



Policy # 2018-02

## **Hanwell Asset Management Policy**

### **1. RESPONSIBILITY**

- 1.1. It is the responsibility of Council to ensure this policy is followed.
- 1.2. Council assigns the Administrative Clerk to lead the rural community of Hanwell ("Municipality") on asset management.

### **2. DEFINITIONS**

- 2.1. Asset – an asset is an item, thing or entity that has potential or actual value to an organization. The value can be tangible or intangible, financial, or non-financial.
- 2.2. Asset Management – an integrated approach, involving all municipality levels, to effectively manage existing and new assets. The intent is to maximize benefits, reduce risks and provide the appropriate level of service Council has decided on in a sustainable manner. It is about investing limited resources wisely to ensure that the services provided to the community meet the intended results.
- 2.3. Infrastructure – the physical assets purchased or constructed by the municipality, to support the community needs through provision of services enabled by the assets.
- 2.4. Level of Service – the results or objectives that the municipality intends to deliver. They are statements of service performance delivery that are established through Council direction based on the needs and wants of the community, as well as legislative and regulatory requirements.
- 2.5. Life Cycle Cost – the sum of all recurring and one-time (non-recurring) costs over the full life span or a specified period for a given asset. It includes the purchase price, installation costs, operating costs, maintenance and upgrade costs, and disposal costs if there are any.
- 2.6. Maintenance – all actions necessary to address deterioration of an asset to preserve its condition and achieve its expected useful life.

- 2.7. Sustainability – meeting the needs of today without compromising the needs of future generations. It is about improving the standard of living by protecting community health, both human and environmental, using limited resources efficiently and effectively, and advancing economic growth. It requires integrating economic, environmental, and socio-cultural priorities into policies and programs.

### **3. PURPOSE**

- 3.1. Demonstrate Council leadership and commitment to asset management.
- 3.2. Reflect this commitment in decision making.
- 3.3. Ensure good asset management practices are endorsed by all levels of the municipality.
- 3.4. Provide a frame work for the implementation of asset management plans that align with Council priorities, community plans, and long term financial planning; taking into consideration emerging issues like climate change and changes in community needs which get reflected in the levels of service.

### **4. OBJECTIVE**

- 4.1. The Municipality is committed to the delivery of sustainable services to the community at a level of service accepted by the stakeholders. The list of core services includes:
  - 4.1.1. Protective Services
  - 4.1.2. Transportation and Mobility
  - 4.1.3. Environmental and Solid Waste Services
  - 4.1.4. Recreation and Cultural Services
  - 4.1.5. General Government Services
- 4.2. The Municipality provides its services using a network of assets including the natural assets. These assets are critical to service delivery and are required to be maintained. Therefore, good asset management practices are fundamental to meeting the Municipality's commitment and achieving a sustainable community. There are key decision points to ensure that the assets are maintained and continue to provide the desired level of service efficiently and effectively.
- 4.3. Asset management planning that is aligned with municipal planning and Council priorities, allows the Municipality to create a sustainable budget to maintain, optimize and replace the right assets at the right time and at the right cost.

### **5. TARGETS**

- 5.1. The Municipality's goal is to be proactive and maintain all assets in order to be able to deliver the services required and create the plan that includes all assets.

## **6. IMPLEMENTATION**

- 6.1. As a priority, the Municipality will develop an asset management plan for all core and major services for different types of assets. These plans shall be for a period of up to fifty (50) years, where applicable, as per the Province of NB requirements, projecting the replacement and maintenance costs.
- 6.2. Asset Management Plans must take into consideration the climate change in our region where stronger winds and an increase in the frequency of extreme precipitation is anticipated.
- 6.3. Asset Management Plans shall include the levels of service as well as the list of assets and the maintenance and replacement timelines and costs.
- 6.4. Plans shall be reviewed and updated throughout the year and at least once a year factoring in any changes in the level of service or improvements to the assets.
- 6.5. Municipal staff shall be responsible for inventorying and assessing the assets list and ensuring it reconciles with the capital asset records.
- 6.6. Municipal Council will review its asset management plan and policy every four years.
- 6.7. Municipality Council will establish its priorities for the long-term capital plan factoring in community expectations, sustainable development and the needs of existing infrastructure.

## **7. GUIDING PRINCIPLES**

- 7.1. The Asset Management Plan is essential for informed decisions because it identifies what assets need to be replaced, when to be replaced based on their useful life, how well they are maintained, and the level of service delivery expected.
- 7.2. Asset Management Plans will be used to feed into and update long-term financial plans.
- 7.3. Asset Management Plans shall minimize the risks and liabilities through identifying the risk rating of the assets (likelihood of failure x Severity of failure).
- 7.4. When assets are due to be replaced, the prioritization of assets submitted for capital funding will be determined in light of Council priorities and the level of service meeting community needs. This could mean that an asset is determined to be obsolete and will not be replaced; that the community needs have changed and the asset needs to be replaced with a different type of asset; or that the asset is meeting the needs of the community and simply needs replaced with a similar asset.
- 7.5. Council and municipal staff will be cognizant of current needs, perceived future needs, as well as total life cycle costs and optimization of the use of the asset.
- 7.6. The Municipality will consider the environmental, social and economic factors when acquiring new assets and when disposing any of its assets.

- 7.7. The Municipality shall make informed decisions after identifying all revenues and costs associated with infrastructure asset acquisition, including repairs, upgrades, and staffing requirements.
- 7.8. The Municipality will pursue best practices in asset management through e-learning tools, participating in asset management forums.
- 7.9. Staff will develop processes, guidelines, and best practices for the proper maintenance of assets.
- 7.10. Asset management principles will be integrated throughout planning and operational processes.

**8. RELATED DOCUMENTATION**

- 8.1. Community Plan
- 8.2. Recreation Master Plan
- 8.3. Asset Management Plan

Original Date of Adoption by Council: May 22, 2018

Date of Revision Approved by Council: \_\_\_\_\_

Clerk's Signature: 

