

THE MUNICIPAL CORPORATION OF THE TOWNSHIP OF ARMOUR

BY-LAW #5-2019

Being a by-law to adopt a Strategic Asset Management Policy

WHEREAS Section 8 of the *Municipal Act*, S.O. 2001, Chapter M.25, as amended, states that the powers of a municipality shall be interpreted broadly so as to confer broad authority on the municipality to enable the municipality to govern its affairs as it considers appropriate and to enhance the municipality's ability to respond to municipal issues. 2006, c. 32, Sched. A, s. 8.

AND WHEREAS Section 9 of the *Municipal Act*, S.O. 2001, Chapter M.25, as amended, gives a municipality 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 Section 3(1) of Ontario Regulation 588/17 states that every municipality shall prepare a strategic asset management policy;

NOW THEREFORE the Council of The Municipal Corporation of the Township of Armour hereby enacts as follows:

1. That the Strategic Asset Management Policy, Schedule "A" hereto, is hereby adopted and shall form part of this by-law.
2. The Clerk of the Township of Armour is hereby authorized to make any minor modifications or corrections of an administrative, numeric, grammatic, semantic or descriptive nature or kind 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. That this by-law shall come into effect on the date of passing.

Read in its entirety, approved, signed and the seal of the Corporation affixed thereto and finally passed in open Council this 8th day of January, 2019.

Original signed by Bob MacPhail
Robert MacPhail, Reeve

Original signed by John Theriault
John Theriault, Clerk

**Schedule “A”
to By-law #5-2019**



Township of Armour Strategic Asset Management Policy

Purpose:

The strategic asset management policy is to establish consistent standards and guidelines for management of the Township's assets. The policy formalizes the Township of Armour's commitment to asset management, aligns its asset management actions with strategic goals and objectives, and provides direction to guide Council, management and staff in applying sound technical, social and economic principles that consider present and future needs of users and the service expected from the assets. This policy will support the Township of Armour in focusing its infrastructure efforts on managing risks, addressing priorities, and meeting short and long-term needs within the bounds of possible funding.

Vision:

The Township's vision is to proactively manage its assets to best serve the Township's objectives, including:

- Prioritizing the need for existing and future assets to effectively deliver services,
- Supporting sustainability and economic development, and
- Maintaining prudent financial planning and decision making.

Objectives:

The objectives of this policy are to:

- Provide a consistent framework for implementing asset management throughout the organization.
- Provide transparency and accountability and to demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels and risks.

Strategic Alignment:

The Township of Armour has developed and adopted an Official Plan, an Emergency Management Plan, a Multi-Year Accessibility Plan, 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. Spending requirements defined in the budgeting process and in long-term financial planning will reflect the objectives of these plans.

All of the Township's plans rely to some extent on the physical assets owned by the Township of Armour and the commitment of staff to ensure their strategic use. This includes the long-term maintenance, repair, and replacement of existing assets along with the acquisition of new assets to meet the evolving needs of the Township.

Asset management planning therefore will not occur in isolation from other municipal goals, plans and policies.

Stakeholder Engagement:

The Township of Armour recognizes the importance of stakeholder engagement as an integral component of a comprehensive asset management approach. The municipality recognizes the residents, businesses, institutions on its territory as stakeholders and neighbouring municipal bodies, provincial agencies, and regulated utilities partners in service delivery. Accordingly, the Township will foster informed dialogue with these parties using the best available information and engage with them by:

- Providing opportunities for residents and other stakeholders served by the Township to provide input in asset management planning; and
- Coordinating asset management planning with other infrastructure asset owning agencies such as municipal bodies and regulated utilities.

Guiding Principles:

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

Forward looking: The Township shall take a long-term view while considering demographic and economic trends in the region.

Budgeting and planning: The Township shall take into account any applicable budgets or fiscal plans, including those adopted through Ontario legislation such as Budgets adopted under Part VII of the Municipal Act 2001 or Fiscal Plans released under the Fiscal Transparency and Accountability Act, 2004.

Prioritizing: The Township shall clearly identify infrastructure priorities which will drive investment decisions.

Economic development: The Township shall promote economic competitiveness, productivity, job creation, and training opportunities.

Transparency: The Township shall be evidence-based and transparent, basing decision on publicly shared information and make info available to the public

Consistency: The Township shall ensure the continued provision of core public services.

Environmentally conscious: The Township shall minimize the impact of infrastructure on the environment by respecting and helping maintain ecological and biological diversity, by augmenting resilience to the effects of climate change, and by endeavoring to make use of acceptable recycled aggregates.

Health and safety: The Township shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.

Community focused: The Township shall 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 promoting accessibility for persons with disabilities.

Innovation: The Township shall create opportunities to make use of innovative technologies, services, and practices, particularly where doing so would utilize technology, techniques, and practices developed in Ontario.

Integration: The Township shall where relevant and appropriate, be mindful and consider the principles and content of non-binding provincial or municipal plans and strategies established under an Act or otherwise, in planning and making decisions surrounding the infrastructure that supports them. The Township must also adhere to the requirements outlined in the Minimum Maintenance Standards currently in force.

Community Planning:

Asset management planning will be aligned with the Township's Official Plan and the 2014 Provincial Policy Statement of the Planning Act. The asset management plans will reflect how the community is projected to change with respect to development. 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:

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. These actions will be taken in addition to acquiring or modifying assets based on greenhouse gas reduction targets.

Scope and Capitalization Thresholds:

This policy applies to all assets owned by the Township whose role in service delivery requires deliberate management by the Township. The Township will use a service-based (qualitative) perspective when applying this policy to municipal assets, rather than a monetary value (quantitative). The service-focus intent of this policy differentiates its requirements for identifying assets from the capitalization thresholds that 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.

Financial Planning and Budgeting:

The Township will integrate asset management planning into the annual capital budget, operating budget, and its long-term financial plan. The asset management plan will be used as a resource in order to:

Identify all potential revenues and costs (including operating, maintenance, replacement and decommissioning) associated with forthcoming infrastructure asset decisions;

Evaluate the validity and need of each significant new capital asset, including considering the impact on future operating costs; and Incorporate new revenue tools and alternative funding strategies where possible.

The department level budget submission prepared by each Department head will be reviewed and evaluated by the Clerk-Administrator and Treasurer in the preparation of the Township's annual budget.

Service area personnel 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 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 service personnel in the preparation of the budget submission.

Governance and Continuous Improvement:

The policy requires the commitment of key stakeholders within the Township's organization to ensure the policy guides the development of a clear plan that can be implemented, reviewed and updated.

The Council is entrusted with the responsibility of overseeing, on behalf of citizens, a large range of services provided through a diverse portfolio of assets. Council, having stewardship responsibility, is the final decision maker on all matters related to asset management in the Township. The Council and senior management are committed to the success of asset management planning. The following details the responsibilities of the key stakeholders within the Township:

Council, will approve the Asset Management Planning documents and required updates every five years. They will review managements implementation of the plan as part of the annual budget process. They will support efforts to improve the plan and ensure it includes changes necessitated by updates to other Township strategic documents.

Treasurer, will assume the lead role and be responsible for the maintenance of and reporting on the activity related to the management of Township assets. Department heads will assist in this task through the utilization of condition assessment information and service level requirements to update the long and short-term asset requirements. The information will be reviewed and presented annually for consideration during the budget deliberations.

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. 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 Road Needs Study, Structural Assessment reports and all other condition assessments commissioned for assets covered by the plan.