
Subject: Asset Management Program Update

Report To: Corporate Services Committee

Report date: Wednesday, June 12, 2024

Recommendations

1. That Report CSD 15-2024 **BE RECEIVED** for information.

Key Facts

- The purpose of this report is to provide Council with an update on the Region's Asset Management Program.
- Guided by Niagara Region's Asset Management Policy, Report No. C-F-024 re: "Asset Management Policy" the Asset Management Program Update has been prepared to describe the progress and planned actions to support services to the community, in compliance with Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure.
- As part of O. Reg. 588/17 requirement and the Asset Management Planning, the Region is mandated and committed to updating the Regional Council on the Asset Management Program annually.
- The goal of the Asset Management Program is to ensure that the Region balances the investments needed with the level of service delivered and the risk to service delivery through effective management of over \$9.8 billion in assets.
- The Re-Imagined Asset Management Action Plan is robust and will sustain the Asset Management Program and ensure it is responsive, useful, and successful in the future in the face of emerging growth, climate and technological changes impacting infrastructure assets.

Financial Considerations

There are no financial implications from this report. As part of the Asset Management Program Update, the 2021 Asset Management Plan identified a need to increase the contribution to reserves to account for current and future state-of-good repair investments. Approval of these annual operating contributions to reserves to maintain capital in a state-of-good-repair and any additional resources identified through further development of the asset management program will be presented through the 2025 Asset Management Plan Update and the annual budget process.

Analysis

Niagara Region's infrastructure assets are key resources used to provide services to the public. These assets are managed in a coordinated manner by departments across the Niagara Region:

- The Public Works Department provides services through an integrated transportation network of roads, bridges and culverts, storm water management assets, water treatment, wastewater treatment assets and waste management disposal.
- The Construction Energy and Facility Management Division manages the Niagara Regional Headquarters, Public Health facilities, Niagara Regional Police Services facilities, Emergency Medical Services facilities, Niagara Transit Commission facilities, and Operations Centres.
- The Seniors Services Department manages the Region's Long-Term Care facilities and associated program equipment.
- The Niagara Regional Police Service team manages the Niagara Regional Police Services assets.
- The Niagara Regional Housing Corporation manages the Housing Services facilities.
- The Niagara Transit Commission manages the Niagara Regional Transit fleet and services facilities.
- Other key assets include Niagara Region's fleet of vehicles, program equipment, and information technology assets.

Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure, issued in pursuance of the *Infrastructure for Jobs and Prosperity Act, 2015*, (O. Reg. 588/17) came into effect on January 1, 2018, to support a consistent approach to asset management planning for municipal infrastructure across Ontario.

Niagara Region's asset management practices have continually evolved throughout the years, and the Re-Imagined Asset Management Action Plan captures new and emerging business drivers including responding to Council's strategic priorities. It also guides the formalization of asset management practices to further sustain the asset management program and ensure it is responsive, useful, and successful in the future in the face of emerging business drivers and changes impacting infrastructure assets.

In addition to the initiatives being driven by the Asset Management Office as detailed in this report, there are many other asset management practice improvements through projects within various divisions. These include improving the quality of asset data

through inventories and condition assessment programs, refining financial requirements by evaluating current replacement values and methodologies and asset lifecycle strategies, and developing or revising key performance indicators for performance management and level of service implications. These asset management practice improvements will ensure that the underlying data and systems in place across the organisation will be well positioned to support the key initiatives being led by the Asset Management Office.

Regional Council approved the first Asset Management Plan 2016 and the Strategic Asset Management Policy. The second iteration of the Asset Management Plan, '2021 Asset Management Plan', which complied with Ontario Regulation 588/17 was approved in 2022.

The 2021 Asset Management Plan laid the foundation for further enhancement opportunities and several key initiatives were identified to continue the evolution of asset management practices in Niagara Region for improved service provision from regional assets. These initiatives have been grouped into themes which include advanced asset management planning, capital programming delivery, operations, and maintenance management.

Considering the pressures the Region faces, and to be responsive to Council Strategic priorities, these initiatives have been identified to move forward through the Re-imagined Asset Management Action Plan by formalising asset management practices to provide the highest benefit/cost solution that mitigates risk to the Niagara Region service delivery.

As outlined in the 2021 Asset Management Plan, Niagara Region has demonstrated commitment to continuous improvement in asset management practices for more than seven years with advancements including data improvements, project documentation, decision-making optimization, and strategic planning.

Staff will continue to assess the resources required to implement the Re-imagined Asset Management Action Plan along with alignment to other key Region initiatives and will continue to update on progress through regular reporting to Regional Council and the annual budget process.

In 2024, the following priority action items will be initiated to implement the Re-imagined Asset Management Action Plan:

1. Corporate Asset Management Resource Allocation Tool (CAMRA) update: to enable optimized asset renewal decisions by identifying the most economical renewal solution and capturing/assessing lifecycle costs towards service level improvement opportunities.
2. Asset Management Policy Update: to describe Niagara Region's commitment to managing its assets in alignment and objectives reflected in Niagara's Budget, Council Strategic Plan and Regional Official Plan.
3. Niagara Transit Commission 2024 Asset Management Plan: to comply with Ontario Regulation 588/17.
4. 2025 Asset Management Plan Update and Proposed Level of Service: to advance asset management practices and enable a line of sight between capital/operating investments and the Council's strategic priorities and provision of services to residents and businesses and comply with O. Reg. 588/17.
5. Asset Register Framework Development: to support the consistent capture of asset data for the Region's assets to maximize value from its assets and ensure the sustainable delivery of services.
6. Asset Risk Register and Framework Development: to support the consistent capture of the Region's assets, plan for risk mitigation and ensure the sustainable delivery of services.
7. Level of Service Framework Update: to support the asset risk and capital planning process the Region's assets to maximize value from its assets and ensure the sustainable delivery of services.
8. Asset Management Strategy Update: to support consistent asset management practices to maximize value from its assets and ensure the sustainable delivery of services.
9. Maintenance Management Framework and Asset Strategies: to coordinate efforts and to realize value from assets by balancing cost, risk and performance in a way that is aligned with the Asset Management Plan. This will enhance operations and maintenance practices and alignment to capital budgeting ensuring assets continue to provide reliable services to customers.

These initiatives will allow Niagara Region to refine the capital budgeting process and align asset renewal to customer level of service.

Alternatives Reviewed

No alternatives were considered in preparing the Asset Management Program Update report.

Relationship to Council Strategic Priorities

The Region's asset management program supports all the Council Strategic Priorities 2023-2026. Building an effective asset management system will ensure that the Region is able to deliver the right services effectively and efficiently to its customers, that those services are provided equitably and that long-term sustainability and resilience is factored into investment decisions.

Other Pertinent Reports

- CSD 7-2022 – 2021 Corporate Asset Management Plan
- CSD 10-2019 – Asset Management Governance Model
- C-F-024 – Asset Management Policy

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