Policy No.: FIN.06

Section: Your Government and People

Policy Title: Strategic Asset Management Policy

Adopted Date: April 24, 2024

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Revision Date:

1. **Purpose**

The purpose of this policy is to provide leadership in and commitment to the development and implementation of the Municipality's asset management program. It is intended to guide the consistent use of asset management across the organization, to facilitate logical and evidence-based decision-making for the management of municipal infrastructure assets and to support the delivery of sustainable community services now and in the future.

Through sound asset management practices, staff, Council and the community can be assured that these assets are maintained to meet desired service levels in the most cost effective and efficient manner.

The objectives of the asset management policy are to:

a) Provide a framework for implementing asset management to enable a consistent and strategic approach at all levels of the organization;
b) Provide guidance to staff responsible for asset management;
c) Communicate to stakeholders the management principles and approach endorsed by the Municipality;
d) Provide transparency and demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels, and risks; and
e) Commit the Municipality to support the implementation of asset management methods that are consistent with the organization and meet the Council's priority objectives.

2. **Scope**

2.1. This policy applies to all tangible capital assets owned by and/or managed by the Municipality which support the provision of services, as well as all assets which are being planned for the future provision of services.

2.2. The Municipality will use a service-based (qualitative) perspective when applying this policy to municipal assets, rather than a monetary value (quantitative). The service-focus intent of this policy differentiates its requirements for identifying assets from the capitalization thresholds which are developed for the purposes of financial reporting.

3. **Definitions**
For the purposes of this policy, the following definitions are used:

“Asset Management” shall mean a formalized and integrated approach to planning and budgeting for municipal infrastructure needs, which considers a wide variety of data from across an organization with the long-term vision of the community in mind.

“Asset Management Plan” shall mean a detailed plan that outlines how assets will be managed in one or more service areas. An asset management plan identifies how assets will be maintained and renewed, and the cost, level of service and risk considerations in each service area.

“Capitalization Threshold” shall mean the value of a municipal infrastructure asset at or above which a municipality will capitalize the value of it and below which it will expense the value of it.

4. **Procedure/Policy**
The Municipality’s mission is to provide quality services that address the needs of our citizens, provide long-term sustainability, and improve the well-being of the community. This policy formalizes the Municipality’s commitment to asset management, aligns its asset management actions with strategic goals and objectives, and provides direction to guide Council and staff in carrying out its strategies, plans and activities, in order to achieve our mission.

Asset management planning will not replace existing Strategic Plans, Financial Plans and policies. Instead, asset management planning will complement and align with these initiatives in order to support the Municipality in achieving it’s objectives.

4.1. Guiding Principles
The Municipality shall adopt the following principles in managing its infrastructure assets:

a) **Forward looking**: Infrastructure planning and investment shall take a long-term view, taking into account the demographic and economic trends in the region.
b) **Budgeting and Planning**: Infrastructure planning and investment should take into account any applicable budgets or fiscal plans, such as fiscal plans released under the Fiscal Sustainability, Transparency and Accountability Act, 2019 and budgets adopted under Part VII of the Municipal Act, 2001.

c) **Prioritizing:** The Municipality shall clearly identify infrastructure priorities which will drive investment decisions.
d) **Economic Development:** The Municipality shall promote economic competitiveness, productivity, job creation and training opportunities.
e) **Health and Safety:** The Municipality shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
f) **Innovation:** The Municipality shall foster innovation by creating opportunities to make use of innovative technologies, services and practices, particularly where doing so would utilize technology, techniques and practices developed in Ontario.
g) **Transparency:** The Municipality shall be evidence-based and transparent, and shall make decisions with respect to infrastructure based on information that is publicly available. The Municipality shall also share information with implications on infrastructure and investment decisions with the Government and broader public sector entities.
h) **Consistency:** The Municipality shall ensure the continued provision of core public services.
i) **Integration**: Where provincial or municipal plans or strategies have been established in Ontario, under an Act or otherwise, but do not bind or apply to the Municipality, the Municipality should nevertheless be mindful of those plans and strategies and make investment decisions regarding infrastructure that support them, to the extent that they are relevant.
j) **Environmentally Conscious**: The Municipality shall minimize the impact of infrastructure on the environment by:
    i. Respecting and helping maintain ecological and biological diversity;
    ii. Augmenting resilience to the effect of climate change; and
    iii. Endeavoring to make use of acceptable recycled aggregates.
k) **Community Focused**: The Municipality shall promote community benefits, being the supplementary social and benefits arising from an infrastructure project that are intended to improve the well-being of a community affected by the projects, such as
    i. Local job creation and training opportunities;
    ii. Improvement of public space within the community; and
    iii. Promoting accessibility for persons with disabilities.

4.2. Responsibility

This policy requires the commitment of key stakeholders within the Municipality's organizational structure. The following passages outline the persons responsible for the Municipality's asset management program:

a) **Council**: On behalf of citizens, Council will be entrusted with the responsibility of overseeing the management of the Municipality's assets. Council will approve the asset management planning documents and required updates by resolution, every five years, as well as review implementation of the plan as part of the annual budget process.

The review will address:

i. The Municipality's progress in implementing its asset management plan;
ii. Any factors impeding the Municipality's ability to implement its asset management plan; and
iii. A strategy to address the factors described in clause (b).

Council will support efforts to improve the plan and ensure it includes changes necessitated by updates to other Municipal strategic documents.

b) **Senior Leadership Team:** The Senior Leadership Team is responsible for asset management planning activities that fall within each service area and in support of others. This includes:

i. Ensuring that adequate resources are available to implement and maintain core asset management practices;
ii. Provide departmental staff coordination;
iii. Develop and monitor levels of service and make recommendations to Council; and
iv. Track, analyze and report on asset management program progress and results.

c) **Director of Corporate Services/Treasurer:** The Director of Corporate Services/Treasurer will assume the lead role and be responsible for the reporting on activities related to the management of the Municipality's assets. This includes:

i. Managing the policy and policy updates;
ii. Providing organization-wide leadership in asset management practices and concepts;
iii. Monitoring levels of service; and
iv. Coordinating and tracking asset management program implementation and progress.

4.3. Budgeting

The Municipality will consider the asset management plan in the development of the Municipality's budget or of any long-term financial plans of the Municipality that take into account municipal infrastructure assets.

The Municipality will ensure that asset management planning aligns with financial plans related to the Municipality's water and wastewater assets. The alignment will stem from common analytical methods and common data sources used.

Service levels will be reviewed to ensure that they are appropriate, based on the Municipality's ability to afford the proposed levels of services.

The asset management plan will be used as a resource to:

a) Identify all potential revenues and costs (including operating, maintenance, replacement and decommissioning) associated with forthcoming infrastructure asset decisions;
b) Evaluate the validity and need of each significant new capital asset, including considering the impact on future operating and replacement costs; and
c) Incorporate new revenue tools and alternative funding strategies where possible.

4.4. Stakeholder Engagement

The Municipality recognizes the need and value of stakeholder input into the planning process. It will foster informed dialogue and engagement using the best available information.

5. Related Documents/Legislation

a) O.Reg. 588/17 Asset Management Planning for Municipal Infrastructure Assets
b) Infrastructure for Jobs and Prosperity Act, 2015

6. Reviewing and Updating

The Regulation requires this policy be reviewed at least every 5 years and updated as required. This policy shall be reviewed no later than 2029.