

P O L I C Y

POLICY NO.:	GG.2.22
SECTION:	GENERAL GOVERNMENT – TREASURY
TITLE/SUBJECT:	STRATEGIC ASSET MANAGEMENT POLICY
ADOPTED DATE:	August 5, 2015
REVISION DATE:	August 1, 2018 (Resolution #08/01/18-02)

1.0 PURPOSE:

A strategic asset management 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 its 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.

2.0 VISION:

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

- Prioritizing the need for existing and future assets to effectively deliver services
- 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 and to demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels and risks

4.0 STRATEGIC ALIGNMENT:

Council and senior management will review this policy and incorporate it into the asset management planning approach that fosters the integration of municipal documents such as:

- The Integrated Community Sustainability Plan (ICSP)
- Community Plan
- Official Plan
- County of Bruce Official Plan
- Ontario land-use planning framework
- Emergency Response Plan
- Master Plans
- Water/Wastewater Financial Plans

5.0 SCOPE:

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. For this reason, the capitalization threshold in *Policy GG.2.1 Tangible Capital Assets* will not be the guide in determining which assets will be included in the asset management planning process.

6.0 GUIDING PRINCIPLES:

The Municipality shall adopt the following principles in managing its infrastructure assets:

- a) **Forward looking:** The Municipality shall take a long-term view while considering demographic and economic trends in the region.
- b) **Budgeting and Planning:** The Municipality shall take into account any applicable budgets or fiscal plans.
- 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) **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.
- f) **Consistency:** The Municipality shall ensure the continued provision of core public services.
- g) **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 effects of climate change, and
 - iii. Endeavoring to make use of acceptable recycled aggregates.
- h) **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.
- i) **Innovation:** The Municipality 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.
- j) **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.
- k) **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 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

7.0 FINANCIAL PRACTICES:

The Municipality 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 validity and 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.

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 Municipality's annual budget.

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

8.0 GOVERNANCE AND CONTINUOUS IMPROVEMENT:

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 Municipality. 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 Municipality:

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 Municipality 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.

CAO:

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

Senior Management:

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

9.0 COMMUNITY PLANNING:

Asset management planning will be aligned with the Municipality's official plan and the 2014 Provincial Policy Statement of the Planning Act, and will reflect how the community is projected to grow and 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. Cross-referencing these plans will ensure that development occurs within the Municipality's means through an understanding of current and future asset needs.

10.0 CLIMATE CHANGE:

The Municipality commits to consider the impact of climate change on infrastructure assets, including the anticipated costs that could arise as a result of weather related risks. Bolstering our resilience to climate change through asset management planning includes considering adaptation opportunities to manage vulnerabilities, anticipating possible costs in support of contingency funds, and disaster planning to allow for business continuity. Such opportunities can be found in reviewing operations and levels of services. These actions will be taken in addition to acquiring or modifying assets based on greenhouse gas reduction targets.

11.0 STAKEHOLDER ENGAGEMENT:

The Municipality recognizes the importance of stakeholder engagement as an integral component of a comprehensive asset management approach. The Municipality commits to provide opportunities for residents and other stakeholders serviced by the Municipality to provide input into asset management planning. The Municipality will also coordinate asset management planning for shared or interconnected assets with neighbouring municipalities, the County of Bruce, and other regulated utilities.