

POLICY TITLE:	STRATEGIC ASSET MANAGEMENT POLICY		
POLICY CATEGORY:	Administration	POLICY NUMBER:	ADM-001
POLICY TYPE:	Corporate	DEPARTMENT:	Environmental Services
POLICY AUTHOR:	Engineering	APPROVED BY:	City Council
EFFECTIVE DATE:	June 16, 2025	REVIEW DATE:	June 1, 2029

POLICY STATEMENT

The City of St. Thomas is committed to the strategic management of municipal infrastructure in delivering optimum levels of service to its residents and customers in a sustainable and cost-effective manner. In accordance with Ontario Regulation 588/17 *Asset Management Planning for Municipal Infrastructure*, this policy details the approach and key principles to achieve approved levels of service, ensure long-term sustainability, demonstrate fiscal responsibility, and to establish an evidence-based decision-making framework to guide asset investment decisions in support of building a **Brighter Future**. To guide the municipality the following policy statements have been developed:

- The City will develop and maintain an asset inventory of all municipal infrastructure assets which includes unique ID; description and location information; value (both historical and replacement); performance characteristics and/or condition; estimated remaining life and estimated repair, rehabilitation or replacement date; and estimated repair, rehabilitation or replacement costs. The City will strive to enhance its asset inventory by continually collecting and updating asset attribute information.
- The City will implement a corporate-wide asset management program through all departments. The program will promote lifecycle and risk management of all municipal infrastructure assets with the goal of achieving the lowest total cost of ownership while meeting approved levels of service.
- The City will develop and establish its asset investment and financial strategies with a focus on ensuring the lowest overall lifecycle (service life) cost of the asset, the management of risk factors related to the asset, while delivering and maintaining the asset at approved levels of service.
- The City will coordinate planning of interrelated municipal infrastructure assets with separate ownership structures by pursuing collaborative opportunities with neighbouring municipalities and jointly-owned municipal bodies wherever viable and beneficial.
- The City will develop meaningful performance metrics and reporting tools to transparently communicate and display the current state of asset management practice to Council and the community.

PURPOSE

The purpose of this policy is to formalize the City’s direction, functions, practices and responsibilities associated with the management of infrastructure assets used to support the delivery of City services. This includes:

- Outlining the organizational context including the importance of employing asset management principles to the management of assets to support the City’s vision and goals.
- Establishing a framework for undertaking asset management in a structured and coordinated way across the City to deliver services.
- Communicating and ensuring a common understanding of key responsibilities and review processes for asset management.

By using sound asset management practices, the City will work towards ensuring that all municipal infrastructure assets meet expected performance levels and continue to provide approved levels of service in the most efficient and effective manner. Linking service outcomes to infrastructure investment decisions will assist the City in focusing on service, rather than budget driven asset management approaches.

This policy demonstrates an organization-wide commitment to the good stewardship of municipal infrastructure assets and to improved accountability and transparency to the community through the adoption of best practices regarding asset management planning.

DEFINITIONS

Unless otherwise noted, the definitions provided in this policy align with those outlined in ISO 55000 or O. Reg. 588/17 *Asset Management Planning for Municipal Infrastructure*.

Asset	An item, thing or entity that has potential or actual value to an organization. Includes traditional assets (roads and utilities), cultural assets (public art, monuments), facility assets (social housing, recreational, government) and natural resources that are used in or impacted by the delivery of services (trees, parks, land, water).
Asset Management (AM)	Coordinated activity of an organization to realize community value from its assets. This involves planned actions and coordinated activities of an organization to optimally and sustainably manage its assets that will enable the assets to provide the desired level of service in a sustainable way, while managing risk at the lowest life-cycle cost.
Asset Management Plan (AMP)	A strategic document developed for the management of assets that combine multi-disciplinary management strategies (including technical and financial) over the lifecycle of the asset in the most cost-effective manner to deliver a specified level of service.

Level of Service (LOS)	The parameters or combination of parameters that reflect the social, political, economic, and environmental outcomes that the organization delivers. Levels of service statements describe the outputs or objectives an organization or activity intends to deliver to customers.
Risk Management	The application of a formal process to assess organizational risks in order to determine: the consequence of failure, their probability of occurrence, and what actions may be taken to reduce the organization's overall risk exposure.
Capital Threshold	The minimum dollar level a municipality will use to determine which material assets will be capitalized and which will be expensed and is consistent with the principles and standards established by the Public Sector Accounting Board of Canada.
Tangible Capital Asset (TCA)	A legislative reporting requirement specified Section PS 3150 in the Public Sector Accounting Board Handbook to identify asset inventories, additions, disposals and amortization on an annual basis.
Lifecycle	The various phases of an asset's life that are identified as; planning and construction, operations, maintenance and disposal. Each phase has its own opportunities, risks, impacts and costs.
Lifecycle cost	Total cost of constructing, maintaining, renewing, operating and decommissioning an infrastructure asset throughout its service life.

AUTHORITY

This policy operates under the legislative authority derived from O. Reg. 588/17 *Asset Management Planning for Municipal Infrastructure* made under the *Infrastructure for Jobs and Prosperity Act, 2015*.

SCOPE

This policy applies to all members of the City's organization, and all municipally owned physical assets or asset systems, including natural assets owned and operated by the City and used to deliver services to the community. The City is committed to operating, maintaining and managing assets at defined levels of service to ensure that they meet community expectations, compliance, and legislative requirements by:

- Establishing asset management strategies through full lifecycle costing principles.
- Collecting, organizing, managing and maintaining accurate asset datasets for all assets through data governance protocols.
- Adopting risk-based decision-making processes to manage risk exposure.

- Developing and enhancing asset management knowledge and competencies to ensure the availability of skill sets required for implementation of asset management programs.
- Planning and implementing the optimum level of maintenance to ensure asset reliability while maximizing asset lifecycle and reducing risk exposure.
- Financial planning for sustainable long-term funding to rehabilitate, replace or dispose of infrastructure assets.
- Monitoring and evaluating performance of assets and associated programs to track effectiveness.

POLICY

This policy establishes consistent standards and guidelines to manage the City’s assets by applying sound technical, social, and economic principles. These principles consider the present and future needs of users and the City’s requirement to deliver services through assets. It demonstrates the commitment of the City to establish mechanisms that encourage principled, evidence-based, and strategic long-term infrastructure planning decisions to achieve City goals.

Strategic Alignment

The City’s vision is “**building a *Brighter Future* where everyone belongs and has opportunities to thrive**”. Achieving this vision requires the alignment of many City initiatives. This alignment is necessary to properly consider whether the level of service provided by existing and planned assets supports the City’s vision. An integrated asset management approach is necessary to successfully develop an Asset Management Plan that aligns with existing policies and plans throughout the City.

Strategic Plan

The Asset Management Plan supports the City’s Strategic Plan in outlining a shared vision for the future of St. Thomas, reflecting the priorities of the community, Council and staff.

Official Plan

Provides the criteria and direction for growth surrounding asset decision-making processes.

Long Term Financial Plan

The Asset Management Plan is a key component to the Long-Term Financial Plan, serving the purpose of managing infrastructure assets that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset in the most cost-effective manner to provide a specific level of service.

Business Plans

The service level and budget set out in the Asset Management Plan are incorporated into department business plans and budgets, goals and performance measures.

Capital Plan

The capital plan consists of a capital budget incorporating asset lifecycle needs over a 10-year horizon, forecasting timelines and funding sources.

Master Plans

The Asset Management Plan utilizes and incorporates various master plans, including but not limited to, the Transportation Master Plan, St. Thomas Cycling and Trails Master Plan, Transit Master Plan, Water and Wastewater Master Plans, Airport Master Plan, Parks and Recreation Master Plan, etc.). In turn the asset management plan may influence future master plans and recommendations.

Other Plans and Initiatives

The asset management approach will also review other plans and initiatives in place throughout the City to ensure that asset construction and lifecycle activities align with these plans and initiatives.

Governance

The development and continuous support of the City’s asset management program requires organization-wide participation and collaboration from Council, staff and various stakeholders over a wide range of duties and responsibility. The following table outlines some of the key asset management responsibilities by role.

Role	Responsibilities
City Council	<ul style="list-style-type: none"> • Approve, by resolution, the Strategic Asset Management Policy and the City’s Asset Management Plan. • Approve Levels of Service. • Review and approve capital and operating funding associated with asset management through annual budgeting process. • Maintain adequate organizational capacity and resources to support core practices of the asset management program. • Prioritize effective stewardship of assets in adoption and ongoing review of policy and budgets. • Review annual reporting on the status and performance of the asset management program. • Support ongoing efforts to continuously improve and implement the asset management program.

<p>Leadership Team</p>	<ul style="list-style-type: none"> • Ensure compliance with the Strategic Asset Management Policy and Provincial asset management Regulations. • Review levels of service measures/metrics and recommend proposed levels of service targets to City Council. • Incorporate lifecycle costing and levels of service considerations when evaluating competing asset investment needs and developing asset management strategies. • Review financial analysis and develop financial strategies to support the Asset Management Plan and incorporate these strategies into the budget. • Provide corporate oversight to goals and directions and ensure the asset management program aligns with the City's strategic plans and master plans. • Ensure the asset management program is updated and accurate for all assets under their departmental responsibility. • Foster and support continuous improvement in all asset management processes and activities. • Provide departmental staff coordination.
<p>Executive Lead – Director of Environmental and Infrastructure Services/City Engineer</p>	<ul style="list-style-type: none"> • Communicate the vision of asset management at a corporate level, encourage engagement with the processes, and provide the guidance necessary to ensure alignment and integration across the organization. • Update and endorse the Strategic Asset Management Policy and Asset Management Plan for Council approval. • Provide organization-wide leadership in asset management practices and concepts. • Identify resources required for implementation of the Strategic Asset Management Policy and the Asset Management Plan. • Coordinate annual reporting on the status and performance of the asset management program. • Ensure completeness and accuracy of asset data in the asset management plan and implement strategies to address identified data gaps.
<p>Asset Management Working Group / Asset Management Coordinator</p>	<ul style="list-style-type: none"> • Define and monitor levels of service measures/metrics and suggest proposed levels of service to the Leadership Team. • Complete annual reporting on the status and performance of the asset management program

	<ul style="list-style-type: none"> • Assist with the development of lifecycle costing and levels of service for all assets • identify data gaps and develop strategies to update and maintain the asset management system for all assets. • Suggest new business processes and technology tools as part of continuous improvement in asset management. • Track, analyze and report on asset management program progress and results. • Reconcile asset management plan data with tangible capital asset data annually.
Departmental Staff	<ul style="list-style-type: none"> • Participate in implementation task teams to carry-out asset management activities. • Utilize new business processes and technology tools developed for improved asset management. • Implement, monitor, and maintain approved levels of service. • Complete regular inspections and provide data and information on assets and services to help ensure an up-to-date asset management system.
Residents and Stakeholders	<ul style="list-style-type: none"> • Participate in public information sessions, surveys, and other stakeholder engagement initiatives. • Provide feedback related to levels of service, service experience, and service expectations. • Notify the City through appropriate means, when service deficiencies or failures are observed.

Asset Management Framework

The asset management process is meant to align with and complement existing corporate processes such as budgeting and strategic planning. The intent of the process is to provide a long-term perspective that is focused on the integral challenges associated with the assets that support achieving the City’s strategies and objectives. The City’s asset management system can be categorized into key processes and resources shown within **Figure 1**.

Functional Processes: The processes involved in understanding and defining requirements, and asset lifecycle management strategies, and

Enabling Processes: The supporting process and resources that make functional processes possible.

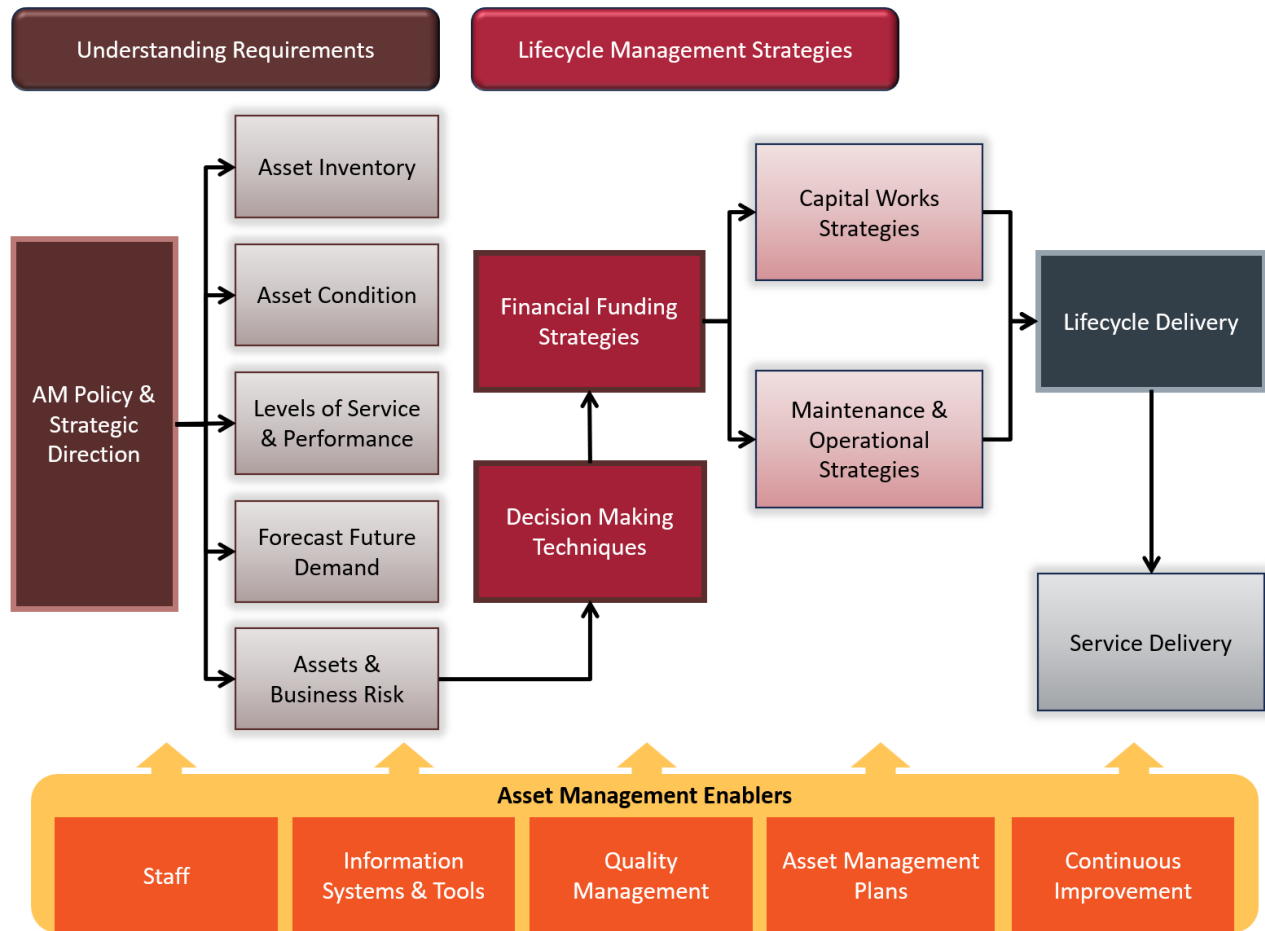


Figure 1: Asset Management Process

The asset management system incorporates the development, engagement, and implementation of several City guiding documents, policies, and plans that are updated on a regular basis. Engagement in these processes is key to ensuring that the asset management system reflects community goals and desires. The asset management system integrates strategic planning, financial planning and budgeting, lifecycle planning, service levels and risk, as shown in **Figure 2**.

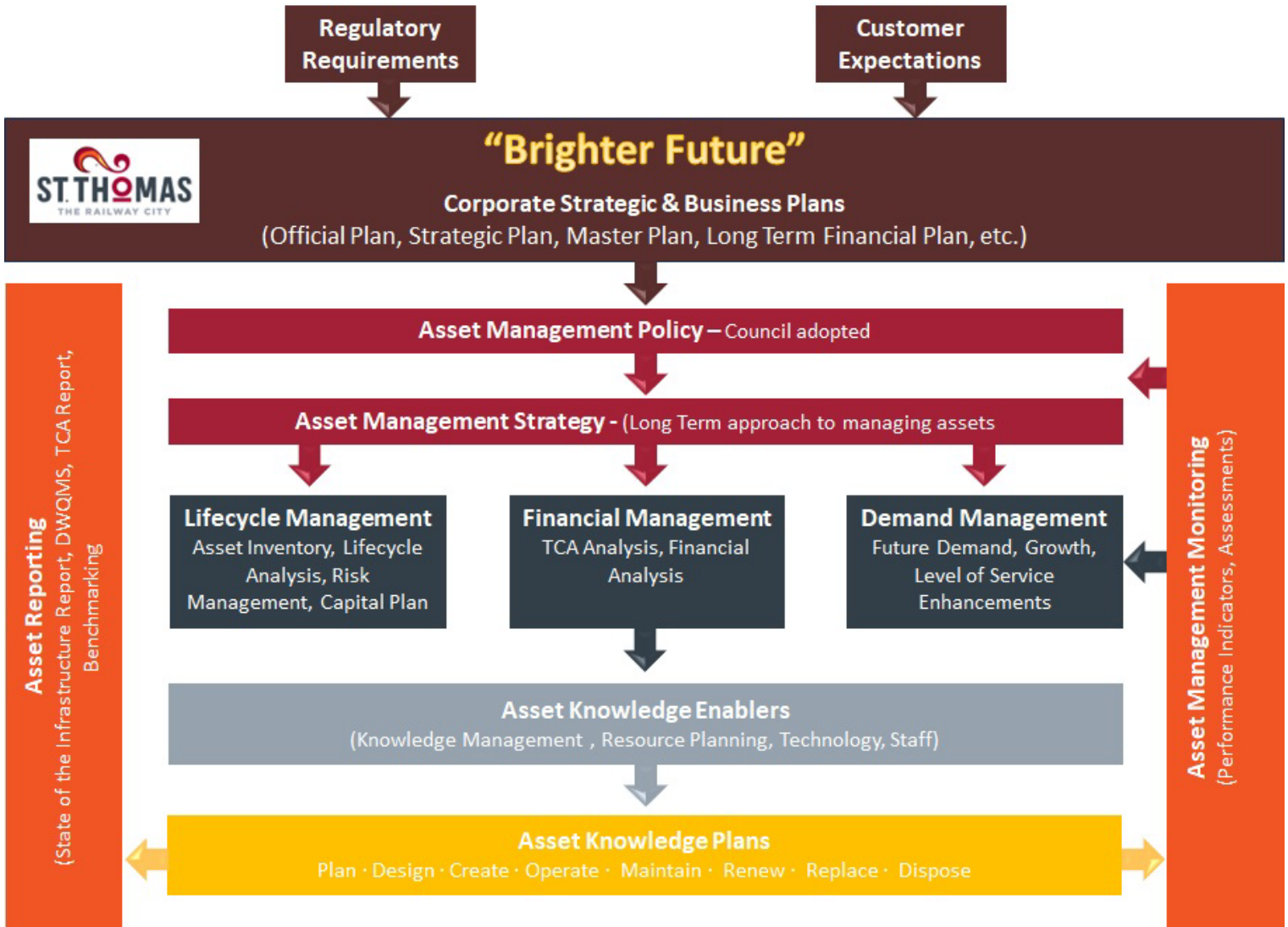


Figure 2: Asset Management System

Principles

The Guiding Values of the City’s **Brighter Future** Strategic Plan will serve as a basis for defining and incorporating the principles required under the *Infrastructure for Jobs and Prosperity Act, 2015* into the day-to-day operations of the City:

BRIGHTER FUTURE

GUIDING VALUES

Trust and Accountability

We demonstrate reliability, follow-through, and transparency to earn the trust and respect of the people we serve and work with.

Inclusivity and Respect

We value, respect, and include the unique needs, voices, backgrounds, and contributions of the people we serve and work with.

Collaboration and Teamwork

We are at our best when we actively collaborate and engage with one another, those we serve, and our community, regional, and government partners. We lead or co-develop decisions and plans that are purposeful, action oriented, and focused on meeting the diverse needs of our communities.

Learning and Innovation

We intentionally create time for learning, critical thinking, innovation, and developing our capacity to deliver excellence.

Safety and Well-being

We provide a safe and secure work environment for all and foster a culture that nurtures the mental, emotional, and physical well-being of our staff and communities.



TRUST & ACCOUNTABILITY

The City will establish clearly defined levels of service and apply asset management practices to ensure the continued provision of core public services that are within the City’s jurisdiction and to maintain customer confidence in the management of City assets. The risk associated with attaining establish levels of service will be managed by focusing resources based on cost/benefit and risk assessments, recognizing that public safety is priority.

The City will take a comprehensive approach to investment planning and decision making that considers all assets in a service context and the combined impact of managing the entire asset lifecycle while taking into consideration asset interrelationships to clearly identify infrastructure priorities using a formal risk framework to make better informed asset management decisions.

Effective asset management will apply industry best practices, interventions, and operations that aim to reduce lifecycle costs while satisfying established levels of service. The basis of

decision-making will include balancing service levels, risks, and costs to identify the best combination of investments that deliver the greatest value while respecting funding, resource, and timing constraints, including any applicable fiscal plans or budgets, such as those released under the *Fiscal Transparency and Accountability Act, 2004* or adopted under Part VII of the *Municipal Act, 2001*.



**INCLUSIVITY
&
RESPECT**

The City recognizes the need to take a long-term view on infrastructure planning and investment to enable decision making that ensures assets are able to meet the needs of citizens and address future challenges, while also taking into consideration, among other things, demographic and economic trends in the area.

The City recognizes the impact infrastructure may have on the environment and will endeavor to minimize these impacts by respecting and maintaining ecological and biological diversity. Infrastructure investment designs will be augmented to ensure resiliency to the effects of climate change and incorporate the use of acceptable recycled aggregates when appropriate.



**COLLABORATION
&
TEAMWORK**

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.

The determination of infrastructure needs shall be evidence-based and transparent, and, subject to any restrictions or prohibitions under an Act or otherwise by law on the collection, use or disclosure of information, the City shall:

- Make decisions with respect to infrastructure based on information that is publicly available or made available to the public; and
- Share information with implications on infrastructure and investment decisions with the Government and broader public sector entities.



**LEARNING
&
INNOVATION**

The City views continual improvement as an essential element of successful asset management. The City will foster innovation by continually monitoring industry best practices and updating its asset management approach, creating opportunities to make use of innovative technologies, services, and practices, particularly those that have been developed in Ontario, for improved asset management planning and investment including:

- Complete and Accurate Asset Data
- Condition Assessment Protocols
- Risk and Criticality Models
- Lifecycle Management
- Financial Strategy Development
- Level of Service Framework

The City will explore innovative funding and service delivery opportunities, including but not limited to grant programs, public-private partnerships (P3), alternative financing and procurement (AFP) approaches, and shared provision of services, as appropriate. All aspects of the City's asset management approach will consider economic competitiveness, productivity, job creation and training opportunities.



**SAFETY
&
WELL-BEING**

The City is committed to protecting the health and safety of workers involved in the construction and maintenance of infrastructure assets by prioritizing safe work environments and by adhering to Health and Safety Regulations and Standards mandated by the *Occupational Health and Safety Act, 1990* and any other regulations or standards required for the construction or maintenance of infrastructure assets.

The City will plan infrastructure investments to promote community social and economic benefits arising from an infrastructure project that are intended to improve the well-being of the community through:

- Local job creation and training opportunities;
- Improvement of public space within the City;
- Promoting accessibility for persons with disabilities; and
- Any other specific benefits identified by the community.

Community Planning

Asset management planning will be aligned with the Province of Ontario's land-use planning framework, including any relevant policy statements issued under section 3(1) of the *Planning Act, 1990* and the City's Official Plan or any other applicable Provincial Plans. The combination of sound planning principles, lifecycle analysis, and financial sustainability will inform the design and selection of community development or redevelopment that requires new assets or enhancement of existing assets.

Those responsible for managing municipal assets impacted by community development or redevelopment will be consulted when the Official Plan is being prepared and/or reviewed and the direction established through the Official Plan and any supporting studies, assumptions, and data will be referenced in the City's asset management plan. The aim of cross-referencing these plans is to ensure that development or redevelopment occur within the City's means through shared understanding and consideration of current and future asset needs.

Climate Change

The City is committed to the development of tailored actions that make the best use of its resources to mitigate and adapt to climate change. Climate change and community resiliency will be considered as part of the City's risk management strategy related to asset management planning. This strategy will balance the potential cost of vulnerabilities to climate change impacts and other risks against the costs of reducing these vulnerabilities.

A balance will be struck in the levels of service delivered through operations, lifecycle management, maintenance schedules, disaster response plans, contingency funding, and capital investments. As part of its asset management planning the City will consider adaptation opportunities to manage vulnerabilities and mitigation approaches to climate change, such as greenhouse gas emission reduction targets.

Capitalization Threshold

This policy applies to all assets whose role in service delivery requires deliberate management by the City. The service-focus intent of this policy differentiates its requirements for identifying assets from the capitalization thresholds, which are developed for the purpose of financial reporting. For this reason, inclusion within the Asset Management Plan will not be based solely on the capitalization thresholds identified in the City's Tangible Capital Assets (TCA) policy, but rather 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, individually or pooled with similar assets, as determined by the professional judgement of the City's Leadership Team.

Financial Planning and Budgeting

The City will integrate the Asset Management Plan with its long-term financial planning and budgeting strategies. This includes the development of financial plans that determine the level of funding required to achieve short-term operating and maintenance needs, in addition to long-term funding needs to replace and/or renew municipal infrastructure assets based on full lifecycle costing.

By utilizing a cross-functional team that includes finance, asset management, and concerned service areas, it is the intention that asset management planning will align with and inform 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 assets as required under the *Safe Drinking Water Act, 2002*;
- Financial plans related to other service areas such as wastewater assets, transit, and parking;
- Development Charge Background Study and By-law and any subsequent updates; and
- City-wide long range financial plan and subsequent updates.

The City's asset management plan is to be referenced by service areas in the preparation of their budget submissions to help:

- Identifying all potential revenues and costs (including operating, maintenance, replacement, and decommission) associated with forthcoming infrastructure asset decisions;
- Evaluating the validity and need of each significant new capital asset, including considering the impact of future operating costs with consideration to climate change impacts;
- Consider new revenue tools and alternative funding strategies where possible

Community Engagement

The City's Strategic Plan commits to collaborating with our partners and communities to build a **Brighter Future** where everyone belongs and has opportunities to thrive. To help achieve this vision, the City will seek to understand the needs of its residents and consider the needs of future generations, and incorporate these perspectives into asset management planning. The City recognizes that its residents are an integral part of the asset management approach. Accordingly, the City will:

- Ensure appropriate information is available to residents and facilitate an understanding of key information.

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

COMMUNICATION

This policy and accompanying asset management plan will be posted on the City's website and will be updated every four years during the second year of every new term of Council to promote, document, and communicate continuous improvement of the City's asset management program.

The City's Asset Management Plan will be reviewed annually with Council to assess the City's progress of its implementation, identify any barriers to its implementation, and identify strategies to overcome such barriers in conjunction with the City's annual State of Local Infrastructure report.

REFERENCE DOCUMENTS/LEGISLATION

The City's Asset Management Policy and Asset Management Plan align with the following legislation, standards, and best management practices:

- Infrastructure for Jobs and Prosperity Act, 2015
- Ontario Regulation 588/17 – Asset Management Planning for Municipal Infrastructure
- Development Charges Act, 1997
- ISO 55000, 55001, and 55002 Asset Management Standards
- Federation of Canadian Municipalities – Asset Management Policy, Strategy and Governance Framework
- Tangible Capital Asset Policy