

SUBJECT:

County of Brant – Strategic Asset Management Policy

Policy #:	
Effective date:	May 23, 2024
Amendment date:	May 23, 2024
Replaces:	Strategic Asset Management Policy 2019

1. Procedure Statement:

The Corporation of the County of Brant (the County) is dedicated to the development and maintenance of its asset inventory to provide residents with sustainable, reliable infrastructure and services that are appropriate for the County, are regulatory compliant, and optimize life cycles for all assets.

The County will endeavor to manage its asset groups to deliver services that optimize aggregate costs over short-term considerations.

Further, the County will manage the maintenance and replacement of assets in a fiscally responsible manner, with a focus on long-term financial planning.

Reference: Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure

2. Principles:

Strategic Asset Management Policy Scope, Goals and Objectives: The scope of this policy is applicable to all assets that the County is responsible for managing.

The Municipality understands that each asset group will have group specific criteria with respect to the general directives provided in this policy. The asset specific criteria are identified through addendums to this policy. As the Asset Management Plan (AMP) is developed for additional asset groups, the guiding principles of this policy shall be applied to develop the specifics for each asset group.

Strategic Asset Management Policy Purpose: The policy is a guidance document that will ensure the consistent application of technically sound, logical, asset management principles.

The Asset Management Plan supports the Strategic Asset Management Policy.

Council's Role: As per Section 224 of *the Municipal Act* it is the role of Council:

- (a) to represent the public and to consider the well-being and interests of the municipality;
- (b) to develop and evaluate the policies and programs of the municipality;
- (c) to determine which services the municipality provides;
- (d) to ensure that administrative policies, practices and procedures and controllership policies, practices and procedures are in place to implement the decisions of council;
- (d.1) to ensure the accountability and transparency of the operations of the municipality, including the activities of the senior management of the municipality;
- (e) to maintain the financial integrity of the municipality; and
- (f) to carry out the duties of Council under this or any other Act. 2001, c. 25, s. 224; 2006, c. 32, Sched. A, s. 99

Staff's Role: To provide Council with appropriate technical advice, analysis, and recommendations to support the management of the County of Brant's assets.

Per Section 227 of the *Municipal Act*, It is the role of the officers and employees of the municipality:

- (a) to implement council's decisions and establish administrative practices and procedures to carry out council's decisions;
- (b) to undertake research and provide advice to council on the policies and programs of the municipality; and
- (c) to carry out other duties required under this, or any Act and other duties assigned by the municipality. 2001, c. 25, s. 227.

Guiding principles for the preparation of AMPs for specific assets or asset groups shall consider/ utilize the following;

- ☐ **Regulatory Compliance** – The County shall consider all applicable legislation in the development and update of its AMP, including but not limited to:
 - Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure
 - The Conservation Authorities Act
 - The Development Charges Act, 1997 (Ontario Regulation 82/98)
 - The Environmental Assessment Act
 - The Environmental Protection Act
 - The Safe Drinking Water Act 2002 (Ontario Regulation 170/03)
 - The Planning Act and related regulations
 - Water Financial Plan (Ontario Regulation 453/07)
 - The Water Opportunities and Conservation Act, 2010
 - Water Works and Sewer Works (Ontario Regulation 453/93)
 - Maintenance Standards For Municipal Highways (Ontario Regulation 239/02)
 - Municipal Act 2001, Section 44 (1)
 - Ontario Regulations 104/97, 472/10 Standards for Bridges
 - Canadian Navigable Waters Act
 - Great Lakes Accord
 - PSAB 3150, Tangible Capital Assets
 - Agency Specific By-laws and Policies as applicable
- ☐ **Condition Sustainability** - The minimum outcome of the AMP will be to develop a program where the overall condition of an asset group maintains a consistent and acceptable Level of Service (LOS) goal. If this target cannot, or is not, being met, it will be reported to Council.
- ☐ **Return on Investment** – Life cycle and return on investment analysis of treatments and improvements will be undertaken in order to support decision making. Selection of appropriate treatments, at the appropriate asset condition level, are critical to AMP optimization.
- ☐ **Financial Integration** – The AMP, through the AMP Financial Strategy, shall be integrated into the County's Long Term Financial Plan and incorporated into annual budgets for Council's consideration and final approval of workplans. The County believes that the AMP and the Annual Budget are not mutually exclusive processes and functions.

- ❑ **Cross Asset and Jurisdiction Integration** - AMP and resultant strategies will consider other assets that may be affected by or may affect a specific project scope and timing. This is particularly true of linear assets within the road allowance. Cross asset integration shall consider not only County assets, but other assets that may have an effect on the County asset lifecycle and performance, such as other levels of government and utilities.
- ❑ **Master Plan Integration** - AMP development shall include the requirements of any Master Planning studies that have been undertaken and shall be integrated into the AMP.
- ❑ **Official Plan Integration** - AMP development shall include the requirements of any Official Plan studies that have been undertaken and shall be integrated into the AMP.
- ❑ **Climate Change** - As projects move through the design process, the potential effects of climate change, with respect to the specific asset, will be considered and integrated into the final design as appropriate.
- ❑ **Near Term Programming** - Detailed prioritization lists will be developed for a 10-year period as a minimum and updated on an annual basis to reflect changes in condition and circumstances that would warrant a change in prioritization.
- ❑ **Programming and Funding Level Analysis** - High level analysis of funding levels will be undertaken over 50-year periods or the life cycle of the asset, whichever is greater. This analysis will be updated annually to reflect current cost experience (unit rates).

Asset Data Storage: To the greatest extent possible, all data for all assets and asset groups will reside in the corporate / enterprise asset management software. Modification of data shall be undertaken by competent people as specified by the respective department head.

Asset Verification and Condition Rating: The overall condition of each asset group and individual asset condition within a group is measurable. Asset lists shall be field audited to verify that the asset(s) is still retained by the County and that it has not been disposed of or replaced.

Asset condition has to be measured using appropriate engineering or other standards that are established, defensible and repeatable. It is understood that this may not be possible for all assets.

All AMPs for all asset groups shall have:

- ❑ A record of the assumptions that were made in the development of the conditions ratings
- ❑ Condition Evaluation Methodology.
- ❑ Identify Historic Costs (PSAB records)
- ❑ Identify Current Replacement Costs.
- ❑ Identify Asset Age distribution (may not be possible for all assets due to improvement of visible elements (i.e. roads and structures)
- ❑ Condition rating by individual asset and by asset group, where possible

Condition Assessment Cycle: Asset condition shall be reviewed on a regular cycle, appropriate for the asset group. Determination of an appropriate review cycle shall be predicated upon the following factors:

- ☐ Regulatory requirements
- ☐ Public health and safety
- ☐ Criticality
- ☐ Asset life cycle / Anticipated deterioration rate
- ☐ Consequences of lost opportunity for rehabilitation or maintenance

Level of Service (LOS): All assets shall have a defined level of service or defined levels of service.

The overall AMP includes funding for both capital and operating components. For some assets, both capital and operating LOS may be required. Further, more than a single LOS measure may be required to adequately analyze the total LOS of an asset. LOS for assets must consider the following in their development:

- ☐ Regulatory Compliance
- ☐ Criticality
- ☐ Municipal Performance Measure Program compatibility /relevance
- ☐ Physical Condition LOS (i.e. average system)
- ☐ Operating LOS
- ☐ End User relevance, and perception of service
- ☐ Ease of understanding

Financial Strategy: AMP financial strategies shall be fully integrated with the Asset Management Strategy. The financial strategy shall be developed such that the funding shall be sufficient, as a minimum, to sustain the asset or asset group at its current LOS and ideally funded at a level to improve the asset group condition to the target LOS.

The AMP financing strategy shall be in current dollars and cost experience shall be used and updated annually.

The Asset Management Plan Financial Strategy shall identify funding needs for maintenance, improvement and replacement costs required to meet acceptable LOS as identified above. This Strategy shall be integrated with the Long-Term Financial Plan and budget documents presented to Council for consideration.

- Replacement Activities
- Expansion Activities

Capitalization Thresholds: The capitalization threshold will be consistent with the County's current practices.

Funding Sources: AMPs shall consider the following funding sources;

- ☐ Levy Supported Operating Budget
- ☐ Rate Supported Operating Budget
- ☐ Levy Supported Capital Reserve
- ☐ Rate Supported Capital Reserve
- ☐ Federal and Provincial Conditional Grants
- ☐ Gas Tax
- ☐ Debt Financing
- ☐ Development Charges
- ☐ Other (i.e. Community Enhancement Fund)

Plan Maintenance Continuity and Currency: The AMPs shall be reviewed on an annual basis and when needed, updated to account for;

- ☐ Quantity of the asset or asset group (Expansion / Reduction)
- ☐ Inflationary changes
- ☐ Specific unit cost changes beyond inflation that affects programming and have an impact on the average condition of an asset group or groups
- ☐ Regulatory changes
- ☐ Asset group constitution change
- ☐ Improvements to the Asset group
- ☐ Pre-mature failure of assets

Innovation: The County is committed to research and review of new technologies for usage by the County. Trial projects and technologies are to be reviewed on a project specific basis and reported to Council before and after trial.

Public Notification: The County will provide notification of its asset management policy in a public forum either collectively for all assets, by asset group or by program group.

Asset specific details for each asset group shall be created as Standard Operating Procedures for each asset group.