FINAL ASSET MANAGEMENT ROADMAP
FLAGSTAFF COUNTY

AZIMI CONSULTING LTD

13322 109B AVENUE,
EDMONTON, AB

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Contents

Appendices

Appendix A – Workshop 1 – Asset Management Practices Assessment Results

Appendix B – Workshop 2 – Asset Management Objectives and Roadmap Presentation

Background

Building on the first workshop, Assessment of Current Asset Management Practices, the County's staff and management participated in a facilitated workshop in December 2019 to prepare their draft Asset Management Roadmap to continue their asset management journey in 2020 and beyond. The results of the Federation of Canadian Municipality's (FCM) Readiness Scale and Staff's on the ground knowledge and experience were used to prepare the strategic objectives and a roadmap, including a 5 year implementation guideline.
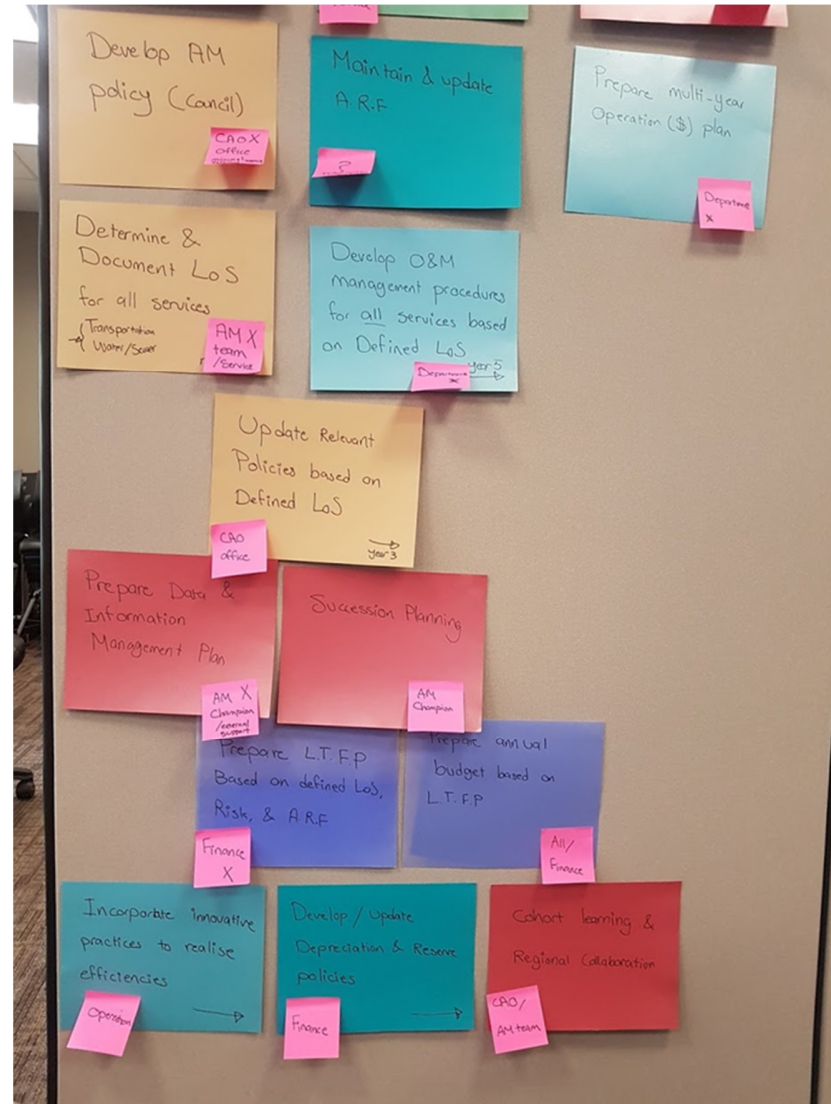
Workshop Methodology

The workshop had 4 parts:

Part 1 included the review and discussions around the results of the Asset Management Readiness scale (results from workshop 1). Appendix A includes the FCM readiness scale results in a tabular format.

Part 2 provided an overview of implementing asset management principles in decision making. The participants also discussed their current challenges and how they think asset management could be useful in addressing them.

Part 3 was a facilitated discussion of preparing a draft asset management strategic objectives, given the results of the FCM readiness scale and County's understanding of their needs and current challenges.

Part 4 consisted of preparing a multi-year roadmap and identifying roles and responsibilities for leading the implementation of the strategic objectives.

Appendix B includes the slides that were presented to the attendees in this workshop.

Workshop Attendees

- Deb Brodie – Finance Administration Officer
- Darrell Szott – Public Works Superintendent
- Trina Lassu – Public Works Administrative Coordinator
- Katrina Singer – Public Works Administrative Assistant
- Randy Brodie – Public Works Coordinator Road Maintenance / Hamlets
- John Guhle – Public Works Coordinator Gravel/Bridges/Dust Suppressant
- Kevin Kinzer – Shop Supervisor
- Jason Loosemore – Lead Utility Operator Hamlets
- Kevin MacDonald – Agricultural Fieldman
- Corey Stuber – Agricultural Foreman

Golnaz Azimi from Azimi Consulting facilitated the workshop.

Asset Management Strategic Objectives

In addition to the FCM readiness scale results, the team considered County's strategic objectives as identified in the Strategic Plan 2018 - 2022. Asset management objectives should be aligned with the Council's strategic objectives; in other words, they need to ensure the implementation of County's Vision and Council's Vision strategic objectives.

The Flagstaff County envisions *to be a strong, vibrant and sustainable regional Community of communities through collaboration, and a focus on economic, social and environmental cooperation that contributes to a rural essence and quality of life*.

The Council Strategic Objectives are:

Collaboration
Strengthen relationships to build a strong, vibrant and sustainable region that benefits all citizens.

Economic
Pursue economic initiatives that promote sustainability, diversification and growth within the region.

Social
Support and promote a strong, vibrant, resilient, healthy, inclusive and safe Community of communities that addresses local values, social issues and well-being of its citizens.

Service Delivery
Provide citizens with effective, appropriate and financially responsible levels of service.

Environment
Promote the value of a healthy, sustainable natural environment and encourage its effective stewardship to ensure its preservation for current and future generations.

The group discussed some of the challenges they are currently facing in delivering services to their residents. They can be categorized in six main themes:

Lack of Resources

- Money and budget constraints
- Staff time and expertise

GIS and Data System

- No GIS coordinator
- No method of ensuring appropriate data management and entry (Quality control)
- Lack of structured data management and information system that identifies the role of the service provider and individuals in the municipality

Servicing the Hamlets

- Some changes in the organization have happened to service the hamlets, but more training might be needed
- The hamlets are not growing (tax base stagnant or shrinking). This poses a challenge for when provincial funding is not available anymore on what the council's approach would be to renew and maintain the infrastructure

Documentation

- Levels of service are not identified and documented for all services
- Operational procedures are not documented for all services
- Risks are not assessed for any of the assets/service areas
- Admin has set the levels of service based on historical operational procedures, complaints and regulations

Tracking Cost and Performance

- No mechanism to track complaint frequency; service request software for Public Works might be needed
- Administration costs need to be redistributed and assigned to the associated service areas to determine true cost of service delivery
- Daily costs are separated for all seasonal staff and tracked (project costing), but not for the salary staff

Communication

- Lack of consistency in communicating with Council on service levels and performance
- Getting public to understand the challenges of service delivery is complex and difficult. Improvement is needed in educating and engaging public on levels of service and cost of service delivery

The team prepared six asset management objectives; which all ensure moving towards Council's vision of *Strong, Vibrant, and Sustainable Community of Communities*. They are:

Sustainable Service Delivery

For the community to be sustainable, it has to operate on the principles of sustainability; ensuring that providing services to the community today and meeting their current needs do not negatively impact the future generation and County's ability to deliver services reliably.

Operational Efficiency

Financial and human resources are limited. Challenges such as reduced revenue and uncertainty in grant funding in addition to staff changes and retirement make it more important for the County to implement practices that ensure they get the best value for their resources while delivering services to the community.

Long-term Financial Planning

To ensure sustainable service delivery, the County needs to know the long-term full cost of providing the services (life-cycle costs) and plan for revenues to fund these costs.

Climate Change Considerations and Risk Management

Risk management is integral to ensuring that future decisions are not compromised by current ones. Climate change imposes a big challenge on the ability of municipalities in delivering services reliably. A service provision plan should consider climate change impacts and risks to the community.

Knowledge Sharing and Capacity Building

Making the best possible decisions on service provision requires the right people having the right information at the right time. Implementing a systematic information management and knowledge sharing process will assist with informed decision-making and could support addressing the challenges that arise from staff changes and retirements.

Transparent Decision-Making

An informed community would understand the challenges and opportunities involved in service provision. By incorporating practices that communicate the reasoning behind decisions, and the processes the Council utilized to make those decisions, the County could engage the community in a more meaningful way and demonstrate accountability.

Asset Management Roadmap

An Asset Management Roadmap provides details and initiatives to achieve the Asset Management Objectives. It assigns timeline and priorities to each initiative and identifies roles and responsibilities to implement each imitative. In short, it outlines an implementation approach to achieve the Asset Management Objectives.

The Initiatives / Action Items

The team agreed upon the following action items for each objective:

Sustainable Service Delivery:

A. Determine and Document Levels of Service for all services
- Balance community needs with cost
- Consider current needs and trends in service delivery to prepare for future
- Engage the community periodically to understand service needs
- Option: Use Alberta Handbook and Toolkit Template
- Review and update annually

B. Update the relevant policies to reflect any change
- Operational policies (snow removal, garbage collection, etc.)
- Engineering Design Standards
- Any other relevant policies and documents that references service and cost of service (utility rates, etc.)

Operational Efficiency

C. Develop Operation and Maintenance (O&M) Management Procedures for all services based on the determined Levels of Service
- Option: Use Alberta Handbook and Toolkit Levels of Service Template

D. Track, monitor and document O&M activities
- Develop a form and a system with the help of the lead operator(s)

E. Prepare multi-year Operation Plan
- Financial projections based on the procedures and determined Levels of Service

- Include projected O&M cost for proposed capital projects (link the 3 year O&M plan to your long-term Capital Plan)
- Update annually

F. Incorporate innovative practices to realise efficiencies

Long-term Financial Planning

G. Maintain and update Asset Replacement Forecast (A.R.F)
H. Develop and update Depreciation and Reserve Policies
- Based on determined Levels of Service, Risk Management and the A.R.F
I. Prepare and/or revise Long-term Financial Plan (LTFP) based on Levels of Service, Risk and A.R.F
- Multi-year capital, operation and revenue plans
- Update annually
J. Prepare the annual budget based on the Long-term Financial Plan
- Assess service needs based on the determined Levels of Service
- Determine required operational and capital needs based on the service needs

Climate Change Considerations and Risk Management

K. Prepare Risk Management and Mitigation Plan for all services
- Consider climate change adaptation and mitigation
- Consider Asset Risks and Strategic Risks
- Engage Council and the community to determine the acceptable level of risk tolerance
- Review and update annually

Knowledge Sharing and Capacity Building

L. Form an Interdisciplinary Asset Management team
- Prepare an asset management governance structure
M. Maintain and Improve Asset Inventory
- Maintain and update GIS according to your Data and Information Management Plan
N. Prepare Data and Information Management Plan

- Use the Alberta Handbook and Toolkit process
- Comply with financial reporting and documentation requirements of PSAB

O. Engage in Cohort learning and regional collaboration
- Stay connected with asset management organizations
- Share knowledge with other local governments

P. Succession Planning
- Prepare departmental succession planning (strategic risk mitigation)
- Provide asset Management training for staff

Transparent Decision-Making

Q. Develop Asset Management Policy
R. Develop Communication Plan
- Consider all stakeholders and multiple tools
- Budget for implementing the Communication Plan
S. Include operational, financial, and risk updates as part of regular reporting to Council and Community (as opposed to only reporting when there is an issue)
- Communicate the trade-offs between levels of service, risk and costs with your community

Roles and Responsibilities

As a preliminary step, the team identified 5 groups to lead the initiatives. Once the Asset Management team is officially formed, one of the action items should be reviewing these lead groups and preparing a governance structure for the asset management team that identifies roles, states how they relate to each other, and outlines how the team interacts with the organization as a whole to implement the asset management initiatives.

The preliminary groups are:
- CAO and the CAO office
- Finance
- Department Leads
- Asset Management team

- Asset Management Champion and/or Coordinator

The team reviewed each initiative in the workshop and assigned a team to lead the implementation of that item. They also identified whether they need an external support to implement any given initiative.

The following table summarizes the result of this process. It should be noted that this table is not complete, rather a "live" document that will be updated as more information becomes available.

Implementation – Roles and Responsibilities

INITIATIVE	LEAD BY	MEASURE OF SUCCESS	INTERNAL SUPPORT	EXTERNAL SUPPORT	RESOURCES	
					TIME/STAFF	FINANCIAL (External)
Determine/Document Levels of Service (LoS) for all services	AM Team	LoS is incorporated in annual budget process	Department Leads	Technical Consultant – AM specialist		$20K for the first time – annual review and updates can be done internally
Update relevant policies/documents to reflect the change in Levels of Service	CAO office	Updated policies are in place	N/A	N/A		N/A
Develop O&M Procedures based on LoS	Department Leads	Completed and Documented O&M	Department Staff	Technical Consultants / AM specialist		$15K

INITIATIVE	LEAD BY	MEASURE OF SUCCESS	INTERNAL SUPPORT	EXTERNAL SUPPORT	RESOURCES	
					TIME/STAFF	FINANCIAL (External)
		procedures for all service areas				
Track, monitor and document O&M activities	Department Leads	A coordinated and consistent system of monitoring in place	Department Staff / GIS coordinator	Might need technical advice		$10K as one time budget for developing a tracking system – if needed
Prepare multi-year O&M plan (cost)	Finance	A multi-year O&M cost that is linked to capital projects	Department Leads	Might need consultant to help with costing new projects		As needed based on projects
Incorporate innovative practices in operations	Department Leads		All staff	N/A		N/A
Maintain and update the A.R.F	Finance	Accessible and updated A.R.F	Department Leads / GIS coordinator	Might need help with GIS coordinator until the internal		$5K every 5 year

INITIATIVE	LEAD BY	MEASURE OF SUCCESS	INTERNAL SUPPORT	EXTERNAL SUPPORT	RESOURCES	
					TIME/STAFF	FINANCIAL (External)
				capacity is in place		
Develop & update Depreciation and Reserve policies	Finance	Updated policies that are linked (reflect) to LoS, Riks and A.R.F templates	N/A	N/A		N/A
Prepare/revise LTFP based on LoS, A.R.F and Risks	Finance / CAO	Updated LTFP that is incorporated in the budget	Department Leads	N/A		N/A
Prepare annual budget based on LTFP	Finance / CAO	Budget document that reflects LTFP, LoS and Risk	Department Leads	Might need consultant for costing projects		As needed
Prepare Risk Management Plan for all service areas	AM coordinator	Updated Risk templates that are reflected in the budgeting process	Department Leads / CAO / Council	AM Specialist / Facilitator		$25K for the first time – annual review and updates can be done internally

INITIATIVE	LEAD BY	MEASURE OF SUCCESS	INTERNAL SUPPORT	EXTERNAL SUPPORT	RESOURCES	
					TIME/STAFF	FINANCIAL (External)
Form AM team and prepare AM governance structure	AM coordinator	A team that meets regularly and is aware of their roles	All	AM specialist might be needed for Governance Structure		$5K if needed
Maintain / Improve asset inventory	GIS coordinator	An up-to-date and accessible GIS database that is being used	GIS coordinator / Department Leads	GIS support (MuniSight) and GIS coordinator until there is in-house capacity		Annual MuniSight fees
Prepare (& implement) data & information management plan	AM coordinator	A coordinated plan that is acceptable and useful to all departments	Department Leads	Consultant / GIS coordinator		$20K (including the $15K for GIS coordination assistance in the first year)
Engage in cohort learning and knowledge sharing	AM coordinator / CAO		Department Leads	N/A		N/A

INITIATIVE	LEAD BY	MEASURE OF SUCCESS	INTERNAL SUPPORT	EXTERNAL SUPPORT	RESOURCES	
					TIME/STAFF	FINANCIAL (External)
Succession planning	Department Leads	A succession plan in place for major leadership roles – Periodic AM training sessions for staff	CAO	AM Specialists might be needed for staff training		To be determined based on the training sessions scope
Develop Asset Management Policy	AM coordinator	Adopted Policy by Council	CAO	AM specialist / Consultant		$10K
Develop (& implement) Communication Plan	AM coordinator	A communication plan that is reviewed by and acceptable to Council	CAO / Council	AM specialist / Consultant		$10K for development
Update Council on LoS, risk and costs regularly	AM coordinator	Regular updates happening in a year	CAO / Department Leads	Might need AM specialist for the first year		$3K per presentation if needed

Implementation Timeline

INITIATIVES	YEAR 1 - 2020	YEAR 2 - 2021	YEAR 3 - 2022	YEAR 4 - 2023	YEAR 5 - 2024
Determine/Document Levels of Service (LoS)	███	███			
Update relevant policies/documents to reflect the change in Levels of Service		░░	░░░	░░	
Develop O&M Procedures based on LoS			███	███	███
Track, monitor and document O&M activities				░░░	░░░

INITIATIVES	YEAR 1 - 2020	YEAR 2 - 2021	YEAR 3 - 2022	YEAR 4 - 2023	YEAR 5 - 2024
Prepare multi-year O&M plan (cost)			▓	▓	
Incorporate innovative practices in operations	▓	▓	▓	▓	▓
Maintain and update the A.R.F periodically (every 5 year)		▓			
Develop & update Depreciation and Reserve policies	▓	▓			
Prepare/revise LTFP based on LoS, A.R.F and Risks	▓	▓	▓	▓	▓

INITIATIVES	YEAR 1 - 2020	YEAR 2 - 2021	YEAR 3 - 2022	YEAR 4 - 2023	YEAR 5 - 2024
Prepare annual budget based on LTFP			█	█	█
Prepare Risk Management Plan		█	█	█	
Form AM team and prepare AM governance structure	█				
Maintain / Improve asset inventory	█	█	█	█	█
Prepare (& implement) data & information management plan	█				

INITIATIVES	YEAR 1 - 2020	YEAR 2 - 2021	YEAR 3 - 2022	YEAR 4 - 2023	YEAR 5 - 2024
Engage in cohort learning and knowledge sharing		■	■	■	■
Succession planning		■			
Develop Asset Management Policy	■				
Develop (& implement) Communication Plan	■	■			
Update Council on LoS, risk and costs regularly	■	■	■	■	■

Next Steps

The Asset Management Objectives and the Draft Roadmap inform County's next steps in their asset management journey. It is recommended that the Asset Management Team (workshop attendees) review this document, especially the proposed initiatives (action items), and provide feedback to ensure they meet the needs of the County in moving towards a sustainable service delivery. It should be noted that the implementation table – Roles and Responsibilities is a "live" table, i.e. it will be updated periodically when there is more information available.

Once the team has reviewed this document and their feedback is implemented, the Objectives and the Roadmap will be presented to Council for their review and comments.

APPENDIX A

Workshop 1

Assessment of Current Asset Management Practices

The assessment methodology from the FCM municipal asset management programs was used. There are five (5) competency areas that the organization is assessing:

- Policy and Governance
- People and Leadership
- Data and Information
- Planning and Decision-making
- Contribution to Asset Management Practice

These competencies are assessed on the scale of 1 to 5 (5 being the most competent). Each level has specific outcome associated with achieving that competency. In the FCM methodology a competency level is achieved once all the outcome areas in that level has been completed.

The team reviewed these outcome areas together and selected the levels they thought the organization has achieved as of today.

The readiness scale for each of the competency levels are presented in the following sections. A summary table describing the current actions and potential actions for improvement is also provided for each competency. The potential actions would guide the development of the Asset Management Strategic Objectives and the Roadmap for the County.

POLICY AND GOVERNANCE

OUTCOME AREAS	READINESS LEVEL	DESCRIBE CURRENT ACTIONS AND DOCUMENTS	POTENTIAL ACTIONS FOR IMPROVEMENT
POLICY AND OBJECTIVES	Level 1	Senior management has worked with Council to begin the AM process	The outcome of this project will provide AM objectives and a roadmap for the AM journey
STRATEGY AND ROADMAP	Working on Level 1	The current project is the process to achieve Level 1	

MEASUREMENTS AND MONITORING	Working on Level 1	The current project is the process to achieve Level 1 – looking at strategic objectives which could include measurement and monitoring	
OVERALL	Working on Level 1		

PEOPLE AND LEADERSHIP

OUTCOME AREAS	READINESS LEVEL	DESCRIBE CURRENT ACTIONS AND DOCUMENTS	POTENTIAL ACTIONS FOR IMPROVEMENT
CROSS-FUNCTIONAL TEAMS	Level 1	The workshop attendees are considered the asset management team for the time being	The team to formalize their role, outline accountability, identify communication and meeting frequency
ACCOUNTABILITY	Level 1	There is a champion who is aware of their role and responsibility (Finance officer)	Council to consider ongoing budget and support for the AM initiative and implementation
RESOURCING AND COMMITMENT	Level 2	It is in Council's strategic Plan and they have allocated budget Council has considered ongoing budget allocation for AM	
OVERALL	Level 1		

DATA AND INFORMATION

OUTCOME AREAS	READINESS LEVEL	DESCRIBE CURRENT ACTIONS AND DOCUMENTS	POTENTIAL ACTIONS FOR IMPROVEMENT
ASSET DATA	Level 2 – Working on Level 3	There's a basic consolidated inventory in the GIS and spreadsheets – currently it's being reviewed and the missing data in the GIS is being identified. There's information for critical assets in GIS (bridges but not culverts) Hamlets have most of their information in the GIS– the accuracy is being investigated.	Import information from Excel to GIS Gather and compile Culvert data Get better information on replacement costs of building components especially buildings that house important infrastructure such as water treatment plants and sanitary lift stations, etc.
PERFORMANCE DATA	Level 2 – working on Level 3 (levels of service are not documented)	Some services have defined and documented levels of service (e.g. solid waste management). Levels of Service for Hamlets are not documented or discussed thoroughly. Maintenance requirements for some services are defined but not documented.	Identify what needs to be communicated to Council, how often and in what format. Provide better access to performance tracking documents to the people who need it (right information to the right people at the right time). Document levels of service and performance levels in a consistent manner across the organization.

		Performance is monitored informally and inconsistently. Some departments know what is expected of them (e.g. road graveling and use the GIS graveling map to monitor progress). It is not consistent across the organization and not communicated effectively with council and public. Administration holds an annual "program and service review" with Council for budget and actual. The council will know whether the program was completed (e.g. performance) and what was the actual spending vs. budget. And if it's not met, the reasons need to be discussed with council. Most of the review is focused on monetary not levels of service. There is a progress reporting system to Council during the summer season for different programs.	Be more consistent in reporting on Levels of Service and performance.
FINANCIAL INFORMATION	Level 2	Work orders could be used to track O&M costs.	Formalize the process of incorporating full cost in decision-making and asset planning.

		Each piece of equipment is tracked (fuel, maintenance) by having all costs charged to its specific number. Project costing including labour (not salary labour) is used for programs. The O&M information is not used formally for asset planning. It's there but it's not linked to the budget process. Asset planning for Hamlets does not incorporate project costing as detailed as other part of the county due to incomplete codes. The strategy to link AM and financial decision is missing for all assets (some have it but it's informal)	Continue to assign codes to hamlets' infrastructure and improve project costing.
OVERALL	Level 2		

PLANNING AND DECISION-MAKING

OUTCOME AREAS	READINESS LEVEL	DESCRIBE CURRENT ACTIONS AND DOCUMENTS	POTENTIAL ACTIONS FOR IMPROVEMENT
DOCUMENTATION AND STANDARDIZATION	Level 2, working on level 3 (Level 3 applies to some programs and assets not all)	Multi-year capital replacement plan exists for equipment, fleet and hamlets, the capital plan is not always implemented. The priorities are set, but not always followed (**implementation is challenging**). Priorities are based on Council's priorities. The priorities are set, but it is not structured for all assets and not consistent across all departments.	
ASSET MANAGEMENT PLANS	Level 1	Undertaking the current AM project to outline a roadmap to improve asset planning.	Implement AM Roadmap when developed.
BUDGET AND FINANCIAL PLANNING	Level 3	There's a 5 year capital plan and is updated annually. There's no long-term financial plan. The budget is prepared based on the assessment of current needs and short-term priorities.	Prepare a Long-term financial plan. Focus more on long-term planning and addressing the implementation of Capital plans (how can we plan better so that they are more realistic)
OVERALL	Level 1		

CONTRIBUTION TO ASSET MANAGEMENT PRACTICE

OUTCOME AREAS	READINESS LEVEL	DESCRIBE CURRENT ACTIONS AND DOCUMENTS	POTENTIAL ACTIONS FOR IMPROVEMENT
TRAINING AND DEVELOPMENT	Level 2	Management makes suggestion on courses to attend and opportunities are presented to staff and council.	
INTERNAL COMMUNICATION AND KNOWLEDGE SHARING	Level 2 – Working on Level 3	There's an initiative for cross-training within departments for knowledge transfer. There's a high-level awareness of AM in the organization. A presentation at staff meeting provided update on County's AM initiative. However, the AM concepts and benefits were not explained in details. Management has been discussing AM amongst themselves and with Council through Strategic Planning process.	Have a more focused and consistent process of conversation and engagement with staff on AM and AM concepts/benefits. Develop a formal knowledge sharing initiative to address the risk of information loss held by senior staff. Monitor and evaluate processes and practices and document and share lessons learned.
EXTERNAL COMMUNICATION AND KNOWLEDGE SHARING	Level 2 – Working on Level 3	Basic service information are shared with public. Some management and staff attend AM conferences, Government Finance Officer	Develop a better information sharing process with public on levels of service and cost of service delivery.

		Association, and related Public Works associations. There is active/direct involvement in AM organizations.	
OVERALL	Level 2		

APPENDIX B

Workshop 2

Asset Management Objectives and Roadmap

Presentation

Asset Management Flagstaff County

Workshop 2 – Draft Asset Management Roadmap

Golnaz Azimi, M.Sc.
Azimi Consulting

December 16, 2019

Today's Agenda

We will review:
- Project Objectives and Process
- Workshop 1 – Assessment results

We will discuss:
- Asset Management Implementation Process

We will develop:
- Draft Asset Management Objectives
- Draft Asset Management Roadmap

Project Objectives

1. Everyone has the same understanding of what asset management is

2. State the benefits of implementing asset management in the County across all departments

3. Promote the team mentality and integration of asset management into everyday life at the County

4. Develop next steps for the County's asset management journey

5. Inform Council

The Process

1. Workshop 1:
   - Establish asset management definition and benefits
   - Assess current state of asset management practices using FCM approach
   - Discuss challenges and opportunities

2. Prepare "Assessment Result"

3. Workshop 2:
   - Draft asset management Objectives
   - Draft asset management roadmap

4. Presentation to Council

Workshop 1: Assessment Results

Methodology

- Assess County's practices under 5 competency areas
- Each component is comprised of outcome areas
- Each outcome area is organized on a progressive scale of 5 levels
- A readiness scale level is achieved for a component when your organization can demonstrate achievement of all outcomes for that level
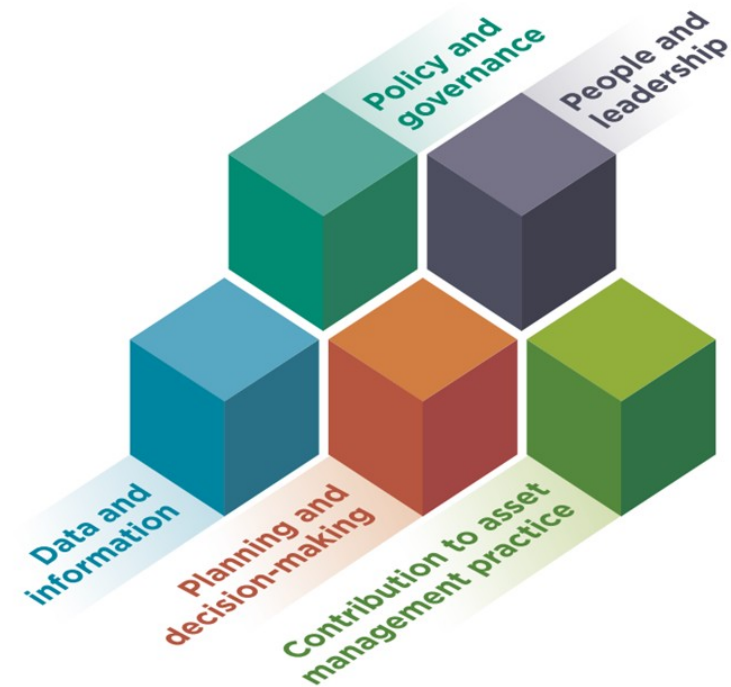
Competency	Assessed Level	Proposed Action Items
Policy and Governance	Working on Level 1	Prepare Asset Management Roadmap
People and Leadership	Level 1	Formalize Asset Management team and governance
Data and Information	Level 2	- Prepare Communication and Information strategy - Document and evaluate levels of service - Incorporate full cost accounting in decision-making
Planning and Decision-Making	Level 1	- Implement Asset Management roadmap - Develop and incorporate Long-term financial plan
Contribution to Asset Management Practice	Level 2	- Formalize knowledge sharing processes - Monitor, evaluate, and enhance processes

Implementing Asset Management

- For asset management to be effective, it needs to be implemented

- You could include considerations of service, risk and cost into your existing processes; or

- Decide to create an asset management policy, strategy, and plan;

- Or a hybrid process!

- Choose what's most effective for your organization
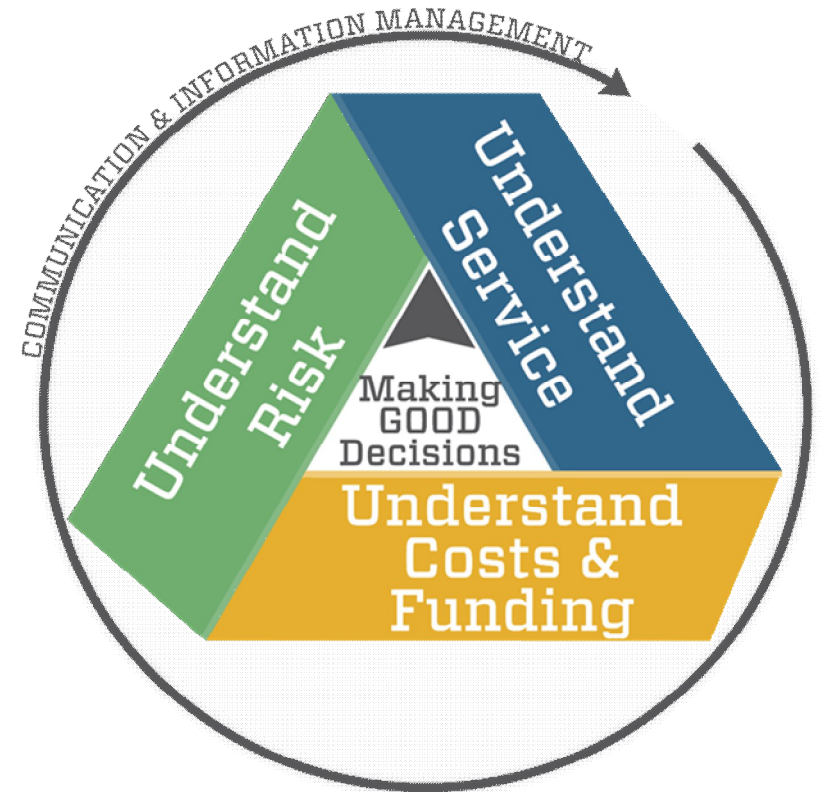
The Asset Management Process

Asset Management Policy

Scope:

- Connection between community objectives and management of assets

- Principles to guide decision making about acquiring or replacing assets

- Corporate approach to funding and financing asset acquisition, replacement, and ongoing O&M

Processes/documents to be leveraged/revised:

- Financial policies

- Debt and reserve policies

- Service level policies

- User fee policies

- Development-related policies

Asset Management Strategy

Scope:

- Overview of current corporate assets, services, risks, costs and funding
- Current status of corporate asset management practices
- Where you want to be
- Strategies to improve asset management practices to get to where you want to be
- Relationships or interdependencies with other corporate initiatives or plans

Processes/documents to be leveraged/revised:

- Corporate strategy/ Strategic Plan
- Financial Strategy
- Community Sustainability Plan
- Department-level Strategy

Asset Management Plan

Scope:

- Comprehensive information about assets, their condition & performance
- Current level of service performance and desired performance
- Asset risks and strategic risks
- Capital and operational projects required to deliver service and mitigate risks
- Current and projected costs and funding, and projected
- Timeline for implementation
- Consequences of not following the plan

Processes/documents to be leveraged/revised:

- Long term financial plan
- Long term capital plan
- Department Business Plan
- Utility or Transportation Master Plans

Public Communication

Scope:

- Perception of service delivery performance

- What is being done to change or maintain service levels

- The most significant risks and opportunities, and what is being done to mitigate them
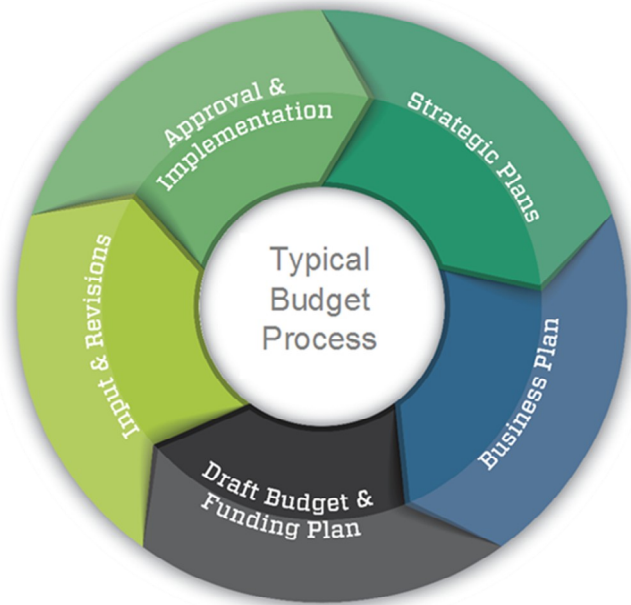
Processes/documents to be leveraged/revised:

- Citizen surveys

- Annual reports

- Orientation of new staff and council

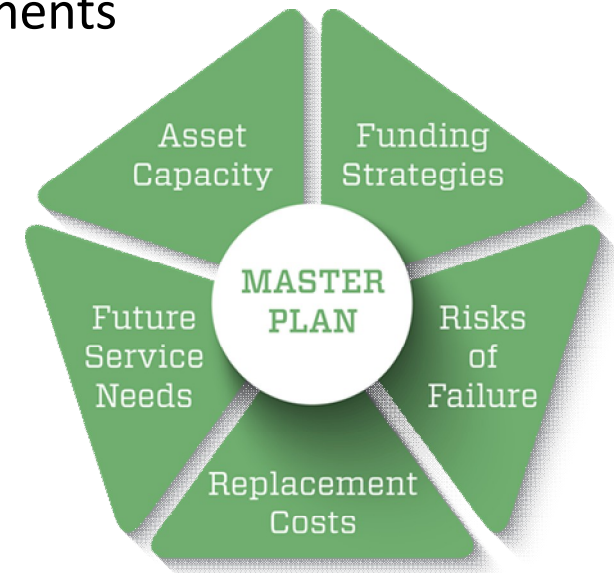# Implementing Asset Management through existing processes

Budget process

- Specific activities, timing, and costs
- Capital and Operations budget

Community planning process

- Understanding service needs, current and future
- Risk assessments

What does it take?

- A Champion
- A team
- Support from Management and Council

What does it cost?

"**We don't have the resources to implement asset management**"

- Asset management doesn't need to be expensive!
- Start with small and inexpensive tools and improve.

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How do you want to proceed?

- You need to have whichever ones that will add value to decision making in your organization

- Take a continuous improvement approach to implementing asset management

- The formal approach could provide more consistency for the organization (developing and adopting policy)

- **The ultimate goal is that decisions throughout the organization are informed by an understanding of service, risk, and cost**
  - All of these documents need to be maintained and updated, so keeping it simple could be beneficial.

Asset Management Objectives

What is involved?

- Review County's strategic objectives
  - Asset management objectives should be aligned with the Council's strategic objectives
- Review the FCM assessment results
  - Reflect the current challenges and opportunities in the objectives
- Determine where you want to be / what do you want from an asset management process?

Take couple of minutes to write:

- What do you want Asset Management to do for you?
- Note couple of most challenging aspects of your job

Council Strategic Objectives

Collaboration
Strengthen relationships to build a strong, vibrant and sustainable region that benefits all citizens.

Economic
Pursue economic initiatives that promote sustainability, diversification and growth within the region.

Social
Support and promote a strong, vibrant, resilient, healthy, inclusive and safe Community of communities that addresses local values, social issues and well-being of its citizens.

Service Delivery
Provide citizens with effective, appropriate and financially responsible levels of service.

Environment
Promote the value of a healthy, sustainable natural environment and encourage its effective stewardship to ensure its preservation for current and future generations.

Draft Asset Management Objectives

Asset Management Roadmap

What is the Roadmap

- Provides details/initiatives to achieve asset management objectives
- Assign timeline and priorities to each initiative
- Identify roles and responsibilities to implement each imitative

In short, it outlines an implementation approach to achieve asset management objectives

Action Items / Initiatives

Asset Management objective: Sustainable Service Delivery

- Determine and Document Levels of Service for all services
  - Balance community needs with cost
  - Consider current needs and trends in service delivery to prepare for future
  - Engage the community periodically to understand service needs
  - Option: Use Alberta Handbook and Toolkit Template
  - Review and update annually
- Update the relevant policies to reflect any change
  - Operational policies (snow removal, garbage collection, etc.)
  - Engineering Design Standards

Action Items / Initiatives

Asset Management objective: Climate Change Considerations and Risk Management

- Prepare Risk Management and Mitigation Plan for all services
  - Consider climate change adaptation and mitigation
  - Consider Asset Risks and Strategic Risks
  - Engage Council and the community to determine the acceptable level of risk tolerance
  - Review and update annually

Action Items / Initiatives

Asset Management objective: Operational Efficiency

- Develop Operation and Maintenance (O&M) Management Procedures for all services based on the determined Levels of Service
  - Option: Use Alberta Handbook and Toolkit Levels of Service Template
- Track, monitor and document O&M activities
  - Develop a form and a system with the help of the lead operator(s)
- Prepare multi-year Operation Plan
  - Financial projections based on the procedures and determined Levels of Service
  - Include projected O&M cost for proposed capital projects (link the 3 year O&M plan to your long-term Capital Plan)
  - Update annually
- Incorporate innovative practices to realise efficiencies

Action Items / Initiatives

Asset Management objective: Long-term Financial Planning

- Maintain and Update Asset Replacement Forecast (A.R.F)
- Develop/update Depreciation and Reserve Policies
  - Based on determined Levels of Service, Risk Management and A.R.F
- Prepare/revise Long-term Financial Plan based on Levels of Service, Risk and A.R.F.
  - Multi-year capital, operation and revenue plans
  - Update annually
- Prepare the annual budget based on the Long-term Financial Plan
  - Assess service needs based on determined Levels of Service
  - Determine required operational and capital needs based on the service needs

Action Items / Initiatives

Asset Management objective: Knowledge Sharing and Capacity Building

- Form an Interdisciplinary Asset Management team
- Maintain and Improve Asset Inventory
  - Maintain and update GIS according to your Data and Information Management Plan
- Prepare Data and Information Management Plan
  - Use the Alberta Handbook and Toolkit process
  - Comply with financial reporting and documentation requirements of PSAB
- Cohort learning and regional collaboration
  - Stay connected with asset management organizations
  - Share knowledge with other local governments
- Succession Planning
  - Prepare departmental succession planning (strategic risk mitigation)
  - Provide asset Management training for staff

Action Items / Initiatives

Asset Management objective: Transparent Decision Making

- Develop Communication Plan
  - Consider all stakeholders and multiple tools
  - Budget for implementing the Communication Plan

- Include operational, financial, and risk updates as part of regular reporting to Council and Community (as opposed to only reporting when there is an issue)
  - Communicate the trade-offs between levels of service, risk and costs with your community

Lunch Break

The Roadmap - Timeline

Action	Measure of Success	Year 1	Year 2	Year 3	Year 4	Year 5

The Roadmap – Roles and Responsibilities

Action	Lead by	Internal Support	External Support	Resources	
				Time/Staff	Financial
	CAO				
	Finance				

Next Steps

- Prepare Asset Management Objectives and Roadmap Document
- Review and Finalize the Document
- Present to Council