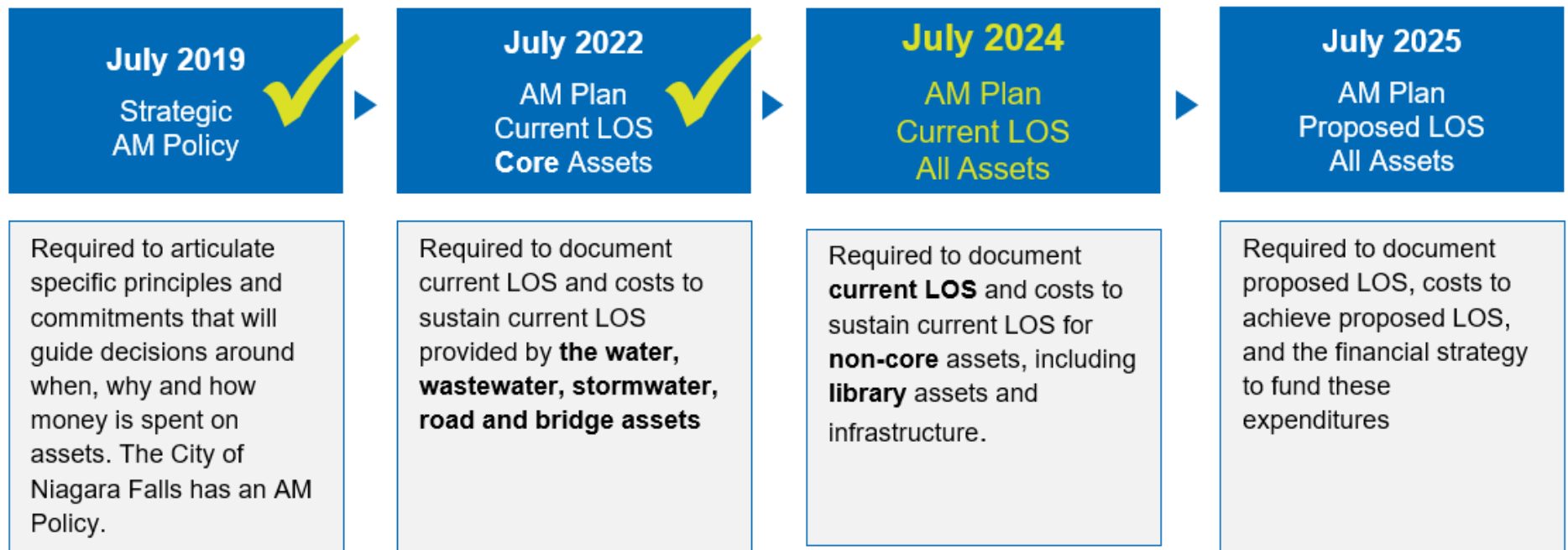


Asset Management Analysis and Planning

May 28th, 2024



Legislated Framework Ontario Reg 588/17



Levels of Service (LOS)

Corporate Priorities

STRATEGIC PLAN 2023-2027

Financial Sustainability

- Balanced budget
- Responsible Spending

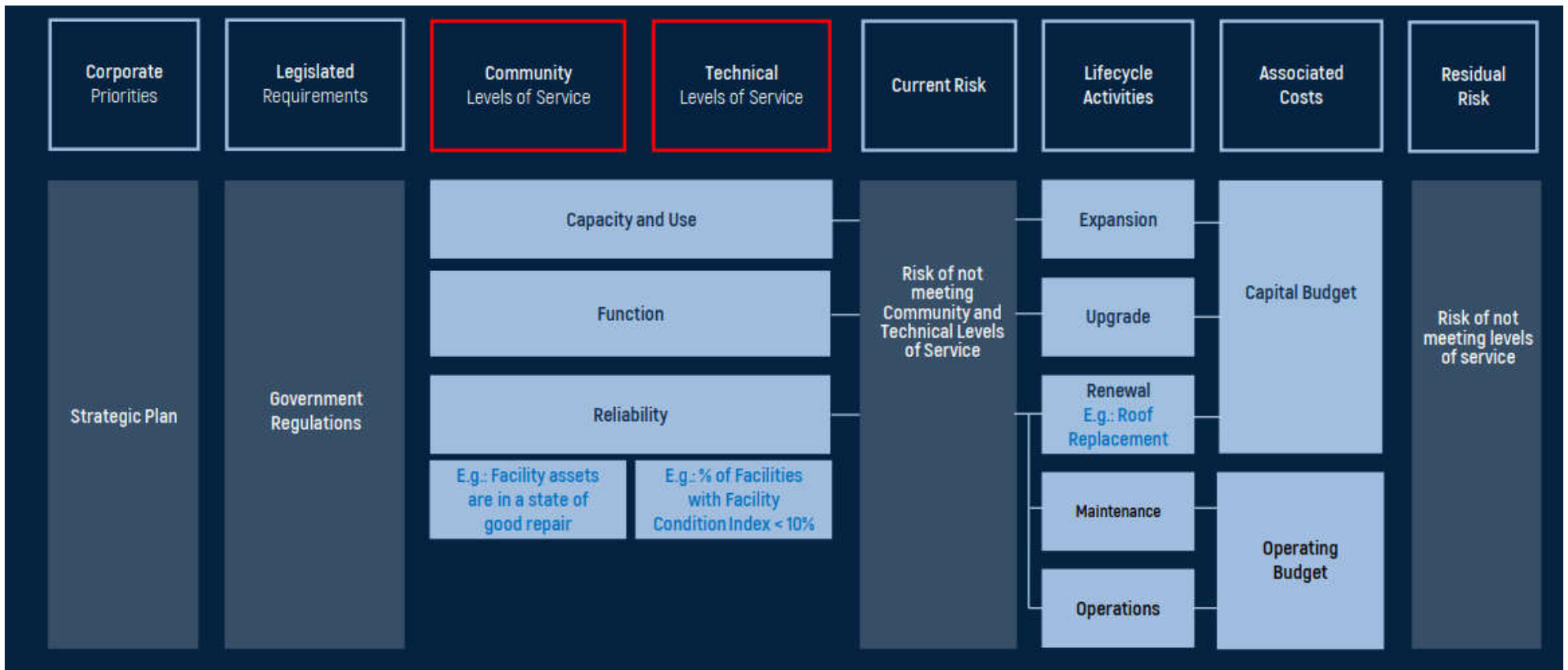
Environmental Sustainability

- Infrastructure to support sustainable development & protect the environment

Economic Diversity and Growth

- Infrastructure to support growth (capacity)

ASSET MANAGEMENT ANALYSIS & PLANNING



State of the Infrastructure





ASSET PORTFOLIO

ESTIMATED REPLACEMENT VALUE \$2.7 BILLION

RATE-BASED
Water
Sanitary

TAX-BASED	
Roads	Bridges & Culverts
Stormwater	Transportation
Parks & Trails	Natural Assets
Municipal Administration	Culture
Cemeteries	Fire Services
Recreation	

THIRD PARTY (tax)
Niagara Falls Libraries
Niagara Falls District Airport
Niagara Falls Convention Centre
Corporate Function embedded in service delivery areas. E.g. IT, Facilities, Fleet

Levels of Service

Customer Levels of Service - establishes the levels of service the customer is receiving

Example: *As a resident I want all bridges in the City to be in fair or better condition*

Technical Levels of Service measures the adequacy of assets to provide customer levels of service

Example: *Average network bridge condition inspection value is greater than 60 (Fair or Better)*

2025

- The City must establish its Levels of Service performance targets in consultation with stakeholders and,
- Develop a lifecycle funding strategy to determine the level of resources (funding) required to achieve and maintain LOS performance targets

Risk Exposure in Year 2024\$, millions

Likelihood of Failure	Certain	\$1.68	\$17.51	\$4.38	\$34.61	\$8.00
	Likely	\$0.42	\$14.12	\$2.72	\$13.55	\$2.72
	Possible	\$0.87	\$35.97	\$4.74	\$23.04	\$4.50
	Unlikely	\$6.18	\$113.10	\$11.01	\$37.83	\$6.41
	Rare	\$3.60	\$84.42	\$30.24	\$43.14	\$7.95
		Insignificant	Minor	Moderate	Major	Catastrophic
		Consequence of Failure				

Risk Exposure Ratings

Very High	\$45.3	8.7%
High	\$48.2	9.2%
Moderate	\$137.2	26.3%
Low	\$187.8	36.0%
Very Low	\$94.2	18.1%
Unknown	\$9.1	1.7%
TOTAL	\$521.8	100.0%

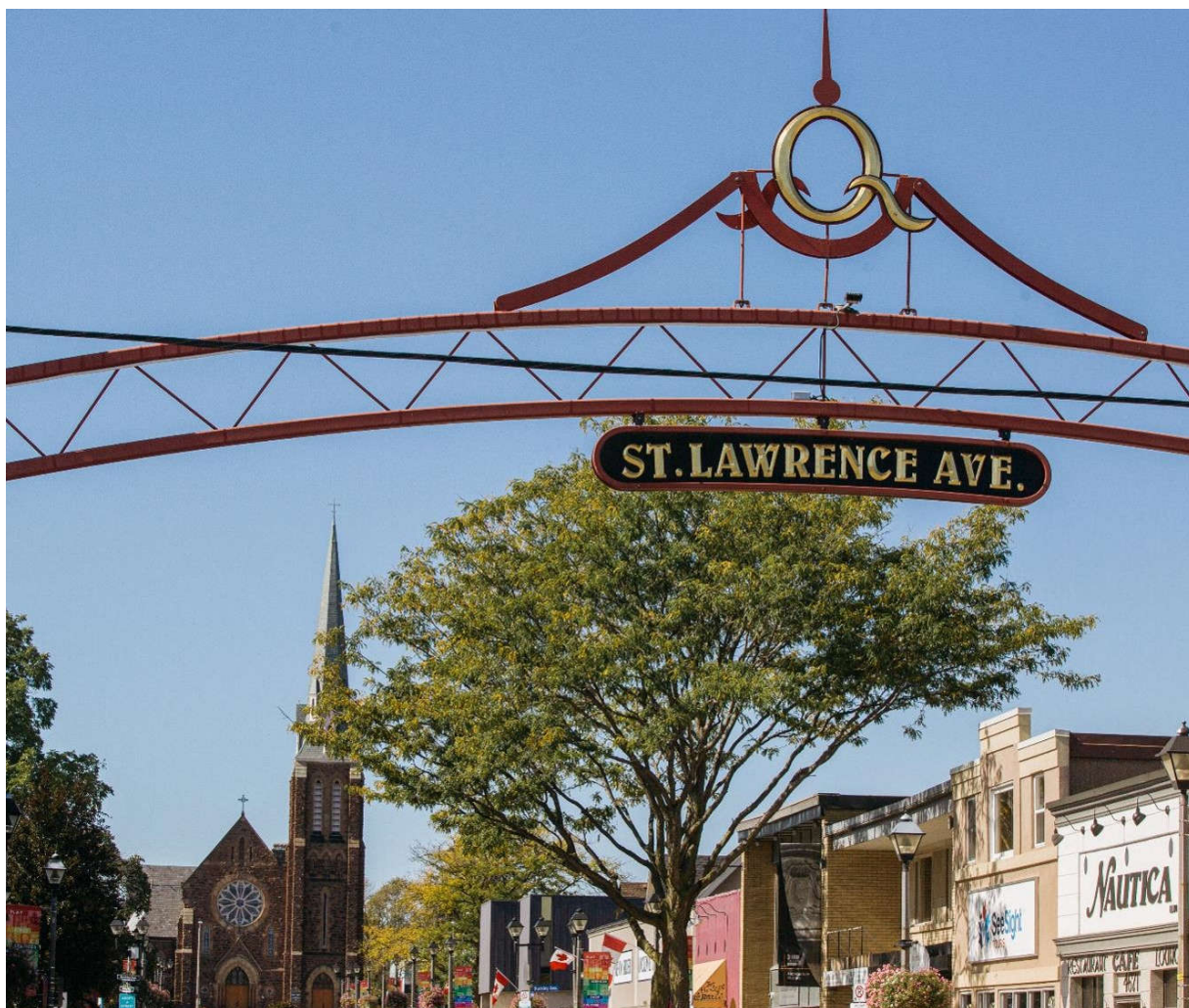
Risk Analysis Results

- **\$45.3 million** or **8.7%** of the City’s non-core assets are in the Very High-risk exposure category related to provision of reliable services.
- The City mitigates its exposure to risk through the planned lifecycle strategies, such as renewal and maintenance. (E.g. Sewer lining)

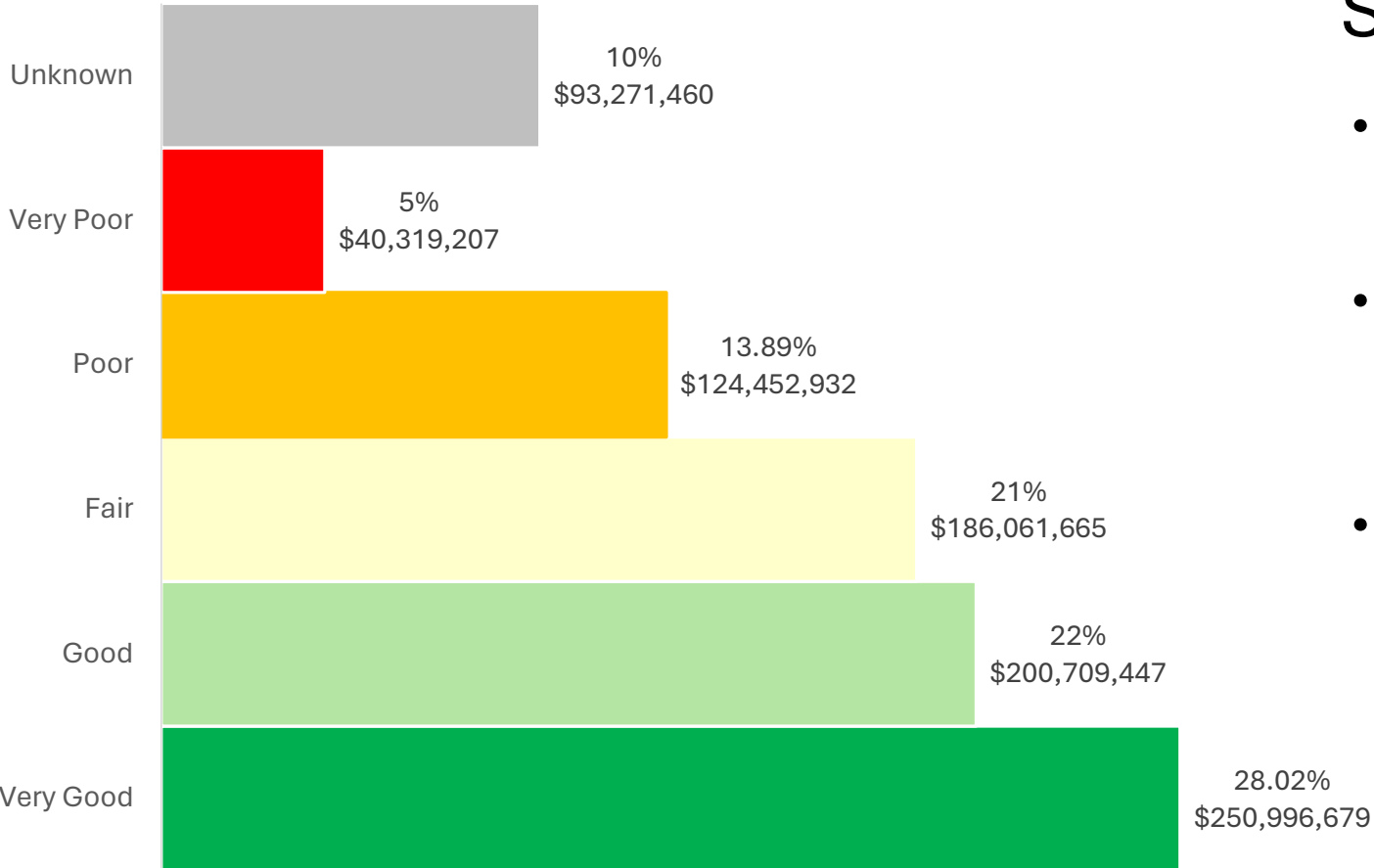
Examples: Streetlight Poles & Electrical Distribution (condition unknown, age-based), facilities, vehicles, & equipment

Consequence of Failure x Likelihood of Failure = TOTAL RISK

Service Delivery Area Results



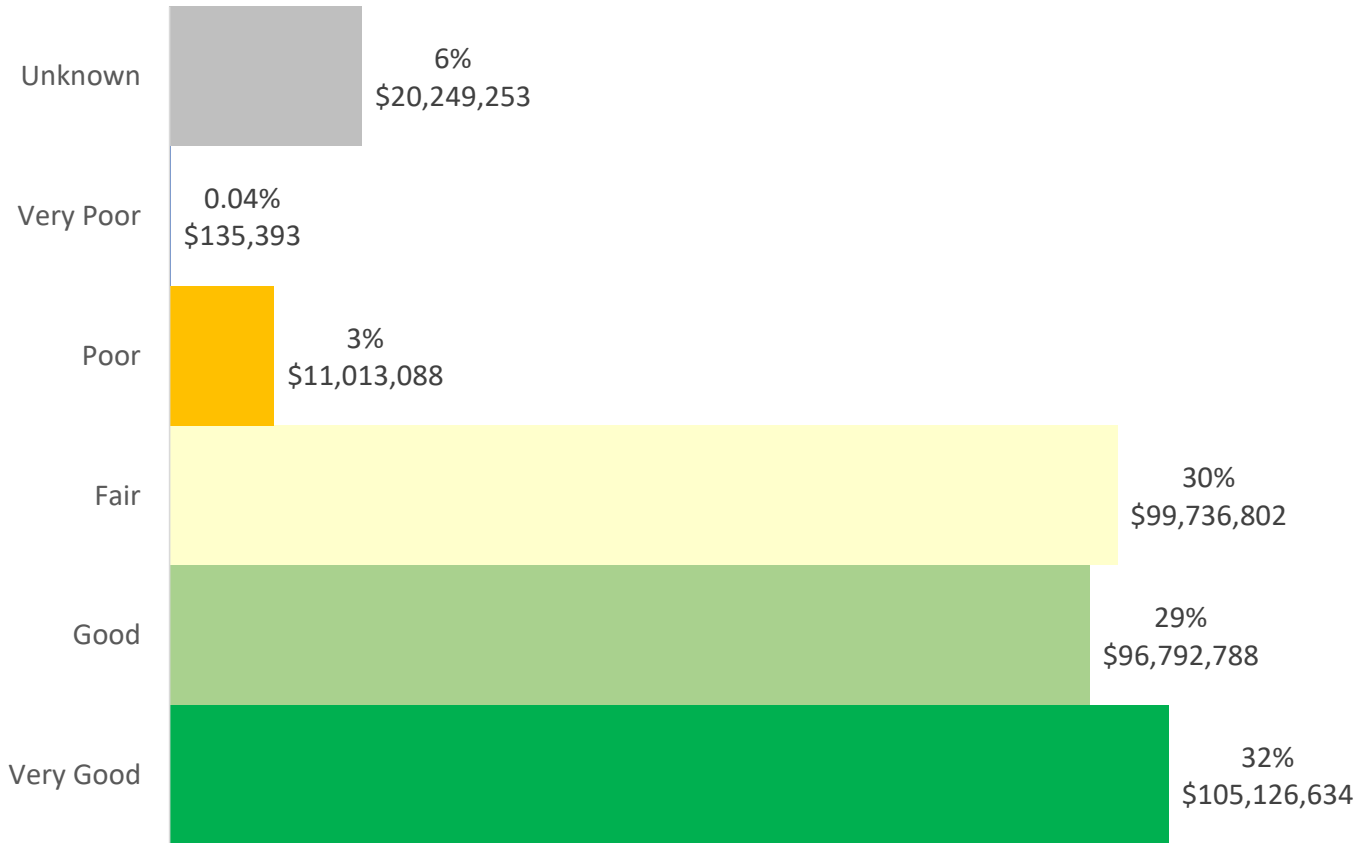
Water and Wastewater Asset Condition Profile



Water & Wastewater Services

- 71% of the assets are in fair or better condition
- 5% of the assets are considered to be in very poor condition
- Annual Capital Requirement **\$15.7 Million**

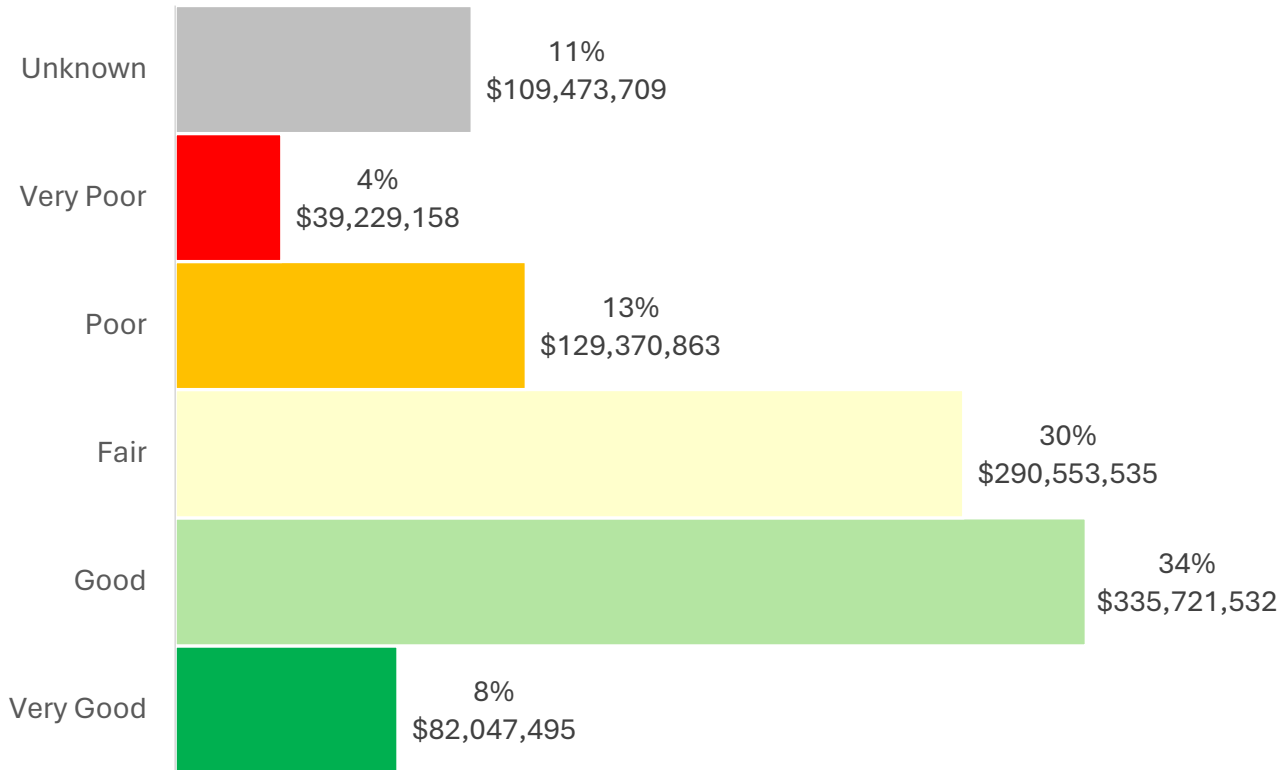
Stormwater Asset Condition Profile



Stormwater Services

- 91% of the assets are in fair or better condition
- 0.04% of the assets are considered to be in very poor condition
- Annual Capital Requirement **\$4.6Million**

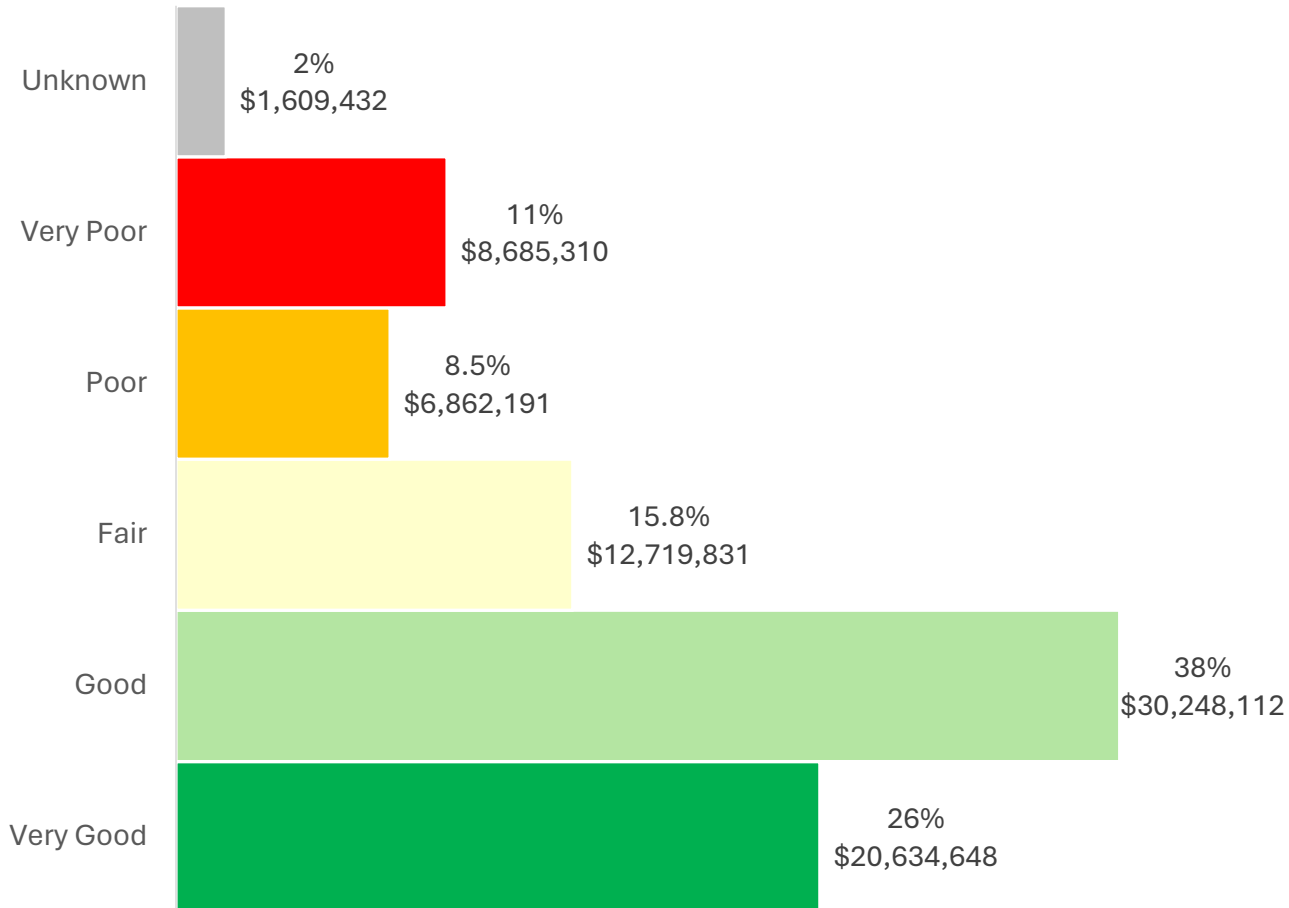
Transportation Services Asset Condition Profile



Transportation (Roads, Bridges, Traffic, Parking, ancillary assets)

- 71.8% of the assets are in fair or better condition
- 4% of the assets are considered to be in very poor condition
- Annual Capital Requirement **\$24.3Million**

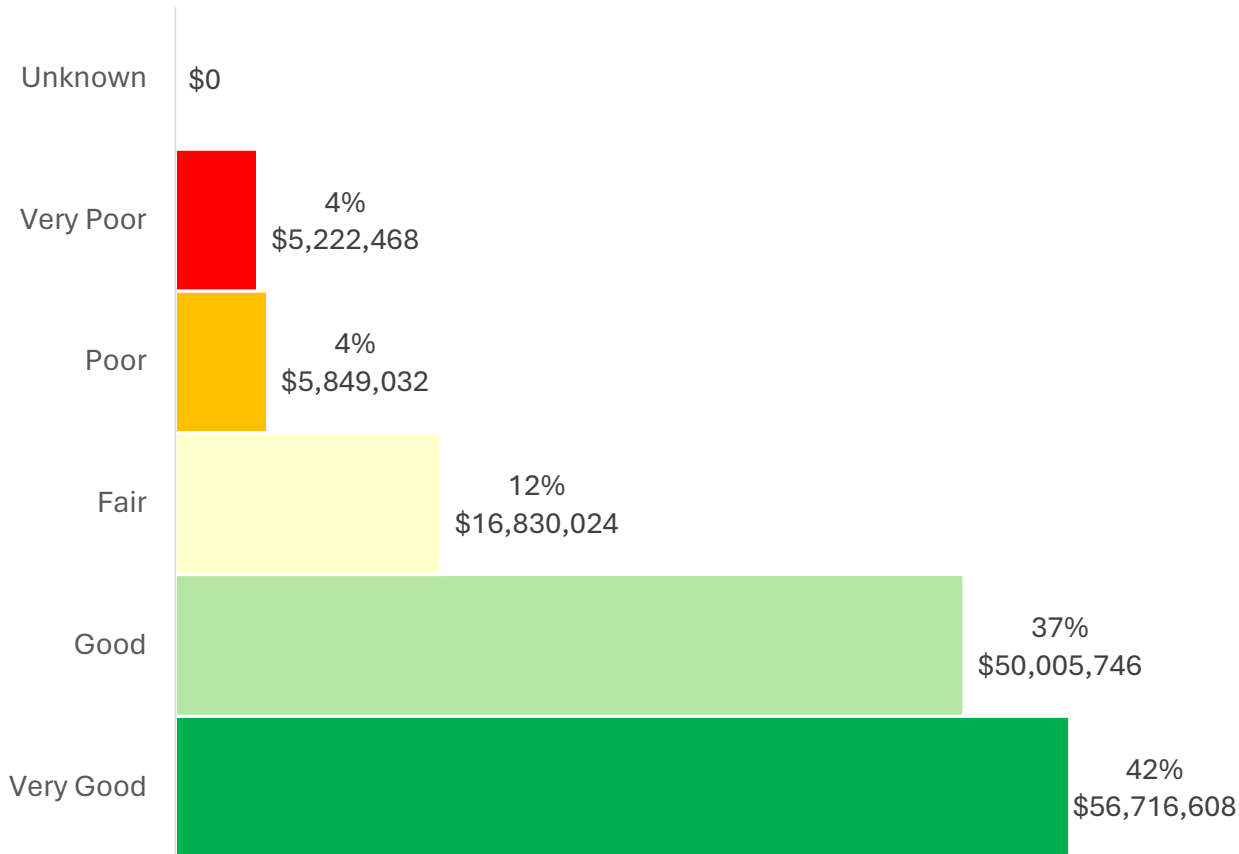
Parks & Trails Asset Condition Profile



Parks & Trails

- 79% of the assets are in fair or better condition
- 11% of the assets are considered to be in very poor condition
- Annual Capital Requirement **\$3.3Million**

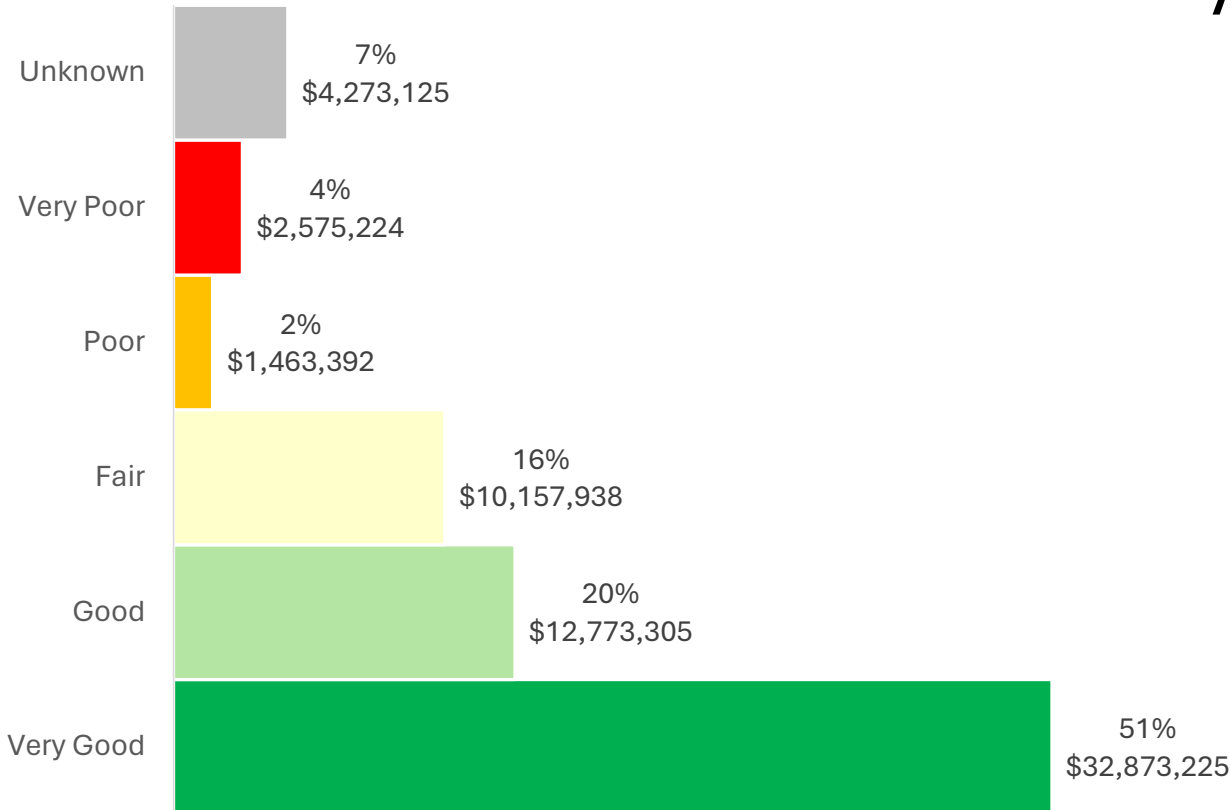
Recreation Services Asset Condition Profile



Recreation Services

- 91.8% of the assets are in fair or better condition
- 3.9% of the assets are considered to be in very poor condition
- Annual Capital Requirement **\$2.0Million**

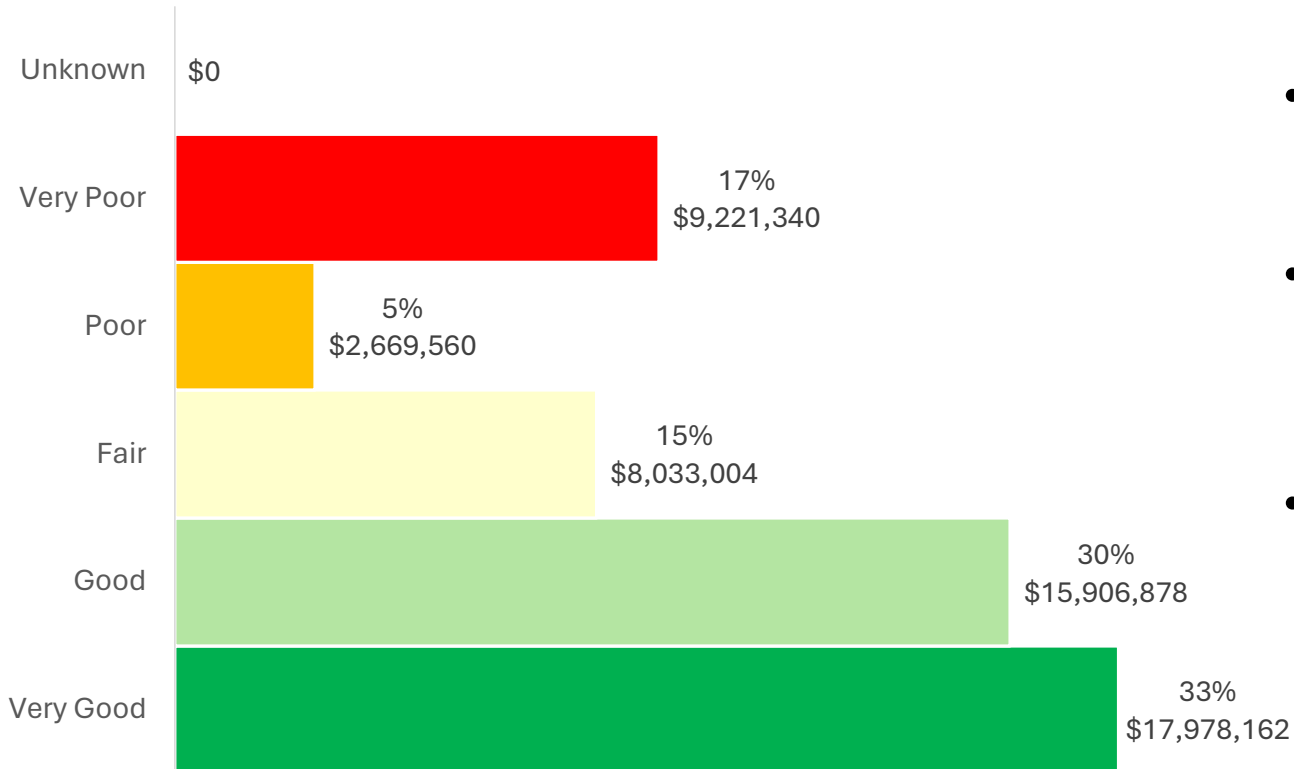
Municipal Administration Asset Condition Profile



Municipal Administration

- 87.0% of the assets are in fair or better condition
- 4.0% of the assets are considered to be in very poor condition
- Annual Capital Requirement **\$1.9Million**

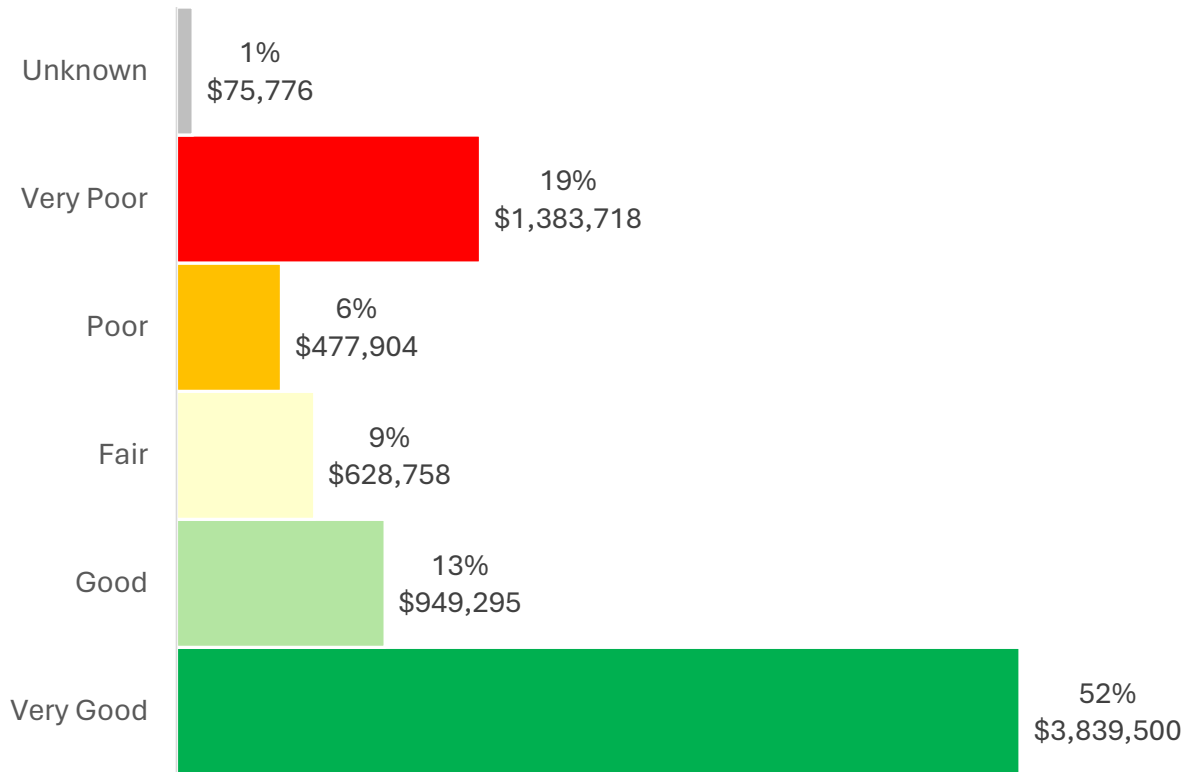
Fire Services Asset Condition Profile



Fire Services

- 77.9% of the assets are in fair or better condition
- 17.1% of the assets are considered to be in very poor condition
- Annual Capital Requirement **\$2.3Million**

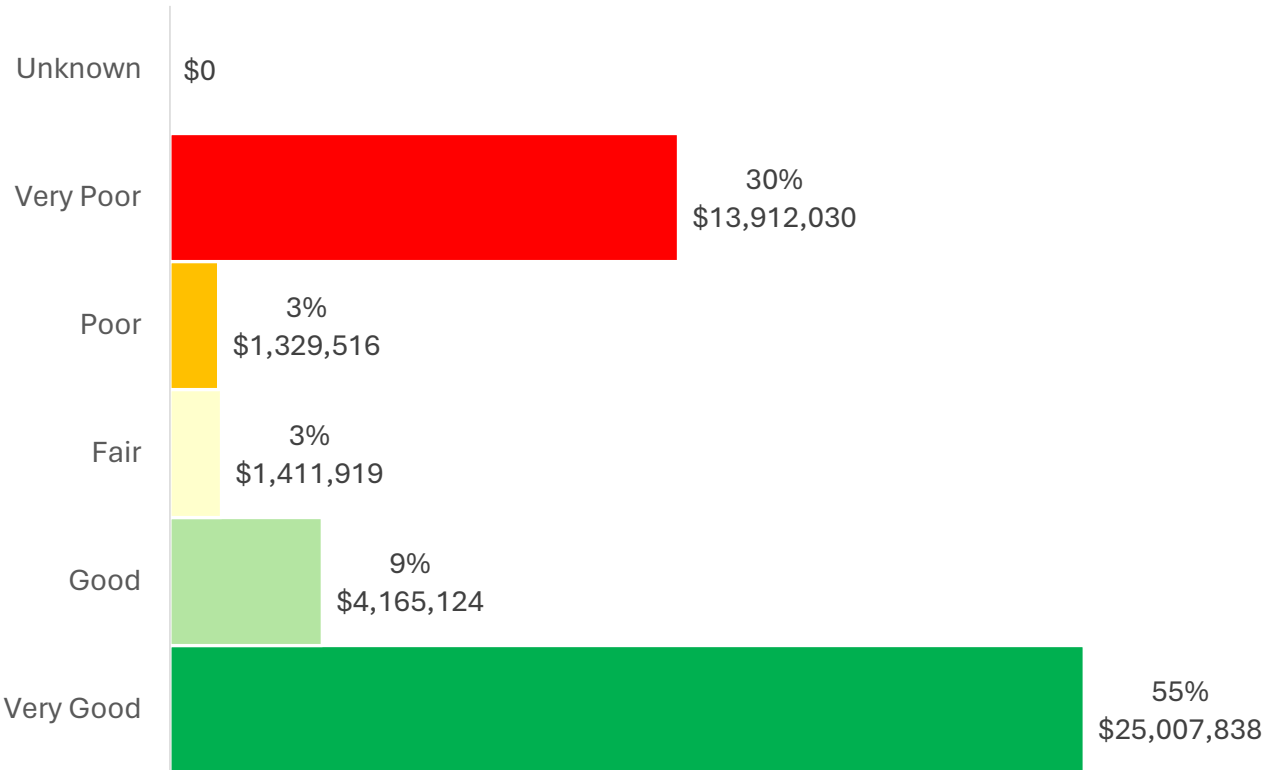
Cemetery Services Asset Condition Profile



Cemetery Services

- 73.7% of the assets are in fair or better condition
- 18.8% of the assets are considered to be in very poor condition
- Annual Capital Requirement **\$0.4Million**

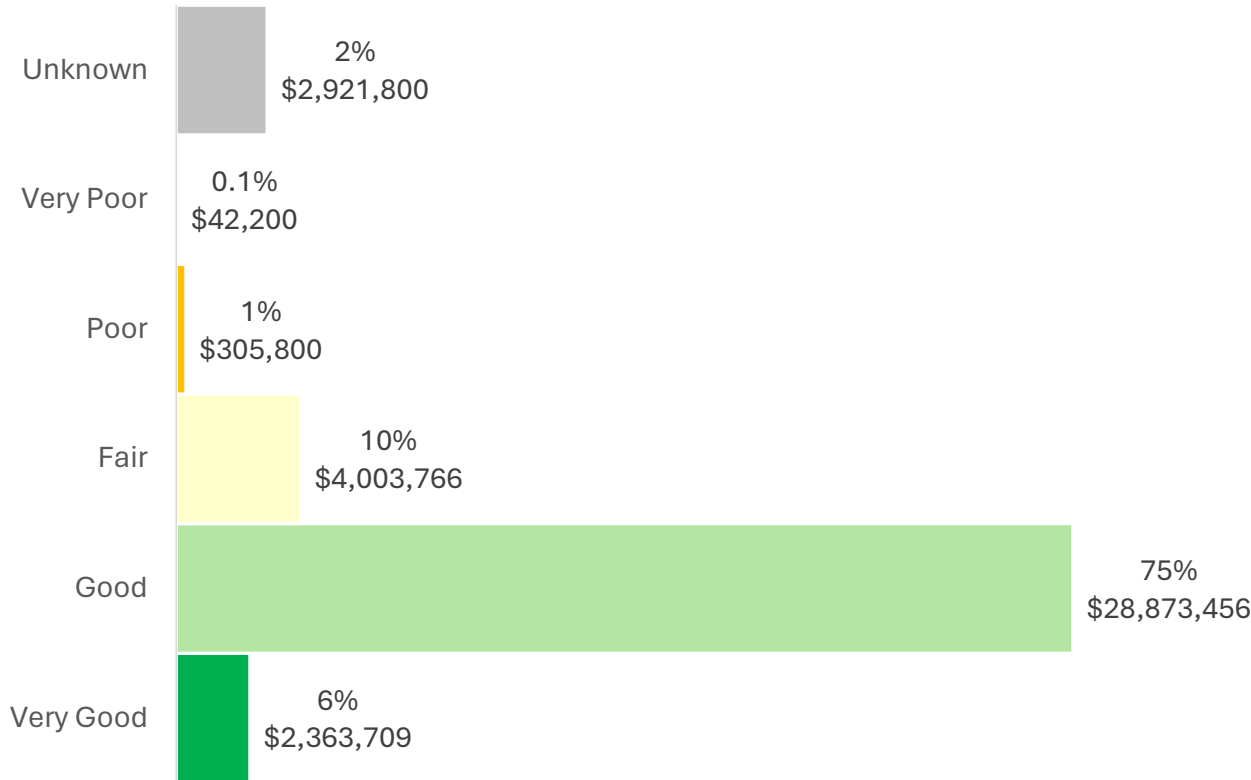
Cultural Services Asset Condition Profile



Culture Services

- 66.7% of the assets are in fair or better condition
- 30.4% of the assets are considered to be in very poor condition
- Annual Capital Requirement **\$0.8Million**

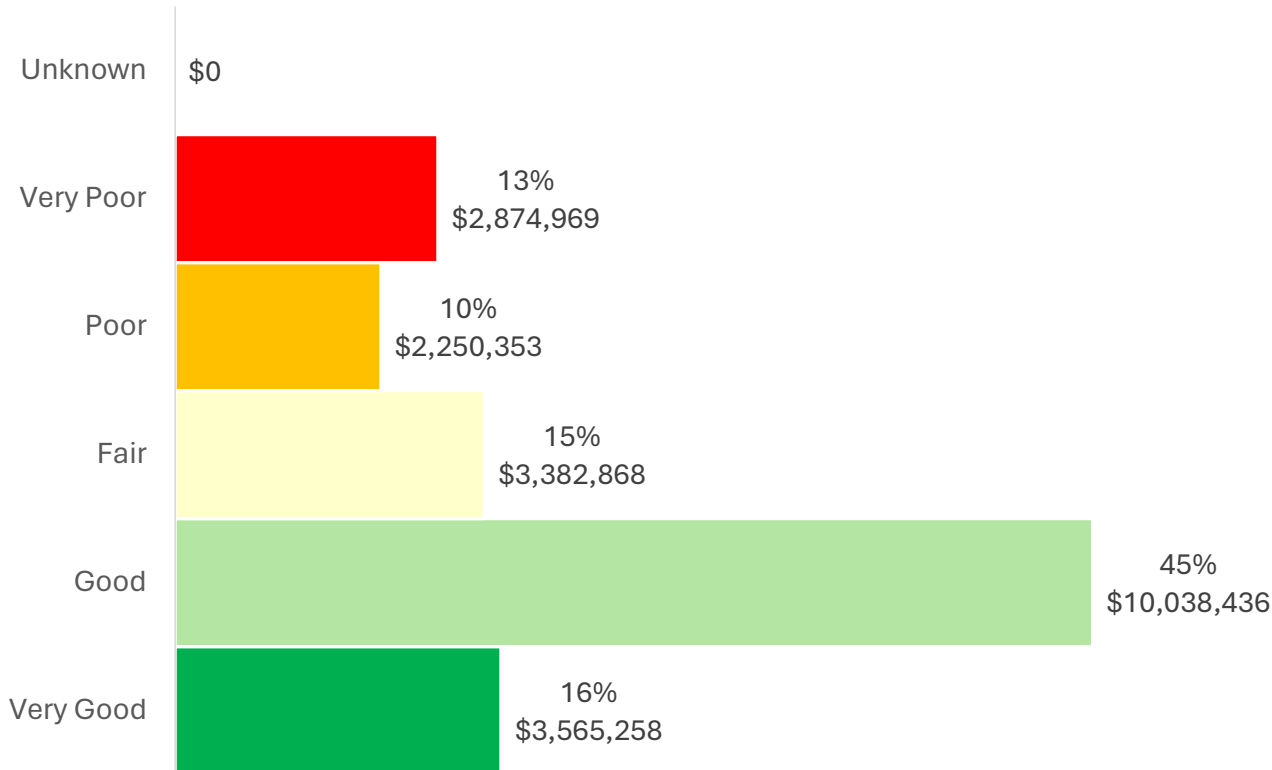
Natural Assets Asset Condition Profile



Natural Assets

- 91.5% of the assets are in fair or better condition
- 0.1% of the assets are considered to be in very poor condition
- Annual Capital Requirement **\$0.1 Million**

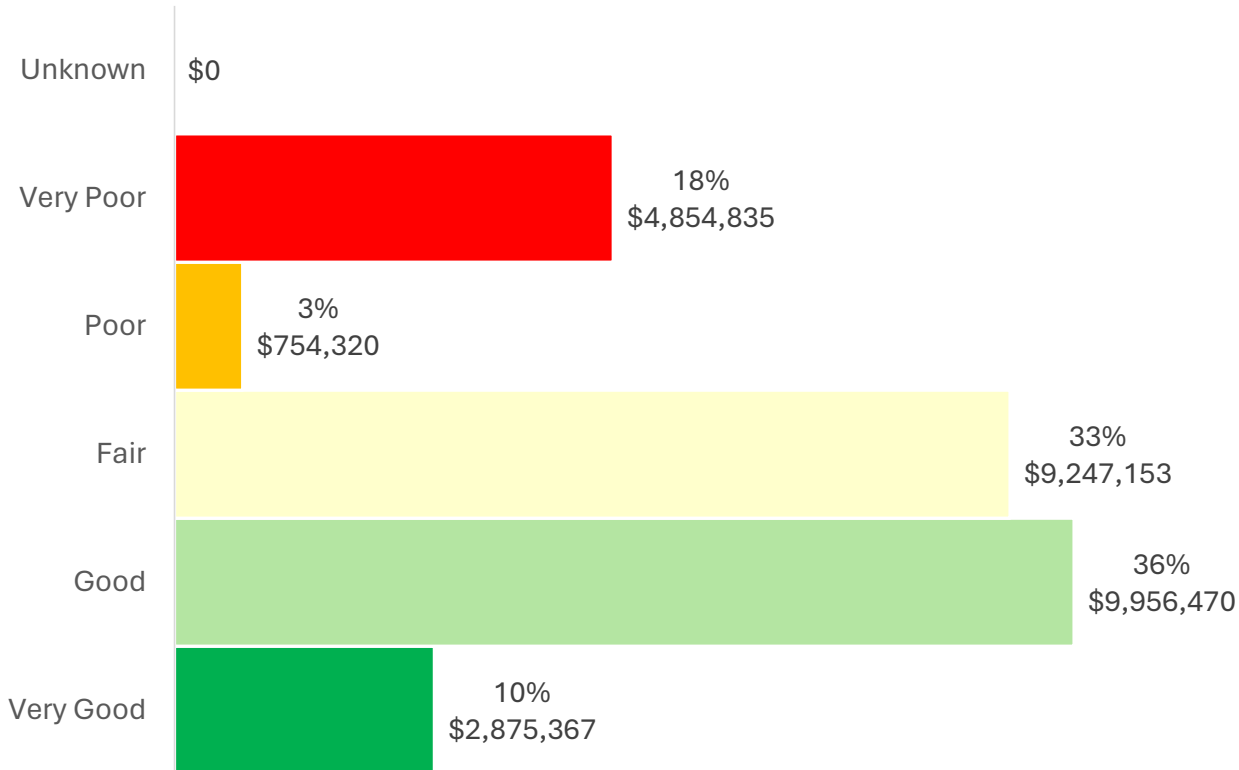
Library Services Asset Condition Profile



Libraries

- 76.8% of the assets are in fair or better condition
- 13.0% of the assets are considered to be in very poor condition
- Annual Capital Requirement **\$0.7Million**

Niagara District Airport Asset Condition Profile



NF District Airport

- 79.7% of the assets are in fair or better condition
- 17.5% of the assets are considered to be in very poor condition
- Annual Capital Requirement **\$0.6Million**



NF Convention Centre

- Annual Capital Requirement
\$0.7Million

CONDITION PROFILE SUMMARY – All Assets

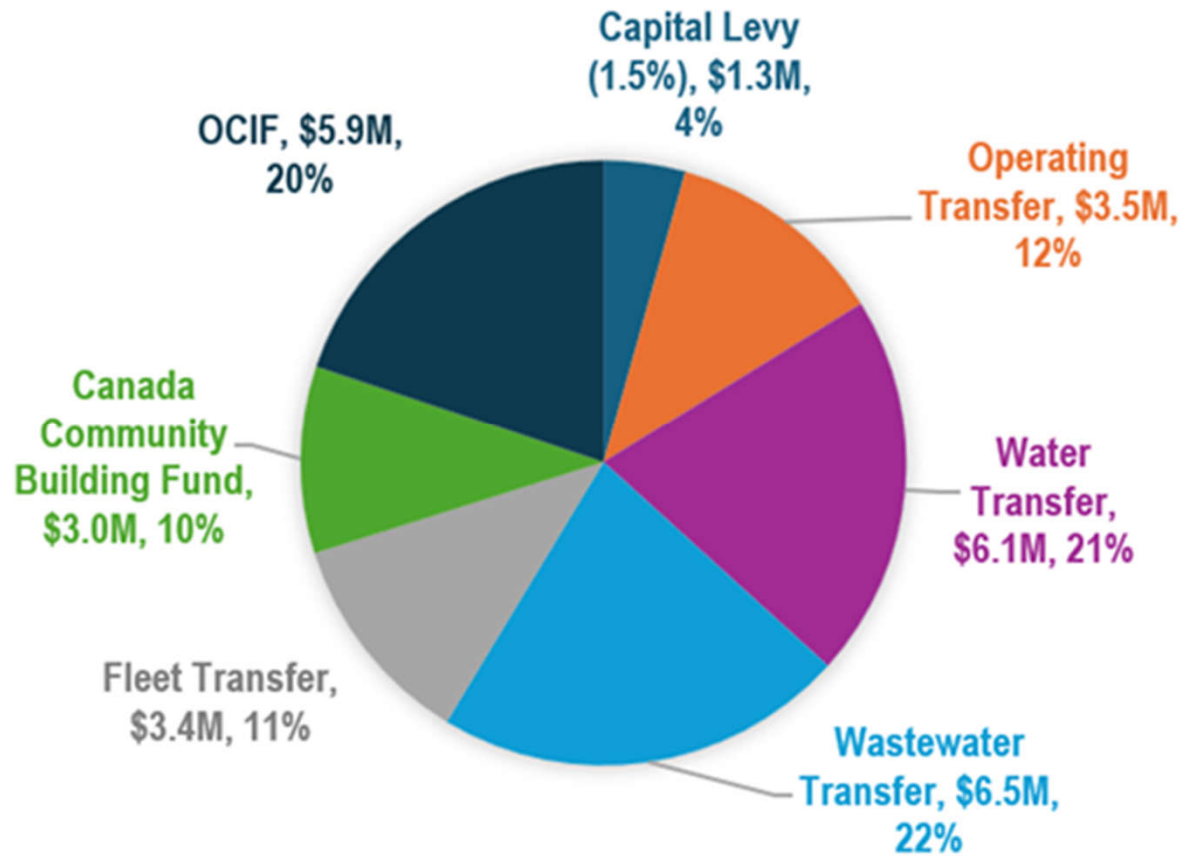
Condition Distribution of the City's Asset Portfolio



Financial Analysis



FUNDING SUMMARY

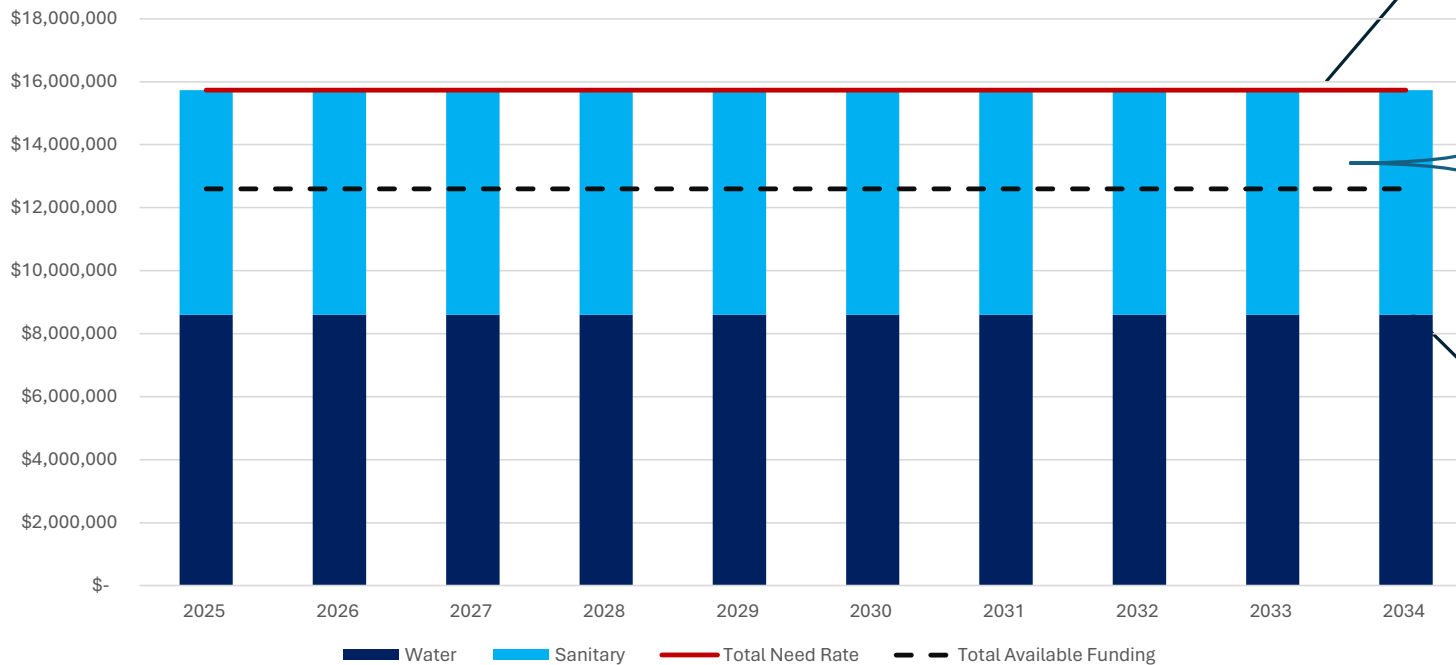


Annual Funding
(3 Year Average)
\$29.7 Million

Funding Analysis - Rate

Average Annual
Reinvestment
Requirement
\$15.7 Million

Rate-Supported Asset Funding Analysis



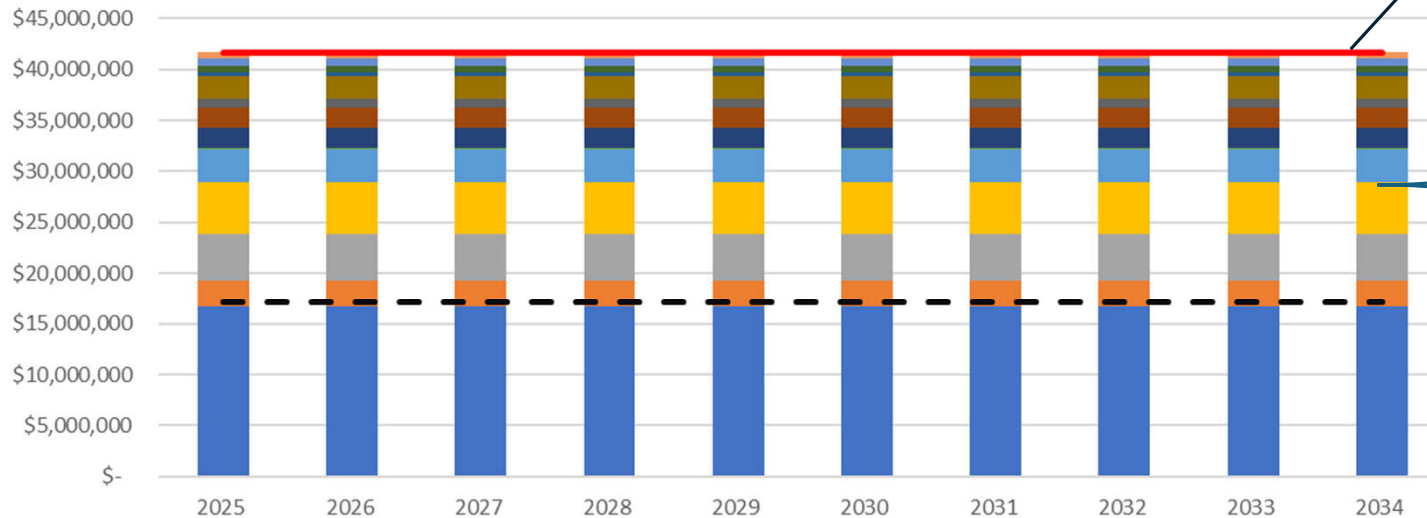
Infrastructure GAP
\$3.13 Million Annually

Average Annual
Funding \$ 12.6
Million

Funding Tax

Average Annual Reinvestment Requirement
\$41.7 Million

Tax-Supported Asset Funding Analysis



INFRASTRUCTURE GAP
\$24.6 MILLION

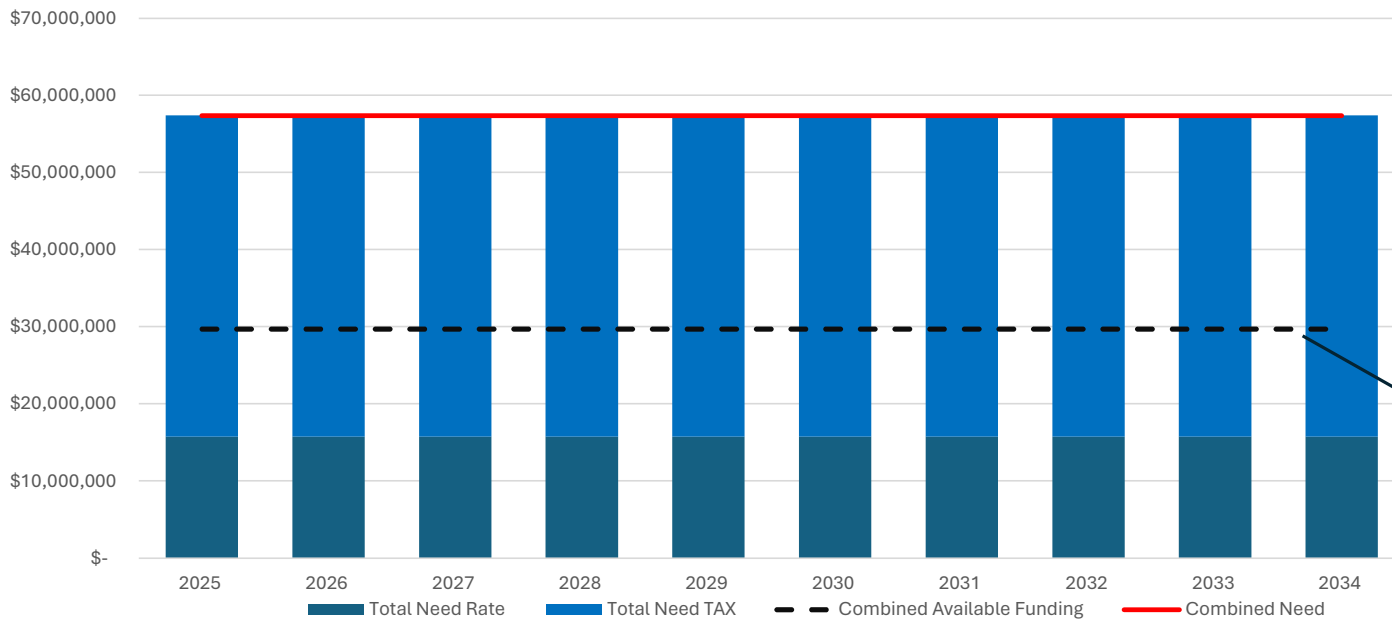
Anticipated Annual Funding
\$17.1 Million

- Roads & Sidewalks
- Bridges & Culverts
- Stormwater
- Transportation Services
- Parks and Trails
- Natural Assets
- Municipal Administration
- Recreation Services
- Cultural Services
- Fire Services
- Cemetery Services
- Niagara Falls Libraries
- Niagara Falls Convention Centre
- Niagara Falls District Airport (1/3rd)
- Total Need TAX
- - - Total Available Funding

Funding Analysis – All Assets

Average Annual
Reinvestment
Requirement
\$57.4 Million

Combined Asset Funding Analysis



**INFRASTRUCTURE
GAP
\$27.7 MILLION**

Average Annual
Funding \$ 29.7
Million

Data Driven Risk-Based Planning

Asset Planning Decisions must:

- ✓ Be data-driven
- ✓ Be based on full lifecycle activities including capital, operations, and maintenance
- ✓ Work to achieve an acceptable level of risk to the organization
- ✓ Optimize long-term funding strategies

Best practices / principles:

- Invest in data
- “Worst is first” does not always work as it doesn’t consider risk or LOS
- Maintain assets in a state of good repair to avoid increasing the infrastructure gap
- Incorporate customer and technical LOS into planning

Recommendations / Conclusions

- There is a significant Funding Gap (**\$27.7M annually** or **\$277/person annually**) requiring attention and a further discussion
- Work is continuing on **Levels of Service** and **10-Yr Capital Forecasting**
- The City may need to **Recalibrate** our Levels of Service to balance program areas are currently “overfunded” versus those that are “underfunded”
- **Grant Funding** may be in jeopardy if we do not have a strategy to address our financial challenges.
- **Development Charges** that are not funded will exacerbate our Funding Gap.
- Council to consider **Strategies** to close the gap through the Budget Process

The image features a dark blue background. A large, semi-transparent circle is positioned on the right side, overlapping the center. A vertical line of a slightly lighter shade of blue runs through the center of the circle. The text "THANK YOU" is centered horizontally and vertically in a white, sans-serif font.

THANK YOU