

Appendix A: Asset Management Policy



Region of Waterloo

Asset Management Policy Review and Update

September 2023
Rev 4



Prepared by SLBC Inc.

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Appendix A Corporate AM Policy – 2019 (Current)

Appendix B Corporate AM Policy – 2023 (Updated)

1 Introduction

1.1 Background

The Regional Municipality of Waterloo (the "Region") wishes to update the Region's current Corporate Asset Management Policy (AM Policy) by September 31, 2023 in accordance with the legislated requirements of the Asset Management Planning for Municipal Infrastructure regulation (O.Reg 588/17) and to align with the development of the Region's 2023-2027 Strategic Plan.

The Asset Management Office (AMO), together with a collaborative team of asset management practitioners from across the organization, oversee the Region's Corporate Asset Management Program (AM Program). The mandate of the AM Program is to ensure proactive stewardship of the Region's \$7+ billion asset portfolio that serves the community in many ways and is foundational to the Region's aspirational goal of a world class place to live, work and play.

The Region's AM Program is built on standards, systems and data to ensure the resilience and long-term sustainability of the Region's infrastructure. The AM Program leverages the best practices established by the Federation of Canadian Municipalities' (FCM) five (5) Asset Management competencies, namely Policy and Governance, People and Leadership, Data and Information, Planning and Decision-Making, and Contribution to Asset Management Practice.

O.Reg. 588/17 outlines provincial requirements for asset management planning. In accordance with the regulations, the Region updated the AM Policy in 2019. The regulation requires the creation of a corporate Asset Management Plan (AM Plan) at five (5) year intervals. The current AM Plan was completed in 2020. Work to refresh the current AM Policy will be completed a year earlier than mandated to align with the Region's next Corporate Strategic Plan.

The AM Program is foundational to sustainable and cost effective service delivery and stewardship of the Region's asset portfolio. A primary objective of the AM Program is to minimize the lifecycle cost of owning, operating, and maintaining assets, at an acceptable level of risk, while continuously delivering value to the community.

Asset management at the Region has evolved from individual division-driven procedures and systems to a collaborative corporate program built upon the FCM asset management best practices. To comply with the AM Plan requirements of O. Reg. 588/17, the Region embarked on the Asset Management Systems Implementation Project (AMSIP) in 2016 to transition from a collection of division-specific asset management processes and systems to a corporate AM approach. AMSIP was largely focused on establishing the governance and business process framework for the AM Program and the deployment of the Lucity Work Management System and the PowerPlan Decision Support System across the corporation.

With the deployment of the Lucity and Powerplan systems nearing completion, the focus of the AMO is on continuing to build and mature the AM Program. Work to update the AM Policy will provide oversight and guidance for this work over the next several years.

1.2 AM Policy Development Framework

The Region's current AM Policy format is as follows:

- **Policy Statement:** The Region will formalize practices and responsibilities associated with the management of tangible capital assets, communicate relevant policies and programs to internal and external stakeholders and review this Policy regularly to ensure that it continues to be appropriate for the Region's asset management program
- **Definitions:** Tangible Capital Assets (TCAs), Asset Management, Asset Management Practices, Asset Management Planning Progress Review, Strategic Asset Management Plan, Master Plan
- **Operating Principles:** Vision, Goals, Strategic Alignment, Guiding Principles, Capital Thresholds, Budgeting, Community Planning, Climate Change, Citizen and Stakeholder Engagement.
- **Responsibilities:** Council, Leadership Team and AM Steering Committee, Department AM Leads, AM Working Group

Both the Federation of Canadian Municipalities (FCM) and the Municipal Finance Officers' Association of Ontario (MFOA) provide guidance on the development of an AM Policy.

From FCM, the AM policy typically has four parts:

- **Intent:** The policy document clearly articulates the intended outcomes of the policy (council and/or senior management commitment, intentions and high-level expectations related to AM).
- **Scope:** The policy document describes the assets and services to which the policy applies (consider for inclusion or not: natural assets such as land, drainage channels, rivers and aquifers, assets that are owned by other agencies but operated and maintained by the municipality, assets that are owned by the municipality but operated and maintained by external service providers, assets that are owned or controlled by corporations or subsidiaries).
- **Principles:** The most important part of the policy, the statement of principles, provides direction on applying AM within the municipality, and guidance on what the AM system should cover. The principle statements should be aligned with the community vision and existing strategic plans to ensure the "line-of-sight" connections between the municipality's strategic direction and asset management efforts. The principles will directly influence staff decision-making across the whole municipality.
- **Responsibilities:** The policy document identifies who is responsible for: approving the AM policy; providing resources for implementation of the policy; defining community priorities and setting municipal priorities; and leading implementation of the AM policy.

The MFOA groups the 12 requirements established by the Province for a strategic asset management policy into three categories of expectations to simplify their meaning / understanding: Statement, Process, and Commitment.

TABLE 1-1: MFOA O.Reg. 588/17 AM Policy Requirements

Category	No.	Toolkit Section	O.Reg. Requirement
Statement The municipality's declaration of information required as per the regulation	1	Strategic Alignment	The municipality's goals, policies or plans that are supported by its asset management plan
	4	Guiding Principles	The principles to be followed by the municipality in its asset management planning, which must include the principles set out in section 3 of the Infrastructure for Jobs and Prosperity Act *
	8	Capitalization Thresholds	An explanation of the capitalization thresholds used to determine which assets are to be included in the municipality's asset management plan and how the thresholds compare to those in the municipality's tangible capital asset policy, if it has one
	10	Governance	The persons responsible for the municipality's asset management planning, including the executive lead
Process The municipality's defined methods that comply with the regulation	2	Budgeting	The process by which the asset management plan is to be considered in the development of the municipality's budget or of any long-term financial plans of the municipality that take into account municipal infrastructure assets
	6	Budgeting	A process to ensure that the municipality's asset management planning is aligned with financial plans related to the municipality's water and wastewater assets
	7	Community Planning	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
	3	Continuous Improvement	The municipality's approach to continuous improvement and adoption of appropriate practices regarding asset management planning
	11	Governance	An explanation of the municipal council's involvement in the municipality's asset management planning
Commitment The municipality's pledge to develop asset management plans in accordance with the regulation	5	Climate Change	The municipality's commitment to consider climate change as part of its asset management planning
	9	Stakeholder Engagement	The municipality's commitment to coordinate planning for asset management, where municipal infrastructure assets connect or are interrelated with those of its upper-tier municipality, neighbouring municipalities or jointly-owned municipal bodies
	12	Stakeholder Engagement	The municipality's commitment to provide opportunities for municipal residents and other interested parties to provide input into the municipality's asset management planning

* The Infrastructure Planning Principles outlined in the Act are as follows:

The Government, and every broader public sector entity, shall consider the following principles when making decisions respecting infrastructure:

1. Infrastructure planning and investment should take a long-term view, and decision-makers should take into account the needs of Ontarians by being mindful of, among other things, demographic and economic trends in Ontario.
2. Infrastructure planning and investment should take into account any applicable budgets or fiscal plans, such as fiscal plans released under the Fiscal Sustainability, Transparency and Accountability Act, 2019 and budgets adopted under Part VII of the Municipal Act, 2001 or Part VII of the City of Toronto Act, 2006.
3. Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting infrastructure.
4. Infrastructure planning and investment should ensure the continued provision of core public services, such as health care and education.
5. Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities.
6. Infrastructure planning and investment should ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
7. 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.
8. 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 Government and broader public sector entities, and should factor into investment decisions respecting infrastructure.
9. 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 Government or the broader public sector entity, as the case may be, the Government or broader public sector entity 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. Examples of plans and strategies to which this paragraph may apply include, i) policy statements issued under section 3 of the Planning Act, and provincial plans as defined by that Act, ii) municipal water sustainability plans submitted under the Water Opportunities Act, 2010, iii) the Lake Simcoe Protection Plan established under the Lake Simcoe Protection Act, 2008, and iv) transportation plans adopted under the Metrolinx Act, 2006.
10. Infrastructure planning and investment should promote accessibility for persons with disabilities.
11. 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.
12. Infrastructure planning and investment should endeavour to make use of acceptable recycled aggregates.

13. 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 (including for apprentices, within the meaning of section 9), improvement of public space within the community, and any specific benefits identified by the community.
14. Any other principles that may be prescribed for the Government or the broader public sector entity, as the case may be. 2015, c. 15, s. 3; 2019, c. 7, Sched. 30, s. 21.

Best Practices and Emerging Trends

TABLE 1-2 below summarizes a review of AM Policies for Ontario regions and larger Canadian cities.

TABLE 1-2: Summary of Benchmarking Findings

Municipality	Year	Pages	AM Policy Contents
Region of Durham	2019	16	Purpose, AM Goals & Objectives, AM Guiding Principles, AM Planning Framework, AM Planning Framework, Community and Stakeholder Input, TCA Policy including Capitalization Thresholds, Updates
Region of Halton	2019	5	Policy Statement, Purpose, Scope, Definitions, Requirements and Principles, Roles & Responsibilities, Monitoring & Compliance, Approval
Region of Niagara	2019	10	Policy, Purpose including Guiding Principles, Scope
Region of York	2018	9	Policy Statement, Application, Purpose, Definitions, Description of AM Framework, Responsibilities
City of Ottawa	2021	13	Policy Statement, Purpose, Application, Policy Requirements, AM Approach with Comprehensive AM Framework (visioning, strategic, tactical, operational), Guiding Principles, Key Documents, Responsibilities, Monitoring / Contraventions, Definitions
City of Barrie	2019	6	Guiding Principles: ISO 55000 AM fundamentals: value, alignment, leadership, assurance, service focused, value based and affordable, risk based
City of Toronto	2019	13	Background, Purpose, Definitions, Scope, AM Vision and Goals, AM Principles includes list required by the Act, Corporate AM Framework, Policy Statement (includes AM Planning and Strategic Alignment, AM Plans, Continuous Improvement and Reporting Requirements), Roles and Responsibilities, Review Period, List of City Agencies and Corporations in scope
City of Calgary	2020	8	Background, Purpose, Definitions, Intended Outcomes, Policy: Scope / Exceptions, Consequences of Non-Compliance, Commitment and Accountability, Key Principles of AM, Key Principles to Guide Development of AM Strategy, Framework and System, Elements and Practices of AM (plan, do, check, act), Supporting References and Resources
City of Edmonton	2018	6	Policy Statement, Purpose, Definitions, AM Key Principles: Service Delivery to Stakeholders, Long-Term Sustainability and Resiliency, Integrated & Holistic Approach, Investment Decision-Making, Innovation and Continuous Improvement
City of Winnipeg	2015	6	Purpose, Definitions, AM Policy (Vision, Policy Statement, Scope, Principles), Responsibilities, AM Framework, Key AM Documents.

Several AM Policies provide information on AM Frameworks and processes (e.g., Regions of Durham and York, Cities of Ottawa, Toronto and Winnipeg).

1.2.1 AM Policy Development Processes

The scope of the process to review and update the AM policy, from the Municipal Finance Officers' Association of Ontario (MFOA) Strategic Asset Management Policy Toolkit, is as follows:

Plan for the AM Policy

- **Identify the Champion:** A first step to get started is to select who will coordinate the policy development process; who will be the policy champion.
- **Review the Existing Policy:** Review of the existing policy to verify if it complies with the regulation and identify what is missing to make it compliant.
- **Identify Stakeholders:** Identify who in the organization will be impacted by the regulation and the Policy so they can be involved in writing it.
- **Build Commitment:** Once stakeholders are identified, obtain the buy-in to participate in the policy development process.

Develop the AM Policy

- **Strategic alignment:** State which Regional strategic goals, policies and plans are supported by the asset management planning processes referred to in the asset management plan.
- **Guiding principles:** State the principles to be followed by the Region in its asset management planning, which must include the principles set out in section 3 of the Act.
- **Capitalization threshold:** Explain the capitalization thresholds used to determine which assets are to be included in the Region's asset management plan and how the thresholds compare to those in the tangible capital asset policy State.
- **Governance and continuous improvement:** State the persons responsible for the municipality's asset management planning, including the executive lead, and the Regional Council's involvement in the asset management planning. Describe the Region's approach to continuous improvement and adoption of appropriate practices regarding asset management planning.
- **Budgeting:** Describe the processes by which the asset management plan is to be considered in the development of the Region's budget or of any long-term financial plans of the municipality that take into account municipal infrastructure assets including financial plans related to the Region's wastewater assets and water assets (including any financial plans prepared under the Safe Drinking Water Act, 2002).
- **Community planning:** Describe the processes to ensure that the Region'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.
- **Climate change:** Commit to consider, as part of the Region's asset management planning:
 - 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,
- the anticipated costs that could arise from the vulnerabilities described above,
- adaptation opportunities that may be undertaken to manage the vulnerabilities described above,
- mitigation approaches to climate change, such as greenhouse gas emission reduction goals and targets, and
- disaster planning and contingency funding.
- **Stakeholder engagement:** Where municipal infrastructure assets connect or are interrelated, commit to coordinate planning for asset management with lower tier municipalities, neighbouring municipalities, and jointly-owned municipal bodies. Commit to provide opportunities for municipal residents and other interested parties to provide input into the Region's asset management planning

Implement the AM Policy

- **Publish the Policy:** This work will be achieved by following local guidelines and administrative norms for submitting documents to Council.
- **Adopt the asset management plans:** This work will be achieved by following local guidelines and administrative norms for submitting documents to the CAO and Council.
- **Budget with asset management plans:** The scope of this work will be determined by local budgeting practices and service managers needs.
- **Annual review by Council:** The scope of this work will be determined by the organizational culture and local administrative norms.
- **Ongoing engagement:** This work will be achieved by following local stakeholder engagement methods and norms.

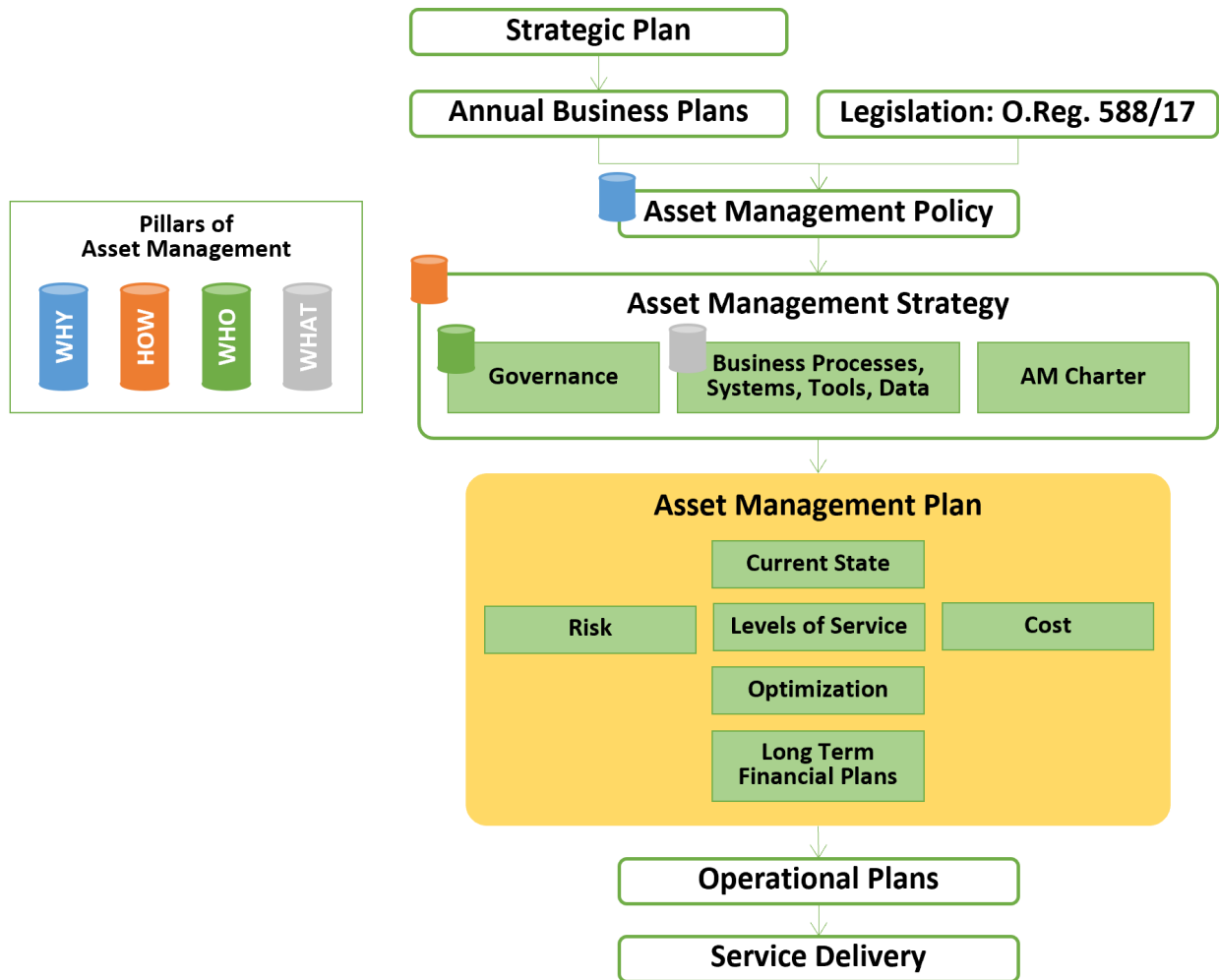
1.2.2 Region's AM Policy Objectives

The core focus of the Region's AM Program is to continue to transform the practice of asset management at the Region. The AMO, in collaboration with partners throughout the organization, develops, implements and administers AM strategies, policies, procedures and systems. A key objective of the AM Program is to leverage data about the Region's portfolio of infrastructure assets to provide transparency and dynamic business insights. The drive is to leverage data to inform strategic planning and prioritization to link infrastructure investment decisions to service outcomes – to do the right work at the right time at the right cost for the right reasons.

The AM Program is built upon the Region's AM Framework shown in **FIGURE 1-1**. The AM Policy is one of the four pillars of the AM Program.

- the AM Policy articulates **the Why** that drives the AM Program
- the Strategy describes **the How**
- Governance organizes **the Who**
- Processes, Systems, Tools and Data provide **the What**.

FIGURE 1-1: Region's Asset Management Framework



The updated AM Policy will:

- Articulate the Region's commitment to asset management
- Articulate the Region's core asset management guiding principles, including consideration of
 - Provision of service delivery and value to the community
 - Evidence-based and risk-informed decision-making that supports the delivery of defined levels of service and other performance measures
 - Understands and limits risks for critical infrastructure
 - Communicate AM Program goals and build support for asset management across the corporation
 - Long-term sustainability
 - Climate change preparedness, adaptation and resilience
 - Fiscal responsibility and integration with financial planning and budget development
 - Enterprise approach
 - Stakeholder engagement

- Multidisciplinary lens that integrates strategic planning, budgeting, services levels, community expectations, financial constraints and risk,
- Innovation and continuous improvement.
- Establish a clear link to the Region's strategic plan
- Establish a clear link to the Region's strategic planning documents, including the Regional Official Plan and various Master Plans
- Comply with relevant legislation and regulation.

1.2.3 Asset Management Competencies

According to the Federation of Canadian Municipalities (FCM), an estimated 60 percent of Canada's public infrastructure is owned by local, provincial or territorial governments. Every \$1 billion invested in infrastructure generates 18,000 jobs and promotes \$1.6 billion in economical growth. Making good short- and long-term decisions about infrastructure is paramount. An asset management policy sets the stage for a clear approach to asset management decisions and ensures coordinated management of infrastructure.

The following themes associated with the five FCM asset management competencies are foundational to the AM Program and were considered in the review of the AM Policy.

Policy and Governance

- Foster inter-divisional collaboration, cooperation and innovation
- Clear and defined line of sight from the Strategic Plan to the day-to-day work in each business unit to effectively plan the work to invest in and maintain the Region's assets
- Sustainable service delivery through strategic planning, climate action, and inclusive governance
- Integrate risk management to develop infrastructure and municipal services that are safe, sustainable, and resilient for the entire community
- Build climate resilient infrastructure to preserve benefits to the community.

People and Leadership

- "Community of practice" approach
- Cross-function teams and integration of multiple perspectives.

Data and Information

- Continued digitization and digital transformation of the work of AM
- Dashboarding and the trending and tracking of various Key Performance Indicators (KPI's) to strengthen data driven decision making

Planning and Decision-Making

- Leveraging asset criticality, performance and risk data to provide expanded insight about asset lifecycle cost, validation of annual operating budgets, information long-term investment strategies, and information allied initiatives such as emergency management planning.

Contribution to Asset Management Practice

- Lifelong learning approach leveraging formal staff training, “on the job” training, and internal knowledge sharing
- Staff participation in and contribute to external communities of practice across the province and in North America.

1.2.4 Responsibilities for AM Policy Review and Update

The governance for review and update of the AM Policy is as follows:

- **Project Manager:** Manager, Asset Management
- **Executive Sponsor:** Asset Management Steering Committee (AMSC) which is comprised of senior management staff and provides executive level oversight regarding the strategic and change elements of the AM Program. The AMSC is co-chaired by the Corporate Services, Engineering & Environmental Services and Transportation Services departments.
- **Project Team:** One representative from each business unit on the AMPWC plus one representative from each stakeholder group. The primary function of the Project Team is to:
 - Be the primary touchpoint
 - Participate in meetings and workshops
 - Review and provide input and feedback on the documents, reports and other deliverables
 - Liaise with division management, subject matter experts and other staff to provide information about the status of the assignment
 - Liaise with division management, subject matter experts and other staff to solicit input and feedback on documents and deliverables as requires.
- The **Asset Management Program Working Committee (AMPWC)** is an active committee within the AM Program governance. The AMPWC includes representatives from all asset-owning business units, together with key corporate services staff from the Finance and Information Technology divisions. The PWC is chaired by the Manager, Asset Management.
- Additional **Corporate Stakeholders** include:
 - Corporate Finance
 - Corporate Strategy & Performance
 - Emergency Management Office
 - Environmental Planning and Sustainability.

1.3 Organization of Document

The contents of this document is as follows:

1. **Introduction:** Background information, and frameworks and governance related to AM Policy development
2. **AM Policy Stakeholder Engagement:** Identifies stakeholders and the engagement plan
3. **AM Policy Review and Update:** Discusses the issues identified by stakeholders and how they were addressed in the AM Policy
4. **AM Policy Update:** including AM Policy Requirements, Intent, Scope, Objectives, Principles, Responsibilities, Update Requirements, and Definitions.

2 AM Policy Stakeholder Engagement

2.1 Stakeholders

The AM Policy required by the Province documents commitments and processes that specify how the AM Plans will be produced, updated, and integrated into existing processes. If done well, writing the AM Policy can be an impactful foundational step that will facilitate the development of AM plans. It will do so by allowing people to take ownership of 1) What the AM Plans will include, 2) Who will be involved in developing the AM Plans, and 3) How the AM Plan will actually be rolled out.

The AM Champion, who coordinates the update of the AM Policy process, is the Manager, Asset Management.

Other stakeholders who will be involved in writing, reviewing and approving sections of the AM Policy include:

- **Council, CAO and Executive Sponsor:** The AM Plan will have to go through formal approval processes as executive and Council approvals, by resolution, are now required. The Executive Sponsor is the Asset Management Steering Committee (AMSC) which is comprised of senior management staff and provides executive level oversight regarding the strategic and change elements of the AM Program. The AMSC is co-chaired by the Corporate Services, Engineering & Environmental Services and Transportation Services departments.
- **Project Team:** One representative from each business unit on the Asset Management Program Working Committee (AMPWC)* plus one representative from each stakeholder group. The primary function of the Project Team is to:
 - Be the primary touchpoint
 - Participate in meetings and workshops
 - Review and provide input and feedback on the documents, reports and other deliverables
 - Liaise with division management, subject matter experts and other staff to provide information about the status of the assignment
 - Liaise with division management, subject matter experts and other staff to solicit input and feedback on documents and deliverables as requires.
- In particular, the AMPWC includes the following:
 - **Finance:** They will need to be involved in developing the AM Plan since they are best positioned to: i) Assess the funding available to support the AM Plan and ii) Build a valid link between the AM Plan and the budgeting process. They will also need to support the distinction established between the capitalization threshold used for financial reporting and the basis that defines the inventory used for the AM Plan.
 - **Community planner and service managers:** The people involved in the community planning and asset management planning processes will have to consult with each other since: The 2020 Provincial Policy Statement of the Planning Act (PPS) emphasizes the need for cost-effective development patterns and standards to minimize servicing cost and the asset management planning process will need to align with the community plan.
 - **Service managers:** They will have to see that the engineers, technicians, superintendents, and other disciplines that factor weather into planning consider the potential impacts of climate change.

- **Other stakeholders:** Corporate Strategy & Performance, Emergency Management Office, Environmental Planning and Sustainability, Reconciliation, Equity, Diversity and Inclusion.

* The **Asset Management Program Working Committee** (AMPWC) is an active committee within the AM Program governance. The AMPWC includes representatives from all asset-owning business units, together with key corporate services staff from the Finance and Information Technology divisions. The AMPWC is chaired by the Manager, Asset Management

To engage with the above stakeholders about asset management and the regulatory requirements, it is important to consider the impacts from their perspective. TABLE 2-1 below provides points that can be validated through an initial discussion to build awareness, communicate the stakeholders' potential roles in the AM Policy's development, share how they might benefit, and gain support for development of the AM Policy.

TABLE 2-1: Stakeholder Perspectives

Stakeholder	Key Issues & Obligations	Areas of influence	Benefits from AM	Experience with AM	Business Goals	Personal Goals
Council	<ul style="list-style-type: none"> • Offer citizens the expected level of service and value add • Approve the AM plans by council resolution* • Conduct annual review of AM progress by July 1* • Maintain a balanced budget 	<ul style="list-style-type: none"> • The municipality’s long-term vision and governance • The municipality’s reputation • Relations with the other levels of government and stakeholders • Dialogue with the public and media • Access to infrastructure programs 	<ul style="list-style-type: none"> • Better control over expenditures • Improved long-term planning approach • A global vision of needs and complete data transparency • A reduction in unforeseen events 	<ul style="list-style-type: none"> • Introduction to the term ‘asset management’ at industry events • Adoption of previous asset management plan(s) • Reactions to crises and emergencies • Annual budget debate and approval 	<ul style="list-style-type: none"> • Lead a city that positively stands out • Keep the municipality attractive to business and future residents • Lead a municipality that adheres to standards in order to maintain the ability to receive federal money • Minimize risk 	<ul style="list-style-type: none"> • Get re-elected • Get projects in his/her own riding. Asset management could be negatively perceived by some politicians since it may result in prioritization of investments that are outside their riding • Maintain public perception of transparency and defensibility in decisions taken
Chief Administrative Officer and Executive Sponsor (AMSC)	<ul style="list-style-type: none"> • Implement the vision of Council despite his/her own vision for the municipality • Execute the strategic plan • Oversee administration of services • Apply policies and maintain regulatory compliance • Endorse the asset management plan 	<ul style="list-style-type: none"> • Mobilization of managers and Council • The internal politics and culture of the organization • Relationships with partners including neighboring municipalities • The investment plan and the budget 	<ul style="list-style-type: none"> • Better control and knowledge of the status of assets and expenditures • Better long-term planning and stability • Ability to explain issues and challenges • Indirect assistance in managing human resources 	<ul style="list-style-type: none"> • Submission of previous asset management plans to Council • Accountability to the Council on capital spending recommendations • Final, and at times difficult, decisions in the development of the annual budget and investment plans 	<ul style="list-style-type: none"> • Develop the municipality to continually improve the quality of life it offers • Leave a positive legacy • Retain internal expertise and develop personnel • Build awareness of individual responsibilities and equip service area managers 	<ul style="list-style-type: none"> • Be recognized as a good manager and leader by his/her peers • Be in control and manage risk to the community • Implement innovative management practices • Maintain the trust of peers, the public, and the Council
Project Team: Finance	<ul style="list-style-type: none"> • Prepare financial statements and report on tangible capital assets 	<ul style="list-style-type: none"> • Financial structure (balance of debt and reserves) 	<ul style="list-style-type: none"> • Clearer spending needs and where spending actually occurred 	<ul style="list-style-type: none"> • Reviewing the long-term financial plan in the asset management plan 	<ul style="list-style-type: none"> • Maintain compliance and pass audits 	<ul style="list-style-type: none"> • Maintain trust of peers and Council • Ensure responsible financial management

Stakeholder	Key Issues & Obligations	Areas of influence	Benefits from AM	Experience with AM	Business Goals	Personal Goals
	<ul style="list-style-type: none"> • Devise revenue schemes and tariffs • Balance the budget and manage the debt • Get the budget approved by Council 	<ul style="list-style-type: none"> • Financial accounts and ledgers • Financing and revenue strategy • Budget preparation, submission, and approvals 	<ul style="list-style-type: none"> • Rationalized cost savings • Stabilized long-term financial plan • Enhanced discourse with Council • Mitigated financial risks 	<ul style="list-style-type: none"> • Finalizing the capital investment plan • Water and wastewater Financial plans 	<ul style="list-style-type: none"> • Report fair valuation of assets • Understand cash-flow requirements • Avoid revenue or spending peaks 	<ul style="list-style-type: none"> • Avoid controversy • Maintain professional license
Project Team: Planning	<ul style="list-style-type: none"> • Work in accordance with standards, regulations, and policies • Improve the community through appropriate planning and by-law creation • Plan land use to support a sustainable quality of life 	<ul style="list-style-type: none"> • Urban to rural environment and zoning requirements • Community's strategic planning process • Relationships with developers • Development within the community 	<ul style="list-style-type: none"> • Gain access to information that improves the long-term analysis of development impacts • Improved and structured dialogue regarding development versus maintenance 	<ul style="list-style-type: none"> • Annual budget debate concerning the maintenance of existing assets versus development of new assets • Introduction to the concept at conferences and seminars 	<ul style="list-style-type: none"> • Have official community plans adopted by Council • Simplify the development permitting process 	<ul style="list-style-type: none"> • Be recognized by peers for community planning that utilizes best practices and maximizes the quality of life in the community
Project Team: Service Managers	<ul style="list-style-type: none"> • Work in accordance with standards, regulations, and policies • Operate according to departmental budgets • Maximize the quality of services delivered 	<ul style="list-style-type: none"> • Identification and development of projects for the Municipality's three or five year plan • Preparation of budget and departmental operating program 	<ul style="list-style-type: none"> • Access to information that assists with the analysis and development of recommendations to senior management and Council • Enhanced, structured dialogue regarding finances and operations 	<ul style="list-style-type: none"> • Development of the asset management plan • Assessment of life cycle, risk, and services associated with assets 	<ul style="list-style-type: none"> • Carry out projects that support the community in accordance with budgets and timelines • Select projects appropriate for the Municipality and have them approved by Council 	<ul style="list-style-type: none"> • Maintain the trust of peers and Council • Avoid controversy • Deliver complex projects on time and on budget

2.2 Stakeholder Engagement Plan

2.2.1 Project Kick-off Meeting

The Project Kick-off Meeting was held April 18, 2023. Region attendees included: Tim Walton (PM), Brittney Crawford, Chad Grummett, Cheryl Braan, Elvira Suyunova, Erin Gray, Erin Hobbs, Jordan Vander Veen, Lauren Hebert, Jenny Smith.

Key project success factors shared among Region staff regarding the AM Plan review and update included:

- Good engagement with stakeholders, especially with other groups which don't necessarily intersect with asset management (planning, climate change, etc.)
- To improve competencies of the AM program and highlight areas for advancement such as climate change and levels of service
- Overall education and knowledge transfer of AM within Region staff, particularly staff who have not been previously exposed to AM
- Ensuring linkages between strategic documents such as the Strategic Plan and the Annual Business Plans and Capital program
- To illustrate trade-offs between levels of service, cost and risk.

The Region noted that the Strategic Plan has recently been updated and should be considered in the AM Policy update.

2.2.2 Stakeholder Engagement

TABLE 2-2 shows the plan for stakeholder engagement for update of the AM Policy.

TABLE 2-2: Stakeholder Engagement Plan (L = Lead, R = Review)

	Champion	Council, CAO, Sponsor	AMPWC & Service Managers	Finance	Community Planning	Risk & Emergency Management	Communications
Policy Statement	L	R	R	R	R	R	R
Definitions	L		R	R	R		
Vision	L	R	R	R	R	R	R
Goals	L	R	R	R	R	R	R
Strategic Alignment	L	R	R	R	R		
Guiding Principles	L		R	R	R		
Capital Thresholds			R	L			
Budgeting			R	L			
Community Planning			R		L		
Climate Change	L		R			R	
Citizen & Stakeholder Engagement			R		L		R
Responsibilities	L		R				

The schedule of stakeholder engagement activities was as follows:

- **Workshop 1 (2023.06.13):** In this workshop, the MFOA Toolkit methodology will be introduced, topic leads from the AMPWC and others as noted above will be identified, and the vision and goals for the AM Policy will be discussed.
- After Workshop 1, topic leads will be tasked to review the proposed AM Policy update wording and provide recommendations prior to the second workshop.
- SLBC will prepare AM Policy DRAFT 1 based on the recommendations from Workshop 1.
- **Workshop 2 (2023.06.19):** In the second workshop, the wording modifications for each topic of the AM Policy will be discussed to develop final text recommendations. The potential impacts of the text on existing City practices and resources will be discussed.
- SLBC will prepare AM Policy DRAFT 2 based on the recommendations from Workshop 2.
- The AMPWC and others as noted above will be tasked to review the AM Policy DRAFT 2.
- SLBC will prepare AM Policy FINAL based on the recommendations of the AMSC.
- **Presentation 1 (2023.11.07):** The final AM Policy will be presented to the Planning and Works Committee for endorsement.

3 AM Policy Review and Updates

3.1 AM Policy – 2019 (Current) with comments

The 2019 AM Policy currently meets all requirements of O.Reg. 588/17.

TABLE 3-1 shows the 2019 (Current) AM Policy, with comments from the two workshops.

Key recommendations for the AM Policy update include:

- Change the name of the Strategic AM Plan in the Definitions section to AM Strategy to be consistent with the AM Framework and the ISO 55000 definition.
- Include the AM Framework (**FIGURE 1-1** from above) in the AM Policy to show the linkages between the Strategic Plan, AM Policy, AM Strategy, AM Plan, Operational Plans and Service Delivery. In the AM Framework, consider moving the Annual Business Plans from being a driver of AM Policy to being an outcome of Operational Plans.
- Update the Responsibilities section upon completion of the governance work.

A key recommendation in addition to the AM Policy update:

- Produce a Strategic AM Plan (SAMP document per the ISO 55000 definition*) to provide more detail on the AM Framework and associated processes (including LOS, Risk, Lifecycle Activities, and Costing). * “documented information that specifies how organizational objectives are to be converted into asset management objectives, the approach for developing asset management plans, and the role of the asset management system in supporting achievement of the asset management objectives”.



TABLE 3-1: 2019 (Current) AM Policy, Comments and Proposed 2023 AM Policy

2019 AM Policy	Comments	Proposed 2023 AM Policy
<p>Policy Statement: The Region will formalize practices and responsibilities associated with the management of tangible capital assets, communicate relevant policies and programs to internal and external stakeholders and review this Policy regularly to ensure that it continues to be appropriate for the Region’s asset management program.</p>	<p>No comments</p>	<p>Policy Statement: The Region will formalize practices and responsibilities associated with the management of tangible capital assets, communicate relevant policies and programs to internal and external stakeholders and review this Policy regularly to ensure that it continues to be appropriate for the Region’s asset management program.</p>
<p>Definitions: Asset Management – The systematic and coordinated activities and practices of an organization to optimally and sustainably deliver on its objectives through the cost-effective lifecycle management of assets.</p>	<p>Past feedback is that this definition is not clear and does not describe the AM “mission”. Review IAM or ISO definitions.</p>	<p>Definitions: Asset Management – The coordinated activity of an organization to realize value from assets. (ISO 55000:2014) Where:</p> <ul style="list-style-type: none"> • an “asset” is an item, thing, or entity that has potential value to an organization • “realization of value” will normally involve a balancing of costs, risks, opportunities, and performance benefits • “activity” has a broad meaning and can include the approach, the planning, the plans and their implementation.
		<p>Asset Management System – The set of interrelated and interacting elements of an organization whose function is to establish asset management policy, asset management objectives, business processes, and information systems to achieve the objectives. The asset management system is used to direct, coordinate and control asset management activities. (ISO 55000:2014)</p>

2019 AM Policy	Comments	Proposed 2023 AM Policy
<p>Strategic Asset Management Plan – Defines Senior Management’s commitment and approach to achieving this Policy. It establishes best asset management practices and identifies recommended actions to be undertaken to improve or enhance the asset management capability and achieve strategic objectives. It will summarize the characteristics, condition, and risk exposure of assets. It will outline activities for each asset type with input from all Regional functional areas with recommended financing strategies to provide a defined level of service in the most cost effective way.</p>	<p>Confusing. AM is undertaken throughout the Region and requires Senior Management commitment. From “It will summarize the characteristics” is very specific. Why “outline activities for each asset type”?</p>	<p>Strategic Asset Management Plan (SAMP) – Documented information that specifies how organizational objectives are to be converted into asset management objectives, the approach for developing asset management plans, and the role of the asset management system in supporting achievement of the asset management objectives. (ISO 55000:2014)</p>
		<p>Asset Management Plans – Documented information that specifies the activities, resources and timescales required for an individual asset, or grouping of assets, to achieve the organization’s asset management objectives. (ISO 55000:2014)</p>
<p>Asset Management Practices – The processes and techniques (people, data, and systems) that an organization undertakes to plan, implement, and measure effective asset management. Examples of processes include demand forecasting, developing and monitoring levels of service, operational and renewal planning, and risk management. Techniques include the use of software and other data management methods to record, maintain, and analyse information for asset investment decision-making.</p>	<p>Change “undertakes” to “employs”</p>	<p>Asset Management Practices – The processes and techniques (people, data, and systems) that an organization employs to plan, implement, and measure effective asset management. Examples of processes include demand forecasting, developing and monitoring levels of service, operational and renewal planning, and risk management. Techniques include the use of software and other data management methods to record, maintain, and analyze information for asset investment decision-making.</p>
		<p>Asset Management Practice Improvement Strategy – Documented information that specifies the activities, resources and timescales required for an individual asset management practice, or group of asset management practices, to achieve the organization’s asset management objectives.</p>

2019 AM Policy	Comments	Proposed 2023 AM Policy
<p>Asset Management Planning Progress Review – Annual review required before July 1 of every year (per Ontario Regulation 588/17) that includes progress on ongoing efforts to implement the Strategic Asset Management Plan, factors affecting the ability of the Region to implement its Strategic Asset Management Plan, and a strategy to address these factors including the adoption of appropriate practices.</p>	<p>Review O.Reg. to ensure it complies. Change reference to Strategic AM Plan throughout the AM Policy.</p>	<p>Asset Management Planning Progress Review – Annual review required before July 1 of every year (per Ontario Regulation 588/17) that includes progress on ongoing efforts to implement the Asset Management Plans, factors affecting the ability of the Region to implement its Asset Management Plans, and a strategy to address these factors including the adoption of appropriate practices.</p>
<p>Master Plan – A long range plan which integrates tangible capital asset requirements for existing and future needs as defined by levels of service.</p>		<p>Master Plan – A long range plan which integrates tangible capital asset requirements for existing and future needs as defined by levels of service.</p>
		<p>Strategic Plan 2023-2027 – centres around four integrated strategic priorities that together will steward inclusive and sustainable growth that supports equitable, safe and complete communities to flourish.</p> <ul style="list-style-type: none"> • Homes for all: We will invest in affordable homes and economic opportunity for all that are part of inclusive and environmentally sustainable communities. • Climate aligned growth: As we grow, we will support a healthy environment where communities can thrive. Through intentional collaboration and creativity, we will support sustainable community growth. • Equitable services and opportunities: Through collaboration and innovative design, we will provide equitable, accessible services across Waterloo Region that support the social determinants of health and complete communities as we grow. • Resilient and future ready organization: The Region of Waterloo is a great place to work, where everyone is valued, feels they belong and where they have the support and tools to do a great job. We will be prepared for the future by providing a safe space for bold ideas and experimentation that transform services based on data and other ways of knowing.

2019 AM Policy	Comments	Proposed 2023 AM Policy
<p>Tangible Capital Assets (TCAs) – are non-financial assets having physical substance that:</p> <ul style="list-style-type: none"> a) are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets; b) have useful economic lives extending beyond one year; c) are used on a continuing basis; and d) are not for resale in the ordinary course of operations. 	<p>Region’s TCA threshold is very high (\$100k). This would exclude a lot of assets, but for AM criticality is also considered.</p>	<p>Tangible Capital Assets (TCAs) – are non-financial assets having physical substance that:</p> <ul style="list-style-type: none"> a) are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets; b) have useful economic lives extending beyond one year; c) are used on a continuing basis; and d) are not for resale in the ordinary course of operations. <p>In defining Tangible Capital Assets, capitalization thresholds are applied for accounting purposes and may not be applicable to defining an asset for asset management purposes.</p>
<p>Operating Principles:</p> <p>This Corporate Asset Management (AM) Policy provides direction and guidance for decision making in the management of assets for the following service areas:</p> <p>airport, transportation, transit, solid waste management, water and wastewater treatment and distribution, facilities, and fleet.</p>	<p>Current wording reflects organizational structure. Stormwater is in several other groups (e.g., transportation, solid waste management).</p> <p>Also include: green infrastructure (e.g., Regional forests which contribute to better air quality)? Regional police assets?</p> <p>From the 2023 Program Budgets →</p>	<p>Operating Principles:</p> <p>This Corporate Asset Management (AM) Policy provides direction and guidance for decision making in the management of assets for the following service areas:</p> <ul style="list-style-type: none"> • Children’s Services • Cultural Services • Facilities and Fleet Management Services • Housing Services • Information Technology Services • Paramedic Services • Region of Waterloo International Airport • Region of Waterloo Library • Seniors’ Services • Transit Services • Transportation Services • Waste Management Services • Water and Wastewater Services • Waterloo Regional Police Service.

2019 AM Policy	Comments	Proposed 2023 AM Policy
<p>1. Vision</p> <p>Regional staff and stakeholders will work together to continuously improve infrastructure services with comprehensive asset management practices that ensure that the right work is done at the right time, for the right reasons and at the right price to maximize the effectiveness of investment in tangible capital assets.</p> 	<p>Suggest something (e.g. “realize value from assets”) to replace TCA reference.</p>	<p>1. Vision</p> <p>Regional staff and stakeholders will work together to continuously improve infrastructure services with comprehensive asset management practices that ensure that the right work is done at the right time, for the right reasons and at the right price to realize value from assets.</p> 
<p>2. Goals</p> <p>The objectives of the Asset Management Policy are to:</p> <ul style="list-style-type: none"> • Formalize, standardize, and align the Region’s functions, practices and responsibilities associated with the management of the tangible capital assets used to support the delivery of services; • Communicate to stakeholders the management principles, a common purpose and approach endorsed by the Region, gaining their support and trust; and • Outline key responsibilities and review processes for asset management 	<p>First bullet to reference the AM Framework (and software).</p> <p>Second bullet to reference Operating Principles (is currently hard to understand)</p> <p>Third bullet to reference Responsibilities</p> <p>Why reference TCA?</p>	<p>2. Goals</p> <p>The objectives of the Asset Management Policy are to:</p> <ul style="list-style-type: none"> • Provide a framework for setting asset management objectives (the Region’s Asset Management Framework is provided in the Appendix) • Provide a commitment to satisfy applicable requirements including O.Reg. 588/17 Asset Management Planning for Municipal Infrastructure, made under the Infrastructure for Jobs and Prosperity Act, 2015 • Provide a commitment to continual improvement of the asset management system • Outline key responsibilities and review processes for asset management

2019 AM Policy	Comments	Proposed 2023 AM Policy
<p>3. Strategic Alignment</p> <p>The corporate asset management vision requires alignment with federal and provincial legislation, and the Region’s strategic goals, policies and plans at any given time. To achieve this vision, the Region will integrate asset management planning with other municipal processes and documents, such as:</p> <ul style="list-style-type: none"> • The Strategic Plan • Financial Plans • Master Plans • Business Plans • Official Plan • Climate Change Adaptation & Mitigation Plans • Corporate Energy Plan <p>These plans each have their own review and approval cycle. The Strategic Asset Management Plan will be based on the current version of each of these.</p>	<p>Reviewed based on recent update to Strategic Plan</p>	<p>3. Strategic Alignment</p> <p>The corporate asset management vision requires alignment with federal and provincial legislation, and the Region’s strategic goals, policies and plans at any given time. To achieve this vision, the Region will integrate asset management planning with other municipal processes and documents, such as:</p> <ul style="list-style-type: none"> • The Strategic Plan • Financial Plans • Master Plans • Annual Business Plans • Official Plan • Climate Change Adaptation & Mitigation Plans • Corporate Energy Plan <p>These plans each have their own review and approval cycle. The Strategic Asset Management Plan will be based on the current version of each of these.</p>
<p>4. Guiding Principles</p> <p>In its asset management planning, the Region will strike a balance between its organizational capacity, financial and stakeholder support, local needs, risks and vulnerabilities. The following key principles will guide the Region in making its asset management decisions. Some of the principles reference services provided by external agencies but must be considered in asset management planning.</p>	<p>No comments</p>	<p>4. Guiding Principles</p> <p>In its asset management planning, the Region will strike a balance between its organizational capacity, financial and stakeholder support, local needs, risks and vulnerabilities. The following key principles will guide the Region in making its asset management decisions. Some of the principles reference services provided by external agencies but must be considered in asset management planning.</p>
<p>Forward looking: The Region shall take a long-term view while considering demographic and economic trends in the region.</p>	<p>(IJP#1) Add climate trends</p>	<p>Forward looking: The Region shall take a long-term view while considering demographic, economic and climate trends in the region.</p>

2019 AM Policy	Comments	Proposed 2023 AM Policy
<p>Budgeting and planning: The Region shall take into account any applicable budgets or fiscal plans, such as fiscal plans released under the following:</p> <ul style="list-style-type: none"> • Fiscal Transparency and Accountability Act, 2004; • Budgets adopted under Part VII of the Municipal Act, 2001; and • Safe Drinking Water Act, 2002 	<p>(IJP#2) Currently working with Finance to create a “living” AM Plan that better integrates planning with budgeting (enabled by the Decision Support System)</p>	<p>Budgeting and planning: The Region shall take into account any applicable budgets or fiscal plans, such as fiscal plans released under the following:</p> <ul style="list-style-type: none"> • Fiscal Transparency and Accountability Act, 2004 which outlines the fiscal planning and reporting requirements of the Ontario provincial government; • Budgets adopted under Part VII of the Municipal Act, 2001 which outlines the roles and responsibilities of Ontario municipal governments; • Development Charges Act, 1997 which prescribes the regime of funding for growth related infrastructure, and • Safe Drinking Water Act, 2002
<p>Prioritizing: The Region shall clearly identify infrastructure priorities which will drive investment decisions.</p>	<p>(IJP#3) Also optimize LOS-Risk-COS tradeoffs</p>	<p>Prioritizing: The Region shall clearly identify infrastructure priorities to better inform investment decisions.</p>
<p>Economic development: The Region shall promote economic competitiveness, productivity, job creation, and training opportunities.</p>	<p>(IJP#5) No comments</p>	<p>Economic development: The Region shall promote economic competitiveness, productivity, job creation, and training opportunities.</p>
<p>Transparency: The Region shall be evidence-based and transparent. Additionally, subject to any prohibitions under an Act or otherwise by law on the collection, use, or disclosure of information, the Region shall:</p> <ul style="list-style-type: none"> • Collect and use current and accurate asset information that is available to all that need it, • Make decisions with respect to infrastructure based on information that is publicly available or made available to the public, and • Share information with implications on infrastructure and investment decisions with the Government and broader public sector entities. 	<p>(IJP#8) No comments</p>	<p>Transparency: The Region shall be evidence-based and transparent. Additionally, subject to any prohibitions under an Act or otherwise by law on the collection, use, or disclosure of information, the Region shall:</p> <ul style="list-style-type: none"> • Collect and use current and accurate asset information that is available to all that need it, • Make decisions with respect to infrastructure based on information that is publicly available or made available to the public, and • Share information with implications on infrastructure and investment decisions with the Government and broader public sector entities.
<p>Reliability: The Region shall ensure the continued provision of core public services, including those provided by broader public sector entities, such as health care and education.</p>	<p>(IJP#4) No comments</p>	<p>Reliability: The Region shall ensure the continued provision of core public services, including those provided by broader public sector entities, such as health care and education.</p>

2019 AM Policy	Comments	Proposed 2023 AM Policy
<p>Environmentally conscious: The Region shall minimize the impact of infrastructure on the environment by:</p> <ul style="list-style-type: none"> • Respecting and helping maintain ecological and biological diversity; • Augmenting resilience to the effects of climate change; and • Endeavouring to make use of acceptable recycled aggregates. 	<p>(IJP#11&12) Wording based on the IJP</p>	<p>Environmentally conscious: The Region shall:</p> <ul style="list-style-type: none"> • Minimize the impact of infrastructure on the environment; • Respect and help maintain ecological and biological diversity; • Design infrastructure to be resilient to the effects of climate change; • Endeavour to make use of acceptable recycled materials, including aggregates.
<p>Health and safety: The Region shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.</p>	<p>(IJP#6) Add customers and others</p>	<p>Health and safety: The Region shall ensure that the health and safety of workers, customers and others is protected, including those involved in the construction and maintenance of infrastructure assets.</p>
<p>Community focused: The Region shall 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:</p> <ul style="list-style-type: none"> • Local job creation and training opportunities; • Improvement of public space within the community; • Promoting accessibility for persons with disabilities; and • Providing documented and accepted levels of service through citizen and stakeholder engagement described in Section 9. 	<p>(IJP#10&13) Why are community benefits considered supplementary to an infrastructure project? (direct wording from the Act) Added recognition of the environment Add recognition of diversity, inclusion and equity for people</p>	<p>Community focused: The Region shall promote community benefits, being the supplementary social, environmental 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:</p> <ul style="list-style-type: none"> • Local job creation and training opportunities; • Improvement of public space within the community; • Promoting reconciliation, diversity, inclusion and equity (REDI) for marginalized communities facing exclusion based on attitudinal, historic, social and environmental barriers based on age, ethnicity, visible and invisible disability, economic status, gender, nationality, race, sexual orientation, gender identity, etc; • Committing to better understanding reconciliation, diversity, inclusion and equity (REDI) for the citizens of the Region through their interaction with the Region's infrastructure assets • Providing documented and accepted levels of service through citizen and stakeholder engagement.
<p>Innovation and Continuous Improvement: The Region shall continuously improve its Asset Management Practices through a comprehensive knowledge management approach. The Region shall create opportunities to make use of innovative technologies, services, and practices, particularly where doing so would utilize technology, techniques, and practices developed in Ontario.</p>	<p>(IJP#7) Reference using new scientific information and models Added "information"</p>	<p>Innovation and continuous improvement: The Region shall continuously improve its Asset Management Practices through a comprehensive knowledge management approach. The Region shall create opportunities to make use of innovative technologies, information, services, and practices, particularly where doing so would utilize technology, techniques, and practices developed in Ontario.</p>

2019 AM Policy	Comments	Proposed 2023 AM Policy
<p>Integration: The Region shall where relevant and appropriate, be mindful and 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 surrounding the infrastructure that supports them.</p>	<p>(IJP#9) Seems a bit wordy</p>	<p>Integration: The Region shall, where relevant and appropriate, be mindful and 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 surrounding the infrastructure that supports them.</p>
<p>Risk-based: The Region will monitor and address risk associated with asset failure by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding cost/benefit. Lifecycle costing and risk analysis processes will be consistently applied when evaluating competing asset investment needs across asset types. This approach will facilitate prioritization and optimization of capital investment in the Region’s assets.</p>	<p>Risk of asset failure versus failure to meet LOS. Very detailed for a guiding principle. Reword to frame as LOS-Risk-COS trade-off. Review requirements of the Act.</p>	<p>Risk-based: The Region will manage the risks associated with providing agreed levels of service by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding costs and benefits. Full lifecycle costing and risk analysis processes will be consistently applied when evaluating competing asset investment needs within and across asset types. This approach will facilitate prioritization and optimization of capital investment in the Region’s assets.</p>
<p>Value-based and affordable: The Region will choose practices, interventions and operations that minimize costs of asset ownership and service delivery, while satisfying agreed levels of service. Decisions will be based on balancing service levels, risks, and costs to ensure assets are sustainable and appropriate for use.</p>	<p>Incorporate consideration of the full lifecycle of the assets, rationalization, trade-offs Consider rewording to “most affordable”</p>	<p>Value-based and affordable: The Region will choose practices, interventions and operations that minimize the full lifecycle costs of asset ownership and service delivery, while providing agreed levels of service. Decisions will be based on balancing service levels, risks, and costs to ensure services and supporting assets are sustainable, appropriate, reliable and most affordable in both the short and long term.</p>
<p>5. Capital Thresholds Assets whose role in service delivery requires deliberate management by the Region, for example those that pose substantial risk to the Region, will be included in the Strategic Asset Management Plan. The service-focus intent of this Policy differentiates its requirements for identifying assets from the capitalization thresholds, which are developed for the purposes of financial reporting. For this reason, the capitalization threshold developed for financial reporting will not necessarily be the guide in selecting the assets covered by asset management planning processes.</p>	<p>Hard to understand, prefer just the last sentence.</p>	<p>5. Capital Thresholds Assets whose role in service delivery requires deliberate management by the Region, for example those that pose substantial risk to the Region, will be included in the Strategic Asset Management Plan regardless of their asset valuation. The service-focus intent of this Policy differentiates its requirements for identifying assets from accounting standards capitalization thresholds, which are developed for the purposes of financial reporting. For this reason, there may be assets included in the asset management plan that are not reflected in the book value of assets on the Region’s financial statements.</p>

2019 AM Policy	Comments	Proposed 2023 AM Policy
<p>6. Budgeting</p> <p>Asset management planning will encompass sound financial analysis that will be completed by a multi-disciplinary team comprised of representative(s) from finance and the service areas, and documented in the financial strategy section of the Strategic Asset Management Plan. The financial analysis used for the Strategic Asset Management Plan will align with existing financial plans. The alignment will stem from a multi-disciplinary team, common analytical methods followed, and common data sources used. The Region will integrate findings from the Strategic Asset Management Plan into its long-term financial planning and budgeting processes.</p> <p>The following elements of the Strategic Asset Management Plan will be referenced by the service area in the preparation of their budget submission:</p> <ul style="list-style-type: none"> • Forecasted spending needs identified in the plan; • Prioritization of spending needs; • All potential revenues and costs (operating, maintenance, renewal, and decommissioning) associated with forthcoming tangible capital asset decisions including new assets; and • New revenue tools and alternative funding strategies where possible. <p>Comprehensive financial planning strategies and processes will be applied across all asset types to ensure long-term affordability. Funding and service delivery opportunities to achieve cost savings will be explored where appropriate. The Budget Committee will review the submission prepared by each service area to approve the Region’s annual budget.</p>	<p>Some Service Areas only provide Finance what can be afforded, not the cost of the activities needed to deliver the service</p> <p>The difference between what is needed and what is planned in terms of resources available forms part of the infrastructure gap</p>	<p>6. Budgeting</p> <p>Asset management planning will encompass sound financial analysis that will be completed by a multi-disciplinary team comprised of representative(s) from finance and the service areas, and documented in the financial strategy section of the Strategic Asset Management Plan. The financial analysis used for the Strategic Asset Management Plan will align with existing financial plans to the extent possible with further consideration to the resources available to deliver on these plans. The alignment will stem from a multi-disciplinary team, common analytical methods followed, and common data sources used. The Region will integrate findings from the Strategic Asset Management Plan into its long-term financial planning and budgeting processes.</p> <p>The following elements of the Strategic Asset Management Plan will be referenced by the service area in the preparation of their budget submission:</p> <ul style="list-style-type: none"> • Forecasted spending needs identified in the plan; • Prioritization of spending needs; • All potential revenues and costs (operating, maintenance, renewal, and decommissioning) associated with forthcoming tangible capital asset decisions including new assets; and • New revenue tools and alternative funding strategies where possible. <p>Comprehensive financial planning strategies and processes will be applied across all asset types to ensure long-term affordability. Funding and service delivery opportunities to achieve cost savings will be explored where appropriate. The Budget Committee will review the submission prepared by each service area to approve the Region’s annual budget and ten year capital program on an annual basis and the infrastructure gap (i.e., what is needed versus what is planned for funding) will be calculated periodically and reported to Council as a measure of long term financial sustainability.</p>

2019 AM Policy	Comments	Proposed 2023 AM Policy
<p>7. Community Planning</p> <p>Community planning for development and/or redevelopment, that may require new assets or existing asset enhancements, will be done in consultation with asset managers, and will give consideration to operational and financial asset impacts based on lifecycle analysis and financial sustainability principles. Parties involved in the development of the Strategic Asset Management Plan will reference the direction established in the Official Plan and Master Plans, as well as the methods, assumptions, and data used in their development. The aim of cross-referencing these plans is to ensure that development and redevelopment occur within the Region’s means through an understanding and consideration of current and future asset needs</p>	<p>Changes: Bill 23 More Homes Built Faster Act, 2022 and PPS 2020</p>	<p>7. Community Planning</p> <p>Community planning for development and/or redevelopment, that may require new assets or existing asset enhancements, will be done in consultation with asset managers, and will give consideration to operational and financial asset impacts based on lifecycle analysis and financial sustainability principles. Parties involved in the development of the Strategic Asset Management Plan will reference the direction established in the Official Plan and Master Plans, as well as the methods, assumptions, and data used in their development. The aim of cross-referencing these plans is to ensure that development and redevelopment occur within the Region’s means through an understanding and consideration of current and future asset needs.</p>
<p>8. Climate Change</p> <p>The Region commits to embedding climate change considerations in asset management planning, and to the development of tailored actions that make the best use of its resources to mitigate and adapt to climate change. Where practical, programs will strive to go beyond minimum legislative solutions to help ensure assets are increasingly resilient to changing social, climate, environmental and economic conditions, and to mitigate future climate impacts such as greenhouse gas emissions reduction. Bolstering resilience to climate change in the Region may involve modifying the scope of current operations, anticipating possible costs to support contingency funds, leveraging alternative funding mechanisms, integrating the emergency management perspective to planning, and revising levels of service</p>	<p>Strive to go beyond minimum legislative requirements “bolstering” should be “increasing” Actions should include increased use of green infrastructure Add “proactive AM planning” after “leveraging alternative funding mechanisms”</p>	<p>8. Climate Change</p> <p>The Region commits to embedding climate change considerations in asset management planning, and to the development of tailored actions that make the best use of its resources to mitigate and adapt to climate change including considerations related to infrastructure as outlined in TransformWR. Where practical, programs will strive to go beyond minimum legislative solutions to help ensure assets are increasingly resilient to changing social, climate, environmental and economic conditions, and to mitigate future climate impacts such as greenhouse gas emissions reduction. Increasing resilience to climate change in the Region may involve modifying the scope of current operations, anticipating possible costs to support contingency funds, leveraging alternative funding mechanisms, increasing use of green infrastructure, proactive asset and emergency management planning, and revising levels of service.</p>

2019 AM Policy	Comments	Proposed 2023 AM Policy
<p>9. Citizen and Stakeholder Engagement</p> <p>The Region provides its citizens and stakeholders with the municipal services they need within the bounds of regulatory requirements, the built environment, and the natural environment. To achieve this goal, the Region will seek to understand the needs of current citizens and stakeholders and consider the needs of future generations, and incorporate these perspectives into the Strategic Asset Management Plan. The Region recognizes the various citizens and stakeholders as an integral part of the asset management approach. Accordingly, the Region will:</p> <ul style="list-style-type: none"> • Provide access and opportunities for citizens and stakeholders to contribute provide input in asset management planning through strategic planning, master planning and environmental assessment processes; • Ensure individuals and groups are treated fairly and respectfully during any engagement process and; • Coordinate asset management planning with other infrastructure asset owning agencies such as local municipalities and regulated utilities. 	<p>Provide to Communications for review and update as required</p> <p>Multiple groups within the Region engage with the public (e.g., planning, EAs) Reference LOS surveys with the public</p> <p>Change “local” to “area”</p> <p>Need to include public input / engagement, to coordinate across departments</p> <p>acknowledge services based on resident needs and priorities</p> <p>citizens can be exclusive language to some groups – could just say residents</p>	<p>9. Citizen and Stakeholder Engagement</p> <p>The Region provides its residents and stakeholders with the municipal services they need within the bounds of regulatory requirements, the built environment, and the natural environment. The Region recognizes the importance that residents give to the spaces and places they live and work in each day. The Region seeks to understand the needs and priorities of current residents and stakeholders, considers the needs of future generations, and incorporates these perspectives into the Strategic Asset Management Plan. The Region recognizes the various residents and stakeholders as an integral part of the asset management approach. Accordingly, the Region will:</p> <ul style="list-style-type: none"> • Provide meaningful opportunities for residents and stakeholders to provide input in asset management planning through strategic planning, master planning and environmental assessment processes; • Ensure individuals and groups are treated fairly and respectfully during any engagement process • Collaborate with Indigenous leaders to ensure that our responsibilities under the Truth and Reconciliation Calls to Action are honoured, and; • Coordinate asset management planning across service lines and with other infrastructure asset owning agencies such as area municipalities and regulated utilities.
<p>Responsibilities:</p> <p>An Asset Management Governance Structure has been established to lead the development of AM tools and practices and to oversee their application across the organization. The following details the responsibilities of the key stakeholders within the Region:</p>	<p>Under review as part of the Governance Structure Review and Update</p> <p>AM Working Group term no longer used</p> <p>Include a single executive lead</p> <p>AM is an organizational task, not just CAMO or DAMOs</p> <p>- All staff and all people have some ownership and responsibility</p>	<p>Responsibilities:</p> <p>An Asset Management Governance Structure has been established to lead the development of AM tools and practices and to oversee their application across the organization. The following details the responsibilities of key stakeholders with some ownership and responsibility for asset management within the Region:</p>

2019 AM Policy	Comments	Proposed 2023 AM Policy
<p>Council</p> <ul style="list-style-type: none"> • Approves, by resolution, the Asset Management Policy and its updates as necessary every four years; • Approves, by resolution, the Strategic Asset Management Plan and its updates every four years; • Approves, by resolution, the Asset Management Planning Progress Review on or before July 1 of every year; and • Supports ongoing efforts to continuously improve and implement the Strategic Asset Management Plan. 	<p>Under review as part of the Governance Structure Review and Update</p>	<p>Council</p> <ul style="list-style-type: none"> • Approves, by resolution, the Asset Management Policy and its updates as necessary every four years; • Approves, by resolution, the Strategic Asset Management Plan and its updates every four years; • Approves, by resolution, the Asset Management Planning Progress Review on or before July 1 of every year; and • Supports ongoing efforts to continuously improve and implement the Strategic Asset Management Plan.
<p>Corporate Leadership Team and Asset Management Steering Committee</p> <ul style="list-style-type: none"> • Provides executive level oversight regarding the strategic and change elements of Asset Management; • Endorses the Asset Management Policy and Strategic Asset Management Plan updates every four years; • Endorses the Asset Management Planning Progress Review before July 1 of every year; • Maintains compliance with the Asset Management Policy and provincial asset management regulation; and • Supports ongoing efforts to continuously improve and implement the Strategic Asset Management Plan. • Supports citizen and stakeholder engagement • Is committed to transparency and accountability in decision making 		<p>Corporate Leadership Team and Asset Management Steering Committee</p> <ul style="list-style-type: none"> • Provides executive level oversight regarding the strategic and change elements of Asset Management; • Endorses the Asset Management Policy and Strategic Asset Management Plan updates every four years; • Endorses the Asset Management Planning Progress Review before July 1 of every year; • Maintains compliance with the Asset Management Policy and provincial asset management regulation; and • Supports ongoing efforts to continuously improve and implement the Strategic Asset Management Plan. • Supports citizen and stakeholder engagement • Is committed to transparency and accountability in decision making
		<p>AMO To be added</p>

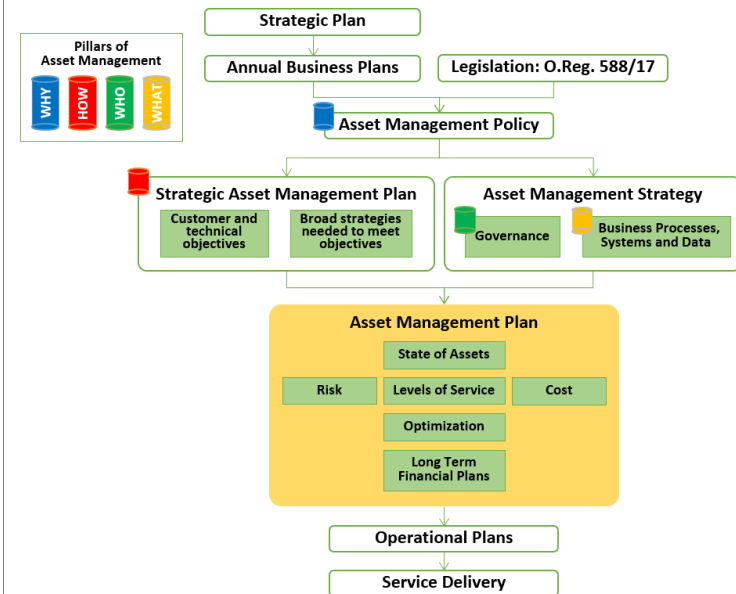
2019 AM Policy	Comments	Proposed 2023 AM Policy
<p>Department Asset Management Leads</p> <ul style="list-style-type: none"> • Chair Asset Management Working Group meetings on a rotation schedule; • Attend the Steering Committee meetings to present information for approval and bring direction back to the Working Group; • Ensure that Steering Committee is engaged appropriately for key decision points; and • Ensure timely resolution of issues and escalate to the Asset Management Steering Committee as necessary. • Is committed to all the operating principles within the Corporate Asset Management policy. 	<p>Under review as part of the Governance Structure Review and Update</p>	<p>Department Asset Management Leads</p> <ul style="list-style-type: none"> • Chair Asset Management Working Group meetings on a rotation schedule; • Attend the Steering Committee meetings to present information for approval and bring direction back to the Working Group; • Ensure that Steering Committee is engaged appropriately for key decision points; and • Ensure timely resolution of issues and escalate to the Asset Management Steering Committee as necessary. • Is committed to all the operating principles within the Corporate Asset Management policy.

2019 AM Policy	Comments	Proposed 2023 AM Policy
<p>Asset Management Working Group</p> <ul style="list-style-type: none"> • Reports to the Department Asset Management Leads; • Communicates with stakeholders about the asset management system to increase awareness of their role in asset management decision-making including the value of the activities they are undertaking and the asset information they are providing; • Identifies and develops asset management knowledge, skills and training programs, aligned with corporate competency frameworks; • Identifies and develops citizen engagement knowledge, skills and training programs, to ensure there is access and opportunity for the citizens and stakeholders to contribute to decision making; • Is committed to a transparent and accountable decision making process; • Reviews and updates the Asset Management Policy every four years based on input from department leads; • Prepares the Strategic Asset Management Plan and its updates every four years based on input from service areas. Conducts the AM Planning Progress Review; and • Creates necessary guiding strategies and supporting frameworks at the corporate level to continuously improve and adopt appropriate asset management planning and management practices. 	<p>Under review as part of the Governance Structure Review and Update</p> <p>Suggest that this be reviewed...what is the responsibility of the Working group vs. AMO...Incorporate language to clarify what is led by AMO and supported by the working group members</p> <p>Not sure this is accurate. Some groups report to divisional leadership.</p>	<p>Asset Management Working Group</p> <ul style="list-style-type: none"> • Reports to the Department Asset Management Leads; • Communicates with stakeholders about the asset management system to increase awareness of their role in asset management decision-making including the value of the activities they are undertaking and the asset information they are providing; • Identifies and develops asset management knowledge, skills and training programs, aligned with corporate competency frameworks; • Identifies and develops citizen engagement knowledge, skills and training programs, to ensure there is access and opportunity for the citizens and stakeholders to contribute to decision making; • Is committed to a transparent and accountable decision making process; • Reviews and updates the Asset Management Policy every four years based on input from department leads; • Prepares the Strategic Asset Management Plan and its updates every four years based on input from service areas. Conducts the AM Planning Progress Review; and • Creates necessary guiding strategies and supporting frameworks at the corporate level to continuously improve and adopt appropriate asset management planning and management practices.

Appendix – Regional AM Framework

The Regional AM Framework, as shown in Figure A-1, represents the integrated relationship between elements of an effective asset management system, and provides a structure for standardization and consistency of asset management practices across the organization.

Figure A-1 Regional AM Framework



The elements of the AM Framework together with related policies, plans, strategies and appropriate technologies will provide a solid foundation for the implementation of asset management in accordance with the principles and concepts outlined in this policy.

2019 AM Policy	Comments	Proposed 2023 AM Policy
		<p>The four Pillars of Asset Management describe the strategic elements of the AM Framework:</p> <p>Why: The Asset Management Policy provides the intentions and direction of the Region, as formally expressed by senior management</p> <p>How: The Strategic Asset Management Plan (SAMP) documents how organizational objectives are to be converted into asset management objectives, the approach for developing asset management plans, and the role of the asset management system in supporting achievement of the asset management objectives</p> <p>The Asset Management Strategy provides an assessment of current asset management practice governance structure, business processes, systems and data against leading industry practice and outlines an improvement plan to achieve agreed performance levels</p> <p>Who: The AM Practice Governance Structure outlines how people interact with the Region and with external stakeholders to guide and monitor operations</p> <p>What: The AM Practice Business Processes, Systems and Data are the activities, enabled by systems and data, that achieve the Region's asset management and organizational objectives.</p> <p>The Asset Management Plan documents the planning information that specifies the activities, resources and timescales required for an individual asset, or grouping of assets, to achieve the organization's asset management objectives. The asset management planning process includes a description of the current state of the assets, defines current and proposed levels of service, assesses the risks and costs of not meeting levels of service, optimizes service-risk-cost trade-offs, and informs long term financial plans.</p> <p>Operational Plans consider the near term needs identified in the asset management plan and document asset specific data, cost-benefit options analysis and bundled projects after discussion with stakeholders and obtaining approval for funding through the budget development process.</p>

4 Implement the AM Policy

Steps to implement the AM Policy include:

- **Publish the Policy:** This work will be achieved by following local guidelines and administrative norms for submitting documents to Council.
- **Adopt the asset management plans:** This work will be achieved by following local guidelines and administrative norms for submitting documents to the CAO and Council.
- **Budget with asset management plans:** The scope of this work will be determined by local budgeting practices and service managers' needs.
- **Annual review by Council:** The scope of this work will be determined by the organizational culture and local administrative norms.
- **Ongoing engagement:** This work will be achieved by following local stakeholder engagement methods and norms.

Appendix A

Corporate AM Policy – 2019 (Current)

Policy Statement:

The Region will formalize practices and responsibilities associated with the management of tangible capital assets, communicate relevant policies and programs to internal and external stakeholders and review this Policy regularly to ensure that it continues to be appropriate for the Region's asset management program.

Definitions:

Tangible Capital Assets (TCAs) – are non-financial assets having physical substance that:

- a) are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- b) have useful economic lives extending beyond one year;
- c) are used on a continuing basis; and
- d) are not for resale in the ordinary course of operations.

Asset Management – The systematic and coordinated activities and practices of an organization to optimally and sustainably deliver on its objectives through the cost-effective lifecycle management of assets.

Asset Management Practices – The processes and techniques (people, data, and systems) that an organization undertakes to plan, implement, and measure effective asset management. Examples of processes include demand forecasting, developing and monitoring levels of service, operational and renewal planning, and risk management. Techniques include the use of software and other data management methods to record, maintain, and analyse information for asset investment decision-making.

Asset Management Planning Progress Review – Annual review required before July 1 of every year (per Ontario Regulation 588/17) that includes progress on ongoing efforts to implement the Strategic Asset Management Plan, factors affecting the ability of the Region to implement its Strategic Asset Management Plan, and a strategy to address these factors including the adoption of appropriate practices.

Strategic Asset Management Plan – Defines Senior Management's commitment and approach to achieving this Policy. It establishes best asset management practices and identifies recommended actions to be undertaken to improve or enhance the asset management capability and achieve strategic objectives. It will summarize the characteristics, condition, and risk exposure of assets. It will outline activities for each asset type with input from all Regional functional areas with recommended financing strategies to provide a defined level of service in the most cost effective way.

Master Plan – A long range plan which integrates tangible capital asset requirements for existing and future needs as defined by levels of service.

Operating Principles:

This Corporate Asset Management (AM) Policy provides direction and guidance for decision making in the management of assets for the following service areas:

airport, transportation, transit, solid waste management, water and wastewater treatment and distribution, facilities, and fleet.

1. Vision

Regional staff and stakeholders will work together to continuously improve infrastructure services with comprehensive asset management practices that ensure that the right work is done at the right time, for the right reasons and at the right price to maximize the effectiveness of investment in tangible capital assets.



2. Goals

The objectives of the Asset Management Policy are to:

- Formalize, standardize, and align the Region’s functions, practices and responsibilities associated with the management of the tangible capital assets used to support the delivery of services;
- Communicate to stakeholders the management principles, a common purpose and approach endorsed by the Region, gaining their support and trust; and
- Outline key responsibilities and review processes for asset management

3. Strategic Alignment

The corporate asset management vision requires alignment with federal and provincial legislation, and the Region’s strategic goals, policies and plans at any given time. To achieve this vision, the Region will integrate asset management planning with other municipal processes and documents, such as:

- The Strategic Plan
- Financial Plans
- Master Plans
- Business Plans
- Official Plan
- Climate Change Adaptation & Mitigation Plans
- Corporate Energy Plan

These plans each have their own review and approval cycle. The Strategic Asset Management Plan will be based on the current version of each of these.

4. Guiding Principles

In its asset management planning, the Region will strike a balance between its organizational capacity, financial and stakeholder support, local needs, risks and vulnerabilities. The following key principles will guide the Region in making its asset management decisions. Some of the principles reference services provided by external agencies but must be considered in asset management planning.

Forward looking: The Region shall take a long-term view while considering demographic and economic trends in the region.

Budgeting and planning: The Region shall take into account any applicable budgets or fiscal plans, such as fiscal plans released under the following:

- Fiscal Transparency and Accountability Act, 2004;
- Budgets adopted under Part VII of the Municipal Act, 2001; and

- Safe Drinking Water Act, 2002

Prioritizing: The Region shall clearly identify infrastructure priorities which will drive investment decisions.

Economic development: The Region shall promote economic competitiveness, productivity, job creation, and training opportunities.

Transparency: The Region shall be evidence-based and transparent. Additionally, subject to any prohibitions under an Act or otherwise by law on the collection, use, or disclosure of information, the Region shall:

- Collect and use current and accurate asset information that is available to all that need it,
- Make decisions with respect to infrastructure based on information that is publicly available or made available to the public, and
- Share information with implications on infrastructure and investment decisions with the Government and broader public sector entities.

Reliability: The Region shall ensure the continued provision of core public services, including those provided by broader public sector entities, such as health care and education.

Environmentally conscious: The Region shall minimize the impact of infrastructure on the environment by:

- Respecting and helping maintain ecological and biological diversity;
- Augmenting resilience to the effects of climate change; and
- Endeavouring to make use of acceptable recycled aggregates.

Health and safety: The Region shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.

Community focused: The Region shall 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;
- Promoting accessibility for persons with disabilities; and
- Providing documented and accepted levels of service through citizen and stakeholder engagement described in Section 9.

Innovation and Continuous Improvement: The Region shall continuously improve its Asset Management Practices through a comprehensive knowledge management approach. The Region shall create opportunities to make use of innovative technologies, services, and practices, particularly where doing so would utilize technology, techniques, and practices developed in Ontario.

Integration: The Region shall where relevant and appropriate, be mindful and 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 surrounding the infrastructure that supports them.

Risk-based: The Region will monitor and address risk associated with asset failure by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding cost/benefit. Lifecycle costing and risk analysis processes will be consistently

applied when evaluating competing asset investment needs across asset types. This approach will facilitate prioritization and optimization of capital investment in the Region's assets.

Value-based and affordable: The Region will choose practices, interventions and operations that minimize costs of asset ownership and service delivery, while satisfying agreed levels of service. Decisions will be based on balancing service levels, risks, and costs to ensure assets are sustainable and appropriate for use.

5. Capital Thresholds

Assets whose role in service delivery requires deliberate management by the Region, for example those that pose substantial risk to the Region, will be included in the Strategic Asset Management Plan. The service-focus intent of this Policy differentiates its requirements for identifying assets from the capitalization thresholds, which are developed for the purposes of financial reporting. For this reason, the capitalization threshold developed for financial reporting will not necessarily be the guide in selecting the assets covered by asset management planning processes.

6. Budgeting

Asset management planning will encompass sound financial analysis that will be completed by a multi-disciplinary team comprised of representative(s) from finance and the service areas, and documented in the financial strategy section of the Strategic Asset Management Plan. The financial analysis used for the Strategic Asset Management Plan will align with existing financial plans. The alignment will stem from a multi-disciplinary team, common analytical methods followed, and common data sources used. The Region will integrate findings from the Strategic Asset Management Plan into its long-term financial planning and budgeting processes.

The following elements of the Strategic Asset Management Plan will be referenced by the service area in the preparation of their budget submission:

- Forecasted spending needs identified in the plan;
- Prioritization of spending needs;
- All potential revenues and costs (operating, maintenance, renewal, and decommissioning) associated with forthcoming tangible capital asset decisions including new assets; and
- New revenue tools and alternative funding strategies where possible.

Comprehensive financial planning strategies and processes will be applied across all asset types to ensure long-term affordability. Funding and service delivery opportunities to achieve cost savings will be explored where appropriate. The Budget Committee will review the submission prepared by each service area to approve the Region's annual budget.

7. Community Planning

Community planning for development and/or redevelopment, that may require new assets or existing asset enhancements, will be done in consultation with asset managers, and will give consideration to operational and financial asset impacts based on lifecycle analysis and financial sustainability principles. Parties involved in the development of the Strategic Asset Management Plan will reference the direction established in the Official Plan and Master Plans, as well as the methods, assumptions, and data used in their development. The aim of cross-referencing these plans is to ensure that development and redevelopment occur within the Region's means through an understanding and consideration of current and future asset needs.

8. Climate Change

The Region commits to embedding climate change considerations in asset management planning, and to the development of tailored actions that make the best use of its resources to mitigate and adapt to climate change. Where practical, programs will strive to go beyond minimum legislative solutions to help ensure assets are increasingly resilient to changing social, climate, environmental and economic conditions, and to mitigate future climate impacts such as greenhouse gas emissions reduction. Bolstering resilience to climate change in the Region may involve modifying the scope of current operations, anticipating possible costs to support contingency funds, leveraging alternative funding mechanisms, integrating the emergency management perspective to planning, and revising levels of service.

9. Citizen and Stakeholder Engagement

The Region provides its citizens and stakeholders with the municipal services they need within the bounds of regulatory requirements, the built environment, and the natural environment. To achieve this goal, the Region will seek to understand the needs of current citizens and stakeholders and consider the needs of future generations, and incorporate these perspectives into the Strategic Asset Management Plan. The Region recognizes the various citizens and stakeholders as an integral part of the asset management approach. Accordingly, the Region will:

- Provide access and opportunities for citizens and stakeholders to contribute provide input in asset management planning through strategic planning, master planning and environmental assessment processes;
- Ensure individuals and groups are treated fairly and respectfully during any engagement process and;
- Coordinate asset management planning with other infrastructure asset owning agencies such as local municipalities and regulated utilities.

Responsibilities:

An Asset Management Governance Structure has been established to lead the development of AM tools and practices and to oversee their application across the organization. The following details the responsibilities of the key stakeholders within the Region:

Council

- Approves, by resolution, the Asset Management Policy and its updates as necessary every four years;
- Approves, by resolution, the Strategic Asset Management Plan and its updates every four years;
- Approves, by resolution, the Asset Management Planning Progress Review on or before July 1 of every year; and
- Supports ongoing efforts to continuously improve and implement the Strategic Asset Management Plan.

Corporate Leadership Team and Asset Management Steering Committee

- Provides executive level oversight regarding the strategic and change elements of Asset Management;

- Endorses the Asset Management Policy and Strategic Asset Management Plan updates every four years;
- Endorses the Asset Management Planning Progress Review before July 1 of every year;
- Maintains compliance with the Asset Management Policy and provincial asset management regulation; and
- Supports ongoing efforts to continuously improve and implement the Strategic Asset Management Plan.
- Supports citizen and stakeholder engagement
- Is committed to transparency and accountability in decision making

Department Asset Management Leads

- Chair Asset Management Working Group meetings on a rotation schedule;
- Attend the Steering Committee meetings to present information for approval and bring direction back to the Working Group;
- Ensure that Steering Committee is engaged appropriately for key decision points; and
- Ensure timely resolution of issues and escalate to the Asset Management Steering Committee as necessary.
- Is committed to all the operating principles within the Corporate Asset Management policy.

Asset Management Working Group

- Reports to the Department Asset Management Leads;
- Communicates with stakeholders about the asset management system to increase awareness of their role in asset management decision-making including the value of the activities they are undertaking and the asset information they are providing;
- Identifies and develops asset management knowledge, skills and training programs, aligned with corporate competency frameworks;
- Identifies and develops citizen engagement knowledge, skills and training programs, to ensure there is access and opportunity for the citizens and stakeholders to contribute to decision making;
- Is committed to a transparent and accountable decision making process;
- Reviews and updates the Asset Management Policy every four years based on input from department leads;
- Prepares the Strategic Asset Management Plan and its updates every four years based on input from service areas. Conducts the AM Planning Progress Review; and
- Creates necessary guiding strategies and supporting frameworks at the corporate level to continuously improve and adopt appropriate asset management planning and management practices.

Appendix B

Corporate AM Policy – 2023 (Updated)

Policy Statement:

The Region will formalize practices and responsibilities associated with the management of tangible capital assets, communicate relevant policies and programs to internal and external stakeholders and review this Policy regularly to ensure that it continues to be appropriate for the Region's asset management program.

Definitions:

Asset Management – The coordinated activity of an organization to realize value from assets. (ISO 55000:2014) Where:

- an “asset” is an item, thing, or entity that has potential value to an organization
- “realization of value” will normally involve a balancing of costs, risks, opportunities, and performance benefits
- “activity” has a broad meaning and can include the approach, the planning, the plans and their implementation..

Asset Management System – The set of interrelated and interacting elements of an organization whose function is to establish asset management policy, asset management objectives, business processes, and information systems to achieve the objectives. The asset management system is used to direct, coordinate and control asset management activities. (ISO 55000:2014)

Strategic Asset Management Plan (SAMP) – Documented information that specifies how organizational objectives are to be converted into asset management objectives, the approach for developing asset management plans, and the role of the asset management system in supporting achievement of the asset management objectives. (ISO 55000:2014)

Asset Management Plans – Documented information that specifies the activities, resources and timescales required for an individual asset, or grouping of assets, to achieve the organization's asset management objectives. (ISO 55000:2014)

Asset Management Practices – The processes and techniques (people, data, and systems) that an organization employs to plan, implement, and measure effective asset management. Examples of processes include demand forecasting, developing and monitoring levels of service, operational and renewal planning, and risk management. Techniques include the use of software and other data management methods to record, maintain, and analyze information for asset investment decision-making.

Asset Management Practice Improvement Strategy – Documented information that specifies the activities, resources and timescales required for an individual asset management practice, or group of asset management practices, to achieve the organization's asset management objectives.

Asset Management Planning Progress Review – Annual review required before July 1 of every year (per Ontario Regulation 588/17) that includes progress on ongoing efforts to implement the Asset Management Plans, factors affecting the ability of the Region to implement its Asset Management Plans, and a strategy to address these factors including the adoption of appropriate practices.

Master Plan – A long range plan which integrates tangible capital asset requirements for existing and future needs as defined by levels of service.

Strategic Plan 2023-2027 – centres around four integrated strategic priorities that together will steward inclusive and sustainable growth that supports equitable, safe and complete communities to flourish.

- **Homes for all:** We will invest in affordable homes and economic opportunity for all that are part of inclusive and environmentally sustainable communities.
- **Climate aligned growth:** As we grow, we will support a healthy environment where communities can thrive. Through intentional collaboration and creativity, we will support sustainable community growth.
- **Equitable services and opportunities:** Through collaboration and innovative design, we will provide equitable, accessible services across Waterloo Region that support the social determinants of health and complete communities as we grow.
- **Resilient and future ready organization:** The Region of Waterloo is a great place to work, where everyone is valued, feels they belong and where they have the support and tools to do a great job. We will be prepared for the future by providing a safe space for bold ideas and experimentation that transform services based on data and other ways of knowing.

Tangible Capital Assets (TCAs) – are non-financial assets having physical substance that:

- a) are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- b) have useful economic lives extending beyond one year;
- c) are used on a continuing basis; and
- d) are not for resale in the ordinary course of operations.

In defining Tangible Capital Assets, capitalization thresholds are applied for accounting purposes and may not be applicable to defining an asset for asset management purposes.

Operating Principles:

This Corporate Asset Management (AM) Policy provides direction and guidance for decision making in the management of assets for the following service areas:

- Children’s Services
- Cultural Services
- Facilities and Fleet Management Services
- Housing Services
- Information Technology Services
- Paramedic Services
- Region of Waterloo International Airport
- Region of Waterloo Library
- Seniors’ Services
- Transit Services
- Transportation Services
- Waste Management Services
- Water and Wastewater Services
- Waterloo Regional Police Service.

1. Vision

Regional staff and stakeholders will work together to continuously improve infrastructure services with comprehensive asset management practices that ensure that the right work is done at the right time, for the right reasons and at the right price to realize value from assets.



2. Goals

The objectives of the Asset Management Policy are to:

- Provide a framework for setting asset management objectives (the Region's Asset Management Framework is provided in the Appendix)
- Provide a commitment to satisfy applicable requirements including O.Reg. 588/17 Asset Management Planning for Municipal Infrastructure, made under the Infrastructure for Jobs and Prosperity Act, 2015
- Provide a commitment to continual improvement of the asset management system
- Outline key responsibilities and review processes for asset management.

3. Strategic Alignment

The corporate asset management vision requires alignment with federal and provincial legislation, and the Region's strategic goals, policies and plans at any given time. To achieve this vision, the Region will integrate asset management planning with other municipal processes and documents, such as:

- The Strategic Plan
- Financial Plans
- Master Plans
- Business Plans
- Official Plan
- Climate Change Adaptation & Mitigation Plans
- Corporate Energy Plan

These plans each have their own review and approval cycle. The Strategic Asset Management Plan will be based on the current version of each of these.

4. Guiding Principles

In its asset management planning, the Region will strike a balance between its organizational capacity, financial and stakeholder support, local needs, risks and vulnerabilities. The following key principles will guide the Region in making its asset management decisions. Some of the principles reference services provided by external agencies but must be considered in asset management planning.

Forward looking: The Region shall take a long-term view while considering demographic, economic and climate trends in the region.

Budgeting and planning: The Region shall take into account any applicable budgets or fiscal plans, such as fiscal plans released under the following:

- Fiscal Transparency and Accountability Act, 2004 which outlines the fiscal planning and reporting requirements of the Ontario provincial government;
- Budgets adopted under Part VII of the Municipal Act, 2001 which outlines the roles and responsibilities of Ontario municipal governments;

- Development Charges Act, 1997 which prescribes the regime of funding for growth related infrastructure, and
- Safe Drinking Water Act, 2002

Prioritizing: The Region shall clearly identify infrastructure priorities which will drive investment decisions.

Economic development: The Region shall promote economic competitiveness, productivity, job creation, and training opportunities.

Transparency: The Region shall be evidence-based and transparent. Additionally, subject to any prohibitions under an Act or otherwise by law on the collection, use, or disclosure of information, the Region shall:

- Collect and use current and accurate asset information that is available to all that need it,
- Make decisions with respect to infrastructure based on information that is publicly available or made available to the public, and
- Share information with implications on infrastructure and investment decisions with the Government and broader public sector entities.

Reliability: The Region shall ensure the continued provision of core public services, including those provided by broader public sector entities, such as health care and education.

Environmentally conscious: The Region shall:

- Minimize the impact of infrastructure on the environment;
- Respect and help maintain ecological and biological diversity;
- Design infrastructure to be resilient to the effects of climate change;
- Endeavour to make use of acceptable recycled materials, including aggregates.

Health and safety: The Region shall ensure that the health and safety of workers, customers and others is protected, including those involved in the construction and maintenance of infrastructure assets.

Community focused: The Region shall promote community benefits, being the supplementary social, environmental 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;
- Promoting reconciliation, diversity, inclusion and equity (REDI) for marginalized communities facing exclusion based on attitudinal, historic, social and environmental barriers based on age, ethnicity, visible and invisible disability, economic status, gender, nationality, race, sexual orientation, gender identity, etc.;
- Committing to better understanding reconciliation, diversity, inclusion and equity (REDI) for the citizens of the Region through their interaction with the Region's infrastructure assets (e.g., mapping assets with demographics, built environment, etc.); and
- Providing documented and accepted levels of service through citizen and stakeholder engagement described in Section 9.

Innovation and Continuous Improvement: The Region shall continuously improve its Asset Management Practices through a comprehensive knowledge management approach.

The Region shall create opportunities to make use of innovative technologies, information, services, and practices, particularly where doing so would utilize technology, techniques, and practices developed in Ontario.

Integration: The Region shall where relevant and appropriate, be mindful and 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 surrounding the infrastructure that supports them.

Risk-based: The Region will manage the risks associated with providing agreed levels of service by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding costs and benefits. Full lifecycle costing and risk analysis processes will be consistently applied when evaluating competing asset investment needs within and across asset types. This approach will facilitate prioritization and optimization of capital investment in the Region's assets.

Value-based and affordable: Value-based and affordable: The Region will choose practices, interventions and operations that minimize the full lifecycle costs of asset ownership and service delivery, while providing agreed levels of service. Decisions will be based on balancing service levels, risks, and costs to ensure services and supporting assets are sustainable, appropriate, reliable and most affordable in both the short and long term.

5. Capital Thresholds

Assets whose role in service delivery requires deliberate management by the Region, for example those that pose substantial risk to the Region, will be included in the Strategic Asset Management Plan regardless of their asset valuation. The service-focus intent of this Policy differentiates its requirements for identifying assets from accounting standards capitalization thresholds, which are developed for the purposes of financial reporting. For this reason, there may be assets included in the asset management plan that are not reflected in the book value of assets on the Region's financial statements.

6. Budgeting

Asset management planning will encompass sound financial analysis that will be completed by a multi-disciplinary team comprised of representative(s) from finance and the service areas, and documented in the financial strategy section of the Strategic Asset Management Plan. The financial analysis used for the Strategic Asset Management Plan will align with existing financial plans to the extent possible with further consideration to the resources available to deliver on these plans. The alignment will stem from a multi-disciplinary team, common analytical methods followed, and common data sources used. The Region will integrate findings from the Strategic Asset Management Plan into its long-term financial planning and budgeting processes.

The following elements of the Strategic Asset Management Plan will be referenced by the service area in the preparation of their budget submission:

- Forecasted spending needs identified in the plan;
- Prioritization of spending needs;
- All potential revenues and costs (operating, maintenance, renewal, and decommissioning) associated with forthcoming tangible capital asset decisions including new assets; and
- New revenue tools and alternative funding strategies where possible.

Comprehensive financial planning strategies and processes will be applied across all asset types to ensure long-term affordability. Funding and service delivery opportunities to achieve

cost savings will be explored where appropriate. The Budget Committee will review the submission prepared by each service area to approve the Region's annual budget and ten year capital program on an annual basis and the infrastructure gap (i.e., what is needed versus what is planned for funding) will be calculated periodically and reported to Council as a measure of long term financial sustainability.

7. Community Planning

Community planning for development and/or redevelopment, that may require new assets or existing asset enhancements, will be done in consultation with asset managers, and will give consideration to operational and financial asset impacts based on lifecycle analysis and financial sustainability principles. Parties involved in the development of the Strategic Asset Management Plan will reference the direction established in the Official Plan and Master Plans, as well as the methods, assumptions, and data used in their development. The aim of cross-referencing these plans is to ensure that development and redevelopment occur within the Region's means through an understanding and consideration of current and future asset needs.

8. Climate Change

The Region commits to embedding climate change considerations in asset management planning, and to the development of tailored actions that make the best use of its resources to mitigate and adapt to climate change. Where practical, programs will strive to go beyond minimum legislative solutions to help ensure assets are increasingly resilient to changing social, climate, environmental and economic conditions, and to mitigate future climate impacts such as greenhouse gas emissions reduction. Increasing resilience to climate change in the Region may involve modifying the scope of current operations, anticipating possible costs to support contingency funds, leveraging alternative funding mechanisms, increasing use of green infrastructure, proactive asset and emergency management planning, and revising levels of service.

9. Citizen and Stakeholder Engagement

The Region provides its residents and stakeholders with the municipal services they need within the bounds of regulatory requirements, the built environment, and the natural environment. The Region recognizes the importance that residents give to the spaces and places they live and work in each day. The Region will seek to understand the needs and priorities of current citizens residents and stakeholders, considers the needs of future generations, and incorporates these perspectives into the Strategic Asset Management Plan. The Region recognizes the various residents and stakeholders as an integral part of the asset management approach. Accordingly, the Region will:

- Provide meaningful opportunities for residents and stakeholders to provide input in asset management planning through strategic planning, master planning and environmental assessment processes;
- Ensure individuals and groups are treated fairly and respectfully during any engagement process
- Collaborate with Indigenous leaders to ensure that our responsibilities under the Truth and Reconciliation Calls to Action are honoured, and;
- Coordinate asset management planning across service lines and with other infrastructure asset owning agencies such as area municipalities and regulated utilities

Responsibilities:

An Asset Management Governance Structure has been established to lead the development of AM tools and practices and to oversee their application across the organization. The following details the responsibilities of key stakeholders with some ownership and responsibility for asset management within the Region:

Council

- Approves, by resolution, the Asset Management Policy and its updates as necessary every four years;
- Approves, by resolution, the Strategic Asset Management Plan and its updates every four years;
- Approves, by resolution, the Asset Management Planning Progress Review on or before July 1 of every year; and
- Supports ongoing efforts to continuously improve and implement the Strategic Asset Management Plan.

Corporate Leadership Team and Asset Management Steering Committee

- Provides executive level oversight regarding the strategic and change elements of Asset Management;
- Endorses the Asset Management Policy and Strategic Asset Management Plan updates every four years;
- Endorses the Asset Management Planning Progress Review before July 1 of every year;
- Maintains compliance with the Asset Management Policy and provincial asset management regulation; and
- Supports ongoing efforts to continuously improve and implement the Strategic Asset Management Plan.
- Supports citizen and stakeholder engagement
- Is committed to transparency and accountability in decision making

Department Asset Management Leads

- Chair Asset Management Working Group meetings on a rotation schedule;
- Attend the Steering Committee meetings to present information for approval and bring direction back to the Working Group;
- Ensure that Steering Committee is engaged appropriately for key decision points; and
- Ensure timely resolution of issues and escalate to the Asset Management Steering Committee as necessary.
- Is committed to all the operating principles within the Corporate Asset Management policy.

Asset Management Working Group

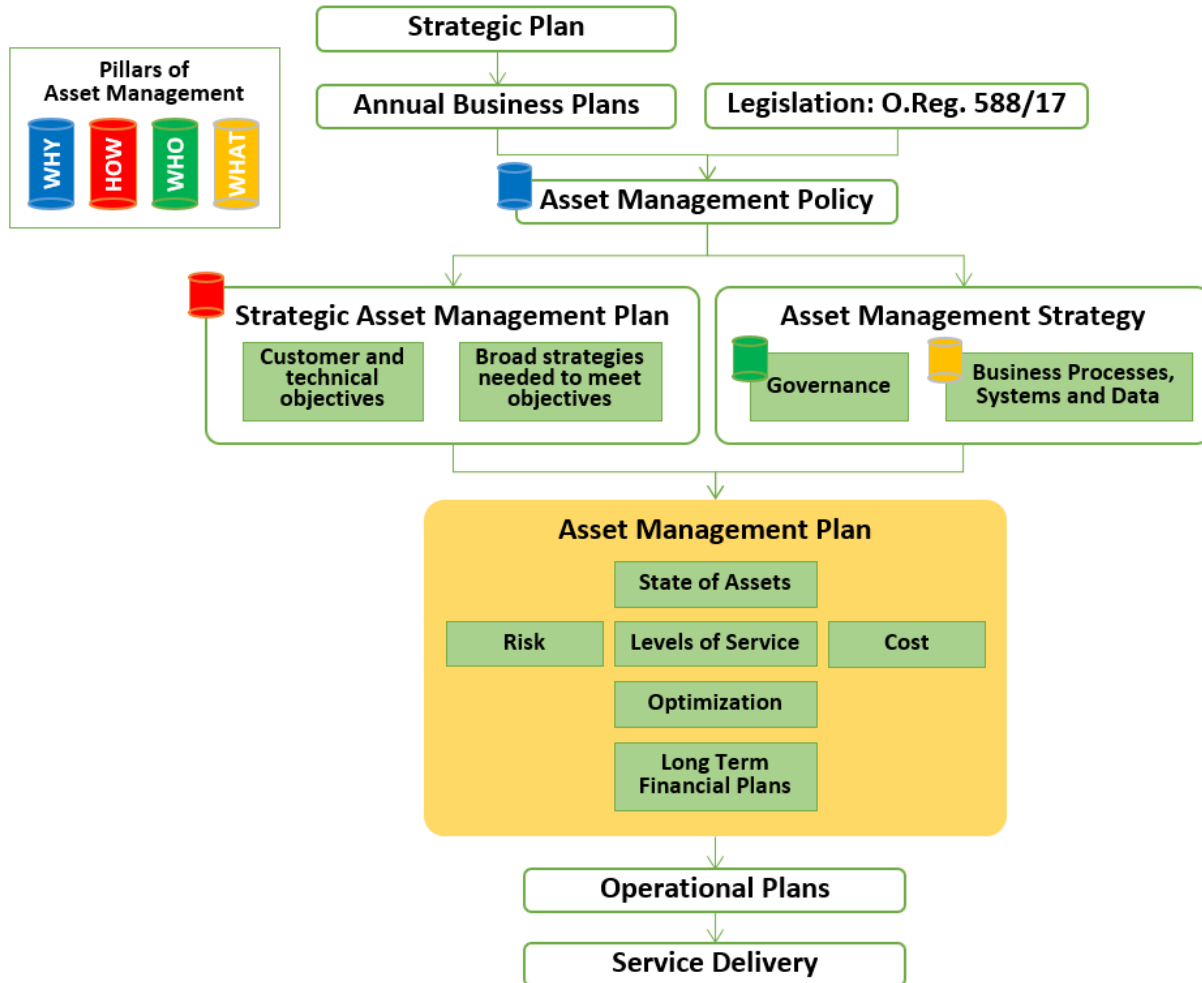
- Reports to the Department Asset Management Leads;

- Communicates with stakeholders about the asset management system to increase awareness of their role in asset management decision-making including the value of the activities they are undertaking and the asset information they are providing;
- Identifies and develops asset management knowledge, skills and training programs, aligned with corporate competency frameworks;
- Identifies and develops citizen engagement knowledge, skills and training programs, to ensure there is access and opportunity for the citizens and stakeholders to contribute to decision making;
- Is committed to a transparent and accountable decision making process;
- Reviews and updates the Asset Management Policy every four years based on input from department leads;
- Prepares the Strategic Asset Management Plan and its updates every four years based on input from service areas. Conducts the AM Planning Progress Review; and
- Creates necessary guiding strategies and supporting frameworks at the corporate level to continuously improve and adopt appropriate asset management planning and management practices.

Appendix – Regional AM Framework

The Regional AM Framework, as shown in Figure A-1, represents the integrated relationship between elements of an effective asset management system, and provides a structure for standardization and consistency of asset management practices across the organization.

Figure A-1 Regional AM Framework



The elements of the AM Framework together with related policies, plans, strategies and appropriate technologies will provide a solid foundation for the implementation of asset management in accordance with the principles and concepts outlined in this policy.

The **four Pillars of Asset Management** describe the strategic elements of the AM Framework:

Why: **The Asset Management Policy** provides the intentions and direction of the Region, as formally expressed by senior management

How: **The Strategic Asset Management Plan (SAMP)** documents how organizational objectives are to be converted into asset management objectives, the approach for developing asset management plans, and the role of the asset management system in supporting achievement of the asset management objectives

The **Asset Management Strategy** provides an assessment of current asset management practice governance structure, business processes, systems and data against leading industry practice and outlines an improvement plan to achieve agreed performance levels

Who: **The AM Practice Governance Structure** outlines how people interact with the Region and with external stakeholders to guide and monitor operations

What: **The AM Practice Business Processes, Systems and Data** are the activities, enabled by systems and data, that achieve the Region's asset management and organizational objectives.

The **Asset Management Plan** documents the planning information that specifies the activities, resources and timescales required for an individual asset, or grouping of assets, to achieve the organization's asset management objectives. The asset management planning process includes a description of the current state of the assets, defines current and proposed levels of service, assesses the risks and costs of not meeting levels of service, optimizes service-risk-cost trade-offs, and informs long term financial plans.

Operational Plans consider the near term needs identified in the asset management plan and document asset specific data, cost-benefit options analysis and bundled projects after discussion with stakeholders and obtaining approval for funding through the budget development process.