

Title: ASSET MANAGEMENT	Policy: CP 012
Section: Corporate	

ACCOUNTABILITY TO VISION STATEMENT

The purpose of this policy is to guide Flagstaff County's implementation of the asset management practices that enable a coordinated, integrated, and cost-effective approach across the organization to achieve Council's Strategic objectives.

This policy will:

- Define over-arching principles that guide Flagstaff County's asset management initiatives to ensure the provision of required services to the community that meet the community's current needs without compromising the future, at a level that is cost effective and sustainable;
- Outline decision making processes that demonstrate Environmental and Fiscal stewardship;
- Achieve the Council's vision as stated in the approved Strategic Plan

POLICY STATEMENT

Asset Management is an integrated and adaptive approach, involving the Council and all departments of Flagstaff County, to deliver sustainable services to the community by effective management of existing infrastructure and planning for the future.

This policy outlines principles that shape the asset management approaches and initiatives across the organization.

IMPLEMENTATION

SCOPE:

Flagstaff County delivers services to the community through a wide range of assets owned and managed by the County.

This Policy applies to:

- A. All existing and new assets or asset systems (including natural assets) owned by Flagstaff County and used to deliver services to the community.

PRINCIPALS:

1. Service Delivery:

- a) Flagstaff County shall define and document the levels of service to meet the community's needs and regulatory requirements, in a manner that considers quality of life and well-being of the community, minimizes long-term costs to the community and balances risks and opportunities.

IMPLEMENTATION CONTINUED

- b) Flagstaff County shall plan for, invest in, and manage infrastructure assets to meet the defined levels of service.
- c) Flagstaff County shall operate and manage all assets effectively and efficiently to deliver the defined levels of service to the community.
- d) Flagstaff County shall prepare a risk management strategy for all assets to ensure the provision of safe and reliable service delivery to the community and effective reduction of long-term costs of risk management activities, including insurance costs.
- e) Flagstaff County shall share the levels of service and service performance measures with the Community to demonstrate accountability and transparency in decision-making and to create opportunity for the Community to provide input.
- f) Flagstaff County shall monitor and periodically review the defined levels of service to ensure they are compliant with the community's needs, Council's strategic objectives and any applicable regulatory requirements.
- g) Flagstaff County shall comply with all relevant legislative, statutory, and regulatory requirements.

2. Sustainability and Environmental Adaptability

- a) The Flagstaff County's infrastructure investment shall consider the current and future generation's needs (considering changing demographics), by incorporating strategic risk assessments in the asset management decision-making.
- b) Flagstaff County shall incorporate a triple bottom line approach in decision-making and infrastructure investment, considering the socio-cultural, environmental, and economic outcomes.
- c) Flagstaff County shall develop business cases that consider risks and long-term costs of delivering defined levels of service when investing in infrastructure assets.
- d) Flagstaff County shall consider the potential effects of climate change and other environmental impacts, and how the increased severity and frequency of climatic events may directly affect levels of service. Where appropriate, a proactive approach to mitigating the potential impacts of climate change will be adopted.

3. Integrated Decision-Making

- a) Flagstaff County shall connect and integrate the appropriate departments, business units, and functions in the asset management decision-making process to build effective working relationships and recognize maximum value in infrastructure investments.
 - i. These departments and functions include planning, engineering, operations and maintenance, finance and other strategic and long-term community planning and budgetary functions.
- b) Flagstaff County shall incorporate an effective data and information management system to support integrated decision-making, promote collaboration and knowledge sharing, and protect and enhance the organizational knowledge.

4. Fiscal Responsibility

- a) Flagstaff County shall develop and maintain a long-term financial plan that identifies investment needs, funding requirements and revenue projections to deliver the defined levels of service and achieve long-term financial sustainability.
- b) Flagstaff County shall consider the financial impacts on current and future generations in their infrastructure investment and promote social and inter-generational equity.

IMPLEMENTATION CONTINUED

- c) Flagstaff County shall implement processes that ensure the proposed investment needs are addressed efficiently and effectively.
- d) Flagstaff County shall implement efficient maintenance strategies that consider sustaining the defined levels of service while seeking to mitigate risk and maximize value of asset ownership.
- e) Flagstaff County shall comply with all the regulatory and statutory financial tracking and reporting requirements.

5. Continuous Improvement

- a) Flagstaff County shall monitor and periodically review the asset management processes (including this policy) to measure their applicability and effectiveness in achieving the Flagstaff County's strategic objectives, where applicable the required revisions shall be made.
- b) Flagstaff County shall seek continuous improvement of the asset management processes by focusing on incorporating innovative tools, techniques and solutions that promote long-term efficiency and effectiveness in service delivery and asset management decision-making.
- c) Flagstaff County shall assess the asset management competencies required to implement the asset management processes and provide the necessary support, education, and training to relevant staff.

RESPONSIBILITIES:

Council

- a) Approves the Asset Management policy.
- b) Supports strategies and plans that are developed to implement the Asset Management Policy.
- c) Approves the defined levels of service.
- d) Approves asset funding through multi-year plans and annual budgets based on asset management planning.
- e) Supports asset management system by approving funding to implement the asset management processes.
- f) Authorizes the CAO to form a corporate Asset Management Steering Committee to implement the asset management system across the organization.

Chief Administrative Officer (CAO)

- a) Ensures and oversees the corporate adoption of Asset Management Policy, processes, and strategies.
- b) Establishes an Asset Management Steering Committee.
- c) Appoints the cross-functional representatives from relevant departments to serve on the steering committee as well as Chair of the steering committee.
- d) Reviews all asset management information prior to presentation to Council.

Asset Management Steering Committee

- a) Provides a forum for discussion and development of Asset Management policy, strategy, plans and processes.
- b) Encourages the collaboration and integration between different business areas to achieve efficiency and effectiveness in service delivery.
- c) Provides a forum for learning, information sharing and co-education opportunities.

IMPLEMENTATION CONTINUED

Chair of the Asset Management Steering Committee

- a) Coordinate and leads the activities of the Asset Management Steering Committee.
- b) Leads the development of corporate asset management tools and practices and monitors their application across the organization.
- c) Reports to the CAO.
- d) Liaise with Department Managers and Corporate Finance.

Department Managers

- a) Lead the adoption of the Asset Management Policy within their departments.
- b) Allocate appropriate resources for implementation of the policy and associated processes.
- c) Liaise with the Asset Management Steering Committee and the Chair of the committee.

Corporate Finance

- a) Provides financial direction and support to the departments and the Chair of the Asset Management Steering Committee
- b) Develops and maintains the required financial plans and records in accordance with the Asset Management Policy and regulatory and statutory requirements.

DEFINITIONS:

Asset: a physical object that is a significant economic resource and provides the delivery of a program or service.

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 Risk: events where an asset fails to perform as it was designed/needed to.

Level of Service: a measure of the quality, quantity, and/or reliability of a service from the perspective of residents, businesses, and customers in the community.

Lifecycle: the time interval that commences with the identification of the need for an asset and terminates with the disposal of the asset.

Long-term cost (Life-cycle cost): the financial and human resources required throughout the life cycle of the asset.

Long-term Financial Plan: a plan that documents the process of aligning financial capacity with long-term service objectives.

Risk: events or occurrences that will have undesired impacts on services.

Strategic Risk: events or occurrences that impact the ability to achieve strategic and service objectives.

IMPLEMENTATION CONTINUED

REFERENCE:

How to develop Asset Management Policy, strategy, and governance framework – Federation of Canadian Municipalities.

Building community resilience through asset management – A Handbook and Toolkit for Alberta Municipalities

Flagstaff County Strategic Plan

Flagstaff County Risk Management Policy CP003

Flagstaff County Public Participation Policy LE006

Council Approved: December 15, 2021	Resolution #:
Reference:	FC20211215.1003

Review Cycle:	Next Review Year:
Every three (3) years	2024