

2024 Corporate Asset Management Plan

Presentation to Council

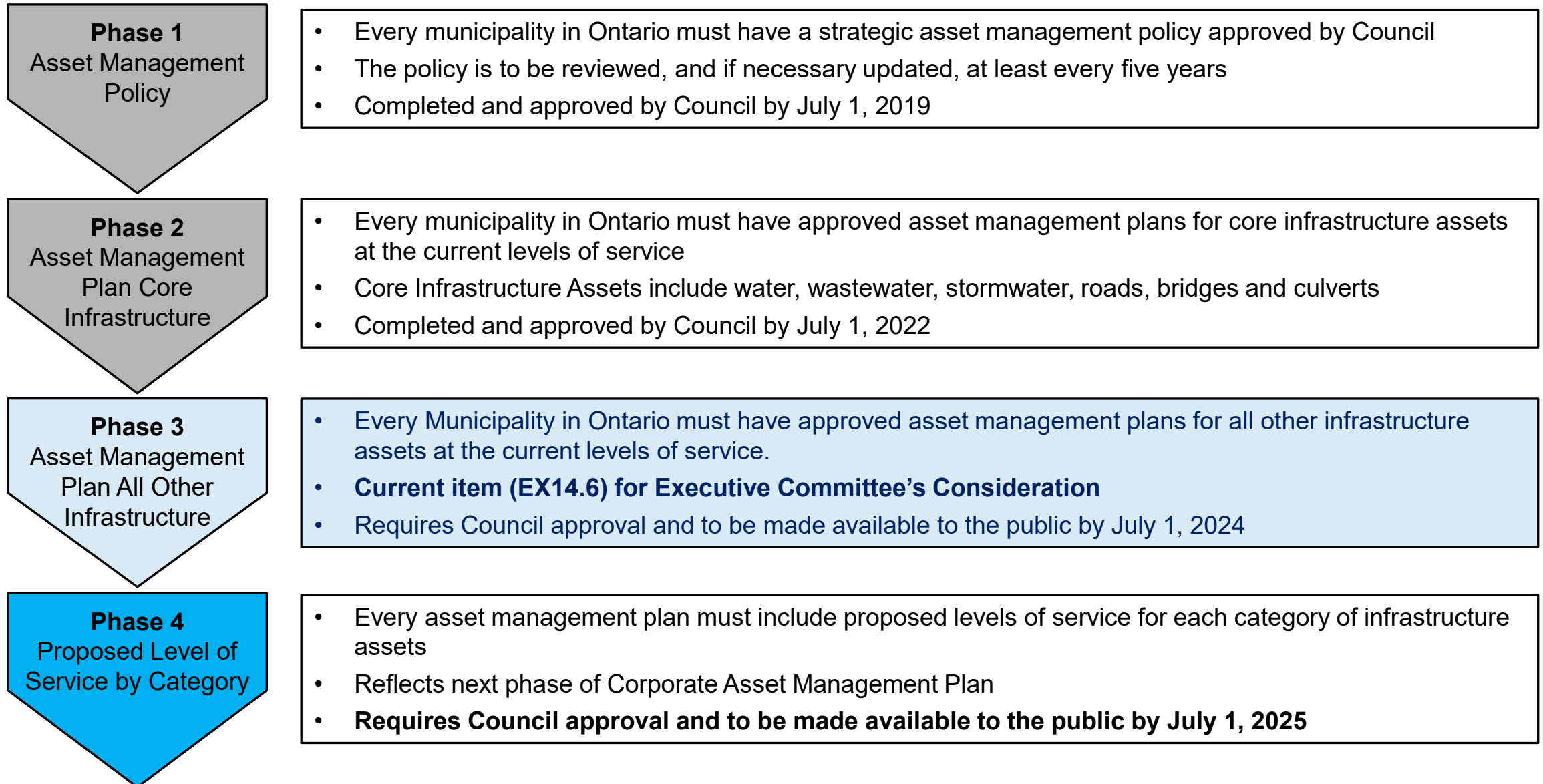
May 22, 2024



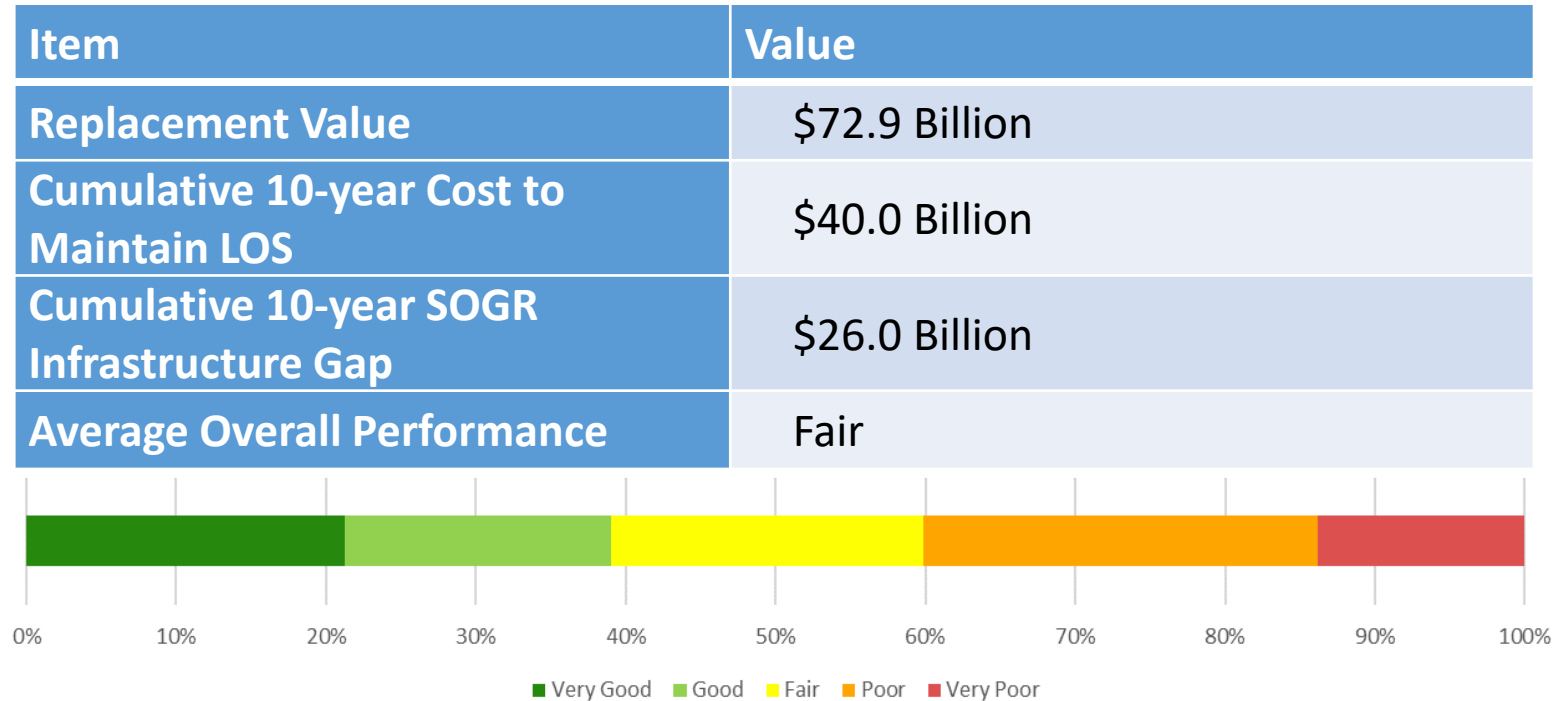
City-wide Asset Management Plan

- Centralized framework to align asset management practices with capital planning processes to support decision-making in advancing Council's Strategic Priorities
- City's initial **City-wide** Asset Management Plan:
 - Builds on 2022 Core Asset Management Plan and existing Divisional / Agency Plans
 - Applies a consistent, City-wide framework to Asset Management
 - Incorporates assets from across 25 Divisions, Agencies and Corporations
 - Reports on costs to maintain current levels of service
 - Meets the July 1, 2024 milestone of Ontario Regulation 588/17

2024 Corporate Asset Management Plan - Ontario Regulation O. Reg. 588/17



2024 Corporate Asset Management Plan – Key Results (in-scope Assets)



- Average Overall Performance of **Fair** for in-scope assets with **\$26 billion** estimated Cumulative 10-year SOGR Infrastructure Gap
- Roughly **40%** of the City portfolio categorized as **“Poor”** or **“Very Poor”** performance, meaning:
 - Assets are **past their useful lives** and require rehabilitation or replacement; and/or
 - Assets are still able to provide service but at **increased operating expense** or at a **sub-optimal level**

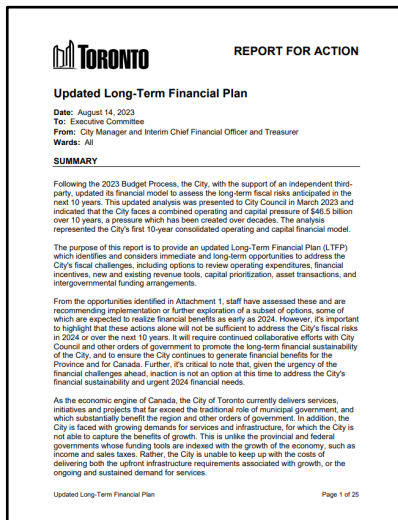
2024 Corporate Asset Management Plan – SOGR Investment Needs

Sub-Service \$Millions	Budget Avg. Annual	Need Avg. Annual	Budgeted Funding Gap		Level of Service Forecast (Based on Current Budget)
			\$	%	
Arts, Culture and Heritage Services	18.5	19.7	(1.2)	-6.3%	Decreasing
Library Services	23.7	26.2	(2.6)	-9.8%	Decreasing
Toronto Fire Services	28.8	28.4	0.4	1.3%	Maintaining
Toronto Paramedic Services	22.5	8.5	14.0	165.2%	Increasing
Toronto Police Services	52.2	33.0	19.2	58.2%	Increasing
Administrative and Election Services	2.7	2.4	0.3	12.2%	Maintaining
Corporate Real Estate	55.6	133.8	(78.1)	-58.4%	Decreasing
Fleet Services	87.7	78.2	9.5	12.1%	Increasing
Technology Services	26.9	10.1	16.8	167.1%	Increasing
Children's Services	2.4	2.0	0.4	21.7%	Increasing
Community Housing	160.0	334.1	(174.1)	-52.1%	Decreasing
Shelter and Support Services	7.2	4.6	2.6	57.2%	Increasing
Public Health	0.6	0.5	0.1	30.0%	Maintaining
Senior Services and Long-Term Care	7.7	31.4	(23.7)	-75.5%	Decreasing
Dock Walls and Breakwaters	1.5	2.4	(0.8)	-35.4%	Decreasing
Erosion Controls	22.0	0.0	22.0	0.0%	Increasing
Forestry Management & Maintained Parkland	3.3	7.8	(4.5)	-57.7%	Decreasing
Exhibition Place	16.4	25.4	(9.0)	-35.4%	Decreasing
Parks and Recreation	85.7	112.7	(27.0)	-24.0%	Decreasing
Toronto Zoo	18.5	7.4	11.1	148.9%	Increasing
Road Network	12.2	23.2	(11.0)	-47.2%	Decreasing
Transit	720.2	3,084.0	(2,363.8)	-76.6%	Decreasing
Solid Waste Management	27.9	25.2	2.7	10.6%	Increasing
Water, Wastewater, and Stormwater Centralized Services	1.0	0.9	0.1	11.6%	Maintaining
Total	1,405.2	4,001.9	(2,596.7)	-64.9%	Decreasing

2024 Corporate Asset Management Plan

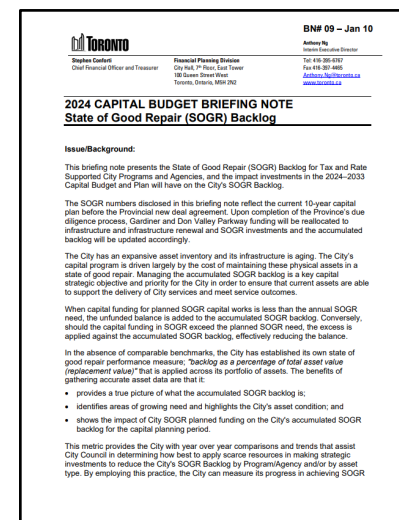
City-wide Asset Management Plan Findings

- Asset Management Plan (AMP) findings continue to identify Infrastructure renewal needs, similar to past analysis and reporting:



Long-Term Financial Plan

- LTFP noted, “City faces material fiscal risks over the next 10 years, including a combination of increasing annual operating pressures, additional debt servicing costs, and a growing list of capital needs, totalling \$46.5 billion”



2024 Budget Process

- SOGR Backlog analysis identified accumulated SOGR backlog of **\$22.7 billion expected by 2033**
- Consistent with AMP findings, funding needs expected to increase for Transit, Transportation, Parks, Recreation and Forestry, City Facilities, Community Housing, Public Library and other programs

- City-wide Asset Management Plan is consistent with prior finding and further emphasizes continued need for added investments in infrastructure renewal

2024 Corporate Asset Management Plan – Prioritizing SOGR Investments

- ***SOGR is a key priority in capital planning:***
 - Reflects \$26 billion or 52% of current 10-Year Capital Plan
 - SOGR funding increased by \$1.8 billion or 7% in 2024 budget process
 - Total SOGR funding has significantly increased over last ten years (\$26 billion compared to \$16 billion)
- ***Increased funding capacity to support SOGR needs:***
 - New Deal - eliminated the City's single largest SOGR liability (Gardiner Expressway and Don Valley Parkway)
 - Water Rates set to fully support infrastructure needs
 - Approval of annual City Building Fund increases to support Transit and Housing infrastructure priorities
- ***Capital Planning Prioritization:***
 - Development of a capital prioritization framework that will be integrated with the City's 2024 Corporate AMP
 - Will enhance City's existing prioritization processes
 - Provides input for strategic decisions on when and where to prioritize capital infrastructure investments

NEXT STEPS

1. Continue to Enhance Asset Management Planning in the City:

- Prepare for July 2025 provincial requirement to include proposed levels of service for each category of infrastructure assets
- Further develop Corporate Asset Management function
- Advance data maturity, completeness and confidence across the organization
 - E.g. Public Library has had 8 major rebuilds/overhauls occur since their latest available (2020) FCI data
 - ❖ Estimated that "*% of assets in fair or better condition*" would increase to over 40% with these added investments (to be confirmed and reflected in future reporting as data matures)

2024 Corporate Asset Management Plan – Next Steps

2. *Continue to Engage with Federal and Provincial Governments on Infrastructure Priorities:*

- As outlined in the [City's Long Term Financial Plan \(LTFP\)](#), these challenges cannot be solved by the City alone
- Continued partnerships with the Province of Ontario and the Government of Canada necessary for shared infrastructure investment priorities
- Key priorities for whole of government investments include:
 - Transit infrastructure
 - Housing (i.e. Community Housing)
 - Climate action
 - Infrastructure supporting critical City services



2024 Corporate Asset Management Plan – Next Steps

3. *Further Capital Planning Prioritization:*

- All capital investments should be assessed on 3 key areas:
 - Value optimization
 - Risk mitigation
 - Cost reduction
- **Focus on reinvestment in aging infrastructure and asset deterioration which directly impact current level of service to the public**
 - Continue to prioritize existing SOGR needs over service improvements and expansions
 - Review and reconsider planned investments in new or expanded infrastructure against SOGR needs and City priorities
- Capital Prioritization Framework, complemented by the AMP will be key to enabling this prioritization exercise

Thank you!

