

**THE CORPORATION OF THE TOWNSHIP OF  
BECKWITH BY-LAW NO. 2019-47**

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

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**WHEREAS** Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure requires municipalities to adopt a strategic asset management policy;

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

**NOW THEREFORE BE IT RESOLVED THAT**, the Council of the Corporation of Beckwith enacts as follows:

**1. GENERAL REGULATIONS**

1.1 **THAT**, the Strategic Asset Management Policy, attached hereto as Schedule "A", be adopted.

**2. ULTRA VIRES**

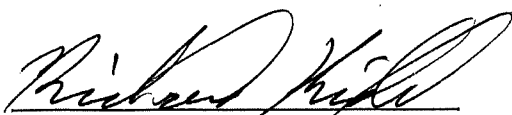
2.1 Should any sections of this by-law, including any section or part of any schedules attached hereto, be declared by a court of competent jurisdiction to be ultra vires, the remaining sections shall nevertheless remain valid and binding.

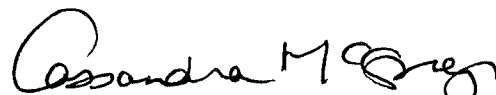
**3. EFFECTIVE DATE**

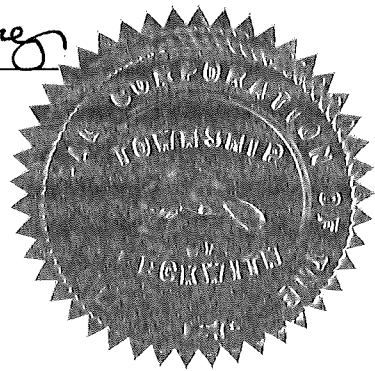
3.1 **THAT**, this by-law shall come into force and effect on the day of its passing.

**BY-LAW READ** a first and second time this 3<sup>rd</sup> day of December, 2019.

**BY-LAW READ** a third time, signed, sealed and passed in open council this 3<sup>rd</sup> day of December, 2019.

  
Richard Kidd, Reeve

  
Cassandra McGregor,  
Clerk Administrator





## Policy and Procedure

### Strategic Asset Management

#### 1.0 Purpose:

This strategic asset management policy formalizes the Township'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 strategies, plans and activities. This policy will support the Township in focusing its infrastructure efforts on managing risks, addressing priorities, and meeting short and long-term needs within the bounds of possible funding.

#### 2.0 Scope:

The scope of this policy is to proactively manage its assets to best serve its objectives, including:

- Prioritizing the need for existing and future assets to effectively deliver services, Supporting sustainability and economic development, and
- Maintaining prudent financial planning and decision making.

#### 3.0 Objectives:

The objectives of this policy are to:

- Provide a framework for implementing asset management to enable a consistent and strategic approach throughout the organization.
- Provide guidance to staff responsible for asset management.
- Provide transparency and accountability and to demonstrate to stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service levels and risks.

#### 4.0 Strategic Alignment:

Asset management planning will not occur in isolation from other municipal goals, plans and policies therefore an integrated approach will be followed to successfully develop asset management plans that align with, but is not limited to, the following:

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ISSUED BY:	DATE ISSUED:	SUPERCEDES:	Page:
Clerk Administrator	December 3 <sup>rd</sup> , 2019	N/A	1 of 6

---

- Asset Management Plan;
- Emergency Management Plan;
- Accessibility Plan;
- Official Plan;
- Energy Conservation and Demand Management Plan;
- Roads Needs Study.

These plans 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 objectives of these plans.

All of these plans rely to some extent on the physical assets owned by the Township 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.

## **5.0 Stakeholder Engagement**

The Township recognizes the importance of stakeholder engagement as an integral component of a comprehensive asset management approach. The Township acknowledges that residents, businesses, local institutions are stakeholders and neighboring municipal bodies, provincial agencies, and regulated utilities are partners in service delivery. Accordingly, the Township will foster informed dialogue with these parties using the best available information and engage with them by:

- Providing opportunities for residents and other stakeholders served by the Township to provide input in asset management planning; and
- Coordinating asset management planning with other infrastructure asset owning agencies such as other local government bodies and regulated utilities.

## **6.0 Guiding Principles**

The Infrastructure for Jobs and Prosperity Act, 2015 sets out principles to guide asset management planning in municipalities in Ontario. The Township will strive to incorporate the following principles whenever possible into the day-to-day operation of the Township:

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<b>ISSUED BY:</b>	<b>DATE ISSUED:</b>	<b>SUPERCEDES:</b>	<b>Page:</b>
Clerk Administrator	December 3 <sup>rd</sup> , 2019	N/A	2 of 6

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- **Forward looking:** The Township shall take a long-term view while considering demographic and economic trends in the region.
- **Budgeting and planning:** The Township shall take into account any applicable budgets or fiscal plans, including those adopted through Ontario legislation
- **Prioritizing:** The Township shall clearly identify infrastructure priorities which will drive investment decisions.
- **Economic development:** The Township shall promote economic competitiveness, productivity, job creation, and training opportunities.
- **Transparency:** The Township shall be evidence-based and transparent, basing decisions on publicly shared information and make info available to the public
- **Consistency:** The Township's infrastructure planning and investment will consider the continued provision of core public services.
- **Environmentally conscious:** The Township 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 shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
- **Community focused:** The Township 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, technologies, services, and practices, particularly where doing so would utilize technology, techniques, and practices developed in Ontario.

- **Integration:** The Township 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 Community Planning

Asset management planning will be aligned with the Township's Official Plan and the Planning Act. The asset management plan will reflect how the community is projected to change with respect to development. The Township will achieve this by consulting with those responsible for managing the services and on the analyzing of the future costs and viability of projected changes as it pertains to them.

The combination of lifecycle analysis and financial sustainability principles will be the driver in the selection 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 Township's Official Plan and the Asset Management Plan will ensure that development occurs within the Township's means through an understanding of current and future asset needs.

## 8.0 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 to climate change impact and other risks with the cost of reducing these vulnerabilities. Bolstering resilience to climate change includes adapting to opportunities to manage vulnerabilities, anticipating possible costs to support contingency funds, and disaster planning to allow for business continuity. These actions will be taken in addition to acquiring or modifying assets based on greenhouse gas reduction targets.

## 9.0 Scope and Capitalization Thresholds

This policy applies to all assets owned by the Township whose role in service delivery requires deliberate management by the Township. The Township will use a service-based (qualitative) perspective when applying this policy to

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ISSUED BY:	DATE ISSUED:	SUPERCEDES:	Page:
Clerk Administrator	December 3 <sup>rd</sup> , 2019	N/A	4 of 6

---

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.

## 10.0 Financial Planning and Budgeting

The Township will integrate asset management planning into the annual capital budget, operating budget, and its long-term financial plan. Sound financial analysis will be encompassed in asset management planning in order for the asset management plan to guide staff in budgeting and financial planning. The asset management plan will be used as a resource in the budget preparation 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.

The department level budget submission prepared by each department manager will be reviewed and evaluated by the Clerk Administrator and Treasurer in the preparation of the Township's annual budget.

Staff will reference the asset management plan for their area in order to look up forecasted spending needs identified in the plan, verify progress made on the plan to identify potential gaps, and prioritize spending needs, across the gap identified in the plan and recent developments, for the year to be budgeted for. Finance staff will be involved in the asset management planning process to coordinate the information from the department staff in the preparation of the budget submission.

## 11.0 Governance and Continuous Improvement

The policy requires the commitment of key stakeholders within the Township'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

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ISSUED BY:	DATE ISSUED:	SUPERCEDES:	Page:
Clerk Administrator	December 3 <sup>rd</sup> , 2019	N/A	5 of 6

---

assets. Council, having stewardship responsibility, is the final decision maker on all matters related to asset management in the Township. The Council and management are committed to the success of asset management planning. 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 1st of every year, that includes:
  - o Progress on ongoing efforts to implement the asset management plans;
  - o Consideration of the Strategic Asset Management Policy;
  - o Any factors affecting the ability of the Township to implement its asset management plans;
  - o Consultation with senior management;
  - o A strategy to address these factors including the adoption of appropriate practices; and
  - o Support ongoing efforts to continuously improve and implement the asset management plans.

**Clerk Administrator**

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

**Department Heads:**

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

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<b>ISSUED BY:</b>	<b>DATE ISSUED:</b>	<b>SUPERCEDES:</b>	<b>Page:</b>
Clerk Administrator	December 3 <sup>rd</sup> , 2019	N/A	6 of 6

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