

The Corporation of the Township of North Huron

By-law No. 54-2019

A by-law to adopt a Strategic Asset Management Policy for the Township of North Huron

WHEREAS Section 8(1) of the Municipal Act S.O. 2001, c. 25 as amended, herein referred to as the “Act”, provides the powers of 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 11 (2) of the Act provides that a lower tier municipality may pass by-laws respecting matters within its spheres of jurisdiction including matters of financial management of the municipality and its local boards,

AND WHEREAS Section 3 (1) of Ontario Regulation 588/17: Asset Management Planning For Municipal Infrastructure, provides that every municipality shall prepare a strategic asset management policy,

AND WHEREAS the Council of the Township of North Huron deems it expedient and necessary to establish policies,

NOW THEREFORE the Council of the Corporation of the Township of North Huron enacts as follows:

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

Read a first and second time this 3rd day of June, 2019.

Read a third time and passed this 3rd day of June, 2019.

Bernie Bailey, Reeve

CORPORATE SEAL

Carson Lamb, Clerk

The Corporation of the Township of North Huron

Strategic Asset Management Policy

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, management and staff in carrying out its business, strategic 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.

Asset Management Vision

The Township of North Huron's vision is to proactively manage its assets to best serve the Township's objectives, including:

- Effectively delivering services
- Supporting sustainability and economic development, and
- Maintaining prudent financial planning and decision making

Policy Goals

The objectives of the policy are to:

- Provide a framework for implementing asset management to enable a consistent and strategic approach at all levels of the organization
- Provide guidance to staff responsible for asset management

Strategic Alignment

The Township of North Huron has developed and adopted a Strategic Plan, an Official Plan, and Emergency Management Plan, a Community Improvement Plan, and an Asset Management Plan. These plans, and others were designed to meet the legislative requirements and work together to achieve the Township's mission of providing innovation and excellence in service delivery. Spending requirements defined in the budgeting process and in long-term financial planning will reflect the objective of these plans.

All of the Township'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 Township.

Asset management planning therefore will not occur in isolation from other municipal goals, plans and policies.

Asset Management Principles:

The key guiding principles of the asset management policy are as follows.

Customer Focused: The Township will have clearly defined levels of service and apply asset management practices to maintain the confidence of customers in how the Township's assets are managed.

Service Focused: The Township 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 Township 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 Township will choose practices, interventions and operation 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.

Province required principles:

Forward looking: The Township of North Huron shall take a long-term view while considering demographic and economic trends in the region.

Budgeting and Planning: The Township of North Huron shall take into account any applicable budgets or fiscal plans, such as fiscal plans released under the Fiscal Transparency and Accountability Act, 2004 and Budgets adopted under Part VII of the Municipal Act, 2001.

Prioritizing: The Township of North Huron shall clearly identify infrastructure priorities which will drive investment decisions.

Economic Development: The Township of North Huron shall promote economic competitiveness, productivity, job creation and training opportunities.

Transparency: The Township of North Huron shall be evidence-based and transparent. Additionally, subject to any prohibitions under an Act or otherwise by by-law on the collection, use, or disclosure of information, the municipality shall.

- Make decisions with respect to infrastructure based on information that is publicly available or made available to the public, and
- Share information with implications on infrastructure and investment decisions with the Government and broader public sector entities.

Consistency: The Township of North Huron shall ensure the continued provision of core public services, such as health care and education within municipal jurisdiction.

Environmentally conscious: The Township of North Huron shall minimize the impact of infrastructure on the environment by:

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

Health and Safety: The Township of North Huron shall ensure that the health and safety of workers involved in construction and maintenance of infrastructure assets is protected.

Community Focused: The Township of North Huron 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, and
3. Promoting accessibility for persons with disabilities.

Innovation: The Township of North Huron shall create opportunities to make use of innovative technologies, services and practices, particular when doing so would utilize technology, techniques, and practices developed in Ontario.

Integration: The Township of North Huron 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 surround the infrastructure that supports them.

Capitalization Thresholds

The Asset Management Policy applies to all assets whose role in service delivery requires deliberate management by the Township. The service-focus 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.

Governance & Continuous Improvement

This policy requires continuous improvement and adoption of appropriate practices regarding asset management planning. It requires commitment of key stakeholders with the Township's organizational structure. The following details the responsibilities of the key stakeholders within the Township:

Council

- Approve by resolution the asset management plan and its updates every five years
- Conduct annual reviews of the management plan implementation progress on or before July 1 of every year; that includes.
- Progress on ongoing efforts to implement the asset management plans;
- Consideration of the asset management policy
- Any factors affecting the ability of the municipality to implement its asset management plans
- Consultation with department heads; and
- A strategy to address these factors including the adoption of appropriate practices
- Support ongoing efforts to continuously improve and implement the asset management plans

Chief Administrative Officer

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

Department Heads

- Oversee asset management planning activities that fall within their service area and in support of others

Budgeting

The Township will integrate findings from the asset management plans into its long-term financial planning and budgetary processes.

The asset management plan will be referenced by the Department in preparation of their budget submission to help them:

- Identify all potential revenues and costs (including operating, maintenance, replacement and decommission) 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

The budgets prepared by each Department will be processed in accordance with broader municipal budgeting process.

The financial analysis used for the water and wastewater asset management plans will align with existing financial plans related to water and wastewater assets. The analysis completed in each tangential document will reference the most up to date information from the same datasets, will be based on common methods, and will improve upon one another.

Community Planning

The combination of lifecycle analysis and financial sustainability principles will be the driver in the design and selection of community development or redevelopment that requires new assets, or existing asset enhancements to take place. Parties involved in

the development of the asset management plans will reference the direction established in the community plan as well as the methods, assumptions, and date used in its development. The aim of cross-referencing these plans is to ensure that development and redevelopment occur within the Township's means through and understanding of current and future asset needs.

Climate Change

Climate change will be considered as part of the Township's risk management approach embedded in local asset management planning methods. This approach will balance the potential cost of vulnerabilities. The balance will be struck in the levels of service delivered through operations, maintenance schedules, disaster response plans, contingency funding and capital investments. The Township's contribution to climate change through greenhouse gas emissions will be mitigated in accordance with our reduction targets, financial capacity and stakeholder support.

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 and other stakeholders served by the municipality to provide input into asset management planning; and
- Coordinate asset management planning with other infrastructure owning agencies such as municipal bodies and regulated utilities.