# BY-LAW NO. 2019-41

## THE CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES

**BEING** a By-Law to Adopt a Strategic Asset Management Policy.

**WHEREAS** Section 9 of the *Municipal Act S.O. 2001,* Chapter 25 states that a Municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other act;

**AND WHEREAS** the *Municipal Act S.O. 2001, c25, Section 5(3)*, as amended provides that a municipal power, including a municipality's capacity rights, powers and privileges under section 9, shall be exercised by by-law;

**AND WHEREAS** the Township of Rideau Lakes is required to establish a Strategic Asset Management Policy in accordance with Ontario Regulation 588/17 by July 1, 2019.

**NOW THEREFORE** the Council of the Corporation of the Township of Rideau Lakes enacts as follows:

1. The Strategic Asset Management Policy as outlined in Schedule "A" attached hereto, is adopted by Council.

2. The Clerk of the Township of Rideau Lakes is hereby authorized to make any minor modifications or corrections of an administrative nature to the by-law and schedule(s) as may be deemed necessary after the passage of this by-law, where such modifications or corrections do not alter the intent of the by-law.

3. The Treasurer of the Township of Rideau Lakes is hereby authorized to make modifications to the by-law when required in order to maintain consistency in and compliance with any changes in provincial or federal regulations or guidelines.

4. Any previous By-Laws, Resolutions, Motions or Actions that are in contravention of this By-Law are hereby repealed.

That this By-Law be read a first and second time this 2nd day of July, 2019.

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| Arie Hoogenboom<br>Mayor | Mary Ellen Truelove<br>Clerk |

Read a third time and finally passed this 2nd day of July, 2019

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| Arie Hoogenboom<br>Mayor | Mary Ellen Truelove<br>Clerk |

| Township of Rideau Lakes Incorporated 1998 "An Experience To Remember" | Treasury<br>Department Policy & Procedure |
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| Policy Number: TREASURY-2019-05-27 |
| Sub Department: |

**Policy Name:**

**Strategic Asset Management Policy**

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| Developed by: C. Laprade, Treasurer | Date: June 24, 2019 |
| Reviewed by: | Date: |
| Approved by: | Date: |
| Resolution Number: | Effective: |
| Cross Reference: | Revisions: |

## 1. Purpose:

The purpose of this policy is to provide a framework for the development and implementation of the Municipality's asset management program. It is intended to guide the consistent use of **asset management** across the organization, to facilitate logical and evidence-based decision-making for the management of **municipal infrastructure assets** and to support the delivery of sustainable community services now and in the future.
By using sound asset management practices, the Municipality will work to ensure that all municipal infrastructure assets meet expected performance levels and continue to provide desired service levels in the most efficient and effective manner. Linking service outcomes to infrastructure investment decisions will assist the Municipality in focusing on service, rather than budget, driven asset management approaches.
This policy demonstrates an organization-wide commitment to the good stewardship of municipal infrastructure assets, and to improved accountability and transparency to the community through the adoption of best practices regarding asset management planning.

## 2. Policy Statement:

To guide the Municipality the following policy statements have been developed:

a) The Municipality 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.

b) The Municipality will implement continuous improvement protocols and adopt best practices regarding asset management planning, including:

   a. Complete and Accurate Asset Data;
   b. Condition Assessment Protocols;
   c. Risk and Criticality Models;
   d. Whole Lifecycle Management;
   e. Financial Strategy Development;
   f. Level of Service Framework

c) The Municipality will develop and maintain an asset inventory of all municipal infrastructure assets which includes unique ID, description, location information, value (both historical and replacement), performance characteristics and/or condition, estimated remaining life and estimated repair, rehabilitation or replacement date; and estimated cost repair, rehabilitation or replacement costs.

d) The Municipality will develop an **asset management plan** that incorporates all municipal infrastructure assets that meet the **capitalization threshold** outlined in the organization's Tangible Capital Asset Policy. The asset management plan will be 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.

   a. For management purposes, it can be advantageous to inventory, track, and document municipal infrastructure assets that fall below the relevant capitalization threshold. Recognizing that it may be beneficial to include these types of assets in the asset management plan, the Municipality will consider incorporating such assets at their own discretion, based on the objective of sustainably managing municipal infrastructure assets.

e) The Municipality will integrate 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 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.

f) The Municipality 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.

g) The Municipality 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.

h) The Municipality 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.

i) The Municipality will coordinate planning for asset management, where municipal infrastructure assets connect or are interrelated with those of its neighbouring municipalities or jointly-owned municipal bodies wherever viable and beneficial.

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

k) The Strategic Asset Management Policy should be reviewed and, if necessary, updated at least every five years.

l) Council will conduct an annual review of the Municipality's asset management progress on or before July 1 in each year, starting the year after the Municipality's asset management plan is completed to meet the requirements outlined in O. Reg. 588/17

    a. The annual review must address:

m) The Municipality's progress in implementing its asset management plan;

n) Any factors impeding the Municipality's ability to implement its asset management plan;

o) A strategy to address the factors identified as impeding the Municipality's ability to implement its asset management plan

p) The Municipality will post its asset management policy and asset management plan on a website that is available to the public, and will provide a copy of the policy and plan to any person who requests it.

## 3. <u>Strategic Alignment:</u>

Council and senior management will review this policy and incorporate it into the asset management planning approach that fosters the integration of municipal documents, such as:

a) the strategic plan;

b) the long-term financial sustainability plan;
c) the official plan;
d) the emergency plan;
e) master plans;
f) all future municipal strategic documents as they are developed and enacted.

## 4. Roles and Responsibilities:

The development and continuous support of the Municipality's asset management program requires a wide range of duties and responsibilities. The following passages outline the persons responsible for these tasks:

a) **Council**:
   a. Approve by resolution the AM policy and direction of the AM program;
   b. Approve by resolution the asset management plan and its updates every five years;
   c. Conduct annual reviews of the asset management progress on or before July 1st of every year. The annual review must address:
      i. The progress on ongoing efforts to implement the asset management plan;
      ii. The identification of any factors impeding the Municipality's ability to implement its asset management plans; and
      iii. A strategy to address factors identified in (ii) including the adoption of appropriate practices.

b) **Executive Lead (Treasurer)**:
   a. Development of policy and policy updates;
   b. Provide organization-wide leadership in AM practices and concepts;
   c. Provide departmental staff coordination;
   d. Monitor levels of service;
   e. Coordinate and track AM program implementation and progress;
   f. Endorse the asset management plan

c) **Senior Management Team**:
   a. Provide corporate oversight to goals and directions and ensure the AM program aligns with the Municipality's strategic plan;
   b. Ensure that adequate resources are available to implement and maintain core AM practices;
   c. Provide departmental staff coordination;
   d. Develop and monitor levels of service and make recommendations to Council;
   e. Track, analyze and report on AM program progress and results

d) **Departmental Staff**:
   a. Utilize the new business processes and technology tools developed as part of the AM program;
   b. Participate in implementation task teams to carry-out AM activities;
   c. Implement and maintain levels of service;
   d. Provide support and direction for AM practices within their department;

## 5. Definitions:

a) **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.

b) **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.

c) **Capitalization threshold** – the value of a municipal infrastructure asset at or above which a Municipality will capitalize the value of it and below which it will expense the value of it.

d) **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, storm water management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs.

e) **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.

f) **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.

g) **Municipal infrastructure asset** – an infrastructure asset, including a green infrastructure asset, directly owned by a Municipality or included on the consolidated financial statements of a Municipality.

## 6. Guiding Principles:

The Municipality shall consider the following principles as outlined in section 3 of the *Infrastructure for Jobs and Prosperity Act, 2015*, when making decisions regarding asset management:

a) **Risk-Based**: The Municipality will manage the risk associated with attaining the agreed levels of service by focusing on resources, expenditures and priorities based upon risk assessments and the corresponding cost/benefit , recognizing the public safety is the priority;

b) **Value-Based Affordability:** The Municipality will choose practices, interventions and operations that aim at reducing the life cycle cost of asset ownership, while satisfying agreed levels of service. Decisions are based on balancing service levels, risk and cost;

c) **Service Focused:** The Municipality will consider the assets in a service contest and take into account their interrelationship as opposed to optimizing individual assets in isolation;

d) **Forward Looking:** Infrastructure planning and investment should take a long-term view, and decision-makers should take into account the needs of citizens by being mindful of, among other things, demographic and economic trends;

e) **Budgeting and Planning:** Infrastructure planning and investment should take into account any applicable budgets or fiscal plans;

f) **Prioritizing:** Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting infrastructure;

g) **Economic Development:** Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities;

h) **Health and Safety:** Infrastructure planning and investment should ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected;

i) **Innovation:** 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 permitted in Ontario;

j) **Transparency**: 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 Municipality and broader public sector entities, and should factor into investment decisions respecting infrastructure;

k) **Integration:** 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 Municipality, as the case may be, the Municipality 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;

l) **Environmentally Conscious:** The Municipality 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, and
   c. Endeavoring to make use of acceptable recycled aggregates;

h) **Community Focused:** The Municipality shall promote community benefits, being the supplemental social and economic benefits arising from an infrastructure project, such as:
   a. Local job creation and training opportunities 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, and
   c. Promoting accessibility for persons with disabilities;