



Municipality of Meaford Corporate Policy

Policy: Strategic Asset Management

Department: Financial Services & Infrastructure Management

Last Revision: May 2019

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Policy Statement

The Municipality of Meaford is committed to proactively managing its assets to best serve the Municipality's objectives, including:

- Effectively delivering services;
- Supporting sustainability and economic development; and
- Maintaining prudent financial planning and decision making

The policy will apply to all tangible assets owned, operated, and/or maintained by the municipality. It will apply to the activities and information that supports their planning, commissioning, maintenance, and disposal.

Purpose

This policy aims to:

- Communicate to stakeholders the management principles and approach endorsed by the Municipality;
- Provide transparency and demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels, and risks; and
- Commit the Municipality to support the implementation of asset management methods that are consistent with the organization and meet Council's priority objectives.

Definitions

Asset – Any Item, thing or entity that has potential or actual value to the organization.

Asset management (AM) – the coordinated activity of an organization to realize value from assets. It considers all asset types, and includes all activities involved in the asset's life cycle from planning and acquisition/creation; to operational and maintenance activities, rehabilitation, and renewal; to replacement or disposal and any remaining liabilities. Asset management is holistic and normally involves balancing costs, risks, opportunities and performance benefits to achieve the total lowest lifecycle cost for each asset

Asset management plan (AMP) – Documented information that specifies the activities, resources, and timescales required for an individual asset, or a grouping of assets, to achieve the organization's asset management objectives. Under O. Reg. 588/17, by 2023 AMPs for core municipal infrastructure assets will be required to include the current levels of service being provided; the current performance of each asset category; a summary of assets in each asset category, their replacement cost, average age, condition information, and condition assessment protocols; lifecycle activities required to maintain current levels of service; discussion of population and economic forecasts; and documentation of processes to make inventory- and condition-related background information available to the public.

Asset Management Program - A set of processes and procedures which govern how Asset Management is to be implemented.

Green infrastructure asset – an infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, stormwater management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs.



Level of service – parameters, or combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers. Parameters can include, but are not necessarily limited to, safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability.

Lifecycle activities – activities undertaken with respect to a municipal infrastructure asset over its service life, including constructing, maintaining, renewing, operating and decommissioning, and all engineering and design work associated with those activities.

Sustainable - Achieving or retaining an optimum compromise between performance, costs and risk of the asset life, while avoiding adverse long term impacts to the organization from short term decisions.

Policy Requirements

Strategic Alignment

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. The elements of our asset management planning approach keep us mindful of the goals described in our Strategic Plan, Financial Plans, Operational Plans, Emergency Management and Business Continuity Plans, Official Plans, and leverage our Community Plans, Master Plans, and other guiding documents.

Guiding Principles

The principles presented in this section includes the municipal derived Asset Management principles and is connected to the Municipality's strategic objectives.

Customer Focused

The Municipality will have clearly defined levels of service and apply asset management practices to maintain the confidence of stakeholders in how municipal assets are managed and in compliance with legislation and regulations.



Service Focused

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

Risk-based

The Municipality will manage the asset risk associated with attaining the agreed upon 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.

Value-based affordable

The Municipality will choose practices, interventions and operations that aim at reducing the lifecycle cost of asset ownership, while satisfying agreed levels of service. Decisions are based on balancing service levels, risks, and costs, and will be supported through asset management, work management and geographic information system (GIS) software and applications to track the performance of the assets and the services delivered by the Municipality.

Mandated Principles

The principles presented in this section include the required principles from the Infrastructure for Jobs and Prosperity Act, 2015.

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, such as fiscal plans released under the following:

1. Fiscal Transparency and Accountability Act, 2004
2. Budgets adopted under Part VII of the Municipal Act, 2001
3. Budgets adopted under Part VII of the City of Toronto Act, 2006

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. Additionally, subject to any prohibitions under an Act or otherwise by law on the collection, use, or disclosure of information, the municipality shall:

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

Consistency

The Municipality shall ensure the continued provision of core public services, as legislated.

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. Endeavouring 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 consider 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.

Capitalization Thresholds

The service rendered by an asset will be the determining factor of whether or not to include it in the asset management plans. An asset with a 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 judgement. This qualitative approach is unlike the quantitative and dollar value-based methodology prescribed in the Tangible Capital Asset (TCA) Policy.

Governance and Continuous Improvement

Council is entrusted with the responsibility of overseeing, on behalf of citizens, 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 in the municipality. Council and Senior Management are committed to the success of asset management planning and the delivery of the program.

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 management plan implementation progress on or before July 1 of every year; and
- Approve asset funding to ensure required financial stability to the Asset Management program through the annual budget.

The Chief Administrative Officer, supported by User Department Directors, is ultimately responsible for asset management planning across the municipality and maintaining compliance with the regulation. The Manager of Assets, Senior Management and User



Department Managers are responsible for asset management planning activities that fall within their service area and in support of others.

Council's annual asset management reviews are the basis of the municipality's approach for continually improving its methods and adopting appropriate practices. The annual review will be completed in consultation with the asset management steering committee. It will include consideration of:

- Progress on ongoing efforts to implement the asset management plan;
- Consideration of the asset management policy;
- Any factors affecting the ability of the municipality to implement its asset management plan;
- Consultation with User Department Managers, and
- A strategy to address these factors including the adoption of appropriate practices.

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.

Service area personnel as responsible to 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 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.

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's Official 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 the understanding of current and future asset needs.

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. These actions that will go beyond acquiring or modifying assets based on greenhouse gas reduction targets and risk exposure. Bolstering resilience to climate change in the Municipality also means modifying the scope of current operations, anticipating possible costs to support contingency funds, leveraging alternative funding mechanisms, integrating the disaster response perspective to planning, and refining levels of service. The Municipality will tailor these actions by striking balance between its organizational capacity, financial and stakeholder support, and the local risks and vulnerabilities related to climate change. The asset management plan will encompass this sustainable approach to climate change mitigation and adaptation.

Stakeholder Engagement

The Municipality recognizes the residents, businesses and institutions on its territory as stakeholders and the neighbouring municipal bodies, provincial agencies, and regulated utilities partners in service delivery. Accordingly, the municipality will foster informed dialogue with these parties using the best available information and will engage with them by:

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



Implications

This policy ensures that the Municipality is in compliance with provincial requirements regarding municipal Asset Management Programs, and provides the community with an understanding of the principles by which the Municipality will govern its Asset Management activities.

Monitoring

The Manager of Assets is responsible for asset management planning across the municipality and maintaining the compliance with the regulation.

This policy shall be reviewed every five (5) years.

Authority

This policy is established pursuant to O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure Regulation under the Infrastructure for Jobs and Prosperity Act, 2015, S.O. 2015, c. 15.

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Change History

Policy Name	Effective Date	Significant Changes	By-law No.