



CHESTERMERE

Policy Name: Asset Management Policy

Policy Number: 650

Effective Date: November 19, 2024	Approved By: Mayor & Council
Policies Amended / Rescinded: 2015	Policy Type: General Policy

I. Purpose

The City of Chestermere shall adopt and apply recognized Asset Management (AM) practices in support of delivering services to its stakeholders.

II. Objectives

By approving this Asset Management Policy, City Council commits to the following objectives:

1. Striving to ensure financial sustainability of the lifecycle of City-owned Tangible Capital Assets (TCA);
2. Improving decision-making accountability and transparency by taking the long-term impact into consideration when making short term decisions on assets;
3. Linking infrastructure investment decisions to service outcomes;
4. Determining to service delivery at approved levels of service;
5. Reducing the life cycle costs while maintaining acceptable levels of service; and
6. Staff resources to manage and carry out all aspects of Asset Management practices.



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III. Definitions

1. ***“Tangible Capital Asset (TCA)”*** is a significant economic resource managed by government and a key component in the delivery of many government programs. Tangible Capital Assets include such diverse items such as roads, buildings, vehicles, equipment, land, water and other utility systems, aircraft, computer hardware and software, dams, canals, and bridges¹.
2. ***“Asset Management (AM)”*** is an integrated business approach involving planning, finance, engineering, maintenance, and operations geared towards effectively managing existing and new Tangible Capital Assets to maximize benefits, reduce risk, and provide safe and reliable levels of service to the community. This is accomplished in a socially, environmentally, and economically conscious manner.

IV. Asset Scope

This Asset Management Policy applies to the following Tangible Capital Assets of the City:

1. Municipal Infrastructure:
 - a. Transportation infrastructure, e.g. roads, bridges, pathways, etc.
 - b. Land improvement infrastructure, e.g. irrigation systems, trees, lawns, community entrance signs, etc.
 - c. Recreation infrastructure, e.g. parks, bike paths, bike parks, tot lots, playgrounds, tennis courts, etc.
2. Corporation Assets:
 - a. Municipal buildings, public works buildings & structures, Protective Services building
 - b. Municipal vehicles
 - c. Municipal machines for asset maintenance
 - d. IT infrastructure, e.g. servers, audiovisual systems, hardware, software, printers, phones, etc.

¹ Financial Reporting & Assurance Standards Canada



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V. Key Areas of Focus

The Chestermere Asset Management objectives are achieved through the application of the following key areas of focus, which are also the principles stated in the 2024 – 2029 Chestermere Strategic Plan:

1. Focused and Effective Leadership

The City of Chestermere works to ensure strong governance principles are adhered to within the organization, and through this, efficient and effective services will be provided to our residents.

2. Mindful and Responsible Community Stewardship

People who work for the City of Chestermere are proud of the community we serve. We work to see to it that our environment is respected, well-maintained, and that it continues to be a great place for everyone to enjoy.

3. Strong and Varied Economy

A strong and varied economy provides a pathway for our city to grow and thrive. With a mix of business and commercial activity, Chestermere can become a community where people can both live and work, and the city can provide a variety of top-tier services and amenities for residents and visitors.

4. Inclusive and Diverse Social Connections

The City of Chestermere is dedicated to serving residents. We strive to establish city programs and services meet the needs of a variety of people who call our community home.

VI. Asset Management Framework

The Asset Management Framework establishes the mechanism for a clear line of sight between the AM Program and corporate objectives and strategies. It commits to providing approved levels of service for present and future residents and communities in the most effective and efficient way.



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The Chestermere AM Program relies on four key components integrated to achieve desired service outcomes:

1. Strategic policy/documentation framework

The AM Program will be integrated with the corporate strategic framework to complement the City's Vision, Mission and principals. As well as other key business systems, legislations, and regulations.

The following key strategic AM documents, in addition to Long-Range Financial Plans, form part of the City's overall approach to AM.

- a. **Strategic plan:** overarching Council documents to establishing the general direction for AM.
- b. **AM policy:** Council's commitment to AM and policy statements to guide staff in carrying out the corporate strategies, plans, and practices. This document establishes Council's expectations for the management of City TCA's. It is to be approved by Council.
- c. **AM strategy:** Long term strategies for AM, e.g. staff team, database management, lifecycle process & practices, organizational issues, etc. This document defines Senior Management's commitment and approach to achieving the Council approved AM policy.
- d. **Stakeholder levels of service:** This document defines the level to which assets are to be maintained to achieve defined levels of service. These are to be approved by Council.
- e. **AM Plans:** An AM Plan is a tactical plan for managing the City's infrastructure and other assets to deliver an approved level of service. It is recommended that each major service (e.g. Roads, Parks, IT infrastructure, etc.) should have an AM Plan. These plans should document how assets are being managed through their lifecycle in support of the delivery of services. These are to be approved at the departmental management level for all service areas.
- f. **State of the Asset Report:** This document provides information on the state of the City's TCA which can then be referenced when making asset investment decisions



CHESTERMERE

as part of the annual budget and long-range financial planning processes. This is to be submitted to Council for information.

2. Committed funding sources and well-planned capital budgeting

a. Committed funding sources

All the following funding sources can be utilized at different stages of the lifecycle of Tangible Capital Assets:

- i. **Off-site levies** are collected from new development according to the *Municipal Government Act, RSA 2000, C. M-26* and amendments, to pay for the capital cost of new or expanded infrastructure to accommodate the needs of new growth.
- ii. **Grants & Contribution** includes Municipal Sustainable Initiative funds and other federal and provincial grants that are applicable for new construction, replacement, and repair of Tangible Capital Assets.
- iii. **Operating Budget** is a major funding source based on tax revenue for the operation and maintenance of assets.
- iv. **General Capital Reserves** can be used for new construction, replacement, and repair of Tangible Capital Assets.

- b. Capital investment planning & budgeting framework
 - i. **Sustainable Capital Investment Plan (25-year plan)** integrates all the infrastructure master plans and sub-level plans, Off-site Levy Model & Bylaw, Asset Management Plans, Master Recreation Plan, long term financial forecasting and any other TCA related plans and documents to develop long-term capital investment strategies.
 - ii. **10 Year Capital Plan** sets mid-term priorities to satisfy the Sustainable Capital Investment Plan and gives a more detailed cost estimate.
 - iii. **5 Year Capital Budget** sets shorter-term priorities to meet midterm objectives and provides details about cost estimates, funding sources, and cash flow.
 - iv. **3 year Operation Budget** provides details about operation needs to maintain the asset and confirms expenditures, funding sources, and cash flow.



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3. Well defined organizational structure

From an organizational perspective, AM needs to be structured as a key element that fosters collaboration with multiple functions across departments, including Finance, Community Growth and Infrastructure, Roads, Shops, Parks, Recreation, Building Maintenance, IT, etc. In this sense, AM has become a conduit of communication and coordination between traditional organizational silos.

4. Integrated operation procedure/standards and well-maintained asset database

- a. In order to deliver the desirable levels of service, a set of documents needs to be developed or updated, providing guidelines for the day-to-day operation, including, but not limited to:
 - i. Municipal Improvement Policy
 - ii. Engineering Guideline
 - iii. Development Agreement
 - iv. Landscaping Standards and Specifications
 - v. Roads Maintenance Standards
 - vi. Parks Maintenance Standards
 - vii. Infrastructure Enhancement/Rehabilitation Guidelines Capital Replacement Forecast Report
 - b. In order to sustainably manage the asset lifecycle, including maintenance, enhancement and replacement, an effective data management software is necessary to record and manage assets, and provide the information for capital investment planning.

VII. Policy Direction

To meet the goals and objectives of this policy, Senior Management will:

1. Create and maintain an AM Governance Structure to lead the development of AM tools and practices and to oversee their application across the organization.
2. Adopt a Comprehensive AM Strategy to:
 - a. Establish, document, and continually adhere to industry recognized AM protocols;



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