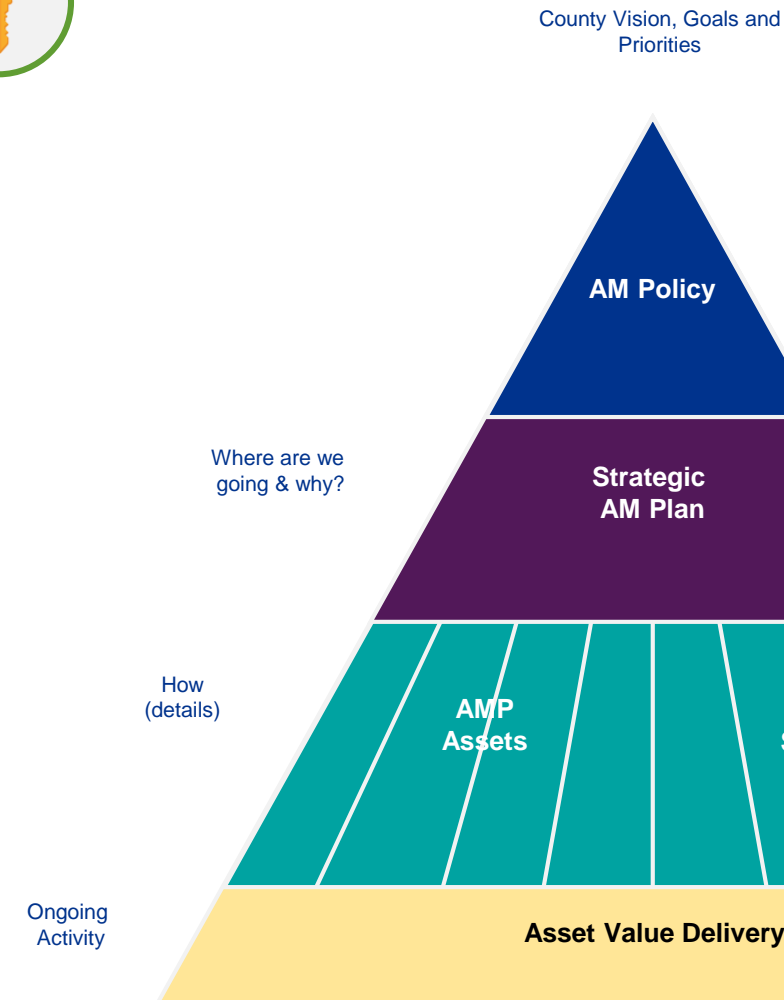
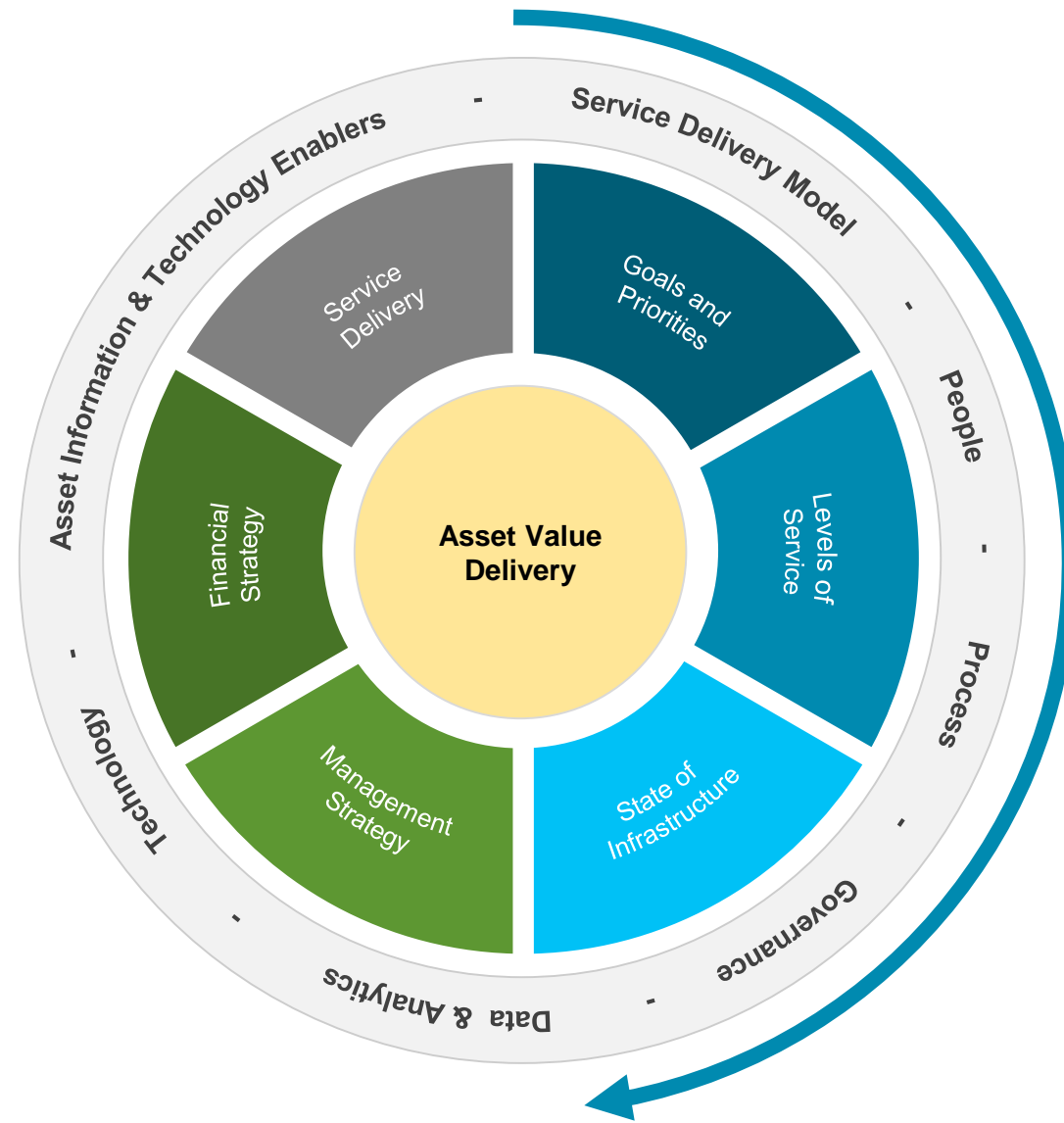


Introduction to State of Infrastructure

Part 1 – July 18, 2023

Asset Management Key Concepts



What is State of Infrastructure

- SOIR (State of Infrastructure Report)
- Category Assessment of ALL owned Infrastructure
- Establish:
 - Estimated remaining useful life
 - Future replacement value
 - Category health rating
 - Condition rating
 - Data confidence
- Services that are supported through infrastructure

What did we do?

- Scanned local and national municipalities for SOIR reports
 - Consulted with best practice from **IAMA** (Infrastructure Asset Management Alberta) and **CNAM** (Canadian Network of Asset Management)
- Established asset hierarchy across all asset categories
- Identified all data points for assets
- Understood the various methods for managing and measuring condition
- Reviewed most recent condition level data for each asset
- Valued infrastructure replacement
- Documented gaps and assumptions
- Noted continuous improvement opportunities

Methodology

- Developing an asset hierarchy requires review of all assets, the services that they provide, and categorizing them in a related way to ensure reporting is done so consistently.
- Each asset or asset group has varying degrees of how to manage condition.
 - **Example:** Playgrounds vs. Light duty vehicles
- Valuing the replacement of our assets was deriving consistent unit rates or factors for calculating what the future replacement values would be, while also assuming inflationary adjustments over time.

Standardized Approach

- 5-point condition system
 - With multiple condition assessment criteria, and varying scales for various assets, it was important to derive a consistent scale for managing condition.
- Asset categories all received a health grade
 - A health grade is looking at the Asset Category as a whole and giving it a health grade, based on expected replacement life, the value of the replacements, and the overall condition of the asset category.

Standardized Approach

- Assumptions were consistent and documented.
 - Where applicable, formulas were used for large quantities of assets to understand replacement over the lifecycle of the asset.
- Improvements to infrastructure were not contemplated for replacement value.
 - This is a standard assumption as we are reviewing ALL infrastructure, versus the specific functional improvement potential that may be required of the asset in the future.
- Service level adjustments were not contemplated
 - This is a standard approach and could be reviewed in the future once asset management plans are completed.

What makes up our SOIR?

**4.3+ MILLION
ASSET RECORDS**

**12 ASSET
CATEGORIES**

**\$10+ BILLION
REPLACEMENT VALUE**

**31 ASSET DATA
SETS/SYSTEMS**



**ALL ASSETS
SUPPORT SERVICE
DELIVERY**

Asset Management vs. Financial Statements

Asset Management Values	Financial Statement Values
<ul style="list-style-type: none">• Replacement Value \$10+ Billion	<ul style="list-style-type: none">• Net Book Value \$2.1 Billion
<ul style="list-style-type: none">• 4.3+ Million Asset Records	<ul style="list-style-type: none">• TCA(Tangible Capital Asset) records dictated through thresholds
<ul style="list-style-type: none">• 31 Asset Data Sets/Systems	<ul style="list-style-type: none">• 1 Financial System Data Set
<ul style="list-style-type: none">• 12 Asset Categories	<ul style="list-style-type: none">• 8 Asset Classes

Transportation Category

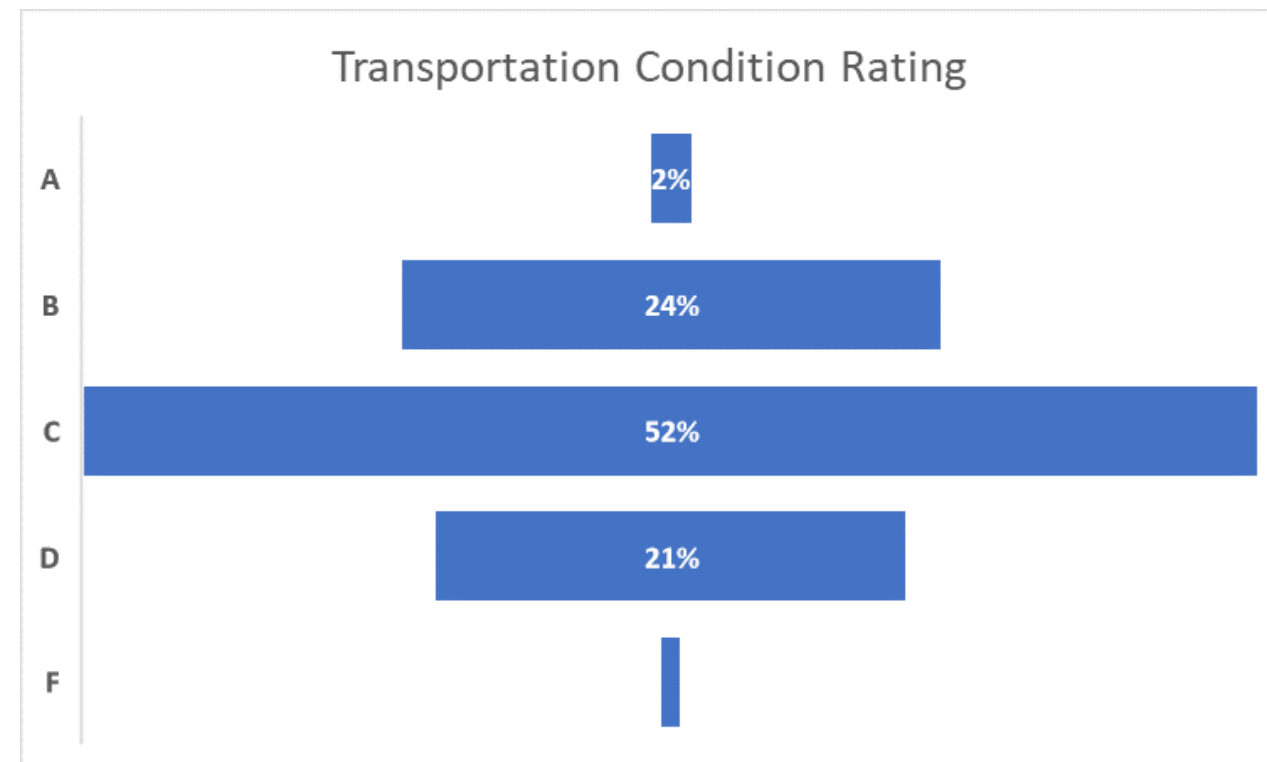
- Largest and most significant category within Asset Management
- Supports many public facing services to our Community
- Continuation of the June 27, 2023, Priorities Committee report

Transportation Category

- **Road Network**
 - Rural & Urban
- **Bridges**
 - Pedestrian & Vehicle
- **Active Transportation**
 - Pathways & Trails
- **Parking Facilities**
- **Road Safety**
 - Signs & Lights
- **Airport**

HEALTH
SCORE **B-**

**~\$4.7 BILLION
REPLACEMENT VALUE**



What's Next

- Compile all category information into one document
- Present and share final State of Infrastructure Report with Council
 - Fall 2023
- Start building asset management plans according to Asset Categories
- Utilize this information to inform budget and business planning decisions

Questions