

# Corporate Policy

**Subject:** Strategic Asset Management Policy

**Council Approval Date:** May 20, 2025

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**Purpose:**

The Town of Caledon continues to develop a systematic and coordinated approach to managing infrastructure, equipment, and fleet assets in delivering optimum levels of service to its residents and customers in a sustainable and cost-effective manner. This policy details commitments and key principles to achieve financial sustainability and an effective long-term management of the Town's infrastructure assets in support of a healthy, rapidly growing, and prospering community. This policy also underpins the successful implementation of the Town's Strategic Plan, in that the assets required to reliably provide services into the future and meet Town commitments are suitably managed.

**Definitions:**

Unless otherwise noted, the definitions provided in this document align with those outlined in Ontario Regulation 588/17 (O. Reg. 588/17), Asset Management Planning for Municipal Infrastructure, under the Infrastructure for Jobs and Prosperity Act, 2015.

Term	Definition
Asset Management (AM)	The coordinated activity of an organization to realize value from assets. It considers all asset types, and includes all activities involved in the asset's life cycle from planning and acquisition/creation; to operational and maintenance activities, rehabilitation, and renewal; to replacement or disposal and any remaining liabilities. Asset management is holistic and normally involves balancing costs, risks, opportunities, and performance benefits to achieve the total lowest lifecycle cost for each asset (ISO 55000).
Asset Management Plan (AMP)	A documented plan that includes an inventory of Town assets, their condition, replacement costs, and levels of service provided (current and proposed), as well as performance measures for core assets. The AMP must outline current and future needs, lifecycle activities, and costs, supported by a 10-year financial strategy addressing funding gaps. The plan must integrate risk management and prioritize assets based on criticality, considering climate change impacts and municipal affordability constraints.
Capitalization threshold	The value of a municipal infrastructure asset at or above which a Town will capitalize the value of it and below which it will expense the value of it.
Green infrastructure asset	An infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, stormwater management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs.

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Term	Definition
Level of Service	Parameters, or combination of parameters, which reflect social, political, environmental, and economic outcomes that the organization delivers. Parameters can include, but are not necessarily limited to, safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability (ISO 55000).
Lifecycle activities	Activities undertaken with respect to a municipal infrastructure asset over its service life, including constructing, maintaining, renewing, operating, and decommissioning, and all engineering and design work associated with those activities.
Municipal Asset	Assets that are required to enable services the Town provides. Infrastructure, vehicles, machinery, equipment, or digital resources including green infrastructure assets, directly owned by a Town, or included on the consolidated financial statements of a Town, however, does not include infrastructure assets that are managed by a joint municipal water board.

## Scope:

This Policy applies to all members of Council and all Town staff, who oversee and make decisions about tangible assets that include infrastructure, equipment, and fleet (owned in whole or in part, leased or managed by the Town).

## Commitments

This policy demonstrates an organization-wide commitment to the good stewardship of municipal infrastructure assets. By using sound asset management practices:

- The Town will be transparent and accountable by engaging its customers and staff in asset management planning;
- The Town will aim for all municipal infrastructure assets to meet expected performance levels through-out their operating lifecycles;
- The Town will continue to provide service levels in an efficient and effective manner;
- The Town will link service outcomes to infrastructure investments in the operating, maintaining and capital programming phases aligned and focused on services, rather than only budget-driven asset management capital replacement approaches; and
- The Town will implement an organization-wide asset management program, which 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.



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The following elements describe how these commitments will be met.

The Town maintains an Asset Management Plan (AMP) that incorporates all infrastructure categories and municipal infrastructure assets that are necessary to the provision of services the Town provides. This may include assets that fall below their respective capitalization thresholds as outlined in the Town's Tangible Capital Asset Procedure that are critical in nature requiring ongoing proactive management. The degree of management required for these assets is determined, according to relevance, based on the professional judgment of Town senior staff. The AMP is reviewed annually to address the Town's progress in improving its AMP, and updated, as required, at least every five years in accordance with legislative requirements, to promote, document, and communicate continuous improvement as it implements an Asset Management Program.

The Town integrates asset management plans and practices with its long-term financial planning and budgeting strategies. This includes the development of financial plans that determine the level of funding required to achieving 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.

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

The Town will implement protocols and adopt leading practices where suitable, including:

- Condition Assessment Protocols,
- Risk and Criticality Models,
- Lifecycle Management,
- Financial Strategy Development, and
- Level of Service Framework.

The Town will align asset management planning with the current Town Strategic Plan 2023-2035.

The Town of Caledon's budget will align with this policy. As this policy is updated, it shall be revised to align with emerging and evolving strategies and actions.

The Town will align 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.

## Asset Data and Information

The Town maintains a documented asset inventory of all municipal infrastructure assets which includes unique identification numbers, description, location information, financial value (both historical and replacement), function performance characteristics and/or condition, estimated remaining life, estimated repair, rehabilitation or replacement date, and estimated cost of repair, rehabilitation, or replacement. The Town will implement continuous improvement protocols and adopt best practices to maintain an asset inventory of all municipal infrastructure assets that are complete and accurate based on installed, operational, in-service infrastructure assets and equipment.



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## Monitoring and Reporting

The Town 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. Included in the reporting will be yearly updates to Council outlining the State of Good Repair (SOGR) of all Town owned and operated asset classes by service area to ensure Council and the public are aware of the deterioration or renewal status of assets and their levels of service year over year.

## Public Engagement

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

## Climate Change Considerations

The Town exemplifies its commitment for acting on climate change by participating in the Global Covenant of Mayors for Climate and Energy and the International Council for Local Environmental Initiatives (ICLEI) Framework Building Adaptive, Resilient Communities for climate change adaptation.

In this context, the Town will leverage new and existing opportunities for reducing greenhouse gas emissions (mitigation) and building resiliency to projected climate change impacts (adaptation) into corporate asset management practices. Applying climate change mitigation and adaptation lenses will be achieved by strategically embedding tactical, operational, and reflexive considerations related to climate change into lifecycle management practices for corporate assets. This will reduce vulnerabilities and promote adaptation and resiliency to climate change impacts, incrementally over time. This includes, but is not limited to, incorporating climate change considerations into infrastructure design, risk assessments, anticipated operational costs, changing levels of service, disaster planning and related contingency funding.

## Key Principles

The Town will consider the following principles<sup>1</sup> when making decisions regarding asset management:

1. Infrastructure planning and investment should take a long-term view, and decision-makers should consider the needs of citizens by being mindful of, among other things, demographic and economic trends.
2. Infrastructure planning and investment should take into account any applicable budgets or fiscal plans.
3. Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting infrastructure.
4. Infrastructure planning and investment should ensure the continued provision of core public services.

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<sup>1</sup> (Source: *Section 3 of the Infrastructure for Jobs and Prosperity Act, 2015*)

5. Infrastructure planning and investment should be evidence based and transparent, and, subject to any restrictions or prohibitions under an Act or otherwise by law on the collection, use or disclosure of information,
  - a. Investment decisions respecting infrastructure should be made on the basis of information that is either publicly available or is made available to the public, and
  - b. Information with implications for infrastructure planning should be shared between the Town and broader public sector entities and should factor into investment decisions respecting infrastructure.
6. Infrastructure planning and investment should promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the well-being of a community affected by the project, such as local job creation and training opportunities, improvement of public space within the community, and any specific benefits identified by the community.
7. Infrastructure planning and investment should ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
8. Infrastructure planning and investment should minimize the impact of infrastructure on the environment and respect and help maintain ecological and biological diversity, and infrastructure should be designed to be resilient to the effects of climate change.
9. Infrastructure planning and investment should promote accessibility for persons with disabilities.
10. Infrastructure planning and investment should foster innovation by creating opportunities to make use of innovative technologies, services and practices, particularly where doing so would utilize technology, techniques and practices developed in Ontario.
11. Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities.
12. Infrastructure planning and investment should endeavor to make use of acceptable recycled aggregates.
13. Where provincial or municipal plans or strategies have been established in Ontario, under an Act or otherwise, but do not bind or apply to the Town, as the case may be, the Town should nevertheless be mindful of those plans and strategies and make investment decisions respecting infrastructure that support them, to the extent that they are relevant.

## Review and Update

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

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## Policy Statement:

The Town of Caledon is committed to managing its assets in a strategic, sustainable, and cost-effective manner to maximize value for stakeholders. Through a structured asset management framework, the Town will ensure assets are acquired, operated, maintained, and disposed of in alignment with the organization's objectives, risk management strategies, and regulatory requirements. This policy is compliant with Ontario Regulation 588/17, Asset Management Planning for municipal Infrastructure under the Infrastructure for Jobs and Prosperity Act, 2015.

## Roles:

The development and continuous support of the Town's asset management program requires a wide range of duties and responsibilities, listed in the following table.

Table A: Roles & Responsibilities

Role	Responsibilities
Council <sup>2</sup>	<ul style="list-style-type: none"><li>- Approve the asset management policy and the direction of the most recent AM Plan or AM Plan include Levels of Service and updates<sup>2</sup>.</li><li>- Approve required organizational capacity to support the core practices of the asset management program.</li><li>- Promote the priority of effective stewardship of assets in adoption and ongoing review of policy and budgets.</li><li>- Conduct an annual review of the Towns asset management progress as specified in the Regulation<sup>2</sup>.</li></ul>
CAO <sup>2</sup> (Executive Lead)	<ul style="list-style-type: none"><li>- Serve as executive lead related to asset management planning<sup>2</sup>.</li><li>- Endorse the AM Plan or AM Plan updates<sup>2</sup>.</li></ul>
Treasurer, Finance	<ul style="list-style-type: none"><li>- Manage policy and policy updates.</li><li>- Enable organization-wide Senior leadership in asset management practices and concepts.</li><li>- Monitor both asset management program implementation progress and Levels of Service performance as per the most recent Council Approved AMP or AMP updates.</li><li>- Facilitate the annual review of the town's asset management progress.</li></ul>
Senior Management Team	<ul style="list-style-type: none"><li>- Promote and endorse AM policy and policy updates.</li><li>- Provide corporate oversight to goals and directions, to align the asset management framework and program implementation with the Town's Strategic Plan.</li><li>- Ensure that adequate resources are available to implement and maintain core asset management practices.</li><li>- Provide departmental staff coordination.</li></ul>

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Role	Responsibilities
	<ul style="list-style-type: none"> <li>- Where relevant, define changes to asset-centric levels of service, cost, and risks in master plans.</li> <li>- Review and analyze asset management progress and results.</li> <li>- Provide direction and input to the Corporate Asset Management Team.</li> </ul>
Asset Managers and Department Staff	<ul style="list-style-type: none"> <li>- Participate in asset management working groups to coordinate asset management activities.</li> <li>- Utilize new business processes and technology tools coordinated across the Town developed as part of asset management initiatives and programs.</li> <li>- Contribute to the development and Implement levels of service.</li> <li>- Provide support and direction for asset management practices within related departments, work units.</li> <li>- Monitor related asset management program progress and results.</li> <li>- Provide asset and AM program performance data to the Corporate Asset Management Team.</li> </ul>
Corporate Asset Management Team	<ul style="list-style-type: none"> <li>- Lead reviews and updates of AM policy, AMPs, current state and annual progress of AM at the Town and updates to the Towns SOGR of all asset classes.</li> <li>- Maintain, update, and implement policies and procedures as per the most recent Council-approved AMP and/or Council asset management updates.</li> <li>- Identify issues such as increased risk, reduced performance, or excessive lifecycle expenditures, and promote the development of overall AM plans forward, to uphold a continuous improvement and learning culture.</li> <li>- Contribute to Town wide capital budget programming ensuring long-term, cost-effective decision making with consideration of asset lifecycle management.</li> <li>- Track and analyze overall asset management program progress and results.</li> <li>- Develop and champion asset management initiatives as required.</li> </ul>

<sup>2</sup>As per O.Reg.588/17 section 8 and 9.

## Reference and Related Documents:

- Caledon's 2023-2035 Strategic Plan:
  - The Asset Management Plan provides data, information, Levels of Service, lifecycle strategies, related risks, and funding requirements as key planning inputs for ensuring a State of Good Repair for three Strategic Plan priority areas;
    - Enhanced Transportation and Mobility
    - Environmental Leadership



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- Service Excellence and Accountability
  - Details about Caledon's 2023-2035 Strategic Plan can be found at [caledon.ca/strategicplan](https://caledon.ca/strategicplan)
- Town of Caledon 2025 Asset Management Plan
- Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure, made under the Infrastructure for Jobs and Prosperity Act, 2015

VERSION HISTORY				
VERSION	APPROVED BY	REVISION DATE	DESCRIPTION OF CHANGE	AUTHOR
1.0	Council	Jan.15, 2019	Original Policy	V. Aneja
2.0	Council	May 20, 2025	Update as per Ontario Regulation 588/17	R. Lash