	<b>STRATEGIC ASSET MANAGEMENT POLICY</b>			
	<b>Policy Number</b>	11-004		
	<b>Approval Date</b>	May 27, 2019	<b>Revision Date</b>	<u>June 24, 2024</u>
	<b>Schedules</b>			

## **A. POLICY STATEMENT**

The Town of Tillsonburg is committed to providing services to residents in a fiscally responsible manner that supports a community that is **Connected, Enriched, and Inspired**. With this commitment in mind, assets must be managed in a way that allows the Town to achieve its goals, plans and policies.

This policy details the principles and general framework for a systematic and coordinated approach to asset management in order to achieve the municipality’s asset management objectives.

This policy is intended to establish consistent standards and guidelines for the management of Town assets, applying sound technical, social and economic principles that consider present and future needs of users, and the service levels expected from those assets. This policy also ensures that legislative and regulatory requirements are met.

The Town will adopt the ISO 55000 series of standards, and its amendments, as the guiding standards for Asset Management.

The Town's Asset Management workflows will comply with all applicable laws and regulations, as well as account for provincial mandates such as *Infrastructure for Jobs and Prosperity Act* and Climate Change Action Plans.

This policy demonstrates an organization-wide commitment to the good stewardship of municipal infrastructure assets, and to improved accountability and transparency to the community through the adoption of best practices regarding asset management planning.

## **B. PURPOSE**

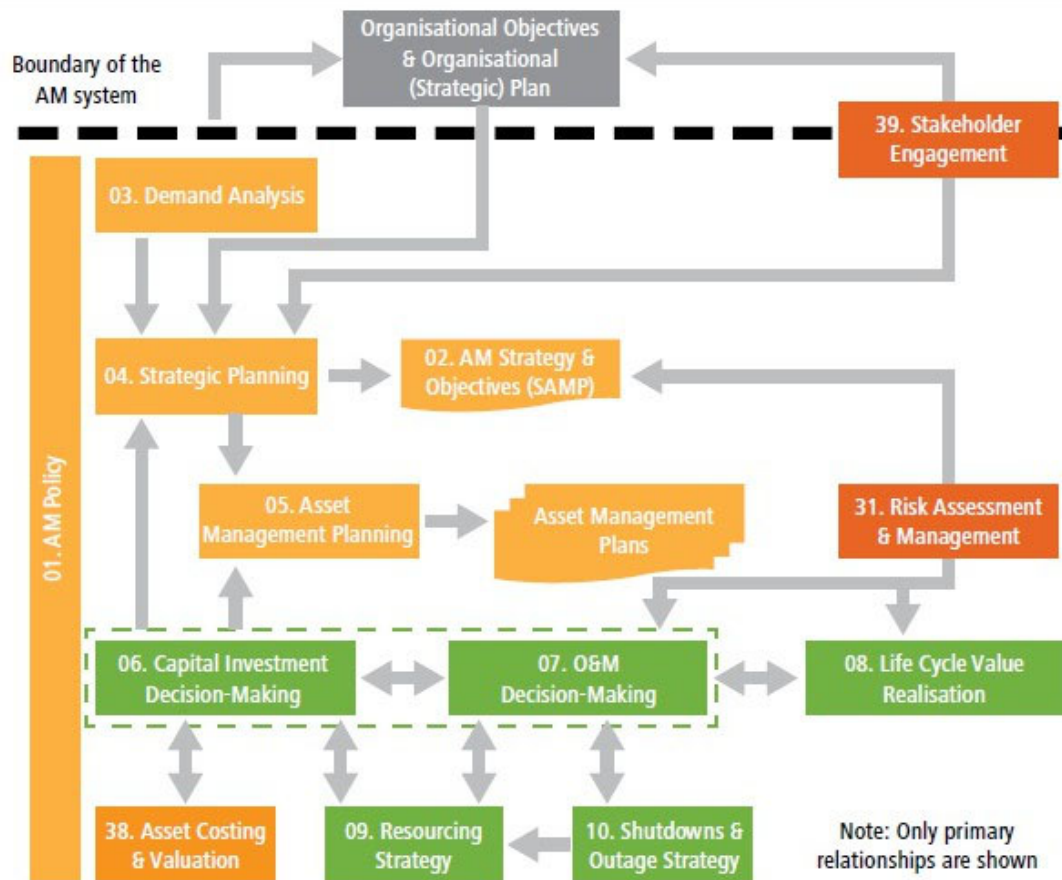
The purpose of this policy is to govern the practice of asset management within The Town of Tillsonburg. Effective control and governance of assets is essential to realize value through managing risk and opportunity, in order to achieve the desired balance of cost, risk and performance.<sup>1</sup>

This asset management policy expresses the commitment and intentions of the Town of Tillsonburg to plan, design, construct, acquire, operate, maintain, renew, replace and dispose of corporately owned assets in a way that ensures sound stewardship of public resources while delivering valued customer services.

It provides program principles and a framework for asset management practices that enables a coordinated, cost effective and organizationally sustainable approach for the Town of Tillsonburg. As outlined in the IAM’s Asset Management – An Anatomy of an Asset Management System requires many components working cohesively together, as illustrated below.

1 ISO/IEC. (2014). ISO International Standard ISO/IEC 55000:2014(E) – Asset management – Overview, principles and terminology. Geneva, Switzerland: International Organization for Standardization (ISO).

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*Figure 5: Key relationships for the Strategy & Planning subject group*

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## C. SCOPE

This policy applies to all municipally owned physical assets. The Town is committed to maintaining and managing assets at defined levels of service to ensure that they meet customer expectations, compliance and legislative requirements by;

- Establishing asset management strategies through full lifecycle costing principles
- Adopting risk-based decision making processes to minimize the Town's risk exposure
- Developing and enhancing asset management knowledge and competencies to ensure the availability of skill sets required for implementation of asset management programs
- Planning for and resourcing the optimum level of maintenance to ensure asset reliability while maximizing asset lifecycle
- Financial planning for sustainable long term funding to rehabilitate, replace or dispose of infrastructure assets
- Monitoring and evaluating performance of assets and associated programs to track effectiveness

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**D. BACKGROUND**

Physical assets in the Town of Tillsonburg are essential to the core services provided and contribute to the quality of life enjoyed by residents of the Town. Assets are critical to ensuring that services are delivered to residents in a safe, reliable and efficient manner, while sustaining a growing community.

The Town of Tillsonburg is responsible for a variety of capital assets including:

- Linear infrastructure such as roads, bridges, culverts, retaining walls, sidewalks, streetlights, signalized intersections, storm water sewers and storm water management ponds.
- Buildings including the community center, fire hall, operations and customer service center, museum and administrative offices.
- Land improvements such as sports fields, cemeteries, parking lots, parks and playgrounds.
- Vehicles and equipment including fire trucks, snow plow trucks and other specialized equipment.
- Natural assets including the urban forest, open spaces and watercourses.

**E. DEFINITIONS**

**Asset** – Anything tangible or intangible that can be owned or controlled to produce value and that is held by the Corporation to produce positive economic value

**Asset Management (AM)** – A systematic process of developing, operating, maintaining, upgrading, and disposing of **assets** in a cost effective manner

**Asset Management System** – The people, processes, tools and other resources involved in the delivery of asset management

**Asset Management Plan (AMP)** – A tactical **plan** for managing an individual or groups of **assets** over their lifecycle, to deliver a desired level of service. It specifies the activities, resources and timescales required to achieve the organization's asset management objectives

**Corporate Asset Management** – The application of asset management principles at a corporate level to ensure consistency among diverse asset groups. It is a coordinated, cost effective and organizationally sustainable approach to maximizing asset service delivery potential, managing related risks and minimizing cost of ownership, while delivering the acceptable levels of service to the public in a sustainable manner and in accordance with regulatory requirements

**Lifecycle** – Stages involved in the life of an asset, from acquisition to disposal

**Level of Service (LOS)** – A commitment to carry out a given action or actions within a specified time frame in response to an event or asset condition. LOS reflects social, political, environmental and economic outcomes that the organization delivers

**Tangible Capital Asset** – Non-financial assets having physical substance that have useful economic lives extending beyond an accounting period, are to be used on a continuing basis, and are not for sale in the ordinary course of operations.

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### F. POLICY

#### PLANS AND POLICIES SUPPORTED

##### Oxford County Official Plan

The Oxford County Official Plan provides the long term guide for growth and development for the entire County and is used to assess the appropriateness of various planning applications. It provides a land use strategy which balances growth and development in residential, industrial and commercial areas with the protection of natural and environmental resources. The land use policies of Official Plan pertaining to the Town of Tillsonburg (Section 8) provide general policy direction and a long-range planning framework for development in the Town of Tillsonburg. The objectives and policies together with the land use designations are intended to define not only the physical development of the Town but also to enhance the social, economic and environmental well-being of the municipality and its residents.

##### Future Oxford Community Sustainability Plan

The Future Oxford Community Sustainability Plan (CSP) creates a vision of a sustainable community that balances community, environmental and economic interests. Tillsonburg adopted the CSP in 2016. Tillsonburg's asset management planning will be informed by the Goals of the CSP

##### Community Strategic Plan

The Community Strategic Plan establishes a vision for the future that reflects community ideas and aspirations. The Community Strategic Plan guides priority setting, ensuring that programs and services address the changing needs of the community. The Tillsonburg Community Strategic Plan's goals and action items are organized according to four Strategic Objectives:

###### Excellence in Local Government Lifestyle and Amenities

- Within the community, Tillsonburg will strive to offer residents the amenities, services and attractions they require to enjoy balanced lifestyles.
- Demonstrate strong leadership in Town initiatives
- Streamline communication and effectively collaborate within local government.
- Demonstrate accountability

###### Economic Sustainability Customer Service, Communication and Engagement

- The Town of Tillsonburg will strive for excellence and accountability in government, providing effective and efficient services, information, and opportunities to shape municipal initiatives.
- Support new and existing businesses and provide a variety of employment opportunities.
- Provide diverse retail services in the downtown core.
- Provide appropriate education and training opportunities in line with Tillsonburg's economy.



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~~*Business Attraction, Retention and Expansion*~~~~*Demographic Balance*~~

- ~~• Through community and regional partnerships, Tillsonburg will attract and retain a diverse range of businesses, creating employment opportunities for residents and a balanced tax base.~~
- ~~• Make Tillsonburg an attractive place to live for youth and young professionals.~~
- ~~• Provide opportunities for families to thrive.~~
- ~~• Support the aging population and an active senior citizenship~~

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### ~~Community Growth, Culture and Community~~

- ~~The Town of Tillsonburg will accommodate and support sustainable growth.~~

~~Promote Tillsonburg as a unique and welcoming community~~

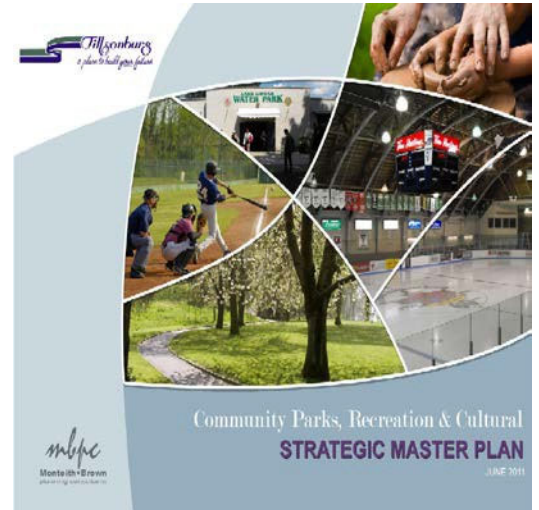
~~Provide a variety of leisure and cultural opportunities to suit all interests~~

~~Improve mobility and promote environmentally sustainable living~~

### Community Parks, Recreation & Cultural Strategic Master Plan

The Community Parks, Recreation & Cultural Strategic Master Plan provides a comprehensive framework articulating the needs and priorities for recreation programs, facilities, culture, parks, sports fields, trails and open space.

The recommendations contained within the Master Plan serve as a guide for stakeholders of the parks, recreation and culture system to consider as Tillsonburg grows and evolves over time.



### Energy Conservation and Demand Management Plan

In alignment with the vision and principles of the ECDMP, asset management decisions will be made with the intent to achieve energy conservation through use of technology, construction methods, and intentional operating protocols.

### Departmental Business Plans

The service level and budget set out in the asset management plan are incorporated into department business plans and budgets, goals and performance measures.

## INFRASTRUCTURE PLANNING PRINCIPLES

The key principles outlined in section 3 of the *Infrastructure for Jobs and Prosperity Act, 2015* have been summarized into the following four themes that the Town of Tillsonburg will consider when making decisions regarding asset management.

**Forward Thinking:** The Town will take a comprehensive approach to investment planning and decision making that looks at the long-term “big picture” and considers the combined impact of the entire asset lifecycle, while taking into account the needs of its customers, as well as local demographic and economic trends. It will also 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.

**Planning Investment in Infrastructure:** The Town is committed to informed infrastructure planning and investment with clearly identified priorities that will ensure the continued provision of core public services while promoting social and economic benefits arising from infrastructure projects that are intended to improve the well-being of the community, such as increasing accessibility for persons with disabilities, improvement of public spaces, economic competitiveness, productivity, local job creation and training opportunities. It will also ensure that

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the health and safety of workers involved in the construction and maintenance of infrastructure assets are protected.

**Transparency:** Subject to any restrictions or prohibitions under an Act or other-wise by law on the collection, use or disclosure of information the Town shall make evidence based and transparent infrastructure planning and investment decisions based on information that is either publicly available or is made available to the public. The Town will share information with implications for infrastructure planning with the Government and other broader public sector entities.

**Environmentally Conscious:** The Town recognizes the impact infrastructure may have on the environment and will endeavor to minimize these impacts to help maintain ecological and biological diversity. Infrastructure will be designed to be resilient to the effects of climate change and incorporate the use of acceptable recycled aggregates and LID techniques when appropriate.

### LAND USE PLANNING FRAMEWORK

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*. Asset management planning will conform with Provincial Plans that are in effect as well as the Oxford County Official Plan as it relates to Tillsonburg. The objective will be to ensure that infrastructure and public service facilities are provide in a coordinated, efficient and cost-effective manner and that planning for infrastructure is integrated with land use planning so that they are financially viable over their lifecycle and available to meet current and projected needs.

To accomplish this objective the Town will consult with Oxford County when the Official Plan is being prepared and/or reviewed and the direction established through the Official Plan and any supporting studies, assumptions and data will be referenced in the development of the asset management plan.

### CLIMATE CHANGE

The Town will consider the risks and vulnerabilities of municipal infrastructure assets to climate change and the actions that may be required as part of the risk management approach within 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.

A balance will be struck between the levels of service delivered through operations, lifecycle management, maintenance schedules, disaster response plans, contingency funding and capital investments. Asset management planning will encompass a sustainable approach to climate change mitigation strategies and adaptation opportunities.

### BUDGET PLANNING

The Town is committed to the information sharing, planning and budget coordination of connected or interrelated municipal infrastructure assets of joint or separate ownership by pursuing collaborative opportunities with Oxford County and neighbouring municipalities whenever possible and including such opportunities within the Town's asset management plan and budgeting process.

The Town will consult with Oxford County during the preparation of water and wastewater financial plan updates for Tillsonburg by providing up-to-date asset information to help ensure the long-term financial sustainability of these systems.

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The Town’s asset management plan will be considered annually during the development of the municipality’s operating and capital budgets through the integration of asset management planning and practices with the municipality’s long-term financial planning and budgeting strategies. This integration will allow each department and service area to generate short-term operating and maintenance needs as well as long-term capital needs to replace and/or renew municipal infrastructure assets based on full lifecycle costing to achieve desired levels of service.

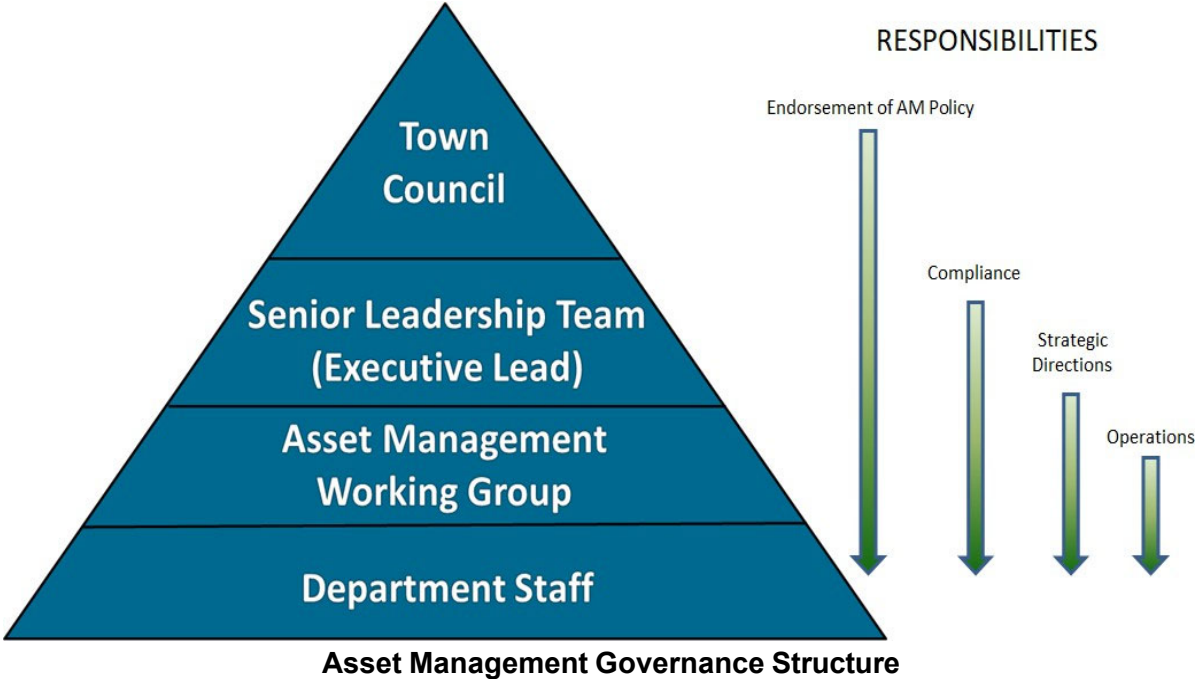
To make full use of all available infrastructure financing tools, the Town will incrementally increase the annual contribution from taxation towards asset management ~~by an amount equal to the additional tax revenue received each year through the phased in adjustments to the assessment base as determined by MPAC. This financing strategy will assist in achieving the guidelines set out in the Town’s Reserve Policy and will continue~~ until the level of funding from taxation has reached the strategic threshold referred to as the annual capital requirement determined through asset management planning.

**CAPITALIZATION THRESHOLDS**

The 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, assets in the asset management plan are not to be subject to a capitalization threshold, and are to be included based on judgement of whether the asset has value to the overall asset class. The capitalization threshold applied by asset class will be defined in the Tangible Capital Asset Policy.

**GOVERNANCE STRUCTURE**

A Corporate Governance Strategy defines asset management roles and responsibilities and enables participants to manage assets in an informed manner using reliable and consistent practices. The figure below illustrates the Asset Management Governance Structure for the Town of Tillsonburg.





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The development and continuous support of the Town's asset management program requires organization-wide participation and collaboration from Council and staff over a wide range of duties and responsibilities.

#### **Council**

- Provide input into policy development and policy updates
- Approve AM policy and direction of the AM Program
- Maintain adequate organizational capacity to support the core practices of the AM program
- Prioritize effective stewardship of assets through adoption of ongoing policy review and budgets
- Provide input and establish appropriate levels of service and acceptable risk

#### **Senior Leadership Team**

- Review policy and policy updates
- Provide Corporate oversight to goals and directions and ensure the AM program aligns with the Municipality's strategic plan
- Ensure that adequate resources are available to implement and maintain core AM practices
- Develop and monitor levels of service
- Provide departmental staff coordination

#### **Asset Management Working Group**

- Develop policy and policy updates
- Provide input into establishing levels of service and monitor key performance indicators for reporting to Senior Leadership Team
- Provide support and direction for Corporate AM practices
- Track, analyze and report on AM program progress and results to Senior Leadership Team

#### **Department Staff**

- Use the business processes and technology tools developed as part of the AM program
- Participate in the implementation of team tasks to carry out AM activities
- Provide input into establishing levels of service and monitor key performance indicators
- Provide support and direction for AM practices within their department

### **COMMUNITY FOCUS AND ENGAGEMENT**

Public engagement is a critical component of a strong and healthy municipal government. The Town of Tillsonburg is committed to informing and engaging its citizens through the use of the Town's Public Engagement Policy. As a Town that is "connected, enriched, and inspired" this policy ensures that citizens and stakeholders have the opportunity to become engaged with the municipal decision-making process through an inclusive, collaborative, mutually meaningful and co-operative relationship.

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**CONTINUOUS IMPROVEMENT**

The Town will annually review and update, as required, its Strategic Asset Management Policy, and any related policies or strategies, and following any changes in regulatory requirements, or updates to the Strategic Plan.

Staff will report to Council on asset management progress on or before July 1 in each year. The annual review must address:

- The Town’s progress in implementing its asset management plan;
- Any factors impeding the Town’s ability to implement its asset management plan; and
- A strategy to address the identified factors.

The AMP is a living document. The Town is committed to monitoring the industry and implementing best practices as they evolve. An updated AMP is required at minimum every five years under Ontario Regulation 588/17. The Town intends to update its AMP every four years during the second year of every new term of Council.

The Town is committed to updating its asset management data on a continuous basis as new information is received. (i.e. Bridge Needs Study completed every 2 years providing updated conditions). This continuous improvement to data helps ensure that the right capital projects are targeted within each budget cycle.