

The Township of Bonnechere Valley Policy and Procedures			
SECTION: Asset Management			POLICY #: AMP-01
POLICY: Asset Management Strategic Policy			
DATE:	REV. DATE:	COVERAGE: All Departments	PAGE #: 1 of 4

VISION:

Our vision to maintain an affordable (a safe) community with orderly and efficient development (sustainable growth), requires the coordination (alignment) of the many initiatives underway in our organization at any given time in order for it to be achieved. This coordination (alignment) is necessary to properly consider whether the level of service provided by our existing and planned assets is congruent and supports our vision.

GOVERNANCE AND CONTINUOUS IMPROVEMENT:

The Council of the Corporation of the Township of Bonnechere Valley is entrusted with the responsibility of overseeing a large range of services provided through a diverse portfolio of assets. Council, having stewardship responsibility, is the final decision maker on all matters related to Asset Management. This approval of the asset management process and plan ensures the asset management directly aligns with the corporate strategic direction. The Council, Clerk-Treasurer, Public Works Superintendent, Water and Sewer Manager and Fire Chief are committed to the success of asset management planning.

Provincial Regulation (O.Reg. 588/17 – Asset Management Planning for Municipal Infrastructure) requires the Township of Bonnechere Valley to prepare, and Council to approve a Strategic Asset Management Policy by July 1, 2019 under the *Infrastructure for Jobs and Prosperity Act, 2015, S.O. 2015, c. 15*. This regulation requires that the Township of Bonnechere Valley review this policy every five years thereafter.

Within asset management planning, Council is responsible for:

- Approving by resolution the asset management plan and its updates every five years;
- Conducting annual reviews of the asset 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 Clerk-Treasurer is ultimately responsible for asset management planning across the Township of Bonnechere Valley 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.

The budget process is the basis of the Township’s approach for continually improving its methods and adopting appropriate practices. The annual review will be completed in consultation with the Township’s Operations, Public Works, Water & Sewer, Fire and Finance and Administration Committees and 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 Township of Bonnechere Valley to implement its asset management plan;
- Consultation with Department Heads; and
- A strategy to address these factors including the adoption of appropriate practices.

STRATEGIC ALIGNMENT:

Asset management planning will not occur in isolation from other Township of Bonnechere Valley goals, plans, and policies. 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 Strategic Plan, Official Plan, and Procurement Policy, as they influence our Asset Management Plan and 10 year Capital Plan.

GUIDING PRINCIPLES:

The *Infrastructure for Jobs and Prosperity Act, 2015* sets out key guiding principles for infrastructure priority setting, planning, and investment of the asset management policy and the Township of Bonnechere Valley will strive to incorporate the following principles whenever possible:

Forward Looking: The Township of Bonnechere Valley will make the appropriate decisions and provisions to better enable its assets to meet future challenges, including changing demographics and populations, council adopted service levels, legislative requirements, technological and environmental factors.

Budgeting and Planning: The Township of Bonnechere Valley shall take into account any applicable budgets or fiscal plans, such as fiscal plans released under the following:

1. *Fiscal Transparency and Accountability Act, 2004*; and
2. Budgets adopted under Part VII of the *Municipal Act, 2001*.

Prioritizing: The Township of Bonnechere Valley shall clearly identify infrastructure priorities which will drive investment decisions. The Township of Bonnechere Valley Asset Management Plan promotes lifecycle and risk management of all municipal infrastructure assets, with the goal of achieving the lowest total cost of ownership while meeting the Township's desired levels of service.

Economic Development: The Township of Bonnechere Valley shall promote economic competitiveness, productivity, job creation, and training opportunities as identified in the Economic Development Action Plan.

Transparency: Asset management decisions 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 of Bonnechere Valley shall:

1. Make decisions with respect to infrastructure based on information that is publicly available or made available to the public; and
2. Share information with implications on infrastructure and investment decisions with the Government and broader public sector entities.

Consistency: The Township of Bonnechere Valley shall ensure the continued provision of public services within our community.

Environmentally Conscious: The Township of Bonnechere Valley 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. Endeavouring to make use of acceptable recycled aggregates.

Health and Safety: The Township of Bonnechere Valley shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.

Community Focused: The Township of Bonnechere Valley 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. In co-operation with the Township of Bonnechere Valley's Accessibility Advisory Committee, promote accessibility for persons with disabilities.

Innovation: The Township of Bonnechere Valley 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 of Bonnechere Valley 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 THRESHOLDS:

The capitalization threshold policy (TCA-04 - Tangible Capital Assets – Thresholds) developed for financial reporting will be the initial guide in selecting the assets covered by asset management planning processes. However, there are some larger assets that have many sub components that do not, on their own, qualify for capitalization based on a dollar threshold. 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. Therefore, additional items may be managed by this policy that are not also on the financial asset listings.

BUDGETING:

The asset management plans and progress made on the plans, will be considered annually in the creation of the Township of Bonnechere Valley's 10 year capital plans, capital budgets and operating budgets. Department Heads are responsible to reference the asset management plan for their area in order to:

- Confirm 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 prepared by each department will then be processed in accordance with the broader municipal budgeting process.

The Clerk-Treasurer will be involved in asset management planning to facilitate the bridge between:

- The 10 year capital plans;
- The annual budget submissions of each department; and
- The financial strategy developed in the asset management plan(s);

COMMUNITY PLANNING:

The Township of Bonnechere Valley 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 the Township of Bonnechere Valley's Official Plan.

CLIMATE CHANGE:

Climate change will be considered as part of the Township of Bonnechere Valley's risk management approach embedded in local asset management planning methods. 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 operations, maintenance schedules, emergency response plans, contingency funding, and capital investments. The Township of Bonnechere Valley's 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 Township of Bonnechere Valley will coordinate planning for interrelated municipal capital infrastructure assets and projects by pursuing collaborative opportunities with

neighbouring and local municipalities and regulated utilities wherever viable and beneficial.

RELATED DOCUMENTS:

Asset Management is multi-faceted and impacts all areas of the organization. The following policies, frameworks and plans are impacted by, or impact, the Policy:

- Strategic Plan
- Official Plan
- Asset Management Plan
- 10 Year Capital Plan
- Emergency Response Plan
- Energy Management Plan
- Procurement of Goods and Services
- TCA-01 –Tangible Capital Assets – Definitions
- TCA-02 – Tangible Capital Assets – Asset Valuation
- TCA-03 – Tangible Capital Assets – Asset Categories
- TCA-04 – Tangible Capital Assets – Thresholds
- TCA-05 – Tangible Capital Assets – Valuation Techniques
- TCA-06 – Tangible Capital Assets – Amortization
- TCA-07 – Tangible Capital Assets – Whole Asset Component Approach
- Annual Capital and Operating Budgets