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STRATEGIC ASSET MANAGEMENT POLICY

(in accordance with the Infrastructure for Jobs and Prosperity Act)

<p>PURPOSE</p>	<p>Strategic municipal asset management involves the challenge of planning and investing in municipal infrastructure assets, while ensuring sound stewardship of public resources and delivering valued customer services.</p> <p>The purpose of this Asset Management Policy is to affirm the City of Hamilton commitments in asset management through defined principles and processes, and to align and integrate asset management into strategic planning processes.</p> <p>This policy will provide a foundation for a strategic Asset Management Plan (AMP). This will help identify and prioritize investments in existing and future infrastructure assets, as the City continues its efforts to maintain assets in a safe, efficient and effective manner, capable of supporting the quality of life desired in the community.</p> <p>Strategic Asset Management enables the City to purposefully plan for community sustainability and resilience by:</p> <ul style="list-style-type: none"> • Proactively managing assets throughout their life cycle to deliver services sustainably to the community now and into the future, • Prioritizing infrastructure decisions that balance costs, risks and services, • Delivering services more efficiently and effectively, • Ensuring long-term affordability of services, • Reducing deficits and debt, and • Attracting business and investment. <p>This Asset Management Policy conforms to prescribed requirements from Ontario Regulation 588/17 (O.Reg.588/17), as amended.</p>
<p>POLICY STATEMENT</p>	<p>Pursuant to O.Reg. 588/17, The City of Hamilton makes the following commitments regarding Asset Management Planning:</p> <ol style="list-style-type: none"> 1. The City is committed to offering opportunities for municipal residents and other interested parties to provide input into asset management planning. 2. The City is committed to coordinating asset management planning for infrastructure assets interrelated with neighbouring

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	<p>municipalities, or jointly-owned, including inter-connected drinking water distribution assets and road networks.</p> <p>3. As part of its asset management planning for municipal infrastructure, the City is committed to considering climate change. This includes the following:</p> <ul style="list-style-type: none"> a. Identifying the vulnerabilities of the City’s existing and proposed infrastructure assets caused by climate change, and subsequent potential costs; b. Considering the means to address those vulnerabilities, related to operations, levels of service and lifecycle activities; c. Considering adaptation opportunities that may be undertaken to manage the vulnerabilities, d. Considering mitigation approaches to limit the magnitude or rate of long-term climate change (such as greenhouse gas emission reduction objectives), and e. Considering disaster planning and contingency funding.
SCOPE	<p>The scope of this policy applies to Core Municipal Infrastructure Assets owned by the City of Hamilton, as defined in O.Reg. 588/17, and as listed in Appendix 1.</p> <p>Core Municipal Infrastructure includes assets in the road right-of-way, bridges, culverts, drinking water treatment & distribution, wastewater treatment & collection, and storm water systems.</p>
PRINCIPLES	<p>The City will consider the following principles in decisions to invest, design, construct, acquire, operate, maintain, renew, replace or decommission infrastructure assets.</p>
Community Focus	<p>Infrastructure planning and investment should:</p> <ul style="list-style-type: none"> 1. Promote economic competitiveness, productivity, job creation and training opportunities. 2. Promote accessibility for persons with disabilities. 3. Promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the community well-being (creating jobs, improving public space, for example).

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Prioritization	<p>4. Consider the needs of the public by being mindful of the local demographic and economic trends (seniors, commuters, tourists, etc.).</p> <p>5. Foster innovation by creating opportunities to make use of proven technologies, practices and services (especially those developed in Ontario).</p>
	<p>Infrastructure planning and investment should:</p> <p>6. Clearly identify and respect defined infrastructure priorities. A clearly defined hierarchy for infrastructure priorities is a critical foundation for an effective asset management plan, as priorities should inform investment decisions. Priorities will be further described in the AMP.</p> <p>7. Ensure the City continues to provide public services in the road right-of-way, bridges, culverts, drinking water treatment & distribution, wastewater treatment & collection, and storm water systems at defined levels of service.</p> <p>8. Take a long-term view in making asset decisions, especially considering the municipal life cycle of infrastructure assets from acquisition to disposal.</p> <p>9. Factor information with implications for infrastructure planning into infrastructure investment decisions.</p>
Health, Safety and the Environment	<p>Infrastructure planning and investment should:</p> <p>10. Ensure health & safety of workers involved in the construction and maintenance of assets is protected.</p> <p>11. Ensure infrastructure is designed to be resilient to the effects of climate change.</p> <p>12. Minimize the impact of infrastructure on the environment.</p> <p>13. Respect and help maintain ecological and bio-diversity.</p> <p>14. Endeavour to make use of acceptable recycled materials.</p>

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Transparency	<p>Infrastructure planning and investment should:</p> <p>15. Be made on information that is evidence based, and, subject to any restrictions or prohibitions, on the basis of information that is either publicly available or is made available to the public.</p> <p>16. In cases where the City becomes aware of information that has implications for City infrastructure planning, this should be shared with relevant public agencies that may be affected.</p>
Coordination	<p>Infrastructure planning and investment should:</p> <p>17. Align with all relevant City of Hamilton financial plans prepared in accordance with relevant financial budgeting legislation.</p> <p>18. Be mindful of and align with the other City policies, Strategic Plan, and other plans and strategies in effect. A description of connected plans is provided in further detail in the Asset Management Plan.</p>
DEFINITIONS	(As defined in O.Reg.588/17)
Asset	A resource with economic value that a municipality controls with the expectation that it will provide a future benefit. An asset is specifically defined as property, equipment, vehicles, tools or other resources with a purchase value at or above the Capital Asset Threshold.
Asset Management (AM)	The coordinated activity of an organization to realize value from assets.
Asset Management Plan (AMP)	A plan to be developed for the management of infrastructure assets, in compliance with the Strategic Asset Management Plan from O.Reg.588/17, that combines multi-disciplinary management techniques (including technical and financial) over the life cycle of the asset in the most cost effective manner to provide a specific level of service. The management of infrastructure assets includes investment, design, construction, acquisition, operation, maintenance, renewal, replacement and decommissioning of these assets.
Capital Asset Threshold	The threshold at or above which a resource is considered an asset, the value of a municipal infrastructure asset at or above which a municipality will capitalize the value of it and below which it will

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Core Municipal Infrastructure Asset	<p>expense the value of it. For the City of Hamilton, the capital asset threshold is defined in the Capital Asset Policy. However, items below the defined threshold may be included into the Asset Management Plan, based on risk, under the authority of the relevant department Director.</p> <p>Includes any municipal infrastructure asset that is a:</p> <ul style="list-style-type: none"> - 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. <p>The City of Hamilton defines a 'road' asset as assets within the road right-of-way owned by the City, not including water, storm or sanitary.</p>
O. Reg. 588/17	<p>Under the Infrastructure for Jobs and Prosperity Act, 2015, principles are set out by the provincial government to regulate asset management planning for municipalities. On December 27, 2017, O. Reg. 588/17 was released which regulates asset management planning for municipal infrastructure.</p>
Public	<p>Residents and businesses in the City of Hamilton, stakeholders, or other interested parties.</p>
RESPONSIBILITIES	
Council and Committees of Council (herein called "Council")	<p>Responsible for approving the Asset Management Policy, Asset Management Plan, and approving budgetary decisions.</p> <p>Overall authority for policy approvals, and budgetary decisions as defined in the Municipal Act.</p> <p>Council has the authority to make asset management decisions related to investment, design, construction, acquisition, operation, maintenance, renewal, replacement and decommissioning of infrastructure assets.</p>

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City Manager	<p>Overall executive lead responsible for establishing and endorsing the Asset Management Policy and the Asset Management Plan.</p> <p>Authority to execute or delegate the duties defined above, and the authority to make asset management decisions related to investment, design, construction, acquisition, operation, maintenance, renewal, replacement and decommissioning of infrastructure assets.</p>
Senior Leadership Team	<p>Responsible for ensuring the Asset Management Policy is relevant, suitable, adequate, reviewed and updated as required.</p> <p>Responsible for communicating land-use or master plans, forecasts, policies and other planning or financial commitments related to municipal infrastructure assets.</p> <p>Also responsible for coordinating with the General Managers to align asset management planning with budgets, land-use or master plans, forecasts, policies and other planning or financial commitments.</p> <p>Authority to carry out these responsibilities.</p>
General Manager Public Works	<p>Responsible for, and assigned the authority for, making asset recommendations related to assigned portfolios, in adherence with this policy.</p> <p>Authority to make asset management decisions related to investment, design, construction, acquisition, operation, maintenance, renewal, replacement and decommissioning of infrastructure assets.</p>
General Manager Finance & Corporate Services	<p>Responsible for communicating financial plans, forecasts and other financial commitments related to municipal infrastructure assets to the Senior Leadership Team.</p>
OTHER PROVISIONS	
Plans, Budgets and Forecasts	<p>This Policy and future AMP are only effective when fully aligned with City budgeting and forecasting activities. A process will be developed within the AMP to coordinate asset management decisions when developing municipal capital and operating budgets, and long-term forecasting related to infrastructure assets.</p>

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	<p>This will include special consideration to align to the City of Hamilton Water Service Area Financial Plan, Development Charge Bylaw and Master Plans.</p>
	<p>Continual Improvement</p> <p>Asset management planning will be continually improved by considering emerging practices and principles in asset management planning.</p> <p>Opportunities for improvement will be also be determined through monitoring asset performance, and outcomes of asset decisions. Of particular importance are asset-related emergency situations, when seeking means to improve the City's asset management practices.</p>
	<p>Land-Use Planning Framework</p> <p>A process will be developed and captured in the AMP to align asset management planning with land-use planning, including the City of Hamilton Official Plan, Development Charge By-Laws and other related master plans as they may be applicable.</p>
	<p>Risk Management</p> <p>Climate change introduces risk and vulnerabilities for core municipal infrastructure assets. In order to fulfil climate change commitments in this Policy and stay aware of these risks and vulnerabilities, the Risk Assessment process will be developed through the AMP.</p> <p>Also, as noted in Definitions, items below the capital asset threshold may be included in the scope of asset management planning. That is, occasionally an item's value may be less than the defined capital asset threshold, but it has a functional value that introduces risk should the item's inventory, availability, condition or forecast not be considered and planned for. In that case, this item may be added using the Risk Assessment process that will be developed.</p> <p>Infrastructure priorities are inherently identified by consideration of risk. This process will be formalized as the AMP is developed, along with an overview of the risks associated with the strategy (i.e. ways the plan could fail to generate the expected service levels) and any actions that will be taken in response.</p>
	<p>Stakeholder Consultation</p> <p>Stakeholder involvement is a commitment in this Policy, and an important factor of a successful and relevant AMP. It is imperative that opportunities to provide input are consistently offered to residents and interested parties.</p> <p>Consultation and communication processes are in place, and will be described in the AMP.</p>

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Availability and Update	<p>This policy is posted on the City website and provided to anyone who requests it.</p> <p>It is reviewed and updated as required, no more than 5 years from the last revision date posted.</p>
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APPENDIX 1

Assets included in scope:

Asset Category	Example
Drinking water distribution	Pumps, Motors, Starters, Gates, Transmission Mains, Distribution Mains, Water Valves, Water Quality Analyzers, Chemical Supply Systems, SCADA, Storage Reservoirs & Elevated Tanks, Generators, MCCs, Transformers, VFDs
Drinking water treatment	Pumps, Motors, Starters, Gates, Trash Screens, Mixers, Valves, Filters, UV Units, Tanks (Settling & Storage), Chemical Supply Systems, SCADA, Generators, MCCs, Transformers, VFDs
Sanitary wastewater collection	Maintenance Access Chambers, Pumps, Motors, Starters, Gates, Force Mains, Sewer Pipes, Weirs, SCADA, CSO Tanks, Generators, MCCs, Transformers, VFDs
Sanitary wastewater treatment	Pumps, Motors, Starters, Bar Screens, Chemical Supply Systems, Tanks, Flights, Chains, Blowers, Filter Presses, Centrifuges, Mixers, Filters, SCADA, Generators, MCCs, Transformers, VFDs
Roads (including right-of-way)	All road elements that comprise a municipal highway, including surface asphalts or other treatments, base materials, curbs, walks and shoulders, boulevards, control systems, street lighting, signs, for all road classes or highway
Bridges	Structures which provide a roadway or walkway for the passage of vehicles, pedestrians or cyclists across an obstruction, gap or facility, including precast concrete cross culverts, steel road bridges

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Culverts	Large diameter corrugated steel culvert
Storm water system	Pumps, Motors, Starters, Flood Gates, Storm Sewer Pipes, Catch Basins, Storm Ponds, Tanks, SCADA, Generators, MCCs, Transformers, VFDs