Our Asset Management Journey

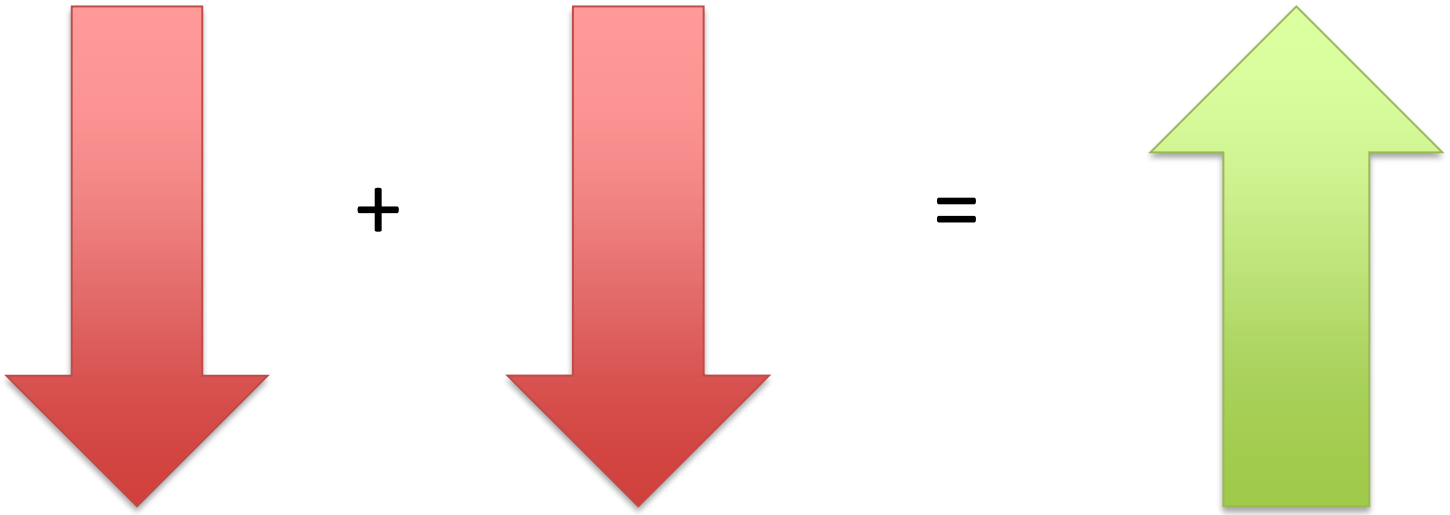
CITY OF Selkirk

Context

- Incorporated in 1882
- Growth occurred in spurts, but largely between 1950 – 1970
- 1980s brought stagnation, slow depopulation and disinvestment

CITY OF Selkirk

Context



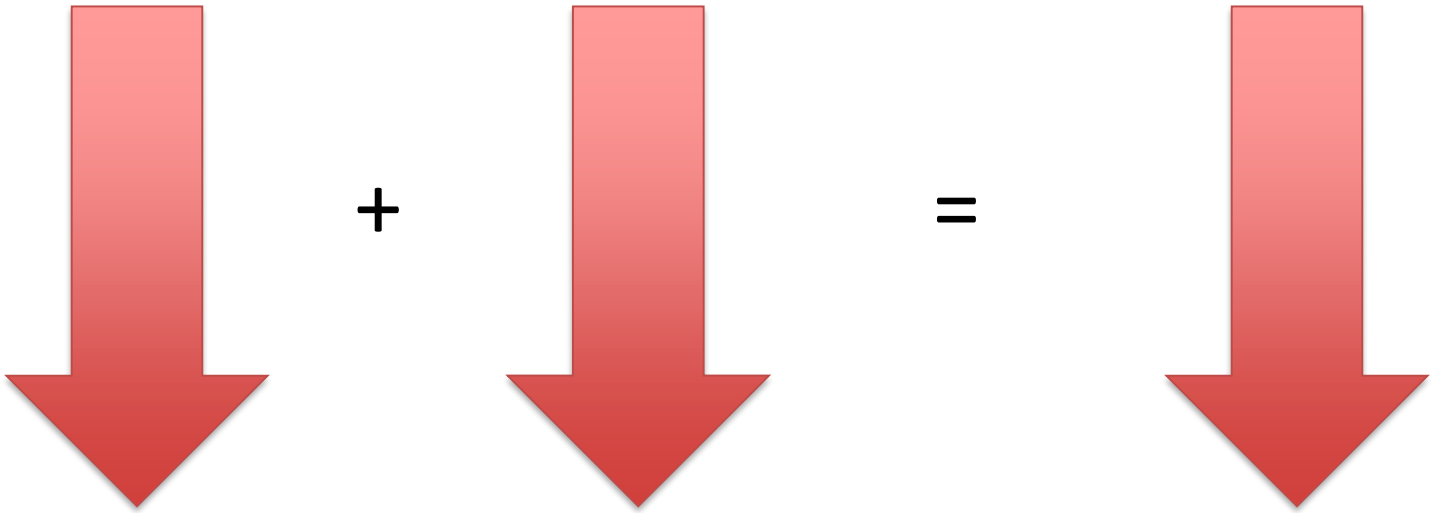
Population

Assessment Base

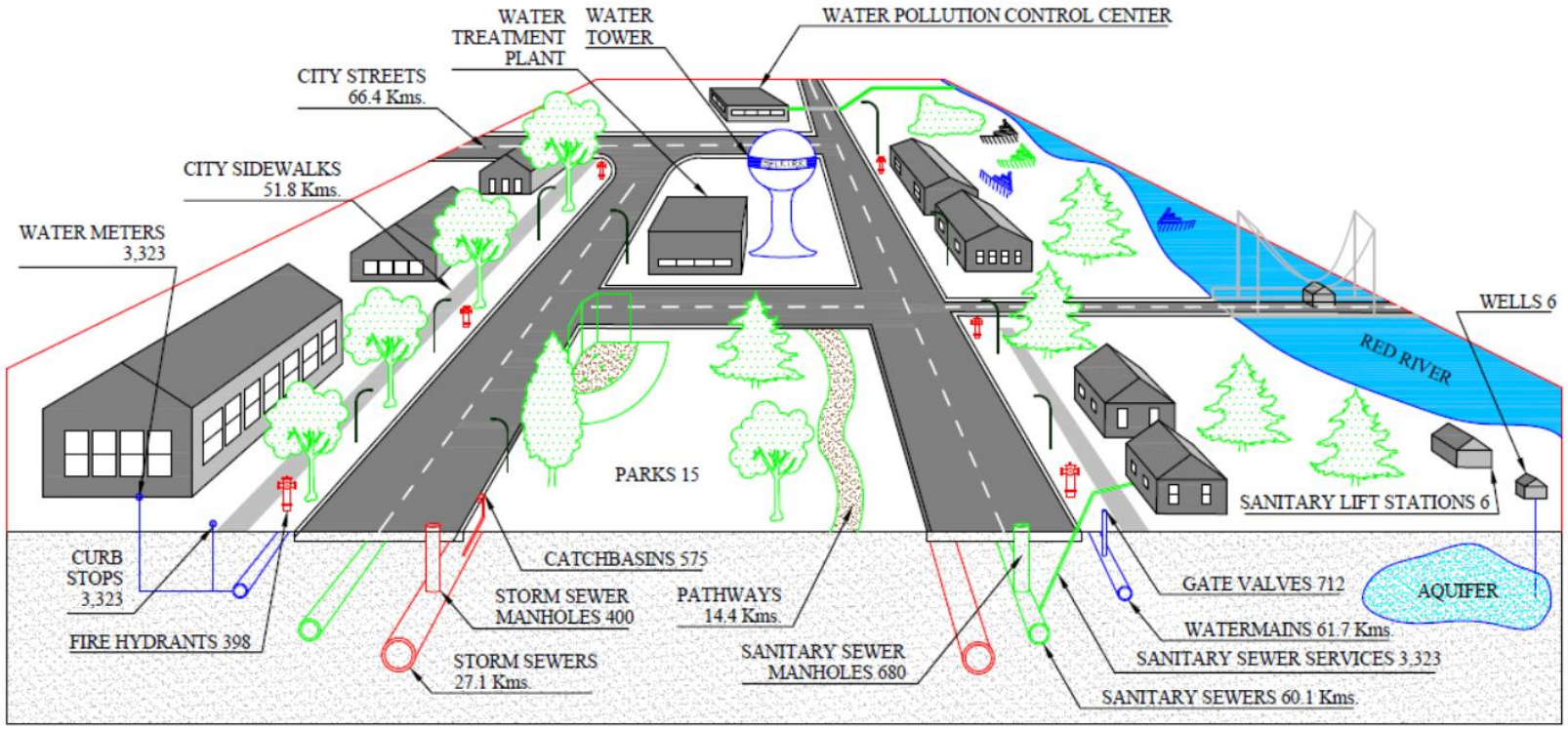
Infrastructure Investment

CITY OF Selkirk

Context



CITY OF SELKIRK
PUBLIC INFRASTRUCTURE



CITY FACILITIES

- CITY HALL
- RCMP DETACHMENT
- VOLUNTEER FIRE DEPARTMENT
- HOSPITAL
- MENTAL HEALTH FACILITY
- OPERATIONS DEPARTMENT
  - PUBLIC WORKS
  - WATER/WASTEWATER
- PUBLIC PARKING LOTS 15
- MARINE MUSEUM
- LIBRARY
- FLOAT PLANE BASE

RECREATION FACILITIES

- SELKIRK PARK
- MEMORIAL HALL / ARENA
- SELKIRK REC COMPLEX
- WATERFRONT PARK
- SELKIRK CURLING CLUB
- SELKIRK GOLF COURSE
- INDOOR POOL (SCHOOL)
- SKATEBOARD PARK

FAST FACTS

ABOUT THE COMMUNITY

- POPULATION: 9,934
- AREA: 2,536 HECTARES
- INTERNATIONAL AIRPORT 55 kms. AWAY

CITY OF Selkirk

Fast Forward to 2010…

- Development fee was too low at $1,000 per

- The City did a “market analysis” and increased fee to $4,000 per

….or we could…..

Development fee task force struck

The Selkirk Journal

Saturday, August 21, 2010 9:48:50 CDT AM

A report by Coun. Duane Nicol has spurred Selkirk Council to form a task force to study the city s development fees and how to encourage more dense, multi-unit dwellings like apartment blocks.

Recommend 0

Tweet

G+

SHARE

AA+

Report an error

All your stories

Selkirk city council has struck a task force to further study the fees the city poses to developers after renewed debate on the issue in recent weeks.

A report presented Monday night by Coun. Duane Nicol shifted the momentum of council's debate over whether or not the city should reexamine their development fees, which was previously leaning toward keeping the fees at the current $4,000 p door flat rate.

Council instituted the current rate that developers must pay when tying into the city' sewer and water infrastructure last year, bumping it up from the previous fee of $1,000. The fee is designed to help generate capital for the city to maintain infrastructure like sewer and water lines, as well as streets and some other "soft" services, such as fire department funding and recreation programs.

New debate on the fee began when, this May, a local developer balked at the cost, saying that to construct any kind of multi-unit development, such as an apartment block, the fees quickly pile up - his proposed 12 unit apartment block would end up costing him $44,000 to tie into the city's water and sewage lines just once for the

http://www.interlaketoday.ca/2010/08/19/development-fee-task-force-struck

CITY OF Selkirk

And then….

CITY OF Selkirk

What if we did some analysis…

Manitoba's Cities

City	Pop.	Assessment	Financial Assets	Liabilities	Non-Financial Assets
Winnipeg	663,617	27,405,462,169	966,412,000	1,021,588,000	4,770,266,000
Brandon	46,061	1,689,921,570	55,966,204	46,091,621	296,415,732
Steinbach	13,524	545,336,020	15,379,323	13,005,255	132,672,704
Thompson	13,123	353,995,180	11,564,599	27,434,455	53,361,257
Portage La Prairie	12,996	355,341,430	20,654,740	26,363,435	73,188,821
Winkler	10,670	399,457,470	7,220,093	11,391,055	71,070,881
Selkirk	**9,834**	**335,225,930**	**9,394,010**	**7,538,939**	**42,561,514**
Dauphin	8,251	197,543,350	6,775,252	2,991,507	47,679,787
Morden	7,812	255,021,090	4,354,290	6,012,608	46,034,580
Flin Flon	5,405	112,053,570	9,196,169	6,652,901	43,830,305

CITY OF Selkirk

Financially we were okay…

Financial Assets to Liabilities

City	2009	2010	2011	Average
Dauphin	1.45	1.72	2.26	1.81
Selkirk	**1.98**	**2.13**	**1.25**	**1.79**
Brandon	1.44	1.31	1.21	1.32
Steinbach	1.37	1.25	1.18	1.27
Winnipeg	1.04	1.05	0.95	1.01
Portage la Prairie	0.76	0.64	0.78	0.73
Morden	0.78	0.57	0.72	0.69
Thompson	0.71	0.60	0.42	0.58
Flin Flon	0.62	0.49	0.58	0.56
Winkler	0.39	0.39	0.63	0.47
Average	1.06	1.01	1.00	1.02

CITY OF Selkirk

Taxes were not “too high”

Total Expenses to Assessments

City	2009	2010	2011	Average
Steinbach	0.045	0.035	0.035	0.038
Winkler	0.046	0.039	0.037	0.041
Morden	0.058	0.044	0.045	0.049
Selkirk	**0.065**	**0.043**	**0.047**	**0.052**
Winnipeg	0.072	0.044	0.046	0.054
Brandon	0.068	0.050	0.053	0.057
Dauphin	0.086	0.071	0.071	0.076
Portage la Prairie	0.084	0.071	0.073	0.076
Thompson	0.107	0.070	0.069	0.082
Flin Flon	0.145	0.109	0.116	0.123
Average	0.078	0.058	0.059	0.065

CITY OF Selkirk

But our infrastructure.....

Non-financial Assets to Assessment

City	2009	2010	2011	Average
Flin Flon	0.43	0.35	0.39	0.388
Steinbach	0.30	0.24	0.24	0.260
Dauphin	0.29	0.25	0.24	0.260
Portage la Prairie	0.23	0.22	0.21	0.217
Winnipeg	0.27	0.16	0.17	0.203
Morden	0.24	0.19	0.18	0.202
Winkler	0.22	0.18	0.18	0.192
Brandon	0.22	0.17	0.18	0.191
Thompson	0.17	0.12	0.15	0.150
Selkirk	**0.11**	**0.09**	**0.13**	**0.109**
Average	0.25	0.20	0.21	0.217

CITY OF Selkirk

Ouch....

Non-financial Assets to Revenue

City	2009	2010	2011	Average
Steinbach	4.85	4.46	5.28	4.864
Morden	3.64	3.83	3.46	3.645
Winkler	3.52	3.48	3.56	3.518
Winnipeg	3.21	3.30	3.25	3.252
Dauphin	3.21	2.74	3.31	3.088
Brandon	2.68	2.89	2.99	2.853
Flin Flon	2.18	2.88	2.57	2.544
Portage la Prairie	2.02	2.28	2.65	2.317
Thompson	1.58	1.70	2.00	1.761
Selkirk	**1.51**	**1.60**	**1.87**	**1.660**
Average	2.84	2.92	3.09	2.950

CITY OF Selkirk

Okay....we get it....

Non-financial Assets to Population

City	2009	2010	2011	Average
Steinbach	10,391	11,386	9,810	10,529
Flin Flon	6,554	6,898	8,109	7,187
Winnipeg	6,808	7,057	7,188	7,018
Winkler	6,881	7,502	6,661	7,015
Brandon	6,371	6,910	6,435	6,572
Morden	6,534	6,912	5,893	6,446
Dauphin	5,775	6,113	5,779	5,889
Portage la Prairie	4,928	5,989	5,632	5,516
Selkirk	**2,743**	**3,011**	**4,328**	**3,361**
Thompson	2,834	3,169	4,066	3,356
Average	5,982	6,495	6,390	6,289

CITY OF Selkirk

We have to do better.

Key Take-aways

* By all measures, Selkirk's capital infrastructure value is at or near the bottom of all Manitoba Cities.
* **The value of Selkirk's capital infrastructure is at critically low levels and is a clear and present danger to the city's ongoing ability to operate and a drag on future growth and prosperity.**
* The key drivers behind our infrastructure challenges have been low assessment growth and extremely low population density.

CITY OF Selkirk

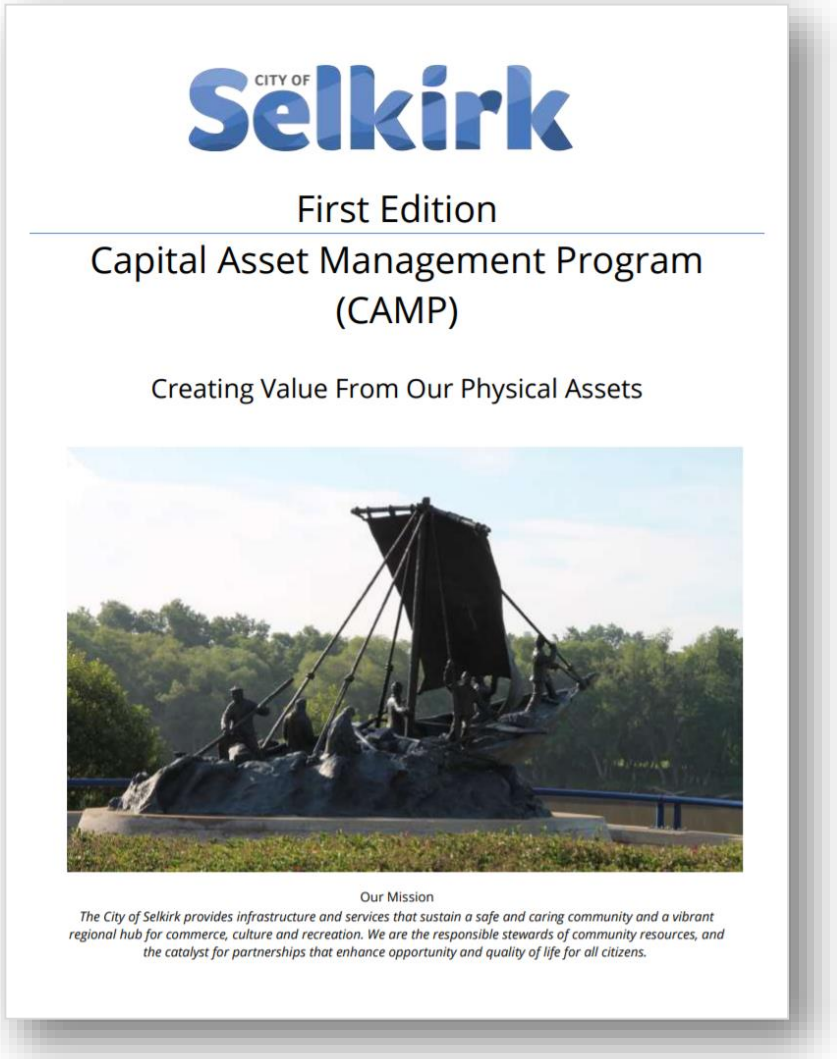
Capital Asset Management

- Late 2014 City administration began researching asset management and what it would mean for us.
- 2015 we started developing our asset registry (excel based) for our most valuable assets:
  - Road Network
  - Water, waste-water, storm networks
  - Facilities
  - Fleet
- In 2016 we produced our first report to council…

CITY OF Selkirk

Survey says……

- 117 pages of:
  - path documentation
  - assumption recording
  - result reporting
  - Future path planning



CITY OF Selkirk

First Edition

Capital Asset Management Program (CAMP)

Creating Value From Our Physical Assets

Our Mission

The City of Selkirk provides infrastructure and services that sustain a safe and caring community and a vibrant regional hub for commerce, culture and recreation. We are the responsible stewards of community resources, and the catalyst for partnerships that enhance opportunity and quality of life for all citizens.

CITY OF Selkirk

Survey says……

- 117 pages of:
  - path documentation
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  - result reporting
  - Future path planning

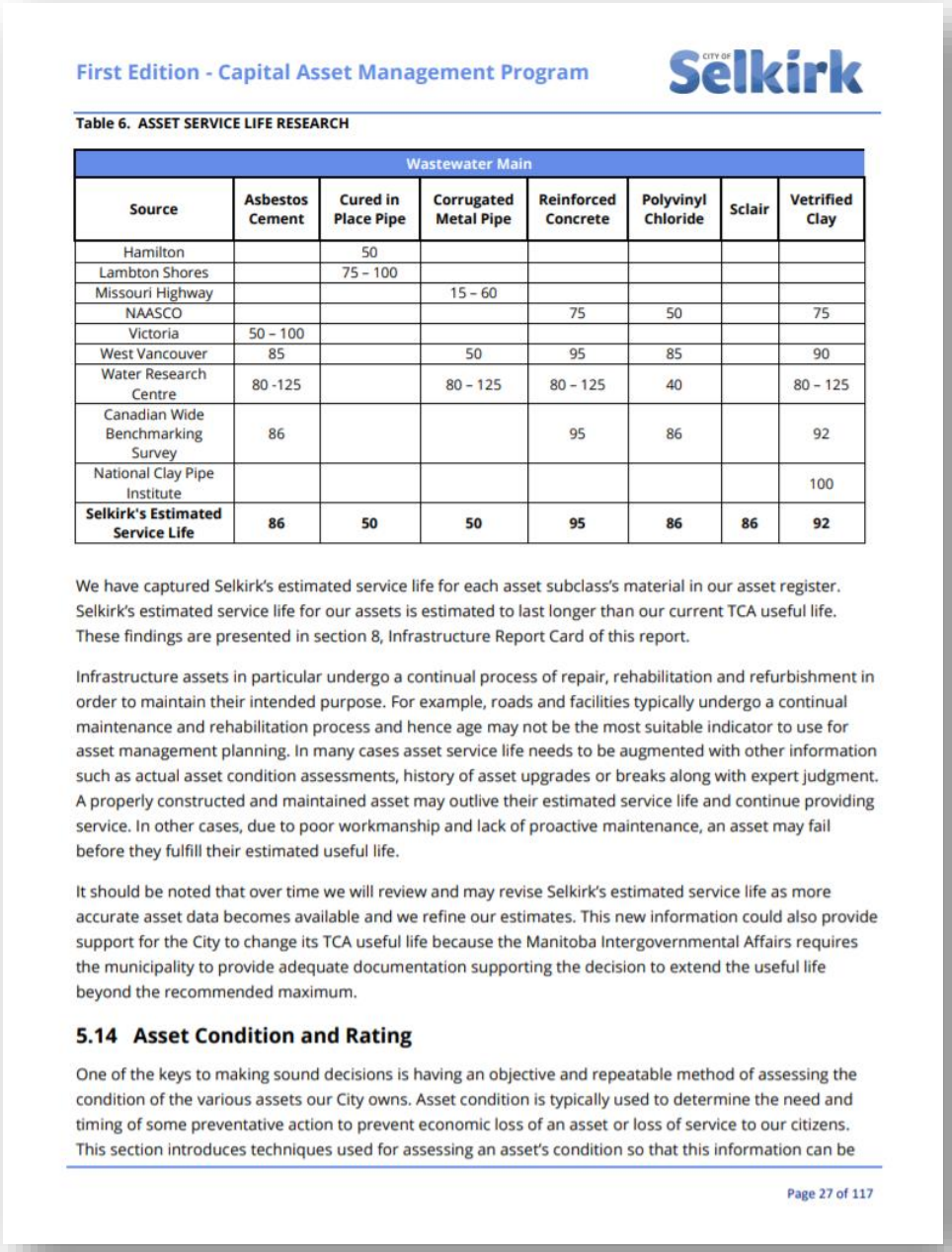


Table 6. ASSET SERVICE LIFE RESEARCH

Wastewater Main							
Source	**Asbestos Cement**	**Cured in Place Pipe**	**Corrugated Metal Pipe**	**Reinforced Concrete**	**Polyvinyl Chloride**	**Sclair**	**Vetrified Clay**
Hamilton		50					
Lambton Shores		75 – 100					
Missouri Highway			15 – 60				
NAASCO				75	50		75
Victoria	50 – 100						
West Vancouver	85		50	95	85		90
Water Research Centre	80 -125		80 – 125	80 – 125	40		80 – 125
Canadian Wide Benchmarking Survey	86			95	86		92
National Clay Pipe Institute							100
Selkirk's Estimated Service Life	**86**	**50**	**50**	**95**	**86**	**86**	**92**

We have captured Selkirk's estimated service life for each asset subclass's material in our asset register. Selkirk's estimated service life for our assets is estimated to last longer than our current TCA useful life. These findings are presented in section 8, Infrastructure Report Card of this report.

Infrastructure assets in particular undergo a continual process of repair, rehabilitation and refurbishment in order to maintain their intended purpose. For example, roads and facilities typically undergo a continual maintenance and rehabilitation process and hence age may not be the most suitable indicator to use for asset management planning. In many cases asset service life needs to be augmented with other information such as actual asset condition assessments, history of asset upgrades or breaks along with expert judgment. A properly constructed and maintained asset may outlive their estimated service life and continue providing service. In other cases, due to poor workmanship and lack of proactive maintenance, an asset may fail before they fulfill their estimated useful life.

It should be noted that over time we will review and may revise Selkirk's estimated service life as more accurate asset data becomes available and we refine our estimates. This new information could also provide support for the City to change its TCA useful life because the Manitoba Intergovernmental Affairs requires the municipality to provide adequate documentation supporting the decision to extend the useful life beyond the recommended maximum.

5.14 Asset Condition and Rating

One of the keys to making sound decisions is having an objective and repeatable method of assessing the condition of the various assets our City owns. Asset condition is typically used to determine the need and timing of some preventative action to prevent economic loss of an asset or loss of service to our citizens. This section introduces techniques used for assessing an asset's condition so that this information can be

Survey says……

- 117 pages of:
  - path documentation
  - assumption recording
  - result reporting
  - Future path planning

8.3 Facilities

Culture Recreation and Green Transportation 630 Sophia Street

City of Selkirk Operations 739 Sophia Street

Selkirk Memorial Hall 376 Jemima Street

The City of Selkirk has 47 facilities that are used for a variety of activities. During 2015 and early 2016, Administration inventoried and analyzed these facilities and determined a condition for each facility. The oldest facility is Stuart House, constructed in 1904, and the newest is the Gaynor Family Regional Library, constructed in 2014. This section examines the facilities in detail.

8.3.1 What We Own

Figure 6. FACILITIES SUMMARY

Selkirk Civic Office 200 Eaton Avenue

Asset Subclass	# of Facilities
Civic Buildings	7
Community Halls	1
Heritage Buildings	1
Library	1
Recreation and Culture Buildings	14
Storage Buildings	7
Wastewater Buildings	8
Water Buildings	8

8.3.2 Estimated Current Replacement Cost

The Bank of Canada provides an Inflation Calculator[2] tool. This inflation calculator uses monthly Consumer Price Index (CPI) data from 1914 to the present to show changes in the cost of a fixed "basket" of consumer purchases. These include food, shelter, furniture, clothing, transportation, and recreation. An increase in

[2] http://www.bankofcanada.ca/rates/related/inflation-calculator/

Survey says……

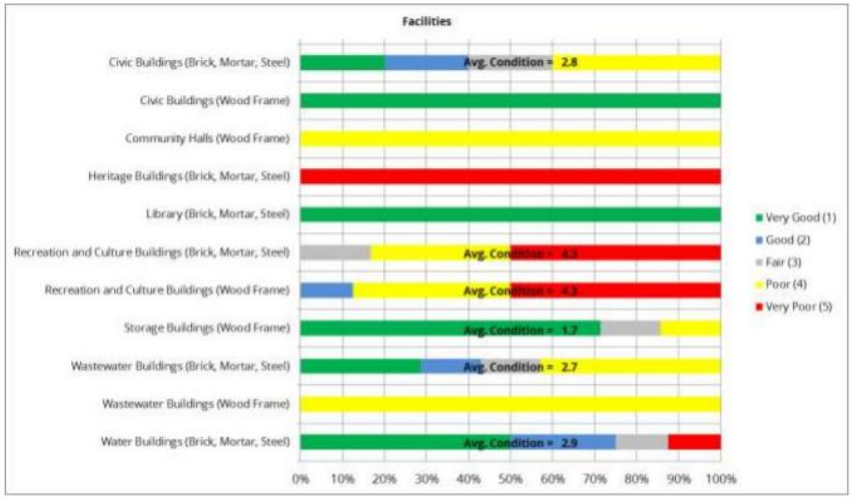
- 117 pages of:
  - path documentation
  - assumption recording
  - result reporting
  - Future path planning

8.3.4 What Condition it is in

The asset condition of the facilities will vary depending on the type of construction material, local climate, general maintenance and its usage through its service life.

Based on the FCI model City personnel used in 2015, the following conditions of our facilities are shown in the table below:

Table 19. FACILITIES CONDITION



Assets identified in "Poor" and "Very Poor" require further investigation to ensure proper conditional rating.

8.3.5 Estimated Service Life

As discussed earlier in section 5.13 of this report, the service life will be different for asset classes, subclasses, and its related construction material. The table below reveals "Selkirk's Estimated Service Life" for each asset subclass and material and compares it to the "TCA Useful Life". Selkirk's estimated service life for our assets is estimated to last longer than our current TCA useful life.

Survey says……

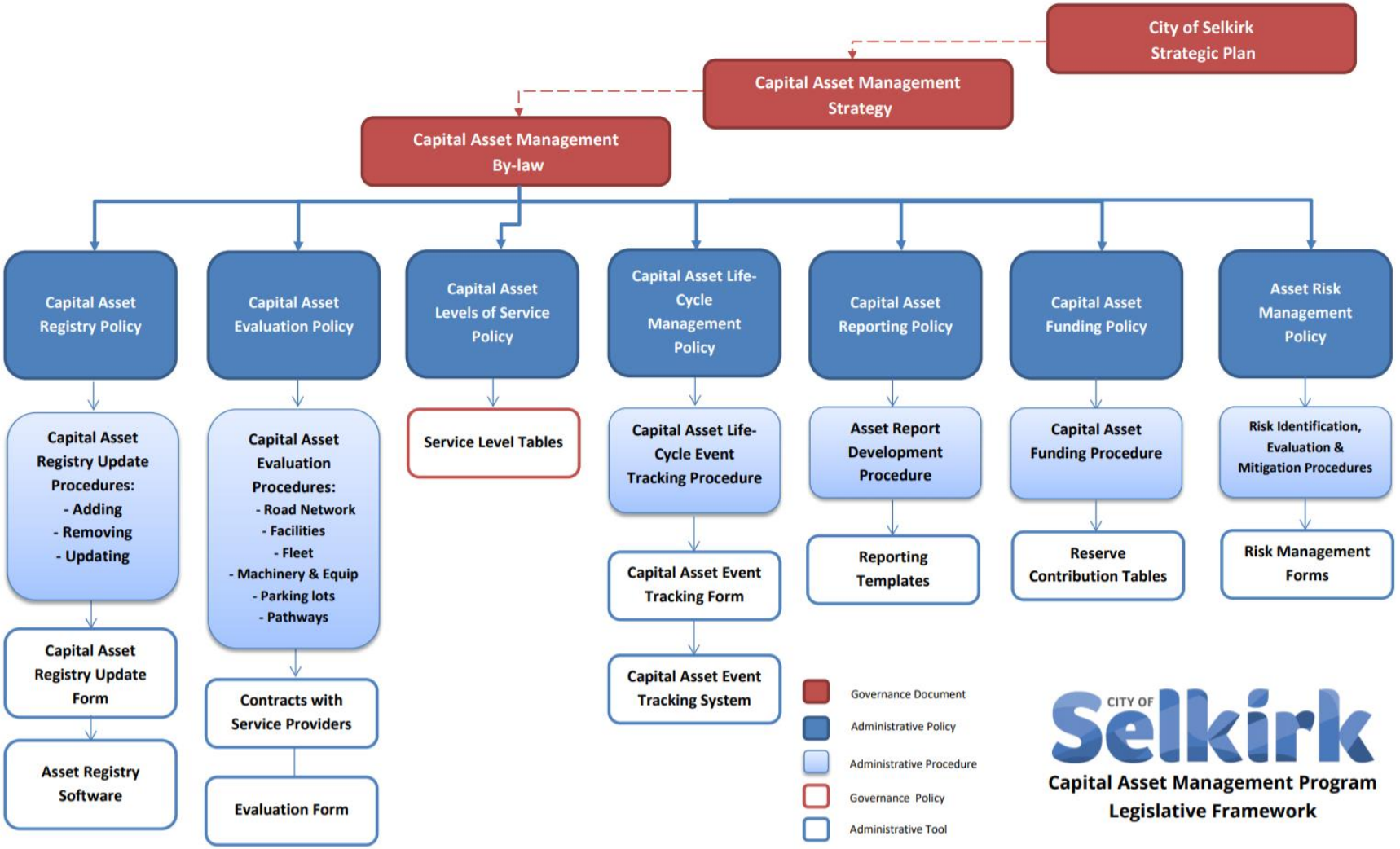
- 117 pages o
  - path docum
  - assumption
  - result repor
  - Future path

Table 1. INFRASTRUCTURE REPORT CARD

Infrastructure Report Card Summary			
Asset Class / Subclass	**Conditional Rating**	**2015 Replacement Cost**	**% of total Asset Valuation**
Facilities	2.9	$99,487,538	33.9%
Fleet	2.5	$5,245,885	1.8%
Machinery & Equipment	1.9	$1,324,620	0.5%
Parking Lot	3.2	$5,900,987	2.0%
Pathway	3.1	$267,228	0.1%
Road Network	2.7	$58,805,148	20.1%
Sidewalk Network	2.9	$9,795,280	3.3%
Storm Network	2.1	$46,502,504	15.9%
Water Network	3.2	$23,212,617	7.9%
Wastewater Network	3.0	$42,626,861	14.5%
	Grand Total	**$293,168,668**	**100%**

CITY OF Selkirk

Step Back and Think Big



On-Board Council and Set Vision

CITY OF Selkirk

On-Board Council and Set Vision

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CITY OF Selkirk

On-Board Council and Set Vision

Figure 1: Non-Financial Assets to Assessment

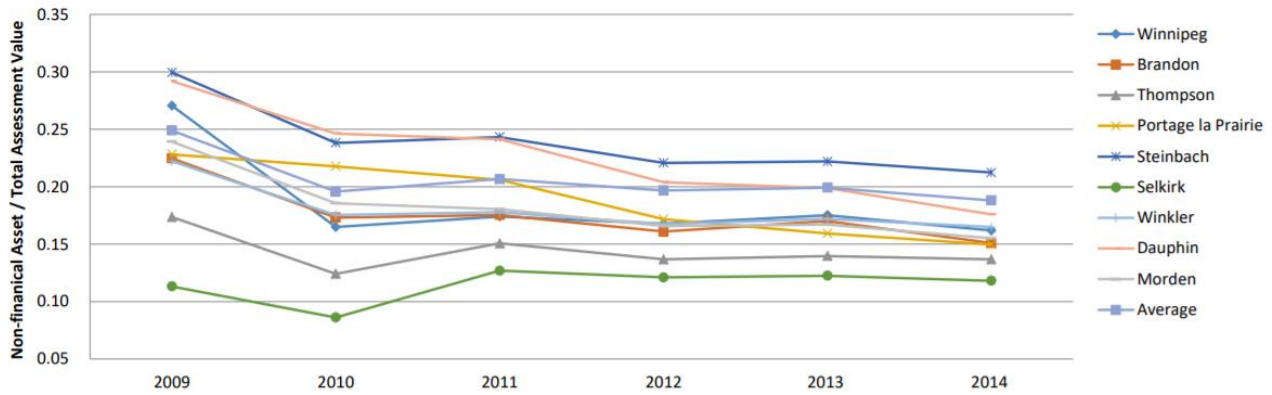
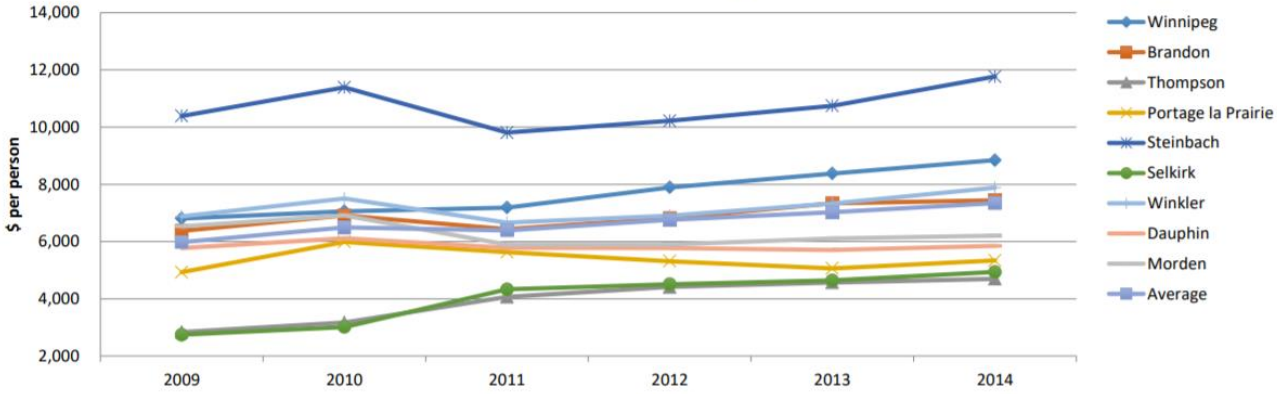


Figure 2: Non-financial Assets per Capita



CITY OF Selkirk

On-Board Council and Set Vision

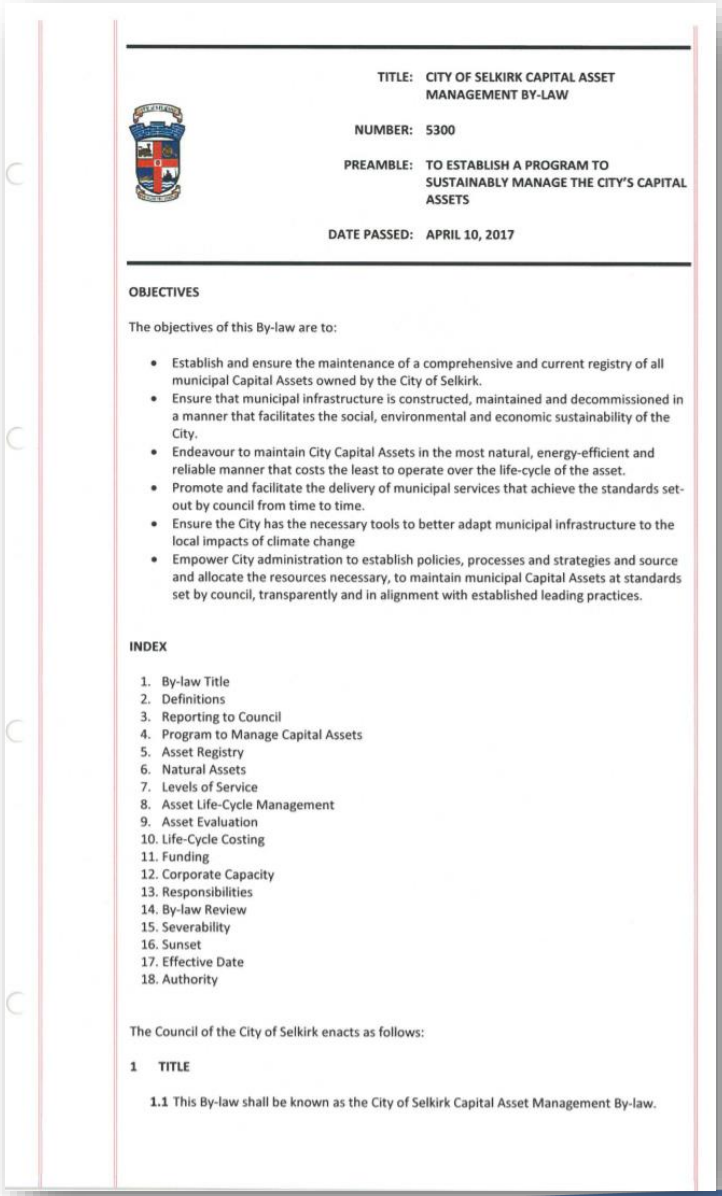
Capital Asset Management Strategy

Strategic Goal	Tactic	Tools & Partners	Timing				
			2016	2017	2018	2019	2020
Establish Governance and Legislative Framework	1.1 Establish CAMP by by-law giving it appropriate permanence and priority	• Asset Management BC • Other municipalities		✓			
	1.2 Establish program framework to define and document administrative policy, tools and processes to dedicate internal resources and establish clear responsibilities and accountabilities.			✓			
	1.3 Build the understanding and capacity of Council to effectively govern CAMP				✓		
	1.4 Set Service Standards using "leading practice" measures and regulatory compliance benchmarks	• Canadian Network of Asset Managers • Asset Management BC • Public Sector Digest • Other municipalities		✓			
Build Selkirk's Asset Registry	2.1 Research and establish a basic asset registry database.	• Other municipalities	✓				
	2.2 Identify material assets to include in the registry and divide into three implementation phases.	• Other municipalities	✓				
	2.3 Collect asset and condition data for phase one assets and add it to the asset registry.		✓				

CITY OF Selkirk

There ought to be a law…

- Similar to AM policies found in other municipalities
- Higher level of legislative weight creating binding responsibilities upon the city
- Mutual accountability between Council and Administration



TITLE: CITY OF SELKIRK CAPITAL ASSET MANAGEMENT BY-LAW

NUMBER: 5300

PREAMBLE: TO ESTABLISH A PROGRAM TO SUSTAINABLY MANAGE THE CITY'S CAPITAL ASSETS

DATE PASSED: APRIL 10, 2017

OBJECTIVES

The objectives of this By-law are to:

- Establish and ensure the maintenance of a comprehensive and current registry of all municipal Capital Assets owned by the City of Selkirk.
- Ensure that municipal infrastructure is constructed, maintained and decommissioned in a manner that facilitates the social, environmental and economic sustainability of the City.
- Endeavour to maintain City Capital Assets in the most natural, energy-efficient and reliable manner that costs the least to operate over the life-cycle of the asset.
- Promote and facilitate the delivery of municipal services that achieve the standards set-out by council from time to time.
- Ensure the City has the necessary tools to better adapt municipal infrastructure to the local impacts of climate change
- Empower City administration to establish policies, processes and strategies and source and allocate the resources necessary, to maintain municipal Capital Assets at standards set by council, transparently and in alignment with established leading practices.

INDEX

The Council of the City of Selkirk enacts as follows:

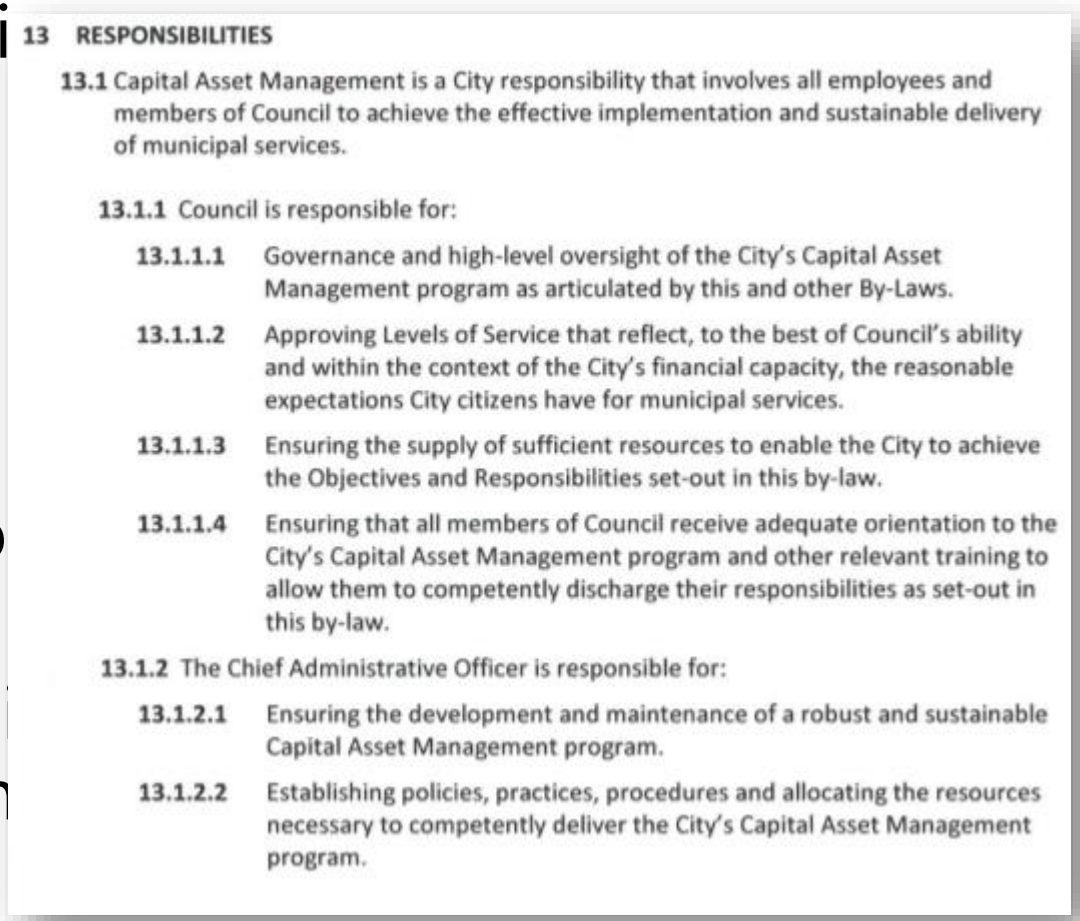
1 TITLE

1.1 This By-law shall be known as the City of Selkirk Capital Asset Management By-law.

CITY OF Selkirk

There ought to be a law…

- Similar to AM polici found in other municipalities
- Higher level of legislative weight creating binding responsibilities upo the city
- Mutual accountabil between Council an Administration



13 RESPONSIBILITIES

13.1 Capital Asset Management is a City responsibility that involves all employees and members of Council to achieve the effective implementation and sustainable delivery of municipal services.

13.1.1 Council is responsible for:

13.1.1.1 Governance and high-level oversight of the City's Capital Asset Management program as articulated by this and other By-Laws.

13.1.1.2 Approving Levels of Service that reflect, to the best of Council's ability and within the context of the City's financial capacity, the reasonable expectations City citizens have for municipal services.

13.1.1.3 Ensuring the supply of sufficient resources to enable the City to achieve the Objectives and Responsibilities set-out in this by-law.

13.1.1.4 Ensuring that all members of Council receive adequate orientation to the City's Capital Asset Management program and other relevant training to allow them to competently discharge their responsibilities as set-out in this by-law.

13.1.2 The Chief Administrative Officer is responsible for:

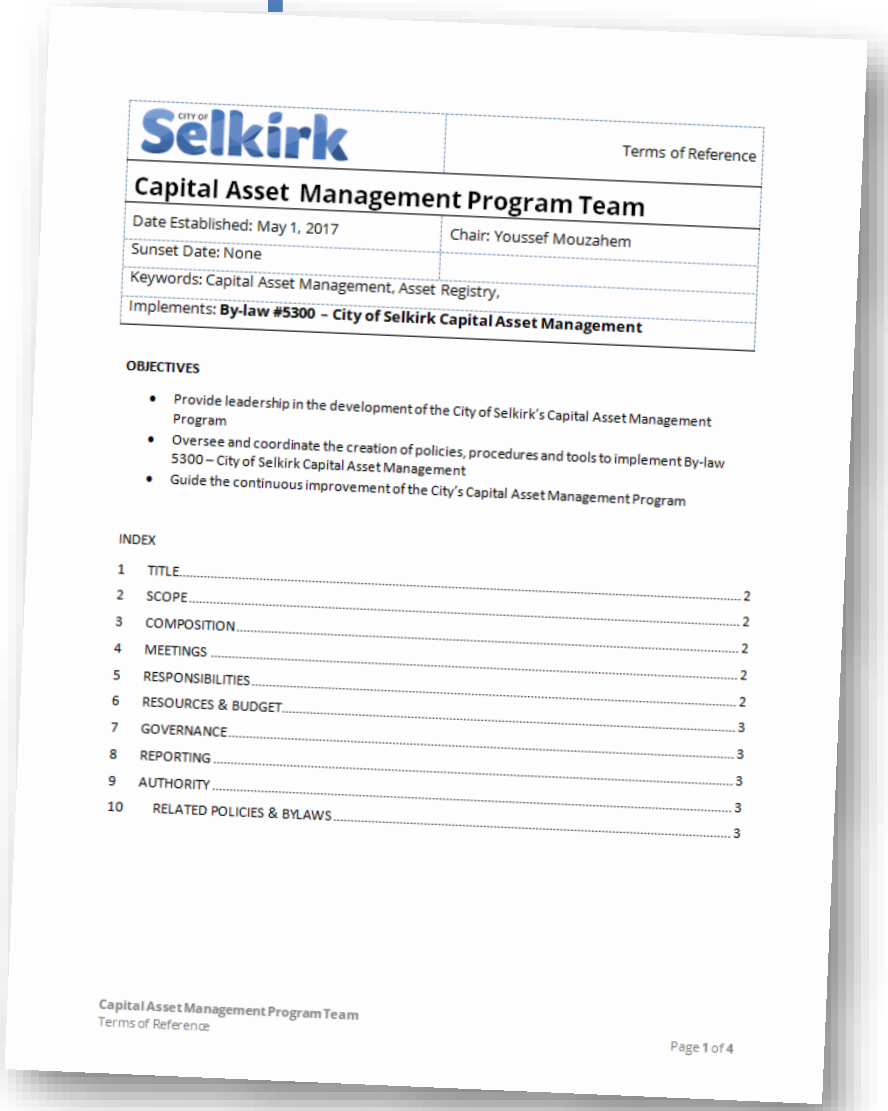
13.1.2.1 Ensuring the development and maintenance of a robust and sustainable Capital Asset Management program.

13.1.2.2 Establishing policies, practices, procedures and allocating the resources necessary to competently deliver the City's Capital Asset Management program.

CITY OF Selkirk

Managing our Human Capital

- Cross-departmental, multi-function team
- ToR defines:
  - roles and accountabilities of members
  - Authority of the chair and the Team as a whole
  - Is a "Policy Level" document



CITY OF Selkirk | Terms of Reference

Capital Asset Management Program Team

Date Established: May 1, 2017	Chair: Youssef Mouzahem
Sunset Date: None	
Keywords: Capital Asset Management, Asset Registry,	
Implements: **By-law #5300 – City of Selkirk Capital Asset Management**	

OBJECTIVES

- Provide leadership in the development of the City of Selkirk's Capital Asset Management Program
- Oversee and coordinate the creation of policies, procedures and tools to implement By-law 5300 – City of Selkirk Capital Asset Management
- Guide the continuous improvement of the City's Capital Asset Management Program

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CITY OF Selkirk

Managing our Human Capital

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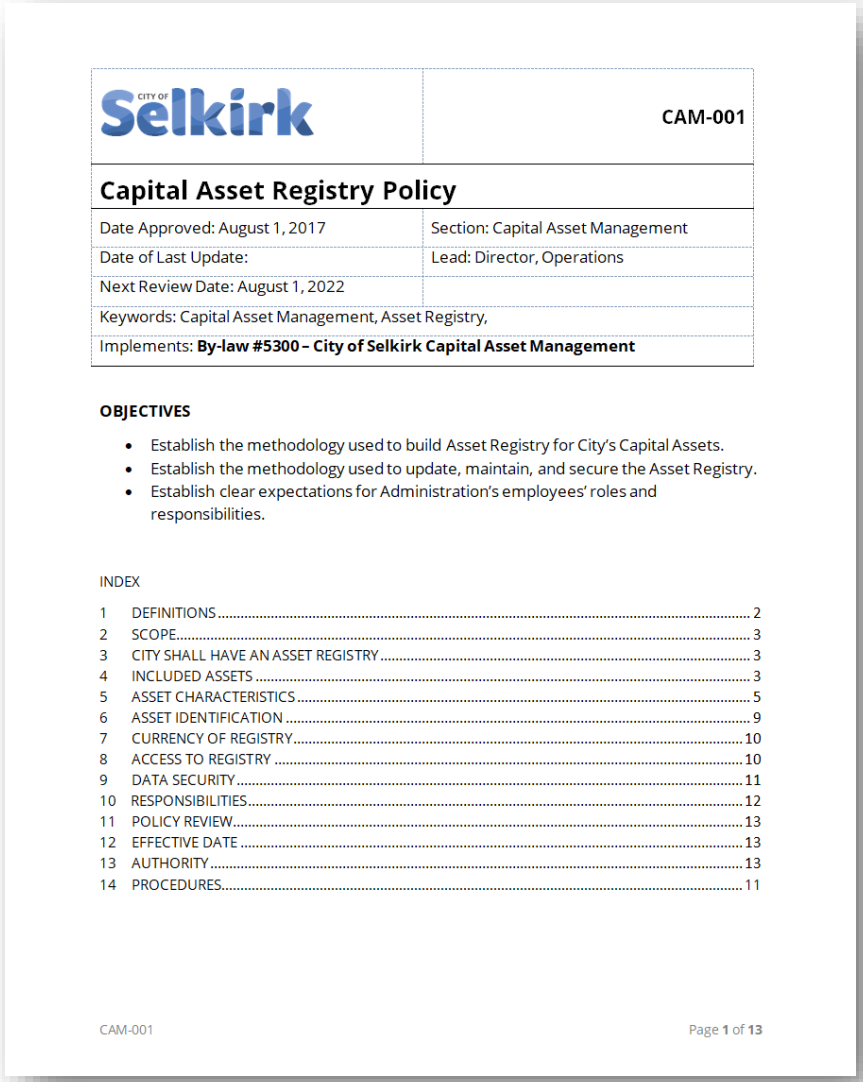
Selkirk

Policy, Procedures and Tools…oh my!



CAM-001

Capital Asset Registry Policy

Date Approved: August 1, 2017	Section: Capital Asset Management
Date of Last Update:	Lead: Director, Operations
Next Review Date: August 1, 2022	
Keywords: Capital Asset Management, Asset Registry,	
Implements: **By-law #5300 – City of Selkirk Capital Asset Management**	

OBJECTIVES

- Establish the methodology used to build Asset Registry for City's Capital Assets.
- Establish the methodology used to update, maintain, and secure the Asset Registry.
- Establish clear expectations for Administration's employees' roles and responsibilities.

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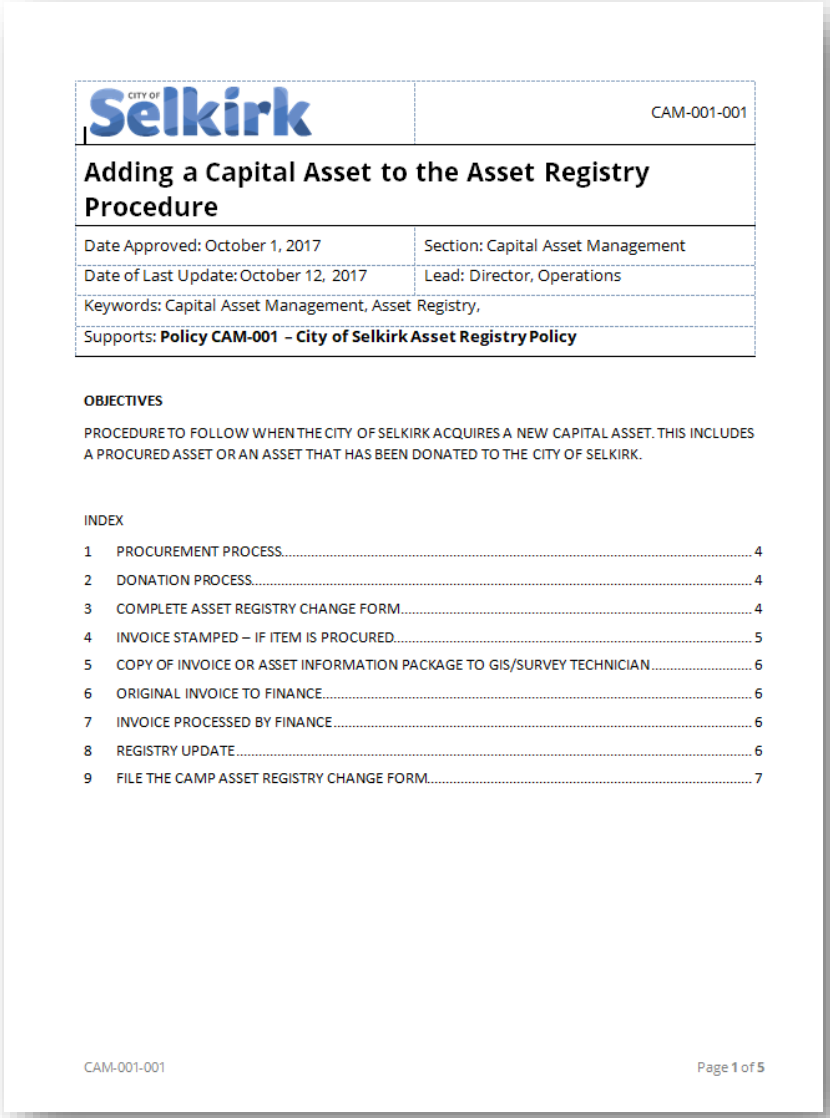
Policy, Procedures and Tools…oh my!



CAM-001-001

Adding a Capital Asset to the Asset Registry Procedure

Date Approved: October 1, 2017	Section: Capital Asset Management
Date of Last Update: October 12, 2017	Lead: Director, Operations
Keywords: Capital Asset Management, Asset Registry,	
Supports: **Policy CAM-001 – City of Selkirk Asset Registry Policy**	

OBJECTIVES

PROCEDURE TO FOLLOW WHEN THE CITY OF SELKIRK ACQUIRES A NEW CAPITAL ASSET. THIS INCLUDES A PROCURED ASSET OR AN ASSET THAT HAS BEEN DONATED TO THE CITY OF SELKIRK.

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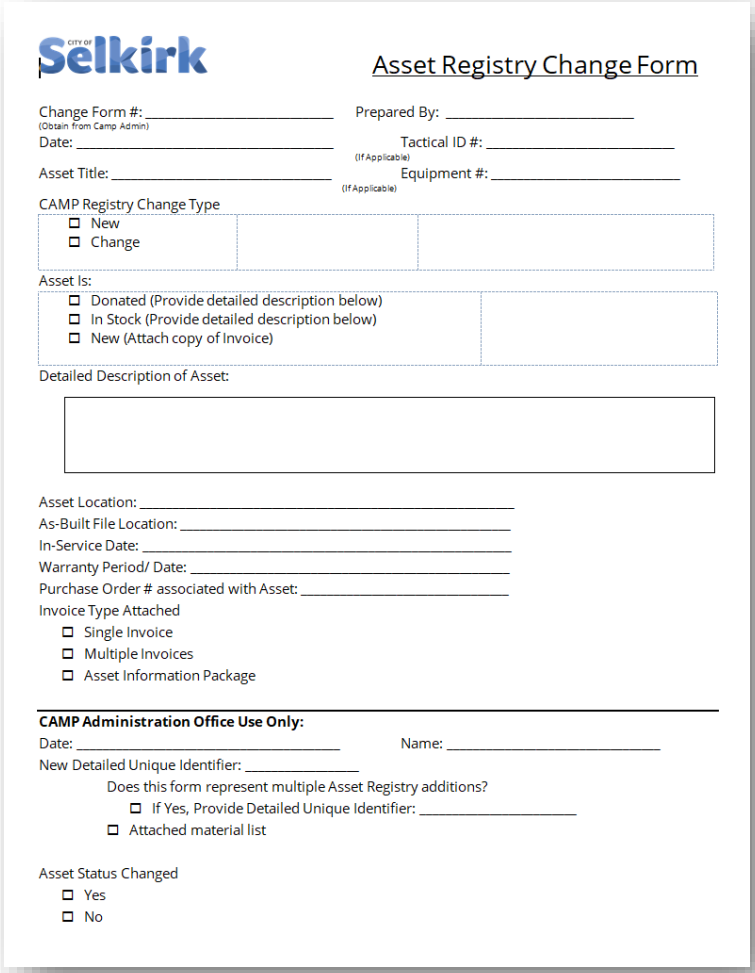
Policy, Procedures and Tools…oh my!



CITY OF Selkirk

Asset Registry Change Form

Change Form #: _____ Prepared By: _____
(Obtain from Camp Admin)

Date: _____ Tactical ID #: _____
(If Applicable)

Asset Title: _____ Equipment #: _____
(If Applicable)

CAMP Registry Change Type

- ☐ New
- ☐ Change

Asset Is:

- ☐ Donated (Provide detailed description below)
- ☐ In Stock (Provide detailed description below)
- ☐ New (Attach copy of Invoice)

Detailed Description of Asset:

Asset Location: _____

As-Built File Location: _____

In-Service Date: _____

Warranty Period/ Date: _____

Purchase Order # associated with Asset: _____

Invoice Type Attached

- ☐ Single Invoice
- ☐ Multiple Invoices
- ☐ Asset Information Package

CAMP Administration Office Use Only:

Date: _____ Name: _____

New Detailed Unique Identifier: _____

Does this form represent multiple Asset Registry additions?

- ☐ If Yes, Provide Detailed Unique Identifier: _____
- ☐ Attached material list

Asset Status Changed

- ☐ Yes
- ☐ No

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What we've learned…so far

1. Don't freak out and buy a quick fix.
2. People are your most important infrastructure – start your reinvestment there.
3. Asset Management is a team sport.
4. We're not alone – someone's knows the answer, just ask. ("R&D the hell out of the problem")
5. The most important thing in building an Asset Management system is to START.
6. It's about Progress, not Perfection.
7. To go fast, you must first go slow. (people, processes & technology)

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CAMP in Action & Next Steps

March 19th: We had a large water main break

March 20th: By 8am network pressure was around 35psi and reservoir was below 50%

Installed: **1914**
Pipe: **110mm Cast Iron**
Accounting Life Ended: **1989**
CoS Useful Life: **2014**
Asset Condition: **5 (Very Poor)**
Estimated Replacement Cost: **$49,098**

Length of Network at Level 5: **13.72km**
$ to replace all Level 5 water mains: **$5.4 million**
% of Network by length: **22%**
% of Network by Replacement Value: **13%**

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Questions?