



**VILLAGE OF BELCARRA
CORPORATE POLICY NO. 219
ASSET MANAGEMENT POLICY**



Title: Asset Management Policy

ISSUED BY: CAO	APPROVED BY: COUNCIL	DATE: MAY 24, 2022
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1. BACKGROUND

The Village of Belcarra Council recognizes the importance of managing and sustaining the Village's assets / infrastructure to create a sustainable and balanced community and has prioritized Asset Management as a key strategic goal. Council also recognizes the need to incorporate the results of Asset Management into the long-term financial plan in order to create a fully integrated Asset Management / Long-Term Financial Plan.

Council now wishes to focus the organization and community on the importance of Asset Management and related long-term financial planning. This commitment is to manage assets and infrastructure in a responsible and systematic manner, which includes the ongoing maintenance, replacement, renewal of assets. Assets include, but are not limited to, a diverse transportation network, a safe and economical water distribution system, reliable drainage collection systems, and accessible parks and trails.

2. PURPOSE

Council wishes to promote and instill Asset Management best practices within the organization and community in order to achieve its strategic goal. This policy outlines the ongoing commitment to implementing professional Asset Management principles and practices which will serve to guide the Village's Asset Management program. This policy also demonstrates proactive stewardship by Council over the Village's assets and infrastructure. The commitment by Council to integrated Asset Management and long-term financial planning will result in a balance between asset/infrastructure, maintenance, renewal and affordability.

3. ASSET MANAGEMENT POLICY

3.1 Definitions

"Assets" are items which have a physical nature, serve as an economic resource, and provide for the delivery of programs and/or services. A physical infrastructure asset provides a service to the community and requires maintenance in order to maintain its service capacity over its anticipated life span. A natural asset is a naturally occurring land or subsurface feature which performs or supports service delivery.

"Asset Condition Assessment" is the process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

"Asset Management" means a systematic process to guide the planning, acquisition, operation and maintenance, rehabilitation, replacement, and disposal of assets, including site remediation and clean-up. Its objective is to maximize asset service delivery potential, manage related risks, and minimize costs of ownership, while delivering acceptable levels of service to the public in a sustainable manner.

"Asset Management Framework" is comprised of the Asset Management policy, strategy and plan.

"Asset Management Leadership Team" means an Asset Management committee, containing representation from departments and disciplines which leads the implementation of Asset Management best practices and also provides advice to Council.

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“Asset Management Plan (AMP)” is a tactical plan for managing an organization's infrastructure and other assets to deliver agreed upon standards of service. An AMP plan defines the activities that will be implemented and the resources that will be applied to meet the organization's Asset Management objectives.

“Asset Management Policy” is the foundational piece of a local government approach to Asset Management.

“An Asset Management Program” is an ongoing process a local government uses to identify asset needs such as maintenance, rehabilitation, replacement and financing.

“Asset Management Roadmap” are the steps that assist organizations in implementing Asset Management practices. The roadmap provides for the implementation of improvement initiatives that arise from a gap analysis between current and best practices.

“Asset Management Strategy” outlines the high level, strategic approach that the organization takes to Asset Management, which is consistent with the organization's overall strategic plan. It is a high-level guide to overall Asset Management activities within an organization.

“Level of Service” the defined quality for a particular activity or service area against which performance can be measured. Level of service usually relates to quality, quantity, reliability, responsiveness, environmental acceptability, and cost. The defined levels of service are any combination of the above parameters deemed important by the Village.

“Lifecycle Costs” the total cost of an asset over its service life, including the initial capital cost as well as the cost of ongoing operations and maintenance, renewal, replacement, and disposal.

“Sustainable Service Delivery” is an approach to delivering services that ensures that services are provided to the community today in a way that is: fiscally, environmentally, and socially responsible; adaptive to changing circumstances and future conditions; and that does not compromise the ability of future generations to meet their own needs

3.2 Asset Management Policy Statements

A broad strategic approach and framework is needed for effective Asset Management – which incorporates many disciplines and involves the entire organization. To guide in its strategic approach, the Village is committed to the following general policies:

- Maintaining and managing its assets / infrastructure at defined and agreed upon service levels to ensure that they meet community expectations and legislative and regulatory requirements;
- Monitoring standards and service levels to ensure that they meet and support Council goals and objectives as informed by community input;
- Planning financially for the appropriate level of maintenance of assets to deliver service levels and extend the useful life of assets;
- Developing and maintaining asset / infrastructure inventories of all assets / infrastructure;
- Adopting risk-based decision-making processes that consider the probability and consequences of asset / infrastructure failure to minimize the risk exposure;
- Establishing infrastructure replacement strategies through the use of full life-cycle costing principles;
- Planning for and providing stable long-term funding for the maintenance, renewal, replacement and decommissioning of assets / infrastructure;
- Incorporating Asset Management into organizational plans and studies and related planning and development decisions; and
- Reporting to citizens on the status and performance of work related to the implementation of this Asset Management policy and related practices.

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3.3 Asset Management Principles

The Village will take a principled approach to Asset Management by:

- Making informed decisions in identifying all revenues and costs (including operation, maintenance, replacement, and decommissioning) associated with asset / infrastructure additions and deletions (includes assets contributed by development), with the basis for decisions being recorded including the evaluation of trade-offs;
- Defining and articulating service, maintenance and replacement levels and outcomes for assets / infrastructure;
- Identifying critical assets / infrastructure and the risks associated with their failure, assessing risks periodically and monitoring and addressing the risks within available resources;
- Ensuring that the lowest life-cycle costs of assets / infrastructure are achieved while maintaining agreed upon service levels and acceptable risk exposure;
- Integrating corporate, financial, business, technical, and budgetary planning for assets / infrastructure;
- Establishing organizational accountability and responsibility for asset inventory, condition, use and performance;
- Taking into account environmental, social, and sustainable goals as part of Asset Management;
- Maintaining a long-term financial plan which demonstrates that the full costs of assets / infrastructure and which prioritizes annual capital investment plans;
- Regularly reviewing Asset Management strategies, plans and progress; and
- Utilizing a total corporate approach to Asset Management which involves all levels of the organization and stakeholders.

3.4 Asset Management Integration

It is recognized that for Asset Management to be effective that it needs to be integrated into various strategies and plans, including the following:

- Council strategic plan;
- Official Community Plan;
- Long Term Financial Plan;
- Neighbourhood Plans; and
- Master Plans, including transportation, drainage, utilities, parks and facilities.

Existing plans, policies, bylaws and procedures will be updated to include Asset Management when revised. All new plans, policies, bylaws and procedures will include Asset Management best practices.

3.5 Key Roles & Responsibilities

An Asset Management Leadership Team (AMLT) will be formed comprised of the Chief Administrative Officer, the Public Works & Emergency Preparedness Coordinator, the Financial Consultant (as needed), the Planning Consultant (as needed) and the Engineering Consultant (as needed) to ensure that Asset Management best practices are implemented throughout the organization. This team will ensure that this Asset Management Policy is operationalized and implemented within the Village's Asset Management framework and roadmap.

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For Asset Management to be successful, various levels within the organization need to undertake specific roles and responsibilities. Key roles and responsibilities are as follows:

Council

- Communicate the importance of Asset Management to the community;
- Ensure Asset Management remains a strategic objective;
- Approve Asset Management policy / plans, and related long-term financial plans; and
- Consider asset maintenance and renewal funding requests through the annual financial planning / budgeting process.

Asset Management Leadership Team (AMLT)

- Lead the development of a corporate Asset Management strategy, tools and practices and oversee implementation throughout the organization;
- Establish levels of service for Council's consideration;
- Advise and assist Council in matters related to Asset Management; and
- Report to residents on the status of the community assets / infrastructure and Asset Management program.

Public Works/Engineering (Overseen by the Chief Administrative Officer)

- Ensure stewardship over organizational and community assets / infrastructure;
- Develop and maintain Asset Management plans for the maintenance, rehabilitation, extension, decommissioning, and replacement of assets / infrastructure;
- Develop and maintain infrastructure strategies including development and service plans, using full life-cycle costing principles;
- Assess asset / infrastructure conditions and service levels;
- Coordinate maintenance of assets;
- Develop and maintain asset/infrastructure inventories;
- Budget for asset / infrastructure maintenance, renewal and acquisition as per agreed upon services levels and the results of condition assessments.
- Provide funding advice and recommendations to the Chief Administrative Officer and Council.

Finance (Overseen by the Chief Administrative Officer)

- Assist Public Works/Engineering to meet their defined roles and responsibilities;
- Ensure results from other planning documents are incorporated into Asset Management plans and related long-term financial plans; and
- Provide funding advice and recommendations to the Chief Administrative Officer and Council.

3.6 Asset Management Implementation

This policy will be implemented by the AMLT using generally accepted Asset Management best practices and guidelines, including the integration of the Asset Management program into operational practices throughout the Village.