

	STRATEGIC ASSET MANAGEMENT POLICY	
Policy #: FS-002	Issued: June 10, 2019	Reviewed/Revised:
Prepared By: Ryan McLeod, Director of Financial Services	Reviewed By: Asset Management Working Group	Approved By: Council

1.0 PURPOSE

The Town of Kingsville is committed to proactively managing its assets to ensure infrastructure is safe and reliable; it supports responsible growth and economic development; and assets are effectively managed to achieve the lowest total cost of ownership while striving to meet our target levels of service.

This policy has been developed to formalize the Town's commitment to the continuous improvement of its *Asset Management Plan* and to ensure it aligns with any other long-term financial or strategic plans adopted by the Town. This policy provides the framework and principles on which the Town's *Asset Management Plan* will be based.

2.0 SCOPE

This policy applies to all Town owned assets, which includes; roads, sidewalks, bridges, water mains, sanitary sewers, storm sewers, fleet, buildings, and parks.

The monetary thresholds established in the Town's *Tangible Capital Asset Policy* shall form the basis for those assets included in the *Asset Management Plan*.

To the extent that any assets having a monetary value below the thresholds identified in the *Tangible Capital Asset Policy*, but are considered integral to effective service delivery, those assets will also be included in the *Asset Management Plan*.

3.0 DEFINITIONS

Asset – For the purposes of asset management planning this term refers any item with physical substance which is owned by the municipality. This includes municipal infrastructure (i.e. roads, bridges, water systems, wastewater systems, storm sewer systems), land, buildings, vehicles, machinery and equipment.

Asset management (AM) – the coordinated activity to realize value from assets. It includes all activities involved in the asset’s life cycle from planning and acquisition/creation; to operational and maintenance activities, rehabilitation, and renewal; to replacement or disposal and any remaining liabilities. Asset management involves balancing costs, risks, opportunities and performance benefits to achieve the total lowest lifecycle cost for each asset

Asset Management Plan (AMP) – A strategic document that specifies how a group of assets are to be managed over a period of time. O. Reg. 588/17 prescribes specific content which must be included in every municipal asset management plan such as; a summary of assets in each asset category, their replacement cost, average age, condition information, and condition assessment protocols; the current levels of service being provided; lifecycle activities required to maintain current levels of service; the current performance of each asset category; discussion of population and economic forecasts; and documentation of processes to make inventory- and condition-related background information available to the public.

Asset Management Working Group – The team responsible for developing and implementing the AMP. It shall consist of the Chief Administrative Officer (Executive Lead), Director of Municipal Services, Director of Financial Services, Manager of Municipal Services, Manager of Public Works, Manager of Parks and Facilities, Manager of Financial Services, Manager of Planning Services, and any other individuals as required.

Levels of Service – refers to the societal, political, environmental or economic outcomes that an organization delivers. Where possible these are quantified and monitored. A distinction should be made between “desired” levels of service and “target” levels of service. Desired levels of service refers to a service level that residents would like to receive. Target levels of service refers to a strategic, sustainable level of service which balances community expectations with financial constraints and other municipal priorities.

Lifecycle activities - activities undertaken with respect to an asset over its service life, including constructing, maintaining, renewing, operating and decommissioning, and all engineering and design work associated with those activities.

Lifecycle cost – the estimated amount of money an organization will spend on an asset over the course of its entire useful life.

Tangible Capital Asset Policy – a Town policy which prescribes the accounting treatment of tangible capital assets in accordance with Public Sector Accounting Board standards.

4.0 REFERENCE DOCUMENTS

O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure.

5.0 RESPONSIBILITIES

Council - is entrusted with the responsibility of overseeing asset management planning on behalf of the citizens. This responsibility requires Council to maintain a long-term view on all matters related to asset management to support sound asset management strategies.

Within asset management planning, Council is responsible for:

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

Chief Administrative Officer (CAO) - will act as the Executive Lead with respect to Asset Management Planning. This responsibility includes ensuring the Town maintains compliance with the Asset Management Policy and provincial asset management regulations. The CAO will also ensure that the *Asset Management Plan* is aligned with any other strategic documents adopted by the Town.

Director of Municipal Services (DMS) - is responsible to oversee asset management strategies designed to monitor the condition of assets and to maintain assets in a manner which achieves our targeted levels of service while minimizing the total life-cycle cost of an asset. The DMS is also responsible for recommending the timing and manner in which assets are to be disposed, rehabilitated or replaced.

Director of Financial Services (DFS) - is responsible to ensure Asset Management Plans are financially achievable given the financial resources available. This includes identifying funding opportunities, establishing reserve and debt strategies, and ensuring that the Asset Management Plan aligns with other financial plans or commitments adopted into by the municipality.

6.0 PROCEDURES

Strategic Alignment

The Town has developed and adopted a Strategic Plan, an Official Plan and an Emergency Management Plan. All of these plans rely to some extent on the physical assets owned by the Town and the commitment of staff to ensure their strategic management. The *Asset Management Plan* will need to support these plans to meet the evolving needs of the Town.

To the extent that is practical and financially feasible, the *Asset Management Plan* will reflect the priorities identified in the Transportation Master Plan, the Parks and Recreation Master Plan, the Storm Water Master Plan and any other detailed studies adopted by the Town.

Financial services, water services, and wastewater services personnel will work together to align the financial strategy developed in the *Asset Management Plan* with the financial plans related to water and wastewater assets.

Budgeting and Long-term Financial Planning

The Town's annual budget, long-term financial plans and Development Charge Studies will reflect the priorities identified in the *Asset Management Plan*.

Capital budget expenditures will be based on objective, evidence based decision making, such as professional evaluations and quantitative analysis.

The operating budget will support maintenance strategies which are designed to achieve the lowest total cost of ownership while meeting the target levels of service.

Land-use Planning and Development

Asset management planning will be 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 Town's official plan. The *Asset Management Plan* will reflect how the community is projected to change and the related asset impacts. This will be achieved by ensuring those responsible for managing services impacted by development or redevelopment will be consulted as part of the application process in advance of the submission of any formal planning applications.

The Municipal Services management team will review the Town's Development Standards, at a minimum every 5 years, to ensure the standards meet the targeted levels of service established by the *Asset Management Plan* and are cost effective to maintain.

Key Principles

The Town shall consider the following principles, as set out 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 its 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.
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 Government 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 Government or the broader public sector entity, as the case may be, the Government or broader public sector entity 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.

Addressing Climate Change

The Town 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.

Where feasible, the Town will adopt procurement policies which encourage the procurement of environmentally responsible equipment and materials.

Coordination with other Service Providers

The Town recognizes that many infrastructure assets connect or are interrelated with those under the control of County of Essex, neighboring municipalities, jointly-owned municipal bodies and provincial agencies. Accordingly, the Municipality will foster informed dialogue with these parties using the best available information to coordinate asset management planning whenever an inter-connection of services has been identified.

Stakeholder Engagement

The Town recognizes the residents, businesses and institutions within its boundaries as stakeholders. The *Asset Management Plan* will reflect stakeholder feedback with respect to levels of service and service deficiencies. The annual review of the *Asset Management Plan* will be presented to Council in a public forum, where residents and other interested parties will have the opportunity to provide comment.

Continuous Improvement

An *Asset Management Plan* is a living document which will evolve and improve over time, as new information becomes available and technological advancements occur.

The *Asset Management Working Group* will provide Council with an annual review of the Towns' asset management progression on or before July 1 of each year.

The annual review process will address:

- (a) The Towns' progress in meeting the legislative requirements for asset management plans.
- (b) The Towns' progress in implementing its asset management plan;
- (c) Any factors impeding the municipality's ability to implement its asset management plan; and
- (d) A strategy to address factors described in (c)

In addition, the *Strategic Asset Management Policy* will be reviewed every 5 years by the *Asset Management Working Group*.

7.0 REVIEW/REVISIONS

No.	Revision Details (incl. provision #)	Revision By	Date
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			

Questions about this policy can be referred to the CAO.