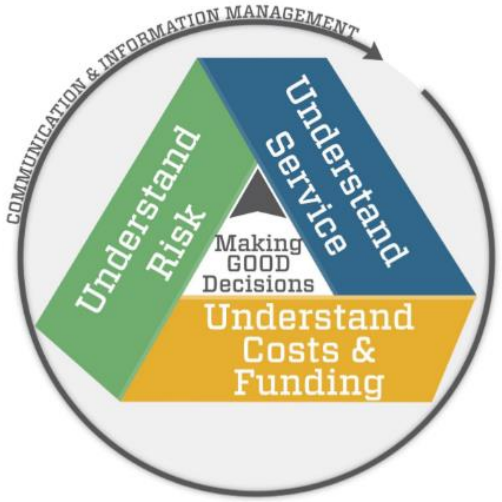
Municipal Asset Management

What is Asset Management?



"The process of **making decisions**
about the use and care of infrastructure
to deliver services in a way
that considers current and future needs,
manages risks and opportunities
and makes the best use of resources"

Source: Munis 101 (Elected Officials Education Program)

Why this matters for Municipalities?

60% of Canada's core public infrastructure is owned and maintained by municipal governments.

One-third of municipal infrastructure is in fair, poor, or very poor condition.

Canadian Infrastructure Report Card found that "All communities, particularly smaller municipalities, would benefit from increased asset management capacity."

Low
Medium
High
Risk

Common Municipal Strategic Risks

Financial: Over-reliance on grant funding, insufficient capital reserves for infrastructure renewal, etc.

Organizational: Aging workforce combined with lack of succession planning, overreliance on undocumented knowledge of assets, etc.

Regulatory: Changing regulations requiring infrastructure upgrades.

Common Municipal Strategic Risks

Aging Infrastructure: Periods of rapid growth and investment in the past can lead to infrastructure reaching the end of its service life at the same time.

Natural Disaster and Emergencies: Forest fires or other emergencies may destroy or compromise infrastructure.

How Asset Management Supports Municipal Risk Management

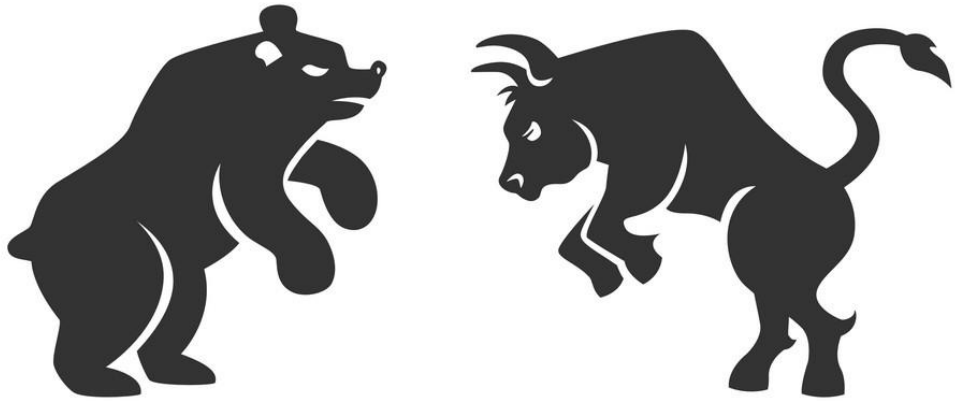
Connect Risk to Service Levels and Cost

Know What You Have and What You Need

Systematic Risk Management

Maximizing Lifecycle and Minimizing Costs

Asset vs Risk Management?



Asset Management Inventory

- Replacement Value
- Average Age and Expected Asset Life
- Life-cycle costs
- Condition
  - Physical condition
  - Demand/capacity
  - Functionality

What we are doing in Alberta

Federation of Canadian Municipalities (FCM) Asset Management Program

Funding for asset management activities

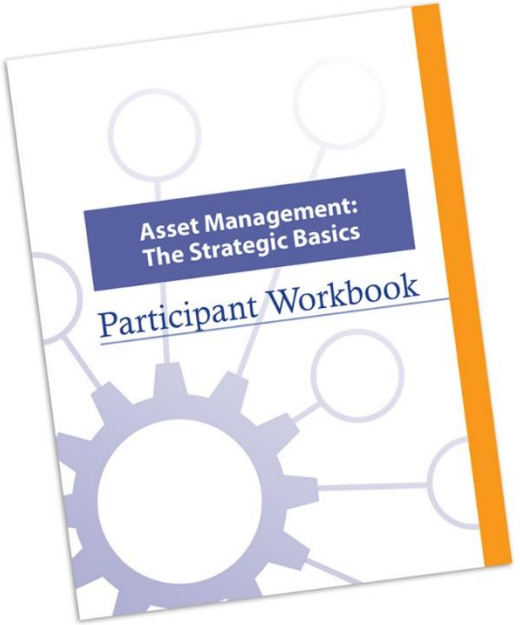
- Assessments
- Plans, policies, and strategies
- Data collection and reporting
- Training and organizational development
- Knowledge Transfer

Funds up to 80% of eligible costs to a maximum of $50,000

Partnership

Round One - Education

URBAN systems



Latest Project

Bring Together 10 Municipalities to work together to move up the FCM Asset Management Readiness Scale.

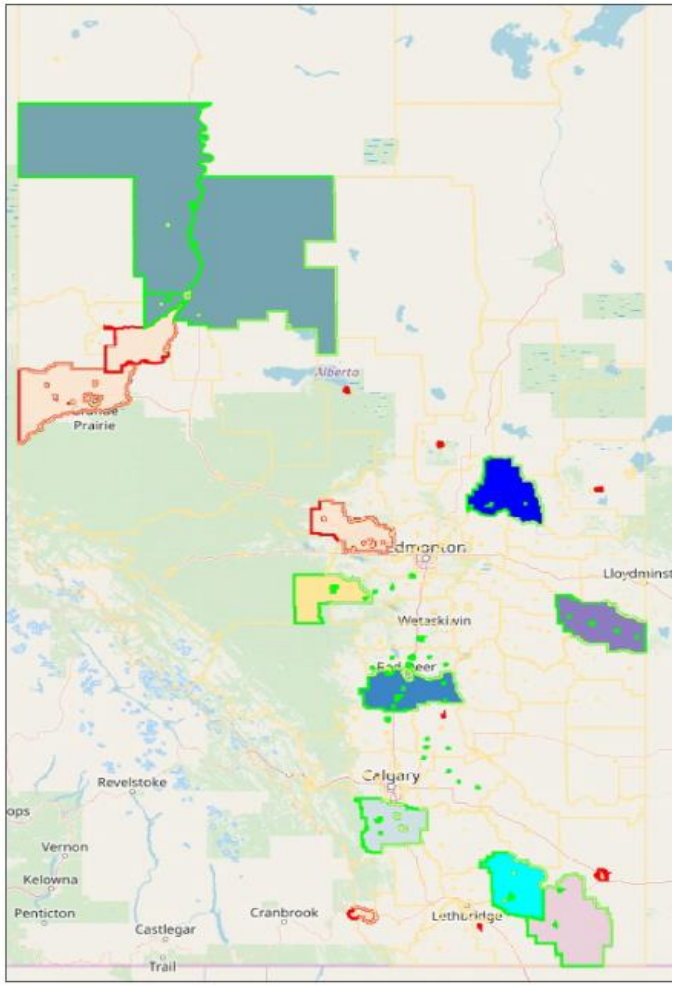
- Population less then 10,000
- The 10 Municipalities should come from a similar geographic location.
- We would hire a consultant to support the participants in progressing above level 1 on some competencies of the readiness scale.
- Foster cooperation and provide a local support network for one another.

Asset Management Readiness Scale

	Outcomes: Select the outcomes that your organization has achieved.				
Outcome areas	**Level 1**	**Level 2**	**Level 3**	**Level 4**	**Level 5**
A **Policy and objectives**	☐ Senior management is committed to formalizing an **AM program**.	☐ We have drafted an **AM policy**. ☐ Senior management and council have endorsed the **AM policy**.	☐ We are starting to use our **AM policy** to guide our actions.	☐ We manage assets and services in accordance with our **AM policy** and organizational objectives.	☐ We continue to validate and refine our corporate, service and AM objectives based on the evolving needs of our community.
B **Strategy and roadmap**	☐ We have identified the benefits that we want AM to deliver, and the benefits support organizational objectives.	☐ We have a strategy for our **AM program**. ☐ We have a draft **roadmap** that outlines our approach for the next 1 to 3 years.	☐ We have a **roadmap** that details the actions for implementing our **AM strategy** over the next 3 to 5 years.	☐ We are achieving our **AM policy** objectives. The necessary workflows, documents, and reporting tools are in place. ☐ We update our **roadmap** to address evolving needs.	☐ We follow our **roadmap** and continually improve our AM practices. ☐ We document improvements to our AM practices.
C **Measurement and monitoring**	☐ We have identified short-term actions that will demonstrate early progress on AM.	☐ We are collecting baseline data on our current AM practices.	☐ We have established performance measures to monitor our asset management progress, outcomes, and the benefits to our community.	☐ We use performance measures to monitor AM progress, outcomes, and benefits.	☐ We monitor performance and use the feedback to prioritize and make ongoing refinements and improvements to AM practices.

FCM FEDERATION OF CANADIAN MUNICIPALITIES FÉDÉRATION CANADIENNE DES MUNICIPALITÉS

AUMA™ AMSC™



The Response!

- 28 Applications representing nearly 60 municipalities across Alberta.

Progress

What's Next?