

Bill No. 157
2019

By-law No. CPOL.-_____-____

A by-law to adopt a new Council Policy
entitled Corporate Asset Management Policy.

WHEREAS section 5(3) of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, provides a municipality with the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority;

AND WHEREAS the Council of The Corporation of the City of London wishes to adopt a new Council policy entitled Corporate Asset Management Policy;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The policy entitled “Corporate Asset Management Policy”, attached hereto as Schedule “A”, is hereby adopted.
2. This by-law shall come into force and effect on the date it is passed.

PASSED in Open Council on April 23, 2019.

Ed Holder
Mayor

Catharine Saunders
City Clerk

First Reading – April 23, 2019
Second Reading – April 23, 2019
Third Reading – April 23, 2019

SCHEDULE “A”

Policy Name: Corporate Asset Management Policy

Legislative History:

Last Review Date: _____, 20__.

Service Area Lead: Manager III, Corporate Asset Management, Finance & Corporate Services

1. Policy Purpose and Statement

1.1. Purpose

The purpose of this Corporate Asset Management (CAM) Policy is to set out The Corporation of the City of London’s (City) approach to planning, designing, constructing, acquiring, operating, maintaining, renewing, replacing and disposing of its municipal infrastructure assets in a way that ensures sound stewardship of public resources while delivering effective and efficient customer service.

1.2. Statement

This CAM Policy provides a foundation for the City’s CAM Program which assists in identifying and prioritizing investments in existing and future municipal infrastructure assets to ensure it is robust, safe, sustainable, efficient, and capable of supporting the desired quality of life in our community. The City’s CAM Policy focuses on three fundamental goals:

- 1) Providing sustainable service to City customers;
- 2) Optimizing municipal infrastructure asset value while minimizing lifecycle costs;
and
- 3) Managing risks to service delivery.

The CAM Policy establishes a CAM Program, which serves as a guiding practice to ensure sound stewardship of public assets and meet its customer service commitments in the most effective and efficient manner. In addition, it provides a coordinated approach to align asset management planning with the City’s financial plans, budget and other relevant Acts, policies, frameworks, and plans.

The CAM Policy also outlines the City’s commitment to consider climate change mitigation approaches, disaster planning, and supports informed decision making and planning with respect to the City’s contingency funding.

2. Definitions

2.1. Asset: Non financial assets having physical substance that are acquired, constructed or developed and:

- 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 assets;
- have useful economic lives extending beyond an accounting period;
- are to be used on a continuing basis; and
- are not for resale in the ordinary course of operations.

For the City, capital assets have the following characteristics:

- Beneficial ownership and control clearly rests with the City, and
- The asset is utilized to achieve City plans, objectives and services with the intention of being used on a continuous basis and is not intended for sale in the ordinary course of business.

- 2.2. **Asset Management:** The coordinated activity of an organization to realize value from assets.
- 2.3. **CAM Plan:** The City's Corporate Asset Management Plan which combines multi-disciplinary management techniques (technical and financial) over the life-cycle of municipal infrastructure assets to provide a specific level of service in the most cost effective manner and manage risks associated with municipal infrastructure assets. This typically includes plans to invest, design, construct, acquire, operate, maintain, renew, replace, and decommission assets.
- 2.4. **CAM Program:** A set of interrelated or interacting components of the City that establishes asset management policies and objectives and the processes needed to achieve those objectives. An asset management program also includes the organization structure, roles, responsibilities, business processes, plans, and operations of the Corporation's Asset Management practices.
- 2.5. **Capitalization Threshold:** The threshold represents the minimum cost an individual asset must have before it is to be recorded as a capital asset on the statement of financial position.
- 2.6. **City:** The Corporation of the City of London.
- 2.7. **Community Partners:** Entities such as Conservation Authorities, Emergency Medical Services' organizations, or utility companies where implementation of their mandate or corporate objectives would have an impact on municipal infrastructure assets and it is expected the City would be coordinating with them.
- 2.8. **Contingency Funding:** Funding available for municipal infrastructure assets to address unforeseeable circumstances.
- 2.9. **Critical Asset:** An asset for which the financial, business, or service level consequences of failure are sufficiently severe to justify proactive inspection, rehabilitation, or replacement, and is considered a municipal infrastructure asset.
- 2.10. **Customer:** Any person or entity who uses the municipal infrastructure asset or service, is affected by it or has an interest in it either now or in the future.
- 2.11. **Functional Area:** A grouping of City divisions or sections managing specific municipal infrastructure asset categories that deliver one or more City services.
- 2.12. **Infrastructure Asset:** All or part of physical structures and associated facilities that form the foundation of development, and by or through which a public service is provided to the city, such as highways, bridges, bicycle paths, drinking water systems, social housing, hospitals, courthouses and schools, as well as any other thing by or through which a public service is provided to the city.
- 2.13. **Level of Service:** The statement that describes the output or objectives the City intends to deliver to its customers.
- 2.14. **Municipal Infrastructure Asset:** An infrastructure asset (core and non-core municipal infrastructure assets), including a green infrastructure asset, directly owned by a municipality or included on the consolidated financial statements of a municipality, but does not include an infrastructure asset that is managed by a joint municipal water board.
- 2.15. **Public:** Residential, commercial, industrial and institutional stakeholders, and any other stakeholders that rely on City owned municipal infrastructure assets.
- 2.16. **Tangible Capital Assets (TCA):** A legislative reporting requirement specified by Section PS 3150 in the Public Sector Accounting Board Handbook to identify asset inventories, additions, disposals and amortization on an annual basis.

Interpretive Definitions

Interpretive definitions are included to provide context to definitions listed above but otherwise not referenced in the CAM Policy.

- 2.17. **Consequence of Failure:** A measure of the direct and indirect impacts on the city in the event of an asset failure.
- 2.18. **Core Municipal Infrastructure Asset:** Defined by O.Reg 588/17, any municipal infrastructure asset that is a,
- Water asset that relates to the collection, production, treatment, storage, supply or distribution of drinking water;
 - Wastewater asset that relates to the collection, transmission, treatment or disposal of wastewater, including any wastewater asset that from time to time manages stormwater;
 - Stormwater management asset that relates to the collection, transmission, treatment, retention, infiltration, control or disposal of stormwater;
 - Road; or
 - Bridge or culvert.
- 2.19. **Green Infrastructure Asset:** Defined by O.Reg 588/17, means an infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, stormwater management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs.
- 2.20. **Joint Municipal Water Board:** Defined by O.Reg 588/17, means a joint board established in accordance with a transfer order made under the Municipal Water and Sewage Transfer Act, 1997.
- 2.21. **Replacement Value:** The cost the City would incur to completely replace a municipal infrastructure asset, at a selected point in time, at which a similar level of service would be provided. This definition can also be referred to as 'Replacement Cost'.

3. Application and Scope

This CAM Policy applies to all functional areas involved in planning, maintaining or operating the City's municipal infrastructure assets that are directly owned by the City, or included in the City's consolidated financial statements as defined in, but not limited to, Appendix 1.

If a municipal infrastructure asset's value meets or exceeds the City's capitalization threshold for Tangible Capital Asset purposes, the asset will be included it in the CAM Program.

Where a municipal infrastructure asset's value falls below the capitalization threshold but the City's functional area determines that the asset meets this policy's definition of a critical asset using their respective professional judgment, the asset will be included in the CAM Program as well.

4. The CAM Policy

4.1. Standard of Care

A robust CAM Program includes a clear description of the CAM Program components (illustrated in Figure 1 below).

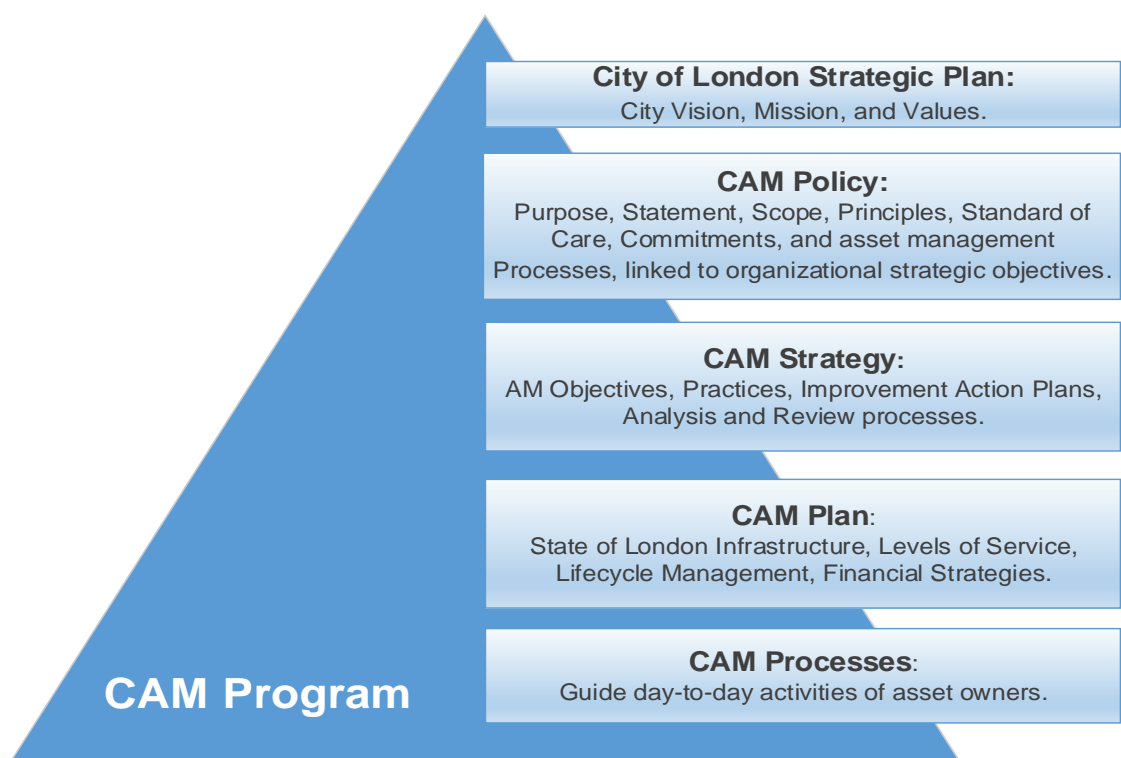


Figure 1: Corporate Asset Management Program - Major Components

Governance Structure

The CAM governance structure is a foundational element of the City’s CAM Program. Figure 2 below provides an overview of the CAM governance structure and identifies key stakeholders with City asset management planning responsibilities.

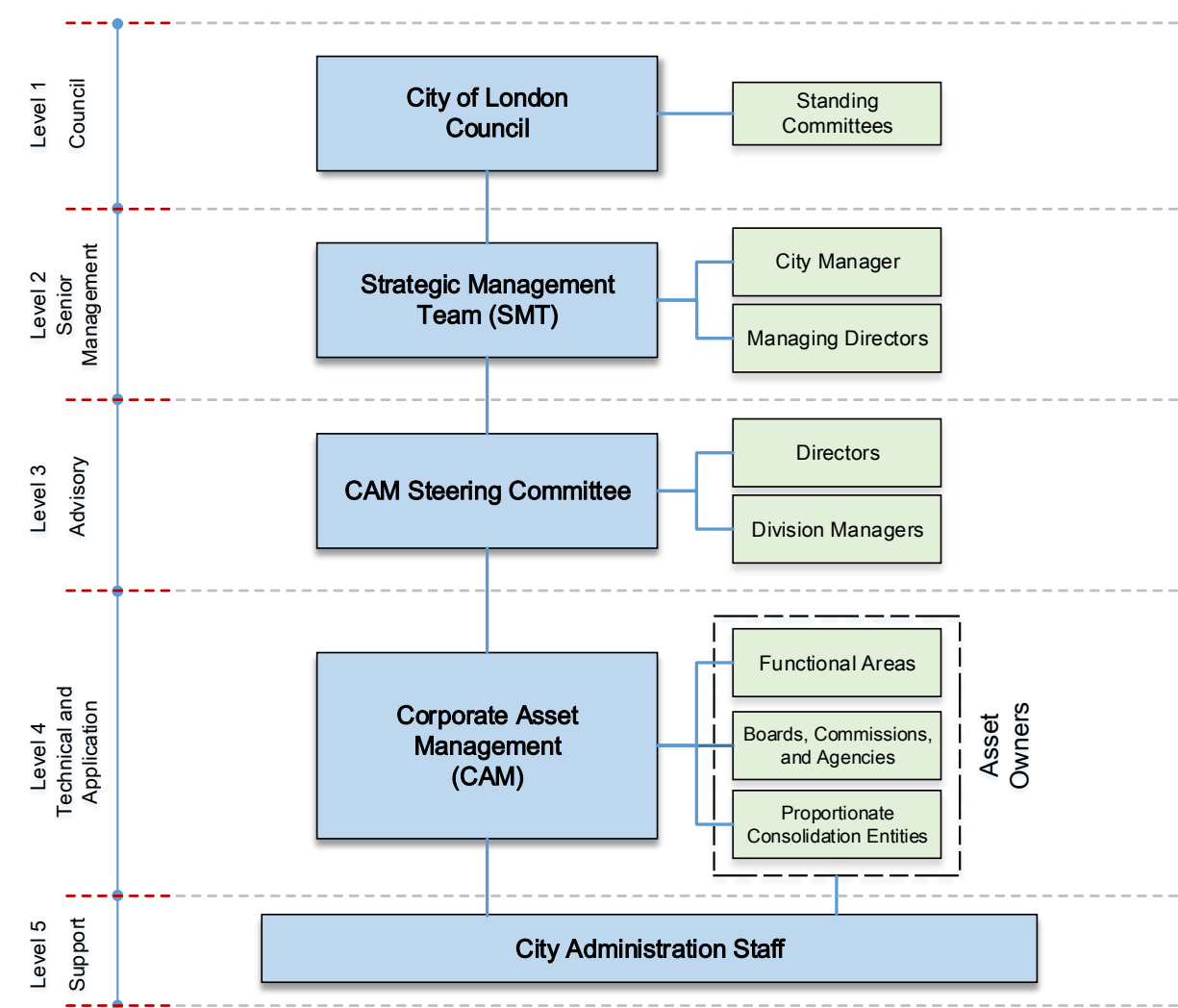


Figure 2: Corporate Asset Management Governance Structure

The following details the roles, responsibilities, authorities and accountabilities of individuals and provides oversight on their application across the City.

Group	Description, Role and Responsibilities
Municipal Council of the Corporation of the City of London	<ul style="list-style-type: none">Oversees a large range of services provided through a diverse portfolio of assets. <u>Responsibilities</u> <ul style="list-style-type: none">Set priorities and communicate community values to City Administration.Approves by resolution the City’s Asset Management Plan and its updates every four years.Reviews and, if necessary, updates the Corporate Asset Management Policy at least every five years.Monitors annual reviews of the City’s Asset Management Plan implementation progress on or before July 1 of every year.
Strategic Management Team (SMT)	<ul style="list-style-type: none">The executive leadership of the Corporation (includes City Manager, Managing Directors, and select Directors). <u>Responsibilities</u> <ul style="list-style-type: none">Ensures all CAM Program activities are consistent with the City’s Strategic Plan.Maintains regulatory compliance, endorsing the CAM Policy, assigning authorities and resources in administrative staff ensuring the CAM Policy is followed and the CAM Program is executed.Assists in providing adequate resources and ensures development and implementation of the CAM Program.
CAM Steering Committee	<ul style="list-style-type: none">Generally includes Directors and Division Managers representing the major functional areas included in the CAM scope.Provides overall guidance and direction for CAM development and implementation. <u>Responsibilities</u> <ul style="list-style-type: none">Advocates the CAM Program benefits.Monitors and directs the plans for CAM Program development.Provides adequate resources to support asset management goals at the functional area level.
Corporate Asset Management Section	<ul style="list-style-type: none">A section of Finance and Corporate Services.Overall guidance and direction for CAM development and implementation. <u>Responsibilities</u> <ul style="list-style-type: none">Provides Corporate leadership in CAM practices and concepts.Provides guidance to asset management roles in the Corporation.Facilitates skills development as it relates to asset management.Facilitates communication and change management as it relates to asset management.Advises the Steering Committee and implementation task teams as part of the asset management development process.Leads the development of the CAM Plan.Performs an annual review and monitoring of the CAM Plan implementation.Develops and updates policies and procedures related to the CAM Program.Aligns the CAM Program with the currently approved plans, strategies and policies.Prepares and coordinates CAM progress tracking.

Group	Description, Role and Responsibilities
	<ul style="list-style-type: none">• Coordinates internal and external CAM benchmarking.• Leads the implementation of CAM software (Assetic).• Liaises with staff in Financial Planning and Business Support regarding asset management matters in the development of the City's operating and capital budgets.• Seeks public input regarding CAM Program implementation.
Asset Owners	<ul style="list-style-type: none">• Includes City Functional Areas, Boards, Commissions, Agencies, and Proportionate Consolidation Entities.• Leads the development, implementation and improvement of different aspects of the CAM Program. <p><u>Responsibilities</u></p> <ul style="list-style-type: none">• Provides functional area sponsorship for asset management practices and concepts.• Oversees asset management planning activities within their respective functional area and in support of others.• Sets service objectives and monitoring progress.• Offers expertise to the development of City plans, strategies, assessments, and workflows.• Collects and tracks asset information and other data related to the asset reporting within their portfolio. This includes but is not limited to asset inventory, condition, risk, performance results and decision making processes. Where applicable, Geospatial Data are collected, stored and administered in accordance with the City <i>Geospatial Information and Data standards</i>.• Applies operation, maintenance, rehabilitation, replacement and retirement practices to meet expected levels of service and mitigate risk.• Works with internal and external stakeholders through consultation and reporting in the course of their day-to-day functions.• Tracks, analyzing and reporting on CAM Program benefits to all stakeholders.
City Administrative Staff	<ul style="list-style-type: none">• City employees. <p><u>Responsibilities</u></p> <ul style="list-style-type: none">• Supports the development, implementation and improvement of different aspects of the CAM Program consistent with their roles and responsibilities.• Embraces new business processes and technology tools necessary to be effective Asset Management stewards.• Captures quality data as part of daily operations.• Leverages data to track performance and drive decision making.

4.2. Commitments

The City is committed to implementing a program to manage municipal infrastructure assets in a strategic, comprehensive, and organization-wide manner, known as the CAM Program (illustrated in Figure 1).

The City commits to developing asset management strategies and plans which align with other municipal goals, plans, and policies. The City is committed to documenting, reviewing, revising, and analyzing these activities at regular intervals. The purpose of a CAM Program is to manage the City's municipal infrastructure assets in a strategic, comprehensive, and cost-effective manner.

The following assets are required to create and maintain a safe, healthy, secure and sustainable community. They include but are not limited to the following:

- Transportation infrastructure (e.g., roads, bridges, public transit);
- Utilities and environmental infrastructure (e.g., water distribution systems, wastewater collection systems, sewage treatment systems, stormwater management, recycling systems, landfills);
- Infrastructure enabling the provision of protective services (e.g., police, fire, flood mitigation);
- Parks and recreation (e.g., arenas, playgrounds, pools, trails, and community centres);
- Cultural assets (e.g., libraries, museums, heritage buildings, arts buildings, public art/monuments, historic assets and interpretive signage);
- Electronic infrastructure (e.g., broadband networks, information systems);
- Municipal facilities & civic institutions (e.g. City Hall, Long term care, affordable housing, administration buildings);
- Green infrastructure assets and stormwater management;
- Monuments, works of art, historic assets; and
- Land held for sale (e.g. industrial land).

a) The City of London is committed to the following during asset management planning:

- i) Using the CAM Plan as a reliable, formal but flexible tool when making business decisions, especially during forecasting and budgeting activities.
- ii) Managing municipal infrastructure assets with an integrated business approach that relies upon strategies, staff, and communication, and that delivers established service results.
- iii) Adopting an integrated business approach to planning and investing in municipal infrastructure assets, and make decisions within the context of the greater system, rather than examining assets in isolation.
- iv) Where applicable, coordinating asset management planning with neighbouring municipalities, the City's Boards, Commissions, Agencies, Proportionate Consolidation Entities, and Community Partners. This planning will be in accordance with Ontario asset management regulation O.Reg 588/17 and timelines noted therein.
- v) Considering climate change which includes:
 - Identifying the vulnerabilities of municipal infrastructure assets caused by climate change.
 - Considering the costs and means to address those vulnerabilities.
 - Considering adaptation opportunities that may be undertaken to manage the vulnerabilities.
 - Considering mitigation approaches to limit the magnitude or rate of long-term climate change (such as greenhouse gas emission reduction objectives).
- vi) Considering disaster planning and contingency funding.
- vii) Providing opportunities to encourage residents, businesses, institutions, and other stakeholders to offer input in asset management planning.
- viii) Providing comprehensive CAM Plan updates at regular intervals of four (4) to five (5) years, as required by Ontario asset management regulation O.Reg 588/17, or as deemed necessary by Municipal Council or the City Treasurer.

4.3. Principles

Embracing the principles below, the CAM Program provides a framework for decision-making, based on a defined level of service, when the City invests, designs, constructs, acquires, operates, maintains, renews, replaces, or decommissions assets.

The City's asset management planning shall:

a) Customer Focused:

- i) Provide assurance to customers through clearly defined levels of service and adhere to optimal asset management processes and practices, including investment, that are supported by existing customer service standards, regularly updated asset and customer data.

b) Forward Looking:

- i) Take a long-term view in making asset management decisions that are well beyond the cycle of one council term. Consideration will be focused on the municipal life cycle of assets from acquisition to disposal, including level of service, risk, maintenance and operating activities, and life cycle costs.
- ii) Consider the needs of the public by having record of the long-term view of local demographic and economic trends (seniors, commuters, tourists, etc.).

c) Prioritizing:

- i) Ensure compliance with all legislative requirements and asset management regulations.
- ii) Clearly identify and respect defined municipal infrastructure asset priorities which will drive investment decisions. It will make informed decisions between competing factors such as service delivery, asset quality and value, cost, and risk.

d) Consistency:

- i) Ensure continuous provision of core public services in the City's jurisdiction.

e) Transparency:

- i) Be evidence based and transparent and:
 - Base infrastructure decisions on evidence and information that is publicly available or made available to the public, subject to any privilege and restrictions or prohibitions under an Act or otherwise by law on the collection, use or disclosure of such information; and
 - Share information with implications for infrastructure planning with other public sector entities (i.e. hospital, board of education, public health, etc.) subject to any privilege and restrictions or prohibitions under an Act or otherwise by-law on the collection, use or disclosure of such information.

f) Budgeting and Planning:

- i) Align with City policies, vision, mission, values and other plans and strategies in effect, including relevant municipal official plans, master plans, resiliency and sustainability plans.
- ii) Take into account budgets adopted by Municipal Council, financial or asset plans prepared in accordance with applicable financial budgeting legislation and practices.

g) Integration:

- i) Consider the principles and content of relevant Ontario or municipal plans and strategies, established in an Act or otherwise, which relate to municipal infrastructure asset investment decisions.
- h) Environmentally Conscious:**
 - i) Minimize the impact of infrastructure on the environment by:
 - Ensuring infrastructure is designed and operated to minimize energy use and consider low impact development principles;
 - Respecting and helping maintain ecological and biological diversity during construction and operation;
 - Designing amenities and operating features that encourage sustainable choices for operators and users; and
 - Aiming to make use of acceptable recycled aggregates, other environmentally-friendly construction and building materials, and procurement practices that minimize environmental impact.
- i) Resilience:**
 - i) Ensure infrastructure is planned, designed, constructed, and operated to sustain, adapt, and emerge from system-wide shocks, including those caused by climate change and/or severe weather.
- j) Health and Safety:**
 - i) Ensure health and safety of workers involved in the construction and maintenance of municipal infrastructure assets is protected.
 - ii) Consider the safety of asset users in the community.
- k) Community Focused:**
 - i) Promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the community well-being, such as:
 - Local job creation and training opportunities;
 - Improvement of public space within the community;
 - Promoting accessibility for persons with disabilities; and
 - Any specific benefits identified by the community.
- l) Economic Development:**
 - i) Promote economic competitiveness, productivity, job creation and training opportunities.
- m) Innovation:**
 - i) Creating opportunities to make use of industry proven innovative technologies, practices and services, particularly where doing so would utilize technology, techniques, and practices developed in Ontario.
 - ii) Continually improve the asset management approach and rededicating to innovation as new tools, techniques and solutions are developed.

4.4. Asset Management Processes

a) Plans, Budgets and Forecasts:

- i) The CAM Plan is a strategic, forward looking document that outlines a consistent set of activities to carry out the commitments of the CAM Policy. The CAM Plan will be considered in the creation of the City's multi-year budget and annual budget updates. Financial staff will be involved in asset management planning to facilitate:
 - The financial strategy developed in the asset management plan(s);
 - The budget submissions of each functional area; and
 - The overall budget process.
- ii) Finance, water services, stormwater, and wastewater & treatment services personnel will work together to align the financial strategy developed in the CAM Plan with the financial plans related to the water, stormwater, and wastewater assets. The alignment will stem from common analytical methods followed and common data sources used, and coordinated by the Corporate Asset Management Section.

b) London Plan and Land-Use Planning Framework:

- i) Parties involved in the development of the asset management plan will reference the direction established in The London Plan (Official Plan) as well as the methods, assumptions, and data used in The London Plan development. This ensures that the City's CAM Plan aligns with Ontario's land-use planning framework, including the Official Plan and the Ontario Provincial Policy Statement.

c) Continual Improvement:

- i) The CAM Program must be continually improved, not just from nonconformities or weaknesses, but also making improvements in what the City already excels in, by continually improving the City's CAM planning approach, and incorporating new practices and principles. A process is in place to improve, adapt and adjust the City's asset management processes which includes responsibilities to stay current in asset management, adopt new practices, monitor the effectiveness of the CAM Program, and make changes accordingly.

d) Stakeholder Consultation:

- i) Stakeholder involvement is an important component of a successful CAM Program, and supports the commitment to ensure opportunities to provide input are offered to residents and stakeholders. Opportunities to leverage existing public consultation will be explored as presented by other internal stakeholder groups. Levels of service and the current state of asset management is transparently communicated to Municipal Council and the community using established reporting tools.

e) Availability and Update:

- i) This CAM Policy shall be posted on the City's london.ca website, and provided to anyone who requests it. It shall be reviewed by the CAM Steering Committee, Strategic Management Team, and Municipal Council, and updated as required, no more than five (5) years from the last revision date.

4.5. Related Documents

- Infrastructure for Jobs and Prosperity Act, 2015
- O.Reg. 588/17: Asset Management Planning for Municipal Infrastructure
- The London Plan (Official Plan – City of London)
- City of London Corporate Asset Management Administrative Policy (2013)

Appendix 1

Entities which are considered to have City of London municipal infrastructure assets:

City of London Functional Areas	Local Boards, Commissions, and Agencies Consolidated on City of London Financial statements	Proportionate Consolidation Entities
Water	Argyle Business Improvement Area Board of Management	The Board of Health of the Middlesex-London Health Unit
Wastewater	London Public Library Board	
Stormwater	Covent Garden Market Corporation	
Transportation (roads, traffic signals, and street lighting)	Eldon House Corporation	
Parking	Housing Development Corporation, London	
Solid Waste and Recycling	London & Middlesex Community Housing	
Recreation (Including Parks)	London Convention Centre Corporation	
Urban Forestry	London Downtown Business Association Area Board of Management	
Fire	London Police Services Board	
Corporate Security & Emergency Management	London Transit Commission	
Long Term Care	Museum London	
Corporate Facilities	Old East Village Business Improvement Area	
Culture Facilities	Hyde Park Business Improvement Association Board of Management	
Fleet		
Information Technology	Hamilton Road Business Improvement Area Board of Management	
Land		