

Department: Administration	Policy Number: F06-01876
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1.0 POLICY

To establish guidelines and procedures for managing Capital Assets owned by the Corporation of the Town of Espanola.

The Corporation of the Town of Espanola is committed to providing service to residents in a fiscally responsible manner that support a safe and healthy community in which to live, work and thrive. With this commitment in mind, assets must be managed in a way that allows the municipality to achieve its goals, plans and policies.

2.0 PURPOSE

The Town of Espanola provides a wide range of services to the community that require the ownership and responsible operation, maintenance and rehabilitation of physical assets including buildings, equipment, transportation, drainage, sewer and water infrastructure.

Asset management is an integrated approach, involving all of the Town of Espanola's departments, to delivering value to the community through the effective management of existing and new infrastructure assets.

A strategic asset management policy formalizes the Municipality's commitment to asset management, aligns its asset management actions with strategic goals and objectives, and provides direction to guide Council, management and staff in carrying out its business strategies, plans and activities. This policy will support the Municipality in focusing its infrastructure efforts on managing risks, addressing priorities, and meeting short and long-term needs within the bounds of possible funding.

3.0 SCOPE

This policy applies to all assets owned by the Municipality whose role in service delivery requires deliberate management by the Municipality. The Municipality will use a service-based (qualitative) perspective when applying this policy to municipal assets, rather than a monetary value (quantitative).

The service-focus intent of this policy differentiates its requirements for identifying assets from the capitalization thresholds that 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 the asset management planning process.

4.0 DEFINITIONS

Asset Management (AM): Coordinated activities that help an organization to realize value from its assets. It encompasses all asset types – tangible and intangible, individual components or complex systems, and all activities involved in the asset’s life cycle. Asset management translates organizational objectives into asset-related decisions, plans and activities while managing risk.

Asset Management Plan: A strategic document that states how a group of assets are to be managed over a period of time. The plan describes the characteristics and condition of infrastructure assets, the levels of service expected from them, planned actions to ensure the assets are providing the expected level of service, and financing strategies to implement the planned actions.

Infrastructure: Municipal tangible capital assets primarily for public use or benefit in the Town of Espanola.

Level of Service: The desired level of service is defined as the indicator that defines service quality for a given action.

Useful Life: The useful life of an asset is an estimation of the length of time the asset can reasonably be used to generate income and be of benefit to the company. The actual length of the useful life for an asset will depend on the asset quality and frequency of its use.

Life Cycle Costs: The total cost of ownership over the life of an asset. This may include but is not limited to capital costs, operating costs, maintenance costs, renewal costs, replacement costs, environmental costs and user delay.

5.0 VISION

The Town of Espanola’s vision is to proactively manage its assets to best serve the Municipality’s objectives, including:

- Prioritizing the need for existing and future assets to effectively deliver services,
- Supporting sustainability and economic development, and
- Maintaining prudent financial planning and decision making.

6.0 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.

7.0 STRATEGIC ALIGNMENT

The Town of Espanola has developed and adopted a Strategic Plan, an Official Plan, an Emergency Management Plan, a Community Improvement Plan, and an Asset Management Plan. These plans were designed to meet the legislative requirements and work together to support the Town of Espanola's vision of having a safe, healthy community in which to live, work and thrive. Spending requirements defined in the budgeting process and in long-term financial planning will reflect the objectives of these plans.

All of the Municipality's plans rely to some extent on the physical assets owned by The Town of Espanola and the commitment of staff to ensure their strategic use. This includes the long-term maintenance, repair, and replacement of existing assets along with the acquisition of new assets to meet the evolving needs of the Municipality.

Asset management planning therefore will not occur in isolation from other municipal goals, plans and policies.

8.0 STAKEHOLDER ENGAGEMENT

The policy requires the commitment of key stakeholders within the Municipality's organization to ensure the policy contains a clear plan that can be implemented, reviewed and updated. The Town of Espanola is committed to provide opportunities to engage with the public by hosting public information sessions for major capital projects.

The Council and senior management are committed to the success of asset management planning. The following details the responsibilities of the key stakeholders within the Municipality:

CAO/Treasurer

- The CAO/Treasurer will maintain compliance with the Strategic Asset Management policy and provincial asset management regulations.
- The CAO/Treasurer will oversee the policy implementation and ensure both the Asset Management Plan and the Strategic Asset Management policy is in compliance with Provincial Asset Management regulations.
- The CAO/Treasurer will ensure that current and long range asset requirements are incorporated into the budget presented to Council annually.

Department Managers

- Department Managers will be responsible for providing insight and knowledge into their respective departments, bringing forward service levels and historical data for use in the plan.
- Department Managers will be responsible to complete an Asset Acquisition/Sale/Disposal form ("Schedule A") when purchasing and disposing of capital assets.
- Department Managers will also be responsible to complete and Asset Maintenance form ("Schedule B") when maintenance is performed on a capital asset extending the useful life of the asset.

Council

- Council will have the responsibility by bylaw to establish, review, amend and enact the Tangible Capital Asset policy and the Strategic Asset Management policy.

9.0 GUIDING PRINCIPLES

The Infrastructure for Jobs and Prosperity Act, 2015 sets out principles to guide asset management planning in municipalities in Ontario. The Town of Espanola will strive to incorporate the following principles whenever possible into the day to day operation of the Municipality:

- **Forward looking:** The Municipality shall take a long-term view while considering demographic and economic trends in the region.
- **Budgeting and planning:** The Municipality shall take into account any applicable budgets or fiscal plans, including those adopted through Ontario legislation.
- **Prioritizing:** The Municipality shall clearly identify infrastructure priorities which will drive investment decisions.
- **Economic development:** The Municipality shall promote economic competitiveness, productivity, job creation, and training opportunities.
- **Transparency:** The Municipality shall be evidence-based and transparent, basing decision on publicly shared information and make info available to the public.
- **Consistency:** The Municipality shall ensure the continued provision of core public services, such as transportation and protective services.
- **Environmentally conscious:** The Municipality 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 Municipality shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
- **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: 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 Municipality 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 Municipality 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.

10.0 COMMUNITY PLANNING

Asset management planning will be aligned with the Municipality's Official Plan. The asset management plans will reflect how the community is projected to change with respect to development. The Municipality will achieve this by consulting with those responsible for managing the services to analyze the future costs and viability of projected changes. The combination of lifecycle analysis and financial sustainability principles will be the driver in the selection of community development or redevelopment that requires new assets, or existing asset enhancements.

11.0 CLIMATE CHANGE

Climate change will be considered as part of the Municipality's risk management approach embedded in local asset management planning methods. This approach will balance the potential cost of vulnerabilities to climate change impact and other risks with the cost of reducing these vulnerabilities. Bolstering resilience to climate change includes adapting to opportunities to manage vulnerabilities, anticipating possible costs to support contingency funds, and disaster planning to allow for business continuity.

12.0 FINANCIAL PLANNING & BUDGETING

The Municipality will integrate asset management planning into the annual capital budget, operating budget, and its long-term financial plan. The asset management plan will be used as a resource in order to:

Identify all potential revenues and costs (including operating, maintenance, replacement and decommissioning) 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 department level budget submission prepared by each Senior Manager will be reviewed and evaluated by the CAO and Treasurer in the preparation of the Municipality's annual budget.

For the purposes of managing water and wastewater assets, the water and wastewater financial plans will be used as a basis for establishing user fees,

and master plans will be referenced in order to ensure alignment with the budgeting process.

13.0 BENEFITS OF COMPLIANCE

Implementing this policy will:

- Support the Town of Espanola’s vision of having a safe, healthy community in which to live, work and thrive.
- Be an enabler of the Town of Espanola’s mission of being “committed to serving the needs of our community by supporting the positive, well-balanced, economic and physical growth of the Town” (2013 mission statement); and
- Support achievement of the goals stated in the Strategic Plan.

Schedule A

ASSET ACQUISITION/SALE/DISPOSAL FORM

1. ASSET DETAIL (Acquired/Purchased)

Item Description: _____ In Service Date: _____

Price: \$ _____ HST Amount: \$ _____ Life Cycle (Estimated useful life): _____

Department: _____ Intended use: _____

Year & Model: _____ Replacement Cost: \$ _____

2. ASSET DETAIL (Sold/Disposed)

Item Description: _____ Sale/Disposal Date: _____

Method of Sale/Disposal: _____ Proceeds from Sale/Disposal: \$ _____

Details of Sale/Disposal: _____

Department: _____ Year & Model: _____

FINANCE DEPARTMENT DETAIL

Invoice #: _____ Cheque/Payment #: _____

Insurance Company: _____ Policy Name/#: _____

Policy Value: \$ _____

Submitted by (signature): _____ Date: _____

Schedule B
ASSET MAINTENANCE FORM

1. ASSET MAINTENANCE DETAIL

Item Description: _____

Date Maintenance was performed: _____ Cost: \$ _____

HST Amount: \$ _____ Life Cycle (Estimated useful life): _____

Department: _____ Intended use: _____

Year & Model: _____ Replacement Cost: \$ _____

Additional Information: _____

2. FINANCE DEPARTMENT DETAIL

Invoice #: _____ Cheque/Payment #: _____

Submitted by (signature): _____ **Date:** _____