



Strategic Asset Management Policy (July 1, 2019)

1. Background

The Township of Oro-Medonte is committed to providing service to residents in a fiscally responsible manner that supports a safe, healthy and vibrant community. With this commitment in mind, assets must be managed in a way that allows the Township to achieve its goals, plans and 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, economic and environmental 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 regard to the service levels that best meet the needs of the community while ensuring risks are appropriately managed.

3. Guiding Principles

To effectively use asset management to support the achievement of the Township's strategic objectives, management must ensure that the following principles are applied in the asset management systems:

- **Holistic** – The Township shall take a comprehensive approach that looks at the “big picture” (i.e. the combined implications of managing all aspects rather than treating each aspect in isolation). This includes the interdependencies and contributions of different assets within the asset management system during all phases of the lifecycle.
- **Sustainable** – The Township shall make appropriate decisions and provisions allowing assets to better meet future challenges, notably demographic changes, customer expectations, legislative requirements, technological factors, climate change, and other environmental considerations.
- **Human Capital** – The Township recognizes that the value provided by its human resources goes beyond the costs they represent. They have an impact on the levels of service, in the short and long term. Human resources must therefore be adequately equipped, trained and accountable to meet the demands placed on them.

- **Affordable** – The Township will choose practices, interventions and operations that aim at minimizing the life cycle cost of asset ownership, while satisfying levels of service. Decisions are based on balancing strategic goals, service levels, risks, value and costs.

The *Infrastructure for Jobs and Prosperity Act, 2015* sets out principles to guide asset management planning by municipalities in Ontario. The Township shall adopt the following principles in managing its infrastructure assets whenever applicable:

- **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, including those adopted through Ontario legislation.
- **Prioritizing:** The Township shall clearly identify infrastructure priorities which will drive investment decisions in alignment with the Strategic Plan as well as Council and Corporate Priorities.
- **Economic development:** The Township shall promote economic competitiveness, productivity, job creation, and training opportunities in support of a strong, dynamic, and innovative local economy.
- **Transparency:** The Township shall be evidence-based and transparent, basing decision on publicly shared information and make information available to the public providing leadership in local governance and service delivery.
- **Consistency:** The Township shall ensure the continued provision of core public services.
- **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. Endeavoring to make use of acceptable recycled aggregates, 4. Being good stewards of the waterways and natural environment the community enjoys.
- **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, 3. Promoting accessibility for persons with disabilities, and 4. Heritage and value of unique architectural assets.

- **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.

4. Policy Statements

Community Engagement

The Township of Oro-Medonte will endeavor to provide opportunities for community engagement in asset management planning. The Township will utilize the appropriate communication channels such as the corporate website, etc. to facilitate transparency in asset management planning.

Risk Management

Levels-of-service will be established in order to ensure that risks are minimized in the delivery of infrastructure services. Additionally, Oro-Medonte will adopt an approach of continuous improvement and application of best practices in relation to asset management planning.

Climate Change

Climate change will be considered as part of the Township's risk management approach and be embedded in local asset management systems. This approach will balance the potential cost of vulnerabilities to climate change impact 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 continue to work with the upper-tier governments and neighboring municipalities in regard to climate change mitigation and adaptation.

Quality Management

The Township will adhere to requirements outlined in the Minimum Maintenance Standards currently in force and any other legislation specific to Oro-Medonte. Additionally, Oro-Medonte will ensure that the health and safety of workers is protected in the performance of all work. Levels of service shall be developed to include quality based performance indicators where appropriate.

Financial Planning

Asset management planning will be integrated into Oro-Medonte's processes for both annual budgeting and long-term financial plans. Asset management plans will be used as a resource in the development of these budgets and plans.

Land-Use Planning

Asset management planning will be aligned with local land-use planning and be used as a resource in the development of the municipality's Official Plan. Additionally, asset management planning will be aligned to Provincial land-use plans and policies.

Strategic Planning

Asset management planning will be aligned with Oro-Medonte's currently adopted strategic plans. Additionally, Oro-Medonte will coordinate asset management planning where applicable with upper-tier governments, neighboring municipalities and jointly-owned municipal bodies.

5. Definitions

In this policy the following definitions are used:

- a) **"Asset Management Plan"** - Means a strategic document that states how a group of assets are to be managed over a period of time. The plan describes the characteristics and condition of infrastructure assets, the levels of service expected from them, performance measures and planned actions to ensure the assets are providing the expected level of service, and financing strategies to implement the planned actions.
- b) **"Capitalization Thresholds"** – The Township's Strategic 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 the asset management planning process.
- c) **"Infrastructure"** - Means municipal tangible capital assets primarily for public use or benefit in Ontario.

6. Governance and Continuous Improvement

The Policy requires the commitment of key stakeholders within the Township's organization to ensure the Policy guides the development of a clear plan that can be implemented, reviewed and updated. The Council and Senior Management Team are committed to the success of asset management planning.

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 and governance responsibility, is the final decision maker on all matters related to asset management in the Township. The Chief Administrative Officer (CAO) is the executive lead for asset management.

The following summary details the roles and responsibilities of the key stakeholders within the Township:

Council

- Authority for the Strategic Asset Management Policy
- Approve by resolution the asset management plan and its update every five years; and
- 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 Township 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.
 - Ensures integration of asset management systems into strategic plan and annual business plans.

Chief Administrative Officer

- Executive endorsement of the asset management plans

Senior Management Team

- Maintain the Strategic Asset Management Policy by overseeing its update every five years or as required;
- Maintain compliance with the Strategic Asset Management Policy and provincial asset management regulations;
- Clearly identify the infrastructure priorities, in accordance with Council and corporate priorities as well as the Strategic Plan, which drive investment decisions.
- Oversee asset management planning activities that fall within their service area and in support of others.
- Oversee that levels of risk for each asset class are updated annually based on the degree to which assets are meeting or not meeting approved asset levels of service.

Finance

- Carry out its mandate by:
 - Preparing long-term infrastructure renewal plans;
 - Supporting asset management policy implementation; and
 - Supporting continuous improvement through benchmarking service levels.
- Report on:
 - The status of Oro-Medonte's infrastructure; and
 - The adequacy of the annual budget and forecast to meet state-of-good repair requirements and manage related risks.