

The Role of Council in Asset Management Planning

What is Council's Role in Asset Management Planning?

Of the many services and programs offered by municipalities - including land-use planning, and water and wastewater treatment - all involve some form of infrastructure planning. Good infrastructure planning and decision-making helps municipalities deliver quality and cost-effective services to their residents. Municipal councils have an integral role to play in the development and implementation of asset management policies and plans through their strategic leadership and oversight. The following are key roles councils can play to support responsible stewardship of municipal assets.

- 1. Show Support for Making Asset Management a Priority:** Councils can initiate asset management planning in their municipalities through a motion or resolution that directs staff to begin developing a policy or plan. Through their leadership, council members are showing their commitment to and support for infrastructure planning by making it a priority with staff.
- 2. Facilitate the Public's Understanding of Asset Management:** As community representatives, council members have an important role to play in helping residents understand the importance of proactively managing municipal assets. Infrastructure spending can be significant and residents expect councils to consult with them on major investments decisions. By educating them why it is important to proactively manage infrastructure and engaging them in the asset management process, taxpayers will have a better understanding of the true cost of delivering municipal programs and services. This will in turn help them appreciate the financial decisions councils make for maintaining, renewing and replacing assets to support essential services.
- 3. Make Decisions About Levels of Service:** By consulting with their communities, councils gain important information about the programs and services their municipalities should offer and at what level and cost to their residents. With a clear understanding of the desired and required levels of service, councils can make informed decisions to manage risks, reduce costs and support sustainable service delivery. Making these decisions usually requires balancing community needs, regulatory or legal obligations and the cost of service delivery.
- 4. Allocate Resources to Support Asset Management Decisions:** To ensure there is no interruption in service delivery, councils must make important financial decisions about infrastructure spending on behalf of their taxpayers. Understanding the true cost of service delivery gives councils the rationale needed to support their infrastructure spending decisions. With the aim to maximize the life of assets, reduce costs and manage risks, asset management plans provide councils with a long-range forecast that prioritizes required maintenance, renewal and replacement work. Financial forecasts are used when preparing annual budgets to ensure municipalities have sufficient funding to maintain assets at required and expected levels of service. They also help make certain that municipalities are investing

sufficient funds (annually and over the long-term) to maximize asset lifecycles and support ongoing maintenance and eventual replacement of infrastructure.

- 5. Review Asset Management Plans:** As a long-range planning document, councils should be committed to regularly reviewing their asset management plans so they continue to increase the effectiveness and efficiency of their municipal assets. Regular policy and plan reviews help ensure these documents remain relevant for supporting informed decision-making and sustainable service delivery.

The Role of Council Versus Staff in Asset Management Planning

Both council and staff have important, yet distinct roles to play in facilitating effective asset management planning in their municipalities. Once a decision has been made to engage in infrastructure planning, clearly articulating the roles and responsibility of council and staff will help ensure the process gets off to the right start.

Essentially, council members are responsible for the stewardship and oversight of the asset management program. Through their decision-making powers, councils have an important role to play in approving policies and strategies to support asset management planning. Councils can then provide leadership to their chief administration officers to ensure they are managing staff in a manner that is consistent with established asset management policies and practices.

Staff's primary responsibilities include developing and implementing the asset management plan and providing council with regular progress reports. With their technical and financial expertise in asset management, staff also has an important role to play in educating council. This in turn will make it easier for individual council members to articulate the importance and benefits of asset management planning to their residents.

One of the keys to the long-term success of the City of Hamilton's [asset management plan](#) is staff's commitment to keeping its elected officials engaged and educated at every step of program. Staff continuously strives to develop strategic and consistent ways to engage council in asset management planning. Their reinforcement of the importance and benefits of asset management to council assures the program's longevity and success.

Through educational workshops, regular one-on-one meetings, city tours to provide a visual verification of its infrastructure work and a ward-by-ward breakdown of all proposed projects, the City of Hamilton's staff not only keeps its mayor and councillors in-the-know, but ensures their recommendations are understood. This facilitates effective decision-making on a complex plan. By understanding the plan, council can provide better scrutiny of staff's asset management recommendations and make more informed decisions.

The Importance of Staying Informed

In order to be effective asset management stewards, councils should make every effort to stay informed – both on their municipality’s progress on and industry best practices in asset management planning. Continually striving to understand municipal priorities will help to expand their knowledge of municipal infrastructure needs to remain current. As councils gain a greater understanding of the importance of asset management and its role in providing quality, cost-effective services within their municipality, they can better position themselves to make:

- evidence-based decisions to ensure the sustainability of services and manage risks;
- sound financial management decisions to meet fiduciary responsibilities; and
- clear linkages between their asset management plans and other strategic council documents.

Through strategic leadership, councils will ensure assets are maintained and timely investments undertaken to provide a proactive, focused and judicious approach for managing local infrastructure.