

The Corporation of the Township of Plummer Additional

Strategic Asset Management Policy

Approval Date: 2019-08-21

Effective Date: 2019-08-21

Policy Number: AMP 2019.8.21

Next Revision Due: 2024-08-22

1.0 Purpose

- 1.01 The purpose of this policy is to provide a framework for the development and implementation of the Municipality's Asset Management (AM) Program.
- 1.02 By using sound asset management practices, the Township can ensure that all infrastructure assets meet performance levels and continue to provide desired service levels in the most efficient and effective manner.
- 1.03 This policy demonstrates an organization-wide commitment to the good stewardship of infrastructure assets, and the adoption of best practices regarding asset management planning.

2.0 Background

- 2.01 The Township of Plummer Additional provides a range of services to its ratepayers through the requirements of Provincial Legislation and the policies by Council.
- 2.02 Asset Management is a broad strategic framework that encompasses many disciplines and involves the entire organization.
- 2.03 Asset Management aims to leverage the lowest total lifecycle cost of ownership with appropriate regard for required service levels that best meets the needs of the community as well as regard for an acceptable risk of failure.
- 2.04 Establishing a Strategic Asset Management Policy is a requirement under the Infrastructure for Jobs and Prosperity Act, 2015, as set out by Ontario Regulation 588/17.
- 2.05 A Strategic Asset Management Plan (2014-2023) is also a requirement for funding under the Federal Gas Tax Funding.
- 2.06 While not included in Regulation 588/17, the Township of Plummer Additional employs professional staff who are considered assets of the Corporation. Professional staff are "tangible assets" that are obviously not "owned". They do however have future economic value as they are responsible for the success of the Township and the management of the physical assets of the Corporation. Employing skilled, professional staff is to the advantage of the Township. As such, the Township should employ the necessary polices and strategies to attract, train and retain skilled, professional staff.

3.0 Alignment with the Municipality's Strategic Direction

3.01 This policy aligns with the Township's vision and goals, as stated in the Township's Official Plan (2012 – 2032). The Official plan establishes a long-term role and function for our area, with a vision to manage growth, protect heritage features, encourage diversity, and maintain civic identity.

Of the strategic objectives outlined in the Plan, the following closely align with strategic asset management principles:

3.02 To ensure that land use decisions provide for a coordinated, integrated, and comprehensive approach in managing growth, the stewardship of resources, and protection of the environment .

3.03 To ensure that new development areas and the development of public spaces are integrated into the fabric of the existing community and have regard for people with disabilities.

3.04 To encourage appropriate development of the waterfront.

4.0 Policy Statement

To guide the Municipality, the following policy statements have been developed:

4.01 The Municipality will implement a Township-wide asset management program through all departments. This program will promote lifecycle and risk management of all municipal infrastructure assets, with the goal of achieving the lowest total cost of ownership while meeting desired levels of service.

4.02 The Municipality will implement continuous improvement protocols and adopt best practices regarding asset management planning, including:

- 4.02.1 Complete and Accurate Asset Data;
- 4.02.2 Condition Assessment Protocols;
- 4.02.3 Risk and Criticality Models;
- 4.02.4 Whole Lifecycle Management;
- 4.02.5 Financial Strategy Development;
- 4.02.6 Level of Service Framework.

4.03 The Municipality will develop and maintain an asset inventory of all municipal 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 costs, rehabilitation or replacement costs.

4.04 The Municipality has developed an **asset management plan (2014-2023)** that incorporates all municipal infrastructure assets that meet the **capitalization threshold** outlined in the organization's Tangible Capital Asset Policy. The asset management plan will be updated at least every five years in accordance with O. Reg. 588/17 requirements, to promote, document and communicate continuous improvement of the asset management program.

4.04.1 For management purposes, it can be advantageous to inventory, track, and document municipal infrastructure assets that fall below the relevant capitalization threshold.

Recognizing that it may be beneficial to include these types of assets in the asset management plan, the Township will consider incorporating such assets at their own discretion, based on the objective of sustainably managing municipal infrastructure assets.

- 4.05 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 to achieve short-term operating and maintenance needs, in addition to long-term funding needs to replace and/or renew municipal infrastructure assets based on full lifecycle costing.
- 4.06 The Municipality will explore innovative funding and service delivery opportunities, including but not limited to grant programs, public-private partnerships (P3), alternative financing and procurement (AFP) approaches, and shared provision of services, as appropriate.
- 4.07 The Municipality will consider the risks and vulnerabilities of municipal infrastructure assets due 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.
- 4.08 The Municipality will align all 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 the municipal official plan.
- 4.09 The Municipality will coordinate planning for asset management, where municipal infrastructure assets connect or are interrelated with those of its neighbouring municipalities or jointly-owned municipal bodies wherever viable and beneficial.
- 4.10 The Municipality will accept input from municipal residents and other interested/affected parties (in writing) who would like to offer input into asset management planning on an ongoing basis.
- 4.11 The Strategic Asset Management Policy should be reviewed and, if necessary, updated at least every five years.
- 4.12 Council will review the Municipality's asset management progress each year, starting the year after the Municipality's asset management plan is completed to meet the requirements outlined in O.Reg. 588/17
The annual review (during the budget process) must address:
- 4.12.1 The municipality's progress in implementing its asset management plan;
 - 4.12.2 Any factors impeding the Municipality's ability to implement its asset management plan;
 - 4.12.3 A strategy to address the factors identified as impeding the Municipality's ability to implement its asset management plan
- 4.13 The Municipality will post its asset management policy and asset management plan on the Township website; hardcopies will be available at the going photo copy rate.

5.0 Roles and Responsibilities

The following outlines who is responsible for the development and continuous support of the Municipality's asset management program:

5.01 Council

- i. Approve the AM policy and direction of the AM program;
- ii. Maintain adequate organizational capacity (staff) to support the core practices of the AM program; this also includes access to the Auditor and Engineers as required.
- iii. Prioritize effective stewardship of assets in adoption and ongoing review of policy and budgets;
- iv. Establish and monitor levels of service;
- v. Approve the AM plan by resolution;
- vi. Review the Municipality's AM progress annually

5.02 Clerk-Treasurer

- i. Manage policy and policy updates;
- ii. Provide organization-wide leadership in AM practices and concepts;
- iii. Provide departmental staff coordination and ensure resources are available to implement and maintain core AM practices;
- iv. Monitor levels of service and make recommendations to Council;
- v. Oversee the Coordination and tracking of AM program implementation and progress;
- vi. Oversee the policy implementation and ensure both the Asset Management Plan and the Asset Management Policy are in compliance with Provincial Asset Management Regulations.
- vii. Monitors the AM program regarding alignment with the Municipality's Official Plan

5.03 Deputy Clerk-Treasurer

- i. Under the direction of the Clerk-Treasurer, the Deputy Clerk-Treasurer will assume the lead role and be responsible for the maintenance of and reporting on the activity related to the management of Municipal assets.
- ii. Will ensure that current year and long-range asset requirements are incorporated into the budget presented to Council annually.
- iii. Will update the Policy and Plan to reflect changes as needed and present them for Council approval, at least every five years.
 - a. Updates presented to Council on an annual basis during the budget process.
 - b. Changes will include those reflected in updates to the Roads Needs Study, Bridge Inspection Reports, Structural Assessment reports and all other condition assessments commissioned for assets covered by the plan.

5.04 Departmental Staff

- i. Utilize the business processes and technology tools developed as part of the AM program;
- ii. Participate in implementation task teams to carry-out AM activities;
- iii. Implement and maintain levels of service;
- iv. Provide support and direction for AM practices within their department;
- v. Track and analyze AM program progress and results as able.

6.0 Key Principles

The Municipality shall consider the following principles as outlined in section 3 of the *Infrastructure for Jobs and Prosperity Act, 2015*, when making decisions regarding asset management:

6.1 Infrastructure planning and investment should:

- 6.1.1 Take a long-term view, and decision-makers should take into account the needs of citizens by being mindful of, among other things, demographic and economic trends.
 - 6.1.2 Take into account any applicable budgets or fiscal plans.
 - 6.1.3 Ensure the continued provision of core public services, such as health care and education.
 - 6.1.4 Promote economic competitiveness, productivity, job creation and training opportunities.
 - 6.1.5 Ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets are protected.
 - 6.1.6 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.
 - 6.1.7 Promote accessibility for persons with disabilities.
 - 6.1.8 Minimize the impact of infrastructure on the environment; have respect for and help maintain ecological and biological diversity; and design infrastructure to be resilient to the effects of climate change.
 - 6.1.9 Endeavour to make use of acceptable recycled aggregates.
 - 6.1.10 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 any specific benefits identified by the community.
 - 6.1.11 Be evidence based and transparent, and, subject to any restrictions or prohibitions under an Act or otherwise by law on the collection, use or disclosure of information.
 - 6.1.12 Be made on the basis of information that is either publicly available or is made available to the public.
 - 6.1.13 Be shared between the Municipality and broader public sector entities, and should factor into investment decisions respecting infrastructure.
- 6.2 Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting infrastructure.
- 6.3 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, as the case may be, the Municipality should nevertheless be mindful of those plans and strategies and make investment decisions respecting infrastructure that support them, to the extent that they are relevant.

7.0 Definitions

- 7.01 **Asset management (AM)** – the coordinated activity of an organization to realize value from assets. It considers all 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 is holistic and normally involves balancing costs, risks, opportunities and performance benefits to achieve the total lowest lifecycle cost for each asset.
- 7.02 **Asset management plan (AMP)** – 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.
- 7.03 **Capitalization threshold** – 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.
- 7.04 **Green infrastructure asset** – an infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, stormwater management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs.
- 7.05 **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.
- 7.06 **Lifecycle activities** – activities undertaken with respect to a municipal infrastructure asset over its service life, including constructing, maintaining, renewing, operating and decommissioning, and all engineering and design work associated with those activities.
- 7.07 **Municipal infrastructure asset** – an infrastructure asset, including a green infrastructure asset, directly owned by the municipality or included on the consolidated financial statements of a municipality, but does not include an infrastructure asset that is managed by another Municipality, i.e. the supply of water provided by the Town of Bruce Mines.

Aug 21, 2019:



Mayor: Beth West



Clerk: Vicky Goertzen-Cooke