
Title: Strategic Asset Management Policy

Department/Division: Corporate Services / Purchasing, Risk and Asset Management

Purpose:

Council's goal for the community is to provide a safe, enjoyable, sustainable and economically vibrant community, supported by well-managed infrastructure assets, such as: efficient transportation networks, economical and safe water distribution network, reliable sewage collection system, effective stormwater management, dependable information technology systems, productive fleets and accessible parks, recreational, cultural and administrative facilities.

Through sound asset management practices, staff, Council and the community can be assured that these assets are maintained to meet desired service levels in the most cost effective and efficient manner.

The objectives of the asset management policy are to:

- Provide a framework for implementing asset management to enable a consistent and strategic approach at all levels of the organization;
- Provide guidance to staff responsible for asset management;
- Communicate to stakeholders the management principles and approach endorsed by the City;
- Provide transparency and demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels, and risks; and
- Commit the city to support the implementation of asset management methods that are consistent with the organization and meet the Council's priority objectives.

Scope:

This policy applies to all engineered and natural assets owned by and/or managed by the City, which support the provision of services; as well as all assets which are being planned for the future provision of services and can include, but not limited to, such things as: buildings, equipment, road network, water network, wastewater network, stormwater network etc.

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Definitions:

For the purposes of this policy,

“asset management” means the systematic process of deploying, operating, maintaining, upgrading and disposing of assets cost-effectively.

“lifecycle activities” means activities undertaken with respect to a municipal infrastructure asset over its service life, including constructing, maintaining, renewing, operating and decommissioning, and all engineering and design work associated with those activities;

“natural asset” means an infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, stormwater management systems, street trees, natural channels, permeable surfaces and green roofs;

“operating costs” means the aggregate of costs, including energy costs, of operating a municipal infrastructure asset over its service life;

“service life” means the total period during which a municipal infrastructure asset is in use or is available to be used;

Policy:

Strategic Alignment

The City’s mission of strengthening the community through sound leadership requires alignment of the many initiatives underway in the organization at any given time in order for it to be achieved. This alignment is necessary to properly consider whether the level of service provided by the City’s existing and planned assets is in harmony and supports the City’s mission.

Asset management planning will not replace existing Strategic and Master Plans, Financial Plans and policies. Instead, asset management planning will compliment and align with these initiatives in order to provide a service-centric point of view that supports the City’s strategies, objectives and plans.

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Guiding Principles

The City shall adopt the following principles in managing its infrastructure assets:

1. Infrastructure and investment planning shall take a long-term view while considering future challenges such as changing demographics and populations, customer expectations, economic trends, legislative requirements and climate change.
2. Infrastructure and investment planning shall be aligned with any applicable budgets or fiscal plans, such as fiscal plans released under the *Fiscal Transparency and Accountability Act, 2004* and budgets adopted under *Part VII of the Municipal Act, 2001*
3. The City shall clearly identify infrastructure priorities which will drive investment decisions.
4. Infrastructure planning and investment shall ensure the continued provision of core public services
5. Infrastructure planning and investment shall promote economic competitiveness, productivity, job creation and training opportunities.
6. The City shall ensure it protects the health and safety of workers involved in the construction and maintenance of infrastructure assets.
7. The City shall foster innovation by creating opportunities to make use of innovative technologies, services and practices, particularly where doing so would utilize technology, techniques and practices developed in Ontario.
8. Infrastructure planning and investment shall be evidence based and transparent, and, subject to any restrictions or prohibitions under an Act or otherwise by law on the collection, use or disclosure of information,
 - i. Investment decisions respecting infrastructure should be made on the basis of information that is either publicly available or is made available to the public; and
 - ii. Information with implications for infrastructure planning should be shared between the City and broader public sector entities,

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and should factor into investment decisions respecting infrastructure

9. Where provincial or municipal plans or strategies have been established in Ontario, under an Act or otherwise, but do not bind or apply to the City, the City should nevertheless be mindful of those plans and strategies and make investment decisions regarding infrastructure that support them, to the extent that they are relevant.
10. Infrastructure planning and investment shall promote accessibility for persons with disabilities.
11. The City shall minimize the impact of infrastructure on the environment, respect and help maintain ecological and biological diversity, and endeavor to make use of acceptable recycled aggregates; additionally, infrastructure shall be designed to be resilient to the effects of climate change.
12. Infrastructure planning and investment shall promote community well-being, such as local job creation and training opportunities, improvement of public spaces or other relevant benefits identified by the City and community.

Capitalization Thresholds

The service rendered by an asset will be the determining factor of whether or not to include it in the asset management plan. The policy will apply to all assets whose role in service delivery requires deliberate management by the City. This qualitative approach is unlike the quantitative and dollar value-based methodology prescribed in the City's Tangible Capital Asset Policy.

Governance & Continuous Improvement

The policy requires the commitment of key stakeholders within the City's organizational structure. The following details the responsibilities of the key stakeholders within the City.

Council - On behalf of the citizens, Council will be entrusted with the responsibility of overseeing the management of the City's assets. Council will approve the asset management planning documents and required updates by resolution, every five

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years, as well as review implementation of the plan as part of the annual budget process. The review will address (a) the City’s progress in implementing its asset management plan (b) any factors impeding the City’s ability to implement its asset management plan (c) a strategy to address the factors described in clause (b). Council will support efforts to improve the plan and ensure it includes changes necessitated by updates to other City strategic documents.

Asset and Risk Management Coordinator - The Asset and Risk Management Coordinator will act as the City lead which is ultimately responsible for asset management planning across the City and maintaining compliance with the regulation.

Division Managers – Division Managers are responsible for asset management planning activities that fall within each service area and in support of others.

Budgeting

The City will consider the asset management plan in the development of the City’s budget or of any long-term financial plans of the City that take into account municipal infrastructure assets.

The City will ensure that asset management planning aligns with financial plans related to the City’s water assets and wastewater assets. The alignment will stem from common analytical methods and common data sources used.

Service levels will be reviewed to ensure that they are appropriate, based on the City’s ability to afford the proposed levels of service.

A 10 year lifecycle management and financial strategy will be developed for each asset category. The City will identify annual funding projected and an explanation of the options examined by the City to maximize the funding projected to be available.

Community Planning

The City will consider lifecycle analysis and financial stability principles in the design and selection of community development or redevelopment that requires new assets, or existing asset enhancements to take place.

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Those responsible for managing services impacted by development or redevelopment will:

- Be consulted while the Official Plan is being prepared
- Provide input to the analysis of future servicing costs; and
- Provide written comment about the financial viability of development as it pertains to the service they manage.

Methods, assumptions, and data used in the selection of development or redevelopment initiatives documented in the Official Plan will be available in support of the production of asset management plans.

Climate Change

The City commits to considering, as part of its asset management planning:

- i. The actions that may be required to address the vulnerabilities that may be caused by climate change to the City's infrastructure assets, in respect of such matters as A. operations, such as increased maintenance schedules, B. levels of service, and C. lifecycle management,
- ii. The anticipated costs that could arise from these vulnerabilities,
- iii. Adaption opportunities that may be undertaken to manage the vulnerabilities
- iv. Mitigation approaches to climate change, and
- v. Disaster planning and contingency funding

The City will balance the potential cost of vulnerabilities to climate change impacts and other risks with the cost of reducing these vulnerabilities. The balance will be struck in the levels of service delivered through operations, maintenance schedules, disaster response plans, contingency funding, and capital investments.

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Stakeholder Engagement

The City recognizes the need and value of stakeholder input into the planning process. It will foster informed dialogue and engagement using the best available information.

Review and Updating

The Regulation requires this policy be reviewed at least every 5 years and updated as required. This policy shall be reviewed no later than 2024.

Related Policies & Legislation:

O.Reg. 588/17 Asset Management Planning for Municipal Infrastructure Assets
Infrastructure for Jobs and Prosperity Act, 2015

Appendices:

Revision History:

By-law Number	Date
2019-143	August 12, 2019