

NATURAL CAPITAL

About the Author:

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As with many Canadian municipalities, the Town of Gibsons is adopting structured asset management business processes. However, Gibsons, is also going one step further. The Town is developing strategies and tools to calculate the value of services provided by natural assets such as forests, aquifers and foreshores, and integrating this information into their business processes. The results so far are encouraging and may well have implications for many other local governments.

"Our goal is the sustainable delivery of services," says Emanuel Machado, the Town's CAO. "In Gibsons, services such as storm water management and drinking water filtration come in part from existing natural assets such as our forested headwaters, creeks and aquifer. From a financial perspective, these have no capital costs and far lower operating costs than if we had to build an engineered alternative to provide the same services. Measuring and managing these natural assets now, lowers our risks of future liabilities. It helps us have the most efficient, low-cost asset inventory possible."

The cornerstone of the Town's approach is North America's first asset management policy that incorporates natural assets, thereby requiring that these assets receive the same consideration as engineered assets. "The innovation in the Town's approach is that it integrates natural features into financial modelling," says the Town's Director of Finance Ian Poole. "Deliberately using asset management methodologies also means the approach is replicable."

Measuring and managing the Town's natural assets follows the steps of Asset Management BC's framework: natural assets are inventoried; their condition is assessed; the municipal services they

provide are evaluated; costs of substituting services through engineered means are calculated; and scenarios are developed to determine how the services would be impacted in different land-use and population scenarios. The David Suzuki Foundation supported this work using open-source software developed by a consortium of US universities. The final implementation step involves managing the assets through multi-disciplinary Town teams, as opposed to traditional 'stove-piped' approaches.

Results so far are promising. "Overall we see reduced capital and operating costs. Plus, the assets provide a host of other benefits such as climate resilience and recreation opportunities," concludes Machado.

Other municipalities are now interested in the approach. At a recent workshop in Vancouver that was convened by Gibsons, Sustainable Prosperity, the David Suzuki Foundation and Brooke and Associates, staff from municipalities and other organizations from across Canada gathered to determine how the approach could be refined and replicated. "We developed a roadmap for additional pilot projects, awareness raising, research, and removing barriers" says Roy Brooke, who is helping to coordinate the scale-up of the Town of Gibsons' approach. "Based on what the ideas and energy at the workshop there will be quite a few more municipalities trying this approach across Canada."

