

CASE STUDY: CITY OF TERRACE ON OPERATIONALIZING ASSET MANAGEMENT

The City of Terrace - Our Asset Management Journey and My Journey within that process.

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The City of Terrace is known as the hub city of Northwest British Columbia, it has an estimated population of 12,700 in 2020. The cities, and villages that surround it include Kitimat, Prince Rupert, the Nisga'a Valley, and Kitwanga. Each of these are within a 200-kilometer radius of the city. Terrace also often attracts residents of the Hazeltons, Smithers and Telkwa because we are approximately 200 to 300 kms away from each of these places. Each place named has a smaller population; therefore, less amenities, shopping, and services to choose from. This puts additional pressure on the City's assets and reinforces the need for municipalities, such as ours, to put increased focus on Asset Management planning.



Terrace is among a large group of municipalities that need to develop an asset management plan for the future. With our estimated infrastructure replacement costs of over \$283 million and an average remaining useful life of only 40%, now more than ever, the City needs to look at how to best meet the needs of the future so that we are not leaving a large deficit for generations to come.

My Asset Management journey with the City of Terrace started two years ago, when I was hired on as the Deputy Director of Finance. During my time here, I have discovered that the City has numerous qualified staff that make asset management decisions all the time and, through time, have built their knowledge and skills to make informed decisions on the City's assets. They do it without even realizing they are doing it; it is imbedded into their train of thought and daily procedures. But what happens with these staff leave due to other opportunities, retirement, etc.? The knowledge leaves with them. This is a major dilemma that the City of Terrace is currently in and has opened our eyes to having good practices in place to ensure that our assets remain in good working order for generations to come and is not fully dependent on the current staff that manage them.

Where are we on the journey?

Our asset management journey in the last two years has been data collection and cleanup in order to check the boxes on grant applications or other governmental requirements. And how could it be any different? Small municipalities, such as Terrace, have limited resources to be able to take on something like Asset Management wholeheartedly and with focus. For most of us it is a corner of the desk project that we get to when we have time. We are now trying to change that, bit by bit. Although our level of human capital has not changed, our lens of how to view Asset Management has. The more we learn within the process and the results, it is no longer a matter of getting to it when we have time, but rather making the time to do it. Put simply, **we cannot afford NOT to make this a priority.**

In early to mid-2021, we developed our Asset Management Leadership Team (AMLT) Terms of Reference and had the team sign off and commit to the development of our Asset Management Program. By October 2021, we had our Asset Management Policy adopted by Council. The organization culture is shifting as we see the benefits of having a plan in place for future generations to follow, tweak and adapt to changing environments.

Our AMLT is continuously seeking different learning opportunities to ensure that we are thinking about Asset Management from many different lenses and equipped with the tools necessary to move things in the right direction. We undertook the Operationalizing Asset Management Workshops this summer/fall with that motivation in mind. We initially went in thinking that we needed to create a general Process Map to give step by step instructions on how we do things here at the City of Terrace, but quickly realized that we needed to take one step back and look at creating a Strategy and Road Map. This makes sense, how do you tell people what to do or how to do things if you don't quite know what it is you are trying to achieve and by when? The City of Terrace AMLT is now engaged and committed to completing the Strategy and Road Map as one their priority next steps on their Asset Management journey.

Why Operationalizing Asset Management training benefited us?

The workshops gave us tools for evaluating the challenges we face. In particular, regarding our Road Map creation, our dilemma was this: do we hire externally or keep the task internal? There are many things to consider in what seems to be a very basic question, for example:

- what is our budget?
- will we be building our internal capacity at the level we want if the knowledge is with something else?
- how much time does it take to get a consultant up to speed on our community?
- several additional considerations and we keep thinking of more

Ultimately, we ended up with an outcome that was much closer than you would think. It is with the SWOT/PESTLE tool, as part of the Operationalization workshop, that helped us take the above

and many other factors into consideration for the evaluation. This tool evaluates the Strengths, Weaknesses, Opportunities, and Threats of your organization as well as the Political, Economic/Financial, Socio-Cultural, Technological, Legal, and Environmental components to decision making. The tool can be used for any challenge you need to evaluate as they come up. The tool is very flexible and allows you to adjust the information as your environment changes and give weight to the priorities in the organization to fully analyze the challenge from all angles. As the workshop was recently completed, the City of Terrace has not used it again since, but plan to keep it in our toolkit for future considerations.

Where are we going?

We have not lost focus on succession planning. We know that having good succession plans in place is paramount to keeping the knowledge moving through the organization as key people leave. This is just one piece of the much greater puzzle. As we move along our Asset Management journey, a Strategy and Road Mapping is just one of the many things that we will need to consider. As part of this process, we will need to evaluate what our priorities are going forward and in what length of time we think is reasonable to achieve them. This piece ensures accountability, and that Asset Management remains at the forefront of our minds. We also need to address the large funding gap that we CANNOT ignore to ensure that our community remains sustainable well into the future. ***At the risk of sounding repetitive, we cannot afford NOT to make this a priority.***