

THE RURAL MUNICIPALITY OF PINEY

“Asset Management Policy”

Subject: Asset Management Policy

Effective Date: December 22nd, 2021

Replaces Policy: New

Resolution No.: 318 **Resolution Date:** December 21st, 2021

1.0 PURPOSE

The purpose of the asset management policy is to provide a consistent approach to capital and operational decisions for municipal infrastructure assets from planning to acquisition, maintenance, renewal and disposal. The municipality will strive to use asset management tools and practices to monitor, analyze, cost and fund assets. Infrastructure asset management will align with municipal objectives in the provision of services.

2.0 DEFINITIONS

Asset – tangible (natural or engineered) item of value that provides a service for the municipality.

(Asset) **register** – a listing of municipal assets and their characteristics.

(Asset) **characteristics** –unique or common attributes associated with an asset including financial, locational and descriptive data.

Infrastructure – is the collection of the physical assets that exist to provide services to communities.

Level of service – a defined provision of service from an asset in consideration of resources and constraints such as cost.

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

Sustainable service delivery – the provision of services provided to the community in a manner that is fiscally, environmentally and socially responsible; is adaptable to changing and future conditions and does not compromise the ability of future generations to meet their own needs.

3.0 COUNCIL ASSET MANAGEMENT STATEMENTS

Asset Management is an integrated and continuous process of making capital and operational decisions about assets that are informed by cost, risk and level of service to achieve sustainable service delivery.

The following policy statements have been developed for asset management:

- Develop and maintain an asset register for municipal assets per its capitalization policy.
- Develop and monitor asset condition assessments to plan financially for the appropriate level of maintenance and to extend the useful life of assets.
- Use lifecycle costs and sustainable service delivery principles.
- Establish, refine and monitor level of service to ensure that they are aligned with community goals and objectives.
- Establish a listing of long term desired asset additions for future consideration
- Plan for and provide stable long term funding to replace, renew or decommission assets
- Maintain and manage municipal assets consistent with the strategic plan objectives.

4.0 BACKGROUND

The RM of Piney operates under a mandate to support a safe, healthy, sustainable, economical community in a fiscally responsible manner and Council approves policies for important issues that set direction for staff to support vision, goals and objectives.

Infrastructure assets such as roads, culverts and equipment deliver important services to communities. A key challenge facing local governments is the long term sustainability of these services and calls for local governments to manage their assets in a way that supports sustainable service delivery. Municipal government is required to record their tangible assets (TCA) on the statement of financial position and demonstrate progress to develop and/or implement asset management.

5.0 POLICY PRINCIPLES

General principles related to the asset management policy are for making informed decisions. They will provide the best information available for the coordination of staff, Council and stakeholders within the challenges of limited resources. They align ratepayer, community and business expectations with the opportunities available, the potential benefits, identifies the risks and ensures cost effectiveness.

To ensure a well-managed and maintained asset infrastructure, an asset management plan will be developed to monitor, cost, analyze and fund infrastructure assets. The document will be regularly updated.

5.1 Monitor

- Maintain relevant financial, descriptive and condition assessment data in a centralized manner
- Review operating and maintenance costs of assets
- Regularly update the asset register as required to facilitate capital and operating decisions
- Ensure data integrity and validity of the asset registry and associated processes for good data.

5.2 Cost

- Plan for renewals prior to the end of useful life in short and long term planning cycles
- Anticipate demands of aging infrastructure and escalating renewal costs to ensure sufficient funding available to meet community service needs
- Train staff in financial management and asset management practices including lifecycle costing.

5.3 Analyze

- Rigorously evaluate capital plans and benefits with Council
- Ensure alignment with community objectives
- Anticipate potential challenges of public infrastructure
- Consider climate change effects in the design, operation, replacement and disposal of assets
- Integrate with budgeting, long term capital planning and strategic planning
- Plans will consider alternative scenarios and risks.

5.4 Fund

- Capitalize on joint funding opportunities with other levels of government for replacement or acquisition of new capital assets
- Investigate funding outside of tax revenue
- Ensure sufficient funding for the costs associated with the replacement and changing needs of the community.

6.0 INFRASTRUCTURE ASSESSMENT

6.1 The RM of Piney infrastructure are grouped into the following five categories:

- Roads, Streets, Bridges
- Land & Improvements
- Buildings & Leasehold
- Vehicles & Equipment
- Computer Hardware & Software

All assets will be assessed based on the following scale:

5 = Very Good. Asset is well maintained, good condition, new or recently renewed.

4 = Good. Asset is acceptable, generally within mid range of expected service life.

3 = Fair. Asset requires attention, showing signs of deterioration with some deficiencies.

2 = Poor. Increasing potential of affecting service. The asset is approaching end of service life. The condition is below standard with significant deterioration.

1 = Very poor. The asset is unfit for sustained service. Near or beyond expected service life with widespread signs of advanced deterioration.

6.2 General expected useful life is affected by a number of factors, including persistent heavy usage, however, the general expected useful life is listed below:

Road surface	25-40 years
Road grade	40 years
Bridges	25-50 years
Land and land improvements	indefinite
Buildings and leasehold improvements	10-40 years
Vehicles & equipment	10-20 years
Computer hardware & software	4-10 years

6.3 More details per asset type will be included in the asset management plan.

7.0 KEY ROLES TO MANAGE THE ASSET MANAGEMENT POLICY

Policies are approved by Council, 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 policies.

Below is a quick guide to roles and actions associated with asset management responsibilities:

	Council	CAO	Dept Managers	Public
Stewardship of municipal assets	XX			
Approve policies & budgets	XX			
Establish levels of service	XX	X	XX	X
Implement policy		X		
On-going review of policy & updates	XX	X	XX	
Develop guidelines & procedures		X	XX	
Develop & maintain register		X	XX	
Assess asset condition & service levels		X	XX	
Establish & monitor asset replacement levels		X	XX	
Develop & maintain financial plans to maintain, renew, decommission		X	XX	
Consider desired long term asset addition	XX	X	XX	X
Report on asset infrastructure	XX	X		

8.0 DATA SECURITY

Field Staff will collect asset characteristics and condition assessment ratings using locational data and periodically sync for update availability for the data collection system. Field staff has the ability to create assets but cannot delete. The ability to delete data shall be limited to the asset management administrator.

All data must be backed up weekly and held in a secure location. Any breach or loss of data or back up shall be immediately reported to the Chief Administrative Officer.

9.0 REVIEW PERIOD: Every 2 years.

November 24, 2021

Policy Draft.doc

Other References:

- Related policies
 - Capitalization policy (\$3000 or greater with useful life 3 yrs)
 - Capital and reserve fund policy (5-15%)
 - By-Law in the Municipal Act under Section 168(1)
 - Disposal of asset policy (\$500 threshold)
 - Equipment Loan & Use
 - Drainage Improvement
 - Road and Route Priority Policy
 - Land Sales – TBD *yet to come*
 - Waste Water Disposal Access

- Provincial legislation – various which may impact asset management including:
 - Municipal Gas Tax Agreement
 - Water Rights License where applicable as per the Province of Manitoba;
 - Onsite Wastewater Management Systems Regulation 83/2003
 - Environment Act – solid waste management
 - Danger goods transportation
 - Workplace & safety

- Other documents
 - Tangible Capital Asset listing