

For many local governments, “asset” refers specifically to engineered infrastructure that provides municipal services such as water filtration and drainage. However, as another spring of devastating floods shows, there are costs and risks to relying on engineered infrastructure alone. New strategies are needed.

Leading local governments have discovered that nature delivers core municipal services on the same level as engineered infrastructure assets. For example, healthy forests and wetlands can manage stormwater and reduce flooding. Natural asset management allows local governments to evaluate and consider them using the same tools as for engineered assets, ensuring long-term health and resilience of these forests and wetlands.

In collaboration with organizations such as Asset Management BC, MNAI supports and guides local governments in identifying, valuing and accounting for natural assets in their financial planning and asset management programs.

The Town of Gibsons, B.C., was a pioneer in natural asset management. It recognized aquifers, streams and forests as infrastructure assets and put them in budgets and management plans alongside standard engineered assets — an approach no other local government had considered. MNAI emerged in 2015 to scale up this approach nationally and has been advancing the methodology, gaining valuable experience ever since.

MNAI’s work shows the following:

- Natural assets can provide the same level of service as engineered infrastructure;
- The value of natural assets increases under scenarios of climate change and intensified development;
- Natural asset solutions can be readily and effectively integrated into asset management;
- Natural assets often have near-zero capital costs, lower operating costs and the ability to appreciate in value over time; and,
- By recognizing natural assets and the services they provide, municipalities can reduce risk.

Community and municipal leaders are implementing MNAI’s projects in British Columbia, Ontario and New Brunswick. Watershed projects are ongoing in several communities, including the K’omoks First Nation in the Comox Valley and in Ontario’s Greenbelt. Other local government projects are under development.

MNAI is expanding the range of tools that it can offer to local governments. These tools will complement Asset Management BC’s upcoming primer for local governments. The primer explains why local governments should consider natural assets, and MNAI’s tools and methods explain how to do the work. Together, these materials will help municipalities capitalize on the real and immediate benefits of managing their natural assets. These and other resources, including a recent paper on funding sources for natural assets, are available on the MNAI website at [MNAI.com](http://MNAI.com). Visit the website to sign up for updates and contact MNAI to discuss support for your community’s natural asset management journey.

## The 7-Year Review of Planners in Asset Management

*Kim Fowler, RPP, MCIP  
Principal, Sustainability Makes Cents Consulting*

In the Fall 2012 issue of the Asset Management BC newsletter, we discussed why planners need asset management, so what’s happened in the past 7 years?

### **Supposedly, the house is on fire. What?!**

Climate change is accelerating at a much faster pace than predicted even 7 years ago. Bigger floods, more frequent windstorms and larger forest fires are really damaging infrastructure at least 3 times more than before. Oh dear!

Planners have developed climate adaptation and mitigation plans, mapped new flooding and sea level rise areas, and incorporated resilience planning into land use plans. Good!

Planners have worked alongside their engineering and finance colleagues to integrate climate change into asset management. The Federation of Canadian Municipalities has a short video on the value of investing in asset management, including climate adaptation and mitigation. Engineers Canada created a protocol to assess the vulnerabilities of infrastructure to extreme weather events and future changes in climate. AM BC developed a framework for sustainable service delivery, nicknamed ‘The Wheel’ after the flow diagram showing how to assess, plan and implement asset management. These actions enable better planning and design of safe and climate-resilient infrastructure. Great!

### **But it’s not fast enough. Oh drat!**

The policies, plans, and regulations must be implemented now to assist communities. That’s a big ask.

Well, we really only have two choices in our communities now, and the status quo isn't one of them. We must become resilient and nimble or reactive and in crisis. Not much choice.

The integration of land use, asset management, and financial planning can really help local governments integrate climate change risk from the operational to strategic levels. And planners need to demand a seat at the asset management table. It's all hands-on deck. Sounds like an action plan.

## The “Other Infrastructure Gap”

*Wally Wells, Asset Management BC*

We promised in the last edition to identify and start a discussion on the other infrastructure gap. The quickest and easiest way to get results and start fixing the problem is **stop cutting the maintenance budget**. We have asked many municipalities and local government a question to public works operations and maintenance staff: ‘How much of your time is spent fixing things that are broken or about to break?’ The answer was frightening, it was 85 - 95% of their time.

The municipal budgeting process normally produces two budgets, one for normal operations and maintenance and the other for capital projects and expenditures. They are usually presented to Council as one budget for approval. The Province requires local governments to submit a 5-year budget. For many, this is more of a compliance exercise than just ‘good business’. The operations budget does not differentiate between operations costs and maintenance costs. Unless a community tracks their maintenance costs outside of the budget and accounting process maintenance costs are not known separate from the O&M total. Many, if not most communities, do not track these costs separately. How do you know when the maintenance costs justify equipment replacement as opposed to continued maintenance if you do not know your maintenance costs?

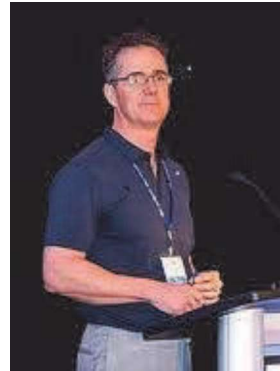
Have you developed a system that is appropriate for small municipalities? We would like to hear from you if you are willing to share your work. We will follow this up with more information in our fall issue.

Contact Asset Management BC if you have ideas, templates, or advice to share – Executive Director at

[info@assetmanagementbc.ca](mailto:info@assetmanagementbc.ca)

## CNAM Holds Successful Conference in Kelowna

*Joel Shaw, Kelowna,  
2019 Conference Chair*



The 13<sup>th</sup> annual conference was a huge success – again! More than 350 delegates from across the country joined us for four exciting days in beautiful Kelowna, BC. Highlights of the conference and tradeshow this year included the “What’s Broken in Asset Management?” panel discussion which started with some frank discussion and

opinions and ended with Christina Benty’s sing-along, asset-management version of “Down on the Corner”. Delegates also enjoyed inspiring keynote presentations by Chris Morrill, GFOA and Diane Kalen-Sukra, Kalen Consulting. There were more than 80 presentations over the course of the conference which meant there was plenty to choose from. In our post-conference survey, 92% of the delegates rated the conference as met or exceeded expectation and agreed or agreed strongly that CNAM delivers great professional development value for the cost!

Congratulations to all of the well deserving 2019 Tereo Award recipients which included the;

- **Pioneer Award** presented to **Wally Wells** of Asset Management BC;
- **Ambassador Award** presented to the **Federation of Canadian Municipalities (FCM)** for their Municipal Asset Management Program; and
- **Tereo Awards** were also presented to three well deserving municipalities. In First Place was **The City of Selkirk**, in Second Place was **The City of Vaughan** and in Third Place, **The City of Waterloo**.

There are so many great pictures of the people, panels, and prize winners. Check out photos from this year as well as 2017 & 2018 on the CNAM Conference Photo website [www.cnam.ca](http://www.cnam.ca)

## Next year - St. John’s, Newfoundland!

Start planning for 2020 ... because Asset Management Rocks!