

The Town of Shellbrook has, with the assistance of Vemax Management, developed asset management plans for all major infrastructure components in our community (asset types are listed below). What is an asset management plan? An asset management plan must, at a minimum, have the following information:

1. A detailed summary of the type and amount of the asset including the condition (good, fair, poor) of the asset.
2. Uses life cycle costing
3. Must define the level of service to be provided
4. Must evaluate, assess and manage risk factors identified

What is life cycle costing? Life cycle costing includes all costs associated with a specific asset over the life of the asset. It includes the capital cost, operating cost, maintenance and renewal costs and disposal costs. Why are life cycle costs important? The rule of thumb is that capital cost is only about 20% of the life cycle cost so we need to include all the other associated costs when evaluating the affordability of assets. Maintenance and operating cost make up about 75% of the life cycle cost. What does that mean for us? If for example, we are building a new facility which is estimated to cost \$1,000,000.00, we need to evaluate whether the additional \$7,500,000.00 needed to operate and maintain the facility over the life of it is sustainable. Historically Councils have never had this kind of information to use to make informed decisions.

What is our infrastructure worth? Below is a summary of current replacement costs for the Town infrastructure:

Asset Type	Quantity	Replacement Cost
Roads	26.4 km	\$5,336,880
Water Lines	20.3 km	\$10,826,400
Water Infrastructure		\$5,504,400
Sewer Lines	19.2 km	\$12,536,900
Sewer Plant, etc		\$7,384,000
Storm Sewer	7.5 km	\$2,687,700
Curb and Gutter	16.7 km	\$1,419,590
Sidewalks	7.0 km	\$701,800
Buildings		\$13,052,280
Total		\$59,449,950