

Clause 9 in Report No. 13 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on October 19, 2017.

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Request for Municipal Asset Management Program Funding

Committee of the Whole recommends adoption of the following recommendations contained in the report dated September 20, 2017 from the Commissioner of Environmental Services and the Commissioner of Transportation Services:

1. Council authorize the submission of a grant application to the Federation of Canadian Municipalities to seek financial support of \$50,000 to develop a Corporate Asset Management Risk Framework at a total estimated cost of \$225,000.
2. The Commissioner of Environmental Services be authorized to execute the agreement on behalf of the Region.

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Report dated September 20, 2017 from the Commissioner of Environmental Services and Commissioner of Transportation Services now follows:

1. Recommendations

It is recommended that:

1. Council authorize the submission of a grant application to the Federation of Canadian Municipalities to seek financial support of \$50,000 to develop a Corporate Asset Management Risk Framework at a total estimated cost of \$225,000.
2. The Commissioner of Environmental Services be authorized to execute the agreement on behalf of the Region.

2. Purpose

This report requests Council authorization to submit a grant application to the Federation of Canadian Municipalities, Municipal Asset Management Program, to support development of a Corporate Asset Management Risk Framework.

## Request for Municipal Asset Management Program Funding

A Corporate Asset Management Risk Framework will focus on evaluating Regional assets, such as infrastructure and equipment, and subsequently ranking these assets based on associated risks, such as asset age and climate change impacts. Risk Framework results will assist in determining appropriate Regional investments to prioritize and mitigate risks to Regional assets over the long-term.

A Council resolution, authorizing the project, is required to be included in the application package

To be considered for funding, the application process requires applicants to provide a self-assessment to identify corporate asset management maturity, a project workplan and budget along with a resolution from Council to authorize the project.

### 3. Background and Previous Council Direction

Grants of up to \$50,000 are available to support improvements to municipal asset management programs

The Municipal Asset Management Program, is a new five-year, \$50 million program designed to help municipalities make informed decisions about infrastructure investment. The program is offered by the Federation of Canadian Municipalities and funded by the Government of Canada. Funding is open to all municipal governments in Canada and focuses on building strong asset management foundations by supporting activities that incorporate asset management into daily practices. Applications for federal funding, including this request through the Municipal Asset Management Program, were highlighted in a memo to Council in [September 2017](#).

Grants under the Municipal Asset Management Program are available for up to \$50,000 covering up to 80 per cent of the eligible project costs. Projects that are awarded grants under this program are required to be complete within eleven months of funding approval notice.

### 4. Analysis and Implications

Asset Management Risk Framework will build on policies and programs that are being implemented

Development of a Corporate Asset Management Risk Framework will improve the alignment between corporate asset management and asset risk quantification across the Region.

The project will focus on ranking the risks associated with Regional assets, including infrastructure and equipment, to help improve and determine funding allocation and investments to mitigate risk at all asset lifecycle stages. The Asset Management Risk Framework will include three major milestones; asset risk identification, analysis and evaluation for assets across all departments. This information will be stored within a centralized risk registry and staff training will be provided to effectively employ the Corporate Asset Management Risk Framework. This project will align with, and build upon, the Region's existing Insurance and Risk Management policy that was adopted by Council in [2007](#). The Corporate Enterprise Risk Management Framework, currently being implemented by Corporate Risk, considers operational risk and the level of detail added through this work will help provide more information on asset specific risks.

Development of a Risk Framework will continue to build on the Region's asset management planning work

A more detailed Corporate Asset Management Risk Framework will better position the Region to make improved asset investment decisions based not only on condition assessments but a standardized risk ranking for assets throughout the corporation. Based on the risk ranking, strategic decisions can be made to address risks in service areas that are ranked higher, bringing their risk scores in line with other service areas, resulting in consistent risk management across all service areas. In addition, asset management guidelines related to risk avoidance and mitigation will be developed and will help to inform decision making criteria to ensure asset performance is optimized.

Work on the Region's Corporate Asset Management Plan is well underway and will be brought before Council in Q2 2018. Development of an Asset Management Risk Framework will advance corporate asset management practices at the Region while supporting future regulatory requirements outlined in the Province's Proposed Municipal Asset Management Planning Regulation.

## 5. Financial Considerations

The total cost to develop a Corporate Asset Management Risk Framework is estimated at \$225,000.

Sufficient funds are available to complete this project in the approved 2017 Operating Budget and 2018 Operating Outlook. Funds received would reduce financial pressure on the Regional tax levy and user rates. In addition, implementation of a Corporate Asset Management Risk Framework will help to optimize asset lifecycle costs.

## 6. Local Municipal Impact

Improvements to the Region's asset management practices, by including a more thorough review and integration of risk management, will benefit local municipalities as the Region continues to improve on its well informed infrastructure decision making processes along with implementing industry best practices.

## 7. Conclusion

Council support of the Corporate Asset Management Risk Framework project and the application to the Federation of Canadian Municipalities is required to submit a grant application. Should the grant request be approved, the Region will continue to improve asset management practices, while working to reduce pressure on both the Region's tax levy and user rates.

For more information on this report, please contact James Steele, Director, at 1-877-464-9675 ext. 73018.

The Senior Management Group has reviewed this report.

September 20, 2017

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