

**CORPORATION OF THE VILLAGE OF MERRICKVILLE-WOLFORD**

**BY-LAW NO. 34-2019**

**BEING** a By-law to adopt a Strategic Asset Management Policy for the Village of Merrickville-Wolford

**WHEREAS** Section 5 (3) of the *Municipal Act, 2001*, as amended, provides that a municipality shall exercise its powers by by-law;

**AND WHEREAS** Section 11 (2) of the *Municipal Act, 2001*, as amended, provides that a lower-tier municipality has the authority to pass by-laws respecting matters including financial management of the municipality and public assets of the municipality acquired for the purpose of exercising its authority under the *Municipal Act, 2001*, or any other act;

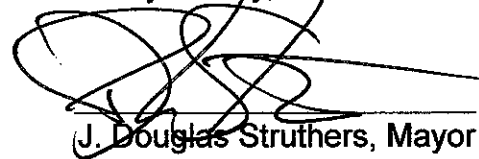
**AND WHEREAS** Sections 3 and 4 of Ontario Regulation 558/17, made under the *Infrastructure for Jobs and Prosperity Act, 2015*, requires municipalities to prepare a Strategic Asset Management Policy by no later than July 1, 2019;

**NOW THEREFORE** the Council of the Corporation of the Village of Merrickville-Wolford does hereby enact as follows that:

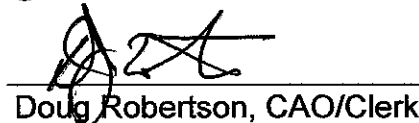
1. Attached hereto and forming Schedule "A" to this by-law is adopted as the "Strategic Asset Management Policy" for the Village of Merrickville-Wolford.
2. This by-law shall come into full force and effect upon the date of its passing.

**READ** a first and second time this 27<sup>th</sup> day of May, 2019.

**READ** a third and final time and passed this 27<sup>th</sup> day of May, 2019.



J. Douglas Struthers, Mayor



Doug Robertson, CAO/Clerk

# Schedule "A" to By-law 34-2019



## Strategic Asset Management Policy

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## **1.0 Purpose:**

Public infrastructure is the foundation for a healthy and vibrant community. Infrastructure assets exist to provide services to our communities. Managing our assets to deliver those services is the definition of asset management. The intent is to maximize benefits, reduce risks and provide satisfactory levels of service to the community in a sustainable manner – providing an optimum balance. This policy outlines the fundamental asset management principles that will be developed and implemented across the corporation.

## **2.0 Background:**

The Village is responsible for providing a range of essential services to the community including water treatment, road networks, storm water management, recreational opportunities, and administrative functions. To deliver these services, the Village owns and manages an infrastructure asset portfolio of roads, bridges and culverts, facilities, vehicles, equipment and machinery. As the social, economic, and environmental wellbeing of the community depends on the reliable performance of these assets, it is critical to implement a systematic, sustainable approach to their management. Asset management is such an approach, and refers to the set of policies, practices and procedures that allow an organization to realize maximum value from its municipal infrastructure assets. This approach allows municipalities to make informed decisions regarding the planning, building, operating, maintaining, renewing, replacing and disposing of infrastructure assets through a wide range of life-cycle activities. It is a corporation-wide process involving the coordination of activities across multiple departments and service areas such as Finance & Administration, Public Works, Planning & Building and Fire & Emergency Services.

Successful asset management requires the support and understanding of many disciplines and involves participation at all levels of the corporation. Asset management planning will not occur in isolation from other municipal goals, plans, and policies. An integrated approach will be used that aligns asset management plans with other municipal documents, such as the Official Plan.

## **3.0 Vision:**

The Village of Merrickville-Wolford will manage the Village's assets in a way that promotes:

- Fiscal sustainability;
- Effective service delivery;
- Economic growth; and
- Healthy living.

## **4.0 Objectives:**

The objectives of the strategic asset management policy are to:

- Provide a framework for implementing Asset Management that aligns with our vision;
- To provide guidance to staff and Council when determining priorities, budgeting and decision making; and

- To provide transparency and demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels and risks.

### 5.0 Scope:

This Policy applies to all tangible assets owned and/or managed by the Village that are currently supporting the provision of Municipal Services. The table below provides examples of the assets owned by the Village.

Service	Asset Types
Water	Distribution System, Pumping Stations
Sewage	Treatment Plant, Collection System
Storm Water	Catch basins, Underground Piping
Transportation	Roads, Bridges, Sidewalks, Equipment, Vehicles
Solid Waste	Landfill Site
Parks & Recreation	Playfields, Playgrounds, Rinks, Recreation Facilities
Facilities	Buildings
Emergency & Protective Services	Fire hall, Vehicles, Equipment

### 6.0 Principles:

The Village shall adopt the following guiding principles for managing its infrastructure assets:

- **Risk-based:** The Village 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 that public safety is the priority.
- **Value-based Affordability:** The Village 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, risks, and costs.
- **Service-Focused:** The Village will consider the assets in a service context and take into account their interrelationships as opposed to optimizing individual assets in isolation
- **Forward-Looking:** The Village shall take a long-term view while considering demographic and economic trends in the region.

- **Budgeting and Planning:** The Village shall take into account any applicable budgets or financial plans released under the following:
  - *Fiscal Transparency and Accountability Act, 2004;* and/or
  - Financial plans related to municipal water assets prepared under the *Safe Drinking Water Act, 2002.*
- **Prioritizing:** The Village shall clearly identify infrastructure priorities which will drive investment decisions.
- **Economic Development:** The Village shall promote economic competitiveness, productivity, job creation and training opportunities.
- **Transparency:** The Village shall be evidence-based and transparent. Additionally, subject to any prohibitions under an Act or otherwise by law, on the collection, use or disclosure of information, the Village shall:
  - Make decisions with respect to infrastructure based on information that is publically available or made available to the public; and
  - Share information with respect to implications on infrastructure and investment decisions with the Government and broader public sector entities.
- **Consistency:** The Village shall ensure the continued provision of core public services.
- **Environmentally Conscious:** The Village 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.
- **Health and Safety:** The Village shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
- **Community-Focused:** The Village shall promote community benefits, being the supplementary 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.
- **Innovation:** The Village 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 Village 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.

## **7.0 Capitalization Threshold:**

The Strategic Asset Management Policy applies to all assets whose role in service delivery requires deliberate management by the Village. The service-focused intent of this policy differentiates its requirements for identifying assets from the capitalization thresholds which 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 asset management planning processes.

## **8.0 Governance and Continuous Improvement:**

The Policy requires the commitment of key stakeholders within the Village's corporate structure. The following details the responsibilities of the key stakeholders within the Village:

### Council

- Approve, by by-law, the strategic asset management plan and its updates every five years;
- Conduct annual reviews of the asset management progress on or before July 1<sup>st</sup> of every year. The annual review must address:
  - a. The progress of ongoing efforts to implement the strategic asset management plan;
  - b. The identification of any factors impeding the Village's ability to implement its asset management plans;
  - c. A strategy to address the factors identified in clause (b); and
- Support ongoing efforts to continuously improve and implement the asset management plans.

### Executive Lead – Chief Administrative Officer:

Is ultimately responsible for asset management planning across the organization and maintaining compliance with the strategic asset management policy and provincial asset management regulation.

Department Heads: Are responsible for asset management planning activities that fall within their service area and in support of others.

## **9.0 Budgeting:**

The asset management plans and progress made on the plans will be considered annually in the creation of the capital budget, operating budget, and long-term financial plans.

The asset management plan will be referenced by the department heads in the preparation of their budget submissions to assist them with:

- a. Identifying all potential revenues and costs (including operating, maintenance, replacement and decommission) associated with forthcoming infrastructure asset decisions;
- b. Evaluate the validity and need of each significant new capital asset, including considering the impact on future operating costs; and
- c. Incorporate new revenue tools and alternative funding strategies where possible.

The budgets prepared by each department will then be processed in accordance with the broader municipal budgeting process. Finance staff will be involved in strategic asset management planning in order to facilitate the bridge between:

- a. The financial strategy developed in the strategic asset management plans;
- b. The budget submissions of each department; and
- c. The overall budgeting process that is consolidated and presented to Council.

#### **10.0 Community Planning:**

Asset management will be aligned with the goals and objectives of the Village's Official Plan and applicable Provincial Plans. An asset management plan which considers the Village's Official Plan will ensure that land uses, growth and development occur in a comprehensive manner which reflects current and future asset needs. This integrated approach also considers the Village's infrastructure and fiscal sustainability. The Village will coordinate with relevant stakeholders, government agencies and the public to facilitate better, more informed decisions regarding land use policies and growth in order to provide benefits to the general population, the economy and the environment, and improve the overall resiliency of the community.

#### **11.0 Climate Change:**

Climate change will be considered as part of the risk management approach embedded in asset management planning. This approach will balance the potential cost of vulnerabilities to climate change impacts and other risks with the cost of reducing these vulnerabilities. When weather is a factor in the design and operational planning of municipal services, the potential risks and vulnerabilities caused by climate change will be considered. The balance will be struck in the levels of service delivered through operations, maintenance schedules, disaster response plans, contingency funding, and capital investments. The Municipal contribution to climate change through greenhouse gas emissions will be mitigated in accordance with its local reduction targets, financial capacity, and stakeholder support.

#### **12.0 Stakeholder Engagement:**

The ultimate goal of the Village 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 Village understand the needs of current stakeholders, consider the needs of future generations, and incorporate these perspectives into asset management plans. The Village recognizes them as an integral part of the asset management approach. Accordingly, the Village will:

- Be open to input from residents and other stakeholders served by the Village to provide feedback in asset management planning; and
- Coordinate asset management planning with other infrastructure asset-owning agencies such as municipal bodies and regulated utilities.