



Asset Management Planning for Municipal Infrastructure

Supporting Communities of Practice,
Developing Tools & Solutions

Agenda

- Regulatory Requirements Through a Community of Practice Lens
- Communities of Practice: Why They Are Vital for Municipal Asset Management
- The Regulatory Challenge: Complexity of Asset Management + Diversity of Municipal Circumstances
- Regulatory Big Picture
- O.Reg. 588/17: Overview of Requirements
- What We've Seen:
 - Strategic Asset Management Policy
 - Asset Management Plans
 - Looking Ahead to 2024 and 2025
- Role of AMOntario

Regulatory Requirements Through a Community of Practice Lens



- Purpose of this talk is to discuss asset management regulatory requirements from the perspective of municipal organizations.
- At AMONTario, we call this perspective a ‘**community of practice**’ lens because we promote the development of solutions to municipalities’ shared challenges through the sharing of experiences and best practices.
- Provide insights about ‘on the ground’ challenges that your municipality may be facing and that may affect elected officials’ decision-making.

Communities of Practice:

Why They Are Vital for Municipal Asset Management

- ***A Community of Practice (CoP) model facilitates the sharing of information and experiences to accelerate learning and adoption of best practices.***
- AMONTario's approach is to gather municipal practitioners from different backgrounds; meet in different regions; and share a structured, continuous improvement journey.
- By sharing experiences and best practices, staff gain insights into solutions for their own municipalities' challenges and a more nuanced understanding of asset management.



The Regulatory Challenge: Complexity of Asset Management + Diversity of Municipal Circumstances



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- To understand the complexity of the Regulation, must recognize the complexity of asset management.
- Asset Management (AM):
 - Cuts across functions (e.g., Finance, Public Works, Administration, Planning);
 - Affects diverse stakeholders;
 - Requires planning for different time horizons;
 - Has policy, data management, organizational culture, & lifecycle management impacts.
- In addition, AM capacity & practices vary significantly across municipalities.

Regulatory Big Picture

- Province wants municipalities to strengthen their organizational cultures so that the lifecycle management of assets is integrated with prudent financial management. This maximizes the value on investments and return on taxpayers' dollars.
- To accomplish this the Province has set progressively more comprehensive requirements to be met in stages.

O.Reg. 588/17: Overview of Requirements

Strategic Asset Management Policy (by July 1, 2019)

Requires municipalities to outline commitments to best practices and continuous improvement

Asset Management Plan: Phase 2 (by January 1, 2023)

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.

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

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, 2024)

Would build on Phase 1 and 2 by adding:

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

What We've Seen: Strategic Asset Management Policy

Requirements

- Every municipality must adopt a Strategic Asset Management Policy by **July 1, 2019**. Must be reviewed and, if necessary, updated at least every five years afterwards.
 - Defines Role of Council
 - Integration with Financial Planning
 - Alignment with Official Plan and Master Plans
 - Community Engagement
 - Coordination with Other Municipalities
 - Climate Change Mitigation & Resiliency

Observations

- Majority of municipalities have met this requirement
- Unclear that municipal councils fully recognize some of the hard decisions yet to come:
 - Potential need to increase Reserves or Tax Rates to fund lifecycle management of assets;
 - Costs associated with Climate Change Mitigation.

What We've Seen: Asset Management Plans

Requirements

- Every municipality must have an Asset Management Plan for:
 - Core Infrastructure Assets by **July 1, 2021**.
 - All Infrastructure Assets by **July 1, 2023**.
- *Core Infrastructure* includes Water, Wastewater, Roads, Bridges, & Culverts.
- *All Other Infrastructure Assets* include Buildings, Parks, Recreational Facilities, Fire & Emergency Service Assets.
- AM Plans must:
 - Identify what you own
 - Identify Current Levels of Service (LOS)
 - Identify Costs to Maintain Current Service Levels

Observations

- Many municipalities' asset management plans were prepared by external consultants between 2013-16 as a condition for receiving infrastructure funding.
- At most municipalities, they are not actively being used to guide asset replacement or repair decisions.
- Municipalities are challenged with determining Levels of Service (LOS) and associated Risk Impacts.
- Municipalities are challenged with coordinating data collection & analysis across departments (e.g., Finance & Public Works).

Looking Ahead to 2024 and 2025

Requirements

- By **July 1, 2024**, municipalities must
 - Establish Future Service Levels based on Sustainability & Affordability;
 - Specify the proposed performance of each asset category for the next 10 years in accordance with performance measures established by the municipality;
 - Develop a Financial Strategy and Lifecycle Management Strategy
- By **July 1, 2025 and annually thereafter**, Council to conduct Annual Review of progress towards achieving Asset Management Plan, identify factors impeding progress, and outline strategy to address challenges.

Observations

- Most municipalities have *not* begun the process of thinking about proposed levels of service and performance measures for the different asset categories.
- Some municipalities have long-range financial plans, but often these are not closely integrated with lifecycle management needs.
- Many municipalities have not identified long-term funding strategies to match their priority asset management investments.

AMOntario and Asset Management Capacity Building

AMONTario: The Origins

- CNAM TCAA Municipalities Sharing Group created in 2008
- Focus was on sharing lessons learned and strategies on dealing with the evolving PSAB 3150-TCAA Reporting requirements.
- Group met quarterly sharing experiences and case studies
- The Committee was responsible for 2 highly successful Workshops partnering with MFOA

AMONTario: The Transformation

- The Group matured beyond just PSAB and TCAA
- Seeking to satisfy the growing needs of knowledge sharing to help make the **connections** between the
 - **infrastructure,**
 - **finance** and
 - **engineering** worlds
- Seek to advance the field of asset management
- Fill the industry gap between Finance and Engineering – we need everyone to succeed!

Success was in the Community of Practice Model and open sharing amongst practitioners

AMONTario: To today

- Organization Formalization
 - Incorporation and Financial stabilization
 - Board and Leadership Structure Formalization
 - Strategic and Longer Term Planning for Sustainability
 - Website and Document formalization
- Partnering work and participation with:
 - Ministry of infrastructure (MOI)
 - Federation of Canadian Municipalities (FCM)
 - Infrastructure Canada
 - Association of Municipalities of Ontario (AMO)
 - Canadian Network of Asset Managers (CNAM)
 - National Communities of Practice across Canada
 - And many more...

AMONTario: To today

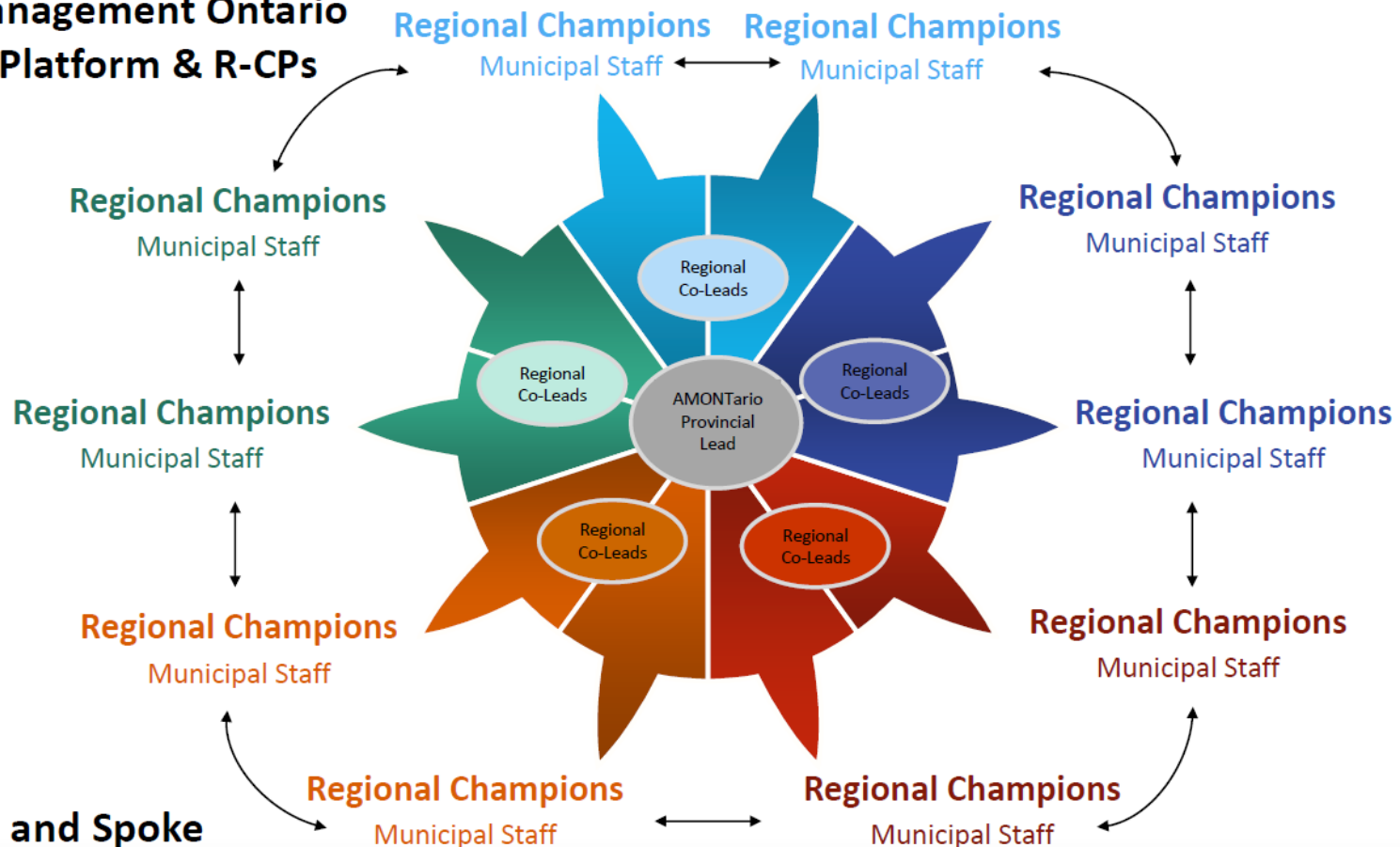
- Projects and Deliverables
- Too many to name... but some highlights:
 - MOI Projects and resources
 - FCM Project delivery
 - Levels of Service Metrics Catalogue
 - Awareness and Education sessions across ontario
 - Website Curation Resource Project with MFOA
 - Co-Hort Training Project with AMO
 - Development, Support Roll out of Hub and Spoke Model

Why hub and spoke?

- AMONTario CoP meetings were becoming too large
- There is proven success in the local collaboration model
- Will foster a network of communities of practice in regional centers that connect subject matter experts
- Promotes cohort learning through a development process in regional communities of practice
- AMONTario can support with guidance, resources and access to information and SME's
- Expert mentorship on real issues, in real-time

AMONTario: Hub and Spoke

**Asset Management Ontario
Online Platform & R-CPs**



**Hub and Spoke
Governance Model**

Demonstrating the Value of your CoP

- Promote personal and professional development through participation or leadership
- Workshop and training activities
- Communication and publication discussion and sharing
- Promote Small municipality or specific topic Sharing
- Liaise with other AM Industry Organizations and Committees to foster collaboration and sharing (ie. MFOA, CNAM, OCSI, MEA, OPWA, ORFMA)
- Share and participate in best practice AM training
- Conduct workshops
- Build up resource base
- Provides mentor-mentee opportunities

Pathways x AMONTario Resources - Asset M... Comprehensive Guide to the Asset Management Process - Z/

amontario.ca/comprehensive-guide-to-the-asset-management-process-2/

Apps ot Commissioner's To... CPMM ot External References Human Resources... Oracle PeopleSoft... ot Project Workspace... RBC Royal Bank - Si... Other bookmarks

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Comprehensive Guide to the Asset Management Process

The Comprehensive Guide to the Asset Management Process sets forth a systematic, end-to-end process for doing asset management. Its orientation is strategic and enterprise-wide.

Asset management is multi-disciplinary and impacts all levels of the organization. This Guide is designed for all municipal practitioners. At our in-person workshops, we have delivered this material to municipal employees working in finance, public works, planning, legislative and administrative services, engineering, corporate services, as well as to elected officials.

How To Work With The Material

The material links to a **Case Study**. At our workshops, we discuss the concepts with reference to the case study. This contextualizes the asset management concepts against real challenges faced by municipalities, such as prioritizing infrastructure-related decisions when not all desired projects can be pursued.

Although you can work through the modules without reference to the case, the accompanying exercises are based on the Case Study. The exercises illustrate how the concepts are implemented. The Excel templates can be modified to address your municipality's particular needs or circumstances. In order to get the most from them, you'll want to understand the ideas behind them, which the case exercises help to reinforce.

The material is presented in a modular format to facilitate flexibility in focusing on a specific topic. However, the topics are also interconnected. Our recommendation is to work through all of the modules and exercises in the order presented.

Please email us with any questions or comments: info@amontario.ca

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- II. Establishing the Asset Hierarchy
- III. Developing an Asset Register
- IV. Setting Levels of Service
- V. Risk Management
- VI. Prioritized Decision-Making
- VII. Municipal Metrics Catalogue

<https://amontario.ca/comprehensive-guide-to-the-asset-management-process/>

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Comprehensive Guide to the Asset Management Process

June 25, 2019 May 27, 2019
AMONTario Publishes the Comprehensive Guide to the Asset Management Process
May 7, 2019
Registration for Asset Management Training & Workshop – Northeastern Ontario (North Bay) November 14, 2018

Upcoming Events

There are no upcoming events at this time.

AMONTario Annual Conference & Workshops 2018

Municipal Metrics Catalogue

Working Group Materials

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How to get Participants in a CoP? (Community of Practice)

- There has to be a benefit to the individuals
 - Professional Development
 - Leadership Development
 - Industry Advancement
 - Training and Education
 - Networking Opportunities

People have to see value in participating!

Q&A