

REPORT

TO: Council
FROM: Charity Post
DATE: June 17, 2020
REPORT: FIN.20.12
SUBJECT: Asset Management Status Update

RECOMMENDATION:

That FIN.20.12 Asset Management Status Update be received by Council for information and to fulfill requirements of the Strategic Asset Management Policy

BACKGROUND AND ANALYSIS:

The Strategic Asset Management Policy A09-F-07 was adopted by Council in July 2019. Under the section "Responsibilities of Key Stakeholders", Council is responsible for the following:

d) conduct annual reviews of asset management plan implementation progress from reports provided by the Asset Management Team on or before July 1 of every year including:

- Progress on ongoing efforts to implement the asset management plans
- Any factors affecting the ability of the Municipality of Grey Highlands' to implement its asset management plans
- A Strategy to address these factors including the adoption of appropriate practices
- Review implementation of the plan as part of the annual budget process

OPERATIONAL CONSIDERATIONS:

The Asset Management Team is coming to the end of its first year of interdepartmental collaboration. In this period there has been a lot of learning about each others' departments, how we look at our assets, and it has been a good first step towards breaking down silos within the organization that will lead to better asset management for the Municipality in the future.

Historically, the Asset Management Plan has been managed by the finance department where after capital projects have gone through the procurement and recording process there has been little interdepartmental communication. With the formation of the Asset Management Team other departments now have access to the asset database and the ability to see information such as: life expectancy, risk, age, condition, and replacement

costs allowing staff members from the major asset-owning departments to have a better understanding of asset management and the scale of the work to be done. Team members have been reviewing the database and are moving towards making improvements to the information so we can make recommendations to council.

The Facilities Manager, Chief Building Official, and Fire Chief have been doing condition inspections of all Municipally owned buildings and components thereof. These reports will be reviewed and condition ratings applied then entered into the database as part of the improvements to available information. Approximately 50% of this project has been completed and is currently on hold due to the ongoing pandemic. Once circumstances change progress will continue. This information is essential to accurately updating the Asset Management Plan, and will help determine replacement cost, risk, maintenance and lifecycle activities, and budget recommendations.

As previously communicated with Council, there are various upcoming provincial regulation deadlines for updating our Asset Management Plan. July 1, 2021 Phase 1 requires that we update our plan for core assets; this includes reviewing our inventory, current levels of service, and costs to maintain those levels of service. Phase 2 which is due July 1, 2023 will further build out our plan to include all of our assets. On May 20, 2020 Council approved retaining the services of Public Sector Digest to update our Asset Management Plan to 2023 requirements. On July 1, 2024 Phase 3 will be due; this phase will build on Phases 1 & 2 by adding Proposed Levels of Service and Lifecycle Management and Financial Strategy.

In April 2020 the Asset Management Team submitted an application to participate in the [PEMAC Asset Management Certification program](#), and all 5 applicants were accepted. FCM is covering 78% of the costs which add up to a savings of approximately \$20,000. There are a series of six courses with completion anticipated in the first part of 2022. This knowledge will help reduce our dependence on consultants in the future, and represent cost savings for the Municipality in the longer term as it will obtain asset management expertise in-house. The six courses are:

Course 1: Asset Management Principles and Strategic Development (course has been completed)

Course 2: Asset Management Capabilities Development

Course 3: Risk Management & Performance Improvement

Course 4: Developing and Implementing Asset Lifecycle Activities

Course 5: Asset Knowledge Management

Course 6: Capstone Course

The coming year will be a busy one in respect of asset management for the Municipality. The first "kick-off meeting" is scheduled for the beginning of June with Public Sector Digest in order to begin planning for updating our Asset Management Plan. The meeting will include members of the Asset Management Team and Senior Management. This project will include a variety of activities, including but not limited to:

-developing the State of the Infrastructure Report, confirming data

-determining current levels of service, and begin development of proposed levels of service

-input from Council, the Public, and Municipal Staff to determine core values and targets

-create a Lifecycle Management Strategy

-provide recommendations for financing strategies

The Finance Department is currently in the process of completing and submitting the application to FCM to obtain funding assistance for updating the Asset Management Plan in the amount of \$50,000, and as supported by Council through resolution 2020-378.

Council will be provided with further updates on the progress and timeline of the Asset Management Plan update project including consultation for public engagement and feedback when that information is available.

GREY HIGHLANDS STRATEGIC PLAN:

Strong Governance - Create a Grey Highlands Asset Management Plan to inform current and future requirements, and capital costs associated in replacing, maintaining, and anticipating infrastructure needs.

STAFFING IMPACT:

Members of the Asset Management Team are:

Charity Post - Accounting Supervisor and Asset Management Coordinator

Holly Cullihall - Municipal Services Technician

Jeff Elchuk - Public Utilities Foreman

Nathan Stewart - Facilities Manager

Anna McCarthy - Treasurer

Senior Management will also be consulted regarding the assets for their respective Departments.

POLICIES/LEGISLATION::

[Strategic Asset Management Policy](#)

[O. Reg. 588/17 Asset Management Planning for Municipal Infrastructure](#)

FILE OR REFERENCE:

[FIN.20.08 Award of Contract for Asset Management Plan Update](#)

[FIN.20.10 Municipal Asset Management Program Funding](#)

[AMP for Cross-Functional Municipal Teams](#)

Approved By:

Anna McCarthy, Treasurer

Karen Govan (Mills), Chief

Administrative Officer

Status:

Approved - 08 Jun 2020

Approved - 09 Jun 2020