



THE CORPORATION OF THE TOWN OF AMHERSTBURG

OFFICE OF CORPORATE SERVICES

Mission Statement: As stewards of the Town of Amherstburg, we strive to improve the quality of life of all residents through the delivery of effective, efficient, and affordable services.

Author's Name: Tracy Prince	Report Date: December 16, 2024
Author's Phone: 519 736-0012 ext. 2254	Date to Council: January 13, 2025
Author's E-mail: tprince@amherstburg.ca	Resolution #:

To: Mayor and Members of Town Council

Subject: Update to Tangible Capital Asset Policy

1. RECOMMENDATION:

It is recommended that:

1. The amendments to the TCA Policy **BE ADOPTED** and are effective for fiscal year 2024.

2. BACKGROUND:

In 2015, Council adopted a Tangible Capital Assets (TCA) policy, which was created to implement Tangible Capital Asset guidelines introduced by the Accounting Standards change for municipalities Public Sector Accounting Board (PSAB) 3150.

Under PSAB/PSAS TCAs are recorded at cost, and depreciated over the estimated useful life of the asset. For municipalities this results in an entry on the Audited Financial year-end statements, transitioning the "cash-based" accounting to the Public Sector Accounting Standards (PSAS/PSAB) Audited Financial Statements presented to Council. These entries do not have an impact on the budgets or the cash position of the Town, and are accounting entries to remain compliant with the Public Sector Accounting Standards (PSAS/PSAB).

Under the PSAB/PSAS there is no guidance provided for thresholds used by an organization and it is up to the organization to implement policies and values that are reflective of their operations.

3. DISCUSSION:

Since the implementation of the Town's first TCA policy, costs have substantially increased and the Province has introduced support for Asset Management Plans (AMP). It is recognized that Asset Management Planning is a better tool for planning and measurement for maintaining Municipal Assets & Infrastructure than using historical costs captured using the methodology associated with TCAs.

The attached TCA policy updates higher thresholds to many areas in the asset listings resulting from economic changes and alignment to the AMP with numbering to standardize tracking. In addition, through the AMP identification process it was noted that there is a potential for double counting of assets under the old policy which inflates the values on the Audited Financial Statements of the Town TCA values.

The attached updated Appendices include updated threshold values, life of an asset, numbering, groupings, naming and verbiage updated to bring the policy current and into alignment with the AMP. In consultation with Infrastructure Services and Facilities the policy recognizes that expenditure size in itself should not drive the decision to capitalize the historical cost of an item as a TCA.

AMP is a useful tool for municipalities in measuring the investment in a wider variety of infrastructure, ensuring that a municipality invests in infrastructure to maintain the life of the asset. AMP tracks the maintenance and costs associated with owning large infrastructure with multiple large working assets – for example the Libro Centre. This is in contrast to a TCA which is based on the historical cost of an asset, which is used to realign the municipal statements to comply with PSAB/PSAS, and is not used for Corporate Decisions. AMP provides analysis of the Town assets by tracking the cost associated with ongoing maintenance to support longevity of the diverse infrastructure of a Municipality and tracking useful life. Asset Management Plans have been the focus of many of the grants made available to Municipalities since 2022 and the first year of Municipal compliance with the changes to section 588/17 of the Municipal Act.

This policy update will help with workload to continually keep detailed records up to date and compliant, associated with the low threshold levels currently in the TCA policy.

4. RISK ANALYSIS:

There is no risk in adopting the revised policy.

5. FINANCIAL MATTERS:

There is no direct financial impact with adoption of this policy. This policy will change the 2024 year end and future years for the recording of TCAs which does not have a direct financial impact, this is a year end accounting entry to remain compliant with PSAS/PSAB rules.

6. ASSET MANAGEMENT IMPACTS:

There is no direct impact to the Asset Management Plan.

7. CONSULTATIONS:

Infrastructure Services
AMP Coordinator
Senior Management

8. CORPORATE STRATEGIC ALIGNMENT:

Vision: Preserving our past while forging our future.

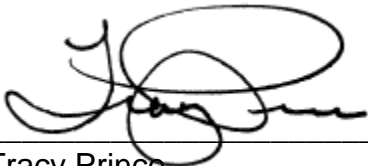
<i>Amherstburg Community Strategic Plan 2022 - 2026</i>	
<p style="text-align: center;">PILLAR 1 Deliver Trusted & Accountable Local Government</p> <ul style="list-style-type: none"> <input type="checkbox"/> Improve trust between council and staff, and residents, by strengthening governance and internal accountability structures. ✓ Deliver transparent and efficient financial management. <input type="checkbox"/> Increase effective communication and engagement with residents. <input type="checkbox"/> Develop our staff team, resources, and workplace culture. <input type="checkbox"/> Continue to deliver strong core municipal services. <input type="checkbox"/> Ensure Amherstburg is an inclusive accessible and welcoming community committed to reconciliation. 	<p style="text-align: center;">PILLAR 3 Encourage Local Economic Prosperity</p> <ul style="list-style-type: none"> <input type="checkbox"/> Encourage development of commercial and industrial lands. <input type="checkbox"/> Continue to promote local tourism industry, especially overnight accommodation. <input type="checkbox"/> Continue to facilitate downtown development for residents and visitors. <input type="checkbox"/> Continue to leverage partnership opportunities with other provincial, federal, and local governments, agencies, and organizations.
<p style="text-align: center;">PILLAR 2 Invest in Community Amenities and Infrastructure</p> <ul style="list-style-type: none"> <input type="checkbox"/> Maintain safe, reliable and accessible municipal infrastructure and facilities. <input type="checkbox"/> Increase access to recreation opportunities for all ages. <input type="checkbox"/> Finalize and execute plans for town-owned lands (e.g. Duffy’s site, Belle Vue) <input type="checkbox"/> Create public access to water and waterfront 	<p style="text-align: center;">PILLAR 4 Shape Growth Aligned with Local Identity</p> <ul style="list-style-type: none"> <input type="checkbox"/> Define and communicate a vision for the Town’s future and identity. <input type="checkbox"/> Promote and plan for green and “climate change ready” development. <input type="checkbox"/> Review and implement policies that promote greater access to diverse housing. <input type="checkbox"/> Protect the Town’s historic sites and heritage.

Prioritize opportunities to reduce environmental impacts of Town operations and increase Town resilience to climate change.

Preserve the Town's greenspaces, agricultural lands, and natural environment.

9. CONCLUSION:

It is recommended that Council adopt this amendment to the policy to align with changes in market conditions.



Tracy Prince
CFO, Director of Corporate Services, Treasurer

Report Approval Details

Document Title:	Update to TCA Policy.docx
Attachments:	- 2024 11 13 - Tangible Capital Assets Policy CLEAN RM.pdf
Final Approval Date:	Jan 15, 2025

This report and all of its attachments were approved and signed as outlined below:



Valerie Critchley



Kevin Fox