

**THE CORPORATION OF THE
MUNICIPALITY OF ARRAN-ELDERSLIE**

BY-LAW NO. 41 - 2019

BEING A BY-LAW TO ADOPT A STRATEGIC ASSET MANAGEMENT POLICY

WHEREAS Section 5(3) of the Municipal Act, 2001, S.O. 2001, c.25, amended, provides that a municipal power shall be exercised by by-law; and

WHEREAS Section 8(1) of the Municipal Act, 2001, S.O. 2001, c.25, amended, provides that the powers of a municipality under this or any other Act 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; and

WHEREAS Section 9 of the Municipal Act 2001, S.O. 2001, c. 25, as amended, grants municipalities the rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act; and

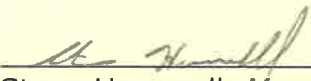
WHEREAS Ontario Regulation 588/17 passed under the Infrastructure for Jobs and Prosperity Act, 2015, requires municipalities to adopt a strategic asset management policy;

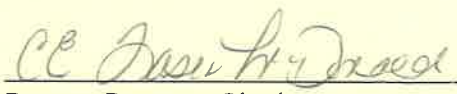
NOW THEREFORE COUNCIL OF THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE HEREBY ENACTS AS FOLLOWS:

1. THAT the Council of the Corporation of the Municipality of Arran-Elderslie hereby adopts the Strategic Asset Management Policy as contained in the attached Schedule "A" to this by-law.
2. THAT Schedule "A", the Strategic Asset Management Policy, forms part of this by-law.
3. THAT this by-law may be cited as the "Strategic Asset Management Policy."
4. THAT this By-law shall come into force and take effect upon receiving the final passing thereof.

READ a FIRST and SECOND time this 24th day of June, 2019.

READ a THIRD time and finally passed this 24 day of June, 2019.


Steve Hammell, Mayor


Peggy Rouse, Clerk



THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE

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Policy Name:	Strategic Asset Management	Policy No:
Department:	Municipality Wide	
Effective Date:		
Date Revised:		
Authority:	By-law No. 41-2019	

1. Purpose:

A Strategic Asset Management Policy formalizes the Municipality's commitment to asset management, aligns its asset management actions with strategic goals and objectives, and provides direction to guide Council and staff in carrying out its business strategies, plans and activities. This policy will support the Municipality in focusing its infrastructure efforts on managing risks, addressing priorities, and meeting short and long-term needs within the bounds of possible funding.

2. Vision:

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

- Prioritizing the need for existing and future assets to meet agreed service levels in the most efficient and effective way possible
- Supporting sustainability and economic development
- Maintaining sound financial planning and decision making

3. Objectives:

The objectives of this policy are to:

- Provide a framework for implementing asset management to enable a consistent and strategic approach at all levels of the organization
- Demonstrate Council's commitment to support the implementation of asset management methods that are consistent with their priorities and objectives
- Provide guidance to staff responsible for asset management
- Provide transparency and accountability and demonstrate the validity of decision-making processes which combine strategic plans, budgets, service levels, and risks



4. Strategic Alignment:

The Municipality of Arran-Elderslie has developed and adopted various plans to meet legislative requirements and assist the Municipality in achieving its goal 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 Municipality's plans rely to some extent on the physical assets owned by the Municipality 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 Municipality.

Therefore, asset management planning 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 other Municipal plans.

5. Stakeholder Engagement:

The ultimate goal of the Municipality is to efficiently provide its various stakeholders with the municipal services they need within the bounds of regulatory requirements, the built environment, and the natural environment. In order to achieve this goal, it is necessary that the Municipality understand the needs of current stakeholders, consider the needs of future generations, and incorporate these perspectives into asset management plans. The Municipality recognizes them as an integral part of the asset management approach. Accordingly, the Municipality will:

- Provide opportunities for residents, businesses, institutions, and other stakeholders served by the Municipality to provide input into asset management planning, and
- Coordinate asset management planning with other infrastructure asset owning entities such as, provincial and federal agencies, other municipalities, and regulated utilities.

6. Guiding Principles:

The Infrastructure for Jobs and Prosperity Act, 2015 sets out principles to guide asset management planning in municipalities in Ontario. The Municipality of



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Arran-Elderslie will strive to incorporate the following principles whenever possible into the day to day operation of the Municipality:

- **Customer focused:** The Municipality will have clearly defined levels of service and apply asset management practices to maintain the confidence of customers in how the Municipality's assets are managed
- **Service focused:** The Municipality will consider all the assets in a service context and take into account their interrelationships as opposed to optimizing individual assets in isolation
- **Risk-based:** The Municipality will manage the asset risk associated with attaining the agreed levels of service by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding cost/benefit, recognizing that public safety is the priority
- **Value-based affordable:** The Municipality will choose practices and operations that aim at reducing the lifecycle cost of asset ownership, while satisfying agreed levels of service. Decisions are based on balancing service levels, risks, and costs
- **Forward looking:** The Municipality shall take a long-term view while considering demographic and economic trends in the area
- **Budgeting and planning:** The Municipality shall take into account any applicable budgets or fiscal plans, including those adopted through Provincial legislation
- **Prioritizing:** The Municipality shall clearly identify infrastructure priorities which will drive investment decisions
- **Economic development:** The Municipality shall promote economic competitiveness, productivity, job creation, and training opportunities
- **Transparency:** The Municipality shall ensure the continued provision of core public services, such as health care and education.
- **Consistency:** The Municipality shall ensure the continued provision of core public services, such as health care and education
- **Environmentally conscious:** The Municipality shall minimize the impact of infrastructure on the environment by:



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1. Respecting and helping maintain ecological and biological diversity
2. Augmenting resilience to the effects of climate change
3. Endeavouring to make use of acceptable recycled aggregates

- **Health and safety:** The Municipality shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected
- **Community focused:** The Municipality 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:
 1. Local job creation and training opportunities (including for apprentices, within the meaning of section 9 of *The Infrastructure for Jobs and Prosperity Act, 2015*)
 2. Improvement of public space within the community
 3. Promoting accessibility for persons with disabilities
- **Innovation:** The Municipality 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 Municipality 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.

7. Community Planning:

Asset management planning will be aligned with the Official Plan and the 2014 Provincial Policy Statement of the *Planning Act, R.S.O. 1990, Chapter P. 13, as amended*. The Asset Management Plan will reflect how the community is projected to change with respect to development. The Municipality will achieve this by consulting with those responsible for managing the services to analyze the future costs and viability of projected changes. The combination of lifecycle analysis and financial sustainability principles will be the driver in the section of community development or redevelopment that requires new assets, or existing asset enhancements. Methods, assumptions, and data used in the selection of projected changes should be documented to support the recommendations in the Asset Management Plan.



Cross-referencing the Official Plan and the Asset Management Plan will ensure that development occurs within the Municipality's means through an understanding of current and future asset needs.

8. Climate Change:

The Municipality commits to the development of actions that make the best use of its resources to mitigate and adapt to climate change. These actions that will go beyond acquiring or modifying assets based on greenhouse gas reduction targets and risk exposure. Increasing adaptability to climate change in the Municipality also means modifying the scope of current operations, anticipating possible costs to support contingency funds, leveraging alternative funding mechanisms, integrating the disaster response perspective to planning, and revising levels of service. The Municipality will tailor these actions by striking a balance between its organizational capacity, financial and stakeholder support, and the local risks and vulnerabilities related to climate change. The Asset Management Plan will encompass this sustainable approach to climate change mitigation and adaptation.

9. Scope and Capitalization Thresholds:

This policy applies to all assets owned by the Municipality whose role in service delivery requires deliberate management by the Municipality. The Municipality 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.

10. Financial Planning and Budgeting:

The Municipality 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.

Department managers will reference the asset management plan for their budget(s) to determine forecasted spending needs identified in the plan, verify progress made on the plan to identify potential gaps, and ensure priorities are being addressed.

The budgets prepared by each department manager will then be processed in accordance with the broader municipality budgeting process. The Treasurer will be responsible for coordinating the information from all departments in preparation of the budget submission.

For the purposes of managing water and wastewater assets, the water and wastewater financial plans will be used as a basis for establishing user fees and will be reference in order to ensure alignment with the budgeting process.

11. Governance and Continuous Improvement:

The policy requires the commitment of key stakeholders within the Municipality'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 Municipality. 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 Municipality:

Council:

- Approve by resolution the asset management Plan and its updates every five (5) years

Treasurer:

- Maintain compliance with the asset management policy and provincial asset management regulations

Department Managers:

- Oversee asset management planning activities that fall within their service areas and support other service areas throughout the Municipality