

<b>Title: CORPORATE ASSET MANAGEMENT POLICY</b>		<b>Number: 0181</b>
<b>Reference:</b> Administrative Committee - March 27, 2024  Corporate Services Committee - April 11, 2024	<b>Adopted by City Council:</b> April 22, 2024	
	City Clerk	Chief Administrative Officer
<b>Supersedes:</b> Policy Number 0154: Development & Infrastructure Water, Sewer, Storm and Transportation Aging Infrastructure Policy		
<b>Prepared by: FLEET, FACILITIES AND ASSET MANAGEMENT</b>		

## STATEMENT

THE CITY OF MEDICINE HAT WILL UTILIZE A LONG-TERM STRATEGIC APPROACH TO ACQUIRE, MANAGE AND RENEW ITS CORPORATE ASSETS.

THE ASSET MANAGEMENT POLICY IS A CRITICAL ELEMENT OF THE CITY'S OVERALL ASSET MANAGEMENT PROGRAM WHICH WILL INFORM COUNCIL'S STRATEGIC PLAN AND CONTRIBUTE TO BUSINESS PLANNING, ENTERPRISE RISK PLANNING, AND BOTH OPERATING AND BUDGET DECISIONS.

## PRINCIPLES

The following principles ensure that Asset Management decisions reflect long-term approach in supporting City of Medicine Hat becoming more sustainable and resilient:

1. Customer Service Focused – manage City assets appropriately in order to efficiently and effectively deliver the defined level of service.
2. Long-term Sustainability and Resilience – City assets to consider the needs of both current and future generations.
3. Holistic Approach – collaboration across departments and disciplines to realize optimal value of City assets for the community.
4. Fiscal Responsibility – maintain prioritized capital investment plans of City assets considering aggregate value for the community, affordability, risk, and intergenerational equity.
5. Innovation and Continual Improvement – review effectiveness of asset management framework and related processes and make adjustments as required.

<b>Policy No. 0181 – Corporate Asset Management Policy</b>		<b>POLICY</b>
<b>Adopted by:</b>	City Council – April 22, 2024	

## ROLE OF COUNCIL

1. To receive, review and adopt this policy and any recommended amendments thereto.
2. Articulate community values, provide high-level oversight and prioritize effective stewardship of services and assets in decision-making processes.
3. To endorse and approve human and financial resources to support the implementation of the Asset Management Principles.

<b>Policy No. 0181 – Corporate Asset Management Policy</b>		<b>PROCEDURE</b>
<b>Approved by:</b>	Administrative Committee – March 27, 2024	Page 3 of 5

## SCOPE

This Policy applies to the acquisition and management of City of Medicine Hat Assets. It complements but does not replace corporate strategic plans, corporate goals and objectives, business plans, risk management plans, or regulatory requirements as updated and amended.

### 1. DEFINITIONS

- 1.01 Asset – An asset is an item, thing or entity that has potential or actual value to an organization. The value can be tangible or intangible, financial or non-financial and exist to support service delivery to the community. City of Medicine Hat examples include water, sanitary sewer, storm, transportation, electrical generation, utility distribution, parks and recreation, information technology and vertical infrastructure (facilities).
- 1.02 Asset Management – An integrated approach, involving all organization departments, to effectively manage existing and new assets to deliver services to the customer. The intent of asset management is to maximize benefits, manage risk and provide satisfactory levels of service to the community in a sustainable manner.
- 1.03 Asset Management Roadmap – Step-by-step plan guiding the actions, responsibilities, resources, and timeframes to implement the asset management strategy and deliver asset management objectives.
- 1.04 Asset Management Program – An asset management system approach will ensure the application of asset management practices on a corporate level to maximize consistency of approach among diverse business units. Elements that make up the Asset Management Program can include documents, procedures, tools, data, and assets.
- 1.05 Operating and capital budget – This is a system for funding investment and asset acquisition, operations, maintenance, replenishment, and disposal. It is a projection of the City's revenue and major, long-term, and operational expenses.
- 1.06 Governance structure – This includes process flows, procedures, and reporting mechanisms that implement governance at the level of job responsibilities. It helps ensure that decision-making processes remain structured, transparent, and focused on the overall objectives of the organization.
- 1.07 Levels of Service – The parameters or combination of parameters that reflect socio-cultural, financial/economic, and environmental outcomes that the organization delivers. They describe the outputs or objectives that the City intends to deliver, including measures at the corporate, stakeholder, and asset operator levels of the organization. They are the composite indicators such as quality, quantity, reliability, responsiveness, safety, and cost, for a particular activity or service area against which service performance may be measured.

<b>Policy No. 0181 – Corporate Asset Management Policy</b>		<b>PROCEDURE</b>
<b>Approved by:</b>	Administrative Committee – March 27, 2024	Page 4 of 5

1.08 Management information systems – This is an application of information systems for asset data and record storage, including but not limited to approximate value, age, remaining useful life, and condition. It provides insights about asset performance through reports and dashboards and can be used for other support functions like scheduling, costing etc.

## 2. RESPONSIBILITIES

### 2.01 City Council

- (a) To receive, validate and adopt this policy by a resolution passed by City Council.
- (b) Articulate community values, provide high-level oversight and prioritize effective stewardship of services and assets in decision-making processes.
- (c) To endorse and approve human and financial resources to support the implementation of the Asset Management Principles.

### 2.02 Leadership Team and Management

- (a) Endorse the asset management policy and champion asset management practices across the organization.
- (b) Communicate the vision and goals of the asset management framework at a corporate level and provide the guidance necessary to ensure alignment and integration across the organization.
- (c) Create and maintain an Asset Management Governance Structure to lead the development of asset management practices and to oversee their application across the organization.
- (d) Provide input and direction to corporate asset management strategies and work plans to ensure consistency with other corporate initiatives.
- (e) Review asset management implementation and continuous improvement progress within the division's portfolio and report system progress to the Administrative Committee and/or council.
- (f) Provide regular updates and reports to Council on achievements, opportunity areas and strategic adjustments.
- (g) Steward a culture of continuous improvement in asset management with staff and Council.
- (h) Revisit the procedures and make amendments as required through Administrative Committee

### 2.03 Departmental Staff

- (a) Utilize existing and new processes, procedures and tools as part of the asset management program.
- (b) Carry out asset management activities as guided by the asset management program and roadmap.
- (c) Track and report asset management program progress and results.
- (d) Participate in the regular review of all documentation, data, and asset measurement tools to ensure continued relevance and applicability of existing policies and practices as it pertains to their area of expertise.
- (e) Work with asset management information systems staff to ensure systems development and functionality meets asset management needs.

<b>Policy No. 0181 – Corporate Asset Management Policy</b>		<b>PROCEDURE</b>
<b>Approved by:</b>	Administrative Committee – March 27, 2024	Page 5 of 5

### 3. ADMINISTRATIVE GUIDELINES

#### 3.01 Service-focused

- (a) Long-term service outcomes are documented and the lifecycle of assets and the service they provide is considered in decision-making
- (b) Levels of service and trade-offs between costs and services, are based on long-term sustainability, and are informed by staff, Council, the public and other stakeholders
- (c) Risks to the long-term sustainability of services are documented, and communicated
- (d) Prioritization between new and existing infrastructure is guided by long-term service needs
- (e) Service levels consider natural assets and climate change in consideration of the City of Medicine Hat Environmental Framework
- (f) Service levels are compliant with regulatory requirements and reflect current industry best practices

#### 3.02 Integrated decision-making based on data

- (a) Decisions are approached holistically, incorporate departmental knowledge, and consider trade-offs between service, risk, and cost/funding across departments
- (b) City demonstrates fiscal responsibility, transparency, and stewardship in decision-making
- (c) Decisions consider existing plans for new and existing infrastructure
- (d) Outcomes of trade-off decision-making processes are communicated
- (e) Departments collaborate during priority-based planning and budgeting processes

#### 3.03 Communication and support

- (a) Asset management principles are applied at all levels of the City
- (b) Roles and terminology are clear and are understood across the organization
- (c) Resources are in place to support success in roles
- (d) The City stewards a culture of trust and collaboration

#### 3.04 Culture of data management

- (a) Data management approach supports people, then process, then technology required
- (b) Staff knowledge and experience is valued, retained, and captured within process and procedures to improve service delivery
- (c) Information is reliable and accessible to those who need it
- (d) The City continues to evolve and maintain a complete and accurate asset inventory.

#### 3.05 Continuous Improvement

- (a) Asset management training and/or development opportunities will be provided for staff and Council
- (b) Progress is tracked on the asset management roadmap and reported regularly
- (c) The City's asset management program is revisited periodically and adjusted as necessary
- (d) The City's asset management policy shall be revisited and adjusted as necessary