

SUBJECT: Strategic Asset Management Policy	POLICY #: 2019-02
	APPROVED BY Council: APRIL 1, 2019
MANUAL: Policy and Procedure CATEGORY: 2.0 ADMINISTRATION/ 2.2 TREASURY	REVISED:
APPLIES TO: All Departments	PAGE: 1 of 6

1. Background

The Corporation of the Township of Seguin is committed to providing services to residents in a fiscally and environmentally responsible manner that supports a healthy and vibrant community. With this commitment in mind, assets must be managed in a manner that allows the Township to achieve its goals and plans, and to implement its policies.

2. Purpose

The purpose of this Policy is to establish consistent standards and guidelines for management of the Township's assets, applying sound technical, social and economic principles that consider present and future needs of users, and the service expected from the assets. This means leveraging the lowest total lifecycle cost of ownership with service levels that best meet the needs of the community, while recognizing the level of risk of failure that is acceptable.

An Asset Management Plan is a document that states how a group of assets is to be managed over time. It identifies the characteristics and condition of specific assets, the expected levels of service, planned actions to ensure that the assets are providing the expected levels of service, and financing strategies to implement those planned actions.

3. Vision

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

- effectively delivering services,
- supporting sustainability and economic development,
- prioritizing the expectations of stakeholders and the actual needs of existing and future assets, aligned with service level expectations, and
- maintaining prudent financial planning and decision making.

4. Goals and Objectives

The objectives of the Policy are to:

- provide a framework for implementing asset management to enable a consistent and strategic approach at all levels of the organization,
- communicate to stakeholders the management principals and approach endorsed by the Township,
- provide transparency, and demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels and risks, and
- commit the Township to support the implementation of asset management methods that are consistent with the organization and meet Council's objectives.

5. Existing Plans and Policies

The Township has developed and adopted an Official Plan, Strategic Plan, Emergency Management Plan, Facilities Master Plan, annual departmental Community Development Plans, Comprehensive Asset Management Plan, Roads Needs Study, and Ten-Year Infrastructure Improvement Strategy. These plans were designed to meet legislative requirements and work together to achieve the Townships commitment to providing innovation and excellence in service delivery. These plans will be reviewed regularly by staff, and annual spending requirements in support of the various Plans' objectives shall be incorporated into the budgeting process. All of the Township's Plans rely to some extent on the physical assets owned by the Township and the commitment of staff to ensure their strategic use. This includes the long-term maintenance, repair and replacement of existing assets along with the acquisition of new assets in order to meet the evolving needs of the Township and its stakeholders. Asset management planning will therefore not occur in isolation from other municipal goals, plans and policies; rather, an integrated approach will be followed to successfully develop practical asset management plans that align with the overarching accountabilities and aspirations of the community.

6. Guiding Principles

The *Infrastructure for Jobs and Prosperity Act, 2015*, sets out principles to guide asset management planning in municipalities in Ontario. The principles ensure that municipal staff follow a consistent and regulatory-compliant approach to making decision regarding infrastructure planning and investment. The key guiding principles for infrastructure priority setting, planning and investment of the Strategic Asset Management Policy are the following:

Forward looking: The Township shall take a long-term view while considering demographic and economic trends in the region.

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

Transparency and Accountability Act, 2004 or budgets adopted under Part VII of the *Municipal Act, 2001*.

Prioritizing: The Township shall clearly identify infrastructure priorities which will drive investment decisions.

Economic development: The Township shall promote economic competitiveness, productivity, job creation, and training opportunities.

Transparency: The Township shall be evidence-based and transparent. Additionally, subject to any prohibitions under an Act or otherwise by law on the collection, use and disclosure of information, the Township shall make decisions with respect to infrastructure based on information that is publicly available or made available to the public, and 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 core public services, such as health care and education.

Environmentally conscious: The Township shall minimize the impact of infrastructure on the environment by respecting and helping maintain ecological and biological diversity, by augmenting resilience to the effects of climate change, and by endeavouring to make use of acceptable recycled aggregates.

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 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.

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.

7. Capitalization Thresholds

The Asset Management Policy applies to all assets whose role in service delivery requires deliberate management by the Township. 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 developed for financial reporting will not be the guide in selecting the assets covered by asset management planning processes.

8. Governance and Continuous Improvement

Council is entrusted with the responsibility of overseeing, on behalf of its 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 Seguin Township. Council and the Chief Administrative Officer are committed to the success of asset management planning.

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 management plan implementation progress on or before July 1 of every year, and
- supporting ongoing efforts to continuously improve and implement the asset management plan.

The Chief Administrative Officer 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.

The Chief Financial Officer will be responsible for the maintenance of and reporting on activities related to the management of the Township's assets. Department Heads will assist on this task through the utilization of condition assessment information and service level requirements to update the long and short term asset requirements.

Council's annual asset management reviews are 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 the Chief Administrative Officer, the Chief Financial Officer, and Department Heads. 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 municipality to implement its asset management plan, and

- a strategy to address these factors including the adoption of appropriate practices.

9. Budgeting

The Township will integrate findings from the asset management plan into its long-term financial planning and budgeting processes. The asset management plans and progress made on the plan will be considered annually in the creation of the Township's capital budgets, operating budgets, and long-term financial plans.

Department Heads and other service area personnel will reference the asset management plan for their area in order to look up forecasted 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. The budgets thus prepared for each Department will be reviewed and assessed by the Chief Administrative Officer and Chief Financial Officer for integration into the Township budget, in accordance with the annual budget schedule and broader municipal budgeting process.

The Chief Financial Officer and appropriate Treasury staff will facilitate the bridge between the financial strategy developed in the asset management plan, the budget submissions of each Department, and the overall budget process.

In the event that the Township builds or invests in any widespread public water or wastewater systems, the Chief Administrative Officer, Chief Financial Officer and Department Head responsible for those systems will work together to align the financial strategy developed in the asset management plan with the financial plans related to the water and wastewater assets. The alignment will stem from a multi-disciplinary team, common analytical methods followed, and common data sources used.

10. Community Planning

Asset management planning will be aligned with the Township's Official Plan. The combination of lifecycle analysis and financial sustainability principles will be the driver in the design and selection of community development or redevelopment that requires new assets, or existing asset enhancements, to take place. Parties involved in the development of the asset management plans will reference the direction established in the Official Plan as well as the methods, assumptions, and data used in its development. The aim of cross-referencing these plans is to ensure that development and redevelopment occur within the Township's means through an understanding of current and future asset needs.

11. 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, disaster response plans, contingency funding and capital investments. The Township will tailor these actions by striking a balance between its organizational capacity, financial and stakeholder support, and the local risks and vulnerabilities to climate change. The asset management plan will encompass this sustainable approach to climate change mitigation and adaptation.

12. Stakeholder Engagement

Seguin Township recognizes the residents, businesses, and institutions within its borders as stakeholders, and neighbouring municipalities, provincial agencies and regulated utilities as partners in service delivery. Accordingly, the Township will foster informed dialogue with these parties using the best available information, and engage them by providing opportunities for residents and other stakeholders served by the Township to provide input in asset management planning, and coordinating asset management planning with other infrastructure owning agencies such as municipal bodies and regulated utilities.