

### CHC Detailed Action Plan for Critical Risk Factors (High-High)

The three critical risks with high likelihood and high impacts identified in 2012 along with the evaluation of its management plan developed in 2013 are as follows:

- 1) Increasing Maintenance Costs
- 2) Reserve Funds
- 3) Ageing Assets

The following 2 identified risks were addressed through establishment and development of the CHC Asset Management Program:

- Increased Maintenance Costs
- Ageing Assets

The plan for establishing this program and its successful execution are as follows:

Q1/13	Continue to gather information and define the 10 year capital plan => initial focus on the CHC owned facilities <ul style="list-style-type: none"> <li>Target completion of Building Condition Assessments on all CHC owned properties</li> </ul>	Completed
Q2/13	Resource the Asset Management Lead	Completed
Q3/13	Define scope for the CHC owned real estate strategy including: <ul style="list-style-type: none"> <li>Current portfolio assessment completed <ul style="list-style-type: none"> <li>Existing facility 10 year capital requirements defined</li> <li>Candidate facilities for divestiture identified</li> <li>Candidate facilities for refurbishment identified</li> </ul> </li> <li>Green field opportunities identified <ul style="list-style-type: none"> <li>Purchase requirements</li> <li>Associated construction cost estimates</li> </ul> </li> <li>Facility purchases identified</li> </ul> <p>Define the project plan for completion of the CHC owned real estate strategy plan</p>	Ongoing
Q4/13 - Q2/14	Execute the CHC owned real estate strategy project plan <ul style="list-style-type: none"> <li>Hire a Development Project Manager</li> <li>Define &amp; initiate a re-development plan for the following properties <ul style="list-style-type: none"> <li>Southview</li> <li>Rundle</li> </ul> </li> </ul>	Ongoing
Q2/14	Present the Real Estate Strategy to CHC management & CHC Board including: <ul style="list-style-type: none"> <li>Recommendations for each facility in the CHC portfolio including: <ul style="list-style-type: none"> <li>Scope and timing of capital requirements if applicable</li> <li>Divestiture if applicable</li> </ul> </li> <li>Recommendation for purchases</li> <li>Alignment with the CHC capital plan being defined by CHC Finance</li> </ul>	Completed & Ongoing
Q4/14	Complete building condition assessments on 50% of the City owned portfolio	

The third critical risk identified, the reserve fund risk, will be addressed through the completion and execution of the CHC owned real estate strategy project plan. This project plan will be a collaborative effort of CHC Finance and Asset Management.

The Plan is as follows:

Q3/12 - Q2/14	Define the scope, establish and completion of CHC owned real estate strategy plan.	Completed
Q2/14	Board approval of CHC owned real estate strategy plan.	Completed
Q2/14 - Q3-14	CHC determination of amount of reserve needed for each CHC portfolio and for each building based on the approved real estate plan.	

This reserve fund determination will help mitigate the other two critical risks identified (increasing maintenance costs and ageing assets).