



# *Moving Forward with* **Integrated Asset Management**

2016 AVICC AGM & Convention,  
Nanaimo, BC      April 10, 2016





Sayt-K'iiim-Goot  
one heart, one path, one nation



The Voice of British Columbia  
Local Government



CITY OF PRINCE GEORGE



# **Taking away the mystique....**

***“It is What We Do!  
We have been doing  
it for years.”***

**YES.....But.....**

# Asset Management

- **Current Process plans for today**
- **Asset Management gives you information to plan for tomorrow**





**Informing the Future**



**Potable Water**

**Waste Water**

**Stormwater**

**Roads and Bridges**

**Buildings**

**Sports and Recreation Facilities**

**Public Transit**

[www.canadainfrastructure.ca](http://www.canadainfrastructure.ca)

## Today's Speakers

**Christina Benty**  
Former Mayor of the  
Town of Golden



**CHRISTINA BENTY**  
STRATEGIC LEADERSHIP SOLUTIONS

**Glen Brown**  
General Manager  
Victoria Operations, UBCM



# Asset Management

*the what*  
*and the why*

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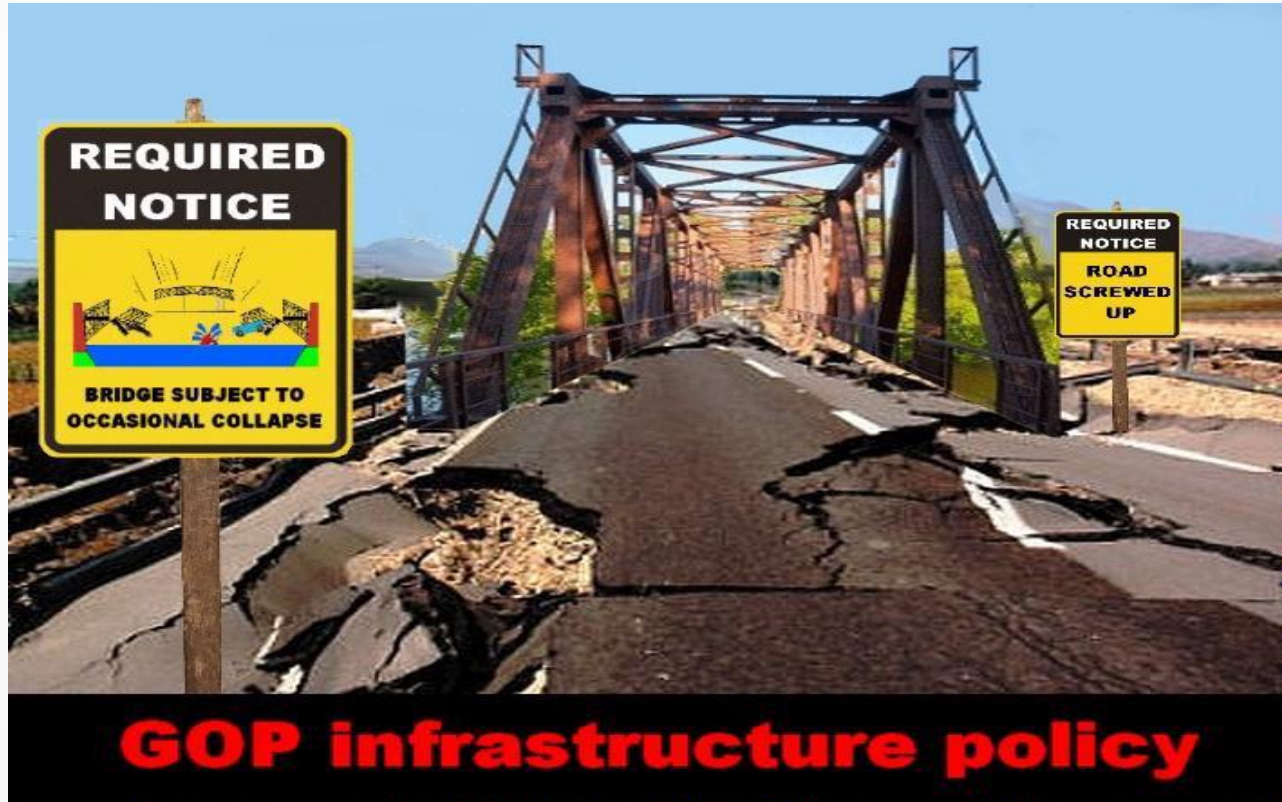
# Asset Management



It just ain't sexy!



# How did we get here?



# Two Choices: Pain of Discipline or the Pain of Regret

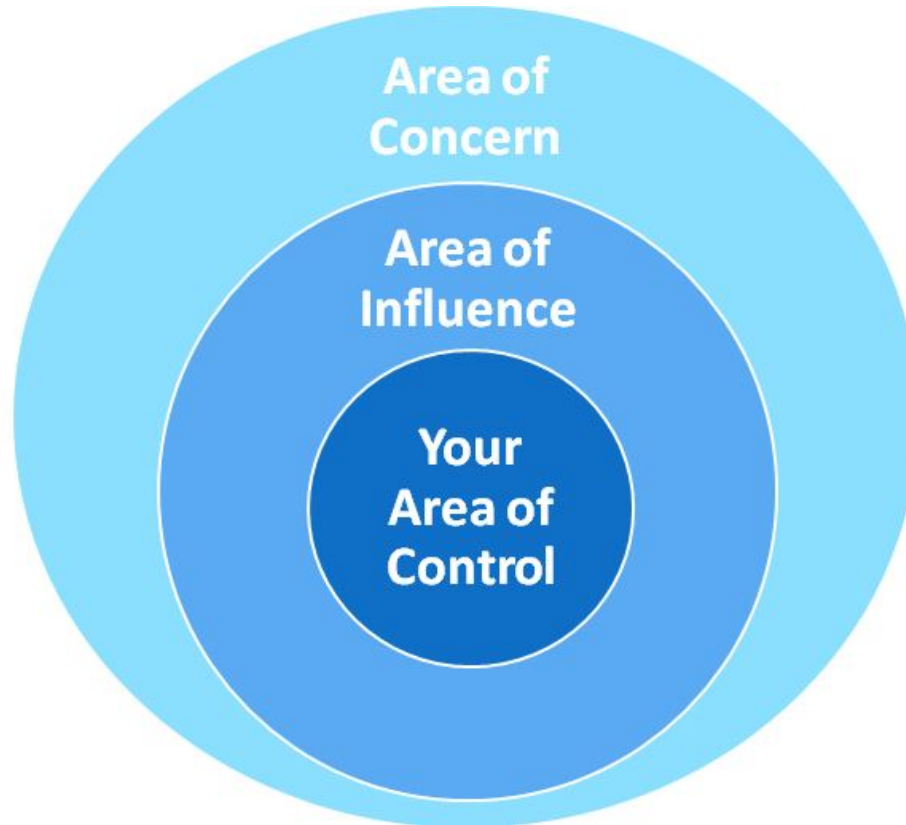


May 7, 2011

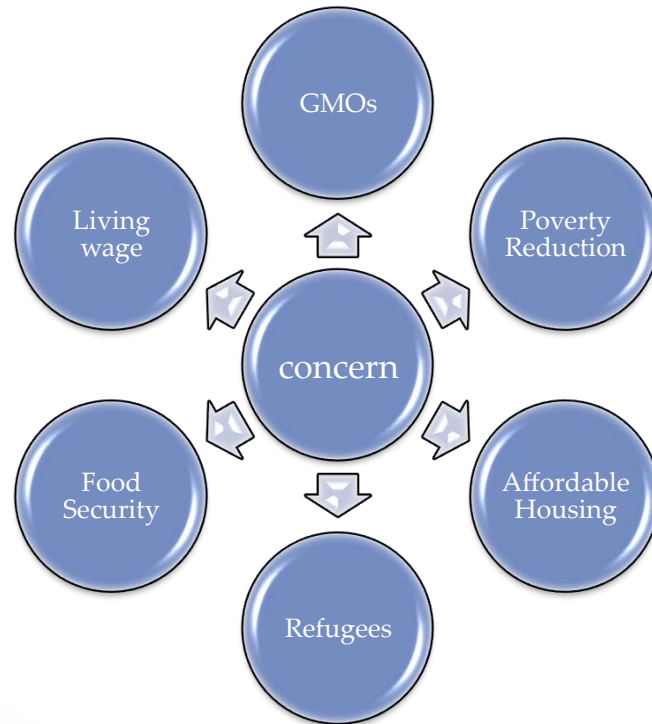


October 15, 2011

**We are spending our energy outside  
our area of control.**



# There is plenty to be concerned about.



# **We forgot to brag about what we do with limited \$\$\$**

- Sidewalks
- Maintained roads
- Clean drinking water
- Clean streets
- Maintained water/sewer system
- Community and cultural events
- Garbage and recycling pick up
- Parks and pathways
- Sports facilities
- People to put out that burning house
- A safe community
- Play places
- Programs for ALL
- Bylaw enforcement
- Enforcement of building standards
- Flood protection
- People to address your concerns
- Support for seniors
- Assistance in finding your lost dog
- Planning and zoning for the future
- And a City that is working for you!

Stop pretending there is no cost!



# R&R

“With a growing body of evidence before us for long term asset maintenance and renewal, Council is taking a bolder step in what we feel is the required direction for this corporation. We need our budget to increase 5% this year, and in successive years, to start meaningfully addressing the significant and nation-wide issue of infrastructure deficit, while still maintaining the services and quality of life our citizens, visitors, and the economy expect. No more can we simply keep up with inflation – we have responsibilities to our local society that far outweigh the ‘business as usual’ approach.”

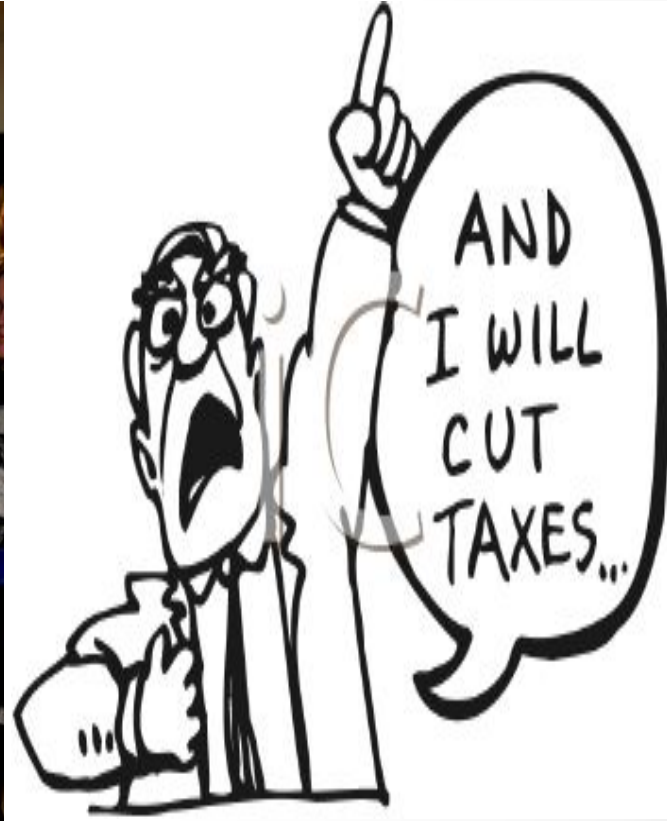
If things stay the same,  
what will the future look like?



So how did we get here?



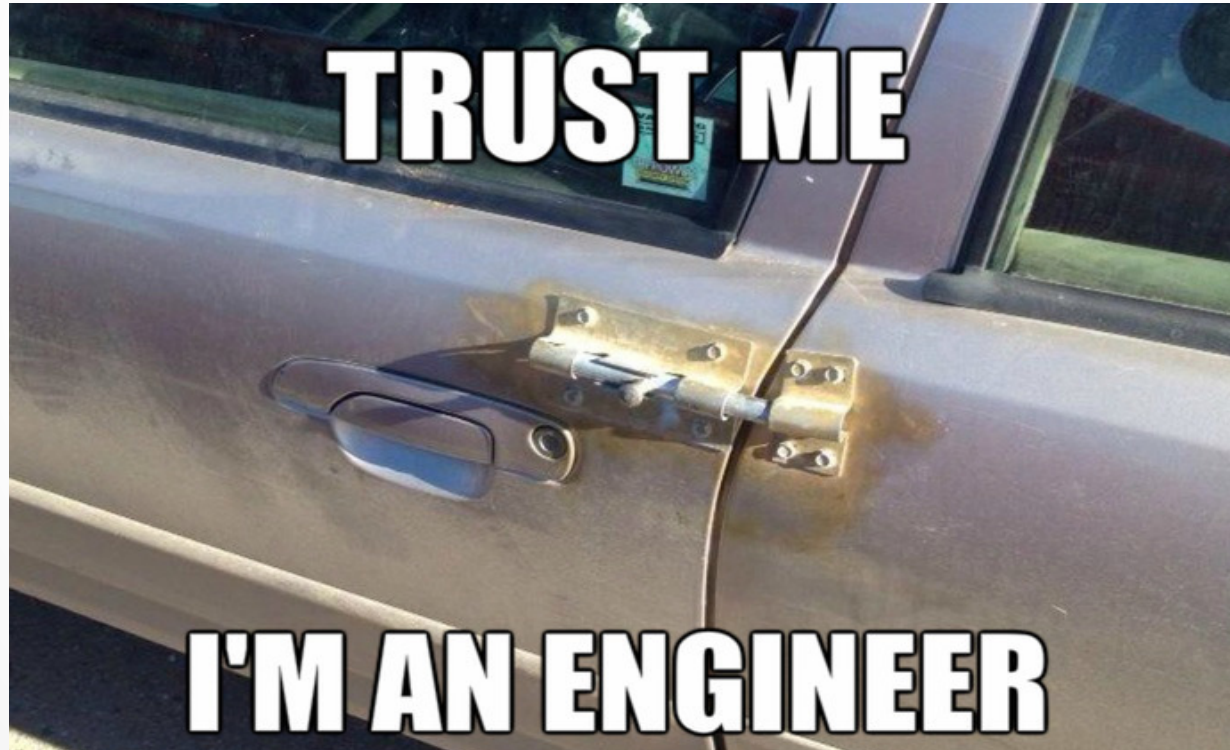
# It starts at the top!



# Finance Department deals with cost containment



Engineering department is trying to  
extend the life of the infrastructure



# It just ain't sexy!



**Good news! We just found  
some more refundable pop bottles!**

# The planning department has been directed to give up their shirt



*I told the budget committee I would give them the shirt off my back but they decided to cut a little deeper.*

The recreation department lives the  
life of a human punching bag



“I want a high level of service AND  
I only want to pay for a low level of service”



Senior management trying to keep  
all the balls in the air!



It is a team sport!



# Why practice asset management?

## The Charter

Municipal purposes;

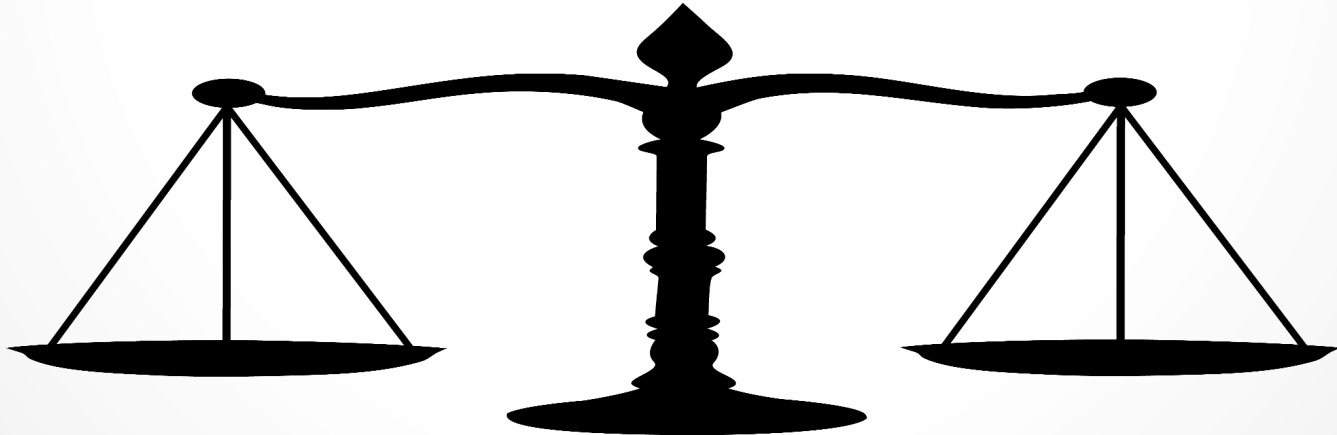
7 The purposes of a municipality include

- (a) providing for good government of its community,
- (b) providing for services, laws and other matters for community benefit,
- (c) providing for stewardship of the public assets of its community, and
- (d) fostering the economic, social and environmental well-being of its community.

# Why practice asset management?

The identify the costs to provide, maintain, renew and, if necessary, eliminate community owned capital assets

- Balanced with the community members' willingness to pay



# Why practice asset management?

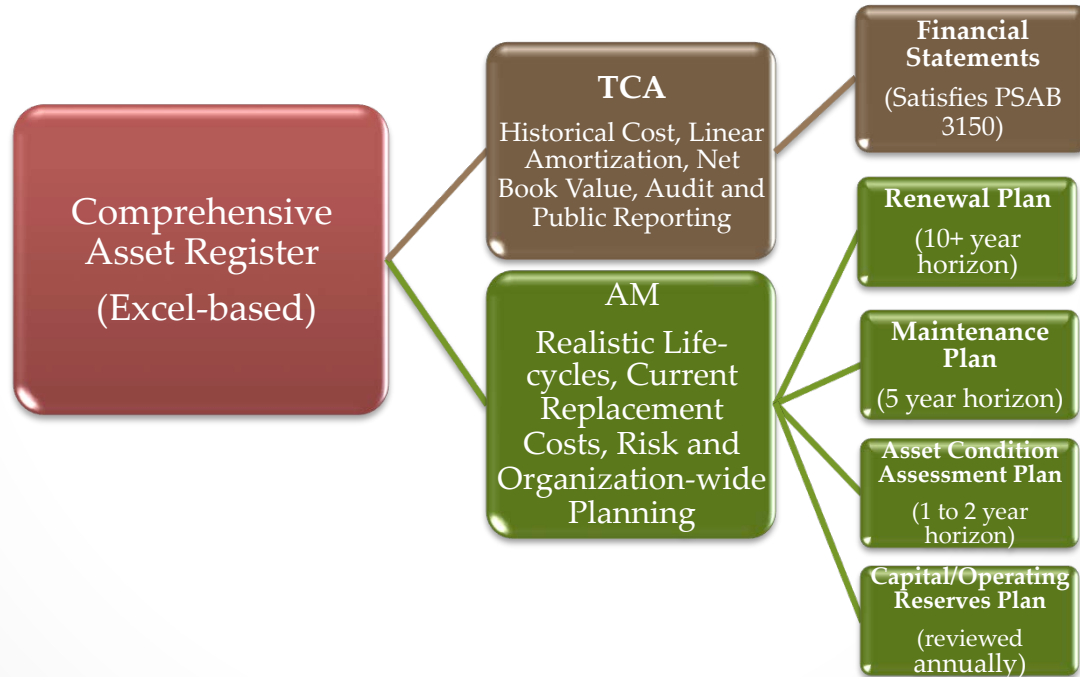
**You can't have what you want if you don't have what you need.**



Besides, you have to!



# What is the difference between TCAs and Asset Management?



# Why do we need asset management plans in the first place?

**The main risk to financial sustainability is:**

1. Cost of infrastructure
2. Levels of Service that don't reflect your fiscal capacity

# What is Asset Management?

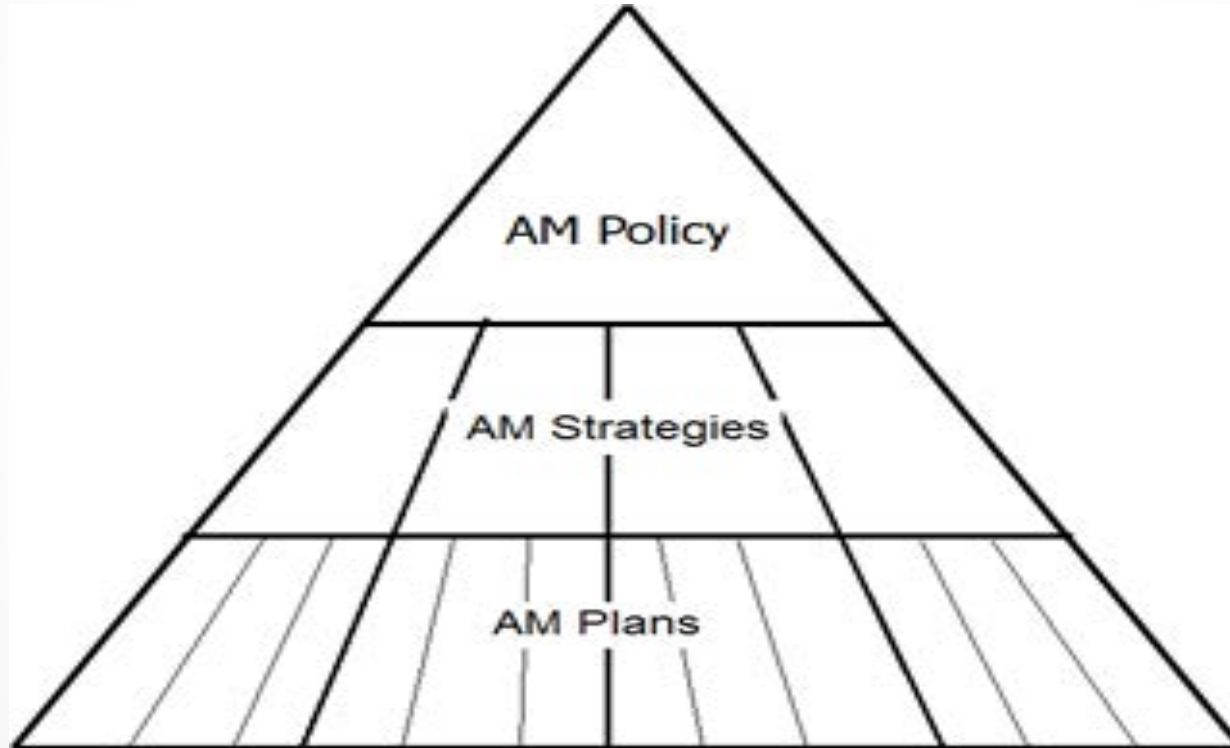
- What do you own?
- Where is it?
- What is it worth?
- What condition is it in?
- What needs to be done?
- When does it need to be done by?

# Asset management isn't just about infrastructure.....



**Value**

# What is asset management?



# What is the role of the elected official?

How do we, as elected officials,  
educate ourselves on our  
responsibilities toward long term  
stewardship of assets?

# What is the role of the elected official?

What is our financial position?

What are we investing now and what should we be investing?

Do we have enough money to manage our infrastructure?

If not, how much do we need?

Are the levels of service achievable?

If we don't get any more \$\$\$, can we explain to the organization and the community what will be the service level and risk consequences?

What do we need to do to get into a position where we can answer these questions with some degree of confidence?

# What is the role of the elected official?

If we can't afford everything who makes the decisions about priorities?  
(technical, financial, council and community)

How will asset management inform our decision making?

# Policies for practicing asset management

- Proactive rather than reactive
- Staff capacity vs off the side of the desk
- Asset renewal focus
- Condition assessment funding
- Focusing on existing assets vs adding new assets
- Budget Reduction Proposals
- Develop a Reserve Policy
- Educate, Communicate and Engage

# Why have a policy?

- A policy outlines long term goals with processes and steps on how these goals will be achieved.
- An asset management policy should also include some direction for staff to develop guidelines and practices in managing, financing, operating current assets and planning for future assets and the delivery of services.
- The development of these asset management strategies and plans are essential to accomplishing the long-term goals and the long term financial plan.

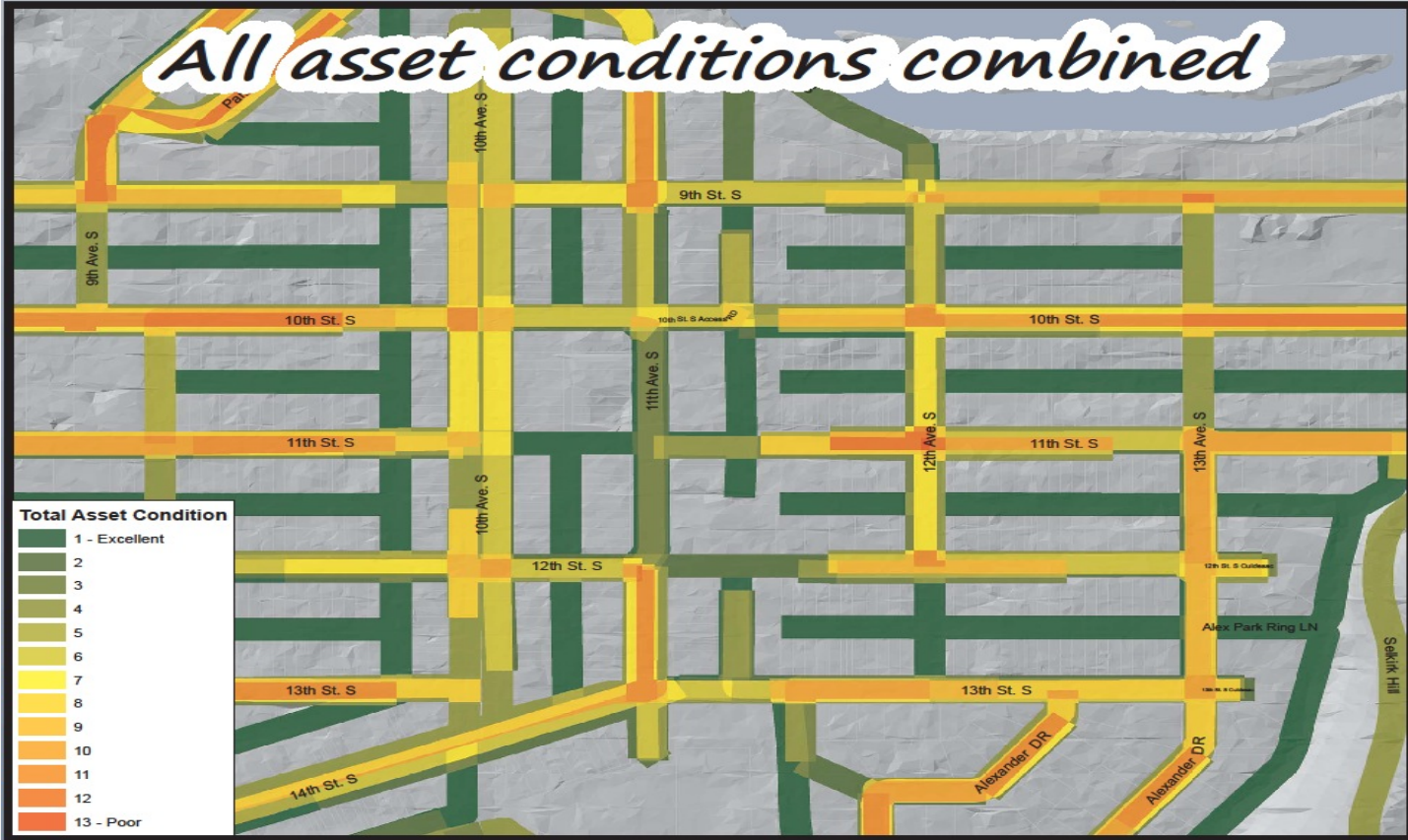
# Start with Data



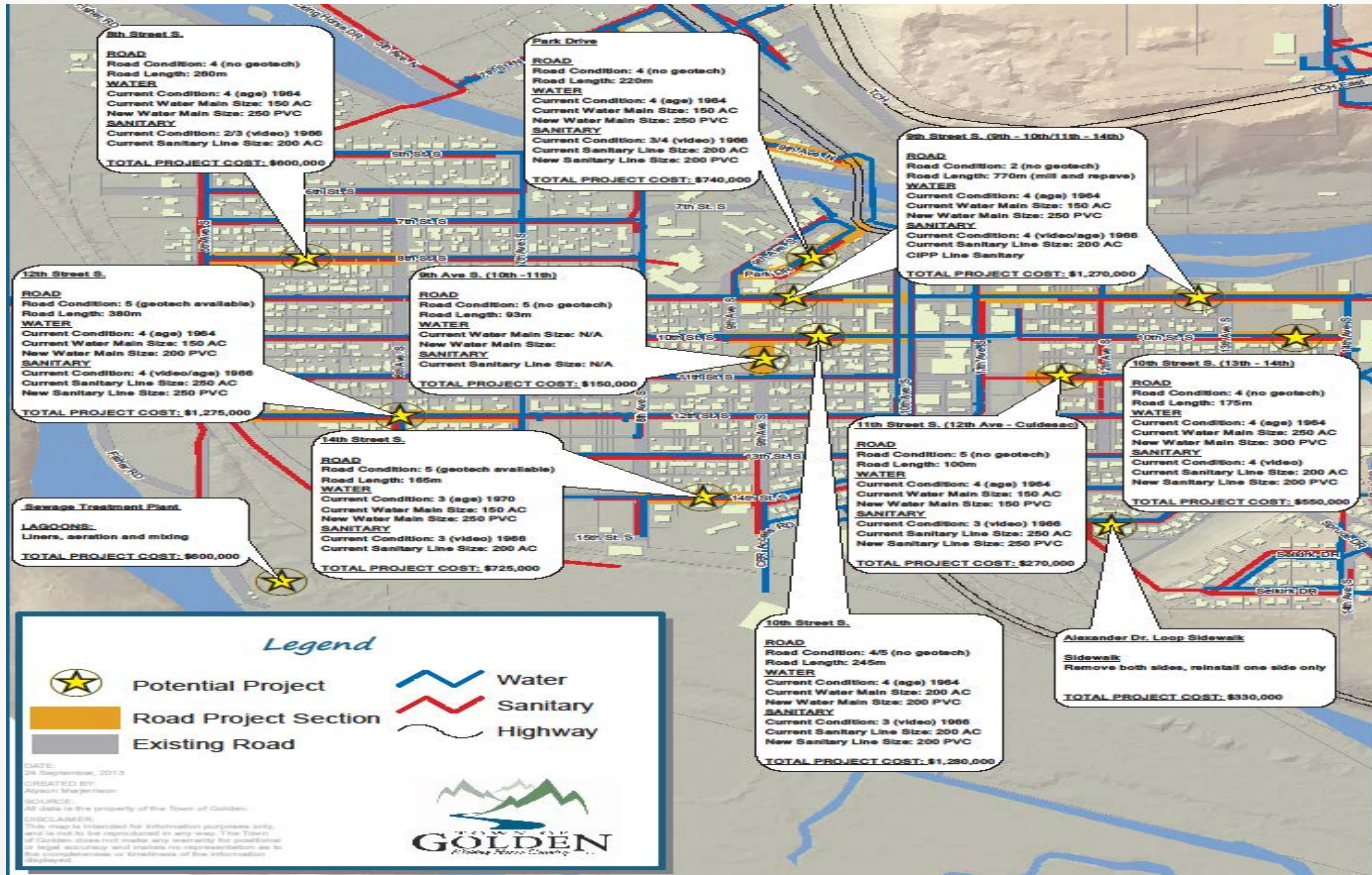
“Without data  
you’re just  
another person  
with an opinion.”

- W. Edwards Deming,  
Data Scientist

# From Asset Register to Asset Renewal Projects



# 19 Asset Renewal Projects



# Why?

It gives you the empirical evidence to make good, data driven decisions so you can.....

Do the right thing, to the right asset, at the right time

The alarm bells are ringing.  
How do you get the community to care?



What do you think is the approximate cost of replacing one block (450-500 m) of sidewalk?

- Over 66% underestimated by \$50K
- Over 30% underestimated by \$70K

What do you think is the approximate cost of replacing one block (450-500 m) of road with curb, gutter, water, and sewer lines?

- 77% underestimated by 500K
- 60% were out by over 1 million

The cost to deliver services and maintain infrastructure to the residents of Golden is increasing.  
How should the Town approach this challenge?

- “Value of money” and “efficient service delivery”
- Quit wasting money on overstaffing.
- Keep it lean. Try multi job roles. Higher productivity from staff.
- Attract more people. Foster population growth. Economic Development.

**The cost to deliver services and maintain infrastructure to the residents of Golden is increasing. How should the Town approach this challenge?**

- “Increase taxes” or “raise taxes”
- Taxes should be raised incrementally to keep things in good condition

What is in it for me?



# Why educate, communicate and engage?

- Improving the level of trust between the citizens and the local government.
- Building awareness and understanding of the roles, responsibilities, and limitations of the local government.
- Creating capacity in citizens to participate in conversations involving community owned assets.

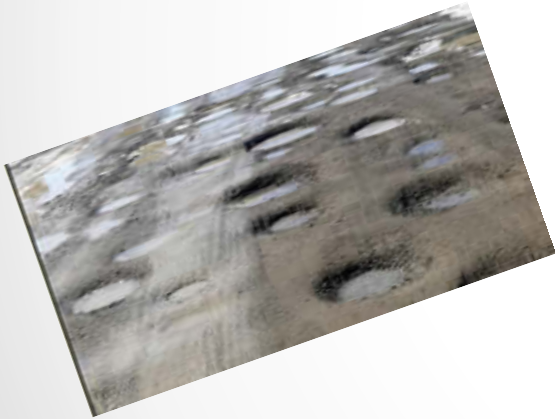
**It is not just what you say it is what others hear.**

# Framing the message

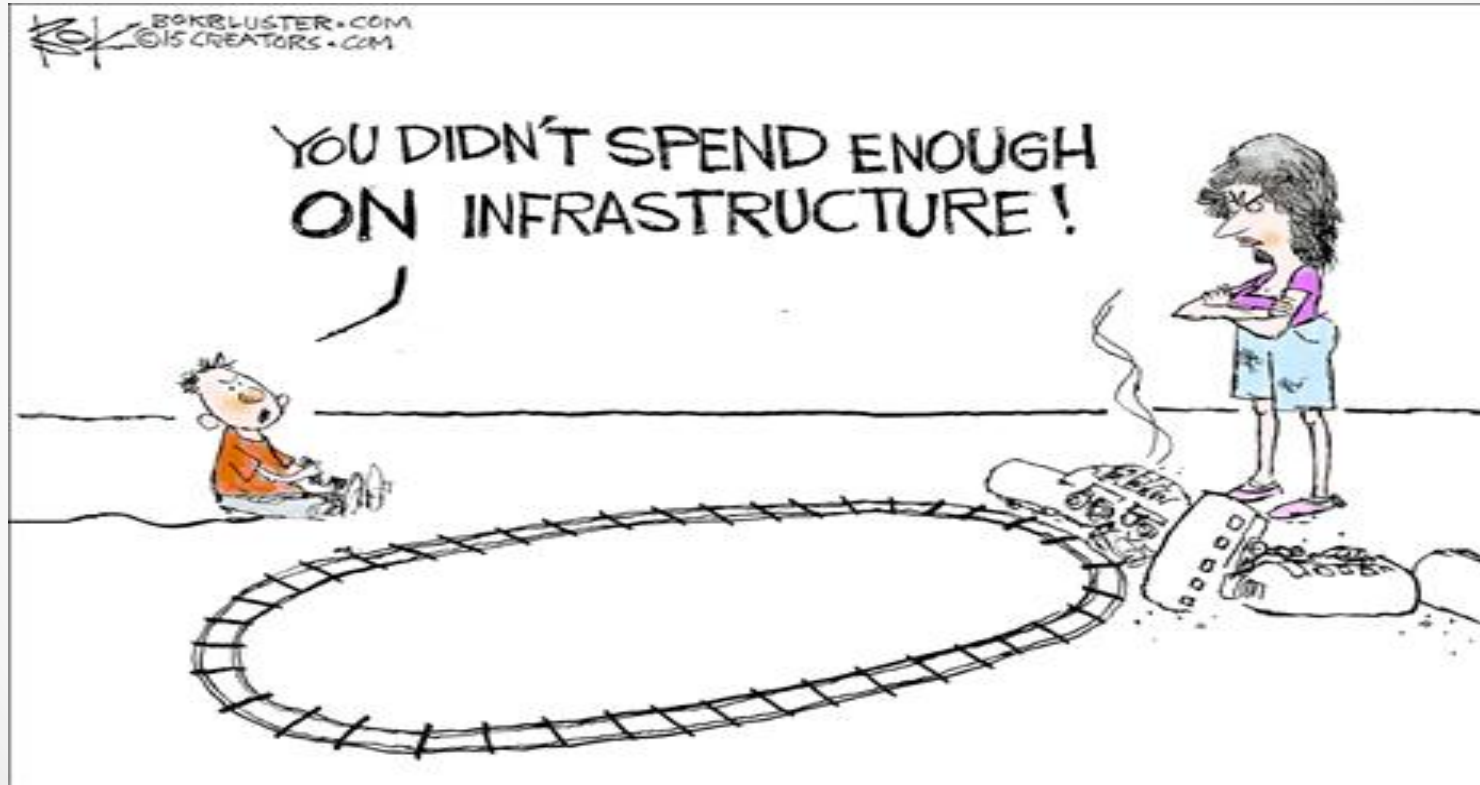
- We want to maintain reliable, quality services
- We want to protect the health and safety of our residents
- We want to extend the life of our existing infrastructure
- AND if we start now, we will save more in the future

# Framing the message

The goal is to maintain a foundation of infrastructure that is affordable, provide service levels consistent with resident's expectations, and to attract new residents and businesses.



**Don't let this be said of you in 10 years.**



# We are all in this together

- 1.CORPORATION** - Complexity is the enemy of execution!
- 2.COUNCIL** - Be the champion! Be the message!
- 3.COMMUNITY**- Stop yelling and start talking!

# Give yourself time to suck!



If you aren't thinking about asset management, than you aren't thinking.

I'm playing that game where the floor is made of lava, so I obviously can't get out of my bed or I'll die.



# *Asset Management*



*Understanding your Gas Tax Requirements*

# Asset Management Commitments

## Schedule A – Ultimate Recipient Requirements, section 5

*During the term of this Agreement, where an Ultimate Recipient is a Local Government, work to strengthen Asset Management, in accordance with the Asset Management framework developed by the partnership committee.*

# Asset Management Commitments

## Schedule F – Asset Management

*Schedule F – Asset Management identifies;*

- *The Partnership Committee will develop an Asset Management Framework,*
- *The Framework will recognize the varying capacities of local governments and the range of ongoing asset management activities.*


*Partnership Committee has approved;*

- *Asset Management for Sustainable Service Delivery: A BC Framework, and*
- *Local government asset management commitments pursuant to the Framework*

# Sustainable Service Delivery: A BC Framework

**Asset Management for Sustainable Service Delivery**

**A BC Framework**



**Sustainable Service Delivery**

Sustainable Service Delivery ensures that current community service needs, and how those services are delivered (in a socially, economically and environmentally responsible manner), do not compromise the ability of future generations to meet their own needs. Communities build and maintain infrastructure to provide services. These services support our quality of life, protect our health and safety, and promote social, economic and environmental well-being. Failure to care for our infrastructure, manage our natural resources and protect the benefits provided by nature risks degrading, or even losing, the services communities enjoy, and that future generations may rely on.

Sound asset management practices support Sustainable Service Delivery by considering community priorities, informed by an understanding of the trade offs between the available resources and the desired services.



# Asset Management Commitments

## *Establishing an Asset Management Baseline*

- To support local governments in their efforts to improve asset management practices, and to support asset management objectives within the GTA, baseline level information is required.
- Reporting Timeline – 2016
- Format – Survey

# Asset Management Commitments

## *Developing an Implementation Plan under the GTA*

- Local governments, with an understanding of current status with respect to Asset Management (after completion of Step 1), will be required to develop a 'moving forward' or Implementation Plan.
- The Implementation Plan will focus on how the local government will strengthen their respective asset management process over the life of the GTA and identify actions/activities and milestones.
- Reporting Timeline – 2017
- Reporting Format – Template Report

# Asset Management Commitments

## *Asset Management Reporting*

- Report on the status of the Implementation Plan
- Reporting would be integrated into UBCM reporting requirements under the Community Works Fund Agreement and the Outcomes Report
- Reporting Timeframe – 2018 & 2023
- Reporting Format – Template Report

*The two-year plan will focus on dealing with what Sohi called a **"deferred maintenance backlog"** across the infrastructure spectrum throughout the country.*

*This first phase will also include enhancing municipal planning, asset management and data collection, so planners can make smarter, more evidence-based decisions as they embark on long-term infrastructure projects, Sohi said. "It's not enough to be shovel-ready," Sohi said during his speech. **"Projects need to be shovel-worthy, as well."***

*Infrastructure Minister Amarjeet Sohi, CBC January 21, 2016*

Thank You  
Questions?