



A Growing Tradition

Town of Bradford West Gwillimbury  
Strategic Asset Management Policy

## Revision History

Date	Version	Description	Author
Oct 20, 2016	0.1	Initial draft	Matthew Simurda
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Mar 21, 2016	1.1	Minor corrections, add styles	Matthew Simurda
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## 1. Objective

- 1.1. The Corporation of the Town of Bradford West Gwillimbury (the Town) is dedicated to the development and maintenance of its entire asset inventory in order to provide Town residents with sustainable, reliable services that are appropriate for the Town, are regulatory compliant, and ensure assets will serve for their design life.
- 1.2. The Town will endeavour to manage its asset groups to deliver services that represent the optimum aggregate cost, rather than the least single cost, to the greatest extent practical.

## 2. Scope

- 2.1. The scope of this Policy is applicable to all assets the Town is responsible for. The Town understands that each asset group will have group specific criteria with respect to the general directives provided in this Policy. As the Asset Management Plan is developed for each asset group, the guiding principles of this Policy shall be applied to develop the specifics for each asset group. Each asset group will have its specific asset Policy added as addenda to this Policy.

## 3. Asset Data Storage

- 3.1. To the greatest extent possible, all data for all assets and asset groups will reside in the corporate asset management software.

## 4. Asset Verification and Condition Rating

- 4.1. 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 Town and that it has not been disposed or replaced.
- 4.2. Asset condition must 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.
- 4.3. Asset Management Plans for all asset groups shall have:
  - a) A record of assumptions that were made in the development of the condition ratings, historic costs, replacement costs etc.
  - b) Identify Historic Costs (Public Sector Accounting Board (PSAB) records)
  - c) Identify Current Replacement Costs
  - d) Identify Asset Age distribution; may not be possible for all assets due to improvement of visible elements (i.e. roads and structures)
  - e) Condition rating by individual asset and by asset group, where possible

## 5. Condition Assessment Cycle

- 5.1. Asset condition shall be reviewed on a regular cycle, appropriate for the asset group. Determination of an appropriate review cycle shall be based upon the following factors:
  - a) Regulatory requirements
  - b) Public health and safety
  - c) Criticality
  - d) Asset life cycle / anticipated deterioration rate
  - e) Consequences of lost opportunity for rehabilitation or maintenance

## 6. Level of Service

- 6.1. All assets shall have a defined level of service or defined levels of service.
- 6.2. The overall Asset Management Plan includes funding for both capital and operating components. For some assets, both capital and operating Levels of Service may be required. Levels of Service for assets must consider the following in their development:
  - a) Regulatory compliance
  - b) Criticality
  - c) Municipal Performance Measures Program compatibility / relevance
  - d) Physical Condition Levels of Service (i.e. average system)
  - e) Operating Levels of Service
  - f) End User relevance and perception of service
  - g) Ease of understanding

## 7. Asset Management Strategy

Guiding principles for the preparation of Asset Management Plans for specific assets or asset groups shall consider / utilize the following principles:

### 7.1. Customer Focused

The Town will have clearly defined levels of service and apply Asset Management practices to maintain the confidence of customers in how municipal assets are managed.

### 7.2. Risk-Based

The Town will manage the asset risk associated with attaining the agreed levels of service by focusing resources, expenditures and priorities based upon risk assessments and the corresponding cost/benefit, recognizing that public safety is the priority. The minimum outcome will be to ensure that the overall condition of an asset group will not decrease over time.

### 7.3. Return on Investment

The Town will analyze the return on investment of practices, interventions and operations that aim at reducing the lifecycle cost of asset ownership, while satisfying agreed levels of service. Selection of appropriate treatments, at the appropriate asset condition level, are critical to Asset Management planning optimization.

### 7.4. Financial Integration

The Town shall take into account any applicable budgets or fiscal plans, such as fiscal plans released under the Fiscal Transparency and Accountability Act, 2004 and budgets adopted under Part VII of the Municipal Act, 2001.

### 7.5. Cross Asset Integration

The Town will consider all the assets in a service context and take into account their interrelationships as opposed to optimizing individual assets in isolation. This is particularly true of linear assets within the road allowance. Cross asset integration shall consider not only Town assets, but other assets that may have an effect on the Town asset lifecycle and performance, such as other levels of government and utilities.

### 7.6. Forward Looking

The Town shall take a long-term view while considering demographic and economic trends in the region.

### 7.7. Near Term Programming

The Town shall clearly identify infrastructure priorities for a ten year period as a minimum, which will drive investment decisions. Plans will be updated on an annual basis.

### 7.8. 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.

### 7.9. Economic Development

The Town shall promote economic competitiveness, productivity and job creation.

### 7.10. Transparency

The Town shall be evidence-based and transparent. Additionally, subject to any prohibitions under and Act, or otherwise by law on the collection, use or disclosure of information, the Town shall make decisions with respect to infrastructure based on information that is publically available or made available to the public and share information with implications on infrastructure and investment decisions with the Government and broader public sector entities.

### 7.11. Consistency

The Town shall ensure the continued provision of core public services.

### 7.12. Environmentally Conscious

The Town shall minimize the impact of infrastructure on the environment by:

- a) Respecting and helping maintain ecological and biological diversity
- b) Augmenting resilience to the effects of climate change, and
- c) Endeavouring to make use of acceptable recycled aggregates.

### 7.13. Health & Safety

The Town shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.

### 7.14. Community Focused

The Town shall promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the well-being of a community affected by the project, such as:

- a) Local job creation and training opportunities
- b) Improvement of public spaces within the community, and
- c) Promoting accessibility for persons with disabilities.

### 7.15. Innovation

The Town shall create opportunities to make use of innovative technologies, services and practices, particularly where doing so would utilize technology, techniques, and practices developed in Ontario.

Trial projects and technologies are to be reviewed on a project specific basis and reported to Council before and after the trial.

#### 7.16. Integration

The Town shall where relevant and appropriate, be mindful and consider the principles and content of non-binding provincial or municipal plans and strategies established under an Act or otherwise, in planning and making decisions surrounding the infrastructure that supports them.

## 8. Strategic Alignment

- 8.1. With increasing regulation and focus on informed decision-making, Asset Management has become a necessity that needs implementation throughout the Town. Asset Management and data management are naturally linked and will be developed together as the Town increases their reliance on digital information.
- 8.2. The context and integration of Asset Management throughout the Town's lines of business will be formalized through references and linkages between corporate documents. Where possible and appropriate, staff will consider this Policy and integrate it in the development of corporate documents such as:
  - a) Official Plan
  - b) Business plans
  - c) Corporate strategic plan
  - d) Corporate financial plan
  - e) Development Charges Background Studies
  - f) Emergency Response Plan
  - g) Energy Management plan(s)
  - h) Operational plans and budgets (including vehicle and fleet plans and budgets)
  - i) Community social plans
  - j) Neighbourhood plans
  - k) Annual reports
  - l) Design criteria and specifications
  - m) Infrastructure servicing, management and replacement plans (e.g. transportation plans)
  - n) Parks and recreation plans
  - o) Facility plans

## 9. Capitalization Thresholds

- 9.1. The Asset Management Plans for the Town's assets will take a forward looking view to assess the cost of owning an asset group over the service life of the assets for both short and long-term financial planning. Assets will be included in the Asset Management Plans based on the professional judgement and knowledge of the asset owners. As a general rule, to be included in the plan(s) assets should:
  - a) Support the delivery of a service
  - b) Require active management including inspection, maintenance and repair work
  - c) Meet at least one of the following criteria:

Assets have:

    - i. High individual capital value (minimum \$5,000)

- ii. Low value alone but high value together (e.g. street trees)
  - iii. High operating cost (at discretion of asset owner, to be revised in future version of Policy)
  - iv. High maintenance cost (at discretion of asset owner, to be revised in future version of Policy)
  - v. High influence on energy consumption (at discretion of asset owner, to be revised in future version of Policy)
  - vi. Low capital value but are critical to the safe and reliable operation of the infrastructure or supply of service (e.g. smoke alarms, personal protective equipment for fire or police)
- 9.2. If assets have one of the following two criteria, then the asset owner is encouraged to exclude the asset group in their Asset Management Plan(s).  
Assets are:
- i. Captured under a different asset category (e.g. doors captured under facility interior fixtures)
  - ii. Consumed during the course of 1 to 2 years (e.g. chemicals used at treatment plants)
- 9.3. Assets will not be included in the Asset Management Plans based solely on the Tangible Capital Asset (TCA) registry maintained by the Town's Financial Services Department. The inclusion of an asset to the TCA registry is based on the original purchase price of an asset and is used for financial reporting purposes to track the depreciating value of the assets over time. The TCA is governed by Town Policy FIN-F06-001 Tangible Capital Assets (2009). Schedule 12.1 of the FIN-F06-001 lists the minimum thresholds for single and pooled assets for an asset or asset group to be included in the TCA registry.
- 9.4. Over time it is expected that the Asset Management Plans and the TCA registry will be brought into alignment. A variance will remain in the valuation of the assets due to different regulatory requirements and the omission of some low capital value assets from the TCA registry

## 10. Budgeting

- 10.1. The Asset Management Plans and progress made on the Plans will be considered annually in the creation of the Town's capital budgets, operating budgets, and long-term financial plans.
- 10.2. Town Departments will reference the Asset Management Plan(s) for their respective area(s) in order to:
- a) Look up forecasted spending needs identified in the Plan
  - b) Verify progress made on the plan to identify potential gaps, and
  - c) Prioritize spending needs, across the gap identified in the plan and recent developments, for the years to be budgeted for
  - d) Incorporate new revenue tools and alternative funding strategies where possible.
- The budgets prepared by each service area will then be processed in accordance with the Town's budgeting process.
- 10.3. Financial Services staff will be involved in Asset Management planning to facilitate the bridge between:
- a) The financial strategy developed in the Asset Management Plans

- b) The budget submissions of each service area, and
  - c) The Town's overall budgeting process.
- 10.4. Financial Services and Community Services will work together to align the financial strategy developed in the Asset Management Plans with any financial plans related to the water and wastewater assets, including any financial plans prepared under the *Safe Water Drinking Act, 2002*. The alignment will stem from a multi-disciplinary team, common analytical methods followed, and common data sources used.

## 11. Financial Strategy

- 11.1. Asset Management Plan financial strategies shall be developed such that the funding shall be sufficient, as a minimum, to sustain the asset or asset group at its current Levels of Service and ideally be funded at a level to improve the asset group condition to the target Levels of Service.
- 11.2. Ideally the Asset Management Plan financial strategy should consider inflation and discount rates over the time of the plan. However, this may not be practical given the volatility of certain product groups over much shorter periods.
- 11.3. In lieu of a financial plan with estimated inflation and discount rates, current dollars and cost experience shall be used and updated annually.
- 11.4. The Financial Strategy shall:
- a) Identify funding shortfalls to Council to meet planned / approved Levels of Service
  - b) Identify funding sources
  - c) Review alternative funding opportunities / resources
  - d) The financial plan shall include annual forecasts for:
    - i. Non-infrastructure solutions
    - ii. Maintenance activities
    - iii. Renewal / rehabilitation activities
    - iv. Replacement activities
    - v. Expansion activities
- 11.5. For the purposes of managing water and wastewater assets, the water and wastewater financial plans and studies will be used as a basis for establishing user fees, and master plans will be referenced in order to ensure alignment with the budgeting process.

## 12. Funding Sources

- 12.1. Asset Management Plans shall consider the following funding sources:
- a) Levy supported operating budget
  - b) Rate supported operating budget
  - c) Levy supported capital reserve
  - d) Rate supported capital reserve
  - e) Federal and Provincial conditional grants
  - f) Gas Tax
  - g) Debt financing
  - h) Development charges
  - i) Other



## 13. Community Planning

- 13.1. Asset Management planning will be aligned with the Town's Official Plan, Ontario's land-use planning framework, and provincial plans as defined in the Planning Act, as well as other municipal documents including the Transportation Master Plan, Master Servicing Plans and other plans outlined in the Strategic Alignment section of this Policy. The Asset Management Plans will reflect how the community is projected to change and the related asset impacts. The Town will achieve this with the following:
- a) Those responsible for managing services impacted by development or redevelopment will:
    - i. Be consulted while the community plan is being prepared
    - ii. Provide input to the analysis of future servicing costs, and
    - iii. Provide written comment about the financial viability of development as it pertains to the service they manage.
- 13.2. Methods, assumptions, and data used in the selection of development or redevelopment initiatives documented in the community plan will be available in support of the production of the Asset Management Plans.

## 14. Climate Change

- 14.1. Climate change will be considered as part of Town's risk management approach embedded in local Asset Management planning methods. This approach will balance the potential cost of vulnerabilities to climate change impacts and other risks with the cost of reducing these vulnerabilities. The balance will be struck in the Levels of Service delivered through operations, maintenance schedules, disaster response plans, contingency funding, and capital investments. The Town's contribution to climate change through greenhouse gas emissions will be mitigated in accordance with its local reduction targets, financial capacity, and stakeholder support.

## 15. Governance

The Policy requires commitment of key stakeholders within the Municipality's Organization to ensure the Policy contains a clear plan that can be implemented, reviewed and updated. The following passages outline the persons and groups responsible for these tasks:

### 15.1. Council

Council, on behalf of the ratepayers, will:

- a) be entrusted with the responsibility of overseeing the management of Town assets
- b) approve the Asset Management Policy and direction of the Asset Management program through its approval of the Town's Asset Management Plans
- c) support efforts to improve the plan and ensure it includes changes necessitated by updates to the other Municipal strategic documents.

### 15.2. CAO

- a) Maintain compliance with the Asset Management Policy and provincial Asset Management Regulation
- b) Review implementation of the Plan as part of the annual capital and operating budgets

- c) Review reports on Asset Management related activities that will be presented to Council

### 15.3. Community Services Department

- a) Development of Asset Management Policy and Plans through the utilization of condition assessment information and service level requirements
- b) Develop and update multi-year capital work plans with assistance from all Town Departments
- c) Ensure the AM program aligns with the Town's strategic plan
- d) Ensure adequate resources are available to implement and maintain core AM Practices
- e) Develop and monitor levels of service and make recommendations to Council
- f) Track, analyze and report on Asset Management program progress and results
- g) Provide organization-wide leadership in Asset Management practices and concepts

### 15.4. Departmental Staff

- a) Utilize new business processes and technology tools developed and implemented to support the Asset Management program
- b) Participate in the development of Asset Management Plans and multi-year capital work plans
- c) Provide records of acquired, rehabilitated and disposed assets for all asset groups in a timely manner
- d) Implement and maintain capital asset Levels of Service
- e) Manage budgets based on lifecycle activities and financial management strategies

### 15.5. Public

- a) Engage and voice level of service expectations and concerns to Council and Town staff through surveys and public engagement opportunities
- b) Understand dynamic relationships between performance, cost, and risk of assets to deliver desired services
- c) Engage in discussions about strategic priorities and desired levels of service

## 16. Continuous Improvement and Currency

- 16.1. The Asset Management Plans shall be reviewed annually to address the Town's progress in implementing its Asset Management Plan and updated at least every five years from July 1<sup>st</sup>, 2019 in accordance with O. reg. 588/17 requirements; to promote, document and communicate continuous improvement of the Asset Management program.
- 16.2. Annual reviews of Asset Management Plans shall account for:
  - a) Updates to the Road Needs Study, Bridge Inspection Reports, Structural assessment reports, all other condition assessments
  - b) Quantity of the asset or asset group (expansion / reduction)
  - c) Inflationary changes
  - d) Specific unit cost changes beyond inflation that negatively affect programming and have a negative impact on the average condition of an asset group or groups
  - e) Regulatory changes
  - f) Asset group constitution change
  - g) Improvements to the asset group

- h) Premature failure of assets

## 17. Stakeholder Engagement

17.1. The ultimate goal of the municipality is to efficiently provide its various stakeholders with the municipal services they need within the bounds of regulatory requirements, the built environment, and the natural environment. In order to achieve this goal, it is necessary that the municipality understand the needs of current stakeholders, consider the needs of future generations, and incorporate these perspectives into Asset Management Plans. The municipality recognizes them as an integral part of the Asset Management approach.

Accordingly, the municipality will:

- a) Provide opportunities for residents and other stakeholders served by the municipality to provide input in Asset Management planning; and
- b) Coordinate Asset Management planning with other infrastructure asset owning agencies such as municipal bodies and regulated utilities.