Ministry of Community, Sport and Cultural Development

Asset Management
Sustainable Service Delivery from the Provincial Perspective

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Workshop on Asset Management
Richmond BC
October 10, 2013
New Ministry Directives

- Create framework for the rural dividend for communities in the northwest impacted by LNG

- Work with UBCM on a framework for implementing the upcoming federal infrastructure program

- Implement local government election changes in time to be used for the Nov 2014 elections
Building Canada Plan – Program Overview 2007-2014

- **Base Funding:** $20B/7 years
  - Municipal Base $17.6B/7 years
    - Includes: Gas Tax Fund $11.6B/7 years* and GST Rebate $5.6B/7 years
  - Equal per jurisdiction funding $2.275B/7 years

- **Program Funding:** $13.2B/7 years
  - Gateways and Border Crossings Fund ($1B)
  - Building Canada Fund $8.6B (Asia-Pacific Gateway $1B)
  - Public-Private Partnerships Fund $1.29B

* Budget 2008 committed to extend the Gas Tax Fund at $1 billion per year beyond 2013-14 and become a permanent measure. Tax infrastructure funding over the period is $23B, including $4B of netting expenditures from CBF, BIF, MRF, and Public Transit Capital Trust. The plan incorporates previous new funding announced in Budget 2006.

- **Gas Tax Fund Negotiations**
- **Building Canada Fund & Communities Component Engagement**
- **Other Programs**

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**Gas Tax Funding 2005-2014**

- Total $1.6 billion
  - $799,497,832.00
  - $481,177,215.00
  - $101,572,836.00
  - $174,219,768.00
  - $81,919,350.00

- Innovations Fund
- Community Works Fund
- Regionally Significant Projects Fund
- General Strategic Priorities Fund
- Tier 3 Strategic Priorities Fund
The Stats
Drinking water, physical condition: plants, reservoirs and pumping stations

- Good: 73.1%
- Fair: 9.8%
- Poor: 4.3%
- Very Poor: 0.3%
- Very Good: 12.6%

Wastewater, physical condition: plants, pumping stations and storage tanks

- Good: 43.7%
- Fair: 34.5%
- Poor: 5.7%
- Very Poor: 0.1%
- Very Good: 16.0%
Average age of core public infrastructure, 2007

Source: Statistics Canada, special tabulation, Investment and Capital Stock Division.
## Provincial Local Government Assets

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<td></td>
<td>Muni</td>
<td>RD</td>
<td>BC Total</td>
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<td>BC Total</td>
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<td>Net Book Value of TCA</td>
<td>39,951,526,141</td>
<td>5,548,178,850</td>
<td>45,499,704,991</td>
<td>40,996,151,385</td>
<td>5,776,066,482</td>
<td>46,772,217,867</td>
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<td>Acquisition on TCA</td>
<td>2,483,219,082</td>
<td>414,959,298</td>
<td>2,898,178,380</td>
<td>2,015,017,867</td>
<td>361,087,661</td>
<td>2,376,105,528</td>
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<tr>
<td>Operating Expenses</td>
<td>5,433,730,389</td>
<td>997,349,044</td>
<td>6,431,079,433</td>
<td>5,662,827,608</td>
<td>1,010,432,128</td>
<td>6,673,259,736</td>
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Public infrastructure assets older in six provinces
MLB ‘13: Price for an Ounce of Beer

Boston Red Sox: $0.60
St. Louis Cardinals: $0.56
Toronto Blue Jays: $0.57
Washington Nationals: $0.62
New York Yankees: $0.50
New York Mets: $0.48
Seattle Mariners: $0.46
Cincinnati Reds: $0.46
Chicago Cubs: $0.45
Atlanta Braves: $0.45
San Francisco Giants: $0.42
Detroit Tigers: $0.42
Tampa Bay Rays: $0.42
Chicago White Sox: $0.41
Kansas City Royals: $0.41
Miami Marlins: $0.40
Los Angeles Dodgers: $0.39
Minnesota Twins: $0.38
Colorado Rockies: $0.38
Milwaukee Brewers: $0.38
Baltimore Orioles: $0.38
Philadelphia Phillies: $0.37
Houston Astros: $0.36
Oakland Athletics: $0.36
San Diego Padres: $0.36
Pittsburgh Pirates: $0.34
Cleveland Indians: $0.33
Texas Rangers: $0.31
Arizona Diamondbacks: $0.29
Los Angeles Angels: $0.28

Prices based on each team’s average beer cost, as reported in Team Marketing Report’s 2013 Fan Cost Index™.

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Ministry Programs & Initiatives

“An integrated approach involving planning, finance, engineering and operations to effectively manage existing and new infrastructure to maximize benefits, reduce risks and provide satisfactory levels of service to community users in a socially, environmentally, and economically sustainable manner.”
IS YOUR COMMUNITY READY FOR A NEW NORMAL?
Asset Management is key

ASSET MANAGEMENT

Climate change is likely to have significant impacts on local government infrastructure in BC, the largest asset managed by most local governments. At the same time, most communities currently have infrastructure assets that are nearing the end of their service life, but face challenges in renewal or replacement of those assets. It is an opportunity to explore alternative options for renewing infrastructure and at the same time plan for climate resilience. One promising approach is to coordinate land use planning with longer term financial and infrastructure planning in order to better understand the life cycle costs of infrastructure and look at ways to reduce or recover some of the costs.

Currently, in most communities the initial capital cost of municipal infrastructure related to development or renewal is covered by developers and property owners, while local governments become responsible for the long term costs associated with operation, maintenance and replacement of infrastructure assets. These long term costs are typically as much as four times the initial capital costs for conventional infrastructure. Green infrastructure options, which can have important climate change adaptation benefits (see section on Infrastructure), may reduce life cycle costs while increasing resilience to climate change, and this can be explored in the context of long term planning for asset management. See Kim A. Stephens, Integrated Rainwater Management: Move to a Level of Service Approach to Sustainable Service Delivery, www lulacouncillibrary Asset_Management/Newsletters/ANBC_Newsletter_Issue_No._2_LGAMWG_Jan_2011.pdf

To consider:

- In New Zealand, it is suggested that any significant investment in infrastructure should be preceded by a risk assessment that builds in climate change implications and a cost-benefit analysis. Climate Change Effects and Impacts

ASSET MANAGEMENT

Asset Management BC defines asset management as:

An integrated approach involving planning, financing, engineering, and operations to effectively manage existing and new infrastructure to maximize benefits, reduce risks and provide satisfactory levels of service to community assets in a socially, environmentally and economically sustainable manner.

(Source: assetmanagementsbc.ca)

BC local governments are also required to follow Public Sector Accounting Board Standard PSAB 3150 – Tangible Capital Assets (Community Charter, s.147(6)).


33 Climate Change Adaptation: An Implementation Guide for Local Governments in British Columbia
Water Management/Water Conservation
Land-use Planning

Collaboration, a ‘Design with Nature’ approach, and re-use of resources are keys to climate change adaptation and infrastructure deficit mitigation

- Develop compact, complete communities
- Increase transportation options
- Re-use and recycle water, energy & nutrients from liquid wastes
- Protect and restore urban ‘green’ space
- Strive for a lighter ‘water footprint’
- Achieve higher levels of stream, wetland and marine environment protection
Asset Management
Key Messages

- Think strategically with respect to provincial – local government and or intra-departmental alignment
- Think holistically – try to connect all the dots – integration is critical
- Action - incremental steps can be effective
Thank You

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