
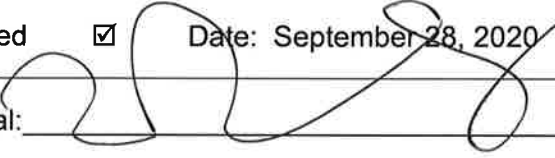


Town of Marathon Guideline

Town of Marathon 	Guideline: Strategic Asset Management	Section: Administration
	New <input type="checkbox"/> Effective: Revised <input checked="" type="checkbox"/> Supersedes Policy dated: May 28, 2018 Reviewed <input checked="" type="checkbox"/> Date: September 28, 2020	
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Purpose:

The purpose of this guideline is to provide leadership in and commitment to the development and implementation of the municipality's asset management program. It is intended to guide the consistent use of asset management across the organization, to facilitate logical and evidence-based decision-making for the management of municipal infrastructure assets and to support the delivery of sustainable services to the community now and in the future.

By using sound asset management practices, the municipality will work to ensure that all municipal infrastructure assets meet expected performance levels and continue to provide desired service levels in the most efficient and effective manner. Linking service outcomes to infrastructure investment decisions will assist the municipality in focusing on service, rather than budget, driven asset management approaches.

This guideline demonstrates an organization-wide commitment to the good stewardship of municipal infrastructure assets, and to improved accountability and transparency to the community through the adoption of best practices regarding asset management planning

Guideline:

1. Definitions

Unless otherwise noted, the definitions provided in this document align with those outlined in Ontario Regulation 588/17 (O. Reg. 588/17), Asset Management Planning for Municipal Infrastructure, under the *Infrastructure for Jobs and Prosperity Act, 2015*.

- (a) Asset Management (AM) – the coordinated activity of an organization to realize value from assets. It considers all asset types, and includes all activities involved in the asset's life cycle from planning and acquisition/creation; to operational and maintenance activities, rehabilitation, and renewal; to replacement or disposal and any remaining liabilities. Asset management is



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- holistic and normally involves balancing costs, risks, opportunities and performance benefits to achieve the total lowest lifecycle cost for each asset (ISO 55000).
- (b) Asset Management Plan (AMP) – Documented information that specifies the activities, resources, and timescales required for an individual asset, or a grouping of assets, to achieve the organization’s asset management objectives (ISO 55000). Under O. Reg. 588/17, by 2023, AMPs for core municipal infrastructure assets will be required to include the current levels of service being provided; the current performance of each asset category; a summary of assets in each asset category, their replacement cost, average age, condition information, and condition assessment protocols; lifecycle activities required to maintain current levels of service; discussion of population and economic forecasts; and documentation of processes to make inventory- and condition-related background information available to the public.
 - (c) Capitalization Threshold – 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.
 - (d) Green Infrastructure Asset – an infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, stormwater management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs.
 - (e) Level of Service – parameters, or combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers. Parameters can include, but are not necessarily limited to, safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability (ISO 55000).
 - (f) Lifecycle Activities – activities undertaken with respect to a municipal infrastructure asset over its service life, including constructing, maintaining, renewing, operating and decommissioning, and all engineering and design work associated with those activities.
 - (g) Municipal Infrastructure Asset – an infrastructure asset, including a green infrastructure asset, directly owned by a municipality or included on the consolidated financial statements of a municipality, but does not include an infrastructure asset that is managed by a joint municipal water board.



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2. Background

The municipality is responsible for providing a range of essential services to the community, including safe and reliable transportation networks, clean drinking water, wastewater treatment, and recreation programs and opportunities. To deliver these services, it owns and manages a diverse municipal infrastructure asset portfolio of roads, water and sewer mains, storm sewers, equipment, vehicles, facilities, and parks to name a few. As the social, economic, and environmental wellbeing of the community depends on the reliable performance of these municipal infrastructure assets, it is critical to implement a systemic, sustainable approach to their management.

Asset Management is such an approach, and refers to the set of policies, practices and procedures that allow an organization to realize maximum value from its municipal infrastructure assets. An asset management approach allows organizations to make informed decisions regarding the planning, building, operating, maintaining, renewing, replacing and disposing of municipal infrastructure assets through a wide range of lifecycle activities. Furthermore, it is an organization-wide process that involves the coordination of activities across multiple departments and service areas such the Administration, Works and Operations, Community Services and Finance departments. As such, it is useful to adopt a structured and coordinated approach to outlining the activities, roles and responsibilities required of organizational actors, as well as the key principles that should guide all asset management decision-making.

A comprehensive and holistic asset management approach will support efficient and effective delivery of expected levels of service and ensure that due regard and process are applied to the long-term management and stewardship of all municipal infrastructure assets. In addition, it will align the municipality with provincial and national standards and regulations such as the *Infrastructure for Jobs and Prosperity Act, 2015* and Ontario Regulation 588/17, enabling the organization to take full advantage of available grant funding opportunities.

The approval of this policy is an important step towards integrating the municipality's strategic mission, vision and goals with its asset management program, and ensuring that critical municipal infrastructure assets and vital services are maintained and provided to the community in a reliable, sustainable manner.



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3. Alignment with the Town of Marathon's Corporate Strategic Plan:

This guideline aligns with the current Town of Marathon's Corporate Strategic Plan. The following passages outline key strategic priorities and actions listed within this document that the development of an asset management program will support:

Core Values:

Accountability and Transparency: Being accountable for the efficient and effective use of the municipality's resources, consistent with all policies and regulatory requirements.

Customer Service Driven: An organizational culture that is service driven, innovative and sustainable.

Strategic Focuses:

Lifestyle Quality: Continually striving to create a high quality of life.

Infrastructure and Environment: Strategically investing in community infrastructure projects that support growth and a cleaner, more sustainable Marathon.

Fiscal Sustainability: Making sound investment and project decisions that are in the best interest of sustainable community development.

As additional Corporate Strategic Plans are developed and implemented, this policy will be updated to reflect alignment with emerging municipal strategies and priorities.

4. Policy Statement:

To guide the municipality, the following policy statements have been developed:

- a) The municipality will implement an asset management program through all departments. The program will promote lifecycle and risk management of all municipal infrastructure assets, with the goal of achieving the lowest total cost of ownership while meeting desired levels of service.
- b) The municipality will implement continuous improvement protocols and adopt best practices regarding asset management planning, including:



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- i. Complete and Accurate Asset Data
 - ii. Condition Assessment Protocols
 - iii. Risk and Criticality Models
 - iv. Lifecycle Management
 - v. Financial Strategy Development
 - vi. Level of Service Framework
- c) The municipality will develop and maintain an asset inventory of all municipal infrastructure assets which includes unique identification, description, location information, value (both historical and replacement), condition rating, estimated remaining life and estimated repair, rehabilitation or replacement date; and estimated cost for repair, rehabilitation or replacement.
- d) The municipality will develop an asset management plan that incorporates all infrastructure categories and municipal infrastructure assets that meet the capitalization threshold (Appendix A) as outlined in the organization's Tangible Capital Asset Policy. The asset management plan will be in accordance with the requirements in O. Reg. 599/17 up until 2024, after which it will be updated at least every five years to promote, document and communicate continuous improvement of the asset management program.
- e) The municipality will integrate asset management plans and practices with its long-term financial planning and budgeting strategies. This includes the development of financial plans that determine the level of funding required to achieve short-term operating and maintenance needs, in addition to long-term funding needs to replace and/or renew municipal infrastructure assets based on full lifecycle costing.
- f) The municipality will explore innovative funding and service delivery opportunities, including but not limited to grant programs, public-private partnerships (P3), alternative financing and procurement (AFP) approaches, and shared provision of services, as appropriate.
- g) The municipality will develop meaningful performance metrics and reporting tools to transparently communicate and display the current state of asset management practice to Council and the community.



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- h) The municipality will consider the risks and vulnerabilities of municipal infrastructure assets to climate change and the actions that may be required including, but not limited to, anticipated costs that could arise from these impacts, adaptation opportunities, mitigation approaches, disaster planning and contingency funding. Impacts may include matters relating to operations, levels of service and lifecycle management.
- i) The municipality will ensure that all asset management planning is aligned with the financial plans related to the municipality's water and wastewater assets prepared under the *Safe Drinking Water Act, 2002*.
- j) The municipality will align all asset management planning with the Province of Ontario's land-use planning framework, including any relevant policy statements issued under section 3(1) of the *Planning Act*. Planning shall conform with the provincial plans that are in effect on that date; and, shall be consistent with all municipal official plans.
- k) The municipality will coordinate planning for interrelated municipal infrastructure assets with separate ownership structures by pursuing collaborative opportunities with neighbouring municipalities wherever viable and if the opportunity ever arises.
- l) The municipality will develop processes and provide opportunities for municipal residents and other interested parties to offer input into asset management planning wherever and whenever possible.

5. Roles and Responsibilities:

The development and continuous support of the municipality's asset management program requires a wide range of duties and responsibilities. The following passages outline the persons responsible for these tasks:

- a) Council
 - i. Approve the AM policy and direction of the AM program
 - ii. Maintain adequate organizational capacity to support the core practices of the AM program
 - iii. Prioritize effective stewardship of assets in adoption and ongoing review of policy and budgets
 - iv. Establish and monitor levels of service



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b) Senior Leadership Team

- i. Development of policy and policy updates
- ii. Provide corporate oversight and ensure the AM program aligns with the municipality's strategic direction
- iii. Ensure that adequate resources are available to implement and maintain core AM practices
- iv. Provide departmental staff coordination
- v. Participate in implementation task teams to carry-out AM activities
- vi. Implement and monitor levels of service
- vii. Provide support and direction for AM practices within their department
- viii. Track, analyze and report on AM program progress and results

c) Executive Lead (CAO)

- i. Development of policy and policy updates
- ii. Provide organization-wide leadership in AM practices and concepts
- iii. Provide departmental staff coordination
- iv. Coordinate and track AM program implementation and progress

6. **Key Principles:**

The municipality shall consider the following principles as outlined in section three of the *Infrastructure for Jobs and Prosperity Act, 2015*, when making decisions regarding asset management:

- a) Infrastructure planning and investment should take a long-term view, and decision-makers should take into account the needs of citizens by being mindful of, among other things, demographic and economic trends.
- b) Infrastructure planning and investment should take into account any applicable budgets or fiscal plans.
- c) Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting infrastructure.
- d) Infrastructure planning and investment should ensure the continued provision of core public services.



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- e) Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities.
- f) Infrastructure planning and investment should ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
- g) Infrastructure planning and investment should foster innovation by creating opportunities to make use of innovative technologies, services and practices, particularly where doing so would utilize technology, techniques and practices developed in Ontario.
- h) Infrastructure planning and investment should be evidence based and transparent, and, subject to any restrictions or prohibitions under an Act or otherwise by law on the collection, use or disclosure of information,
 - i. investment decisions respecting infrastructure should be made on the basis of information that is either publicly available or is made available to the public, and;
 - ii. information with implications for infrastructure planning should be shared between the municipality and broader public sector entities and should factor into investment decisions respecting infrastructure.
- i) Where provincial or municipal plans or strategies have been established in Ontario, under an Act or otherwise, but do not bind or apply to the municipality, as the case may be, the municipality should nevertheless be mindful of those plans and strategies and make investment decisions respecting infrastructure that support them, to the extent that they are relevant.
- j) Infrastructure planning and investment should promote accessibility for persons with disabilities.
- k) Infrastructure planning and investment should minimize the impact of infrastructure on the environment and respect and help maintain ecological and biological diversity, and infrastructure should be designed to be resilient to the effects of climate change.



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- l) Infrastructure planning and investment should promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the well-being of a community affected by the project, such as local job creation and training opportunities, improvement of public space within the community, and any specific benefits identified by the community.

These principles satisfy the criteria set out in subsection 3(4) of O. Reg. 588/17.



