

	MUNICIPALITY OF RHINELAND	Policy No.: 2020-48
	ADOPTED BY: 316/20	Last Updated: Sept 2020
	DATE: September 9th, 2020	Page: 1 of 5
	TITLE: Asset Management Policy	Department: All

PURPOSE: The purpose of this policy is to define the principles and layout the framework of the municipalities’ asset management program.

RATIONALE: Asset Management is an integrated approach, involving all city departments, council, stakeholders and ratepayers, to realize value from existing and new assets. The intent of asset management is to maximize benefits, manage risk and to provide satisfactory levels of service to the community in a sustainable manner.

POLICY STATEMENT: The Municipality of Rhineland provides a wide range of services for the community, requiring the acquisition, operation, maintenance, rehabilitation and decommissioning of capital assets, including physical assets (land, buildings, equipment, transportation, drainage and water and sewer infrastructure) as well as natural assets. The asset management policy will be the foundation document providing the framework for the development of the municipalities’ asset management strategy and plans to ensure sustainable service delivery in the future.

DEFINITIONS:

Asset management (AM) – The coordinated activity of an organization to maximize the value realized from its assets. It involves the balancing of costs, opportunities, and risks against a desired performance of assets, to achieve organizational objectives.

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

Infrastructure – The network of physical assets developed and used by the municipality to support its social, cultural, and economic activities and services.

Levels of service – Statements of service performance delivery which are established through Council direction, taking into consideration the community wants and needs, as well as legislative and regulatory requirements.

Life-cycle cost – The sum of all one-time and recurring costs over the full life span of an asset. Includes the cost to acquire, operate, maintain/ rehabilitate, and dispose/decommission the infrastructure asset.

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

Sustainability – Managing infrastructure assets using a balanced approach to meet long-term economic, social, cultural and environmental needs of a community.

Stakeholder – person or organization that could be affected by, or perceive themselves to be affected by an activity or decision

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

SCOPE:

The policy applies to all municipal assets solely operated by the municipality, including:

- Land
- Buildings (offices, public works shops, arena, park buildings, firehall)
- Equipment & Vehicles (road equipment, vehicles, mowers, trailers)
- Transportation (road base & surface, bridges, sidewalks, traffic signals, street lighting, culverts, signage)
- Water & Sewer (reservoir, pump station, fire hydrants, main lines, valves, curb stops, lagoon, lift station, manholes)

Additionally, the Municipality owns assets which are operated by a volunteer committee or shares assets that are managed by the Town of Altona. To the extent possible in collaborating with such parties, the principles laid out in this policy, shall apply.

ROLE OF ASSET MANAGEMENT POLICY:

Asset management is a coordinated approach involving all departments of the municipality as well as its stakeholders, citizens and Council. 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

GUIDING PRINCIPLES:

Long-term sustainability

“Services and infrastructure assets will be socio-culturally, environmentally and economically sustainable in the long-term and consider the needs of both, current and future generations.”

The municipality shall:

- Make appropriate long-term decisions that enable assets to meet the challenges of changing:
 - Stakeholder expectations
 - Legislative requirements
 - Environmental impacts
 - Technological changes
- Consider socio-cultural, environmental and economic factors during the asset management and investment planning process
- Forecast changes in demographics and future demand for a service

Holistic “big picture” approach

“Improve collaboration between departments and to create efficiencies in operations.”

The municipality shall:

- Improve collaboration between departments to create efficiency in service delivery and information sharing
- Consider assets in their system-context and interdependency, rather than in isolation
- Maximize use of existing infrastructure through increased utilization
- Use reviews and evaluation methods to continually improve service delivery, increase efficiency, and reduce costs

Service Delivery - LOS

“Provide defined levels of service that balance ratepayer expectations with related cost and risk in accordance with community priorities.”

The municipality shall:

- Define and review levels of service provided to the ratepayers
 - Maintain assets to meet defined level
 - Monitor levels of service to ensure alignment with council/community direction
- Direct resources to deliver services at an acceptable level of risk
- Operate in a transparent manner to stakeholders and ratepayers
 - Report to council on service performance and asset condition
 - Report to ratepayers on the status and performance of the asset management program
 - Undertake public consultation to assist in defining levels of service

Fiscal Responsibility & Decision-making

“Demonstrate fiscal responsibility in decision making and develop a repeatable process to make defensible decisions in capital transactions.”

The municipality shall:

- Develop and maintain long-term capital investment and funding plans to enable delivering defined service levels
- Develop a repeatable process including appropriate research and documentation to support an asset management investment decision
- Evaluate economic cost and fair fees for services where applicable
 - User-pay system
 - Inflation factors / technological impacts
- Consider full life-cycle costs in decision-making including the acquisition, operation, maintenance/rehabilitation and disposal of the asset

Continuous Improvement

“Develop a culture of continual improvement to progress asset management processes and ensure delivery of services in an effective and efficient manner”

The municipality shall:

- Seek continuous improvement of asset management processes
- Monitor and periodically review the asset management processes to measure their applicability and effectiveness
- Incorporate innovative tools, techniques and solutions in asset management processes
- Provide necessary training, education and support to relevant staff

ROLES & RESPONSIBILITIES:

The successful development and implementation of the municipalities asset management strategy and plan will rely on the active commitment of council and staff. The following lays out the roles and responsibility for council and staff alike:

Council

- Provide direction on levels of service & priorities
- Perform periodic review of asset management practices and direction
- Allocate resources through operating & capital budgets to support funding requirements laid out in the plan and long-term funding schedules

Chief Administrative Officer

- Ensures and oversees corporate adoption of asset management policy, processes and strategies
- Establishes an asset management steering committee
- Appoints the cross-functional representatives from relevant departments to serve on the steering committee as well as chair of the steering committee
- Reviews all asset management information prior to presentation to Council

Asset Management Steering Committee

- Provides a forum for discussion and development of asset management policy, strategy, plans and processes
- Encourages the collaboration and integration between different business areas to achieve efficiency and effectiveness in service delivery
- Provides a forum for learning, information sharing and co-education opportunities
- Leads the development of corporate asset management tools and practices and monitors their application across the organization

Department Managers

- Lead the adoption of the Asset Management policy within their departments
- Allocate appropriate resources for implementation of the policy and associated processes
- Liaise with asset management steering committee

Corporate Finance

- Provides financial direction and support to the departments and asset management steering committee
- Develops and maintains the required financial plans and records in accordance to the asset management policy and regulatory and statutory requirements