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Corporate Asset Management Policy Update Staff Report to Council

Report Number: 2024-29

Department(s): Financial Services

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Meeting Date: May 27, 2024

Recommendations

1. That the report entitled Corporate Asset Management Policy Update dated May 27, 2024, be received; and,
2. That no revisions be made to the policy at this time; and,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

Municipalities are required to review and potentially update their asset management policy at least every five years. This report meets that requirement.

Background

Provincial regulations set the requirements for asset management policies.

The *Infrastructure for Jobs and Prosperity Act, 2015* includes *Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure* (O. Reg 588/17), which sets out the rules for asset management. This includes the following requirements:

- The need for an asset management policy
- Mandates the 12 items to be included in the Policy.
- Updates are to be at least every 5 years.

The current policy is due for review.

Council adopted the original Policy on February 8, 2016 (Development and Infrastructure Services - Commissioner report 2016-01 dated January 11, 2016, regarding Asset Management Policy and Strategy).

This was revised on June 24, 2019 (Asset Management Policy, report 2019-65, dated June 24, 2019).

Discussion

Subsection 3(1) of O. Reg 588/17 lists the twelve elements to be included in a policy for asset management and asset management plans (AMPs). As shown below, the current Policy meets these requirements.

Requirement	Current Policy
The Policy should show the Town's aspirational commitment.	
Asset management planning principles	There are eight guiding principles which were confirmed with Council at a workshop on October 2, 2023. These principles are customer focused, forward looking, holistic, innovative, risk-based, service focused, systematic, and value-based / affordable
Continuous improvement	It is one of the guiding principles.
Opportunities for public engagement	This is included in the Policy as a responsibility of residents, stakeholders, and customers. It could be updated to reflect the customer-centric culture of the Town. Public engagement is a two-way conversation. Responsibility should also be with the staff role.
The Policy should consider climate change.	
Climate Change	Consideration of the impact of climate change on asset management is a responsibility of the Asset management Steering Committee. However, as this is a Council Priority, an emergency was declared on January 22, 2020, it could be given more emphasis.

The Policy should show how AMP's link to and align with other plans.	
Internal	<p>How AMP's support internal goals, policies, and plans is shown in the Corporate Asset Management Framework (Appendix B).</p> <p>Some of the details could be expanded and updated. For instance, Appendix A references Six-Year Financial Plans for Water, Wastewater and Stormwater – they are now 10-Year Plans.</p>
Financial	Consideration of AMPs in the development of budgets and long-term financial plans is shown as a responsibility of Council.
Utilities	Part of the Asset Management Steering Committee's role is to ensure that AMPs align with financial plans for water and wastewater assets.
Land-use	Part of the Asset Management Steering Committee's role is to ensure that there is a process to align with Ontario's land-use planning framework.
External	The Corporate Asset Management Office is to coordinate planning with other municipalities and jointly owned municipal bodies.
The Policy has some practical requirements.	
Capitalization thresholds	The difference between an operating expense and capital expenditure is established. The categorization agrees with our current Tangible Capital Assets Policy used for financial reporting.
Staff responsibilities	Who does what, responsibilities for the various stakeholders, is listed in Appendix C,
Council's involvement	Council's role is approving asset management strategies, plans and policies; representing community needs; and approving funding.

Some minor refinements could be made to the policy.

The Policy could be updated with details of current practice and terminology. It could be re-written to be clearer and more concise.

However, it is recommended to make no changes at this time.

There are still a number of recommendations from the Asset Management Plans and Asset Management Strategy that require attention. The potential changes to the Policy are not significant and will not alter the current workplan for asset management. As such, it is suggested that no revisions be made at this time.

Conclusion

The current Policy is adequate for another five years.

The Asset Management Strategy, the implementation plan for the Policy, is next up for review.

Business Plan and Strategic Plan Linkages

The Policy provides direction for the implementation of asset management, a foundational piece for long-term financial sustainability.

Consultation

Financial Services and Corporate Asset Management Office staff collaborated in the review of the policy and preparation of this report.

Human Resource Considerations

Not applicable.

Budget Impact

Not applicable.

Attachments

None.

Approval

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