



Asset Management Policy

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1. Purpose

The purpose of this policy is to provide leadership and commitment to the development and implementation of the Municipality's asset management program. It is intended to guide the consistent use of asset management across the organization, to facilitate logical and evidence-based decision-making for the management of municipal infrastructure assets and to support the delivery of sustainable community services.

2. Background

The Municipality currently has a Tangible Capital Asset (TCA) Policy that guides the accounting decisions of the municipality assets which has been used at times in consideration of asset management. The municipality also uses its current staff resources in the decision and guidance of asset management. This policy will ensure that consistent guidelines and practices are followed and that there are reviewed regularly. This will also make the process more transparent to the taxpayers and/or external users.

Historically (prior to 2009) municipalities didn't account for their assets. The accounting process (TCA) has open the thought and discussions about assets, the reporting of assets, expected service levels, current service levels and the replacement of assets. Municipalities provide a wide range of services that rely on these assets. And in the end many taxpayers and non-taxpayers rely on these assets therefore the proper maintenance and reporting of them will make things more effective and efficient.

Municipalities are also creatures of the Provincial Government which is a creature of the Federal Government. Municipalities make up more than 90% of almost every type on Infrastructure in Canada therefore the dependency on these assets for everyday living is crucial.

3. Definitions

a) AMP: Asset Management Policy

b) Tangible Capital Assets: are non-financial assets having physical substance that are controlled by the local government and:

- Are here for the use in production or supply of goods and services;
- Have useful economic life extending beyond an accounting period;
- Are used on a continuing basis; and
- Are not for resale in the ordinary course of operations.

4. Roles and Responsibility

The Treasurer will assume the lead role in asset management policy/program. With the help of all department heads and staff, the treasurer will be responsible for the maintenance of and reporting on the activities of asset management, identifying and documenting factors that impeded the municipality ability to implement the AMP and addressing the gaps.

Council will be responsible for setting the Asset Management Policy, maintaining adequate organizational capacity to support the core practices of the asset management program, and prioritizing effective stewardship of assets in adoption and ongoing review of the policy and budgets.

5. Guiding Principles

- 5.1 The Municipality will implement an organizations-wide asset management program through all departments. The program will promote lifecycle and risk management of all municipal infrastructure assets, with the goal of achieving the lowest total cost of ownership while meeting desired levels of service.
- 5.2 The municipality will develop and maintain an asset inventory of all municipal infrastructure assets which includes Descriptions, location information, value (both historical and replacement), estimated remaining life and estimated repair, rehabilitation or replacement date and estimates cost repair.
- 5.3 The Asset Management Plan will incorporate all infrastructure categories and municipal infrastructure assets that meet the capitalizations threshold outlined below, but is not limited to the items described and/or the thresholds.

Asset Category	Capitalization Threshold
Bridges	\$100,000
Building	\$60,000
Building Improvements	\$20,000
Cemetery	\$5,000
Communication Systems	\$10,000
Heavy Equipment	\$50,000
Land	\$20,000
Library	\$5,000
Miscellaneous Equipment	\$10,000
Motor Vehicles	\$30,000
Parks	\$20,000
Roads	\$50,000
Waste Water	\$50,000
Software	\$10,000
Storm Sewer	\$50,000
Water	\$50,000

This plan may or may not match the TCA Policy. TCA is used for accounting purposes and often uses standards set by other industries in order to make financial statements comparable; therefore not always ideal for asset management.

- 5.4 Infrastructure planning and investment should take a long-term view, and decision-makers should take into account the needs of citizens by being mindful of, among other things, demographic and economic trends.
- 5.5 The Municipality will develop meaningful performance metrics and reporting tools to transparently communicate and display the current state of asset management practice to Council and the community
- 5.6 Where provincial, federal or municipal plans or strategies have been established in Ontario under an Act or otherwise, but do not bind or apply to the Municipality, as the case may be, the Municipality should nevertheless be mindful of those plans and strategies and make investment decisions respecting infrastructure that support them, to the extent that they are relevant.
- Planning Act (Provincial)
 - Official Plan (Municipal)
 - Water Plan (Municipal)
 - Wastewater Plans (Municipal)
 - Strategic Plan?
 - Financial plans
 - Reserve Policy (Municipal)
- 5.7 Infrastructure planning and investment should promote accessibility for persons with disabilities.
- 5.8 Infrastructure planning and investments should minimize the impact of infrastructure on the environment and respect and help maintain ecological and biological diversity, and infrastructure should be designed to be resilient to the effects of climate change.
- 5.9 Asset management Policy will be considered annually in the development of the municipality capital budgets, operating budget and long-term financial plans.
- 5.10 The Municipality shall encourage active participation of its ratepayers at budget or any other suitable time for them to participate and provide feedback to council regarding Asset Management.
- 5.11 If and when applicable The Municipality shall coordinate and plan for asset management where assets are connected or interrelated with neighboring municipalities or jointly owned municipal bodies.