

TOWN OF FLORENCEVILLE-BRISTOL

ASSET MANAGEMENT POLICY

POLICY NO. 19

Category:	Materials and Asset Management
Policy Number:	19
Effective Date:	December 18, 2018
Approval by Council:	December 18, 2018
Supersedes:	Not applicable
Amended:	Not applicable

1. PURPOSE:

The Town of Florenceville-Bristol (the Town) owns a wide range of infrastructure including assets associated with parks and recreation, transportation, wastewater, fleet, and facilities. The owned assets allow delivery of a wide-range of services to the community and require responsible operation, maintenance and rehabilitation. To effectively manage Town assets, an asset management (AM) policy has been developed. By adopting AM practices, the Town will maximize benefits gained from the operations and reduces organizational risks, while ensuring the provision of a satisfactory, and sustainable service to the community at an affordable level of investment.

Key documents that are central to the delivery of services include the Town's strategic plan (2017-2020), the AM Policy, and the AM plan. The AM plan provides the specific objectives and the framework that will be used to implement AM. This policy outlines the AM principles the Town is adopting. This policy will be applied to both owned tangible assets and any natural assets that the Town relies upon to deliver services.

The AM Policy integrates the current documents created by the Town. These documents shall be considered when developing asset specific management policies. The documents comprise:

- a) Town of Florenceville-Bristol Strategic Plan
- b) Town of Florenceville-Bristol Asset Management Plan

From these documents, it is inherent that the AM policy aligns with the goals and objectives outlined in the Town's Strategic Plan, these include:

I. **Tourism and Business Development:**

- a. Focus efforts on business development through business retention, expansion and attraction.
- b. Encourage tourism through festivals, events, tourist sites and the Saint John River.

II. Infrastructure:

- a. Develop a long-term infrastructure and asset management plan for renewal.
- b. Initiate plans to sell Town buildings that are no longer needed.

III. Finance:

- a. Ensure sufficient finances to maintain services and infrastructure.
- b. Maximize funding partnerships.
- c. Preserve current pay as you go policy as much as possible.

IV. Human Resources:

- a. Build an environment of employee engagement, empowerment and involvement.
- b. Offer an attractive employee total rewards package.
- c. Support the talent development of employees through professional and career development.

V. Recreation:

- a. Continuously improve recreation programs and ensure they meet the Town's needs.
- b. Increase participation in recreation programs.
- c. Increase and strengthen partnerships.

VI. Community

- a. Improve communication with the public.
- b. Explore pros and cons of community restructuring.
- c. Continuously improve community services and ensure they meet the Town's needs.

DEFINITIONS:

Asset – an item, thing or entity that has potential or actual value to an organization. This value can be tangible or intangible, financial or non-financial.

Asset Life – period from asset creation to asset end-of-life.

Asset Management (AM) – a coordinated activity of an organization to realize the value from assets.

Asset Management Plan (AMP) – A long-term plan that outlines the asset activities and programs for each service area / asset and the resources required to achieve the asset management objectives and defined level of service in the most cost-effective way.

Customer – refers to all members of the public that live in, work in, operate businesses and visit the Town.

Infrastructure – The assets managed by the Town that serve the community, and include but are not limited to road, water, and sewer networks.

Levels of Service – describes the outputs or objectives that the Division intends to deliver; includes measures at the corporate, customer, and asset levels of the organization.

Life Cycle – stages involved in the management of an asset.

Life Cycle Cost – sum of all recurring and one-time (non-recurring) costs over the full life span or a specified period of a good, service, structure, or system. It includes purchase price, installation cost, operating costs, maintenance and upgrade costs, and remaining (residual or salvage) value at the end of ownership or its useful life, and disposal costs if appropriate.

Maintenance – all actions necessary to address deterioration of an asset to preserve its condition and achieve its expected useful life.

Natural Assets – The land, air, water, living organisms and other formations, such as aquifers, creeks, wells and foreshores that provide equivalent civil engineered municipal goods and services.

Net Present Value – is the sum of the discounted cash flows, where future cash flows are discounted by the discount rate. At high discount rates and extended periods into the future the Present Value of money is small.

Operations – all actions necessary to permit an asset to function.

Rehabilitation – The actions undertaken on an asset that improves its condition and extends its expected useful life.

Renewal – all actions undertaken to replace or renew an asset to a new or like-new condition.

Strategic Asset Management Plan – documented information that specifies how organizational objectives are to be converted to asset management objectives, the approach for developing asset management plans, and the role of the asset management system in supporting achievement of the asset management objectives.

Sustainable Development – Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Sustainability – The three main pillars of sustainable development include economic growth, environmental protection, and social and cultural equity. Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Whole Life Cost – an approach for comparing investment options across the same time horizon (which may not be the full life span of the asset). Recommended approach for infrastructure investments decisions is to use Net Present Value.

BASIC STATEMENT:

The Town’s vision is “to be a welcoming community that seeks to offer a progressive and healthy living environment and quality of life.”

The following principle statements affirms the Town’s commitment to applying the AM practices that contribute to and reinforce Council’s vision for the Town of Florenceville-Bristol. The principle statements, which align with the six guiding principles in the strategic plan are as follows. Each statement should begin with, “The Town will”:

- 1) Have clearly defined levels of service that balance customer expectations and regulatory requirements with risk, affordability and available resources and will:
 - Maintain and manage assets to these defined levels of service; and
 - Monitor standards and service levels to ensure that they meet / support community and Council expectation and objectives and are in compliance with regulatory requirements.
- 2) Consider climate change impacts and environmental changes, and how they may directly affect level of service.
 - Recognize that the climate is changing and the need to plan for the future;
 - Be proactive; and
 - Mitigate climate impacts.

- 3) Have a system wide approach that will consider the impacts of decisions within all internal departments and within the community as a whole and will:
 - Make informed decisions using formal, consistent and repeatable methods;
 - Be informed by community priorities as determined by Council;
 - Consult with stakeholders where appropriate; and
 - Report to citizens regularly on the status and performance of the Town's AM Program.

- 4) Develop and maintain appropriate long-term plans for constructing and renewing infrastructure as well as decommissioning redundant infrastructure that includes:
 - Implementing and maintaining appropriate planning resources;
 - Adapting and becoming more resilient to changing risk;
 - Annual operational and investment needs;
 - Lifecycle costs and new technologies; and
 - Providing stable long-term funding.

Evaluate asset investment decisions based on affordability, willingness to pay, intergenerational equity and whole life cost of assets to assess the full impact of managing assets through their life cycle from acquisition to renewal or disposal.

Continually be measuring the effectiveness of the asset management processes and adjust as required.

The Town of Florenceville-Bristol commits to following these principles when making future decisions associated with municipal services and investment in infrastructure that supports the services provided to residents.

ROLES AND RESPONSIBILITIES

Council's role is to carry out the following:

- approve AM policy;
- periodically review and update the AM policy;
- approve annual funding, and endorse budgets and financial plans that align with the principles established within the AM Policy, and

- approve AM strategies and plans, as required.

The Town’s staff leading the AM initiatives are responsible for:

- working with Council to ensure AM is adopted throughout the organization;
- implementing the approved AM Policy and supporting the periodic review and update of the AM Policy, and
- developing asset specific practices that ensure consistent application of the AM Policy.

Certification for Town of Florenceville-Bristol Policy Manual:

I certify that this *Asset Management Policy*, as indicated above was adopted by Council.

Mayor

December 18, 2018
Date of Council Resolution

Clerk

December 18, 2018
Date Policy in Effect