

Strategic Asset Management Policy

1. Background

The Municipality of Mississippi Mills (Municipality) provides a range of services to the public. The provision of these services requires the ownership and responsible management of physical assets. It is imperative that the Municipality has a plan to manage these assets in order to meet desired service levels, manage risks, and to ensure long-term financial sustainability.

A Strategic Asset Management Policy is a document that details the policies and strategies that together form a framework for the Municipality's asset management process. This framework is intended to enable the Municipality to make consistent and sound decisions, plan for future needs, and provide public confidence with respect to the management of municipal infrastructure. Additionally, establishing a Strategic Asset Management Policy is a requirement under the *Infrastructure for Jobs and Prosperity Act, 2015*, as set out by Ontario Regulation 588/17.

2. Terms and Definitions

For the purpose of this document, the following definitions apply and reflect industry accepted practices, including ISO 55000 – International Standard for Asset Management.

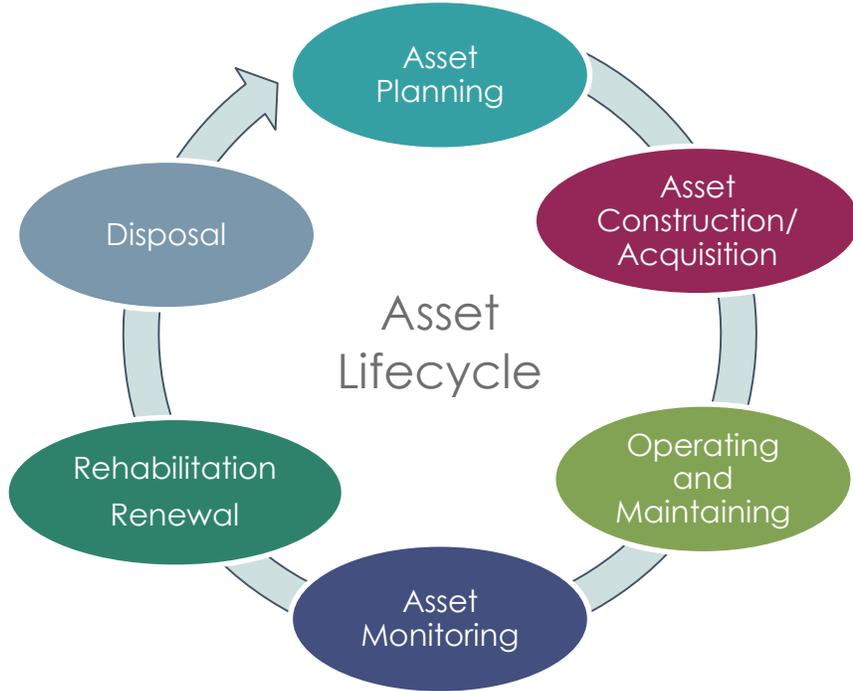
Asset: A tangible item, thing or entity that has potential or actual value to an organization.

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.

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.



3. Scope

The Strategic Asset Management Policy applies to all tangible assets that enable the Municipality to provide services, and that require deliberate management and long-term planning by the Municipality. These will include assets owned by the Municipality but operated by external agencies, and may include natural assets, such as waterways (e.g. retaining walls along the river). The Municipality will coordinate asset management planning where assets connect or are interrelated with assets owned by other municipalities or municipal bodies (e.g. boundary roads).

The service focus of the Municipality’s asset management plan may require assets to be defined differently from the definitions within the Municipality’s Tangible Capital Assets Policy (e.g. assets that do not meet the minimum capitalization thresholds set out in the Tangible Capital Assets Policy). The determination of scope of costs to be included as ‘assets’ within the Municipality’s asset management process will be consistent with the Municipality’s Tangible Capital Assets Policy, with consideration for additional costs where material to the asset management strategy.”

4. Asset Management Goals and Objectives

The Municipality's goals and objectives with respect to its tangible assets relate to the level of service being provided to the Municipality's constituents and stakeholders. Services should be provided at expected service levels, as defined within the Municipality's asset management plan or other strategic service-related documents. The Municipality's assets should be maintained at condition levels that are aligned with the expected service levels and strategic intent. Additionally, the Municipality is committed to providing services and maintaining assets in a financially sustainable manner. Asset management will enable the Municipality to balance service level expectations of constituents and stakeholders with financial sustainability. The Municipality will consider the use of appropriate funding mechanisms to support the financial sustainability objective. It is also the Municipality's objective to utilize asset management to inform the annual budget process and long-term financial plans. The Municipality will use asset management planning as a communication tool to link financial planning with strategic objectives and service expectations. Annual reporting on progress made with respect to asset management will ensure accountability.

The asset management plan and its implementation will be evaluated based on the Municipality's ability to meet these goals and objectives.

5. Principles

The Municipality commits to following the principles set out in this section when making decisions in respect of its assets and asset management planning.

These principles were designed to encompass those contained in section 3 of the *Infrastructure for Jobs and Prosperity Act, 2015*.

Service delivery – Service levels and performance targets shall be established and form the basis for asset management strategic decision making with respect to infrastructure. Levels of service will be defined, at a minimum, in accordance with the qualitative descriptions and technical metrics required by Ontario Regulation 588/17. The Municipality will manage risks associated with the defined service levels and performance targets by prioritizing asset management activities to ensure public safety, based on risk assessments and cost/benefit analysis. As part of its commitment to transparency and accountability, the Municipality will establish benchmarks and performance measures to demonstrate efficiency with respect to asset management and



service provision. The Municipality will ensure that infrastructure planning and investment is focused on promoting community benefits by ensuring alignment with the Municipality's various strategic documents, some examples of which are identified in section 6 of this policy. Furthermore, the Municipality will ensure that infrastructure planning and investment promotes accessibility for persons with disabilities.

Long-term sustainability and resiliency – As part of its commitment to long-term sustainability, the Municipality will consider potential vulnerabilities that may be caused by climate change. These vulnerabilities will be considered in developing the asset management strategies that outline the actions and associated costs that may be required to manage potential risks. Specific consideration will be given to changing regulatory requirements arising from climate change impacts on asset design standards, asset lifecycles, asset maintenance requirements, and level of service objectives. Furthermore, the Municipality will consider mitigation approaches to climate change, and disaster planning and contingency funding as part of its asset management planning practice. The Municipality will seek to minimize the environmental impacts of infrastructure by considering environmental factors in decision making, and will endeavour to make use of acceptable recycled aggregates where appropriate.

Holistic approach – The Municipality will take a holistic approach to asset management that takes into consideration all aspects and stages of the asset lifecycle and the inter-relationships between them. Within this approach, the Municipality will consider not only capital costs, but also significant capital planning costs, operating costs, and service performance impacts. Asset management planning will give consideration to relevant factors that impact the lifecycle of assets (e.g. asset condition, type of usage, capacity, etc.). Additionally, the Municipality will approach asset management from a multi-disciplinary perspective, recognizing that there needs to be deliberate collaboration between various areas of the organization.

Fiscal responsibility – The Municipality will utilize an evidence-based approach to decision making that balances service levels, risks, and costs, and aims at maximizing value from assets and services. Appropriate asset management funding will be provided with consideration for economic factors, such as affordability, indebtedness, and external funding availability. The Municipality will leverage its asset management processes to inform long-term financial plans and annual budgets. This will allow the Municipality to progress towards a sustainable financial position, which includes consideration of intergenerational equity.



Innovation and continual improvement – The Municipality views continuous improvement as an essential element of successful asset management. As required by the *Infrastructure for Jobs and Prosperity Act, 2015*, the Municipality will review its asset management progress annually, and will present the findings of these reviews to Council on or before July 1 in each year. The annual review will address the Municipality’s progress in implementing its asset management plan, factors impeding the Municipality’s ability to implement its asset management plan, and strategies to address these impeding factors. The Municipality will continue to monitor industry best practices, new technologies and innovation opportunities, and periodically update its asset management process.

6. Strategic Alignment & Integration

The Municipality’s asset management plan will be aligned with relevant municipal strategic planning documents, such as any strategic plans, official plan, water financial plans, master plans, etc.

Following updates or material changes to any such relevant documents, the Municipality will consider potential impacts on the asset management plan to ensure continued alignment.

In addition to ensuring alignment between the Municipality’s general asset management practices and the various strategic planning documents, the Municipality will also ensure that its asset management plan is considered in developing annual budgets and long-term financial plans that entail municipal assets. This will be achieved by requiring municipal staff to reference the asset management plan in the preparation of departmental budget submissions. Furthermore, municipal staff will, on an annual basis, present to Council the implementation of the asset management plan and its implications for annual budgets and/or long-term financial plans.

7. Roles & Responsibilities

Stakeholder Group	Responsibilities
Council	<ul style="list-style-type: none"> • Approve the Strategic Asset Management Policy and asset management plan (as updated at least every five years). • Receive annual reporting on the status and performance of the asset management plan. • Review and approve funding associated with asset management through the annual budget process. • Provide opportunities for the public to provide input into asset management planning. • Provide resources for implementation of the Strategic Asset Management Policy and asset management plan.
Executive Lead (CAO)	<ul style="list-style-type: none"> • Oversee preparation and implementation of the Municipality's asset management plan, and annual reporting on its status and implementation progress.
Project Manager (Treasurer)	<ul style="list-style-type: none"> • Identify resources required for implementation of the Strategic Asset Management Policy and asset management plan. • Coordinate annual reporting on the status and performance of the asset management plan. • Periodic review of the Strategic Asset Management Policy and asset management plan, at least every five years.
Senior Management Team	<ul style="list-style-type: none"> • Define levels of service measures/metrics and suggest proposed levels of service targets. • Incorporate lifecycle costing and levels of service considerations when evaluating competing asset investment needs and developing asset management strategies. • Update the Strategic Asset Management Policy and prepare the asset management plan, at least every five years.
Residents, Constituents and	<ul style="list-style-type: none"> • Provide input to the Municipality, for example, through participation in the annual budget process or future information sessions.



Stakeholder Group	Responsibilities
Stakeholders	

8. Review Period

This policy will be reviewed by the Treasurer, in consultation with the Municipality's Senior Management Team, at least every five years (as required by Ontario Regulation 588/17), and following any changes in regulatory requirements.