



## THE MUNICIPALITY OF THE VILLAGE OF LIONS BAY

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| Type       | POLICY  | Policy No    | POL-048 |
| Title      | ASSET MANAGEMENT POLICY                       |              |         |
| Author     | Farouk Zaba                                   | Reviewed By: | Council |
| Date       | March 13, 2013                                | Version      | 1       |
| Issued for | Council Adoption – Regular Meeting of Council |              |         |

### 1 Council Asset Management Policy Statements

1.1 Asset management is a broad strategic framework that encompasses many disciplines and involves the entire organization. The term asset management, as used in this document, is defined as “the application of sound technical, social, economic and cultural principles that considers present and future needs of users, and the service from the asset”. Assets are meant to comprise not only the Village’s infrastructure but also equipment, vehicles, furniture, etc. To guide the organization, the following policy statements have been developed:

- a) The Public Works Department will maintain and manage infrastructure assets at defined levels to support public safety, community well-being and community goals.
- b) The Public Works Department will monitor standards and service levels to ensure that they meet/support community and Council goals and objectives.
- c) The Public Works Department, in conjunction with administrative support from the office staff, will develop and maintain asset inventories of the entire Village’s infrastructure.
- d) The Public Works Department, in conjunction with administrative support from the office staff, will establish infrastructure replacement strategies through the use of full life cycle costing principles.
- e) Council and staff will plan financially for the appropriate level of maintenance of assets to deliver service levels and extend the useful life of assets.
- f) Council and staff will plan for and provide stable and sustainable long term funding policies to replace and/or renew and/or decommission infrastructure assets.
- g) Council will report to citizens regularly on the status and performance of work related to the implementation of this asset management policy.



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### **2 Background and Purpose of Council Policy**

- 2.1 Council has a mandate to provide a wide range of services. In order to guide staff with the effective implementation of those services, Council typically adopts policies for important issues that can be used by staff to support Council's vision, goals and objectives.

### **3 Council Vision and Goals for Infrastructure Assets**

- 3.1 Council's vision and goal for the community is a safe, livable, sustainable and economically vibrant community underpinned by well managed and maintained infrastructure assets. These assets include but are not limited to efficient transportation networks, economical and reliable water distribution networks, safe and reliable sewage collection systems, reliable information technology systems, productive fleets, and accessible parks, recreation and civic facilities.
- 3.2 Though these assets age and deteriorate, by using sound asset management practices, Council and the community can be assured that the assets meet performance levels, are used to deliver the desired service in the long term and are managed for present and future users.
- 3.3 This policy is to articulate Council's commitment to asset management, and guides staff using the policy statements. In doing so, this policy also outlines how it is to be integrated within the organization in such a way that it is coordinated, cost effective and organizationally sustainable. This policy also demonstrates to the community that Council is exercising good stewardship, and is delivering affordable services while considering its legacy to future residents.
- 3.4 Staff will implement the policy through the development and use of asset management guidelines and practices. Since the performance of asset management is organization specific, reflective of knowledge, technologies and available tools, and will evolve over time, the responsibility for guidelines and practices are delegated to staff.

### **4 Policy Principles, Guidelines and Integration**

- 4.1 The key principles of the asset management policy are outlined in the following list.

The organization shall:

- make informed decisions, identifying all revenues and costs (including operation, maintenance, replacement and decommission) associated with infrastructure asset decisions, including additions and deletions. Trade-offs should be articulated and evaluated, and the basis for the decision recorded.
- establish a holistic view of asset management by integrating 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.



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- define and articulate service, maintenance and replacement levels and outcomes.
- use available resources effectively.
- manage assets to be sustainable.
- minimize total life cycle costs of assets.
- consider environmental goals.
- consider social and sustainability goals.
- minimize risks to users and risks associated with asset failure.
- pursue best practices where available.
- report the performance of its asset management program to Council and the community.

### **5 Guidelines and Practices**

- 5.1 This policy shall be implemented by staff using accepted industry guidelines and practices (such as those recommended by the Federation of Canadian Municipalities, e.g., InfraGuide) and staff shall consider the use of an asset management strategy and asset management plans.
- 5.2 The organization will also comply with required capital asset reporting requirements, as may be established by regulatory bodies, and integrate the asset management program into operational plans throughout the organization.
- 5.3 Strategic asset management plans may be developed for a specific class of assets, or be generic for all assets, and should outline long term goals, processes and steps toward how they will be achieved. The asset management plans should be based on current inventories and condition (acquired or derived), projected performance and remaining service life and consequences of losses (e.g., vulnerability assessments, Emergency Management BC Critical Infrastructure Consequence of Loss Assessment). Operational plans should reflect these details. Replacement portfolios and associated financial plans should consider alternative scenarios and risks, as well as include public consultation.

### **6 Context and integration of Asset Management within Organization**

- 6.1 Where possible and appropriate, Council and staff will consider this policy and integrate it in the development of corporate documents such as:
- Official Community Plan
  - Five year financial plan (operating and capital budgets)
  - Land use plans
  - Infrastructure servicing, management and replacement plans



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### 7 Key Roles for Development and Implementation of the Asset Management Policy

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

| Role  | Responsibility   |
|---|--|
| Identification of issues and development of policy updates                                      | Council and Staff                                      |
| Establish levels of service   | Council and Staff with consultation from the community |
| Exercise stewardship of assets, adopt policy and budget   | Council  |
| Implementation of policy  | Secretary-Treasurer and Staff                          |
| Development of plans, guidelines and practices arising from the policy and reporting to Council | Secretary-Treasurer and Staff                          |
| Ongoing review of policies  | Council and Staff                                      |

### 8 Implementation, Review and Reporting of Asset Management Work

8.1 The implementation, review and reporting back regarding this policy shall be integrated within the organization. Due to the importance of this policy, the organization's asset management program shall be reported annually to the community, and implementation of this policy reviewed by Council at least once each term.

| Actions  | Responsibility                        |
|--|---------------------------------------|
| Adopt Asset Management Policy  | Council                               |
| Monitor and review infrastructure standards and service levels at established intervals  | Council and Secretary-Treasurer       |
| Develop and maintain infrastructure strategies including asset replacement and service plans   | Public Works, and Secretary-Treasurer |
| Assess infrastructure condition and service levels   | Public Works                          |
| Establish and monitor infrastructure replacement levels through the use of full life cycle costing principles to ensure all costs are considered in planning for asset replacement | Public Works, and Secretary-Treasurer |
| Develop and maintain financial plans for the appropriate level of maintenance, rehabilitation, extension and decommission of assets  | Council and Staff                     |
| Report to the Community on the status of the Community's infrastructure assets and asset management program.   | Council and Secretary-Treasurer       |