

# WORKING TOGETHER: ASSET MANAGEMENT AND THE FEDERAL GAS TAX FUND

2014 and  
Beyond

# THE NEW AGREEMENT

- 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

# ASSET MANAGEMENT

- 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

Old Categories (continue)	New Categories (added)
Local Roads & Bridges	Local and Regional Airports
Public Transit	Short Line Rail
Community Energy	Short Sea Shipping
Capacity Building	Disaster Mitigation
Solid Waste	Broadband Connectivity
Water	Brownfield Redevelopment
Wastewater	Culture
	Tourism
	Sport
	Recreation

# CAPACITY BUILDING

- 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 FOCUS

- 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

# DEMONSTRATING OUTCOMES

- 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

# DEMONSTRATING OUTCOMES (CONT'D)

- 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



# DEMONSTRATING OUTCOMES (CONT'D)

- 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

# INITIAL FINDINGS

- ▶ 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



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▶ **CityWide User Group**

- ▶ When: June 19-20<sup>th</sup>
- ▶ Where: London, Ontario

Visit [www.citywidesolutions.com/events](http://www.citywidesolutions.com/events) to register.

