



1.0 Purpose

A strategic asset management policy formalizes the Town of Spanish's commitment to asset management, aligns its asset management actions with strategic goals and objectives, and provides direction to guide Council, management and staff in carrying out its business strategies, plans and activities. This policy will support the municipality in focusing its infrastructure efforts on managing risks, addressing priorities, and meeting short and long-term needs within the bounds of possible funding.

2.0 Vision

The Town's vision is to proactively manage its assets to best serve the Town's objectives, including:

- Prioritizing the need for existing and future assets to effectively deliver services,
- Supporting sustainability and economic development, and
- Maintaining prudent financial planning and decision making.

3.0 Objectives

The objectives of this policy are to:

- Provide a consistent framework for implementing asset management throughout the organization,
- Provide guidance to staff responsible for asset management, and
- Provide transparency and accountability and to demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels and risks.

To assist with this, the following definitions apply to this policy:

- **ASSET** – Shall mean an item, thing or entity that has potential or actual value to the Town.
- **ASSET MANAGEMENT** – Shall mean a systematic process to guide the planning, acquisition, operation and maintenance, rehabilitation and disposal of Assets. 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 PLAN** – refers to a strategic document that states how a group of assets are to managed over a period of time. The plan describes the characteristics and condition of infrastructure assets, the levels of service expected from them, planned

actins to ensure the assets are providing the expected level of service, and financing strategies to implement the planned actions.

- ASSET MANAGEMENT SYSTEM – The people, processes, tools and other resources involved in the delivery of asset management.
- 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 Town delivers.

4.0 Strategic Alignment

Council and Senior Management will review this policy and incorporate it into the asset management planning approach that fosters the integration of municipal documents such as:

- The Strategic Plan
- The Accessibility Plan
- The Asset Management Plan
- The Official Plan
- The Tangible Capital Asset Policy

All of the municipality's plans rely to some extent on the physical assets owned by the Town of Spanish and the commitment of staff to ensure their strategic use. This includes the long-term maintenance, repair, and replacement of existing assets along with the acquisition of new assets to meet the evolving needs of the Town.

Asset management planning therefore will not occur in isolation from other municipal goals, plans and policies.

5.0 Stakeholder Engagement

The ultimate goal of the Town is to efficiently provide its various stakeholders with the municipal services they need within the bounds of regulatory requirements, the built environment, and the natural environment.

In order to achieve this goal, it is necessary that the Town:

- Understand the needs of current stakeholders;
- Consider the needs of future generations; and
- Incorporate these perspectives into asset management plans.

The municipality recognizes them as an integral part of the asset management approach.

Accordingly, the municipality will:

- Provide opportunities for residents and other stakeholders served by the municipality to provide input in asset management planning; and
- Coordinate asset management planning with other infrastructure asset owning agencies such as municipal bodies and regulated utilities.

6.0 Guiding Principles

The Infrastructure for Jobs and Prosperity Act, 2015 sets out principles to guide asset management planning in municipalities in Ontario. The Town of Spanish will strive to incorporate the following principles whenever possible into the day to day operation of the municipality:

- **Forward looking:** The Town shall take a long-term view while considering demographic and economic trends in the region.
- **Budgeting and planning:** The Town shall take into account any applicable budgets or fiscal plans, including those adopted through Ontario legislation.
- **Prioritizing:** The Town shall clearly identify infrastructure priorities which will drive investment decisions.
- **Economic development:** The Town shall promote economic competitiveness, productivity, job creation, and training opportunities.
- **Transparency:** The Town shall be evidence-based and transparent, basing decision on publicly shared information and make information available to the public
- **Consistency:** The Town shall ensure the continued provision of core public services, such as health care and education.
- **Environmentally conscious:** The Town shall minimize the impact of infrastructure on the environment by:
 - Respecting and helping maintain ecological and biological diversity,
 - Augmenting resilience to the effects of climate change, and
 - Endeavoring to make use of acceptable recycled aggregates.
- **Health and safety:** The Town shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
- **Community focused:** The Town 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:
 - Local job creation and training opportunities (including for apprentices, within the meaning of section 9 of the Infrastructure for Jobs and Prosperity Act, 2015),
 - Improvement of public space within the community, and
 - Promoting accessibility for persons with disabilities.
- **Innovation:** The Town 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 Town 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.
- **Customer focused:** The Town will have clearly defined levels of service and apply asset management practices to maintain the confidence of customers in how Town assets are managed.

- **Service focused:** The Town will consider all the assets in a service context and take into account their interrelationships as opposed to optimizing individual assets in isolation.
- **Risk-based:** The Town will manage the asset risk associated with attaining the agreed levels of service by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding cost/benefit, recognizing that public safety is the priority.
- **Value-based affordable:** The Town will choose practices, interventions and operations that aim at reducing the lifecycle cost of asset ownership, while satisfying agreed levels of service. Decisions are based on balancing service levels, risks, and costs.

7.0 Community Planning

The combination of lifecycle analysis and financial sustainability principles will be the driver in the design and selection of community development or redevelopment that requires new assets, or existing asset enhancements, to take place. Parties involved in the development of the Asset Management Plan will reference the direction established in other Town plans as well as the methods, assumptions, and data used in their development. The aim of cross-referencing these plans is to ensure that development and redevelopment occur within the Town's means through an understanding of current and future asset needs.

8.0 Climate Change

Climate change will be considered as part of the Town's risk management approach embedded in local asset management planning methods. This approach will balance the potential cost of vulnerabilities to climate change impact and other risks with the cost of reducing these vulnerabilities. The balance will be struck in the levels of service delivered through operations, maintenance schedules, disaster response plans, contingency funding, and capital investments. The Town's contribution to climate change through greenhouse gas emissions will be mitigated in accordance with its local reduction targets, financial capacity, and stakeholder support.

9.0 Scope and Capitalization Thresholds

The Asset Management Policy applies to all assets whose role in service delivery requires deliberate management by the Town. The service-focus intent of this policy differentiates its requirements for identifying assets from the capitalization thresholds which are developed for the purposes of financial reporting. For this reason, the capitalization threshold developed for financial reporting will not be the guide in selecting the assets covered by asset management planning processes.

10.0 Financial Planning and Budgeting

The Town will integrate asset management planning into the annual capital budget, operating budget and its long-term financial plan, as applicable. The Asset Management Plan will be used as a resource in order to:

- Identify all potential revenues and costs (including operating, maintenance, replacement and decommissioning) associated with forthcoming infrastructure asset decisions;
- Evaluate the validity and need of each significant new capital asset, including considering the impact on future operating costs; and
- Incorporate new revenue tools and alternative funding strategies, where possible.

Service area personnel will reference the asset management plan for their area in order to:

- Determine forecasted spending needs identified in the plan,
- Verify progress made on the plan to identify potential gaps, and
- Prioritize spending needs, across the gap identified in the plan and recent developments, for the budget year.

Finance staff will be involved in the asset management planning process to coordinate the information from the service personnel in the preparation of the budget submission. The department level budget submissions will be reviewed and evaluated by the CAO/Clerk-Treasurer in the preparation of the Town's annual budget.

For the purposes of managing water and wastewater assets, the water and wastewater financial plans will be used as a basis for establishing user fees, and master plans (if applicable) will be referenced in order to ensure alignment with the budgeting process.

11.0 Governance and Continuous Improvement

This policy requires the commitment of key stakeholders within the Town of Spanish's organizational structure. The following details the responsibilities of the key stakeholders within the municipality:

Council

- Approve by resolution the Asset Management Plan and its updates every five years;
- Conduct annual reviews of management plan implementation progress on or before July 1 of every year; that includes:
 - Progress on ongoing efforts to implement the Asset Management Plan;
 - Consideration of the Strategic Asset Management Policy;
 - Consultation with Senior Management;
 - Any factors affecting the ability of the municipality to implement its Asset Management Plan; and

- A strategy to address these factors including the adoption of appropriate practices.
- Support ongoing efforts to continuously improve and implement the Asset Management Plan.

CAO/Clerk-Treasurer

- Maintain compliance with the Strategic Asset Management Policy and provincial asset management regulation(s).

Senior Management

- Oversee asset management planning activities that fall within their service area and in support of others.

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