

Strategic Asset Management Policy

St. Clair Township
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AM VISION AND GOALS

To make Asset Management (AM) a comprehensive part of St Clair Township's integrated approach towards efficiently and effectively managing our assets, to meet or exceed the expectations of all stakeholders.

This Strategic Asset Management (SAM) Policy formalizes The Corporation of The Township of St. Clairs' commitment and intentions to a prescribed asset management system for the responsible stewardship of our municipal assets.

This Policy aligns actions with strategic goals and objectives. It provides direction to guide Council, Management and Staff in conducting corporate business in a sustainable manner, while being economically, socially and environmentally responsible.

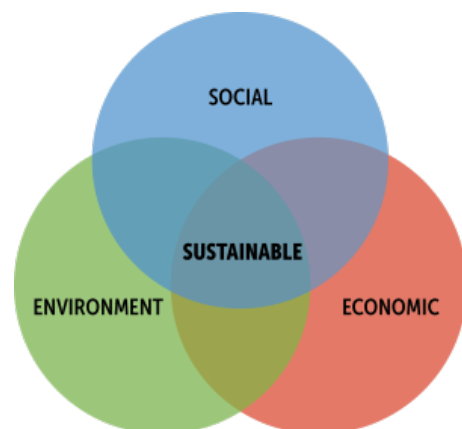


Figure 1 Triple Bottom Line

With:

- *Commitment to comply with relevant legislative, regulatory and legal requirements*
- *Commitment to continual improvement of the Asset Management System*
- *Commitment to providing the resources necessary to deliver AM objectives*
- *Commitment to using specified decision making processes or guidelines*
- *Commitment to measuring and reporting on assets and AM performance*
- *Commitment to the achievement of long-term, sustainable outcomes*

STRATEGIC ALIGNMENT

The Asset Management System (AMS) shall support corporate strategic objectives, while delivering safe and reliable municipal services.

Organizational Plans and Policy's

Strategic Plan
Official Plan
Water Financial Plan
Procurement Policy
Capital Budget Financing Policy
Tangible Capital Asset Policy

AM Planning & Strategy

Public Works AM Plan
Facilities AM Plan
Level of Service Policy
DWQMS

(documents not in place)

Reserve Fund Policy

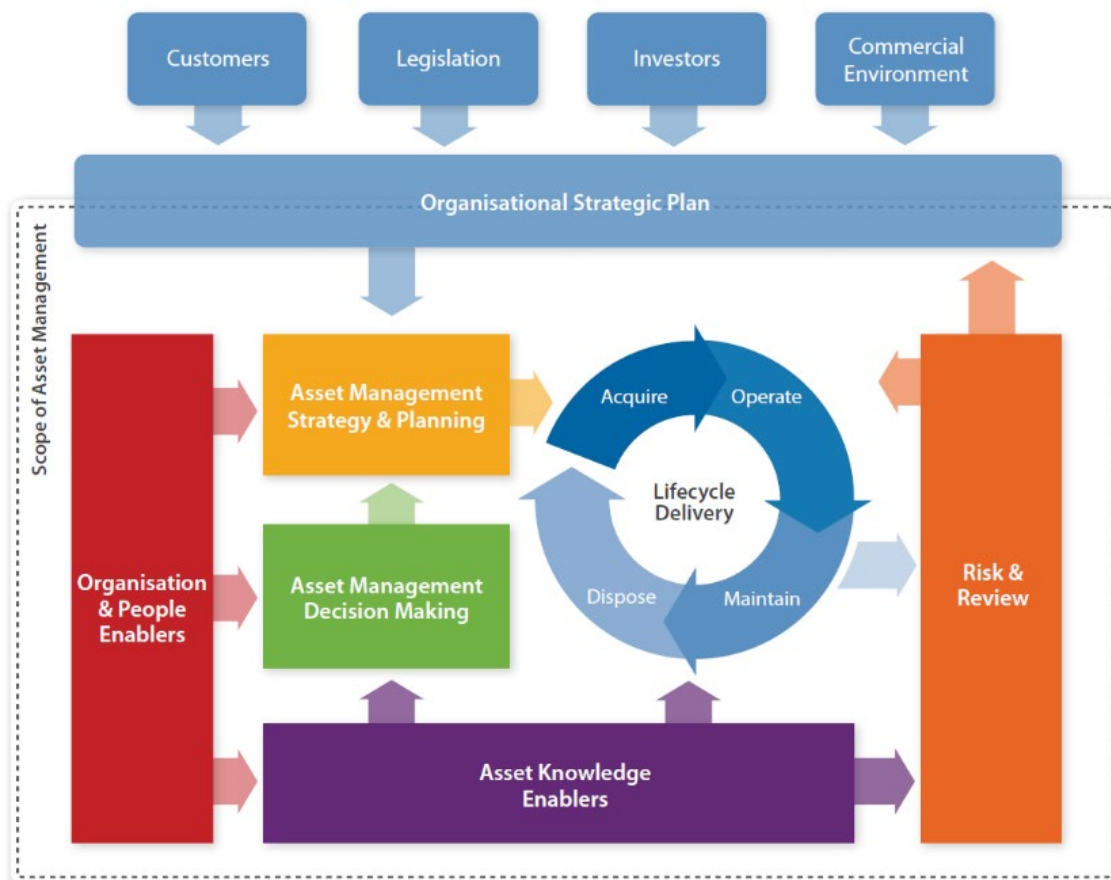


Figure 2 the Institute of Asset Management's (IAM's) Conceptual Asset Management Model:

GUIDING PRINCIPLES

The following will serve as overarching principles of St. Clair Township's asset management practice.

- Customer Focused: Defined Levels of Service align with Community Expectations.
- Service Focused: Consideration given to Assets and their interrelationships as a whole, in the context of their service delivery and reliability.
- Risk Based: Manage assets through resources, expenditures and priorities based on associated risks and corresponding health & safety and cost/benefit prioritization.
- Value Based Affordable: Choose practices, interventions and operations that reduce the asset lifecycle cost in balance with risk and costs while satisfying levels of service.

The Infrastructure for Jobs and Prosperity Act, 2015 sets out the following principles to guide asset management planning. The Corporation of the Township of St. Clair will strive to instill these Provincial requirements into our culture:

- Forward Looking: Take a long-term view while considering demographic and economic trends in the region.
- Budgeting and Planning: Take into account any applicable budgets or fiscal plans, including those adopted through Ontario legislation
- Prioritizing: Clearly identify Municipal Asset and Service priorities which will drive investment decisions.
- Economic Development: Promote economic competitiveness, productivity, job creation, and training opportunities.
- Transparency: Be evidence-based and transparent. Make decisions based on public information and share implications and investments information with government and public sectors.
- Consistency: Ensure continued provision of core services.(eg.health care, education)
- Environmentally Conscious: Minimize our impact on the environment.
 - Respecting and helping to maintain ecological and biological diversity
 - Augmenting resilience to the effects of Climate Change
 - Endeavouring to make use of acceptable recycled aggregates
- Health and Safety: Ensure Health and Safety of workers involved in the construction and maintenance of infrastructure assets is protected.
- Community Focused: Promote Community benefits (social, economical) arising from infrastructure projects intended to improve the community well-being, such as
 - Job Creation
 - Improvement of public space
 - Promoting accessibility
- Innovation: Create opportunities through the use of innovative technologies, services, and practices. Particularly utilizing techniques or practices developed in Ontario.

- Integration: 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.

BUDGETING

The Municipality will migrate away from a departmentalized process to a unified cross-departmental prioritization and ranking, in alignment with organizational goals and strategies.

The asset management planning process shall identify and prioritize asset spending needs and provide the input for the forecasted Capital & Operating budgets, and Long-term Financial Planning.

Departmental Management staff shall monitor and review their asset management plans for an overall Capital and Operations budget plan to achieve optimized risk/cost benefit

Consideration will be made to the following, as part of the budgeting process:

- Identify all potential Revenues and Costs associated with forthcoming infrastructure asset decisions by Category
- Planning & Acquisition, Operations & Maintenance, Improvement & Replacement and Disposal)
 - Consider all Asset Management Strategies in Decision Making
 - Evaluation of New Capital Assets - Life-cycle costing and Risk Assessment validation when acquiring new assets
 - Unified Cross-departmental Prioritization and Ranking based on Risk/Cost Benefit
 - Highest ranked projects falling within the financial threshold – recommended for budget
 - Incorporate revenue tools and alternative funding strategies where possible
 - Identify alignment with Organizational and Asset Management Plans and Policies
 - Identify alignment of LoS targets with associated costs

Finance staff will be involved in the process to coordinate the asset needs with financial planning in the preparation of the budget submission.

For the purposes of managing water, the Water Financial Plan will be utilized as a basis for establishing user fees, and Operational requirements will be referenced to ensure the budgeting process aligns with compliance.

Department level budget submissions prepared by each Divisional Director will be reviewed and evaluated by the CAO and Treasurer in the preparation of the Municipality's annual budget.

CAPITALIZATION THRESHOLDS

This policy applies to all assets owned by the Municipality whose service delivery role requires deliberate management by the Municipality.

Based on the Service Focused approach, capitalization thresholds (quantitative) will not be utilized for the purpose of identifying the assets to be included in the asset management plan. Therefore it will be the service rendered by the asset (qualitative) that determines whether it will be captured.

COMMUNITY PLANNING

Asset based community planning will be aligned with the Municipality's Strategic Plan as well as Official Plan and the 2014 Provincial Policy Statement of the Planning Act. Internal and External Stakeholder input shall be incorporated into our Organizational Plans and Policy's and the Asset Management Plans reflective of how the community is projected to change and the related asset impacts. Cross-referencing of these Plans will ensure that sustainable community planning occurs within the Municipality.

Those responsible for the management of assets and services shall provide direction to asset based community planning. The combination of lifecycle, risk, LOS analysis and financial sustainability principles will be the driver in the selection of community development or redevelopment that requires new assets, or existing asset enhancements. Methods, assumptions, and data used in the selection of projected changes should be documented to support the recommendations in the Asset Management Plan.

CLIMATE CHANGE

Climate Change will be considered part of our asset management Environmentally Conscious guiding principle. This approach is intended to balance organizational capacity, financial and stakeholder support and the potential risks and vulnerabilities related to climate change. The development of actions will be required in addition to acquiring or modifying assets based on greenhouse gas reduction targets.

Bolstering resilience to climate change could require

- modification of current operations
- identifying potential impact costs and contingency fund needs
- the leveraging of alternative funding mechanisms
- emergency and business continuity planning
- a revision of Level of Service

The Municipality will continue to work with the County to support climate change mitigation and adaptation. The Municipality is considering outside consultation to provide context and knowledge towards establishing a Climate Change Policy.

STAKEHOLDER ENGAGEMENT

The Municipality recognizes the importance of stakeholder engagement as an integral component of a comprehensive asset management approach. The Municipality recognizes the residents, businesses, institutions, stakeholders and neighbouring municipal bodies, provincial agencies, and regulated utilities partners. Accordingly, the Municipality will foster informed dialogue with these parties using the best available information and engage with them by:

- Providing opportunities for residents and other stakeholders served by the municipality to provide input into the asset management planning; and
- Coordinating asset management planning with other infrastructure asset owning agencies such as other internal departments, municipalities or critical service providers eg. LAWSS and regulated utilities.

Ultimately, our Corporate Asset Management practice should reflect community and stakeholder expectations from customers, ratepayers and regulators, and support Organizational Plans and Strategies.

GOVERNANCE AND CONTINUOUS IMPROVEMENT

In support of the Municipality's AM Vision & Goals, the Asset Management Steering Committee (AMSC) shall provide leadership, direction, and governance to engage the entire Municipality in establishing, sustaining and improving Asset Management throughout the Organization.

The Municipality shall ensure continued communication by providing information through various media to educate, facilitate utilization & communicate changes/ interruptions regarding Corporate Asset Management.

Continuous Improvement of our Asset Management System will be ongoing through

Plan>Check>Do>Act

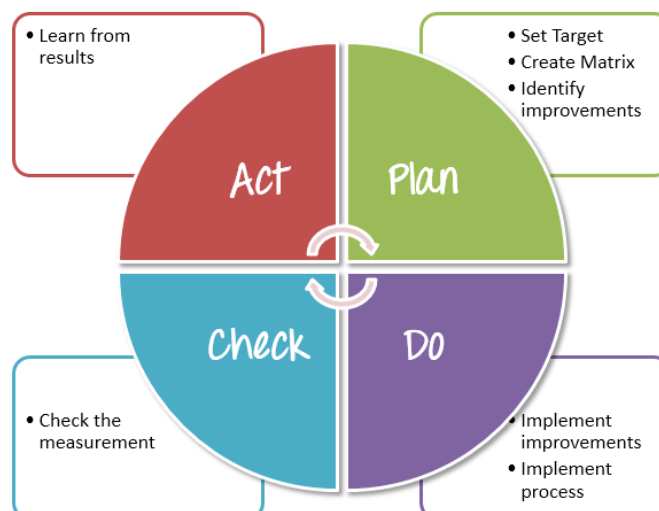


Figure 3

Internal Stakeholders	Roles and Responsibilities
Municipal Council	<ul style="list-style-type: none"> Ultimate authority, responsible for support of Organizational Strategic Plans (OSP's) and Asset Management Plans (AMP's) and Resources Support ongoing implementations and improvements of OSP's & AMP's Approve by Resolution AMP's at least every 5yrs Review annually AM planning progress and strategy prior to July 1st
CAO	<ul style="list-style-type: none"> Responsible for Compliance with AM Policy and Regulations Ensure sufficient asset status /plan reporting to all stakeholders
Finance	<ul style="list-style-type: none"> Responsible for assessing the funding available to support Financial Plans & Asset Management Plans (AMP).and aligning the budgeting process
Executive Lead/ Asset Management Steering Committee	<ul style="list-style-type: none"> Responsible for Asset Management planning led by the Director of Public Works & meeting at a minimum 4x/year Endorse AM Plans for approval Set & execute annual asset management objectives Maintain compliance with appropriate regulation Report annually on AM planning and progress prior to July 1st Monitor AM planning progress & impediment and identify strategies Ensure that the asset management program is evaluated for continuous improvement on a regular basis
CAO/Division Directors	<ul style="list-style-type: none"> Responsible for the execution and support of AM under their direction Review and Update AMP's under their direction at least every 5yrs Provide stakeholder communication through service metric/ KPI reporting

External Stakeholders
Provincial Agencies
Regulated Utilities
Other Municipalities
Ratepayers/Community

RELATED TERMS AND DEFINITIONS – ISO 55000

Asset - An 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.

Asset Management System - The people, processes, tools and other resources involved in the delivery of asset management.

Corporate Asset Management - The application of asset management principles at a corporate level to maximize consistency among diverse asset groups. Creates efficiency by harmonizing service levels and business processes wherever possible.

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.

Figure 1 Triple Bottom Line www.usicomos.org/getting-to-sustainability-lessons-from-yangon/1
 Figure 2 the Institute of Asset Management's (IAM's) Conceptual Asset Management Model:.....2
 Figure 3 Plan>Check>Do>Act www.guru99.com/a-complete-guide-to-test-process-improvement.html6