Financial Accountability, Infrastructure Sustainability, Service Delivery:

Connecting the Dots with an Asset Management Approach
Principle #1 – It’s all about service

- Infrastructure [assets] only exist to provide a service to the public
Principle #2 – Once the local government has decided to offer the service – define its quality

• “Levels of Service” (LoS) means different things to different people – beware of LoS creep!
Regulatory Framework

Principle #3 – With Levels of Service come Operations and Maintenance requirements over the life-cycle of the asset
Distribution of life-cycle costs for a typical building (Source: British Columbia Homeowner Protection Office)
Hamilton Public Works Services and Other Daily Household Services / Consumables

- Transit Fare
- Electricity
- Gas
- Cable TV
- Telephone
- Coffee
- Forestry
- Cemetery
- Waste Management
- Transit
- Parks and Open Spaces
- Corporate Facilities
- Fleet
- Roads and Traffic
- Stormwater
- Wastewater
- Water

- ACTUAL Daily Household Investment in 2008
- REQUIRED Daily Household Cost to Sustain each Asset Group over 100 Years

Daily Cost

$0.00  $1.00  $2.00  $3.00  $4.00  $5.00  $6.00
Principle #5 – **ALL** Infrastructure Activities are Inter-dependent
What is Asset Management?

• Integrated approach involving planning, engineering and finance to effectively manage existing and new municipal infrastructure in a sustainable manner to maximize benefits, reduce risk and provide satisfactory levels of service to the community user in an environmentally and ecologically responsible manner. (National Asset Management Working Group)
Why Asset management

• Helps in avoiding problems and potential crises;
• Provides better and consistent levels of service to the public, at less cost;
• Reduces risk to the community;
• Improves evaluation of return on investment;
Why Asset management

• Leads to more effective communication with ratepayers, elected officials, financial rating organizations, and regulatory agencies:
  • allows for more accurate financial planning;
  • leads to more efficient data management; and
  • results in positive institutional change.
The 7 questions of Asset Management

1. What do you have and where is it? (Inventory)
2. What is it worth? (Costs/replacement rates)
3. What is its condition and expected remaining service life? (Condition and capacity analysis)
4. What is the level of service expectation, and what needs to be done? (Capital and operating plans)
5. When do you need to do it? (Capital and operating plans)
6. How much will it cost and what is the acceptable level of risk(s)? (Short- and long-term financial plan)
7. How do you ensure long-term affordability/sustainability? (Short- and long-term financial plan)
<table>
<thead>
<tr>
<th>TCA Reporting (PS 3150)</th>
<th>Asset Management</th>
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<tbody>
<tr>
<td>• Inventory</td>
<td>• Inventory</td>
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<td>• Condition Assessment</td>
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<td>• Residual Life Prediction</td>
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<td>• Valuation (historical)</td>
<td>• Valuation (replacement)</td>
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<td>• Financial reporting</td>
<td>• Infrastructure Needs:</td>
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<td>• Future demand</td>
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<td>• Levels of Service</td>
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<td>• Regulatory requirements</td>
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<td>• Risk Management Plans</td>
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<td>• Investment Plans (Short, Medium and Long Term)</td>
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http://www.sustainablecommunities.fcm.ca/infraguide/

• Under E-learning tools – Managing Infrastructure Assets
British Columbia’s Local Government Asset Management Working Group provides leadership and support for the management of community infrastructure. The group is comprised of associations and communities, brought together to recognize and integrate the political, administrative, technical, operational, financial and planning aspects of asset management. Our purposes:

- To consider all matters respecting the broadest interpretation of asset management strategies, tools and results for the betterment of our communities.
- Define specific projects and develop a strategy to seek funding and deliver the projects.
- Suggest specific programs, tools or consideration on other matters that will assist our communities respecting asset management.
- Dissemination of information to the greater community
- To support the development of a local government asset management strategy for the province.

What’s New

Video Casts are available for viewing at the following links:

- Glen Brown, et al. - Asset Management in British Columbia. Perspectives...
- Gaten Reyer - Leadership and Management for Asset Management
- New McConnell - Engineering Challenges in Asset Management
- Robin Hicks - Financial Management Challenges for Asset Management
- Kim Fowler - Planning Strategies for Asset Management

http://www.bcashemntmanagement.ca/
Asset Management BC

- Asset Management BC (AMBC) was developed through an innovative series of discussions and workshops with a wide variety of interested parties.
- AMBC, led by a working group (Local Government Asset Management Working Group) is the result of the self-identification and consensus of representative local governments and key industry associations.
- The desire is that this bottom-up approach will support and provide local government direction on asset management.
Local Government Asset Management Working Group Membership;

- Union of British Columbia Municipalities
- Local Government Management Association
- Government Financial Officers Association
- Municipal Engineers Division, APGEBC
- BC Water and Waste Association
- Public Works Association of British Columbia
- Planning Institute of British Columbia
- Master Municipal Construction Documents Association
- Centre for Infrastructure Management, BCIT
- Indian and Northern Affairs, B.C. Region
- Ministry of Community and Rural Development
- Local governments (10)
Asset Management BC

A group of Associations and Communities brought together to recognize and integrate the political, administrative, technical, operational, financial and planning aspects of asset management and convey the message in a simple and effective manner.

VISION STATEMENT – Enhancing the wellbeing of British Columbia communities through leadership in asset management.

MISSION STATEMENT – To provide leadership and support for the management of community infrastructure assets.
Asset Management BC

To date, activities have included:

• State of Asset Management in BC Report
• Development of a Strategic Plan
• Development of a Model LG Asset Management Policy
• Development/Piloting of a Asset Management Self-Assessment Tool
• Development of a Asset Management Roadmap
• Development of Case Studies
• Delivery of 4 Regional Workshops
• Presentations at various conferences
• Development of strategic partnerships
• Website
• Newsletter
Asset Management BC

State of Asset Management in BC Report

• 42 Local Governments interviewed
• State of Asset Management - not state of assets
Asset Management BC

State of Asset Management in BC Report

Conclusions:
• Increased awareness key to financial support
• Doom and gloom “paralysis”
• Evolution of local government processes needed
• Staff skills will evolve to meet the needs in time
• Support needed from higher levels of government
• Adequate information exists for all to “get started”
• Groups such as LGAMWGBBC are key
Asset Management BC

AssetSmart – Self-Assessment Tool

Answers the Question

“Where is my community with respect to infrastructure and service delivery sustainability?”

• Follows 5 core capacities framework
• Establishes a baseline
• Helps generate an end goal and identifies the gap
• Promotes dialogue and communication
Asset Management BC

• Asset Management Road Map Project

  ‘Roadmaps are mechanisms enabling local governments to visualize the services they provide and the physical assets needed to deliver the services, the relationships between these; and the skills, technologies, competencies and capacities needed to meet current and future service requirements’

  • 4 pilot communities
  • Identify gaps – Assetsmart
  • Set priorities
  • Develop a plan and implementation strategy
Thank You