Connecting Asset Management and Financial Planning at the District of Saanich

Asset management and financial planning are closely connected in theory. In practice, bringing the people, information and planning processes together takes deliberate work. At the District of Saanich, B.C., that connection has been developing for years and continues to evolve as the community builds out its asset management program.

"There's a very good collaborative relationship between asset management and finance," says Jacqueline Weston, Asset Management Program Manager at the District of Saanich.

Finance has been involved in Saanich's asset management work from the beginning. The program sits within engineering, but finance participates in the broader asset management structure and reviews the financial information that feeds into the plans.

Building from Replacement Funding

One of the foundations for that relationship predates Saanich's current asset management program. In 2007, finance developed the information required for tangible capital asset reporting and, at the same time, created what Saanich calls its Infrastructure Replacement Funding Strategy, or IRFS. The strategy focuses on a basic long-term question: What funding would the District need to sustainably replace existing assets at the end of their useful lives?

"The infrastructure replacement funding strategy was a really important fundamental starting point for the District's asset management program," says Weston. That work helped establish replacement



Cadboro Bay, Saanich, B.C.

funding as an ongoing financial consideration. But replacement is only one part of the asset lifecycle. As Saanich develops its asset management plans, the community is also looking at operations, maintenance, service levels and the broader cost of sustaining infrastructure over time.

Aligning the Planning Horizons

Saanich is currently developing nine first-generation asset management plans using NAMS+ templates, with finance involved in reviewing the numbers. Once those plans are complete, the intention is to use them to update the IRFS and then feed that information into longer-term financial planning.

The District is also aligning the timeframes used in those processes. "We agreed that we're going to use a 20-year planning period to align with the Official Community Plan," says Weston. Saanich's long-term financial plan has previously used a 10-year horizon, while its annual financial plans include a five-year forecast. The move to 20 years is intended to align the long-term financial plan with the asset management plans.

That alignment matters because an asset management plan can identify what is needed to sustain services, but those needs ultimately must connect to the community's financial capacity.

"The other big next step is to get our asset management plans done and use the information to update our infrastructure replacement funding strategy," says Weston, "and then update our long-

> **"Our big push is to stop being so reactive when it comes to maintenance of assets and be more proactive."**
>
> **Jacqueline Weston**
> Asset Management Program Manager
> District of Saanich

term financial plan and obviously bring that into our annual financial plans."

Bringing Levels of Service into the Conversation

Saanich is also working on how financial planning can better reflect levels of service. Weston says the District already reports performance measures and KPIs, but those figures do not always tell council whether the current level of service is appropriate or whether a gap exists.

"What should we be doing and is there a gap?" says Weston. "And if so, what are we going to do about it?" That creates a more useful financial conversation, she says. If the desired level of service is clear, the District can better understand what it will take to deliver it, where funding gaps may exist and what trade-offs need to be discussed.

Making Room for Proactive Maintenance

Another focus is maintenance, says Weston, "Our big push is to stop being so reactive when it comes to maintenance of assets and be more proactive." That means looking beyond replacement funding and asking whether the District is investing enough in the maintenance needed to extend asset life and support reliable service.

For Saanich, the work is still evolving. The District is completing its first-generation asset management plans, working toward better integration between asset and financial information, and refining how maintenance and levels of service show up in financial planning.

The takeaway is not that every system or process needs to be perfect before integration can begin. Saanich's experience shows the value of building connections step by step: bringing finance into asset management work, aligning planning horizons, connecting asset plans to funding strategies and using better information to support long-term decisions.

The result is a clearer line between the services a community wants to provide, the infrastructure required to provide them and the financial planning needed to make those services sustainable.

Saanich's experience shows that progress often starts by getting the right people around the table and working through real decisions together. If your team is facing a similar challenge NAMS Canada can build **Tailored Training** around your priorities.



NAMS Canada

TAILORED TRAINING

What's your team's next priority?

Practical asset management support to help your team decide, align and act.

Start a tailored training conversation

NAMS Canada is a registered, Canadian, not-for-profit organization.