



SUBJECT: Strategic Asset Management Policy
DEPARTMENT: Corporate Services
EFFECTIVE: June 24, 2019 (Approved by Resolution Number C-331-19)
AUTHORITY: Council

1. Purpose

The purpose of this Policy is to provide a framework for the development and implementation of the Township's asset management program, as well as to satisfy the regulatory requirements of O.Reg 588/17 "Asset Management Planning for Municipal Infrastructure" under the Infrastructure for Jobs & Prosperity Act, 2015.

This Policy is intended to guide the consistent use of asset management across the organization by:

- Providing desirable levels of service to residents in a fiscally responsible and environmentally friendly manner;
- Supporting the delivery of sustainable community services now and in the future;
- Meeting expected performance levels and continue to provide desired service levels in the most efficient and effective manner.

This policy demonstrates an organization-wide commitment to the good stewardship of municipal infrastructure assets, and to improved accountability and transparency to the community through the adoption of best practices regarding asset management planning.

2. Objectives

The objectives of the Asset Management Plan are to:

- Meet the agreed service levels in the most efficient and effective way possible through asset lifecycle management
- Ensure actual needs of existing and future assets are prioritized and aligned with the Township's strategic documents including alignment with the Township Corporate Strategic Plan, in order to manage service level expectations and risk across all Township assets.
- Ensure that financial management for funding of the Asset Management Plan is sound and aligns with the means of the Township's stakeholders.
- Have regard for and pursue sustainable development and a commitment to consider climate change mitigation and adaptation.
- Provide opportunities for public engagement from residents, stakeholders and customers to engage in discussions, offer input, and understand the decision-making process.

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3. Definitions

Asset – a physical resource with economic value that the Township owns with the expectation that it will provide a future benefit.

Asset Management Plan – a strategic document that states how a group of assets are to be managed over a period of time. The plan describes the characteristics and condition of the assets, the levels of service expected from them, planned actions to ensure the assets are providing the expected level of service at an acceptable level of risk, and financing strategies to implement the planned actions.

Capitalization Threshold – the value of the asset at or above which the Township will capitalize the value of it and below which will expense the value of it. The threshold is established in the Township's Tangible Capital Asset policy.

Level of service – the parameters or combination of parameters that reflect social, political, economic and environmental outcomes that the Township delivers. Levels of service statements describe the outputs or objectives of the Township's activities that are intended to be delivered to customers

Lifecycle costs – the total cost of an asset throughout its life including planning, design, construction or acquisition, maintenance, rehabilitation, and disposal costs.

Lifecycle activities – the activities with respect to critical municipal infrastructure asset over their useful service life, including construction, maintenance, renewal, operation and decommission activities, and all engineering and design work associated with those activities.

4. Guiding Principles

The Township shall consider the following principles to asset management planning, which also adhere to the required principles from the Infrastructure for Jobs and Prosperity Act, 2015:

- **Customer focused:** The Township will have clearly defined levels of service and apply asset management practices focused on customer outcomes and service delivery.
- **Service focused:** The Township will consider all assets in a service context and take into account their interrelationships as opposed to optimizing individual assets in isolation.
- **Risk-based:** The Township 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.
- **Value-based:** The Township will choose practices, interventions and operations that aim to reduce the lifecycle cost of asset ownership.

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- **Forward looking:** The Township shall take a long-term view while considering demographic and economic trends in the area.
- **Budget and planning:** The Township shall take into account any applicable budgets or fiscal plans required by Provincial legislation.
- **Prioritization:** The Township shall clearly identify infrastructure priorities, which will drive investment decisions.
- **Economic Development:** The Township shall promote economic competitiveness, productivity, job creation and training opportunities.
- **Transparency:** The Township shall be evidence-based and transparent. Additionally, subject to any prohibitions under an Act or otherwise by law on the collection, use, or disclosure of information, the Township shall:
 - Make decisions with respect to infrastructure based on information that is publicly available or made available to public, and;
 - Share information with implications on infrastructure and investment decisions with the Government and broader public sector entities.
- **Consistency:** The Township shall ensure the continued provision of core public services.
- **Environmentally conscious:** The Township shall minimize the impact of infrastructure on the environment by:
 - Respecting and helping maintain ecological and biological diversity
 - Augmenting resilience to the effects of climate change, and
 - Endeavouring to make use of acceptable recycled aggregates.
- **Health and Safety:** The Township shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets are protected.
- **Community focused:** The Township shall 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,
 - Improvement of public space within the community, and;
 - Promoting accessibility for persons with disabilities
- **Innovation:** The Township shall create opportunities to make use of innovative technologies, services and practices, particularly where doing so would utilize technology, techniques and practices developed in Ontario.
- **Integration:** The Township shall, where relevant and appropriate, be mindful and consider the principles and content of non-binding provincial or municipal strategies established under an Act or otherwise, in planning and making decisions surrounding the infrastructure that supports these strategies.

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5. Roles & Responsibilities

The Policy requires the commitment of key stakeholders within the Township's organizational structure to ensure that the Township is continually improving its methods and adopting appropriate practices with respect to asset management. The following details the responsibilities of these key stakeholders:

Council

- Provide strategic direction for asset management planning, including approving a Strategic Asset Management Policy.
- Approve the Asset Management Plan and its updates every five years;
- Review the progress on the implementation of the Asset Management Plan on or before July 1 of every year.
- Support ongoing efforts to continuously improve and implement the Asset Management Plan.

Chief Administrative Officer

- Ensure that the Township maintains compliance with the Asset Management Policy, strategic direction of Council and Provincial asset management regulations.

Director Corporate Services/Treasurer

- Act as the Executive Lead for the implementation of the Asset Management Policy and the directions of Council and the Chief Administrative Officer, related to asset management planning. The Director of Corporate Service/Treasurer will establish a team comprised of representatives from Township departments to guide the asset management process.
- Prepare a report for Council's consideration prior to July 1 of every year which includes:
 - Review of the Strategic Asset Management Policy;
 - Progress on ongoing efforts to implement the Asset Management Plan and address the asset funding gap;
 - Any factors affecting the ability of the municipality to implement its Asset Management Plan, and;
 - A strategy to address these factors including the adoption of appropriate practices.

Department Heads and Supervisors

- Oversee Asset Management Plan activities that fall within their service area and in support of other departments, including compilation of data such as condition & risk assessments, levels of service, and lifecycle costs.

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Role of Departmental Staff

- Utilize the business processes and technology tools developed as part of the Asset Management program;
- Understand the Township's Asset Management objectives to effectively implement Asset Management policies;
- Provide and maintain appropriate levels of service;
- Provide support and direction for Asset Management practices within their department;
- Track and analyze Asset Management program progress and results.

Role of the Public

- Express level of service expectations and concerns to Council and Staff through public engagement
- Understand the relationship between performance, cost, and risk of assets to deliver expected services;
- Participate in discussions about strategic objectives and target levels of service.

6. Review Period

This policy will be reviewed at a minimum every five (5) years from its effective date.