Date       May 14, 2019

To         Chair and Members
            Committee of the Whole – Operations and Administration

From       D. Lee
            Chief Administrative Officer

1.0        Type of Report

Consent Item  [ ]
Item For Consideration  [X]

2.0        Topic  Strategic Asset Management Policy [Financial Impact – None]

3.0        Recommendation

A. THAT Report 2019-247 Strategic Asset Management Policy, BE RECEIVED; and

B. THAT the necessary By-law to amend By-law 70-2010 to adopt Corporate 045 - Strategic Asset Management Policy attached as Appendix “A” to report 2019-247 BE PRESENTED to City Council for adoption; and

C. THAT staff BE DIRECTED to pursue the completion of the Action Items identified in Appendix “B” of report 2019-247, with the understanding that any items requiring additional funding shall be submitted as part of the annual budget process for approval.

D. THAT the Brantford Police Services Board, the Brantford Public Library Board, the John Noble Home Board, the Local Housing Corporation Board and the Brantford Municipal Non-Profit Housing Corporation Board BE REQUESTED to adopt Corporate 045 – Strategic Asset Management
Policy in order to ensure that asset management is consistent across all City Commissions and Local Boards and to ensure compliance with Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure.

4.0 Purpose and Overview

This report seeks approval from Council for the implementation of a Strategic Asset Management Policy as outlined in Report 2019-247. The Strategic Asset Management Policy ("Policy") has been developed to ensure that asset management is consistent across all City Commissions and to ensure compliance with Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure.

5.0 Background

In May 2016, the Infrastructure for Jobs and Prosperity Act, 2015 was proclaimed by the Federal Government; granting the Province the authority to regulate municipal asset management planning. The Ontario Ministry of Infrastructure (MOI) introduced a proposed municipal asset management planning regulation and opened it for comment through the Environmental Registry. The Regulatory Proposal was founded on the province’s 2012 Building Together: Guide for Municipal Asset Management Plans and set out requirements to improve asset management planning.

The proposed regulation has been proclaimed and came into full force and effect on December 31, 2017 as Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure.

6.0 Corporate Policy Context

The policy outlined in this report would meet the goals of the City’s Community Strategic Action Plan 2014-18. In particular the following goal is applicable:

**Managed Growth and Environmental Leadership – Asset Management:** The City will continue to develop an Asset Management Strategy to prioritize the rehabilitation and replacement of City infrastructure in a timely and efficient way.
7.0 Input From Other Sources

Input for this Report was provided by staff from all Commissions and five Local Boards at the City. The five Local Boards whose staff were consulted include: Police Services, Public Library Board, John Noble Home, Brantford Municipal Non-Profit Corporation and the Local Housing Corporation. Staff also undertook research into Strategic Asset Management Plans from a number of municipalities both in Canada and abroad.

8.0 Analysis

The City completed its first Asset Management Plan in 2012 which included Public Works and Housing department assets. In 2017 the Asset Management Plan was expanded to include Parks and Recreation, Golf, Economic Development and Tourism, and Sanderson Centre assets with a total estimated asset replacement value of $3 billion.

Good asset management is essential to the City’s ability to provide services in a safe, reliable and efficient manner while sustaining a growing community.

On December 31, 2017, Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure came into full force and effect. The regulation has three (3) main goals:

1. Provide certainty around future asset management planning requirements;
2. Provide guidance and aid to municipalities to more clearly identify their infrastructure requirements to support resilience and sustainability; and
3. Implement best practices throughout the municipal sector and support collaboration between municipalities themselves and with the province.

The first key deadline in the Regulation requires the development and adoption of a Strategic Asset Management Policy by July 1, 2019. In order to meet this deadline, the Chief Administrative Officer formed a Corporate Working Group made up of representatives from various departments and the Local Boards, supported by sub-working groups for each area. The first meeting was held on June 28, 2018. Over the last eleven months, the Corporate Working Group has worked to develop the policy document attached in Appendix “A”. With Council’s approval, this will complete the first key requirement of the Regulation.

The subsequent key regulatory requirements are as summarized in Figure 1. In the figure: LOS refers to Levels of Service, AM refers to Asset Management and CAO refers to Chief Administrative Officer.
Strategic Asset Management Policy

The Strategic Asset Management Policy is provided in Appendix “A” to this report. The Policy is divided into 11 sections as follows:

1. Introduction
2. Policy Statement
3. Strategic Alignment
4. Guiding Principles
5. Capitalization Thresholds
6. Budgeting
7. Community Planning
8. Climate Change
9. Stakeholder Engagement
10. Governance and Continuous Improvement
11. Compliance

The Policy will apply to all City of Brantford Commissions and a copy will be provided to all Local Boards.
Annual Reporting

Beginning in 2022, the Regulation requires that annual reports on asset management progress be completed on or before July 1 in each year. These reports must include:

- The City’s progress on implementing their Asset Management Plans;
- Any factor’s identified as impeding the City’s ability to implement their Asset Management Plans; and
- A strategy to address any factors identified.

Annual reports, once approved, will be made available on the City’s website.

Action Items for Implementation of Policy

Implementation of the Policy will begin immediately following Council approval and Corporate Policy 045 will take effect no later than July 1, 2019. Once approved, the Policy will be made available on the City’s website.

The next full review of the Policy is proposed to begin in 2023 with approval sought no later than July 1, 2024.

Some aspects of Policy implementation are expected to require additional resources or effort to complete; these have been summarized as Action Items in Appendix “B” to this report.

Anticipated Consequences for Non-Compliance

While O.Reg. 588/17 does not outline explicit consequences for any failures to comply with the regulation and its required timelines; it is anticipated that consequences for non-compliance exist and will be primarily financial in nature in the short to medium term.

The Investing in Canada Infrastructure Program – Rural and Northern Communities Funding Stream which was released in March 2019 has, as one of its criteria, that for a municipality to remain eligible for funding, successful candidates are required to submit their updated asset management plans in accordance with O.Reg. 588/17 for the duration of the project which receives the funding.

It is anticipated that future grant programs from the Federal and Provincial governments will contain similar criteria.
9.0 Financial Implications

There are no immediate financial implications for the City in adopting the Policy. Direct costs could result from some of the Action Items, as identified in Appendix “B” to this report. Where Action Items are found to require funding, they will be brought forward for Council approval as part of the budgets process.

Indirect costs or savings could result from associated changes to other City practices. The exact implications cannot be determined at this time. Over time this Policy is expected to result in more cost-effective decision making by the City; balancing the need to build new infrastructure with maintenance and rehabilitation of existing infrastructure.

It is expected that the Policy will inform and refine the budget process going forward. The capital and operating budget processes will be adapted to reflect the Policy and the new regulatory requirements.

10.0 Conclusion

The Strategic Asset Management Policy will provide a consistent approach to asset management planning across all City commissions. The policy will ensure compliance with O.Reg. 588/17 while supporting the City in making evidence based, cost-effective, decisions for infrastructure assets through the planning, acquisition, operation, maintenance, rehabilitation, replacement and disposal phases of the asset lifecycle. The Policy and its associated Asset Management Plans will inform the development of the operating and capital budgets going forward.

D. Lee, Chief Administrative Officer
C. Brubacher, General Manager, Corporate Services & City Treasurer

Jo Cupoli-Atanas, General Manager Health & Human Services

Sandy Jackson, General Manager Community Programs, Parks and Recreation

Paul Moore, General Manager Community Development

E. (Beth) Goodger, General Manager Public Works

Attachments

Appendix A: Strategic Asset Management Policy

Appendix B: Action Items

In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required [X] yes [ ] no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk [ ] yes [X] no

Is the necessary by-law or agreement being sent concurrently to Council? [X] yes [ ] no