

Asset Management Strategy

Building Trust and
Confidence through
Capital Prioritization

Key Messages:

Effective capital prioritization:

- Requires enterprise-wide collaboration
- Works best when common processes and tools are used by interdisciplinary teams to engage Council in a dialogue about services and service levels
- Is a part of a rich narrative about spending that will enhance trust and confidence

Background

- Clear mandate from the Province to make long term asset management plans.
- Clear interest of Operations Committee and City Council.
- Actions demanded of the current version of the Asset Management Plan and the Long Term Financial Plan.

Plan for this session

This presentation describes the inputs influencing the development of better strategic asset management at CGS.

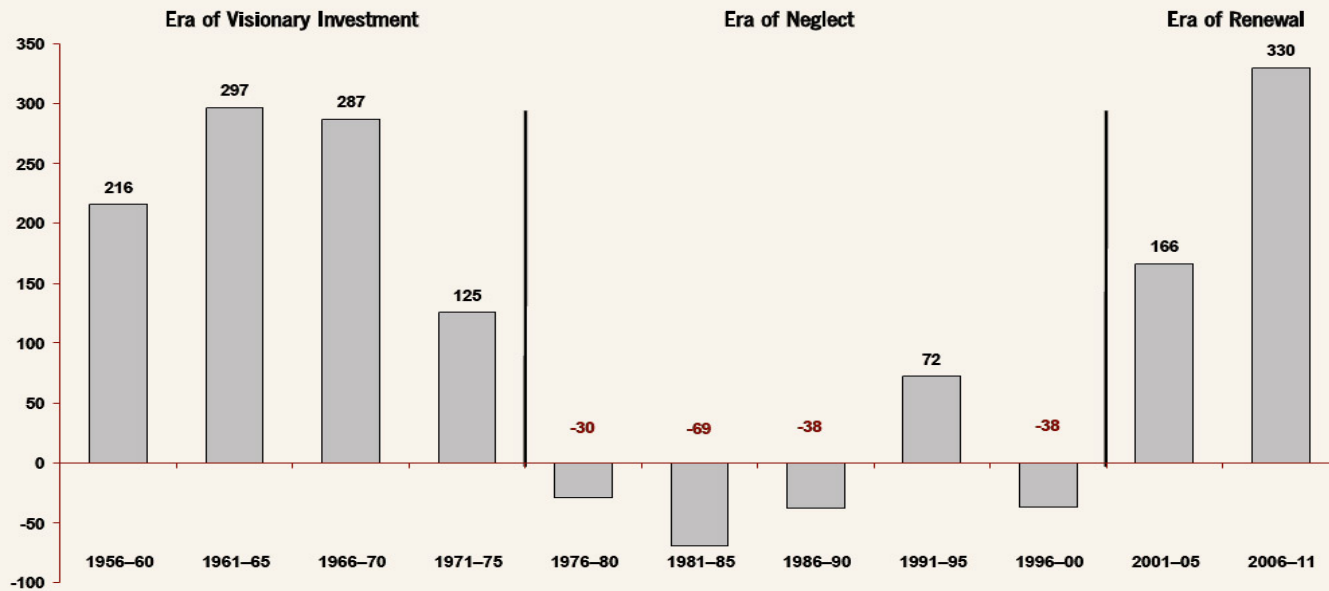
- Background
- Definition
- Rationale
- Principles
- A Case Example
- Discussion

Why?

CHART 1

Ontario Per Capita in Net Public Capital Stock

Constant 2002 Prices

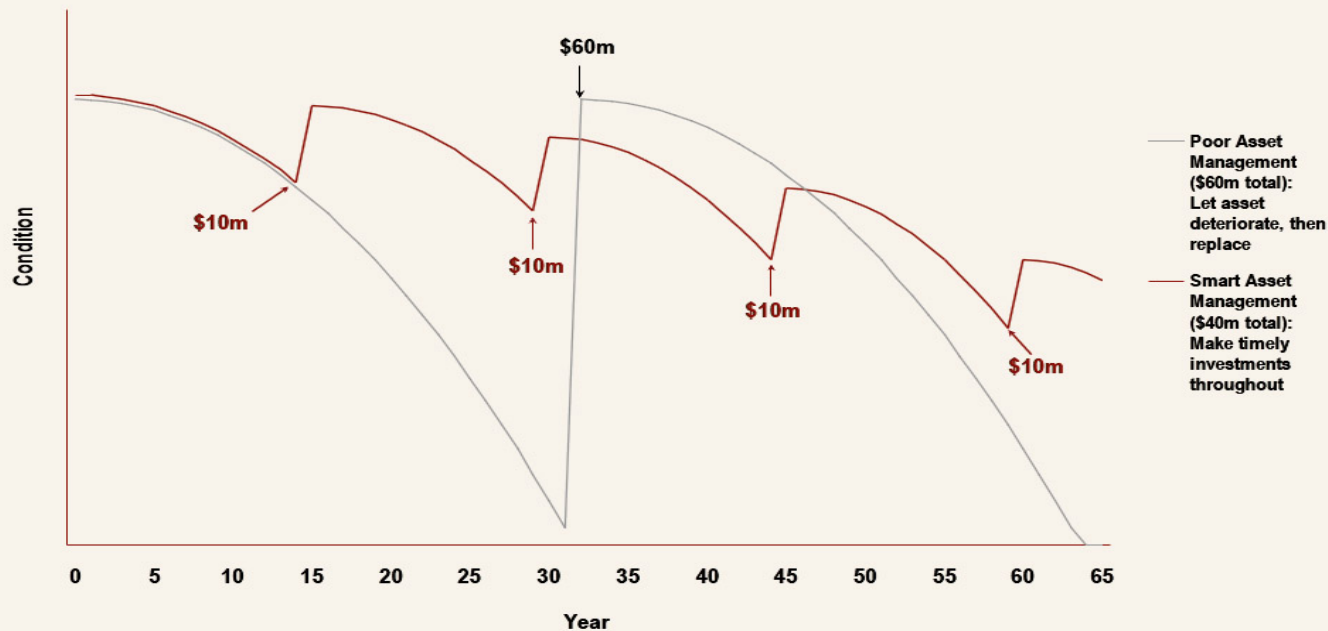


Sources: Statistics Canada and Ontario Ministry of Infrastructure

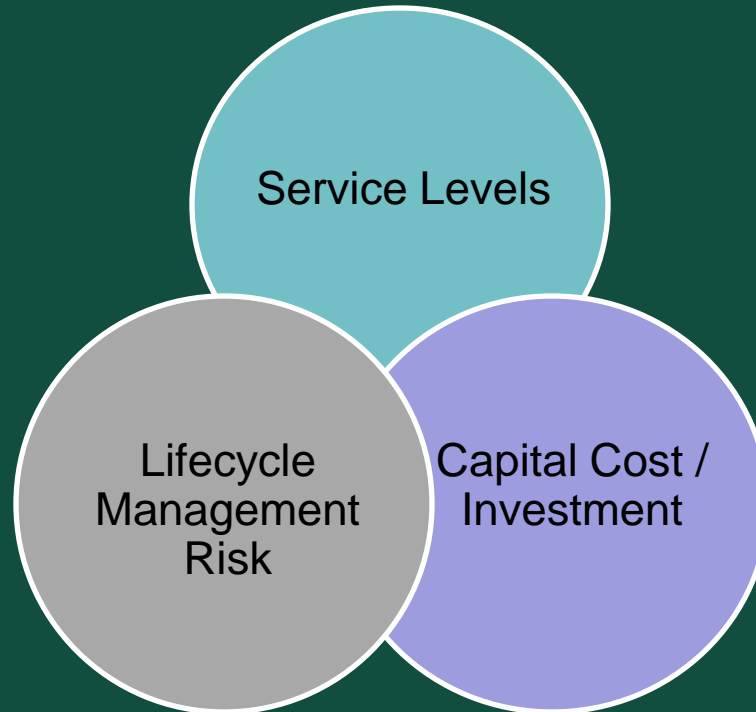
Asset Management Approach

Figure 1

Small but Timely Renewal Investments Save Money



Critical Components of Asset Management



Capital Investment Decisions

Past Approach

- Reactive
- Envelope by Department
- Static

New Approach

- Systematic
- Corporate
- Dynamic

Principles

- One enterprise – wide process for prioritizing capital investment.
- We will manage asset renewal spending with a focus on service.
- All projects will be fully funded or financing planned.
- Design IS capital expenditure

Principles

- Unspent capital will be managed more closely.
- Reserve and Reserve Fund policy changes will follow capital budget policy work.
- Allow for in-year adjustments within existing limits.
- Police and Outside Boards.

Criteria

<div> <div>↑</div> <div>LIKELIHOOD</div> <div>↓</div> </div>	← IMPACT →				
	Very High (4)	4	8	12	16
	High (3)	3	6	9	12
	Medium (2)	2	4	6	8
	Low (1)	1	2	3	4
		Low (1)	Medium (2)	High (3)	Very High (4)

Risk Score	Rating
0 – 3	Low
4 – 6	Medium
6 – 9	High
10 – 16	Very High

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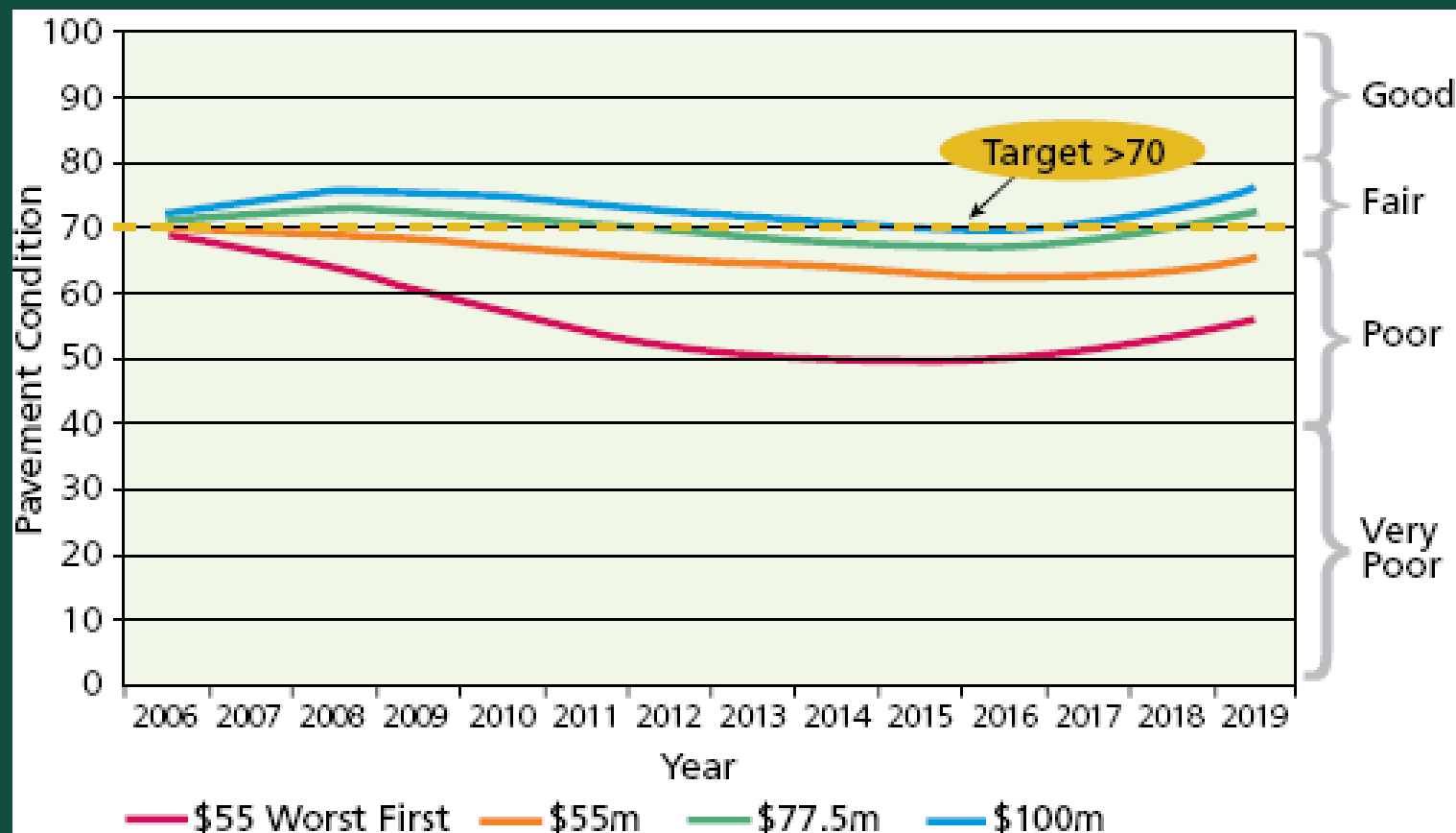
A Sampling of our Clients



Overall Condition Index

- Pavement Condition
- Safety Opportunity
- Water / Wastewater Projects Opportunity
- Economic Development Opportunity
- Mobility Opportunity

Forecasted Road Condition



Questions?