

THE CORPORATION OF THE TOWN OF PERTH

BY-LAW NO. 4810

A By-law to establish a Strategic Asset Management Policy

Recitals:

1. *The Municipal Act* states that by-laws may be passed by municipal councils to govern its affairs as it considers appropriate.
2. The Committee of the Whole reviewed Report-2019-COW-6¹⁴, and concurs with the staff recommendation to establish a Strategic Asset Management Policy;
3. Council for The Corporation of the Town of Perth deems it advisable to pass this By-law.

Accordingly, the Council of the Corporation of the Town of Perth hereby enacts as follows:

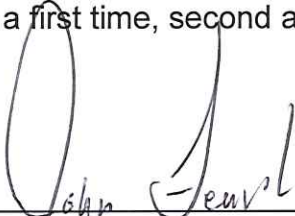
1. AUTHORIZATION:

- 1.1. That the Strategic Asset Management Policy, attached hereto as Schedule 'A' and forming part of this By-law, is hereby approved.


1. EFFECTIVE DATE:

- 1.1. This By-law shall come into force on the date it is finally passed by the Council of the Corporation of the Town of Perth.

Read a first time, second and third time and finally passed this 25th day of June, 2019.



John Fenik, Mayor



Lauren Walton, Clerk

(Seal)

Town of Perth			
Strategic Asset Management Policy		Effective:	June 25, 2019
		Replaces:	N/A
Issued by:	Treasurer	Approval:	By-law No. 2019-4810
Applicable Policy and Legislation	Town of Perth Capital Asset Policy By-law Town of Perth Budget Policy By-law Ontario Regulation 588/17		

To be a sustainable Community that respects both its Heritage and Natural Environment, while enabling a balanced lifestyle by means of a vibrant economy.

1. **Purpose**

The purpose of this policy is to facilitate logical and evidence-based decision-making for the management of the Corporation of the Town of Perth's capital assets and to support the delivery of sustainable municipal services now and in the future.

2. **Scope**

This policy applies to all Town departments and all capital assets owned, purchased, constructed by the Town, or donated to the Town by other governments and non-governmental parties. Financial assets are not covered by this policy.

3. **Definitions**

1. **“Acquisition”** shall mean the process that will be followed when purchasing new capital assets.

2. **“Asset Category”** shall mean an aggregate of Town assets that provide the same type of service. For purposes of this Policy, the categories will consist of:

- Land Improvements
- Buildings
- Leasehold Improvements
- Machinery and Equipment
- Vehicles
- Roads (includes sidewalks and streetlights)
- Water Plant
- Sanitary Sewers
- Storm Sewers
- Bridges and Structures

3. **“Asset Management Plan”** includes for each asset category:

- a summary of the assets in the category;
- the replacement value of the assets;
- the average age of the assets;
- a description of how the condition of the assets is being assessed;
- a description of the repairs and maintenance and replacement costs required in each of the following ten (10) years for the assets to maintain their current service levels;
- the risk (criticality) associated with the assets; and,
- a description of the assumptions regarding future changes in population or economic activity.

For Roads, Water Plant, Sanitary and Storm Sewers and Bridges and Structures, the Asset Management Plan shall include the Community Levels of Service (qualitative descriptions), the Technical Levels of Service (technical metrics) and the current performance of the asset category against the benchmark determined by the Town.

4. **“Capital assets”** shall mean tangible assets that are purchased, constructed, developed or otherwise acquired, have a useful life extending beyond one fiscal year and have a cost greater than the capitalization threshold defined for the group. Capital assets do not include non-operational heritage assets, such as museum and gallery collections, other works of art, monuments and statues.

5. **“Council”** shall mean the individuals elected to sit on the Town Council, the role of which is to develop and evaluate the policies and programs of the Municipality.
6. **“Department”** shall mean any department within the Town, generally representing an operating entity within one of the Town’s primary divisions.
7. **“Director”** shall mean a Director who leads or supervises one of the primary service areas of the Town which includes Community Services, Corporate Services, Environmental Services, Governance and Information Technology Services and Development and Protective Services.
8. **“Services”** shall mean any service within the Town, generally representing an operating entity within one of the Town’s primary service areas.
9. **“Service potential”** shall mean a capital asset’s output or service capacity, normally determined by reference to attributes such as physical output capacity, quality of output, associated operating costs and useful life.
10. **“Town”** shall mean the Corporation of the Town of Perth.
11. **“Treasurer”** shall mean the individual who is responsible for handling all of the financial affairs of the municipality on behalf of and in a manner directed by the council of the municipality per the *Ontario Municipal Act, 2001 C.25 s. 286 (1)*.

4. **Principles**

This policy is based on the following principles:

1. **Forward looking:** The Town shall take into account historic and predicted demographic and economic trends in Lanark County when planning for capital asset acquisition and disposal.
2. **Budgeting and planning:** The Town shall take into account any applicable budgets or fiscal plans, including those adopted through the Ontario legislation.
3. **Prioritizing:** Through the Strategic Planning Process, the Town shall clearly identify infrastructure priorities which will drive investment decisions.
4. **Transparency:** The Town shall be evidence-based and transparent, basing decisions on publicly shared information and making information available to the public.
5. **Consistency:** The Town’s infrastructure planning and investment shall consider the continued provision of core municipal services.
6. **Environmentally conscious:** The Town shall minimize the impact of infrastructure on the environment by respecting and helping maintain ecological and biological diversity, augmenting resilience to the effects of climate change and endeavouring to make use of acceptable recycled aggregates.
7. **Health and safety:** The Town shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
8. **Integration:** The Town 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.
9. **Economic development:** The Town shall promote economic competitiveness, productivity, job creation, and training opportunities.
10. **Innovation:** The Town shall ensure that infrastructure planning and investment will foster innovation by creating opportunities to make use of new technologies, services and practices.
11. **Accessibility:** The Town shall ensure that infrastructure planning and investment will promote accessibility for persons with disabilities.
12. **Community:** The Town 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.

13. Partnering: The Town shall, where relevant and appropriate, when planning infrastructure enhancements, consider the plans or strategies of the Province of Ontario, the County of Lanark and other surrounding municipalities.

5. Policy Requirements

The Corporation of the Town of Perth is committed to meeting all leading practices and guidelines in the municipal sector for the management of capital assets. The Town shall operate and maintain its capital assets in a manner that protects the public investment and ensures achievement of their maximum useful life. The Town will establish clear policies and procedures for monitoring, maintaining, repairing and replacing its capital assets to ensure the Citizens of Perth receive the maximum value for funds invested. Policies, procedures, risk management and service level assessment related to Capital Assets will be summarized in the Town's Asset Management Plan.

5.1 Capital Asset Inventory

The Treasurer of the Town shall be responsible for ensuring that sufficient information relating to capital assets is gathered and maintained to allow for the preparation of the Town's Asset Management Plan. The other Directors of the Town shall be responsible for providing such information as may be required to populate the Asset Management Plan from their respective service areas.

5.2 Integration with Budgets and Funding

The Town shall integrate the Asset Management Plan with its annual budget process and long-term financial planning. This includes the development of financial plans that determine the level of funding required for achieving short-term operating and maintenance requirements, in addition to long-term funding needed to replace and/or renew municipal capital assets.

The Town shall identify appropriate funding for its capital asset maintenance and replacement. This may include taxation or user fee revenues, grant programs, debt-financing, and/or the shared provision of services.

5.3 Integration with Planning Act

The Town shall align 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 municipal official plans.

5.4 Integration with Financial Reporting

The Town shall integrate the Asset Management Plan with its annual financial reporting by ensuring that assets that are capitalized and amortized in the financial reporting process are also included in the Asset Management Plan with the same expected useful life.

5.5 Stakeholder Engagement

The Town recognizes the importance of stakeholder input and acknowledges that residents, businesses and local institutions are stakeholders and neighbouring municipal bodies, provincial agencies, and regulated utilities are partners in service delivery. Accordingly, the Town will foster informed dialogue with these parties using the best available information.

When complete, the Town shall post its Asset Management Policy and Asset Management Plan on the Town's website that is available to the public, and shall provide a copy of the Policy and Plan to any person that requests it.

5.6 Climate Change

The Town shall consider the vulnerabilities of municipal assets and services 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, contingency funding and minimization of the impact of municipal operations on the environment.

5.7 Insurance

The Treasurer shall ensure that insurance coverage for the Town's capital assets is consistent with the current replacement values utilized in the Asset Management Plan.

5.8 Continuous Improvement

The Council of the Town shall conduct annual reviews of the implementation of the Asset Management Plan, to identify any factors that may be impeding the Town's ability to implement the Asset Management Plan and review strategies to overcome those impediments.

6. Severability

If a court or tribunal of competent jurisdiction declares any portion of this Policy to be illegal or unenforceable, that portion of this Policy will be considered to be severed from the balance of the Policy, which will continue to operate in full force.

7. Review Period

This policy shall be reviewed every two (2) years.