

**Title:**

Strategic Asset Management Plan Policy

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F9

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**Applies to:**

Corporation of the Municipality of Casselman

# Strategic Asset Management Plan Policy

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## **1. Policy Statement**

### **1.1. Strategic Alignment**

Our vision to maintain a safe community with sustainable growth 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 evaluate whether the level of service provided by our existing and planned assets is congruent and support our vision.

Asset management planning will not occur in isolation from other municipal 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.

### **1.2. Guiding Principles**

1.2.1 The Municipality will have clearly defined levels of service and apply asset management practices to maintain the confidence of customers in how Municipal assets are managed.

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

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

1.2.4 The Municipality will choose practices, interventions and operations that aims to reduce the lifecycle cost of asset ownership, while satisfying agreed levels of service. Decisions are based on balancing service levels, risks, and costs.

### **1.3. Climate Change**

The Municipality commits to the development of tailored actions that make the best use of its resources to mitigate and adapt to climate change. The Municipality will tailor these actions by striking a balance between its organizational capacity, financial and stakeholder support, and the local risks and vulnerabilities related to climate change.

## **2. Policy Application**

### **2.1. Governance & Continuous Improvement**

Council, having stewardship responsibility, is the final decision maker on all matters related to asset management in Municipality. The Council and the executive lead are committed to the success of asset management planning.

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Within an asset management plan, Council is responsible for:

- 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 municipality and maintaining compliance with the regulation. Department heads are responsible for asset management planning activities that fall within their service area and in support of others.

### **2.2. Stakeholder Engagement**

The ultimate goal of the municipality is to efficiently provide its various stakeholders with the municipal services they need within the bounds of regulatory requirements, the built environment, and the natural environment. In order to achieve this goal, it is necessary that the municipality understand the needs of current stakeholders, consider the needs of future generations, and incorporate these perspectives into asset management plans.

### **2.3. Capitalizing Thresholds**

The Asset Management Policy applies to all assets whose role in service delivery requires deliberate management by the Municipality. 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.

## **3. Policy Requirements**

### **3.1. Budgeting**

The asset management plans and progress made will be considered annually in the creation of the municipality's capital budget, operating budget, and long-term financial plan. It's the service area personnel that 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 years to be budgeted for.

The budgets thus prepared by each service area will then be processed in accordance with the broader municipal budgeting process.

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Financial services personnel will be involved in asset management planning to facilitate the bridge between:

- The financial strategy developed in the asset management plan(s);
- The budget submissions of each service area; and
- The overall budgeting process they ultimately oversee.

Financial services, water services, and wastewater services personnel will work together to align the financial strategy developed in the asset management plan with the financial plans related to the water and wastewater assets. The alignment will stem from a multi-disciplinary team, common analytical methods followed, and common data, sources used.

### **3.2. 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 and the related asset impacts. The Municipality will achieve this with the following:

- Those responsible for managing services impacted by development or redevelopment will:
  - o Be consulted while the community plan is being prepared;
  - o Provide input to the analysis of future servicing costs; and
  - o Provide written comment about the financial viability of development as it pertains to the service they manage.
- Methods, assumptions, and data used in the selection of development or redevelopment initiatives documented in the community plan will be available in support of the production of asset management plans.

## **4. Reference and Legislative Authority**

### **4.1. By-law 2019-039**

### **4.2. *Municipal Act, 2001*, 5.0 22001, Chapter 25**

### **4.3. Section 4 of Ontario Regulation 588/17 titled Asset Management Planning for Municipalities.**