

**THE CORPORATION OF THE
TOWNSHIP OF EDWARDSBURGH/CARDINAL**

BY-LAW NO. 2018-47

“A BY-LAW TO ADOPT AN ASSET MANAGEMENT STRATEGY POLICY”

WHEREAS Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure, requires each municipality to prepare and Council to approve an asset management strategy policy by July 1, 2019;

AND WHEREAS the Corporation of the Township of Edwardsburgh/Cardinal received funding from the Federation of Canadian Municipalities (FCM) and has engaged the services of Public Sector Digest to assist in delivering an asset management roadmap program;

AND WHEREAS the Council of the Corporation of the Township of Edwardsburgh Cardinal deems it advisable to adopt an asset management strategy policy;

NOW THEREFORE the Council of the Corporation of the Township of Edwardsburgh/Cardinal enacts as follows:

1. That the Asset Management Strategy Policy, as described in Schedule “A” attached hereto and forming part of this by-law, is hereby adopted.
2. That this by-law shall come into force and take effect on the date of passing.

Read a first and second time in open Council this 23rd day of July, 2018.

Read a third and final time, passed, signed and sealed in open Council this 23rd day of July, 2018.



Mayor



Deputy Clerk

PURPOSE:

The Corporation of the Township of Edwardsburgh/Cardinal has a mandate to provide a wide range of services. This asset management policy expresses the commitment and intentions of the Township's staff to plan, design, construct, acquire, operate, maintain, renew, replace and dispose of the Township's assets in a way that ensures sound stewardship of public resources while delivering valued customer services.

This policy will guide and articulate how staff and Council will interact with the Township's Asset management plan, a document that outlines policies and procedures regarding inventorying of, renewal, and replacement levels for assets when considering financial planning and forecasting capital plans.

This policy will provide clear direction for Asset Management and define the key principles that reinforce the Township's asset management program.

SCOPE:

This policy applies to all physical assets of the Township. This includes, but is not limited to core municipal infrastructure assets such as efficient transportation networks, economical and reliable water distribution systems, protected and reliable information technology systems, prepared and reliable emergency response, safe and reliable sewage collection systems, productive fleets, and accessible parks and recreation and civic facilities.

OBJECTIVES:

- 1. Fiscal Responsibilities**
- 2. Delivery of Services/ Programs**
- 3. Public Input/ Council Direction**
- 4. Risk/ Impact Mitigation**

DEFINITIONS:

"Core municipal infrastructure asset" means any municipal infrastructure asset including the following:

- a. Water asset that relates to the collection, production, treatment, storage, supply or distribution of water,

- b. Wastewater asset that relates to the collection, transmission, treatment, or disposal of wastewater,
- c. Stormwater management asset that relates to the collection, transmission, treatment, retention, infiltration, control or disposal of stormwater
- d. Roads
- e. Bridges or culverts

“Asset management” is defined as the management of municipal assets in such a way to ensure that the full-service life is reached and to have in place a mechanism to enable their replacement.

POLICY STATEMENT:

Asset Management is a broad strategic framework that encompasses many disciplines and involves the entire organization. To guide the Township, the following statements have been developed:

1. Will take a “big picture” approach to asset management that considers the combined impact of managing all aspects of the asset lifecycle, including the full costs of acquiring, operating, maintaining, renewing and disposing of assets.
2. Will direct resources, expenditures and priorities in a way that achieves the agreed levels of service and benefits at an acceptable level of risk.
3. Will incorporate social, legislative, environmental and financial considerations into decisions to adequately address the present and future customer service commitments, environmental stewardship and regulatory requirements.
4. Will plan and provide stable long-term funding to replace and/or renew and/ or dispose of infrastructure assets and continually improve the asset management approach by driving innovation in the development of tools, practices and solutions.
5. Where appropriate, will consider and incorporate asset management in other corporate plans, including the development of the annual municipal budget and any applicable long term financial plans.
6. Will report to citizens regularly on the status and performance of work to implement this asset management policy and to provide opportunities for municipal residents and other interested parties to provide input into asset management planning.
7. Will commit to coordinate planning between interrelated infrastructure assets with separate ownership by pursuing collaborative opportunities with neighbouring municipalities and jointly-owned municipal bodies.

POLICY PRINCIPLES, GUIDELINES AND INTEGRATION:

The key principles of the asset management policy are outlined in the following list:

When making decisions about infrastructure the Township shall:

1. Take a long-term view when planning infrastructure renewal and investments, taking into account the needs of residents by being mindful of demographic and economic trends,
2. Integrate corporate, financial, business, technical and budgetary planning for infrastructure assets,
3. Establish organizational accountability and responsibility for asset inventory, condition, use and performance by defining roles and responsibilities, and assign the authority necessary for effective delivery of services,
4. Establish infrastructure priorities that are clearly defined in order to better inform investment decisions respecting infrastructure,
5. Promote economic competitiveness, productivity, job creation and training opportunities,
6. Ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected,
7. Foster innovation by creating opportunities to make use of innovative technologies, services and practices and pursue best practices where available,
8. Consult stakeholders where appropriate and make evidence based and transparent decisions available to the public,
9. Clearly define and articulate levels of service, maintenance and replacement levels and outcomes that meet customers' needs and adhere to good, cost-effective management processes and systems that are supported by continually updated asset and customer data and use available resources effectively,
10. Be mindful of provincial plans or strategies and make decisions that support them to the extent they are relevant. Examples of plans and strategies may include policy statements issued under section 3 of the *Planning Act*, or any water sustainability plans submitted under the *Water Opportunities Act ,2010*,
11. Promote accessibility for persons with disabilities,

12. Minimize the impact of infrastructure on the environment and respect and help maintain ecological and biological diversity. Infrastructure should be designed to be resilient to the effects of climate change,
13. Endeavour to make use of acceptable recycled aggregates,
14. Consider any other principles that may be prescribed for the Township or broader public sector entity, as the case may be.

Guidelines and practices

Once adopted by Council, this policy shall be implemented by staff using accepted industry guidelines and practices. The staff will also comply with required capital asset reporting requirements and integrate the asset management program into operational plans throughout the organization.

Strategic plans may be developed for a specific class of assets, or be generic for all assets, and should outline long term goals, processes and steps toward achievement. The financial plan should be updated every (5) five years based on current inventories and condition (acquired or derived), projected performance and remaining service life and consequences of losses. Operational plans should reflect the details outlined in the asset management plan. Replacement schedules and associated financial plans should consider alternative scenarios and risks. Strategic plans and financial plans shall be adopted by Council and shall guide staff's development of operational plans.

Context and Integration

The context and integration of asset management throughout the Township's lines of business is typically formalized through references and linkages between corporate documents. Where possible and appropriate, Council and Senior Managers will consider this policy and integrate it in development of corporate documents such as:

- Long Term Financial Plan which identifies how the Township is funding infrastructure and indicates the funding gap
- Tangible Capital Asset Policy- which defines the capital thresholds and estimated useful lives
- Debt Management Policy that is integrated into a broader long term financial management plan
- Reserve and Reserve Fund Policy that determines the annual contribution required to meet the financial need to fund future asset replacements
- Business Plans such as the Cardinal Water Financial Plan and the Edwardsburgh Distribution Plan that forecasts future user rates required to maintain the water system

- Official Plan which identifies growth areas that may affect future asset management planning
- Operational plans and budgets that outline the maintenance of assets for full life cycle costing.

KEY ROLES FOR MANAGING THE ASSET MANAGEMENT POLICY

Township policies are approved by Council. While Senior Managers and other agencies provide input on the nature and text of the policy, Council remains the authority to approve, update, amend or rescind policies.

| Role | Responsibility |
|---|--|
| Executive Lead- Primary oversight of AM Program | CAO/Clerk |
| Identification of issues, and development of policy updates | Council and Senior Management Team |
| Establish levels of service | Council, Senior Management Team and public |
| Exercise stewardship of assets, adopt policy and budgets | Council |
| Implementation of policy | CAO/Clerk and Senior Management Team |
| Development of guidelines and practices | CAO/Clerk and Senior Management Team |
| Ongoing review of policies | Council and Senior Management Team |

Implementation, review and reporting of asset management work

The implementation, review and reporting of this policy shall be integrated within the Township. Due to the importance of this policy, the Township's asset management program shall be reported annually to Council and implementation of this policy shall be reviewed by Council at the mid-point of its term.

Policy Maintenance

This policy shall be reviewed every (5) five years at a minimum to be compliant with O.Reg. 588.

| Actions | Responsibility | Timeline |
|---|---|---|
| Adopt Asset Management Strategy Policy | Council and CAO/Clerk | 2018 |
| Develop and maintain infrastructure strategies and formally establish baseline service levels | Senior Management Team | 2018 and ongoing |
| Monitor and review infrastructure standards and service levels at established intervals | Council, CAO/Clerk and Treasurer | Ongoing with monitoring completed twice in a council term: 1 st and 3 rd year |
| Develop and maintain asset inventories | Senior Management Team | Previously developed, ongoing additions/ disposals updated on an annual basis |
| Assess infrastructure condition and service levels | Senior Management Team | 2018 and ongoing. All infrastructure will be assessed at a minimum of every 5 years |
| Establish and monitor infrastructure replacement levels through the use of full life cycle costing principles | Senior Management Team | 2018 and ongoing, monitoring conducted annually |
| Develop and maintain financial plans for the appropriate level of maintenance, rehabilitation, extension, and disposal of assets | Treasurer | Annually along with the budget |
| Report to Council and the public on status of the Township's infrastructure assets and asset management program. The channels may include | Council, CAO/Clerk and Senior Management Team | Annually |



Corporation of the Township of
Edwardsburgh/Cardinal
Asset Management Strategy Policy

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| annual reports, business plans, etc. | | |
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