

# ASSET MANAGEMENT OUTCOMES WORKING GROUP

FEDERAL GAS TAX FUND  
(CANADA COMMUNITY-BUILDING FUND)

# Agenda

1. Introductions
2. Results from 2020 survey / review of updated plans
3. Roundtable update and discussion on data collection and capacity building initiatives
4. Future reporting requirements and next steps

# Context – Fund Requirements

- FGT/CCBF agreements require municipalities to demonstrate progress on asset management (AM) by:
  - Developing and implementing asset management plans
  - Using existing AM plans to guide infrastructure planning and investment decisions; and
  - Using federal funds to address priority projects identified in the asset management plans

# Asset Management Outcomes Working Group

- Guides us in advancing our asset management outcomes framework by ensuring that any AM requirements:
  - Meet objectives of the Fund
  - Don't create additional reporting burden for Ontario municipalities
  - Rely on existing data collection initiatives
  - Are consistent with the provincial AM regulatory requirements
- Consensus from last WG meeting held on October 21, 2020:
  - Municipalities to submit plans if revised during 2020 reporting cycle
  - Complete an optional questionnaire on progress in adoption of AM and improving quality of plans

# State of Asset Management in Ontario

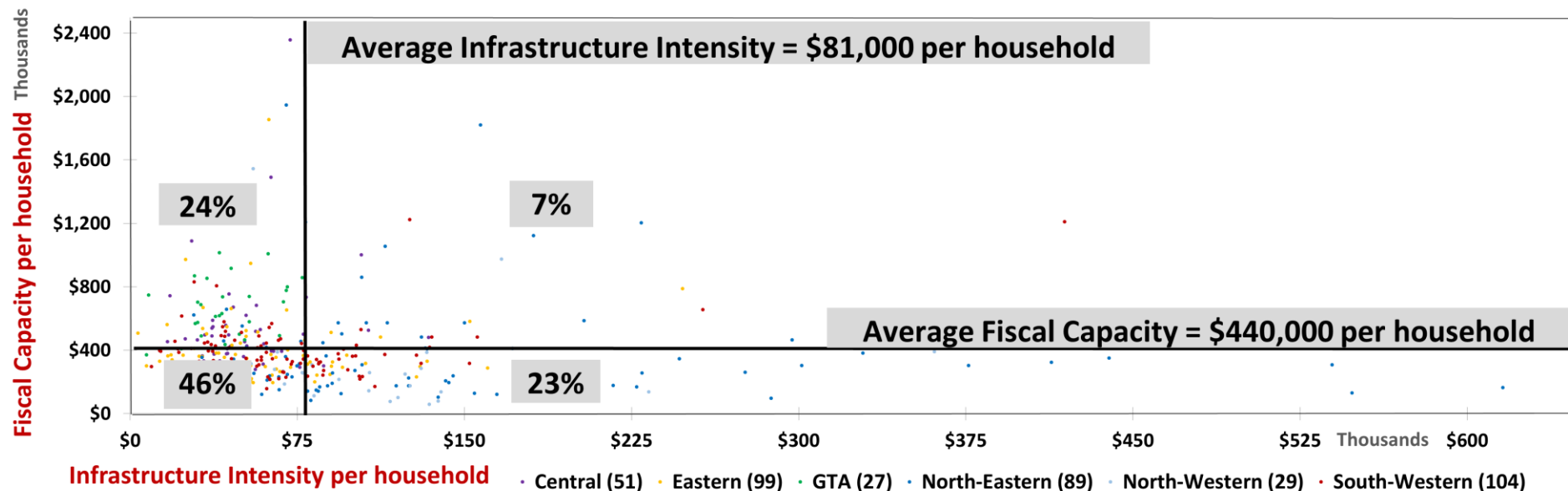
- **442** municipalities have developed baseline AMPs by 2016
- In general, majority of Ontario municipalities don't identify priority projects in their AM plans due to lack of:
  - Data on lifecycle costs, service levels and risk assessment;
  - Financial resources to collect and maintain required data; and
  - Adequate staff resources and training.

# Reported – Revision of AM Plans in 2020

- Less than 10% (28) of reported Ontario municipalities updated AM plan during 2020 reporting cycle:
  - Reported replacement costs have increased significantly for majority of municipalities
  - Inclusion of non-core infrastructure categories, service level indicators and infrastructure levy
  - Some municipalities are reporting target average annual infrastructure reinvestment rates (annual capital requirement / total replacement cost) and current reinvestment rate (annual capital funding / total replacement cost)
  - Small municipalities have focused on establishing service levels for core assets such as roads and bridges

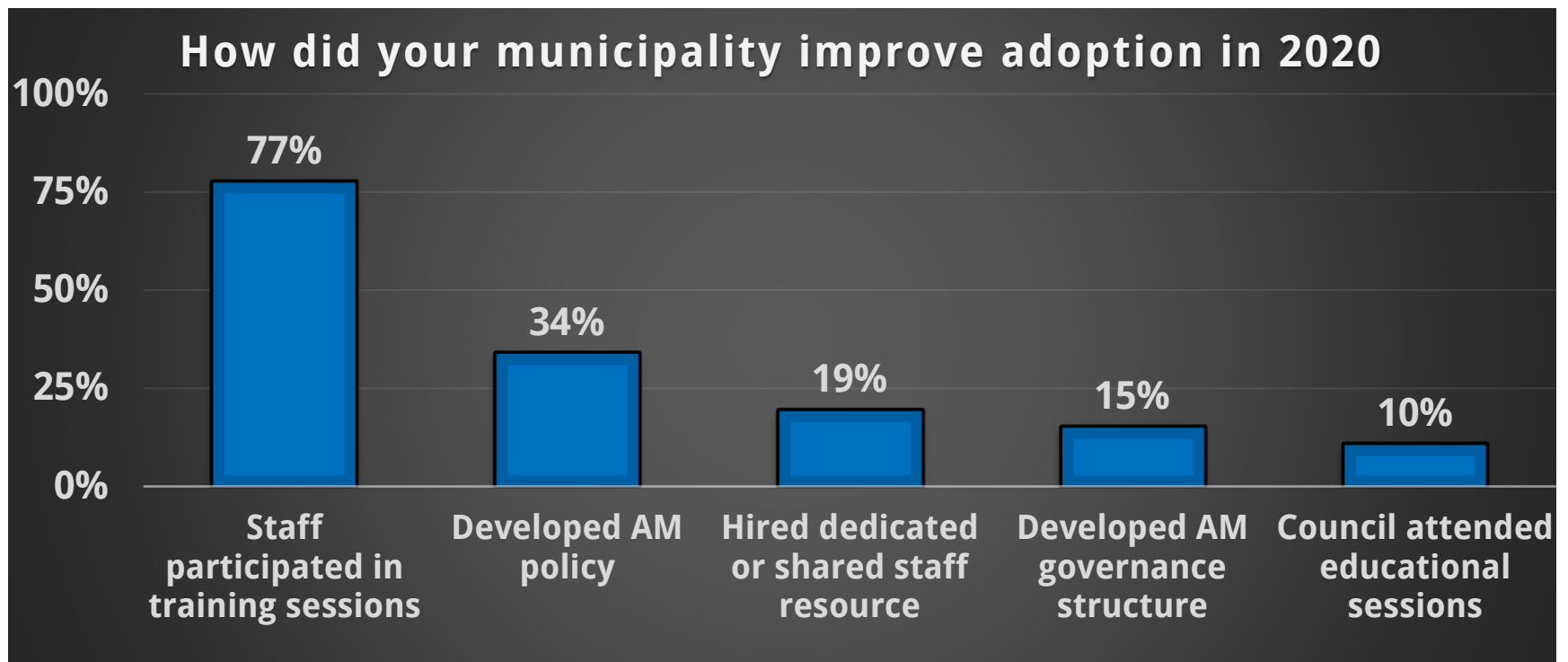
# Fiscal Capacity and Infrastructure Intensity

- Based on review of 442 AM plans submitted during 2020 reporting cycle
- 43 (10%) yet to report replacement costs in AMPs
- Infrastructure Intensity = Replacement cost per household (2020 AMPs)
- Fiscal Capacity = Total Weighted & Discounted Taxable Assessment per household (2018/19 FIR)



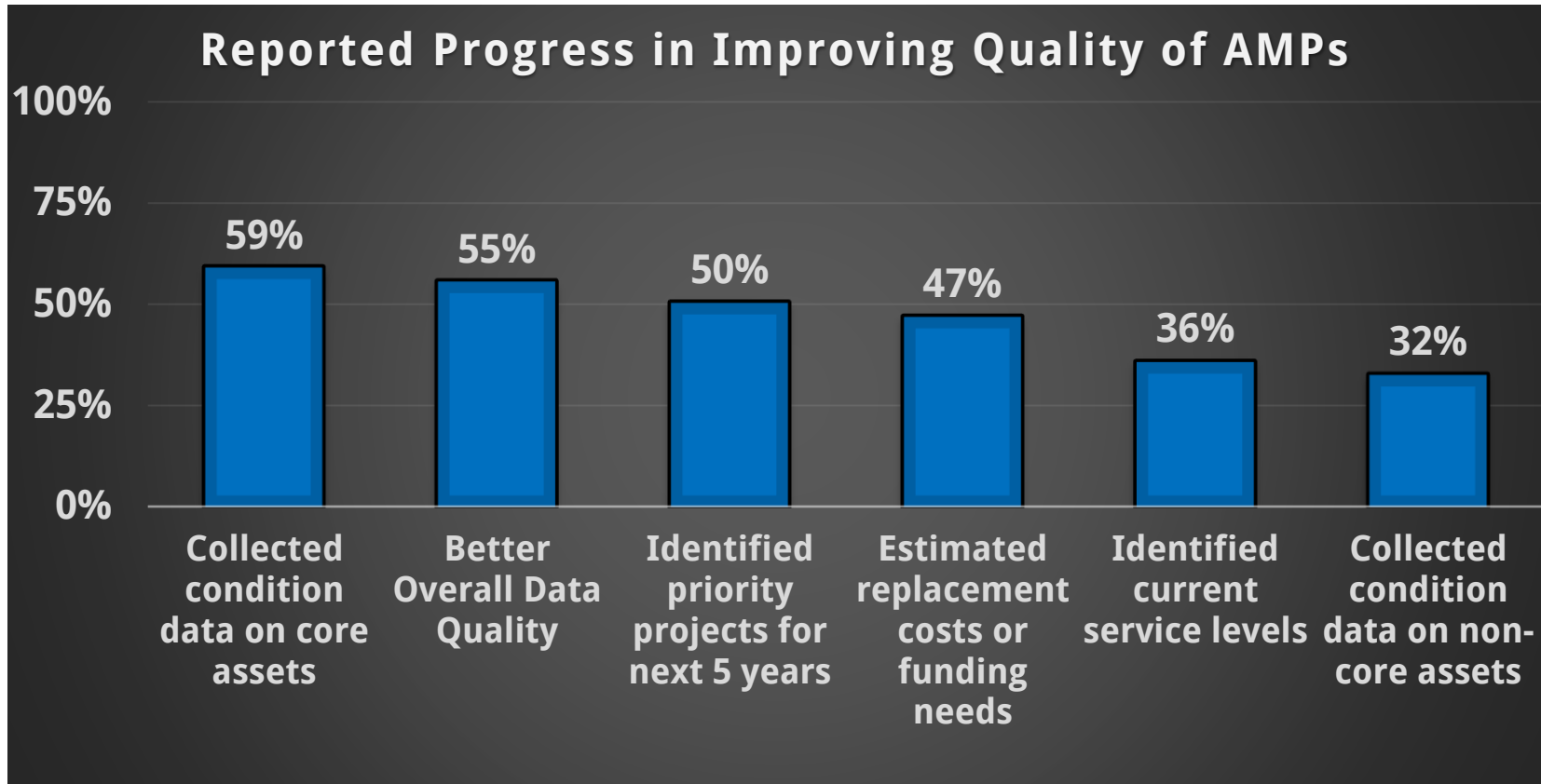
# Reported – Progress in Adoption of AM

- 92% (405) municipalities completed the optional questionnaire to report progress in adoption of AM

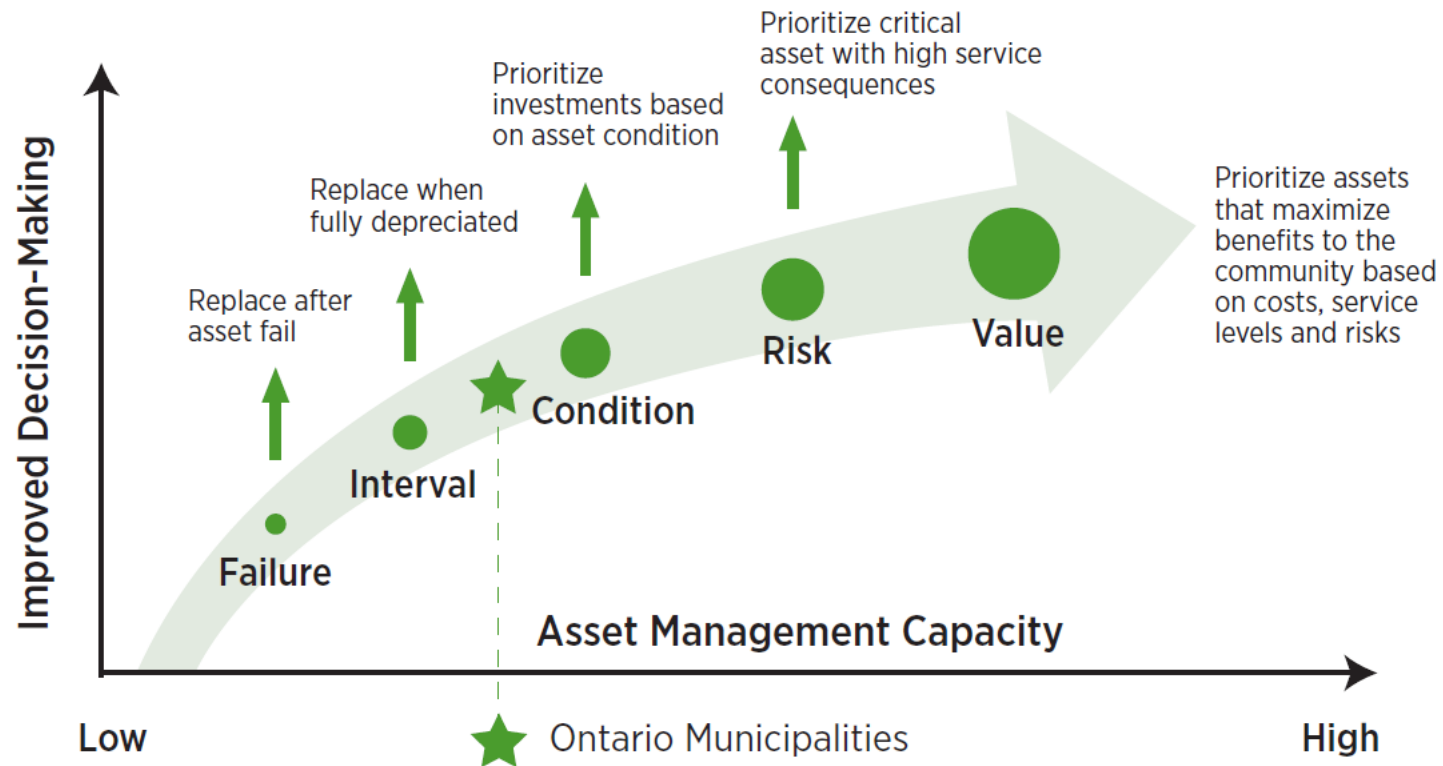




# Reported – Improving Quality of AMPs



# Adopting Asset Management for Identifying Priorities



# What We Have Heard From Municipalities

- More training programs for multi-disciplinary staff to promote an organizational culture of collaboration and coordination
- Having the ability to fund temporary in-house labour (summer students/contracted staff) for collecting and updating asset data regularly
- Limited clarity on provincial AM requirements on proposed service levels, and guidance on identifying service level indicators for all asset categories
- Lack of guidance exists on standardizing estimation of replacement costs and quantifying infrastructure funding gap

# Current Initiatives

- Delivering technical assistance to an additional 33 municipalities under FCM MAMP in collaboration with AMONTario
  - Added new modules on financial strategy
- Profiling municipal success stories in a video series
- Providing direct technical support for small and remote municipalities
- Development of AM Primer on the role of Council in delivery of sustainable service levels
  - First primer expected to be released in August
  - Second primer to focus on impact of climate change

# ROUND TABLE UPDATE

## DATA COLLECTION AND CAPACITY BUILDING INITIATIVES

1. What are you seeing?
2. What are you doing?

# Next Steps

- Ensure alignment and coordination with other data collection and capacity building initiatives
- Asset management reporting requirement
  - Municipalities to provide revised AMPs if applicable
    - Coordination with other organizations in collection of plans
  - Progress made on improving municipalities' planning and asset management
    - Report on how AMPs are being used to guide infrastructure planning and investment decisions to be complete by early 2023



[www.gastaxatwork.ca](http://www.gastaxatwork.ca)

[@gastaxinOntario](https://twitter.com/gastaxinOntario)

[gastax@amo.on.ca](mailto:gastax@amo.on.ca)

416-971-9856