



District of Hudson's Hope - Asset Management Policy



Version 1.0

Date January 25, 2021



POLICY STATEMENT

Asset management procedures aim to develop a sustainable process of maintaining and operating infrastructure assets throughout the municipality. These goals are achieved through the continuous cooperation of all departments and the council. This Asset Management Policy outlines the key asset management (AM) principles to be implemented across the District of Hudson's Hope.

INTENT

The purpose of the Asset Management Policy is to outline asset management practices specifically curated to meet the needs of the Hudson's Hope community. These practices will encourage dependable service delivery, long-term economic sustainability, and centralized data management into a consolidated resource to be utilized by the municipality.

This policy will:

- a) Define over-arching principles to guide asset management initiatives while considering current and future generation's needs.
- b) Outline principles that enable the District of Hudson's Hope to manage infrastructure assets in a way that is cost-effective and sustainable.
- c) Demonstrate principles that allow for Environmental and Fiscal stewardship, concerning asset management.

SCOPE

District of Hudson's Hope is accountable to manage assets for the use of their ratepayers. These assets include roads, bridges, culverts, parks, water, sewer, buildings, and all vertical infrastructure owned by the District. All of which require operation, maintenance, disposal, and renewal over their life cycles. Infrastructure assets must be accounted for in a centralized database to ensure proper growth and economic decision-making as the municipality invests in new assets. This Asset Management Policy applies to all assets owned and operated by the District, as well as assets owned by the District and operated by others.

ROLE OF ASSET MANAGEMENT POLICY

Asset management is an integrated approach involving various business units, departments, and functions across a municipality. The role of the Asset Management Policy is to define the fundamental principles that the municipality is trying to achieve with the adoption of asset management. Along with the Asset Management Policy, other key Asset Management components are the Asset Management Strategy and the Asset Management Plan. The distinction and relationship between these documents are listed below:

- Asset Management Policy – defines the principles of Asset Management
- Asset Management Strategy – defines how the municipality plans to achieve the Asset Management Policy
- Asset Management Plans – defines the specific operational actions required to achieve the overall Asset Management Strategy



PRINCIPLES

SERVICE DELIVERY TO CUSTOMERS AND INFORMATION MANAGEMENT

- a) The District of Hudson's Hope will develop and maintain asset inventories for all infrastructure assets.
- b) The District of Hudson's Hope will deliver defined levels of service by efficiently managing all infrastructure assets.
- c) The District of Hudson's Hope will demonstrate transparency with performance and defined levels of service to the community.
- d) The District of Hudson's Hope will define levels of service based on the quality of life, long-term financial stability, and strategic goals of the community.
- e) The municipality will monitor and periodically review the defined levels of service and update accordingly.
- f) Hudson's Hope will ensure levels of service are compliant with Councils' strategic objectives and all relevant legislative, statutory, and regulatory requirements.

HOLISTIC AND INTEGRATED DECISION MAKING

- a) The District of Hudson's Hope will connect and integrate appropriate business units, departments, and functions in the asset management decision-making process to build strong working relationships and get maximum value from infrastructure investments.
 - i) These departments and functions include planning, engineering, operations and maintenance, finance, and other strategic and long-term community planning and budgetary functions.

FISCAL RESPONSIBILITY

- a) The District of Hudson's Hope will implement maintenance strategies that consider sustaining the defined levels of service and maximize asset value
- b) Hudson's Hope will develop processes to ensure investment needs are addressed efficiently and effectively.
- c) The District of Hudson's Hope will consider investment needs, funding requirements, and revenue projections to develop financial longevity.
- d) The District of Hudson's Hope infrastructure investment will consider the financial impacts on current and future generations and promote social and inter-generational equity throughout the asset management decision-making process.
- e) The decision to build, renew and/or replace an infrastructure asset will aim to minimize the long-term cost of asset ownership while considering the strategic risks of the community.
- f) The District of Hudson's Hope will comply with all the regulatory and statutory financial tracking and reporting requirements.

SUSTAINABILITY AND ENVIRONMENTAL ADAPTABILITY

- a) Infrastructure investments will consider current and future generation's needs by incorporating strategic risk into decision making.
- b) The District of Hudson's Hope will develop business strategies considering risk and the comprehensive costs of delivering defined levels of service when investing in infrastructure assets.



- c) Asset management decision making will incorporate a triple bottom line approach, considering the socio-cultural, environmental, and economic outcomes.
- d) The District of Hudson's Hope will consider how increased frequency and severity of climatic events may directly affect the delivery of levels of service. Where appropriate, the municipality will adopt a proactive approach to mitigating the potential impacts of climate change.

CONTINUOUS IMPROVEMENT

- a) The District of Hudson's Hope will continually pursue the growth of the asset management processes with a focus on incorporating innovative tools, techniques, and solutions.
- b) The District of Hudson's Hope will assess progress with the municipality's asset management program and provide support, education, and training to staff to further develop asset management processes.
- c) Hudson's Hope will promote the long-term efficiency and effectiveness in service delivery and asset management decision making throughout all relevant departments and functions of the municipality.
- d) Hudson's Hope will monitor and periodically review asset management processes to measure their applicability and effectiveness in achieving the strategic objectives. Necessary changes will be made when applicable.

RESPONSIBILITIES

CHIEF ADMINISTRATION OFFICER

- a) Establishes an asset management steering committee
- b) Ensures and oversees corporate adoption of asset management policy, processes, and strategies
- c) Appoints team of cross-functional members from relevant departments to the asset management steering committee.
- d) Reviews all asset management information before presentation to Council

COUNCIL

- a) Approve Asset Management Policy
- b) Understands and reinforces community values in asset management decision making
- c) Inform municipal priorities as related to asset management
- d) Approve the funding and resources to implement the AM Policy and other relevant requirements
- e) Support strategies and plans that are developed to implement the Asset Management Policy
- f) Supports Asset Management process by approving funding through long-term financial plans
- g) Authorizes the CAO to form a corporate asset management steering committee to implement asset management processes throughout the organization

ASSET MANAGEMENT STEERING COMMITTEE

- a) Provides a platform of discourse for the asset management policy, strategy, and plan(s) throughout the development of the asset management process



- b) Leads to the integration and collaboration of different business areas to achieve effective and efficient service delivery
- c) Oversees the development of asset management tools and practices and reviews their application across the organization
- d) Encourages learning, information sharing, and co-education opportunities across the municipality

DEPARTMENT MANAGERS

- a) Encourages the adoption of the Asset Management Policy principles within their respective departments
- b) Allocate appropriate resources to implement the Asset Management Policy, Strategy, and Plan(s)
- c) Liaise with the asset management steering committee

CORPORATE FINANCE

- a) Provides financial direction and support to the departments and asset management steering committee
- b) Provide feedback and support to the departments and asset management steering committee
- c) Develops the necessary financial plans and records relevant to regulatory requirements, statutory requirements, and the asset management policy

DEFINITIONS

Asset Management: the process of making decisions about the use and care of the infrastructure to deliver services in a way that considers current and future needs, manages risks and opportunities and makes the best use of resources.

Asset: A physical object that is a significant economic resource and provides the delivery of a program or service.

Asset Register: A list of all the municipality's assets including details such as condition, location, and level of service.

Level of Service: a measure of the quality, quantity, and/or reliability of service from the perspective of residents, businesses, and customers in the community.

Risk: events or occurrences that will have undesired impacts on services

Asset Risk: events where an asset fails to perform as it was designed/needed to

Strategic Risk: events or occurrences that impact the ability to achieve strategic and service objectives

Life-cycle: the time interval that commences with the identification of the need for an asset and terminates with the disposal of the asset

Long-term cost (Life-cycle cost): the financial and human resources required throughout the life cycle of the asset

Long-term financial plan: a plan that documents the process of aligning financial capacity with long-term service objectives.



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INTENT AND SCOPE

INTENT

The intent of this Asset Management (AM) Strategy is to develop strategic objectives for the District of Hudson's Hope which guide asset management decision-making. These asset management strategic objectives will be determined by utilizing the overall strategic objectives of the municipality, relevant community states, and key principles from the AM Policy. The initiatives will lay out the path forward for asset management of the medium to long term. Figure 1 represents the relationship, i.e. "line of sight", between a community vision, mission, and values to the operational activities outlined in the Asset Management Plan(s). The "line of sight" refers to the idea that through the implementation of the Asset Management Policy, Strategy, and Plan an approver or stakeholder can see how each action item relates to the mission and values of a community. Understanding the relationship between the needs of the community and the purpose/deliverables of asset management documents is critical for organizational integration and community and council buy-in.

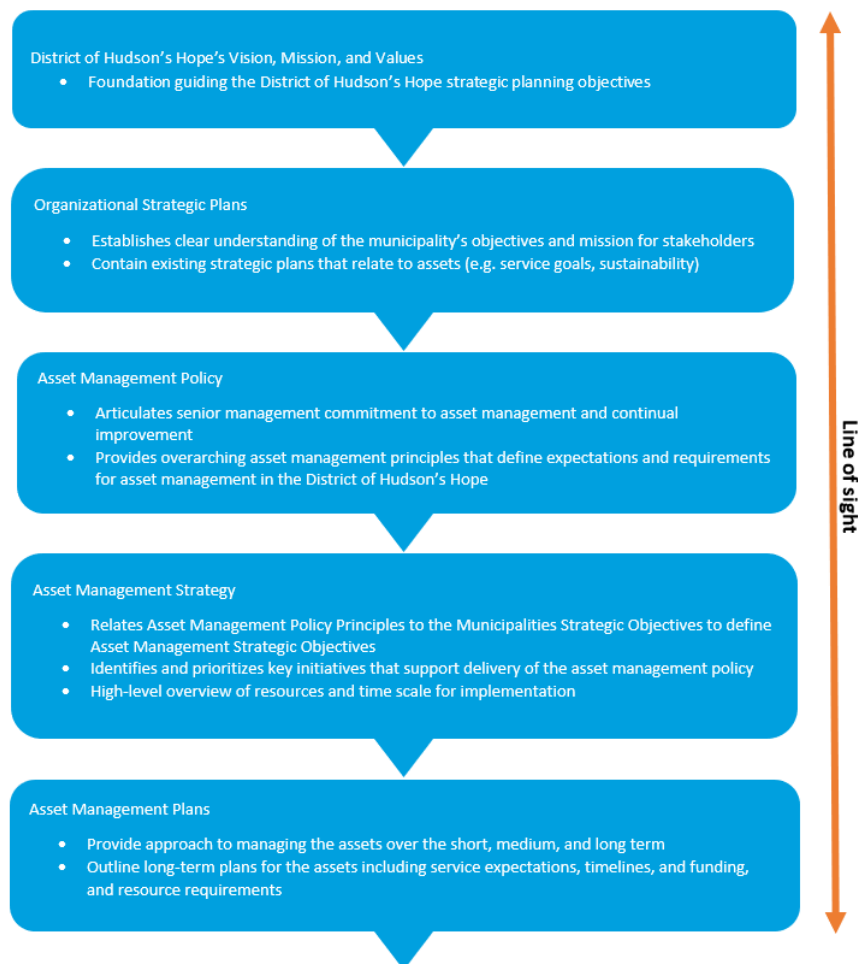


Figure 1 Asset Management Line of Sight, based on FCM recommendations (Federation of Canadian Municipalities, 2018)



The **Asset Management Policy** provides overarching principles that will be used to guide decision-making processes to deliver services to the community. It signifies Council and senior management's commitment to the development and continuous improvement of asset management practices. Through the principles laid out in the policy, the framework for funding and financing asset acquisitions, operations, maintenance, renewal, and disposal can be implemented through the Asset Management Strategy and Asset Management Plan(s).

The **Asset Management Strategy** builds off the Asset Management Policy and the communities' strategic goals and objectives to identify strategies to improve asset management practices and achieve overarching asset management objectives. It provides an overview of the current decision-making processes, assets, and funding sources for a municipality.

This document will provide strategic objectives and relevant initiatives to achieve the overarching objectives of the municipality and is guided by the Asset Management Policy principles.

SCOPE

The District of Hudson's Hope manages a variety of assets for the delivery of services to its ratepayers. Infrastructure assets require acquisition, maintenance, renewal, and disposal over their life cycles. This Asset Management Strategy applies to all assets owned by the municipality. Including assets that are owned by the municipality and managed or co-managed by others.

DEFINITIONS

Asset: a physical component of a system that has value, enables services to be provided, and has an economic life of greater than 12 months.

Asset Management: the process of making decisions about the use and care of assets to deliver services in a way that considers current and future needs, manages risks and opportunities, and makes the best use of resources.

Asset Replacement Forecast: an overview of all assets with their attributes, replacement costs, and timing of the replacement based on their theoretical useful life.

GIS: Geographic Information System designed to capture, store, manipulate, analyze, manage, and present all types of spatial data.

Level of Service: the defined standard for the provision of a particular service. The levels are defined with consideration of quality, quantity, reliability, responsiveness, environmental acceptability, regulatory requirements, and life-cycle costs.

Life-cycle cost: the cost of designing, building, operating, maintaining, and disposing of an asset to deliver the defined level of service.

Long-term Capital Plan: a multi-year plan that identifies the capital infrastructure projects and their cost to address the current and future service objectives.

Long-term Financial Plan: a plan that documents the process of aligning financial capacity with long-term service objectives.



Long-term Operation Plan: a multi-year plan that identifies the cost of operating and maintaining assets to address the current and future service objectives.

Maintenance Management: an administrative, financial, and technical framework for assessing and planning maintenance operations on a scheduled basis.

Risk: events or occurrences that negatively impact the ability to deliver the defined levels of service.

DECISION-MAKING APPROACH

CURRENT APPROACH

The District of Hudson's Hope is in the early stages of applying asset management practices to transition from a reactive to a pro-active approach. The District would like to establish new processes to carry out maintenance and other services in a more sustainable and efficient manner. There is currently no formal system of organizing maintenance records as they are in a mix of paper and electronic copies, WebMap will be produced for the District to track assets and records in the future. Levels of service are not yet established for infrastructure assets and the community does not have high expectations. Although some assets are in poor condition there are ongoing projects such as upgrading the sanitary sewer system. The District has started a planning document (District of Hudson's Hope Strategic Objectives, 2019-2022) and will be revisiting it in the future. The District currently has asset management as a priority moving forward with strategic direction from the council to develop a realistic strategy.

TARGET APPROACH

The District of Hudson's Hope targeted approach to asset management decision making will incorporate the following principles:

- Integrate appropriate business units, functions, and departments for multi-disciplinary input and buy-in
- Transparency and accountability with defined levels of service and asset service performance
- Consider changing demographics and economic climates by incorporating strategic risks assessments
- Triple bottom line approach of socio-cultural, environmental, and economic - outcomes
- Consider long-term financial sustainability through understanding full life-cycle costs

The District of Hudson's Hope will use the AM Strategy and AM Plan(s) to prioritize asset maintenance/renewal strategies, understand full life-cycle costs, and more accurately forecast asset renewals over the long term. Incorporating the asset management decision-making process into financial planning will enable Hudson's Hope to more accurately predict financial requirements over the long-term. Capital plans and budgeting processes will utilize the AM Plan(s) to ensure long-term financial stability and service delivery to stakeholders.

DISTRICT OF HUDSON'S HOPE – STRATEGIC ALIGNMENT

This document was developed utilizing the District of Hudson's Hope 2018 Strategic Plan (District of Hudson's Hope Strategic Objectives, 2019-2022), District of Hudson's Hope Asset Management Policy, and recommendations from the Federation of Canadian Municipalities (Federation of Canadian Municipalities, 2018).



DISTRICT OF HUDSON'S HOPE STRATEGIC PLAN

At the end of 2018, the District of Hudson's Hope laid out Strategic Objectives for 2019 to 2022 (District of Hudson's Hope Strategic Objectives, 2019-2022). The document determines initiatives to be completed by the council over their term in office considering budget and resources. Hudson's Hope's strategic objectives support the importance of developing standardized and robust asset management processes. These objectives, in the order listed in the document, as follows:

1. Provide quality infrastructure services in a sustainable manner.
2. Provide quality recreational and cultural opportunities in an affordable manner.
3. Encourage economic growth and development in the area.

These objectives are directly supported through asset management initiatives. This requires developing and maintaining infrastructure within the District, effectively communicating with stakeholders, and engaging in effective long-term planning. Asset management accomplishes these tasks through developing infrastructure asset registers, understanding asset conditions, full life cycle costs, strategic risks, and defined levels of service.

ASSET MANAGEMENT POLICY PRINCIPLES

The District of Hudson's Hope AM Policy outlines over-arching principles for asset management and defines the roles and responsibilities for implementation. These principles are broken down into five categories, which are listed below.

SERVICE DELIVERY TO CUSTOMERS AND INFORMATION MANAGEMENT

- a) The District of Hudson's Hope shall define levels of service to meet the needs of the community and relevant regulatory requirements. These levels of service shall take into consideration the quality of life, minimizing long-term costs, and balancing risks and opportunities.
- b) Hudson's Hope shall deliver defined levels of service to its stakeholders by managing infrastructure assets efficiently and effectively.
- c) The District of Hudson's Hope shall be transparent with the defined levels of service and service performances of their infrastructure assets and through this will be accountable to the community.
- d) The District shall ensure levels of service are compliant with community needs and councils' strategic objectives and relevant regulatory requirements. The municipality shall also monitor and periodically review the defined levels of service.
- e) District of Hudson's Hope shall comply with all relevant legislative, statutory, and regulatory requirements.
- f) The District shall develop and maintain asset inventories for all infrastructure assets

SUSTAINABILITY AND ENVIRONMENTAL ADAPTABILITY

- a) Hudson's Hope shall develop business cases that consider the risks and long-term costs in delivering defined levels of service for infrastructure investments.
- b) District of Hudson's Hope infrastructure investments shall consider current and future service needs by incorporating strategic risk into the asset management decision making process.
- c) Decision making shall incorporate a triple bottom line approach, considering the socio-cultural, environmental, and economic outcomes.



- d) The District of Hudson's Hope shall consider potential climate change effects, and how the increased frequency and intensity of climatic events may directly affect the delivery of appropriate levels of service. The Municipality shall, where appropriate, adopt a proactive approach to reduce the potential impacts of climate change.

HOLISTIC AND INTEGRATED DECISION MAKING

- a) The District of Hudson's Hope shall use the asset management decision-making process to build strong working relationships and receive maximum value from infrastructure investments by coordinating business units, departments, and municipal functions effectively.
 - i) These departments and functions include planning, engineering, operations and maintenance, finance, and other strategic and long-term community planning and budgetary functions.

FISCAL RESPONSIBILITY

- a) The District of Hudson's Hope will consider investment needs, funding requirements, and revenue projections to develop and maintain a long-term financial plan which will be focused on long-term financial sustainability.
- b) The District's infrastructure investment shall promote social and inter-generational equity and consider the financial impact on current and future generations.
- c) The District of Hudson's Hope shall implement processes to ensure investment needs are addressed efficiently and effectively.
- d) The decision to build, renew and/or replace an asset shall balance risks and meeting the defined levels of service while minimizing the long-term cost of asset ownership.
- e) The District of Hudson's Hope shall implement efficient maintenance strategies that are designed to sustain defined levels of service and mitigate asset risk while maximizing asset value.
- f) The District of Hudson's Hope shall comply with all the regulatory and statutory financial tracking and reporting requirements.

CONTINUOUS IMPROVEMENT

- a) District of Hudson's Hope shall monitor and periodically re-assess the asset management processes and measure their applicability and effectiveness in achieving the municipality's strategic objectives. Throughout this review, changes shall be made where applicable.
- b) District of Hudson's Hope shall seek continuous improvement of the asset management processes with a focus on incorporating innovative tools, techniques, and solutions to promote the long-term efficiency and effectiveness in service delivery and asset management decision making.
- c) The District of Hudson's Hope shall assess the asset management competencies required to implement the asset management processes and provide the necessary education, training, and support to relevant staff members.

ASSET MANAGEMENT OBJECTIVES AND PERFORMANCE TARGETS

This section intends to outline the Asset Management Strategic Objectives for the District of Hudson's Hope. Strategic Objectives were developing using recommendations from the Federation of Canadian Municipalities (Federation of Canadian Municipalities, 2018), District of Hudson's Hope AM Policy, and District of Hudson's Hope's 2018 Strategic Plan.



Asset management initiatives shall be measured periodically using performance targets. These performance targets may include:

- Ability to predict realistic projections of costs beyond the current 10-year capital plan
- The degree to which information from the asset management plan is incorporated into District of Hudson's Hope's long-term financial planning process
- Many levels of service infractions per annum, broken down by service type (road network, water network, etc.)
- Effectiveness and applicability of strategic objectives in meeting community values/needs
- Achieving an asset renewal funding ratio of 1.0

Performance targets will be added and/or adjusted in subsequent iterations of this AM Strategy.

KEY ASSET MANAGEMENT IMPROVEMENT INITIATIVES

Key asset management improvement initiatives are described below, separated into the relevant asset management strategic objective. These initiatives are undertaken to improve asset management decision making systems and processes in the District of Hudson's Hope.



OPERATIONAL EFFICIENCY:

- Develop Operation and Maintenance (O&M) Management Procedures for all services based on the determined levels of service
 - Option: Refer to “Getting Started – Toolkit User Guide” (Municipal Affairs Alberta, 2015)
- Track, monitor, and document O&M activities
 - Develop a system to track, monitor, and document activities

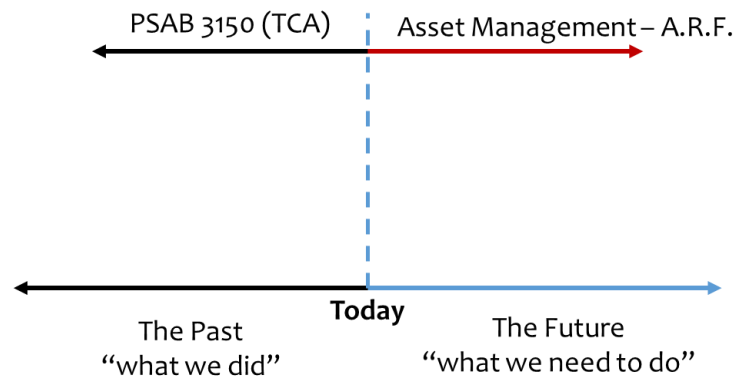
SUSTAINABLE SERVICE DELIVERY AND INFORMATION MANAGEMENT:

- Determine Levels of Service for all services
 - Define and document Levels of Service
 - Consider current needs and trends in service delivery to prepare for future
 - Option: Refer to “Getting Started – Toolkit User Guide” (Municipal Affairs Alberta, 2015) and the Federal Municipalities of Canada (FCM) “Asset Management Readiness Scale”
 - Review and update annually
 - Engage the community periodically to understand service needs

LONG-TERM FINANCIAL PLANNING:

- Prepare Asset Replacement Forecast (A.R.F.)
 - Based on age, condition, current replacement value and year installed or renewed
 - Option: Refer to “Getting Started – Toolkit User Guide” (Municipal Affairs Alberta, 2015)
- Meet PSAB 3150 requirements for depreciating assets. The District of Hudson's Hope will have the following categories, thresholds, and estimated useful life.
 - Tangible Capital Assets will be depreciated over their estimated useful life using the straight-line method
- Prepare a Long-term Financial Plan based on Levels of Service, Risk, and A.R.F.
 - 5-year capital plan
 - 3-year operation plan
 - Update annually
- Prepare the annual budget based on the Long-term Financial Plan
 - Assess service needs based on determining levels of service
 - Determine required operational and capital needs based on the service needs
 - Document trade-offs between risks, service, and long-term costs for each decision
- **Notes:**

PSAB 3150 uses the historical cost of the asset and depreciates it over its useful life. The Asset Replacement Forecast uses the current replacement value of the asset and projects the year for replacing it based on the installed year and its useful life. It gives an overall picture of the current value of the municipality's infrastructure. Or in other words, how much would it cost Hudson's Hope in today's dollars to replace the municipality's entire infrastructure asset network. The following graphic is a visual depiction of the difference between PSAB 3150 and the A.R.F:



- The A.R.F can help with understanding where the highest value assets are and the associated age of the asset. This combined with an understanding of the District's service needs and risks can guide decisions in infrastructure investment.

TRANSPARENT DECISION-MAKING:

- Develop Communication Plan
 - Consider all stakeholders and multiple tools to share the information with.
 - Include the cost of implementing the Communication Plan in your annual budget
 - Consider an ongoing campaign of Educating, Engaging, and Communicating with the public. An educated public could provide better input and feedback for operations and decisions.
- Include operational, financial, and risk updates as part of the regular reporting to Council and Community (as opposed to only reporting when there is an issue):
 - Communicate the trade-offs between levels of service, risk, and costs with your community

KNOWLEDGE SHARING AND CAPACITY BUILDING:

- Form an Interdisciplinary Asset Management team
 - Strive for representation from all departments
- Prepare and maintain an Asset Inventory
 - Incorporate GIS into asset planning
 - Maintain and update GIS according to your Data and Information Management Plan
- Prepare Data and Information Management Plan
 - Refer to "Getting Started – Toolkit User Guide" (Municipal Affairs Alberta, 2015) and FCM – Asset Management Readiness Scale (Federation of Canadian Municipalities, 2018)
 - Comply with financial reporting and documentation requirements of PSAB
- Cohort learning and regional collaboration
 - Stay connected with asset management organizations such as Infrastructure Asset Management Alberta (IAMA), Rural Municipalities of Alberta (RMA), Canadian Network of Asset Managers (CNAM), and Federation of Canadian Municipalities (FCM)
 - Share knowledge with other local governments
- Succession Planning
 - Consider this in your strategic risk mitigation
 - Provide asset management training for staff



CLIMATE CHANGE CONSIDERATIONS AND RISK MANAGEMENT:

- Prepare Risk Management and Mitigation Plan for all services
 - Consider climate change adaptation and mitigation in your risk management plan
 - Consider Asset Risks and Strategic Risks
 - Engage Council and the community to determine the acceptable level of risk tolerance
 - Review and update annually



ASSET MANAGEMENT ROLES AND RESPONSIBILITIES

The AM Policy for Hudson's Hope outlined the relevant roles and responsibilities for the Chief Administration Office (CAO), Council, Asset Management Steering Committee, Department Managers, and Finance Lead. The CAO is tasked with setting a high-level vision (with Council's objectives in perspective) and ensure that all relevant roles are achieving set deadlines. Due to Hudson's Hope's smaller population and staff, some members may play multiple roles within the governance structure. Knowing this, it is important to set realistic deadlines and expectations for staff. For more information on the roles and responsibilities for the key asset, management personnel refers to the District of Hudson's Hope's approved Asset Management Policy.

HOW TO MONITOR AND IMPROVE ASSET MANAGEMENT

Asset management is a continuous process and as such the strategic objectives, initiatives, and performance targets will have to be re-visited as priorities within the municipality change. To continuously improve it is necessary for the municipality to review the Asset Management Strategy and adjust where appropriate. The Asset Management Strategy and its outcomes will be evaluated by the council every 3 years. Evaluations will review performance indicators to assess the effectiveness of the Asset Management Strategy. If required, a roadmap will be developed to prioritize and resource short-term, mid-term, and long-term asset management initiatives. Revisions to this document will be made and tracked by the council.



REFERENCES

(2019-2022). *District of Hudson's Hope Strategic Objectives*. District of Hudson's Hope.

Federation of Canadian Municipalities. (2018). *How to develop an asset management policy, strategy and governance framework*. Retrieved from Federation of Canadian Municipalities (FCM): www.fcm.ca

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Municipal Affairs Alberta. (2015, 01 01). *Getting started : toolkit user guide. Quick start tools and templates for building an asset management program*. Retrieved from Alberta Government Publications: <https://open.alberta.ca/publications/getting-started-toolkit-user-guide-for-building-an-asset-management-program#detailed>



BYLAW NO. 896, 2018

A Bylaw to Adopt a Financial Plan for 2018

WHEREAS section 165 of the Community Charter requires the adoption of an annual financial plan by bylaw and the financial plan is to include the current year plus the following 4 years;


NOW THEREFORE the Council of the District of Hudson's Hope, in open public meeting assembled, enacts as follows:

1. This Bylaw shall be cited as the "Annual Financial Plan Bylaw No. 896, 2018".
2. Schedule "A" which is attached to and forms part of this Bylaw, is adopted as the Financial Plan of the District of Hudson's Hope for the years 2018 to 2022.

Read a First Time on this 23rd day of April, 2018.
Read a Second Time on this 23rd day of April, 2018.
Read a Third Time on this 23rd day of April, 2018.
Adoption of Bylaw on this 25th day of April, 2018.



Gwen Johansson, Mayor



Tammy McKeown, Corporate Officer

Certified a true copy of Bylaw No 896, 2018 this
day of .

Corporate Officer

BYLAW #096, 2016 - Schedule A

General Operations	2018	2019	2020	2021	2022
General Revenue					
Water O&M	352,107	362,670	373,550	384,757	396,299
Water Utility Fund	0	60,000	30,000	25,000	20,000
General O&M	-	-	-	-	-
Sewer O&M	171,656	175,089	178,591	182,163	185,806
Sewer Utility Fund	0	30,000	25,000	20,000	15,000
Property Taxes	2,045,573	2,045,573	2,045,573	2,045,573	2,045,573
grants in lieu	1,558,733	1,558,733	1,558,733	1,558,733	1,558,733
grants other	180,451	362,816	362,816	362,816	362,816
General Government Services	154,302	154,302	154,302	154,302	154,302
collection Other Gov'ts	3,168,086	3,199,767	3,231,785	3,264,082	3,296,723
ICBC	149,250	149,250	149,250	149,250	149,250
protective services	5,000	5,000	5,000	5,000	5,000
Bylaw/Lands	82,900	82,900	82,900	82,900	82,900
Public Works	14,804	14,804	14,804	14,804	14,804
Environmental & Public Health	255,357	257,911	260,490	263,095	265,726
Recreation	171,557	173,273	175,006	176,756	178,523
EDO	85,600	50,000	50,000	50,000	50,000
to/(-)from General Fund	-	-	-	-	-
General Operations Revenue	\$ 8,375,376	-\$ 8,682,088	-\$ 8,697,779	-\$ 8,739,230	-\$ 8,781,455
General Expenditure					
water	352,107	359,149	366,332	373,659	381,132
sewer	171,656	175,089	178,591	182,163	185,806
Legislative	172,318	175,765	179,280	182,866	185,523
Grants in Aid to Cmty	19,244	19,628	20,021	20,421	20,830
GGs	727,481	742,031	764,292	787,221	810,837
Collection Other Gov'ts	3,168,086	3,199,767	3,231,765	3,264,082	3,296,723
ICBC	88,349	88,349	88,349	88,349	88,349
Protective Services	351,350	358,377	365,545	372,856	380,313
Bylaw/Lands	-	-	-	-	-
Public Works	291,857	297,694	303,648	309,721	315,915
Environmental & Public Health	1,184,705	1,208,400	1,232,566	1,257,219	1,282,363
Recreation	187,519	191,270	195,095	198,997	202,977
EDO	1,207,788	1,231,944	1,256,583	1,281,715	1,307,349
EDO	52,100	50,000	50,000	50,000	50,000
TRANS TO CEMETERY FUND	205	205	205	205	205
TRANS TO GENRL OPTG M&E FUND	-	-	-	-	-
TRANS TO DFW M&E RESERVE	-	-	-	-	-
TRANS TO PROTEC SERV M&E RESERVE	-	-	-	-	-
TRANS TO SEWER RESERVE	-	-	-	-	-
Trans Community Hall Fund	30,000	30,000	30,000	30,000	30,000
Trans to Tax Sale	5,113	-	-	-	-
to/(-)from General Fund	365,497	554,419	435,506	339,757	242,133
Total General Operations Expense	\$ 8,375,377	\$ 8,682,087	\$ 8,697,779	\$ 8,739,230	\$ 8,781,456
Surplus / (-)deficit: must be 0	-\$ 0	\$ 0	-\$ 0	\$ 0	-\$ 0
CAPITAL OPERATIONS					
Transfer from Funds, Reserves; Capital Revenue					
Water Capital Reserve	315,000	25,000	25,000	25,000	25,000
Sewer Capital Reserve	512,925	50,000	-	-	-
General Capital Reserve	128,575	500,000	400,000	300,000	200,000
Building Canada Fund	-	-	-	-	-
Small communities grant	-	-	-	-	-
Gas Tax Fund	90,376	-	-	-	-
UBCM	216,571	-	-	-	-
Invest in Canada Grant Funding	400,000	-	-	-	-
PRA/CMA	127,057	-	-	-	-
PRA (Fair Share)	591,534	-	-	-	-
Borrowing	-	-	-	-	-
to/(-)from General Operating Fund	17,838	20,000	200,000	200,000	275,000
Total Capital Revenue	2,399,876	595,000	625,000	525,000	500,000
Capital Operations Expenditure					
Water Capital Reserve	315,000	25,000	25,000	25,000	100,000
Sewer Capital Reserve	1,021,139	-	-	-	-
General Capital Reserve	1,063,737	420,000	400,000	400,000	400,000
Debt Payment (Sewer Capital)	-	-	-	-	-
to/(-)from General Fund	-	-	-	-	-
to/(-)from Sewer Reserve Fund	-	-	-	-	-
Total Capital Operations Expense	2,399,876	595,000	625,000	525,000	500,000
Surplus / (-)deficit: must be 0	\$ 0	0	0	0	0

**District of Hudson's Hope
2018-2022 Financial Plan
Statement of Objectives and Policies
Schedule 'B' of Bylaw No. 896**

In accordance with Section 165(3.1) of the *Community Charter*, the Town is required to include in the Five Year Financial Plan, objectives and policies regarding each of the following:

1. The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the *Community Charter*,
2. The distribution of property taxes among the property classes, and
3. The use of permissive tax exemptions.

Funding Sources

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2018.

For the 2018 fiscal year Property taxes form the largest portion of revenue. As a revenue source, property taxation offers a number of advantages, for example, it is simple to administer and it is fairly easy for residents to understand. It offers a stable and reliable source of revenue for services that are difficult or undesirable to fund on a user-pay basis. These include services such as general administration, fire protection, police services, bylaw enforcement and street lighting.

Government Grants forms the second largest portion of revenues due to capital infrastructure grant revenue.

The third largest portion of planned revenue is from Government Grants in Lieu of taxes, which comes from BC Hydro due to the dams; and approximately \$11,000 from federal and provincial governments.

The fourth largest portion of planned revenue comes from Grants Others: the BCG Peace River Agreement which replaces the Fair Share, and the BCG Small communities Grant.

The fifth largest revenue services can be measured and charged on a user-pay basis. Services where fees and charges can be easily administered include water and sewer usage, building permits, business licenses, and sale of services – these are charged on a user pay basis. User fees attempt to apportion the value of a service to those who use the service.

Collection From Other Gov't's: this is an in/out amount that is of no consequence to the operational revenues of the District of Hudson's Hope.

Objective

- Over the next 5 years, the District of Hudson's Hope will increase the proportion of revenue that is received from all user fees and charges by at least 19% over the current levels. Specifically, an increase of revenues from Water Services and Sewer Services.

Policies

- The District of Hudson's Hope will review all user fee levels to ensure they are adequately meeting both the capital and delivery costs of the service.
- Where possible, the District of Hudson's Hope will endeavor to supplement revenues from user fees and charges, rather than taxation, to lessen the burden on its limited property tax base.

Table 1: Sources of Revenue

Revenue Source	% of Total Revenue	Dollar Value
O&M:		
Government grants	31.26	1,425,538
Property taxes	18.70	2,010,356
Grants in lieu of Taxes	14.50	1,558,733

Grants Others	1.49	160,451
User Fees and charges	12.70	1,365,255
Other sources	0.73	78,948
Parcel Tax	0.08	8,147
Funds & Reserves	9.1	974,338
Collection From Other Gov'ts	29.5	3,168,086
Total	100%	10,749,852

Distribution of Property Tax Rates

Table 2 outlines the distribution of property taxes among the property classes. The Utilities property class provides the largest proportion of property tax revenue. This is appropriate as this class forms the largest portion of the assessment base.

Objectives

- Over the next 5 years, increase the Residential tax by at least 5%. This increase will reflect the fact that this Class, Residents, are the largest users of the District's services.
- Maintain the property tax rate for Business and Other (Class 6), Light Industry (Class 5) and Major Industrial (Class 4) at the current rate.

Policies

- Supplement, where possible, revenues from user fees and charges to help to offset future increase the entire property tax base as a result of the increase to Residential (Class 1).
- Continue to maintain and encourage economic development initiatives designed to attract more Light Industrial business to invest in the community. New investment from this areas will help provide more revenue for the District.
- Align the distribution of tax rates among the property classes with the social and economic goals of the community, particularly to encourage a range of employment opportunities.
- Regularly review and compare the District's distributions of tax burden relative to other BC municipalities.

Table 2: Distribution of Property Tax Rates

Property Class	% of Total Property Taxation	Dollar Value
Utilities (Class 2)	66.14	1,333,106
Residential (Class 1)	16.88	340,206
Business and other (Class 6)	7.33	147,749
Light Industry (Class 5)	8.28	166,921
Major industrial (Class 4)	0.98	19,848
Farmland (9)	0.35	7,066
Recreation/non-profit (8)	0.03	602
Total	100%	2,015,499

Permissive Tax Exemptions

The District of Hudson's Hope has an existing permissive tax exemption bylaw (#754 and following amending bylaws) which guides the administration and approval of permissive tax exemptions. Some of the eligibility criteria for permissive tax exemptions that are outlined in the policy include the following:

- The tax exemption must demonstrate benefit to the community and residents of District of Hudson's Hope by enhancing the quality of life (economically, socially, and culturally) within the community.
- The goals, policies and principles of the organization receiving the exemption must not be inconsistent or in conflict with those of the District of Hudson's Hope.

- The organization receiving the exemption must be a registered non-profit society, as the support of the municipality will not be used for commercial and private gain.
- Permissive tax exemptions will be considered in conjunction with: (a) other assistance being provided by the District; (b) the potential demands for the District services or infrastructure arising from the property; and (c) the amount of revenue that the District will lose if the exemption is granted.

Objective

- Over the next 5 years the District of Hudson's Hope will continue with its current bylaw to provide permissive tax exemptions to non-profit societies.

Policies

- To continue with encouraging the development of non-profit societies that provide services (as per its Property Tax Exemption Bylaw) to the communities by its offering of its Insurance Expansion Coverage Policy
- In congruence with its Strategic Plan, Integrated Community Sustainability Plan, Official Community Plan bylaw and Zoning bylaw, develop the community in promoting business and quality of life for its residents.