

The Asset Management strategy can be simplified into four basic steps.

1. Be informed about the assets, data, tools, use and what level of service they provide.
2. Know the issues and solutions based on parameters like condition, risk and whether the asset suffices for the desired level of service.
3. Validate the solutions using standardized business case processes to create a valid project.
4. Compare projects with each other, prioritize and implement the projects that offer the best value.

Financing Strategy

This final section of the Plan summarizes current funding methods used and suggests options to address the issues facing delivery of services, including the infrastructure gap.

The State of Infrastructure Report 2013 identified an infrastructure gap of \$52.1 Million projected to grow to \$466.1 Million by 2022.

10 Year Infrastructure Gap Components - \$466.1 M



For the utility rate supported budget (blue pie section), 20 year plans already exist that, if followed, will address the **\$60.6 M**.

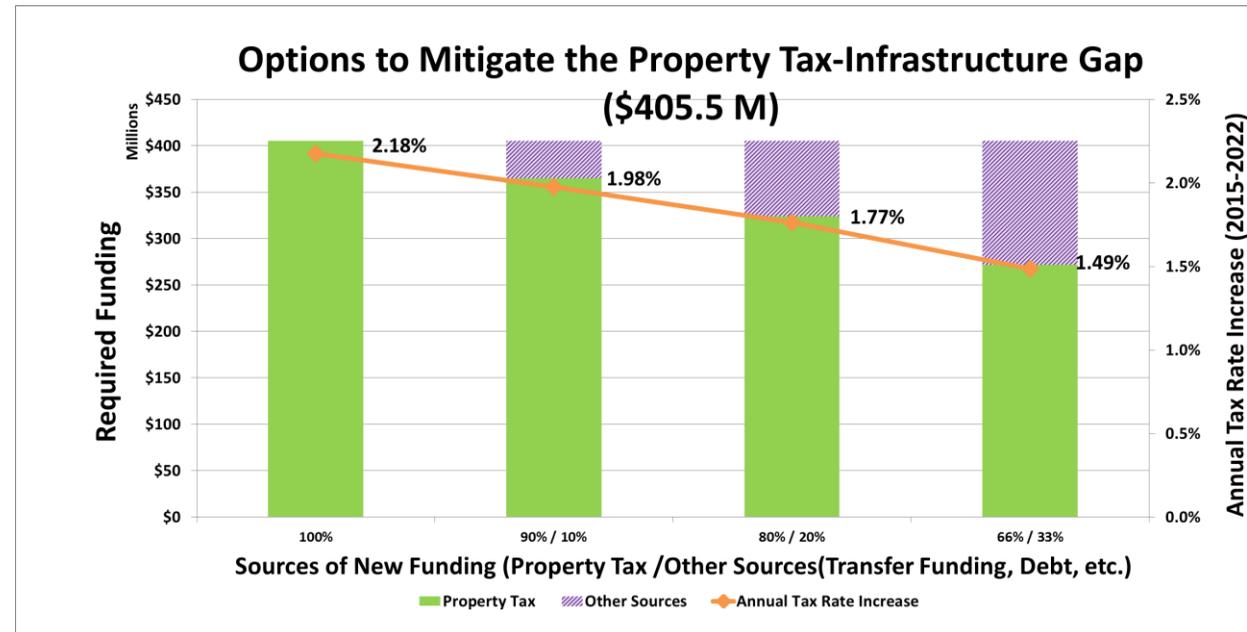
The 2014 Plan offers options for addressing the remaining **\$405.5 M** property tax supported budget gap, discusses the risks and concludes with a recommendation that a dedicated reserve fund be built starting in 2015, accumulate over time and be dedicated to addressing the gap. The infrastructure needs may lead to a property tax increase.

The following chart shows the results of the options analysis; illustrating combinations of property tax and **other revenue sources** (e.g. Transfer funding, user fees, debt, etc.) that could be used to address the **\$405.5 M** gap.

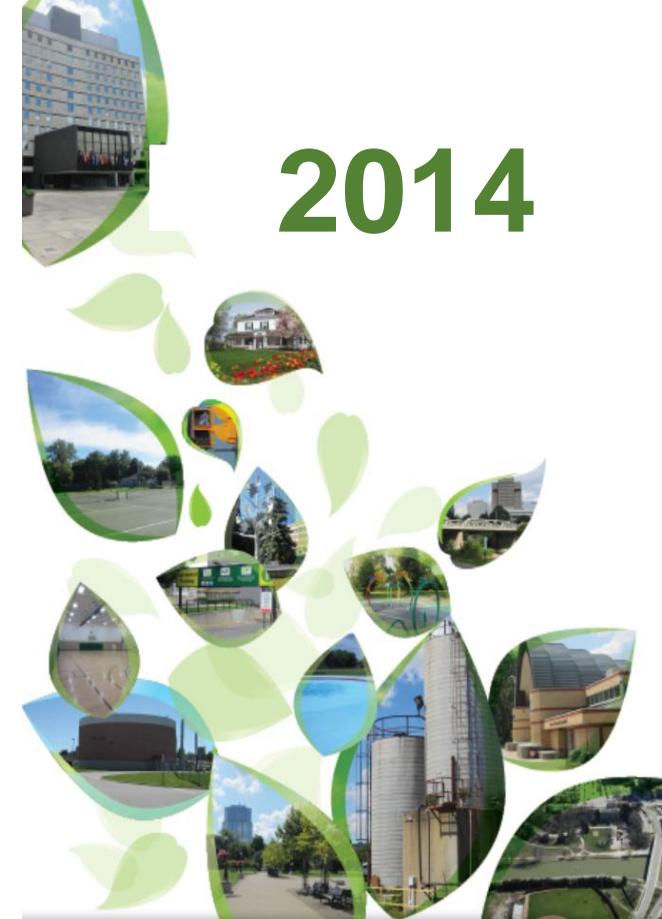
Conclusions and Recommendations

The Plan describes current asset management practices and offers viable strategies to meet the needs of the City of London in an effective and efficient manner. Key recommendations include:

- Continue to implement the Corporate Asset Management Program across the corporation.
- Build a dedicated reserve fund earmarked to address the Property Tax Supported infrastructure gap as part of the 2015 budget process.
- Continue to adhere to the utility financial plans.



Who can answer my questions about the Corporate Asset Management Plan?
 Please call 519-661-2500 ext. 5442 Corporate Asset Management Office between 8:30 a.m. and 4:30 p.m., Monday to Friday or visit www.london.ca.



Introduction

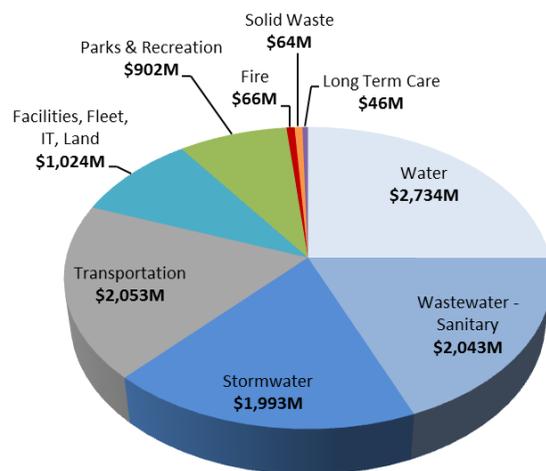
This is the first Corporate Asset Management Plan prepared by the City of London to document how the City plans to manage the \$10.9 Billion worth of infrastructure that falls under its direct ownership and control. The Plan is a companion document to the State of Infrastructure Report 2013. In the future, Plan updates will be generated on a regular basis. The Plan is intended to conform to the provincial guideline ‘Building Together: Guide for Municipal Asset Management Plans’ and satisfy the recent addition of asset management planning as an eligibility requirement for provincial and federal transfer funding.

Elements of the Plan include a description of municipal goals; the Plan’s scope and duration; a summary of the state of London’s infrastructure; a preliminary look at the levels of service provided by the City and delivery trends; current and future asset management strategies and; finally, the financial strategies used to manage assets and control the growing infrastructure gap.

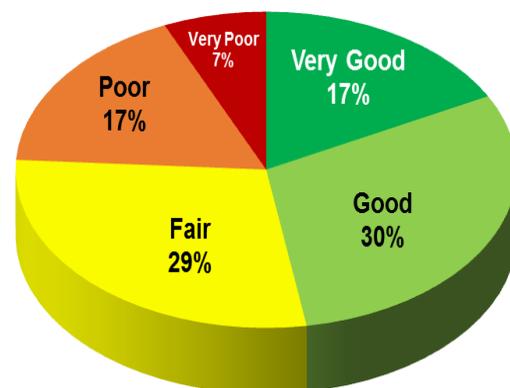
This Plan serves as a key building block in the development of London’s Corporate Asset Management program. The program will advance improved information upon which to base investment decisions and standardize practices across the City. Over time, the Corporate Asset Management program will result in superior asset management practices and better value for London’s citizens.

State of London Infrastructure

London’s infrastructure supports the delivery of municipal services to residents, local businesses, visitors and the City. The following chart reflects the value and condition of London’s infrastructure divided amongst the Service Areas covered by the Plan.



The condition of the City’s infrastructure has been rated as Fair to Good on average meaning that it is adequate for now with some elements showing general signs of deterioration that require attention and some elements exhibiting significant deficiencies



Desired Levels of Service

The City of London is in the business of delivering services to its citizens and visitors. Desired ‘levels of service’ are the targets the City strives for in order to achieve effective service delivery. For example, the City will commit to pick up residential garbage every six business days. These targets are used to set City budgets and measure performance. This section holds a hint of what the future will look like once the asset management practices are fully evolved. The following chart illustrates expected trends based on issues that are likely to impact service.

Anticipated issue	Impact on Level of Service
Asset Reliability (Current and Projected Condition)	↔ Stable
Budget Constraints (Insufficient Resources)	↓
Operational Changes (New design Standards, Hours of operation, etc.)	↔ Stable
Technology Changes	↑
Legislative Changes	↔ Stable
Social Changes (Demographic, etc.)	↑
Environmental Changes (Climate Change, etc.)	↔ Stable

Asset Management Strategy

The Asset Management strategy section looks at current and future asset management practices in London. It first describes the existing practices used in each Service Area. Over time these have grown and been personalized by each Service Area. Some practices are highly evolved while others are basic in nature. The approach has been to keep the assets in good shape so that they are available to deliver services. The City has generally been successful at achieving this goal. However, ‘best practices’ suggest that even this can be improved by changing the focus to service delivery.

This change in direction has been adopted by the City through the development of the Corporate Asset Management program. The second part of this section summarizes the work intended to standardize asset management practices across all Service Areas in the City of London.

