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## **APPENDIX A - Strategic Asset Management Policy**



## TOWNSHIP OF LA VALLEE

### STRATEGIC ASSET MANAGEMENT POLICY

#### **Purpose:**

The purpose of this *Policy* is to provide leadership and guidance for the Township of La Vallee to ensure the strategic development of its infrastructure asset management program, including roles and responsibilities. The *Policy* will facilitate logical and informed decision making for the management of the municipal infrastructure to support the delivery of sustainable community services.

#### **Background:**

The philosophy behind this strategy is that the goals of the Township with regard to tangible capital asset management may be best accomplished through the ongoing identification and use of asset inventory information, assessment of asset condition, and utilization of life-cycling costing. The use of sound tangible capital asset management practices enables Council, the community at large and other stakeholders to be assured that the Township's tangible capital assets meet appropriate condition and performance levels, are used to deliver desired services over the long term, and are effectively managed for current and future use.

This *Strategic Asset Management Policy* confirms the Township's commitment to tangible capital asset management and guides Council and staff on the statements contained in it. This *Policy* outlines how tangible capital asset management will be an integral part of Township planning and practices in order to ensure that such management is coordinated, cost-effective and sustainable. This *Policy* demonstrates Council's commitment to exercise good stewardship of Township assets, to ensure affordable and sustainable service delivery, and to consider impact of current decisions on the future of the municipality.

#### **Policy Statement:**

The Township of La Vallee will make reasonable efforts to:

1. Maintain and manage municipal assets at defined levels to support public safety, community well-being, and Township goals.
2. Monitor standards and service levels to ensure they meet and support the community, and Council's goals and objectives.
3. Develop and maintain inventories of its municipal assets.
4. Establish asset replacement strategies using full-life cycle costing principles.

5. Plan financially for the appropriate level of maintenance of assets to deliver service levels and extend the useful life of assets.
6. Plan for and provide stable long term funding to replace and/or renew and/or decommission infrastructure assets.
7. Consider and incorporate tangible capital asset management in its other corporate plans.
8. Report to citizens once during each term of Council on the status of the Township's asset management program and work done in accordance with this *Strategic Asset Management Policy*.

### **Policy Principles:**

To achieve the purposes of this *Policy*, described below are principles that guide Council and staff decisions, actions, and recommendations:

- Make informed decisions based on all available information, identifying all revenues and costs (including operation, maintenance, replacement, and decommission) associated with tangible capital asset infrastructure decisions, including additions and deletions.
- Integrate corporate, financial, business, technical, and budgetary planning for infrastructure assets.
- Establish organization 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.
- Manage operations, levels of service and lifecycle management of its tangible capital assets on a proactive basis.
- Consider actions to address vulnerabilities in its tangible capital assets which may arise due to climate change.
- Minimize risks to users of, and risks associated with, tangible capital asset failure.
- Monitor and review its tangible capital asset management program as part of its preliminary work during the annual budget cycle.

Where insufficient resources exist, Council and staff shall attempt to follow the overall spirit of these principles as reasonably possible.

### **Guidelines and Practices:**

The context and integration of asset management throughout the Township's operations is typically formalized through references and linkages between corporate documents which identify municipal policies and practices, many of which are required to align with provincial plans and legislation. Where possible and appropriate, Council, with input from staff, will consider this *Strategic Asset Management Policy* and will integrate its principles and direction in corporate decision making and, where appropriate, in the development of corporate documents.

### **Key Roles:**

Council approves Township policies while staff, the 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.

<b>Role</b>	<b>Responsibility</b>
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 Responsibilities:**

The implementation, review and reporting under this *Strategic Asset Management Policy* shall be integrated within the organization. Due to the importance of this *Policy*, the Township's asset management program shall be provided to the community during such year of Council review, and implementation of this *Policy* shall be reviewed by Council at the mid-point of its term.

<b>Actions</b>	<b>Responsibilities</b>
Adopt <i>Strategic Asset Management Policy</i> in 2019 and update every five years	Council and CAO/Clerk-Treasurer
Monitor and review infrastructure standards and levels of service at established intervals	Council and CAO/Clerk-Treasurer
Develop and maintain infrastructure strategies including development and service plans	CAO/Clerk-Treasurer and Department Heads
Develop and maintain asset inventories	Department Heads
Assess infrastructure condition and service levels	Department Heads, hired Consultants and others
Establish and monitor infrastructure replacement levels through use of life-cycle costing principles	CAO/Clerk-Treasurer, Department Heads, with advice from hired Consultants and others
Develop and maintain financial plans for the appropriate level of maintenance, rehabilitation, extension and decommission of assets	CAO/Clerk-Treasurer, Department Heads, with advice from hired Consultants and others
Report to citizens on the status of the Township's infrastructure assets and tangible capital asset management program	Council, CAO/Clerk-Treasurer