

**THE CORPORATION OF THE TOWN OF SMITHS FALLS
BY-LAW NO. 10048-2019**

*A BY-LAW TO ADOPT A STRATEGIC ASSET MANAGEMENT POLICY FOR
THE TOWN OF SMITHS FALLS*

WHEREAS Section 5(3) of the Municipal Act S.O. 2001, C.25 as amended provides that a municipal power, including a municipality's capacity, rights, powers and privileges under Section 9, shall be exercised by by-law unless the municipality is specifically authorized to do otherwise; and

WHEREAS Section 11 (2), subsequent (3) specifies that municipality may pass by-laws with respect to financial management of the municipality and its local boards; and

WHEREAS Council of the Corporation of the Town of Smiths Falls deems it expedient and necessary to adopt a Strategic Asset Management Policy;

NOW THEREFORE the Council of the Corporation of the Town of Smiths Falls enacts as follows:

1. THAT Council of the Corporation of the Town of Smiths Falls does hereby adopt the Strategic Asset Management Policy attached hereto as Schedule "A" and forming part of this by-law.

2. THAT the provisions of this by-law shall come into force and take effect upon the passing thereof.

Read a first and second time this 17th day of June, 2019

Read a third time and passed this 17th day of June, 2019



Mayor



Clérk



SMITHS FALLS

RISE AT THE FALLS



Strategic Asset Management Policy

Approval Date: 2019-06-17

Revision Due:

1.0 Policy Vision Statement

The Town of Smiths Falls is committed to a proactive and coordinated approach for the management of municipally-owned assets to ensure long-term sustainability through prudent financial planning and cost-effective decision making. It is an integral component to support the Municipality's approved Asset Management Plan and Long-Term Financial Sustainability Plan. The asset management program will assist in optimizing processes for the creation, operation, maintenance, renewal and disposal of assets. The Municipality's vision is to meet service levels in the most efficient and effective way possible through asset lifecycle management. Citizen expectations, sustainable development, and the actual needs of existing and future assets will be prioritized and aligned to manage service level expectations.

2.0 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** – has a physical nature, is a significant economic resource and provides the delivery of programs and/or services.
2. **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.

3. **Asset management plan (AMP)** – is a strategic, proactive, long-term comprehensive plan for managing existing and new infrastructure on a life cycle basis that includes:
 - i. Objectives such as to provide better long-term planning of capital investment; to provide fair, open and transparent management of capital assets; to encourage fiscal responsibility which is supported by appropriate due diligence and to ensure risk are managed effectively and economically with public interest being protected;
 - ii. An inventory registry for all tangible capital assets;
 - iii. Asset condition data collected on a regular basis;
 - iv. A maintenance program with adequate treatment options including optimization schedules;
 - v. A risk management analysis and
 - vi. A financial plan/investment strategy.

The purpose of this policy is to meet the regulatory requirements for Asset Management Planning. Under O. Reg. 588/17, by 2024, AMPs for all 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 services and documentation of processes to make inventory and condition-related background information available to the public.

4. **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.
5. **Corporate Asset Management** – the application of asset management principles and practices on a corporate level to ensure a coordinated, cost effective and organizationally sustainable approach across all departments. Corporate asset management creates efficiency by harmonizing service levels and business processes wherever possible.
6. **Green infrastructure asset** – an infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, stormwater management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs.
7. **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.

8. **Lifecycle** – the time interval that commences with the identification of the need for an asset and terminates with the disposal of the asset.
9. **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.
10. **Municipal infrastructure asset** – an infrastructure asset, including a green infrastructure asset, directly owned by a Municipality or included on the consolidated financial statements of a Municipality, but does not include an infrastructure asset that is managed by a joint municipal water board.
11. **Tangible Capital Asset** – as per the Municipality's Tangible Capital Asset (TCA) Policy, assets having physical substance that are acquired, constructed or developed including land, land improvements, roads, buildings, vehicles, equipment; water mains, sewer mains and capital assets acquired through donation.

3.0 Policy Goals & Objectives

1. A comprehensive and holistic asset management approach will support efficient and effective delivery of expected levels of service and ensure that due regard and process are applied to the long-term management and stewardship of all municipal infrastructure assets. In addition, it will align the Municipality with provincial and national standards and regulations such as the Infrastructure for Jobs and Prosperity Act, 2015 and Ontario Regulation 588/17, enabling the organization to take full advantage of available grant funding opportunities.
2. The approval of this policy is an important step towards ensuring that critical municipal infrastructure assets and vital services are maintained and provided to the community in a reliable, sustainable manner.
3. The policy will guide how staff and Council will interact with the Municipality's Asset Management Plan, a document that outlines policies and procedures regarding the inventorying of, renewal, and replacement levels of assets when considering financial planning and forecasting capital plans. This policy is to articulate Council's commitment to asset management and to guide staff using the policy statements. The goal of the Municipality's asset management policy shall be to provide program principles and a framework for asset management practices that enables a coordinated, cost effective and organizationally sustainable approach across all departments in order to:

- i. Optimize the lifecycle costs while maintaining acceptable levels of service;
- ii. Link infrastructure investment decisions to service outcomes;
- iii. Improve decision-making accountability and transparency;
- iv. Establish organizational accountability and responsibility for asset inventory, condition, use, performance and
- v. Integrate and support other approved Municipal plans such as Strategic Plan, Official Plan, Emergency Management Plan, Community Improvement Plan, Waterfront Master Plan and the Downtown Master Plan.

4.0 Scope

1. The Municipality operates and maintains a number of infrastructure assets. The Corporate Asset Management Policy ensures that as assets age and deteriorates over time; they will continue to meet acceptable levels of services over the long term and are managed for present and future users.
2. Asset management principles and practices shall support the Municipality's goal to provide the services required to support the Municipality's residents and business needs, in a sustainable manner by:
 - i. Maintaining and managing assets at defined levels of service to ensure that they meet resident expectations, compliance and legislative requirements, technological and environmental factors;
 - ii. Establishing asset management strategies through the use of lifecycle costing principles;
 - iii. Modifying current business processes where justified to improve operational effectiveness and efficiency;
 - iv. Adopting a risk-based decision-making process that considers the probability and consequences of asset failure to minimize the Municipality's risk exposure;
 - v. Developing and enhancing asset management knowledge and competencies to ensure the availability of skill sets required for the implementation of asset management programs;
 - vi. Planning for the optimum level of maintenance to ensure asset reliability while maximizing the asset lifecycle;
 - vii. Financial planning for sustainable long-term funding to rehabilitate, replace, or dispose of infrastructure assets;
 - viii. Monitoring and evaluating performance of assets and associated programs to track the effectiveness of asset management principles and practices for continuous improvement and
 - ix. Implementing asset management strategies to assist in achieving a number of the Municipality's strategic goals.

5.0 Alignment with the Municipality's Strategic Direction

This policy aligns with the Town of Smiths Falls Corporate Strategic Plan 2019 -2022. As the Municipality's Strategic Plan is updated, this policy shall be revised to align with emerging and evolving strategies, actions and priorities. The following passages outline key strategic priorities listed within this document that the development of an asset management program will support:

1. The Vision

- i. Vision Statement: Smiths Falls is a caring community that provides citizens with a superior quality of life through effective and innovative services. We will achieve this through the following:
 - a. Investing in our infrastructure to keep pace with needs.

2. Key Priorities

- i. Housing Strategy
- ii. Quality of Life – Develop Recreational & Parks Master Plans
- iii. Transportation Network – Develop transportation Master Plan
- iv. Waterfront Development and Placemaking
- v. Tourism
- vi. Town Square

6.0 Policy Statement

To guide the Municipality, the following policy statements have been developed:

1. The Municipality will implement an organization-wide asset management program through all departments. The program will promote lifecycle and risk management of all municipal infrastructure assets, with the goal of achieving the lowest total cost of ownership while meeting desired levels of service.
2. The Municipality will implement continuous improvement protocols and adopt best practices regarding asset management planning, including:
 - i. Complete and Accurate Asset Data;
 - ii. Condition Assessment Protocols;
 - iii. Risk and Criticality Models;
 - iv. Lifecycle Management;
 - v. Financial Strategy Development and
 - vi. Level of Service Framework.
3. The Municipality will develop and maintain an asset inventory of all municipal infrastructure 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 repair, rehabilitation or replacement costs.

4. The Municipality will develop an asset management plan (AMP) that incorporates all infrastructure categories and municipal infrastructure assets that are necessary to the provision of services. This may include assets that fall below their respective capitalization thresholds as outlined in the Municipality's TCA Policy. The scope of these assets will be determined, according to relevance, based on the professional judgment of senior staff. The AMP will be reviewed annually to address the Municipality's progress in implementing its asset management plan and updated at least every five years in accordance with O. Reg. 588/17 requirements, to promote, document and communicate continuous improvement of the asset management program.
5. The Municipality will integrate asset management plans and 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 municipal infrastructure assets based on full lifecycle costing.
6. The Municipality will explore innovative funding and service delivery opportunities, including but not limited to grant programs, public-private partnerships (P3), and shared provision of services, as appropriate.
7. The Municipality will track workflow from service request to task completion, integrate existing major information systems, and develop meaningful performance metrics and reporting tools to transparently communicate and display the current state of asset management practice to Council and the community.
8. The Municipality will consider the risks and vulnerabilities of municipal 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. Impacts may include matters relating to operations, levels of service and lifecycle management.
9. The Municipality will ensure that all asset management planning is aligned with any of the following financial plans:
 - i. Long-term Financial Sustainability Plan;
 - ii. Financial plans related to the Municipality's water assets including any financial plans prepared under the Safe Drinking Water Act, 2002 and
 - iii. Financial plans related to the Municipality's wastewater assets.
10. The Municipality 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 official plans.

11. The Municipality will coordinate planning for interrelated municipal infrastructure assets with separate ownership structures by pursuing collaborative opportunities with neighbouring municipalities and jointly-owned municipal bodies wherever viable and beneficial.
12. The Municipality will develop processes and provide opportunities for municipal residents and other interested parties to offer input into asset management planning wherever and whenever possible.

7.0 Roles and Responsibilities

The development and continuous support of the Municipality's Asset Management Program requires a wide range of duties and responsibilities. The following passages outline the persons responsible for these tasks:

1. Council

- i. Approves municipal asset management policies. While staff, public and other agencies may provide input on the nature and text of the policy, Council retains the authority to approve, update, amend or rescind policies;
- ii. Supports and funds core AM practices;
- iii. Approves asset funding to ensure required financial stability to asset management through the annual budget process and
- iv. Every subsequent asset management plan update must be approved by a resolution passed by Council

2. Executive Lead (Chief Administrative Officer)

- i. Provides organization-wide leadership in AM practices and concepts in conjunction with Corporate Finance;
- ii. Raises awareness of elected officials and senior management team of the benefits of asset management in conjunction with Corporate Finance and
- iii. Every subsequent asset management plan update prepared must be endorsed by the executive lead of the Municipality along with a resolution approved and passed by the municipal council.

3. Corporate Finance

- i. Provides financial direction to the Departments;
- iv. Responsible for the stewardship of the financial assets and records, in conjunction with Senior Management Team and the AM Coordinator;
- v. Manages policy and policy updates in conjunction with Senior Management Team and

- vi. Coordinates and tracks AM program implementation and progress in conjunction with Senior Management Team.

4. Senior Management Team

- i. Provides corporate oversight to the asset management functions to ensure that the goal and directions are maintained and that it remains consistent with the overall corporate Strategic Plan;
- ii. Creates and implements asset management strategies;
- iii. Participate in the process of aligning asset management strategies and plans with organizational strategies and objectives;
- iv. Responsible for the assets themselves within their department as well as the service delivery programs associated with these assets;
- v. Responsible for the management of the consolidated asset registry for their departmental assets;
- vi. Responsible for the improvement projects that will impact on the sustainability of their assets;
- vii. Liaises with Corporate Finance on financial matters;
- viii. Development of policy and policy updates in conjunction with Corporate Finance;
- ix. Provides corporate oversight to goals and directions and ensure the AM program aligns with the Municipality's Strategic Plan;
- x. Communicate the vision of asset management at a corporate level, encourage engagement with the processes and provide the guidance necessary to ensure alignment and integration across the organization;
- xi. Provides departmental staff coordination;
- xii. Encourage information sharing and collaboration across departments;
- xiii. Ensure organization-wide accountability for achieving and reviewing corporate asset management goals and objectives;
- xiv. Develops and monitors levels of service and make recommendations to Council and
- xv. Tracks, analyzes and reports on AM program progress and results in conjunction with Corporate Finance and the AM Coordinator.

5. Residents, Stakeholders and Customers

- i. Participate in public information sessions and stakeholder engagement initiatives, where possible;
- ii. Provide feedback related to levels of service, service experience and service expectations and
- iii. Notify the Municipality, via appropriate means, where service deficiencies and/or failures are observed.

8.0 Key Principles

The Municipality shall consider the following when making decisions regarding asset management:

1. 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.
2. Infrastructure planning and investment should take into account any applicable budgets or fiscal plans.
3. Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting infrastructure.
4. Infrastructure planning reliability should be continuously improved by leveraging ongoing improvements to data quality.
5. Infrastructure planning and investment should ensure the continued provision of core public services.
6. Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities.
7. Infrastructure planning and investment should ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
8. 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.
9. 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 publicly available, and
 - ii. information with implications for infrastructure planning should be shared between the Municipality and broader public sector entities, and should factor into investment decisions respecting infrastructure.
9. 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 Municipality, as the case may be, the Municipality 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.

10. Infrastructure planning and investment should promote accessibility for persons with disabilities.
11. Infrastructure planning and investment should minimize the impact of infrastructure on the environment and respect and help maintain ecological and biological diversity, and infrastructure should be designed to be resilient to the effects of climate change.
12. Infrastructure planning and investment should endeavour to make use of acceptable recycled aggregates.
13. 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.