

# Consolidated State of Infrastructure

## ISSUE

This Consolidated State of Infrastructure Report provides a comprehensive overview of the inventory, condition, performance, and funding needs of Saskatoon's core infrastructure. The report consolidates data from the City of Saskatoon's (City's) major asset categories and is intended to serve as a strategic tool to guide investment decisions. It highlights infrastructure risks and funding requirements necessary to maintain service levels and support long-term planning, while also advancing the City's asset management capability and maturity to inform City Council during the Multi-Year Business Plan and Budget process. The report also highlights next steps in the City's approach to further mature our Asset Management approach.

## BACKGROUND

At its meeting held on [May 25, 2020](#), City Council approved the Corporate Asset Management Policy (C07-031), establishing a corporate wide commitment to managing infrastructure in a coordinated, sustainable, and transparent manner. The policy outlines principles such as aligning infrastructure decisions with service outcomes, integrating risk and life-cycle planning, and ensuring accountability through consistent reporting and governance. These principles serve as the foundation for the City's evolving Asset Management Program, which aims to deliver reliable services while maximizing value from public investments. This policy prompted the creation of a Corporate Asset Management Team to develop a standardized approach to build a solid foundation in asset management.

Effective asset management is crucial for municipalities to maintain sustainable, reliable, and efficient public infrastructure and services. Historically the Administration has presented asset related information in alignment with the budget cycle, the policy allows the Administration to present this information to City Council in a more consistent manner. Earlier this year, the various Standing Policy Committees received State of Infrastructure reports from 10 asset categories. Links to these reports and summary of asset performance can be found in Appendix 1.

## CURRENT STATUS

The City has made substantial progress in consolidating infrastructure data across 10 asset categories, representing a total Current Replacement Value of approximately \$23.3 billion. The asset categories include Bridges and Structures, Electrical Infrastructure, Facilities and Structures, Fleet Services Infrastructure, Parks Infrastructure, Roadways and Corridor Infrastructure, Transit and Fleet Infrastructure, Potable Water Infrastructure, Wastewater Infrastructure, and Storm Water Infrastructure.

Across the 10 asset categories 50% of assets are in Good or Very Good condition, 17% are in fair condition, and 6% are in Poor or Critical condition. Notably, 27% of assets have an unknown condition status. This uncertainty introduces operational and financial risks that are managed by operating departments, with work continuing throughout the 10 asset categories to further understand asset condition. Climate-related impacts such

as extreme weather events and shifting seasonal patterns could also put strain on assets in the future.

The Administration uses the current asset condition as well as factors such as growth and funding to project the future condition and ability to meet service levels of the 10 asset categories. These projected trends reflect the best available information today but are expected to improve in accuracy as asset management practice advances across the organization and more asset categories are added to this Consolidated report. Improvements in financial data collection, life-cycle planning, and investment forecasting with tools like SAP will enhance the accuracy of future projections.

The physical condition of assets is frequently used as a proxy for the ability to meet service levels. To ensure service expectations are met, the Administration must consider both condition and the ability for the asset to meet future demand when forecasting future trends in service levels. Across the 10 asset categories, Bridges & Structures, Roadways & Corridors, Water, Wastewater, and Storm water are considered to have stable levels of service in the future. Electrical infrastructure, Facilities, and Parks will need additional support to maintain current funding levels. Transit assets have undergone significant review and are expected to improve in service levels into the future based on City Council’s recently approved funding plan.

**Funding Gaps and Service Level Performance**

A funding gap identifies the difference between the required funding to support the life-cycle management of assets at the desired service level and the current funding. Across the 10 asset categories, Stormwater, Wastewater, and Water showed no funding gap. The remaining assets require additional investment to maintain or meet desired service levels. As asset management practices mature across the corporation, the techniques used to calculate the gap improve and the total funding gap will be refined. Based on current practice the total gap is summarized in Table 1 below. Details on each asset category can be found in Appendix 1.

*Table 1: Funding Gap*

<b>Year</b>	<b>Funding Gap (in millions)</b>
2026	\$47.24
2027	\$45.37
Five-Year Forecast	\$306.60

**DISCUSSION/ANALYSIS**

This report marks an advancement in the City’s ability to strategically manage its infrastructure portfolio. The report highlights key challenges; most notably, the \$306.60 million funding gap forecasted over the next five years. To address this gap the Administration will work on improving asset management planning, defining service levels, risk assessments, and integration with climate strategies. Currently, risk assessments are conducted within individual asset categories, with a City-wide model still under development. Development of this City-wide asset risk model is planned for 2026.

With the approval of the Corporate Asset Management Policy in 2020, the Administration continues to work toward ISO 55000 standards for reporting service

levels. Technology plays a vital role in this advancement of asset management practice, with foundational systems like GIS and SAP supporting inventory tracking and performance management.

### **FINANCIAL IMPLICATIONS**

The identified funding gap of \$306.60 million over the next five years reflects the difference between current funding levels and the investment required to maintain service levels over the life cycle of the City's assets. While some service lines, such as Water and Wastewater Utilities, have successfully eliminated their asset gaps through long-term planning and operational optimization, others continue to face challenges.

The financial implications of addressing this gap are multi-faceted. Addressing this gap requires more than reactive measures such as increasing revenues, one-time funding for infrastructure, or reducing service levels that may offer short-term relief but lack long-term sustainability. Instead, the Administration is developing a strategic approach that combines targeted investments, advanced maintenance strategies, and improved data confidence to reduce life-cycle costs and refine funding needs. This approach requires ongoing investment in asset planning, which includes planning tools, condition assessments, and asset replacement strategies.

A companion report entitled Asset Management Investment Funding Options is being presented to this same Committee, outlining potential funding options for increasing the investment in asset management.

### **OTHER IMPLICATIONS**

There are no privacy, legal, social, or environmental implications identified.

### **NEXT STEPS**

1. Develop a City-wide Asset Risk Prioritization Model to enable consistent comparison and ranking of risks across all asset categories by the end of Q1 2026.
2. Align Levels of Service across all asset categories with Policy C07-031.
3. Integrate climate risk into asset planning to enhance resilience and reduce long-term costs.
4. Establish comprehensive Asset Management Plans for additional asset categories.
5. The Administration will update the 'State of' Infrastructure reports for the 2028 and 2029 Multi-Year Business Plan and Budget deliberations and continue to prepare the utility and mill rate funded budgets with current assumptions.

### **APPENDICES**

1. Appendix 1 – Asset Performance and Condition Trends

#### Report Approval

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