Recommendation Report Summary

SUBJECT: 2025 Corporate Asset Management Plan
TO: Committee of the Whole
FROM: Public Works
Engineering Services
Report Number: PWS-30-25
Wards Affected: All
Date to Committee: July 7, 2025
Date to Council: July 15, 2025

Recommendation

Approve the City's 2025 Asset Management Plan, attached to public works report PWS-30-25 as Appendix 'A', and

Endorse the approved asset levels of service strategy, as outlined in the 2025 Asset Management Plan; and

Direct the Chief Financial Officer to incorporate the financial requirements identified in the 2025 Asset Management Plan - specifically the recommended 10-year capital investment scenario - into the planned 2027 future Long-Term Financial Plan update, to ensure alignment between asset levels of service and long-range fiscal planning; and

Direct the Director of Engineering Services to publish the 2025 Asset Management Plan on the City's website to ensure transparency and public accessibility, and to notify the Ontario Ministry of Infrastructure in accordance with the requirements of Ontario Regulation 588/17 under the Infrastructure for Jobs and Prosperity Act.

Executive Summary

Purpose of report:

This report seeks Council approval of the 2025 Asset Management Plan, including target levels of service for City infrastructure, aligned with Ontario Regulation 588/17 under the

Infrastructure for Jobs and Prosperity Act. The plan supports evidence-based infrastructure planning, long-term sustainability, and effective delivery of city services.

The 2025 Asset Management Plan (AMP) provides a strategic framework for managing Burlington's infrastructure to ensure safe, reliable, and cost-effective service delivery for current and future residents. Developed in accordance with Ontario Regulation 588/17, the AMP outlines the condition, replacement value, and lifecycle strategies for all city-owned assets, and includes current and proposed future levels of service and a long-term financial plan to support sustainable investment. Aligned with the City's Strategic Plan and Corporate Strategy, the AMP strengthens decision-making, supports regulatory compliance, and informs the capital budget to maintain and enhance the quality of life in Burlington.

The AMP satisfies the final phase of Ontario Regulation 588/17, building on the 2021 AMP and the 2023 AMP state of infrastructure and financial plan update, which met previous legislative requirements.

The AMP provides a summary of:

- The current state of the City's infrastructure
- Current and proposed service levels
- Lifecycle and risk management strategies; and
- Strategies for future asset investment and financing

The AMP is a strategic tool that provides insight into the current state of infrastructure, provides a forecast for future capital needs, and supports informed decisions that balance asset performance, cost, and risk.

Over the next 10 years, a $350M gap is forecasted between state of good repair (SOGR) lifecycle needs and planned funding.

The AMP highlights a long-term infrastructure funding gap and provides financial strategies and opportunities to address this through planned reinvestment, improved asset lifecycle management, and integration with the city's annual budgeting process and long-range financial planning efforts.

Background

In 2016-17, the City produced its first Asset Management Plan (AMP). The plan was developed based on the Building Together Guide developed by the Provincial government in 2012. The plan was approved by Council in April 2017 (report CW-22-17), and an Asset Management Financing Plan was presented in May 2017 (report F-12-17).

Also in 2016, the Provincial Government passed the *Infrastructure Jobs and Prosperity Act*, which gave the Province the authority to guide municipal asset management planning through regulation. This was followed in late 2017, by the introduction of O.Reg. 588/17 which established the standard content to be included in all Asset Management Plans in the province of Ontario.

In 2019, the City approved its Strategic Asset Management Policy (report CW-30-19) in accordance with O. Reg 588/17, thereby meeting the first requirement of the regulation.

In 2021, the City completed its second AMP in accordance with O. Reg 588/17. The initial phase of the regulation required that the plan only covers core infrastructure, but the City opted to develop a comprehensive plan covering all asset classes that met the requirements up to and including those stated for July 1, 2024. The plan and accompanying financial strategy were approved by Council in November 2021 (report ES-47-21).

In 2023, the City completed an update to the 2021 plan to account for inflationary and other macro-economic impacts that occurred during the pandemic (report F-20-23). This included a state of infrastructure and lifecycle need calculation update, and an update to the previously approved asset management financing strategy. Council's approval of the updated plan continued to demonstrate their commitment to the city's infrastructure needs.

For more than a decade, Council has demonstrated a strong commitment to asset management and sustained investment in infrastructure state of good repair. The introduction of a dedicated infrastructure renewal levy in 2015—which has subsequently increased to the current 2.0%—has strengthened the city's ability to maintain its infrastructure, manage risk proactively, and plan more effectively for future service needs.

Analysis

State of the Infrastructure

The state of infrastructure summarized in the AMP provides a comprehensive overview of the City's infrastructure assets, offering a snapshot of the physical state of Burlington's municipal assets—ranging from transportation and stormwater systems to parks, facilities, and fleet—based on the most current inventory and assessment data. It supports evidence-based decision-making by identifying asset condition trends, lifecycle stages, and reinvestment needs, forming the foundation for risk management, service planning, and long-term financial forecasting. This baseline helps guide prioritization of infrastructure renewal and investment in alignment with service expectations and fiscal sustainability. The current state of the City's asset portfolio is shown in the Figure 1 dashboard.

Figure 1 – Corporate State of Infrastructure Dashboard

Levels of Service Overview

Levels of Service (LOS) are central to the AMP, providing a framework to define and measure the performance, quality, and reliability of municipal services. Burlington's LOS model balances community expectations with operational performance and aligns with provincial standards under O. Reg. 588/17.

LOS Development Approach

Through workshops with asset leads, the city refined its LOS framework using a structured, citywide methodology. Each service area adopted consistent service attributes and indicators:

- Service Attributes: Scope, Quality, Reliability, Safety, Availability, Environmental Sustainability.
- Performance Measures:
  - *Community (Lagging) Indicators*: Reflect outcomes experienced by the public.

- *Technical (Leading) Indicators*: Track internal efforts needed to achieve Community (Lagging) targets.

Three standardized LOS metrics were applied across all asset services:

- Reinvestment Rate – Capital renewal spending as a percentage of replacement value
- SOGR Backlog – Accumulated cost of deferred renewal reinvestment
- % Poor or Very Poor – Share of asset value in substandard condition

These corporate-level metrics provide a consistent benchmark for long-term financial asset planning. In addition to the corporate metrics, each asset service (e.g., transportation, stormwater, corporate fleet) has specific metrics aligned with departmental key performance indicators (KPIs), master plans, and internal reporting needs. These detailed metrics are included in the appendix to the Corporate Asset Management Plan.

Asset Investment and Financing Strategy Development Approach:

The City's Asset Investment & Financing Strategy is grounded in a comprehensive, evidence-based methodology that integrates lifecycle costing, risk analysis, and financial forecasting. The strategy ensures that infrastructure investments are aligned with long-term service level goals, fiscal sustainability, and provincial regulations (notably O. Reg. 588/17).

Key Methodologies Used:

- EAMS-DSS (Predictor) Modeling: The City uses Enterprise Asset Management System (EAMS) – Decision Support System (DSS) software called Predictor to simulate infrastructure lifecycle needs and evaluate reinvestment scenarios based on asset condition, risk, and funding constraints.

- LOS Framework: Three standardized Level of Service (LOS) metrics were selected:
  - Reinvestment Rate
  - State of Good Repair (SOGR) Backlog
  - % of Assets in Poor or Very Poor Condition

- LOS Investment Scenarios: Three funding pathways were analyzed to understand the impacts of varying investment levels on asset LOS:
  - Planned SOGR Investment - represents the current 10-year capital budget
  - Optimized - funding is "unconstrained" and meets all lifecycle needs and full elimination of current asset renewal backlog over 10 years)

- Stabilize LOS - increase current capital funding to maintain assets in their current condition to Year 10

Community Engagement and Communications:

Public engagement was conducted for the AMP to align infrastructure planning with community values. A three-pronged engagement strategy shaped the LOS targets:

- An online survey completed by 184 residents emphasized strong support for sustained or increased investment.
- Focus groups revealed varying priorities and highlighted the challenge of balancing trade-offs.
- City staff workshops emphasized funding stability, modernization, and public safety.

These insights ensured that the AMP reflects community values, staff insights, and corporate objectives.

Analytical Tools & Supporting Strategies:

- Guided trade-off discussions between affordability and service expectations.
- Predictor Model: Provides long-range (60-year) forecasts incorporating asset deterioration, treatment (reinvestment) logic, and funding optimization to maximize asset lifecycle.
- Financial Strategy Benchmarks: Included straight-line reinvestment analysis, and funding gap projections.

Results

Current Baseline

Assessment of the current (Year 1) asset baseline performance:

- Reinvestment Rate: 1.08% - Represents the capital reinvestment as a proportion the total replacement value. The industry standard recommended reinvestment rate for core infrastructure is 2–3%. The city's average asset lifespan is 65 years, and the current reinvestment rate equates to an average replacement cycle of 93 years.
- SOGR Backlog: $454 million (6.36% of total replacement value)
- Asset Condition: 17% of assets are in poor or very poor condition

Scenario Results Summary

Table 1 presents the results of the three LOS Investment Scenarios described above in the LOS Development Approach.

Under the Planned SOGR (Current Budget) scenario, the City maintains the current 2% dedicated infrastructure levy and planned reinvestments over the next 10 years. The result of this strategy is an increase in the capital need backlog from $454M to $515M and an increase in % Poor or Very Poor assets by Year 10. The anticipated impact on levels of service in the years beyond Year 10 will become increasingly significant and apparent to the public. Aging assets will deteriorate beyond their optimal lifecycles, leading to more frequent service disruptions, higher maintenance costs, and increased risk of asset failure. In addition, the cost to recover and restore service levels in the future will likely be substantially higher, placing further strain on the city's financial and operational resources.

The Optimized scenario results in the elimination of the capital need backlog entirely by Year 10 and an improvement in the corporate LOS (i.e. decrease in % Poor or Very Poor). All capital reinvestment lifecycle needs are met in the year they are required. This scenario requires the highest level of investment to achieve.

The Stabilize LOS scenario results in a moderate reduction in the capital need backlog, the stabilization of asset condition, and raises the reinvestment rate towards a more sustainable range by Year 10. Under this scenario, the City continues to make strategic investments in assets that present the highest risk. This is a balanced approach that focuses on maintaining asset condition, prevents further deterioration, reduces the risk of service interruptions, and extends the useful life of city infrastructure.

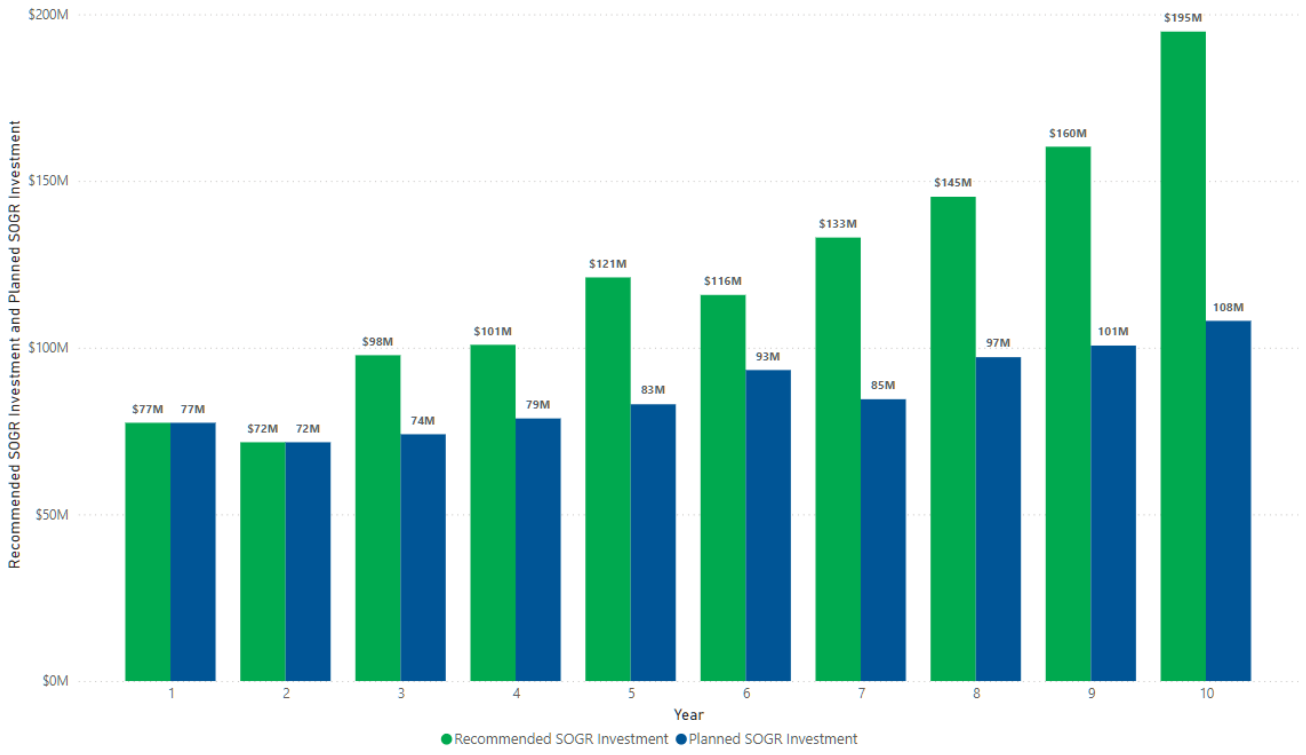
Table 1 – Summary of Levels of Service Investment Scenarios

Scenario	**LOS Metric**	**Year 1**	**Year 10**	**Total 10-year Investment**	**10-year Reinvestment Rate**
Planned SOGR (Current Budget)	Reinvestment Rate	1.08%	1.51%	$868M	1.21%
	Accumulated Backlog	$454M	$515M		
	% Poor or Very Poor	17%	21%		
Recommended SOGR	Reinvestment Rate	1.08%	2.72%	$1.22B	1.70%
	Accumulated Backlog	$454M	$380M		
	% Poor or Very Poor	17%	17%		

Optimized	Reinvestment Rate	1.08%	1.9%	$1.42B	1.99%
	Accumulated Backlog	$454M	$0		
	% Poor or Very Poor	17%	13%		

The graph in Figure 2 illustrates the 10-year forecasted capital investment required under two level of service scenarios: the current (planned) funding scenario and the recommended level of service scenario. The gap between the two illustrates the funding shortfall if the City continues under current asset reinvestment levels.

Figure 2 – 10-YR Planned State of Good Repair and Recommended 'Stabilize' SOGR Scenario



Recommended Scenario: The 'Stabilize LOS' scenario was selected as the preferred path forward, maintaining current service levels while strategically reducing backlog.

Assessment of the future (Year 10) position – based on recommended scenario:

- Reinvestment Rate: 2.72% (within 2–3% recommended range)
- SOGR Backlog: $380 million ($74M reduction)
- Condition: 17% of assets in poor or very poor condition (meeting current LOS)

Strategic Recommendations

- Ramp up investment to maintain existing asset LOS: Progressively increase capital investment over 10 years to reach a 2.72% reinvestment rate and maintain the % of city assets in poor/very poor condition at today's levels which will ensure residents enjoy the same LOS they do in 2025;
- Implement a comprehensive long-term financial strategy: Strengthening asset reserve funds, strategically leveraging debt, and increasing and diversifying funding sources; and
- Optimize asset use and service delivery: Through master plan updates, operational reviews, and efficiency measures—to support long-term infrastructure renewal and fiscal sustainability.

Benefits:

Adopting a strategy to increase capital investment in line with the recommended approach will provide long-term stability, efficiency, and value for municipal infrastructure. It will help stabilize asset condition, maintain reliability and safety of critical services, and reduce the risk of unexpected failures and costly emergency repairs. This approach also supports long-term financial sustainability by enabling timely reinvestment, optimizing asset lifecycles, and aligning spending with strategic priorities and community needs.

Recommendation Details

Burlington's AMP outlines a path to stabilize service levels while addressing a significant funding gap. The recommended 'Stabilize LOS' scenario strikes a balance between affordability and infrastructure sustainability, ensuring the city continues to deliver essential services in compliance with O. Reg. 588/17.

Key Dates & Milestones

Ontario Regulation 588/17 requires that municipalities adopt a comprehensive Asset Management Plan (AMP) covering all assets by July 1, 2025. This plan must include proposed levels of service for the next 10 years, a lifecycle management strategy outlining the activities required to meet those service levels, and a financial strategy to fund those activities.

This milestone marks the final phase of the regulation's rollout and establishes the requirement for municipalities to update their AMP and asset management policy at least every five years, with annual progress reporting to Council.

Implications

Financial Implications:

To support the City's long-term infrastructure needs, the 2025 Asset Management Plan outlines a sustainable and predictable funding approach grounded in financial stability and service delivery. Affordability needs to be balanced with addressing a growing infrastructure backlog, while preparing for annual lifecycle renewal requirements in a fair and sustainable manner. The strategy emphasizes long-term planning, prudent use of financial resources, and regular updates to Council that consider evolving asset needs, service levels, growth, and climate resilience. Council's ongoing commitment is essential to manage risk, reduce reliance on reactive maintenance, and ensure infrastructure remains in a state of good repair for current and future residents.

Adoption of the AMP does not commit Council to specific expenditures but sets in place a framework for prioritizing future investments.

Financial Strategy

As part of O. Reg 588/17, a financing strategy must be included within the AMP that addresses the infrastructure funding gap over time. The current planned budget and forecast will not be sufficient to meet the recommended scenario, and the City recognizes that it will require significant investments to meet the needs in order to stabilize service levels. As such, below are some strategic options for addressing the current shortfall ("gap") over a ten (10) year period by helping offset escalating costs and increase funds:

- Increasing Access to Revenue - through increases to existing revenues, exploring access to new revenues, and leveraging maximum dollars from federal and provincial capital funding.
- Future Adjustments to Levels of Service – review options to maintain or improve existing levels of service, as well as explore where reductions to service levels are possible.
- Apply an Affordability Lens to Policy Development and Strategic Plans - to ensure guiding policies and service-specific master / strategic plans (e.g. Integrated Mobility Plan), outline full lifecycle implementation costs and consider what the City can afford.

- Review Assets in Poor to Very Poor Condition - to ensure critical infrastructure continues to receive adequate funding to address Poor to Very Poor condition assets and mitigate the risk of assets deteriorating to this condition.
- Improve the Alignment Between the Budget Process and Asset Management – ongoing alignments between the asset management program and the budget process will allow for improved decision making related to capital infrastructure requirements and associated operational budget impacts through implementation of short-term and near-term actions.

It is important to keep in mind that the AMP continues to be an iterative process that requires updating with new information and data. The impacts from the corresponding financial strategies employed are continually evaluated against revised infrastructure needs, which will only increase over time as data is refined, potential service standards increase, new assets come online, and new services are introduced.

Funding Opportunities

There continues to be an emphasis on the importance of sustaining and growing the dedicated infrastructure levy, which is a contributor towards a reliable and predictable infrastructure funding plan. It is an important long-term funding tool; however, other revenue options will continue to be explored and maximized. The options available to the city include, but are not limited to, those listed below. Still, it is important to note that some options do not represent ongoing or guaranteed sources of funding.

Revenue Option	Description
Taxation Revenues	• Adjustments to the dedicated Infrastructure Renewal levy, funded from property tax revenue • Consider phased increases to the levy based on the needs as outlined in the AMP
Grants and Government Transfers	• Grants from senior levels of government (e.g. Provincial Gas Tax, Federal Gas Tax and Investing in Canada Infrastructure Program) • Continue to actively pursue federal and provincial infrastructure grants and maintain a grant readiness pipeline
User Fees and Charges	• Increase cost recovery or apply full-cost pricing principles

Debt Financing	• Review existing fees and investigate adding new fees (e.g. Stormwater user fee) • Apply to large capital projects with long useful lives and lifecycle savings and/or intergenerational fairness is evident • Balance with other corporate priorities to maintain Council-approved thresholds

Furthermore, capital reserves and reserve funds are important components of the City's capital financing planning and will continue to be used extensively for the maintenance and renewal of assets. Ensuring they continue to be utilized optimally and appropriately is vital to supporting the service priorities in the AMP.

Long-Term Financial Plan (LTFP)

It is important that the City's financing strategy of the AMP continues to balance service levels with impacts to the City's financial resources. The City will propose in the 2026 budget to complete a LTFP for 2027 to holistically review and consolidate all funding requirements across the corporation with all financial resources, including debt financing capacities. The AMP will be one of many inputs (including the 2024 Development Charges Study, Multiyear Community Investment Plan, Integrated Mobility Plan - to name a few) used to inform the LTFP and will allow the city to determine funding needs and strategies to support the AMP in stabilizing service levels. A comprehensive review of all the City's reserves and reserve funds will also be included to ensure that funding provisions are strategically aligned with priorities across the corporation.

It is recommended that the Infrastructure Renewal Levy is held at 2% until the LTFP is completed, in which staff will be presenting an extensive financing plan that will consider the numerous corporate needs, funds, and implications for growth.

Climate Change Implications:

Asset management must account for climate change by integrating both adaptation and mitigation strategies into planning, operations, and lifecycle costing. This includes assessing how extreme weather events, rising temperatures, and shifting precipitation patterns affect infrastructure performance, service delivery, and risk exposure.

The City aims to embed climate resilience into levels of service and risk management frameworks, prioritize vulnerable assets, and use climate projections to inform long-term investment decisions. By doing so, the City can reduce or mitigate service disruptions, extend asset life, and ensure sustainable service delivery in the face of evolving environmental

conditions.

Growth Implications:
Population and employment growth will put additional pressure on Burlington's existing infrastructure, and O. Reg. 588/17 requires the AMP to account for that demand by identifying related capital and operating costs. The project team reviewed all approved master plans, the 2024 Development Charges Background Study, the Strategic Plan, and the 2025-2034 Multi-Year Community Investment Plan (MYCIP) to compile a growth portfolio estimated at $883 million over the next decade. Projects include road and stormwater upgrades, parks and recreation expansions, transit and fire facilities, and the Bateman adaptive re-use; land purchases are excluded because they are not funded through the Infrastructure Renewal Reserve Fund.

Conservative, "upper range" cost estimates were applied and staggered across the forecast period to smooth annual spending. While these growth projects will increase the City's total asset replacement value, corresponding needs are not yet identified for corporate facilities, parking, IT, or fleet services. The impact of growth to these asset categories will be further quantified as the City continues planning for growth and will inform future iterations of the AMP and other long-range strategic and financial plans, such as the LTFP. Note that the Recommended Scenario in the AMP identifies the investment required to stabilize LOS of the City's existing asset portfolio exclusive of growth and expansion, and the forecasted costs associated with growth within the AMP or in planning documents does not constitute budget proposal nor approval—funding will be confirmed only through future capital-budget decisions.

Strategic Alignment

- ☐ Designing and delivering complete communities
- ☑ Providing the best services and experiences
- ☑ Protecting and improving the natural environment and taking action on climate change
- ☑ Driving organizational performance

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Appendices:

A. 2025 Corporate Asset Management Plan

Report Approval:

All reports are reviewed and approved by the Commissioner, Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.