



PROPOSED LEVELS OF SERVICE ASSET MANAGEMENT PLANS PW25036

June 11, 2025

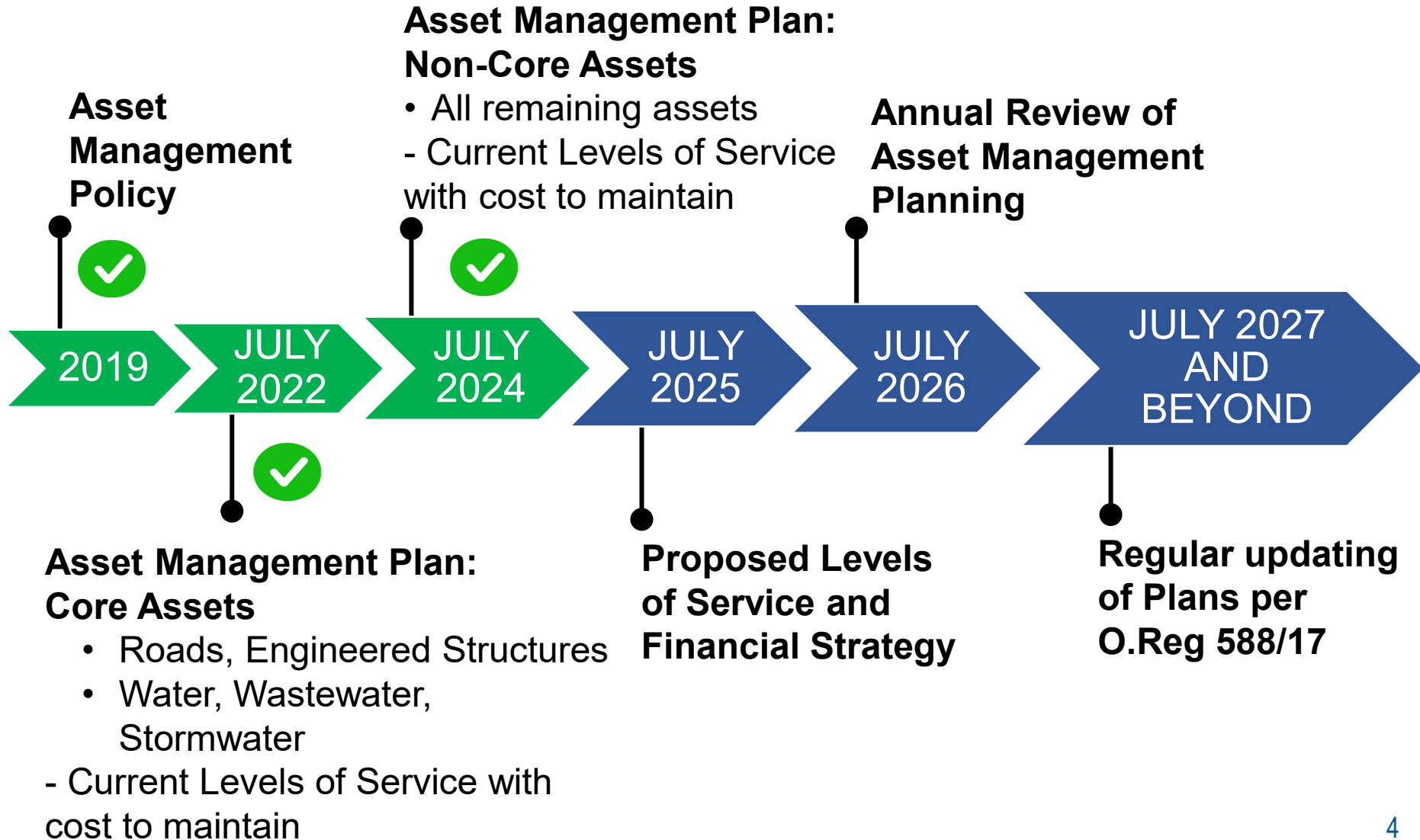
GLC Presentation Agenda

- Recommendations
- Ontario Regulation 588/17 Timelines
- Proposed Levels of Service
- Summary of Findings
- Infrastructure Funding Gap Analysis
- Schedule for Asset Management Plan Updates
- Continuous Improvement

Recommendation:

- That the 2025 Proposed Levels of Service Asset Management Plan, attached as Appendix “A” to Report PW25036, **BE APPROVED** as required by Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure;
- That the 2025 Proposed Levels of Service Asset Management Plan, attached as Appendix “A” to Report PW25036, subject to the approval recommendation (a), **BE APPROVED** to be posted in a designated area on the City’s website, as required under Ontario Regulation 588/17;
- That the updated Corporate Asset Management Overview, attached as Appendix “B” to Report PW25036, **BE RECEIVED**;
- That the Schedule for Updating Asset Management Plans, attached as Appendix “C” to Report PW25036, **BE RECEIVED**; and,
- That the 2025 Proposed Levels of Service Asset Management Plan, attached as Appendix “A” to Report PW25036, **BE FORWARDED** to the Hamilton Police Service Board, the CityHousing Hamilton Board, and the Hamilton Public Library Board for information.

Ontario Regulation 588/17



Proposed Levels of Service

Asset Management Plans approved before **July 1, 2024**, represent the City's benchmark for current Levels of Service.

Proposed Levels of Service represent what levels of service the City has proposed to provide since the development of those plans.

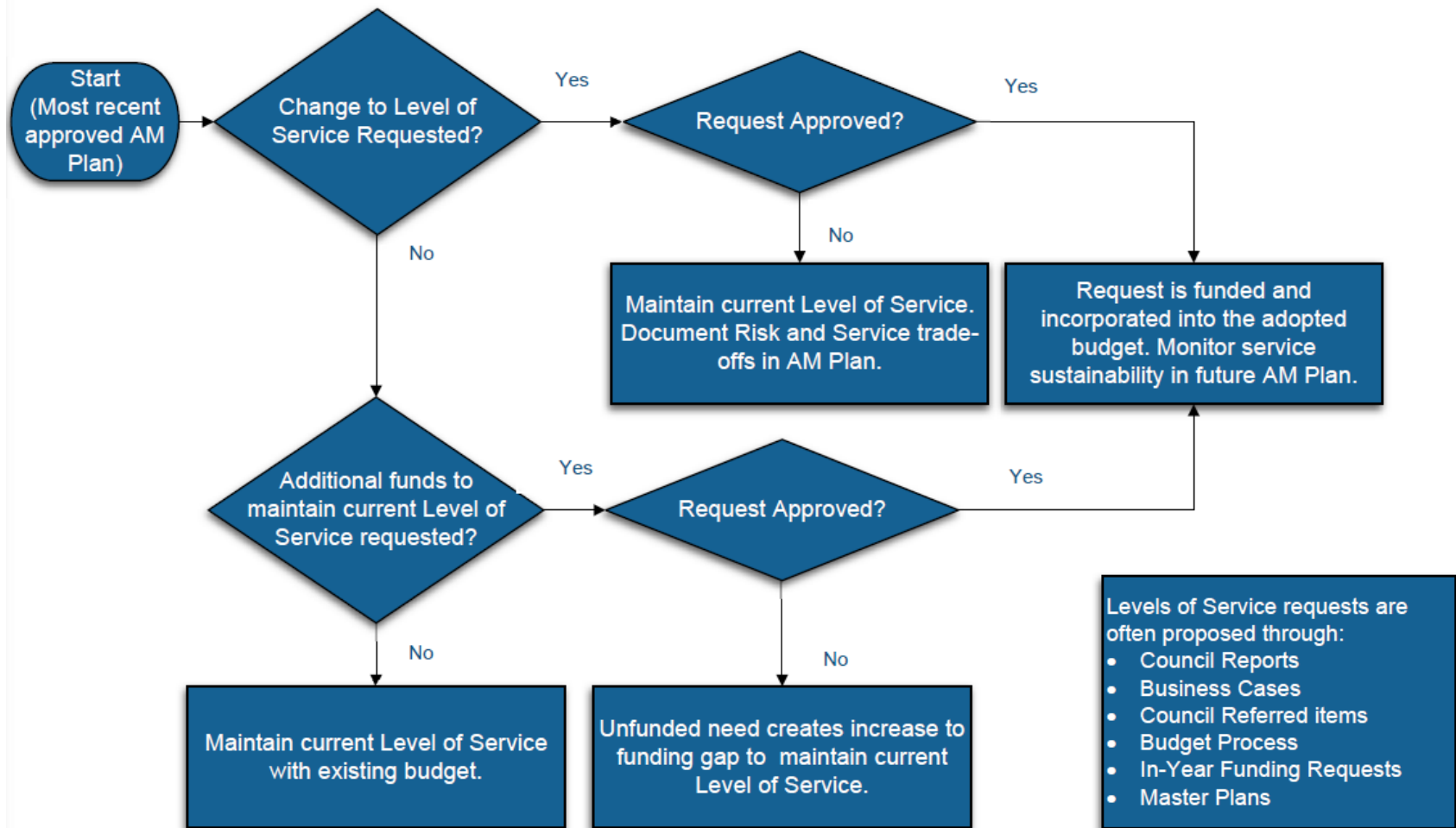
The three potential options for Proposed Levels of Service include:

1. Service enhancement: Proposing an **increase** in service levels;
2. Service reduction: Proposing a **decrease** in service levels; and,
3. No service change: Proposing service levels be **maintained**.

If no changes have been formally proposed by Asset Owners, it is assumed that previously reported service levels are being maintained.

The 2025 Proposed Levels of Service Asset Management Plan also includes an updated Summary of Assets and Infrastructure Funding Gap. 5

Proposed Levels of Service Process



The **Replacement Value** is the cost to replace an asset in today's dollars. Replacement values naturally increase over time due to inflation.

The **10-Year Infrastructure Funding Gap** represents the difference between the total available budget and the estimated lifecycle forecast needs over 10 years to maintain current levels of service targets.

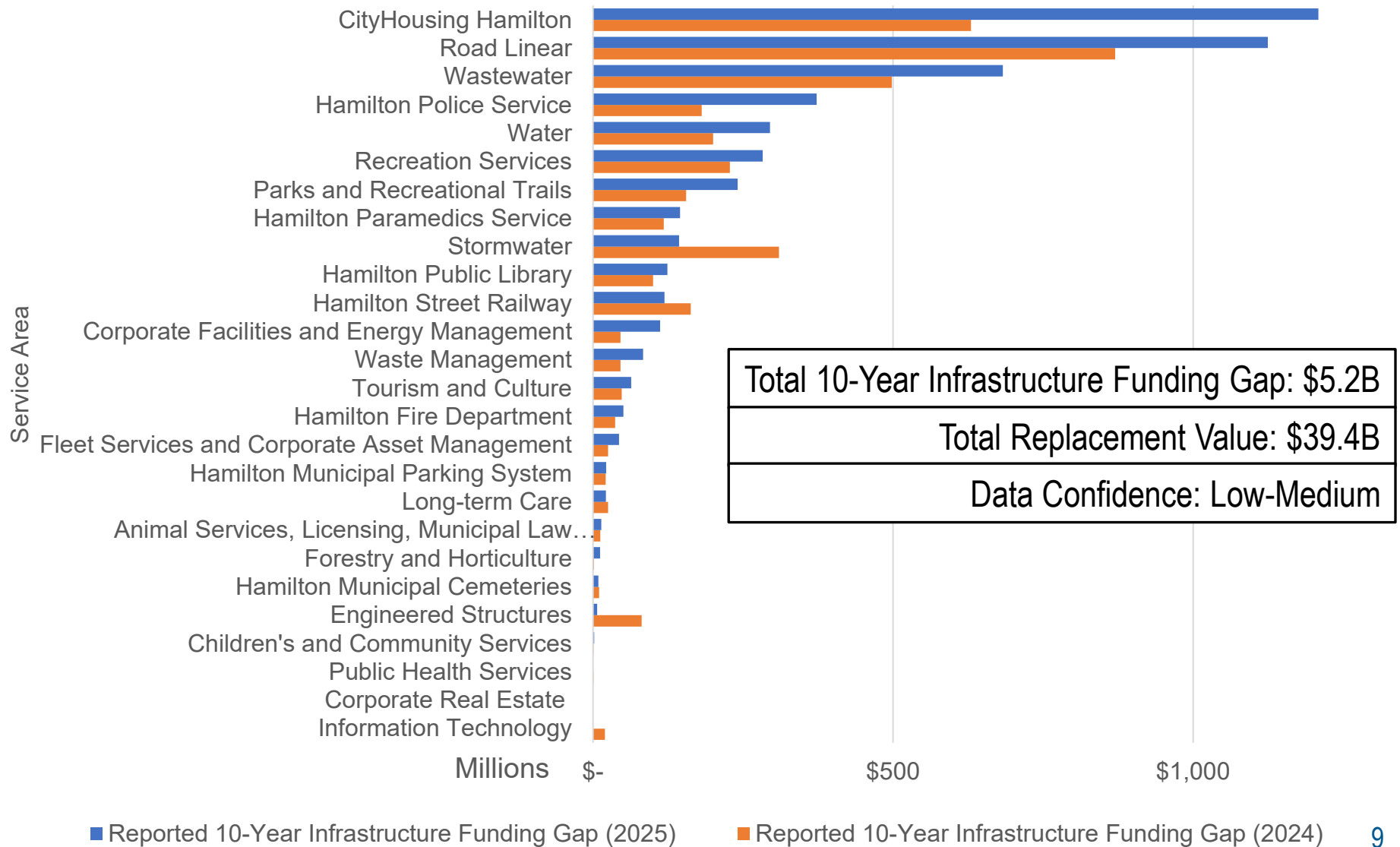


If the forecasted lifecycle needs exceed the available budget, it indicates there is a funding shortfall between what is required and what is available to fund service levels.

Summary of Findings

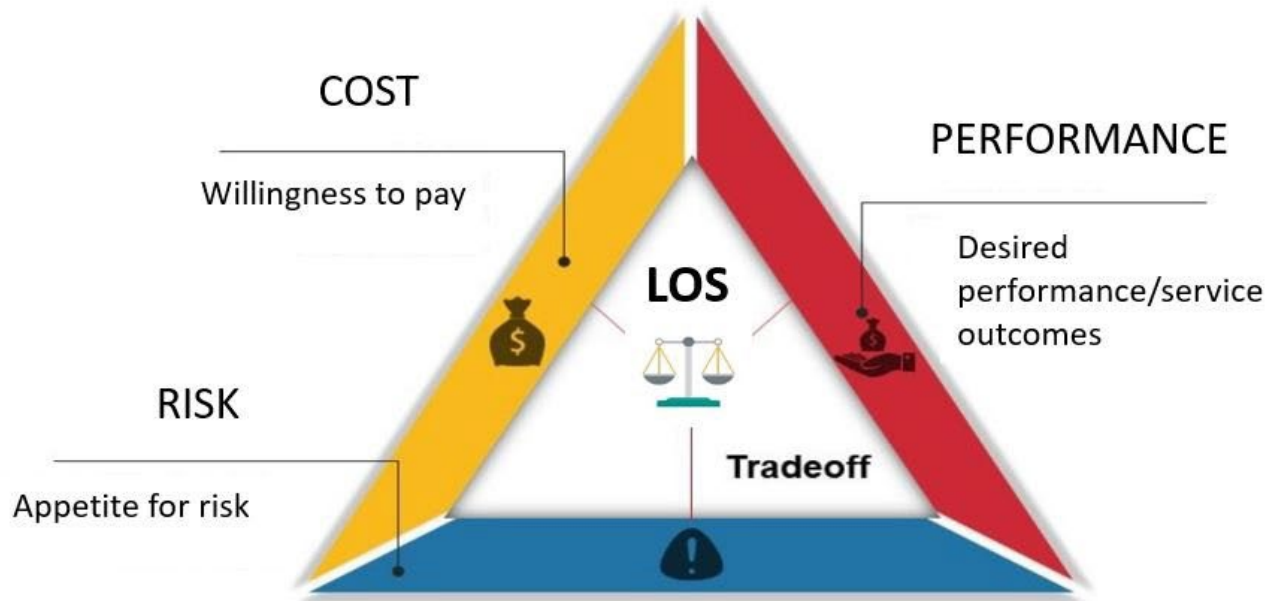
	Replacement Value	10-Year Infrastructure Funding Gap	10-Year Infrastructure Funding Gap Per Year Over 10 years
Core Assets			
Reported in 2025	\$24.9B	\$2.3B	\$230M/year
Reported in 2022	\$21.3B	\$1.96B	\$196M/year
Difference	+\$3.6B	+\$0.3B	+\$34M/year
Non-Core Assets			
Reported in 2025	\$14.5B	\$2.9B	\$290M/year
Reported in 2023 and 2024	\$9.9B	\$1.87B	\$187M/year
Difference	+\$4.6B	+\$1.0B	+\$103M/year
Total			
Reported in 2025	\$39.4B	\$5.2B	\$520M/year
Data Confidence	Medium	Low-Medium	

10-Year Infrastructure Funding Gap by Service Area



Infrastructure Funding Gap Context

Due to data confidence and affordability considerations, the reported Infrastructure Funding Gap should not be funded immediately.



The reported Infrastructure Funding Gap serves as an indicator of the magnitude of the City's long-term capital pressures and funding shortfall. It is not expected to be fully funded immediately, but will inform a balanced approach between affordability, performance, intergenerational equity, and the risk to achieve sustainable service levels.

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Options for Managing the Infrastructure Funding Gap

Managing the overall Infrastructure Funding Gap city-wide may incorporate strategies other than additional funding.

OPTIONS TO MANAGE INFRASTRUCTURE FUNDING GAP	DESCRIPTION
Prioritize Lifecycle Activities	Without sufficient funding, the City may have to defer lifecycle activities, including future acquisitions, which will require effective prioritization techniques.
Increase Data Confidence	Hamilton needs to mature in its asset management practices (e.g., condition assessments, lifecycle costing, financial forecasting, etc.) to improve confidence in lifecycle needs forecasts.
Dispose/Close Underutilized Assets	Some assets may be underutilized and not provide as much value as others and may be candidates for disposal.
Reduce the Expected Levels of Service	Some assets may be overperforming and/or providing levels of service that customers do not value and may be candidates for reductions in service level targets.
Increase Funding Allocations	In some service areas, there is insufficient budget to address the forecasted lifecycle needs over the 10-year period, and additional funding may be required.

Schedule for Asset Management Plan Updates

Complete AM Update Report annually for all services. Complete full rewrite of AM Plans on different cycles.

PLAN TYPE	ANTICIPATED # OF PLANS	LAST AM PLAN RELEASED	RECOMMENDED RELEASE CYCLE	NEXT PLAN REWRITE
Core Plans	5	2022	3-5 years	2026/2027
Critical Non-Core Plans	6	2023/2024	3-5 years	2027/2028
Non-Core Plans with frequent Changes	8	2024	4-5 years	2028/2029
Remaining Non-Core Plans	8	2024	5 years	2029
Unallocated assets	TBD	N/A	5 years	2026/2027

- **Data Improvements**

- Complete inventories & condition assessments for assets with low data confidence to target the backlog of unfunded needs and improve the confidence of the infrastructure funding gap.

- **Improved Lifecycle Activity Documentation:**

- Improve asset needs forecasts to maintain current levels of service and improve the confidence of the infrastructure funding gap.
- Improve forecasting for new asset acquisitions and increase asset owners' understanding of their ongoing operating impacts.

- **Levels of Service Improvements**

- Refine levels of service metrics to ensure the City is measuring the right information to effectively monitor performance.
- Adjust existing targets to reflect the levels of service customers both want and are willing to pay for.



The Corporate Asset Management Team sincerely appreciates the efforts of all staff members who worked with us to complete the Proposed Levels of Service Asset Management Plan.

This work involved collaboration with 26 Service Areas across the City.

Thank you to all the General Managers, Directors, Managers, Supervisors, and Staff involved.