

# Strategic Asset Management Policy

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## 1. Background

The Township of Malahide (Township) provides a range of services to the public. The provision of these services requires the ownership and responsible management of physical assets. It is imperative that the Township has a plan to manage these assets in order to meet desired service levels, manage risks, and to provide long-term financial sustainability.

A Strategic Asset Management Policy is a document that details the policies and strategies that together form a framework for the Township's asset management process. This framework is intended to enable the Township to make consistent and sound decisions, plan for future needs, and provide public confidence with respect to the management of municipal infrastructure. Additionally, establishing a Strategic Asset Management Policy is a requirement under the *Infrastructure for Jobs and Prosperity Act, 2015*, as set out by Ontario Regulation 588/17.

## 2. Terms and Definitions

For the purpose of this document, the following definitions apply and reflect industry accepted practices, including ISO 55000 – International Standard for Asset Management.

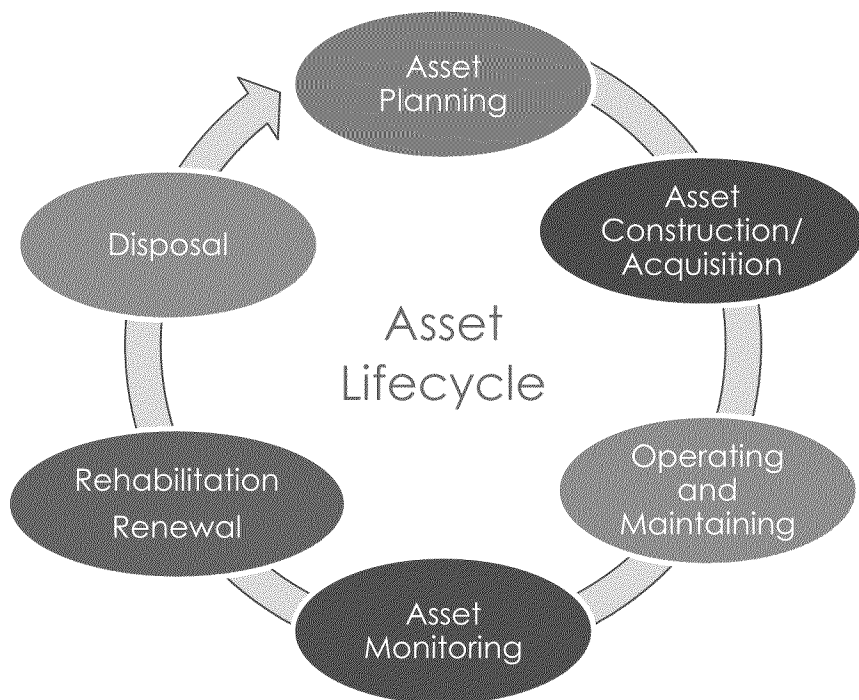
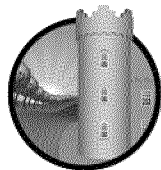
**Asset:** A tangible item, thing or entity that has potential or actual value to an organization.

**Asset Management:** Coordinated activity of an organization to realize value from assets.

**Asset Management Plan:** 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.

**Lifecycle:** Stages involved in the management of an asset.

**Level of Service:** Parameters or a combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers.



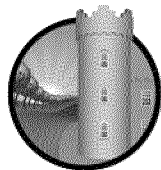
### **3. Scope**

The Strategic Asset Management Policy applies to all tangible assets that enable the Township to provide services, and that require deliberate management and long-term planning by the Township. The Township will coordinate asset management planning where assets connect or are interrelated with assets owned by other municipalities or municipal bodies (e.g. boundary roads).

The service focus of the Township's asset management plan may require assets to be defined differently from the definitions within the Township's Tangible Capital Assets Policy (e.g. assets that do not meet the minimum capitalization thresholds set out in the Tangible Capital Assets Policy). The determination of which assets will be covered by the Township's asset management planning processes will be independent of the Township's Tangible Capital Assets Policy.

### **4. Asset Management Goals and Objectives**

The Township's goals and objectives with respect to its tangible assets relate to the effective delivery of municipal services to Township constituents and stakeholders. Services should be provided at expected service levels, as defined within the Township's asset management plan or other strategic service-related documents. The Township's assets should be maintained at condition levels that are aligned with the expected



service levels and strategic intent. Additionally, the Township is committed to providing services and maintaining assets in a financially sustainable manner. Asset management will enable the Township to balance service level expectations of constituents and stakeholders with financial sustainability. It is also the Township's objective to utilize asset management to inform the annual budget process and long-term financial plans. Additionally, the Township will endeavour to use the asset management plan as an effective tool to communicate needs of the Township and the strategies required to meet those needs.

The asset management plan and its implementation will be evaluated based on the Township's ability to meet these goals and objectives.

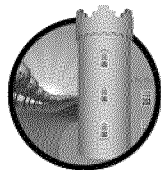
## **5. Principles**

The Township commits to following the principles set out in this section when making decisions in respect of its assets and asset management planning.

These principles were designed to encompass those contained in section 3 of the *Infrastructure for Jobs and Prosperity Act, 2015*.

**Service delivery** – Service levels and performance targets shall be established and form the basis for asset management strategic decision making with respect to infrastructure. Levels of service will be defined, at a minimum, in accordance with the qualitative descriptions and technical metrics required by Ontario Regulation 588/17. For reference purposes, the qualitative descriptions and technical metrics required by Ontario Regulation 588/17 are presented in Tables 1 through 5 of this policy. The Township will manage risks associated with the defined service levels and performance targets by prioritizing asset management activities to ensure public safety, based on risk assessments and cost/benefit analysis. As part of its commitment to transparency and accountability, the Township will establish benchmarks and performance measures to demonstrate that services are being provided efficiently. The Township will ensure that infrastructure planning and investment is focused on promoting community benefits by ensuring alignment with the Township's various strategic documents, as identified in section 6 of this policy. Furthermore, the Township will ensure that infrastructure planning and investment promotes accessibility for persons with disabilities.

**Long-term sustainability and resiliency** – As part of its commitment to long-term sustainability, the Township will consider potential vulnerabilities that may be caused by climate change. These vulnerabilities will be considered in developing the asset

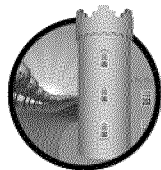


management strategies that outline the actions and associated costs that may be required to manage potential risks. Specific consideration will be given to changing regulatory requirements arising from climate change impacts on asset design standards, asset lifecycles, asset maintenance requirements, and level of service objectives. Furthermore, the Township will consider mitigation approaches to climate change, and disaster planning and contingency funding as part of its asset management planning practice. The Township will seek to minimize the environmental impacts of infrastructure and will endeavour to make use of acceptable recycled aggregates where appropriate. Furthermore, the Township will endeavour to consider socio-economic factors in asset management planning, to recognize the needs of different groups within the community.

**Holistic approach** – The Township will take a holistic approach to asset management that takes into consideration all aspects and stages of the asset lifecycle and the inter-relationships between them. Within this approach, the Township will consider not only capital costs, but also significant capital planning costs, operating costs, and service performance impacts. The Township will endeavour to track maintenance activities associated with its assets to better understand the full lifecycle of assets and interrelationships between asset maintenance and performance. Asset management planning will give consideration to relevant factors that impact the lifecycle of assets (e.g. asset condition, type of usage, capacity, etc.). Additionally, the Township will approach asset management from a multi-disciplinary perspective, recognizing that there needs to be deliberate collaboration between various areas of the organization.

**Fiscal responsibility** – The Township will utilize an evidence-based approach to decision making that balances service levels, risks, and costs, and aims at maximizing value from assets and services. Appropriate asset management funding will be provided with consideration for economic factors, such as affordability, indebtedness, and external funding availability. The Township will leverage its asset management processes to inform multi-year budgeting for capital and operations. This will allow the Township to progress towards a sustainable financial position, which includes consideration of intergenerational equity.

**Innovation and continual improvement** – The Township views continuous improvement as an essential element of successful asset management. As required by the *Infrastructure for Jobs and Prosperity Act, 2015*, the Township will review its asset management progress annually, and will present the findings of these reviews to Council on or before July 1 in each year. The annual review will address the Township's progress in implementing its asset management plan, factors impeding the Township's



ability to implement its asset management plan, and strategies to address these impeding factors. The Township will continue to monitor industry best practices and innovation opportunities, and periodically update its asset management process.

**Public engagement** – The Township will provide opportunities for residents and other interested parties to provide input to asset management planning, for example, through the annual budget process.

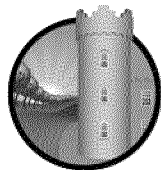
## **6. Strategic Alignment & Integration**

The Township's asset management plan will be aligned with the following Township documents:

- Strategic Plan;
- Official Plan;
- Integrated Community Sustainability Plan;
- Budgets;
- Community Improvement Plan;
- Drinking Water Quality Management Standard;
- Water and Sewer Financial Plans;
- Reserve and Reserve Fund Policy;
- Capital Financing and Debt Management Policy; and
- Master Plans.

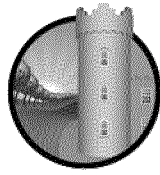
Following updates or material changes to any of the documents listed above, the Township will consider potential impacts on the asset management plan to ensure continued alignment.

In addition to ensuring alignment between the Township's general asset management practices and the various strategic documents listed above, the Township will also ensure that its asset management plan is considered in developing annual budgets and long-term financial plans that entail municipal assets. This will be achieved by requiring Township staff to reference the asset management plan in the preparation of departmental budget submissions. Furthermore, Township staff will, on an annual basis, present to Council the implementation of the asset management plan and its implications for annual budgets and/or long-term financial plans.



## 7. Roles & Responsibilities

<b>Stakeholder Group</b>	<b>Responsibilities</b>
Council	<ul style="list-style-type: none"><li>• Approve the Strategic Asset Management Policy and asset management plan (as updated at least every five years).</li><li>• Receive annual reporting on the status and performance of the asset management plan.</li><li>• Review and approve funding associated with asset management through the annual budget process.</li><li>• Provide opportunities for the public to provide input into asset management planning – as identified in the public engagement principle under section 5 of this policy.</li><li>• Provide resources for implementation of the Strategic Asset Management Policy and asset management plan.</li></ul>
Executive Lead (Treasurer)	<ul style="list-style-type: none"><li>• Identify resources required for implementation of the Strategic Asset Management Policy and asset management plan.</li><li>• Coordinate annual reporting on the status and performance of the asset management plan.</li><li>• Periodic review of the Strategic Asset Management Policy and asset management plan, at least every five years.</li></ul>
Asset Management Working Group (department heads)	<ul style="list-style-type: none"><li>• Define levels of service measures/metrics and suggest proposed levels of service targets.</li><li>• Incorporate lifecycle costing and levels of service considerations when evaluating competing asset investment needs and developing asset management strategies.</li><li>• Update the Strategic Asset Management Policy and prepare the asset management plan, at least every five years.</li></ul>
Residents, Constituents and Stakeholders	<ul style="list-style-type: none"><li>• Provide input to the Township, for example, through participation in the annual budget process or future information sessions.</li><li>• Provide input on expectations with respect to levels of service.</li></ul>



## **8. Review Period**

This policy will be reviewed by the Treasurer, in consultation with the Township's Asset Management Working Group, at least every five years (as required by Ontario Regulation 588/17), and following any changes in regulatory requirements.

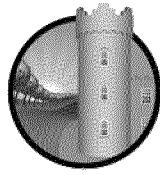


Table 1  
Levels of Service - Qualitative Descriptions and Technical Metrics  
Water Assets

<b>Service Attribute</b>	<b>Community LoS (Qualitative Descriptions)</b>	<b>Technical LoS (Technical Metrics)</b>
Scope	<ol style="list-style-type: none"><li>1. Description, which may include maps, of the user groups or areas of the municipality that are connected to the municipal water system.</li><li>2. Description, which may include maps, of the user groups or areas of the municipality that have fire flow.</li></ol>	<ol style="list-style-type: none"><li>1. Percentage of properties connected to the municipal water system.</li><li>2. Percentage of properties where fire flow is available.</li></ol>
Quality	Description of boil water advisories and service interruptions.	<ol style="list-style-type: none"><li>1. The number of connection-days per year where a boil water advisory notice is in place compared to the total number of properties connected to the municipal water system.</li><li>2. The number of connection-days per year due to water main breaks compared to the total number of properties connected to the municipal water system.</li></ol>

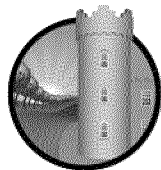


Table 2  
Levels of Service - Qualitative Descriptions and Technical Metrics  
Wastewater Assets

<b>Service Attribute</b>	<b>Community LoS (Qualitative Descriptions)</b>	<b>Technical LoS (Technical Metrics)</b>
Scope	Description, which may include maps, of the user groups or areas of the municipality that are connected to the municipal wastewater system.	Percentage of properties connected to the municipal wastewater system.
Quality	<ol style="list-style-type: none"> <li>1. Description of how combined sewers in the municipal wastewater system are designed with overflow structures in place which allow overflow during storm events to prevent backups into homes.</li> <li>2. Description of the frequency and volume of overflows in combined sewers in the municipal wastewater system that occur in habitable areas or beaches.</li> <li>3. Description of how stormwater can get into sanitary sewers in the municipal wastewater system, causing sewage to overflow into streets or backup into homes.</li> <li>4. Description of how sanitary sewers in the municipal wastewater system are designed to be resilient to avoid events described in paragraph 3.</li> <li>5. Description of the effluent that is discharged from sewage treatment plants in the municipal wastewater system.</li> </ol>	<ol style="list-style-type: none"> <li>1. The number of events per year where combined sewer flow in the municipal wastewater system exceeds system capacity compared to the total number of properties connected to the municipal wastewater system.</li> <li>2. The number of connection-days per year due to wastewater backups compared to the total number of properties connected to the municipal wastewater system.</li> <li>3. The number of effluent violations per year due to wastewater discharge compared to the total number of properties connected to the municipal wastewater system.</li> </ol>

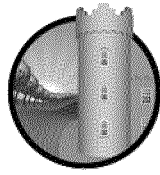


Table 3  
Levels of Service - Qualitative Descriptions and Technical Metrics  
Stormwater Assets

<b>Service Attribute</b>	<b>Community LoS (Qualitative Descriptions)</b>	<b>Technical LoS (Technical Metrics)</b>
Scope	Description, which may include maps, of the user groups or areas of the municipality that are protected from flooding, including the extent of the protection provided by the municipal stormwater management system.	<ol style="list-style-type: none"> <li>1. Percentage of properties in municipality resilient to a 100-year storm.</li> <li>2. Percentage of the municipal stormwater management system resilient to a 5-year storm.</li> </ol>

Table 4  
Levels of Service - Qualitative Descriptions and Technical Metrics  
Roads

<b>Service Attribute</b>	<b>Community LoS (Qualitative Descriptions)</b>	<b>Technical LoS (Technical Metrics)</b>
Scope	Description, which may include maps, of the road network in the municipality and its level of connectivity.	Number of lane-kilometres of each of arterial roads, collector roads and local roads as a proportion of square kilometres of land area of the municipality.
Quality	Description or images that illustrate the different levels of road class pavement condition.	<ol style="list-style-type: none"> <li>1. For paved roads in the municipality, the average pavement condition index value.</li> <li>2. For unpaved roads in the municipality, the average surface condition (e.g. excellent, good, fair or poor).</li> </ol>

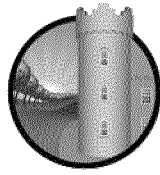


Table 5  
Levels of Service - Qualitative Descriptions and Technical Metrics  
Bridges and Culverts

<b>Service Attribute</b>	<b>Community LoS (Qualitative Descriptions)</b>	<b>Technical LoS (Technical Metrics)</b>
Scope	Description of the traffic that is supported by municipal bridges (e.g., heavy transport vehicles, motor vehicles, emergency vehicles, pedestrians, cyclists).	Percentage of bridges in the municipality with loading or dimensional restrictions.
Quality	<ol style="list-style-type: none"><li>1. Description or images of the condition of bridges and how this would affect use of the bridges.</li><li>2. Description or images of the condition of culverts and how this would affect use of the culverts.</li></ol>	<ol style="list-style-type: none"><li>1. For bridges in the municipality, the average bridge condition index value.</li><li>2. For structural culverts in the municipality, the average bridge condition index value.</li></ol>