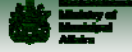





# Provincial/Municipal Capital Infrastructure Program

April 30, 2010 Municipal Forum




## Purpose of the Presentation

- Present the Project Charter
- Present the Work Breakdown Structure (WBS)
- Comments and Questions
- Establish ongoing Working Group
- Approval to Proceed




## Current Status

- Provincial/Municipal agreement to focus on infrastructure program options
- Project Charter produced by Working Group
- Project Charter shared with working group and MSSP Tables
- MA has developed a detailed project plan/WBS
- WBS reviewed/approved by working group and shared with MSSP tables



## Project Charter


- Agreement to follow a collaborative process like the one used for Revenue Sharing
- Goal is to prepare options for consideration by fall 2010
- Variety of “in-scope” considerations
- Project will attempt to provide options to the elected on the following:
  - ✓ How much to spend on infrastructure
  - ✓ What these levels of spending “buy”
  - ✓ Why the spending is needed and justified
  - ✓ Other supports/programs/options may be considered to augment infrastructure spending



## Work Breakdown Structure (WBS)

### Major Components

- Planning the work
- Defining a “quantum range” for a new program
- Discuss efficiencies and best practices
- Relationship with construction/private sector
- Municipal financing alternatives
- Program design
- Prepare report



## Planning the Work

- Project Charter-completed
- WBS-completed
- Approval to Proceed-pending

## Defining the Range

### Determine, contrast and compare both municipal and provincial roles and responsibilities

- Use MAIS functional categories
- Review and rate functional categories by sector, where financial support should originate and relative priority.
- Use TCA data set to populate the review and priority rating tables.
- Quantify the "current problem" by municipal category
- Assess future needs

## Defining the Range

- Define provincial interests and priorities
  - Identify primary and secondary provincial interests in municipal infrastructure
  - Rank provincial interests
  - Match provincial interests to current and future infrastructure needs
- Cross Ministry review of existing infrastructure programs
- Develop funding range options

## Innovation/Best Practices Efficiencies

- Explore technological innovations
- Look at best practices to encourage efficiency.
- Discussion on regional infrastructure projects

## Private Sector Capacity/Impact

- Approach the construction industry
- Link with Enterprise Saskatchewan
- Discussions with Post-Secondary institutions, AEEL
- Identification of complementary goals

## Municipal Infrastructure Financing Alternatives

- Inter-jurisdictional scan
  - Debt limits and options
  - Municipal Bond Funds
  - Endowment
  - P3
- Consultations/Discussions with:
  - MA Branches/Municipal Sector
  - Ministry of Finance
  - Saskatchewan Municipal Board
  - Financial Industry representatives

## Other Program Considerations

- Capital asset reporting
- Long term asset management
- Financial management best practices
- Consideration of per-capita versus project funding
- Multi-year programs, agreements



### Preparation of Report/Options

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- Internal review of draft
- Discussion with MSSP tables
- Consultation within government
- Presentation at the fall 2010 Municipal Forum



### Comments/Discussion

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# Project Charter

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<b>Project Name:</b>	Provincial/Municipal Capital Infrastructure Program Design
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PROJECT PARTICIPANTS AND AUTHORITY	
<b>Steering Committee:</b>	<b>Municipal Affairs:</b> Kirby Wright, Keith Comstock, Russ Krywulak, Kyle Toffan, Ryan Cossitt, Chris Gunningham; <b>SUMA:</b> Laurent Mougeot; <b>SARM:</b> Ken Engel; <b>Cities Table:</b> Glen Davies, Jason Carlston, Jim Puffalt; <b>Northern Table:</b> Joanne Griffith; <b>Towns/Villages Table:</b> Shelly Funk; <b>Rural Table:</b> Kevin Ritchie
<b>Project Sponsor:</b>	S. P. (Van ) Isman, Deputy Minister, Municipal Affairs
<b>Business Unit Management:</b>	Keith Comstock, Strategy and Sector Relations, Municipal Affairs, 787-9641
<b>Project Manager:</b>	Chris Gunningham, Strategy and Sector Relations, Municipal Affairs, 787-4984
<b>Key Participants:</b>	Municipal Sector Strategic Plan Tables

PROJECT DESCRIPTION
<p><b>Business Background:</b></p> <p>Through the Municipal Sector Strategic Plan (MSSP) initiative, the province and municipal sector agreed that when joint development of a new revenue sharing program was complete, attention needed to be given to developing a long-term, predictable and sustainable approach to infrastructure funding. The elected at the municipal and provincial level support this approach.</p> <p>The municipal sector holds the position that, while one-time and multi-year funding programs are beneficial, they do not support effective long-term infrastructure planning and investment decisions.</p> <p>The province's economic development strategy is focused on building regional competitiveness, and seeks to increase municipal capacity to plan regionally for infrastructure and land use.</p> <p>There is an opportunity for a predictable and sustainable approach to funding to also enable, encourage and entrench the municipal sector's ability to meaningfully engage in asset management and other best practises that can maximize useful asset life and financial management.</p> <p>If the province and the sector are to successfully develop new ways of ensuring infrastructure investments are made to efficient projects, it will be necessary to more accurately estimate the magnitude and nature of the deficit, and to identify and prioritize provincial interests.</p> <p>Both the province and municipal sector agree that a significant municipal infrastructure deficit exists and that steps must be taken by both levels of government to address the situation.</p>

**Project Scope:**

The purpose of the project is to develop options and recommendations for a long-term, predictable and sustainable capital infrastructure program for the municipal sector. The results of the project will be presented to both municipal and provincial elected for consideration.

Project proponents agree that working collaboratively on program options does not commit either side to future budget decisions. Officials undertake this project as part of their collective responsibility to support a government-to-government relationship and to provide analysis that has had the benefit of discussion and input from a range of perspectives.

**In-Scope:**

- Discussion of municipal roles and responsibilities with respect to the provision of capital infrastructure.
- Discussion of provincial roles and responsibilities with respect to the provision of municipal capital infrastructure.
- Determining the relative provincial interest in the various types of municipal infrastructure to gain insight into options for levels of support and prioritization.
- Consider how current regional priorities might be accommodated and how future programs can encourage regional thinking.
- Consideration of how the capacity of the private sector/construction industry might impact future programs and how complementary goals can be achieved.
- Consideration of alternatives for how municipalities finance capital projects.
- Consideration of how the requirements for capital asset reporting and longer term asset management activities and projects might be enabled and furthered through future programming.
- Consideration of how future programs can enable and encourage best practices that can maximize useful asset life and financial management.
- Discussion of per-capita versus project based funding and how those methodologies relate to municipal/provincial priorities and interests.

**Out-of-Scope:**

- Re-design of present federal/provincial infrastructure programs.
- Future federal programs.
- Saskatchewan Infrastructure Growth Initiative.

**Objectives:**

- The project will be undertaken collaboratively by the province and the municipal sector in keeping with the principles of the government-to-government relationship.
- The options developed will take into consideration the full range of municipal and provincial interests that will come to light as the project is implemented.
- The options developed will fully consider the perspectives of different segments of the municipal sector.
- Ideally, the final report will set out an option that has the support of both municipal and provincial officials. The “preferred” option will be supported by options that provide the elected with alternate choices in terms of program design, scope and cost.
- The options proposed should be flexible or adaptable in order to accommodate future decisions and/or actions that might be taken at the federal level.

**Deliverables:**

A report that provides elected leaders with a range of options and recommendations that are evidence-based and supported by a policy foundation that considers both municipal and provincial interests.

This work will start in February 2010. Officials will report progress to their elected officials as required and, where possible, collaboratively. A report outlining options is desired by fall 2010.

**Constraints:**

The project is undertaken within the context of the provincial and municipal electoral cycle, as well as the budget processes at both levels. While this project is a key component of the MSSP work plan, it is not the only joint priority the sector and the province are working on.

**Assumptions:**

Ministry and sector officials remain committed and have the resources to complete the work in the time allotted. Political leadership at both levels continues to be supportive of the project.

**Order of Magnitude Estimate:**

This project will be done within existing ministry resources and could potentially include cost sharing with the municipal sector.

**I support this Project and authorize proceeding to the planning stage.**

<b>Project Sponsor Signature</b>	<b>Date</b>
<b>Executive Management Signature</b>	<b>Date</b>

## Provincial-Municipal Infrastructure Program Design Project

### Work Breakdown Structure (WBS)

1	<b>Prepare project charter/work breakdown structure</b>
2	Approval of project charter by working group
3	Share project charter with MSSP Tables
4	Draft WBS based on charter
5	Approval of WBS by working group
6	Present summary of project work plan at Municipal Forum
7	<b>Defining the Quantum Range</b>
8	<b>Determination of municipal/provincial roles and responsibilities</b>
9	Design template based on MAIS Functional Categories
10	Review and rate functional categories based on funding- property tax/user fees/provincial investment
11	Prioritize categories-high, medium, low
12	Use tangible capital asset returns as a data set to develop breakdown of category/rating/priority/repair-replace
13	Assess future needs using existing information e.g. CCME Wastewater projects
14	Develop methodology for predicting future/growth needs
15	<b>Define provincial interests and priorities</b>
16	Define primary provincial interests
17	Rank provincial interests
18	Match provincial interests and priorities to current and future infrastructure needs
19	<b>Cross-ministry review of existing municipal infrastructure programs</b>
20	In conjunction with Finance, identify which ministries deliver municipal infrastructure programs
21	Prepare summary of provincial \$ outside of MA devoted to municipal infrastructure
22	Compare summary to provincial interest
23	<b>Develop funding range options</b>
24	Prepare options for internal review and comments
25	Incorporate Options Into Draft Report
26	<b>Innovation/Best Practices/ Efficiency</b>
27	Regional considerations
28	Review of technological innovations
29	Best practices to promote efficiency
30	<b>Private Sector Capacity/Impact</b>
31	Approach construction industry
32	Engage PSE institutions
33	Identify complimentary goals e.g. value for dollar/profitability and growth
34	<b>Municipal Infrastructure Financing Alternatives</b>
35	Multi-Jurisdictional Scan
36	Engage Finance/SMB/Community Planning/Private Sector in alternative financing discussions
37	<b>Program design</b>
38	Consideration of how requirements for capital asset reporting and longer term asset management activities and project
39	Maximization of asset life and financial management best practices
40	Discussion of per-capita vs. project based funding
41	<b>Preparation of Report/Options</b>
42	Write first draft of report
43	Internal Review
44	Adjustments/revisions to report to tables
45	Consultations with various Tables
46	Consultation within gov't
47	Present Report at Municipal Forum