

Municipal Asset Management in Alberta

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Alberta

Outline

1. Capital Grants Update
2. Asset Management Survey and Observed Trends
3. Approach to Asset Management
4. Q&A

Alberta - Capital Grants Update

Current Fiscal Challenges

- Resource revenues lower than 1970s.
- Higher than anticipated expenses due to COVID-19 pandemic.
- Difficult decisions at both provincial and municipal levels to maintain fiscal sustainability and plan for a return to economic growth.

Capital Funding Programs

- Both MSI and GTF provide significant infrastructure funding and support municipal asset management.
- MSI extended to 2023/24, being reduced by 25% over the next three years.
 - Average \$722 million per year (2021-24).
 - \$1,196 million front-loaded in 2021.
- LGFF will replace MSI in 2024/25 with \$722 million baseline funding.
- Government is planning to engage municipalities on LGFF design and allocation formula.

GTF

- Alberta will receive \$499 million in 2021/22.
- Initial allocation of \$255 million.
- Additional one-time payment of \$244 million.
 - Subject to required federal approvals.
- As with the MSI, municipalities can pool and bank this funding, or spend it on projects and activities based on local priorities.

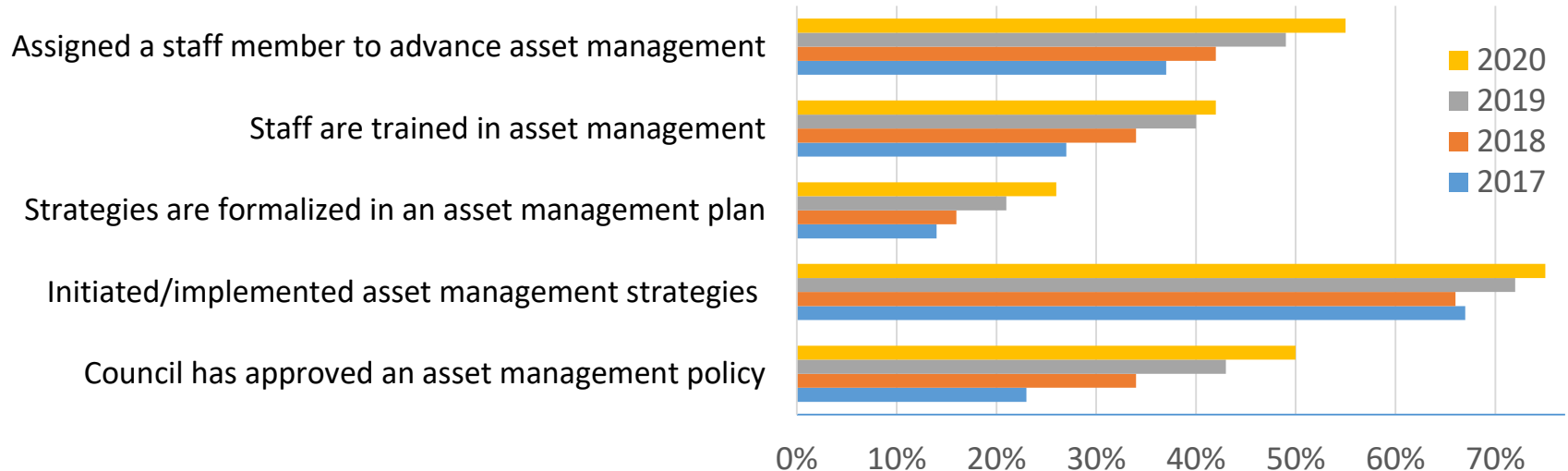
Asset Management Survey and Observed Trends

Asset Management Survey

- Developed to fulfill reporting requirements of the Federal GTF program.
- 2020 Survey was online from Nov 9 – Dec 7 2020.
- Municipalities with no assets were excluded.
 - 193 out of 342 eligible municipalities responded.
 - 56% response rate.
- Some respondents indicated they expect more provincial involvement and support.

Asset Management Trends in Alberta

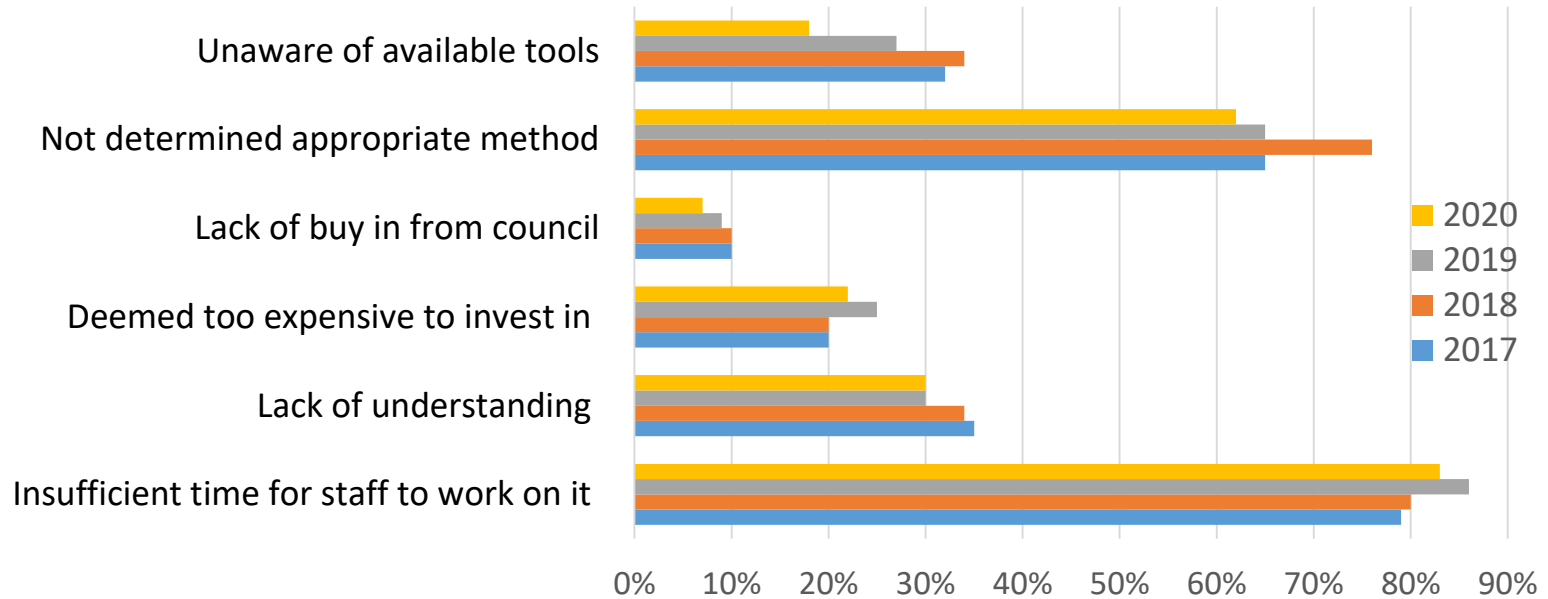
- Based on results from 2017-2020 surveys, municipalities have



- Asset management practices vary widely, but municipalities increasingly recognize the value of deliberate asset management.

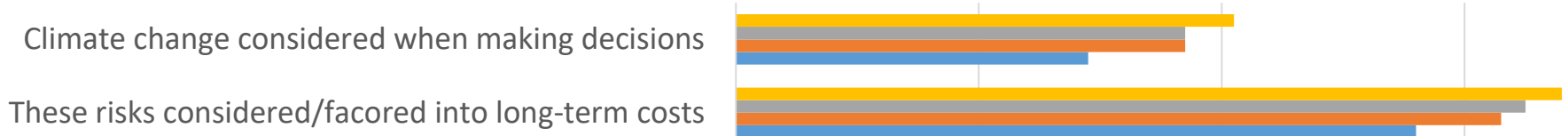
Primary Challenges and Barriers

Municipalities experience challenges to asset management but have overcome some of the barriers:

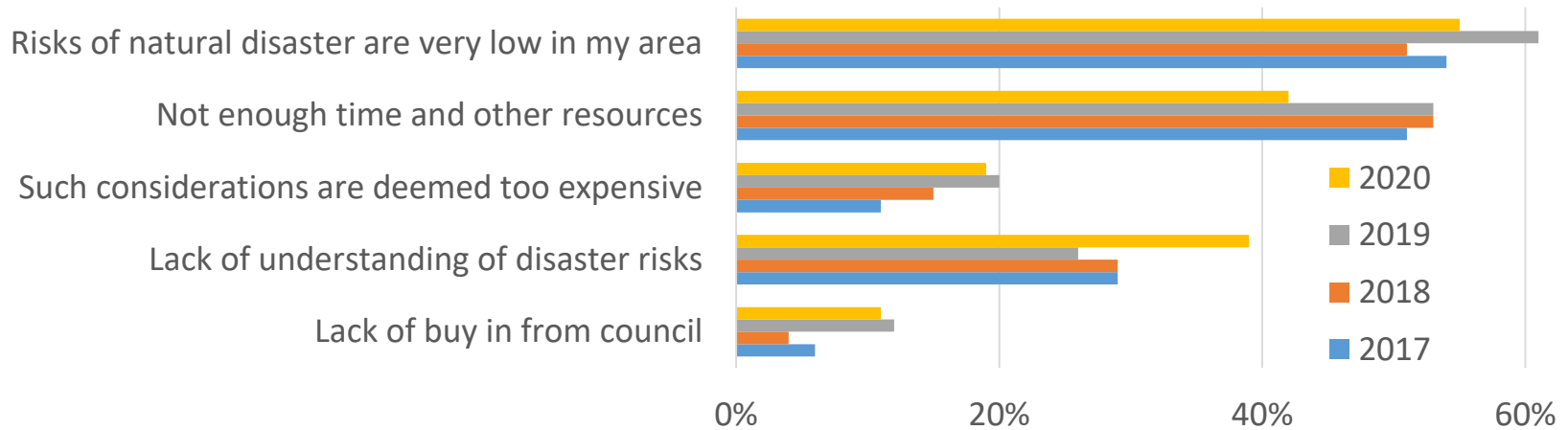


Managing Risks Associated with Natural Disasters

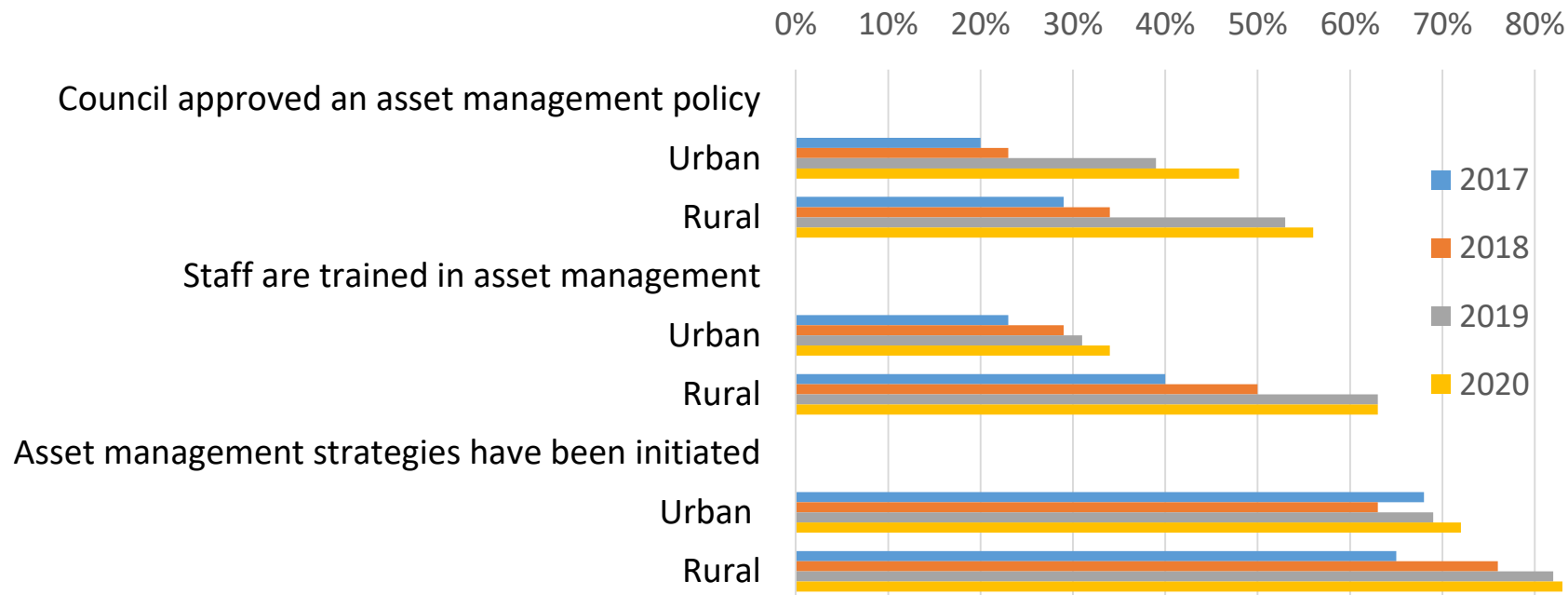
Municipalities are taking steps to manage disaster risks



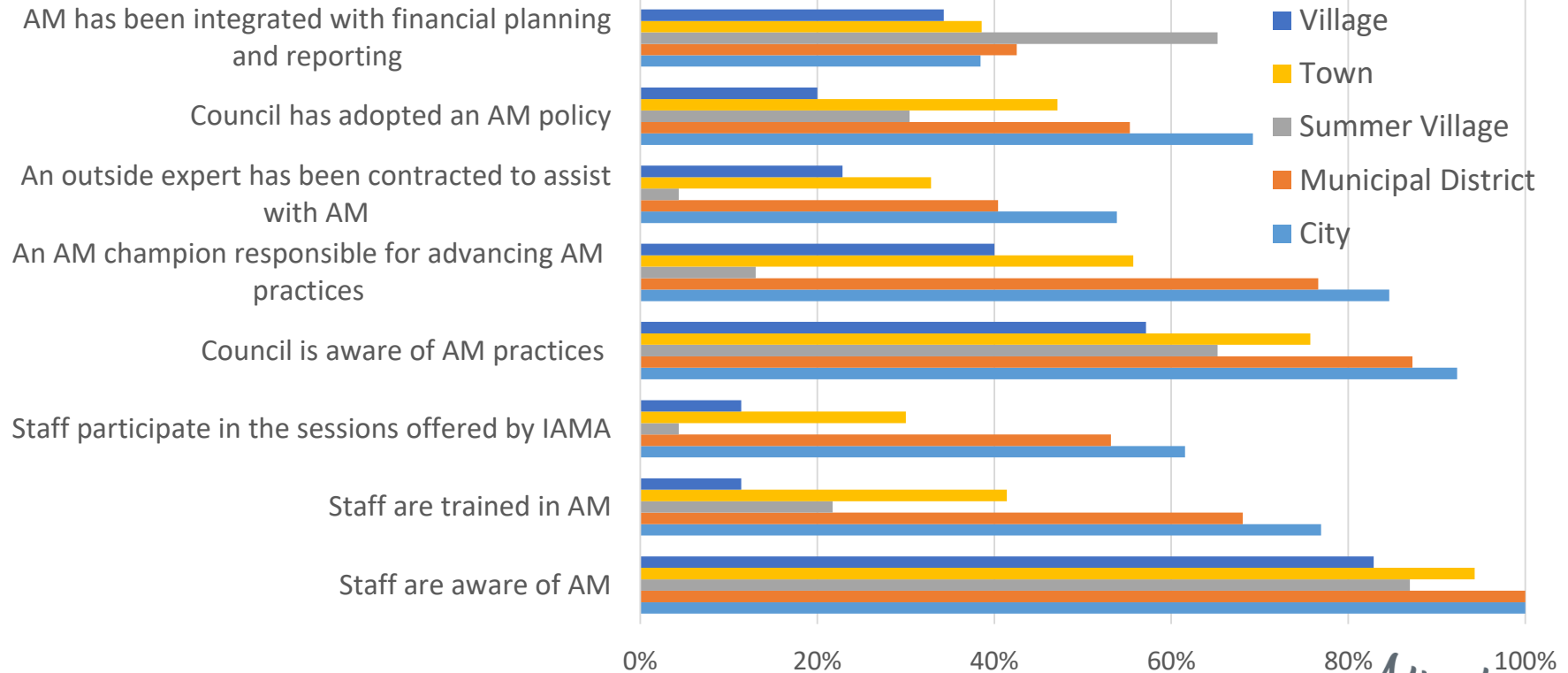
Why disaster risks are not considered?



Important Differences between Urban and Rural



Actions taken based on 2020 Survey Results



Approach to Asset Management

Asset Management in Alberta

- Asset management is generally considered a best practice in Alberta, but it's not mandated.
 - The *Municipal Government Act* requires municipalities to prepare five-year capital plans, which could be considered a first step towards more regulated asset management.
- Some asset management expenditures are eligible under provincial grant programs such as MSI and ACP.
- Asset management toolkit and handbook to support municipalities.

What we heard recently...

- Municipal Stimulus Program – Red Tape Reduction.
- Municipalities reported several asset management activities and significant improvements. A few examples:
- **City of Beaumont**
 - developed asset management policy, plans, and strategy.
 - implemented plans into asset management ERP system in 2020.
 - ERP enables sharing information with all departments/contractors.
 - ERP allows monitoring performance and track conditions of assets.
 - consolidation of findings enhances planning and forecasting of work in the community over the next 5-10 years.

What we heard...

- **Lethbridge County**

- has been working on an asset management Plan since 2017.
- the Plan provides a long-term outlook and clarity for current levels of service to ensure the municipal infrastructure supports future growth.
- will enable developers/businesses to plan for future growth in a strategic location and required services.
- municipality aims to attract new businesses based on the Plan.
- it is being implemented in 2021, and will be updated regularly.

Next Steps

- Consideration of how to further support municipal asset management to create more consistent asset management practices.
- Municipal associations and IAMA have expressed a strong interest in participating in any initiatives that strengthen asset management practices.

National Infrastructure Assessment

- Goal: identify the needs and priorities for Canada's infrastructure.
- Priorities:
 - Assessing Canada's infrastructure needs and establishing a long-term vision;
 - Improving coordination among infrastructure owners and funders; and
 - Determining the best ways to fund and finance infrastructure.
- Engagement closes June 30.

Questions?

