

CAMA/FCM WORKSHOP ASSET MANAGEMENT

JUNE 1, 2017



Fredericton

About the Speaker

- Murray Jamer, P.Eng.
- Deputy CAO in Fredericton
- Former City Engineer
- Experience as a Contractor & Consultant
- International Experience (Including Asset Management)



About Fredericton

- Capital of New Brunswick
- 60,000 population
- > 80 km of trails
- Transit system
- Nearly 100% serviced by water & sewer
- Water & sewer meets current regulatory guidelines

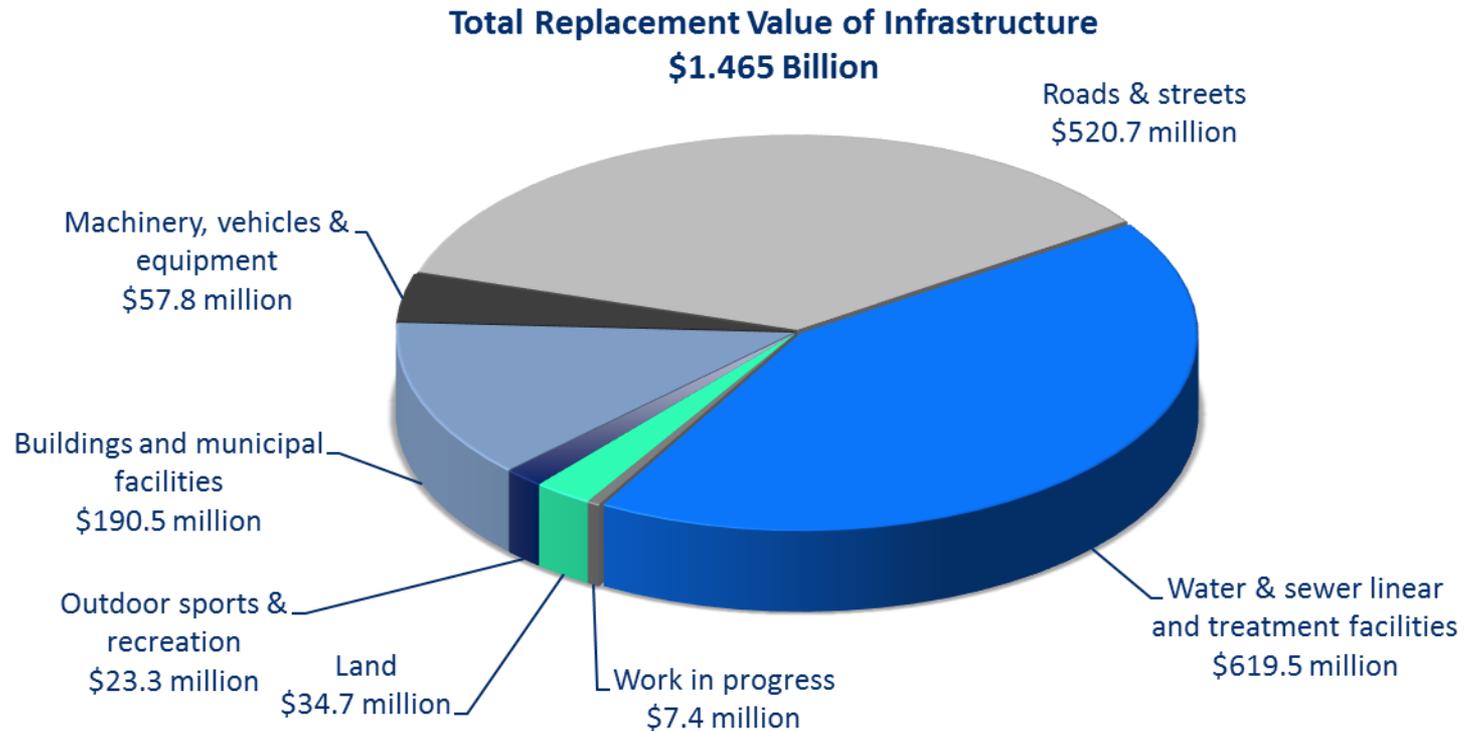


Fredericton's Asset Management Journey

- Started with life cycle planning
- Initial valuation
- PSAB 3150 standard
- Long term financial plans
- Identification of infrastructure deficit
- Rules for spending on renewal (General Fund and Water & Sewer Fund)



Replacement Value of Infrastructure

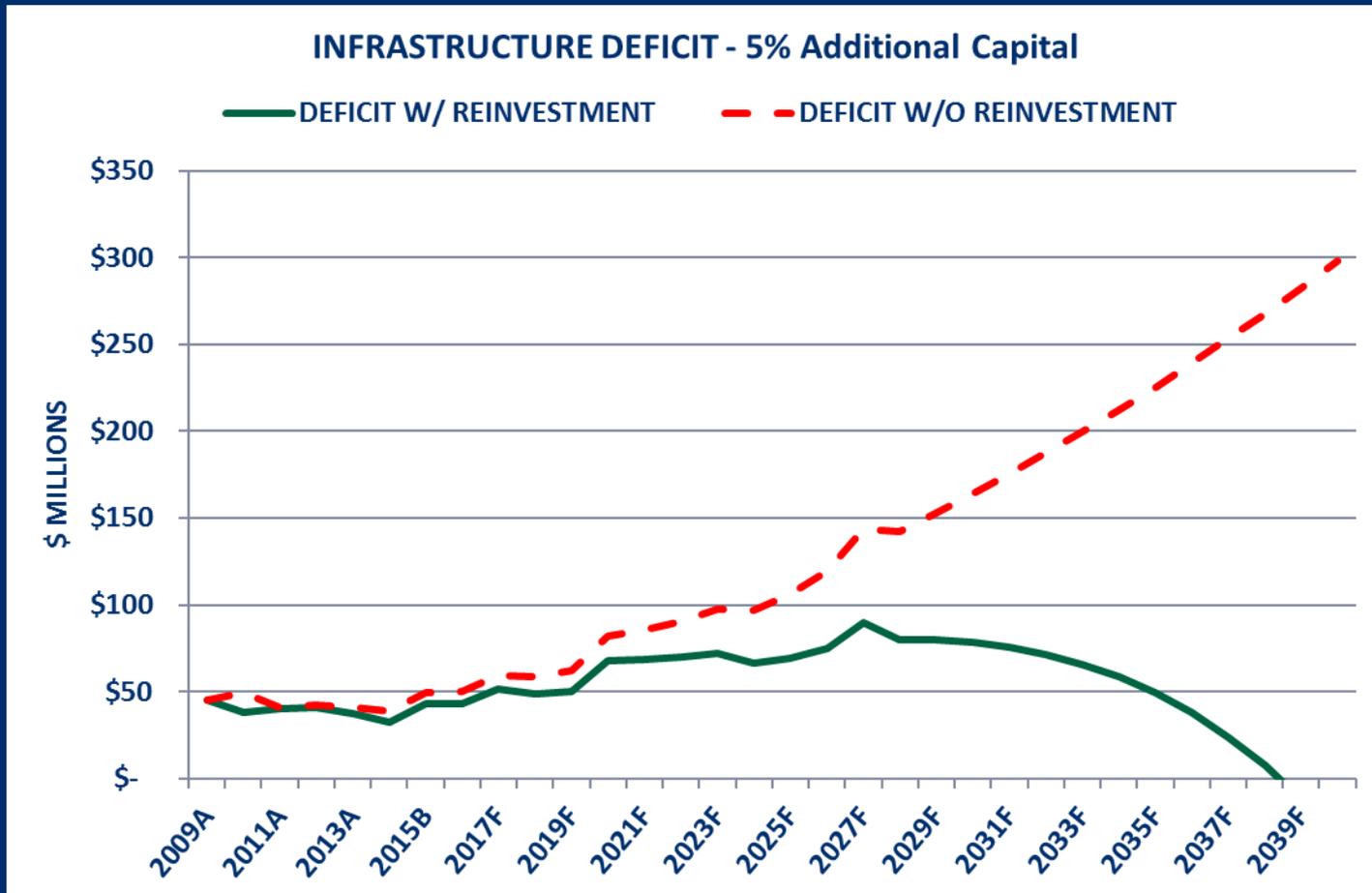


What Has Asset Management Meant To Us?

- Long Term Plans
 - Focus on Sustainability and infrastructure debt reduction
 - Focus on debt affordability
 - Debt limit (8%)
 - Focus on infrastructure renewal
 - 75% renewal in General Fund
 - Increase to capital funding (GF) by 5% annually
 - 90% renewal in Water & Sewer Fund
 - Focus on fees (Water & Sewer)
 - 5% per year recommended increase over 20 year life
 - Gas Tax Funding applied to Water & Sewer deficit
- Better information for decision making

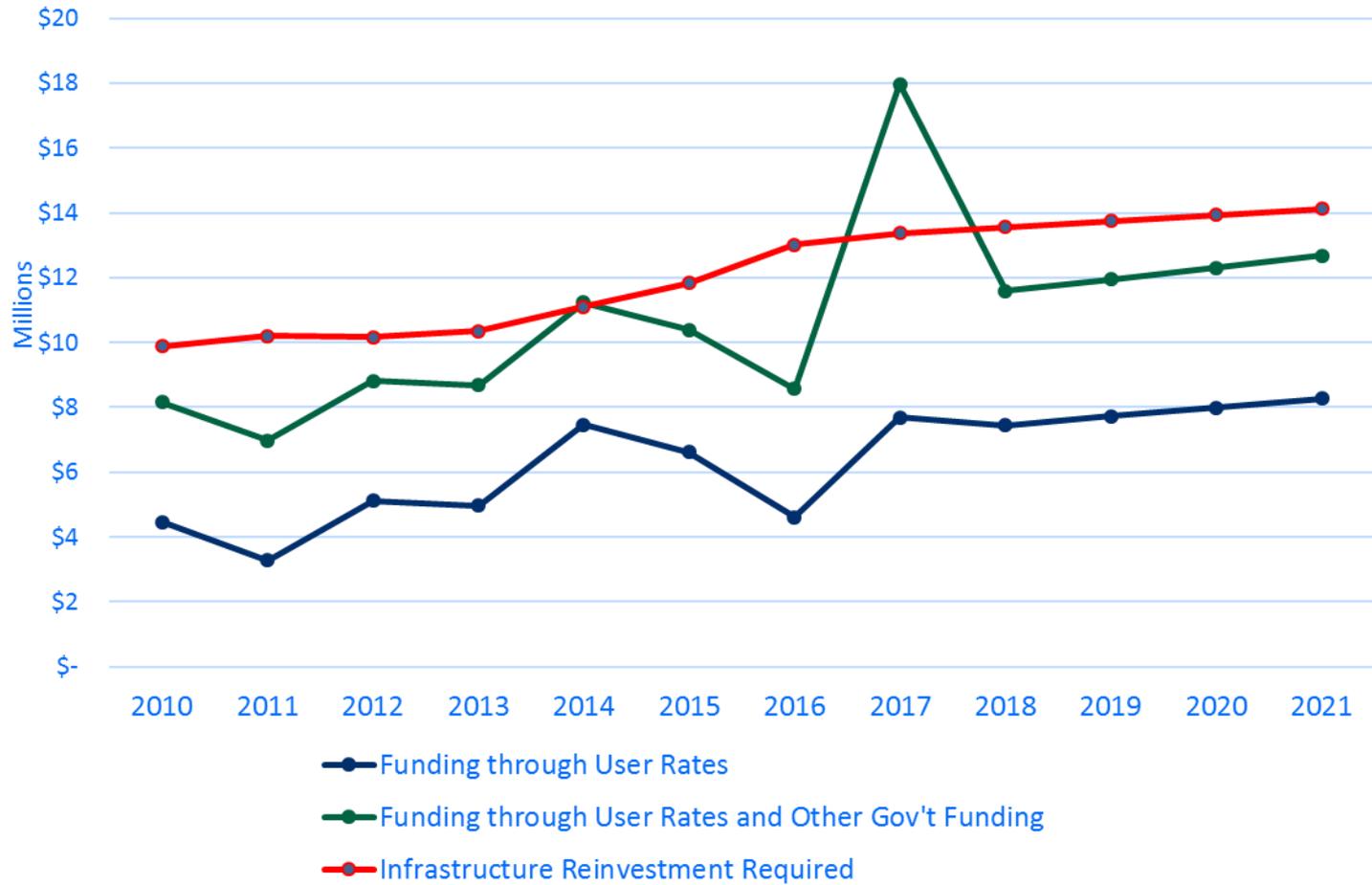


General Fund (Property Tax Funded) Infrastructure Reinvestment Strategy



WATER & SEWER LTFP

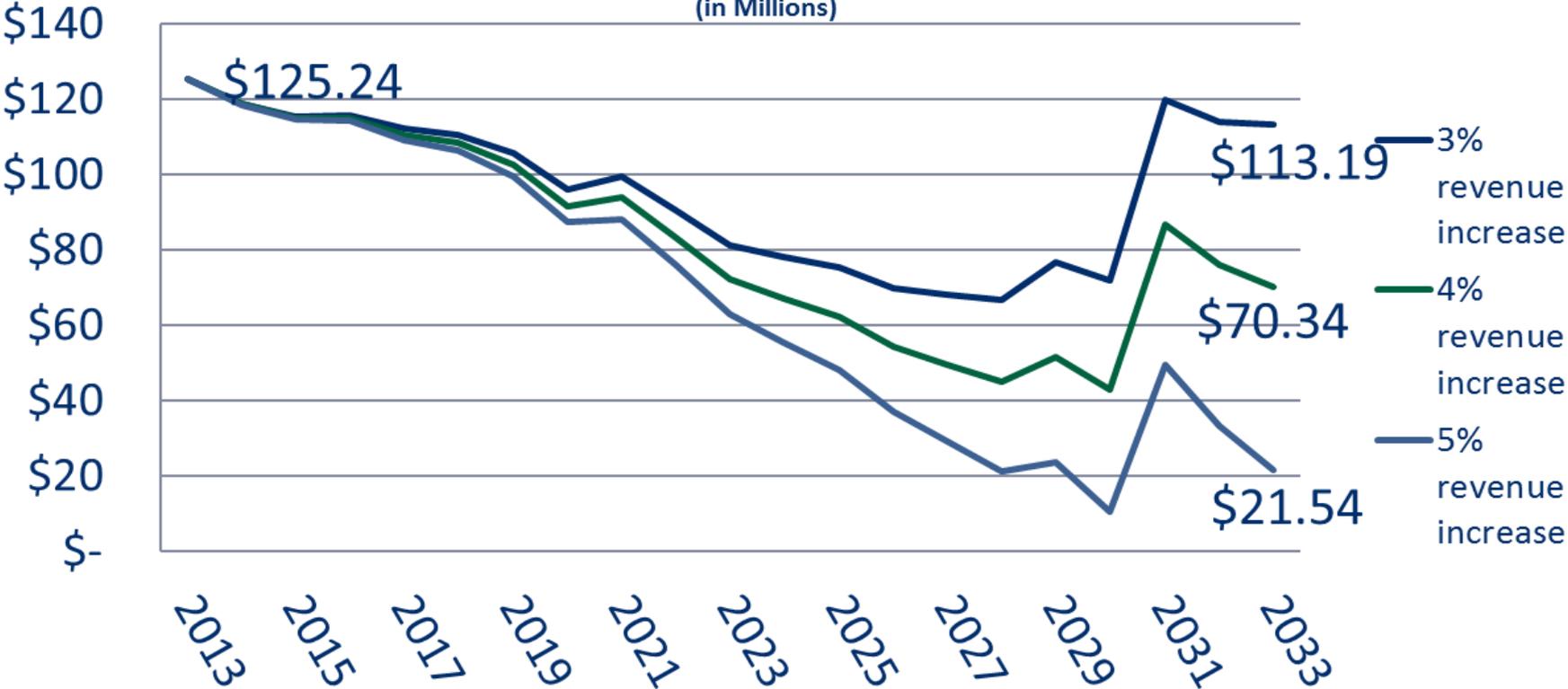
Infrastructure Reinvestment Gap



RATE STRATEGY

Infrastructure Deficit based on 20 year Reinvestment

(in Millions)



Benefits of Asset Management

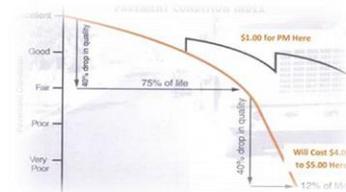
- Clarity for Council on what they can afford
- Better, safer infrastructure
- Reduced risk of failure
- Lower costs
- Compliance with regulatory bodies
- Public satisfaction



MEETING STRATEGIC OBJECTIVES

- Created an environment for economic development:
 - Good infrastructure
 - Stable tax rates
- Able to identify funding for strategic expenditures:
 - Downtown renewal
 - A Performing Arts Centre

***Asset Management has meant more flexibility for Council, not less.



Why we are true believers

Triple Bottom Line Benefits

Economic

- Reduced lifecycle costs = more funding for important priorities
- Good infrastructure drives economic vitality

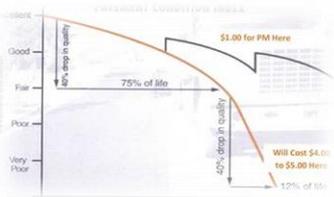
Social

- Creating the type of community we want to be
- Good roads, good sports & cultural facilities, clean water
- Can't provide high quality of life with failing infrastructure
- Can't provide clean drinking water with broken pipes

Environmental

- Reduced energy consumption and reduced GHG emissions
- Ability to meet environmental regulations
- New infrastructure built to withstand environmental changes

Fredericton



CURRENT ASSET MANAGEMENT PRIORITIES

- LAMP
 - Phase I: Formalize and Re-fresh Plan
 - Phase II: Focus on Level of Service (LOS)
- MRAT
 - Working on Municipal Risk Assessment Tool with Partners
- Renewing Long Term Financial Plan

NEXT STEPS FOR FREDERICTON

- Integrated Asset Management Software?
 - Financial System
 - GIS Geographic Mapping Systems
 - Asset Register
 - Excel
- Focus on O& M side:
 - Are assets reaching their proper life cycle?
- Involvement with FCM's MAMP.

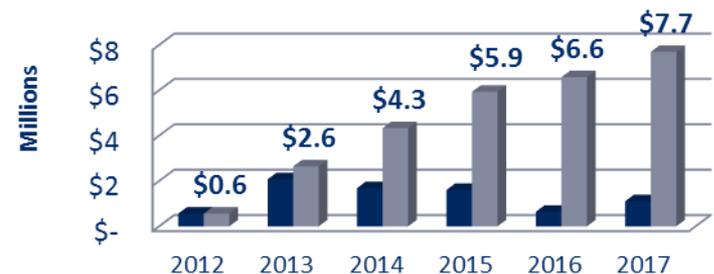




OTHER RELATED ISSUES

- City's Lean Six Sigma Initiative
 - Saved \$7.7 million/year
 - Improved efficiency of maintenance programs
 - Recently held 2nd Annual Canadian Lean Summit with 329 delegates
- City's Smart Energy Initiative
 - Leveraging City's existing infrastructure
 - Potential to save money and create economic development opportunities.

Annual Budget Savings
(in millions)



ROLES & RESPONSIBILITIES

- Municipal Plan establishes foundation for City's growth.
- Council establishes capital priorities.
- City Planner establishes priorities of the Annual Capital Program (based on Council's priorities).
- City Treasurer:
 - Maintains records of all assets.
 - Establishes "envelopes" for renewal, rebuilding, and new assets
 - Coordinates and summarizes capital requests from each Department.
 - Updates the infrastructure deficit as a component of the LTFP.



CHANGING ROLES

- Planner now in lead role; not City Engineer
- Lots of cross-departmental collaboration
- LAMP TEAM (from CAO's Office, Engineering, Finance & Planning) now plays a “steering” role
- Planner (Director of Growth & Community Services) presents the budget to Council
- City Treasurer advises Council of status of LTFP



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Questions?

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