

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

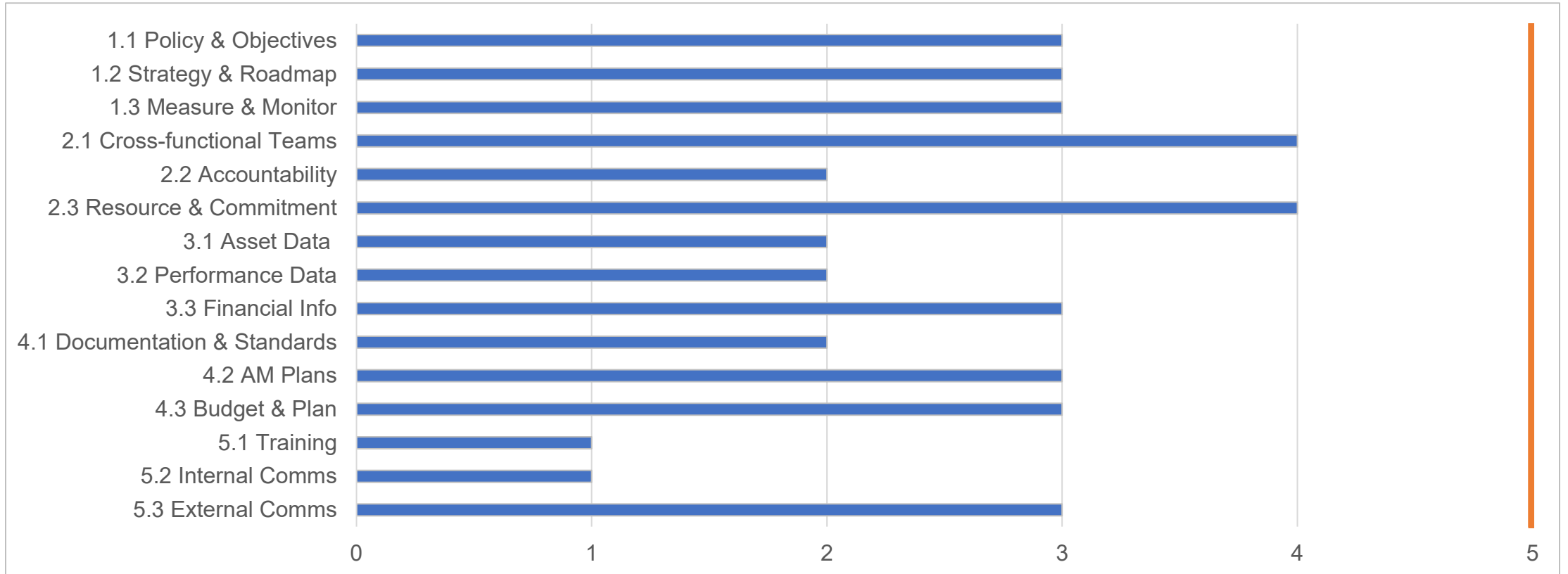
Asset management – what we do

- 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

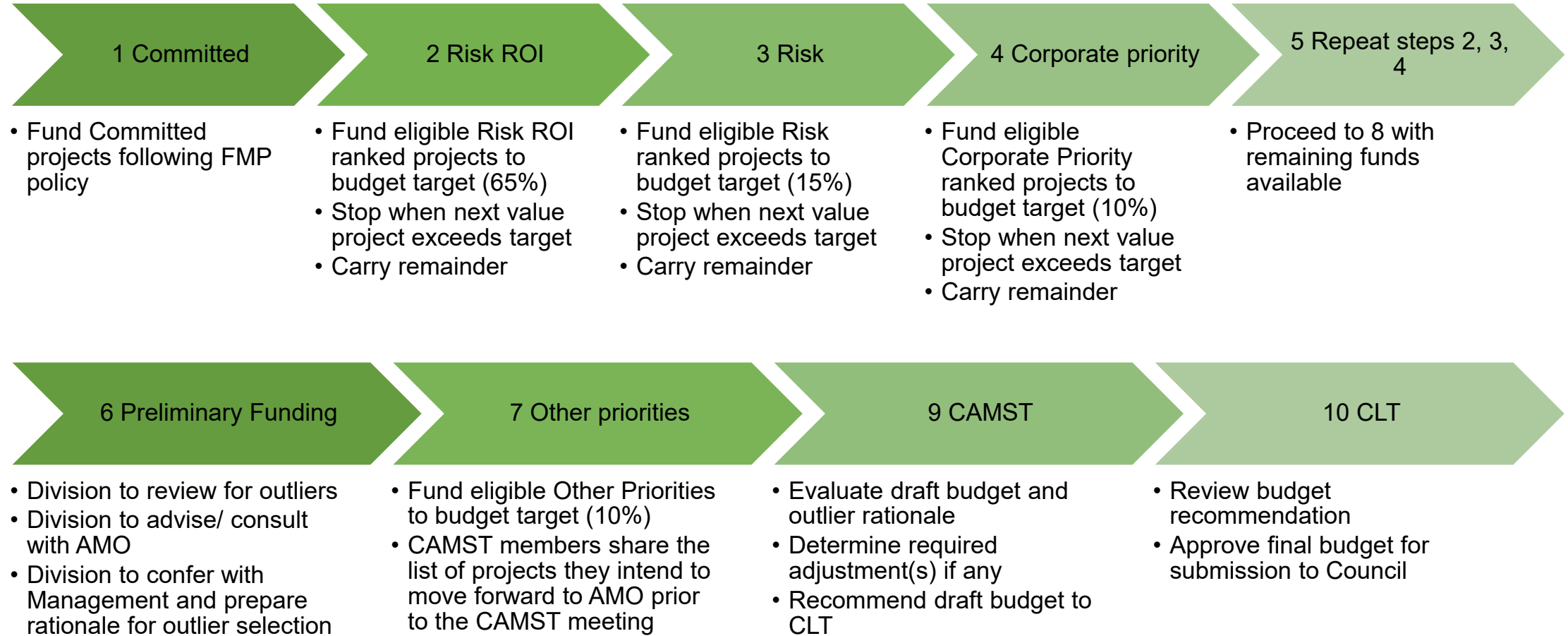


Region average 2.6

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



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