



## **Township of Southgate – Asset Management Policy**

### **1. Background**

The Corporation of the Township of Southgate is committed to providing services to residents in a fiscally responsible manner that supports its residents, businesses and commerce, in a healthy and vibrant community. With this commitment in mind, assets must be managed in a way that allows the Township to support the community and achieve its goals, plans and policies.

### **2. Purpose**

The purpose of this policy is to establish consistent standards and guidelines for management of the Township's assets applying sound technical, social and economic principles that consider present and future needs of the community, and the service expected from the assets. This means leveraging and managing total lifecycle costs of ownership efficiently, at the least cost with regard to the service levels, to best meet the needs of the community while being cognizant of the risk of failure that is acceptable. The standards and guidelines must adhere to the following areas:

### **3. Definitions**

In this policy the following definitions are used:

- a) "**Asset Management Plan**" means a strategic document that states how a group of assets are to be managed over a period of time. The plan describes the characteristics and condition of infrastructure assets, the levels of service expected from them, planned actions to ensure the assets are providing the expected level of service, risk management assessment and financing strategies to implement the planned actions.
- b) "**Capitalization Thresholds**" means the Township's Asset Management Policy applies to all assets whose role in service delivery requires deliberate management by the Township. 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, the capitalization threshold developed for financial reporting will not be the guide in selecting the assets covered by the asset management planning process.
- c) "**Infrastructure**" means municipal tangible capital assets primarily for public use or benefit in the Township of Southgate.



- d) **“Level of Service”** means a description of approaches for core infrastructure assets including community expectations and technical metrics for life cycle methodologies.

#### **4. Scope and Responsibility**

The Public Works Manager together with the other Department Heads will assist in this task through the reporting of the ongoing maintenance work activities and costs to improve the asset lifecycle functioning of all infrastructure, utilization of condition assessment information and service level requirements to update the long and short term asset plan and its requirements.

The Treasurer will assume the lead role and be responsible for the maintenance of the asset plan and reporting on the activity related to the management of Township assets. This information will be reviewed by staff and presented to Council in Committee of the Whole meeting format annually for preparation prior to and consideration during the annual budget deliberations.

#### **5. Statutory Requirements**

The Infrastructure for Jobs and Prosperity Act, 2015 sets out principles to guide asset management planning for municipalities in Ontario. The Township of Southgate will strive to incorporate the following principles whenever possible into the day to day operation of the Township:

- i. **Looking Forward** - The Township shall take a long-term view while considering demographic and economic trends in the Township.
- ii. **Budgeting and Planning** - The Township shall take into account any applicable budgets, capital projections or fiscal plans, released under the Fiscal Transparency and Accountability Act, 2004 and budgets adopted under Part VII of the Municipal Act, 2001.
- iii. **Prioritizing** - The Township shall clearly identify infrastructure priorities to drive investment decisions based on assessment reporting of asset conditions and community requirements from the Township’s strategic direction spelled out in the Community Action Plan.
- iv. **Economic Development** - The Township shall promote economic growth through infrastructure investments, competitiveness, productivity, job creation and training opportunities.

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- v. **Transparency** - The Township shall be open and transparent during the decision making process. The Township shall make decisions with respect to infrastructure, based on information that is publicly available or can be made available, subject to the appropriate management of municipal assets, investment and risk. Those decisions, that can be, shall be shared with the public and the information provided to seek public input and share the implications on the infrastructure and investment decisions with the community, the Government and the broader public sector entities.
- vi. **Consistency** - The Township shall ensure the continued delivery of core public services in a fiscally responsible manner where the service requirements continue to be needed.
- vii. **Environmental Conscious** - The Township shall minimize the impact of infrastructure on the environment through implementing best practices and controls in maintenance works, project designs and construction works in advance of any required assessments and studies to maintain ecological and biological diversity. This environmental consciousness strategy for future infrastructure projects will mitigate the effects of climate change and by making use of acceptable recycled materials that provides value of asset investment and will reduce our carbon footprint.
- viii. **Health and Safety** - The Township shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets are protected through training, safety meetings and use of best practices.
- ix. **Community Focused** - The Township shall promote community improvement through public engagement to ensure and promote social and economic benefits arising from any infrastructure projects that are intended to improve the well-being of a community as an outcome of the project, such as local job creation, improvement of public spaces within the community, and promoting accessibility for persons with disabilities.
- x. **Innovation** - The Township shall create opportunities to make use of innovative technologies, services and best practices, particularly where doing so to utilize technology, techniques, and practices developed and working in the Ontario environment. In addition, the Township must adhere to the requirements outlined in the Maintenance Standards and the Provincial Policy Statement currently in force, and any other legislation specific to the Township.



- xi. **Existing Plans and Policies** - The Township has developed and adopted a Community Action Plan, an Official Plan, Grey County Growth Management Study, an Emergency Management Plan, an Accessibility Plan, a Community Improvement Plan, Roads Management Study, Bridge Inspection Reports, and an Asset Management Plan. These plans were designed to meet the legislative requirements and work together to achieve the Township's mission of providing innovation and excellence in service delivery. These plans will be reviewed regularly by staff and annual spending requirements in support of the objectives of the plans will be incorporated into the annual budgeting process. The Township's plans rely on the physical assets owned by the Township and the commitment of staff to ensure their strategic use and maintenance through investments. This is accomplished through long term asset maintenance, repair, and replacement planning, and the acquisition of new assets to meet the needs of the Township.

## **6. Guiding Principles**

The policy requires the commitment of key stakeholders within the Township's organization being Council and staff, with appropriate public consultation, to ensure the policy contains a clear plan that can be implemented, reviewed and updated.

**Council**, on behalf of the citizens, will be entrusted with the responsibility of overseeing the management of the assets. Council will approve the Asset Management Planning documents and required updates every five years. Council will review management's implementation of the Plan as part of the annual budget process. Council will support efforts to improve the Plan and ensure it includes changes necessitated by updates to other Township strategic documents.

**Staff Management** will oversee the policy implementation and ensure both the Asset Management Plan and the Asset Management Policy are in compliance with Provincial Asset Management regulations. Staff Management will ensure that current year and long range asset requirements are incorporated into the budget presented to Council annually. Staff Management will update the Policy and Plan to reflect changes as needed and present them for Council approval at least every five years. These changes will include those reflected in the updates to the Development Charges Study, Roads Needs Study, Building Structural Assessment Reports, and all other condition assessments commissioned for assets covered by the plan.



## **7. General Policy Strategies**

The asset management plans and progress made on the plans will be considered annually in the development of the Township's capital budgets, operating budgets, and long-term financial plans.

Department Heads will reference the asset management plan for their area in order to look up forecasted spending needs identified in the plan, verify progress made on the plan to identify potential gaps, and prioritize spending needs, across the gap needs identified in the plan and recent developments, for the year to be budgeted for. Finance staff will be involved in the asset management planning process to coordinate the information from the department personnel in the preparation of the budget submission.

Asset management planning will be aligned with the Township's Community Action Plan, Community Improvement Plan and Official Plan. The asset management plans will reflect how the community is projected to change and the related asset impact. The Township will achieve this by consulting with those responsible for managing the services to analyze the future costs and viability of projected changes.

Methods, assumptions, and data used in the selection of projected changes should be documented to support the recommendations in the Asset Management Plan.

Climate change will be considered as part of the Township's risk management approach embedded in local 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. The balance will be struck in the levels of service delivered through operations, maintenance schedules, disaster response plans, contingency funding, and capital investments. The Township will continue to work with the County of Grey in regard to developing climate change mitigation and adaptation best practices and assessments.

The Township recognizes the need for stakeholder input into the planning process of the Southgate Asset Management Plan and financial planning processes. The Township will foster informed community dialogue using the best available information and the use of options such as formal community meetings and online public engagement methods to make the best possible decisions related to the Asset Management Plan and supporting capital investment decisions to manage our municipal assets and infrastructure life cycle performance.