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To: Mayor and Council

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Director of Financial Services

RE: Strategic Asset Management Policy

Report No.: FS-2019-11

AIM

To obtain Council's support and approval of the Town's Strategic Asset Management Policy.

BACKGROUND

In 2016, the Province of Ontario enacted the *Infrastructure for Jobs and Prosperity Act 2015* which included authority for the Province to regulate municipal asset management planning. Under this Act, *Ontario Regulation 588/17, "Asset Management Planning for Municipal Infrastructure"* was passed, which prescribes detailed requirements and timelines which are to be met and/or satisfied by municipalities.

A key requirement of O Reg. 588/17 is for municipalities to have an approved Asset Management Policy in place on or before July 1, 2019. This policy is intended to formalize a municipality's commitment to the continuous improvement of their Asset Management Plans and to ensure it aligns with any other long-term financial or strategic plans that the municipality has adopted. The Strategic Asset Management Policy is to provide the framework and principles on which future Asset Management Plans are based.

DISCUSSION

The attached policy addresses all 12 of required components of a Strategic Asset Management Policy, as stated in section 3 (1) of O.Reg. 588/17.

This policy has been reviewed by all members of the Asset Management Working Group, which includes the CAO, Director of Municipal Services and other members of the Town's senior management team.

Council should be advised that beyond the adoption of the Strategic Asset Management Policy, O.Reg. 588/17 includes the following milestones which the Town must adhere to:

- preparation of an Asset Management Plan that captures the current level of service for core assets* by July 1, 2021
- preparation of an Asset Management Plan that captures the current level of service for all other assets by July 1, 2023
- preparation of an Asset Management Plan that identifies the proposed levels of service for all assets by July 1, 2024, including consultation with the public

*Core Assets are defined as roads, bridges and culverts, storm water management systems, water and wastewater.

Administration is committed to investing the time and energy to develop an Asset Management Plan which ensures infrastructure remains safe and reliable; it supports responsible growth and economic development; and reduces the total cost of asset ownership while striving to meet our target levels of service. As the stewards of municipal assets, it is our hope that Council will support Administration in making asset management a leading priority and endorse the principles outlined in the policy.

LINK TO STRATEGIC PLAN

As virtually all municipal services rely to some extent on physical assets, an effective Asset Management Strategy will support all of the Town's strategic initiatives:

- Strive to make the Town of Kingsville a more accessible community.
- Promote the betterment, self-image and attitude of the community.
- To promote a safe community.
- Improve recreational and cultural facilities and opportunities within the Town of Kingsville.
- Support growth of the business community.
- Effectively manage corporate resources and maximize performance in day-to-day operations.
- To become a leader in sustainable infrastructure renewal and development.
- Manage growth through sustainable planning.

FINANCIAL CONSIDERATIONS

The Town's 2012 Asset Management Plan indicated that a significant increase in infrastructure funding would be required to achieve a level of sustainability. Since that time, the Town has adopted a Strategic Plan which included a commitment to increase capital spending and / or reserve contributions by 2.9% of the municipal tax levy on annual basis. As the Asset Management Plan evolves, the Town will develop a better understanding of its funding gap. Administration is committed to developing an Asset Management Plan which provides realistic financial strategies which are flexible to external economic factors.

CONSULTATIONS

Ontario Regulation 588/17, "Asset Management Planning for Municipal Infrastructure"
MFOA Strategic Asset Management Policy Toolkit
Asset Management Working Group
Various Municipal Strategic Asset Management Policies

RECOMMENDATION

That Council support and approve of the Town's Strategic Asset Management Policy.

Ryan McLeod

Ryan McLeod, CPA, CA
Director of Financial Services

Peggy Van Mierlo-West

Peggy Van Mierlo-West, C.E.T.
Chief Administrative Officer