



# Town of Newmarket

## Agenda

### Council Workshop

Date: Tuesday, May 28, 2019  
Time: 9:00 AM  
Location: Council Chambers  
Municipal Offices  
395 Mulock Drive  
Newmarket, ON L3Y 4X7

Pages

#### 1. Notice

In accordance with the Town's Procedure By-law, no decisions are to be made but rather this meeting is an opportunity for Council to have informal discussion regarding various matters.

#### 2. Additions & Corrections to the Agenda

#### 3. Declarations of Pecuniary Interest

#### 4. Items

##### 4.1 Asset Management

2

**Note:** Lisa Ellis, Manager of Asset Management will be in attendance to provide a presentation on this matter.

1. That the presentation provided by the Manager of Asset Management regarding Asset Management be received.

#### 5. Adjournment





# ASSET MANAGEMENT WORKSHOP

May 28, 2019

Prepared by:

Lisa Ellis

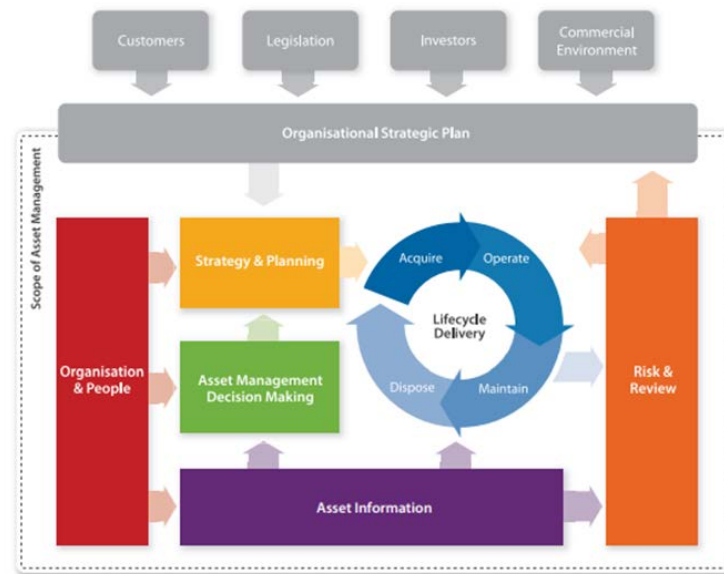
Manager, Asset Management



# WHAT IS ASSET MANAGEMENT?

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- About making sustainable decisions to optimize costs and performance
- Prescribing economical solutions for lasting success
- A culture of continuous improvement
- Managing risks
- ISO 55000 is the global governance of AM



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Figure 3: The IAM's Conceptual Asset Management model

# WHY ARE WE DOING AM?



## Benefits:

- ✓ Improved financial performance
- ✓ Informed asset investment decisions
- ✓ Drives long-term thinking and planning
- ✓ Managed Risk
- ✓ Protect & Enhance quality of life for citizens
- ✓ Demonstrated social responsibility
- ✓ Demonstrated compliance with legislation
- ✓ Improves organizational sustainability
- ✓ Provide structure to AM operations
- ✓ Facilities standardization of efforts
- ✓ Enhance reputation

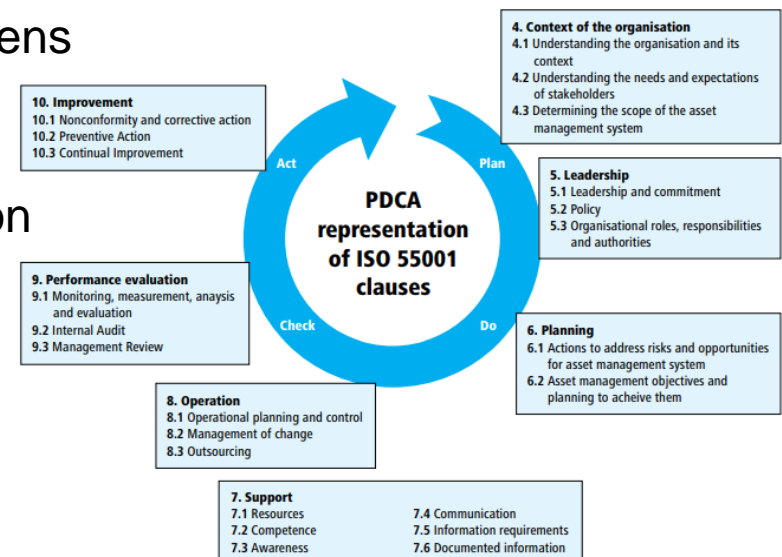


Figure 6: ISO 55001 clauses and the Plan-Do-Check-Act model

# WHAT IS AN AM SYSTEM?



- ✓ Is the system or collection of things that work together to help the Town accomplish our objectives ~ Focused on practices and fundamentals
- ✓ Provides a documented foundation for the AM operation
- ✓ Ensures that everyone know who does what, how things are done, so that tasks are performed the same way across the organization
- ✓ Uses policies, roles and responsibilities to standardize and coordinate activities
- ✓ Provides disciplined practices that are needed to manage physical assets effectively and efficiently

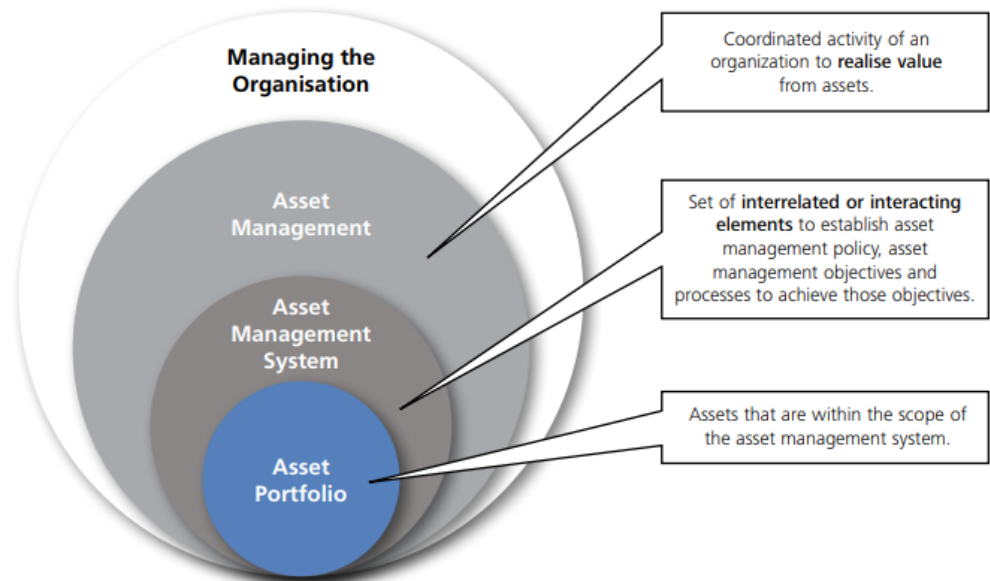


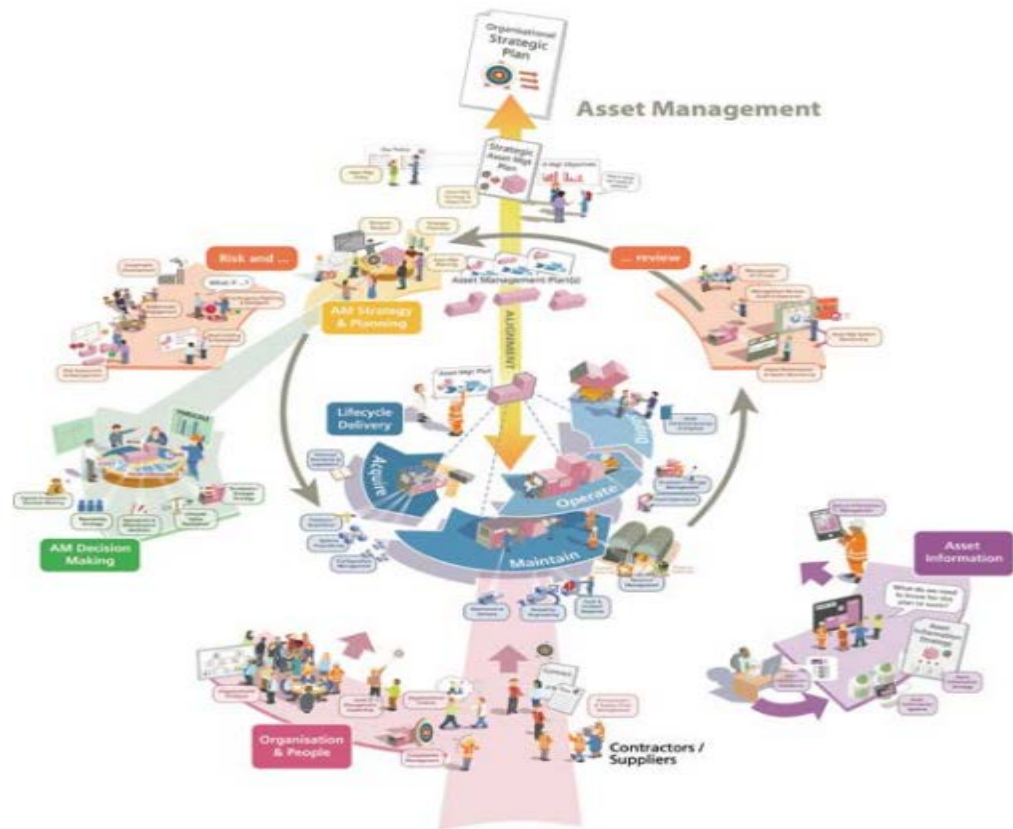
Figure 7: Relationship between asset management and the Asset Management System

# WHAT DOES AM LOOK LIKE?

## **People do asset management**

Knowledge, competence, motivation and teamwork have a huge influence on asset management outcomes

What does the Asset Management Culture look like?



Extract from the IAM's 'Big Picture'.

For more information about the IAM's 'Big Picture', go to [www.theIAM.org/BigPicture](http://www.theIAM.org/BigPicture)

# OUR AM SYSTEM<sup>7</sup>



## Framework Systems

- ✓ AM Policy adopted in 2016 – sets out the guiding principles and objectives
- ✓ AM Strategy developed in 2017 – sets out how staff will accomplish these objectives
- ✓ Governance Structure

## Tactical Management System

- ✓ AM Plans – originally completed 2014
- ✓ Roles & Responsibilities
- ✓ Practices, Processes and Procedures
- ✓ Informational Elements (data)
- ✓ Performance Improvement Elements (KPI)



# AM GOVERNANCE



## Council

- Approve the strategies and plans as proposed by the City;
- Serve a representatives of stakeholder and community needs; and
- Approve funding for both capital and operating budgets associated with Asset Management through the annual budget

## Senior Leadership Team (SLT)\*

Communicate the vision of asset management at a corporate level, encourage engagement with the processes

## Asset Management Steering Committee\*

Coordinate financial, strategic planning, information technology and asset management activities

Corporate Asset Management Office\*  
Asset System Working Groups and Service Providers\*  
Residents, Stakeholders and Customers\*

\*Please refer to the AM Policy Procedures for full list of responsibilities

# AM STRATEGY & OUTCOMES



Vision

Business Drivers

Review of Current State

Needs Assessment & Gap Analysis

Implementation Plan

Consultant's  
Recommendations



## Integrated Asset Management Strategy

The Corporation of the Town of  
Newmarket



December 2016

# OUR VISION



## Managing service delivery through asset management

Our vision for asset management is to be innovative and fiscally responsible stewards of our infrastructure assets for the benefit of the community we serve and the people we employ, now and in the future. We will develop and continuously improve how we manage our infrastructure assets throughout their lifecycle to ensure they support our goal of a healthy, happy, thriving, dynamic and extraordinary community in which to live, work and play.

We seek to:

- Reach out and **build understanding** among residents, business, staff and elected officials about the role infrastructure plays in providing services that make our quality of life even better.
- Recognize and **respond to** current and emerging trends in **regulations, society and environment**.
- Maintain a **balance** between an acceptable level of **service** and a **cost** that is sustainable for residents and businesses now and into the future.
- Ensure that **funding levels and revenue sources are sufficient** to meet current and future infrastructure demands.

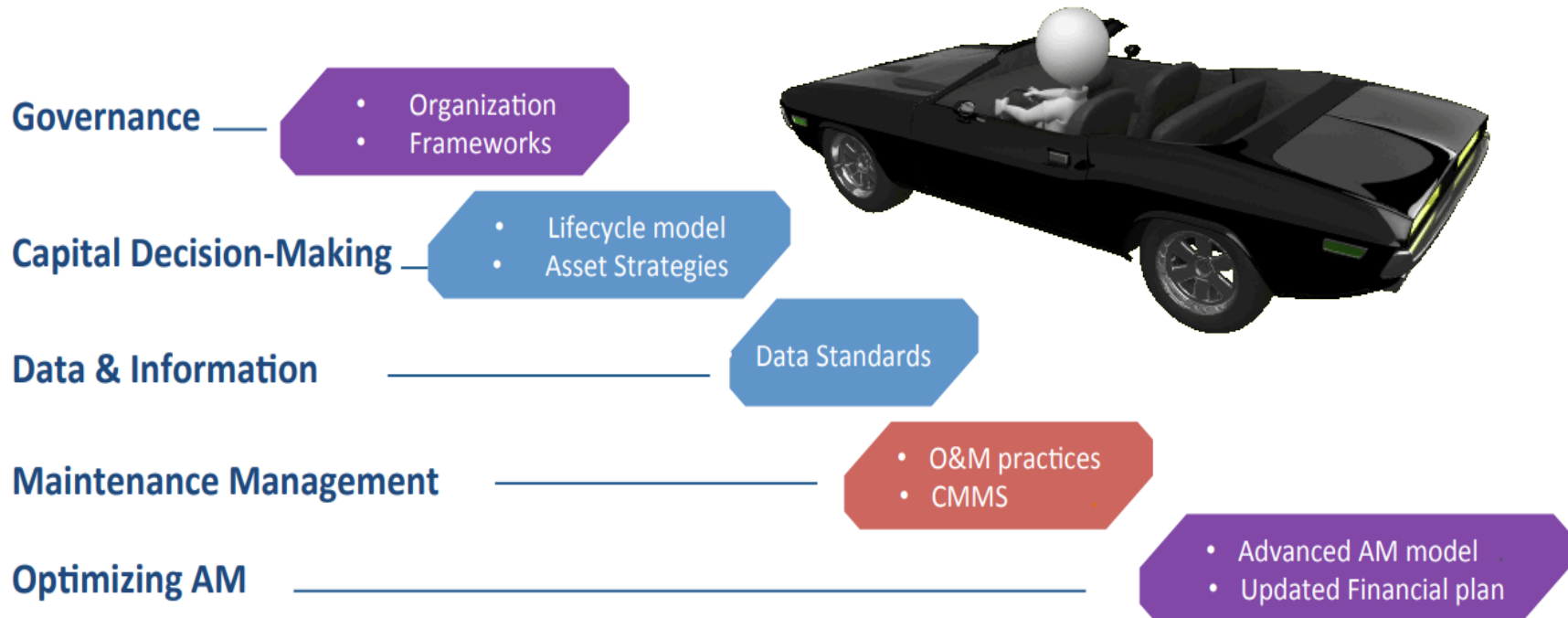
We will put **best practices** in asset management into effect, including an asset management strategy that **links disciplines and departments**, integrates data and software resources and **coordinates decision-making** so that we will be able to invest capital resources wisely and make informed choices about how we maintain our assets and deliver our services.

# AM BUSINESS DRIVERS



Identifying the business drivers helps to identify priorities in improvement plans.

To identify prominent asset management drivers for the Town, a survey was conducted of Town staff. (See page 20-21 of the AM Strategy for complete list)



# AM NEEDS



- 140-2 **Develop AMP for missing asset classes**
- 420-1 Document current **O&M practices**, coordinate with asset strategy, and evaluate and document O&M costs
- 510-1 Develop asset **hierarchy** from FIR reporting to the maintenance managed item level
- 520-1 Evaluate data collected after **identifying** required and **critical data** and identify **gaps**
- 540-1 Evaluate needs, develop user requirements for software and develop Terms of Reference (TOR) for procurement
- 540-2 Procure asset management software, and configure, and implement, and identify key integration points with JDE
- 620-1 Establish **standard condition grading** framework and align to asset class condition scales
- 710-1 Develop **Risk Management Framework**
- 720-1 **Conduct a risk assessment** and identify high consequence assets and critical assets
- 810-1 Evaluate, select and **incorporate ODM techniques** into O&M and capital plan process
- 910-1 Update **Capital Financing Sustainability Plan**
- 1010-1 **Develop data standards** aligned with asset hierarchy
- 1020-1 **Establish data roles** - owners, users, collector

## 36 Action Items

WBS	Task Name	Duration	Start	Finish	6	2017	2018	2019	2020	2021	
					H2	H1	H2	H1	H2	H1	H2
0	Newmarket Implementation Plan	60 mons	Mon 17-01-09	Tue 21-12-21							
1	Governance	12 mons	Mon 17-01-09	Tue 17-12-26							
1.1	120-1 Adopt Newmarket Asset Management Strategy (this project)	0 mons	Mon 17-01-09	Mon 17-01-09							
1.2	310-2 Create or designate Asset Manager position to provide guidance and oversee implementation of AM within the Town	3 mons	Mon 17-01-09	Wed 17-04-05							
1.3	140-1 Define and assign responsibility for stormwater assets										
1.4	140-2 Develop AMP for missing asset classes										
1.5	510-1 Develop asset hierarchy from FIR repo to the maintenance managed item level										
1.6	310-1 Develop AM roles and responsibility m and incorporate into job descriptions										
1.7	1020-1 Establish data roles - owners, users, collector										
1.8	210-1 LOS Model: define LOS and KPIs, and n associated activities and costs associated wit										
1.9	320-1 Identify required AM specific training i develop learning plan for the organization										
2	Capital Program Decision Making										
2.1	820-1 Optimize the capital plan with updatec information										
2.2	620-1 Establish standard condition grading framework and align to asset class condition										
2.3	160-1 Evaluate and document lifecycle pract										
2.4	430-1 Develop asset performance lifecycle (deterioration) model										
2.5	710-1 Develop Risk Management Framework										
2.6	720-1 Conduct a risk assessment and identifi consequence assets and critical assets										
3	Data and Information										
3.1	1010-1 Develop data standards aligned with hierarchy										
3.2	540-3 Develop information system requirem for asset management and a plan to intergat systems, e.g. GIS and CMMS										

# 36 Action Items



# 1<sup>ST</sup> PROJECT



# LEVEL OF SERVICE – ACTION ITEMS



The results from the project align with findings from the strategy:

1. Moving forward, the **strategy** should be **updated** to reflect the findings from the LOS model project
2. Better **develop data and underlying practices** that support measurement of condition and asset sustainability are the focus for improvement going forward
3. Finalize the **service hierarchy** and integrate with financial system reporting
4. **Improve inventory data** focusing on physical data (length, material etc.) and methods to estimate replacement cost
5. **Set targets** and develop the financial analysis linked to service levels



# WHERE TO NEXT



# CHANGE MANAGEMENT



Courtesy of City of Toronto

# WORK PLAN





The municipality's commitment to consider, as part of its asset management planning:

i. the actions that may be required to address the vulnerabilities that may be caused by **climate change** to the municipality's infrastructure assets, in respect of such matters as,

A. operations, such as increased maintenance schedules,

B. levels of service, and

C. lifecycle management,

ii. the **anticipated costs** that could arise from the vulnerabilities described above,

iii. **adaptation** opportunities that may be undertaken to manage the vulnerabilities described above,

iv. **mitigation approaches** to climate change, such as greenhouse gas emission reduction goals and targets, and

v. **disaster planning** and **contingency funding**.



A **process** to ensure that the municipality's asset management planning is aligned with Ontario's land-use planning framework, including any relevant policy statements issued under subsection 3 (1) of the Planning Act, any provincial plans as defined in the Planning Act and the municipality's official plan.

An explanation of the capitalization thresholds used to determine which assets are to be included in the municipality's asset management plan and how the thresholds compare to those in the municipality's tangible capital asset policy, if it has one

The **persons responsible** for the municipality's asset management planning, including the executive lead.

An explanation of the municipal **council's involvement** in the municipality's asset management planning.

The municipality's commitment to provide **opportunities for municipal residents** and other interested parties to provide **input** into the municipality's asset management planning.

Every municipality shall prepare its first strategic asset management policy by July 1, 2019 and shall review and, if necessary, update it at least every five years.





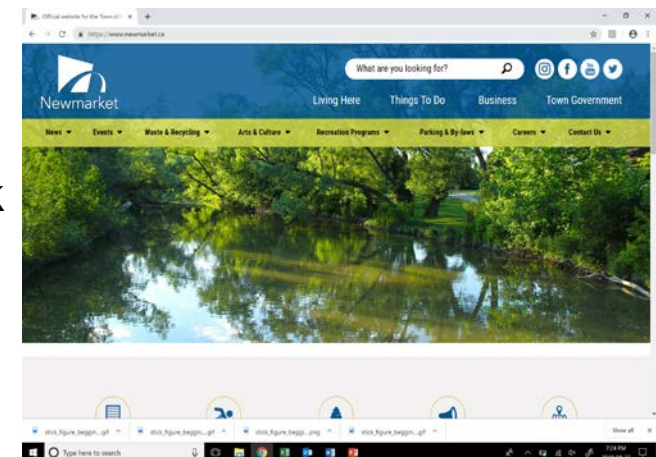
Community Connections

Web Presence

Dashboard

Regular updates to  
Council (Presentations,  
Information Reports, Work  
Shops, Annual updates)

Annual updates included  
in Community Report





Intranet Presence

Quarterly Communications to staff

2-way communication with staff



Coffee with the CAO



**Leverage Existing Relationships with Organizations leading Global Best Practices in Asset Management**



Asset Management Professional (AMP) Certificate

Educational program for Directors & Managers





## Data Management Strategy

Data inventory review incl. asset hierarchy, asset identification and asset attributes

Performance assessment framework (LOS & KPI)

Models to link Operations & Maintenance activities

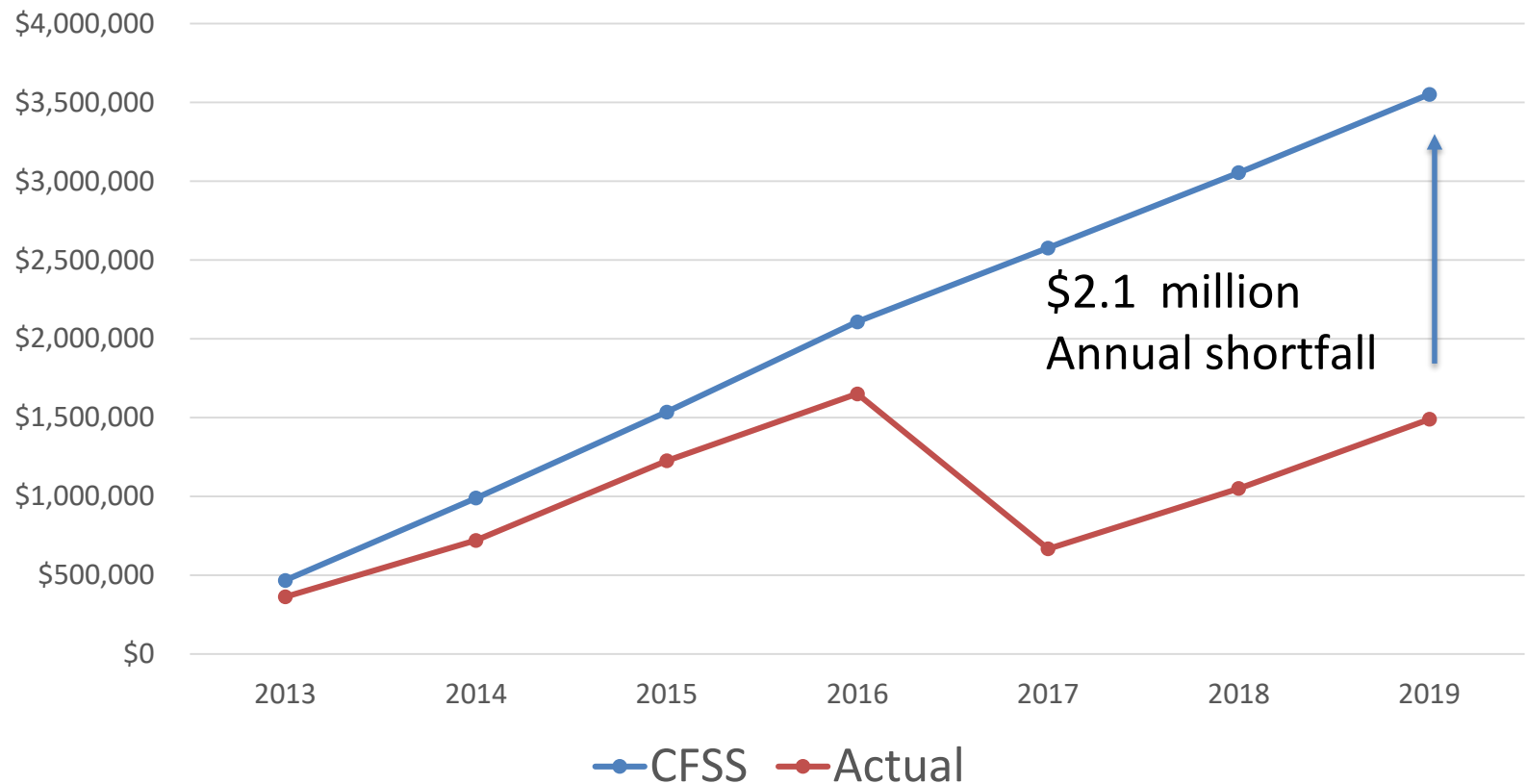
# FISCAL BALANCE



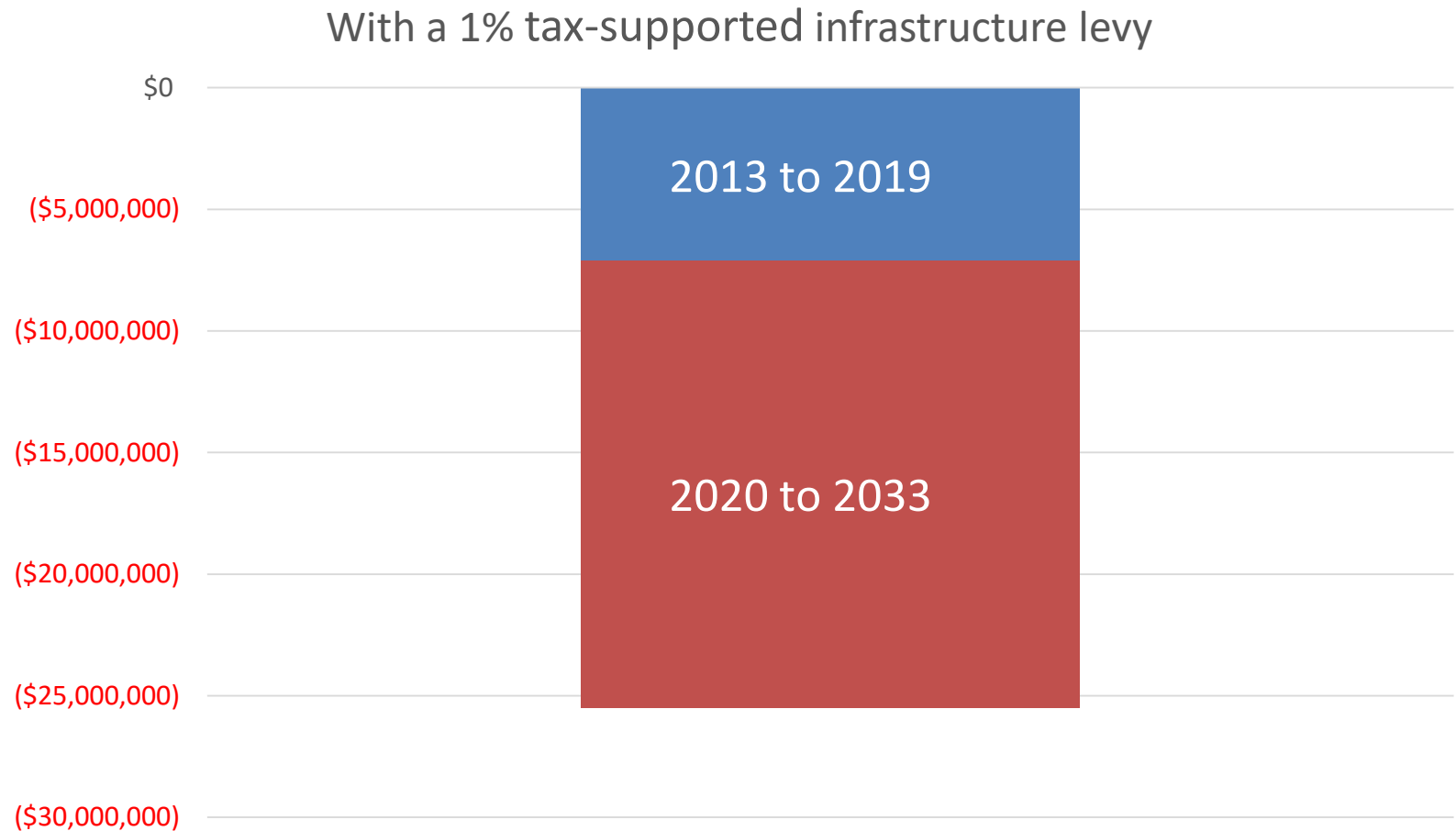
# Tracking the Capital Financing Sustainability Strategy



Tax-supported ARF contributions



# Projected Funding Gap



# STRATEGY NEEDS



- Financial Sustainability Strategy
- Risk Strategy (Corporate & Operational)
- Data Management Strategy



# NEXT STEPS



Policy Approval – June 24, 2019

## Asset Management Plans for Missing Assets

- Storm Water
- Facilities
- Parks
- Fleet
- Natural Assets





# Questions?

