



THE CORPORATION OF THE TOWN OF PENETANGUISHENE

Municipal Asset Management Policy

1. **Policy Purpose**

Asset Management is a broad strategic framework that encompasses many disciplines and involves the entire organization. The term asset management as used in this document is defined as the application of sound technical, social and economic principles that considers present and future needs of users, and the service from the asset. Asset Management aims to leverage the lowest total lifecycle cost of ownership with appropriate regard for required service levels that best meets the needs of the community and an understanding about an acceptable risk of failure.

This policy document guides how staff and Council will interact with the Town of Penetanguishene's Asset Management Plan, a document that outlines policies and procedures regarding the inventorying of , renewal, and replacement levels for assets when considering financial planning and forecasting capital plans.

To guide the organization, the following policy statements have been developed.

2. **Council Asset Management Policy Statements**

- a. The Town of Penetanguishene will maintain and manage infrastructure assets at defined levels to support public safety, community well-being and community goals.
- b. The Town of Penetanguishene will monitor standards and service levels to ensure that they meet/support community and Council goals and objectives.
- c. The Town of Penetanguishene will develop and maintain asset inventories of all its infrastructure.
- d. The Town of Penetanguishene will establish infrastructure replacement strategies through the use of full life cycle costing principles.
- e. The Town of Penetanguishene will plan financially for the appropriate level of maintenance of assets to deliver service levels and extend the useful life of assets.
- f. The Town of Penetanguishene will plan for and provide stable long term funding to replace and/or renew and/or decommission infrastructure assets.
- g. Where appropriate, The Town of Penetanguishene will consider and incorporate asset management in its other corporate plans.
- h. The Town of Penetanguishene will report to citizens regularly on the status and performance of work to the implementation of this asset management policy.

3. Background and Purpose of Council Policy

Included in Council's mission statement is a commitment to "delivering the services that fall under its mandate to residents and businesses in a cost effective and creative manner".

The philosophy of an asset management strategy is that goals such as Penetanguishene's are best accomplished through asset inventories, condition assessments and life-cycle costing.

Through the use of sound asset management practices, Council and the community can be assured that the assets meet performance levels, are used to deliver the desired service in the long term and are managed for present and future users.

This policy is to articulate Council's commitment to asset management, and to guide staff using the policy statements. In doing so, this policy also outlines how it is to be integrated within the organization in such a way that it is coordinated, cost effective and organizationally sustainable. This policy also demonstrates to the community that Council is exercising good stewardship, and is delivering affordable services while considering its legacy to future residents.

Staff will implement the policy through the development and use of asset management guidelines and practices. Since the performance of asset management is organization specific, reflective of knowledge, technologies and available tools, and will evolve over time, the responsibility for guidelines and practices are delegated to staff.

4. Policy Principles, Guidelines and Integration

The key principles of the asset management policy are outlined in the following list.

The organization shall:

- Make informed decisions, identifying all revenues and costs (including operation, maintenance, replacement and decommission) associated with infrastructure asset decisions, including additions and deletions. Tradeoffs would be articulated and evaluated, and the basis for the decision recorded.
- Integrate corporate, financial, business, technical and budgetary planning for infrastructure assets.
- Establish organizational accountability and responsibility for asset inventory, condition, use and performance.
- Consult with stakeholders where appropriate.
- Define and articulate service, maintenance and replacement levels and outcomes.
- Use available resources effectively.
- Manage assets to be sustainable.
- Minimize risks to users and risks associated with failure.
- Pursue best practices where available.
- Report the performance of its asset management program.

Guidelines and Practices

The policy shall be implemented by staff using accepted industry guidelines and practices (such as those recommended by the Federation of Canadian Municipalities, e.g., InfraGuide) and staff shall consider the use of an asset management strategy and asset management plans.

The organization will also comply with required capital asset reporting requirements, and integrate the asset management program into operational plans throughout the organization.

Strategic asset management plans may be developed for a specific class of assets, or be generic for all assets, and should outline long term goals, processes and steps toward how they will be achieved. The asset management plans should be based on current inventories and condition (acquired or derived) projected performance and remaining service life and consequences of losses (e.g.. vulnerability assessments, *****). Operational plans should reflect these details. Replacement portfolios and associated financial plans should consider alternative scenarios and risks, as well as include public consultation.

Guidelines and Practices

The context and integration of asset management throughout the organization's lines of business is typically formalized through references and linkages between corporate documents. Where possible and appropriate, Council and staff will consider this policy and integrate it in the development of corporate documents such as:

- Official Community Plan
- Business plans
- Corporate strategic plan
- Corporate financial plan
- Operational plans and budgets (including vehicle and fleet plans and budgets)
- Neighbourhood plans
- Annual reports
- Design criteria and specifications
- Infrastructure servicing, management and replacement plans, e.g., transportation plans
- Community social plans
- Parks and recreation plans
- Facility plans

5. Key Roles for Managing the Asset Management Policy

Town policies are approved by Council. While staff, public and other agencies may provide input on the nature and text of the policy, Council retains the authority to approve, update, amend or rescind policies.

Role	Responsibility
Identification of issues, and development of policy updates	Council and staff
Establish levels of service	Council, staff and public
Exercise stewardship of assets, adopt policy and budgets	Council
Implementation of policy	CAO and staff
Development of guidelines and practices	CAO and staff
On-going review of policies	Council and staff

Implementation, review and reporting of asset management work

The implementation, review and reporting back regarding this policy shall be integrated within the organization. Due to the importance of this policy, the organization's asset management program shall be reported annually to the community, and implementation of this policy reviewed by Council at the mid-point of its term.

Actions	Responsibilities
Adopt Asset Management Policy	Council and CAO
Monitor and review infrastructure standards and level of service policies at established intervals	Council and CAO
Develop and maintain infrastructure strategies including development and service plans	Planning, Public Works, Finance
Develop and maintain asset inventories	Public Works, Parks, Finance
Assess infrastructure condition and service levels	Public Works
Establish and monitor infrastructure replacement levels through the use of full life cycle costing principles	Public Works, Finance
Develop and maintain financial plans for the appropriate level of maintenance, rehabilitation, extension and decommission of assets	Public Works, Finance
Report to citizens on the status of the community's infrastructure assets and asset management program. The channels may include annual citizen reports, business plans, etc.	Council, CAO