

Asset Management Policy

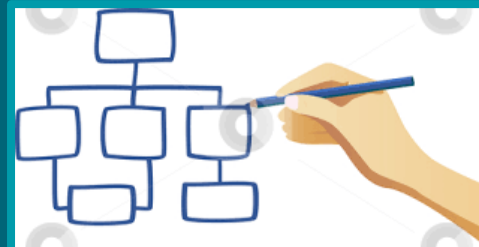
City of Barrie

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Agenda

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O.Reg. 588/17 Requirements

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What is Asset Management (AM)?

- **ISO 55000 Asset Management System:** The coordinated activity of an organization to realize value from assets
- **International Infrastructure Management Manual:** 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

Introduction

A comprehensive approach to AM requires three primary tools

Strategic AM Policy

Sets the broad framework for undertaking AM in a structured and coordinated way

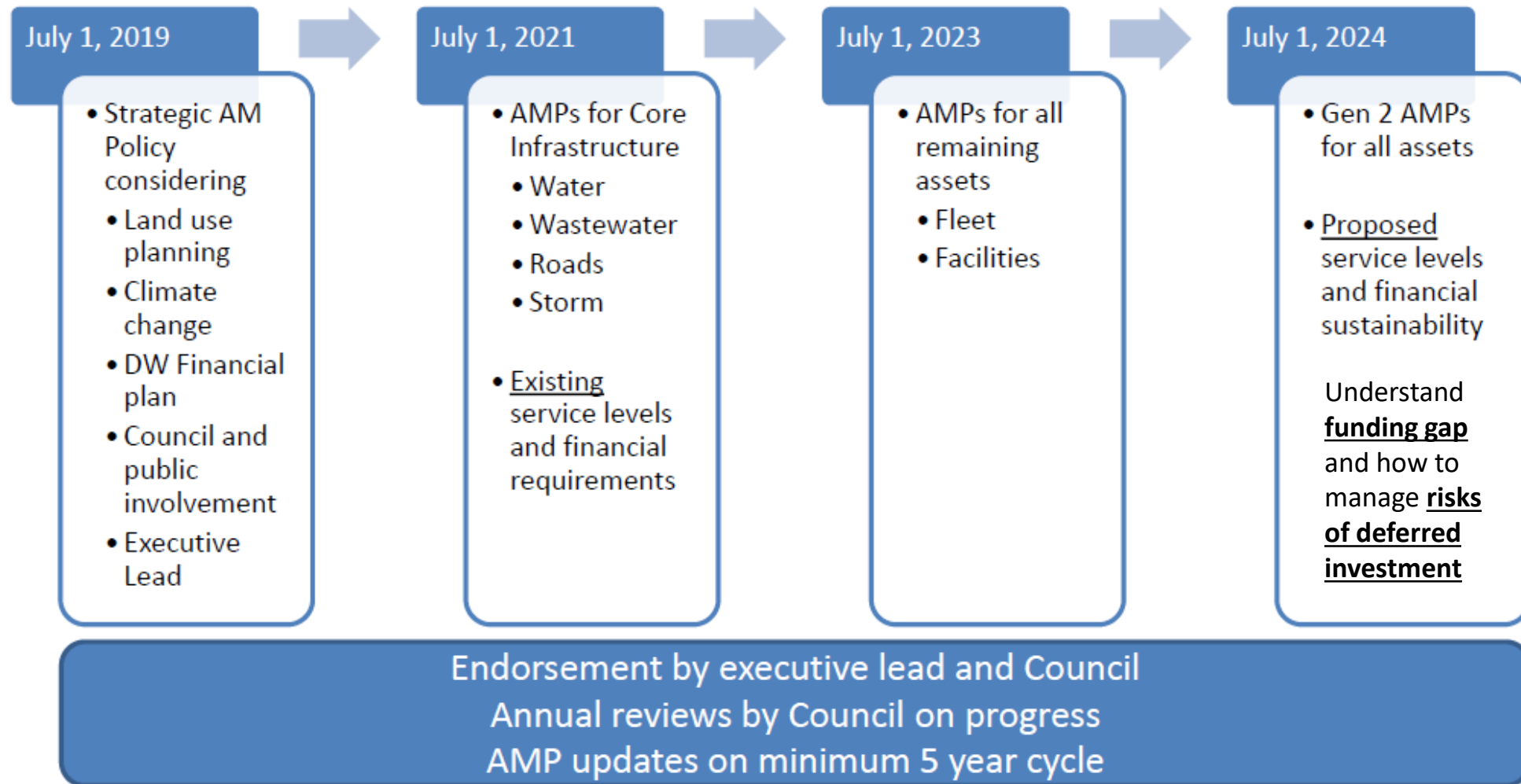
AM Strategy

Describes the actions the corporation will take to improve or enhance its AM capability to support the AM policy

AM Plans

Long-term plans (usually 20 years or more) that outline the asset activities required to meet service standards, at acceptable levels of risk, and the resources required (financial, people, technology)

O.Reg. 588/17: AM Policy and AM Plan Requirements



O. Reg. 588/17: AM Planning for Municipal Infrastructure

Benefits of meeting O. Reg. 588/17 (more tangible)

- **Federal Gas Tax Agreement** requires Ontario municipalities to continuously improve and implement their existing AM plans according to the requirements of O. Reg. 588/17
- **Development Charges Act (DCA)** requires that a Development Charge Background Study must include an AM plan related to new infrastructure
- **Clean Water and Wastewater Fund (CWWF) Agreement** in Ontario is designed to improve the safety and quality of water for Canadian families, while supporting a clean economy. Funding recipients must provide data for performance indicators related to outcomes such as improved reliability, improved efficiency, and improved rehabilitation.

O. Reg. 588/17: AM Planning for Municipal Infrastructure

Benefits of meeting O. Reg. 588/17 (less tangible)

Objectives of Asset Management

- Seeking to **minimize total costs** of acquiring, operating, maintaining, and renewing assets
 - Within an environment of **limited resources**
 - While continuously **delivering the service levels** customers desire and regulators require
 - At an **acceptable level of risk** to the organization



O. Reg. 588/17: AM Planning for Municipal Infrastructure

Eight Elements of an AM Policy (MFOA)

Statements

- Strategic alignment
- Guiding principles
- Capitalization threshold

Processes

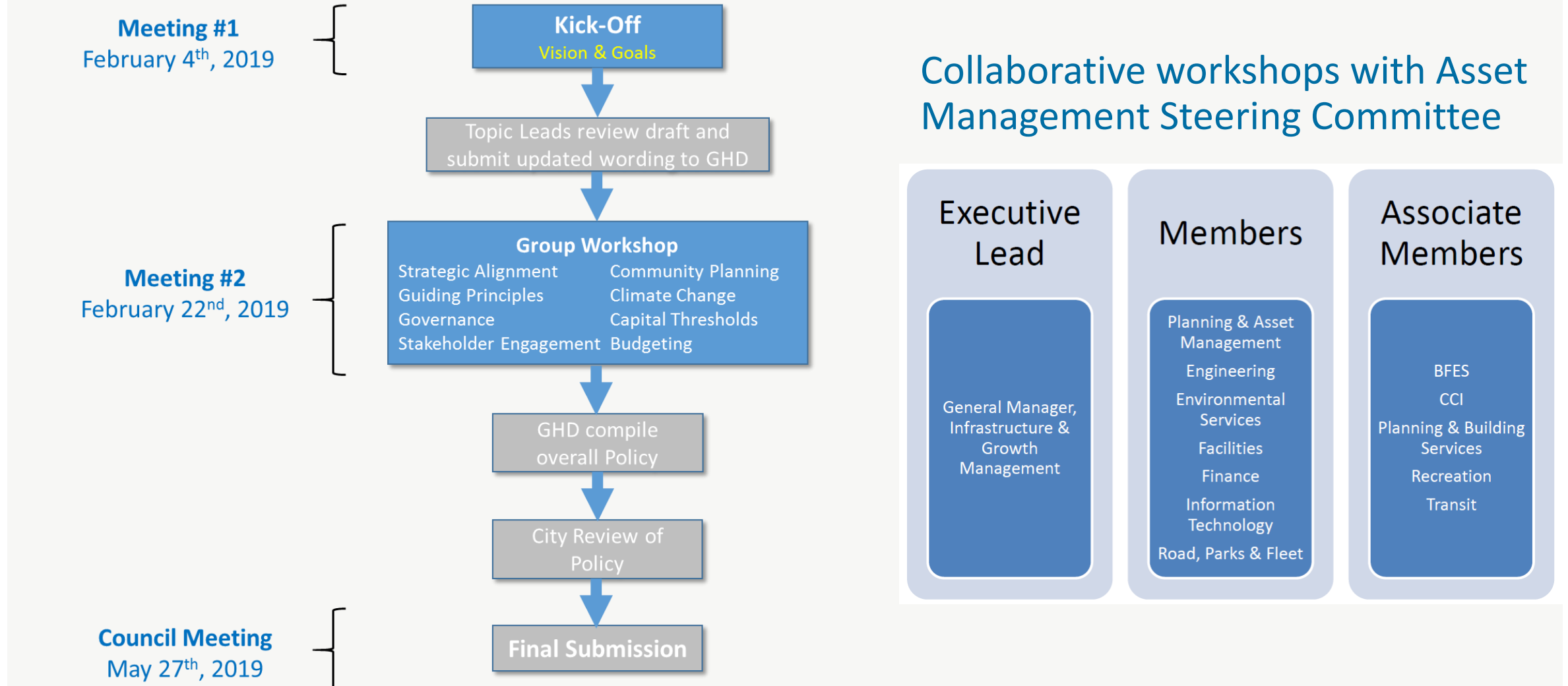
- Governance and continuous improvement
- Budgeting
- Community planning

Commitments

- Climate change
- Stakeholder engagement

MFOA (Municipal Finance Officers' Association of Ontario)

AM Policy Development Approach



AM Policy Elements: Vision & Goals

Vision:

- effectively manage the City's capital assets to ensure community sustainability and a high quality of life
- ensure the City's financial sustainability by making informed investment decisions that deliver City **services at the desired level** while **minimizing costs** and maintaining an **acceptable level of risk**.

Purpose: formalize the City's direction, functions, practices and responsibilities associated with the management of all capital assets used to support delivery of the City's services.

O. Reg. 588/17: AM Planning for Municipal Infrastructure

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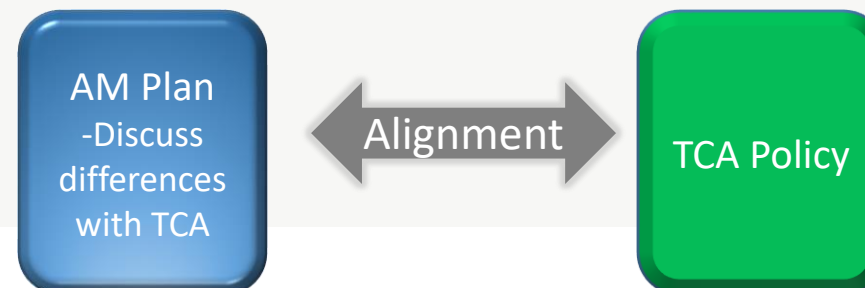
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AM Policy Elements: Statements

Statements

- **Strategic alignment**
- **Guiding principles**
- **Capitalization threshold**

- **Strategic alignment:** City will integrate asset management planning with other municipal processes and documents including Council's Strategic Priorities, financial policies, land use policies and by-laws, and master plans.
- **Guiding principles:**
 - Service Focused: meet service levels agreed between Council, customers and other stakeholders.
 - Value Based and Affordable: Deliver the greatest value while respecting funding, resource, and timing constraints
 - Risk Based: Use a formal risk framework to make better informed asset management decisions
- **Capitalization threshold:**

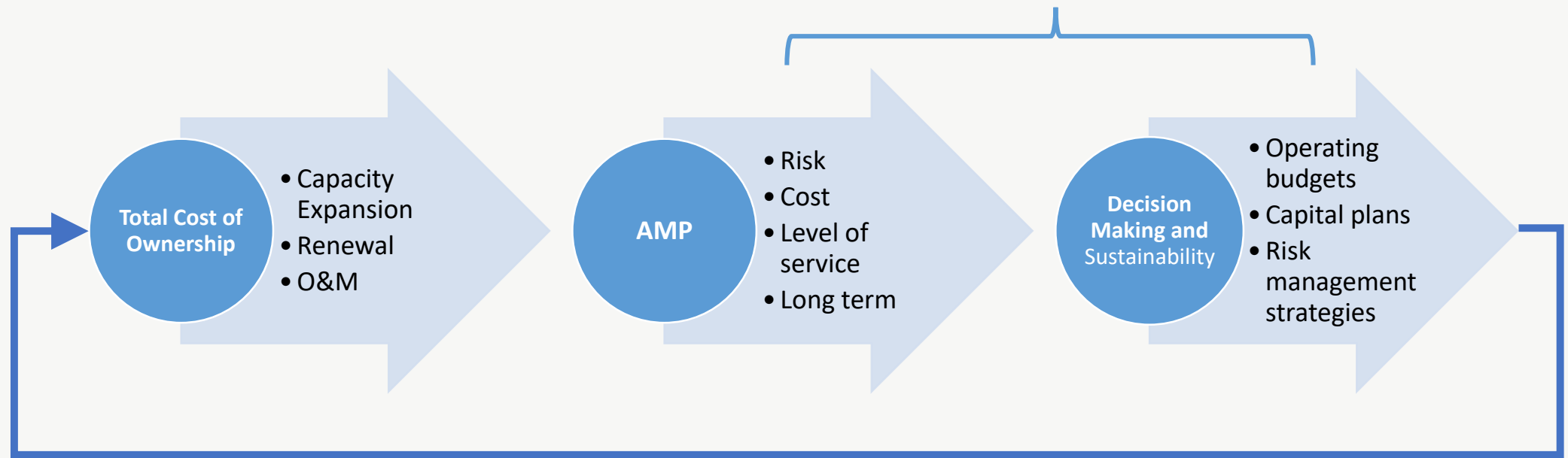


AM Policy Elements

Processes

- **Budgeting**
- Community planning
- Governance and continuous improvement

Budgeting: Cross-functional team aligns AM Plans with financial plans through the use of common data sources and analytical methods to the best extent possible.

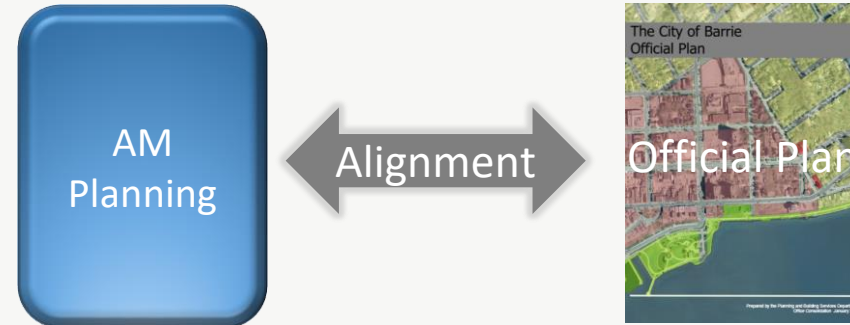


AM Policy Elements

Processes

- Budgeting
- **Community planning**
- **Governance and continuous improvement**

- **Community planning:** Development and redevelopment occur within the City's means through the understanding and consideration of current and future asset and operational needs.



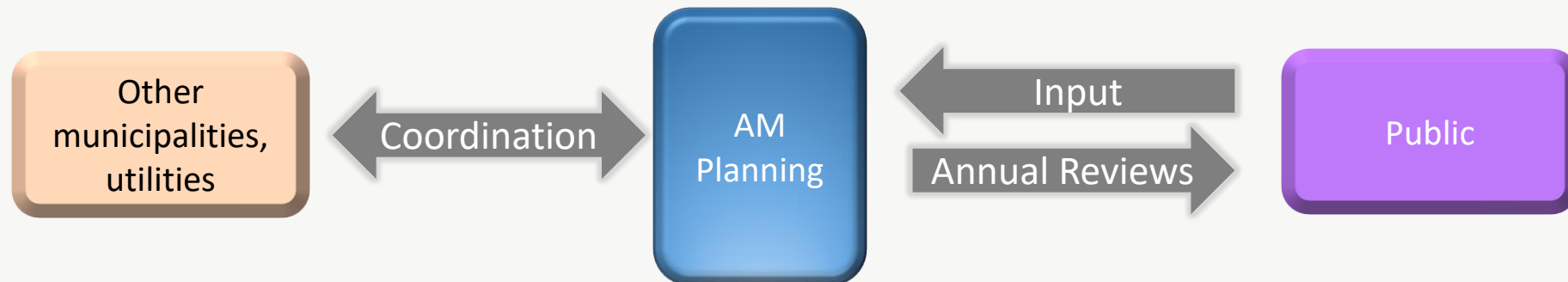
- **Governance & continuous improvement:** Update AM Policy and AM Plan at least every 5 years; annual review on progress; Responsibilities for:
 - Council, CAO and Executive Management Team, Executive Lead – General Manager of Infrastructure and Growth Management
 - Asset Management Steering Committee (AMSC), Planning and Asset Management
 - Finance Department, Department Leads

AM Policy Elements

Commitments

- **Climate change**
- **Stakeholder engagement**

- **Climate change:** Climate change and community resiliency shall be considered as part of the City's risk management strategy as it relates to asset management planning. The City will consider mitigation approaches to climate change.
- **Stakeholder engagement:** Ensure appropriate information is available to stakeholders and facilitate an understanding of the key information



Questions / Comments

