



Issued: July 1, 2019	Revision Dates:	Approved by SMT:
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The Corporation of the City of North Bay

Strategic Asset Management Policy

1.0 Purpose:

A strategic asset management policy formalizes the City's commitment to asset management, aligns its asset management actions with strategic goals and objectives, and provides direction to guide Council, management and staff in carrying out its business strategies, plans and activities. This policy will support the City in focusing its infrastructure efforts on managing risks, addressing priorities, and meeting short and long-term capital and operating community needs within its financial capabilities.

2.0 Vision:

The vision is to proactively manage City assets to best serve the City's objectives, including:

- Prioritizing the need for existing and future assets to effectively deliver services
- Supporting sustainability and economic development
- Maintaining prudent financial planning and decision making

3.0 Objectives:

The objectives of this policy are to:

- Provide a consistent framework for implementing asset management throughout the organization
- Provide transparency and accountability and to demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels and risks

4.0 Strategic Alignment:

The City of North Bay's Vision is to "be economically prosperous for all residents, by ensuring that we are a vibrant, integrated, and balanced community rooted in the natural beauty of Ontario's near north". Alignment of the Asset Management Plan and the City's Strategic Vision is necessary to consider whether the level of service provided

by our existing and planned assets is congruent with and supports the City's Strategic Vision.

Asset Management planning therefore will not occur in isolation from other City goals, plans and policies. Rather, an integrated approach will be followed to successfully develop practical asset management plans that align with the overarching vision, plans, and responsibilities of our community. The elements of our asset management planning approach keep us mindful of the goals described in our Strategic Plan, Master Plans, and Financial and Business Plans while respecting and considering environmental conditions in which we operate.

5.0 Community Stakeholder Engagement

The ultimate goal of the City is to efficiently provide its various community stakeholders with the municipal services they need within the bounds of regulatory requirements, the built environment, and the natural environment. In order to achieve this goal, it is necessary that the City understands the current needs of the community, envision the needs of future generations and incorporate these into the asset management plan. The City recognizes community stakeholders as an integral part of the asset management approach. Accordingly, the City will:

- Provide opportunities for the stakeholders served by the City to provide input into asset management planning; and
- Coordinate asset management planning with other infrastructure asset owning agencies such as municipal bodies and regulated utilities

6.0 Guiding Principles

The Infrastructure for Jobs and Prosperity Act, 2015 sets out principles to guide asset management planning in municipalities in Ontario. The City of North Bay will strive to incorporate the following principles whenever possible into the day to day operation of the City:

- **Forward Looking:** The City shall take a long-term view while considering demographic and economic trends in the region
- **Budgeting and Planning:** The City shall take into account any applicable budgets or fiscal plans, including those adopted through Ontario legislation
- **Prioritizing:** The City shall clearly identify infrastructure priorities which will drive investment decisions
- **Economic Development:** The City shall promote economic competitiveness, productivity, job creation, and training opportunities
- **Evidence Based and transparent:** The City shall be evidence-based and transparent, basing decisions on publicly shared information and make info available to the public

- **Consistency:** The City shall ensure the continued provision of core public services such as water and waste water
- **Environmentally Conscious:** The City shall minimize the impact of infrastructure on the environment by:
 1. Respecting and helping maintain ecological and biological diversity,
 2. Augmenting resilience to the effects of climate change, and
 3. Endeavoring to make use of acceptable recycled aggregates
- **Health and Safety:** The City shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected
- **Community Focused:** The City 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:
 1. Local job creation and training opportunities (including for apprentices, within the meaning of section 9 of the Infrastructure for Jobs and Prosperity Act, 2015),
 2. Improvement of public space within the community, and
 3. Promoting accessibility for persons with disabilities
- **Innovative:** The City shall create opportunities to make use of innovative technologies, services, and practices
- **Integrative:** The City 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

7.0 Community Planning

Asset management planning will be aligned with the Municipality's Official Plan and the Provincial Policy Statement issued under the Planning Act. The asset management plan will reflect how the community is projected to change with respect to development. The Municipality will achieve this by consulting with those responsible for managing the services to analyze the future costs and viability of projected changes. The combination of lifecycle analysis and financial sustainability principles will be the driver in the selection of community development or redevelopment that requires new assets, or existing asset enhancements. Methods, assumptions, and data used in the selection of projected changes should be documented to support the recommendations in the Asset Management Plan.

Cross-referencing the Municipality's Official Plan and the Asset Management Plan will ensure that development occurs within the Municipality's means through an understanding of current and future asset needs.

8.0 Climate Change

Climate change will be considered as part of the City's risk management approach embedded in local asset management planning. This approach will balance the potential cost of vulnerabilities to climate change impact and other risks with the cost of reducing these vulnerabilities and other risks. The balance will be struck in the levels of service delivered through operations, maintenance schedules, disaster response plans, contingency funding and capital investments. The City's contribution to climate change through greenhouse gas emissions will be mitigated in accordance with its local reduction targets, financial capacity, and community stakeholder objectives(needs).

9.0 Scope

The service rendered by an asset will be the determining factor of whether or not to include the asset in asset management plans. This qualitative approach is unlike the quantitative and dollar value based methodology prescribed in the tangible capital asset policy.

10.0 Financial Planning and Budgeting

The City will integrate asset management planning into the City's annual capital budget, operating budget, and its long-term financial plan. Sound financial analysis will be encompassed in asset management planning in order for the asset management plan to be a guide to employees in budgeting and financial planning. The asset management plan will be referenced by the service area personnel in the preparation of their budget submission to help:

1. Identify all potential revenues and costs (including operating, maintenance, replacement, and decommissioning) associated with forthcoming infrastructure asset decisions;
2. Evaluate the validity and need of each significant new capital asset including where possible the asset's impact on future operating costs; and
3. Incorporate new revenue tools and alternative funding strategies where possible

11.0 Governance and Continuous Improvement

The policy requires the commitment of key stakeholders within the City's organization to ensure the policy guides the development of a clear plan that can be implemented, reviewed and updated.

Council is entrusted with the responsibility of overseeing, on behalf of citizens, a large range of services provided through a diverse portfolio of assets. Council, having stewardship responsibility, is the final decision maker on all matters related to asset

management in the City. The Council and executive lead are committed to the success of asset management planning.

Within the asset management planning:

Council is responsible for:

- Approve the AM policy and direction of the AM program
- Maintain adequate organizational capacity to support the core practices of the AM program
- Prioritize effective stewardship of assets in adoption and ongoing review of policy and budgets
- Approving by resolution the Asset Management Plan and its updates every five years
- Conducting annual reviews of the management plan implementation progress on or before July 1st of every year, including:
 - Progress on ongoing efforts to implement the Asset Management Plan;
 - Factors affecting the ability of the Municipality to implement its Asset Management Plan;
 - Support ongoing efforts to continuously improve and implement the Asset Management Plan

Chief Administrative Officer (CAO) is responsible for:

- Provide organization-wide leadership in AM Practices and concepts
- Work in conjunction with CFO for AM implementation and progress
- Ensure senior management team staff coordination and participation and progress

Executive Lead – CFO/Treasurer is responsible for:

- Oversees asset management planning and provide corporate support across the organization. The executive lead is ultimately responsible for the asset management planning across the City and maintaining compliance with the regulation
- Manage policy and policy updates
- Provide departmental staff coordination
- Coordinate and track AM program implementation and progress

Steering Committee responsibilities:

- The Steering Committee is comprised of Department leads that are responsible for asset management planning activities that fall within their service area and in support of others
- Provides governance and best practice leadership for operational decision making in support of the Corporate Asset Management Program

- Champions and supports the development and maintenance of strategic roadmaps for future enhancements and on-going alignment to the corporate strategies