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Ministry of Infrastructure

Office of the Assistant Deputy Minister Infrastructure Policy Division

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Ministère de l'Infrastructure

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May 31, 2019

From: Adam Redish, ADM, Infrastructure Policy Division

Dear Mayor/CAO/Stakeholder:

In December 2017, the province introduced the <u>Ontario Regulation 588/17 Asset Management</u> <u>Planning for Municipal Infrastructure</u> under the *Infrastructure for Jobs and Prosperity Act*, 2015. Given that municipalities like yours own a significant portion of public infrastructure in Ontario, the delivery of critical services like roads, bridges, water and wastewater rely on wellplanned and well-maintained infrastructure. Good asset management planning helps municipalities make forward-thinking, evidence-based decisions about their assets.

Through recent consultations led by the Ministry of Municipal Affairs and Housing on burden reduction, we heard from municipalities and municipal stakeholder organizations that communities are looking for proactive reminders on reporting dates. Therefore, we would like to take this opportunity to remind you that all municipalities must have a finalized strategic asset management policy in place by July 1st of this year. Further requirements are being phased in from 2019 to 2024. A summary table outlining key regulatory milestones can be found in the addendum to this letter.

We also want to make sure that communities are aware that provincial funding programs for municipal infrastructure are aligned with the requirements of the regulation. For example, under the current intakes of the Investing in Canada Infrastructure Program (ICIP), successful municipal applicants will be required to:

- Complete an asset management planning self-assessment questionnaire before entering into a transfer payment agreement with the Province; and
- Submit their strategic asset management policy and asset management plans in accordance with the regulation for the duration of the project.

This means that if a municipality's capital project is approved by the province under ICIP in 2020 - with a project completion date of 2022 - the municipality would be required to immediately submit a copy of its strategic asset management policy upon provincial approval of the project. The municipality would also be required to submit its asset management plan for core infrastructure by July 1, 2021 to remain eligible for funding. Additional details will be made available through transfer payment agreements.

The Ministry will be conducting random audit checks for compliance of submitted strategic asset management policies and asset management plans annually.

We also want to make sure you are aware that the province is providing tools and supports to help municipalities, particularly smaller communities, to implement the requirements of the regulation. An initial offering of tools and supports has been made available. This includes:

- A <u>strategic asset management policy toolkit</u>, which is available to all municipalities. It provides valuable guidance to help municipalities meet the first set of requirements set out in the regulation before July 1, 2019.
- Expert assessments through the <u>AMP It Up 2.0</u> initiative delivered by the Municipal Finance Officers' Association, which is targeting municipalities with populations of less than 25,000 to help them develop and improve their asset management plans.
- Expansion of <u>communities of practice activities</u> delivered by Asset Management Ontario, including guidance materials, group seminars and online forums for public sector asset management practitioners across Ontario.

Investing in the right infrastructure, at the right time, and in the right place will help stretch capital dollars and sustain critical services across Ontario. The province will continue to work with municipalities across Ontario to help address infrastructure challenges. For more information on asset management planning, including tools and supports available, please visit our new <u>Municipal Asset Management Planning</u> web page.

If you have questions, please do not hesitate to contact us at <u>MunicipalAssetManagement@ontario.ca</u>

Sincerely,

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Adam Redish Assistant Deputy Minister Infrastructure Policy Division

ADDENDUM – ASSET MANAGEMENT REGULATION MILESTONES

Date	Milestone
July 1, 2019	Date for municipalities to have a finalized strategic asset management policy that promotes best practices and links asset management planning with budgeting, operations, maintenance and other municipal planning activities.
July 1, 2021	Date for municipalities to have an approved asset management plan for core assets (roads, bridges and culverts, water, wastewater and stormwater management systems) that identifies current levels of service and the cost of maintaining those levels of service.
July 1, 2023	Date for municipalities to have an approved asset management plan for all municipal infrastructure assets that identifies current levels of service and the cost of maintaining those levels of service.
July 1, 2024	Date for municipalities to have an approved asset management plan for all municipal infrastructure assets that builds upon the requirements set out in 2023. This includes an identification of proposed levels of service, what activities will be required to meet proposed levels of service, and a strategy to fund these activities.