

# CORPORATION OF THE TOWN OF KEARNEY

## *Strategic Asset Management Policy*

SECTION NAME	SECTION NO.	POLICY NO.
Council	1	1-01
POLICY	EFFECTIVE DATE	PAGES
Strategic Asset Management Policy	May 31, 2019	6
REVISIONS	ADMINISTERED BY	
	CAO/Clerk/Treasurer	

### Policy Statement

The Town of Kearney is committed to improving the long-term resilience and sustainability of its infrastructure. To do this, the Town must have a policy to guide its asset management decisions that promotes best practices and links asset management planning to budgeting, operations and other municipal planning activities.

### Purpose

The purpose of this Policy is to provide guidance for capital asset management plans and other capital asset-related decisions for the Town. The adoption of a policy is one of the requirements of the Municipal Asset Management Planning Regulation under the Infrastructure for Jobs and Prosperity Act, 2015.

### Asset Management Principles

The following principles will guide asset management planning in the Town. These principles align with the principles in section 3 of the Infrastructure for Jobs and Prosperity Act, 2015.

1. **Forward Looking** – the Town shall take a long-term view while considering demographic and economic trends in the region.
2. **Budgeting and Planning** – the Town shall take into account any applicable budgets or fiscal plans such as budgets adopted under Part VII of the Municipal Act, 2001.

3. **Consistency** – the Town shall ensure the continued provision of core public services such as protection, transportation and environmental services.
4. **Economic Development** – the Town shall promote economic competitiveness, productivity, job creation and training opportunities.
5. **Prioritizing** – the Town shall clearly identify infrastructure priorities that will drive investment decisions.
6. **Innovation** – the Town 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.
7. **Transparency** – the Town shall be evidence-based and transparent. Additionally, subject to any prohibitions under an Act or otherwise by law on the collection, use or disclosure of information, the Town shall:
  - a) make decisions with respect to infrastructure based on information that is publicly available or made available to the public;
  - b) share information with implications on infrastructure and investment decisions with the Government and broader public sector entities.
8. **Environmentally Conscious** – the Town shall minimize the impact of infrastructure on the environment by:
  - a) respecting and helping maintain ecological and biological diversity;
  - b) augmenting resilience to the effects of climate change;
  - c) endeavoring to make use of acceptable recycled aggregates.
9. **Health and Safety** – the Town shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
10. **Community Focused** – the Town 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 the community, such as:
  - a) local job creation and training opportunities (including for apprentices, within the meaning of section 9 of the Infrastructure for Jobs and Prosperity Act, 2015);
  - b) improvement of public space within the community;
  - c) promoting accessibility for persons with disabilities.
11. **Integration** – in planning and making decisions surrounding infrastructure, where relevant and appropriate, the Town shall be mindful and consider the principles and content of non-binding provincial or municipal plans and strategies established under an Act or otherwise.

## Governance

The CAO/Clerk/Treasurer has overall responsibility for asset management planning for the Town. The CAO/Clerk/Treasurer is responsible for:

- Delegating asset management-related tasks to Town staff within their defined job descriptions/competencies and for recruiting external assistance when the required expertise does not reside in-house. Staff involved might include the Treasurer, the Planning Technician, Department Managers and Administrative/Office Assistants.
- Arranging meetings among staff members to ensure timelines for strategic asset management policy review, asset management plan development and review and provincial reporting requirements are adhered to.
- Ensuring municipal ratepayers and other interested parties are given opportunities to provide input into asset management planning.
- Approving the Asset Management Plan before being presented to Council for approval.
- By July 1, 2025, preparing an annual report relating to the Town's asset management progress for Council consideration. The report will address:
  - the Town's progress in implementing its *Asset Management Plan*;
  - any factors impeding the implementation of the *Asset Management Plan*;
  - proposed strategies to address identified impediments.

As part of the annual budgeting process, The Clerk-Administrator will review the asset management principles with Council, Department Managers and the Public, provide them with a summary of the asset management planning milestones to be achieved in the budget year, and report on the asset management planning progress made to date.

Council has a key role in ensuring the long-term sustainability and resilience of the Town's infrastructure. Town Council has the following roles and responsibilities with respect to asset management planning in the Town:

- Review and approve by resolution the Strategic Asset Management Policy and all subsequent revisions within their term of Council.
- Review and approve by resolution revisions to the Asset Management Plan.
- Annually review and approve the report on the Town's asset management progress prepared by the CAO/Clerk/Treasurer.
- Adhere to the asset management planning guiding principles when making budget and other planning decisions.
- Ensure tax rate/other revenue generator decisions move the Town towards sustainability and resilience.

## Strategic Alignment

### Official Plan, Economic Development Plan and Related Policies

Well-maintained infrastructure is important to the growth and development of the Town as set out in the goals of the Town's *Official Plan*. The *Official Plan* states that "The Town will strive to be recognized as a leader in managing its resources for the continued use and enjoyment while maintaining or enhancing the quality of life for all."

Maintenance and improvement of infrastructure is also seen as vital to “realizing the vision and mission of the Town” as outlined in the Town’s *Strategic Economic Development Plan*.

It is the intent of both the *Official Plan* and *Strategic Economic Development Plan* to encourage development that is compatible with the character, role and permitted uses of agricultural, rural and the Town Site areas, as well as to promote the continued functioning of natural systems. It is the intent that the natural beauty and environmental resources, considered key factors in the growth of the tourism sector, are not damaged by future development.

Good roads and bridges facilitate the movement of goods, the provision of services—notably emergency services—and the transport of people to work, school, recreation and other facilities. Good roads are essential to attracting economic development in the transport of commodities to market and providing access to tourism and other amenities the Town has to offer.

The state of local infrastructure also reflects on the image of the Town to its residents and visitors. Poorly maintained infrastructure conjures a negative image and may detract from investment in the Town.

Consequently, the Town’s *Asset Management Plan* facilitates the achievement of the vision outlined in the Town’s *Official Plan* and *Strategic Economic Development Plan* and supports the execution of the Town’s *Emergency Management Response Plan*.

The Town’s *Accessibility Customer Service Policy* states that “the Town is committed to ensuring its goods and services are provided in an accessible manner”. This aligns with the asset management principles that will guide asset management planning in the Town.

## **Annual Budgets**

The *Asset Management Plan* will be considered annually in the Town’s operating budgets, capital budgets, and long-range financial plans as well as in the development of tax levy rates and other related revenue generators. A review of the financing section of the *Asset Management Plan* will be included in the annual budget deliberations.

The *Asset Management Plan* will be referenced by the service area personnel in conjunction with finance staff in the preparation of their budgets to help them:

1. Identify all potential revenues and costs (including operating, maintenance, replacement, and decommissioning) associated with proposed infrastructure investments;
2. Evaluate the validity and need for proposed capital investments;
3. Incorporate new revenue tools and alternative funding strategies where possible.

## **Stakeholder Engagement**

The Town is committed to providing opportunities for municipal ratepayers and other interested parties to provide input into asset management planning. Stakeholders are encouraged to attend public budget meetings and comment on asset management-related decisions being considered by Council. They will also be encouraged to comment on any revisions to the Town’s existing *Asset Management Plan* prior to adoption by Council.

The Town recognizes that neighboring municipalities, provincial agencies, and other infrastructure-asset-owning agencies such as regulated utilities are partners in the delivery of service for municipal ratepayers. Accordingly, the Town shall coordinate asset management planning with these external parties when appropriate.

## **Asset Management Plan**

With the exception of land, all assets meeting the single asset capitalization thresholds detailed in the Town's *PSAB 3150 Policies - Tangible Capital Asset Policies* will be included in the *Asset Management Plan*. This includes the Town's proportionate share of the assets of any shared or fully-controlled services. Pooled assets—assets that are capitalized under the Town's tangible capital asset policy but do not meet the single asset capitalization threshold—will be excluded from the *Asset Management Plan*. The low capitalization thresholds established by the tangible capital asset policy ensures that all assets whose role in service delivery requires deliberate management by the Town are included in the *Asset Management Plan*.

On an ongoing basis, the planning department reviews all proposed development to ensure that it complies with the intent and direction of the *Official Plan* and *Zoning By-Law*. The planning department reviews Ontario's land-use planning framework, including any relevant policy statements issued under section 3(1) of the Planning Act to ensure that provincial plans are incorporated into updates of the Town's *Official Plan* and *Zoning By-Law*. Prior to the adoption of any revisions to the *Asset Management Plan*, the planning department will review the plan to ensure that it is aligned with the *Official Plan* and consequently, to Ontario's land use planning framework, policy statements and plans.

The Town **commits** to consider in asset management planning:

- a) the actions that may be required to address the risks and vulnerabilities that may be caused by climate change to the Town's infrastructure assets (including changing operating procedures (e.g., revising maintenance schedules), raising/lowering levels of service and lifecycle management strategies) as well as the anticipated costs that could arise from these impacts, and adaptation opportunities that may be undertaken to manage the potential risks;
- b) mitigation approaches to climate change, such as greenhouse gas emission reduction;
- c) disaster planning and any required contingency funding.

## **Continuous Improvement**

As part of the annual budgeting process, the Clerk-Administrator will provide Council, Department Managers and the Public with an update on asset management planning progress. This will include: any factors affecting the ability of the Town to meet its commitments set out in the *Asset Management Plan* and *Strategic Asset Management Policy*; a strategy to address those factors; and progress on ongoing efforts to implement the *Asset Management Plan*.

The Asset Management Plan will be subject to revision as the Town works within its guidelines and identifies specific challenges and/or opportunities for improvements. A comprehensive review of the Plan shall be undertaken every five-years, as a minimum, or on an as-required basis. Review of the plan will include an update to the existing state of infrastructure inventory and condition through such activities as the regular OSIM (Ontario Structural Inspection Manual) reporting and road evaluations. It will also include an update of the proposed levels of service, the lifecycle management strategy required to maintain the proposed level of service, an updated financial strategy, and a discussion of how the Town intends to address any funding shortfalls.