

Introduction to Asset Management Planning

Council Meeting 2017-09-25



Asset Management Planning is

- ▶ ...essential for the future resilience of Clearview. Municipalities need effective plans to take care of their infrastructure over the long term.
- ▶ Despite significant investments by all orders of government, more needs to be done to address current and emerging municipal infrastructure needs.



Public Infrastructure is...

- ▶ central to our prosperity and our quality of life.
- ▶ Clearview's infrastructure eventually wears out and needs to be rehabilitated or rebuilt/replaced.
- ▶ Roads repaved, and community centres, bridges, vehicles, equipment, and buildings rehabilitated or replaced.
- ▶ Municipalities have to show their plan to pay for this.



Asset Management Planning in a Nutshell

- ▶ What infrastructure standard do you propose?
- ▶ What infrastructure is required to meet that?
- ▶ Are you at that standard or do you need to increase?
- ▶ How will you pay for increased standards?
- ▶ How will you pay for the replacement of worn out infrastructure?
 - Show how you will find the cash, use a grant, or if you intend to borrow.
 - Can only include confirmed grants
 - Can you afford to borrow all of that money?
 - If not – what is your revised plan?

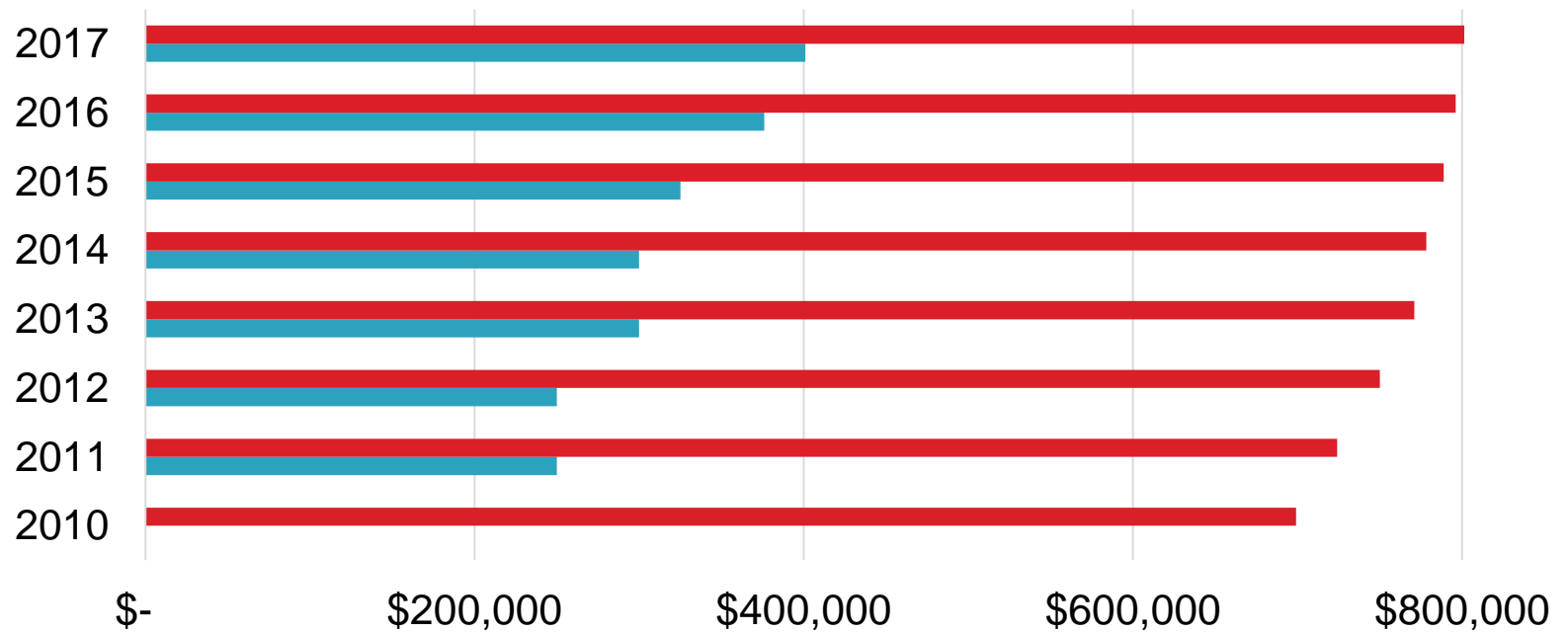


Example of Asset Management Planning – Bridges/Culverts

- ▶ Approx. 75 Bridges/Major Culverts
- ▶ Bridges/Culverts last approximately 75 years
- ▶ About 1 per year needs to be replaced
 - Some years 2 or more, other years none
- ▶ Approximately \$750,000 cost per bridge
 - 2012 dollars – current cost now higher
- ▶ As of 2010 \$0 set aside annually for bridges
- ▶ As of 2017 \$401,000 set aside annually
- ▶ Collingwood St. Bridge (above Purple Hills Lane) expected to cost \$2,000,000 to \$2,500,000



Annual Bridge Reserve Compared to Recommended



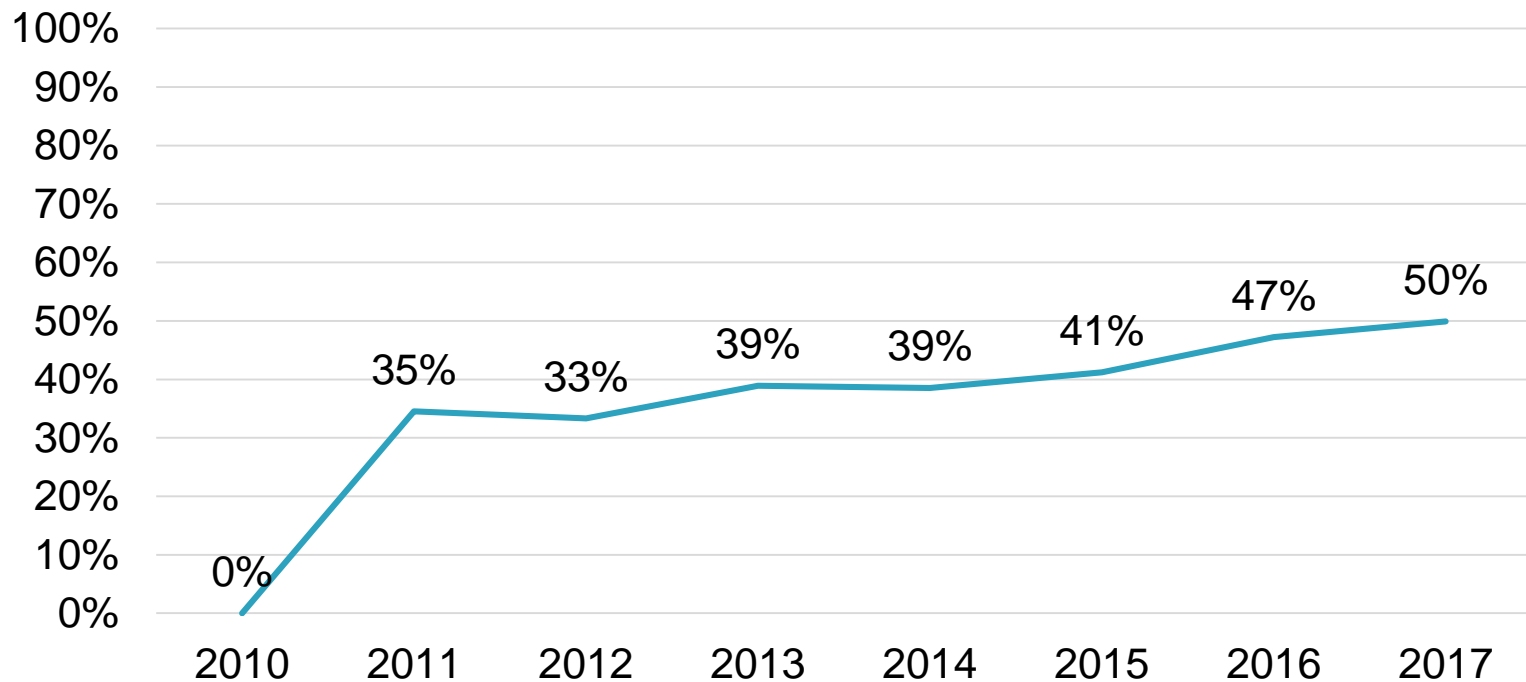
	2010	2011	2012	2013	2014	2015	2016	2017
■ Avg. Cost	\$699,14	\$724,12	\$750,00	\$771,00	\$778,16	\$788,90	\$796,06	\$803,74
■ Reserve	\$-	\$250,00	\$250,00	\$300,00	\$300,00	\$325,00	\$376,00	\$401,00

■ Avg. Cost ■ Reserve



Bridges - Are we saving enough yet?

Annual Bridge Reserve Allocation as % of Recommended



Funding of Clearview Bridge Replacement

	2010	2011	2012	2013	2014	2015	2016	2017
Recommended	699,143	724,125	750,000	771,000	778,163	788,906	796,069	803,743
Funded	0	250,000	250,000	300,000	300,000	325,000	376,000	401,000
Unfunded	699,143	474,125	500,000	471,000	478,163	463,906	420,069	402,743
Bridges	0%	35%	34%	39%	39%	42%	48%	50%



Municipal Infrastructure Strategy

Guiding Principles

- ▶ Municipalities are the stewards of the infrastructure they own
- ▶ Province and Federal governments have an obligation to help municipalities
- ▶ Asset Management Plans should guide investment decisions
- ▶ Those who benefit should pay for the service, whenever feasible
- ▶ Look for efficiencies by partnering with other municipalities where feasible



Municipal Infrastructure Strategy

Guiding Principles

- ▶ Maintaining roads, bridges, water, wastewater should be a top priority (Core infrastructure)
- ▶ Some communities face unique challenges that require tailored solutions
- ▶ Infrastructure Ontario and the private sector can help address municipal infrastructure challenges
- ▶ Make asset management planning and public reporting universal



Clearview has been proactive

- ▶ Made a concerted effort to increase funds for future infrastructure replacement since 2010.
 - 12.1% cumulative tax increase since 2010
 - 1.5% average annual tax increase since 2010
- ▶ 2014 completed an Asset Management Plan for core infrastructure.
- ▶ 2016 completed an Asset Management Plan for all infrastructure.



Some Clearview Asset Replacement Indicators

	2010	2011	2012	2013	2014	2015	2016	2017
Bridges	0%	35%	34%	39%	39%	42%	48%	50%
Fire Equipment	128%	79%	132%	70%	42%	107%	100%	100%
Hall Accessibility	0%	0%	0%	31%	37%	59%	100%	100%
Bylaw Vehicle	100%	100%	100%	100%	100%	100%	100%	100%
Swimming Pool	0%	0%	0%	0%	0%	0%	0%	0%



Clearview continues to be a leader

- ▶ Distinguished Budget Presentation award since 2013
- ▶ Moving to 5 year operating and capital budget and 10 year infrastructure budget
- ▶ Starting work now on meeting new proposed regulations
- ▶ Received \$50,000 Asset Management Planning grant in 2017 to continue efforts



\$50,000 FCM Asset Management Grant is Funding for Clearview

- ▶ Long-term budgeting software – Questica
 - Installation by January/February 2018 for 2019 budgeting
- ▶ Report on condition assessment for all municipal buildings
- ▶ Education, training, policy development, and more



Proposed New Requirements

- ▶ Strategic Asset Management Policy
- ▶ Municipal Asset Management Plans
 - Increasing levels of details
 - Approved by Engineering Firm, CAO and Council
- ▶ Current Infrastructure Standards
- ▶ Financial Strategy for Asset Replacement and Cost of Services
- ▶ Address Shortfalls
- ▶ Annual Progress Reports
- ▶ Regularly update Asset Management Plans



Asset Management Planning Guidelines

- ▶ 2012 Ontario Government
 - Building Together: Guide for Municipal Asset Management Plans
- ▶ 2016 Ontario Government
 - Infrastructure for Jobs and Prosperity Act
 - Regulation of Municipal Asset Management Planning
- ▶ 2017 Federation of Canadian Municipalities
 - Asset Management Readiness Scale
 - Framework for improving planning
- ▶ 2017 Ontario Government
 - Proposed New Regulations
 - Approval expected Fall 2017



FCM Asset Management Planning Framework

Asset Management Planning Readiness Level - Summary

Readiness Level		Level 1		Level 2		Level 3		Level 4		Level 5
Policy and Governance	✓	Existing		Oct 31 2017		Feb 28 2018		Nov 30 2018		Nov 30 2019
People and Leadership	✓	Existing		Oct 31 2017		Feb 28 2018		Nov 30 2018		Nov 30 2019
Data and Information	✓	Existing	✓	Existing		Jun 30 2018		Nov 30 2018		Nov 30 2019
Planning and Decision-Making	✓	Existing	✓	Existing		Jun 30 2018		Nov 30 2018		Nov 30 2019
Contribution to Asset Management Practice	✓	Existing	✓	Existing		Jun 30 2018		Nov 30 2018		TBD



Readiness Level	Level 1	Level 2	Level 3	Level 4	Level 5
Policy and Governance	✓ We have set expectations for our AM program. We have the support we need to begin work on an AM policy.	We have drafted an AM policy and strategy and have developed a framework for our AM system.	We are using our AM policy to guide our actions. We have created a roadmap and have established performance measures.	We have a fully functional AM system. We are using performance measures to track progress and outcomes.	We are continually improving the AM system. Our AM objectives and roadmap are refined based on the evolving needs of our community.
People and Leadership	✓ We have council support to establish a cross-functional AM team to explore AM needs and develop a plan for improving our AM system.	We have a clear mandate for our AM team, and council has approved funding for priority improvements to our AM system.	Our AM team has clear responsibility for improving our AM system. Council champions AM as a core business function.	Our AM team is responsible for guiding and supporting AM on an ongoing basis. AM system roles and responsibilities are operationalized.	Our council's commitment drives continuous improvement of the AM system. Roles and responsibilities evolve to meet ongoing needs.
Data and Information	✓ We have inventory data and financial data, aligned with minimum reporting requirements for tangible capital assets.	✓ We have basic inventory data for major assets, including some condition and performance data. We have detailed financial data for some of our assets.	We have basic inventory data for all our assets, with some level of service information and standardized condition ratings. We have linked AM and financial information for our major assets.	We have expanded inventory data on major assets, including condition and performance information. We have basic forecasts and risk assessments for some assets. We have a long-term community financial plan in place.	We have expanded inventory data on all assets. We have performance forecasts and risk assessments in place for most assets.



Readiness Level	Level 1	Level 2	Level 3	Level 4	Level 5
Planning and Decision-Making	✓ Our asset investment plans address basic needs and respond to known problems. We evaluate priorities based on experience, council and management input and available information.	Our asset investment plans address observed short-term issues. We evaluate each need individually, and teams set priorities independently of each other, based on objectives and criteria representing the needs of their departments.	Our asset investment plans manage short-term risks and service impacts. We set priorities based on common organizational goals and objectives. We have drafted preliminary AM plans.	Our asset investment plans balance short-term service objectives (our desired level of service) with longer-term goals and risks. Planning is carried out using our AM system and kept up to date via normal business.	Our asset investment plans are integrated to address risks to both service and business goals. We have detailed AM plans for all services. We are continually improving our approach.
Contribution to Asset Management Practice	✓ AM development is informal and largely driven by the personal initiative of team members.	✓ Our organization has membership in one or more AM organizations and selected staff are trained on basic AM concepts.	Our organization is an active participant in industry events. All staff receive basic AM awareness training.	Our organization contributes to industry events and shares experience with peers. An AM training plan is in place for all positions.	Our organization is viewed as a thought leader and coach. Select staff are trained as internal AM experts.



Some Next Steps

- ▶ Approval of Asset Management Planning policy
- ▶ Create Asset Management Planning committee
- ▶ Develop and execute plan for public education and input
- ▶ Committee to work on infrastructure standards, strategic framework, and asset investment plans for Council review and approval
- ▶ Develop progress reporting for Council and public
- ▶ Update Asset Management Plan every 5 years

