

# CITY OF TERRACE POLICY NO. 117



**TITLE: ASSET MANAGEMENT**

**APPROVED: October 25, 2021**

**RESOLUTION NO.: 432-2021**

**REVISED:**

**RESOLUTION NO.:**

## **1.0 PURPOSE**

The City of Terrace (City) owns, operates and maintains a wide array of physical assets. These assets include but are not limited to transportation networks, water distribution networks, storm water and sewage collection systems, vehicle fleets, parks, recreation facilities and civic buildings. As these assets age and deteriorate, by using sound asset management practices, the City can be assured that the assets meet performance levels, are used to deliver the desired service in the long term and are managed for current and future users.

The purpose of this policy is to articulate the City's commitment to asset management and provide a set of principles that guide the City's asset management program. It also serves to outline and guide the development and implementation of asset management across the organization in a systematic and coordinated manner.

This policy does not intend to commit to any specific funding level(s); only to illustrate that asset management is supported in all areas of municipal government, and that the City is committed to and working towards improving its asset management practices.

## **2.0 DEFINITIONS**

**Sustainable service delivery** ensures that current community services are delivered in a socially, economically and environmentally responsible manner that does not compromise the ability of future generations to meet their own needs.

**Sound asset management practices** enable sustainable service delivery by integrating community values, priorities and an informed understanding of the trade-offs between risks, costs and services.

### **3.0 POLICY**

The City's sustainable service delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, repair, renewal, upgrade, replacement and disposal of capital assets by:

- Ensuring that the City's capital assets are provided in a manner that respects social, economic and environmental sustainability;
- Meeting all relevant legislative and regulatory requirements;
- Demonstrating transparent and responsible asset management processes that align with demonstrable best-practices;
- Implementing sound asset management strategies and plans and providing sufficient financial resources to accomplish them;
- Ensuring necessary capacity and other operational capabilities are provided and asset management responsibilities are effectively allocated;
- Creating a corporate culture where all employees play a part in overall care for City assets by providing necessary awareness, training and professional development; and
- Providing those we serve with services and levels of service for which they are willing to pay.

Where insufficient resources exist to adequately follow this policy staff shall attempt, as much as is reasonably possible, to follow the overall spirit and intent of this policy.

### **4.0 PRINCIPLES**

The following outlines fundamental asset management principles that will be developed over time and implemented across the organization:

- Make informed decisions, identifying all revenues and costs (including operation, maintenance, replacement and decommission) associated with infrastructure asset decisions, including additions and deletions, where possible;
- Integrate existing and future corporate, financial, business, technical and budgetary planning for infrastructure assets;
- Establish organizational accountability and responsibility for asset inventory, condition, use and performance;
- Define and articulate service, maintenance and replacement levels and outcomes;
- Minimize total life cycle costs of assets;
- Manage assets to be sustainable;
- Use available resources effectively;
- Consider municipally adopted environmental, social and sustainability policies;
- Minimize risks to users and risks associate with failure;
- Consult with stakeholders when and where appropriate;



- Pursue best practices where available and cost appropriate.

Where insufficient resources exist to adequately follow these principles staff shall attempt, as much as is reasonably possible, to follow the overall spirit and intent of these principles.

### **Guidelines and Practices**

This policy shall be implemented by staff using accepted asset management best practices and guidelines. The City shall comply with required capital asset reporting requirements, and integrate the asset management program into operational practices throughout the City.

### **Context and Integration**

The context and integration of asset management throughout the City is formalized through linkages between corporate documents. Council and staff will consider this policy and integrate it in the development of corporate documents such as:

- Official Community Plan;
- City of Terrace Strategic Plan;
- Long Term Financial Plan; and
- Master Plans, including but not limited to transportation, utilities, parks, and facilities.

Existing plans, policies, bylaws and procedures are to be updated to include asset management when revised as applicable. All new plans, policies, bylaws and procedures are to include any relevant asset management policy statements, considerations, and best practices as applicable.

## **5.0 KEY ROLES AND RESPONSIBILITIES**

Asset management must be practiced at all levels of an organization, although the responsibility for asset management varies by role. The following is a list of asset management responsibilities for key roles within the City:

### **Council**

- Approve asset management policy and plans;
- Consider asset renewal funding requests through the annual budget process;
- Consider asset management during Council's Strategic Planning Sessions.

Asset Management Leadership Team (AMLT)

- Develop an asset management policy which represents the City's commitment to asset management;
- Develop a strategic asset management plan, and oversee its application across the organization;
- Establish levels of service which meet the community's needs and willingness to pay;
- Develop service area asset management plans;
- Monitor and assess asset management progress;
- Actively participate and provide recommendations on budget process as it relates to asset management;
- Participate in asset management self-assessment annually for reporting purposes and for inclusion in asset management mandated programs, such as Gas Tax Funding; and
- Prepare reports to Council, and work with Communications Manager to prepare public communications.

Finance Department

- Provide financial direction to the Departments
- Work with asset owners to incorporate asset management plans into the Long-Term Financial Plan
- Work with the Departments responsible for the assets to update and maintain the asset registry following the guiding principles established in the City's Procedure No.19 Tangible Capital Assets.

Asset Stewards (Engineering, Public Works, Parks, Fire, Infrastructure Technology)

- Stewardship over their assets;
- Preliminary planning and budgeting of asset acquisition and maintenance;
- Develop and maintain asset management plans for the maintenance, rehabilitation, extension, decommissioning, and replacement of assets;
- Develop and maintain infrastructure strategies including development and service plans, using full life-cycle costing principles;
- Assess infrastructure condition and service levels;
- Coordinate maintenance of assets.

This policy applies to all City of Terrace departments, officers, employees and contractors.

**6.0 IMPLEMENTATION, REVIEW AND REPORTING**

The implementation, review, and reporting regarding this policy shall be integrated within the organization. Due to the importance of this policy and asset management in general, the organization's asset management program, including this policy, shall be reported as the AMLT deems necessary to Council and the community.

DATE: *Oct 25/21*

CLERK: *Alicia Thompson*

