

Asset Management Policy

The Township of North Algona
Wilberforce

2022

This Asset Management Policy was prepared by:



Empowering your organization through advanced
asset management, budgeting & GIS solutions

Township of North Algona

Wilberforce

Asset Management Policy

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By-Law # 2022-43

WHEREAS the Township of North Algona Wilberforce (Township) is committed to its Asset Management Program (Program) and requires a set of principles and guidelines to steer the Program;

AND WHEREAS the Township is proactive in exercising good stewardship and is committed to delivering affordable services while maintaining the Township's sustainability;

NOW THEREFORE LET IT BE RESOLVED THAT this Policy applies to any tangible asset that is owned, operated and maintained by the Township of North Algona Wilberforce.

1.0 Definitions

The following definitions apply in this Policy:

"Asset" means an item which has a physical nature, is an economic resource, and provides the delivery of programs and/or services.

"Asset Management" means a systematic process to guide the planning, acquisition, operation and maintenance, rehabilitation, replacement, and disposal of assets, including site remediation and clean-up. Its objective is to maximize asset service delivery potential, manage related risks, and minimize costs of ownership, while delivering acceptable levels of service to the public in a sustainable manner.

"Asset Management Working Group" means an asset management committee, containing representation from all departments, intended to lead their departments through the asset management best practices and also provide advice to Council.

"Council" means the duly elected officials of the Township of North Algona Wilberforce, those being the Mayor and Councillors.

"Township" means the Township of North Algona Wilberforce.

“Level of Service” means the service level delivered to the public by the Township. This can take the form of the selection of services that are provided (e.g. bike lanes, a new pool or a garbage can at a trailhead), the standard of infrastructure in place (e.g. concrete sidewalks versus gravel paths), or the standard to which an asset is maintained (e.g. the frequency of street sweeping). The desire of Council or the public for a particular Level of Service will directly affect utility fees and/or taxation.

“Lifecycle” means the various phases of an asset’s life that differ between individual assets. Each phase has its own opportunities, risks, impacts and costs.

“Policy” means general statements or guidelines that are high-level in nature, as opposed to being operationally oriented, which direct a plan, course of action or decision, according to a standard or performance outcome.

“Risk” means an analysis of the “likelihood” and the “consequences” of a given event. Establishing the risk associated with decreased infrastructure performance will identify vulnerabilities and assist in prioritizing work. For example, a crack in a sidewalk may have a higher likelihood but less significant consequences than a break in an aging sewer main.

“Asset Management Plan” presents 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 (ISO 55000).

“Capitalization Threshold” means the value of a Township owned infrastructure asset at or above which a Township will capitalize the value of it and below which it will expense the value of it.

“Lifecycle Activities” are activities undertaken with respect to a Township owned infrastructure asset over its service life, including constructing, maintaining, renewing, operating and decommissioning, and all engineering and design work associated with those activities.

2.0 Background

The Township of North Algona Wilberforce relies on a large and diverse asset portfolio to deliver many essential services to the community. The scale and criticality of these services to the community’s wellbeing drives the need to implement a systematic approach to managing this portfolio.

Asset management is an integral business approach involving all components of the organization (e.g., Finance, Administration, Recreation, and Public Works) towards effectively managing existing and new infrastructure to maximize benefits, reduce risk and provide appropriate levels of service to community users. This is accomplished in a socially, culturally, environmentally, and economically conscious manner.

A comprehensive and holistic asset management approach will support efficient and effective delivery of expected levels of service and ensure that due regard and process are applied to the long-term management and stewardship of all Township owned infrastructure assets.

The approval of this Policy is an important step towards integrating the Township's strategic mission, vision and goals with its Asset Management Program, and ensuring that critical Township owned infrastructure assets and vital services are maintained and provided to the community in a reliable, sustainable manner.

3.0 Alignment with the Township's Strategic Direction:

This Policy aligns with the County of Renfrew's Official Plan. The development of the Asset Management Program supports enables achieving the following goal *"Promote efficient and cost-effective development to sustain the financial well-being of the municipalities over the long term and to ensure the financial viability of infrastructure and public service facilities as a component of cost-effective development patterns. This may be demonstrated through asset management planning."*

The Policy is also in alignment with the following section in the Township's Strategic Plan: *"The primary responsibility is to leverage human contribution and optimize resources. Leverage Human Contribution includes planning strategically and Optimize Resources include maintaining roads and infrastructure for daily life and using tax revenues efficiently and effectively."*

This Policy is also in alignment with the capitalization thresholds defined in the Tangible Capital Assets Policy – By-law 2009-21. Updates to the Tangible Capital Assets Policy should be reflected in the revisions of this Asset Management Policy.

4.0 Scope

The Policy currently applies to all physical, tangible assets of the Township, such as stormwater systems, roads, recreation centers, Township buildings, parks and trails, emergency and fire equipment, streetlights, vehicles and equipment.

This Policy does not intend to commit to any specific funding, only to illustrate that asset management is supported at all levels of the organization and that Township is working towards improving its asset management practices.

5.0 Purpose

The purpose of this Policy is to provide leadership in and commitment to the development and implementation of the Township's Asset Management Program. It is intended to guide the consistent use of asset management across the organization, to facilitate logical and evidence-based decision-making for the management of Township owned infrastructure assets and to support the delivery of sustainable community

services now and in the future.

By using sound asset management practices, the Township will work to ensure that all Township owned infrastructure assets meet expected performance levels and continue to provide desired service levels in the most efficient and effective manner. Linking service outcomes to infrastructure investment decisions will assist the Township in focusing on service, rather than budget, driven asset management approaches.

This Policy demonstrates an organization-wide commitment to the good stewardship of Township owned infrastructure assets, and to improved accountability and transparency to the community through the adoption of best practices regarding Asset Management Planning.

6.0 General/Policy Statements

Asset management principles and practices shall assist the Township's goal to provide the services required to support the Township's residents and business needs, in a sustainable manner. To achieve the goals of this Policy, the Township will:

- Make informed decisions, identifying all revenues and costs (including operation, maintenance, replacement, and decommissioning) associated with infrastructure asset decisions, including future assets contributed by development.
- Integrate corporate, financial, business, technical, and budgetary planning for infrastructure assets.
- Implement an enterprise-wide Asset Management Program through all departments. The program will promote lifecycle and risk management of all Township owned infrastructure assets, with the goal of achieving the lowest total cost of ownership while meeting desired levels of service.
- Implement continuous improvement protocols and adopt best practices regarding Asset Management Planning, including:
 - a. Complete and Accurate Asset Data
 - b. Condition Assessment Protocols
 - c. Risk and Criticality Models
 - d. Lifecycle Management
 - e. Financial Strategy Development
 - f. Level of Service Framework
- Develop and maintain an asset inventory of all Township owned infrastructure assets which includes unique ID, description, location information, value (both historical and replacement), performance characteristics and/or condition, estimated remaining life and estimated

repair, rehabilitation or replacement date, and estimated cost for repair, rehabilitation or replacement.

- Develop an Asset Management Plan that incorporates all infrastructure categories and Township owned infrastructure assets that meet the capitalization thresholds outlined in the organization's Tangible Capital Assets Policy. It will be updated on a 5-year cycle to promote, document, and communicate continuous improvement of the Asset Management Program. (capitalization thresholds are included in the appendix)
- Integrate Asset Management Plans and practices with its long-term financial planning and budgeting strategies. This includes the development of financial plans that determine the level of funding required to achieve short-term operating and maintenance needs, in addition to long-term funding needs to replace and/or renew Township owned infrastructure assets based on full lifecycle costing.
- Develop meaningful performance metrics and reporting tools to transparently communicate and display the current state of asset management practice to Council and the community.
- Consider the risks and vulnerabilities of Township owned infrastructure assets to climate change and the actions that may be required including, but not limited to, anticipated costs that could arise from these impacts, adaptation opportunities, mitigation approaches, disaster planning and contingency funding. Impacts may include matters relating to operations, levels of service and lifecycle management.
- Develop processes and provide opportunities for Township owned residents and other interested parties to offer input into Asset Management Planning wherever and whenever possible.
- Consider environmental, social, and sustainability goals.

7.0 Key Roles and Responsibilities

Asset management must be practiced at all levels of an organization, although the responsibility for asset management varies by role. The following is a list of asset management responsibilities for key roles within the Township:

Council

- Approve Asset Management Policy and Plans
- Consider asset renewal funding requests through the annual budget process
- Approve the acquisition or maintenance of assets through the annual budget process

Clerk-Treasurer/Deputy Treasurer

- Lead the development of a corporate Asset Management Strategy, tools and practices and oversee their application across the organization
- Establish levels of service framework
- Advise and assist Council in matter related to asset management
- Report to citizens on status of the community's infrastructure assets and Asset Management Program.
- Provide financial direction towards the appropriate levels of maintenance, services, and planning for each Departments' assets
- Work with asset stewards to incorporate Asset Management Plans into the Long-Term Financial Plan
- Integrate and update relevant financial reporting requirement with the Township's asset inventory.

Asset Stewards (Public Works and Fire Departments)

- Stewardship over Township assets
- Planning and budgeting of asset acquisition and maintenance
- Develop and maintain Asset Management Plans for the maintenance, rehabilitation, extension, decommissioning, and replacement of assets
- Develop and maintain infrastructure strategies including development and service plans, using full life-cycle costing principles
- Assess infrastructure condition and service levels
- Develop and maintain asset registry in their area of responsibility
- Coordinate maintenance of assets

8.0 Implementation, Review and Reporting

Due to the importance of this Policy and asset management practices in general, the organization's Asset Management Program, including this Policy, may/shall be reported at least every 5 years to Council.

- i. The Clerk-Treasurer/Deputy Treasurer shall conduct a review of the Asset

Management Program and Policy to assess whether the Program and Policy are accomplishing their intended purposes.

- ii. This review must evaluate whether this Policy is being adhered to and whether any changes are required to better the Program. The review should recommend the continuation of the Program as status quo or with specific changes to the Program and Policy.
- iii. A summary of the review must be submitted to Council for consideration of continuation of the Program as status quo or with specific changes to the Policy.