

**The Corporation of the Township of Pelee
Strategic Asset Management Policy
June 25, 2019**

Introduction

The Township of Pelee (Township) provides a variety of services to the public. The provision of these services requires the ownership and responsible management of physical assets. It is imperative that the Township has a plan to manage these assets in order to meet desired service levels, manage risks, and to provide long-term financial sustainability.

A Strategic Asset Management Policy is a document that details the policies and strategies that together form a framework for the Township's asset management process. This framework is intended to enable the Township to plan for future needs, and provide public accountability with respect to the management of municipal infrastructure and assets. A Strategic Asset Management Policy is a requirement under the *Infrastructure for Jobs and Prosperity Act, 2015*, as set out by Ontario Regulation 588/17.

Terms and Definitions

Asset/Infrastructure: A tangible item, thing or entity that has potential or actual value to the Township.

Asset Management: Coordinated activity of an organization to realize value from assets.

Asset Management Plan: 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.

Lifecycle: Stages involved in the management of an asset.

Level of Service: Parameters or a combination of parameters, which reflect social, political, environmental and economic outcomes that the Township delivers.

Asset Lifecycle



Scope

The Strategic Asset Management Policy applies to all tangible assets that enable the Township to provide services. The services require management and long-term planning by the Township. The Township will coordinate asset management planning where assets connect or are interrelated with assets owned by other government bodies (e.g. nature reserves).

The service focus of the Township's asset management plan may require assets to be defined differently from the definitions within the Township's Tangible Capital Assets Policy (e.g. assets that do not meet the minimum capitalization thresholds set out in the Tangible Capital Assets Policy). The determination of which assets will be covered by the Township's asset management planning processes will be independent of the Township's Tangible Capital Assets Policy.

Goals and Objectives

The Township's goals and objectives with respect to its tangible assets relate to the effective and efficient delivery of municipal services to the community. Services should be provided at expected service levels, as defined within the Township's asset management plan or other strategic service-related documents. The Township's assets should be maintained at condition levels that are aligned with the expected service levels and strategic intent in a financially sustainable manner. Asset management is an essential tool to guide the annual budget process and long-term financial plans. The asset management plan and its implementation will be evaluated based on the Township's ability to meet these goals and objectives.

Principles

The Township shall consider the following principles as outlined 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 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, such as health care and education.

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,
 - a. 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
 - b. information with implications for infrastructure planning should be shared between the Township 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 Township, as the case may be, the Township 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.

Policy Statement

To guide the Township, the following policy statements have been developed:

1. The Township will implement an enterprise-wide asset management program through all departments. The program will promote lifecycle and risk management of all municipal infrastructure assets, with the goal of achieving the lowest total cost of ownership while meeting desired levels of service.
2. The Township will implement continuous improvement protocols and adopt best practices regarding asset management planning, including:
 - a. Complete and Accurate Asset Data;
 - b. Condition Assessment Protocols;
 - c. Risk and Criticality Models;
 - d. Whole Lifecycle Management;
 - e. Financial Strategy Development;
 - f. Level of Service Framework
3. Service levels and performance targets shall be established and form the basis for asset management strategic decision making with respect to infrastructure.
 - a. Levels of service will be defined, at a minimum, in accordance with the qualitative descriptions and technical metrics required by Ontario Regulation 588/17.
4. The Township will manage risks associated with the defined service levels and performance targets by prioritizing asset management activities to ensure public safety, based on risk assessments and cost/benefit analysis.
5. As part of its commitment to transparency and accountability, the Township will establish benchmarks and performance measures to demonstrate that services are being provided efficiently.
6. The Township will ensure that infrastructure planning and investment is focused on promoting community benefits by ensuring alignment with the Township's various strategic documents.
7. The Township will ensure that infrastructure planning and investment promotes accessibility for persons with disabilities.
8. As part of its commitment to long-term sustainability, the Township will consider potential impacts from natural events (e.g. Flooding, erosion). These impacts will be considered in developing the asset management strategies that outline the actions and associated costs that may be required to manage potential risks. Specific consideration will be given to changing regulatory requirements arising from climate change impacts on asset design standards, asset lifecycles, asset maintenance requirements, and level of

service objectives. Furthermore, the Township will consider mitigation approaches to disaster planning and contingency funding as part of its asset management planning practice. The Township will seek to minimize the environmental impacts of infrastructure with species at risk and habitat in mind.

9. The Township will develop an asset management plan that incorporates all municipal infrastructure assets that meet the capitalization threshold outlined in the organization's Tangible Capital Asset Policy. The asset management plan 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.

For management purposes, it can be advantageous to inventory, track, and document municipal infrastructure assets that fall below the relevant capitalization threshold. Recognizing that it may be beneficial to include these types of assets in the asset management plan, the Township will consider incorporating such assets at their own discretion, based on the objective of sustainably managing municipal infrastructure assets.

10. The Township will take a holistic approach to asset management that takes into consideration all aspects and stages of the asset lifecycle and the inter-relationships between them. Within this approach, the Township will consider not only capital costs, but also significant capital planning costs, operating costs, and service performance impacts.
11. The Township will endeavour to track maintenance activities associated with its assets to better understand the full lifecycle of assets and interrelationships between asset maintenance and performance. Asset management planning will consider relevant factors that impact the lifecycle of assets.
12. The Township will integrate asset management plans and practices with its long-term financial planning and budgeting strategies. This includes the development of financial plans that determine the level of funding required to achieve short-term operating and maintenance needs, in addition to long-term funding needs to replace and/or renew municipal infrastructure assets based on full lifecycle costing.
13. The *Infrastructure for Jobs and Prosperity Act, 2015*, requires review of asset management progress annually, which the Township will undertake and present the findings to Council each year. The annual review will address the Township's progress in implementing its asset management plan, factors impeding the Township's ability to implement its asset management plan, and strategies to address these impeding factors. The Township will periodically update its asset management process with innovation in mind.

14. The Township will ensure that all asset management planning is aligned with any financial plans related to the Township's water assets including any financial plans prepared under the Safe Drinking Water Act, 2002.
15. 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 all municipal official plans.
16. The Township will aim to coordinate planning for asset management, where municipal infrastructure assets connect or are interrelated with those of its neighbouring municipalities or jointly-owned municipal bodies wherever viable and beneficial.
17. The Township will provide opportunities for residents and other interested parties to provide input to asset management planning through the annual budget process and town hall meetings.
18. The Township will post its asset management policy and asset management plan on a website that is available to the public, and will provide a copy of the policy and plan to any person who requests it.

Strategic Alignment & Integration

The Township's asset management plan will be aligned with the following Township documents:

- Strategic Plan;
- Official Plan;
- Community Improvement Plan;
- Budgets;
- Drinking Water Quality Management Standard;
- Reserve and Reserve Fund Policy;
- Capital Financing and Debt Management Policy;
- Roads Needs Study;
- Bridge Condition Surveys.

Following updates or material changes to any of the documents listed above, the Township will consider potential impacts on the asset management plan to ensure continued alignment.

In addition to ensuring alignment between the Township's general asset management practices and the various strategic documents listed above, the Township will also ensure that its asset management plan is considered in developing annual budgets and long-term financial plans. This will be achieved by requiring Township staff to reference the asset management plan in the preparation of departmental budget submissions. Furthermore, Township staff will, on an annual basis, present to Council the implementation of the asset management plan and its implications for annual budgets and/or long-term financial plans.

Roles & Responsibilities

Group	Responsibilities
Council	<ul style="list-style-type: none"> • Approve the Strategic Asset Management Policy and asset management plan (as updated at least every five years). • Approve asset management plan by resolution • Receive annual reporting on the status and performance of the asset management plan. • Review and approve funding associated with asset management through the annual budget process. • Review the Township’s asset management progress annually • Establish and monitor levels of service • Provide opportunities for the public to provide input into asset management planning. • Provide staffing, consultant, and financial resources for implementation of the Strategic Asset Management Policy and asset management plan.
Executive Leads (CAO and Treasurer)	<ul style="list-style-type: none"> • Identify resources required for implementation of the Strategic Asset Management Policy and asset management plan. • Coordinate annual reporting on the status and performance of the asset management plan. • Periodic review of the Strategic Asset Management Policy and asset management plan, at least every five years. • Endorse the asset management plan
Asset Management Working Group (department heads)	<ul style="list-style-type: none"> • Define levels of service measures/metrics and suggest proposed levels of service targets. • Incorporate lifecycle costing and levels of service considerations when evaluating competing asset investment needs and developing asset management strategies. • Update the Strategic Asset Management Policy and prepare the asset management plan, at least every five years.
Residents, Community and Stakeholders	<ul style="list-style-type: none"> • Provide input to the Township, for example, through participation in the annual budget process or future information sessions. • Provide input on expectations with respect to levels of service.

Review Period

This policy will be reviewed by the CAO, Treasurer, in consultation with the Township's Asset Management Working Group and consultants at least every five years (as required by Ontario Regulation 588/17) and following any changes in regulatory requirements.