Home-Spun Asset Management System

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Our Presentation

- The Process
    - How did it begin?
    - What were the steps involved?
    - Who was involved?

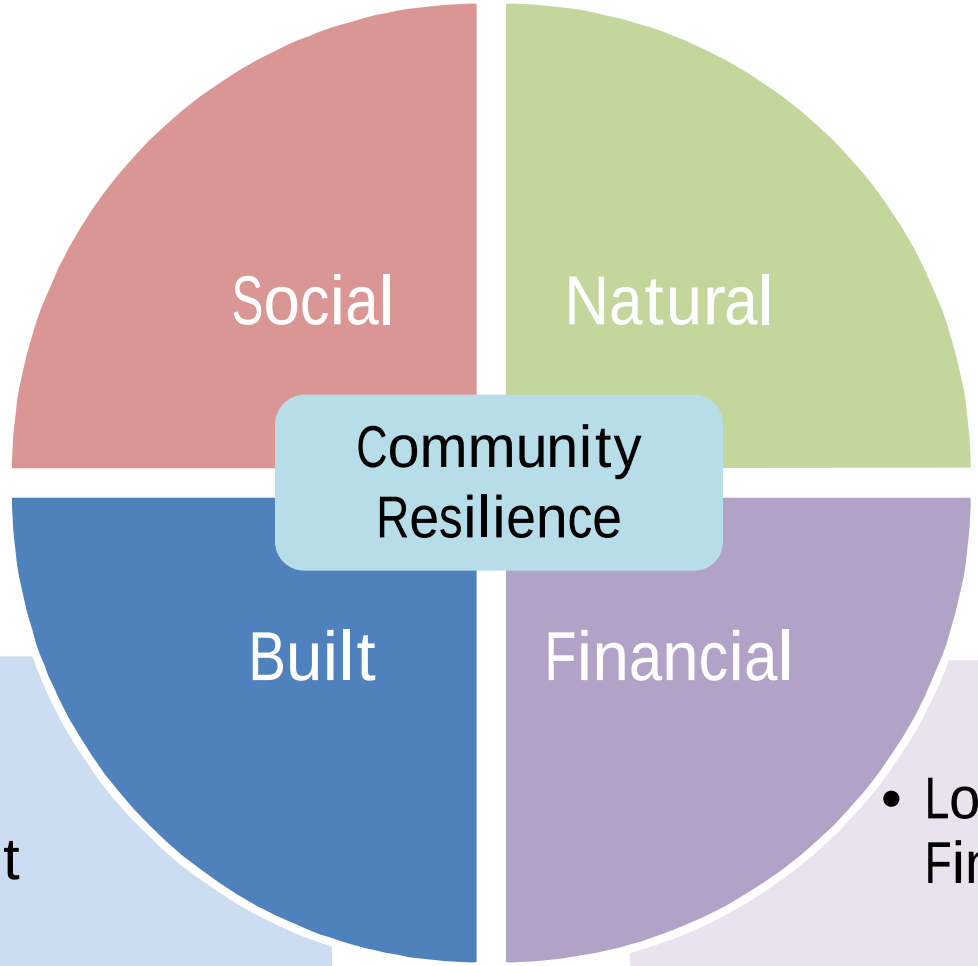
- What are the challenges?
- What are the benefits?
- Where are we headed?

How did it begin?

- County of St. Paul completed their Tangible Capital Asset (TCA) Reporting
- The County identified a need to connect their TCA and infrastructure / financial planning together
- The County engaged Accurate Assessment to prepare their GIS database
- The County engaged Urban Systems to define the process

Community Resilience =

Preparation + Reaction



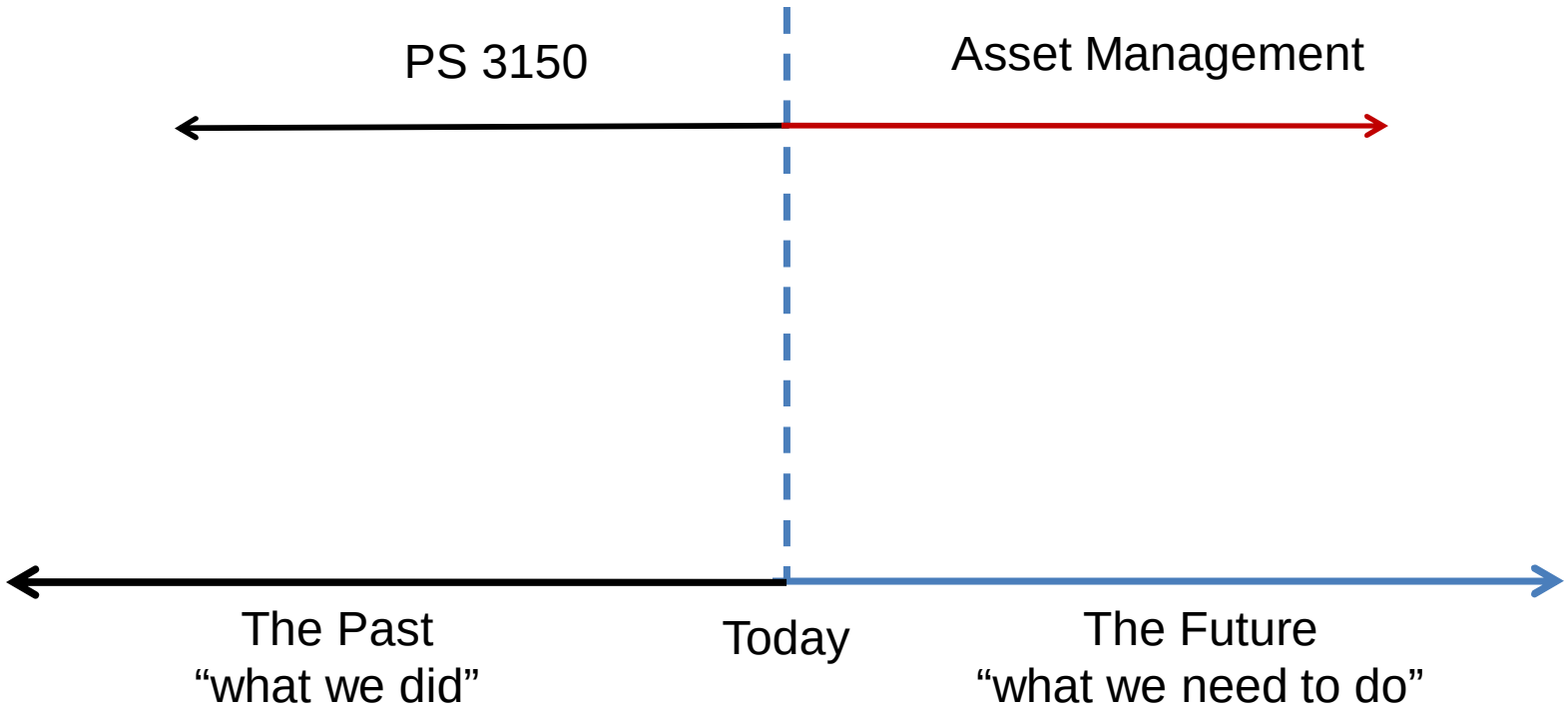
- Asset Management Plans

- Long Term Financial Plans

Asset Management

A systematic way of making informed estimates about what the future will bring for your infrastructure and being proactive about preparing for it.

PS 3150 (TCA) vs. Asset Management



What were the steps involved?

PS 3150 (TCA Reporting)

Asset Management

Asset Management Plans

- Provides a view of estimated future needs
- Lots of variability in the maturity of asset management plans, and potentially lots of room for improvement

Asset Management Investment Plan - Tools?

- What do you own?
- What is it worth?
- What condition is it in?
- When do you need to rehabilitate/ replace / repair it?

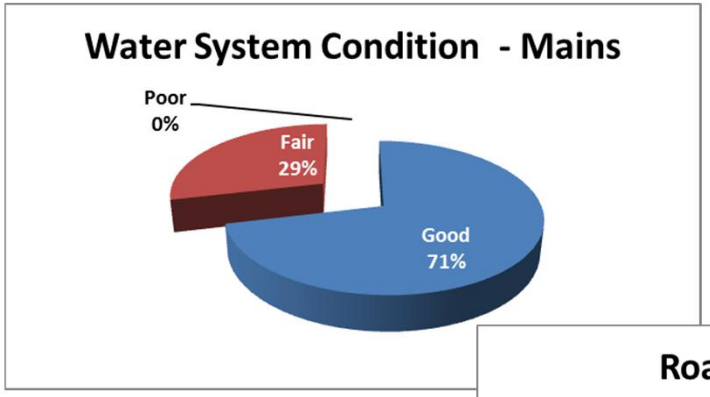
- What is the infrastructure deficit?
- What is the Average Annual Life Cycle Investment?
- What is the Sustainability Gap?

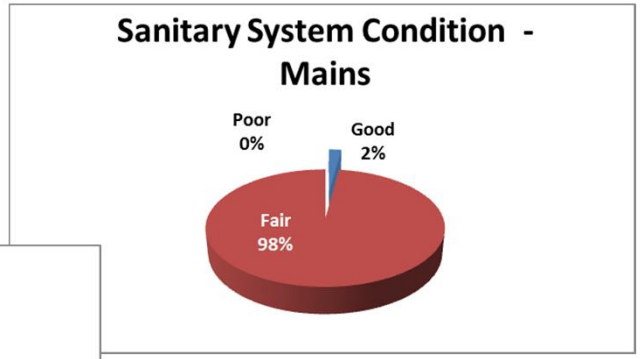
Asset Management Investment Plan

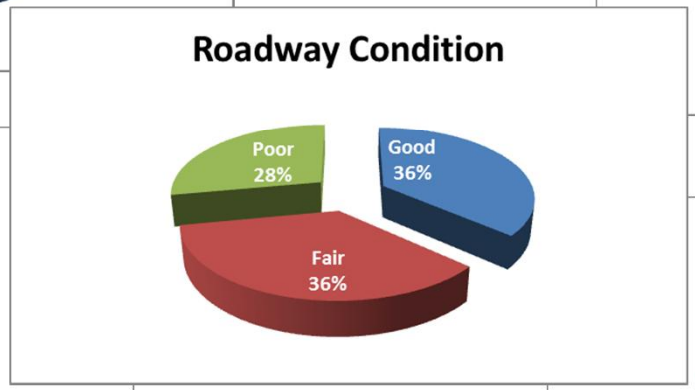
- Input Data
  - Develop the GIS database
  - Imported from GIS and TCA
- Level 2 Assessment
  - Detailed assessment and life cycle cost of each infrastructure
  - To be used by managers and utility operators
- Level 3 Summary
  - Summary of all infrastructure
  - To be used for financial planning and decision making

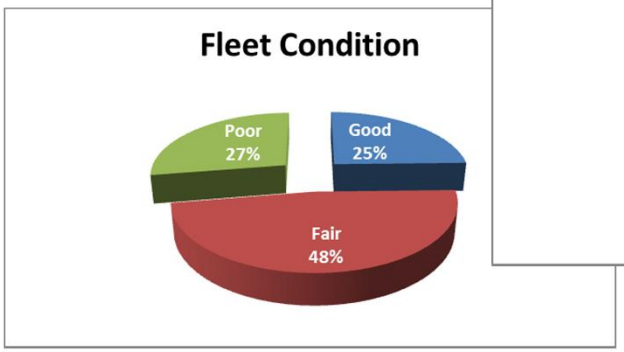
Asset Category	Current Replacement Value	Loss in Value	Remaining Value	Expected Remaining Life	Investment Year (Current Dollars)							20 Year Total	20 Year Average Annual Investment	Average Annual Life Cycle Investment (AALCI)
					Infrastructure Deficit (Backlog)	2015	2016	2017	2018	2019	2020			
Water System														
Mains	$2,719,000	$982,000	$1,737,000	64%	$0	$0	$0	$0	$0	$0	$0	$0	$36,000	$36,000
Intakes/Water Supply/Wells	$477,919,000	$174,274,000	$303,645,000	64%	$0	$0	$0	$0	$0	$0	$0	$51,000,000	$11,948,000	$11,948,000
Treatment	$6,000,000	$2,133,000	$3,867,000	64%	$0	$0	$0	$0	$0	$0	$0	$0	$133,000	$133,000
Appurtenances	$10,000	$5,000	$5,000	50%	$0	$0	$0	$0	$0	$0	$0	$10,000	$500	$300
Sub-Total Water	$486,648,000	$177,394,000	$309,254,000	64%	$0	$0	$0	$0	$0	$0	$0	$51,010,000	$12,117,500	$12,117,300
			Average Annual Life Cycle Investment (AALCI)		-	$12,117,300	$12,117,300	$12,117,300	$12,117,300	$12,117,300	$12,117,300	-	-	-
Sanitary System														
Gravity Mains	$2,504,000	$1,060,000	$1,444,000	58%	$0	$0	$0	$0	$0	$0	$0	$0	$39,000	$39,000
Lagoons & Lift Stations	$233,000	$50,547	$182,453	78%	$0	$0	$0	$0	$0	$0	$0	$50,215,000	$2,511,000	$1,116,000
Appurtenances	$0	$0	$0	0%	$0	$0	$0	$0	$0	$0	$10,000	$10,000	$500	$300
Sub-total Sanitary	$2,737,000	$1,110,547	$1,626,453	59%	$0	$0	$0	$0	$0	$0	$10,000	$50,225,000	$2,550,500	$1,155,300
			Average Annual Life Cycle Investment (AALCI)		-	$1,155,300	$1,155,300	$1,155,300	$1,155,300	$1,155,300	$1,155,300	-	-	-
Roadway System														
Roads	$987,295,000	$636,187,000	$351,108,000	36%	$276,055,000	$0	$0	$0	$14,606,000	$0	$0	$347,209,000	$18,501,000	$18,501,000
Sidewalks	$371,000	$102,000	$269,000	73%	$20,000	$20,000	$0	$0	$0	$0	$65,000	$155,000	$12,000	$12,000
Bridges	$21,940,000	$14,713,000	$7,227,000	33%	$855,000	$638,000	$0	$1,542,000	$184,000	$132,000	$207,000	$12,540,000	$627,000	$406,000
Sub-total Roadway	$1,009,606,000	$651,002,000	$358,604,000	36%	$276,930,000	$658,000	$0	$1,542,000	$14,790,000	$132,000	$272,000	$359,904,000	$19,140,000	$18,919,000
			Average Annual Life Cycle Investment (AALCI)		-	$18,919,000	$18,919,000	$18,919,000	$18,919,000	$18,919,000	$18,919,000	-	-	-
Fleet														
Fire Equipment & Trucks	$2,368,000	$425,000	$1,943,000	82%	$0	$0	$0	$0	$0	$0	$18,000	$976,000	$96,000	$96,000
Garbage Truck	$480,000	$192,000	$288,000	60%	$0	$0	$0	$0	$0	$0	$240,000	$960,000	$48,000	$48,000
Heavy Duty	$2,219,000	$1,070,000	$1,149,000	52%	$400,000	$150,000	$469,000	$450,000	$350,000	$400,000	$150,000	$4,738,000	$237,000	$222,000
Light Duty	$1,273,000	$727,000	$546,000	43%	$335,000	$67,000	$134,000	$335,000	$235,000	$201,000	$34,000	$2,852,000	$143,000	$127,000
Agricultural Equipment	$233,000	$79,000	$154,000	66%	$0	$7,000	$0	$123,000	$12,000	$68,000	$0	$458,000	$23,000	$23,000
Heavy Equipment	$26,210,000	$14,690,000	$11,520,000	44%	$8,390,000	$700,000	$1,763,000	$0	$1,155,000	$2,370,000	$6,826,000	$43,888,000	$2,194,000	$2,092,000
Other Equipment	$500,000	$190,000	$310,000	62%	$51,000	$18,000	$36,000	$34,000	$11,000	$0	$16,000	$671,000	$38,000	$38,000
Sub-total Fleet	$33,283,000	$17,373,000	$15,910,000	48%	$9,176,000	$942,000	$2,402,000	$942,000	$1,763,000	$3,039,000	$7,284,000	$54,543,000	$2,779,000	$2,646,000
			Average Annual Life Cycle Investment (AALCI)		-	$2,646,000	$2,646,000	$2,646,000	$2,646,000	$2,646,000	$2,646,000	-	-	-
Parks														
Playgrounds	$150,000	$78,000	$72,000	48%	$25,000	$0	$25,000	$25,000	$0	$25,000	$0	$175,000	$10,000	$10,000
Spray Park	$223,000	$9,000	$214,000	96%	$0	$0	$0	$0	$0	$0	$0	$0	$9,000	$9,000
Sub-total Fleet	$373,000	$87,000	$286,000	77%	$25,000	$0	$25,000	$25,000	$0	$25,000	$0	$175,000	$19,000	$19,000
			Average Annual Life Cycle Investment (AALCI)		-	$19,000	$19,000	$19,000	$19,000	$19,000	$19,000	-	-	-
Buildings & Facilities														
Permanent Buildings	$5,270,000	$1,766,000	$3,504,000	66%	$0	$0	$0	$0	$0	$602,000	$0	$1,112,000	$105,000	$105,000
Communication Tower	$25,000	$7,000	$18,000	72%	$0	$0	$0	$0	$0	$0	$0	$0	$1,000	$1,000
Waste Collection Site	$11,000	$0	$11,000	100%	$0	$0	$0	$0	$0	$0	$0	$0	$1,000	$1,000
Portable	$12,000	$2,000	$10,000	83%	$0	$0	$0	$0	$0	$12,000	$0	$24,000	$1,000	$1,000
Parking Lots	$179,000	$21,000	$158,000	88%	$0	$0	$0	$0	$0	$0	$0	$4,000	$7,000	$7,000
Sub-total Buildings & Facilities	$5,497,000	$1,796,000	$3,701,000	67%	$0	$0	$0	$0	$0	$614,000	$0	$1,140,000	$115,000	$115,000
			Average Annual Life Cycle Investment (AALCI)		-	$115,000	$115,000	$115,000	$115,000	$115,000	$115,000	-	-	-
Total Infrastructure Investment	$1,538,144,000	$848,762,547	$689,381,453	45%	$286,131,000	$1,967,210	$2,794,210	$2,876,210	$16,920,210	$4,187,210	$7,933,210	$524,033,990	$37,072,850	$34,971,600
			Average Annual Life Cycle Investment (AALCI)		-	$34,971,600	$34,971,600	$34,971,600	$34,971,600	$34,971,600	$34,971,600	-	-	-

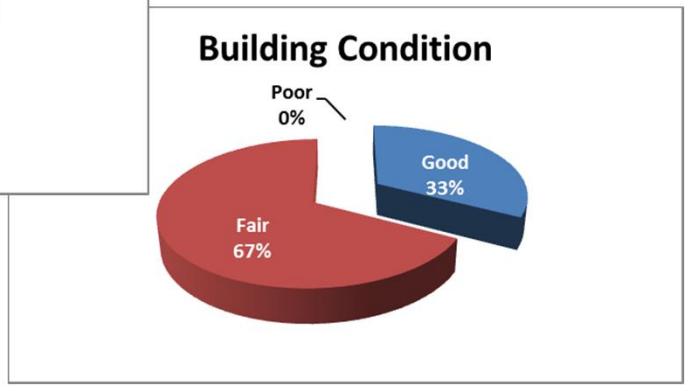
Asset Management Investment Plan



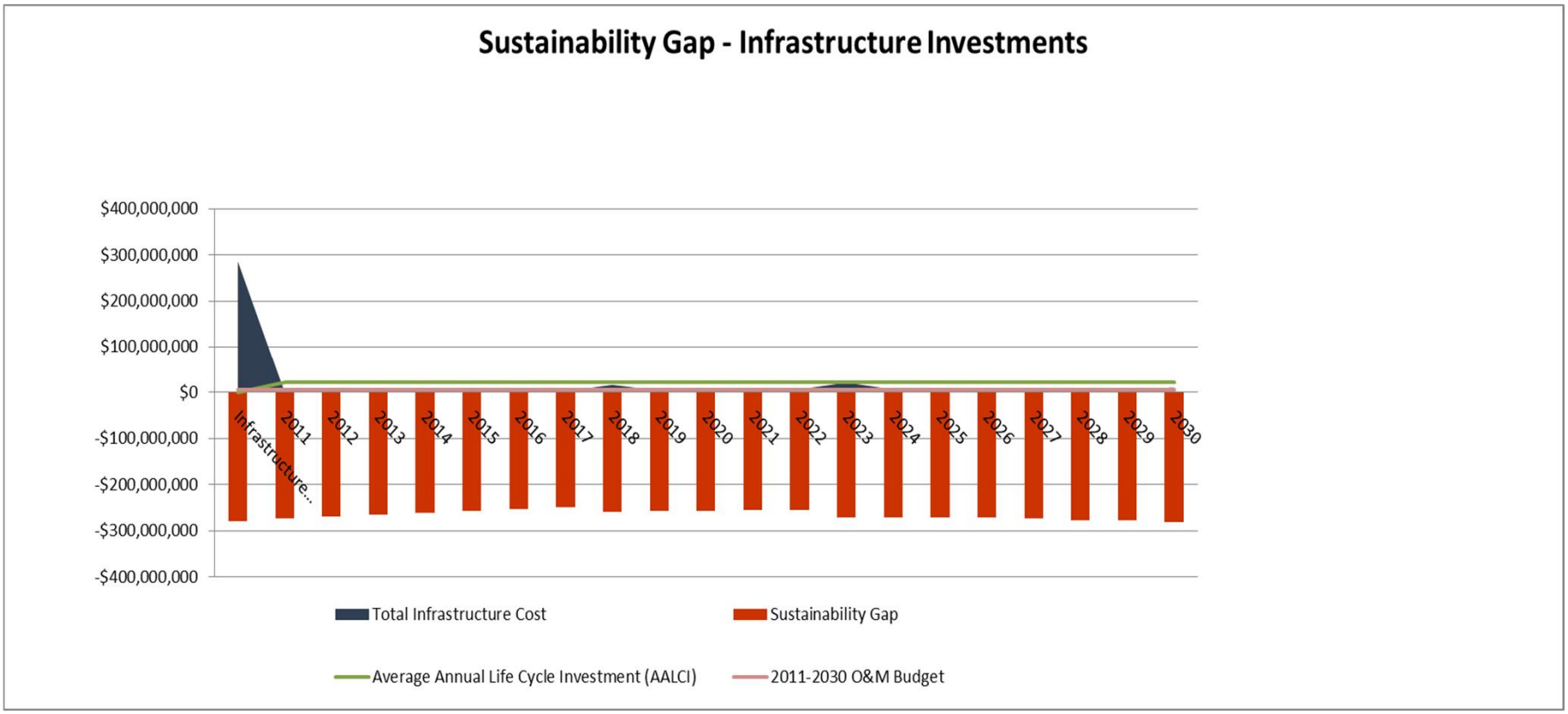




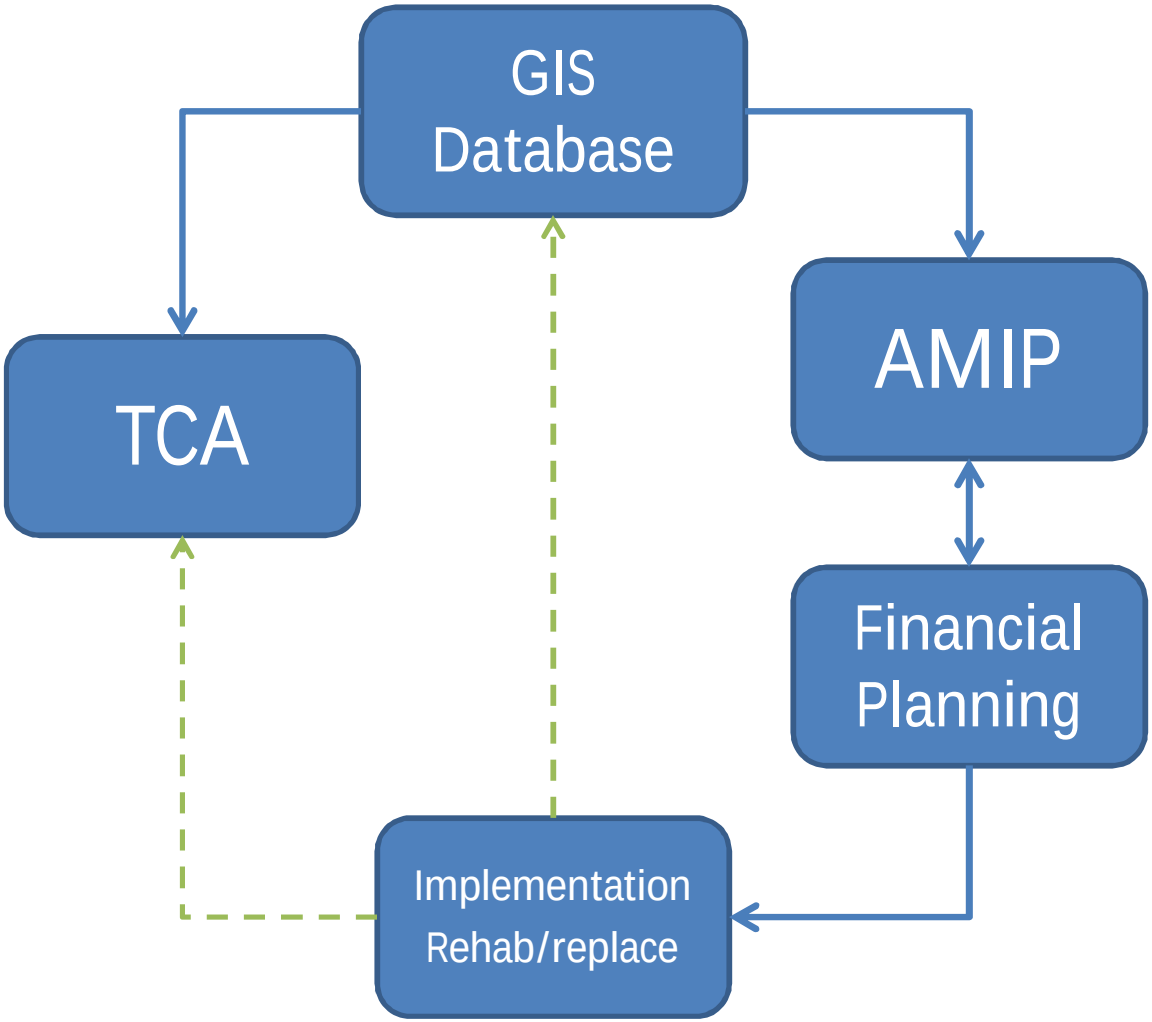




Asset Management Investment Plan

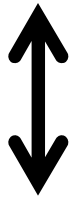


Managing the Process



Linking Needs and Affordability

Asset Management Plans



Long Term Financial Plans

Long Term Financial Planning

"Long-term financial planning is the process of aligning financial capacity with long-term service objectives." (GFOA Long Term Financial Planning Best Practices)

Long term Service Objectives

- Maintain level of service?
- Increase level of service?
- Provide additional services?

And, adapt to what the future brings…

The County developed their Guiding Principles – it provided a framework for defining the “Level of Service”

AMIP

- Risk: what is acceptable?
- Level of service
- Prioritize improvements
- Evaluate future needs

LTFP

- Revenue generation
- Reduce costs
- Financial policies in place

Who was involved?

- County Manager, staff and Administration
  - Policy / Plans development
  - GIS and TCA preparation
- Council
  - Decision making
- Accurate Assessment
  - GIS Database management and development
- Urban Systems
  - AMIP development
  - Process design
  - Policy / Plans development

What are the challenges?

- Actual condition of assets are unknown (age and maturity)
- County's resources in developing and maintaining the plan is limited
  - Staff doing multiple jobs
  - No defined system in place
  - Lack of public awareness of cost of servicing
- Inadequate funding / huge Sustainability Gap
- Needs of the past aren't the needs of the future
  - Changing regulations
  - Changing weather patterns
  - Changing service expectations

What are the benefits?

- Awareness of cost of servicing and infrastructure investment at all level, i.e. council, management, staff and public
- Up-to-date GIS database
- AMIP is implementable - considers County's resources and limitations
- Preparation of a Road Classification Plan based on level of service to reduce cost
- Process of annual budgets pplanning based on LTFP

Where are we headed?

- County realizes AM planning is an on-going process
  - Update the database and AMIP as needed
- County is looking into acquiring a software to link AMIP, TCA and budgeting
- County is looking into developing/updating revenue tools (update utility rate structures, etc.)

Questions?