

# **Understanding the Best Financial Practices for your Community's Asset Management Plan (AMP)**

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Local governments must effectively communicate and translate its resource requirements to staff, councils and citizens to justify all funding decisions that affect ratepayers. Through the development of a comprehensive Asset Management Plan (AMP), communities can be more informed – and therefore proactive – with their Levels of Service (LoS) and maintenance requirements to help ensure strong and affordable service delivery.

Long-term financial plans and financial reporting serve as the foundation for a comprehensive AMP. Most importantly, the data must be reliable in order to accurately incorporate outcome-driven performance measures. There are two recommended steps your community can consider to master its budgeting practices and increase the functionality of an AMP. First is to establish strong maintenance management practices. Second is to learn how and where to make adjustments to your LoS to find the right balance between budget restraints and citizen expectations.

## **1. The Impact of Strong Maintenance Management Practices**

Adequate maintenance management practices are complementary to the success of your AMP. Maintenance management focuses primarily on the day-to-day maintenance activities required to keep assets in working condition. In order to do this, systematic planning, scheduling and execution of maintenance activities are required to guarantee the proper functioning, reliability, and longevity of municipal assets. Falling behind with the upkeep of municipal assets will only result in costly emergency repairs.

Consequently, implementing preventative and predictive maintenance plans is crucial. Preventative maintenance involves scheduled maintenance activities based on predetermined time intervals or asset usage. By completing regular and timely inspections, expensive asset failures will be avoided. Predictive maintenance uses data analysis and condition monitoring to identify patterns and indicators of potential asset failures. This technique is proven to improve the timeliness of maintenance and will optimize your community's maintenance resources. Learn how Camrose County increased efficiency and accuracy in all departmental processes by integrating GIS with maintenance management [here](#).

## **2. Knowing How and When to Adjust Levels of Service**

The amelioration of the LoS provided by your organization is directly tied to maintenance management. In order to achieve high levels of service while maintaining a balanced budget, municipalities should understand the current state of all of their assets. Developing accurate maintenance management practices makes this easier by providing information such as condition ratings, replacement and lifecycle costs, and demand drivers. Moreover, the state of your assets should be digestible enough that the feedback gathered from your stakeholders is

considered dependable when determining the priorities and necessary budget cuts that keep your municipality running smoothly.

Ultimately, your community's maintenance management and LoS practices should be distinct yet interconnected within an AMP. Adequately managed assets lead to strong LoS and will help your community avoid reactive emergency costs that can catastrophically disrupt your annual budget.

The Citywide Assets and Citywide Maintenance software solutions were created for municipalities who want to stay on top of their community's assets, work assignments and related budgets. You can learn more about these solutions, along with everything else the Citywide Software Platform has to offer [here](#).