

# CITY OF ORILLIA POLICY MANUAL

<b>Part</b>	<b>1</b>	<b>General Government</b>	<b>1.10.5.1.</b>
<b>Section</b>	<b>10</b>	<b>Regulatory</b>	
<b>Sub-Section</b>	<b>5</b>	<b>Asset Management</b>	
<b>Policy</b>	<b>1</b>	<b>Strategic Asset Management</b>	

## Terms and Definitions

**Asset Data:** means the tabular data describing the Infrastructure Asset category, including all data fields as required to populate the Asset Management Software such as physical data (size, material, length, etc); financial data (historical cost, replacement cost, etc.); condition information (condition rating, date of inspection, person conducting inspection, etc.) and any other data determined to be relevant to the lifecycle management of the Infrastructure Asset Category.

**Asset Lead:** means the City staff member appointed to be responsible for the Asset Data for a particular Infrastructure Asset category.

**Asset Management:** means a combination of management, financial, economic, engineering, and other practices applied to physical assets with the objective of providing the required Level of Service in the most cost-effective manner at an acceptable level of risk. It involves data-driven decision-making and actions throughout the Lifecycle of assets.

**Asset Management Plan:** means an asset specific plan used to develop data-driven strategies and operational recommendations necessary to achieve objectives and service level expectations.

**Asset Management Policy:** means this Strategic Asset Management Policy.

**Asset Management Software:** means the software program in use by the City to store and analyze its Infrastructure Asset Data.

**Asset Management System:** a set of interrelated and interacting elements of an organization, including this Asset Management Policy, Asset Management Plan and the processes to achieve these objectives.

**City:** means the Corporation of the City of Orillia.

**Condition Assessment:** means the assessment of the condition of an Infrastructure Asset category in accordance with approved criteria.

**Core Municipal Infrastructure Asset:** has the meaning set out in Ontario Regulation 588/17.

**Executive Lead:** means the individual(s) who will demonstrate and encourage support for Asset Management at a corporate level.

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**Infrastructure Asset:** has the meaning set out in Section 2 of the *Infrastructure for Jobs and Prosperity Act (2015)* (the “Act”).

**Green Infrastructure Asset:** has the meaning set out in Ontario Regulation 588/17.

**Lifecycle:** means the set of phases through the life of an asset that characterizes the ability of the asset to meet an expected Level of Service and retain its identity as an asset.

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

**Management:** means the Senior Leadership Team of the City of Orillia.

**Resilience:** means the capacity of infrastructure to function and survive despite changes, stresses or shocks encountered. “Resilient” has the same meaning.

**Sustainability:** means meeting the needs of today without compromising the needs of future generations. “Sustainable” has the same meaning.

## Background

Ontario Regulation 588/17, as amended, required that every municipality prepare its first Strategic Asset Management Policy by July 1, 2019, and now requires that every municipality shall prepare an Asset Management Plan in respect of its Core Municipal Infrastructure Assets by July 1, 2022, and in respect of all of its other Infrastructure Assets by July 1, 2024. Should these target dates be amended by the province, this Policy shall be deemed to be simultaneously amended.

## Intent

The City provides a wide range of services to the community that require the ownership and responsible operation, maintenance and rehabilitation of physical assets including land, buildings, equipment, transportation, drainage, sewer and water infrastructure. Asset Management is an integrated approach, involving all City departments, to deliver value to the community through the effective management of existing and new Infrastructure Assets. The intent is to maximize benefits, reduce risk and provide satisfactory levels of service to the community in a sustainable and transparent manner. Good Asset Management practices are fundamental to achieving Sustainable and Resilient communities.

This policy outlines the fundamental Asset Management principles to be implemented across the City.

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It is the intent of this policy to support the City's infrastructure planning and investment, and:

1. complement and promote, at a minimum, the following City Plans and Studies:
  - a. Official Plan
  - b. Development Charges Background Study
  - c. Major Capital Plan
  - d. Stormwater Master Plan
  - e. Multi-Modal Transportation Master Plan
  - f. Water & Wastewater Master Plan
  - g. City of Orillia Drinking Water System Long Range Financial Plan
  - h. Fire Master Plan
  - i. Parks, Recreation & Culture Master Plan and Trails Master Plan
  - j. SCADA Master Plan
  - k. Active Transportation Plan
  - l. Municipal Strategic Plan
  - m. Land Needs Assessment
  - n. Downtown Waterfront Parkland Design Study
2. be reflective of the demographic and economic trends applicable to Orillia and the surrounding area;
3. be closely related to the City's budget and fiscal planning;
4. establish a priority hierarchy for new and replacement infrastructure elements;
5. be transparent to the public;
6. coordinate, where possible, with the provincial government and public sector entities in order to take advantage of any shared opportunities;
7. be mindful of provincial plans or strategies that provide direction with respect to municipal Asset Management whether or not they apply directly to the City;
8. align with the Province of Ontario's land-use planning framework;
9. allow for adaptation of the City's Infrastructure Assets in response to climate change, including an assessment of:
  - a. impact on City operations and maintenance scheduling;
  - b. impact on service levels;
  - c. impact on infrastructure Lifecycle management;
  - d. mitigation strategies; and

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- e. disaster planning and contingency funding.

The City shall consider the key principles as outlined in the *Infrastructure for Jobs and Prosperity Act, 2015*, or its successor, when making decisions regarding Asset Management.

### Scope

This Asset Management Policy is intended to be implemented in accordance with O. Reg. 588/17 and any subsequent amendments or superseding regulations.

This Asset Management Policy applies to the Infrastructure Assets owned by the City. This policy shall apply to Core Municipal Infrastructure Assets owned by the City that meet the capitalization thresholds set out in the current Tangible Capital Asset Policy. This policy shall generally apply to other Infrastructure Assets owned by the City that meet the capitalization thresholds set out in the current Tangible Capital Asset Policy.

The City recognizes the importance of Green Infrastructure Assets and will include these in its inventories and Asset Management System.

The City will endeavour to clearly define Level of Service objectives that balance community expectations and regulatory requirements with risk, affordability and available resources, and:

1. manage assets appropriately in order to efficiently and effectively deliver the defined levels of service; and
2. monitor and periodically review Level of Service objectives to ensure that they meet or support community and Council expectations and other strategic objectives.

The City will promote due diligence and transparency on service delivery and the need for new assets. The need for new assets will be evaluated with a focus on service delivery, costs, and benefits. This will include regular communications to Council to share information on service performance as well as technical information such as asset condition.

The City will comply with all relevant legislative, regulatory and statutory requirements.

The City will implement an Asset Management System that incorporates risk-based and information-driven decision-making frameworks that appropriately consider the potential impacts of asset failure on continued service delivery.

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The City will prioritize and direct resources and expenditure in order to deliver levels of service and other community benefits at an acceptable level of risk.

## **Long Term Sustainability and Resilience**

The City's Asset Management decision-making will consider the needs of both current and future generations and the potential challenges associated with changing community demographics and expectations related to service delivery, as well as potential modifications to legislative requirements.

Where appropriate, the City's Asset Management decision-making will consider the potential effects of climate change and other environmental changes, and how the increased severity and frequency of climatic events may directly affect Levels of Service, Lifecycle management, and operations.

Similarly, the City will consider appropriate socio-cultural, natural environmental and/or economic factors and implications when making and implementing Asset Management decisions.

## **Holistic Approach**

To support Asset Management decision-making, the City will take steps to connect the appropriate departments, functions and support activities to build effective working relationships and encourage information-sharing, including formation of an inter-departmental Asset Management working group for review and input of the Asset Management Plan, program, and processes, as necessary. These departments and functions include planning, engineering, operations, maintenance, finance and other strategic planning functions such as Sustainability.

In order to assist in the coordination and implementation of the Asset Management System, the City will employ a full-time Asset Management Coordinator. The Asset Management Coordinator will, in turn, request the appointment of an Asset Lead for each category of Infrastructure Asset across City departments.

Asset Management decision-making will drive optimum value for the community by focusing on integration. The City will therefore promote decisions that are made collaboratively and consider Lifecycle stages and the inter-relationships between asset performance, operational performance, and overall service performance. Decision-making will also recognize the interconnected nature of asset systems and how decisions about one set of assets may potentially interact with or affect assets controlled by other departments or functions.

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The City should endeavour to coordinate planning for Asset Management, where Infrastructure Assets connect or are interrelated with those of neighbouring municipalities or jointly owned municipal bodies.

### **Fiscal Responsibility and Asset Management Decision Making**

The City will develop and maintain an appropriate comprehensive Asset Management Plan for infrastructure renewal, for the purchase or construction of new infrastructure and for the decommissioning of infrastructure. This includes:

1. developing short-term and long-term projections of investment needs;
2. implementing processes to ensure that proposed investment plans address needs efficiently and effectively;
3. considering the operational budget implications of capital investments;
4. exploring efficiency opportunities where appropriate, including new technologies;
5. analyzing investment plans and associated funding requirements and putting in place mechanisms to ensure long-term financial Sustainability; and
6. evaluating relevant asset investment decisions based on consideration of the whole-life costs associated with managing those assets through their entire Lifecycle.

The City will develop Asset Management Plans that incorporate all Infrastructure Assets according to the schedule set out in the provincial legislation and its associated Regulations, which may be amended from time to time by the province.

The City will develop prioritized capital investment plans that reflect community and stakeholder expectations with regard to Level of Service and other strategic objectives. The City will evaluate the magnitude, nature and overall balance of investment plans considering the aggregate value derived for the community, affordability, willingness to pay and intergenerational equity, as appropriate.

### **Innovation and Continual Improvement**

The City views continual improvement as a key part of its Asset Management approach. This Asset Management Policy will be reviewed at a minimum of every five years, and updated as necessary.

The City will monitor and periodically review the effectiveness of Asset Management processes and the wider Asset Management System in supporting the delivery of

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strategic objectives and will make adjustments as required. A process will be developed to review the Asset Management Plan, including sourcing input from the residents and other stakeholders, where appropriate, and completing updates as necessary.

The City will assess the Asset Management competencies required to implement the Asset Management System and provide the necessary support, education and training to Asset Management staff.

## **Responsibilities for Leading Implementation**

Council's role and responsibilities:

1. approve the Asset Management Policy and Plan, as well as updates, as required;
2. articulate community values and contribute to determining Level of Service targets;
3. approve funding and resources to implement the Asset Management Policy and associated requirements, including budgets adopted under Part VII of the *Municipal Act, 2001*; and
4. approve asset funding through multi-year and long-range financial plans.

The Chief Administrative Officer (CAO) is responsible for leading the implementation of the Asset Management Policy across the City.

The Senior Leadership Team is responsible for leading the adoption of the Asset Management Policy within their departments and for allocating appropriate resources to its implementation and associated requirements, including the appointment of Asset Leads for each Infrastructure Asset category when requested to do so by the Asset Management Coordinator.

The current Executive Lead consists of two representatives from the Development Services and Engineering Department, referred to herein as the "Executive Co-Leads". From time to time, the City may reappoint Executive Co-Leads or an Executive Lead from any City department(s) without amendment to this policy.

The Executive Co-Lead(s) shall:

1. coordinate the development of the Asset Management Plan;
2. report annually to Council on Asset Management progress;
3. coordinate updates to the Asset Management Plan;

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4. endorse the Asset Management Plan and updates to the Asset Management Plan; and
5. oversee the activities of the Asset Management Coordinator.

The Asset Management Coordinator shall:

1. assist the Executive Co-Lead(s) with the implementation of this Policy;
2. coordinate with the Asset Leads regarding the City's infrastructure asset data in order to ensure that the data is as accurate as possible;
3. develop policies and procedures to ensure compliance with this Policy; and
4. monitor compliance with provincial legislation and associated Regulations regarding Asset Management including the development of Asset Management Plans.

The Asset Leads shall:

1. Be responsible for maintaining the accuracy of the asset data for their assigned Infrastructure Asset category, including:
  - a. Coordinating Condition Assessment of the Infrastructure Asset category;
  - b. Liaising with the Asset Management Coordinator regarding regular updates of the Asset Data;
  - c. Advising regarding any deficiencies in the Asset Data or any improved means of collecting or maintaining the Asset Data; and
  - d. Providing information and advice regarding the Infrastructure Asset category during the budget process.

All staff are responsible for observing the requirements of the Asset Management Policy.

R. 2019-95 19.06.05

R. 2021-125 21.09.20

### References

- Ontario Regulation 588/17, as amended by Ontario Regulation 193/21
- *Infrastructure for Jobs and Prosperity Act, 2015, S.O. 2015*

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- *Municipal Act, 2001, S.O. 2001*