



CORPORATE POLICIES AND PROCEDURES			
SECTION: General Administration		POLICY GA-01	
POLICY: Strategic Asset Management			
DATE: Sept 26, 2019	REVISION DATE:	COVERAGE: All Departments	PAGE #: 1 of 6

Strategic Asset Management Policy

1.0 Purpose

The purpose of this policy is to formalize the County’s commitment to asset management (AM) by establishing a systematic and coordinated approach to AM that aligns asset management principles with the County’s strategic goals and objectives.

This policy will define the overarching principle of AM that are reasonable, logical and necessary for delivery of sustainable and affordable services for the County.

This policy demonstrates an organizational-wide commitment to 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

Definitions

Asset: item, thing or entity that has potential or actual value to an organization

Physical assets usually refer to equipment, inventory, and properties owned by the organization. Physical assets are the opposite of intangible assets, which are non-physical assets such as leases, brands, digital assets, licenses, intellectual property rights, reputation or agreements.

Asset Management (AM): coordinated activity of an organization to realize value from assets.

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.

Asset Management Policy: intentions and direction of an organization as formally expressed by its top management

County: The County of Hastings

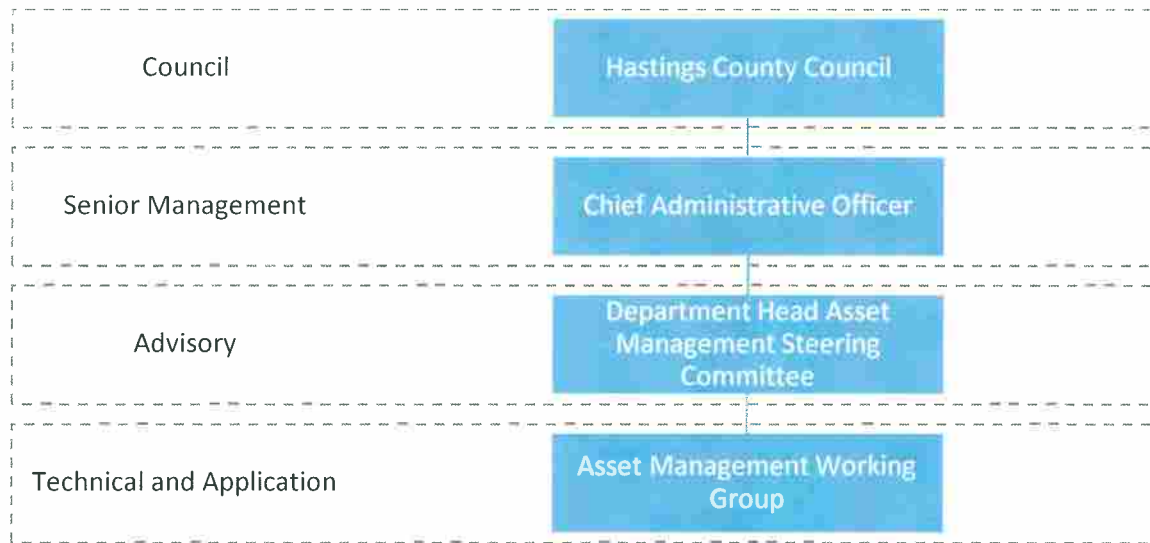
Level of Service: parameters, or combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers.

Strategic Plan: documented information specifying an organizations strategic objectives and the approach for achieving these objectives.

Governance and Continuous Improvement

By defining a governance structure, the County formalizes asset management as a business model, and can set appropriate priorities and objectives for AM. This ensures appropriate departments are involved in the development and implementation of AM, supports coordinated decision making, ensures AM is consistent across the organization and measures ongoing contribution and continual improvement of the AM system.

The following governance structure will be implemented within the County.



The roles and responsibilities are as follows:

Hastings County Council

County Council is entrusted with the responsibility of overseeing a large range of services provided through a diverse portfolio of assets. Council, having stewardship responsibility, is the final decision maker on all matters related to asset management. The Council and Chief Administrative Office are committed to the success of asset management planning

Within asset management planning, County Council is responsible for:

- Approving by resolution the asset management plan and its updates every 5 years;

- Conducting annual reviews of the asset management plan implementation progress on or before July 1 of every year and
- Supporting ongoing efforts to improve and implement the asset management plan

The Chief Administrative Officer is ultimately responsible for asset management planning across the County of Hastings, maintaining compliance with the regulations and communication to stakeholders..

Department Heads

Department Heads are responsible for asset management planning activities that fall within their service area and support of others. It is their responsibility to set service objectives and monitor progress as well as collect and track information for assets in their department.

Asset Management Steering Committee

Includes Department Heads from each of the functional areas and provides overall guidance and direction for AM development and implementation.

- Champions AM throughout the organization
- Monitors and directs plans to develop AM within the County
- Provides and allows adequate resources to support AM across each department

Asset Management Working Group

Leads development and implementation of AM, reports to the AM Steering Committee for guidance and direction.

- Provides functional area perspective for AM practices and concepts
- Oversees AM planning activities within respective functional areas
- Reviews service objectives and monitors progress
- Analyzes asset information and other data related to the assets within the portfolio. This includes but is not limited to asset inventory, condition, risk, performance results and decision making processes.
- Applies operation, maintenance, rehabilitation, replacements and retirement practices to meet expected levels of service and mitigate risk.
- Monitors AM benefits and reports these to stakeholders.

Strategic Alignment

Our vision of supporting people and our communities so they can thrive requires the alignment of the many initiatives underway across our organization at any given time in order for it be achieved. This alignment is necessary to properly consider whether the level of service provided by our existing and planned assets is consistent with and supports our vision.

Asset management planning therefore will not occur in isolation from other municipal goals, plans and policies. Rather, an integrated approach will be followed to successfully develop

practical asset management plans that align with the overarching accountabilities and aspirations of our community. The elements of our asset management planning approach keep us mindful of the goals described in our strategic plan, financial plan, official plan, and other master plans.

Guiding Principles

The *Infrastructure for Jobs and Prosperity Act, 2015* sets out the key guiding principles for infrastructure priority setting, planning and investment of the asset management policy and the County will strive to incorporate the following principles whenever possible:

- **Forward looking** – The County will make the appropriate decisions and provisions to better enable its assets to meet future challenges, including changing demographics and populations, council adopted service levels, legislative requirements, technological and environmental factors.
- **Budget and planning** –The County shall take into account any applicable budgets or fiscal plans required by provincial legislation.
- **Prioritization** – 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** –Asset Management decisions shall be evidence-based and transparent. Additionally, subject to any prohibitions under an Act or otherwise by law on the collection, use or disclosure of information, the County shall:
 - Make decisions with respect to infrastructure based on information that is publicly available or made available to public, and;
 - Share information with implications on infrastructure and investment decisions with the Government and broader public sector entities
- **Consistency** – The County shall ensure the continued provision of public services within our community.
- **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; and
 - endeavouring to make use of recycled aggregates.
- **Health and Safety** –The County shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets are protected as per the Health and Safety Policy and Procedure S1..
- **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,
 - 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 strategies established under an Act or otherwise, in planning and making decisions surrounding the infrastructure that supports these strategies.

Capitalization Thresholds

The Capitalization thresholds outlined in Tangible Capital Asset Policy (Policy 20.0) developed for financial reporting will be the initial guide in selecting the assets covered by the asset management planning process. However, there are some larger assets that have many subcomponents that do not on their own qualify for capitalization based on the TCA policy threshold. The service-focus intent of this policy differentiates its requirements for identifying assets from the capitalization thresholds which are developed for the purposes of financial reporting. Therefore additional items may be managed by this policy that are not also on the financial asset listings.

Budgeting

The asset management plan and progress made on the plan will be considered annually in the creation of the County’s capital budgets, operating budgets, and long-term financial plans. Department Heads in consultation with the Facilities and Capital Infrastructure Department will reference the asset management plan for their 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 identified in the plan.

The budgets thus prepared by each service area will then be processed in accordance with the broader municipal budgeting process.

Treasury personnel will be involved in asset management planning to facilitate the bridge between;

- The financial strategy developed in the asset management plan;
- The budget submission of each service area; and
- The overall budgeting process.

Community Planning

Asset management planning will be aligned with the County's official plan. The asset management plans will reflect how the community is projected to change and the related asset impacts. The County will achieve this with the following:

- Those responsible for managing services impacted by development or redevelopment will:
 - Be consulted while the community plan is being prepared;
 - Provide input to the analysis of future servicing costs; and
 - Provide written comment about the financial viability of development as it pertains to the service they manage.
- Methods, assumptions, and data used in the selection of development or redevelopment initiatives documented in the community plan will be available in support of the production of asset management plans.

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 impacts and other risks with the cost of reducing these vulnerabilities. The balance will be struck in the levels of service delivered through operations, maintenance schedules, disaster response plans, contingency funding, and capital investments. The County's contribution to climate change through greenhouse gas emissions, and their reductions, will be mitigated in accordance with its local reduction targets, financial capacity, and stakeholder support.

Stakeholder Engagement

The County recognizes the residents, businesses and institutions in the County as stakeholders and other municipal bodies, provincial agencies, 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 the development of asset management plans; and
- Coordinating asset management planning with other infrastructure asset owning agencies such as municipal bodies and regulated utilities.