ASSET MANAGEMENT PHASE 1 WORKSHOP WITH COUNCIL
MAY 17TH, 2021

Newmarket

Province Extends Asset Management Planning Deadlines

Revised Legislative Timelines

AMP's – core assets	July 1, 2022
AMP's non-core assets	July 1, 2024
Services Level targets	July 1, 2025

OGRA Home   Milestones   Career Hub

Amendments to the Asset Management Planning for Municipal Infrastructure Regulation

The province has announced that they are amending O. Reg. 588/17, the Asset Management Planning for Municipal Infrastructure regulation. More specifically, they are extending each of the key dates of the phase-in schedule by one year. By July 1st of this year, municipalities were to have had an approved asset management plan for core assets such as roads, bridges, and culverts which identifies current levels of service and the cost of maintaining them. This has now been pushed to July 1, 2022. The same would have applied for remaining municipal assets on July 1, 2023. This has now been extended to July 1, 2024.

Furthermore, the date in which municipalities would have needed to complete the proposed level of service portion has been extended from July 1, 2024 to July 1, 2025. To meet that deadline, any updates to current levels of service must now be made by July 1, 2024 rather than July 1, 2023.

Key Dates for Asset Management Office

Asset Management Phase 1 Workshop	May 17, 2021
Asset Management Phase 2 Workshop	September 27, 2021
AM Plans - core assets	October 4, 2021
AM Plans - non-core assets	2024
Services Level targets and Funding Strategy	2025

Comparable progress on AMP's - York Region Municipalities

Core Asset AMP delivery	Municipalities
Already done	0
Expected by June 2021	2
Using the extension:	
Q3 2021	3
Q1 2022	2

Asset Management is about **Visibility**

Visibility Facilitates Better Management

Low Visibility

- ❑ **Risks**
- ❑ **Costs**

Little or No Warning

- ❑ Options
- ❑ Opportunity

High Visibility

- ❑ Risks
- ❑ Costs

Knowing before it happens

- ❑ Options
- ❑ Opportunity

What Asset Management does …

Asset Management Practices

provide the data and the understanding for

informed decision-making,
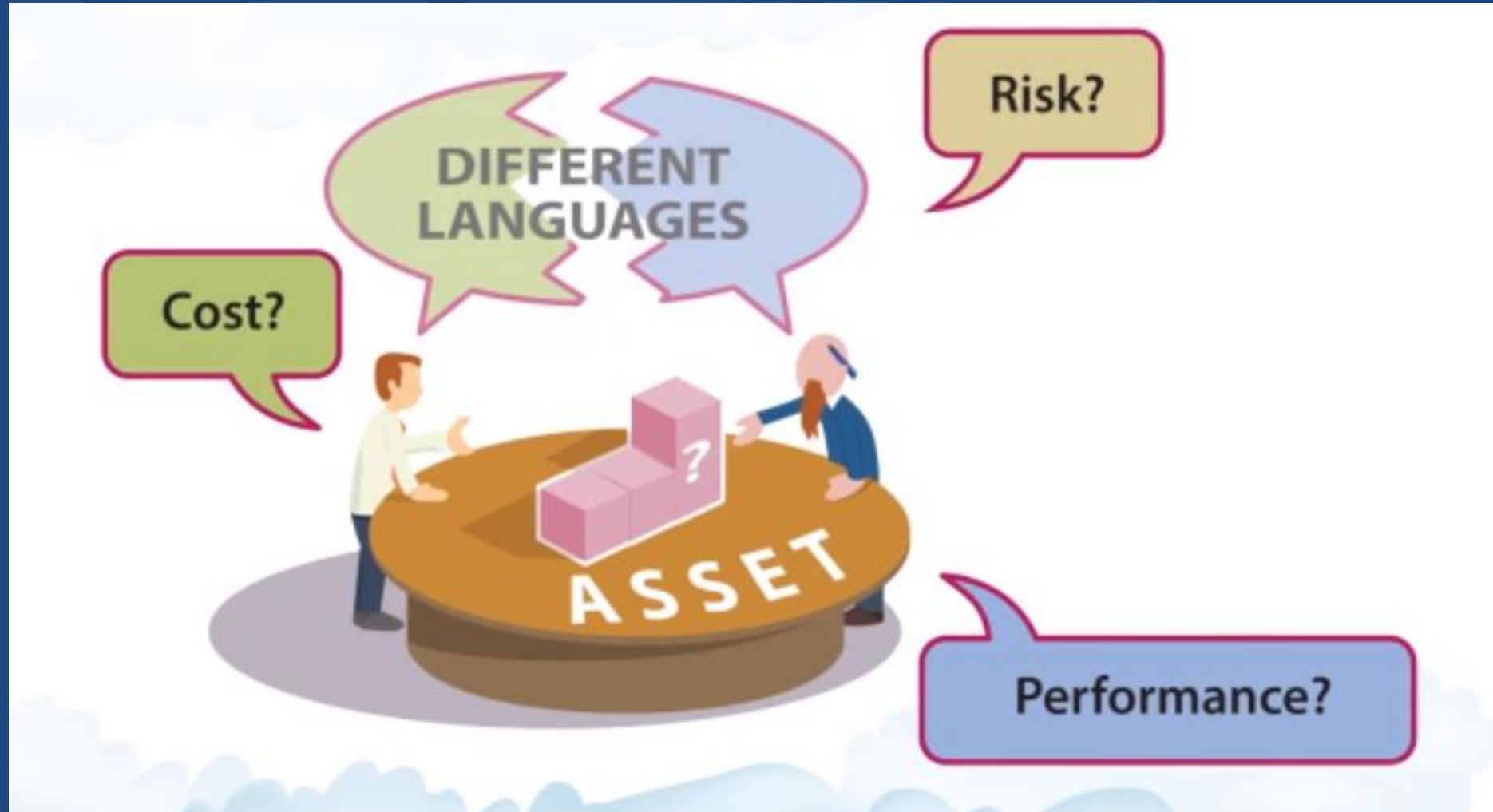
these promote

effective stewardship of assets,

which is essential for

long term sustainability

Asset Management Practices

Council's Role in AM…

Why Are We Here?

2018-2022
COUNCIL STRATEGIC PRIORITIES
WELL BEYOND THE ORDINARY

Long term financial sustainability

✓ Financial health
✓ Long term financial planning
✓ Continuous improvement

✓ Updated Asset Management Plan

REVIT UP
REVENUE » EFFICIENCIES » VALUE ADD

Fiscal Strategy
Town of Newmarket

Report prepared by Bill Hughes
September 2020

Our AM Journey 2014 to Present

Managing service delivery & AM

Our vision for asset management is to … 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.

What Does It Look Like?

Proactive Costs	$$$	$$	$
Resident Satisfaction	☺	😐	☹
Reactive Costs	$	$$	$$$$

Why Does This Matter?
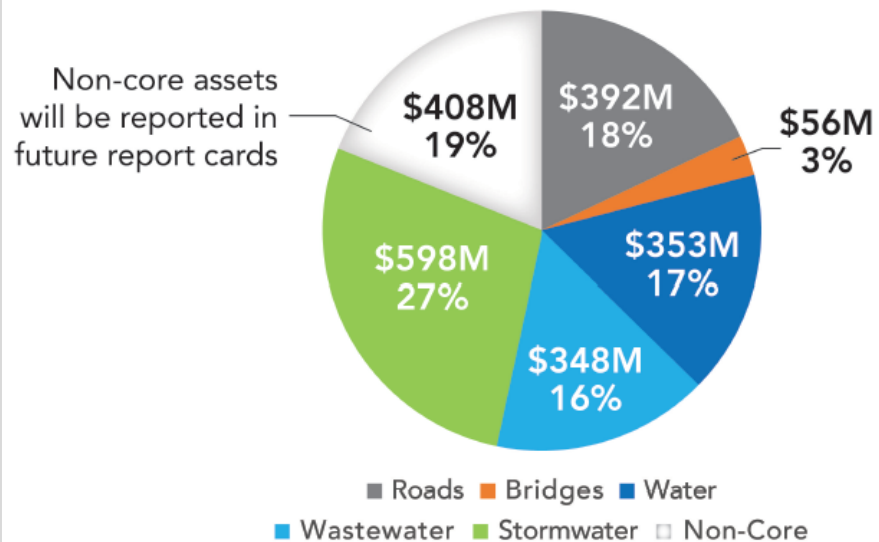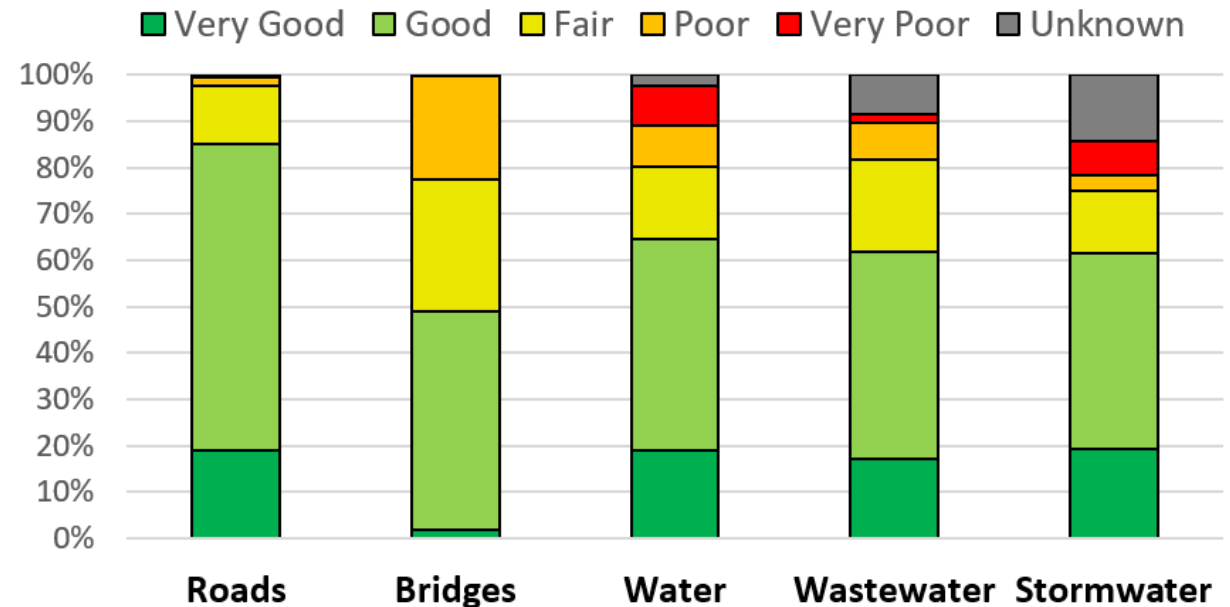
LEVELS OF SERVICE

Newmarket

Levels of Service (LOS) Introduction

01
The Rules

02
The Process

03
Newmarket LOS

Stakeholders & Service Criteria

LOS – The O.Reg Rules

◦ O.Reg **2022** – CURRENT Level of Service (core infrastructure)

◦ O.Reg **2024** – CURRENT Level of Service (all infrastructure)

◦ O.Reg **2025** – 10 YR PROPOSED LOS Plan (**measures and targets**)

  ◦ Water

  ◦ Wastewater

  ◦ Stormwater

  ◦ Roads

  ◦ Bridges & Culverts

What is Levels of Service (LOS)?

Levels of Service comprise of;

- A general description of a standard of service,

- Specific descriptions of what will be measured to prove what service standard was achieved each year, and

- It is intended that LOS also include specific targets for each performance measure.

Levels of Service are a required component in Asset Management Plans

LOS – Process

1. Define stakeholders

2. Describe expectations / key criteria

3. Determine relevant performance measure

∙∙

○ Measure performance (2021, **2022**, 2023, 2024)

○ Cost LOS (2022, **2023**, 2024)

○ Set Target (**2023**, 2024, 2025)

○ Manage achievement of target

Newmarket – LOS completed so far

1. Previous LOS from 2013 reviewed ✓

2. Workshops for core service areas
   - Water (**8** Town staff) ✓
   - Wastewater (**7** Town staff) ✓
   - Stormwater (**10** Town staff) ✓
   - Roads (**9** Town staff) ✓
   - Bridges (**8** Town staff) ✓

3. Review draft LOS for each service — In Progress

4. Finalize initial LOS to measure for 2022 — Still to do

#1

LOS PROCESS

Who are the stakeholders?

Who are you trying to impress?

LOS – The Primary Services

For Core Infrastructure

Service	Primary Service
Water	Safe potable drinking water
Wastewater	Wastewater collection
Stormwater	Diversion /collection of stormwater
Roads	Allow people and goods to get from point A to point B
Bridges & Culverts	Crossing obstacles for transportation and utilities

LOS – Stakeholder List

Water	Wastewater	Storm
Residents	Residents	Residents
ICI - Hospital	ICI - Hospital	Property Owners
Firefighters	Recreation Users	Road Users
Businesses	Businesses	Community
Town Departments	Conservation Authorities	LSRCA (Lake Simcoe)
Ministry of Environment	Ministry of Environment	Ministry of Environment Conservation and Parks
	Developers	Ministry of natural Resources and and Forestry
	York Region	Wildlife & the Environment
	Other Municipalities	Downstream Municipalities

LOS – Stakeholder List

Roads	Bridges & Culverts
Residents	Residents
ICI - Hospital	GO Transit
Fire services	Emergency services
Businesses	Utilities
Trucking/transport companies	Cyclists
Community / Public	Pedestrians
Ministry of Transport Ontario	Ministry of Transport Ontario
York Region Transit	York Region Transit
School buses / boards	School buses / boards
	LSRCA (Lake Simcoe and Region Conservation Area)

#2 Do you know **what will impress** your stakeholders?

LOS PROCESS

What are the stakeholders expectations?
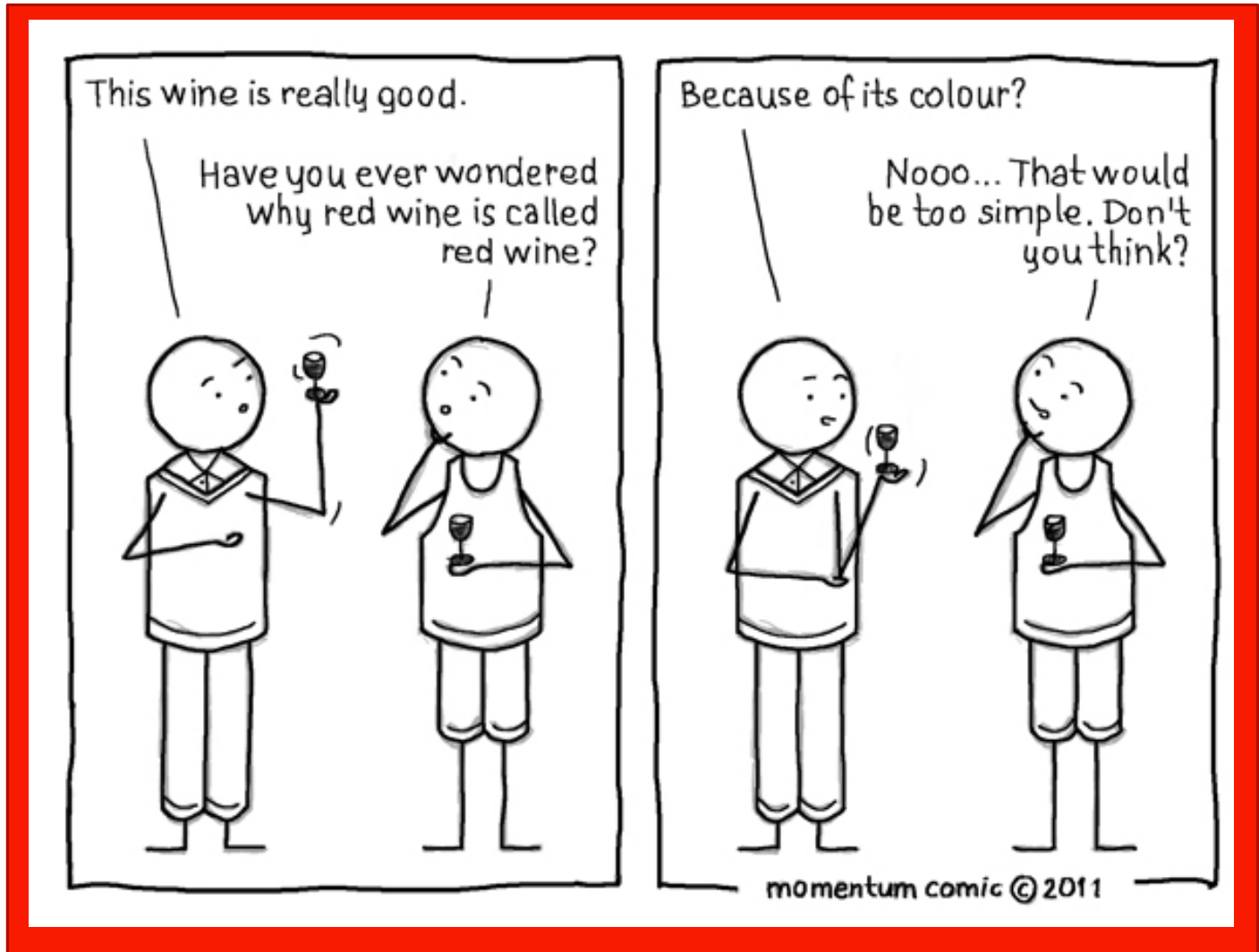
Discussion - Important <u>Water</u> Service Outcomes

Choose the **top three** items on the list that you believe your community would think are the most important for the WATER service.

- ❖ Price / Affordability
- ❖ Compliance / Quality
- ❖ Customer satisfaction
- ❖ Visual appeal
- ❖ Low risk
- ❖ All year availability
- ❖ Pressure

- ❖ Reliability
- ❖ Safety
- ❖ Comfort
- ❖ Responsiveness to problems
- ❖ Environmental stewardship
- ❖ Something else

Discussion - Important <u>Roads</u> Service Outcomes

Choose the **top three** items on the list that you believe your community would think are the most important for the ROADS.

❖ Price / Affordability

❖ Compliance / Quality

❖ Customer satisfaction

❖ Visual appeal

❖ Low risk

❖ All year availability

❖ Pressure

❖ Reliability

❖ Safety

❖ Comfort

❖ Responsiveness to problems

❖ Environmental stewardship

❖ Multiuse roads

❖ Something else

LOS –Stakeholder Expectations

Service	Service Outcome Statement	Service Criteria
Water	Provide accessible, safe, reliable drinking water water at a reasonable price.	1. Reliability 2. Availability 3. Compliance 4. Risk/Safety
Wastewater	Provide accessible, available and reliable wastewater collection services that meet regulations at a reasonable cost.	1. Reliability 2. Compliance 3. Risk/Safety 4. Availability
Stormwater	Protection of property from flooding at an appropriate cost.	1. Availability 2. Reliability 3. Risk/Safety 4. Compliance

LOS –Stakeholder Expectations

Service	Service Outcome Statement	Service Criteria
Roads	Safe, well maintained and managed transportation network for vehicles, cycling, and pedestrians.	1. Risk/Safety 2. Availability / Reliability 3. Quality / Condition
Bridges & Culverts	Safe, reliable crossings that provide access for for all mobilities.	1. Risk/Safety 2. Availability / Reliability 3. Quality / Condition

#3

How do know if you're getting it right?

LOS PROCESS

What are the key performance measures?

Classification of Performance Measures

Performance Measures are expressed as;

Key Performance Indicators	Basic LOS	Advanced LOS
Customer KPI	Measures considered to be of interest to customer	Key measures relating to customer experience of LOS
Technical KPI	Measures considered to be of a more technical nature	Key technical measures that support achievement of the customer experience targets

Advanced LOS: Customer and Technical KPI's

CUSTOMER

- Trunk for the golf clubs

- Safe

- I can play USB music

- Fast

TECHNICAL

- 500l trunk space

- 5 star IIHA rating

- USB interface

- 0-100km/hr in 7.5secs

Choosing the right Performance Measures

LOS PROCESS

YES — We already measure this
Great

NO — We could easily measure this
Also Great

NO — This would be difficult to measure
Consider if worth it

KEY PE5RFORMANCE INDICATORS

Levels of Service

Levels of Service Results

01

Context

02

The 2021 Results for Core Services

03

Recap Process

Newmarket LOS – 2021 Current

1. Review and update 2017 original definition of LOS

2. Basic LOS for compliance with 2022 and 2023 O.Reg requirements

3. Definition of customer and technical KPIS based on

4. Other KPI's (results based accountability) exist and will continue

LOS –Key Performance Indicators (KPI's)

Service	Service Outcome Statement
Water	Provide accessible, safe, reliable drinking water and a reasonable price.

Service Criteria	Customer KPI's	Technical KPI's
1. Reliability 2. Availability 3. Compliance 4. Risk/Safety 5. Value for Money[1]	• # breaks per year • % assets in X condition or better • % water tests not meeting regulations per year	• # unplanned interruptions per 100km pipe per year • Capital Renewal ratio • # water quality complaints per 1000 households per year

1. Desired Service Criteria not currently or proposed to be measured

LOS –Key Performance Indicators (KPI's)

Service	Service Outcome Statement
Wastewater	Provide accessible, available and reliable wastewater collection services that that meet regulations at a reasonable cost.

Service Criteria	Customer KPI's	Technical KPI's
1. Reliability 2. Compliance 3. Risk/Safety 4. Availability	• % assets in X condition or better • # complaints by type per year • % properties connected to wastewater system	• % of pipe system CCTV and flushed per year • Capital Renewal ratio • # non-compliance events in system per year (i.e. sewer overflows)[2]

2. Proposed Compliance Service Criteria

LOS – Key Performance Indicators (KPI's)

Service	Service Outcome Statement
Storm	Protection of property from flooding at an appropriate cost.

Service Criteria	Customer KPI's	Technical KPI's
1. Availability 2. Reliability 3. Risk/Safety 4. Compliance 5. Affordability[3] 6. Environmental Stewardship[3]	• % Area (ha) with stormwater control • Urban Area • Total Area • % assets in X condition or better • # flooding events per stormwater zone per year	• % storm pipes CCTV per year • Frequency of catch basin clearing clearing per season • Quantity ditch and watercourse inspected per month • Time spent thawing catch basins per year

3. Desired Service Criteria not currently proposed to be measured

LOS – Key Performance Indicators (KPI's)

Service	Service Outcome Statement
Roads	Safe, well maintained and managed transportation network for vehicles, cycling, and pedestrians.

Service Criteria	Customer KPI's	Technical KPI's
1. Risk/Safety 2. Reliability 3. Availability 4. Quality / Condition	• Average PCI of Local roads roads • Average PCI of Collector roads • Km road patrols per year • Km roads plowed within x hrs of y cm snowfall	• Km crack sealing per year • Capital Renewal ratio • # plow runs per winter • # salt runs per winter • Single lift resurfacing $x per year year • % achievement of regulatory requirements • Capital renewal ratio

LOS –Key Performance Indicators (KPI's)

Service	Service Outcome Statement
Bridges & Culverts	Safe, reliable crossings with access for all mobilities.

Service Criteria	Customer KPI's	Technical KPI's
1. Risk/Safety 2. Availability / Reliability 3. Quality / Condition	• Average deck ride condition[4] • % assets in X condition or better • # bridges with cycle lane or sidewalk • Ratio sidewalk/bridge widths	• % assets inspected in 2 yrs. • Average condition of bridge or culvert components by class of component • Traffic counts / utilization of bridges • Capital renewal ratio

4. Proposed Compliance Service Criteria NOT currently measured

Recap

Phase I

Phase II

LOS PROCESS

A simple guide to get started

#1 — Stakeholders

#2 — Expectations
- LOS Statements
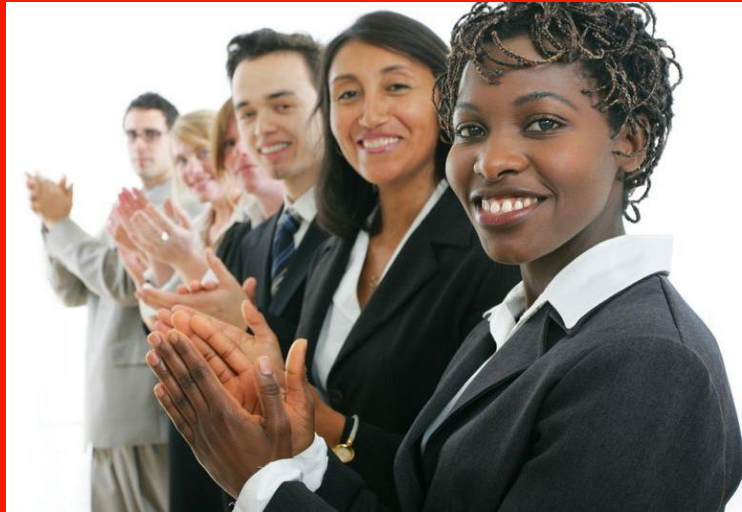- Service Criteria

#3 — Performance Measures

Measure Performance

Cost of Service
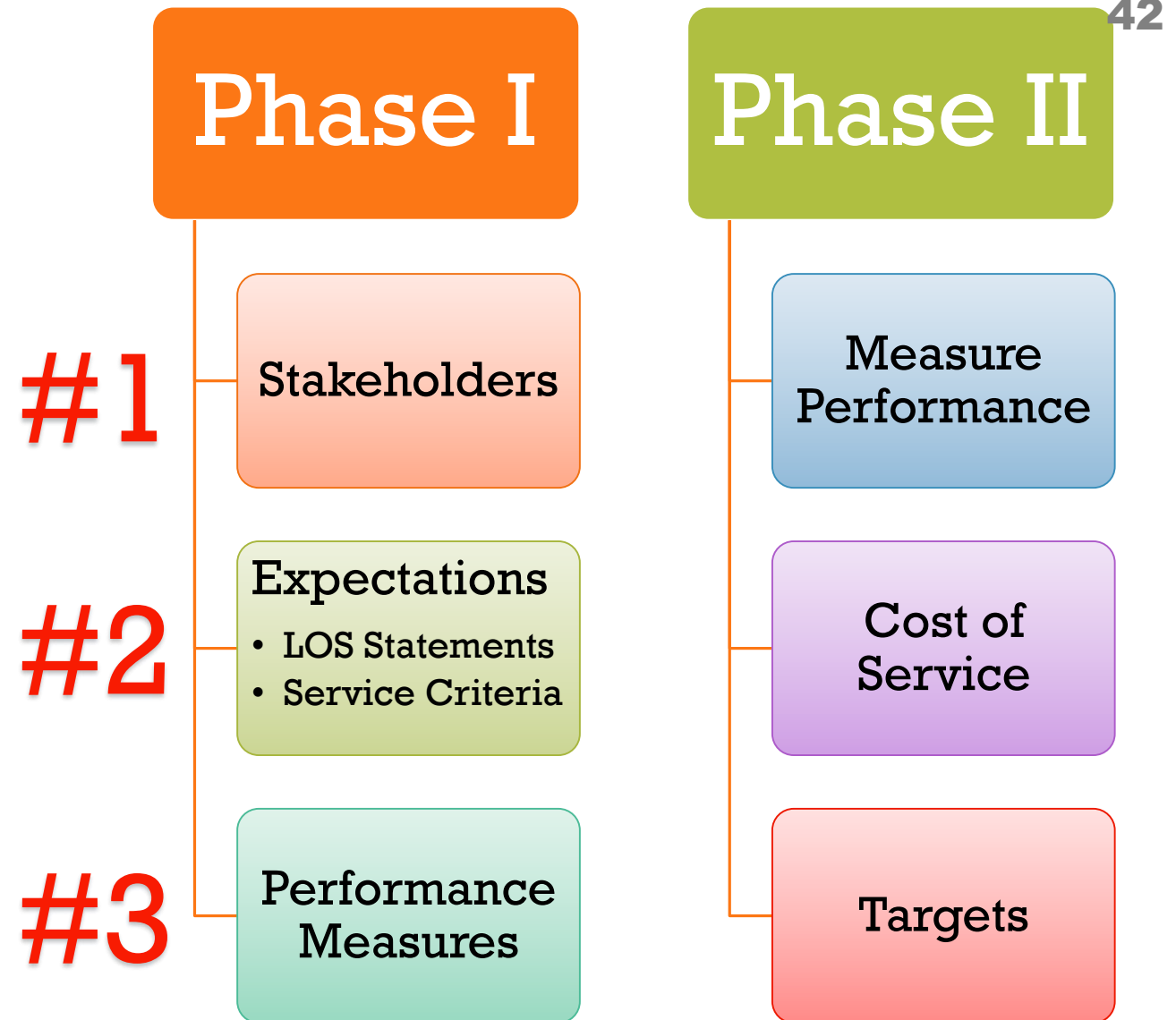
Targets

Ongoing Tracking

Are you succeeding?

1. Service Criteria

2. Method of Measurement (KPI's)

3. Targets

4. Measured Results (KPI's and Costs)

5. Review
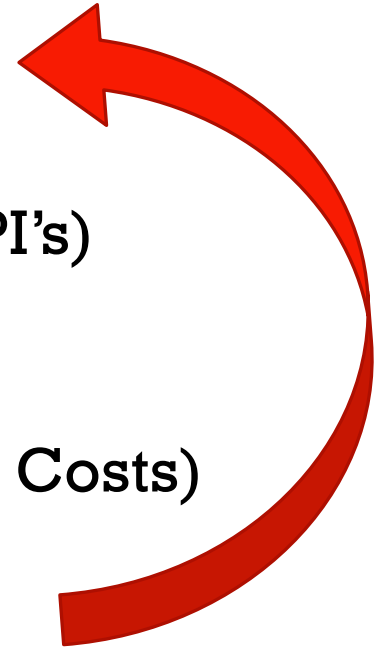
Confidence with LOS & Performance Measuring

Choose the option that coveys your level of confidence that this presentation has addressed any concerns and issues regarding LOS performance measures:

❖ Highly confident - we can start measuring KPI's ASAP

❖ Confident – understand the benefits/consequences of measuring KPI's

❖ Slightly Confident – unclear on some of the benefits/consequences

❖ Low Confidence – not sure the benefits outweigh the consequences

❖ No Confidence – don't think we should measure KPI's

BENEFITS AND ADVICE

Levels of Service

Levels of Service Benefits and Advice

01
Determining LOS Cost

02
Considerations and Benefits

03
Key Advice for Next Steps

LOS – Cost

◦ List activities (everything needed to achieve LOS Target)

◦ Identify frequency

◦ Classify activities (mandatory/optional)

◦ Document level of effort (resources)

◦ Cost activities

◦ Consider impacts (for greater or lesser frequency)

◦ Calculate needs-based budget to deliver current LOS
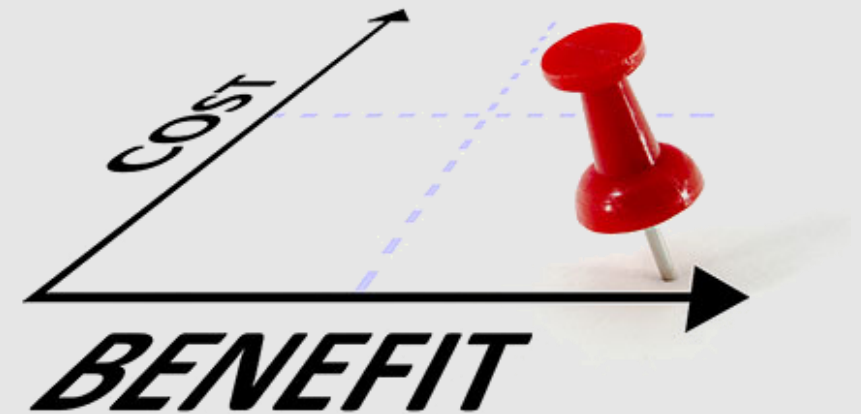
LOS – Considerations

- Making the most of legislative requirement

- Ability to adapt to and manage change over time (LOS-COS line of sight)

- Visibility of options (cost and consequence) when finalizing budgets
  - Identify cost for mandatory LOS items
  - Prioritize base cost for CORE service delivery
  - Fund core service delivery before additional service options

- Long term vision of lifecycle costs

- Understand cost of service before committing to targets

LOS – Business Benefits

Community

1. Clarity of service expectations and targets

2. Objective way to prove and communicate performance

3. Ability to validate LOS Cost (user fees/development fees etc.)

Organization

◦ Connects corporate objectives with operational activities

◦ Ability to adapt to change and communicate options and issues to decision-makers (i.e. changing service demands, climate change, or budget constraints)

◦ Adds information to prioritize projects

Prioritizing Projects: LOS and Strategic Goals
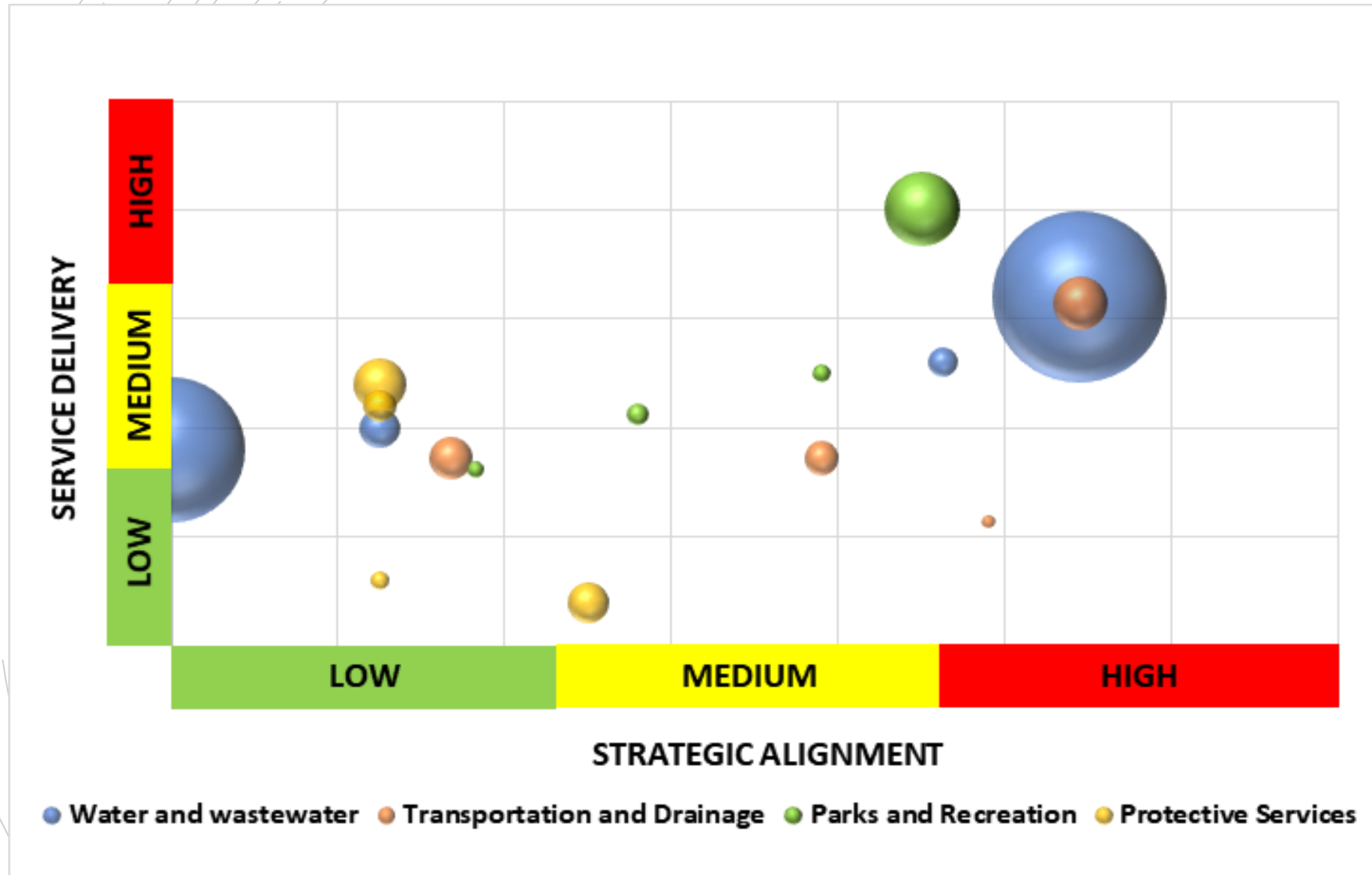
LOS – Business Benefits

LOS and Cost of Service will give decision-makers **Visibility** of needs, sustainability, and options for adjustment and adaptation.

(strengths & challenges for balanced level of service)

Recap   **O.Reg - LOS – Requirements for 2025**

March 15, 2021, amended O. Reg. 588/17: Level of Service timelines include:

- **July 1, 2025:** an asset management plan (for core services) with:
  - ***Proposed levels of service for the next 10 years****, using provided metrics for core infrastructure and municipally created metrics for other infrastructure*
  - *An explanation of why the proposed levels of service are* **appropriate***, including risks, affordability and whether they are achievable*
  - The **proposed performance** of each category for each year over 10 years
  - A lifecycle management strategy
  - A financial strategy
  - Document and address available funding as well as funding shortfalls
  - An explanation of any other key assumptions

Making the most of adjusted timeline

2021	2022	2023	2024	2025
AMPs for Core Infrastructure including Current LOS and Performance Measures	AMPs for Non-Core Services including Current LOS and Performance Measures		AMPs for Core Infrastructure including Proposed LOS and 10yr Targets for Performance	

2021	2022	2023	2024	2025
Define Current LOS and Performance Measures (KPI's)	AMPs for Core Infrastructure including Current LOS and KPI's Measure Current Performance	AMPs for Non-Core Services including Current LOS and KPI's Measure Performance and Cost	Understand total cost of service to deliver current LOS	AMPs for Core Infrastructure including Proposed LOS and 10yr Targets for Performance

Discussion - Business Benefits

Choose the **top three** benefits on the list that are most important to the Community

❖ Evidence of performance communicated to the public

❖ Connection between strategic objectives and operations decisions

❖ Clarity of service expectations and targets

❖ Ability to validate LOS Cost (user fees/development fees etc.)

❖ Ability to adapt to change

❖ Ability to communicate options and issues to decision-makers

❖ Adds information to prioritize projects

❖ Some other benefit

LOS – Key Advice

○ Measure what you currently deliver before setting targets

○ Understand human resource needs as part of costs for LOS options

○ Understand the full cost of delivering the current LOS before considering changes

○ Prioritize core service obligations as part of decision-making

○ Regularly review LOS measures, targets, and costs

○ Expand consideration to relevant non-core service areas after 2025, using the same structure and process

Newmarket LOS – Next Steps

1. Require measurement of initial performance measures starting 1 Jan, 2022

2. Require development of methods and process to record, analyse, and report on total cost of service for core service areas during 2022

3. Require measurement and reporting of total cost of service for core service areas starting 1 Jan, 2023

4. Require comparative analysis and reporting of cost of service and level of service performance for measured values, starting 1 Jan 2024

5. Require submission of a business case for recommended level of service targets for core service areas, by end of Feb 2025 –

   Business case must include an explanation of why the proposed level of service targets are appropriate, including discussion of risks, and measured evidence to demonstrate these targets are achievable and affordable

Recap

How do know if you're getting it right?

LOS PROCESS

Doing levels of service in your organization

| Stakeholders | What do they want? | How could you measure? | KPI's and Targets | Decision Support |

Thank You

Questions and Suggestions

Sustainable Levels of Service

Newmarket