

## Schedule “A”

### By-Law No. 2024-51

<b>POLICY MANUAL</b>	<b>Policy No. 2-13</b>
<b>Municipality of South Dundas</b>	<b>Effective Date: June 18, 2019</b> <b>Revised: June 24, 2024</b>
<b>Subject: Strategic Asset Management Policy</b>	<b>Department: Council &amp; Staff</b>

### Purpose

The purpose of this policy is to provide a framework for the development and implementation of the Municipality’s asset management program. It is intended to guide the consistent use of **asset management** across the organization, to facilitate logical and evidence-based decision-making for the management of **municipal infrastructure assets** and to support the delivery of sustainable community services now and in the future.

By using sound asset management practices, the Municipality will work to ensure that all municipal infrastructure assets meet expected performance levels and continue to provide desired service levels in the most efficient and effective manner. Linking service outcomes to infrastructure investment decisions will assist the Municipality in focusing on service driven, rather than budget driven, asset management approaches.

This policy demonstrates an organization-wide commitment to the good stewardship of municipal infrastructure assets, and to be accountable and transparent to the community through the adoption of best practices regarding asset management planning.

### Background

The Municipality is responsible for providing a range of essential services to the community, including safe and reliable road networks; accessible community facilities; and effective emergency response. To deliver these services, it owns and manages a diverse municipal infrastructure asset portfolio of roads, bridges, culverts, facilities, stormwater management systems, water and wastewater assets, land improvements, vehicles and equipment. As the social, economic, and environmental wellbeing of the community depends on the reliable performance of these municipal infrastructure assets it is critical to implement a systemic, sustainable approach to their management.

Asset management refers to the set of policies, practices and procedures that allow an organization to realize maximum value from its municipal infrastructure assets. Asset management allows organizations to make informed decisions regarding the planning, building, operating, maintaining, renewing, replacing and disposing of municipal infrastructure assets through a wide range of **lifecycle activities**. Furthermore, it is an organization-wide process that involves the coordination of activities across multiple departments. As such, it is useful to adopt a structured and coordinated approach to outlining the activities, roles and responsibilities required of organizational factors, as well as the key principles that should guide all asset management decision-making.

A comprehensive and holistic asset management approach will support efficient and effective delivery of expected **levels of service** and ensure that due regard and process are applied to the long-term management and stewardship of all municipal infrastructure assets. In addition, it will align the Municipality with provincial and national standards and regulations such as the Infrastructure for *Jobs and Prosperity Act, 2015* and Ontario Regulation 588/17, enabling the organization to take full advantage of available grant funding opportunities.

The approval of this policy is an important step towards integrating the Municipality's strategic mission, vision and goals with its asset management program, and ensuring that critical municipal infrastructure assets and vital services are maintained and provided to the community in a reliable, sustainable manner.

### **Definitions**

1. **Asset management (AM)** – the coordinated activity of an organization to realize value from assets. It considers all asset types, and includes all activities involved in the asset's life cycle from planning and acquisition/creation; to operational and maintenance activities, rehabilitation, and renewal; to replacement or disposal and any remaining liabilities. Asset management is holistic and normally involves balancing costs, risks, opportunities and performance benefits to achieve the total lowest lifecycle cost for each asset.
2. **Asset management plan (AMP)** – Documented information that specifies the activities, resources, and timescales required for an individual asset, or a grouping of assets, to achieve the organization's asset management objectives.
3. **Capitalization threshold** – the value of a municipal infrastructure asset at or above which municipality will capitalize the value of it and below which it will expense the value of it. (Please see Policy 2-5: Tangible Capital Assets)
4. **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 systems, parklands, stormwater management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs.
5. **Level of service** – parameters, or combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers. Parameters can include, but are not necessarily limited to, safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability.
6. **Lifecycle activities** – 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.
7. **Municipal infrastructure asset** – an infrastructure asset, 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.

### **Alignment with the Municipality's Strategic Direction**

This policy aligns with the Municipality of South Dundas's strategic vision as created by Council and Senior Staff as well as the United Counties of Stormont, Dundas, Glengarry's Official Plan.

The following strategic priorities have been identified to meet the municipality's service goals.

1. Being in a better financial state with reserves;
2. Integrating an Asset Management Plan with improved infrastructure that includes facilities, better roads and sidewalks;

3. Providing strong community and economic development with a clear identity and case to attract and retain people and businesses;
4. Providing excellent customer service to our residents and visitors;
5. Revitalizing our waterfronts, main streets, and villages.

The Official Plan identifies several objectives within the document, the following closely align with asset management initiatives:

1. To promote development where it can be adequately serviced with existing capacity or planned expansion of public service facilities and infrastructure to ensure development is financially viable;
2. To maintain the well-being of downtowns and main streets by encouraging development of Municipality-centered, pedestrian, and transit-oriented communities that promote well-designed built form that conserves and protects cultural heritage resources;
3. To conserve and protect natural heritage features and areas and biodiversity and consider the impacts of a changing climate in the design, development and maintenance of land uses and activities;
4. To develop public services and infrastructure that are accessible, available, cost-effective, and efficient at meeting the needs of existing and new development and considers the effects of climate change;
5. To provide a level and quality of public service facilities and infrastructure commensurate with planned growth and development of settlement areas and the rural area of the Municipality;
6. To improve and enhance the quality of existing public service facilities and infrastructure.

### **Policy Statement**

To guide the Municipality, the following policy statements have been developed:

1. The Municipality will implement an enterprise-wide asset management program through all departments. The program will promote lifecycle and risk management of all municipal infrastructure assets, with the goal of achieving the lowest total cost of ownership while meeting desired levels of service.
2. The Municipality will implement continuous improvement protocols and adopt best practices regarding asset management planning, including:
  - i. Complete and Accurate Asset Data;
  - ii. Condition Assessment Protocols;
  - iii. Risk and Criticality Models;
  - iv. Whole Lifecycle Management;
  - v. Financial Strategy Development;
  - vi. Level of Service Framework
3. The Municipality will develop and maintain an asset inventory of all municipal infrastructure assets which includes unique ID, description, location information, value (both historical and replacement), performance characteristics and/or condition, estimated remaining life and estimated repair, rehabilitation or replacement date; and estimated repair, rehabilitation or replacement costs.
4. The Municipality has developed an **asset management plan** that incorporates all municipal infrastructure assets that meet the **capitalization threshold** outlined in

the organization's Tangible Capital Asset Policy. The asset management plan will be updated at least every five years in accordance with O. Reg. 588/17 requirements, to promote, document and communicate continuous improvement of the asset management program.

For management purposes, it can be advantageous to inventory, track, and document municipal infrastructure assets that fall below the relevant capitalization threshold. Recognizing that it may be beneficial to include these types of assets in the asset management plan &/or inventory database, the Municipality will consider incorporating such assets at their own discretion, based on the objective of sustainably managing municipal infrastructure assets.

5. The Municipality will integrate asset management planning and practices with its long-term financial planning and budgeting strategies. This includes the development of financial plans that determine the level of funding required to achieve short-term operating and maintenance needs, in addition to long-term funding needs to replace and/or renew municipal infrastructure assets based on full lifecycle costing.
6. The Municipality will explore innovative funding and service delivery opportunities, including but not limited to grant programs, public-private partnerships (P3), alternative financing and procurement (AFP) approaches, and shared provision of services, as appropriate.
7. The Municipality will consider the risks and vulnerabilities of municipal infrastructure assets to climate change and the actions that may be required including, but not limited to, anticipated costs that could arise from these impacts, adaptation opportunities, mitigation approaches, disaster planning and contingency funding. Impacts may include matters relating to operations, levels of service and lifecycle management.
8. The Municipality will ensure that all asset management planning is aligned with any of the financial plans related to the Municipality's water assets including any financial plans prepared under the Safe Drinking Water Act, 2002.
9. The Municipality will align where applicable, all asset management planning with the Province of Ontario's land-use planning framework, including any relevant policy statements issued under section 3(1) of the *Planning Act*; shall conform with the provincial plans that are in effect on that date; and, shall be consistent with all municipal official plans.
10. The Municipality will coordinate planning for asset management, where municipal infrastructure assets connect or are interrelated with those of its neighbouring municipalities or jointly-owned municipal bodies wherever viable and beneficial.
11. The Municipality will develop processes and provide opportunities for municipal residents and other interested parties to offer input into asset management planning wherever and whenever possible.
12. The Strategic Asset Management Policy will be reviewed and, if necessary, updated at least every five years.
13. Council will conduct an annual review of the Municipality's asset management progress on or before July 1 in each year, to meet the requirements outlined in O.Reg. 588/17

The annual review must address:

- i. The Municipality's progress in implementing its asset management plan;
- ii. Any factors impeding the Municipality's ability to implement its asset management plan;
- iii. A strategy to address the factors identified as impeding the Municipality's ability to implement its asset management plan.

14. The Municipality will post its asset management policy and asset management plan on a website that is available to the public and will provide a copy of the policy and plan to any person who requests it.

## **Roles and Responsibilities**

The development and continuous support of the Municipality's asset management program requires a wide range of duties and responsibilities. The following passages outline the persons or bodies responsible for these tasks:

### **1. Council**

- i. Approve the Asset Management Policy and provide direction;
- ii. Maintain adequate organizational capacity to support the core practices of the asset management plan;
- iii. Prioritize effective stewardship of assets in adoption and ongoing review of policy and budgets;
- iv. Establish and monitor levels of service;
- v. Review & approve the Asset Management Plan by resolution every 5 years;
- vi. Review the Municipality's asset management progress annually.

### **2. Senior Staff**

- i. Provide corporate oversight to goals and directions and ensure the asset management program aligns with the Municipality's Strategic Plan;
- ii. Ensure that adequate resources are available to implement and maintain core asset management practices;
- iii. Provide support and direction for asset management practices within their department.

### **3. Executive Lead - Treasurer**

- i. Manage policy and policy updates;
- ii. Provide organization-wide leadership in asset management practices and concepts;
- iii. Provide corporate wide staff coordination;
- iv. Monitor levels of service;
- v. Coordinate and track asset management program implementation and progress;
- vi. Endorse and champion the Asset Management Plan.

### **4. Asset Management Coordinator**

- i. Prepare the Municipality's Asset Management Plan in accordance with O/REG 588/17;
- ii. Maintain an asset inventory for municipal assets that meet the municipality's capitalization threshold requirements;
- iii. Consider risks and vulnerabilities of municipal infrastructure assets;
- iv. Provide recommendations based on gathered data;
- v. Recommend and track levels of service;

- vi. Track, analyze and report on asset management program progress and results.

#### 5. **Municipal Staff**

- i. Utilize any new processes and technology tools developed as part of the asset management program;
- ii. Participate in implementation task teams to carry-out asset management activities;
- iii. Maintain levels of service;
- iv. Provide support and direction for asset management practices within their department.

#### 6. **Public**

- i. Engage and voice level of service expectations and concerns to Council and Staff through surveys and public engagement opportunities;
- ii. Understand dynamic relationship between performance, cost and risk of assets to deliver desired services;
- iii. Engage in discussions about strategic priorities and target levels of service.

### **Key Principles**

The Municipality shall consider the following principles as outlined in section 3 of the *Infrastructure for Jobs and Prosperity Act, 2015*, when making decisions regarding asset management:

1. **Forward Looking:** Infrastructure planning and investment should take a long-term view, and decision-makers should consider the needs of citizens by being mindful of, among other things, demographic and economic trends.
2. **Financially Sustainable:** Infrastructure planning and investment should consider any applicable budgets or fiscal plans.
3. **Evidence-Based:** Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting infrastructure. 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
  - 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
  - Information with implications for infrastructure planning should be shared between the Municipality and broader public sector entities and should factor into investment decisions respecting infrastructure.
4. **Reliable:** Infrastructure planning and investment should ensure the continued provision of core public services.
5. **Supports a Thriving Economy:** Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities.
6. **Innovative:** 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.

7. **Supports Community Well-Being:** 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 Municipality, as the case may be, the Municipality 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.

Infrastructure planning and investment should promote accessibility for persons with disabilities.

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, improvement of public space within the community, and any specific benefits identified by the community.

Infrastructure planning and investment should ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.

8. **Environmentally Conscious:** 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 as much as practical. Infrastructure planning and investment should endeavour to make use of acceptable recycled aggregates.