

A STRATEGIC ASSET MANAGEMENT POLICY FOR
THE CORPORATION OF THE TOWNSHIP OF FRONT OF YONGE

PURPOSE

To formalize the organization's commitment to asset management by aligning asset management principles with the Township's departments, to realize value from existing and new assets. A strategic asset management policy supports the Township by focusing its infrastructure efforts on managing risk, addressing priorities, and meeting short and long-term needs while being fiscally responsible.

VISION

The Township's vision is to proactively manage its assets to best serve the Townships objectives, including:

- Effectively delivering services,
- Supporting sustainability and economic development, and,
- Maintaining prudent financial planning and decision making.

OBJECTIVES

The objectives of the strategic asset management policy are to:

- Provide a framework for implementing Asset Management to enable a consistent and strategic approach at all levels of the organization and meets the Township's priority objectives.
- Provide transparency and demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels and risks.

STRATEGIC ALIGNMENT

Council and senior management will review this policy and incorporate it into the asset management planning approach that fosters the integration of municipal documents such as:

- The Strategic Plan
- Community Plans
- The Official Plan
- The Emergency Plan

GUIDING PRINCIPLES

The Township shall adopt the following guiding principles for managing its infrastructure assets:

Risk-based

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

Value-based Affordability

The Township will choose practices, interventions, and operations that aim at reducing the life cycle cost of asset ownership, while satisfying agreed levels of service. Decisions are based on balancing service levels, risks, and costs.

Service Focused

The Township will consider the assets in a service context and take into account their interrelationships as opposed to optimizing individual assets in isolation.

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 financial plans released under the following:

- Budgets adopted under Part VII of the *Municipal Act, 2001*

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:

- Make decisions with respect to infrastructure based on information that is publically available or made available to the public, and
- Share information with implications on infrastructure and investment decisions with the Government and broader public 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:

- Respecting and helping maintain ecological and biological diversity,
- Augmenting resilience to the effects of climate change, and
- 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, such as:

- Local job creation and training opportunities for apprentices, within the meaning of section 9 of the *Infrastructure for Jobs and Prosperity Act, 2015*
- Improvement of public space within the community, and
- 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.

CAPITALIZATION THRESHOLD

The Strategic Asset Management Policy applies to all assets whose role in service delivery requires deliberate management by the Township. The service-focus intent of this policy differentiates its requirements for identifying assets from the capitalization thresholds which are developed for financial reporting. For this reason, the capitalization threshold developed for financial reporting will not be the guide in selecting the assets covered by asset management planning processes.

GOVERNANCE AND CONTINUOUS IMPROVEMENT

The policy requires the commitment of key stakeholders within the Township's organizational structure. The following details the responsibilities of the key stakeholders within the Township:

Council

- Approve by resolution the asset management plan and its updates every five years;
- Conduct annual reviews of the asset management progress on or before July 1st of every year. The annual review must address:
 - a) The progress on ongoing efforts to implement the asset management plan;
 - b) The identification of any factor impeding the Township's ability to implement its asset management plans; and
 - c) A strategy to address the factors identified in (b) including the adoptions of appropriate practices; and
- Support ongoing efforts to continuously improve and implement the asset management plans.

Executive Lead

Is ultimately responsible for asset management planning across the organization and maintaining compliance with the strategic asset management policy and provincial asset management regulation.

Department Heads

Are responsible for asset management planning activities that fall within their service area and in support of others.

BUDGETING

The asset management plans and progress made on the plans will be considered annually in the creation of the Township's budget and long-term financial plans.

The asset management plan will be referenced by the department leads and service area staff in the preparation of their budget submissions to assist them with:

- Identifying all potential revenues and costs (including operating, maintenance, replacement and decommission) associated with forthcoming infrastructure asset decisions;
- Evaluate the validity and need of each significant new capital asset, including considering the impact on future operating costs; and
- Incorporate new revenue tools and alternative funding strategies where possible.

The budgets prepared by each service area will then be processed in accordance with the broader municipal budgeting process. Finance staff will be involved in strategic asset management planning in order to facilitate the bridge between:

- The financial strategy developed in the strategic asset management plans,
- The budget submissions of each service area, and
- The overall budgeting process that is consolidated and presented to Council.

COMMUNITY PLANNING

The combination of lifecycle analysis and financial sustainability principles will be the driver in the design and selection of community development or redevelopment that requires new assets or existing assets enhancements to take place. Parties involved in the development of asset management plans will reference the direction established in the community plan as well as the methods, assumptions, and data used in its development. The aim of cross-referencing these plans is to ensure that development and redevelopment occurs within the Township means through an understanding of current and future asset needs.

CLIMATE CHANGE

Climate change will be considered as part of the Township's risk management approach embedded in local asset management planning models. This approach will balance the potential cost of vulnerabilities to climate change impacts and other risks with the cost of reducing these vulnerabilities. The balance will be struck in the levels of service delivered through either operation, maintenance schedules, disaster response plans, contingency funding, and capital investments. The Townships contribution to climate change through greenhouse gas emissions will be mitigated in accordance with its local reduction targets, financial capacity, and stakeholder support.

STAKEHOLDER ENGAGEMENT

The ultimate goal of the Township is to efficiently provide its various stakeholders with municipal services they need within the bounds of regulatory requirements, the built environment and natural environment. In order to achieve this goal, it is necessary that the Township understand the needs of current stakeholders, consider the needs of future generations, and incorporate these perspectives into asset management plans. The Township recognizes them as an integral part of the asset management approach. Accordingly, the Township will:

- Provide opportunities for residents and other stakeholders served by the Township to provide input in asset management planning; and
- Coordinate asset management planning with other infrastructure asset owning agencies such as municipal bodies and regulated utilities.