

Subject: Asset Management Policy

Report To: Corporate Services Committee

Report date: Wednesday, June 12, 2024

Recommendations

1. That the Asset Management Policy, attached as Appendix 1 to Report CSD 14-2024, **BE APPROVED**.

Key Facts

- The purpose of this report is to obtain Council's approval of the Asset Management (AM) Policy.
- The Region must publish a Council approved AM Policy every five years under the Infrastructure for Jobs and Prosperity Act, 2015 – Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure (O. Reg. 588/17). The last Policy was approved in 2019, which means it is up for renewal.
- The Region's capital asset portfolio replacement value is in excess of \$9.8 billion per the Region's 2021 Corporate Asset Management Plan.
- In addition to O. Reg. 588/17, Federal and Provincial governments require updated comprehensive AM plans for Canada Community-Building Fund funding, future application-based funding and Development Charges.

Financial Considerations

There are no immediate financial implications related to the approval of the AM Policy. The adoption of the revised AM Policy will support the strategic implementation of consistent AM practices across the organization, leading to more effective and comprehensive financial planning for the sustainment of existing assets and the creation of new ones.

It is expected that by implementing and maintaining improved asset management practices, the Region will be in a better position to quantify the financial and resource requirements necessary to maintain its assets in a state-of-good-repair. Implementing processes and procedures across the Region will better identify other lifecycle activities that may be undertaken and the ideal timing for them to sustain the level of service of the asset and prolong the useful life at the most effective cost for the Region. AM practice improvements may include coordinating efforts across divisions and with local

municipalities to ensure interconnected projects are completed concurrently, therefore reducing scenarios where assets are replaced before the end of their useful life.

The Region is the custodian of capital assets with an estimated \$9.8 billion replacement value, per the Region's 2021 Corporate Asset Management Plan (AMP), which are required to deliver services to the residents of Niagara. The AM Policy establishes the foundation and framework for AM at the Region to help ensure that the Region is doing the right work, on the right assets, at the right time, for the right costs and the right reasons.

Analysis

AM is a systematic process to guide planning, acquisition, operation, maintenance, rehabilitation, replacement, and disposal of assets and is considered to be a fundamental element in an asset-intensive organization's operations, as the efficient allocation and management of resources are crucial to maximize performance and fulfil strategic goals.

Changes to the 2019 AM Policy have been made with the goal of streamlining the document to educate the reader on the core requirements of O. Reg. 588/17 and the Infrastructure for Jobs and Prosperity Act, 2015. Other AM documents, such as AM strategies can be used to identify more specific action items.

Alternatives Reviewed

This policy was written as the Region's response to the requirements established by the Province of Ontario under O. Reg. 588/17 as amended by O. Reg. 193/21, while also including industry leading practice recommendations. The Region is required to be compliant with O. Reg. 588/17 by publishing a strategic AM Policy before July 1, 2024.

Relationship to Council Strategic Priorities

The Comprehensive AM Plan was identified as a priority of the previous Council that directly supports Effective Region, Green and Resilient Region, Equitable Region and Prosperous Region.

Other Pertinent Reports

[CSD 7-2022](#) 2021 Asset Management Plan

[CSD 20-2019](#) Asset Management Policy

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Appendices

Appendix 1 Asset Management Policy