



Gilbert Plains Municipality - Asset Management Strategy Draft



Version 1.1

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INTENT AND SCOPE

INTENT

This Asset Management (AM) Strategy is intended to provide knowledge and guidance to the Municipality of Gilbert Plains to meet the asset management initiatives and best practices set in the AM Policy. Asset management aims to establish long-term financial planning, environmental sustainability, consolidated data, and a coordinated approach across all departments of Gilbert Plains. These objectives will then be broken down into relevant initiatives that Gilbert Plains will pursue to ensure progress is made with asset management.

Figure 1 represents the relationship, i.e. “line of sight”, between a community 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 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.

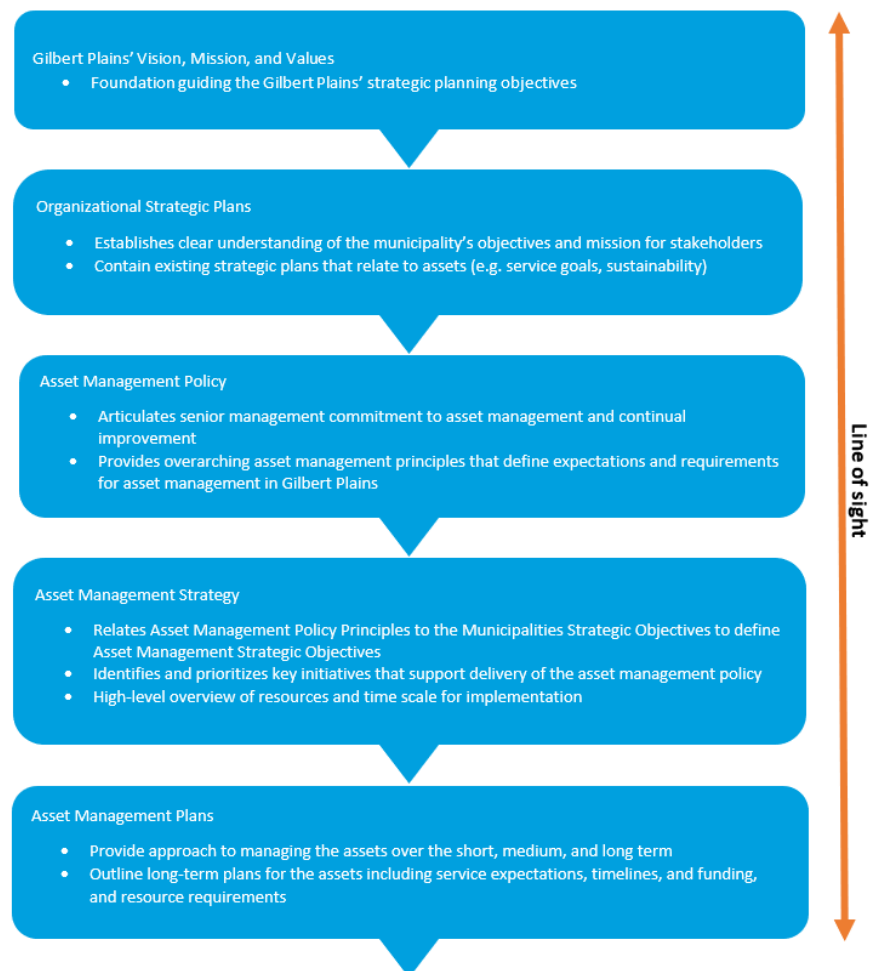


Figure 1 Asset Management Line of Sight, based on FCM recommendations (Federation of Canadian Municipalities, 2018)



The **Asset Management Policy** provides overarching principles that will be used to guide decision-making processes to deliver services to the community. It signifies Council and senior management's commitment to the development and continuous improvement of asset management practices. Through the principles laid out in the policy, the framework for funding and financing asset acquisitions, operations, maintenance, renewal, and disposal can be implemented through the Asset Management Strategy and Asset Management Plan(s).

The **Asset Management Strategy** builds off the Asset Management Policy and the communities' strategic goals and objectives to identify strategies to improve asset management practices and achieve overarching asset management objectives. It provides an overview of the current decision-making processes, assets, and funding sources for a Municipality.

This document will provide strategic objectives and relevant initiatives to achieve the overarching objectives of Gilbert Plains and is guided by the Asset Management Policy principles.

SCOPE

Gilbert Plains owns and operates various infrastructure assets that provide services to their ratepayers. The Asset Management Strategy applies to all assets owned and operated by Gilbert Plains, including:

- Road Network (road base & surface, sidewalks, traffic signals, street lighting, signage, etc.)
- Bridges & Culverts
- Buildings (offices, public works shops, etc.)
- Water Network (mains, hydrants, valves, etc)
- Sewer Network (main lines, pumps, valves, gutters, lagoon, lift station, manholes, etc.)
- Parks & Recreation (sports facilities, trails, arenas, etc.)
- Fleet Equipment (vehicles, tractors, trailers, etc.)

These infrastructure assets require ongoing acquisition, operation, maintenance, renewal, and disposal throughout the asset lifecycle.

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

Level of Service: the defined standard for the provision of a particular service. The levels are defined with consideration of quality, quantity, reliability, 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.



DECISION-MAKING APPROACH

CURRENT APPROACH

Gilbert Plains is in the preliminary phase of adopting asset management techniques into its municipal functions. Currently, there is limited knowledge and practice of asset management communicated throughout the organization. Asset management initiatives have been established in the AM Policy and intend to guide Gilbert Plains along its desired path. MuniSight's Webmap has been developed for Gilbert Plains and some asset information has been stored. Records of maintenance or inspections have been complete but are kept in an unconsolidated mix of both paper and electronic copies. Operations such as inspections are done by public works staff, and the municipality is taking steps towards becoming more proactive. The municipality is not fully aware of which assets are in poor or critical condition. There are ongoing projects to improve certain aspects of the community's infrastructure, such as the development of a new subdivision, and the state and associated risks of many infrastructure assets are recognized. Going forward, there is a focus on developing a consolidated asset inventory that is easily accessible and comprehensive documents to lay out a robust asset management program.

TARGET APPROACH

Gilbert Plains' targeted approach to asset management decision making will incorporate the following principles:

- 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 business units, functions, and 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

Gilbert Plains 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.



GILBERT PLAINS – STRATEGIC ALIGNMENT

This AM Strategy incorporates information from the Gilbert Plains Asset Management Policy, interviews from select municipal staff, and recommendations from the Federation of Canadian Municipalities (Federation of Canadian Municipalities, 2018).

GILBERT PLAINS STRATEGIC VIEW

Gilbert Plains is located in the Parkland Region of Manitoba and is surrounded by fertile farmlands. The municipality has a population of roughly 1,000 people with agriculture being a driving factor of the local economy.

The Recreation Commission set out a Mission Statement of:

- *To enhance the quality of life for all residents in the Town and Rural Municipality of Gilbert Plains, through the provision of recreational facilities, activities and in the expansion of tourism to Gilbert Plains.” (Gilbert Plains, 2021)*

These priorities directly relate to the asset management initiatives put forward in this AM Strategy. The focus is to improve the quality of life by providing infrastructure and creating opportunities to meet the needs of their residents. Asset management accomplishes these tasks through developing infrastructure asset registries, allocating budgets and funding, understanding asset conditions, full life cycle costs, strategic risks, and defined levels of service.

ASSET MANAGEMENT POLICY PRINCIPLES

Gilbert Plains approved an Asset Management Policy which outlines the high-level principles of asset management that the municipality is looking to achieve. This policy also defines the roles and responsibilities for asset management across Gilbert Plains. These principles are broken down into five categories, which are listed below.

SERVICE DELIVERY TO CUSTOMERS AND INFORMATION MANAGEMENT

Gilbert Plains shall:

- a) Develop and maintain asset inventories for all infrastructure assets.
- b) Deliver defined levels of service by efficiently managing all infrastructure assets.
- c) Demonstrate transparency with performance and defined levels of service to the community.
- d) Define levels of service based on the quality of life, long-term financial stability, and strategic goals of the community.
- e) Monitor and periodically review the defined levels of service and update accordingly.
- f) Ensure levels of service are compliant with Councils' strategic objectives and all relevant legislative, statutory, and regulatory requirements.

HOLISTIC AND INTEGRATED DECISION MAKING

- a) Gilbert Plains will connect and integrate appropriate business units, departments, and functions in the asset management decision-making process to build strong working relationships and get maximum value from infrastructure investments.
 - i) These departments and functions include planning, engineering, operations and maintenance, finance, and other strategic and long-term community planning and budgetary functions.

FISCAL RESPONSIBILITY

Gilbert Plains shall:

- a) Implement maintenance strategies that consider sustaining the defined levels of service and maximize asset value
- b) Develop processes to ensure investment needs are addressed efficiently and effectively.
- c) Consider investment needs, funding requirements, and revenue projections to develop financial longevity.
- d) Consider the financial impacts on current and future generations and promote social and inter-generational equity throughout the asset management decision-making process.
- e) Aim to minimize the long-term cost of asset ownership while considering the strategic risks of the community when making decisions to build, renew and/or replace an infrastructure asset.
- f) Comply with all the regulatory and statutory financial tracking and reporting requirements.



SUSTAINABILITY AND ENVIRONMENTAL ADAPTABILITY

Gilbert Plains shall:

- a) Consider current and future generation's needs by incorporating strategic risk into decision-making regarding infrastructure investments.
- b) Develop business strategies considering risk and the comprehensive costs of delivering defined levels of service when investing in infrastructure assets.
- c) Incorporate a triple bottom line approach, considering the socio-cultural, environmental, and economic outcomes.
- d) Consider how increased frequency and severity of climatic events may directly affect the delivery of levels of service. Where appropriate, the municipality will adopt a proactive approach to mitigating the potential environmental impacts.

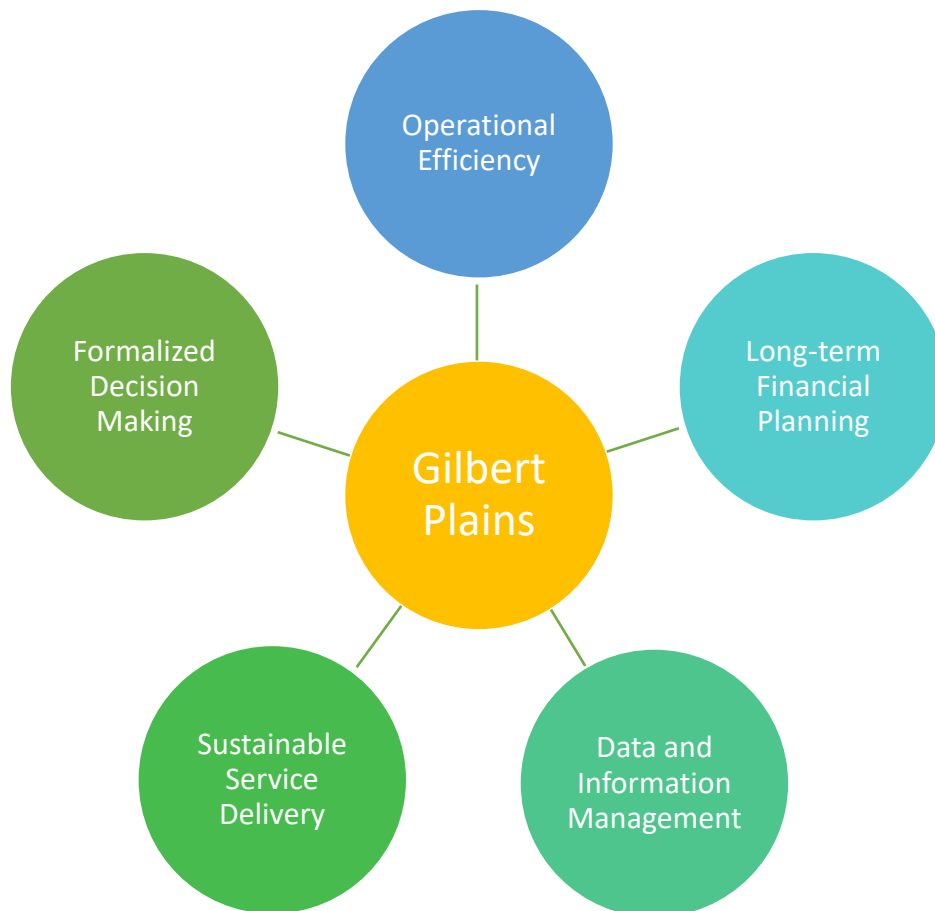
CONTINUOUS IMPROVEMENT

Gilbert Plains shall:

- a) Continually pursue the growth of the asset management processes with a focus on incorporating innovative tools, techniques, and solutions.
- b) Assess progress with the municipality's asset management program and provide support, education, and training to staff to further develop asset management processes.
- c) Promote long-term efficiency and effectiveness in service delivery and asset management decision-making throughout all relevant departments and functions of the municipality.
- d) Monitor and periodically review asset management processes to measure their applicability and effectiveness in achieving the strategic objectives. Necessary changes will be made when applicable.

ASSET MANAGEMENT OBJECTIVES AND PERFORMANCE TARGETS

Asset Management Strategic Objectives were developed using the AM Policy principles, strategic priorities of Gilbert Plains, and internal asset management expertise. Utilizing these sources, five Asset Management Strategic Objectives and associated AM initiatives were developed and are described below.



Asset management initiatives shall be measured periodically using performance targets. These performance targets may include:

- Ability to predict realistic projections of costs for future planning
- The degree to which information from the asset management plan is incorporated into Gilbert Plains's long-term financial planning process
- The number of levels of service infractions per annum, broken down by service type (road network, water network, etc.)
- Effectiveness and applicability of strategic objectives in meeting community values/needs
- Achieving an asset renewal funding ratio of 1.0

Performance targets will be added and/or adjusted in subsequent iterations of this AM Strategy.

KEY ASSET MANAGEMENT IMPROVEMENT INITIATIVES

The following initiatives are to be implemented to improve asset management processes and decision-making throughout the organization. The improvement initiatives are broken down into their relevant strategic objective.

OPERATIONAL EFFICIENCY

- Initiate Work Order System
- Develop Operation and Maintenance (O&M) Management Procedures for all services based on the determined Levels of Service. This includes the creation of operator manuals, checklists, guides, and other relevant documentation
 - Option: Refer to “Introduction to Asset Management” (Association of Manitoba Municipalities, 2018)
- Prepare 3-year Operation Plan
 - Financial projections based on the procedures and determined Levels of Service
 - Include projected O&M cost for proposed capital projects (link the 3-year O&M plan to long-term Capital Plan)
 - Update annually

LONG-TERM FINANCIAL PLANNING

- Develop a long-term financial plan that considers Gilbert Plains’ context and is incorporated with the AM Plan
- Prepare Asset Replacement Forecast (A.R.F.) to prioritize infrastructure acquisition, renewal, and disposal
 - Based on the age, condition, year installed (or renewed), and current replacement cost
 - Option: Refer to “Introduction to Asset Management” (Association of Manitoba Municipalities, 2018)

DATA AND INFORMATION MANAGEMENT

- Prepare robust organizational information and data management system that ensures information is collected, consolidated, stored, accessed, and updated to support your asset management system (this includes your GIS and other related information that are not stored on the GIS)
- Ensure data accuracy by incorporating tasks into work-flows and performing routine asset assessments. Collect relevant asset management information for all infrastructure assets (such as condition, remaining useful life, replacement cost, level of service, etc.)

SUSTAINABLE SERVICE DELIVERY

- Perform core service review with a focus on asset criticality, cost-efficiency to determine “target” levels of service
- Define and document levels of service for each asset class
- Develop AM Plan that considers sustainability principles
- Coordinate effective inspection planning, focusing on known service issues or high-risk assets
- Prepare Risk Management and Mitigation Plans
- Consider climate change adaptation and mitigation within the risk management framework
- Consider asset risks and strategic risks



FORMALIZED DECISION MAKING

- Continually train members of the steering committee and staff
- Prepare a systematic approach to review, revise, and improve AM systems.
- Prepare a process that outlines how the AM system could be incorporated into the municipal decision-making processes and planning. These processes include budgeting, long-term planning, growth planning, and all other existing processes
- The formalized decision-making process for investment in new and enhanced assets/services
- Form an interdisciplinary asset management team with representation from all relevant departments
- Be transparent with defined levels of service and service performances to stakeholders
- Develop communication methods within the organization to distribute Asset Management Steering Committee decisions and notes throughout the organization and to Council, where appropriate



ASSET MANAGEMENT ROLES AND RESPONSIBILITIES

Relevant roles and responsibilities for the Chief Administration Office (CAO), Council, Asset Management Steering Committee, Department Managers, and Finance Lead are outlined in the AM Policy. The CAO is tasked with setting a high-level vision with Council's objectives in perspective, ensure that all relevant deadlines are met, and that accountability is clear. Due to Gilbert Plains' small population, some municipal staff may play multiple roles within the governance structure. Knowing this, it is important to set realistic deadlines and expectations for staff. For more information on the roles and responsibilities for the key asset management personnel, refer to the Gilbert Plains approved Asset Management Policy.

HOW TO MONITOR AND IMPROVE ASSET MANAGEMENT

Asset management is a modern and continuously changing process; therefore, the strategic objectives, initiatives, and performance targets will have to be re-visited as priorities within Gilbert Plains change. To continuously improve it is necessary for the municipality to review the Asset Management Strategy and adjust where appropriate. The Asset Management Strategy and its outcomes will be reevaluated by the council every 4 years. Evaluations will review performance indicators to assess the effectiveness of the Asset Management Strategy. If required, a roadmap will be developed to prioritize and resource short, medium, and long-term asset management initiatives. Revisions to this document will be made and tracked by the CAO and approved by the Council.



REFERENCES

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