

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Office of the City Treasurer - Asset Planning**

**MISSION STATEMENT:**

*"Our City is built on relationships – between citizens and their government, businesses and public institutions, city and region – all interconnected, mutually supportive, and focused on the brightest future we can create together."*

<b>LiveLink REPORT #: 16966 GFG/9967</b>	<b>Report Date: January 21, 2014</b>
<b>Author's Name: Melissa Osborne</b>	<b>Date to Council: February 3, 2014</b>
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**To: Mayor and Members of City Council**

**Subject: Asset Planning Work Plan and Capital Project Re-Allocation**

**1. RECOMMENDATION:** City Wide: \_\_\_\_ Ward(s): \_\_\_\_ THAT City Council **APPROVE** the initial project list to be partially funded by the \$600,000 placeholder for Asset Management Service Design and Implementation (ID# 7131117);

**AND**

THAT, in order to have sufficient funding available to undertake all the required asset management projects noted in the list, City Council also **APPROVE** the reallocation of remaining funds in the Tangible Capital Assets Project (ID#7073020) **AND** SDR Asset Management Governance Project (ID# 7093907) to the Asset Management Service Design and Implementation Project (ID# 7131117)

**AND**

THAT City Council **DELEGATE** to the Asset Planning Steering Committee the authority to approve the reallocation of project funding as necessary within the Asset Management Service Design and Implementation Project Budget (7131117), provided the original project list is completed and total funding is within the capital budget.

**EXECUTIVE SUMMARY:**

N/A

**2. BACKGROUND:**

As Council will recall from the Asset Management Plan (AMP) presentation and discussion on December 16, 2013 the completion of the AMP is the first step of many in enhancing the City's asset management practices and improving the information for use in future capital budget development. Section 7 of the AMP identified some asset management projects starting in 2014.

This report is to further detail those projects as well as identify approximate costs and available funding sources for Council's approval.

Since 2006 there have been 3 separate initiatives associated with furthering asset management practices and asset data collection for the City. Each initiative has been funded separately. These initiatives are; Tangible Capital Assets (TCA), SDR Asset Management Governance and Asset Management Service Design and Implementation.

The TCA project started in 2007. The focus was on compliance with PSAB 3150 regulations, requiring all municipalities to report, value and place their assets on their financial statements. Given the initiative would capture new and/or additional asset data, other projects to implement and/or upgrade software solutions to support and use this information were included in this project. Completed projects in TCA are: PSAB 3150 compliance, Hansen System Sustainability, Asset Management Forecasting and Facilities Maintenance Management System. Remaining projects are: Parks and Pollution Control Maintenance Management Systems.

Asset Management Governance was a result of the Service Delivery Review project (2010) and was a project implemented to provide recommendations on how the City should be structured to deliver both Corporate and Operational needs for asset management practices and reporting. The projects deliverables included: Asset Management Assessment report – Current State and 1-5 year plan; Asset Management Governance Structure; Asset Management Operational Structure Report; Corporate Asset Management Strategy Report and Asset Management Plan. The governance and operational structure recommendations were approved by Council in March 2012 resulting in the creation of the Asset Planning Division in 2013. The final report, the City's Asset Management Plan, was completed when presented and approved by Council on December 16, 2013. The remaining reports now form part of the work plan for the Asset Planning division in 2014 and beyond.

The Asset Management Service Design and Implementation (2010) was to be a placeholder until such time as the Corporate Asset Planning division was created. These funds were set aside to allow the Division to move forward with the recommended next steps resulting from the Asset Management Governance project which were not already funded by the TCA project. The placeholder was reconfirmed by Council in March 2013 through the Capital Variance report #16591, CR115/2012, requesting that these funds continue to be a placeholder pending a report to City Council for approval of how these funds would be used.

The Asset Planning division created in 2013 reports to the Chief Financial Officer/City Treasurer and Corporate Leader Finance and Technology and the division is responsible for Corporate Asset Management, Capital Budget and Corporate Energy.

To ensure asset management strategies meet Provincial guidelines and are corporately developed and approved, the Senior Manager of Asset Planning reports to an Asset Planning Steering Committee for any Asset Management related activities, and facilitates discussions regarding details and direction on asset management deliverables are handled through the Asset Manager Network. The Asset Co-ordinator in the division facilitates discussions and works with the Computerized Maintenance Management System team to implement various practices and to create and enhance data collection and management. These three groups all have representatives from the various operational and finance areas to ensure corporate development and support of any changes in asset management practices at the City.

### 3. DISCUSSION:

Through various means such as leveraging existing solutions and negotiating fixed price agreements for the completed Tangible Capital Assets (TCA) projects the original estimates on some of the projects have come in less than expected. Of the \$1.75M in capital budget funding for TCA approximately \$834,000 remains. The Asset Management Governance project also came in under budget as the Project Manager was not staffed on a full time basis so funding for backfilling a secondment was not necessary. As a result, once all final payments to the consultants are made, an estimated \$98,000 will remain in this project. The Asset Management Service Design and Implementation placeholder was set at \$600,000.

To streamline reporting and clarity on the various Asset Management initiatives a consolidated list of projects for 2014 and 2015 is presented in this report. Administration is recommending that remaining funds from both TCA and Asset Management Governance be transferred to the Asset Management Service Design and Implementation project for ease of tracking and reporting to Council.

Based on the remaining projects in TCA, as well as the recommended next steps from the AMP, the Asset Planning Steering Committee has reviewed and approved for presentation to City Council the list of projects for the Asset Planning division. These projects will be executed in conjunction with various other departments and divisions throughout the City, as has been the past practice with the TCA and Asset Management projects to date.

Project Name	Brief Description	Year	Est. Cost
Parks Application	Implementation of a maintenance management solution to track all park asset data and maintenance activity. Project includes funding for application as well as funding necessary to implement solution and collect asset data.	2014-2015	\$150K
Pollution Control Antero System	To provide any funding necessary to assist in the Antero upgrade and expansion of asset data in the system for the various pollution control plants and pumping stations.	2014	\$70K
Building Condition and Square Footage	To contract both internal and external resources to capture necessary square footage data which will serve multiple purposes as well as capture much needed condition data on the 10 major components of a facility for future planning on maintenance, replacement and funding needs.	2014-2015	\$350K
Mobile Hansen System	To allocate funding for devices needed to put mobile devices in the field to capture various inspection and maintenance details on linear assets. This will result in significant efficiencies.	2014	\$50K
*Interface FleetSystem/Hansen System	To create interfaces between the Fleet and Hansen systems allowing changes in the source data in the operational areas to be updated to the TCA ledger creating much needed efficiencies in this area.	2014-2015	\$94K
*Facility Breakdown TCA	To break out the facility assets in TCA to the 10 major facility components (roof, windsows, HVAC, etc.). This combined with the Building Condition information will be essential to future Asset Management Plans and identification of funding needs.	2015	\$125K
Levels of Service (LOS) & Risk	To create an approach to defining levels of service and risk as it relates to asset management plans and strategies throughout the City. Solution will leverage existing information where appropriate. Resulting information will assist in prioritization of needs in both the operational areas for each respective asset as well	2014	\$175K

	as the priority when compared to all other corporate asset needs.		
Life Cycle Costing	Building upon current life cycle costing practices and enhancing them to also consider impact of Levels of Service and Risk as well as various other elements of design, build, maintenance and operations. Objective is to develop a corporate template for the process to ensure all potential questions are asked through the process and the process is repeatable.	2014-2016	\$75K
LOS- Roads	To define levels of service for the road network in the City of Windsor. This will start with the corporate template on how to approach defining levels of services for assets. This will explore things such as whether the current condition ratings should apply equally to all road classification types, helping to provide clarity on priority and risk associated with levels of service. This can result in a better understanding of what condition certain road classifications are ideally sustained at, showing that what is desired level of service for an expressway compared to an alley, will likely differ as will the overall needed funding and infrastructure deficit once there is clarity on expected levels of service.	2015	\$50K
LOS - Parks	To define levels of service for the various parks in the City of Windsor. This will start with the corporate template on how to approach defining levels of service for assets. This will explore things such as frequency of grass cutting and park amenities based on the type of park and expected level of service. This will result in a better understanding of what to expect in various parks as well as the costs associated with maintaining and meeting the desired levels of services. The current parks master plan will be a valuable report as this project is developed.	2015	\$75K
Energy data management solution	To select and implement a solution which will capture and report on the City's hydro, water and gas consumption. The results of this information can provide direction to impact savings through reduced consumption and will over time provide a solid data registry to track performance of various systems which can feedback into life cycle costing and level of service.	2014	\$90K

\*We expect a staff member will need to be seconded from Finance for these two projects, in order for them to be completed within 2 years.

As these are estimates administration is asking Council to approve the projects and give the Asset Planning Steering Committee the authority to reallocate funding as necessary between the noted projects to ensure these projects are completed, and or approve new asset management projects as appropriate, provided they are within the total available funding.

In addition to the project lists above, which require funding, there are additional projects such as working with Transit Windsor and Social Housing in order to provide guidance on how to develop Asset Management Plans and documenting business processes on how to migrate data from operational systems to corporate database for development of corporate asset management plans. These types of projects are not expected to require funding.

#### **4. RISK ANALYSIS:**

Asset Management Plans (AMP) are meant to be living documents which are improved on a regular basis. Various government funding opportunities are now looking for feedback from municipalities on the status and use of the asset management plans in their municipality, and considering this information when determining funding. Although the City now has an approved Asset Management Plan, which meets Provincial guidelines, there are many elements of the report which require additional effort to improve the data and projections and develop further

clarity on the risk and level of service expectations of assets. The projects identified in this report will allow the City to address these concerns to improve future AMP's, meeting expectations for the continued improvement of the report and its use in future capital expenditure needs forecasting.

The timelines listed in the chart above, relative to completion of the initiatives, are aggressive and challenging. It is possible that some of the initiatives will require more time than what has currently been estimated.

## **5. FINANCIAL MATTERS:**

Available funding to address these projects is approximately \$1.532M. The funding sources are \$600K from the SDR placeholder (ID# 7131117) and approximately \$834K and \$98K remaining in TCA (ID# 7073020) and Asset Management Governance (ID# 7093907) respectively. The projects listed above total an estimated budget of \$1.304M. This leaves a contingency for any additional unforeseen expenditures, new projects beyond 2015, as well as project costs for other related activities and unforeseen contingencies.

The Facility Breakdown and Interfaces for Fleet and Hansen are expected to require the secondment and backfilling of the TCA Financial Administrator position for a period of 18 months. The estimated project costs, identified for these projects, take this cost into consideration.


## **6. CONSULTATIONS:**

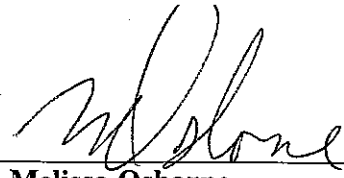
Asset Planning Steering Committee: Mario Sonogo; Onorio Colucci; Shelby Askin Hager; John Miceli and Harry Turnbull

## **7. CONCLUSION:**

To continue the growth and usefulness of corporate asset management practices at the City, the approval of the use of funding from the previously approved sources for asset management initiatives is required to address the projects identified.

  
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Helga Reidel  
Chief Administrative Officer

  
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Onorio Colucci  
Chief Financial Officer/City Treasurer and  
Corporate Leader Finance and Technology



**Melissa Osborne**  
**Senior Manager of Asset Planning**

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<b>APPENDICES:</b>
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<b>DEPARTMENTS/OTHERS CONSULTED:</b> Name: Phone #: 519            ext.
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<b>NOTIFICATION :</b>				
Name	Address	Email Address	Telephone	FAX