2024

ASSET MANAGEMENT PLAN

For NON-CORE INFRASTRUCTURE

TOWN OF GRIMSBY

TOWN OF GRIMSBY

Executive Summary

Introduction

The Town of Grimsby is a growing community in the Niagara Region driven by a mix of residential, light industrial, commercial, and agricultural activities. It relies on a range of assets to deliver a variety of services to the community. As these assets age, and demands on the infrastructure increase, the Town manages the challenge of ensuring the needs of the community are effectively met with the limited resources available.

The 2024 Asset Management (AM) Plan describes the actions required for the Town to manage its portfolio of facilities, parks and outdoor recreation, natural infrastructure, fleet, fire, and information technology (IT) assets in a way that supports current service levels while managing risks and costs. It supports the following strategic priority from the Town's 2023-2026 Strategic Priorities by establishing transparency and sustainable financial management of the Town's limited resources to deliver services.

> Strategic Priority: Collective Prosperity
>
> Focus on affordability and financial sustainability for the municipality

The Town's goals and objectives of transparency and responsive service align with Ontario Regulation (O.Reg.) 588/17 Asset Management Planning for Municipal Infrastructure, which requires municipalities to demonstrate financial sustainability through the AM Plan by identifying the forecasted expenditures to maintain current services levels. This AM Plan fulfils year 2024 requirements for other (non-Core) infrastructure assets not covered in the Town's 2022 Core Asset Management Plan. The 2022 AM Plan covered roads and road-related assets (sidewalks, signals, etc.), structures (bridge or culvert), water assets, wastewater assets, and stormwater assets.

State of the Infrastructure

The Town's first step in developing the AM Plan is understanding the assets that it owns. As shown in Table ES-1, the estimated replacement value of the Town's non-Core assets is $234.2 million, with facilities accounting for 54.1% of the asset portfolio. All values in the AM Plan are reported in 2024 dollars.

Table ES-1: Replacement Value of Town Non-Core Assets* ($M)

Asset Category	Replacement Value ($M)	Percentage of Total
Parks, Outdoor Recreation, and Natural Infrastructure	$86.7	37.0%
Facilities**	$126.7	54.1%
Fleet**	$16.9	7.2%
Fire**	$2.4	1.0%
Information Technology	$1.5	0.6%
Total	$234.2	100.0%

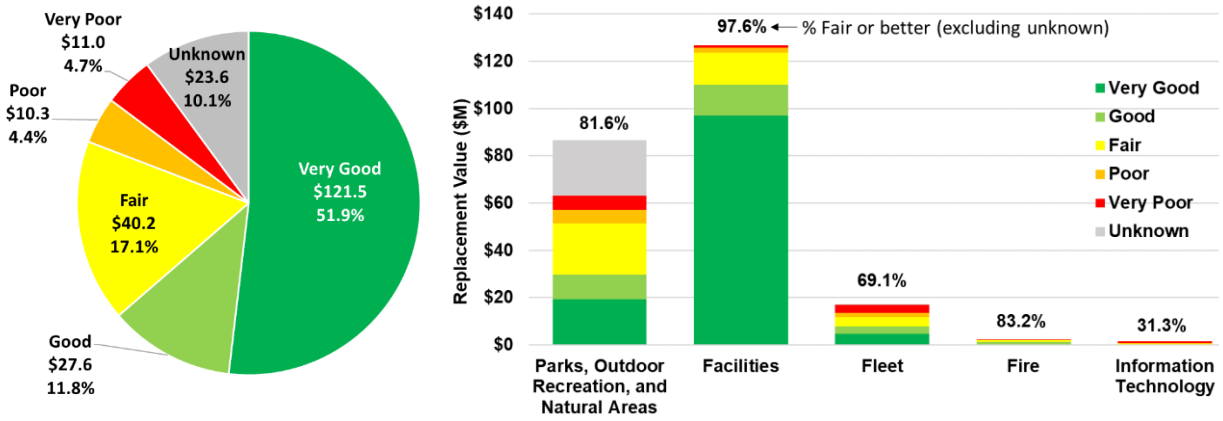
*Totals may not add due to rounding

**Fire facilities and fire vehicles are captured under Facilities and Fleet, respectively. Fire covers only fire equipment.

The Town's non-Core assets are generally in good condition, as shown in the condition distribution in Figure ES-1. 89.9% of assets are estimated to be in Fair or better condition. The condition of the Town's assets informs the timing of required lifecycle activities to maintain service levels. Assets in Poor and Very Poor condition represent 10.1% ($21.3 million) of the asset portfolio replacement value. The condition estimates are supported through detailed inspection

programs such as building condition assessments for facilities. Condition ratings are also maintained for park trees, trails, and parking lots. For most other assets, condition is estimated based on age compared to their estimated service life. Though assets may be in fair or better condition, considerable renewal is required to keep assets from deteriorating to poor condition.

Figure ES-1: Condition Overview – All Services



Levels of Service

Levels of Service (LOS) builds on the State of Infrastructure by defining the performance that the Town's assets are expected to deliver over their service lives. LOS measures are defined by the Town to support achievement of higher level strategic priorities. In general, the LOS measures can be classified into the following three categories:

- Capacity & Use LOS demonstrate if services have enough capacity and are accessible to the customers. Capacity LOS drive growth lifecycle activities.
- Functional LOS demonstrate if services meet the community's needs and meet their intended or required purpose. Functional LOS drive upgrade activities.
- Reliability LOS demonstrate if services are reliable and responsive to customers. These LOS measures keep assets in a state of good repair, and drive operations and maintenance (O&M) and renewal activities.

Understanding current service levels based on measures such as the average facility condition index, sets the foundation for developing appropriate proposed service levels as required by O.Reg. 588/17 by 2025 that consider the associated costs and risks.

Risk and Lifecycle Management Strategy

Asset lifecycle management strategies are the planned activities that enable assets to provide service levels in a sustainable way, while managing risks. Lifecycle strategies include new infrastructure (growth) assets to meet capacity needs, upgrades to meet functional needs, and repairing and renewing existing assets to maintain asset reliability.

Growth: The Town has experienced steady growth over the past few years, and the Town addresses these capacity risks by planning for responsible growth and development through plans and studies such as the official plan review and development of master plans. Projects to address known capacity include Fire Station 3, library expansion, and Casablanca Waterfront park development. In previous years, the Town approved budget for the expansion of the Peach King Centre with the work planned for 2024 and 2025. Total growth needs over the next 10 years (excluding previously approved on-going projects such as Peach King Centre) are estimated to total $33.8 million. Additional

needs may be identified when the update to the Parks, Recreation, and Culture Master Plan and development of the Fire Master Plan is complete.

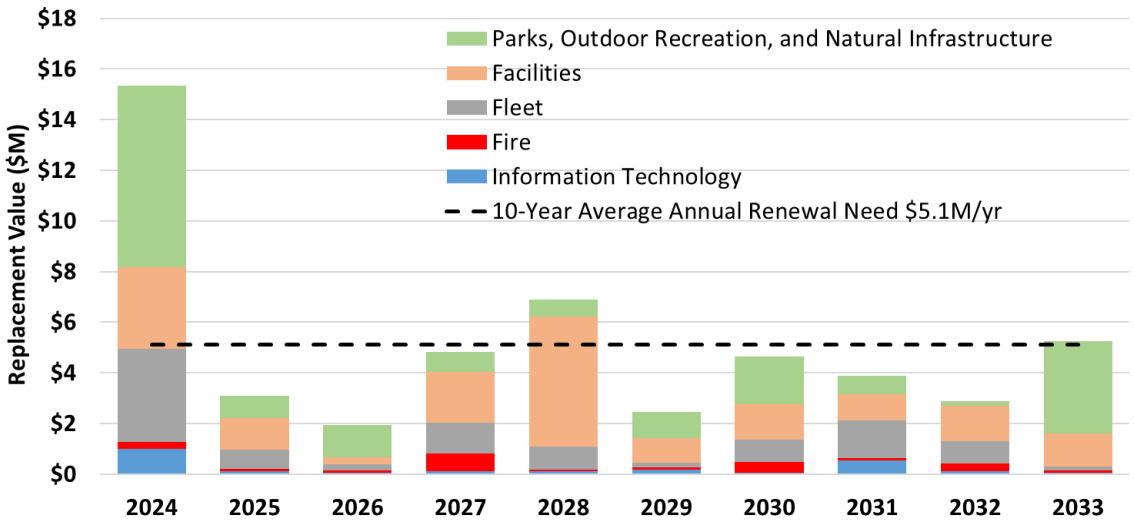
Upgrades: The Town also plans for upgrades to address functional service levels that represent potential risks from assets not meeting the needs of the community, such as inaccessible spaces that present barriers to residents. Service enhancements currently planned over the next 10 years include various facility accessibility upgrades and revitalization of the pier and surrounding park at the Elizabeth St. Pumphouse. Upgrade needs over the next 10 years are estimated to total $7.1 million.

Operations and Maintenance: The Town performs a wide range of inspections, cleaning, preventive maintenance, tree pruning, and repair activities to ensure that its assets continue to perform reliably. These operations and maintenance (O&M) activities are funded through the Town's Operating Budget.

Renewal: To mitigate risks related to potential physical deterioration of assets, the Town manages the reliability of its assets by conducting condition assessments and tracking asset age such that infrastructure is renewed in a timely manner to maintain the portfolio in a state of good repair. The risk strategy incorporates the criticality, or consequence of failure, of an asset to help the Town prioritize renewal work on higher risk assets. Asset criticality is evaluated based on the impact of an asset failure on health and safety, service delivery, financial position, Town reputation, and the environment. The AM Plan includes preliminary risk assessments to highlight priority areas for investment. $6.1 million (3.1%) of the Town's assets in this AM Plan are currently estimated to be in the Very High risk category, and should be prioritized within the funding available for renewal in the 10-year Capital Plan.

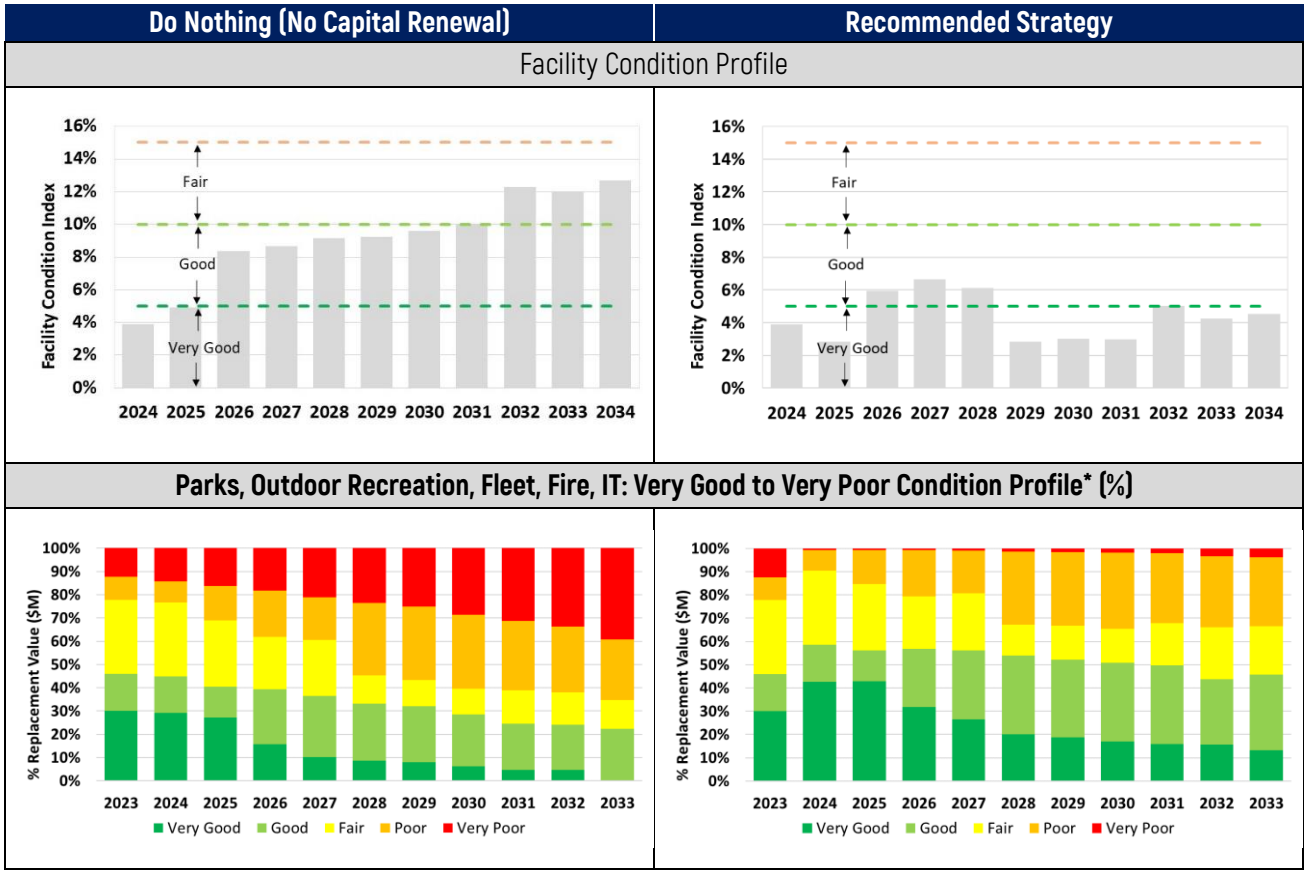
The forecasted cost for renewal across the assets is estimated at an average of $5.1 million per year over the next 10 years, as shown in Figure ES-2. The 2024 forecasted expenditure includes the backlog of assets that are past their estimated end-of-life that are overdue for replacement.

Figure ES-2: 10-Year Capital Renewal Needs Forecast



If the Town does not invest in renewing its infrastructure, there is potential for significant deterioration in asset condition over time. The recommended asset management strategy ensures that the Town's core assets are maintained and renewed in a state of good repair as shown in Figure ES-3. With the recommended strategy, the facility condition index remains below 5% (Very Good condition) for facilities. For other assets, the percentage of assets in very poor is maintained under $9.7 million over the next 10 years. If no capital investments are made, the facility condition index would rise above 12% (Fair condition) and for other assets, the value of assets in Very Poor would increase from $9.7 million to $30.8 million by 2033.

Figure ES-3: Asset Condition Forecast Comparison – Do Nothing versus Recommended Strategy



*Excludes facilities which are forecasted using the Facility Condition Index method. Also excludes assets with unknown condition.

Addressing climate change risks: Climate change will likely increase the Town's asset risk exposure, requiring the Town to implement more frequent or additional strategies to mitigate risk. Currently, the Town is planning to implement mitigation strategies such as GHG emission reduction projects based on facility energy audit recommendations. This work is integral to the Town's commitment to the Partners for Climate Protection program, which focuses on creating a baseline GHG emissions inventory and setting emission reduction targets. To protect against erosion along Lake Ontario in the Grimsby Beach area, the Town has completed shoreline protection works and is currently completing additional shoreline improvements as part of the Whittaker park renewal and Elizabeth St. pumphouse project.

Financial Strategy

The financial strategy is informed by the preceding sections of the AM Plan: the value and condition of the assets, the current levels of service, the risks to service delivery, and the lifecycle activities needed to reduce the risks to acceptable levels. The Financing strategy considers how the Town will fund the recommended asset lifecycle strategies, and the affordability of maintaining current service levels.

The Town's capital and operating budgets are proposed with careful line-of-sight to financial sustainability and affordability for the Town's residents and businesses, and considers a range of funding sources including property tax levy, debt, grants, user fees, and development charges. Reserve contributions sustain reserve balances at appropriate levels to address future infrastructure renewal costs and inherent uncertainties in capital funding needs.

Growth-Related Funding Gaps: For facilities, the new Fire Station 3 ($14 million) and Library expansion ($10.1 million) are identified as a funding gap, as the $24.1 million total for these two facilities is funded by debt in the Capital Plan.

For fleet and fire, the $2.2 million gap is associated to new Fire vehicles and equipment associated with Fire Station 3 that have not been accounted for in the Capital Plan.

Table ES-2: Summary of Capital Growth Estimated Funding Gaps ($M)*

Service	Total 10-Year Growth Needs ($M)	Total 10-Year Growth Funding Available ($M)	Total 10-Year Growth Funding Gap ($M)	Average Annual Growth Funding Gap ($M/yr)
Facilities	$24.3	$0.2	$24.1**	$2.4M/yr
Parks, Outdoor Recreation, and Natural Infrastructure	$3.5	$3.5	No funding gap	-
Fleet	$5.3	$3.3	$2.0	$0.2M/yr
Fire	$0.7	$0.5	$0.2	$0.02M/yr
Information Technology	$0.1	$0.1	No funding gap	-
Total	**$33.8**	**$7.6**	**$26.3**	**$2.6M/yr**

*Totals may not add due to rounding
**$24.1 million is currently identified as debt funding in 10-year Capital Plan

Renewal Funding Gaps: For capital renewal, funding gaps are determined by comparing the forecasted renewal need versus the renewal funding available in the 10-year Capital Plan. Funding gaps are identified for the Town's facilities and parks and outdoor recreation assets to maintain service levels over the next 10 years. Though the condition profile for facilities is very good, a considerable amount of renewal work is required to maintain facilities from deteriorating to poor condition. For example, a facility currently in fair condition has renewal needs identified in its condition assessment that cost up to 15% of its replacement value within the next 3 years. The total renewal gap for non-Core assets is estimated at $1.5 million per year, as summarized in Table ES-2.

Table ES-3 Summary of Capital Renewal Estimated Funding Gaps ($M/year)

Asset Category	Average Annual Renewal Need ($M/yr)	Average Annual Funding Available ($M/yr)	Percentage of Needs Funded	Average Annual Gap ($M/yr)
Facilities	$1.80	$0.80	42%	$1.0
Parks, Outdoor Recreation, and Natural Infrastructure	$1.80	$1.30	74%	$0.5
Fleet	$1.00	$1.00	No funding gap	-
Fire	$0.22	$0.25	No funding gap	-
Information Technology	$0.24	$0.24	No funding gap	-
	$5.1	**$3.6**	**71%**	**$1.5**

*Totals may not add due to rounding

Funding Gap Strategies: Strategies that may be considered in closing the funding gaps and addressing pressures on operating budgets include increasing available funding sources such as property tax levy, debt, or drawing down on reserves. The Town focuses on strategies that minimize the financial impacts on residents by maximizing external revenue sources. The Town may also decide to defer renewals on lower risk assets by adjusting risk tolerance and accepting lower service levels.

The Town's goals and objectives of transparent and responsible decision-making aligns with O.Reg. 588/17, which requires municipalities to demonstrate financial sustainability through the AM Plan. This AM Plan is proactive in setting the stage for meeting O.Reg. 588/17 requirements for year 2025 by identifying the potential funding shortfalls above. This proactive approach enables the Town to start the needed discussions on the affordability of current

service levels such that it will be able to determine the appropriate service levels for the Town by year 2025 that effectively balances the associated costs and risks along with Council and community priorities.

Monitoring and Improvement

Development of AM Plans is an iterative process that includes improving data, processes, systems, staff skills, and organizational culture over time. General improvements include refining lifecycle strategies as data is collected on asset lifecycles and treatment benefits. Data collection and tracking will be greatly improved through the procurement and implementation of the Computerized Maintenance Management and Enterprise Asset Management Systems. Other recommendations include improving asset replacement values, completing inventories such as sports field fencing, identifying additional needs through on-going studies and plans such as the Parks, Recreation, and Culture Master Plans and shoreline protection assessment. These and other improvements will continue to refine the 10-year forecasted outlook, and support the Town in demonstrating financial sustainability and with continuing to deliver services that maintain the trust and confidence of the community.

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1 Introduction

The Town of Grimsby (Town) is in the Niagara Region between Lake Ontario and the Niagara Escarpment with a population of approximately 28,883. Its economy is driven by a mix of residential, light industrial, commercial, and agricultural activities. The Town is responsible for providing a range of services to its community to support the local lifestyle and economy. The ability to deliver these services at the required levels depends on the performance and condition of the respective assets.

The AM Plan directly supports one of the Town's main guiding principles:
We build trust with our community through meaningful communication, transparency, leading financial management and responsive service.

As infrastructure ages and demands on the infrastructure increase, the Town manages the challenge of ensuring the needs of the community are effectively met with the limited resources available. This Asset Management Plan (AM Plan) seeks to address this challenge by providing a framework for prioritizing Asset Management (AM) efforts and providing direction for effective management of the Town's assets to best achieve expected goals and objectives. As an integrated Plan, it considers the lifecycles and needs of the infrastructure assets within the AM Plan's scope, providing a sustainable and holistic view of the Town's asset portfolios. The AM Plan helps the Town achieve its Strategic Priorities related to Accountability and Transparency.

1.1 Purpose of the Plan

The 2024 AM Plan describes the actions required to manage the Town's assets in a way that supports current service levels, while managing risks and costs. It establishes transparency and prudent financial management of limited resources. This AM Plan covers other infrastructure not included in the Town's 2022 Core Asset Management Plan. The assets include facilities, parks and outdoor recreation, natural infrastructure, information technology (IT), fleet, and fire equipment. The 2024 AM Plan focuses on the 10-year period from 2024 to 2033 and provides a framework for continuously improving the Town's AM practices.

1.2 Alignment with Regulatory Requirements

This AM Plan fulfils the Phase 1 requirements of Ontario Regulation (O.Reg.) 588/17 Asset Management Planning for Municipal Infrastructure for AM Plans for infrastructure assets not considered 'core' per the regulation. Specifically, this AM Plan establishes current Levels of Service (LOS) and recommends actions and financial strategies to maintain current service levels within an acceptable level of risk over the next 10 years. Proposed Levels of Service with target performance levels will be included in future updates to this AM Plan to meet year 2025 O.Reg. 588/17 requirements. For details on how this AM Plan complies with content requirements defined by O.Reg. 588/17, refer to Section 7. Development of AM Plans is an iterative process that requires improving processes, data, systems, and staff skills over time to continuously increase confidence in the outputs and forecasts of the AM Plan.

1.3 The Town's Asset Management Program

In December of 2016, the Town established an Asset Management Team (AMT). The AMT allows for collaboration across all departments to meet the asset management goals for the Town. In 2018, the Town developed its Strategic Asset Management Plan (SAMP) and AM Policy as stand-alone documents in line with leading practices. The SAMP helps guide the Town's Asset Management System and defines how the objectives of the AM Policy will be realized in the tactical AM Plan. These documents form a "Line of Sight" or link in the AM System between the high-level corporate vision and strategy to the tactical level of the AM Plan and operational strategies, as shown in Figure 1-1.

Figure 1-1: Town's Asset Management System

The AM Plan provides a framework to validate the Town's budgeting processes and assists in prioritizing work activities, including capital projects, based on risk while supporting the Town's strategic priorities. AM Planning is a key tactical (medium term) planning activity that relies on input from strategic planning activities and informs shorter-term decision making. The AM Plan is aligned with other Town planning documents, including the following:

- Town Official Plan
- Council's Strategic Priorities 2023-2026
- Strategic Asset Management Plan
- Asset Management Policy
- Operating and Capital Budgets

1.4 Supporting Growth at the Town

The Town monitors trends in its population to ensure that its impacts on service levels are well understood and that strategies are developed to address additional demands due to growth and changes in demographics. Per the Town's Official Plan along with updates from recent data from the 2021 Census, the Town's population is expected to increase from 28,883 in 2021 to 32,800 in 2031, as shown in Table 1-1. The Region's 2022 Official Plan projects a Town population of 37,000 and employment of 14,960 in year 2051.

Table 1-1: Town Population History and Forecast to 2051

Year	Population	Employment
2006	23,937*	7,510**
2011	25,325*	8,500**
2016	27,314*	9,240**
2021	28,883*	9,530**
2031	32,800**	10,180**
2051	37,000***	14,960***

*Population from Statistics Canada Census
**From the Town of Grimsby Official Plan
***From the 2022 Region of Niagara Official Plan

1.5 AM Plan Scope

This AM Plan includes assets owned by the Town and for which asset data was available, and provides recommendations for the period 2024-2033, inclusive. Where data gaps were encountered, recommendations for closing data gaps are provided. These recommendations will enable the Town to continually improve its AM planning capabilities. All values and forecasts are estimated in 2024 dollars.

1.6 Asset Hierarchy and Data Sources

The Town has continued to develop its asset inventories and collection of key data attributes to provide the analysis required in this AM Plan. Table 1-2 summarizes the main data sources used for the asset inventory, replacement cost, and condition data.

Table 1-2: Asset Hierarchy and Data Sources

Asset Category	Inventory	Replacement Cost	Condition
Parks, Outdoor Recreation, and Natural Areas	GIS	Unit Costs	Condition where available**; otherwise Age vs Estimated Service Life
Facilities*	MS Excel inventory	Building Condition Assessments / Unit costs	Building Condition Assessments
Fleet*	TATEMs software	Specific cost per individual asset	Age versus Estimated Service Life
Fire	MS Excel inventory (supported by FirePro software)	Mix of unit costs and costs provided for some individual assets	Age versus Estimated Service Life
Information Technology	MS Excel inventory	Mix of unit costs and costs provided for some individual assets	Age versus Estimated Service Life

*Fire stations and fire fleet are included under facilities and fleet, respectively
**Condition for playgrounds was available but age-based approach was used to align with renewal planning

1.7 Organization of the Document

The AM Plan is organized to meet the requirements of Ontario Regulation 588/17 (Current Levels of Service) and the Province's "Guide for Municipal Asset Management Plans". The contents of this AM Plan follow the recommended elements of a detailed AM Plan:

- Executive Summary:
  Summarizes key findings and recommendations of the AM Plan.
- Chapter 1 – Introduction:
  Outlines scope, background information, relationship to other Municipal documents and plans, and applicable legislation
- Chapter 2 – State of the Infrastructure:
  Summarizes the inventory, condition, and remaining life of the assets in the inventory by asset category
- Chapter 3 – Levels of Service:
  Defines levels of service through performance indicators and targets, and outlines current performance
- Chapter 4 – Risk Management Strategy:
  Defines the framework for identifying critical assets and quantifying risk to enable prioritization of lifecycle activities
- Chapter 5 – Lifecycle Management Strategy:

Summarizes the asset management strategies (i.e., planned actions) that will enable the assets to provide the required levels of service in a sustainable way, while managing risk, at the lowest lifecycle cost

- Chapter 6 – Financial Strategy:
  Summarizes the financial planning and budgeting associated with asset management planning
- Chapter 7 – AM Plan Monitoring and Improvement:
  Summarizes the next steps including monitoring of AM Plan implementation progress, and improving future iterations of the AM Plan.

2 State of the Infrastructure

2.1 Overview

The Town provides a range of services to its residents, businesses and visitors, including services that rely on Town facilities, parks and outdoor recreation, natural infrastructure, fleet, fire, and information technology (IT) assets. Understanding the value, age, and condition of its assets is the starting point for a municipality to develop a plan for managing them. The replacement value of an asset represents the expected cost to replace an asset to the same functional standard with a 'like for like' new version based on current market conditions and construction standards. For natural infrastrucutre, establishing a current replacement cost is achieved by estimating the anticipated cost to restore a natural infrastructure asset (refer to Section 2.3). Table 2-1 provides a breakdown of the replacement value of assets.

Table 2-1: Replacement Value of Town Non-Core Assets* ($M)

Asset Category	Replacement Value ($M)	Percentage of Total
Parks, Outdoor Recreation, and Natural Areas	$86.7	37.0%
Facilities**	$126.7	54.1%
Fleet**	$16.9	7.2%
Fire**	$2.4	1.0%
Information Technology	$1.5	0.6%
Total	$234.2	100.0%

*Totals may not add due to rounding

**Fire facilities and fire vehicles are captured under Facilities and Fleet, respectively. Fire covers only fire equipment.

The Town's portfolio of assets covered in this AM Plan has an estimated replacement value of $234.2 million (2024$). Facilities account for 54.1% of the assets in this AM Plan.

Understanding an asset's remaining life and current condition informs the timing of required lifecycle activities to maintain quality and reliability-related service levels. Using observed asset conditions through inspection programs provides a higher degree of confidence in the state of the assets, more than what is provided in a strictly age-based analysis. Observed conditions are used in this AM Plan where such data is available. When observed condition data is not available, the remaining life is determined by estimating a service life for each asset and comparing this value to its age. The observed condition, or age-based condition, is then expressed on a Very Good to Very Poor rating scale as defined in Table 2-2, aligned with the International Infrastructure Management Manual's (IIMM) 5-point condition scale.

Table 2-2: Condition Grading Criteria

Condition	Condition Criteria
Very Good	Asset is physically sound and is performing its function as originally intended. Required maintenance costs are well within standards and norms. Typically, asset is new or recently rehabilitated.
Good	Asset is physically sound and is performing its function as originally intended. Required maintenance costs are within acceptable standards and norms but are increasing. Typically, asset has been used for some time but is within mid-stage of its expected life.
Fair	Asset is showing signs of deterioration and is performing at a lower level than originally intended. Some components of the asset are becoming physically deficient. Required maintenance costs exceed acceptable standards and norms and are increasing. Typically, asset has been used for a long time and is within the later stage of its expected life.

Condition	Condition Criteria
Poor	Based on construction of purchase year, asset is approaching the end of its expected life. If observed condition is available, asset is showing significant signs of deterioration and is performing to a much lower level than originally intended. A major portion of the asset is physically deficient. Required maintenance costs significantly exceed acceptable standards and norms.
Very Poor	Based on construction of purchase year, asset has reached or is past its expected life. If observed condition is available, the asset is found to be physically unsound and/or not performing as originally intended. Asset has higher likelihood of failure or failure is imminent. Maintenance costs are unacceptable, and rehabilitation is not cost effective. Replacement / major refurbishment is required.

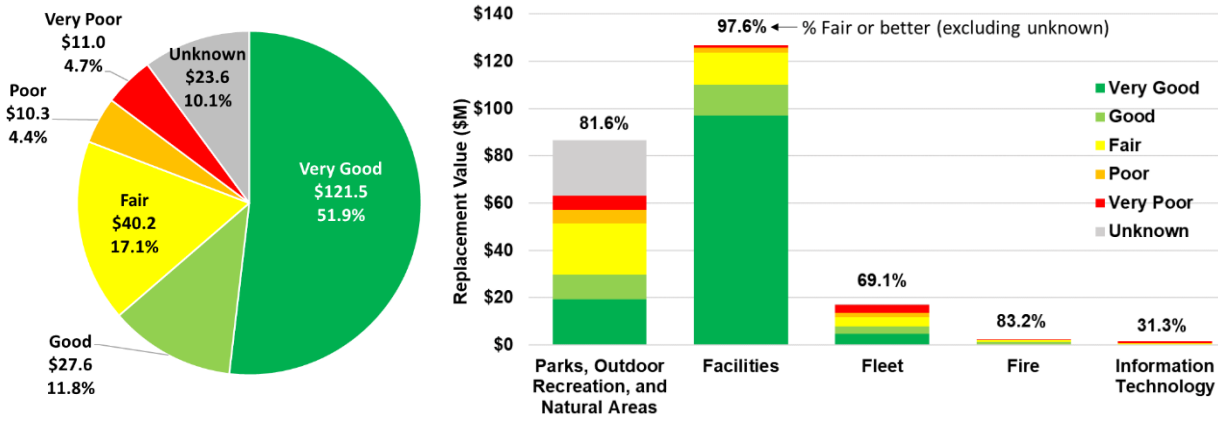
Table 2-3 summarizes how the five-point scores from Very Good to Very Poor were determined for the age-based assessment. Additional details about observed conditions such as Facility Condition Index (FCI) and how it is mapped using the five-point scale, is discussed further in Section 2.2.

Table 2-3: Conversion Table for Age-Based Condition

Condition Grade	% Remaining Service Life
Very Good	>75 – 100%
Good	>50 – 75%
Fair	>25 – 50%
Poor	>0 – 25%
Very Poor	<= 0%

The condition distribution of the Town's assets is shown in Figure 2-1. 89.9% ($189 million) of the Town's assets are estimated to be in Fair condition or better (excluding unknown condition), and conversely, 10.1% ($21.3 million) of assets are estimated in Poor or Very Poor condition. Assets in Very Poor condition are overdue or due in the current year (2024) for rehabilitation or replacement. $23.6 million of assets were not estimated for condition. Most of the unknown condition relates to natural infrastructure, which is typical across many municipalities due to the lower asset management maturity on data collection for these types of assets.

Figure 2-1: Condition Overview by Asset Category



2.2 Facilities

Facility assets include buildings for the following Service Areas: Public Works, Community Services, Administration, Library/Art Gallery, and Fire. The Town has 28 facilities estimated at a replacement value of $126.7 million. The majority of facilities fall under Community Services, which covers Peach King Centre and other recreation facilities, including the park operations shop, park gazebos and pavilions. The cemetery building is classified under Public Works. Table 2-4 below shows a detailed breakdown of the quantity and estimated replacement value of facilities by Service Area.

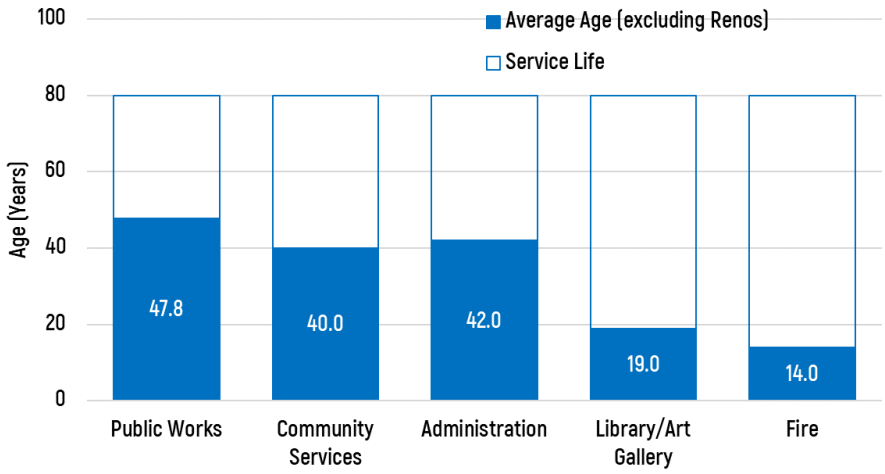
Table 2-4: Inventory of Facility Assets

Service	Quantity	Unit	Total
Public Works	4	facilities	$8.73
Community Services	20	facilities	$80.74
Administration	1	facilities	$12.59
Library/Art Gallery	1	facilities	$9.65
Fire	2	facilities	$14.99
Total	28		$126.7

2.2.1 Asset Age

The average age and estimated service life of the Town's facilities, weighted by replacement value, is summarized in Figure 2-2. On average, the Town's Public Works, Community Services, and Administration facilities are at or past mid-life based on the original construction year of the facilities. The Town continues to complete major renovations on its facilities, including Peach King Centre, Grimsby Operations Centre, and Grimsby Municipal Offices which help maintain these assets in a state of good repair and meet changing Town and community needs.

Figure 2-2: Average Age – Facility Assets



2.2.2 Asset Condition

The Town conducted building condition assessments to identify renewal needs for its facilities. Based on the assessment information, an overall condition for State of Infrastructure reporting is determined for each facility based on the Facility Condition Index (FCI). The Town uses a 3-year FCI, calculated based on the following formula:

$$FCI = \left[\frac{\text{Total Cost of Needed Repairs/Renewals}}{\text{Current Replacement Value of Facility}} \right]$$

Where:

- Total Cost of Needed Repairs/Renewals: Deferred and needed repair/renewal requirements over next 3 years
- Current Replacement Value: Overall facility replacement value (like-for-like)

Higher repairs and renewals result in a higher FCI and worse facility condition. The FCI is converted to a Very Good to Very Poor condition rating based on Table 2-5.

Table 2-5: Conversion Table for Condition Grades and Facility Condition Index

Condition	Facility Condition Index	Condition Description
Very Good	0 to 5%	The asset is fit for the future. It is well maintained, in good condition, new or recently rehabilitated.
Good	>5 to 10%	The asset is adequate. It is acceptable and generally within the mid-stage of its expected service life.
Fair	>10 to 15%	The asset requires attention. The asset shows signs of deterioration and some elements exhibit deficiencies.
Poor	>15 to 30%	There is an increasing potential for its condition to affect the service it provides. The asset is approaching the end of its service life, the condition is below the standard and a large portion of the system exhibits significant deterioration.
Very Poor	>30%	The asset is unfit for sustained service. It is near or beyond its expected service life and shows widespread signs of advanced deterioration. Some assets may be unusable.

Overall, the Town's average FCI is 3.9% and the overall facility portfolio is in 'Very Good' condition. The condition distribution of the Town's facility assets is summarized in Figure 2-3. The figure shows the relative replacement value by Service Area, and the proportion of assets by condition grade, with almost all facilities in fair or better condition. Considerable renewal work is still required over the next 10 years to maintain facilities from deteriorating to a lower condition state, as discussed in Section 5.2.1.3.

Figure 2-3: Condition Overview by Replacement Value – Facilities

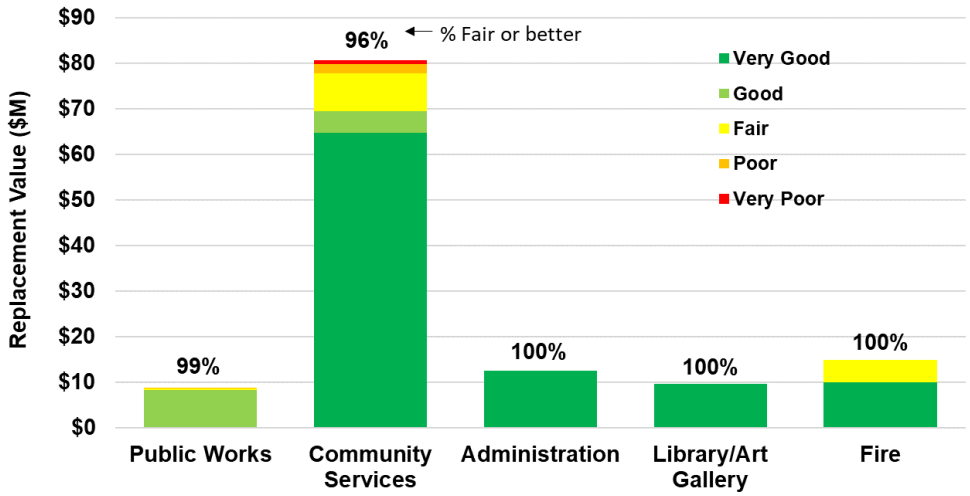


Table 2-6: Condition Overview by Replacement Value (Table Format) – Facilities ($M)

Service Area	Very Good	Good	Fair	Poor	Very Poor	Unknown	Total
Public Works	$0.00	$8.30	$0.36	$0.07	$0.00	$0.00	$8.73
Community Services	$64.76	$4.75	$8.24	$2.14	$0.86	$0.00	$80.74
Administration	$12.59	$0.00	$0.00	$0.00	$0.00	$0.00	$12.59
Library/Art Gallery	$9.65	$0.00	$0.00	$0.00	$0.00	$0.00	$9.65
Fire	$10.00	$0.00	$4.99	$0.00	$0.00	$0.00	$14.99
Total	$97.00	$13.05	$13.59	$2.20	$0.86	$0.00	$126.7

*Totals may not add up due to rounding

2.3 Parks, Outdoor Recreation, and Natural Infrastructure

Parks and Outdoor Recreation assets include built amenities such as tennis courts, ball diamonds, playgrounds, trails and general park infrastructure such as park parking lots and shoreline protection. Natural Infrastructure covers assets such as trees, meadows, and wetlands. The inventory was developed based on the work done by the Niagara Peninsula Conservation Authority to categorize natural areas by Ecological Land Classifications. Establishing a current replacement cost for natural assets is somewhat more challenging than for other assets since natural areas (e.g. forest and wetlands) are not typically built or constructed. Therefore, estimating a replacement cost is achieved by estimating the anticipated cost to restore a natural asset using average estimated restoration costs per hectare of natural areas. The total current replacement value of Parks, Outdoor Recreation, and Natural Infrastructure assets is estimated to be $86.7 million.

Table 2-7 provides a breakdown of the inventory and replacement value by asset type. Play structures and swings account for approximately half of the outdoor recreation asset replacement value, and shoreline protection accounts for a significant portion of general park infrastructure value. A recommendation is to improve the inventory for sports field fencing (see Section 7 for improvement recommendations).

Table 2-7: Inventory of Parks, Outdoor Recreation, and Natural Infrastructure ($M)*

Asset Type		Quantity	Unit	Total ($M)
Outdoor Recreation	Basketball Court	6	sites	$0.60
	Multi-Use Court	2	court	$0.40
	Ball Diamond	11	fields	$1.65
	Soccer Field	14	fields	$2.80
	Rugby Field	1	fields	$0.20
	Beach Volleyball	1	court	$0.01
	Lawn Bowling	1	sites	$0.01
	Dog Park	3	sites	$0.15
	Pickleball Courts	1	sites	$0.20
	Tennis Courts	1	sites	$0.44
	Skateboard Park	1	sites	$0.05
	Splash Pad	2	sites	$0.50
	Outdoor rink	1	assets	$0.10
	Outdoor Track	1	assets	$0.05
	Play Structure Neighbourhood Park	43	assets	$4.30
	Play Structure Community Park	11	assets	$2.75
	Swing	43	assets	$0.86
	Climbing Wall	2	assets	$0.03
	Dog Park Pavilion	18	assets	$0.08
	Light Posts Sports Facility	47	assets	$0.33
	Sports Field Fencing	1125	m	$0.28
Sub-Total				$15.8
Park Vehicular and Pedestrian Network	Park Parking Lots	21	assets	$2.51
	Trails	27,357	m	$6.77
	Bridges	6	assets	$0.98
	Retaining Wall	1	assets	$0.65

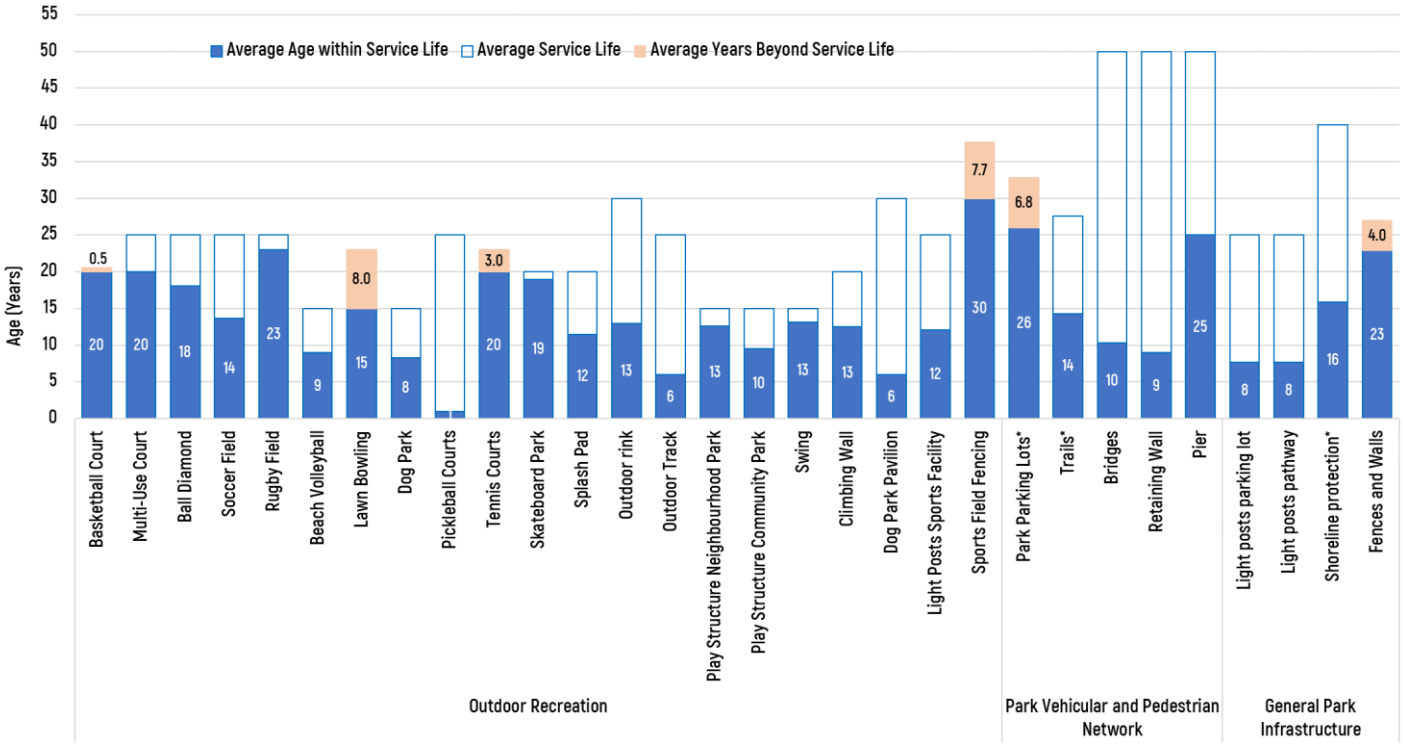
Asset Type		Quantity	Unit	Total ($M)
	Pier	1	assets	$1.09
Sub-Total				$12.0
General Park Infrastructure	Bench	119	assets	$0.11
	Picnic table	47	assets	$0.02
	Garbage can	150	assets	$0.18
	Bench (Memorial)	43	assets	$0.09
	Bike rack	27	assets	$0.14
	Monument	3	assets	$0.02
	Light posts parking lot	18	assets	$0.05
	Light posts pathway	10	assets	$0.01
	Park Signs	72	assets	$0.01
	Shoreline protection	2346	m	$30.50
	Fences and Walls	19223	m	$2.30
Sub-Total				$33.4
Natural Infrastructure	Street Trees	8,035	Trees	$18.08
	Park Trees***	1281	Trees	$2.88
	Woodlands and Woodlots**	531,254	sq.m.	$2.66
	Meadows and Thickets**	274,239	sq.m.	$0.49
	Wetlands and Swamps**	244,256	sq.m.	$1.32
	Garden**	301	sq.m.	$0.00
	Shoreline (Beach)**	8,082	sq.m.	$0.03
Sub-Total				$25.5
Total				$86.7

*Totals may not add up due to rounding
**Estimated restoration unit costs per hectare
***Currently available inventory (additional park trees still to be inventoried)

2.3.1 Asset Age

The average age and estimated service life of the Town's park and outdoor recreation assets, weighted by replacement value, is summarized in Figure 2-4 where data is available. Construction year is generally not applicable to natural infrastructure assets, and purchase year is typically also not tracked on an individual basis for park furniture such as benches and garbage cans. On average, the Town's basketball courts, tennis courts, lawn bowling green, and park parking lots are past their service life, but based on their condition assessments, are in fairly good condition. Sports field fencing and general park fences and walls are also on average past their service life.

Figure 2-4: Average Age – Parks and Outdoor Recreation Assets



*Park Parking Lots (32% missing age); Trails (50% missing age); Shoreline protection (4% missing age)

2.3.2 Asset Condition

The condition for parks and outdoor recreation is based on condition ratings where available, and remaining service life based on age where ratings are not documented. As shown in Figure 2-5, only 56% of outdoor recreation assets are in fair or better condition, a significant portion due to playgrounds and swings estimated in poor condition based on their age. Under other park assets, fences and walls represent a significant portion of the very poor assets. For natural infrastructure, most assets, except for park trees, are not assessed for condition. To supplement Figure 2-5, the value of assets in each condition rating is provided in tabular format in Table 2-8.

Figure 2-5: Condition Distribution – Parks, Outdoor Recreation, and Natural Infrastructure

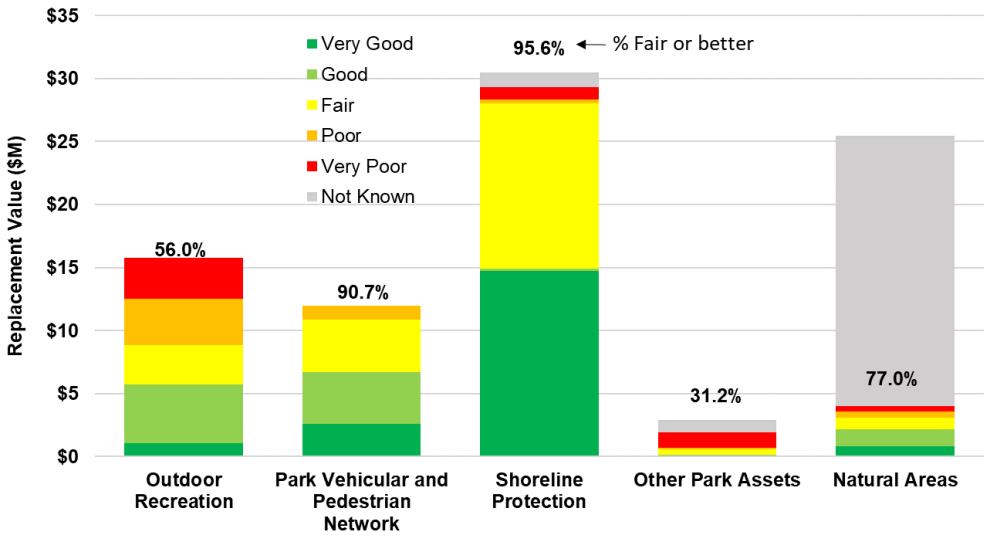


Table 2-8: Condition Distribution – Parks, Outdoor Recreation, and Natural Infrastructure ($M) (Table Format)*

Asset Type	Very Good	Good	Fair	Poor	Very Poor	Unknown	Total
Outdoor Recreation	$1.04	$4.66	$3.14	$3.71	$3.24	$0.00	$15.79
Park Vehicular and Pedestrian Network	$2.61	$4.09	$4.18	$1.12	$0.00	$0.00	$12.00
Shoreline Protection	$14.71	$0.20	$13.12	$0.34	$0.94	$1.20	$30.50
Other Park Assets	$0.02	$0.15	$0.43	$0.12	$1.20	$1.00	$2.91
Natural Areas	$0.82	$1.36	$0.93	$0.46	$0.47	$21.42	$25.46
Total	$19.2	$10.5	$21.8	$5.7	$5.8	$23.6	$86.7

*Totals may not add up due to rounding

2.4 Fleet

Fleet assets support departments and services across the Town. Assets include vehicles and equipment. Fleet for the fire department is also covered under this section. Table 2-9 shows the $16.9 million estimated replacement value of the Town's fleet assets by Service Area. The inventory does not include vehicles or equipment that are set to be decommissioned. Low value and low criticality equipment that are run-to-failure are not individually tracked and are also not included in the inventory.

Table 2-9: Inventory of Fleet Assets*

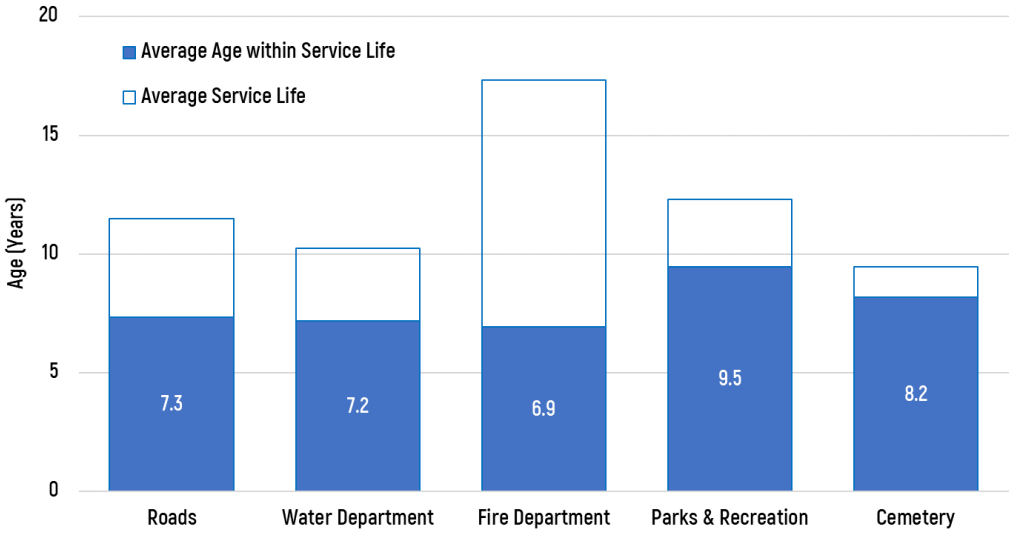
Service	Quantity	Unit	Total ($M)
Roads	70 assets 31 Vehicles and 39 Equipment	assets	$5.06
Water Department	34 assets 11 Vehicles and 23 Equipment	assets	$1.73
Fire Department	17 assets 15 Vehicles and 2 Equipment	assets	$7.90
Parks & Recreation	98 assets 24 Vehicles and 74 Equipment	assets	$2.01
Cemetery	10 assets 1 Vehicle and 9 Equipment	assets	$0.23
Total	229		$16.9

*Totals may not add up due to rounding

2.4.1 Asset Age

The average age and estimated service life of the Town's fleet assets, weighted by replacement value, is summarized in Figure 2-6. On average, the Town's fleet are at or past mid-life of their expected service lives.

Figure 2-6: Average Age – Fleet



2.4.2 Asset Condition

The condition for fleet is based on age compared to the estimated remaining service life according to the scale previously described in Table 2-3. The condition distribution of the Town's fleet is summarized in Figure 2-7. In general, the fleet network is in fair condition, with over 69% of assets estimated to be in fair or better condition across each asset category. As the condition is an age-based assessment, some of these vehicles may still be in better condition than represented in Figure 2-7, as the Town carries out regular inspections and preventive maintenance strategies to maximize vehicle service life. The fire department has one pump truck valued at $1.4 million in very poor condition due to its age that is scheduled for replacement in 2024. The existing pump truck will be kept as reserve for use as a backup truck. To supplement Figure 2-7, the value of assets in each condition rating is provided in tabular format in Table 2-10.

Figure 2-7: Condition Distribution – Fleet

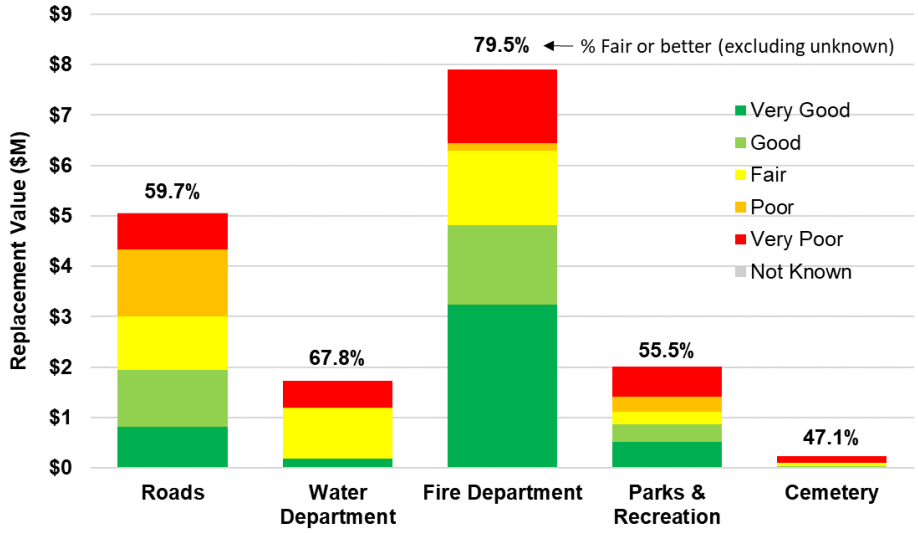


Table 2-10: Condition Overview by Replacement Value (Table Format) – Fleet ($M)

Service	Very Good	Good	Fair	Poor	Very Poor	Unknown	Total
Roads	$0.82	$1.12	$1.07	$1.32	$0.72	$0.02	$5.06
Water Department	$0.19	$0.00	$0.98	$0.03	$0.53	$0.00	$1.73
Fire Department	$3.23	$1.58	$1.48	$0.15	$1.47	$0.00	$7.90
Parks & Recreation	$0.52	$0.35	$0.25	$0.29	$0.60	$0.00	$2.01
Cemetery	$0.00	$0.04	$0.07	$0.00	$0.12	$0.00	$0.23
Total	$4.76	$3.09	$3.84	$1.79	$3.44	$0.02	$16.9

*Totals may not add up due to rounding

2.5 Fire

Fire assets include equipment such as communications (e.g. radios), fire equipment (e.g. hoses, extrication equipment), personal protective equipment (PPE), self-contained breathing apparatus (SCBA), and facility equipment (e.g. washing machine, emergency generator). Fire trucks and vehicles are captured under Fleet in Section 2.4. Table 2-11 shows the $2.4 million estimated replacement value of the Town's fire equipment by asset type.

Table 2-11: Inventory of Fire Equipment*

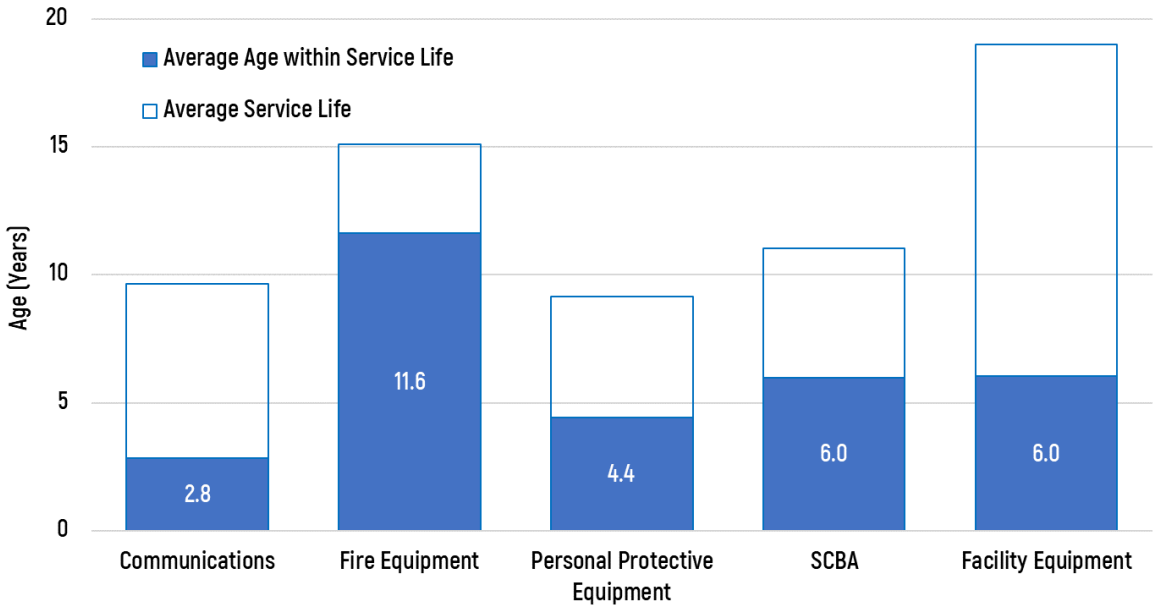
Asset Type	Quantity	Unit	Total ($M)
Communications	98	assets	$0.44
Fire Equipment	233	assets	$0.68
Personal Protective Equipment	261	assets	$0.33
SCBA	181	assets	$0.76
Facility Equipment	6	assets	$0.19
Total	779		$2.40

*Totals may not add up due to rounding

2.5.1 Asset Age

The average age and estimated service life of the Town's fire equipment, weighted by replacement value, is summarized in Figure 2-8.

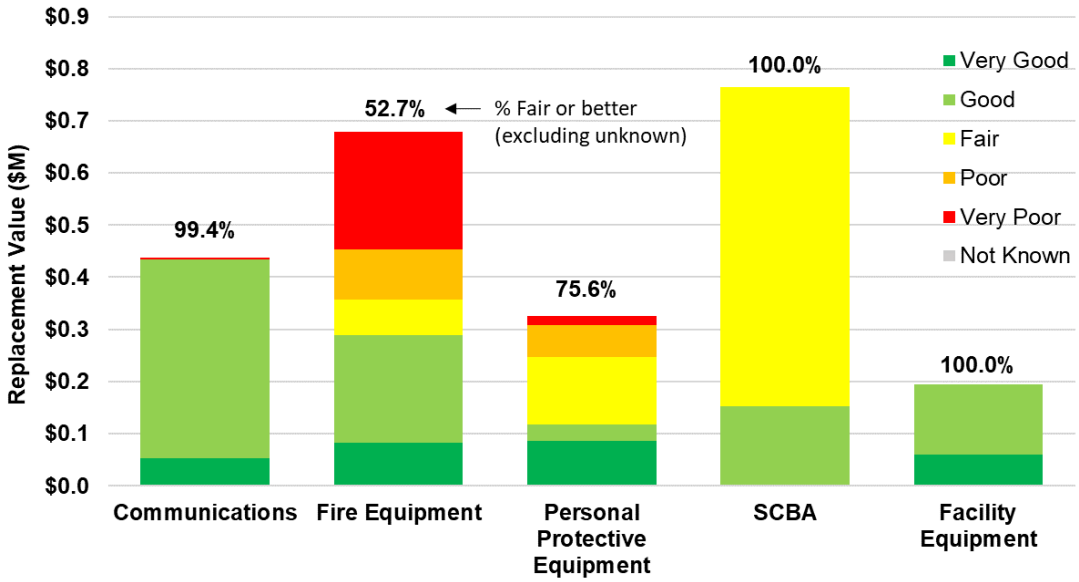
Figure 2-8: Average Age – Fire Equipment



2.5.2 Asset Condition

The condition of the Town's fire equipment is based on age compared to the estimated service life and summarized in Figure 2-9. Fire equipment assets are on average past mid-life with a significant portion of assets at end-of-life, represented by the very poor assets in Figure 2-9. The Fire department has an annual program to replace fire equipment, discussed further in Section 5.

Figure 2-9: Condition Distribution – Fire Equipment



The value of assets for each condition rating is provided in tabular format in Table 2-12.

Table 2-12: Condition Overview by Replacement Value (Table Format) – Fire Equipment ($M)

Asset Type	Very Good	Good	Fair	Poor	Very Poor	Unknown	Total
Communications	$0.05	$0.38	$0.00	$0.00	$0.00	$0.00	$0.44
Fire Equipment	$0.08	$0.21	$0.07	$0.09	$0.23	$0.00	$0.68
Personal Protective Equipment	$0.09	$0.03	$0.13	$0.06	$0.02	$0.00	$0.33
SCBA	$0.00	$0.15	$0.61	$0.00	$0.00	$0.00	$0.76
Facility Equipment	$0.06	$0.13	$0.00	$0.00	$0.00	$0.00	$0.19
Total	$0.28	$0.91	$0.81	$0.16	$0.25	$0.00	$2.40

*Totals may not add up due to rounding

2.6 Information Technology (IT)

IT assets include equipment such as hardware (e.g. desktops, phones), networking (e.g. servers, access points), and audio visual equipment. Table 2-11 summarizes the $1.5 million estimated replacement value of the Town's fire equipment by asset type. Printers are leased and are not included in the inventory summary.

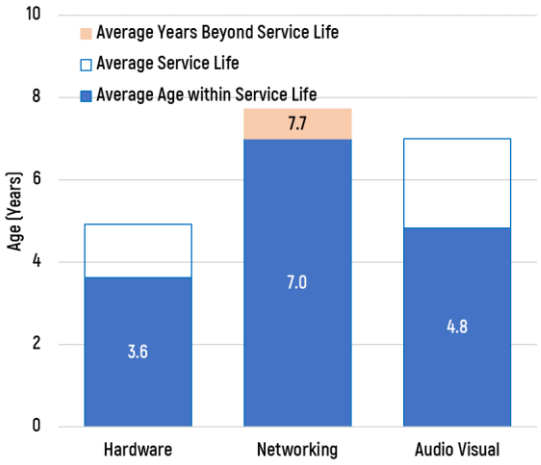
Table 2-13: Inventory of IT Assets*

Asset Type	Quantity	Unit	Total ($M)
Hardware	531	assets	$0.57
Networking	87	assets	$0.82
Audio Visual	44	assets	$0.08
Total	658		$1.5

2.6.1 Asset Age

The average age and estimated service life of the Town's IT assets, weighted by replacement value, is summarized in Figure 2-10. The average networking asset is at the end of its estimated service life.

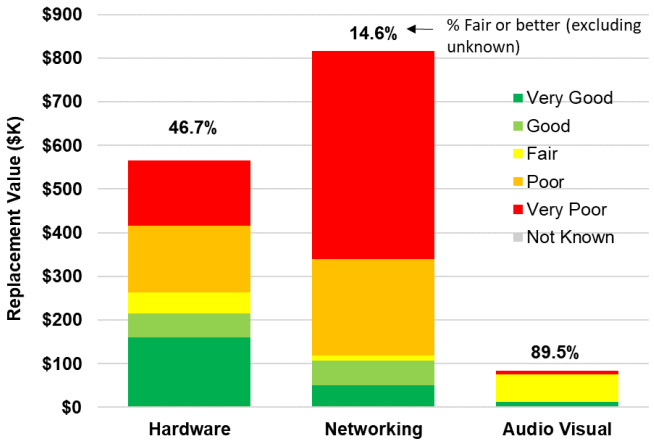
Figure 2-10: Average Age – Information Technology



2.6.2 Asset Condition

The condition of the Town's IT assets is based on age compared to the estimated service life and summarized in Figure 2-11. IT assets are on average past mid-life with a significant portion of assets at end-of-life, represented by the very poor assets in Figure 2-11. The IT department has an annual program to replace assets in the 10-year Capital Plan, discussed further in Section 5.

Figure 2-11: Condition Distribution – Information Technology



The value of assets for each condition rating is provided in tabular format in Table 2-14.

Table 2-14: Condition Overview by Replacement Value (Table Format) – IT ($M)

Asset Type	Very Good	Good	Fair	Poor	Very Poor	Unknown	Total
Hardware	$0.16	$0.06	$0.05	$0.15	$0.15	$0.00	$0.57
Networking	$0.05	$0.06	$0.01	$0.22	$0.48	$0.00	$0.82
Audio Visual	$0.01	$0.00	$0.06	$0.00	$0.01	$0.00	$0.08
Total*	$0.22	$0.11	$0.12	$0.37	$0.63	$0.00	$1.5

*Totals may not add up due to rounding

3 Levels of Service

3.1 Understanding Levels of Service

In the State of Infrastructure Section, the value, age, and condition of the Town's infrastructure assets were discussed. The Levels of Service (LOS) chapter builds on the State of Infrastructure by defining the current service levels the Town's assets are delivering to the community. Understanding current service levels sets the foundation for developing appropriate proposed service levels as required by O.Reg. 588/17 by 2025 that consider the associated costs and risks.

LOS are statements that describe the outputs and objectives the Town intends to deliver to its residents, businesses, and other stakeholders.

Developing, monitoring, and reporting on LOS are all integral parts of an overall performance management program which is aimed at improving service delivery and demonstrating accountability to the Town's stakeholders.

In general, LOS are guided by a combination of customer expectations, legislative requirements, internal policies and procedures, and affordability. Effective asset management requires that LOS be formalized and supported through a framework of performance measures, performance levels, and timeframes to achieve performance levels, such that the costs to deliver the documented LOS can be understood.

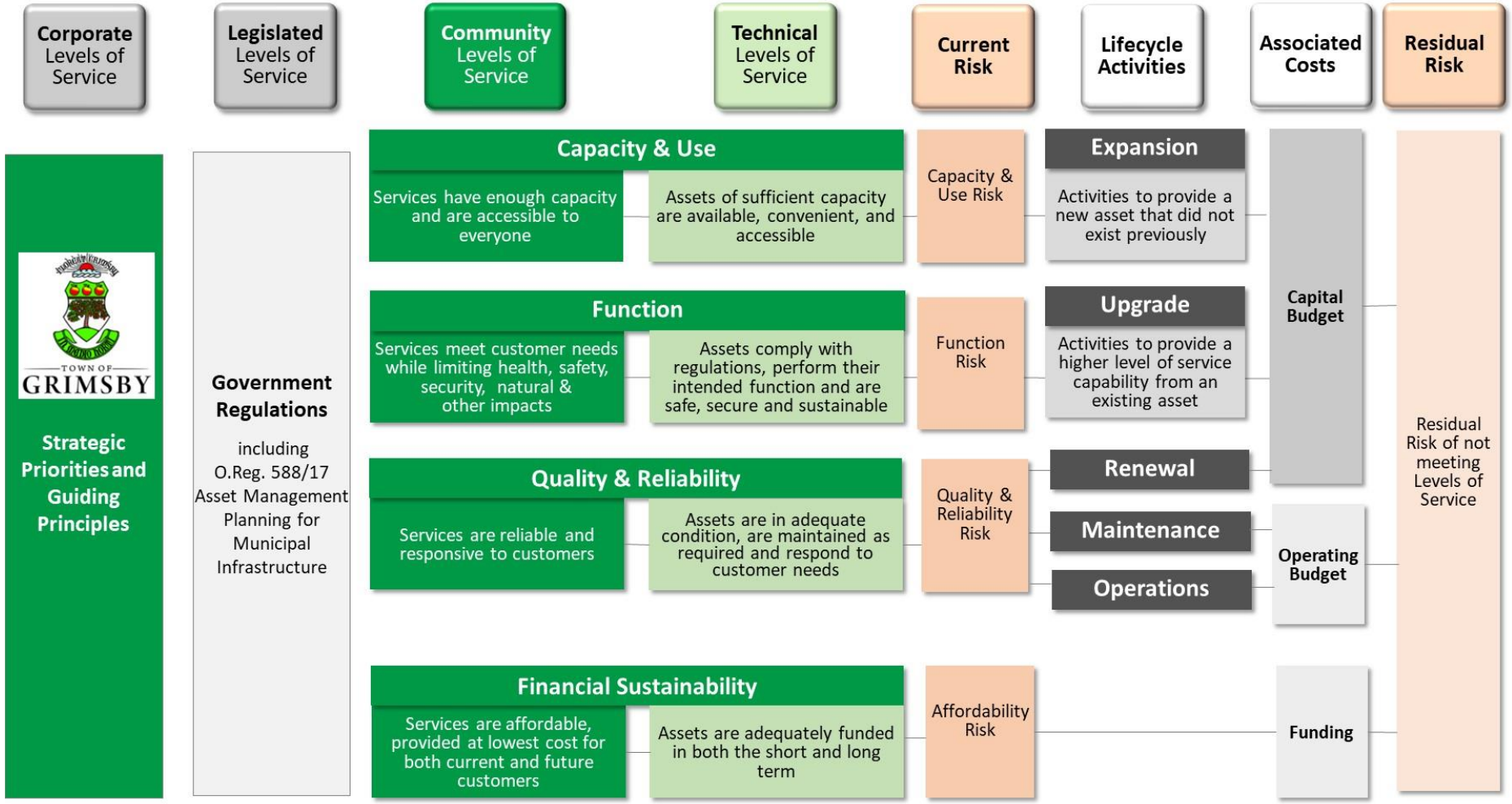
3.2 Line of Sight

Figure 3-1 shows the LOS framework and line of sight from high-level corporate initiatives to detailed asset-specific Technical LOS. Corporate commitments, along with legislated LOS drive the definition of more specific Community LOS that describe the services that the assets need to deliver to the Town's residents and businesses. Community LOS can be categorized as relating to one of the following service attributes:

- Capacity & Use: Services have enough capacity and are accessible to the customers. Capacity & Use LOS drive Growth needs.
- Function: Services meet customer needs while limiting health, safety, security, natural and heritage impacts. Function LOS drive Upgrade needs
- Quality & Reliability: Services are reliable and responsive to customers. Quality LOS drive Renewal, Operations and Maintenance needs.
- Financial Sustainability: Services are affordable and provided at the lowest cost for both current and future customers. Financial Sustainability LOS drive Funding needs.

Lifecycle management activities balance the cost of service with the risk to meeting service levels. This Line of Sight establishes the connection of how the day-to-day management of Town assets contributes to the success of achieving corporate strategic priorities.

Figure 3-1: Levels of Service Framework



3.3 Corporate Levels of Service

The Corporate, or Strategic LOS establish service levels that describe the main vision or objective of service delivery at the Town. The Town of Grimsby Council's 2023 to 2026 Strategic Priorities document includes 3 strategic priorities, 11 directions, and 34 actions.

This AM Plan supports various elements of the priorities including:

High Quality of Life	• Ensure Grimsby is a community that is welcoming and inclusive to all • Invest in infrastructure and services that improve the quality of life for residents
Responsible and progressive growth	• Protect our natural environment
Collective Prosperity	• Focus on affordability and financial sustainability for the municipality

The AM Plan demonstrates accountability and sustainability by identifying priority needs and providing Council and staff with a framework for informing decision-making and fostering fiscal responsibility.

3.4 Legislated Levels of Service

Legislated requirements define the standards according to which the Town is legally obligated to provide services to the community, and these standards typically relate to asset safety and reliability. For example, Regulation 565 Public Pools R.R.O. 1990 ensures that pools meet water quality parameters such as pH, chlorine, and alkalinity. Fire service is regulated by the Fire Protections & Prevention Act (FPPA) 1997. Legislated service levels that drive day-to-day operational activities are considered in this AM Plan but are generally not documented as measures as the Town has incorporated these activities as part of its normal operations.

3.5 Community and Technical Levels of Service

The Community and Technical LOS discussed in this AM Plan are focused on those that support achievement of the Town's higher level strategic priorities. In addition to the measures identified in Sections 3.5.1 to 3.5.5, the Town will be developing measures related to how well the Town is completing operations and maintenance activities after it has collected data through implementation of its Computerized Maintenance Management System and Enterprise Asset Management System.

3.5.1 Facilities

Table 3-1 summarizes Community and Technical LOS related to facility assets. To manage the impacts of the Town's growing population and evolving demographics, the Town maintains an appropriate number of facility spaces compared to the population to ensure that the Town's portfolio is aligned with current and future needs. The Town is currently developing an update to the existing provision service levels in the Parks, Recreation and Culture Master Plan update. The revised service levels will identify the potential need for expansion or additional facilities and be incorporated in the next iteration of the AM Plan that defines proposed service levels per O.Reg. 588/17 requirements. Current provision levels for key facilities and spaces per the 2019 Parks, Recreation, and Culture Master Plan are

included in Table 3-1, with current performance based on the most recent 2021 Statistics Canada Census of Population. Service levels are not specifically documented for library or fire stations, but a need has been identified for expansion of the library and a new fire station to meet community needs (refer to Section 5.2.1).

To support climate change mitigation, the Town completed ASHRAE energy audits on its facilities, and has implemented projects such as upgrades to more energy efficient LED lighting and monitors energy consumption across its facility portfolio. In addition to the energy audits, the Town also completed accessibility audits on its facilities, which supports the Town's priority to reduce barriers for residents in accessing facilities and spaces. It is estimated that the Town is approximately 70% complete in implementing the accessibility audit recommendations.

In terms of facility quality and reliability, facility assets are generally performing well, with most facilities in fair or better condition based on FCI.

Table 3-1: Levels of Service – Facilities

Community Levels of Service	Technical Levels of Service		
	Description		Current Performance
Capacity and Use LOS			
Indoor recreational facilities provide valuable space for year-round activities and events for Grimsby. Both the Town and community organizations use these spaces to help keep residents of all ages active, healthy and engaged.	Number of residents per facility type	Arena, Artificial Indoor Ice Area (Indoor Ice Pads)	1 : 14,442*
		Community Centre / Multi- Use Recreational Facility	1 : 14,442*
		Auditorium	1 : 14,442*
		Seniors Day Centre	1: 28,883*
		Youth Drop-in Centres	1: 28,883*
Functional LOS			
Sustainability: Energy performance of Town infrastructure is optimized with a goal to reduce utility consumption and support climate change mitigation initiatives.	Annual facility energy consumption per m^2 (ekWh/m^2)		760 ekWh/m^2 (2019**)
Accessibility: Facility accessibility is strengthened by reducing barriers for residents in accessing facilities, spaces, and services.	% of facilities meeting accessibility requirements		~70%
Quality and Reliability LOS			
Facilities assets are maintained in a state of good repair to provide reliable services to the community.	Average Facility Condition Index (weighted by replacement value)		3.9%
	Percentage of facilities in fair or better condition		97.5%

*Based on Town population in 2021 Census of Population (Statistics Canada)

**2019 performance provided to represent more typical energy consumption (pre-pandemic)

3.5.2 Parks, Outdoor Recreation, and Natural Infrastructure

Table 3-2 summarizes Community and Technical LOS related to Parks, Outdoor Recreation, and Natural Infrastructure assets. To manage the impacts of the Town's growing population and evolving demographics, the Town maintains an appropriate number of outdoor recreation amenities compared to the population to align the Town's portfolio with current and future needs. Similar to indoor facilities, the revised service levels in the update to the 2019 Parks, Recreation and Culture Master Plan will identify the potential need for additional outdoor recreation amenities, such

as the need for an additional dog leash-free park and be incorporated in the next iteration of the AM Plan that defines proposed service levels per O.Reg. 588/17 requirements. Provision levels from 2018 for outdoor recreation facilities are available in the 2019 Parks, Recreation, and Culture Master Plan. The 2019 Master Plan also identified the area of parkland per 1000 residents. This measure and recommended target will be reviewed during development of the Parks Master Plan to be completed in 2025. The Town may also consider a future measure related to canopy cover, aligned with the Town's strategic priority to protect the natural environment.

The Town recently completed its Recreational Trails Master Plan to support its initiative to provide a comprehensive and connected townwide system. A key capacity service level relates to the length of constructed urban destination trails, which are generally accessible multi-use trails maintained for year-round use. As of 2023, the Town has 8.5km of urban destination trails, with plans to increase the trail network (growth in the trail network is discussed further in Section 5.2.1.4).

In terms of quality and reliability, parks and outdoor recreation assets and park trees are estimated to have 82% and 77% of assets (by value) in fair or better condition, respectively. Therefore, there is a moderate amount of backlog and assets in poor or very poor condition either based on age or observed condition.

Table 3-2: Levels of Service – Parks, Outdoor Recreation, and Natural Infrastructure

Community Levels of Service	Technical Levels of Service	
	Description	Current Performance
Capacity and Use LOS		
An adequate provision of parks & recreation facilities is available to the community. Trails provide year-round recreational opportunities for residents and visitors to access and enjoy public greenspace through a comprehensive and connected citywide system.	Number of residents per amenity type	Refer to 2019 Parks, Recreation, and Culture Master Plan
	Parkland area per 1000 residents (neighbourhood + community parks)	3.5 hectares/1000 residents (2018)
	# of km of urban destination trails (multi-use trails with year-round use)	Urban Destination Trails: 8.5km
Quality and Reliability LOS		
Assets are maintained in a state of good repair to provide reliable services to the community.	Percentage of parks and outdoor recreation assets in fair or better condition	82%
	Percentage of park trees in fair or better condition	77%

3.5.3 Fleet

Table 3-3 summarizes Community and Technical LOS related to fleet assets, including fire vehicles. For public works, a key objective is to meet O.Reg. 239 Minimum Maintenance Standards, including winter control standards. Currently, based on the existing inventory of snow plow vehicles, the average vehicle needs to remove snow on 44 lane km of roads. This measure will assist the Town in understanding the needs for additional vehicles as the length of roads and sidewalks requiring snow removal increases with development for the growing population.

A key action in the Strategic Priorities is to optimize the delivery of fire prevention and fire protection services. Response times are indicated as a future measure in Table 3-3. The Fire Department is undertaking a study to determine response time service levels, benchmarked against NFPA 1710 and 1720 standards as appropriate.

In terms of quality and reliability, corporate fleet assets are generally past mid-life, as discussed in Section 2.4.1, with 69% of assets in fair or better condition based on age. For fire fleet, 80% of fleet are in fair or better condition, with one pumper truck representing the main asset in Very Poor condition. This pumper truck is to be replaced in 2024 per the Capital Plan (refer to Section 5.2.3.3).

Table 3-3: Levels of Service – Fleet

Community Levels of Service	Technical Levels of Service	
	Description	Current Performance
Capacity and Use LOS		
Town maintains adequate number of fleet to meet O.Reg. 239 Minimum Maintenance Standards	# of km of snow removal required per vehicle	44 lane km / vehicle
Fire Services provides emergency response considering the growing population and needs of the community, and continues to optimize the delivery of fire prevention and fire protection services.	Response times	Fire department is undertaking a study to determine response time service levels, benchmarked against NFPA 1710 and 1720 standards as appropriate
Quality and Reliability LOS		
Town's fleet and equipment are reliable and available for service	Percentage of corporate fleet and equipment in fair or better condition	69%
	Percentage of fire fleet in fair or better condition	80%

3.5.4 Fire

Table 3-4 summarizes Community and Technical LOS related to the Fire service. Additional levels of service from facility and fleet perspectives are covered in Sections 3.5.1 and 3.5.3, respectively. As indicated in Section 3.5.3, a key action in the Strategic Priorities is to optimize the delivery of fire prevention and fire protection services, which influences the need for adequate fire facilities and fleet as well as fire equipment. Service levels related to response times are an indicator of service delivery efficiency, and will be developed as a future service level, as noted in Table 3-4. Additional considerations in supporting efficient service delivery include ensuring the procurement of appropriate types of fire apparatus and having adequate human resources.

In terms of quality and reliability, fire equipment assets are generally in good condition, with 85% of assets in fair or better condition based on age.

Table 3-4: Levels of Service – Fire

Community Levels of Service	Technical Levels of Service	
	Description	Current Performance
Capacity and Use LOS		
Fire Services provides emergency response considering the growing population and needs of the community, and continues to optimize the delivery of fire prevention and fire protection services.	Response times	Fire department is undertaking a study to determine response time service levels, benchmarked against NFPA 1710 and 1720 standards as appropriate
Quality and Reliability LOS		
Town's fire equipment assets are reliable and available for service	Percentage of fire equipment in fair or better condition	85%

3.5.5 Information Technology

Table 3-5 summarizes Community and Technical LOS related to IT assets. The Town maintains data on the average megabits per second of internet service received and transmitted to measure network bandwidth and throughput. The IT department also focuses on data and information security, and monitors the percentage of incoming emails blocked to Town staff, which mitigates threats to data and information breaches. In terms of quality and reliability, network IT assets are on average past service life, and therefore only 30% of overall IT assets are in fair or better condition based on age. The Town has planned expenditures to replace this equipment in the 10-year Capital Plan, as discussed further in Section 5. These replacements will help to support server and network uptime availability.

Table 3-5: Levels of Service – Information Technology

Community Levels of Service	Technical Levels of Service	
	Description	Current Performance
Capacity and Use LOS		
IT Services provides adequate supply of assets to meet needs of increasing number of staff and new applications and technologies	Average megabits per second (mbps) for Internet service received/ transmitted /total (2023)	Received - 7.53 mbps Transmitted - 3.96 mbps Total - 11.49 mbps
Functional LOS		
IT services provide assets that meet technological requirements of staff and services provided to residents while protecting data and information security.	% of incoming email blocked (2023)	90.05%
Quality and Reliability LOS		
IT services provide assets that support reliable services to staff and Town Service Areas.	% of assets in Fair or Better condition	30%
	Server uptime availability (%) (last 365 days as of Feb 2024)	99.38%
	Network uptime availability (%) (last 365 days as of Feb 2024)	100.00%

3.6 Financial Sustainability Service Levels

Levels of Service related to financial sustainability are discussed in the Financing Strategy Section 6.3.5.

3.7 External Trends and Issues Affecting Levels of Service

The Town's ability to maintain current service levels may be impacted by external trends and factors. Future updates to the AMP will consider such factors as they occur and incorporate them into the reporting and setting of appropriate service levels.

- **Demographic Factors**: Population and employment changes can impact the intensity and frequency of infrastructure use, resulting in the need for additional infrastructure or more frequent asset renewal strategies.
- **Social and Economic Factors**: Increases in environmentally conscious behaviour and attitudes among residents and businesses can lead to infrastructure that lasts longer and is more efficient. From an economic perspective, higher costs due to increases to the cost of materials and energy can reduce the ability to maintain the same level of service.
- **Technological Factors**: Changes in technology or asset construction, operation, or maintenance methods may lead to the replacement of obsolete equipment or materials, helping to achieve higher quality service levels and better cost efficiencies over the asset lifecycle.

- **Regulatory Factors**: As a lower-tier municipality, the Town is subject to various policies, programs, and legislative decisions issued by other levels of government (i.e., federal, provincial, and regional), and such legislative changes can impact the Town's strategic direction and demand for services. Specific asset-related legislation such as Accessibility for Ontarians with Disabilities Act (AODA) can also impact the required performance levels of assets.
- **Environmental Factors**: In 2021, Council unanimously passed a resolution for the Town to join the Federation of Canadian Municipalities (FCM) and ICLEI Canada Partners for Climate Protection (PCP) program. Consequences attributed to the climate change crisis are already being seen in the Town such as record-setting high lake levels, shoreline erosion, and extreme weather events. Mitigation strategies such as GHG emission reduction, and adaptation strategies such as shoreline protection, will continue to be developed and implemented by the Town as climate change impacts are better understood.

4 Risk Management Strategy

4.1 Overview

A key asset management principle for the Town is to meet service levels and manage risk, while minimizing lifecycle costs. The relative importance of the assets to support service delivery, referred to as asset criticality, is a key driver in the selection of the most appropriate asset management strategy for each asset. Critical assets include assets that are key contributors to performance and have the highest consequences of failure to provide required service levels.

Risk events, such as an asset's failure in capacity, function, or reliability, are events that may compromise the delivery of the Town's strategic priorities. Lifecycle activities are used to manage the risk of failure by reducing the likelihood of asset failure to acceptable levels. The impact of asset failure on the Town's ability to meet its strategic priorities informs the type and timing of lifecycle activities.

The Town's preliminary risk strategy estimates the risk exposure of its assets to inform the prioritization of projects across asset classes and service areas. Risk exposure is the multiplication of two factors:

Risk Exposure = Consequence of Failure x Likelihood of Failure

The criticality or consequence of failure (CoF) is the direct and indirect impact on the Town if an asset failure were to occur, and the likelihood of failure (LoF) is the likelihood that an asset failure may occur.

4.2 Consequence of Failure

The focus in this section is on asset criticality or consequence of failure which reflects the importance of an asset to the Town's delivery of services. The following impacts of a potential asset failure are considered:

- Financial: damages to Town infrastructure or private property, legal damages, loss of Town revenue, and fines.
- Health and Safety: the ability to meet health and safety related regulatory requirements, as well as the degree and extent of potential injury, ranging from negligible injuries to loss of life.
- Service Delivery: considers the extent of customers affected by service disruption, the type of service lost (essential versus non-essential), and length of service disruption.
- Reputational: consists of negative media, and or reduced trust / confidence in the Town.
- Environmental: acknowledges the length and extent of damages to the natural environment.

Table 4-1 summarizes the above listed impacts against an asset criticality rating scale from 1 to 5, with a higher score reflecting a higher consequence of failure. This rating scale will be refined as the Town incorporates assessment of non-core assets in future updates to this AM Plan. Improvements may include specifying values in terms of the number of people affected and amount of financial impact in dollars to improve the objectivity of the rating scale.

Table 4-1: Asset Criticality (Consequence of Failure) Rating Scale

Consequence Categories	1	2	3	4	5
	Insignificant	Minor	Moderate	Major	Extreme
Financial	Insignificant damages, losses, or fines. Absorbed in normal business operation.	Low damages, losses, or fines. Absorbed in normal business operation.	Moderate damages, losses, or fines. Notable change to operating budget.	Significant damages, losses, or fines requiring additional funding.	Significant damages, losses, and fines requiring additional current and future expenditures.
Health & Safety	No obvious potential for injury or affects to health.	Potential for minor injury or health affects of an individual. Full recovery is expected.	Potential for moderate or serious injury or affects to health. May affect many individuals.	Potential for serious injury or affects to health such as long-term disability. Emergency hospitalization required for one or more individuals.	Potential for death or multiple deaths; or Emergency and long-term hospitalization required for several individuals.
Service Delivery	Negligible service impact. Small number of customers impacted.	Localized service disruption. Typically up to one day loss of service.	Significant localized disruption. Typically up to one week loss of service.	Many areas disrupted or localized disruption for a long time; or loss of essential service for short period of time.	Town-wide service disruption, or loss of services for a very long period of time; or loss of essential service for moderate or long periods of time.
Reputational	No media exposure	Minor media exposure	Moderate local media exposure lasting several days	Intense local media exposure lasting several days and/or Town-wide exposure	Provincial (or Federal) exposure lasting several days or weeks
Environment	Negligible impact to natural environment.	Minor recoverable impact to natural environment.	Some environmental damage, with short term impacts.	Medium to long-term environmental damage requiring immediate intervention.	Significant environmental damages with long-term effects.

Understanding criticality enables risk to be incorporated into the development of the lifecycle management strategies. More critical assets are prioritized for expansion, inspection, cleaning, maintenance, and renewal, depending on their current and forecasted performance.

4.3 Risk to Levels of Service

Asset risk may be associated to one or more aspects of failure across the levels of service attributes discussed in Section 3.2:

- Capacity and Use: Asset may have failed to provide sufficient capacity in terms of availability, convenience, or accessibility
- Function: Asset may have failed to comply with regulations, perform its intended function, or is no longer considered sustainable due to factors such as obsolescence
- Quality/Reliability: Asset may have failed due to deteriorated physical condition.

4.3.1 Risk to Capacity LOS

As indicated in Section 1.3, over the past few years, the Town has experienced steady growth, and continues to plan for responsible growth and development through the official plan review, development of the Recreation Trails Master Plan, and update to the Parks, Recreation, and Culture Master Plan. The Town mitigates capacity-related risks by assessing the need for additional infrastructure and planning for additional infrastructure assumed by the Town through development. Projects to address known capacity issues are currently scheduled in the Town's 10-year Capital Budget, such as Fire Station 3 and Casablanca Waterfront park development. These and other lifecycle activities that address capacity service levels are discussed further in Section 5.

4.3.2 Risk to Function LOS

The Town also plans for service improvements to functional service levels while balancing these risks against capacity and reliability-related needs. Some of these upgrades are addressed through the Parks, Recreation, and Culture Master Plan and Recreational Trails Master Plan. Service enhancements currently planned over the next 10 years include revitalization of the pier and surrounding park at the Elizabeth St. Pumphouse and facility accessibility upgrades. Town upgrade projects that address risks to functional service levels are discussed further in Section 5.

4.3.3 Risk to Service Reliability

The Reliability Level of Service refers to maintaining Town assets in a state of good repair to reduce the incidence of unplanned service interruptions due to poor asset condition while minimizing lifecycle costs. Depending on the asset, unplanned failures can have wide-ranging consequences including service disruption, damage to surrounding infrastructure and property, risks to public safety, and environmental impacts. Building on the preliminary risk assessments for the Town's main linear assets (roads, water, and wastewater), a similar risk assessment was carried out on the non-Core assets covered in this AM Plan.

LoF is estimated based on the condition of the asset from Section 2 (State of Infrastructure), as shown in Table 4-2. As indicated in Section 2, the condition is mainly based on the age of the asset compared to its estimated service life.

Table 4-2: Likelihood of Failure Ratings for Reliability

LoF Rating	LoF Description	Asset Condition
1	Rare	Very Good
2	Unlikely	Good
3	Moderate	Fair
4	Probable	Poor
5	Very Likely	Very Poor

CoF is estimated based on the expected impact of an asset failure aligned with the rating scale provided in Table 4-1. Preliminary CoF ratings based on the 1 to 5 scale were assigned to each asset subtype, summarized in Table 4-3.

Table 4-3: Consequence of failure Ratings for Reliability

Asset Category	Critical Assets (CoF Rating 4 or 5)
Facilities	- Fire Station 1 - Fire Station 2 - Peach King Centre - Parks Operations Shop - Grimsby Operations Centre - Grimsby Municipal Offices - Salt Dome
Parks and Outdoor Recreation	- Playgrounds - Skateboard park - Splash pad - Retaining walls - Shoreline protection
Fleet	- Fire trucks - Dump truck/snow plows - Loader, backhoe - Emergency generator
Fire Equipment	- All frontline fire equipment such as personal protective equipment, SCBA, extrication equipment - Equipment in fire station such as generator and washing machine
IT	- Networking equipment such as: - Firewalls - Routers - Servers - Switches - UPS

The CoF rating methodology is based on current available data and resources and will be refined as the Town continues to mature in its asset management practices. The risk results are plotted on a risk map (Figure 4-1) to show a visual representation of risk exposure across the Town's assets. Colours on the map denote various levels of risk and help to prioritize the Town's resources, time, and effort for renewal activities.

- **Very High** risks in the light red zone are significant to the Town and therefore should be actively managed and monitored in a more comprehensive and/or immediate manner than other risks (i.e., prioritized).
- **High and Medium** risks in the orange (high) or green (medium) zones should also be actively managed or identified for potential mitigation soon.

- **Low and Very Low** risks that appear in the light blue (low) or grey (very low) zones are acceptable without significant mitigation strategies being implemented, although monitoring may still be beneficial.

As shown in Figure 4-1, $6.1 million (3%) of the Town's assets are currently estimated to be in the Very High risk category. Assets are not assessed for condition are not included in the risk profile.

Figure 4-1: Current Reliability Risk (by Replacement Value in $M)

PoF						
	5	$1.4	$2.6	$1.2	$3.8	$1.6
	4	$1.0	$3.7	$1.4	$2.9	$0.8
	3	$2.3	$3.3	$10.7	$15.1	$7.8
	2	$0.7	$7.1	$5.4	$2.2	$10.8
	1	$1.5	$2.0	$16.7	$32.2	$67.0
		1	2	3	4	5
		CoF				

Risk Category	Replacement Value ($M)	%
Very High	$6.1	3.0%
High	$11.9	5.8%
Medium	$29.9	14.6%
Low	$93.8	45.7%
Very Low	$63.5	30.9%
Total	**$205.2**	**100.0%**

*Totals may not add up due to rounding

Figure 4-2 summarizes the risk profile by asset category. The main assets currently estimated in Very High risk consist of assets past their estimated service life including: one fire truck, three dump trucks, playgrounds, various fire equipment (bunker gear, hoses, extrication equipment, and several IT servers and switches. Mitigation of these risks through lifecycle strategies are discussed further in Section 5.

Figure 4-2: Current Reliability Risk by Asset Category (by Replacement Value in $M)

Risk Category	Facilities	Parks and Outdoor Recreation	Fleet	Fire	IT	Total
Very High	$0.0	$3.1	$2.4	$0.3	$0.4	$6.1
High	$5.8	$2.7	$2.3	$0.8	$0.3	$11.9
Medium	$9.1	$15.5	$4.8	$0.4	$0.1	$29.9
Low	$77.4	$10.9	$4.5	$0.7	$0.2	$93.8
Very Low	$34.4	$26.8	$1.6	$0.1	$0.5	$63.5
Total	**$126.7**	**$59.0**	**$15.6**	**$2.4**	**$1.5**	**$205.2**

*Totals may not add up due to rounding

4.4 Climate Change Risk Considerations

Climate change risks pose an additional challenge to managing Town assets and maintaining service levels. Climate change events can play a role in increasing the likelihood of an asset failure, as well as increasing the consequence of failure in terms of financial impacts, service delivery, and damages to the natural environment due to the potential magnitude of an extreme weather event. Therefore, impacts due to climate change increase the Town's risk exposure that will need to be addressed through various strategies. Current and future lifecycle strategy considerations due to climate change are discussed in Section 5.3.

5 Lifecycle Management Strategy

5.1 Overview

To achieve its program objectives and maintain service levels, the Town builds new infrastructure assets to meet capacity needs, upgrades assets to meet functional needs, and manages existing assets to meet reliability needs – all with limited funds. Asset lifecycle management strategies are planned activities that enable assets to provide the service levels in a sustainable way, while managing risk at the lowest lifecycle cost. Asset lifecycle management strategies are typically organized into the categories listed in Table 5-1, and are driven by the levels of services defined in Section 3 and the associated risk discussed in Section 4.

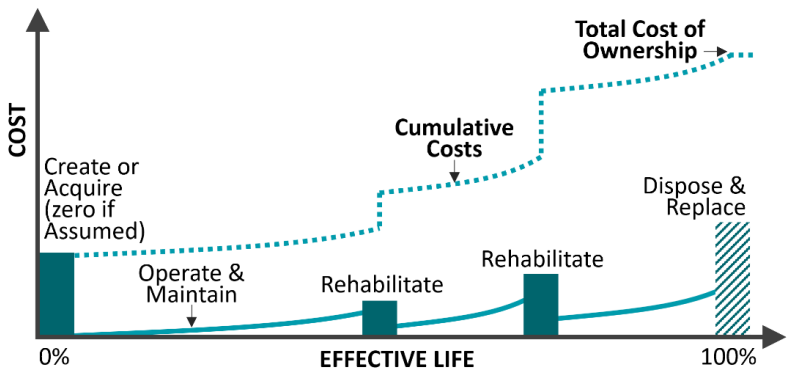
Table 5-1: Asset Lifecycle Management Categories

Lifecycle Management Category	Description	Examples of Associated Activities
Operate	Regular activities to provide services	inspections, cleaning, flushing
Maintain	Activities to retain asset condition to enable it to provide service for its planned life	repairs, component replacements
Renew	Activities that return the original service capability of an asset	minor or major rehabilitations such as road resurfacing, asset replacement
Upgrade	Activities to provide a higher level of service capability from an existing asset to achieve better fit for purpose or meet regulatory requirements	road urbanization
Expand/Grow	Activities to provide a new asset that did not exist previously or an expansion to an existing asset	new asset construction such as new sidewalks and expansion of existing asset such as road widenings

In addition to the above asset strategies, non-asset solutions are also considered which are actions or policies that can lower costs, lower demands, or also extend asset life. For example, integrated infrastructure planning between services enables cost savings by bundling concrete repair work into one project.

The Town reviews the costs of potential lifecycle activities to determine the lowest lifecycle cost strategy while still meeting service levels. The total cost of ownership is the sum of lifecycle activity costs to sustain an asset over its lifecycle. (See Figure 5-1 for a conceptual lifecycle cost model). Sufficient investment of the right type of asset intervention at the right time minimizes the total cost of ownership for each asset and mitigates other potential risks such as interruption to service delivery or failure that causes damage to other nearby infrastructure. Operations, maintenance, and renewal activities are timed to reduce the risk of service failure from deterioration in asset condition and all contribute to the total cost of ownership.

Figure 5-1: Conceptual Lifecycle Cost Model



5.2 Lifecycle Management Needs

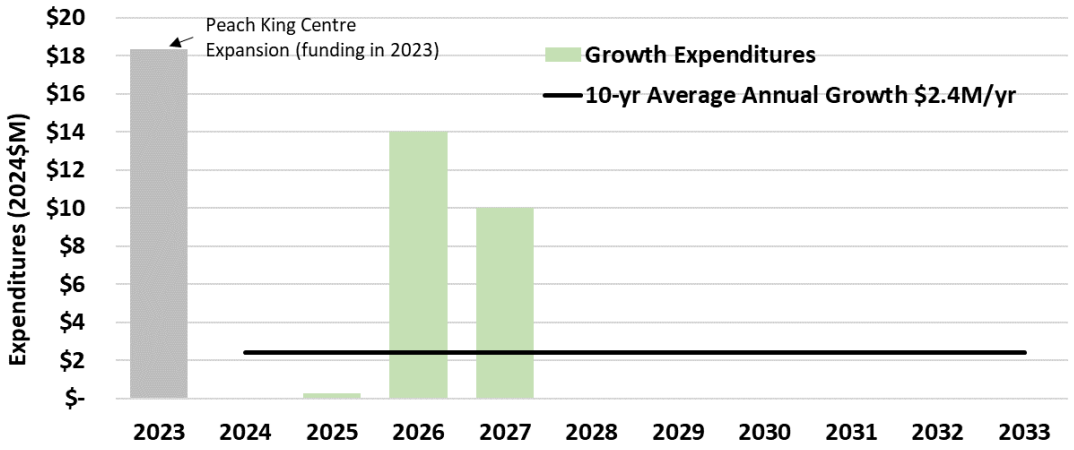
The Town uses its understanding of risks associated with different service levels to inform the timing and level of investments needed in infrastructure assets. This section of the AM Plan outlines the Town's expansion and upgrade strategies to support capacity and functional service levels, and the operations, maintenance, and renewal activities to support reliability service levels. The additional impacts due to climate change are discussed in Section 5.3. Over time, as the Town refines the asset management strategies through tracking of treatment activity timing and associated benefits and costs, the Town will improve its understanding of the deterioration rates and the lowest lifecycle cost for each asset type. Where appropriate, the Town considers coordinating multiple activities across asset types through project bundling to reduce total costs. Costs are estimated in current year (2024) dollars, but it is recognized that some asset costs may not account for the volatile rates of inflation that have continued over the past few years. Improving lifecycle and replacement costs is a continuous improvement initiative as noted in Section 7.

5.2.1 Facilities

5.2.1.1 Capital Growth Needs

To manage the impacts of the Town's growing population and evolving demographics, the Town is completing an expansion and upgrade of Peach King Centre, a need that was identified in the 2019 Parks, Recreation and Culture Master Plan. It will include additional spaces for seniors as well as youth, as well as space that could be considered for uses such as an auditorium. The Peach King Centre expansion will also offer additional outdoor greenspace which could be used for cultural events. The 2023 growth portion of the Peach King Centre is shown as historical funding previously approved in Figure 5-2. Over the next 10 years, the Town has identified a need of $24.3 million (average $2.4 million/year) for a new fire station and expansion of the library to meet growing community needs.

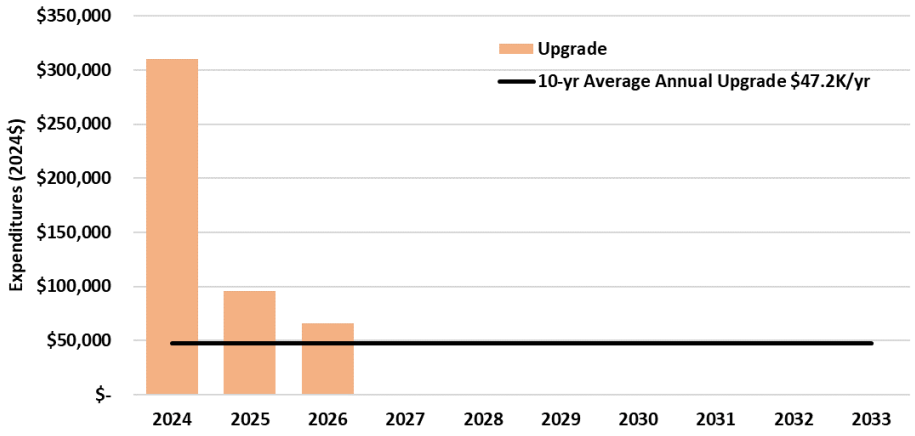
Figure 5-2: Growth Needs Forecast - Facilities



5.2.1.2 Capital Upgrade Needs

As discussed in Section 3.5.1, the Town has completed accessibility audits, and plans to continue implementing upgrades to implement audit recommendations through to 2025. In addition to accessibility upgrades, other facility upgrades include wayfinding and landscaping updates at the art gallery and library building. The Capital Plan also includes $40,000 for climate change related work, but does not represent potential needs to reduce GHG emissions. Additional needs may be identified when the Town sets targets for GHG emission for facilities in the next AM Plan update. Total upgrades are currently estimated at $472,000 and planned for 2024 to 2026, as shown in Figure 5-3.

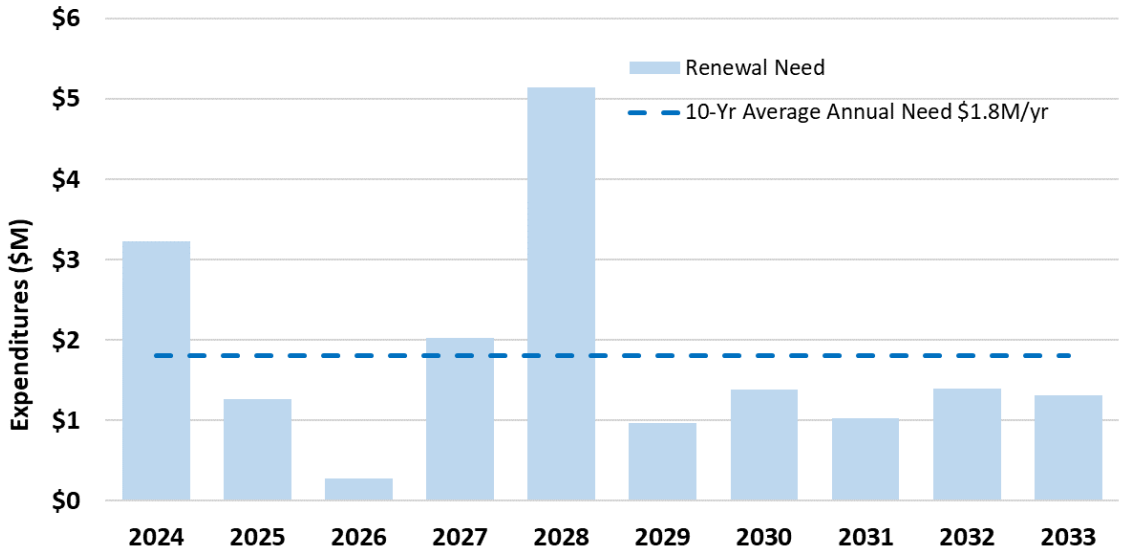
Figure 5-3: Upgrade Needs Forecast - Facilities



5.2.1.3 Capital Renewal Needs

The Town's renewal needs were identified in building condition assessments completed in 2023. Recommendations from the condition assessments include rehabilitation activities that extend the life of a building element. These activities and associated benefits are recommended when it is more cost effective than allowing the asset to reach its end of life. At a certain point in an asset's lifecycle, it is no longer cost-effective to rehabilitate the facility element, and replacement is required. The average annual renewal needs for facility assets is estimated at $1.8 million per year, as shown in Figure 5-4. This recommended expenditure represents a reinvestment rate of 1.4% of the facility portfolio value. The Canadian Infrastructure Report Card recommends a reinvestment rate of 1.7% to 2.5% annually. It is expected that as the Town's facilities age, the recommended reinvestment rate will continue to increase, particularly beyond the next 10 year period. Oakes Road Soccer Building is planned for decommissioning and is not included in the renewal forecast.

Figure 5-4: 10-Year Capital Renewal Needs Forecast – Facilities

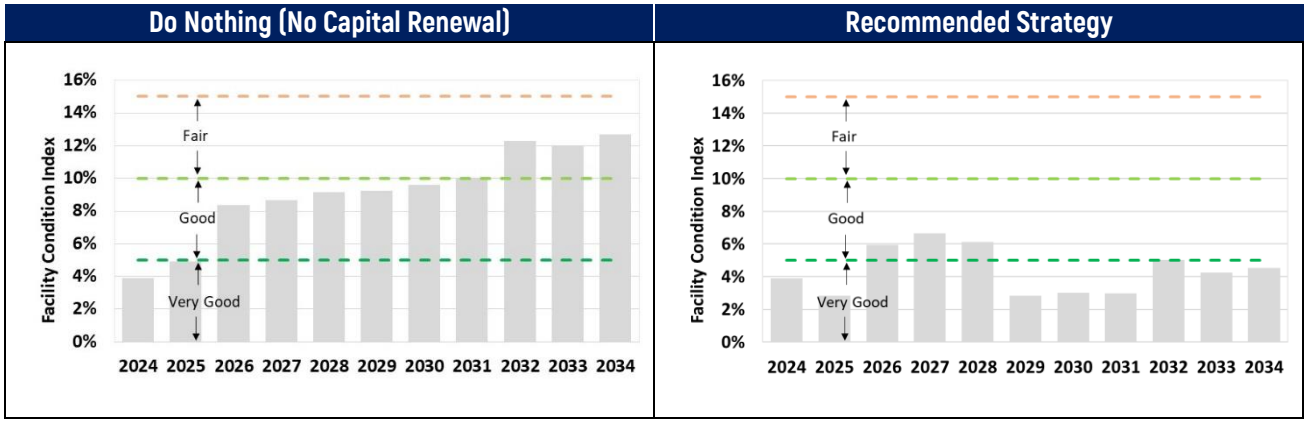


The recommended strategy associated with the average $1.8 million per year forecast supports the Town's ability to achieve its service levels while balancing risk and minimizing lifecycle costs. If the Town does not invest in renewing its infrastructure, facilities will on average deteriorate from Very Good to Fair condition over the next 10 years. The recommended strategy maintains facilities in a state of good repair, as shown in Figure 5-5.

Summary of Recommended 10-Year Renewal Strategy:

- Maintains FCI below 5% (Very Good) over 10-year forecast
- Needs are aligned with the recommended renewal work identified in the 2023 building condition assessments

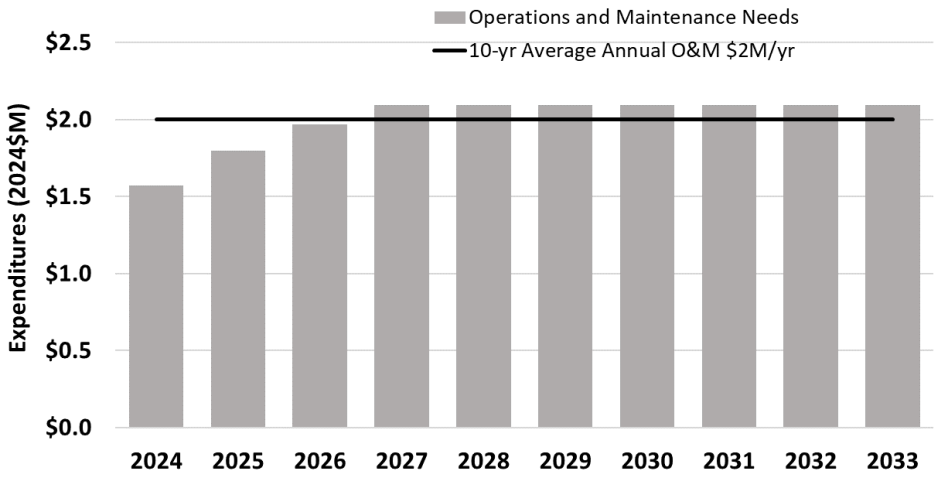
Figure 5-5: Facility Condition Index Forecast - Do Nothing versus Recommended Strategy – Facilities



5.2.1.4 Operations and Maintenance

The Town also supports asset reliability service levels through operations and maintenance (O&M) work. O&M activities ensure the asset continues to deliver defined levels of services, while renewal activities discussed in Section 5.2.1.3 extend the service life of the asset. Figure 5-6 summarizes the $1.6 million in the 2024 operating budget related to asset activity costs such as cleaning, utilities, scheduled and unscheduled maintenance, and contracted services. The forecast excludes non-asset lifecycle related expenses such as recreational programming and wages for fire fighters for the new Fire Station 3. The increase in costs beyond 2024 in asset-related operations and maintenance activities is impacted by the estimated growth in the asset portfolio due to the completion of the Peach King Centre expansion, as well as the new fire station and library expansion, as shown in the forecast in Figure 5-6. The forecast does not include inflation.

Figure 5-6: 10-Year Operations and Maintenance Needs Forecast – Facilities

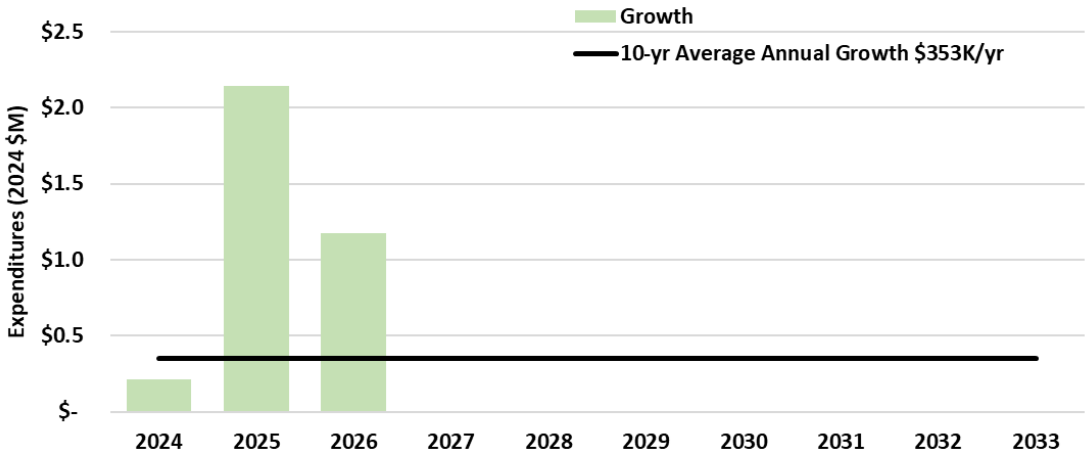


5.2.2 Parks, Outdoor Recreation, and Natural Infrastructure

5.2.2.1 Capital Growth Needs

To manage the impacts of the Town's growing population and evolving demographics, the Town is completing the Casablanca Waterfront park development. This project improves the connectivity and accessibility along the waterfront and includes both growth and upgrades related to asphalt paving, sub-draining, retaining walls, playgrounds, tree planting, naturalization areas, new park furniture and a new washroom building. The remaining phase of the project funded in 2024 is categorized as growth and included in the forecast in Figure 5-7. The other main growth projects in the next 10 year forecast are related to the trail improvements identified through the Recreational Trails Master Plan. Trails include primarily off-road links that support walking, cycling, and other active recreation, including the Bruce Trail, park pathways, trails in natural areas, hydro corridors and long rail connections, and pathway access to the waterfront. The portion of trail projects covered by development charges are considered growth and included in the forecast in Figure 5-7. The renewal portion of trail improvements are considered in Section 5.2.2.3. Over the next 10 years, the Town plans to spend $3.5 million (average $353,000/year) on the remaining phase of the Casablanca Waterfront park development and growth portion of trail improvements. Additional needs may be determined for the next 10 years in the update to the Parks, Recreation, and Culture Master Plan.

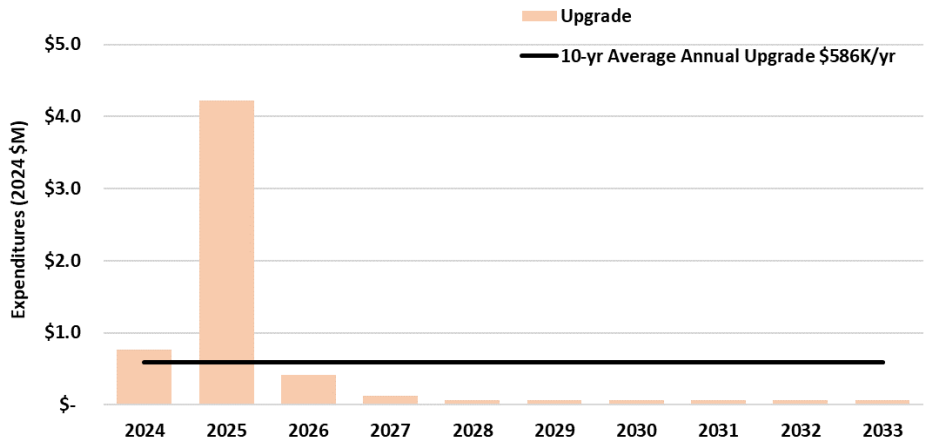
Figure 5-7: Growth Needs Forecast - Parks, Outdoor Recreation, and Natural Infrastructure



5.2.2.2 Capital Upgrade Needs

The Town upgrades its assets to improve the quality of life for residents, in alignment with the Town's strategic priorities. One of the main upgrades is the repair and revitalization of the pier and surrounding park at the Elizabeth St. Pumphouse. For the upgrade forecast in Figure 5-8, it is estimated that 75% of the pier and Pumphouse improvements are related to upgrades, with 25% considered renewal and reported in the following Section 5.2.2.3. Other upgrades include Centennial Park improvements and Nelles Road Park improvements, of which 50% are estimated to be related to upgrades, and 50% renewal. As discussed in Section 5.2.2.1, trail improvements are considered under growth (portion funded by development charges) and renewal needs. Total upgrade needs are currently estimated at $5.9 million over the next 10 years, with projects mainly scheduled in the first three years. The Town has an annual shoreline protection program from 2025 to 2033 of which 25% is assumed to be related to upgrades. Additional needs related to parks and outdoor recreation upgrades may be determined in the update to the Parks, Recreation, and Culture Master Plan.

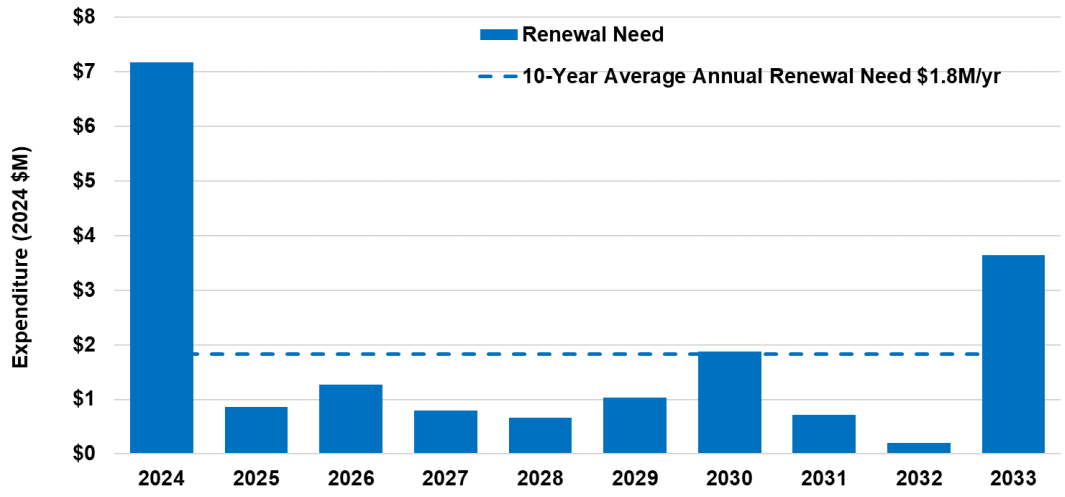
Figure 5-8: Upgrade Needs Forecast - Parks, Outdoor Recreation, and Natural Infrastructure



5.2.2.3 Capital Renewal Needs

The average annual renewal needs for Parks and Outdoor Recreation assets is estimated at $1.8 million per year, as shown in Figure 5-9. This recommended expenditure maintains the average condition of the assets over the next 10 years near its current level. Expenditure needs for natural assets are captured under operations and maintenance in Section 5.2.2.4.

Figure 5-9: 10-Year Capital Renewal Needs Forecast – Parks and Outdoor Recreation



The renewal forecast considers the asset's current condition or age of each asset and estimates the planned rehabilitation or replacement year based on estimated service lives summarized in Table 5-2.

Table 5-2: Estimated Service Life – Parks and Outdoor Recreation

Asset Type	Asset Subtype	Estimated Service Life (years)
Outdoor Recreation	Basketball Court, Tennis Courts	15 to 20*
	Multi-Use Court	25*
	Other amenities (baseball, soccer, skateboard park, splash pad, etc.)	15 to 25
	Play Structures, Swings	15
	Light Posts (Sports Field)	25
	Fencing (Sports Field)	30
Park Vehicular and Pedestrian Network	Park Parking Lots	Gravel: 10; Asphalt: 15; Concrete: 50
	Trails	Paved: 20 to 30 Gravel, woodchips: 10 Dirt/native: 50
	Bridge (footbridges), Retaining Wall, Pier	50
	Shoreline protection	40
Other Park Assets	Park furniture (benches, picnic tables)	15
	Garbage can	7
	Bike rack	10
	Monument	20
	Light posts (Pathways, Park)	25
	Signs	10
	Fences and Walls	Wrought Iron: 50 Other materials: 20 to 30

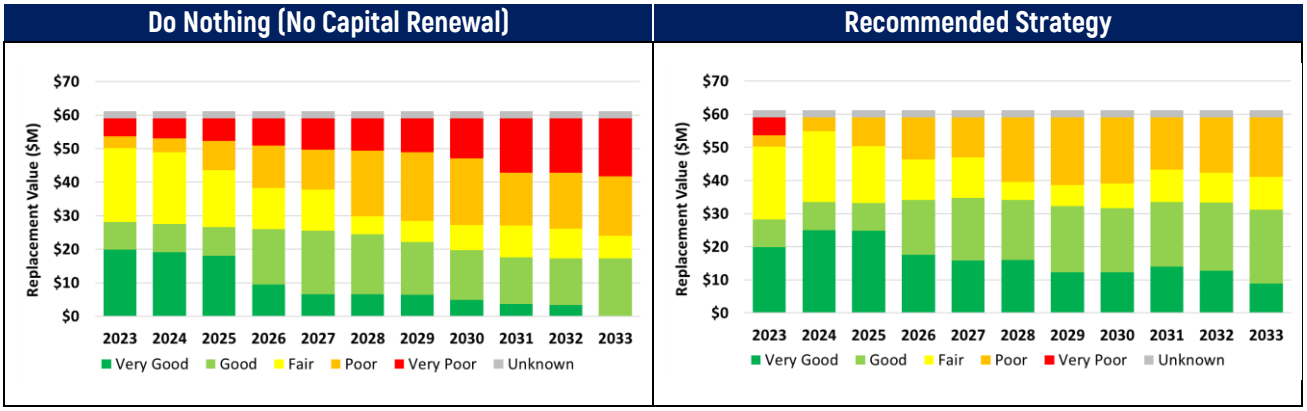
*for hard surface courts, the estimated service life is for a major rehabilitation of the court surface rather than full replacement

The recommended strategy associated with the average $1.8 million per year forecast supports the Town's ability to achieve its service levels while balancing risk and minimizing lifecycle costs. If no investment is provided, the value of assets in Very Poor condition increases from $5.4 million in 2023 to $17.2 million in 2033, with the average condition approaching Poor. The recommended strategy maintains assets in a state of good repair, as shown in Figure 5-5.

Summary of Recommended 10-Year Renewal Strategy:

- Maintains average condition of parks and outdoor recreation portfolio between Good and Fair condition
- Maintains very poor assets below current level (<10%)
- Assets are replaced at expected end-of-life based on age and the estimated service life

Figure 5-10: Condition Forecast - Do Nothing versus Recommended Strategy – Parks & Outdoor Recreation*



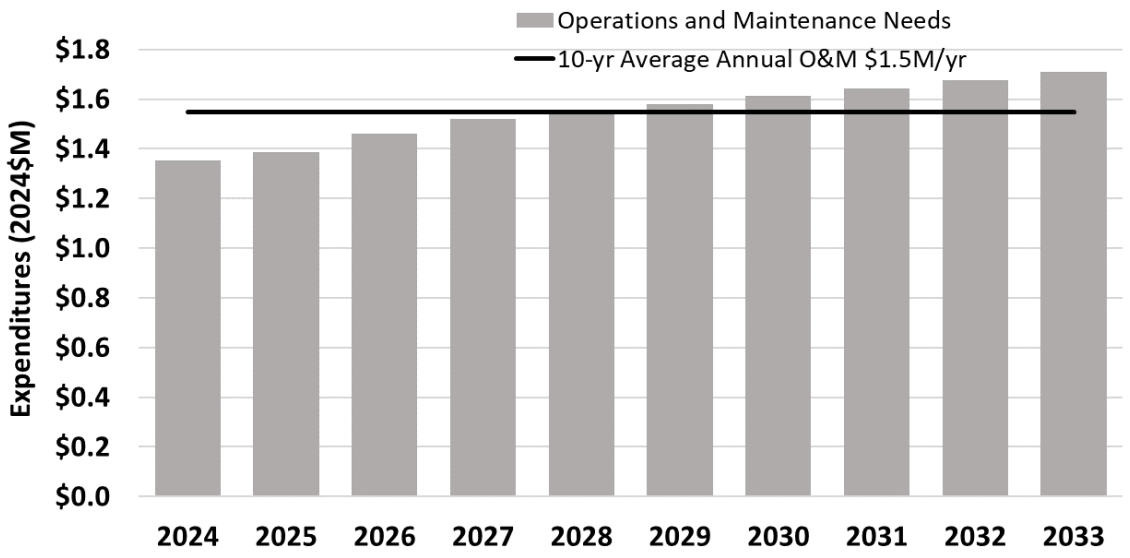
*Natural infrastructure assets are not included, as their condition is not currently assessed. Park trees are assessed but their maintenance is covered under the operating budget in Section 5.2.2.4.

5.2.2.4 Operations and Maintenance

The Town also supports asset reliability service levels through operations and maintenance (O&M) work. Figure 5-11 summarizes the $1.35 million in the 2024 operating budget related to asset activity costs such as mowing, general parks maintenance such as planting and beautification; maintenance for irrigation systems and amenities such as baseball diamonds, soccer fields, and outdoor ice rinks; utility costs; tree pruning; and contracted services. The forecast excludes non-asset lifecycle related expenses such as recreational programming. The increase in costs beyond 2024 in operations and maintenance activities is impacted by the estimated growth in the asset portfolio due to the completion of the growth projects discussed in Section 5.2.2.1. In addition to the growth projects identified, a 2% nominal growth rate is applied each year to account for the estimated increase in assets assumed through development.

The Town will be reviewing O&M activities for natural infrastructure such as forested areas, meadows, and wetlands and considering formalizing these activities for incorporation into the Operating budget in the future. The forecast does not include inflation.

Figure 5-11: 10-Year Operations and Maintenance Needs Forecast – Parks, Outdoor Recreation, Natural Infrastructure



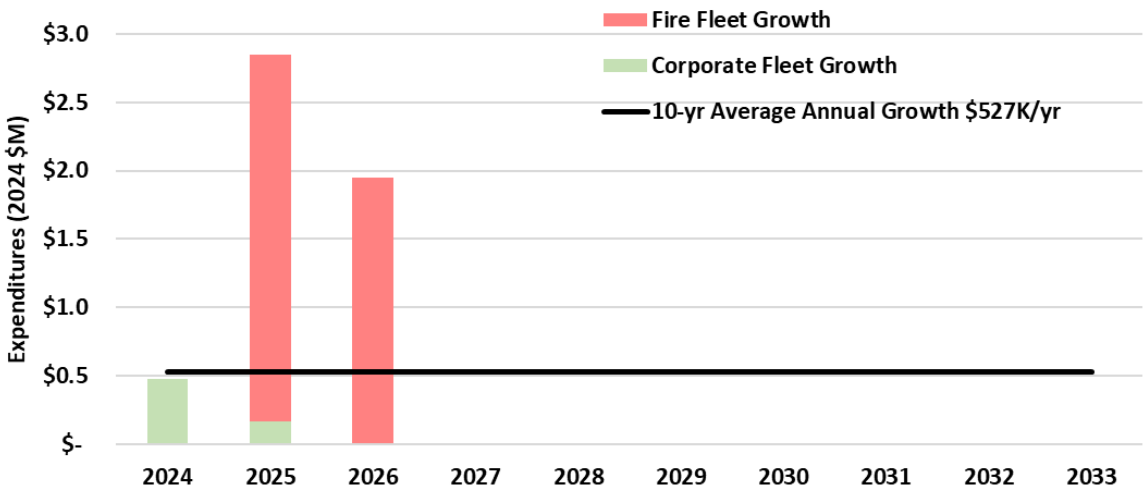
5.2.3 Fleet

5.2.3.1 Capital Growth Needs

For corporate fleet, additional assets are typically required as the number of Town staff increase to meet service level requirements due to the increasing population and evolving demographics. From a winter control perspective, additional development adds to the length of roads and sidewalks needed to be plowed, driving the need for additional fleet. Over the next 2 years, the Town has planned for an additional two pickup trucks to meet staff needs. To address additional winter control needs, the Town is planning on purchasing one new snow plow and one new sidewalk plow.

For the Fire Department, four new vehicles are required associated with Fire Station 3 over 2025 and 2026. The new vehicles include a quint truck, pumper rescue, medical/rescue truck, and a command vehicle totalling $4.6 million of the growth expenditure in Figure 5-12. Equipment costs for each vehicle are included with the vehicle costs.

Figure 5-12: Growth Needs Forecast - Fleet



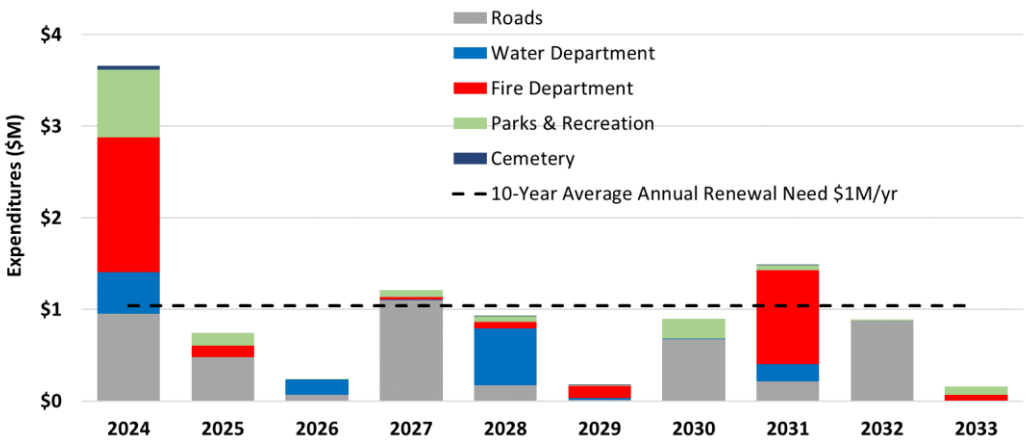
5.2.3.2 Capital Upgrade Needs

The Town does not have specific upgrades planned for corporate fleet. The Town considers upgrading light vehicles to electric vehicles as opportunities arise, but no formal service levels are currently set to electrify fleet. For fire fleet, upgrades are included as part of vehicle replacements. For example, the Town purchased a replacement pumper-rescue in 2023 which will provide enhanced fire suppression capabilities required as a result of continued growth and proliferation of high-rise buildings in the community.

5.2.3.3 Capital Renewal Needs

The average annual renewal needs for fleet assets is estimated at $1.0 million per year, as shown in Figure 5-13. This recommended expenditure maintains the average condition of the assets over the next 10 years near its current level. Fire fleet renewal needs are estimated at an average of $290,000 per year, representing 29% of the overall fleet renewal needs.

Figure 5-13: 10-Year Capital Renewal Needs Forecast – Fleet



The renewal forecast considers the asset's current condition or age of each asset and estimates the planned replacement year based on estimated service lives summarized in Table 5-3.

Table 5-3: Estimated Service Life – Fleet

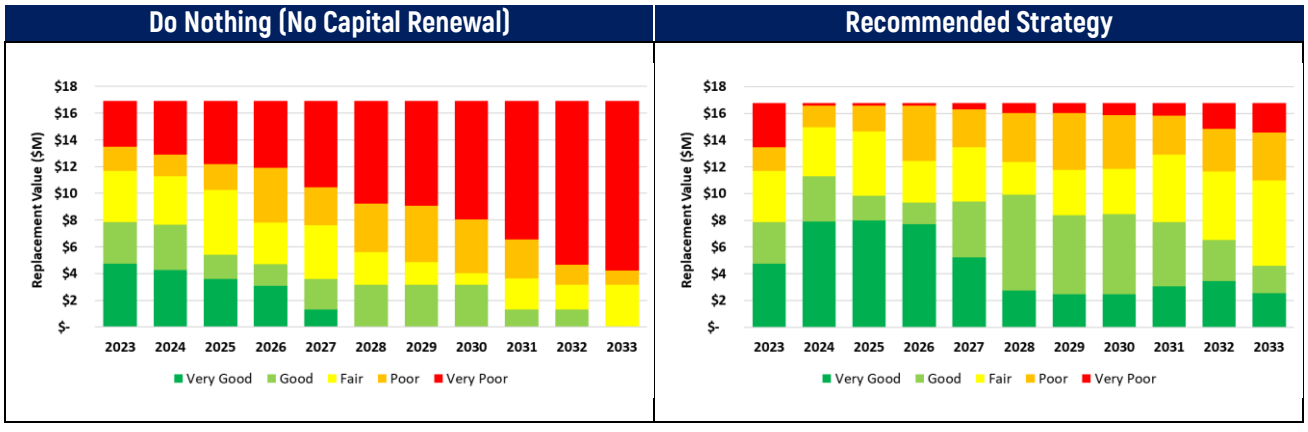
Asset Type	Estimated Service Life (years)
Pumper or Ladder Fire Truck	15
Rescue Fire Truck	20
Critical Dump Trucks	10 to 13
Critical Equipment (Loader, Backhoe)	10 to 12
Farm Tractor	15 to 25
Parks Mower	6 to 15
Pick-Up Truck	10
SUV	10
Trackless	18
Trailer	10 to 20
Truck, Van	10 to 13
Air Compressor (Water Dept)	21
Sidewalk Grinder (Roads)	25
Steam Generator (Roads)	28
Emergency Generator	20
General Equipment	5 to 15

The recommended strategy associated with the average $1.0 million per year forecast supports the Town's ability to achieve its service levels while balancing risk and minimizing lifecycle costs. If no investment is provided, the value of assets in Very Poor condition (based on age) increases from $3.4 million in 2023 to $12.7 million in 2033. The recommended strategy maintains assets in a state of good repair, as shown in Figure 5-14.

Summary of Recommended 10-Year Renewal Strategy:

- Maintains average condition of fleet portfolio in Fair condition
- Maintains Very Poor assets (assets at or past service life) below current level (<22%)
- Vehicles and equipment are replaced at expected end-of-life based on age and the estimated service life, with some deferred replacements on less critical assets

Figure 5-14: Condition Forecast - Do Nothing versus Recommended Strategy – Fleet

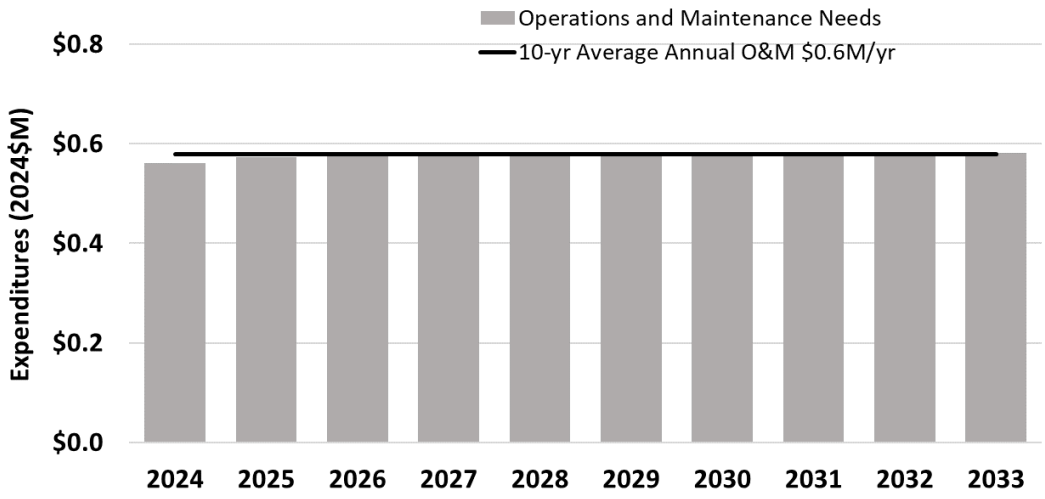


5.2.3.4 Operations and Maintenance

Operations and maintenance work is critical for ensuring the continued reliability of fleet assets and extend their service lives. Figure 5-15 summarizes the $0.56 million in the 2024 operating budget related to activity costs such as

scheduled and unscheduled maintenance. The forecast does not include wages related to staff completing the repair or preventive maintenance work. The increase in costs beyond 2024 in operations and maintenance activities is impacted by the estimated growth in the asset portfolio due to the new vehicles planned for purchase, as discussed in Section 5.2.3.1. The forecast does not include inflation.

Figure 5-15: 10-Year Operations and Maintenance Needs Forecast – Fleet

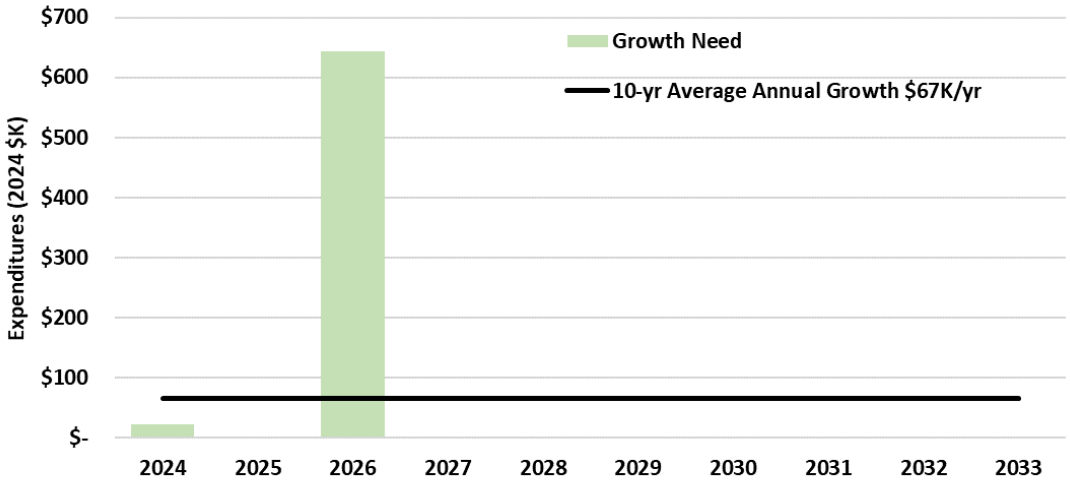


5.2.4 Fire

5.2.4.1 Capital Growth Needs

For fire equipment, additional personal protective equipment and SCBA is required for new staff and other needs associated with Fire Station 3. The total growth expenditure is currently estimated at $670,000 ($67k/yr) as shown in Figure 5-16. Equipment that is required for the new vehicles associated with Fire Station 3 are included with fleet costs in Section 5.2.3.1.

Figure 5-16: Growth Needs Forecast – Fire Equipment*

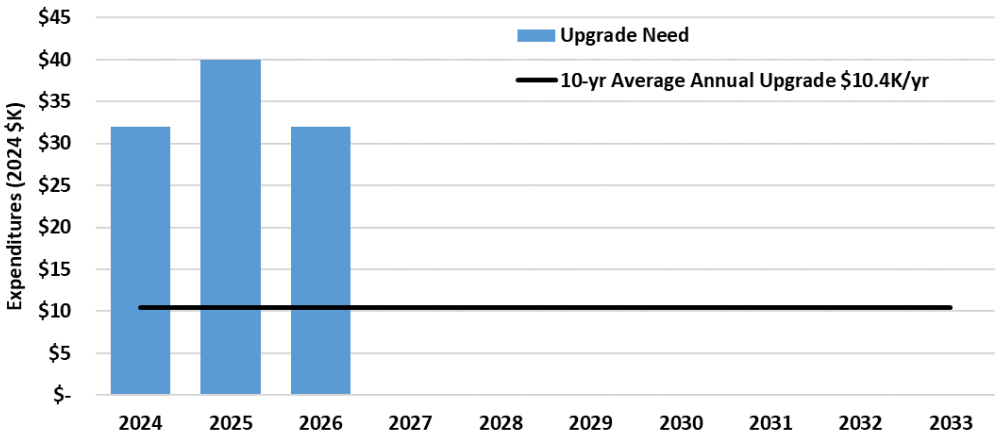


*For SCBA and personal protective equipment only. Equipment associated with new vehicles for Fire Station #3 are included in fleet growth in Section 5.2.3.1

5.2.4.2 Capital Upgrade Needs

Fire fleet upgrades are discussed in Section 5.2.3.2. For fire equipment, upgrades are planned for integrating thermal imaging cameras into existing SCBAs to meet NFPA compliance. Costs are estimated at $104,000, as shown in Figure 5-17.

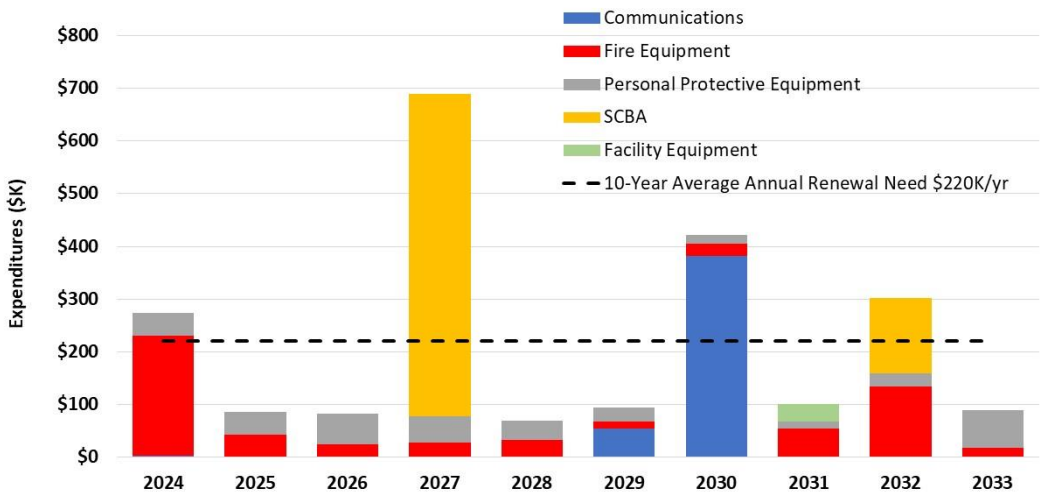
Figure 5-17: Upgrade Needs Forecast – Fire Equipment



5.2.4.3 Capital Renewal Needs

The average annual renewal needs for fire equipment is estimated at $220,000 per year, as shown in Figure 5-18. This recommended expenditure maintains the average condition of the assets over the next 10 years near its current level.

Figure 5-18: 10-Year Capital Renewal Needs Forecast – Fire Equipment



The renewal forecast considers the asset's current condition or age of each asset and estimates the planned replacement year based on estimated service lives summarized in Table 5-4.

Table 5-4: Estimated Service Life – Fire Equipment

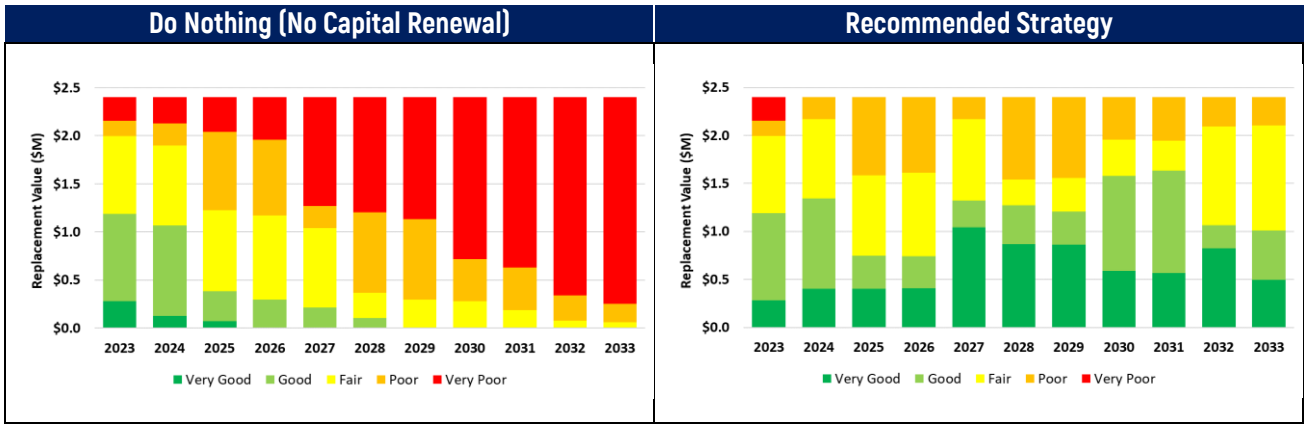
Asset Type	Subtype	Estimated Service Life (Years)
Communications	Pager	7
	Radio	10
Facility Equipment	Breathing Air Compressor	20
	Emergency Generator	20
	Floor Scrubber	15
	Washing Machine	15
Fire Equipment	Covered Trailer	20
	Emergency Generator	20
	Extrication Equipment	10 to 15
	Hose	15
	Ladder	15 to 20
	Monitor	20
	Other Equipment	10 to 20
	Thermal Imaging Camera	10
Personal Protective Equipment	Bunker Gear	5 to 10
	Firefighting Boots	5
	Helmet	10
	Ice Water Rescue	5
SCBA	MSA Air Cylinder	15
	MSA Pak	10
	SCBA Holder	20
	SCBA Mask	10

The recommended strategy associated with the average $220,000 per year forecast supports the Town's ability to achieve its service levels while balancing risk and minimizing lifecycle costs. If no investment is provided, the value of assets in Very Poor condition (based on age) increases from $250k in 2023 to $2.1 million in 2033, with most assets past their estimated service life. The recommended strategy maintains assets in a state of good repair, as shown in Figure 5-19.

Summary of Recommended 10-Year Renewal Strategy:

- Maintains average condition of fire equipment between Good and Fair condition
- Maintains very poor assets below current level (<10%)
- Fire equipment is replaced at expected end-of-life based on age and the estimated service life

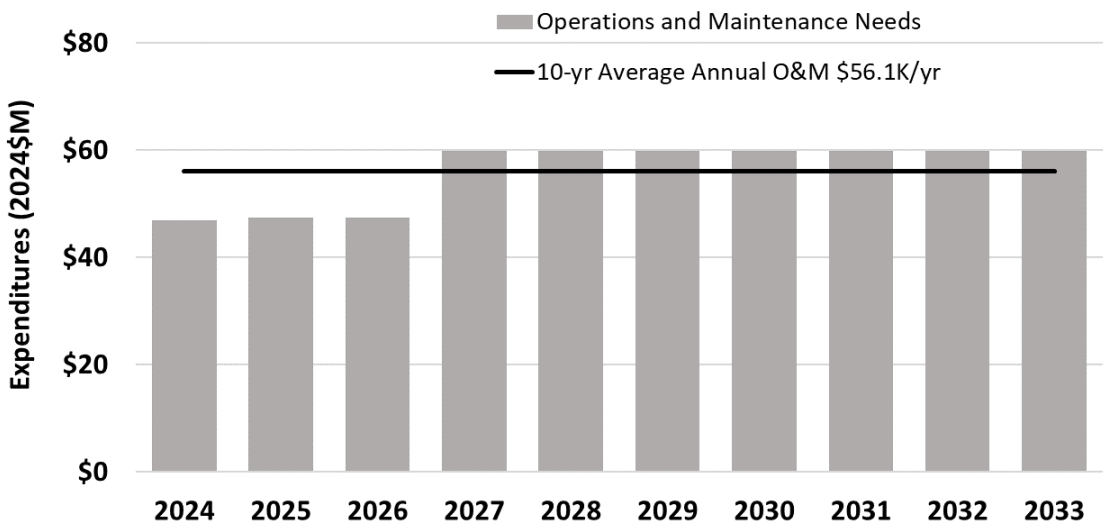
Figure 5-19: Condition Forecast - Do Nothing versus Recommended Strategy – Fire Equipment*



5.2.4.4 Operations and Maintenance

Operations and maintenance work is critical for ensuring the continued reliability of fire equipment assets and extend their service lives. Figure 5-11 summarizes the $46,900 in the 2024 operating budget related to equipment maintenance and minor replacements. The increase in costs beyond 2024 in maintenance activities is impacted by the estimated growth in the asset portfolio due to the new equipment planned for Fire Station 3 staff, as discussed in Section 5.2.4.1. Additional operations and maintenance for the fire station and associated new vehicles are included in the forecast in Sections 5.2.1.4 and 5.2.3.4, respectively. The forecast in Figure 5-20 does not include inflation.

Figure 5-20: 10-Year Operations and Maintenance Needs Forecast – Fire Equipment

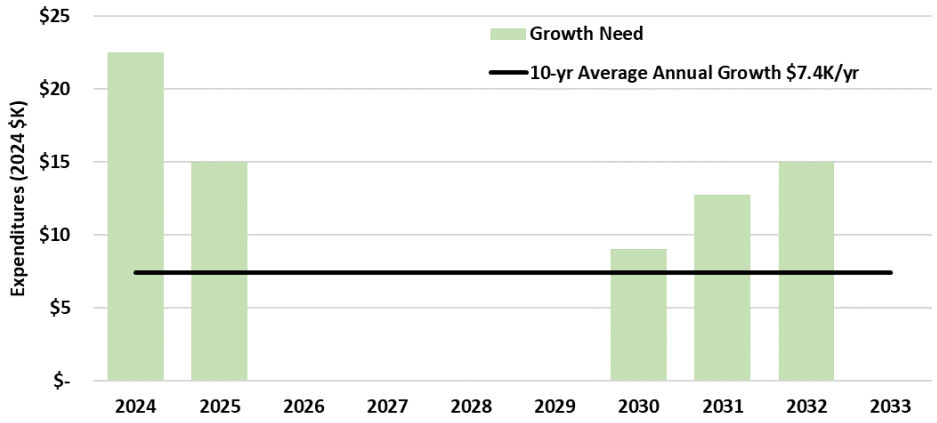


5.2.5 Information Technology

5.2.5.1 Capital Growth Needs

For IT assets, additional networking equipment, including new access points, are needed and are included in the 10-year Capital Plan as part of the network equipment project. It is estimated that approximately 15% of this project will be for new network assets, and 85% is for replacement of existing assets. The 15% growth portion is shown in Figure 5-21 and totals $74,000 over the next 10 years.

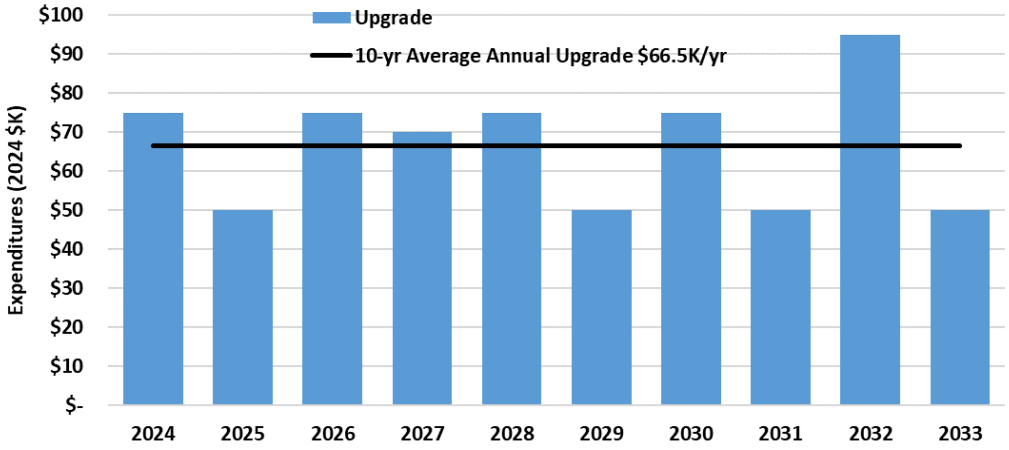
Figure 5-21: Growth Needs Forecast – Information Technology



5.2.5.2 Capital Upgrade Needs

IT asset upgrades are required to maintain data and information security. Over the next 10 years, the Town has a cyber security enhancement project which includes expenditures for performing audits and implementing the audit recommendations. Costs are estimated at an average need of $66,500 per year, as shown in Figure 5-22.

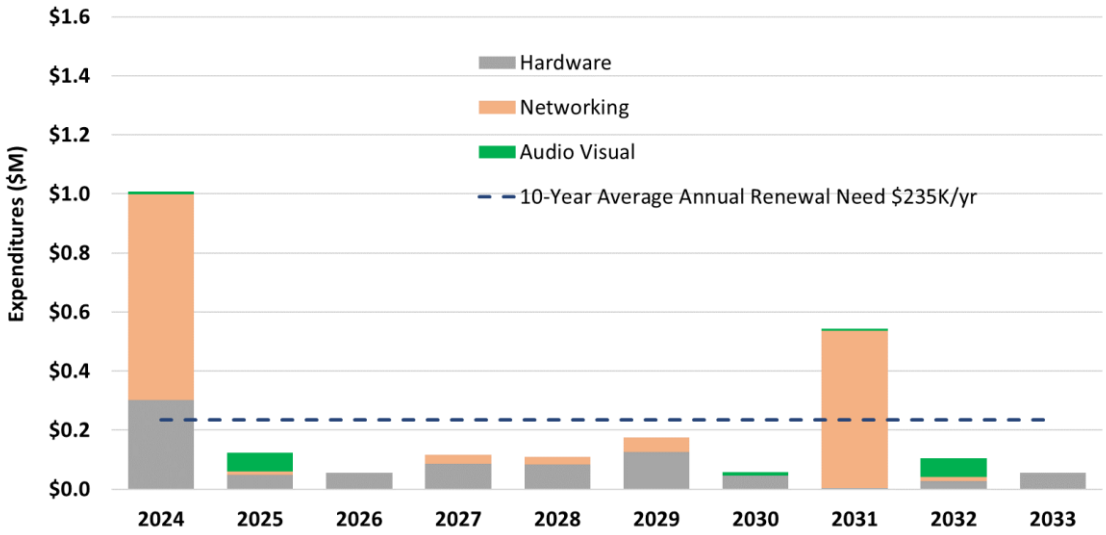
Figure 5-22: Upgrade Needs Forecast – Information Technology



5.2.5.3 Capital Renewal Needs

The average annual renewal needs for information technology is estimated at $235,000 per year, as shown in Figure 5-23. This recommended expenditure maintains the average condition of the assets over the next 10 years above its current level.

Figure 5-23: 10-Year Capital Renewal Needs Forecast – Information Technology



The renewal forecast considers the asset's current condition or age of each asset and estimates the planned replacement year based on estimated service lives summarized in Table 5-5.

Table 5-5: Estimated Service Life – Information Technology

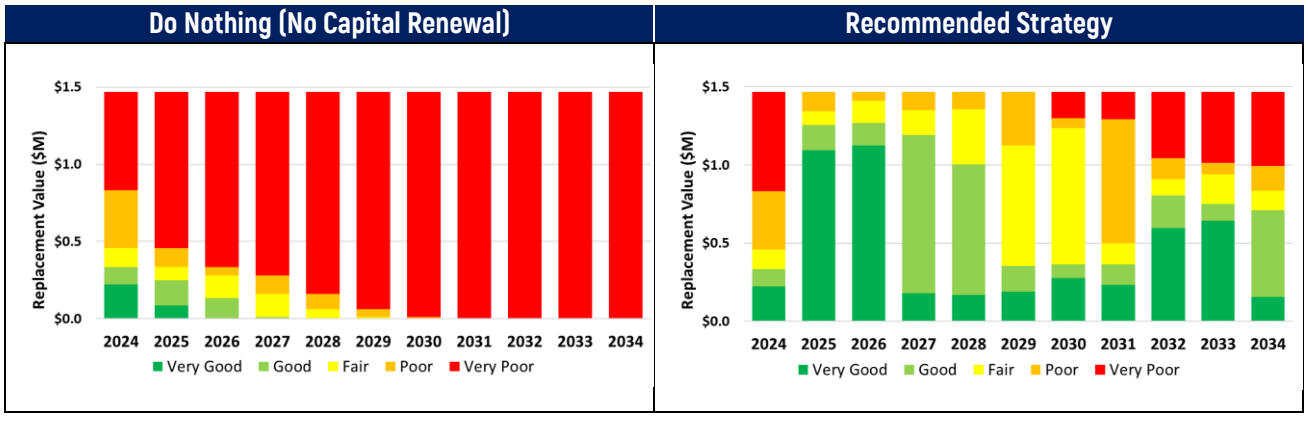
Asset Type	Estimated Service Life (years)
Networking	7
Hardware - Desktops and laptops	5
Phones	4
Audio Visual	7

The recommended strategy associated with the average $235,000 per year forecast supports the Town's ability to achieve its service levels while balancing risk and minimizing lifecycle costs. If no investment is provided, the value of assets in Very Poor condition (based on age) increases from $640k in 2023 to all assets in 2033, with all assets at or past their estimated service life. The recommended strategy maintains assets in a state of good repair, as shown in Figure 5-24.

Summary of Recommended 10-Year Renewal Strategy:

- Improves asset condition to more acceptable levels (57% in fair or better condition by 2033)
- IT assets are replaced at expected end-of-life based on age and the estimated service life, with some deferred replacements on less critical assets

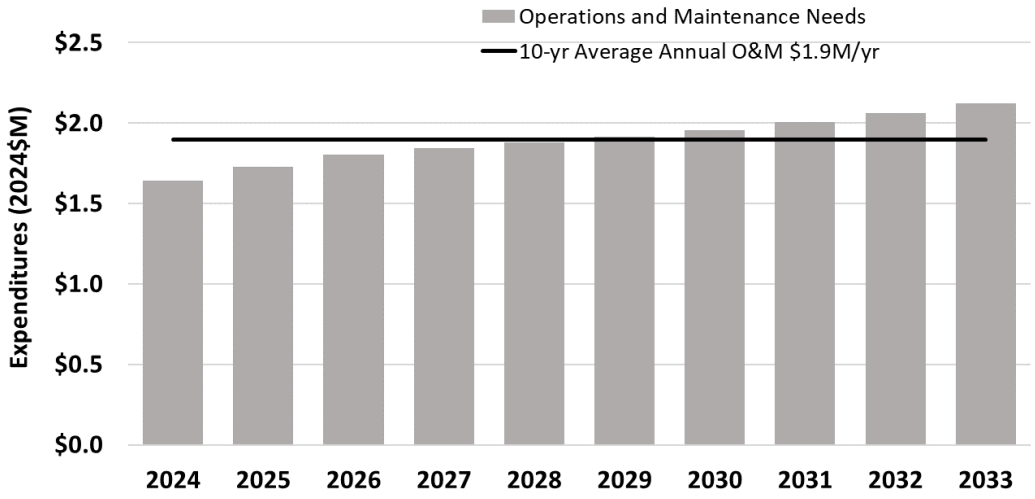
Figure 5-24: Condition Forecast - Do Nothing versus Recommended Strategy – Information Technology



5.2.5.4 Operations and Maintenance

Operations and maintenance work is critical for ensuring the continued reliability of IT assets. As it is difficult to isolate the activities dedicated to IT asset operations and maintenance activities, Figure 5-25 summarizes the overall IT operating budget ($1.6 million in 2024), which includes activities related to equipment maintenance as well as overall contracted services, wages, and software licenses. The increase in costs beyond 2024 in the operating budget includes the impact of additional assets discussed in Section 5.2.5.1, with the first 3 years based on the 3-year outlook provided as part of the annual budgeting process. Beyond 2026, a 2% nominal increase is assumed in addition to the minor increase due to the growth in network equipment. The forecast in Figure 5-25 does not include inflation.

Figure 5-25: 10-Year Operations and Maintenance Needs Forecast – Information Technology



5.3 Climate Change Strategies

Climate change can have significant implications on Town infrastructure that increase the overall risk exposure to the Town, resulting in the need for renewal strategies to mitigate more frequent asset failure events. As discussed in Section 3.5.1, the Town is planning on mitigation strategies such as GHG emission reduction projects based on facility energy audits. This work will be done as part of the Town's commitment to the Partners for Climate Protection program, which focuses on creating a baseline GHG emissions inventory and setting emission reduction targets.

To protect against erosion along Lake Ontario in the Grimsby Beach area, the Town has completed shoreline protection works at 10th Street and 12th Street, as well as 6th Street and 9th Street. The Town will be considering additional shoreline protection works in the next few years within Town owned lands and right-of-ways (ROW) in its continued commitment to adapt to climate change impacts. Shoreline protection is currently included as part of the Whittaker park renewal and Elizabeth St. pumphouse shoreline improvements.

6 Financial Strategy

6.1 Overview

The financial strategy is informed by the preceding sections of the Asset Management Plan: the value and condition of the assets, the current levels of service, the risks to service delivery, and the lifecycle activities needed to reduce the risks to acceptable levels. The financial strategy considers how the Town will fund the recommended asset management actions to maintain current service levels.

The key challenge to financial sustainability is aligning level of service decisions and fiscal capacity. Additional challenges include changes in the cost of infrastructure investments and unforeseen impacts to funding. In advance of the 2025 O.Reg. 588/17 requirements, this section of the AM Plan reviews the annual funding projected to be available and compares the funding to the needs forecasted in Section 5 to provide a preliminary funding shortfall estimate for capital renewal. Continuous improvements in data and AM practices will refine forecasts. Forecast and funding gap analysis limitations are discussed in Section 6.4.

6.2 Funding Sources

Through the Town's annual budget process, capital project and operating activity expenditure information is gathered from each service area, including investment needs, trends, and priorities, to enable preparation of the capital and annual operating budget plans. The investments are proposed with careful line-of-sight to financial sustainability and affordability for its residents and businesses. Once the expenditure plans are finalized, a financing plan is developed which includes several key sources of funding as outlined in the table below.

Table 6-1: Key Sources of Funding and Financing

Funding Source	Description
Property Tax	Town property owners pay an annual tax to the Town
Debt	Long term borrowing, to be paid for by future taxpayers
Canada Community Building Fund (formerly Federal Gas Tax)	A long-term grant agreement with the Association of Municipalities of Ontario (AMO), that provides a portion of the Federal gas tax revenues to municipalities for revitalization of infrastructure that achieves positive environmental results
OCIF	Ontario Community Infrastructure Fund for small, rural and northern communities to develop and renew their infrastructure
Grants	Project specific grants / subsidies
User Fees	Funds collected for the use of Town services or infrastructure (e.g., recreational programming)
Community Benefits Charges	Funding tool under the Planning Act which can be used for capital costs of any public service associated with new growth, if the costs are not already recovered from development charges or parkland provisions
Development Charges	Fees collected from developers to help pay for the cost of infrastructure required to provide municipal services to new development

Effective November 1st, 2021, the Town implemented a Reserve and Reserve Fund Policy to provide guidelines with respect to the consistent and effective development, management, and use of Town reserves and reserve funds. These funds address long-term Town objectives and balance current and future financial requirements. Annual reserve contributions sustain reserve balances at appropriate levels to address future infrastructure renewal costs

and inherent uncertainties in capital investment needs. The contributions are evaluated annually to ensure adequate funds are raised to meet future capital requirements and to smooth out the impact on the annual operating budget. The Town establishes asset renewal reserves as well as contingency and stabilization reserves for operating emergencies, unplanned cost increases, or revenue reductions over multiple budget cycles.

6.3 Financial Sustainability

6.3.1 Financial Sustainability for Capital Growth

The Town's needs for capital growth are estimated in Section 5 and summarized in Table 6-2. These expenditures are the currently available forecasts regarding growth activities to maintain current service levels. For facilities, the new Fire Station 3 ($14 million) and Library expansion ($10.1 million) are identified as a funding gap, as the $24.1 million total for these two facilities is currently shown as funded through debt in the Capital Plan. The design portion of Fire Station 3 ($0.2 million) is funded through development charges. For fleet and fire, the $2.2 million funding gap is associated to new Fire vehicles and equipment associated with Fire Station 3 that have not been accounted for in the Capital Plan. Currently only two of the four required vehicles for Fire Station 3 are shown as funded through development charges in the 10-year Capital Plan.

Additional needs may be identified as the Town completes on-going studies and plans such as the update to the Parks, Recreation, and Culture Master Plan and development of the Fire Master Plan.

Table 6-2: Summary of Capital Growth Estimated Funding Gaps* ($M)*

Service	Total 10-Year Growth Needs ($M)	Total 10-Year Growth Funding Available ($M)	Total 10-Year Growth Funding Gap ($M)	Average Annual Growth Funding Gap ($M/yr)
Facilities	$24.3	$0.2	$24.1	$2.4M/yr
Parks, Outdoor Recreation, and Natural Infrastructure	$3.50	$3.5	No funding gap	-
Fleet	$5.30	$3.3	$2.0	$0.2M/yr
Fire	$0.7	$0.5	$0.2	$0.02M/yr
Information Technology	$0.1	$0.1	No funding gap	-
Total	**$33.8**	**$7.6**	**$26.3**	**$2.6M/yr**

*Totals may not add due to rounding

**$24.1 million is currently identified as debt funding in 10-year Capital Plan

6.3.2 Financial Sustainability for Capital Upgrade

The Town's needs for capital upgrades are estimated in Section 5 and summarized in Table 6-3. These expenditures are based on the 10-Year Capital Plan and are the currently available forecasts regarding upgrade activities to maintain current service levels. Therefore, no current gaps are identified for asset upgrades. Additional needs may be identified as the Town completes on-going studies and plans such as the update to the Parks, Recreation, and Culture Master Plan. Additional projects may also be identified as the Town pursues initiatives such as GHG emission reduction targets.

Table 6-3: Capital Upgrade Needs Summary

Service	Total 10-Year Upgrade Needs ($M)
Facilities	$0.5
Parks, Outdoor Recreation, and Natural Infrastructure	$5.9
Fleet	Included in renewal
Fire	$0.1
Information Technology	$0.7
	$7.1

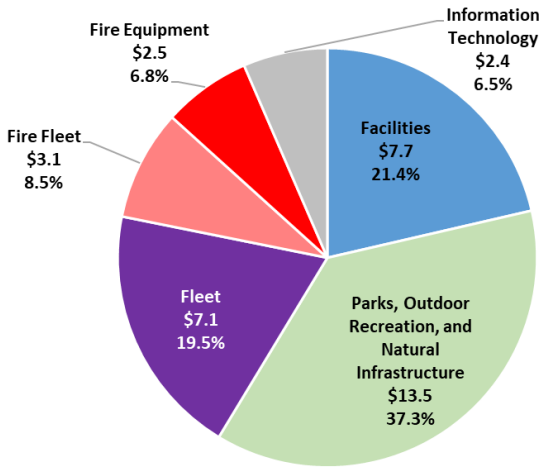
*Totals may not add due to rounding

6.3.3 Financial Sustainability for Capital Renewal

This section compares the planned capital funding available for renewal in the Town's Capital Budget against the forecast renewal needs to determine if there is a funding shortfall in the Capital Budget to maintain the current condition over the next 10 years.

The estimated amount of funding available over the next 10 years is based on the 10-year Capital Budget. The funding available **for renewal** is mainly from reserves and is estimated to be $36.2 million over the next 10 years, as shown in Figure 6-1 by asset category.

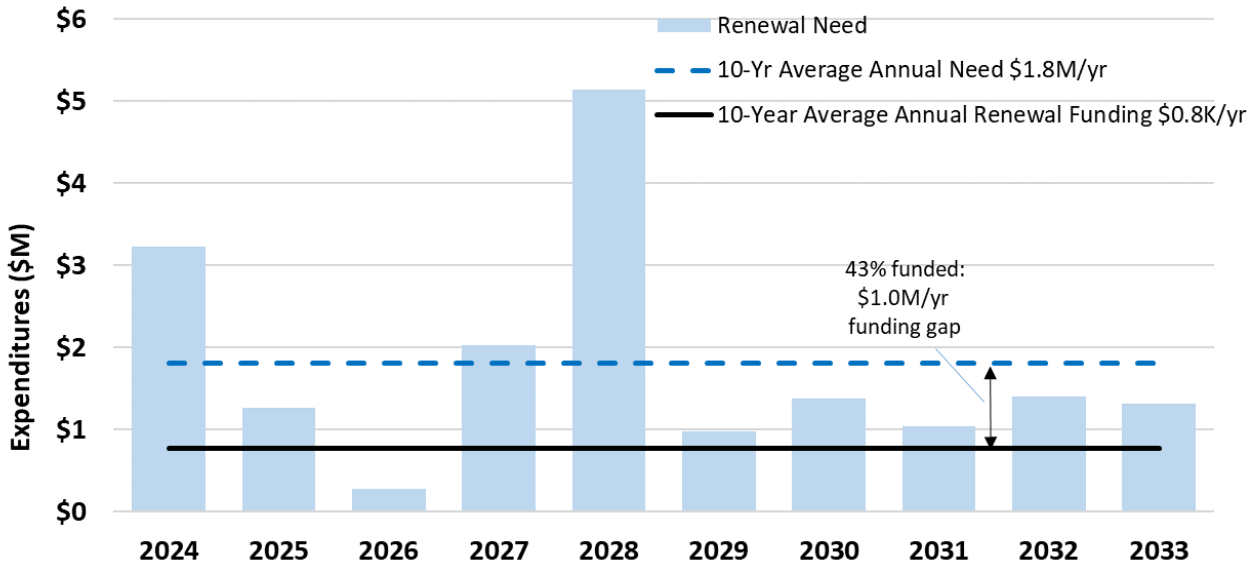
Figure 6-1: 10-Year Total Capital Renewal Funding Available ($M), 2024 to 2033



6.3.3.1 Facilities

Figure 6-2 shows the forecasted average annual need over the next ten years of **$1.8 million per year** (dashed blue line) and the average annual funding of **$0.8 million per year** (black line). This results in an estimated average annual funding gap of **$1.0 million per year** over the next ten years and indicates that the asset portfolio for these assets is approximately **43% funded** based on currently available data.

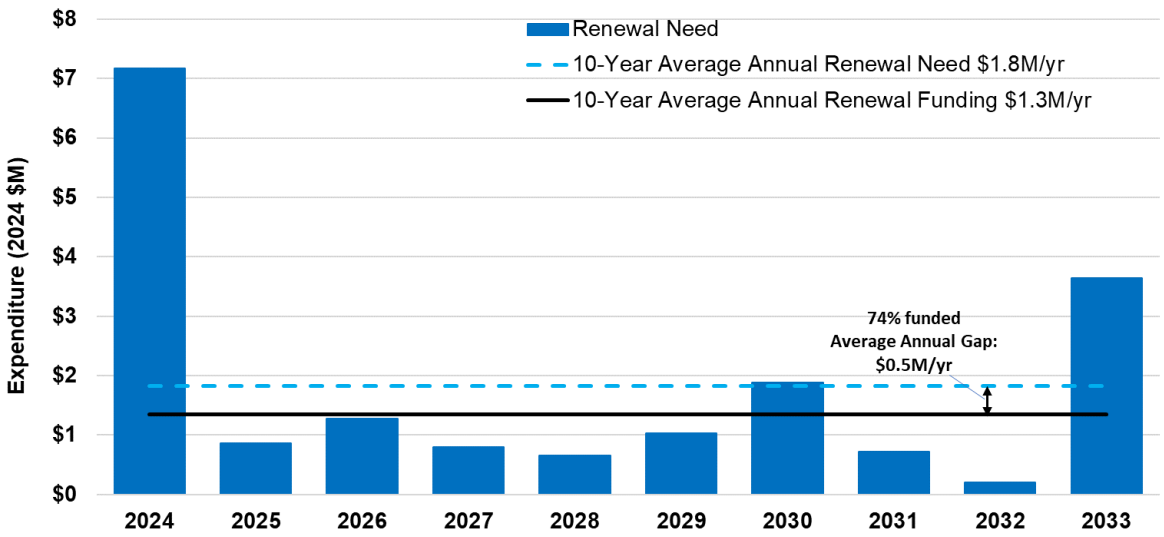
Figure 6-2: Capital Renewal Funding Gap – Facilities



6.3.3.2 Parks, Outdoor Recreation, and Natural Infrastructure

Figure 6-3 shows the forecasted average annual need over the next ten years of **$1.8 million per year** (dashed blue line) and the average annual funding of **$1.3 million per year** (black line). This results in an estimated average annual funding gap of approximately **$0.5 million per year** over the next ten years and indicates that the asset portfolio for these assets is approximately **74% funded** based on currently available data.

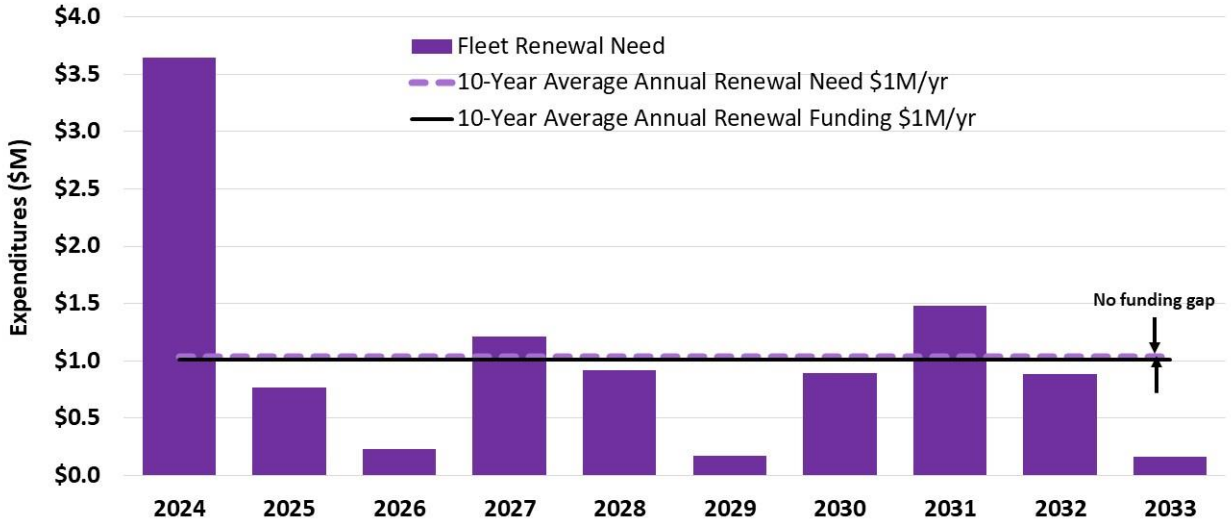
Figure 6-3: Capital Renewal Funding Gap – Parks, Outdoor Recreation, and Natural Infrastructure



6.3.3.3 Fleet

Figure 6-4 shows the forecasted average annual need over the next ten years of **$1.0 million per year** (dashed purple line) for fleet renewal and the average annual funding of **$1.0 million per year** (black line). This indicates that fleet assets are fully funded to maintain current service levels based on currently available data.

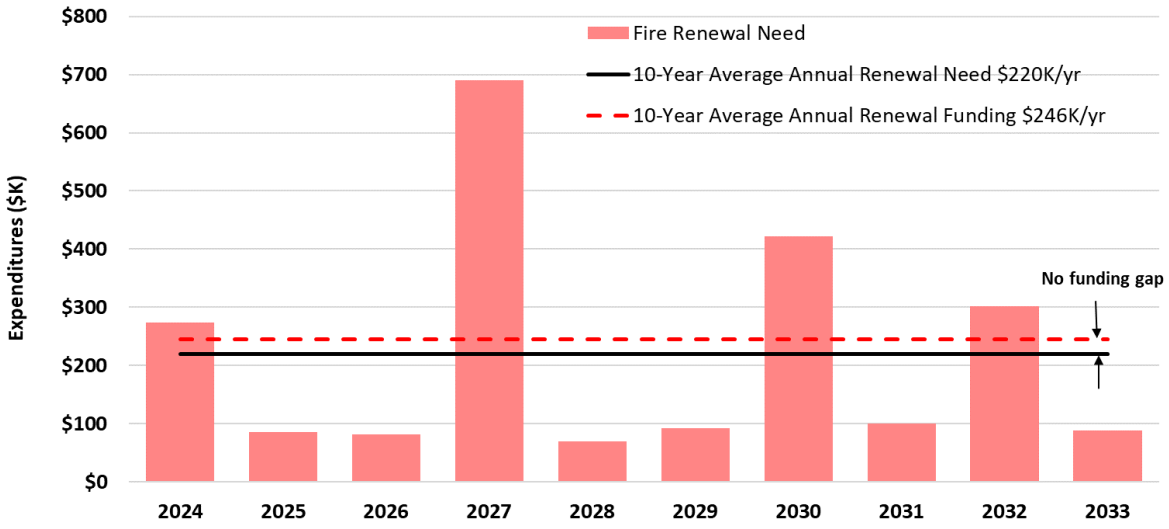
Figure 6-4: Capital Renewal Funding Gap – Fleet



6.3.3.4 Fire

Figure 6-5 shows the forecasted average annual need over the next ten years of **$220k per year** (dashed red line) for fire equipment asset renewal and the average annual funding of **$246k per year** (black line). This indicates that the fire equipment portfolio is fully funded to maintain current service levels based on currently available data.

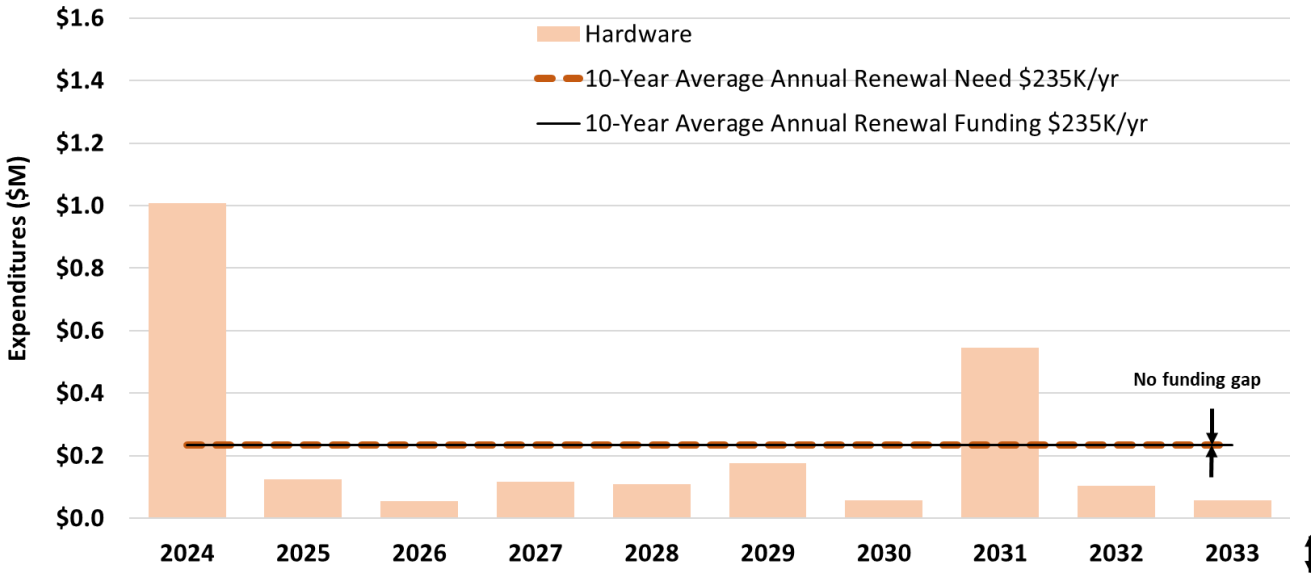
Figure 6-5: Capital Renewal Funding Gap – Fire Equipment



6.3.3.5 Information Technology

Figure 6-6 shows the forecasted average annual need over the next ten years of **$235k per year** (dashed tan line) for IT asset renewal and the average annual funding of **$235k per year** (black line). This indicates that the IT asset portfolio is fully funded to maintain current service levels based on currently available data.

Figure 6-6: Capital Renewal Funding Gap – Information Technology



6.3.3.6 Summary of Capital Renewal Funding Gaps

For capital renewal, there are significant funding shortfalls estimated for the Town's facility and parks and outdoor recreation assets to maintain service levels over the next 10 years, as shown in Table 6-4. The 'Percentage of Needs Funded' is summarized from the preceding sections and is an affordability service level which indicates the extent of the funding shortfall.

Table 6-4: Summary of Capital Renewal Estimated Funding Gaps* ($M/yr)

Asset Category	Average Annual Renewal Need ($M/yr)	Average Annual Funding Available ($M/yr)	Percentage of Needs Funded	Average Annual Gap ($M/yr)
Facilities	$1.80	$0.80	42%	$1.0
Parks, Outdoor Recreation, and Natural Infrastructure	$1.80	$1.30	74%	$0.5
Fleet	$1.00	$1.00	No funding gap	-
Fire	$0.22	$0.25	No funding gap	-
Information Technology	$0.24	$0.24	No funding gap	-
	$5.1	**$3.6**	**71%**	**$1.5**

*Totals may not add due to rounding

Renewal of Facilities and Parks, Outdoor Recreation, and Natural Infrastructure assets are estimated to be 42% funded and 74% funded, respectively over the next 10 years totalling an average annual gap of $1.5 million per year. It is estimated that there is no funding gap related to renewal of fleet, fire equipment, and IT assets.

6.3.4 Financial Sustainability for Operations and Maintenance

The Town's operations and maintenance activity expenditures are estimated in Section 5, including forecasts that account for the growth in asset portfolio planned over the next 10 years. These expenditures are the currently available forecasts regarding asset-related operating and maintenance activities that are expected to maintain current service levels. The Town is experiencing some pressures on the operating budget in terms of having enough staff resources to complete all required O&M activities for facility assets, but these pressures have not yet been

quantified. A future budget pressure may be additional activities related to natural infrastructure such woodlands, meadows, and wetlands as the Town matures in its management of these assets.

6.3.5 Affordability and Strategies to Close Funding Gap

As indicated in Sections 6.3.1 and 6.3.3, there are funding gaps related to asset growth and renewal needs. The following strategies may be considered in closing the funding gaps and addressing pressures on the operating budget. The Town focuses on strategies that minimize the financial impacts on residents such as maximizing grants and other external revenue sources.

- **Increase available funding sources** though property tax increase, utilization of debt, leveraging third party grants, or drawing down on reserves.
- **Reduce near term renewal needs** by deferring capital renewal projects on lower risk assets, thereby reducing service levels. Note that this may increase overall lifecycle costs in the long-term.
- **Further extend asset life and reduce lifecycle costs** by considering additional rehabilitation strategies to defer more expensive renewals.

The Town's goals and objectives of transparent and responsible decision-making aligns with O.Reg. 588/17, which requires municipalities to demonstrate financial sustainability through the AM Plan. This AM Plan is proactive in setting the stage for meeting O.Reg. 588/17 requirements for year 2025 by identifying potential funding shortfalls. This proactive approach enables the Town to start the needed discussions on the affordability of current service levels such that it will be able to determine the appropriate service levels for the Town by year 2025 that effectively balances the associated costs and risks.

6.4 Forecast and Funding Gap Limitations

The forecasts and funding gap estimates in this AM Plan are based on currently available data. As the Town continues to improve on data collection and implement additional condition assessment protocols, the confidence in forecasts and funding gap estimates will improve. Replacement costs are estimated in current year (2024) dollars, but it is recognized that some asset costs may not account for the volatile rates of inflation that have continued over the past few years.

For operations and maintenance, future needs may be identified as the Town formalizes activities related to management of natural assets. For capital project forecasts, additional needs may also be identified as studies and Master Plans are completed, such as the Parks, Recreation and Culture Master Plan update and Fire Master Plan. As indicated in Section 5.2.4, the Town is also committed to climate change initiatives as part of the Partners for Climate Protection program and will set emission reduction targets that will drive new energy efficiency projects. Forecasted needs may also need to be adjusted to account for improvements related to infrastructure resilience – one initiative is the shoreline protection assessment that will determine future shoreline work.

7 AM Plan Monitoring & Improvement

7.1 Overview

Development of AM Plans is an iterative process that includes improving data, processes, systems, staff skills, and organizational culture over time. This section provides an overview of the compliance of this AM Plan with Ontario Regulation 588/17 for current levels of service and recommends improvements to the Town's asset management practices.

Table 7-1: O.Reg. 588/17 Compliance Status and Other Opportunities

AM Plan Section	O.Reg. 588/17 Compliance (Current LOS)
General	Review Town's current AM Policy and update as required (review is required every 5 years per O.Reg. 588/17)
State of Local Infrastructure	**Compliance**: For each asset category, the AM Plan provides a summary of the assets, the replacement cost of the assets, the average age of the assets, the condition of the assets, and the approach to assessing condition of assets. **General Improvements**: • Continue to improve knowledge of asset replacement costs and current condition of the assets. Target efforts on highest risk assets and assets with unknown condition. • Procurement and implementation of Computerized Maintenance Management and Enterprise Asset Management System to improve management and tracking of all Town-owned assets and enhance overall asset management capabilities. **Specific improvements**: • Improve and complete inventory of sports field fencing • Consider updating hierarchy category for shoreline protection • Improve accuracy of facility and outdoor recreation amenity costs • Continue to build natural infrastructure inventory, which is currently based on the Niagara Peninsula Conservation Authority categorization by Ecological Land Classification (ELC) • Complete park tree and street tree condition data collection and documentation • Continue to populate missing construction year data in GIS for park assets included in the AM Plan • Develop a condition rating framework and approach for assessing condition for more critical assets that are currently using age-based estimates • Improve accuracy of fire equipment and fleet unit costs to reflect rapidly increasing market costs • Continue to update the IT inventory with purchase year data as equipment is replaced • Consider including software as IT assets into future updates to the AM Plan

AM Plan Section	O.Reg. 588/17 Compliance (Current LOS)
Levels of Service	**Compliance**: For each asset category, the AM Plan reports community and technical measures and the current LOS performance. **General Improvements**: • For 2025 O.Reg. 588/17, develop Proposed LOS (target performance for each measure over each of the next 10 years). • Consider other measures such as those related to operations and maintenance based on tracking of activities enabled by Computerized Maintenance Management and Enterprise Asset Management System. **Specific improvements**: • As part of Partners for Climate Protection program, create a baseline GHG emissions inventory and set emission reduction targets. • Incorporate any updated provision service levels in the Parks, Recreation and Culture Master Plan to inform proposed service levels per O.Reg. 588/17 requirements • Complete study regarding fire response time service levels, benchmarked against NFPA 1710 and 1720 standards as appropriate, and incorporate into next AM Plan update • Consider a measure related to unscheduled fleet downtime to help identify potential issues with vehicles
Risk and Lifecycle Management Strategies	**Compliance**: The AM Plan provides the population and employment forecasts as set out in Schedule 3 to the 2017 Growth Plan or the Region's Official Plan. For each asset category, the AM Plan provides the lifecycle activities that would need to be undertaken to maintain the current LOS for each of the next 10 years, based on risk and lowest lifecycle cost analyses. **General Improvements:** • Continue to optimize the lifecycle activities by searching out and testing various operations, maintenance and renewal activity and timing options, and then evaluating the benefits over time to determine the lowest lifecycle cost option. After implementation of Computerized Maintenance Management and Enterprise Asset Management System, utilize tracking of activities and costs to refine future forecasts. • Refine the CoF 1 to 5 rating framework (Table 4-1) to help in the process of standardizing scoring methodologies across different asset classes and service areas. This rating scale should be adjusted to align with Town scope/size (for example, the maximum number of people affected by service delivery disruption should consider the size of the Town population). **Specific improvements**: • Improve understanding of growth and upgrade needs by incorporating recommendations from future studies, such as the Parks, Recreation, and Culture Master Plan.

AM Plan Section	O.Reg. 588/17 Compliance (Current LOS)
	• Refine lifecycle strategies for assets as data on condition and renewal treatment timing is collected, particularly on assets with longer service lives • Continue to improve consequence of failure scoring methodologies
Financial Strategy	**Compliance**: The AM Plan provides the estimated 10-year capital expenditures and significant operating costs required to maintain the current levels of service to accommodate projected increases in demand caused by growth as set out in Schedule 3 to the 2017 Growth Plan or the Region's Official Plan. For each asset category, the AM Plan provides the costs of providing the lifecycle activities that would need to be undertaken to maintain the current LOS for each of the next 10 years.
	General Improvements:
	• Update Operating budget forecast as impact of on-going pressures, such as the increasing costs in the current economic and political environment are better understood. • Develop and formalize operations and maintenance activities related to natural infrastructure • Incorporate costs of additional projects into the needs forecast from studies such as the shoreline protection assessment once the recommendations and associated scope and costs are understood. • Prepare 10-year operating and capital plans as required by O.Reg. 588/17 for AM Plans for Proposed LOS (due by July 1, 2025), and evaluate the funding shortfall to the Proposed LOS.

7.2 Monitoring and Review Procedures

The AM Plan will be updated at least every five years to ensure it reports an updated snapshot of the Town's asset portfolio and its associated value, age, and condition. It will ensure that the Town has an updated 10-year outlook and proposed service levels by year 2025. Per O.Reg. 588/17, the Town will conduct an annual review of its asset management progress in implementing this AM Plan and will discuss strategies to address any factors impeding its implementation.