



COUNCIL POLICY

Asset Management Policy

C-2A.061

Section: 2.0 General Government and Administrative Services
- A. Governance

Authority: Council

Administering Department: Corporate Services

Statement

The Municipal District of Bonnyville (M.D.) strives for effective and efficient management of assets in compliance with relevant legislation and applicable strategic objectives and plans in support of the delivery of sustainable services to the community over the short and long term.

Purpose

The purpose of this policy is to provide structure and clarity for the management of the M.D.'s Asset Management Program, to show commitment to best practices in asset management, formally link asset management to organizational strategic objectives, provide tools for evidence based decision making and to meet legislative and regulatory requirements, and ensure that the M.D. implements asset management practices that enable a coordinated, cost effective and organizationally sustainable approach across the municipality for long-term sustainability and demonstrate fiscal stewardship.

Definitions

For the purposes of this policy:

- (1) "Asset Acquisition" means the purchase of Tangible Capital Assets;
- (2) "Asset Disposal" means the process of removing a Tangible Capital Asset from the accounting records, usually when it is no longer needed or useful;
- (3) "Asset Maintenance" means the process of ensuring Tangible Capital Assets remain in optimal working condition;
- (4) "Asset Renewal or Refurbishment" means the process of upgrading existing tangible capital assets to maintain their functionality and extend their lifespan;
- (5) "Asset Replacement" means the process of replacing an old or damaged Tangible Capital Asset with a new one;
- (6) "Chief Administrative Officer" (CAO) means the Chief Administrative Officer of the M.D. appointed by Council, or their authorized delegate;
- (7) "Council" means the duly elected Council of the M.D.;
- (8) "Life-cycle" means the time interval that commences with the identification of the need for an asset and terminates with the disposal of the asset;

Date Adopted:

Resolution No:

Date Reviewed₍₀₁₎:

Resolution No:

- (9) “Long-term Financial Plan” means a plan that documents the process of aligning financial capacity with long-term service objectives;
- (10) “Tangible Capital Assets” (TCA) means non-financial assets having physical substance that:
 - (a) are held for use in the production or supply of goods and services;
 - (b) are held for rental to others;
 - (c) are held for administrative purposes;
 - (d) are held for the development, construction, maintenance or repair of other tangible capital assets;
 - (e) have useful economic lives extending beyond 36 months;
 - (f) are to be used on a continuing basis;
 - (g) are not for sale in the ordinary course of operations.

Policy

- (1) The following principles shall guide the M.D.’s asset management practices:
 - (a) Asset Acquisition: Decisions to acquire new assets will be based on an understanding that the asset supports the long-term goals of the community and that the full life cost of ownership has been considered and incorporated into future operating and long-term financial plans.
 - (b) Asset Disposal: The utilization and function of all assets will be considered periodically together with the cost of operating and maintenance. Assets will be disposed of where it is determined that community resources can be applied to other uses with greater benefit.
 - (c) Asset Maintenance: For each asset, efficient maintenance strategies will be implemented that considers sustaining the desired service levels and seeks to minimize risk and the life cycle cost of ownership.
 - (d) Asset Renewal/Replacements: Decisions to renew or replace an asset will consider risk (probability and consequences of asset failure), life cycle cost and the impacts to the level of service.
 - (e) Forward Looking: The M.D. shall operate in a manner that accounts for the financial effects on future generations and considers changing community circumstances and external economic risks to ensure a vibrant community for generations to come.
 - (f) Funding for Asset Renewals/Replacements: A long-term financial plan will be maintained which considers the renewal and replacement of existing infrastructure and the impact to taxation and user fees. The timing for asset renewal/replacement will balance risk with cost and levels of service. The long-term financial plan will identify how asset renewals/replacements will be financed, whether be it through current revenues, reserve funds or borrowing.
 - (g) Operations Efficiency: The M.D. will manage the assets in a manner that ensures that public resources are put to the best possible use and that full cost of asset ownership is considered in decision making.

- (h) Service: The M.D. shall operate and manage the assets to ensure service delivery to the community in a manner that considers quality of life, long term costs and risks.

Responsibilities

- (1) Council shall have the following responsibilities:
 - (a) Approve asset management strategies and plans, as required, alongside strategic planning; and
 - (b) Approve asset funding through the annual operating and capital budgets.
- (2) The Asset Management department shall have the following responsibilities:
 - (a) Consult with representatives from each department with asset ownership when developing asset management strategies;
 - (b) Provide a forum for discussion of asset management strategy, integration and best practices; and
 - (c) Lead the development of corporate asset management tools and practices and oversee their application across the organization.
- (3) Each M.D. department shall have the following responsibilities:
 - (a) Complete asset management functions;
 - (b) Create and implement asset management strategies;
 - (c) Create and implement asset management plans; and
 - (d) Liaise with the Finance department on financial matters relating to asset management.
- (4) Corporate Finance shall have the following responsibilities:
 - (a) Stewardship of the financial assets and records; and
 - (b) Provide financial direction to M.D. departments regarding asset management.

Policy Review

Within four (4) years from date adopted / amended / reviewed.

For administrative use only:

Related Documentation:	
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(plans, bylaws, policies, procedures, etc.)