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# Community and Social Services Asset Management Plan

May 2024



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# Introduction

## 1.1 Background

Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure requires all municipalities to prepare baseline asset management plans for all their assets. The purpose of this legislation is to have municipalities demonstrate they can maintain their assets, balancing affordability, risk, and service levels to sustain them in their present state, with no change to the service level for the next ten years.

To meet the provincial requirements, the City has created this first version of its Community and Social Services Asset Management Plan. It reports the current state of the assets, levels of service provided, strategies and activities applied by the City, historical and forecasted financial details, and potential improvement actions. It is a strategic document that provides a snapshot of current conditions and establishes a basis for future asset management planning and decision making. The Asset Management Plan is based on asset data and financial information from 2023.



## 1.2 Asset Classes and Types

The Community and Social Services Asset Management Plan includes assets that enable the supporting of vulnerable members of the community through child care, long-term care and emergency shelters.

### Community and Social Services Asset Classes and Types

#### Community and Social Services Facilities

- Child Care Centers
- Long Term Care Homes
- Long Term Care Storage
- Shelters

#### Community and Social Services Fleet

- Community and Social Services Vehicles

The Asset Management Plan does not include housing services assets because they are not owned by the City.



# State of Local Infrastructure

## 2.1 Asset Inventory and Valuation

The total replacement cost of community and social services assets is approximately \$274 million as summarized in the table below.

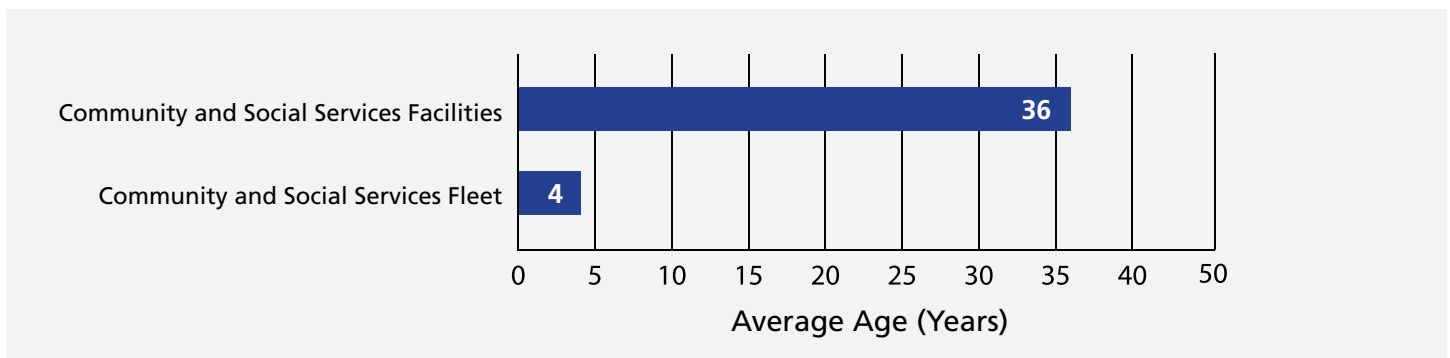
### Community and Social Services Asset Inventory and Replacement Cost

Asset Class	Inventory	Replacement Cost
Community and Social Services Facilities	16	\$274M
Community and Social Services Fleet	1	\$0.1M

## 2.2 Age and Condition

The age of an asset gives a sense of how close it is to the end of its service life and what renewal interventions may be appropriate. The average age of the City's community and social services assets is shown in the figure below.

### Average Age of Community and Social Services Assets



The City uses a range of techniques and solutions to collect and assess condition data, and at various frequencies, which is summarized in the table below.

### Condition Data Collection Methods for Community and Social Services Assets

Asset Type	Condition Data Collection Technique	Frequency
Child Care Centres	Building Condition Audit	10 years
Long Term Care (LTC) Homes	Building Condition Audit	10 years
Long Term Care (LTC) Storage	Building Condition Audit	10 years
Shelters	Building Condition Audit	10 years
Community and Social Services (CSS) Vehicles	Inspection and Maintenance	6 months and original equipment manufacturer maintenance schedule



Based on condition data, supplemented by subject matter expert knowledge and professional judgment, the condition of assets is rated on a scale from “Very Good” to “Very Poor” as shown in the table below.

### Five-point Scale for Community and Social Services Asset Condition

Rating	Rating Description	Facility Condition Index (FCI) <sup>(1)</sup>	Life Remaining
		(Child Care Buildings, LTC Homes, LTC Storage, Shelters)	(Fleet)
<b>Very Good</b>	<b>Sound Physical Condition</b> No short-term failure risk and no work required.	< 0.02	>75%
<b>Good</b>	<b>Adequate for Now</b> Acceptable, generally in mid stage of expected service life	0.02 – 0.05	51% - 75%
<b>Fair</b>	<b>Requires Attention</b> Signs of deterioration, requires attention, some elements exhibit deficiencies	0.05 – 0.15	26% - 50%
<b>Poor</b>	<b>Increasing Potential of Affecting Service</b> Approaching end of service life, condition below standard, large portion of system exhibits significant deterioration	0.15 – 0.30	1% - 25%
<b>Very Poor</b>	<b>Unfit for Sustained Service (built infrastructure) / Nearing end of life (fleet)</b> Near or beyond expected service life, widespread signs of advanced deterioration, some built assets may be unusable.	> 0.30	<1% outside of lifecycle)

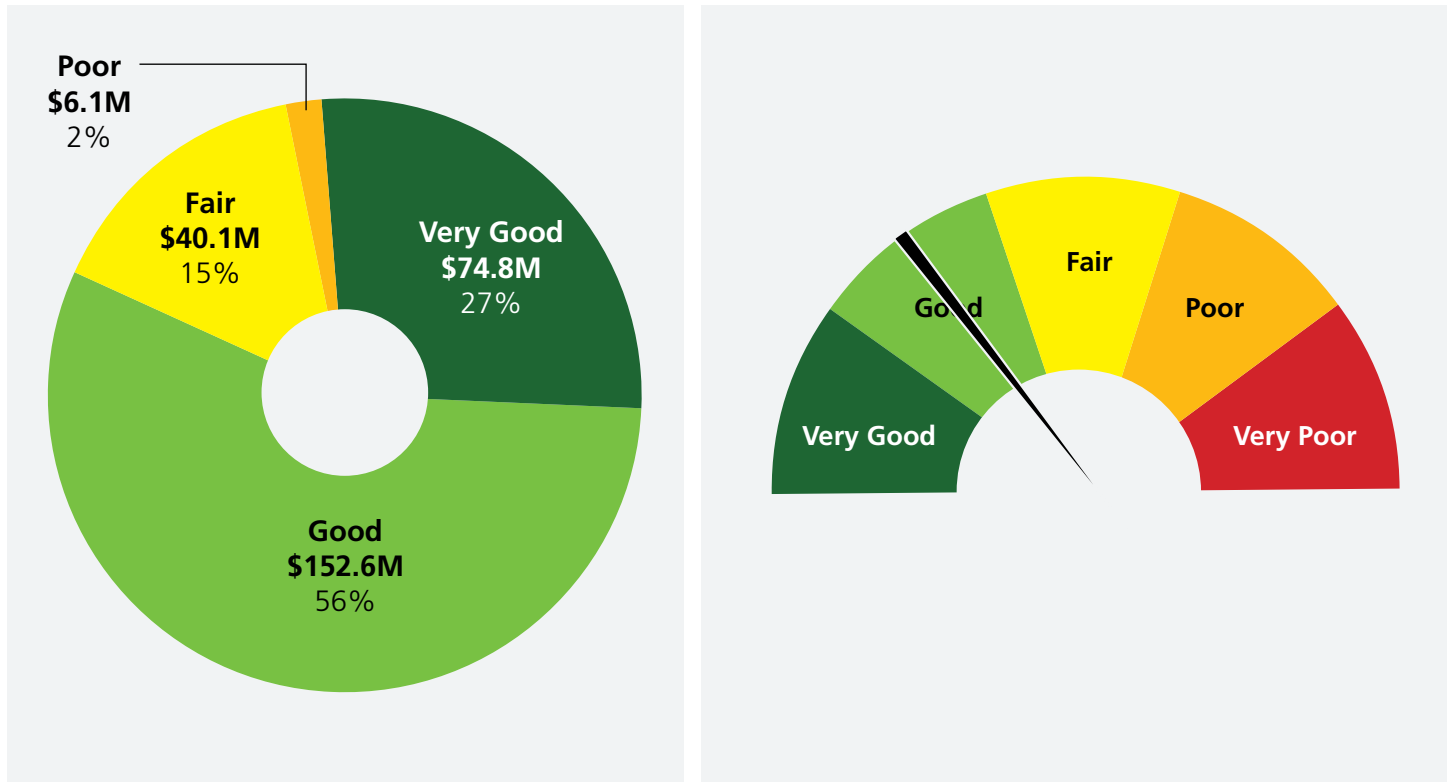
(1) Where FCI = 0, or no deferred maintenance is reported, or required maintenance is reported but has not yet been deferred, condition is reported based on typical useful life consumed as follows:

	Very Good	Good	Fair	Poor	Very Poor
Typical Useful Life Consumed	<40%	40% - 70%	70% - 90%	90% - 100%	≥100%

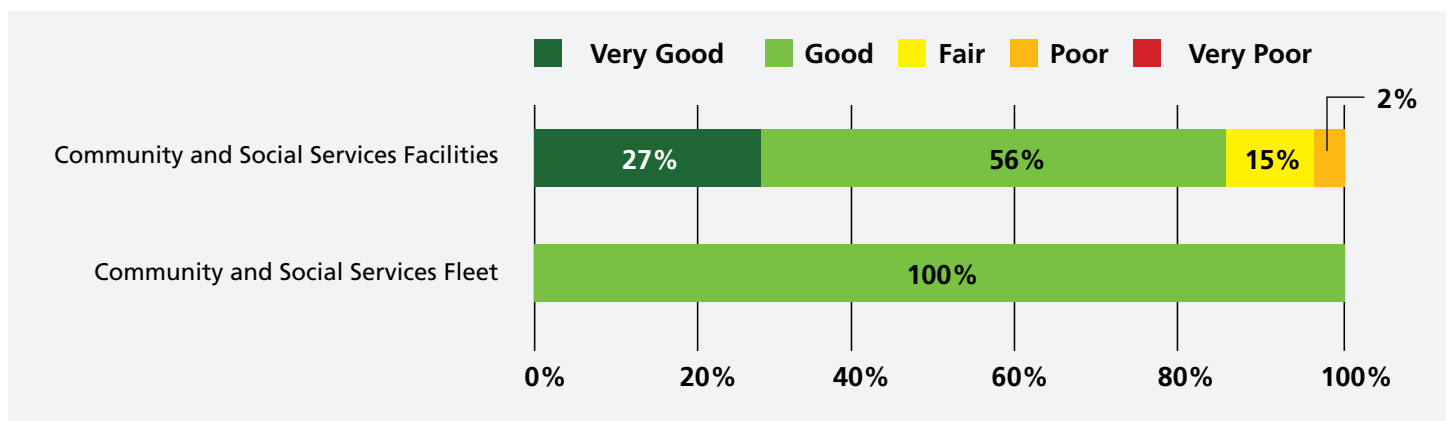


The overall condition rating for community and social services assets is "Good" and a breakdown for the various asset classes is shown in the figures below.

### Overall Condition Profile of Community and Social Services Assets



### Condition Profile of Community and Social Services Assets





# Levels of Service

The City's assets exist to deliver service to customers. Levels of service measure the actual service delivered so that decisions can be made about the assets based on the service that they provide rather than simply on their condition.

The Community and Social Services Asset Management Plan establishes level of service measures and reports the current levels of service being provided. The measures align with City goals and recognize that community and social services assets should be managed in a way that:

- Provides child care spaces
- Provides long term care beds
- Reduces emissions associated with the City's operations and facilities
- Increases resiliency to extreme weather and changing climate conditions
- Provides accessible facilities
- Delivers quality services to every tenant, every home
- Provides sustainable and affordable services over the long-term



The level of service measures for community and social services are shown in the table below.

### Level of Service Measures for Community and Social Services

Service Attribute	Community Level of Service	Technical Level of Service	Current Performance (2022)
Capacity and Use	Provide child care spaces	Licensed spaces in municipal child care centres	387
	Provide long-term care beds	Number of beds provided at City of Ottawa long term care homes	717
Function	Reduce emissions associated with the City's operations and facilities	GHG emissions per thousand square feet	4.6 tonnes CO2e
		GHG emissions per total fleet	28 tonnes CO2e
	Increase resiliency to extreme weather and changing climate conditions	Percent of facilities with backup power for critical building systems	26%
	Provide accessible facilities	Percent of facilities with accessibility audit completed	68%
Reliability	Maintain assets in a state of good repair	Percent of assets in fair or better condition	98%
Affordability	Provide sustainable and affordable services over the long-term	Asset Renewal Funding Ratio	33%
		Average Annual Renewal Investment	\$1.9M



# Asset Management Strategy

## 4.1 Practices, Procedures and Tools

One of the key objectives of asset management is to recognize the objectives of the City and align them with the City's long term financial plans. This will allow Council to make informed decisions and provide clear direction on how the City will balance service levels, risks, and costs. The City has well-established practices to assess the risk of not meeting community and technical level of service standards and to determine the lowest lifecycle cost activities to reduce the risks to acceptable levels and the associated costs of undertaking them. The Asset Management Plan provides the needs forecast associated with maintaining current levels of service and compares it to the planned budget to determine funding gaps or surpluses.



## 4.2 Future Demand and Service Enhancement

In developing the Community and Social Services Asset Management Plan, a preliminary estimate was prepared of the cost of maintaining all of the assets that support the City's community and social services at their current level of service over the next 10 years. The estimate includes forecasts of:

- Growth needs, none of which are identified for this service.
- Enhancement needs based on accessibility audits and building condition assessments, required to improve services, meet new or updated standards, or address accessibility.
- Renewal needs identified for Facilities based on building condition audits and forecasted lifecycle renewal needs for Fleet, required to maintain assets in a state of good repair.

Ottawa's population is expected to increase to 1.4 million people by 2046, a significant increase of 40% since 2018, as summarized in the table below. This growth will put pressure on existing assets and services, and may require new or expanded assets to meet growing needs.

### City of Ottawa Population Projections for 2046

	2046 Projection	Growth Since 2018
Population	1,409,650	402,150
Private Households	590,600	194,800
Jobs	827,000	189,500

Source: New Official Plan report to Council (ACS2021-PIE-EDP-0036), October 2021



The table below summarizes the future growth, enhancement and renewal needs forecast for community and social services assets.

### Future Demand and Service Enhancement Needs Forecast for Community and Social Services

Asset Class	10-Year Growth Needs (\$ Millions)	10-Year Enhancement Needs (\$ Millions)	10-Year Renewal Needs (\$ Millions)	10-Year Total Needs (\$ Millions)
Community and Social Services Facilities	\$0	\$7.7	\$57.1 <sup>1</sup>	\$64.8
Community and Social Services Fleet	\$0	Not applicable	\$0.1	\$0.1
<b>Total</b>	<b>\$0.0</b>	<b>\$7.7</b>	<b>\$57.2</b>	<b>\$64.9</b>

Asset management planning also needs to consider the City’s Climate Change Master Plan goals for both mitigation strategies to slow climate change impacts, such as reducing greenhouse gas emissions, and adaptation strategies to reduce negative impacts associated with existing and future climate change. The Asset Management Plan estimates the additional future costs due to climate change shown in the table below. These are preliminary estimates based on the latest information available, which will be refined over time.

### Estimated Additional Future Costs Due to Climate Change for Community and Social Services

Additional Costs Due to Climate Change	Estimated 10-Year Total Additional Cost (\$ Millions)
Increased operations and maintenance and capital renewal costs for buildings due to gradual, long-term impacts of climate change	\$2.5 (operating & maintenance) \$1.9 (capital renewal)
Increased operations and maintenance costs due to extreme weather events	\$0.9
Increased capital costs to implement climate change mitigation actions including municipal fleet electrification and building retrofits	\$20.5
<b>Total</b>	<b>\$25.8</b>

<sup>1</sup> The capital renewal needs identified for buildings are underestimated by approximately \$115M across all services. The underestimation is due to: i) limitations with the asset management software utilized by Buildings & Parks Asset Management; ii) business process and timelines for acquiring projections and entering inventory data within the asset management software; and iii) data rationalization impacting accuracy at the point and time when the data was acquired from the asset management software.



Some climate change costs have been or are expected in future to be at least partially recovered from upper levels of government; these recoveries are not factored into the estimates. Also, the estimates do not capture damage to capital infrastructure due to catastrophic/extreme weather events (e.g., tornadoes); increased capital renewal needs due to accelerated asset deterioration; increased capital renewal costs for assets other than buildings (such as fleet and equipment); and gradual, long-term impacts due to climate hazards other than extreme heat, extreme rainfall, and freeze-thaw cycles (such as drought, ice storms and wildfires).

### 4.3 Lifecycle Management and Risk

Lifecycle management activities refer to the set of planned activities and actions undertaken to maintain the current levels of service and achieve good economic life of the assets. The activities undertaken range from operations and maintenance activities, including planned and reactive maintenance, renewal activities (such as condition assessments and rehabilitations), disposal activities and non-infrastructure solutions (such as policies and processes that reduce costs, mitigate risks or maintain/enhance service delivery).

The City applies a risk-based approach to prioritizing asset renewals. The risk assessment frameworks and methods vary across the different types of assets, but are generally based on the importance of each asset in terms of service delivery/continuity and the number of users who could be impacted.



# Financing Strategy

The City continues to invest responsibly in maintaining infrastructure and has been increasing its capital investments to align with long-range financial plans. Funding targets recommended in the 2017 Comprehensive Asset Management Program were focused on maintaining critical infrastructure in a state of good repair. There will be a need to update the long range financial plans once new service levels are defined to ensure financial sustainability.

## 5.1 Expenditure History

For information on historical operating and capital expenditures, refer to the City’s historical annual budget documents.

## 5.2 Expenditure Forecast

Over the next 10 years, the City will continue investing in infrastructure to support operational expenses, respond to renewal needs, serve growth, and provide enhancements. The planned operating budget is based on Financial Planning’s operating budget forecast for community and social services, and the planned capital budget is based on the City’s 2023 10-year capital budget forecast (for facilities) and Fleet Services’ 2024 forecast (for fleet).

### Budget Forecast for Community and Social Services

Component	Expenditure/Budget Forecast (\$ Millions)									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Operating Budget <sup>2</sup>	\$126.5	\$128.3	\$133.6	\$139.2	\$144.9	\$150.9	\$157.0	\$163.4	\$170.0	\$176.8
Capital Budget – Enhancement	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.22	\$0.22	\$0.22
Capital Budget – Renewal	\$2.5	\$1.7	\$1.7	\$1.7	\$1.8	\$1.8	\$1.8	\$1.9	\$1.9	\$1.9

*\*There is no Growth funding forecasted for Community and Social Services as part of this Asset Management Plan.*

<sup>2</sup> Values shown are net operating budget requirement after expenditure recoveries and revenues.



## 5.3 Funding Gap

The funding gap is the difference between the forecasted asset needs and the planned capital budget. Over the next 10 years, the total needs for community and social services assets is \$64.9 million, while the planned budget is \$20.3 million, leading to a funding gap of \$44.6 million. The forecasted investment needs, planned budgets and funding gaps for community and social services assets are summarized in the table and figure below.

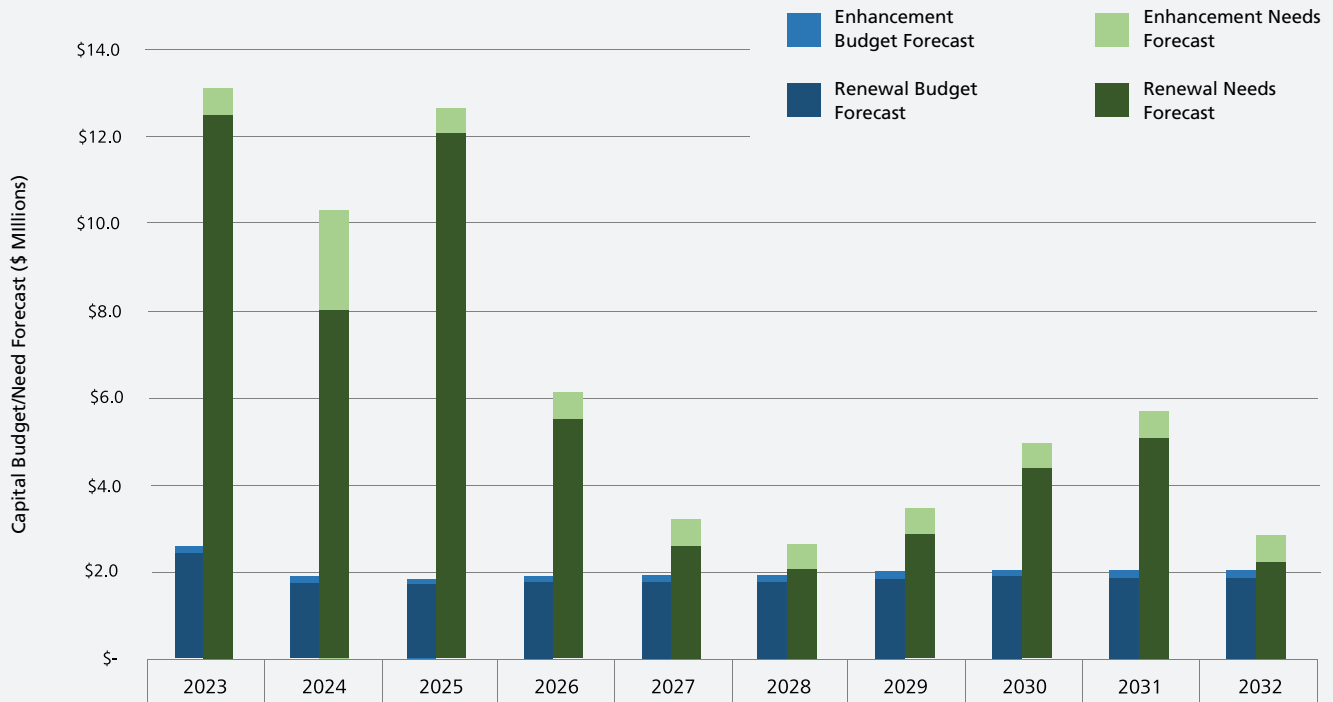
### Funding Gap for Community and Social Services

Asset Class	10-Year Need (\$ Millions)	10-Year Funding (\$ Millions)	10-Year Gap (\$ Millions)
<b>Enhancement</b>			
Child Care Centres	\$1.6	\$0.2	(\$1.4)
Long Term Care Homes	\$5.1	\$1.5	(\$3.6)
Shelters	\$1.0	\$0.0	(\$1.0)
Community & Social Services Fleet	\$0.0	\$0.0	\$0.0
<b>Subtotal</b>	<b>\$7.7</b>	<b>\$1.7</b>	<b>(\$6.0)</b>
<b>Renewal</b>			
Child Care Centres	\$5.8	\$3.0	(\$2.8)
Long Term Care Homes	\$44.8	\$12.6	(\$32.2)
Shelters	\$6.5	\$3.0	(\$3.5)
Community & Social Services Fleet	\$0.1	\$0.0	(\$0.1)
<b>Subtotal</b>	<b>\$57.2</b>	<b>\$18.6</b>	<b>(\$38.6)</b>
<b>Total</b>	<b>\$64.9</b>	<b>\$20.3</b>	<b>(\$44.6)</b>

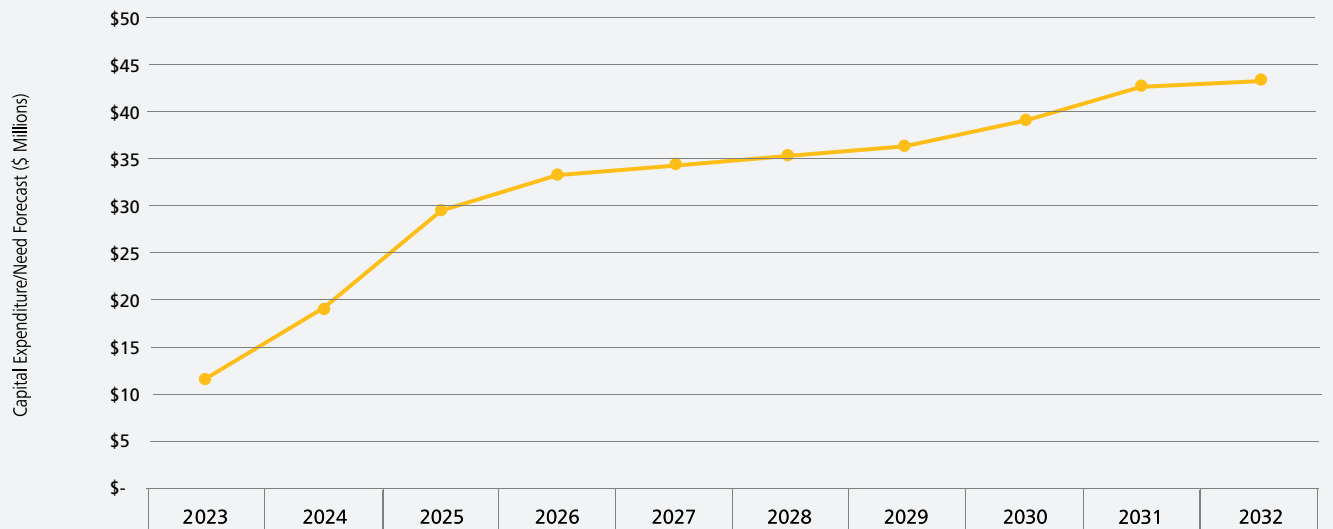




## Budget and Needs Forecast for Community and Social Services



## Cumulative Funding Gap for Community and Social Services



The City has planned dedicated funding over the next 10 years to address climate change needs. The funding supports not only community and social services, but various other services provided by the City. The climate change capital funding needs identified for the various City services and the total planned capital funding for climate change initiatives are summarized in the table below. These are preliminary estimates that are being refined through various initiatives, but they give a sense of the order-of-magnitude of future planned budget and potential needs.

### Estimated Future Climate Change Capital Budgets and Capital Needs for All City Services\*

Capital Program	10-Year Total Capital Budget	Service/Asset Needs Supported	10-Year Total Climate Change Capital Needs	10-Year Total Capital Funding Gap/Surplus
Climate Change Master Plan	\$190.0	All	\$401.9	(\$179.1)
Emergency Reception Lodging Generators	\$4.1	Buildings		
Energy Management and Investment Strategy	\$28.7	Buildings		
<b>Total</b>	<b>\$222.8</b>		<b>\$401.9</b>	<b>(\$179.1)</b>

\*Excludes:

- (1) Core assets (refer to Drinking Water, Stormwater, Transportation and Wastewater Asset Management Plans).
- (2) Transit services (all needs and budgets for transit services are covered by the Transit Long Range Financial Plan).



# Improvement & Monitoring Plan

Based on the snapshot of current conditions and existing plans presented in the Community and Social Services Asset Management Plan, areas of potential improvement include:

- Data gaps, data management, and record keeping
- Cost estimating
- Level of service measures and targets
- Inspection, condition assessment, corrective maintenance, and risk assessment
- Asset maintenance practices for facilities
- Climate change resiliency
- Applying an equity and inclusion lens

The Community and Social Services Asset Management Plan will be reviewed and updated on a regular basis and over time these improvements will be reflected in future versions of the Asset Management Plan.



# More Information

For more information about comprehensive asset management, or to learn more about the City's Comprehensive Asset Management Program, please visit [Ottawa.ca](http://Ottawa.ca).

