



The Corporation of the
TOWN OF THESSALON

STRATEGIC ASSET MANAGEMENT POLICY

PURPOSE:

The purpose of this policy is to ensure the development of the Town's asset management program, including roles and responsibilities, to facilitate logical and informed decision-making for the management of the Town's infrastructure, and to support the delivery of sustainable community services.

By using sound asset management practices, the Town can ensure that all infrastructure assets meet performance levels and continue to provide desired service levels in the most efficient and effective manner.

This policy demonstrates an organization-wide commitment to the good stewardship of infrastructure assets, and the adoption of best practices regarding asset management planning.

BACKGROUND:

Asset Management is a broad strategic framework that encompasses many disciplines and involves the entire organization. The term asset management as used in this document is defined as "the application of sound technical, social and economic principles that considers present and future needs of users, and the service from the asset". Asset Management aims to leverage the lowest total lifecycle cost of ownership with appropriate regard for required service levels that best meets the needs of the community and an understanding about an acceptable risk of failure.

This policy document guides how staff and Council will interact with the Town of Thessalon's Asset Management Plan, a document that outlines procedures regarding the inventorying of, renewal and replacement levels for assets when considering financial planning and forecasting capital plans.

Asset management refers to the policies, practices and procedures that combine to make the best possible decisions regarding the building, operating, maintaining, renewing, replacing and disposing of infrastructure assets. Furthermore, asset management is an organization-wide process that involves the coordination of activities across multiple departments. As such, it is useful to implement a structured and coordinated approach to outlining the activities, roles and responsibilities required of the Town's staff and the key principles that should guide all asset management decision-making.

COVERAGE:

This policy shall cover all assets owned by the Town of Thessalon.

POLICY STATEMENTS:

- a) The Town will implement a municipal asset management program through all departments. The program will promote lifecycle and risk management of all assets, with the goal of achieving the lowest total cost of ownership while meeting desired levels of service.
- b) The Town will develop and maintain an asset inventory of all capital assets which includes unique id, description, location information, value (both historical and replacement), performance characteristics and/or condition estimated remaining life and estimated repair, rehabilitation or replacement date; and estimated cost for the repair, rehabilitation or replacement.
- c) The Town will develop an asset management plan that incorporates all infrastructure categories and asset that meet the capitalization threshold outlined in the organization's Tangible Capital Asset Policy, and it will be updated on a biennial basis to promote, document and communicate continuous improvement.
- d) The Town will implement continuous improvement protocols and adopt best practices regarding asset management planning, including but not limited to:
 - Complete and Accurate Asset Data
 - Condition Assessment Protocols
 - Risk and Criticality Models

- Lifecycle Management
 - Financial Strategy Development
 - Level of Service Framework
- e) The Town will integrate asset management practices with its financial planning and budgeting strategies. This includes the development of financial plans that determine the level of funding required to achieve short term operating and maintenance needs, in addition to long-term funding needs to replace and/or renew assets based on full lifecycle costing.
- f) The Town will consider the risks and vulnerabilities of municipal capital infrastructure assets to climate change and the actions that may be required, including, but not limited to: anticipated costs that could arise from these impacts, adaptation opportunities, mitigation approaches and disaster planning. Impacts may include matter relating to operations, levels of service and lifecycle management. The Town will continue to consider annual contingency funding.
- g) The Town will ensure that asset management planning is aligned with the following financial plans:
- a. Financial reports related to the Town's water capital assets, including any financial plans prepared under the Safe Drinking Water Act, 2002; long-range capital plans developed as part of our Asset Management Plan; and annual Water Regulation and Rating By-laws.
 - b. Financial reports related to the Town's wastewater capital assets, including long-range capital plans developed as part of the Asset Management Plan; and annual Wastewater Regulation and Rating By-laws.
- h) The Town will align asset management planning with the Province of Ontario's land-use planning framework, including any relevant policy statements issued under section 3(1) of the Planning Act; shall conform with the provincial plans that are in effect on that date; and shall be consistent with municipal official plans.

- i) The Town is committed to coordinate planning for asset management, where municipal infrastructure assets connect or are interrelated with those of our neighbouring municipalities or jointly-owned municipal bodies.

KEY PRINCIPLES:

The Town shall consider the following principles when making decisions regarding asset management:

- a) identify all revenue and costs (including operation, maintenance, replacement and decommission) associated with infrastructure asset decisions, including additions and deletions when making informed decisions.
- b) Infrastructure planning and investment should consider any applicable budgets or fiscal plans.
- c) Infrastructure priorities should be clearly identified in order to better inform investment decisions.
- d) Infrastructure planning and investment should define and articulate services, maintenance and replacement levels.
- e) Infrastructure planning and investment should use available resources effectively and manage assets to be sustainable.
- f) Where provincial or municipal plans or strategies have been established in Ontario, under an Act or otherwise, but do not bind or apply to the Town, as the case may be, the Town should nevertheless be mindful of those plans and strategies and make investment decisions respecting infrastructure that support them, to the extent that they are relevant.
- g) Infrastructure planning and investment should promote accessibility for persons with disabilities.
- h) Infrastructure planning and investment should minimize the impact of infrastructure on the environment and respect and help maintain ecological

and biological diversity as well as infrastructure should be designed to be resilient to the effects of climate change.

- i) Infrastructure planning and investment should 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 the project, such as local job creation and training opportunities, improvement of public space within the community, and any specific benefits identified by the community.

ROLES AND RESPONSIBILITY:

Town policies are approved by Council. While staff, public and other agencies may provide input on the nature and text of the policy, Council retains the authority to approve, update, amend or rescind policies.

<u>Role</u>	<u>Responsibility</u>
Identification of issues, and development of policy updates	Council, Staff, Public and other agencies
Establish levels of service	Council, Staff, Public and other agencies
Exercise stewardship of assets, adopt policy and budgets	Council
Implementation of policy	Asset Management Plan Committee and Staff
Development of guidelines and practices	Asset Management Plan Committee and Staff
On-going review of policies	Asset Management Plan Committee and Staff

IMPLEMENTATION, REVIEW AND REPORTING OF ASSET MANAGEMENT WORK:

The implementation, review and reporting back regarding this policy shall be integrated within the Town’s organization. Due to the importance of this policy,

the Town’s asset management program shall be reported annually to the community, and implementation of this policy reviewed by Council at the mid-point of Council’s term.

<u>Action</u>	<u>Responsibilities</u>
Adopt Asset Management Policy	Council
Monitor and review infrastructure standards and level of service policies at established intervals	Asset Management Plan Committee and Staff
Develop and maintain infrastructure strategies including development and service plans	Asset Management Plan Committee and Staff
Develop and maintain asset inventories	Asset Management Plan Committee and Staff
Assess infrastructure condition and service levels	Asset Management Plan Committee and Staff
Establish and monitor infrastructure replacement levels through the use of full life cycle costing principles	Asset Management Plan Committee and Staff
Develop and maintain financial plans for the appropriate level of maintenance, rehabilitation, extension and decommission of assets	Asset Management Plan Committee and Staff
Report to residents on the status of the Town’s infrastructure assets and asset management plan. The channels may include reports, website, Municipal TV, etc.	Council

BILL ROSENBERG, MAYOR

April 15, 2019