



Asset Maintenance & Replacement

TOWN OF SUNSET BEACH, NC

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“Best Practices”

Sources:

- ▶ Government Finance Officer's Association: “GFOA Best Practice - Asset Maintenance and Replacement.”
- ▶ U.S. Environmental Protection Agency: “Asset Management: A Best Practices Guide.”
- ▶ NJ Environmental Infrastructure Finance Program: “Asset Management Guidance and Best Practices.”
- ▶ Asset Insights: Replacement Strategies.

Step 1.

Develop a complete Asset Inventory and Condition Assessment of all of the Town's Capital Assets.

1. What does the Town own?
2. Where is it?
3. What is its condition?
4. What is its useful life?
5. What is its value?

Step 2.

*Establish
expected levels
of service or
performance by
asset type.*

This should be an understandable set of functional performance standards to be maintained for each type of capital asset. Different classes of assets may require different replacement strategies.

Step 3.
*Evaluate
existing
assets.*

- ▶ Is this asset critical to sustained performance?
- ▶ Is it vulnerable to failure or destruction?
- ▶ Does it still provide the most appropriate method to deliver services?

Step 4.
*Identify life
cycle
costs and
allocate
needed
funding.*

Allocate sufficient funds in the multi-year Capital Improvement Plan and in Annual Operations Budgets for condition assessment, preventive maintenance, repair and replacement of assets that contribute to public health, safety and quality of life.

Step 5.
*Evaluate,
monitor
and report
asset
condition.*

- ▶ Evaluate progress toward stated goals.
- ▶ Monitor overall condition of capital assets.
- ▶ Report/Communicate results to the governing board and the general public.

Step 6.

*Follow up for
continuous
improvement.*

- ▶ Keep assessment measures current.
- ▶ Review replacement life cycles by asset type.
- ▶ Review budget-to-actual performance data comparisons.
- ▶ Consider changing factors and/or new best practices.

Asset Replacement Plan Recommendations

- ▶ Set a policy for asset replacement planning that follows identified best practices.
- ▶ Over the course of the next fiscal year, develop a full asset replacement plan with both asset listings and the expected levels of performance for the various asset classes.
- ▶ Consider previous 10-year capital expenditures averages as a baseline index for annual spending calculations (for same level of services) in future fiscal years.