



<b>SECTION:</b> Budget & Financial	<b>EFFECTIVE DATE:</b> May 27, 2024
<b>RECOMMENDATION NO.:</b> GC49-24	<b>COUNCIL APPROVAL:</b> 84-24
<b>SUBJECT:</b> Strategic Asset Management	<b>POLICY NUMBER:</b> Budget&Financial-18

1. Policy Statement

1.1. The Town of Huntsville will implement an asset management program through all departments to proactively manage its assets to identify and address infrastructure investment needs based on sustainable levels of service the Town can provide to the community in a cost-effective manner. 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. Objective

2.1. This policy provides:

- 2.1.1. Leadership in and commitment to the development and implementation of the Town’s asset management program;
- 2.1.2. Guidance for the consistent and coordinated use of asset management across the Town; and
- 2.1.3. Guidance for logical and evidence-based decision making for the management of municipal infrastructure assets that is in line with the Town’s strategic priorities and any federal and provincial regulatory requirements.

3. Scope

3.1. This Policy applies to all Town departments, boards, committees, working groups and other organizations falling within the reporting requirements of the Town of Huntsville and who oversee tangible capital assets.

4. Definitions

The following definitions pertain throughout this policy:

4.1. “**Act**” means the Infrastructure for Jobs and Prosperity Act, 2015.



- 4.2. “**Asset**” means economic resources controlled by the Town as a result of past transactions or events and from which future economic benefits may be obtained. The definition of this term is to remain consistent with that of the Town’s Tangible Capital Asset Policy.
- 4.3. “**Asset Management (AM)**” means 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). It is a structured approach to managing assets that involves balancing costs, risks & service levels in alignment with community expectations and regulatory requirements.
- 4.4. “**Asset Management Governance**” means a mechanism that provides assurance through organizational oversight that assets consistently realize over the long-term. The Town has established a corporate asset management governance structure that defines roles and responsibilities of Council and staff from various departments and service areas involved in developing and implementing its asset management program.
- 4.5. “**Asset Management Plan (AMP)**” means 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. Under O. Reg 588/17, asset management plans are required to include the current service levels and key performance indicators for each asset class; their replacement cost, average age, condition, and condition assessment protocols; lifecycle activities required to maintain current levels of service; discussion of population and economic forecasts; and documentation of processes to make inventory- and condition-related background information available to the public.
- 4.6. “**Capitalization Threshold**” means the minimum dollar amount that is used to assist in determining which expenditures will be capitalized as tangible capital assets. Capitalization threshold definition and values are in accordance with the Town’s Tangible Capital Asset Policy.
- 4.7. “**Green Infrastructure Asset**” means 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.
- 4.8. “**Level of Service**” means key performance indicators and qualitative statements that reflect social, political, environmental, and economic outcomes that the Town delivers. These can include, but are not necessarily limited to, safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environment, climate change mitigation and adaptation, and financial sustainability.



- 4.9. **“Lifecycle Activities”** means 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.
  - 4.10. **“Municipal Infrastructure Asset”** means an infrastructure asset, including a green infrastructure asset, directly owned by the Town or included on the consolidated financial statements of the Town.
  - 4.11. **“Tangible Capital Asset”** means assets with a useful life of longer than a year that is not intended for sale in the regular course of the Town’s operations.
5. Strategic Alignment
- 5.1. The Town’s mission of ‘delivering quality services for the people of Huntsville through responsible decision-making’ requires alignment of the many initiatives underway in the Town at any time in order for it to be achieved. This alignment is necessary to properly consider whether the level of service provided by the existing and planned assets is consistent and supports the Town’s mission.
  - 5.2. Asset management planning, therefore, will not occur in isolation from other municipal goals, plans and policies. An integrated approach will be followed to successfully develop practical asset management plans that align with the overarching accountabilities and goals of the Town.
  - 5.3. As this policy is reviewed and updated, it shall be revised to align with emerging and evolving strategies and actions that foster the integration of municipal documents such as:
    - 5.3.1. Strategic Plan
    - 5.3.2. Official Plan
    - 5.3.3. Development Charges Background Study
    - 5.3.4. Various Master Plans
    - 5.3.5. Others plans adopted by Council and all relevant government legislation and policies.
  - 5.4. Following updates or material changes to any of the documents listed above, the Town will consider potential impacts on the AMP to ensure continued alignment.
6. Key Principles
- 6.1. The Town shall consider all infrastructure planning principles, as laid out in Section 3 of the Act, when making decisions regarding asset management.



## 7. Guidelines

- 7.1. The Town will implement continuous improvement protocols and adopt best practices in asset management to:
  - 7.1.1. Develop and maintain complete and accurate financial, risk and performance data on all Town infrastructure assets;
  - 7.1.2. Adopt corporate asset condition rating and performance rating criteria, and conduct risk assessments to document potential consequences of service failures for cross-departmental ranking of local infrastructure asset priorities;
  - 7.1.3. Manage current and future asset lifecycle activities while leveraging opportunities to apply climate change mitigation, resiliency, and adaptation lens in a fiscally responsible manner;
  - 7.1.4. Identify existing service levels and set sustainable target levels while balancing costs, risks, community expectations and regulatory requirements; and
  - 7.1.5. Integrate asset management with budgeting and long-term financial planning.
- 7.2. The Town will develop and maintain an asset inventory of all municipal infrastructure assets which includes:
  - 7.2.1. Unique ID
  - 7.2.2. Description
  - 7.2.3. Location information
  - 7.2.4. Value (both historical and replacement)
  - 7.2.5. Performance characteristics and/or condition
  - 7.2.6. Estimated remaining life and estimated repair
  - 7.2.7. Rehabilitation or replacement date
  - 7.2.8. Estimated cost of repair, rehabilitation, or replacement
- 7.3. The Town will develop an asset management plan (AMP) that incorporates all infrastructure categories and municipal infrastructure assets that are necessary to the provision of services. The scope of these assets will be determined in accordance with the Town's Tangible Capital Assets policy in conjunction with the professional judgement of staff. The AMP will be reviewed regularly to address the Town's progress in implementing its asset management plan and 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.

- 7.4. The Town will integrate asset management plans 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.
- 7.5. The Town will develop meaningful performance metrics and reporting tools to transparently communicate and display the current state of asset management practice to Council and the community.
- 7.6. The Town exemplifies its commitment for acting on climate change by leveraging new and existing opportunities for reducing greenhouse gas emissions (mitigation) and building resiliency to projected climate change impacts (adaptation) into corporate asset management practices. Applying climate change mitigation and adaptation lenses will be achieved by strategically embedding tactical, operational, and reflexive considerations related to climate change into lifecycle management practices for corporate assets. This will reduce vulnerabilities and promote adaptation and resiliency to climate change impacts, incrementally over time. This includes, but is not limited to, incorporating climate change considerations into infrastructure design, risk assessments, anticipated operational costs, changing levels of service, disaster planning and related contingency funding.
- 7.7. The Town will align 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.
- 7.8. The Town will coordinate planning for interrelated municipal infrastructure assets with separate ownership structures by pursuing collaborative opportunities with neighboring municipalities and jointly-owned municipal bodies wherever viable and beneficial.
- 7.9. The Town will develop processes and provide opportunities for municipal residents and other interested parties to offer input into asset management planning wherever and whenever possible.

## 8. Responsibilities

### 8.1. Council:

- 8.1.1. Approve the Strategic Asset Management Policy, Asset Management Plan, and direction of the asset management program.



- 8.1.2. Foster an asset management culture by maintaining adequate organizational capacity to support the core practices of the AM program.
  - 8.1.3. Approve target service levels and capital investment priorities by considering recommendations in the asset management plan.
  - 8.1.4. Review annual progress of asset management and its implementation throughout the capital budgeting processes.
  - 8.1.5. Prioritize effective stewardship of assets in adoption and ongoing review of policy and budgets.
- 8.2. Senior Leadership:
- 8.2.1. Provide corporate oversight to goals and directions and ensure the AM program aligns with the Town's Strategic Plan.
  - 8.2.2. Ensure that adequate resources are available to implement and maintain core AM practices.
  - 8.2.3. Provide staff coordination for participation on the Asset Management Committee and/or in the ongoing AM practices within departments.
- 8.3. Asset Management Committee:
- The committee consists of the executive lead and staff in each department or service area at the Town.
- 8.3.1. Endorse the asset management policy and asset management plan along with corporate asset management strategies and frameworks to ensure a consistent and standardized approach to asset management at the Town.
  - 8.3.2. Review progress in implementation of the AM program to identify challenges and propose potential solutions.
  - 8.3.3. Assist in the development of the Strategic Asset Management Policy.
  - 8.3.4. Review sustainability of current service levels.
  - 8.3.5. Assist in the coordination and tracking of AM program implementation, continuous improvement, and progress.
  - 8.3.6. Track, analyze and report on AM program progress and results.
- 8.4. Executive Lead:
- 8.4.1. Manage Strategic Asset Management Policy.
  - 8.4.2. Provide organization-wide leadership in AM practices and concepts.
  - 8.4.3. Coordinate and lead the Asset Management Committee.



- 8.4.4. Coordinate and track AM program implementation, continuous improvement, and progress.
- 8.4.5. Track, analyze and report on AM program progress and results.
- 8.5. Staff:
  - 8.5.1. Utilize the business processes and technology tools developed as part of the AM program.
  - 8.5.2. Assist in the establishment of levels of service and monitor levels of service on an ongoing basis.
  - 8.5.3. Provide support and direction for AM practices within their department.
  - 8.5.4. Assist in tracking, analyzing, and reporting on AM program progress and results.
- 9. Policy Review
  - 9.1. Town staff may automatically update this policy for minor and administrative amendments, should they be required.
  - 9.2. This policy shall be reviewed every five years.