# 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

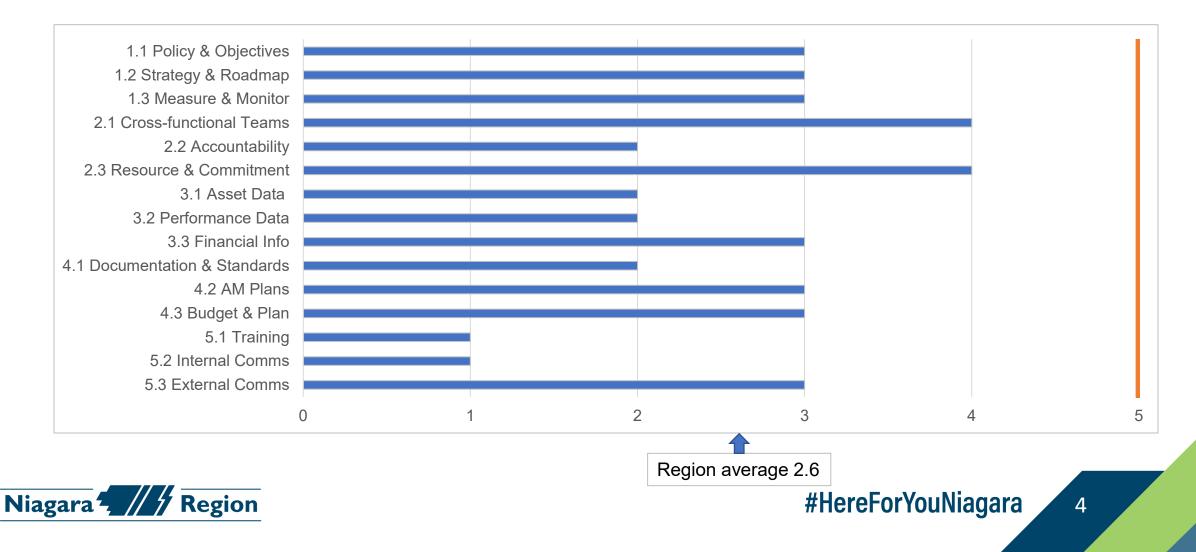
- Provide corporate oversight and direction on asset management practice improvements
  - Lead the development and implementation of asset management improvement initiatives
  - Establish frameworks and guidelines to promote consistency of practice across the organization
  - Ensure compliance with reporting 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	
<ul> <li>Fund Committed projects following FMP policy</li> </ul>	<ul> <li>Fund eligible F ranked project budget target (</li> <li>Stop when ney project exceed</li> <li>Carry remaind</li> </ul>	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	<ul> <li>Fund eligible Corporate Priorit ranked projects to budget target (10)</li> <li>Stop when next project exceeds</li> <li>Carry remainder</li> </ul>	y :o )%) value target	<ul> <li>Proceed to 8 with remaining funds available</li> </ul>	
6 Preliminary Fun	ding	7 Other priorities		9 CAMST		10 CLT	
<ul> <li>Division to review for out</li> <li>Division to advise/ consumith AMO</li> <li>Division to confer with Management and preparrationale for outlier select</li> </ul>	Ilt to budg • CAMST list of p re move for	<ul> <li>Fund eligible Other Priorities to budget target (10%)</li> <li>CAMST members share the list of projects they intend to move forward to AMO prior to the CAMST meeting</li> </ul>		<ul> <li>Evaluate draft budget and outlier rationale</li> <li>Determine required adjustment(s) if any</li> <li>Recommend draft budget to CLT</li> </ul>		<ul> <li>Review budget recommendation</li> <li>Approve final budget for submission to Council</li> </ul>	



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

