



Town of Penetanguishene Policy/Procedure

Policy Name: Strategic Asset Management Policy		
Policy Division: Finance & Corporate Services	Department: Finance Department	Policy Number: 012-2019
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Corporate Policy (Approved by Council)		<input checked="" type="checkbox"/> [x]
Administrative Policy (Approved by CAO)		<input type="checkbox"/> []
Related Documents/Legislation: Infrastructure for Jobs and Prosperity Act 2015, Asset Management Planning for Municipal Infrastructure Ontario Regulation 588/17		

PURPOSE:

This policy provides program principles and a framework for asset management practices that enables a coordinated, cost effective and organizationally sustainable approach across all departments in order to:

- Optimize the lifecycle costs while maintaining acceptable levels of service;
- Link infrastructure investment decisions to service outcomes;
- Improve decision making accountability;
- Demonstrate long-term planning consideration; and
- Improve customer service.

POLICY STATEMENT:

2.1. Strategic Alignment

The Asset Management Plan supports the Town’s Strategic Plan objectives to create and sustain a vibrant community while demonstrating fiscal responsibility and managing critical infrastructure needs. Corporate plans and studies such as the Official Plan and Infrastructure servicing plans (i.e. transportation plans) are all supported by and are aligned with the Asset Management Plan.

2.2. Guiding Principles

The municipality shall adopt the following infrastructure planning principles:

1. **Forward thinking:** Infrastructure planning and investment should take a long-term view and take into account the needs of the community by being mindful of, among other things, demographic and economic trends.
2. **Budgeting and Planning:** Infrastructure planning and investment should take into account operating and capital budgets and fiscal plans such as the Water and Wastewater Financial Plans, Capital Plans, Development Charges Background Study and Long-term Financial Plans.
3. **Prioritizing:** Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting infrastructure.
4. **Core Services:** Infrastructure planning and investment should ensure the continued provision of core public services, such as drinking water, wastewater, stormwater and roads.
5. **Economic Development:** Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities where feasible.
6. **Health & Safety:** Infrastructure planning and investment should ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets are protected.
7. **Transparency:** Infrastructure planning and investment should be evidence based and transparent, subject to any restrictions or prohibitions under legislation on the collection, use or disclosure of information,
 - a. Investment decisions respecting infrastructure should be made on the basis of information that is either publicly available or is made available to the public; and
 - b. Information with implications for infrastructure planning should be shared between the Government and broader public sector entities and should factor into investment decisions respecting infrastructure.
8. **Environmentally Conscious:** Infrastructure planning and investment should minimize the impact of infrastructure on the environment by:
 - a. respecting and helping maintain ecological and biological diversity;
 - b. designing infrastructure with resilience to the effects of climate change; and
 - c. endeavouring to make use of acceptable recycled aggregates.
9. **Community focused:** Infrastructure planning and investment should promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the wellbeing of a community affected by the project, such as;
 - a. local job creation and training opportunities;
 - b. improvement of public space within the community; and
 - c. promoting accessibility for persons with disabilities

10. **Innovation:** Infrastructure planning and investment should foster innovation by creating opportunities to make use of innovative technologies, services, and practices, particularly where doing so would utilize technology, techniques, and practices developed in Ontario.
11. **Integration:** Where provincial or municipal plans or strategies have been established, under an Act or otherwise, but do not bind or apply to the municipality, the municipality should nevertheless, be mindful of those plans and strategies and make investment decisions respecting infrastructure that supports them, to the extent they are relevant.

2.3. Capitalization Thresholds

Capitalization thresholds developed for the purpose of financial reporting are outlined in the Town's Tangible Capital Asset Policy. The Asset Management Plan will use the same thresholds identified in the Tangible Capital Asset Policy.

2.4. Governance

This policy requires commitment from various stakeholders within the Municipality. The Chief Administrative Officer (CAO) ensures staff compliance with the Strategic Asset Management Policy and other Legislations such as the Asset Management Planning for Municipal Infrastructure O. Reg 588/17 made under the Infrastructure for Jobs and Prosperity Act, 2015. The executive lead is the Asset Management Coordinator who is responsible for asset management planning and integration across the municipality as well as maintaining compliance with O. Reg 588/17.

RESPONSIBILITIES:

Town policies related to governance are approved by Council while the Chief Administrative Officer approves administrative policies. While staff, public and other agencies may provide input on the nature and text of the policy, Council retains the authority to approve, update, amend or rescind corporate policies. The implementation, review and reporting regarding this policy shall be integrated within the organization.

Role	Responsibility
Identification of issues, and development of policy updates	Council & Staff
Establish levels of service	Council, Staff & Public
Exercise stewardship of assets, adopt policy and budgets	Council
Implementation of Policy	CAO & Staff
Development of guidelines and practices	CAO & Staff
On-going review of policies	Council & Staff

Actions	Responsibility
Adopt and implement a Strategic Asset Management Policy	Council & CAO
Monitor and review infrastructure standards and level of service policies at established intervals	Council & CAO
Develop and maintain infrastructure strategies including development and service plans	Planning and Community Development, Public Works and Finance
Develop and maintain asset inventories	Public Works, Fire, Recreation and Community Services and Finance
Assess infrastructure condition and service levels	Public Works, Fire and Recreation and Community Services
Establish and monitor infrastructure replacement levels through the use of full life cycle costing principles	Public Works, Fire, Recreation and Community Services and Finance
Develop and maintain financial plans for the appropriate level of maintenance, rehabilitation, extension and decommission of assets	Public Works, Fire, Recreation and Community Services and Finance
Report to citizens on the status of the Town's infrastructure assets and asset management program. The channels may include annual citizen reports, business plans etc.	Council and CAO

PROCESS:

4.1 Budgeting

The municipality will integrate findings from the asset management plan into the creation of its capital budgets, operating budgets and long-term financial plans. The Asset Management Coordinator will provide to each Department:

- forecasted spending needs to be added to the long-term capital plan;
- any identified progress and gaps; and
- prioritized spending needs, in preparations for their annual budget submission.

The budgets prepared by each Department will then be reviewed by the Director of Finance/Treasurer and the Management Team which forms the staff budget committee.

The Director of Finance/Treasurer will be involved in asset management planning to ensure continuity between the financial strategy developed in the asset management plan, departmental budget submissions and the overall budgeting process.

4.2 Financial Plan Alignment

Water and Wastewater Financial Plan will be completed every 5 years as regulated by the Safe Drinking Water Act, 2002. The Financial Plan will set the guideline for the municipality's water and wastewater rates to ensure the financial sustainability of the system. The Director of Finance/Treasurer, Director of Public Works, Chief Water Operator and Chief Wastewater Operator will work together to develop the financial strategy in alignment with the Financial Plan with the Asset Management Plan.

4.3 Land-use Planning Framework

The Town of Penetanguishene created and adopted an Official Plan in compliance with the Places to Grow Act, the Planning Act and the 2020 Provincial Policy Statement. The Town's Vision in the Official Plan provides direction for long-term planning and development and, embraces economic growth that is diversified, balanced and fiscally sustainable. Asset Management planning will be aligned with the Municipality's Official Plan. Our asset management plan will aim to reflect how the community is projected to change and the related asset impacts.

Revisions to the Planning Act that affect the Municipal planning process, and revisions to the Official Plan are communicated by the Director of Planning and Development to Council and Senior Management. Senior Management will consider any relevant land-use planning information when developing financial and asset plans. This might include upsizing for future development or respecting designated greenspace.

4.4 Continuous Improvement

Asset management is a multi-faceted endeavour including the development of:

- a) an accurate and comprehensive asset register
- b) a lifecycle strategy to maintain and increase the lifespan of assets,
- c) a level of service plan to identify expectations for asset use and condition, and

d) a financial plan to sustain the level of service plan.

At each stage the Town of Penetanguishene will review the process as well as the results, maintaining an openness and willingness to act on improvement opportunities as they arise. The Town will further strive to improve our ability to predict the performance of our assets and our ability to support the services we deliver. In support of this goal, the Town will participate in training and other partnerships and initiatives, where possible, to help advance the accuracy and completeness of our Plan.

As regulated under O. Reg 588/17 the municipality will at a minimum review and update its asset management plan at least five years after the year in which the plan is completed under section 6 of the regulation and at least every five years thereafter.

Additionally Council will conduct an annual review of asset management progress on or before July 1 in each year, starting the year after the municipality's asset management plan is completed under O.Reg 588/17 section 6. Council's annual review shall include:

- a) the municipalities progress in implementing the plan;
- b) any factors impeding the municipality's ability to implement its asset management plan; and
- c) a strategy to address these factors.

COMMITMENT:

5.1 Climate Change

The Town of Penetanguishene is committed to considering, as part of our asset management planning:

- a) the actions that may be required to address potential vulnerabilities of our infrastructure assets, due to climate change. This includes operations, such as maintenance frequency, levels of service and lifecycle management,
- b) the anticipated costs that could arise from the vulnerabilities described above,
- c) adaptation opportunities that may be undertaken to manage the vulnerabilities described above,
- d) mitigation approaches to climate change, such as greenhouse gas emission reduction goals and targets, and,
- e) disaster planning and contingency funding.

The Town is committed to advancing our responsibilities to climate change initiatives. In consultation with Sustainable Severn Sound, Council approved a 5% community and 25% corporate reduction target on Greenhouse Gas Emissions. Additionally, Council approved the Town of Penetanguishene's Climate Change Action Plan in accordance with the Partners for Climate Protection Program. The Town will work towards implementing the action items proposed in the Climate Change Action Plan to achieve our Green House Gas reduction goals and introduce adaptation opportunities.

Contingency funding has been initiated with the establishment of a Climate Change Reserve.

5.2 Stakeholder Engagement

The municipality will endeavour to work with upper tier and neighbouring municipal bodies. Every attempt will be made to share and coordinate infrastructure planning where feasible. The municipality's two (2) year operating budget and ten (10) year capital plan is public information and can be obtained from the website.

Residents and other interested parties have ample opportunity to provide feedback on infrastructure planning through public engagement sessions. During the budgeting and capital planning process, the public can provide feedback via an online survey as well as a Public Engagement Session hosted by the Town.

Some significant capital projects will have a separate Public Engagement Session. At this session any interested parties, and especially residents, can seek information regarding the project, learn how it may impact them directly and provide feedback.