

## Strategic Asset Management Policy

The County of Brant is dedicated to development and maintenance of its entire asset inventory in order to provide residents with sustainable, reliable services that are appropriate for the municipality, are regulatory compliant, and optimize life cycles for all assets.

Further, the County will endeavour to manage its asset groups to deliver services that represent the optimum aggregate cost, rather than the least single cost, to the greatest extent practical.

**Reference:** Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure

**Asset Management Strategy Scope, Goals and Objectives:** The scope of this policy is applicable to all assets that the Municipality is responsible for managing.

The Municipality understands that each asset group will have group specific criteria with respect to the general directives provided in this policy. The asset specific criteria is identified through appendices to this policy. As the Asset Management Plan (AMP) is developed for additional asset groups, the guiding principles of this policy shall be applied to develop the specifics for each asset group.

**Asset Management Strategy Policy Purpose:** The policy is a guidance document that will ensure the consistent application of technically sound, logical, asset management principles are utilized in the management of the County's assets.

The Asset Management Plan supports the Strategic Asset Management Policy

**Council's Role:** As per Section 224 of the Municipal Act it is the role of Council,

- (a) to represent the public and to consider the well-being and interests of the municipality;
- (b) to develop and evaluate the policies and programs of the municipality;
- (c) to determine which services the municipality provides;
- (d) to ensure that administrative policies, practices and procedures and controllership policies, practices and procedures are in place to implement the decisions of council;
- (d.1) to ensure the accountability and transparency of the operations of the municipality, including the activities of the senior management of the municipality;
- (e) to maintain the financial integrity of the municipality; and
- (f) to carry out the duties of council under this or any other Act. 2001, c. 25, s. 224; 2006, c. 32, Sched. A, s. 99

**Staff's Role:** To provide Council with appropriate technical advice, analysis and recommendations to support the management of the County of Brant's assets.

Per Section 227 of the Municipal Act It is the role of the officers and employees of the municipality,

- (a) to implement council's decisions and establish administrative practices and procedures to carry out council's decisions;
- (b) to undertake research and provide advice to council on the policies and programs of the municipality; and
- (c) to carry out other duties required under this or any Act and other duties assigned by the municipality. 2001, c. 25, s. 227.

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Guiding principles for the preparation of AMP's for specific assets or asset groups shall consider/ utilize the following;

- **Regulatory Compliance** – The Municipality shall consider all applicable legislation in the development and update of its AMP, including but not limited to;
  - Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure
  - The Conservation Authorities Act
  - The Development Charges Act, 1997 (Ontario Regulation 82/98)
  - The Environmental Assessment Act
  - The Environmental Protection Act
  - The Safe Drinking Water Act 2002 (Ontario Regulation 170/03)
  - The Planning Act and related regulations
  - Water Financial Plan (Ontario Regulation 453/07)
  - The Water Opportunities and Conservation Act, 2010
  - Water Works and Sewer Works (Ontario Regulation 453/93)
  - Maintenance Standards For Municipal Highways (Ontario Regulation 239/02)
  - Municipal Act 2001, Section 44 (1)
  - Ontario Regulations 104/97, 472/10 Standards for Bridges
  - Canadian Navigable Waters Act
  - Great Lakes Accord
  - PSAB 3150, Tangible Capital Assets
  - Agency Specific By-laws and Policies as applicable
  
- **Condition Sustainability** - The minimum outcome of the AMP will be to ensure that the overall condition of an asset group will not decrease over time, and that, over time, the asset group will achieve and sustain its' Level of Service (LOS) goal. If this target cannot, or is not, being met, it will be reported to Council.
- **Return on Investment** – Life cycle and return on investment analysis of treatments and improvements will be undertaken in order to support decision making. Selection of appropriate treatments, at the appropriate asset condition level, are critical to AMP optimization.
- **Financial Integration** – The AMP shall be integrated with the financial plan. The County believes that the Asset Management Plan (AMP) and the Annual Budget are not mutually exclusive processes and functions. They are one and the same. The Annual Budget shall be derived from the AMP. (see also Financial Strategy)
- **Cross Asset and Jurisdiction Integration** - AMP and resultant strategies will consider other assets that may be affected by, or may affect a specific project scope and timing. This is particularly true of linear assets within the road allowance. Cross asset integration shall consider not only County assets, but other assets that may have an effect on the County asset lifecycle and performance, such as other levels of government and utilities.
- **Master Plan Integration** - AMP development shall include the requirements of any Master Planning studies that have been undertaken and shall be integrated into AMP's.
- **Official Plan Integration** - AMP development shall include the requirements of any Master Planning studies that have been undertaken and shall be integrated into AMP's.

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- **Climate Change** - As projects move through the design process, the potential effects of climate change, with respect to the specific asset, will be considered and integrated into the final design as appropriate.
- **Near Term Programming** - Detailed project lists will be developed for a 10 year period as a minimum, and updated on an annual basis to reflect changes in condition and circumstances that would warrant a change in prioritization.
- **Programming and Funding Level Analysis** - High level analysis of funding levels will be undertaken over 50 year periods or the life cycle of the asset, whichever is greater. This analysis will be updated annually to reflect current cost experience.

**Anticipated Growth:** Budgets shall include anticipated projects for growth. (See also Master Plan Integration and Official Plan Integration.)

**Asset Data Storage:** To the greatest extent possible, all data for all assets and asset groups will reside in the corporate / enterprise asset management software. Modification of data shall be undertaken by competent persons as specified by the respective department head.

**Asset Verification and Condition Rating:** The overall condition of each asset group and individual asset condition within a group is measureable. Asset lists shall be field audited to verify that the asset(s) is still retained by the Municipality and that it has not been disposed or replaced.

Asset condition has to be measured using appropriate engineering or other standards that are established, defensible and repeatable. It is understood that this may not be possible for all assets.

All AMP's for all asset groups shall have

- A record of the assumptions that were made in the development of the conditions ratings
- Condition Evaluation Methodology.
- Identify Historic Costs (PSAB records)
- Identify Current Replacement Costs.
- Identify Asset Age distribution (may not be possible for all assets due to improvement of visible elements ( i.e. roads and structures)
- Condition rating by individual asset and by asset group, where possible

**Condition Assessment Cycle:** Asset condition shall be reviewed on a regular cycle, appropriate for the asset group. Determination of an appropriate review cycle shall be predicated upon the following factors

- Regulatory requirements
- Public health and safety
- Criticality
- Asset life cycle / Anticipated deterioration rate
- Consequences of lost opportunity for rehabilitation or maintenance

**Level of Service (LOS):** All assets shall have a defined level of service or defined levels of service.

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The overall AMP includes funding for both capital and operating components. For some assets, both capital and operating LOS may be required. Further, more than a single LOS measure may be required to adequately analyze the total LOS of an asset. LOS for assets must consider the following in their development:

- Regulatory Compliance
- Criticality
- Municipal Performance Measure Program compatibility /relevance
- Physical Condition LOS (i.e. average system)
- Operating LOS
- End User relevance, and perception of service
- Ease of understanding

**Financial Strategy:** AMP financial strategies shall be fully integrated with the Asset Management Strategy. The financial strategy shall be developed such that the funding shall be sufficient, as a minimum, to sustain the asset or asset group at its current LOS and ideally funded at a level to improve the asset group condition to the target LOS.

Ideally the AMP financing strategy should consider inflation and discount rates over the time of the plan. However, this may not be practical given the volatility of certain product groups over much shorter periods.

In lieu of a financial plan with estimated inflation and discount rates, current dollars and cost experience shall be used and updated annually.

The Financial Strategy shall:

- Identify Funding shortfalls to Council to meet planned/approved LOS
- Identify Funding Sources
- Identify Capitalization Threshold
- Review alternate funding opportunities / resources
- The financial plan shall include annual forecasts for
  - Non-infrastructure solutions
  - Maintenance Activities
  - Renewal / Rehabilitation Activities
  - Replacement Activities
  - Expansion Activities

**Capitalization Thresholds:** The capitalization threshold will be consistent with the County's current practices.

**Funding Sources:** AMP's shall consider the following funding sources;

- Levy Supported Operating Budget
- Rate Supported Operating Budget
- Levy Supported Capital Reserve

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- Rate Supported Capital Reserve
- Federal and Provincial Conditional Grants
- Gas Tax
- Debt Financing
- Development Charges
- Other (i.e. Community Enhancement Fund)

**Plan Maintenance Continuity and Currency:** The AMP's shall be updated on an annual basis to account for;

- Quantity of the asset or asset group (Expansion / Reduction)
- Inflationary changes
- Specific unit cost changes beyond inflation that negatively affects programming and have a negative impact on the average condition of an asset group or groups
- Regulatory changes
- Asset group constitution change
- Improvements to the Asset group
- Pre-mature failure of assets

**Innovation:** Municipality is committed to research and review of new technologies for usage by the County. Trial projects and technologies are to be reviewed on a project specific basis and reported to council before and after trial.

**Public Notification:** Municipality will provide notification of its asset management policy in a public forum either collectively for all assets, by asset group or by program group.

Asset specific details for each asset group shall be created as Standard Operating Procedures for each asset group.