

# Asset Management: Long-term gain for short-term pain

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# Background

- Former AMO President
- Former OSUM Chair
- Former Councillor, Town of Collingwood
  
- My first year
  - Pressing community needs
  - Three consecutive 0% tax years
  - Municipality needed a “catch-up” budget
  - Resulted in a near double digit tax increase

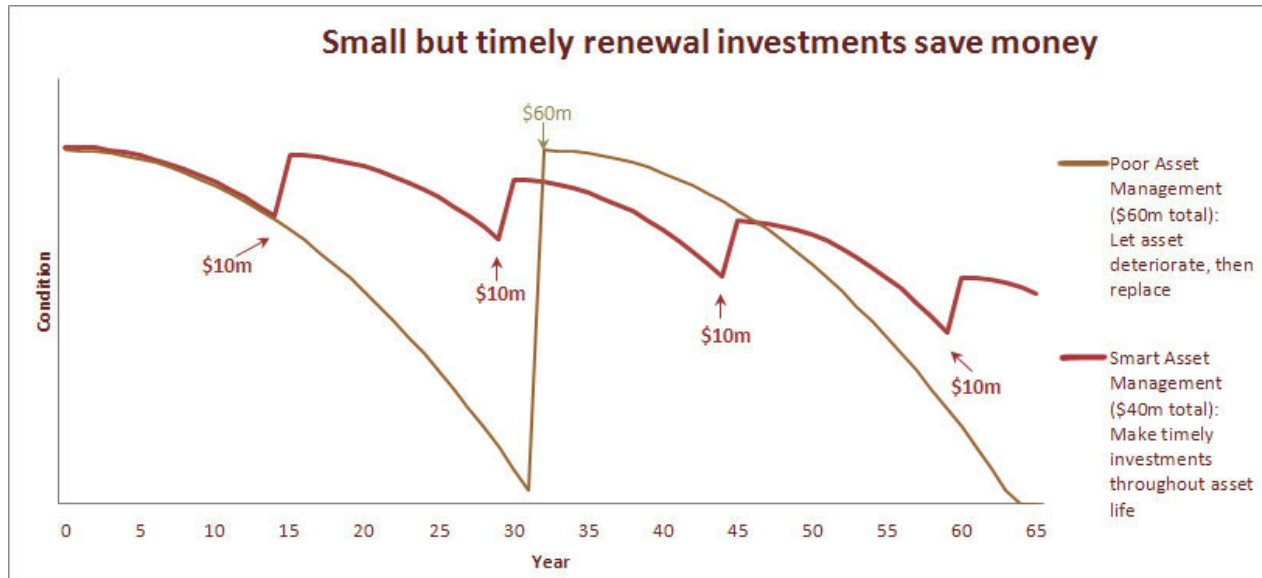
# Why 0% does not make sense

- The role of government
  - Service delivery or representation?
  - Cost recovery impossible in most cases
- The role of the resident
  - Taxpayer/customer or citizen?
- Taxes are contributions towards achieving a common objective

# Why 0% does not make sense

- 2% inflation = 2% decline in budget funding
- But municipal costs often rise faster than this
  - Pensions & Benefits = 8%
  - Policing = 8.5%
  - Energy = 9%
  - Construction = 14%
- Need for today (operating) and tomorrow (debt/  
reserves for capital)

# Why 0% does not make sense



- What gets cut?
- Often, capital and maintenance is first to go
- Trading the short-term for the long-term
- It costs more to replace a house than to fix the leaky pipes

# Why 0% does not make sense

- The sector as a whole is still “catching up”
- \$60 billion infrastructure deficit that will take 10 years to close
- Additional pressures
  - Social services & housing
  - Impacts of climate change and extreme weather
  - Declining operating and capital grants

# What do we do?

- It starts with a mature conversation with the public and our stakeholders
- Starts with context and situational analysis: what does my municipality do and how does it do it?
- Questions to ask:
  - What services do we/should we provide?
  - What are the fiscal, social, economic, environmental and cultural costs of doing (or not doing) so? (pillars of sustainability)

# What do we do?

- Reconciles the short-term with the long-term
- Develops a common understanding of the context, issues, and possible solutions
- Brings stakeholders “into the tent”
- Provides ownership to your citizens; they are part of the solution
- Ensures the public is on board during elections
- Collingwood - sewer/water sustainability in 9 yrs of the 10-year plan



# What do we do?

- Demonstrate leadership by doing our homework
  - Does your municipality manage risks?
  - Do you monitor and adopt best practices?
  - Do you measure performance?
  - Do you have long-term budgeting based on lifecycle needs?

# Keep your eye on the prize

- Municipal sustainability
- Asset management is an integral piece of the puzzle
  - It can start the conversation
  - It can ensure maintenance is not the first to get cut