

## Report to Corporate Services Committee

**To:** Chair and Members  
Corporate Services Committee  
**From:** Anna Lisa Barbon  
Deputy City Manager, Finance Supports  
**Subject:** Corporate Asset Management Plan 2021 Review  
**Date:** July 26, 2021

## Recommendation

That on the recommendation of the Deputy City Manager, Finance Supports, this report with respect to the Corporate Asset Management Plan 2021 Review **BE RECEIVED** for information.

## Executive Summary

This report details the Corporate Asset Management Plan (CAM Plan) 2021 review which provides state of infrastructure and infrastructure gap updates to all directly owned City assets. Summary report cards for seven (7) services are provided for Water, Wastewater, Stormwater, Wastewater Sanitary, Transportation, Parks, Recreation, and Corporate Facilities, which comprise of over 92% of the City's replacement value. This annual update follows the 2019 CAM Plan recommendation #4.

The City's 10-year infrastructure gap (2021-2030) approximates \$666.9 million. It is an increase of \$47.8 million from the 2020 gap calculation (2020-2029) of \$619.0 million. The key gap contributors include Transportation increasing \$80.3 million when compared to the 2020 gap calculation, while cumulatively Recreation, Sanitary, Parks, and Corporate Facilities have decreased \$29.6 million compared to the 2020 gap calculation. Transportation's gap increased as construction cost for roads have increased, while the other identified services decreased as they had additional projected reserve fund availability, in particular, Capital Infrastructure Gap reserve fund (RF118).

The Provincial Orders associated with COVID-19 and resulting municipal actions (such as deferring lifecycle management capital budgets), resulted in impacted levels of service for Parks, Recreation, Urban Forestry, Long Term Care and Corporate Security. Examples of COVID-19 impact include inability to provide services as a result of Provincial Orders (Parks Amenities, Recreation spray pads, etc.), City-directed deferral of capital budgets (Urban Forestry Downtown Street Tree planting budget), staff being reassigned to handle COVID-19 emergency (Corporate Security & Emergency Management), and Long-Term Care Homemakers Programs hours of service and occupancy rate decreasing in 2020.

Separate from the direct impacts of COVID-19, services that have a risk of not meeting service include Transportation (escalating road costs result in decreased reinvestment rates, and large number of existing streets without a sidewalk), Long Term Care (absence of allocated capital budget for equipment as recommended in 2019 CAM Plan), and Urban Forestry (industry standard of street tree trim cycle of 5 years compared to current cycle of 10 years).

The above observations will continue to be monitored by Civic Administration to determine future recommendations for Council consideration. Infrastructure condition assessments and other data refinements are also being advanced as a comprehensive review of City assets is conducted with the new 2023 Corporate Asset Management Plan.

## Linkage to the Corporate Strategic Plan

Council's 2019-2023 Strategic Plan for the City of London identifies 'Building a Sustainable City' and 'Leading in Public Service' as strategic areas of focus. The Corporate Asset Management Plan 2021 Review Report supports these strategic areas

of focus of all City infrastructure via the strategic priority “London’s infrastructure is built, maintained, and operated to meet the long-term needs of our community”, which includes ‘Maintain or increase levels of service’, ‘Manage the infrastructure gap for all assets’, and ‘Increase access to information to support community decision making’ as strategic priorities. Respectively, these strategies are ensuring the decisions for City’s finances are transparent, comprehensive across all infrastructure owned by the City, and well planned to keep costs as low as possible with the intention to limit the burden on current and future rate payers.

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter

- September 8, 2020 Report to the Corporate Services Committee – Corporate Asset Management Plan 2020 Review
- August 26, 2019 Report to Strategic Priorities and Policy Committee - 2019 Corporate Asset Management Plan
- April 8, 2019, Report to Strategic Priorities and Policy Committee – Corporate Asset Management Policy

#### 1.2 Background

The City of London released its second Corporate Asset Management Plan (CAM Plan) in 2019. It describes current asset management practices and plans to secure the service of reliable infrastructure in the future. The Plan is consistent with federal and provincial funding requirements. The Plan also incorporates requirements subsequent to Ontario passing the *Infrastructure for Jobs and Prosperity Act, 2015*, which resulted in the Ontario Regulation (O.Reg 588/17): Asset Management Planning for Municipal Infrastructure, going into effect January 1, 2018. The 2019 CAM Plan complies with phase two of O.Reg 588/17, for directly owned City assets. This compliance is ahead of the phase two deadline of July 1, 2024 and incorporates some components of the phase three deadline of July 1, 2025.

This report implements recommendations in the City’s 2019 Corporate Asset Management Plan, mainly, recommendation #4 “Monitor the progress of the Corporate Asset Management Plan”. This is consistent with O. Reg 588/17 requiring that annual progress reviews be prepared by July 1, 2026 (or one year after Phase Three of O. Reg 588/17 is implemented). It also continues the practice of reporting and monitoring of Transportation’s infrastructure gap, which continues to be the largest gap since the City first quantified the infrastructure gap in its 2013 State of Infrastructure Report.

This 2021 CAM Plan review includes:

- A 2-page summary Report Card (Listed in Appendix A) that includes State of Infrastructure updates (i.e., Inventory, Replacement Value, and Condition), Infrastructure Gap, and Level of Service overview.
- The Report Card is mainly developed for the core municipal infrastructure as defined by O.Reg 588/17 and some additional services that have a large Infrastructure gap including:
  - a) Transportation (Roadways, Structures, and Traffic);
  - b) Wastewater (Stormwater and Sanitary);
  - c) Water;
  - d) Recreation;
  - e) Parks; and,
  - f) Corporate Facilities.

- Updates to the City's infrastructure gap given the budget revisions during the Multi-Year Budget Process, along with 2020 and 2021 Assessment Growth funding allocations.
- Update on how City services are meeting the preliminary level of service targets, relative to metrics updated from the 2019 CAM Plan.
- Commentary and progress on the seven recommendations listed in the 2019 CAM Plan.

The information presented in this report is based on the best currently available data for asset inventory, condition, and degradation modelled data, along with funding approved in the 2021-2023 capital budget and 2024-2030 capital and 2024-2029 reserve fund forecast.

### COVID-19 Impacts

The novel coronavirus (COVID-19) continues to cause unprecedented health, social and economic challenges locally, nationally, and globally. Next section of this report highlights COVID-19 Impacts on level of service targets and describe how Customer Value categories were impacted. The financial consequences of COVID-19 to the City of London continue to be experienced and are likely to continue into the foreseeable future.

In addition, as of March 15, 2021, the Ministry of Infrastructure extended O. Reg 588/17 deadlines (all three phases) because of the COVID-19 pandemic. As outlined earlier in the report, the phase one deadline is now July 1, 2022, phase two deadline is now July 1, 2024 and the phase three deadline is now July 1, 2025.

Future annual reviews and CAM Plan updates will have greater clarity on any additional financial impacts, and the development of the next full CAM Plan update.

## **2.0 Discussion and Considerations**





### **2.1 2021 Corporate Asset Management Plan Review**

The City's assets have approximately \$22.2 billion in replacement value in 2021 which increased from the \$20.1 billion estimated in the 2019 CAM Plan and \$21.3 billion estimated in the 2020 CAM Plan update. While City assets are generally in "Good" condition, investment needs for infrastructure exist. An optimal amount of funding is required to manage current and future asset risks. The difference between the optimal amount and available budget is the infrastructure gap.

The City has a growing infrastructure gap as outlined in the latest CAM Plan 2019. This is resulting from lifecycle renewal budgets being less than the identified optimal expenditure required to maintain current levels of service for City services within the CAM scope. Mitigating the infrastructure gap and its projected growth, to achieve sustainability, requires either an increase in infrastructure investments or a reduction in the number of services or levels of services that the City provides. The recommendation from the 2019 CAM Plan was to increase funding to mitigate the growth of the City's infrastructure gap over a 25-year timeframe. Despite the additional funding received during the Multi-Year Budget, the infrastructure gap is still expected to grow, but at a reduced rate.

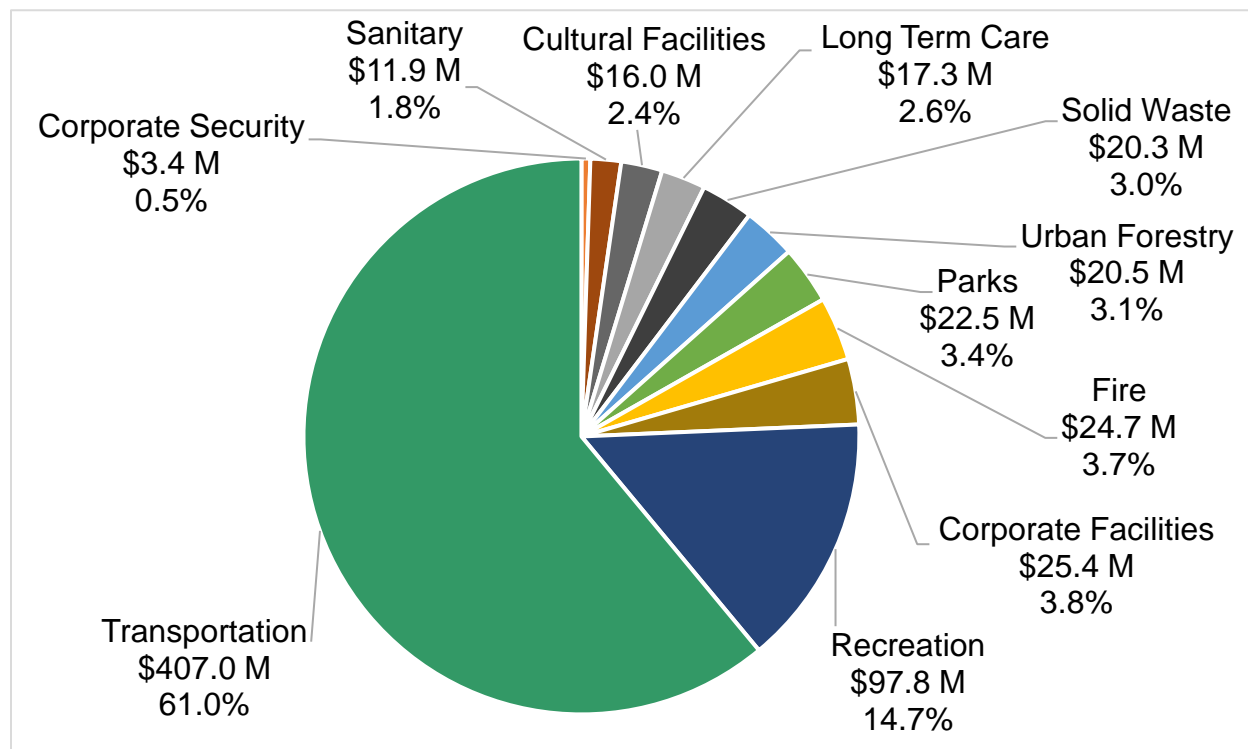
The analysis concludes that over the next decade, the City of London projects spending that approximates \$1.8 billion to address its lifecycle assets in the scope of the CAM Plan. This level of expenditure will result in an infrastructure investment gap of roughly **\$666.9 million** over the cumulative 10-year period of 2021-2030, as seen in Table 1, which represents 3.01% of the \$22.1 billion asset base.

**Table 1 – 2021 CAM Plan Review Key Findings**

CAM Plan (Year)	Replacement Value	Current Condition	Cumulative 10 Year Infrastructure Gap	Gap as a % of Replacement Value
2021	\$22.1 billion	Good	\$666.9 million	3.01%
2020	\$21.3 billion	Good	\$619.0 million <sup>i</sup>	2.91%
2019	\$20.1 billion	Good	\$568.8 million	2.82%
Trend				

As listed in Figure 1, approximately 61.0% of the gap is from Transportation (\$407.0 million). Parks approximates 3.4% of the gap (\$22.5 million), Recreation approximates 14.7% of the gap (\$97.8 million), and Corporate Facilities approximates 3.8% (\$25.4 million). Further details on the gap for these services can be found in Appendix A.

When comparing the 2021 gap to the 2020 gap, the increase of \$47.8 million (\$619.0 to \$666.9 million) is attributable to Transportation’s \$80.3 million gap increase, and a decrease from Recreation (\$13.5 million), Parks (\$7.2 million), Sanitary (\$6.8 million) and Corporate Facilities (\$2.1 million). Transportation’s gap change resulted from 10-year needs (increased construction cost for roads) increasing by \$113 million, while budget and projected reserve fund availability increased by only \$33 million. The Recreation, Parks, and Corporate Facilities decreases are attributable to increasing projected reserve fund availability, primarily from Capital Infrastructure Gap reserve fund (RF118), as annual assessment growth funding cases mitigate the increase in needs. Similarly, Sanitary’s gap reduction is attributable to additional reserve fund availability, However detailed assessment of wastewater treatment plants requirements is currently underway and the sanitary Infrastructure gap will be recalculated based on accurate condition assessment information in the next Full CAM Plan in 2023.



**Figure 1–10 Year Infrastructure Gap Breakdown by Services**

<sup>i</sup> The 2020 Cumulative 10-year gap has been adjusted due to an error occurred while retrieving information from Recreation and Corporate Facilities databases, which resulted in overestimating the 2020 10-year gap by \$16 Million.

## 2.2 Infrastructure Gap Comparison

Figure 2 illustrates the projected 2014 and 2019 CAM Plan infrastructure gap and the 2020 and 2021 infrastructure gap curves with the adopted infrastructure gap mitigation strategies. The strategies adopted through the 2020-2023 Multi-Year budget period to mitigate the 2019 projected infrastructure gap had contributed to the reduction of the actual assessed gap in 2021. The analysis shows that the forecasted cumulative 10-year infrastructure gap calculated in the 2019 CAM Plan, which was approximately \$568.8 million, is reduced by roughly \$16.6 million. The significance of the recommended mitigation strategies is reduced due to the continued increase in the Transportation infrastructure gap. Most of the reduction is happening between the years of 2020-2023 in the Multi-Year budget period, and continuously adopting similar mitigation strategies will contribute to future reduction in the City's infrastructure gap. However, COVID-19 pressures resulted in yet to be fully quantified price increases in materials and services for most assets lifecycle renewal projects. Fewer asset inspections due to COVID-19 may also be understating requirements and the infrastructure gap.

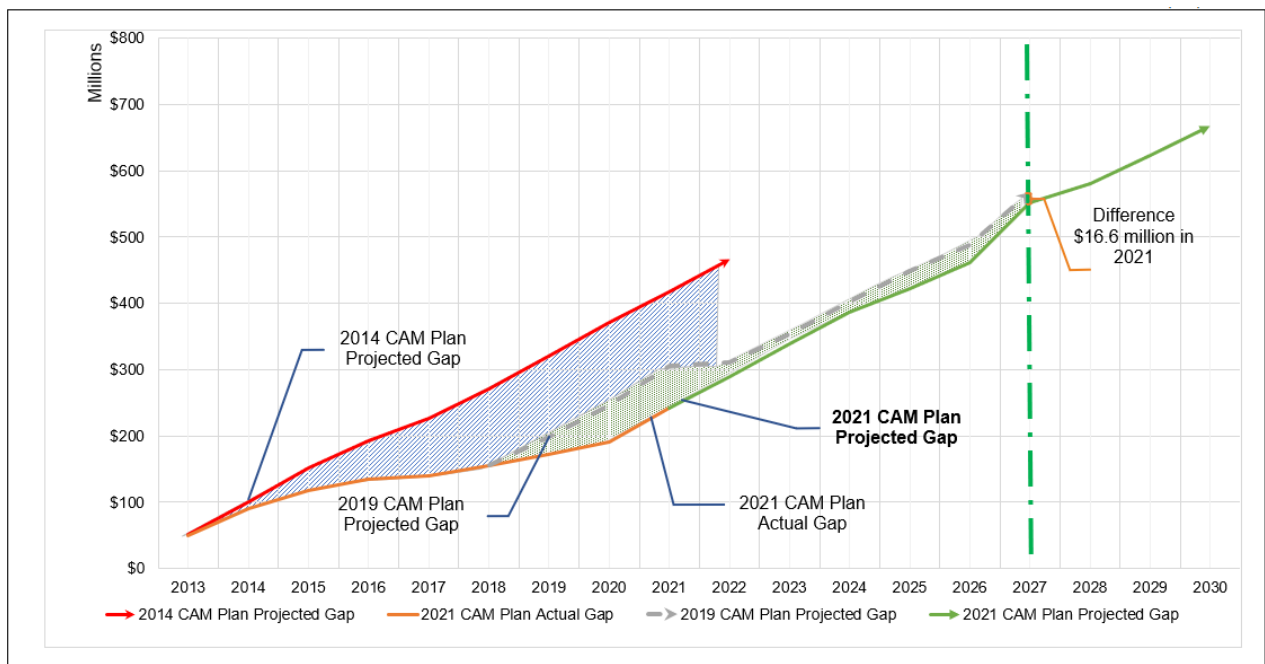


Figure 2 – Infrastructure Gap Comparisons

This annual review has not been comprehensively updated for the needs for all services within the Corporate Asset Management Scope. However, this update represents more than 92% of the assets included in the 2019 CAM Plan, based on their replacement values. In instances where the updated needs information could not be readily obtained, a projection of needs based on the 2019 CAM Plan was used.

## 2.3 Preliminary Level of Service (LOS) Metrics

The City of London defines its Level of Service (LOS) by understanding and quantifying the value that customers place on services and making customer requirements central to our planning processes. The LOS framework development process follows three main stages summarized below:

- a) Stage one: Establish LOS baseline (2019 CAM Plan)
  - i. Start-up
  - ii. Develop metrics and performances
- b) Stage two: Conduct periodic review (2021 CAM Plan update)
- c) Stage three: Future implementation
  - i. Identify financial relationships
  - ii. Seek public engagement
  - iii. Monitor and review

The 2021 CAM Plan Review process included a Level of Service metric update for 2019 data. Each service area provided an update to their level of service metrics (in the customer value category). Customer Values measure the perception of what the service is worth to the public versus any possible alternatives. Appendix B outlines the description and scope of each Customer Value category:

Each Customer Value category is assigned a status indicator to help define progress towards implementation. The four status indicators are:

- **'Meeting Targets'**, action is ongoing or completed annually; action is in progress and is on target to be complete by the target end date.
- **'Not Meeting Targets'**, LOS target is not achieved or expected to be significantly delayed.
- **'Risk of Not Meeting Targets'** LOS metric has been flagged as possibility of not being achieved by the target end date.
- **'Not Assessed' / 'Not in Scope'** has been added for those instances where the service area was unable to provide an update during this reporting period or the customer value has no metric for the specific services.

The listings in Table 2 and Table 3 are still considered preliminary – at this time not every service has metrics related to each customer value, or there is insufficient data available to perform a comprehensive update. These metrics will be expanded upon in future years with the intent to refine and report in the next full CAM Plan update in 2023. A high-level overview is provided below for “Customer Values” that are not meeting targets or are at risk of not meeting targets.

**Table 2 – Level of Service Targets Summary Results**

<b>Targets Assessment</b>	<b>Customer Service</b>	<b>Cost Efficient</b>	<b>Accessible</b>	<b>Legislative/ Safety</b>	<b>Reliability/ Availability</b>	<b>Quality</b>	<b>Environmental Stewardship/ Sustainability</b>	<b>Total</b>
Meeting Targets	5 (55.5%)	11 (73.3%)	4 (66.6%)	8 (88.9%)	9 (75.0%)	5 (50.0%)	12 (100.0%)	54 (73.9%)
Risk of Not Meeting Targets	0 (0%)	2 (13.3%)	1 (16.7%)	1 (11.1%)	0 (0%)	3 (30%)	0 (0%)	7 (9.6%)
Not Meeting Targets	2 (22.2%)	2 (13.3%)	0 (0%)	0 (0%)	3 (25.0%)	0 (0%)	0 (0%)	7 (9.6%)
Not Assessed	2 (22.2%)	0 (0%)	1 (16.7%)	0 (0%)	0 (0%)	2 (20.0%)	0 (0%)	5 (6.9%)
<b>Total</b>	<b>9 (100%)</b>	<b>15 (100%)</b>	<b>6 (100%)</b>	<b>9 (100%)</b>	<b>12 (100%)</b>	<b>10 (100%)</b>	<b>12 (100.0%)</b>	<b>73 (100%)</b>

### 2.3.1 Not Meeting Targets Assessment

Transportation’s ‘Reliability/Availability’ metric is not meeting targets as a large percentage of freeways, arterials, primary collectors, secondary collectors, and local road segments, and Structures (such as bridges and culverts), are not meeting desired condition targets and showing signs of further deterioration.

Urban Forestry is not meeting the cost-efficient target as the Woodlands and Street Trees current reinvestment rates have decreased. It suggests the Woodlands and Street Trees infrastructure gap will increase at current levels of funding.

- Not Meeting Targets Assessment Resulting from COVID-19

Urban Forestry is not meeting ‘Customer Service’ metrics due to COVID impact, as street plantings budget (specifically downtown street tree plantings) was deferred to nil (\$225,000 deferred) to mitigate COVID financial impacts, and thus fewer street trees were planted (approximately 4,000 where targets approximate 6,000).

Parking’s ‘Cost Efficient’ value is not being met as gross parking revenue (off-street and on-street spaces) and revenue per parking spaces have plummeted because of COVID-19 impacts and recovery initiatives (these 2020 revenue sources are approximately 20% of a typical annual revenue of the past several years).

Corporate Security & Emergency Management is not meeting the target for ‘Customer Service’ as the number of days spent training or educating decreased in 2020 as Security staff needed to be re-assigned to COVID-19 management tasks (approximately 17 days compared to a typical 46 to 49 days per year).

Parks and Recreation ‘Reliability/Availability’ was severely impacted by COVID-19. This includes no access to Parks amenities from March to late May 2020, with reopening beginning May 21, 2020. The reopening occurred under the context of health measures and safety precautions, such as social distancing and limiting the number of individuals to a gathering. Additionally, Oakridge arena (serving as a COVID-19 Assessment Centre) and Farquharson arena were not in operation as rinks due to the pandemic in 2020.

Certain Park facilities (washrooms) became available on June 19, 2020 and sports fields, cricket pitches, and baseball diamonds could issue permits starting July 15, 2020. However, Parks pathways were open with signs about social distancing.

Resulting from provincial orders, Recreation services have fluctuations from no availability to partial availability of services since March 2020. For example, Golf was not available from late March to mid-May. Most City spray pads opened June 12, 2020, and certain Aquatics facilities began opening in July 2020.

Recreation Community Centres events were cancelled for the months of July and August. However, modified programming was delivered while meeting all provincial and health unit health and safety guidelines and orders. Specifically, Carling Heights Optimist Community Centre was utilized as a Community Assessment Centre. While no formal surveys were conducted, positive anecdotal customer responses were received by staff.

### 2.3.2 Risk of Not Meeting Targets Assessment

Transportation's 'Accessible' customer values are at risk of not meeting the target due to the large number of existing streets without sidewalks on the list of warranted sidewalks and as a result of the London Plan policies generally requiring sidewalks on all streets.

Transportation's 'Cost Efficient' customer values are at risk of not meeting targets because roadway and structures annual average investment rates decreased in 2020, after several years of static reinvestment rates. Given the increased funding gap with roadways and structures over the past several years, it suggests an increasing roadways and structures gap at current levels of funding due to escalating of construction cost over the past few years.

Long Term Care's 'Cost Efficient' value is at risk of not meeting as Facilities' reinvestment rate is showing slight decreases as well as insufficient capital funding for equipment assets as recommended by the CAM Plan 2019. The 'Quality' value is also at risk of not meeting targets as the Homemakers Program hours of service and occupancy rate decreased in 2020 due to lockdown restriction imposed by the province.

Urban Forestry is at risk of not meeting 'Legislative/Safety' category targets because the biologically optimal frequency for tree trimming or planned urban forest maintenance target is five years, while the current cycle is at 10 years.

- Risk of Not Meeting as a Result of COVID-19

Corporate Security & Emergency Management is at risk of not meeting the target for 'Quality' as 95% of requests were completed in a 24-hour time frame and 5% were cancelled due to Emergency Operations Centre (EOC) operations reprioritized to address COVID issues, as opposed to a 100% target.

Corporate Facilities is at a risk of not meeting 'Quality' targets as facilities are showing condition deterioration and there is a risk of not meeting targets in the future. COVID-19 caused unplanned but prioritized work while postponing other lifecycle renewal projects. Facility assessments audits and annual inspections were also delayed. The pandemic has also resulted in an increase of construction materials and service provision costs.



Table 3 – 2021 Level of Service Targets

Service	Customer Service/ Public Education	Cost Efficient	Accessible	Legislative/Safety	Reliability/ Availability	Quality	Environmental Stewardship/ Sustainability
Water	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets
Sanitary	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets
Stormwater	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets
Transportation	Meeting Targets	Risk of Not Meeting Targets	Risk of Not Meeting Targets	Meeting Targets	Not Meeting Targets	Meeting Targets	Meeting Targets
Parking	Meeting Targets	Not Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets
Solid Waste	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets
Parks	Not Assessed	Meeting Targets	Meeting Targets	Meeting Targets	Not Meeting Targets	Not Assessed	Meeting Targets
Recreation	Not Assessed	Meeting Targets	Not Assessed	Meeting Targets	Not Meeting Targets	Not Assessed	Meeting Targets
Urban Forestry	Not Meeting Targets	Not Meeting Targets	Meeting Targets	Risk of Not Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets
Fire	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets
Long Term Care	Meeting Targets	Risk of Not Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Risk of Not Meeting Targets	Meeting Targets
Corporate & Cultural Facilities	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Risk of Not Meeting Targets	Meeting Targets
Fleet	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets
IT	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets
Corporate Security & Emergency Management	Not Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Meeting Targets	Risk of Not Meeting Targets	Meeting Targets

Legend
Meeting Targets
Risk of Not Meeting Targets
Not Meeting Targets
Not Assessed
Not in Scope/ TBD

### 3.0 Key Issues and Considerations

#### 3.1. Review of *Corporate Asset Management Plan 2019* Recommendations

The Corporate Asset Management Plan 2019 contained seven recommendations resolved by Council to strongly support the development of standardized asset management practices in the City of London. The progress and status of these recommendations are described below.

#### **Recommendation 1: Continue to align the Plan with the Corporate Strategic Plan.**

- Council’s 2019-2023 Strategic Plan for the City of London identifies ‘Building a Sustainable City’ and ‘Leading in Public Service’ as strategic areas of focus. These areas include ‘Maintain or increase levels of service’, ‘Manage the infrastructure gap for all assets’, and ‘Increase access to information to support community decision making’ as strategic priorities. Respectively these strategies are ensuring

the decisions for the City's finances are transparent and well planned to keep costs as low as possible with the intention to limit the burden on current and future rate payers. This 2021 Corporate Asset Management Plan review continues to align with the Corporate Strategic Plan.

**Recommendation 2: Continue to advance the Corporate Asset Management Program.**

- The Corporate Asset Management program has completed four of its seven units and continues to develop templates and procedures to fully implement the CAM program for all service areas.
- COVID-19 has delayed some of the CAM program implementation timelines due to maintaining minimal operations and delivering essential services across the City. This requirement delayed some tasks and moved all meeting and workshops to online platforms, including:
  - Delaying the Go Live date of the Corporate Asset Management software for Transportation Assets.
  - Delaying the implementation of the Risk module of Unit 6 “pilot trials” to start in Summer 2021.

**Recommendation 3: Enhance the Corporate Asset Management Program.**

- CAM Program enhancement continues to form the basis of the approach while exercising flexibility to achieve effective results.
- CAM Section is working with City services to ensure asset databases are comprehensive and to identify where improvements can occur.(e.g. Issuing RFP to conduct wastewater treatment Plant Condition assessment, Similarly developing RFP to inventory and assess condition for small diameter Culverts, and Improving Data collection approach for bridges and structures)
- Introduction of the CAM Plan Report Card for core services and services that have a large infrastructure gap.
- Embarking on updating various level of service metrics using predefined customer values which will ensure compliance with Phase 3 of O.Reg. 588/17.

**Recommendation 4: Monitor the Progress of the Corporate Asset Management Plan.**

- The 2021 CAM Plan Review assists in monitoring the CAM Plan progress.
- Since the CAM Plan, the City has progressed with its financial strategies, although COVID-19 has impeded the expected advancements.

**Recommendation 5: Explore opportunities to incorporate the corporate asset management practices to the Boards & Agencies of the City as appropriate.**

- In spring 2021, CAM Section completed its Asset Management Maturity Assessment of Agencies, Boards, and Commissions.
- The CAM Section has been working closely with London Middlesex Community Housing (LMCH) to develop their Asset Management Plan, providing various tools, templates, and regular advice to help transfer Asset Management best practices and expertise to their staff. The LMCH Asset Management Plan was completed August 2020.

**Recommendation 6: Engage the Public and Community Partners in the Asset Management Process.**

- The CAM Section has begun the process of working with stakeholders from internal agencies, boards, and commissions to expand the coordination of asset management across the City.
- CAM Section is also working with Canadian Network of Asset Managers (CNAM) and Asset Management Ontario (AMONTARIO) to produce resources to help educate the public and raise awareness on Asset Management processes.

**Recommendation 7: Continue to explore opportunities to address the infrastructure gap through various financial strategies.**

- With Council's prioritization, the City has made significant strides towards increasing the amount of funding available for lifecycle renewal since 2016, when the Capital Infrastructure Gap Reserve Fund was first established. In 2019, CAM Section submitted an additional investment business case during the Multi-Year Budget (Business Case #4 - City of London Infrastructure Gap). The amount approved resulted in approximately a 0.16% tax increase.
- The Capital Infrastructure Gap Reserve Fund is anticipated to receive \$48.6 million in tax supported contributions during the 2021-2023 period. This reserve fund is a significant source of financing for numerous lifecycle renewal capital projects over the course of the City's 10-year capital plan. As illustrated in Figure 2, when comparing the 2019 CAM Plan projected infrastructure gap to the 2021 updated gap, it indicates the infrastructure gap would have been approximately \$16.6 million greater if not for the Multi-Year budgets approved during winter 2020.
- CAM submitted a 2020 assessment growth business case (2020 Assessment Growth Business Case #24) and 2021 assessment growth business case (2021 Assessment Growth Business Case #21) to ensure adequate on-going lifecycle renewal activities for increased tax-supported infrastructure. Annual assessment growth funding allocations for new infrastructure are based on recommended annual reinvestment rates for applicable infrastructure, as listed in the 2019 CAM Plan.

**3.2. Corporate Asset Management Key Initiatives**

The basis for CAM Program implementation across various City services is to adopt key initiatives and align with City changes that occur outside the CAM Program. The key CAM Program improvement initiatives include:

**3.2.1 Aligning with the New Organization Structure**

Effective May 4, 2021, the City's organizational restructuring was formally introduced. It resulted in new teams and new service areas being formed. Restructuring will affect different components of the CAM Program. The CAM program will align with the organizational restructuring by amending the existing CAM steering committee members, modifying the next CAM Plan structure, and formally coordinating with Climate Change Planning.

**a) Amending CAM Steering Committee**

CAM steering committee generally includes Directors and Division Managers representing the major functional areas included in the CAM Program. They provide guidance and direction for asset management development and implementation. Following the restructuring, the steering committee will incorporate the new organization structure changes. An additional separate Steering Committee may be formed to include representatives from the Agencies, Boards, and Commissioners (ABCs) as the CAM Plan's scope will expand and align with O.Reg. 588/17 requirements. CAM section will identify key stakeholders and prepare an introductory package for the new committee members to introduce the CAM program, scope of work, and the next four (4) years' schedule.

**b) Amending the CAM Plan Structure**

The City restructure results in the next CAM Plan sections (and associated infrastructure gap distribution) to be adjusted for each service area. Given the restructuring is expected to rearrange how certain Division's infrastructure needs and budgets, the associated infrastructure gap distribution is also expected to be rearranged.

### **c) CAM Coordination with Climate Change Planning**

Asset management helps evaluating trade-offs between service levels, cost, and risk for the City natural and built infrastructures. The coordination between the Corporate Asset Management and Climate Change Planning at City of London will provide an effective and cost-efficient way to implement climate change mitigation and adaptation responses. It makes use of existing processes and helps the City balance investments, working toward the goal of sustainable service delivery.

#### **3.2.2 Full CAM Plan Development- 2023**

The CAM Plan is a living document that will continue to reflect the evolution of asset management practices within the City. Early 2022, the CAM section will embark on developing the next full CAM Plan update to be published by Summer 2023 to inform the next Multi Year Budget. This process will require engaging internal and external expertise to support and conduct various analysis to enable the development of the next CAM Plan. In preparation for the next 2023 CAM Plan Update, CAM section will omit next year's (2022) annual monitoring and review of the 2019 CAM Plan to focus on development of the 2023 CAM Plan. The new CAM Plan will incorporate requirements of Phase Three of Ontario Regulation (O.Reg 588/17): Asset Management Planning for Municipal Infrastructure, ahead of the phase three deadline of July 1, 2025.

#### **3.2.3 Community Engagement**

Over the coming two years CAM section will initiate community engagement in the Asset Management processes. The project begins internally by working with the City communication department to select the best method to engage the public and community partners. External support is expected to plan and implement the project phases including public education and public consultation.

#### **3.2.4 Agencies, Boards, and Commissioners (ABCs) CAM Support**

The City of London's CAM Program needs to expand its scope to include Agencies, Boards, and Commissions (ABCs), as listed on the City's consolidated financial statements, to fully implement O.Reg. 588/17. The completed ABC asset management maturity assessment was the first step to integrate ABCs into the CAM Program. Results reveal there are areas of strength, but additional resources will be required to integrate these entities with the City's next CAM Plan update and continue with ongoing asset management best practices. Pending Council approval of additional resources in 2022, the CAM section will work with the various ABCs stakeholders to collect and prepare data to help each of the ABCs in creating their Asset Management Plans. The process will require developing knowledge databases, lifecycle needs (both current and proposed levels of services) forms, and templates to support ABCs and ensure compliance with O.Reg. 588/17 regulation.

## **Conclusion**

The City of London's Corporate Asset Management Plan continues to meet provincial and federal requirements while enabling the City to move continually towards best practices in asset management, with two out of three phases for O.Reg. 588/17 met for directly owned assets. It is important that progress continues to be made and flexibility exercised as the City progresses towards implementing CAM practices to agencies, boards, and commissions, while using effective standardized asset management practices leveraging 'current' asset management technologies. This will result in Council having enhanced information on which to base strong and effective decisions.

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**Manager III, Corporate Asset Management**

**Reviewed by:** **Paul Yeoman, RPP, PLE**  
**Director, Capital Assets and Projects**

**Recommended by:** **Anna Lisa Barbon, CPA, CGA**  
**Deputy City Manager, Finance Supports**

Attached Appendix (A) Service Area Report Cards, Appendix (B) Customer Value Definitions

CC:

Senior Leadership Team

Kyle Murray – Director, Financial Planning & Business Support

Ian Collins – Director, Financial Services

Doug MacRae - Director, Roads and Transportation

Scott Mathers - Director, Water and Wastewater

Tim Wellhauser - Director, Fleet and Facilities

Jon-Paul McGonigle - Director, Recreation and Sport








Scott Stafford - Director, Parks and Forestry

# 2021 Corporate Asset Management Plan Update

## Transportation Services

Report Card



Asset Type	Replacement Value (000's)	Current Condition	10 Year Infrastructure Gap (000's)	Current Reinvestment Rate	Optimal Reinvestment Rate
Roadways 	\$2,914,498	 Good	\$360,988	1.0%	2.0% to 3.0%**
Structures 	\$458,039	 Good	\$23,459	1.4%	1.0% to 1.7%**
Traffic 	\$274,061	 Fair	\$22,551	3.0%	3.5% to 4.5%
Transportation	\$3,646,598	 Good	\$406,998*	1.2%	1.8% to 2.7%

\* This projected infrastructure gap is reduced by the forecasted reserve fund drawdown availability over the next decade.

\*\* Canadian Report Card Recommended Annual Reinvestment Rate.

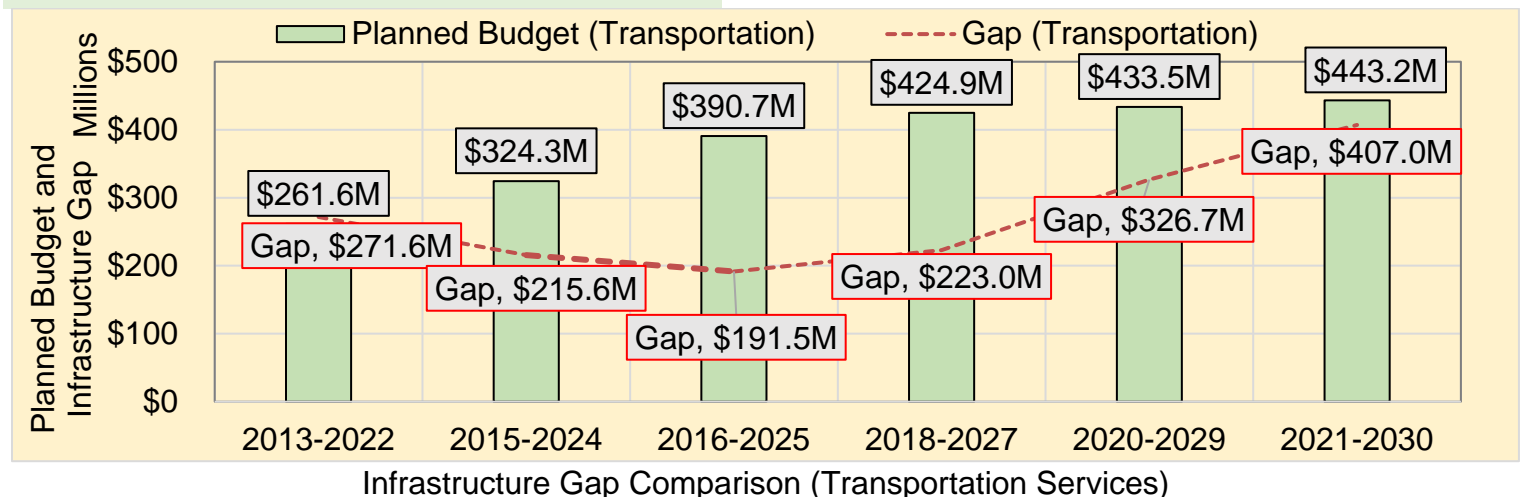
### State of Infrastructure overview

The updated replacement value of the City's transportation assets is \$3.65 Billion. The Replacement values of roadways and structures assets have been updated based on the latest consultant reports (Roadmatrix & Bridge Management System) using 2020 data where applicable. Traffic assets inventory is updated, and replacement values are calculated using 2020-unit costs.

Transportation assets condition is overall good. Condition information has been updated for roads, structures, sidewalks, traffic signals and street light assets.

### Infrastructure Gap Overview

Transportation's 10-year infrastructure gap is estimated at approximately \$407M. The table above provides information on the updated Transportation infrastructure funding gap, with detail for Roadways, Structures, and Traffic. A \$227M in growth-focused federal and provincial funding was recently approved in June 2020. Although most of the funding is growth-focused, it may help reduce the infrastructure gap. However, analyzing the impact of this additional funding will be performed in the future years. Rapid Transit is not part of the budget and analysis.



# 2021 Corporate Asset Management Plan Update

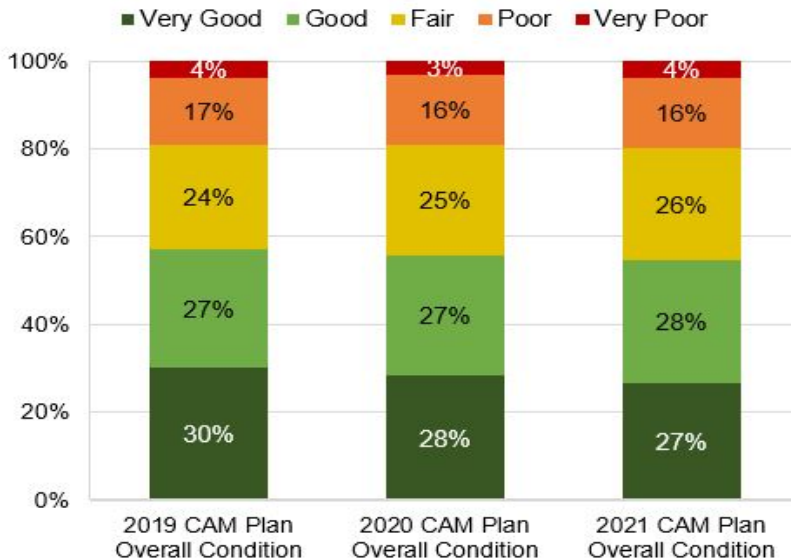
## Transportation Services



Report Card

Asset Type	Planned Budget (000's)			Projected 10-year infrastructure gap (000's)		Change (000's)	Gap Assessment
	2021 CAM Plan Update (2021-2030)	2019 CAM Plan (2018-2027)	Change (000's)	2021 CAM Plan Update (2021-2030)	2019 CAM Plan (2018-2027)		
Roadways	\$295,144	\$296,106	\$(962)	\$360,988	\$159,627	\$201,361	
Structures	\$65,889	\$54,111	\$11,778	\$23,459	\$38,488	\$(15,029)	
Traffic	\$82,203	\$74,716	\$7,487	\$22,551	\$24,934	\$(2,383)	
Transportation	\$443,236	\$424,933	\$18,303	\$406,998	\$223,049	\$184,949	

The figure and table above illustrate the infrastructure gap increasing since the 2019 CAM Plan which covered the 10-year period of 2018-2027. The 2021 update indicates that the Transportation infrastructure gap has increased to approximately \$407M. The \$185M increase from the 2019 CAM Plan resulted mainly from Roadway assets. Roadway budgets has decreased around \$1.0M over the 10-year period, and requirements have increased by \$245M due to increased replacement value (construction costs) combined with a recent reduction in roadways condition. Structures' gap has decreased by \$15M as the budget has increased by nearly \$12M while requirements have decreased by approximately \$3M. Traffic gap has decreased by approximately \$2M as budgeting has increased.



### 2019 CAM Plan vs. 2020, 2021 CAM Plan Update Conditions

The 2021 CAM Plan update lists the overall condition of the Transportation assets in Good condition. Compared to the CAM Plan 2019 and 2020 update, there are few overall condition changes. Asset replacement values and the 10-year requirements have increased because of the rise in construction and restoration costs of infrastructure. The infrastructure gap is expected to increase in the next 10 years, causing an anticipated deterioration in the overall condition of Transportation Assets. More budget is required to maintain the current level of service.

Customer Value	Level of Service Overall Assessment
Accessible	Risk of Not Meeting Targets
Cost Efficient	Risk of Not Meeting Targets
Environmental Stewardship	Meeting Targets
Reliable	Not Meeting Targets
Customer Service	Meeting Targets

### Preliminary Level of Service Update

**Accessible:** Risk of not meeting target due to the large number of existing streets without sidewalks in contrast to London Plan policies requiring sidewalks on all streets and requests received from the public. Cycling facility implementation progress, identified in the Cycling Master Plan, is also desired to be quicker.

**Cost Efficient:** Combined annual average investment rate of Roadways and Structures has decreased with no trend towards the target.

**Reliable:** Many metrics related to condition of assets are showing deterioration and not meeting targets.



Asset Type	Replacement Value (000's)	Current Condition	10 Year Infrastructure Gap (000's)	Current Reinvestment Rate	Optimal Reinvestment Rate
Conveyance	\$4,106,813	Good	No Gap Identified*	0.4%	1.0% to 1.3%**
Management	\$577,306	Very Good	\$6,676*	1.3%	1.7 to 2.0%**
Wastewater Stormwater	\$4,684,119	Good	No Gap Identified*	0.5%	1.0% to 1.4%**

\* This projected infrastructure gap is reduced by the forecasted reserve fund drawdown availability over the next decade.

\*\* Canadian Report Card Recommended Annual Reinvestment Rate.

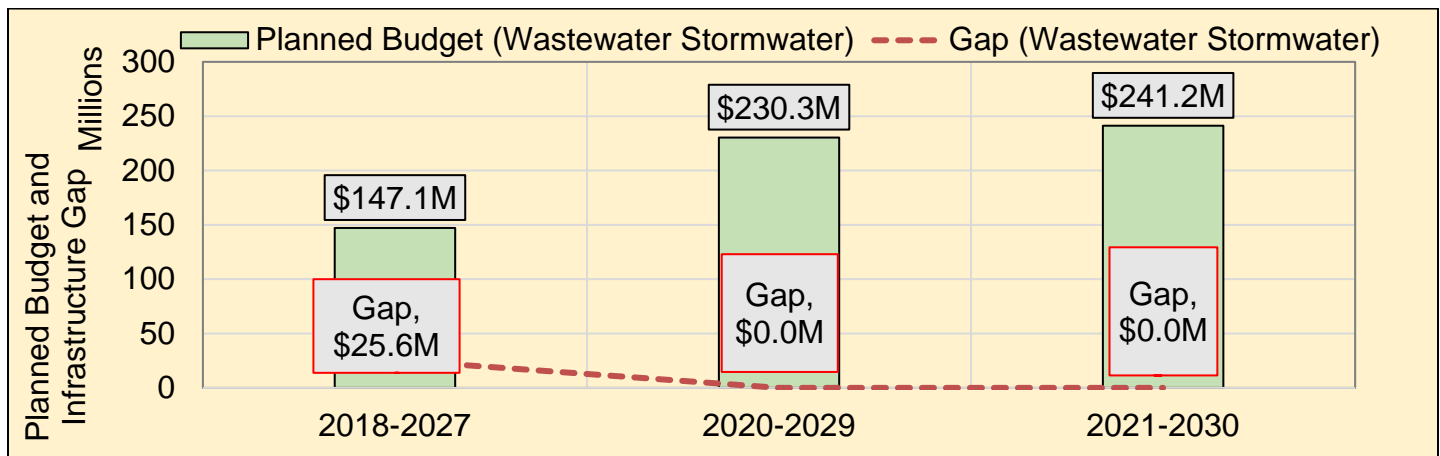
### State of Infrastructure overview

The updated replacement value of the City's Stormwater assets is \$4.68 Billion. Replacement value has been updated for Conveyance (storm sewer main). Most Stormwater Management assets have been updated for condition and replacement value except dykes, municipal drains and waterways.

Stormwater service area continues progress with improving their data quality by updating Management assets in the City GIS database.

### Infrastructure Gap Overview

As a result of budget approved during the 2020-2023 multiyear budget process, Stormwater overall gap is eliminated. A further gap breakdown shows that the Stormwater Conveyance gap has been eliminated while there is an increase in the projected Stormwater management assets gap to approximately \$6.7 million. This Stormwater management gap is expected to be mitigated by drawing down from existing reserve funds and transferring excess funding from the conveyance network budgets. While current reinvestment rate is still below the recommended optimal reinvestment targets, the overall planned budget has increased which is considered a positive sign.



Infrastructure Gap Comparison (Wastewater – Stormwater Service)



# 2021 Corporate Asset Management Plan Update

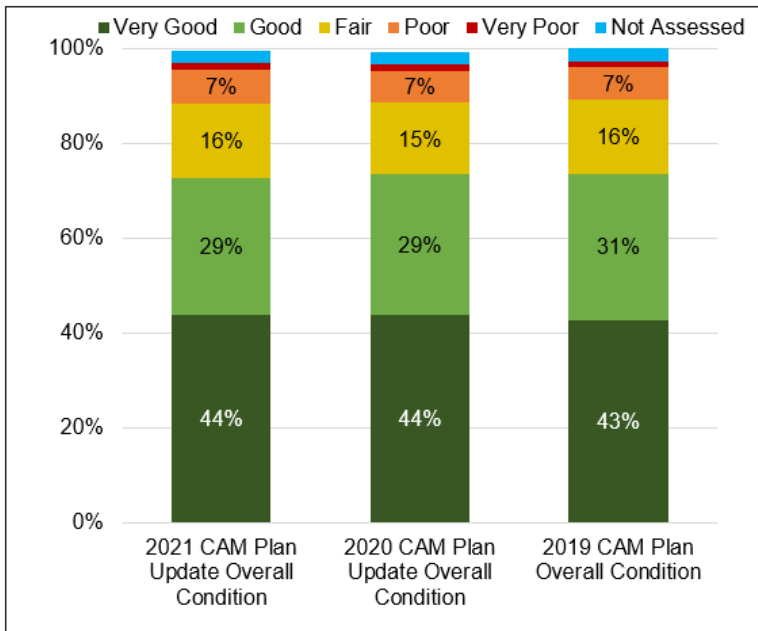
## Wastewater - Stormwater Service

Report Card



Asset Type	Planned Budget (000's)		Change (000's)	Projected 10-year infrastructure gap (000's)		Change (000's)	Gap Assessment
	2021 CAM Plan Update (2021-2030)	2019 CAM Plan (2018-2027)		2021 CAM Plan Update (2021-2030)	2019 CAM Plan (2018-2027)		
Conveyance	\$166,238	\$90,252	\$75,986	-	\$592	(\$592)	
Management	\$74,935	\$56,892	\$18,043	\$6,676	\$3,160	\$3,516	
Wastewater Stormwater	\$241,173	\$147,144	\$94,029	-	\$3,752	(\$3,752)	

The figure and table above illustrate the change in infrastructure gap projection since the 2019 CAM Plan which covered the 10-year period of 2018-2027. This 2021 update indicates that the Stormwater infrastructure gap is forecasted to be eliminated, which is driven by the increase in planned investments (budget) for Stormwater infrastructure.








### 2019 CAM Plan vs. 2020/2021 CAM Plan Updates Condition

According to the 2020 and 2021 CAM Plan updates, the overall condition profile is generally 'Good' condition. Compared to the CAM Plan 2019, the condition has generally stayed the same. Given the extensive stormwater main network, it is difficult to materially change the condition profile within a year or two. The overall Stormwater infrastructure gap is expected to be eliminated in the next 10 years.

Customer Value	Level of Service Overall
Cost Efficient	Meeting Targets
Environmental Stewardship	Meeting Targets
Reliable	Meeting Targets
Customer Service	Meeting Targets

**Preliminary Level of Service Update**  
The current performance of the updated Level of service metrics have shown that they meet targets.

Asset Type	Replacement Value (000's)	Current Condition	10 Year Infrastructure Gap (000's)	Current Reinvestment Rate	Optimal Reinvestment Rate
Collection 	\$4,179,809	 Good	No Gap Identified	0.6%	2.0% to 3.0%**
Treatment 	\$1,024,550	 Fair	\$78,523*	0.4%	1.8% to 2.0%**
Wastewater Sanitary	\$5,204,360	 Good	\$11,898	0.6%	1.0% to 1.4%**

\* This projected infrastructure gap is reduced by the forecasted reserve fund drawdown availability over the next decade.

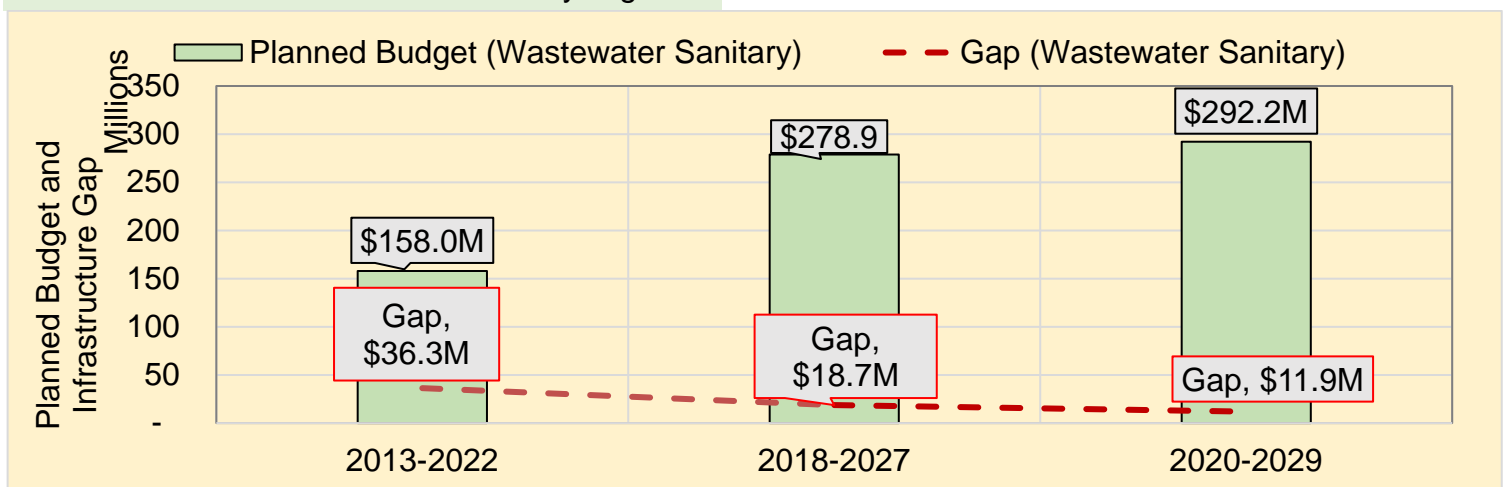
\*\* Canadian Report Card Recommended Annual Reinvestment Rate.

### State of Infrastructure overview

The updated replacement value of the City's Wastewater Sanitary assets is \$5.2 Billion. Replacement Values and Condition information are updated for the 'Collection' asset type (sanitary sewer pipes). Sewer pipes represent the bulk of the value of the sanitary asset base and are rated in Good condition based on information collected from the City's sewer inspection program. Wastewater Treatment Plants and Pump Stations condition were not updated since the 2019 CAM Plan and remains in Fair to poor conditions. The overall condition of Wastewater Sanitary is good.

### Infrastructure Gap Overview

Overall Wastewater Sanitary 10-year infrastructure gap is calculated at approximately \$11.9M. A further breakdown of this gap shows that the Sanitary Collection gap is calculated at \$nil while Wastewater Treatment gap still exists at approximately \$78.5 million. This Wastewater Treatment gap is expected to be reduced by drawing down from existing reserve funds and transferring excess funding from the Sanitary Collection network budgets.



Infrastructure Gap Comparison (Wastewater – Sanitary Service)






# 2021 Corporate Asset Management Plan Update

## Wastewater - Sanitary Service

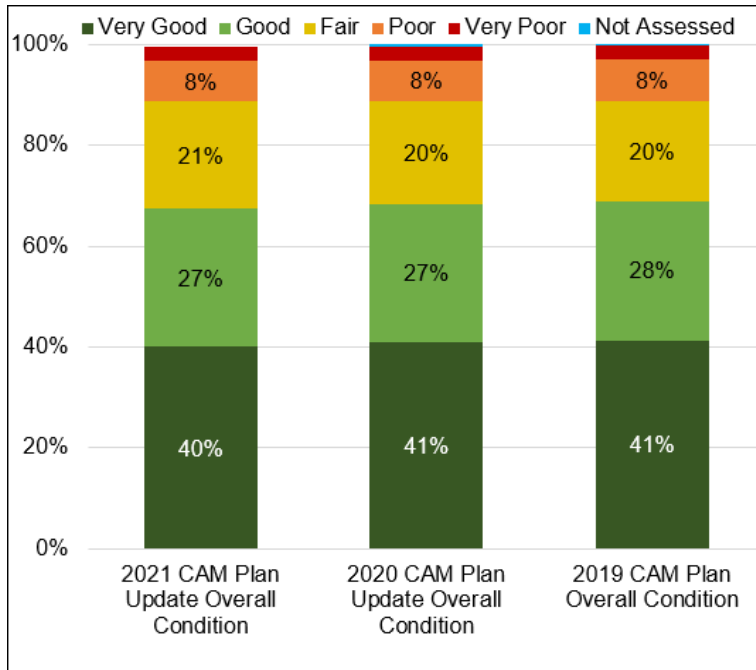


London  
CANADA

Report Card

Asset Type	Planned Budget (000's)			Projected 10-year infrastructure gap (000's)		Change (000's)	Gap Assessment
	2021 CAM Plan Update (2021-2030)	2019 CAM Plan (2018-2027)	Change (000's)	2021 CAM Plan Update (2021-2030)	2019 CAM Plan (2018-2027)		
Collection 	\$254,143	\$128,053	\$126,090	-	-	-	
Treatment 	\$38,020	\$29,907	\$8,113	\$78,523	\$82,931	\$(4,408)	
<b>Wastewater Sanitary</b>	<b>\$292,163</b>	<b>\$157,960</b>	<b>\$134,203</b>	<b>\$11,898</b>	<b>\$36,280</b>	<b>\$(24,382)</b>	

The figure and table above illustrate the change in infrastructure gap projection since the 2019 CAM Plan which covered the 10-year period of 2018-2027. This 2021 update indicates that the Wastewater Sanitary gap is forecasted to decrease to \$11.9 million, which is driven by the increase in projected reserve fund availability for Wastewater infrastructure.



### 2019 CAM Plan vs. 2020 and 2021 CAM Plan Update Conditions








According to the 2020 CAM Plan update, the overall condition profile is generally 'Good' condition. Compared to the CAM Plan 2019, the condition has generally stayed the same. Given the extensive Wastewater Sanitary collection network, it is difficult to materially change the condition profile within a year or two. The overall Wastewater Sanitary infrastructure gap is reduced to \$11.9 million over the next 10 years. Continued and increased investment in Wastewater Sanitary infrastructure is needed in order maintain accepted levels of service and to ensure public safety.

### Customer Value Level of Service Overall Assessment

Cost Efficient	Meeting Targets
Environmental Stewardship	Meeting Targets
Reliable	Meeting Targets
Customer Service	Meeting Targets

### Preliminary Level of Service Update

The current performance of the updated Level of service metrics have shown that they meet targets.

Asset Type	Replacement Value (000's)	Current Condition	10 Year Infrastructure Gap (000's)	Current Reinvestment Rate	Optimal Reinvestment Rate
Linear 	\$5,764,878		No Gap Identified	0.5%	1.0% to 1.5%*
Water Meters 	\$35,919		No Gap Identified	6.1%	5.0%
Water Facilities 	\$166,294		No Gap Identified	2.9%	1.7% to 2.5%*
Water Assets	\$5,967,091		No Gap Identified	0.6%	1.0% to 1.5%*

\* Canadian Report Card Recommended Annual Reinvestment Rate.

### State of Infrastructure overview

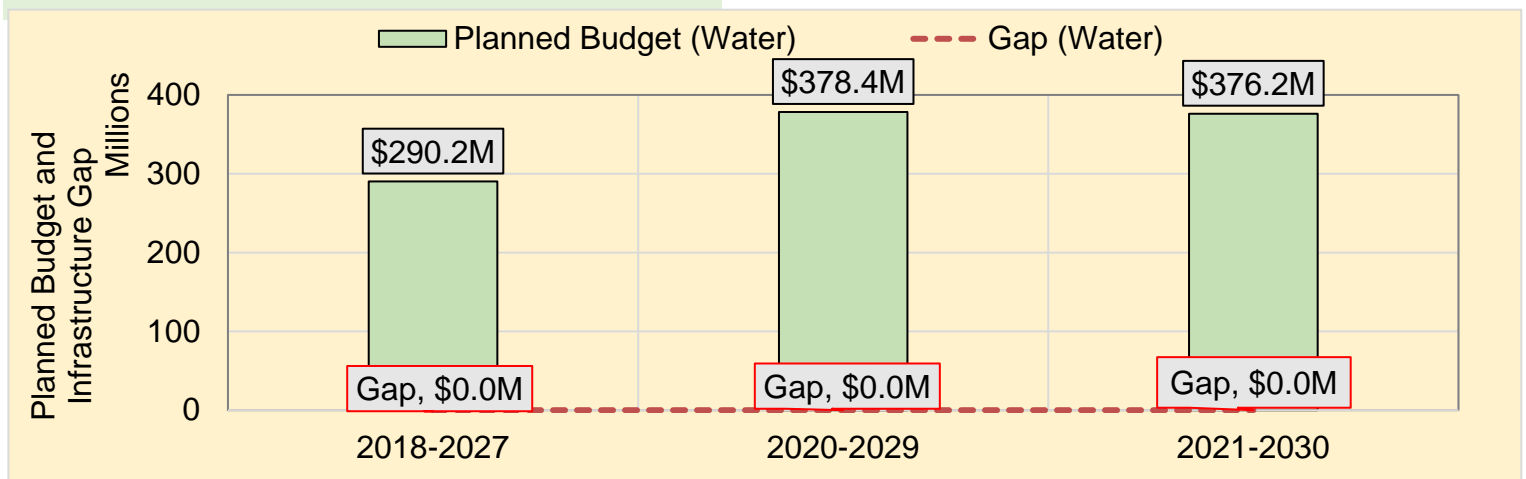
The water infrastructure is grouped into Water Linear (pipes and appurtenances), Water meters and Water Facilities (pumping stations, bulkwater stations, storage reservoirs, and wells). The updated replacement value of the City's water assets is \$5.97 Billion. This replacement value has been updated for water meters and linear infrastructure.

Water linear condition is based on 2019 CAM Plan information, water meter condition value has been updated, but there are no new condition reports for Water facilities. The overall water assets condition is "Good".

### Infrastructure Gap Overview

There is no identified 10-year infrastructure gap for the Water assets. The table above provides information on updated Water infrastructure funding, the current and optimum reinvestment rates, with detail for linear, water meters, and water facilities assets.

Current linear reinvestment rates have increased but they are still below targeted optimal reinvestment rates recommended by the Canadian Infrastructure Report Card for water infrastructure. However, the water System is in good shape which allows it to continue providing a plentiful, high quality, and reliable water supply to Londoners.



Infrastructure Gap Comparison (Water Service)



# 2021 Corporate Asset Management Plan Update

## Water Service

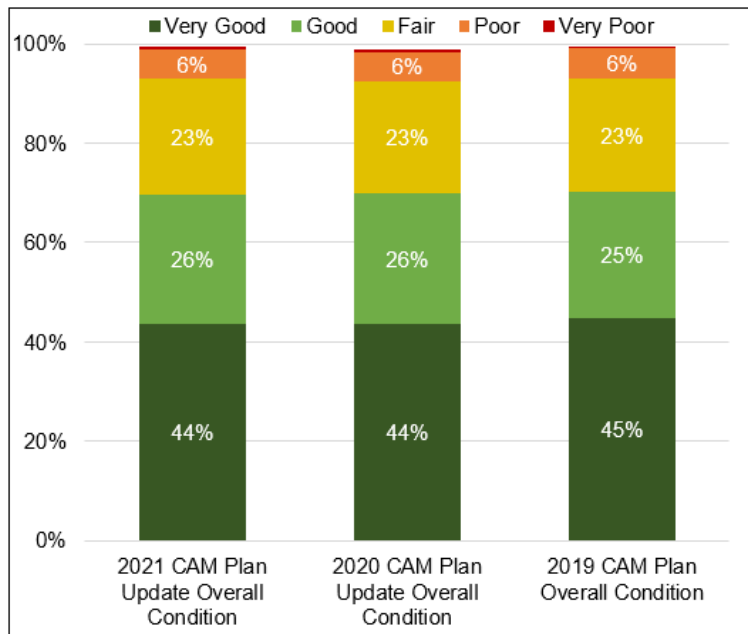


London  
CANADA

Report Card

Asset Type	Planned Budget (000's)			Projected 10-year infrastructure gap (000's)		Change (000's)	Gap Assessment
	2021 CAM Plan Update (2021-2030)	2019 CAM Plan (2018-2027)	Change (000's)	2021 CAM Plan Update (2021-2030)	2019 CAM Plan (2018-2027)		
Linear	\$306,497	\$254,273	\$52,224	-	-	-	
Water Meters	\$21,986	\$15,600	\$6,386	-	-	-	
Water Facilities	\$47,709	\$20,278	\$27,431	-	-	-	
<b>Water Assets</b>	<b>\$376,192</b>	<b>\$290,151</b>	<b>\$86,041</b>	<b>-</b>	<b>-</b>	<b>-</b>	

The City is addressing its water infrastructure needs by continuing proactive management techniques like targeted renewal, regular inspection, condition assessment and the use of trenchless technologies. Further use of these technologies will help manage the water network over the long term. Water projected 10-year budget has increased during the 2020-2023 multiyear budget process compared to the projections included in the latest 2019 CAM Plan.



### 2019 CAM Plan vs. 2020 and 2021 CAM Plan Updates Condition

Water assets are overall in Good condition, indicating that they meet current needs, but are aging. The condition profile is virtually the same between 2019 CAM Plan and 2020 CAM Plan update. Given the extensive water network and the long-life spans of the pipes, it is difficult to materially change the condition profile within a year or two. Over the past decades, there has been consistent investment in renewing water infrastructure and expanding our system in a sustainable way.








### Preliminary Level of Service Update

The current performance of the updated Level of service metrics have shown that they meet targets.

Customer Value	Level of Service Overall Assessment
Cost Efficient	Meeting Targets
Environmental Stewardship	Meeting Targets
Reliable	Meeting Targets
Safety	Meeting Targets
Quality	Meeting Targets
Customer Service	Meeting Targets

# 2021 Corporate Asset Management Plan Update

## Recreation Services

Asset Type	Replacement Value (000's)	Current Condition	10 Year Infrastructure Gap (000's)	Current Reinvestment Rate	Optimal Reinvestment Rate
Recreation Assets 	\$379,964	 Fair	\$88,828	1.1%	1.7% to 2.5%**
Golf Assets 	\$21,323	 Poor	\$5,396	0.8%	1.7 to 2.5%**
Senior Centre 	\$11,550	 Poor	\$3,531	1.4%	1.7% to 2.5%**
<b>Overall Recreation</b>	<b>\$412,837</b>	 Poor	<b>\$97,755*</b>	<b>1.1%</b>	<b>1.7% to 2.5%**</b>

\* This projected infrastructure gap is reduced by the forecasted reserve fund drawdown availability over the next decade.

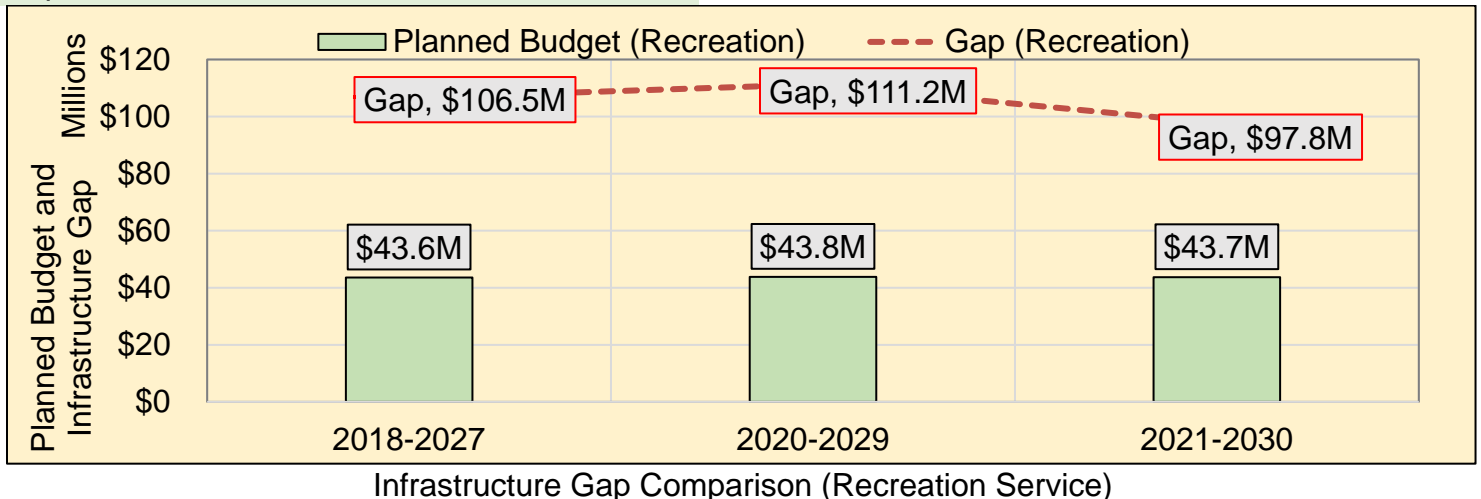
\*\* Canadian Report Card Recommended Annual Reinvestment Rate.

### State of Infrastructure overview

The updated replacement value of the City's Recreation Facilities assets is \$413 Million. Replacement values and Condition information have been updated for all asset types including arenas, aquatic centers, community centers, golf, attractions, and senior centers and all facilities site work condition and replacement value. The condition is regularly evaluated through comprehensive condition assessments, which establish and update an industry-standard Facility Condition Index (FCI) that reflects the overall condition of the facilities and their sub-components. Recreation overall condition is 'Poor'.

### Infrastructure Gap Overview

Recreation Facilities 10-year infrastructure calculated at approximately \$98 million. Despite the planned capital budget has increased, requirements for arenas and community centres account for most of the infrastructure gap increase. The current reinvestment rate is still below the recommended optimal reinvestment rates. This forecast represents the costs to renew and maintain the serviceability of existing assets, and do not account for growth and the expansion of service to new areas.



# 2021 Corporate Asset Management Plan Update

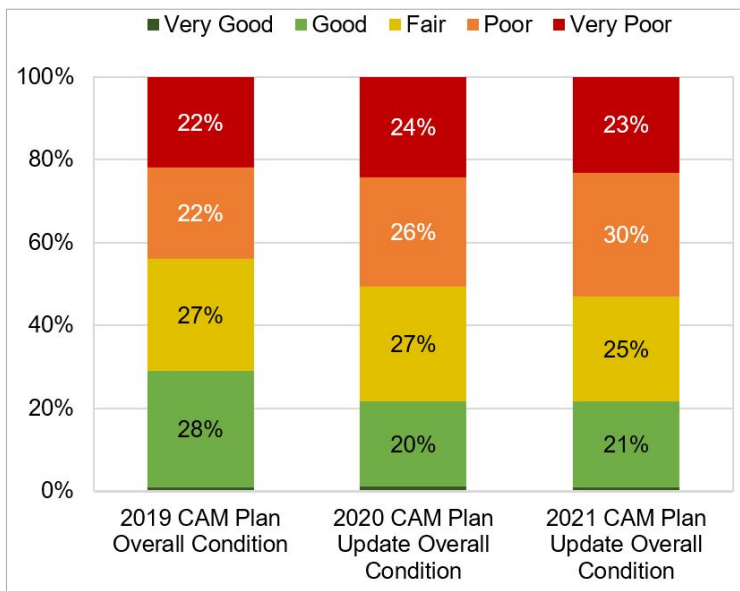
## Recreation Service



Report Card

Asset Type	Planned Budget (000's)			Projected 10-year infrastructure gap (000's)		Change (000's)	Gap Assessment
	2021 CAM Plan Update (2021-2030)	2019 CAM Plan (2018-2027)	Change (000's)	2020 CAM Plan Update (2021-2030)	2019 CAM Plan (2018-2027)		
Recreation Assets	\$40,558	\$39,983	\$575	\$88,828	\$97,776	(\$8,948)	
Golf Assets	\$1,500	\$2,000	(\$500)	\$5,396	\$6,148	(\$752)	
Senior Centres	\$1,664	\$1,630	\$34	\$3,531	\$2,555	\$976	
Overall Recreation	\$43,838	\$43,613	\$109	\$97,755	\$106,479	(\$8,724)	

The figure and table above illustrate the infrastructure gap increasing since the 2019 CAM Plan which covered the 10-year period of 2018-2027. This 2021 update indicates that the Recreation infrastructure gap has decreased by \$8.7 million when compared to the projected gap in the 2019 CAM Plan to approximately \$97.8M.



### 2019 CAM Plan vs. 2021 CAM Plan Update Condition

According to the 2021 CAM Plan update, the overall condition profile is revised to a generally 'Poor' condition.

Compared to the CAM Plan 2019, the condition has deteriorated from 'Fair' to 'Poor' condition, this is due to the identified infrastructure gap. Additionally, the condition distribution shows more assets in the 'Poor' and 'Very Poor' conditions. The infrastructure gap is expected to decrease in the next 10 years, but still expected to approximate \$98 million, causing an anticipated deterioration Recreation Facilities overall condition. More investments are required to maintain the current level of service.

Customer Value	Level of Service Overall Assessment
Customer Service	Not Assessed
Cost Efficiency	Meeting Targets
Accessible	Not Assessed
Reliability/Availability	Not Meeting Targets
Safety	Meeting Targets
Quality	Not Assessed
Environmental Stewardship	Meeting Targets

### Preliminary Level of Service Update

While there are many metrics that have been updated, there are also some that could not be completed given timing of the report and COVID-19 impact. The overall categories were marked as "Not Assessed" until most of these metrics are updated.









Reliable: Recreation assets' use was restricted because of provincial orders to combat COVID-19.

# 2021 Corporate Asset Management Plan Update

Parks Service

Report Card



Asset Type	Replacement Value (000's)	Current Condition	10 Year Infrastructure Gap (000's)	Current Reinvestment Rate	Optimal Reinvestment Rate
Parks Linear 	\$97,217		\$12,157	1.6%	5.1%
Parks Amenity 	\$53,854		\$2,340	5.4%	6.2%
Parks Facility 	\$47,265		\$7,766	1.9%	1.7% to 2.5%**
Other Parks Assets 	\$1,569	Not Available	\$256	2.9%	5.0%
<b>Overall Parks</b>	<b>\$199,905</b>		<b>\$22,519*</b>	<b>2.7%</b>	<b>3.4% to 4.1%</b>

\* This projected infrastructure gap is reduced by the forecasted reserve fund drawdown availability over the next decade.

\*\* Canadian Report Card Recommended Annual Reinvestment Rate.

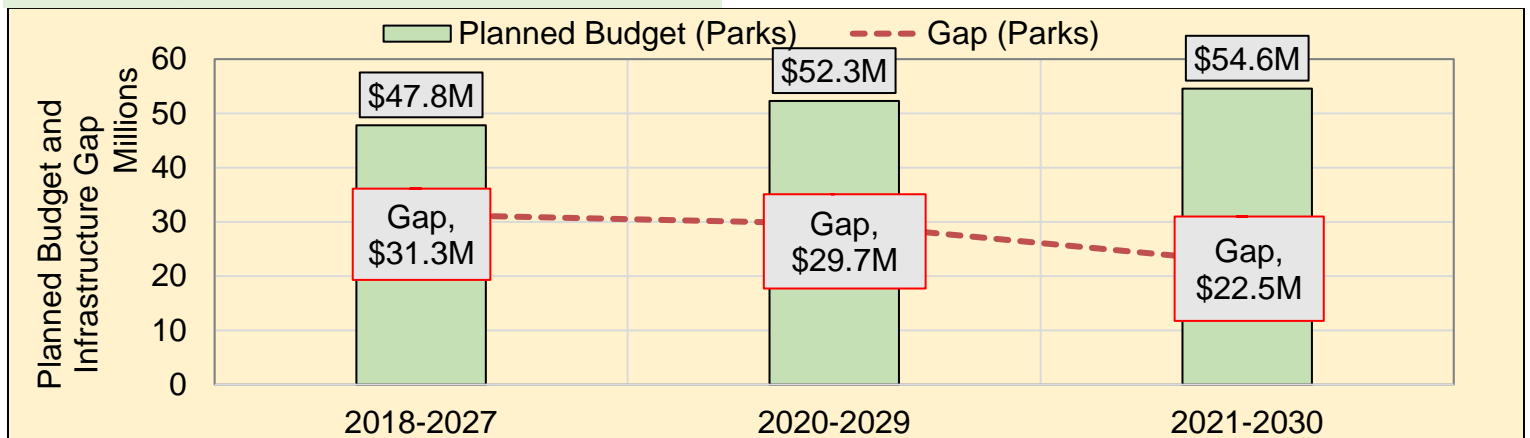
### State of Infrastructure overview

The updated replacement value of the City's Parks assets is \$200 Million. Replacement values have been updated for linear, amenity, and facility asset types. Condition information has been updated for Parks Facilities and site work. Parks overall condition is 'Good'. Parks is in process of completing pathway condition assessment using drone technology. This detailed analysis will assist in refining and having more objective condition assessment of the Parks infrastructure in future asset management plan reviews and updates.

### Infrastructure Gap Overview

Parks 10-year infrastructure gap is calculated at approximately \$22.5 million largely driven by the needs of the Thames Valley Parkway, multi-use pathway systems and park amenities. Current Reinvestment rates are based on latest multiyear budgets. These current reinvestment rates are still below the recommended optimal reinvestment rates.

This forecast does not account for any costs to improve service, accommodate growth, or expand service to new areas or customers



Infrastructure Gap Comparison (Parks Service)



# 2021 Corporate Asset Management Plan Update

Parks Service

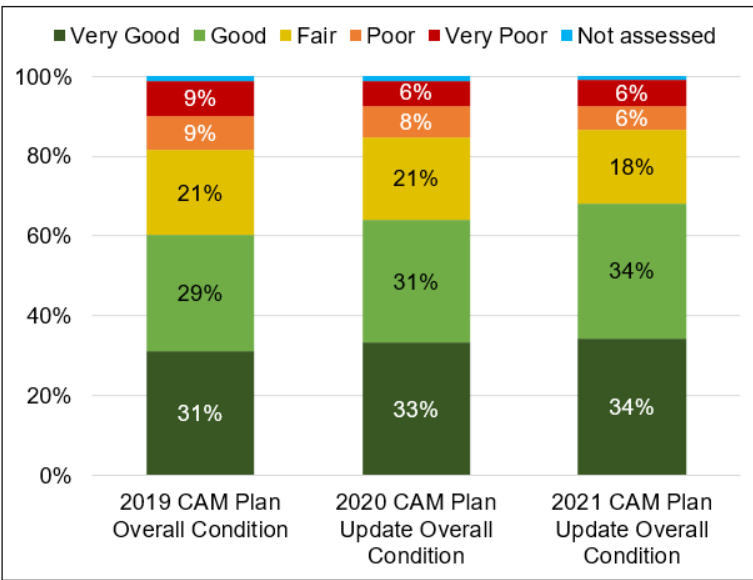


London CANADA

Report Card

Asset Type	Planned Budget (000's)		Change (000's)	Projected 10-year infrastructure gap (000's)		Change (000's)	Gap Assessment
	2021 CAM Plan Update (2021-2030)	2019 CAM Plan (2018-2027)		2021 CAM Plan Update (2021-2030)	2019 CAM Plan (2018-2027)		
Parks Linear	\$16,040	\$6,375	\$9,665	\$12,157	\$20,821	(\$8,664)	
Parks Amenity	\$29,208	\$27,844	\$1,364	\$2,340	\$7,063	(\$4,724)	
Parks Facility	\$8,856	\$12,960	(\$4,104)	\$7,766	\$3,287	\$4,479	
Other Parks Assets	\$462	\$625	(\$163)	\$256	\$159	\$97	
<b>Overall Parks</b>	<b>\$54,566</b>	<b>\$47,804</b>	<b>\$6,762</b>	<b>\$22,519</b>	<b>\$31,330</b>	<b>(\$8,811)</b>	

The figure and table above illustrate the change in infrastructure gap projection since the 2019 CAM Plan which covered the 10-year period of 2018-2027. This 2021 update indicates that the Parks infrastructure gap is forecasted to reach approximately \$22.5 million with a decrease of \$8.8 million less than the projected gap in the 2019 CAM Plan, which is driven by the increase in planned investments (budget) for parks infrastructure.



### 2019 CAM Plan vs. 2021 CAM Plan Update Condition

According to the 2021 CAM Plan update, the overall condition profile is revised to a generally 'Good' condition.

Compared to the CAM Plan 2019 and 2020 update, the condition has generally stayed the same, with a greater percentage of assets in fair to very good condition. The infrastructure gap is expected to decrease in the next 10 years but is still nearing \$23 million. Continued and increased investment in park infrastructure is needed in order maintain accepted levels of service and to ensure public safety and accessibility.

Customer Value	Level of Service Overall Assessment
Customer Service	Not Assessed
Cost Efficiency	Meeting Targets
Accessible	Meeting Targets
Safety	Meeting Targets
Quality	Not Assessed
Reliable	Not Meeting Targets
Environmental Stewardship	Meeting Targets

### Preliminary Level of Service Update

Quality and Customer Service: Customer surveys and the condition assessment (Quality Rating System) for parks amenities and pathway could not be completed given timing of the report and COVID-19 impact.

Reliable: Park Amenities and Facilities use was restricted because of provincial orders to combat COVID-19.



Other Customer Values metrics are meeting targets.

# 2021 Corporate Asset Management Plan Update

## Corporate Facilities Service

Report Card



Asset Type	Replacement Value (000's)	Current Condition	10 Year Infrastructure Gap (000's)	Current Reinvestment Rate	Optimal Reinvestment Rate
Corporate Facilities 	\$260,202		\$25,432*	5.1%	1.7% to 2.5%**

\* This projected infrastructure gap is reduced by the forecasted reserve fund drawdown availability over the next decade.

\*\* Canadian Report Card Recommended Annual Reinvestment Rate.

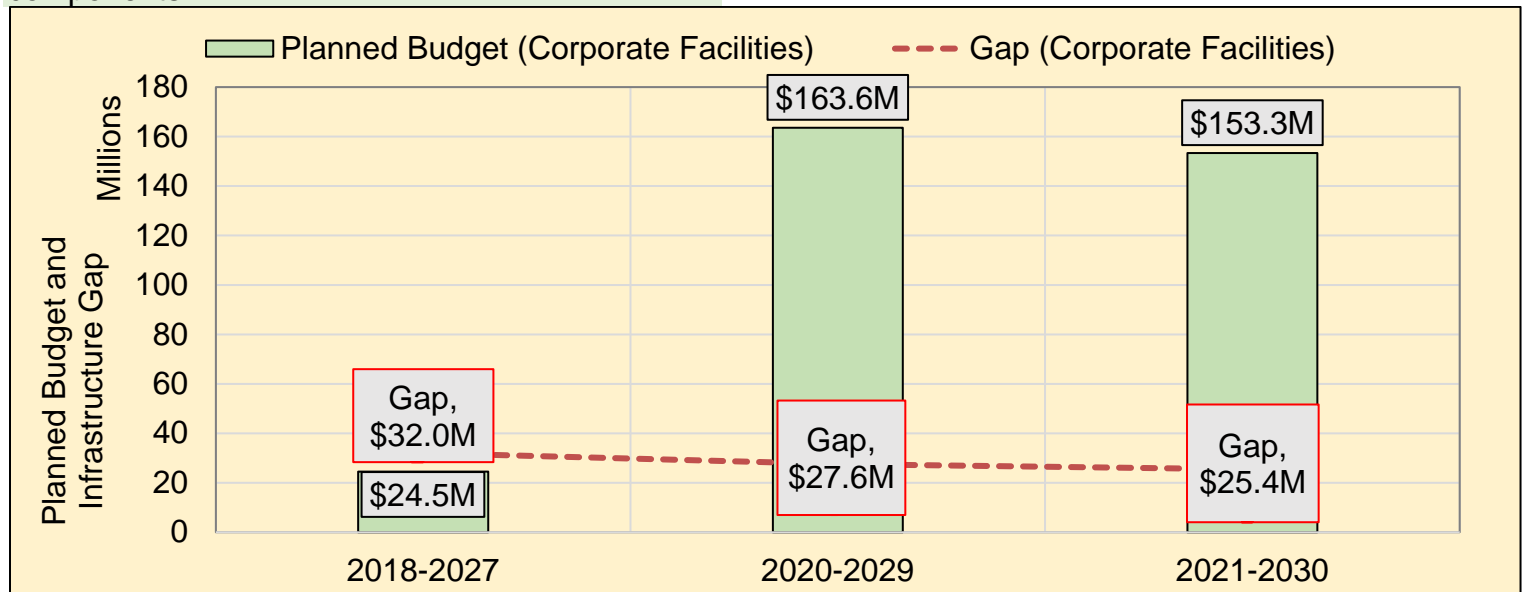
### State of Infrastructure overview

The updated replacement value of the City's Corporate Facilities assets is \$260M. Replacement value has been updated for Corporate Facilities and site work as well as condition values. The assets replacement values have increased due to the rise in construction and restoration costs of infrastructure.

Corporate Facilities overall condition is 'Poor'. Condition information has been updated for office, administrative, storage and operation centers. The condition is regularly evaluated through comprehensive condition assessments, which establish and update an industry-standard Facility Condition Index (FCI) that reflects the overall condition of the facilities and their sub-components.

### Infrastructure Gap Overview

Corporate Facilities 10-year infrastructure gap is calculated at approximately \$25.4M. During 2020-2023 Multiyear Budget Council approved service improvement budget of the City's Master Accommodation Plan (\$138.5M over 10 years), this funding will address City Hall requirements. This budget is substantial and results in current reinvestment rate being greater than optimal reinvestment rate ranges, however, it is directed to City Hall only and thus infrastructure gaps for other Corporate Facilities still exist. Overall, the gap is approximately \$6.6M less than the 2019 CAM Plan.



Infrastructure Gap Comparison (Corporate Facilities Service)

# 2021 Corporate Asset Management Plan Update



## Corporate Facilities Service

• Stores Shipping and Receiving  
• Small Engine Shop

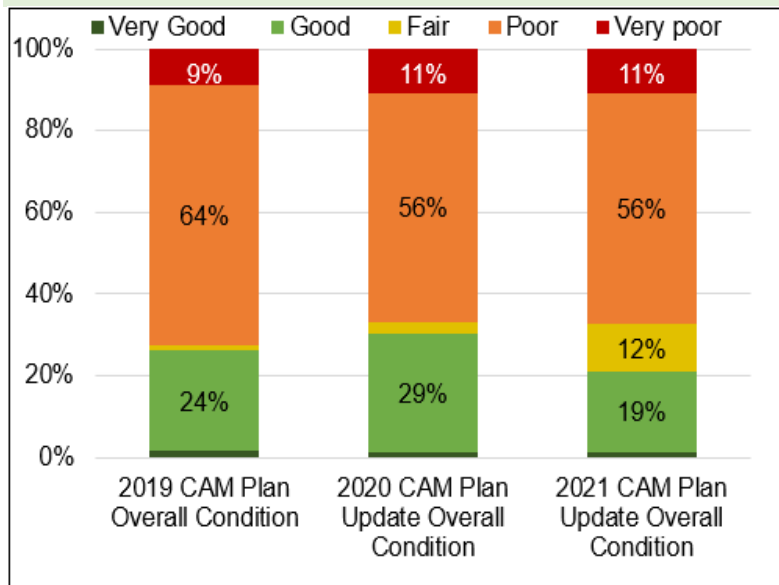
Report Card



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Asset Type	Planned Budget (000's)			Projected 10-year infrastructure gap		Change (000's)	Gap Assessment
	2021 CAM Plan Update (2021-2030)	2019 CAM Plan (2018-2027)	Change (000's)	2021 CAM Plan Update (2021-2030)	2019 CAM Plan (2018-2027)		
Corporate Facilities 	\$153,318	\$24,530	\$128,788	\$25,432	\$32,036	\$(6,604)	

The figure and table above illustrate the change in infrastructure gap projection since the 2019 CAM Plan which covered the 10-year period of 2018-2027. This 2021 update covering the period of 2021-2030 indicates that the Corporate Facilities infrastructure gap has decreased by roughly \$6.6M to approximately \$25.4M.



### 2019 CAM Plan vs. 2021 CAM Plan Update Condition

According to the 2021 CAM Plan update, the overall condition of the Corporate Facilities assets is in 'Poor' condition.

Compared to the 2019 CAM Plan, the condition distribution shows fewer assets in the 'Good' and 'Very Good' condition due to the normal depreciation of Operation Centres.

The infrastructure gap is expected to decrease in the next 10 years but is still nearing \$30 million. Having infrastructure gap will cause an anticipated deterioration in the overall condition of Corporate Facilities Assets. Continued and increased investment in corporate facilities is required to maintain the current level of service.

Customer Value	Level of Service Overall Assessment
Cost Efficient	Meeting Targets
Environmental Stewardship	Meeting Targets
Quality	Risk of Not Meeting Targets
Safety	Meeting Targets

### Preliminary Level of Service Update

Quality: metrics related to condition of corporate facilities are showing condition deterioration and there is a risk of not meeting the target in the future. COVID-19 caused unplanned but prioritized work while postponing other lifecycle renewal projects. The pandemic has also increased material and service prices.

Other Customer Values metrics are meeting targets.

## Appendix B – Customer Value Descriptions

Customer Value Category	Description
Customer Service/ Public Education	A diversity of metrics that cover the performance assessment of the service provision. Metrics consist of descriptions for customer surveys, scope, and magnitude of services using maps, values/numbers, percentages and/or images. Examples include number of lane-kilometers of roads versus square kilometers of land area, or % of properties where fire flow is available.
Cost Efficient	Assess the service performance in terms providing the maximum feasible outcomes out of the available operating and capital budgets. Examples include annual cost to provide the service, asset lifecycle budget as a % of current replacement value, etc.
Accessibility	Include metrics related to accessibility and whether the service is provided to the greatest extent possible of all people, regardless of their age and ability. Examples include FADS and/or AODA compliancy, % of sidewalks with tree cover, % of population less than 800m walk to a park, etc.
Legislative/ Safety	Covers performance assessment of the service related to safety and compliancy with acts and/or codes. Also includes metrics regulated and legislated by a legislature related to the specific service. Examples include % of legislated MTO safety inspections met, % of facility components annually inspected, etc.
Reliability/ Availability	Includes metrics related to the availability of service such as percent of the time when an asset is available and operating properly. It could also be related to reliability such as condition of assets or number of unplanned amenity closures/use restrictions per year.
Quality	Includes metrics related to the assessment of the quality of the services provided, such as the condition of the assets, quality rating systems, or measuring the quality of the service on a technical basis using a multi-criteria quality rating system.
Environmental Stewardship/ Sustainability	Includes metrics related to the assessment of service provision in a sustainable and environmental stewardship practices. The aim is to minimize the impact of infrastructure on the environment. Examples include % of streetlights with LED or low energy fixtures, Annual natural gas consumption per square foot, number, or type of Low Impact Development (LID) technologies implemented (rain gardens and bioswales), etc.