

# FEDERAL GAS TAX FUND

## PROGRAM UPDATE

2017 Asset  
Management  
Symposium

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# ASSET MANAGEMENT PLAN REQUIREMENTS

- Develop and implement asset management plan by Dec 31, 2016
  - Over 95% of municipalities have developed an plan for core infrastructure
    - Very few municipalities have implemented or integrated their plan with capital budgeting
  - AMO will not withhold funds as long as municipalities can demonstrate progress
  - Improve existing plans to include all infrastructure - tangible capital assets
    - Include financial strategies to fund future capital investment needs
  - Adhere to the guidelines set out in Ontario's *Building Together: Guide for Asset Management Plans*

# ASSET MANAGEMENT OUTCOMES REQUIREMENT

- Municipalities are:
  - Required to report on asset management outcomes:
    - Quality and comprehensiveness of the plan
  - Demonstrate how plans are being used to identify and address priority projects
  
- AMO is required to:
  - Track and report municipal sector's progress on asset management
    - Outcomes Report due to Canada in 2018 and 2023
  
- Which outcome indicators do municipalities report on to demonstrate progress?

# ASSET MANAGEMENT OUTCOMES FRAMEWORK

## Asset Management Outcomes focus on 5 themes:

- Inclusion of all infrastructure assets
- Better linkages between service levels and asset management
  - Whether current service levels are monitored
  - Whether target service levels are being met or not
- Improving condition data used to inform asset management plans
  - Small municipalities can focus on high risk assets
- Embedding asset management within municipal operations
  - Whether priority projects identified in AMP are part of municipal capital budget
- Effectiveness of financial strategies

# ASSET MANAGEMENT OUTCOMES REPORTING

## Submit Asset Management Outcomes Questionnaire Annually

- Phase 1 – 2016 Gas Tax Reporting due May 31, 2017
  
- Comprehensiveness of the Plan
  - Plan existence and time frame
  - Type of asset classes covered
  - Percentage of tangible capital assets included
  - Identification of funding gap
  - Existence of a financial strategy
  
- Quality of the Plan
  - Replacement cost calculation
  - Condition data criteria
  - Assigning risk levels to prioritize projects
  - Future investment needs tied with service levels
  - Plan guided by a strategic asset management policy

# ASSET MANAGEMENT OUTCOMES REPORTING

## Phase 2 – Asset Management Outcomes Working Group

- Advance existing outcomes framework
- Identify key reporting and data quality issues
- Align federal asset management planning requirements with new provincial requirements
  - Upcoming regulation on asset management planning under Bill 6:  
*Infrastructure for Jobs and Prosperity Act, 2015*
- Develop new outcome indicators to measure plan implementation
- Revised asset management questionnaire will be part of 2017 Gas Tax Reporting due March 31, 2018

# QUESTIONS?

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