



**“I Want a Five-Star Experience
for a Two-Star Price”:
Setting and Communicating Levels of Service**

Participant Workbook

This initiative is offered through the Municipal Asset Management Program, which is delivered by the Federation of Canadian Municipalities and funded by the Government of Canada.

fcm.ca/assetmanagementprogram



About FCM

The Federation of Canadian Municipalities (FCM) is the national voice of municipal government. In leading the municipal movement, FCM works to align federal and local priorities, recognizing that strong hometowns make for a strong Canada.



About AUMA

Founded in 1905, the Alberta Urban Municipalities Association (AUMA) represents 269 urban municipalities including cities, towns, villages, summer villages, and specialized municipalities. AUMA works with federal and provincial governments and business and community stakeholders on a broad range of issues to strengthen the economic, social, cultural, and environmental vitality of its member municipalities.



About RMA

Rural Municipalities of Alberta (RMA) is an independent association representing Alberta's 69 counties and municipal districts. Since 1909, RMA has helped rural municipalities achieve strong, effective local government.

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Welcome

Welcome to *“I Want a Five-Star Experience for a Two-Star Price”: Setting and Communicating Levels of Service!* This course gets into the core of what it means to set expectations for the delivery of a service, both for the municipality and for the service user. It has been designed to equip you, as elected officials, with deeper knowledge of the role that levels of service play in asset management. Asset management, at its core, is about delivering services. This course will help you think through what big ideas of level of service mean to constituents and businesses in your community, as well as how they impact staff, activities, and resources.

Your feedback on this course is valuable to us and will help us adapt this course to better serve the needs of elected officials. Over the course of the day, we will ask you to share your questions, insights, and experiences. We will also be asking you to complete evaluation forms and we thank you in advance for your feedback.

Asset Management and Elected Officials

A few important points to get us started:

Asset management is the process of making decisions about using and caring for infrastructure to deliver services in a way that considers current and future needs, manages risks and opportunities, and makes the best use of resources.

Elected officials support asset management in their communities by being knowledgeable about good practice, supporting staff initiatives, making resources for asset management available, and asking the right questions when making decisions about infrastructure. However, until now, there has been little training provided to elected officials to help them navigate their role in asset management.

This course is one in a series of asset management courses that have been designed to provide you, as elected officials, with a foundation in asset management so that you know what it is and how fulfill your role in your day-to-day decision-making as council.

Using the Workbook



Learning Goal

Specific learning outcome to be achieved.



Did You Know?

Interesting facts and insights on asset management.



Activity

Individual or group exercises designed to put learning into practice.



Resources

Additional reference materials and tools related to the topic. Web addresses for the resources can be found at the back of the workbook.



Glossary

Definitions of words and phrases used in the course material.



LEARNING GOAL: Asset Management Refresh

Some of you may have taken the one-day introductory Asset Management for Elected Officials course and are already familiar with the asset management. For others, this may be new. To make sure we're all on the same page, let's review the key concepts of asset management.

A major component of municipal service delivery is taking care of the assets that make those services possible. An **asset**, also known as a tangible capital asset (TCA), is a physical component of a system that enables a service, or services, to be provided. For example, pipes are the assets that deliver water service to homes, roads and traffic lights are the assets that make transportation possible, and recreation centres are assets that allow recreation services to be provided to the community.

Asset management doesn't need to be restricted to engineered assets. Natural assets, such as aquifers, riparian areas, or wetlands can provide a significant role in delivering municipal services. Asset management processes can be applied to these natural assets, supporting the same end goal of sustainable service delivery.

Asset management is ultimately about **sustainable service delivery**: the process of ensuring that municipal services are delivered in a socially, economically, and environmentally responsible way, and that decisions today do not compromise the ability of future generations to meet their own service needs.

Municipalities have been managing assets for a long time. However, asset management is more than just managing assets.

Asset management is a systematic, organized, and integrated approach:

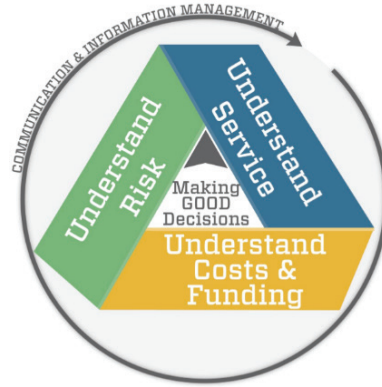
“The process of making decisions about the use and care of infrastructure to deliver services in a way that considers current and future needs, manages risks and opportunities and makes the best use of resources”

(Building Community Resilience Through Asset Management: A Handbook & Toolkit for Alberta Municipalities).

The key emphasis here is “making decisions”, as it is through decision-making that asset management is implemented. Asset management is about using systems and processes to balance cost, risk, and level of service to make informed decisions that make sense for your community in the long run. Asset management is not just for large communities. All municipalities make decisions about their assets. The systems and processes don't need to be extensively detailed or expensive; you can start where you are. Your municipality likely already uses processes for things like planning and budgeting. Asset management is about updating those processes to ensure they systematically consider the right kind of information and take a long-term perspective.

Asset Management and Decision-Making

It is the role of council to make decisions and set direction. Making decisions in a municipal context requires thinking about trade-offs between service, risk, and cost. While it is not the role of councillors to prepare information about service, risk, and cost trade-offs, it is their role to incorporate an **asset management lens** and request information from staff to understand these trade-offs and support sound decision-making.



Source: Building Community Resilience Through Asset Management: A Handbook and Toolkit for Alberta Municipalities

The table below identifies some of the main considerations in service, risk, and cost. We will explore some of these in more depth later in the course.

Service, Risk, and Cost Considerations

Service	Risk	Cost
<ul style="list-style-type: none"> • Types of services • Who benefits or doesn't benefit from a particular service • The current and desired level of service • Regulatory requirements • Service demands 	<ul style="list-style-type: none"> • Events that would have an undesirable impact on services • Asset risk describes the risk of an asset failing to perform the way you need it to deliver a service • Strategic risk describes a change that would affect your ability to achieve municipal objectives • Risk management strategies 	<ul style="list-style-type: none"> • Replacement and capital costs • Operating and maintenance costs • Revenue sources • Partnerships



Glossary

Asset | Also known as a tangible capital asset (TCA), a physical component of a system that enables a service, or services, to be provided.

Asset management | A process of making decisions about how infrastructure is used and cared for in a way that manages current and future needs, considers risks and opportunities, and makes the best use of resources.

Asset management lens | Integrating asset management practices into decision-making. Specifically, thinking about what information is available, what additional information is needed, what trade-offs are being made, and what are the community's long-term goals and needs.

Asset risk | The risk of an asset failing to perform the way you need it to (e.g., a pipe bursts).

Risk | The relationship between the likelihood of an event happening and the consequences of that event.

Strategic risk | The risk of a change occurring that impedes your ability to achieve your overarching strategic goals (e.g., hot, dry conditions put pressure on your ability to provide water service).

Sustainable service delivery | Ensuring that municipal services are delivered in a socially, economically, and environmentally responsible way, and that decisions today do not compromise the ability of future generations to meet their own service needs.

Module 1 – Define Levels of Service and the Connection to Asset Management

After completing this module, participants will achieve the following learning goals:

- Identify levels of service
- Identify common challenges related to municipal service delivery
- Identify why levels of service are important and the connection to asset management

LEARNING GOAL: Identify Levels of Service

Level of service describes the quality and quantity of services provided. Most people think of level of service as a general, approximate idea. For example, we might say that a low or high quality of service is provided. The average constituents may say that a service is good or bad. However, in asset management, level of service means the specific measure of the quality and quantity of service provided. It describes the details of what providing that service means.

So, let's translate a few general ideas of service levels into specific level of service measures.

General: Snow is cleared quickly after a snowfall.

Specific level of service measures: The target response times and priorities for snow and ice control.

General: The municipality has good roads.

Specific level of service measures: The pavement quality by road type, response times for cracks and potholes, and the frequency of road grading.

General: The municipality has running potable water.

Specific level of service measures: The number of interruptions to water service experienced by customers per year.

General: The library is open when different users need it.

Specific level of service measures: The hours a library is open, and clearly identified reasons for why a library may close early on certain days (e.g., lack of use, cost savings, etc.).

General: The municipality has regular waste collection.

Specific level of service measures: The waste collection schedule and allocation of containers per household.

General: Emergency services respond quickly.

Specific level of service measures: Response time targets for first responders arriving on scene.

In addition to providing the details about what service is provided, and to what quality and quantity, level of service can be broken up into two different components:

- **Customer Level of Service** describes level of service from the perspective of the person using the service, in non-technical terms.
- **Technical Level of Service** describes operational measures that support achieving the customer level of service. These measures are for staff and may be in technical terms.



Technical levels of service can be activities (inputs) used to achieve desired customer level of service objectives (outputs).

The table below includes some examples of customer level of service measures. What are some examples of technical level of service measures that would relate to the operational activities required to deliver the customer level of service?

CUSTOMER LEVEL OF SERVICE MEASURES

Service Type	Example Customer Level of Service	Example Technical Level of Service
Parks	<ul style="list-style-type: none"> Local ball teams are satisfied with the availability of ball diamonds. 	
Water	<ul style="list-style-type: none"> Water customers experience fewer than two unplanned water outages per year. 	
Roads	<ul style="list-style-type: none"> Major roads are smooth to drive on. 	
Solid Waste	<ul style="list-style-type: none"> Garbage is picked up once per week. 	

Council’s focus is using input from staff to set the customer level of service, while staff are responsible for setting and meeting the technical level of service. What this means is that council translates and responds to community needs. Council will make decisions on providing new services (and at what level) or making changes to existing services. All these decisions should be informed with an understanding of costs and constituents’ willingness to pay. It is staff’s responsibility to translate customer level of service into technical level of service by identifying the technical activities that need to occur to achieve the customer level of service. Staff will provide information to council on risks and trade-offs of providing a desired level of service. There may be back and forth between council and staff as information is collected and reviewed, particularly if the customer level of service requires changes to the budget or staff resources.



Glossary

Customer Level of Service | Level of service from the perspective of the person using the service, in non-technical terms.

Technical Level of Service | Operational measures for staff that support achieving the customer level of service.

Activity

What are some ways that elected officials establish or consider levels of service?



Budgeting?

Planning?

Feedback from constituents?

Do you have specific examples from your communities?



Having defined customer levels of service help staff understand the bar for performance. When expectations for outcomes are clearly communicated, staff can be creative in ways of delivering the customer level of service, finding opportunities to be more efficient and effective.

LEARNING GOAL: Identify Common Challenges Related to Municipal Service Delivery

Many people don't question the level of service a municipality provides. In fact, they may never even think about it! They may assume that the current levels of service are required or desired because it's always been this way. Regulations do set some levels of service (e.g., quality of drinking water, quality of treated wastewater effluent, etc.), but often the levels of service provided are a choice that can be made based on community priorities and demands.

Each municipality should set or define the levels of service it will deliver. This involves understanding current service standards (or levels) and whether it is a requirement or priority to continue to deliver services at this standard (or level). It's important to acknowledge that a municipality has a choice of the levels of service they provide because the levels of service provided impact many things:

- Constituent's experience of a service.
- Use, wear and tear, and maintenance of assets.
- Investments in assets and resources.
- Staff time.
- Municipal budgets.
- The municipality's reputation.

Level of service is a major focus for local governments, because it relates directly to how customers experience a service. There are numerous challenges that may arise related to how levels of service are defined, communicated, and delivered:

Expectations

- The public may have different service expectations than municipal staff and council.
- Staff and council may have different service expectations.
- Constituents may expect a higher level of service than what was expected or delivered in the past. This may occur when constituents are exposed to different levels of service in neighbouring or other communities.

Cost

- Even when a higher level of service is expected, the willingness-to-pay is often low.
- Even the current level of service may be a drain on the municipality's budget.
- Staff may not be able to find efficiencies to provide the expected level of service at the price people are willing to pay.

LEVELS OF SERVICE IN DIFFERENT COMMUNITIES

The level of service provided is also dependent on things that are inherent to your community, such as geography, culture, and lifestyles. For example, small and rural communities often cannot provide as many services or as high of level of service as big cities. This might be because of the size of the tax base – having fewer taxpayers makes it harder to afford major infrastructure projects or expensive services. It may be because the cost of installing infrastructure in areas with dispersed populations is prohibitively expensive. It can also be because people do not want higher levels of service because they enjoy a rural or small-town lifestyle and don't need the same services that can be found in larger communities. Each community is unique!

Perceptions of Fairness

- If the service is not used by everyone, some residents may feel disgruntled at the shared cost to provide the level of service.
- Levels of service may vary between neighbourhoods. For example, the roads in some areas of town may be in better condition than in others, or newer neighbourhoods may have wider sidewalks than older neighbourhoods.

Defining Level of Service

- It may be difficult to define a level of service, particularly when there are competing needs, or the service itself is hard to define. For example, a community may be interested in promoting walking by introducing new trails and sidewalk connections. However, the community may have a difficult time determining where and how many kilometres of trails are needed. This may be complicated by the following factors: there are no local precedents (the community has never built trails before), it may be unclear how many people would use the trails, and some stakeholders in the community may not think trails are a priority.
- The municipality may be reluctant to commit to providing a certain level of service, perceiving that such a commitment would “tie their hands”.

Many of these challenges are mitigated through the effective establishment and use of formally set levels of service. Though it can be scary to commit to a level of service, the process can help manage a lot of the issues that we’ve identified. And levels of service can be used to help manage costs, to improve communication with the public, and to more effectively plan for resource needs.

Activity

Have you seen any of the challenges described above play out in your community?

What were the factors that may have contributed to the issue?



How were the challenges were resolved?

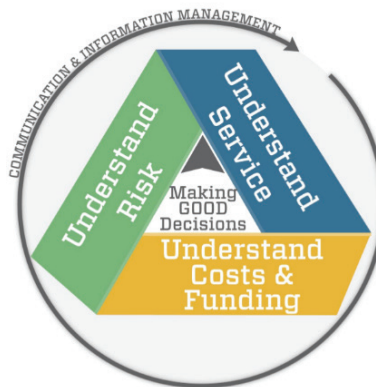
How might establishing formal levels of service mitigate these challenges?



LEARNING GOAL: Identify Why Levels of Service are Important and the Connection to Asset Management

Asset management is about delivering service while managing risks and lifecycle costs – that is, making decisions about trade-offs. Considering levels of service is integral to asset management and part of balancing the trade-offs of service, risk, and cost. Starting with levels of service helps you connect subsequent decisions with the “why” of service delivery: meeting the needs of your constituents.

A quick recap of service, cost, and risk from the one-day Asset Management for Elected Officials course:



Source: *Building Community Resilience Through Asset Management: A Handbook and Toolkit for Alberta Municipalities*

Service

Sustainable service delivery is at the centre of asset management. Delivering services is why you have assets, so it is important to be clear on what services you're providing, at what level, and how the service needs will change over time. This clarity helps you to identify risks and costs, and plan what needs to happen with your infrastructure. Constituents are the recipients of services and will therefore have an important role in determining what services will be delivered and to what level. It is important that constituents are engaged somehow in these decisions – either directly through engagement sessions, or indirectly through their elected officials.

Risk

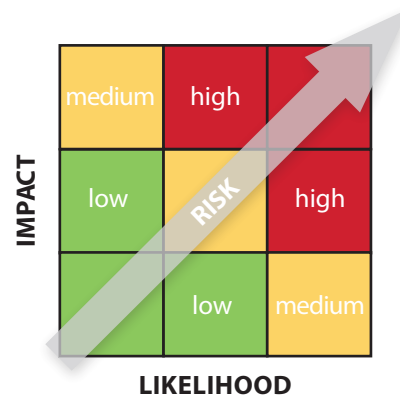
Risk describes events that would have an undesirable impact on services if they occurred. You need to understand the level of service you're aiming to provide, before you can identify the risks to achieving that level of service. Risk can be described with the following equation:

RISK = IMPACT x LIKELIHOOD

(how severe will the negative consequences be?)

(how probable is it that these negative consequences will happen?)

The image below shows a simple way for considering a risk:



Levels of service are connected to risk in a number of ways:

- **Levels of service influence impact and likelihood.** When assessing risks, the estimated impact and likelihood may be linked back to levels of service. For example, a municipality may decide to increase their level of service by paving gravel roads. This increase in level of service will also change the types and severity of risks impacting the roads. Where the paved roads may be more likely to be damaged by frequent freeze-thaw cycles, the likelihood of damage due to heavy traffic in wet weather is decreased. The impacts will also change; the costs of repairing a gravel road may be different than the costs of repairing a paved road.
- **Establishing level of service depends on risk tolerance.** A higher level of service may be provided because a lower level of service introduces an unacceptable level of risk. For example, regulations often require potable water to meet a very high standard because the risk of failure would be catastrophic. Conversely, a lower level of service may be provided because the municipality cannot afford to manage the risk inherent to maintaining a higher level of service. For example, a decision to not proceed with developing a piped community water system may be driven by the municipality's inability to operate, maintain and manage risk to the system over the long term.

- **Competition for resources to increase levels of service may introduce new risks.** Too high of a level of service in one area may compromise levels of service in other areas by directing resources away from where they are needed. For example, a municipality may direct resources into providing a very high level of service in a brand-new recreation facility, while maintenance and repair of other facilities are neglected, to the detriment of the level of service provided by those facilities and increasing the risk of asset failure.

As circumstances change, so does the relationship between level of service and risk. For example, the level of service for stormwater management may be impacted by climate change. Changes to rainfall patterns and the frequency of stormwater events may require a community to increase their required design capacity (level of service) to address the increased risk of flooding.

COSTS AND FUNDING

We intuitively understand that there is a connection between cost, level of service, and risk, but we often limit our considerations to the immediate situation. The ability of a community to deliver a certain level of service sustainably over the long-term requires the following:

- Adequately resourcing the service through budgeting and allocation of time and other resources.
- Understanding of lifecycle costs of assets (not just up-front costs) and work to minimize these costs.
- Ensuring that constituents are willing and able to pay for the levels of service being provided.

LEVELS OF SERVICE AND ASSET MANAGEMENT

Assets are managed in order to deliver services, and levels of service set the bar for what is required of asset management. Levels of service will dictate associated costs and will impact levels of risk. Having clear levels of service defined helps you to mitigate many challenges with service delivery and understand the trade-offs that are being made. Clear levels of service helps you do the following:

- Align expectations between the municipality and constituents.
- Align expectations between staff and council.
- Have conversations about willingness to pay with constituents.
- Drive improvements in service efficiency and effectiveness.
- Prioritize investments of resources.
- Identify and manage risks (asset risks and strategic risks).



Activity

Discuss the following scenario in a small group. We will debrief together.

Within a County, three hamlets have their own piped community water systems, while in two hamlets, residents use their own private wells. The County is working to develop some level of service definitions, which would state the requirements for receiving piped water service, such as a minimum housing density and/or minimum number of connections.

How would defining these levels of service for water systems help the County...

a) Align expectations between the municipality and constituents?

b) Align expectations between staff and council?

c) Have conversations about willingness to pay with constituents?

d) Drive improvements in service efficiency and effectiveness?

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e) Prioritize investments of resources?

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f) Identify and manage risks?

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Module 2 – Identify How to Set Levels of Service

After completing this module, participants will achieve the following learning goals:

- Identify council's role in setting levels of service
- Identify the process for setting levels of service

LEARNING GOAL: Identify Council's Role in Setting Levels of Service

Staff are critical to gathering the information needed to understand levels of service, including making calculations to identify trade-offs and regularly communicating with constituents on service issues. Ultimately, however, it is council that determines the services that a community will invest in and the level of resources that will be directed to providing that service. We all know that high expectations with low resources mean that something is being neglected. On the other hand, no one wants to waste resources that could be used to lower the cost to users or be redirected to other services.

Council decisions on level of service must reflect its commitment to the community and community values and priorities. These decisions must also balance risk and cost to avoid putting assets and budgets at risk in the future. In some cases, council may need to communicate decisions about service levels back to constituents. Council can play a significant role in building trust in the municipality by communicating decisions about levels of service, risk, and cost management back to constituents in a way that conveys the important trade-offs that were considered.

In summary, council has the following roles in setting levels of service:

- Determining which services a municipality will provide.
- Determining the standard to which services are provided (quality and quantity of service).
- Making decisions that reflect community values and priorities.
- Balancing levels of service with managing risks and costs for today and the future.

It is not the role of council to identify how to deliver a level of service, or to prepare the information needed to identify and understand trade-offs between service, risk, and cost. These roles will be filled by staff, with appropriate consultation with council.





Activity

Consider the questions below and discuss as a group at your tables.

What are some ways that council and staff may be misaligned in thinking about service levels?

From your experience, what is the biggest challenge that you face as an elected official when talking to constituents about service levels?

LEARNING GOAL: Identify the Process for Setting Levels of Service



When levels of service need to be set, or when there are changes that need to be made, there may be significant inertia, particularly for long-standing services that the community has come to expect to be provided in a certain way. When changes to levels of service are being considered, there are several “steps” to keep in mind to ensure that changes to levels of service are based on good evidence and understanding of trade-offs that need to be made.

- Step 1** – Understand the levels of service that are currently being provided to constituents. Not what is in plans, but what is actually being delivered. In some communities, this may not yet have been formally documented, so council and staff knowledge and experience will be required to understand current levels of service. Municipalities can begin at a high level for key services; it’s not necessary to go into comprehensive detail at this stage.
- Step 2** – Identify the costs associated with delivery of the current level of service. Again, it may be difficult in some municipalities to obtain this data. Municipalities can use what information they have and make educated estimates to fill in key blanks. It’s okay if costs are only approximate.
- Step 3** – Review current risks, service demands, trends, and future service needs. What will it take to maintain or increase the level of service in the future? Should the level of service be decreased? Depending on the service, the municipality may engage with community members to understand service demands better.
- Step 4** – Evaluate affordability considerations and willingness to pay.
- Step 5** – Develop target levels of service and the timeline for when the target should be met. This should be based on a consideration of customer expectations, historic levels of service, costs, risks, service demands, and trends.
- Step 6** – Document level of service targets clearly so that staff, council, and the public are clear on what levels of service are to be delivered.

It is the responsibility of staff to lead this process, and to inform and consult council when decisions need to be made.

COMMUNITY ENGAGEMENT AND LEVELS OF SERVICE

Community engagement is an important part of asset management so that council and staff understand what service levels are needed and so that the public understands the reasons behind priorities and investments. Engagement about level of service should always include discussions about costs of service delivery and willingness to pay. The public should only be engaged in areas where the municipality is able and willing to make adjustments to the level of service.

What do we mean by engagement?

- Educating the public on infrastructure and the costs of service delivery
- Being transparent about investment decisions and levels of service
- Considering public input and expectations in the setting of levels of service and understanding willingness to pay

What are the benefits of engaging the public?

- Minimize surprises to constituents
- Transparency of decision-making and prioritization can improve trust
- Educating the public on how services are delivered, and the trade-offs considered can increase willingness to pay

This step-by-step process is an ideal scenario. In many cases, levels of service are set without a thorough review and evaluation. They are often indirectly set through the adoption of policies, plans, standards, and budgets. This is a standard course of operations for municipalities, and often it works. However, it can cause challenges when service levels are *implied*, but not clearly *defined*.

Consider the following common scenario:

A transportation policy may state that “The municipality will provide opportunities for residents to travel to their desired destinations by all modes of transportation, including by vehicle, bike, foot, or bus.” This statement is really a vision of the future. It is not specific enough to provide clear direction on what actions should be taken in the present to lead to this higher level of service. But it may create confusion if constituents and stakeholders (e.g., the local cycling advocacy group) interpret this statement as a failure of the municipality to live up to its service promises.

Setting service levels without consideration of costs and risks can also create major budget challenges in the future or put assets at risk. There are often trade-offs to be made between the level of service desired, the cost of providing the service, and risks to assets and service delivery. In many cases, it is not possible to strike a perfect balance between these three factors. However, knowing *why* a certain level of service was set, with evidence and consideration of different needs, can help bridge the gap between what constituents want and what the municipality can provide when this information is used to support public education and communication.

Module 3 – Effectively Apply and Communicate Levels of Service

After completing this module, participants will achieve the following learning goals:

- Incorporate levels of service into decision-making
- Communicate levels of service with constituents
- Monitor and revise levels of service

LEARNING GOAL: Incorporate Levels of Service into Decision-Making

As we've discussed, council plays a crucial role in setting levels of service by making decisions on what kind of services the municipality will provide and allocating resources to provide these services.

However, council decisions can also impact levels of service in indirect ways through day-to-day decisions that may be seemingly unrelated to levels of service. The following are some examples of how council decisions can impact levels of service:

- Reducing an operations and maintenance (O&M) budget, or not increasing it when new assets are added to the municipality's inventory.
- Asking developers for upgraded amenities in some areas of the municipality which can set a precedent for other areas of the municipality and raise expectations beyond what has been historically provided.
- Adopting vision statements that set high (or misaligned) expectations for service levels without considering implementation realities.
- Prioritizing high-profile projects over necessary projects, leading to increased risk for basic services (and potential decreased level of service).

Because of this, council should consider its decisions through an asset management lens by identifying the trade-offs that are being made, and the implications that decisions made in one area may have on other services in other areas.





Activity

In pairs, select a couple of the decisions from the list on previous page. Consider the questions below and discuss.

How does this decision indirectly impact levels of service?

What are some actions that council could take to understand and/or manage the indirect impact to levels of service?

LEARNING GOAL: Communicate Levels of Service with Constituents



The level of service provided is one of the most significant issues for constituents. Too much or too little can quickly result in a barrage of phone calls to council! A very high level of service can be perceived as spendthrift by some, while a low level of service can be perceived as unfair or unsafe, depending on the service. Changes to levels of service can create even bigger headaches as the routines of constituents may be impacted and community members may simply expect to be provided with what they received in the past. When a service benefits some users, but not others, issues of fairness or cost sharing may be raised. Though it is impossible to avoid all complaints due to level of service issues or changes, it is possible to mitigate them when the municipality is able to provide good reasons for level of service changes and when these reasons are clearly communicated to the public.

Levels of service are so important to constituents. Communicating current levels, or any future changes, is crucial to ensuring transparency of process and avoiding giving residents a shock!

How can council and staff communicate levels of service?

- **Proactively**, by regularly communicating what levels of service the municipality is delivering, what its targets are if there will be any changes to levels of service, and what the timeframes are for changes. Council members can also use these opportunities to gather feedback on levels of service and willingness to pay.
- **Reactively**, by incorporating levels of service into discussions when constituents have concerns about service delivery or are lobbying for specific projects.

Both proactive and reactive forms of communication are necessary in the effort to engage constituents on levels of service. However, proactive communication is part of good service delivery – it avoids surprises, enables transparency, and gives confidence to constituents that municipal decisions are being made with their interests at heart.

Activity

Consider the question below and discuss as a group.

How do conversations about levels of service happen in your community? What are some examples? What works well? What has not worked well?





LEARNING GOAL: Monitor and Revise Levels of Service

Staff will monitor the levels of service being delivered and whether or not they are meeting targets. If targets are not being met, actions will need to be taken to change the currently delivered levels of service. Staff and council will also monitor whether the targets are appropriate given the capacity of the municipality.

There are a number of approaches to monitor levels of service, identify when targets are being met, and when either current performance or targets need to be refined. This may be through monitoring complaints received, monitoring service outcomes or it may be part of a broader community engagement strategy that asks residents to provide feedback on services.

A few examples of how service levels can be monitored:

- **Monitoring the current level of service being delivered:** Stormwater management is an ongoing process. Resident complaints and operational observations about stormwater drain blockages or localized flooding events are an important way for the municipality to monitor whether the current level of service related to keeping stormwater drains clear is meeting targets. A municipality may monitor infrastructure risks to predict when there may be decreases in the provided level of service. The level of service from less visible infrastructure, like water and sewer pipes, is measured by looking at service outcomes, such as water service outages or sewer back-ups.
- **Monitoring whether target levels of service are suitable:** Broad master planning exercises – for example, an active transportation plan or a parks and recreation master plan – are intentional exercises in developing recommendations for levels of service. They may include research on best practices and what other communities are doing, a review of municipal resources, and community engagement to ask the public what they want and are willing to pay for. All of these information sources are used to develop recommendations that council will consider for adoption. One of the pitfalls of master planning efforts is that recommendations on level of service may be vague and lacking clear direction on how specific levels of service will be set.

When seeking input from constituents on level of service, it is important to include conversations about willingness to pay. Beyond hearing from constituents, council and staff will monitor costs and risks associated with providing each service. Major changes to costs or risks may prompt an evaluation of levels of service. Depending on the service and what is needed to increase/decrease service levels, adjustments can be implemented quickly. For example, additional staff may be immediately reallocated to clear stormwater drains during heavy rainfall. However, some services may require significant investments to implement. For example, increasing snow plowing service may not be immediately possible due to limited equipment.



Activity

Take a few minutes to reflect on the question below.

What is an example of a service in your community that is likely not meeting expectations for the quality and/or quantity of the service? What kind of information would you need to evaluate whether or not to adjust this service level?

Are there any services in your community that are potentially exceeding expectations and could possibly be reduced to encourage cost savings?

You've Made It!

Here you are at the end of the course. Thank you for joining us for what was hopefully a day of learning, good conversation, and shared insight among you and your colleagues. Remember, today is just a start. Together, we've laid the foundation, but we hope that you'll continue to learn, ask questions, and participate in other opportunities to expand your knowledge. Throughout this book, and at the back, you can find the glossary and a list of resources if you ever need to reference something you learned in this course.

This course unpacked a core component of service delivery: the levels of service provided and what they mean for your constituents, budgets, and service sustainability. We examined the following:

- How levels of service are defined and why it can be challenging to set a level of service.
- How levels of service impact and are impacted by risk and cost, and how decisions are made through trade-offs between these.
- Council's role in setting levels of service.
- The process for setting levels of service and using them to make decisions.
- Communicating with constituents about levels of service.

Though your constituents may not notice the service – or only notice when something goes wrong – we hope you have a better understanding of the role of defining levels of service in overall service delivery, and how asset management helps you make decisions on levels of service in a more holistic way.

ASSET MANAGEMENT MINDSET

If you got anything out of today, we hope that it was an understanding of how an asset management mindset can support you in your role as an elected official and steward of community well-being. If you're ever stuck, start by asking yourself some questions:

- Do we have the information we need to make a decision?
- Have trade-offs between cost, risk, and service been considered?
- Are we focusing on service delivery?
- What are the long-term implications?
- Have all the relevant disciplines been properly engaged in this decision (e.g., planning, engineering, public works, finance, etc.)?
- Are we thinking about both short- and long-term needs?

CONTINUING TO LEARN

This course is part of a series of courses for elected officials offered by AUMA and RMA. This series of courses goes deeper into specific topics related to asset management and include the following five courses:

- *Boring Until It's Broken: Engaging the Public in Infrastructure Asset Management*
- *Risk: How Asset Management Can Help*
- *"I want a Five-Star Experience for a Two-Star Price: Setting and Communicating Levels of Service*
- *It's Got Teeth but Doesn't Bite: Developing and Implementing an Effective Asset Management Policy*
- *Weathering the Storm: Asset Management and Climate Change*

Please contact AUMA to find out more about these courses.



Glossary

Asset | Also known as a tangible capital asset (TCA), a physical component of a system that enables a service, or services, to be provided.

Asset management | A process of making decisions about how infrastructure is used and cared for in a way that manages current and future needs, considers risks and opportunities, and makes the best use of resources.

Asset management lens | Integrating asset management practices into decision-making. Specifically, thinking about what information is available, what additional information is needed, what trade-offs are being made, and what are the community's long-term goals and needs.

Asset risk | The risk of an asset failing to perform the way you need it to (e.g., a pipe bursts).

Customer level of service | Level of service from the perspective of the person using the service, in non-technical terms.

Risk | The relationship between the likelihood of an event happening and the consequences of that event.

Strategic risk | The risk of a change occurring that impedes your ability to achieve your overarching strategic goals (e.g., hot, dry conditions put pressure on your ability to provide water service).

Sustainable service delivery | Ensuring that municipal services are delivered in a socially, economically, and environmentally responsible way, and that decisions today do not compromise the ability of future generations to meet their own service needs.

Technical level of service | Operational measures for staff that support achieving the customer level of service.



Resources

Government of Alberta—Building Community Resilience Through Asset Management: A Handbook and Toolkit for Alberta Municipalities

<http://www.municipalaffairs.alberta.ca/asset-management>