

## POLICY

Type of Policy:		Policy No.
<b>Name of Policy</b> <ul style="list-style-type: none"> <li>Strategic Asset Management Policy</li> </ul>	<b>Procedures</b>	<b>Target Group</b> <ul style="list-style-type: none"> <li>All Staff</li> </ul>
<b>Council Approval:</b>	<b>Effective Date:</b>	<b>Supercedes:</b>

### Policy Statement

This policy will support Northumberland County (The County) in focusing its infrastructure efforts on managing risks, addressing priorities, and meeting short and long-term needs within the bounds of available funding.

The County's vision is to proactively manage its assets to best serve the organizations objectives, including:

- Prioritizing the need for existing and future assets to effectively deliver services,
- Supporting sustainability and economic development,
- Maintaining prudent financial planning and decision making, and
- Building and maintaining a comprehensive asset register to assist in future planning.

### Definitions

**Asset**<sup>1</sup>: An item, thing or entity that has potential or actual value to an organization and the stakeholders that the organization serves.

**Asset Management (AM)**<sup>1</sup>: The systematic and coordinated activities and practices of an organization to optimally and sustainably deliver on its objectives through the cost-effective lifecycle management of assets.

**Asset Management Plan (AMP)**<sup>1</sup>: Long-term plans that outline the asset activities and programs for each service area and resources applied to provide a defined level of services in the most cost effective way.

**Level of Service**<sup>1</sup>: The parameters or combination of parameters that reflect social, political, economic and environmental outcomes that the organization delivers. Levels of service statements describe the outputs or objectives an organization or activity intends to deliver to customers.

**Lifecycle**<sup>1</sup>: the time interval that commences with the identification of the need for an asset and terminates with the decommissioning of the asset or any liabilities thereafter.

<sup>1</sup> IPWEA (2015). *International Infrastructure Management Manual (IIMM): Version 5*. Australia: The SOS Print + Media Group Pty Ltd

## Objectives

The objectives of this policy are to:

- Provide a consistent framework for implementing asset management throughout the organization.
- Provide transparency and accountability and to demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels and risks.

## Responsibilities

The policy requires the commitment of key stakeholders within the County's organizational structure to ensure the policy guides the development of a clear plan that can be implemented, reviewed and updated.

The following details the responsibilities of the key stakeholders within the County:

### **Council:**

- Approve by resolution the AMP and its updates every five years;
- Support ongoing efforts to continuously improve and implement the asset management plans.

### **CAO:**

- Maintain compliance with the asset management policy and provincial asset management regulations.

### **Senior Management:**

- Oversee asset management planning activities that fall within their service area and in support of others.
- Provide annual reviews of the management plan implementation progress during the first quarter of every year, that includes:
  - Progress on ongoing efforts to implement the AMP;
  - Consideration of the asset management policy;
  - Any factors affecting the ability of the County to implement its AMP; and
  - A strategy to address these factors including the adoption of appropriate practices

### **Asset Management Steering Committee:**

- Provide leadership to set the direction and priorities for the development of the County's asset management capabilities;
- Review and update the AMP every 5 years.

## Scope

This policy applies to all assets owned by the County and its subsidiaries whose role in service delivery requires deliberate management by the County. The County will use a service-based (qualitative) perspective when applying this policy to municipal assets, rather than a monetary value (quantitative). The service-focus intent of this policy differentiates its requirements for identifying assets from the capitalization thresholds that are developed for the purposes of financial reporting. For this reason, the capitalization threshold developed for financial reporting will not be the guide in selecting the assets covered by the asset management planning process.

## Guiding Principles

The Infrastructure for Jobs and Prosperity Act, 2015 sets out principles to guide asset management planning in municipalities in Ontario. The County will strive to incorporate the following principles whenever possible into the day to day operation of the organization:

- **Forward looking:** The County shall take a long-term view while considering demographic and economic trends in the region.
- **Budgeting and planning:** The County shall take into account any applicable budgets or fiscal plans, including those adopted through Ontario legislation
- **Prioritizing:** The County shall clearly identify infrastructure priorities which will drive investment decisions.
- **Economic development:** The County shall promote economic competitiveness, productivity, job creation, and training opportunities.
- **Transparency:** The County shall be evidence-based and transparent, basing decision on publicly shared information and make info available to the public
- **Consistency:** The County shall ensure the continued provision of core public services, for example health care and education.
- **Environmentally conscious:** The County shall 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,
  - Endeavoring to make use of acceptable recycled aggregates, and
  - Strive to build sustainable infrastructure.
- **Health and safety:** The County shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.

- **Community focused:** The County shall 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 (including for apprentices, within the meaning of section 9 of the Infrastructure for Jobs and Prosperity Act, 2015),
  - Improvement of public space within the community, and
  - Promoting accessibility for persons with disabilities.
- **Innovation:** The County shall 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 County shall 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.

**Strategic Alignment:**

The County has developed and adopted various plans; each designed to meet legislative requirements and work together to achieve the mission of providing innovation and excellence in service delivery. Spending requirements defined in the budgeting process and in long-term financial planning will reflect the objectives of these plans.

All of the County’s plans rely to some extent on the physical assets owned by County and the commitment of staff to ensure their strategic use. This includes the long-term maintenance, repair, and replacement of existing assets along with the acquisition of new assets to meet the evolving needs of the County.

Asset management planning therefore will not occur in isolation from other municipal goals, plans and policies including:

- Corporate and Department Strategic Plans
- Official Plan
- Master Plans
- Budget and Financial Plans

**Community Planning**

Asset management will be aligned with the goals and objectives of the County’s Official Plan and applicable Provincial Plans. The AMP will provide an integrated approach to growth and development considering the County’s land use planning and engineering functions as well as its financial

obligations. The County will coordinate with relevant stakeholders, government agencies and the public to facilitate better, more informed decisions regarding land use policies and growth in order to provide benefits to the general population; the economy; and the environment, and improve overall resiliency of the community. An AMP which considers the County's Official Plan will ensure that land uses, growth and development occur in a comprehensive manner which reflects current and future asset needs.

### **Climate Change**

Climate change will be considered as part of the County's risk management approach embedded in local asset management planning methods. This approach will balance the potential cost of vulnerabilities to climate change impact and other risks with the cost of reducing these vulnerabilities. Bolstering resilience to climate change also means modifying the scope of current operations, anticipating possible costs to support contingency funds, leveraging alternative funding mechanisms, integrating the disaster response perspective to planning and revising levels of service. These actions will be taken in addition to acquiring or modifying assets based on greenhouse gas reduction targets. The AMP will encompass this sustainable approach to climate change mitigation and adaptation.

### **Engagement**

The County acknowledges the importance of stakeholder engagement as an integral component of a comprehensive asset management approach and recognizes the residents, businesses, institutions within the County as stakeholders and member municipalities, provincial agencies, Indigenous communities and regulated utilities as partners in service delivery. Accordingly, the County will foster informed dialogue with these parties using the best available information and engage with them by:

- Providing opportunities for residents and other stakeholders served by the County to provide input in asset management planning; and
- Coordinating asset management planning with other infrastructure asset owning agencies such as municipal bodies, Indigenous communities and regulated utilities.

### **Financial Planning and Budgeting**

The County will integrate asset management planning into the annual capital budget, operating budget, and its long-term financial plan. The AMP will be used as a resource in order to:

- Identify all potential revenues and costs (including preliminary, operating, maintenance, replacement and decommissioning) associated with forthcoming infrastructure asset decisions.
- Evaluate the validity and need of each significant new capital asset, including the impact on future operating costs.
- Incorporate new revenue tools and alternative funding strategies where possible.

The department level budget submission prepared by each Senior Manager will be reviewed and evaluated by the CAO and Treasurer in the preparation of the County's annual budget. Staff will

## POLICY

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reference the AMP for their service 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.

Finance staff will be involved in the asset management planning process to coordinate the information from the service personnel in the preparation of the budget submission.

### **Review**

This Policy will be reviewed in coordination with the AMP every 5 years.

### **Attachments**