



Policy Title: Strategic Asset Management Policy

Effective Date: June 1, 2019

Review Date(s):

Related Documents: Asset Management Planning for Municipal Infrastructure, under the Infrastructure for Jobs and Prosperity Act, 2015, Ontario Regulation 588/17 (O. Reg. 588/17).

Purpose

The purpose of this policy is to provide leadership in and commitment to the development and implementation of the Town of Ingersoll's Asset Management Program (AMP). This policy intends to guide the consistent use of asset management concepts and principals across the organization, to facilitate logical and evidence-based decision-making for the management of municipal infrastructure assets and to support the delivery of sustainable community services now and in the future.

Scope

This policy applies to all staff involved in asset life cycle management including planning, design/construction/acquisition, maintenance and operation of the Town's physical capital assets.

This policy applies to all physical assets identified in the Town's AMP.

Definitions

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

1. **Asset management (AM)** – the coordinated activity of an organization to realize value from assets. It considers all asset types, and includes all activities involved in the asset’s life cycle from planning and acquisition/creation; to operational and maintenance activities, rehabilitation, and renewal; to replacement or disposal and any remaining liabilities. Asset management is holistic and normally involves balancing costs, risks, opportunities and performance benefits to achieve the total lowest lifecycle cost for each asset (ISO 55000).
2. **Asset Management Plan (AMP)** – 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 (ISO 55000).
3. **Asset Management Steering Committee (AMSC)** – the Town has developed a steering committee to assist in developing and administering the Asset Management Plan. The AMSC is comprised of the following positions: Asset Management Coordinator, Asset Management Technician, Chief Administrative Officer, Clerk/Director of Corporate Services, Director of Finance (executive lead), Fire Chief, Director of Operations, Chief Building Official/Facility Manager, Director of Community Services and other delegated staff as appropriate.
4. **Capitalization threshold** – the value of a municipal infrastructure asset at or above which a municipality will capitalize the value of it and below which it will expense the value of it.
5. **County of Oxford** – herein is also referred to as the “County”.
6. **Green infrastructure asset** – an infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, storm water management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs.
7. **Level of service** – parameters, or combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers. Parameters can include, but are not necessarily limited to, safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability (ISO 55000).
8. **Lifecycle activities** – activities undertaken with respect to a municipal infrastructure asset over its service life, including constructing, maintaining, renewing, operating and decommissioning, and all engineering and design work associated with those activities.
9. **Municipal infrastructure asset** – an infrastructure asset, including a green infrastructure asset, directly owned by a municipality or included on the consolidated financial statements of a municipality, but does not include an infrastructure asset that is managed by a joint municipal water board.

Policy Statement

The Town of Ingersoll will implement a comprehensive Asset Management Plan (AMP) in alignment with the current strategic vision and mission, the requirements of the Building Together Guide for Municipal Asset Management Plans, and Ontario Regulation 588/17. This inclusive framework sets out the strategic principles that will guide future investments that support economic growth and respond to changing needs in a fiscally responsible manner.

Strategic Alignment

Our vision of 'Working together with our community to provide quality services' requires alignment of the many initiatives underway in our organization at any given time in order for it to be achieved. This alignment is necessary to properly consider whether the level of service provided by our existing and planned assets is congruent and supports our vision.

Asset management planning therefore will not occur in isolation from other Town goals, plans, and policies. Rather, an integrated approach will be followed to successfully develop practical asset management plans that align with the overarching accountabilities and aspirations of our community. The elements of our asset management planning approach keep us mindful of the goals described in our Council Strategic Priorities Plan.

Key Policies and Plans

The following key strategic documents form part of the Town's overall approach to asset management:

Organizational Strategic Plans and Council Strategic Priorities Plan

Asset management approach incorporates the Council of the Town of Ingersoll Strategic Priorities Plan as it relates to "ensuring the safety/well-being of Citizens and maintaining infrastructure". The Strategic Priorities Plan sets out a list of priorities to ensure future economic growth and responds to changing social and environmental needs.

Asset Management Plan

Provides information on the state of the Town's physical assets. This information is used in capital assets investment decisions as part of the annual budget and long-range financial planning process. It sets out the overall strategy and processes on how these assets are being managed through their lifecycle in support of the delivery of services.

County of Oxford Official Plan

Provides the criteria and direction for growth surrounding asset decision-making processes.

Long Range Capital Plan

The capital plan consists of a capital budget and capital implementation program over a 10 year horizon. The plan identifies capital projects and equipment purchases, provides a planning schedule and identifies funding sources.

Master Plans

The AMP utilizes and incorporates various master plans (including but not limited to the Transportation Master Plan, Cycling Master Plan and Community Improvement Plan), in turn the Asset Management Plan may influence future plans and recommendations.

Guiding Principles

The Town of Ingersoll strives to provide exceptional municipal service and value. The Town has incorporated the fourteen (14) principles required under the *Infrastructure for Jobs and Prosperity Act, 2015* into the principles below:

Forward looking

The Town will take a long-term view and provisions to enable its assets to meet future challenges including changing demographics and populations, economic trends, environmental factors and community expectations.

Service Focused

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

Community Focused

The Town will promote community benefits and apply asset management practices by improving the well-being of the community, encouraging local job creation, refining public spaces within the Town, and promoting accessibility for persons with disabilities. The Town will strive to strengthen the confidence of its residents in how the Town assets are managed.

Budgeting, Planning and Prioritizing

The Town will take into account short-term and long-term capital and operating budgets and will clearly identify infrastructure priorities based on balancing risks, public safety, service levels and costs.

Transparency

The Town must ensure asset management decisions are evidence-based and transparent and based on information that is publicly available.

Environmental Conscious

The Town will 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
- Endeavour to make use of acceptable recycled materials when practicable.

Innovation

The Town will continually 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 Town will maintain compliance with all legislation, regulatory and statutory requirements and with other requirements as determined by the Town. 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.

Sustainability

The Town will endeavour to achieve and retain an optimum compromise between performance, costs and risk of the asset life, while avoiding adverse long-term impacts to the organization from short-term decisions.

Governance & Continuous Improvement

The Council of the Town of Ingersoll is entrusted with the responsibility of overseeing, on behalf of citizens, a large range of services provided through a diverse portfolio of assets. The Council, having stewardship responsibility, is the final decision maker on all matters related to asset management in the Town.

The Council and the executive lead are committed to the success of asset management planning.

Within asset management planning, the Council is responsible for:

- Acting as the representatives of the public and advocates from the community's perspectives when managing the Town's assets.
- Approving by resolution the Asset Management Plan and its updates every five years;
- Conducting annual reviews of management plan implementation progress on or before July 1 of every year; and
- Supporting ongoing efforts to improve and implement the asset management plan.

The executive lead is ultimately responsible for asset management planning across the Town and maintaining compliance with the regulation.

The department leads are responsible for asset management planning activities that fall within their service area and in support of others.

The AMSC's role is to provide guidance, input and direction on asset management planning processes, policies and strategies.

Council's annual asset management reviews are the basis of the Town's approach for continually improving its methods and adopting appropriate practices. The annual review will be completed in consultation with the AMSC. It will include:

- Progress on ongoing efforts to implement the asset management plan;
- Consideration of the asset management policy;
- Any factors affecting the ability of the Town to implement its asset management plan;
- Consultation with department leads, and
- A strategy to address these factors including the adoption of appropriate practices.

Budget Process

The Town will integrate asset management data into its long-term financial planning and budgeting processes. Sound financial analysis will be incorporated in asset management planning establishing the Asset Management Plan as a sought-after guide to assist with budgeting and financial planning. Developing and refining financial strategies will be completed by a multi-disciplinary team that will include representative(s) from Finance and the concerned service area.

The Asset Management Plan will be referenced by the service area personnel in the preparation of their budget submission to help them:

- Identify 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.

Service area staff will work closely with financial staff in the preparation of the operating and capital budgets to ensure that the lifecycle activities budgeted are necessary to achieve expectations of levels of service, and accommodate growth over the 10-year capital planning horizon.

Climate Change

The Town will consider the risks and vulnerabilities of capital assets to climate change and the resulting actions that may be required. The Town will ensure alignment with local, County, provincial and national policies and strategies including construction standards, water use policies and energy standards.

Commitment will be made to the development of tailored actions that make the best use of our resources to mitigate and adapt to climate change, in accordance with our local reduction targets, financial capacity and stakeholder support.

A balance will be struck between levels of service delivered through operations, lifecycle management, maintenance schedules, disaster response plans, contingency funding and capital investments. The Asset Management Plan will encompass this sustainable approach to climate change mitigation and adaptation.

Land Use Planning Framework

The Town will align asset management planning with the Province of Ontario's land-use planning framework, including any relevant policy statement issued under section 3(1) of the Planning Act and any Provincial Plans that are in effect, as well as with the County of Oxford's Official Plan. The objective being to ensure that infrastructure and public service facilities are provided in a coordinated, efficient and cost-effective manner and that planning for infrastructure and public service facilities is coordinated and integrated with land use planning so that they are financially viable over their life cycle and available to meet current and projected needs.

To accomplish this objective, the Town will consult with the County of Oxford when the Official Plan is being prepared and/or reviewed and the direction established through the Official Plan and any supporting studies, assumptions and data will be referenced in the development of asset management plans and any supporting studies and documents.

Capitalization Thresholds

The Asset Management Policy applies to all assets whose role in service delivery requires deliberate management by the Town. The service-focus intent of this policy differentiates its requirements for identifying assets from the capitalization thresholds which are developed for the purposes of 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.

Stakeholder Engagement

The Input of the public is integral to the success of the asset management process. As such, the Town recognizes the residents, businesses, institutions on its territory as stakeholders and neighboring municipal bodies, provincial agencies, and regulated utilities partners in service delivery. Accordingly, the Town will foster informed dialogue with these parties using the best available information and engage with them by:

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