
SUBJECT: STRATEGIC ASSET MANAGEMENT POLICY

1.0 PURPOSE

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, Management and Staff in carrying out the Municipality’s business strategies, plans and activities. This policy will support the Municipality in focusing its infrastructure efforts on managing risks, addressing priorities, and meeting short and long-term needs within the bounds of possible funding.

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.

2.0 LEGISLATIVE AUTHORITY

Section 3 of *Ontario Regulation 588/17 - Asset Management Planning for Municipal Infrastructure* provides that every Municipality shall prepare and adopt a Strategic Asset Management Policy by July 1st, 2019.

3.0 DEFINITIONS

“Asset Management ” - the coordinated activity of an organization to realize value from assets. It considers all capital asset types, and includes all activities involved in the asset’s life cycle from planning and acquisition/creation; to operational and maintenance activities, rehabilitation, and renewal; to replacement or disposal and any remaining liabilities.

“Asset Management Plan” - documented information that specifies the activities, resources, and timescales required for an individual asset, or a grouping of assets, to achieve the organization’s asset management objectives.

“Council” – shall mean the Council of the Municipality in accordance with the Council Composition By-Law in effect.

“Green Infrastructure Asset” – means an infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage feature and systems, parklands, storm water management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs.

“Level of Service” – parameters, or combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers. Parameters can include, but are not necessarily limited to, safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability.

“Municipal Capital Infrastructure Assets” – shall mean an infrastructure asset, including a Green Infrastructure Asset, directly owned by the Municipality or included on the consolidated financial statements of the Municipality.

“Municipality” – shall mean the Corporation of Tay Valley Township.

“Staff” – all union and non-union employees of the Municipality.

“Tangible Capital Asset Policy” – shall mean the Tangible Capital Asset Policy adopted by Council.

4.0 SCOPE

This policy applies to all assets owned and operated by the Municipality and that contribute to the delivery of services to the community. This includes, but is not limited to, the following asset types:

- Fleet (including machinery and equipment);
- Facilities
- Parks and Recreation (playgrounds, outdoor rinks, parks, sports fields, trails, boat launches, water access points, etc.);
- Roads;
- Bridges;
- Information Technology.



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Asset Management refers to the set of policies, practices and procedures that enable the Municipality to realize maximum value from its capital infrastructure assets. The Municipality recognizes the importance of implementing an effective approach to the management of its capital infrastructure assets in order to maximize asset lifecycles cost-effectively and deliver appropriate levels of service for the community.

The Municipality's Asset Management Plan will align with provincial legislation, such as the *Infrastructure for Jobs and Prosperity Act, 2015* and the *Planning Act* and its regulations.

5.0 POLICY STATEMENT

The Municipality aims to uphold the following policy statements in managing its capital infrastructure:

1. The Municipality will implement a municipal-wide asset management program that will promote lifecycle and risk management of the Municipality's capital infrastructure assets. A primary goal will be to achieve the lowest total cost of ownership while meeting desired levels of service. Levels of service (LOS) refer to the outcomes or service attributes that the Municipality aims to deliver for the community and can include both technical and qualitative components.
2. The Municipality's asset management planning shall be aligned with, but is not limited to, the following municipal goals, policies or plans:
 - Asset Management Plan;
 - Emergency Management Plan;
 - Energy Conservation and Demand Management Plan;
 - Multi-Year Accessibility Plan;
 - Official Plan;
 - Recreation Master Plan;
 - Strategic Plan.

These plans were designed to meet any legislative requirements and to work together to achieve the Municipality's mission of providing innovation and excellence in service delivery. Spending requirements defined in the budgeting process and in long-term financial planning will reflect the objectives of these plans.

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3. The Municipality will develop and maintain an asset inventory of all municipal capital infrastructure assets which includes: unique ID, description, location information, value (both historical and replacement), performance characteristics and/or condition, estimated remaining life and estimated repair, rehabilitation or replacement date and estimated repair, rehabilitation or replacement costs.
4. The Municipality will develop an Asset Management Plan that incorporates all infrastructure categories and municipal capital infrastructure assets as per the legislated requirements. The Asset Management Plan will address its core municipal capital infrastructure assets by July 1, 2021 and all other municipal capital infrastructure assets by July 1, 2023. The Asset Management Plan will be updated at least every five years thereafter in accordance with O. Reg. 588/17.
5. The Municipality will integrate Asset Management Plans and practices with its long-term financial planning and budgeting strategies. This includes the development of financial plans that determine the level of funding required for achieving short-term operating and maintenance needs, in addition to long-term funding needs to replace and/or renew municipal capital infrastructure assets based on full lifecycle costing.
6. The Municipality will identify appropriate funding for its capital infrastructure and for financing service delivery. This may include taxation or user fee revenues, grant programs, debt-financing, and/or the shared provision of services.
7. The Municipality will develop meaningful performance metrics and reporting tools to transparently communicate and display the current state of asset management practice to Council and the community.
8. The Municipality will consider the risks and vulnerabilities of municipal capital infrastructure assets to climate change and the actions that may be required, including, but not limited to: anticipated costs that could arise from these impacts, adaptation opportunities, mitigation approaches, disaster planning, and contingency funding. Impacts may include matters relating to operations, levels of service and lifecycle management.

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9. The Municipality will align asset management planning with the Province of Ontario’s land-use planning framework, including any relevant policy statements issued under section 3(1) of the *Planning Act*, shall conform with the provincial plans that are in effect on that date; and shall be consistent with municipal official plans.
10. The Municipality will coordinate planning for interrelated municipal capital infrastructure assets with separate ownership structures by pursuing collaborative opportunities with neighboring municipalities and jointly-owned municipal bodies wherever viable and beneficial.

6.0 POLICY REQUIREMENTS

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

- **Forward Looking:** The Municipality shall take a long-term view while considering demographic and economic trends in the region.
- **Budgeting and Planning:** The Municipality shall take into account any applicable budgets or fiscal plans, including those adopted through Ontario legislation.
- **Prioritizing:** The Municipality shall clearly identify infrastructure priorities which will drive investment decisions.
- **Economic Development:** The Municipality shall promote economic competitiveness, productivity, job creation, and training opportunities.
- **Transparency:** The Municipality shall be evidence-based and transparent; basing decisions on publicly shared information and shall make information available to the public.
- **Consistency:** The Municipality’s infrastructure planning and investment will consider the continued provision of all services provided to the public.

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- **Environmentally Conscious:** The Municipality 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
 - endeavoring to make use of acceptable recycled aggregates.
- **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.
- **Community Focused:** The Municipality 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 (including for apprentices, within the meaning of section 9 of the *Infrastructure for Jobs and Prosperity Act, 2015*),
 - improvement of public space within the community, and
 - promoting accessibility for persons with disabilities, technologies, services, and practices, particularly where doing so would utilize technology, techniques, and practices developed in Ontario.
- **Integration:** The Municipality 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.
- **Capitalization Thresholds:** The Municipality shall adopt a capitalization threshold to determine which assets are to be included in the asset management plan. These capitalization thresholds are to be identical to those recognized in the Municipality's Tangible Capital Assets Policy. The capitalization thresholds will not be changed to ensure the Municipality can maintain its asset inventory in conjunction with its Tangible Capital Asset ledger for financial reporting purposes.

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- **Stakeholder Engagement:** The Municipality recognizes the importance of stakeholder engagement as an integral component of a comprehensive asset management approach. The Municipality acknowledges that citizens, businesses, local institutions are stakeholders and neighboring municipal bodies, provincial agencies, and regulated utilities are partners in service delivery. Accordingly, the Municipality will foster informed dialogue with these parties using the best available information and engage with them by:
 - providing opportunities for citizens and other stakeholders served by the Municipality to provide input in asset management planning; and
 - coordinating asset management planning with other infrastructure asset owning agencies such as other local government bodies.

7.0 ACCOUNTABILITY FRAMEWORK

Council and Staff are responsible for adhering to this policy.

8.0 POLICY REVIEW

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

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 Municipality. The Council and Management are committed to the success of asset management planning. The following details are the responsibilities of the key stakeholders within the Municipality:

Council:

- Establish the “vision” and service goals of the community;
- Approve by resolution the asset management plan, and any required updates and this Strategic Asset Management Policy (if required) every five years;
- Approve asset funding through multi-year and long-term financial plans.

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Treasurer:

- Maintain compliance with this policy and provincial asset management regulations.
- Report to Council on the progress of meeting Strategic Asset Management Policy objectives and submit information to the provincial government to satisfy regulatory and funding requirements.

Chief Administrative Officer and Managers:

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

9.0 REFERENCES

Ontario Regulation 588/17 - Asset Management Planning for Municipal Infrastructure
Infrastructure for Jobs and Prosperity Act, 2015
Tangible Capital Asset Policy

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