

Municipality of Grey Highlands Policy

Policy Name: Strategic Asset Management Policy

Policy Number: A09-F-07

Department: Finance

Authority: Council

Effective Date: 2019-07-17 (Resolution 2019-452)

Updated: 2025-11-05 (By-law 2025-084)

1 Purpose

The purpose of this policy is to establish consistent standards and guidelines for the management of the Municipality's tangible assets. This includes managing the lifecycle of assets so that usage is maximized, and cost and risk are minimized. This policy shall guide the Municipality in ensuring that it is in compliance with Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure. This policy will embed asset management as a Municipal priority and ensure its continuity across councils.

2 Scope

The Municipality of Grey Highlands owns a wide range of assets and asset types that deliver services to its residents. This policy applies to all tangible assets owned and/or managed by the Municipality of Grey Highlands that are used to provide services to the community and includes roads network, bridges & culverts, buildings & facilities, storm, water, wastewater, equipment, land improvements, and fleet & machinery.

3 Policy

Guiding Principles and Statutory Requirements

This policy complies with the Infrastructure for Jobs and Prosperity Act, 2015, specifically Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure, both as amended.

1. Community Focused – The municipality will deliver Services that our community values.
2. Resiliency and Sustainability – Decision making will proactively consider the potential direct and indirect impacts of Climate Change, demographics, social, political and economic changes, now and for future generations (i.e. how they may directly affect Levels of Service; systematically incorporate adaptive measures and technologies to improve infrastructure resilience).

3. Continuous Improvement and Innovation – The Municipality will consistently monitor, assess and improve its practices and processes.
4. Safety – The Municipality values the safety of its employees, communities and those who use its Services.
5. Transparency and Accountability – The Municipality will clearly identify the decision-making rationale for what we are doing, how we are doing it and why we are doing it.
6. Optimization and Alignment – The Municipality will tie decisions to Service requirements and outcomes, informed by Council-approved strategic priorities; Capitalization Thresholds in the Asset Management Plans and Tangible Capital Asset reporting will be aligned.
7. Collaboration – The Municipality will ensure decisions are made within a consistent framework and methodologies and informed through discussion with internal and external partners.

Stakeholder Engagement

The goal of the Municipality is to efficiently provide its various stakeholders with the municipal services they need within the bounds of regulatory requirements, financial constraints, the existing assets and services, and the natural environment. 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 these stakeholders 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 on levels of service, which in turn impact asset management planning; and
- Coordinate asset management planning with other infrastructure asset owning agencies such as the Province of Ontario, neighbouring municipalities, and the County.

Responsibilities of the Key Stakeholders

The policy requires the commitment of key stakeholders within the Municipality of Grey Highlands' organizational structure.

Council

On behalf of its citizens, Council is entrusted with the responsibility of overseeing the management of the Municipal assets. Council will:

- a) Approve by resolution the asset management plan and its updates at least every five years
- b) Support ongoing efforts to continuously improve and implement the asset management plans and asset management policy

- c) Maintain adequate organizational capacity to support the core practices of the asset management program
- d) Conduct annual reviews of asset management plan implementation progress every year including:
 - Progress on ongoing efforts to implement the asset management plans
 - Any factors affecting the ability of the Municipality of Grey Highlands' to implement its asset management plans
 - A strategy to address these factors including the adoption of appropriate practices
 - Review implementation of the plan as part of the annual budget process including financial targets

Chief Administration Officer, Treasurer, and Asset Management Coordinator:
Ensures that the Municipality maintains compliance with the asset management policy and provincial asset management regulation

Asset Management Coordinator Performs the role of team lead of the Municipality's asset management planning by coordinating and managing the development and continuous improvements of the Municipality's asset management plans and practices with the Asset Management Team

Asset Management Technician

Responsible for updating and maintaining the tangible capital asset database with information obtained in conjunction with the Asset Management Team

Asset Management Team

The Asset Management Team will contain at least one member from each asset-owning department within the Municipality and will oversee asset management planning activities that fall within their department and act in support of the other departments.

The Asset Management Team will:

- promote best practices for asset management planning and meeting or exceeding provincial regulations.
- Manage and monitor the progress of asset management practices at the Municipality.
- Review and create reports for council to utilize in their required review of asset management implementation progress as outlined above.
- Regularly consult and report to Senior Management
- Regularly review and update the Municipality's Strategic Asset Management Policy

Department Heads

Manage and monitor the progress of asset management practices at the Municipality.

Ensure job descriptions include asset management responsibilities for staff.

Responsible for promotion and implementing best asset management practices at the departmental level.

Responsible for preparing annual and long-term operating and capital budgets related to departmental assets, and recommending optimal time to replace, repair or rehabilitate

Staff

Support the objectives of asset management in alignment with their roles, responsibilities, and job descriptions.

Understand and comply with asset management procedures relevant to their position.

Contribute to the accurate recording, maintenance, and reporting of asset data within their scope of work.

Participate in training and development activities to maintain competency in asset-related responsibilities.

Governance and Continuous Improvement

This policy shall be reviewed and/or revised by relevant key stakeholders at least once every 5 years, to ensure it continues to be as beneficial and relevant as possible to the Municipality of Grey Highlands. The policy will be publicly available on Grey Highlands' website and provided to anyone who requests a copy.

Strategic Alignment

The Strategic Plan is the roadmap for the community's future and provides an avenue to sustainable growth and prosperity.

The Municipality's commitment regarding asset management is to provide services essential to the maintenance of a high quality of life, within a framework of equality and equity. The provision of service will adhere to the highest values of fiscal stewardship, responsibility and fairness while ensuring excellence in planning and implementation of programs. To this end, the Strategic Asset Management Policy and the Asset Management Plan are an essential part of meeting these commitments.

The Municipality has adopted and/or plans to update or develop various plans, including: a Strategic Plan, Official Plan, Asset Management Plan, Development Charges Study, Water and Sewer Rate Study, Community Improvement Plan, Master Fire Plan, Water and Wastewater Servicing Master Plan, Trails Master Plan, Road Need Study, Stormwater Management Plan, Master Recreation Plan, and a long term capital budget. These plans will be reviewed regularly by staff and annual spending requirements in support of the plans' objectives will be

recommended during the budgeting process and into asset management planning.

Capitalization Thresholds

The threshold used to determine which assets are to be included in the asset management plan align with the Tangible Capital Asset Policy. The Asset Management Team, in consultation with Senior Management, will review and provide recommendations for any changes to the Tangible Capital Asset Policy.

Budgeting

The Municipality will integrate findings from the asset management plans into its long-term financial planning and make recommendations during budgeting processes. Sound financial analysis will be encompassed in asset management planning so that the asset management plan will guide the budgeting and financial planning of the Municipality.

The asset management plan will be referenced by departmental staff in the preparation of their budget submission to help them:

- Identify all potential revenues and costs (including operating, maintenance, replacement, and decommission) associated with the 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 departmental level budget and ten-year capital plan submission prepared by each department with the assistance of the Finance Department will be evaluated by the Director of Finance/Treasurer and the Chief Administrative Officer in the preparation of the Municipality's annual budget.

Climate Change

Climate change will be considered as part of the Municipality's risk management approach embedded in local asset management planning methods. The Municipality commits to the development of tailored actions that make the best use of its resources to mitigate and adapt to climate change. 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 for both new assets and the rehabilitation of old assets. Vulnerabilities of Municipal assets that may be caused by climate change will be addressed throughout the lifecycle management process of these assets. The Municipality's contribution to climate change through greenhouse gas emissions will be mitigated where

possible in accordance with its financial capacity, stakeholder support and any local reduction targets.

Definitions

Asset Management: The coordinated activity of an organization to realize value from assets.

Asset management Plan - 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.

Tangible Capital Assets: Assets having physical substance that:

- Are used on a continuing basis in the Municipality's operations
- Have useful lives extending beyond 1 year
- Are not held for re-sale in the ordinary course of operations
- Maintenance and expenditures for repairs that do not prolong an asset's economic life or improve its efficiency are not capitalized.

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

Level of Service: Defined service for a particular activity or service area against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.

References

O. Reg. 588/17 Asset Management Planning for Municipal Infrastructure
Infrastructure for Jobs and Prosperity Act 2015