

The Corporation of the Township of White River

By-Law No. 2019-12

BEING a by-law to adopt the Township of White River Policy No. P-190612-1: Asset Management Policy.

WHEREAS in December 2017, the province introduced the Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure under the Infrastructure and Jobs and Prosperity Act, 2015;

AND WHEREAS O. Reg. 588/17 stipulates that by July 1, 2019, all municipalities must have a finalized strategic asset management policy that promotes best practices and links asset management with budgeting, operations, maintenance and other municipal planning activities;

NOW THEREFORE BE IT REVOLVED that the Council for the Township of White River hereby enacts the following as a by-law:

1. THAT Policy No. P-190612-1: Asset Management Policy herein attached as Schedule "A" to this By-Law and forming an integral part of this By-Law, be adopted.
2. THAT Mayor Angelo Bazzoni and the CAO Tina Forsyth are hereby authorized to sign the Agreement and affix thereto the seal of the Corporation.

Read a first and second time this 12th day of June, 2019.



Mayor




CAO/Clerk

Read a third and final time this 12th day of June, 2019.



Mayor



CAO/Clerk

POLICY TITLE: Asset Management Policy	Subject: Asset Management
Policy Section: Finance	Policy No: P-190612-1
Effective Date: June 12, 2019	Enacted By: By-Law No. 2019 - 12

Purpose:

The purpose of this policy is to ensure the development of the Township's asset management program, including roles and responsibilities, to facilitate logical and informed decision-making for the management of the Township's infrastructure, and to support the delivery of sustainable community services.

By using sound asset management practices, the Township can ensure that all infrastructure assets meet performance levels and continue to provide desired service levels in the most efficient and effective manner.

This policy demonstrates an organization-wide commitment to the good stewardship of infrastructure assets, and the adoption of best practices regarding asset management planning.

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.

1. **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).
2. **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 (ISO 55000). Under O. Reg. 588/17, by 2021 AMPs for core municipal infrastructure assets will be required to include the current levels of service being provided; the current performance of each asset category; a summary of assets in each asset category, their replacement cost, average age, condition information, and condition assessment protocols; lifecycle activities required to maintain current levels of service; discussion of population and economic forecasts; and documentation of processes to make inventory- and condition-related background information available to the public.
3. **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.

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4. **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).
5. **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.
6. **Operating costs** – the aggregate of costs, including energy costs, of operating a municipal infrastructure asset over its service life.
7. **Service life** – the total period during which a municipal infrastructure asset is in use or is available to be used.

Background:

Asset management refers to the policies, practices and procedures that combine to make the best possible decisions regarding the building, operating, maintaining, renewing, replacing and disposing of infrastructure assets. Asset management is an organization-wide process that involves the coordination of activities across multiple departments. As such, it is useful to implement a structured and coordinated approach to outlining the activities, roles and responsibilities required and the key principles that should guide all asset management decision-making.

A comprehensive approach to asset management will ensure service levels 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 Township’s capital infrastructure assets. In addition, it will align the Township with provincial and national standards and regulations enabling the organization to take full advantage of available grant funding opportunities.

The approval of this policy is an important step towards integrating the Township’s strategic mission, vision and goals with its asset management program, and ensures that vital services and critical infrastructure are maintained and provided to the community at all times.

Policy Statement:

- a) The Township will implement a municipal asset management program through all departments. The program will promote lifecycle and risk management of all assets,

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with the goal of achieving the lowest total cost of ownership while meeting desired levels of services.

- b) The Township will develop and maintain an asset inventory of all capital 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 for the repair, rehabilitation or replacement.
- c) The Township will develop an asset management plan that incorporates all infrastructure categories and assets that meet the capitalization threshold outlined in the organization's Tangible Capital Asset Policy, and it will be updated at least every five years to promote, document and communicate continuous improvement.
- d) The Township 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. Lifecycle Management
 - e. Financial Strategy Development
 - f. Level of Service Framework
- e) The Township will integrate asset management 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 assets based on full lifecycle costing.
- f) The Township will consider the risks and vulnerabilities of 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.
- g) The Township 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 plans.
- h) The Township will coordinate planning between interrelated infrastructure assets with separate ownership structure by pursuing collaborative opportunities with neighbouring municipalities and jointly-owned municipal bodies wherever viable and beneficial.

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- i) The Township will provide opportunities for municipal residents and other interested parties to provide input into asset management planning wherever and whenever possible.

Alignment with the Township's Strategic Direction

This policy aligns with the organization objectives and key strategic documents of the Township, including:

- Community and corporate strategic plans,
- Official plans and land-use by-laws,
- Financial plans,
- Financial plans relating to water and wastewater assets,
- Other municipal plans, documents and policies that have an impact on asset management planning.

Roles and Responsibilities:

Council is responsible for:

- ✓ approving the Strategic Asset Management Policy and future updates;
- ✓ approving other items related to the Asset Management Plan such as Levels of Service and acceptable risk;
- ✓ approving the spending levels on capital assets through the annual operating and capital budgets.

CAO/Treasurer is responsible for:

- ✓ developing asset management strategies, plans, and procedures, in consultation with Council and the Senior Management Team;
- ✓ reporting to Council and updating the community on the status, effectiveness, and performance of work related to the implementation of this Asset Management Policy;
- ✓ development of policy and policy updates;
- ✓ considering and incorporating Asset Management in all other corporate plans (e.g. Strategic Plans);

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Operators/Employees are responsible for:

- ✓ providing overall direction throughout the corporation to ensure that the asset management goals are achieved and that this plan aligns with other corporate plans;
- ✓ establishing operations and maintenance policies to deliver Levels of Service and extending the useful life of assets;
- ✓ monitoring Levels of Service and making recommendations to Council;
- ✓ ensuring that adequate resources are available to implement and maintain core asset management practices.

Key Principles:

The Township 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) 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.
- b) Infrastructure planning and investment should take into account any applicable budgets or fiscal plans.
- c) Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting infrastructure.
- d) Infrastructure planning and investment should ensure the continued provision of core public services.
- e) Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities.
- f) Infrastructure planning and investment should ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
- g) 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.
- h) 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,
 - i. 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

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- ii. information with implications for infrastructure planning should be shared between the Township and broader public sector entities, and should factor into investment decisions respecting infrastructure.
- i) 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 Township, as the case may be, the Township 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.
- j) Infrastructure planning and investment should promote barrier-free accessibility.
- k) Infrastructure planning and investment should minimize the adverse impacts of infrastructure on the environment and strive to respect and help maintain ecological and biological diversity, and infrastructure should be designed to be resilient to the effects of climate change.
- l) Infrastructure planning and investment should endeavour to make use of acceptable recycled aggregates.
- m) 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.

Policy Adoption and Review Guidelines

The Township shall review and, if necessary, update this policy at least every five years after its initial date of adoption by Council.

Date of Adoption by Council	By-Law No.	Resolution No.	Date of Most Recent Review by Council	Date of Next Review by Council