

Subject: Strategic Asset Management	Effective Date: June 25, 2019
	Review Date:
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Strategic Asset Management Policy

Purpose:

To establish a procedure to formalize the Township’s commitment to asset management, ensuring that assets are appropriately utilized to provide desirable levels of service, prioritizing investments in assets in a fiscally responsible manner to mitigate risk and providing guidance to Council, management and staff.

Scope:

This policy is applicable to all assets that the Township owns. While the capitalization threshold shall be the same as that used for financial reporting under its tangible capital asset policy in compliance with PSAB 3150, other assets below the threshold still need to be actively managed within the forward-looking view of the Asset Management Plan.

As the various asset classes are incorporated into the Asset Management Plan, staff shall update TCA reporting thresholds and asset management planning efforts to bring alignment between O.Reg 588/17 and PSAB 3150 regulatory requirements.

Objectives:

The Township shall consider the following inter-related goals and the following principles as outlined in section 3 of the infrastructure for Jobs and Prosperity Act, 2015, when proactively making decisions regarding asset management.

Goals

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|----------------------------|---|
| Financial Stability | Demonstrate fiscal responsibility while ensuring Township owned infrastructure is maintained to an appropriate level of service. |
| Risk Reduction | Achieve a balance between desired levels of service and the amount of acceptable risk, while managing resources and infrastructure priorities. |
| Levels of Service | Provision and maintenance of defined service parameters for a particular activity or service area, against which service performance may be measured. |

Guiding Principles

Value-Based/Affordable

The Township will choose practices and operations that focus on reducing the lifecycle cost of asset ownership, while satisfying levels of service. Decisions are based on balancing service levels, risks and costs.

Prioritizing

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 planning and investments 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 make available to the public, and
- Share information with implications on infrastructure and investment decisions with senior levels of Government and broader public sector entities.

Consistency

The Township shall ensure the continued provision of core public services and in particular the provision of core municipal infrastructure assets.

Innovation

The Township shall create opportunities to make use of the innovative technologies, services, and practices, particularly where doing so would utilize technology, techniques, and practices developed in Ontario.

Risk-based

The Township will manage the asset risk associated with attaining the 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.

Integration

The Township shall, where relevant and appropriate, be mindful and consider the principles and content of non-binding provincial or municipal plans and strategies established under an Act or otherwise, in planning and making decisions surrounding the infrastructure that supports them.

Health and safety	The Township shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
Stakeholder focused	The Township will have clearly defined levels of service and apply asset management practices to maintain the confidence of stakeholders in how Township assets are managed.
Forward looking	The Township shall take a long-term view while considering the impacts of demographic and economic trends on infrastructure needs.
Environmentally Conscious	<p>The Township shall minimize the impact of infrastructure on the environment by:</p> <ol style="list-style-type: none"> 1. Respecting and helping maintain ecological and biological diversity, 2. Augmenting resilience to the effects of climate change, and 3. Endeavoring to make use of acceptable recycled aggregates & materials.
Climate Change Adaptability	<p>The Township, having regard for the aforementioned inter-related goals, is committed to include, as part of its asset management planning :</p> <ol style="list-style-type: none"> 1. The actions that may be required to address the vulnerabilities that may be caused by climate change to the municipality's infrastructure assets, in respect of such matters, as, <ul style="list-style-type: none"> • Operations, such as increased maintenance schedules, • Levels of services, • Lifecycle management; 2. The anticipated costs that could arise from the vulnerabilities described in subparagraph above; 3. Adaptation opportunities that may be undertaken to manage the vulnerabilities described above; 4. Mitigation approaches to climate changes, such as previously established greenhouse gas emission reduction goals and targets; and 5. Disaster planning and contingency funding.
Community Focused	<p>The Township shall promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the quality of life of a community affected by the project, such as:</p> <ol style="list-style-type: none"> 1. Local job creation and training opportunities (including for

- apprentices, within the meaning of section 9 of the Infrastructure for Jobs and Prosperity Act, 2015)
2. Improvement of public space within the community, and
 3. Promotion of accessibility for persons with disabilities.

Service Focused

The Township will consider all the assets in a service context and take into account their interrelationship as opposed to optimizing individual assets in isolation.

Collaboration

The Township is committed to coordinate planning for asset management, where municipal infrastructure assets connect or are interrelated with those of our upper-tier municipality or neighbouring municipalities.

Regulatory Compliance and Plan Alignment

The Township shall consider all applicable legislation in the development and update of its asset management plan. The relevant provincial legislation spans a broad spectrum and includes environmental assessment and protection, safe drinking water, financial plans to support water and waste water assets, minimum maintenance standards for municipal roadways, development charges and the land use planning framework and relevant planning policy statements. At a local level, a key factor is alignment with the myriad of approved plans of record like the strategic plan, official plan, zoning bylaw, emergency management plan, accessibility plan, community improvement plan, communication plan, climate change action plan, roads needs study, recreation services plan, trails master plan and others that may from time to time be adopted. Asset management planning considers all applicable legislation and will link with these other municipal plans to ensure that the Township assets are used to appropriately implement the desired levels of service.

Budgeting and Continuous Improvement

The Township's asset management plan is a 'living' document that requires attention to detail and uses an integrated and coordinated planning model for asset renewal. It will integrate within the annual capital budget, impacts the operations budget and reinforces that the priorities established for infrastructure renewal require predictable financial resources. In addition to capital investments, it is essential that preventative maintenance programs clearly extend useful life of assets and minimize future costs. These types of investments reflect proper financial stewardship and minimize risk. Priority setting and implementation of best practices shall have regard for accurate data collection techniques, condition assessment ratings, risk and consequences modeling, lifecycle management, financial strategy development and documenting service level indicators.

Roles and Responsibilities

The asset management policy will be updated as required and at least every five years. This process involves elected officials, management team, staff across all departments and township residents and stakeholders. Each of the following roles includes key responsibilities and levels of engagement.

Council

- Approve the strategic asset management policy and establish the direction of the asset management plan
- Maintain adequate organizational capacity to support the core practices of the asset management plan
- Review, consider and ultimately approve future amendments to the asset management policy and plan
- Consider recommended service requests, establish levels of service and monitor the utilization of assets to achieve these levels of service
- Support continuous improvement efforts and stewardship of assets in support of the asset management policy
- Approve the capital budgets and operating budgets as presented, discussed and amended on an annual basis

Senior Leadership Team

- Will provide corporate oversight to goals and directions and ensure the asset management plan aligns with the Township's strategic plan
- Provide sound and effective recommendations to Council that prioritize service requests, costs to provide service and related risk mitigation measures
- Recommend that adequate resources are available to implement the asset management plan

Executive Lead (Manager of Financial Services/Treasurer)

- Provide organization-wide leadership in conveying the vision of asset management
- Provide guidance to the senior leadership team on asset management practices and concepts
- Coordinate and track asset management program implementation and progress

Departmental Staff

- Participate in implementation task teams as part of the asset management development
- Provide support and direction for asset management practices within their department
- Utilize new technology and business processes in support of and as required by the asset management plan

Township Residents and Related Stakeholders

- Provide feedback related to established levels of service, service expectations and service experiences
- Become informed about the relationship between service levels expectations, performance reporting, costs and risk mitigation.
- Engage with the Township through surveys, public meetings and other appropriate avenues to ensure that levels of service experiences are adequately tracked. This feedback and engagement shall occur, at a minimum, in advance of the asset management plan annual review and update.

Applicable Legislation:

None.

Procedures:

None.

Related Documents:

- Accountability and Transparency policy
- Organizational policy (Section 2 - Standard of Conduct & Section 7 - Health and Safety)
- Procurement policy
- Tangible Capital Assets policy

Schedules:

None.