

Policy Name:	Strategic Asset Management Policy
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PURPOSE:

The purpose of this Asset Management Policy is to outline the City of Richmond Hill's goals and commitments to corporate asset management planning through defined principles and processes and to ensure the alignment and integration of asset management into strategic planning processes. This Policy also embeds asset management principles into the City's capital investment decisions and Capital Budgeting process, through the City's continuous asset management activities and Asset Management Plan (AMP).

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

This policy shall be posted on the City's website and be made available to the public. A copy will be provided upon request. It shall be reviewed and updated at least once every 5 years or in response to any significant changes.

POLICY PRINCIPLES:

Strategic municipal asset management involves understanding, planning, and investing in municipal infrastructure for the reliable delivery of public services, while ensuring the prudent stewardship of public resources.

This Policy provides a foundation to support the City in identifying and prioritizing investments into infrastructure assets to assist with capital programming and the City's Capital Budgeting process to deliver the quality of life desired in the community in a financially sustainable manner.

The City of Richmond Hill shall:

- 1. Integrate asset management planning considerations with the City's Strategic Plan, Official Plan and Master Plans/Studies** to ensure the continued alignment between asset decision-making and achieving the City's strategic priorities, desired Levels of Service, and servicing growth.
- 2. Manage municipal infrastructure assets using an integrated business approach** that delivers the desired community services by planning and investing in infrastructure to ensure asset reliability and minimizing risks.

3. **Maximize the value of the City's infrastructure** through prudent life cycle activities while considering financial affordability and sustainability.
4. **Enable residents, businesses, and other interested parties** to provide input in asset management planning.
5. **Coordinate planning for management of assets shared with other governmental agencies**, including the Regional Municipality of York, neighbouring municipalities, and the Conservation Authorities.
6. **Align asset management planning activities with water and wastewater financial plans** to support these critical municipal services are appropriately funded over the long term.
7. **Commit to consider the Asset Management Plan's forecasted asset investment needs** when developing municipal budgets and long-term financial plans.
8. **Commit to consider risks, including those related to climate change**, when undertaking asset management planning and reporting 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 infrastructure, equipment, vehicles, or other resources with a purchase value at or above the Capitalization Threshold as identified in the City's Tangible Capital Asset Policy.

"Asset Management" (AM) means the coordinated activities 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 *O.Reg.588/17*, that combines multi-disciplinary asset 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.

"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 City's Tangible Capital Assets Policy. However, items below the defined threshold may be included into the Asset Management Plan, based on level of its importance and criticality to service delivery.

“Core municipal infrastructure asset” means any municipal infrastructure asset, in compliance with O. Reg. 588/17, 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) roads; or,
- e) bridges or culverts.

“Non-Core municipal infrastructure asset” includes all other assets that are not core in nature, and in compliance with O. Reg. 588/17, include but are not limited to buildings, parks, fleet, equipment, and active transportation assets (among others).

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

SCOPE:

The scope of this Policy includes Core and Non-Core municipal infrastructure assets owned by the City of Richmond Hill, or owned by Boards and Agencies of the City, that support the provision of City Services and where these assets rely on or impact City resources.

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

POLICY

Employ an Evidence-Based Asset Management Planning Approach

The City will employ an evidence-based asset management planning approach that leverages technology systems and utilizes the highest quality asset data acquired through technical studies (e.g. condition), industry practices, and best engineering principles. Asset management planning will also be integrated and aligned with the City’s business processes to support decision-making, centered on maintaining asset reliability and functionality to achieve a defined levels of service while minimizing risks. 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 along with the recommendations will be part of the City’s Asset Management Plans.

Support the Capital Budgeting Process

The City's asset management planning approach and processes will support the development of its Capital Budgets and long-term forecasts through:

1. Clearly identifying suggested infrastructure investment priorities based on life cycle needs and minimizing risks to provide reliable services to the community. This will be supported by the City's asset management plans and asset hierarchy, which aligns assets to the services they support.
2. Taking a short and long-term view in making asset investment decisions, that considers the costs and benefits of the various lifecycle activities of assets from acquisition to disposal.
3. Practicing asset management transparently by basing the evidence-based decisions on information that is current, accurate and available to the public and other public sector entities.
4. Aligning with all relevant City of Richmond Hill financial related plans (Water and Wastewater Financial Plans and Capital Budgets) prepared in accordance with applicable financial budgeting legislation.
5. Collaborating with other governmental agencies, including the Regional Municipality of York, neighbouring municipalities, and the Conservation Authorities for the management of shared assets.
6. Utilizing a holistic risk assessment approach for understanding the prioritization of asset needs.

Utilize a Risk Based Prioritization Approach, including Health, Safety, and Environmental Considerations

The prioritization of infrastructure investment decisions will be supported by Risk Management considerations including asset conditions, Emergency Management, Business Continuity and related health, safety, and environmental legislation. The impacts of Climate change also introduce new risks for infrastructure assets that can result in premature wear and additional maintenance and or capital renewal costs. All these considerations are part of the Corporate Asset Management Risk Framework within the City's Enterprise Asset Management System (EAM). This Framework along with all the other legislation and climate change considerations comprise a holistic Risk Assessment process that:

7. Ensures compliance with Health & Safety Legislation and Regulations for work undertaken during the construction and maintenance of assets, as well as safeguard Public safety.
8. Ensures compliance with environmental legislation during the planning, construction, maintenance, and disposal of assets.
9. Considers infrastructure be designed to be resilient to the effects of climate change, by:

- a. Identifying the vulnerabilities of City owned 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.
10. Considers minimizing the impact of infrastructure on the environment, and respect and help maintain ecological and biodiversity.
 11. Considers potential use of acceptable recycled aggregates where appropriate.
 12. Promotes water resource management and conservation through Water, Wastewater, and Storm water asset management planning, financial management and water conservation promotion.

These risk considerations assist the prioritization of asset investment needs for the City's Capital Budget.

Alignment with Overarching Strategic and Master Plan Visions and Studies

The asset management planning process will ensure that the City's Asset Management Plans align and promote the visions and goals of significant planning documents. The City Asset Management Plans will:

13. 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 and studies related to asset management planning, as applicable.
14. Coordinate infrastructure investment and planning efforts with other government agencies, where appropriate.

Opportunities for Community Input

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:

15. Strive to ensure continuity of core public services and define clear levels of service.
16. Consider broader community benefits in making asset investment decisions, including indirect social and economic benefits that improve community wellbeing and quality of life.
17. 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.

18. Consider the changing needs, demographics and trends within the community when making asset investment decisions.
19. Support economic development and foster innovation through opportunities to make use of innovative local technologies, practices, and services where possible.
20. Adhere to accessibility legislation and consider persons with disabilities when making asset investment decisions and making Asset Management Plans available to the public.

Approach for Continual Improvement

The City's Asset Management planning practices and Plans will provide an approach for continual improvement. This will be accomplished by enhancing the City's asset management processes, data quality, condition assessments and use of asset management systems and tools. The progress towards implementing and adopting improvements will be reported to Council on an annual basis in compliance with O. Reg. 588/17.

ROLES AND RESPONSIBILITIES:

The City's Corporate Asset Management Governance Framework outlines the roles and responsibilities associated with the City's 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 City's Executive Lead:

Council is responsible for approving the City's Strategic Asset Management Policy, Asset Management Plans and Capital Budgets. Council has the authority to approve or modify the Policy, Asset Management Plans, and municipal budgets that are supported by asset management planning.

The Commissioner, Infrastructure and Engineering Services (Executive Lead) is responsible for overseeing the development and implementation of the Strategic Asset Management Policy and Asset Management Plans. The Commissioner, Infrastructure and Engineering Services can assign administrative authorities and resources to ensure the Asset Management Policy and Asset Management Plans are updated and approved by Council as required.

The Executive Leadership Team (City Manager and Commissioners) endorse the Asset Management Policy, Asset Management Plans and Capital Budgets as well as lead the implementation of sound asset management practices by their respective Departments.

The Asset Management Steering Committee (Directors) provide direction and support for asset management planning within their Divisions as well as for the corporate asset management program at the City.

The Asset Management Subject Matter Experts Working Group (Division Staff) operate, maintain, and manage assets as part of daily operations. They provide support to the City's corporate asset management program.

The Corporate Asset Management Team (CAM) plans and coordinates the City's corporate asset management program in collaboration with other staff and stakeholders.

Members of the community are entitled to provide input regarding services delivered through assets, thereby informing corporate asset management planning, and to have access to information such as the City's Asset Management Policy, Asset Management 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 Plans
- Richmond Hill's Tangible Capital Assets Policy
- Richmond Hill's Development Charges By-Law
- Richmond Hill's Water and Wastewater Financial Plans
- Relevant Master Plans and Studies
- Financial Sustainability Strategy