




CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Corporate Asset Management

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	June 14, 2023
SUBJECT/REPORT NO:	Strategic Asset Management Policy and Corporate Asset Management Program Update (PW23044) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Jasmine MacDonald (905) 546-2424 Ext. 2461
SUBMITTED BY:	Patricia Leishman Director, Corporate Asset Management
SIGNATURE:	

RECOMMENDATIONS

- (a) That Appendix "A" attached to Report PW23044 respecting the Strategic Asset Management Policy be approved; and,
- (b) That Appendix "B" attached to Report PW23044 respecting an Update on the Corporate Asset Management Program be received.

EXECUTIVE SUMMARY

A requirement under O. Reg. 588/17 is that every municipality shall prepare its first Strategic Asset Management Policy by July 1, 2019 and shall review and, if necessary, update it at least every five years. The purpose of this report is to provide Council with the updated Strategic Asset Management Policy recommended for approval.

Updates to the Policy Include:

- Increasing the scope to include all City assets,
- Realigning principles to asset management best practice:
 - Service delivery to customers;
 - Long term sustainability and resilience;
 - Integrated and systematic approach;
 - Fiscal responsibility and asset management decision making;
 - Innovation and continuous improvement; and,
 - Addition of equity framework.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

SUBJECT: Strategic Asset Management Policy and Corporate Asset Management Program Update (PW23044) (City Wide) – Page 2 of 4

This Policy was previously approved by Council in June 2019 (Strategic Asset Management Policy (PW19053) (City Wide)).

In addition, further to the update that was provided to Council on June 15, 2022 (Core Asset Management Plan (PW22048) (City Wide)), Appendix “B” provides Council with an update on overall progress and development of the Corporate Asset Management Program.

Alternatives for Consideration – See Page 4

HISTORICAL BACKGROUND

Ontario Regulation 588/17 – Asset Management Planning for Municipal Infrastructure, under the Infrastructure for Jobs and Prosperity Act, 2015, came into force on January 1, 2018. Building on the Province’s 2011 Building Together: Guide for Municipal Asset Management Plans, the Ontario Regulation 588/17 (O.Reg. 588/17) sets out requirements and deadlines for municipal asset management plans and policies.

The key requirements of O.Reg. 588/17 are described in further detail below. They include the preparation of a strategic asset management policy and phased implementation of the asset management plans.

1. Strategic Asset Management Policy

The deadline for strategic asset management policy implementation was July 1, 2019. It requires Municipal Council endorsement and shall be reviewed and updated every five (5) years. City Council approved the Corporate Asset Management Policy (PW19053) in June 2019, fulfilling this requirement. Appendix “A” to Report PW23044 Strategic Asset Management Policy has been amended to include all City assets and PW23044

2. Corporate Asset Management Plan (AM Plan)

The AM Plan has three implementation deadlines summarized below:

- (a) July 1, 2022 – Preparation of an AM Plan, including current levels of service (LOS) in respect of a municipality’s core municipal infrastructure which is defined as water, wastewater, storm water, roads, bridges and culverts. City Council approved these AM Plans (PW22048) in June 2022, fulfilling this requirement;
- (b) July 1, 2024 – Preparation of an AM Plan with respect to all of its other municipal infrastructure assets; and,
- (c) July 1, 2025 – Preparation of an AM Plan, which will include proposed levels of service, with respect to all its municipal infrastructure assets.

SUBJECT: Strategic Asset Management Policy and Corporate Asset Management Program Update (PW23044) (City Wide) – Page 3 of 4

The regulation also outlines that a municipality shall review and update its asset management plan at least every five (5) years.

Previous Reports pertinent to this Recommendation:

- (a) Core Asset Management Plan Recommendation Report PW22048 June 15, 2022;
- (b) Corporate Asset Management Information Report PW22037 May 18, 2022;
- (c) Strategic Asset Management Policy PW19053 June 17, 2019; and,
- (d) Public Works Asset Management Plan - Provincial Requirement PW14035 April 7, 2014.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

O.Reg. 588/17 came into effect January 1, 2018. It requires the City to develop a comprehensive Corporate Asset Management Plan based on a phased approach with three (3) deadlines of July 1, 2022, July 1, 2024, and July 1, 2025. The July 1, 2022 and July 1, 2024 deadlines are where 'Core' assets (water, wastewater, stormwater, road, bridges, and culverts) and all other City infrastructure assets, respectively, are required to have an asset management plan documenting current levels of service. The final deadline requires the documentation of proposed levels of service and financial strategies to fund these expenditures.

RELEVANT CONSULTATION

A collaborative staff approach was used to provide the recommended updates to the Policy so that it may become a key guidance document for establishing levels of service and to provide evidence based decision making as it relates to the City's assets and services. The updated Policy has been approved by both the Senior Leadership Team and the Corporate Asset Management Steering Committee.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Although the City currently has an approved Strategic Asset Management Policy (PW19053 June 2019), it only included core assets at the time of approval. As such, the updated Policy now applies to all assets across the City. City Staff conducted a full review of the current Policy and made the following additional amendments:

- Increasing the scope to include all City assets; and,
- Realigning principles to asset management best practice:
 - Service delivery to customers;
 - Long term sustainability and resilience;
 - Integrated and systematic approach;

SUBJECT: Strategic Asset Management Policy and Corporate Asset Management Program Update (PW23044) (City Wide) – Page 4 of 4

- Fiscal responsibility and asset management decision making; and,
- Innovation and continuous improvement.

ALTERNATIVES FOR CONSIDERATION

Council could choose not to endorse the updated Strategic Asset Management Policy, attached as Appendix “A” to this report, as required by Ontario Regulation 588/17. This would put the City of Hamilton in a non-compliant state as it relates to Ontario Regulation 588/17.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Built Environment and Infrastructure

Hamilton is supported by state-of-the-art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PW23044 – Strategic Asset Management Policy

Appendix “B” to Report PW23044 – Update on Corporate Asset Management Program