

# Municipal Asset Management Policy

## Policy Purpose

The purpose of this Asset Management Policy is to establish a broad strategic framework that guides the management of municipal infrastructure assets to best meet the current and future needs of the community. Asset Management, as defined in this document, is the application of sound technical, social, economic, and environmental principles that consider the present and future requirements of users and the services provided by these assets.

This policy aims to achieve the lowest total lifecycle cost of ownership while maintaining appropriate levels of service and an acceptable level of risk. By focusing on environmental sustainability and resiliency, Asset Management will also prioritize minimizing environmental impact, reducing waste, and supporting infrastructure adaptability in response to climate impacts and evolving community needs.

Through this policy, staff and Council will be guided in their interactions with the Rural Municipality of Reynolds Asset Management Plan, a document outlining the procedures for inventorying assets, establishing renewal and replacement levels, and integrating these efforts with financial planning and capital forecasting to ensure long-term, sustainable service delivery.

## Council Asset Management Policy Statements

The Rural Municipality of Reynolds shall:

- a) develop and maintain asset inventories of all its infrastructure
- b) will maintain and manage infrastructure assets at defined levels to support public safety, community well-being and community goals.
- c) monitor, evaluate, and adapt standards and service levels to ensure they support community goals, objectives, and are resilient to changes such as population growth, climate impacts, and economic shifts.
- d) establish infrastructure replacement strategies using full life cycle costing principals.
- e) plan financially for the appropriate level of maintenance of assets to deliver service levels and extend the useful life of assets.
- f) plan for and provide stable long-term funding to replace and/or renew and/or decommission infrastructure assets.
- g) consider and incorporate asset management practices within all municipal, and community plans to ensure cohesive planning and alignment across various levels of the organization.
- h) report to citizens regularly on the status and performance of work to the implementation of this asset management policy.

## Background and Purpose of Council

The Council of the Rural Municipality of Reynolds is committed to supporting infrastructure that meets both the immediate and long-term needs of the community, ensuring sustainable and resilient service delivery. The RM of Reynolds mission is to provide quality leadership, core municipal services and facilitate a viable future for current and future residents. This Asset Management Policy aligns with Council's mission by enabling strategic, cost-effective, and sustainable management of municipal assets, enhancing both current service levels and preparedness for future challenges.

The philosophy of asset management is rooted in maintaining robust asset inventories, conducting regular condition assessments, and applying life cycle costing principles. Through the use of sound asset management practices, Council ensures that assets meet defined performance levels, are aligned with service delivery goals, and support the community's economic, social, and environmental objectives.

This policy affirms Council's commitment to asset management by guiding staff in implementing these principles across all municipal operations. Integrating asset management within the organization ensures that decisions are coordinated, cost-effective, and sustainable, while transparently demonstrating to the community that Council exercises responsible stewardship and provides affordable, high-quality services today and for future generations.

Staff will fulfill the policy through the development and use of asset management guidelines and practices. Given that asset management practices evolve over time and are reflective of available knowledge, technologies, and tools, staff are tasked with continuously updating guidelines to align with best practices and regulatory requirements.

## Policy Principles, Guidelines, and Integration

This Asset Management Policy is grounded in key principles designed to guide the management of municipal assets in a way that is strategic, sustainable, and responsive to community needs. The organization shall:

- Make informed decisions by identifying all associated costs (including operation, maintenance, replacement, and decommissioning) for each asset, clearly documenting trade-offs and decision rationales.
- Integrate asset management into corporate, financial, business, technical, and budgetary planning processes to ensure alignment with the municipality's broader goals.
- Establish accountability for asset inventory, condition, use, and performance, ensuring transparency in all asset management activities.
- Consult with stakeholders, including residents and businesses, where appropriate, to align asset management activities with community values and expectations.
- Define and clearly communicate service, maintenance, and replacement levels, as well as expected outcomes, to all stakeholders.
- Use available resources effectively to optimize asset performance and lifespan while minimizing unnecessary costs and maximizing service quality.
- Manage assets with a focus on sustainability, ensuring that infrastructure decisions reflect environmental stewardship and climate resiliency.
- Minimize risks to asset users and address potential risks associated with asset failure, prioritizing the safety and well-being of the community.
- Pursue industry best practices, leveraging standards such as ISO 55000 and guidelines from recognized organizations, including the Federation of Canadian Municipalities and the Institute of Asset Management.
- Report regularly on the performance of the asset management program, including achievements, challenges, and areas for improvement, to maintain public trust and demonstrate accountability.

## Guidelines and Practices

This policy will be implemented by staff following accepted industry guidelines and best practices. Staff are encouraged to use an asset management strategy and develop asset-specific management plans where necessary.

The municipality will comply with capital asset reporting requirements and integrate the asset management program into operational plans across departments. Strategic asset management plans may be tailored to specific asset classes or apply generically across all assets and should outline long-term goals, processes, and steps for achieving them. These plans will be based on up-to-date inventories and condition assessments, project future performance and remaining service life, and consider the consequences of asset loss or failure.

Replacement plans and associated financial strategies will explore alternative scenarios, assess risks, and incorporate public consultation where appropriate to reflect community needs.

## Policy Integration Across Municipal Documents

Asset management will be integrated across all relevant municipal planning documents to ensure cohesive and aligned decision-making. Council and staff will consider this policy when developing and updating key documents, including:

- Official Community Plans
- Business Plans
- Corporate Strategic Plans
- Financial Plans, including those for vehicles and fleet
- Operational Plans and Budgets
- Neighborhood Plans
- Annual Reports
- Infrastructure and replacement plans, such as transportation plans
- Community social plans
- Facility and asset improvement plans

## Assessing Our Infrastructure

The Rural Municipality of Reynolds categorizes its infrastructure assets across several key departments to facilitate effective management and decision-making. These categories include:

- Transportation
- Water Distribution
- Storm and Wastewater Collection
- Water Control
- Drainage
- Fleet & Equipment
- Land & Land Improvements
- Facilities

Each asset, including those within sub-classes, will be assessed regularly to determine its current condition, remaining lifespan, and criticality to service delivery. The following condition scale will be used to standardize assessments and support lifecycle planning:

1. **Very Good** - Asset is fit for the future, requiring only planned maintenance.
2. **Good** - Minor maintenance is required along with planned maintenance to maintain condition.
3. **Fair** - Significant maintenance is needed, with the asset beginning to show signs of deterioration.
4. **Poor** - The asset requires substantial renewal or rehabilitation and is approaching the end of its useful life.
5. **Very Poor** - The asset is physically unsound and/or beyond rehabilitation, indicating a need for replacement or decommissioning.

For enhanced clarity and consistency, assessment criteria for each condition level will consider specific indicators, such as structural integrity, functionality, and performance under operational stress.

Asset assessments will be reviewed and updated regularly to reflect any changes in asset condition, usage, or community needs, supporting proactive decision-making in alignment with Council's commitment to sustainable asset management and resilient service delivery.

## Roles and Responsibilities for Managing the Asset Management Policy

The effective implementation of this Asset Management Policy requires clearly defined roles and responsibilities across all levels of the organization. While policy approval and updates are the responsibility of Council, the successful management and stewardship of municipal assets depend on the coordinated efforts of Council, the Chief Administrative Officer (CAO), municipal staff, and the community.

### Roles and Responsibilities

#### Council

- Approves and periodically reviews the Asset Management Policy to ensure alignment with municipal goals and regulatory requirements.
- Establishes and endorses levels of service in collaboration with staff and informed by community input.
- Exercises oversight and stewardship of assets, approving budgets and ensuring adequate resources for asset management activities.
- Engages with the community on significant asset decisions, ensuring that public input is considered in infrastructure planning.

#### Chief Administrative Officer (CAO)

- Leads the coordination of asset management activities across departments, ensuring that the policy is integrated into day-to-day operations and long-term planning.
- Implements Council's policy decisions and ensures alignment between asset management practices and the municipality's strategic objectives.
- Oversees the development and regular updating of guidelines and practices for asset management, based on evolving best practices and technology.

#### Municipal Staff

- Develop and maintain asset inventories, keeping accurate records of asset conditions, usage, and performance.
- Conduct regular asset assessments, including condition ratings and criticality evaluations, to support data-driven decision-making.
- Implement asset management guidelines and practices, adjusting them as necessary to meet operational needs and changes in asset conditions.
- Support community engagement efforts to inform residents of the status and performance of municipal assets and gather feedback for service improvements.

## Community and Stakeholders

- Participate in public consultation opportunities to provide input on service expectations, infrastructure needs, and major asset decisions.
- Engage in feedback processes, helping the municipality to gauge community satisfaction with service levels and asset management efforts.

## Implementation, Review, and Reporting of Asset Management Work

### **Policy Adoption** - Council and CAO

Adopt and promote the Asset Management Policy, embedding it into organizational culture and ensuring commitment from all levels of the organization.

### **Review and Update of Standards and Service Levels** - Council and CAO

Periodically review and update infrastructure standards, service levels, and policy guidelines to ensure continued alignment with community needs and organizational goals.

### **Infrastructure Strategy Development and Maintenance** - Planning, Public Works, and ACAO

Develop and maintain infrastructure strategies, including service delivery and replacement plans, that support the municipality's long-term asset management objectives.

### **Asset Inventory and Condition Monitoring** - Public Works and CAO

Conduct regular condition assessments and maintain accurate inventories to support proactive maintenance, renewal, and budgeting decisions.

### **Financial Planning for Asset Maintenance and Replacement** - Public Works and ACAO

Develop financial plans that allocate resources for maintenance, renewal, and decommissioning, ensuring alignment with the municipality's budgeting practices and fiscal capabilities.

### **Public Reporting on Asset Management Program** - Council and CAO

Regularly communicate the status and performance of the community's infrastructure assets to residents, using annual reports, business plans, and other public channels to foster transparency and accountability.

This structured approach to roles and responsibilities ensures that the asset management program is effectively implemented, reviewed, and continuously improved to meet the municipality's present and future needs.