

Resolution 203/21 - September 15, 2021

Review Year: 2025

RURAL MUNICIPALITY OF THE GAP NO. 39

ASSET MANAGEMENT STRATEGY

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Definition

Asset management can be defined as the process of making decisions about the use and care of physical and natural assets, in a way that considers the current and future needs, manages risks and opportunities, and makes the best use of resources to support sustainable service delivery.

Purpose and Scope

Municipal governments own and operate a majority of core public infrastructure. The Rural Municipality of The Gap No. 39 is committed to maintaining service levels to its ratepayers. In order to accomplish this, the municipality will use this document to link infrastructure decisions with the municipality's vision.

This strategy will identify and describe a set of actions that will support decisions to provide the desired level of service in a sustainable way, while managing risk, at the lowest cost possible.

Current State of Assets

The Rural Municipality of The Gap No. 39 is located approximately 42 km southwest of Weyburn, SK with a population of 199 people (2016 Census). The municipality is also home to the Village of Ceylon who operate under their own municipal government, but with whom certain areas of governmental costs are jointly shared. The current infrastructure supports an active oilfield industry, as well as, a large agriculture sector.

At present, the municipality catalogues six (6) different asset classes including:

- Land, Land Improvements, Buildings, Vehicles, Machinery & Equipment and Infrastructure (including Roads, Bridges, large diameter Culverts, etc.)

The Tangible Capital Asset records as of December 31, 2020 indicate that the municipality has a total capital asset valuation of \$3,308,991.85.

The condition of the capital assets is not recorded in the asset register at this time.

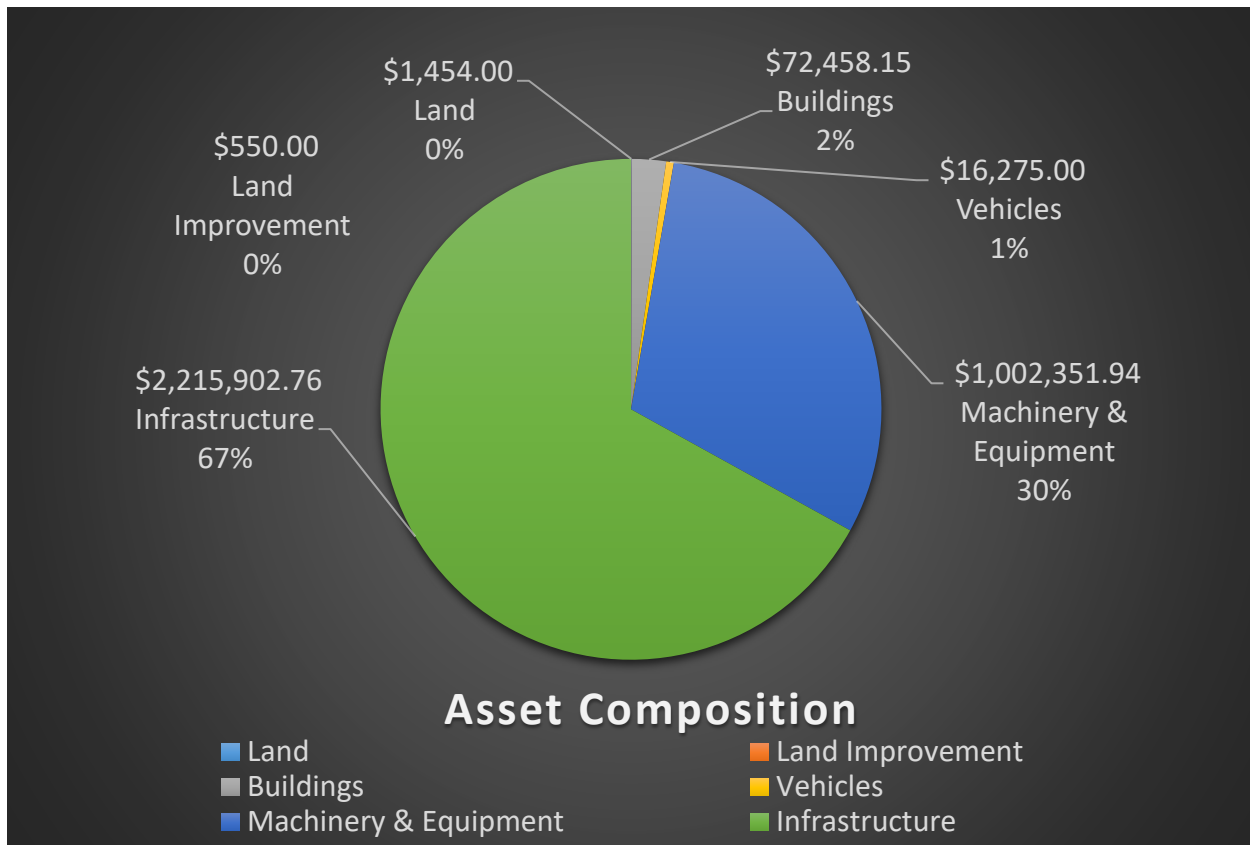


Fig. 1 – R.M. of The Gap No. 39 Asset Composition

In estimating replacement values of municipal assets, the municipality shall take into account the original value/purchase price of an asset. To this, the municipality may apply the consumer price index, develop its own policy in relation to inflation and take into account any local economic factors. It is possible that future costs or assets (and in particular infrastructure assets) may decrease and the replacement cost be less than the original asset valuation.

Factors that Impact Asset Needs

The municipality's asset needs and expectations for level of service are not expected to change significantly in future years. Within the agriculture industry, farms have become larger and populations are trending toward a decrease. Industrial operations within the municipality have remained relatively stable; however, some fluctuations are expected with economic changes and challenges.

The municipality's financial position is currently stable. The tax base and other revenue streams will be reviewed regularly to ensure they are sufficient to support the maintenance of the current infrastructure and assets.

Current Status of Asset Management

The municipality currently maintains a Tangible Capital Asset Registry. This registry will be enhanced to an updated **Asset Management Registry**. The municipality will catalogue the status of its assets based on such things as age, condition of asset and importance of assets.

Key Action Items

YEAR 1 – 2021

- ✓ Develop Asset Management Policy
- ✓ Develop Asset Management Strategy
- ✓ Set-up an Asset Management Registry
- ✓ Begin to Develop an Asset Management Plan

YEAR 2 to 3 – 2022-2023

- ✓ Develop a Condition Scale for All Classes of Assets
- ✓ Develop a Risk Assessment Scale for All Classes of Assets
- ✓ Condition and Risk Data Collection for All Assets

YEAR 4 to 5 – 2024 - 2025

- ✓ Implementation of Condition and Risk Assessment based Asset Management Plan
- ✓ Develop Asset Replacement Schedules
- ✓ Identify Funding Gaps Between the Current and Desired Asset Condition
- ✓ Link Funding Gaps with Long Term Financial Plan (10 Year Capital Plans)
- ✓ Continue Monitoring and Improve the Asset Management System

Goals to Support Implementation

The Administrator will be primarily responsible for obtaining and implementing the necessary data. Administration, with the aid of Public Works, will perform a condition and risk assessment on all assets. Once all data has been collected and entered, the data will be linked to the asset management plan. This plan will be reviewed and modified to meet the needs of the municipality.

Stakeholder and Identification Roles

All ratepayers of the municipality are considered stakeholders, and have an interest in the asset management process of the municipality. The levels of service that a municipality sets forth directly affect the activities of stakeholders in the municipality.

Roles and Responsibilities

The policies, strategies, and plans are to be drafted by the Administrator to be presented to Council for their adoption. All data collected will be entered into the Asset Management Registry.

Public works will be responsible for the condition rating and risk assessment of all assets in the municipality aided by the Administrator. The Public Works Foreman will be responsible for continued monitoring of each asset in the municipality and updates of condition rating and risk assessments.

Ultimately, Council has the final decision as to the type, quantity, etc. of assets that are to be purchased or replaced.

Reviewing and Monitoring

This strategy will be updated on a four (4) year cycle. Council shall review the status of its assets and update the asset management system to ensure that current community service needs are delivered in a socially, economically and environmentally responsible manner.