

# COUNTY OF ST. PAUL

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*Our Mission - To create desirable rural experiences*



## County Asset Management

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### Why Asset Management?

The County has a responsibility to its ratepayers and residents to look after the capital assets that are paid for through taxes. Like your home and property, you want to ensure that your investments are looked after so they last longer and don't breakdown.



This is what Asset Management is about. It's a process of making decisions about how assets are cared for and used in a way that manages current and future needs, considers risks and opportunities and makes the best use of resources.

In 2015 the provincial government mandated that all municipalities have short and long term asset management plans.

Asset management, short and long term strategies, and the budget are all part of the same package.

Asset Management ↔ Strategy → Budget

The County's Asset Management team reports to Council. All of the County's assets are systematically and strategically managed to ensure services are provided for residents, now and in the future.

The County's assets are valued at over \$111 million and include:

- \* Buildings and property
- \* Campgrounds
- \* Equipment
- \* Roads
- \* Vehicles
- \* Waste removal
- \* Water and sewer lines

**Asset management is a juggling act. It's an ongoing exercise in setting priorities in spending, taking into consideration what is best for the ratepayer and residents.**

### County Budget Allocation

Like any household there is only so much money. The County's revenues come from taxes. The County also applies for available provincial and federal grants to help offset the cost of projects, ensuring projects such as the repair of bridges and roads can be completed.

### Challenges to County Budgets and Asset Management

Periodically, and often on short notice, the provincial government makes announcements that impact the budgets of municipalities. The Alberta government, for example, announced in December 2019 that municipalities would be required to contribute to the Police Funding Model.

The government announcement, however, shifted the County's allocated budget priorities.

In 2020 the County's contribution was \$166,790 and by 2024 the contribution will be \$500,728. **This means that the County may need to reallocate budgets away from assets** or increase taxes to cover the cost of the Police Funding Model.

**What does this mean?** It means that the grader might not be replaced. It means that the County purchases used rather than new equipment. It means that used purchases may need to be repaired more often, increasing the expense of machinery repairs. It means that your road might not get repaired this year.



## Levels of service

It is the role of Council to incorporate an **asset management lens** and request information from staff to understand asset and budget trade-offs between **service, risk and cost\***. Based on the information, Council makes decisions and sets direction.



**Service** considers who benefits or does not benefit from a particular service

**Risk** means events that would have an undesirable impact on services

**Cost Replacement** considers capital costs, operating and maintenance costs, revenue sources and partnerships

Decisions about the condition of and need for asset repair/replacement are made on an ongoing annual basis. The roads, campgrounds, transfer stations, waste water lagoons, administration and public works staffing levels, equipment and vehicle purchases or leases, and building maintenance are all considered.

### Examples of 2021 Projects and Purchases

#### **Agricultural Service Board**

- Purchase Spray Truck Components

#### **Campgrounds**

- Construct a new playground at Lac Belleveue and upgrade the playgrounds at Stoney and Floating Stone Campgrounds

#### **Fire Services**

- Continue with annual capital contribution to reserves for fire equipment
- Purchase chassis for mini Rescue/Pumper Truck for Ashmont
- Purchase Mallaig Fire Department ATV with Skid Unit and Trailer

#### **Public Works**

- Over \$6 million in road work and bridge repairs

#### **Sewer**

- Purchase Lagoon Pump Equipment

#### **Waste Management**

- Purchase six-8 yard Cathedral bins

## Can I afford it?

An example of a possible personal situation to help with the understand Asset Management -

Your vehicle is ten years old and it's time to replace it. A new vehicle, such as the 2021 Bronco SUV, can cost upward of \$40,000. What can you afford? Can you afford to buy a new vehicle? How would you purchase it - with savings or through a loan? Do you need to put off purchasing a vehicle for another year? Should you lease or buy a used vehicle instead? Should you repair your old vehicle?

What is *your* asset management plan?

### Asset Management planning: What can the County accomplish?

Asset Management is knowing what assets are aging, their condition, when they need to be replaced and the estimated cost of the replacement. It's also about the safety of employees and of the public, reliability and longevity of an asset.

Asset Management is about whether the asset can be maintained. The County needs to consider the cost of insurance, fuel, oil changes, tires, repairs, parts and the labour cost of maintaining the assets. This maintenance becomes part of the lifecycle of the asset.

Consideration is given to whether the County can afford to buy new, used or lease equipment or repair what is already owned. What is the risk to the level of service if the County's equipment is not in good working condition?

Asset Management planning is conducted for all County owned equipment and assets. It's about understanding service, risk, costs and funding - thereby, leading to good decisions.

**Asset Management:  
Project driven, Priority driven,  
Budget driven.**

**For information on the County's budget and priorities see the County's website under 'Governance' for Budgets and Strategic Plans**

\* Source: *Building Community Resilience Through Asset Management: A Handbook and Toolkit for Alberta Municipalities*