



## Governance Committee

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Subject:	Corporate Asset Management Project Update
Date:	October 15, 2024
Presenter:	Steven Hulsman, Manager, Asset Management
Department:	Asset Management

### REPORT SUMMARY

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The purpose of this report is to update the Governance Committee on the progress undertaken as part of the Corporate Asset Management Project.

The project is focused on supporting the County Strategic Plan's priority of Financial Prosperity, and the specific objective of ensuring the County remains financially sustainable for future generations. Assets are an integral part of delivering services to Rocky View County and therefore need to be managed in a sustainable, consistent and effective manner. Effectively managing assets in a structured way by tracking performance, costs and risks is vital to sustaining the organizations financial health and mitigates financial risks to the County.

### ADMINISTRATION'S RECOMMENDATION

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THAT the Governance Committee receive the Corporate Asset Management Project Update for information.

### BACKGROUND

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The Corporate Asset Management Project was initiated in Q4 of 2023 following the selection of a consulting partner (WSP) to assist with the project.

The project is defined by four steps with the following deliverables:

1. Asset Management Maturity Assessment (*completed*)
  - Deliver an Asset Maturity report
2. Develop Asset Management Maturity Target (*completed*)
  - Define the future state of asset management maturity
3. Identify and Prioritize Improvement Tasks (*completed*)
  - Implement a prioritized improvement task list
4. Create an Asset Management Road Map (*75% complete, Q2 2025 completion target*)
  - Data Gap Analysis
  - State of Infrastructure Analysis
  - Financial Forecast Analysis

## DISCUSSION

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### Data Gap Analysis

A data gap analysis was performed to identify any required improvements of asset data that will translate to more complete and accurate analysis of the state of infrastructure and more reliable forecast of the timing and cost of asset renewals.

The analysis was completed separately for five service areas: utilities, transportation, municipal lands, facilities, and fleet. Several areas for improvement were identified to address incomplete data, inaccurate data and the complete lack of data in some service areas. Although these deficiencies can be addressed over time, they do present significant challenges in performing the required analysis to develop an accurate financial forecast analysis. Data attributes such as type, condition and age will need to be updated for all asset service areas.

### State of Infrastructure Analysis

A state of infrastructure (SOI) analysis provides an objective assessment of the physical and financial status of infrastructure assets. The County's infrastructure asset inventory was assessed through an evaluation framework designed to answer three fundamental asset management questions:

1. What assets do we own (asset types and quantities/extent)?
2. What are they worth (replacement cost in today's dollars)?
3. What is their condition (asset age and condition distribution)?

Following the data gap analysis, asset data was integrated into a SOI analysis tool developed to allow County staff to generate SOI dashboards for the service areas. The dashboards provide an overall summary of the assets that make up the service areas, include statistics for average age, average condition, total value, and an annual average renewal cost over a 30-year period. The model also produces graphs for the condition profile and age profile of the assets.

By utilizing the model, staff will be targeting the identified data gaps and update the data inventories, resulting in an accurate State of Infrastructure Report anticipated by Q2 2025.

### Financial Forecast Analysis

A financial gap analysis provides a 30-year financial forecast. It utilizes the asset renewal information developed in the SOI analysis and where appropriate, the cost information that is available. Utilizing this information, it outlines a reasonable forecast of operational costs (OMI) and any planned capital improvements (new assets). It provides decision-makers a clearer picture of the timing and costs of capital renewals and replacements that are forecast to occur beyond the 5-year or 10-year horizon and indicates the level of funding required to operate in a financially sustainable manner long-term.

Once the identified data gaps are addressed and utilizing the state of infrastructure model, comprehensive and more accurate financial forecasts will be achievable by Q2 2025.

## ALTERNATE DIRECTION

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Administration does not have an alternate direction for the Governance Committee's consideration.

## ATTACHMENTS

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Attachment A: Asset Management Update Presentation