

CITY OF VAUGHAN

CORPORATE POLICY

POLICY TITLE: ASSET MANAGEMENT: LAND USE PLANNING

POLICY NO.: 03.C.06

Section:	Administration & Legal		
Effective Date:	June 1, 2018	Date of Last Review:	Click or tap to enter a date.
Approval Authority:	Policy Owner:		
Council	DCM, Public Works		

POLICY STATEMENT

The combination of an infrastructure lifecycle approach and financial sustainability principles will be a key driver to inform the programming, design and selection of greenfield development and/or intensification that requires new assets, existing asset enhancements, renewal, replacement and/or disposal to take place.

PURPOSE

The purpose of this policy is to direct parties involved in the development of the asset management plans to reference the principles, concepts and direction established through the policy and development planning process as well as the methods, assumptions, and data used in its development.

The aim of cross-referencing these policies and plans is to ensure that greenfield development and intensification is affordable and supports clean growth. This will support transparency regarding costs and long-term implications of growth management decisions.

In alignment with the City's levels of service and Ontario's land use planning framework, an understanding of existing and planned asset needs will ensure that greenfield development and intensification is financially sustainable for current and future residents and businesses.

SCOPE

Asset management planning processes will endeavor to understand, coordinate and implement the linkages between major policy initiatives defined by the City's Growth

Management Strategy, which includes the City's Official Plan, supporting master plans and associated studies.

1. Those responsible for managing services related to greenfield development and/or intensification will:
 - 1.1. Be consulted in City of Vaughan land use planning and infrastructure decisions;
 - 1.2. Provide input to the analysis of future servicing costs; and,
 - 1.3. Provide input to the financial viability of development as it pertains to the service they manage.
2. The City's asset management plans will reflect how communities, neighbourhoods and growth areas are projected to change and the related asset impacts. To achieve this, the following framework for policy-making will provide a flexible assessment, planning and evaluation tool for strengthening the governance of affordable and clean growth:
 - 2.1. The asset management plan, in alignment with the growth management strategy, promotes clear communications adapted for public understanding. Quality improvements and resilience will be achieved by integrating risk management and infrastructure lifecycle costs with a flexible scenario-based approach for current and future levels of service, particularly in assessing the feasibility and impact of official plan amendments, innovations and environmental initiatives.
 - 2.2. Council directs the City's organizational design and allocates authority to transparent and accountable processes that ensure healthy and safe growth that is financially and environmentally sustainable, to allow for the development of complete communities.
 - 2.3. Best value asset management practices inform land use planning and infrastructure planning decisions.
 - 2.4. Feedback from asset management information informs design decisions, especially for unique infrastructure solutions.
 - 2.5. An Official Plan review or an Official Plan amendment incorporates asset management practices, is initiated by the City and comprehensively applies the policies and schedules of the Provincial Growth Plan for the Greater Golden Horseshoe, as amended from time to time.

LEGISLATIVE REQUIREMENTS

The City must develop and finalize a policy to include:

3.(1)7. A process to ensure that asset management planning would be aligned with Ontario's land use planning framework, including any relevant policy statements issued under section 3(1) of the Planning Act, any provincial plans as defined in the Planning Act, and the municipality's official plan.

DEFINITIONS

The following definitions are provided in accordance with the International Infrastructure Management Manual.

1. Affordable: As defined in the City of Vaughan Official Plan;

"a. In the case of ownership housing, least expensive of:

i. housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low- and moderate-income households; or

ii. housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area;

b. In the case of rental housing, the least expensive of:

i. a unit for which the rent does not exceed 30 percent of gross annual household income for low- and moderate-income households; or,

ii. a unit for which the rent is at or below the average market rent of a unit in the regional market area.

For the purposes of this definition, "low- and moderate-income households" means, in the case of ownership housing, households with incomes in the lowest 60% of the income distribution for the regional market area, or in the case of rental housing, households with incomes in the lowest 60% of the income distribution for renter households for the regional market area".

2. Asset Management (AM): Systematic and coordinated activities and practices of an organization to optimally and sustainably deliver on its objectives through the cost-effect lifecycle management of assets.

3. Asset Management Framework: Overarching AM hierarchy including the AM Policy, Objectives, Strategy, and the AM Plan.

- 4. Asset Management Objectives:** Specific outcomes required from the implementation of the AM Framework.
- 5. Asset Management Plan (AM Plan):** Long-term plans that outline the asset activities and programs for each service area and resources applied to provide a defined level of service in the most cost-effective way.
- 6. Asset Management Policy:** Document that broadly outlines the principles and mandated requirements for undertaking AM across the organization in a systematic and coordinated way, consistent with the organizations strategic plan. It provides the framework for the AM Strategy and AM Plan.
- 7. Asset Management Strategy:** High level long-term approach to AM including AM action plans and objectives for managing the assets.
- 8. Asset Management Team:** The team appointed by an organization to review and monitor the corporate AM improvement program and ensure the development of integrated AM information systems, processes, and plans consistent with organizational goals and objectives.
- 9. Clean Growth:** As defined by the Vancouver Declaration on Clean Growth and Climate Change on March 3, 2016.
- 10. Clean Technology:** General term used to describe products, processes or services that reduce waste and require as few non-renewable resources as possible.
- 11. Climate Change Adaptation:** Systematic approach to planning the adaptation of communities and infrastructure based on a risk-management process to ensure they will be robust to a changing climate.
- 12. Climate Resilience Codes:** Range of codes, standards and rating schemes to ensure that new building stock will be robust to a changing climate.
- 13. Complete Communities:** As defined by the City of Vaughan Official Plan; “Communities that meet people’s needs for daily living through an entire lifetime by providing convenient access to an appropriate mix of jobs, local services, a full range of housing, and community infrastructure including affordable housing, schools, recreation and open space for their residents. Convenient access to public transportation and options for safe, non-motorized travel is also provided”.
- 14. Condition:** Physical state of an asset.
- 15. Condition Grade:** Measure of the physical integrity of an asset or component.

16. Current Replacement Cost: Cost incurred to acquire a new modern equivalent asset (not second hand) on the reporting date.

17. Deferred Maintenance: Shortfall in maintenance work required to maintain the service potential of an asset.

18. Depreciation (amortization): Systematic allocation of the depreciable amount of an asset over its useful life

19. Depreciated Replacement Cost (DRC): Replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

20. Deterioration Rate: Rate at which an asset approaches failure (end of life).

21. Development: As defined by the City of Vaughan Official Plan; “When applicable to the Oak Ridges Moraine Conservation Area:

The creation of a new lot, a change in land use, or the construction of buildings and structures, any of which require approval under the Planning Act, the Environmental Assessment Act, or the Drainage Act, but does not include:

- a. The construction of facilities for transportation, Infrastructure and Utilities uses, as described in subsection 3.4.10 of this Plan, by a public body; or
- b. For greater certainty:
 - i. the reconstruction, repair or maintenance of a drain approved under the Drainage Act and in existence on November 15, 2001; or,
 - ii. The carrying out of agricultural practices on land that was being used for agricultural uses on November 15, 2001.

When applicable to the Greenbelt Plan Area:

The creation of a new lot, a change in land use, or the construction of buildings and structures, any of which require approval under the Planning Act, or that are subject to the Environmental Assessment Act, but does not include:

- a. The construction of facilities for transportation, Infrastructure and Utilities used by a public body;
- b. activities or works under the Drainage Act; or,

c. The carrying out of agricultural practices on land that was being used for agricultural uses on the date the Plan came into effect.

When applicable to lands outside of the Oak Ridges Moraine Conservation Plan and Greenbelt Plan:

The creation of a new lot, a change in land use, or the construction of buildings and structures, requiring approval under the Planning Act, but does not include:

a. Activities that create or maintain infrastructure authorized under an environmental assessment, Planning Act, or Condominium Act process; or,

b. Works subject to the Drainage Act.

22. Finance Personnel: Internal or external partners who may design, compose, evaluate, advise, report, manage, direct or supervise activities in or for the portfolio of the Chief Financial Officer & City Treasurer.

23. Greenfield: As defined by the City of Vaughan Official Plan; “Lands designated for urban use in an Official Plan, but not yet developed for such uses”.

24. Input: Provide balanced and objective information to help deepen a shared understanding of views, issues, alternatives, and/or solutions.

25. Intensification: As defined by the City of Vaughan Official Plan; “The development of a property, site or area at a higher density than currently exists through:

a. redevelopment, including reuse of brownfield sites;

b. the development of vacant and/or underutilized lots within previously developed areas;

c. infill development; and,

d. the expansion or conversion of existing buildings.

26. Long-Term: 5, 10, 20 or 30 years.

27. Modern Equivalent Assets: Assets that replace what is in existence with the most cost-effective asset providing an equivalent level of service.

- 28. Rehabilitation:** Works to rebuild or replace parts or components of an asset, to restore it to a required functional condition and extend its life, which may incorporate some modification. Generally, involves repairing the asset to deliver its original level of service without significant upgrade.
- 29. Remaining Useful Life:** Time remaining until an asset ceases to provide the required service level or economic usefulness.
- 30. Renewal:** Works to replace existing assets with assets of equivalent capacity or performance capability.
- 31. Residual Value:** Estimated amount currently obtained from disposal of the asset, after deducting cost of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.
- 32. Resilience:** For the built environment, resilience refers to the capacity of the built environment to retain or recover its structure, functions and amenity after experiencing shocks.
- 33. Service Area:** Collaborative partners, typically own infrastructure assets or manage operations and maintenance.
- 34. Sustainability:** As defined by Green Directions; “In Vaughan, sustainability means we make decisions and take actions that ensure a healthy environment, vibrant communities and economic vitality for current and future generations”.
- 35. Useful Life:** Period over which an asset or component is expected to be available for use; or the number of production or similar units expected to be obtained from the asset or component by the organization.
- 36. Valuation:** Assessed asset value which may depend on the purpose for which the valuation is required, i.e., replacement value for determining maintenance levels, market value for lifecycle costing and optimized deprival value for tariff setting.

POLICY

1. Policy Principles

1.1. Citizen Focused:

The City of Vaughan will have clearly defined levels of service and apply asset management practices to maintain the confidence of customers in how City assets are managed.

1.2. Service Focused:

The City of Vaughan will consider all the assets in a service context and take into account their interrelationships as opposed to optimizing individual assets in isolation.

1.3. Risk-based:

The City of Vaughan will manage the asset risk associated with attaining the agreed levels of service by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding cost/benefit, recognizing that public safety is the priority.

1.4. Value-based Affordable:

The City of Vaughan will choose practices, interventions, and operations that aim at reducing the lifecycle cost of asset ownership, while satisfying the agreed levels of service. Decisions are based on balancing service levels, risks, and costs.

2. Policy Objectives

2.1. Interdepartmental relationships provide infrastructure and services to sustain the City of Vaughan and:

2.1.1. Support the quality of life, urban environment, and cultural fabric appropriate to the City of Vaughan;

2.1.2. Facilitate the changes to infrastructure to cater for changing neighbourhoods and communities for current and future needs; and,

2.1.3. Enhance the resilience of the City's infrastructure, neighbourhoods and communities and aim to continually lower environmental impacts.

2.2. Implement a life-cycle approach to the management of infrastructure assets where:

2.2.1. Asset planning decisions are based on an evaluation of alternatives that consider the "whole of life" of an asset through acquisition, construction, operation, maintenance, renewal/replacement, and disposal; and,

2.2.2. The asset management cycle considers the current and future environmental, economic, cultural, and social outcomes.

2.3. Ensure that service delivery needs are the primary driver for infrastructure asset management practices by:

- 2.3.1. Establishing and monitoring levels of service for each asset class through the Asset Management Plan; and,
- 2.3.2. Identifying and monitoring individual and network risks to assets and service levels for each asset class.
- 2.4. Provide a sustainable funding model that provides assets aligned with the City's long-term plans and community needs with a:
 - 2.4.1. Funding model for all asset related services extending at least 10 years into the future that addresses the need for funds, considers renewal peaks and troughs, and identifies how the funds will be sourced for current and projected growth both in terms of population and jobs, as provided for in the Official Plan.
- 2.5. Develop and implement best value asset management practices that are environmentally sustainable and:
 - 2.5.1. Encourage a flexible and scenario-based approach through systems and plans to allow for innovative use of assets, particularly in environmental and resiliency initiatives;
 - 2.5.2. Acknowledge climate change adaptation and environmental protection are fundamental to sustainable asset management planning practices;
 - 2.5.3. Reduce resource use and promote resilience by utilizing clean technology products, services, and processes wherever possible; and
 - 2.5.4. Incorporate local, regional, provincial, federal, and international sustainability criteria including climate resilient codes and standards into greenfield development, intensification, infrastructure projects and procurement.
- 2.6. Provide reliable asset and infrastructure data through supported digital platforms demonstrated by:
 - 2.6.1. Open sourced for community use, where appropriate, such as with an asset management plan;
 - 2.6.2. Implementation of sound data governance and data quality management; and,
 - 2.6.3. Access to systems and information by mobile technology wherever possible.

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2.7. Implement an integrated decision support system that:

- 2.7.1. Provides systems and knowledge necessary to achieve policy outcomes;
- 2.7.2. Proactively interrogates and models data to support informed decisions;
- 2.7.3. Minimizes the risk of corporate knowledge and data loss;
- 2.7.4. Manages information as efficiently as possible through the appropriate use of software, hardware and communication tools; and,
- 2.7.5. Reduces data duplication.

2.8. Ensure compliance with legislative requirements by:

- 2.8.1. Aligning with infrastructure planning principles from the Infrastructure for Jobs and Prosperity Act, 2015; and,
- 2.8.2. Having clear policies, processes and information to ensure that organizational objectives and legislative requirements are met.

ADMINISTRATION

Administered by the Office of the City Clerk.

Review Schedule:	SELECTSELECT If other, specify here	Next Review Date:	Click or tap to enter a date.
Related Policy(ies):	03.C.03 – Asset Management: Administrative Umbrella 03.C.04 – Asset Management: Critical Assets Business Risks 03.C.05 – Asset Management: Financial Requirements 03.C.07 – Asset Management: Levels of Service		
Related By-Law(s):			
Procedural Document:	PRC.06 – Asset Management: Implementation Procedures and Communication		
Revision History			
Date:	Description:		
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