



Policy: Strategic Asset Management Policy
Policy Number: 100-54-2019
Effective Date: July 9, 2019
Revised Date: N/A

STRATEGIC ASSET MANAGEMENT POLICY

1.0 PURPOSE

A strategic asset management policy formalizes the Township of Lucan Biddulph'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. 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.

2.0 VISION

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

- Prioritizing the needs of existing and future assets to efficiently and effectively deliver services;
- Supporting sustainability and economic development; and
- Maintaining prudent financial planning and decision making.

3.0 GOALS

The asset management policy aims to:

- Provide a framework for implementing asset management to enable a consistent and strategic approach at all levels of the organization;
- Provide guidance to staff responsible for asset management; and
- Provide transparency and demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels and risks.

4.0 STRATEGIC ALIGNMENT

The Council and management will review this policy and incorporate it into the asset management planning approach that fosters the integration of municipal documents such as, but not limited to:

- Township of Lucan Biddulph Official Plan
- Middlesex County Official Plan
- Master plans
- Financial plans

Asset management planning will not occur in isolation from other municipal goals, plans and policies. Rather, an integrated approach will be followed to successfully develop practical asset management plans that align with the overarching accountabilities and aspirations of our Township, in compliance with legislation and reflecting the best practices that ensure optimal fact-based decisions are made.

5.0 GUIDING PRINCIPLES

The *Infrastructure for Jobs and Prosperity Act, 2015* sets out principles to guide asset management planning for municipalities in Ontario. The Township shall adopt the following principles in managing its infrastructure assets:

- **Forward Looking:** The Township shall take a long-term view while considering demographic and economic trends in the region.
- **Budgeting and Planning:** The Township shall take into account any applicable budgets or fiscal plans.
- **Prioritizing:** The Township shall clearly identify infrastructure priorities which will drive investment decisions.
- **Economic Development:** The Township shall promote economic competitiveness, productivity, job creation, and training opportunities.
- **Transparency:** The Township shall be evidence-based and transparent. Additionally, subject to any prohibitions under an Act or otherwise by law on the collection, use, or disclosure of information, the Township shall:
 - Make decisions with respect to infrastructure based on information that is publically available; and
 - Share information with implications on infrastructure and investment decisions with the Government and broader public sector entities.
- **Consistency:** The Township shall ensure the continued provision of core public services
- **Environmentally Conscious:** The Township 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, and endeavouring to make use of acceptable recycled aggregates.
- **Health and Safety:** The Township shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.

- **Community Focused:** The Township 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 a project, such as:
 - Local job creation and training opportunities
 - Improvement of public space within the community, and
 - Promoting accessibility for persons with disabilities
- **Innovation:** The Township 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 Township 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 decision surrounding the infrastructure that supports them.

6.0 CAPITALIZATION THRESHOLDS

The service rendered by an asset will be the determining factor of whether or not to include it in the asset management plan. The Asset Management Policy applies to all assets whose role in service delivery requires deliberate management by the Township. 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 asset management planning processes. This qualitative approach is unlike the quantitative and dollar value-based methodology prescribed in the tangible capital asset policy.

7.0 GOVERNANCE AND CONTINUOUS IMPROVEMENT

The policy requires the commitment of key stakeholders with the Township's organizational structure. The following details the responsibilities of the key stakeholders:

Council:

- Approve by resolution the asset management plan and its updates every five years
- Conduct annual reviews of management plan implementation progress on or before July 1 of every year; 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 Township to implement its asset management plans;
 - Consultation with department leads; and
 - A strategy to address these factors including the adoption of appropriate practices.
- 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 regulation.

Department Leads:

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

8.0 BUDGETING

The asset management plans and progress made on the plans will be considered annually in the creation of the Township's capital budgets, operating budgets, and long-term financial plans.

The asset management plan will be used as a resource in order to:

10.0 CLIMATE CHANGE

Climate change will be considered as part of the Township'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.

The balance will be struck in the levels of service delivered through operations, maintenance schedules, disaster response plans, contingency funding, and capital investments. The Township's contribution to climate change through greenhouse gas emissions will be mitigated in accordance with its local reduction targets, financial capacity, and stakeholder support. The Township will collaborate with local municipalities/upper tier and community stakeholders such as, but not limited to the Ministry of Environment, the Ministry of Natural Resources, and Conservation Authorities to support a common goal of climate change mitigation and adaptation. The asset management plan will encompass this sustainable approach to climate change mitigation and adaptation.

11.0 STAKEHOLDER ENGAGEMENT

The ultimate goal of the Township is to efficiently provide its various stakeholders with the municipal services they need within the bounds of regulatory requirements, the built environment, and the natural environment. In order to achieve this goal, it is necessary that the Township understand the needs of current stakeholders, consider the needs of future generations, and incorporate these perspectives into asset management plans. The Township recognizes them as an integral part of the asset management approach. Accordingly, the Township will:

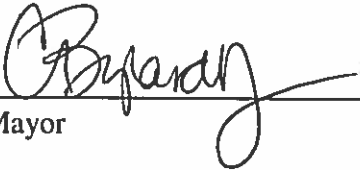
- Provide opportunities for residents and other stakeholders served by the Township to provide input in asset management planning; and
- Coordinate asset management planning with other infrastructure asset owning agencies such as municipal bodies and regulated utilities.

- Identify all potential revenues and costs (including operating, maintenance, replacement and decommissioning) associated with forthcoming infrastructure asset decisions; and
- 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.

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 the water and wastewater assets. The alignment will stem from a multi-disciplinary team, common analytical methods followed, and common data sources used.

9.0 COMMUNITY PLANNING

Asset management planning will be aligned with the Township's official plan and the current Provincial Policy Statement of the Planning Act and will reflect how the community is projected to grow and change with respect to development. The combination of lifecycle analysis and financial sustainability principles will be the driver in the selection of community development or redevelopment that requires new assets, or existing asset enhancements, to take place. Cross-referencing these plans will ensure that development and redevelopment occurs within the Township's means through an understanding of current and future asset needs.



Mayor



CAO/Clerk