 **Policy Type:** Finance

 **Policy #:**  FN-200-01

 **Approved by Council on:**

**Finance – Asset Management Policy**

**Policy**

The Corporation of the Town of Prescott is committed to providing services to residents in a fiscally responsible manner that support a healthy and vibrant community. With this commitment in mind, assets must be managed in a way that allows the Town to achieve its goals, plans and policies.

The asset management plans and progress made on the plans will be considered annually in the development of the Town’s capital budgets, operating budgets, and long-term financial plans.

Staff will reference the asset management plan to determine forecasted spending needs identified in the plan, verify progress made on the plan to identify potential gaps, and prioritize spending needs, based on the gaps identified in the plan and recent developments, for the year to be budgeted for.

Asset management planning will be aligned with the Town’s Official Plan. The asset management plans will reflect how the community is projected to change and the related asset impact. The Town will achieve this by consulting with those responsible for managing the assets to analyze the future costs and viability of projected changes. 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 and environmental impact 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 decision making process will also consider the environmental impact of choosing particular materials or assets and seek to reduce the overall environmental impact over the life and disposal of the asset. A balance will be struck in the levels of service delivered through operations, maintenance schedules, disaster response plans, contingency funding, and capital investments. The Town will continue to work with our partners in regard to climate change mitigation and adaptation.

The Town recognizes the need for stakeholder input into the planning process and will foster informed dialogue using the best available information.

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**Definitions**

In this policy the following definitions are used:

**Asset management Plan** - Means a strategic document that states how a group of assets are to be managed over a period of time. The plan describes the characteristics and condition of infrastructure assets, the levels of service expected from them, planned actions to ensure the assets are providing the expected level of service, and financing strategies to implement the planned actions.

**Capitalization Thresholds** – The Town’s 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 the asset management planning process.

**Infrastructure** - Means municipal tangible capital assets primarily for public use or benefit in Ontario.

**Purpose**

The purpose of this policy is to establish consistent standards and guidelines for management of the Town’s assets applying sound technical, social, and economic principles that consider present and future needs of users, and the service expected from the assets. This means balancing the total lifecycle cost of ownership and service levels that best meet the needs of the community while being cognizant of the risk of failure that is acceptable. The standards and guidelines must adhere to the following:

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**Vision and Goals**

The Town will proactively manage its assets to achieve:

* Effective delivery of service
* Supporting sustainability and economic development
* Employing prudent financial planning and decision making methodologies

The goals of this of this policy are to:

* Provide a framework for implementing asset management to enable a consistent and strategic approach at all levels of the organization
* Provide guidance to staff responsible for the asset management program

**Statutory Requirements**

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

**Forward looking**: The Towns 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, such as fiscal plans released under the Fiscal Transparency and Accountability Act, 2004 and Budgets adopted under Part VII of the Municipal Act, 2001.

**Customer Focused:** The Town will have clearly defined levels of service and apply asset management practices to maintain the confidence of customer in how the Town’s assets are managed.

**Service Focused:** The Town will consider all the assets in a service context and take into account a coordinated approach to optimizing those assets.

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**Risk Based:** The Town will manage the risks associated with attaining the desired level of service by focusing resources, expenditures, and priorities based upon risk assessments, and the corresponding cost/benefit, recognizing that public safety is paramount.

**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. Additionally, subject to any prohibition under an Act or otherwise by law on the collection, use, or disclosure of information, the Town shall make decisions with respect to infrastructure based on information that is publicly available or made available to the public and share information with implications on infrastructure and investment decisions with the Government and broader public sector entities.

**Consistency:** The Town shall ensure the continued provision of core public services.

**Environmental conscious**; the Town shall minimize the impact of infrastructure on the environment by respecting and helping maintain ecological and biological diversity, by augmenting resilience to effects of climate change and by endeavouring 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, improvement of public spaces within the community, and promoting accessibility for persons with disabilities.

**Value Based Affordability**: The Town will chose practices, interventions, and operations that aim at reducing the total life cycle costs of an asset, while maintaining the acceptable

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level of service. Decisions are based on balancing the level of service, with risks, and costs.

**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.

In addition the Town must adhere to the requirements outlined in the Minimum Maintenance Standards currently in force and any other legislation specific to the Municipality.

**Existing Plans and Policies**

The Town has developed and adopted an Official Plan, an Emergency Management Plan, a Multi-Year Accessibility Plan, a Community Improvement Plan, an Asset Management Plan, and Recreation Master Plan. These plans were designed to meet the legislative requirements and work together to achieve the Town’s mission of providing innovation and excellence in service delivery. These plans will be reviewed regularly by staff and annual spending requirements in support of the plans’ objectives will be incorporated into the budgeting process. All of the Town’s plans rely to some extent on the physical assets owned by the Town 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 in the Town.

In addition, the existing Town policies complement the planning documents by providing details for the implementation of strategic objectives.

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**Guiding Principles**

The policy requires the commitment of key stakeholders within the Town’s organization to ensure the policy contains a clear plan that can be implemented, reviewed and updated.

Council, on behalf of the citizens, are entrusted with the responsibility of overseeing the management of the assets. They will approve the Asset Management Planning documents and required updates every five years. They will review management’s implementation of the plan as part of the annual budget process. They will support efforts to improve the plan and ensure it includes changes necessitated by updates to other Town strategic documents.

Staff will oversee the policy implementation and ensure both the Asset Management Plan and the Asset Management Policy are in compliance with Provincial Asset Management regulations. Management will ensure that current year and long range asset requirements are incorporated into the budget presented to Council annually. Management will update the Policy and Plan to reflect changes as needed and present them for Council approval at least every five years. These changes will include those reflected in the updates to the Development Charges Study, Roads Needs Study, Structural assessment reports, and all other condition assessments commissioned for assets covered by the plan.

**Roles and Responsibilities**

The Town’s Asset Management Program requires a wide range of participation to ensure that it is executed and used effectively for the management of Town assets. The following parties have duties and responsibilities in the asset management program:

**Council**

* Approve the Asset Management Policy and direction of the Asset Management Program.
* Maintain adequate organization and financial resources to support the core practices of the Asset Management Program.

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* Prioritize effective stewardship of assets in relation to establishing Township policies and plans and future budgets.
* Establish and monitor levels of service.

**Senior Management Team**

* Develop policy and update as required.
* Provide corporate oversight to goals and provide direction in support of the Asset Management Program.
* Provide departmental staff coordination
* Develop and monitor levels of service and make recommendations to Council.
* Track, analyze and report on the Asset Management Program’s progress and results.

**Chief Administrative Officer / Treasurer**

* Provide organization-wide leadership in Asset Management practices and concepts.
* Ensure senior management team staff coordination and participation.
* Manage policy and policy updates.
* Coordinate, data management, and track Asset Management program implementation and progress.

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**Director of Operations**

* Provide leadership in Asset Management practices and concepts of municipal infrastructure assets.
* Develop the Asset Management Program component for assessing existing infrastructure and planning requirements for the lifecycle evaluation of these assets.
* Monitor levels of service.
* Coordinate, data management, and track Asset Management program implementation and progress.
* Coordinate and track Asset Management program for assets.

**Departmental Staff**

* Utilize the new business processes and technology tools developed as part of the Asset Management Program.
* Participate in implementation task teams to carry-out Asset Management activities.
* Implement and maintain the desired level of service.