



COUNTY OF ST. PAUL NO. 19

BALANCING RURAL HERITAGE WITH A DIVERSE ECONOMY

POLICY OBJECTIVE:

The purpose of this policy is to ensure that the County of St. Paul implements asset management practices that enables a coordinated, cost effective and organizationally sustainable approach across all County of St. Paul to:

- Achieve the Council's vision of "a vibrant community which values a high quality of life, balancing rural heritage with a diverse economy"
- Ensure long-term sustainability and to demonstrate fiscal stewardship.

SCOPE:

This policy applies to the lifecycle management activities of physical assets that are owned by the County of St. Paul, which may have a material impact on the capital and/or operating budget. This policy is the bridge between the Organizational Strategic Plan and the Asset Management Strategy.

DEFINITIONS:

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

Asset Management means 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.

Life-cycle means the time interval that commences with the identification of the need for an asset and terminates with the disposal of the asset.

Tangible Capital Asset as per the County's Tangible Capital Asset (TCA) Policy ADM-57 means non-financial assets having physical substance that are acquired, constructed or developed, including land, land improvements, roads, buildings, vehicles, equipment, water mains, sewer mains, and capital

assets acquired by capital lease or through donation, which meet or exceed thresholds set out within that policy.

Asset Maintenance means the regular activities conducted to keep an asset functioning in its intended state. Maintenance activities are not capital investments.

Asset Renewal means the refurbishment or major maintenance of an asset that represents a capital investment and substantially extends the life of an asset.

Asset Replacement means the replacement of an asset that represents a capital investment.

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

PRINCIPLES:

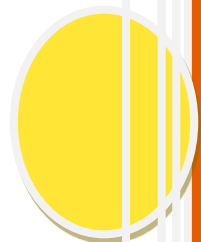
Forward Looking the County of St. Paul shall operate in manner that takes into account the financial effects on future generations and considers changing community circumstances and external economic risks to ensure a vibrant community for generations to come.

Operations Efficiency the County of St. Paul will manage the assets in a manner that ensures that public resources are put to the best possible use and that full cost of asset ownership is considered in decision making.

Service the County of St. Paul shall operate and manage the assets to ensure service delivery to the community in a manner that considers quality of life, long term costs and risks.

POLICY STATEMENTS:

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.



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.

Asset Renewal/Replacements: Decisions to renew or replace an asset will consider risk (probability and consequences of asset failure), life cycle cost and the impacts to the level of service.

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 it through current revenues, reserve funds or borrowing.

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 uses with greater benefit.

RESPONSIBILITIES:

Council

- Approves Asset Management strategies and plans, as required, alongside strategic planning
- Approves asset funding through the annual budget

Corporate Asset Management Steering Committee

- Is appointed by Senior Management and consists of a minimum of one representative from each department with asset ownership as well as one representative of the Planning Department.



- Provides a forum for discussion of asset management strategy, integration and best practices
- Leads the development of corporate asset management tools and practices and oversees their application across the organization

Departmental Asset Management Owners

- Responsibility for Asset Management functions
- Create and implement Asset Management Strategies
- Create and implement Asset Management Plans
- Liaises with Corporate Finance on financial matters

Corporate Finance

- Provides financial direction to the departments
- Responsible for the stewardship of the financial assets and records

REFERENCES:

County TCA

County Strategic Plan

County Vision/Guiding Principle

Building Community Resilience through Asset Management