

## MUNICIPAL ASSET MANAGEMENT POLICY

Subject: Management of County Assets

Ref: Finance

Code: 15

Date Approved: June 26<sup>th</sup>, 2018

Motion.: 273/26/06/18 Replaces: New

The County of Northern Lights Council believes in Asset Management practices that apply sound technical, social and economic principles.

Asset Management Principles are recognized nationally as important to effectively manage desired service levels, future needs of the community, and ultimately better control over costs.



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Chief Elected Official



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Chief Administrative Officer

## **1.0 County of Northern Lights Policy Asset Management Statement**

Asset Management is a broad strategic framework that encompasses many disciplines and involves the entire organization. The term 'Asset Management' used in this policy is defined as: 'the application of sound technical, social and economical principles that considers present and future needs of users, and the service from the asset'. To guide this organization, the following policy statements have been developed and will be supported through an Asset Management Plan:

- a. The County of Northern Lights will maintain and manage infrastructure assets at defined levels to support public safety, community well-being, and community goals.
- b. The County of Northern Lights will monitor standards and service levels to ensure that they meet/support community and Council goals and objectives.
- c. The County of Northern Lights will develop and maintain asset inventories of all its infrastructures.
- d. The County of Northern Lights will establish infrastructure replacement strategies through the use of full life cycle costing principles.
- e. The County of Northern Lights will plan financially for the appropriate level of maintenance of assets to deliver service levels and extend the useful life of assets.
- f. The County of Northern Lights will plan for and provide for stable long-term funding to replace and/or renew and/or decommission infrastructure assets.
- g. Where appropriate, the County of Northern Lights will consider and incorporate Asset Management in its other corporate plans.

## **2.0 Council's vision and goals for Infrastructure Assets**

It is the vision of the Council of the County of Northern Lights to strive for innovative decision-making, proactive planning, and regional cooperation in order to promote our citizens' lifestyles, freedoms, and opportunities. This will be achieved by providing enhanced qualities of life, effective and efficient services, and healthy sustainable communities; underpinned by well managed and maintained infrastructure assets.

These assets include, but are not limited to efficient transportation networks, safe and reliable water and water sewer systems, technology systems, productive fleets and accessible parks, recreation and civic facilities.

Though these assets age and deteriorate, by using sound Asset Management Practices Council and the Community can be assured that the assets meet performance level standards, are used to deliver the desired service, and are managed for present and future users.

This policy articulates Council's commitment to Asset Management, good stewardship practices, and guides administration through its policy statements. It outlines how it is to be integrated within the organization in such a way that it is coordinated, cost effective, and organizationally sustainable.

### **3.0 Policy Principles, Guidelines, and Context and Integration**

#### **KEY POLICY PRINCIPLES**

The County shall...

- Make informed decisions, identify all revenues and costs (including operation, maintenance, replacement and decommissioning costs) associated with the budget process.
- Integrate corporate, financial, business, technical, and budgetary planning for infrastructure assets.
- Establish organizational accountability and responsibility for asset inventory condition, use and performance.
- Consult with stakeholders where appropriate.
- Define and articulate service, maintenance and replacement levels and outcomes. Use available resources effectively.
- Manage assets to be sustainable.
- Minimize total life costs of assets.
- Consider environmental goals, implications and/or benefits.
- Consider social and sustainable goals.
- Minimize risks to users and risk associated with failure.
- Pursue best practices where available.
- Report the performance of the Asset Management Plan.

#### **GUIDELINES**

This policy shall be implemented by administration using accepted industry guidelines and practices such as those recommended by the Federation of Canadian Municipalities InfraGuide and through the County of Northern Lights Asset Management Plan.

The County will also comply with capital asset reporting requirements and integrate the asset management plan throughout the operations of the organization.

The Asset Management plan may consist of specific and/or generic classes of assets and outline long-term goals, processes, and steps towards how they will be achieved. It will be based on current inventories and conditions (acquired or derived), projected performance, remaining service life, and consequences of losses (i.e. vulnerability assessments). Replacement portfolio's and associated financial plans should consider alternative scenarios and risks, as well as public consultation.

## CONTEXT AND INTEGRATION

The context an integration of Asset Management throughout the County's lines of business is typically formalized through references and linkages between corporate documents. Where possible and appropriate, Council and administration will consider this policy and integrate it in the development of corporate documents such as:

- Municipal Development Plan (MDP)
- Business Plans
- Corporate Strategic Plan
- Capital Budget Plan
- Operational Budget Plan (including vehicle & fleet budgets & plans)
- Annual Reports
- Design Criteria and Specifications
- Infrastructure servicing, Management and Replacement Plans
- Parks and Recreation Plans
- Facility Plans

### 4.0 Key Roles for Managing the Asset Management Policy

While administration, the public, and other stakeholders may provide input on the nature and text of the policy, Council retains the authority to approve, update, amend or rescind policies.

<b>ROLE</b>	<b>RESPONSIBILITY</b>
Identify issues, and develop policy updates	Council and Administration
Establish levels of service	Council, Administration, Stakeholders, and Public
Exercise stewardship of assets, adopt policy and budget	Council
Implementation of Policy	Chief Administrative Officer & Administration
Develop guidelines & practices	Chief Administrative Officer & Administration
On-going review of plan and policy	Council and Administration

IMPLEMENTING, REVIEWING, AND REPORTING OF ASSET MANAGEMENT WORK

The Asset Management Plan shall be reviewed and reported on annually. The implementation of the Asset Management Policy shall be reviewed by Council at the mid-point of their Council term.

<b>ACTIONS</b>	<b>RESPONSIBILITY</b>
Adopt Asset Management Policy	Council
Monitor and review infrastructure standards and service levels at established intervals	Council, Chief Administrative Officer, Management Team
Develop and maintain infrastructure strategies, including development plans and service plans	Chief Administrative Officer, Management Team
Develop and maintain asset inventories	Management Team
Access infrastructure condition and service levels	Management Team
Develop and maintain financial plans for the appropriate level of maintenance, rehabilitation, extension and decommissioning of assets	Management Team
Report to Citizens on status of the community's infrastructure assets and Asset Management Plan.	Council, Chief Administrative Officer, Management Team