



## POLICY No. 2019- Asset Management Policy

**Originating Department** FCA-01-2019

**SMT Approval:** Select a Date

**Council in Committee:** Select a Date

**Council Approval:** Select a Date

**Revision History:**

**Recommendation #:**

**Resolution #:**

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### 1. PURPOSE

The purpose of this policy is to provide guidance and a consistent, organization-wide framework for the development and implementation of Haldimand County's *Asset Management System (AMS)*.

This policy formalizes Haldimand County's commitment to good stewardship of *Infrastructure Assets* and emphasizes the importance of accountability and transparency to its stakeholders, through the adoption of sound *Asset Management (AM)* practices that are legislatively compliant, performed in a safe and environmentally sustainable manner and are aligned with the County's strategic mission, vision and objectives.

### 2. POLICY

#### 2.1. Objectives

The objectives of this policy are to:

- 2.1.1. Provide guidance and a formalized commitment to good stewardship of municipal *Infrastructure Assets* and safe, sustainable and sound *AM* practices;
- 2.1.2. Provide a consistent framework for developing, implementing and improving an *AMS* practised by all levels of the municipality; and
- 2.1.3. Provide transparency and accountability and demonstrate to stakeholders, the validity of evidence-based, decision-making processes that incorporate strategic planning, budgets, *Level of Service (LOS)* and risks, while obtaining the best value from its *Infrastructure Assets*.

#### 2.2. Legislative & Strategic Alignment:

This policy will be implemented by the County to comply with the following legislation:

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

Accepted industry standards used for the implementation of this policy and the development of the County's *AMS* will include the ISO 55000/55001:2014 & ISO 55002:2018 - International Standards for Asset Management. *AM* guidelines and best practices of the following associations were also used and will continue to be referenced:

- The Institute of Asset Management (IAM)
- Asset Management Ontario (AMOntario)
- Municipal Finance Officers' Association of Ontario (MFOA)

- Association of Municipalities Ontario (AMO)
- Federation of Canadian Municipalities (FCM)

The County will ensure that its *AMS* aligns with the Corporate Strategic Plan, is integrated into long-term financial plans and other County plans, strategies, studies and by-laws as noted in References (Section 5).

### 2.3. Guiding Principles:

As per legislative requirements, the County will adopt the following principles for its *AMS*:

- 2.3.1. *Forward-Looking*: The County will take a long-term view with respect to *AM* while considering community needs and demographic/ economic trends.
- 2.3.2. *Budgeting and Planning*: The County will incorporate all capital and operating budgets and financial/ fiscal plans, including those prepared for Water & Wastewater (W&WW) *Assets* or adopted through Provincial legislation.
- 2.3.3. *Prioritization*: The County will clearly identify infrastructure priorities which will drive investment decisions.
- 2.3.4. *Consistency*: The County will ensure the continued provision of *Core Public Services*.
- 2.3.5. *Economic Development*: The County will promote economic competitiveness, productivity, job creation and training opportunities in support of a strong, desirable, investment-ready and innovative local economy that helps unify the community and uniquely identify Haldimand County's economic development benefits.
- 2.3.6. *Health and Safety*: The County will ensure that the health and safety of workers involved in the construction and maintenance of *Infrastructure Assets* is protected.
- 2.3.7. *Innovation*: The County will, where relevant and appropriate, create opportunities to make use of innovative technologies, services and practices, especially those developed in Ontario.
- 2.3.8. *Transparency*: The County will use *AM* decision-making processes that are evidence-based, transparent and based on publicly available information, subject to any applicable legislative restrictions or prohibitions. The County will also share information and implications resulting from *AM* decision-making processes with the Government and Broader Public Sector Entities as defined under the Infrastructure for Jobs and Prosperity Act, 2015.
- 2.3.9. *Integration*: The County will, where relevant and appropriate, be mindful and consider the principles and content of non-binding provisional or municipal plans and strategies established under an Act or otherwise, in planning and making decisions surrounding the infrastructure that supports them.
- 2.3.10. *Community Focused*: The County will promote community benefits (i.e. supplementary social and economic benefits) arising from an infrastructure project that is intended to improve the well-being of the affected community, through:
  - Local job creation and training opportunities
  - Improvement of public space within the community
  - Promotion of accessibility for persons with disabilities

- Conservation and responsible stewardship of the community's heritage, cultural and lifelong learning *Assets*

2.3.11. *Environmentally Conscious*: The County will minimize the impact of infrastructure and *AM* decision-making processes on the environment through practices that will:

- Respect and help maintain ecological and biological diversity
- Build resilience to the effects of climate change into infrastructure design
- Aim to make use of acceptable recycled aggregates
- Support the conservation, management and good stewardship of our waterways, urban and rural forests and natural environment within the community

## 2.4. Governance & Continuous Improvement:

The County is responsible for the creation of a governance structure to develop, implement and manage its *AMS* that ensures all stakeholders are represented, considered and committed to the success of the system.

The County is committed to their responsibility of overseeing a large range of services provided through a diverse portfolio of *Assets*, on behalf of the community through sound *AM* practices.

The governance structure and roles are outlined in *Responsibilities* (Section 4).

## 2.5. Financial Planning & Budgeting:

The County will incorporate *AM* planning into all annual capital and operating budgets/ forecasts and long-term financial plans, including those prepared for *W&WW Assets* or adopted through Provincial legislation.

The County's *AMS* will be a resource to:

- Identify all potential revenues and costs (including acquiring, constructing, operating, maintaining, replacing, disposing and decommissioning), associated with *Infrastructure Asset* decisions
- Evaluate the necessity and reasonableness of infrastructure acquisitions, including the impact of future operating costs
- Prioritize and monitor forecasted spending obligations identified in the *Asset Management Plans (AMP)* against funding availability to strategically manage potential gaps.
- Establish user fees and development charges based on capital renewal plans and maintain sufficient reserves for sustainable management of infrastructure
- Develop new revenue tools and alternative funding strategies where feasible

## 2.6. Capitalization Thresholds:

The County will use the following *Capitalization Thresholds* as guidelines for the purposes of *AM*.

- Land/ Land Improvements = \$0 (include all)
- Other Infrastructure Assets = \$1,250

However, it is important to note that the purpose of *Capitalization Thresholds* for *Tangible Capital Asset (TCA)* financial reporting (i.e. recognizing capital *Assets* based on monetary value) is different than the purpose of *Capitalization Thresholds* for *AM* (i.e. recognizing capital *Assets* that will be included in an *AMS*, based on long-term planning and *LOS* requirements).

As such, the *Capitalization Thresholds* for *AM* will continue to be reviewed as the County's *AMS* develops and thresholds for financial reporting will not be the sole guide for determining capital *Assets* included in the County's *AMS*.

## 2.7. Community Planning:

The County will align its *AMS* with Ontario's land-use planning framework, including any relevant policy statements issued under Section 3(1) of the Planning Act, R.S.O. 1990 or successors thereto; will conform with the provincial plans that are in effect on that date and will be consistent with Haldimand County's Official Plan.

The *AMP's* will reflect community growth projections and land use changes and the impact on related *Assets*. They will also be cross-referenced with County master plans to ensure that *Infrastructure Asset* decision-making processes and development, support similar *Lifecycle Management* and financial sustainability principles and overall strategic direction.

## 2.8. Stakeholder Engagement:

The County recognizes the importance of stakeholder engagement as a key component of a successful, holistic *AMS*. As such, the County will promote informed communication with stakeholders through the:

- Provision of opportunities for stakeholders to provide input with respect to *AM* planning
- Co-ordination of *AM* planning for shared or linked *Infrastructure Assets* with neighbouring municipalities and other regulated utilities
- Posting of the County's *AM Policy* and *AMP's* on its public website and making available a copy upon request

## 2.9. Climate Change:

The County will consider the impact of climate change on *Infrastructure Assets* as part of its *AMS*. This commitment includes the following actions:

- Review of climate change impacts affecting *Infrastructure Asset* service levels, operations and *Lifecycle Management*
- Anticipation of costs resulting from weather-related risks and vulnerabilities through the use of contingency funds
- Consideration of adaptation opportunities available to manage such vulnerabilities
- Development and utilization of disaster planning processes to allow for business continuity
- Acquire or modify *Infrastructure Assets* based on greenhouse gas reduction or other energy efficiency targets

## 3. DEFINITIONS

<i>Asset</i> <sup>1</sup>	Item, thing or entity that has potential or actual value to an organization. Can be tangible (physical) or intangible, financial or non-financial.
<i>Asset Management (AM)</i> <sup>1</sup>	Co-ordinated activity of an organization to realize value from <i>Assets</i> . All <i>Asset</i> types are considered and it includes all activities involved in the <i>Asset's</i> life cycle.
<i>Asset Management Plan (AMP)</i> <sup>1</sup>	Documented information that specifies the activities, resources and timescales required for an individual <i>Asset</i> or a grouping of <i>Assets</i> , to achieve the organization's <i>AM</i> objectives.

<i>Asset Management System (AMS)</i>	The collection of policies, strategies, plans, processes, procedures, roles, responsibilities and information that establish a municipality's formal approach to <i>AM</i> .
<i>Capitalization Threshold</i>	The value that determines whether an <i>Infrastructure Asset</i> will be included (above value) or not included (below value) in Haldimand County's <i>AMS</i> . (see Section 2.6. for additional information regarding application to this Policy)
<i>Core Public Services</i>	Essential municipal services provided to citizens as required by legislation.
<i>Infrastructure Asset</i>	A non-financial, tangible, municipal <i>Asset</i> , primarily for public use or benefit in Ontario and included in Haldimand County's <i>AMS</i> . Examples: roads, bridges, culverts, W&WW systems, facilities, fleet vehicles, equipment, software, cemetery features, etc. Also includes green infrastructure such as lands, stormwater systems, waterways, forests, green roofs, etc.
<i>Level of Service (LOS)</i> <sup>1</sup>	Parameters or combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers. Parameters can include safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost and availability.
<i>Lifecycle Management</i>	The process of managing the entire lifecycle of an <i>Infrastructure Asset</i> including identification/ feasibility, planning/ design, procurement/ construction, operation/ maintenance and replacing/ disposal, in order to ensure the best total value is obtained.
<i>Strategic Asset Management Plan (SAMP)</i>	Documented information that specifies how organizational objectives are to be converted into <i>AM</i> objectives, the approach for developing <i>AMP</i> 's and the role of the <i>AMS</i> in supporting the achievement of the <i>AM</i> objectives.
<i>Tangible Capital Asset (TCA)</i>	A physical <i>Asset</i> that has an economic benefit and useful life longer than one accounting period.
1: ISO 55000:2014 – International Standard for Asset Management and The Institute of Asset Management, Asset Management – an anatomy (ver. 3), Dec. 2015	

#### 4. RESPONSIBILITIES

Council	<ul style="list-style-type: none"> <li>• Prioritize effective stewardship of <i>Infrastructure Assets</i> in the adoption of the <i>AM</i> Policy, Plans, budgets and future updates of these documents (every 5 years).</li> <li>• Support direction and implementation of the <i>AMS</i> ensuring <i>LOS</i> are established, and sufficient resources and continual improvement practices are in place in order to achieve the municipality's organizational objectives</li> <li>• Approve asset funding to ensure financial sustainability for <i>AM</i> through the annual budgets</li> <li>• Act on behalf of and represent the interests of stakeholders and the community*</li> </ul>
Chief Administrative Officer (CAO)	<ul style="list-style-type: none"> <li>• As the Executive Lead, communicate the vision and importance of <i>AM</i> at a corporate level</li> <li>• Endorse the <i>AM</i> Policy, Plans and System</li> <li>• Act on behalf of and represent the interests of Council and the Corporation*</li> </ul>

Senior Management Team (SMT) & Financial & Data Services Division	<ul style="list-style-type: none"> <li>• Review and approve <i>AM</i> documents and strategies proposed by the <i>AM</i> Division</li> <li>• Provide corporate oversight to <i>AM</i> objectives, activities and goals and ensure the County's <i>AMS</i> aligns with the Corporate Strategic Plan and other documents as noted in References (Section 5).</li> <li>• Provide direction to the <i>AM</i> Division with respect to <i>AM</i> projects and initiatives</li> <li>• Act on behalf of and represent the interests of their respective departments and the Corporation*</li> </ul>
Asset Management Division	<ul style="list-style-type: none"> <li>• Champion the <i>AMS</i> and provide direction to County departments and staff</li> <li>• Oversee <i>AM</i> activities and develop, manage and improve components of the <i>AMS</i>, including the asset registry, <i>AM</i> analysis/ decision-making tools, construction/ maintenance programs, budget forecasts and required training for County staff</li> <li>• Monitor the progress and performance of the <i>AMS</i>, ensuring alignment with corporate and <i>AM</i> objectives</li> <li>• Conduct an annual review on or before July 1<sup>st</sup> of each year and report on the progress and performance of the <i>AMS</i> to Council, the CAO and SMT</li> <li>• Receive and distribute <i>AM</i> information to County staff and stakeholders</li> <li>• Act on behalf of and represent the interests of County departments*</li> </ul>
Divisional Managers	<ul style="list-style-type: none"> <li>• Direct, manage and support <i>AM</i> activities that fall within their respective areas</li> <li>• Provide input and feedback for divisional <i>AM</i> activities, including <i>LOS</i>, performance indicators and operational/ resource requirements</li> <li>• Act on behalf of and represent the interests of divisional staff*</li> </ul>
Divisional Staff	<ul style="list-style-type: none"> <li>• Perform <i>AM</i> activities, including providing/ documenting, updating and improving information for asset registries, performance measures and service levels</li> <li>• Collaborate with the <i>AM</i> division in developing <i>AM</i> analysis/ decision-making tools, construction/ maintenance programs and budget forecasts</li> </ul>
Stakeholders	<ul style="list-style-type: none"> <li>• Provide input and feedback related to <i>AM</i>, including <i>LOS</i> requirements, experiences and expectations</li> </ul>
* with respect to and in keeping with sound <i>AM</i> practices	

## 5. REFERENCES

In order to achieve a comprehensive, multi-disciplinary and effective *AMS*, the County will ensure that this policy aligns and is integrated with the following Haldimand County documents:

- *Strategic Asset Management Plan (SAMP)*
- Corporate Strategic Plan
- Official Plan
- Other Plans, Strategies, Studies & By-laws, including, but not limited to:
  - Cemetery By-law
  - Corporate design plans and specifications
  - Development Charges Study and By-law
  - Economic Development Strategy
  - Energy Conservation and Demand Management Plan
  - Forestry Strategy and Management Plan
  - Haldimand County Public Library Strategic Plan
  - Haldimand Museums Strategic Plan

- Haldimand Road Needs Study
- Master Service Plans
- Recreation Master Plan
- Trails Master Plan
- User Fee By-law
- Water & Wastewater Charges By-law
- Long-Term Financial Plans & Funding Policies
- Tax Supported Capital Budget/ Forecast and Tax Supported Operating Budget
- Rate Supported Water & Wastewater Capital Budget/ Forecast and Operating Budget

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REVISION HISTORY					
REPORT	CIC		COUNCIL		DETAILS
	Date	Rec#	Date	Res#	
	Date	Rec#	Date	Res#	
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