

INFORMATION ITEMS

Week Ending April 1, 2016

REPORTS

1. Update – 2015 Infrastructure Scorecard

CORRESPONDENCE

1. None

BOARDS & COMMITTEES

1. None

ITEMS AVAILABLE IN THE CLERK'S OFFICE

1. None

INFORMATION REPORT



TO City Council

SERVICE AREA Infrastructure, Development and Enterprise

DATE March 31, 2016

SUBJECT Update - 2015 Infrastructure Scorecard

REPORT NUMBER

EXECUTIVE SUMMARY

SUMMARY OF REPORT

In October 2015, Council received an Information Report entitled "2015 Infrastructure Scorecard". The report and scorecard provided background on the required funding levels and the funding trends for the water, wastewater, stormwater and transportation system assets.

The report provided information on the calculated 2015 infrastructure gap for these asset groups that totalled \$23,300,000. Subsequent to that review, a reporting error in the funding source calculations was identified and it has been determined that the 2015 infrastructure gap is actually \$29,100,000.

KEY FINDINGS

- The updated 2015 annual combined infrastructure funding gap is \$29,100,000 for the water, wastewater, stormwater and transportation system assets
- All other data previously provided such as the current value of water, wastewater, stormwater and transportation infrastructure estimated to be \$2,424,100,000 and the estimated infrastructure backlog of \$165,200,000 for water, wastewater, stormwater and transportation assets that have reached the end of their lifecycle have been reviewed and confirmed as correct
- The 2015 Infrastructure Scorecard ratings have been reviewed and confirmed. Overall, the City receives a "D" grade for sustainable infrastructure funding in 2015 and a negative reinvestment trend for water, wastewater, stormwater and transportation system assets
- As the City continues to move forward with improvements to asset management practices, the accuracy of data, theoretical infrastructure service life, industry standards and available City data will improve the estimated values for future reports.

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FINANCIAL IMPLICATIONS

Staff will continue to develop a multi-year financial plan to be considered in future Capital Budget processes to address infrastructure funding based on the updated information.

BACKGROUND

The October, 2015 Information report entitled "2015 Infrastructure Scorecard" was completed as a follow up to the 2012 Sustainable Infrastructure Report and Scorecard. The 2012 study report was completed by a City staff team who worked with engineering consultant, AECOM, to produce the Sustainable Infrastructure Report and Scorecard. These documents provided the City with more detailed and updated information regarding sustainable infrastructure funding requirements for water, wastewater, stormwater and transportation system assets than previous asset management reports provided to Council in 2004 and 2007.

REPORT

A recent review of the information provided to Council in October, 2015 determined that a reporting error in the funding allocated in 2015 budgets was made. A reduction in the total 2015 Capital and Operating budget of \$6,100,000 was determined. This change in funding source results in the 2015 infrastructure gap to be \$29,100,000.

The updated assessment reflects a current annual infrastructure funding gap of \$29,100,000. This funding gap was determined based on calculating the difference between the equivalent annual cost to sustain these infrastructure asset groups and the current 2015 operating and capital budget amounts approved for these assets.

In determining this reporting error, staff also analysed the sustainable funding levels versus approved budgets for 2013 and 2014. The attached graph indicates the trends for infrastructure backlog, value, budgets and infrastructure gap since the 2012 report. The tracking of historical asset information will assist staff in checking future infrastructure scorecard and gap results. Staff has also included in their sustainable infrastructure budget data sheet checks to confirm budget and asset values as future quality control measures.

The infrastructure scorecard and funding analysis provides a snapshot in time of the status for infrastructure funding. The Sustainable Infrastructure Report was based on industry best practices and the study results can be viewed as effective indicators for municipal infrastructure funding reporting.

The following is an updated table with the corrected 2015 budget and infrastructure gap results. All other amounts calculated for the current estimated total value of

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water, wastewater, storm and transportation system assets of \$2,424,100,000 and estimated backlog of \$165,200,000 have been reviewed and confirmed.

Assets	Replacement Value	Estimated Backlog	Annual Cost to Sustain Assets	2015 Operating and Capital Budget	Infrastructure Gap
Water, Wastewater, Stormwater and Transportation Systems	\$2,424,100,000	\$165,200,000	\$98,400,000	\$69,300,000	\$29,100,000

As the City continues to move forward with improvements to asset management practices, the accuracy of data, theoretical infrastructure service life, industry standards and available City data will improve the estimated values for future reports.

CORPORATE STRATEGIC PLAN

3. City Building:

- 3.1 Ensure a well designed, safe, inclusive, appealing and sustainable City.
- 3.2 Be economically viable, resilient, diverse and attractive for business.

DEPARTMENTAL CONSULTATION

Operations, Water Services, Wastewater Services and Finance participated in the development of the 2012 Sustainable Infrastructure Report and Scorecard and again provided data and input to this update.

COMMUNICATIONS

N/A

ATTACHMENTS

Attachment 1 – 2015 Infrastructure Scorecard Trends

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Attachment 1 - Update - 2015 Infrastructure Scorecard

