

Overview:

Due to delays in the approvals and allocation of FCM funding Public Sector Digest has suggested that the original motion of Council be amended to change the activities that the FCM funding will be used for. This will allow the project to move forward by using Efficiency Funding in 2020. Please note the changes in red that highlight the changes from the original project plan.

As of January 1st, 2018, Ontario municipalities were subject to O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure, under the Infrastructure for Jobs and Prosperity Act, 2015, S.O. 2015, c.15. Under the law, every municipality will be required to prepare a comprehensive strategic asset management policy, a plan to maintain core municipal infrastructure, a levels of service proposal, and a publicly accessible asset management plan.

The Township of Douro-Dummer will be conducting the following activities in its proposed project submitted to the Federation of Canadian Municipalities' Municipal Asset Management Program, as well as using efficiency funding to advance the Township's asset management program:

1. Risk Analysis and Management

This includes developing a risk system, which will rank overall risk based on parameters that consider economic, social, environmental impacts, as well as all other available data regarding the condition of assets, known operational issues, etc.

A good risk analysis will assist in the prioritization of available resources and will:

- Ensure vital services are available
- Prioritize and streamline inspection and condition assessment programs
- Prioritize and optimize operations and maintenance programs
- Prioritize and optimize capital budget processes and program delivery
- Ensure that available money and resources are applied to the right asset at the right time
- And will establish attainable levels of service.

2. Lifecycle Model Development

Proper lifecycle management of infrastructure components, networks, and portfolios is how our Township will establish truly optimized budgets and make the best use of public funds. To accomplish this, an understanding of the types of maintenance activities and cycles, preventative maintenance activities, timelines for application and rehabilitation activities, and timelines for application and replacement activities for each asset class should be reviewed. In addition, the cost for the activities should be documented and a cost-benefit analysis should be performed to determine which activities provide the best value for money.

An example of various activities that will affect the life on a linear asset:

Activity Type (Cost)	Description	Example
Preventative Maintenance (\$)	Any activities that prevent defects or deteriorations from occurring	(Roads) Crack Seal
Rehabilitation (\$\$)	Any activities that rectify defects or deficiencies that are already present and may be affecting asset performance	(Roads) Mill & Resurface
Reconstruction (\$\$\$)	Asset end-of-life activities that often involve the complete replacement of assets	(Roads) Road Reconstruction

3. Data Consolidation

The Township will be provided with an updated Data Structure, which will standardize classifications, asset details and it will ensure that asset attributes, user defined attributes are set up correctly throughout all asset categories. The data structure will be part of the CityWide Asset Manager software program that we have in place. Having a standard Data Structure will ensure the CityWide Asset Manager software program can synchronize with the Diamond Software for reporting.

4. Levels of Service Framework

Beyond meeting regulatory requirements, established levels of service (LOS) should support the intended purpose of the asset and its anticipated impact on the community and the Township. The Township will establish guiding principles for the LOS that each service should strive to provide internally to the Township and externally to citizens and regulators. Existing policies, documents, and frameworks will be reviewed that include established LOS. A review will involve the analysis of accessibility of services, affordability, reliability, safety and regulatory, and sustainability.

Accessible: Services of sufficient capacity are convenient and accessible to the entire community

- Affordable: Services are provided at the lowest possible cost for both current and future customers, for a required level of service, and are affordable
- Reliable: Services are predictable and continuous
- Safe & Regulatory: Services are delivered such that they minimize health, safety and security risks
- Sustainable: Services respect the natural and heritage environment

5. Financial Strategies

The two main risks to financial sustainability for municipalities are providing levels of service that do not reflect fiscal capacity and the cost of infrastructure. As a result, in order for an asset management program to be effectively implemented, it must be integrated with financial planning and long-term budgeting. The development of a comprehensive financial plan is critical to identify the financial resources required for sustainable asset management based on existing asset inventories, desired levels of service and projected growth requirements. The financial strategy should define the relationships between maintenance/capital requirements, debt strategy, reserve strategy and annual revenue opportunities/strategies. The result is recommendations on the necessary near-term steps that need to be taken in order to manage the long-term budget requirements. Township council will be engaged as the financial strategy is developed for review.

6. Comprehensive Asset Management Plan

By using the CityWide Asset Manager software, the comprehensive asset management plan will continue to meet provincial standards and guidelines (Ontario Regulation 588/17) but will go beyond minimum requirements to become a document that officials, staff, and residents can use to guide their decision-making and develop an educated perspective. The software will enable us to keep the asset management plan current without the need to hire consultants each time the Township wants current information. The integration of Diamond software for financial information and the CityWide Asset Manager software for analysis will allow the Township to provide detailed asset management reporting. This will be extremely beneficial for long-term budgeting. The desired phased approach for developing the Township of Douro-Dummer comprehensive asset management plan, as part of the broader Program Development, is as follows;

7. Asset Management Training

Because the Township owns CityWide Asset Manager software, all information used, calculated, and forecasted in the plan along with strategy development built throughout the Program Development process, will be loaded into the software for the Township's management. The Township will be trained on the software on how to manage the data and strategies as new information becomes available. The software will enable the Township to update the plan going into the future to ensure that the plan is a living document. The software will be also used to pull out live information to support grant applications, make evidence-based decisions for project priorities, and aid in the annual and long-term budgeting process supporting the Asset Management Plan.

Conclusion:

Federation of Canadian Municipalities' (FCM) Municipal Asset Management Program (MAMP) for Asset Management Program is a five-year, \$50-million program designed to help Canadian municipalities make informed infrastructure

investment decisions based on sound asset management practices. The program is funded by the Government of Canada.

MAMP supports activities ranging from collecting data and analyzing asset management needs to developing policies and training staff to implement them. Eligible projects funded by the program will increase the municipality's capabilities and knowledge transfer in one of the following five competencies; asset management assessments, asset management plans, policies and strategies, data collection and reporting, training and organizational development as per the Asset Management Readiness Scale.

As per Resolution Number 238-2019 the Corporate Strategic Asset Management Plan Policy was approved by Council as per Ontario Regulation 588/17 (Asset Management Planning for Municipal Infrastructure) to meet the July 1, 2019 requirements of the Municipal Asset Management Planning Regulation (M.A.M.P.R., O. Reg. 588/2017) under the Infrastructure for Jobs and Prosperity Act, 2015.

Subject to funding availability, applications will be accepted on a continuous basis for up to 80 per cent of total eligible project costs, to a maximum of \$50,000. Projects must be completed within 11 months from funding approval notice. Recipients may only apply for one project in any fiscal year (April – March). Project applications must include a resolution of Council.

In addition to the above funding application I would request that Council approve using Efficiency Funding to complete the entire Public Sector Digest proposal. The 2020 budget included the Public Sector proposal costs with the corresponding efficiency funding and Federation of Canadian Municipalities' (FCM) Municipal Asset Management Program (MAMP) for Asset Management Program funding. The 2021 portion of the proposal will be moved to the 2021 budget at the end of the year.

The activities for the 2020 proposed project for the Efficiency funding are:

- **Risk Strategies**
- **Lifecycle Framework Development/Strategies**
- **Levels of Service Framework Development/Data Work**
- **Asset Management Training/Workshops**

The three main activities in the 2021 proposed project for the Federation of Canadian Municipalities' (FCM) Municipal Asset Management Program (MAMP) Grant in the Asset Management Program are;

- **Additional Asset Management Training – Reporting and Analysis**
- **Continued Levels of Service Analysis**
- **Comprehensive Asset Management Plan with Program Development Incorporated (2021 O. Reg 588/17 Compliant)**

Recommendation:

That report to Council, Treasurer-2020-21, be received and that staff continue the Asset Management Program Development with Public Sector Digest Incorporated for a total municipal expenditure of \$125,368, as reduced by the \$50,000 FCM Grant application and efficiency funding of \$61,193, resulting in a net municipal 2020 budget commitment of \$14,175. This project will be conducted over a 2-year time frame 2020 and 2021.

That Council directs staff to apply for a grant opportunity from the Federation of Canadian Municipalities' Municipal Asset Management Program for Asset Management Program Development in The Township of Douro-Dummer.

And that efficiency funding be used in the amount of \$61,193 for the balance of the Public Sector proposal that allows the Township to comply with the requirements of Asset Management Policy & Reporting (Bill 6, O. Reg. 588/17)

The following resolution is a requirement for the Canadian Municipalities' Municipal Asset Management Program for Asset Management Program Development application:

Be it resolved that Council directs staff to apply for a grant opportunity from the Federation of Canadian Municipalities' Municipal Asset Management Program for Asset Management Program Development in Douro-Dummer.

Be it therefore resolved that the Township of Douro-Dummer commits to conducting the following activities in its proposed project submitted to the Federation of Canadian Municipalities' Municipal Asset Management Program to advance our asset management program:

Additional Asset Management Training – Reporting and Analysis

•Continued Levels of Service Analysis

•Comprehensive Asset Management Plan with Program Development Incorporated (2021 O. Reg 588/17 Compliant)

Be it further resolved that the Township of Douro-Dummer commits \$14,175 from its budget toward the costs of this initiative.

Financial Impact:

There is no additional cost associated with this report. The 2020 budgeted the Asset Management Policy & Reporting (Bill 6, O. Reg. 588/17) funded as \$14,175 through municipal taxes with an application for the Federation of Canadian Municipalities Grant (FCM MAMP) of \$50,000 and Efficiency Funding of \$61,193.

Strategic Plan Applicability:

N/A

Sustainability Plan Applicability:

N/A