



County of Peterborough

Policy Manual

Department: **Finance**

Approved
Management Team:

Policy #:

Originally Approved by
Council:

Subject: **Strategic Asset
Management Policy**

Revised by Council:

Related By-Laws:

Page:

Purpose

This policy is intended to ensure the County of Peterborough is dedicated to the development and maintenance of its asset management program in order to provide residents with sustainable, reliable services that are appropriate for the County, are regulatory compliant, and optimize life cycles for all assets.

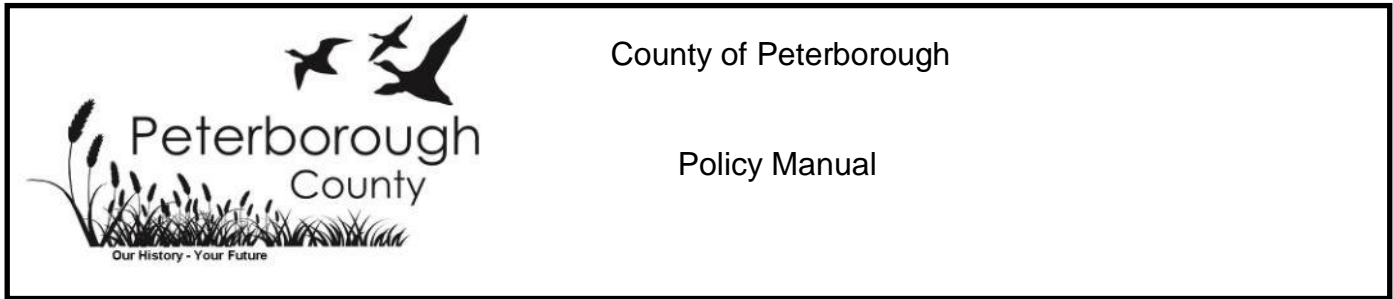
Scope

This policy is applicable to all assets that the County owns.

Definitions

“Capitalization threshold” is the value of a municipal asset at or above which the municipality will capitalize the value of it and below which it will expense the value of it.

Policy: Pages following (2 through 5)



Reference

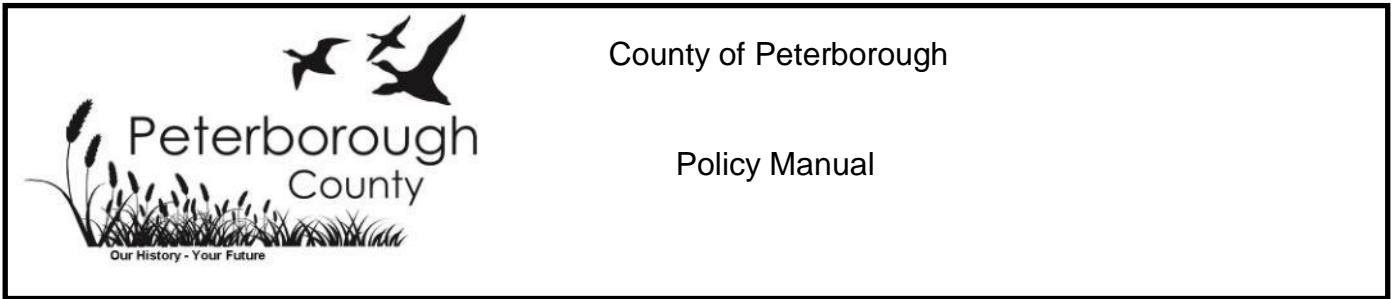
Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure

Asset Management Strategy Scope, Goals and Objectives

The County understands that each asset type will have type-specific criteria with respect to the general directives provided in this policy. As the Asset Management Plan (AMP) is developed for additional asset types, the guiding principles of this policy shall be applied to develop the specifics for each asset type.

Guiding principles for the preparation of the AMP for specific assets or asset types shall consider/ utilize the following principles;

- **Regulatory Compliance** – The County shall consider all applicable legislation in the development and update of its AMP, including but not limited to;
 - Infrastructure for Jobs and Prosperity Act, 2015, Section 3
 - The Environmental Assessment Act
 - The Environmental Protection Act
 - The Safe Drinking Water Act 2002 (Ontario Regulation 170/03)
 - The Water Opportunities and Conservation Act, 2010
 - The Development Charges Act, 1997 (Ontario Regulation 82/98)
 - Water Financial Plan (Ontario Regulation 453/07)
 - Maintenance Standards For Municipal Highways (Ontario Regulation 239/02)
 - Municipal Act 2001, Section 44 (1)
 - 104/97, 472/10 Standards for Bridges
 - Ontario's Land use planning framework (Planning Act)
- **Condition Sustainability** – The minimum outcome of the AMP will be to ensure that the overall condition of an asset type will not decrease over time, or the asset type will achieve and sustain its Level of Service (LOS) goal.
- **Return on Investment** – Life cycle and return on investment analysis of treatments and improvements will be undertaken in order to support decision making. Selection of appropriate treatments, at the appropriate asset condition level, are critical to AMP optimization.
- **Financial Integration** – The County will integrate the AMP with its long-term financial plans and budgeting process with regard to all infrastructure assets.
- **Cross Asset and Jurisdiction Integration** – The AMP and resultant strategies will consider other assets that may be affected by, or may affect a specific project scope and timing. This is particularly true of linear assets within the road allowance. Cross



asset integration shall consider not only County assets, but other assets that may have an effect on the County asset lifecycle and performance, such as other levels of government and utilities.

- **Master Plan Integration** – The AMP development shall include the requirements of any Master Planning studies that have been undertaken.
- **Climate Change** – The County will consider the impacts of its Asset Management activities in respect to the anticipated costs that could arise, adaptation opportunities to manage vulnerabilities, mitigation approaches, disaster planning, and contingency funding.
- **Near Term Programming** – Detailed project lists will be developed for infrastructure assets for a 10 year period as a minimum, and updated on an annual basis.
- **Programming and Funding Level Analysis** – High level analysis of funding levels will be undertaken over the life cycle of the asset. This analysis will be updated annually to reflect current cost experience.
- **Capitalization Thresholds** – The County will develop an asset management plan that incorporates all assets that meet the established capitalization thresholds stated in the Tangible Capital Asset Policy (Resolution #8-2010). The capitalization thresholds will be reviewed annually with the Asset Management Plan and modified when required.

Continuous Improvement

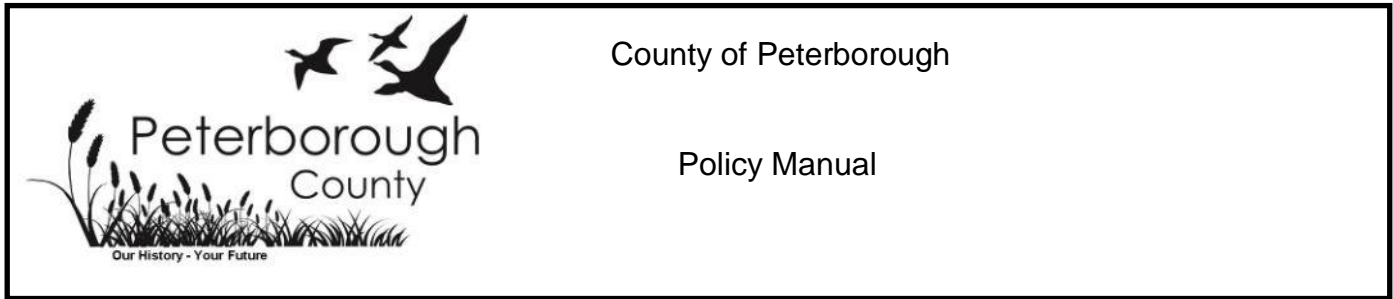
The County will implement continuous improvement protocols and adopt best practices regarding asset management planning, including but not limited to:

- Complete and Accurate Asset Data
- Condition Assessment Protocols
- Risk and Criticality Models
- Lifecycle Management
- Financial Strategy Development
- Level of Service Framework

Financial Strategy

The financial strategy for the County will be developed by July 1, 2024 and will consider factors such as:

- Current levels of service
- Desired levels of service
- Funding gap



- Ability to pay
- Risk management plans if lifecycle activities are not undertaken
- Organizational capacity to support the AMP

Ideally the AMP financing 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.

In lieu of a financial plan with estimated inflation and discount rates, current dollars and cost experience shall be used and updated annually.

The Financial Strategy shall:

- Identify Funding shortfalls to Council to meet planned/approved LOS
- Identify Funding Sources
- Identify Capitalization Threshold
- Review alternate funding opportunities / resources

Funding Sources

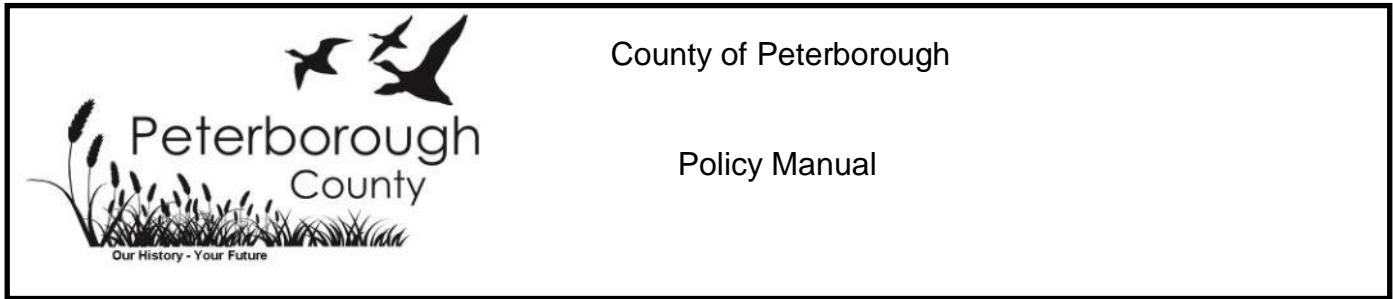
The AMP shall consider the following but not limited to;

- Tax Levy
- User Rates
- Reserve and Reserve Funds
- Federal and Provincial Conditional Grants
- Gas Tax Funding
- Debt Financing
- Development Charges
- Other (i.e. Community Enhancement Fund)

Plan Maintenance Continuity and Currency

The AMP will be reviewed on an annual basis to account for;

- Quantity of the asset or asset group (expansion / reduction)
- Inflationary changes
- Specific unit cost changes beyond inflation that negatively affects programming and have a negative impact on the average condition of an asset group or groups
- Regulatory changes
- Asset group organizational change
- Improvements to the asset group
- Pre-mature failure of assets



Roles and Responsibilities

The AMP will be updated in accordance with a prescribed process that involves staff, management, elected officials and the public. Each group's responsibilities are as follows:

Council

- Approve the Strategic Asset Management policy and direction of the AMP
- Maintain adequate organizational capacity to support the core practices of the AMP
- Approve future amendments to the Asset Management Policy and Plan
- Establish and monitor levels of service

Senior Leadership Team

- Will provide corporate oversight to goals and directions and ensure the AMP aligns with the County's Strategic Plan
- Ensure that adequate resources are available

Executive Lead (Director of Finance/Treasurer)

- Provide organization-wide leadership in Asset Management practices and concepts
- Provide departmental staff coordination
- Coordinate and track Asset Management program implementation and progress

Departmental Staff

- Participate in implementation task teams as part of the Asset Management development
- Provide support and direction for Asset Management practices within their department

Public

The County will provide opportunities for County residents to provide input into asset management planning whenever and wherever possible.