

POLICY MANUAL	Policy No. 75-2019
Township of North Dundas	Effective Date: June 18, 2019
Subject: Strategic Asset Management Policy	All Departments

1.0 Purpose

The purpose of this policy is to provide a framework for the development and implementation of the Township's **Asset Management Program**. It is intended to guide the consistent use of **asset management** principles across the organization, facilitate logical and evidence-based decision-making for the management of **municipal infrastructure assets** and support the delivery of sustainable community services now and in the future.

By using sound asset management practices, the Township will work to ensure that all municipal infrastructure assets meet or exceed expected performance levels and continue to provide desired levels of service in the most efficient and effective manner possible. Linking service outcomes to infrastructure investment decisions will assist the Township in focusing on service driven, rather than budget driven, asset management approaches.

This policy demonstrates an organization-wide commitment to good stewardship of municipal **infrastructure** assets, improved accountability and transparency to the community through the adoption of best practices regarding asset management planning.

2.0 Definitions

1. **Asset Management (AM)** – Reflects the coordinated activities of an organization to realize value from its assets. It considers all asset types and includes all activities involved in the asset's life cycle from:
 - i. planning and acquisition/creation, to
 - ii. operational and maintenance activities, to
 - iii. rehabilitation and renewal, to
 - iv. replacement or disposal, and
 - v. any remaining liabilities.

Asset management is holistic and involves balancing costs, risks, opportunities and performance benefits to achieve the total lowest lifecycle cost for each asset.

2. **Asset Management Plan (AMP)** – Documented information that specifies the activities, resources, and timescales required for each asset or group of assets, to achieve the organization's asset management objectives.

3. **Asset Management Policy** - A policy that details the principles and general framework for a systematic and coordinated approach to asset management in order to achieve the organization's asset management objectives.
4. **Asset Management Program** - The people, processes, tools and other resources involved in the delivery of asset management.
5. **Capitalization threshold** – The value of a municipal infrastructure asset at or above which the Township will capitalize the value thereof and below which it will expense the value thereof.
6. **Green infrastructure asset** – An infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, stormwater management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs.
7. **Infrastructure** – Physical structures (facilities and corridors) that form the foundation for development. Infrastructure includes: sewage and water systems, septage treatment systems, stormwater management systems, waste management systems, and transportation corridors and facilities.
8. **Level of service** – Parameters, or combinations of parameters, which reflect social, political, environmental and economical outcomes that the organization delivers. Parameters can include, but are not necessarily limited to: safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability.
9. **Lifecycle activities** – Activities undertaken with respect to a municipal infrastructure asset over its service life, including constructing, maintaining, renewing, operating, decommissioning and all engineering and design work associated with those activities.
10. **Municipal infrastructure asset** – An infrastructure asset, including a **green infrastructure asset**, directly owned by the Township or included in the financial statements of the Township.
11. **Public Service Facilities** – Land, buildings and structures for the provision of programs and services provided or subsidized by a government or other body, such as social assistance, recreation, police and fire protection, health and educational programs, and cultural services. **Public service facilities** do not include **infrastructure**.

3.0 Background

The Township is responsible for providing a wide range of essential services to the community, including safe and reliable road networks, effective water and wastewater management, accessible community facilities, recreational and cultural services, waste management, protection services as well as planning and development services. To deliver these services, the Township owns and manages a diverse municipal infrastructure and asset portfolio consisting of: roads, bridges, culverts, guiderails, illumination, fleet, land/land improvements, water/wastewater network, storm water network, buildings, and equipment. As the social, economic, and environmental well-being of the community depends on the reliable performance of these municipal infrastructure assets it is critical to maintain a systematic, sustainable approach to their management.

Asset management is such an approach, and refers to the set of policies, practices and procedures that allow an organization to realize maximum value from its municipal infrastructure assets. An asset management approach allows organizations to make informed decisions regarding the planning, building, operating, maintaining, renewing, replacing and disposing of municipal infrastructure assets through a wide range of **lifecycle activities**. Furthermore, it is an organization-wide process that involves the coordination of activities across all Township departments. As such, it is useful to adopt a structured and coordinated approach to outlining the activities, roles and responsibilities required of staff, as well as the key principles that should guide all asset management decision-making.

A comprehensive and holistic asset management approach will support efficient and effective delivery of expected **levels of service** and ensure that due regard and process are applied to the long-term management and stewardship of all municipal infrastructure assets. In addition, it will align the Township with provincial and national standards and regulations such as the *Infrastructure for Jobs and Prosperity Act, 2015* and Ontario Regulation 588/17, enabling the organization to take full advantage of available grant funding opportunities.

The approval of this policy is an important step towards integrating the Township's strategic mission, vision and goals with its asset management program, and ensuring that critical municipal infrastructure assets and vital services are maintained and provided to the community in a reliable and sustainable manner.

4.0 Alignment with the Township's Strategic Direction

This policy aligns with the Township of North Dundas' Mission and the *United Counties of Stormont, Dundas, and Glengarry Official Plan*. The following strategic priorities have been identified to meet the Township's service goals.

- 4.1 The Official Plan identifies several objectives within the document, the following closely align with asset management initiatives:

1. To promote development where it can be adequately serviced with existing capacity or planned expansion of **public service facilities** and infrastructure to ensure development is financially viable.
2. To maintain the well-being of downtowns and main streets by encouraging development of village-centered, pedestrian, and transit-oriented communities that promote well-designed built form that conserves and protects cultural heritage resources.
3. To conserve and protect natural heritage features, areas of biodiversity and consider the impacts of a changing climate in the design, development and maintenance of land uses and activities.
4. To develop public services and infrastructure that is accessible, available, cost-effective, and efficient at meeting the needs of existing and new development and considers the effects of climate change.
5. To provide a level and quality of public service facilities and infrastructure commensurate with planned growth and development of settlement areas and the rural area of the Township.
6. To improve and enhance the quality of existing public service facilities and infrastructure.

4.2 Economic Development Strategic Plan

1. We are a municipality that provides solutions instead of barriers. We focus on activities that support economic growth by maximizing cooperation and regional collaboration. Local businesses and entrepreneurs are nurtured by access to networking, funding and growth opportunities.

4.3 The Development Charges Background Study

1. The Township will ensure that asset management planning is aligned with the Development Charges Background Study.
2. The Corporate **Asset Management Policy** will align with and support forecasted amounts, type, and location of growth in the Township of North Dundas.

4.4 Water/Sewer 5-year Recommended Water/Sewer Capital Projects

1. To provide reliable water and wastewater services to accommodate the projected residential, commercial, institutional and industrial development in the communities of Chesterville and Winchester.

2. Define the Township's water and wastewater system infrastructure requirements.

5.0 Policy Statement

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

1. The Township will implement an organization wide asset management program throughout all departments. The program will promote lifecycle and risk management of all municipal infrastructure assets, with the goal of achieving the lowest total cost of ownership while meeting desired levels of service. In addition to existing assets, the Township will consider and plan for new acquisitions.
2. The Township 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. Whole Lifecycle Management
 - v. Financial Strategy Development
 - vi. **Level of Service** Framework
3. The Township will develop and maintain an asset inventory of all municipal infrastructure assets which includes unique ID, description, location information, value (historical and replacement), condition, estimated remaining life, estimated repair, rehabilitation or replacement date and costs.
4. The Township has developed an **asset management plan** that incorporates all municipal infrastructure assets that meet the **capitalization threshold** for Tangible Capital Assets. The asset management plan will be updated at least every five years in accordance with O. Reg. 588/17 requirements, to promote, document and communicate continuous improvement of the asset management program.

For management purposes, it can be advantageous to inventory, track, and document municipal infrastructure assets that fall below the relevant capitalization threshold. Recognizing that it may be beneficial to include these types of assets in the asset management plan &/or inventory database, the Township will consider incorporating such assets at its own discretion, based on the objective of sustainably managing municipal infrastructure assets.

5. The Township will integrate asset management planning 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 municipal infrastructure assets based on full lifecycle costing.

6. The Township will explore innovative funding and service delivery opportunities, including but not limited to: grant programs, public-private partnerships (P3), alternative financing and procurement (AFP) approaches, and shared provision of services, as appropriate.
7. The Township will consider the risks and vulnerabilities of municipal 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. Impacts may include matters relating to operations, levels of service and lifecycle management.
8. The Township will align where applicable, 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 the "United Counties of Stormont, Dundas, and Glengarry Official Plan".
9. The Township will coordinate planning for asset management, where municipal infrastructure assets connect or are interrelated with those of its neighbouring municipalities or jointly-owned municipal bodies wherever viable and beneficial.
10. The Township will provide opportunities for municipal residents and other interested parties to offer input into asset management planning wherever and whenever possible.
11. The Strategic Asset Management Policy will be reviewed and, if necessary, updated at least every five years.
12. Council will conduct an annual review of the Township's asset management progress on or before July 1 in each year, to meet the requirements outlined in O.Reg. 588/17

The annual review must address:

- i. The Township's progress in implementing its asset management plan;
- ii. Any factors impeding the Township's ability to implement its asset management plan;
- iii. A strategy to address the factors identified as impeding the Township's ability to implement its asset management plan.

13. The Township will post its asset management policy and asset management plan on a website that is available to the public and will provide a copy of the policy and plan to any person who requests it.

6.0 Roles and Responsibilities

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

1. Council

- i. Approve the Asset Management Policy and provide direction on the Asset Management Program;
- ii. Maintain adequate organizational capacity to support the core practices of the asset management program;
- iii. Prioritize effective stewardship of assets in the adoption and ongoing review of policy and budgets;
- iv. Establish levels of service;
- v. Review & approve the Asset Management Plan by resolution at least once every 5 years;
- vi. Review the Township's asset management progress annually.

2. Department Head Team

- i. Development of policy and policy updates;
- ii. Ensure that adequate resources are available to implement and maintain core asset management practices;
- iii. Provide departmental staff coordination;
- iv. Monitor levels of service and make recommendations to Council;
- v. Track, analyze and report on asset management program progress and results for their respective departments.

3. Director of Finance/Treasurer

- i. Manage Asset Management Policy and updates;
- ii. Ensure the asset management program aligns with the Township's visions and goals;
- iii. Provide organization-wide leadership in asset management practices and concepts;
- iv. Monitor levels of service;
- v. Implement the asset management program;
- vi. Track and report on asset management program progress for all departments;
- vii. Endorse and champion the Asset Management Plan;

- viii. Ensure application of the Corporate Asset Management Policy;
- ix. Incorporate best practices and processes together with the Department Head Team.

4. Township Staff

- i. Utilize any new business processes and technology tools developed as part of the asset management program;
- ii. Participate in implementation of asset management activities;
- iii. Maintain levels of service;
- iv. Provide support and recommendation for asset management practices within their department;

5. CAO

- i. Oversee asset management program progression and achievement of goals for all departments.
- ii. Ensure the asset management program aligns with the Township's visions and goals.

7.0 Key Principles

The Township 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 consider the needs of citizens by being mindful of, among other things, demographic and economic trends.
2. Infrastructure planning and investment should consider 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.
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 Township 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 Township, as the case may be, the Township 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 as much as practical.
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.