



The Corporation of the Township of Chapple

Subject: Asset Management Policy	Approval Date: June 11, 2019	Policy: No. 39
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1. Purpose

The Corporation of the Township of Chapple is committed to providing services to residents in a fiscally responsible manner that support a healthy and vibrant community. With this commitment in mind, assets must be managed in a way that allows the Township to achieve its goals, plans and policies.

2. Vision

The Township of Chapple'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.

3. Objectives

The objectives of this policy are to:

- Provide a consistent framework for implementing asset management throughout the organization, and
- Provide transparency and accountability and to demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels and risk.

4. Strategic Alignment

The Council and senior management will review this policy and incorporate it into the asset management planning approach that fosters the integration of municipal documents such as:

- Strategic Plan
- Water Plant Financial Plan
- Community Improvement Plan
- Accessibility Plan
- Official Plan
- Investment Policy

5. 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.

The municipality recognizes them as an integral part of the asset management approach. Accordingly, the municipality will:

- Provide opportunities for residents and other stakeholders served by the municipality to provide input in asset management planning; and
- Coordinate asset management planning with other infrastructure asset owning agencies such as municipal bodies and regulated utilities.

6. Guiding Principles

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

- **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 health care and education.
- **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.

7. Community Planning

The combination of lifecycle analysis and financial sustainability principles will be the driver in the design and selection of community development or redevelopment that requires new assets, or existing asset enhancements, to take place. Parties involved in

the development of the asset management plans will reference the direction established in the community plan as well as the methods, assumptions, and data used in its development. The aim of cross-referencing these plans is to ensure that development and redevelopment occur within the Municipality's means through an understanding of current and future asset needs.

8. Climate Change

Climate change will be considered as part of Municipality'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 Municipality's contribution to climate change through greenhouse gas emissions will be mitigated in accordance with its local reduction targets, financial capacity, and stakeholder support.

9. Capitalization Thresholds

The service rendered by an asset will be the determining factor of whether or not to include it in asset management plans. It is the assets whose role in service delivery requires deliberate management by the municipality that will thus be included in the asset management plan. The threshold used to determine which assets are to be included in the asset management plan is therefore a guideline for the application of Council-endorsed principles in professional judgment. This qualitative approach is unlike the quantitative and dollar value-based methodology prescribed in the tangible capital asset policy

10. Budgeting

The asset management plans and progress made on the plans will be considered annually in the creation of the municipality's capital budgets, operating budgets, and long-term financial plans. It is 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.

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.

11. Governance and Continuous Improvement

The policy requires the commitment of key stakeholders within the Municipality's organizational structure. The following details the responsibilities of the key stakeholders within the Township of Chapple:

Council

- Approve by resolution the asset management plan and its updates every five years;
- Conduct annual reviews of 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 municipality to implement its asset management plans;
 - Consultation with department leads; and
 - A strategy to address these factors including the adoption of appropriate practices; and
- Support ongoing efforts to continuously improve and implement the asset management plans.

Chief Administrative Officer

- Maintain compliance with the asset management policy and provincial asset management regulation.

Department Leads

- Oversee asset management planning activities that fall within their service area and in support of others

