

 <p>Town of CANMORE</p>	<p>Council Policy</p>
<p>Policy Title:</p>	<p>Asset Management</p>
<p>Policy Number:</p>	<p>FIN-009</p>
<p>Date in Effect:</p>	<p>July 6, 2021</p>

POLICY STATEMENT

1. The Town of Canmore owns various infrastructure assets which support the delivery of services to its community. These assets require responsible acquisition, operation, maintenance, rehabilitation, and eventual replacement and/or disposal.
2. Asset Management is the coordination of the Town of Canmore activities to realise value from our assets. It involves all Town of Canmore departments, stakeholders, residents, and Council.
3. The Asset Management Program strives to maximize financial, social, environmental and economic benefits, consider current and future needs, evaluate options and opportunities, carefully manage risk and provide the required levels of service to the community in a sustainable manner.

PURPOSE

4. To provide guidance to the Town of Canmore organization by defining key Asset Management principles which support the Asset Management Program objectives and align with the Organization’s mid and long-term strategies.
5. Identify desired outcomes of the Asset Management policy and program implementation.

DEFINITIONS

6. In this policy:
 - a) **Asset:** The physical component of a Town-owned system that has value and supports the social, cultural, environmental, financial and economic outcomes and services. Assets are intended to be maintained indefinitely at a particular level of service by the continuing maintenance, monitoring, rehabilitation and replacement.
 - b) **Natural Assets:** Natural Assets in a municipality are the stock of natural resources or ecosystems that are relied upon, managed, or could be managed by a municipality for the sustainable provision of one or more municipal services.
 - c) **Asset Management:** The coordinated activities of an organization which support defensible, data-driven and risk-based decisions about the use and care of infrastructure. The intent of Asset Management is to deliver services in a prioritized way that considers current and future needs, manages risks and opportunities, and makes the best use of fiscally constrained resources.

Policy approved by: CA JA

- d) **Asset Management Plans** - A specific plan developed for the management of infrastructure assets that combines capital, operational, and maintenance strategies over the lifecycle of the assets in the most cost-effective manner to deliver a specified level of service. It includes the timing of cash flows and resources for the maintenance, monitoring, rehabilitation and replacements required for individual or groups of assets to achieve the organization's asset management objectives.
- e) **Asset Management Strategy:** Describes how the Asset Management policy objectives will be implemented in the specific context of our Town of Canmore organization structure, systems and Asset Management Plans.
- f) **Level of Service (LOS):** The defined standard for the provision of a particular service which reflects the social, cultural, financial, economic and environmental outcomes that the Town of Canmore delivers for a particular activity or service area against which service performance is measured. Components of defining these standards include: quality, quantity, reliability, responsiveness, safety, community goals, environmental acceptability and cost.
- g) **Life Cycle Cost:** The total sum of all one-time and recurring costs over the full life span or a specified period of an asset (if the asset need to be replaced prior to its end of life). Typically this includes design, construction, operation, maintenance, renewal and disposal costs.
- h) **Maintenance:** An Operational Budget activity which includes any actions (excluding rehabilitation or replacement) to address the deterioration of an asset to preserve its condition and achieve its expected useful service life. Maintenance slows down deterioration and delays when rehabilitation or replacement is necessary.
- i) **Rehabilitation:** A Capital Budget activity of restoring or replacing specific parts or components of an infrastructure asset to a former or close-to-former condition.
- j) **Replacement:** A Capital Budget activity of fully replacing an infrastructure asset so as to provide similar, or an agreed alternate level of service. Replacement can also be driven by funding opportunities, changes in regulations and codes.
- k) **Disposal:** Actions necessary to decommission, dispose, or repurpose assets that are no longer required. Asset Disposal may not always warrant replacement if the level of service it has provided is no longer required or possible.
- l) **Holistic Approach:** The intentional and systematic evaluation of a complete system of assets, services and resources rather than isolated analysis of individual parts.
- m) **Resilience:** A proactive capacity of the Town of Canmore to withstand disruption, act effectively in a crisis, adapt to changing conditions while protecting, nurturing and improving the social, cultural, economic and environmental conditions in our community.
- n) **Stakeholder:** May include but is not limited to Council, residents, businesses, visitors, the Town of Canmore administration and other internal and external partners (such as utility operators).
- o) **Sustainability:** A paradigm for thinking about the future in which environmental, social, financial and economic considerations are balanced in the pursuit of an improved quality of life. Sustainability is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. There are four dimensions to sustainability – society, environment, culture and economy – which are intertwined, not

separate. For example, a prosperous community relies on a healthy environment to provide food and resources, safe drinking water and clean air for its citizens.

PRINCIPLES

7. The following outlines the fundamental asset management principles which will be developed and implemented across both the Town of Canmore organization and any service providers responsible for managing the Town of Canmore Assets:

8. **Service Delivery to Stakeholders:** Clearly defined levels of service (LOS) will be developed, adhered to and not exceeded. This will responsibly balance stakeholder expectations, risk, available resources and Council priorities as follows:
 - a) Target investments strategically using the Asset Management Program to maintain and manage assets (or groups of assets) at the defined LOS,
 - b) Recognize that LOS can change over time, and therefore monitor standards and service levels to ensure they continue to support community and Council expectations and objectives, and legislative/regulatory compliance.
 - c) Use the Asset Management Program framework for establishing a consistent approach to collaboratively developing the LOS metrics and targets including:
 - i) Adherence to best practices and all relevant legislative, regulatory, and statutory requirements, where applicable.
 - ii) Using risk-based decision making framework that considers impact to stakeholders when evaluating decisions on maintaining and enhancing, or reducing the LOS performance.
 - iii) Determining the adequate balance between the value of stakeholder service and the cost.
 - iv) Evaluation of all options available to provide the service (or its elimination), recognizing advances in technology, market place, and changing business models.

9. **Long-Term Sustainability and Resiliency:** The Town of Canmore assets will be socially, culturally, environmentally, and economically sustainable and resilient into the future. This involves complete organizational and departmental support through the following principles:
 - a) The municipality will make appropriate long-term decisions to better enable our infrastructure and natural assets to meet the challenges of changing:
 - i) stakeholder expectations,
 - ii) legislative requirements,
 - iii) social and cultural impacts,
 - iv) tourism and visitor impacts,
 - v) climate change and environmental impacts,
 - vi) future development impacts,
 - vii) economic and financial impacts,
 - viii) obsolescence and technological advancements.

- b) The asset management decision-making will consider the potential effects of climate change and other environmental changes. Specifically, how the increased severity and frequency of climatic events may directly affect risk, the ability of our assets to meet these increasing demands and operate reliably to support the levels of service required by our community.
 - c) The municipality will demonstrate responsible and proactive resilience when making infrastructure asset investment decisions, including but not limited to:
 - i) Ensuring timely operational maintenance activities and maintaining sufficiency of the Asset Rehabilitation and Replacement Reserve.
 - ii) Ensuring sufficiency of the General Capital reserve to meet new asset purchases.
 - d) The Asset Management Program allows Council and Administration to prioritize and proactively influence levels of service and future funding requirements by affecting both the timing and types of expenditures made.
10. **Investment Decision-Making:** Use the Asset Management Program with the Long-Term Financial Strategy and Capital Plans to demonstrate fiscal responsibility, risk prioritization and transparency in decisions related to the management of all Town of Canmore assets including:
- a) Evaluating asset investment decisions based on full life cycle cost, age, risk prioritization and impact to levels of service.
 - b) Evaluating asset investment decisions based on a holistic view of all Town of Canmore assets and how they relate to each other.
 - c) Evaluating asset investment decisions based on the required levels of service the assets provide and ensuring that the required outcomes and targets are being met.
 - d) Ensure funding for Asset rehabilitation and replacement considers the impact to taxation and user fees.
 - e) Embracing opportunities and challenges that arise from innovation and new technologies (including disruptive technologies).
11. **Holistic and Integrated Approach:** A collaborative, integrated and holistic approach is critical to meet the long-term objectives of managing services, assets, stakeholder experiences and limited resources while efficiently delivering quality, maximizing value and managing risk:
- a) Provide appropriate support and training to Council, Administration and all Departments to foster the culture, terminology, understanding and practical application of the principles outlined in this policy and the Asset Management Program.
 - b) Holistically consider the assets in their interrelated system context and the level of service they provide, rather than optimizing individual assets in isolation.
 - c) Ensure integration and alignment of the needs of this policy and the Asset Management Program with Departmental Guidelines and Procedures.
12. **Continuous Improvement and Innovation:** Support a culture that values innovation and continuous improvement in Asset Management practices:

REPEALS POLICY: Asset Management Policy FIN-009 approved August 2, 2017

AUTHORIZATION:



John Borrowman
Mayor



Cheryl Hyde
Municipal Clerk

REVISION HISTORY

Action	Date	Council Motion	Notes
Approved	2021-07-06	176-2021	

Policy approved by: CH JB