

Title: Asset Management Policy	
Resolution: 2026-0057, Mar 23/26	Revised:
Special Notes/Cross Reference:	Next Review Date:

POLICY STATEMENT : The Town of Westlock is committed to the effective and sustainable management of municipal assets to support delivery of municipal services to the community. Asset management enables the Town to provide defined levels of municipal service that reflect community expectations, an acceptable level of risk, and the community's ability to pay, both now and in the future.

Through asset management, the Town will establish and maintain defined levels of service that guide infrastructure planning, maintenance, renewal, and replacement decisions across the full lifecycle of municipal assets.

Asset management decisions will be risk-informed, service-driven, and financially sustainable, recognizing the need to balance service levels, risk, and cost in a transparent and accountable manner. The Town is committed to the continual improvement of its asset management practices to ensure assets are managed responsibly and support long-term community well-being.

PURPOSE : The purpose of this policy is to govern the practice of Asset Management within the Town of Westlock that is consistent and aligns with the approved principles and values of the municipality.

This policy provides direction for how municipal assets are planned, managed, and renewed to support the delivery of municipal services in a sustainable, risk-aware, and financially responsible manner.

The policy guides asset-related decision-making and supports alignment between Council direction, administrative actions, and long-term financial planning. This policy applies to all municipal assets and all Town departments involved in asset-related planning, operations, maintenance, and renewal activities.

1. DEFINITIONS

- 1.1. *Asset* - a physical item, thing, or entity that has potential or actual value to the municipality with an economic life greater than 12 months.
- 1.2. *Asset management* - the combination of management, financial, economic, engineering, operational and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner.
- 1.3. *Asset management plan* - a plan developed for the management of one or more infrastructure assets that combines multidisciplinary management techniques (including technical and financial) over the life cycle of the asset in the most cost-effective manner to provide a specified level of service. A significant component of the plan is a long-term cash flow projection for the activities.
- 1.4. *Asset management strategy* - a strategy for asset management covering the development and implementation of plans and programs for asset creation, operation, maintenance, rehabilitation/replacement, disposal, and performance monitoring to ensure that the desired levels of service and other operational objectives are achieved at optimum cost.
- 1.5. *Asset stewardship* - the responsibility for managing assets in a manner that protects their value and supports service delivery over time.
- 1.6. *Defined level of service* - the measurable baseline service standard presently delivered by the municipality, used to evaluate performance in areas such as quality, quantity, reliability, responsiveness, environmental factors, and cost.
- 1.7. *Desired level of service* - the service level the municipality aims to achieve over time, as determined by Council, balancing community priorities, long-term sustainability, and financial capacity.
- 1.8. *Lifecycle costing* - a method of expressing cost, in which both capital costs and operations and maintenance costs are considered, to compare alternatives. "Present worth" is one way to express life cycle costs. The present worth represents the current investment that would have to be made at a specific discount (or interest) rate to pay for the initial and future cost of the works.
- 1.9. *Lifecycle* - the phases through which an asset passes from initial planning and acquisition through operation, maintenance, renewal, and disposal.
- 1.10. *Rehabilitation* - works to rebuild or replace parts or components of an asset, to restore it to a required functional condition and extend its life, which may

incorporate some modification. Generally, involves repairing the asset to deliver its original level of service without resorting to significant upgrading or renewal, using available techniques and standards.

- 1.11. *Reinvestment* - funds allocated to capital projects that are rebuilding the existing municipal infrastructure asset base. New capacities and operations are excluded from infrastructure reinvestment decisions.
- 1.12. *Replacement* - the complete replacement of an asset that has reached the end of its service life, to provide an alternative that satisfies a targeted level of service.
- 1.13. *Risk* - the effect of uncertainty on objectives. In this policy, objectives include service delivery, safety, compliance, environmental outcomes, and financial sustainability. Risk is commonly assessed in terms of likelihood and consequence.
- 1.14. *Risk assessment* - a structured process used to identify, analyze, and evaluate risk associated with achieving objectives (e.g., risk of asset failure or service disruption), commonly considering likelihood and consequence.
- 1.15. *Service life* - the period that an asset provides an acceptable level of service. The economic service life is defined as the period when the present worth of the future maintenance costs is equal to the present worth of its replacement.
- 1.16. *Asset Owner* - the individual or department assigned the responsibility to act in the capacity of steward of municipal asset(s), accountable for their operation, maintenance, performance, and lifecycle management.
- 1.17. *Asset Management Lead* - the individual delegated by the Chief Administrative Officer (CAO) to act in the capacity of coordinator of the municipality's asset management program and responsible for oversight, implementation, and reporting.

2. GUIDING PRINCIPLES

- 2.1. To attain the goal of Asset Management, Administration shall ensure the following principles are applied across the Town of Westlock's asset management practices and systems:
 - a) **Holistic:** Asset Management must be cross-disciplinary, recognizing the interdependence between assets, services, and stakeholders.

- b) **Systematic:** Asset management shall be applied through a structured and consistent management framework to support informed and repeatable decision-making.
- c) **Risk Management:** Asset management decisions shall be informed by an understanding and assessment of risk, recognizing the likelihood and consequences of asset failure and service disruption.
- d) **Service Level:** Asset management shall be driven by defined current and desired levels of service that reflect community expectations and organizational objectives.
- e) **Optimized:** Asset management shall seek to achieve the best overall value by balancing service performance, risk, and cost over the lifecycle of assets.
- f) **Sustainable:** Asset management planning shall consider long-term financial, environmental, and operational impacts to support sustainable service delivery.
- g) **Integrated:** Asset management shall coordinate the above principles to ensure delivery of justified services and well-defined outcomes.

2.2. To achieve the above, the Town of Westlock will:

- a) Maintain and manage infrastructure assets at defined levels to support organizational goals, public safety and community well-being.
- b) Monitor standards and service levels to ensure that they meet/support Council goals and objectives.
- c) Plan financially for appropriate levels of maintenance to deliver service levels and extend the useful life of assets.
- d) Plan for and provide stable long-term funding to replace and/or renew and/or decommission infrastructure assets.

3. RESPONSIBILITIES

3.1. Council shall:

- a) Consider the allocation of resources for successful implementation of this policy in the annual budget process.
- b) Review and approve desired levels of service and acceptable levels of risk.
- c) Approve and amend the Asset Management Policy.

3.2. The Chief Administrative Officer (CAO) shall:

- a) Provide corporate oversight of asset management practices.
- b) Ensure asset management principles are integrated into organizational planning, budgeting, and reporting.
- c) Support continual improvement of asset management maturity across the organization.

3.3. Senior Management shall:

- a) Implement Council-approved asset management policy.
- b) Manage municipal assets in accordance with this policy.
- c) Ensure asset management practices are applied consistently across departments and business units.

3.4. Asset Owners shall:

- a) Steward the assets under their care and control.
- b) Apply asset management principles in operational, maintenance, and capital activities.
- c) Provide accurate asset information to support planning and decision-making.

3.5. The Asset Management Lead shall:

- a) Coordinate asset management activities across the organization.
- b) Support asset information, systems, and reporting.
- c) Assist departments in applying asset management principles.



Jon Kramer, Mayor



Simone Wiley, Chief Administrative Officer