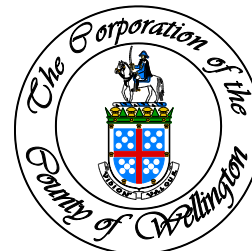


COUNTY OF WELLINGTON

POLICY & PROCEDURE MANUAL



DEPARTMENT	TREASURY	POLICY NUMBER	TR-22-02
SECTION	FINANCIAL SERVICES	EFFECTIVE DATE	DECEMBER 1, 2022
SUBJECT	STRATEGIC ASSET MANAGEMENT POLICY		
AUTHORITY	PENDING COUNTY COUNCIL APPROVAL ON DECEMBER 1, 2022		

PURPOSE:

The County of Wellington provides a wide range of services to the community that require the ownership and responsible operation, maintenance, rehabilitation and decommissioning of physical assets including roads, buildings, vehicles and equipment, solid waste, and drainage infrastructure.

Asset management (AM) is an integrated approach, involving all County departments, to realize value through the effective management of new and existing assets. The intent is to maximize benefits, reduce risk and provide acceptable levels of service to the community in a sustainable manner.

This policy has been updated to ensure compliance with O. Reg 588/17 issued by the Province in December 2017. It outlines the fundamental asset management principles that will be incorporated into the County's overall Corporate Asset Management Programme. The County is committed to continually improving its asset management strategy by incorporating elements of its various strategic policies and plans, including the County of Wellington Strategic Action Plan and the Long-Term Financial Sustainability Strategy. Asset management planning will not occur in isolation from other municipal goals, plans and policies. These plans will integrate with the Corporate Asset Management Programme in order to support the County's objectives and goals within the Community, such as

- Support sustainable development, land stewardship and healthy communities
- Protect and enhance cultural and heritage resources
- Increase the competitiveness and success of Wellington businesses
- Create an environment that is conducive to entrepreneurial activity
- Create green infrastructure in order to ensure ongoing environmental benefits and help adapt to climate change
- Direct growth to urban areas in particular those with existing infrastructure
- Protect agricultural land and normal farming operations
- Ensure effective, efficient, and fair provision of high-quality affordable housing to residents
- Cooperate with local governments, neighbouring communities and the province

SCOPE:

The County of Wellington owns a wide range of asset types that deliver services to the community. Each year, the County may receive or construct new assets. In addition, the County may rely on natural assets or other assets that it does not own in order to deliver services.

This policy applies to all assets that provide services in the County of Wellington. Where capitalization

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thresholds are in place for the purposes of financial reporting, the service delivery focus of the assets requires active management regardless of the assets initial value. The County's Accounting and Reporting for Tangible Capital Assets Policy will be used to ensure proper financial reporting and will be used to inform the processes and procedures in the asset planning process.

Where service is supported by assets connected to or interrelated with neighbouring municipalities or jointly owned municipal bodies, the County will work collaboratively with those asset owners and promote the principles outlined in this policy.

The Table below summarizes the services that the County delivers and provides examples of the asset types that support the delivery of those services.

Service delivered to the community	Asset Groups	Asset Examples
Transportation	Roads Infrastructure	Roads, Bridges, Culverts, Guide Rails
Facilities Management	Buildings and Properties Furniture and Fixtures	Social Housing Units, Libraries, County Offices, Public Works Yards, HVAC Units
Fleet Management	Vehicles and Machinery	Pick-up Trucks, Snow Plows
Solid Waste Management	Landfill	Landfill Site and Waste Facilities
Storm Water Management	Drainage Infrastructure	Ditches, storm water pipes, catch basins, manholes
Support for delivery of services to community	Technology and Communications	Software, hardware, radio equipment, Library Materials

PRINCIPLES OF ASSET MANAGEMENT

The County supports the Infrastructure Planning Principles as outlined in the Infrastructure for Jobs and Prosperity Act, 2015. The five key principles are summarized below:

1. Service Delivery to Residents - The County will:

- Clearly define levels of service that balance community expectations, regulatory requirements, risk, affordability and available resources.
- Manage assets in order to efficiently and effectively deliver the agreed upon levels of service.
- Continually monitor and review the agreed upon levels of service to ensure that they support community and council expectations and other strategic objectives.
- Ensure transparency and accountability to the community on service delivery. This will include regular communications to council and shared information with the public on service performance.
- Provide opportunities for public engagement where residents and other stakeholders served by

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the County can provide input into asset management planning through the existing strategic and master planning processes.

- Comply with all relevant legislation, regulatory and statutory requirements.

2. Long Term Sustainability and Resilience – The County will:

- Consider the needs of both current and future generations and the potential challenges associated with changing demographics and expectations related to service delivery, as well as potential changes to legislative requirements when making asset management decisions.
- Minimize the impact of infrastructure on the environment by:
 - Respecting and helping maintain ecological and biological diversity.
 - Endeavouring to make use of acceptable recycled aggregates.
- As part of asset management planning, the County will consider the potential effects of climate change on the municipality's assets. This includes any anticipated costs arising from increased maintenance, changing levels of service and overall lifecycle management. Where appropriate, the County will adopt a proactive approach to mitigating the impacts of climate change.
- Align asset planning to support the County's Emergency Response Plan.

3. Holistic 'Big Picture' Approach – The County will:

- Integrate the decision-making process for assets to include corporate, financial, business, land-use, community, environmental, social, technical and budgetary plans and perspectives; and
- Consider assets in a more inclusive service delivery model, and not as individual assets.
- Where relevant and appropriate, 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 around the infrastructure that supports them.

4. Fiscal Responsibility and Asset Management Decision Making – The County will:

- Incorporate the ongoing results from the Corporate Asset Management Programme in the creation of the County's Annual Budget and 10-Year Plan and Long-Term Financial Sustainability Strategy.
- Prepare annual budget needs and 10-year forecast within each County Department to address costs and potential revenues associated with asset ownership including operating, maintenance, renewal, replacement and decommissioning of assets.
- Analyse and evaluate the annual budget needs developed by County Departments as part of the annual budgeting process.
- Monitor Key Financial Indicators as part of its annual budgetary process in order to evaluate the

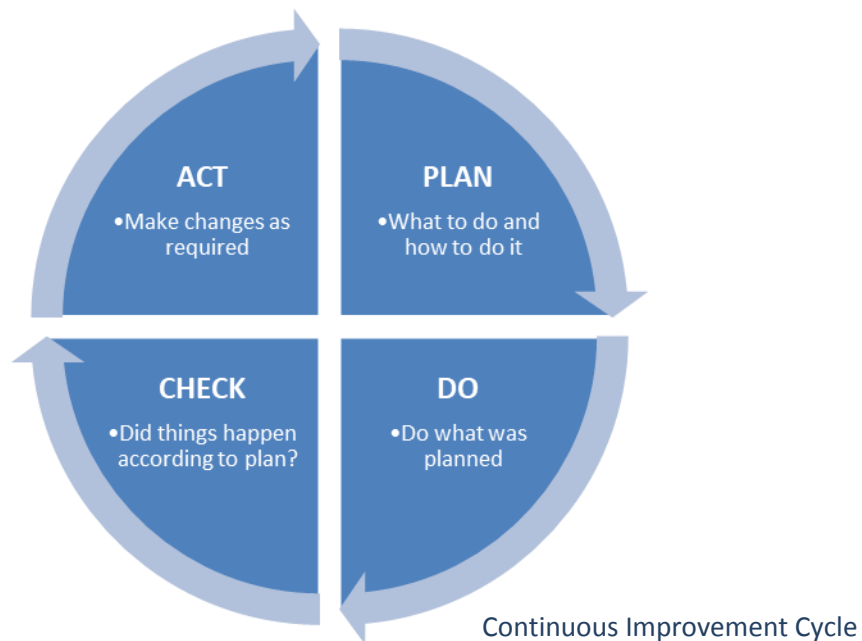
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financial position, identify trends, and recognize future challenges and opportunities.

- Explore funding and service delivery opportunities to achieve cost savings when possible and where appropriate.
- Take into account any applicable budgets or fiscal plans, such as fiscal plans released under the following:
 - Fiscal Transparency and Accountability Act
 - Budgets adopted under Part VII of the Municipal Act

5. Innovation and Continual Improvement – The County will:

- Utilize the Plan-Do-Check-Act model for continuous improvement in order to monitor and review effectiveness of asset management processes. The County will make ongoing adjustments as required in order to ensure continuous improvement.



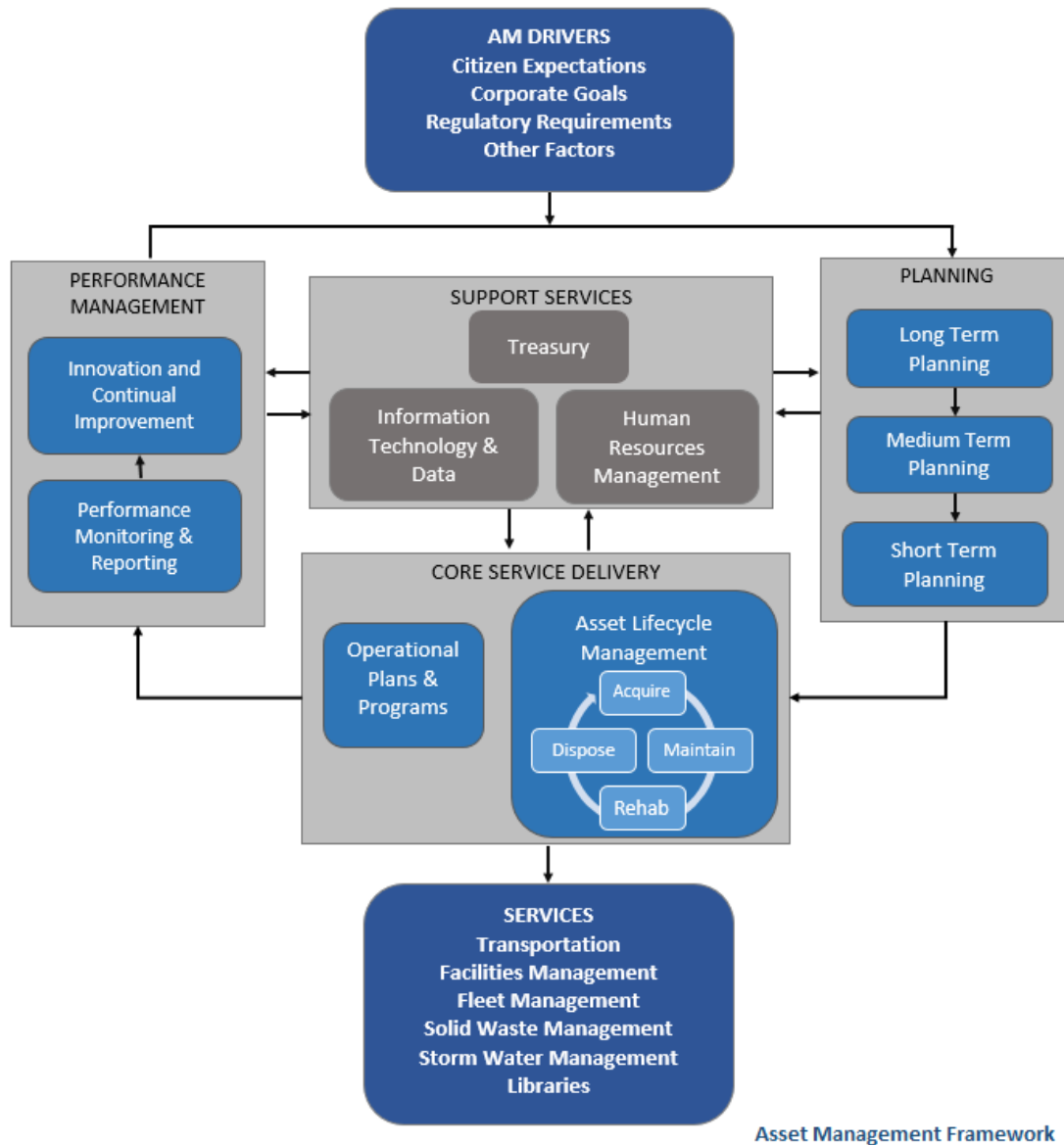
- Incorporate industry best practices and innovation in the development of tools, techniques and solutions.
- Actively engage with other municipalities, asset management working groups, educational organizations, federal and provincial partners, international organizations, and applicable on-line resources to ensure adoption of appropriate practices regarding asset management planning.
- Determine and provide the necessary support, education and training to all asset management staff.
- Review this Strategic Asset Management Policy in conjunction with review of the Corporate

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Asset Management Programme, every five years.

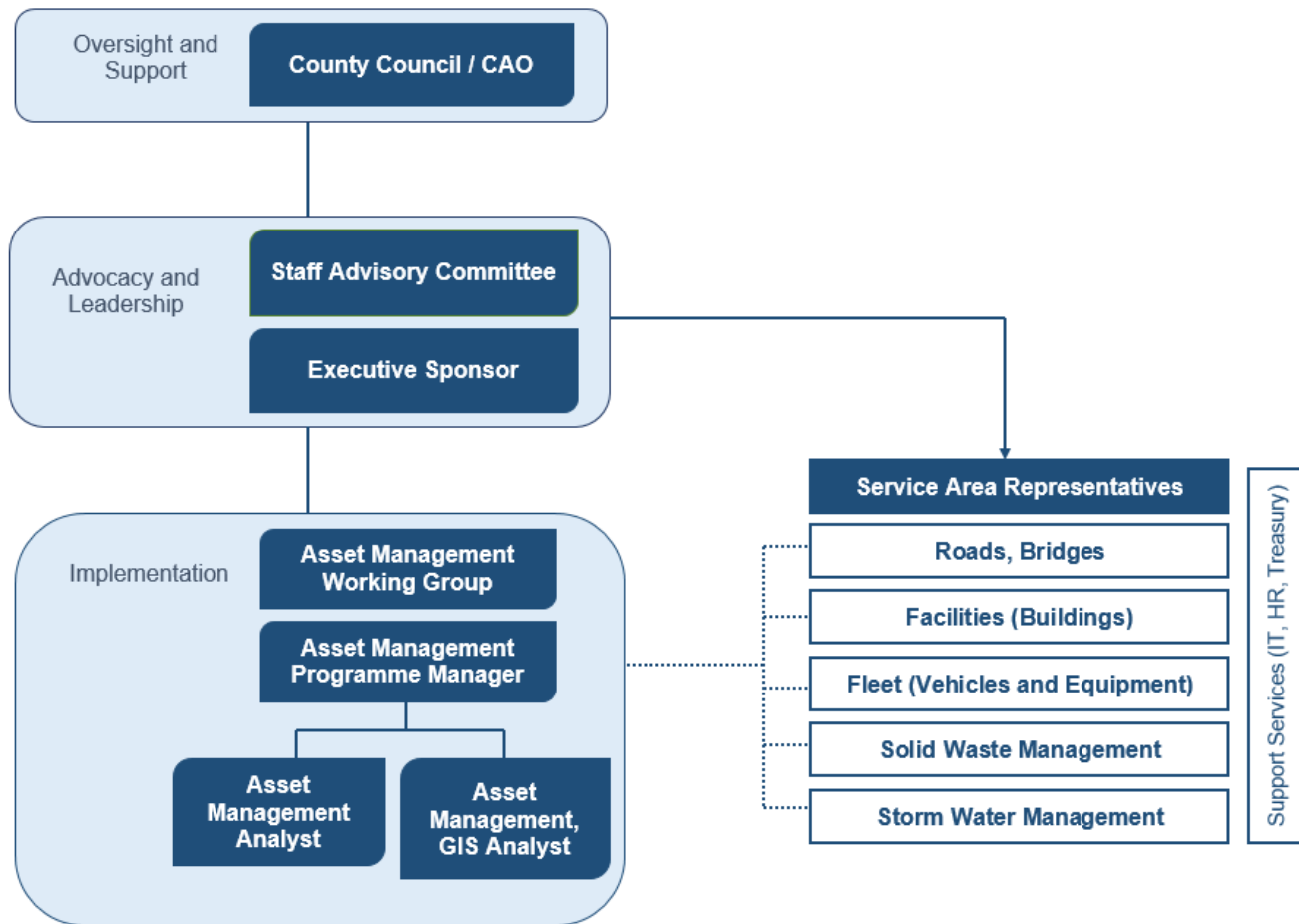
RESPONSIBILITIES FOR LEADING ASSET MANAGEMENT

The corporate asset management framework illustrates how the various departments interconnect and work together to achieve goals:



The corporate asset governance model outlines the roles and responsibilities related to asset management:

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DEFINITIONS:

Asset – An asset is an item, thing or entity that has potential or actual value to the County. Examples include bridges, roads, buildings, vehicles, equipment

Asset Management – An integrated set of processes and practices that minimize lifecycle cost of owning, operating, and maintaining assets, at an acceptable level of risk, while continuously delivering established levels of service.

Asset Management Plan – a document that states how a group of assets is to be managed over a period of time. Asset Management Plans describe the following for all asset groups:

- The condition, characteristics and values of the assets
- Expected Levels of Service
- Action Plan to ensure assets are providing the Level of Service
- Financial Strategies to the Implement Action Plans

The Asset Management Plan will be published every five years; however, some information within the plan, such as condition, characteristics and asset value may be updated and reported annually.

Asset Maintenance – Actions required to keep an asset as near to its original condition as possible in order to provide service over its useful life. Includes both corrective and preventative maintenance but excludes renewal or replacement.

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Asset Renewal / Betterment – Expenditures that fulfill one or more of the following requirements:

- Increase service potential (capacity or output)
- Lower associated operating costs
- Extend the useful life of the asset
- Improve the quality of output of the asset

Includes rehabilitation, renewal and replacement

Asset Replacement – the complete replacement of an asset that has reached the end of its useful life or service capacity

Capitalization Thresholds – the value of an asset at or above which the County will capitalize the value of it and below which it will expense it.

Climate Change - Climate change is a long-term shift in weather conditions identified by changes in temperature, precipitation, winds, and other indicators. Climate change can involve both changes in average conditions and changes in variability, including, for example, extreme events.

Corrective Maintenance – Activities undertaken to return an asset to working order after a deficiency has been identified. These activities are typically unplanned or reactive in nature.

Corporate Asset Management Programme– the application of asset management strategies and best practices on a corporate level in order to ensure consistency across all departments and asset groups. The Corporate Asset Management Programme consists of the following components:

- Strategic Plans and Documents
- Strategic Asset Management Policy
- Asset Management Framework
- Asset Management Governance
- Asset Management Plans
- Operational Strategies and Plans

Decommissioning / Disposed – Assets are considered disposed when they are sold, taken out of service, destroyed, damaged or replaced due to obsolescence, scrapping or dismantling

Levels of Service – Describe what the County intends to deliver to its residents. Commonly measure attributes such as quality, reliability, responsiveness, sustainability, timeliness, accessibility and cost.

Sample statements include:

- To meet the minimum maintenance standards for municipal roads and bridges.
- To increase the amount of material diverted from the landfill.
- To be 100% compliant with regulatory requirements.

Lifecycle – the cycle of activities that an asset goes through over its useful life.

Lifecycle Cost – the total cost of an asset throughout its life. This would include costs related to planning, design, construction, acquisition, operation, maintenance, rehabilitation, renewal and disposal costs.

Preventative Maintenance – Activities undertaken on a regular basis to ensure an asset is able to provide the expected service. These activities are typically planned and are intended to reduce the likelihood of failure or breakdown.

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Public Engagement – The process in which residents and stakeholders are invited to provide input into policy planning and strategic objectives of the municipality. Opportunities to provide input into asset planning will happen during the strategic and master planning processes already in place at the County.

Useful Life – the period of time over which an asset is expected to provide service for the County

REFERENCES:

Applicable Legislation and Regulations

- Infrastructure for Jobs and Prosperity Act, 2015
- Asset Management Planning for Municipal Infrastructure (O. Reg 588/17)
- Fiscal Accountability and Transparency Act, 2004
- The Municipal Act, 2001
- The Planning Act

County of Wellington Policies

- Accounting and Reporting for Tangible Capital Assets (PSAB 3150)
- Reserve and Reserve Funds
- Budget Management Policy
- Debt Management Policy
- Cash and Investment Management

County of Wellington Strategic Documents

- County of Wellington Strategic Action Plan
- ROAD Master Action Plan
- Future Focused Climate Change Mitigation Plan
- Annual Budget and 10-Year Plan
- Long-Term Financial Sustainability Strategy
- Development Charge Background Study and By-Law(s)
- County of Wellington Official Plan
- Economic Strategic Development Plan
- 10 Year Housing and Homelessness Plan
- The Green Legacy Strategic Directions
- Active Transportation Master Plan
- County of Wellington Emergency Response Plan
- Solid Waste Services Green Strategy