

# TOWNSHIP OF CENTRE WELLINGTON

## STRATEGIC ASSET MANAGEMENT POLICY

### SECTION 1: INTRODUCTION

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*Asset management planning is an integrated approach, involving all Township departments, to deliver services to the community through the effective management of assets.*

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#### 1.1 PURPOSE

The Township of Centre Wellington provides a wide range of services to the community that require the ownership and responsible operation, maintenance and rehabilitation of physical assets including land, buildings, vehicles/equipment, roads, bridges/culverts, drainage, water and wastewater infrastructure.

Asset management planning is an integrated approach, involving all Township departments, to deliver services to the community through the effective management of existing and new assets. The intent is to provide defined levels of service to the community with an appropriate level of risk at the lowest lifecycle cost. Good asset management practices are fundamental to achieving sustainable and resilient communities.

This policy outlines the fundamental asset management principles for the Township of Centre Wellington.

#### 1.2 DEFINITIONS

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

**Asset management planning** – Coordinated activity of an organization to realize defined levels of service through various types of assets.

**Asset Management Plan** – Documented information at a point in time that specifies the activities, resources, and timelines required for an individual asset, or a grouping of assets, to achieve the organization's asset management objectives.

**Capitalization threshold** – The value of a municipal asset at or above which the Township will capitalize the value of it for inclusion in the asset management planning process, and below which it will expense the value of it, to be treated as an operating cost.

## Schedule A to By-Law 2024-

**Level of service** – Parameters, or a combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers. Defined at a community level (what the community is receiving) and at a technical level (what the Township is providing).

**Lifecycle Costs** – all costs associated with assets over their useful life, including initial acquisition, operations, maintenance, rehabilitation, and disposal.

### 1.3 SCOPE

Asset management planning will incorporate the development and implementation of several key documents, processes, and systems. These include:

- a) Strategic Asset Management Policy
  - This document establishes Council's expectations regarding asset management planning objectives and the management of the Township's assets in providing services to residents.
- b) Asset Management Processes
  - These processes outline requirements of Township staff on an ongoing basis to ensure asset management related data and decisions are complete and up-to-date.
  - These processes also define the Township's commitment and approach to achieving the Council approved Strategic Asset Management Policy.
- c) Asset Management Systems
  - Systems ensure the effective and efficient delivery of asset management data and outcomes to Township staff, Council and the public. These systems also assist Township staff with ensuring asset data and recommendations are kept up-to-date.
- d) Asset Management Plans
  - Asset Management Plans are a snapshot of the overall asset management planning process at a specific point in time, that are endorsed by the Township's Asset Management Executive Lead and approved by Council.

### 1.4 CONTINUOUS IMPROVEMENT

The Township is committed to a continuous improvement approach to asset management planning. When updating asset management policies, processes, systems, and plans, consideration will be made regarding approaches to improve existing practices. Long-term plans for significant and/or deferred continuous improvement will be documented and scheduled by staff.

### 1.5 ASSET MANAGEMENT COORDINATION

The Township is committed to a coordinated approach to asset management planning. To the extent where Township assets are connected or interrelated to those of Wellington County, a neighbouring municipality, or a jointly owned municipal body, coordination will occur between organizations with respect to service levels and related lifecycle costs for applicable assets.

# Schedule A to By-Law 2024-

## 1.6 POLICY COMMUNICATION

This policy is to be posted to the Township's website in conjunction with most recent Asset Management Plans.

## 1.7 POLICY UPDATES

This policy will be reviewed and updated as needed, at a minimum, every 5 years.

## SECTION 2: STRATEGIC ALIGNMENT

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*Asset management planning will be integrated and aligned with Township goals, objectives, plans and processes.*

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It is important for the goals, objectives, policies, plans, and processes of the Township to be closely aligned with the Township's asset management planning practices. Therefore, asset management planning will be integrated with these goals, objectives, policies, plans, and processes.

### 2.1 STRATEGIC PLANNING

The overall purpose and direction of the Township's asset management planning practices is based on the approved Corporate Strategic Plan, which outlines the strategic direction Township decisions are based on.

### 2.2 COMMUNITY PLANNING

Asset management planning will be aligned with Township community planning based documents. These documents reflect how the community is projected to grow, which has an impact on the provision of services and the assets necessary to provide those services.

The following community planning documents will integrate with the Township's asset management planning process.

- Official Plan
- Secondary Plans
- Growth Plans
- Master Plans / Strategies
  - Fire Master Plan
  - Parks and Recreation Master Plan (including Parks Plan)
  - Active Transportation and Mobility Master Plan
  - Transportation Master Plan
  - Water Supply Master Plan
  - Water and Wastewater Servicing Master Plan
  - Stormwater Master Plan
  - Tourism and Economic Development Strategy

## Schedule A to By-Law 2024-

- Policies and Strategies related to growth planning
- Development Charge Background Study
- Water & Wastewater Rate Study
- Financial Plans prepared as required under the *Safe Drinking Water Act, 2002*

As asset management plans are updated, updates will be informed by these documents. In turn, these documents, when being updated, will consider asset management related implications.

In addition to the community planning documents described above, the Township's asset management planning exercises will be aligned with Ontario's land-use planning framework, including any relevant policy statements issued under subsection 3(1) of the *Planning Act*, and any provincial plans as defined in the *Planning Act*.

### 2.3 BUDGETING AND LONG-TERM PLANNING

The Township will integrate findings from asset management planning practices into its long-term financial planning and budgeting processes. Asset management planning outcomes and recommendations will be a guide in the development of the draft annual budget and 10-year capital forecast.

Township staff will reference the asset management planning results for their department to:

- a) Determine appropriate levels of service to plan for;
- b) Prioritize capital projects;
- c) Reference forecasted funding allocations phased in within asset management plan recommendations; and
- d) Determine and verify progress made on asset management plan recommendations and to identify gaps both in completing lifecycle costs and capital funding.

Financial Services staff, through coordination of the budget process, will facilitate the link between asset management financing strategies and the draft budget presented to Council.

## SECTION 3: GUIDING PRINCIPLES

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*Asset management planning shall be conducted following key guiding principles.*

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The key guiding principles for infrastructure priority setting, planning and investment are outlined as follows:

**Forward looking:** The Township shall take a long-term view while considering demographic and economic trends in the area.

**Budgeting and planning:** The Township shall take into account any applicable budgets or fiscal plans, such as fiscal plans released under the following:

- a) *Fiscal Transparency and Accountability Act, 2004*
- b) Budgets adopted under Part VII of the *Municipal Act, 2001*

## Schedule A to By-Law 2024-

**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:

- a) Make decisions with respect to infrastructure based on information that is publicly available or made available to the public; and
- b) Share information with implications on infrastructure and investment decisions with the Government and broader 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:

- a) Respecting and helping maintain ecological and biological diversity;
- b) Augmenting resilience to the effects of climate change; and
- c) Endeavoring to make use of acceptable recycled materials, energy efficient technologies, and environmentally sustainable practices.

**Health and safety:** The Township shall ensure that the health and safety of workers involved in the construction, maintenance, use, and operation of 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 the project, such as:

- a) Local job creation and training opportunities;
- b) Improvement of public space within the community; and
- c) 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 decisions surrounding the infrastructure that supports them.

**Service focused:** The Township will consider all the assets in a service context and consider their interrelationships as opposed to optimizing individual assets in isolation.

**Customer focused:** The Township will have clearly defined levels of service and will apply asset management practices to maintain the required levels of service to customers for Township assets.

## Schedule A to By-Law 2024-

**Risk-based:** The Township will manage the asset risk associated with attaining the agreed levels of service by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding cost/benefit, recognizing that public safety is a priority.

**Value-based affordability:** The Township will choose practices, interventions and operations that aim at reducing the lifecycle cost of asset ownership, while satisfying agreed levels of services. Decisions are based on balancing service levels, risks and costs.

**Climate change:** The Township will consider climate change as part of our risk management approach embedded in local asset management planning methods. This approach will balance the potential cost of vulnerabilities to climate change impacts and other risks with the cost of reducing these vulnerabilities. Balance will be struck in the levels of service delivered through operations, maintenance schedules, emergency response plans, contingency funding, and capital investments. The Township will attempt to reduce their contribution to climate change through greenhouse gas emission reduction.

## SECTION 4: GOVERNANCE

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*Asset Management Planning requires the commitment of key stakeholders across the Organization.*

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### 4.1 COMMITMENT OF RESOURCES

The Township has an obligation to allocate resources to asset management planning and utilize them in a fiscally responsible manner.

### 4.2 ROLES AND RESPONSIBILITIES

Asset management planning is a corporate wide initiative. Thus corporately, each department has a role to play in ensuring the success of this initiative. This extends from Council to the Senior Management Team and operational staff in each department. The following represents the roles in each area:

#### Role of Council

Township Council are entrusted with the responsibility of overseeing, on behalf of citizens, a large range of services provided through a diverse portfolio of assets. Council is the final decision maker on all matters related to asset management planning in the Township. Council is committed to the success of asset management planning.

Within asset management planning, Council is responsible for:

- a) Approving the Strategic Asset Management Policy;
- b) Approving by resolution, the Asset Management Plans and any updates, at a minimum, every five years;
- c) Understanding and utilizing the Asset Management Plans to aid in decision making, including setting priorities and approving the annual Budget;

## Schedule A to By-Law 2024-

- d) Articulating community values to Township staff;
- e) Annual reviews of asset management planning implementation progress; and
- f) Supporting ongoing efforts to implement, update, and improve the asset management planning process.

Council's annual asset management planning progress reviews are the basis of the Township's approach for continually improving its methods and adopting appropriate practices. The annual review will be completed during the annual budget process, in consultation with the Asset Management Committee. It will include:

- a) Consideration of the Strategic Asset Management Policy;
- b) Consultation with the Senior Management Team;
- c) Progress on ongoing efforts to implement asset management planning;
- d) Any factors affecting the ability of the Township to implement its Asset Management Plan recommendations; and
- e) A strategy to address these factors including the adoption of appropriate practices.

### Role of the Chief Administrative Officer (Asset Management Executive Lead)

The Township's executive lead of the asset management process is the Township's Chief Administrative Officer (CAO). This emphasizes a corporate approach to asset management planning.

The Executive Lead is responsible for:

- a) Maintaining compliance with the Strategic Asset Management Policy and provincial asset management acts and regulations;
- b) Providing organization-wide leadership in asset management practices and concepts;
- c) Coordinating and tracking asset management program implementation and progress; and
- d) Endorsing all Asset Management Plans before Council approval.

### Role of the Senior Management Team

The Senior Management Team, representing the CAO and Managing Directors Group, are responsible for:

- a) Overseeing asset management planning activities that fall within their service area;
- b) Promoting the asset management planning process and resulting Asset Management Plans;
- c) The ongoing review of assets within the asset management planning process that fall within their service area, at a minimum, on an annual basis; and
- d) Utilizing Asset Management Plan recommendations and strategies in the development of the draft budget and 10-year capital forecast annually.

### Role of the Asset Management Committee

The Township has established an Asset Management Committee with representatives from all departments. This committee will coordinate asset management planning corporately, incorporating the requirements of all departments and consolidating them to ensure consistency of approach and distribution of appropriate resources.

## Schedule A to By-Law 2024-

Representatives include:

- Managing Directors – Chair (1)
- Corporate Services: Financial Services (2)
- Corporate Services: Information Technology & Services (1)
- Infrastructure Services (2)
- Community Services (1)
- Planning & Development Services (1)

The number of representatives by department shown above are minimum requirements.

Committee representatives can be added as needed. In addition, staff that specialize in specific service/operational areas within the Township will be consulted and utilized as needed.

The Asset Management Committee, reporting to the Senior Management Team, is responsible for:

- a) Providing and coordinating corporate support for asset management;
- b) Encouraging information sharing and collaboration across departments;
- c) Providing a corporate pool of asset management expertise;
- d) Ensuring organization-wide accountability for reviewing asset management goals, objectives, and progress; and
- e) Leading the implementation and update of Asset Management Plans.

Appendix A outlines the Asset Management Committee structure.

## SECTION 5: STAKEHOLDER ENGAGEMENT

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*The Township will foster informed dialogue and engagement with relevant stakeholders throughout the asset management planning process.*

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### 5.1 STAKEHOLDER ENGAGEMENT

The Township recognizes the various stakeholders in municipal service delivery. The Township will foster informed dialogue and engagement with relevant stakeholders throughout the asset management planning process, as follows:

#### Local Residents, Businesses, Institutions

- a) Through Council (representation);
- b) Council meetings & Public meetings;
- c) Master plans – Public input;
- d) Connect CW – Public opinion; and
- e) Budget process – Public open houses and budget meeting delegations.

## Schedule A to By-Law 2024-

### Wellington County & Neighbouring Municipalities

- a) Budget and long-term planning coordination; and
- b) Regular ongoing communication.

### Utilities (Hydro, Gas, Telecommunications, etc.)

- a) Budget and long-term planning coordination; and
- b) Regular ongoing communication.

### School Boards

- a) Budget and long-term planning coordination; and
- b) Regular ongoing communication.

### Province of Ontario and Government of Canada (i.e. Grants)

- a) Program funding applications and progress reports; and
- b) Regular ongoing communication.

## SECTION 6: ASSET MANAGEMENT PLAN DEVELOPMENT

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*The Township will prepare Asset Management Plans at a minimum, every 5 years, using up-to-date asset data and a refined levels of service analysis.*

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The development of all Township Asset Management Plans will require the following:

### 6.1 MAINTAIN ACCURATE AND COMPLETE ASSET DATA

To conduct asset management planning practices and to update Asset Management Plans, it is imperative that accurate and complete asset data is maintained on an ongoing basis. The Township will consolidate and maintain an asset inventory of all municipal capital assets. This inventory will include, at a minimum, a unique ID, asset description, location information, historical and replacement values, asset condition information, estimated useful life, remaining useful life, and an indication of asset priority or risk.

Relevant tools and systems will be used to ensure the ongoing maintenance of this asset data in an efficient and effective manner. This is to include GIS, asset database tools, and asset management planning software and predictive tools.

### Capitalization Thresholds

The Township will use capitalization thresholds for asset management planning purposes, equal to the thresholds used for accounting purposes, as defined by the Tangible Capital Asset Policy.

## **Schedule A to By-Law 2024-**

### **6.2 DETERMINE LEVELS OF SERVICE**

The Township exists to deliver various services to the community. Service levels are a measure of what the community is receiving from the Township. The Township must consider the cost of providing current levels of service, the cost of providing proposed levels of service, and the funding available when making asset management planning decisions on levels of service. This levels of service analysis is to be included in all Asset Management Plans.

### **6.3 CREATE A LONG-TERM FORECAST**

The long-term forecast (capital and operating) represents lifecycle costs necessary over a defined period of time to implement the recommended approach to the Township's asset management planning strategies and recommendations, while considering proposed levels of service, risk, and cost effectiveness. Each Asset Management Plan is to include a long-term forecast that considers these factors.

### **6.4 DEVELOP A FINANCING STRATEGY**

Within each Asset Management Plan, funding required to implement the long-term forecast will be identified. To the extent that the recommended funding is not approved within the annual budget process, gaps in funding will be outlined. The ultimate goal of asset management planning is to move towards a sustainable funding position based on the proposed levels of service in each area.

# Appendix A: Asset Management Committee Structure

