



## **City of Belleville Strategic Asset Management Policy**

**Subject: Strategic Asset Management Policy**

**Dated: June 27, 2019**

**Revised:**

### **1. POLICY STATEMENT**

The Strategic Asset Management Policy provides the framework for an integrated and collaborative asset management approach for planning and managing assets. Through implementation of the policy, the City of Belleville will maximize benefits, reduce risks and provide desired levels of service to the community.

The City and Council seek to develop, implement and maintain a high quality, integrated Asset Management Plan with a focus on sustainability and continuous improvement across the City.

### **2. PURPOSE**

The City of Belleville provides a diverse range of services that rely on physical infrastructure. These services include; water, roads and transit, storm and wastewater management, waste management, recreation and parks and open spaces.

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.

### **3. SCOPE**

This policy applies to all City departments and boards, and assets under their ownership and control.

The following table outlines the services that the City of Belleville provides and examples of asset types covered by this policy:

<b>Service provided</b>	<b>Example of asset types</b>
Potable Water Supply	Pipes, valves, reservoirs, pump stations, treatment facilities, fleet and equipment
Wastewater Collection and Treatment	Pipes, manholes, pump stations, treatment facilities, fleet and equipment
Stormwater	Pipes, stormwater ponds, pump stations
Transportation	Roads, bridges, sidewalks, traffic signals, street lighting, signage, and related roadside appurtenances
Parks	Playgrounds, park structures, trails and open spaces, harbours
Community Facilities	City Hall, operations buildings, recreational and cultural buildings
Emergency Response	Fire and police buildings, vehicles
Waste Management	Landfill, fleet and equipment, structures
Transit	Vehicles, transit terminal, garage and fleet storage
Support for departments to service community	Hardware, SCADA, communication equipment and software, furniture, radios

## 4. DEFINITIONS

Terminology in all official asset management documents shall be consistent with ISO 55000:2014(E) – International Standard for Asset Management. For the purposes of this document, the following definitions apply

- 4.1 **Asset** - An item, thing or entity that has potential or actual value to an organization, where value is the importance, worth, or usefulness of something. Potential value is the value of the asset contingent on the occurrence of stated assumptions.
- 4.2 **Asset Management** - Coordinated activity of an organization to realize value from assets.
- 4.3 **Asset Management Plan (AMP)** - Documented information that specifies the activities, resources, and timescales required for an individual asset, or a group of assets, to achieve the organization's asset management objectives.
- 4.4 **Asset Management System** - The people, processes, tools and other resources involved in the delivery of asset management.
- 4.5 **Asset System** - Set of assets that interact or are interrelated.
- 4.6 **Corporate Asset Management** - The application of asset management principles at a corporate level to maximize consistency among diverse asset groups. Corporate asset management creates efficiency by harmonizing service levels and business processes wherever possible.
- 4.7 **Lifecycle** - Stages involved in the management of an asset.
- 4.8 **Lifecycle Cost** – The cost of an asset over its useful life. Assessment of lifecycle cost should consider up-front, maintenance, replacement and repair costs.
- 4.9 **Level of Service** - Parameters or a combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers.

## 5. FURTHER RESOURCES

- 5.1 Municipal Act, 2001, S.O. 2001, C 25
  - 5.1.1 Ontario Regulations 588/17 – Asset Management Planning for Municipal Infrastructure
- 5.2 Police Services Act
- 5.3 Public Libraries Act
- 5.4 Safe Drinking Water Act
- 5.5 Development Charges Act
- 5.6 Building Code Act

- 5.7 Environmental Protection Act
- 5.8 City of Belleville policies to be considered where applicable:
  - 5.8.1 Tangible Capital Asset Policy
  - 5.8.2 Budget and Financial Controls Policy
  - 5.8.3 Purchasing Policy

## 6. RESPONSIBILITY

<p><b>Municipal Council</b></p>	<ul style="list-style-type: none"> <li>• Approve by resolution the Asset Management Plan and its updates at least every five years.</li> <li>• Conduct annual reviews of the Asset Management Plan implementation progress on or before July 1st of every year, that includes:           <ul style="list-style-type: none"> <li>▪ Progress in ongoing efforts to implement the Asset Management Plan;</li> <li>▪ Consideration of the Strategic Asset Management Policy;</li> <li>▪ Any factors affecting the ability of the Municipality to implement its Asset Management Plan;</li> <li>▪ Consultation with executive management;</li> <li>▪ A strategy to address these factors including the adoption of appropriate practices; and,</li> <li>▪ Support of ongoing efforts to continuously improve and implement the Asset Management Plan.</li> </ul> </li> </ul>
<p><b>Chief Administrative Officer</b></p>	<ul style="list-style-type: none"> <li>• Direct and oversee compliance with the Strategic Asset Management Policy and Provincial Asset Management Regulations.</li> <li>• Be the designated Executive Lead as identified in O. Reg 588/17.</li> </ul>
<p><b>Department Heads</b></p>	<ul style="list-style-type: none"> <li>• Oversee asset management planning activities that fall within their service area and in support of others.</li> </ul>
<p><b>Finance Committee</b></p>	<ul style="list-style-type: none"> <li>• Review Strategic Asset Management Policy on an annual basis</li> <li>• Review Asset Management Plan and make</li> </ul>

	<p>recommendations to Council</p> <ul style="list-style-type: none"> <li>• Provide recommendations on strategy, policy and procedural development surrounding asset management</li> <li>• Act in an advisory capacity to Belleville City Council on issues specific to asset management</li> <li>• Provide Asset Management planning resource recommendations</li> <li>• Provide recommendations for stakeholder engagement strategies</li> </ul>
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## 7. PRINCIPLES

7.1 All of the City of Belleville’s plans rely to some extent on the physical assets owned by the Municipality 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 Municipality. The Asset Management Plan will incorporate relevant information from other City approved plans, including but not limited to:

- 7.1.1 Development Charge Study
- 7.1.2 Official Plan
- 7.1.3 Strategic Plan
- 7.1.4 Community Improvement Plan
- 7.1.5 Accessibility Plan
- 7.1.6 Wastewater Finance Plan
- 7.1.7 Water Finance Plan

### 7.2 Asset Management Goals

7.2.1 Provide levels of service that meet expectations and ensure a high quality of life for the community through:

- Defining levels of service in consultation with stakeholders;
- Evaluating and communicating the cost of providing the service; and,
- Quantifying the impacts of decisions on service.

7.2.2 Managing risks through:

- Understanding risk exposure;
- Understanding potential vulnerabilities to climate change;
- Establishing the organization’s risk appetite;
- Developing risk management strategies;
- Implementing appropriate condition assessment, inspection, and performance evaluation strategies for all relevant assets; and,
- Implementing appropriate climate change adaptation and mitigation strategies.

7.2.3 Demonstrating sustainable, full lifecycle planning through:

- Quantifying and tracking the full lifecycle costs for assets;

- Evaluating capital projects using a total lifecycle cost approach to achieve the lowest total cost of ownership;
- Ensuring capital and operating budgets are supported by asset management practices.

#### 7.2.4 Ensuring accountability, transparency and engagement through:

- Documenting asset management business processes;
- Publicizing asset management documents and making sure they are accessible to all stakeholders; and,
- Developing stakeholder engagement strategies to ensure that internal and external stakeholders are able to participate, influence, and contribute to asset management initiatives, where appropriate.

### 7.3 Stakeholder Engagement

7.3.1 The City of Belleville recognizes the importance of stakeholder engagement as an integral component of a comprehensive asset management approach. These municipal stakeholders include, but are not limited to, residents (both current and future generations), businesses, institutions, neighboring municipalities, provincial agencies, and regulated utility partners. Accordingly, the City of Belleville will foster informed dialogue with these parties using the best available information and engage with them by:

- Providing opportunities to provide input in asset management planning; and,
- Coordinating asset management planning with other infrastructure owners such as neighbouring municipalities and regulated utilities.

### 7.4 Governance and Continuous Improvement

7.4.1 The policy requires the commitment of key stakeholders within the City of Belleville's organization to ensure that the policy guides the development of a clear plan that can be implemented, reviewed and updated.

7.4.2 Council is entrusted with the responsibility of overseeing, on behalf of citizens, 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 in the City of Belleville. Council and all City staff are committed to the success of asset management planning and will continually look to improve asset management planning, policy and skill development.

### 7.5 Approach

7.5.1 Asset management decision-making will drive optimum value for the community by focusing on the "big picture." The municipality will therefore ensure that decisions are made collaboratively, considering all life cycle stages and various levels of performance. Decision-making will also recognize the interconnected nature of asset systems and how decisions about one set of assets may potentially impact assets controlled by other departments or functions.

## 7.6 Climate Change

7.6.1 Climate change will be considered as part of the Municipality'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 includes adapting to opportunities to manage vulnerabilities, anticipating appropriate contingency funds, and disaster planning to allow for business continuity. The Municipality will continue to support climate change mitigation and adaptation.

## 7.7 Guiding Responsibilities

7.7.1 **Forward Looking:** The Municipality shall take a long-term view while considering demographic and economic trends in the region.

7.7.2 **Budgeting and Planning:** The Municipality shall take into account any applicable budgets or fiscal plans, including those adopted through Ontario legislation.

7.7.3 **Prioritizing:** The Municipality shall clearly identify infrastructure priorities which will drive investment decisions.

7.7.4 **Economic Development:** The Municipality shall promote economic competitiveness, productivity, job creation, and training opportunities.

7.7.5 **Transparency:** The City of Belleville's decisions shall be evidence-based and transparent, based on publicly shared information.

7.7.6 **Consistency:** The Municipality shall ensure the continued provision of core public services.

7.7.7 **Environmentally Conscious:** The Municipality 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,
- Endeavoring to make use of acceptable recycled aggregates.

7.7.8 **Health and Safety:** The Municipality shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.

7.7.9 **Community Focused:** The Municipality 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 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.

7.7.10 **Innovation:** The Municipality 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.

7.7.11 **Integration:** The Municipality 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 affecting infrastructure.

## 7.8 Capitalization Thresholds

7.8.1 This policy applies to all assets owned by the Municipality required to ensure service delivery. The Municipality will use a service-based (qualitative) approach applying this policy to municipal assets, rather than a monetary value (quantitative) approach. 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.

## 7.9 Financial Planning and Budgeting

7.9.1 The Municipality will integrate asset management planning into the annual capital budget, operating budget, and long-term financial plans. The Asset Management Plan will be used as a resource in order to:

- Identify all potential revenues and costs (including operating, maintenance, replacement and decommissioning) associated with infrastructure asset decisions;
- Evaluate the validity and need for each proposed new capital asset, including the impact on future operating costs and alternative funding strategies where possible.

7.9.2 Departmental budget submissions will be reviewed and evaluated by the CAO and Treasurer in the preparation of the Municipality's annual budget. Submissions will reference the Asset Management Plan for their area. Variances from the Asset Management Plan should be clearly identified and justified. Finance staff will assist and coordinate the information and ensure adherence with the Budget and Financial Controls Policy.

7.9.3 For the purposes of managing water and wastewater assets, the related financial plans will be used as a basis for establishing user fees.