WORKING TOGETHER: ASSET MANAGEMENT AND THE FEDERAL GAS TAX FUND

2014 and Beyond
A new 10 year agreement with Canada will be signed soon

$3.8 billion in funding for Ontario’s municipalities from 2014-2018

Continues to be an outcomes focussed program
Priority for Canada and Ontario

Builds on work already underway
- Plan development
- Long term financial planning

Goal - councils having the best available information to make infrastructure investment decisions
ELIGIBLE PROJECT CATEGORIES

- Grows from 7 to 17

<table>
<thead>
<tr>
<th>Old Categories (continue)</th>
<th>New Categories (added)</th>
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<tbody>
<tr>
<td>Local Roads &amp; Bridges</td>
<td>Local and Regional Airports</td>
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<td>Public Transit</td>
<td>Short Line Rail</td>
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<tr>
<td>Community Energy</td>
<td>Short Sea Shipping</td>
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<td>Capacity Building</td>
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<td>Solid Waste</td>
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<td>Sport</td>
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<td>Recreation</td>
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Funds can continue to be used to develop and implement asset management plans.

Can include:
- Software acquisition and implementation
- Training directly related to asset management planning
- Completing long-term infrastructure plans
Outcomes for capital projects are now focused on broader benefits of funding (not just environmental):

- Benefits to the community
- Impact of long-term, predictable funding

Demonstrate how Asset Management Plans are being used to guide investments
AMO will work with municipalities to identify existing measures for outcomes both for the capital projects funded and asset management.

AMO will bring these ideas to the table with Canada and Ontario to ensure municipalities lead the way in identifying program outcomes.
Where are you in the planning process?

What has been the most difficult part for you in the planning process?

What do you need the most help with in this process?

#AMOntario14
@gastaxinontario
Also working on building a basic understanding of the state of the largest asset class invested in with Gas Tax fund – roads and bridges.
STATE OF ONTARIO’S ROADS & BRIDGES INFRASTRUCTURE

INITIAL FINDINGS

A JOINT PROJECT BETWEEN THE ASSOCIATION OF MUNICIPALITIES ONTARIO AND THE PUBLIC SECTOR DIGEST

PUBLIC SECTOR DIGEST
INTELLIGENCE FOR THE PUBLIC SECTOR.
THE WHAT, WHY, & WHEN

- Joint project between the Association of Municipalities Ontario (AMO) and the Public Sector Digest (PSD)

- Provide detailed, accurate, condition and financial data on the state of Ontario’s roads and bridges

- Analyze municipal spending patterns

- Full report published in August
THE WHO

- Based on geographic diversity (six regions), and rural/urban split

- 100+ of PSD’s municipal clients in Ontario
  - (~40% of provincial population)

- Population range: ~1,000 ➔ ~1,000,000
As of today, data for 31 representative clients has been aggregated; about 70 to go

Population stats as of now:

Range: 1,026 ➔ 124,645
Average: 16,079
INITIAL FINDINGS

► The Backlog
  ▪ Total: $541 million
  ▪ Range: $494,000 ➔ $68 million
  ▪ Average: $17 million

► Annual Infrastructure Deficits
  ▪ Total annual: $141 million
  ▪ Range: $0 ➔ $73 million
  ▪ Average annual deficit: $4.5 million
  ▪ Annual Tax Payer burden: $600 per household
INITIAL FINDINGS

» The Federal Gas Tax
  » Total distributed among current sample: $25 million
  » Range: $33,000 ➔ $8.8 million
  » Average: $803,000

» Annual funding available:
  » On average, the Federal Gas Tax makes up 40% of the annual funding available.
    » Range: 6% ➔ 100%
WHAT TO EXPECT IN AUGUST

- **Asset Data**
  - Quantity
  - Condition
  - Average Age
  - Lifecycle phase
  - Inspection history

- **Financial Data**
  - Impact of the Federal Gas Tax
  - Total existing backlog
  - Projected future replacement costs
  - Use of debt and reserves
CityWide User Group

- When: June 19-20th
- Where: London, Ontario

Visit www.citywidesolutions.com/events to register.