

2024 Corporate Asset Management Plan

Presentation to Executive Committee

May 14, 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

Phase 1 Asset Management Policy

- Every municipality in Ontario must have a strategic asset management policy approved by Council
- The policy is to be reviewed, and if necessary updated, at least every five years
- Completed and approved by Council by July 1, 2019

Phase 2 Asset Management Plan Core Infrastructure

- Every municipality in Ontario must have approved asset management plans for core infrastructure assets at the current levels of service
- Core Infrastructure Assets include water, wastewater, stormwater, roads, bridges and culverts
- Completed and approved by Council by July 1, 2022

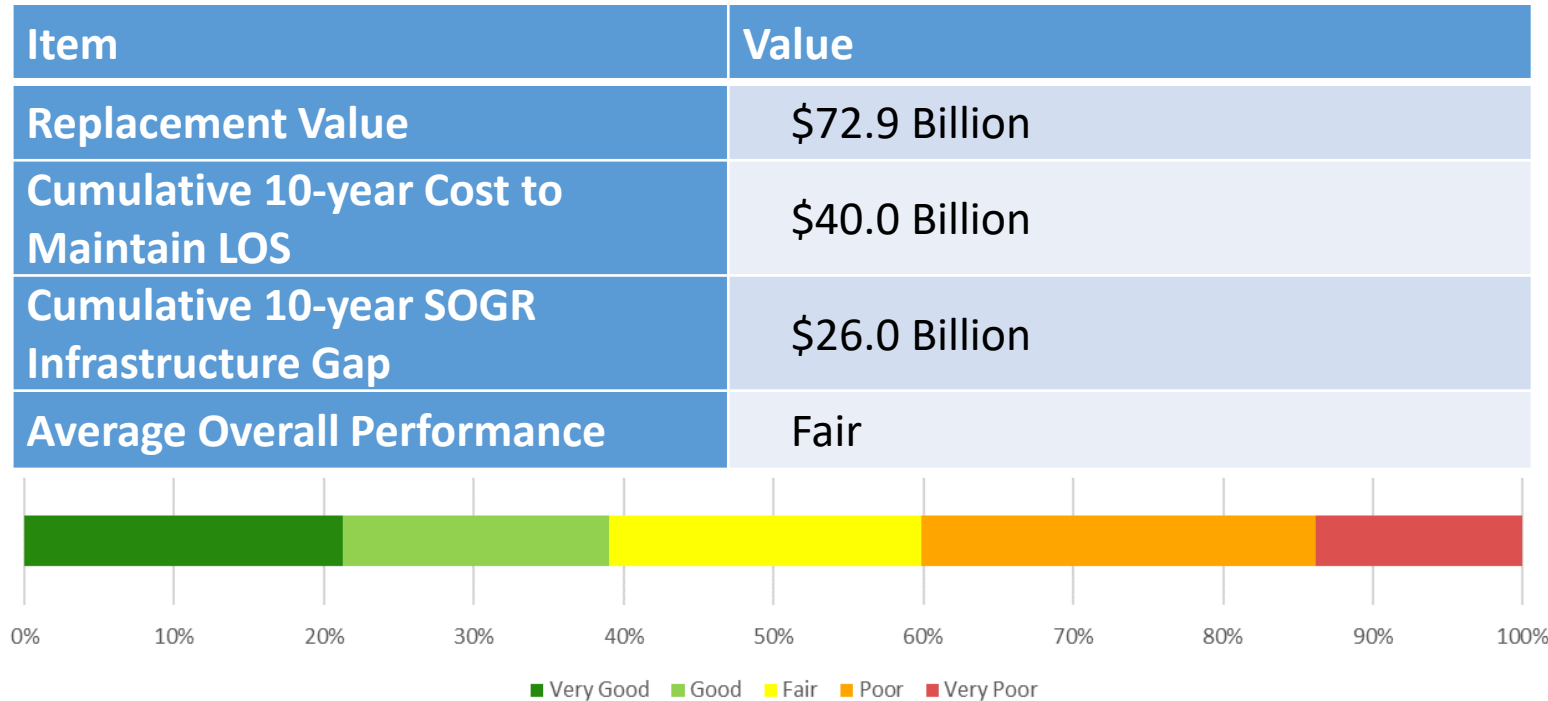
Phase 3 Asset Management Plan All Other Infrastructure

- Every Municipality in Ontario must have approved asset management plans for all other infrastructure assets at the current levels of service.
- **Current item (EX14.6) for Executive Committee's Consideration**
- Requires Council approval and to be made available to the public by July 1, 2024

Phase 4 Proposed Level of Service by Category

- Every asset management plan must include proposed levels of service for each category of infrastructure assets
- Reflects next phase of Corporate Asset Management Plan
- **Requires Council approval and to be made available to the public by July 1, 2025**

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**

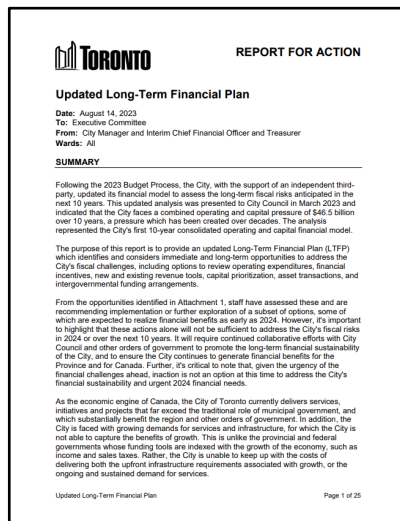
2024 Corporate Asset Management Plan – SOGR Investment Needs

Sub-Service \$Millions	Budget Avg. Annual	Need Avg. Annual	Level of Service Forecast (Based on Current Budget)
Arts, Culture and Heritage Services	18.5	19.7	Decreasing
Library Services	23.7	26.2	Decreasing
Toronto Fire Services	28.8	28.4	Maintaining
Toronto Paramedic Services	22.5	8.5	Increasing
Toronto Police Services	52.2	33.0	Increasing
Administrative and Election Services	2.7	2.4	Maintaining
Corporate Real Estate	55.6	133.8	Decreasing
Fleet Services	87.7	78.2	Increasing
Technology Services	26.9	10.1	Increasing
Children's Services	2.4	2.0	Increasing
Community Housing	160.0	334.1	Decreasing
Shelter and Support Services	7.2	4.6	Increasing
Public Health	0.6	0.5	Maintaining
Senior Services and Long-Term Care	7.7	31.4	Decreasing
Dock Walls and Breakwaters	1.5	2.4	Decreasing
Erosion Controls	22.0	0.0	Increasing
Forestry Management & Maintained Parkland	3.3	7.8	Decreasing
Exhibition Place	16.4	25.4	Decreasing
Parks and Recreation	85.7	112.7	Decreasing
Toronto Zoo	18.5	7.4	Increasing
Road Network	12.2	23.2	Decreasing
Transit	720.2	3,084.0	Decreasing
Solid Waste Management	27.9	25.2	Increasing
Water, Wastewater, and Stormwater Centralized Services	1.0	0.9	Maintaining
Total	1,405.2	4,001.9	Decreasing

2024 Corporate Asset Management Plan

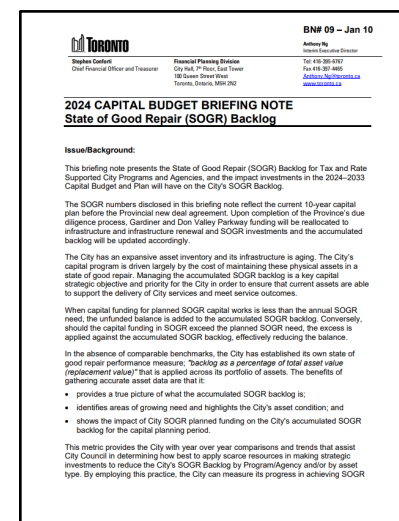
City-wide Asset Management Plan Findings

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



Long-Term Financial Plan

- LTFF 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!

