



STRATEGIC ASSET MANAGEMENT POLICY

1. BACKGROUND:

The Corporation of the Municipality of East Ferris provides its residents with a wide array of services to maintain their rich quality of life. This policy will help the Municipality manage these assets by providing the necessary framework to integrate Asset Management into the Municipality's daily decision making.

The Municipality of East Ferris is committed to providing fiscally responsible services that support the sustainability and growth of its communities. The Municipality will achieve this commitment by aligning the management of municipal assets with the goals, plans and policies of the Municipality.

2. PURPOSE:

The purpose of this policy is to: align the Municipality's asset management with its current/future social and economic goals, create consistent guidelines and standards for the management of municipal assets, and meet the requirements of O.Reg. 588/17.

3. TERMS AND DEFINITIONS:

The following terms will hold the definitions stated below for all municipal asset management documents hereby created:

- Asset:** An Item, object, or entity that holds value to an organization.
- Annual Asset Report:** An annual progress report given to update council on the implementation of the asset management plan.
- Asset Management Plan:** A strategic document updated every 5 years, that states how to manage the municipality's asset groups. The Asset Management plan will describe the condition, expected level of service, characteristics, planned actions, and financial strategies for all municipal assets.
- Lifecycle:** Planned maintenance stages for an asset over the course of its useful life.
- Level of Service (LOS):** A parameter in which municipal infrastructure can be evaluated to determine the quality or state of infrastructure repair necessary, to meet that infrastructures service demands.
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Stakeholder: A person or entity that has an invested interest in the welfare of an organization or will be affected by the welfare of that organization.

4. VISION:

The Municipality of East Ferris' vision is to manage its assets in an effective sustainable manner to best serve its goals and objectives, such as:

- Sustainability, economic development, and community resilience.
- Providing its residents with a high quality of life by, sustainably managing levels of service through the utilization of lifecycle management.
- Achieving Municipal infrastructure development goals through sound financial management.

5. OBJECTIVES:

The objectives of this policy is to:

- Provide the necessary framework for council and staff to, implement the Asset Management Plan into the Municipality's daily decision making.
- To clearly indicate the roles and responsibilities of Municipal staff pertaining to asset management.

6. STRATEGIC ALIGNMENT:

The Municipality of East Ferris' vision to maintain a high quality of life for its residents while achieving sustainable growth, requires cohesive understanding and utilization of the many initiatives underway in our organization. Alignment of these facets is necessary to properly analyse whether our current or proposed assets meet the level of service requirements that our vision dictates.

In this regard, asset management planning should not be considered as a stand-alone item. To achieve our sustainability and efficiency goals, asset management planning will take a synergetic approach in conjunction with our Community Strategic Plan, Economic Development Strategic Plan, Official Plan, and any other plan or policy created by the Municipality having an adverse affect on the management of Municipal assets. Additionally, the Municipality will develop a level of service policy or standard, which will assist the Municipality in making informed decisions for assets lifecycle management.

The Asset Management Policy shall evolve and adapt to the Municipality's needs, and as such shall be reviewed and/or updated on regular basis.

7. STAKEHOLDER ENGAGEMENT:

The Municipality's goal is to affectively provide the various stakeholders of the municipality with the services that they want and need, within the bounds of municipal funding and regulation requirements. The Municipality will continue to seek input from

stakeholders and neighbouring communities on community improvement plans, and asset improvements. The Municipality will continue to endeavor to coordinate asset improvements with other infrastructure owning agencies.

8. GUIDING PRINCIPLES:

When possible the Municipality of East Ferris will strive to incorporate the following guiding principles set out by the Infrastructure for Jobs and Prosperity Act, 2015, into the municipality's daily operations:

Forward looking: The Municipality shall take a long-term view while considering demographic and economic trends in the region.

Budgeting and planning: The Municipality shall take into account any applicable budgets or fiscal plans, including those adopted through Ontario legislation.

Prioritizing: The Municipality shall clearly identify infrastructure priorities which will drive investment decisions.

Economic development: The Municipality shall promote economic competitiveness, productivity, job creation, and training opportunities.

Transparency: The Municipality shall be evidence-based and transparent, basing decision on publicly shared information and make info available to the public.

Consistency: The Municipality shall ensure the continued provision of core public services, such as health care and education.

Environmentally conscious: The Municipality 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 Municipality shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.

Community focused: The Municipality 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 Municipality 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 Municipality 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.

9. COMMUNITY PLANNING:

The Municipality will align its asset management planning with the Municipality's community strategic plan, Official Plan, Planning Act, and Provincial land-use planning framework. The asset management plan will reflect how the community is projected to change, and anticipate the related impacts on assets. The Municipality will achieve this with the following:

- Those responsible for managing services impacted by development or redevelopment will:
 - Be consulted during the community planning phase.
 - Provide input, and analyse the future servicing costs.
 - Provide written comments about the financial viability of development.
- Methods, assumptions, and data used in the selection of development/redevelopment initiatives in the community plan will be made available for the production of the Asset Management Plans.

10. CLIMATE CHANGE:

Climate change will continue to have an increasing impact on municipalities and can cause the following issues: increased flooding, increased winter operations, increased dust control methods during summer months, and decrease in groundwater table. The Municipality of East Ferris will consider the adverse affects of climate change when considering asset risk management.

Municipal staff and council will consider service trends when developing annual budgets by comparing annual operating costs to determine service cost trends, and will determine if contingency funds are necessary. The municipal staff will also consider weather trends during the design/redesign stage of capital projects. Additionally, the Municipality of East Ferris has, and continues to practiced adverse weather disaster protocols with its Emergency Management Committee.

11. SCOPE AND CAPITALIZATION THRESHOLDS:

For the purpose of this and all subsequent asset management documents, the Municipality of East Ferris will consider items an asset even if they do not meet the capitalization threshold. The Municipality will consider items on a qualitative service-based value, rather than a monetary value for asset management. Meaning any item requiring municipal management, that is crucial in providing a service to the Municipality; will hold a service-based value, and will be managed in accordance to the Municipality's Strategic Asset Management Policy and Asset Management Plan. The Municipality will additionally manage all tangible capital assets in accordance with its Asset Management Plans and Policies.

12. FINANCIAL PLANNING AND BUDGETING:

The Municipality will use the Asset Management Plan to coordinate its long-term financial planning and budgeting processes. The Asset Management Plan’s and annual asset reports will be considered annually in the creation of the municipality’s capital budget, operating budget, and long-term financial plans. Finance staff will use the Asset Management Plan in preparation of budgets, to help them:

- Identify all revenues and costs associated with upcoming infrastructure decisions.
- Verify the necessity/demand for new capital projects, and estimate the impacts on future operating costs.
- Incorporate alternative funding strategies when possible.

The annual departmental budget analysis will be evaluated by the CAO/Treasurer in preparations of the Municipality’s annual budget.

13. GOVERNANCE AND CONTINUOUS IMPROVEMENT:

The council withholds the rights to make any and all final decisions regarding asset management within the Municipality. The following outlines the roles and responsibilities of the municipal staff and council:

<u>Role</u>	<u>Responsibility</u>
<ul style="list-style-type: none"> • Identify any issues, and develop updates for policy and/or plan • Develop asset management guidelines and practices • On-going policy/plan reviews and updates 	CAO, Public Works Engineer, and/or Consultant
<ul style="list-style-type: none"> • Implementation of strategic asset management policy 	CAO, Department Heads, and Public Works Engineer
<ul style="list-style-type: none"> • Stewardship of municipal assets • Adoption of policies, plans, and budgets 	CAO, Council, Department Heads, and Public Works Engineer

13.1. PERSONS RESPONSIBLE FOR ASSET MANAGEMENT PLANNING

Executive Lead:

Jason Trottier, CAO/Treasurer

Corporate Asset Management:

Antoine Boucher, Director of Public Works/Municipal Engineer

14. IMPLEMENTATION OF ASSET MANAGEMENT POLICY:

The Municipality shall maintain its asset inventory by implementing and collecting the following asset information: asset ID (unique to each asset), description, location, historical value, replacement value, condition, performance characteristics, estimated life remaining, replacement/rehabilitation date, estimated lifecycle repairs (including: types of repairs/treatments, cost of repairs/treatments, and anticipated date of repairs/treatments), and estimated or actual asset age.

The Municipality's Asset Management Plan will include before July 1, 2021 all core capital infrastructure assets, and before July 1, 2023 all other municipal capital infrastructure assets as per the requirements of O.Reg. 588/17. Additionally, in accordance to O.Reg. 588/17, after meeting the July 1, 2023 deadline, the Municipality's Asset Management Plan will be updated on a 5-year cycle.

Municipal staff and council shall reference the most recent Asset Management Plan, or annual report when determining the Municipality's budget. The Municipality will use these plan's and annual reports to determine its yearly capital projects, and shall use these plan's and policies to prepare financially for impending large scale capital projects.

Public Works staff will keep track of the installation or replacements of any and all assets, and the locations and dates of installation for these assets shall be implemented into the CGIS program by Municipal staff.
