



Strategic Asset Management Policy

Submission Date:	2018-01-30
Approved by:	Council of Havelock-Belmont Methuen
Approval Date:	2018-02-05
Effective Date:	2018-02-05
Policy Number:	47
Next Revision Due:	2023-02-05

1.0 Purpose:

The purpose of this policy is to ensure the development of the Municipality's asset management program, to facilitate logical and informed decision-making for the management of the Municipality's infrastructure, and to support the delivery of sustainable community services.

By using sound asset management practices, the Municipality can ensure that all infrastructure assets meet performance levels and continue to provide desired service levels in the most efficient and effective manner.

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:

Asset management (AM) refers to the policies, practices and procedures that combine to make the best possible decisions regarding the building, operating, maintaining, renewing, replacing and disposing of infrastructure assets. Furthermore, asset management is an organization-wide process that involves the coordination of activities across multiple departments. As such, it is useful to implement a structured and coordinated approach to outlining the activities, roles and responsibilities required of organizational actors and the key principles that should guide all asset management decision-making.

A comprehensive and holistic approach to asset management will ensure service levels are being delivered in the most efficient and effective manner, and that due regard and process are applied to the long-term management and stewardship of the Municipality's capital infrastructure assets. In addition, it will align the Municipality with provincial and national standards and regulations enabling the organization to take full advantage of available grant funding opportunities.

The approval of this policy is an important step towards integrating the Municipality's strategic mission, vision and goals with its asset management program, and ensuring that vital services and critical infrastructure are maintained and provided to the community at all times.

3.0 Alignment with the Municipality's Strategic Direction:

This policy aligns with the Official Plan of the Township of Havelock-Belmont-Methuen, 2015 and the Township's Strategic Planning Session, 2017. The following passages outline key organizational priorities listed within these documents that the development of an asset management program will support:

1. Official Plan

- a. **Guiding Principles:** Municipal Infrastructure – New public works within the Township will be guided by the policies of this Plan. Council may provide additional services through community improvement initiatives as long as the benefits, financial or otherwise, of adding services outweighs the direct cost to the Municipality.

2. Strategic Planning Session: The development of an asset management program will help to address the following strengths, weaknesses, opportunities and threats for the Township as identified during the Strategic Planning Session on January 26th, 2017.

a. Strengths

- i. Improvements to infrastructure
- ii. Ability to get grants for infrastructure upgrades
- iii. Good services and time spent on services
- iv. Water and sewer capacity

b. Weaknesses

- i. Aging infrastructure (bridges, dams)
- ii. Meeting road needs (gravel and surface treated roads, sewer system)
- iii. Old storm drains (lack of easements)
- iv. Increased operating costs for water and sewer
- v. Asset management plan deficit

c. Opportunities

- i. Capacity for future development
- ii. Plan for development of municipal property

d. Threats

- i. Increased cost to residents due to improving infrastructure
- ii. Financial needs for aging infrastructure (bridges, dams)
- iii. Climate change/environmental threats (flooding)

4.0 Policy Statement:

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

1. The Municipality will implement an enterprise-wide asset management program through all departments. The program will promote lifecycle and risk management of all assets, with the goal of achieving the lowest total cost of ownership while meeting desired levels of service.
2. The Municipality will develop and maintain an asset inventory of all capital 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 cost for the repair, rehabilitation or replacement.
3. The Municipality will develop an asset management plan that incorporates all infrastructure categories and assets that meet established capitalization thresholds, and it will be updated at least every five years. The Township’s Capital Asset Policy (By-law 2009-30) lists the following capitalization thresholds:

Asset Class	Asset Sub-Class	Threshold
General Capital & Infrastructure Assets	Land	zero
	Land Improvements	\$25,000
	Buildings	\$25,000
	Leasehold Improvements	\$25,000
	Machinery & Equipment	\$5,000
	Computer Hardware	\$5,000
	Computer Software	\$5,000
	Library Assets	\$2,000
	Vehicles	\$10,000
	Linear Assets	\$25,000
Capital Work in Progress		zero

4. The Municipality will implement continuous improvement protocols and adopt best practices regarding asset management planning, including:
 - i. Complete and Accurate Asset Data
 - ii. Condition Assessment Protocols
 - iii. Risk and Criticality Models

- iv. Lifecycle Management
 - v. Financial Strategy Development
 - vi. Level of Service Framework
5. 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 assets based on full lifecycle costing.
 6. The Municipality will develop performance metrics and reporting tools to transparently communicate and display the current state of asset management practice.
 7. The Municipality will consider the risks and vulnerabilities of infrastructure assets 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. These costs may include matters relating to operations, levels of service and lifecycle management
 8. The Municipality will ensure that all asset management planning is aligned with any of the following financial plans:
 - i. Financial plans related to the Municipality's water assets including any financial plans prepared under the Safe Drinking Water Act, 2002.
 - ii. Financial plans related to the Municipality's wastewater assets.
 9. 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 all municipal official plans.
 10. The Municipality will coordinate planning between interrelated infrastructure assets with separate ownership structures by pursuing collaborative opportunities with neighbouring municipalities and jointly-owned municipal bodies wherever viable and beneficial.
 11. The Municipality will provide opportunities for municipal residents and other interested parties to provide input into asset management planning wherever and whenever possible.

5.0 Roles and Responsibilities:

The development and continuous support of the Municipality's asset management planning requires a wide range of duties and responsibilities. The following passages outline the persons responsible for these tasks:

1. Council

- i. Approve the AM policy and direction of the AM program
- ii. Maintain adequate organizational capacity to support the core practices of the AM program
- iii. Establish and monitor levels of service

2. Senior Management Team

- i. Provide corporate oversight to goals and directions and ensure the AM program aligns with the Municipality's strategic plan
- ii. Ensure that adequate resources are available to implement and maintain core AM practices
- iii. Track, analyze and report on AM program progress and results

3. Executive Lead (Treasurer)

- i. Provide organization-wide leadership in AM practices and concepts
- ii. Provide departmental staff coordination
- iii. Coordinate and track AM program implementation and progress

4. Departmental Staff

- i. Utilize the new business processes and technology tools developed as part of the AM program
- ii. Participate in implementation task teams to carry-out AM activities
- iii. Provide support and direction for AM practices within their department

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:

1. Infrastructure planning and investment should 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.
2. Infrastructure planning and investment should take into account any applicable budgets or fiscal plans.
3. Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting infrastructure.

4. Infrastructure planning and investment should ensure the continued provision of core public services, such as health care and education.
5. Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities.
6. Infrastructure planning and investment should ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
7. Infrastructure planning and investment should 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.
8. Infrastructure planning and investment should 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,
 - i. investment decisions respecting infrastructure should be made on the basis of information that is either publicly available or is made available to the public, and
 - ii. information with implications for infrastructure planning should be shared between the Municipality and broader public sector entities, and should factor into investment decisions respecting infrastructure.
9. 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.
10. Infrastructure planning and investment should promote accessibility for persons with disabilities.
11. Infrastructure planning and investment should minimize the impact of infrastructure on the environment and respect and help maintain ecological and biological diversity, and infrastructure should be designed to be resilient to the effects of climate change.
12. Infrastructure planning and investment should endeavour to make use of acceptable recycled aggregates.

13. Infrastructure planning and investment should 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.

© 2017, Township of Havelock-Belmont-Methuen. All Rights Reserved.

The preparation of this project was carried out with assistance from the Government of Canada and the Federation of Canadian Municipalities. Notwithstanding this support, the views expressed are the personal views of the authors, and the Federation of Canadian Municipalities and the Government of Canada accept no responsibility for them.