



Strategic Asset Management Policy

1.0 Purpose:

A strategic asset management policy formalizes the Township's commitment to asset management. The asset management activities are supported by the strategic goals and objectives of the Township. It is the guide for Council, management and staff for day to day activities as well as on-going decisions related to assets. This policy will support the Township in focusing its asset management measure on managing risks, addressing priorities, and meeting short and long-term needs within affordability.

2.0 Vision:

The Township's vision is to proactively manage its assets to best serve the Township's objectives, including:

- Prioritizing the need for existing and future assets to effectively deliver services to the community or stakeholders,
- Supporting sustainability and economic development, and
- Maintaining prudent financial planning and decision making.

3.0 Objectives:

The objectives of this policy are to:

- Provide a consistent framework for implementing asset management throughout the organization.
- Provide transparency and accountability in the decision-making processes which combine strategic plans, budgets, service levels and risks.

4.0 Strategic Alignment:

The direction to support and build vibrant communities as well as encouraging responsible growth requires alignment of the many initiatives underway in our organization at any given time in order for it to be achieved. This alignment is necessary to properly consider whether the level of service provided by our existing and planned assets supports the vision and direction of Council.

Asset management planning therefore will not occur in isolation from other municipal goals, plans, and policies. An integrated approach will be followed to develop a practical asset management plan that aligns with our strategic direction. The elements of our asset management planning approach keeps us mindful of the goals



described in our Strategic Plan, align with our growth management plan, our master plans, and our financial plans while respecting our borrowing policy.

All of the Township's plans rely to some extent on the physical assets owned by the Township and the commitment of staff to ensure their strategic use. This includes the long-term maintenance, repair, optimization and replacement of existing assets along with the acquisition of new assets to meet the evolving needs of the Township.

5.0 Stakeholder Engagement

The goal of the Township is to efficiently provide its various stakeholders with the municipal services they need aligned with meeting regulatory requirements while balancing available resources. To achieve this, the Township needs to understand the needs of current stakeholders, consider the needs of future generations, and incorporate these perspectives into the asset management plan. As an integral part of the asset management approach, the Township will:

- Provide opportunities for residents and other stakeholders served by the Township to provide input in asset management planning; and

Coordinate asset management planning with other municipalities who own related or connected assets.

6.0 Guiding Principles

The Township will choose practices that aim at reducing the lifecycle cost of asset ownership, while meeting agreed levels of service. Decisions are based on balancing service levels, risks and cost.

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

The Infrastructure for Jobs and Prosperity Act, 2015 sets out principles to guide asset management planning in municipalities in Ontario. The Township will strive to incorporate the following principles whenever possible into the day to day operation of the Township:

- **Forward looking:** The Township shall take a long-term view while considering demographic and economic trends in the region.
- **Budgeting and planning:** The Township shall take into account any applicable budgets or fiscal plans, including those adopted through Ontario legislation
- **Prioritizing:** The Township shall 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 base decisions on publicly shared information and make information available to the public
- **Consistency:** The Township shall ensure the continued provision of core public services
- **Environmentally conscious:** The Township shall endeavor to minimize the impact of infrastructure on the environment respecting and helping maintain ecological and biological diversity.
- **Health and safety:** The Township shall ensure the health and safety of workers involved in the construction and maintenance of infrastructure assets.
- **Community focused:** The Township shall promote community benefits including both social and economic, arising from infrastructure projects. These projects are aimed at improving the well-being of a community such as local job creation, improvement of public space within the community and promoting accessibility for persons with disabilities.
- **Innovation:** The Township shall endeavor 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 strive to 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.

7.0 Community Planning

Asset management planning will be aligned with the Township's Official Plan and the Provincial Policy Statement of the Planning Act. The asset management plan will reflect how the community is projected to change with respect to development. The combination of lifecycle analysis and financial sustainability principles will be the driver in the selection of community development or redevelopment that requires new assets, or existing asset enhancements. The projected changes should be documented to support the recommendations in the Asset Management Plan.

Cross-referencing the Township's Official Plan and the Asset Management Plan will ensure that development occurs within the Township's means through an understanding of current and future asset needs.



8.0 Climate Change

Climate change will be considered as part of the Township's risk management approach embedded in local asset management planning methods. This approach will balance the potential cost of vulnerabilities to climate change impact and other risks with the cost of reducing these vulnerabilities.

9.0 Scope and Capitalization Thresholds

The service rendered by an asset will be a determining factor of whether or not to include it in the asset management plan. If the service delivery of an asset requires oversight by the Township it will then be included in the asset management plan. The capitalization threshold used to determine which assets are included in the asset management plan is therefore a guideline. This qualitative approach is unlike the quantitative and dollar value-based methodology prescribed in the tangible capital asset policy.

10.0 Financial Planning and Budgeting

The Township will integrate asset management planning into the annual capital budget, operating budget, and its long-term financial plan. The asset management plan will be used as a resource in order to:

Identify all potential revenues and costs (including operating, maintenance, replacement and decommissioning) associated with forthcoming infrastructure asset decisions;

Evaluate the need of each significant new capital asset, including considering the impact on future operating costs; and incorporate new revenue tools and alternative funding strategies where possible.

Department staff will reference the asset management plan for their area in order to look up forecasted spending needs identified in the plan, verify progress made on the plan to identify potential gaps, and prioritize spending needs for the year to be budgeted for.

Finance staff will be involved in the asset management planning process to coordinate the information from the department staff in the preparation of the budget submission.

The department level budget submission prepared by each Senior Manager will be reviewed and evaluated by the CAO and Treasurer in the preparation of the Township's annual budget.



For the purposes of managing water assets, the water financial plan will be used as a basis for establishing user fees, and any applicable master plan will be referenced in order to ensure alignment with the budgeting process.

11.0 Governance and Continuous Improvement

The policy requires the commitment of key stakeholders to ensure the policy guides the development of a clear plan that can be implemented, reviewed and updated.

The Council is entrusted with the responsibility of overseeing, on behalf of citizens, a large range of services provided through a diverse portfolio of assets. Council, having stewardship responsibility, is the final decision maker on all matters related to asset management in the Township. The Council and senior management are committed to the success of asset management planning. The following details the responsibilities of the key stakeholders within the Township:

Council:

- Approve by resolution the asset management plan and its updates every five years;
- Conduct annual reviews of the management plan implementation progress on or before July 1st of every year, that includes:
 - Progress on ongoing efforts to implement the asset management plans;
 - Consideration of the Strategic Asset Management Policy;
 - Any factors affecting the ability of the Township to implement its asset management plans;
 - Consultation with senior management;
 - A strategy to address these factors including the adoption of appropriate practices; and
 - Support ongoing efforts to continuously improve and implement the asset management plans.

Executive Lead:

- Maintain compliance with the asset management policy and provincial asset management regulations. Champions and guides the asset management process.

Management Team:

- Oversee asset management planning activities that fall within their service area and in support of others.



Implementation Team:

- Update asset management planning data such as condition and replacement costs

The governance structure is summarized in the diagram below:

