



FORTFRANCES

**STRATEGIC ASSET MANAGEMENT
OPERATIONS AND FACILITIES 4.28**

POLICY

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Superseded:

1. PURPOSE

The purpose of this policy is to provide leadership and guidance for the Town of Fort Frances to ensure the strategic development of its infrastructure asset management program, including roles and responsibilities. The policy facilitates logical and informed decision-making for the management of the municipal infrastructure to support the delivery of sustainable community services. The development of a strategic asset management policy is a requirement of Ontario Regulation 588/17 under the Infrastructure for Jobs and Prosperity Act, 2015 as amended.

2. BACKGROUND

A comprehensive approach to infrastructure asset management ensures that appropriate levels of service (LOS) are being delivered in the most efficient and effective manner and that due regard and process are applied to the long-term management and stewardship of the Town's capital infrastructure assets. This document provides a high-level statement of the organization's approach, principles and expectations related to asset management, as well as a focus for the implementation and continuous improvement of the Town's asset management program.

3. ALIGNMENT WITH STRATEGIC PLAN

Our vision – as stated in the 2023-27 Strategic Plan – is to be a leader in growing a thriving community with boundless opportunities. For this to be achieved, we require alignment of the many initiatives underway in our organization at any given time to ensure the levels of service provided by our existing and planned assets are congruent with and supportive of our vision. Asset management planning therefore will not occur in isolation from other municipal goals, plans, and policies. Rather, an integrated approach will be followed to successfully develop practical asset management plans that align with the overarching aspirations of our community. This approach keeps us mindful of the goals described in our Strategic Plan, leverages our Official Plan and coincides with our Financial Plans. Council is to conduct an annual review of its asset management progress once the plan is completed.

4. POLICY STATEMENT

The Town of Fort Frances will implement an enterprise-wide asset management program through all Town divisions. The program will promote lifecycle management of all infrastructure assets, including lowest total cost of ownership, and will define the provision of levels of service while balancing customer expectations with overall cost and business risk. The program will be based on continuous improvement with the goal of implementing industry best practices across all asset types and throughout the organization.

The program will include:

4.1. AN ASSET REGISTRY

The asset registry, or centralized asset database, will maintain an inventory of the Town's capital assets including unique ID, description, location information, asset value (both historical and replacement), performance characteristics and/or condition, estimated remaining life and estimated repair, rehabilitation or replacement date, and estimated cost for the repair, rehabilitation or replacement.

4.2. ASSET MANAGEMENT PLANS

Updated Asset Management Plans will be developed to incorporate all infrastructure categories. The plans will leverage the data in the registry and known best practices to identify and implement improvements in business processes in order to balance a level of service that meets residents' expectations with the costs and risks associated with providing the service. The Asset Management Plan must be reviewed and updated at least every five years as per O.Reg. 588/17.

4.3. CONTINUOUS IMPROVEMENT PROTOCOLS

Elements to be reviewed and advanced include:

4.3.1. DATA AS THE FOUNDATION FOR THE PROCESS

Valid, defensible data is the foundation of good decision-making. It is essential to collect complete and accurate data for all municipal infrastructure and to maintain this accuracy and currency over time.

4.3.2. CONDITION ASSESSMENT PROTOCOLS

Municipalities need to have a clear understanding regarding the performance and condition of their assets, as all management decisions regarding future expenditures and field activities should be based on this knowledge.

4.3.3. RISK AND CRITICALITY MODELS

Risk and criticality models and analysis are key elements of proper asset management practices and programs. Through their use, an asset manager can determine which infrastructure is critical to the organization and can also rank and rate the level of business risk associated with all of the infrastructure stock. This becomes invaluable when limited internal resources are being used to try and address a significant number of field needs or priorities.

4.3.4. LIFECYCLE MANAGEMENT

Proper lifecycle management of infrastructure components, networks, and portfolios will assist in establishing budgets and make the best use of public funds. The types of preventative maintenance, rehabilitation and replacement activities and the timelines for application for each asset class will be reviewed.

4.3.5. FINANCIAL STRATEGY

The two main risks to financial sustainability for municipalities are: providing levels of service that do not reflect fiscal capacity, and the cost of infrastructure. As a result, in order for an asset management program to be effectively implemented, it must be integrated with financial planning and long-term budgeting, identifying the need for senior government funding.

4.3.6. LEVEL OF SERVICE FRAMEWORKS

Desired levels of service are high level indicators, comprising many factors that establish defined quality thresholds at which municipal services should be supplied to the community. They support the organization's strategic goals and are based on citizen expectations, statutory requirements, standards, and the financial capacity of the municipality to deliver those levels of service.

4.4. PERFORMANCE METRICS AND REPORTING

Performance metrics and reporting tools will be developed to transparently communicate and display the current state of practice, including service levels achieved, within the organization and to assist with the path of continuous improvement moving forward.

4.5. INTEGRATION WITH FINANCIAL PLANS

The municipal asset management plan is to incorporate the strategies outlined in the Town's Long-Term Capital Financial Plan Policy and develop funding solutions to replace and/or renew municipal infrastructure assets based on lifecycle costing. The development of a long-term comprehensive financial plan within the Town's Asset Management Plan will allow the Town to identify the financial resources (taxation, user fees, reserves, debt) required for sustainable asset management based on existing asset inventories, desired levels of service and projected growth requirements.

4.6. TANGIBLE CAPITAL ASSETS AND THEIR CAPITALIZATION THRESHOLD

The municipality's asset management plan is to incorporate all infrastructure categories and infrastructure assets that meet the capitalization threshold outlined in the organization's Accounting for Tangible Capital Assets Policy.

4.7. ALIGNMENT WITH WATER AND WASTEWATER MANAGEMENT REQUIREMENTS

The municipality will ensure that the asset management plan is aligned with

- i. Financial plans related to the municipality's water assets including any financial plans prepared under the Safe Drinking Water Act, 2002 as amended.
- ii. Financial plans related to the Municipality's wastewater assets.

4.8. ALIGNMENT IN ACCORDANCE WITH ONTARIO'S PLANNING ACT

The municipality's asset management plan must align with Ontario's land-use planning framework, including any relevant policy statements issued in the *Planning Act*, any provincial plans as defined in the *Planning Act* and the municipality's official plan.

4.9. AWARENESS AND OUTSIDE CONSIDERATION

The municipality will coordinate planning where municipal infrastructure assets connect or are interrelated with those of neighbouring municipalities or jointly-owned municipal bodies wherever viable and beneficial.

4.10. COMMUNITY ENGAGEMENT

The municipality's asset management plan shall provide opportunities for municipal residents and other interested parties to provide input into the municipality's asset management planning.

4.11. ACCOUNTING FOR CLIMATE

The municipality's asset management plan must address the vulnerabilities that may be caused by climate change to the municipality's infrastructure assets. Considerations shall be made for operations, level of service and lifecycle management. Actions such as anticipated cost due to climate change, adaptation opportunities, mitigation approaches, disaster

planning and contingency funding will be considered.

4.12. POLICY REVIEW AND UPDATES

As of July 1st, 2019, the Strategic Asset Management Policy shall be reviewed and, if necessary, updated at least every 5 years by the Town of Fort Frances.

5. PRINCIPLES

Holistic

Taking a comprehensive approach to asset management that looks at the ‘big picture’ and considers the combined impact of managing all aspects of the asset lifecycle.

System Focused

Considering the assets in their asset system context, in terms of the different assets and their interrelationships, as opposed to optimizing individual assets in isolation.

Systematic

Adopting a formal, consistent, repeatable approach to the management of infrastructure assets will enable services to be provided in the most cost-effective manner.

Innovative

Continuous improvement will be a key part of our asset management approach and will focus on driving innovation in the development of tools, techniques and solutions.

Forward Looking

Making the appropriate decisions and provisions to better enable our assets to meet the challenges of future citizen expectations, legislative requirements and climate change.

Risk-based

Managing the asset risk associated with attaining the agreed upon levels of service, focusing resources, expenditures and priorities based upon risk and the corresponding cost/benefit

Citizen Focus

Having clearly defined levels of service and providing assurance to our citizens by adhering to good, or where proven cost-effective, best practice asset management processes and systems, supported by continually improving confidence in our asset data, and achieving citizen satisfaction at the defined levels of service.

Jobs and Prosperity

The Township shall consider all principles outlined in section 3 of the *Infrastructure for*

Jobs and Prosperity Act, 2015, as amended. This Act establishes mechanisms to encourage principled, evidence-based and strategic long-term infrastructure planning that supports economic growth, protection of the environment, and incorporates design excellence into infrastructure planning.

6. ROLES AND RESPONSIBILITIES

6.1. COUNCIL

- Approve the asset management policy and direction of the asset management program
- Approve future amendments to the asset management policy
- Establish acceptable infrastructure levels of service
- Ensure that adequate resources are available to maintain the Town's asset management program
- Report to citizens on status of community's infrastructure assets and asset management program. The channels may include annual reports, business plans, etc.

6.2. EXECUTIVE LEAD - ASSET MANAGEMENT STEERING COMMITTEE

- Will provide corporate oversight to the goals and directions of this Policy.
- Will ensure the asset management program aligns with Town of Fort Frances' current *Strategic Plan*.
- Track, analyze and report on asset management program benefits

6.3. DIVISIONAL MANAGEMENT (OPERATIONS AND FACILITIES DIVISION)

- Provide corporate-wide leadership in asset management practices and concepts
- Provide asset management steering committee and divisional staff coordination
- Coordinate and track asset management program implementation and progress
- Develop and maintain asset inventories
- Assess Infrastructure condition and monitor service levels
- Establish and monitor infrastructure replacement levels using full lifecycle costing principles
- Develop and maintain financial plans for the appropriate level of maintenance, rehabilitation, extension and decommissioning of assets

6.4. DIVISIONAL STAFF

- Utilize the new business processes and technology tools
- Participate in implementing task teams as part of the asset management development
- Provide support and direction for asset management practices within their division