

<p>CORPORATE POLICY PROCEDURE</p>	<p>&</p>  <p>WOOLWICH TOWNSHIP</p>	<p>Policy No.: F-11 Pages: 8 Effective Date: June 25, 2019 Supercedes: None</p>
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SECTION: FINANCE

SUBJECT: STRATEGIC ASSET MANAGEMENT POLICY

1. BACKGROUND

Asset Management can be best defined as an integrated business approach within an organization that aims to minimize the lifecycle costs of owning, operating, and maintaining assets, at an acceptable level of risk, while continuously delivering established level of service for present and future stakeholders. By implementing asset management processes, infrastructure needs can be prioritized over time, ensuring municipal asset are maintained while minimizing repair and rehabilitation costs.

The Township is responsible for the maintenance and operation of assets valuing \$257 million (2018 CityWide Asset Manager repository of assets). These assets are critical for the delivery of service levels expected by the residents of the Township of Woolwich.

2. POLICY STATEMENT

The Township commits to meeting the regulatory requirements for core infrastructure assets by July 1, 2021, all other infrastructure assets by July 1, 2023, and all municipally owned assets by July 1, 2024.

The Township will implement a program based on lifecycle and risk management of the Township’s infrastructure assets, including Information Technology assets with a primary goal of achieving lowest total cost of ownership while meeting desired levels of service. In addition to a comprehensive and accurate data set, the core aspects of continuous improvement and best practices for asset management planning will be implemented, including;

- i) Condition Assessment Protocols
- ii) Risk and Criticality Models
- iii) Lifecycle Management
- iv) Financial Strategy Development
- v) Level of Service Framework

3. PURPOSE

The purpose of this policy is to meet the regulatory requirements for Asset Management Planning and ensure consistent application of the asset management program across the Township. Further, the Township's intent is to reduce risk and provide desirable levels of service to the community in a fiscally responsible and environmentally sustainable manner. Asset management planning is fundamental in achieving the Township's vision to be a cohesive, vibrant and welcoming community.

4. SCOPE

This Policy applies to all identifiable municipally owned infrastructure assets such as, roads, sidewalks, bridges, water mains, sewers, fleet, buildings, and parks. Assets will be evaluated based on their full lifecycle costs, including the costs of acquiring, operating, maintaining, renewing and disposing of assets.

4.1 Capitalization Threshold*

The Township currently has pre-defined capitalization thresholds within the TCA policy for various asset types reported under PSAB 3150. From an Asset Management perspective, the Township also includes all municipally owned assets deemed by the department to warrant inclusion, regardless of a capitalization threshold.

Through the on-going asset management efforts at the Township, staff will endeavor to update TCA reporting thresholds to reduce the differential between the implementation of O.Reg 588/17 and PSAB 3150 regulatory requirements.

5. ASSET MANAGEMENT PROGRAM

The asset management program aims to improve and sustain asset management practices across the organization. Overall, the goal of the asset management program is to help the Township maintain its assets at appropriate levels of service by applying the right intervention, on the right asset, at the right time.

5.1 Documents referenced within the Asset Management Program:

- Township of Woolwich Strategic Plan
- Township of Woolwich Strategic Asset Management Policy
- Township of Woolwich Asset Management Plan
- Township of Woolwich Tangible Capital Assets Policy
- Township of Woolwich Fire Master Plan
- Township of Woolwich Road Needs Study
- Township of Woolwich OSIM Report
- Township of Woolwich Facilities Condition Assessment Study (Future)

5.2 Relationship between Asset Management Plan, Budgets and Financial Plans*

The Township will utilize information from the Asset Management Program to promote evidence-based decision making within the existing 5-year Capital Forecast framework and future longer term infrastructure planning. The information held within the asset registry, specifically regarding condition and risk assessments will be utilized to strengthen the foundation of capital planning and analysis. Efforts will take place to build a long-term capital plan that is fully integrated on a single platform with a growing dataset on asset management with the existing backlog of condition assessments incrementally reduced.

The Township shall maintain strategic alignment between the Asset Management Plan and the legislative planning documents associated with the Safe Drinking Water Act, 2002, and the existing network of sanitary infrastructure. Efforts will ensure that the information garnered under the Asset Management Program will seamlessly flow into annual updates of Water and Sanitary Infrastructure and operational planning.

The Township will also ensure that asset management planning is also aligned with the Township’s Official Plan, Development Charges Background Study, and will endeavor to align with related Master Plan documents.

5.3 Relationship between Asset Management Plan and Regulatory Policies and Plans*

The Township shall take into account any applicable budgets or fiscal plans released under the following:

1. Fiscal Transparency and Accountability Act, 2004
2. Budgets adopted under part VII of the Municipal Act, 2001
3. Ontario’s Land Use Planning Framework
4. Any relevant policy statements issued under subsection 3(1) of the Planning Act, any provincial plans as defined in the Planning Act and the Township’s Official Plan.

6. ASSET MANAGEMENT GOALS AND PRINCIPLES

6.1 Asset Management Goals:

Goal	Definition
Financial Stability	Continuously demonstrate fiscal responsibility while ensuring Township owned infrastructure is maintained to an appropriate level of service.
Risk Reduction	Achieve a balance between desired levels of service and the amount of acceptable risk, while managing resources and infrastructure priorities.
Levels of Service	Provision and maintenance of defined service quality for a particular activity or service area, against which service performance may be measured.

6.2 Asset Management Principles

Principle	Definition
Value-Based/Affordable	The Township will choose practices, interventions and operations that aim at reducing the lifecycle cost of asset ownership, while satisfying levels of service. Decisions are based on balancing service levels, risks and costs.
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, or disclosure of information, the Township shall: Make decisions with respect to infrastructure based on information that is publicly available or make available to the public and share information with implications on infrastructure and investment decisions with senior levels of Government and broader public sector entities.
Consistency*	The Township shall ensure the continued provision of core public services.
Innovation*	The Township shall create opportunities to make use of the innovative technologies, services, and practices, particularly where doing so would utilize technology, techniques, and practices developed in Ontario.
Risk-based	The Township will manage the asset risk associated with attaining the levels of service by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding cost/benefit recognizing that public safety is the priority.
Integration*	The Township shall, where relevant and appropriate, be mindful and consider the principles and content of nonbinding provincial or municipal plans and strategies established under an Act or otherwise, in planning and making decisions surrounding the infrastructure that supports them.
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.
Stakeholder focused	The Township will have clearly defined levels of service and apply asset management practices to maintain the confidence of stakeholders in how Township assets are managed.
Forward looking*	The Township shall take a long-term view while considering the impacts of demographic and economic trends on infrastructure needs.

<p>Environmentally Conscious*</p>	<p>The Township shall minimize the impact of infrastructure on the environment by:</p> <ol style="list-style-type: none"> 1. Respecting and helping maintain ecological and biological diversity, 2. Augmenting resilience to the effects of climate change, and 3. Endeavoring to make use of acceptable recycled aggregates & materials.
<p>Climate Change Adaptability*</p>	<p>The Township is committed to include, as part of its asset management planning:</p> <ul style="list-style-type: none"> - The actions that may be required to address the vulnerabilities that may be caused by climate change to the municipality’s infrastructure assets, in respect of such matters, as, <ul style="list-style-type: none"> - Operations, such as increased maintenance schedules, - Levels of services, - Lifecycle management, - The anticipated costs that could arise from the vulnerabilities described in subparagraph above, - Adaptation opportunities that may be undertaken to manage the vulnerabilities described above, - Mitigation approaches to climate changes, such as previously established greenhouse gas emission reduction goals and targets, and - Disaster planning and related funding.
<p>Community Focused*</p>	<p>The Township shall promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the quality of life of a community affected by the project, such as:</p> <ol style="list-style-type: none"> 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. Promotion accessibility for persons with disabilities.
<p>Service Focused</p>	<p>The Township will consider all the assets in a service context and take into account their interrelationship as opposed to optimizing individual assets in isolation.</p>
<p>Collaboration*</p>	<p>The Township is committed to coordinate planning for asset management, where municipal infrastructure assets connect or are interrelated with those of our upper-tier municipality, neighbouring municipalities or jointly-owned municipal bodies.</p> <p>The Township is committed to provide opportunities for municipal residents and other interested parties to provide input in to the Township’s asset management planning.</p>

6. RESPONSIBILITIES

Roles	Responsibilities
Council*	<ul style="list-style-type: none"> • Approve Strategic Asset Management Policy and Plan • Approve asset funding to ensure required financial stability to Asset Management through the Annual Budget. • Conduct an annual review of the Township’s asset management progress on or before July 1 in each year, starting the year after the Township’s asset management plan is completed.*
Executive Lead* Chief Administrative Officer	<ul style="list-style-type: none"> • Communicate the vision of asset management at a corporate level • Review and approve documents and strategies proposed by the Asset Management Working Group. • Endorse asset management plan and policy.
Asset Management Working Group, Senior Management & Asset Management Coordinator	<ul style="list-style-type: none"> • Create, review, approve and implement Asset Management documents and strategies, where the implications are organization wide or external • Endorse every asset management policy and plan • Participate in the process of aligning asset management strategies and plans with organizational strategies and objectives • Communicate the vision of asset management at a corporate level, encourage engagement with the processes, and provide the guidance necessary to ensure alignment and integration across the organization.
Residents & Stakeholders	<ul style="list-style-type: none"> • Provide feedback related to levels of service, service experience, and service expectations. • Notify the Township, via appropriate means, when service deficiencies or failures are observed

8. REVIEW PERIOD*

The Policy is to be reviewed by the Asset Management Working group every 5 years.

In addition, Council will conduct an annual review of the Township’s asset management progression on or before July 1 each year, starting the year after the Township’s asset management plan is completed.

The annual review process will address:

- (a) The Township’s progress in implementing its asset management plan;
- (b) Any factors impeding the municipality’s ability to implement its asset management plan; and
- (c) A strategy to address factors described in (b).

9. PERSON(S) RESPONSIBLE FOR ASSET MANAGEMENT:

Executive lead:

- Chief Administrative Officer

APPENDIX A – Core Policy Principles

In accordance with the regulation, every municipality shall prepare a strategic asset management policy that includes, at minimum, twelve core items, as noted within the policy document. Each municipality is required to prepare a policy by July 1, 2019. The 12 core principles are outlined below

1. Any of the municipality's goals, policies or plans that are supported by its asset management plan.
2. The process by which the asset management plan is to be considered in the development of the municipality's budget or of any long-term financial plans of the municipality that take into account municipal infrastructure assets.
3. The municipality's approach to continuous improvement and adoption of appropriate practices regarding asset management planning.
4. The principles to be followed by the municipality in its asset management planning, which must include the principles set out in section 3 of the Act.
5. The municipality's commitment to consider, as part of its asset management planning,
 - i. the actions that may be required to address the vulnerabilities that may be caused by climate change to the municipality's infrastructure assets, in respect of such matters as,
 - A. operations, such as increased maintenance schedules,
 - B. levels of service, and
 - C. lifecycle management,
 - ii. the anticipated costs that could arise from the vulnerabilities described in subparagraph i,
 - iii. adaptation opportunities that may be undertaken to manage the vulnerabilities described in subparagraph i,
 - iv. mitigation approaches to climate change, such as greenhouse gas emission reduction goals and targets, and
 - v. disaster planning and contingency funding.
6. A process to ensure that the municipality's 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.
7. A process to ensure that the municipality's asset management planning is aligned with Ontario's land-use planning framework, including any relevant policy statements issued under subsection 3 (1) of the *Planning Act*, any provincial plans as defined in the *Planning Act* and the municipality's official plan.
8. An explanation of the capitalization thresholds used to determine which assets are to be included in the municipality's asset management plan and how the thresholds compare to those in the municipality's tangible capital asset policy, if it has one.

9. The municipality's commitment to coordinate planning for asset management, where municipal infrastructure assets connect or are interrelated with those of its upper-tier municipality, neighbouring municipalities or jointly-owned municipal bodies.

10. The persons responsible for the municipality's asset management planning, including the executive lead.

11. An explanation of the municipal council's involvement in the municipality's asset management planning.

12. The municipality's commitment to provide opportunities for municipal residents and other interested parties to provide input into the municipality's asset management planning.