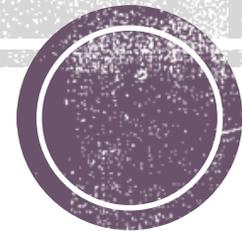


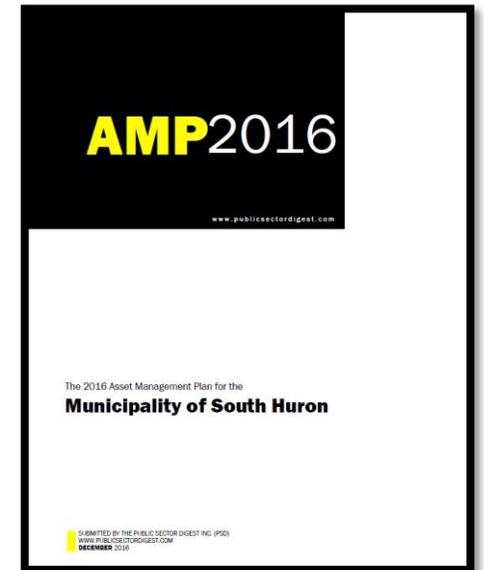
Asset Management

*“Spending the right money, on the right asset/activity,
at the right time”*



Current Asset Management Plan

- Completed in 2016 by Public Sector Digest
- Assumptions:
 - Most assets assessed on an age basis (useful life)
 - Useful life outlined in TCA Policy as an accounting (PSAB) measure
- Not a living document
- Financial analysis based on replacement cost, where available, otherwise historical cost was used
- Satisfied all legislation to date and ensured grant funding continued
- *Conclusion: we plan to sophisticate this and bring it in house, but should be acknowledged when speaking with other Municipalities South Huron has done a great job thus far and is slightly ahead of the curve. Well done!*



O. Reg. 588/17 AM Legislation



July 1, 2019

Strategic
Asset
Management
Policy

July 1, 2021

Asset
Management
Plan – Core
Assets

July 1, 2023

Asset
Management
Plan – All
Municipal
Assets

July 1, 2024

Proposed
Levels of
Services/
Financial
Strategy

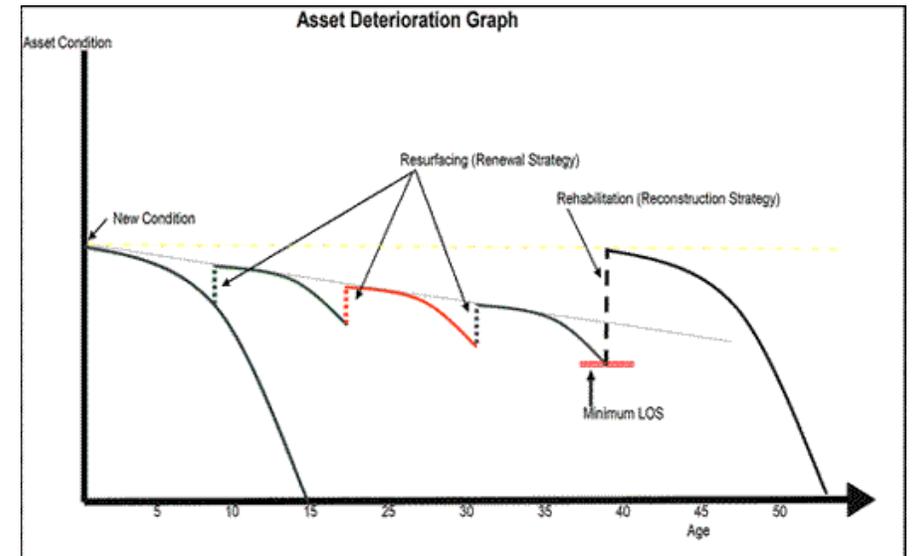
- Asset Management Plans must include
 - Levels of service defined
 - Lifecycle events

- Core Assets
 - Road Network
 - Bridges/Culverts
 - Water
 - Sewer
 - Storm Water



AMP – Lifecycle Events

- Current assumptions are end of life replacement without preventative maintenance activities
- Goals:
 - Define preventative maintenance activities that extend useful lives (full replacement)
 - Maximize useful lives and minimize annualized cost of the asset
 - *Examples: Sealing a bridge deck, Crack sealing, grading, pipe flushing, etc.*
- Levels of Service
 - Definition required to determine the latest point in the asset life preventative maintenance can be performed



Levels of Service (LOS)

- Core Assets – 2021
- All Assets – 2023
- Define levels of service in collaboration with Council
 - Minimum Maintenance Standards for Roads
 - Safe Water Drinking Act, 2002
- Community Levels of Service
 - Qualitative Metrics
- Technical Levels of Service
 - Technical metrics; quantitative
- Scope/Reliability of the service

Asset Category	Community LOS	Technical LOS
Water Assets	Identification of Service Areas (scope)	Response time for water main breaks
Roads	Maps of the road network	Minimum pavement index value acceptable



Priority Metrics

Risk of Failure

- Probability the asset will fail/underperform
- Increases with age and environmental factors of the asset

Consequence of Failure

- Impact on services/residents should the asset fail
- Increases with operational demand/dependency on the asset

- Priority projects will be first assessed on condition data and then by the risk/consequence of failure metrics



2018 Asset Management



- Expanding and modifying asset database to satisfy operations, PSAB reporting, and asset management
- CityWide Asset Manager Database
 - Inventory of Municipal Assets
 - Software can model lifecycle events and apply assumptions like consequence of failure and risk of failure metrics to determine priorities
- **Asset Management Working Group**
 - Established a cross-functional working group to meet regularly to ensure success of the Asset Management Strategy
- FCM Grant \$50,000
 - Staff successfully applied for a grant to assist with condition/data gathering on core assets
 - RFP awarded to GM BluePlan for storm water to ensure complete inventory and interpret underground infrastructure condition analysis
 - RFT for CCTV inspections to go out early 2019 for the data to interpret underground conditions



2019 Asset Management Goals

- Strategic Asset Management Policy (deadline July 1, 2019)
 - Must be Council endorsed
 - Policy will outline objectives and direction of asset management for our Municipality
- Data Gathering/GIS
 - Ensure the database captures all Municipal assets for the core asset categories
 - Linking assets to GIS mapping
 - Replacement Cost data
- Condition Analysis
 - 2019 Proposed Budget includes Road Needs Study and CityWide Works (work orders)
 - CCTV Inspections for linear underground infrastructure
- AMP It Up 2.0 – MFOA (complimentary service for small municipalities)
 - Consulting service to assist staff in preparing an action plan



CityWide Works



- Work order software that fully integrates with existing asset management/GIS software
- Directly linked to our asset database as well as GIS capabilities
- Mobile for front line staff to increase operational efficiency
- **Ability to monitor lifecycle events associated with our assets to have current condition data**
- Audit trail for operations
- Key performance indicator data will be available (ex. # of water main breaks)
- Increased customer service – tracking, response and follow up



Capital Replacement Reserve

- Determine a sustainable level of capital reserves to maintain and sustain our assets
- Previous approach: Amortization values
- Strategy moving forward – phased approach
 - Model lifecycles of the assets beyond age based conditions
 - Annualize the cost of the assets to determine optimal funding
 - Consider current financial constraints and develop a phased plan to reach optimization
 - Start with core assets and expand to all asset classes while maintaining status quo (amortization approach)



Asset Management Goals

- Budgeting Goals
 - Fact based budgeting with the ability for more accurate multi year capital budgets
 - Generate reports and prepare capital budgets with the operating cost of capital
 - Financial Modeling
- Organizational Goals
 - Information to be used and support other plans
 - Long term strategic planning for services, assets and financial
 - BEST Practices
- Updating & Reporting, as per O. Reg. 588/17
 - It is required the asset management plan is reported to Council annually
 - The Asset Management Plan and Strategic Policy are to be reviewed and updated accordingly every 5 years



Thank you!

Asset management is a critical component of Municipal operations, and for good reason. We believe it is...

“Spending the right money, on the right asset/activity, at the right time to maximize useful lives and minimize annualized costs”

The Asset Management Working Group looks forward to working with staff, Council and the public to shift our Municipality to a proactive, sustainable Corporation.

