



Township of Carling

Strategic Asset Management Policy

Approved By:	Council
Approval Date:	February 11, 2020

1.0 Purpose:

The purpose of this policy is to provide leadership in and commitment to the development and implementation of the Township's asset management program. It is intended to guide Council, management and staff in carrying out its business strategies, plans and activities. This policy will support the Township in focusing its infrastructure efforts on managing risks, addressing priorities, and meeting short and long-term needs within the bounds of possible funding.

This policy supports good stewardship of municipal infrastructure assets and aligns the Township with provincial and national standards and regulations such as the Infrastructure for Jobs and Prosperity Act, 2015 and Ontario Regulation 588/17.

2.0 Vision:

The Township of Carling will be a welcome and progressive community that celebrates and preserves both the history and the ecological system of the Georgian Bay area while working to create a local economy that embraces new ideas and entrepreneurs.

Our commitment to being a sustainable community will be reflected in the range of employment opportunities, services and amenities that are based on the talents, interests and desires of our residents.

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 Township of Carling has developed and adopted an Official Plan, an Emergency Management Plan, a Multi-Year Accessibility 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 sustainability and excellence in service delivery to residents in a community that celebrates and preserves both the history and the ecological system of the Georgian Bay area while working to create a local economy that embraces new ideas and entrepreneurs. Spending requirements defined in the budgeting process and in long-term financial planning will reflect the objectives of these plans.

All of the Township's plans rely to some extent on the physical assets owned by the Township of Carling 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 Scope:

The Township is responsible for providing a range of essential services to the community, including safe and reliable transportation infrastructure, accessible community facilities, and effective management of other critical infrastructure assets such as parks, water access points, fleet, and community recreation. To deliver these services, it owns and manages a diverse municipal infrastructure asset portfolio of roads, bridges, culverts, facilities, vehicles and machinery. As the social, economic, and environmental wellbeing of the community depends on the reliable performance of these municipal infrastructure assets it is critical to implement a systemic, sustainable approach to their management.

6.0 Roles and Responsibilities:

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

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

Council

- Approve by resolution the asset management plan and its updates every five years;
- Conduct an annual review of management plan implementation progress on or before July 1 of every year; that includes:
 - 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 plans;
 - Consultation with department leads; and
 - A strategy to address these factors including the adoption of appropriate practices; and
- Support ongoing efforts to continuously improve and implement the asset management plans.

Chief Administrative Officer

- The executive lead will maintain compliance with the asset management policy and provincial asset management regulation.

Department Leads

Oversee asset management planning activities that fall within their service area and in support of others.

7.0 Stakeholder Engagement

The Township commits to engage with community stakeholders by providing opportunities for residents and other stakeholders served by the municipality to provide input in asset management planning. The Township will coordinate planning for interrelated municipal infrastructure assets with separate ownership structures by pursuing collaborative opportunities with neighbouring municipalities and jointly-owned municipal bodies wherever viable and beneficial.

8.0 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 Carling 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: 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.
- **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.

9.0 Community Planning

The Township will align 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 Municipality's Official plan.

The asset management plans will reflect how the community is projected to change and the related asset impacts. The Township 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.

10.0 Climate Change

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.

11.0 Capitalization Thresholds

The Township will develop an **asset management plan (AMP)** that incorporates all infrastructure categories and municipal infrastructure assets that meet the **capitalization threshold** outlined in the organization's Tangible Capital Asset Policy (Appendix A). The AMP 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.

12.0 Financial Planning and Budgeting

The Township 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; and incorporate new revenue tools and alternative funding strategies where possible.

The department level budget submission prepared by each Department lead will be reviewed and evaluated by the CAO and Treasurer in the preparation of the Township's annual budget. Department leads 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, 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 Department leads in the preparation of the budget submission.

13.0 Definitions

Unless otherwise noted, the definitions provided in this document align with those outlined in Ontario Regulation 588/17 (O. Reg. 588/17), Asset Management Planning for Municipal Infrastructure, under the *Infrastructure for Jobs and Prosperity Act, 2015*.

1. **Asset management (AM)** – the coordinated activity of an organization to realize value from assets. It considers all asset types, and 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 is holistic and normally involves balancing costs, risks, opportunities and performance benefits to achieve the total lowest lifecycle cost for each asset (ISO 55000).
2. **Asset management plan (AMP)** – Documented information that specifies the activities, resources, and timescales required for an individual asset, or a grouping of assets, to achieve the organization's asset management objectives (ISO 55000). Under O. Reg. 588/17, by 2023 AMPs for core municipal infrastructure assets will be required to include the current levels of service being provided; the current performance of each asset category; a summary of assets in each asset category, their replacement cost, average age, condition information, and condition assessment protocols; lifecycle activities required to maintain current levels of service; discussion of population and economic forecasts; and documentation of processes to make inventory- and condition-related background information available to the public.

3. **Capitalization threshold** – the value of a municipal infrastructure asset at or above which a Township will capitalize the value of it and below which it will expense the value of it.
4. **Level of service** – parameters, or combination of parameters, which reflect social, political, environmental and economic 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 (ISO 55000).
5. **Lifecycle activities** – activities undertaken with respect to a municipal infrastructure asset over its service life, including constructing, maintaining, renewing, operating and decommissioning, and all engineering and design work associated with those activities.

14.0 Appendix A: Capitalization Thresholds

<u>Asset Category</u>	<u>Capitalization Threshold</u>
Land	Capitalized Only
Land Improvements	\$12,000.00
Buildings	\$25,000.00
Building Improvements	\$25,000.00
Construction in Progress	Capitalized Only
Machinery & Equipment	\$5,000.00
Vehicles	\$10,000.00
Infrastructure (Roads, Bridges)	\$100,000.00