SPECIAL MEETING OF COUNCIL
AGENDA

Tuesday, December 4, 2018, 1:00 PM

Council Chambers

2021 Division Road N

Kingsville, Ontario N9Y 2Y9

Pages

A.   CALL TO ORDER

B.   DISCLOSURE OF PECUNIARY INTEREST

When a member of Council has any pecuniary interest, direct or indirect, in any matter which is the subject of consideration at this Meeting of Council (or that was the subject of consideration at the previous Meeting of Council at which the member was not in attendance), the member shall disclose the pecuniary interest and its general nature, prior to any consideration of the matter.

C.   COUNCIL ORIENTATION PRESENTATIONS

1.   Ontario Good Roads Association Webinar entitled "Introduction to Asset Management for Elected Officials"   1

2.   Director of Financial Services Ryan McLeod--Financial Services Dept. overview   35

D.   CONFIRMATORY BY-LAW

1.   By-law 128-2018   55

Being a By-law to confirm the proceedings of the Council of The Corporation of the Town of Kingsville at its December 4, 2018 Special Meeting of Council.

To be read a first, second and third and final time.

E.   ADJOURNMENT

Municipal
**Asset
Management**
Program

Asset Management
Readiness Scale

Table of Contents

Canada

The Asset Management Readiness Scale

What is a readiness scale?

Readiness scales are widely accepted for a number of different uses. This readiness scale measures progress of local governments as they adopt asset management practices. Readiness scales provide a common method for assessing progress, or level of adoption, across diverse groups. They allow individuals or organizations to assess their current state against a progressive scale.

How can you use the Asset Management Readiness Scale?

The needs of municipalities vary widely, and the approaches to implementing asset management differ in communities across the country. The Asset Management Readiness Scale will allow you to measure your progress along a common scale regardless of the implementation framework you choose. This document is meant to complement any asset management approach being implemented in any jurisdiction across Canada. It is applicable to any municipality or local government organization.

The scale shows that creating and implementing an asset management system is a step-by-step process that takes time and resources and does not happen overnight. It is meant to structure the asset management journey and provide an objective means of evaluating progress.

How does this readiness scale work?

This scale describes five asset management "competencies":

- **Policy and governance:** Putting in place policies and objectives related to asset management, bringing those policies to life through a strategy or framework, and then measuring and monitoring implementation over time.
- **People and leadership:** Setting up cross-functional groups with clear accountability, and ensuring adequate resourcing and commitment from senior management and elected officials to advance asset management.
- **Data and information:** Using asset data, performance data, and financial data to support effective asset management planning and decision-making.
- **Planning and decision-making:** Documenting and standardizing how the organization sets priorities, conducts capital and operations and maintenance (O&M) planning, and decides on budgets.
- **Contribution to asset management practice:** Training and staff development, sharing knowledge internally and participating in external knowledge sharing.

For each asset management competency, there are five levels. The five levels form a progressive scale, from initial investigation to adoption and, eventually, full integration of asset management practices into daily routines. The "outcomes" described at each level show, in practical terms, what it means to be at that level. This information can help you set goals and objectives, and design initiatives that you may wish to have funded through the Municipal Asset Management Program.

If you are new to asset management, or need an introduction to key asset management terms, read the "Introduction to Asset Management" section on the next page before using the readiness scale to conduct a self-assessment.

Self-assessment instructions

1. Bring a group of cross-functional staff together to conduct the self-assessment — this should not be done by one person in isolation.
2. For each asset management competency, read through the descriptions and outcomes for each level.
3. Discuss and evaluate your organization's current state.
4. Assign your organization the level for which it has completed the corresponding outcomes.
5. On the "notes" page, document why you chose this level. What specific actions has your municipality taken that correspond with this level?

Tips

- When self-assessing, choose the level that describes your achieved outcome. (The exception would be Level 1, at which point you may be in the process of getting started.) If you are still working on a specific level, assign yourself the previous level.
- You need not progress through the five competencies in any particular order. Where you focus your efforts is entirely up to you and will depend on your local needs and priorities.

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Introduction to asset management and key terms

What is asset management?

Any organization that owns physical assets (such as property, equipment or technology) engages in some form of **asset management** when caring and planning for those assets. Municipalities and local governments must manage publicly owned assets as part of their mandate to provide services to communities. In some cases, natural assets such as aquifers also provide critical municipal services and should be considered when managing assets.

> *… Assessing the health of municipal infrastructure is necessary if Canada is to ensure that the services, quality of life and economic growth provided by this infrastructure can be sustained over the long term.*
>
> — Canadian Infrastructure Report Card, 2016

Municipalities and local governments with an asset management **program** have chosen a structured approach to asset management — a specific way of doing business that continually balances expenditure with performance and risk. The ultimate aim is to ensure that they invest resources well, meet customer service levels and achieve the **organizational strategic plan** effectively and efficiently.

Asset management also provides a means for elected officials and municipal administrators to demonstrate the value of infrastructure planning and maintenance while balancing social, environmental and economic factors.

To support effective asset management planning and decision-making, an organization must establish an **asset management system** — a set of interrelated elements including governance, people, processes, data and technology. Once your asset management system is established, you will be able to say the following:

> *Our organization uses a **formalized and holistic approach** to ensure that our resources are invested wisely over the **long term**, continually balancing operations, risks and costs in a way that provides our community with the **right service** at the **optimal cost** — not just today but with our **community's future needs in mind**.*

How are asset management systems governed and implemented?

Municipalities and local governments use specific governance tools to control and direct asset management. These include a **policy, strategy, framework, roadmap** and **plans**, as well as clear roles and responsibilities.[1]

ORGANIZATIONAL STRATEGIC PLAN (OSP)
Vision, mission and values, business policies, stakeholder requirements, goals and risk management

ORGANIZATION VALUES, PRRITIZATION CRITERIA AND RISK POLICY

ASSET MANAGEMENT POLICY
Published commitment, mandated requirements, link between strategic objectives and priorities, overall intentions, principles

ASSET MANAGEMENT STRATEGY
Direction, framework and approach for implementing the asset management policy to support strategic objectives and sustainable and effective service delivery

ASSET MANAGEMENT OBJECTIVES
Specific and measurable outcomes required of assets, asset systems and the asset management system

ASSET MANAGEMENT ROADMAP
Step-by-step plan guiding the actions, responsibilites, resources and timescales to implement the asset management strategy and deliver asset management objectives

ASSET MANAGEMENT SYSTEM
Integrated collection of governance, people, process, data and technology used in effective asset management, planning and decision-making

ASSET MANAGEMENT PLANS
Tactical plan or plans guiding use of the asset management system in creating, maintaining and renewing infrastructure and other assets to deliver an agreed level of service and achieve asset management objectives

An organization's asset management **policy** outlines its commitment and mandated requirements for asset management. The policy is linked to the organization's strategic objectives and is shaped by the organization's values and priorities.

An asset management **strategy** outlines the **framework** and approach for implementing the asset management policy. This framework is the conceptual structure for the asset management system. It defines the system's internal makeup and its interactions with external practices or functions.

The asset management strategy also identifies **objectives** (specific, measurable outcomes required of assets and asset management) and reporting requirements. These include **service objectives** (the desired level of service to the community).

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[1]   The figure above is adapted from The Institute of Asset Management's diagram from BSi, PAS 55-1:2008, Figure 5, Page 10. www.theIAM.org

The step-by-step plan for implementing the strategy is the asset management **roadmap**. It identifies actions, responsibilities, resources and timescales. An organization will also have one or more **asset management plans** that outline more specifically how the asset management system will create, maintain and renew infrastructure and other assets. To create an asset management plan, an organization first does a needs assessment (looking at the current and future gaps in asset service and performance). This needs assessment forms the justification for an asset investment plan, which outlines how and where money will be spent to address the gaps. The asset investment plan is accompanied by a **financial plan** that identifies the source of funds.

For example, the **capital plan** outlines the scope, cost and schedule of investments in new infrastructure or infrastructure renewal (financed from a capital budget). The **operations and maintenance (O&M) plan** describes the scope, frequency and cost of operation and maintenance activities (financed from an operating budget).

What kind of data and information is used in asset management?

Assets are generally grouped together based on the service function they provide. Major **asset groups** contribute to the delivery of essential municipal services, such as water, wastewater and transportation. Minor asset groups contribute to non-essential services, such as recreation. Effective asset management relies on information about specific assets and asset groups, including the following types of data:

- Basic inventory data includes general asset properties such as size, material, location and installation date.
- Pooled inventory data is basic inventory data organized by asset group.
- Expanded inventory data includes additional, supplementary information on the asset (e.g. design criteria, installation method), its location (coordinates, connectivity) or its role in service delivery (e.g. function, relative importance).
- Financial data includes tangible capital asset inventories and valuations, lifecycle costs, and budgets related to operation and maintenance and capital expenditures.
- Service adequacy or effectiveness is measured as a level of service. Levels of service are evaluated from various perspectives: corporate, end-user and asset or operational.

How can training, development and knowledge sharing support asset management?

Introductory training on asset management includes asset management **awareness training**, which may focus on the concepts, organizational context and value of asset management, as well as its impact on people and processes. Advanced asset management training includes additional concepts specific to one's roles and responsibilities. Asset management requires both hard skills (such as the analysis of financial, demand, geospatial and asset data) and soft skills (such as stakeholder engagement, communicating horizontally and vertically across silos, and teamwork).

Part of having an effective asset management program is the ongoing development of **organizational capacity**. This includes participation in **asset management organizations** — industry groups and communities of practice that promote and support effective asset management through training, networking and knowledge sharing amongst leaders and practitioners. Asset management organizations can be global, national or regional. Examples include Asset Management British Columbia (AMBC), the Canadian Network of Asset Managers (CNAM) and the Institute of Asset Management (IAM).

ASSET MANAGEMENT READINESS SCALE

Competency: POLICY AND GOVERNANCE

This competency involves putting in place policies and objectives related to asset management (AM), bringing those policies to life through a strategy and framework, and then measuring and monitoring implementation over time.

	1		**2**	**3**	**4**	**5**
	Working on Level 1 ☐	Completed Level 1 ☐	Completed Level 2 ☐	Completed Level 3 ☐	Completed Level 4 ☐	Completed Level 5 ☐
Readiness Level	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.
Outcomes	**You have achieved a specific readiness level when you can demonstrate the corresponding outcomes below.**					
Policy and Objectives	• Senior management has committed to formalizing an AM program.		• We have drafted an AM policy. • Senior management and council have endorsed the AM policy.	• We are starting to use AM policy objectives to guide our actions.	• We are managing assets and services in accordance with AM policy and organizational objectives.	• We are validating and refining corporate, service and AM objectives based on the evolving needs of our community.
Strategy and Framework	• We have drafted a basic set of objectives that will guide the development of our AM system.		• We have completed the strategy and framework for our AM system.	• We have established a roadmap to guide the detailed actions surrounding our AM strategy deployment.	• We are achieving our AM policy objectives through a fully functional AM system. Necessary workflows, documents and reporting tools are in place. We are updating our roadmap to address evolving needs.	• We are following our roadmap in continually improving the AM system and in documenting the improvements.
Measurement and Monitoring	• We have defined the expected AM system benefits and outcomes.		• We have documented our AM system plans and our objectives for the coming year.	• We have established performance measures to monitor AM system progress and its outcomes and benefits to our community.	• We are using performance measures to monitor progress and AM system outcomes and benefits.	• We are monitoring performance and using the feedback to prioritize and make ongoing refinements and improvements.

Competency: PEOPLE AND LEADERSHIP

*This competency involves setting up **cross-functional groups** with clear **accountability**, and ensuring adequate **resourcing and commitment** from senior management and elected officials to advance asset management (AM).*

	1		2	3	4	5
	Working on Level 1 ☐	**Completed Level 1** ☐	**Completed Level 2** ☐	**Completed Level 3** ☐	**Completed Level 4** ☐	**Completed Level 5** ☐
Readiness Level	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.
Outcomes	**You have achieved a specific readiness level when you can demonstrate the corresponding outcomes below.**					
Cross-Functional Groups	• We have appointed resources to investigate our community's AM requirements and to define and introduce an appropriate AM system.		• We have formed a cross-functional AM team* to guide and oversee AM system planning and deployment.	• The AM team* works within our organization to lead, communicate and support AM improvement and change management.	• Our AM team* has been made permanent and tasked with guiding and supporting the AM function across the organization on an ongoing basis.	• The AM team* guides and supports the ongoing improvement of the AM system within the organization.
Accountability	• Appointed resources have been mandated to investigate and assess our AM needs planning, documented by a draft terms of reference.		• Our AM team* has been made accountable for guiding AM development, with a documented mandate and terms of reference.	• Our AM team* has been made accountable for AM implementation and we have added AM system roles and responsibilities to staff job descriptions.	• We have operationalized AM system roles and responsibilities across our organization.	• We are documenting changes to AM system roles and responsibilities as needed to support our evolving requirements.
Resourcing and Commitment	• Council is aware of the resourcing and funding dedicated to exploring AM system requirements and to proposing an AM roadmap.		• Council demonstrates buy-in and support for AM and has approved funding for priority improvements.	• Council champions AM as a core business function and has approved funding to continue AM roadmap activities.	• Council has approved funding for ongoing AM system monitoring and enhancement.	• The AM team measures and monitors progress. Council is committed to ongoing improvement of the AM system.

* *Note: Larger organizations may have both an AM team responsible for implementation and an AM steering committee to provide direction and oversee the work. Smaller organizations may group these functions together. This outcome may be better suited to an AM team or an AM steering committee, depending on the organization.*

Competency: DATA AND INFORMATION

*This competency involves using **asset data**, **performance data** and **financial data** to support effective asset management (AM) planning and decision-making.*

	1		2	3	4	5
	Working on Level 1 ☐	Completed Level 1 ☐	Completed Level 2 ☐	Completed Level 3 ☐	Completed Level 4 ☐	Completed Level 5 ☐
Readiness Level	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.
Outcomes	**You have achieved a specific readiness level when you can demonstrate the corresponding outcomes below.**					
Asset Data	• We have pooled inventory data, including approximate quantities of assets within most asset groups.		• We have basic inventory data for most major assets, including information on general asset properties such as size, material, location and installation date.	• We have basic inventory data for all assets. We have defined life cycle investment requirements for some assets.	• We have expanded inventory data, and have evaluated the relative risks and life cycle investment requirements associated with major assets.	• We have expanded inventory data and have evaluated the relative risks and life cycle investment requirements associated with most assets.
Performance Data	• We have informal or anecdotal approaches for measuring asset condition or performance. Some age information exists.		• We have some information on asset condition and performance for major assets, collected from a variety of sources.	• We use standardized condition rating systems for most asset groups. Some level of service measures have been defined and data has been captured.	• We have defined and measured levels of service for most assets. We have introduced basic needs forecasting and risk management strategies for most assets.	• We have completed needs forecasts and risk management strategies for most assets.
Financial Data	• We have financial data on our assets, supporting minimum PS-3150 reporting requirements.[2]		• We have captured capital and operating expenditure data for some assets. We have developed a strategy to link AM and financial information.	• We have captured capital and operating expenditure data for most assets. We have linked AM and financial information for all major assets.	• We have calculated the cost of service delivery for all major assets. We have developed a long-term (at least 10-year) financial plan.	• We understand the trade-offs between investment and the quality of the front-line services we deliver and we use this to refine our financial plans.

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[2] PS-3150 is the Public Sector Accounting Board's standard guiding the treatment of tangible capital assets.

Competency: PLANNING AND DECISION-MAKING

*This competency involves **documenting and standardizing** how the organization sets asset management (AM) priorities, conducts **capital and operations and maintenance (O&M) planning**, and decides on **budgets**.*

	1		2	3	4	5
	Working on Level 1 ☐	Completed Level 1 ☐	Completed Level 2 ☐	Completed Level 3 ☐	Completed Level 4 ☐	Completed Level 5 ☐
Readiness Level	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.
Outcomes	You have achieved a specific readiness level when you can demonstrate the corresponding outcomes below.					
Documentation and Standardization	• Our approach to asset investment planning varies across the organization.		• Our departments follow a similar but informal asset investment planning approach. • We evaluate investment needs and priorities based on a mix of structured and ad-hoc practices and criteria.	• We have developed a structured asset investment planning approach but application is inconsistent. • We set priorities using similar criteria based on organizational goals and objectives.	• We employ our structured asset investment planning approach across our core services. • We set priorities using criteria which are fully aligned with our organizational goals and objectives.	• We employ our structured asset investment planning approach across all services. • We adapt our planning approach and criteria to align with evolving organizational goals and objectives.
Asset Investment Plans	• Our asset investment plans are typically reactive and focus on addressing basic needs (e.g. growth, regulations and known problems).		• Our asset investment plans are largely based on short-term asset, organizational and environmental issues. We do not have an AM plan.	• Our asset investment plans are based on short-term issues and priorities. We have drafted preliminary AM plans for priority services.	• Our asset investment plans are based on both short- and long-term issues and priorities. We have developed detailed AM plans for core services	• We have integrated and optimized asset investment plans. We have developed detailed AM plans for all services.
Budgets	• We prepare annual capital and operating budgets which are based on historical values. We deal with new needs reactively, as they occur.		• We prepare annual capital and operating budgets which are based on a mix of historical values and new priorities.	• We prepare an annual capital budget which is based on a fresh reassessment of current needs. Our operating budget is based on a mix of historical values and new priorities.	• We prepare annual needs-based capital and operating budgets which are based on a fresh reassessment of risks and current needs.	• We prepare multi-year needs-based capital and operating budgets which are based on our short- and mid-term needs. We take a structured approach to addressing in-cycle changes.

Competency: CONTRIBUTION TO ASSET MANAGEMENT PRACTICE

*This competency involves asset management (AM) **training and developing** staff, **sharing knowledge internally** and participating in **external knowledge sharing**.*

	1		2	3	4	5
	Working on Level 1 ☐	**Completed Level 1** ☐	**Completed Level 2** ☐	**Completed Level 3** ☐	**Completed Level 4** ☐	**Completed Level 5** ☐
Readiness Level	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.
Outcomes	**You have achieved a specific readiness level when you can demonstrate the corresponding outcomes below.**					
Training and Development	• Our AM training and development approach is informal and largely driven by the personal initiative of staff. • Some staff conduct targeted research, seeking out basic information on AM concepts and techniques.		• Our AM training and development requirements are defined by management based on short-term needs. • Selected staff are trained on basic AM concepts.	• We provide all our staff with basic AM awareness training. • Some staff undergo training on advanced AM concepts specific to their roles and responsibilities.	• We have defined AM knowledge and skill requirements, and a training plan is in place for all positions. • Management and staff receive role-appropriate AM training to establish needed capacity across the organization.	• We train select staff members as internal experts to support the ongoing development of organizational capacity. • Proactive, role-based training serves as a support for career development and succession planning.
Knowledge Sharing — Internal	• We are mitigating the risk of losing information held in the minds of long-term staff, through improved record keeping.		• We have mitigated the risk of losing information held in the minds of long-term staff, through improved record keeping.	• A culture of knowledge sharing is taking root internally, supported by official initiatives. Our organization maintains AM knowledge resources (e.g. manuals, training, software). • We communicate the benefits of AM internally.	• There is a culture of knowledge sharing supported by official and informal initiatives. We maintain and disseminate AM knowledge resources (e.g. manuals, training, software).	• Knowledge is captured and flows freely throughout the organization. Staff are leveraging internal and industry knowledge and leading practice resources.
Knowledge Sharing — External	• We are in the process of investigating industry groups and resources.		• Staff or elected officials have attended AM-related events.	• We are members of one or more AM organizations and actively participate in industry events.	• We are actively involved in AM organizations and present at industry events. We have shared information with our peers on our experience, innovations and lessons learned.	• We are a thought leader within the industry. We are active in coaching others to improve the overall body of knowledge. • We communicate the benefits of our AM program to the public.

NOTES:

Provide rationale for assigning each readiness level. What specifically have you done that puts you at the readiness level you have selected?

Competency	Readiness Level	Notes
Policy and governance Putting in place policies and objectives related to asset management, bringing those policies to life through a strategy and framework, and then measuring and monitoring implementation over time.		
People and leadership Setting up cross-functional groups with clear accountability, and ensuring adequate resourcing and commitment from elected officials to advance asset management.		
Data and information Using asset data, performance data and financial data to support effective asset management planning and decision-making.		
Planning and decision-making Documenting and standardizing how the organization sets priorities, conducts capital and operations and maintenance planning, and decides on budgets.		
Contribution to asset management practice Training and developing staff, sharing knowledge internally and participating in external knowledge sharing.		

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fcm.ca/fcmgreen

or visit our website:

fcm.ca/assetmanagementfunding

Introduction to Asset Management
for Elected Officials

Webinar Participant Workbook

This initiative is offered through the Municipal Asset Management Program, which is delivered by the Federation of Canadian Municipalities and funded by the Government of Canada.

Canada

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Ontario Good Roads Association

The OGRA represents the transportation and public works interests of municipalities throughout Ontario. We accomplish this through advocacy, education & training such as today's course, infrastructure asset management, and a variety of member services. To find out more, visit our website, www.ogra.org.

Course Outline

Learning Objective

This course offers a practical introduction to asset management that familiarizes municipal elected officials with what asset management is, why it is important, and how to ensure you have done your due diligence in ensuring it happens well within your municipality.

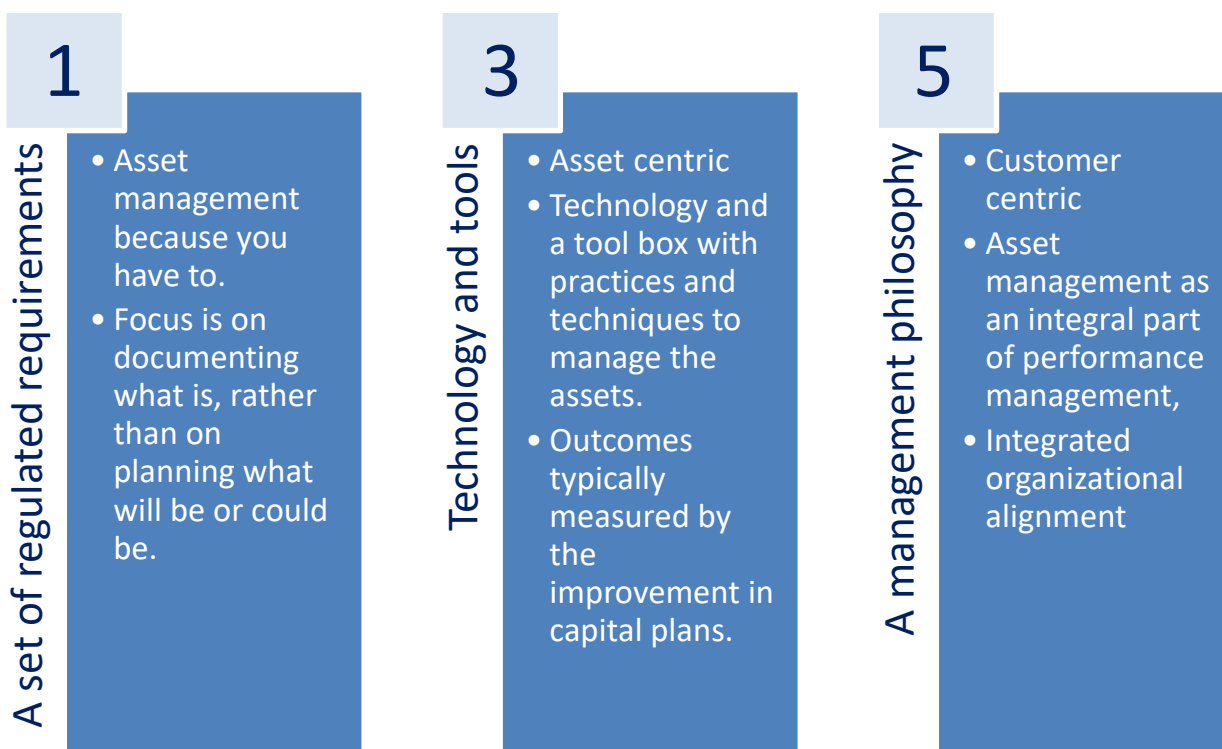# Contents

What is asset management?

What is an asset?

What is asset management?
- A structured approach to doing business, guided by an Asset Management Plan
- Incorporates financial, technical and sociopolitical dimensions
- Balances current and future needs
- Facilitates informed decision-making

But isn't that just…

- Asset management is not the same as:
    - PSAB (Public Sector Accounting Board) –Tangible Capital Asset accounting
    - Computerized Maintenance Management Systems / Enterprise Asset Management / ERP
    - Road Needs Study
    - Procurement bylaw/policy
    - RCM/RCFA
    - ISO55000

1
A set of regulated requirements

- Asset management because you have to.
- Focus is on documenting what is, rather than on planning what will be or could be.

3
Technology and tools

- Asset centric
- Technology and a tool box with practices and techniques to manage the assets.
- Outcomes typically measured by the improvement in capital plans.

5
A management philosophy

- Customer centric
- Asset management as an integral part of performance management,
- Integrated organizational alignment

An aligned approach

ORGANIZATIONAL STRATEGIC PLAN (OSP)
Vision, mission and values, business policies, stakeholder requirements, goals and risk management

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ASSET MANAGEMENT SYSTEM
Integrated collection of governance, people, process, data and technology used in effective asset management, planning and decision-making

ASSET MANAGEMENT PLANS
Tactical plan or plans guiding use of the asset management system in creating, maintaining and renewing infrastructure and other assets to deliver an agreed level of service and achieve asset management objectives

ORGANIZATION VALUES, PRRITIZATION CRITERIA AND RISK POLICY

So basically what we're talking about is…
- The importance of an aligned approach
- Making informed decisions (i.e. avoiding "worst first")
- Maintaining a long-term perspective
- Figuring out how to keep this task both affordable and manageable
- Matching the level and intensity to the needs (and size) of the municipality

Why is asset management important?

- Balances expenditure with performance and risk
- Matches expectations with service delivery
- Optimizes cost
- Helps to better predict failure and future replacements
- Legislatively required

Legislation and Policy Context

- Province released **Building Together**, a long-term infrastructure plan for Ontario, in June 2011.
- **Municipal Infrastructure Strategy** is a long-term, cooperative effort among all three orders of government to make it happen.
- The new municipal Asset Management planning regulation – **O. Reg. 588/17** – was approved in December 2017, as part of the Infrastructure for Jobs and Prosperity Act, 2015.
- A six-year phased-in approach is expected.

O. Reg. 588/17

Timelines

January 1, 2018	Effective date of Regulation
July 1, 2019	Finalized strategic Asset Management policy
July 1, 2021	Approved Asset Management Plan for core assets
July 1, 2023	Approved Asset Management Plan for all municipal infrastructure assets
July 1, 2024	Approved Asset Management Plan for all municipal infrastructure assets that builds upon the requirements set out in 2023. Includes: • discussion of proposed levels of service, • activities required to meet proposed levels of service, • strategy to fund the activities.

Other drivers

- Public demand for service, transparency and accountability
- Increasing business orientation in public sector – demand for demonstrated Return on Investment
- Many post-war assets nearing the end of their useful life
- State of assets has rarely been systematically recorded.
- Opportunity to optimize scarce resources by keeping assets productive
- Climate change and emphasis on sustainability

10 benefits of asset management

1. Leads to well-defined policy goals that guide decision making
2. Ensures investment priorities are achieved and program delivery meets public expectations
3. Demonstrates how, when and why resources were committed
4. Reduces unplanned maintenance activities
5. Maintains adequate service levels
6. Measures progress in achieving performance targets
7. Provides data re: the total cost of asset ownership
8. Helps predict future investment required
9. Makes funding decisions with a view to the total cost to be incurred over the useful life of an asset
10. Increases customer satisfaction

Developing an Asset Management Plan

An Asset Management <u>Plan</u>

Sets out how the municipality's infrastructure will be managed to ensure that it is capable of providing the levels of service needed to support the municipality's goals.

Contents of an Asset Management Plan

- Background
    - o Importance of asset management
    - o Purpose
    - o How the plan was
- Scope
    - o Which assets over what period of time
    - o Performance targets
- State of Local Infrastructure
    - o Inventory of asset types and quantity
    - o Valuation
    - o Age
    - o Condition
- Desired Levels of Service
    - o Performance measures, targets and timeframes
    - o Relevant trends
    - o Current performance relative to targets
- Planned Actions
    - o Strategies for asset repair, rehabilitation, replacement, disposal, expansion with associated costs per asset
    - o Non-infrastructure solutions for lowering costs
    - o Preferred technical, financial and delivery options
    - o Risk assessment
- Financing Strategy
    - o Revenue and expenditure forecasts
- Accountability
    - o How the plan will be monitored
    - o How performance and results reported
    - o How and when the Plan will be updated or renewed

Best practices for asset management planning

1. Good data
2. Know which assets to include
3. Stakeholder engagement
4. Service levels
5. Useful life
6. Determine critical assets
7. Asset life cycle costs
8. Funding strategy
9. Ensure accountability
10. Keep things current

Getting it done

Getting practical

- How ready is your municipality to do this?
- How much will it cost?
- How will you pay for it?
- Who will do what?

Assessing asset management readiness

- Federation of Canadian Municipalities (FCM) Municipal Asset Management Program (MAMP) Asset Management Readiness Scale
- Five Asset Management "competencies":
    1. Policy and governance
    2. People and leadership
    3. Data and information
    4. Planning and decision-making
    5. Contribution to Asset Management practice
- Five levels for each competency
- www.fcm.ca/Documents/tools/MAMP/MAMP_Readiness_Scale_EN.pdf

ASSET MANAGEMENT READINESS SCALE

Competency: POLICY AND GOVERNANCE

This competency involves putting in place policies and objectives related to asset management (AM), bringing those policies to life through a strategy and framework, and then measuring and monitoring implementation over time.

	1		2	3	4	5
	Working on Level 1 ☐	Completed Level 1 ☐	Completed Level 2 ☐	Completed Level 3 ☐	Completed Level 4 ☐	Completed Level 5 ☐
Readiness Level	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.
Outcomes	You have achieved a specific readiness level when you can demonstrate the corresponding outcomes below.					
Policy and Objectives	• Senior management has committed to formalizing an AM program.		• We have drafted an AM policy. • Senior management and council have endorsed the AM policy.	• We are starting to use AM policy objectives to guide our actions.	• We are managing assets and services in accordance with AM policy and organizational objectives.	• We are validating and refining corporate, service and AM objectives based on the evolving needs of our community.

Financing strategies

- "Pay as you go"
- 100% Debt Financing
- Drawing Down Reserves
- Private, Public, Partnerships (3P's)
- Alternative Financing and Procurement (AFP)
- 3rd Party Contributions
- User Fees
- New Revenue Sources

Financial support

Infrastructure Ontario Loan Program
www.infrastructureontario.ca/Infrastructure-Lending/

Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR)
www.mah.gov.on.ca/Page181.aspx

Ontario Municipal Partnership Fund (OMPF)
www.fin.gov.on.ca/en/budget/ompf/2018/

Ontario Community Infrastructure Fund (OCIF)
www.ontario.ca/page/infrastructure-funding-small-communities

Federation of Canadian Municipalities (FCM) Municipal Asset Management Program (MAMP)
www.fcm.ca/home/programs/municipal-asset-management-program/funding-mamp.htm

Pending – OGRA has advocated for $25 million over the next five years in dedicated funding for Asset Management planning tools and supports

Team roles

	Elected Officials	Senior Management	Customer/ Stakeholder	Champion	Process Owner	Finance Staff	Team Members
Determine scope	X	X	X	X	X		X
Policy review	X	X		X	X		X
Program review		X		X	X	X	X
Services review				X	X	X	X
Determine goals and objectives	X	X	X	X	X		X
Determine programs and services		X		X	X		X
Capital and financial plan	X	X		X	X	X	X
Implement plan		X		X			X
Monitor plan	X	X		X			X

Role of Elected Officials in asset management

Six Cs of an elected official's role in asset management

1. Compliance
2. Consultation
3. Clarity
4. Choices
5. Calibration
6. Communication

## 1. Compliance

A primary obligation:

Councillors must ensure their municipality is in compliance with relevant legislation, including the new provincial asset management regulation, other laws and previous Council directives.

2. Consultation

Councillors need to be in touch with their constituents, to share and gather information.

- o Why?
- o With whom?
- o How?
- o About what?

Be clear about the level of public participation you want. Which is best in this situation?
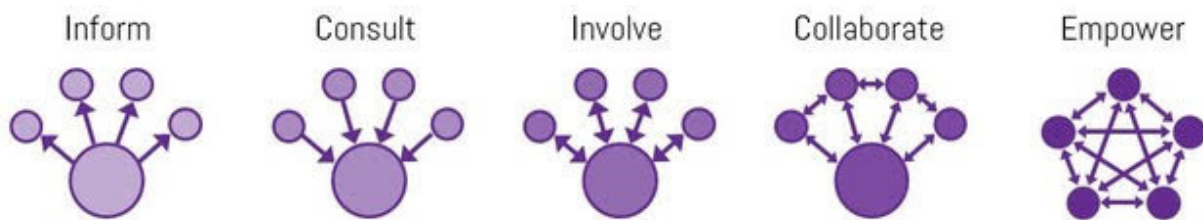
3. Clarity

Ask insightful questions to build your confidence in decisions being made, from an asset management point of view.

- o For example:
  - Do we know the return on investment?
  - Can we leverage existing assets to generate more productivity or dividends?
  - Have we seriously considered alternatives?
  - Who stands to gain or lose from the implications of this choice?
  - What are the likely effects on future choices?
  - What is the expense of preparing the Asset Management Plan?
  - What will be the savings or expense of implementing the plan?
  - What are the benefits of the Plan?
  - How will this be financed?

4. Choice

Asset management is about goals, choices and trade-offs.

You have understood requirements, asked insightful questions, and consulted with stakeholders.
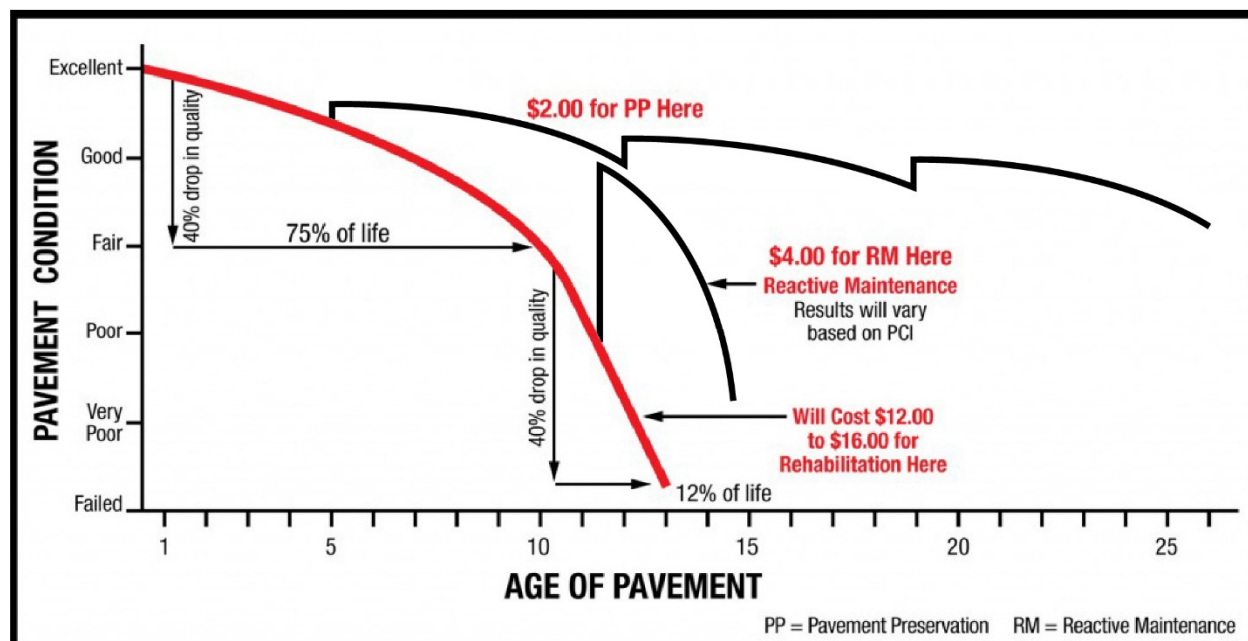
Now, **make decisions**.

Set expectations that align with what you have heard.

Trade-offs
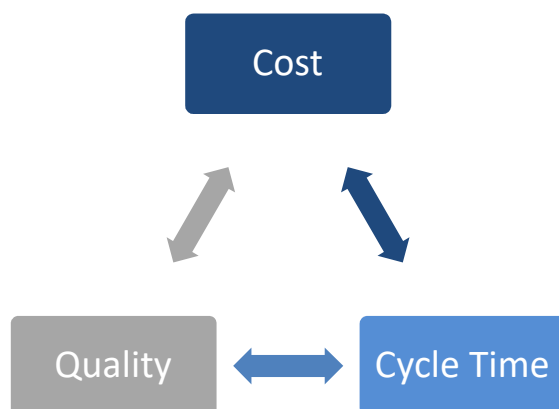
Pavement Condition Index
Source: California Pavement Maintenance Company, cpmamerica.com/slurry-seal/

5. Calibration

Ensure **ongoing alignment** between what you heard, what you decided to do, and what is actually happening.

6. Communication

Councillors play a key role in communication. Strong asset management planning allows you to:
- o Be a champion in the community for informed decision-making and long-term thinking
- o Communicate your priorities and progress toward achieving them, with information at your finger tips
  - Proactively
  - In response to complaints

Moving it forward in your municipality

Next steps

Readiness

☐ Check your municipality's current status on the readiness scale

☐ Develop an action plan to get up to speed

Policy

☐ Check your municipality's AM Policy status (must be completed and posted online by July 2019). Does it include:

    o Council's involvement in planning?

    o Your commitment to give residents and others input into asset management planning?

Plan

☐ Check your municipality's current plan.

☐ Have a plan for review / updates

    o In-house or Contractor

    o Cost

    o Timing

☐ Progress updates and Annual Review

☐ Council approval

Municipal Staff Readiness

The OGRA has a variety of courses available through our Academy for Municipal Asset Management that may be beneficial for staff:

    o Data Collection & Condition Evaluation

    o Asset Valuation & Capital Investment Planning

    o Managing Data for Municipal Assets

    o Public Sector Finance Fundamentals

    o And more!

Our education calendar is available online at www.ogra.org.

My next steps

- What have I learned?

- What will be my specific next steps to support asset management in my community?

Final Word – Ongoing process

- Asset management is a journey, not a destination

Additional resources

MAMP Readiness

Funding: Municipal Asset Management Program
www.fcm.ca/home/programs/municipal-asset-management-program/funding-mamp.htm

Municipal Asset Management Program: Asset Management Readiness Scale
www.fcm.ca/Documents/tools/MAMP/MAMP_Readiness_Scale_EN.pdf

OGRA Asset Management Tools

What do I own and where is it located?
www.ogra.org/files/Asset-Mgmt/What%20do%20I%20own%20and%20where%20is%20it%20located.pdf

What we own and where is it located?
www.ogra.org/files/Asset-Mgmt/What%20do%20I%20own%20and%20where%20is%20it%20located.pdf

What is it worth?
www.ogra.org/files/Asset-Mgmt/What%20is%20it%20worth.pdf

What is its condition and remaining service life?
www.ogra.org/files/Asset-Mgmt/What%20is%20its%20condition%20and%20remaining%20service%20life.pdf

What needs to be done?
www.ogra.org/files/Asset-Mgmt/What%20needs%20to%20be%20done.pdf

What do I need to do for it?
www.ogra.org/files/Asset-Mgmt/What%20do%20I%20need%20to%20do%20for%20it.pdf

How much will it cost and how will it be funded?
www.ogra.org/files/Asset-Mgmt/How%20much%20will%20it%20cost.pdf

Canada

FCM

This initiative is offered through the Municipal Asset Management Program, which is delivered by the Federation of Canadian Municipalities and funded by the Government of Canada.

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Building Together – Guide for municipal asset management plans

www.ontario.ca/page/building-together-guide-municipal-asset-management-plans

Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure
www.ontario.ca/laws/regulation/r17588

AMO Council Member's Toolkit

Tips for evaluating asset management plans
www.amo.on.ca/AMO-PDFs/Asset-Management/OMKN-Toolkit-Tips-Municipal-Asset-Management-2015.aspx

Examples of Municipal Asset Management Plans

The Regional Municipality of Halton Asset Management Plan
www.halton.ca/planning_sustainability/plans_strategies_studies/asset_management_plan/

The Corporation of the City of Brantford 2017 Asset Management Plan
http://www.brantford.ca/govt/assetManagement/Pages/default.aspx

Town of Orangeville Corporate Asset Management Plan
www.orangeville.ca/treasury/asset-management-plan-1

City of Thunder Bay Asset Management Plan
www.thunderbay.ca/City_Government/Departments/Infrastructure_and_Operations/Asset_Management_Plan.htm

Town of Kingsville
Asset Management Plan

Why have an
Asset Management Plan (AMP)?

Initiated by the Ministry of Infrastructure in 2011….

- To make better decisions regarding the building, operation and maintenance of our infrastructure assets

- To develop a financial plan to address our current and future infrastructure needs

- To be eligible for provincial funding assistance

Elements of an AMP

1) State of Local Infrastructure
2) Desired Levels of Service
3) Asset Management Strategy
4) Financing Strategy

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State of Local Infrastructure

Condition	Grade	Age Based Condition Ratings
Excellent	**A**	• 1st quarter of useful life
Good	**B**	• 2nd quarter of useful life
Fair	**C**	• 3rd quarter of useful life
Poor	**D**	• 4th quarter of useful life
Critical	**F**	• Beyond its useful life

State of Infrastructure - 2013

Asset Category	Condition Rating	Comments
Roads	C	• 72% are in fair to excellent condition
Bridges & Culverts	F	• 71% are in poor to critical condition*
Storm Sewers	C	• 2/3rds are in fair to excellent condition*
Water Network	C	• 2/3rds are in fair to excellent condition*
Sanitary Sewers	C	• 70% of our mains are in fair to excellent condition*

* Condition ratings are "age based", not through physical inspection

Funding Analysis -2013

Asset Category	Total Replacement Cost	Estimated Useful Lives	Annual Funding Requirement
Roads	$143,520,834	20 Years	$6,899,000
Bridges & Culverts	$26,245,962	30 – 50 years	$613,000
Storm Sewers	$24,599,301	40 – 50 years	$527,000
Water Network	$39,662,570	40 – 50 years	$961,000
Sanitary Sewers	$42,898,657	40 – 50 years	$950,000
Total	$276,927,324		$9,950,000

Kingsville's Funding Status - 2013

Asset Category	Funding Rating	Sustainable Funding*	Annual Funding Requirement	% Funded
Roads	F	$1,408,000	$6,899,000	20%
Bridges & Culverts	F	$46,000	$613,000	8%
Storm Sewers	F	$136,000	$527,000	26%
Water Network	D	$510,000	$961,000	53%
Sanitary Sewers	F	$258,000	$950,000	27%
Total		$2,358,000	$9,950,000	24%

* Includes Gas Tax, but no other grants

Funding Analysis - 2013

Asset Category	Town of Kingsville % Funded	Municipal Average* % Funded
Roads	20%	39%
Bridges & Culverts	8%	32%
Storm Sewers	26%	46%
Water Network	53%	62%
Sanitary Sewers	27%	57%

* Based on plan's issued by Public Sector Digest

Limitations of this AMP

- The "condition" of all assets, other than roads, is <u>age</u> based

- Replacement costs are based on average construction data at the time

- The actual useful lives of assets could vary significantly from those used for accounting purposes

- Estimated useful lives very in every municipality

What have we done since 2013?

Asset Management Strategy:

Roads / Sidewalks / Streetlights
- LED streetlight conversion (2015)
- Enhanced crack sealing program
- Annual sidewalk inspection and replacement strategies
- Street Scan Condition Assessment (2018)

Bridges & Culverts
- Biennial Inspections >
  capital replacement plan and
  repair strategies

What have we done since 2013?

Asset Management Strategy:

Storm Sewers

- Wigle Ave storm sewer expansion (2015)
- Cottam storm sewer master plan (2016)
- Kingsville storm sewer master plan (2018)
- Storm water management standards for new development
- Targeted CCTV scans

What have we done since 2013?

Asset Management Strategy:

Water
- Park St / Lakeview Ave reconstructions (2016-2018)
- Looping / oversizing initiatives

Sanitary
- Sanitary master plan (2018)
- Cottam infiltration and inflow study
- Targeted CCTV scans

What have we done since 2013?

Financial Strategy:

- Annual increase in capital spending / capital reserve contributions by 2.9% of the municipal tax levy ($450,000) – *2017 Strategic Plan*

- New lifecycle reserve contributions for roads, bridges, storm sewers, facilities and parks amenities

- Fleet reserve schedule review

What have we done since 2013?

Financial Strategy:

- Modest but steady increases to water / wastewater rates (2013 – 2018)

- Water / wastewater rate study (2018)

- Increased development charges

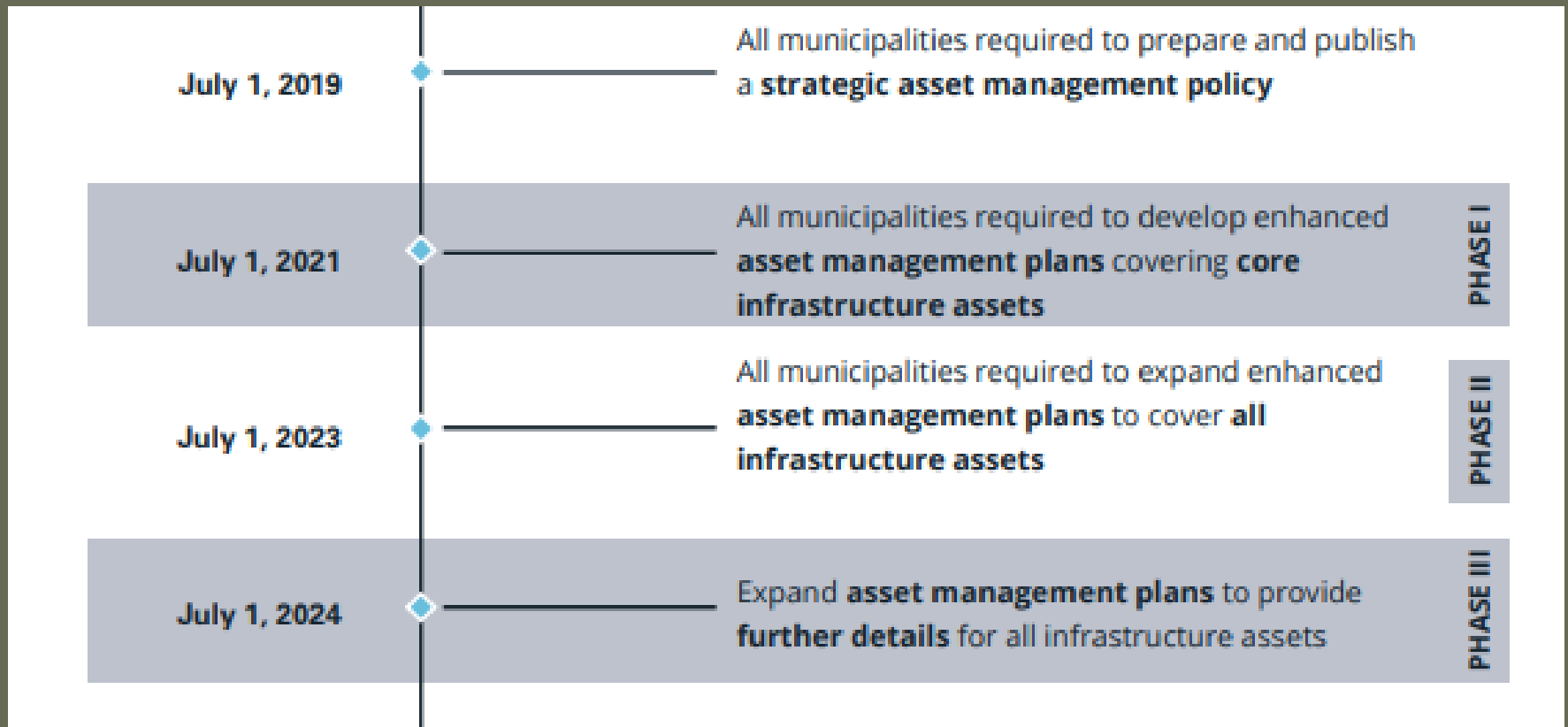- Special area levies / local improvements

Kingsville's Funding Status - 2018

Asset Category	2013 Sustainable Funding	2018 Sustainable Funding	Annual Funding Requirement	2013 % Funded	2018 % Funded
Roads*	$1,408,000	$2,201,000	$6,899,000	20%	32%
Bridges & Culverts	$46,000	$226,000	$613,000	8%	37%
Storm Sewers	$136,000	$150,000	$527,000	26%	28%
Water Network	$510,000	$607,000	$961,000	53%	63%
Sanitary Sewers	$258,000	$350,000	$950,000	27%	37%
Total	$2,358,000	$3,534,000	$9,950,000	24%	36%

* Includes CWATS and Gas Tax

What's Next?

New Asset Management Legislation: O. Reg. 588/17

July 1, 2019	All municipalities required to prepare and publish a **strategic asset management policy**	
July 1, 2021	All municipalities required to develop enhanced **asset management plans** covering **core infrastructure assets**	PHASE I
July 1, 2023	All municipalities required to expand enhanced **asset management plans** to cover **all infrastructure assets**	PHASE II
July 1, 2024	Expand **asset management plans** to provide **further details** for all infrastructure assets	PHASE III

What's Next?

Asset Management Policy – July 1, 2019

Outlines:
- Guiding principals and goals for AMP
- How AMPs will be considered in budgeting
- How AMPs will be monitored and communicated to Council
- How AMPs will be updated

What's Next?

Administration

- Development of Asset Management Policy (Winter, 2019)

- Improved condition and cost data > better plans

- Practical financial strategies to address challenges

Council

- Adoption of Asset Management Policy (Spring, 2019)

- Commitment to increase infrastructure spending

- Commitment to long-term capital plans

Asset Management Goals:

- *Self-sustainability*
- *Stable & predictable tax rates*
- *Effective use of tax payer $*

Thank-you!

Questions / Comments / Concerns?

THE CORPORATION OF THE TOWN OF KINGSVILLE

BY-LAW 128 - 2018

**Being a By-law to confirm the proceedings of the
Council of The Corporation of the Town of Kingsville at its
December 4, 2018 Special Meeting**

WHEREAS sections 8 and 9 of the *Municipal Act, 2001* S.O. 2001 c. 25*,* as amended, (the "Act") provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising the authority conferred upon a municipality to govern its affairs as it considers appropriate.

AND WHEREAS section 5(3) of the Act provides that such power shall be exercised by by-law, unless the municipality is specifically authorized to do so otherwise.

AND WHEREAS it is deemed expedient that the proceedings of the Council of The Corporation of the Town of Kingsville (the "Town") be confirmed and adopted by by-law.

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF KINGSVILLE ENACTS AS FOLLOWS:

1. The actions of the Council at its December 4, 2018 Special Meeting in respect of each report, motion, resolution or other action taken or direction given by the Council at its meeting, is hereby adopted, ratified and confirmed, as if each resolution or other action was adopted, ratified and confirmed by its separate by-law.

2. The Chief Administrative Officer and/or the appropriate officers of the Town are hereby authorized and directed to do all things necessary to give effect to the actions set out in paragraph 1, or obtain approvals, where required, and, except where otherwise provided, the Mayor and the Clerk are hereby directed to execute all documents necessary and to affix the corporate seal to all such documents.

3. This By-Law comes into force and takes effect on the day of the final passing thereof.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 4th DAY OF DECEMBER, 2018.

_____
MAYOR, Nelson Santos

_____
CLERK, Jennifer Astrologo