

Policy



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Department/Section All		Policy Number POL-FIN-008
Subject Asset Management Policy		Enacted by Council: March 19, 2019
		Motion # THC-190319-4
		Review Period 5 Years
Date Amended	Amending Motion #	Section(s) Amended

Purpose:

A strategic asset management policy formalizes the Municipality's commitment to asset management, aligns its asset management actions with strategic goals and objectives, and provides direction to guide Council, management and Staff in carrying out its business strategies, plans and activities.

Policy Statement

This policy will support the Municipality in focusing its infrastructure efforts on managing risks, addressing priorities, and meeting short and long-term needs within the bounds of possible funding.

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

- Prioritizing the need for existing and future assets to effectively deliver services;
- Supporting sustainability and economic development;
- Maintaining prudent financial planning and decision-making;
- Providing a consistent framework for implementing asset management throughout the organization;

- Providing transparency and accountability and to demonstrate to stakeholders; the legitimacy of decision-making processes which combine strategic plans, budgets, service levels and risks.

Details

Governance and Continuous Improvement

The policy requires the commitment of key stakeholders within the Municipality's organization to ensure the policy guides the development of a clear plan that can be implemented, reviewed and updated.

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 responsibility, is the final decision maker on all matters related to asset management in the Municipality. The Council and senior management are committed to the success of asset management planning.

The following details the responsibilities of the key stakeholders within the Municipality:

Council:

- Approve by resolution the asset management plan and its updates every five years;
- Support ongoing efforts to continuously improve and implement the asset management plans.

Chief Administrative Officer:

- Maintain compliance with the asset management policy and provincial asset management regulations.

Senior Management:

- Oversee asset management planning activities that fall within their service area and in support of others;
- Provide annual reviews of the management plan implementation progress that includes:
 - Progress on ongoing efforts to implement the asset management plans;
 - Consideration of the Asset Management Policy;

- Any factors affecting the ability of the Municipality to implement its asset management plans;
- A strategy to address these factors including the adoption of appropriate practices.

Guiding Principles

The Infrastructure for Jobs and Prosperity Act, 2015 sets out principles to guide asset management planning in municipalities in Ontario. The Municipality of Trent Hills will strive to incorporate the following principles whenever possible into the day-to-day operation of the Municipality:

- **Forward looking:** The Municipality shall take a long-term view while considering demographic and economic trends in the region.
- **Budgeting and planning:** The Municipality shall take into account any applicable budgets or fiscal plans, including those adopted through Ontario legislation.
- **Prioritizing:** The Municipality shall clearly identify infrastructure priorities, which will drive investment decisions.
- **Economic development:** The Municipality shall promote economic competitiveness, productivity, job creation, and training opportunities.
- **Transparency:** The Municipality shall be evidence-based and transparent, basing decision on publicly shared information and make info available to the public.
- **Consistency:** The Municipality shall ensure the continued provision of core public services, such as health care and education.
- **Environmentally conscious:** The Municipality shall minimize the impact of infrastructure on the environment by:
 - Respecting and helping maintain ecological and biological diversity;
 - Augmenting resilience to the effects of climate change;
 - Endeavoring to make use of acceptable recycled aggregates.
- **Health and safety:** The Municipality shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
- **Community focused:** The Municipality 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;
 - Promoting accessibility for persons with disabilities.
- **Innovation:** The Municipality 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 Municipality 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.

Strategic Alignment:

Our vision to maintain a safe community with sustainable growth requires alignment of the many initiatives underway in our organization at any given time in order for it to be achieved. This alignment is necessary to properly consider whether the level of service provided by our existing and planned assets is consistent and supports our vision.

The Municipality of Trent Hills has developed and adopted a number of goals, policies and plans including a Strategic Plan, Official Plan, Emergency Management Plan, Multi-Year Accessibility Plan, Community Improvement Plan, Asset Management Plan, Debt Management Policy, and various other Master Plans. These plans and policies were designed to meet legislative requirements and work together to achieve the Municipality's mission of providing innovation and excellence in service delivery.

All of the Municipality's plans rely to some extent on the physical assets owned by the Municipality of Trent Hills 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 to meet the evolving needs of the Municipality.

Asset management planning therefore will not occur in isolation from other municipal goals, plans and policies.

Community Planning

Asset management will be aligned with the goals and objectives of the Municipality's Official Plan and applicable Provincial Plans. The Asset Management Plan will provide an integrated approach to growth and development considering the Municipality's land use planning and infrastructure/engineering functions as well as its financial obligations. The Municipality will coordinate with relevant stakeholders, government agencies and the public to facilitate better, more informed decisions regarding land use policies and growth in order to provide benefits to the general population; the economy; and the environment, and improve overall resiliency of the community. An Asset Management Plan which considers the Municipality's Official Plan will ensure that land uses, growth and development occur in a comprehensive manner which reflects current and future asset needs.

Stakeholder Engagement

The Municipality recognizes the importance of stakeholder engagement as an integral component of a comprehensive asset management approach. The Municipality recognizes residents, businesses and institutions as stakeholders and neighboring municipalities, provincial agencies and regulated utilities as partners in service delivery. Accordingly, the Municipality will foster informed dialogue with these stakeholders using the best available information and engage with them by:

- Providing opportunities for residents and other stakeholders served by the Municipality to provide input in asset management planning;
- Coordinating asset management planning with other infrastructure asset owning agencies such as municipal bodies and regulated utilities.

Climate Change

Climate change will be considered as part of the Municipality's risk management approach embedded in local asset management planning methods. This approach will balance the potential cost of vulnerabilities to climate change impact and other risks with the cost of reducing these vulnerabilities. Bolstering resilience to climate change includes adapting to opportunities to manage vulnerabilities, anticipating possible costs to support contingency funds, and disaster planning to allow for business continuity. These actions will be taken in addition to acquiring or modifying assets based on greenhouse gas reduction targets.

Scope and Capitalization Thresholds

The Asset Management Policy applies to all assets owned by the Municipality and its subsidiaries whose role in service delivery requires deliberate management by the Municipality. The service-focus intent of this policy differentiates its requirements for identifying assets from the capitalization thresholds that 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.

Financial Planning and Budgeting

The Municipality will integrate asset management planning into the annual capital budget, operating budget, and its long-term financial plan. The asset management plan will be used as a resource in order to:

- Identify all potential revenues and costs (including operating, maintenance, replacement and decommissioning) associated with forthcoming infrastructure asset decisions;
- Evaluate the validity and need of each significant new capital asset, including considering the impact on future operating costs;
- Incorporate new revenue tools and alternative funding strategies where possible.

The department level budget submission prepared by each Senior Manager will be reviewed and evaluated by the CAO and Treasurer in the preparation of the Municipality's annual budget. 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.

Finance Staff will be involved in the asset management planning process to coordinate the information from the service personnel in the preparation of the budget submission.

For the purposes of managing water and wastewater assets, any available water and wastewater financial plans will be used as a basis for establishing user fees, and master plans will be referenced in order to ensure alignment with the budgeting process.