Centre Wellington:
Building an Asset Management Culture
- Kelly Linton (Mayor, Centre Wellington & Warden, Wellington County)
- Andy Goldie (CAO, Centre Wellington)
- Dan Wilson (Managing Director of Corporate Services/Treasurer)
Agenda

Building an Asset Management Culture

- The Context
- The Challenge
- Solutions and Results to Date
- Work in Progress
The Context

With a population of approximately 30,000, Centre Wellington is a lower-tier municipality within Wellington County. The primary urban communities are Elora and Fergus. The area has significant agricultural land, two thriving downtowns and strong manufacturing, hospitality and tourism sectors.
CW: Great Place to LIVE

- Natural Environment
CW: Great Place to LIVE

Arts, Culture, Leisure & Sports
CW: Great Place to LIVE

- Residential Neighbourhoods
CW: Great Place to LIVE

- Vibrant Downtowns
Our Strategic Priorities (2015 to 2018)

Pride of Place
- The Township will support community initiatives that foster pride in our community and enhance its amenities.

Economic Prosperity
- The Township will help the business community to excel and expand, and to create jobs, so that Centre Wellington’s economic vitality keeps pace with its population.

Good Government
- As a government, the Township will make well-informed decisions, operate efficiently, get results, communicate openly and engage the public in all important decisions.

Reliable Infrastructure
- The Township will manage and upgrade the community’s infrastructure assets in an environmentally responsible way.

Healthy Growth
- The Township will plan now for its inevitable growth, so that we retain a vibrant and accessible community and our high quality of life in the future.
The Challenge

Centre Wellington is geographically large, but our population is not. Our 912 kms or roads, 108 bridges, 2 community recreation facilities, water and waste water facilities, administrative facilities, parks, trails, theatre and other public assets are all supported by a population of less than 30,000. With 13 closed bridges closed and 11 at risk of being closed, our crumbling bridges have been our Town’s number one asset management issue for more two decades.
Asset Management Plan

- Current Asset Management Plan created in 2016 (3rd version since 2014)
- Gradually expanded from core infrastructure to all Township assets
- Recommendations regarding rate increases (taxation, water, wastewater) and linking asset management to the budget process
- 2019 – update in progress
Asset Management Plan Recommendations

- **Tax Supported**
  - 4.9% increase in taxation rates annually to 2030 (includes operating inflationary increases). 2.89% increases thereafter.

- **Water/Wastewater Supported**
  - Water and sanitary sewer rate increases in line with the Township approved Water & Wastewater Rate Study. The Rate Study recommends annual increases to water and sanitary sewer rates of 2.5% and 4.0% respectively.
Following the 2014 municipal election, CAO & Mayor agree to push towards a new asset management-driven approach that included a dedicated capital levy.

With the Asset Management Plan in place, prioritized spending of the dedicated capital levy would be needed.

The Bridge Rebuilding Program took shape – a 2% annually compounding capital levy that was combined with OCIF funds.

This new stream of revenue would be used exclusively to build/rebuild those bridges as prioritized by our Asset Management Plan using a risk based approach to investing in bridges.
Political Challenge

2014 to 2018 Council Term

- 2% Capital Levy was a very tough sell!
- Budget passed 4-3 every year for four years!

2019 Budget

- Budget passed 4-3

4

3
New Consistent Source of Revenue

Tax Supported Contributions to Capital (Internal)

<table>
<thead>
<tr>
<th>Year</th>
<th>Dedicated Capital Levy</th>
<th>Contribution to Capital</th>
<th>Equipment Replacement</th>
<th>Vehicle Replacement</th>
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<tbody>
<tr>
<td>2013</td>
<td>$-</td>
<td>$700,500</td>
<td>$357,000</td>
<td>$648,000</td>
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<tr>
<td>2014</td>
<td>$-</td>
<td>$700,500</td>
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<tr>
<td>2015</td>
<td>$213,728</td>
<td>$700,500</td>
<td>$408,000</td>
<td>$708,000</td>
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<td>2016</td>
<td>$444,850</td>
<td>$700,500</td>
<td>$416,000</td>
<td>$750,000</td>
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<tr>
<td>2017</td>
<td>$695,900</td>
<td>$700,500</td>
<td>$466,000</td>
<td>$838,000</td>
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<tr>
<td>2018</td>
<td>$915,300</td>
<td>$800,500</td>
<td>$563,000</td>
<td>$949,000</td>
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<tr>
<td>2019</td>
<td>$1,208,200</td>
<td>$825,000</td>
<td>$618,000</td>
<td>$1,001,000</td>
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</table>
21 Bridges in 8 Years

2007-2014

2015-2022

2015-2018

2019-2022 (to be built)
Work in Progress

- With the **new Provincial legislation** (and regulation) in place for asset management planning in Ontario municipalities, Centre Wellington is developing an approach to compliance that **integrates into the day-to-day operations** of the organization, and **involves all departments**.

- In 2019, the Township signed up for an **asset management assistance program** under the direction of AMO and FCM.
Integrated Asset Management

- Strategic Plan
- Departmental Plans & Processes
- Budget Process

Asset Management Process

- Official Plan
- Secondary Plans
- Master Plans
- Condition Assessments
- Staff Reports & Analysis
Strategic Asset Management Policy

- Passed by Council in June 2019

- Integration of asset management into the organization
- Role of staff
- Role of Council
- Role of the public
Asset Management Assistance

- 2019 Program: Receiving assistance from AMO/FCM on asset management

Tasks:

- Governance Structure & Asset Hierarchy
- Asset Data Gap Analysis
- Current Levels of Service
- Risk Assessment - Infrastructure Assets

In progress

Fall 2019
Governance Structure

- **Link to Council**
  - Mayor & Council

- **Link to CAO: AM Executive Lead**
  - Chief Administrative Officer (CAO)

- **Link to Senior Management**
  - CAO/Managing Directors Group

- **Link to Finance, Operations & County**
  - Township Finance & Operations Staff
  - Asset Management (AM) Committee
  - County AM Working Group

- **Department Representatives**
  - Managing Director (1)
  - Corporate Services - Finance (2)
  - Corporate Services - IT (1)
  - Infrastructure Services (2)
  - Community Services (1)
  - Planning & Development Services (1)
Asset Hierarchy

Parks & Recreation
- **Land**
- **Improvements**
  - Parking lot, tennis courts, playground equipment, fencing, trails, lighting
- **Structures**
  - Washroom, Concession, Sportpax, Senior Centre, ECC
- **Sections**
  - Lower Level, Upper Level
- **Rooms**
  - Meeting Room A, Meeting Room B
- **Elements**
  - A/V Equipment, Desks/Chairs

Real Estate

Administration
- **Land**
- **Improvements**
  - Parking lot, sidewalk, lighting, signs
- **Structures**
  - Civic Centre
- **Sections**
  - Lower Level, Upper Level
- **Rooms**
  - Meeting Room A, Meeting Room B
- **Elements**
  - A/V Equipment, Desks/Chairs

Fire Services
- **Land**
- **Improvements**
  - Parking lot, sidewalk, lighting, signs
- **Structures**
  - Fire Hall, Storage
- **Sections**
  - Office, Garage
- **Rooms**
  - Training Room, Dispatch
- **Elements**
  - A/V Equipment, Desks/Chairs
Asset Hierarchy

Vehicles & Equipment

- Parks & Recreation
- Building & Development
- Fire Services
- Public Works
## Data Gap Analysis

<table>
<thead>
<tr>
<th>Data</th>
<th>Transportation Services</th>
<th>Environmental Services</th>
<th>Fibre Optic</th>
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<tr>
<td></td>
<td>Road Base</td>
<td>Road Surface</td>
<td>Bridges</td>
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<tr>
<td>Asset ID (Unique)</td>
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<td>✔</td>
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<tr>
<td>GIS ID</td>
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<td>Asset Name</td>
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<tr>
<td>Asset Description</td>
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<tr>
<td>Component Breakdown</td>
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<td>✔</td>
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<tr>
<td>Asset Location</td>
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<td>✔</td>
</tr>
<tr>
<td>In Service Date/Asset Age</td>
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<td>✔</td>
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<tr>
<td>Asset Measures (qty, length, width, diameter)</td>
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<tr>
<td>Useful Life</td>
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<td>✔</td>
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<tr>
<td>Condition Rating</td>
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<td>✔</td>
<td>✔</td>
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<tr>
<td>Risk Rating</td>
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<tr>
<td>Functionality</td>
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<td>✔</td>
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<tr>
<td>Replacement Cost</td>
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<td>Accumulated Amortization</td>
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<tr>
<td>Net Book Value</td>
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<td>Annual Amortization</td>
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</table>
Conclusion

Key Success Factors:

- Solid asset management plan that is integrated into priority-setting, decision-making, budgeting and business planning.

- Political leadership that stays the course embracing an asset management approach rather than defaulting to squeaky wheel leadership and/or politically expedient decision-making.
Loyalist Township’s Journey

ASSET MANAGEMENT CULTURE
Where to begin?

1. Defining a GOOD Asset Management Culture

2. How does Loyalist Township Look?

3. What are we doing to get even better?
Good Asset Management Culture
Defining Asset Management Culture

How do we define a culture?

What is an Asset management culture?

What makes it good?
Defining a Culture

1. History – a shared narrative of the organization
2. Values – the beliefs and assumptions that provide a set of guiding principles for decision-making
3. Heroes – those employees and managers who serve as role models for others
4. Rites & Rituals – the ceremonies and routine events which bring people together
5. Cultural Network – the informal network which works behind the scenes to communicate information and influence behaviours
Asset Management Culture

- Asset Management culture, then, is how these elements interact to shape the way we manage and think about our assets

- As Councillors and Directors we are stewards for our Communities

- Stewardship can be defined as the careful and responsible management of our community’s assets entrusted to our care
A GOOD Asset Management Culture

1. Vertical Alignment
   - All staff know and understand the mission, strategy, objectives and goals
   - Understand their role
   - Their actions align with the achievement of the goals

2. Cross-functional collaboration
   - Departments look for opportunities to work together on joint initiatives
   - Goals are optimized for the Township not just a single department
A GOOD Asset Management Culture

3. Organizational Discipline
- Staff genuinely value compliance
- Common understanding of the importance of defined processes and procedures to mitigate risk

4. Continuous Improvement Mentality
- Staff can identify and adapt to new opportunities or situations in innovative ways
- A proactive mindset – don’t just let things happen they make them happen
A GOOD Asset Management Culture

- **Don’t Fix It**
  - Short Term Savings
  - Meet Budget
  - Decaying

- **Reactive**
  - Overtime Heroes
  - Breakdowns
  - Responding

- **Planned**
  - No Surprises
  - Avoid Failures
  - Organizational Discipline

- **Proactive**
  - Competitive Advantage
  - Uptime
  - Organizational Learning

- **Strategic**
  - Best In Class
  - Growth
  - Inventing
How do we look?
Loyalist Township’s Culture

1. History – On January 1, 1998 the former Townships of Ernestown, and Amherst Island, and Village of Bath, amalgamated to create one municipality called Loyalist Township.
   
   Our Motto “Home of History and Progress”

2. Values – We strive to meet our residents’ needs in a professional, friendly and efficient manner.

3. Heroes – At Loyalist we celebrate TEAM, we have monthly Team Player Award
Loyalist Township’s Culture

4. Rites & Rituals – Our EIT Committee is called “Loyalist Cares” and they organize annual events (Baseball games, golf, Shopping trips, etc), new employee welcomes, potlucks, wedding & baby showers

5. Cultural Network – We are a unionized environment with many long-time employees. We have an internal network and news letters that inform staff.
Loyalist Township’s AM Culture

1. Vertical Alignment
   - Staff at all levels are striving to be good stewards
   - Communication is key
   - Defining our Roles

2. Cross-functional collaboration
   - Speaking the same language (Engineering, Finance & Operations)
   - Joint Project Plans
   - Corporate Services (Procurement, GIS, Work Management)

3. Organizational Discipline
   - Consistency is our Corporate Strategy (Asset Management System, Procedures, Health & Safety)

4. Continuous Improvement Mentality
   - New Electronic Systems (Purchase Orders, Payroll, Procurement)
   - Collaboration with other Municipalities or local agencies
Loyalist Township’s Culture

We have been able to integrate asset management in our everyday by:

1. Enhancing the current work practices – building on what we have
2. Aligning the new systems with our corporate structure
3. Being mindful of Consistency, Communication & Collaboration
4. Working together to a better tomorrow
What We’re Working on...
What We’re Working on…

Corporate Re-Organization

Working with AMO & FCM in their Technical Assistance Program to develop processes to meet Regulation 588

Implementing a new work management software that aligns with our Asset Management System
What We’re Working on...

- Strategic Planning
- Training Program
- ISO Implementation
In Summary...
Municipal Asset Management Program
AMO Conference 2019

Stéphanie Levine – Interim Manager, Capacity Building

The Municipal Asset Management Program (MAMP) is undertaken with the financial support of the Government of Canada provided through Infrastructure Canada.
MAMP - Designed To Support Municipalities

Eight-year, $110M program (until 2024)
Funded by Infrastructure Canada
Focus areas:

- Improve municipal asset management practices
- Support asset management collaboration across Canada
Pillars Of Program Delivery

Awareness Building

Technical Assistance

Municipal Projects

Knowledge Mobilisation
Municipal Projects
Types of Projects

- 35.7%: Asset Management System Assessments
- 31.5%: Asset Management Plans, Policy, and Strategy
- 19.5%: Training and Organizational Development
- 11.5%: Data Collection and Reporting
- 1.8%: Knowledge Transfer
Pembroke, ON (pop 13 000)
Capacity Building

• Awareness Building Activities
• Technical Assistance Activities
Cohorts Program

48 Planned Cohorts

National Partners
10

1. Policy & LOS
2. Prioritization of asset renewal
3. Community engagement
5. Custom

Policy, strategy, framework

1

AM plans

9

Competency framework
Transit Plans
Capstone

Custom CA: Policy, strategy, responsibilities, inventory, condition, priorities

7

Custom

8

ATL
13

Capstone

Cohorts Program
Training Opportunities

Coming in Fall 2019 – *Stay tuned for more details!*

**Ontario**
- AORS’s workshops on the role of public works
- OSPE – 1-day workshops
- CUTA AM for transit online course

**National**
- NAMS Canada Online Professional Certificate in AM Planning
  (10-week certification course)
Knowledge Mobilization - MAMP Resources

Starting the asset management conversation in your municipality

Resources for beginners

Asset Management Readiness Scale

The Building Blocks of Asset Management
Starting the Asset Management Conversation with your Municipal Council
Adaptable presentation tool

Why invest in asset management? (4 mins)

What's asset management?

Formalized planning for the services that contribute to our quality of life

Why Invest in Asset Management?

PART 1

Value from services

Performance + Risk + Cost = VALUE FROM SERVICES

SIMPLE ≠ EASY

How do we get started?

PART 4

Let’s discuss asset management in our community

1. What are the most important services that we deliver to our citizens?
2. Do we have the information we need to ensure that we can continue to provide these services over the long term?
   • Do we know which assets provide these services? What condition those assets are in? When they will need to be repaired and replaced? And how much it will cost over the long term to continue providing these services?
3. Which of our services do we consider CRITICAL, i.e., must not fail or it would have a significant impact to the health, safety or quality of life of our citizens?
   • Are we investing enough in our assets to ensure our most critical services can be sustained? How do we know?
4. What can we do to ensure we can answer these questions and feel like we have the right information to be responsible stewards of our community’s services?
MAMP and MAMP Partner Resources
Subscribe to our newsletter for the latest updates on funding, training, tools and more: fcm.ca/fcmconnect