

	Township of McNab/Braeside	
	Department Treasury	Policy #
	Policy: Strategic Asset Management Policy	
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VISION:

The Council of the Corporation of the Township of McNab/Braeside's vision and goal for the community is to deliver cost effective services, develop sustainable infrastructure, preserve our rural lifestyle, and promote a healthy and safe place to live, work and play. This vision is supported by well managed and maintained infrastructure assets. These assets include but are not limited to efficient transportation networks, reliable information technology systems, productive fleets, and accessible parks, recreation and civic facilities. Though these assets age and deteriorate, by using sound asset management practices, Council and the community can be assured that the assets meet performance levels, are used to deliver the desired service in the long term and are managed for present and future users.

PURPOSE:

This policy is to articulate Council's commitment to asset management, and provides guidance to staff through the policy statements established. In doing so, this policy also outlines how it is to be integrated within the Township in such a way that it is coordinated, cost effective and organizationally sustainable.

This policy also demonstrates to the community that Council is exercising good stewardship delivering affordable services while considering its legacy to future residents.

GOVERNANCE AND CONTINUOUS IMPROVEMENT:

Council is entrusted with the responsibility of overseeing a number 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. The Council and the Chief Administrative Officer/Clerk are committed to the success of asset management planning.

Provincial Regulation (O.Reg. 588/17 – Asset Management Planning for Municipal Infrastructure) requires the Township to prepare, and Council to approve a Strategic Asset Management Policy by July 1, 2019 under the *Infrastructure for Jobs and Prosperity Act, 2015, S.O. 2015, c. 15*. This regulation requires that the Township review this policy every five years thereafter.

Within asset management planning, Council is responsible for:

- Approving by resolution the asset management plan and its updates every five years;
- Conducting annual reviews of the asset management plan implementation progress on or before July 1 of every year; and
- Supporting ongoing efforts to improve and implement the asset management plan.

The Chief Administrative Officer/Clerk is ultimately responsible for asset management planning across the Township and maintaining compliance with the regulation. Department Heads are responsible for asset management planning activities that fall within their service area and in support of others, as supported by the Treasurer.

Staff will implement the policy through the development and use of asset management guidelines and practices. Since the performance of asset management is Township-specific, reflective of knowledge, technologies and available tools, and will evolve over time, the responsibility for practices and procedures are delegated to staff through the CAO/Clerk.

The budget process is the basis of the Township's approach for continually improving its methods and adopting appropriate practices. The annual review will be completed in consultation with Council, and it will include:

- Progress on ongoing efforts to implement the asset management plan;
- Consideration of the asset management policy;
- Any factors affecting the ability of the Township to implement its asset management plan;
- A strategy to address these factors including the adoption of appropriate practices.

STRATEGIC ALIGNMENT:

Asset management planning will not occur in isolation from other Township goals, plans, and policies. An integrated approach will be followed to successfully develop practical asset management plans that align with the overarching accountabilities and aspirations of our community. The elements of our asset management planning approach keep us mindful of the goals described in any Strategic/Master Plans as well as our Official Plan and Purchasing Policies, as they influence our Asset Management Plan and any Long Term Financial Plans.

GUIDING PRINCIPLES:

The *Infrastructure for Jobs and Prosperity Act, 2015* sets out key guiding principles for infrastructure priority setting, planning, and investment of the asset management policy and the Township will strive to incorporate the following principles whenever possible:

Forward Looking: The Township will make the appropriate decisions and provisions to better enable its assets to meet future challenges, including changing demographics and populations, council adopted service levels, legislative requirements, technological and environmental factors.

Budgeting and Planning: The Township shall take into account any applicable budgets or fiscal plans, such as fiscal plans released under the following:

1. *Fiscal Transparency and Accountability Act, 2004*; and
2. Budgets adopted under Part VII of the *Municipal Act, 2001*.

Prioritizing: The Township shall clearly identify infrastructure priorities which will drive investment decisions. The Township's Asset Management Planning sets priorities, including those based on asset conditions, projected performance, forecasted lifecycle costs, remaining service life and risk indicators determined based on the probability an asset will fail and the consequences of the asset failure. Risks to users and risk associated with failure should be minimized as part of this prioritization process.

Economic Development: The Township shall promote economic competitiveness, productivity, job creation, and training opportunities as identified in any Economic Development Strategic Plans.

Transparency: Asset management decisions 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:

1. Make decisions with respect to infrastructure based on information that is publicly available or made available to the public; and
2. Share information with implications on infrastructure and investment decisions with the Government and broader public sector entities.

Consistency: The Township shall ensure the continued provision of public services within our community.

Environmentally Conscious: The Township shall minimize the impact of infrastructure on the environment by:

1. Respecting and helping maintain ecological and biological diversity;
2. Augmenting resilience to the effects of climate change;
3. Endeavouring to make use of acceptable recycled aggregates; and
4. Consider environmental goals, including the reduction of energy use and greenhouse gas emissions.

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.

Community Focused: The Township 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:

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. In co-operation with the Township's Accessibility Advisory Committee, promote accessibility for persons with disabilities.

Innovation: The Township shall create opportunities 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 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.

Addition guiding principles supported by the Township include:

Informed: The Township will make informed decisions, identifying all revenues and costs (including operation, maintenance, replacement and decommission) associated with infrastructure asset decisions, including additions and deletions. Tradeoffs should be clearly articulated and evaluated.

Affordability: As part of the Township's overall Asset Management Planning, the Township will strive to ensure ratepayer affordability by aiming to reduce the overall lifecycle cost of asset ownership while respecting Council-approved levels of service.

Effective: The Township will endeavor to ensure available resources are used effectively.

CAPITALIZATION THRESHOLDS:

This policy applies to capital assets of the Township in accordance with the capitalization thresholds set in the Township's Tangible Capital Asset Policy. However, there are some larger assets that have many sub components that do not, on their own, qualify for capitalization based on a dollar threshold. 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. Therefore, additional items may be managed by this policy that are not also on the financial asset listings.

BUDGETING:

The asset management plans and progress made on the plans, will be considered annually in the creation of the Township's capital budgets, operating budgets, and long-term financial plans (10-year rolling forecast). Department Heads are responsible to reference the asset

management plan for their area in order to:

- Confirm spending needs identified in the plan;
- Verify progress made on the plan to identify potential gaps; and
- Prioritize spending needs, across the gap identified in the plan and recent developments, for the years to be budgeted for.

In addition, Department Heads are to review planned purchases with a view to minimize lifecycle costs. The budgets prepared by each department will then be processed in accordance with the broader municipal budgeting process.

The Treasurer will be involved in asset management planning to facilitate the bridge between:

- The rolling 10-year long-term capital plans;
- The annual budget submissions of each department;
- The financial strategy developed in the asset management plan(s); and
- Any Long Term Financial Plans.

COMMUNITY PLANNING:

The Township 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 the Township's Official Plan.

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 impacts and other risks with the cost of reducing these vulnerabilities. The balance will be struck in the levels of service delivered through operations, maintenance schedules, emergency response plans, contingency funding, and capital investments. The Township's contribution to climate change through greenhouse gas emissions will be mitigated in accordance with any local reduction targets, financial capacity, and stakeholder support.

STAKEHOLDER ENGAGEMENT:

The Township will coordinate planning for interrelated municipal capital infrastructure assets and projects by pursuing collaborative opportunities with neighbouring municipalities wherever viable and beneficial. Other stakeholders will be engaged through the work of the Township's committees as applicable or as directed by Council.

RELATED DOCUMENTS:

Asset Management is multi-faceted and impacts all areas of the organization. The following policies, frameworks and plans are impacted by, or impact, the Policy, as applicable:

- Official Plan
- Asset Management Plans
- 10 Year Capital and other Financial Plans
- Economic Development Plans
- Strategic Plans and/or Business Plans
- Master Plans
- Active Transportation Plans
- Energy Management Plans
- Tangible Capital Asset Policy
- Debt Policy
- Reserve and Reserve Fund Policy
- Annual Capital and Operating Budgets
- Neighbouring municipality's Asset Management Plans