



REPORT N° INF2019-019

Date	03/06/2019
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Subject	Strategic Asset Management Policy
File N°	INF2019-019

1) **NATURE/GOAL :**

The purpose of this report is to obtain Council's approval for the City's Strategic Asset Management Policy.

2) **DIRECTIVE/PREVIOUS POLICY :**

A previous Asset Management Policy was adopted in December 2010 (By-Law 2010-199), making this policy 9 years old.

3) **DEPARTMENT'S RECOMMENDATION :**

THAT the Committee of the Whole recommends that Council approves the Strategic Asset Management Policy, as presented in Report no. INF2019-019.

QUE le comité plénier recommande au Conseil municipal d'approuver la politique stratégique de gestion des actifs, tel que présenté dans le rapport INF2019-019.

4) **BACKGROUND :**

In the fall of 2012, the Province of Ontario, introduced a requirement for an Asset Management Plan as a prerequisite for municipalities seeking funding assistance for capital projects, from the province. As set out in the *Building Together: A guide for Municipal Asset Management Plans*, the City of Clarence Rockland had its first Asset Management Plan in 2014.

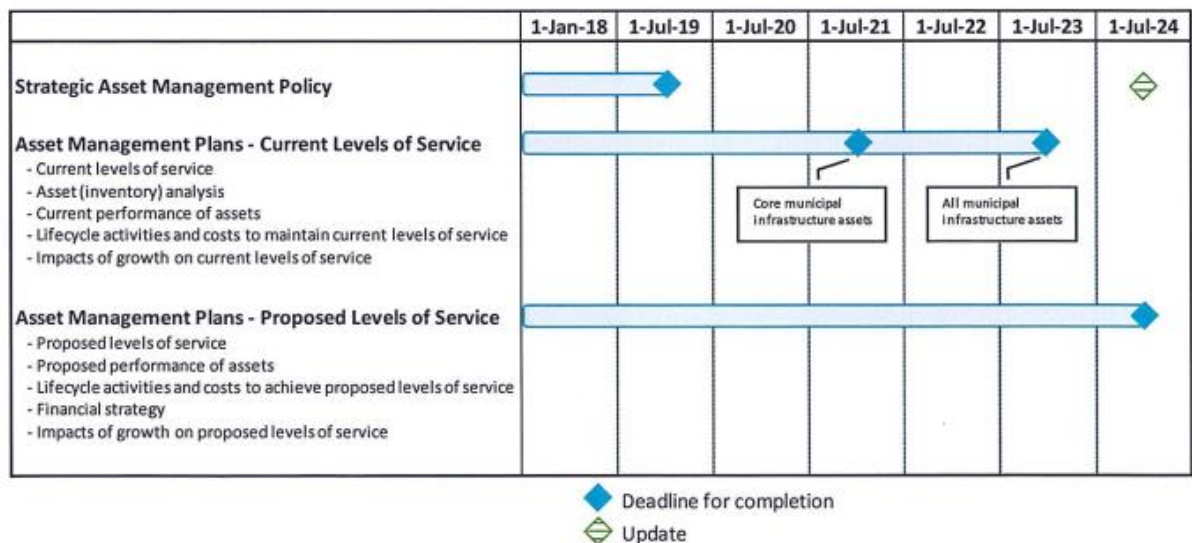
In December 2017, the province passed an asset management planning regulation under the *Infrastructure for Jobs and Prosperity Act, 2015*. Under this new regulation, *Ontario Regulation 588/17*, Council is required to approve a Strategic Asset Management Policy by July 1, 2019. Subsequently, the Strategic Asset Management Policy must be reviewed and, if necessary, updated at least every five years afterwards.

The purpose of this new regulation is for municipalities to leverage asset management planning to optimize infrastructure investment decisions. Gas Tax, OCIF and other federal/provincial funding opportunities require Asset Management planning to guide capital infrastructure and investment decision. Therefore, municipalities are required to have an Asset Management Policy and an Asset

Management Plan in place, as well as clearly demonstrate that projects are prioritized based on an Asset Management framework.

5) **DISCUSSION :**

This new regulation provides an outline of the items that must be included within the future version of the City's Asset Management Plans, as well as the associated deadlines, as presented in the table below.



As mentioned above, the first requirement is the approval of the Strategic Asset Management Policy, which must be approved by July 1, 2019.

The Strategic Asset Management Policy must include the following elements:

- Identification of municipal goals/plans/policies the asset management plan would support;
- The process by which the asset management plan will be considered in the development of the municipality's budget and any long-term financial plans;
- The approach to continuous improvement and adoption of appropriate asset management practices;
- Principles that will guide asset management planning, including those set out in section 3 of the *Infrastructure for Jobs and Prosperity Act*;
- A commitment to consider:
 - Actions to may be required to address vulnerabilities that may be caused by climate change and the cost associated with such actions;
 - Adaptation opportunities to manage vulnerabilities that may be caused by climate change;
 - Mitigation measures to address climate change;

- Disaster planning and contingency funding;
- A process to ensure that the municipality's asset management planning is aligned with financial plans related to the municipality's water and wastewater assets;
- A process to ensure that the municipality's asset management planning is aligned with Ontario's land-use planning framework;
- Capitalization thresholds used for the asset management plan, and how they compare to those in the municipality's tangible capital assets policy;
- A commitment to coordinate planning between interrelated assets with those of upper-tier municipality, neighbouring municipalities or jointly owned municipal bodies;
- Identification of persons responsible for the municipality's asset management planning, including an "executive lead" and how Council will be involved;
- A commitment to provide opportunities to interest parties to provide input.

Other requirements outlined in the new regulation include:

- Posting the Strategic Asset Management Policy and Asset Management Plan on the City's website and provide copies of these document to any person who requests it.
- Updating the Asset Management Plan at least every 5 years after July 1, 2024.
- Conducting an annual review of its asset management progress after July 1, 2024.

6) **CONSULTATION:**

N/A

7) **RECOMMENDATIONS OR COMMENTS FROM COMMITTEE/ OTHER DEPARTMENTS :**

The department of Infrastructure and Planning have circulated a draft copy of the Strategic Asset Management Policy to the other department heads for comments. A few minor comments have been received and addressed in the final version of the Strategic Asset Management Policy.

8) **FINANCIAL IMPACT (expenses/material/etc.):**

There is no direct financial implications from this report.

9) **LEGAL IMPLICATIONS :**

The City must ensure that it complies with Ontario Regulation 588/17.

10) **RISK MANAGEMENT :**

This policy will guide the asset management planning within the organization. Asset management planning will help with the determination of timely intervention strategies to address the

municipality's infrastructure needs, which will help mitigate the likelihood of asset failure and the consequences of such failure.

11) **STRATEGIC IMPLICATIONS :**

This policy is aligned with the Financial Stability Pillar of the Strategic Plan to develop a long range financing strategy to meet projected needs and the Environmental Responsibility Pillar to develop a Corporate Asset Management Plan.

12) **SUPPORTING DOCUMENTS:**

Attachment "A": Strategic Asset Management Policy