The Value of Asset Management

Why Asset Management SHOULD be important to Policy Makers!

We are facing challenging times

Revenue Growth

- **Property tax capped at 1%**
- **Sales tax impacted by online purchases**
- **B&O tax is tied to business growth**
- **Transportation taxes falling behind capital needs**

We are facing challenging times

Competition for $$ are subject to political pressures

1. **Police**
2. **Fire**
3. **Courts**
4. **Social Services**
5. **Parks**
6. **Infrastructure**

We are facing challenging times

Need more resources

- **Both new development and business community requires added infrastructure**
- **Infrastructure to support residential development costs more than taxes collected**

As a result, efficiencies must be demonstrated to policy makers if infrastructure investments are to be budgeted

We are facing challenging times

Need more resources

- **Investments in replacing and improving infrastructure have not kept pace with need**
  - **Streets, roads, ferries, airports, ports**
  - **Transit systems**
  - **Water and sewer systems**
  - **Solid waste systems**

We are facing challenging times

Need more credibility with policy makers

- **People, including elected officials, make emotional decisions**
- **When provided relevant information that is easily understood, policy direction can be influenced**
- **Story telling vs. data**

example: NPDES catch basin cleaning

How to gain confidence with policy makers

- **Demonstrating Stewardship**
  - **Confidence that the information presented tells the whole story**
  - **Confidence that the needs are being met at the right balance of cost**
  - **Confidence that the resources are being used as efficiently as possible**
  - **Confidence that you are finding better ways to do your work**

What Policy Makers need to know

Asset Management is not:

- **A software package**
- **An inventory list**
- **A revolving replacement fund**
- **A complicated process that no one can understand except those who developed it**

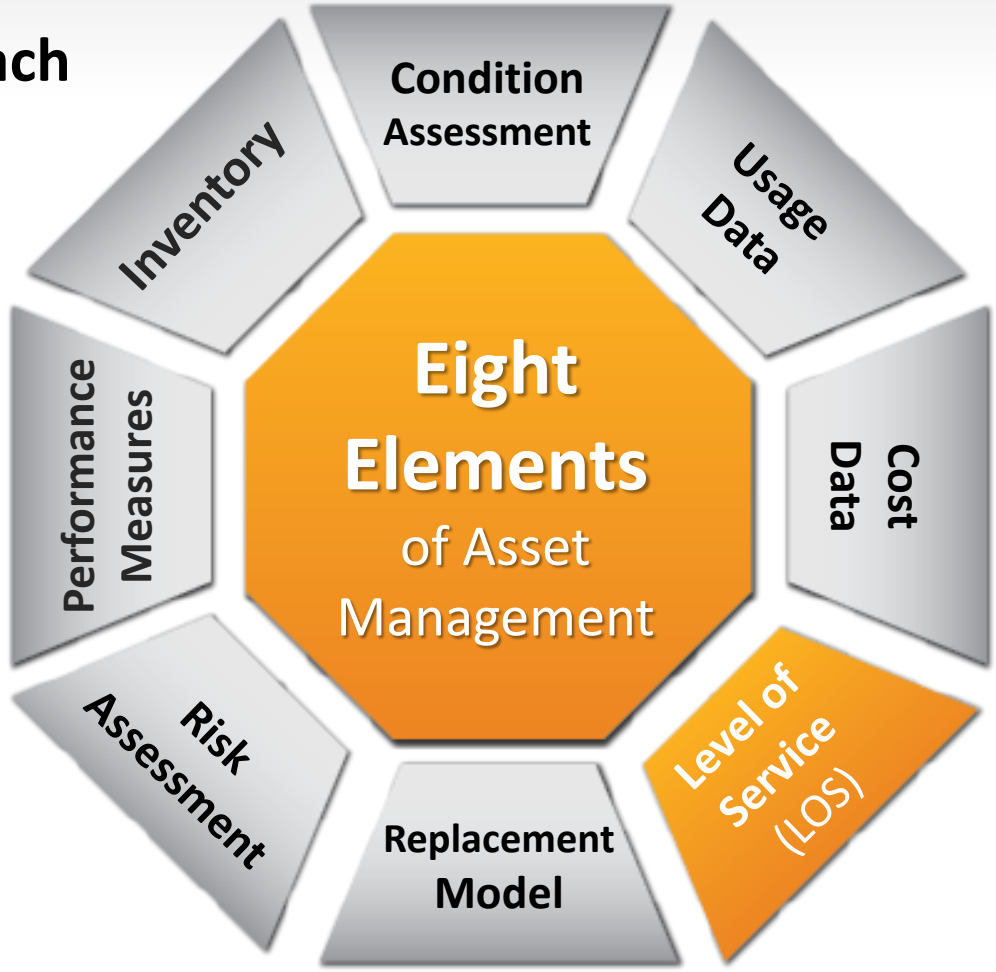
Asset Management is:

- A systems approach to
  - Drive decisions with real data
  - Allocate resources to the right priorities
  - Show efficiency
  - Demonstrate and track performance
- More than what policy makers generally understand it to be
- A way to gain confidence with policy makers which can lead to increased resource allocations

What Policy Makers need to know

Asset Management should be described as more

- **It is a Systematic and Comprehensive Approach**
- **We use 8 elements**
  - **Level of Service**
  - **Condition Assessment**
  - **Inventory**
  - **Cost Data**
  - **Use Data**
  - **Preservation Model**
  - **Risk Model**
  - **Performance Measures**



What Policy Makers need to know

With Asset Management they can decide on

- **Level of Service to provide**
- **How to support optimal services**
- **What to prioritize in the budget**
- **What to put into a Capital Facilities Plan**

What Policy Makers need to know

With Asset Management they can decide on

- **Level of Service to provide**
  - **How much service will meet your community needs?**
  - **What does that look like?**
  - **example: How much snow & ice control does your community expect?**

What Policy Makers need to know

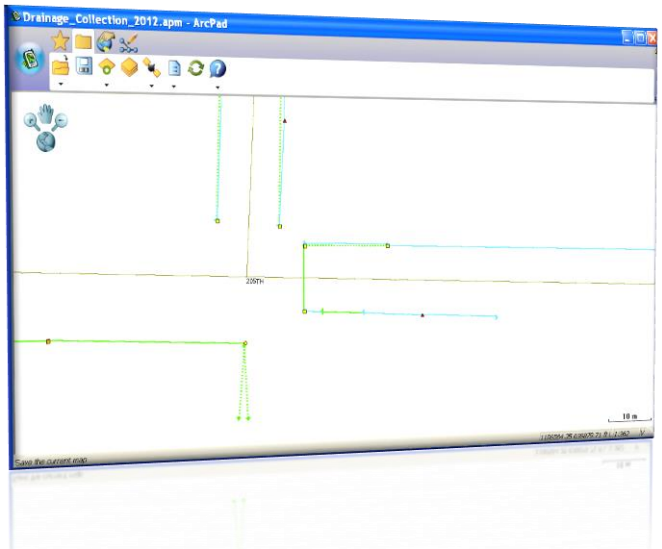
With Asset Management they can decide on

- **Condition of assets**
  - **Is the condition we maintain assets in appropriate?**
  - **What does that look like?**
  - **example: How clean should our pipes be?**

What Policy Makers need to know

With Asset Management they can decide on

- **Inventory of assets**
  - **Are we confident that you know enough about your assets to manage them effectively?**
  - **How do we know that?**
  - **example: Do we know how many stop signs we have, where they are, when were they installed, what material they were made with, etc.**



What Policy Makers need to know

With Asset Management they can decide on

- **Cost of assets**
  - **Do we know how much our assets cost?**
  - **Is that what the assets should cost?**
  - **How do we know that?**
  - **example: How much do we spend on cleaning sewer pipes each day and by how many pounds of material we removed?**

Type	Equip #	Dep	Site	Average Op Costs	Avera Usag	Cost Per Hour	LTD Operational Balance	LTD Required f Replacement	Total
Q448 Sport Utility SVM Maint & Ops	6801	SVM	Mid County Maint Facility	$211.72	146	$ 1.45	$66,401	$20,696	45,705
Q448 Sport Utility SVM Maint & Ops Total									45,705
Q449 1/4T Pickup SVM Maint & Ops	0815	SVM	Quarry	$234.56	55	$ 4.23	$16,526	$8,184	8,342
Q449 1/4T Pickup SVM Maint & Ops Total									8,342
Q450 3/4T Pickup SVM Maint & Ops	4810	SVM	Quarry	$382.68	118	$ 3.23	$61,146	$35,401	25,745
	6800	SVM	Quarry	$599.64	121	$ 4.94	$36,547	$24,956	11,590
	7402	SVM	Mid County Maint Facility	$478.70	146	$ 3.27	$56,453	$21,150	35,303
	7802	SVM	Quarry	$433.69	137	$ 3.16	$55,159	$20,739	34,420
	8400	SVM	Quarry	$374.20	132	$ 2.83	$37,243	$17,029	20,215
	2842	SVM	Quarry	$622.26	134	$ 4.64	$1,182	$1,754	(572)
	2800	SVM	Quarry	$513.97	111	$ 4.62	$791	$1,646	(855)
	2810	SVM	Quarry	$466.57	121	$ 3.86	$1,232	$1,683	(451)
Q450 3/4T Pickup SVM Maint & Ops Total									125,395
Q451 1T Pickup Service Body SVM Maint & Ops	7803	SVM	Quarry	$528.73	93	$ 5.95	$28,924	$31,843	(2,920)
	9892	SVM	Quarry	$311.14	37	$ 8.41	$1,379	$47,199	(45,820)
	2825	SVM	Quarry	$149.28	23	$ 6.63	$361	$1,642	(1,281)
Q451 1T Pickup Service Body SVM Maint & Ops Total									(50,021)
Q455 Screen All SVM Maint & Ops	7806	SVM	Quarry	$2,287.48	50	$ 45.67	$46,998	$91,186	(44,187)
Q455 Screen All SVM Maint & Ops Total									(44,187)
Q457 Light Tower SVM Maint & Ops	9891	SVM	Quarry	$156.39	5	$ 30.12	($23,483)	$20,166	(43,649)
Q457 Light Tower SVM Maint & Ops Total									(43,649)
Q459 Brushcutter SVM Maint & Ops	3890	SVM	Quarry	$1,707.83	54	$ 31.47	$86,077	$127,945	(41,869)
Q459 Brushcutter SVM Maint & Ops Total									(41,869)
Q461 Water Truck SVM Maint & Ops	6802	SVM	Quarry	$489.59	17	$ 28.66	$151,622	$67,145	84,477
Q461 Water Truck SVM Maint & Ops Total									84,477
Q463 10 yard Dump Truck SVM Maint & Ops	2830	SVM	Quarry	$1,219.50	87	$ 14.00	$341,691	$186,008	155,684
	3830	SVM	Quarry	$1,370.31	103	$ 13.36	$321,046	$148,442	172,603
	7800	SVM	Quarry	$1,472.67	83	$ 17.81	$119,439	$103,569	15,870
	8801	SVM	Quarry	$1,805.11	104	$ 17.32	$74,293	$82,782	(8,489)
	8802	SVM	Quarry	$1,613.20	97	$ 16.61	$77,094	$82,780	(5,685)
	8803	SVM	Quarry	$1,490.24	72	$ 20.61	$46,253	$81,234	(34,981)
	1853	SVM	Quarry	$1,431.94	98	$ 14.62	$21,529	$24,957	(3,429)
	1801	SVM	Quarry	$1,197.56	76	$ 15.73	$15,722	$24,295	(8,573)
Q463 10 yard Dump Truck SVM Maint & Ops Total									283,199
Q465 Tractor Dozer SVM Maint & Ops	0881	SVM	Quarry	$659.07	25	$ 25.96	$114,787	$345,617	(230,830)
	9882	SVM	Quarry	$366.11	40	$ 9.09	$317,813	$149,803	168,010
Q465 Tractor Dozer SVM Maint & Ops Total									(62,820)
Q467 Backhoe SVM Maint & Ops	9871	SVM	Quarry	$618.21	74	$ 8.35	$82,149	$144,160	(62,010)
Q467 Backhoe SVM Maint & Ops Total									(62,010)
Q469 Front Wheel Loader SVM Maint & Ops	8804	SVM	Quarry	$3,667.86	112	$ 32.62	$165,153	$188,946	(23,793)
Q469 Front Wheel Loader SVM Maint & Ops Total									(23,793)

What Policy Makers need to know

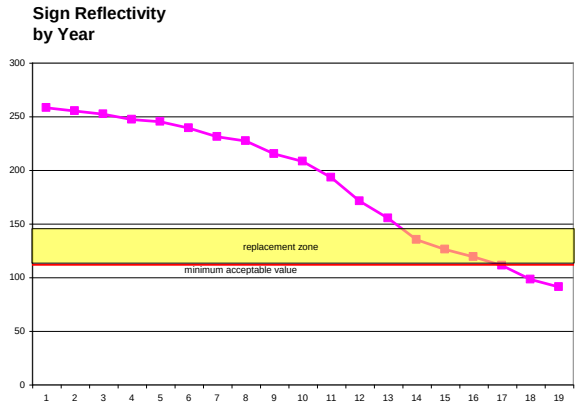
With Asset Management they can decide on

- **Use of assets**
  - **Do we know how much our assets are used?**
  - **Is that enough to justify the assets?**
  - **How do we know that?**
  - **example: How many people ride the ferry?**

What Policy Makers need to know

With Asset Management they can decide on

- **Preservation of assets**
  - **Do we know how to refurbish or replace assets?**
  - **Do we know when to refurbish or replace assets?**
  - **Can you show us how you figure that out?**
  - **example: When is the optimal time to replace a pier?**



What Policy Makers need to know

With Asset Management they can decide on

- **Managing the risk**
  - **Do we know the trade offs between alternatives?**
  - **How much risk are we willing to accept?**
  - **Can you show us how you figure that out?**
  - **example: How much capacity do we build into our water system?**

What Policy Makers need to know

With Asset Management they can decide on

- **Measure how we are meeting the needs**
  - **Can we measure if we are getting better or worse?**
  - **Can we measure if we are meeting the need?**
  - **example: Are our streams and lakes getting cleaner or more polluted?**

Chambers-Clover Watershed Lakes	
Lake Name	2013 Grade
American Lake	*B*
Carp Lake	*D+*
Gravelly Lake	*A*
Lake Louise	*A-*
Spanaway Lake	*no data*
Lake Steilacoom	*C*
Wapato Lake	*no data*
Waughop Lake	*D*

What Policy Makers need to know

Asset Management on steroids

- **How about Human Resources**
  - **Level of service – how good of employees do you want?**
  - **Condition – what condition are your employees in?**
  - **Inventory – what skills and abilities do employees have?**
  - **Cost – what do employees cost, now and long-term?**
  - **Usage – how much are employees used and produce?**
  - **Preservation – who is leaving and how do we plan to replace them?**
  - **Risk – how healthy are employees and what risks do we face?**
  - **Measures – how do we measure if employees are healthy, happy, and productive?**

What Policy Makers need to know

Asset Management is an Important Toolbox

- **Asset Management is a systematic approach that drives how resources are used to deliver infrastructure services**
- **Asset Management is a toolbox full of tools to be used in accomplishing the complex task of managing infrastructure for today and tomorrow**

Questions?