

Plan refines City's knowledge of asset management costs

(Penticton, BC – June 22, 2018) – During a presentation provided to Council during its June 19 Committee of the Whole meeting, a road map in the form of an investment plan charted out key information on the status of the City's assets and set out the required next steps associated with asset management.

The City's Asset Management Investment Plan was originally created by Urban Systems in 2016. Work was done over the period 2016 to 2018 to refine the initial findings resulting in an updated 2018 Asset Management Investment Plan that was presented to Council. The work completed provides Council and staff a better understanding of the value of assets that the City owns, how many of these assets are past their service life and how much the City should be spending on an annual basis to maintain these assets.

"This plan has allowed the City to better understand its forthcoming asset management requirements, both in terms of the range of what the City needs to replace and when, but also the associated costs to do it", said General Manager of Infrastructure, Mitch Moroziuk. "An important outcome of the plan is the more refined picture on the costs. Our understanding of the value of assets that are past their service life and of a higher level of concern has shifted from an estimated range of \$51 million to \$175 million to a more defined figure of \$117 million".

Report highlights:

- The City owns \$1.25 billion in assets, with the majority portion being in buildings followed by water, sanitary, electric and roads.
- The service life of assets was updated to consider the likelihood and consequence of failure. In some cases this lead to an increase in the asset's service life and a corresponding decrease in the required average annual spend , consequently the average annual life cycle investment was reduced by \$11.8M to a \$22.5M

"The completion of this report allows the City to develop utility and tax rates to sustain our many assets."

"It's good to see the infrastructure deficit number get refined and the required average annual spend reduced", said Penticton Mayor, Andrew Jakubeit. "Many of us push the limits of our own assets, such as our car or homes, beyond typical service standards and the City is no different. Fortunately we have great staff that regularly perform maintenance on our equipment to extend their service life."

Members of the public wishing to learn more about the City's Asset Management Investment Plan can download the following documents:

Plan – https://penticton.crayon.ca/web/Penticton/Penticton/assets/City~Hall/Documents/2018-06-15-FINAL%20AMIP.pdf?_=20180622095423

Presentation –

https://penticton.crayon.ca/web/Penticton/Penticton/assets/City~Hall/Documents/2018-06-19%20-%202018%20Asset%20Management%20Investment%20Plan%20Update%20REVISED.pdf?_=20180622095413

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Contact:

Mitch Moroziuk
General Manager of Infrastructure
City of Penticton
250 490 2515