



The Ministry of Economic Development, Employment & Infrastructure

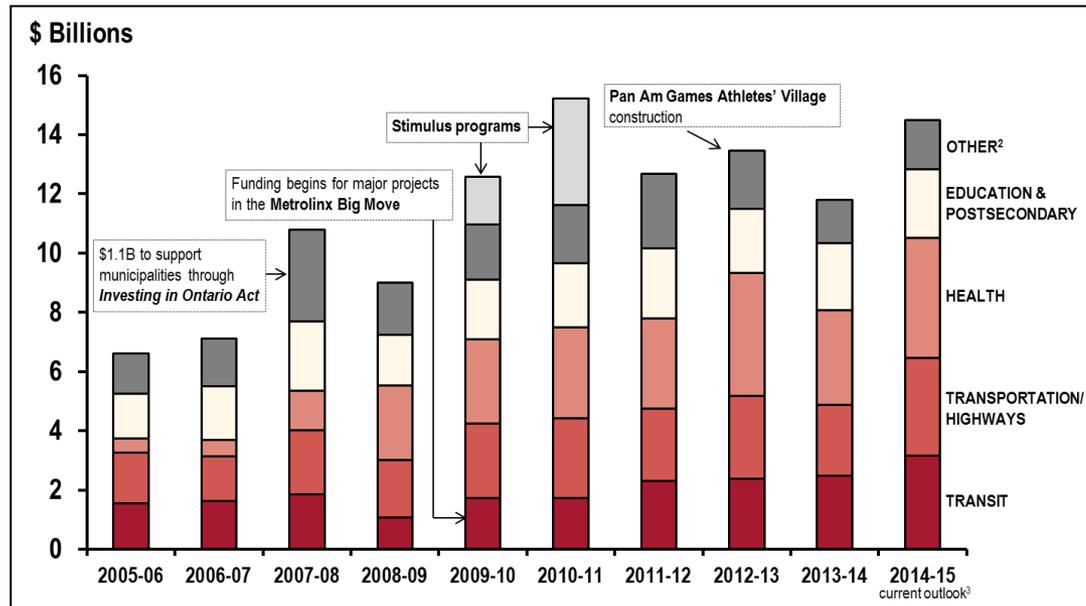
Municipal Asset Management Planning
Association of Municipalities of Ontario (AMO) Symposium
March 25, 2015

Overview

- The Province launched the Municipal Infrastructure Strategy in 2012 as part of the implementation of *Building Together*. Asset management is a cornerstone of the strategy.
- Improved asset management planning is the foundation for resolving municipal infrastructure challenges together.
- It enables productive discussions about making optimal use of the full range of infrastructure financing tools and addressing the structural challenges faced by small communities.
- Many municipalities have made significant progress towards completing comprehensive asset management plans.
- The Ontario Community Infrastructure Fund will provide \$100 million annually split 50/50 between formula and application-based grants, with the goal of transitioning to full formula-based funding, pending a three year review.

Context

- Since 2003, the Province has invested nearly \$100 billion in public infrastructure.
- The 2014 Budget announced plans to invest over \$130 billion in public infrastructure over the next 10 years.
- Ontario's planned infrastructure investments are expected to support over 110,000 jobs on average each year in construction and related industries.



¹ Includes third-party contributions to capital investment (in consolidated schools, colleges, hospitals and provincial agencies), and federal government transfers for capital investments.

² Other includes investments in the water/environment sector, justice facilities, and municipal and local infrastructure.

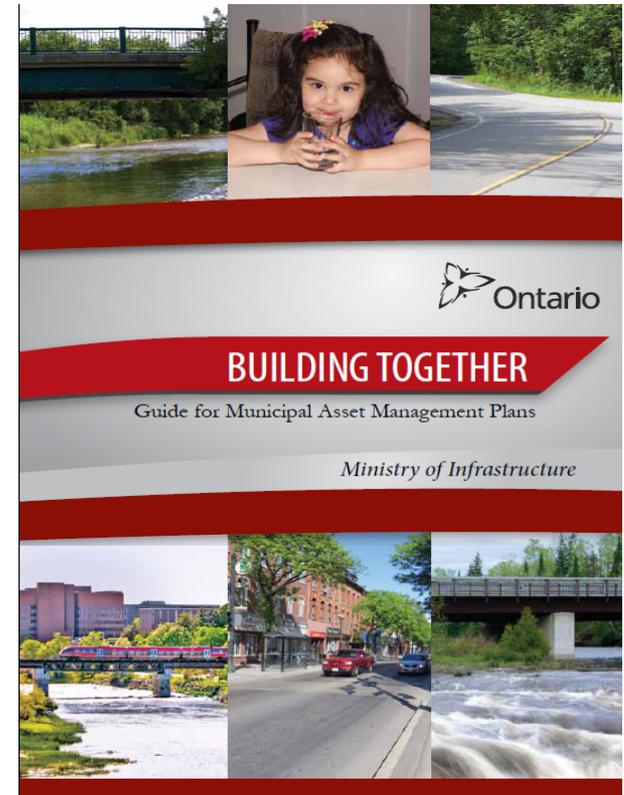
³ Current outlook based on 2014 Ontario Economic Outlook and Fiscal Review.

Municipal Infrastructure Strategy

- Launched in 2012, the Municipal Infrastructure Strategy requires municipalities that are requesting infrastructure funding to prioritize their needs by showing how projects fit within an asset management plan.
- To help municipalities prepare asset management plans, the province provided a *Guide for Municipal Asset Management Plans* and an online asset management toolkit.
- Nearly \$200 million has been provided through two previous programs to help small, rural and northern communities prepare asset management plans and address critical projects.
- In 2014, the Province announced the new permanent Ontario Community Infrastructure Fund, which will provide \$100 million per year to continue support for asset management planning and the revitalization of critical infrastructure.
- Many associations (e.g., AMO, Ontario Good Roads and Municipal Finance Officers) have been developing and disseminating tools and training to help improve asset management.

The Value of Asset Management Plans

- Asset management planning helps municipalities strategically prioritize what needs are most important and understand how they can be addressed.
- An asset management plan is a key vehicle to demonstrate to ratepayers that the right long-term decisions are being made to support services, save money and manage risk.
- In addition, alignment among municipal, provincial and federal governments on a common, systematic set of priorities will help us jointly leverage better outcomes from our investments.

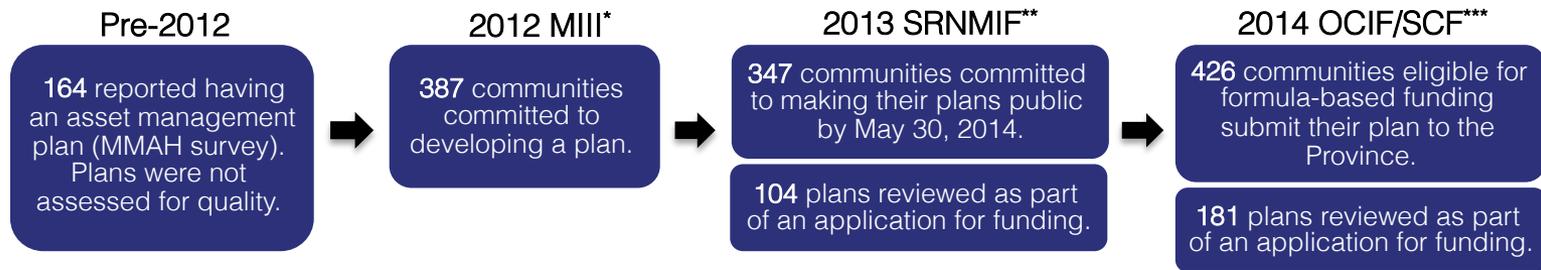


Ontario Community Infrastructure Fund

- The Province continues to support the development of asset management plans through the permanent Ontario Community Infrastructure Fund, launched in 2014.
- The Fund will provide \$100 million annually, split 50/50 between formula and application-based grants, to small, rural and northern municipalities. The focus of the program is to support critical roads, bridges, water and wastewater projects in communities with challenging fiscal situations.
- In February, 2015 the Province approved 78 projects under the application-based component.
- A goal of the Fund, is to move to full formula-based grants over time as asset management plans improve and critical projects are addressed. To support this, the program will be reviewed after three years.
- There is also a commitment to seek municipal input on the development of additional tools to support asset management planning, which is being led by the Ministry of Municipal Affairs and Housing.
- As part of the roll-out of the Ontario Community Infrastructure Fund, the Province also launched an intake to identify projects for the federal government's Small Communities Fund.
- Through the Small Communities Fund, Ontario and Canada will each provide \$272 million to support projects in communities with populations under 100,000.

Progress on Asset Management

- Since 2012, the Province has required municipalities that request or receive provincial infrastructure funding to demonstrate a progressively greater commitment to asset management planning.
- Results indicate the municipal sector has made significant progress – approximately **164** municipalities reported having asset management plans in 2012 compared to at least **426** municipalities in 2014.



- However, there is large variation in the quality and comprehensiveness of plans.
 - While municipalities have a strong understanding of current infrastructure challenges, further work is required on identifying desired service levels, asset management and finance strategies

*MIII: Municipal Infrastructure Investment Initiative

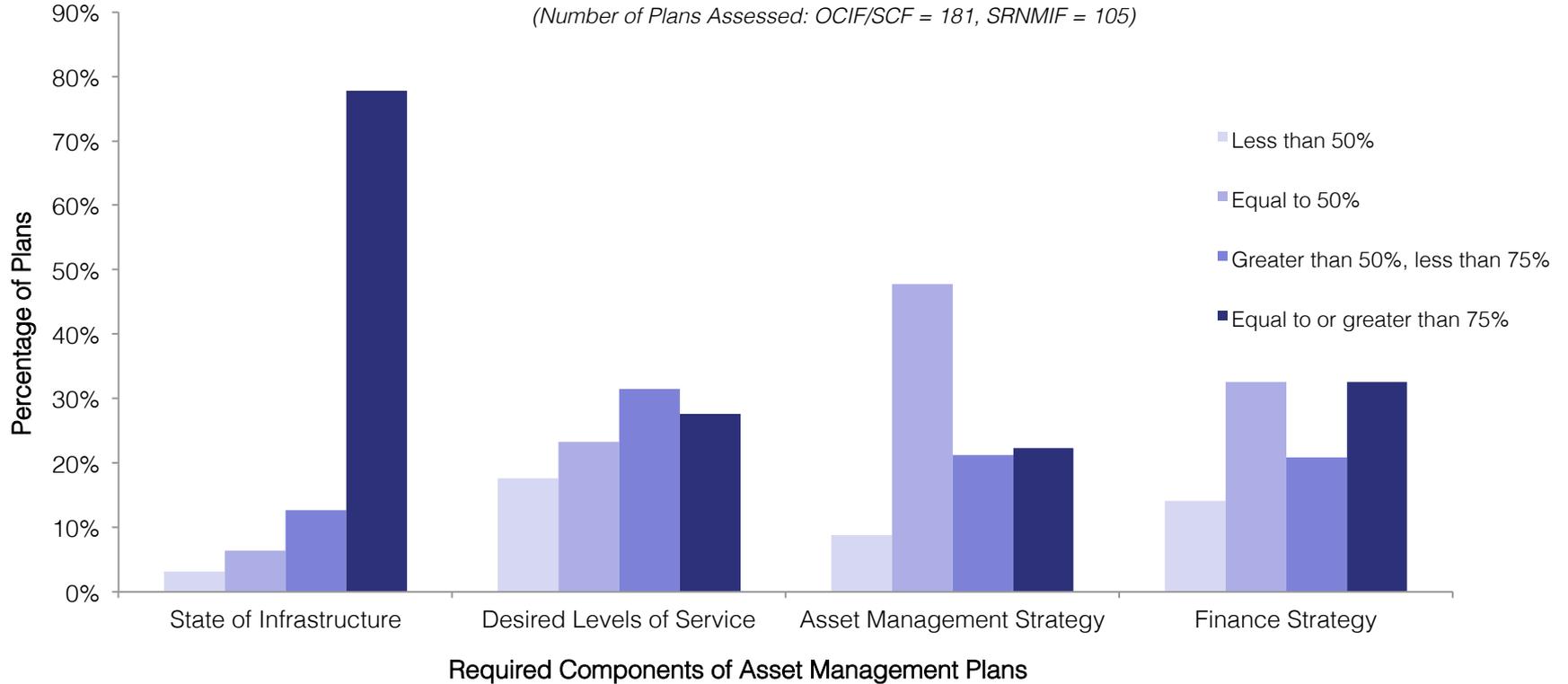
**SRNMIF: Small, Rural and Northern Municipal Infrastructure Fund

***OCIF/SCF: Ontario Community Infrastructure Fund / Small Communities fund (under the new Building Canada Plan)

Recent Asset Management Plans

Distribution of Asset Management Plan Completeness Scores, 2013 SRNMIF, 2014 OCIF and SCF Intakes

(Number of Plans Assessed: OCIF/SCF = 181, SRNMIF = 105)



Looking Ahead

- There are a number of ongoing initiatives and upcoming opportunities in the area of municipal asset management planning.
- Municipalities have made great progress in asset management planning and the Province is committed to working collaboratively to support and further develop, standardize and integrate asset management plans.
- In addition to seeking municipal input on the development of tools to support asset management planning, the Ministry of Municipal Affairs and Housing is exploring options to expand asset management schedules required under annual Financial Information Returns.
- Through the Small Communities Fund, the Province continues to support and advocate for asset management planning. Ontario will nominate a list of priority projects to the federal government and pending their approval applicants could be notified of results in Spring, 2015.
- Through the federal Gas Tax Fund, capacity building in asset management planning is an eligible category. Municipalities and AMO are working to fulfill asset management planning requirements and determine performance measures.