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| Title: | Town of Grimsby Asset Management Policy | | |
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1. PURPOSE

The purpose of this policy is to set out direction and guidance to staff undertaking asset management practices across the organization in a systematic and coordinated way, in a manner which supports the Town's goals and objectives. Specifically, it addresses the need to:

- 1.1 Provide consistent and accurate means of tracking and reporting on the Town's assets, while improving decision-making, accountability and transparency;
- 1.2 Provide a framework that will enable the Town to implement plans, define goals, and work towards enterprise asset management to achieve medium and long term sustainability, and to demonstrate fiscal stewardship;
- 1.3 Meet legislative reporting and organization financial planning requirements;
- 1.4 Improve customer service.

2. SCOPE

This policy is complimentary to the Town of Grimsby Strategic Asset Management Plan (SAMP) and was established to fulfil the requirements set out in the Infrastructure for Jobs and Prosperity Act 2015, O.Reg 588/17 Asset Management Planning for Municipal Infrastructure. This policy articulates the Town's asset management commitments and principles that will be considered across the organization in a systematic and coordinated way. The Town's SAMP defines how the objectives of the AM Policy will be realized in the tactical Asset Management Plan (AMP).

3. DEFINITIONS

- asset** Has a physical nature, is a significant economic resource, and provides the delivery of programs and/or services.
- asset management** A systematic approach to the governance of Town assets using sound technical, social and economic principles that considers present and future needs of the community
- corporate asset management** The application of asset management practices on a corporate level to maximize consistency among diverse business units.
Corporate asset management creates efficiency by



harmonizing service levels and business processes wherever possible.

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| life cycle | The time interval that commences with the identification of the need for an asset and terminates with the disposal of the asset. |
| life cycle cost | The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation, and disposal costs. |
| public | Refers to Grimsby taxpayers, residents, businesses, visitors and users. |

4. VISION AND GOALS FOR INFRASTRUCTURE ASSETS

4.1 Strategic Goal

- 4.1.1 The Town's goal for the community is a safe, livable, sustainable and economically vibrant community fortified by well-managed and maintained municipal assets. These asset categories, include, but are not limited to:
- Safe and efficient transportation networks,
 - Safe and reliable water distribution networks,
 - Economical and reliable sewage collection systems,
 - Resilient stormwater management systems,
 - Reliable information technology systems,
 - Productive fleet,
 - Responsive fire services,
 - Accessible parks,
 - Available Recreation and civic facilities.

4.2 Council Commitment

- 4.2.1 This policy articulates Council's commitment to asset management. This policy outlines how it is to be integrated within the organization in such a way that it is coordinated, cost effective and organizationally sustainable. This policy also demonstrates to the community that Council is exercising good stewardship and is delivering affordable services while considering its legacy to future residents. This policy will support the development and improvement of decision-making tools that promote doing the right thing, to the right asset, at the right time.

4.3 Staff Commitment

- 4.3.1 Staff will implement the policy through the development and use of asset management guidelines and practices. The policy intends to allow business units the latitude to develop, implement, operate and continually improve asset management practices for their particular asset types and processes within a common framework. Staff will continually work to optimize processes for the creation, operation, maintenance and disposal of assets as well as promote service levels that balance customer expectations with cost and risk.



5. COUNCIL ASSET MANAGEMENT POLICY STATEMENTS AND PRINCIPLES

Asset management is a broad strategic framework that encompasses many disciplines and involves the entire organization. In order to achieve the corporate vision and goals for infrastructure assets, the organization will be guided by the following policy statements and principles.

5.1 Policy Statements

The Town of Grimsby will make reasonable efforts to:

- 5.1.1 Maintain and manage municipal assets at defined service levels to support public safety, community well-being and community goals.
- 5.1.2 Monitor standards and service levels to ensure that they meet and support the community, as well as Council's goals and objectives.
- 5.1.3 Develop and maintain inventories of its municipal assets.
- 5.1.4 Establish asset replacement strategies using full life cycle costing principles.
- 5.1.5 Plan financially for the appropriate level of maintenance of assets to deliver service levels and extend the useful life of assets.
- 5.1.6 Make the commitment to maintain, within reason, the necessary corporate capacity (including, but not limited to, resourcing, financial support, staff competencies, business processes, data and integrated information systems) to support the elements and practices of the asset management system.
- 5.1.7 Plan for and provide stable long term funding to replace and/or renew and/or decommission assets.
- 5.1.8 Consider and incorporate asset management in its other corporate plans as appropriate.
- 5.1.9 Provide opportunities for residents and other stakeholders to provide input into the municipality's asset management planning process as applicable.
- 5.1.10 As part of asset management planning, consider:
 - i. The actions that may be required to address vulnerabilities and risks that may be amplified by climate change to the Town's infrastructure assets with regards to:
 - Operations,
 - Levels of service,
 - Lifecycle management.
 - ii. The anticipated costs associated with vulnerabilities and risks that may be amplified by climate change.
 - iii. An integrated approach to adaptation opportunities, mitigation strategies and recovery strategies that may be undertaken to manage sustainable service delivery and reduce overall climate change impact of Town assets .
 - iv. Disaster planning and contingency funding



5.2 POLICY PRINCIPLES

The principles established under the Asset Management Policy to help direct decision making, actions and recommendations are described below.

- 5.2.1 Make informed decisions based on all available information on that asset class, identifying all revenues and costs (including operation, maintenance, replacement and decommission) associated with asset decisions, including additions and deletions. The basis for the decisions made should be recorded and transparent.
- 5.2.2 The Town shall create opportunities to communicate with the community and promote openness and transparency on the decision making process as applicable.
 - 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.
- 5.2.3 Take a long-term view on infrastructure planning and investment to ensure the needs of the municipality will be met in the future.
- 5.2.4 Integrate corporate, financial, business, technical and budgetary planning for municipal assets.
- 5.2.5 Develop and enhance asset management knowledge and competencies to ensure the availability of skill sets required for the implementation of asset management programs.
- 5.2.6 Establish organization accountability and responsibility for asset inventory, condition, use and performance.
- 5.2.7 Consult and coordinate planning for asset management with stakeholders, including the Region, neighbouring municipalities and jointly-owned municipal bodies.
- 5.2.8 Define and document service, maintenance and replacement levels and outcomes.
- 5.2.9 Use available resources effectively.
- 5.2.10 Manage assets to be sustainable.
- 5.2.11 Minimize total life cycle costs of assets.
- 5.2.12 Minimize risks to users and risks associated with failure.
- 5.2.13 Achieve/pursue best practices where applicable.
- 5.2.14 Report on the performance of its asset management program as required.
- 5.2.15 Ensure the health and safety of workers involved in the construction and maintenance of infrastructure assets.



- 5.2.16 Foster innovation by creating opportunities to make use of innovative technologies, services and practices.
- 5.2.17 Promote accessibility for persons with disabilities
- 5.2.18 Infrastructure planning and investment should take into account any applicable budgets or fiscal plans, such as fiscal plans released under the Fiscal Transparency and Accountability Act, 2004 and budgets adopted under Part VII of the Municipal Act, 2001 or Part VII of the City of Toronto Act, 2006.
- 5.2.19 Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting infrastructure.
- 5.2.20 Infrastructure planning and investment should ensure the continued provision of core public services
- 5.2.21 Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities.
- 5.2.22 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.

Where insufficient resources exist to adequately follow these principles staff shall attempt, as much as is reasonably possible, to follow the overall spirit and intent of these principles.

6. GUIDELINES AND BEST PRACTICES

6.1 Industry Guidelines and Best Practices

- 6.1.1 Using accepted industry guidelines and best practices, staff shall implement this policy. The SAMP plays a key role in explaining the method in which the commitments and principles described in the Town's AM Policy will be implemented; and to ensure that they are connected to the Town's AMP.
- 6.1.2 The Town will continue to follow all relevant regulations and requirements for capital asset reporting and asset management.
- 6.1.3 The Town shall work towards integrating an asset management program into operational plans and data management throughout the organization. Corporate standards will continually be created and improved upon, where applicable, to promote consistency in how assets are managed.
- 6.1.4 The Town will review current business processes where justified to improve operational effectiveness and efficiency. Through improvements to data quality, there will be continuous improvements to asset management processes which will help achieve increased forecast reliability.



6.2 Asset Management Plans (AMP)

- 6.2.1 Asset Management Plans (AMP) shall be developed for required asset classes and will outline long-term goals, processes and steps toward how they will be achieved. The AMPs shall be based on recent inventories and condition data (acquired or derived), projected performance, and remaining service life and consequence of losses. They should also consider future growth. Financial planning should consider alternative scenarios and risks, and include public consultation where applicable.
- 6.2.2 The capitalization thresholds for the Town are detailed in the Grimsby PSAB 3150 Policy. Every asset that provides value or has the potential to provide value and connects to the ability to deliver a level of service shall be evaluated for inclusion within the Asset Management Plan. Inclusion will not be based solely on the established capitalization threshold.

7. CONTEXT AND INTEGRATION

7.1 Asset and Data Management

- 7.1.1 With increasing regulation and focus on informed decision-making, asset management has become a necessity that needs to be implemented throughout the organization. Asset management and data management are intrinsically linked, and need to be developed together as the Town increases their reliance on digital information.

7.2 Budgeting and Asset Management Plans

- 7.2.1 The asset management plans are to be integrated into the preparation of annual business plans and budgets, and long range financial plans. This will include utilizing the financial strategy section of the asset management plans to prioritize both short term and long term investment needs in closing infrastructure gaps. By utilizing a cross-functional team that includes finance, asset management planning and concerned service areas, it is the intention that all asset management plans will align with all financial plans through the use of common data sources and analytical methods to the best extent possible. Relevant financial plans include but are not limited to:
- Financial plans related to water capital assets as required under the Safe Drinking Water Act, 2002;
 - Financial plans related to other service areas such as water, wastewater, and parking;
 - Development Charge Background Study and By-law and any subsequent updates; and
 - Town-wide long range financial plan and subsequent updates

7.3 Community Planning

- 7.3.1 The combination of good planning principles, lifecycle analysis and financial sustainability principles will be the driver in the design and selection of community development or redevelopment that requires new assets, or enhancement of existing assets, to take place. Parties involved in the development of the asset management



plans will reference the direction established in the Official Plan as well as the methods, assumptions, and data used in its development. The aim of cross referencing these plans is to ensure that development and redevelopment occur within the Town's means through the understanding and consideration of current and future asset and operational needs.

7.4 Policy Integration

7.4.1 Council and staff will consider this policy and integrate it in the development of corporate documents as applicable, such as:

- Official community plan
- Business plans
- Corporate strategic plan
- Council Priorities
- Corporate financial plan
- Capital budget plan
- Data or information management plan
- Operational plans and budgets (including vehicle and fleet plans and budgets)
- Neighbourhood plans/annual reports
- Design criteria and specifications
- Infrastructure servicing, management and replacement plans
- Community social plans
- Parks and recreation plans
- Facility plans
- Quality Management Systems (Roads and Water)
- Asset Financial Plans (Financial plans prepared under the Safe Drinking Water Act, 2002; Wastewater financial plans)
- Development Charges Studies

8. IMPLEMENTATION, REVIEW AND REPORTING RESPONSIBILITIES

8.1 Key Roles

8.1.1 Council approves Town policies while staff, the public and other stakeholders may provide input on the nature of text of the policy. Council retains the authority to approve, update, amend or rescind Council policies.

8.1.2 The key roles and responsibilities are outlined below. Council delegates the authority to operationalize this policy to the Town Manager/Chief Administrative Officer. (CAO)

| Role | Responsibility |
|---|---------------------------------------|
| Asset Management Program Lead | Manager of Infrastructure Engineering |
| Asset Management Program Sponsor | Finance and Public Works Director |
| Identification of issues, and development of policy updates | Council, staff |
| Establish levels of service | Council |
| Exercise stewardship of assets, adopt policy and budgets | Council |
| Implementation of policy | Town Manager and staff |
| Development of guidelines and practices | Town Manager and staff |
| On-going review of policies | Council and staff |



8.2 Key Responsibilities

| Actions | Responsibility |
|---|---|
| Adopt Asset Management Policy and its updates, as necessary, at least every 5 years | Town Manager and Council |
| Adopt Asset Management Plan and its updates at least every 5 years | Town Manager and Council |
| Monitor and review infrastructure standards and service levels at established intervals | Town Manager and Council |
| Develop and maintain infrastructure strategies including development and service plans | Planning, Public Works and other asset operation and maintenance departments, Finance |
| Develop and maintain asset inventories | Public Works, other asset operation and maintenance departments, Finance |
| Assess infrastructure condition and service levels | Public Works, other asset operation and maintenance departments, Finance |
| Establish and monitor infrastructure replacement levels through the use of full life cycle costing principles | Public Works, other asset operation and maintenance departments, Finance |
| Develop and maintain financial plans for the appropriate level of maintenance, rehabilitation, extension and decommission of assets | Public Works, other asset operation and maintenance departments, Finance |
| Report to citizens on status of the community's infrastructure assets and asset management program. The channels may include annual citizen reports, business plans, etc. | Council, Town Manager, Staff |
| Act as asset management stewards – responsible for the implementation of improvements to processes identified through the asset management program | Department Managers |
| Communication of the Policy on the Town's website | Manager of Infrastructure Engineering |

8.3 Asset Management Review

- 8.3.1 The purpose of the Asset Management Review is to evaluate the continuing suitability, adequacy and effectiveness of the Town's AM program and to identify any areas where improvement is required. The Management Review process ensures that all levels of the organizational structure are kept informed and aware of AM program performance.

8.4 Scheduling of Asset Management Plan Review

- 8.4.1 Due to the importance of this policy, the organization's asset management program shall be reported on annually to Council and the community, and implementation of this policy reviewed by Council at least every five years.

9. ASSOCIATED DOCUMENTS

- Grimsby PSAB 3150 Policy
- Strategic Asset Management Plan (2019)
- 2025 Corporate Asset Management Plan



10. REVISION HISTORY

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| Revision No.: | <u>3</u> |
| Date of Last Revision: | <u>June 9, 2025</u> |
| Last Approval Date: | <u>June 16, 2025</u> |
| Reason for Change(s): | <u>Update to meet O.Reg. 588/17 and reflect changes in roles</u> |
| Summary of Change(s): | <u>Updated responsibilities and roles, added full list of principles from Section 3 of the Infrastructure & Planning Act, added section 7.2 on Budget and Asset Management Plans and 7.3 on Community Planning.</u> |