

UNSM 2015 Fall Conference

November 3-6, 2015

Murray Jamer, P.Eng.
City of Fredericton

Asset Management for Municipalities

A background image showing a construction site. In the foreground, a white and red skid steer loader with 'United Rentals' and 'T830' branding is parked on a gravel surface. Behind it, a yellow excavator is visible, and to the right, a black truck is partially shown. The scene is set outdoors with trees and a building in the background.

A focus on the City of
Fredericton

Overview

- About the Speaker
- Municipal Infrastructure in Canada
- Asset Management in Canada
- About Fredericton
- Infrastructure in Fredericton
- Fredericton's Asset Management Journey
- Next Steps for Fredericton
- Lessons Learned
- Other Issues

About the Speaker

An aerial view of a city square featuring a prominent red brick building with a tall clock tower. In the foreground, there is a circular fountain and a paved plaza with a red and white geometric pattern. A white bus is parked on the left, and several cars are visible on the surrounding streets. In the background, a wide river flows under a clear blue sky with light clouds.

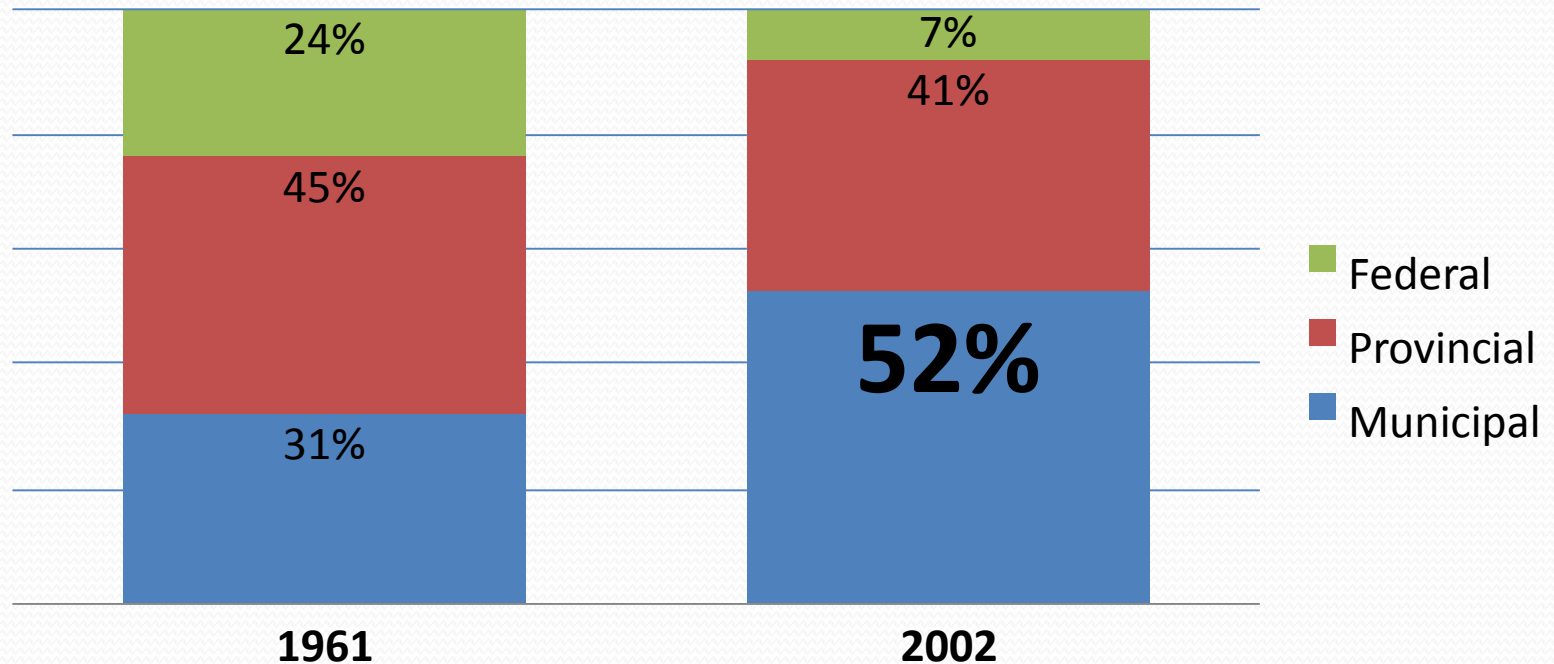
- Murray Jamer, P.Eng.
- Deputy CAO in Fredericton
- Former City Engineer
- Experience as a Contractor & Consultant
- International Experience (Including Asset Management)

Municipal Infrastructure in Canada

- 52% of infrastructure assets are municipal
- Infrastructure supports economic development and quality of life
- Report card (2012)
 - 30% of municipal infrastructure in fair or very poor condition
 - This 30% equates to \$172 Billion



Municipalities are Asset Intensive



Source: FCM, June 2006

“Building Prosperity from the Ground Up: Restoring Municipal Fiscal Balance”

A Recognition of the Problem



- Building Canada Fund
- Gas Tax Fund
- PSAB 3150
- Identification of a role for PPP
- A role for Asset Management

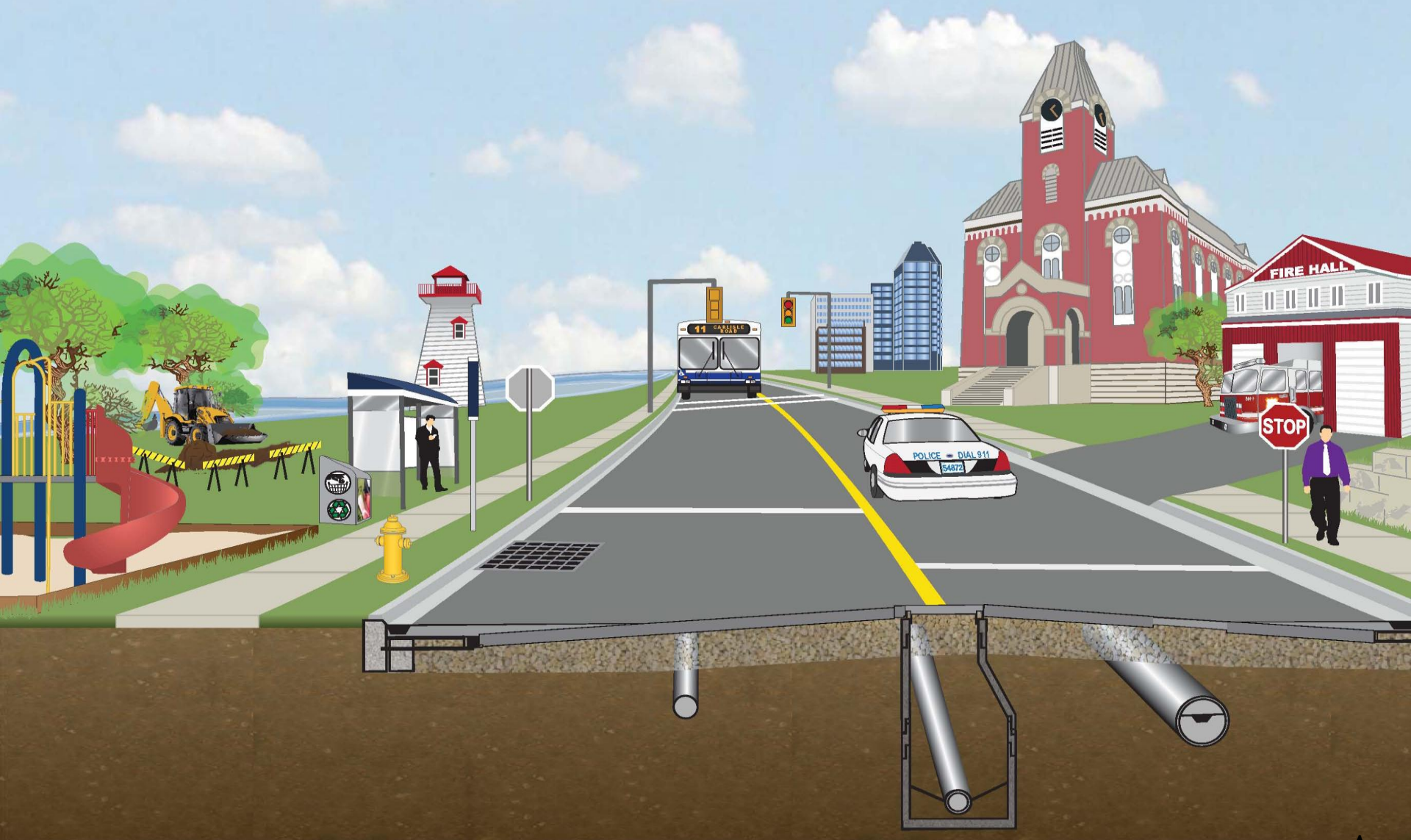
About Fredericton

- Capital of New Brunswick
- 57,000 population
- > 80 km of trails
- Transit system
- Nearly 100% serviced by water & sewer
- Water & sewer currently meets regulatory guidelines





City of Fredericton's Municipal Infrastructure



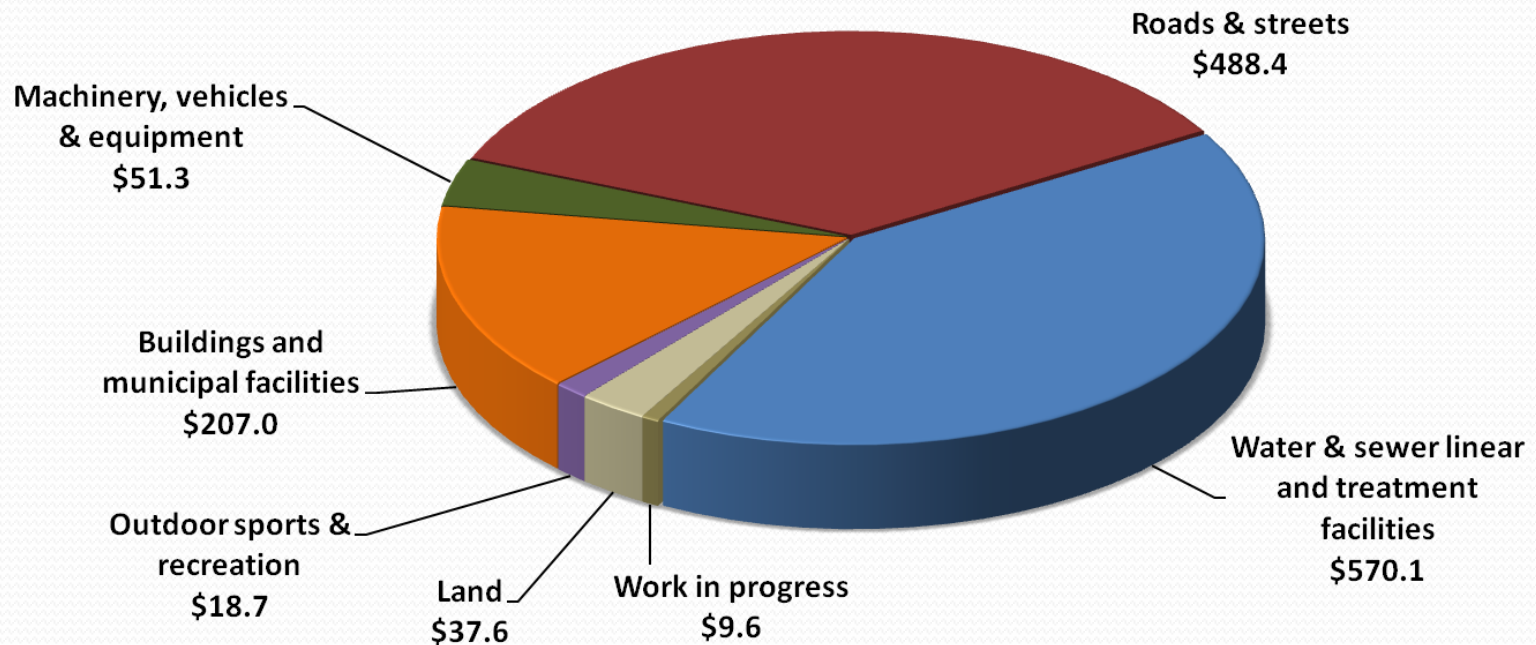
Infrastructure in Fredericton

- 366 km of streets
- 451 km of water pipe
- 393 km of sewer pipe
- 2 water treatment plants
- 1 wastewater treatment plant and 2 lagoons
- 83 municipal buildings
- \$ 1.4 billion replacement value in assets (General Fund and W&S Fund)
- \$ 203.6 million infrastructure deficit (General Fund and W&S Fund)

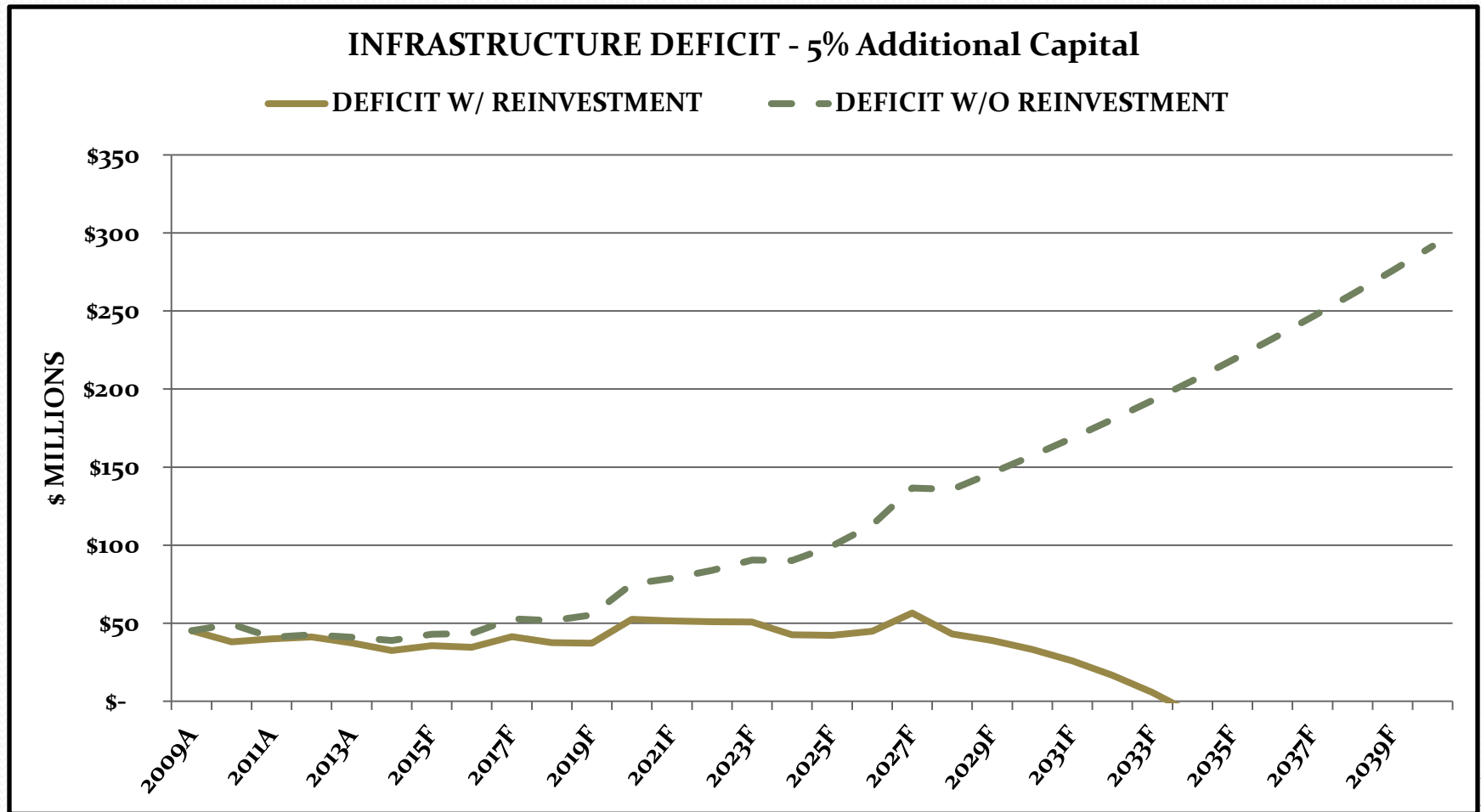


Replacement Value of Infrastructure

**Total Replacement Value of Infrastructure
\$1.4 Billion**

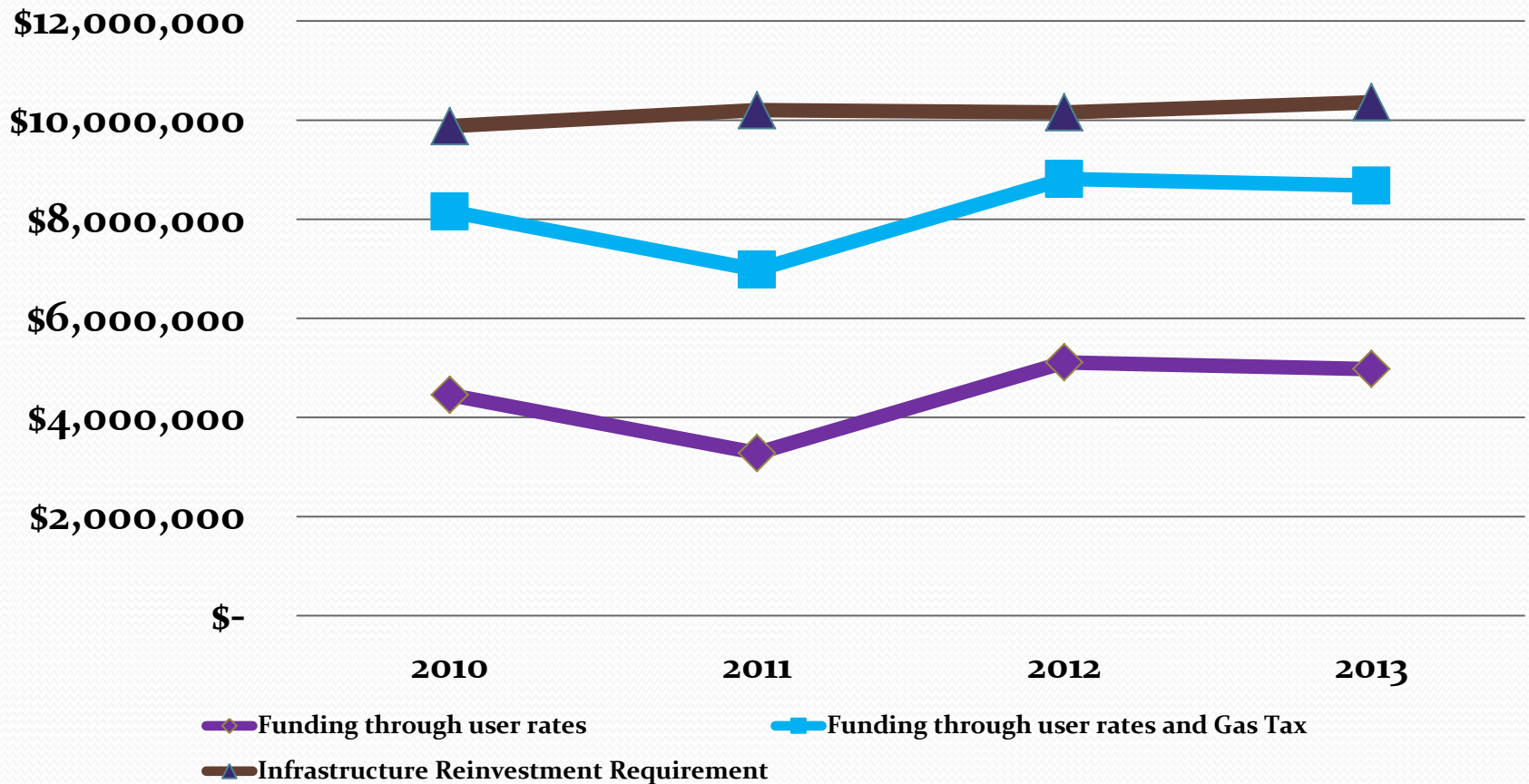


General Fund (Property Tax Funded) Infrastructure Reinvestment Strategy



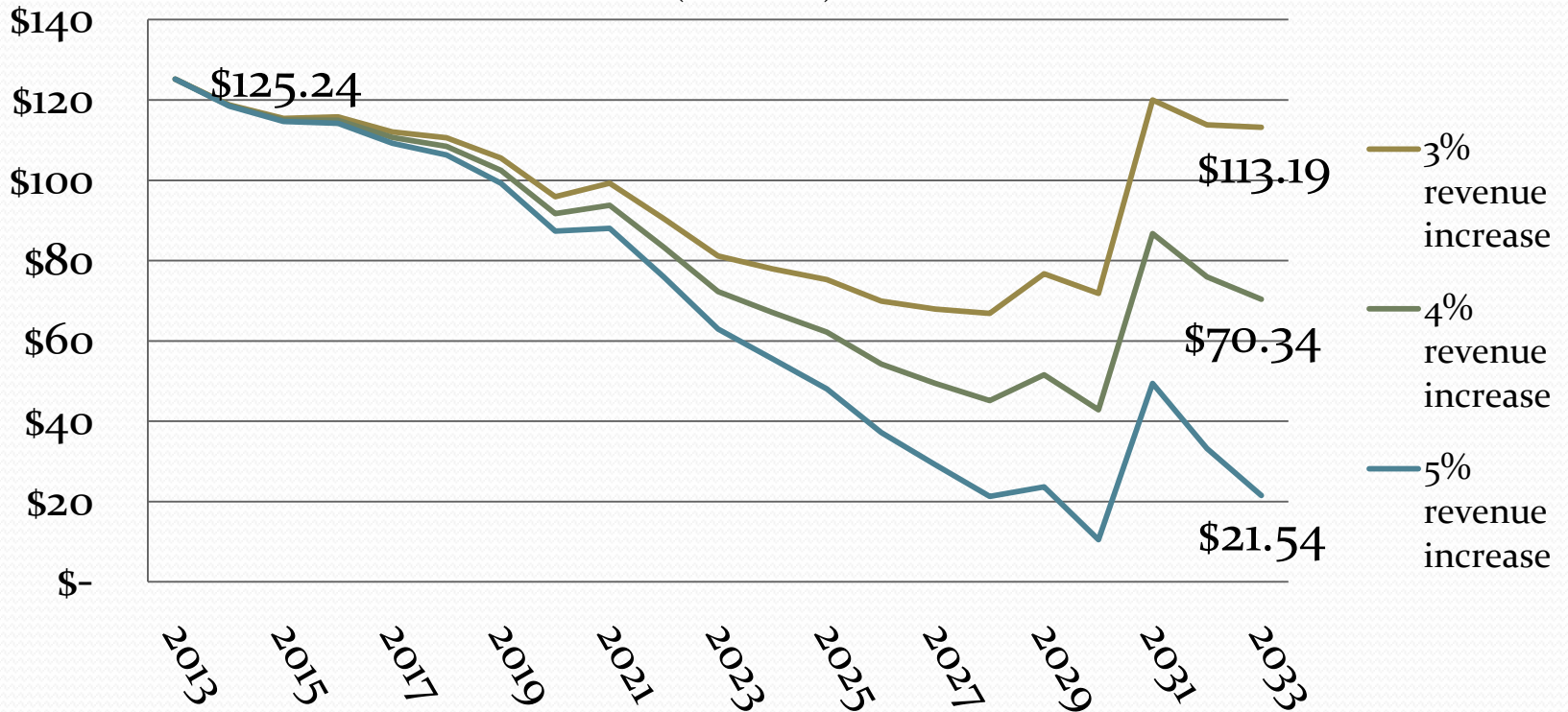
Water & Sewer LTFP

Infrastructure Reinvestment Gap



Rate Strategy

Infrastructure Deficit based on 20 year Reinvestment (in Millions)



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)



Time Frame

- ***Started with PSAB in 2008.***
- ***Long Term Financial Plan in 2010.***
- ***Water & Sewer Long Term Financial Plan in 2013.***

A structured approach to “lifecycle” based on prioritized investment plan.



Annual Maintenance of Asset Management

- List of potential renewal from PSAB: Starting Point (list on Excel spreadsheet)
- Amortization done on RAM (Real Asset Management database)
- As construction projects completed:
 - Excel updated
 - RAM updated
- Information gets more accurate each year
 - Real data replaces (in some cases) calculated data

Next Steps for Fredericton

- Integrated AM software?
 - Financial system
 - GIS
 - RAM
 - Excel
- Focus on O&M side:
 - Are assets reaching their proper life cycle?
- LAMP (FCM Green Municipal Fund)
 - Level of service frameworks
 - Alignment with corporate sustainability goals
 - Customer LOS indicators
- Formalize condition assessment



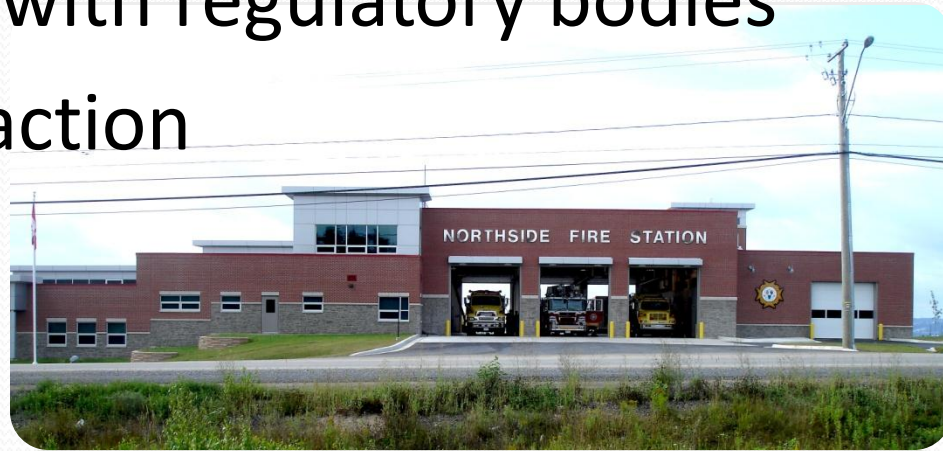
Lessons Learned

- Need support:
 - Council
 - Senior staff
- A good consultant will save you time
- Don't over complicate it
- Requires a lot of work
- Requires team effort



Benefits of Asset Management

- Better, safer infrastructure
- Reduced risk of failure
- Lower costs
- Compliance with regulatory bodies
- Public satisfaction



Advice for Smaller Municipalities

- Principles are the same:
 - What do you have?
 - When was it built?
 - What is its condition?
 - What is the life cycle?
 - Annual budget required for renewal
- Get a consultant (but keep control!)
- Keep it simple
- Important to have guiding principles



Other Issues



- Importance of Lean Six Sigma for Fredericton
- Mandatory Asset Management as a funding prerequisite
- Canadian Public Sector Lean Summit

SAVE THE DATE
April 17 – 19, 2016



2016 Canadian Public Sector Lean Summit

Building Resilient and Sustainable Communities using Lean Six Sigma and Asset Management
Fredericton Convention Centre,
Fredericton, New Brunswick, Canada

www.CdnLeanSummit.ca  

canadian
2016
Public Sector Lean Summit

Fredericton

TOP 10

Top 10 Reasons Why You Should Attend The Canadian Public Sector Lean Summit

1. Learn current Canadian Lean Six Sigma and Asset Management strategies from some of the industry's best.
2. Produce dramatic savings in your organization's budget.
3. Keynote speaker Dr. Alan G. Robinson!
4. Network with public sector leaders that have the same issues as you.
5. Refocus and inspire your own initiatives by learning from some of the best in the public sector.
6. Advance your career by learning best practice in the emerging fields of asset management & Lean Six Sigma.
7. Get detailed examples of Lean projects from those who work in the public sector.
8. Find out how you can make your city or province sustainable without slashing services to the public.
9. Explore the benefits of asset management and learn how to fund your asset management programs.
10. Experience Fredericton's maritime hospitality.

www.CdnLeanSummit.ca  



Fredericton

A large, dark-colored cylindrical water tower stands as the central focus. The word "Fredericton" is printed in a white, sans-serif font across its upper section. To the left, a white semi-trailer is partially visible. In the foreground, a white Ford pickup truck is parked, and to its right, a yellow CAT skid steer loader is positioned. A person wearing a white hard hat and safety vest stands near the skid steer. The background consists of a dense forest of trees under a grey, overcast sky. The entire image has a semi-transparent grey overlay.

Fredericton

Questions?