

Municipality of Dufferin

2023-2026

Asset Management Strategy

Version 2.0

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Definitions

Asset: a physical component of a system that has value, enables services to be provided, and has an economic life of greater than 12 months.

Asset Management: the process of making decisions about the use and care of assets to deliver services in a way that considers current and future needs, manages risk and opportunities, and makes the best use of resources.

Asset Replacement Forecast: an overview of all assets with their attributes, replacement costs and timing of the replacement based on their theoretical useful life.

GIS: Geographical Information System designed to capture, store, manipulate, analyze, manage, and present all types of spatial data.

Level of Service (LOS): the defined standard for the provision of a particular service. The levels are defined with consideration of quality, quantity, responsiveness, environmental acceptability, regulatory requirements, and life cycle costs.

Life Cycle Cost: the cost of designing, building, operating, maintaining, and disposing of an asset to deliver the defined level of service.

Long Term Capital Plan: a multi-year plan that identifies the capital infrastructure projects and their cost to address the current and future service objectives.

Long-term Financial Plan: a plan that documents the process of aligning financial capacity with long-term service objectives.

Long-term Operation Plan: a multi-year plan that identifies the cost of operating and maintaining assets to address the current and future service objectives.

Maintenance Management: an administrative, financial, and technical framework for assessing and planning maintenance operations on a scheduled basis.

Risk: events or occurrences that negatively impact the ability to deliver the defined levels of service.

Strategic Intent

Intent

The Asset Management Strategy is intended to administer asset management initiatives which were established in the Municipality of Dufferin Asset Management Policy, and to establish a robust asset management program that enables an organized, economically efficient, and sustainable approach across all departments. For an asset management program to be successful it must reflect the community's unique needs and values while being practical and adaptive. Figure 1 represents the relationship, or line of sight, between a community's vision, mission and values to the operational activities and deliverables outlined in the Asset Management Plan(s). The "line of sight" refers to the idea that through the implementation of the Asset Management Policy, Strategy and Plan(s) an approver or stakeholder can see how each action item relates to the mission and values of a community. Understanding the relationship between the needs of the community and the purpose/deliverables of asset management documents is critical for organizational integration and community and council buy-in.

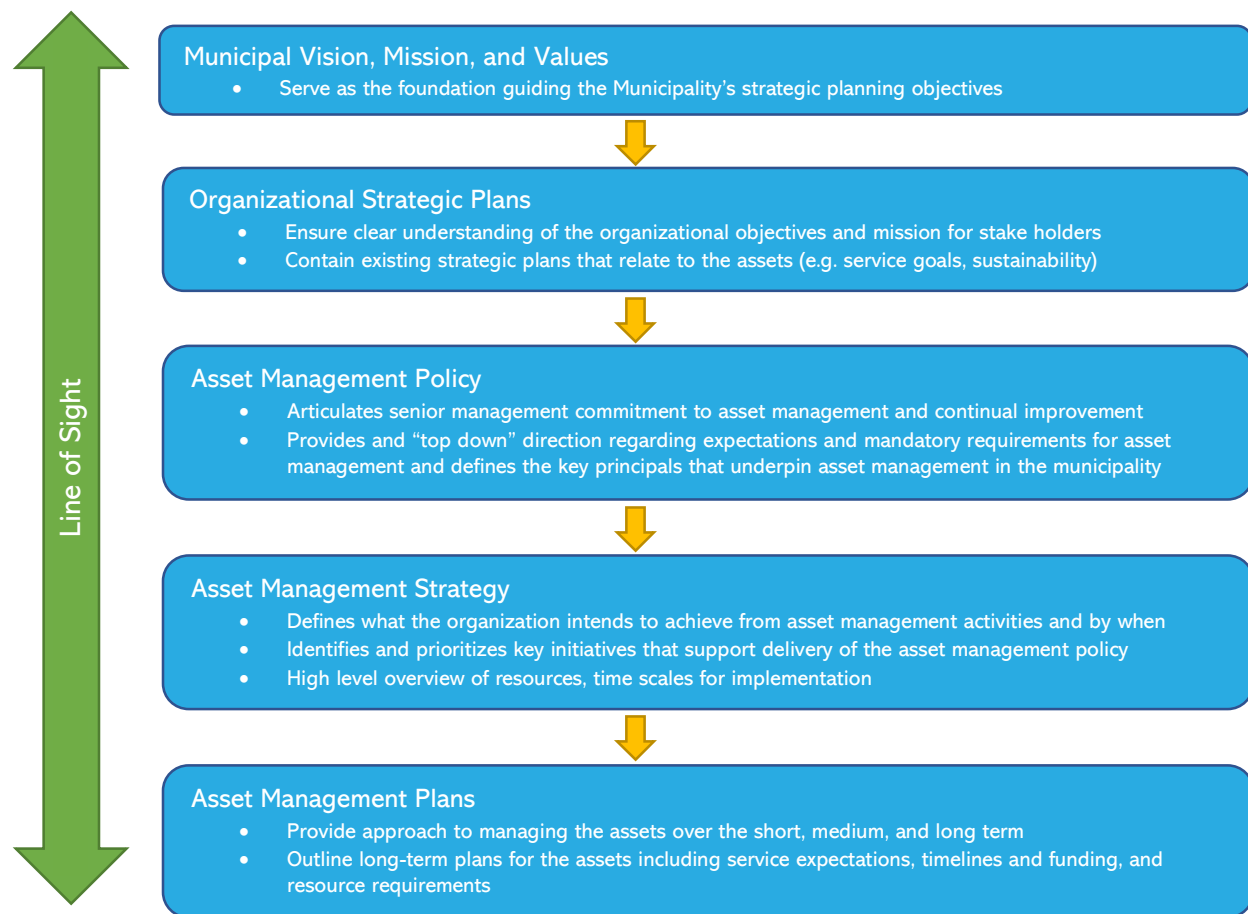


Figure 1: Asset Management Line of Sight (FCM 2018)

Scope

The Municipality of Dufferin owns and operates various infrastructure assets that provide services to their rate payers. The Asset Management Strategy applies to all assets owned by the Municipality of Dufferin, as well as assets owned by the Municipality and operated by others as shown in Figure 2 below.

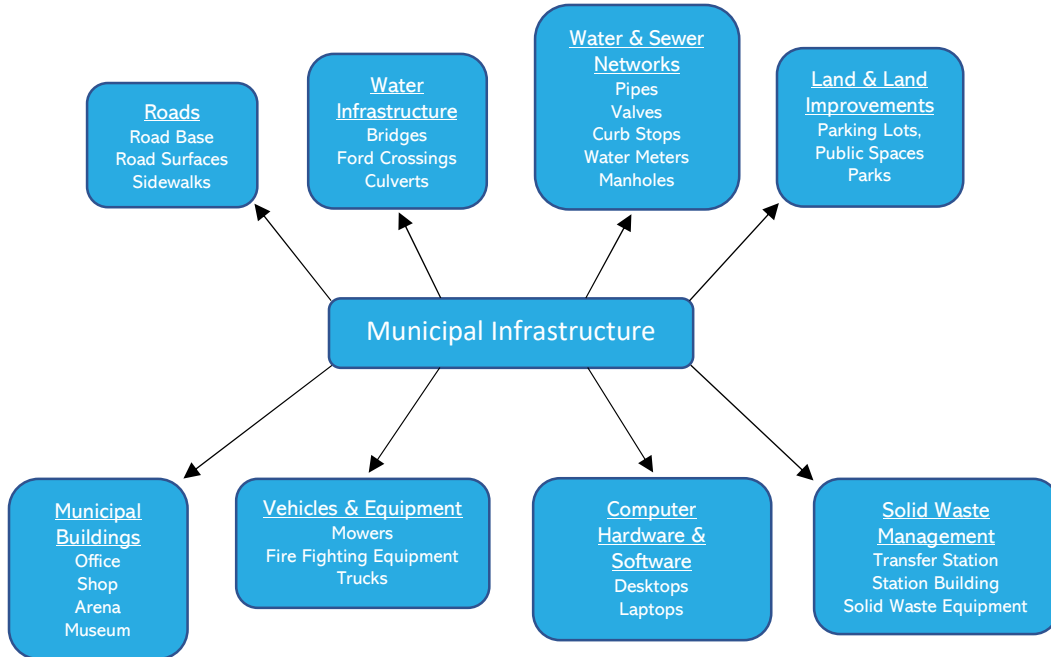


Figure 2: Municipally Owned Infrastructure

These Infrastructure assets require ongoing acquisition, operation, maintenance, renewal, and disposal throughout the asset life cycle.

Municipality of Dufferin

The municipality of Dufferin is a community about 30 minutes southwest of Winnipeg Manitoba. It rests on the slopes of the Pembina Valley and has a population of over 2500 people.

Decision Making Approach

Current Approach

Currently the Municipality of Dufferin is using personal opinion and reactive measures to place projects into the 10 Capital Forecast. Levels of service and key performance indicators have not been developed for any of the asset classes, but discussions based around service performance have happen when setting budget requirements.

Target Approach

The Municipality of Dufferin's approach to asset management decision making will incorporate the following practices:

- Transparency and accountability with defined levels of service and asset service performance
- Consider changing demographics and economic climates by incorporating strategic risks assessments
- Integrate appropriate departments for multi-disciplinary input and buy-in
- Triple bottom line approach considering socio-cultural, environmental, and economic outcomes
 - Socio-cultural – Reduce risk, provide better value to customers, conduct succession planning and increase reliability
 - Environmental – Extend asset life, reducing waste and use of virgin materials
 - Economic – Minimize full life cycle costs of assets
- Consider long term financial sustainability through understanding full life cycle costs
- Prioritize infrastructure renewal work based on potential impacts to levels of service

The Municipality of Dufferin will use the Asset Management Policy Strategy, and Plan(s) to prioritize asset maintenance and renewal strategies, prove progress in asset management processes, understand full life cycle costs, enhance data retention, and understand financial commitments required to maintain assets over the long term.

Asset Management Policy Statements

Maintain and Manage Infrastructure Assets at Defined Levels to Support Public Safety, Community Well-Being, and Community Goals

The Municipality of Dufferin shall develop strategies to invest in new assets considering risk and long-term costs of delivering defined levels of service and incorporate a triple bottom line approach, considering the socio-cultural, environmental, and economic outcomes in all asset management decision making. Considering the present and future generations needs, we can incorporate strategic risk into decision making. With the increase in frequency and severity of climactic events that may directly affect the delivery of service levels the municipality shall adopt a proactive approach to mitigating the potential impacts of climate change.

Monitor Standards and Service Levels to Ensure That They Meet/Support Community Goals and Objectives

The Municipality of Dufferin shall develop, track, and utilize Levels of Service for all its asset classes. Development of Key Performance Indicators appropriate to each service can be tracked for performance and be directly linked to the assets required to the service delivery. With the tracking of Levels of Service and Key Performance Indicators the municipality can work toward sustainable service delivery.

Develop and Maintain Asset Inventories of All It's Infrastructure

The Municipality of Dufferin shall develop and continually update an Asset Register of all its current infrastructure assets. This Asset Register shall track key information on assets such as but not limited to asset location, geometrics, levels of service, replacement costs, useful life, condition, function, and capacity. Having a fully developed Asset Register will help with the forecasting of projects and tracking the performance of assets that are providing services.

Establish Infrastructure Replacement Strategies Using Full Life Cycle Costing Principals

The Municipality of Dufferin shall develop a Maintenance Management Plan. This plan will be a schedule of maintenance activities that will be required to be performed and the costs associated to the maintenance activity throughout an asset's life cycle. This plan can then be linked directly to an assets sustainable service delivery.

Plan Financially for the Appropriate Level of Maintenance of Assets to Deliver Service Levels and Extend the Useful Life of Assets

The Municipality of Dufferin shall develop a short-term funding forecast based on the Maintenance Management Plan to be included in the Maintenance Management Plan. This forecast will describe the ways that the municipality will fund the maintenance required to sustain service levels and achieve the most value out of the life of each asset.

Plan for and Provide Stable Long-Term Funding to Replace and/or Renew and/or Decommission Infrastructure Assets.

The Municipality of St Rose shall develop an Asset Management Plan for its owned infrastructure assets. This Plan will describe a current state of infrastructure, levels of service, maintenance schedules, life cycle management, short-term and long-term financial forecasts. Developing this in-depth plan will allow for stable funding to ensure sustainable service delivery.

Incorporate Asset Management into Other Municipal Plans

The Municipality of Dufferin shall consider adopting asset management principles into other municipal plans like the municipal development plan, community design plans, business plans or corporate strategic and

financial plans. Operationalizing asset management across the organization will bring a continuity of how the municipality plans for sustainable service delivery.

Report to Citizens Regularly on the Status and Performance of Work to the Implementation of this Asset Management Policy

The Municipality of Dufferin shall put procedures in place to report quarterly to council and yearly to rate payers on the performance of its Asset Management Program. This report will show milestones already achieved, current asset management activities and future steps for continual improvement.

Asset Management Objectives and Performance Targets

The Asset Management Policy Principles listed above have been read, understood, and approved by council, in the Asset Management Policy, as the objectives that they would like to achieve by developing their internal resources. By developing these resources, the municipality can better manage and plan the municipalities assets in a more sustainable manner over its life cycle and to be able to provide the highest level of service.

The following objective were developed using the Asset Management Policy Principals, strategic objectives of the Municipality of Dufferin and external asset management expertise. Utilizing these sources, five Asset Management Strategic Objectives have been developed and are described in Figure 3 below.



Figure 3: Asset Management Objectives

The description of the objectives and performance targets below are described in the following order:

Asset Management Strategic Objective

Policy Principal

Principal Objective

Asset Management Performance Targets

Operational Efficiency

1. Monitor Standards and Service Levels to Ensure That They Meet/Support Community Goals and Objectives

Develop levels of service and key performance indicators of all the owned infrastructure assets that deliver a service.

- 1.1 Levels of service and key performance indicators for critical asset classes developed
- 1.2 Levels of service and key performance indicators for all asset classes developed
- 1.3 Key performance indicators are being tracked

2. Establish Infrastructure Replacement Strategies Using Full Life Cycle Costing Principals

Develop a Maintenance Management Plan for the maintenance, renewal, and eventual replacement of all municipal assets.

- 2.1 Maintenance Management Plan for critical asset classes developed
- 2.2 Maintenance Management Plan for all asset classes developed
- 2.3 Maintenance activities are being tracked

Long Term Planning

3. Plan for and Provide Stable Long-Term Funding to Replace and/or Renew and/or Decommission Infrastructure Assets.

Develop a long-term financial strategy to fund the replacement, renewal and decommissioning of municipal assets as they hit target ages and conditions for these activities.

- 3.1 The long-term strategy for funding the replacement, renewal, and decommissioning of critical municipal assets has been built into the Asset Management Plan
- 3.2 The long-term strategy for funding the replacement, renewal, and decommissioning of all municipal assets has been built into the Asset Management Plan

4. Plan Financially for the Appropriate Level of Maintenance of Assets to Deliver Service Levels and Extend the Useful Life of Assets

Develop a strategy to acquire and forecast the costs of maintenance activities required of assets across the asset's life cycle.

- 4.1 Financial forecast to sustain current service levels and extend useful life for critical asset classes developed
- 4.2 Financial forecast to sustain current service levels and extend useful life for all asset classes developed
- 4.3 Financial forecast updated biannually to reflect current market prices and inflation

Data and Information

5. Report to Citizens Regularly on the Status of the Implementation of this Asset Management Policy

Utilize tools like the Federation of Municipalities Asset Management Readiness Scale and the Asset Management Strategy 5 Year Roadmap to display progress to citizens.

- 5.1 An asset management operationalization dashboard has been developed
- 5.2 The operationalization dashboard is being updated regularly
- 5.3 Feedback from citizens on the operationalization dashboard has been received

6. Develop and Maintain Asset Inventories of All It's Infrastructure

Develop an Asset Register that will be used to track key information about assets and their condition, replacement, life cycle costs and useful life.

- 6.1 Asset register populated with information on critical asset classes
- 6.2 Asset register populated with information on all asset classes
- 6.3 Gap analysis on asset register to ensure all relevant information is populated

Sustainable Service Delivery

7. Incorporate Asset Management into Other Municipal Plans

Consider developing ways for asset management principals to be included in other municipal plans by finding a symbiotic relationship between their respective objectives.

- 7.1 A strategy to incorporate asset management into other relatable municipal plans has been created.
- 7.2 Asset management principals have been incorporated into other municipal plans

Decision Making

8. Maintain and Manage Infrastructure Assets at Defined Levels to Support Public Safety, Community Well-Being, and Community Goals

Develop planning documents that incorporate triple bottom-line pricing of projects and look at factors such as community goals and interests, risk, climate change, equality, diversity, and inclusion.

- 8.1 Inclusive planning documents developed
- 8.2 Planning documents are being utilized

Monitoring and Improving Asset Management Practices

Asset Management is a continuous process and as such the strategic objectives, initiatives and performance targets will have to be revisited as the strategic priorities or community values of the Municipality of Dufferin change over time. To continuously improve it is necessary for the municipality to review the Asset Management Strategy and adjust as appropriate. The Asset Management Strategy and its outcomes will be evaluated by management and council every 4 years, to align with council elections. Evaluations will review the performance indicators to assess the effectiveness of the Asset Management Strategy. If required, a roadmap will be developed to prioritize short-term, mid-term and long-term asset management initiatives. Revisions to this document will be made and tracked by the CAO.

Strategic Roadmap

This Asset Management Strategy has laid out many objectives that will be the first steps in operationalizing asset management as a core belief to structure of the organization. This Strategic Roadmap will layout the timeline in which the Municipality of Dufferin will schedule the asset management objectives and performance targets over the next 4 years.

Municipality of Dufferin Strategic Roadmap 2023 – 2026

Activity Number	Strategic Objective	2023	2024	2025	2026
		Operational Efficiency			
1.1	Develop levels of service and key performance indicators of all the owned infrastructure assets that deliver a service.	Levels of service and key performance indicators for critical asset classes developed			
1.2				Levels of service and key performance indicators for all asset classes developed	
1.3			Key performance indicators are being tracked	Key performance indicators are being tracked	Key performance indicators are being tracked
2.1	Develop a Maintenance Management Plan for the maintenance, renewal, and eventual replacement of all municipal assets.	Maintenance Management Plan for critical asset classes developed			
2.2				Maintenance Management Plan for all asset classes developed	
2.3			Maintenance activities are being tracked	Maintenance activities are being tracked	Maintenance activities are being tracked
Long Term Planning					
3.1	Develop a long-term financial strategy to fund the replacement, renewal and decommissioning of municipal assets as they hit target ages and conditions for these activities.	The long-term strategy for funding the replacement, renewal, and decommissioning of critical municipal assets has been built into the Asset Management Plan			
3.2			The long-term strategy for funding the replacement, renewal, and decommissioning of all municipal assets has been built into the Asset Management Plan		
4.1	Develop a strategy to acquire and forecast the costs of maintenance activities	Financial forecast to sustain current service levels and extend useful life for critical			

	required of assets across the asset's life cycle.	asset classes developed			
4.2				Financial forecast to sustain current service levels and extend useful life for all asset classes developed	
4.3					Financial forecast updated biannually to reflect current market prices and inflation
Data and Information					
5.1	Utilize tools like the Federation of Municipalities Asset Management Readiness Scale and the Asset Management Strategy 5 Year Roadmap to display progress to citizens.		An asset management operationalization dashboard has been developed		
5.2				The operationalization dashboard is being updated regularly	
5.3					Feedback from citizens on the operationalization dashboard has been received
6.1	Develop an Asset Register that will be used to track key information about assets and their condition, replacement, life cycle costs and useful life.	Asset register populated with information on critical asset classes			
6.2			Asset register populated with information on all asset classes		
6.3				Gap analysis on asset register to ensure all relevant information is populated	
Sustainable Service Delivery					
7.1	Consider developing ways for asset management principals to be included in other municipal plans by finding a symbiotic relationship between their respective objectives.			A strategy to incorporate asset management into other relatable municipal plans has been created	
7.2					Asset management principals have been incorporated into other municipal plans
Decision Making					

8.1	Develop planning documents that incorporate triple bottom-line pricing of projects and		Inclusive planning documents developed		
8.2	look at factors such as community goals and interests, risk, climate change, equality, diversity, and inclusion.			Planning documents are being utilized	