



**Date: August 31, 2012**

**City Council  
Committee Report**

**To: Mayor Canfield & Members of Council**

**Fr: Lisa Oakes**

**Re: Municipal Infrastructure Investment Initiative Funding – Asset  
Management Plan**

**Recommendation:**

That Council of the City of Kenora hereby approves the submission of an Expression of Interest application in the amount of \$22,938.00 to the Municipal Infrastructure Investment Initiative (MI3) to help municipalities create and improve their asset management plans in order to address critical projects identified in the finalized plan; and

That Council gives approval to the CAO to execute the funding application on behalf of the City; and

That Council directs staff to develop an Asset Management Plan for the City of Kenora for this purpose; and further

That a copy of this resolution be submitted with the Expression of Interest application prior to the October 22, 2012 deadline.

**Background:**

Municipal infrastructure is critical in delivering services to Ontarians. Despite significant investments by all orders of government, more needs to be done to address current and emerging municipal infrastructure needs. That is why the province committed through 'Building Together' to work with municipalities and the federal government to establish a municipal infrastructure strategy. Resolving municipal infrastructure challenges begins with improved asset management. This will help ensure that limited resources are directed to the most critical needs.

The launch of the Municipal Infrastructure strategy will be a long-term, cooperative effort, and begins with the new Municipal Infrastructure Investment Initiative (MIII). The province has dedicated \$60 million for MIII over the next three years.

A cornerstone of the strategy and the MIII funding is a new requirement for long-term asset management planning by municipalities. Municipalities seeking provincial capital funding will now be required to submit a detailed asset management plan. It will help needs to be prioritized over wants, and the right investments to be made at the right time. The province is making up to \$9 million available to small and rural communities to assist with the preparation of these plans. MIII will also include capital funding for necessary road, bridge, water and wastewater projects beginning in 2013-14.

Asset management is an integrated, lifecycle approach to effective stewardship of infrastructure assets to maximize benefits, manage risk and provide satisfactory levels of service to the public in a sustainable and environmentally responsible manner.

The overall asset management process takes an organization's objectives, determines how these rely on infrastructure, and then develops a plan to provide the supporting infrastructure services at the lowest lifecycle cost. Lifecycle costing looks at the total cost of an asset over its entire useful life, from construction to disposal, including operating costs.

MIII Asset Management funding may be used toward costs of asset management planning which include;

- Hiring a consultant/new staff specifically for work related to asset management planning
- Purchasing asset management software
- Conducting building condition audits or assessments
- Creating tools to identify long-term capital needs

Asset management is essential to the development of a common, systematic understanding of what needs are most important and how they can be addressed. Having a roster of the highest priority municipal infrastructure needs will help ensure that the province is supporting the right projects. Public Sector Digest (City Wide) has offered to assist us through the Expression of Interest application as well as the development and expansion of our asset management plan. Public Sector Digest (City Wide) has provided the City with the cost required to build and expand our asset management plan. Genivar currently completes our bridge audit and the additional expense for information we require from them in order to receive the proper bridge condition assessment for the Asset management plan has also been provided to us. The total request for \$22,938 funding is comprised of the following; bridge audit, linking our GIS software to the current City Wide tangible capital assets, professional services for clean-up and training, as well as the assistance with the asset management plan (please see attachments).

We ask that Council approve the request for Expression of Interest application which is a maximum funding available from Municipal Infrastructure Investment Initiative for the use of costs towards improving our asset management plan. Application deadline is October 22, 2012. The maximum funding amount per project is \$20,000 but if there is little interest from other municipalities for this funding, the possibility of more funding may become available. MIII Asset Management does not require eligible communities to cost match funding provided through the program.

We ask that Council direct the staff in developing an asset management plan with the assistance from Public Sector Digest (City Wide).

A by-law will need to be passed if this agreement with Public Sector Digest (City Wide) is approved.

**Budget:**

\$20,000 funded by the Municipal Infrastructure Investment Initiative through this grant with the possibility of the entire \$22,938 being funded. The City may have a \$0 City budget impact, if the entire amount is approved, otherwise the City will be responsible for the remaining \$2,938.

**Communication Plan/Notice By-law Requirements:**

N/A