



**Date:** April 28, 2025

**To:** Mayor and Council

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**RE:** 2025 Asset Management Updates

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## **RECOMMENDED ACTION**

That the Asset Management Plan Update – Core Assets dated March 4, 2025, as prepared by Watson & Associates Economists Ltd. **be approved.**

## **BACKGROUND**

Asset management planning is an ongoing and long-term planning process that allows municipalities to make the best possible investment decisions for their assets. This includes the building, operating, maintaining, replacing, and disposing of municipal assets.

In many parts of Ontario, municipalities are struggling to maintain their assets at appropriate service levels. For many years, infrastructure has been degrading faster than it is being repaired or replaced, putting services at risk. As a result, in 2018, the Province implemented Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure. The intent of this Regulation is to help municipalities ensure their infrastructure provides appropriate service levels while still being financially sustainable.

In 2022, Kingsville satisfied the first major requirement of O.Reg 588/17, that being the adoption of an Asset Management Plan (AMP) for core infrastructure. Core infrastructure includes roads, bridges, watermain, sanitary and storm sewers, pump stations, and retention ponds.

The next major requirement of O. Reg. 588/17 is to expand AMPs to include parks, facilities, vehicles, and other non-core infrastructure assets (sidewalks, pathways, streetlights, etc.).

## DISCUSSION

In 2024, Kingsville hired Watson & Associates to expand its 2022 Kingsville's Core Asset Management Plan to include non-core transportation assets, as well as update the current replacement values and levels of service.

This plan satisfies the July 1, 2024, reporting requirements of O. Reg. 588/17 for Core Assets.

Also in 2024, Kingsville hired Stantec through competitive bidding process to help develop an AMP for facilities, parks and fleet. This plan is still under development and expected to be completed before the end of May 2025.

## FINANCIAL CONSIDERATIONS

The updated Core Asset Management Plan, which includes additional transportation assets, inflationary adjustments and other data corrections, projects a 2024 replacement cost of \$774,980,000. This represents a \$154,239,604 increase over the Town's 2022 AMP.

Asset Class	2024 Replacement Cost	2022 Replacement Cost
Transportation*	\$232,433,000	\$196,520,606
Bridges & Culverts	\$59,842,000	\$45,748,000
Water	\$189,396,000	\$158,686,315
Wastewater	\$162,424,000	\$137,274,008
Stormwater	\$130,885,000	\$82,511,467
<b>Total</b>	<b>\$774,980,000</b>	<b>\$620,740,396</b>

\*Transportation Assets include; Roads, Sidewalks, streetlights and traffic signals.

The average annual funding requirement for Core Assets is \$14,436,000, an increase of \$3,163,000 over the 2022 target.

Asset Class	2024 Avg. Annual Funding Requirement for Core Assets	2022 Avg. Annual Funding Requirement for Core Assets
Transportation*	\$6,530,000	\$5,316,000
Bridges & Culverts	\$1,378,000	\$1,065,000
Water	\$2,151,000	\$1,504,000
Wastewater	\$2,352,000	\$2,016,000
Stormwater	\$2,025,000	\$1,372,000
<b>Total</b>	<b>\$14,436,000</b>	<b>\$11,273,000</b>

Despite increases in infrastructure funding over the past few budget cycles, the Town's infrastructure funding deficit remains significant. As part of the July 1, 2025, requirements of O. Reg. 588/17, Administration is in the process of developing a financial strategy to meet the Town's strategic plan goal of funding 85% of its Core Asset Annual Funding Requirement by 2030.

## **ENVIRONMENTAL CONSIDERATIONS**

Proper asset management planning will ensure municipal infrastructure continues to operate at adequate levels of service, is properly maintained, and is replaced when required. This will have a positive impact on the environment. Some brief examples include:

- Well-maintained storm sewers will mitigate flooding and protect bodies of water from harmful stormwater runoff.
- Well-maintained sanitary sewers will mitigate flooding and reduce environmental spills.
- Extending the life of all assets through maintenance will reduce the frequency of major replacements. This reduces waste and the need for more non-renewable resources.

## **CONSULTATIONS**

Watson & Associates Economists Ltd.

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