



SUBJECT: Strategic Asset Management Policy

TO: Committee of the Whole

FROM: Capital Works

Report Number: CW-30-19

Wards Affected: All

File Numbers: 701-04

Date to Committee: September 9, 2019

Date to Council: September 23, 2019

Recommendation:

Approve the City of Burlington's Strategic Asset Management Policy, included as Appendix A to capital works department report CW-30-19.

Purpose:

The corporate Strategic Asset Management Policy (SAMP) is a high-level statement which outlines the principles and requirements for implementing consistent asset management processes throughout the City of Burlington. The policy that has been developed applies to those areas in the organization that manage tangible capital assets or asset systems. It acts to ensure the continuing development of the organization's asset management program to facilitate informed decision-making for the management of the city's infrastructure to support community services.

Background and Discussion:

In December 2017, under the *Infrastructure Jobs and Prosperity Act*, the Provincial Government of Ontario introduced regulation 588/17: *Asset Management Planning for Municipal Infrastructure*. This is important in the fact that it outlines the necessities of a functioning asset management program, thus promoting the concept of sustainable service delivery by formalizing the role amongst infrastructure managers.

The Strategic Asset Management Policy replaces the current corporate policy brought forward for Council approval in December 2016 (CW-32-16 – Asset Management Policy and Plan Update report).

Strategy/process

The approach taken by city staff began with a review of the city's current policy, which was drafted and subsequently brought forward to the Burlington Leadership Team (BLT) and Council for review and endorsement in 2017.

In developing the policy, the team referred to ISO 55001 standards which define best practices. Staff also conducted a peer review, looking at how other municipalities have instituted asset management policies to guide the way they manage assets. The primary goal was to ensure that the policy developed was appropriate for our organization.

Section 3 of Ontario Regulation 588/17 outlines the expectations and guidelines of a Strategic Asset Management Policy. A compliance review was conducted by an external consultant following staff development of the updated strategic policy. That review took the following approach:

- Alignment with MFOA Toolkit: The Municipal Finance Officers Association developed a policy toolkit, which is widely accepted across the province as good practice;
- Suggested compliance against Regulation 588/17: The draft policy was cross-referenced to the 588/17 legislation document. The external consultant reviewed the city's draft policy against the legislation to highlight suggested compliance; and
- Alignment with the City's other strategic documents: Review of the alignment between the strategic documents listed in the draft policy and the contents of the draft policy, for the purpose of addressing the coordination between the numerous strategic goals guiding the city's efforts.

Following the compliance review, staff refined and supplemented the draft policy to better position the city for compliance against the regulation.

Options considered

Under the regulation, municipalities must have a finalized strategic asset management policy in place by July 1st, 2019. Further requirements are being phased in from 2019 to 2024. For municipalities to be eligible for provincial infrastructure funding programs (e.g. Investing in Canada Infrastructure Program), applicants will be required to submit their strategic asset management policy and plans in accordance with the regulation.

Financial Matters:

The policy has no direct financial impact; however, the city's tangible capital assets have a replacement value of over \$3 billion, and the policy is a guiding document for the development of the city's capital and operating budgets and long-term financing plan.

Connections:

The strategic asset management policy connects to the 25-year Corporate Strategic Plan:

An Engaging City

- Good Governance

The policy connects to two key areas and goals identified in Vision to Focus:

- Supporting Sustainable Infrastructure and a Resilient Environment
 - Reducing the infrastructure funding gap for all city owned assets
- Delivering Customer Centric Services with a Focus on Efficiency and Technology Transformation
 - Ensuring efficient, effective and economical service delivery

The strategic asset management policy is directly tied to the 2016 Corporate Asset Management Plan and all other corporate plans that rely on physical assets owned by the city and the commitment of staff to ensure their strategic use.

It is through the connection to the city's budgeting process that details on how city assets are managed, and the implementation of strategic objectives will be achieved.

Public Engagement Matters:

A corporate policy update is one of the first steps in complying with provincial regulation. City staff recognize the need for stakeholder and public input into future regulation milestones, specifically those related to levels of service.

Conclusion:

A strategic asset management policy is a mandatory requirement for compliance with Ontario Regulation 588/17. The policy intends to guide asset management planning in the city and ensures the continuing development of the organization's asset

management program to facilitate informed decision-making for the management of the city's infrastructure to support community services.

Respectfully submitted,

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Appendices:

A. Strategic Asset Management Policy

Report Approval:

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.