



Township of Tehkummah

Strategic Asset Management Policy

1.0 Purpose

A strategic asset management policy formalizes the Municipality's commitment to asset management, aligns its assets 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. 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.

2.0 Vision

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, and
- Maintaining prudent financial planning and decision making.

3.0 Objectives

The objectives of this policy are to:

- Provide a consistent framework for implementing asset management throughout the organization.
- Provide transparency and accountability and to demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels and risks.

4.0 Strategic Alignment

The Municipality of the Township of Tehkummah has developed and adopted an Official Plan, Emergency Management Plan and an Asset Management Plan. These plans were designed to meet the legislative requirements and work together to achieve the Municipality's mission of providing opportunities and efficient public services to the Township of Tehkummah within a fiscally responsible structure. Spending requirements defined in the budgeting process and in long-term financial planning will reflect the objectives of these plans.

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The Municipality's plans rely to some extent on the physical assets owned by the Township of Tehkummah 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.

5.0 Stakeholder Engagement

The municipality recognizes the residents, businesses, institutions in its territory as stakeholders and neighbouring municipal bodies, provincial agencies, and regulated utilities, partners in service delivery. Accordingly, the municipality will foster informed dialogue with these parties 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; and
- Coordinating asset management planning with other infrastructure asset owning agencies such as municipal bodies and regulated utilities.

6.0 Guiding Principles

The Infrastructure for Jobs and Prosperity Act, 2015 sets out principles to guide asset management planning in municipalities in Ontario. The Township of Tehkummah 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 information available to the public.

Consistency: The Municipality shall ensure the continued provision of core public services, such as health care and education.

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Environmentally conscious: The Municipality 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, and
3. Endeavouring 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:

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. 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.

7.0 Community Planning

Asset Management planning will be aligned with the Municipality's Official Plan. The asset management plans will reflect how the community is projected to change and the related asset impacts. The Municipality will achieve this with the following:

Those responsible for managing services impacted by development or redevelopment will:

- Be consulted while the community plan is being prepared
- Provide input to the analysis of future servicing costs; and
- Provide written comment about the financial viability of development as it pertains to the service they manage.

Methods, assumptions, and data used in the selection of development or redevelopment initiatives documented in the community plan will be available in support of the production of asset management plans.

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Cross-referencing the Municipality's Official Plan and the Asset Management Plan will ensure that development occurs within the Municipality's means through an understanding of current and future asset needs.

8.0 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 impacts 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 Municipality's contribution to climate change through greenhouse gas emissions will be mitigated in accordance with its local reduction targets, financial capacity, and stakeholder support.

9.0 Scope and Capitalization Thresholds

The Asset Management Policy applies to all assets 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 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 processes.

10.0 Financial Planning and Budgeting

The Municipality will integrate findings from the asset management plans into its long-term financial planning and budgeting processes. Sound financial analysis will be encompassed in asset management planning in order for the asset management plan to be a sought after guide to employees in budgeting and financial planning. The financial strategy included in each asset management plan will be completed by a multi-disciplinary team that will include representative(s) from finance and the concerned service area.

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; and
- Incorporate new revenue tools and alternative funding strategies where possible.

The department level budget submission prepared by each Senior Manager will be reviewed by the Clerk-Administrator and Treasurer in the preparation of the municipality's annual budget. Service area personnel will reference the asset management plan for their area to identify potential gaps, and prioritize spending needs across the gap identified in the plan and recent developments for the year to be budgeted for. 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.

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For the purposes of managing water and wastewater assets, the 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.

11.0 Governance and Continuous Improvement

The Council is entrusted with the responsibility of overseeing, on behalf of citizens, a large range of municipal services provided through a diverse portfolio of assets. Council, having a stewardship responsibility, is the final decision maker on all matters related to asset management in the Municipality. The Council and the executive lead are committed to the success of asset management planning.

Within asset management planning, the Council is responsible for:

- Approving by resolution the asset management plan and its updates every five years;
- Conducting annual reviews of management plan implementation progress on or before July 1 of every year, and
- Supporting ongoing efforts to improve and implement the asset management plan.

The executive lead is ultimately responsible for asset management planning across the municipality and maintaining compliance with the regulation.

Department leads are responsible for asset management planning activities that fall within their service area and in support of others.

Council's annual asset management reviews are the basis of the municipality's approach for continually improving its methods and adopting appropriate practices. The annual review will be completed in consultation with the asset management steering committee. It will include:

- Progress on ongoing efforts to implement the asset management plan;
- Consideration of the asset management policy;
- Any factors affecting the ability of the municipality to implement its asset management plan;
- Consultation with department leads, and
- A strategy to address these factors including the adoption of appropriate practices.