

# Service Business Plan



<b>Service Name</b>	Asset Management	<b>Service Type</b>	Internal
<b>Service Owner Name</b>	Paul Rohoman	<b>Budget Year</b>	2017
<b>Service Owner Title</b>	Coordinator of Linear Asset Management		

## Service Description

An internal service to provide strategic infrastructure asset management, including managing rehabilitation, renewal and revitalization through the assets' full life cycle.

## Current State

Customers & Their Expectations	<p>This service is delivered to:</p> <p>City Council, senior management, infrastructure services and the public, with the following expectations:</p> <ul style="list-style-type: none"><li>• Provide well maintained and safe infrastructure (assets)</li><li>• Define and provide recommended financing to maintain/renew assets</li><li>• Effectively manage the City's investment in infrastructure (i.e roads, buildings, parks, etc.)</li><li>• In consultation with other services, establish priority setting for capital planning and forecasting</li><li>• Maintain current condition and rehabilitation information/data.</li></ul>
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Existing Service Delivery	<p>Life cycle management of the City's tangible capital assets, which have a replacement value of about \$2.8 billion. Work includes life cycle assessment, priority setting for capital planning and forecasting, and the condition and financing requirements to maintain, rehabilitate and renew the City's infrastructure.</p> <p>Configuration and maintenance of the city's decision support system. The decision support system houses all life cycle information on City owned assets. The system calculates the optimum treatment, timing and cost for the rehabilitation strategy. The system predicts rehabilitation events, costs, and timing for the next 60 years. This data is used by the Financial Management service to develop the long term financing plan.</p> <p>This service is coordinated and delivered through the Asset Management Service in partnership with the Asset Management Committee that has representation from all the infrastructure asset categories (Roads, Facilities &amp; Buildings, Parks &amp; Open Space, RPM, Finance, Transportation, ITS etc.).</p> <p>Asset Management provides the overall framework, leadership, direction and coordination to all the infrastructure asset categories, and works with Financial Management Services to establish, update and champion the long-term asset management financial plan. The partner services work with Asset Management to carry out the physical work related to life cycle asset management.</p>
Existing Customer Engagement Tools / Methods	Annual reports keep Council informed. Infrastructure services are engaged through participation on the asset management committee team and capital budgeting process. Asset Management web site to be developed for public education. Surveys on acceptable levels of service.
Is this Service Provincially Legislated?	Yes Ontario municipalities are now required to develop detailed asset management plans to accompany any request for provincial or federal infrastructure funding
For this Service are there Approved Service Standards?	No N/A

## Sub-Services

<p>Asset Management Strategic Oversight</p>	<p>Responsible for coordinating the maintenance and operation of the asset management systems used to track the inventory, condition, replacement value, rehabilitation need, timing and cost of infrastructure assets. The information from these systems is used to plan, prioritize and establish the capital budget and forecast and long-range capital that fund maintenance, rehabilitation and renewal needs.</p> <p>Provides leadership on opportunities to integrate the various asset management systems.</p> <p>Establishes the standards, staff requirements and system requirements.</p>
<p>Long-Range Financial and Operational Planning</p>	<p>Provides leadership to establish the long-range asset management financing plan. Provides regular updates recommending the financing needed to rehabilitate and replace all infrastructure.</p> <p>Provides leadership and coordination for infrastructure funding opportunities through provincial and federal programs.</p>

### Recent Continuous Improvement Initiatives

In 2015, the service developed a report showing how accelerated funding could address the existing backlog and avoid future escalation of costs for road rehabilitation. This was necessary to address a portion of the "now needs" that are at the optimum rehabilitation timing and avoid future project scope and cost escalation (i.e., resurfacing vs. reconstruction).

In 2015, Parks and Open Space assets were integrated into the Riva software. The new inventory condition and prediction data was incorporated into the services performance measures and is helping the Parks and Open Space service plan for the sustainability of the city's Park lands. This continues the service's goal to have all major asset types (with the exception of Facilities & Buildings) in Riva by the end of 2015. Facilities & Buildings are maintained in a separate system.

In 2016, the service is producing the city first Asset Management plan. This document contains information on the city's Inventory of Assets, the condition of those assets, and the replacement cost. The plan also documents the financing strategy approved by council that will provide the funding required to rehabilitate assets at the most optimum time in its lifecycle. The plan is a living document and will be updated annually.

The Asset Management web site is a resource for knowledge, documents, and news related to Asset Management System at the City. The site serves as a great communication tool for both internal and external stakeholders.

### Emerging Opportunities and Anticipated Risks

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Emerging Opportunities

With the approval of the long-term asset management financial strategy, the City will be well positioned financially to increase the number of renewal projects delivered each year. The additional funding will allow more work to proceed, addressing the backlog of projects in a more timely manner. As well, more work will be done at the appropriate time to avoid future increased costs.

About 95% percent of assets (based on valuation) are now tracked through their life cycle in the Riva DS system (excluding Facilities & Buildings, which have their own system). Work on adding more assets to the Riva system is ongoing, with the goal of achieving 100% by 2018.

Continue to monitor and pursue infrastructure funding opportunities through provincial and federal programs. Infrastructure spending has been a commitment from both levels of government and the city's asset management system is critical for prioritizing and quantifying projects eligible for Higher government level funding

Explore the strategic alignment of Asset Management Service and the Geographic Information and Mapping Service

Explore applying the Corporate risk framework to assets in order to quantify the consequence of failure

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Anticipated Risks	<p>Senior levels of government require asset management plans as a condition of funding starting December 31st, 2016. Bill 6 legislation will regulate the content of Asset Management plans, the city has been monitoring the evolution of the bill and will be positioned to satisfy the regulations once they are fully established</p> <p>With increased funding, we will have to deliver more projects, putting increased workload on staff. We will have to continue improving our methods to increase project delivery output.</p> <p>We rely heavily on our various asset management systems. We need to ensure that we have backup in qualified and trained staff to continue to manage these systems effectively. Regulations for asset management plans will have an impact on workload in the future</p> <p>Future Councils may not be as supportive of renewing the existing assets over building new. Council may not approve the funding as outlined in the long-term financial plan.</p> <p>Inflation greater than accounted for in the long-term financial plan will erode the funding purchasing power and affect the number of renewal projects that can be delivered.</p> <p>Other agencies are increasing infrastructure spending. Halton Region, CN Rail, Metrolinks, MTO are all investing in infrastructure in the coming years. Coordination with these agencies will ensure the city's investment is protected</p>
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Service Objectives	Target Completion
Produce an Asset Management Plan documenting the asset management systems, level of service, risk assessment, etc. This is important because senior levels of government require asset management plans as a condition of funding.	Dec 2016
Create a Asset management specific web site with links to the Asset Management Plan sections. The website will be the first step in a community engagement program, and will serve as the platform for the distribution of the Asset Management Plan.	Dec 2016
Conduct a customer satisfaction survey, to establish baseline data on what is most important to customers. This will determine where needs are not being met or gaps in the services provided.	Jun 2017
Integrate remaining asset types into the Riva software. The goal is to have all remaining assets (such as IT infrastructure) in Riva by the end of 2017.	Dec 2017

<p>Create an Asset Management communication strategy with Communications to engage the public regarding asset management in Burlington. The Asset Management group would like to produce a video series explaining the details of asset management (How do we collect inventory information?, How do we do condition assessments?). The communications plan will bring a fresh and innovative perspective on Asset Management and serve as a education resource for Staff and the Public.</p>	<p>Jan 2017</p>
<p>Establish formal QA/QC procedures for all Asset Information. Automate the process using FME and generate an exception report.</p>	<p>Sep 2017</p>

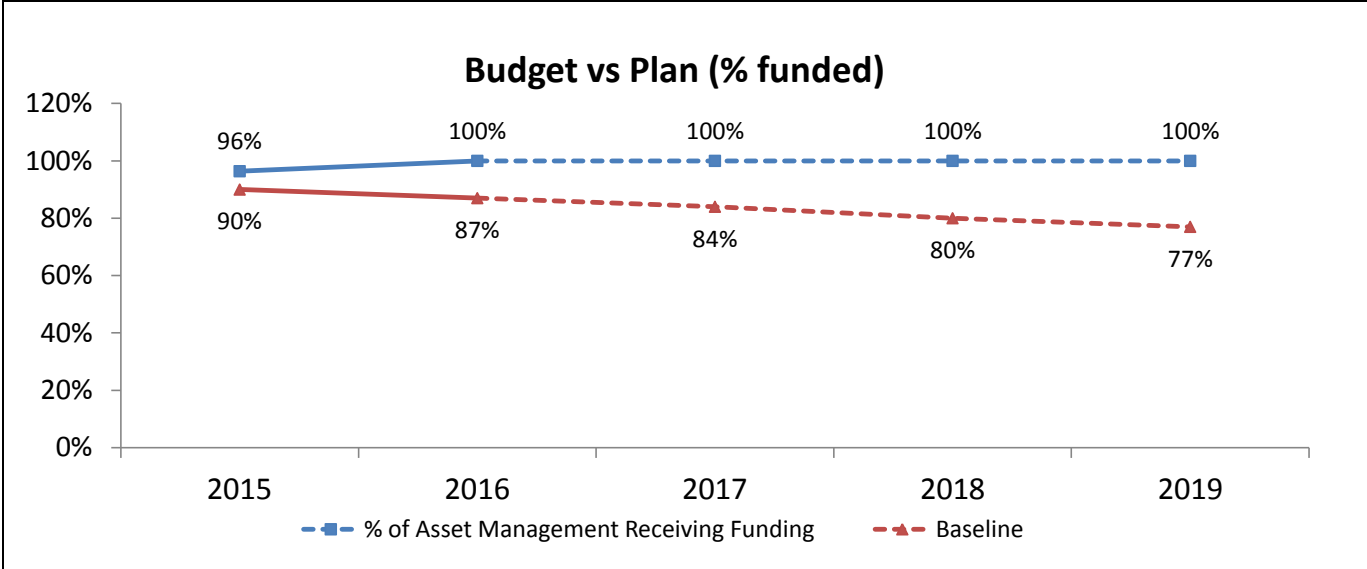
# MEASURING SUCCESS

## How much did we do?

Performance Measurement	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Projection	2017 Forecast	2018 Forecast	2019 Forecast
Replacement value of assets under management (\$ millions)	N/A	\$2,500	\$2,550	\$2,601	\$2,838	\$2,894	\$2,951	\$3,010
Percentage of assets in Asset Management System	N/A	N/A	90%	96%	97%	98%	99%	100%

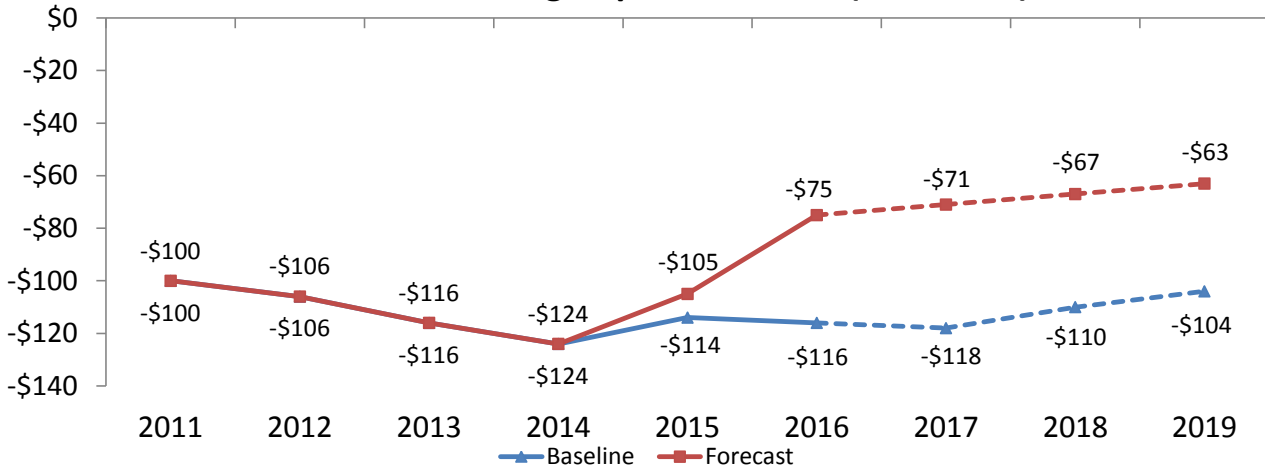
## How well did we do it?

<b>Performance Measurement</b>	Budget vs Plan (% funded)
Story behind the data	This measure tracks the actual annual funding (budget) divided by the annual need specified in the funding plan, presented as a percentage. In 2013 Council adopted a Long term Infrastructure funding plan to ensure that enough funding will be available to fund the rehabilitation requirements in a given year. The finance plan assumes that the Backlog is static, however an additional 20 million was approved over 5 years to fund projects in the Infrastructure Gap, thus reducing the risk of cost escalation.



<b>Performance Measurement</b>	Cumulative Funding Gap Road Assets (\$ Millions)
Story behind the data	The Road Needs Backlog is defined as the dollar value of the work that needs to be done but has not been done due to insufficient funding. The backlog is now \$75 million, and based on existing funding levels, the gap will slowly close.

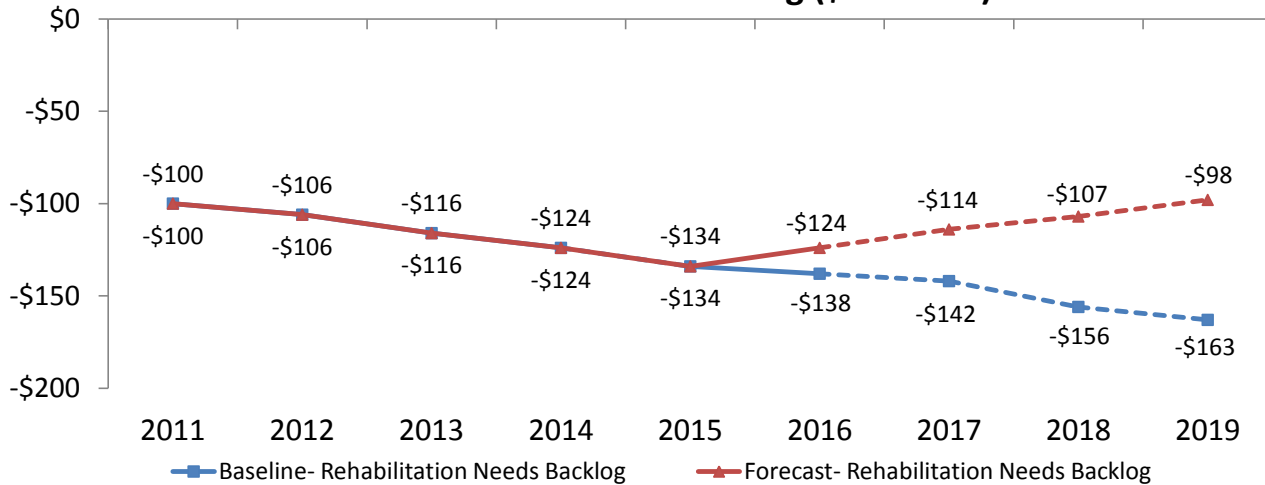
**Cumulative Funding Gap Road Assets (\$ Millions)**



**Is anyone better off?**

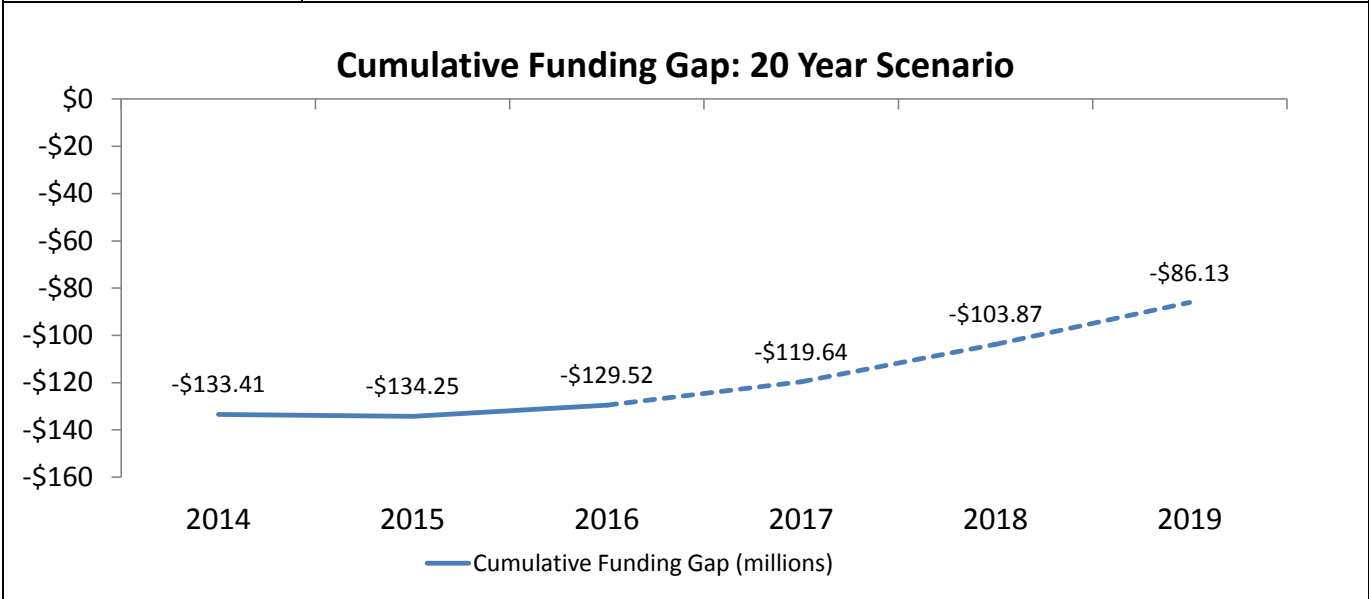
<b>Performance Measurement</b>	Rehabilitation Needs Backlog (\$ millions)
Story behind the data	This graph illustrates the magnitude of the funding backlog for all assets that need rehabilitation. If not addressed the backlog will grow to unmanageable levels and the level of service provided by city infrastructure will decline.
Where do we want to go?	The long-range financial plan will increase funding and eliminate the backlog of assets needing rehabilitation by 2035.

**Rehabilitation Needs Backlog (\$ millions)**

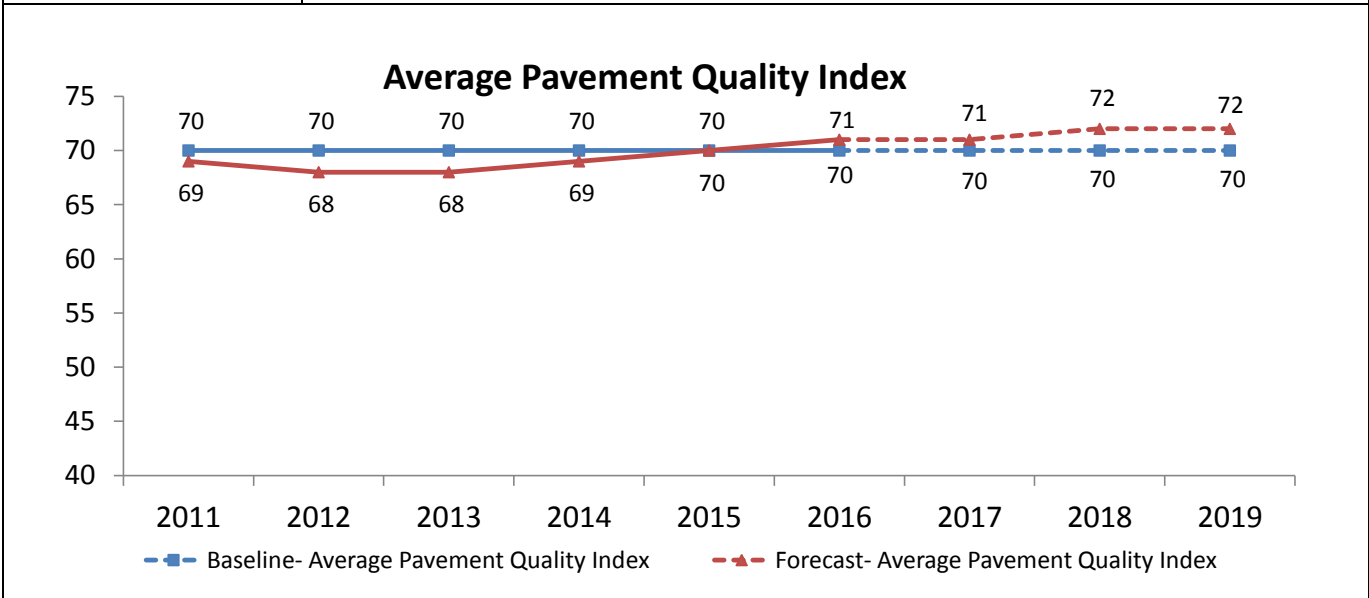




<b>Performance Measurement</b>	Cumulative Funding Gap: 20 Year Scenario
Story behind the data	This graph tracks progress on addressing the City's infrastructure backlog and is an important measure of the City's long-term financial health.
Where do we want to go?	Gradually reduce the funding backlog, and address all rehabilitation items in a timely manner.

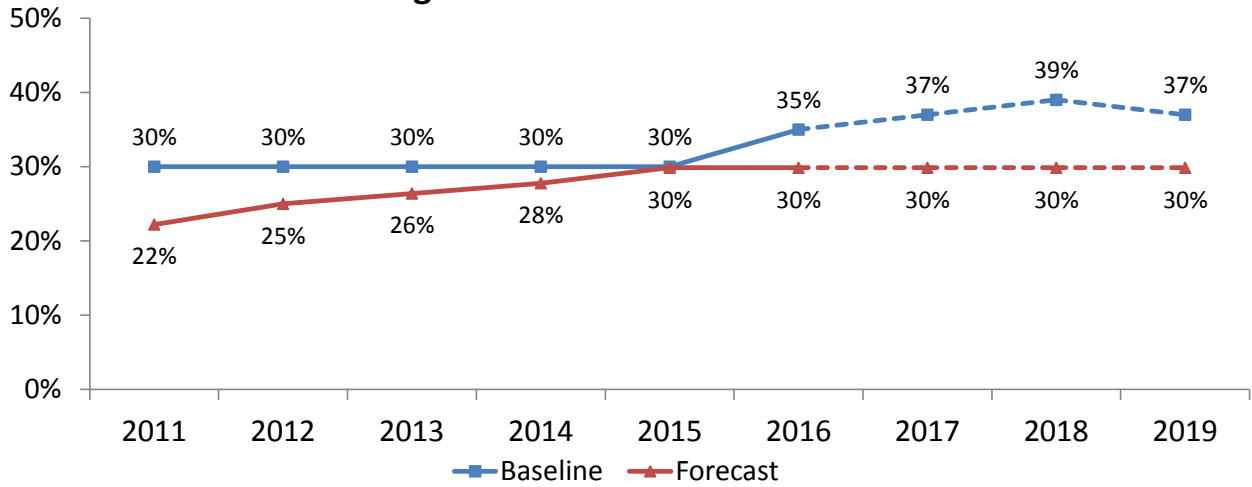


<b>Performance Measurement</b>	Average pavement quality index (PQI)
Story behind the data	The Pavement Quality Index is a measure of the overall condition of the road pavement. A PQI of 100 would represent a brand new roadway while a PQI of 20 would represent a roadway that not longer provides acceptable service. The average PQI has been stabilized and is approaching the optimal band of 75/100 on the PQI scale. Arterial resurfacing projects will help improve the overall network PQI.
Where do we want to go?	We need to increase capital budget funding to provide for appropriate levels of maintenance, rehabilitation and replacement of pavement at the optimum time to reduce longer-term costs.



<b>Performance Measurement</b>	Percentage of Structures with Bridge Condition Index (BCI) <70
Story behind the data	A bridge or culvert with a BCI of less than 70 is considered to be in fair condition, usually needing rehabilitation work within five years. City structures are visually inspected every 2 years and rehabilitation requirements are incorporated into the capital budget.
Where do we want to go?	We need to increase the funding to repair or replace aging bridge and culvert structures to maintain service levels and minimize risk to the public.

**% Bridge and Culvert Condition Index < 70**



## SERVICE RESOURCE SUMMARY

## Service Description

An internal service to provide strategic infrastructure asset management, including managing rehabilitation, renewal and revitalization through the assets' full life cycle

## Service Owner Name

Paul Rohoman

	2015	2016		2017 Proposed				
	Actual	Budget	Year End Projections	Base Budget	% Change vs. 2016 Budget	Business Cases	Total Budget	% Change vs. 2016 Budget
Human Resources	\$ 512,564	\$ 796,246	\$ 657,896	\$ 811,974	2.0%	\$ -	\$ 811,974	2.0%
Operating/Minor Capital Equip.	\$ 344	\$ 650	\$ 650	\$ 450	-30.8%	\$ -	\$ 450	-30.8%
Purchased Services	\$ 28,330	\$ 23,740	\$ 39,865	\$ 31,700	33.5%	\$ -	\$ 31,700	33.5%
Corp. Expenditures/Provisions	\$ -	\$ -	\$ -	\$ -	n/a	\$ -	\$ -	n/a
Internal Charges & Settlements	\$ -	\$ -	\$ -	\$ -	n/a	\$ -	\$ -	n/a
<b>TOTAL EXPENDITURES</b>	<b>\$ 541,238</b>	<b>\$ 820,636</b>	<b>\$ 698,411</b>	<b>\$ 844,124</b>	<b>2.9%</b>	<b>\$ -</b>	<b>\$ 844,124</b>	<b>2.9%</b>
Controllable Revenues	\$ (194,938)	\$ (124,000)	\$ (100,000)	\$ (115,000)	-7.3%	\$ -	\$ (115,000)	-7.3%
General Revenues & Recoveries	\$ (28,445)	\$ (21,000)	\$ (21,340)	\$ (21,420)	2.0%	\$ -	\$ (21,420)	2.0%
<b>TOTAL REVENUES</b>	<b>\$ (223,383)</b>	<b>\$ (145,000)</b>	<b>\$ (121,340)</b>	<b>\$ (136,420)</b>	<b>-5.9%</b>	<b>\$ -</b>	<b>\$ (136,420)</b>	<b>-5.9%</b>
<b>NET OPERATING BUDGET</b>	<b>\$ 317,855</b>	<b>\$ 675,636</b>	<b>\$ 577,071</b>	<b>\$ 707,704</b>	<b>4.7%</b>	<b>\$ -</b>	<b>\$ 707,704</b>	<b>4.7%</b>