FEDERAL GAS TAX FUND PROGRAM UPDATE

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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
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
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
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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