

Report to Council

Report Title:	2025 Asset Management Plan O.Reg Update		
Prepared By:	Trish Serratore, Chief Financial Officer		
Department:	Finance		
Date:	July 15, 2025		
Report Number:	FIN2025-18	File Number:	C11FIN, F06
Attachments:	Updated Asset Management Plan		

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2025-18 – 2025 Asset Management Plan O. Reg Update, prepared by Trish Serratore, Chief Financial Officer and in doing so:

1. **Approves** the 2025 Corporate Asset Management Plan (AMP), as attached to this report, fulfilling the regulatory requirements under Ontario Regulation 588/17;
2. **Directs** staff to submit the 2025 AMP to the Ministry of Infrastructure, and to publish the document on the Municipality of Brockton's official website to ensure transparency and public accessibility; and
3. **Accepts** the Financial Strategy outlined in **Scenario 2** of the AMP, which proposes achieving 60% of the ideal funding target over a 15-year period, and that this strategy be used as the foundation for future infrastructure investment planning and integrated into the 2026 budget process and beyond.

Report:

Background:

The Municipality of Brockton has maintained a proactive approach to infrastructure planning through its Asset Management Plan (AMP), which began in 2009. Over the years, the plan has evolved to incorporate improved data collection, lifecycle strategies, and financial forecasting. These updates have been undertaken to strengthen decision-making, comply with provincial legislation, and ensure the sustainable delivery of municipal services.

Significant AMP updates include:

- 2016 AMP: Enhanced data collection, lifecycle strategies, and long-term forecasting.
- 2018 Strategic Asset Management Policy: Adopted to formalize asset management practices and meet the first milestone of O. Reg. 588/17.
- 2021 AMP: Focused on core infrastructure (roads, bridges, water, wastewater, storm) and identified a substantial infrastructure deficit.

- 2022 AMP Update: Provided revised condition data and updated financial needs based on improved inventory and service-level assessments.

AMPs are updated to:

- Meet regulatory requirements under Ontario Regulation 588/17, which mandates that municipalities regularly assess the state of infrastructure and define current and proposed levels of service.
- Ensure data accuracy as assets age, new information becomes available, and community needs evolve.
- Support long-term financial planning by aligning lifecycle costs, funding strategies, and service delivery objectives.
- Mitigate risks and prepare for external pressures, including climate change, population shifts, and economic uncertainty.
- Guide investment decisions and maintain service levels while optimizing limited financial resources.

The 2025 AMP fulfills the third and final phase of O. Reg. 588/17 implementation, incorporating both core and non-core asset categories, and outlining a 10-year financial strategy to support proposed levels of service.

Analysis:

The 2025 AMP presents a comprehensive review of Brockton's municipal infrastructure, valued at \$829 million in total replacement cost. The Plan reflects the most up-to-date inventory, condition assessments, and financial forecasts available as of December 2024. It was developed to meet compliance with O. Reg. 588/17 and to support the Municipality's broader goals of service reliability, environmental resilience, and efficient capital investment.

State of the Infrastructure and Service Requirements:

Approximately 75% of Brockton's assets are in fair or better condition, while 25% are in poor or very poor condition. Of the total portfolio, 73% is supported by formal condition assessments, while the remaining 27% relies on age-based estimates, especially within stormwater and underground infrastructure categories.

Key statistics from the AMP include:

- **Ideal Annual Capital Requirement:** \$18.0 million
- **Proposed Level of Service (PLOS) Funding Target:** \$10.8 million annually (60% of ideal)
- **Actual Sustainable Capital Investment:** ~\$3.6 million annually
- **Annual Funding Gap:** \$7.2 million to achieve PLOS

The AMP uses both replacement-only and proactive lifecycle strategies, depending on the asset category. While certain assets, such as paved roads, have established lifecycle models, many other categories (e.g., stormwater, facilities) rely on replacement at end-of-life, which is less cost-effective.

To address the financial gap and improve service sustainability, three funding scenarios were modeled:

Scenario 1 – Status Quo (No Increase in Funding): Maintains current funding levels (~\$3.6M/year). While fiscally neutral in the short term, this approach will lead to an escalating infrastructure backlog, deferred

critical investments, greater service disruptions, and increased reliance on unsustainable grant funding. It was not recommended.

Scenario 2 – 60% of Ideal Funding in 15 Years (Recommended): Introduces incremental funding increases (~2.1% annual tax increase, 1.1% for water rates, 4.6% for sanitary) to close the gap over time. While not fully resolving the funding shortfall, this approach balances financial feasibility with infrastructure sustainability and was supported by both municipal staff and public feedback as a practical compromise.

Scenario 3 – Full Funding (100%) in 15 Years: Would require significant annual increases (~3.8% tax, 2.7% water, 7.0% sanitary), which is politically and economically challenging. While this option closes the gap fully, it was deemed unachievable under current economic conditions.

Climate, and Growth Considerations:

The AMP incorporates risk modeling based on condition, age, and service criticality. Approximately 15% of assets, representing over \$124 million, carry a high-risk score and require prioritization in capital planning. These risks are compounded by climate change, which is expected to accelerate asset deterioration through increased freeze-thaw cycles, flooding, and extreme weather.

The Plan also aligns with population and growth projections outlined in the Bruce County Official Plan and Brockton's Development Charges Background Study, which anticipates significant residential and commercial expansion, particularly in Walkerton. These growth patterns will place additional pressure on existing infrastructure and increase demand for services.

Public and Staff Engagement:

The AMP development process included workshops with internal departments and a public survey open through winter 2025. Staff raised concerns over aging equipment, limited storage for large vehicles, deterioration of rural surface-treated roads, and the need for updated facilities. Public respondents emphasized the importance of investments in road maintenance, recreation, and utilities, while expressing interest in equitable spending between urban and rural areas.

Strategic Alignment and Continuous Improvement:

The AMP is consistent with Brockton's Strategic Action Plan, supporting initiatives related to governance, service delivery, infrastructure renewal, and climate resilience. It recommends continuing improvement efforts including:

- Expanded condition assessments;
- Rate studies for water and wastewater systems;
- Risk model calibration;
- Data validation in the Citywide Asset Manager software;
- Monitoring progress through KPIs and service level reporting.

The 2025 Asset Management Plan is both a regulatory requirement and a critical roadmap for the Municipality of Brockton’s long-term infrastructure and financial sustainability. It reflects a deepening commitment to proactive planning, responsible stewardship, and transparent reporting.

By endorsing Scenario 2, Council acknowledges the financial constraints and priorities of the community, while making measurable progress toward addressing the infrastructure funding gap. This approach will support more resilient service delivery, reduce future liabilities, and ensure that infrastructure investment decisions are data-informed and strategically aligned.

The 2025 Asset Management Plan identifies an annual funding shortfall of approximately \$7.2 million to meet the proposed level of service. The recommended financial strategy (Scenario 2) proposes a phased approach to close this gap over 15 years, through modest annual increases of approximately 2.1% to tax-supported funding, 1.1% to water rates, and 4.6% to sanitary rates. These adjustments will be incorporated into future budget processes to support more sustainable infrastructure investment without placing undue burden on ratepayers.

Strategic Action Plan Checklist:

What aspect of the Brockton Strategic Action Plan does the content/recommendations in this report help advance?	
• Recommendations help move the Municipality closer to its Vision	N/A
• Recommendations contribute to achieving Heritage, Culture, and Community	N/A
• Recommendations contribute to achieving Quality of Life	N/A
• Recommendations contribute to achieving Land Use Planning and the Natural Environment	N/A
• Recommendations contribute to achieving Economic Development	N/A
• Recommendations contribute to achieving Municipal Governance	N/A

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

The recommended strategy proposes gradual annual increases to taxes and utility rates to address a \$7.2 million funding gap, supporting more sustainable infrastructure investment over the next 15 years.

Respectfully Submitted by:


Trish Serratore, Chief Financial Officer

Reviewed By:


Sonya Watson, Chief Administrative Officer