



POLICY

No. 4-2026

Department: Administration

Approving Resolution:08.11.2026

ASSET MANAGEMENT POLICY

1.0 SCOPE:

The Asset Management Policy applies to Council, Administration, and all departments of the Town of Virden.

2.0 PURPOSE:

- Provide clear direction for the development and implementation of the Municipality's asset management program;
- Guide the consistent use of asset management across the organization;
- Facilitate logical and evidence-based decision-making for the management of municipal infrastructure assets;
- Support the delivery of sustainable community services now and in the future;
- Ensure that due regard and process are applied to the long-term management and stewardship of all municipal infrastructure assets.
- Identify a framework for property and infrastructure maintenance inspections and the triggering of full condition assessments for specific assets or asset groups;
- Facilitate logical and evidence-based decision-making for annual and multi-year maintenance programming;
- Provide clear protocols for the long-term management and stewardship of all municipal infrastructure and building assets by Administration, Council and community partners.

By using sound asset management practices, the Municipality will work to ensure that all municipal infrastructure assets meet expected performance levels and continue to provide desired service levels in the most efficient and effective manner. Linking service outcomes to infrastructure investment decisions will assist the Municipality in focusing on service, rather than budget, driven asset management approaches. It will also establish clear expectations for the preventative maintenance of municipal assets in conjunction with Standard Operating Procedures, lease agreements and budgetary processes where applicable.

This policy demonstrates an organization-wide commitment to the good stewardship of municipal infrastructure assets, and to improved accountability and transparency to the community through the adoption of best practices regarding asset management planning.

2.1 RELATED POLICIES, BYLAWS OR OTHER:

- Annual Financial Plan – capital schedule
- Medium and long range capital plans
- Capital planning documents for any asset group of the Town
- Tangible Capital Asset (TCA) schedule in annual financial statements: PSAB 3150
- Asset Retirement Obligations (ARO): PSAB 3280

3.0 DEFINITIONS:

Asset management (AM) – the coordinated activity of an organization (policies, practices, and procedures) to realize value from assets. It considers all asset types, and includes all activities involved in the asset's life cycle from planning and acquisition/creation; to operational and maintenance activities, rehabilitation, and renewal; to replacement or disposal and any remaining liabilities. Asset management is holistic and normally involves balancing costs, risks, opportunities and performance benefits to achieve the total lowest lifecycle cost for each asset (ISO 55000).

Asset management plan (AMP) – Documented information that specifies the activities, resources, and timescales required for an individual asset, or a grouping of assets, to achieve the organization's asset management objectives (ISO 55000).

Building Condition Assessment (BCA): A comprehensive or specific analysis of building condition and Safety Code compliance by a qualified professional engineering firm.

Building Inspection (BI): A regularly scheduled inspection of a building's general maintenance with a checklist by a member of staff.

Capitalization threshold – the value of a municipal infrastructure asset at or above which a municipality will capitalize the value of it and below which it will expense the value of it.

Community Partners: Local associations or societies that lease or rent municipally owned assets and have a long-term relationship with same in terms of occupation and use.

Green infrastructure asset – an infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, stormwater management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs.

International Infrastructure Management Manual (IIMM): International Asset Management Standards.

Level of service (LOS) – parameters, or combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers. Parameters can include, but are not necessarily limited to, safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability (ISO 55000).

Lifecycle activities – activities undertaken with respect to a municipal infrastructure asset over its service life, including constructing, maintaining, renewing, operating and decommissioning, and all engineering and design work associated with those activities.

Municipal infrastructure asset – an infrastructure asset, including a green infrastructure asset, directly owned by a municipality or included on the consolidated financial statements of a municipality, but does not include an infrastructure asset that is managed by a joint municipal water board, and/or other joint municipal ventures where ownership is otherwise assigned.

Preventative Maintenance (PM) - maintenance that is regularly performed on a municipal asset to lessen the likelihood or delay a condition rank of 5. It is performed while the asset is still serviceable.

Standard Operating Procedures (SOPs): A written method of controlling a practice in accordance with predetermined specifications to obtain a desired outcome, typically created at the management or supervisor level.

4.0 BACKGROUND



Figure: The Asset Management Wheel (UBCM/ Asset Management BC)

The Municipality is responsible for providing a range of essential services to the community, including stormwater management, water, wastewater, solid waste, fire suppression, and parks and recreation. To deliver these services, it owns and manages a diverse municipal infrastructure asset portfolio of roads, bridges, culverts, and pipes. As the social, economic, and environmental wellbeing of the community depends on the reliable performance of these municipal infrastructure assets it is critical to implement a systemic, sustainable approach to their management.

An asset management approach allows organizations to make informed decisions regarding the planning, building, operating, maintaining, renewing, replacing and disposing of municipal infrastructure assets through a wide range of lifecycle activities.

Furthermore, it is an organization-wide process that involves the coordination of activities across multiple service areas such as Public Works, Utilities, Finance, and Planning & Development.

4.1 ALIGNMENT WITH THE MUNICIPALITY'S STRATEGIC DIRECTION:

As future items and strategic documents are developed, they will be aligned with the Asset Management Policies. The following should align with the Asset Management Policy as they are created, amended or replaced:

- Strategic Plan
- Growth/ economic development strategies
- Long range capital plans
- Land Use and Housing plans or strategies

4.2 KEY PRINCIPLES:

The organization-wide asset management program will be guided by the following principles:

1. Systematic
 - Adopting a consistent, repeatable approach to the management of assets, will enable services to be provided in the most cost-effective manner.
2. Innovative
 - Continuous improvement will be a key part of our AM approach and will drive innovation in the development of tools, techniques and solutions.

3. Forward-looking
 - Making the appropriate decisions to better enable our assets to meet the challenges of future customer expectations and legislative requirements.
4. Risk-based
 - Managing the risk associated with infrastructure performance through cost/benefit analysis.
5. Community-focused
 - Provide assurance to our community through clearly defined levels of service.

5.0 POLICY AND GUIDELINES:

To guide the Municipality, the following policy statements have been developed:

1. The Municipality will implement an organization-wide asset management program through all departments. The program will promote lifecycle and risk management of all municipal infrastructure assets, with the goal of achieving the lowest total cost of ownership while meeting desired levels of service.
2. The Municipality will make every effort to implement continuous improvement protocols and adopt best practices regarding asset management planning, including:
 - a. Complete and Accurate Asset Data
 - b. Condition Assessment Protocols
 - c. Risk and Criticality Models
 - d. Lifecycle Management
 - e. Financial Strategy Development
 - f. Level of Service Framework
3. The Municipality will develop and maintain an asset inventory of all municipal infrastructure assets which includes unique ID, description, location information, value (both historical and replacement), performance characteristics and/or condition, estimated remaining life and estimated repair, rehabilitation or replacement date; and estimated cost for repair, rehabilitation or replacement.
4. The Municipality will develop an **asset management approach** that incorporates all infrastructure categories and municipal infrastructure assets that meet the **capitalization threshold** outlined by the Public Sector Accounting Board (PSAB) for Tangible Capital Assets. It will be regularly updated to promote, document and communicate continuous improvement.
5. The Municipality will integrate asset management plans and practices with its long-term financial planning and budgeting strategies. This may include the development of financial plans that determine the level of funding required to achieve short-term operating and maintenance needs, in addition to long-term funding needs to replace and/or renew municipal infrastructure assets based on full lifecycle costing.
6. The Municipality may explore innovative funding and service delivery opportunities, including but not limited to grant programs, public-private partnerships (P3), alternative financing and procurement (AFP) approaches, and shared provision of services, as appropriate.
7. The Municipality will develop, as capacities allow, meaningful performance metrics and reporting tools to transparently communicate and display the current state of asset management practice to Council and the community.
8. The Municipality may coordinate planning for interrelated municipal infrastructure assets with separate ownership structures by pursuing collaborative opportunities with neighbouring

municipalities and jointly-owned municipal bodies wherever viable, beneficial and politically supported.

9. The Municipality may develop processes and provide opportunities for municipal residents and other interested parties to offer input into asset management planning.

5.1 ROLES AND RESPONSIBILITIES (AM):

The development and continuous support of the Municipality's asset management program requires a wide range of duties and responsibilities.

<u>Role</u>	<u>Responsibilities</u>
Municipal Council	• Approve the AM policy and direction of the AM program • Determine organizational capacity to support the core practices of the AM program • Prioritize effective stewardship of assets in adoption and ongoing review of policy and budgets • Establish and monitor levels of service • Factor Condition Grading, when provided, into decision-making
Chief Administrative Officer (CAO)	• Provide corporate oversight to goals and directions and ensure the AM program aligns with the Municipality's strategic plan within the organizational capacities available
Senior Management Team	• Development of policy and policy updates • Ensure that adequate resources are available to implement and maintain core AM practices • Provide departmental staff coordination • Develop and monitor levels of service and make recommendations to Council • Track, analyze and report on AM program progress and results
ACAO and CFO (Joint Leads)	• Manage policy and policy updates • Provide organization-wide leadership in AM practices and concepts • Provide Senior Management Team coordination specific to AM plan • Monitor levels of service • Coordinate and track AM program implementation and progress
Departmental Staff	• Utilize the processes and technology tools developed as part of the AM program (e.g. GIS and databases) • Participate in implementation task teams to carry-out AM activities • Implement and maintenance of levels of service

	• Provide support and direction for AM practices within their department • Track and analyze on AM program progress and results
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6.0 FUNDING RESERVES FOR ASSET MANAGEMENT

Council may, by separate policy or subsequent appendix, develop an annual strategy for predictable, planned capital reserve funding. This will be done through listing, by established reserve, a percentage of the annual taxation budget or a proportion of any general surplus, to specific reserves. However, a decision to establish such a policy is reserved for Council's discretion unless mandated by senior government or PSAB.

7.0 ADDITIONAL POLICY AREAS

Policies are provided for the following aspects of asset management in attached appendices:

- **Schedule 'A': PREVENTATIVE MAINTENANCE (PM) AND ASSET MANAGEMENT**
- **Schedule 'B': ASSETS LEASED OR RENTED TO COMMUNITY PARTNERS**
- **Schedule 'C': LEVELS OF SERVICE (FCM Guidelines)**

MAYOR

Date

CHIEF ADMINISTRATIVE OFFICER

Date

SCHEDULE 'A'

PREVENTATIVE MAINTENANCE (PM) AND ASSET MANAGEMENT

The lifecycle activities of all municipal infrastructure assets involve a committed level of PM to extend an asset's condition and useful life, reducing the year-on-year costs of depreciation and renewal, major pressures on the municipal tax base. This is part of the integrated asset management process.

The ability to maintain assets at optimal or serviceable levels requires careful orchestration between employees and systems. Complexities can be added when portions of the maintenance are dependent on external vendors or are subject to annual budgetary pressures.

PM strives for peak efficiency and minimizes deterioration of an asset. Recurring service tasks are generated, assigning the right technician with the right availability and skills set. Regardless if the work is completed by an in-house technician or through external vendors, the ability to regularly capture work details in the field and assess overall asset condition is critical.

ROLES AND RESPONSIBILITIES (PM)

<u>Role</u>	<u>Responsibility</u>
Chief Administrative Officer (CAO)	• Provide Council with relevant asset Condition Grading information as required or requested; • Liaise with Community Partners that lease Municipal Assets (or delegate to Senior Management Team).
Senior Management Team	• Determine annual recommendations for Infrastructure and Building Conditions Assessments and budget for engineer services. • Writing and implementation of SOPs for asset PM as required.
ACAO and CFO (Joint Leads)	• Maintain and grow Asset Management database if an online platform is created; • Ensure that Infrastructure and Building Condition Assessments are compatible for input into an Asset Management database if an online platform is created.
Departmental Staff	• Use SOPs and implement maintenance and renewal measures. • Annual Building Inspections program as time and duties permit. • Take advantage of third party opportunities to assess asset condition (e.g. sidewalk or road assessments) and improve PM practices.
Community Partners	• General maintenance of leased asset; • Communication concerning capital repair or renewal; • Lead fund raising efforts for asset repair and renewal with Town consent and support; • Understand the condition and lifecycle profile of the asset leased if available.

CONDITION GRADING AND COUNCIL ACTIONS (PM)

For budgetary or other matters brought to the Council table, assets will have a condition rating pursuant to the IIIM standards. Condition grading is based on the simple 5-level ranking system where 1 is 'Very Good' and 5 is 'Unserviceable'.

RANK	DESCRIPTION OF CONDITION	RECOMMENDED COUNCIL ACTION
1	Very Good Condition <i>Only normal maintenance required</i>	Monitor only
2	Minor Defects Only <i>Minor maintenance required (5-10%)</i>	Request information on defects if asset renewal or replacement would cost \$1,000,000+
3	Maintenance Required to Return to Accepted Level of Service <i>Significant maintenance required (10-20%)</i>	Refer matter to Committee for discussion and recommended actions
4	Requires Renewal <i>Significant renewal/upgrade required (20-50%)</i>	Priority discussion for budgetary action within 3-year capital planning timeframe
5	Asset Unserviceable <i>Over 50% of asset requires replacement</i>	Priority discussion for budgetary action in the next financial year (immediate tax or reserve implications)

CONDITION GRADING AND MANAGEMENT ACTIONS (PM)

Maintenance issues and asset condition may be assessed through the appropriate asset management methodology. Assets will have a condition rating pursuant to the IIIM standards. Condition grading is based on the simple 5-level ranking system where 1 is 'Very Good' and 5 is 'Unserviceable'.

RANK	DESCRIPTION OF CONDITION	RECOMMENDED MANAGEMENT ACTION
1	Very Good Condition <i>Only normal maintenance required</i>	Monitor only
2	Minor Defects Only <i>Minor maintenance required (5-10%)</i>	Ensure adequate inhouse maintenance is being undertaken and expended.
3	Maintenance Required to Return to Accepted Level of Service <i>Significant maintenance required (10-20%)</i>	Automatically analyze cost implications and when these expenses should be scheduled. Be 'report ready' for Council from Rank '3'.
4	Requires Renewal <i>Significant renewal/upgrade required (20-50%)</i>	Budgetary situation should be discussed with Council for planning and action.
5	Asset Unserviceable <i>Over 50% of asset requires replacement</i>	Council should be apprised of consequence of deferment – contingency or emergency plans formulated.

SCHEDULE 'B'

ASSETS LEASED OR RENTED TO COMMUNITY PARTNERS

As property owner or landlord, the Town is not responsible for the general maintenance or operational health and safety conditions within built assets that are leased, but it does generally retain responsibility for capital repair and renewal. There are four key factors that drive this area of the policy:

- These assets are not typically relevant to the provision of core municipal services, making Council decisions around use of the annual operational or capital budgets much more challenging and potentially discretionary in these cases;
- Most community partners enjoy lease fees or rent levels that are well below market expectations, often supplemented by property tax exemptions. While of great advantage operationally to these partners, the consequences of these benefits are that the assets leased **generate little or no revenue for their own depreciation or renewal**;
- Community partners have often been leased or rented these buildings for such long periods of time, with various unique contexts as to how the Town came to own the properties, that they consider themselves the *de facto* owner of the asset. Often, the asset was not constructed with municipal resources but was transferred to municipal ownership later for protective or public interest reasons.
- Asset Retirement Obligation (ARO) reporting or disclosure requirements, where applicable, set by the Public Sector Accounting Board (PSAB).

BUILDING INSPECTION

The Town may conduct at least one Building Inspection per annum to identify maintenance or repair issues that it could be responsible for. This will be shared with the relevant department head and the tenant for discussion.

BCA FOR LEASED PROPERTIES

An independent Building Condition Assessment may be operationally budgeted for and scheduled once every 5-7 years by the Town.

TENANT REQUESTS FOR REPAIRS AND RENEWAL

The Town will not automatically budget major capital repairs or renewals requested by a tenant from operational funds or reserves. It reserves the right to conduct its own inspection by staff or a contractor or initiate a full Building Condition Assessment (if there are significant questions of a structural nature that could impact building viability or public safety) before making a decision. If budgeted, the Town will tender the repair or renewal project in accordance with its own policies.

ASSISTANCE WITH FUND-RAISING

The tenant, if an organization capable of pursuing grant aid otherwise inaccessible to the Town, is expected to prioritize the development of professionally estimated proposals for capital repair and renewal **in partnership with the Town**. Its leadership and financial contribution to such efforts is expected in consideration to the local taxpayer, but the Town must be involved in the project's development from the start and provide consent by resolution.

ASSISTANCE WITH RESERVES

Tenants are encouraged to contribute to built asset renewal through fund-raising and donation to municipal reserves – the Town will consider creating an asset-specific renewal reserve for tax deductible donations or other third-party contributions if a case is made.

RESPONSIBILITIES

Both the Town and the tenants of municipally-owned assets must recognize that if the asset is legally owned and insured by the Town, the Town is ultimately responsible for that asset's structural condition, capital decision-making and viability as a continued lease.

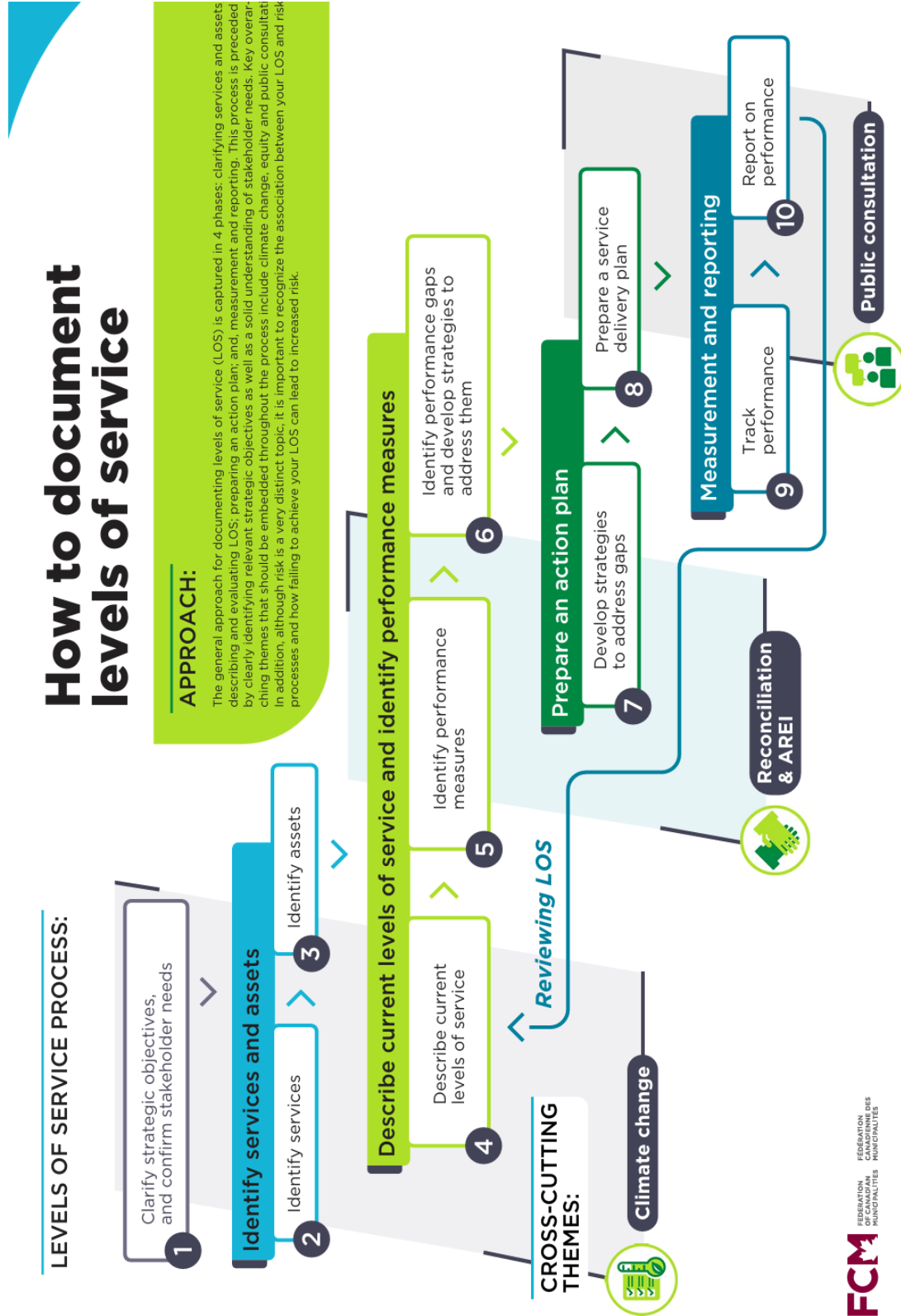
COMMUNITY PARTNER LEASES AND ASSET PROFILES

Every new lease agreement with relevant Community Partners must include the current version of this policy attached as a schedule. If available, staff will provide Community Partners with a copy of a leased built asset's Asset Management profile and associated plan.

JOINTLY OWNED ASSETS/ASSETS USED BY OTHER GOVERNMENTS

The Town anticipates and encourages joint owners of municipal equipment, assets and vehicles to participate, where fair and reasonable, in the joint funding of PM and other costs according to a mutually agreed arrangement or formula that is predictable for the budgetary process.

LEVELS OF SERVICE (FCM Guidelines, 2024)



CROSS-CUTTING THEMES:



Climate change:

How could your ability to provide services be compromised as a result of climate change? Where are your services and systems the most vulnerable to adverse climate impacts?

This involves understanding what services and assets/systems are exposed and sensitive to climate change and assessing the impacts to your service performance. Then, identify vulnerabilities and develop strategies to address gaps and risks resulting from a changing climate. Finally, implement the preferred strategies to mitigate or adapt to a changing climate.

Your local government is likely already undertaking actions to mitigate and adapt, so ensure those are recognized and celebrated as you plan for next steps.

SUPPORTING RESOURCE: [Considering Climate Change in Levels of Service](#)

See [FCM's Learning Journey on Climate Resilience and Asset Management](#) to dive deeper into how your local government can integrate climate change with asset management in order to deliver services more sustainably.



Reconciliation & AREI:

Are there differences in service delivery performance across our neighbourhoods? Are these unnecessary or unfair differences? How is this affecting community wellbeing?

Applying a Reconciliation & Anti Racism, Equity and Inclusion (Reconciliation & AREI) when evaluating LOS will allow local governments to consider how they can meet needs across all groups in the community. There are three key aspects of the LOS process where we can most effectively apply this lens: 1) in undertaking an analysis of how the services being provided are distributed spatially across the local government; 2) in reconsidering how we approach improvements to service delivery into the future; and, 3) in how we understand and interact with stakeholders.

Equity is not equality. This is an important distinction when applying an Reconciliation & AREI lens to the LOS process. Different groups may require and use different services. Closing any equity gaps will take time; it's a continuous process of improvement.

EXAMPLE: [Ottawa's Neighbourhood Equity Index](#)

The City of Ottawa has developed a Neighbourhood Equity Index and is in the process of using this tool as part of the Asset Management Planning process. The city is exploring the possibility of using distributional analyses to understand the net effects of historic investment decisions for particular service areas, as well as how future investment could start to address any imbalance.

SUPPORTING RESOURCE:

FCM's anti racism equity inclusion and reconciliation resource hubs: [Reconciliation](#) and [Anti Racism, Equity and Inclusion](#).



Public consultation:

Are the services you're providing aligned with the needs of your residents and business owners? What services are they willing to pay for?

We should be accountable to our customers (reporting performance trends over time) and checking in with them to ensure our services still meet their needs. There are many approaches to consultation, ranging from low to high cost, depending on the needs and resources of your local government.

Having sufficient knowledge of your data and services is crucial for engaging in meaningful conversations.

The level of detail and type of consultation will vary. A simple survey may be sufficient, with questions such as "How important is this survey to you?" and "How well are we performing at the moment?" Be aware of the limitations that your approach will have. For example, are there groups of people that are not represented in your responses? Are there groups of people that you don't hear from?

EXAMPLE: [Clarence-Rockland's Community Survey on Service Delivery](#)

A comprehensive community engagement process played a crucial role in developing the City of Clarence-Rockland's Strategic Planning Process for 2015-2021. The city asked stakeholders to provide insight into areas such as:

- What services are most important to the community?
- What is the satisfaction level in the provision of services?

In many instances, there was a strong alignment between the importance of a service and the level of satisfaction with that service. Conversely, the community viewed some services as very important but reported low satisfaction levels.

The Plan's Strategic Priorities were developed to reflect a stronger alignment of highly valued services.

SUPPORTING RESOURCE: [IAP2 Spectrum of Public Participation](#)

The International Association for Public Participation (IAP2)'s Spectrum of Public Participation is a useful framework for defining how best to engage stakeholders, and can help local governments to determine the right approach depending on the type of communication or input that is needed as part of the LOS process.

PATHWAYS FOR ACTION:

Levels of service is one of the most complex parts of asset management, but can be tackled by taking bite sized chunks over time in alignment with your local government's capacity and priorities. The entry points and related pathways below are intended to guide you on your journey.

A. Top-down exercise: Begin from Step 1 and work your way through. This is an opportunity to first develop a framework for your organization as well as to equip and empower departmental staff to take it further over time, and allow you to measure delivery.

B. Capitalize on existing data: Begin with one service area. It's ideal to use a service area where you already collect relevant information so there are closely aligned datasets to draw from. Focus on the first 4 steps in the LOS process. You can generalize what you have for this service area into a framework that can be gradually rolled out to other services.

C. Adapt/expand an existing framework: Build off an existing framework or process, which will mean diving in part way through the LOS process. It may be that you've already documented technical LOS, in which case you can start by aligning this with your strategic objectives and then document customer LOS. Or perhaps you already have some initial customer and technical LOS and the process starts with evaluating and addressing gaps.

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