Asset Management 2023 Update

Corporate Services Committee

October 11, 2023



2023 AM Update

What we're going to cover:

- What we do
- AM maturity
- CAMRA
- O. Reg. 588/17 requirements

#HereForYouNiagara

- Decision support system
- Challenges
- Where we're going



Asset management – what we do

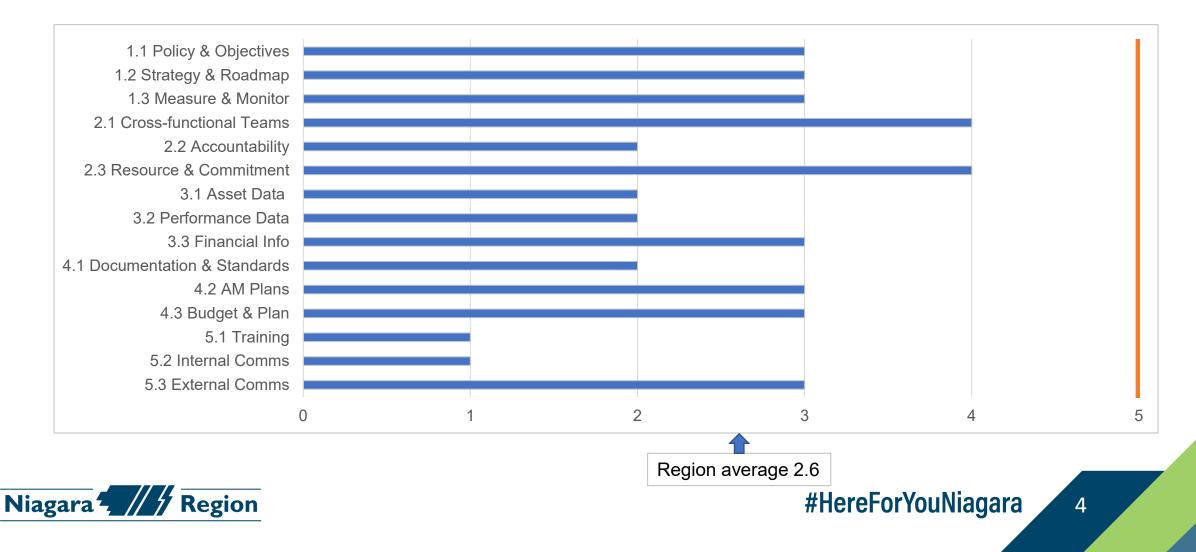
- Provide corporate oversight and direction on asset management practice improvements
 - Lead the development and implementation of asset management improvement initiatives
 - Establish frameworks and guidelines to promote consistency of practice across the organization
 - Ensure compliance with reporting and regulatory requirements
- Provide support for capital budget prioritization and the annual capital budget funding allocation process
- AMO staff of 7 FTE



AM maturity assessment

Scale:

- 1. Minimal progress
- 2. Some progress
- 3. Moderate progress
- 4. Progressing well
- 5. Progressing very well



CAMRA model

- Capital prioritization model used to evaluate all budget requests submitted for consideration
- Model evaluates risk of asset failure to Region and services, as well as level of alignment with Council and Corporate priorities
- 311 projects evaluated in connection with 2024 Capital budget
 - 240 Levy
 - 71 Rates
- 173 projects were allocated funding for Council consideration



CAMRA funding allocation process

1 Committed	2 Risl	K ROI	3 Risk	4 Corporate	priority	5 Repeat steps 2, 3, 4	
 Fund Committed projects following FMP policy 	 Fund eligible F ranked project budget target (Stop when ney project exceed Carry remaind 	s to ranked (65%) budge kt value • Stop v Is target projec	eligible Risk d projects to t target (15%) vhen next value t exceeds target remainder	 Fund eligible Corporate Priorit ranked projects to budget target (10) Stop when next project exceeds Carry remainder 	y :o)%) value target	 Proceed to 8 with remaining funds available 	
6 Preliminary Fun	ding	7 Other priorities		9 CAMST		10 CLT	
 Division to review for out Division to advise/ consumith AMO Division to confer with Management and preparrationale for outlier select 	Ilt to budg • CAMST list of p re move for	 Fund eligible Other Priorities to budget target (10%) CAMST members share the list of projects they intend to move forward to AMO prior to the CAMST meeting 		 Evaluate draft budget and outlier rationale Determine required adjustment(s) if any Recommend draft budget to CLT 		 Review budget recommendation Approve final budget for submission to Council 	



O. Reg. 588/17

O. Reg. requirements

- July 1, 2022
 - AMP for core infrastructure assets
- July 1, 2024
 - AMP for all assets
- July 1, 2025
 - Proposed level of service and sustainable financial plan

Status

- Complete
 - Council approved June 22, 2022
- In progress
 - NTC and data refresh
- Not started
 - Target kick-off Q3-2024



Decision support system

- Software to support investment and resource allocation decisions across corporation
- Incorporates both capital and operational implications of decisions
- Capable of running 'what if' scenarios
 - Funding constraints, run to failure, deferred maintenance, level of service provided, etc.
- Implementation to be phased based on divisional readiness



Challenges to AM progress

- Insufficient budget to address capital needs
 - \$193 Million annual funding gap forecast over 10-years
- Staff recruitment and retention
 - Emerging discipline resulting in competition for qualified individuals
- Accountability for AM not formalized
 - Many job descriptions do not explicitly list AM responsibilities



Where we're going

- CAMRA update for new Council and Corporate priorities
- 2023 AMP to meet O. Reg. 588/17 requirement
- Procure DSS system and implementation partner
- Develop level of service metrics, Council approval of targets and financial strategy to meet O. Reg. 588/17 requirement
- AM improvement initiatives per Focussed Action Plan sequence

