

# Strategic Asset Management Policy



June 2025

Municipality of North Perth

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Policy No. 03 - 2025

# Municipality of North Perth Strategic Asset Management Policy

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## 1.0 BACKGROUND & PURPOSE

In 2015, the Province of Ontario established the *Infrastructure for Jobs and Prosperity Act*. 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, protection of the environment, and incorporate design excellence into infrastructure planning.

In December 2017, *Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure* (O. Reg. 588/17) was passed under the *Infrastructure for Jobs and Prosperity Act*. The regulation aims to provide a more standardized framework to facilitate asset management planning for Ontario municipalities. One of the requirements of the regulations is to develop a Strategic Asset Management Policy (SAMP) which will help the Municipality document the relationship between the Asset Management Plan (AMP) and existing policies and practices as well as provide guidance for future capital investment decision making. The Strategic Asset Management Policy is mandated to be in place by July 1<sup>st</sup>, 2019, and be updated at least every 5 years. As such, this policy aims to provide a framework for asset management planning in North Perth and to meet O. Regulation 588/17 requirements.

### 1.1 Purpose

The purpose of this policy is to provide the Municipality with clear guidelines and processes to achieve the following asset management objectives:

- Align the asset management plan with existing and future plans and policies to help inform the Municipality's overall capital investment decision making process and budget process.
- Ensure the asset management plan is incorporated into the following Municipal processes:
  - Annual budgeting;
  - Financial plans; and
  - Alignment with the Ontario land-use planning framework.
- Commit to integrate asset management planning that:
  - Incorporates long-term planning for a changing climate wherever the Municipality deems it necessary;
  - Co-ordinates infrastructure planning with municipal neighbours and upper levels of government; and
  - Provides opportunity for North Perth residents to give input on asset management matters.

### 1.2 Guide to the Municipality's Strategic Asset Management Policy

Each section of the Strategic Asset Management Policy (SAMP) outlines the methods the Municipality is committed to employ in order to achieve the policy objectives set out in Ontario Regulation 588/17. Furthermore, to provide an easy to follow and transparent process, the SAMP policies have been provided in orange boxes. The policies have been complemented with action items required to complete the policies (these action items are found in blue boxes).

It is important to note that the SAMP provides the Municipality with high level guiding principles of asset management but it does not speak to the more technical information on infrastructure needs and long-term funding strategies. The Asset Management Plan (AMP) on the other hand contains technical information on the state of current infrastructure, levels of service, maintenance strategies, long-term capital needs and funding strategy scenarios. The AMP document is also complemented by a financial model for staff use and the document will be issued under separate cover. Both the SAMP and the AMP are not intended to replace the Municipality's decision-making process but are important tools to help inform it.

### 2.0 ALIGNMENT WITH MUNICIPAL POLICIES

The Municipality's Asset Management Plan (AMP) is intended to be a tool to help guide capital investment decisions and optimize service delivery. The AMP must therefore be in alignment with other Municipal policies and strategic objectives.

#### 2.1 Municipal Vision Statement

The Municipality of North Perth's Vision is:

*North Perth is a sustainable, inclusive, innovative, and progressive municipality that balances vibrant communities offering diverse housing options, with agricultural heritage and rural character, and is a brilliant place to do business. We are a global leader in agriculture and manufacturing and incorporate and encourage environmental practices that mitigate and address the impacts of climate change. The Municipality is a safe and welcoming place for people of all ages..*

Source: Corporate Strategic Plan 2023-2026.

The AMP provides Council and staff with a long-term guide to inform capital investment decisions, an important component to deliver responsible government. Furthermore, the AMP includes analysis on service levels and proposed target service levels in the future. This analysis is reviewed by staff and Council to ensure services are provided in an efficient manner. Finally, the AMP includes assets in the Development Charges Background Study and outlines the long-term financial requirements of these assets, which will help promote future growth opportunities.

#### 2.2 Support of Municipal Plans and Policies

The AMP has been developed to support the overall operational framework of the Municipality and support key policies and plans. A summary is provided in Table 1 below.

## Municipality of North Perth Strategic Asset Management Policy

**Table 1**  
**Relationship of Asset Management Plan with Other Municipal Supporting Plans and Policies**

Policy/Plan	Description
Corporate Strategic Plan 2023-2026	<ul style="list-style-type: none"> <li>The AMP supports the Strategic Plan, specifically Goal 1 and Goal 2: <i>North Perth effectively and efficiently delivers services to residents</i> <i>North Perth maintains sustainable operations through effective staff attraction and retention, planning and maintenance of infrastructure, and adoption of current technology and innovation to enhance operations.</i></li> <li>In conjunction with the budgeting process and the AMP, the capital planning process is informed with consideration of lifecycle costs of assets, to ensure financial sustainability of infrastructure.</li> </ul>
Official Plan	<ul style="list-style-type: none"> <li>The AMP will use and influence policy directions for long-term growth and development as outlined in the Official Plan.</li> </ul>
Development Charges Background Study	<ul style="list-style-type: none"> <li>The AMP will inform future updates to the Development Charges Background Study, specifically through the requirements of the <i>Development Charges Act</i> to include an asset management plan for all growth-related assets.</li> </ul>
Business Plans	<ul style="list-style-type: none"> <li>The AMP will inform departmental business plans developed by the Municipality, specifically related to capital investment needs of priority assets identified in the AMP.</li> </ul>
Annual Budget Process	<ul style="list-style-type: none"> <li>The annual budget process includes procedures to evaluate departmental capital budgets based on the following criteria: <ol style="list-style-type: none"> <li>1. Safety to the Public</li> <li>2. Prior Commitment of Council</li> <li>3. Existing Structural Condition</li> <li>4. Lack of Physical Capacity</li> <li>5. Environmental/Economic Impact - cost/payback</li> <li>6. Monitored Complaints Received by Staff and Council</li> </ol> </li> <li>The AMP will specifically support evaluation of capital budget projects in all six areas above.</li> </ul>
By-Law 184-2020 Policies and Procedures for Tangible Capital Assets	<ul style="list-style-type: none"> <li>This policy sets out the process and procedures to be followed to complete financial reporting on tangible capital assets to meet Public Sector Accounting Board (PSAB) requirements.</li> <li>The requirements include capitalization thresholds, useful life assumptions and amortization methods which have been outlined by asset class and asset component.</li> <li>The AMP employs the use of these assumptions as it relates to the Municipality's asset registry.</li> </ul>

## Municipality of North Perth Strategic Asset Management Policy

Table 1 Relationship of Asset Management Plan with Other Municipal Supporting Plans and Policies	
Policy/Plan	Description
By-Law 58-2024 Policies and Procedures for the Procurement of Goods and Services, Payments of Accounts and Disposal of Surplus Goods (Procurement By-Law)	<ul style="list-style-type: none"> <li>• The Procurement By-law outlines the methods and procedures to maintain transparency in the procurement process of goods and services.</li> <li>• It is expected that all capital investment recommendations outlined in the AMP will be vetted through the procurement process as required.</li> </ul>
Carbon Footprint Reduction and Compensation Strategy	<ul style="list-style-type: none"> <li>• These documents contain strategies to reduce the Municipality's carbon footprint through the use of low carbon fleet vehicles and tree planting.</li> <li>• The AMP will account for the lifecycle costs associated with transitioning the Municipality's fleet to low-carbon vehicles.</li> </ul>
Policy E-1 Corporate Accessibility Policy and Procedures	<ul style="list-style-type: none"> <li>• The Municipality outlines Built Environment standards which must meet the <i>Accessibility for Ontarians with Disabilities Act</i> requirements when new facilities are built or redeveloped. Accessibility infrastructure in Municipal facilities is included in the AMP as part of the lifecycle cost analysis of buildings and facilities.</li> </ul>
Other Plans and Reports	<ul style="list-style-type: none"> <li>• Future updates of other plans are supported through the AMP specifically as they relate to asset conditions, asset prioritization and lifecycle cost. Other plans include: Listowel Downtown Core Area Parking Study (May 2016)</li> <li>• Northeast Master Plan: Environmental Study Report (2020)</li> <li>• Transportation Master Plan 2024</li> <li>• North Perth Conservation and Demand Management Plan 2024</li> <li>• North Perth Daycare Centre Business Plan (2014)</li> <li>• County of Perth and Member Municipalities Emergency Management Plan (2015)</li> <li>• Municipality of North Perth Downtown Areas Revitalization and Beautification Strategy (January 2012)</li> <li>• Wastewater Treatment Master Plan (October 2015)</li> <li>• Perth County Accessibility Plan (2013-2017)</li> </ul>

### Action items: Commitment and Integration of AMP with Municipal Policies and Practices

Council and staff will review the SAMP on a regular basis (minimum every 5 years) and ensure that the AMP is incorporated into and used to support other Municipal strategies and practices which involve the management or investment of new or existing capital assets. Asset management planning will not occur in isolation of other Municipal plans and policies, but will be used to inform the strategic decisions related to capital investments based on the lifecycle analysis presented in the AMP. In the case of new capital recommendations that are not included in the existing AMP, the assumptions in the AMP will be used to perform a lifecycle analysis of those assets.

- This applies to the plans presented in Table 1 and any future plans that require decisions on infrastructure investment.



### 3.0 GUIDING PRINCIPLES

As required by Section 3 of the *Infrastructure for Jobs and Prosperity Act, 2015*, the Municipality of North Perth is committed to adhere to the following principles:

1. Infrastructure planning and investment should take a long-term view, and decision-makers should take into account the needs of Ontarians by being mindful of, among other things, demographic and economic trends in Ontario.
2. Infrastructure planning and investment should 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*.
3. Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting infrastructure.
4. Infrastructure planning and investment should ensure the continued provision of core public services, such as health care and education.
5. Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities.
6. Infrastructure planning and investment should ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
7. Infrastructure planning and investment should foster innovation by creating opportunities to make use of innovative technologies, services and practices, particularly where doing so would utilize technology, techniques and practices developed in Ontario.
8. Infrastructure planning and investment should 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,
  - i. Investment decisions respecting infrastructure should be made on the basis of information that is either publicly available or is made available to the public; and
  - ii. Information with implications for infrastructure planning should be shared between the Government and broader public sector entities and should factor into investment decisions respecting infrastructure.
9. Where provincial or municipal plans or strategies have been established in Ontario, under an Act or otherwise, but do not bind or apply to the Government or the broader public sector entity, as the case may be, the Government or broader public sector entity should nevertheless be mindful of those plans and strategies and make investment decisions respecting infrastructure that support them, to the extent that they are relevant. Examples of plans and strategies to which this paragraph may apply include:
  - i. Policy statements issued under section 3 of the *Planning Act*, and provincial plans as defined by that Act; and

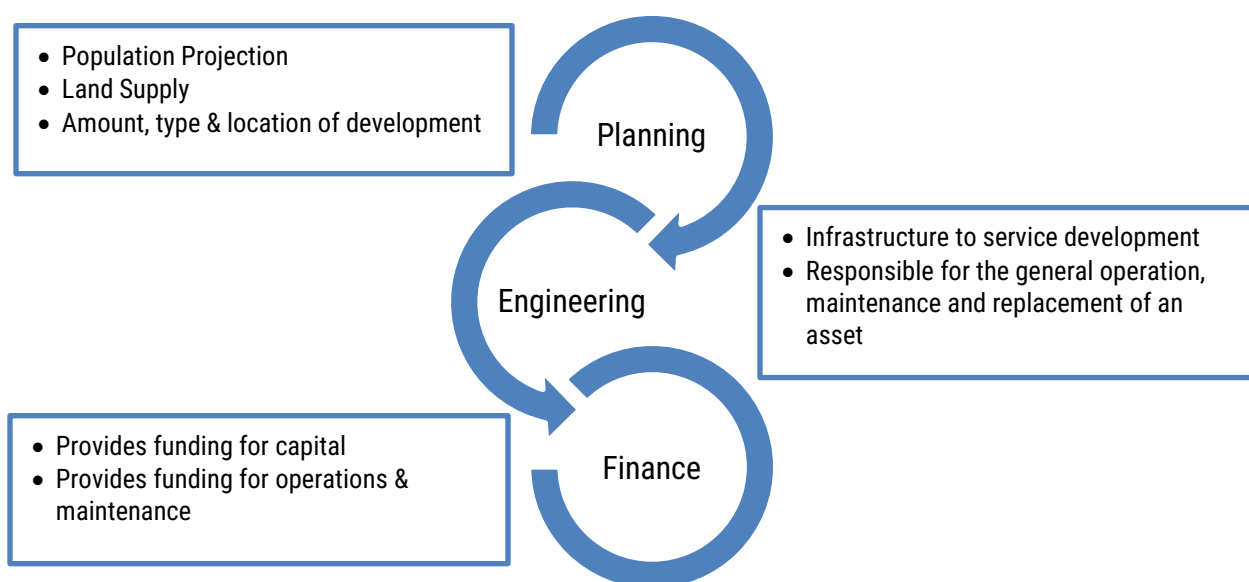
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- ii. Municipal water sustainability plans submitted under the *Water Opportunities Act, 2010*.
- 10. Infrastructure planning and investment should promote accessibility for persons with disabilities.
- 11. Infrastructure planning and investment should minimize the impact of infrastructure on the environment and respect and help maintain ecological and biological diversity, and infrastructure should be designed to be resilient to the effects of climate change.
- 12. Infrastructure planning and investment should endeavour to make use of acceptable recycled aggregates.
- 13. Infrastructure planning and investment should promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the well-being of a community affected by the project, such as local job creation and training opportunities (including for apprentices, within the meaning of section 9 of the Act), improvement of public space within the community, and any specific benefits identified by the community.
- 14. Any other principles that may be prescribed for the Government or the broader public sector entity, as the case may be.

### 4.0 ALIGNMENT WITH LAND USE PLANNING

The alignment of municipal planning initiatives and asset management is particularly important when considering corporate planning initiatives and resources. The Planning, Building and Zoning Division supports provincial land-use legislation and incorporates the key policy principles and issues that affect each community. The figure below outlines the overarching link between land use planning practices and the effect of those decisions on the placement of infrastructure and how those assets are managed over the full lifecycle.



Four key planning related documents which align to the Municipality's asset management Program:

#### 1. Provincial Policy Statement

The *Provincial Policy Statement* (PPS, 2024) is the statement of the Government's policies on land use planning. It applies province-wide and provides clear policy direction on land use planning to promote strong communities, a strong economy, and a clean and healthy environment. Specifically related to asset management, the PPS has several policies related to the efficient use and management of land and infrastructure and ensuring infrastructure is financially viable over the lifecycle of the asset.

### 2. Official Plan

Some of the key goals identified through the County Official Plan (2024) relates to the overall principles of asset management and identifies the efficient use of resources as a key policy item.

### 3. Municipal Comprehensive Review

The Municipality of North Perth, as part of the County of Perth's 2023 Comprehensive Review, undertook a detailed assessment of population, housing, and employment growth to the year 2051. This update builds on previous growth planning efforts and aligns with the PPS by evaluating land needs over a 25-year horizon to 2048.

The study projects that North Perth's population will nearly double from 15,980 in 2021 to 31,300 by 2051, requiring approximately 6,355 new housing units. The Listowel urban serviced area is expected to accommodate the majority of this growth. However, the review identifies a significant housing land shortfall, with an estimated deficit of 4,160 dwelling units by 2048, representing the largest residential land gap in Perth County.

To address this, the plan recommends a residential land expansion of approximately 243 gross hectares, along with an employment area expansion of 146 gross hectares, as North Perth is also forecast to gain over 7,300 jobs. These findings are essential to supporting infrastructure planning, community design, and economic development through a smart growth lens.

### 4. Development Charges Background Study.

The Municipality of North Perth completed a Development Charges Background Study in June 2024 which led to the passage of by-law 74-2024 which imposes development charges on new development occurring throughout the Municipality. The Development Charges by-law has a duration of five-years and is due to expire in August 2029.

The DC Study is rooted in identifying the capital infrastructure requirements necessary to facilitate the development outlined in the Master Growth Plan Update study. As development charges are only responsible for the first round capital acquisition costs, the Municipality would be responsible for funding the asset management requirements associated with the infrastructure emplaced in addition to regular operations. Under the requirements of the new Development Charges Act (DCA) regulations, an asset management plan must be prepared with the completion of the DC Background study illustrating that the assets funded under the by-law are financially sustainable. The Municipality has issued a Request for Proposals (RFP) to update the DC Study and it is anticipated that the new background study will comply with the asset management regulations set forth through the DCA as well as through the new asset management regulation 588/17.

### Strategic Policy:

1. The Municipality will aim to align asset management planning with all provincial land-use planning initiatives as well as any Municipal and County Official Plans.



### Action Items: Land Use Planning and Asset Management

- The Asset Management Plan will consider the growth outlook and the demand for services which will be necessitated by the development projections detailed in the Master Growth Plan.
- The Development Charges Background Study will include an asset management plan which considers all new assets acquired and infrastructure emplaced over the planning period.
  - The Asset Management Plan will draw upon the infrastructure needs identified through the Development Charges Background Study
  - It is important that both staff and Council consider the effects of implementing development charges lower than the maximum calculated charges. Any non-statutory reduction/exemption in development charges would require the shortfall to be funded from other sources (taxes/utility rates/user fees) which could impact the funds available for asset management related activities.

### 5.0 ASSET MANAGEMENT RESPONSIBILITY

The Municipality is committed to integrating asset management planning into capital investment decision making. For this reason, the Municipality of North Perth will establish an Asset Management Committee made up of key staff members that is expected to meet on a regular basis. The purpose of the Committee is as follows:

- Discuss asset management challenges and propose potential solutions as they relate to existing assets that need to be prioritized.
- Discuss prioritization strategies for assets to be included in the capital budget. It is especially important that all departments are in agreement as to which assets should be prioritized.
- Discuss and define levels of service and level of service targets and their financial implications. Level of service targets need to be defined to meet the requirements of O. Reg. 588/17
- Address data or information needs of each department to update the asset register and asset management plan.
- Review condition assessment programs and annual state of the local infrastructure report cards.
- Ensure that relevant asset management information is communicated to Council.

The Treasurer will serve as the executive lead for the Asset Management Committee and the Asset Management Co-ordinator will serve as the main day-to-day point person for all asset management matters. Figure 1 provides an overview of the Asset Management Committee and responsibilities of each member.

### Strategic Policy:

1. The Municipality will explore implementing a corporate-wide asset management program in an effort to improve capital investment decision making.
2. The Municipality's Asset Management Plan will be administered by the Asset Management Committee.
3. The Municipality will maintain a comprehensive asset registry and inventory of all municipal capital assets.

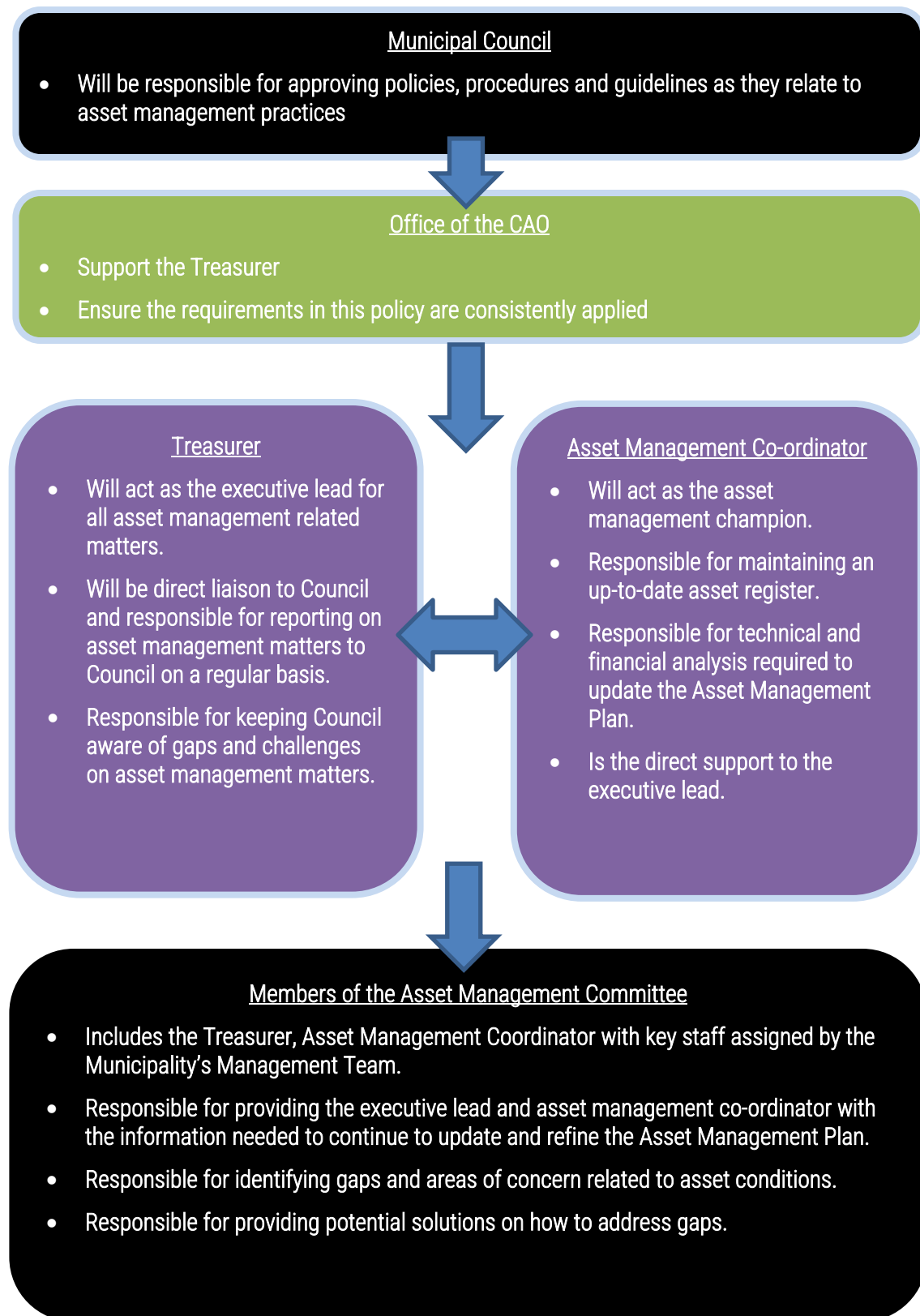


### Action Items to achieve Strategic Policy

- Create an Asset Management Committee and designate the Treasurer to serve as the executive lead for the Asset Management Committee and the Asset Management Co-ordinator will serve as the main day-to-day point person for all asset management matters
- The Asset Management Co-ordinator will update the asset registry (city-wide software database) on an annual basis. The registry should include: ID, location, value, estimated service life, year of acquisition, and replacement costs.

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### 6.0 MUNICIPAL BUDGET

The budget provides the organization with a method of prioritizing and allocating resources, establishing service levels, accommodating growth and finding a balance between taxation, user fees, debt and cost recovery. The budget requires a thorough examination of services and costs that should ultimately achieve an optimum service level for the taxes levied. The level of detail provided, and the reporting requirements have changed from year to year, but the structure has remained similar.

The budget integrates the AMP to determine priority capital projects for consideration. Findings from the AMP including critical assets in need of repair and lifecycle costs associated to those assets will help determine what projects should be included in the annual capital plan.

To further enhance the yearly project budget the Municipality will develop a long-term capital plan for a minimum of 10-years. Expenditures and projects in the capital plan will also be categorized based on the following project categories:

- Non-infrastructure solutions: relates to activities which are not necessarily infrastructure related in nature but can create cost efficiencies and improve asset management in the Municipality. Examples include asset management training for staff, asset management software or performing asset condition assessments.
- Renewal/Rehabilitation Activities: relates to activities necessary for assets to continue operating in state of good repair. This includes items such as crack sealing for roads, engine replacement on vehicles or roof replacement for buildings.
- Replacement Activities: this includes activities related to total replacement such as replacing a vehicle with new vehicle or reconstruction of a road.
- Disposal Activities: relates to activities to dispose of assets such as safe disposal of hybrid vehicle batteries. For simplicity this can be included as part of replacement activities.

### Strategic Policy:

1. The Municipality will explore opportunities to improve its budget policy and process which considers municipal infrastructure repair and replacement activities as identified through the Asset Management Plan.
2. The Municipality will integrate the Asset Management Plan and practices with long-term financial planning and budgeting strategies where feasible.
3. The Municipality will explore opportunities for asset management planning jointly with the County and neighbouring municipalities wherever there are joint benefits or costs savings that can be achieved by integrating capital projects and related work.
4. The Municipality will aim to utilize the range of funding mechanisms available to facilitate the acquisition and emplacement of capital infrastructure.

### Action Items to achieve Strategic Policy

The Municipality will continue to develop the annual budgeting process specifically to develop the annual capital plan.

- The Municipality will continue to develop the project budget based on:
  1. Safety to the public;
  2. Prior commitment of Council;
  3. Existing structural condition;
  4. Lack of physical capacity;
  5. Environmental/economic impact; and
  6. Monitored complaints received by staff or Council.
- Structural conditions can be informed through condition information in the asset registry as well as replacement schedule in the AMP.
- Economic impacts can be informed through the lifecycle cost analysis by asset category in the AMP.
- The Municipality will look to improve on the project budget by developing a long-term capital budget for a minimum of 10 years and categorizing projects and costs by non-infrastructure solutions, renewal/rehabilitation, and replacement and disposal activities.
- Report to Council regarding key asset management outcomes and trends to ensure Council is well informed in the decision making process. (see section 9)
- The Municipality should look to formalize a corporate debt management policy that sets maximum allowable limits lower than those imposed by the province.

### Capitalization Threshold

The Municipality has defined the capitalization threshold for accounting of tangible capital assets to meet PSAB reporting requirements through Schedule A of By-law 184-2020 Policies and Procedures for Tangible Capital Assets. A brief overview of Schedule A of By-law 184-2020 is provided below:

- The capitalization thresholds for all asset categories has been defined in detail by asset category (i.e. facilities, fleet, and roads) and by department.

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- The capitalization thresholds in Schedule A to By-law 184-2020 ranges from \$100 for some equipment to \$50,000 for facilities.
- The capitalization thresholds for assets included in the AMP are consistent with Schedule A to By-law 184-2020 as assets have a minimum of 5 years useful life.

### Strategic Policy:

- The Municipality will maintain a capitalization threshold for assets that have at minimum a useful life of 5 years, consistent with Schedule A of By-law 184-2020.
- The Municipality will continue to track assets for which full asset information is not available, however the Municipality is committed to acquire this information over time.

### 7.0 WATER & WASTEWATER FINANCIAL PLANS

The Municipality of North Perth has prepared a Water Financial Plan consistent with the requirements of the *Safe Drinking Water Act* and Ontario Regulation 453/07 for the Municipality's four water systems serving the residents in Listowel, Atwood, Molesworth and Gowanstown. The financial plan is for a period of 10 years to assist staff with long-term cost recovery and capital planning. Under Ontario Regulation 453/07, the Municipality is required to complete a financial plan for municipal water services as part of the application process for renewal of the Drinking Water Licences. Although not required by legislation, the Municipality has also prepared a similar plan for wastewater services.

The water financial plan indicates that the Municipality's net revenues and overall cash position is anticipated to increase each year. The Municipality has been fiscally responsible in the management of the water system. In 2011, significant changes to both the fixed and volumetric rates were implemented in an effort to move towards full cost recovery which includes annual contributions to reserves for the future repair and replacement of existing infrastructure while ensuring current period expenses are funded.

#### Strategic Policy:

1. The Municipality should update the Water and Wastewater Financial Plan to incorporate any updated long-term capital funding strategies or operational changes to address service levels adjustments as identified in the Asset Management Plan.



#### Action Items to achieve Strategic Policy

- As the Municipality is expected to experience significant growth and the Financial Plans are considered a "living document", the Municipality will update these plans on an annual basis.
- Utility rate studies should be coordinated with the completion of the water and wastewater financial plans.

### 8.0 COMMITMENT TO CONSIDER CLIMATE CHANGE IN ASSET MANAGEMENT PLANNING

The Municipality recognizes that climate change will put additional stress on critical infrastructure. Increased frequency and intensity of rainfall and more frequent freeze-thaw cycles can cause soil instability and ground movement causing damage to roads, sidewalks, and underground infrastructure. Furthermore, increased frequency of extreme weather events causes strain not just on linear infrastructure, but also on services critical to an emergency such as fire services, municipal facilities and others. Due to these factors, actions may be required to address vulnerabilities that may be caused by climate change.

#### Strategic Policy:

1. The Municipality of North Perth will explore mitigating the effects of climate change on municipal infrastructure.
2. The Municipality may choose to explore opportunities to adapt infrastructure to a changing climate, most notably through consideration of alternative and new technologies, only if, costs and benefits are in line with Municipal objectives.
3. The Municipality may consider exploring climate change mitigation strategies primarily through the Carbon Footprint Reduction and Mitigation Strategy and can consider other initiatives that are beneficial to the Municipality in the future.



#### Action Item: Commitment to Consider Climate Change in Asset Management Planning

The Municipality may consider the following factors when planning for capital investment:

- Lifecycle costs associated with improving or replacing infrastructure to meet operational standards that mitigate the impacts of climate will be considered. This includes the costs of increased maintenance activities and the effects on levels of service.
- The Municipality can continue to work with the neighbouring municipalities to improve the County of Perth and Member Municipalities Emergency Management Plan and to consider climate change impacts on critical emergency services such as fire, facilities, roads, water, wastewater and stormwater infrastructure.
- The Municipality may choose to explore a Climate Change Adaptation Strategy in the future. The purpose of the study is to increase North Perth's resilience to the consequences of climate change. It is intended to integrate climate actions into Municipal operations and reduce risks to the Municipality's physical, economic, social and environmental systems. This is a long-term goal.

### 9.0 COUNCIL AND PUBLIC INVOLVEMENT

Council and the public play key roles in the asset management process. Council is responsible for making decisions on infrastructure investments and prioritization, which ultimately impacts the services used and enjoyed by the public. Council's understanding of the infrastructure and fiscal challenges of the Municipality are crucial to the decision making process. As the Municipality's direct link to the public, it is important that Council is well informed. Furthermore, it is vital that Council engages and provides information to the public on asset management decisions and relays any responses back to staff. For this reason, it is important for Council to be involved from the beginning.

Although municipal Council is currently well-engaged throughout the budget process, additional reporting and education would be beneficial to ensure service levels are being achieved in the most fiscally responsible manner.

#### Strategic Policy:

1. The Municipality will endeavour to provide opportunities for members of the local community and municipal Council to offer input on asset management planning.
2. The Municipality will develop several "user-friendly" reporting metrics which can be used to communicate the existing state of asset management practices to residents and Council alike.



#### Action Items for Council Engagement

- As part of the annual budget, the Municipality will report to Council on key asset management updates and trends:
  - State of the Local Infrastructure Report Card;
  - Summary of Existing Levels of Service and future trends; and
  - Projection of the Cumulative Infrastructure Gap and funding shortfall (tax vs. utility rates).

### Action Items for Public Involvement

- The Municipality is encouraged to educate the public through various channels of communication on an ongoing basis. Specific items to discuss:
  - Existing Levels of Service: Share clear, accessible information about the services residents receive (e.g., road conditions, water quality) and how infrastructure supports them.
  - Service Expectations: Gather public input on desired service levels and explain the trade-offs between cost, risk, and performance.
  - State of Local Infrastructure: Provide regular updates on the condition and performance of municipal assets through tools like report cards, maps, and other online tools.



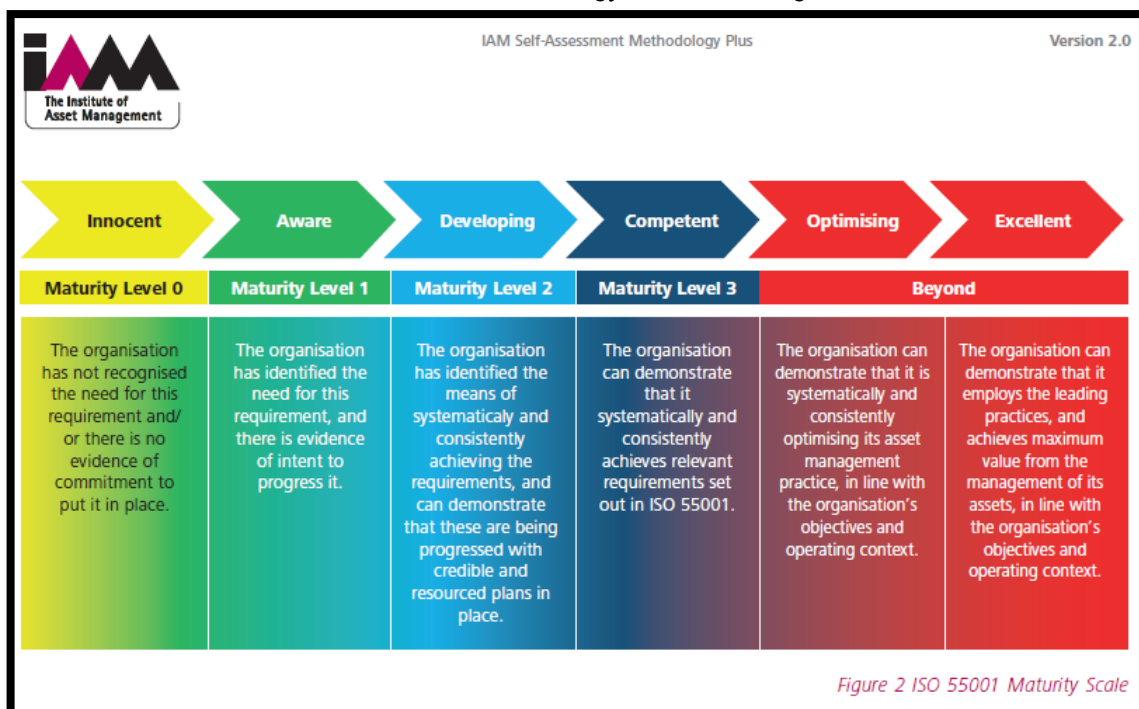
## 10.0 CONTINUOUS IMPROVEMENT

The major premise of comprehensive corporate asset management is that an organization will seldom have perfect processes and data to manage the asset portfolio. Instead, the underlying culture of continuous improvement and reliability is its key to success. These improvements will be part of the Municipality's evolving asset management program.

As per section 9(3) of O. Reg 588/17, the municipality must provide an annual update to council on the progress of implementation of its asset management plan.

The ISO 55000 tool provides a quantitative evaluation of the Municipality's asset management practices under four categories: Strategy, Assets (Technology and Physical), People, and Business Processes. The Municipality could evaluate each of the 39 focus areas against a scale of zero to five, where level five represents excellence within the focus area. The intention of the scale is not to achieve ISO 55000 certification, rather to use the tools available within the ISO framework as a guide. A copy of the Asset Management Maturity Scale is shown in Figure 3 below.

Figure 2  
Self Assessment Methodology - Asset Management



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In addition to the quantitative evaluation of the Municipality's asset management practices, the Municipality should regularly review the confidence of existing data as well as its effectiveness integrating asset management activities into regular business processes. The Confidence Level Rating approach identified in Table 2 and 3 below will be used to identify what specific asset categories/areas the Municipality can improve upon. The Confidence Level Rating is based on principles of the Ministry's Guide to Municipal Asset Management Plans, Federal Gas Tax Agreement Requirements, ISO 55000, and the International Infrastructure Management Manual (IIMM).

Table 2 Data Quality Confidence Grading System		
Confidence Grade		Description
5	Highly Reliable	<ul style="list-style-type: none"> <li>Data based on sound records, procedure, investigations and analysis, documented properly and recognized as the best method of assessment.</li> <li><i>Dataset is complete and estimated to be accurate +/- 2%.</i></li> </ul>
4	Reliable Data	<ul style="list-style-type: none"> <li>Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation.</li> <li><i>Dataset is complete and estimated to be accurate +/- 10%.</i></li> </ul>
3	Uncertain	<ul style="list-style-type: none"> <li>Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade 4 or 5 data is available.</li> <li><i>Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated +/- 25%.</i></li> </ul>
2	Very Uncertain	<ul style="list-style-type: none"> <li>Data based on unconfirmed verbal reports and/or cursory inspection and analysis.</li> <li><i>Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy +/- 40%.</i></li> </ul>
1	Unknown	<ul style="list-style-type: none"> <li>None or very little data held</li> </ul>

## Municipality of North Perth Strategic Asset Management Policy

Table 3 Process Effectiveness Confidence Grading System		
Confidence Grade		Description
5	Highly Effective	<ul style="list-style-type: none"> <li>The organization's AM activities are fully integrated and are being continuously improved to deliver optimal whole life value.</li> <li>AM best practice continuously improved to deliver optimal whole life value.</li> <li>AM best practice concepts are fully rolled out and being practiced by all staff.</li> </ul>
4	Effective	<ul style="list-style-type: none"> <li>The organization's AM activities are fully effective and are being integrated throughout the business.</li> <li>AM best practice concepts are fully rolled out and being practiced by most staff.</li> </ul>
3	Somewhat Effective	<ul style="list-style-type: none"> <li>The organization's AM activities are developed, embedded and are becoming effective.</li> <li>Many AM best practice concepts are rolled out and being practiced by many staff.</li> </ul>
2	Ineffective	<ul style="list-style-type: none"> <li>The organization is developing its AM activities and establishing them as Business as Usual.</li> <li>Some best practice concepts are rolled out and being practiced to a limited extent.</li> </ul>
1	Unknown	<ul style="list-style-type: none"> <li>The organization is aware of the importance of AM and is starting to apply this knowledge.</li> <li>Few best practice concepts are rolled out and to a limited extent</li> </ul>

The Municipality can use the tables above to determine an “overall confidence level rating” which can then be correlated to the ISO 55000 State of Asset Management Maturity Scale outlined in Figure 3. The scores are reflective of the quality and type of data available, current processes and management strategies and can help the Municipality identify gaps in asset management data.

### Strategic Policy:

1. The Municipality is committed to improve upon the existing asset management practices employed and will adopt best practices where applicable.
2. The Municipality will ensure the Asset Management Plan incorporates all facets of Ontario Regulation 588/17 .
3. The Municipality will continue to evolve the asset management program to incorporate assets which have traditionally not been considered under the purview of asset management.

### Action Items to achieve Strategic Policy

- The Municipality may consider undertaking an assessment of the Municipality's asset management practices against each of the 39 ISO 55000 focus areas. The results will be categorized in the context of the maturity scale identified in Figure 3.
- Aspire to achieve a score of 4 (competence) to 5 (excellence) for most of the categories over the next five years.
- Review data confidence for each service area/category annually.
- Review effectiveness of the asset management program and determine the degree to which activities are embedded into the process annually.
- Ensure an "Overall Confidence Level Rating" is produced annually so the results can be compared on a regular basis.
- The Municipality should continue to seek funding assistance and support from other levels of government to help facilitate the fulfilment of the asset management program.

## Glossary of Terms

### **Asset**

A physical item owned by the municipality that supports service delivery, such as roads, watermains, buildings, or fleet vehicles.

### **Asset Management (AM)**

A systematic process of planning, maintaining, upgrading, and disposing of assets in a way that delivers sustainable, reliable services to the community.

### **Asset Management Plan (AMP)**

A strategic document outlining the condition, performance, lifecycle costs, and funding needs of municipal infrastructure to guide long-term investment and service delivery.

### **Strategic Asset Management Policy (SAMP)**

A high-level policy document required under O. Reg. 588/17 that outlines the principles and processes that guide asset management planning.

### **Ontario Regulation 588/17**

A provincial regulation under the Infrastructure for Jobs and Prosperity Act that sets out requirements for municipal asset management planning, including timelines and content.

### **Infrastructure for Jobs and Prosperity Act (2015)**

Legislation enacted by the Province of Ontario to promote long-term, strategic, and evidence-based infrastructure planning.

### **Levels of Service (LoS)**

Measures of the quality, efficiency, and effectiveness of services delivered through municipal assets, based on both community expectations and technical standards.

### **Capitalization Threshold**

The minimum cost and useful life an asset must have to be recorded as a tangible capital asset under public sector accounting standards.

### **Lifecycle Costing**

The total cost of owning, operating, maintaining, and disposing of an asset over its useful life.

### **Development Charges (DC)**

Fees collected from developers to help pay for the cost of growth-related infrastructure as outlined in a Development Charges Background Study.

### **Municipal Comprehensive Review (MCR)**

A detailed analysis of population, housing, and employment trends used to plan future land use and infrastructure needs, typically undertaken in coordination with County and Provincial policy.

### **Official Plan**

A long-term planning document guiding land use, growth, and infrastructure development in accordance with provincial policy.

### **Provincial Policy Statement (PPS)**

Ontario-wide policies providing direction on land use planning to promote strong communities, environmental protection, and economic growth.

### **Climate Change Adaptation**

Actions taken to anticipate and respond to the effects of climate change on infrastructure, such as extreme weather events or freeze-thaw cycles.

### **Confidence Level Rating**

A method used to assess the reliability and completeness of asset data and process effectiveness, supporting continuous improvement in asset management.

### **ISO 55000**

An international standard providing guidance on best practices for asset management systems, including strategy, risk, and performance evaluation.

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### **Tangible Capital Assets (TCA)**

Municipal assets that have a physical form, are used in operations, and have a useful life of more than one year, reported for financial purposes.

### **Capital Budget**

The portion of the municipal budget dedicated to long-term investments in infrastructure renewal, rehabilitation, or replacement.

### **Renewal/Rehabilitation Activities**

Interventions to extend the life of an existing asset, such as resurfacing roads or replacing building roofs.

### **Replacement Activities**

Complete removal and reconstruction of an asset when it reaches the end of its useful life.

### **Non-Infrastructure Solutions**

Actions that support better asset management without building new infrastructure, such as staff training, asset software, or condition assessments.

### **Disposal Activities**

Planned removal and proper disposal of assets that are no longer in use.

### **Public Sector Accounting Board (PSAB)**

The Canadian body that sets financial reporting standards for public sector entities, including guidance on accounting for tangible capital assets.

### **REVISION HISTORY**

Revision	Date	Comments
1	June 2025	Issue Date