

## Kelowna is ready for you!

The Kelowna team always plans great social events and entertainment for our conferences. And this year is no different! The Local Committee have been hard at work. They have organized a motorcycle ride on Tuesday followed by a welcome reception at the **Centre for the Arts** in the evening. For Thursday evening, they are planning banquet entertainment – will it be a Casino night, a Murder Mystery or something else? No matter what, it will be fantastic. On Friday afternoon, there will be a chance to participate in that great Okanagan tradition of touring the local wineries.

As for the Program, the team has been working hard to finalize the content – a list of the conference sessions is now available on the website. We can't tell you about all the sessions here, but would like to feature one.....

We have the distinct pleasure of having Harry Kitchen, Pro-



fessor Emeritus in the Economics Department at Trent University, coming to our conference to speak on "The Anatomy of Municipal Finances - What, Why, and How." Over the past twenty years, Harry has completed more than 100 articles, reports, studies, and books on issues relating to local government expenditures, finance, structure and governance in Canada.

At our conference, Harry will take a look at municipal services – what is going on currently and what organizations ought to be doing. How to pay now and into the future? When should we use property taxes versus user rates? How should they be used and structured, including possible discounting for certain groups? Whatever method, it should be effective, fair and transparent for good governance.

Please go to our website to view the profiles of our other speakers. This will be updated on a regular basis.

## Membership now open to all.

In our early days, WCGFOA only had two members from each province. This made administration simple; but limited our responsiveness to supporters, We have now amended our bylaws to allow anyone working in or supporting Government Finance in Canada to become a full voting member.

This change has dual impacts. Firstly, you will also have more input into our activities, through surveys, board elections and a sense of belonging. Secondly, membership is considered 'express permission' under anti-

spam legislation and will allow us to stay in touch with you, with this newsletter, and information about our conferences.

Membership is free of charge and you may apply simply by sending an email to [west-can.gfoa@shaw.ca](mailto:west-can.gfoa@shaw.ca) and putting in the subject line "I wish to become a member of WCGFOA" Remember to include your full signature block in the email.

Go to our website for an [explanation](#) of the various GFOA organizations in Canada.

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# WESTERN CANADA



## President's Report: Kelly Gibson, Town of Banff AB



Our Board of Directors has had a busy spring. We have finally amended our bylaws to allow you all to become members with full voting rights, replacing the old system where we only had two members from each province. We have been continuing to work closely with the other associations in Canada to alleviate any confusion that may occur between the various members of the GFOA family and have a new write-up on our website that explains where we all fit in.

We are excited to have several board members at the International Conference in Toronto this month and to be a major sponsor of the Canadian Reception. We hope to see many of you there. Our own 2016 conference in Kelowna, BC is in the final planning stages and I hope to meet with you all there in September.

### CCI Corner

The Committee on Canadian Issues has just published their Quarterly newsletter— "[Canadian Finance Matters](#)" Click to read it here.

### Upcoming Events

**May 22-25, 2016:** GFOA of U.S. and Canada conference in Toronto.

**May 29—June 1, 2016:** Alberta GFOA Conference in Banff.

**June 1-3, 2016:** GFOA of BC Conference in Whistler.

**September 21-23, 2016;**

WCGFOA conference in Kelowna.

**September 21-23, 2016;** MFOA conference in Niagara Falls, Ontario.

**May 21-24, 2017:** GFOA of U.S. and Canada in Denver, Colorado.

### PSAB Update

Tim Beauchamp has been a fixture at our conference for many years delivering the annual PSAB update. We wish Tim the best in his retirement and are pleased to welcome Michael Puskaric, who brings to the Public Sector a broad base of experience based on more than 15 years working in public, private and not-for-profit sector organizations in adopting the PSAB standards.

At our conference, Michael will provide our annual PSAB update about issues that we should be fully aware of in local government including PSAB's impact on First Nations.

He will also be presenting a session on the basics of public sector accounting to our finance officers who are new to local government.

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# WESTERN CANADA



## Close the Asset Renewal Gap with Strategic Asset Management

How much asset value does your organization own and manage? For most asset-intensive organizations this is between \$200 million and \$30 billion. These essential public infrastructure assets are degrading as you read this article...

The rule of thumb is that organizations should spend 2 to 4% of their asset value in annual capital and maintenance expenditures. For a municipality with a \$500 million asset base, this is \$10 to \$20 million every year.

We also now know that the gap between actual spend and desired spend on asset renewal is increasing. As an industry we are not replacing our assets at the same rate as they are being consumed. Recent asset management frameworks request municipalities to develop asset management plans that will begin to close this gap.

What's the solution? Increased funding is somewhat limited given the availability of grant funding, putting pressures on taxation and user fees. Reducing the rate of asset consumption is another probable option.

If a municipality can reduce asset consumption by say 1% a year, they effectively permanently defer the corresponding capital funding required. The municipality would save those dollars, every year. For example, if a municipality saves 1% of a \$500 million asset inventory from replacement through good practices, they have just saved \$5 million annually.

Strategic Asset Management is a proven mechanism that develops alternative scenarios, to enable more intelligent allocation of funds, and ultimately reduce asset consumption. The concept focuses on the best use of funds available to a municipality, which may not result in "the worst conditioned assets getting priority". Factors such as risk and criticality ratings assist in making these decisions as part of an asset management plan, The ability to reduce asset consumption, as well as potentially increase funding sources allows the municipality to reduce the asset renewal gap from both a cost and revenue perspective moving forward.



Article by: Dan Wilson, Director at Watson & Associates Economists Ltd. Brad Campbell, General Manager at Assetic Canada



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# WESTERN CANADA



## Kelowna, B.C. September 21st to 23rd 2016



### Hotel

You can book your room at the Delta Grand Okanagan Resort now. Rooms are still available for Tuesday through Friday nights at: [Booking site](#). If you wish to extend your stay you will need to phone the Delta Grand Okanagan Hotel at 1 250 763 4500

### Events

There will be a welcome reception on Tuesday night and a banquet on Thursday as well as the wine tour and the Motorcycle ride.

### Registration

The conference cost is \$600 for early registration. You can register now at; <http://www.civicinfo.bc.ca/event/2016/GFOAWCDelegates.asp>

First 100 registrations qualify for draw

### Sponsorships

Welcome back to all our 2015 sponsors. If you are interested in sponsoring, please call Susan at 250 598 6871. The 2016 sponsorship package can be downloaded at <http://westcangfoa.ca/sponsors/>

### Tradeshow

The tradeshow will run all day Wednesday and Thursday at our conference. You can register now at [CivicInfo site](#). Early registrations and sponsors will get best choice of booth locations.

### Motorcycle ride

On Tuesday September 20th, enjoy an afternoon motorcycle ride with a group of like minded delegates. And then enjoy a bratwurst barbeque. You can rent a bike in Kelowna or ride your own. Please email [Marissa](#) or check [here](#) for more details



### Wine tours

The number one activity for visitors to the Okanagan is wine tours. We are considering organizing a special wine tour for our delegates on the afternoon of September 23rd. Please email [Susan Broadfoot](#) if you want to receive more information.

