

Policy:	<b>STRATEGIC ASSET MANAGEMENT POLICY</b>	Policy No. <b>8.09</b>
Section:	<b>COUNCIL POLICIES</b>	Effective: <b>APRIL 28, 2020</b>
Approved by:	Resolution No. <b>2020-109</b>	Revised:
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### 1. **BACKGROUND:**

The Township of Chisholm (Chisholm) is a rural Township that has and is anticipated to experience minimal growth. The Asset Management Plan (AMP) was prepared to improve the existing inventory of municipal infrastructure consisting of 120 km of roads, 10 bridges, 9 major culverts, 12 vehicles, 3 major buildings and other equipment.

This policy will help the Township manage these assets by providing the necessary framework to integrate Asset Management into the Township's daily decision making.

Chisholm is committed to providing fiscally responsible services that support the sustainability and growth of the Township. The Township will achieve this commitment by aligning the management of municipal assets with the goals, plans and policies of the Township.

### 2. **PURPOSE:**

The purpose of this policy is to: align the Township's asset management with its current/future social and economic goals, create consistent guidelines and standards for the management of municipal assets, and meet the requirements of O.Reg. 588/17.

### 3. **TERMS AND DEFINITIONS:**

The following terms will hold the definitions stated below for all municipal asset management documents hereby created:

**Asset:** An Item, object, or entity that holds value to an organization.

**Annual Asset Report:** An annual progress report given to update council on the implementation of the asset management plan.

**Asset Management Plan:** A strategic document updated every 5 years, that states how to manage the Township's asset groups. The Asset Management plan will describe the condition, expected level of service, characteristics, planned actions, and financial strategies for all municipal assets.

**Lifecycle:** Planned maintenance stages for an asset over the course of its useful life.

**Level of Service (LOS):** A parameter in which municipal infrastructure can be evaluated to determine the quality or state of infrastructure repair necessary, to meet that infrastructures service demands.

**Stakeholder:** A person or entity that has an invested interest in the welfare of an organization, or will be affected by the welfare of that organization.

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#### 4. **VISION:**

The Township of Chisholm's vision is to manage its assets in an effective sustainable manner to best serve its goals and objectives, such as:

- Sustainability, economic development, and community resilience.
- Providing its residents with a high quality of life by, sustainably managing levels of service through the utilization of lifecycle management.
- Achieving Municipal infrastructure development goals through sound financial management.

#### 5. **OBJECTIVES:**

The objectives of this policy is to:

- Provide the necessary framework for council and staff to, implement the Asset Management Plan into the Township's daily decision making.
- To clearly indicate the roles and responsibilities of Municipal staff pertaining to asset management.

#### 6. **STRATEGIC ALIGNMENT:**

The Township of Chisholm's vision to maintain a high quality of life for its residents while achieving sustainable growth, requires cohesive understanding and utilization of the many initiatives underway in our organization. Alignment of these facets is necessary to properly analyze whether our current or proposed assets meet the level of service requirements that our vision dictates.

In this regard, asset management planning should not be considered as a standalone item. To achieve our sustainability and efficiency goals, asset management planning will take a synergetic approach in conjunction with our Strategic Plan, Official Plan, and any other plan or policy created by the Township having an adverse effect on the management of Municipal assets.

Additionally, the Township will develop a level of service policy or standard, which will assist the Township in making informed decisions for assets lifecycle management.

The Asset Management Policy shall evolve and adapt to the Township's needs, and as such shall be reviewed and/or updated on regular basis.

#### 7. **STAKEHOLDER ENGAGEMENT:**

The Township's goal is to affectively provide the various stakeholders of the Township with the services that they want and need, within the bounds of municipal funding and regulation requirements. The Township will continue to seek input from stakeholders on community improvement plans, and asset improvements.

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## 8. GUIDING PRINCIPLES:

When possible the Township of Chisholm will strive to incorporate the following guiding principles set out by the Infrastructure for *Jobs and Prosperity Act*, 2015, into the Township's daily operations:

**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, including those adopted through Ontario legislation.

**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, basing decision on publicly shared information and make information available to the public.

**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: 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 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 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 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.

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#### 9. **COMMUNITY PLANNING:**

The Township will align its asset management planning with the Township's community strategic plan, Official Plan, Planning Act, and Provincial land-use planning framework. The asset management plan will reflect how the community is projected to change, and anticipate the related impacts on assets. The Township will achieve this with the following:

- Those responsible for managing services impacted by development or redevelopment will:
  - o Be consulted during the community planning phase.
  - o Provide input, and analyze the future servicing costs.
  - o Provide written comments about the financial viability of development.
- Methods, assumptions, and data used in the selection of development/redevelopment initiatives in the community plan will be made available for the production of the Asset Management Plans.

#### 10. **CLIMATE CHANGE:**

Climate change will continue to have an increasing impact on municipalities and can cause the following issues: increased flooding, increased winter operations, increased dust control methods during summer months, and decrease in groundwater table. The Township of Chisholm will consider the adverse effects of climate change when considering asset risk management. Municipal staff and council will consider service trends when developing annual budgets by comparing annual operating costs to determine service cost trends, and will determine if contingency funds are necessary. The municipal staff will also consider weather trends during the design/redesign stage of capital projects. Additionally, the Township of Chisholm has, and continues to practiced adverse weather disaster protocols with its Emergency Management Committee.

#### 11. **SCOPE AND CAPITALIZATION THRESHOLDS:**

For the purpose of this and all subsequent asset management documents, the Township of Chisholm will consider items an asset even if they do not meet the capitalization threshold of \$5,000.00. The Township will consider items on a qualitative service-based value, rather than a monetary value for asset management. Meaning any item requiring municipal management, that is crucial in providing a service to the Township; will hold a service-based value, and will be managed in accordance to the Township's Strategic Asset Management Policy and Asset Management Plan. The Township will additionally manage all tangible capital assets in accordance with its Asset Management Plans and Policies.

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## 12. FINANCIAL PLANNING AND BUDGETING:

The Township will use the Asset Management Plan to coordinate its long-term financial planning and budgeting processes. The Asset Management Plan's and annual asset reports will be considered annually in the creation of the Township's capital budget, operating budget, and long-term financial plans. Finance staff will use the Asset Management Plan in preparation of budgets, to help them:

- Identify all revenues and costs associated with upcoming infrastructure decisions.
- Verify the necessity/demand for new capital projects, and estimate the impacts on future operating costs.
- Incorporate alternative funding strategies when possible.

The annual departmental budget analysis will be evaluated by the CAO/Clerk-Treasurer in preparations of the Township's annual budget.

## 13. GOVERNANCE AND CONTINUOUS IMPROVEMENT:

The council withholds the rights to make any and all final decisions regarding asset management within the Township. The following outlines the roles and responsibilities of the municipal staff and council:

### **CAO Clerk-Treasurer and Operations Superintendent and/or Consultant**

- Identify any issues, and develop updates for policy and/or plan
- Develop asset management guidelines and practices
- On-going policy/plan reviews and updates

### **CAO Clerk Treasurer and other staff**

- Implementation of strategic asset management policy

### **CAO Clerk Treasurer, Council and Operations Superintendent**

- Stewardship of municipal assets
- Adoption of policies, plans, and budgets

## 13.1. PERSONS RESPONSIBLE FOR ASSET MANAGEMENT PLANNING

Executive Lead:

CAO/Clerk-Treasurer

Phone: 705-724-3526 ext. 203

Email: [j.leblond@chisholm.ca](mailto:j.leblond@chisholm.ca)

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#### 14. **IMPLEMENTATION OF ASSET MANAGEMENT POLICY:**

The Township shall maintain its asset inventory by implementing and collecting the following asset information: asset ID (unique to each asset), description, location, historical value, replacement value, condition, performance characteristics, estimated life remaining, replacement/rehabilitation date, estimated lifecycle repairs (including: types of repairs/treatments, cost of repairs/treatments, and anticipated date of repairs/treatments), and estimated or actual asset age.

The Township's Asset Management Plan will include before July 1, 2021 all core capital infrastructure assets, and before July 1, 2023 all other municipal capital infrastructure assets as per the requirements of O.Reg. 588/17. Additionally, in accordance to O.Reg. 588/17, after meeting the July 1, 2023 deadline, the Township's Asset Management Plan will be updated on a 5-year cycle.

Municipal staff and council shall reference the most recent Asset Management Plan, or annual report when determining the Township's budget. The Township will use these plan's and annual reports to determine its yearly capital projects, and shall use these plan's and policies to prepare financially for impending large scale capital projects.

Public Works staff will keep track of the installation or replacements of any and all assets, and the locations and dates of installation for these assets shall be implemented into the CGIS program by Municipal staff.