

City of Welland

Corporate Asset Management Plan 2024



2025 Asset Management Plan Update

City Of Welland
Council Workshop

April 29, 2025



AGENDA

- 1 O.Reg 588/17
- 2 Asset Management Plan (AMP) Overview
- 3 Levels of Service Process
- 4 Setting Proposed Levels of Service
- 5 What Now?

O.Reg. 588/17 Milestones

January 1st, 2018


Regulation comes into force



July 1st, 2019

Policy

An AM policy is required to articulate specific principles and commitments that will guide decisions around when, why and how money is spent on the Town's infrastructure systems. The Policy is required by July 1, 2019.

 **Required to be updated every 5 years.**

July 1st, 2022

LOS Core Assets

The AMP will be required to document the current levels of service and the costs to sustain the current levels of service provided by the Town's water, wastewater, stormwater, road and bridges infrastructure systems (i.e. 'core' assets per O.Reg. 588/17).

July 1st, 2024

LOS All Assets

The AMP will be required to document the current levels of service and the costs to sustain the current levels of service provided by all infrastructure systems in the Town.

July 1st, 2025

Proposed LOS

The AMP will be required to document the current levels of service, the costs to sustain the current levels of service, the desired levels of service, the costs to achieve the desired levels of service, and the financial strategy to fund the expenditures necessary to achieve the desired levels of service for all infrastructure systems in the Town.

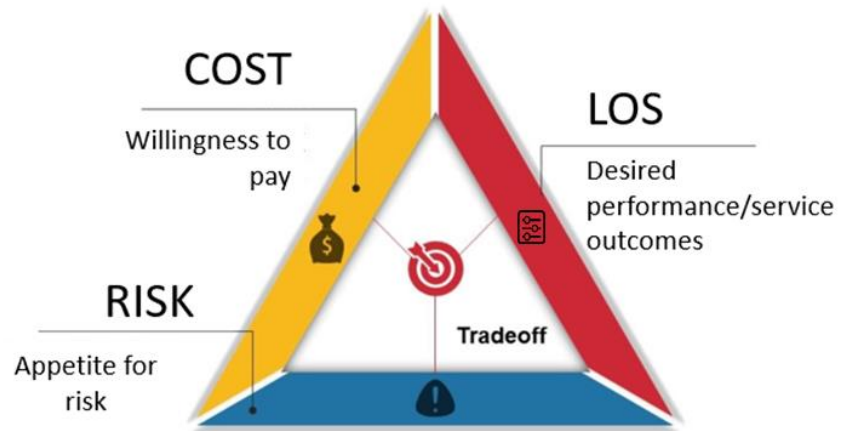
 **Required to be updated every 5 years.**





Asset Management Overview & Approach

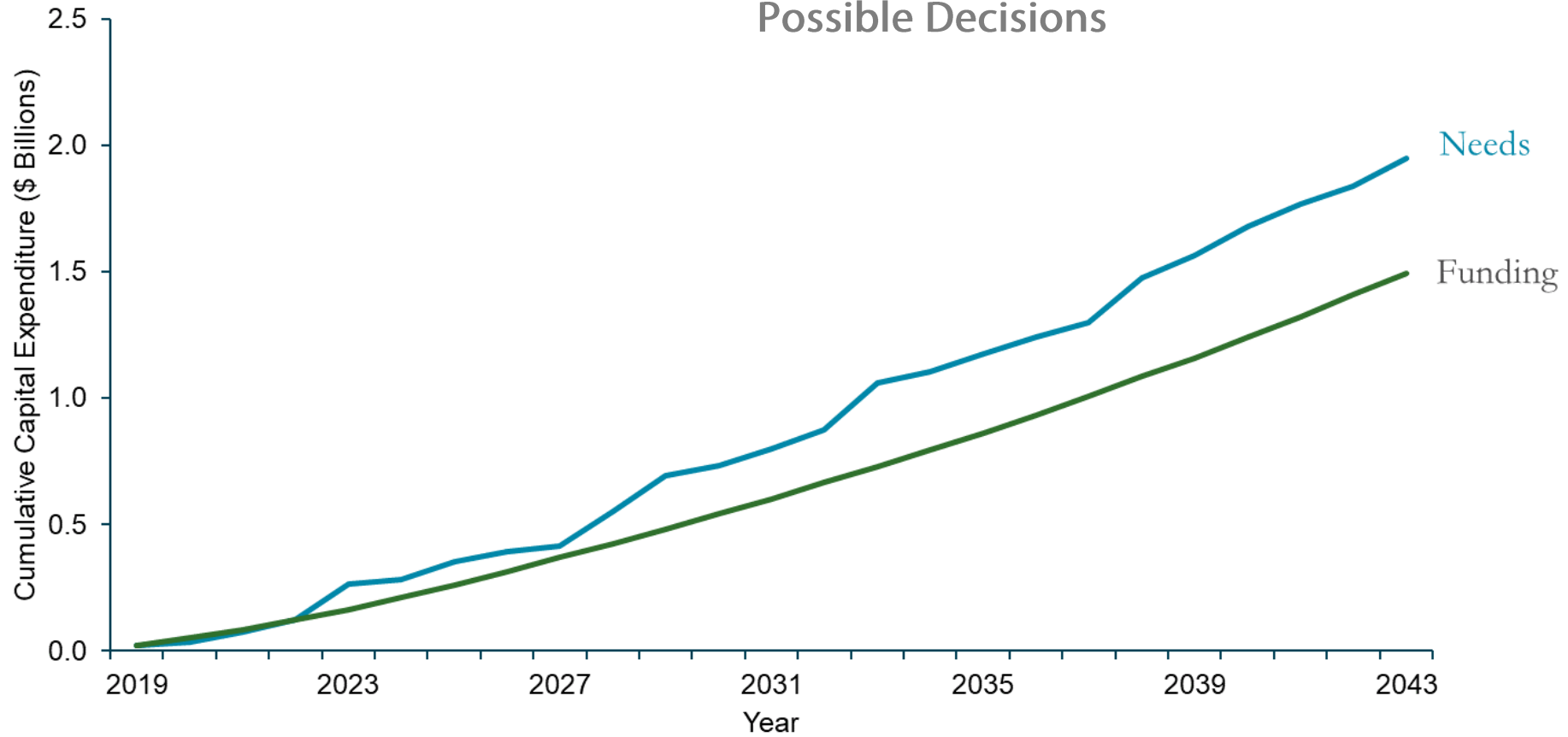
Why is Asset Management Important?



A Key Challenge



Making the Best
Possible Decisions



AMP Considerations

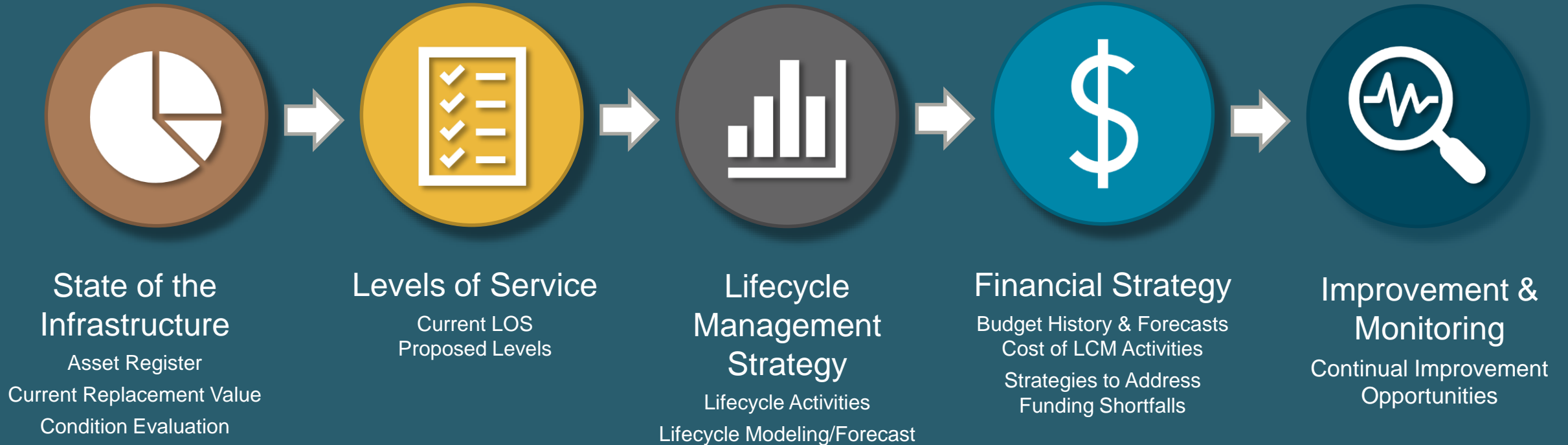
- Asset Data (GIS, Asset Registers, etc.)
- Budgets
- Capital Plans
- Condition Assessments
- Development Studies, Growth Information
- Master Plans, Pollution Control Plan
- Strategic Priorities
- Decision Support System Tool



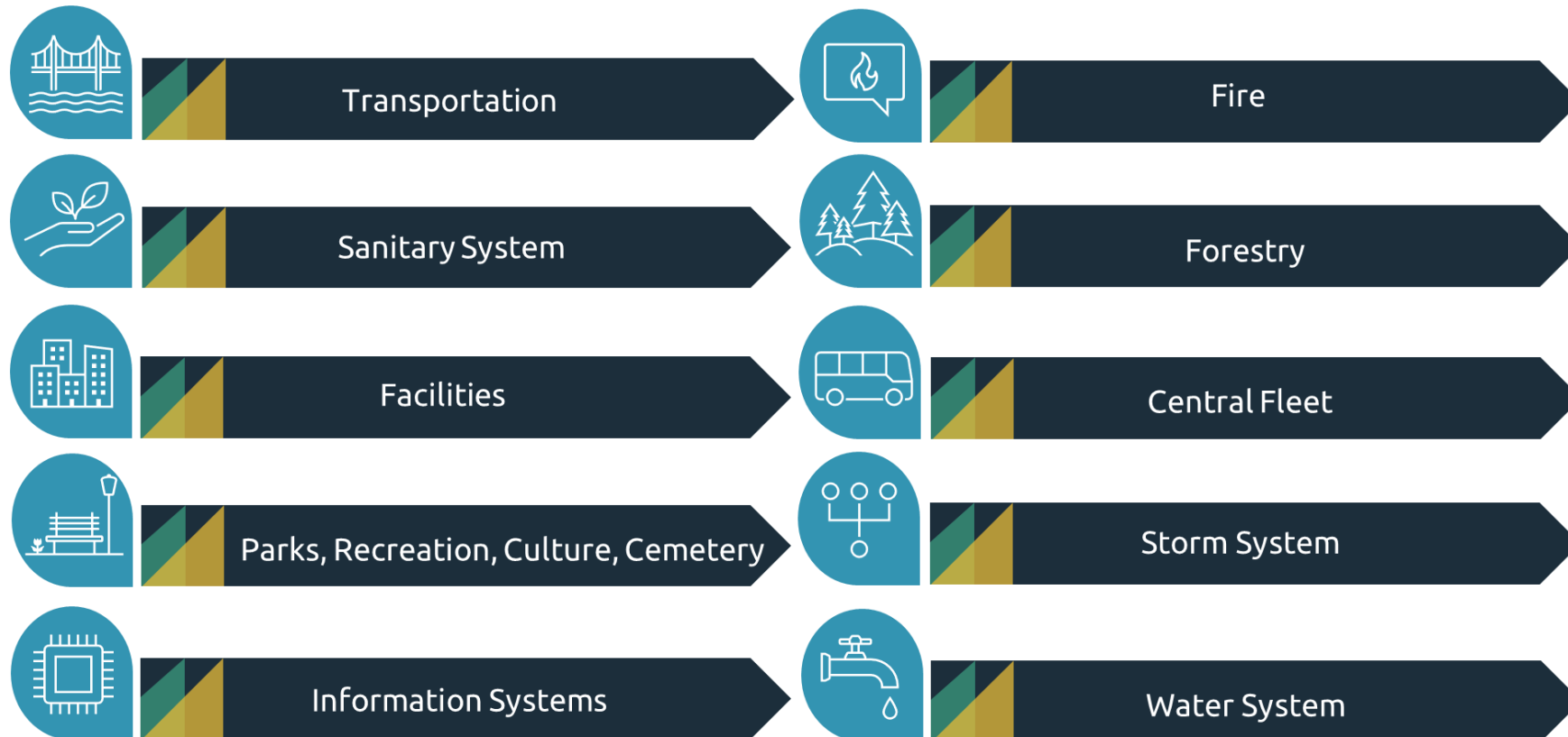
What's the Difference?

| Capital Plan | Asset Management Plan |
|--|--|
| Finalized list of projects that will/can be carried out in given years | Longer term forecast for work that needs to be done |
| Looks at budget available and plans for projects that can be done within expected budget | Provides full list of infrastructure needs based on condition, best practices, expert documents, etc. |
| Does not analyze what work is NOT being done | Analyzes if there is work that should be complete but not able to fund (Infrastructure Gap) and provides recommendations to meet needs |
| Does not show impact to condition | Forecasts impact to condition of assets over time for different scenarios |
| Considers only capital costs for planned work | Assesses full lifecycle costs of asset ownership (including maintenance, non-infrastructure activities, etc.) |
| Specific work to be done | Forecast of spending required for assets |

Asset Management Plan Process



Scope of the 2024 AMP

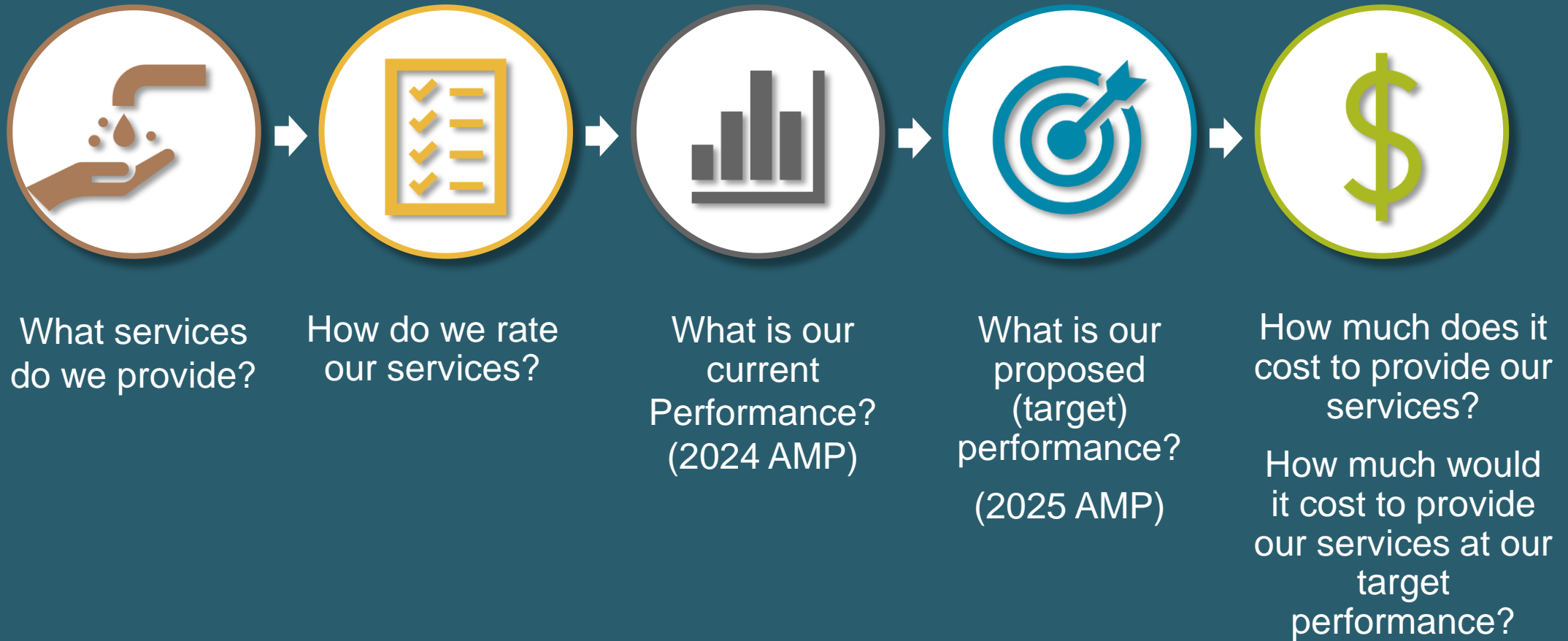


Updates from 2024 AMP

- Data enhancements to capture missing assets
- Included Proposed Level of Service (PLOS)
- Updated Growth forecasts based on DC Background Study
- Update to LOS metrics and to include Key Performance Indicators
- Updated Infrastructure Gap based on PLOS



Levels of Service



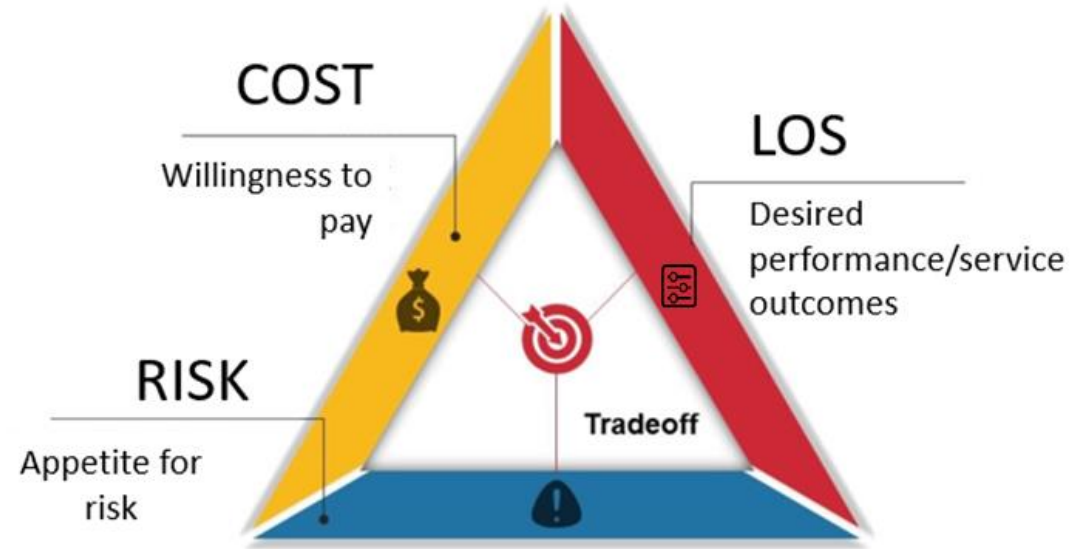
Connecting Asset Management to Strategic Priorities

| City's Strategic Values | Efficiency | Innovation | Integrity | Resiliency |
|-------------------------|---|--|--|---|
| Strategic Priorities | Economic Growth | Environmental Stewardship | Healthy & Well-being | Livability |
| AMP LOS Attributes | I have access to services when I need them. | My City is considerate considerate of the environment. | Services are safe to use. My property is protected. | I have quality services. services. My City maintains what it owns. |

Levels of Service

- Key Outcomes

- Connects Services to Assets
- Provides a way to establish performance of services
- 2024 AMP will provide current performance
- 2025 AMP will set proposed (target) performance



Options for LOS

- **Increase LOS** – Increases costs, minimizes risk
- **Decrease LOS** – Lowers costs, increases risks
- **Maintain Current LOS** – Is this enough to minimize risk and meet the community's expectations?

Levels of Service Performance

Current Performance (2024 AMP)

- Looks at what is being done now
- Will provide costs associated with continuing to provide this LOS

Proposed (Target) Performance (2025 AMP)

- 2025 Plan requires to set targets for the LOS
- Need to provide what the costs are to provide this proposed performance
- Is the target achievable, what activities need to be done to meet targets, what are the risks of not meeting targets?

| Key Service Attribute | Performance Measure | Current Performance | Proposed Performance |
|-------------------------|---|---------------------|----------------------|
| I have quality services | % of total replacement cost of park assets in good to very good condition | 39.14% | 45% |

Process to set PLOS

Develop LOS Metrics (2024 AMP)

Determine Current Performance & Lifecycle Management Strategies (2024 AMP)

Conduct Lifecycle Management Forecast (2024 AMP)

Subject Matter Expert Recommendation for Proposed LOS (2025 AMP)

Proposed Level of Service Presented to CLT and Finalized

Considerations to set the PLOS

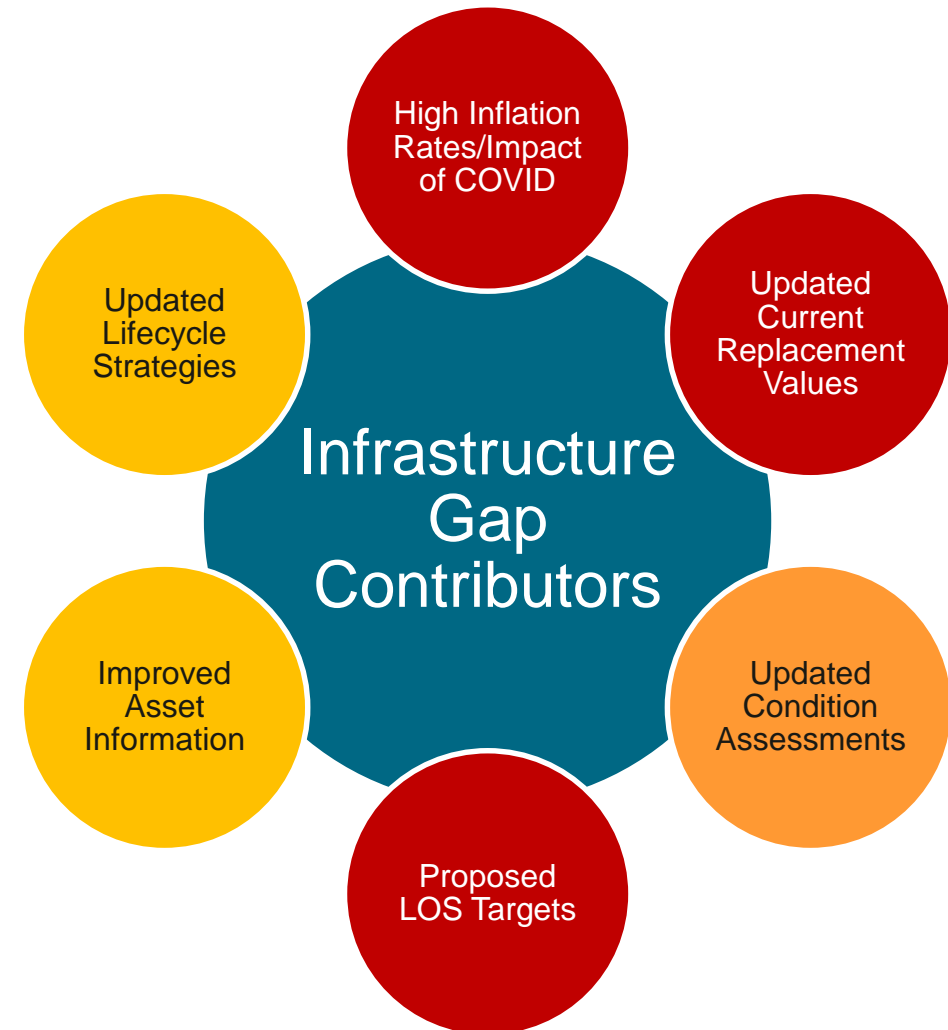
- 2024 AMP Scenarios
 - The impacts to condition
- Subject Matter Recommendations
- Cost and Affordability
- Risk
- Current State of Assets
- Data Reliability
- Achievability
- Council Priorities
- Compliance
- Customer Expectations



2025 AMP What to Expect

Updated Infrastructure Gap based on PLOS

- Targets are set to balance all the considerations
- Coordinated effort between subject matter experts, engineering, finance, departments, and CLT to balance achievability and affordability



What Now?

- Council is not required to fund the gap
 - It is for your information to assist with making informed decisions at budget.
- O.Reg. 588/17 requires annual review of progress implementing the AMP
 - These targets can be changed/updated with annual review process
- Continual Improvement
 - Implement recommendations in the AMP to reduce gap through non-financial strategies
- Financial Strategies
 - Will be addressed through budget process for Council approval, where possible



Next Steps

- 2025 Asset Management Plan is scheduled to be presented to Council **June 3, 2025**



Questions

