



2024 to 2027 Business Plan

Service: Asset Management

\$0.01

Cost per day for the average rate payer (2024 to 2027)

0.06%

Of the 2024 to 2027 City of London Net Property Tax Supported Budget

Who we are:

- Corporate Asset Management (CAM) is tasked with building organizational maturity in all aspects of the Asset Management (AM) practice.
- CAM is also responsible for ensuring compliance with Ontario Regulation 588/17, to support the City's financial reporting under Public Sector Accounting Board (PSAB) as well as pre-requisites for inter-government transfer funding.

What we do:

- CAM supports the organizational development and maturity of good Asset Management practices in order to optimize investment decisions regarding the City's \$28.5 billion of assets, thereby contributing to the City's financial health, affordable taxes and competitive utility rates. These practices contribute in avoiding or mitigating the risk of asset

failure and ensures the safety and well-being to the public. Quality infrastructure supports a strong economy throughout the City, ensuring a growing and strong community.

- CAM provides support across the organization as well as to our Agencies, Boards and Commissions (ABCs) in developing asset management plans, implementing asset management practices and collecting and reporting data required to improve decision making.
- CAM supports the activities necessary to identify, monitor and manage the City’s cumulative reported 10-year infrastructure gap of \$1,378 million as per the 2023 Corporate Asset Management Plan. Providing strategy both operationally and financially to mitigate and potential negative impacts from this unfunded capital investment.

Why we do it:

- **Mandatory** - Asset management plans are required by legislation at the Provincial level (Ontario Regulation 588/117, Asset Management Planning for Municipal Infrastructure) and are a pre-requisite for certain infrastructure funding programs offered by senior levels of government (Canada Community Benefit Fund).

The following table provides an overview of the budget for this service:

Budget Summary (\$000's)	2024	2025	2026	2027	2024 to 2027 TOTAL
Gross Operating Expenditures	\$986	\$999	\$1,016	\$1,022	\$4,023
Other Revenues	-\$515	-\$526	-\$537	-\$547	-\$2,125
Net Tax Levy Supported Operating Budget	\$471	\$473	\$479	\$475	\$1,898
Total Capital Expenditures	\$0	\$0	\$500	\$250	\$750
Full-Time Equivalents (FTE's)	7	7	7	7	N/A

Reflects Draft 2024 to 2027 Multi-Year Budget – December 12, 2023.

Linkage to the 2023 to 2027 Strategic Plan

This service supports the following Strategic Areas of Focus in the 2023 to 2027 Strategic Plan:



**Reconciliation, Equity,
Accessibility, and
Inclusion**



**Economic Growth, Culture,
and Prosperity**



**Housing and
Homelessness**



**Mobility and
Transportation**



Wellbeing and Safety



**Climate Action and
Sustainable Growth**



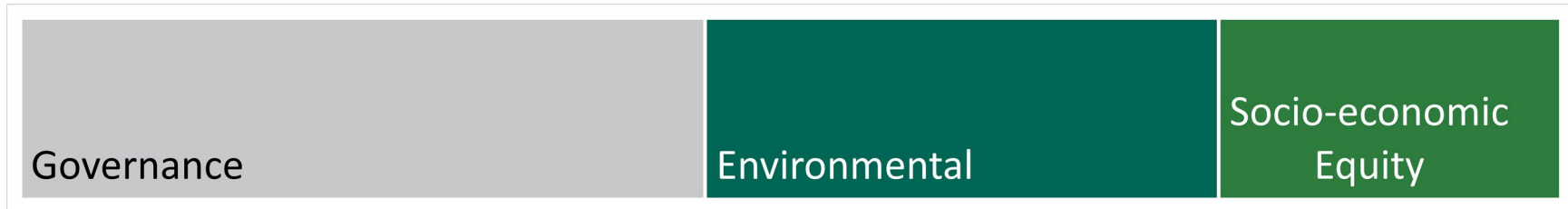
**Safe London for Women,
Girls, and Gender-Diverse
and Trans People**



Well-Run City

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this service:



Environmental:

- The CAM plan was completed with the requirements of the Climate Emergency Action Plan (CEAP) included in all asset groups. When determining the costs of renewal and replacement for all assets, the goals outlined in CEAP were incorporated to reflect the desired future state. In some areas this has led to higher costs due to improved efficiency, reduced environmental impact or alternative strategies that were not originally considered when the existing asset was constructed or purchased. The largest impact from this is within the City's facilities as numerous components are being impacted in order to meet the goals of CEAP.

Socio-economic Equity:

- The primary driver of the CAM plan is the analysis of existing assets, which does not encompass a review of the socio-economic impact of prior decisions regarding the City's infrastructure. Decisions regarding potential socio-economic impacts from renewing or replacing existing infrastructure would be considered as part of capital planning, to ensure that the new assets achieve the City's current goals.

Governance:

- Completion of a CAM plan is required under Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure. As part of meeting these requirements identification of Levels of Service, including all approved but not currently met levels must be identified and the required funding level articulated as part of the plan. Identification of strategies to achieve these levels of service are required to be a part of the plan. The current plan identifies required levels of funding greater than those requested as part of this business case, additional future strategies will be required in order to align funding, current asset levels of service and approved levels of service.
- Council in their governance role will be responsible for making these decisions as the CAM plan directs the development of specific service and asset group operational and capital plans. City administration will bring to Council

alternatives that enable the City to meet the requirements of the O. Reg. over the next four years based on the outcome of this business case.

The following section provides an overview of the key activities the service plans to undertake from 2024 to 2027 to implement the Corporation's 2023 to 2027 Strategic Plan, as well as an overview of the risks and challenges the service is anticipated to experience during this period:

Service Highlights 2024 to 2027

- Continued Corporate Asset Management Program implementation.
 - Includes Level of Service (current and proposed), Risk Management, and Lifecycle Management.
- Compliance to Ontario Regulation 588/17 which includes:
 - Providing asset management annual updates to Municipal Council.
 - Provision of advisory services to Boards and Commissions to guide compliance with Ontario Regulations.
- Increased integration with Financial Planning and Business Support (Capital Budget), Corporate Accounting (Asset Retirement Obligation), and Geomatics (CityWorks - CMMS).
- Continued implementation of Asset Management Software (Assetic) which will assist in program implementation including distribution out to all Service Areas.
- Continued focus on improving data quality through increased collaboration and education with our Service Area partners.

Risks and Challenges Anticipated in 2024 to 2027

- Level of support to Boards and Commissions to comply with legislative requirements.
- Competition for Asset Management Professionals (recruitment and consulting services).
- Inconsistent reporting requirements to other levels of government.
- Varying degrees of asset management maturity of municipal Service Areas given the vast scope and diversity of municipal assets.
- Reducing and managing the infrastructure gap in light of other municipal pressures, balancing affordability and level of service expectations.
- Changes to government regulations and requirements (i.e., Development Charges) which expands the scope of the CAM program.

Other reference information and links:

- The Corporate Asset Management Plan is available by contacting 519-661-5442.

Contact:

- Greg Clark, Director, Capital Assets and Projects
- 519-661-CITY (2489) Extension 8401
- gclark@london.ca