

KING TOWNSHIP CORPORATE POLICY ASSET MANAGEMENT



POLICY NO.:
COR-POL-132

Public Works & Finance	Issue Date: 2019-06-24
	Reviewed Date: 2024-06-17
Authored By: Irene Palazzolo	Issue No.: 2
Approved By: Samantha Fraser & Peggy Tollett	Next Review: 2029-06-17

1 PURPOSE STATEMENT

- 1.1 The purpose of this Asset Management Policy (*the "Policy"*) is to outline the Township of King's commitment to corporate asset management planning through defined principles and processes, and to ensure alignment and integration of asset management into strategic planning processes.
- 1.2 This Policy is established to embed asset management principles into ongoing capital, operations, and maintenance activities, through the Township's Asset Management Plan (AMP).

2 POLICY OBJECTIVE

- 2.1 Asset Management is an integrated business approach at the Township of King that aims to minimize lifecycle costs of owning, operating, and maintaining assets, at an acceptable level of risk, while continuously delivering established levels of service to its citizens and stakeholders.
- 2.2 The Township's Asset Management Program aims to improve and support asset management processes across the organization.
- 2.3 This Policy will codify asset management processes such that infrastructure needs can be prioritized over time, while ensuring municipal assets are maintained in a condition that minimizes repair and rehabilitation costs.
- 2.4 This Policy conforms to prescribed requirements from Ontario Regulation 588/17 (O. Reg. 588/17), as amended.

3 APPLICATION/SCOPE

- 3.1 As required by O. Reg 588/17, the Township will adopt the required principles from the *Infrastructure for Jobs and Prosperity Act, 2015*.
- 3.2 This Policy includes all assets owned or leased by the Township, including assets supporting the provision of Township services, owned or leased by boards and agencies of the Township, where the assets rely on or impact Township services.
- 3.3 This Policy also provides the framework to identify and prioritize investments in existing and future infrastructure assets, and to ensure each investment is capable of supporting the desired needs of the Township.

4 DEFINITIONS

- 4.1 **Asset Management Working Group:** The Township's working group has been established to help guide the implementation of asset management initiatives and ensure

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the AMP is maintained and complies with all Provincial legislation. The committee includes Director of Public Works (the Executive Lead); Director of Community Services; Director of Growth Management Services; Director of Finance & Treasurer; Manager of Budget & Financial Reporting/Deputy Treasurer; Manager of Revenue / Deputy Treasurer; Manager of Information Technology; Supervisor of Data Systems & Analytics, GIS Coordinator; and the Strategic Policy and Asset Management Coordinator. The Directors and Senior Managers **may delegate alternate representation on the Asset Management Working Group, as appropriate.**

- 4.2 **Asset:** An item, thing or entity that has potential or actual value to an organization. Value can be tangible or intangible, financial or non-financial. Asset can be either tangible such as equipment or intangible such as licenses, brands or agreements.
- 4.3 **Asset Management:** Coordinated activity of an organization to realize value from assets.
- 4.4 **Asset Management Plan (AMP):** 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.
- 4.5 **Asset Management Program:** The people, processes, tools and other resources involved in the delivery of asset management.
- 4.6 **Asset System:** Set of assets that interact or are interrelated.
- 4.7 **Asset Management Portfolio:** Group of assets within the scope of an asset management system.
- 4.8 **Level of Service:** Parameters or combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers. The parameters can relate to safety, customer satisfaction, quality, quantity, reliability, capacity, reliability, responsiveness, environmental acceptability, cost and availability.
- 4.9 **Lifecycle:** Various stages involved in the management of an asset.
- 4.10 **Risk:** Probability and/or effect of uncertainty on objectives.
- 4.11 **Stakeholder:** Person or organization that can affect, be affected by, or perceive themselves to be affected by a decision or activity.
- 4.12 **Township of King (Township):** Is the Corporation of the Township of King.

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5 RESPONSIBILITIES

5.1 Development and continuous support of the Township’s Asset Management Program requires a wide range of duties and responsibilities. The following outline the persons responsible for these tasks:

5.2 Council

- 5.2.1 Approves the Policy and provides input / direction of the Asset Management Program through the Township’s AMP.
- 5.2.2 Maintain adequate organizational capacity to support the core practices of the asset management program.
- 5.2.3 Prioritize effective stewardship of assets in adoption and periodic review of this Policy and AMP.
- 5.2.4 Annual review and approval of budgets (operating and capital).

5.3 Directors and Senior Leadership Team

- 5.3.1 Development and updates to this Policy.
- 5.3.2 Provide corporate oversight to goals and directions and ensure the Asset Management Program aligns with the Township’s strategic plans.
- 5.3.3 Ensure that adequate resources are available to implement and maintain core asset management practices.
- 5.3.4 Develop and monitor levels of service and make recommendations to Council.
- 5.3.5 Track, analyze and report on asset management program progress and results.
- 5.3.6 Provide organization-wide leadership in asset management practices and concepts.

5.4 Departmental Staff

- 5.4.1 Implement new business processes and technology tools as part of the Asset Management Program.
- 5.4.2 Participate in working groups to carry-out asset management activities.
- 5.4.3 Implement and maintain level of service standards for all capital asset classes.
- 5.4.4 Manage budgets based on lifecycle activities and financial management strategies.

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5.5 Public

- 5.5.1 Solicit input through surveys and public engagement relating to level of service expectations.
- 5.5.2 Understand dynamic nature of relationships between performance, cost, and risk of assets to deliver desired levels of service.

6 ASSET MANAGEMENT COMMITMENT

6.1 The Township of King shall:

- 6.1.1 **Integrate with the Township's Corporate Strategic Plan, Official Plan, Business plans, Financial plans, Master Plans, Development Charges Background Studies and Annual reports** to ensure alignment between asset decision-making and the Township's strategic objectives, as well as growth and service demand forecasts.
- 6.1.2 **Manage municipal infrastructure assets using an integrated business approach** that delivers desired levels of service by planning, coordinating and investing in infrastructure within the context of expectations approved by Council.
- 6.1.3 **Provide opportunities for citizens, businesses and other stakeholders** to provide input in asset management planning.
- 6.1.4 **Coordinate planning for management of assets shared with other governmental agencies**, including the Regional Municipality of York, neighbouring municipalities, school boards and the Conservation Authority.
- 6.1.5 **Align asset management planning activities to water and wastewater financial plans, including any financial plans prepared under the *Safe Water Drinking Act, 2002***, through collaboration between Finance and Public Works staff to ensure adequate / appropriate long-term fiscal sustainability of these critical assets.
- 6.1.6 **Commit to integrating the AMP recommendations** when developing municipal budgets (operating and capital) and long-term financial plans. Township staff will review the AMP during the annual budget planning process to:
 - a) Assess progress made on the plan to identify potential gaps and prioritize spending needs;
 - b) Determine appropriate levels of service to plan for;

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- c) Forecast spending needs identified in the plan;
- d) Prioritize capital projects.

6.1.7 **Commit to consider risks, including those related to climate change**, when reporting asset management planning needs.

- 6.2 The Township commits to provide annual asset management reports to Council and the public to ensure they are informed of the progress in implementing the Asset Management Program.
- 6.3 The Township’s AMP will be maintained by the Asset Management Working Group as set forth in the Definitions section of this Policy.

7 ASSET MANAGEMENT – POLICY STATEMENTS

- 7.1 The following are to be considered by the Township when planning long-term acquisition, maintenance/refurbishment, and replacement of municipally owned infrastructure.
 - 7.1.1 The Township will implement an enterprise-wide asset management program through all departments. The program will promote lifecycle and risk management of all municipal infrastructure assets, with the goal of achieving the lowest total cost of ownership while meeting desired levels of service.
 - 7.1.2 The Township’s approach to continuous improvement includes implementing protocols and adopting best practices regarding asset management planning, including;
 - a) Complete and Accurate Asset Data;
 - b) Condition Assessment Protocols
 - c) Risk and Criticality Models;
 - d) Lifecycle Management;
 - e) Financial Strategy Development; and
 - f) Level of Service Framework
 - 7.1.3 The Township will develop and maintain an asset inventory of all municipal infrastructure assets which include, at a minimum, a unique asset ID, description, location information, value (historical and replacement), performance characteristics and/or condition, estimated remaining life and

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estimated repair, rehabilitation or replacement date, estimated cost repair, rehabilitation or replacement costs.

- 7.1.4 The Township will develop an AMP that incorporates all infrastructure categories and municipal infrastructure assets that are necessary to the provision of services. This may include assets that fall below their respective capitalization thresholds as outlined in the Township’s Tangible Capital Asset Policy (ADM-POL-168). The scope of these assets will be determined, according to relevance, based on the professional judgment of the Asset Management Working Group.
- 7.1.5 The AMP will be reviewed annually to address the Township’s progress in implementing its AMP and updated at least every five years in accordance with O. Reg. 588/17 requirements, to promote, document and communicate continuous improvement of the Asset Management Program.
- 7.1.6 The Township’s AMP will be updated per legislated requirements contained in O. Reg. 588/17.
- 7.1.7 The Township will integrate asset management plans and practices with its long-term financial planning and budgeting strategies by reviewing the AMP during the annual budget planning process. This includes the development of financial plans that determine the level of funding required to achieve short-term operating and maintenance needs, in addition to long-term funding needs to replace and/or renew municipal infrastructure assets based on full lifecycle costing.
- 7.1.8 The Township will explore innovative funding and service delivery opportunities, including but not limited to grant programs, public-private partnerships (P3), alternative financing and procurement (AFP) approaches, and shared provision of services, as appropriate.
- 7.1.9 The Township will consider the risks and vulnerabilities of municipal infrastructure assets to climate change and the actions that may be required including, but not limited to, anticipated costs that could arise from these impacts, adaptation opportunities, mitigation approaches, disaster planning and contingency funding. Impacts may include matters relating to operations, levels of service and lifecycle management.
- 7.1.10 The Township will develop meaningful performance metrics and reporting tools to transparently communicate and display the current state of asset management practice to Council and the community.
- 7.1.11 With the collaboration between Finance and Public Works staff the Township will

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ensure that all financial plans are coordinated and align with the established Asset Management Plan and any other applicable legislation including;

- a. Financial reports relating to water assets including plans prepared under the *Safe Drinking Water Act, 2002*;
- b. Wastewater Asset Plans;
- c. Water/Wastewater Rate Study;
- d. Stormwater Management Rate Study;
- e. Development Charge Study; and
- f. Long Range financial plans, including the 10-Year Capital Plan.

7.1.12 By referencing the direction established in the Township's Official Plan the Township will align all 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*; shall conform with the provincial plans that are in effect on that date; and, shall be consistent with all municipal official plans.

7.1.13 The Township will coordinate planning for interrelated municipal infrastructure assets with separate ownership structures by pursuing collaborative opportunities with neighbouring municipalities and jointly-owned municipal bodies wherever viable and beneficial.

7.1.14 The Township will develop processes and provide opportunities for municipal residents and other interested parties to offer input into asset management planning wherever and whenever possible.

8 REVIEW OF POLICY

8.1 This Policy has been reviewed by and will be maintained by the Asset Management Working Group, with departmental support, input and assistance.

8.2 This Policy shall be reviewed and, if necessary, updated at least every five years.

9 RELATED DOCUMENTATION

9.1 [Infrastructure for Jobs and Prosperity Act, 2015](#)

9.2 [O. Reg. 588/17 Asset Management Planning For Municipal Infrastructure](#)

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10 APPROVAL AUTHORITY

<u>Council</u> Authority	<u>By-law #2019-068</u> By-law	Original Signed <u>Township Clerk</u>	2019-06-24 <u>Date</u>
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11 CHANGE MANAGEMENT

Date	Change Summary	Approved by:
2024-06-17	<ul style="list-style-type: none"> Title Change - “Strategic Asset Management Policy” to “Asset Management Policy” Due to frequency of changes, delegated authority to the Director of Public Works or the CAO to approve future updates to this policy. Reduced and clarified Policy Objective Clerical changes regarding groups and titles Reduced Related Documentation Removed Schedule 1 – Guiding Principals for Asset Management Policy Removed Appendix A – Ontario Regulation 588/17 	Council