

# **Municipality of Temagami Strategic Asset Management Policy**

## **1.0 Purpose:**

A strategic asset management policy formalizes the Municipality of Temagami'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 Municipality of Temagami's vision is to proactively manage its assets to best serve Municipal 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 transparency and accountability and to demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels and risks.

## **4.0 Strategic Alignment:**

The Municipality of Temagami has developed and adopted a Strategic Plan, an Official Plan, an Emergency Management Plan, a Multi-Year Accessibility Plan, a Community Improvement Plan, and an Asset Management Plan. These plans were designed to meet the legislative requirements and work together to achieve the Municipality's mission of providing innovation and excellence in service delivery. Spending requirements defined in the budgeting process and in long-term financial planning will reflect the objectives of these plans.

All Municipal Plans rely to some extent on the physical assets owned by the Municipality of Temagami 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 Municipality.

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

## 5.0 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 within the Municipality as stakeholders and neighboring municipal bodies, provincial agencies, and regulated utilities partners in service delivery. 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 in asset management planning; and
- Coordinating 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 Municipality of Temagami will strive to incorporate the following principles whenever possible into the day to day operation of the Municipality:

- **Forward looking:** The Municipality shall take a long-term view while considering demographic and economic trends in the region.
- **Budgeting and planning:** The Municipality shall take into account any applicable budgets or fiscal plans, including those adopted through Ontario legislation
- **Prioritizing:** The Municipality shall clearly identify infrastructure priorities which will drive investment decisions.
- **Economic development:** The Municipality shall promote economic competitiveness, productivity, job creation, and training opportunities.
- **Transparency:** The Municipality shall be evidence-based and transparent, basing decision on publicly shared information and make info available to the public
- **Consistency:** The Municipality shall ensure the continued provision of core public services, such as health care and education.
- **Environmentally conscious:** The Municipality shall minimize the impact of infrastructure on the environment by: 1. Respecting and helping maintain ecological and biological diversity, 2. Augmenting resilience to the effects of

climate change, and 3. Endeavoring to make use of acceptable recycled aggregates.

- **Health and safety:** The Municipality shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
- **Community focused:** The Municipality 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: 1. Local job creation and training opportunities (including for apprentices, within the meaning of section 9 of the Infrastructure for Jobs and Prosperity Act, 2015), 2. Improvement of public space within the community, and 3. Promoting accessibility for persons with disabilities.
- **Innovation:** The Municipality 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 Municipality 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.

## 7.0 Community Planning

Asset management planning will be aligned with the Municipality's Official Plan and the Provincial Policy Statement. The asset management plans will reflect how the community is projected to change with respect to development. The Municipality will achieve this by consulting with those responsible for managing the services to analyze the future costs and viability of projected changes. The combination of lifecycle 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.

Cross-referencing the Municipality's Official Plan and the Asset Management Plan will ensure that development occurs within the Municipality's means through an understanding of current and future asset needs.

## 8.0 Climate Change

Climate change will be considered as part of the Municipality'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. Bolstering resilience to climate change includes adapting to opportunities to manage vulnerabilities, anticipating possible costs to support contingency funds, and disaster planning to allow for business continuity. These actions will be taken in addition to acquiring or modifying assets based on greenhouse gas reduction targets. The Municipality will continue to work with the Region to support climate change mitigation and adaptation.

## **9.0 Scope and Capitalization Thresholds**

This policy applies to all assets owned by the Municipality whose role in service delivery requires deliberate management by the Municipality. The Municipality will use a service-based (qualitative) perspective when applying this policy to municipal assets, rather than a monetary value (quantitative). The service-focus intent of this policy differentiates its requirements for identifying assets from the capitalization thresholds that 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.

## **10.0 Financial Planning and Budgeting**

The Municipality will integrate asset management planning into the annual capital budget, operating budget, and its long-term financial plan. 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.
- The department level budget submission prepared by each Senior Manager will be reviewed and evaluated by the Treasurer/Administrator in the preparation of the Municipality's annual budget. Service area personnel will reference the asset management plan for their area in order to look up 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 year to be budgeted for. Administrative 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.
- 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 will be referenced in order to ensure alignment with the budgeting process.

## **11.0 Governance and Continuous Improvement**

The policy requires the commitment of key stakeholders within the Municipality's organization to ensure the policy guides the development of a clear plan that can be implemented, reviewed and updated.

The Council is entrusted with the responsibility of overseeing, on behalf of citizens, a large range of services provided through a diverse portfolio of assets. Council, having stewardship responsibility, is the final decision maker on all matters related to asset management in the Municipality. Council and senior management are committed to the success of asset management planning. The following details the responsibilities of the key stakeholders within the Municipality:

### **Council:**

- Approve by resolution the asset management plan and its updates at least every five years;
- Conduct annual reviews of the management plan implementation progress on or before July 1st of every year, that includes:
  - Progress on ongoing efforts to implement the asset management plans;
  - Consideration of the Strategic Asset Management Policy;
  - Any factors affecting the ability of the Municipality to implement its asset management plans;
  - Consultation with senior management;
  - A strategy to address these factors including the adoption of appropriate practices; and
  - Support ongoing efforts to continuously improve and implement the asset management plans.

### **Treasurer/Administrator:**

- Maintain compliance with the asset management policy and provincial asset management regulations.

### **Senior Management:**

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