

# 'A Frog in Every Pot'

People, Places and Purpose  
Asset Management BC

November 3<sup>rd</sup> 2022

Paul Murray FCPA, ICD.D



# ‘A Frog In Every Pot’

- In keeping with the conference theme: How do we effectively connect People with Places and Purpose when we work to move Asset Management forward?
- I’m going to talk about one part of that today – how we can be strategic in our approach to make asset management everyday business.
- With our decision makers in mind - First Nation Elders and Members, Chief and Council, Municipal Mayor and Council, Chief Administrative Officer (CAO) or Taxpayers.



# 'A Frog In Every Pot'

## This will be:

- A focus on evolutionary communication;
- A Top Ten List, and
- An effective approach to normalize asset management.





- 
- **No frogs were harmed in the experiment,**
  - **In fact, it's just a myth, and**
  - **Now that I have your attention.....**





**Michel Foucault on Normalization:**

‘social processes through which ideas and actions come to be seen as 'normal' and become taken for granted or 'natural' in everyday life’

Or,

‘the process of reducing a complex data structure into its simplest, most stable structure’



How can we shift asset management to come to be seen as 'normal' or taken for granted in the everyday business of our communities?

And,

How do we turn all our complex asset data into simple information that is easily understood?

**Think evolution.....**



We can do this by using a strategy of **repeated, connected communication**

that is **clear, consistent and courageous**

*Christina Benty and Jan Enns – The Magic Flush, AMBC  
2016*

and that moves from a data focus to being **information focused**



- How do we do this? Just start!
- **Voltaire: *'Don't let perfect be the enemy of good'*** which is about how people can get caught up in making things perfect, and as a result never get anything done
- call it a work in progress and refine as you go
- it's an evolution, which is a continuous process



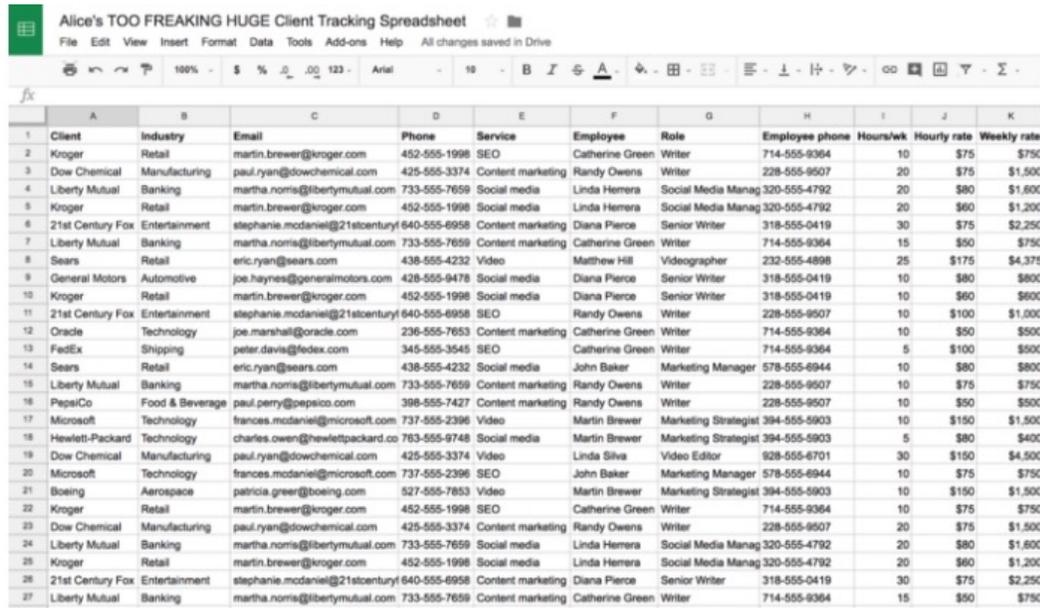
## An Information Focus (Context)

- data is a collection of facts, while information puts those facts into context
- understanding what information your Mayor and Council need – so they can talk asset management with a community member at the coffee shop



## An Information Focus (Context)

- No Spreadsheets!



Alice's TOO FREAKING HUGE Client Tracking Spreadsheet

	A	B	C	D	E	F	G	H	I	J	K
	Client	Industry	Email	Phone	Service	Employee	Role	Employee phone	Hours/wk	Hourly rate	Weekly rate
1	Kroger	Retail	martin.brewer@kroger.com	452-555-1998	SEO	Catherine Green	Writer	714-555-9364	10	\$75	\$750
2	Dow Chemical	Manufacturing	paul.ryan@dowchemical.com	425-555-3374	Content marketing	Randy Owens	Writer	228-555-9507	20	\$75	\$1,500
3	Liberty Mutual	Banking	martha.norris@libertymutual.com	733-555-7659	Social media	Linda Hemera	Social Media Manag	320-555-4792	20	\$80	\$1,600
4	Kroger	Retail	martin.brewer@kroger.com	452-555-1998	Social media	Linda Hemera	Social Media Manag	320-555-4792	20	\$60	\$1,200
5	21st Century Fox	Entertainment	stephanie.modaniel@21stcenturyf	640-555-6958	Content marketing	Diana Pierce	Senior Writer	318-555-0419	30	\$75	\$2,250
6	Liberty Mutual	Banking	martha.norris@libertymutual.com	733-555-7659	Content marketing	Catherine Green	Writer	714-555-9364	15	\$50	\$750
7	Sears	Retail	eric.ryan@sears.com	438-555-4232	Video	Matthew Hill	Videographer	232-555-4898	25	\$175	\$4,375
8	General Motors	Automotive	joe.haynes@generalmotors.com	428-555-9478	Social media	Diana Pierce	Senior Writer	318-555-0419	10	\$80	\$800
9	Kroger	Retail	martin.brewer@kroger.com	452-555-1998	Social media	Diana Pierce	Senior Writer	318-555-0419	10	\$60	\$600
10	21st Century Fox	Entertainment	stephanie.modaniel@21stcenturyf	640-555-6958	SEO	Randy Owens	Writer	228-555-9507	10	\$100	\$1,000
11	Oracle	Technology	joe.marshall@oracle.com	236-555-7653	Content marketing	Catherine Green	Writer	714-555-9364	10	\$50	\$500
12	FedEx	Shipping	peter.davis@fedex.com	345-555-3545	SEO	Catherine Green	Writer	714-555-9364	5	\$100	\$500
13	Sears	Retail	eric.ryan@sears.com	438-555-4232	Social media	John Baker	Marketing Manager	578-555-6944	10	\$80	\$800
14	Liberty Mutual	Banking	martha.norris@libertymutual.com	733-555-7659	Content marketing	Randy Owens	Writer	228-555-9507	10	\$75	\$750
15	PepsiCo	Food & Beverage	paul.perry@pepsico.com	398-555-7427	Content marketing	Randy Owens	Writer	228-555-9507	10	\$50	\$500
16	Microsoft	Technology	frances.modaniel@microsoft.com	737-555-2396	Video	Martin Brewer	Marketing Strategist	394-555-5903	10	\$150	\$1,500
17	Hewlett-Packard	Technology	charles.owen@hewlettpackard.co	763-555-9748	Social media	Martin Brewer	Marketing Strategist	394-555-5903	5	\$80	\$400
18	Dow Chemical	Manufacturing	paul.ryan@dowchemical.com	425-555-3374	Video	Linda Silva	Video Editor	928-555-6701	30	\$150	\$4,500
19	Microsoft	Technology	frances.modaniel@microsoft.com	737-555-2396	SEO	John Baker	Marketing Manager	578-555-6944	10	\$75	\$750
20	Boeing	Aerospace	patricia.greer@boeing.com	527-555-7853	Video	Martin Brewer	Marketing Strategist	394-555-5903	10	\$150	\$1,500
21	Kroger	Retail	martin.brewer@kroger.com	452-555-1998	SEO	Catherine Green	Writer	714-555-9364	10	\$75	\$750
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## Providing Context

- an **Asset Health or Asset Condition Report Card**: what condition are assets in, how consumed are they and how many are past useful life?
- a risk profile – what risk of failure or breakdown are we willing to accept?
- a connection to service – what service level do we expect from these assets?
- a measure of affordability - Separate the annual cost to a typical home (property taxes or utility bills)
- a **Financial Report Card**: funding level, funding gap, reserves and debt capacity - how financially flexible and resilient are we?



## District of Highlands Infrastructure Report Card

Asset Group	Rating	Comments
Land	B	Good condition. No funding needed. Replacement not anticipated
Groundwater Aquifer	B	Reasonable natural condition based on Golder Assessment. No funding needed.
Roads	C	Reasonable condition. Funding adequate.
Drainage	C	Reasonable condition in general, some replacement of culverts and deferred maintenance required. Funding increase needed.
Bridges	B	Good condition based on Herold Engineering Assessment. Funding increase needed.
Facilities	B	Reasonable condition. Funding increase needed for municipal and community facilities.
Park Improvements	B	Reasonable condition. Modest increase in funding will maintain rating.
Vehicles and Equipment	B	Reasonable condition. Modest increase in funding will maintain rating.
Overall	B	Increased funding needed.



### Infrastructure Report Card

Asset Group	Rating	Comments	Projected Rating in 2027 at Proposed Funding
Roads	B	Good condition. Catch up of deferred road top required.	B+
Drainage	C-	Reasonable condition. Significant renewal of drains and culverts in next decade.	B
Facilities	C	Reasonable condition. Public Works and Municipal Hall complex are next priorities.	B
Parks and Trails	C	Reasonable condition. Increased funding will improve rating.	B-
Vehicles and Equipment	B-	Reasonable condition. Increased funding will improve rating.	B
Water	C-	Reasonable condition. AC Main replacement is priority for next decade.	C
Sewer	D+	Poor condition. Significant investment needed in next decade to replace lift stations and mains.	C
Overall	C		B



Water Supply is currently achieving a rating of: **Very Good**



#### What do the Risk Management Ratings mean?

●	<b>Very Good</b>	Almost all assets in the portfolio are achieving the desired targets
◐	<b>Good</b>	Most assets in the portfolio are achieving the desired targets
◑	<b>Fair</b>	Many assets in the portfolio are not achieving the desired targets
◒	<b>Poor</b>	Most assets in the portfolio are not achieving the desired targets
⊗	<b>Very Poor</b>	Almost all assets in the portfolio are not achieving the desired targets

#### Target Customer Levels of Service<sup>1</sup>

Our customers should expect...

Potable water which meets or exceeds all regulatory requirements.

Aesthetically pleasing water quality.

Efficient and reliable Water Treatment.

Reliable and consistent water pressure and flow.

Efficient delivery of water services.

The Facilities are structurally sound and in a state of good repair.

The Facilities fully meet the Programs' services requirements.

The Facilities provide a safe, healthy environment for staff and the public.

The Facilities are accessible as required.

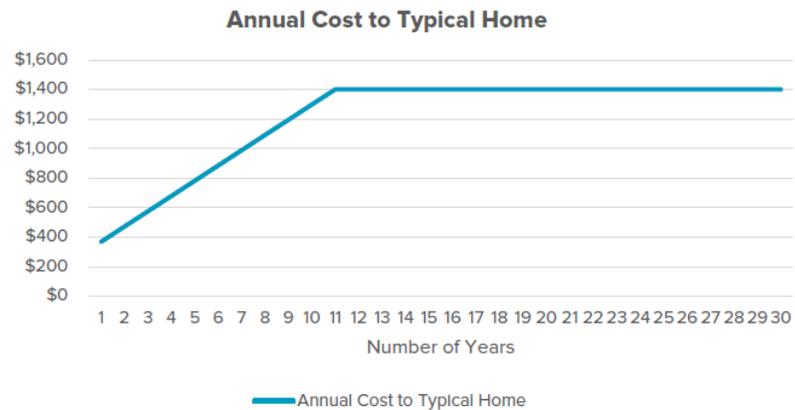


## Asset Financing Strategy Impact - Affordability

Over the next five years annual asset replacement funding is planned to increase from \$1.5 Million to \$2.25 Million which is 75% of our long term goal

Cost to a Typical Home increases from \$368 in 2022 to \$883 and eventually \$1,402 in 2032.

This is an average 3.9% property tax increase each year.



## Asset Financing for 2023 to 2027

### Continue the same Asset Financing Strategy approach for the next Five Years:

- Maintain our current Infrastructure Status or Asset HealthScore™ rating of 72% by investing \$19.6 million in asset replacement over the next five years.
- Maintain minimum reserves and debt capacity.
- Increase funding from property taxation by the equivalent of a 5% property tax increase per year or \$1.5 Million in 2022 to \$1.8 Million in 2027.

**\$1.8 M**

Annual Asset Replacement Funding

**\$5.3 M**

Minimum Asset Replacement Reserves

**\$10.9 M**

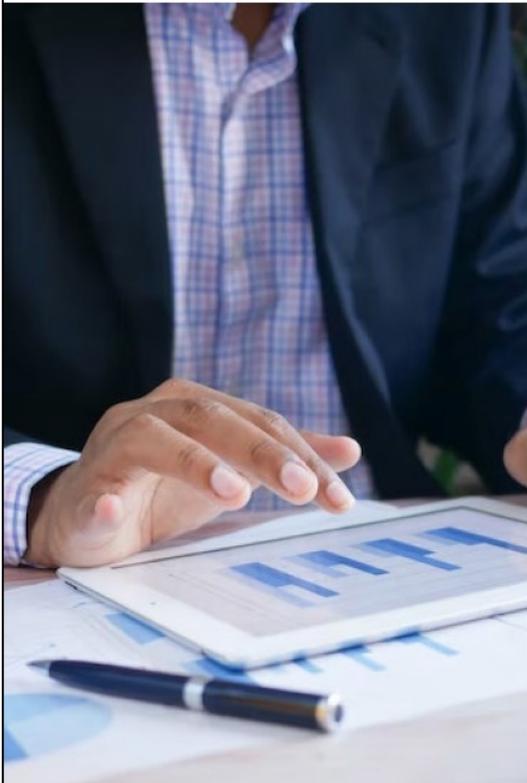
Debt Capacity for Asset Replacement

**\$19.6 M**

Invested in Asset Replacement

**\$883**

Annual Cost to Typical Home



Then connect and repeat.....



Think evolution.....



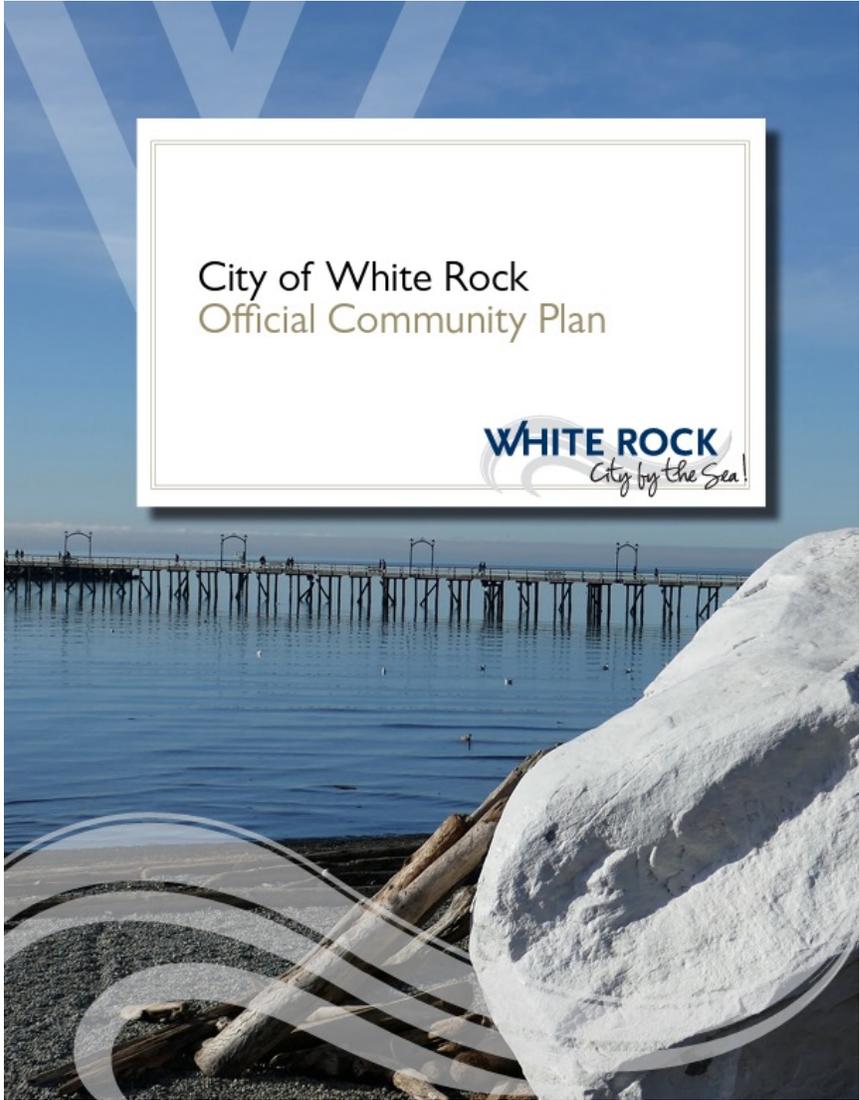
# Central Saanich

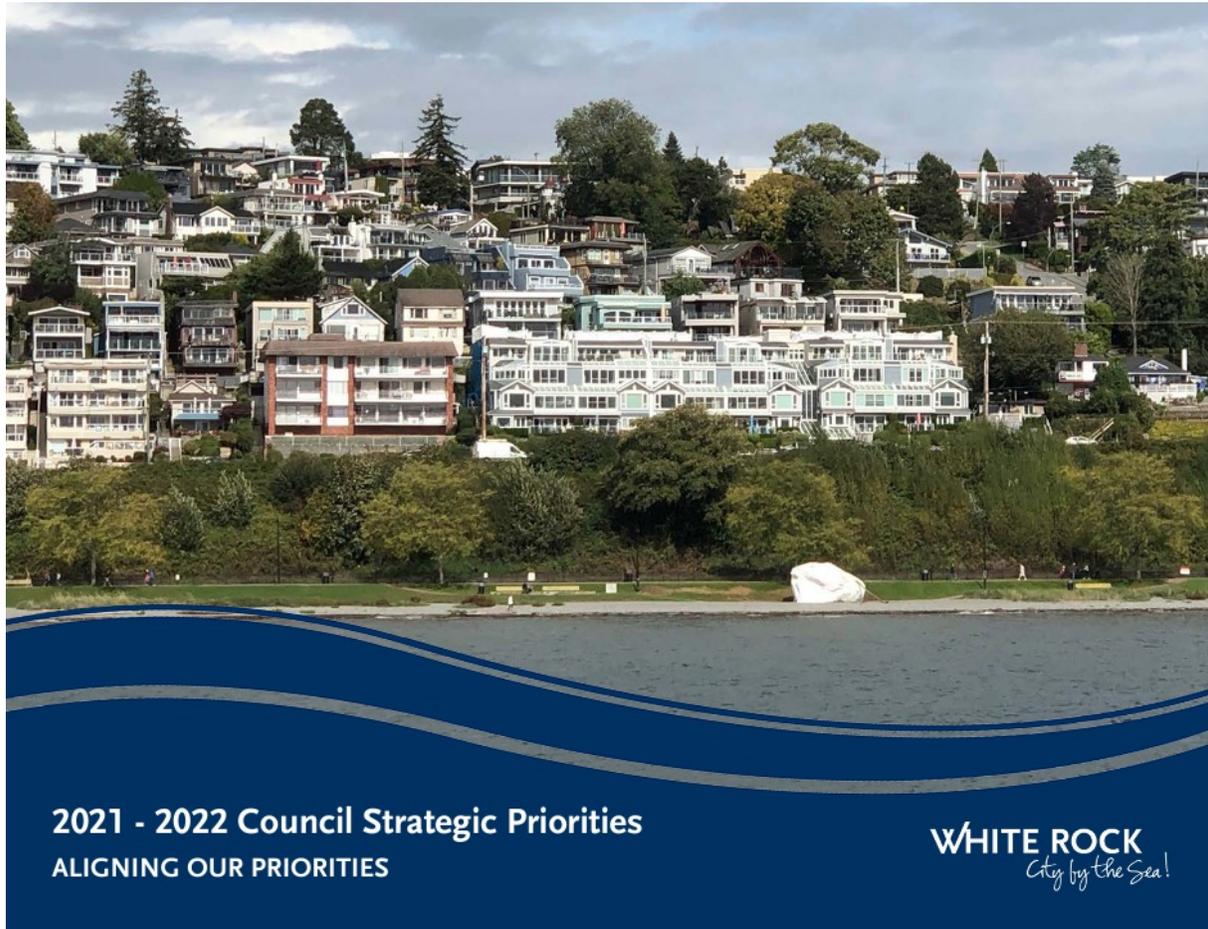
## 2022 Financial Plan



The District of Central Saanich, BC  
DRAFT January 31, 2022







2021 - 2022 Council Strategic Priorities  
ALIGNING OUR PRIORITIES

WHITE ROCK  
*City by the Sea!*



CENTRAL SAANICH  
2020 Annual Report



District of Central Saanich  
British Columbia, Canada  
Fiscal Year ended December 31, 2020





TOWN OF GIBSONS

# TOWARDS AN ECO-ASSET STRATEGY IN THE TOWN OF GIBSONS



*Nature plays an integral part in  
a municipal infrastructure system*



# 'A Frog In Every Pot'

1. **Just start** (Don't wait to get it perfect)
2. **Give context** – Information not data
3. **Be consistent and clear**
4. **Think evolution** (Boil the Frog) - be Gradual, Connect and Repeat
5. **Be intentional or systematic** – include in Budget, Annual Report and Strategic Planning materials, reference in Master Plans
6. **Appeal to the heart** - connect to protection of next generations – a long term view



# 'A Frog In Every Pot'

7. **Think affordability:** Use a separate property tax rate for asset replacement
8. **Think resilience:** consistent service levels from assets within your community risk profile
9. **Think flexibility:** the ability to replace planned and unplanned asset replacement (reserves and debt)
10. **Think natural assets and climate:** incorporate natural assets and connect with a climate lens



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- This an effective approach to move asset management into everyday (normal) business for your community
  - It's based on clear, consistent and connected communication that is repeated over time
  - It takes work, but you just need to start



Questions





Thank you!

‘A Frog in Every Pot’

AMBC 2022

November 3<sup>rd</sup> 2022

Paul Murray