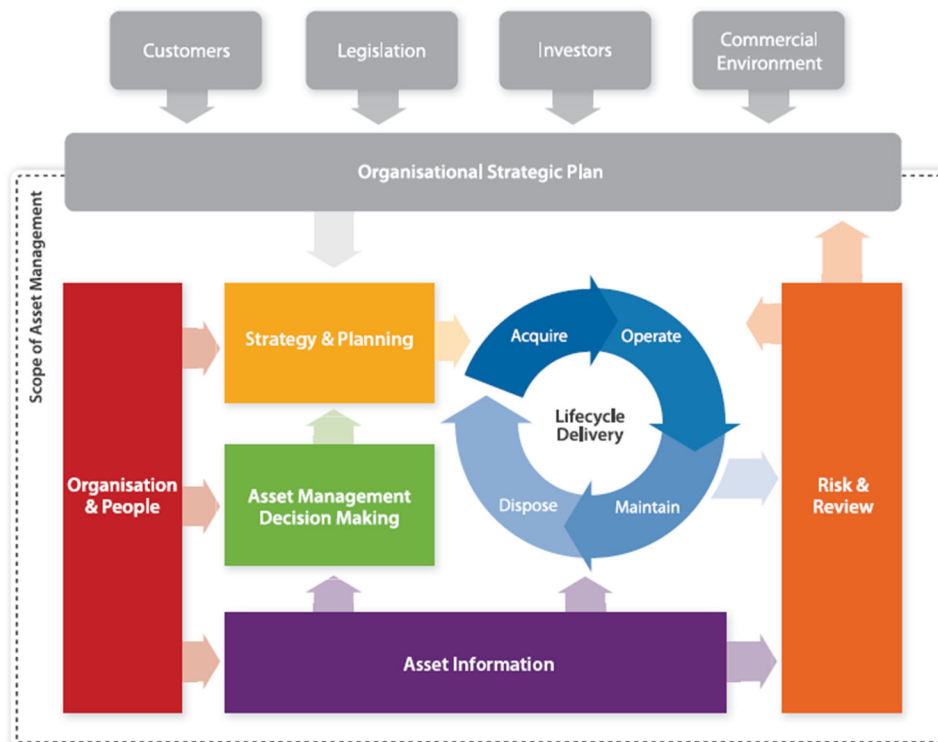


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STRATEGIC ASSET MANAGEMENT POLICY

PURPOSE

Asset Management is the coordinated activity of realizing value from assets. The County is committed to the goals that asset management programs and processes aim to achieve. This policy outlines the principals and objectives the County uses in developing its assets to ensure long-term sustainability and fiscal stewardship, while balancing levels of service and risk, through asset lifecycle management. The policy will guide the consistent use of asset management across the County, to facilitate logical and evidence based decision making to support the delivery of sustainable services now and into the future. As outlined in the IAM's Conceptual Asset Management Model, illustrated below, an Asset Management System requires many components working cohesively together, of which Strategy and Planning is one.



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DEFINITIONS

Asset Category – shall mean a specific category of assets such as roads, bridges and culverts, stormwater, etc. Also referred to as Asset Class.

Asset Management Plan (AMP) – shall mean a strategic document that states how an asset class is to be managed over a period of time. The plan describes the characteristics and condition of assets, the levels of service expected from them, planned actions to ensure the assets are providing the expected level of service, and financing strategies to implement the planned actions.

Council – shall mean County of Oxford Council.

County of Oxford – herein is also referred to as the “County”.

Director – shall mean a head of a department operating within the County of Oxford.

Green Infrastructure Asset – shall mean an infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, stormwater management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs.

Institute of Asset Management (IAM) – shall mean the international professional body for asset management professionals. The IAM develops asset management knowledge and best practice, and generates awareness of the benefits of the asset management discipline for the individual, organizations and wider society.

Levels of Service – shall mean parameters or a combination of parameters, which reflect social, political, environmental and economic outcomes that an organization delivers (ISO 55000).

Lifecycle Activities – shall mean activities undertaken with respect to an asset over its service life, including constructing, maintaining, renewing, operating and decommissioning, and all engineering and design work associated with those activities.

Municipal Infrastructure Asset – shall mean an infrastructure asset, including a green infrastructure asset, directly owned by the County or included on the consolidated financial statements of the County.

Operating Costs – shall mean the aggregate of costs, including energy costs, of operating a municipal infrastructure asset over its service life.

Senior Management Team – shall mean the CAO, and Directors of the County of Oxford.

Service Life – shall mean the total period during which a municipal infrastructure asset is in use or is available to be used.

Significant Operating Expenses – shall mean where the operating costs with respect to all municipal infrastructure assets within an asset category are in excess of a defined threshold, the total amount of those operating costs. The threshold figure will be defined within each asset category AMP.

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POLICY

The County will implement a comprehensive Asset Management Plan (AMP) in alignment with the current strategic vision and mission, the requirements of the Building Together Guide for Municipal Asset Management Plans, and Ontario Regulation 588/17. This inclusive framework sets out the strategic principles that will guide future investments that support economic growth and respond to changing needs in a fiscally responsible manner.

This policy applies to all staff involved in asset life cycle management including planning, design/construction/acquisition, operation and maintenance, rehabilitation, renewal/disposal, and monitoring/reporting of assets.

PRINCIPLES

The County has five (5) core Strategic Values which serve as the basis for defining the following principals that form the foundation of Asset Management Planning at Oxford County. The County has incorporated the fourteen (14) principles required under the *Infrastructure for Jobs and Prosperity Act, 2015¹* into the principles below.

Excellence

Adopt an organization wide approach considering the interdependencies between asset systems and services throughout their entire lifecycle.

Maintain clearly defined levels of service and ensure the continued provision of core public services, through adherence to optimized asset management processes and systems supported by real-time asset and customer data.

Minimize the impact of built infrastructure on the environment by:

- Respecting and helping maintain ecological and biological diversity
- Augmenting resilience to the effects of climate change
- Using acceptable recycled aggregates
- Furthering the County's Zero Waste Plan.

¹ <https://www.ontario.ca/laws/statute/15i15#BK3>

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Accountability

Use a robust, formal and consistent process when evaluating asset requirements and identifying priorities to ensure that a defensible outcome is achieved, enabling services to be provided in the most efficient and cost-effective manner.

Achieve a strategic balance between established levels of service and the amount of acceptable risk in order to manage resources, expenditures, and priorities. Incorporate social, financial, and environmental outcomes into asset decisions to adequately meet anticipated customer needs, regulatory requirements, and climate change obligations.

Promote social and economic benefits arising from infrastructure projects, which are intended to improve the well-being of our community, such as increasing accessibility for persons with disabilities, improvement of public spaces, local job creation and training opportunities.

Ensure that the health and safety of workers involved in the construction and maintenance of assets is protected.

Innovation

Utilize a long-term approach while considering demographic and economic trends.

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

VALUES

× Excellence

Demonstrated organizational and individual leadership; responsive, cooperative, professional service

× Accountability

Willing acceptance of responsibility, demonstrated commitment to issues resolution, the courage to persevere, and the confidence to embrace change

× Innovation

Solutions oriented, forward thinking and committed to continuous improvement

× Integrity

Beyond reproach; operating to the highest ethical standard - open, honest and fair

× Teamwork

Respectful relationships characterized by valuing diversity and the views and contributions of others - a demonstrated commitment to coordination, open communication and knowledge transfer

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Performance monitoring and benchmarking against self and comparator municipalities.

Commitment to continual improvement in asset management, including methodology, the system, maturity and performance.

Integrity

Maintain compliance with all legislation, regulatory and statutory requirements and with other requirements as determined by the County. 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 regarding the assets that support them.

Take into account any applicable budgets or fiscal plans, such as fiscal plans released under the:

- Fiscal Transparency and Accountability Act, 2004
- Budgets adopted under Part VII of the Municipal Act, 2001

Ensure asset management decisions are evidence based and transparent, based on information that is publicly available.

Share information with implications on infrastructure and investment decisions with stakeholders.

Teamwork

Approach asset management from a collaborative, organization wide perspective while also regularly engaging with relevant stakeholders to maximize value and consider interdependencies from the assets, their systems and services throughout their full lifecycle.

GOVERNANCE STRUCTURE

A Corporate Governance Strategy defines asset management roles and responsibilities and enables participants to manage assets in an informed manner using reliable and consistent practices. The County will maintain an Asset Management Governance Strategy clearly outlining the roles and responsibilities of stakeholders.

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POLICIES AND PLANS SUPPORTED

The County's vision is ***"Vibrant communities, working well and growing stronger together!"***. Achieving this vision requires the alignment of many initiatives underway throughout the County. This alignment is necessary to properly consider whether the level of service provided by our existing and planned assets supports our vision. An integrated asset management approach will be followed to successfully develop the AMP in alignment with existing policies and plans throughout the County.

Strategic Plan

The AMP supports the County's Strategic Plan as well as the Official Plan as it relates to "strategically growing our economy and our community." The plan sets out a strategic framework to guide future investment that supports economic growth and responds to changing social, economic and environmental needs.



Official Plan

Provides the criteria and direction for growth surrounding asset decision-making processes.

Long Term Financial Sustainability Plan

The AMP is a key component of the Long Term Financial Sustainability Plan, serving the purpose of "the management of infrastructure assets 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."

Business Plans

The service level and budget set out in the AMP are incorporated into department business plans and budgets, goals and performance measures.

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Capital Plan

The capital plan consists of a capital budget and capital implementation program over a 10 year horizon. The plan identifies capital projects and equipment purchases, provides a planning schedule and identifies funding sources.

Master Plans

The AMP utilizes and incorporates various master plans (including but not limited to the Transportation Master Plan, Cycling Master Plan, Wastewater Financial Plan, Water Financial Plan, Green Fleet Plan), in turn the asset management plan may influence future plans and recommendations.

Other Plans and Initiatives

The asset management approach will also review other plans and initiatives in place throughout the County to ensure that asset construction and lifecycle activities align with these plans and initiatives.



BUDGET PROCESS

The County will integrate findings from the asset management plan annually in the creation of the capital and operating budgets, and its long-term financial plan. Sound financial analysis will be encompassed in asset management planning in order for the asset management plan to be a sought after guide to employees in budgeting and financial planning.

The asset management plan will be referenced in preparation of the capital plan to assist with:

- Identifying all potential revenues and costs (including operating, maintenance, replacement and decommission) associated with asset management decisions
- Evaluating each significant new (growth related) capital asset, including considering the impact on future operation costs
- Incorporating new revenue tools and alternative funding strategies where possible

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Service area staff will work closely with financial staff in the preparation of the operating and capital budgets to ensure that the lifecycle activities budgeted are necessary to achieve agreed upon levels of service, and accommodate growth over the 10 year capital planning horizon.

WATER AND WASTEWATER FINANCIAL PLANS

The financial analysis used for the water and wastewater asset management plans will align with existing financial plans related to water and wastewater assets. The analysis completed in each tangential document will reference the most up-to-date information from the same datasets, will be based on common methods, and will improve upon one another.

This information will also be used as a basis for establishing user fees to help ensure the long-term financial sustainability of the systems.

CLIMATE CHANGE

The County will consider the risks and vulnerabilities of capital assets to climate change and the resulting actions that may be required. The County will ensure alignment with local, provincial and national policies and strategies including construction standards, water use policies and energy standards.

Commitment will be made to the development of tailored actions that make the best use of our resources to mitigate and adapt to climate change, in accordance with our local reduction targets, financial capacity and stakeholder support.

A balance will be struck between levels of service delivered through operations, lifecycle management, maintenance schedules, disaster response plans, contingency funding and capital investments. The asset management plan will encompass this sustainable approach to climate change mitigation and adaptation.

LAND USE PLANNING FRAMEWORK

The County will align asset management planning with the Province of Ontario's land-use planning framework, including any relevant policy statement issued under section 3(1) of the Planning Act and any Provincial Plans that are in effect, as well as with the County's Official

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Plan. The objective being to ensure that infrastructure and public service facilities are provided in a coordinated, efficient and cost effective manner and that planning for infrastructure and public service facilities is coordinated and integrated with land use planning so that they are financially viable over their life cycle and available to meet current and projected needs.

To accomplish this objective, those responsible for managing municipal infrastructure and public service facilities impacted by development will be consulted when the Official Plan is being prepared and/or reviewed and the direction established through the Official Plan and any supporting studies, assumptions and data will be referenced in the development of asset management plans and any supporting studies and documents.

CAPITALIZATION THRESHOLDS

The policy applies to all assets whose role in service delivery requires deliberate management by the County. The service-focus intent of this policy differentiates its requirements for identifying assets from the capitalization thresholds which are developed for the purposes of financial reporting. For this reason, assets in the asset management plan are not to be subject to a capitalization threshold, and are to be included based on judgement of whether the asset has value to the overall asset class. The capitalization threshold applied by asset class will be defined in the Tangible Capital Asset Policy.

COMMITMENT TO ENGAGEMENT

Oxford County's Strategic Plan commits to informing and engaging with citizens through planned communication, conversation and dialogue. As a County that "thinks ahead and wisely shapes the future," the municipality will provide information and seek input on asset management planning through:

- Opportunities for residents and other stakeholders to provide input across a range of channels (e.g., online, in person, written submissions); and
- Coordinated planning between interrelated infrastructure assets by pursuing collaborative approaches with area and neighbouring municipalities, and other infrastructure asset owning agencies wherever viable and beneficial.

The County will maintain a Framework for communication and public engagement further outlining communication objectives, methods and timing.

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This approach aligns with the County’s vision of “vibrant communities, working well and growing stronger together” to ensure quality of life now, and with the Future Oxford Community Sustainability Plan aim “to improve quality of life for Oxford's current and future generations.”

IMPROVEMENT PLAN

The County will review annually and update, as required, its Strategic Asset Management Policy, Asset Management Governance Strategy, Asset Information Strategy and any related policies or strategies, and following any changes in regulatory requirements, or updates to the Strategic Plan.

Staff shall report to Council on asset management progress on or before July 1 in each year. The annual review must address:

- The County’s progress in implementing its asset management plan;
- Any factors impeding the County’s ability to implement its asset management plan; and
- A strategy to address the identified factors.

The AMP is intended to be a living document. The County is committed to monitoring the industry and implementing best practices as they evolve. An updated AMP is required at minimum every five years under Ontario Regulation 588/17. The County plans to update its AMP at a minimum every four years upon completion of the Strategic Plan update and Strategic Asset Management Policy review.

The County is committed to updating its asset management data on a continuous basis as new information is received. (i.e. The Bridge Needs Study is completed every two years providing updated conditions). This continuous improvement to data helps ensure that the right capital projects are targeted with each budget cycle.