

# **GENERAL POLICY ASSET MANAGEMENT POLICY 14-18**

## **STATEMENT OF MUNICIPAL COUNCIL'S ASSET MANAGEMENT POLICY**

An Asset Management Plan is defined as a tactical plan for managing an organisation's infrastructure and other assets to deliver an agreed standard of service. The creation of such a plan is part of an interdisciplinary asset management approach that coordinates activity across the entire organization through development and application of policies, practices, and standard operating procedures. It considers all asset types, and all activities in asset lifecycles, to minimize the costs and risks of owning assets while continuing to provide the community with expected levels of service. Consistent use of asset management will support logical and informed decision-making, and will enhance the financial, environmental, and social sustainability of the community.

This policy will be applied to benefit both current and future generations of the Municipality of Shediac.

## **BACKGROUND AND PURPOSE OF MUNICIPAL COUNCIL'S POLICY**

The Municipality is responsible for providing a range of essential services to the community. To deliver these services, it owns and manages a diverse asset portfolio such as but not limited to transportation networks; water treatment and distribution networks; Municipal buildings; parks; and supporting fleet, machinery, technology systems, and equipment. Effective management of these assets requires the coordination of activities across multiple departments and service areas such as Finance, Municipal Operations, Community Services and Recreation, and Economic Development and Tourism.

Since the social, economic, and environmental wellbeing of the community depends on the reliable performance of its assets it is critical to implement a systematic, sustainable approach to their management. Adopting a comprehensive and integrated asset management approach will support efficient and effective delivery of expected levels of service. It allows organizations to make informed decisions related to planning, building, operating, maintaining, renewing, replacing and disposing of assets through a wide range of lifecycle activities. It also aligns with the Municipality's vision for responsible municipal development, as outlined in the Municipal Plan, which adopts concepts of sustainability from the New Urbanism and Smart Growth schools of thought.

This Asset Management policy articulates an organization-wide commitment to asset management. It is intended to provide guidance and leadership in the development and implementation of the Municipality's asset management program in alignment with industry best and emerging practices. The responsibility for specific guidelines and practices is delegated to Municipality staff.

## **POLICY PRINCIPLES, GUIDELINES AND INTEGRATION**

The following principles are based on industry best practice and will guide development and implementation of the asset management program. The Municipality will:

### **Processes**

- a) establish processes and procedures to ensure organizational accountability in its asset management activities;
- b) develop processes and provide opportunities for stakeholder engagement where appropriate;

### **Planning**

- c) integrate operational, capital, and growth planning into its asset management program;
- d) consider environmental goals and ways to minimize the impacts of climate change in its planning and decision-making processes;
- e) follow a Triple Bottom Line approach to sustainability, which considers financial, environmental, and social factors in decision-making processes;
- f) develop and update asset management plan(s) as appropriate, including identification of short- and long-term investment needs based on the current asset inventory, condition data and performance data, estimates of expected useful life and remaining service life of assets, and full lifecycle strategies and costing based on risk assessment and proposed levels of service;

### **Practices**

- g) develop and maintain a complete and accurate inventory of all assets, including a unique ID, description, location, value (historical and replacement), performance and/or condition, and estimated useful life/remaining life information for each asset;
- h) develop risk and prioritization frameworks based on probability and consequences of failure to identify and assess the criticality of investment needs in all asset categories;
- i) develop a levels of service framework for all asset categories; and monitor, maintain and manage assets to achieve the desired levels of service. The framework will consider, but is not limited to, public safety, community well-being, strategic priorities of the Municipality, environmental and climate change issues, and financial affordability;
- j) develop lifecycle strategies for all its assets, and apply full lifecycle costing principles and consider both revenues and expenses in its long-term asset planning;
- k) develop technical and community metrics to measure the progress of the asset management program, and will report on its performance regularly;
- l) seek to minimize total lifecycle costs of all assets, while minimizing risks and maintaining expected levels of service;

### **Compliance**

- m) comply with required PSAB 3150, and any other relevant, reporting requirements;
- n) comply with applicable provincial and federal requirements for asset management;

### **Integration**

- o) consider integration of the Asset Management Policy and program in development of corporate documents including, but not necessarily limited to, the Municipal Strategic Plan, Financial Plan, capital and operating plans, and annual reports.

## KEY ROLES FOR MANAGING THE ASSET MANAGEMENT POLICY

The development and continuous support of the Municipality's asset management program requires organization-wide participation and collaboration from Council and staff over a wide range of duties and responsibilities. The following passages outline the persons responsible for these tasks:

### Policy

<b>Roles</b>	<b>Responsibility</b>
Identify issues requiring policy development, review, and updates	Municipal council and staff
Develop policy and policy updates	Chief Administrative Officer and staff
Review and approve policies and budgets	Municipal Council
Prioritize effective stewardship of assets in adoption and ongoing review of policy and budgets	Municipal Council
Implementation of policy	Chief Administrative Officer and staff
Develop asset management guidelines and practices	Chief Administrative Officer and staff

### Leadership

<b>Roles</b>	<b>Responsibility</b>
Champion a cultural commitment to asset management for the Municipality	Chief Administrative Officer
Define strategy and objectives of the asset management program	Chief Administrative Officer
Ensure adequate resources are available to support the core components of the asset management program	Chief Administrative Officer
Provide organization-wide leadership in asset management practices and concepts	Chief Administrative Officer
Provide departmental staff coordination	Chief Administrative Officer

### Activities

<b>Roles</b>	<b>Responsibility</b>
Maintain adequate organizational capacity to support the asset management program	Municipal Council
Develop and maintain asset inventories	All Municipal departments
Assess infrastructure condition and levels of service	All Municipal departments
Identify likely climate change hazards and impacts likely to affect the community	All Municipal departments
Establish sustainable levels of service for the community	Municipal Council and staff

Develop and maintain full lifecycle strategies including operating and maintenance, capital, and growth/development events, for all assets	All Municipal staff
Develop and maintain capital and operating financial plans that use full lifecycle costing principles	All Municipal departments
Engage in continuous improvement related to the asset management program	Municipal Council, Chief Administrative Officer and staff

### **Monitoring and Reporting**

<b>Roles</b>	<b>Responsibility</b>
Collect and analyze levels of service data, based on key performance indicators	All Municipal departments
Coordinate, track, and report to Council on asset management program implementation and progress	Chief Administrative Officer
Monitor and review established levels of service	Municipal Council and Chief Administrative Officer

### **REPORT**

Reporting on the asset management program will occur annually, with a presentation to Council in association with consideration of the 10-year Capital Budget. This report shall comply with all applicable requirements of the Department of Environment and Local Governments of New Brunswick.

### **EFFECTIVE DATE**

This policy takes effect on the date of its adoption by the Municipal Council.

Passed in Council on August 27, 2018.

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Patricia Bourque-Chevarie  
Deputy Mayor

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Gilles Belleau  
Town Clerk