

I, Carol Schofield, the Clerk, of The Corporation of the Town of Fort Erie certifies the foregoing to be a true copy of By-law No. 78-2019 of the said Town. Given under my hand and the seal of the said Corporation, this day of , 20

Asset Management Policy

- May 6, 2019 -



The Corporation of
The Town of Fort Erie

Strategic Asset Management Policy

1.0 Article 1 - Application and Administration

Strategic municipal asset management involves the challenge of planning and investing in core municipal infrastructure assets while ensuring sound stewardship of public resources and delivering valued customer services.

The purpose of this Asset Management Policy is to affirm the Town of Fort Erie's commitments in asset management through defined principles and processes and to ensure alignment and integration of asset management into our strategic planning processes. This policy is established to embed asset management principles into ongoing capital, operations, and maintenance activities, through the Asset Management Plan (AMP).

This policy provides a foundation to help identify and prioritize investments in existing and future infrastructure assets to ensure each investment is strong, safe, efficient, effective, and capable of supporting the quality of life desired in our community.

This policy applies to assets owned by the Town of Fort Erie including:

1. Core municipal infrastructure assets:
 - Roads (including all road assets in the right-of-way)
 - Bridges
 - Culverts
 - Drinking water distribution
 - Sanitary sewage collection, and
 - Storm water management.
2. Facilities Assets.

In the future, this policy will be expanded to include all infrastructure assets.

These policy requirements apply to all departments with responsibilities in the planning, maintaining or operating the municipal infrastructure assets listed above.

2.0 Article 2 - Definitions

For this policy, the following terms are defined:

“Asset” means a resource with economic value that a municipality controls with the expectation that it will provide a future benefit. An asset is specifically defined as property, equipment, vehicles, tools or other resources with a purchase value at or above the Capital Asset Threshold. Specifically, an Infrastructure Asset means the physical structures and associated facilities that form the foundation of development, and by or through which a public service is provided.

“Asset Management” means the coordinated activity of an organization to realize value from assets (AM).

Strategic Asset Management Policy

“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. This typically includes plans to Invest, design, construct, acquire, operate, maintain, renew, replace and decommission assets.

“Capital Asset Threshold” means the threshold at or above which a resource is considered an asset, the value of a municipal infrastructure asset at or above which a municipality will capitalize the value of it and below which it will expense the value of it. For the Town of Fort Erie, the capital asset threshold is defined in the Capital Asset Policy. However, items below the defined threshold may be included in the Asset Management Plan, based on risk or criticality, under the authority of the Director of Infrastructure Services or Director of Corporate Services.

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

- water asset that relates to the distribution of drinking water,
- wastewater asset that relates to the collection of wastewater, including any wastewater asset that from time to time manages storm water,
- storm water management asset that relates to the collection, transmission, treatment, retention, infiltration, control or disposal of storm water,
- road, including all assets in the right-of-way, or
- bridge or culvert.

“O.Reg.588/17” means Ontario Regulation 588/17 under the Infrastructure for Jobs and Prosperity Act 2015, as amended. Principles are set out in this regulation by the provincial government to regulate asset management planning for municipalities.

“Public” means residents and businesses in the Town of Fort Erie, and other interested parties.

“Road” means all road assets within the right-of-way, which may include sidewalks, curb, streetlights, boulevard, median, or other related assets.

3.0 Article 3 – Roles and Responsibilities

A robust Asset Management Plan includes a clear structure of parties with responsibilities in asset management at the Town of Fort Erie.

Asset Management Coordinator is responsible for guiding procedures to ensure that AM information (such as condition assessment information, GIS attributes and construction data) required to make informed decisions is current and in a form that is usable, that software used in AM processes is relevant and that the requirements of O.

Strategic Asset Management Policy

Reg. 588/17 such as reporting requirements and AMP updates are being met by the Town. The AM Coordinator will be responsible for operating any software acquired to assist the Town in undertaking its tasks.

Council is responsible for ensuring resources are provided to staff to ensure the Asset Management Policy and Plan are established and maintained. Council has the authority to approve this policy and municipal budgets, Committee has the authority to recommend policy, budgets and the Asset Management Plan and Policy to Council. Council also has the authority to make or override asset management decisions, in adherence with this policy.

CAO is overall responsible for implementing the Asset Management Policy and Plan. The CAO is responsible for endorsing the Asset Management Policy, assigning authorities and resources to administrative staff to ensure the Asset Management Plan is in place and the Asset Management Policy is executed. The CAO has the authority to execute the duties defined above and has the authority to make or override asset management decisions or recommendations from Senior Management or from the Asset Management Lead, in adherence with this policy.

Executive Lead at the Town of Fort Erie is the **Asset Management Lead**, a role filled by the Director of Infrastructure Services. The Asset Management Lead is responsible for ensuring Asset Management Policy and Plan is relevant, suitable, adequate, reviewed and updated as required. The Asset Management Lead also has the authority to make or override asset management decisions made by Managers within Infrastructure Services, in adherence with this policy.

The **Director of Corporate Services** is responsible for working with the Asset Management Lead and AMP outcomes, to ensure the financial budgets and long term financial plan is aligned with the asset forecasts and Levels of Service. The Director of Corporate Services is also responsible for financial reporting on assets and maintaining the financing and revenue strategy in alignment with the Asset Management Plan, Budget and Reserve Policies. In collaboration, the Director of Corporate Services, CAO and Director of Infrastructure Services have the authority to make asset management decisions in adherence with this policy, particularly when meeting financial policy, in accordance with the capital process flow chart, is challenged.

Managers are responsible for making asset recommendations related to the assigned portfolio, in adherence with this policy, and executing plans once approved and reporting on results once executed.

Members of the Public can stay informed, access information and provide feedback related to the AMP. The public may access information that provides a basis to decision making in the AMP under privacy and disclosure legislation.

The general structure is shown in Figure 1 below, with corresponding responsibilities and authorities further described in the AMP.

Strategic Asset Management Policy

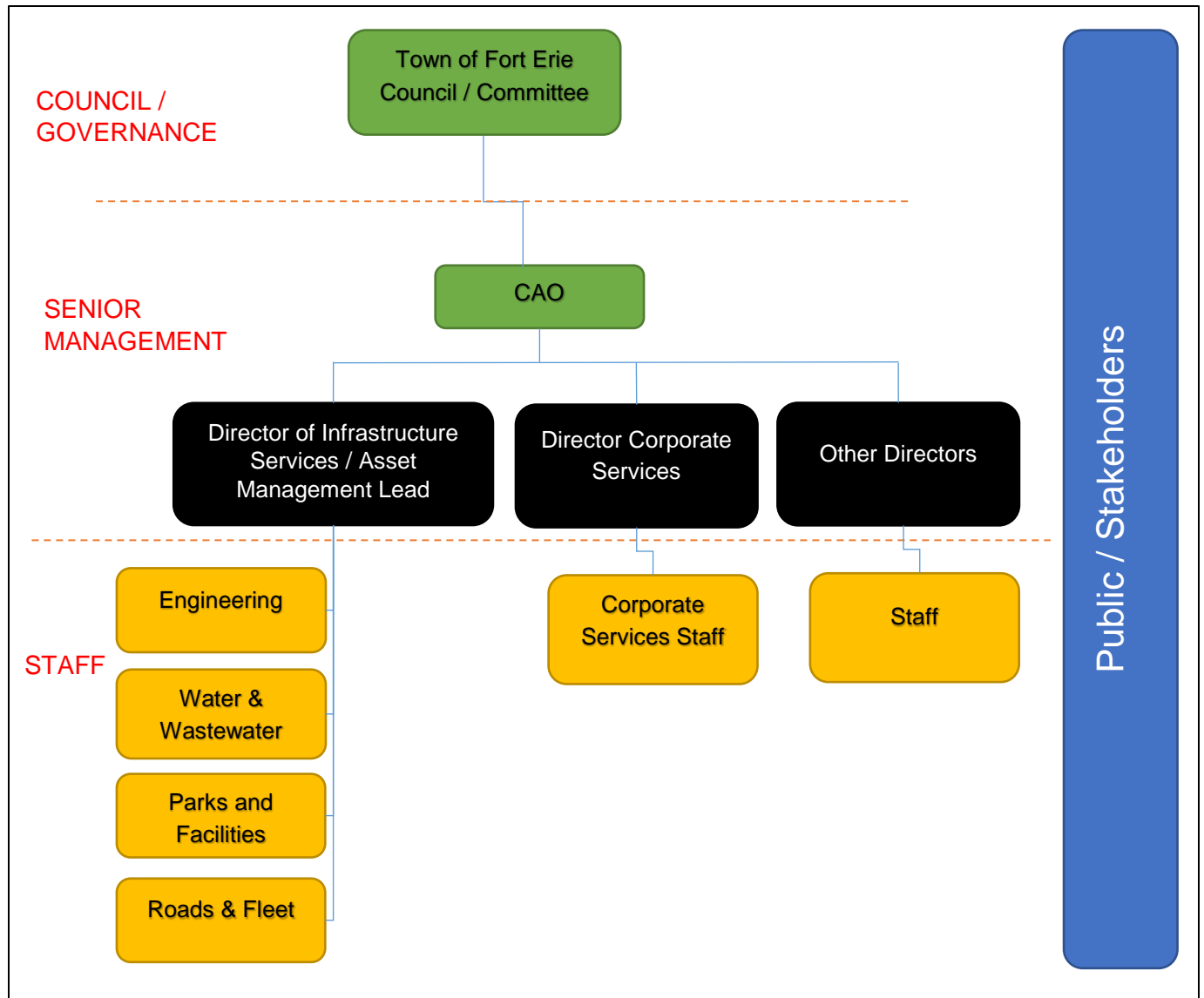


Figure 1: Overall governance Structure for Asset Management at the Town of Fort Erie.

4.0 Article 4 - Commitments

In our asset management planning, the Town of Fort Erie is committed to the following:

1. **Committing the resources to achieve sound stewardship of public resources** while maintaining the delivery of valued customer services at specified levels and upholding long term affordability.
2. **Consider public safety, risk tolerance and the Town's Strategic Plan**, under the Asset Management Plan and the principles defined in this Policy, when deciding to acquire, construct, maintain, rehabilitate, replace or dispose of core assets.

Strategic Asset Management Policy

3. **Manage infrastructure assets with an integrated, not segregated, business approach** that delivers desired service results, and planning and investing in infrastructure within the context of our greater system, rather than examining assets in isolation.
4. **Enable residents, businesses and other interested parties** to provide input in asset management planning.
5. **Consider the impacts of climate change in asset planning and investment, and:**
 - a. Identify the vulnerabilities of our assets caused by climate change,
 - b. Consider the costs and means to address those vulnerabilities,
 - c. Consider adaptation opportunities that may be undertaken to manage the vulnerabilities,
 - d. Consider mitigation approaches to limit the magnitude or rate of long-term climate change (such as greenhouse gas emission reduction objectives), and
 - e. Consider disaster planning and contingency funding.
6. **Coordinate planning** for asset management with Port Colborne, Welland, Niagara Falls, the Niagara Parks Commission, Ministry of Transportation of Ontario, the Region of Niagara and other local partners where assets connect or are related.

This Asset Management Policy conforms to prescribed requirements from Ontario Regulation 588.

5.0 **Article 5 - Principles**

Embracing the principles below, the Town of Fort Erie's Asset Management Plan provides a framework for decision-making, based on a defined level of service, when we invest, design, construct, acquire, operate, maintain, renew, replace or decommission assets.

In our asset management planning, the Town of Fort Erie will strive to follow the principles listed below.

Health, Safety and the Environment

1. Ensure health & safety of workers is protected, including those involved in the construction and maintenance of assets.
2. Consider resilience to the effects of climate change in the design of infrastructure.
3. Minimize the impact of infrastructure on the environment.

Strategic Asset Management Policy

4. Respect and help maintain ecological and bio-diversity.
5. Endeavour to make use of acceptable recycled aggregates.

Prioritization and Value

6. Ensure we continue to provide our public services in Roads, Water, Wastewater, Storm, Bridges, Culverts and Facilities, at or above defined levels of service.
7. Identify and respect defined infrastructure priorities, based on risk and criticality. A clearly defined hierarchy for infrastructure priorities is a necessary foundation for an effective asset management plan, as priorities should inform investment decisions. Priorities are further described in the AMP.
8. Take a Long-term view in making asset decisions, especially considering the municipal life cycle of assets from acquisition to disposal. The Town strives to choose practices, interventions and operations that aim at reducing the lifecycle cost of asset ownership, while satisfying agreed levels of service, basing decisions on a balance of service levels, risks, and costs.
9. Factor information with implications for infrastructure planning into infrastructure investment decisions.
10. The Town will choose practices, interventions and operations that aim at reducing the lifecycle cost of asset ownership, while satisfying agreed levels of service. Decisions are based on balancing service levels, risks, and costs.

Connection and Communication

11. Align with all relevant Town of Fort Erie financial or asset plans prepared under applicable financial budgeting policies and legislation.
12. Practice asset management transparently, and under the law:
 - Base decisions on evidence and information that is made available to the public, and
 - Share information with implications for infrastructure planning with other public sector entities.
13. Be mindful of and align with the Strategic Plan, other Town policies and other plans and strategies in effect. A description of connected plans is provided in further detail in the AMP.

Community and the People

14. Promote economic competitiveness, productivity, job creation and training opportunities.
15. Promote accessibility for persons with disabilities.

Strategic Asset Management Policy

16. Promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that should improve community well-being.
17. Foster innovation by creating opportunities to make use of proven technologies, practices and services.

6.0 Article 6 - Other Provisions

Plans, Budgets and Forecasts

To fulfil Policy commitments, a process is in place at the Town of Fort Erie for using the AMP when developing municipal budgets and long-term forecasting related to assets, with special consideration to align to the Town of Fort Erie Water and Wastewater Service Area Financial Plans and master plans. This process is further described in the AMP.

Continual Improvement

The AMP must be continually improved, not just from nonconformities or weaknesses, but also making improvements in what the Town already excels in, by continually improving the asset management planning approach, incorporating new practices and principles. A process is in place to improve, adapt and tweak asset management processes, which includes responsibilities to stay current in asset management, adopt new practices, monitor the effectiveness of the AMP, and make changes. This process is further described in the AMP.

Land-Use Planning Framework

A process is in place to ensure that the Asset Management Plan aligns with Ontario's land-use planning framework, including the Town of Fort Erie Official Plan, Development Charge By-Law, and other master plans as they may apply. This process is further described in the AMP.

Risk Management

Climate change introduces risk and vulnerabilities for core municipal infrastructure assets. To fulfill climate change commitments in this Policy and stay aware of these risks and vulnerabilities, the Risk Assessment process is in place. Risk Assessment is further described in the AMP.

Also, as noted in Definitions, items below the capitalization threshold may be included in the AMP. Occasionally, an item's value may be less than the defined capitalization threshold, but it has a functional value that introduces risk should the item's inventory, availability, condition or forecast not be considered and planned for. In that case, assets may be added using the Risk Assessment process that is defined in the AMP.

Strategic Asset Management Policy

Finally, infrastructure priorities are clearly identified in alignment with the Risk Management process. The process for identifying infrastructure priorities includes Risk Assessment, which is further described in the AMP.

Stakeholder Consultation

Stakeholder involvement is a commitment in this Policy and an important factor of a successful and relevant AMP. It is imperative that opportunities to provide input are consistently offered to residents and interested parties. Consultation and communication processes are described in the AMP.

Availability and Update

This policy shall be posted on the Town website and provided to anyone who requests it. It shall be reviewed and updated as required, as other infrastructure AMPs are completed, and no more than five years from the last revision date posted.