

STRATEGIC ASSET MANAGEMENT POLICY

A. POLICY STATEMENT

The Town of Carleton Place aims to uphold the following policy statements in managing its capital infrastructure:

1. The Town will implement a municipal-wide asset management program that will promote lifecycle and risk management of the Town's capital infrastructure assets. A primary goal will be to achieve the lowest total cost of ownership while meeting desired levels of service. Levels of service (LOS) refer to the outcomes or service attributes that the Town aims to deliver for its residents and can include both technical and qualitative components.
2. The Town will implement continuous improvement protocols and adopt best practices regarding asset management planning, including:
 - i. Comprehensive and Accurate Asset Data
 - ii. Condition Assessment Protocols
 - iii. Risk and Criticality Models
 - iv. Lifecycle Management
 - v. Financial Strategy Development
 - vi. Level of Service Framework
3. The Town will develop and maintain an asset inventory of all municipal capital infrastructure assets which includes unique identification; 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 repair, rehabilitation or replacement costs.
4. The Town will develop an Asset Management Plan which incorporates all infrastructure categories and municipal capital infrastructure assets as per the legislated requirements. The capitalization threshold guidelines in the Town's Tangible Capital Asset Policy will apply. The Asset Management Plan will address its core municipal capital infrastructure assets by July 1, 2021 and all other municipal capital infrastructure assets by July 1, 2023.

The Asset Management Plan will be updated at least every five years thereafter in accordance with O. Reg. 588/17.

5. The Town will 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 municipal capital infrastructure assets based on full lifecycle costing.
6. The Town will identify appropriate funding for its capital infrastructure and for financing service delivery which may include taxation or user fee revenues, grant programs, debt-financing, or the shared provision of services.
7. The Town will develop meaningful performance metrics and reporting tools to transparently communicate and display the current state of asset management practice to Council and the community.
8. The Town will consider the risks and vulnerabilities of municipal capital 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.
9. The Town will ensure that asset management planning is aligned with the following financial plans:
 - i. Financial reports related to the Town's water capital assets, including any financial plans prepared under the Safe Drinking Water Act, 2002; long-range capital plans developed as part of an Asset Management Plan; and Regulating Water Rates By-laws.
 - ii. Financial reports related to the Town's wastewater capital assets, including long-range capital plans developed as part of an Asset Management Plan; and Regulating Water Rates By-laws (which includes wastewater rates).
 - iii. 2015 Carleton Place Drinking Water and Wastewater Financial Plan and subsequent updates to this plan.
 - iv. 2018 Development Charge Background Study and By-law and subsequent updates to this study and By-law.
 - v. Current Long-Range Financial Plan and subsequent updates.

- vi. 2019 Energy Demand Management Plan and subsequent updates.
10. The Town will align asset management planning with the Province of Ontario's land-use planning framework, including any relevant policy statements issued under Section 3(1) of the Planning Act; shall conform with the provincial plans that are in effect on that date; and shall be consistent with the County of Lanark's Sustainable Communities Official Plan, and the Town's Official Plan.
 11. The Town will coordinate planning for interrelated municipal capital infrastructure assets with separate ownership structures by pursuing collaborative opportunities with neighbouring municipalities and jointly owned municipal bodies wherever viable and beneficial.
 12. The Town will develop processes and provide opportunities for municipal residents and other interested parties to offer input into the Town's asset management planning, where appropriate.
 13. The Town's asset management plan will be developed and administered by the Asset Management Steering Committee.

B. PURPOSE

The purpose of this policy is to provide leadership in and commitment to the development and implementation of the Town'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 municipal capital infrastructure assets and to support the delivery of sustainable community services now and in the future.

By using sound asset management practices, the Town aspires to ensure that municipal capital infrastructure assets meet expected performance levels and provide desired service levels in an efficient and effective manner.

This policy demonstrates a commitment to the stewardship of municipal capital infrastructure assets and to improved accountability and transparency.

C. SCOPE

This policy applies to all departments involved in planning, maintaining, or operating the Town's capital infrastructure assets.

The Town is responsible for providing a range of services to the community, including but not limited to transportation networks and infrastructure; stormwater management; water treatment and distribution; wastewater collection and treatment; fire and emergency services; and recreation and

cultural opportunities. To deliver these services, the Town owns and manages a diverse capital infrastructure asset portfolio of roads, bridges, culverts, parks, watermains, sanitary and storm sewers, water and wastewater treatment plants, trails, libraries, facilities (administrative and recreational), and equipment.

Asset management refers to the set of policies, practices and procedures that enable the Town to realize maximum value from its capital infrastructure assets. The Town is responsible for operating and maintaining machinery, equipment, and other capital assets to support the delivery of services to residents. The Town recognizes the importance of implementing an effective approach to the management of its capital infrastructure assets in order to maximize asset lifecycles cost-effectively and deliver appropriate levels of service for residents.

The Town's asset management plan will align with provincial legislation, such as the *Infrastructure for Jobs and Prosperity Act* and the *Planning Act* and its regulations.

The approval of this policy is an important step towards integrating the Town's strategic mission, vision and goals with its asset management program and ensuring that critical municipal capital infrastructure assets and vital services are maintained and provided to the community in a reliable, sustainable manner.

D. ALIGNMENT WITH THE TOWN'S STRATEGIC DIRECTION

This policy aligns with the Town of Carleton Place Council's *2019-2023 Strategic Plan: Balancing Growth* which integrates concepts around comprehensive communication, managed growth, corporate health and community and economic development.

This policy will be reviewed for continued alignment if subsequent Council-approved strategic plans are adopted.

Annual reports will ensure that Council and the community are apprised of progress in implementing the asset management program in advancing the Town of Carleton Place's strategic objectives.

E. DEFINITIONS

Unless otherwise noted, the definitions provided in this document are consistent with those outlined in Ontario Regulation 588/17 (O. Reg. 588/17), Asset Management Planning for Municipal Infrastructure, under the *Infrastructure for Jobs and Prosperity Act, 2015*.

1. **Asset Management (AM)** – the coordinated activity of an organization to realize value from assets. It considers all capital asset types, and includes all activities involved in the asset's life cycle from planning and acquisition or

creation; to operational and maintenance activities, rehabilitation, and renewal; to replacement or disposal and any remaining liabilities. Asset management is holistic and normally involves balancing costs, risks, opportunities and performance benefits to achieve the total lowest lifecycle cost for each asset.

2. **Asset Management Plan (AMP)** – 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.

Under O. Reg. 588/17, by 2023 AMPs for core municipal infrastructure assets will be required to include: the current levels of service being provided; the current performance of each asset category; a summary of assets in each asset category, their replacement cost, average age, condition information, and condition assessment protocols; lifecycle activities required to maintain current levels of service; discussion of population and economic forecasts; and documentation of processes to make inventory and condition related background information available to the public.

3. **Asset Management Steering Committee** – the Town has developed a steering committee to assist in developing and administering the asset management plan. The Asset Management Steering Committee is comprised of the following positions: Chief Administrative Officer; Treasurer; Director of Public Works, Manager of Recreation and Culture and Public Works Technician. Other staff may be delegated to participate as appropriate.
4. **Capitalization threshold** – the value of a municipal capital infrastructure asset at or above which a Town will capitalize the asset’s value and below which it will expense the asset’s value.
5. **Green infrastructure asset** – an infrastructure asset consisting of natural or human-made elements that provides ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, stormwater management systems, trees, urban forests, natural channels, permeable surfaces and green roofs.
6. **Level of service** – parameters, or combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers. Parameters can include, but are not necessarily limited to, safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability.
7. **Lifecycle activities** – activities undertaken with respect to a municipal infrastructure asset over its service life, including constructing, maintaining,

renewing, operating and decommissioning, and all engineering and design work associated with those activities.

8. **Municipal infrastructure asset** – an infrastructure asset, including a green infrastructure asset, directly owned by a Municipality or included on the consolidated financial statements of a Municipality, but does not include an infrastructure asset that is managed by a joint municipal water board.

F. KEY PRINCIPLES TO BE FOLLOWED IN ASSET MANAGEMENT PLANNING

The Municipality shall consider the following key principles as outlined in Section 3 of the *Infrastructure for Jobs and Prosperity Act, 2015* when making decisions regarding asset management:

1. Infrastructure planning and investment should take a long-term view, and decision-makers should consider the needs of citizens by being mindful of, among other things, demographic and economic trends.
2. Infrastructure planning and investment should consider any applicable budgets or fiscal plans.
3. Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting infrastructure.
4. Infrastructure planning and investment should ensure the continued provision of core public services, such as health care and education.
5. Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities.
6. Infrastructure planning and investment should ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
7. Infrastructure planning and investment should foster innovation by creating opportunities to make use of innovative technologies, services and practices, particularly where doing so would utilize technology, techniques and practices developed in Ontario.
8. Infrastructure planning and investment should be evidence-based and transparent, and, subject to any restrictions or prohibitions under an Act or otherwise by law on the collection, use or disclosure of information,
 - i. investment decisions regarding infrastructure should be made based on information that is either publicly available or is made available to the public, and

- ii. information with implications for infrastructure planning should be shared between the Municipality and broader public sector entities and should factor into investment decisions respecting infrastructure.
- 9. Where provincial or municipal plans or strategies have been established in Ontario, under an Act or otherwise, but do not bind or apply to the Municipality, as the case may be, the Municipality should nevertheless be mindful of those plans and strategies and make investment decisions regarding infrastructure that support them, to the extent that they are relevant.
- 10. Infrastructure planning and investment should support accessibility for persons with disabilities.
- 11. Infrastructure planning and investment should minimize the impact of infrastructure on the environment, respect ecological and biological diversity, and support resilience to climate change.
- 12. Infrastructure planning and investment should endeavour to use acceptable recycled aggregates.
- 13. Infrastructure planning and investment should promote community well-being, such as local job creation and training opportunities, improvement of public spaces, or other relevant benefits identified by the Town and community.

G. GENERAL

This Policy shall be administered by the Town's Asset Management Steering Committee, with assistance from staff within all departments.

This Policy shall be referred to as the 'Strategic Asset Management Policy'. This Policy shall come into force and effect on the day of passage.

This Policy shall be reviewed and, if necessary, updated at least every five years following July 1, 2019.

H. AUTHORITY

The authority for the Strategic Asset Management Policy shall be by the approval of Council.