



## YOUR LOCAL ASSET MANAGEMENT COMMUNITY OF PRACTICE IN BC.

Enhancing BC communities through leadership in asset management.

TWENTY FOURTH EDITION – FALL 2018

### **Asset Management BC Conference in Two Weeks September 26 & 27, Radisson Hotel - Vancouver Airport**



Have you registered? If not go to ([www.civicinfo.bc.ca](http://www.civicinfo.bc.ca)) under events and do so.

**Asset Management BC** is hosting our Annual Conference September 26 and 27, 2018 at the Radisson Hotel - Vancouver Airport. The conference theme is;

#### **“Competing Priorities in a Changing World”.**

It is time to move the conversation forward and explore some of the core issues around asset management. Our keynote speaker, Bob Sanford, a climate change specialist, will open the conference. On Day 2, we will start our morning with a keynote talk from Diane Kalen-Sukra, prior CAO of the Village of Salmo and a sustainability and asset management champion. Hear speakers on finance, operations and maintenance, land use, level of service, the updated BC Framework for Sustainable Service Delivery and other issues related to furthering asset management plus participate in interactive sessions. A networking reception will be held on Wednesday evening. Thursday includes a panel on programs and funding with UBCM, Ministry of Municipal Affairs and Housing, FCM and Infrastructure Canada participating.

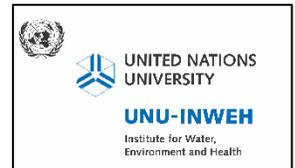
There are opportunities during the conference to participate and get your questions answered, and to

discuss issues you have respecting progress with asset management. The detailed final program is available at [www.assetmanagementbc.ca](http://www.assetmanagementbc.ca) Register now and book your hotel.



**Keynote speaker on Wednesday, September 26 is Bob Sanford** EPCOR Chair for Water and Climate Security at the United Nations University Institute for Water, Environment and Health. He is the co-author of the UN - *Water in the World We Want* report on post-2015 global

sustainable development goals relating to water. Bob is a Fellow of the Centre for Hydrology at the University of Saskatchewan and a Fellow of the Biogeoscience Institute at the University of Calgary. In addition to many other books, Bob is the author of several high profile works on water, including *Cold Matters: The State & Fate of Canada's Snow and Ice*, and *Saving Lake Winnipeg*. Bob co-authored *Flood Forecast: Climate Risk & Resilience in Canada* with Kerry Freek.



**Keynote speaker on Thursday, September 27 is Diane Kalen-Sukra** MA, CMC, Founder, Kalen Consulting Asset, Management and Sustainability. Diane's core belief is that as social beings, we flourish in healthy sustainable communities, where good governance, servant

leadership and compassionate culture support the well-being of all.

Over the past 25 years, this passion has taken her across the country in senior leadership roles as a CBC television producer, national union representative, entrepreneur, community organizer, and local government management official. As the prior CAO of a small rural community, she left behind a multi-award-winning turn key operation, including the coveted FCM Sustainable Communities Award in Asset Management which establishes a practical and effective approach for small communities to advance asset management in their organization. The innovative sustainable community planning process and document she spearheaded was distinguished as the first of its kind to enshrine human assets - employees, contractors and volunteers - as vital to sustainable service delivery.

## Asset Management Why should Council care!

*By Wally Wells P. Eng. Asset Management BC*

Elections for our municipal councils and Regional District directors are upon us. Each successful candidate will have 4 years to make their mark on their community. The Community Charter, Part 2, section 7 defines Council purpose and responsibility as:

### Municipal purposes

**Section 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.

Asset Management is about providing sustainable services. Our physical assets; the built environment in our communities; supports delivery of those services. Our natural assets play a significant role in our community and need understanding, management and protection to sustain that role. Effective use of natural assets is proven to save communities substantial sums of money plus provide for betterment of the community.

When you review the Council purpose, it is apparent that an effective corporate-wide asset management program and strategy is core to meeting all 4 points of the Council

purpose. Without a sustainable asset base, services cannot be adequately delivered.

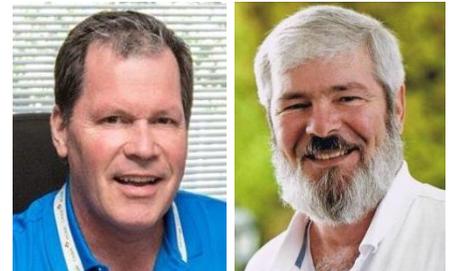
Asset Management is not new as we have been managing assets for decade. What we require is adjusting our business processes to permit better and timely decisions recognizing the risks and consequences of making, or not making the decisions.

We asked a group of knowledgeable people across a range of disciplines to provide their thought on **'what should say to a new council, in order to understand the significance of asset management.'** Take the time to read their opinions. All are very experienced people with municipal backgrounds.

## What would you tell a new municipal Council about asset management? – A perspective from a City CAO.

*David Allen, Chief Administrative Officer, David Love, Senior Advisor, Strategic Initiatives, City of Courtenay*

As CAO, I would share with the new Council the wise and bold words of our present council members adopted in June 2015.



### Articles in this Edition:

- Feature Article: AM BC Conference
- What would you tell a new municipal Council?
  - From a City CAO, David Allen
  - From an ex-Politician, Christina Bentley
  - From a former CAO, Kevin Ramsay
  - From a former CFO, Deborah Duncan
  - From a former PW Manager, Joe McGowan
  - From a former CAO, Diane Kalen-Sukra
- Talking Asset Management: Five Communication Hacks for Elected Officials
- Case Study: AM & Maintenance - Partners for Life
- IAMA Who We Are
- CNAM 2019 in BC
- NAMS Training
- Tips and Tactics: Level of Service
- Upcoming Events

Specifically, I would read to a new Council, the first page of Courtenay Council's Asset Management Policy adopted in part to address the difficulties posed by our tangible capital asset backlog, more commonly and widely referred to as the local government "Infrastructure Deficit".

## PURPOSE

This Policy sets guidelines for implementing organization-wide Asset Management processes to meet the asset-intensive Sustainable Service Delivery needs of the City.

## POLICY

Sustainable Service Delivery ensures that current community services are delivered in a socially, economically and environmentally responsible manner that does not compromise the ability of future generations to meet their own needs.

Sound Asset Management practices enable Sustainable Service Delivery by integrating community values, priorities and an informed understanding of the trade-offs between risks, costs and services.

The City's Sustainable Service Delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, repair, renewal, upgrade, replacement and disposal of capital assets by:

- a) Ensuring that Courtenay's capital assets are provided in a manner that respects cultural [social], economic and environmental sustainability;
- b) Meeting all relevant legislative and regulatory requirements;
- c) Demonstrating transparent and responsible Asset Management processes that align with demonstrable best-practices;
- d) Implementing sound Asset Management plans and strategies and providing sufficient financial resources to accomplish them;
- e) Ensuring necessary capacity and other operational capabilities are provided and Asset Management responsibilities are effectively allocated;
- f) Creating a corporate culture where all employees play a part in overall care for City assets by providing necessary awareness, training and professional development; and
- g) Providing those we serve with services and levels of service for which they are willing to pay.

## What would you tell a new municipal Council about asset management? - A perspective from an ex-politician.

*Christina Benty, Prior Councillor and two term Mayor, Town of Golden, Principle, Strategic Leadership Solutions*

### WHY

I would start with why. Why does local government exist in the first place?

In spite of popular disbelief, local government was created with a special purpose in mind, and not as the hotbed of corruption and incompetence as often portrayed at the coffee shop or in the gutters of social media. Quite the opposite. Local government was created to provide a broad range of localized services and functions on behalf of the Provincial Government that have a direct impact on the health, safety, and quality of life for the residents of the community. Local government exists as a service provider. These services are collectively agreed upon and collectively paid for. Local government has been granted the tools to collect revenue to pay for those services in the form of local property taxes and user fees.

The fundamental belief is that collectively, by pooling our resources, we can enjoy services and amenities that we would not be able to on our own. Water and sewer systems, paved roads and sidewalks, parks and trails, fire halls and police stations, recreational facilities and multi-purpose buildings, are all examples of community infrastructure that has been built with pooled resources. We could never build and maintain these things individually on our own.

Hence, local government exists to provide safe, sustainable, secure services in a predictable, cost effective manner.

### WHO

Who delivers these services? It is certainly not council. You don't see council out plowing the streets or watering the flowers or monitoring the safety of the drinking water.

It is local government staff that deliver services and manage the amenities that provide those services for the greater good of the community. They are trained experts in their field, educated and experienced in delivering services in a seamless fashion.



This all seems obvious, but it begs the question: why do we need elected officials? This is an important question and often poorly understood. Council is not elected to be helpful to staff or to tell them how to deliver services. Elected officials are not meant to be experts in recreation or engineering or water regulations.

The full purpose of council is to represent the community and to reflect the will of the people in two key areas:

1. What services does our community want and need now and into the future, (and at what level)?
2. What services is our community willing and able to pay for?

What would I tell a new municipal Council about asset management? Paste these two questions to your desktop. Every strategic initiative, every policy, every decision, every resolution, every by-law, every component of financial planning needs to be in service of these two questions.

**These questions are simple, but they are not easy.**

At the end of the day, Council's role is strategic leadership, and responsible stewardship for the services and the infrastructure that make our communities awesome. Now that's good governance.

Strategic Leadership Solutions: [www.christinabenty.com](http://www.christinabenty.com)

## What would you tell a new municipal Council? - A perspective from a prior CAO and Public Works Director

*Kevin Ramsay, Principal, Innova Strategy Group, former CAO and Public Works Director.*

**Mayors and Councillors come and go but running a municipality is forever.**



As an elected official, it is easy to get trapped into the 4-year election cycle and only consider the projects which support re-election or are a personal interest project. This can often lead to enthusiastically supporting projects which are not in the best interest of the municipality.

With this in mind it is extremely important that all elected officials have a complete understanding of asset management and related financial matters.

The most common mistakes made by Councils and Boards often leads to long-term challenges for their municipality. For example, adding a second recreation centre when there are no funds or plans to repair and replace the existing recreation centre is simply reckless. Another example is adding "bright and shiny" new infrastructure when there is no plan or understanding of how to replace existing infrastructure, leading to a complete failure of critical systems.

**Great organizations, both public and private, always consider the long-term implications of every financial decision.**

In local government, decisions need to consider the implications 5, 10, 50 and 100 years out, depending on the infrastructure life cycle. Great organizations understand every single asset they own, the life cycle replacement schedules, along with a robust financial plan. Strong financial plans ensure that a balanced approach to infrastructure replacement creates level taxation for the residents and businesses of the community.

Great organizations have a clear understanding of each and every asset and how to fund long-term operations, maintenance, and replacement, all supported by a Council endorsed long-term strategic financial plan.

## What would you tell a New Council? – A perspective from a prior CFO

*Deborah Duncan CPA, CMA  
(Prior municipal financial deputy)*

### Long Term Planning and Sustainable Funding Strategies Deliver Services



Municipalities own, maintain and operate a wide range of infrastructure to support the provision of needed and desired services for their communities. Examples of these assets include police and fire stations, roads, sidewalks, street lighting, pipes that supply safe water or collect and dispose of sewer and storm water, and arenas, pools, sports fields and playgrounds. Growth in the community requires expansion to existing infrastructure to provide municipal services for new residents and businesses.

Councils are continually challenged to maintain current

infrastructure and services and by the demand for enhanced and new services, within affordable levels for their communities.

**This challenge can seem insurmountable.**

Councils need information to support thoughtful and prudent decision making, identify priorities and strategies, and provide communication for the community.

A robust long-term infrastructure investment plan and sustainable funding strategies will support Council's ability to meet this challenge.

A long-term infrastructure investment plan will provide Council with the 'big picture' and help answer the following questions:

- When and what is the projected investment required in infrastructure renewal or expansion, to maintain services, over the next ten, twenty or more years?
- What is the projected investment in infrastructure to provide enhanced or new services?
- What are the municipality's current funding resources?
- Is there a projected funding shortfall or 'gap'?

Implementation of sustainable funding strategies will close the 'gap'. Municipalities maintain reserves which act like savings accounts for specific purposes. If they do not already exist, Council can consider the implementation of specific reserves for infrastructure investment with annual contributions from property taxes and user fees.

The municipality's long-term plan will need to be updated and reviewed on a regular basis. This allows newer information to be incorporated regarding timing and cost of infrastructure investment, to determine the effectiveness of funding strategies, and to identify problems earlier and act proactively to implement solutions.

With Council's leadership and endorsement, municipalities must develop and continually improve their knowledge, processes and financial strategies that support best management of their investment in infrastructure.

**This progress will be an important legacy for each Council.**

## What would you tell a new municipal Council about asset management? – A perspective from a prior Public Works Operations Manager

*Joe McGowan, retired public works manager and trainer.*

The role of a municipal councillor is extremely challenging given today's issues. Demands for new or enhanced municipal services without significant increases to property taxes and utility fees is the situation faced by local governments be they municipal, regional, or improvement districts. Common to this scenario is an expectation of existing and new councillors to deliver services or projects that will be a legacy.



Looking for something tangible to associate a name to is a common theme for many councillors. After all, residents receive existing water, sewer, drainage, solid waste, transportation, parks, and recreation facilities that provide a measure of service. For the most part, it is rare to experience a disruption of these services, water flows from their taps, their toilets flush, and they can travel to wherever they want in the community.

**These services are taken for granted, they function as expected, so why worry?**

It is common for councillors to have the opinion that if something isn't broke, why are we discussing it? Although we collectively know we must review the issues, the rationale of most councillors is that whatever it is, we will deal with it when it breaks or needs repair. The challenge occurs when there is an issue, what part of it do we fix, how do we fix it, and more significantly, where do you find the funds to address the issue?

Communities generally are the result of the original land owners collective desire for safe drinking water and sanitary sewer collection and treatment systems to protect public health, along with road networks to support commerce. Our predecessors put great effort into providing these services for the future and now you as a councillor are the responsible steward of these services. Early councillors applied the majority of their town's tax revenue towards the development of these essential services which addressed disease, public safety and transportation.

These services provide the foundation and economic viability of every community.

### **A community without water, sewer, or passable roads does not attract residents.**

The *Community Charter* states that “*The purposes of a municipality include*” ...“*providing for stewardship of the public assets of its community*”. Simply stated, this means that councillors and senior staff have a responsibility to manage existing as well as future municipal assets within their respective communities.

Much of BC’s current water, sewer, and transportation infrastructure was built in the 1950’s, 60’s and 70’s. This infrastructure is now aging out and may need replacement now, or in the very near future. Like everything, it is wearing out in a predictable manner, no different than say the family car. Our Municipal infrastructure will not last forever.

### **The absence of knowledge of the current state of infrastructure results in poor decisions.**

Replacement or upgrading of aging infrastructure be it water, sewer, transportation, and/or building assets can be extraordinarily expensive if not planned for properly. A typical response to emergency situations resulting from an infrastructure failure often results in little or no difference in service delivery to the community than was provided before the failure. This happens despite inconvenient, time consuming, and extremely costly capital construction projects. In fact, reactive responses often lead to missed opportunities for cost savings, level of service improvement, or improved capacity needed for growth and development. It doesn’t have to be this way.

An effective Asset Management (AM) program is simply knowing what water, sewer, transportation, and building and recreational assets your community has, the condition of those assets, your current community service needs, and the future development of these services as your community continues to grow and develop. Don’t forget your natural capital assets.

Used properly, Asset Management knowledge greatly reduces the cost of unplanned repairs while at the same time providing the framework to support upgrading or to replace existing infrastructure that is required to support a higher or more robust level of service at lower and predictable costs, and when the work actually needs to be completed.

Municipal staff who have undertaken to document each of the infrastructure assets that make up the water and sewer

utility systems, transportation networks, and buildings can provide their council with well thought out and supported recommendations. These recommendations form effective guidance tools to properly address what needs to be done, in the correct order it needs to be done, at the time when it needs to be done; essentially a ‘Strategic Plan’.

### **All of this invaluable information should be presented in a well-documented and transparent manner.**

The most significant benefit of this knowledge is the ability for councils and staff to generate relevant long range (5, 10, 20, 50 & 100 yr.) capital and financial plans which support proper consideration of competing interests as they arise. The public can see that you and your municipal staff have a well thought out capital and financial plan that protects their property and business interests while supporting new services.

I believe many councillors are intimidated when it comes to infrastructure, they need not be. They don’t need to know the inner workings, they need to make Asset Management a priority, communicate that priority to staff and then resource it. Be champions for Asset Management in the community. Those not familiar with the Asset Management process might argue that with the thousands of individual components (assets) which make up the water, sewer, transportation, parks, and building facilities in a municipality, is a very complex task. The simple reality is it isn’t.

### **There is no need to re-invent the wheel.**

Management of municipal assets is not rocket science. Your municipality for the most part already has the needed information within its ‘As Constructed’ records library, or the information is already being collected during routine maintenance and operations. All of the Asset Management tools a municipality needs already exist and are in use around the world. Many experienced people who genuinely care about their communities have joined together and identified universal, effective, and simple actions staff can utilize.

When the procedures are properly followed, your staff will clearly identify what assets your community has, the relative condition and age of each asset and its expected remaining lifespan. This then enables decisions to determine what should be done, when, and how. This not only includes replacement of assets, but also includes timely cost-effective maintenance that can extend the life of existing asset investments and intelligently defer major replacements that may not truly be needed.

## So, how do you start your municipality going down this obvious path?

It is simple:

- Encourage and support your staff to fully engage in the Asset Management (AM) process using provincially and internationally available resources.
- Encourage your engineering, public works, and accounting staff to involve themselves in Asset Management (AM) organizations. Support their attendance and active participation at relevant industry events.

Asset Management industry events showcase **'how'** to create an inventory of the municipality's physical assets, **'who'** can help you with this task, and **'how'** to determine which assets are in need of work. Furthermore, these events provide real life case studies and tools on **'how'** to determine what needs to be done, and **'how'** that work might be done in a cost-effective manner that ensures best value for money spent.

Asset Management concepts have been around for as long as the first brick road was constructed by the Romans. Today's challenge is that not every municipal staff member has been exposed to the well thought out and simple software-based processes which are available now. Although, knowledgeable of the water, sewer, transportation, and building assets in their community, many staff are not aware of how the information that they already possess can be used to support predictable expenditures and increased levels of service.

Involvement of your municipal staff in the development of an Asset Management program is the key to long term success. Encourage your staff to work with knowledgeable consultants to inventory your municipality's assets and put the data in a simple format that allows for review and analysis by non-technical people.

Your engineering and public works people working with experienced consultants can determine the condition of each of the infrastructure assets. This then allows for an estimate of the asset's remaining life. Knowing what assets your municipality has, and the expected life span of each asset allows your staff to determine where the immediate challenges are and to identify when challenges can reasonably be expected. Knowing what needs to be done and when, allows staff to estimate costs required to modify, upgrade or replace the asset.

This valuable information is then incorporated into strategic and long-range capital and financial plans.

Municipal staff working in partnership with experienced consultants at each stage of the Asset Management process will build on the strengths of each other.

Working together facilitates a two way **'knowledge transfer'** which will increase both your municipality's in-house capabilities and build on the consultant's capability to further assist. This is a cost effective, best value process with huge dividends for the future.

With factual knowledge, your municipality can target what needs to be done in a way that addresses the actual issues your municipality is currently facing and will be dealing with in the future. In doing so you will avoid the high cost generic cookie-cutter approach advocated by many firms and often adopted by local governments to their detriment.

Relevant information allows you to obtain best value for money spent.

### **This model will see your limited tax revenue go farther and allow you to do more.**

Avoid passing all asset management decision making to outside consultants. Your municipal staff has a great deal of knowledge. With specialty consultant support over time, they will be able to properly analyze the information and provide well thought out recommendations to council that are fully supported by facts.

Asset Management is simply using the information your municipality already has, to:

- determine what you have,
- what condition it is in,
- how long it will last, and
- what you can do to best meet the future infrastructure needs of your municipality in a fiscally responsible manner.

The process is simple and the resources are in place to assist.

**Being a champion of proactive, informed and intelligent asset management is a strong legacy for any leader to leave, and is one that can build a foundation for generations.**

## What would your message to Council on Asset Management? – A perspective from a prior CAO.

*Diane Kalen-Sukra (MA, CMC) is Founder and Owner of Kalen Consulting, and former CAO of the Village of Salmo.*

### Fundamentals: The What, Why & How of Local Government



Serving your community as an elected official is a sacrifice and an honour. Ideally, it is inspired by a love of community and desire to see its continual improvement. Simply put, you want to “do good”. But what is this “good” and how is it to be achieved? What is the connection between good governance, asset management, service delivery and the well-being of your community?

The beginning of a new Council term is exactly the time to get very clear -- and find some unity as a legislative body - on such fundamental questions. A great place to start looking for answers is in the birthplace of democracy, Ancient Greece.

Greek philosopher Aristotle contends that everything has a function and that “the good” can be found in the fulfilment of that function, purpose or end.

The role or purpose of a dwelling, then, is to provide a place to live. The purpose of a clock is to keep time. But what is the purpose of local government?

Local Government 101 teaches that there are two schools of thought on the role of local government. The first is to provide goods and services such as streets, water supply, sewage disposal, bylaw enforcement, among others. The second is that the role of local government is to foster community well-being through democratic local government, citizen engagement, building a sense of community and prosperity.

This was the view espoused by Aristotle. Namely, that the democratic city-state exists to ensure the human flourishing (Gr. *eudamonia*) of its citizens, who are wired by nature to live in community. In reality, these are not competing schools of thought. Rather, one describes **why** local government exists, namely, to foster community well-being.

The other describes **what** local government does to achieve the why, namely, deliver public services to meet community needs.

The *Community Charter* binds you to fulfilling the above municipal purposes and makes clear in the legislation [Part 2, Section 7] that this comes with a duty to “provide for good government” and “stewardship of the public assets” of your community.

These duties address the **how**, and the way to fulfil them is through **Good Governance** and **Asset Management**.



Good governance is the art of putting wise thought into prudent action in a way that advances the well-being of those you lead today and into the future. In the context of local government, good governance involves the responsible stewarding of all assets – capital, natural and human – to ensure sustainable service delivery to citizens.

### Today's Municipal Landscape

In days gone by, when resources seemed abundant, public trust was high and continual expansion of services was an expected norm. Citizens were, for the most part, somewhere between happy and complacent. Today, as a community leader and municipal Council or Board member, your reality is different.

Examples of heightened pressures and challenges you may face include:

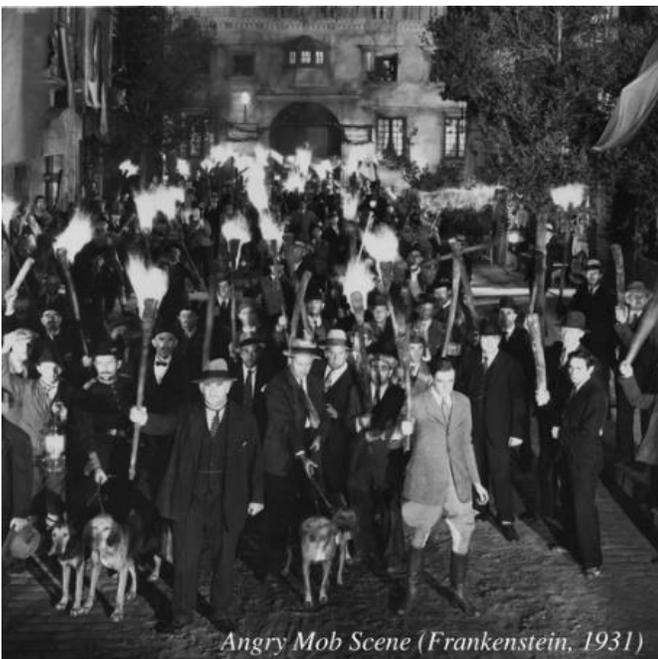
- ballooning infrastructure deficit;
- critical infrastructure at or nearing end of life;
- public trust is at an all-time low;

- the retirement of waves of experienced municipal employees leaving operational vacuums;
- an ever-stringent regulatory environment;
- unprecedented financial pressures;
- greater economic disparity;
- an affordable housing crisis;
- lack of public understanding of role, resources, processes, etc.;
- accumulation of increased responsibilities downloaded by the province on municipalities;
- heightened public expectations for engagement and involvement in decision-making; and, the
- need to prepare for climate change, including straining local resources to manage today's wind storms, flooding and wildfires.

These are all complex problems that require community leadership, innovation, collaboration, and consistency to address. As an elected representative, good governance and asset management are your primary tools.

### The Cost of Incivility

Compounding these already formidable financial and operational pressures on municipalities are what David Suzuki Foundation Chair John Hoggan refers to as the "pollution in the public square, where a smog of adversarial rhetoric, propaganda and polarization stifles discussion and debate, creating resistance to change and thwarting our ability to solve our collective problems."



*Angry Mob Scene (Frankenstein, 1931)*

This rising incivility, divisiveness and toxic behaviour are straining relations at the Council table, between Council and staff, as well as between citizens and municipal representatives, making positive change and effective action more difficult.

Furthermore, employee audits are presenting data identifying harassment and bullying of civic employees, the very people who deliver vital civic services, to be as high as 20 percent in some communities. Our growing social issues are costing precious municipal tax dollars – funds that if not needed to deal with incivility, social disorder and mental health, could have been invested in our aging infrastructure and service delivery.

While difficult to quantify, some recent examples from this summer paint a fair picture:

- Brampton's City Council approved the expenditure of \$2.5 million on safety shields to protect bus operators from physical assault by the public as incidents have doubled since 2016.
- Calgary Mayor Nenshi is advocating for \$25 million of city funds to combat mental health issues and what he calls a "sharp rise in social disorder".
- Vancouver Mayor Robertson joined a Mayor's Summit in Toronto calling on the federal government to provide funding to cities to combat mental illness and drug addiction with the most dire national report, four opioid deaths a day, emanating from British Columbia.

Mental health and social disorder are not only big city problems. Just ask your local law enforcement officials. The very nature of policing has changed in our communities to deal with this growing problem.

The Centre for Addiction and Mental Health reports that by the time Canadians reach 40 years of age, 50 percent of people – yes, that's 1 in 2 people --- have or have had a mental illness. The economic burden of mental illness is estimated at \$51 billion per year with the cost of a disability leave for mental illness about double the cost of a leave due to a physical illness.

With labour costs already consuming the lion's share of annual municipal tax revenue, ensuring the physical and psychological safety of civic employees is critical for sustainable service delivery and community well-being.

In short, our citizenry and circumstances are just not the same as in previous decades. Nevertheless, your duties as a municipal representative to govern well and provide sustainable services have only increased.

For this reason, the caliber of municipal leadership needed today remains as high as ever. This is a time for leaders who are innovative and filled with vision, resilience and courage for the great sustainable community building task ahead.

### Sustainable Community Building

In local government, like in most professional fields today, it is common to preface all activity with the word “sustainable” – sustainable living, sustainable growth, sustainable development, sustainable housing, etc. Implicitly, this practice acknowledges that municipalities haven’t always operated in a way that, in the words of the Brundtland Commission, “meets the needs of the present without compromising the ability of future generations to meet their own needs”.

It also implies that local governments will, from here on in, operate **sustainably** – economically, socially and environmentally. How do you know if your local government is delivering services sustainably?

That’s where **Asset Management** comes in. Asset management is not just another modern buzz word. Rather, it has been around since people began building public infrastructure.

The Romans, for instance, built and maintained dams, provided water, sewer and garbage collection services to its citizens. They constructed more than 85,000 kms of roads and over 200 aqueducts, some of which still carry water today. Now that is sustainable service delivery!

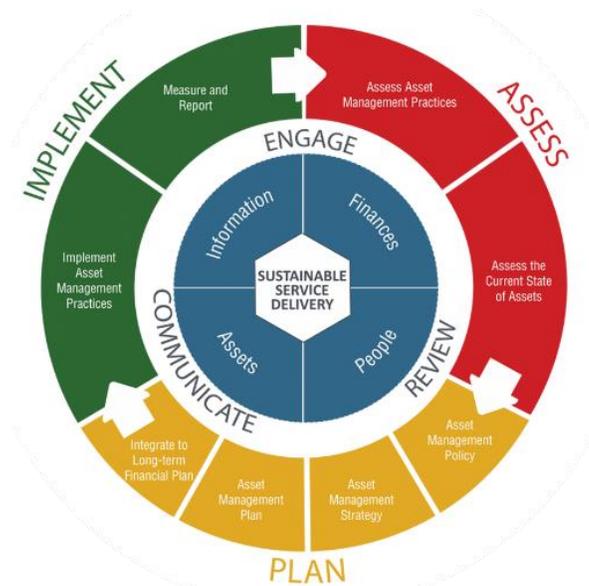


Just as in the cities of Ancient Rome, municipalities have a responsibility to ensure safe and reliable public infrastructure for the provision of quality services to its citizens. The multifaceted and competing pressures on municipalities today – from aging infrastructure to fiscal pressures to climate change -- mean that assets can no longer afford to be managed on what Asset Management

BC refers to as a “day-to-day basis, with little or no attention paid to the long term.” The alarm bells have been ringing for some time now.

In 2009, municipalities were required to follow Public Sector Accounting Board standards to identify, classify, and categorize all owned tangible capital assets. Today, provincial and federal infrastructure funding for municipalities is being tied to the existence of an Asset Management Plan. This practice is designed to encourage local governments to prioritize needs over wants and discourage the deferral of necessary infrastructure maintenance.

Asset management is an ongoing, never ending process. It begins with the political will to commence asset assessment and data collection.



The quality of the data your staff collect about the condition of municipal assets, the cost of maintenance, renewal and replacement, and any associated asset risks, the better picture Council has about necessary short and long-term investments and whether or not a service is sustainable at its current level.

Done correctly, asset management processes can even identify organizational and technological efficiencies and innovations. But asset management implementation requires an enormous level of organizational alignment and cooperation at all levels (vertical) and departmental (horizontal) of the municipal corporation.

In reality, every municipal employee – front line to senior management, civic works to corporate administration -- is an asset manager in some sense. Municipalities are known for their siloed operations and ridged organizational structures.

Furthermore, change is never easy. People like progress, but they don't like change. And remember, there are always people heavily invested in any dysfunctional system. So, brace yourself, the life of a change agent is anything but easy.

Asset management also requires ongoing public engagement and education. Without it, the public won't understand the infrastructure needs that Council is prioritizing. Democracy requires informed, engaged and active citizens.

However, if done consistently and done well, integrated asset management will strengthen your local government. It will empower and give purpose to civic employees. And, in time, understanding and trust will be built with the public.

All of the above cannot happen without being very intentional about culture change, both at City Hall and in the community. There is great truth to the quip attributed to management guru Peter Drucker

**“culture eats strategy for breakfast”.**

Even the best laid asset management plan and strategy will fail without fostering a culture to support it.

[www.kalenconsulting.com](http://www.kalenconsulting.com)

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Diane Kalen-Sukra is a keynote speaker at this year's **Asset Management BC** conference where she will be speaking on the role of local government in fostering a sustainable corporate and community **culture for good governance**.

## Talking Asset Management: Five Communication Hacks for Elected Officials

*Jan Enns, MA. Principal, Jan Enns Communications  
(prior municipal communications professional)*

### Know it

If you have to triage that mound of reports to read, take the time to get to know the ones related to the backbone of service delivery, like infrastructure planning. Get informed about plans for sustainable service delivery and



the millions of dollars of infrastructure deficit looming on the horizon.

Decisions you make today can have huge consequences for funding necessary and costly repairs, replacement or investment in new infrastructure. For example, City of Kelowna Councillor Gail Given recently did an engaging and informative interview on the City's \$478 million in unfunded infrastructure projects with CBC Daybreak South's intrepid host Chris Walker. Armed with an in-depth knowledge of the City's 10-Year Capital Plan, she was able to inform listeners about the plan and the process – in clear, compelling and simple terms – and respond to his questions with confidence.

### Keep it Simple

Intergenerational equity might be a phrase that pops up on staff reports but seriously, does anyone on the street get it? Make it easy for people to understand the challenges. Make it simple and relatable. Use analogies. Talk about how, as homeowners, we may want to put some money away now towards the inevitable replacement of our roof, rather than borrow the full amount when it starts to leak. Our communities share similar challenges, only replacements can cost millions and it would be crippling to place the whole burden on future generations.

### Know your Audience

Who are you trying to reach – and what concerns them most? Understanding their perspective is key to powerful communications. Be proactive. Make a list of the questions you are likely to be asked (especially if you are preparing for a media interview or a community

presentation), and be ready to answer them in clear, simple terms that get your point across while recognizing, respecting and learning from theirs.

### Get Help

You don't have to draft your own key messages. Get help from your local government professionals – your CAO, Director of Finance, Public Works, Infrastructure, etc., or should your local government be so proactive, the Communications person or team. Having some 'Quick Facts' and key messages ready at your fingertips will help keep you on track.

### Stay on the Same Page

Share with others on your Council or Board to ensure a clear and consistent message when it comes to talking

about asset management, service levels, infrastructure and financing.

Nothing confuses the media and community faster than lack of a consistent message coming from Council or Board members. In his book *The Media Training Bible* (one of my personal favorites), author Brad Phillips says that in today’s world of media and social media saturation, it can take anywhere from 7 to 15 exposures to a message to move us from awareness to action.

Every time we veer off message, we are essentially starting over.

**For more Information**

Check out the article [Managing the Asset Management Message: Practical Pointers for Communicating with your Council and Community](#) by David Allen, City of Courtenay, Christina Benty, Strategic Leadership Solutions, and Jan Enns, Jan Enns Communications, in the June 2017 edition of the AMBC Newsletter. ([www.assetmanagementbc.ca](http://www.assetmanagementbc.ca))

And for more communications tips, download the free, award-winning **Small Town PR Playbook**, published by Northern Development Initiative Trust ([www.northerndevelopment.bc.ca/small-town-p-r-playbook/](http://www.northerndevelopment.bc.ca/small-town-p-r-playbook/)). Or simply contact Jan at [jan@janenns.com](mailto:jan@janenns.com)



**Asset Management and Maintenance - Partners for Life**

*By Kristy Bobbie, Asset Manager, City of Prince George*

Local governments have been managing their infrastructure for decades. Repair and replacement of assets as they fail and construction of new ones provide services our citizens expect. Now that the formal practice of asset management is gaining tremendous momentum, local governments are spending time and resources on utilizing asset management practices, especially for capital planning, but how does maintenance fit in?

Maintenance encompasses all of the actions we do that are necessary for retaining an asset as near as practicable to its original condition and maintaining service expectations, but excluding rehabilitation or renewal.

There are several maintenance categories:

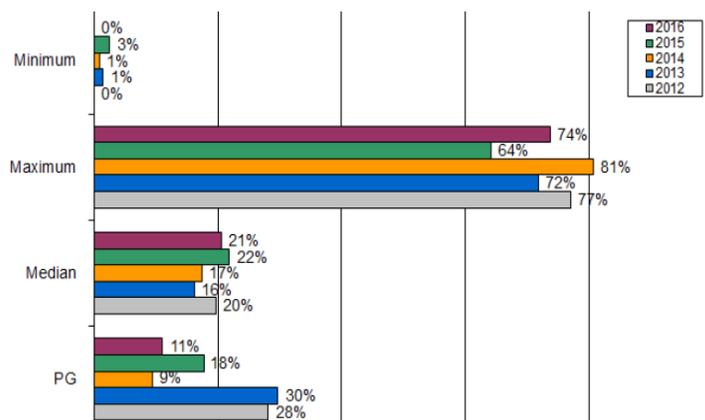
- **Corrective Maintenance** – repairs are made after the asset has failed and can no longer perform its normal function;
- **Preventative Maintenance** – maintenance that is regularly performed on an asset to lessen the likelihood of it failing and can be based on industry standards and manufacturers recommendations. This is also known as periodic maintenance and is necessary to ensure the reliability or to sustain the design life of the asset;
- **Predictive Maintenance** – condition monitoring activities used to predict failure before it happens.

Managing public infrastructure requires minimizing the total cost of owning, operating, and maintaining assets in order to provide sustainable services to our community.

In 2014, the City of Prince George implemented Cityworks, a Computerized Maintenance Management System (CMMS), to track service requests, inspections and work orders; track historical work; understand associated labour, equipment and material costs; establish and streamline capital and O&M workflows; and schedule maintenance activities.

One of the maintenance programs implemented in the last year within Cityworks is worth highlighting; the sanitary sewer flushing program.

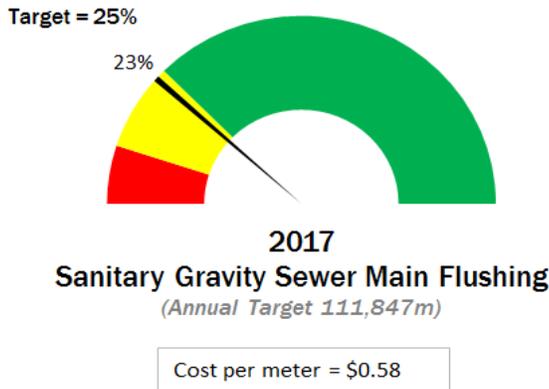
Since the early 2000’s, the City of Prince George has participated in AECOM’s National Water & Wastewater Benchmarking Initiative (NWWBI). There are over 30 Canadian municipalities that compare key performance measures, some related to maintenance activities. It was evident that some of the City’s preventative & predictive maintenance programs were not meeting the expected or planned service levels average across the group. This was likely attributed to the reallocation of maintenance staff to perform capital construction projects.



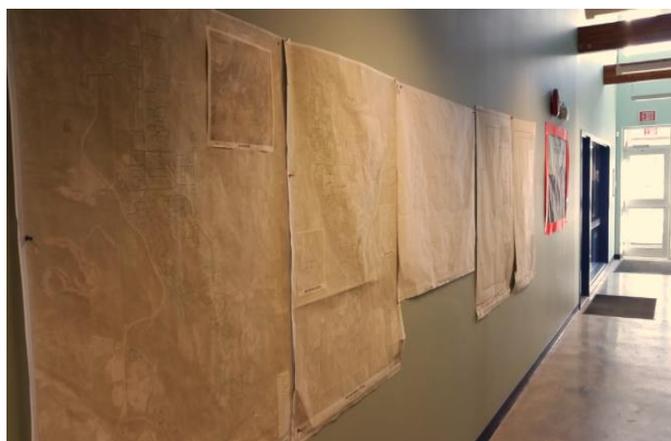
**% of Sewer Main Cleaned**

The results of the key performance measures related to the % of sewer mains cleaned reflected a decline for Prince George when compared to previous years and the median of the NWWBI participants. In response to these results and increased sewer backups, the City committed to implementing a dedicated maintenance crew and supporting equipment, i.e. additional Vac truck and CCTV camera.

Initially, the municipality adopted the NWWBI sewer main flushing target of 25% of the network per year.

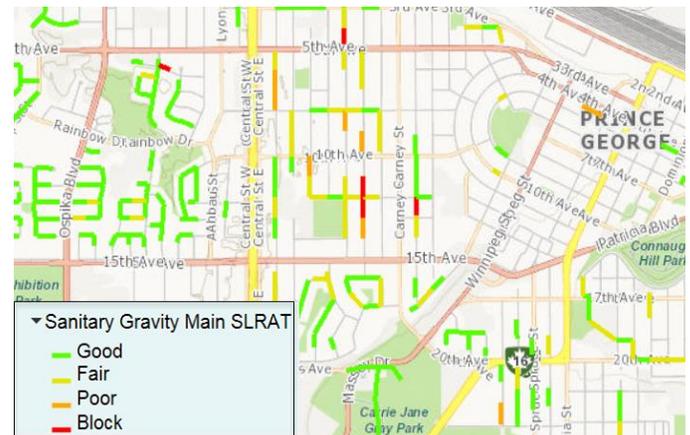


Cityworks inspections were created and the new process was launched in 2017, starting with the older areas of town. The flushing crew was assigned the inspections, performed the required maintenance and completed the inspection. The asset and its attributes would automatically be attached to a work order to keep track of each main that had been flushed and the cost to perform that activity. The status of the inspections could be seen on a tablet in the field and the map layer would automatically update once the inspection was complete. The work order was then used to report on performance to help meet our target of 25% per year.



Prior to the Cityworks flushing workflow, the Vac truck Operator would highlight the mains that were flushed that day on a wall map. At the end of the year, the map would get folded up and placed in a box. This antiquated process made it very difficult to report on performance and whether the City was meeting industry standard.

Having a flushing target is a great place to start but you could be flushing mains that don't actually require cleaning. The City recently purchased a predictive maintenance tool, called the SL-RAT (Sewer Line Rapid Assessment Tool) which utilizes acoustics to determine if



and to what degree a main is blocked. This allows for a pre-emptive approach for more cost-effective asset maintenance planning within the flushing and CCTV inspection programs. The SL-RAT inspection results are entered into Cityworks as inspections and are presented on the Cityworks map screen.

If the blockage score is <6, the Vac truck is dispatched immediately and the main is flushed and tracked in Cityworks as an inspection. The inspection is attached to the flushing WO for annual reporting purposes.

Introduction of maintenance targets and subsequent implementation of the sewer flushing and SL-RAT inspection programs into Cityworks have resulted in operating areas adopting best practice targets for planned allocation of necessary resources for future maintenance plans supporting a variety of assets.

**The 'boots on the ground' have the information they need right in the field.**

Staff also enter the data that asset managers require to report on the state of our municipal infrastructure, where to focus on capital rehabilitation/replacements, and how we are collectively performing as stewards of our community's infrastructure.



## IAMA - Who We Are

*Elena Loukin P.Eng.  
Infrastructure Management Strathcona County*

Infrastructure Asset Management Alberta represents the greater community of any person, organization or agency engaged in or has an interest in infrastructure asset management.

It was formed in 2011 with the objective of:

- Sharing knowledge and best practices in public / tangible capital asset (TCA) management, and
- To recognize and integrate the administrative, technical, operational, financial, & planning aspects of asset management

### Our Vision is:

Enhance the well-being of Alberta communities through leadership in asset management.

### Our Mission is:

To provide leadership and support for the management of community infrastructure assets

Since formation (2011) IAMA was run by Asset Management (AM) and Tangible Capital Assets (TCA) passionate volunteers, working from the corner of their desk, who contributed personal time. Lately, core group of five was leading IAMA and doing majority of work, and at some point, we surpassed the comfort level for decision making, and required more participation of the AM community members.

Also, it's become difficult to reach decisions and progress on tasks in timely manner without formal decision-making body. At some point, it has become apparent that we need to split the strategic/management activities and administrative activities, and also have subcommittee for three annual workshops development. And lastly, we needed a liability insurance to cover workshops' participants.

These all lead to incorporation.

Now IAMA is non-profit association with interim appointed board and Conventional\_All company providing administrative and management support.

IAMA develops and delivers three workshops annually, where greater Alberta asset management community meets to discuss current and emerging trends in asset management.

Starting this year, we're rotating workshop locations to allow better access for participants. Thus, this February workshop was held in Red-Deer, June – in Edmonton area (Nisky), and in October a workshop is scheduled in Calgary area. Participation in workshops has been growing rapidly and reached 100 participants last October.

### What made IAMA successful?

We think it was a combination of the following factors:

- Good balance between AM and TCA topics,
- Topics selection based on the survey results, thus are the "most wanted" by participants,
- Selection of presentations where the format and content aligned with IAMA objectives and participants requests.

Beside our regular workshops, IAMA partnered with AUMA and RMA to develop and deliver Asset Management Awareness training workshops for Alberta municipalities under FCM's Municipal Asset Management Program (MAMP).

Thus, six workshops are completed by the end of the June covering all Alberta regions from South to North and East to West.

Alongside the hand-on AM Technical Basics training, all participants received workbook with major AM concepts and examples, exercises, reference materials, best practices and guidelines.

Among other communities of practice across Canada, IAMA took active part in the formation and establishing of Asset Management Canada Alliance, which through collaboration, knowledge sharing and advocacy will contribute to the advancement of public sector asset management in Canada.



## CNAM 2019 in BC

Kelowna welcomes the Canadian Network of Asset Managers (CNAM) conference in 2019. The conference will deliver excellent asset management presentations, workshops, trade show and networking events.

This year's theme of **'Keeping the Pace'** promotes the sharing of ideas between asset management practitioners and decision makers so that we continue our collective success on the asset management journey.

Kelowna is located in the beautiful Okanagan Valley and is famous for its beaches, golf courses and wineries. Please join us May 6 – 9, 2019 for what is sure to be a great conference and networking event that will, of course, include a wine tour.

[Watch this fall for the call for presentations.](#)

## Register for NAMS Training Program for Asset Management – 2018

**Asset Management BC** will host a NAMS training session for municipal staff for asset management. The three-day course has been offered for the past few years throughout BC with great success.

The cost for registration is \$1,650 per person. Subsidy is available from UBCM of 50% for up to three registrants per local government. See UBCM website for details.

- **Location: City of Courtenay, The Old House Hotel**  
**Dates: October 31, November 1 & 2, 2018**

**Almost sold out.**

If you are interested in NAMS training, please register now. For more detailed information on course content and preparation, contact: *Wally Wells, Executive Director* **Asset Management BC** ([wwells@live.ca](mailto:wwells@live.ca)).

Registration is open on CivicInfo BC ([www.civicinfo.bc.ca](http://www.civicinfo.bc.ca)). Go to events and scroll to the correct dates.

Make your hotel reservations at **Old House Hotel & Spa**, 1730 Riverside Lane, Courtenay, BC V9N 8C7, Phone: 1-250-703-0202, Toll Free: 1-888-703-0202

E-mail: [reservations@oldhousehotel.com](mailto:reservations@oldhousehotel.com)

### For more information

Check out the CNAM conference website at <https://cnam.ca/upcoming-events/2019-conference/>



CNAM 2019 Conference | May 6-9, 2019 | Kelowna, BC

## Tips and Tactics: Level of Service

*Bernadette O'Connor AM BC Newsletter Editor,  
Principal Consultant, Asset Management, WSP*



Everyone knows they need to understand their levels of service and they somehow need to define them – but the 'somehow' eludes them, or more commonly, it seems so complex that we don't know where to start, and so we put it aside to do later.

So, let's look at a simple practical approach to make that start. Firstly, consider the following key assumptions;

- The current level of service is acceptable to stakeholders (i.e. there is no major dissention or argument going on about the current service)
- We know who our main stakeholder groups are
- Based on experience or past consultation or complaint, we have a good idea of what each stakeholder group is mostly interested in regarding the level of service

If these assumptions are true for you, then you are on the way to an initial description of the current level of service. Start with writing down the list of stakeholders. It may be helpful to group them into the following categories;

- **Users** – these are the people and various groups of people who live and/or work in the area and make use of the provided service.
- **Service providers** – these are businesses or organizations who need your service to provide their service to others, or to conduct their business.
- **Regulators** – these are governing agencies, including provincial and federal government who have an interest in the service complying with legislation, regulations, or other standards.
- **Wider community** – these are other stakeholders outside the service area, such as rural communities and tax payers not getting the service. Note some services will be available to everyone and there may not be any ‘wider community’ stakeholders.
- **Neighbouring communities** – these are adjacent communities, municipalities, regional districts etc. who may have an interest in the service.

### Phase 1: Define Current Level of Service

1. Write down the list of stakeholders
2. Write down what you think each stakeholder is most interested in
3. Consider what each stakeholder is interested in, and identify key indicators for these things
4. Consider each indicator and identify a practical way you could measure performance for that indicator.

Do this and you will have a starting definition of the current level of service and the key elements to begin monitoring performance for delivering the level of service.

### Phase 2: Performance Management

1. Consider each performance measure identified in phase 1 and implement a process to measure and record results. Assign responsibility to report on results.
2. When measured results are available review current performance and set appropriate targets

Now you have targets for level of service performance, for each indicator that you had identified in Phase 1, was something important to your stakeholders.

You are in a good position to move forward to more advanced definition and management of levels of service. But before you do, it is wise to do some initial assessment on the cost of the current level of service and on longer-term affordability. The steps for identifying the full cost of service is a topic for another day. However, the key elements to remember are that your assessment should;

- Be the cost to do what is necessary to achieve the targets you have set for level of service performance and not just an adding up of the current budgets.
- Include operations, inspections, reactive and preventative maintenance, annualized allowance for asset renewals, new assets required to maintain the service level as population or demand increases and legislation, standards, or environmental factors change, and any disposal or post-service management costs.

A round-table discussion with the right people and a good note-taker can get you through phase 1 and provide your first definition of the current service provided. More importantly, it will provide the base for measuring the level of service. Once measured, it becomes a lot easier to explain and to define in more detail.

And the various AM guides on the subject will become easier to follow and implement. What is proposed here is just a practical way to start, and one that will get you an outcome that makes sense, and will provide a good foundation to build on and grow from.

## Upcoming Events

### Union of British Columbia Municipalities (UBCM)

September 10- 14, 2018  
Annual Conference and Trade Show - Whistler, BC  
[www.ubcm.ca](http://www.ubcm.ca)



### Public Works Association of BC

September 16–19, 2018  
Annual Conference and Trade Show  
Sun Peaks Grand Hotel and Conference Centre  
Sun Peaks, BC  
[www.pwabc.ca](http://www.pwabc.ca)

### Government Financial Officers Association of BC

September 24 - 25, 2018  
Asset Management Workshop  
Radisson Hotel Vancouver Airport  
Vancouver (Richmond), BC  
[www.gfoabc.ca](http://www.gfoabc.ca)

### Asset Management BC

September 26 – 27, 2018  
Annual Asset Management Conference  
Radisson Hotel Vancouver Airport  
Vancouver (Richmond), BC  
[www.assetmanagementbc.ca](http://www.assetmanagementbc.ca)

**Infrastructure Asset Management Alberta**

October 10, 2018

One day Workshop

Calgary, AB

[www.assetmanagementab.ca](http://www.assetmanagementab.ca)**Municipal Insurance Association of BC**

April 16 – 18, 2019

8th Annual Risk Management Conference

Hyatt Regency Vancouver

Vancouver, BC

[www.miabc.org](http://www.miabc.org)**Canadian Network of Asset Managers**

May 6 – 9, 2019

13<sup>th</sup> Annual Networking Conference and Workshops

Kelowna, BC

[www.cnam.ca](http://www.cnam.ca)**Planning Institute of BC**

May 8 – 10

BC Land Summit

Vancouver, BC

[www.piabc.bc.ca](http://www.piabc.bc.ca)**BC Water and Waste Association**

May 26 – 28, 2019

47th Annual Conference and Trade Show

Victoria, BC

[www.bcwwa.org](http://www.bcwwa.org)**Government Finance Officer of BC**

May 29 – 31, 2019

Annual Conference and Trade Show

Fairmont Empress Victoria &amp; Conference Centre

Victoria, BC

[www.gfoabc.ca](http://www.gfoabc.ca)**Federation of Canadian Municipalities**

May 30 - June 2, 2019

Annual Conference and Trade Show

Quebec City, QC

[www.fcm.ca](http://www.fcm.ca)**Local Government Management Association**

June 11 - 13, 2019

Conference &amp; Annual General Meeting

The Westin Bayshore Vancouver

Vancouver, BC

[www.lgma.ca](http://www.lgma.ca)**Questions & Answers**

We strongly encourage you to raise questions and make comments as this newsletter is provided for the advancement of Asset Management. Email questions or comments to the editor and note if you wish to be anonymous or not to have the comment published.

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