

# **The Corporation of the City of Kawartha Lakes**

## **Committee of the Whole Report**

**Report Number EA2019-009**

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**Date:** June 4, 2019

**Time:** 1:00 p.m.

**Place:** Bobcaygeon Service Centre

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**Ward Community Identifier:** All Wards

**Title:** Strategic Asset Management Policy

**Description:** This report presents Council with a proposed Strategic Asset Management Policy in accordance with the requirements of Ontario Regulation 588/17 (Asset Management Planning for Municipal Infrastructure) under the Infrastructure for Jobs and Prosperity Act.

**Author and Title:** Adam Found, Manager of Corporate Assets

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### **Recommendation(s):**

**That** Report EA2019-009, **Strategic Asset Management Policy**, be received;

**That** the proposed Strategic Asset Management Policy, attached as Appendix A to Report EA2019-009, be adopted; and

**That** this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

**Department Head:**\_\_\_\_\_

**Financial/Legal/HR/Other:**\_\_\_\_\_

**Chief Administrative Officer:**\_\_\_\_\_

## **Background:**

The Infrastructure for Jobs and Prosperity Act (IPJA) was enacted by the Ontario Legislature in 2015, which applies to provincial ministries and crown corporations, municipalities, school boards, hospitals and other entities making up the provincial public sector. As stated in Section 1 of IPJA:

*“The purpose of this Act is to establish mechanisms to encourage principled, evidence-based and strategic long-term infrastructure planning that supports job creation and training opportunities, economic growth and protection of the environment, and incorporate design excellence into infrastructure planning.”*

IPJA applies to municipalities specifically through Ontario Regulation 588/17 (Asset Management Planning for Municipal Infrastructure) made under Section 12 of IPJA. Having taken effect in early 2018, the regulation establishes requirements for municipal asset management policy and planning, some of which are phased in over 2019-2024. The first of the phased requirements is adoption of a Strategic Asset Management Policy by July 1, 2019 in accordance with Sections 3 and 4 of the regulation. The purpose of this report is to present Council with such a policy.

## **Rationale:**

The proposed Strategic Asset Management Policy, attached hereto as Appendix A, is designed to comply with Section 3 of the regulation and to embed asset management planning into the wider corporate planning framework in a manner aligned with the Corporate Strategic Plan. The policy references the regulation heavily, and prescriptiveness of the policy varies according to specific requirements of the regulation. For Council's reference, links to IPJA and the regulation are attached hereto as Appendix B and Appendix C, respectively.

In many respects, the proposed policy simply codifies or clarifies practices and processes already in place, but in other respects it introduces strengthened or new initiatives and responsibilities to align with various requirements of the regulation. Once adopted, the policy is to be reviewed and updated by July 1 at least every 5 years, and the same requirement holds for the asset management plan. The proposed policy, however, exceeds this requirement by having the policy and plan reviewed and updated by June 30 every 4 years, starting in 2023 for the policy and 2027 for the plan. The rationale for the 4-year cycle is to ensure each Council revisits these documents early in its term.

## **Other Alternatives Considered:**

No alternatives are being proposed by staff given a Strategic Asset Management Policy must be adopted by July 1, 2019 as prescribed by Section 4 of Ontario Regulation 588/17.

## **Financial/Operation Impacts:**

The proposed policy includes future capital budget commitments relating to asset management plans, asset condition and risk assessments and master plans. Some of these commitments already exist while others, primarily asset management-related, are new to some extent. The significance of the new commitments will be more specifically identified in future budgets once the incremental costs associated with the requirements of IPJA and Ontario Regulation 588/17 are better known.

## **Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:**

The recommendations of this report align with the following strategic enablers of the Corporate Strategic Plan:

1. Responsible fiscal resource management; and
2. Efficient infrastructure and asset management.

## **Consultations:**

Senior Management Team

## **Attachments:**

Appendix A: Strategic Asset Management Policy



Strategic Asset  
Management Policy.p

Appendix B: Link to Infrastructure for Jobs and Prosperity Act

<https://www.ontario.ca/laws/statute/15i15>

Appendix C: Link to Ontario Regulation 588/17

<https://www.ontario.ca/laws/regulation/170588>

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**Department Head:** Juan Rojas, Director of Engineering and Corporate Assets