GETTING READY:
ASSET MANAGEMENT PLAN AND OUTCOMES

2016
FEDERAL GAS TAX FUND

- Only long-term, stable & predictable source of funding for infrastructure

- Municipalities in Ontario receive about $744 million per year on basis of their population

- In total, Ontario’s municipalities will receive $3.8 billion in funding from 2014-2018
## ELIGIBLE PROJECT CATEGORIES

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<th>Productivity and Economic Growth</th>
<th>Clean Environment</th>
<th>Strong Cities and Communities</th>
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<td>Local Roads and Bridges</td>
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<td>Public Transit</td>
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Gas Tax funds can be used to finance expenditures that strengthen the ability of municipalities to develop and implement asset management plans.

Eligible expenditures include:
- Software acquisition and implementation
- Training directly related to asset management planning
- Completing long-term infrastructure plans
Priority for Canada in the Gas Tax Agreement

Municipalities are required to develop and implement an Asset Management Plan by December 31, 2016

Should include all infrastructure categories eligible for Gas Tax funding

Municipalities are encouraged to build upon their existing Asset Management Plans using Ontario’s Building Together: Guide for Asset Management Plans
DEMONSTRATING OUTCOMES

- Project Outcomes
  - Beneficial impacts in terms of Productivity & Economic Growth, Clean Environment, Strong Cities & Communities
  - Enhanced impact of funds as predictable funding source of funding

- Asset Management Outcomes
  - Demonstrate how Asset Management Plans are being used to guide investments decisions and address priority projects
WHAT IS AMO DOING?

- We have taken steps to support the integration of financial planning into asset management
  - Introduced seamless investing of Gas Tax funds into the One Investment program
  - Sponsoring research on the use of municipal debt and reserves and how this relates to municipal financial sustainability and infrastructure investment
WHAT IS AMO DOING?

- Roads and Bridges Study

  - AMO has sponsored a study on state of the roads and bridges infrastructure as a baseline to demonstrate outcomes on Asset Management as required by the federal Gas Tax Agreement in 2018 and 2023

  - 93 municipalities in Ontario with the most complete data were identified and analyzed on an asset by asset basis using both lifecycle and condition data
On average, federal Gas Tax Fund accounts for 29% of the available funding for roads and bridges infrastructure.

32% of the assets are in poor to very poor condition with a replacement cost of $9 billion.

Assets with condition data are found to be performing better than what their age data suggests, implying that municipalities are conducting maintenance on their assets.

Current Infrastructure Deficit of $5 Billion

Annual Investment Gap of about $0.5 Billion
MUNICIPAL NEXT STEPS

- Continue work on refining asset management plans to:
  - Include all municipal assets
  - Match desired levels of service
  - Improve data quality through use of condition data
  - Identify financing strategies
  - Embed asset management in municipal operations
Developing and Implementing an Asset Management Plan is now a requirement of the federal Gas Tax Agreement.

Expenditures related to preparing an Asset Management Plan are eligible for federal Gas Tax funding.

Increase condition assessments of your assets to improve the credibility of your asset management.

Demonstrate outcomes by using Asset Management to identify priority projects and guide infrastructure investment.