

**THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN**

**BY-LAW NO. 2019 - 43**

**Being a By-law to Establish a Strategic Asset Management Policy**

**WHEREAS** pursuant to the Municipal Act, 2001 S.O. 2001, chapter 25 a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

**AND WHEREAS** pursuant to the Municipal Act, 2001 S.O. 2001, chapter 25 the powers of a municipality under this or any other Act shall be interpreted broadly so as to confer broad authority on the municipality to enable the municipality to govern its affairs as it considers appropriate to enhance the municipality's ability to respond to municipal issues;

**AND WHEREAS** In December of 2017, the Province of Ontario passed an Asset Management Planning Regulation, O. Reg. 588/17, under the Infrastructure for Jobs and Prosperity Act, 2015, that requires all Municipalities to leverage asset management planning to optimize infrastructure investment decisions;

**NOW THEREFORE** the Council of the Corporation of the Municipality of Magnetawan enacts as follows:

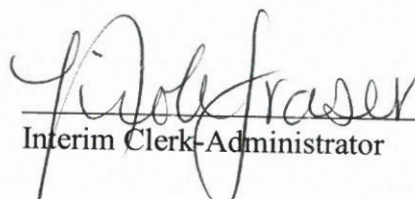
1. THAT the Strategic Asset Management Policy in the form attached as Schedule 'A' to this By-Law, is adopted as a policy pursuant to Ontario Regulation 588/17.
2. THAT this By-Law shall become effective upon the date, and at the time, of its passing.

**READ A FIRST, SECOND, AND THIRD TIME**, passed, signed and the Seal of the Corporation affixed hereto, this 26<sup>th</sup> day of June, 2019.

**THE CORPORATION OF THE  
MUNICIPALITY OF MAGNETAWAN**



Mayor



Interim Clerk-Administrator

## Schedule 'A'

### **Policy Statement**

The Municipality of Magnetawan is committed to improving the long-term resilience and sustainability of its infrastructure. To do this, the Municipality must have a policy to guide its asset management decisions that promotes best practices and links asset management planning to budgeting, operations and other municipal planning activities.

### **Purpose**

The purpose of this Policy is to provide guidance for capital asset management plans and other capital asset-related decisions for the Municipality. The adoption of a policy is one of the requirements of the Municipal Asset Management Planning Regulation under the Infrastructure for Jobs and Prosperity Act, 2015.

### **Asset Management Principles**

The following principles will guide asset management planning in the Municipality. These principles align with the principles in section 3 of the Infrastructure for Jobs and Prosperity Act, 2015.

1. **Forward Looking** – the Municipality shall take a long-term view while considering demographic and economic trends in the region.
2. **Budgeting and Planning** – the Municipality shall take into account any applicable budgets or fiscal plans such as budgets adopted under Part VII of the Municipal Act, 2001.
3. **Consistency** – the Municipality shall ensure the continued provision of core public services such as protection, transportation and environmental services.
4. **Economic Development** – the Municipality shall promote economic competitiveness, productivity, job creation and training opportunities.
5. **Prioritizing** – the Municipality shall clearly identify infrastructure priorities that will drive investment decisions.
6. **Innovation** – the Municipality shall create opportunities to make use of innovative technologies, services and practices, particularly where doing so would utilize technology, techniques and practices developed in Ontario.
7. **Transparency** – the Municipality shall be evidence-based and transparent. Additionally, subject to any prohibitions under an Act or otherwise by law on the collection, use or disclosure of information, the Municipality shall:
  - a) make decisions with respect to infrastructure based on information that is publicly available or made available to the public;
  - b) share information with implications on infrastructure and investment decisions with the Government and broader public sector entities.
8. **Environmentally Conscious** – the Municipality shall minimize the impact of infrastructure on the environment by:
  - a) respecting and helping maintain ecological and biological diversity;
  - b) augmenting resilience to the effects of climate change;
  - c) endeavoring to make use of acceptable recycled aggregates.
9. **Health and Safety** – the Municipality shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.

10. **Community Focused** – the Municipality 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 the community, such as:
- a) local job creation and training opportunities (including for apprentices, within the meaning of section 9 of the Infrastructure for Jobs and Prosperity Act, 2015);
  - b) improvement of public space within the community;
  - c) promote accessibility for persons with disabilities.
11. **Integration** – in planning and making decisions surrounding infrastructure, where relevant and appropriate, the Municipality shall be mindful and consider the principles and content of non-binding provincial or municipal plans and strategies established under an Act or otherwise.

## Governance

The CAO/Clerk has overall responsibility for asset management planning for the Municipality. The CAO/Clerk is responsible for:

- Delegating asset management-related tasks to Municipality staff within their defined job descriptions/competencies and for recruiting external assistance when the required expertise does not reside in-house. Staff involved might include the Treasurer, Department Heads and Administrative/Office Assistants.
- Arranging meetings among staff members to ensure timelines for strategic asset management policy review, asset management plan development and review and provincial reporting requirements are adhered to.
- Ensuring municipal ratepayers and other interested parties are given opportunities to provide input into asset management planning.
- Approving the Asset Management Plan before being presented to Council for approval.
- By July 1, 2025, preparing an annual report relating to the Municipality's asset management progress for Council consideration. The report will address:
  - the Municipality's progress in implementing its *Asset Management Plan*;
  - any factors impeding the implementation of the *Asset Management Plan*;
  - staff's proposed strategies to address impediments.

As part of the annual budgeting process, The Clerk-Administrator will review the asset management principles with Council, Department Managers and the Public, provide them with a summary of the asset management planning milestones to be achieved in the budget year, and report on the asset management planning progress made to date.

Council has a key role in ensuring the long-term sustainability and resilience of the Municipality's infrastructure. The Council has the following roles and responsibilities with respect to asset management planning in the Municipality:

- Review and approve by resolution the Strategic Asset Management Policy and all subsequent revisions within their term of Council.
- Annually review and approve the report on the Municipality's asset management progress prepared by the CAO/Clerk.
- Adhere to the asset management planning guiding principles when making budget and other planning decisions.
- Ensure tax rate/other revenue generator decisions move the Municipality towards sustainability and resilience.

## Strategic Alignment

**Official Plan, Service Level Delivery Reviews, Regional Economic Development Plan and Related Policies**  
Well-maintained infrastructure is important to the growth and development of the Municipality as set out in the goals of the Municipality's *Official Plan*, the *Regional Economic Development Plan*

It is the intent of both the *Official Plan* and the *Regional Economic Development Plan* to encourage development that is compatible with the character, role and permitted uses of agricultural, rural and the village centres, as well as to promote the continued functioning of natural systems. It is the intent that the natural beauty and environmental resources, considered key factors in the growth of the tourism sector, are not damaged by future development.

Good roads and bridges facilitate the movement of goods, the provision of services—notably emergency services—and the transport of people to work, school, recreation and other facilities. Good roads are essential to attracting economic development in the transport of commodities to market and providing access to tourism and other amenities the Municipality has to offer.

The state of local infrastructure also reflects on the image of the Municipality to its residents and visitors. Poorly maintained infrastructure conjures a negative image and may detract from investment in the Municipality.

Consequently, the Municipality's *Asset Management Plan* facilitates the achievement of the vision outlined in the Municipality's *Official Plan* and *Regional Economic Development Plan* and supports the execution of the Municipality's *Emergency Management Response Plan*.

### **Annual Budgets**

The *Asset Management Plan* will be considered annually in the Municipality's operating budgets, capital budgets, and long-range financial plans as well as in the development of tax levy rates and other related revenue generators. A review of the financing section of the *Asset Management Plan* will be included in the annual budget deliberations.

The *Asset Management Plan* will be referenced by the service area personnel in conjunction with finance staff in the preparation of their budgets to help them:

1. Identify all potential revenues and costs (including operating, maintenance, replacement, and decommissioning) associated with proposed infrastructure investments;
2. Evaluate the validity and need for proposed capital investments;
3. Incorporate new revenue tools and alternative funding strategies where possible.

### **Stakeholder Engagement**

The Municipality is committed to providing opportunities for municipal ratepayers and other interested parties to provide input into asset management planning. Stakeholders are encouraged to attend public budget meetings and comment on asset management-related decisions being considered by Council. They will also be encouraged to comment on any revisions to the Municipality's existing *Asset Management Plan* prior to adoption by Council.

The Municipality recognizes that neighboring municipalities, provincial agencies, and other infrastructure-asset-owning agencies such as regulated utilities are partners in the delivery of service for municipal ratepayers. Accordingly, the Municipality shall coordinate asset management planning with these external parties when appropriate.

### **Asset Management Plan**

With the exception of land, all assets meeting the single asset capitalization thresholds detailed in the Municipality's *PSAB 3150 Policies - Tangible Capital Asset Policies* will be included in the *Asset Management Plan*. This includes the Municipality's proportionate share of the assets of any shared or fully-controlled services. Pooled assets—assets that are capitalized under the Municipality's tangible capital asset policy but do not meet the single asset capitalization threshold—will be excluded from the *Asset Management Plan*. The low capitalization thresholds established by the tangible capital asset policy ensures that all assets whose role in service delivery requires deliberate management by the Municipality are included in the *Asset Management Plan*.

On an ongoing basis, the planning department reviews all proposed development to ensure that it complies with the intent and direction of the *Official Plan* and *Zoning By-Law*. The planning department reviews Ontario's land-use planning framework, including any relevant policy statements issued under section 3(1) of the Planning Act to ensure that provincial plans are incorporated into updates of the Municipality's *Official Plan* and *Zoning By-Law*. Prior to the adoption of any revisions to the *Asset Management Plan*, the planning department will review the plan to ensure that it is aligned with the *Official Plan* and consequently, to Ontario's land use planning framework, policy statements and plans.

The Municipality **commits** to consider in asset management planning:

- a) the *actions* that may be required to address the risks and vulnerabilities that may be caused by climate change to the Municipality's infrastructure assets (including changing operating procedures (e.g.,

revising maintenance schedules), raising/lowering levels of service and lifecycle management strategies) as well as the *anticipated costs* that could arise from these impacts, and *adaptation opportunities* that may be undertaken to manage the potential risks;

- b) mitigation approaches to climate change, such as greenhouse gas emission reduction;
- c) disaster planning and any required contingency funding.

### **Continuous Improvement**

As part of the annual budgeting process, the CAO/Clerk will provide Council, Department Managers and the Public with an update on asset management planning progress. This will include: any factors affecting the ability of the Municipality to meet its commitments set out in the Asset Management Plan and Strategic Asset Management Policy; a strategy to address those factors; and progress on ongoing efforts to implement the Asset Management Plan.

The Asset Management Plan will be subject to revision as the Municipality works within its guidelines and identifies specific challenges and/or opportunities for improvements. A comprehensive review of the Plan shall be undertaken every five-years, as a minimum, or on an as-required basis. Review of the plan will include an update to the existing state of infrastructure inventory and condition through such activities as the regular OSIM (Ontario Structural Inspection Manual) reporting and road evaluations. It will also include an update of the proposed levels of service, the lifecycle management strategy required to maintain the proposed level of service, an updated financial strategy, and a discussion of how the Municipality intends to address any funding shortfalls.