

# **Asset Management Workshop**

## **Understanding the Impact of COVID-19 on Infrastructure Investments from an Asset Management Perspective**

**2020 AMO Virtual Conference**

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Kelly Linton – Mayor, Township of Centre Wellington

Ric Bresee – Mayor, Loyalist Township

Robin Jones – Mayor, Village of Westport

# Facing Reality Together

Understanding the impact of COVID-19 on  
Infrastructure Investment from an Asset  
Management Perspective

Christina Benty  
Strategic Leadership Solutions



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# Agenda

- Refresher: What is Asset Management and Why it is Necessary?
- Being Strategic: Intentional Rather Than Accidental
- Telling The Truth: Who do you need to be engaging with and how?

# BACK TO BASICS

WHY DOES LOCAL  
GOVERNMENT  
EXISTS?



To provide  
safe,  
sustainable,  
secure services  
in a  
predictable,  
cost effective  
manner.



What's the role  
of elected  
officials?



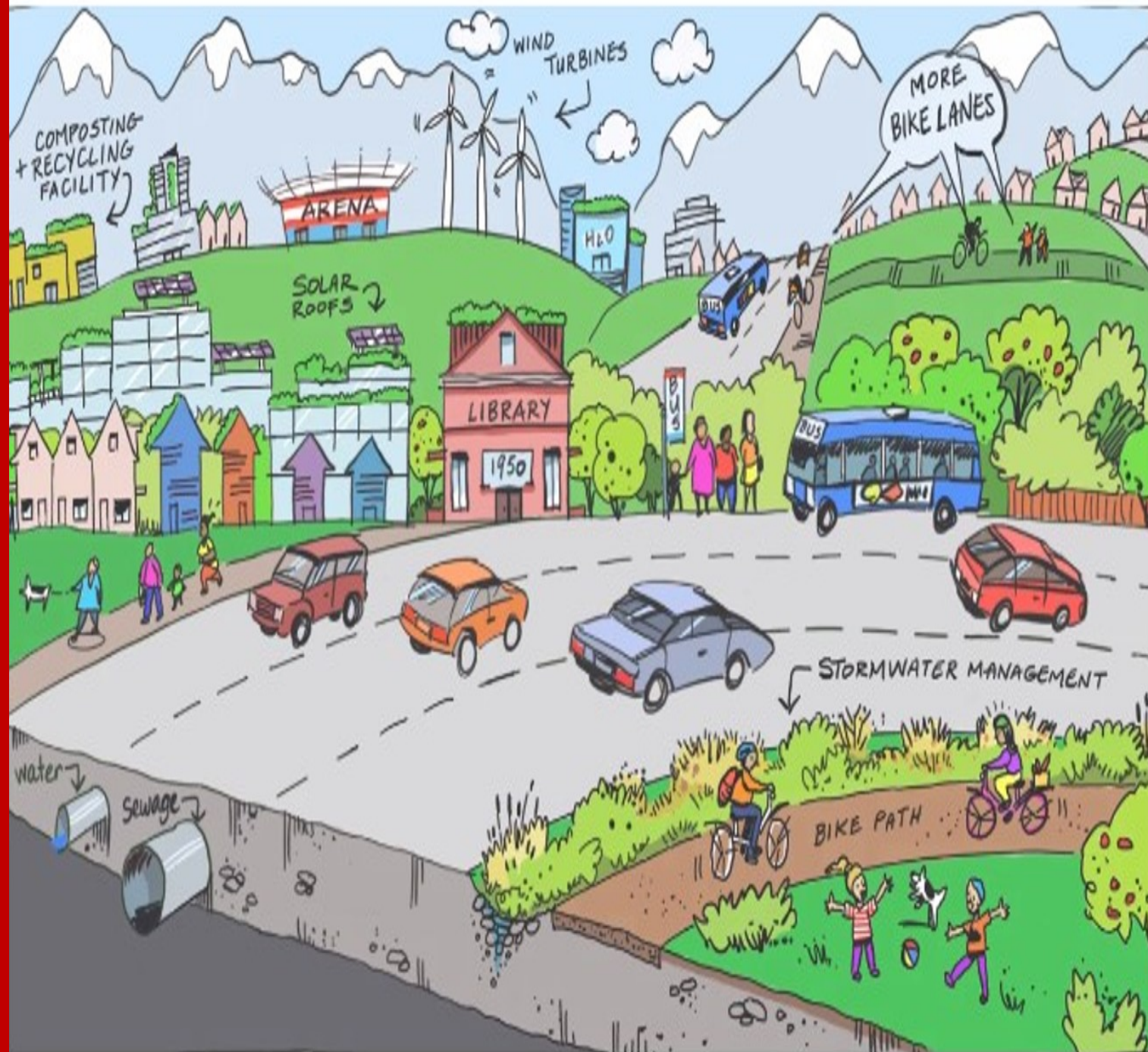
Stewardship  
and  
governance  
over the  
organization  
that provides  
those services



# # 1

What services  
does your  
community need  
and want now and  
in the future?

(and at what level)



## # 2

What are the services your community is willing and able to pay for?



# # 3

Are we spending  
enough on the  
infrastructure that  
provides those  
services?



# How does Asset Management Help?

A systematic approach to **maintaining, improving, or decreasing** a desired level of service while balancing **available funding, time constraints, prioritization, public demand, and legislative requirements.**

Needs to be:

- ❖ **Reflected in all planning**
- ❖ **Entrenched in policy**
- ❖ **Embedded into corporate behavior**

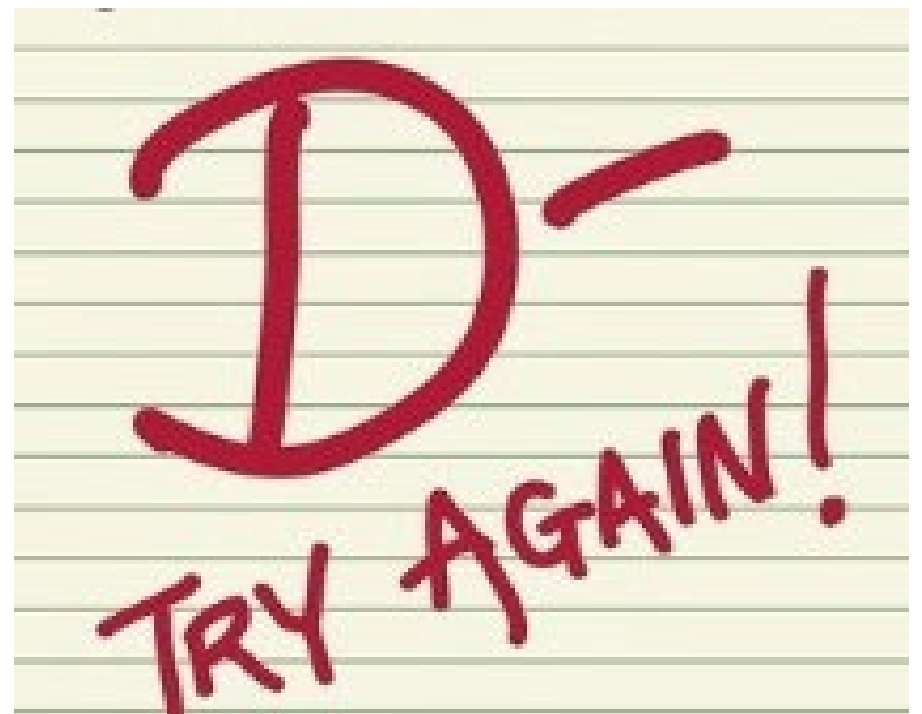
THE ASSET  
MANAGEMENT  
PROCESS IS  
STAFF'S ROLE

SUPPORTING THE  
PROCESS FOR  
SUSTAINABLE  
SERVICE DELIVERY IS  
COUNCIL'S ROLE

# State of Infrastructure in Canada

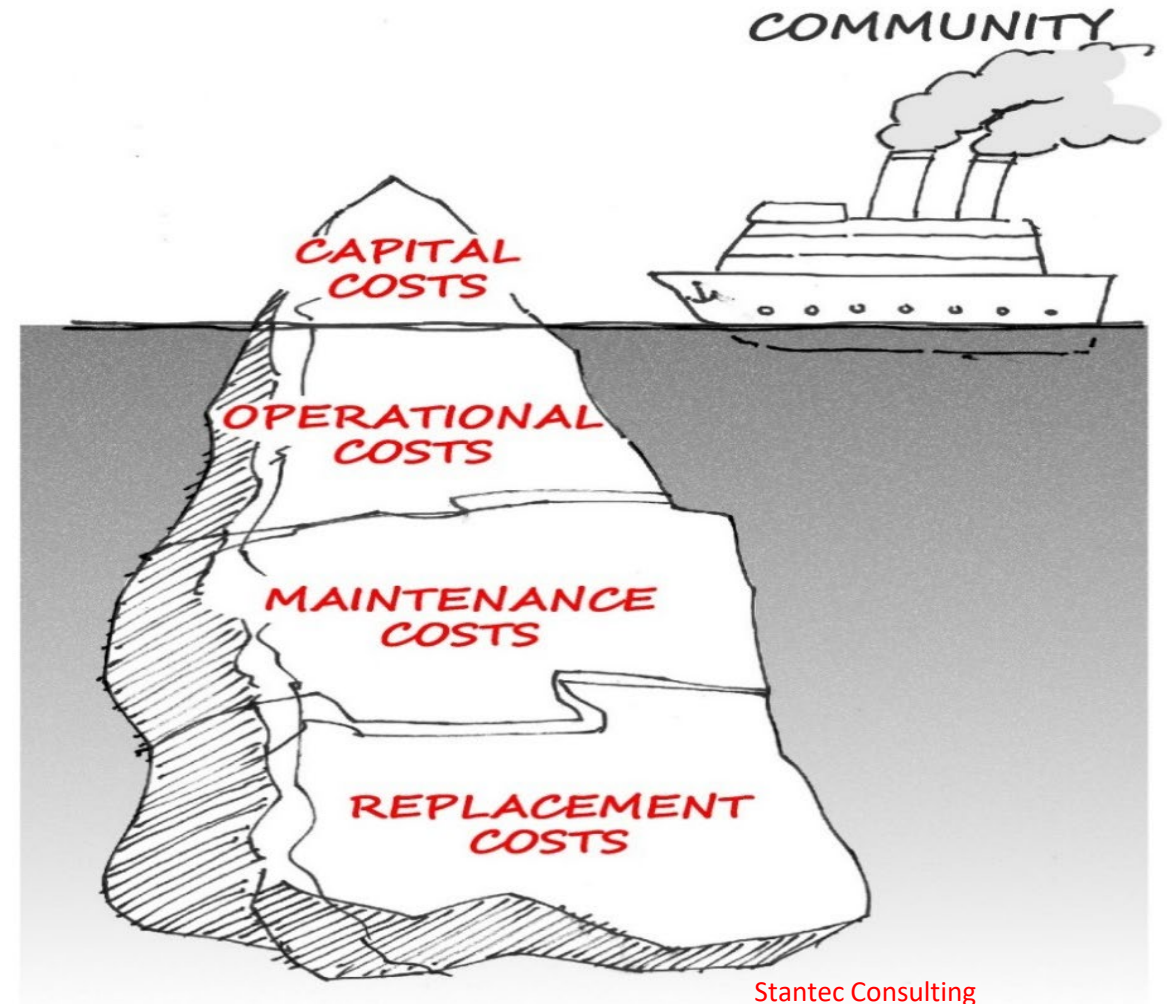
**1/3**

of all assets in **poor or very poor** condition



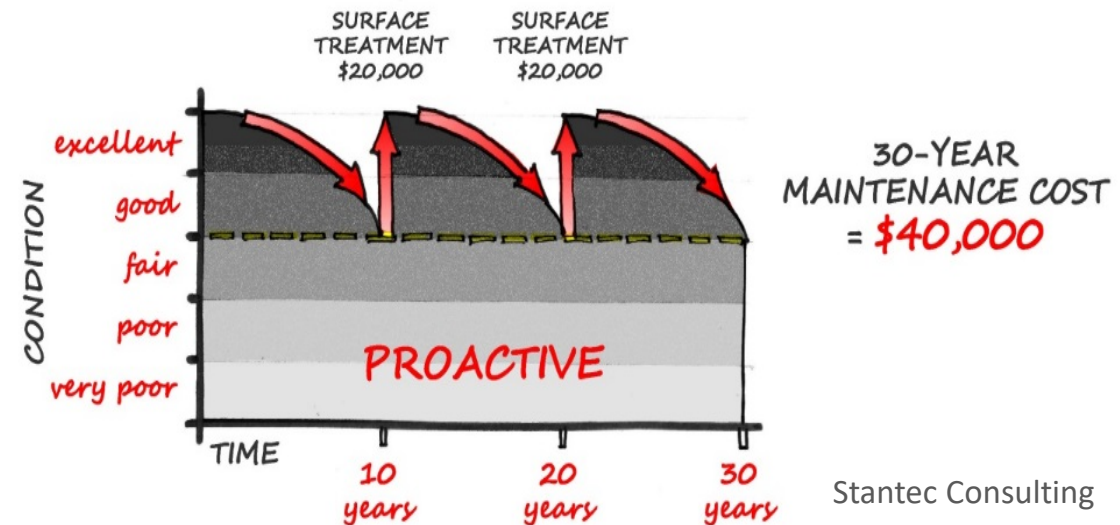
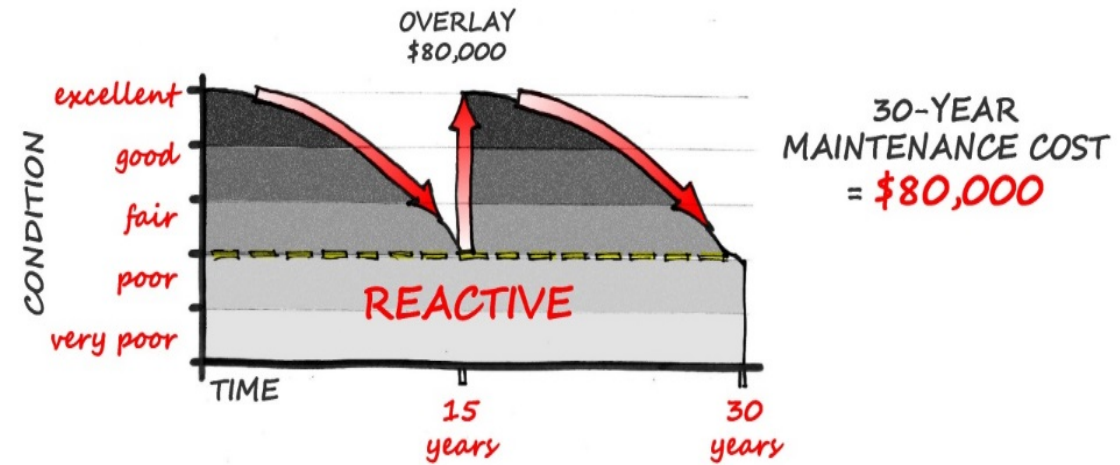
# How did we get here? SHORT-TERM THINKING

Making decisions that don't consider or ignore asset lifecycle costs



# How did we get here? REACTIVE DECISION-MAKING

Waiting until an asset fails or requires major renewal



# The Main Risk to Sustainability is:

1. Cost of the infrastructure it takes to provide services
2. Service levels that don't reflect our financial capacity



# Using Asset Management as a Decision-Making Tool

## ➤ Engagement

You can't ask people what they are willing to pay for if they don't know the costs.



# Using Asset Management as a Decision-Making Tool

## ➤ Risk Assessment

- What service and asset risks need to be prioritized and managed?
- What is the likelihood of failure or service disruption?
- What is the consequence of failure or service disruption?



Risk  
Staff's role



# Risk Council's role



# Using Asset Management as a Decision-Making Tool

## ➤ Levels of Services

- Should we renew our existing assets before taking on new assets?
- What assets/services can or should be retired?





# Using Asset Management as a Long Term Financial Planning Tool

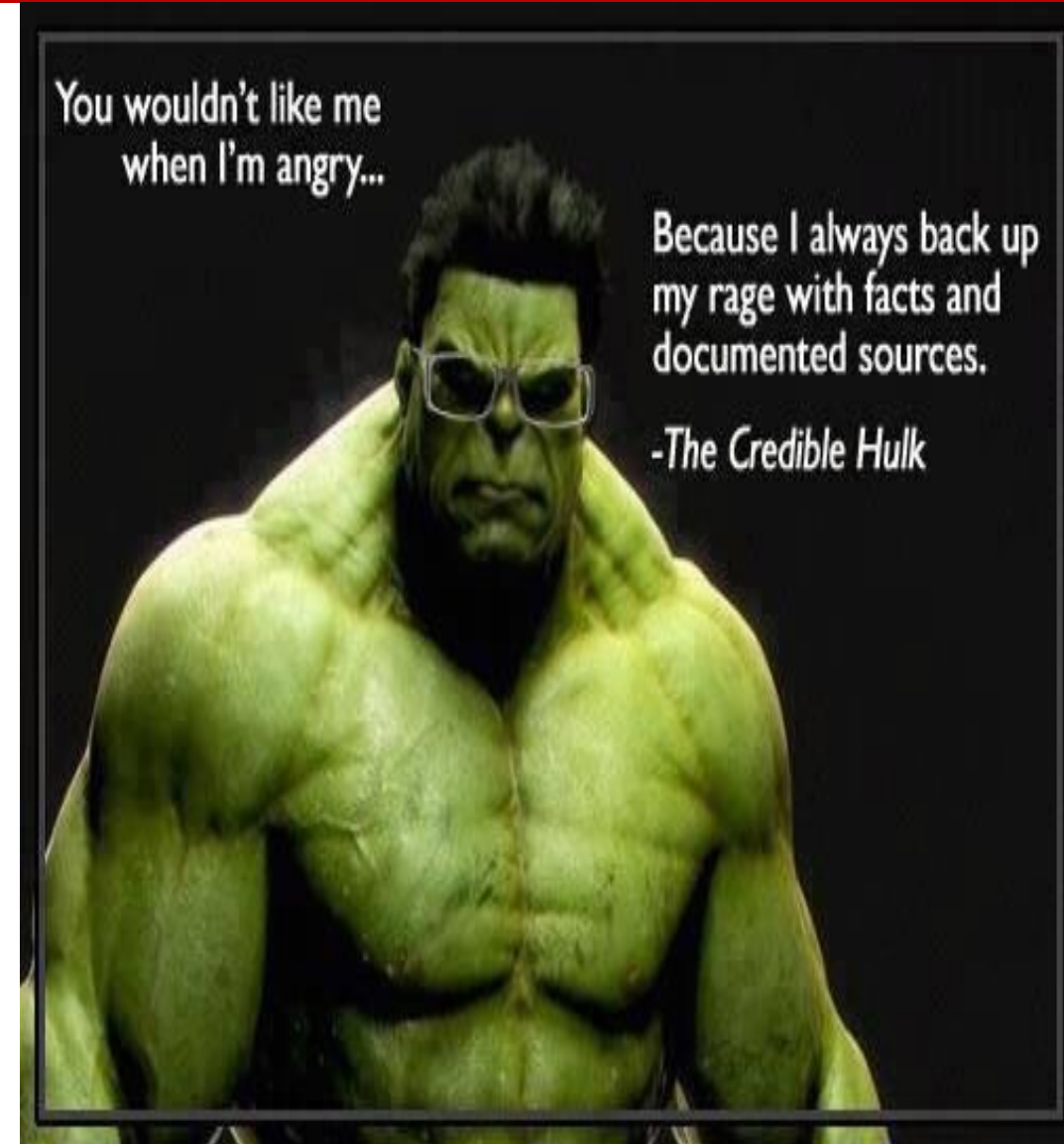
- What is our overall financial position?
- What are our revenue streams?
- Do we have enough money to manage our existing assets?
- What needs to be done (repair, upgrade or replacement) and when does it need to be one by?
- How much will it cost?
- Are we spending enough money to manage (maintain and replace) our infrastructure?
- What should we be investing annually and is it sustainable?

# Informed Decision Making

What do we need to do to get into a position where we can answer these questions with some degree of confidence?

The empirical evidence to.....

- ✓ Do the right thing
- ✓ To the right asset
- ✓ At the right time



# TELL THE STORY

“That which you most need will be found where you least want to look.”



## ACTION STEPS

- Policy
- Lifecycle Costing
- Engagement
- Top of the Agenda
- Link LOS to \$\$\$
- Tell the story



Don't kick the  
can farther  
down the road.



**The federal Gas Tax provides permanent and predicable funding to address municipal infrastructure priorities.**

**Elected officials are invited to take [AMO's free on-line course on asset management](#) that provides fundamental information on role of Council and how asset management can be used as a decision-making tool to identify local priorities.**

**To learn more about asset management training opportunities and resources, visit:  
[www.gastaxatwork.ca/asset-management](http://www.gastaxatwork.ca/asset-management)**

**Contact [GasTax@amo.on.ca](mailto:GasTax@amo.on.ca) for any questions**