



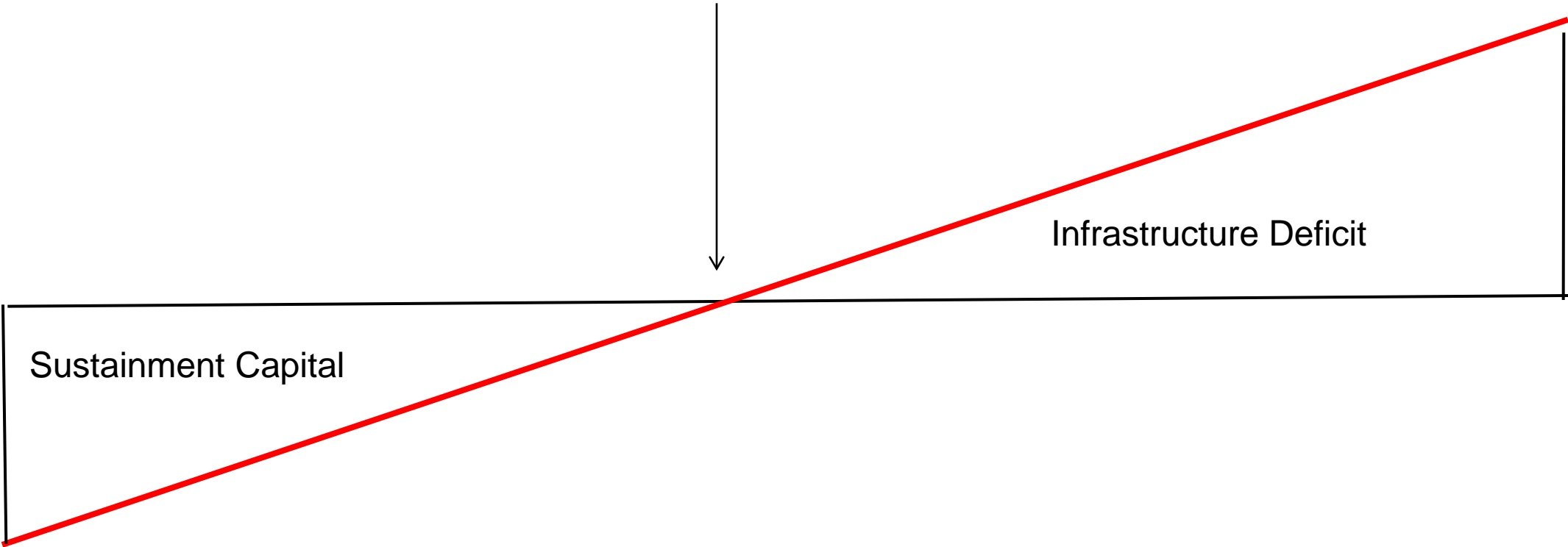
The Infrastructure Gap

A National Challenge

Closing the Gap



1% = \$12.6 Million



Sustainment Capital

Infrastructure Deficit

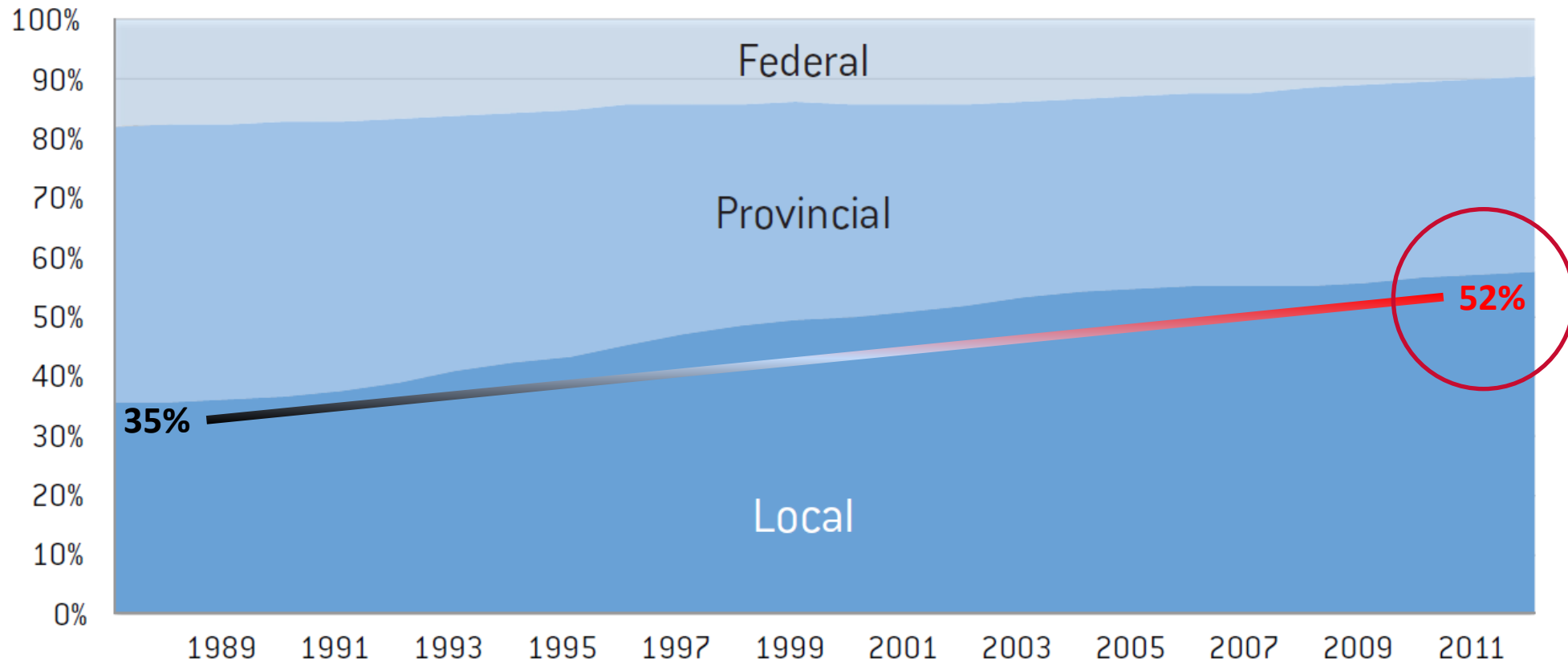
Why Do Municipalities Have a Gap?

- Population shifting to cities
- Funding cuts = Under investment by senior governments in maintenance, renewal & replacement
- Limited, conditional 1X stimulus funding
- Cost of infrastructure renewal/redevelopment = many times the cost of green field development
- Out of date legislative powers for today's modern infrastructure issues
- Fed/Prov downloading – regulatory changes = higher costs



Downloading - The Big Picture - Capital

FIGURE 5: SHARE OF PUBLIC SECTOR CAPITAL ASSETS, BY ORDER OF GOVERNMENT, B.C. (1988–2012)⁶



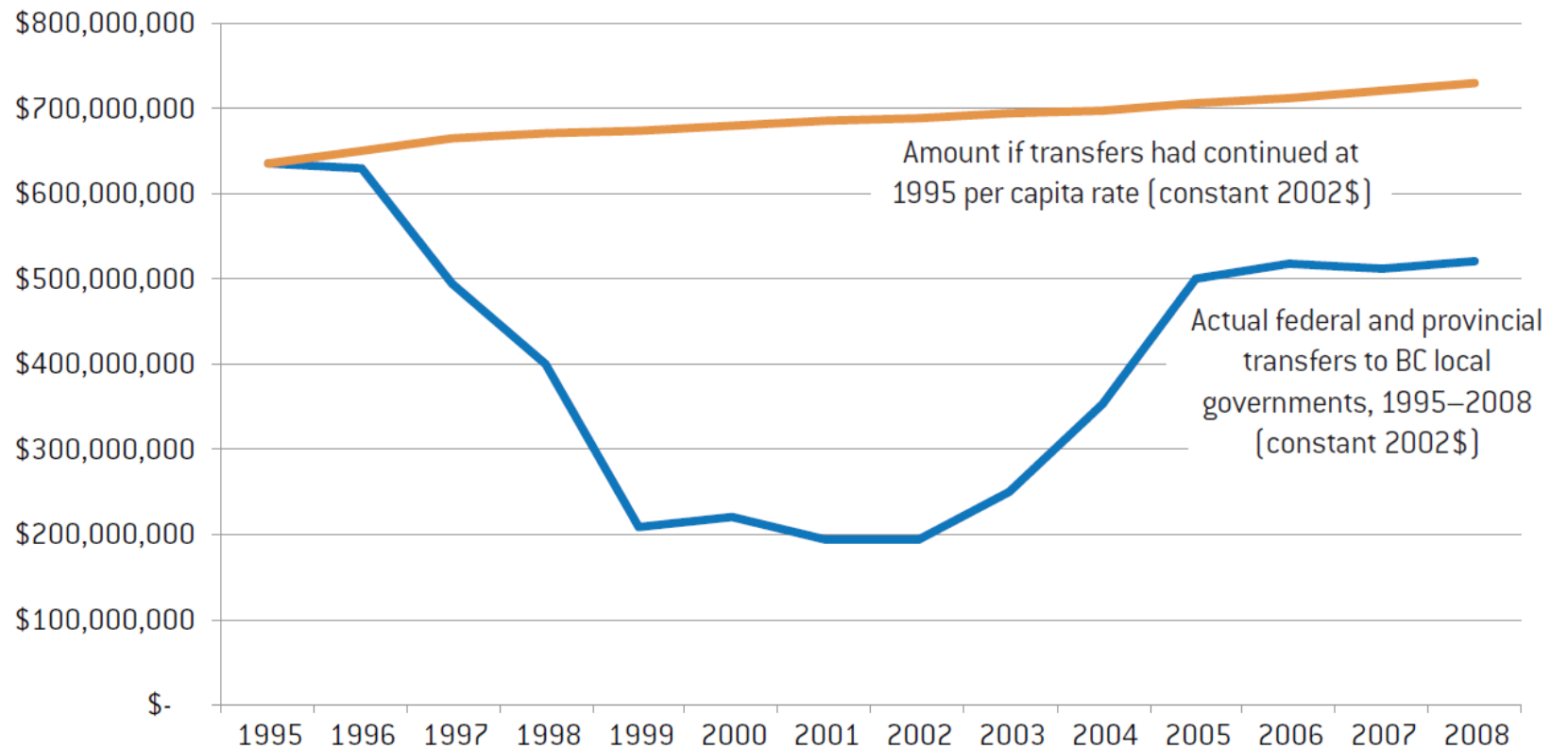
“Downloading of responsibility is not necessarily a bad thing provided the funding comes with it; currently it does not.”

—Okanagan mayor

Downloading – Funding

\$4 Billion gap =
1995 per capita
vs
2008 per capita

FIGURE 7: FEDERAL AND PROVINCIAL TRANSFERS TO B.C. LOCAL GOVERNMENTS, 1995–2008⁸



Downloading – Filling the Gap \$\$\$

FIGURE 8: B.C. LOCAL GOVERNMENT REVENUE SOURCES, 1995¹⁰

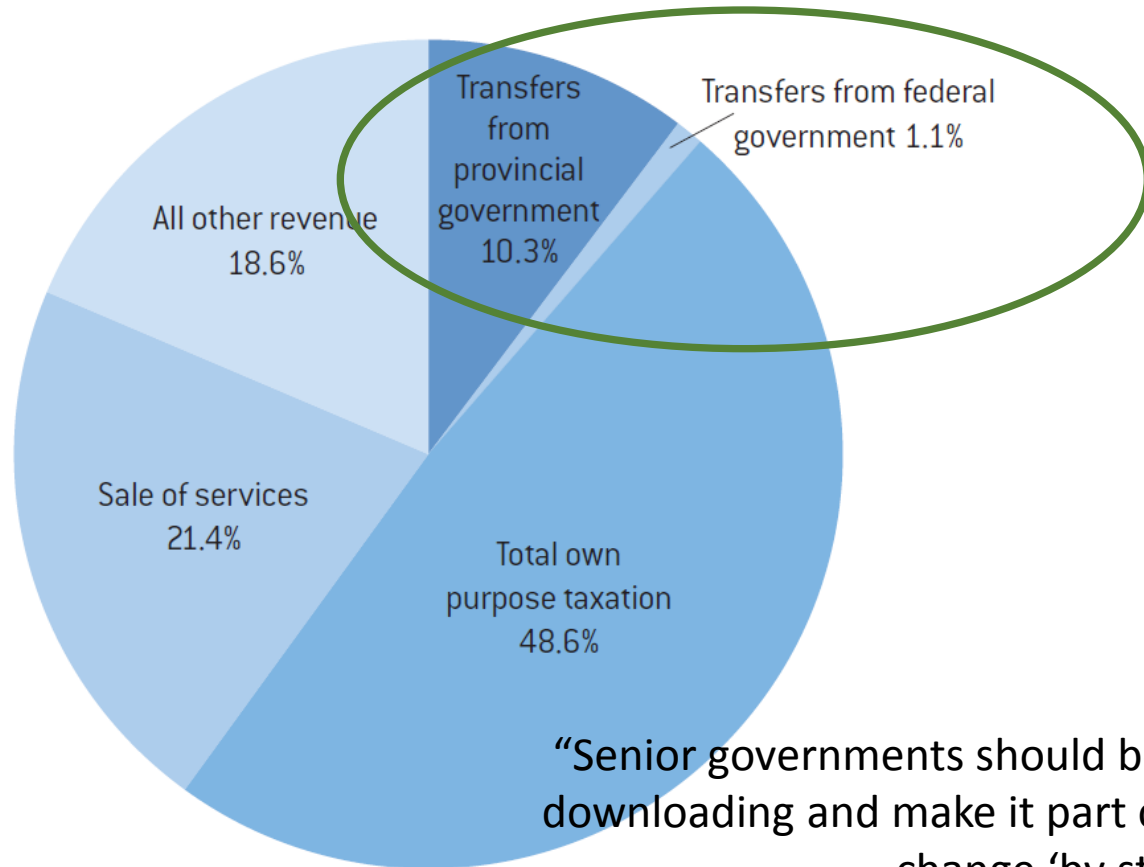
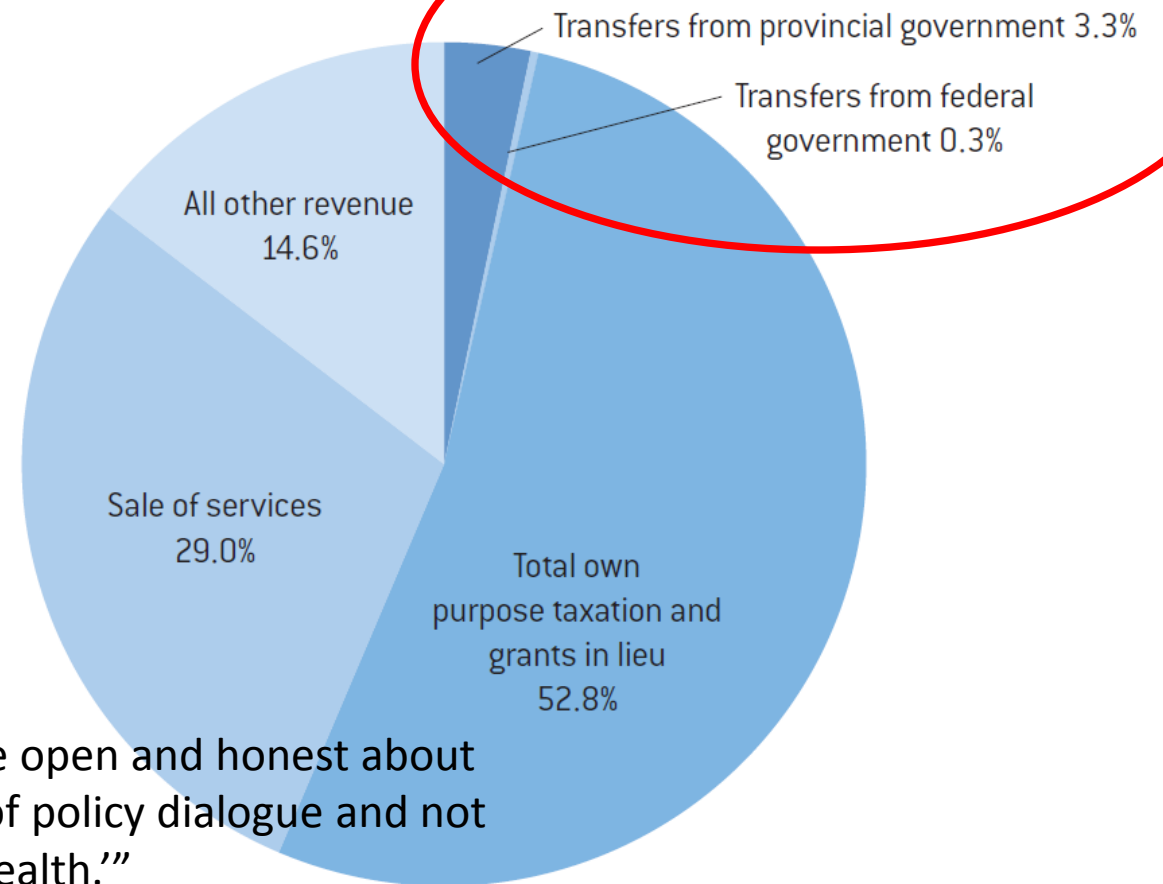
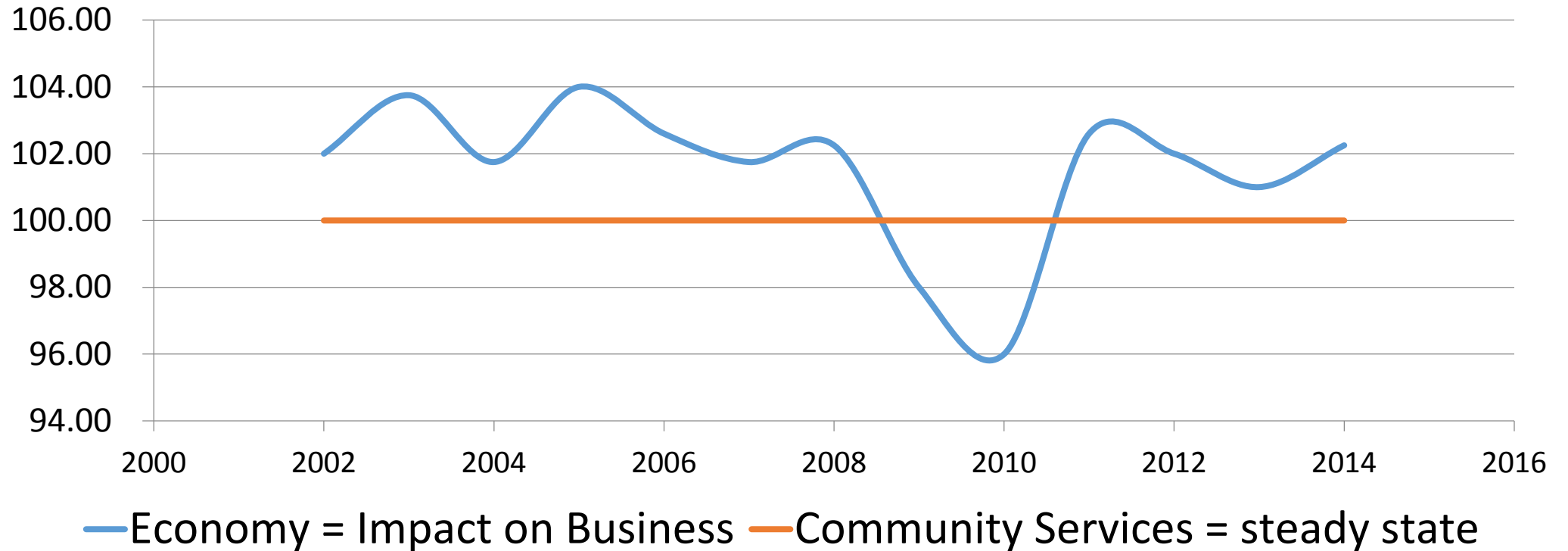


FIGURE 9: B.C. LOCAL GOVERNMENT REVENUE SOURCES, 2002



“Senior governments should be open and honest about downloading and make it part of policy dialogue and not change ‘by stealth.’”
—Okanagan mayor

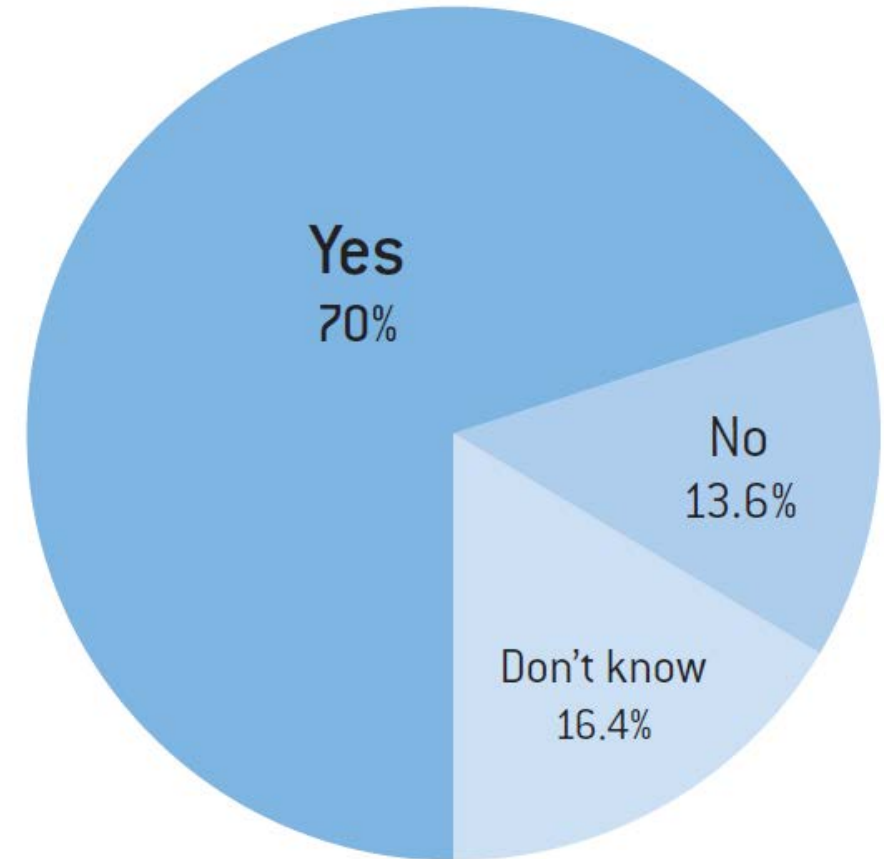
GDP & Economic Growth N/A



1. In good times LG does not share in economic growth
2. In bad times LG is pressured to contain costs and cut services

Downloading – What LG Elected Leaders Say

Percent of Officials that have participated in a Federal or Provincial Program that transferred or was initiated with grants/short term funding not supported by ongoing funding.



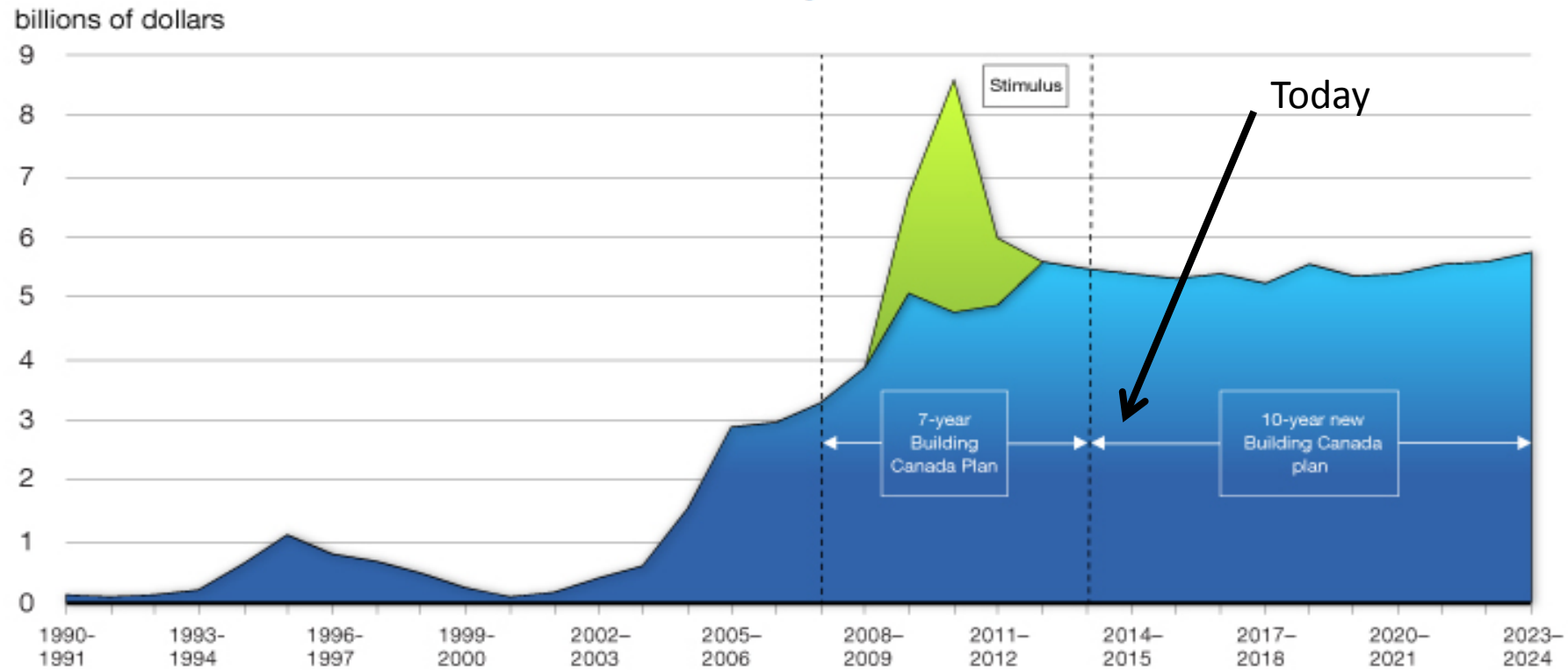
As one mayor commented, "there's always money to build something to provide short term 'feel good' projects, but never any money to maintain them once they're completed."

Economic Action Plan 2013

The Largest and Longest Federal Commitment to Provincial-Territorial-Municipal Infrastructure in Canadian History

Chart 3.3.2

Federal Investments in Provincial-Territorial-Municipal Infrastructure

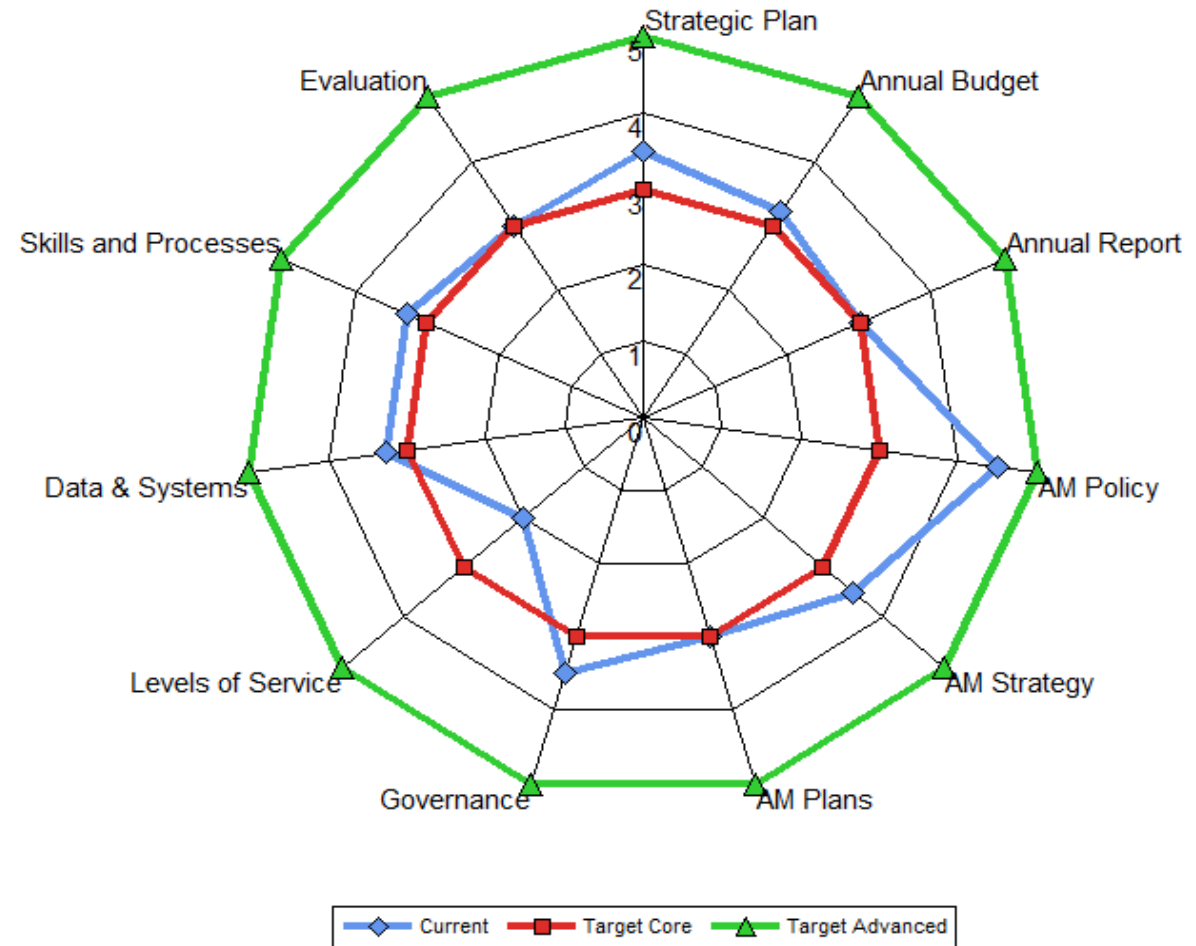


Source: Infrastructure Canada, Department of Finance.

Asset Management Performance

- ✓ Asset Management Plans integrate with Financial Plans
- ✓ Asset Management Strategy next step – Levels of Service
- ✓ Council Asset Management Policy
- ✓ Best practice performance ratios
 - ✓ Operating Surplus + RV Depreciation
 - ✓ Use of Debt
 - ✓ Asset Sustainability

North Vancouver District - Maturity Assessment ID 114



DNV AM For Sustainable Service Delivery

- ✓ Asset Management best practices have enabled us to:
 - ✓ Support long term sustainment of services
 - ✓ Know the physical condition and risk profiles in each major asset group
 - ✓ Measure and assess asset utilization, demand and capacity
 - ✓ Strengthen our long term funding strategies and financial sustainability
 - ✓ Bring better alignment of funding to sustain life cycle costs
 - ✓ Use debt holistically to augment steady state replacement of assets

Questions?

Everything
is hard before
it is easy.
-Goethe
curiano.com