

Council Chambers
January 29, 2008

Council reconvened in formal session at 7:00 p.m.

Present: Mayor Farbridge, Councillors Beard, Bell (arrived 7:20 p.m.), Findlay, Hofland, Kovach, Piper, and Wettstein

Absent: Councillors Billings, Burcher, Farrelly, Laidlaw and Salisbury

Staff Present: Mr. J. Riddell, Director of Community Design and Development Services; Mr. B. Stewart, Acting Director of Finance; Sue Aram, Manager of Budget Services; Mr. D. Kudo, Infrastructure Planning; Design & Construction Manager; Mr. R. Henry City Engineer; Mr. M. McCrae, Manager of Corporate Property Services; Ms. M. Plaunt, Manager of Policy Planning and Urban Design; Ms. R. Prince, Manager of Financial Services; and Mrs. L.A. Giles, Director of Information Services/City Clerk

Also Present: Christine Scrimgeor, BMA Management Consulting Inc. and Jeff Atherton, UMA Engineering Ltd.

DECLARATIONS UNDER MUNICIPAL CONFLICT OF INTEREST ACT

There was no declaration of pecuniary interest.

Public Sector Accounting Board

The Mayor advised that the purpose of the meeting was to hear information on the Public Sector Accounting Board requirements and information on the infrastructure gap.

Jeff Atherton of UMA Engineering Ltd. was present and advised of the importance of infrastructure assets. He further advised that tangible capital assets are considered non-financial assets having physical substance and having a useful economic life greater than an accounting period of one year which are acquired to be used on a continuing basis. He then advised of the two primary categories of assets, being fixed and equipment. He provided information impacting the City's current situation and the challenges faced such as limited resources; increased demands on the municipal budget; citizens expectations for a higher level of service; and aging infrastructure.

He further provided information relating to asset management which has a lifecycle approach with a cost effective long-term management strategy. He outlined the benefits of asset management resulting in

improved reliability and increased productivity and more meaningful financial planning and reporting. He stressed that municipalities are required by January 1, 2009 to account for tangible capital assets and are required to implement full cost reporting, cost recovery and lifecycle maintenance plans for water and sewer systems.

Christine Scrimgeor of BMA Management Consulting Inc. provided an overview of the Public Sector Accounting Board requirements to account for and report all tangible assets. She advised that capital asset management will assist the City in quantifying the infrastructure gap and future planning and program costs. She highlighted the responsibilities of the various departments in maintaining and accounting for tangible capital assets and outlined the education of the Council, staff and the public on this new requirement. She reviewed the process for policy development and the gathering of information. She stated that for the first time amortization of the capital assets will occur on the financial statements. She highlighted the impact of this report on the City's budget and provided information on the lessons learned to define and meet the stakeholders needs and to provide timely information.

Mr. Atherton outlined the asset management requirements and the approach that will be taken to determine the level of detail and to determine the asset condition and values leading towards the development of realistic lifecycle models and the identification of infrastructure risk assessment. This information will lead to the development of an asset management plan.

Don Kudo, Infrastructure Planning; Design & Construction Manager outlined the links to the 6 goals of the City's Strategic Plan. He highlighted the various reports dating back to 2001 with respect to sustainable costs for water system; pavement and structures; wastewater and storm water and the presentations made to Council on infrastructure sustainability. He summarized the replacement costs, sustainable funding levels, current funding levels and the funding gap.

He advised that the development of an infrastructure sustainability model is based on answering six questions:

1. What we do have?
2. What is it worth?
3. What condition is it in?
4. What do we need to do to it?
5. When do we need to do it?
6. How much money do we need?

Councillor Bell retired from the meeting at 8:10 p.m.

He outlined the City's infrastructure inventory which includes a water system established in 1879; a sewage system which was established in 1903; a road system that includes arterial, collector and local roads

and a bridge inventory having vehicular, pedestrian and rail bridges and major road culverts with an estimated worth of:

- water assets - \$0.41 billion
- wastewater system assets - \$0.53 billion
- stormwater system - \$0.32 billion
- roads - \$0.36 billion
- bridges and structures - \$25 million.

He highlighted the condition of the various infrastructures and what needs to be done, when it should be done and how much it would cost.

He outlined the future initiatives which include:

- sewer condition assessment
- pavement condition assessment
- integration of roads, water and sewer asset management systems
- master servicing and system optimization studies for water and wastewater systems
- storm water facility inventory and maintenance study
- Public Sector Accounting Board compliance and corporate asset management.

Staff responded to various questions.

ADJOURNMENT

The meeting adjourned at 8:40 o'clock p.m.

Minutes read and confirmed February 25, 2008.

.....
Mayor

.....
Clerk