



Title:

Strategic Asset Management Policy

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ADM-024

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Applies To:

All Departments
Members of Council

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1. Policy Statement

- 1.1. The Corporation will develop and implement a municipal asset management plan in respect of all of its Municipal Infrastructure Assets. The program will promote Lifecycle Activities and risk management of all existing assets and new acquisitions, with the goal of achieving the lowest total cost of ownership while meeting desired levels of service.
- 1.2. The Corporation asset management plan will respect O.Reg. 588/17 requirements and will include, but will not be limited to the following information:
 - 1.2.1. Levels of service
 - 1.2.2. Performance of assets
 - 1.2.3. Performance measures
 - 1.2.4. Replacement cost
 - 1.2.5. Age of assets
 - 1.2.6. Remaining life
 - 1.2.7. Condition of assets
 - 1.2.8. Condition assessment
 - 1.2.9. Lifecycle management
 - 1.2.10. Risk management
 - 1.2.11. Financial strategies
 - 1.2.12. Population and employment forecasts
- 1.3. The Corporation will develop and maintain a complete and accurate asset inventory of all Municipal Infrastructure Assets.
- 1.4. As per section 7 of O.Reg 588/17, the Corporation will review and update its asset management plan at least five years after the year in which the plan is completed under section 6 of O.Reg. 588/17, as amended, and at least every five years thereafter.
- 1.5. The Corporation will review and, if necessary, update the strategic asset management policy at least every five years.
- 1.6. The municipal Council will conduct an annual review of its asset management progress on or before July 1st in each year, starting the year after the asset management plan is completed under section 6 of O.Reg. 588/17, as amended, and the annual review will address:
 - 1.6.1. The Corporation's progress in implementing its asset management plan;
 - 1.6.2. Any factors impeding the Corporation ability to implement its asset management plan; and
 - 1.6.3. A strategy to address the factors described in clause 1.6.2.

2. Definitions

2.1. Unless otherwise provided in this document, the definitions of capitalized terms are those as contained in the Ontario Regulation 588/17 (Asset Management Planning for Municipal Infrastructure) and the Infrastructure for Jobs and Prosperity Act, 2015, as amended from time to time, which are incorporated herein by reference.

“Asset Management Coordinator” means the designated employee that coordinates all related asset management duties and has an active role in championing the asset management evolution.

“Chief Administrator Office” (CAO) means the Chief Administrative Officer of the Corporation of the United Counties of Prescott and Russell.

“Corporation” means the “Corporation of the United Counties of Prescott and Russell”,

“Council” means the Council of the Corporation of the United Counties of Prescott and Russell.

“Department Head” means the person responsible for the management and operational control of the department within the Corporation of the United Counties of Prescott and Russell

“Finance Department” means the Finance Department of the Corporation of the United Counties of Prescott and Russell.

“Treasurer” means the Treasurer of the Corporation of the United Counties of Prescott and Russell.

3. Purpose

3.1. The purpose of this policy is to ensure the development and implementation of the Corporation’s asset management program to facilitate logical and informed decision-making for the management of the Corporation’s Infrastructure, and to support the delivery of sustainable present community services and future needs.

3.2. This policy also outlines principles, roles and responsibilities for asset management practices that enable a coordinated, cost effective and organizationally sustainable approach for the Corporation.

3.3. This policy demonstrates an organization-wide commitment to the good stewardship of Municipal Infrastructure Assets, and to improve accountability and transparency to the community through the adoption of best practices, desired level of service and risk management in the most efficient and effective manner.

3.4. This policy also attempts to present an approach to continuously improve and adopt appropriate practices regarding asset management planning.

4. Application

4.1. In accordance with Ontario Regulation 588/17 (Asset Management Planning for Municipal Infrastructure) made under the Infrastructure for Jobs and Prosperity Act, 2015, this policy applies to all Members of Council, officers, and employees of the Corporation.

5. Policy Requirements

5.1. Strategic Alignment

5.1.1. Our vision to maintain a safe community with sustainable growth requires alignment of the many initiatives underway in our 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 our existing and planned assets is congruent and supports our vision.

5.1.2. Asset management planning therefore will not occur in isolation from other municipal goals, plans, and policies. Rather, an integrated approach will be followed to successfully develop a practical asset management plan that align with the overarching accountabilities and aspirations of our community.

5.1.3. The Council, CAO and Department Heads will review this policy and incorporate it into the asset management planning approach that fosters the integration of municipal & provincial documents such as:

- a. Official plan (*Planning & Forestry*)
- a. Forest management plan (*Planning & Forestry*)
- b. Commuter cycling plan (*Public Works*)
- c. Resilience of UCPR culverts to climate change (*Public Works*)
- d. Economic development strategy (*Economic Development and Tourism*)
- e. Recreational trail strategic plan (*Economic Development and Tourism*)
- f. Policy on accounting for tangible capital assets (FIN-004) (*Finance*)
- g. Reserve and reserve fund policy (FIN-008) (*Finance*)
- h. Provincial regulations and restrictions on municipal debt
- i. Accessibility plan (*Social Services*)
- j. Homelessness plan (*Social Services*)
- k. Business continuity Plan (*Emergency Services*)
- l. Emergency plan (*Emergency Services*)
- m. Prescott & Russell residence strategic plan (*Prescott & Russell Residence*)

5.2. Guiding Principles

- 5.2.1.** The policy ensures that the Corporation follow a consistent and regulatory compliant approach to making decisions regarding Infrastructure planning and investment. The Corporation considers the following key guiding principles as outlined in section 3 of the Infrastructure for Jobs and Prosperity Act, 2015, for Infrastructure priority setting, planning, and investment:
- a. Infrastructure planning and investment should take a long-term view, and decision-makers should take into account the needs of Ontarians by being mindful of, among other things, demographic and economic trends.
 - b. Infrastructure planning and investment should take into account any applicable budgets or fiscal plans
 - c. Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting Infrastructure.
 - d. Infrastructure planning and investment should ensure the continued provision of core public services.
 - e. Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities.
 - f. Infrastructure planning and investment should ensure that the health and safety of workers involved in the Construction and maintenance of Infrastructure Assets is protected.
 - g. Infrastructure planning and investment should 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.
 - h. Infrastructure planning and investment should 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 Government and Broader Public Sector Entities, and should factor into investment decisions respecting Infrastructure.

- i. 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 Corporation, as the case may be, the Corporation should nevertheless be mindful of those plans and strategies and make investment decisions respecting Infrastructure that support them, to the extent that they are relevant.
- j. Infrastructure planning and investment should promote accessibility for persons with disabilities.
- k. Infrastructure planning and investment should minimize the impact of Infrastructure on the environment and respect and help maintain ecological and biological diversity, and Infrastructure should be designed to be resilient to the effects of climate change.
- l. Infrastructure planning and investment should endeavour to make use of acceptable recycled aggregates.
- m. Infrastructure planning and investment should promote community benefits, being the supplementary social and economic benefits arising from an Infrastructure project that are intended to improve the well-being of a community affected by the project, such as local job creation and training opportunities (including for apprentices), improvement of public space within the community, and any specific benefits identified by the community.

5.3. Capitalization Thresholds

- 5.3.1.** The Corporation will develop an asset management plan that includes all Asset Categories that meets the capitalization/recognition threshold outlined in the Corporation's Policy on Accounting for Tangible Capital Assets (FIN/004). The Corporation acknowledge that thresholds outlined in the Corporation's Policy on Accounting for Tangible Capital Assets (TCA) should not be the basis for asset management planning however, the small dollar value assets own by the Corporation are minimal and are not majorly critical to the safe and reliable operation of the Infrastructure therefore they are indirectly covered under the TCA. The Corporation TCA threshold/recognition are set at low reasonable amounts that covers both financial and asset management perspectives. The financial perspective focuses on the monetary value of an asset and the asset management perspective focuses on the service provided.

5.4. Budgeting

5.4.1. The asset management plan and progress made on the plan will be considered annually in the creation of the Corporation's capital budgets, operating budgets, and long-term financial plans. The asset management plan will be referenced by each specific department in the preparation of their budget submission in order to:

- a. Look up forecasted spending needs identified in the plan;
- b. Verify progress made on the plan to identify potential gaps;
- c. Evaluate the validity and need of each significant new capital asset, including considering the impact on future Operating Costs; and
- d. Incorporate new revenue tools and alternative funding strategies where possible.

5.4.2. The budgets thus prepared by each department will then be processed in accordance with the municipal budget process.

5.4.3. The Finance Department will be involved in asset management planning to facilitate the bridge between:

- a. The financial strategy developed in the asset management plan;
- b. The budget submissions of each department; and
- c. The overall budgeting process they ultimately oversee.

5.5. Community Planning

5.5.1. The Corporation official plan provides guidance for consideration of land use changes, the provision of public works and municipal initiatives to further support the Corporation's vision. The official plan gives direction for implementing by-laws, guidelines for more detailed planning and the means for controlling growth so that the Corporation's capacity to provide a healthy community environment is not exceeded. Consequently, the asset management plan will be aligned with the development decisions documented in the Corporation's official plan. The asset management plan will reflect how the Corporation is projected to change through projected growth and the related asset impact. The Corporation will achieve this by consulting with those responsible for managing the services to analyze the future costs and viability of projected changes. The people involved in the Corporation planning and asset management planning processes will have to consult with each other since the 2014 Provincial Policy Statement of the Planning Act emphasizes the need for cost-effective development

patterns and standards to minimize servicing cost. Methods, assumptions, and data used in the selection of projected changes should be documented to support the recommendations in the asset management plan.

5.6. Climate Change

5.6.1. Climate change will be considered as part of the Corporation risk management approach embedded in the asset management planning methods. The Corporation will consider the impact of climate change on Corporation Infrastructure and the actions that may be required. Those actions will include, but will not be limited to, anticipated costs that could arise from these impacts, levels of service delivered through operations, maintenance schedules, mitigation measures, adaptation opportunities, emergency planning and contingency/reserve funding.

5.7. Stakeholder Engagement

5.7.1. The Corporation recognizes the residents, businesses, institutions in its region as stakeholders and local Municipalities, neighboring Municipalities, provincial agencies, and regulated utilities as partners in service delivery. Accordingly, the Corporation will foster informed dialogue with these parties using the best available information and engage with them by:

- a. Providing opportunities for residents and other stakeholders served by the Corporation to provide input in asset management planning; and
- b. Coordinating asset management planning with other Infrastructure Asset owning agencies such as Municipalities, provincial agencies and regulated utilities;

6. Responsibilities

6.1. The Council is entrusted with the responsibility of overseeing, on behalf of citizens, a large range of services provided through a diverse portfolio of assets. Council, having stewardship responsibility, is the final decision maker on all matters related to asset management in the Corporation. The Council and the Department Head are committed to the success of asset management planning.

6.2. The policy requires the commitment of key stakeholders within the Corporations organizational structure. The following details the responsibilities of the key stakeholders within the Corporation:

6.2.1. Council

- a. Approve the strategic asset management policy.

- b. Approve by resolution the asset management plan and its updates every five years.
- c. Conduct annual reviews of management plan implementation.
- d. Support ongoing efforts to continuously improve and implement the asset management plan.
- e. Prioritize effective measures during the adoption of the budget; and
- f. Consult with Department Heads.

6.2.2. Chief Administrator Officer (CAO)

- a. Maintain compliance with the asset management policy and provincial asset management regulation.
- b. Oversee asset management program progression.

6.2.3. Treasurer

- a. Ensure application of the strategic asset management policy.
- b. Provide guidance and act as the liaison between Council and Department Heads during budget process on the implementation of the asset management plan.
- c. Incorporate best practices and processes together with the Asset Management Coordinator and Department Heads.

6.2.4. Department Heads

- a. Oversee asset management planning activities that fall within their service area and in support of others.
- b. Responsible for asset management planning across the Corporation, in respect to the asset management plan and policy.
- c. Ensure that current year and long range asset requirements are incorporated into the budget presented to Council annually.
- d. Shall work with the Asset Management Coordinator to develop, implement and update the asset management plan.

6.2.5. Asset Management Coordinator

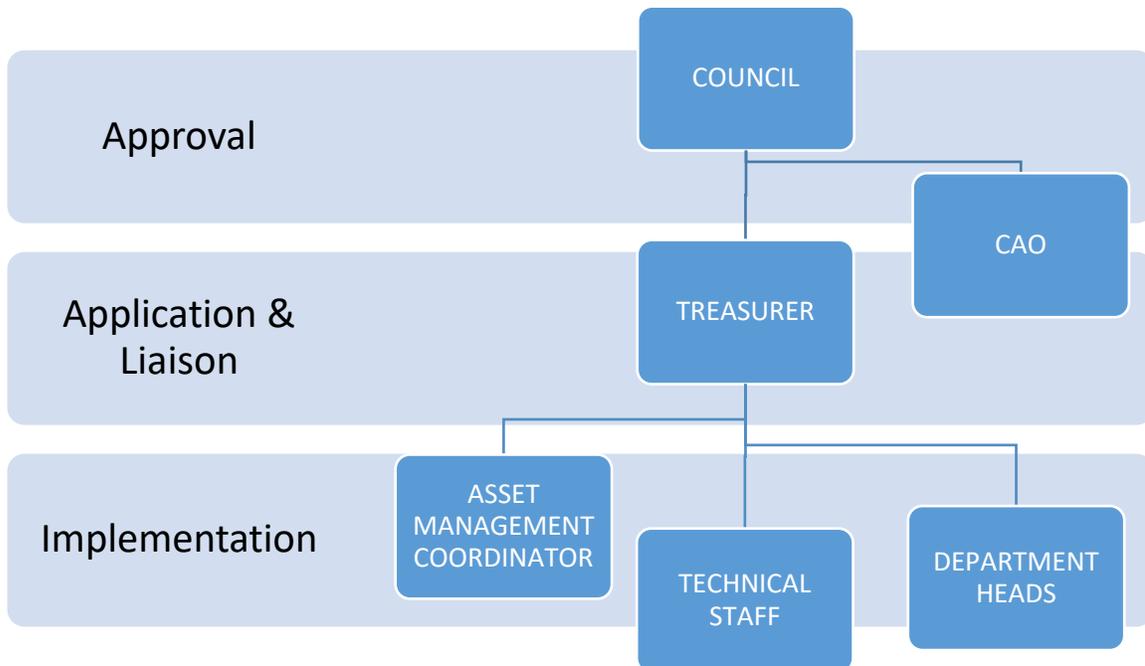
- a. Develop and update this strategic asset management policy as necessary and recommend changes to the Treasurer for obtaining Council approval.

- b. Update the asset management plan as necessary and recommend changes to the Department Heads and Treasurer for obtaining Council approval.
- c. Provide guidance and coordination with Department Heads and staff.
- d. Develop and monitor levels of service and make recommendation to Department Heads.
- e. Coordinate and track the asset management plan program implementation and progress.

6.2.6. Technical and Operations Staff

- a. Shall work with the Asset Management Coordinator and Departments Heads to develop, implement and update the asset management plan.

6.2.7. Governance Structure Model



7. Interpretation

- 7.1. In case of discrepancy in interpretation between the French and the English version of this policy, the English version shall prevail.

8. Legislative Authority

8.1. Ontario Regulation 588/17 (Asset Management Planning for Municipal Infrastructure) made under the Infrastructure for Jobs and Prosperity Act, 2015 provides that a Municipality shall prepare and adopt a Strategic Asset Management Policy by July 1st, 2019. Section 4 of the said Regulation requires the Municipality to review and, if necessary, update the Strategic Asset Management Policy at least every five years.

9. References

- MFOA Strategic Asset Management Policy Toolkit

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