

To: David Creery, Chief Administrative Officer
From: Bassel Agroam, Manager of Asset Management
Re: Strategic Asset Management Policy Update

AIM

To seek Council's approval of the Strategic Asset Management Policy update.

BACKGROUND

On December 27, 2017, the Province of Ontario filed Regulation 588/17, Asset Management Planning for Municipal Infrastructure (O. Reg. 588/17) under the Infrastructure for Jobs and Prosperity Act, 2015. This regulation provides the province's requirements for scope and content for a municipal asset management plan. Regulatory compliance is required for a successful application for a conditional grant for municipal infrastructure projects. As part of the regulation each municipality was required to prepare a strategic asset management policy.

The purpose of the policy is to guide the asset management process to ensure an integrated, lifecycle approach to effective stewardship of assets is developed. The intention is to maximize benefits, manage risk and provide satisfactory levels of service to the public in a sustainable and environmentally responsible manner. Municipalities need to ensure sufficient funding is available in the longer term to renew assets and deal with growth, as well as meet pressures from age, climate change and unforeseen disasters. The focus is on evidence-based planning so that the right investment is made on the right asset at the right time.

COMMENTS

Under O. Reg. 588/17, the Strategic Asset Management Policy is required to be reviewed and updated, if necessary, at least every five years. Staff have reviewed and updated the policy to ensure it continues to stay relevant to the City's Asset Management Program.

RECOMMENDATION

That City Council approves the updated "Strategic Asset Management Policy",

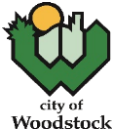
Authored by: Bassel Agroam, EIT, CAMP, Manager of Asset Management

Approved by: Adam Cave, CET, Manager of Municipal Infrastructure

Approved by: Harold de Haan, P.Eng., City Engineer

Approved by: Diane Campbell, CPA, CA, Director of Administrative Services

Approved by: David Creery, MBA, P.Eng., Chief Administrative Officer



CITY OF WOODSTOCK POLICY MANUAL

Subject:	Strategic Asset Management Policy
Policy Number:	AS011???
Revision:	010
Approved by Council:	May 2, 2019
Amended:	<u>June 20, 2024</u>

Purpose

Asset management is the systematic approach to the governance and realization of value from assets over their lifecycle. The City of Woodstock is committed to proactively managing its assets to effectively deliver services, support sustainability and economic development, and maintain prudent financial planning and decision making.

This policy is intended to provide a framework for implementing asset management to enable a consistent and strategic approach at all levels of the organization, and provide guidance to staff responsible for asset management.

Definitions

Unless otherwise noted, the definitions provided in this document align with those outlined in O. Reg. 588/17. Asset Management Planning for Municipal Infrastructure, under the *Infrastructure for Jobs and Prosperity Act, 2015* and the international standards for asset management.

Asset: An asset is an item, thing or entity that holds potential or actual value to an organization. The value will vary between different organizations and their stakeholders, and can be tangible or intangible, financial or non-financial.

Asset Management: Asset Management is the coordinated activity of an organization to help realize value from the assets it owns.

Asset Management Plan (AMP): An asset management plan (AMP) is a strategic document that guides a municipality's management of infrastructure assets and other assets to deliver corporate objectives in the most cost-effective manner.

Asset System: A set of assets that interact or are interrelated.

City: The Corporation of the City of Woodstock.

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Core Municipal Infrastructure Asset: Defined by O. Reg. 588/17, any municipal infrastructure asset that is a, Water asset that relates to the collection, production, treatment, storage, supply or distribution of drinking water; Wastewater asset that relates to the collection, transmission, treatment or disposal of wastewater, including any wastewater asset that from time to time manages stormwater; Stormwater management asset that relates to the collection, transmission, treatment, retention, infiltration, control or disposal of stormwater; Road; or Bridge or culvert.

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Green Infrastructure Asset: An infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and Page 3-systems, parklands, stormwater management systems, street trees, urban forests, natural channels, permeable surfaces, and green roofs.

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Level of Service (LOS): A level of service (LOS) is a measure of what the municipality is providing to the community and the nature and quality of that service.

Lifecycle: The various phases of an asset's life that are identified as planning & construction, operations, maintenance, and disposal. Each phase has its own opportunities, risks, impacts and costs.

Municipal Infrastructure Asset: An infrastructure asset (core and non-core municipal infrastructure assets), including a green infrastructure asset, directly owned by a municipality or included on the consolidated financial statements of a municipality, but does not include an infrastructure asset that is managed by a joint municipal water board.

Natural assets/natural infrastructure: The use of preserved, restored, or enhanced elements or combinations of vegetation and associated biology, land, water, and naturally occurring ecological processes to meet targeted infrastructure outcomes.

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Stakeholder: A person or organization that can affect, be affected by, or perceive themselves to be affected by a decision or activity.

Public: Residential, commercial, industrial, and institutional stakeholders, and any other stakeholders that rely on City owned municipal infrastructure assets.

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Application

Council and senior management will utilize this policy and incorporate it into an asset management planning approach that fosters the integration of municipal documents such as the Strategic Plan, financial plans, communitythe Official Plan, development charges study and various master plans.

The Asset Management Policy applies to all assets that are used in service delivery and require deliberate management by the City. The service-focused intent of this policy drives the identification of assets to be included in asset management. For this reason, the capitalization thresholds developed for the purposes of financial reporting will not be used in selecting the assets covered by asset management planning processes.

Principles

The *Infrastructure for Jobs and Prosperity Act, 2015*, set out principles to guide asset management planning for municipalities in Ontario. The City of Woodstock will strive to incorporate the following principles whenever possible in managing its infrastructure assets:

Forward looking: The City will take a long-term view when considering demographic and economic trends in the region.

Budgeting and planning: The City will take into account any applicable budgets or fiscal plans, such as budgets adopted under Part VII of the Municipal Act, 2001.

Prioritizing: The City will clearly identify infrastructure priorities, which will drive investment decisions.

Economic development: The City will promote economic competitiveness, productivity, job creation and training opportunities.

Transparency: The City will be evidence-based and transparent. Additionally, subject to any prohibitions under an Act or otherwise by law on the collection, use or disclosure of information, the City will make decisions with respect to infrastructure based on information that is publicly available or made available to the public, and will share information with implications on infrastructure and investment decisions with other levels of government and other public sector entities.

Consistency: The City will ensure the continued provision of core public services such as the transportation network, storm sewer network, parks and facilities.

Environmentally conscious: The City will minimize the impact of infrastructure on the environment by respecting and helping maintain ecological and biological diversity, augmenting resilience to the effects of climate change and endeavouring to make use of acceptable recycled aggregates.

Health and safety: The City will ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.

Community focused: The City will promote community benefits, including the supplementary social and economic benefits arising from infrastructure projects that are intended to improve the well-being of the community, such as local job creation and training opportunities, improvement of public space within the community and promoting accessibility for persons with disabilities.

Innovation: The City will create opportunities to make use of innovative technologies, services and practices, particularly where doing so would utilize technology, techniques and practices developed in Ontario.

Integration: The City will, where relevant and appropriate, be mindful and consider the principles and content of non-binding provincial or municipal plans and strategies established under an Act or otherwise, in planning and making decisions surrounding the infrastructure that supports them.

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Responsibilities

This 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:

- Approve by resolution the asset management plan and its updates at least every five (5) years from the date when it is fully completed under Section 6 of ~~Ontario O.~~ Reg. 588/17;
- Conduct annual reviews of management plan implementation progress on or before July 1st of every year that includes:
 - Progress on ongoing efforts to implement the asset management plans,
 - Consideration of the asset management policy,
 - Any factors affecting the ability of the municipality to implement its asset management plans,
 - Consultation with department heads, and
 - A strategy to address these factors including the adoption of appropriate practices, and
- Support ongoing efforts to continuously improve and implement the asset management plans.

Chief Administrative Officer:

- Maintain compliance with the asset management policy and provincial asset management regulation.
- Ensure adequate resources are available to implement and maintain core asset management practices.

Senior Management Team

- Oversee asset management planning activities that fall within their service area and in support of others, including staffing, establishing and monitoring levels of service, and reporting on asset management progress and results.

Administration

The following factors will be considered in the implementation of this policy:

Budgeting

The asset management plans and progress made on the plans will be considered annually in the creation of the City's capital budgets, operating budgets and long-term financial plans.

Service area staff will reference the asset management plan for their area in order to look up forecasted spending needs identified in the plan, verify progress made on the plan to identify potential gaps and prioritize spending needs across the gap identified in the plan and recent developments for the appropriate budget years.

Financial services staff will be involved in asset management planning to facilitate the bridge between the financial strategy developed in the asset management plan(s), the budget submissions of each service area and the overall budgeting process.

Community Planning

Asset management planning will be aligned with the Oxford County Official Plan. The asset management plans will reflect how the community is projected to change and the related asset impacts. The City will achieve this by consulting with those responsible for managing services impacted by development or redevelopment to analyze future costs and the viability of projected changes. Methods, assumptions and data used will be documented.

Climate Change

Climate change will be considered as part of the City's risk management approach and embedded in local asset management planning methods. This approach will balance the potential cost of vulnerabilities to climate change impacts and other risks with the cost of reducing these vulnerabilities. A balance will be struck in the levels of service delivered through operations, maintenance schedules, disaster response plans, contingency funding and capital investments.

Public Availability

The Strategic Asset Management Policy and the City's Asset Management Plan will be available on the City's website as well as provide a printed copy of either document to any person who requests it.

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Stakeholder Engagement

The City of Woodstock recognizes the need for stakeholder input into the planning process and will foster informed dialogue using the best information available. Asset management planning will be coordinated with neighbouring municipalities and regulated utilities.

Authority

The policy will be administered jointly by the Administrative Services Department and the Engineering Department. The Director of Administrative Services and the City Engineer will have the authority to interpret the policy as required. -Any changes to the policy will be approved by Council.

Updates

Revision Date	Rev #	Particulars
May 2, 2019	00	Approved by Council
<u>June 20, 2024</u>	<u>01</u>	<u>Addition of definitions and updates</u>