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.
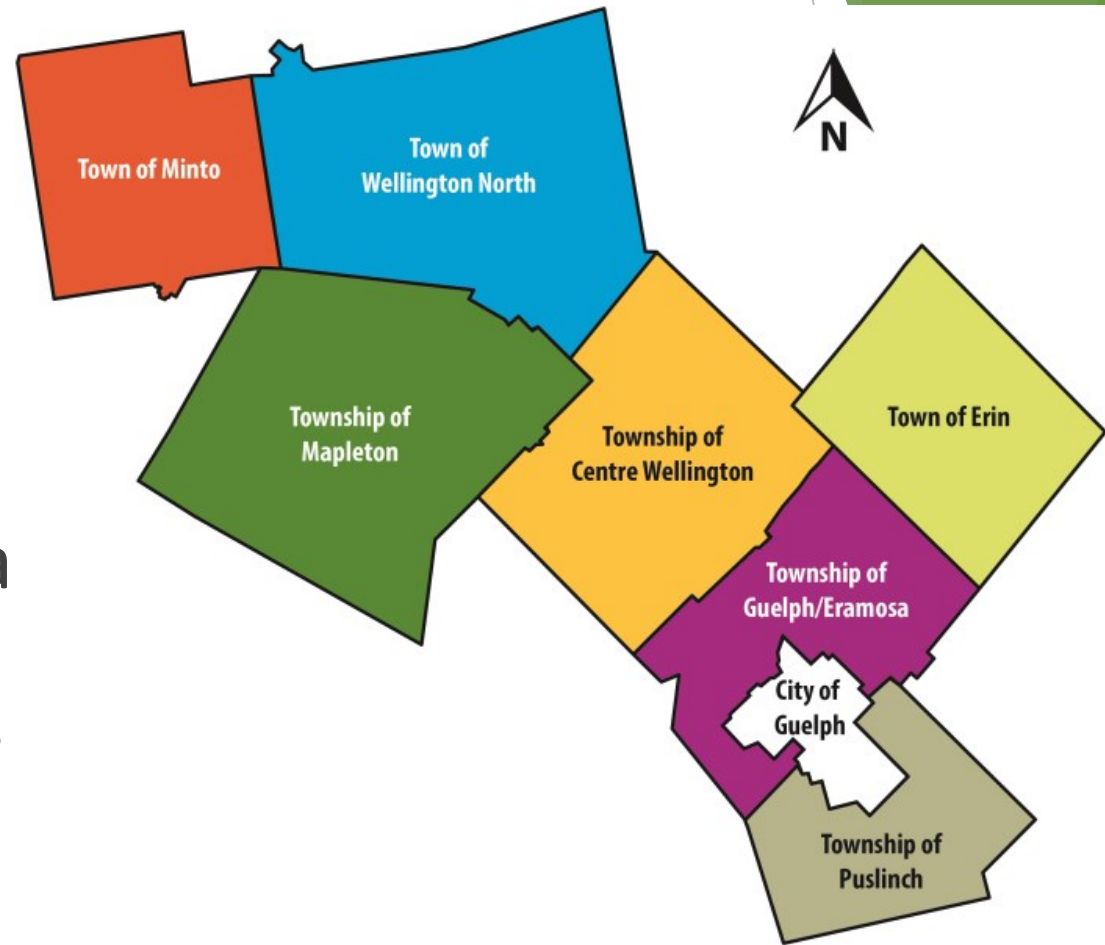
CW: Great Place to LIVE

► 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.

Build 4 Bridges in term of Council

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.

Solutions and Results to Date

▶ 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**.
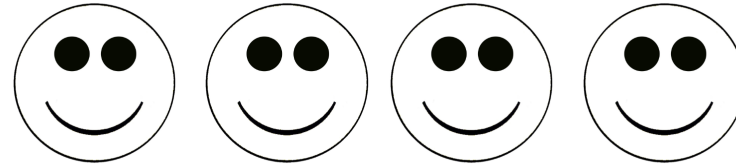
Political Challenge

2014 to 2018 Council Term

- ▶ 2% Capital Levy was a very tough sell!

- ▶ Budget passed 4-3 every year for four years!

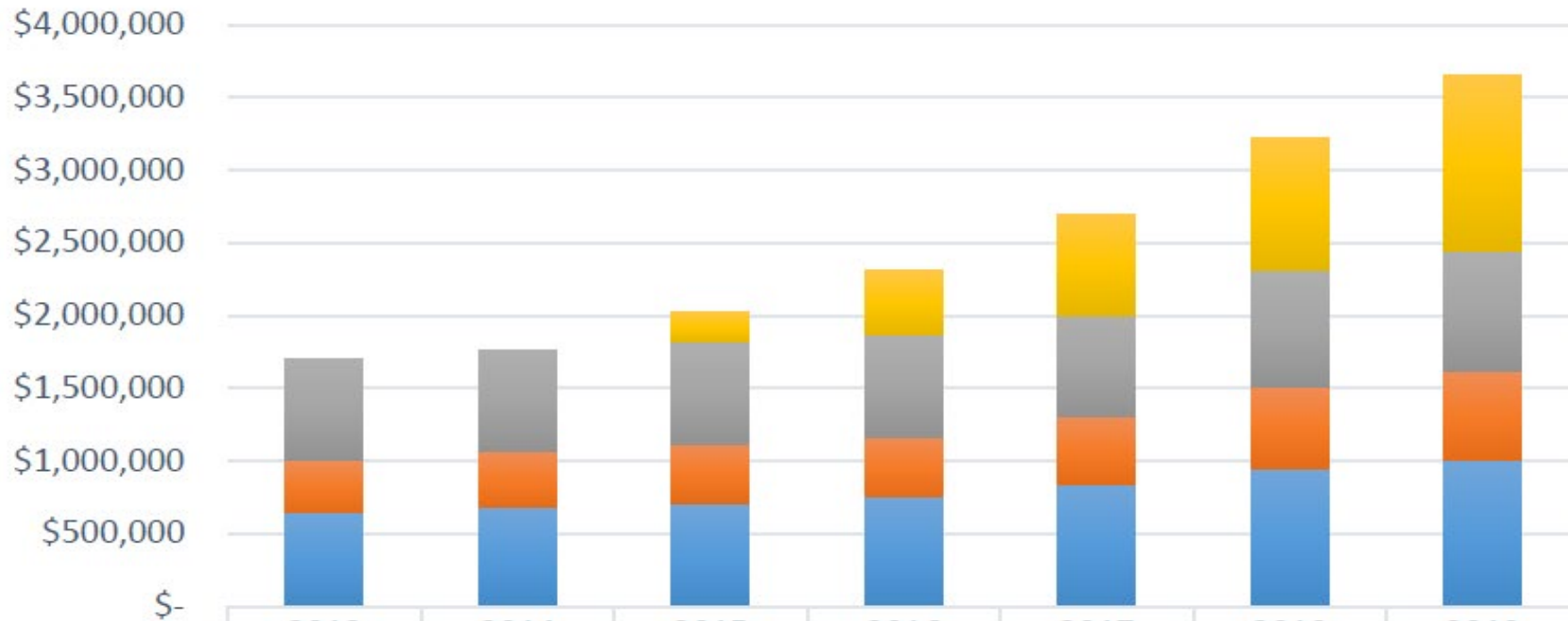## 2019 Budget

- ▶ Budget passed 4-3

4 😊 😊 😊 😊

3 ☹ ☹ ☹

New Consistent Source of Revenue

Tax Supported Contributions to Capital (Internal)

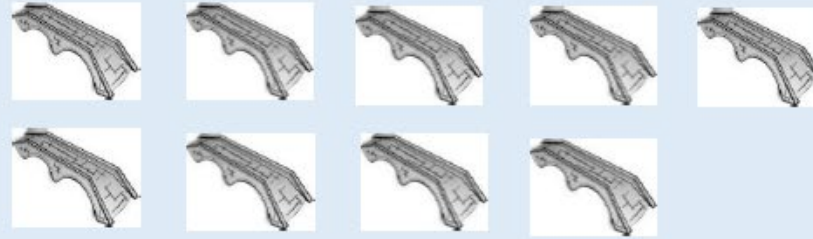|	2013	2014	2015	2016	2017	2018	2019
Dedicated Capital Levy	$-	$-	$213,728	$444,850	$695,900	$915,300	$1,208,200
Contribution to Capital	$700,500	$700,500	$700,500	$700,500	$700,500	$800,500	$825,000
Equipment Replacement	$357,000	$387,000	$408,000	$416,000	$466,000	$563,000	$618,000
Vehicle Replacement	$648,000	$678,000	$708,000	$750,000	$838,000	$949,000	$1,001,000

21 Bridges in 8 Years

2007-2014
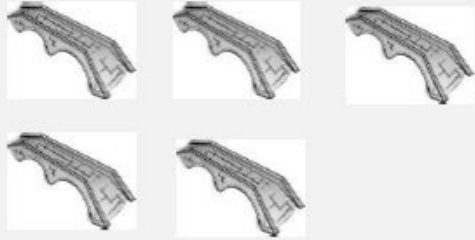
2015-2022

2015-2018

2019-2022 (to be built)

5

21

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
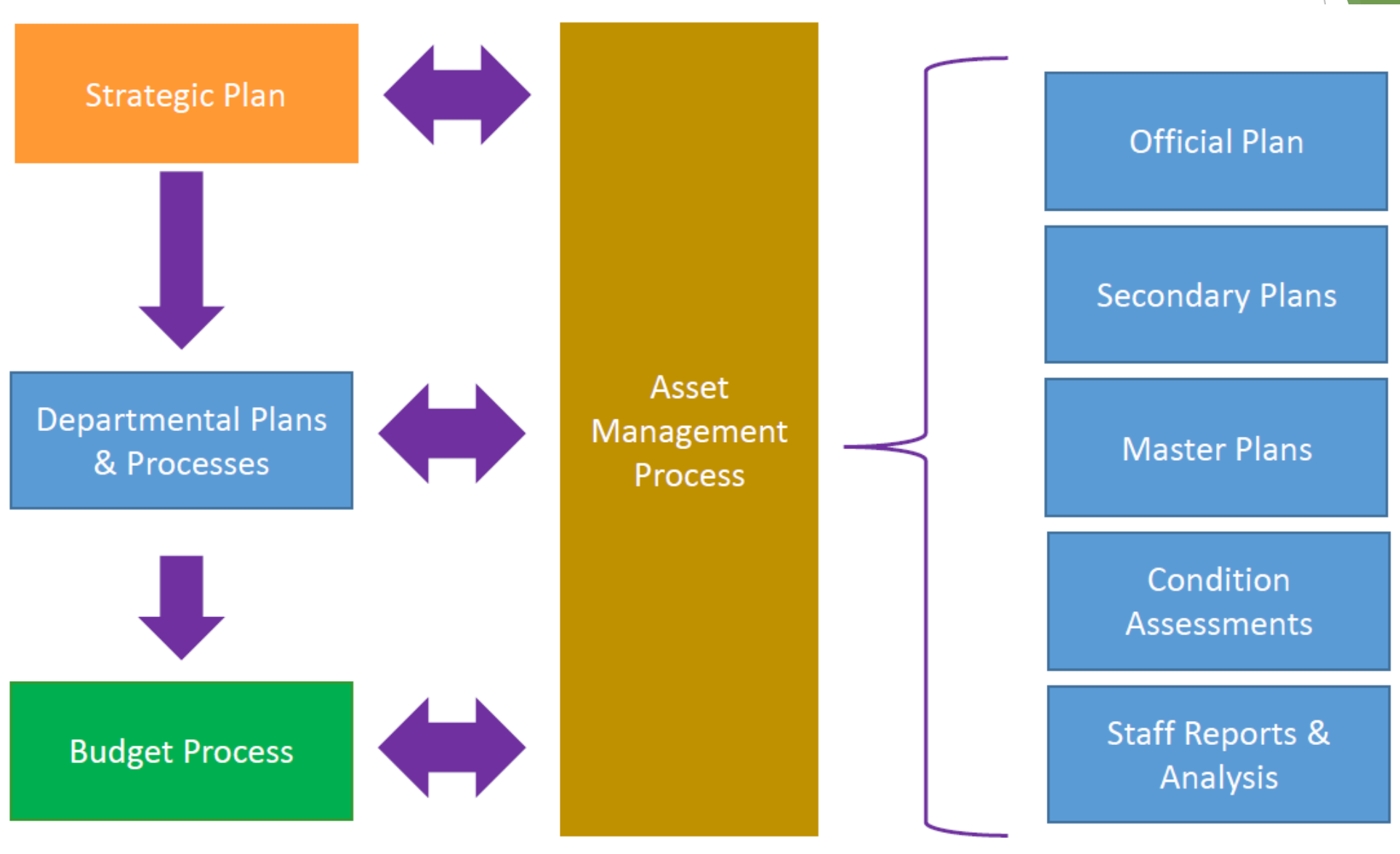
Strategic Asset Management Policy

▶ Passed by Council in June 2019

❖ Integration of asset management into the organization

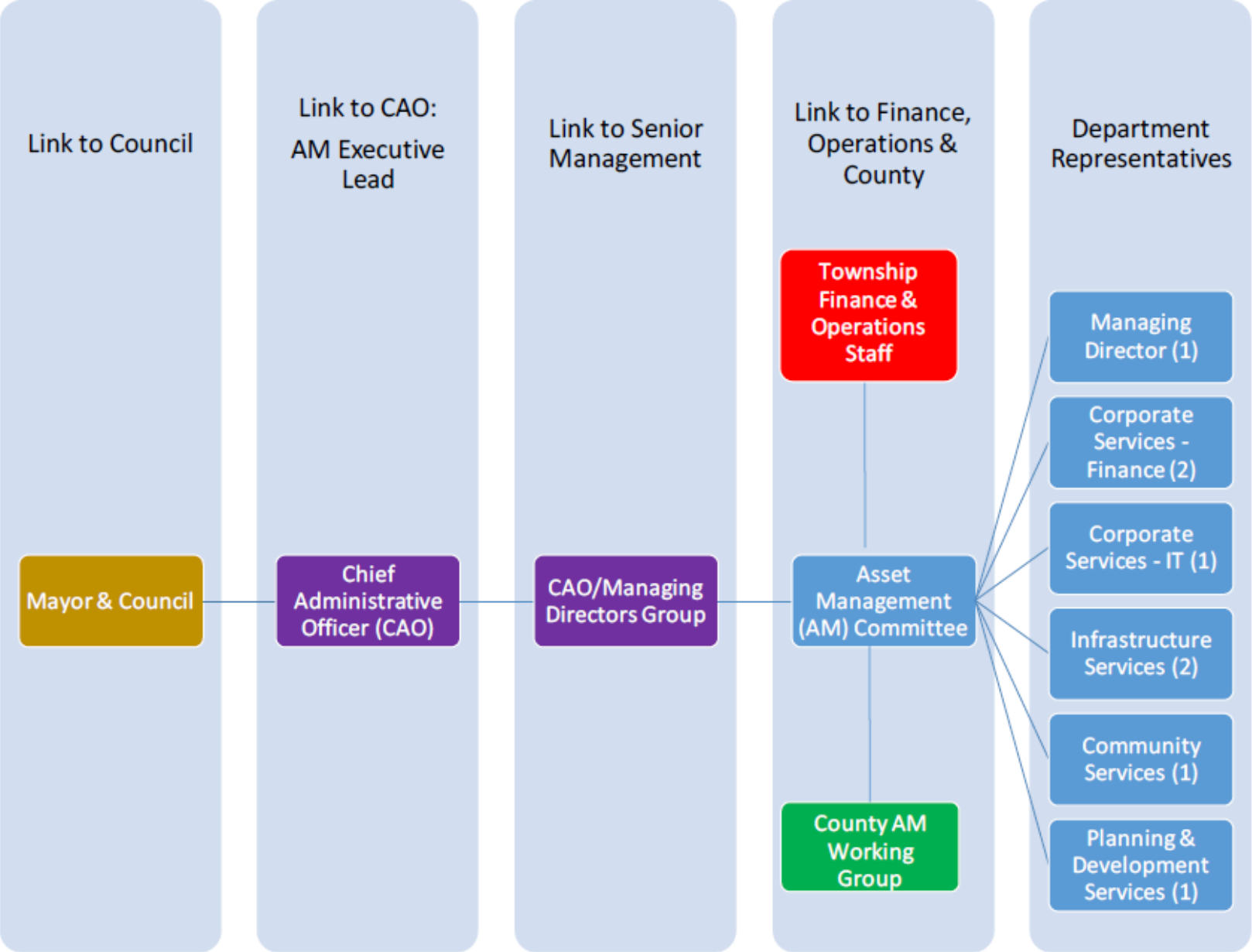❖ Role of staff

❖ 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　　In progress

　　▶ Risk Assessment - Infrastructure Assets　　Fall 2019

Governance Structure

Asset Hierarchy

Asset Hierarchy

Real Estate

Parks & Recreation

Land

Improvements — Parking lot, tennis courts, playground equipment, fencing, trails, lighting

Structures	Sections	Rooms	Elements
Washroom, Concession, Sportplex, Senior Centre, ECC	Lower Level, Upper Level	Meeting Room A, Meeting Room B	A/V Equipment, Desks/Chairs

Administration

Land

Improvements — Parking lot, sidewalk, lighting, signs

Structures	Sections	Rooms	Elements
Civic Centre	Lower Level, Upper Level	Meeting Room A, Meeting Room B	A/V Equipment, Desks/Chairs

Fire Services

Land

Improvements — Parking lot, sidewalk, lighting, signs

Structures	Sections	Rooms	Elements
Fire Hall, Storage	Office, Garage	Training Room, Dispatch	A/V Equipment, Desks/Chairs

Asset Hierarchy

Vehicles & Equipment

Parks & Recreation
- Vehicles
- Equipment

Building & Development
- Vehicles
- Equipment

Fire Services
- Vehicles
- Equipment

Public Works
- Vehicles
- Equipment

Data Gap Analysis

Data	Infrastructure							
	Transportation Services				Environmental Services			Fibre
	Road Base	Road Surface	Bridges	Culverts	Water Main	Wastewater Main	Stormwater Main	Fibre Optic
Asset ID (Unique)	✓	✓	✓	✓	✓	✓	✓	✓
GIS ID	✓	✓	✓	✓	✓	✓	✓	✓
Department	✓	✓	✓	✓	✓	✓	✓	✓
Asset Class	✓	✓	✓	✓	✓	✓	✓	✓
Asset Name	✓	✓	✓	✓	✓	✓	✓	✓
Asset Description	✓	✓	✓	✓	✓	✓	✓	✓
Component Breakdown	✓	✓	✓	✓	✓	✓	✓	✓
Asset Location	✓	✓	✓	✓	✓	✓	✓	✓
In Service Date/Asset Age	✓	✓	✓	✓	✓	✓	✘	✓
Asset Measures (qty, length, width, diameter)	✓	✓	✓	✓	✓	✓	✓	✓
Useful Life	✓	✓	✓	✓	✓	✓	✘	✓
Condition Rating	✘	✓	✓	✓	✓	✓	✘	✘
Risk Rating	✓	✓	✓	✓	✓	✓	✘	✘
Functionality	✘	✓	✓	✓	✓	✘	✘	✘
Replacement Cost	✓	✓	✓	✓	✓	✓	✘	✘
Historical Cost	✓	✓	✓	✓	✓	✓	✘	n/a
Accumulated Amortization	✓	✓	✓	✓	✓	✓	✘	n/a
Net Book Value	✓	✓	✓	✓	✓	✓	✘	n/a
Annual Amortization	✓	✓	✓	✓	✓	✓	✘	n/a

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
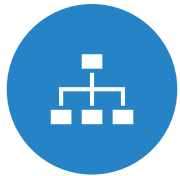
1. History – a shared narrative of the organization

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

Loyalist
T O W N S H I P

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

Loyalist
TOWNSHIP

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

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
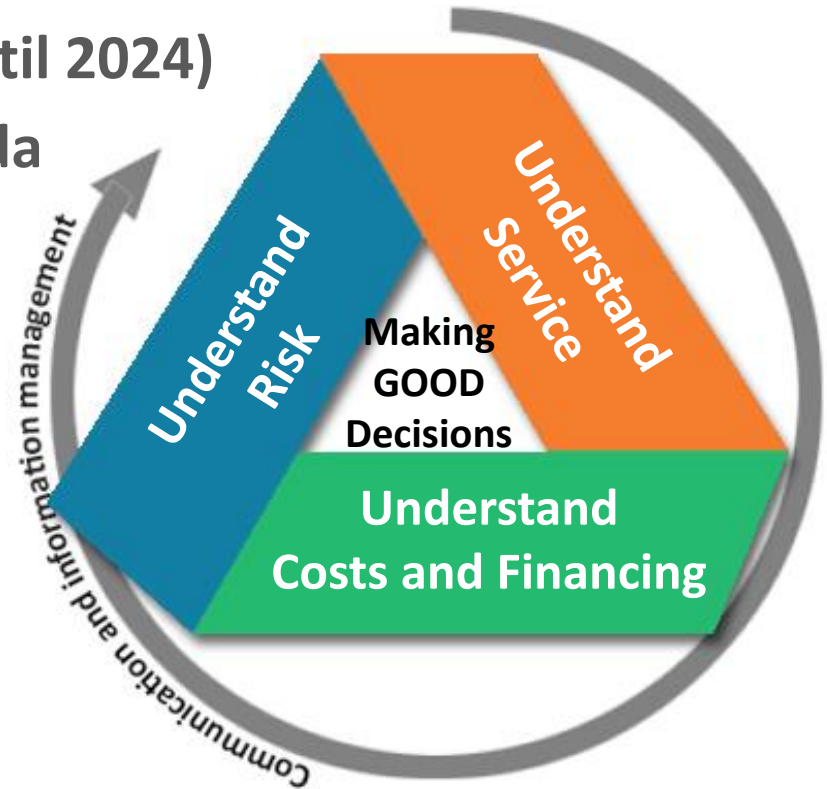
Pillars Of Program Delivery

Awareness Building

Technical Assistance

Municipal Projects

Knowledge Mobilisation

Municipal Projects
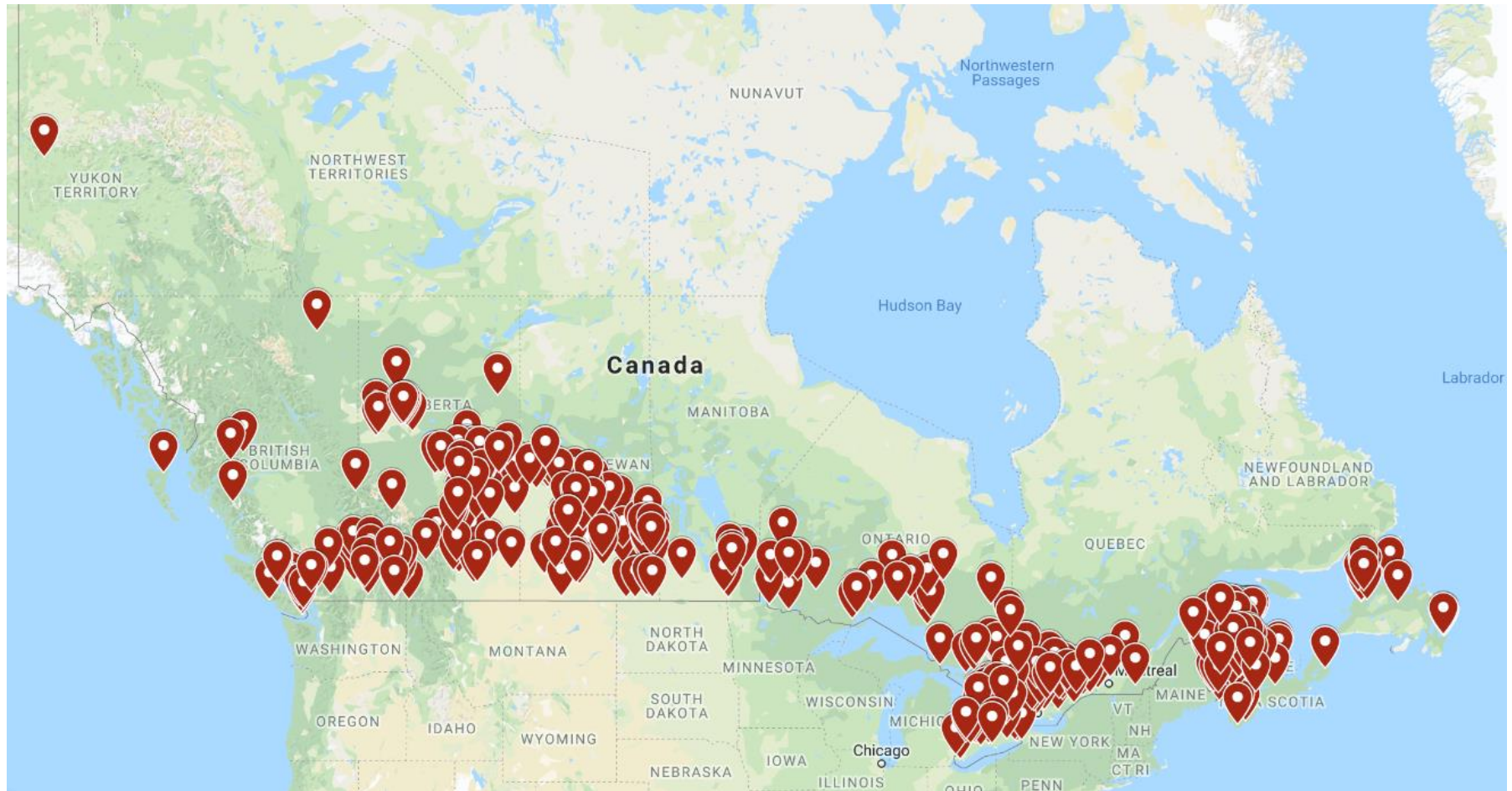
Types of Projects
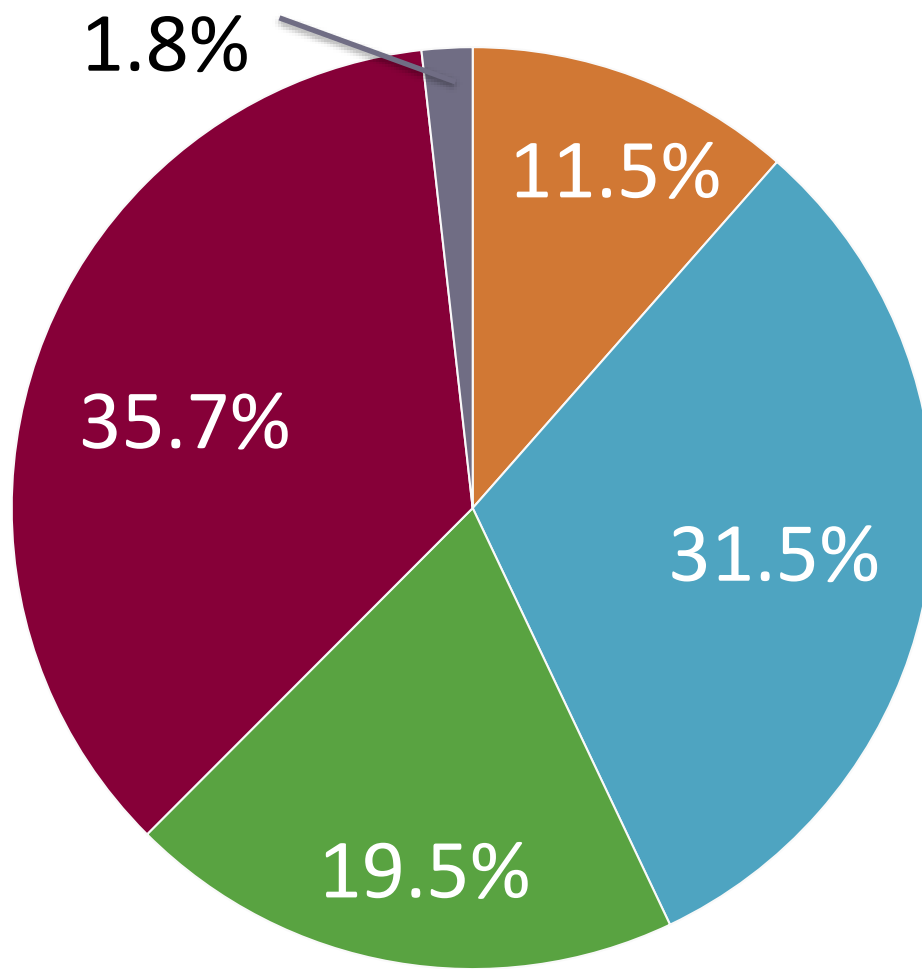
- Asset Management System Assessments
- Asset Management Plans, Policy, and Strategy
- Training and Organizational Development
- Data Collection and Reporting
- Knowledge Transfer

11.5%
31.5%
19.5%
35.7%
1.8%

Pembroke, ON (pop 13 000)
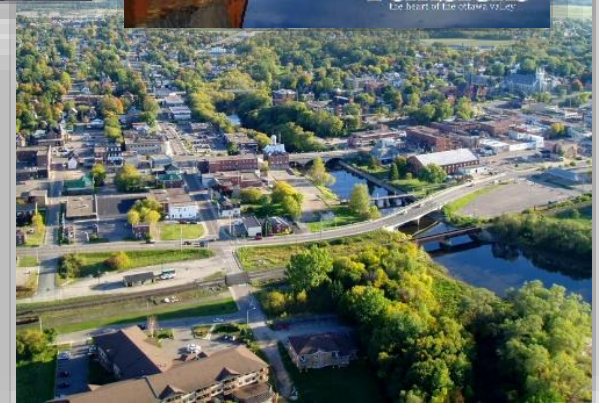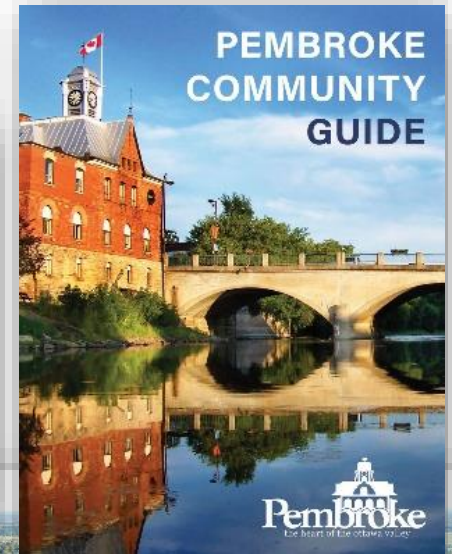
Capacity Building

- Awareness Building Activities

- Technical Assistance Activities

MAMP Partner Organizations

Assoc. of Yukon Communities

Canadian Network of Asset Managers
Canadian Urban Transit Association
Canadian Institute of Planners
NAMS Canada
PEMAC

NWTAC

Nunavut Assoc. of Municipalities

MNL

AUMA/ RMA/ IAMA

AORS

CÉRIU

AMSK

MVCA

UMQ

CNBA

FPEIM

AMM

OGRA

FQM

AMOnt

AFMNB

AIM Network

AMO

OSPE

WaterTAP

UNSM

Cohorts Program

48 Planned Cohorts

National Partners 10

1. Policy & LOS
2. Prioritization of asset renewal
3. Community engagement
4. Strategic Management, Needs Analysis, Risk Management, Change Management, Decision Support and Evaluating Data.
5. Custom

Policy, strategy, framework

1

Competency framework
Transit
Plans
Capstone

9

AM plans

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

7

Custom

8

ATL 13

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

Resources for beginners
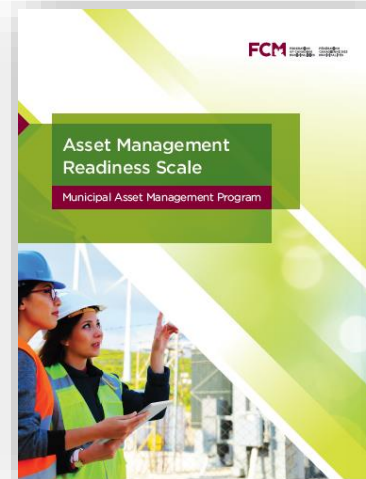
Asset Management Readiness Scale

Starting the asset management conversation in your municipality
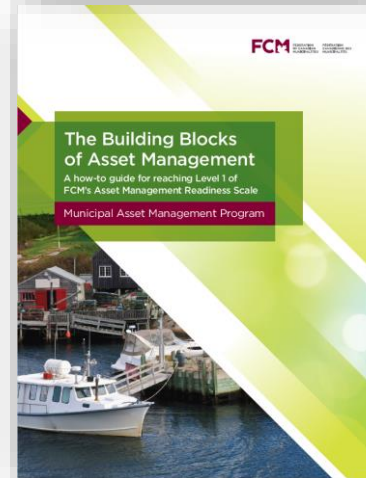
The Building Blocks of Asset Management

Starting the Asset Management Conversation with your Municipal Council
Adaptable presentation tool

MAMP and MAMP Partner Resources

Subscribe to our newsletter for the latest updates on funding, training, tools and more:
fcm.ca/fcmconnect