



# **ASSET SALE REVIEW**

## Strategy

June 2019

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# ASSET SALE REVIEW Strategy

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## Table of Contents

- 1. Background and Purpose ..... 1
- 2. Governance..... 2
- 3. Roles..... 3
- 4. Approach ..... 4
- 5. Deliverables and Schedule..... 5
- 6. Project Management and Coordination ..... 6
  
- Appendix A Asset Steering Committee Membership ..... 7
- Appendix B Asset Class by Business Unit ..... 8

# ASSET SALE REVIEW Strategy

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## 1. Background and Purpose

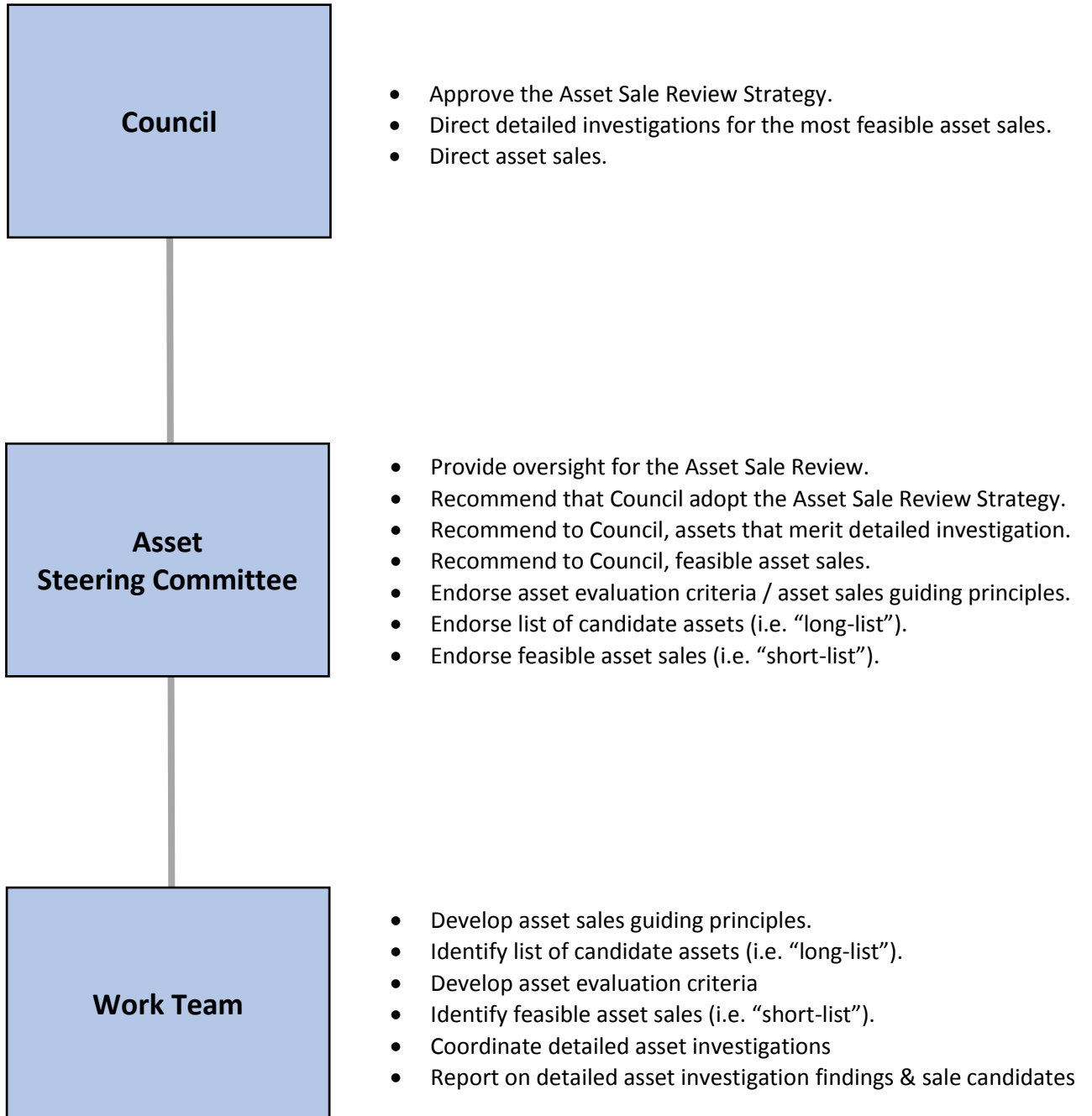
On 2019 January 28, Council reviewed the Consideration of Unfunded Long Term Projects (C2019-0135) and directed Administration to refine options to optimize funding, financing and schedules for four unfunded projects. These options were to consider a number of financial conditions, amongst them - maximizing value from the City's asset portfolio. On 2019 April 1, Council directed Administration to continue its work on maximizing value from City assets, returning to Priorities and Finance Committee with an update on 04 June 2019.

The Asset Review Strategy responds to this specific Council direction.

The purpose of the Asset Sale Review is to identify City assets that could be sold, in whole or in part, to produce greater value for Calgarians, and to determine if such measures would be feasible.

## 2. Governance

### Responsibilities



# ASSET SALE REVIEW Strategy

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## 3. Roles

The governance structure outlined in the preceding section defined broad responsibilities for the three involved parties. Council has a defined approving role, however the Asset Steering Committee and the Work Team are new groups that will play pivotal roles in the Asset Sale Review. These new cross-corporate structures that will generate much of the original material to be reviewed and decided upon by Council. As such, the roles of these new groups are described, below.

### a. Asset Steering Committee

The Asset Steering Committee will be comprised of the City Manager, Deputy City Manager, Chief Financial Officer, and General Managers.

In addition to the specific responsibilities identified in the governance structure, the committee will:

- Ensure that operational risks and opportunities have been considered;
- Support any detailed asset investigations Council deems necessary;
- Provide relevant information to the Work Team;
- Help balance conflicting priorities and resources;
- Consider ideas and issues raised; and
- Check adherence to standards of best practice, both within the organization and in a wider context.

A complete list of Asset Steering Committee members is provided in Appendix A.

### b. Work Team

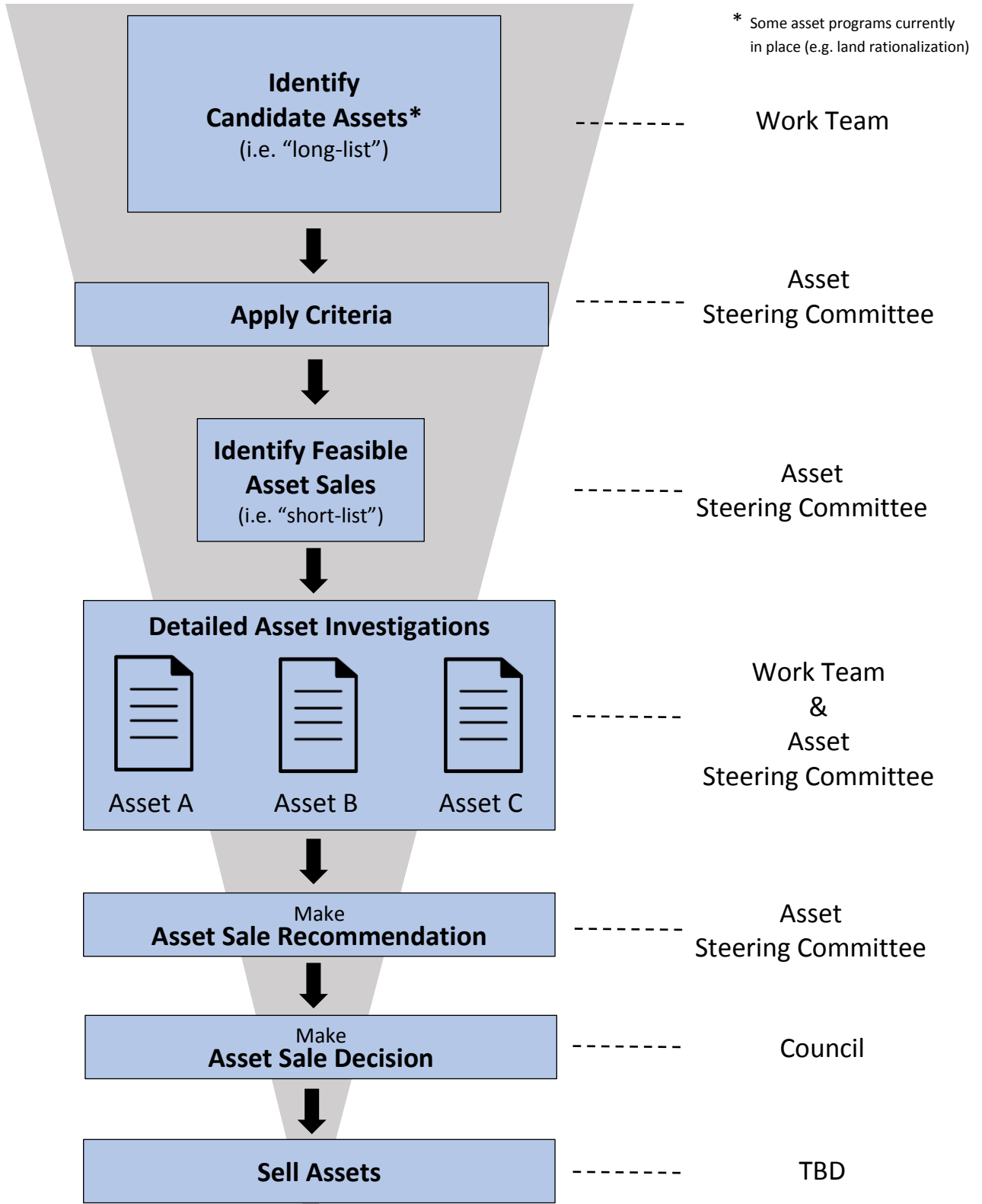
The Work Team will be comprised of subject matter experts from each business unit with assets under consideration.

In addition to the specific responsibilities identified in the governance structure, the team will:

- Review and modify the Asset Sale Review Strategy as required;
- Prepare asset sale evaluation criteria / asset sale guiding principles;
- Prepare list of candidate assets (i.e. “long-list”);
- Conduct preliminary investigation of most feasible asset sales.
- Advise the Asset Steering Committee of the most feasible asset sales (i.e. “short-list”); and
- Coordinate detailed asset investigations of assets.

# ASSET SALE REVIEW Strategy

## 4. Approach



# ASSET SALE REVIEW Strategy

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## 5. Deliverables and Schedule

Task	Responsible	Completion Date
1. Recommend Asset Sale Review Strategy	ALT	May 2019
2. Approve Asset Sale Review Strategy	Council	Jun. 2019 *
3. Form Asset Steering Committee and Work Team	Committee	Jun. 2019
4. Prepare Asset Sale Guiding Principles	Committee	Sep. 2019
5. Identify candidate assets (i.e. "long-list")	Work Team	Oct. 2019
6. Apply evaluation criteria to candidate assets	Committee	Nov. 2019
7. Endorse and recommend feasible asset sales to Council	Committee	Dec. 2019
8. Direct detailed asset investigations	Council	Dec. 2019 *
9. Recommend potential asset sales to Council	Committee	Jun. 2020
10. Make asset sale decisions	Council	Jul. 2020 *
11. Sell assets	TBD	TBD

\* Report to Council.

## 6. Project Management and Coordination

### a. Asset Steering Committee

Asset Steering Committee will meet monthly and the Deputy City Manager will chair. The Project Manager will be invited to attend all committee meetings. The Project Manager will be responsible for presenting relevant project materials and documentation to the committee. The Chair and Project Manager will be responsible for reporting to ALT on the status of the review.

Decisions will be made based on consensus. If consensus cannot be reached, the Chair and Project Manager will bring the disputed item(s) to ALT for decision.

Each committee member is a representative of their business unit and has the obligation to attend all committee meetings. Where a committee member is unable to attend a committee meeting, an alternate should be arranged.

The minutes of each committee meeting will be prepared by the Project Manager.

### b. Work Team

The Work Team will meet as frequently as required to prepared materials and documentation for the Asset Steering Committee, ALT, and Council. The Project Manager will chair all meetings or work sessions. Any member of the Asset Steering Committee may attend any meeting or work session.

Decisions will be made based on consensus. If consensus cannot be reached, the Project Manager will bring the disputed item(s) to the Asset Steering Committee for decision.

Each team member is a representative of their business unit and has the obligation to attend meetings or work sessions at the request of the Project Manager. Where a team member is unable to attend a meeting or work session, an alternate should be arranged.

The minutes of each committee meeting will be prepared by the Project Manager or a designate.



# ASSET SALE REVIEW Strategy

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## Appendix A - Asset Steering Committee Membership

Department	Position
City Manager's Office	City Manager
Deputy City Manager's Office	Deputy City Manager - Chair
Chief Financial Office	Chief Financial Officer
Community Services	General Manager
Transportation	General Manager
Utilities and Environmental Protection	General Manager

# ASSET SALE REVIEW Strategy

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## Appendix B - Asset Class by Business Unit

Business Unit	Asset Class
Calgary Fire Department	Machinery and Equipment Land Buildings Vehicles
Calgary Housing	Buildings
Calgary Parks	Land Land Improvements
Calgary Recreation	Machinery and Equipment Land Improvements Buildings
Calgary Transit	Machinery and Equipment Land Improvements Engineered Structures Vehicles Buildings
Facility Management	Buildings
Fleet Services	Buildings Machinery and Equipment Vehicles
Information Technology	Buildings Engineered Structures Machinery and Equipment
Real Estate and Development Services	Buildings Land Land Improvements
Roads	Engineered Structures Machinery and Equipment Land Improvements Buildings
Waste and Recycling Services	Buildings Engineered Structures Machinery and Equipment Land Improvements
Water Resources	Engineered Structures Buildings

Other considerations:

- Civic partners Governed by their own respective Board of Directors. Receive Council approved operating grants.
- Calgary Parking Authority Governed by a nine-member Board of Directors.