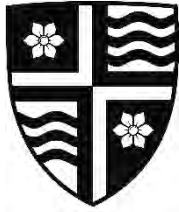


Township of
Langley



Est. 1873

REPORT TO MAYOR AND COUNCIL

PRESENTED: OCTOBER 1, 2018 - REGULAR AFTERNOON MEETING
FROM: ENGINEERING DIVISION
SUBJECT: MUNICIPAL ASSET MANAGEMENT PROGRAM
GRANT FUNDING

REPORT: 18-145
FILE: 1030-01

RECOMMENDATION:

That Council authorize staff to submit a grant application, and if approved, execute the required agreement with the Federation of Canadian Municipalities (FCM), for up to \$50,000 in funding from the FCM Municipal Asset Management Program (MAMP) on an annual basis for the duration of the program.

EXECUTIVE SUMMARY:

The Township of Langley is committed to advancing its Asset Management Program to ensure most effective and fiscally responsible management of its assets. Since establishing the Program in 2008, the Township has made significant progress. One of the most recent milestones of the Program was the development of a Strategic Asset Management Plan (SAMP) and Five-Year Road Map. The SAMP and Five-Year Roadmap provide clear goals and objectives to further advance asset management in the Township. An objective identified in the SAMP and Five-Year Roadmap is to monitor, renew and update the various asset management plans on an on-going basis.

The Federation of Canadian Municipalities' (FCM) Municipal Asset Management Program (MAMP) is a five (5) year \$50-million program that will support Canadian municipalities to make informed decisions about infrastructure investment decisions based on best sound asset management practices, to best serve citizens' needs. MAMP funding is available for asset management initiatives such as developing plans and strategies, data collection, and undertaking condition assessments.

The plans previously adopted related to municipal assets including facilities, fleet, parks, sanitary sewer, stormwater, transportation, and water infrastructure, are living documents that should undergo regular review and renewal to reflect changes in management processes and practices, appropriate levels of service, achievements, and funding allocations.

The Township is proposing to utilize MAMP to continue to update and enhance asset management plans for the various types of infrastructure. Subject to Council's approval, staff will submit an application to FCM on an annual basis for the duration of the program. Approved MAMP applications are eligible to receive funding for 80% of the cost, up to \$50,000 annually.

PURPOSE:

The purpose of this report is to obtain Council authorization to submit a funding application for the Municipal Asset Management Program on an annual basis whilst available, and if approved by the Federation of Canadian Municipalities, execute the required agreements.

BACKGROUND/HISTORY:

The Township of Langley is committed and continues to advance its infrastructure asset management program. Over the past ten years, the Township has made significant progress to further asset management.

Major milestones include:

Activities	Year
Asset Management Plans	2008
Computerized Maintenance Management System	2011
First Phase of Risk and Criticality Model	2012
FCM's Leadership in Asset Management Program – Phase I	2015
Updated Risk and Criticality Model	2016
Strategic Asset Management Plan and Five-Year Road Map	2017
FCM's Leadership in Asset Management Program – Phase II	2017
Asset Management Policy Update	2018

In 2008, one of the first major asset management initiatives the Township undertook was the development of seven (7) asset management plans for Facilities, Fleet, Parks, Sanitary Sewer, Stormwater, Transportation, and Water infrastructure. The plans provided a formal approach to managing the Township's assets through the adoption and implementation of best practice asset management methodologies and principles. They also provided a strategy for ongoing development, implementation, and improvement for the asset. These plans are living documents that should regularly undergo review and renewal to reflect changes in management processes and practices, current levels of service, achievement, and funding allocations.

The asset management plans are now ten (10) years old and have been identified for renewal in the Township's recently implemented Strategic Asset Management Plan (SAMP) and Five-Year Road Map, which was received by Council on March 5, 2018.

DISCUSSION/ANALYSIS:

The Federation of Canadian Municipalities' (FCM) Municipal Asset Management Program (MAMP) is a five year \$50-million program that will support Canadian municipalities of all sizes to make informed decisions about infrastructure, such as the planning and construction of recreational facilities, roads, water and wastewater systems. The program promotes the development of strong asset management foundations by supporting activities that incorporate asset management into daily practices.

Utilizing MAMP grant funding, the Township will renew the asset management plans to enhance the alignment between strategic sustainability goals and asset management as described in the Township's Sustainability Charter, highlight recommended levels of service, identify gaps in the asset inventory data, determine fiscal health, and build corporate and community capacity.

Provided in Attachment A is the Township's Five-Year Asset Management Strategy & Road Map that provides guidance for future asset management initiatives. The Road Map identifies the renewal of the asset management plans to be completed in 2020. However, to take full advantage of the FCM funding available in 2019 and subsequent years, the asset management plan renewals will be scheduled over multiple years.

Financial Implications:

If supported by Council, staff will apply for grant funding from FCM over the programs duration to renew the asset management plans through MAMP. If the applications are successful, FCM will fund 80%, up to \$50,000, of the project costs with the remaining costs being funded through existing asset management operating budgets. The table below shows the estimated costs and available funding amounts per year.

Year	Estimated Total Cost	FCM Contribution 80% - \$50K max	Township Contribution
2019	\$60,000	\$48,000	\$12,000
2020	\$75,000	\$50,000	\$25,000
2021	\$75,000	\$50,000	\$25,000
2022	\$75,000	\$50,000	\$25,000
Total	\$285,000	\$198,000	\$87,000

By phasing asset management plan renewals, the Township will be able to utilize approximately \$200,000 of MAMP grant funding. Maximizing the available MAMP funding will allow staff to redirect existing operating funds, planned for the asset management plan renewals, to other asset management objectives including developing a risk framework, linking asset management to long-term capital planning, and integrating climate change strategies into asset management.

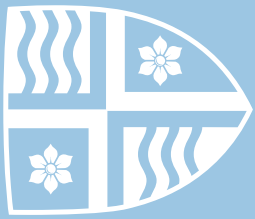
Respectfully submitted,

Hakim Bismel
INFRASTRUCTURE ASSET MANAGER
for
ENGINEERING DIVISION

This report has been prepared in consultation with the following listed departments.

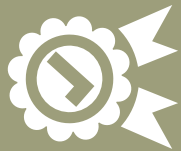
CONCURRENCES	
Division / Department	Name
FINANCE DIVISION	K. Sinclair

ATTACHMENT A Five-Year Asset Management Strategy & Road Map



FIVE-YEAR ASSET MANAGEMENT STRATEGY AND ROAD MAP

Where are we now?



- Inventory of assets
- Initiated condition assessments of infrastructure assets
- Risk and criticality modelling

Where are we going?



- Systematic five-year Asset Management strategic plan
- Asset Management Governance Committee
- Sustainability Charter and Asset Management Policy linkage

How do we get there?



- Capital funding strategies
- Policy and plan development
- Implementation of asset management framework

2018

- Develop internal asset management team, steering committee, and communication plan
- Establish goals and indicators for implementation
- Develop training program and materials
- Levels of Service - Parks Operations (Phase 1)
- Update Asset Management Policy

2019

- Document key information management workflow processes
- Develop risk framework
- Develop condition assessment framework
- Progression of condition assessments of infrastructure assets (Utilities)
- Implement asset management practices for natural assets

2020

- Further develop Levels of Service (Phase 2)
- Renew asset management plans for Utilities, Transportation, Fleet, Facilities and Parks
- Link Asset Management to long-term capital plan and update capital planning process
- Progression of condition assessment of infrastructure assets (Parks)
- Review work management system

2021

- Review long-term asset replacement funding strategy
- Integrate climate change strategies into asset management plans
- Develop data improvement strategy
- Review of condition assessment programs
- Develop community outreach strategy

2022

- Further develop Levels of Service (Phase 3)
- Review and update risk and criticality modelling
- Update Strategic Asset Management Plan
- Review the Asset Management Policy
- Develop an asset management improvement plan

Factors for Asset Management Success

- Build **organizational alignment** and commitment through a steering committee
- Ensure **appropriate information** is available to inform decisions
- Determine **levels of service and risk**
- Ensure **sufficient resources** to support best practices
- **Continuous improvement** is measured, tracked, and **communicated**
- Make progress in **implementation**, demonstrating **leadership** and **innovation**

Gaps

- Coordination across the organization requires improvement
- Data accuracy with underground assets
- More work required on asset service levels and risk
- The current capital reserve is insufficient to fund asset replacement
- Need to link an asset management plan to long-term capital and financial plans
- Natural assets and climate change impacts are not considered in all decision-making

Strengths

- National presence in Asset Management through participation in Leadership in Asset Management Program
- Work has been initiated on risk and service levels
- Centralized Work Management Department established
- Asset management practices for above-ground assets have improved significantly
- Streamlined decision-making practices
- Strong asset management dialogue within the Township
- Capital asset infrastructure renewal and replacement reserve