

1. Background

The Alnwick/Haldimand Township (Township) 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 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 make consistent and sound decisions, plan for future needs, and provide public confidence with respect to the management of municipal infrastructure. Additionally, establishing 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.

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 item, thing or entity that has potential or actual value to an organization.

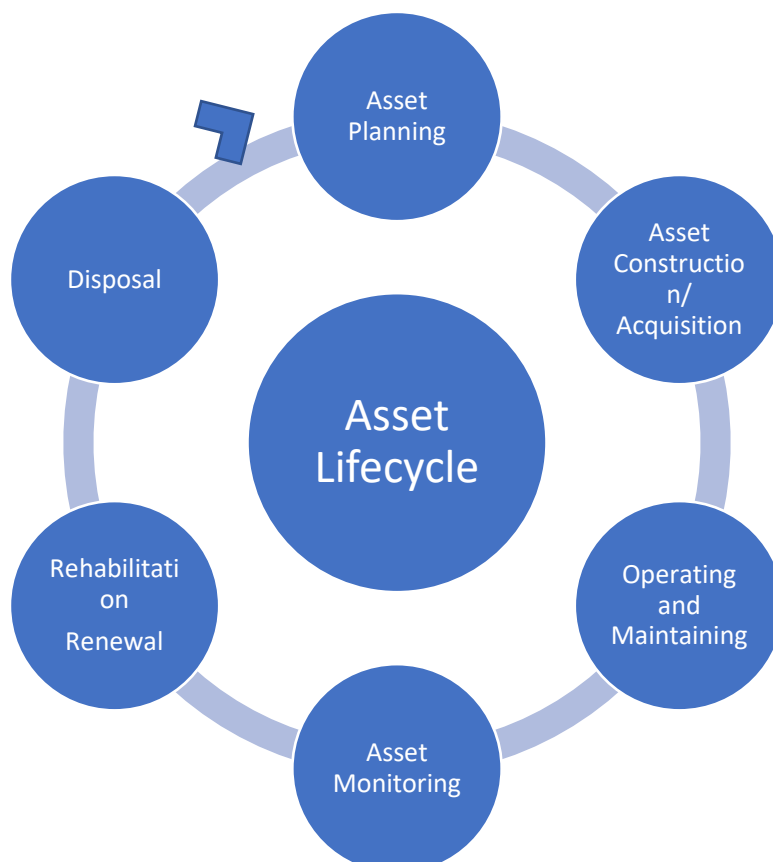
Asset Management: Coordinated activity of an organization to realize value from assets.

Asset Management Plan: Documented information that specifies 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 organization delivers.

3. Scope



The Strategic Asset Management Policy applies to all tangible assets that enable the Township to provide services, and that require deliberate 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 municipalities or municipal bodies (e.g. boundary roads).

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.

4. Asset Management Goals and Objectives

The objectives of this policy are to:

- Provide a consistent framework for implementing asset management throughout the organization.
- Provide transparency and accountability and to demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels and risks.

The Township's goals and objectives with respect to its tangible assets relate to the effective delivery of municipal services to Township constituents and stakeholders. 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. Additionally, the Township is committed to providing services and maintaining assets in a financially sustainable manner. Asset management will enable the Township to balance service level expectations of constituents and stakeholders with financial sustainability. It is also the Township's objective to utilize asset management to inform the annual budget process and long-term financial plans. Additionally, the Township will endeavour to use the asset management plan as an effective tool to communicate needs of the Township and the strategies required to meet those needs.

The asset management plan and its implementation will be evaluated based on the Township's ability to meet these goals and objectives.

5. Principles

The Township commits to following the principles set out in this section when making decisions in respect of its assets and asset management planning.

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

Service delivery – Service levels and performance targets shall be established and form the basis for asset management strategic decision making with respect to infrastructure. Levels of service will be defined, at a minimum, in accordance with the qualitative descriptions and technical metrics required by Ontario Regulation 588/17. For reference purposes, the qualitative descriptions and technical metrics required by Ontario Regulation 588/17 are presented in Tables 1 through 5 of this policy. 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. 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. 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, as identified in section 6 of this policy. Furthermore, the Township will ensure that infrastructure planning and investment promotes accessibility for persons with disabilities.

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

Long-term sustainability and resiliency – As part of its commitment to long-term sustainability, the Township will consider potential vulnerabilities that may be caused by climate change. These vulnerabilities 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 climate change, and disaster planning and contingency funding as part of its asset management planning practice. The Township will seek to minimize the environmental impacts of infrastructure and will endeavour to make use of acceptable recycled aggregates where appropriate. Furthermore, the Township will endeavour to consider socio-economic factors in asset management planning, to recognize the needs of different groups within the community.

Holistic approach – 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. 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 give consideration to relevant factors that impact the lifecycle of assets (e.g. asset condition, type of usage, capacity, etc.). Additionally, the Township will approach asset management from a multi-disciplinary perspective, recognizing that there needs to be deliberate collaboration between various areas of the organization.

Fiscal responsibility – The Township will utilize an evidence-based approach to decision making that balances service levels, risks, and costs, and aims at maximizing value from assets and services. Appropriate asset management funding will be provided with consideration for economic factors, such as affordability, indebtedness, and external funding availability. The Township will leverage its asset management processes to inform multi-year budgeting for capital and operations. This will allow the Township to progress towards a sustainable financial position, which includes consideration of intergenerational equity.

Innovation and continual improvement – The Township views continuous improvement as an essential element of successful asset management. As required by the *Infrastructure for Jobs and Prosperity Act, 2015*, the Township 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 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 continue to monitor industry best practices and innovation opportunities, and periodically update its asset management process.

Public engagement – The Township will provide opportunities for residents and other interested parties to provide input to asset management planning, for example, through the annual budget process.

Community focused – The Municipality 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:

- Local job creation and training opportunities (including for apprentices, within the meaning of section 9 of the Infrastructure for Jobs and prosperity Act, 2015);
- Improvement of public space within the community;
- Promoting accessibility for persons with disabilities.

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.

6. Strategic Alignment & Integration

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

- Strategic Plan;
- Official Plan;
- Integrated Community Sustainability Plan;
- Budgets;
- Community Improvement Plan;
- Drinking Water Quality Management Standard;
- Reserve and Reserve Fund Policy;
- Capital Financing and Debt Management Policy; and
- Master Plans.

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. This alignment is necessary to properly consider whether the level of service provided by our existing and planned assets is consistent and supports our vision.

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 that entail municipal assets. 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.

Service area personnel will reference the asset management plan for their area in order to look up forecasted spending needs identified in the plan, verify progress made on the plan to identify potential gaps, and prioritize spending needs, across the gap identified in the plan and recent developments, for the year to be budgeted for.

7. Roles & Responsibilities:

The policy requires the commitment of key stakeholders within the Township’s organization to ensure the policy contains a clear plan that can be implemented, reviewed and updated.

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 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.

Executive Lead (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.
CAO	<ul style="list-style-type: none"> • Maintain compliance with the asset management policy and provincial asset management regulations.
Asset Management Working Group (department heads)	<ul style="list-style-type: none"> • Oversee asset management planning activities that fall within their service area and in support of others. • 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, Constituents 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.

8.

Review Period

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