SUBJECT: City of Port Colborne Resolution Regarding FCM Report (PW08053) - (City Wide)
Public Works Committee Outstanding Business List Item

RECOMMENDATION:

(a) That the City of Hamilton support the resolution approved by the Council of the Corporation of the City of Port Colborne on December 10, 2007, as outlined in Appendix A to Report PW08053.

(b) That the item relating to the “City of Port Colborne Resolution re: FCM Report - Canada’s Municipal Infrastructure” be removed from the Outstanding Business List on the Public Works Committee Agenda.

(c) That the City of Hamilton’s support for the City of Port Colborne’s resolution be circulated to the Prime Minister of Canada, the Premier of Ontario, the area M.P.’s and M.P.P.’s, FCM and the City of Port Colborne.

Scott Stewart, C.E.T.
General Manager
Public Works

EXECUTIVE SUMMARY:

In response to the FCM Infrastructure Survey entitled “Danger Ahead, the Looming Collapse of Canada’s Municipal Infrastructure” released in November 2007, the City of Port Colborne approved a resolution at its council meeting on December the 10, 2007 (see Appendix A). Also, it was approved that the resolution be distributed through the Association of Municipalities of Ontario (AMO) to all municipalities in Ontario in order to obtain support.
The FCM Municipal Infrastructure Survey estimated that as of 2007, there was a national municipal infrastructure deficit of $123.6 billion. The City of Hamilton participated within this study, along with 85 other municipalities nation wide, with jurisdictions from every province and territory and a total representation of 46% of the national population.

The magnitude of this deficit also corresponds with the work staff have completed at the City level within our own State of the Infrastructure (SoI) reports, which have identified major funding gaps in the infrastructure programs, that collectively exceed $100 million on an annual basis. This deficit does not take into account the backlog of needs, which is currently managed by extending the service life of City assets past their design life, thereby reducing the overall level of service supplied.

The FCM report clearly outlines the fact that municipalities alone do not have the financial resources to tackle the increasing infrastructure deficit; therefore, staff are recommending that the City of Hamilton support the City of Port Colborne’s resolution as it addresses the key recommendations from the FCM report:

- The Federal and Provincial government should establish a national plan to eliminate the municipal infrastructure deficit and prepare the groundwork for effective management in the future.
- The Federal and Provincial government undertake a comprehensive, national study, involving all three orders of government, to determine the size, scope and geographic characteristics of the municipal infrastructure deficit.

It would be advised also that the distribution of senior level of government subsidies should reflect the financial and physical health of a municipality’s infrastructure, as older cities need more money on a per capita basis than newer cities due to the age of the infrastructure.

Currently significant challenges have been identified within our infrastructure programs due to the funding shortfall, primarily in Roads, the overall Right-of-Way management, and our entire portfolio of City Facilities (corporate, community and housing). City staff have determined the requirement to implement a comprehensive plan requiring approximately $50 - $100 million to address the deficit for the roads network. A detailed implementation plan is being developed and will be provided to the Capital Budget Workshop on June 20, 2008.

**BACKGROUND:**

The information/recommendations in this report have City wide implications.

In response to the FCM Infrastructure Survey entitled “Danger Ahead, the Looming Collapse of Canada’s Municipal Infrastructure” released in November, 2007, the City of Port Colborne approved a resolution at its Council meeting on December 10, 2007, (see appendix A). Also, it was approved that the resolution be distributed through the Association of Municipalities of Ontario (AMO) to all municipalities in Ontario in order to obtain support.

The FCM Municipal Infrastructure Survey estimated that as of 2007, there was a national municipal infrastructure deficit of $123.6 billion. The study included estimates of “sub deficits for key categories of infrastructure: water and waste water systems ($31
billion); transportation ($21.7 billion); transit ($22.8 billion); waste management ($7.7 billion); community, recreational and social infrastructure ($40.2 billion). The City of Hamilton participated within this study, along with 85 other municipalities nation wide, with jurisdictions from every province and territory and a total representation of 46% of the national population.

In order to be clear as to what the $123.6 billion deficit includes it is important to understand FCM’s definition of the infrastructure deficit. Within their report they define it as the difference between the funding needed for maintenance, repair, rehabilitation, retrofitting and replacement of existing deteriorated infrastructure and the funding available from all sources, including taxes, government subsidies and grants, private sector contributions, etc. Therefore, the $123.6 billion could be considered as a conservative estimate as it does not include the cost of building new or expanded facilities to meet new needs or provide additional infrastructure capacity.

The magnitude of this deficit also corresponds with the work staff have completed at the City level within our own State of the Infrastructure (StOI) reports. The StOI reports evaluated the current state of various City of Hamilton assets (roads, bridges, waste water, water, storm, fleet, transit, waste, corporate and community facilities, traffic, forestry and cemeteries) and identified major funding gaps, that collectively exceed $100 million on an annual basis. This deficit does not take into account the backlog of needs, which is currently managed by extending the service life of City assets past their design life, thereby reducing the overall level of service supplied. The results from the StOI reports and the continuing analysis are presented annually to council through the Infrastructure Report Card, which presents at a high level the health of our infrastructure programs.

The FCM report clearly outlines the fact that municipalities alone do not have the financial resources to tackle the increasing infrastructure deficit, and that although various grants and subsidy programs can temporarily relieve monetary pressures, the senior levels of government need to establish long-term financing programs based on established priorities to enable municipalities to establish sustainable infrastructure programs.

Staff are recommending that the City of Hamilton support the City of Port Colborne’s resolution as it addresses the key recommendations from the FCM report:

- The Federal and Provincial government should establish a national plan to eliminate the municipal infrastructure deficit and prepare the groundwork for effective management in the future.
- The Federal and Provincial government undertake a comprehensive, national study, involving all three orders of government, to determine the size, scope and geographic characteristics of the municipal infrastructure deficit.

It would be advised also that the distribution of senior level of government subsidies should reflect the financial and physical health of a municipality’s infrastructure, as older cities need more money on a per capita basis than newer cities due to the age of the infrastructure. This would be comparable to income distribution subsidy programs or even the federal government’s system of provincial transfer payments.

In addition to the above, significant challenges have been identified in regards to our infrastructure programs due to the funding shortfall, primarily in Roads, the overall
Right-of-Way management, and our entire portfolio of City Facilities (corporate, community and housing). The overall condition of the roads and sidewalks within Hamilton are getting to an unmanageable state (crisis stage). The amount of funding being spent on reactive maintenance is increasing significantly as the assets cannot be maintained at a minimum service level. Within the current program local roads are only being addressed when the associated infrastructure, watermains and sewers, have failed.

City staff have determined the requirement to implement a comprehensive plan, requiring approximately $50 - $100 million to address the deficit for the roads network. A detailed implementation plan is being developed and will be provided to the Capital Budget Workshop on June 20, 2008. Ultimately, this plan will require the input from the various departments as development will be impacted; debt levels will have to be reviewed along with the financing of the programs. Service levels will need to be determined, including an acceptable rideability condition, surface condition and analysis of rehabilitation programs versus major resurfacing and reconstruction. The overall implementation plan for addressing the infrastructure deficit will take approximately two to three years.

**ANALYSIS/RATIONALE:**

The City of Port Colborne’s resolution is being circulated to all municipalities in Ontario for support. Should Council not approve the City of Hamilton’s support of this resolution, an opportunity would be missed to collectively address the Provincial and Federal governments in regard to the municipal infrastructure deficit.

**ALTERNATIVES FOR CONSIDERATION:**

Do nothing.

The City of Hamilton does not support the City of Port Colborne’s resolution, but instead petitions the provincial and federal governments separately.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

N/A

**POLICIES AFFECTING PROPOSAL:**

N/A

**RELEVANT CONSULTATION:**

Budgets & Finance, Corporate Services

**CITY STRATEGIC COMMITMENT:**

Public Works Strategic Plan

To proactively address the municipal infrastructure deficit fully aligns with the vision drivers and immediate priorities laid out within the Public Works Strategic Plan. The achievement of additional funding, and ultimately sustainable funding for infrastructure
programs, will enable Hamilton to become the leader in the greening and stewardship of the City, as it will enable work to be undertaken at approved service levels with budgets that match.

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

**Community Well-Being is enhanced.** ☑ Yes ☐ No
Public services and programs are delivered in an equitable manner, coordinated, efficient, effective and easily accessible to all citizens.

**Environmental Well-Being is enhanced.** ☑ Yes ☐ No
A sustainable transportation network provides many options for people and goods movement; vehicle-dependency is reduced.

**Economic Well-Being is enhanced.** ☑ Yes ☐ No
Investment in Hamilton is enhanced and supported.

**Does the option you are recommending create value across all three bottom lines?**
☑ Yes ☐ No
City of Hamilton strategic commitment for “A city that spends wisely and invests strategically” is being promoted through the support of this resolution.

**Do the options you are recommending make Hamilton a City of choice for high performance public servants?**
☐ Yes ☑ No
January 14th, 2008.

Municipalities of Ontario

Dear Councils:

City of Port Colborne Resolution Re FCM Report
"Danger Ahead the Looming Collapse of Canada’s Municipal Infrastructure"

At its meeting of December 10th, 2007, the Council of the Corporation of the City of Port Colborne resolved as follows:

"WHEREAS the 2007 FCM-McGill Municipal Infrastructure Survey has estimated a $123.6 billion infrastructure deficit in 2007;

AND WHEREAS Canada=s future prosperity, economic development, international competitiveness and overall quality of life is at stake if this infrastructure deficit remains unaddressed;

AND WHEREAS governments need to acknowledge this looming crisis and to act immediately to address the problem by providing long-term financing based on established priorities for both the upgrade of existing infrastructure and the building of new infrastructure and through the development and implementation of new technologies, best practices and effective management;

NOW THEREFORE be it resolved that the Council of the City of Port Colborne supports the findings of the 2007 FCM-McGill Municipal Infrastructure Survey and hereby petitions the Federal and Provincial Governments to establish a national plan to eliminate the municipal infrastructure deficit through the provision of equitable long-term funding strategies, to prepare the groundwork for effective management in the future and to undertake a comprehensive, national study, involving all three orders of government, to determine the size, scope and geographic characteristics of the municipal infrastructure deficit;

AND FURTHER, that the Prime Minister of Canada, the Premier of Ontario, John Maloney, M.P., P. Kormos M.P.P. and FCM be so advised and this resolution be distributed through AMO to all municipalities in Ontario for support.

The above noted resolution is being circulated to all municipalities in Ontario and your favourable consideration of Council’s request for support would be greatly appreciated.

Janet Beckett
City Clerk.
City of Port Colborne

Telephone: (905) 835-2900 Email: janbeckett@city.portcolborne.on.ca Fax: (905) 834-5746
DISCLAIMER
This material is provided under contract as a paid service by the originating organization and does not necessarily reflect the view or positions of the Association of Municipalities of Ontario (AMO), its subsidiary companies, officers, directors or agents.