



The Town of

Beaumont

Council Policy #C-16

Asset Management Policy

Approved by Council Resolution #18/03/03

On the 3rd day of March, 2018

1.0 PURPOSE AND SCOPE

The Town of Beaumont shall adopt and apply recognized Asset Management (AM) practices in support of delivering services to its customers.

1.1 PURPOSE

The purpose of the policy is to detail the AM program principles by:

- Striving to deliver quality services;
- Improving customer service;
- Improving decision-making accountability and transparency, while linking investment decisions with service outcomes;
- Better demonstrating the long term considerations of short term decisions;
- Reducing the life cycle costs while maintaining approved levels of service; and,
- Linking infrastructure investment decisions to service outcomes.

1.2 SCOPE

The policy applies to all tangible capital assets owned, operated and maintained by the Town, such as the transportation network, water distribution system, wastewater collection system, storm water management system, urban forestry, parks, parking lots, fleet, facilities and lands.

2.0 DEFINITIONS

Asset management – the process of making decisions about the use and care of infrastructure to deliver services in a way that considers current and future needs, manages risks and opportunities, and makes the best use of resources.

Asset maintenance – regular activities conducted to keep an asset functioning in its intended state. Maintenance activities are not considered capital investments.

Asset renewal – the replacement, refurbishment, or major maintenance of an asset that represents a capital investment and substantially extends the life of an asset.

Capital plan - A multi-year plan (10+ years) that identifies the capital infrastructure projects and their cost to address the current and future service objectives.

Long term financial plan - A plan that documents the process of aligning financial capacity with long-term service objectives.



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Tangible Capital Asset – Non-financial assets having physical substance that:

- are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- have useful economic lives extending beyond an accounting period;
- are to be used on a continuing basis; and
- are not for sale in the ordinary course of operations.

3.0 PRINCIPLES

Beaumont will operate in a fiscally conservative manner - Beaumont will employ a sustainable approach to ensure that asset base increases or enhancements consider the impact on the ability of Beaumont to fund future maintenance and rehabilitation.

Beaumont will choose practices, interventions and operations that aim at reducing the life cycle cost of asset ownership, while satisfying agreed levels of service. Decisions are based on balancing service levels, risks, and costs, recognizing that public safety is the priority.

Customer Focused – Beaumont will have clearly defined Levels of Service and applying asset management practices to maintain the confidence of customers in how Beaumont assets are managed.

Forward Looking – Beaumont shall operate in a manner that takes into account the financial effects on future generations and considers changing community circumstances and external economic risks.

Innovative - Beaumont will continually improve its asset management approach, by driving innovation in the development of tools, practices, and solutions.

Livability - Beaumont will have clearly defined Levels of Service according to the actual needs of residents, and applying asset management practices to maintain the confidence of customers in how Municipal TCA are managed.

Risk-based - Beaumont will manage the asset risk associated with attaining the agreed levels of service by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding cost/benefit recognizing that public safety is the priority.

Service Focused – Beaumont will consider all the assets in a service context and taking into account their interrelationships as opposed to optimizing individual assets in isolation.

Stability – Beaumont will manage our assets in a manner that is stable over the long term and is consistent with the long term community objectives and minimizes

Sustainability - Beaumont will encompass all aspects of the management of each asset through its lifecycle in that it anchored on the four pillars of sustainability – economic, environmental, social and cultural - that support Beaumont's long-term sustainability goals approved by Council.



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Systematic - Beaumont will adopt a formal, consistent, repeatable approach to the management of its assets that will ensure services are provided in the most effective manner.

User Pay - Beaumont will link, where reasonable, how much the life cycle of assets costs to how much the users utilize or consume the assets or service.

Using Holistic views of the community in order to create a better tomorrow - Beaumont will make the appropriate decisions and provisions to better enable its assets to meet future challenges, including changing demographics and populations, customer expectations, legislative requirements, technological and environmental factors.

Beaumont will take a comprehensive approach that looks at the “big picture” in a service context, considers the combined impact of managing all aspects of the asset life cycle and takes into account their interrelationships as opposed to optimizing individual assets in isolation.

Value - Beaumont will implement asset management practices that ensure public resources are put to the best possible use and that the full cost of asset ownership is considered in decision making.

4.0 POLICY STATEMENTS

4.1. SERVICE DELIVERY

Beaumont shall adopt and apply recognized AM practices in support of delivering services.

The objectives shall be achieved by the following guiding principles:

- Beaumont will maintain and manage infrastructure assets at defined levels to support public safety, community well-being and community goals.
- Beaumont will monitor standards and service levels to ensure that they support community and Council goals and objectives.
- Beaumont will develop and maintain asset inventories of its entire infrastructure to accommodate the Asset Management System.
- Beaumont will establish infrastructure replacement strategies through the use of full life cycle cost principles.
- Beaumont will plan financially for the appropriate level of maintenance of assets to deliver service levels and extend the useful life of assets.
- Beaumont will plan for and provide stable long term funding to replace, renew or decommission infrastructure assets.
- Beaumont will consider and incorporate asset management in its other corporate plans.
- Beaumont will report to the community on the status and performance of work related to the implementation of this asset management policy.

4.2. 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 financial plans



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4.3. 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.

4.4. ASSET RENEWAL/REPLACEMENT

Decisions to renew or replace an asset will consider risk (probability and consequences of asset failure).

4.5. 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 in through current revenues, reserve funds or borrowing.

4.6. ASSET DISPOSAL

The utilization and function of all assets will be considered periodically together with the cost of operating and maintaining. Assets will be disposed of where it is determined that community resources can be applied to other users with greater benefit.

5.0 RESPONSIBILITY

Responsibility	Role
Council	<ul style="list-style-type: none">➤ Endorse Asset Management Policy➤ Comply with Asset Management Policy➤ Approve the planning and budgeting of assets
Administration	<ul style="list-style-type: none">➤ Plan and budget asset acquisition and maintenance➤ Document items into the asset register➤ Coordinate maintenance of assets➤ Coordinates the disposal of assets

6.0 REFERENCES

- Town of Beaumont Strategic Plan
- *Municipal Government Act* (Section 276)
- Public Sector Accounting Board (PSAB) Directive 3150

Approval History *(To be filled in by the Legislative Clerk)*

Inquiries/Contact Person

Approval Date: March 3, 2018

GM, Corporate Services

Reviewed:

Reviewed Date: