



County of Haliburton

Policies and Procedures Manual

ASSET MANAGEMENT POLICY

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## Table of Contents

1.00	Policy Statement .....	2
2.00	Purpose.....	2
3.00	Scope.....	2
4.00	Responsibility .....	3
4.01	Department Heads.....	3
4.02	Treasurer .....	3
4.03	Chief Administrative Officer .....	3
4.04	County Council.....	3
5.00	Goals.....	3
5.01	Sustainability.....	3
5.02	Defined Acceptable Levels of Service.....	4
5.03	Long-term Financial Planning .....	4
5.04	Transparency and Accountability .....	4
5.05	Compliance with Legislation .....	4
6.00	Guiding Principles .....	5
6.01	Customer Focused.....	5
6.02	Service Focused .....	5
6.03	Forward Looking .....	5
6.04	Risk-Based .....	5
6.05	Value-Based .....	5
6.06	Holistic .....	6
6.07	Systematic .....	7
6.08	Innovative .....	7
	Schedule A – Asset Management System .....	8
	Schedule B - Related Documents .....	9
	Schedule C - Definitions & Interpretation Rules .....	10

## 1.00 Policy Statement

- 1.01.1 The County of Haliburton applies recognized asset management practices in support of delivering quality, sustainable, cost-effective services to its customers.
- 1.01.2 The Asset Management Policy ensures that as assets age and deteriorate over time, they will continue to meet acceptable levels of service over the long term, and are managed for present and future users.

## 2.00 Purpose

- 2.01.1 The purpose of this Policy is to:
- i) Provide Asset Management Program goals and principles that enable a coordinated, cost effective and organizationally sustainable approach to managing capital assets across all County departments;
  - ii) Optimize the asset lifecycle costs while maintaining acceptable levels of service;
  - iii) Link infrastructure investment decisions to service outcomes;
  - iv) Improve decision making accountability and transparency;
  - v) Consider the long-term impact of decisions; and
  - vi) Improve customer service.

## 3.00 Scope

- 3.01.1 This Policy applies to all tangible capital assets owned and/or managed by the County.
- 3.01.2 The table below provides examples of assets owned by the County:

Service	Asset Type
Equipment	Furniture, Office Equipment
Facilities	Administration Building, EMS Bases, Public Works Yards, Registry Office
Fleet	Ambulances, Heavy Equipment, Vehicles
Information Technology Systems	Hardware, Software
Libraries	Equipment, Books
Transportation	Roads, Bridges, Rail Trail

## **4.00 Responsibility**

### **4.01 Department Heads**

- 4.01.1 Department Heads work with the Treasurer to develop, implement and update the Asset Management Plan.
- 4.01.2 Department Heads are responsible for asset management functions.

### **4.02 Treasurer**

- 4.02.1 The Treasurer develops and updates this policy as necessary and presents changes to Council as required.
- 4.02.2 The Treasurer provides financial direction to the Department Heads.
- 4.02.3 The Treasurer is responsible for the stewardship of the financial assets and records.

### **4.03 Chief Administrative Officer**

- 4.03.1 The Chief Administrative Officer supports the Treasurer in ensuring the requirements obtained in this Policy are consistently applied.

### **4.04 County Council**

- 4.04.1 County Council approves policies, procedures and guidelines as they relate to Asset Management.
- 4.04.2 County Council articulates community values and defines priorities as they apply to tangible capital assets.
- 4.04.3 County Council approves Departmental asset management strategies and plans, as required.
- 4.04.4 County Council approves asset funding through the annual budget process, multi-year financial plans and long-range financial plans.

## **5.00 Goals**

### **5.01 Sustainability**

- 5.01.1 Asset management goals and principles support the provision of the services required for the County's residents and business needs.
- 5.01.2 The County's asset management decision making will consider the needs of both current and future generations and the potential challenges associated with changing community demographics and expectations related to service delivery, as well as potential modifications to legislative requirements.

- 5.01.3 The County's asset management decision making will consider the potential effects of climate change and other environmental changes, and how the increased severity and frequency of climatic events may directly affect levels of service. Where appropriate, the County will adopt a proactive approach to mitigating the potential impacts of climate change.
- 5.01.4 The County will consider sociocultural, environmental and economic factors and implications when making and implementing asset management decisions.

## **5.02 Defined Acceptable Levels of Service**

- 5.02.1 The County will clearly define level of service objectives that balance community expectations and regulatory requirements with risk, affordability and available resources, and will do the following:
- i) Manage assets appropriately in order to efficiently and effectively deliver the defined levels of service;
  - ii) Monitor and periodically review level of service objectives to ensure that they meet or support community and Council expectations.

## **5.03 Long-term Financial Planning**

- 5.03.1 The County will develop a sustainable long-term financial plan to rehabilitate, replace, or dispose of infrastructure assets.

## **5.04 Transparency and Accountability**

- 5.04.1 The County will ensure transparency and accountability to the community on service delivery.
- 5.04.2 This will include regular communications to Council to share information on service performance as well as technical information such as asset condition.
- 5.04.3 The County will monitor and evaluate performance of assets and associated programs to track the effectiveness of asset management goals and principles for continuous improvement.
- 5.04.4 Staff will provide regular updates to Council on the state of the County's assets and forecasted trends (typically aligned with tabling of the Long-term Financial Plans).

## **5.05 Compliance with Legislation**

- 5.05.1 The County will comply with all relevant legislative, regulatory and statutory requirements.

## **6.00 Guiding Principles**

The Asset Management Policy goals are achieved through the application of the following guiding Principles.

### **6.01 Customer Focused**

- 6.01.1 The County will have clearly defined Levels of Service and apply asset management practices to maintain the confidence of customers in how County Assets are managed.

### **6.02 Service Focused**

- 6.02.1 The County will consider all the assets in a service context and take into account their inter-relationships as opposed to optimizing individual assets in isolation.

### **6.03 Forward Looking**

- 6.03.1 The County 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.

### **6.04 Risk-Based**

- 6.04.1 The County 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.
- 6.04.2 The County will adopt a risk-based decision making process that considers the probability and consequences of asset failure to minimize the County's risk exposure.
- 6.04.3 The County will prioritize and direct resources and expenditures in order to deliver levels of service at an acceptable level of risk.

### **6.05 Value-Based**

- 6.05.1 The County will choose practices, interventions and operations that aim at reducing the lifecycle cost of asset ownership, while satisfying agreed levels of service.
- 6.05.2 The County will ensure that decisions regarding the need for new assets are made with appropriate due diligence; and that these needs are evaluated with a focus on service delivery to the community, and supported with a valid business case that articulates costs and benefits.

- 6.05.3 The County will develop and maintain appropriate plans for infrastructure renewal, for the purchase or construction of new infrastructure and for the decommissioning of redundant infrastructure. This includes:
- i) Developing long-term projections of investment needs.
  - ii) Applying rigorous analysis, including consideration of risk, to identify short term investment needs.
  - iii) Implementing processes to ensure that proposed investment plans address needs efficiently and effectively.
  - iv) Implementing processes to address the operational budget implications of capital investments.
  - v) Exploring efficiency opportunities where appropriate, including new technologies.
  - vi) Analyzing investment plans and associated funding requirements and putting in place mechanisms to ensure long-term financial sustainability.
- 6.05.4 The County will evaluate relevant asset investment decisions based on consideration of the whole-life costs associated with managing those assets through their entire lifecycle.
- 6.05.5 The County will plan for the optimum level of maintenance to ensure asset reliability while maximizing the asset lifecycle.
- 6.05.6 The County will develop prioritized capital investment plans that reflect community and stakeholder expectations with regard to level of service and other strategic objectives.
- 6.05.7 The County will evaluate the magnitude, nature and overall balance of investment plans considering the aggregate value derived for the community, affordability, willingness to pay and intergenerational equity.

## 6.06 Holistic

- 6.06.1 The County will take a comprehensive approach that looks at the “big picture” and considers the combined impact of managing all aspects of the asset lifecycle.
- 6.06.2 To facilitate Asset Management decision making, the County will take steps to connect the appropriate departments, functions and support activities in order to build effective working relationships and encourage information-sharing.
- 6.06.3 These departments and functions include planning, engineering, operations, maintenance, finance and other strategic planning functions such as sustainability. Asset Management decision making will drive optimum value for the community by focusing on the “big picture.”

- 6.06.4 The County will therefore ensure that decisions are made collaboratively and consider all life-cycle stages and the interrelationships between asset performance, operational performance and overall service performance.
- 6.06.5 Decision making will also recognize the interconnected nature of asset systems and how decisions about one set of assets may potentially interact with or affect assets controlled by other departments or functions.

### 6.07 **Systematic**

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

### 6.08 **Innovative**

- 6.08.1 The County views continual improvement as a key part of our asset management approach and will focus on driving innovation in the development of tools, practices and solutions.
- 6.08.2 The County will monitor and periodically review the effectiveness of asset management processes and the wider Asset Management System in supporting the delivery of strategic objectives, and will make adjustments as required.
- 6.08.3 The County will assess the asset management competencies required to implement the Asset Management System and provide the necessary support, education and training to staff involved with asset management.
- 6.08.4 The County will review the Asset Management Policy in conjunction with its review of the Asset Management Strategy, every two years.

**Schedule A – Asset Management Program**



The figure above is from the Federation of Canadian Municipalities' "Municipal Asset Management Program – Asset Management Readiness Scale".

## **Schedule B - Related Documents**

An Asset Management Program is multi-faceted and impacts all areas of the organization. The following policies, frameworks and plans are impacted by, or impact, the Policy:

- a) Organizational Strategic Plan (to be developed)
- b) Asset Management Strategy (to be developed);
- c) Asset Management Objectives (to be developed);
- d) Tangible Capital Asset Policy (to be developed);
- e) Reserve and Reserve Fund Policy (to be developed);
- f) Long Term Financial Strategy (to be developed);
- g) 10 Year Financial Plan (to be developed);
- h) Budget and Financial Control Policy (to be developed);
- i) Annual Capital and Operating Budgets

## **Schedule C - Definitions & Interpretation Rules**

### **Defined Terms**

Wherever a word is used in this Policy, the term is being used as it is defined in this Section. Defined terms may be used throughout this Policy in different grammatical contexts.

“Asset” means an item or thing that has a physical nature, is a significant economic resource, and provides the delivery of programs and / or services.

“Asset Management” means a systematic process to guide the planning, acquisition, operation and maintenance, rehabilitation and disposal of Assets. Its objective is to maximize Asset service delivery potential, manage related risks and minimize costs of ownership while delivering acceptable levels of service to the public in a sustainable manner.

“Asset Management Goal” means a specific outcome or achievement required of the Asset Management System in order to achieve the Asset Management Strategy, such as defined Levels of Service to customers.

“Asset Management Plan” means a plan developed for the management of infrastructure Assets that combines multi-disciplinary management strategies (including technical and financial) over the Lifecycle of the Asset in the most cost-effective manner to deliver a specified level of service. It specifies the activities, resources and timescales required for individual Assets (or Asset groups) to achieve the organization’s Asset Management Goals. Examples of Asset Management Plans include Pavement Management Plans, Bridge Management Plans, Fleet Management Plans and Equipment Management Plans. Each plan will vary in complexity depending on the Asset group it pertains to.

“Asset Management System” means the complete set of interrelated or interacting elements used to effect the Asset Management policy and objectives and the processes to achieve those objectives. These elements that make up the Asset Management System can include documents, procedures, tools, data, and the Assets.

“Goal” means desired result or what we want to achieve; an objective.

“Lifecycle” means the time interval that commences with the identification of the need for an Asset and terminates with the disposal of the Asset.

“Lifecycle Costs” means the total cost of ownership over the life of an Asset. This may include but is not limited to capital costs, operating costs, maintenance costs, renewal costs, Replacement Costs, environmental costs, and user delay.

“Principle” means a fundamental concept that serves as the foundation for how we will go about “doing business”; things we want to do, or avoid doing, as we develop and implement the plan.

***Schedule C – Definitions and Interpretation Rules***

“Replacement Cost” means the total cost of replacing the Asset in today’s dollar. It is not the same valuation done for accounting purposes which uses the historic cost of Assets, or the actual cost of acquiring the Asset.

“Tangible Capital Asset” means per the County’s Tangible Capital Asset (TCA) Policy, TCA are non-financial Assets having physical substance that are acquired, constructed or developed, including land, land improvements, roads, buildings, vehicles, equipment, and capital Assets acquired by capital lease or through donation.