



**THE CORPORATION OF THE
TOWN OF COBALT**

BY-LAW NO. 2019-29

Being a By-Law to Adopt an Asset Management Policy

Whereas The Council for Corporation of the Town of Cobalt deems it expedient to establish policies; Whereas the Municipal Act S.O. 2001, c 25, Section 5(3), 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;

NOW THEREFORE THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE TOWN OF COBALT HEREBY ENACTS AS FOLLOWS:

- 1.0 That the Corporation of the Town of Cobalt hereby adopts an Asset Management Policy as contained in the attached Schedule "A" to this By-Law.
- 2.0 This By-Law shall come into full force and effect upon final passage.

READ A FIRST, SECOND and THIRD TIME in open Council, and finally passed this June 26, 2019.

A handwritten signature in blue ink, appearing to read "G. Othmer", written over a horizontal line.

George Othmer, Mayor

A handwritten signature in blue ink, appearing to read "Brian Walker", written over a horizontal line.

Brian R Walker, CAO /Clerk-Treasurer

Schedule “A” - Asset Management Policy

Table of Contents

1.0	Asset Management Vision	2
2.0	Purpose (Goals)	2
3.0	Statutory Requirement	3
4.0	Scope and Responsibility	3
5.0	Standards and Guidelines	3
6.0	Existing Plans and Policies	4
7.0	General Policy Statement	5
8.0	Budgeting	5
9.0	Capitalization of Assets	6

1.0 Asset Management Vision

Tangible Capital Assets (TCA) are significant economic resources and a key component in the delivery of programs and services.

The Corporation of the Town of Cobalt asset management vision is to providing service to residents in a fiscally responsible manner. Assets must be managed in a way that allows the Town to achieve its goals, plans and policies.

2.0 Purpose (Goals)

The purpose of this policy is to establish consistent standards and guidelines for management of the Town's assets applying sound technical, social and economic principles that consider present and future needs of users, and the service expected from the assets. This means leveraging the lowest total lifecycle cost of ownership with regard to the service levels that best meet the needs of the community while being cognizant of the risk of failure that is acceptable.

3.0 Statutory Requirement

On December 13, 2017, the Province approved the new Municipal Asset Management Planning Regulation. **O. Reg. 588/2017** sets out new requirements for undertaking asset management planning.

4.0 Scope and Responsibility

The CAO will assume the lead role and be responsible for the development, the maintenance, the implementation of the Asset Management Plan. He/she will update the Policy and Plan, in accordance with Provincial Asset Management regulations, to reflect changes as needed and present them for Council approval **at least every five years**.

The Treasurer will ensure that current year and long-range asset requirements are incorporated into the capital budgets, operating budgets, and long-term financial plans presented to Council annually. He/she will report on the activity related to the management of Town assets.

The Operations Department together with the other employees will assist in the development of the plan through the utilization of condition assessment information and service level requirements to update the long- and short-term asset requirements. They will reference the asset management plan 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.

Council, on behalf of the citizens, will be entrusted with the responsibility of overseeing the management of the assets. They will approve the Asset Management Planning documents (including Policy and Plan) and required updates **every five years**. They will review management's implementation of the plan as part of the annual budget process. They will support efforts to improve the plan and ensure it includes changes necessitated by updates to other Town strategic documents.

5.0 Standards and Guidelines

The Asset Management Plan is a strategic document that states how a group of assets are to be managed. The plan describes the characteristics and condition of infrastructure assets, the levels of service expected from them and a strategy to maintain the level of service with financial strategies.

The Infrastructure for Jobs and Prosperity Act, 2015 sets out principles to guide asset management planning in municipalities in Ontario.

The Town of Cobalt will strive to incorporate the following principles whenever possible into the day to day operation of the Town:

Forward Looking - The Town shall take a long-term view while considering demographic and economic trends in the Region.

Budgeting and Planning - The Town 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 Town shall clearly identify infrastructure priorities which will drive investment decisions.

Transparency - The Town shall be evidence-based and transparent. Additionally, subject to any prohibition under an Act or otherwise by law on the collection, use, or disclosure of information, the Town 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 Town shall ensure the continued provision of core public services.

Environmental Conscious - The Town shall minimize the impact of infrastructure on the environment including consideration for Climate Change.

Health and Safety - As with any work, Town shall ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.

Community Focused - The Town shall choose projects that are intended to improve the well-being of the community by addressing improvements to public spaces within the community and promoting accessibility for persons with disabilities.

6.0 Existing Plans and Policies

The Town has developed and adopted the following plans and policies that are to be considered as part of the Asset Management plan:

- Strategic Plan, *
- Official Plan,
- Emergency Management Plan*
- Water and Wastewater policy*

* Needs to be updated

The Town plans to establish the following plans and policies that will be considered in future Asset Management plans

- Multi-Year Accessibility Plan,
- Community Improvement Plan, and
- Energy Plan
- Reserve fund policy

These plans were designed to meet the legislative requirements and work together to achieve the Town's mission of providing innovation and excellence in service delivery. The Asset Management Plan shall remain respective of each plans' objective

7.0 General Policy Statement

Cobalt is committed to provide opportunities for residents and other stakeholders served by the municipality to provide input in asset management planning such as when establishing target levels of service with consideration to affordability of residents and long-term financial sustainability of the municipality.

The Town's assets and plans rely on 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 in the Town.

The Asset Management Plan will be considered by staff regularly in order for staff to ensure all spending supports the objectives of Asset Management Plan. The decisions of staff should reflect the desire to plan, make progress to improve or protect an asset and respect the budgets.

8.0 Budgeting

The Town shall integrate findings from the asset management plans into its long-term financial planning and budgeting processes. The asset management plans and progress made on the plans will be considered annually in the creation of the Town's capital budgets, operating budgets, and long-term financial plans. The asset management plan will be referenced in the preparation of their budget submission to help:

1. Identify all potential revenues and costs (including operating, maintenance, replacement, and decommission) associated with forthcoming infrastructure asset decisions;
2. Evaluate the validity and need of each significant new capital asset, including considering the impact on future operating costs; and
3. Incorporate new revenue tools and alternative funding strategies where possible.

9.0 Capitalization of Assets

The Tangible Capital Assets (TCA) are non-financial assets with physical substance that are acquired, purchased, constructed or developed and they:

- Are held for use in the production or supply of goods and services;
- Have useful lives extending beyond a fiscal year;
- Are intended to be used on a continuing basis; and
- Are not intended for sale in the ordinary course of operations.
- Also include betterments, which are expenditures relating to the alteration or modernization of an asset that appreciably prolong the item's period of usefulness or improve its functionality
- Are to be considered an asset, the costs or combined cost must be greater than \$5,000
 - Combined costs must be within a 12-month period of each other
 - Combined costs do not include multiples of the same item
- Must be capitalized regardless of its cost for all land acquisitions

For further clarification, tangible capital assets include: land, buildings (including leasehold improvements), roads, bridges, streetlights, vehicles, equipment (office, heavy machinery, technology items including hardware and software, environmental equipment, recreational equipment, fire department equipment, etc.) , parks, storm sewers, sanitary sewers, landfill improvements, parking lots, drains and assets acquired by capital leases or by donations

Also for further clarification, capital assets do not include:

- intangible assets such as copyrights, trademarks, patents, easements and rights of way;
- obsolete and surplus items;
- Museum and gallery collections, other works of art.