CITY OF HAMILTON

PUBLIC WORKS DEPARTMENT
Environment and Sustainable Infrastructure Division

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<th>TO:</th>
<th>Chair and Members</th>
<th>WARD(S) AFFECTED:</th>
<th>CITY WIDE</th>
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<td>Public Works Committee</td>
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<th>COMMITTEE DATE:</th>
<th>September 20, 2010</th>
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<tr>
<th>SUBJECT/REPORT NO:</th>
<th>Provincial Discussion of Ten Year Infrastructure Plan (PW10089) - (City Wide)</th>
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<tr>
<th>SUBMITTED BY:</th>
<th>PREPARED BY:</th>
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<th>RECOMMENDATION</th>
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<td>(a) That Report PW10089 be submitted to the Minister of Energy and Infrastructure as the City’s comments on the Province of Ontario’s Ten Year Infrastructure Plan that is under development;</td>
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<td>(b) That staff continue to communicate with the Minister’s office on opportunities to partner with the Provincial Government on funding public infrastructure within the City of Hamilton, through a Ten Year Infrastructure Plan;</td>
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<td>(c) That staff report back on any infrastructure funding opportunities either with the Provincial or Federal levels of Government to support sustainability, derived through this dialogue with the Province of Ontario;</td>
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<td>(d) That copies of this report be sent to the local Members of Provincial Parliament, local Members of Parliament, the Association of Municipalities of Ontario, Regional Public Works Commissioners of Ontario (RPWCO) and Federation of Canadian Municipalities.</td>
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<th>EXECUTIVE SUMMARY</th>
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<td>The Province of Ontario has moved forward on a number of infrastructure funding programs and is now undertaking a consultation process to learn about key trends, issues and priorities that will help to modernize and expand public infrastructure over the next ten years. As part of this consultation process, the City of Hamilton was invited to participate in a stakeholder discussion on August 4, 2010, with the Minister of Energy</td>
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Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.

Values: Honesty, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork
and Infrastructure, the Honourable Brad Duguid and seventeen other agencies and municipalities.

Participants in the discussion were given the opportunity to make a five minute presentation on four questions relating to province’s infrastructure needs over the coming decade. The City of Hamilton had the opportunity to make a presentation of infrastructure concerns as outlined in the Analysis section of this report.

The key points for consideration by the Ministry of Infrastructure and Energy include:

- **Types of Infrastructure used most**: all municipal assets including facilities such as roads, sidewalks sewers, transit, water mains, water and wastewater treatment plants, solid waste recycling and disposal, parks, emergency services (fire, police, and ambulance), community centres, libraries, pools, arenas and cultural/heritage sites.

- **Key economic and social trends affecting infrastructure**: Aging population, ability of municipal taxes to fund replacement of aging infrastructure while meeting the overall needs of the community and the City’s ability to build community strength and reduce poverty.

- **Infrastructure priorities**: The City’s corporate priorities for infrastructure are to move toward sustainability for existing infrastructure and strategically invest in new infrastructure such as rapid transit, downtown and waterfront development and employment growth areas.

- **How to transform the delivery, financing or management of infrastructure to better meet provincial needs**: streamline funding processes; allow sufficient time for development and construction of infrastructure projects and flexibility in how funds are used to meet local priorities.

Given the importance of ongoing infrastructure funding from the Provincial and Federal governments, the recommendation is that the comments be submitted once approved by City Council. Continued discussions will ensure that City and municipal needs are brought forward and that the City can appropriately participate in future funding programs. The Province is to be commended for this consultative approach in the development of a Ten Year Provincial Infrastructure Plan for Ontario.

**Alternatives for Consideration - N/A**

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS**

**Financial**: Ongoing and consistent levels of infrastructure funding from both the Provincial and Federal governments are critical to the sustainability of Hamilton’s aging infrastructure.

Opportunities for continued discussions with the Minister of Energy and Infrastructure will ensure that the City and municipal needs are brought forward and that the City can appropriately participate in future funding programs.

**Staffing**: N/A
HISTORICAL BACKGROUND

Following the provision of a number of infrastructure funding programs, The Province of Ontario is now undertaking a consultation process with respect to key trends, issues and priorities, which will assist in modernizing and expanding public infrastructure over the next ten years. On August 4, 2010, the Minister of Energy and Infrastructure, The Honourable Brad Duguid invited the City of Hamilton together with seventeen other agencies and municipalities, to participate in a stakeholder discussion on a ten Year Infrastructure Plan, at the Sheraton Hotel in Hamilton.

The majority of those invited to the stakeholder discussion were offered the opportunity to make a brief five minute presentation on the following four questions:

1. What types of public infrastructure assets do you or your organization use most?
2. What are the key economic and social trends that you think will most affect the province’s infrastructure needs over the coming decade?
3. Given the deficit challenges Ontario faces, what do you think the most important infrastructure investment priorities should be in the next ten years?
4. In your opinion, how could we transform the delivery, financing or management of infrastructure to better meet provincial needs?

The Analysis section of this report summarizes the presentation made by the City of Hamilton on its infrastructure challenges and opportunities, in responding to these four questions.

The Province of Ontario’s Ministry of Energy and Infrastructure is also undertaking additional sessions throughout the Province, including the London area, Ottawa, two in the Toronto area, Sudbury and Thunder Bay.

POLICY IMPLICATIONS

The investigation of infrastructure funding opportunities for the City of Hamilton with the Minister of Energy and Infrastructure would support Provincial policies and directions such as the Big Move, Places to Grow, the Greenbelt Plan and the Provincial Policy Statement.

Discussions with the Minister of Energy and Infrastructure on a ten year infrastructure plan generating potential funding opportunities, would also support the Public Works Business Plan - “Innovate Now” through its Vision Drivers of;

Communities: Services our communities connect with and trust. Open, transparent and accountable working relationships.

People: Staff are involved in decision making processes to find solutions to systemic issues.
Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.

Values: Honesty, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork

Processes: Business planning processes are defined and aligned.
Finances: Sound financial management for the long haul. A multi-year budget process is in place. Work is undertaken at approved service levels with budgets that match.

RELEVANT CONSULTATION

An update on the August 4, 2010, meeting with The Honourable Brad Duguid, Minister of Energy and Infrastructure was forwarded that day to the City of Hamilton Mayor’s Office, and to the General Managers’ offices in Public Works and Finance and Corporate Services.

ANALYSIS/RATIONALE FOR RECOMMENDATION

The Province of Ontario is to be commended for its consultative approach in the development of a Ten Year Provincial Infrastructure Plan for Ontario. As continuous funding support from the Province and Federal governments is extremely important, staff recommend that the comments contained within this report be submitted to the Minister of Energy and Infrastructure, once approved by Council. The City of Hamilton looks forward to further opportunities in continuing this dialogue with the Province, so that a harmonized partnership with the Province is utilized, to address the challenges of aging infrastructure in the Ten Year Provincial Plan.

The August 4, 2010, presentation by Hamilton staff to the Minister of Energy and Infrastructure presented the following background information on Hamilton assets, its challenges and opportunities, related to aging infrastructure.

As a municipality, the City of Hamilton owns, operates, maintains, constructs, replaces and repairs all municipal assets including facilities such as roads, sewers, transit, water mains, parks, community centres, libraries, pools and arenas. Our citizens also make use of and depend on assets funded and delivered by the Province, including schools, hospitals, universities and colleges, GO Transit and highways. Under Federal jurisdiction, ports, airports and rail also support trade and travel for Hamiltonians.

Over the next ten years, how and where we spend our infrastructure funding will be influenced by items such as our aging population, immigration, increasing environmental awareness and Provincial policy and directions from the Provincial Policy Statement, Places to Grow, the Greenbelt Plan and The Big Move. In addition, we will see that the historic low investment made in infrastructure maintenance by all levels of government is not sustainable. Capital and operating investment levels for existing assets are not sufficient, nor is that funding delivered in a stable, consistent manner. Older municipalities, including Hamilton, are reliant on Provincial and Federal funding and there is a very direct and noticeable impact on our ability to deliver programs, when that funding is removed or decreased.

With increasing demand for local services and limited financial resources, municipalities, like Hamilton, are often forced to choose between the provision of
necessary services to their citizens, versus maintenance and construction of their public infrastructure on the other. More recently, the impact of the economic downturn has placed greater pressure and stress on individuals and families, leading to increased demand for social services. Municipalities, like Hamilton, are challenged to meet these service and program demands while ensuring that the city’s annual budget remains balanced, which inevitably is achieved through reduced maintenance of and delayed replacement of aging infrastructure.

The result is a growing infrastructure deficit, a daunting mission given the required level of funding relative to the City of Hamilton’s financial capacity and the financial tools afforded to municipalities in Ontario. This deficit, in the case of Hamilton, in relation to just ten programs specific to the City’s Public Works Department was determined to be $153 million, annually. The current level of annual capital investment towards these specific assets is $169 million, representing just over 50% of the required annual capital investment based on a 100 year average annual figure to sustain the existing infrastructure. Continued investment on this basis will result in an increasing backlog of renewal for the existing infrastructure, will result in a declining level of service and ultimately impact the ability to actually deliver services.

The Province of Ontario and municipalities provide many services to our citizens, and as our population ages, there will be an increased need for these services, and an increased expectation that those services will still be there. Transit and health care are examples. We need to engage our citizens in the discussions on financing and delivery options. Taxes alone are not the answer.

Recognizing that there is not an endless supply of funding available, it is important to prioritize how and where available infrastructure dollars are spent. Projects that implement Provincial policies and directions (the Big Move, Places to Grow, Provincial Policy Statement) and also attract private investment and assessment growth, such as Hamilton’s Light Rail Transit plan for the B-Line corridor, are important to implement sooner rather than later. Similarly, investments that allow for better use of existing assets, or extend their life cycles, can delay or prevent future larger funding requirements for replacing failed assets. Gone are the days of design, build and forget. We need to stop the cycle of foregoing maintenance to save funding in the short term, only to end up with failed assets that require complete replacement.

Capital investment for large, new projects is always exciting to announce (and to receive). It is important to note however, that these new projects also need to be operated and maintained. Historically, operating funding rarely accompanies the capital in those announcements. Hamilton has received some important Provincial and Federal funding over the past few years. This funding has supported infrastructure improvements, through our wastewater treatment plan and the creation of a pedestrian bridge over the physical barrier of the Queen Elizabeth Way, linking to the Lake Ontario Waterfront Trail.

Going forward, infrastructure programs that allow municipalities some flexibility in how the money is spent will become more important. In Hamilton, our roads program is focused on preventing our arterial roads from failure, and there is little funding
remaining for any improvements to collector or local roads. For Hamilton, having the flexibility in how we spent the $48M we received through the Investing in Ontario program, allowed us to extend the life of a number of local roads in our neighbourhoods. Through tendering the roads together rather than single projects, resulted in favourable tender prices, which in turn meant Hamilton could improve more local roads. Staff was also able to address the concerns of Councillors and citizens by working on roads that they see everyday in front of their homes and neighbourhoods.

Especially in older established cities such as Hamilton, investing in our existing assets to prevent failure is just as important, or more so, than brand new construction. Our B-Line LRT plan will make use of an existing road infrastructure and provide more transit capacity, more options for people to move about the city, an enhanced ability for people to link to inter-regional transit, and intensification per Places to Grow.

Investing in older elementary schools in the lower city can also help meet Provincial and local targets and policy directions by maintaining complete communities where the school is the focal point, people can walk, cycle or take transit to get around, intensification can take place and more opportunities can be provided for lower-income citizens. Especially in the lower City, the school ground is also perceived as park land by the residents. This is especially important as there is often a deficit of public parkland in these older neighbourhoods. Parks, trails and open spaces provide recreation opportunities and help combat obesity and strain on the health care system.

Also important are consistent levels of investment for budget planning and forecasting. The Province is an important funding partner for the City of Hamilton; we can’t go it alone. We look forward to continuing to work with the Province to strategically plan for our collective infrastructure needs.

**ALTERNATIVES FOR CONSIDERATION**

N/A

**CORPORATE STRATEGIC PLAN**


**Skilled, Innovative & Respectful Organization**

- A culture of excellence
- More innovation, greater teamwork, better client focus

**Financial Sustainability**

- Financially Sustainable City by 2020
- Effective and sustainable Growth Management

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Discussion of the growing infrastructure deficit, consistent funding levels, investment in maintenance and the aging population with the Province provides opportunities for attaining sustainability

**Intergovernmental Relationships**
- Influence federal and provincial policy development to benefit Hamilton
- Acquire greater share of Provincial and Federal grants (including those that meet specific needs)
- Maintain effective relationships with other public agencies
- Discussions with the Minister of Energy and Infrastructure has been an important opportunity in defining our public infrastructure assets, economic and social needs, as well as Hamilton's priorities for the next ten years for potential funding assistance and partnerships.

**Growing Our Economy**
- Newly created or revitalized employment sites
- Competitive business environment
- Opportunities for revitalizing our infrastructure will strengthen Hamilton's ability to grow its economy.

**Social Development**
- Hamilton residents are optimally employed earning a living wage
- Residents in need have access to adequate support services
- Funding levels are directly proportionate to the ability to provide capital dollars, rehabilitation of infrastructure, maintenance funding and social programs.

**Environmental Stewardship**
- Aspiring to the highest environmental standards
- Infrastructure programs provide the ability to respond with "green" solutions in the replacement of aging infrastructure.

**Healthy Community**
- Plan and manage the built environment
- A year plan for managing and responding to an aging infrastructure will support a Healthy Community

**APPENDICES / SCHEDULES**
None