

# ASSET MANAGEMENT (AM) OUTCOMES WORKING GROUP

CANADA COMMUNITY BUILDING FUND

May 30, 2023

# AGENDA

1. Roundtable discussion on tracking sector progress, data collection, research activities, training initiatives and reporting requirements
  - Government Ministries & Agencies
  - Associations Update (AMO, FCM, MFOA, OGRA)
  - Communities of Practice (AMONTario)
2. Next Steps

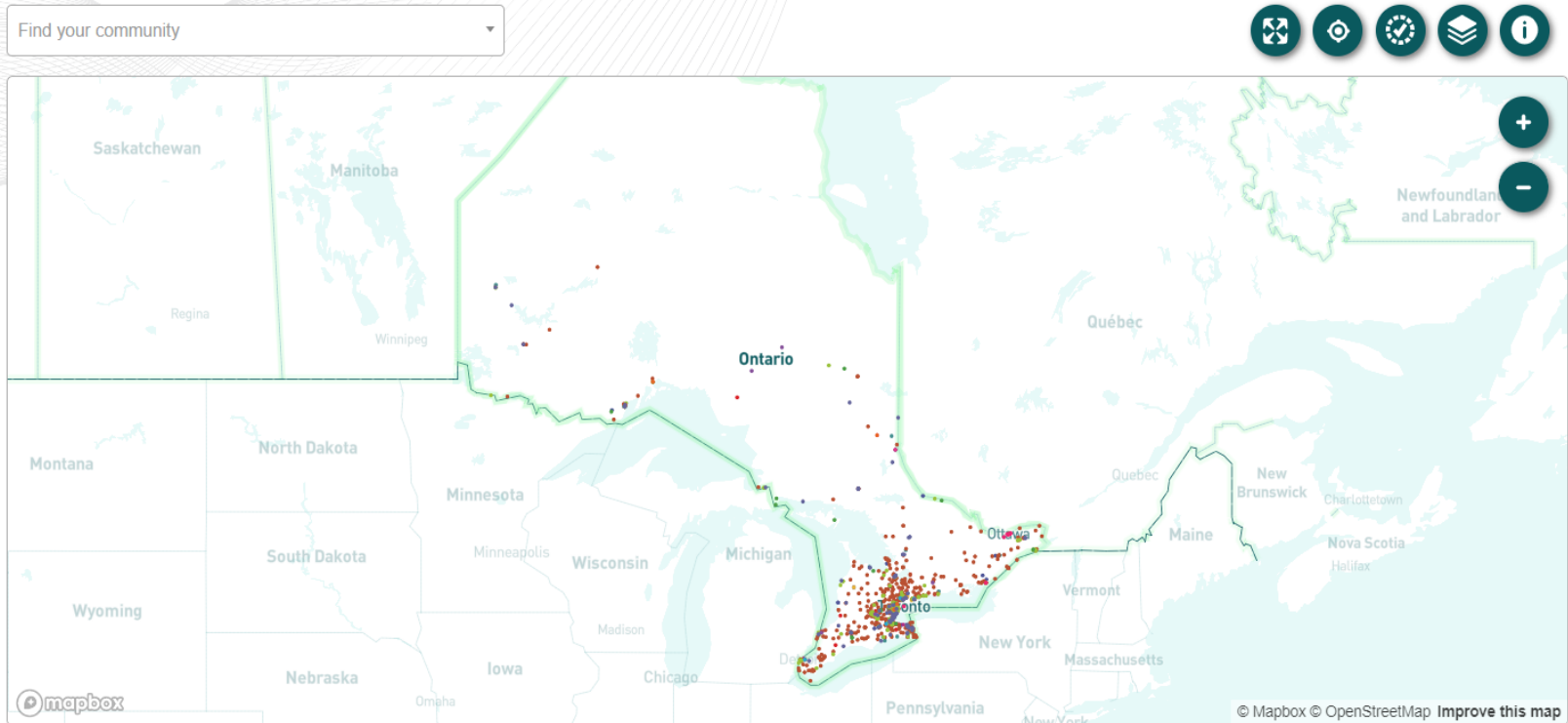
# ROUND TABLE UPDATES

1. Current and Upcoming Initiatives
2. Assessment of Sector Progress and Needs
3. Available Support
4. Opportunities for Collaboration

# CONTEXT – CCBF REQUIREMENTS

- CCBF agreements require municipalities to demonstrate progress in AM by:
  - Developing and implementing AMPs
  - Using federal funds to address priority projects identified in the asset management plans
- AMO's focus has been on delivering capacity building initiatives and monitoring sector progress and needs
- Municipalities submit their most recent AMPs or URLs and complete an optional questionnaire on progress made

# MAINTAINING INVENTORY OF AMPs



- Collecting URLs of most recent AMPs to populate mapping tool
  - 90% completed 2022 CCBF reporting to date
    - 10% with no URLs; committed to post new AMPs later this year

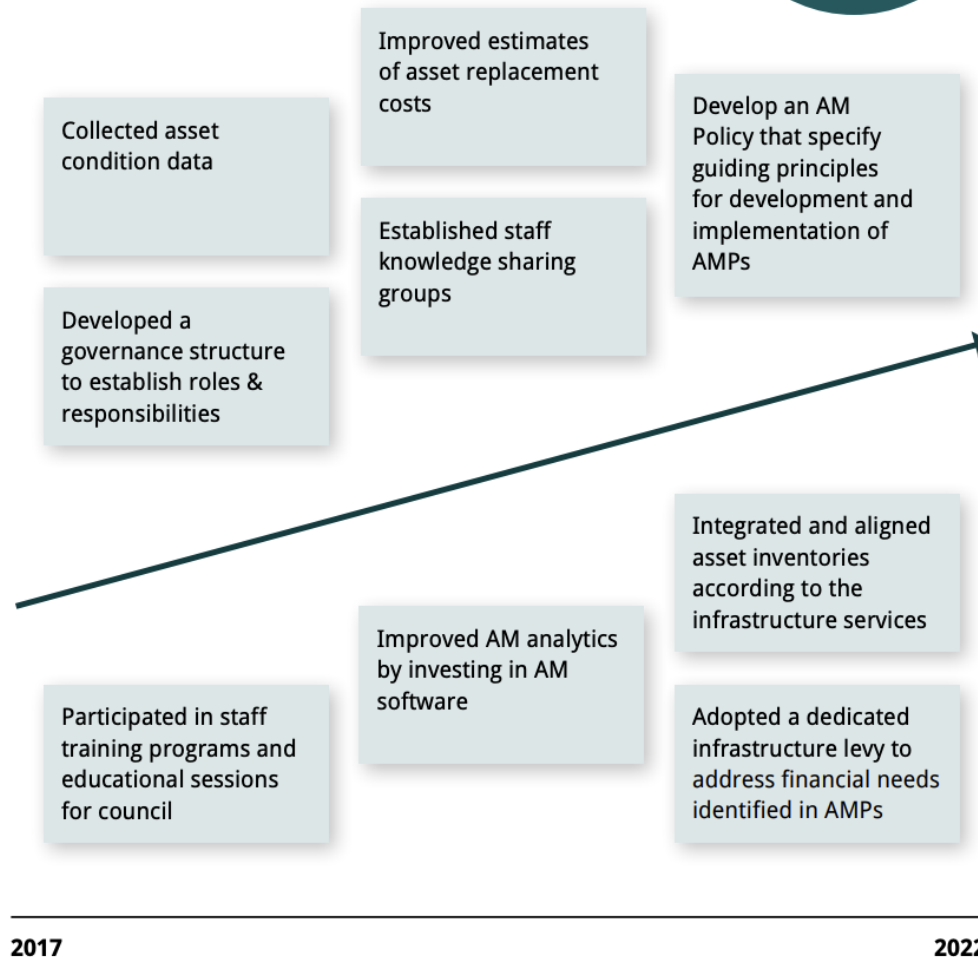
# CURRENT STATUS – SECTOR PROGRESS

- Recently published [2023 AM Outcomes Report](#)
- Over 80% updated their AMPs during 2017-22 to meet provincial requirements
  - Engaged PSD to [assess AM maturity](#) based on a sample of 80+ most recent AMPs
  - Engaged AMONTario to provide [additional insights](#) on into the adoption of AM practices by interviewing sample of municipalities.

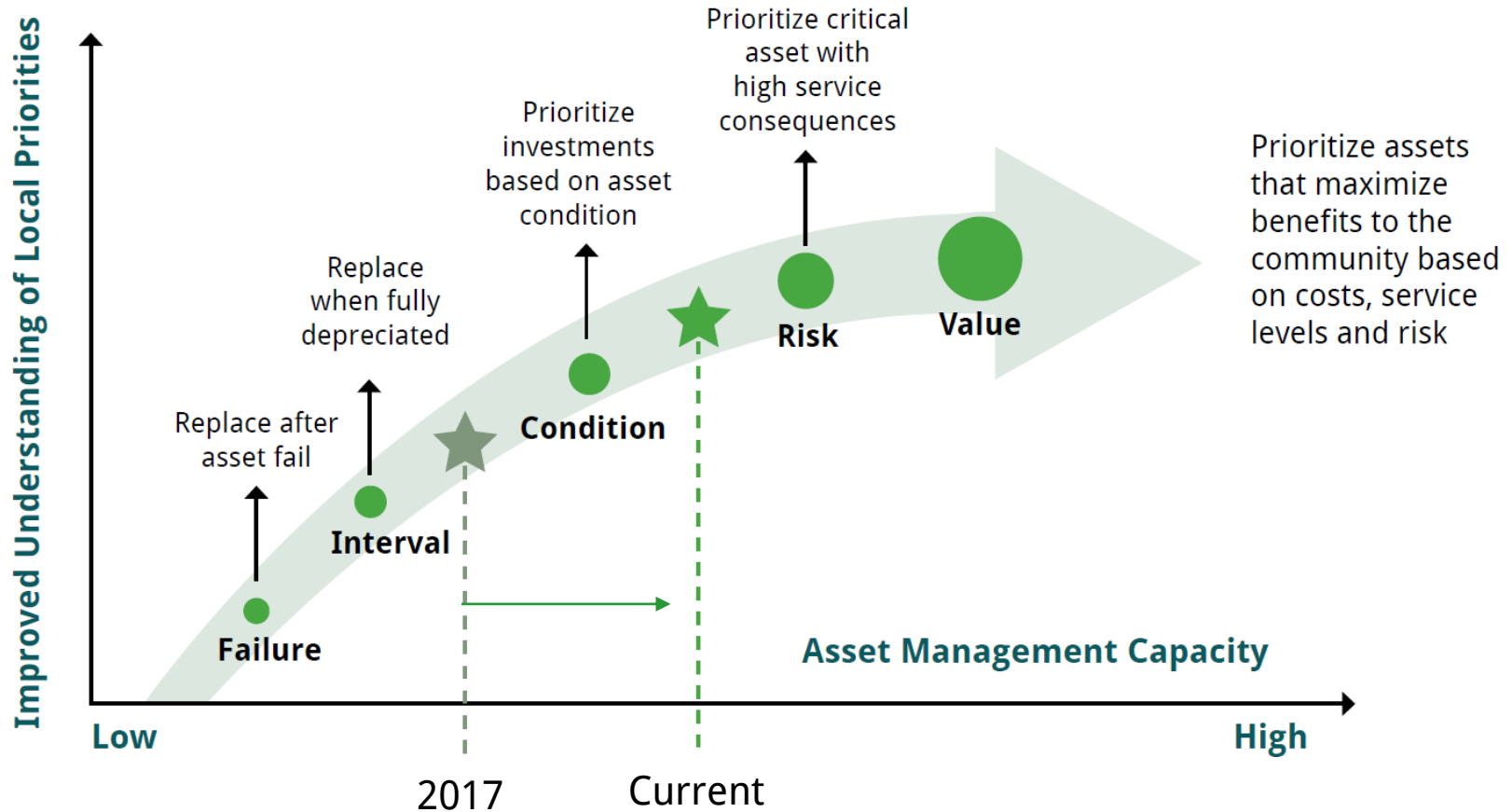
# SECTOR PROGRESS IN AM IMPLEMENTATION

## AMPs Development and Implementation

**80%**  
of Ontario  
municipalities  
improved their  
AMPs since 2017



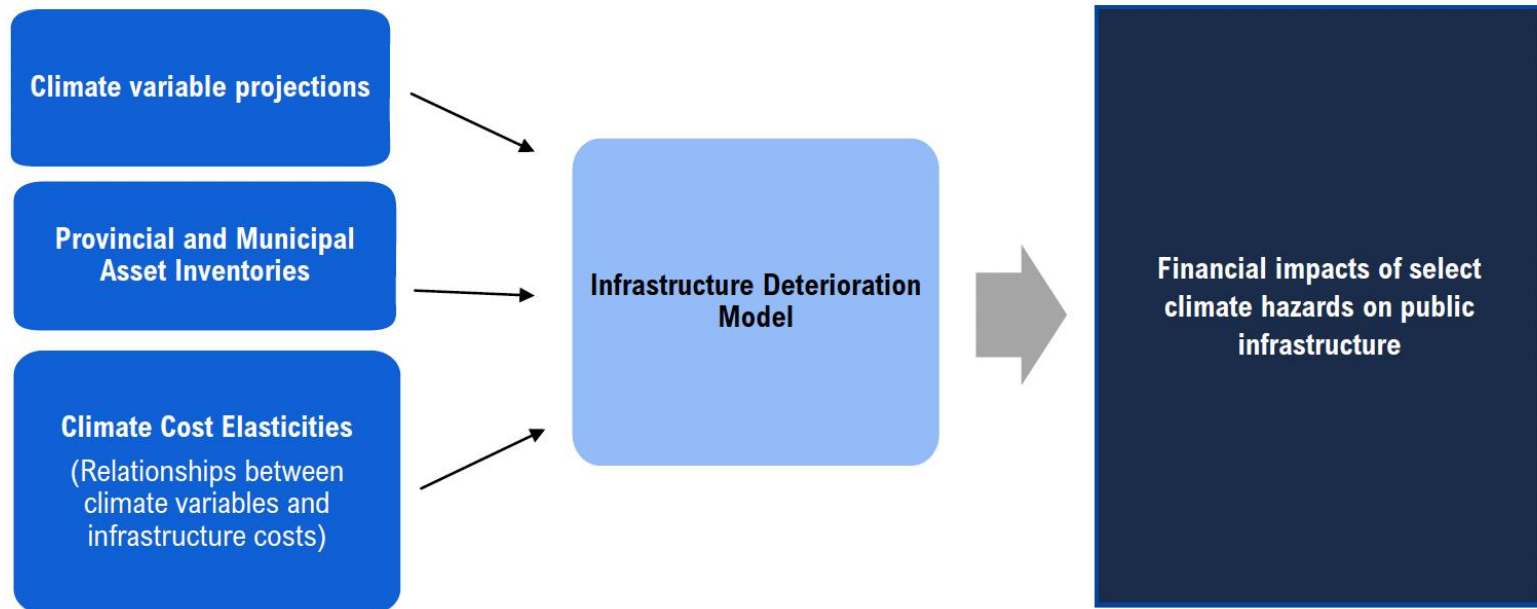
# IMPROVED UNDERSTANDING OF LOCAL PRIORITIES





# EMERGING CHALLENGES / OPPORTUNITIES

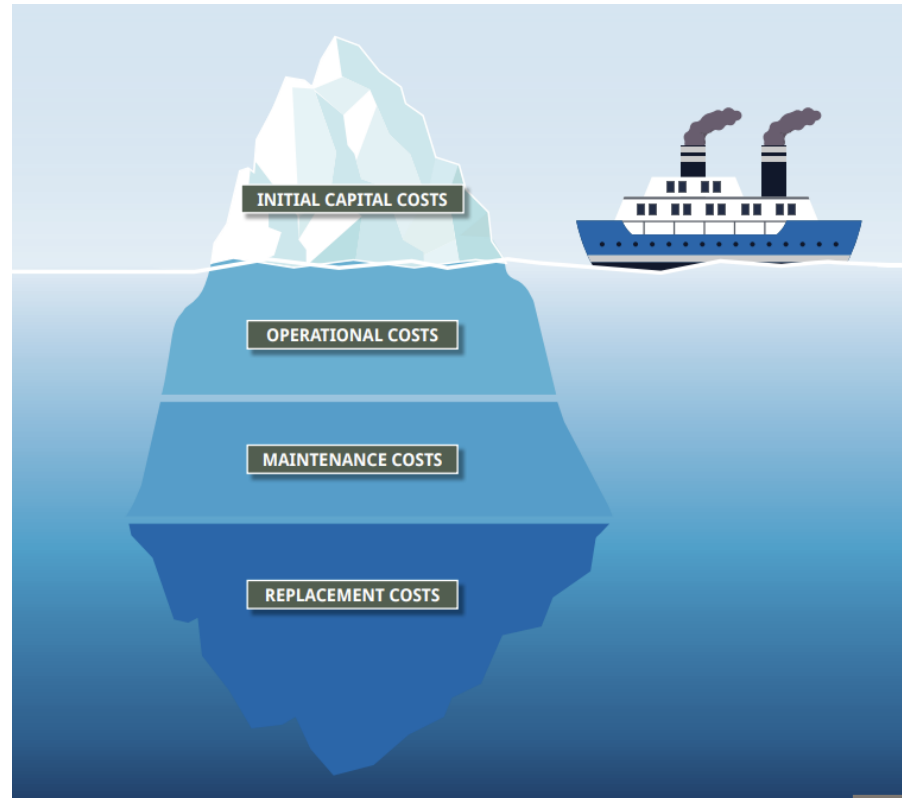
## Costing Climate Change Impacts to Public Infrastructure



Source: [FAO's CIPI Project](#)

# EMERGING CHALLENGES / OPPORTUNITIES

## Integrating Whole Lifecycle Costing with Financial Planning



# SUCCESSFUL AM IMPLEMENTATION

- Align AM with Strategic Objectives of Council
  - Update AM Policy with every Council term.
  - Facilitate Council Adoption of AM as a Decision-Making Tool.
- Better Condition and Financial Data required to support “Good Governance” and “Funding Allocation Models”
- Establish Regional AM knowledge sharing groups
- Address Evolving AM Needs & Service Expectations
  - Difficult to establish sustainable target service levels
  - Changing demographics, intergenerational equity, climate change resiliency and mitigation, and fiscal sustainability

# Next Steps

- Ensure alignment and coordination with AM initiatives across the province
- Broadly circulate available tools and templates to build capacity for meeting forthcoming provincial requirements
- Determine future AM reporting requirements under CCBF



[www.buildingcommunities.ca/asset-management/](http://www.buildingcommunities.ca/asset-management/)  
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**Discussion with AM Outcomes Working  
Group:  
Three Sector Challenges (based on work  
for CCBF-Ontario Outcomes project)**

May 29, 2023

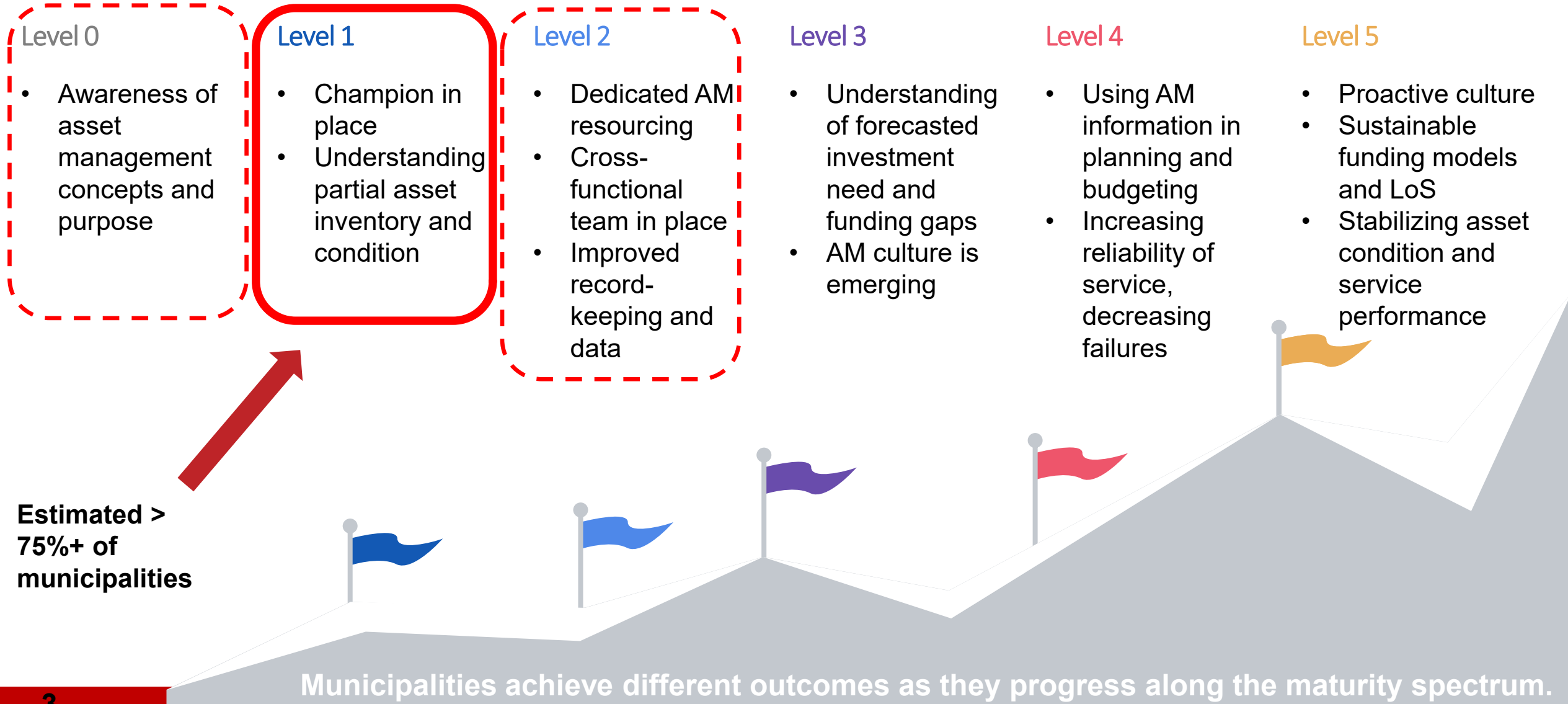
Chris Chen

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# Challenge #1: Implementing ('Operationalizing') Asset Management is the next big wave for the municipal sector.



# Many Ontario municipalities are at the beginning maturity stages in their asset management.





**Many municipalities work on AM's discrete steps without enough focus about how to combine them as an integrated practice.**



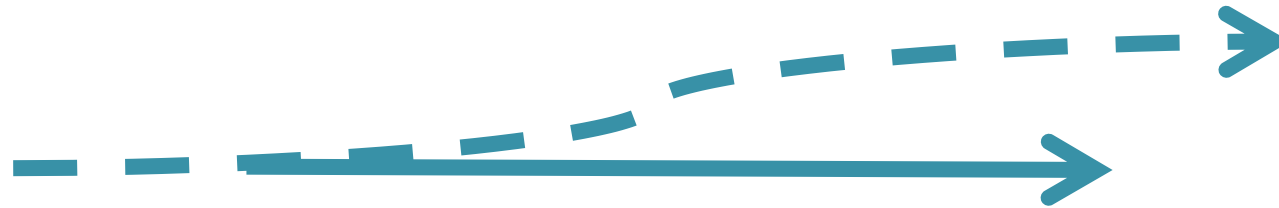
**Learning dance steps**

**Vs.**



**Dancing**

**Municipalities often underestimate the depth of organizational transformation that implementing AM requires.**



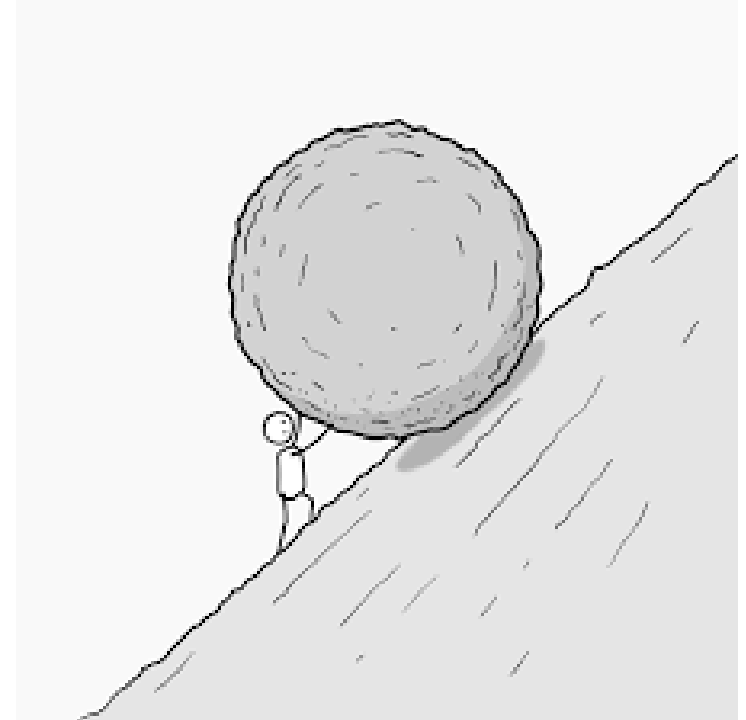
**The most important determinant of AM progress within an organization is the quality of its AM culture, which takes time (years), effort and purposefulness to develop.**

**Being able to integrate AM practices is so important that it is one of the best predictors of accelerated progress.**

**Challenge # 2:  
AM Conversation is Changing, and Policy / Program  
Metrics Have Not Caught Up.**

# At policy level, AM discussions are largely framed around addressing ‘infrastructure deficit’.

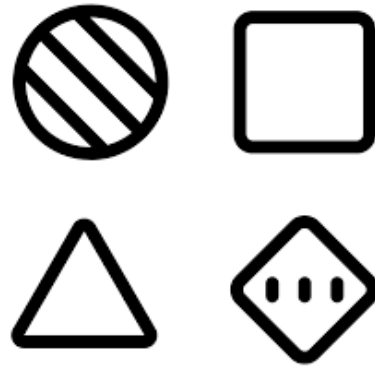
- According to the Province’s Financial Information Returns, total capital financing for municipalities in Ontario was around \$54B (in 2021 dollars).
- The Financial Accountability Office of Ontario (FAO) estimates that Ontario municipalities’ infrastructure backlog to be \$52.1B. The backlog is commonly referred to as an infrastructure deficit and defined as the cost required to bring assets up to a state of good repair.



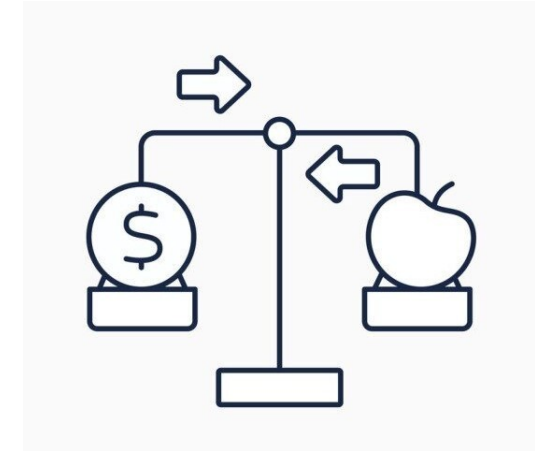
# But the discussions around infrastructure increasingly reflect other ways that AM drives value...



Climate change



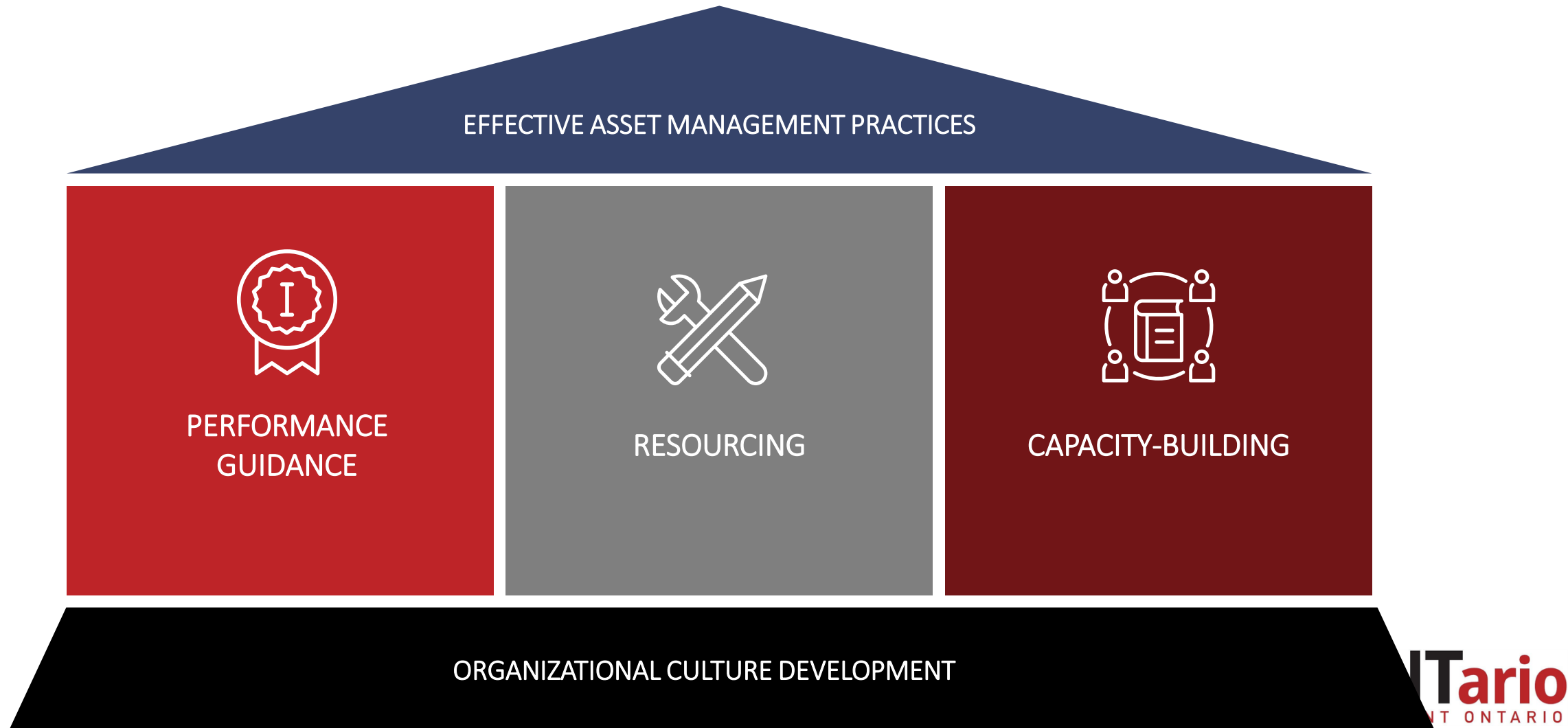
Equity, diversity & inclusion



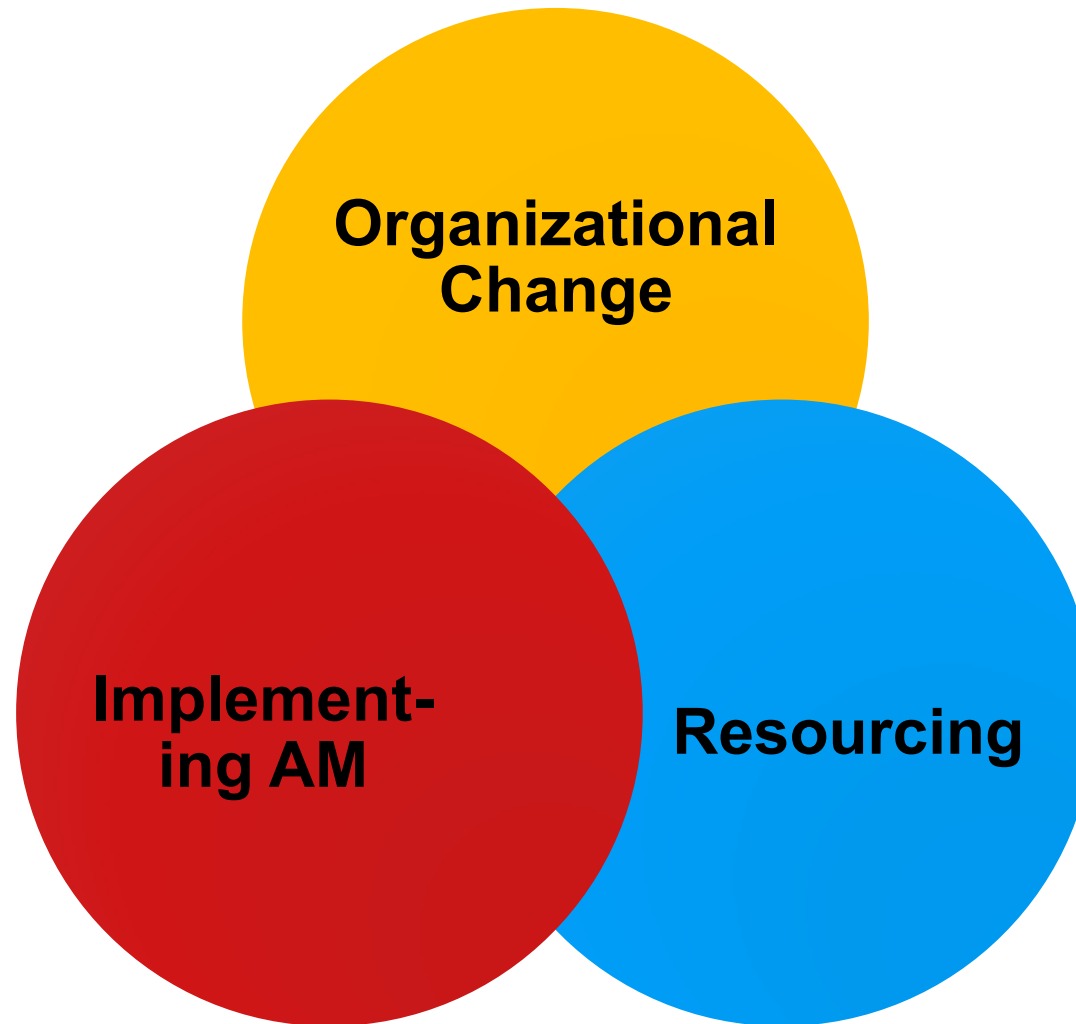
Evidence-informed tradeoffs to achieve sustainability

**Challenge # 3:**  
**Building AM Capacity Across the Sector Requires an**  
***Integrated Approach.***

# A funding / program framework should have three pillars.



**Understanding the sector's challenges entails understanding the intersection of challenges for municipalities holistically (around organizational change, resourcing, & implementation)**





# Asset Management Ontario (AMONTario)

Asset Management Ontario (AMONTario) is a centre of excellence for public sector asset management. Its mission is to strengthen infrastructure asset management capacity and effectiveness across Ontario's public sector.

We've worked with over 200 municipalities and are a program partner with the Federation of Canadian Municipalities' (FCM) Municipal Asset Management Program. We also deliver AM technical assistance on behalf of the Association of Municipalities of Ontario (AMO).

In addition to mentoring, coaching and direct AM assistance, AMONTario offers online certificate courses integrating climate change considerations into the AM process, including an introduction to green infrastructure. Check out some of our events & resources via [Asset Management Ontario's YouTube](#) channel.

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