



Section: Treasury	Policy Number: T-01-19
Subsection: Accounting	Effective Date: June 18, 2019 Council Res'n: 398-19
Subject: Strategic Asset Management Policy	Revision Date:

ACCOUNTING FOR TANGIBLE CAPITAL ASSETS

1. Background

The Corporation of the Municipality of West Grey is committed to providing service to residents in a fiscally responsible manner that supports a healthy and vibrant community. With this commitment in mind, assets must be managed in a way that allows the Municipality to achieve its goals, plans and policies.

2. Purpose

The purpose of this policy is to establish consistent standards and guidelines for management of the Municipality'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. The standards and guidelines must adhere to the following:

Statutory requirements

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

- **Forward looking:** The Municipality shall take a long-term view while considering demographic and economic trends in the County.
- **Budgeting and planning:** The Municipality 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 Municipality shall clearly identify infrastructure priorities which will drive investment decisions.
- **Economic development:** The Municipality shall promote economic competitiveness, productivity, job creation, and training opportunities.
- **Transparency:** The Municipality 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 Municipality 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.



Section: Treasury	Policy Number: T-01-19
Subsection: Accounting	Effective Date: June 18, 2019 Council Res'n: 398-19
Subject: Strategic Asset Management Policy	Revision Date:

- **Consistency:** The Municipality shall ensure the continued provision of core public services.
- **Environmental conscious;** the Municipality shall minimize the impact of infrastructure on the environment by respecting and helping maintain ecological and biological diversity, by augmenting resilience to effects of climate change and by endeavouring to make use of acceptable recycled aggregates.
- **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.
- **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 a community affected by the project, such as local job creation and training opportunities, improvement of public spaces within the community, and promoting accessibility for persons with disabilities.
- **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.

In addition the Municipality must adhere to the requirements outlined in the Minimum Maintenance Standards currently in force, The Growth Plan for the Greater Golden Horseshoe, the Greenbelt Plan, the Lake Simcoe Protection Plan, and any other legislation specific to the Municipality.

Existing Plans and Policies

The Municipality has developed and adopted a Strategic Plan, an Official Plan, an Emergency Management Plan, a Multi-Year Accessibility Plan, a Community Improvement Plan, and an Asset Management Plan. These plans were designed to meet the legislative requirements and work together to achieve the Municipality's mission of providing innovation and excellence in service delivery. These plans will be reviewed regularly by staff and annual spending requirements in support of the plans' objectives will be incorporated into the budgeting process. All of the Municipality's plans rely to some extent on the physical assets owned by the Municipality 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 in the Municipality.

In addition, the existing Municipality policies complement the planning documents by providing details for the implementation of strategic objectives.

3. Scope and Responsibility



Section: Treasury	Policy Number: T-01-19
Subsection: Accounting	Effective Date: June 18, 2019 Council Res'n: 398-19
Subject: Strategic Asset Management Policy	Revision Date:

The Director of Finance/Treasurer will assume the lead role and be responsible for the maintenance of and reporting on the activity related to the management of Municipality assets. The Director of Infrastructure and Public Works together with the other department heads will assist in this task through the utilization of condition assessment information and service level requirements to update the long and short term asset requirements. This information will be reviewed and presented to the Committee of the Whole annually for consideration during the budget deliberations.

4. Definitions

In this policy the following definitions are used:

- a) **“Asset management Plan”** - Means a strategic document that states how a group of assets are to be managed over a period of time. The plan describes the characteristics and condition of infrastructure assets, the levels of service expected from them, planned actions to ensure the assets are providing the expected level of service, and financing strategies to implement the planned actions.

- b) **“Capitalization Thresholds”** – The Municipality’s Asset Management Policy applies to all assets whose role in service delivery requires deliberate management by the Municipality. The Service-focus intent of this policy differentiates its requirements for identifying assets from the capitalization thresholds which 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.

- c) **“Infrastructure”** - Means municipal tangible capital assets primarily for public use or benefit in Ontario.

5. Guiding Principles

The policy requires the commitment of key stakeholders within the Municipality’s organization to ensure the policy contains a clear plan that can be implemented, reviewed and updated.

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 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 Municipality strategic documents.



Section: Treasury	Policy Number: T-01-19
Subsection: Accounting	Effective Date: June 18, 2019 Council Res'n: 398-19
Subject: Strategic Asset Management Policy	Revision Date:

Management will oversee the policy implementation and ensure both the Asset Management Plan and the Asset Management Policy are in compliance with Provincial Asset Management regulations. Management will ensure that current year and long range asset requirements are incorporated into the budget presented to Council annually. Management will update the Policy and Plan to reflect changes as needed and present them for Council approval at least every five years. These changes will include those reflected in the updates to the Development Charges Study, Roads Needs Study, Structural assessment reports, and all other condition assessments commissioned for assets covered by the plan.

6. General Policy

The asset management plans and progress made on the plans will be considered annually in the development of the Municipality’s capital budgets, operating budgets, and long-term financial plans.

Service area personnel 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 service personnel in the preparation of the budget submission.

Asset management planning will be aligned with the Municipality’s Official Plan. The asset management plans will reflect how the community is projected to change and the related asset impact. The Municipality will achieve this by consulting with those responsible for managing the services to analyze the future costs and viability of projected changes. Methods, assumptions, and data used in the selection of projected changes should be documented to support the recommendations in the Asset Management Plan.

Climate change will be considered as part of the Municipality’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. The balance will be struck in the levels of service delivered through operations, maintenance schedules, disaster response plans, contingency funding, and capital investments. The Municipality will continue to work with the County in regard to climate change mitigation and adaptation.

The Municipality recognizes the need for stakeholder input into the planning process and will foster informed dialogue using the best available information.