First tier suburb of Fort Worth, with a population of 8,000 in a metropolitan area of about 6.5 million.
You’re Here. Your Home.

“Kennedale is a family-oriented community providing a refuge from the hectic pace of the Dallas-Fort Worth Metroplex. Open spaces, green belts, and trails enhance our serenity, quality of life and community. With easy access from major roadways, Kennedale is economically prosperous, business-friendly, and conveniently located, providing opportunities to shop, work and play.”
Why did Kennedale Create an AMP?

- **Asset management is vital to the responsible operation and management of public infrastructure**
- **Infrastructure tends to be under-funded, and we needed to know our starting point**
  - Comprehensive Land Use Plan (2012)
  - Water and Wastewater Master Plan (2014)
  - Asset Management Plan (2014)
  - Parks, Recreation, and Open Space Master Plan (2016)
  - Strategic Plan (2009)
- **Long-Term Budgeting with Asset Management**
  - Guide budgeting process with identified needs
  - Plan for long-term needs
Why did Kennedale Create an AMP?

- **Adoption of Policy Governance by Council**
  - Integrated system of governance that links expectations and concepts to results and reality
  - Council adopts strategic goals ("ends") and defines organizational limitations

- **Executive Limitations**
  - Global Executive Constraint
  - Customer Service
  - Treatment of Staff
  - **Financial Planning and Budgeting**
  - **Financial Condition and Activities**
  - Emergency City Manager Succession
  - Compensation and Benefits
  - **Communication to and Support of Council**
Why did Kennedale Create an AMP?

Philosophical Approach Included
- Internal Service Funds (ISF)
- Special Revenue Funds (SRF)

What did the city lack before completing the Asset Management Plan?
- Comprehensive inventory of all assets across all departments and facilities
- Discovery of areas with overfunding of maintenance; Redirection of funds to other areas where maintenance is needed
- Asset Management Plans help develop policy on how to improve infrastructure
Implementation Path

Adoption of Strategic Plan
Adoption of Policy Governance

Governance Board
- Where are we going?
- How are we going to get there?

City Manager, Staff, Advisory Boards, and Volunteers

Governance Process Policies
- CGO’s Governance Decisions
- CEO’s Ends Decisions

Board Management Delegation Policies
- CGO’s Board-Management Delegation Decisions
- CEO’s Means Decisions

 Ends Policies
- Executive Limitations Policies

Staff Means Issues

Issues
- Governance Process Issues
- Board Management Delegation Issues

Board Policies Completed in All Four Categories

Ends Issues

PUBLIC SECTOR DIGEST
INTELLIGENCE FOR THE PUBLIC SECTOR.®

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Our Process

Data Collection for Assets
- UTA graduate students compiled data
- Staff gathered some information in-house

Asset Groups
- Fire Hydrants
- Water and Wastewater
- Parks
- Buildings
- Vehicles
- Equipment
- Streets
- Storm Water Utility
Data Collection Timeline

MONTH 1
- Coordinated with staff to identify pertinent information for data collection
- PSD training for staff and students
- Formulated data collection plan for each asset type

MONTH 2
- Data Collection for each asset type; Students worked with applicable staff for assistance
- Input data into PSD Excel sheet

MONTH 3
- Students answer questions of staff related to data collection
- Prepare Council presentation

MONTH 4
- Review PSD Findings
- Edit/Finalize draft presentation for Council
Data Collection for Assets

- **UTA Students Reviewed**
  - Water Lines
  - Wastewater Lines
  - Fire Hydrants
  - Park Equipment

- **Staff Reviewed**
  - Buildings
  - Vehicles
  - Equipment
  - Storm Water Utility

- **Assets Not Included**
  - Sidewalks
  - Signs
Asset Groups

**Fire Hydrant Assets**
- Determined how many hydrants and their age based on decade
- Calculated replacement value and percentage in each category

**Water and Wastewater Assets**
- Water and Wastewater Master Plan
- Life span calculated based on type of pipe material and Standard Life Span Chart
- **Planning**: Defined necessary steps to inventory and assess the condition of assets; Coordinated with City of Fort Worth staff to create two distinct maps indicating individual segments of pipes
- **Data Collection and Asset Assessment**: Students met with staff to identify material type and in-service date; Added useful life based on Utility Standards and Master Plan
- **Deliverable**: Transcribed data to spreadsheet for review and quality control by group members and provided data to city
Asset Groups

Parks

- **Planning:** Defined necessary steps to inventory and assess the condition of park assets
- **Data Collection and Asset Assessment:** Parks were inspected and assets identified, catalogued, and assessed, using condition ratings; Students noted discrepancies between provided information reality
- **Deliverable:** Reviewed data and drafted updated record of park assets and condition to staff

Buildings, Vehicles, and Equipment

- Staff inventoried and noted age of capital assets
- Condition assessed and information compiled

Streets and Storm Water Utility Assets

- Street lights data from Oncor Electric
- Staff information on streets and storm water assets
- Condition assessed and information compiled
Financial Aspects

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Sustainability Requirements

Replacement Value

Replacement Cost Per Household (CPH)

5-Year Needs for Fair to Critical Assets

Infrastructure Replacement Cost Per Household: $48,951

5-Year Needs for Fair to Critical Assets

Sustainability Requirements

Replacement Value

Replacement Cost Per Household (CPH)
Lessons Learned

An AMP is useful when identifying where to allocate the necessary funds to replace assets during the budget planning process.

Key staff members interpret the vision of the plan and the future of their community.

The infrastructure of a community is an asset that must be maintained and replaced on an affordable schedule.

Useful life and value vary by asset.

An AMP is useful to identify the costs associated with the various assets.
Council Awareness

Council now has a report to see condition and funding of infrastructure and other assets
- Communicates complex issues in an understandable way
- Staff began incorporating the AMP into the budget process this year
  - We now include excerpts from the AMP in our budget including:
    - Report Card
    - Replacement CPH by asset group
    - Asset group funding and conditions
  - Continue to incorporate AMP to evaluate whether budget decisions are positively or negatively impacting the funding needs and to help determine what needs to be added into maintenance and capital costs
Council Awareness

- Have a complete listing of assets in and above the ground to guide operations decisions

Policy Influence
- Tax Rate
- Utility Rates
- Street Improvements
- Building Improvements
  - City Hall
  - Policy Building
  - Fire Station
What Happens Next?

- During the budget and planning process:
  - See what additional funding the city needs to fund the deficits
  - How would that impact tax rate and utility rates

Start building a plan to reduce deficits on funding maintenance needed based on Asset Management Plan

Provide information to City Manager and City Council on impact would have on tax rate and utility rates
What we do at PSD

**Research**

Monthly Publication
Quarterly Print: Q3 “Innovation in Finance”
PSD Webinar Series
Municipal Resource Centre (MRC)

**Advisory**

PSD Asset Management Plan (AMP)
PSD Asset Management Roadmap
Infrastructure Database
PSD Grant Review/Completion

**Analytics**

Asset Management
Budgeting
GIS
Performance Measurement
Communicating Asset Management Effectively in your Municipality

1) The Asset Management Plan (AMP) – Understand your current state
2) The Asset Management Roadmap – Build your asset management capacity
3) Asset Inventories & Capital Planning Tools – Make strategic funding decisions
4) Work Order Management Tools – Track your public works projects/operations
5) Asset Management Comparative Analytics – Uncover further cost savings/efficiencies
6) Asset Management Policy & Funding – Position your community for grant funding success
Asset Management

Why do I need it?
Where do I Start?
Who is involved?

Components of an Asset Management Plan
Communication
Asset Management Planning

Why Do we Need Asset Management Planning

Communication
Project Prioritization
Asset Management Plans

The International Infrastructure Management Manual

"a plan developed for the management of one or more infrastructure assets that combines multi-disciplinary management techniques (including technical & financial) over the life cycle of the asset in the most cost effective manner to provide a specific level of service."
Asset Management Discipline

**It involves:**

- Processes, procedures and practices to assist and define the management of infrastructure

- **Achieving total lowest cost of ownership**

- Established measures for performance, risk and cost
Asset Management Discipline

It includes:

- A sophisticated and coordinated effort
- A multi-disciplined team
  
  Benefits: allows staff to understand expectations and ensure a consistent approach
  
  coordination and integration of actions and plans

- Ultimately public engagement and input
AMP - The Key Components

**INFRASTRUCTURE–STRATEGIC PLAN**
Strategic Plan Goals, Asset Performance & Community Expectations, Legislated Requirements

**STATE OF THE CURRENT INFRASTRUCTURE REPORTS**
Asset Inventory, Valuation, Current Condition/Performance, Sustainable Funding Analysis

**EXPECTED LEVELS OF SERVICE**
Key Performance Indicators, Performance Measures, Public Engagement

**ASSET MANAGEMENT STRATEGY**
Best Practices and Methodologies to Generate a 10 Year Infrastructure Plan

**FINANCING STRATEGY**
Available Revenue Analysis, Develop Optional Scenarios, Define Optimal Budget & Financial Plan

**AMP PERFORMANCE REPORTING**
Project Implementation, Key Performance Measures Tracked, Progress Reported to Senior Management & Council

Are levels of service achievable?
State of the Infrastructure Report

A New Way of looking at the same Infrastructure
7 Asset Questions (asset centric):

- What do we own and where is it?
- What is it worth?
- What condition is it in?
- What do we need to do to it?
- When do we need to do it?
- How much money do we need?
- How do we achieve sustainability?
Our Next Look at the Data

- What are the organizational objectives?
- What assets are owned?
- What is the assets value (to the organization and the community)?
- What is the asset’s impact to service delivery (condition, performance and risk)?
- What are the life cycle needs and available options?
- What are the work/budget prioritisation processes?
- What are the financial strategies?
- What level of service is attainable?
The Asset Registry

- Good data is the foundation of good decisions.
- Two major reasons for decision error.
  - Incomplete or inaccurate data used
  - The misinterpretation and usage of data
The Asset Registry

All of the city’s assets analyzed within this asset management plan have been given both a likelihood of failure score and a consequence of failure score within the CityWide software.
# Inventory & Valuation
(Kennedale)

## WATER DISTRIBUTION SYSTEM REPLACEMENT VALUE

<table>
<thead>
<tr>
<th>ASSET TYPE</th>
<th>ASSET COMPONENT</th>
<th>QUANTITY/UNITS</th>
<th>2015 OVERALL REPLACEMENT COST*</th>
</tr>
</thead>
<tbody>
<tr>
<td>WATER PIPE</td>
<td>WATER PIPE (1.5 INCH)</td>
<td>3,644.62 FT</td>
<td>$153,075</td>
</tr>
<tr>
<td></td>
<td>WATER PIPE (2 INCH)</td>
<td>7,079.26 FT</td>
<td>$297,329</td>
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<td></td>
<td>WATER PIPE (6 INCH)</td>
<td>73,576.03 FT</td>
<td>$3,090,196</td>
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<tr>
<td></td>
<td>WATER PIPE (8 INCH)</td>
<td>92,372.76 FT</td>
<td>$5,283,722</td>
</tr>
<tr>
<td></td>
<td>WATER PIPE (10 INCH)</td>
<td>7,301.84 FT</td>
<td>$522,082</td>
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<td></td>
<td>WATER PIPE (12 INCH)</td>
<td>44,870.42 FT</td>
<td>$3,849,883</td>
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<tr>
<td></td>
<td>WATER PIPE (16 INCH)</td>
<td>26,532.19 FT</td>
<td>$3,035,280</td>
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<tr>
<td>HYDRANTS</td>
<td></td>
<td>487</td>
<td>$798,680</td>
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<tr>
<td>EQUIPMENT</td>
<td></td>
<td>6</td>
<td>$188,215</td>
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<tr>
<td>FACILITIES</td>
<td></td>
<td>27</td>
<td>$6,668,420</td>
</tr>
<tr>
<td>VEHICLES</td>
<td></td>
<td>14</td>
<td>$133,583</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$24,020,465</strong></td>
</tr>
</tbody>
</table>
2015 REPLACEMENT VALUE: $111,669,374

- Streets, $59,580,410, 53%
- Water Distribution System, $24,020,464, 22%
- Wastewater Collection System, $14,886,083, 13%
- Stormwater Drainage System, $3,369,082, 3%
- Buildings, $5,972,830, 5%
- Equipment, $1,230,589, 1%
- Vehicles, $1,011,626, 1%
Overall Asset Rating

Condition vs. Performance:  A – F

Funding vs. Need:        A - F
# CUMULATIVE C

## Infrastructure Report Card

### The City of Kennedale

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Condition vs. Performance</th>
<th>Funding vs. Need</th>
<th>Overall Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Streets</td>
<td>B</td>
<td>F</td>
<td>D</td>
</tr>
<tr>
<td>Water Distribution System</td>
<td>C+</td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>Wastewater Collection System</td>
<td>C</td>
<td>F</td>
<td>D</td>
</tr>
<tr>
<td>Stormwater Drainage System</td>
<td>B</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Buildings</td>
<td>C</td>
<td>F</td>
<td>D</td>
</tr>
<tr>
<td>Parks</td>
<td>B+</td>
<td>F</td>
<td>D</td>
</tr>
<tr>
<td>Equipment</td>
<td>F</td>
<td>F</td>
<td>F</td>
</tr>
<tr>
<td>Vehicles</td>
<td>D</td>
<td>A</td>
<td>C+</td>
</tr>
</tbody>
</table>
CITY OF KENNEDALE
Per household cost: $48,951
CITY OF KENNEDALE
Per household cost: $48,951
Financial Strategy

- **In terms of asset management**
  - A high level plan that defines:
    - the relationship between capital requirements, debt strategy, reserve strategy and annual revenues
    - the necessary near-term steps that need to be taken in order to manage the long-term

- **It does not just happen**
  - Requires long-term planning, accurate information & sophisticated tools

- **Implementing an AMP depends on the quality of its financial strategy**
  - Existing assets:
    - current service levels rely on the appropriate funds being delivered by the financial strategy
  - New assets:
    - growth does not pay for itself so the financial strategy needs to provide for the difference
Why Does an AMP Need a Financial Strategy?

- The main risks to municipal financial sustainability:
  - The cost of infrastructure
  - Providing levels of service that don’t reflect fiscal capacity
The fortunate few
Financial strategy is critical

Financial strategy is critical
Significant decisions required

Which quadrant applies to your municipality?

Growing municipalities ...
high fiscal capacity

Stable / declining municipalities ...
moderate to weak fiscal capacity

Low ← Infrastructure per capita → High
Types of AMP Costs

- **Growth**
  - Funding at this level is fully sustainable and covers future investment needs.

- **Service enhancements**

- **Inflation requirements**

- **Renewal requirements**
  - Provides for replacement costs at existing service levels.

- **Amortization of historical cost of investment**
  - Meets accounting rules but does not adequately plan for the future.

- **Principal & interest payments**

- **Operating and maintenance costs**
  - Funding at this level covers cash costs only and is significantly under funded in terms of lifecycle costs.

- **Provides for proven renewal opportunities which delay the need and cost of full replacement.**
How much money is really needed?

- Age Based Analysis
- Condition Based Analysis
- Risk Based Analysis
- Life Cycle Based Analysis
- Optimised Analysis
Paved roads: 19%
Bridges & culverts: 5%
Storm sewers: 2%

Average Total Tax Increase Required for Full Funding

Sanitary Water

PSD’s findings after 120+ AMP’s

Average Total Rate Increase Required for Full Funding

Sanitary: 22%
Water: 46%
Average Annual Tax Increase Required During Phase-In Period

- 2.5%

PSD’s findings after 120+ AMP’s

Average Annual Rate Increase Required During Phase-In Period

- Sanitary: 2.7%
- Water: 5.0%
Financial Strategy Roadmap

1) Know your costs
   • New capital, renewal, maintenance, operations
   • Historical, replacement, depreciated

2) Track your assets & costs for both operational & management purposes

3) Determine your AMP financial requirements based on replacement costs

4) Analyse your financial capacity

5) Determine how your numbers relate to your comparators
   • A Council’s willingness to address its infrastructure deficit is affected by neighboring municipalities’ budget decisions
   • Know your comparators’ infrastructure positions, strategies & trends

6) Develop scenarios for consideration
   • Create multiple options to demonstrate the interaction between resources and service levels

7) Make firm recommendations
Financial Planning for Asset Management

The Chatham-Kent Journey
Investment in CK Infrastructure ... 1998 through 2014

Annual requirement
Chatham-Kent ... History of Infrastructure Requirements Growth

Percentage growth of infrastructure requirements by year

Cause of increases: Better information; Construction CPI

New ... active transportation
New ... $3.5M contingency added

New ... trails, reforestation, street light poles

Social housing update

Arenas, phone systems and software update

Paved roads update

New ... culverts < 3m

15% reduction in bridges; Social Housing decrease

PUBLIC SECTOR DIGEST
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Investment in CK Infrastructure ... 1998 through 2014
Investment in CK Infrastructure ... 1998 through 2014

- Fed gas tax: $50
- User fees: $2
- Tax: $350

Annual requirement graph showing investments from 1998 to 2014.
Investment in CK Infrastructure ... 1998 through 2014

- Tax
  - Fed gas tax
  - User fees
  - Reserves & Grants

Annual requirement

- 1998: $50
- 1999: $55
- 2000: $2
- 2001: $350
Investment in CK Infrastructure ... 1998 through 2014

Cumulative Investment ($Millions)
- Debt: $19 (One-time)
- Res & Grants: $55 (One-time)
- User fees: $2 (Base)
- Fed gas tax: $50 (Base)
- Tax: $350 (Base)

Total: $476 (71%)

Yearly requirement: $350

User fees: $2

Res & Grants: $55

Fed gas tax: $50

Tax: $350

Total: $476

Cumulative Investment 1998 through 2014

Annual requirement
CK Infrastructure … Moving Forward
Recommended Model to Eliminate Infrastructure Deficit

- **Existing Budget**: 40,816,000
Recommended Model to Eliminate Infrastructure Deficit

- Existing Budget: $40,816,000
- Tax Phase-In: $9,953,000
Recommended Model to Eliminate Infrastructure Deficit

- **Existing Budget**: $40,816,000
- **Tax Phase-In**: $9,953,000
- **P&I Changes**: $2,807,000
Recommended Model to Eliminate Infrastructure Deficit

- **Existing Budget**: 40,816,000
- **Tax Phase-In**: 9,953,000
- **P&I Changes**: 2,807,000
- **New Grants**: 1,407,000
Recommended Model to Eliminate Infrastructure Deficit

- **Existing Budget**: 40,816,000
- **Tax Phase-In**: 9,953,000
- **P&I Changes**: 2,807,000
- **Inflation**: 9,226,000
- **New Grants**: 1,407,000
- **Reserves**: 0

Recommended Year of Full Funding: 64,209,000
Recommended Model to Eliminate Infrastructure Deficit

<table>
<thead>
<tr>
<th>Year</th>
<th>Existing Budget</th>
<th>Tax Phase-In</th>
<th>P&amp;I Changes</th>
<th>Inflation</th>
<th>New Grants</th>
<th>Reserves</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>2015</td>
<td>40,816,000</td>
<td>9,953,000</td>
<td>2,807,000</td>
<td>9,226,000</td>
<td>1,407,000</td>
<td>0</td>
<td>64,209,000</td>
</tr>
</tbody>
</table>

Recommended Year of Full Funding

Existing Budget 40,816,000
Tax Phase-In 9,953,000
P&I Changes 2,807,000
Inflation 9,226,000
New Grants 1,407,000
Reserves 0
Recommended Model to Eliminate Infrastructure Deficit

- **Existing Budget**: 40,816,000
- **Tax Phase-In**: 9,953,000
- **P&I Changes**: 2,807,000
- **Inflation**: 9,226,000
- **New Grants**: 1,407,000
- **Reserves**: 0

**Recommended Year of Full Funding**: 64,209,000
Recommended Model to Eliminate Infrastructure Deficit

- **Existing Budget**: 40,816,000
- **Tax Phase-In**: 9,953,000
- **P&I Changes**: 2,807,000
- **Inflation**: 9,226,000
- **New Grants**: 1,407,000
- **Reserves**: 0

**Additional Accumulated Deficit**: 43,883,000

**Recommended Year of Full Funding**: 64,209,000
Recommended Model to Eliminate Infrastructure Deficit

Recommended Year of Full Funding

[Graph showing recommended model with year of full funding indicated at 43,883,000]
Chatham-Kent Infrastructure

Actual Tax Increases vs. Funding Requirements

If blue is greater than brown, the 10 year plan is implemented.

Actual tax increase for infrastructure that year

Increase required in each of the next 10 yrs for full funding

Actual tax increase for infrastructure phase-in that year (not incl inflation)

Required tax increase for each of the next 10 years to achieve full funding
Chatham-Kent ... History of Infrastructure Deficit

30% of $30M

76% of $54M

Infrastructure funding
Infrastructure deficit

70% 65% 55% 49% 45% 47% 46% 47% 38% 37% 35% 31% 31% 32% 36% 31% 24%

How Chatham-Kent’s Process Evolved

- Began the AMP journey ... 1998
- First year affected by FP ... 1999
- Requirements substantially known ... 2004

Benefits of AMP in CK:
- Data → information → dynamic modeling → better understanding → more effective communication → improved decision making → least controversial portion of proposed tax increases

Critical success factors:
- Modeling capabilities
- Inter-departmental co-operation
- Senior management support
- Incremental Council buy-in
Change in Approach Needed

- **Up to 2012:**
  - CK used a financial approach
    - as demonstrated by previous slides
    - lost effectiveness over time

- **In 2013:**
  - CK changed to a service delivery approach
    - specific detail as to consequences of inadequate funding
  - Initiated a service review to determine what services we should be in
    - goal was to reallocate existing funds to infrastructure and strategic challenges
## Infrastructure ... 2013 Budget Proposals

<table>
<thead>
<tr>
<th>Structure</th>
<th>Current Inventory</th>
<th>Incremental Funding % Required over Current Budget</th>
<th>Inventory Impact</th>
<th>Incremental Funding % Required over Current Budget</th>
<th>Inventory Impact</th>
<th>Incremental Funding % Required over Current Budget</th>
<th>Inventory Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bridges/Culverts &gt; 10’</td>
<td>850</td>
<td>6.00</td>
<td>0</td>
<td>3.0</td>
<td>(62)</td>
<td>1.0%/year - 6 yr</td>
<td>(45)</td>
</tr>
<tr>
<td>Culverts &lt; 10’</td>
<td>16,002</td>
<td>0.84</td>
<td>0</td>
<td>0.0</td>
<td>0</td>
<td>0.0</td>
<td>0</td>
</tr>
<tr>
<td>Asphalt Roads (mi)</td>
<td>950 mi</td>
<td>4.00</td>
<td>0</td>
<td>0.0</td>
<td>(30 mi/year)</td>
<td>0.0</td>
<td>(30 mi/year)</td>
</tr>
<tr>
<td><strong>Total % Tax Increase</strong></td>
<td><strong>10.84</strong></td>
<td><strong>3.0</strong></td>
<td><strong>0</strong></td>
<td><strong>1.0%/year - 6 yr</strong></td>
<td><strong>0</strong></td>
<td><strong>1.0%/year - 6 yr</strong></td>
<td><strong>0</strong></td>
</tr>
<tr>
<td><strong>$ Impact</strong></td>
<td><strong>$13.0</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Option 1 … immediate 11%

Option 2 … immediate 3%

Option 3 … 1% for 6 years
What Does Divestment Mean?

- No funds will be allocated to maintain or renew a given bridge site.
- Public safety will be ensured by means of biannual inspection and the use of load ratings as required.
- When a bridge reaches its lifecycle and warrants closure due to safety, it will be eliminated from service and the bridge inventory.
- Criteria used for determining divestment:
  - Annual funding
  - AADT … average annual daily traffic
  - Roadway classification
  - Impact on property, residence, emergency services and businesses
  - Redundancy in road network
Divestment Strategy … bridges that will be put out of service over time.
Engaging Council in Maintaining & Furthering the Plan
What Are Senior Leaders Looking For?

- The ability to:
  - understand present day issues at a high level in order to address them in an informed way
  - speak to the future intelligently & strategically
  - enable their teams to formulate credible plans to get there
  - communicate complex issues in an understandable way to:
    - their organization
    - their peers
    - their Council
    - their residents
Working With Council to Implement the Plan

- Creating the plan is challenging

- Implementing the plan may be even more challenging:
  - Staff resources & expertise
  - Financial resources:
    - Difficulty raising/implementing new revenues beyond operating pressures
    - Reallocating existing revenues
Working With Council to Implement the Plan

- Engaging Council:
  - Updating Council incrementally:
    - New requirements
    - New information
    - Each time AMP is utilized
  - What should staff be telling Council?
    - Short term
    - Long term
    - Context
  - What format should be used?
  - Who should represent administration?
  - What questions should we expect Council to ask?
What Information Should We Present to Council

- What do we have?
- What condition is it in?
- What is our current service level?
- What is our target service level?
- What's the funding gap?
- What are the consequences of not addressing it?
- What options do we have?
- What can we expect from senior governments?
- What are others doing?
Working With Council to Implement the Plan

- What’s the cost of not implementing the plan?
  - Less focus on strategy?
  - Less success in funding opportunities?
  - Missed rehabilitation opportunities with attractive ROI’s?
  - Missed opportunities for technological advances?
  - Missed opportunities for reviewing service levels?
  - Will investors have less confidence?
  - Scarce resources going to new programs vs existing challenges?
Working With Council to Implement the Plan

- Common opportunities for improvement:
  - Viewing an AMP as a “check box” requirement rather than a strategic planning tool
  - Short-term vs long-term thinking
  - Missing rehabilitation events that have proven ROI’s
  - Discounting the difference between one time funding vs annual funding
  - Clinging to the possibility that senior governments will make up the majority of the deficit
  - Missing or understating user pay opportunities
Common opportunities for improvement (Continued):

- Adding assets with little or no strategic value prior to making funding progress on existing assets
- Inability to make the tough decisions:
  - required to decrease asset inventory costs
  - required to reallocate existing funding
- Inability to communicate a complex issue in an understandable way
- Staff understating the issues at hand
- Investing in information but letting it grow stale over time
- Loosing site of the impact of the cumulative deficit
Benefits Realized from Good Asset Management Practice

- Council awareness and involvement in the challenges of addressing the infrastructure deficit.

- Establishment of long term capital programs optimizing limited available funds

- Better communication amongst internal stakeholders and a focus on continuous improvement.

- The establishment of alternate technologies = significant cost savings
Benefits Realized from Good Asset Management Practice

- Better alignment between finance and engineering
- The robust AMP and process will be a catalyst of conversation, generating ideas, changing philosophies, and starting innovations for better management practices.
- A review of management practices & policies to better align with sustainable goals.
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