



Policy

Policy Name: Strategic Asset Management Policy
Policy Owner: Director, Corporate Asset Management & Environment Services
Approved by: Council
Effective Date:
Date Last Revision:
Review Date: July 1, 2024
Policy Status:

Purpose:

The purpose of this Asset Management Policy is to outline the City of Richmond Hill's commitment to corporate asset management planning through defined principles and processes, and to ensure alignment and integration of asset management into strategic planning processes. This Policy is established to embed asset management principles into ongoing capital, operations, and maintenance activities, through the City's Asset Management Strategy and Asset Management Plan (AMP).

This Asset Management Policy conforms to prescribed requirements from *Ontario Regulation 588/17 (O. Reg. 588/17)*, as amended.

Policy Commitments:

Strategic municipal asset management involves planning for and investing in municipal infrastructure assets used for the delivery of public services, while ensuring sound stewardship of public resources.

This Policy provides a foundation to identify and prioritize investments in existing and future infrastructure assets, and to ensure each investment is capable of supporting the quality of life desired in the community.

The City of Richmond Hill shall:

- 1. Integrate with the City's Strategic Plan, Official Plan and Master Plans** to ensure alignment between asset decision-making and the City's Strategic Objectives, as well as growth and service demand forecasts.
- 2. Manage municipal infrastructure assets using an integrated business approach** that delivers desired service results by planning and investing in infrastructure within the context of City-wide responsibilities.
- 3. Enable residents, businesses and other interested parties** to provide input in asset management planning.
- 4. Coordinate planning for management of assets shared with other governmental agencies**, including the Regional Municipality of York, neighbouring municipalities and the Conservation Authorities.
- 5. Align asset management planning activities to water and wastewater financial plans** to ensure that these critical municipal services are appropriately funded over the long term.

6. **Commit to consider the Asset Management Plan recommendations** when developing municipal budgets and long term financial plans.
7. **Commit to consider risks, including those related to climate change**, when reporting asset management planning needs.

Definitions:

For the purpose of this Policy:

“Asset” means a physical resource with economic value that a municipality controls with the expectation that it will provide a public service. An asset is specifically defined as property, equipment, vehicles, tools or other resources with a purchase value at or above the Capitalization Threshold.

“Asset Management” (AM) means the coordinated activity of an organization to acquire, construct, maintain, rehabilitate, replace or dispose of assets for the purpose of providing public service and value to the community.

“Asset Management Plan” (AMP) means a plan developed for the management of infrastructure assets, in compliance with the Strategic Asset Management Plan from O.Reg.588/17, that combines multi-disciplinary management techniques (including technical and financial) over the life cycle of the asset in the most cost effective manner to provide a specific level of service.

“Asset Management Strategy” means a document that defines business processes for asset management planning decision-making, centered on defined levels of service and risk management.

“Capitalization Threshold” means the threshold at or above which a resource is considered an asset, i.e., the value of a municipal infrastructure asset at or above which the value will be capitalized and below which it will be expensed. For the City of Richmond Hill, the capitalization threshold is defined in the Tangible Capital Assets Policy. However, items below the defined threshold may be included into the Asset Management Plan, based on level of risk.

“Core municipal infrastructure asset” means any municipal infrastructure asset that is a:

- a) water asset that relates to the collection, production, treatment, storage, supply or distribution of drinking water,
- b) wastewater asset that relates to the collection, transmission, treatment or disposal of wastewater, including any wastewater asset that from time to time manages stormwater,
- c) stormwater management asset that relates to the collection, transmission, treatment, retention, infiltration, control or disposal of stormwater,
- d) road, or
- e) bridge or culvert.

“Public” means residents and businesses in the City of Richmond Hill, and other interested parties.

Scope:

The Policy includes all Assets owned or leased by the City of Richmond Hill, including Assets supporting the provision of City Services, or owned or leased by Boards and Agencies of the City, where these assets rely on or impact City resources.

The scope of this Policy further includes co-owned assets that require coordination between other governmental agencies, including the Regional Municipality of York, neighbouring municipalities and the Conservation Authorities.

Policy:

Asset Management Planning Principles

The Asset Management Policy is the basis for implementing a City-wide Asset Management Strategy that defines an approach for asset management planning. The Strategy will outline business processes for decision-making, centered on defined levels of service and risk management. These business processes will allow the City to identify the optimal approach for investing in assets over their whole lifecycle. The outcomes of these business processes will be documented along with recommendations in the City's Asset Management Plans.

Both the Asset Management Strategy and future Plans shall adhere to the Policy Commitments above, and will incorporate the following principles:

Prioritization and Sound Financial Management

A process will be established to integrate asset management planning within the development of municipal budgets and long-term forecasts related to assets. This process will:

1. Clearly identify infrastructure priorities. A clearly defined hierarchy for infrastructure priorities is a critical foundation for an effective Asset Management Plan, as risk-based priorities should inform investment decisions.
2. Take a long-term view in making asset decisions, considering the municipal lifecycle of assets from acquisition to disposal.
3. Practice asset management transparently; base decisions on evidence and information that is current, accurate and available to the public; along with sharing this information with implications for infrastructure planning with other public sector entities.
4. Align with all relevant City of Richmond Hill financial or asset plans prepared in accordance with applicable financial budgeting legislation.

Health, Safety and the Environment

Infrastructure investment decision-making will be informed by a Risk Management process. The Risk Management process will align with Emergency Management, Business Continuity and related health, safety and environmental legislation.

Climate change introduces new risks and vulnerabilities for infrastructure assets. To identify and take into account these risks in asset management planning, the Risk Assessment process will consider climate change risks in defining asset investment priorities. A Risk Assessment process is further described in the Asset Management Plan, and will:

5. Ensure compliance with Health & Safety Legislation and Regulations for work undertaken during the construction and maintenance of assets, as well as safeguard Public safety.
6. Ensure compliance with environmental legislation during the planning, construction, maintenance and disposal of assets through the implementation of the City's ISO 14001 registered Environmental Management System (EMS)

7. Ensure infrastructure is designed to be resilient to the effects of climate change, by:
 - a. Identifying the vulnerabilities of our assets caused by climate change,
 - b. Considering the costs and means to address those vulnerabilities,
 - c. Considering adaptation opportunities that may be undertaken to manage the vulnerabilities,
 - d. Considering mitigation approaches to limit the magnitude or rate of long-term climate change (such as greenhouse gas emission reduction objectives), and
 - e. Considering disaster planning and contingency funding.
8. Minimize the impact of infrastructure on the environment, and respect and help maintain ecological and bio-diversity.
9. Endeavour to make use of acceptable recycled aggregates where appropriate.
10. Promote water resource management through Water, Wastewater, and Storm water asset management planning, financial management and water conservation promotion.

Alignment with Internal Vision and Plans

The asset management planning process will ensure that the AMP aligns with significant planning documents. The City will:

11. Align with Ontario's land-use planning framework as well as Richmond Hill's Official Plan, Development Charge By-Law, Water/Wastewater Financial Plan, and other Master Plans related to asset management planning, as applicable.
12. Coordinate infrastructure investment and planning efforts with other government agencies, where appropriate.

Community and the People

The City will provide opportunities for community and stakeholder input into asset management planning. Consultation and communication processes will be described in the Asset Management Plan. The City will:

13. Strive to ensure continuity of core public services and define clear level of service expectations.
14. Consider broader community benefits in making asset investment decisions, including indirect social and economic benefits that improve community well-being and quality of life.
15. Provide opportunities for community input into asset management planning, such as public consultation on the Strategic Plan, Official Plan, Master Plans and annual budget process.
16. Consider the changing needs, demographics and trends within the community when making asset investment decisions.
17. Support economic development and foster innovation through opportunities to make use of innovative local technologies, practices and services where possible.
18. Adhere to accessibility legislation and consider persons with disabilities when making asset investment decisions.

Continual Improvement

The City's Asset Management Strategy will outline a process for continual improvement. This will be accomplished by improving the City's strategic approach to asset management planning, and by strengthening data management tools and enablers.

This policy shall be posted on the City website and provided to anyone who requests it. It shall be reviewed and updated as required every 5 years or in response to any significant changes.

Roles and Responsibilities:

The City's Asset Management Strategy outlines the interconnected business processes that the City will use to undertake asset management planning. To implement the Strategy, the City will develop a governance framework outlining roles and responsibilities associated with asset management business processes. Per the requirements of *O.Reg.588/17*, the following outlines municipal Council and senior staff roles related to asset management planning, including the executive lead:

Council is responsible for ensuring the Strategic Asset Management Policy and Plan are established. Council has the authority to approve or modify the Policy, Plan and municipal budgets that support asset management planning, prioritize capital works, and deliver operations and maintenance programs consistent with the Asset Management Plan.

The City Manager (Executive Lead) is responsible for overseeing the development and implementation of the Asset Management Policy and Plan. The City Manager will assign administrative authorities and resources to ensure the Asset Management Policy and Plan are developed, implemented and updated as required.

The Commissioner of Environment and Infrastructure Services is assigned administrative responsibility to develop and implement the Asset Management Policy and Plan, ensuring both are suitable to meet the needs of the organization and are reviewed/updated as required.

Members of the community are entitled to provide input regarding community services delivered through assets, thereby informing corporate asset management planning, and to have access to information such as the City's Asset Management Policy, Plan and municipal budgets.

Related Documents:

- *Ontario Regulation 588/17 – Asset Management Planning for Municipal Infrastructure*
- *Infrastructure for Jobs and Prosperity Act, 2015*
- Richmond Hill's Strategic Plan
- Richmond Hill's Official Plan
- Richmond Hill's Asset Management Plan
- Richmond Hill's Tangible Capital Assets Policy
- Richmond Hill's Development Charges By-Law
- Water and Waste Water long term financial plans
- Capital Asset Replacement Study (CARS)
- Capital Asset Sustainability Strategy
- Relevant Master Plans