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TAMRMS#: B05

6.1

Asset Management Program Implementation-Consulting Unfunded

Notice given by: Councillor Biermanski

BUDGET POSTPONED MOTION:

That operating business case Asset Management Program Implementation-Consulting for \$60,000 unfunded.

Administration's Understanding of the Intent of the Motion:

That the \$60,000 funding request for the Asset Management Program Implementation - Consulting would not be approved and funding transferred to the Growth Stabilization Reserve.

SUMMARY

The proposed Asset Management Program work will include the development of an Asset Management Strategy (AMS) and a Strategic Asset Management Plan (SAMP). These two documents fall within the City's Asset Management Framework and provide a linkage between Council Policy Asset Management C-P&E-07 and the advancement of asset management at the operational level. The AMS outlines "how" we are going to achieve our asset management objectives. It provides a roadmap at the organizational level and provides guidance on how the City will manage its assets, make decisions, and support services. The SAMP builds off the AMS and translates the organizational roadmap down to department specific objectives, providing actionable items for departments to advance the maturity of their asset management.

ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION

On September 22, 2014 Council passed the following motion:

C463-2014:

That City Council Policy C-P&E-07, Asset Management, provided as Attachment 1 to the September 22, 2014 agenda report "Asset Management Policy" be approved.

BACKGROUND AND DISCUSSION

The City manages an extensive infrastructure asset portfolio consisting of roadways, utilities, parks, municipal facilities, fleet & equipment, and more. The total portfolio value of the City's assets is \$1.4

billion (and growing). A mature Asset Management Program helps prevent failures of critical assets, avoids costly emergency repairs, and maintains reliable service for residents. It provides clear accountability, consistent decision making, and transparency as to why funding decisions are required. It allows for more informed financial decisions and investing in the right projects at the right time.

Administration continues to mature our asset management program throughout five pillars: People, Inventory, Condition, Software, and Information. The “Information” pillar comprises the City’s policies, strategies, plans, and processes that set the direction for the entire program.

The City has created an asset management framework to provide a structured approach to the flow of strategic direction and how guiding documents build off each other. The City’s asset management framework places the City’s Strategic Framework at the top, followed by the Asset Management Policy, the Asset Management Strategy, and then the Strategic Asset Management Plan. These documents support the “Information” pillar of asset management, providing the blueprint, roadmap, and actionable items necessary for operations to execute the Asset Management Program.

In 2025, Administration has been undertaking the update of the Asset Management Policy. The intent is to bring it forward for Council consideration in 2026. The proposed Asset Management Strategy and Strategic Asset Management Plan would then build directly off this Policy, translating organizational objectives and strategic direction within the Policy down to the operational and department levels. This ensures all departments and asset portfolios are aligned to meet the corporate goals. The City’s asset management framework is founded on continual improvements, reassessing where we are today and providing a plan for where we want to be in the future and how we will get there.

The \$60,000 proposed budget is the additional budget needed to advance the Asset Management Strategy and Strategic Asset Management Plan. This would supplement an existing operational budget in the amount of \$20-30k, which would also be brought forward as a carry-forward budget item for 2026.

The proposed project would utilize external consultants to support the development of the Asset Management Strategy and Strategic Asset Management Plan. Since these documents do not yet exist, they would need to be created from the ground up. External expertise adds significant value in this situation by bringing best practices, benchmarks, and lessons learned from their experiences working with other municipalities. This allows the City to leverage their perspectives and avoid common mistakes as we embark through this project.

The work that will be undertaken for the Asset Management Strategy and Strategic Asset Management Plan will engage cross-collaboration of departments and align each department and asset portfolio to the corporate and strategic objectives. Ultimately, this project is intended to advance the City’s overall asset management maturity and help provide a roadmap to success.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

N/A

IMPACTS OF RECOMMENDATION(S)

Financial:

If the motion passes, \$60,000 in unused assessment growth will be transferred to the Growth Stabilization Reserve for future growth projects in accordance with section ii. of Council Policy C-FS-05 Budget and Taxation Guiding Principles 14(b):

- ii. Any portion of the 55 per cent of growth revenue not applied to business cases or capital charters during the budget process shall be transferred to the Growth Stabilization Reserve.

Compliance & Legal:

None at this time.

Program or Service:

Should this motion be approved, timelines associated with asset management program development and implementation will need to be re-prioritized. This may delay the overall asset management program maturity as asset stewards will not have a roadmap or reliable organizationally aligned direction necessary to advance their portfolio's specific needs. Without an asset management strategy or strategic asset management plan, there would be no line of sight between what the individual departments will need to accomplish to meet the goals within the Asset Management Policy. Progress on the implementation of EMM-AM (Enterprise Maintenance Management-Asset Management), which is an organizational level transformational project currently underway under the Software pillar, and which forms part of the maturity journey, would be lacking the documented direction for individual department asset owners towards AMS and SAMP, who will then be forced to manage with inadequate direction until these documents are established.

Organizational:

Existing resource allocation will be revisited to determine appropriate new timelines for the creation and development of the Asset Management Strategy and Strategic Asset Management Plan.

Risks

Should this motion be approved, this would setback the Corporate Business Plan initiative of "Mature Asset Management Program" within Council's Strategic Priority: Financial Sustainability. Overall asset management maturity would be slowed.

ALIGNMENT TO PRIORITIES IN COUNCIL'S STRATEGIC PLAN

Strategic Priority #5: Financial Sustainability:

Ensure responsible and transparent fiscal management, decision making, and long-term financial sustainability that allows the City to respond to change to revenue sources.

ALIGNMENT TO LEVELS OF SERVICE DELIVERY

G.1.6 Recreation Asset Management and Maintenance

G.1.7 Transit Fixed Asset Management and Maintenance

G.1.8 Transportation Network Asset Management and Maintenance

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