

Corporate Asset Management

Policy Number: CAO.4-01

Topic: Asset Management

Applies to: All employees

Policy Statement and Strategic Plan Linkages

The Town of Newmarket is committed to good governance through fiscal responsibility and financial sustainability in striving to meet the program and service needs of the community and its customers, including residents, local businesses and visitors. The Town of Newmarket will adopt and apply recognized Asset Management (AM) practices to plan, design, construct, acquire, operate, maintain, renew, replace and dispose of the Town's assets in a way that preserves sound stewardship of public resources while balancing levels of service and risk in support of delivering services to its residents and customers.

This policy aligns with the Town's Strategic Plan directions in being Well-Equipped & Managed and Well-Planned and Connected by implementing policy that reflects sound and accountable governance and is the foundation of the Town's Key Strategic Asset Management documents (outlined in Appendix A) and Corporate Asset Management Framework (Appendix B).

Purpose

This Policy applies to the tangible capital assets of the Town, including but not limited to roads, sidewalks, bridges, watermains, sewers, stormwater ponds, pumping stations, fleet, IT systems, buildings, parks, art and trees. It establishes a responsibility framework for all policy and procedures of the Town related to Asset Management.

Definitions

Asset Management (AM): an integrated business approach involving planning, finance, engineering, maintenance and operations geared towards effectively managing existing and new infrastructure to maximize benefits, reduce risk and provide safe and reliable levels of service to community users. This is accomplished in a socially, culturally, environmentally and economically conscious manner. AM relies on four key organizational components integrating together to achieve the desired service outcomes: well-planned strategies, good physical assets, highly trained professionals with respect to practices and procedures, and integrated business processes. These components, supported by appropriate technologies, provide a robust foundation for efficient service delivery.

AM Program: the collective documents that encompass the AM Policy, AM Strategy and AM Plans.

AM Strategy: a document that articulates the practical implementation of municipality's goals as they pertain to AM.

AM Plan: a document that reports on how assets are being managed through their lifecycle in support of the services being delivered.

Capitalization Threshold: The capitalization threshold is the dollar amount that determines the proper financial reporting of the asset. Asset acquisition costs that are below the threshold are to be expensed.

This Policy guides the overall direction of the asset management system, providing clear direction as to the appropriate focus and level of asset management practice expected. It establishes the key principles, overall mission and goals for the program, and will be guided by the Organizational Strategic Plan as directed under section 3 of the Infrastructure for Jobs and Prosperity Act, 2014, and informed by:

- An understanding of current and future asset condition, needs and costs,
- An understanding of risks and the Town's ability to manage risks relating to assets, including disaster planning and any required contingency planning and funding;
- Accessibility standards and other related standards;
- Changing demographics, including population growth or decline;
- Climate change impacts, as well as adaptation and mitigation techniques relative to the purchase and construction of new assets and/or the operations, such as increased maintenance schedules of existing assets; and
- Ontario's land use planning framework, priorities and outcomes, as set out in the Provincial Policy Statement, provincial land use plans such as the Growth Plan for the Greater Golden Horseshoe, and municipal official plans, where applicable.

The following eight (8) guiding principles will be applied by employees to Asset Management:

- **Customer Focused**
The Town will aim to have clearly defined Levels of Service and applying AM practices to maintain the confidence of customers in how Town assets are managed. The Town will provide opportunities for municipal residents and other interested parties to provide input into the municipality's asset management planning.
- **Forward Looking**
The Town will make decisions and provisions that enable our assets to meet future challenges, including changing demographics and populations, customer expectations, legislative requirements, technological and environmental factors.

- **Holistic**
The Town will take a comprehensive approach that looks at the “big picture” and considers the combined impact of managing all aspects of the asset life cycle.
- **Innovative**
The Town will continually improve its AM approach, by driving innovation in the development of tools, practices, and solutions.
- **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.
- **Service Focused**
The Town will consider all the assets in a service context and taking into account their interrelationships as opposed to optimizing individual assets in isolation.
- **Systematic**
The Town will adopt a formal, consistent, repeatable approach to the management of its assets that will ensure services are provided in the most effective manner.
- **Value-Based / Affordable**
The Town will choose practices, interventions and operations that aim at reducing the life cycle cost of asset ownership, while satisfying agreed levels of service. Decisions are based on balancing service levels, risks, and costs.

The use of these principles in applying AM will better position the Town to:

- Deliver services at approved levels of service;
- Improve decision-making accountability and transparency;
- Better demonstrate the long term consideration of short term decisions;
- Improve customer service;
- Reduce the life cycle costs while maintaining acceptable levels of service; and
- Link infrastructure investment decisions to service outcomes.

The foundation of the Town’s Key Strategic Asset Management Documents as outlined in Appendix A.

The Corporate Asset Management Framework (Appendix B) encompasses all aspects of the management of each asset through its lifecycle in that it:

- Integrates the strategic objectives of the Town, with key business systems, legislation, and regulations;

- Creates a framework that establishes the mechanism for a clear line of sight between our AM program and Corporate objectives and strategies; and
- Commits to providing approved levels of service for present and future customers and communities, in the most effective and efficient way, through the planning, design, construction, acquisition, operation and maintenance, renewal, and disposal of assets.

The basis for our asset related decisions are:

- Anchored on the four pillars of sustainability – economic, environmental, social and cultural - that support the Town’s long-term sustainability goals approved by Council
- Based on applying “the right intervention, on the right asset, at the right time” recognizing risk and the Town’s fiscal constraints; and
- Founded on a sustainable approach to ensure that asset base increases or enhancements consider the impact on the ability of the Town to fund future maintenance and rehabilitation.

Appendix C is the procedure outlining persons responsible for Asset Management Planning namely:

- Corporate Asset Management Sponsor as identified in the terms of reference for the Asset Management Steering Committee
- Asset Management Steering Committee
- Office of Corporate Asset Management

The Town has a capitalization threshold of \$40,000 for all categories except vehicles, machinery, equipment, computer hardware and software in which case the threshold is \$20,000. Individual assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value. Examples of pools are computer systems, library collection, and streetlights. The Town's threshold for pooled assets is \$40,000. The Library pools all of their tangible capital assets and their capitalization threshold is \$10,000. Assets in the asset management plan are not to be subject to a capitalization threshold, and are to be included based upon judgement of whether the asset has value to the organization.

Cross-References

Corporate Procedure:

Corporate Asset Management Procedure

Corporate Policy:

Town of Newmarket Official Plan

Operating and Capital Financial Policy

Other Departmental Policies as applicable

Other Government Legislation:

Infrastructure for Jobs and Prosperity Act
Provincial Policy Statement
Provincial land use plans such as the Growth Plan for the Greater Golden
Horseshoe
Safe Drinking Water Act, 2002

Appendices

Appendix A - Key Strategic Asset Management Documents
Appendix B - Corporate Asset Management Framework
Appendix C – Corporate Asset Management Procedure #CAO.04-01-001

Contact

Manager, Corporate Asset Management

Details

Approved by: Council
Adoption Date:
Policy Effective Date: February 8, 2016
Last Revision Date: April 15, 2019
Revision No: 001

Appendix A

Key Strategic Asset Management Documents

The following key strategic asset management documents form part of the municipality's overall approach to asset management:

Corporate Asset Management Policy: This document establishes Council's expectations around the management of the Town's physical assets.

Asset Management Strategy: This document defines the municipality's commitment and approach to achieving the Council approved policy.

Asset Management Plans: These documents show how assets are being managed through their lifecycle in support of the delivery of services. (To be approved at the Departmental Management level for all service areas. The plans will be updated at least every five (5) years and submitted to Council for information purposes.)

Customer Levels of Service: This document defines the level to which assets are to be maintained to achieve defined levels of service. (To be developed and approved by Council.)

Six (6) Year Financial Plans – Water, Wastewater and Stormwater: These documents provide information on the state of the Town's rate structure and consumption projections.

Corporate Policy

Appendix B Corporate Asset Management Framework



Appendix C – Corporate Procedure

Corporate Asset Management

Procedure #: CAO.4-01-001

Policy #: CAO.4-01

Topic: Asset Management

Purpose

This procedure supports the Corporate Asset Management Policy by outlining the roles and responsibilities of all stakeholders involved in Asset Management practices supporting the delivery of municipal services to its residents and customers.

Procedures

Responsibilities of Council

- Approving, revising, and rescinding strategies, plans and policy as proposed by the Corporate Asset Management Division by a resolution passed by Municipal Council;
- Serving as representatives of stakeholder and community needs; and
- Approving funding for both capital and operating budgets associated with Asset Management through the annual budget process.

Responsibilities of the Corporate Asset Management Steering Committee

- Providing corporate support for asset management;
- Coordinating financial, strategic planning, information technology and asset management activity;
- As part of asset management planning, consider:
 - i. the actions that may be required to address the vulnerabilities that may be caused by climate change to the municipality's infrastructure assets, in respect of such matters as,
 - A. operations, such as increased maintenance schedules,
 - B. levels of service, and
 - C. lifecycle management,
 - ii. the anticipated costs that could arise from the vulnerabilities described above,
 - iii. adaptation opportunities that may be undertaken to manage the vulnerabilities described above,
 - iv. mitigation approaches to climate change, such as greenhouse gas emission reduction goals and targets, and
 - v. disaster planning and contingency funding

- Implementing a process to ensure that the municipality's asset management planning is aligned with the following:
- Financial plans related to the municipality's water assets including any financial plans prepared under the Safe Drinking Water Act, 2002.
- Financial plans related to the municipality's wastewater assets.
- Implementing a process to ensure that the municipality's asset management planning is aligned with Ontario's land-use planning framework, including any relevant policy statements issued under subsection 3 (1) of the Planning Act, any provincial plans as defined in the Planning Act and the municipality's official plan.
- Establishing policies and practices that ensure uniformity of approach across the organization;
- Encouraging information sharing and collaboration across departments;
- Providing a corporate pool of asset management expertise that can build capability in areas of lower experience;
- Providing input and direction to Corporate Asset Management work plans to ensure consistency with other initiatives;
- Establishing and peer review asset management policies, practices, plans, and other related documents;
- Ensuring that asset management plans identify activities to be undertaken, with consideration of the full lifecycle of assets, for at least the ten (10) years following the preparation of that plan or update and that asset management plans are updated at no longer than four (4) year intervals
- Disseminating Steering Committee information within their department where necessary;
- Championing the asset management process within the respective department;
- Ensuring organization-wide accountability for achieving and reviewing corporate asset management goals and objectives;
- Coordinating with other related steering committees where required; and
- Leading the effective implementation of corporate asset management initiatives.

Responsibilities of the Corporate Asset Management Office

- Liaising with other departments in service areas relating to asset management, including convening asset management teams (specific to each service area), and ensuring project work is consistent with asset management objectives;
- Liaising with external stakeholders in relation to asset management matters;
- Developing an overall corporate asset management policy, strategy, and confirm the implementation plan/resource requirements;
- Coordinating the development of asset management tools and practices application across the organization;
- Coordinating the development of asset management plans and facilitate peer reviews;
- Coordinating asset management improvement programs including writing briefs for asset management improvement projects and preparing, monitoring and reporting on the overall asset management planning budgets;

- Carrying out selected asset management improvement tasks as appropriate;
- Leading the development of asset inventories, condition assessments, risk assessments and related asset management initiatives in line with industry best practices;
- Working with asset management information systems staff to ensure systems development and functionality meets asset management needs; and
- Continuous improvement of the municipality's Asset Management capabilities.

Responsibilities of Asset System Working Groups and Service Providers

- Providing input on needs of department, current status of assets, and current levels of service;
- Supporting and comply with data collection requirements related to their areas of expertise;
- Participating in the development of the Asset Management Work Plans pertaining to their areas of expertise; and
- Participating in the regular review of all documentation, data, and asset measurement tools to ensure continued relevance and applicability of existing policies and practices as pertains to their area of expertise.

Responsibilities of Residents, Stakeholders and Customers

- Participating in public information sessions, and stakeholder engagement initiatives, where possible;
- Providing feedback related to levels of service, service experience, and service expectations; and
- Notifying the Town, via appropriate means, when service deficiencies or failures are observed.

Persons Responsible for Asset Management Planning

- Corporate Asset Management Sponsor (as identified in the terms of reference for the Asset Management Steering Committee)
- Asset Management Steering Committee
- Office of Corporate Asset Management

Cross-References

Corporate Procedure:

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