



BUILD ON

Update on Municipal Asset Management Planning

Municipal Finance Officers' Association Conference

Ontario Ministry of Infrastructure

September 20, 2017

Overview

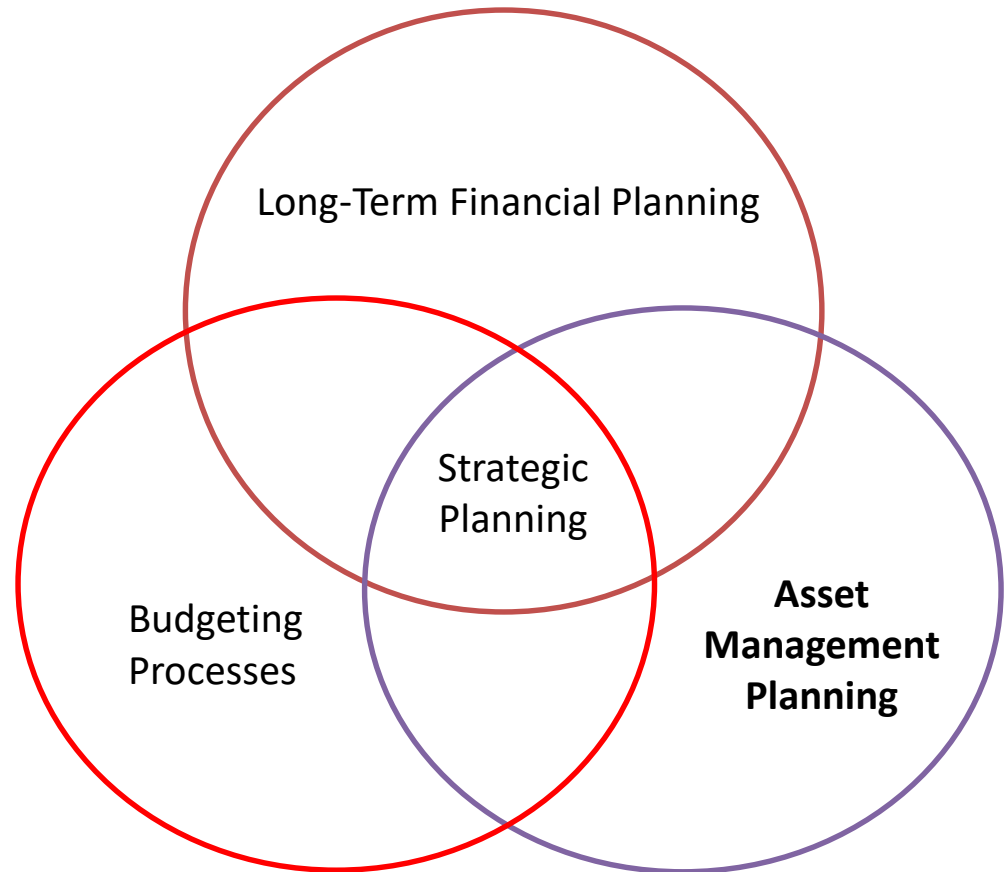
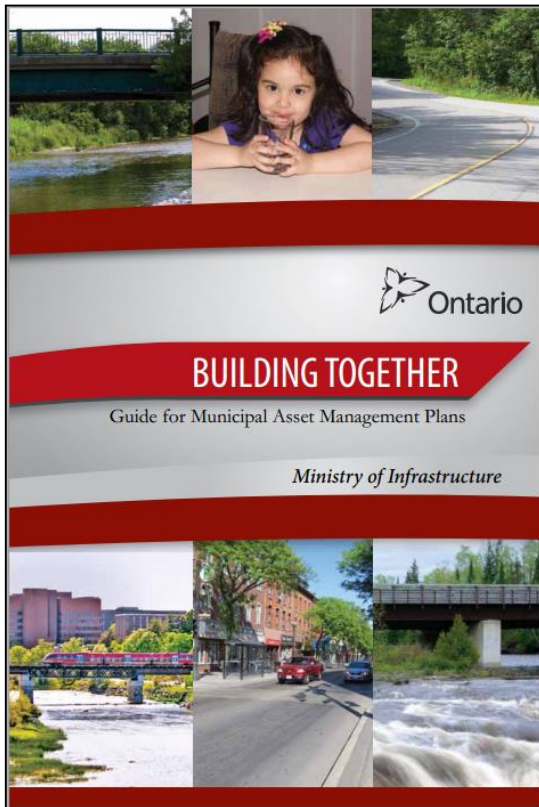
- Municipal asset management planning in Ontario
- Development of the proposed regulation
- Highlights of proposed requirements
- Recent feedback from the municipal sector
- Next steps

Context



- Many municipalities are facing challenges to achieving sustainable infrastructure:
 - Ageing assets
 - Increased capital funding needs.
- There is a need to do things differently and collaborate to address “infrastructure gap”.

What is asset management planning?



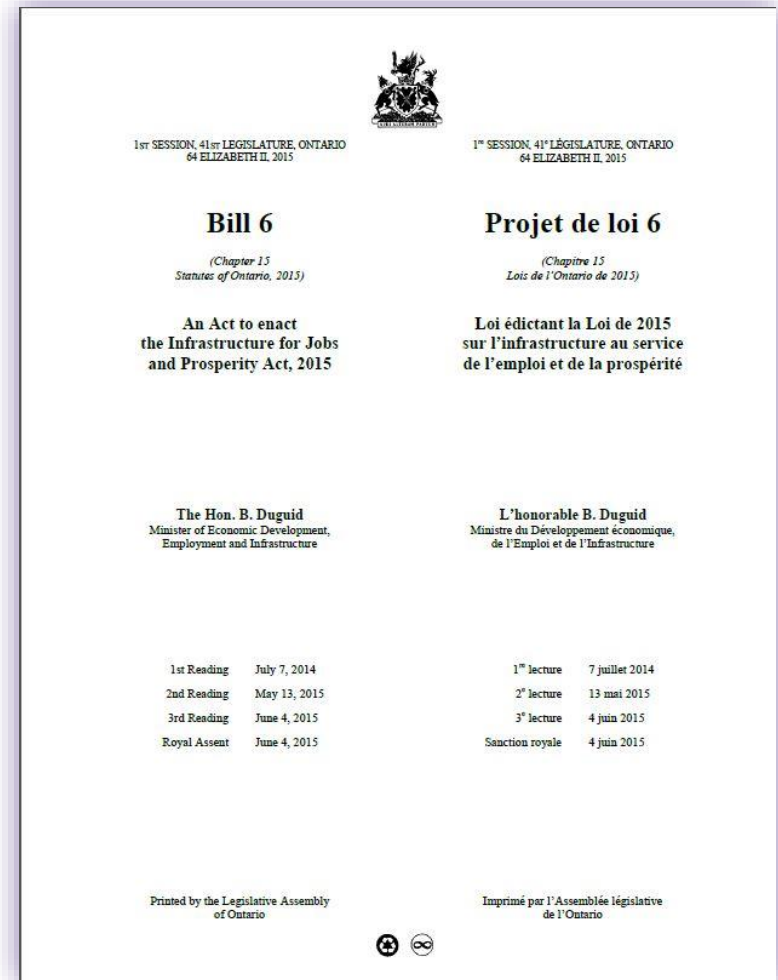
Progress on Asset Management

- Ontario's municipal infrastructure strategy has focused on improving asset management planning since 2012.
- The end goal is for municipalities, the province, and the federal government to collectively leverage asset management planning to make infrastructure more sustainable.



Why regulate?

- Despite the progress that has been made, significant differences exist between the completeness, level of detail, methodology and assumptions used to develop plans.
- Good asset management planning is more important than ever, given significant infrastructure pressures and new challenges resulting from a changing climate.
- To support further improvements in municipal asset management planning the province has been developing a proposed regulation under the authority of the *Infrastructure for Jobs and Prosperity Act, 2015* since early 2016.



Consultations with Municipal Sector

February - May 2016

Formed a group of technical experts from the municipal sector to help draft regional consultation material.

AMO MOU Table

June 2016

July - August 2016

Online and regional consultations held throughout Ontario – 330+ people from 220 municipalities/other organizations attended.

Online summary report posted to Ontario.ca on feedback received during summer 2016 consultations.

December 2016

May - July 2017

Revised regulatory proposal posted to Ontario Environmental/Regulatory Registries for comment; webinars held on proposal.

AMO MOU Table

September 2017

Proposal Posted to Environmental Registry (2017)

Strategic Asset Management Policy (by January 1, 2019)

Would require municipalities to outline commitments to best practices and continuous improvement

Asset Management Plan: Phase 2 (by January 1, 2021)

Would build out the Phase 1 plan to include **all assets**

Additional Information

- Municipalities under 25,000 not required to discuss detailed risk analysis or growth.
- Plans would be updated every 5 years; annual progress update given to council.
- Selected data reported to province.

Asset Management Plan: Phase 1 (by January 1, 2020)

For **core assets**:

- **Inventory of assets**
- **Current levels of service** measured by standard metrics
- **Costs to maintain levels of service**

Asset Management Plan: Phase 3 (by January 1, 2022)

Would build on Phase 1 and 2 by adding:

- **Proposed levels of service**
- **Lifecycle management strategy**
- **Financial strategy**

Proposed Strategic Asset Management Policy Requirement

- All municipalities would be required to develop and adopt a strategic asset management policy by January 1, 2019. The policy would include:

Which municipal goals, plans, and policies the AMP will support.

Process for how AMP would affect development of the municipal budget

Principles that would guide the AMP

Process for alignment with land-use planning framework

Commitment to consider climate change mitigation & adaptation

Municipality's approach to continuous improvement

Identification of executive lead and how council will be involved

Commitment to provide opportunities to engage with the public

Proposed Service Level Approach

- The proposed regulation would require a description of levels of service, including:
 - Customer level – images and/or descriptions of what the end-user experiences
 - Technical level – using metrics that describe what the organization provides

Service attribute	Applicable FIR categories	Community levels of service	Technical levels of service
Scope	<ul style="list-style-type: none"> • Bridges 	<ul style="list-style-type: none"> • Description of the ability of the bridge to provide access to different users (e.g., heavy transport vehicles, motor vehicles, emergency vehicles, pedestrians, cyclists, etc.) 	<ul style="list-style-type: none"> • % of bridges with loading or dimensional restrictions

Proposed Data Collection

- Actuals Reporting, collected annually
 - Current Levels of Service and Revenue Dedicated to Capital Financing
- Projections Reporting, collected with each update of Plan (every 5 years)
 - Proposed Levels of Service
 - Replacement Cost Value
 - Projected expenditure and financing metrics
- Proposed Level of Service (outlined for each year, over a ten year period)
 - Community Levels of Service and Technical Levels of Service metrics

What we heard

- Through the recent posting to the Environmental Registry, the province heard from about 140 municipalities, municipal sector organizations, members of the public and other groups. Key themes included:

Municipal capacity is a challenge. Tools and supports are needed.

Need more time to comply with the proposed requirements.

Building a culture of asset management is critical to informed decision-making.

The regulation needs to align with growth planning, development charges, and other existing obligations.

The proposed requirements are too prescriptive (e.g., engineering sign-off).

Capacity Building

- Asset management is a practice that requires local ownership for success.
- Many good practices exist throughout Ontario, and there are ongoing opportunities to share information, work together and innovate.
- A significant amount of work is being done in the sector (e.g. training and assistance from associations, communities of practice, etc.).



- There is funding available to support this work (e.g., Ontario Community Infrastructure Fund).
- We continue to explore resources to support implementation.

Next Steps

Fall 2017

- Proposed regulation is finalized
- If approved, regulation is filed, posted to e-Laws website
- Develop tools and supports

2018 – ongoing

- Implementation of tools and supports; building capacity of municipalities
- Compliance phased in gradually

Questions?

Asset Management Keep Calm & Reg On

2017 Annual Conference

**CHANGING
LANDSCAPES**
TOGETHER TOWARDS TOMORROW

Speakers

- **Joshua McCann, Ministry of Infrastructure**
- **Calvin Barrett, MFOA**
- **Donna Herridge, MFOA**
- **Dan Wilson, Township of Centre Wellington**
- **Peter Simcisko, Watson & Associates Economists Ltd.**

Theme: Success through Integration

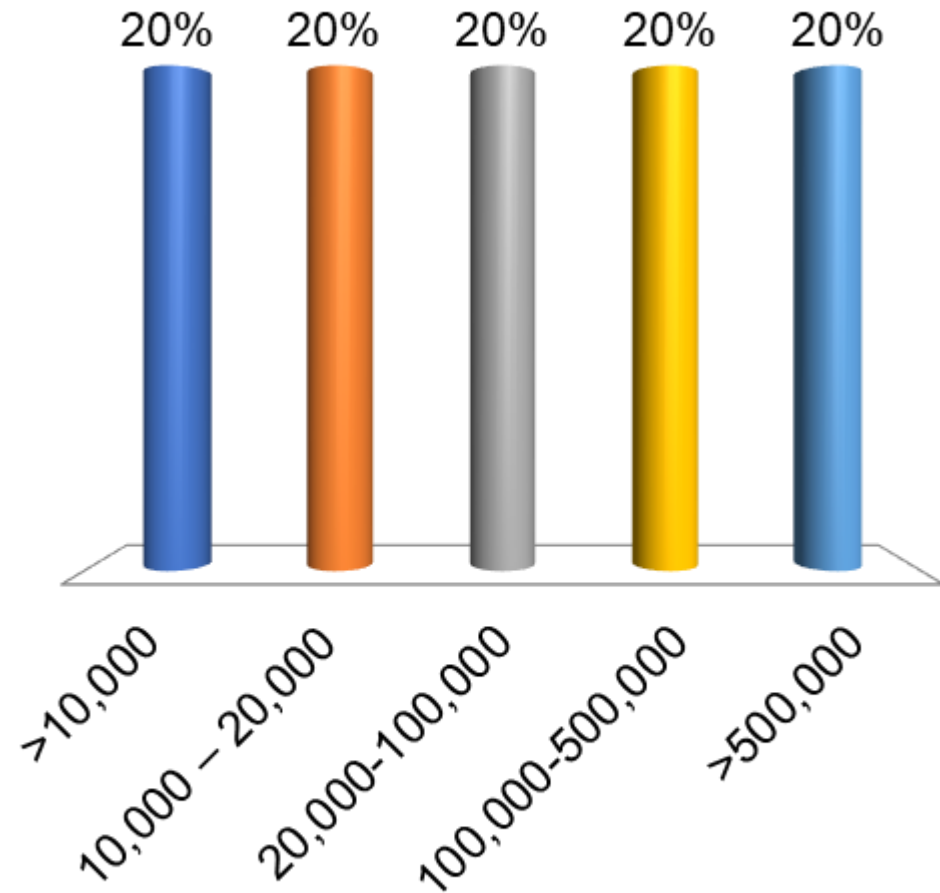


Agenda

- **MOI Update on the Reg**
- **Review of the Reg**
- **Reporting under the Reg**
- **AM Policy Strategy under the Reg**
- **AM and Municipal Processes to meet the Reg**
- **Communicating with Council and the Public to explain the Reg**
- **How the SAT and new Guide help you with the Reg**

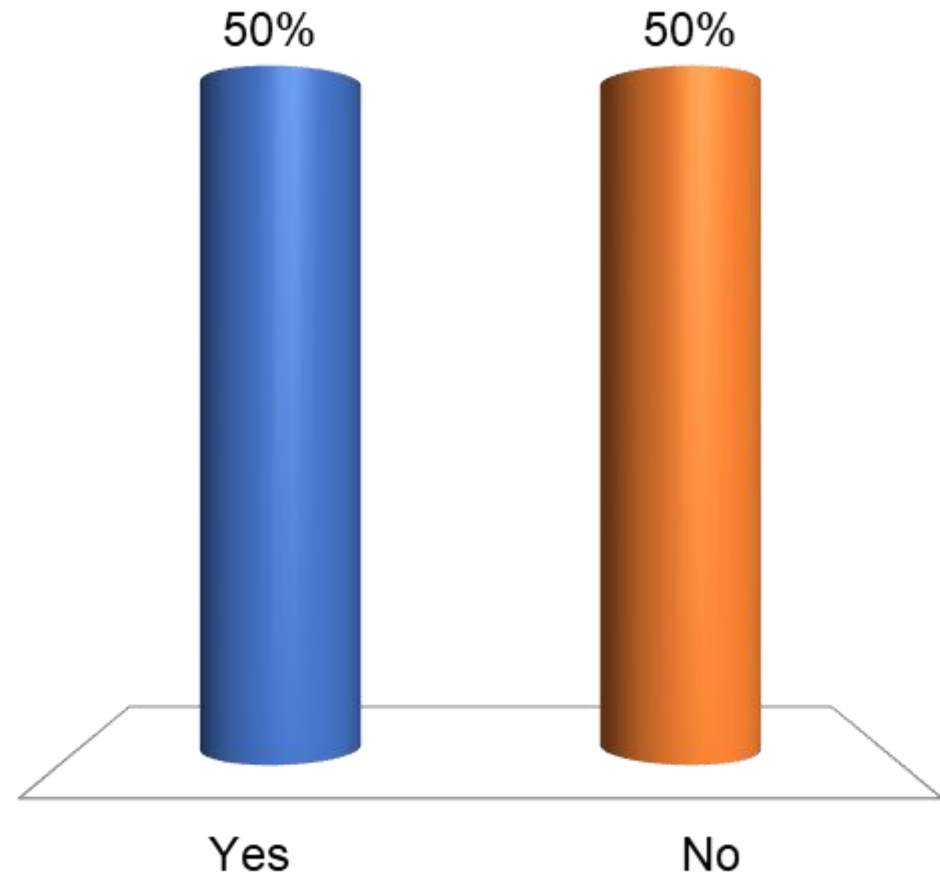
What is the population of your municipality?

- A. >10,000
- B. 10,000 – 20,000
- C. 20,000-100,000
- D. 100,000-500,000
- E. >500,000



Do you have an AM Plan?

- A. Yes
- B. No

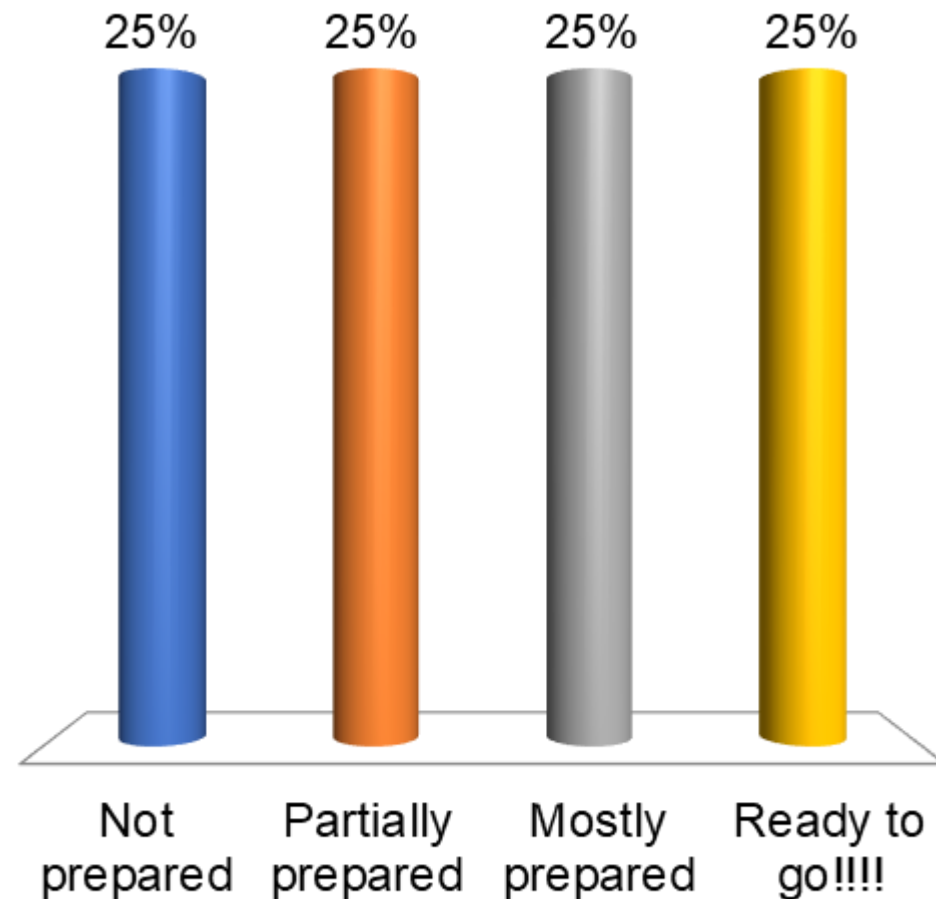


MOI Update re the Reg



How prepared is your municipality to address “The Reg.”?

- A. Not prepared
- B. Partially prepared
- C. Mostly prepared
- D. Ready to go!!!!

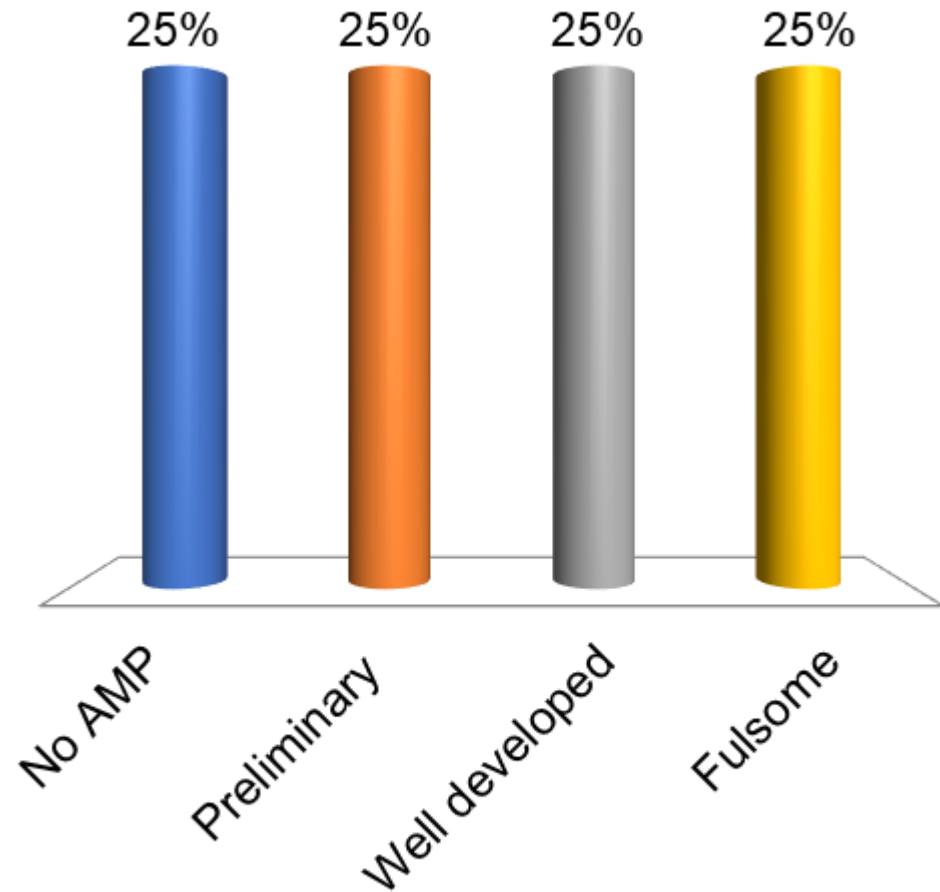


Review of the Reg



How advanced is your municipality in AM Planning?

- A. No AMP
- B. Preliminary
- C. Well developed
- D. Fulsome



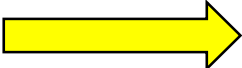


Infrastructure for Jobs and Prosperity Act (IJPA)

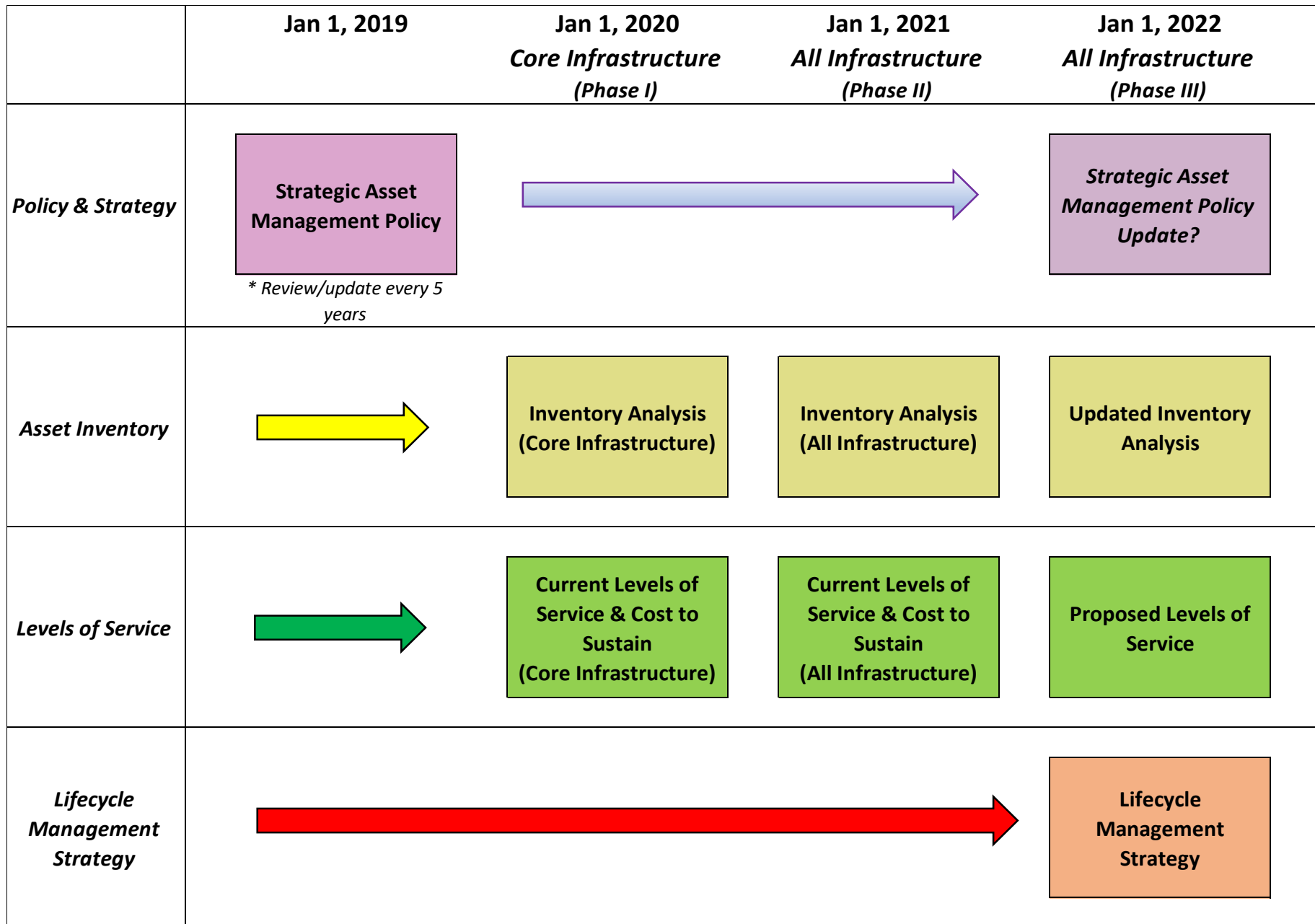
- Proclaimed on May 1, 2016
- Authority for the Province to regulate municipal asset management planning
- Purpose:
 - Implement best practices
 - Provide a degree of consistency and flexibility
 - Support collaboration between municipalities and with the Province









Draft Regulation

Overview

- ❑ Asset Management planning is essential
 - Need effective plans to take care of infrastructure
 - Need to better understand infrastructure needs
 - Foundation of improving long-term sustainability
- ❑ Federal, Provincial, Municipal governments need to work together
- ❑ Phased implementation
- ❑ Building on the 2012 asset management guide

	Jan 1, 2019	Jan 1, 2020 <i>Core Infrastructure (Phase I)</i>	Jan 1, 2021 <i>All Infrastructure (Phase II)</i>	Jan 1, 2022 <i>All Infrastructure (Phase III)</i>
Policy & Strategy	<div style="border: 1px solid black; background-color: #d8bfd8; padding: 10px; width: fit-content; margin: 0 auto;"> Strategic Asset Management Policy </div> <p><i>* Review/update every 5 years</i></p>			
Asset Inventory		<div style="border: 1px solid black; background-color: #d9ead3; padding: 10px; width: fit-content; margin: 0 auto;"> Inventory Analysis (Core Infrastructure) </div>	<div style="border: 1px solid black; background-color: #d9ead3; padding: 10px; width: fit-content; margin: 0 auto;"> Inventory Analysis (All Infrastructure) </div>	<div style="border: 1px solid black; background-color: #d9ead3; padding: 10px; width: fit-content; margin: 0 auto;"> Updated Inventory Analysis </div>
Levels of Service		<div style="border: 1px solid black; background-color: #d9ead3; padding: 10px; width: fit-content; margin: 0 auto;"> Current Levels of Service & Cost to Sustain (Core Infrastructure) </div>	<div style="border: 1px solid black; background-color: #d9ead3; padding: 10px; width: fit-content; margin: 0 auto;"> Current Levels of Service & Cost to Sustain (All Infrastructure) </div>	<div style="border: 1px solid black; background-color: #d9ead3; padding: 10px; width: fit-content; margin: 0 auto;"> Proposed Levels of Service </div>
Lifecycle Management Strategy				<div style="border: 1px solid black; background-color: #fce4d6; padding: 10px; width: fit-content; margin: 0 auto;"> Lifecycle Management Strategy </div>



	Jan 1, 2019	Jan 1, 2020 <i>Core Infrastructure (Phase I)</i>	Jan 1, 2021 <i>All Infrastructure (Phase II)</i>	Jan 1, 2022 <i>All Infrastructure (Phase III)</i>
<i>Risk (over 25,000 population)</i>				
<i>Growth (over 25,000 population)</i>				
<i>Financial Strategy</i>				

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Strategic Asset Management Policy

- Develop & adopt by **January 1, 2019**
- Review and update **every 5 years**
- Content:
 - Which **municipal goals/plans/policies** the AM Plan would support (i.e. official plan, strategic plan, ...)
 - How the AM Plan would affect the development of the **budget and any long-term financial plans**
 - Approach to **continuous improvement and adoption of best practices**

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Strategic Asset Management Policy

- **Principles** that would guide AM Planning
 - Including principles from section 3 of IJPA
- A commitment to consider:
 - Actions that may be required to address risks/vulnerabilities that may be caused by **climate change**
 - Mitigating approaches to climate change (such as greenhouse gas emission reduction goals/targets)
 - Disaster planning (with any required contingency funding)
- Process to ensure that AM Planning would be aligned with **Ontario's land use planning framework**

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Strategic Asset Management Policy

- **Capitalization thresholds** used for the AM Plan, and how this compares to the municipality's TCA policy
- Commitment to **coordinate planning** between interrelated assets with separate ownership structures (i.e. collaborative opportunities)
- Identify **who is responsible for AM Planning**, including an “executive lead” and how Council is involved
- Commitment to provide opportunities for **public input**

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Municipal Asset Management Plans

□ 3 phases:

- Phase 1 – **core infrastructure**, by **Jan 1, 2020**
- Phase 2 – **all assets** by **Jan 1, 2021**
- Phase 3 – **further details** on all assets by **Jan 1, 2022**

- Additional requirements for municipalities above **25,000 population**
- **Core infrastructure**: roads, bridges, culverts, water, wastewater, storm

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Municipal Asset Management Plans

□ Inventory Analysis

■ Phase 1 & 2:

- Summarize by **asset class** (type, quantity, replacement value, average age)
- Summarize **condition information**
- **Approach to condition assessments**
 - Industry accepted engineering practices

■ Phase 3:

- Update inventory from phase 1 & 2

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Municipal Asset Management Plans

□ Levels of Service (LOS)

■ Phase 1 & 2:

□ Current LOS

- **Community vs technical** (for core infrastructure)
- **Performance measures** (service delivery & asset operation)

□ **Cost** to sustain current LOS

- Lifecycle costs, and assumptions regarding future growth

■ Phase 3:

□ Proposed LOS (with mandatory performance measures)

- **Community vs technical** (for core infrastructure)
- **Performance measures** (service delivery & asset operation)
- Outlined each year for a **10-year period**
- Why are proposed LOS appropriate? How they differ?

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Municipal Asset Management Plans

□ Lifecycle Management Strategy (LMS)

■ Phase 1 & 2:

- Municipalities over 25,000 population – Estimated costs to service growth
 - Lifecycle costs required for new construction, and upgraded capacity (including extension of services)
 - GGH – growth demands must conform to Growth Plan for GGH
 - Analyze links between providing LOS, costs and impact on growth
- “Encouraged” for smaller municipalities

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Municipal Asset Management Plans

□ Lifecycle Management Strategy (LMS)

■ Phase 3:

- Outline lifecycle management strategies needed to maintain proposed LOS and manage risk
- Consideration of full lifecycle costs
- Options examined by the municipality to reduce overall lifecycle costs
 - Green infrastructure
 - Non-infrastructure solutions
 - Demand management
 - Conservation measures
- Summary of lifecycle activities for 10 year period, aligned with LOS analysis

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Municipal Asset Management Plans

□ Financing Strategy

■ Phase 3:

- Align with proposed LOS
- Estimated capital forecast (lifecycle costs)
- Revenue dedicated to capital financing
- Capital reserve contributions/withdrawals
- Debt service payments
- Municipalities over 25,000 population – Financing Strategy to service growth (revenues, costs)
 - Encouraged for smaller municipalities
- Outline ongoing funding shortfalls, and how to address shortfalls

Draft Regulation

Municipal Asset Management Plans

□ Risk Analysis

■ Phase 3:

- Municipalities over 25,000 population – Overview of risks associated with the AM Plan
 - Ways the AM Plan could fail to provide proposed LOS
 - Actions proposed in response to the risks
 - Encouraged for smaller municipalities

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Other

- ❑ Update the AM plan at least **every 5 years after Jan 1, 2022**
- ❑ Approval In writing by a **licensed engineering practitioner** and the “**executive lead**”
- ❑ **Annual Progress Update to Council** starting in 2021
- ❑ Post Strategic AM policy and AM plan on the municipality’s **website**
 - Copies available to the public
- ❑ **Reporting to the Province**
 - Actuals every year, projections at least every 5 years

Draft Regulation

Other

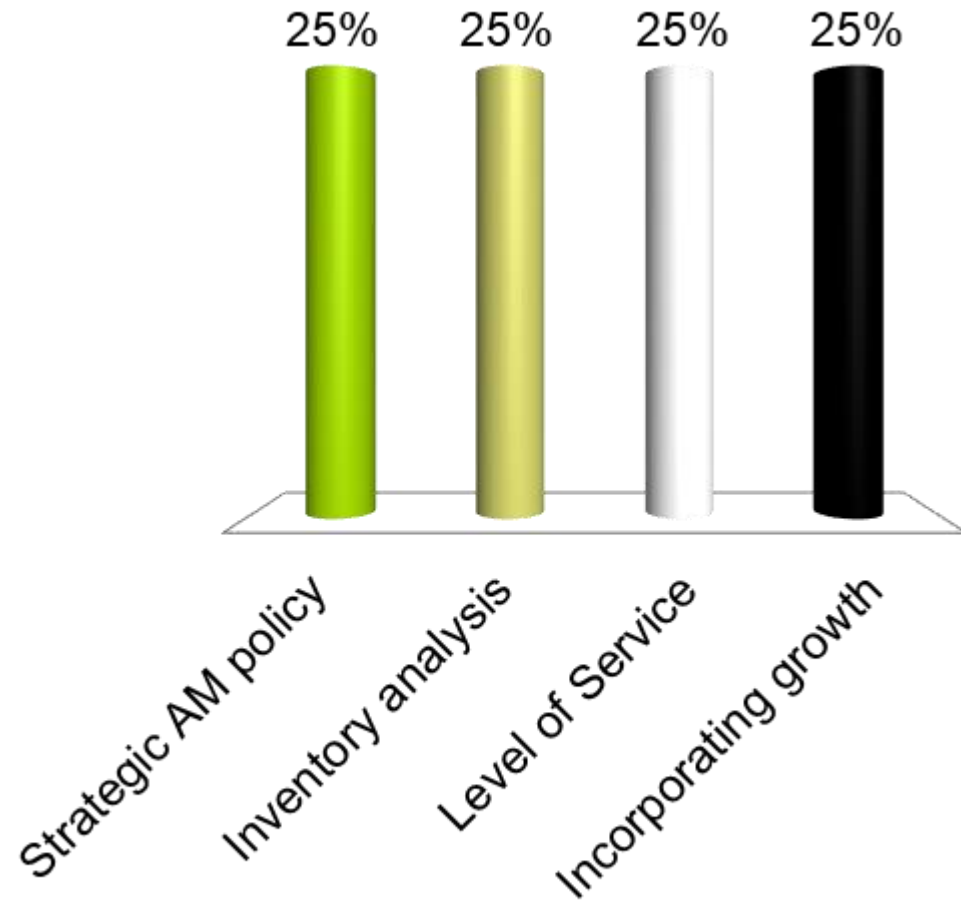
- Recognition of the linkages between this regulation and
 - Safe Drinking Water Act, 2002
 - Development Charges Act, 1997

- Support from the Province:
 - Training, support team, resources, sample documents

- The regulation was posted May 25, 2017 and went through a 60 day public review
 - Submitted comments/questions by **July 24, 2017**
 - Final regulation pending

What part of “The Reg.” is most challenging (2021)?

- A. Strategic AM policy
- B. Inventory analysis
- C. Level of Service
- D. Incorporating growth



Reporting under the Reg



Proposed Reg

- Level of Service (LOS) (Table 3)
 - Review of Core Infrastructure requirements
- Reporting – Requirements:
 - Table 1 – Actuals
 - Table 2 – Projections

Overview Proposed LoS – Table 3

Review of pages 8 - 11 of handout

Service attribute	Applicable Financial Information Return (FIR) categories	Community level of service (qualitative descriptions, images, or maps that describe end-user experience)	Technical levels of service (metrics that describe what the municipality provides)
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Overview Proposed LoS – Table 3

Service attribute	Applicable Financial Information Return (FIR) categories	Community level of service (qualitative descriptions, images, or maps that describe end-user experience)	Technical levels of service (metrics that describe what the municipality provides)
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Overview Proposed LoS – Table 3

Service attribute	Applicable Financial Information Return (FIR) categories	Community level of service (qualitative descriptions, images, or maps that describe end-user experience)	Technical levels of service (metrics that describe what the municipality provides)
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Overview Proposed LoS – Table 3

Community Levels of Service

- **Reg. - “plain Language explanation of current levels of service”**
- **Table 3**
 - **Maps and/or descriptions...**
 - **Description or image...**
 - **Explanation of how...**
 - **Description of how...**
 - **Discussion of frequency...**
 - **Images that explain...**
 - **Description of the ability..**

Overview Proposed LoS – Table 3

Technical LoS

Service attribute	Applicable Financial Information Return (FIR) categories	Community level of service (qualitative descriptions, images, or maps that describe end-user experience)	Technical levels of service (metrics that describe what the municipality provides)
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Risks of Defining LoS

Setting expected LoS above current minimum legislated requirements (MMS) potentially creates a new minimum requirements to which you could be held



Technical LoS

- % of properties... serviced... resilient
- # of connections
- # of events
- # of MOECC
- # of connection-days
- Lane-km of ... road class per land area or per household
- Average ...pavement or bridge condition index (PCI/BCI)
- % of bridge

Actuals Reporting – Part 1

Data	Detail
Revenue Dedicated to Capital Financing	All revenue amounts that were dedicated to capital expenditures from the previous year, broken down by source.
Current Levels of Service	The current level of service provided in the previous year, measured according to the technical levels of service column defined in the Proposed Levels of Service tables (see Additional Information).

*It should be noted that the province would also utilize other information already collected from municipalities through the Financial Information Return (FIR) process, including annual capital expenditures, capital reserve adjustments and debt service payments.

FIR – Schedule 53

SOURCES OF FINANCING FOR TCA ACQUISITIONS / DONATIONS

		1
		\$
Long Term Liabilities Incurred		
0205	Canada Mortgage and Housing Corporation (CMHC)	
0210	Ontario Financing Authority	
0215	Commercial Area Improvement Program	
0220	Other Ontario housing programs	
0235	Serial debentures	
0240	Sinking fund debentures	
0245	Long term bank loans	
0250	Long term reserve fund loans	
0255	Lease purchase agreements (Tangible capital leases)	
0260	Construction Financing Debentures	
0265	Infrastructure Ontario	
0297	Other <input type="text"/>	
0298	Other <input type="text"/>	
0299		Subtotal
		0
Financing from Dedicated Revenue		
0405	Municipal Property Tax by Levy	
0406	Reserves and Reserve funds (SLC 60 1012 01 + SLC 60 1012 02 + SLC 60 1012 03)	0
0410	Municipal User Fees & Service Charges	
0415	Development Charges (SLC 61 0299 08)	0
0416	Recreation land (The Planning Act) (SLC 60 1032 01)	0
0419	Donations	
0420	Other <input type="text"/>	
0446	Proceeds from the sale of Tangible Capital Assets, etc	
0447	Investment income	
0448	Prepaid special charges	
0495	Other <input type="text"/>	
0496	Other <input type="text"/>	
0497	Other <input type="text"/>	
0498	Other <input type="text"/>	
0501		Subtotal
		0
Government Transfers		

Actual Reporting – Part 2

“The **current level of service** provided in the previous year, **measured according to the technical levels of service** column defined in the Proposed Levels of Service tables”

Impacts:

- Very technical
- Information from various systems

Actual Reporting: Current LoS

Challenges:

- Factors affecting LoS
- Ability to determine actual LoS (I.E. PCI)
- Frequency
- Cost of information
- Ability to compare technical LoS against other municipalities



Actual Reporting – Current LoS

Asset	Service Attribute	Technical LoS (metrics that describe what the municipality provides)
Water	Scope	<ul style="list-style-type: none"> • % of properties serviced by the public potable water network • % of properties serviced by fire flow
	Reliability	<ul style="list-style-type: none"> • # of connection days where a boil water advisory notice is in place per year • # of connection days where service is interrupted due to water main breaks
Wastewater Combined sewer/storm systems)	Scope	<ul style="list-style-type: none"> • % of properties serviced by the municipal wastewater system
	Reliability	<ul style="list-style-type: none"> • # of events per year where wastewater overflow exceeds approved overflow capacity • # connection-days of backups per year • # of MOECC effluent violations per year due to wastewater discharge

Actual Reporting – Current LoS

Asset	Service Attribute	Technical LoS (metrics that describe what the municipality provides)
Wastewater - Separate systems	Reliability	<ul style="list-style-type: none"> • # of MOECC effluent violations per year due to wastewater discharge • # connection-days of backups per year.
Stormwater	Scope	<ul style="list-style-type: none"> • \$ of properties resilient to 100-year storm • % of storm sewer system resilient to a 5 year storm
Roads	Scope	<ul style="list-style-type: none"> • Lane-km of road class per land area (km / km²) • Lane-km of road class per household
	Quality	<ul style="list-style-type: none"> • Average pavement condition index (PCI)
Bridge	Scope	<ul style="list-style-type: none"> • % of bridges with loading or dimensional restrictions
	Quality	<ul style="list-style-type: none"> • Average bridge condition index (BCI)

Table 2: Projections Reporting*

(Page 12 of hand-out)

The information below would be reported to the province by May 31 of the year following the municipality's most recent council-approved update of their asset management plan. This would need to occur at least every 5 years, as municipalities would be required to update their asset management plan every 5 years.

Data	Detail
1 Proposed Levels of Service	• The proposed level of service, for ten years, as aligned with the respective information contained in the most recent update of the municipal asset management plan. This requirement would apply only to the technical levels of service measured by the municipality measured according to the technical levels of service column defined in the Proposed Levels of Service tables (see Additional Information).
2 Projected Capital Expenditure Requirements	• The projected capital expenditure requirements, for ten years, as aligned with the respective information contained in the most recent update of the municipal asset management plan.
2 Projected Capital Reserve Adjustments (annual +/-)	• The projected capital reserve contributions, with contributions or withdrawals, for ten years, as aligned with the respective information contained in the most recent update of the municipal asset management plan.
3 Projected Debt Service Payments	• The projected debt service payments, for ten years, as aligned with the respective information contained in the most recent update of the municipal asset management plan.
2 Projected Revenue Dedicated to Capital Financing	• The projected revenue that the municipality expects to raise that will be dedicated to capital projects, excluding non-guaranteed grants, for ten years, as aligned with the respective information contained in the most recent update of the municipal asset management plan.
4 Replacement cost value	• The estimated total cost to replace all existing assets with similar assets, aligned with the replacement cost data contained in the most recent update to the municipal asset management plan.

*an update on the total replacement cost value of the municipality's infrastructure would be required under Projections Reporting, although it would not be based on projected data. Rather, it would be based on the municipality's most recent, current, calculations.

1

Table 2 - Projections

“The proposed LoS for ten years...May 31.. of year following most recent council-approved AM plan” ... would apply to technical LoS column..”

- Proposed LoS, based on additional information (Table 3)
- Factors affecting LoS

Table 2 - Projections

Project Capital Expenditures

Project Revenue Dedicated
to Capital Financing

Project Capital Reserve Adjustments

- Contributions
- Withdrawals
- For 10 years

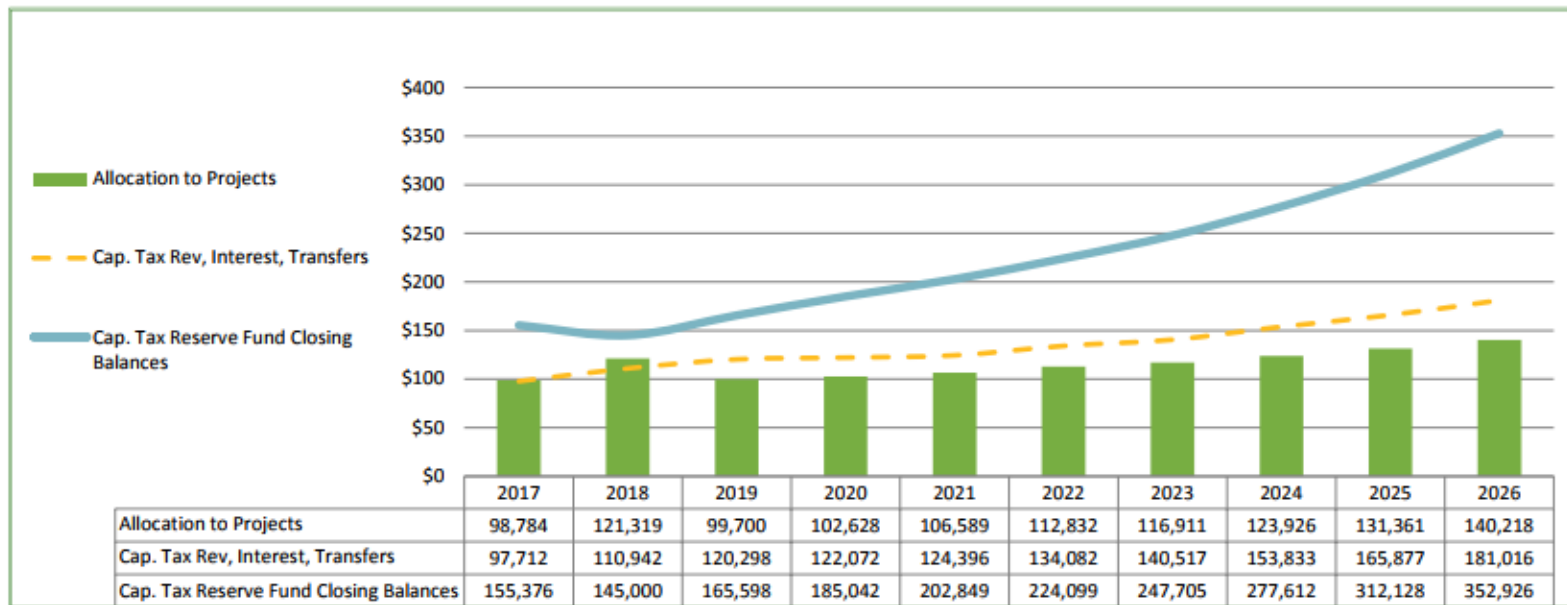
aka Continuity Schedule

Example from Town of Ajax

	Federal Gas Tax Reserve Fund	Development Reserve	Vehicle/Equip Replacement Reserve	Roads Maintenance Reserve	Building Maintenance Reserve	General Infrastructure Reserve	Strategic Initiative Reserve	Debt Reduction Reserve (Slots)	Total Reserves
Year 2018									
Contribution from Development									
Budget Allocation		200,000	1,657,900	1,564,800	785,600	904,500	387,000		5,499,800
Veridian Revenue		494,000	617,600	370,500	494,000	370,500	123,500		2,470,100
Federal Gas Tax Revenue	3,490,900								
Slots at Ajax Downs Revenue		1,662,000	997,200	664,800	664,800	664,800	332,400	1,662,000	6,648,000
Interest	10,800								
Transfer to Debt Repayment								(412,200)	(412,200)
Capital Funding	(3,601,000)	(3,633,700)	(2,147,500)	(1,597,000)	(1,185,000)	(1,550,000)	(638,400)		(10,751,600)
Closing Balance, Dec 31, 2018	2,110,500	2,588,100	11,785,700	8,456,200	10,282,500	8,518,000	2,268,900	8,679,100	52,578,500
Year 2019									
Budget Allocation		200,000	1,657,900	1,654,200	817,200	921,000	387,000		5,637,300
Veridian Revenue		494,000	617,600	370,500	494,000	370,500	123,500		2,470,100
Federal Gas Tax Revenue	3,490,900								
Slots at Ajax Downs Revenue		1,661,300	996,800	664,500	664,500	664,500	332,300	1,661,400	6,645,300
Interest	13,300								
Transfer to Debt Repayment								(412,200)	(412,200)
Capital Funding	(2,374,000)	(1,268,700)	(2,146,700)	(1,651,500)	(1,265,000)	(1,308,000)	(691,000)		(8,330,900)
Closing Balance, Dec 31, 2019	3,240,700	3,674,700	12,911,300	9,493,900	10,993,200	9,166,000	2,420,700	9,928,300	58,588,100
Year 2020									
Budget Allocation		200,000	1,657,900	1,743,600	848,800	937,500	387,000		5,774,800
Veridian Revenue		494,000	617,600	370,500	494,000	370,500	123,500		2,470,100
Federal Gas Tax Revenue	3,490,900								
Slots at Ajax Downs Revenue		1,660,700	996,400	664,300	664,300	664,300	332,100	1,660,500	6,642,600
Interest	19,800								
Transfer to Debt Repayment									
Capital Funding	(2,041,000)	(558,100)	(1,663,600)	(1,700,000)	(1,195,000)	(1,275,000)	(320,000)		(6,711,700)
Closing Balance, Dec 31, 2020	4,710,400	5,471,300	14,519,600	10,572,300	11,805,300	9,863,300	2,943,300	11,588,800	66,763,900

Reserve Fund Continuity Example from City of Mississauga

Ten-Year Continuity Graph for Capital Tax and Related Reserves



Note: the activity in this continuity graph includes debt funding and debt financing of projects, which is not included in the Reserve tables.

3 Project Debt Servicing Payments

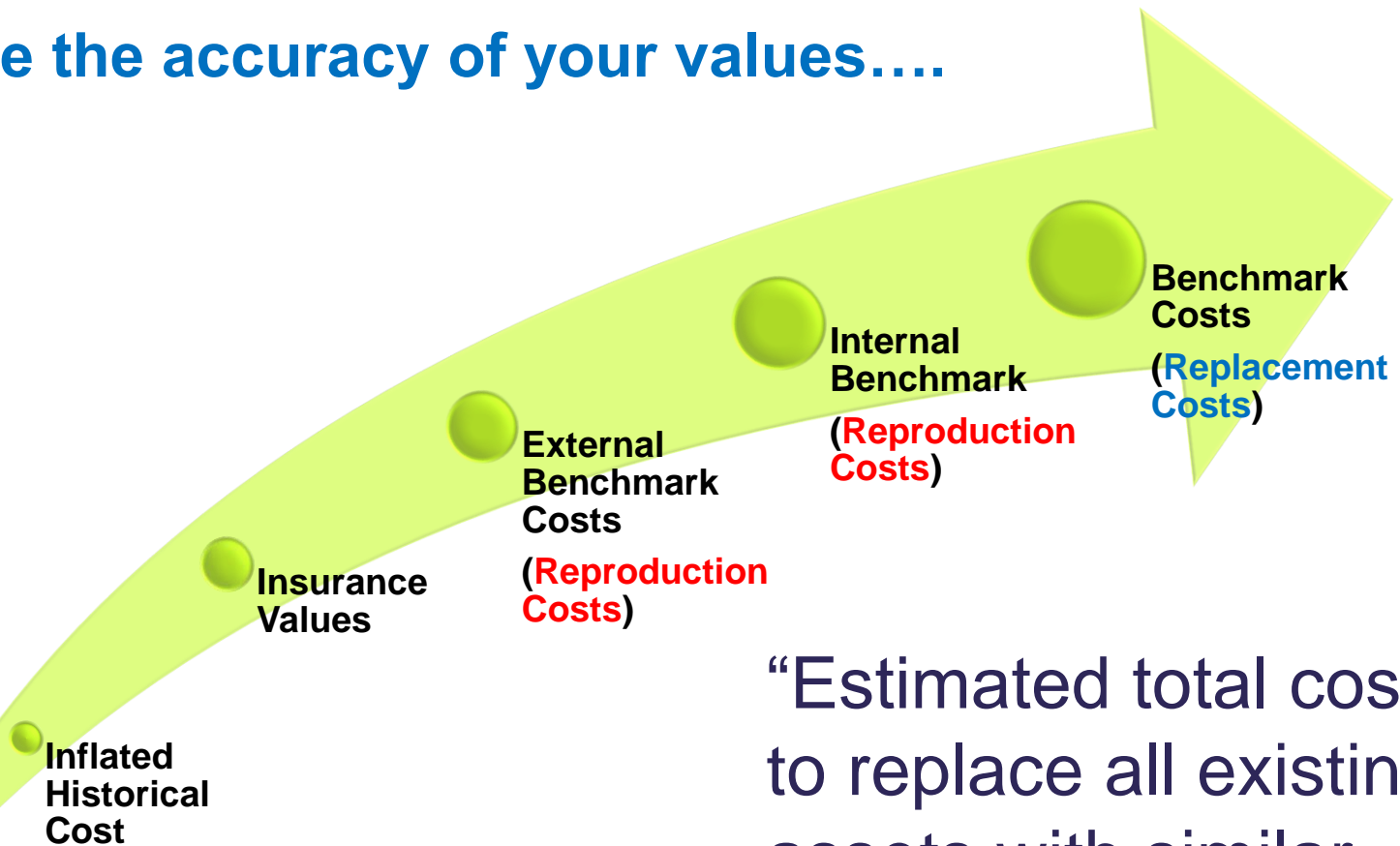
Projected debt service payments, for ten year...

Underlying assumptions...

- Annual debt requirement for capital financing
- Debt Terms - Interest rate and term
- Principal and outstanding principal
- Annual repayment
- Outstanding debt
- **Model... Coming soon????**

Replacement Cost

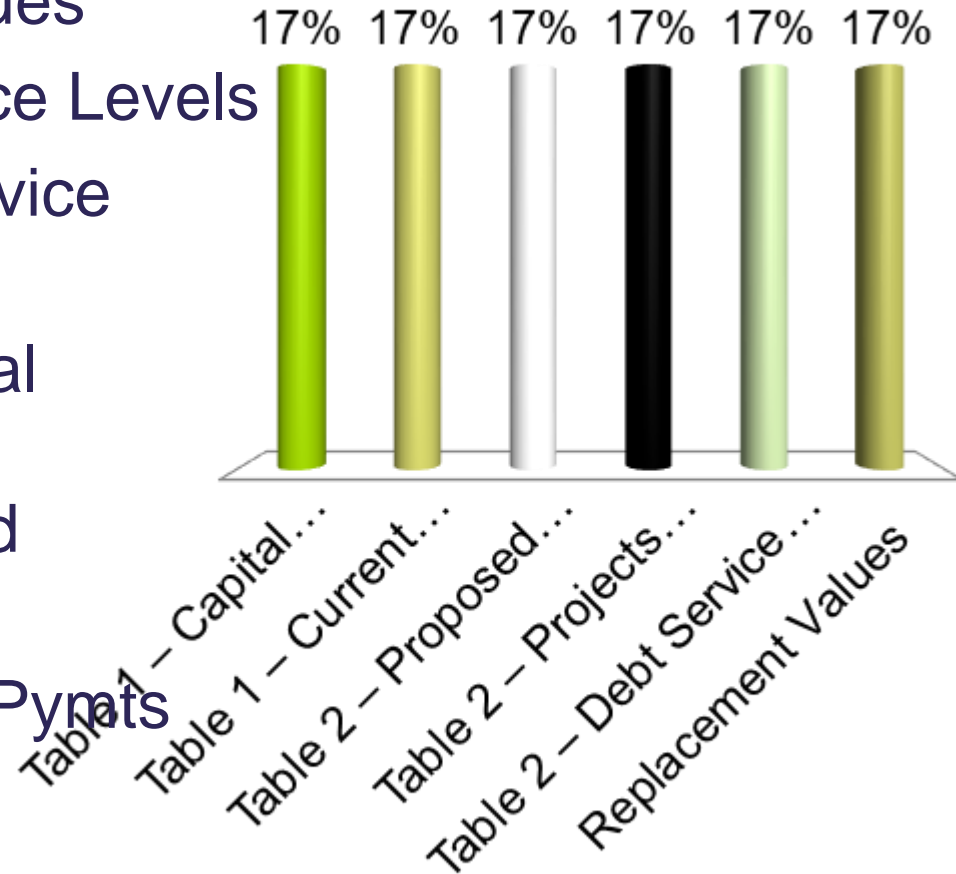
Increase the accuracy of your values....



“Estimated total cost to replace all existing assets with similar assets....”

What reporting requirement poses the largest challenge?

- A. Table 1 – Capital revenues
- B. Table 1 – Current Service Levels
- C. Table 2 – Proposed Service Levels
- D. Table 2 – Projects capital expenditures, reserve adjustments & dedicated revenues
- E. Table 2 – Debt Service Pymts
- F. Replacement Values



AM Policy Strategy under the Reg



Strategic AM Policy

- Focus on AM integration within an organization
 - AM supporting goals/plans/policies
 - Official Plan, Strategic Plan, Master Plans, ...
 - How AM affects the budget and LTFP
 - In line with Ontario's land use planning framework
 - Coordination between neighbouring municipalities and jointly owned municipal bodies
 - Define role of Staff, Council and the Public
- There is more to AM Planning than just the Plan!

MFOA AM Strategic Policy

- AM Policy Manual
- Engagement with 10 municipalities



Stay Tuned.
Coming Soon!

AM and Municipal Processes to meet the Reg

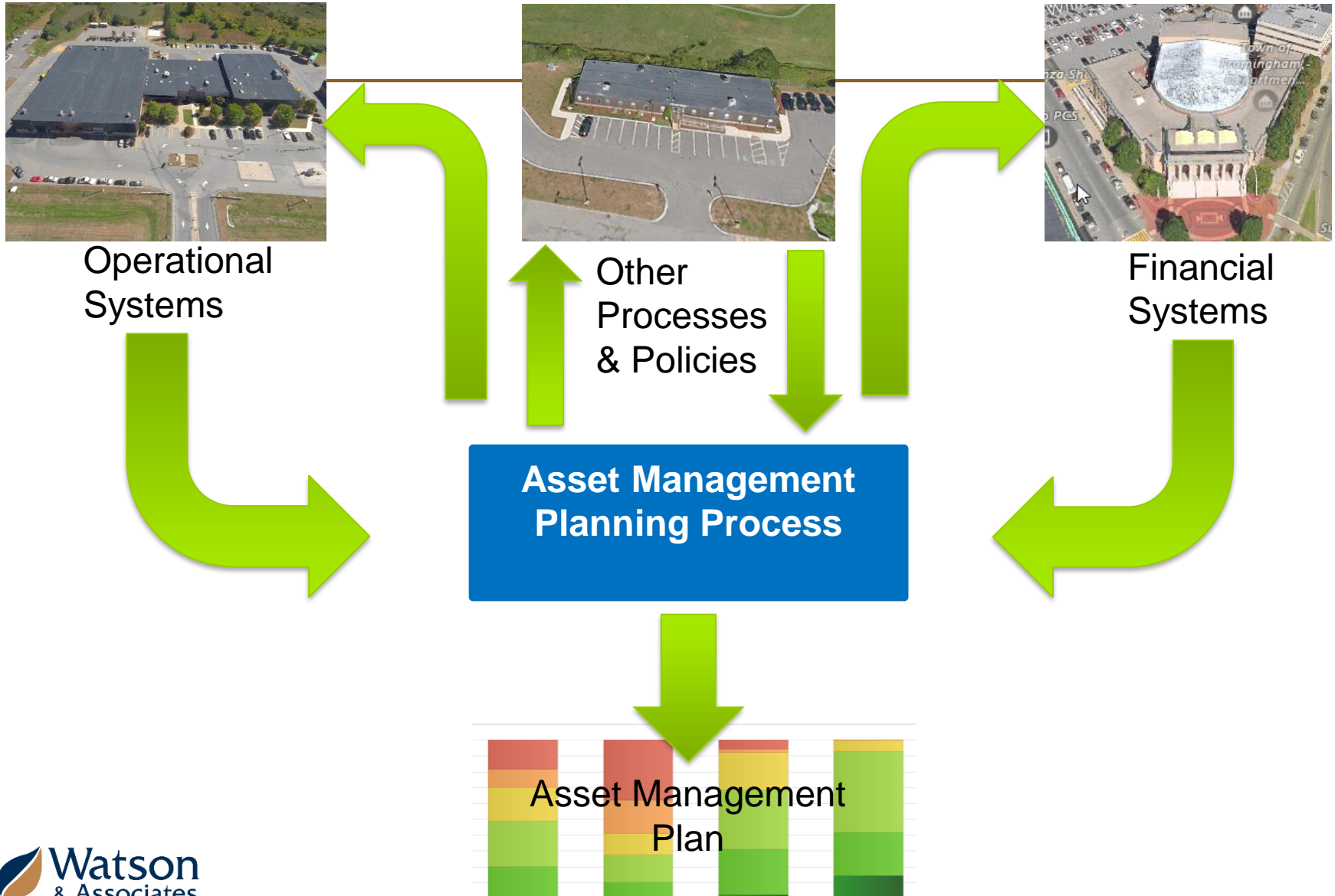


AM Process



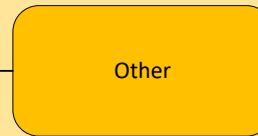
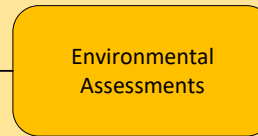
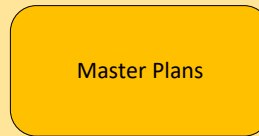
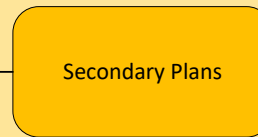
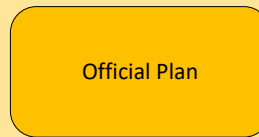
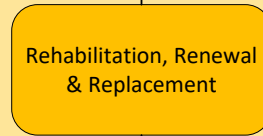
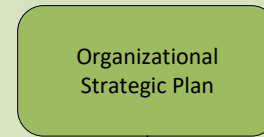
- ❑ Policies and Strategies
- ❑ Integration
- ❑ Continuous Improvements, Updates & Monitoring
- ❑ Tools (Software)
- ❑ Internal Governance and Ownership
- ❑ Council Approval and Support
- ❑ Public Engagement and Communication

Organizational Integration



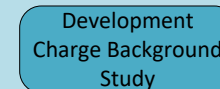
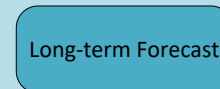
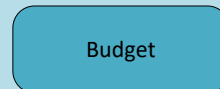
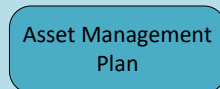
AM Integration

High-level decisions on Levels of Service

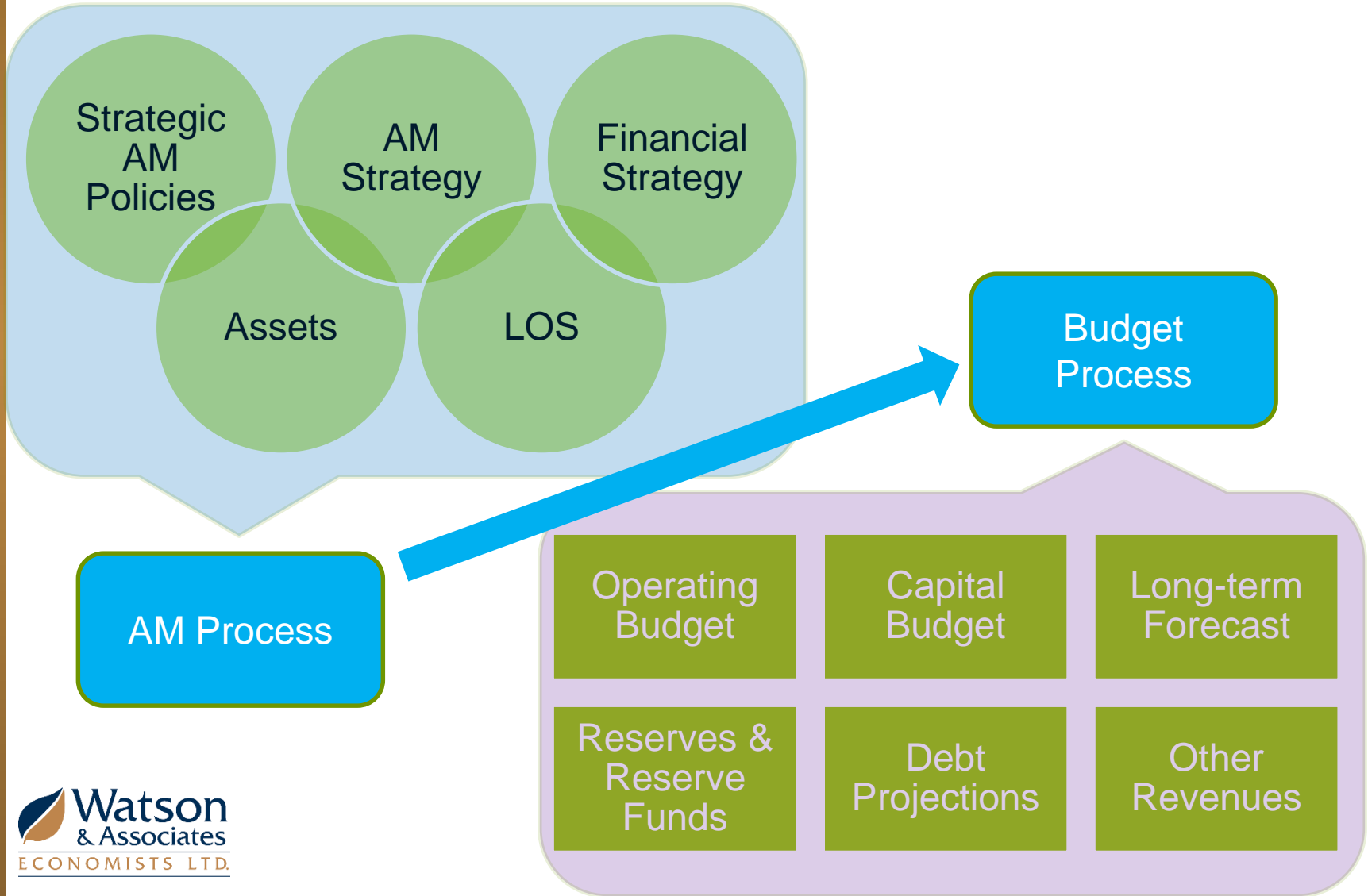


Input from Community drives: decisions regarding Levels of Service, Risk, Scenarios, Financial Analysis and Preferred Approach

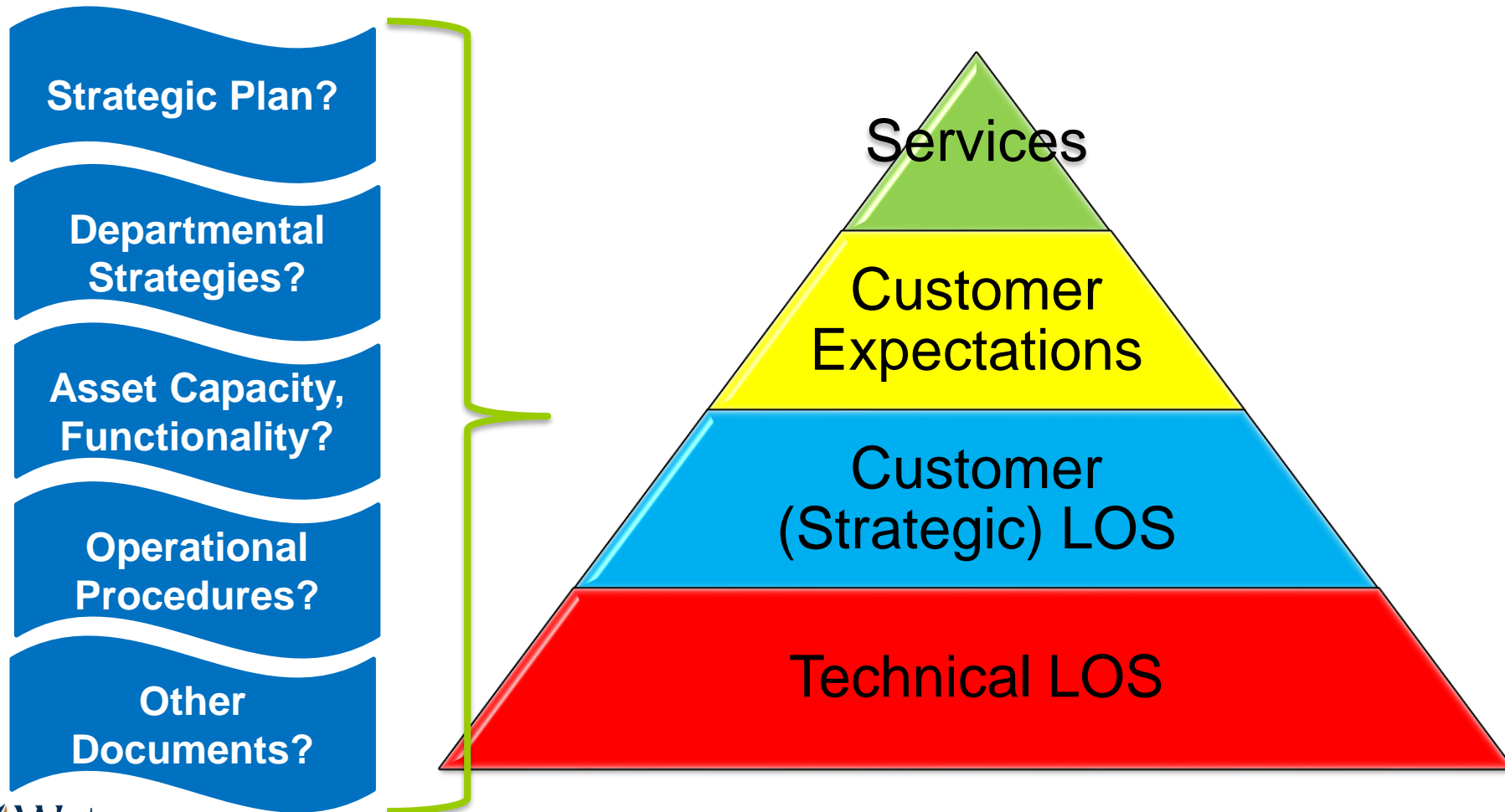
Outputs generated from the Asset Management Process



Budget Integration

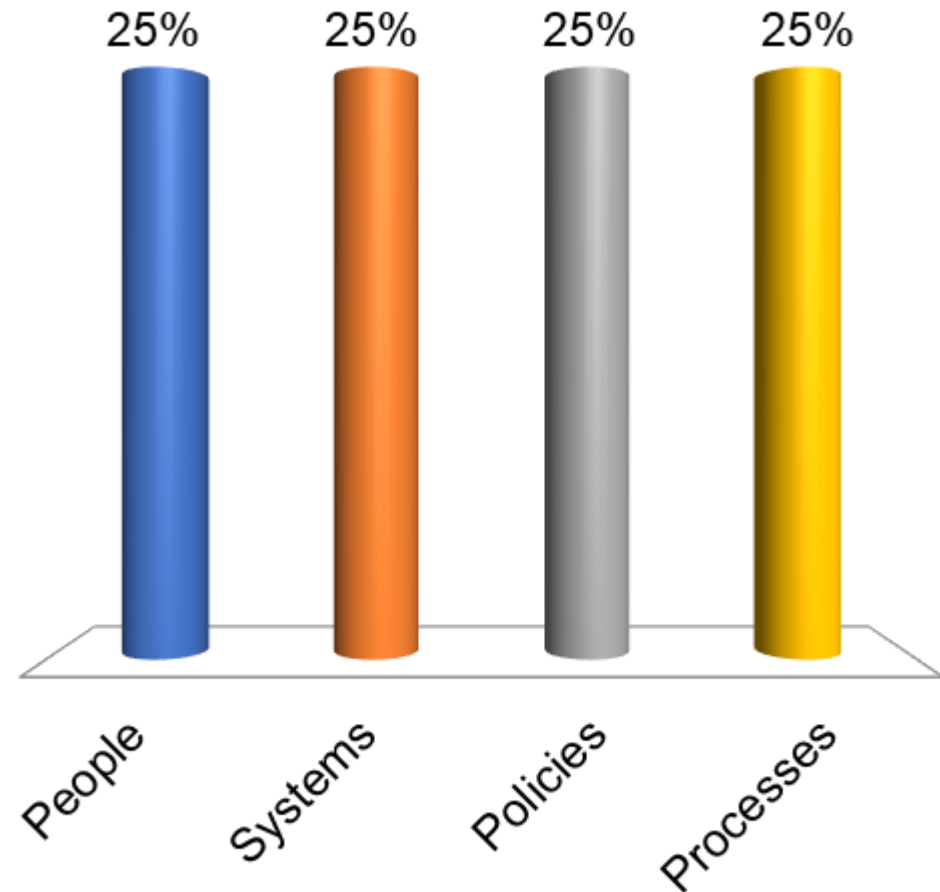


Level of Service Integration



Which of the following poses the greatest challenge for AM Planning?

- A. People
- B. Systems
- C. Policies
- D. Processes



Communicating with Council and the Public to explain the Reg



Public Engagement and Communication

PUBLIC COMMUNICATION	<ul style="list-style-type: none">» Perception of service delivery performance.» What is being done to improve or maintain service levels?» The most significant risks and opportunities, and what is being done to mitigate them.	<ul style="list-style-type: none">» Citizen surveys» Annual reports» Orientation of new staff and council
---------------------------------	--	---

(Source: Building Community Resilience Through Asset Management)

- Public input includes:
 - Delegations
 - Surveys
 - Special meetings or information sessions
 - Website information

Approach

- Identify stakeholders
- Identify the goal of each type of communication
- Align message to goal – Eg. Inform vs ask
- Leverage formal and informal communication channels
- Use feedback information to improve AM process

(Source: Asset Management BC – Asset Management for Sustainable Service Delivery)

Resources – Infrastructure Report Card

Shows three different approaches:

- Basic Condition
- Multi-variable
- Funding



INFRASTRUCTURE REPORT CARDS

A primer : July 2014


PURPOSE

The Municipal Finance Officers' Association (MFOA) and the Ministry of Municipal Affairs and Housing (MMAH) have partnered to develop a municipal Infrastructure Report Card Primer designed to:

- Help municipalities understand and communicate the condition of their assets to council and the public
- Present an accessible picture of municipal capital funding performance to stakeholders
- Enable municipalities to track capital funding trends in one asset class, for the whole asset base and year over year

www.mfoa.on.ca/MFOA-Adds-New-Asset-Management-Tools

SOIR – City of London

City of London Infrastructure Summary			
Replacement Value	Current Condition	Infrastructure Gap Current	Infrastructure Gap In 10 Years
\$ 10.9 Billion		\$ 52.1 Million	\$ 466.1 Million

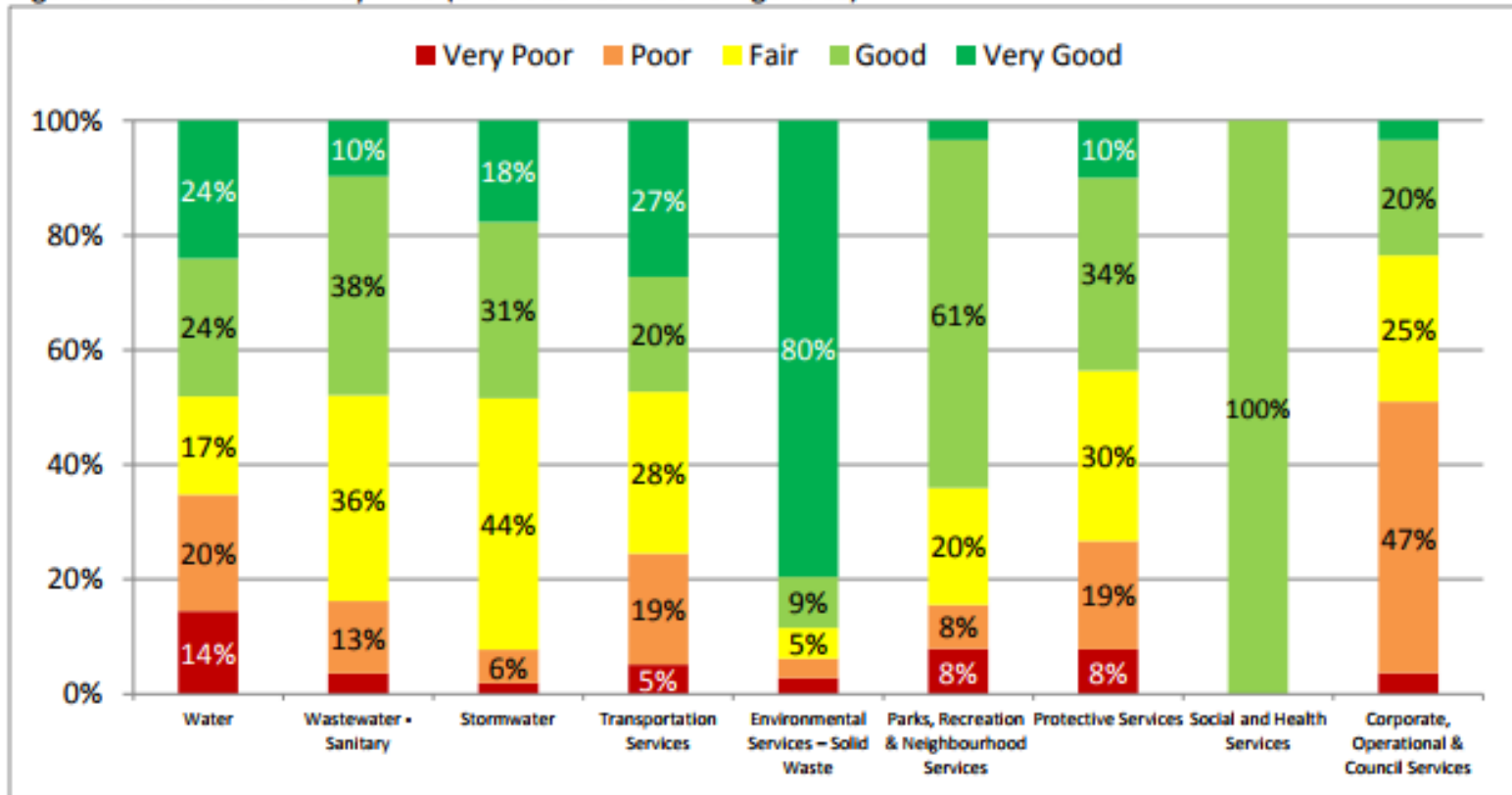
The overall condition of the City’s assets is rated as **Fair** to **Good** (Figure 21). Assets in Fair condition require attention, are showing general signs of deterioration with some elements exhibiting significant deficiencies. Good condition indicates that the infrastructure is adequate for now with some elements showing general signs of deterioration that require attention. The assets that are of concern to the City are the smaller fraction of assets listed in Poor or Very Poor condition. These are the assets that are approaching the end of their useful lives. They may still be functioning but at a questionable level of service and the City needs to be prepared to

Figure 1 – Overall Asset Condition by Replacement Value



SOIR – City of London

Figure 3 Asset Condition by Area (excludes Boards and Agencies)

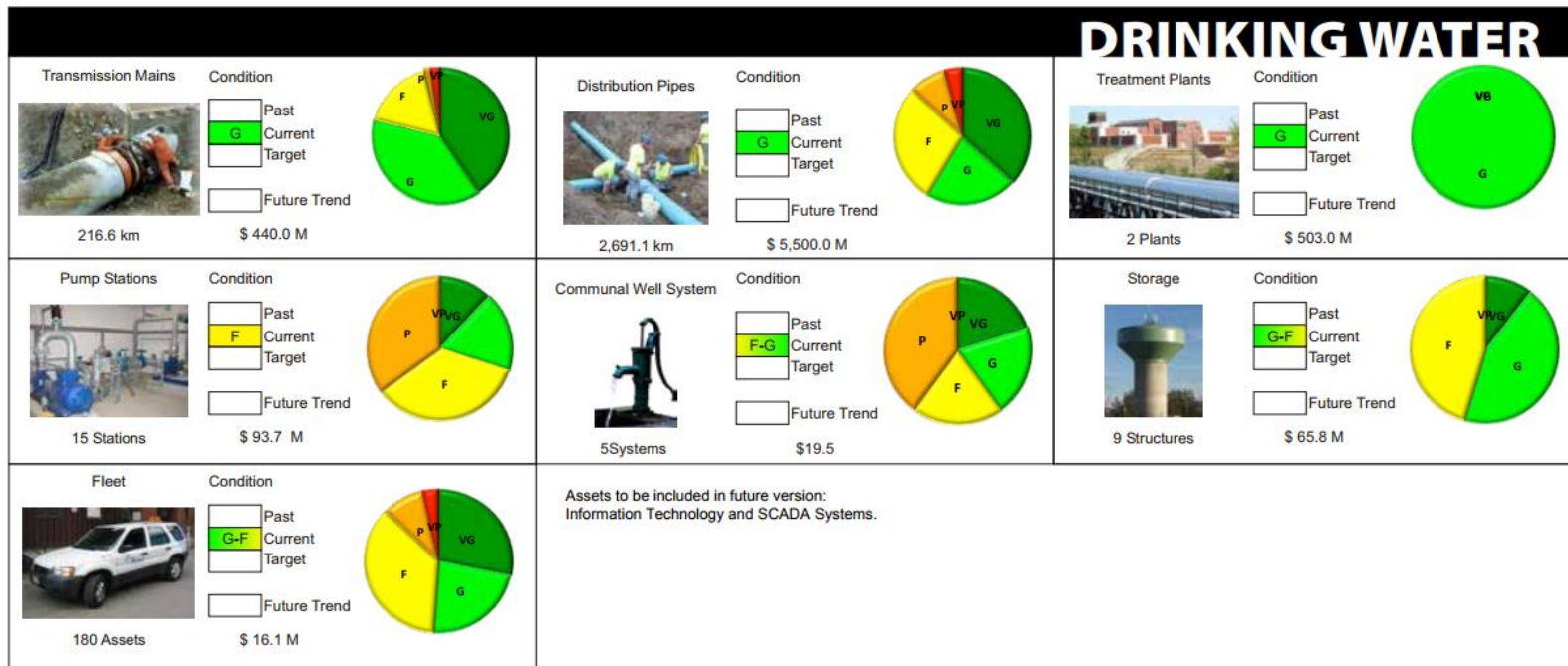


City of Ottawa

Service	2012 Status				
	Asset Replacement Value	Overall Average Asset Condition Rating	% of Assets in Poor to Very Poor Condition	% of Assets in Fair Condition	% of Assets in Good to Very Good Condition
Water	\$ 6,638 M	Good	13 %	28 %	59 %
Wastewater	\$ 5,678 M	Good-Fair	13 %	28 %	60 %
Stormwater	\$ 4,670 M	Good-Fair	6 %	21 %	74 %
Transit	\$ 1,951 M	Good-Fair	5 %	22 %	73 %
Transportation	\$ 11,076 M	Fair	27 %	52 %	21 %
Recreation and Culture	\$ 1,970 M	Fair	17 %	43 %	40 %
Libraries	\$ 94 M	Good	14 %	48 %	38 %
Community Services	\$ 176 M	Good-Fair	0 %	57 %	43 %
Fire, Paramedic and By-Law	\$ 313 M	Good-Fair	9 %	46 %	45 %
Civic Facilities and Realty	\$ 257 M	Fair	1 %	94 %	5 %
Overall Summary	\$ 32,823 M	Fair-Good	16 % (\$5.3B)	37 % (\$12.0B)	47 % (\$15.5B)
<p>Very Good - Fit for the future. Well maintained, good condition, new or recently rehabilitated.</p> <p>Good - Adequate for now. Acceptable, generally approaching mid stage of expected service life</p> <p>Fair - Requires attention. Signs of deterioration, some elements exhibit deficiencies.</p> <p>Poor - At risk of affecting service. Approaching end of service life, condition below standard, large portion of system exhibits significant deterioration.</p> <p>Very Poor - Unfit for sustained service. Beyond expected service life, widespread signs of advanced deterioration, some assets may be unusable.</p>					

City of Ottawa

DRINKING WATER



Michigan Department of Transportation (MDOT)

www.youtube.com/watch?v=2k2jYoOxPdY

Integrate with Existing Engagement

Strategic Plan

Long Term Financial Plan

Fire Master Plan

Recreation Master Plans

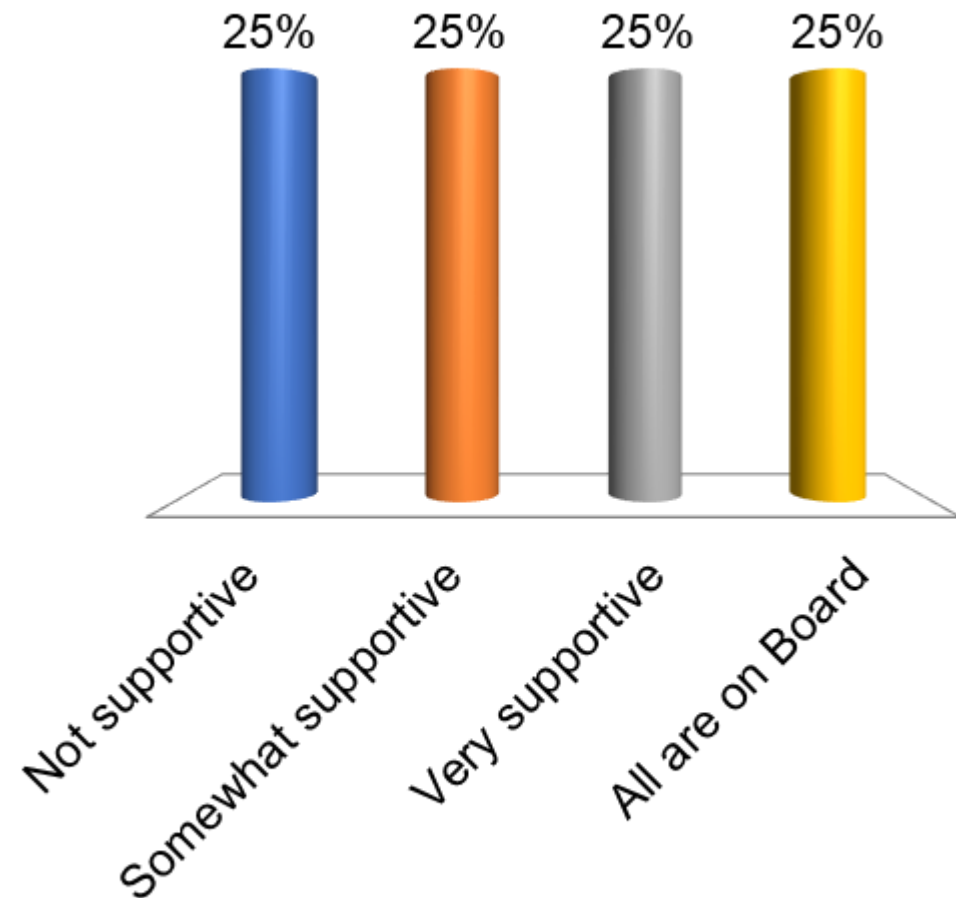
Land Use Planning

Budget



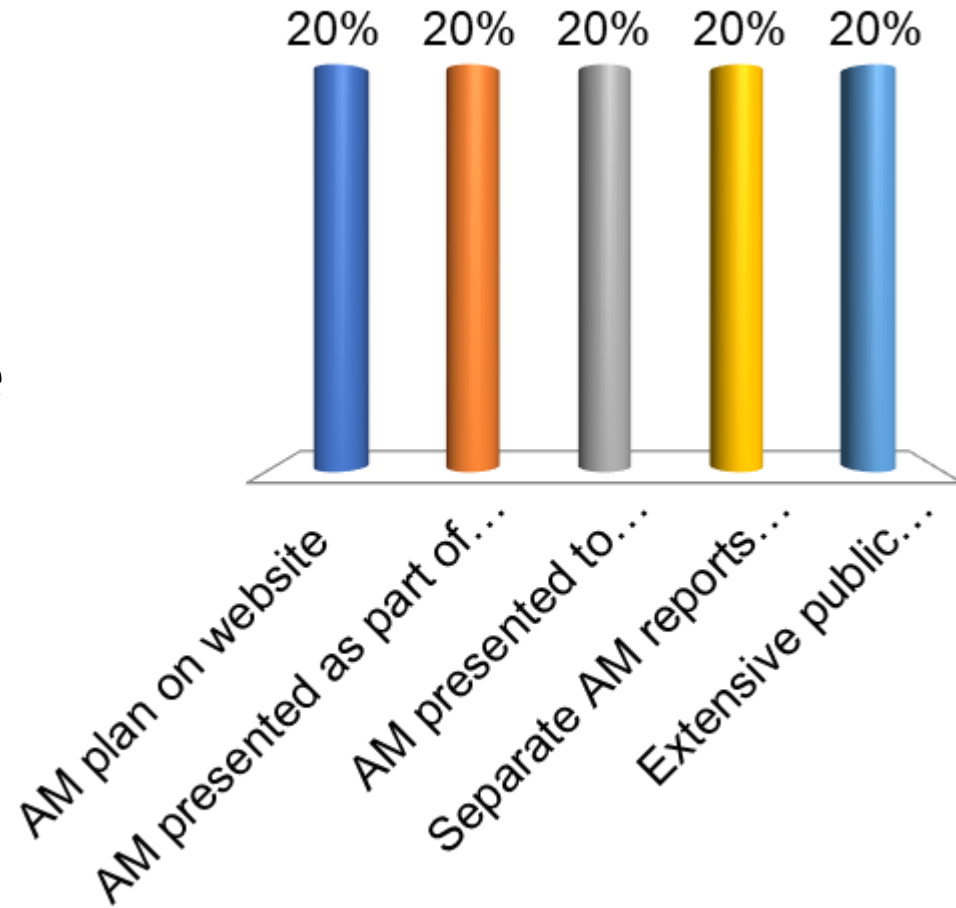
How supportive is your Council to the AM Planning?

- A. Not supportive
- B. Somewhat supportive
- C. Very supportive
- D. Council is on board!!



Do you have any public information related to AM Planning?

- A. AM plan on website
- B. AM presented as part of budget
- C. AM presented to Council as stand-alone item
- D. Separate AM reports available to the public
- E. Extensive public campaign



How the SAT and new Guide help you with the Reg



Self Assessment Tool (SAT) Demo

1. Is there one comprehensive asset register?

Road B&C Wat WWat SWat Waste Facil Veh Land Other

** An example of an asset attribute would be an asset identification number*

<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
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<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

No asset database kept

Several asset registers with no connected asset attributes*

Several asset registers but with connecting asset attributes*

Two to three asset registers with connecting asset attributes*

One comprehensive asset register

Sample SAT Guide

Is there one comprehensive asset register?

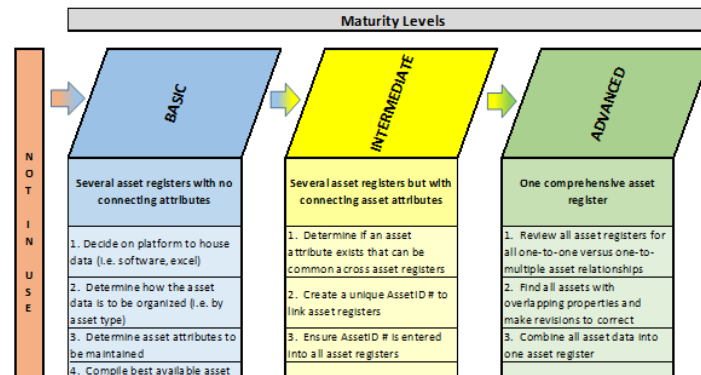
Background

Asset information is used across multiple departments, services and activities across an organization. These include PSAB 3150 compliance, FIR reporting, asset management, maintenance management, GIS, condition/inspection reports and “capital needs” studies. In each of these areas, the common need is to have accurate and up-to-date data that is in a format in which decisions can be made upon. With so many uses of asset data across an organization, a common struggle among municipalities is the ability to have all departments using the same asset data, which is commonly referred to as having “one version of truth” from an asset perspective.

Some organizations may keep asset registers in spreadsheets, while other organizations keep them in more formal databases or systems that are designed for the specific purpose of maintaining asset data in an efficient and effective manner. Regardless of the technology used, data integrity, completeness and reliability become critical to ensure accurate asset information is used to make accurate decisions. Asset registers will be discussed further in Chapter 9 (Asset Management Tools).

Levels of Maturity – Structure of Asset Register(s)

Is there one comprehensive asset register?



Sample SAT Reporting

MFOA Self Assessment Tool

Comparison Graphs

MFOA

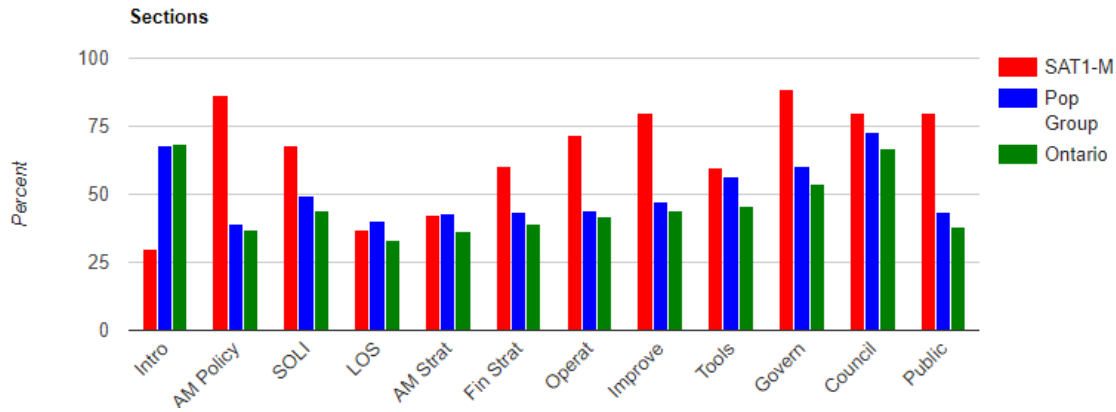
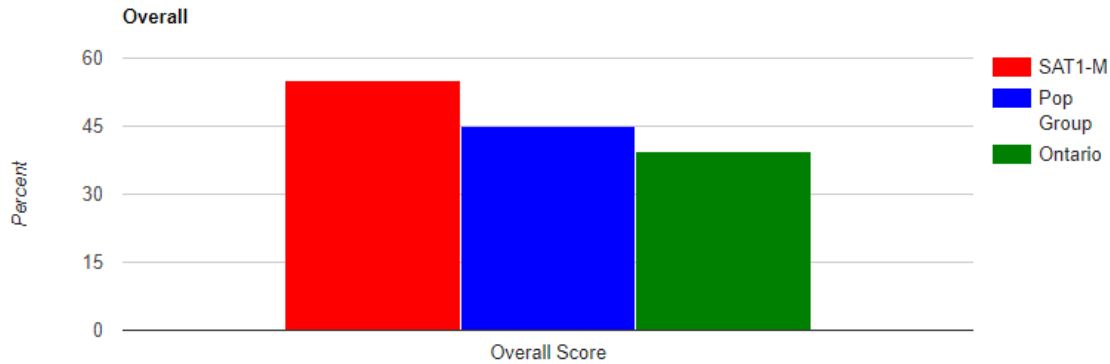
Select up to three items from the list below to compare, and click the Graph button to continue.

- SAT-1 Municipality
- SAT-1 Consultant
- Population Group (7501 - 10000)
- Up to Population Group (7501 - 10000)
- MSO Region (Central)
- Program (Program A)
- All Ontario

Menu

Graph

Sample SAT Reporting



Key Takeaways

- **“The Reg.”:**
 - **Designed to encourage AMP progression**
 - **Level of Service helps municipalities to focus on major cost/risk factors**
 - **Prescribed reporting to Council and the public to keep everyone informed and keep on the pressure**

Questions?

