

Staff Report for Decision

DATE OF MEETING OCTOBER 21, 2020

AUTHORED BY POUL ROSEN, DIRECTOR, ENGINEERING

SUBJECT FACILITIES VALUATION STUDY

OVERVIEW

Purpose of Report

To provide Council with an opportunity to use grant funding to improve the corporate understanding of Facilities replacement values. |

Recommendation

That the Finance & Audit Committee recommend that Council approve accelerating \$50,000 in grant funding for the Facilities and Park Amenities Condition Assessment Program from 2021 to 2020 for the purposes of a facilities valuation exercise.

BACKGROUND

The City adopted the first corporate infrastructure Asset Management Plan in 2010. The plan has been refined and updated periodically, with the last major update occurring in 2017. The next major update is scheduled for 2021/2022, and is expected to include enhancements and refinement with a significant focus on the long term financial health of Facilities. |

DISCUSSION

The foundation of a Facilities Asset Management Plan is a good understanding of the inventory, condition, and value of the stock. The City has a reliable inventory of the buildings and is in the process of conducting detailed facility condition assessments with financial assistance from the Union of BC Municipalities (UBCM) Strategic Priorities Fund grant. Although facilities have all been valued from an insurance requirement perspective, the replacement value for all facilities has never been established from an asset management perspective. Without reliable replacement values, predicting future financial needs becomes vague. If Council chooses to proceed with this valuation exercise, it will provide a foundation for facilities asset management, which will improve clarity for future facilities decisions.

The facilities valuation exercise falls within the allowable expenditures of the approved grant and is anticipated to be in the range of \$50,000 to \$100,000, depending on the level of detail. |

OPTIONS

1. That the Finance & Audit Committee approve accelerating \$50,000 in grant funding for the Facilities and Park Amenities Condition Assessment Program from 2021 to 2020 for the purposes of a facilities valuation exercise.
 - The advantages of this option is it will provide funding for a facilities valuation exercise that will improve the corporate understanding of facilities asset management. By allocating the grant funding to the valuations exercise, it will reduce the funds available for detailed condition assessments in 2021.
 - Financial Implications: This change will be included in a future budget bylaw amendment for the 2020 – 2024 Financial Plan.
2. That the Finance & Audit Committee decline to proceed with amending the budget and conducting a facilities valuation exercise.
 - The advantages of this option is that the grant funding will remain allocated in 2021 and will be available for further condition assessments as needed.
 - The disadvantage of this option is that the City will continue to rely on outdated valuations that were not developed for the purpose of asset management.
 - Financial Implications: No budget bylaw amendment would be required for this option.

SUMMARY POINTS

- The City is planning an update to the corporate Asset Management Plan in 2021/2022.
- Facilities will be an important part of the update to the overall Asset Management Plan.
- Up-to-date and purpose-built valuations for facilities will form a foundation for the Facilities Asset Management Plan.
- Grant funding is available for the valuation exercise.

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