



# Town of Whitby Policy

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<b>Policy Title:</b>	Strategic Asset Management Policy
<b>Policy Number:</b>	CA 250
<b>Reference:</b>	Ontario Regulation 588/17 and Bill 6, Infrastructure for Jobs and Prosperity Act, 2015, and Council Resolution #132-19
<b>Date Approved:</b>	April 15, 2019
<b>Date Revised:</b>	Not applicable
<b>Approval:</b>	Council
<b>Point of Contact:</b>	Asset Management Supervisor

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## Policy Statement

The Corporation of the Town of Whitby is committed to responsibly managing all Town owned infrastructure. The decisions relating to the Town's infrastructure will be based upon prioritization guidelines which incorporate the state of existing infrastructure, levels of service, risk, climate change, protection of the environment, economic growth, future planned events (the Town and other agencies) and financial capacity.

## Purpose

The Asset Management Policy is to provide the framework to ensure all representatives of the Town of Whitby responsible for managing Town owned assets have the knowledge and understanding to employ sound Asset Management practices and principles consistently across the Corporation. This policy is the basis for decision-making to increase the efficiency and effectiveness of managing municipal infrastructure and services. The Town endeavours to provide acceptable levels of service as economically as possible. The Town will link investments in infrastructure to service outcomes, considering the long-term implications of short-term decisions.

The Asset Management Policy along with the Goals of Council, the Official Plan, Development Charge Study, Annual Operating and Capital Budgets, Corporate Strategic Plan, Long-Term Financial Strategy, and the Corporate Sustainability Plan help govern how infrastructure assets are prioritized for maintenance, rehabilitation and reconstruction.

## Scope

This policy outlines the asset management governance of all seven (7) service areas that are within their respective Service Area Asset Management Plans (SAAMPs) and

summarized in the Municipal Asset Management Plan (MAMP). The seven service areas are Road Right-of-way, Facilities, Parks, Libraries, Fleet, MIS and Fire.

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# 1 Definitions

- 1.1 **Asset Management (AM)** is an integrated business approach that an organization employs to minimize the lifecycle costs of owning, operating, and maintaining assets at an acceptable level of risk, while continuously delivering expected levels of service for present and future customers.
- 1.2 **Capitalization Threshold** is the minimum construction/purchase cost used to determine if assets are to be captured in the PSAB reporting.
- 1.3 **Climate Change** refers to the rapid change in global long-term weather patterns that are caused by increased global temperatures due to increased atmospheric concentrations of greenhouse gases (carbon dioxide, methane, nitrous oxide).
- 1.4 **Infrastructure** pertains to all tangible capital assets (roads, trails, buildings, vehicles, fire equipment, computers, and library collections) that are owned by the Town of Whitby.
- 1.5 **Lifecycle Activities** are all the activities (planning, designing, constructing, preventative maintenance, rehabilitation, reconstruction) that are performed on an asset throughout its useful life. These activities are performed to ensure the assets are maintained as efficiently as possible while meeting service level targets.
- 1.6 **Long Range Financial Plan** is a strategic document that will use expenditure and revenue forecasts to calculate the financial capacity of the municipality. Financial strategies and prioritization of expenditures may need to be employed to achieve financial sustainability in the long-term.
- 1.7 **Municipal Asset Management Plan (MAMP)** is a strategic document that illustrates how a group of assets are to be managed over time. The MAMP summarizes the inventories, conditions, service levels, lifecycle activities to ensure the service levels are maintained, and the funding requirements to perform the lifecycle activities of the various asset classes.
- 1.8 **Service Areas** are groups of asset classes that collectively provide a service to our residents and visitors to our community. The Town has seven (7) distinct service areas which are Facilities, Fire, Fleet, Library Resources, MIS, Parks and Road Right-of-Way.
- 1.9 **Service Area Asset Management Plans (SAAMPs)** are strategic documents that communicate how the specific service area assets are to be managed over time. They contain the inventories, conditions, service levels, lifecycle activities to ensure the service levels are maintained, and the funding requirements to perform the lifecycle activities of the various asset classes.

## 2 Responsibilities

Municipal Asset Management is a hierarchical and multi-departmental discipline. The following outlines the Asset Management responsibilities of the following representatives of the Corporation of the Town of Whitby:

- Council
- Senior Leadership Team
- Public Works Department Asset Management Lead/Champion
- MAMP Working Committee
- Corporate Services Department – Financial Planning
- All Staff

### 2.1 Council to:

- Receive annual updates to the Municipal Asset Management Plans.
- Complete an annual review of the asset management planning progress within the Town, identifying the progress in implementing the asset management plan, any impediments faced and a strategy to overcome these impediments.
- Approve the Asset Management Policy.
- Approve corporate priorities, levels of service, and future infrastructure investments.
- Approve the Municipal Asset Management Plan through a Council Resolution.
- Approve the Long Range Financial Plan.
- Approve asset funding through the annual budgets.

### 2.2 Senior Leadership Team to:

- Maintain compliance with this Asset Management Policy and the provincial asset management regulation.
- Provide overall direction and support the Asset Management initiative with representation within their respective service area(s).
- Incorporate and foster an awareness of Asset Management across all Departments.
- Ensure that the Asset Management Policy initiatives remain consistent with the Corporate Strategic Plan and in compliance with this Asset Management Policy.
- Confirm that asset management practice is integrated into the Strategic Plan, Financial Plan, Community Plan, Sustainable Development Plan, Climate Change Adaptation Plan and all master plans.

### 2.3 Public Works Department Asset Management Lead/Champion to:

- Lead, reinforce and support the asset management initiative with representation across all departments.

- Provide direction to consistently apply asset management practices across the Corporation
- Create and implement Asset Management Strategies.
- Create and implement Asset Management Plans (MAMP and SAAMPs).
- Lead the development of corporate asset management tools and practices and oversee their application across the organization.
- Provide updates to the Senior Leadership Team.
- Lead the annual update to the Municipal Asset Management Plan – and report to Council.
- Attend Industry Events/Conferences– to promote continuous learning and improvement to the management of Town assets.

#### **2.4 MAMP Working Committee / Service Area Asset Management Stewards to:**

- Provide a forum for discussion of asset management strategy, integration and best practices.
- Ensure asset management information is kept up to-date and accurate.
- Monitor asset management practices and develop and research improvements.
- Establish Departmental accountability and responsibility for asset inventories, condition, and performance.
- Create and implement service area specific asset management strategies.
- Review Service Area Asset Management Plans.
- Communicate with industry leaders and other municipalities to ensure our maintenance and renewal strategies are current and provide the highest returns.
- Receive new development plans, provide direct and indirect lifecycle costs related to the new development and redevelopment of infrastructure assets, and provide a written report on the long term financial viability of the new development with respect to the individual service area.
- Attend Industry Events/Conferences – to promote continuous learning and improvement to the management of Town assets.
- The service area asset management stewards will ensure their assets are maintained in compliance with the Strategic Asset Management Policy and Asset Management Procedure.

#### **2.5 Corporate Services Department – Financial Planning to:**

- Include the Asset Management funding requirements as identified in the Municipal Asset Management Plan (MAMP) in the Corporate Long Range Financial Plan.
- Identify what the municipality can afford to spend on infrastructure assets and work with departments to prioritize funding requirements.
- Maintain alignment between the MAMP and other financial plans.
- Provide financial direction to all Service Areas.
- Maintain the financial assets and records.

- Provide communications to all interested parties on the financial status of the Corporation.
- Build and maintain the link between the Municipal Asset Management Plan and the budgeting process.
- Explore other sources of revenue to assist in offsetting the costs of maintaining infrastructure assets.
- Validate the need of each significant new asset considering the future operating costs.

## 2.6 All Staff to:

- Assist in creating and maintaining a culture of Asset Management.
- Engage in Asset Management as it pertains to one's position within the Corporation through recommendations for improving business processes.

## 3 Regulatory Requirements

3.1 The following requirements for Town of Whitby Strategic Asset Management Policy are identified in accordance with Bill 6, Infrastructure for Jobs and Prosperity Act and the Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure:

- 3.1.1 Asset Management planning will assist in guiding the Capital Budget and 9 year forecast through projected expenditures required for each service area.
- 3.1.2 Committed approach to continuously improving asset management and monitoring the asset management best practices of industry leaders.
- 3.1.3 Maintain a long-term view of economic and demographic trends occurring within the Town, Region and Province.
- 3.1.4 Identification of infrastructure priorities for better decision making through the utilization of risk, economies of scale, and opportunity costs.
- 3.1.5 Promote economic competitiveness, productivity, job creation and training opportunities throughout the municipality.
- 3.1.6 Ensure the health and safety of workers is protected.
- 3.1.7 Foster and utilize innovation, technology and practices that are developed in Ontario.
- 3.1.8 Decisions related to capital projects should be evidence-based and transparent.

- 3.1.9 Promote accessibility for persons with disabilities through new infrastructure designs and rehabilitating existing assets.
- 3.1.10 Minimize the impact of building new or rehabilitating existing infrastructure has upon the environment.
- 3.1.11 Promote community engagement in asset management planning.
- 3.1.12 Identify and address infrastructure risks and vulnerabilities as a result of climate change. Infrastructure will be adapted to alleviate the effects of climate change.
- 3.1.13 Commit to mitigation approaches to climate change through decreasing greenhouse gas emissions and decreasing electricity consumption. The goals were outlined in the Corporate Energy and Emissions Management Plan (PL 40-14, 2014).
- 3.1.14 Continue disaster planning through the Emergency Operation Centre (EOC) training and required contingency funding through the Town of Whitby's Contingency Reserves Policy.
- 3.1.15 Align with Ontario's land-use Planning Framework by estimating future costs related to new development, cost-effective land-use planning, and infrastructure assets are functionally viable over their lifecycle.
- 3.1.16 Discuss the differences between the capitalization thresholds for PSAB reporting versus asset management reporting.
- 3.1.17 Develop optimized lifecycle activities, favouring preventative maintenance, for all asset classes.
- 3.1.18 Coordinate and manage infrastructure assets corporately, with the Region of Durham, with our neighbouring municipalities, and with utility providers.
- 3.1.19 Provide measurable state of the infrastructure information that can be used to determine performance trends of municipal assets.
- 3.1.20 Serve as a roadmap for decision making through prescribed treatments for all asset classes and using GIS to map capital programs to ensure there are no programming conflicts or missed opportunities.
- 3.1.21 Develop service levels that are both affordable and effective to maintain our municipal infrastructure.
- 3.1.22 Manage risk and criticality of infrastructure assets.

3.1.23 Plan for long-term financial sustainability.

#### 4 Application and Review

- 4.1 Municipal goals, plans and policies that will impact or be impacted by the Asset Management Plan shall be outlined in an Asset Management Procedure.
- 4.2 The Asset Management Policy will be reviewed and updated as required at least every five (5) years.
- 4.3 The MAMP and the seven SAAMPs will be updated annually and will be reported to Council in the Spring of each year. The MAMP and all seven SAAMP reports will be updated on the Town's website after these reports have been approved by Council.
- 4.4 Growth of future assets shall be incorporated into MAMP and SAAMP documents as necessary.

**This Policy is hereby approved by Council Resolution #132-19 on this 15<sup>th</sup> day of April, 2019.**