability. The metrics that go beyond the foundational or regulation required metrics are considered advanced. They indicate service areas have documented, planned approaches for operation and maintenance of infrastructure, and have considered trending indicators if the result is planned to be decreased, increased, or be approximately equal in future years.

Foundational and advanced metrics are listed in ***Table 10.3***. They are listed as Overall Information Technology LOS metrics – for Information Technology.

Table 10.1 – Direct Levels of Service

Customer Value	Focus	Service Performance Measure	Current LOS	Proposed LOS
Cost Efficiency	Customer / Council	IT Reinvestment Rate	$496,633	$700,000 - To be updated July 1, 2025 pending County Council Direction
Reliability	Customer / Council	Percentage of IT assets in Fair or better condition	87%	More should be falling within the range of Good rather than falling into the Fair – To be updated July 1, 2025 pending County Council Direction
Reliability	Technical	Number of technical service requests (tickets) and incidents successfully completed	3,851 tickets	To be updated July 1, 2025 pending County Council Direction
Reliability	Technical	Percentage of availability of County of Elgin core computing environment	94% up time for core computing equipment	To be updated July 1, 2025 pending County Council Direction
Reliability	Technical	Client satisfaction survey	4.66 out of 5 (high)	To be updated July 1, 2025
Reliability	Technical	Tasks Duration Mesured by Hours	3,398 Ticketed Hours 321.92 Special Project Hours	To be updated July 1, 2025
Reliability	Technical	Percentage of IT customers satisfied	570 Users	Growth numbers are not currently known.

Table 10.2 – Related Levels of Service

Customer Value	Focus	Service Performance Measure	2023 Performance
Cost Efficiency	Technical	Applications and Software Reinvestment Rate	$125,000
Reliability	Technical	Percentage of IT Infrastructure assets in Poor or Very Poor Condition	13%

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Table 10.3 Levels of Service Metrics – Foundational and Advanced (Information Technology)

Performance Measure | Customer / Council | Technical Focused

CUSTOMER VALUE	CORPORATE LOS OBJECTIVE	CUSTOMER LOS MEASURE	CUSTOMER LOS PERFORMANCE	CUSTOMER LOS TARGET
Cost Efficiency	Providing information technology services in an efficient manner	Operating cost to provide service ($/household)	$55.63 per household	↑
Reliability	Providing online services accessible to members of the public and stakeholders online	Uptime percentage (%)	95%	↑

↔ **No Change** ↑ **Positive Upward** ↓ **Positive Downward**

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Table 10.3 (Continued) Levels of Service Metrics – Foundational and Advanced (Information Technology)

Performance Measure | Customer / Council | Technical Focused

CUSTOMER VALUE	CORPORATE LOS OBJECTIVE	CUSTOMER LOS MEASURE	CUSTOMER LOS PERFORMANCE	CUSTOMER LOS TARGET
Quality	Enhance user experience and reduce support calls	Reduction of ticketed help calls	Reduce Ticketed Calls	↓
Environmental Stewardship	Reduce infrastructure footprint will reduce utility and recycling needs	Reduction of Overall Costs	Reduce projected costs	↓
Sustainability and Resiliency	Enable the Corporation to grow using the most up to date technology at the lowest cost to the ratepayer in order to increase response time, flexibility, and reduce risk	Processes and response time of operating systems perform seamlessly for internal users with high security	Increase user experience and Security	↑
		External Customers access areas of interest and risk of external interference on internal systems is reduced	Reduce Risk to internal systems	↓

↔ **No Change** ↑ **Positive Upward** ↓ **Positive Downward**

10.3 Asset Lifecycle Management

Table 10.4 Current Asset Management Practices or Planned Actions (Information Technology)

Activities *Activities that will enable the assets to provide the current levels of service in a sustainable way, while managing risk, at the lowest cost*	**Specific Asset Management Practices or Planned Actions**	**Specific Risks Associated with Asset Management Practices or Planned Actions**
Non-Infrastructure Actions or policies that can lower costs or extend useful lives	***Applications and Software*** • Focus is to ensure that asset in considered 'in support' to mitigate potential malware/cyber-attacks and ensure asset is operating efficiently for individuals using the asset. • Move towards subscription-based applications to ensure users have software support and enhanced modernization of tools to improve job efficiency	• Letting software fall out of service leads to potential for malware attacks
Maintenance Activities Including regularly scheduled inspection and maintenance, ormore significant repair and activities associated with unexpected events.	***IT Infrastructure, Applications and Software, End User Devices and Applications*** • Users of County hardware and software assets provide asset concerns on a proactive basis through a ticket system managed by the County's external Consultant • Concerns are also addressed through routine maintenance programs reported by the user to the IT Help Desk • Scheduled updates are completed outside of working hours on a remote basis	• Completing planned maintenance activities while managing the need to execute reactive maintenance activities. • Incorrectly planned maintenance activities can lead to premature asset failure. • Enough resources available to complete a series of unplanned, urgent work requests that are submitted in close succession.

Table 10.4 (Continued) Current Asset Management Practices or Planned Actions (Information Technology)

Activities *Activities that will enable the assets to provide the current levels of service in a sustainable way, while managing risk, at the lowest cost*	Specific Asset Management Practices or Planned Actions	Specific Risks Associated with Asset Management Practices or Planned Actions
Infrastructure Actions or policies that can lower costs or extend useful lives	***IT Infrastructure and End User Devices and Applications*** • Monitor and track age and amount of time the asset considered a priority as to when the asset should be replaced • Determine if there are various optional ways to deliver the service to reduce need for servers • Modernize internal support to improve resiliency and reduce risk	• Equipment not receiving firmware updates when necessary subject to malware interference • Failure to modernize reduces efficiency due to equipment failure causing user frustration • Actual costs vs perceived benefits
Renewal/Rehabilitation Significant repairs designed to extend the life of the asset.	***IT Infrastructure and Applications*** • Proactive rehabilitation of County software programs are reviewed to determine if there are new versions or more modern options. ***End User Devices and Applications*** • Complete a cost vs benefit of rehabilitation relative to normal replacement timelines • Storage/Recycling program is in place to ensure equipment securely moved towards end of lifecycle	• Not all equipment can be refurbished due parts becoming obsolete
Replacement/Construction Activities that are expected to occur once an asset has reached the end of its useful life and renewal/rehab is no longer an option.	***IT Infrastructure*** • Scheduled replacement programs in place. Coordination occurs with the County's Corporate Facilities team to coordinate infrastructure replacement and new fibre networking required ***Applications*** • When applications no longer receive support, generally replaced with a new application (AutoCAD, Adobe, etc.) ***End User Devices and Applications*** • Replaced when asset reaches end of useful life or unexpected event occurs with asset	• Replacement of an asset before the end of its useful life drives up costs unnecessarily

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Table 10.4 (Continued) Current Asset Management Practices or Planned Actions (Information Technology)

Activities *Activities that will enable the assets to provide the current levels of service in a sustainable way, while managing risk, at the lowest cost*	**Specific Asset Management Practices or Planned Actions**	**Specific Risks Associated with Asset Management Practices or Planned Actions**
Disposal Activities Activities associated with disposing of an asset once it has reached the end of its useful life, or is otherwise no longer needed by the County.	***Information Technology*** ● At the end of an asset's useful life, devices are returned to IT department for proper review to determine if they are able to be sold by the County's procurement department or securely stored for e-waste • Assets which may be damaged or not suitable for sale are recycled through appropriate e-waste handling vendors at a cost to ensure hard drives are shredded.	● Disposal incorrectly performed runs risk of data breaches ● Policy to sell surplus items not always possible as items may not be well suited to able to be "repurposed" or sold as they are at end of life ● Not able to be donated without significant staff time invested to refurbish the equipment
Service Improvement Activities Planned activities to improve an asset's capacity, quality, and system reliability.	***Information Technology*** ● Service improvement projects are identified and financed through the ITS budget unless funding is available in the department for same using the product. ● Leading and supporting the digital transformation of services within all departments – Service Delivery Review / Serving Elgin Council's Strategic Plan 2020-2022 ● Supporting modernized service delivery ● Transitioning to cloud-based Office for enhanced mobile support	● Software Improvement may not be possible due to specific department activities and needs

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Table 10.4 (Continued) Current Asset Management Practices or Planned Actions (Information Technology)

Activities ***Activities that will enable the assets to provide the current levels of service in a sustainable way, while managing risk, at the lowest cost***	**Specific Asset Management Practices or Planned Actions**	**Specific Risks Associated with Asset Management Practices or Planned Actions**
Growth Activities Planned activities required to extend services to previously unserved areas or expand services to meet growth demands.	***Information Technology*** • Infrastructure has improved and there are many options for flexible growth that would enhance our ability to respond to user needs • County positioning itself now for future needs related to growth ie. Supporting new areas of responsibility through local municipal partnerships	• Incorrect growth may result in overabundance of the wrong Information Technology assets. • Modernization can be costly with risk of not enough funding to maintain IT infrastructure.

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The cost of these identified Lifecycle activities are summarized in Table 10.5. Current funding for operating budgets is presented as the amount budgeted for 2023 and 2024 fiscal years.

Service Improvement activities are analyzed using planned expenditures identified through a review of the capital budget.

Table 10.5 Current Lifecycle (Operating and Capital)

Asset Type	Budget Type	Asset Type	Current Funding (Average Annual Activity Currently Practiced)
IT	Operating Budget*	Information Technology	$1,850,928
	Lifecycle Capital Budget**	Information Technology	$445,500
		Total	$2,296,428

*(Non-Infrastructure, Maintenance and Operating Activities)
**(Rehabilitation, Renewal, Replacement, and Disposal Activities)

Server Rack

10.3.1 Lifecycle Management Approach

INFORMATION TECHNOLOGY SERVICES (ITS)

The general approach to forecasting the cost of the lifecycle activities that are required to maintain the current performance of the LOS metrics is not available for the ITS service area. Data exists for these assets but not easily integrated into condition profile assessments. The shorter-lived assets common with ITS do not lend to traditional linear assessment profiles. In absence of condition profile predictions, ITS mitigates this by having detailed analysis for assessing expected capital needs by tracking individual assets and departmental needs.

Given the short expected useful life of ITS assets and Applications and Software not lending well for condition projects, the County of Elgin does not project ITS asset conditions. However, information and commentary are provided on ITS assets based on two scenarios. The first is projected condition with current budget. The second is optimum budget condition profile.

CURRENT BUDGET CONDITION PROFILE

The condition profile expected from the current budget is forecasted by using the same logic related to condition degradation rates and appropriate condition triggers for rehabilitation/replacement activities, but the budget is constrained to the current level of planned expenditures. If there is insufficient budget in any particular year to complete a rehabilitation or replacement activity on an asset that has reached its condition trigger, then the asset remains in a poor or very poor condition state until there is sufficient budget in a future year to complete the lifecycle activity.

OPTIMUM BUDGET CONDITION PROFILE

The approach to establishing the optimal budget is to forecast the lifecycle activities that are required to maintain the current performance of the LOS metrics. The analysis considers the current condition of assets, the rate that the condition is expected to degrade, and appropriate condition triggers for rehabilitation/replacement activities to forecast the condition profile into the future. The variables in the analysis are adjusted until the forecasted condition profile meets the expectation of the County's staff involved with the management of the assets.

Illustrates graphical representation of lifecycle of County IT assets

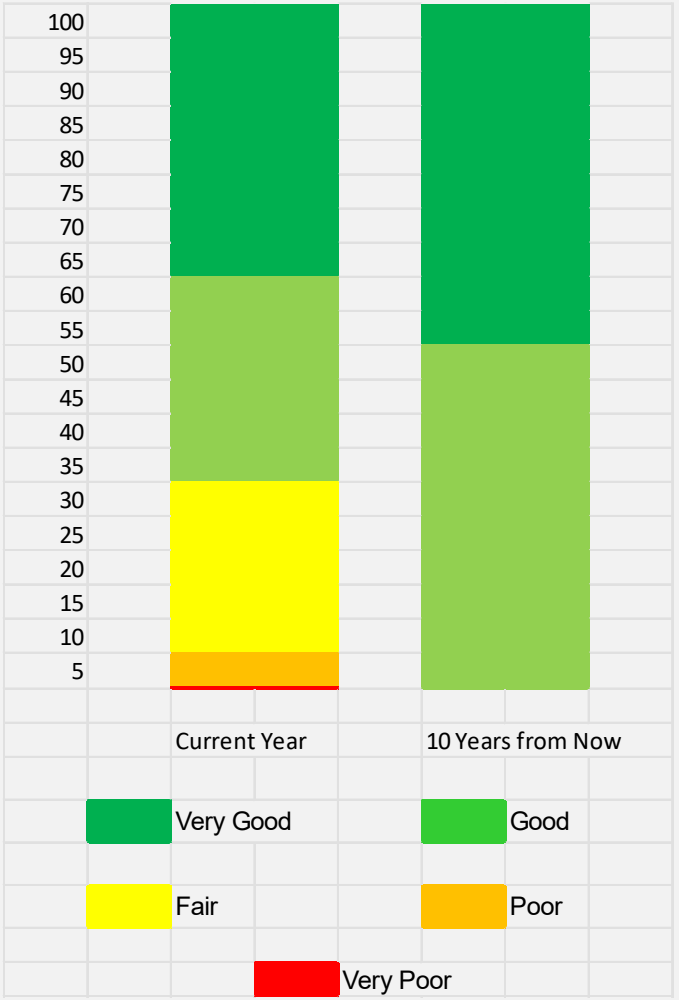

Figure 10.4 Optimum Budget 10-year Asset Condition.

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10.4 Forecasted Infrastructure Gap

The infrastructure gap is summarized below in Table 10.6 and illustrated in Figure 10.5. The analysis documented above is related to the lifecycle rehabilitation or replacement lifecycle activities.

Base needs represent the costs to renew and maintain the serviceability of existing assets, and do not account for growth and the expansion of service to new areas.

Table 10.6 Comparison of Current to Optimal Capital Budgets, Reserve Fund Availability, and Funding Gap

Asset Type	Budget Type	Activity Type	Current Funding (Average Annual Activity Currently Practiced)	Optimal Expenditure (Average Annual Activity to Maintain Current LOS)	Funding Gap (Annual Average)
Information Technology	Lifecycle Capital Budget	Information Technology	$496,633	$700,000	$203,367

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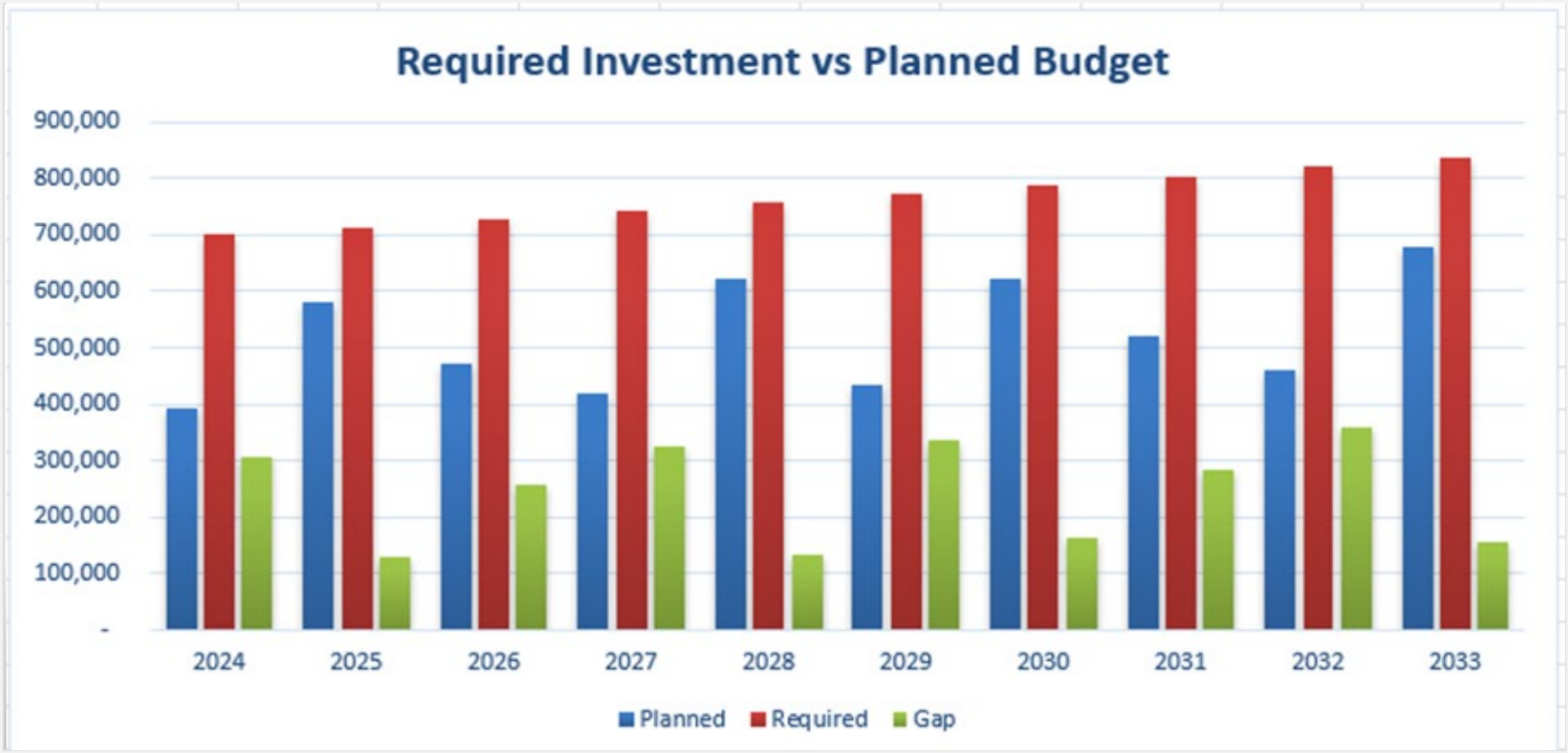
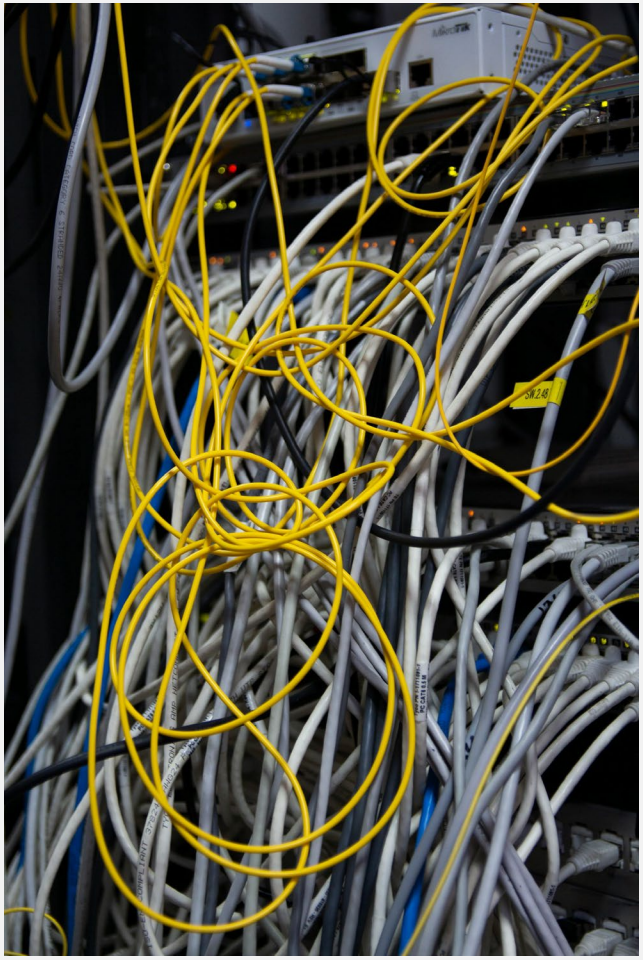


Figure 10.5 Forecasted Infrastructure Gap (Information Technology Services)

The infrastructure gap for the IT department is mainly driven by changes in technology and becomes a risk when support or the ability to obtain parts becomes a reality. The potential for equipment to become obsolete is high as vendors remove support for product lines in favour or more efficient hardware and software. When budget has not been exhausted it should be carried forward as there is no reserve set aside for the purpose of IT infrastructure replacement.

10.5 Discussion



Server Room Cables

CURRENT AND FUTURE CHALLENGES

The County's Information Technology Services (ITS) assets are overall in Very Good to Fair condition. To ensure the condition distribution improves, an increase to the capital budgeting for this area of business is necessary. Along with this, asset replacement planning must be prioritized to ensure equipment is replaced to reduce risk of failures. Given the forecasted network and application renewals, and the short expected useful life inherent in IT infrastructure, this indicates that adequate funding would result in no infrastructure gap by the end of current 10 year plan or sooner. Failure to optimize the current plan could result in:

- Localized reductions to service such as increased maintenance costs
- Inability to adapt to changing technology
- Decreased productivity
- Inconvenience to staff
- Loss of data and communications
- Increased risk of cyber attacks
- Obsolete Equipment and inability to make repairs resulting in reactive spending rather than planned spending

Consistent with asset management of any service area, current challenges primarily relate to assessing departmental needs and the remaining effectiveness of enterprise application software costs. As departments modernize, IT encourages review of these applications and has been budgeting accurately for annual licensing fees, and timely implementation of technology updates while minimizing disruption to County employees.

Our IT provider has access to robust software that could assist with tracking and replacing assets in a more timely manner. Staff are investigating the costs and possibility of moving this initiative forward be proactive. The County expects that as applications change our reliance on some infrastructure will decrease as a result.

An anticipated investment increase of $75K per year over the next 5 years would bring the department up to the expected rates of replacement on existing capital. Some reduction of capital need may be shifted to operating to offset additional costs to maintain external services.

Section 10: Information Technology

10.6 Conclusions

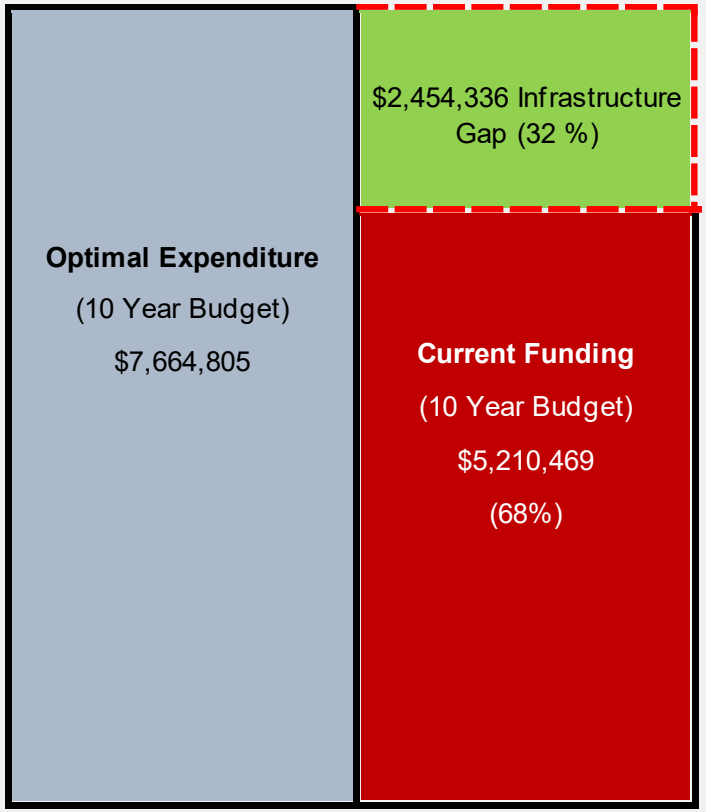


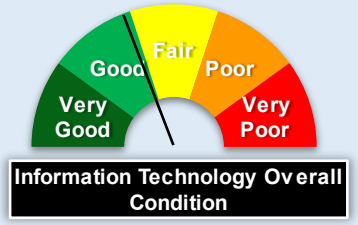
Figure 10.6 Cumulative 10 Year Infrastructure Gap Visual (Information Technology Services)

Valued at nearly $3.1 Million, the County's Information Technology assets are overall in Very Good to Fair condition, indicating that sufficient investment has not been provided to maintain the assets at a consistent Good level of service or better. Maintaining current investment will result in a $2.4 Million infrastructure gap over the current 10-year Capital Plan. Given the existing position of assets, the gap in funding this area of the business will result in further degradation of the service delivered to staff and citizens over the long term. This investment may be shifted from Capital to Operating which would enable us to be more diversified in-service delivery and less reliant on in-house hardware needs which will reduce risk of equipment failure and downtime.

Section 10: Information Technology

Table 10.6 Summary of the State of Infrastructure, Infrastructure Gap and Reinvestment Rates (Information Technology)

County of Elgin – Information Technology

Asset Type	Replacement Value (10 Year)	Current Condition	Current Infrastructure Gap	10 Year Infrastructure Gap	Current Annual Reinvestment Rate	Recommended Annual Reinvestment Rate
Information Technology	$7,664,805		$305,634	$2,454,336	2%	15% plus CPI for next 5 years then move to only CPI increases with regular reviews

Section 11: Cultural Services

Quick Facts

- 10 Libraries
- 210,264 books / physical items

2.4% Infrastructure Gap Contribution

Cultural Services

Replacement Value	$2.88 Million

Cultural Services Overall Condition

11.1 State of Local Infrastructure

The Community and Cultural Services Department operates ten (10) library branches in accordance with the Public Libraries Act, the Elgin County Archives and the Elgin County Museum. This department employs up to 40 full-time and part-time staff to provide these public services. The County does not own the library buildings and instead leases them from our lower-tier municipal partners. The Elgin County Archives and Museum buildings are owned by Elgin County and included under the Corporate Facilities Asset Management Plan section completed as part of the Core Corporate Asset Management Plan.

All ten (10) of Elgin County's Library branches provide free access to a diverse collection of materials and space for free wi-fi access, study areas and in-person programming.

The Archives acquires, preserves and makes available archival records relating to the County of Elgin and its residents.

The Elgin County Museum operates the Elgin County Heritage Centre and hosts exhibits and programs relating to the County's history.

The County of Elgin has not included artifacts or museum collections as part of this asset management plan due to their non-conformance with traditional asset management logic and rationale. Valuing the County's artifacts would not lend itself to an accurate replacement value as nearly all of the items are unable to be replaced and in the same rationale do not have a replacement timeline as they are neither disposed of nor replaced. Further, the Public Sector Accounting Board (PSAB) does not recognize artifacts or museum collections as an "asset" and the County would be unable to properly classify them – therefore, they are not included as part of the AMP.

11.1.1 Asset Inventory & Valuation

The County of Elgin owns and operates a collection of Cultural Services assets valued at approximately $2.9 million. Table 11.1 summarizes the Cultural Services asset inventory and replacement value. Cultural Services provides public services that define the unique character and history of the County of Elgin relative to other counties. As noted, the County does not own its library buildings but rather, operates and owns the assets within them to provide service to all of Elgin County.

Table 11.1: Asset Inventory and Valuation (Cultural Services)

Asset Type	Asset	Inventory	Unit	Replacement Value
Library Resources	Library – Furniture and Fixtures	10	$78,489 per branch	$784,890
	Library – Collections and Periodicals	10	$20,322 per branch	$203,224
	Library – Books	210,264	$8.16 Ea.	$1,715,754
	Library – Equipment	10	$17,500 per branch	$175,000
TOTAL				**$2,878,868**

11.1.2 Age Summary

Figure 11.1 shows the Cultural Services average age and useful life by asset.

The useful life indicated for the assets types below was assigned by the County. In the absence of observed data, the useful life values and the associated asset life stage can guide the maintenance, rehabilitation or replacement related activities of major assets. The data is presented in the following to provide a comprehensive summary of the County of Elgin's Cultural Services assets. Note: due to the short-expected life of collections, periodicals and electric resources, their current age is not tracked for asset management purposes due to the rapid turnover to maintain current materials.

Table 11.2 Asset Useful Life in Years

Service	Asset Class	Asset Type	Expected Useful Life
Library Resources	Collections and Periodicals	Magazines, Newspapers, etc.	2 years
	Electronic Resources	Magazines, Newspapers, etc.	
	Books	Books	5 years
	Furniture and Fixtures	Furniture, equipment, etc.	25 years

Average Assets Age as a Proportion of Average Useful Life (Cultural Services)

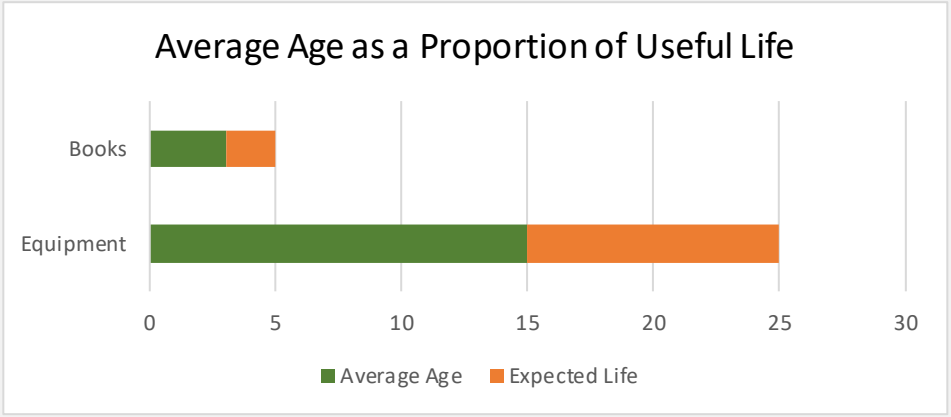


Figure 11.1: Age Distribution of Cultural Services

Section 11: Cultural Services

11.1.3 Asset Condition

The overall condition of the County's Cultural Services assets is Good.

As seen below in ***Figure 11.2***, approximately 90% of the County's Cultural Services assets are in Good condition, with the remainder assessed as Fair, Poor or Very Poor condition, indicating a history of appropriate and adequate investment with respect to on-going maintenance and required capital funding when required.

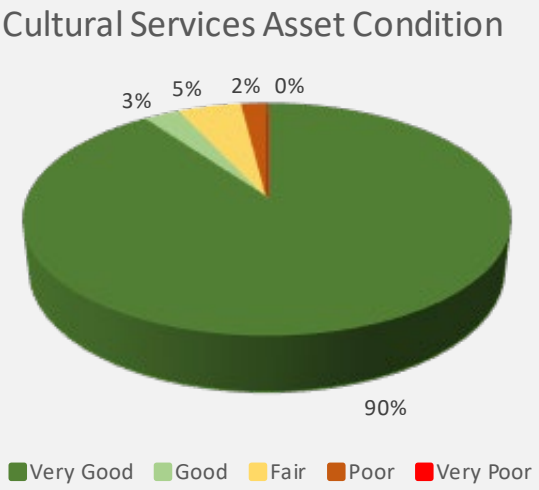


Figure 11.2 Asset Condition Summary (Cultural Services)

The following ***Figure 11.3 illustrates*** graphically an example of asset conditions

Rating for Cultural Services Assets	Definition
Very Good (A)	Asset is new or recently rehabilitated
Good (B)	Asset is no longer new, but is fulfilling its function. Preventative maintenance is beneficial at this stage.
Fair (C)	Deterioration is evident but asset continues to fullfil its function. Preventative maintenance continues to be beneficial.
Poor (D)	Significant deterioration is evident and service is at risk.
Very Poor (F)	Asset is beyond expected life and has deteriorated to the point that it may no longer be fit to filfill its function and should be disposed of immediately.

Section 11: Cultural Services

11.2 Levels of Service

The two primary risks to the County's financial sustainability are the total lifecycle costs of infrastructure and establishing levels of service (LOS) that exceed its financial sustainability. In this regard, the County faces a choice: overpromise and underdeliver; underpromise and overdeliver; or promise only that which can be delivered sustainably – Phase 2 of this Asset Management Plan will focus on the latter of the above options.

Developing realistic LOS using meaningful key performance indicators (KPI's) can be instrumental in managing citizen expectations, identifying areas requiring higher investments, driving organizational performance and securing the highest value for money from public assets.

Table 11.1 – Direct Levels of Service

Customer Value	Focus	Service Performance Measure	Current LOS	Proposed LOS
Available	Customer / Council	Services of sufficient capacity are convenient and accessible to the entire community.	304 operating hours between 10 library branches 30.4 hours / week / branch Closed Wednesday, Sunday's Closed Statutory Holidays Closed Christmas to New Years	To be updated July 1, 2025 pending County Council Direction
Cost Effective	Customer / Council	Services are provided at the lowest possible cost for both current and future customers, for a required level of service, and are affordable.	$4,195,043 / 52,000 = $80.67 / resident	To be updated July 1, 2025 pending County Council Direction
Reliability	Technical	Services are predictable and continuous.	Library ILS (catalogue) Uptime 99.9% guaranteed infrastructure uptime with one-hour critical response	To be updated July 1, 2025 pending County Council Direction
Responsive	Customer / Council	Opportunities for community involvement in decision making are provided; and customers are treated fairly and consistently within acceptable timeframes.	Yearly budget surveys, customer surveys, items for consideration of purchase forms Responses within one week to any customer comments / feedback	To be updated July 1, 2025 pending County Council Direction
Usage	Customer / Council	Services are delivered such that they are utilized by the residents of Elgin County. Reported under the Library Services Act.	Total physical material checkouts = 204,191 Checkouts / resident = 3.9	To be updated July 1, 2025 pending County Council Direction

11.3 Risk Management

11.3.1 Risk Management and Prioritization Strategy

Generally speaking, infrastructure needs exceed municipal capacity. As such, the County must carefully select projects based on state of infrastructure, economic development goals and the needs of an evolving and growing community. These factors, along with social and environmental considerations will form the basis of a robust risk management framework.

From an asset management perspective, risk is a function of:

- The consequences of failure (e.g., the negative economic, financial and social consequences of an asset in the event of failure); and,
- The probability of failure (e.g. how likely is the asset to fail in the short – or long-term).

As identified by the County of Elgin, the consequences of failure are typically reflective of:

- An asset's importance in an overall system
- The criticality of the function performed; and,
- The exposure of the public and/or staff to injury or loss of life

The probability of failure is generally a function of an asset's physical condition, which is heavily influenced by the asset's age and the amount of investment that has been made in the maintenance and renewal of the asset throughout its life.

Risk mitigation is traditionally thought of in terms of safety and liability factors. In asset management, the definition of risk should heavily emphasize these factors but should be expanded to consider the risks to the County's ability to delivery targeted level of service.

- The impact that actions (or inaction) on one asset will have on other related assets
- The opportunities for economic efficiency (realized or lost) relative to the actions taken

Figure 11.4 below illustrates a range of risk factors and describes, in general terms, how the consequences of asset failure can be evaluated relative to each factor. The weightings placed on the various factors should reflect the criticality of each asset the degree to which the public is directly exposed to risk.

Section 11: Cultural Services

Table 11.4 Risk Factors and Consequence of Failure

	Level of Service	Other Assets	Economic Efficiency	Life, Safety and Liability
High (5)	The asset will cease to function and service will be unavailable to many users	Other assets will not be functional or will deteriorate more quickly	Opportunities for significant life extending / cost-saving rehabilitation will be missed	The asset's failure could lead directly to loss of life or injury
Medium (3)	The asset will still function but the quality of the service will be reduced for many users	The functionality of other assets will be reduced	Opportunities for moderate life extending rehabilitation will be missed	The asset's failure could lead indirectly to loss of life or injury
Low (1)	The asset will function but the quality of the service will be reduced for a few users	The function or condition of other assets will not be impacted	Replacement at failure is the only efficient option and can be easily accomplished	The potential for minor claims is increased

Table 11.5 Consequence of Failure

Asset Class	Asset Type	Consequence of Failure	Description
Collections	All Collections	1	Very low service criticality; replacement cost is very low and asset is easily replaced.
Furniture and Fixtures	All equipment	3	Low service critically; replacement cost is low however; safety risk may be present if equipment is left until failure to replace.
Electronic Resources	Library Services Catalogue (ILS)	5	Assets are critical to the essential services the County provides, direct impact on public confidence and perception. Assets are typically more expensive and take longer to replace.

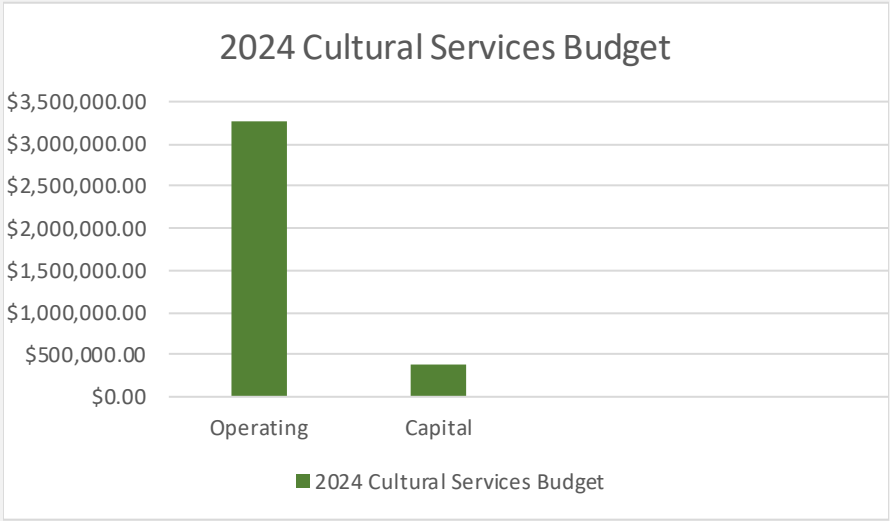
Section 11: Cultural Services

The cost of these identified Lifecycle activities is summarized in Table 11.7. Current funding for operating budgets is presented as the approved 2024 budget.

Service Improvement activities are analyzed using planned expenditures identified through a review of the capital budget.

Table 11.6 Current (2024) Budget (Operating and Capital)

Asset Type	Budget Type	Asset Type	Current Funding
Cultural Services	Operating Budget	**Library**	$3,260,547
	Lifecycle Capital Budget		$378,154



Section 11: Cultural Services

11.3.2 Lifecycle Management Approach

COMMUNITY AND CULTURAL SERVICES

The general approach to forecasting the cost of lifecycle activities that are required to maintain the current performance of the LOS metrics is to ensure that the proportion of assets in poor to very poor condition remains relatively stable. Staff then consider the appropriate lifecycle activity to achieve the lowest lifecycle cost as a management strategy. Due to the relatively short lifecycle of books and collections within the Cultural Services department, assets in poor to very poor condition remain low on a year-to-year basis.

CURRENT BUDGET CONDITION PROFILE

The asset condition profile expected from the current proposed budget is forecasted by using the same logic related to condition degradation rates and appropriate condition triggers for repair or replacement.

OPTIMUM BUDGET CONDITION PROFILE

Establishing the optimal budget involves forecasting the required maintenance and replacement activities and their associated costs to maintain the Library and Cultural Services current level of service. The recommended budget condition profile is a continual process of reviewing asset condition, deterioration rates and condition triggers for replacement to predict future investment requirements.

Illustrates graphical representation of lifecycle of County Cultural Services assets.

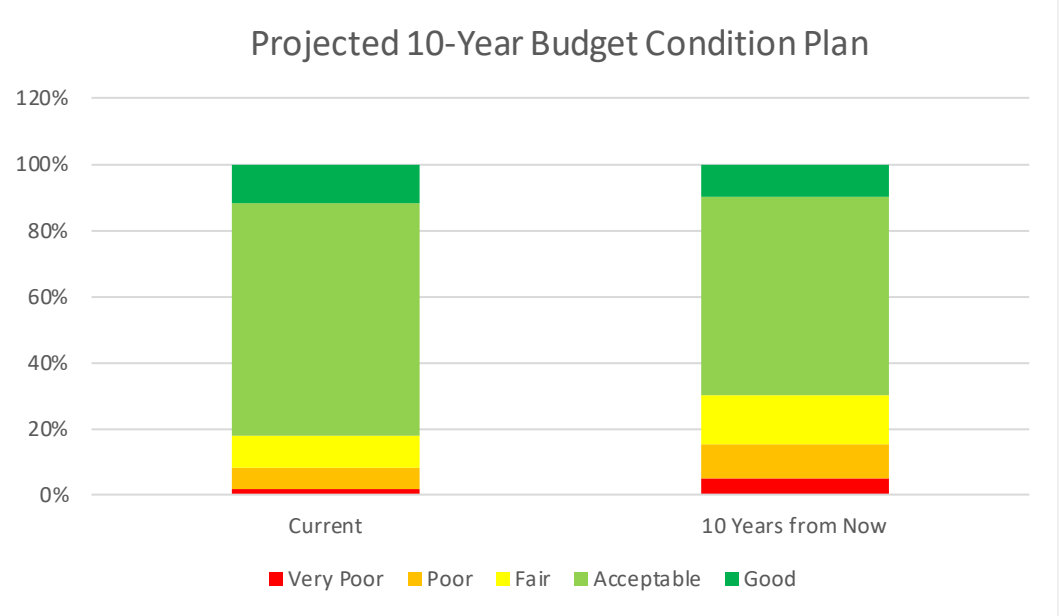


Figure 11.4 Projected 10-year Asset Condition.

11.4 Forecasted Infrastructure Gap

The infrastructure gap is summarized below in Table 11.8 and illustrated in Figure 11.4. The analysis documented above is related to the lifecycle rehabilitation or replacement lifecycle activities.

Base needs represent the costs to renew and maintain the serviceability of existing assets, and do not account for growth and the expansion of service to new areas.

Table 11.8 Comparison of Current to Optimal Capital and Operating Budgets, Reserve Fund Availability, and Funding Gap

Asset Type	Budget Type	Activity Type	Current Funding (Average Annual Activity Currently Practiced)	Optimal Expenditure (Average Annual Activity to Maintain Current LOS)	Funding Gap (Annual Average)
Cultural Services	Lifecycle Capital Budget	Furniture and fixtures replacement	$6,996	$31,396	$24,400
Cultural Services	Lifecycle Operating Budgets	Collection and Periodicals	$18,698	$101,612	$82,914

11.5 Discussion

CURRENT AND FUTURE CHALLENGES

The County's Cultural Services assets are overall in good condition. To ensure the condition distribution remains in this condition range, a robust capital budgeting and planning process will continue to be developed. Given the assets within the Cultural Services department, with short expected useful life inherent in books and materials, this indicates that adequate funding will result in no infrastructure gap by the end of this decade. Failure to implement current plan could result in:

- Localized reductions to service such as increased maintenance costs or closures of branches or reduced hours
- Inability to adapt to changing technology
- Decreased engagement from the public with Library Services
- Inconvenience to staff.

This is the County of Elgin's first Cultural Services Asset Management Plan as part of its non-core assets. To ensure it is a meaningful document that augments the County's budget and the County's ability to build a strong asset management program, we would recommend the following key actions:

1. The County should establish a Library Resources condition assessment program and that a portion of capital funding is dedicated to this.
2. The County should update its AMP on an annual basis.
3. The County should undertake the development of a long-term financial strategy with current growth projects.

Section 11: Cultural Services

11.6 Conclusions

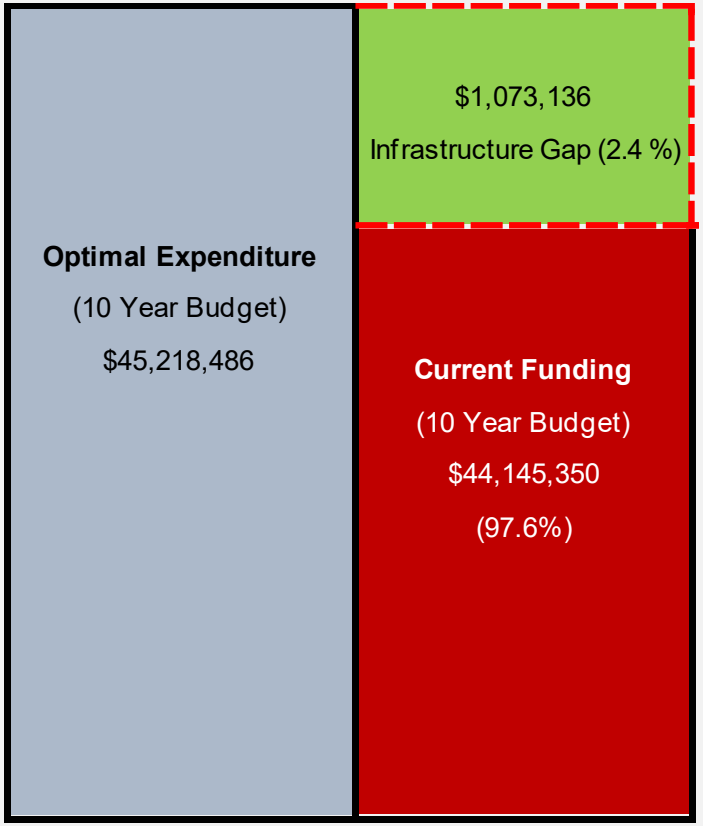


Figure 11.6 Cumulative 10 Year Infrastructure Gap Visual (Cultural Services)

The County's Cultural Services assets are overall in Good condition, indicating that sufficient investment has been provided to maintain the assets at the required level of service. Maintaining current investment will result in a $1.07 Million infrastructure gap. This could result in degradation of the service delivered to citizens over the long term. Further investment is needed to address the future life cycle needs of the current Cultural Services assets. Figure 11.6 illustrates the infrastructure gap as a proportion to the required investment over the next decade showing the distribution of the different types of assets contributing the gap.

It should be noted that this infrastructure gap does not account for growth and simply relates to current service delivery from current assets and facilities.

Section 11: Cultural Services

Table 11.6 Summary of the State of Infrastructure, Infrastructure Gap and Reinvestment Rates (Cultural Services)

County of Elgin – Cultural Services

Asset Type	Replacement Value	Current Condition	Current Infrastructure Gap	10 Year Infrastructure Gap	Current Annual Reinvestment Rate	Recommended Annual Reinvestment Rate
Cultural Services	$2,880,000		$107,314	$1,073,136	0%	2%

Section 12: Financial Strategies - Update

Section 12: Financial Strategies – Update

12.1 Historical Summary:

Historical Summary:

In 2009, Ontario Reg 284/09 [1&2] mandated that all municipalities were to identify and account for their Tangible Capital Assets on their balance sheets. Prior to this date, the County of Elgin engaged in the process of identifying all significant assets under their umbrella of responsibility. These assets were categorized into various components and replacement schedules were assigned based on their category. The assets were then set to be amortized as to their remaining lifecycle from 2009 forward based on their categorization at their expected lifecycle and depreciation rate.

It was evident that funding the amortization alone would not be sufficient as the assets were held at their historical cost value for the purpose of amortization rather than their future replacement value. The County adopted the philosophy to amortize assets 20% faster than their expected full lifecycle. This would enable amortization to be ahead of the replacement schedule and to be close to the replacement value of the asset at the time the asset was fully amortized. It was expected that the accelerated amortization would grow to be enough to replace assets when they became ready to replace.

The County adopted the philosophy to identify surplus Capital funds at the end of each fiscal year and set this aside into a reserve or utilize it in the future to assist in reducing the need to raise further taxes for spikes in Capital projects. In 2010, Council also officially accepted in principle a 10-year capital plan for all departments along with the strategy to increase the capital asset budget by $400,000 incrementally over that period. This strategy served to grow the capital asset base taking pressure off the future years and has been effective in bringing us closer to our goal of fully funding the capital asset plan. The additional placeholder, for inflation of 2%, ensures that some of the inflationary pressure is also a considered factor of the future years.

[1] https://www.ontario.ca/laws/regulation/090284

[2] https://www.mfoa.on.ca/MFOA/WebDocs/AM_TS2.pdf

Section 12: Financial Strategies – Update

12.2 Current Situation and Future Considerations

Current Situation:

The historical philosophy and actions of past Councils have put the County of Elgin in a good position. However, there is evidence that there are still gaps between the funding of the current plan and the need. Part of this increasing gap lies within the current economic climate post COVID. The combination of the pandemic and evolving international concerns have created a global supply chain and resource issue that is causing unexpected hyper-inflation. These increasing pressures affect construction tenders as the risk of the ever-changing landscape makes it difficult to predict pricing. It is expected that these pressures will stabilize at some point and reach a new equilibrium which will require us to be vigilant and aware.

Each year, the County investigates all possible ways to partner with other levels of Government and identify areas where other funding may be available. Recently, the County has had to rely on debt to finance three large capital projects, the largest being the rehabilitation of Terrace Lodge. The two smaller projects were financed for $12M over 10 years while the Terrace Lodge project will be financed in the amount of approximately $25M over 25 years. This long-term debenture is set to match the funding stream the County will receive from the Ministry of Health for this project.

Future Considerations:

County staff have traditionally coordinated the funding available and the Capital plan needs during the budget process to ensure that capital projects are fully funded and able to be completed. The ability of our team to be flexible and move project timelines ahead or back a year in order to make the most of funding opportunities helps to smooth taxation for our ratepayers. Additionally, our ability to self-finance using our reserve funds has enabled us to avoid borrowing money during times of higher rates and wait until rates decline before locking into longer term debt agreements. This practice sacrifices some interest earned at a lower rate than we would pay on borrowings and we can finance this difference with much lower impact on taxation.

Section 12: Financial Strategies – Update

12.3 Ten-Year Financial Strategy Approach

Ten-Year Financial Strategy Approach:

Ontario Regulation 588/17 requires that Asset Management Planning should include a Financial Strategy for the assets in each category, over a ten-year period. That the Strategy should:

1. Estimate the annual costs for the lifecycle activities, separated into capital expenditures and significant operating costs, for each of the ten years.
2. Identify the annual funding projected to be available to undertake lifecycle activities and any options examined by the municipality.
3. Identify a funding shortfall for the lifecycle activities based upon the funding projected.
4. Identify the lifecycle activities that will be undertaken.
5. Explain how the risks associated will be managed for any lifecycle activities identified that are not undertaken.

A municipality's Financial Strategy forms an integral framework for ensuring the municipality makes optimal use of the various funding sources that it has at its disposal. The Financial Strategy on asset lifecycle costs should include the maintenance activities as well. The chart below summarizes, by asset category, the sources of financing available to the County of Elgin for both capital and maintenance lifecycle costs. Our ten-year Financial Strategy, at the end of this section, includes all capital assets to be replaced by the County and, includes, but is not limited to, the following categories:

Asset Category	Available Sources of Financing	
	Capital Purchases	Maintenance Activities
IT	Taxation	Taxation
Cultural Services	Taxation	Taxation
	Grant Applications	Taxation

Section 12: Financial Strategies – Update

12.3 Ten-Year Financial Strategy Approach Cont.

The ten-year financing plan below outlines the 2022 Capital budget along with the capital needs for the subsequent years to 2031. The financial gap shown indicates that the next 5 years are not fully funded in order to complete the necessary projects during their regularly scheduled life cycle. It is expected that staff will again lean on their past practices in order to manage these short-term challenges. Economic factors play a key role in the ability for the County to deliver expected results as outlined in this plan. It is important to continue to monitor all global factors that may have influence on our markets in order to be able to ensure that we have the necessary resources to complete the anticipated projects as outlined in this plan.

COUNTY OF ELGIN ASSET MANAGEMENT PLAN

Ten-Year Financing Strategy	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget	2029 Budget	2030 Budget	2031 Budget	2022-2031 Total
Capital Expenditures											
Administrative Building	733,000	3,463,600	248,500	503,000	157,000	619,000	719,000	710,000	618,000	522,240	8,293,340
Agriculture	-	-	-	-	-	-	40,204	-	-	-	40,204
Ambulance	650,607	596,757	475,098	484,600	1,079,956	504,178	611,064	672,045	662,134	555,510	6,291,949
Archives	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,000
Bobier Villa Building & Property	248,902	292,653	778,051	1,581,381	96,000	417,400	30,000	294,249	68,644	3,023,731	6,831,011
Bobier Villa Dietary	8,875	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	88,875
Bobier Villa Housekeeping	-	5,000	-	-	-	-	-	-	-	-	5,000
Bobier Villa Nursing & Personal Care	26,664	26,664	31,712	31,712	31,712	31,712	31,712	31,712	31,712	31,712	307,021
Corporate Activities	464,950	223,050	11,500	2,065,200	34,800	18,070	783,550	-	668,700	-	4,269,820
Economic Development	40,000	-	-	-	-	-	-	-	-	-	40,000
Elgin Manor Building & Property	226,000	529,000	169,500	100,000	85,000	50,000	457,000	263,000	99,000	3,537,950	5,516,450
Elgin Manor Dietary	12,000	12,000	13,000	13,000	13,000	14,000	16,000	20,000	20,000	20,000	153,000
Elgin Manor Housekeeping	-	5,000	-	-	-	-	-	-	-	-	5,000
Elgin Manor Nursing & Personal Care	52,193	84,193	34,884	34,884	34,884	34,884	34,884	34,884	34,884	34,884	415,458
Emergency Measures	76,500	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	166,500
Engineering Services**	15,147,511	17,914,406	18,004,374	16,009,331	21,750,195	18,281,857	17,470,177	19,809,396	17,154,486	24,296,516	185,838,248
Information Technology	531,893	496,633	432,335	481,181	690,372	491,671	596,971	474,149	556,247	703,711	5,455,163
Land Division	-	5,600	-	-	-	6,062	-	-	-	6,561	18,223
Library Services	346,759	398,674	360,717	367,915	375,272	382,792	435,479	398,335	405,601	413,013	3,884,558
Museum	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,000
Planning	-	-	-	-	11,041	-	-	-	-	12,190	23,231
Terrace Lodge Building & Property	93,000	426,700	1,334,481	35,000	26,700	30,000	90,000	44,000	55,000	1,411,800	3,546,681
Terrace Lodge Housekeeping	-	5,000	-	-	-	-	-	-	-	-	5,000
Terrace Lodge Nursing & Personal Care	82,560	55,770	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	298,330
Principle repayments Long Term Care	-	698,606	1,397,211	1,397,211	1,397,211	1,397,211	1,397,211	1,397,211	1,397,211	1,397,211	11,876,294
Debt principal repayments - Roads	1,122,607	1,142,114	1,161,973	1,182,187	1,202,765	1,223,711	1,245,032	1,266,739	1,288,835	329,797	11,165,760
Total	**19,904,021**	**26,431,419**	**24,533,336**	**24,366,602**	**27,065,908**	**23,582,548**	**24,038,283**	**25,495,719**	**23,140,453**	**36,376,826**	**254,935,116**
Financing Strategy											
Canada Community-Building Fund	1,587,946	1,656,987	1,656,987	1,656,987	1,656,987	1,656,987	1,656,987	1,656,987	1,656,987	1,656,987	16,500,829
Ontario Community Infrastructure Fund	2,390,338	2,390,338	2,390,338	2,390,338	2,390,338	2,390,338	2,390,338	2,390,338	2,390,338	2,390,338	23,903,380
Debt	-										-
Ministry of Health Compliance Premium			392,923	785,845	785,845	785,845	785,845	785,845	785,845	785,845	5,893,838
Other Provincial or Federal Funding							2,375,000				2,375,000
Borrowed from Reserves Self Financed		1,883,670	3,313,133	591,456	1,310,671	- 1,750,413	- 2,686,492	- 4,984,732	- 3,695,294	6,018,001	-
Use of Reserves	48,108	4,000,000		1,300,000	2,000,000				- 1,477,902	1,600,000	7,470,206
Taxation*	15,877,629	16,500,424	16,779,955	17,641,976	18,922,067	20,499,791	19,516,605	25,647,281	23,480,479	23,925,655	198,791,862
	19,904,021	**26,431,419**	**24,533,336**	**24,366,602**	**27,065,908**	**23,582,548**	**24,038,283**	**25,495,719**	**23,140,453**	**36,376,826**	**254,935,115**
Funding Gap	**0**	**0**	**- 0**	**- 0**	**0**	**- 0**	**- 0**	**0**	**0**	**0**	**1**
Maintenance Expenditures											
Road maintenance agreement	1,782,910	1,818,568	1,854,940	1,892,038	1,929,879	1,968,477	2,007,846	2,048,003	2,088,963	2,130,742	19,522,367
Drainage assessments	180,000	183,600	187,272	191,017	194,838	198,735	202,709	206,763	210,899	215,117	1,970,950
Crack sealing and ashphalt repairs	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,500,000
Special road maintenance	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000
Building maintenance - Admin	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	650,000
- Long Term Care Home	124,187	126,671	129,204	131,788	134,424	137,112	139,855	142,652	145,505	148,415	1,359,813
Summary of Maintenance Costs***	2,502,097	2,543,839	2,586,416	2,629,844	2,674,141	2,719,324	2,765,410	2,812,418	2,860,367	2,909,274	27,003,130

*Levy includes an annual increase of 3.6% built in to cover Capital costs
** Urban inflation was included at 4.5% on applicable capital projects
***These costs are funded by taxation

Section 12: Financial Strategies – Update

12.3 Ten-Year Financial Strategy Approach Cont.

The above strategy was formulated based above the following criteria

1) The AMP includes a 4.5% inflation increase for Urban Road replacement costs and a 2% CPI placeholder to allow for increases in annual overall costs each year of an asset's lifecycle.

2) The ten-year taxation funding component has been factored up at 3.6% capital levy increase each year compounded from 2023 to 2031. There may be funding gaps that occur in the years after 2031. These have not yet been quantified, and the possible funding sources not identified.

3) Assets that attract rental and user fee revenues currently use these revenues to fund annual maintenance activities but do not provide, at this time, any support for future capital expenditures related to those assets. The County is currently reviewing this practice with the intent to set aside funds to fully fund assets with appropriate user fees.

Risk Assessment on Ten -Year Financial Strategy:

Risk Factor	Response to Risk Factor Increases	Response to Risk Factor Decreases
Change to Inflation	Prioritize projects and identify ability to delay into future years	Prioritize projects to accelerate and implement changes
	Seek out other sources of funding to supplement funding gap created	Reallocate sources of funding to fully utilize in current year
	Increase taxation or debt	Set aside unused funds to Reserves for future use
Assessment Growth	Prioritize projects to accelerate and implement changes	Prioritize projects and identify ability to delay into future years
	Set aside funds into a reserve to accommodate future needs due to growth	Seek out other sources of funding to supplement funding gap created
	Reduce estimate of 3.6% to reduce taxation	Review Reserves and/or Increase taxation
Funding Source Changes	If applicable to capital, identify ability to accelerate projects to utilize funding or an existing bridge gap	If applicable to capital, identify ability to delay projects or decrease scope of projects to prolong life
	Set aside funds into a reserve to accommodate future needs	Use funds from reserves if available
	Incrementally decrease taxation	Incrementally increase taxation
Asset Lifecycle changes (possible failure or identified change of need via study)	Review availability of immediate funding related to projects not yet started and determine ability to interchange between years.	Interchange scope of work with a project having more immediate needs.
	Sources of funding such as Insurance, Partnerships and Legal options	Set aside funds into a reserve or utilize them for another project with more immediate needs
Development Servicing Pressures	Review possible implementation of Development Charges to support need	Continue to monitor to determine need. Revisit study every 5 years.
	Review funding options such as pay debt with incremental Growth taxation.	Set aside any surplus into a reserve.
Availability of existing reserves to provide temporary financing	Reduction of Reserves would increase our need to borrow and increase taxes to payback the borrowings.	Increase to reserves allows us to self finance and reduce need for borrowings.

Section 13: Conclusions and Recommendations

13.1 Conclusions

The Corporation of the County of Elgin ("County" or "Elgin County") infrastructure systems are the backbone of our community. They support a range of municipal services that enable the quality of life experience by residents, businesses and other stakeholders.

The Corporate Asset Management Plan (CAMP) is a strategic document that describes the state of Elgin County's assets and the approach to managing assets over their lifecycle to achieve desired levels of service at the lowest lifecycle costs. This document is the second CAMP produced through the County's Corporate Asset Management program. This CAMP builds on the previous document by leveraging new and improved asset data/information from each service grouping, as well as using new tools and techniques. The use of updated asset data has resulted in several changes between the first CAMP and this second CAMP edition. Over time, each successive CAMP will be more consistent with the previous iterations to increase the ability in identifying trends to inform decision-making.

This CAMP is a tactical outcome of the CAM Program, setting out the current plan for the County to manage its $1.38 Billion worth of core and non-core infrastructure under the direct ownership and control of the Corporation of the County of Elgin. The overall condition of the County's assets is rated as Good. Good condition indicates that the infrastructure is adequate for now with some elements showing general signs of deterioration that require attention. The assets that are of concern to the County are the smaller fraction of assets listed in Poor or Very Poor condition. Based on the existing County budget plans, the infrastructure gap is expected to grow $5,992,019 within the next decade. The County's proposed strategies to mitigate the annual growth of the infrastructure gap, is to balance the impact on the affordability of County levy taxation on the community while attaining financial sustainability of the infrastructure gap.

13.2 Current Compliance with Ontario Regulations 588/17

O. Reg 588/17 has a phased approach with three timelines of July 1, 2022, July 1, 2024, and July 1, 2025. The July 1, 2022 and July 1, 2024 timeline is where 'Core' assets (water, wastewater, stormwater, road and bridges) and all County infrastructure assets, respectively will have an asset management plan documenting current levels of service. The final deadline is to document proposed levels of service and financial strategies to fund these expenditures.

For directly-owned County infrastructure assets, this CAMP is compliant with the July 1, 2022 and July 1, 2024 Regulation requirements. Furthermore, it also includes some components of the July 1, 2025 requirements.

The 2024 CAMP has a scope of all directly owned assets by the County of Elgin. O. Reg 588/17 has defined a municipal infrastructure assets as directly owned by a municipality or included on the consolidated financial statements of a municipality (excluding joint municipal water board).

Table 13.1 County of Elgin Compliant Status with Ontario Regulation 588/17

Measure	Phase 1 &2: O.Reg. 588/17 Due July 1, 2022 & 2024				Phase 3: O.Reg. 588/17 due July 1, 2025			
Asset Category	State of Infrastructure	Current Level of Service	Lifecycle Management and Risk	Financial Strategy	State of Infrastructure	Proposed Levels of Service	Lifeycle Management and Risk	Financial Strategy
Core County Owned Assets	Compliant	Compliant	Compliant	Compliant	Compliant	In-Progress	In-Progress	In-Progress
Other Directly Owned County Assets	Compliant	Compliant	Compliant	Compliant	Compliant	In-Progress	In-Progress	In-Progress

13.3 Risks Associated

Table 13.2 Risks Associated with the CAMP and Strategy

Identified Risk	Potential Impacts	Mitigating Actions
Plan is not followed	• Less than optimal investments • Potential to shorten useful life • Failure to deliver service • Prioritization process fails • Impact to services	• Monitor and review • Implement quality asset management processes
Failed Infrastructure	• Failure to deliver service • Damage to asset and neighbouring equipment and property (private or public) • Injury, death - staff and public • Customers unable to carry on their business • Non-compliance with regulation • Litigation • Damage to environment • Additional unplanned costs • Asset Loss • Negative social impacts, etc.	• Repair/replace • Increase investment/ available funding • Innovative technology • Non-infrastructure solutions • Reduce or stop delivering service
Inadequate Funding	• Increased risk of failure • Service reductions • Rising maintenance costs • Prematurely shortens useful life if not maintained • Asset Loss • increase burden on future generations • Defeat planning efforts • Plans become redundant • Lost opportunities • Unpredicted future impacts	• Reduce or stop delivering service • Find additional sources of funding • Increase investment / available funding • Update planning • Discard efforts on past planning

13.3 Risks Associated Cont.

Table 10.5 (Continued) Risks Associated with the CAMP and Strategy

Identified Risk	Potential Impacts	Mitigating Actions
Poor quality asset information	• Inefficient maintenance program • Poor prioritization/projections • Poor decision-making • Improper investments • Inability to deliver service	• Invest in data systems and condition assessment • Determine appropriate level of service and risk metrics and • ratings
Planning assumptions incorrect	• Defeat planning efforts	• Monitor Plan, update and correct projections
Reulatory requirements, standards, criteria change or do not exist	• Non-compliance • Mandatory investments and schedule • Disruption to planning efforts • Investment due to regulation reduces available funding for others • Additional costs	• Lobby against additional expenditures • Lobby for additional transfer funding • Reduce or stop delivering service • Find additional sources of funding • Increase investment/ available funding • Lobby organizations to provide standards
Economic Fluctuations, inflation, downturns, revenue and use reduces/increases	• Reduced/increased needs • Less than optimal expense maintaining oversized/undersized infrastructure	• Change, create or stop delivering service
Occurrence of Climate Change/Adverse Weather/Unforeseen events and emergencies, resulting in funds being diverted to assest that were not originally planned for	• Additional unplanned costs • Damage and loss of assets • Defeat planning efforts • Plans become redundant • Lost opportunities • Unpredicted future impacts	• Deferral of planned renewals • Assess/increase insurance coverage • Increase/develop reserve funds • Develop contingency/emergency plans
Growth projections not as planned	• Infrastructure oversized or undersized • Inefficient use of available service	• Defer or advance capital projects related to growth and update plan
Service Provision Changes	• Plan either does not address or contains redundancies	• Amend the Plan

13.4 Recommendations

The key recommendations of the Plan are as follows:

1. Continue to align the Corporate Asset Management Plan with the Corporate Strategic Plan: The 2024 CAMP is a reflection of best practices currently in place and has been developed to support proactive management of the Corporation's infrastructure to conform to Council's Strategic Plan. County staff shall continue to align the CAMP's future updates with all future Strategic Plans.

2. Continue to advance the Corporate Asset Management Program: The CAM Program will standardize asset management practices across the corporation, connecting technical asset lifecycle strategies to customer-focused performance measures that quantify the levels of service being provided to the community in each service area.

3. Enhance the Corporate Asset Management Plan: The CAMP is a living document that will continue to reflect the evolution of asset management practices within the County. Over the next few years, the County staff will be working to enhance the CAMP and prepare for the next CAMP in 2025.

i. Ensure asset inventories are comprehensive and contain accurate condition and performance data.

ii. Operationalize advanced performance measures by collecting and analyzing new asset data.

iii. Analyze more complex (and more realistic) asset lifecycle strategies to understand the optimal mix of each lifecycle activity to achieve the proposed levels of service at the lowest lifecycle cost.

iv. Ensure Compliance with Phase 3 of the Ontario Asset management planning Regulatory Requirements. The Provincial Regulation O.Reg. 588/17 has specific requirements for CAMPs that are phased in from 2018 to 2024. This CAMP meets all the requirements through to 2022 & 2024 for directly owned County assets.

4. Monitor the progress of the Corporate Asset Management Plan: The CAM Program will continue to monitor the progress of the CAMP and insure alignment with the Corporate Outcomes, Expected Results, and Strategies. As part of the Provincial regulation, the County is required to provide an annual progress review of the CAMP. The annual progress review will address the County's progress in implementing the CAMP and describe any factors impeding the ability to implement the CAMP (with associated strategies to mitigate impeding factors). Annual review of the progress of the CAMP, as described above, will enable more robust trending of performance measures over time. This is an important consideration to embed the elements of the CAM Program into 'business as usual' at the County, rather than being seen as a one-off exercise.

5. Engage the Public and Community Partners in the Asset Management Process: A critical component of public engagement is a commitment to providing public access to as much of the data and evidence used in the CAM Program as feasible, while respecting privacy concerns. County staff is planning to leverage existing public consultation initiatives and start encouraging residents, businesses, institutions, and other stakeholders to offer input in the County's asset management planning and the CAM program implementation. Additionally, the CAM Program is to effectively involve various stakeholders in the infrastructure conversation. This engagement is critical to ensuring that the desired levels of service reflect the values and priorities of the community, while balancing affordability and 'willingness to pay' considerations. To date, the CAM Program has effectively engaged with all relevant internal County stakeholders to obtain input into the CAMP. County staff is planning to expand the coordination planning for asset management, where municipal infrastructure assets connect or are interrelated with those of our neighbouring municipalities.