

Asset Management Approach

Introduction:

Under the agreement for the federal Gas Tax Fund (GTF) program, Alberta and Canada have agreed to “work in collaboration to develop the approach to asset management planning based on where Alberta is today. This is to ensure continued progress is made while setting achievable goals against which Alberta will measure progress as part of the Outcomes Report.”

Infrastructure Canada’s GTF Oversight Committee recently approved Alberta’s proposed asset management approach. The first check-in date is March 2018.

While recognizing the commitment made by the province under the GTF agreement, the responsibility and authority for the implementation of asset management processes ultimately rests with municipalities. Under the *Municipal Government Act (MGA)*, municipalities have the authority to provide services, facilities, or other things that, in the opinion of council, are necessary or desirable for all or a part of the municipality; to establish capital budgets; and to borrow for purposes of financing a capital property.

According to a recent report prepared for the AAMD&C membership titled *Asset Management for Municipalities in Alberta* “ ... asset management planning is well underway in many larger municipalities; however, in small and medium-sized municipalities, many barriers to adoption remain, including a lack of resources and capacity... ”

Approach:

Asset management processes allow municipalities to manage infrastructure in a planned and integrated manner to maximize value to the community. Identifying and pursuing opportunities to build municipal capacity and promote sustainability is consistent with the objectives of the Municipal Sustainability Strategy (MSS) and the mandate of the MSS Advisory Committee.

Alberta’s strategy is focused mainly on meeting the needs of smaller communities as well as continued support for the broader asset management community that is already very active. Municipal Affairs developed the approach to asset management planning, which the MSS Advisory Committee will guide.

The approach is currently envisioned in two phases over seven years, as outlined below.

Phase One Activities - 2015 to 2017:

1. Complete and publish an inventory of current tools and resources

The ministry currently maintains the MSS Capacity Building Tools web page, which is a central repository for municipalities researching resources on a variety of topics.

There are numerous technical resources already available for asset management tasks at different levels of complexity. Both the AAMD&C report and the Consulting Engineers of Alberta (CEA) have provided information to the ministry that is being compiled and made available through the web page.

2. Support the development and rollout of tools that support asset management

The CEA received funding from the Alberta Community Partnership program to develop an asset management resource for smaller municipalities. The ministry and other municipal associations participated as members of the project advisory committee.

The resulting handbook and toolkit resource was launched in early 2016. We are also partnering with Infrastructure Asset Management Alberta to determine if any other tools exist within municipalities or other organizations that could be shared.

3. Enhance existing advisory services and training opportunities

The ministry, and the members of the MSS Advisory Committee, have many avenues to distribute information about asset management to municipal officials.

As an example, discussions are underway to create a one-day training session based on the CEA handbook/toolkit resource in partnership with the Government Finance Officers Association. As well, consideration is being given to including an information session on asset management during the Regional Training Initiative (spring 2016) in several locations in the province.

The ministry will also provide its municipal and financial advisors with knowledge about the benefits of asset management and links to the available tools to share as they interact with municipal clients.

Infrastructure Asset Management Alberta (IAMA) is an initiative whose membership includes municipalities interested in knowledge sharing and best practices. IAMA received funding from the ministry to support asset management workshops and to establish a website. Ministry advisors are participating in this group as members of the core committee.

Measurement of municipal progress in asset management during Phase One will be based on data currently collected in Municipal Sustainability Initiative capital project applications. MSI program guidelines require the municipality to confirm that a multi-year capital plan has been prepared.

Phase Two Activities – 2018 to 2023:

1. Assist municipalities to implement corporate planning regulatory requirements

Amendments to the Municipal Government Act approved in spring 2015 will require all municipalities to prepare three-year financial and five-year capital plans. This change is intended to ensure that all municipalities are able to better utilize their financial and physical assets under more rigorous legislative requirements. The form and content of the plans will be included in a regulation that is currently under development.

The development and implementation of asset management policies, strategies and plans directly support the identification of capital project additions as set out in the new requirements, and could be viewed as necessary prerequisites to making informed decisions about what is to be included in the financial plan and the capital plan.

2. Expand tools and resources where gaps are identified

While there appear to be sufficient materials useful to smaller municipalities with capacity limitations, such as worksheets and financial planning guidance, there may be a need to develop additional tools around some other aspects of asset management, such as level of service or risk assessment.

The MSS Advisory Committee will assist in determining the need for additional tools and/or measurement criteria.

Conclusion:

Alberta plans a two-stage approach to asset management planning; specific tasks will be undertaken at each stage. Phase One builds on many activities already underway.

Phase Two will continue the activities of Phase One and will promote the development and use of policies, strategies and plans to support the capital planning requirement introduced through the amendments to the MGA. Further clarity will be provided through the regulation that is under development. The MSS Advisory Committee will monitor and identify gaps and advise on additional processes and activities to be developed in Phase Two.

This two phase approach represents specific actions that can be taken today and over the next several years. It also includes strategies to meet additional requirements as the approach evolves.

It is expected that through these activities, as well as the efforts of the broader asset management community in Alberta, municipalities' ability to optimize their infrastructure and other physical assets will improve significantly.