

# Asset Management Strategy

## Purpose

The purpose of the Asset Management Strategy (AM Strategy) is to provide a structured approach to managing Middlesex Centre's infrastructure assets. This AM Strategy ensures that all asset-related activities support the Municipality's strategic direction, setting clear priorities and practices for long-term success and sustainability. By integrating asset management into the strategic planning process, the Municipality can better allocate resources and make informed decisions that drive overall performance.

Key objectives of this AM Strategy include:

- **Guiding Decision-Making:** To facilitate logical and evidence-based decision-making for the management of Municipality's assets.
- **Ensuring Sustainable Service Delivery:** To support the delivery of sustainable community services now and in the future.
- **Supporting Financial Sustainability:** To help balance service level expectations with financial sustainability.
- **Improving Accountability and Transparency:** To demonstrate a commitment to good stewardship of municipal assets and improves accountability and transparency to the community.

The combination of the AM Strategy and Asset Management Policy documents effectively meets the requirements set forth by O.Reg. 588/17 for the Strategic Asset Management Policy. The previously approved Asset Management Policy, CPS 27-2025, establishes the principles and guidelines for making informed decisions about asset management, ensuring alignment with organizational goals and regulatory requirements. The AM Strategy complements this by detailing the long-term strategies and specific actions needed to manage assets effectively, focusing on sustainability, risk management, and performance optimization. Together, these documents provide a comprehensive framework for achieving efficient, sustainable, and strategic asset management.

## **Scope**

The AM Strategy applies to all tangible assets the Municipality owns and manages, including assets outside the scope of the Municipality's Tangible Capital Assets Policy. All tangible assets regardless of cost will be included in this plan.

## **Background**

The Municipality of Middlesex Centre has a well-documented history of asset management practices, reflecting its commitment to maintaining and improving its infrastructure. The journey began in 2013 with the development of the first formal Asset Management Plan (AMP) by Watson & Associates Economists Ltd. This initial plan provided a comprehensive overview of the Municipality's capital assets, including their condition, age, and replacement costs. It laid the foundation for systematic asset management by identifying critical infrastructure needs and prioritizing investments.

In 2019, Middlesex Centre took a significant step forward by adopting a Strategic Asset Management Policy as required by Ontario Regulation (O. Reg.) 588/17. This policy aimed to ensure the consistent application of asset management principles across the organization. It emphasized the importance of evidence-based decision-making and long-term planning to manage municipal infrastructure assets effectively. The policy also highlighted the need for integrating asset management into the Municipality's broader strategic objectives, ensuring that infrastructure investments align with community goals.

The Municipality's commitment to asset management was further demonstrated in 2021 when the Asset Management Plan (AMP) was updated to comply with O. Reg. 588/17. This regulation required municipalities to develop more detailed and comprehensive asset management plans. The updated plan, again prepared by Watson & Associates Economists Ltd., included a working draft that moved Middlesex Centre towards regulatory compliance. It provided a more in-depth analysis of asset conditions, levels of service, and lifecycle management strategies.

Throughout these years, Middlesex Centre has continuously improved its asset management practices by incorporating best practices and leveraging technological advancements. The Municipality has invested in asset management software and tools to enhance data collection, analysis, and reporting. These tools have enabled more accurate and timely information, supporting better decision-making and resource allocation. The focus has been on optimizing the performance and sustainability of infrastructure assets while minimizing risks and costs.

Looking ahead, Middlesex Centre remains committed to advancing its asset management practices. The Municipality plans to further refine its asset management strategies by incorporating climate change considerations and sustainability principles. By doing so, Middlesex Centre aims to ensure that its infrastructure remains resilient and capable of meeting the evolving needs of the community. The ongoing efforts in asset management reflect the Municipality's dedication to providing high-quality services and maintaining a vibrant, sustainable community.

## **Definitions**

The following, unless otherwise noted, align with those definitions outlined in O. Reg. 588/17: Asset Management Planning with Municipal Infrastructure, under *the Infrastructure for Jobs and Prosperity Act, 2015* and ISO 55000, 2014: Asset Management – Overview, Principles, and Terminology.

**Asset** – a tangible item, thing, or entity that has potential or actual value to a municipality.

**Asset Management (AM)** – coordinated activities to realize value from all types of assets including but not limited to activities involving the asset’s life cycle from planning and acquisition, to operational and maintenance, to rehabilitation and renewal, and to replacement and disposal. AM is a holistic approach balancing costs, risks, opportunities, and benefits to achieve the lowest total lifecycle cost for each asset. AM give us evidence to “do the right thing to the right asset at the right time.”

**Asset Management Coordinator (AMC)** – the position responsible for developing, implementing, and overseeing the Municipality’s asset management program.

**Asset Management Plan (AMP)** – a document that specifies the activities, resources and timescale requirements of individual assets, or group of assets to achieve the Municipality’s asset management objectives. O. Reg. 588/17 required all core municipal assets to be documented by July 2023, including but not limited to attributes, levels of service, performance, categories, replacement costs, conditional assessment protocols, and lifecycle activities. By July 2024, the plan must include detailed information on current levels of service for all infrastructure assets including non-core assets. By July 1, 2025, municipalities must build upon the 2024 requirements by including information on proposed levels of service and determining the lifecycle activities needed to achieve these proposed levels of service.

**Computerized Maintenance Management System (CMMS)** – software designed to centralize maintenance information and streamline maintenance operations. It maintains the Municipality’s maintenance activities, helping to manage work orders, track assets, schedule preventative maintenance, and monitor asset inventory.

**Core Assets** – are assets essential for the provision of fundamental services. These include roads; bridges and culverts; water assets related to the collection, production, treatment, storage, supply, or distribution of water; wastewater assets involved in the collection, transmission, treatment, or disposal of wastewater; and stormwater management assets for the collection, transmission, treatment, retention, infiltration, control, or disposal of stormwater.

**Enterprise Asset Management System (EAMS)** – integrates software, system, and services to manage and maintain the Municipality’s assets throughout their entire lifecycle.

**Infrastructure** - Municipal infrastructure is all capital assets required to create and maintain a safe, secure, and sustainable community. Municipal Infrastructure includes but is not limited to:

- transportation infrastructure (e.g., roads, bridges, public transit)

- utilities and environmental infrastructure (e.g., water delivery systems, sewage treatment systems, recycling systems, landfills)
- fleet and equipment resources
- infrastructure enabling the provision of protective services (e.g., police, fire, flood mitigation)
- parks, recreation, and cultural facilities (e.g., arenas, playgrounds, pools, trails, libraries, community and art centres)
- electronic infrastructure (e.g., broadband networks, information systems)
- municipal civic institutions (e.g., city/municipality hall, administration buildings)

**Level of Service (LOS)** – parameters, or combination of parameters which reflect social, political, environmental, and economic outcomes the municipality delivers, including but not limited to safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability.

**Lifecycle** – stages involved in the management of assets from planning, acquisition, operation, maintenance, and decommission or disposal.

**Municipal Asset** – tangible assets, including green infrastructure assets, directly owned by the Municipality or included on the consolidated financial statements of the Municipality.

**Non-Core Assets** – are assets such as buildings, facilities, parks, recreational equipment, fleet vehicles, and other infrastructure that supports the municipal functions and community services.

**Tangible Capital Assets (TCA)** – are non-financial asset having physical substance that are acquired, constructed, or developed and:

- are held for use in the production or supply of goods and services;
- have useful lives extending beyond one fiscal year;
- are intended to be used on a continuing basis; and
- are not intended for resale in the ordinary course of operations.

The following will not be recognized as tangible capital assets:

- Crown land.
- Intangible assets such as goodwill and easements.
- Assets that do not meet capitalization thresholds.
- Natural resources including trees and woodlots.

- Works of art, historical treasures, archival records (disclosed in notes to the financial statements).
- Cost of studies such as the Official Plan and Development Charge study.
- Inventories and supplies.
- Interest expense related to financing costs incurred during the time an asset is under construction.
- Assets held for sale.

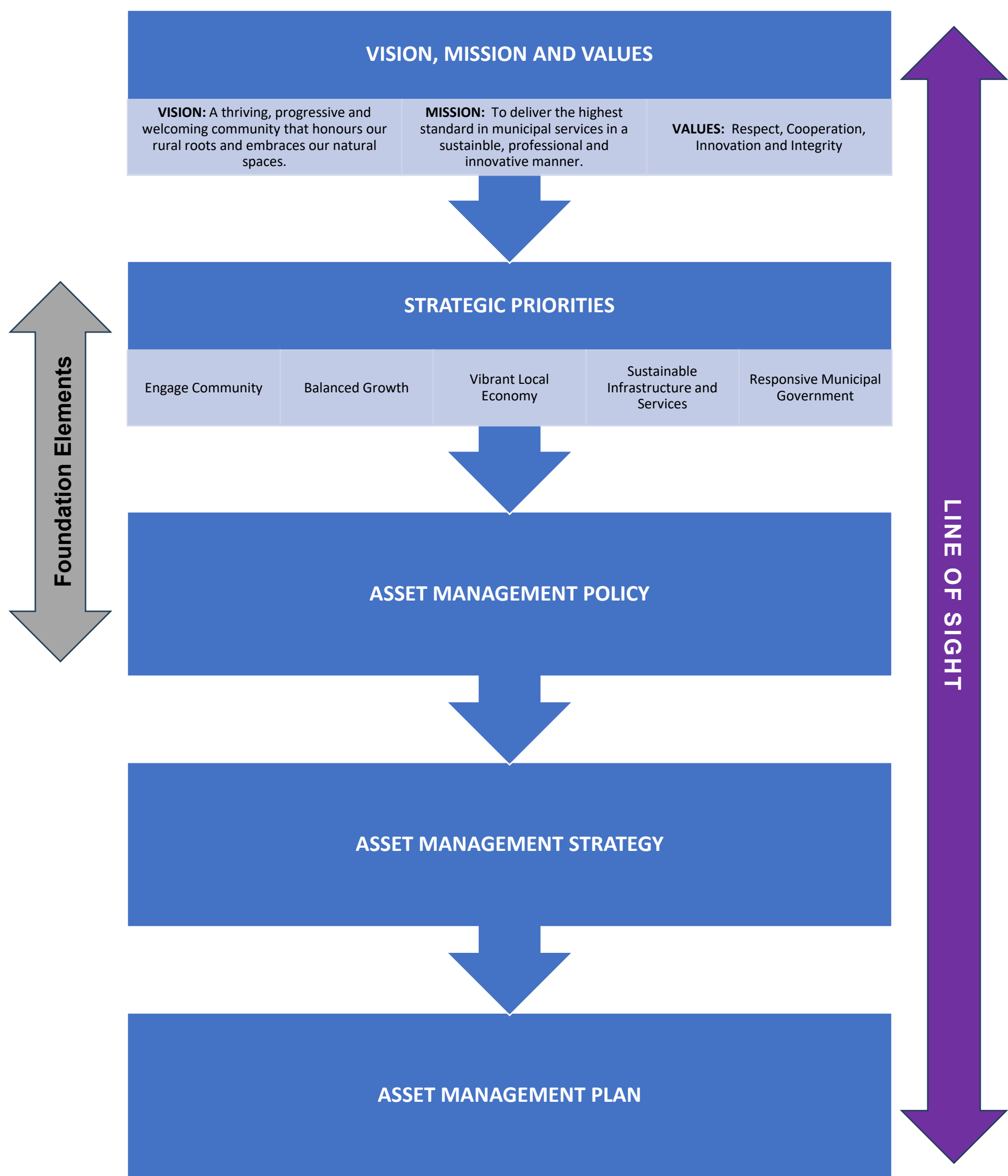
Tangible capital assets are substantial economic resources and are important components in delivering municipal services and include such diverse items as roads, buildings, vehicles, equipment, land, water and sewer systems, computer hardware and software (either purchased or developed internally), bridges, leasehold improvements, and capital assets acquired by capital lease or through donation.

### **Strategic Alignment**

The concept of “*line of sight*” in asset management ensures that there is a clear and direct connection between the Municipality’s high-level strategic goals and the specific actions taken to manage its assets. This alignment starts with Middlesex Centre’s vision, mission, and strategic priorities, which defines its long-term goals, core purpose, and guiding principles. These elements are reflected in the Asset Management Policy, which sets the overarching principles and guidelines for managing assets in a way that supports the Municipality’s strategic priorities.

The AM Strategy translates the Asset Management Policy into actionable strategies and plans, outlining specific objectives and initiatives. The AMP further details the specific actions, resources, and timelines for managing individual assets, ensuring the day-to-day activities are aligned with the strategic goals set out in the AM Strategy. By maintaining this clear line of sight, Middlesex Centre can ensure that asset management practices effectively support its long-term strategic goals and deliver value to the community.

Figure 1: The Hierarchy of Asset Management System at the Municipality of Middlesex Centre



The strategic alignment of asset management with other municipal guiding documents ensures a cohesive and integrated approach to managing municipal assets. This alignment is crucial for the effective governance and sustainable service delivery.

The Municipality's asset management framework will be aligned with the following guiding documents including but not limited to:

- Strategic Plan
- Official Plan
- Budgets
- Community Improvement Plan
- Drinking Water Quality Management Standard
- Long-Term Financial Plan
- Water, Wastewater and Stormwater Financial Plans
- Reserve and Reserve Fund Policy
- Development Charge Study
- Debt Management Policy
- Various Master Plans and Studies

Following updates or material changes to any of the documents listed above, the Municipality will consider potential impacts on the asset management framework to ensure continued alignment.

### **Strategic Direction**

The following outlines the details on how the asset management system will help achieve the Municipality's strategic goals and objectives:

1. The Municipality will implement a corporate wide asset management program focusing on lifecycle, risk management and levels of service.
2. The Municipality will develop asset investment and financial strategies based on lowest lifecycle cost of the asset rather than the lowest initial construction/acquisition cost of the asset.
3. The Municipality will continually improve its asset management system by adopting best practices including:
  - Maintaining complete and accurate asset data;
  - Creating condition assessment protocols;
  - Developing risk and criticality models;
  - Adopting lifecycle management; and
  - Creating level of service frameworks.
4. By utilizing an Enterprise Asset Management System (EAMS), the Municipality will develop and maintain an asset inventory with detailed attributes, replacement costs, and asset conditions.

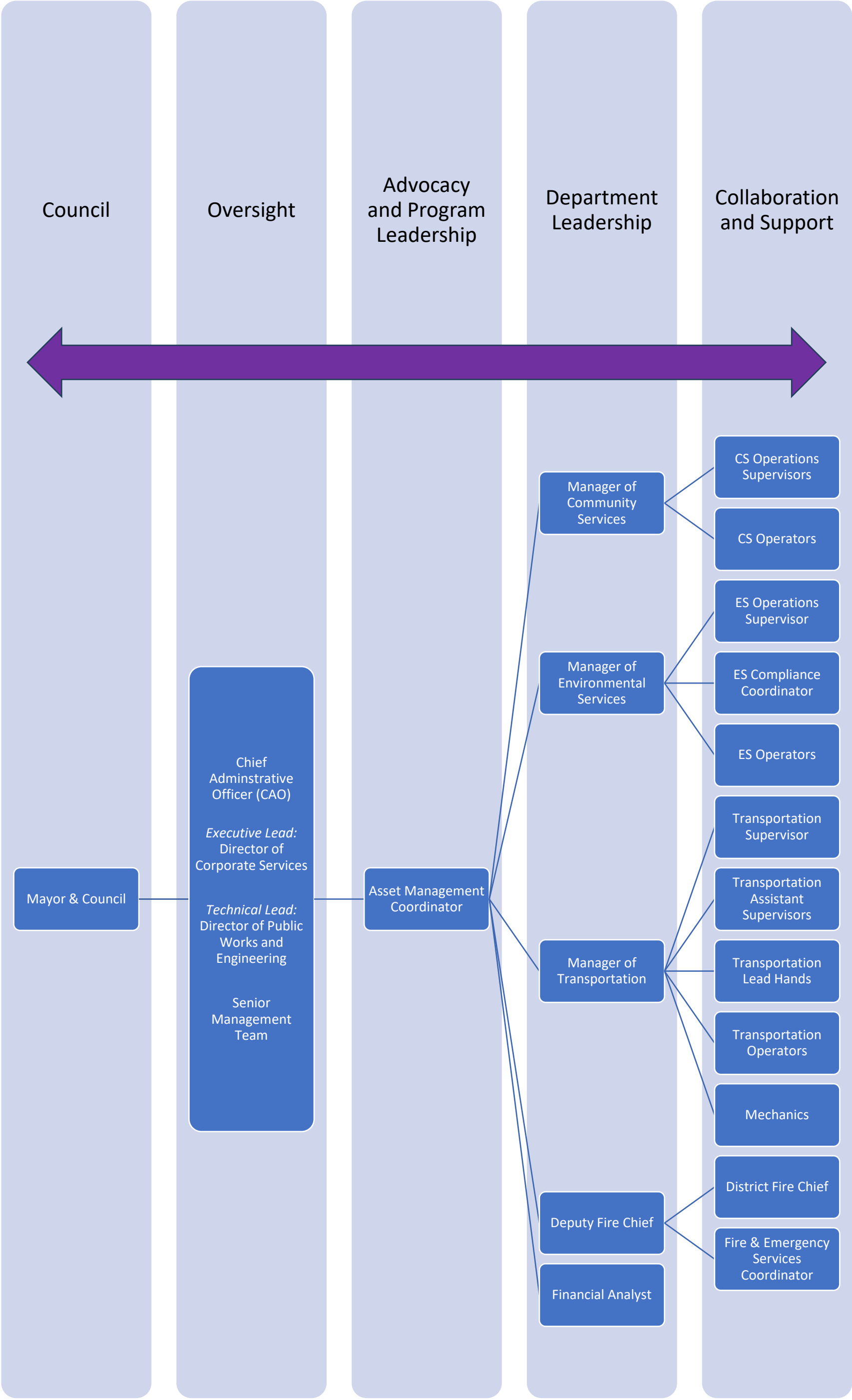
5. The Municipality will continually improve its Computerized Maintenance Management System (CMMS) as a centralized platform for managing service requests, work orders, and maintenance activities to optimize asset performance.
6. The Municipality will maintain an Asset Management Plan, incorporating all asset categories including assets outside the scope of the Municipality's Tangible Capital Asset Policy (i.e., assets that fall below the capitalization cost threshold).
7. The Municipality will consider the Asset Management Plan with its annual budgeting strategies and long-term capital planning. This includes financial plans outlining the funding required to achieve short-term operating and maintenance needs, and long-term funding needs based on full lifecycle costing.
8. The Municipality will utilize the Asset Management Plan to explore innovative funding and service delivery opportunities, including but not limited to grant programs, public-private partnership (P3), alternative financing and procurement (AFP) approaches, and shared provision of services, as appropriate.
9. The Municipality will develop actionable and predictive performance metrics and reporting tools that will be transparently communicated to Council and the community.
10. The Municipality will incorporate risk management into its Asset Management Plan. The Municipality will consider the risk and vulnerabilities of its assets to climate change and the actions that may be required to mitigate the impacts relating to operations, levels of service and lifecycle management, including anticipated costs, mitigation approaches, disaster planning, and contingency funding.
11. The Municipality will develop processes providing opportunities for the community and other interested parties to offer input into asset management planning wherever and whenever possible.
12. The Municipality will align all asset management planning with the Province of Ontario's land-use planning framework, including any relevant policy statements issued under Section 3(1) of the *Planning Act, 1990*, will conform with the provincial plans that are in effect on that date; and will be consistent with municipal official plans.

### **Internal Governance and Ownership**

A critical component of internal governance is the clear definition of roles and responsibilities within the Municipality. By delineating who is responsible for what, Middlesex Centre can ensure that there is accountability at every level. This clarity helps prevent gaps, which can lead to inefficiencies and errors. Furthermore, having well-defined roles supports effective decision-making processes, as it is clear who has the authority to make decisions regarding asset management.



Figure 2: Asset Management Governance Structure at the Municipality of Middlesex Centre



*Figure 3: Asset Management Roles and Responsibilities*

Group	Responsibilities
<p><b>MAYOR &amp; COUNCIL</b></p>	<ul style="list-style-type: none"> <li>• Endorse the Asset Management Policy, AM Strategy, and AMP.</li> <li>• Establish the vision, service mandates and corporate management policies.</li> <li>• Receive annual reporting on the status and performance of the AMP.</li> <li>• Review and approve the planning and funding associated with asset management through the annual budget process.</li> <li>• Maintain adequate organizational capacity to support asset management.</li> <li>• Promote stewardship of the Municipality's assets by ongoing review of policy and budgets.</li> <li>• Approve the established levels of service.</li> <li>• Ensure the public has input into asset management planning.</li> </ul>
<p><b>OVERSIGHT:</b></p> <ul style="list-style-type: none"> <li>• Chief Administrative Officer (CAO)</li> <li>• Executive Lead: Director of Corporate Services</li> <li>• Technical Lead: Director of Public Works and Engineering</li> <li>• Senior Management Team</li> </ul>	<ul style="list-style-type: none"> <li>• Act on behalf of and represent the interests of council.</li> <li>• Assist in the development and implementation of Asset Management Policy, AM Strategy, and AMP.</li> <li>• Periodic review of the Asset Management Policy, AM Strategy, and AMP.</li> <li>• Develop financial strategies to support the AMP and incorporate these strategies into the budget.</li> <li>• Incorporate lifecycle costing and LOS considerations in developing asset management strategies.</li> <li>• Define and monitor LOS measures/metrics and suggest proposed targets.</li> <li>• Provide corporate oversight to goals and directions and ensure the AMP aligns with the Municipality's strategic plans and master plans.</li> <li>• Provide departmental staff coordination on maintaining the AMP.</li> <li>• Advise on strategic issues related to corporate decision-making.</li> <li>• Provide appropriate and timely support to the Asset Management Coordinator (AMC).</li> <li>• Ensure consistency of AM practices and processes across departments.</li> </ul>

Group	Responsibilities
<p><b>ADVOCACY &amp; LEADERSHIP:</b></p> <ul style="list-style-type: none"> <li>Asset Management Coordinator (AMC)</li> </ul>	<ul style="list-style-type: none"> <li>Champion the AM program within the Municipality.</li> <li>Provide direction regarding AM best practices to department managers.</li> <li>Monitor trends and sustainability of AM system and recommend improvements.</li> <li>Monitor and manage the status of assets.</li> <li>Coordinates with various departments for the acquisition, distribution, maintenance, and disposal of assets.</li> <li>Lead the development of the Asset Management Policy, AM Strategy, and AMP.</li> <li>Periodic review of the Asset Management Policy, AM Strategy, and AMP. Update at least every five years.</li> <li>Provide municipal-wide leadership in asset management.</li> <li>Coordinate and oversee AM initiatives across departments</li> <li>Annually report the status and performance of the AMP.</li> <li>Work with Directors and Managers to define LOS measures/metrics and proposed levels of service targets</li> <li>Assist with the development of lifecycle costing and LOS for all assets.</li> <li>Oversee EAM and CMMS</li> <li>Provide technical advice related to the AM system.</li> <li>Work with all departments to ensure the plan is updated and accurate for all assets.</li> <li>Address data gaps and develop a plan to close the gaps.</li> <li>Reconcile asset management data with tangible capital asset data annually.</li> <li>Coordinate AM training for staff.</li> </ul>

Group	Responsibilities
<p><b>DEPARTMENT LEADS:</b></p> <ul style="list-style-type: none"> <li>• Manager of Community Services</li> <li>• Manager of Environmental Services</li> <li>• Manager of Transportation</li> <li>• Deputy Fire Chief</li> <li>• Financial Analyst</li> </ul>	<ul style="list-style-type: none"> <li>• Assist in the development of the Asset Management Policy, AM Strategy, and AMP.</li> <li>• Assist with the annual reporting of the status and performance of AMP for assets specific to each department.</li> <li>• Work with the AMC and Directors to define LOS measures/metrics and proposed levels of service targets.</li> <li>• Address data gaps and develop a plan to close the gaps.</li> <li>• Develop asset management processes and templates for assets specific to each department.</li> <li>• Oversee EAM and CMMS</li> <li>• Provide directions for asset management practices within their department.</li> <li>• Champion the AM program within their department.</li> </ul>

Group	Responsibilities
<p><b>COLLABORATION &amp; SUPPORT:</b></p> <ul style="list-style-type: none"> <li>Community Services Supervisors</li> <li>Environmental Services Supervisor</li> <li>Environmental Services Compliance Coordinator</li> <li>Environmental Services Operators</li> <li>Transportation Supervisor</li> <li>Transportation Assistant Supervisor</li> <li>Transportation Lead Hands</li> <li>Transportation Operators</li> <li>Mechanics</li> <li>District Fire Chiefs</li> <li>Fire &amp; Emergency Services Coordinator</li> </ul>	<ul style="list-style-type: none"> <li>Provide tactical and operational-level feedback on the AM system performance, needs and improvement priorities.</li> <li>Monitor asset performance and suggest improvements.</li> <li>Attend AM training for staff.</li> <li>Assist with defining LOS measures/metrics and proposed levels of service targets.</li> <li>Assist with addressing data gaps by notifying the AMC.</li> <li>Follow AM practices.</li> <li>Champion the AM program within their department.</li> <li>Generate work orders for maintenance tasks and closing them upon completion ensuring all details are documented.</li> <li>Ensure service requests are completed on time.</li> <li>Develop and schedule maintenance activities to ensure assets are maintained in optimal condition.</li> <li>Coordinate with other staff to prioritize and plan maintenance tasks.</li> <li>Analyze asset performance data to identify trends, risks, and opportunities for improvement.</li> <li>Provide recommendations to support decision-making and optimize asset management practices.</li> <li>Accurately log all maintenance activities, including inspections, repairs, and preventative maintenance tasks.</li> <li>Keep asset information up-to-date including equipment status, location, and maintenance history.</li> <li>Regularly monitor the condition of assets to identify potential issues before failures occur.</li> <li>Ensure maintenance activities comply with industry regulations and standards.</li> </ul>

### **Strategic Review**

This plan will be reviewed annually to address the Municipality's progress and update at least every five years in accordance with O. Reg. 588/17.