



TOWN OF THREE HILLS

POLICY # 540

ASSET MANAGEMENT POLICY

Adopted by Council on: September 25, 2023

Resolution No: 199-2023

1. STATEMENT

- 1.1. The Town is committed to strong fiscal management and strives to provide a level of municipal service to the community that takes into consideration the community's service expectations and the community's ability to pay for these services.

As the Town's municipal infrastructure ages, funds must be committed for proper management, maintenance and refurbishment throughout the lifecycle of the municipal infrastructure. The goal of Asset Management is to meet a desired level of service for present and future citizens in an optimized way. This is achieved through the deliberate planning, creation, acquisition, maintenance, operation, rehabilitation and disposal of assets.

Successful implementation and operation of Asset Management requires the continual improvement of an Asset Management system, including a multi-faceted approach across the disciplines of finance, economics, engineering and business management which includes any future assets.

2. PURPOSE

- 2.1. The purpose of this policy is to govern the practice of Asset Management within the Town that is consistent and aligns with the approved principles and values of the municipality.
- 2.2. The Town owns, operates and maintains a wide array of physical assets. These assets include, but are not limited to transportation networks, water distribution networks, sewage collection systems, information technology systems, vehicle and equipment fleets, parks, and civic facilities. All of these assets have a defined service life. As these assets age and deteriorate, the Town will manage its assets in such a way to ensure that full service life is reached and to have in place a mechanism to enable their replacement or removal.

3. AUTHORITY

- 3.1. The authority for this policy is by resolution of the Council of the Town.
- 3.2. The Chief Administrative Officer (CAO) is accountable and responsible for the development and implementation of this policy.

- 3.3. The CAO reserves the right to exercise appropriate managerial judgment to take such actions as may be necessary to achieve the intent of this policy, which may include preparing procedures and regulations to assist staff in achieving the intent of this policy.

4. DEFINITIONS

- 4.1. **“Asset Management”** is a process of making decisions about the use and care of physical and natural assets in a way that considers current and future needs, manages Risks and opportunities, and makes the best use of resources to support Sustainable Service Delivery.
- 4.2. **“Asset Management Plan”** A document that specifies the activities, resources and timescales required for an individual asset, or a grouping of assets, to achieve the organization’s infrastructure objectives.
- 4.3. **“Level of Service”** is an expected level of performance of a service to be delivered. It establishes the expectation for the service recipient; a commitment to a specified level of performance that is measurable, to the best of its ability.
- 4.4. **“Life Cycle Costs”** is the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation, and disposal costs.
- 4.5. **“Risk”** means the exposure of someone or something to danger, harm, or loss. In an Asset Management context this is typically expressed through the evaluation of the likelihood of an event occurring (e.g. asset failure, weather event) and its potential impact on service delivery.

5. PRINCIPLES

- 5.1. A consistent Asset Management Strategy must exist for implementing systematic Asset Management and appropriate Asset Management best-practices throughout all departments.
- 5.2. All relevant legislative and regulatory requirements together with cultural, social, economic and environmental sustainability are to be taken into account in Asset Management.
- 5.3. Asset Management principles will be integrated into planning and operational processes.
- 5.4. Asset Management Plans will be developed for asset categories and such plans will be informed by community consultation, financial planning and reporting systems.
- 5.5. Inspections and condition ratings will be used as part of Asset Management to ensure agreed Levels of Service are maintained and to identify asset renewal priorities.
- 5.6. Asset renewals required to meet agreed Levels of Service and identified in adopted Asset Management plans and long-term financial plans will be funded in the annual budget with funding sources identified.
- 5.7. Asset renewal plans will be prioritized and implemented progressively based on agreed Levels of Service and the effectiveness of the current assets to provide those Levels of Service.

- 5.8. Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practices and applicable territorial and national standards.
- 5.9. Future Life Cycle Costs including disposal will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
- 5.10. Creating a corporate culture where all Councillors and employees play a part in overall care for town assets by providing necessary awareness, training and professional development.
- 5.11. Providing those we serve with services and Levels of Service for which they are willing to pay.

6. RESPONSIBILITIES

Asset Management is a corporate responsibility that involves all staff and members of Council in the effective implementation of sustainable service delivery.

Council is responsible for:

- 6.1. Adopting an Asset Management Policy.
- 6.2. Providing high level oversight of the delivery of the organization’s Asset Management Strategy.
- 6.3. Approving Levels of Service, Risk allowance, and budget.

The Chief Administrative Officer has overall responsibility for:

- 6.4. Ensuring that organizational resources are appropriately allocated and utilized to support the implementation of the Asset Management program (i.e. strategies, plans and procedures).
- 6.5. Reporting to Council and updating the community regularly on the status, effectiveness, and performance of work related to the implementation of this Asset Management policy.
- 6.6. Review policies on an ongoing basis to ensure that they continue to be relevant and current.
- 6.7. Aligning Asset Management in all other corporate plans (i.e. Strategic Plans).



Mayor



Chief Administrative Officer

Previous Version:		
Effective On:	September 25, 2023	199-2023
Review Date:	September 25, 2026	