

Municipality of Charlton and Dack

Strategic Asset Management Policy

Effective Date: July 2020

Review Date: July 2025

1. Background

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

To support its commitment to asset management planning, the Municipality has prepared this Strategic Asset Management Policy which details the policies and principles that together form a framework for the Municipality's asset management process. This framework is intended to enable the Municipality to make consistent, sound decisions, plan for future needs, and build public confidence in municipal infrastructure.

This Strategic Asset Management Policy complies with the requirements of Ontario Regulation 588/17.

2. Terms and Definitions

For the purpose of this document, the following definitions apply and reflect industry accepted practices, including ISO 55000 – International Standard for Asset Management.

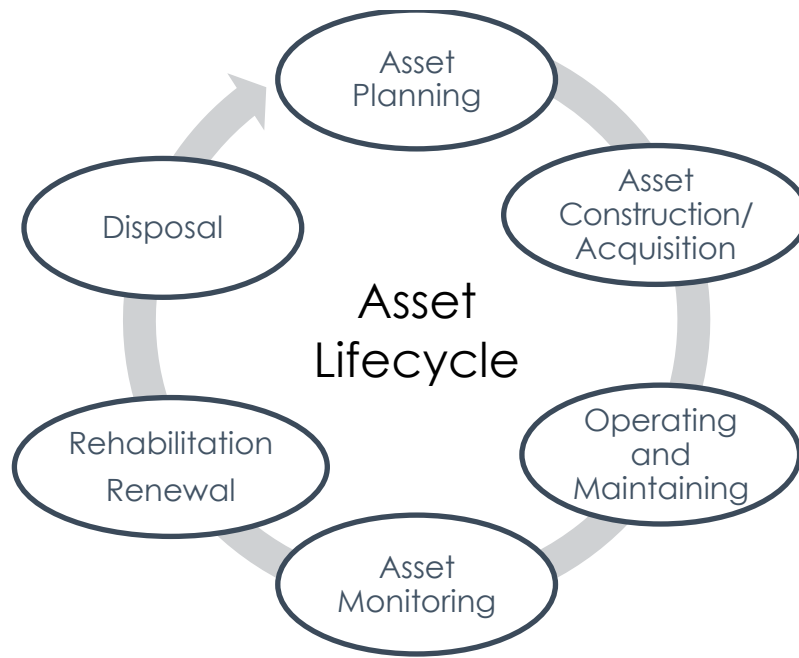
Asset: A tangible thing that has potential or actual value to an organization.

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

Asset Management Plan: Documented information that specifies how the Municipality will achieve the goals articulated in this Strategic Asset Management Policy. At a minimum, the Asset Management Plan needs to comply with the requirements of Ontario Regulation 588/17.

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 organization delivers.



3. Scope

The Strategic Asset Management Policy applies to all physical assets that enable the Municipality to provide services, and require management and long-term planning by the Municipality. Generally, the Municipality’s asset management planning will include any asset owned by the Municipality, regardless of the operating entity. The Municipality will coordinate asset management planning with other organizations and levels of government when their assets connect or are interrelated with the Municipality’s assets (e.g. boundary roads).

The determination of scope of costs to be included as “assets” within the Municipality’s asset management process will generally be consistent with the Municipality’s Tangible Capital Assets Policy (TCA Policy). The service focus of the Municipality’s asset management planning may occasionally require consideration of items that do not meet the minimum capitalization thresholds set out in the TCA Policy. When assets are deemed to be material to the asset management strategy, they should be included even if they don’t meet the TCA Policy thresholds.

4. Asset Management Goals and Objectives

The Municipality’s asset management goals and objectives are primarily defined in terms of levels of service provided to the Municipality’s constituents and stakeholders. The Municipality will establish and document realistic, financially viable, level of service targets. The Municipality will ensure that the level of service targets are achieved through development of effective asset management practices.

5. Principles

The Municipality commits to following the principles set out in this section when making asset management decisions.

These principles encompass those contained in section 3 of the *Infrastructure for Jobs and Prosperity Act, 2015*.

Service delivery – Service levels and performance targets will be established and form the basis for strategic asset management decision-making. The Municipality will manage risks associated with the defined service levels and performance targets by building resiliency into asset management planning. Ideally, assets will be managed to avoid failures and service interruptions. If a failure occurs, however, the Municipality will improve resiliency by ensuring that sufficient operating resources are in place to mitigate the consequences of the failure. The Municipality will ensure that infrastructure planning and investment is focused on promoting community benefits by ensuring alignment with the Municipality’s various strategic documents, as identified in section 6 of this policy. Furthermore, the Municipality will ensure that infrastructure planning and investment reflects the community’s unique needs and circumstances, and promotes accessibility for persons with disabilities. Assets will be operated in a way that promotes safety, minimizes risks, and avoids liabilities.

Long-term sustainability – As part of its commitment to long-term sustainability, the Municipality will consider potential vulnerabilities that may be caused by climate change. These vulnerabilities will be considered in developing asset management strategies that outline the actions and associated costs that may be required to manage risks. The Municipality will review asset design standards, asset lifecycles, asset maintenance requirements, and level of service targets to determine if changes are needed in response to climate change. The Municipality will consider mitigation strategies, disaster planning, and contingency funding as part of its asset management planning. The Municipality will seek to minimize the environmental impacts of infrastructure and will endeavour to make use of acceptable recycled aggregates where appropriate.

Holistic approach – The Municipality 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 Municipality will consider not only capital costs, but also significant capital planning costs, operating costs, and service performance impacts. The Municipality will collect and maintain the data needed to support asset management decisions throughout the lifecycle of assets. Standard operating procedures will ensure consistency and reliability of outcomes. The Municipality will approach asset management from a multi-disciplinary perspective, building support for asset management throughout the organization.

Fiscal responsibility – The Municipality will use an evidence-based approach to decision-making that balances service levels, risks, and costs in order to maximize value from assets and services. Data needed to support decision-making, such as condition and capacity, will be kept up-to-date. To improve affordability, the Municipality’s purchasing policy will support lowest lifecycle cost approaches to meeting identified service level targets rather than focusing on up-front capital costs. The Municipality will consider affordability, indebtedness, and availability of external funding when determining service levels. Once affordable service levels are set, the Municipality will ensure that the funding needed to support the service levels is provided in a consistent manner. If it is necessary to defer capital investment, the Municipality will ensure that there is sufficient operating funding available to manage service level risks created by the deferment.

Innovation and continual improvement – The Municipality views continual improvement as an essential element of successful asset management. As required by the *Infrastructure for Jobs and Prosperity Act* the Municipality will review its asset management progress annually and will present the findings of these reviews to Council on or before July 1 in each year. The annual review will address the Municipality’s progress in implementing its asset management plan, factors impeding the Municipality’s ability to implement its asset management plan, and strategies to address these impeding factors. The Municipality will continue to monitor industry best practices and innovation opportunities, and periodically update its asset management process. As experience is gained, asset management will shift from being reactive to being proactive. As part of this commitment to continual improvement, the Municipality will support staff professional development initiatives in this area.

Public engagement – Asset management decisions and processes will be transparent. The Municipality will provide opportunities for residents and other interested parties to provide input to asset management planning, for example through the annual budget process.

6. Strategic Alignment and Integration

The Municipality’s asset management plan will be aligned with its documents, including:

- Strategic Plan;
- Official Plan; and
- All other strategy and policy documents that have asset management implications.

Following updates or material changes to any of the documents listed above, the Municipality will consider potential impacts on the Strategic Asset Management Policy and the asset management plan to ensure continued alignment.

In addition to ensuring alignment between the Municipality’s general asset management practices and the Municipality’s various strategic documents, the Municipality will ensure that its asset management plan is considered when developing annual budgets and long-term financial plans.

7. Roles and Responsibilities

Stakeholder 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) • Receive annual reporting on the status and performance of the Municipality's asset management plan • Review and approve funding associated with asset management through the annual budget process • Provide opportunities for the public to provide input into asset management planning – as identified in the Public Engagement principle under section 5 of this policy • Provide resources for implementation of the Strategic Asset Management Policy and asset management plan.
Asset Management Working Group (Clerk Treasurer CAO, Public Works Superintendent)	<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 Municipality's assets • Periodic review of the Strategic Asset Management Policy and asset management plan at least every five years. • Define levels of service measures and metrics • Suggest levels of service targets • Incorporate lifecycle costing and level of service considerations when evaluating competing asset investment needs and developing asset management strategies • Review the Strategic Asset Management Policy and update the asset management plan, at least every five years
Residents, Constituents and Stakeholders	<ul style="list-style-type: none"> • Provide input to the Municipality, for example, through participation in the annual budget process

8. Review Period

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