



TOWN OF GIBSONS

Policy Manual

SECTION:	FINANCE		
TITLE:	Asset Management Policy	POLICY # 2.9	
EFFECTIVE DATE:	2014-07-15	APPROVED DATE:	2014-07-15
		REVISED DATE:	YYYY-MM-DD
		RESOLUTION #:	R2014-225

1 PURPOSE

To set guidelines for implementing consistent Asset Management processes within the Town of Gibsons. The following terms are used within this policy and are defined as follows:

Asset Management: an integrated, lifecycle approach to effective stewardship of infrastructure assets to maximize benefits, manage risk and provide satisfactory Levels of Service to the public in a Sustainable manner. The majority of the services that the Town provides are related to Asset Management.

Engineered Assets: assets that have been constructed and are owned by the Town (e.g., watermains, roads, streetlights, buildings), land that is owned by the Town and supports assets (e.g., land under roads or buildings), or land that is undeveloped and owned by the Town. These assets must be operated, maintained, managed, and, with the exception of land, ultimately replaced as they wear out.

Level of Service: the service level delivered to the public by the Town. This can take the form of the selection of services that are provided (e.g., bike lanes, doggie bags, or a new pool), the standard of infrastructure in place (e.g., concrete sidewalks versus gravel paths), or the standard to which an asset is maintained (e.g., the frequency of scheduled curb sweeping). The desire of Council or the public for a particular Level of Service will directly affect utility fees or taxation.

Natural Assets: naturally occurring land or subsurface features which perform or support service delivery to the Town (e.g., the Gibsons Aquifer, which filters and stores water, and the creeks, which convey and treat stormwater run-off). This category also includes artificial features that mimic naturally occurring features (e.g., ditches, ponds and wetlands). If these assets did not exist, Engineered Assets would be required to provide these services. Natural Assets must be operated and maintained but, if managed appropriately, require no replacement.

Risk: analysis of the 'likelihood' and the 'consequences' of a given event. Establishing the risk associated with lower infrastructure performance due to Levels of Service or postponement of asset replacement will identify system vulnerabilities and assist in prioritizing work. For example, puddles on a gravel walkway may have a high likelihood of occurring but the consequences are not significant. In comparison, an ageing sanitary main may have a high likelihood of failure and the consequences of a break may be significant.

Sustainable: meeting the needs of the present without compromising the ability of future generations to meet their own needs. In relation to Asset Management a sustainable approach takes into consideration the current and future benefits and costs of existing and new assets or services.

2 OBJECTIVE

To ensure adequate provision is made for operations, maintenance and long-term replacement of major Engineered and Natural Assets by:

- 2.1 Maintaining assets in the most natural, energy-efficient and reliable manner that cost the least to operate over the life cycle of the asset;
- 2.2 Ensuring that the Town's services and infrastructure are provided in a Sustainable manner, with the appropriate Levels of Service to all users within the Town;
- 2.3 Managing Town of Gibsons Engineered and Natural Assets by implementing appropriate Asset Management strategies and appropriate financial resources for those assets;
- 2.4 Fostering an environment where all Town of Gibsons employees take an integral part in overall management of Town assets by creating and sustaining Asset Management awareness throughout the organization through training and development;
- 2.5 Ensuring resources and operational capabilities are identified and responsibilities for all areas of Asset Management are appropriately assigned;
- 2.6 Continually seeking opportunities for improving efficiencies in operations, maintenance and asset replacement practices;
- 2.7 Demonstrating transparent and responsible Asset Management processes that align with established best practices; and
- 2.8 Meeting legislative requirements for Asset Management.

3 POLICY

3.1 Background

- 3.1.1 Council's vision and goal for the community includes providing 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, an economical and reliable water distribution network, a safe and reliable sewage collection system, reliable information technology systems, appropriate fleets, and accessible parks, recreation and civic facilities.

- 3.1.2 The Town of Gibsons is committed to implementing a systematic Asset Management methodology in order to apply appropriate Asset Management best practices across all areas of the organization. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of, where appropriate, in accordance with the Town's Levels of Service priorities.
 - 3.1.3 As of December 2013, the Town of Gibsons owns and operates approximately \$65 Million (historical costs) of Engineered Assets to support its core business of delivery of service to the community. Although the equivalent values have not been established, the Town also recognizes the additional and significant contribution made by Natural Assets in the delivery of service to the community.
 - 3.1.4 Asset Management is the core business of the Town of Gibsons and appropriate Asset Management is required to achieve our strategic service delivery objectives.
 - 3.1.5 Adopting Asset Management principles will assist Council in achieving its strategic plans and long term financial objectives.
 - 3.1.6 A strategic approach to Asset Management will ensure that the Town of Gibsons delivers the appropriate Level of Service through its assets.
- 3.2 Principles
- 3.2.1 A consistent Asset Management Strategy will be used for implementing systematic Asset Management and appropriate Asset Management best-practices throughout all departments of the Town of Gibsons.
 - 3.2.2 Levels of Service will continue to be determined and refined in consultation with the community.
 - 3.2.3 All relevant legislative requirements together with social, economic and environmental impacts are to be taken into account in Asset Management.
 - 3.2.4 Asset Management principles will be integrated within existing planning and operational processes.
 - 3.2.5 Natural Assets are recognized by Council as performing essential service delivery and will be identified and managed in a similar manner as Engineered Assets.
 - 3.2.6 Asset Management plans will be developed for major service/asset categories. The plans will be informed by community consultation and financial planning and reporting.

- 3.2.7 An inspection regime will be used as part of Asset Management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- 3.2.8 Asset renewals and Levels of Service defined in adopted Asset Management plans and long term financial plans will form the basis of annual budget estimates with the service and risk consequences of variations in defined services levels and budget resources detailed in budget documentation.
- 3.2.9 Asset renewal plans will be prioritized and implemented progressively based on agreed Levels of Service and the effectiveness of the current assets to provide that Level of Service.
- 3.2.10 Systematic and cyclical 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.
- 3.2.11 Future life cycle and replacement costs for all asset categories will be established with a goal to be completed by 2019.
- 3.2.12 Life cycle costs will be reported and considered in all decisions relating to new services and asset classes and upgrading of existing services and asset classes as soon as they are established.
- 3.2.13 Training in asset and financial management will be provided for relevant staff.

4 SCOPE

This policy applies to all Town of Gibsons activities.

5 LEGISLATION

All aspects of Asset Management within the Town shall be conducted in accordance with applicable legislation.

6 RELATED DOCUMENTS

Asset Management Strategy and associated Asset Management Plans (to be developed).

7 RESPONSIBILITIES

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

7.1 Council is responsible for:

- 7.1.1 adopting this Asset Management Policy and future updates;
- 7.1.2 allocation of resources;
- 7.1.3 providing high level oversight of the delivery of the organization's Asset Management strategy; and
- 7.1.4 ensuring that organizational resources are appropriately utilized to address the organization's strategic plans and priorities.

7.2 The Chief Administrative Officer has overall responsibility for:

- 7.2.1 developing Asset Management strategies, plans, and procedures, in conjunction with the management team;
- 7.2.2 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; and
- 7.2.3 considering and incorporating Asset Management in all other corporate plans (e.g. Strategic Plans).

7.3 The Director of Engineering will be responsible for:

- 7.3.1 ensuring that the most up to date information on the Town's Natural and Engineered Assets is gathered and maintained in the Town's Geographical Information System (GIS) as well as other software and databases;
- 7.3.2 using industry standard unit costs and service lives for all infrastructure components, taking into account variations due to unique local conditions;
- 7.3.3 establishing infrastructure replacement strategies through the use of full life cycle costing principles;
- 7.3.4 establishing operations and maintenance policies to deliver Levels of Service and extending the useful life of assets;
- 7.3.5 where possible, integrate engineering and financial asset requirements into a single asset register; and
- 7.3.6 in consultation with other Directors, prepare Asset Management Plans and

strategies for each asset type.

7.4 The Director of Public Works and the Director of Parks and Cultural Services will be responsible for:

7.4.1 maintaining and managing infrastructure assets at defined levels; and

7.4.2 conducting ongoing reviews and implementing changes to realize efficiencies in operations and maintenance practices.

7.5 The Director of Planning will be responsible for:

7.5.1 ensuring that standards, goals and objectives in the Official Community Plan and other bylaws, policies and plans are consistent with Sustainable Asset Management principles;

7.5.2 providing Council with the full life-cycle costing impacts of proposed community amenities and variances to development standards; and

7.5.3 in consultation with other Directors, determine if the projected revenues from incremental as well as full build out of the Town, as outlined in the Official Community Plan, will support over time the assets necessary to provide established Levels of Service to the Community.

7.6 The Director of Finance will be responsible for:

7.6.1 planning financially for the appropriate level of maintenance for assets to deliver established Levels of Service with the goal to extend the useful life of Town assets;

7.6.2 establishing financial plans for consideration by Council that will ensure stable, long-term funding for replacement, renewal and/or disposal of assets;

7.6.3 valuing and depreciating assets in accordance with appropriate best practices; and

7.6.4 integrating financial reporting requirements with the Town's asset inventory register.

8 REVIEW DATE

This policy has a life of 4 years. It will be reviewed in 2019