

## CITY OF WELLAND

### POLICY

<b>Policy Title:</b> Strategic Asset Management Policy	
<b>Date of Approval:</b> June 4, 2019	<b>Policy Number:</b> SER-002-0007
<b>Lead Role:</b> Infrastructure Planning & Development Supervisor	<b>Support Role:</b> Asset Management Technician
<b>Cross Reference:</b> Comprehensive Asset Management Plan & 2016 Addendum	<b>Next Review Date:</b>
<b>Council File Number:</b> 19-36	<b>Revision Date:</b>

#### ***Purpose:***

Strategic municipal asset management involves the challenge of planning and investing in municipal infrastructure assets, while ensuring sound stewardship of public resources and delivering valued customer services.

The purpose of this Asset Management Policy is to affirm the City of Welland commitments in asset management through defined principles and processes, and to align and integrate asset management into strategic planning processes.

#### ***Scope:***

This scope of this policy applies to Core Municipal Infrastructure Assets owned by the City of Welland, as defined in O.Reg. 588/17, and other infrastructure assets as listed in **Appendix 1**.

This includes assets the City owns in:

- Roads
- Sidewalks
- Sanitary Waste Water Collection
- Drinking Water Distribution
- Storm Water Management
- Bridges and Culverts
- Buildings / Facilities
- Parks and Canal Lands
- Cemeteries
- Fleet
- Forestry
- Fire & Emergency Services and Transit.

#### ***Background:***

This policy provides a foundation for the strategic Asset Management Plan (AMP). Adherence to the policy helps the City identify and prioritize investments in existing and future infrastructure assets, as the City continues its efforts to maintain assets in a safe, efficient and effective manner, capable of supporting the quality of life desired in the community.

Strategic Asset Management enables the City to purposefully plan for community sustainability and resilience by:

- Proactively managing assets throughout their life cycle to deliver services sustainably to the community now and into the future,
- Prioritizing infrastructure decisions that balance costs, risks and services,
- Delivering services more efficiently and effectively,
- Ensuring long-term affordability of services, and
- Reducing deficits and debt.

This Asset Management Policy conforms to prescribed requirements from Ontario Regulation 588/17 (O.Reg.588/17), as amended.

***Policy Statement:***

Pursuant to O.Reg. 588/17, The City of Welland makes the following commitments regarding Asset Management Planning:

1. The City is committed to offering opportunities for municipal residents and other interested parties to provide input into asset management planning.
2. The City is committed to coordinating asset management planning for infrastructure assets interrelated with neighbouring municipalities, or jointly-owned assets. This may include, but is not limited to, assets interrelated with
  - Region of Niagara
  - Township of Wainfleet
  - Town of Pelham
  - City of Niagara Falls
  - City of Thorold
  - Welland Hydro, and
  - City of Port Colborne
  - Niagara Central Dorothy Rungeling Airport.
3. As part of its asset management planning for municipal infrastructure, the City is committed to considering climate change. This includes:
  - a. Identifying the vulnerabilities of the City's existing and proposed infrastructure assets caused by climate change, and subsequent potential costs;
  - b. Considering the means to address those vulnerabilities, related to operations, levels of service and lifecycle activities;
  - c. Considering adaptation opportunities that may be undertaken to manage the vulnerabilities,
  - d. Considering mitigation approaches to limit the magnitude or rate of long-term climate change (such as greenhouse gas emission reduction objectives), and
  - e. Considering disaster planning and contingency funding.

***Principles:***

When making decisions respecting infrastructure, the City of Welland shall consider:

Priorities

Infrastructure planning and investment should:

1. Clearly identify infrastructure priorities. A clearly defined hierarchy for infrastructure

priorities is a critical foundation for an effective asset management plan, as priorities should inform investment decisions. Priorities are further described in the AMP.

2. Ensure the City continues to provide core public services at established levels of service, in compliance with legislative requirements.
3. Take a Long-term view, especially considering the municipal life cycle of infrastructure assets from acquisition to disposal.
4. Factor information with implications for infrastructure planning into infrastructure investment decisions.

### Health, Safety and the Environment

Infrastructure planning and investment should:

5. Ensure health & safety of workers involved in the construction and maintenance of assets is protected.
6. Ensure infrastructure is designed to be resilient to the effects of climate change.
7. Minimize the impact of infrastructure on the environment.
8. Respect and help maintain ecological and bio-diversity.
9. Endeavour to make use of acceptable recycled aggregates.

### Transparency

Infrastructure planning and investment should:

10. Be made on the basis of information that is available to the public.
11. Share information that has implications for infrastructure planning with relevant public agencies that may be affected, in cases where the City becomes aware of this information.

### Community Focus

Infrastructure planning and investment should:

12. Promote economic competitiveness, productivity, job creation and training opportunities.
13. Promote accessibility for persons with disabilities.
14. Promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the community well-being (creating jobs, improving public space, for example).
15. Consider the needs of the public by being mindful of local demographic and economic trends (e.g. seniors, commuters).
16. Foster innovation by creating opportunities to make use of proven technologies, practices and services.

### ***Definitions:***

#### Asset Management Plan (AMP)

A plan to be developed for the management of infrastructure assets, in compliance with the Strategic Asset Management Plan from O.Reg.588/17, 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. The management of

infrastructure assets includes investment, design, construction, acquisition, operation, maintenance, renewal, replacement and decommissioning of these assets.

### Capital Asset Threshold

The threshold at or above which a resource is considered an asset, the value of a municipal infrastructure asset at or above which a municipality will capitalize the value of it and below which it will expense the value of it. For the City of Welland, the capital asset threshold is defined in the Capital Asset Policy. However, items below the defined threshold may be included into the Asset Management Plan, based on risk, under the authority of the relevant department General Manager.

### Core Municipal Infrastructure Asset

By regulatory definition, includes any municipal infrastructure asset that is a:

- Water asset that relates to the collection, production, treatment, storage, supply or distribution of drinking water,
- Wastewater asset that relates to the collection, transmission, treatment or disposal of wastewater, including any wastewater asset that from time to time manages storm water,
- Storm water management asset that relates to the collection, transmission, treatment, retention, infiltration, control or disposal of storm water,
- Road, or
- Bridge or culvert.

The City of Welland defines 'road' to include assets within the road right-of-way owned by the City, not including water, storm or sanitary. For example, this may include sidewalk, curb, streetlights, trees or other assets within the right-of-way.

### Ontario Regulation 588/17 (O. Reg. 588/17)

Under the Infrastructure for Jobs and Prosperity Act, 2015, this regulation is released which prescribes asset management planning for municipal infrastructure.

### Public

Residents and businesses in the City of Welland, stakeholders, or other interested parties.

### ***Responsibilities:***

#### Council and Committees of Council (herein called "Council")

Responsible for approving the Asset Management Policy and approving budgetary decisions. Overall authority for policy approvals, and budgetary decisions as defined in the Municipal Act. Council has the authority to make asset management decisions related to investment, design, construction, acquisition, operation, maintenance, renewal, replacement and decommissioning of infrastructure assets.

### Chief Administrative Officer

Overall responsible for establishing and endorsing the Asset Management Policy and the Asset Management Plan. Authority to execute or delegate the duties defined above, and the authority to make asset management decisions related to investment, design, construction, acquisition, operation, maintenance, renewal, replacement and decommissioning of infrastructure assets.

### General Manager, Infrastructure and Development Services

Responsible for ensuring the Asset Management Policy is relevant, suitable, adequate, reviewed and updated as required. Responsible for communicating land-use or master plans, forecasts, policies and other planning or financial commitments related to municipal infrastructure assets. Also responsible for coordinating with the General Managers to align asset management planning with budgets, land-use or master plans, forecasts, policies and other planning or financial commitments. Authority to carry out these responsibilities.

### Asset Leads

Responsible for, and assigned the authority for, making asset recommendations related to assigned portfolios, in adherence with this policy. Authority to make asset management decisions related to investment, design, construction, acquisition, operation, maintenance, renewal, replacement and decommissioning of infrastructure assets.

### General Manager, Corporate Services

Responsible for communicating financial plans, forecasts and other financial commitments related to municipal infrastructure assets to the General Managers.

### ***Other Provisions:***

#### Plans, Budgets and Forecasts

This Policy and future AMP are only effective when fully aligned with City budgeting and forecasting activities. A process will be developed within the AMP to coordinate asset management decisions when developing municipal capital and operating budgets and long-term forecasting related to infrastructure assets.

This will include special consideration to align to the City of Welland Water Service Area Financial Plan, Development Charge Bylaw and Master Plans.

#### Continual Improvement

Asset management planning will be continually improved by considering emerging practices and principles in asset management planning, and by staying current with available proven technology.

Opportunities for improvement will also be determined through monitoring asset performance, and outcomes of asset decisions. Of particular importance are asset-related emergency situations, when seeking means to improve the City's asset management practices.

### Land-Use Planning Framework

A process will be developed to align asset management planning at the City with land-use planning, including the City of Welland Official Plan, Development Charge By-Laws and other related master plans as they may be applicable. With this process in place, asset obligations from land-use planning initiatives are communicated and captured in the AMP.

### Risk Management

Climate change introduces risk and vulnerabilities for core municipal infrastructure assets. In order to fulfil climate change commitments in this Policy and stay aware of these risks and vulnerabilities, the Risk Assessment process will be developed through the AMP.

Also, as noted in Definitions, items below the capital asset threshold may be included in the scope of asset management planning. That is, occasionally an item's value may be less than the defined capital asset threshold, but it has a functional value that introduces risk should the item's inventory, availability, condition or forecast not be considered and planned for. In that case, this item may be added using the Risk Assessment process that will be developed.

Infrastructure priorities are inherently identified by consideration of risk. This process will be formalized as the AMP is updated, along with an overview of the risks associated with the strategy (i.e. ways the plan could fail to generate the expected service levels) and any actions that will be taken in response.

### Stakeholder Consultation

Stakeholder involvement is a commitment in this Policy, and an important factor of a successful and relevant AMP. It is imperative that opportunities to provide input are consistently offered to residents and interested parties.

Consultation and communication processes are in place, described further in the AMP.

### Availability and Update

This policy is posted on the City website and provided to anyone who requests it. It is reviewed and updated as required, no more than 5 years from the last revision date posted, as per the revision block in this document.

## APPENDIX 1

Examples of assets included in scope:

Asset Category	Example
<b>Drinking Water Distribution</b>	pump, motor, transmission main, distribution main, water valve, generator, hydrant
<b>Sanitary Wastewater Collection</b>	maintenance access chamber, pump, motor, starter, gates, force main, sewer pipe, weir, CSO tank, generator, control gate
<b>Roads and Traffic (including right-of-way)</b>	arterial, collector or local roadway (e.g. hard surface or gravel), traffic signal, streetlight
<b>Sidewalks</b>	concrete sidewalk, multi-use path (e.g. concrete, asphalt or gravel)
<b>Bridges and Culverts</b>	precast concrete cross culvert, steel road bridge
<b>Storm Water System</b>	flood gate, catch basin, storm pond, sewer pipe, access chamber, quality control devices (e.g. oil/grit separators)
<b>Facilities</b>	park concession, building
<b>Parks</b>	playground
<b>Cemeteries</b>	grave support equipment
<b>Fleet</b>	vehicle, backhoe, equipment, tool
<b>Forestry</b>	tree, soil cell
<b>Canal Lands</b>	waterway, siphon, sea wall