

# Your Assets Matter: What Will Your Legacy Be?

## Advancing Your Asset Management Practices

### Local Government Leadership Academy Work



This initiative is offered through the Municipal Asset Management Program, which is delivered by the Federation of Canadian Municipalities and funded by the Government of Canada. Municipal Asset Management Program (MAMP) EN:

[fcm.ca/assetmanagementprogram](http://fcm.ca/assetmanagementprogram)



Thank you for picking up this Advancing Your Asset Management Practices companion guide.

This guide, along with the AMBC Presentation recording, is designed to introduce you to the concept of asset management and support you in initiating a conversation regarding the value of asset management to your organization. The purpose of this conversation is to help your local government move towards better asset management practices.

This presentation and guide are for you if:

- You believe that the time has come to understand the true cost to provide, maintain, and renew, community-owned capital assets.
- You believe that managing public assets in a formalized process is no longer a luxury for local governments; you believe it is an absolute necessity.
- You are looking for a way to raise awareness about what asset management is, what value it can bring and how your community can get started right now....and you need some help!

**STEP ONE:** Watch the AMBC power point presentation by yourself or with your Board/Council/Staff.

**STEP TWO:** Read the Companion Guide.

**STEP THREE:** Start a conversation in your local government about advancing your asset management practices today.

PART ONE

## What is Asset Management?

FIRST, LET'S GO BACK TO SOME BASICS:

### What is the purpose of local government? Why does it exist?

Local government is a service delivery agent. It was created to provide safe, sustainable, secure services in a predictable, cost-effective manner. These services have a direct impact on the health, safety, and quality of life for the residents of your community. As a responsible service provider, local government has a social, financial, economic, environmental, legal, and moral obligation to care for the assets and amenities that provide the services.

### What is the overarching role of elected officials?

Although the staff manage, operate, maintain, and deliver the services that local government provides, the role of the elected officials is stewardship and governance over the organization that provides services. Proper stewardship and sound governance require strategic thinking.

YOUR ROLE AS AN ELECTED OFFICIAL IS TO STRATEGICALLY THINK ABOUT:

- What services does our community need and want now and in the future, and at what level?
- What are the services our community is willing and able to pay for?
- Are we spending enough, too much or too little on the infrastructure that provides those services?

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## WHAT IS THE CONNECTION BETWEEN YOUR ROLE AND ASSET MANAGEMENT?

If you are going to provide safe, sustainable, secure services in a predictable, cost-effective manner, you need to manage your assets.

## WHAT IS ASSET MANAGEMENT?

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*ASSET MANAGEMENT IS A FORMALIZED PLANNING PROCESS FOR THE ASSETS AND SERVICES THAT CONTRIBUTE TO THE QUALITY OF LIFE FOR OUR RESIDENTS.*

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This process helps us care for the infrastructure that delivers valuable services to our community in a way that:

- \*Manages risks and opportunities
- \*Uses resources wisely
- \*Considers current and future needs

*ASSET MANAGEMENT IS THE DIRECT ROUTE TO YOUR COMMUNITY'S SUSTAINABLE AND RESILIENT FUTURE.*

It is an integrated approach to effectively manage existing and new municipal infrastructure to maximize benefits, reduce risk, and provide satisfactory levels of service to the public in a way that is sustainable.

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PART TWO

## Why Asset Management?

Asset Management seems like the new “buzz word”. Until recently, it was a term used only in small circles. The concept is just starting to be included in most Council/Board orientation sessions. It is most certainly not a household term. Although our residents are not clamoring for asset management, they are talking about services and sustainability.

### THE TRUTH IS ...

Civic leaders have always been asset managers and always will be. The nature of assets and services may change, but the responsibility of elected officials to steward the assets that provide services remains. **IF WE BUILD IT, WE MUST LOOK AFTER IT.** Doing it well is the only path that leads to sustainable and resilient communities for future generations.



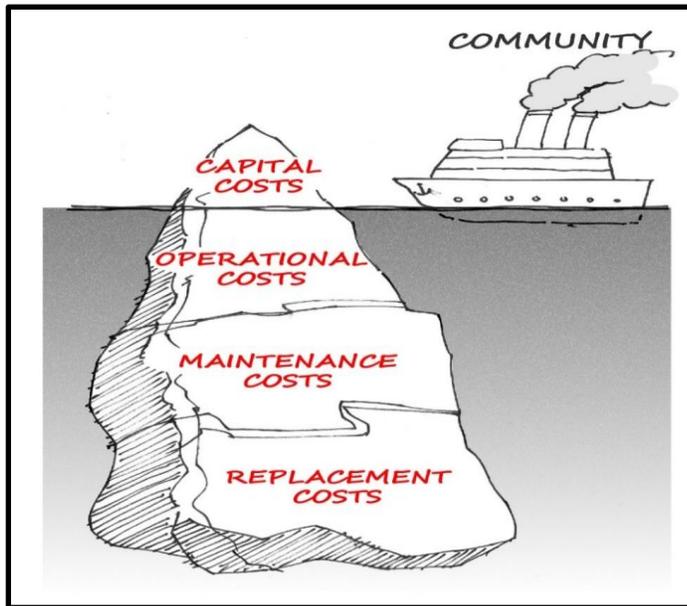
#### Ask Yourself:

Are we going to retain our existing services and maximize their asset life cycles OR ignore asset deterioration and then react to failure or worse yet, leave it to future generations to deal with?

### State of Infrastructure in Canada:

\_\_\_\_\_ of all assets are in poor or very poor condition.  
(Just checking to see if you are paying attention).

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Capital costs makeup about \_\_\_\_\_% of the total life cycle of an asset and the service costs.

Image source: Stantec

## ASSET MANAGEMENT IS THE SOLUTION TO SHORT-TERM THINKING

Reactive, short-term thinking has been described as the greatest threat to our civilization. It is arguably the greatest threat to sustainable community building. This is because short-term thinking leads to an **UNFUNDED INFRASTRUCTURE LIABILITY**, which becomes an issue when budget and investment decisions are based on initial capital and short-term costs rather than on full life-cycle costs of maintaining, operating, renewing, disposing, and replacing assets over the long-term.

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## What is Asset Management BC?

Asset Management BC (AMBC) is a community of practice formed in 2009 – made up of local government staff and politicians as well as key industry associations – that provides leadership and support to local governments for the management of infrastructure assets.

### THE ASSET MANAGEMENT WHEEL



The wheel is being used in best practice guides across Canada and is scalable to community size, character, and capacity, recognizing the diversity of BC's communities. Smaller local governments, for instance, can still follow the wheel, but adjust the level of complexity at every state to match their services and more limited resources.

Check out the AMBC Website (<https://www.assetmanagementbc.ca>) for the following tools and resources:

- Asset management training opportunities
- Asset Management for Sustainable Service Delivery: A BC Framework [Asset Management Framework](#)
- Climate Change Integration Project [Climate Change and Asset Management](#)
- Community Levels of Service Primer [Level-of-Service Primer](#)
- Asset Management Roadmap [AM Road Map](#)
- Asset SMART Tool 2.0 [AssetSMART Tool](#)
- Case Studies, Newsletters and so many other resources [AMBC Resources](#)

PART THREE

## Asset Management in Action

THE TWO KEY QUESTIONS EVERY ELECTED OFFICIAL NEEDS TO ASK:

- What services does our community need and want now and in the future, and at what level?
- What are the services our community is willing and able to pay for?

## Understanding Our Assets and Services

This starts with knowing what services we provide to our community and at what levels.

- What services do we provide and WHY?
- What level of service do we provide?
  - Is this service level:
    - Sustainable?
    - Fully funded?
    - Needed, desired?

**Some examples of levels of service:**

- Frequency of public transit
- Hours of operation of recreation facilities
- Frequency of waste/recycling curbside pick-up vs. regional depot
- Road conditions/classification
- Availability of animal control services

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## Natural Assets

We can't afford to overlook natural assets.

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*Natural assets are:*

*-Cost effective and resilient – they require much less maintenance than engineered assets &*

*-Adaptable to climate change.*

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This includes designed and engineered elements that have been created to mimic natural functions and processes (rain gardens, bioswales, urban trees).

## Human Assets

Human assets have infinite value. Human assets are often overlooked in asset management discussions – even though the contribution of employees, contractors and volunteers is so vital to sustainable service delivery.

Not only do employees, contractors or volunteers hold much of the knowledge, expertise and hands-on information of public infrastructure, they are also most often the ones delivering civic services.

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## PUTTING IT ALL TOGETHER

Asset management helps us put some rigor and structure around the information we use to make strategic decisions. We use it so that our assets will continue to work well, with no surprises, and provide our citizens with predictable, safe, and cost-effective services.

### THE BASIC ASSET MANAGEMENT QUESTIONS:

- What services does our local government provide and why?
- What assets do we own that provide those services? Where are they? What condition are they in?
- What are the levels of service (current and desired) that each asset provides?
- What is the remaining useful life or service life of each asset?
- Which assets are the most critical to providing key core services?
- What are the risks and consequences if a service is disrupted, or an asset fails?
- Have we identified the social, economic, and environmental cost of disruption and/or failure?
- How does climate change impact our sustainability?
- What do we need to do to sustain services and service levels provided by each asset? When does it need to be done by?
- What will it cost?
- Are we spending enough on each asset to maintain the service levels and extend the life of each asset?
- How long can we afford our current service levels?

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## Let's Talk About Budgets

The variety of services and the level at which we provide those services determines the budget. Maintaining the level of service does not mean that budgets remain the same. The cost to provide the same level of service year after year means an increase in material costs, energy costs, staffing costs, etc.

The historic practice of keeping taxes low has led to deferred maintenance and underinvestment in the assets that provide our communities with what they want and expect: safe and sustainable services. The asset management process gives us the information we need to meaningfully address what our assets require while still maintaining the services and quality of life our citizens have come to enjoy.

### QUESTIONS TO EXPLORE:

- What is our overall financial position?
- What are our revenue streams and cost recovery targets?
- Are we spending enough money to manage (operate, maintain, and replace) our infrastructure?
- What should we be investing annually and is it sustainable?
- How much money do we need to put into reserves for asset replacement?
- If we don't get any more money, what will be the impact to service levels and the risk consequences of disruption or failure?

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<p style="text-align: center;"><b>STAFF</b> ROLE OF STAFF</p>	<p style="text-align: center;"><b>ELECTED OFFICIALS</b> ROLE OF ELECTED</p>
<ul style="list-style-type: none"> <li>● Develop Asset Management competencies</li> <li>● Provide information and recommendations based on facts, data, and expertise</li> <li>● Outline risks and consequences</li> <li>● Meet legislative Levels of Service (LOS)</li> <li>● Meet customer LOS set by policy, bylaws etc.</li> <li>● Being Brave – speaking truth and providing fearless advice to elected officials</li> </ul>	<ul style="list-style-type: none"> <li>● Pursue a high-level understanding of services, Level of Service (LOS), and cost to provide</li> <li>● Provide strategic direction through policy, bylaws etc.</li> <li>● Allocate appropriate resources through the budget and Long-Term Financial Plan</li> <li>● Assume risks and consequences</li> <li>● Brag - advocating for the services your local government provides</li> <li>● Being Brave – sharing the truth about the state of your infrastructure and your bold plan to manage your community’s assets in a sustainable manner</li> </ul>

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## PART FOUR

**Civic Education and Engagement**

In truth, most of our residents just want safe and sustainable services delivered in a predictable, cost-effective manner without any unpleasant surprises or inconvenient disruptions.

*REMEMBER THE TWO KEY QUESTIONS EVERY ELECTED OFFICIAL NEEDS TO ASK:*

- *What services does our community need and want now and, into the future, and at what level?*
- *What are the services our community is willing and able to pay for?*

Well, we cannot ask our community what they are willing and able to pay for if we do not know what it costs to provide the service. Sound asset management processes give us the data, information, and tools to answer, educate and engage with the public on the two questions above.

**The Benefits of Asset Management are for Everyone**

ELECTED OFFICIALS	COMMUNITY
<ul style="list-style-type: none"> <li>• Improves decision-making and resource allocation</li> <li>• Provides better service to the community (better asset value)</li> <li>• Enables better communication with public (education and awareness)</li> <li>• Provides more transparency and accountability</li> <li>• Helps manage risk, avoid crisis, reduce volatility</li> </ul>	<ul style="list-style-type: none"> <li>• Improves understanding of challenges, choices, and shared responsibility</li> <li>• Better appreciation of cost and value of local services</li> <li>• Builds trust and confidence in local government</li> <li>• Gives a sense of stability, security, and continuity</li> </ul>



# Managing the Asset Management Message

## 10 Takeaways for Communicating Asset Management

How confident are you when it comes to communicating the “what and why” of asset management? Here are 10 quick tips to keep you in front of your message and make your life a whole lot easier!

1. **Start with a plan.** Know what you need to communicate, to whom and how.
2. **Know your audience.** Know who you need to reach and how they perceive your intended message. Are there any barriers you can remove or benefits you can share?
3. **Start from the inside out.** Make sure everyone in your organization – from your elected officials through to the front-line staff know what’s going on first. The people within are often our best ambassadors for our message.
4. **Communicate early and often.** Communication isn’t an afterthought. Make it part of the asset management planning process. And keep talking about it throughout the process both internally and externally. It’s integral to your asset management continuum.
5. **Be useful.** Provide relevant, timely information. Be sure to answer the four key questions:
  - What are you doing?
  - Why?
  - Why better or necessary?
  - What’s the call-to-action?
6. **Speak their language.** Ditch the technical terms and keep it simple. Write in a way that frames your message in terms they would understand, like checking the gas gauge in your car vs the cost to get it towed when you run out of gas, leaving you stranded.
7. **Be consistent.** Make sure Council/Board and staff are all on the same page. Share short one-pager updates on big projects, provide key messages and even posts for people to share on social media.

8. **Be proficient.** Keep up with professional development. Get training so Council and staff are fluent and passionate ambassadors of your sustainable service delivery message.
9. **Get help.** Don't go it alone. There are plenty of resources out there. For communications tips, check out the free, award-winning Small Town PR Playbook, published by Northern Development Initiatives Trust ([www.northerndevlopment.bc.ca/small-town-p-r-playbook/](http://www.northerndevlopment.bc.ca/small-town-p-r-playbook/))
10. **Celebrate small wins.** Asset management is a journey. Don't wait for the finish line because there isn't one. Take time to celebrate small wins with each other and your community. You've got this!

Excerpt taken from: <https://www.assetmanagementbc.ca/wp-content/uploads/AMBC-Newsletter-Edition-20-June-2017.pdf>

These Communicating Asset Management Tips were brought to you by:  
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## WHAT DO ASSET MANAGEMENT CHAMPIONS DO?

Sign up for the AMBC newsletter (bottom right on CivicInfoBC homepage):  
<https://www.civicinfo.bc.ca/>

Find us on LinkedIn: <https://www.linkedin.com/company/asset-management-bc/?viewAsMember=true>

Follow us on Twitter: <https://twitter.com/AssetMBC> using the hashtag #OurAssetsMatter

## FINAL WORD



THE ASSET MANAGEMENT MINDSET

<https://www.youtube.com/watch?v=fU3rBOA4G9I>



THE ASSET MANAGEMENT SONG

<https://www.youtube.com/watch?v=f2gwNjh0Qsg&t=37s>

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