



THE CORPORATION OF THE VILLAGE OF POINT EDWARD

Strategic Asset Management Policy

Version 1.0 (June 2019)

Intent:

The Village of Point Edward provides a wide range of services to the community that require the ownership and responsible operation, maintenance and rehabilitation of physical assets including land, building, equipment, transportation, drainage, sewer and water infrastructure.

Asset Management (AM) is an integrated approach, involving all Village of Point Edward departments, to deliver value to the community through the effective management of existing and new infrastructure assets.

This policy has been created to comply with the 588/17 Ontario Regulation that includes a phased approach to improving asset management across municipalities. The following summarizes the coming phases of this regulation and their deadlines:

Phase 1: by July 2019 every municipality shall prepare its first strategic asset management policy and shall review, if necessary, update it at least every five years. This is Point Edward's Strategic Asset Management Policy.

Phase 2: by July 2021 every municipality will have an asset management plan for core assets (water, sewer, and roads) that discusses current levels of service and the cost of maintaining those services.

Phase 3: by July 2023, every municipality will have an asset management plan for all municipal infrastructure assets (such as buildings, vehicles, etc) that discusses current levels of service and the cost of maintaining those services.

Phase 4: by July 2024, this phase builds on Phase 1 and 2 by adding proposed levels of service, and lifecycle management and financial strategy.

This policy will establish consistent standards and guidelines for management of the Village's assets applying technical, social and economic principles that consider present and future needs of users, and the service expected from the assets.

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This policy outlines the fundamental asset management principles to be implemented across the Village of Point Edward.

Scope:

The Village of Point Edward owns a wide range of asset types that are used in delivering services to the residents of the Village. Each year, the Village may acquire or construct new assets. In addition, the Village of Point Edward may rely on natural assets or other assets that it does not own, in order to deliver services.

This asset management policy applies to the assets owned or jointly owned by the Village. Where service provision is supported by other assets not owned by the Village, we will work collaboratively with those asset owners and promote the principles outlined in this policy.

The CAO will assume the lead role and be responsible for the maintenance of and reporting on the activity related to the management of Town assets. The Department Managers will assist in this task through the utilization of condition assessment information and service level requirements to update the long and short-term asset requirements.

Table 1 summarizes the services that the Village of Point Edward provides, and gives examples of the asset groups and asset types owned by the town that support the delivery of those services.

Table 1:

Service Provided to the community (not an exhaustive list)	Example of asset group (not an exhaustive list)	Examples of asset types (not an exhaustive list)
Potable Water Supply	Water infrastructure	Pipes, valves
Wastewater collection and Treatment	Sanitary sewer infrastructure	Pipes, lift stations, manholes, lagoons, treatment plants
Flood Protection	Drainage infrastructure	Pipes, culverts, chambers, pump stations
Transportation	Transportation infrastructure	Roads, bridges, sidewalks, multipurpose paths, traffic signals, street lighting, heavy equipment, snow ploughs

Recreational Parks	Parks infrastructure	Playfields, playgrounds, splash pad, trails, natural assets
Community facilities Civil facilities	Buildings	Civil offices, public works yard, fire hall, recreational and cultural buildings
Emergency response	Vehicles	Fire trucks
Support for departments to serve the community	IT infrastructure	Vehicles, rescue equipment, communication equipment.

1. Service Delivery:

The municipality will clearly define level of service objectives that balance community expectations and regulatory requirements with risk, affordability and available resources, and will do the following:

- Manage assets appropriately in order to efficiently and effectively deliver the defined levels of service
- Monitor and periodically review level of service objectives to ensure that they meet or support community and council expectations and other strategic objectives.

The municipality will ensure transparency and accountability to the community on service delivery. This will include annual communications to council to share information on service performance with annual to 10-year long-term financial plan, as well as technical information such as asset condition.

The municipality will comply with all relevant legislative, regulatory and statutory requirements.

The municipality will incorporate risk-based and information-driven decision-making frameworks that appropriately consider the potential impacts of asset failure on ongoing service delivery.

The municipality will ensure that decisions regarding the need for new assets are made with appropriate due diligence; and that these needs are evaluated with a focus on service-delivery to the community and supported with a valid business case that articulates cost and benefits.

The municipality will prioritize and direct resources and expenditure in order to deliver levels of service and other community benefits at an acceptable level of risk.

2. Long-term Sustainability and Resilience:

The municipality’s asset management decision-making will consider the needs of both current and future generations and the potential challenges associated with changing community

demographics and expectations related to service delivery, as well as potential modifications to legislative requirements.

The municipality's asset management decision-making will consider the potential effects of climate change and other environmental changes, and how the increased severity and frequency of climatic events may directly affect levels of service. Where appropriate, the municipality will adopt a proactive approach to mitigating the potential impacts of climate change.

The municipality will consider sociocultural, environmental and economic factors and implications when making and implementing asset management decisions.

3. Holistic “Big Picture” Approach:

To support asset management decision-making, the municipality will take steps to connect the appropriate departments, functions and support activities in order to build effective working relationships and encourage information-sharing.

Asset management decision-making will drive optimum value for the community by focusing on the “big picture”. The municipality will therefore ensure that decisions are made collectively and consider all life-cycle stages and the interrelationships between asset performance, operational performance and overall service performance. Decision-making will also recognize the interconnected nature of asset systems and how decisions about one set of assets may potentially interact with or affect assets controlled by other departments or functions.

4. Fiscal Responsibility and Asset Management Decision-Making:

The municipality will develop and maintain appropriate plans for infrastructure renewal, for the purchase or construction of new infrastructure and for the decommissioning of redundant infrastructure. This includes:

- Developing long-term projections of capital and operating investment needs
- Applying rigorous analysis, including consideration of risk, to identify short-term investment needs
- Implementing processes to ensure that proposed investment plans address needs efficiently and effectively.
- Implementing processes to address the operational budget implications of capital investments, for example, a total -life-cycle costing approach.
- Exploring efficiency opportunities where appropriate, including new technologies.
- Analyzing investment plans and associated funding requirements and putting in place mechanisms to ensure long-term financial sustainability.

The municipality will evaluate relevant asset investment decisions based on consideration of the total-life cycle costs associated with managing those assets through their entire life cycle.

The municipality will develop prioritized capital investment plans that reflect community and stakeholder expectations with regard to level of service and other strategic objectives. The municipality will evaluate the magnitude, nature and overall balance of investment plans considering the aggregate value derived for the community, affordability, willingness to pay and intergenerational equity.

The municipality will reference the asset management plan in order to look up forecasted spending needs identified in the plan, verify progress made on the plan to identify potential gaps, and prioritize spending needs, across the gap identified in the plan and recent developments, for the year to be budgeted for.

5. Innovation and Continual Improvement:

The municipality views continual improvement as a key part of our asset management approach and will focus on driving innovation in the development of tools, techniques and solutions.

The municipality will monitor and periodically review the effectiveness of asset management processes in supporting the delivery of strategic objectives and will make adjustments as required.

The municipality will assess the asset management competencies required to implement the asset management system and provide the necessary support, education and training to council and staff.

The municipality will review the asset management policy in conjunction with its review of the asset management strategy, every 5 years in accordance with Ontario Regulation 588/17.

Responsibilities for Leading Implementation:

This policy requires the commitment of key stakeholders within the Village's organization to ensure the policy contains a clear plan that can be implemented, reviews and updated.

Council, on behalf of the citizens will articulate community values and define priorities and will be entrusted with the responsibility of overseeing the management of the assets. They will approve the Asset Management Planning documents and require updates at least every five years. They will review management's implementation of the plan as part of the annual budget process, will approve funding and resources to implement the asset management policy and associated requirements. They will support efforts to improve the plan and ensure it includes changes necessitated by updates to other Village documents.

The **Chief Administrative Officer (CAO)** will lead the implementation and communication of the asset management policy across the municipality. The CAO will ensure that the policy follows Provincial Asset Management regulations and is reviewed and updated at least every five years according to Ontario Regulation 588/17. The CAO will ensure that current year and long-range asset requirements are incorporated into the budget presented to Council annually and

maintain that financial plans have the appropriate level of maintenance, rehabilitation, extension and decommission of assets.

Departmental managers are responsible for leading the adoption of the asset management policy within their departments and for allocating appropriate resources to its implementation, full-life cycle costs, and associated requirements.