OBJECTIVES

- What are policy requirements for asset management?
- What is changing?
- Provincial environment
- Federal environment
- Where are municipalities
- Where do we need to be to best take advantage of future opportunities
Asset Management Planning has been eligible for Gas Tax Funding support since inception.

In 2012, the province’s Municipal Infrastructure Strategy was created to guide infrastructure programming for municipalities

- Included requirements for municipalities to have an asset management plan when requesting provincial funding
- Subsequent provincial infrastructure funding programs for municipalities have included support for asset management
  - MIII
  - SRNMIF
  - OCIF
  - 98 per cent of municipalities now have AMP

OCIF will be expanded to $300 million annually in 2018. $200 million formula.
Bill 6, *The Infrastructure for Jobs and Prosperity Act* passed third reading in spring session 2015

Includes the requirement for all broader public sector organizations to have an asset management plan

Regulations to specify:
- form
- content and
- timing of plans

Regulations to be developed

Consultation in 2016?
- Federal Budget 2016 includes $11.9B for infrastructure in next 3-5 years
- Funding for:
  - Social infrastructure
  - Green infrastructure
  - Public transit infrastructure
- Building Canada Fund and Federal Gas Tax Fund continued
- Funding for asset management planning capacity development
  - FCM - $50 million for asset management best practices
- Federal funding recognizes that upgrades and maintenance is needed – unsexy!
- Phase 2 funding will identify opportunities through asset management data – focus is economic growth
ASSUMPTIONS GOING FORWARD

- Provincial and federal governments increasingly concerned with asset management
- Municipal councils have shown leadership in developing plans – 98 per cent
- Better information is needed – condition data
- Ultimately need comparable measurements
- Asset management plans need to encompass:
  - Health and safety
  - Economic/demographic
  - Environment and climate change
- Plans need to be scoped and financed – take advantage of service delivery changes and partnerships for efficiency
ELIGIBLE PROJECT CATEGORIES

<table>
<thead>
<tr>
<th>Productivity &amp; Economic Growth</th>
<th>Clean Environment</th>
<th>Strong Cities &amp; Communities</th>
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<tbody>
<tr>
<td>Local Roads and Bridges</td>
<td>Community Energy Systems</td>
<td>Capacity Building</td>
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<td>Public Transit</td>
<td>Drinking Water</td>
<td>Disaster Mitigation NEW</td>
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<td>Local and Regional Airports NEW</td>
<td>Wastewater</td>
<td>Recreational NEW</td>
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<td>Broadband Connectivity NEW</td>
<td>Solid Waste</td>
<td>Cultural NEW</td>
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<td>Short-Sea Shipping NEW</td>
<td>Brownfield Redevelopment NEW</td>
<td>Tourism NEW</td>
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<td>Short-Line Rail NEW</td>
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<td>Sport NEW</td>
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- 17 Eligible Project Categories
  - Only capital expenses eligible under each category except capacity building
  - Social housing and health care are not eligible

- Program Focus is on Demonstrating Project Outcomes:
  - Increased productivity and economic growth
  - Cleaner environment
  - Stronger cities and communities
Gas Tax funds can be used to finance expenditures related to the development and implementation of asset management plans.

Eligible asset management expenditures include:
- Software acquisition and implementation
- Condition assessments for tangible capital assets
- Staff training
- Long-term infrastructure plans

What’s not eligible:
- Administrative costs including staff wages
- Feasibility studies
- Environmental assessments not followed by eligible capital project
ASSET MANAGEMENT REQUIREMENTS

Asset Management Plan Requirement

- Municipalities develop and implement an asset management plan by December 31, 2016 including financing strategies
- 98% of municipalities have a plan capturing core infrastructure
- Include all 16 infrastructure categories eligible for Gas Tax

Asset Management Outcomes Requirement

- Municipalities demonstrate how asset management plans are being used to identify and fund priority projects
- AMO required to report municipal sector’s progress on asset management to Canada in 2018 and 2023
WHAT AMO IS DOING?

- Baseline data research
  - Roads and bridges
  - 2 different municipal surveys on asset management (2014 and 2015)

- Financing strategies
  - Ability to bank funds for up to five years
  - Seamless investing in One Investment of banked funds or HISA for shorter term funds
  - Debt and reserves research

- Online training for councillors
  - Municipal Councillor Financial Literacy
  - Cover Your Assets

- Social media friendly informational video on asset management
Proposed asset management outcomes focused on 5 themes:

- **Inclusion of all municipal infrastructure assets**
  - Percentage of TCAs reported in FIR Schedule 51 that are part of AMP (Effective 2016 Gas Tax Reporting)

- **Better linkages between service levels and asset management plans**
  - Whether current service levels are monitored, and whether target service levels are being met or not

- **Improving data used to inform asset management plans**
  - Change in usage of condition data over time in an AMP
  - Small municipalities can use a risk based approach

- **Embedding asset management within municipal operations**
  - Whether priority projects identified in AMP are part of municipal capital budget

- **Effective Financing strategies**
  - How quickly assets are being renewed?

**Disclaimer:** The proposed outcomes are not yet approved by the Oversight Committee and pending final direction from the province on Bill 6 regulations
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