

# ASSET MANAGEMENT POLICY

## Township of Lanark Highlands, ON

Date: November 21, 2018

Version: 1.0

### 1. CONTEXT

The Township of Lanark Highlands relies on its municipal infrastructures and assets to deliver services to its community at the levels expected by stakeholders. Due to the nature of these assets, the Township must continually balance expenditures, services, and risks across its asset portfolio. Asset management is an integrated approach, involving all Township departments, to deliver value to the community through the effective management of existing and new infrastructure assets. The importance of municipal services to the well-being of community stakeholders is what drives the implementation of a structured approach to asset management.

The Township of Lanark Highlands is committed to creating, implementing and continually improving an asset management program to achieve the Township's strategic objectives and ensure municipal services are sustainably provided for generations to come.

### 2. PURPOSE

The asset management policy aims to:

- Provide leadership and commitment to asset management;
- Communicate the management approach and principles endorsed by the Township;
- Provide transparency and demonstrate to stakeholders the legitimacy of decision-making processes by considering costs, service levels and risk.
- Provide a framework for the implementation of an asset management program.

### 3. OBJECTIVES

Specific objectives of the AM policy are to:

- Improve the reliability of customer service by maintaining clearly defined levels of service.
- Improve the decisions related to the management of the Township's assets.
- Improve the transparency and accountability of community investments in the management of the Township's assets.
- Improve the management of the Township's exposure to risks of reduced service delivery.
- Facilitate the leveraging of partnerships and infrastructure funding from external sources.

## 4. SCOPE

### Assets

This policy applies to all assets owned and operated by the Township and contribute to the delivery of public services. This includes, but is not limited to, the following asset types:

- fleet,
- facilities,
- parks and recreation (playgrounds, sports fields, etc.),
- roads,
- bridges,
- sidewalks,
- stormwater management (culverts, storm lines, etc.),

### Activities

This policy applies to all activities which directly or indirectly impact the management of Township assets.

## 5. DIRECTION

To achieve the objectives of this policy, Township staff shall:

- Adopt and apply recognized AM practices in support of delivering services.
- Keep Council and the Public informed about the current state of Township infrastructure and long-term financial trends.
- Prepare and update annually an asset management plan to formalize asset management planning and satisfy provincial reporting requirements.
- Consider the asset management plan in the preparation of the Township's budget or long-term financial plans.
- Coordinate planning for asset management, where municipal infrastructure assets connect or are interrelated with those of its upper-tier municipality, neighbouring municipalities or jointly-owned municipal bodies.
- Consider and integrate other organization plans into the development of the asset management plan.
- Provide opportunities for municipal residents and other interested parties to provide input into the municipality's asset management planning.

## 6. SUPPORTING REFERENCES

The Township's asset management planning shall be aligned with the following *municipal* goals, policies or plans:

- Township of Lanark Highlands Official Plan

Additionally, the Township's asset management planning shall be aligned with the following *provincial* goals, policies or plans:

- Planning Act, R.S.O. 1990, c. P.13
- O. Reg. 588/17: ASSET MANAGEMENT PLANNING FOR MUNICIPAL INFRASTRUCTURE

## **7. PRINCIPLES**

The Township shall consider the following principles as part of its asset management planning. The Township will update these principles as part of its regular policy review to ensure asset management planning practices are continually improving and meet the recognized industry standards.

- Incorporate industry recognized AM protocols.
- Define the current and proposed levels of service.
- Monitor asset performance and service delivery.
- Apply objective and reliable decision-making processes.
- Utilize lifecycle costing principles.
- Understand the risks of asset failure.

Furthermore, the Township commits to consider the following climate change adaptation and mitigation principles as part of its asset management planning:

- Consider the actions that may be required to address the vulnerabilities that may be caused by climate change to the municipality's infrastructure assets, in respect of such matters as,
  - operations, such as increased maintenance schedules,
  - levels of service, and
  - lifecycle management,
- Consider the anticipated costs that could arise from the vulnerabilities described above,
- Identify adaptation opportunities that may be undertaken to manage the vulnerabilities described above,
- Identify mitigation approaches to climate change, such as greenhouse gas emission reduction goals and targets, and
- Identify disaster planning and contingency funding.

## **8. CAPITALIZATION THRESHOLDS**

The Township shall adopt a capitalization threshold to determine which assets are to be included in the asset management plan. These capitalization thresholds are to be identical to those recognized in the Township's "Tangible Capital Assets Policy". The capitalization thresholds will not be changed to ensure the Township can maintain its asset inventory in conjunction with its Tangible Capital Asset ledger for financial reporting purposes.

## **9. ROLES AND RESPONSIBILITIES**

The Township shall adopt the following roles and responsibilities for asset management planning:

### **1 Council**

- Establish the “vision” and service goals of the community,
- Ensure sufficient resources are available to manage the Township’s assets.
- Revise and update the AM policy as required.
- Approve asset funding through multi-year and long-term financial plans.

### **2 AM Leadership Team**

- Report to Council on the progress of meeting the AM policy objectives.
- Prepare annual asset management plan (AMP).
- Submit AMP to the provincial government to satisfy regulatory and funding requirements.
- Publish the SOTI report on the Township’s website.

## **10. MONITOR AND REVIEW**

This Policy will be reviewed every 5 years, and as determined by the Township’s Clerk Administrator.

## **11. IMPLEMENTATION**

This Policy will be implemented under the authority of the Clerk Administrator.

## **12. AUTHORIZATION**

This Policy shall be authorized by the Clerk Administrator pursuant to a resolution of Common Council approving the “Asset Management Policy”.

## **13. GLOSSARY**

None.

## **14. INQUIRIES**

Inquiries regarding this Policy can be addressed to the Township of Lanark Highlands’s Clerk Administrator.