

**The Township of Stone Mills  
Strategic Asset Management Policy  
June 2019**

**1.0 Purpose:**

A strategic asset management policy formalizes the Township's commitment to asset management, aligns its asset management actions with strategic goals and objectives, and provides direction to guide Council, management and staff in carrying out its business strategies, plans and activities. This policy will support the Township in focusing its infrastructure efforts on managing risks, addressing priorities, and meeting short and long-term needs within the bounds of possible funding.

**2.0 Vision:**

The Township's vision is to proactively manage its assets to best serve the Township'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.

**3.0 Objectives:**

The objectives of this policy are to:

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

**4.0 Strategic Alignment:**

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

Township of Stone Mills has developed and adopted a Strategic Plan, an Official Plan, an Emergency Management Plan, Asset Management Plan, Investment and Borrowing Policy and any other master plans/policies or studies that contribute to the overall asset management planning. These plans were designed to meet the legislative requirements and work together to achieve the Township's mission of providing innovation and excellence in service delivery. Spending requirements

defined in the budgeting process and in long-term financial planning will reflect the objectives of these plans.

All of the Township's plans rely to some extent on the physical assets owned by Township of Stone Mills 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 of the Municipality.

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

## **5.0 Stakeholder Engagement**

The Township recognizes the importance of stakeholder engagement as an integral component of a comprehensive asset management approach. 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 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; and
- Coordinating asset management planning with other infrastructure asset owning agencies such as municipal bodies and regulated utilities.

## **6.0 Guiding Principles**

The Infrastructure for Jobs and Prosperity Act, 2015 sets out principles to guide asset management planning in municipalities in Ontario. Township of Stone Mills 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 trends in the region.
- **Budgeting and planning:** The Township shall take into account any applicable budgets or fiscal plans, including those adopted through Ontario legislation
- **Prioritizing:** The Township shall clearly identify infrastructure priorities which will drive 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, basing decision on publicly shared information and make info available to the public
- **Consistency:** The Township shall ensure the continued provision of core public services, such as health care and education.
- **Environmentally conscious:** The Township 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 Township shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
- **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: 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 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.
- **Integration:** The Township 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.

## 7.0 Community Planning

With respect to Community Planning, the 2014 Provincial Policy Statement and County of Lennox and Addington Official Plan provide policy direction to lower tier municipalities as it relates to land use planning. The Township of Stone Mills Official Plan, consistent with both upper level planning documents, aims to manage and direct physical development into the foreseeable future within the municipality. Therefore, the Township's Strategic Asset Management Policy will, first and foremost, be aligned with the Township of Stone Mills Official Plan. The Township's Asset Management Plan is to anticipate how the Township is projected to change and grow with respect to future development. The Strategic Asset Management Policy will be reviewed upon the successful Official Plan update.

As a result of the holistic vision and importance of the Official Plan policy directives and guidance, consistent cross-referencing between the Township's Official Plan and the Strategic Assessment Management Policy will ensure that development and redevelopment occurs through an understanding of future asset needs.

## **8.0 Climate Change**

The Township of Stone Mills is committed to tailoring its actions that seek to mitigate the impacts of climate change moving forward. The Township has identified key climate change mitigation and adaptation considerations within its Official Plan that recognized within the Strategic Asset Management Policy reaffirm the Township's commitment to climate change. This approach will contemplate a balance of ideals related to climate change mitigation and adaptation considerations; appropriate development and key land use planning decisions in a balanced tactic form. Ensuring climate change resiliency includes adapting to opportunities to manage municipal vulnerabilities, anticipating possible costs to support contingency funds, leveraging alternative funding mechanisms and continuously reviewing service level standards. The above actions contribute to the larger action of reducing overall greenhouse gas emissions. The Township's Strategic Assessment Management Policy will encompass a sustainable approach to climate change mitigation and adaption.

## **9.0 Scope and Capitalization Thresholds**

This policy applies to all assets owned by the Township whose role in service delivery requires deliberate management by the Township. The Township will use a service-based (qualitative) perspective when applying this policy to municipal assets, rather than a monetary value (quantitative). The service-focus intent of this policy differentiates its requirements for identifying assets from the capitalization thresholds that are developed for the purposes of financial reporting. For this reason, the capitalization threshold developed for financial reporting will not be the guide in selecting the assets covered by the asset management planning process.

## **10.0 Financial Planning and Budgeting**

The Township will integrate asset management planning into the annual capital budget, operating budget, and its long-term financial plan. The asset management plan will be used as a resource in order to:

Identify all potential revenues and costs (including operating, maintenance, replacement and decommissioning) associated with forthcoming infrastructure asset decisions;

Evaluate the validity and need of each significant new capital asset, including considering the impact on future operating costs; and Incorporate new revenue tools and alternative funding strategies where possible.

The department level budget submission prepared by each Senior Manager will be reviewed and evaluated by the CAO and Treasurer in the preparation of the Municipality's annual budget. Service area personnel 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 year to be budgeted for. Finance staff will be involved in the asset management planning process to coordinate the information from the service personnel in the preparation of the budget submission.

For the purposes of managing water and wastewater assets, the water and wastewater financial plans will be used as a basis for establishing user fees, and master plans will be referenced in order to ensure alignment with the budgeting process.

## **11.0 Governance and Continuous Improvement**

The policy requires the commitment of key stakeholders within the Township's organization to ensure the policy guides the development of a clear plan that can be implemented, reviewed and updated.

The 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. The Council and senior management are committed to the success of asset management planning. The following details the responsibilities of the key stakeholders within the Municipality:

### **Council:**

- Approve by resolution the asset management plan and its updates every five years;
- Conduct annual reviews of the management plan implementation progress on or before July 1st of every year, that includes:
  - Progress on ongoing efforts to implement the asset management plans;
  - Consideration of the Strategic Asset Management Policy;
  - Any factors affecting the ability of the Township to implement its asset management plans;
  - Consultation with senior management;
  - 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.

**CAO:**

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

**Senior Management:**

**Treasurer, Chief Building Official, Public Works Manager, Manager of Planning**

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