

Approval Report/By-law Number: ES-009-25
Appendix E

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Policy Statement: The [Strategic Asset Management Policy](#) provides a framework to make the best possible decisions regarding Town of Milton’s assets based on targeted levels of service, risk-management and cost effectiveness throughout the entire asset lifecycle.

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1. Policy Purpose

The Town of Milton is responsible for providing a variety of services that, in addition to leveraging third party expertise and services, are dependent several billion dollars in Town-owned tangible capital assets. The purpose of this policy is to establish consistent standards and guidelines for management of the Town’s assets applying sound technical, social and economic principles that consider present and future needs of users, and the service expected from the assets. This means leveraging the lowest total lifecycle cost of ownership with regard to the service levels that best meet the needs of the community while giving consideration to the risk of failure that is acceptable.

This policy is intended to complement and support the Town’s strategic plan, master plans, policy documents and financial planning exercises.

This policy shall be implemented by staff to satisfy O.Reg. 588/17: Asset Management Planning in Municipal Infrastructure regulation, using accepted industry guidelines and practices such as Ontario Building together - Guide for municipal asset management plans, the ISO 55000:2014(E) - International Standard for Asset Management and the International Infrastructure Management Manual (IIMM, 2015).

2. Scope

This Policy applies to all areas within the Town that manage tangible capital assets in the provision of service delivery to the residents of Milton.

Although alignment will be considered where it is deemed to be appropriate, the Strategic Asset Management Policy differs from the Town's Tangible Capital Assets (TCA) policy. The TCA policy is an accounting policy intended to provide a framework for the financial reporting of the Town's assets based on identified capitalization thresholds.

3. Guiding Principles & Objectives

The Infrastructure for Jobs and Prosperity Act, 2015 sets out principles to guide asset management planning in municipalities in Ontario. The Town of Milton will strive to incorporate the following principles whenever possible into the management of the Town's infrastructure assets:

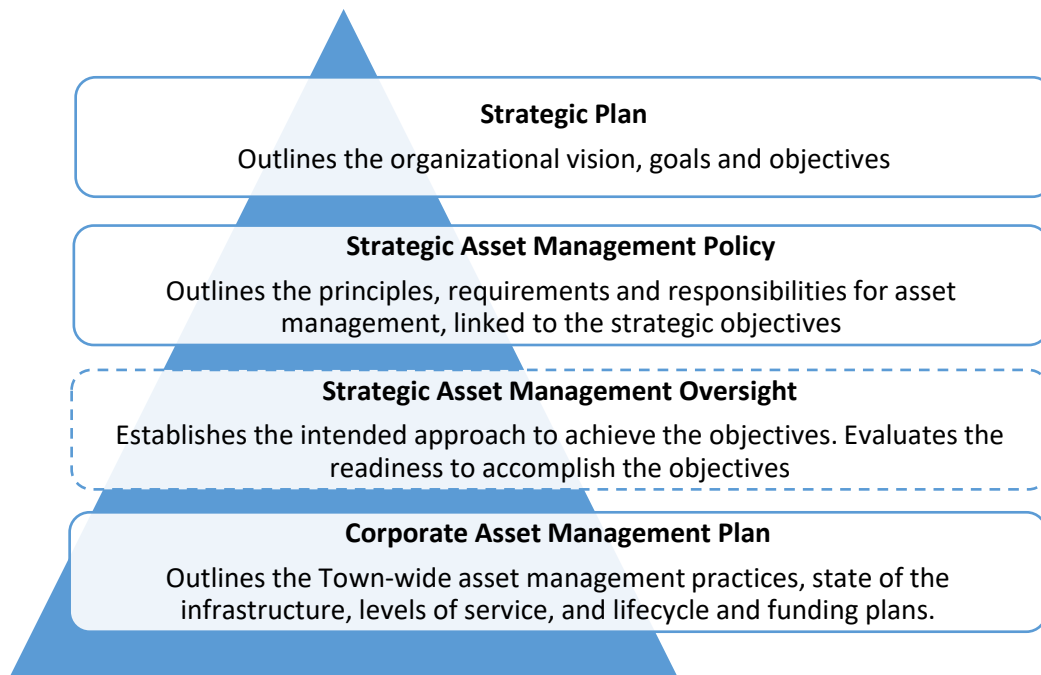
- i. **Forward Looking** - The Town shall take a long-term view while considering demographic and economic trends in the region. The Town will incorporate social, legislative, environmental and financial considerations into decisions to adequately address present and future land use planning, customer service commitments, environmental stewardship and regulatory requirements.
- ii. **Budgeting and Planning** - The Town shall 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.
- iii. **Prioritizing** - The Town shall clearly identify infrastructure priorities in order to better inform investment decisions
- iv. **Consistency** - The Town shall ensure the continued provision of core public services.
- v. **Economic Development** - The Town shall promote economic competitiveness, productivity, job creation and training opportunities.
- vi. **Transparency** - The Town shall be evidence based and transparent and investment decisions with respect to infrastructure will be based on information that is either publicly available or is made available to the public
- vii. **Customer Focused** - The Town shall develop clearly defined levels of service and adhere to optimal asset management processes and practices, including investment, that are supported by continually updated asset data and performance measures
- viii. **Risk-based** - The Town shall direct resources, expenditures, and priorities in a way that achieves the established levels of service, once developed and as may be amended, at an acceptable level of risk, recognizing that public safety is the priority
- ix. **Integration** - The Town shall evaluate assets in terms of their role and value within the context of the municipality as a whole, as opposed to examining individual assets in isolation.
- x. **Health and Safety** - The Town shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected

- xi. **Environmentally Conscious** - The Town shall minimize the impact of infrastructure on the environment by respecting and helping to maintain ecological and biological diversity and augmenting resilience to the effects of climate change
- xii. **Financial sustainability** - The Town shall choose practices, interventions and operations that aim at reducing the lifecycle cost of asset ownership, while satisfying agreed levels of service. Decisions are based on balancing service levels, risks and costs.
- xiii. **Innovation** - The Town shall continually improve the asset management approach as new tools, techniques and solutions are developed

4. Policy

4.1 Asset Management Framework

The following graphic outlines the process for the development of the Town’s Corporate Asset Management Plan including the linkage to the Town’s Strategic Plan.



The **Strategic Asset Management Policy** will establish the key principles, overall mission and goals for the program and is guided by the Town’s **Strategic Plan**. Within this policy framework, **Strategic Asset Management Oversight** is undertaken to sustain and improve the consistent application of practices across the organization. These efforts include the assessment of resource requirements, training and educational supports to enhance corporate knowledge, the deployment of data management and software solutions, and the development of standards and practices that are common across service departments. The **Corporate Asset Management Plan** then details the intended asset management programs that will allow the Town to understand and target service levels, as well as the asset portfolio’s capability to meet those objectives.

4.2 Coordination with Community Planning

The corporate asset management plans shall reflect how the community is projected to change and the related asset impacts.

The Town's asset management planning process will align with the following:

- Provincial policy statements and the Planning Act
- the Town's Official Plan and Departmental Master Plans

The corporate asset management plan shall reference the direction established in the Official Plan and departmental Master Plans 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 an understanding of current and future asset needs.

The Town will ensure coordination with the Region of Halton, area municipalities and other agencies for an integrated asset management approach.

4.3 Alignment with Annual Budget and Project Delivery

The Town will integrate findings from the corporate asset management plan into its long-term financial planning and budgeting processes. During the annual budgeting process, projects, priorities and funding levels will be reviewed against the background data and recommendations from the corporate asset management plan.

The corporate asset management plan and related data will be referenced as part of project and funding requests in an effort to:

- Identify all potential revenues and costs (including operating, maintenance, replacement, and decommission) associated with forthcoming infrastructure asset decisions
- Evaluate the validity and need of each significant new capital asset, including considering the impact on future operating costs; and
- Incorporate new revenue tools and alternative funding strategies where possible

The asset base will not be increased without considering the ability of the Town to fund future maintenance, rehabilitation and replacement.

Project planning will consider the full lifecycle cost and performance implications that are associated with the Town's infrastructure. Consistent with the Town's Purchasing By-law and amongst other factors, procurement methods will consider achieving best value, being the optimal balance of performance and cost, and may include a time horizon that reflects the overall lifecycle of the asset.

4.4 Consideration of Climate Change

Climate change will be considered as part of the Town's risk management approach embedded in local asset management planning methods. This approach will balance the potential cost of vulnerabilities to climate change impacts and other risks with the cost of reducing these

vulnerabilities. The balance will be struck in the levels of service delivered through operations, maintenance schedules, disaster response plans, contingency funding, and capital investments.

Consideration may also be provided where feasible to achieving environmentally positive outcomes in project planning and service delivery in alignment with any corporate policies and studies such as the Town’s Green Innovation Plan or related legislation.

4.5 Stakeholder Engagement

The ultimate goal of the municipality is to efficiently provide its various stakeholders with the municipal services they need or desire within the bounds of regulatory requirements, the built environment, and the natural environment. In order to achieve these goals, it is necessary that the municipality understand the needs of current stakeholders, consider the needs of future generations, and incorporate these perspectives into asset management plans. Accordingly, the Town will:

- Provide opportunities for residents and other stakeholders served by the Town to provide input in asset management planning; and
- Coordinate asset management planning with other agencies such as municipal bodies and regulated utilities

4.6 Continuous Improvement

The Town will strive for asset management practices, processes and capabilities that are developed with consideration of industry best practices and is committed to continuous improvement in this regard. Amongst other approaches, Town staff will collaborate with peer municipalities and organizations including through groups like the Halton Asset Management Community of Practice. Continuous improvement is especially important as the completeness and quality of future asset management plans will impact the Town’s ability to effectively manage infrastructure and support delivery of safe, reliable and quality service for the Town of Milton.

5. Roles and Responsibilities

Individual(s)	Responsibilities
Town Council	<ul style="list-style-type: none"> i. Approve the Asset Management policy and Corporate Asset Management Plan ii. Serve as representatives of stakeholder and community needs particularly as it relates to determining the services and service levels to be provided iii. Consider funding levels for both capital and operating budgets associated with Asset Management through the annual budget process iv. Support ongoing efforts to continuously improve and implement the asset management plans
Strategic Management Team	<ul style="list-style-type: none"> i. Endorse corporate asset management plans and policy

	<ul style="list-style-type: none"> ii. Participate in the process of aligning asset management strategies and plans with organizational strategies and objectives iii. 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
Leadership Management Team	<ul style="list-style-type: none"> i. Implement the Asset Management policy ii. Provide input on needs of department, current status of assets, and current levels of service iii. Support and comply with data collection requirements iv. Participate in the development of the corporate asset management work plans pertaining to their areas of expertise v. Participate in the regular review of all documentation, data, and asset measurement tools to ensure continued relevance and applicability of existing policies and practices vi. Document the alignment of Asset Management Plans with the priorities established and projects requested through the budget process
Chief Financial Officer & Treasurer	<ul style="list-style-type: none"> i. Ensure alignment between the Town's asset management financing plan to the Town's long term financial plan
Staff involved in delivering the Town's Asset Management Program	<ul style="list-style-type: none"> i. Ensure Town maintains compliance with the regulation ii. Lead the development of asset management policy, strategy and confirm the implementation plan/resource requirements iii. Coordinate the development of asset management plans iv. Provide corporate support for asset management v. Establish practices that ensure uniformity of approach across the organization vi. Encourage information sharing and collaboration across departments vii. Provide input and direction to corporate asset management work plans to ensure consistency with other initiatives viii. Lead the development of asset inventories, condition assessments, risk assessments and related asset management initiatives in line with industry best practices

	<ul style="list-style-type: none"> ix. Champion the asset management process x. Lead the effective implementation of corporate asset management initiatives.
Residents, Stakeholders and Customers	<ul style="list-style-type: none"> i. Participate in public information sessions, and stakeholder engagement initiatives, where possible ii. Provide feedback related to levels of service, service experience and service expectations iii. Notify the Town, via appropriate channels when service deficiencies or failures are observed.

6. Policy Management

The policy is to be reviewed periodically including following any changes in regulatory requirements, or updates to the Strategic Plan.

Staff will report to Council on asset management progress on or before July 1 each year, starting the year after the municipality’s asset management plan (under section 6 of O.Reg 588/17, as amended by O.Reg. 193/21) is completed. The annual review will address:

- The Town’s progress in implementing its asset management plan
- Any factors impeding the Town’s ability to implement its asset management plan; and
- A strategy to address the identified factors identified

The Town’s asset management plan will be reviewed and updated at minimum every five years.

The Treasurer is delegated the authority to make administrative changes to this policy that may be required from time to time due to legislative changes, Council decisions, or if, in the opinion of the Treasurer, the amendments do not change the intent of the policy. Any changes made under this delegated authority shall be reported to Council on an annual basis.

7. Related Policies, By-laws, Regulations, Legislation and Accounting Standards

To ensure the prudent fiscal management of the Town’s financial resources, this policy shall be enforced in a manner that supports the following policies, By-laws, regulations, legislation, and accounting standards (as may be amended):

- *Infrastructure for Jobs and Prosperity Act, 2015*
- *Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure*, as amended by O.Reg 193/21
- Corporate Strategic Plan
- Corporate Policies including:
 - Financial Management - Financial Principles No. 110
 - Financial Management - Accounting No. 115

- Financial Management - Treasury No. 116
- Budget Management Policy No. 113
- Procurement & Disposal Policy No. 112
- Town of Milton Purchasing By-law

8. Definitions

- i. **Asset** - An item, thing or entity that has potential or actual value to an organization.
- ii. **Asset Management (AM)** - is a combination of management, financial, economic, engineering, and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner at an acceptable level of risk. It involves data-driven decision-making and actions throughout the lifecycle of assets.
- iii. **Corporate Asset Management Plans (AMPs)** - asset specific plans which are regularly updated to develop data-driven strategies and operational recommendations necessary to achieve objectives and service level expectations.
- iv. **Asset Lifecycle** - set of phases through the life of an asset that characterizes the ability of the asset to meet an expected level of service and retain its identity as an asset.
- v. **Lifecycle Cost** - the total cost of ownership of an asset throughout its life. This may include but is not limited to capital costs, operating costs, maintenance costs, renewal costs, replacement or disposal costs, and environmental costs.
- vi. **Physical Asset or Tangible Capital Asset (TCA)** - Non-financial assets having a physical substance that are acquired or constructed/developed and:
 - a. Are used on a continuing basis in the Town's operations
 - b. Have useful lives extending beyond one accounting period
 - c. Are not held for re-sale in the ordinary course of operations
- vii. **Level of Service (LOS)** - The parameters or combination of parameters that reflect social, political, economic and environmental outcomes that the organization delivers. LOS statements describe the outputs or objectives an organization or activity intends to deliver to customers.
- viii. **Sustainability** - Meeting the needs of today without compromising the needs of future generations. It is about maintaining or improving the standard of living by protecting human health, conserving the environment, using resources efficiently and advancing long-term economic competitiveness. It requires the integration of environmental, economic and socio-cultural priorities into policies and programs with actions at all levels.

8 History of the Policy

Last amended: March 17, 2025 (ES-009-25)

Originally Approved: June 24, 2019 (CORS-032-19)