



TOWNSHIP OF  
ASHFIELD-COLBORNE-WAWANOSH

# Asset Management Policy

DATE: December 17, 2024

BY-LAW NO.: 91-2024

## 1. Background

The Corporation of the Township of Ashfield-Colborne-Wawanosh is committed to managing its assets in a way that best serves the Township's strategic objectives, including:

- Advancing service excellence,
- Cultivating community trust,
- Championing environmental practices,
- Supporting economic growth, and
- Promoting safety and well-being.

## 2. Purpose and Guiding Principles

The purpose of this policy is to establish consistent standards and guidelines for management of the Township's assets applying sound technical and economic principles that consider present and future needs and the service expected from the assets. The standards and guidelines must adhere to the following:

### 2.1 Statutory Requirements

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

- **Forward looking:** The Township shall take a long-term view while considering demographic and economic, and climate trends.
- **Budgeting and planning:** The Township shall consider any applicable budgets or fiscal plans, including those adopted through Ontario legislation (*Municipal Act, Development Charges Act, Safe Drinking Water Act, etc.*)
- **Prioritizing:** The Township shall clearly identify infrastructure priorities to better inform investment decisions.
- **Economic development:** The Township shall promote economic competitiveness, productivity, job creation, and training opportunities.
- **Transparency:** The Township shall be evidence-based and transparent. The Township shall make decisions with respect to infrastructure based on information that is publicly available or made available to the public.
- **Consistency:** The Township shall ensure the continued provision of core public services, such as safe drinking water and reliable transportation services.
- **Environmental conscious:** The Township shall minimize the impact of infrastructure on the environment by respecting and helping maintain ecological and biological diversity, by

augmenting resilience to effects of climate change and by endeavour to make use of acceptable recycled aggregates.

- **Health and safety:** The Township shall ensure that the health and safety of workers, customers, and others is protected, including those involved in the construction and maintenance of infrastructure assets.
- **Community focused:** The Township 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 local job creation and training opportunities, improvement of public spaces within the community, and promoting accessibility for persons with disabilities.
- **Innovation:** The Township 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.

## 2.2 Existing Plans and Policies

The Township has developed and adopted an Official Plan, a Strategic Plan, an Emergency Management Plan, a Multi-Year Accessibility Plan, and an Asset Management Plan. These plans were designed to meet the legislative requirements and work together to achieve the Township's priorities for service delivery. These plans will be reviewed regularly by staff and annual spending requirements in support of the plans' objectives will be incorporated into the budgeting process.

All the Township's plans rely, to some extent, on the physical assets owned by the Township 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 in the Township.

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

## 3. Definitions

In this policy the following definitions are used:

**Asset management (AM)** – the coordinated activity of an organization to realize value from assets.

**Asset management plan (AMP)** – 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.

Capitalization threshold – is the minimum cost of an asset that an organization will capitalize in its accounting system. Assets that cost less than the threshold are expensed, as per the Township Tangible Capital Asset (TCA) Policy.

**Infrastructure** – municipal tangible capital assets primarily for public use or benefit in Ontario.

## 4. Governance, Roles and Responsibilities

The policy requires the commitment of key stakeholders within the Township's organization to ensure the policy contains a clear plan that can be implemented, reviewed and updated. The following details the responsibilities of the key stakeholders within the Township:

### Council

- Approve by resolution the asset management plan and its updates every five years
- Review asset management plan implementation progress on or before July 1 of every year; that includes:
  - Progress on ongoing efforts to implement the asset management plans.
  - Consideration of the asset management policy.
  - Any factors affecting the ability of the Township to implement its asset management plan.
  - Consultation with department leads.
  - A strategy to address these factors including the adoption of appropriate practices.
- Support ongoing efforts to continuously improve and implement the asset management plans.

### Chief Administrative Officer

- Provide strategic guidance to maintain compliance with the asset management policy and provincial asset management regulation.

### Treasurer

- Lead the development of the AM policy, policy updates, and presentation to Council.
- Provide organization-wide leadership in AM practices and concepts.
- Identify resources required for implementation of the strategic asset management policy and plan.
- Coordinate annual reporting on the status and performance of the AMP.
- Periodic review of the Strategic Asset Management Policy and AMP, at least every five years.
- Complete financial analysis and financial strategies to support the AMP and incorporate these strategies into the budget.
- Incorporate lifecycle costing and levels of service considerations when evaluating competing asset investment needs and developing asset management strategies.

### Deputy Treasurer

- As Asset Management Coordinator, assist in the development and implementation of the Township's asset management program to maintain compliance with the asset management policy and provincial asset management regulation.

### Public Works Superintendent

- As Technical Lead, assist in the development of the policy and policy updates and presentation to Council.
- Assist with annual reporting on the status and performance of the AMP.
- Incorporate lifecycle costing and levels of service considerations when evaluating competing asset investment needs and developing asset management strategies.
- Oversee the AM practices and concepts organization-wide and ensure they are being applied consistently.

- Define levels of service measures/metrics and suggest proposed levels of service targets.
- Assist with the development of lifecycle costing and levels of service for all assets.
- Ensure completeness and accuracy of the asset data in the AMP
  - Identify data gaps and develops a strategy to address

### **Department Heads**

- Oversee asset management planning activities that fall within their service area and in support of others.
- Provide corporate oversight to goals and directions and ensure the AM program aligns with the Township’s strategic plans and master plans.
- Provide departmental staff coordination on maintaining and updating the AMP, as required.

## **5. General Policy**

### **Budgeting**

The asset management plan and progress made on the plan will be considered annually in the development of the Township’s capital budgets, operating budgets, and long-term financial plans.

Department heads will reference the asset management plan in order to look up forecasted spending needs, verify progress, identify potential gaps, and prioritize spending needs as part of the budget process.

The Treasury Department will be involved in the asset management planning process to coordinate the information from department heads in the preparation of the budget submission. The financial analysis used for water asset management plans will align with existing financial plans related to these assets through the use of common methods and the most up-to-date information from the same datasets.

### **Capitalization Threshold**

The Township’s asset management policy applies to all assets whose role in service delivery requires deliberate management by the Township. 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 in the current Tangible Capital Asset (TCA) Policy for financial reporting will not be the guide in selecting the assets covered by the asset management planning process.

### **Community Planning**

Asset management planning will be aligned with the Township’s Official Plan. The asset management plan will reflect how the community is projected to change and the related asset impact. The Township will achieve this by consulting with those responsible for managing the services to analyze the future costs and viability of projected changes.

## **Climate Change**

Climate change will be considered as part of Township'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, disaster response plans, contingency funding, and capital investments. The Township's contribution to climate change through greenhouse gas emissions will be mitigated in accordance with local conservation targets, financial capacity, and stakeholder support.

## **Stakeholder Engagement**

The Township 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 Township 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 Township to provide input in asset management planning.
- Coordinating asset management planning with other infrastructure asset owning agencies such as municipal bodies and regulated utilities.