MUNICIPAL INFRASTRUCTURE:

Good Practices in the Design, Funding and Management

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DESIGN, FUNDING AND MANAGEMENT

- Municipal infrastructure includes:
  - buildings,
  - structures,
  - facilities,
  - equipment,
  - rolling stock,
  - furnishings, and
  - development and purchase of land



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DESIGN, FUNDING AND MANAGEMENT

- Physical representation of what a community is
- Significant ongoing cost to a community
- Need for resilience within infrastructure



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DESIGN, FUNDING AND MANAGEMENT

- Municipalities offer essential services to the population, including:
  - fire protection,
  - recreational activities,
  - drinking water,
  - collection and treatment of wastewater, and
  - public transportation
- Also offer 'non-essential services' – sense of community and place

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DESIGN, FUNDING
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- Infrastructure expenditures differ from operating expenditures in three important ways:
  - Financing - lumpy
  - Benefits – long-term
  - Funding



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- In Canada, the three main sources of municipal revenue:
  - Property tax (53%)
  - User fees (22%) and
  - Provincial transfers (17%).
- Most transfers are conditional (specific purpose) transfers from provincial governments.

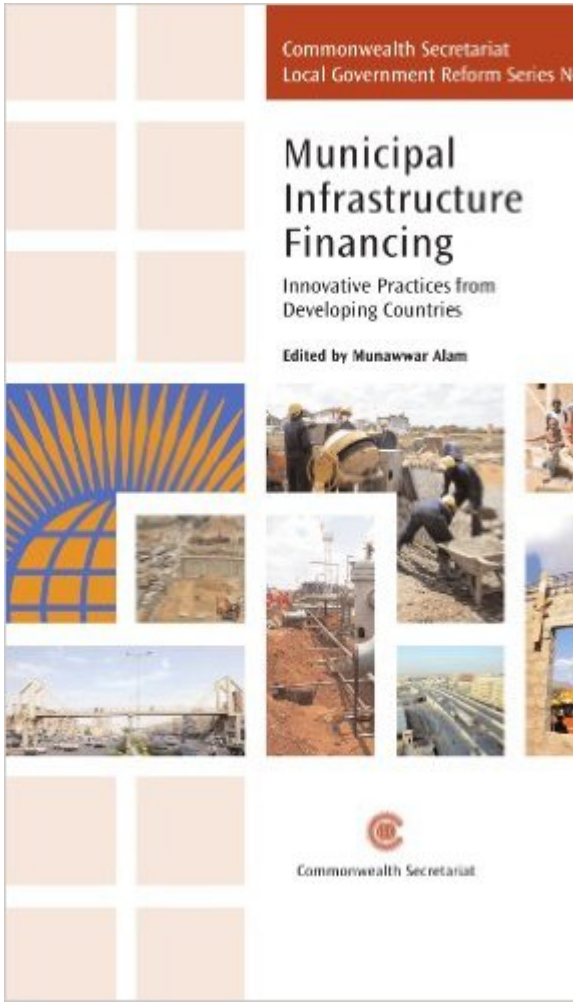

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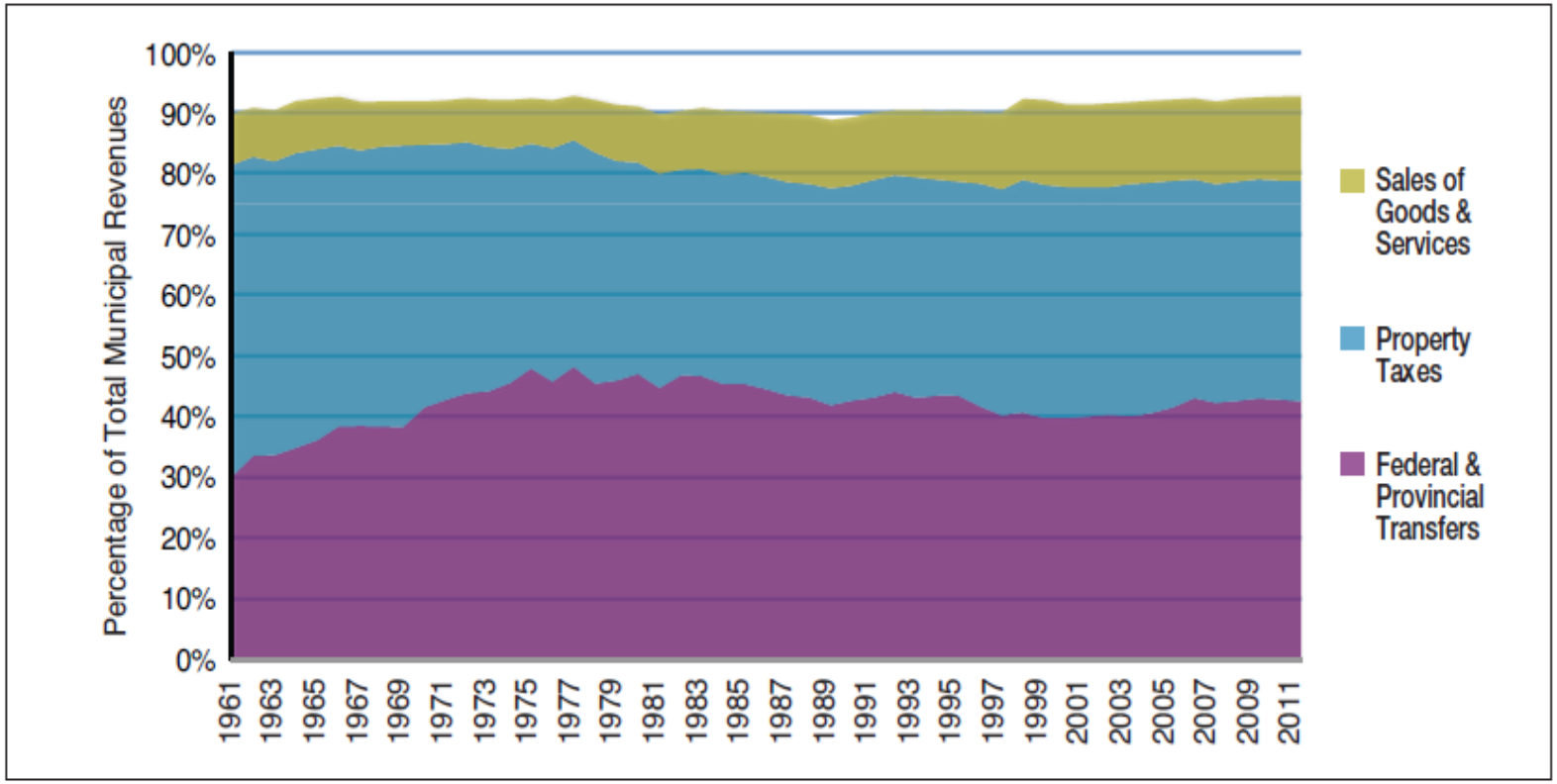
FIGURE 7: COMPOSITION OF MUNICIPAL REVENUE (CANADIAN AVERAGE)



Cansim table 380-0035 – Income and expenditure sub-sector accounts, local governments

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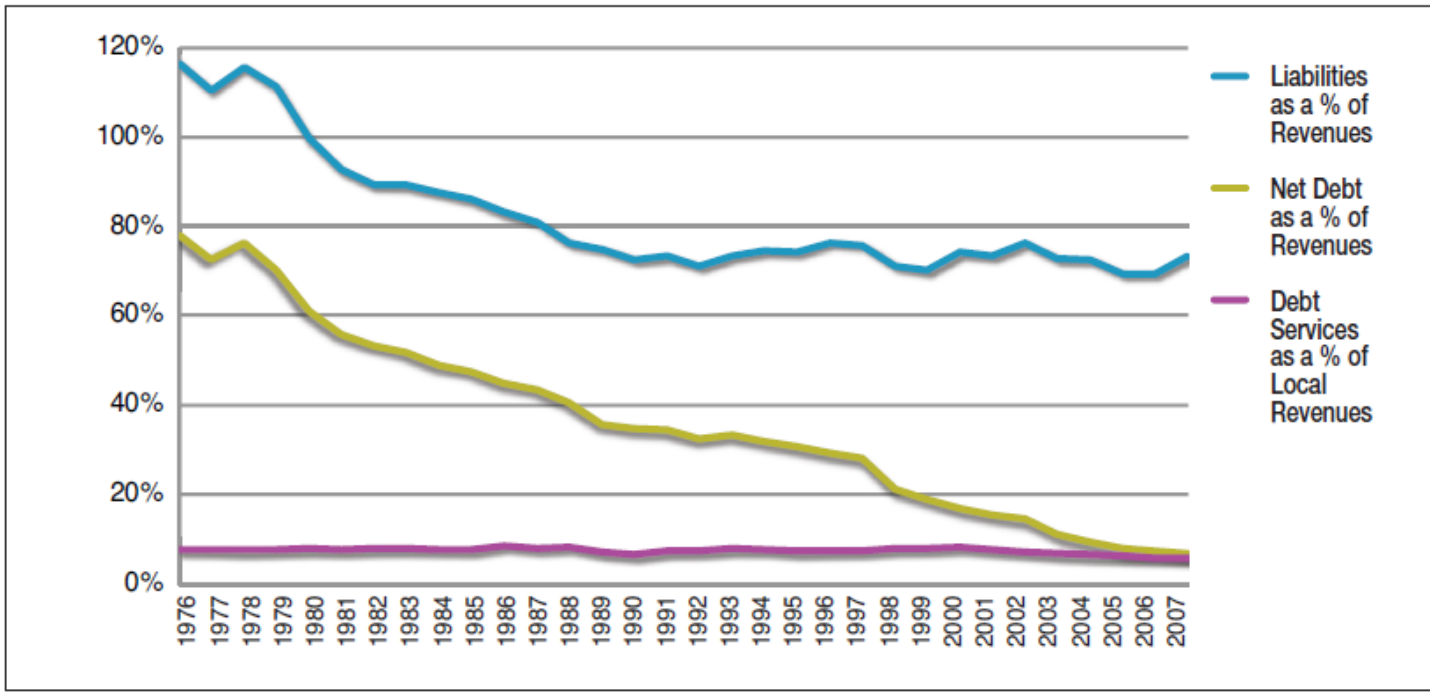
Figure 9: Net and Gross Debt as a Percentage of Local Government Revenue (Canadian Average)



Source: Cansim table 380-0035 – Income and expenditure sub-sector accounts, local governmen
Cansim table 385-0014 – Balance sheet of local governmen

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Funding - Three key issues

1. How can municipal governments **choose the appropriate infrastructure project**, including coordination across government boundaries?
2. **How can they finance it**?
3. How can an **overall federal/provincial/municipal structure** be created in which incentives:
   - to get the means of financing
   - to maintain the infrastructure,
   - and to use the infrastructure efficiently and equitably

   are not unduly distorted?

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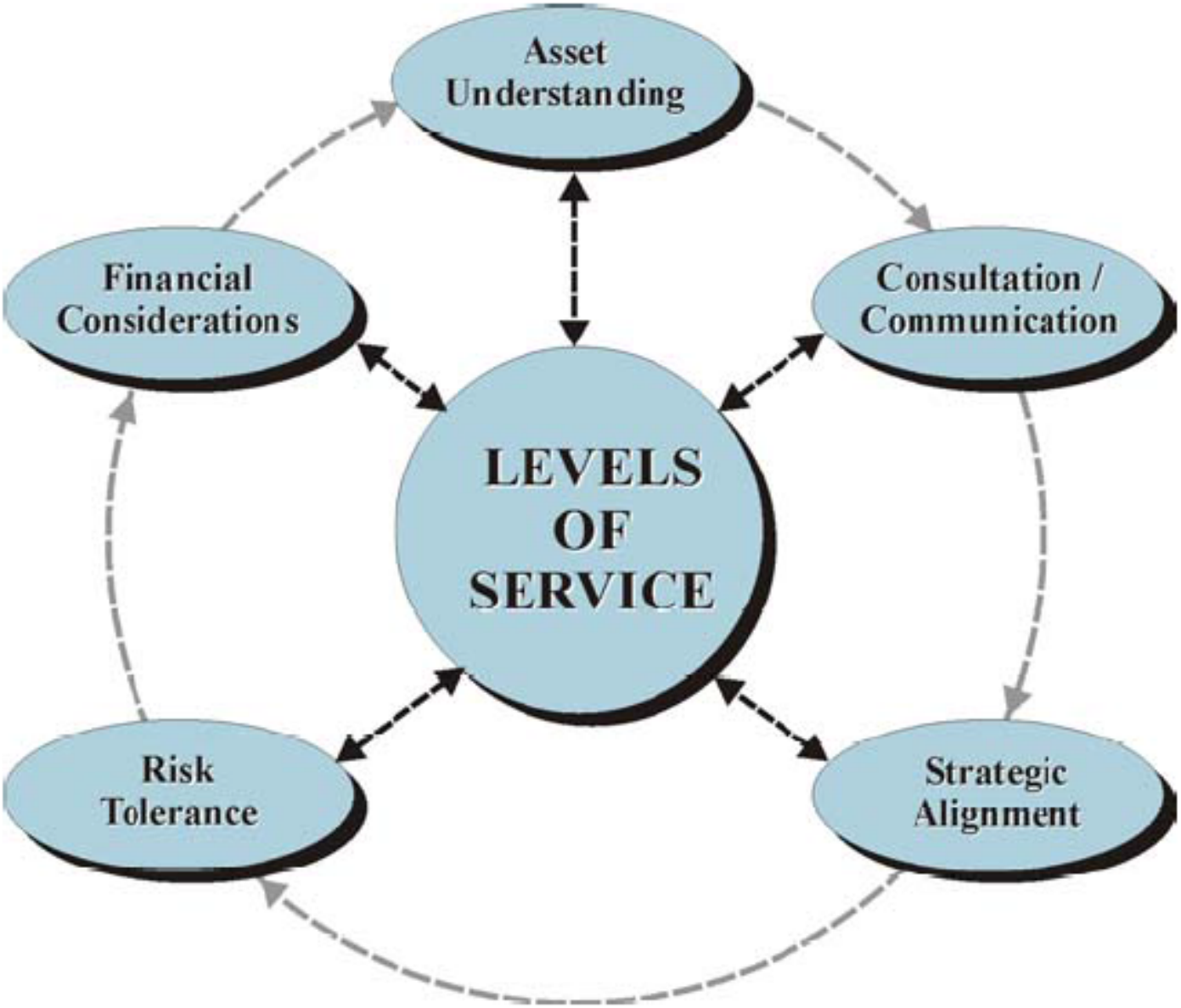

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DESIGN

- Strategic Planning
- Information Management
- Project Management
- Building Public Support and Acceptance
- Continuous improvement
- Prioritization models



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- Infrastructure management processes
- First set of issues:
  - **asset identification,**
  - **appraisal, and**
  - **valuation**
- Second set of issues:
  - **asset deployment,**
  - **utilization, and**
  - **reinvestment.**



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- The asset management strategy enables infrastructure to provide:
  - the **desired levels of service in a sustainable way,**
  - **while managing risk, and**
  - **at the lowest lifecycle cost**



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- Asset management provides :
  - transparent,
  - rational, and
  - accountable cost-effective management of municipal infrastructure systems.
- It provides best value for money, saving unnecessary cost.



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MANAGEMENT

- The asset management strategy is the set of planned actions that will enable the assets to provide the **desired levels of service in a sustainable way, while managing risk, at the lowest lifecycle cost**



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MANAGEMENT

- An asset management strategy can address:
  - Non-infrastructure solutions (i.e. demand management)
  - Maintenance activities
  - Renewal/rehabilitation activities
  - Replacement activities
  - Disposal activities
  - Expansion activities
  - Procurement methods

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SIDERATIONS

MANAGEMENT

- Infrastructure funding, design and funding are **strategic decisions** that **council makes on behalf of the community both now and in the future**
- Enhancing the asset management planning process needs:
  - Direction and support from Council
  - Public engagement
  - External Support and Collaboration
  - An Open and Ongoing Process
  - Evolves Over Time
  - Some direction for staff to develop guidelines and practices

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- **Consultation/communication can occur in an informal manner**, particularly for the smaller municipalities
- There needs to be a **clear understanding of the municipalities' goals/strategic alignment** and the municipality's mission objectives
- **Financial considerations are paramount** in the decision-making process on municipal infrastructure
- The local municipality should **establish an intergovernmental agreement to regulate development**

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SIDERATIONS

DESIGN

- Municipalities should design a **regional growth management partnership model**
- **Intergovernmental agreements, consent resolutions, and strategic partnership agreements** are key instruments
- Importance of **good project management**
- Concept of strongly **differentiating maintenance and repair from capital renewal**
- **A complete inventory** of all infrastructure and their condition

Thank you for the opportunity to speak….

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