

PERSPECTIVES

PRESENTED BY THE MUNICIPAL INFORMATION NETWORK

Issue 2 – April 2018

Advancements in Infrastructure

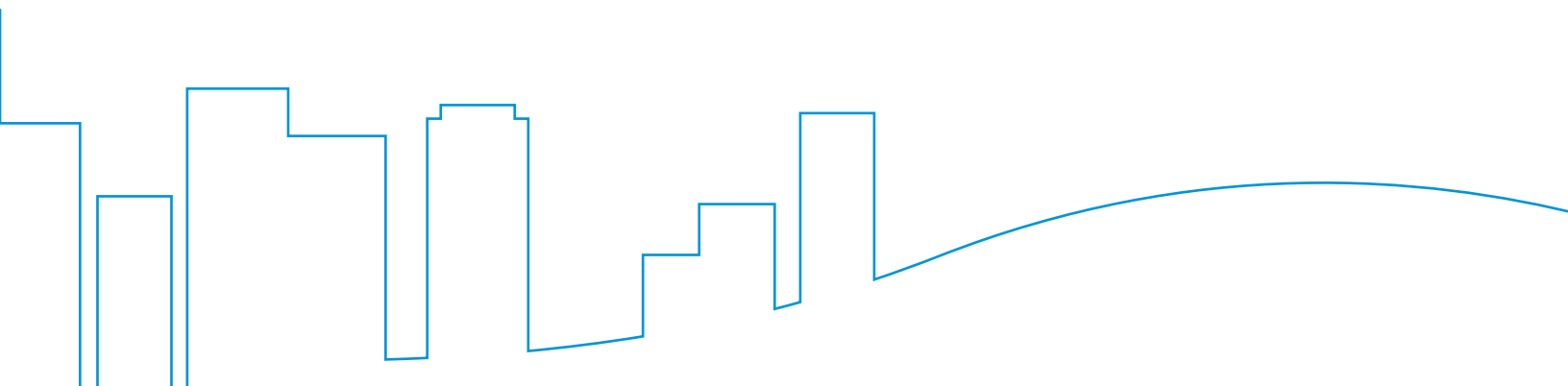




PERSPECTIVES

PRESENTED BY THE MUNICIPAL INFORMATION NETWORK

- 2** From the Editor's Desk
GORD HUME
- 3** Investing in Transit Means Investing in Prosperity
DON IVESON
- 5** How Innovating Got Our Town Moving Again
JASON REYNAR
- 7** Mayors Approve Largest Transit and Transportation Investment
in Metro Vancouver History
METRO VANCOUVER
- 9** We Are Making Progress on Asset Management
WALLY WELLS
- 12** Civic Comment
GORD HUME





From the Editor's Desk

GORD HUME

First and most importantly—THANK YOU!

We were thrilled (and a bit astonished) at the wonderful response to our first edition of PERSPECTIVES. To the thousands of you who read the e-magazine, passed it along to colleagues, sent us a note or idea, shared an article with others, or simply read and enjoyed our first edition (and, we hope, learned something useful from it), thank you.

A couple of things to note: PERSPECTIVES is a free publication. When we ask you to subscribe it is just to protect privacy laws. There is no charge for you to receive this e-magazine. And no, you won't be subjected to unwanted emails.

Second, anytime you want to communicate with us, share a story, make a suggestion, offer constructive criticism or an opinion, remember the direct email is: perspectives@municipalinfonet.com

Our main theme this month is **Infrastructure**. There is no issue more important to Canadian mayors and municipalities than the state of our infrastructure today—and who's going to pay for what. Some provinces and territories are making promises of big infrastructure investments, and of course the federal government is on record with a \$180B commitment. Municipalities want to see the money flowing.

The lead story is from Edmonton Mayor Don Iveson, who has been a leading proponent of smart infrastructure investments. He has been working closely with the Federation of Canadian Municipalities and is a real leader in Canada on this issue. His perspective on developing and investing in housing and other parts of the infrastructure deficit is a must-read.

We're always looking for new, different and unique ideas to share in this e-pub, so the story from Innisfil, Ontario about how they provide public transportation is a really innovative concept. Technology even five years ago would not have permitted this method of moving people around this small, growing central-Ontario city. Their solution offers important lessons in how municipalities need to be smart, thinking ahead and prepared to be different.

A critical part of infrastructure is the management of those assets. The British Columbia Asset Management Association has been a leader in working with municipalities on their asset management for several years. The article by Wally Wells is a truly insightful look at this sometimes-ignored or misunderstood part of the infrastructure debate.

In my CIVIC COMMENT column, I argue that we need to expand the traditional definition of the 'municipal infrastructure deficit'. As we get smarter about developing, building and running our towns and cities, it is obvious that local governments need to invest in things like broadband, airports, trees, libraries and the other amenities that make up the quality of life that residents want—but too often local officials don't include them in their infrastructure planning or costing. We need to adopt a more holistic approach to infrastructure thinking.

Finally, for those of you heading to Halifax at the end of next month for the FCM conference, please note that the MUNICIPAL INFORMATION NETWORK will have a booth in the trade show. I will be there on Friday June 1, chatting with all of you about our e-magazine, signing books and looking forward to getting your ideas and comments about PERSPECTIVES. **Please make sure you drop by the MIN booth and meet our team.**

We hope you'll enjoy our 2nd edition of PERSPECTIVES as much as our inaugural edition.

And please remember to keep in touch: perspectives@municipalinfonet.com

GORD HUME



Investing in Transit Means Investing in Prosperity

DON IVESON | MAYOR OF EDMONTON

Canadians spent an average of 26.2 minutes travelling to work in 2016 – the longest commutes on record – and a greater proportion of commuters took public transit than ever before, according to a Statistics Canada report released last year. With commute times getting longer and longer each year, and with Canadian cities growing faster than ever, now is the time to double down on the role of public transit in managing congestion in our cities.

We know congestion isn't going away, which is why we need to ask ourselves what the most strategic, data-driven response is to improving our commute times. Widening roads is rarely the answer because research shows that these will simply fill up with more cars the day they open. While not everyone will choose to commute via public transit, enabling transit as a real alternative is the most significant way to deal with congestion. Now is the time to start building for the future.

Canada's Big City Mayors Caucus (alongside FCM) pushed for a more stable, predictable funding model for city building—including transit and affordable housing. Federally, our advocacy on behalf of big cities is paying off. In Budget 2017 the federal government made significant commitments to long-term investments in municipalities. The way I see it, this 11-year, \$180 billion "Investing in Canada" Infrastructure plan is an historic opportunity to transform our cities nationwide.

To turn this opportunity into real outcomes for Canadians, however, we need smart program design that empowers municipalities to move projects forward. So much of this comes down to the bilateral negotiations between the federal government and provinces and territories.

The agreements to date are designed to give cities real tools to turn this opportunity into outcomes—including better roads and transit, emission reductions, and more. Almost as importantly, these agreements are a ground-breaking recognition of the critical role local governments' play in nation-building.

As these negotiations are wrapping up and announcements are being made, Canada's Big City Mayors are watching closely, as we have been advocating for meaningful provincial cost-sharing and clear commitments to support a fair balance of municipal and provincial projects.

For instance, we pushed for a minimum 40% provincial cost-share on major municipal transit projects and in some provinces (B.C), we've seen agreements to this effect. This is a major improvement over the traditional one-third-each model, which doesn't account for the fact that municipalities already cover 100% of the operating and maintenance costs of major transit.



Here in Alberta, our provincial government commitment has only to a one-third cost share for municipal projects (including transit), albeit that is a minimum. We continue to press for the provinces to go further, and we consider this to be the beginning of the conversation with the Government of Alberta as they design their bold new *Provincial Transit Investment Plan*.

Our discussions with the province over the next few months will be critical in developing a plan that addresses the concerns citizens have around congestion and commuting (we know these concerns are real see #yegcommute). If we get this *Plan* right, it could be transformational for the Edmonton Metro Region--and for Alberta.

I know that this is a difficult time and both the provincial and federal governments are working to manage large deficits and less revenue. But to grow the economy and improve provincial and federal bottoms lines, we need to invest boldly. Having a high performing transit service supports increased productivity, alleviates traffic congestion, advances our shared environmental goals and stimulates economic activity. For instance, expanding Edmonton's LRT network West will create over 8,000 jobs, spur an estimated \$760 million in wages and give tens of thousands of people a more reliable commute.

Public transit is necessary for economic growth and has a substantial positive impact on the economy of a region.

As more and more Canadians move to our cities and city-regions looking for new opportunities, it is critical that both the federal and provincial governments stay committed to the evolving role of Canada's big cities in our country's economic prosperity.

How Innovating Got Our Town Moving Again

JASON REYNAR | CAO, TOWN OF INNISFIL, ON



Two years ago, I was on my way to work in Innisfil, Ontario when I noticed a resident walking along the shoulder of our town's rural roads. She was wearing the shirt of a local grocery store, so it seemed she was walking to work. I saw her again on the same road, going the same way, with the same shirt, but this time I pulled over, offered her a ride to work, and we struck up a conversation. Her name was Joanne, and she told me about her struggle of getting around town with only one car that had broken down and no public transit options.

In my work as Innisfil's Chief Administrative Officer, our town had been trying to find an answer to our lack of transit options for a long time. Located in Simcoe County, our challenge was to solve a complex equation: How could we bring affordable and reliable transportation to our community of close to 40,000 residents spread over an area that's the same landmass as the City of Mississauga?

After dropping Joanne off, I arrived at the office, walked into a meeting that day and asked everyone if there was a way to bring back the hitch-hiking days of long ago. How could we connect all the cars that are travelling along our main roads with the people that need to travel the same way—but safely?

As fate would have it, I met Joanne at a time when the transit options from a study prepared by a consulting firm were being considered for approval in our Town's budget. The study proposed setting up two bus routes that would cost over a half a million dollars in capital and operating costs in the first year alone. This might not be much money for larger cities, but it represented a massive cost for Innisfil residents.

Furthermore, these fixed route bus lines came with significant constraints. The hours of service would be limited, and only some residents would have stops within walking distance. In practical terms, many people would simply not have access to this transportation option, including late at night when safe rides are needed most. Council wasn't sure this was the best route – pun intended. We had all seen empty buses driving around all day long in other communities.

So we went back to the drawing board, but this time, we wanted to think outside the box. In fact, forget the box – it never existed. Who needs a box? We talked about what the perfect transit system would look like and how important it was for all residents to have access. Through these long discussions and chats came the idea of a ridesharing and a demand-based transit solution, and ultimately a Request for Expression of Interest.

Uber and the Town would connect at the end of 2016 and they loved the idea of partnering with us for an alternative transit solution, seeing the many mutual goals we shared (e.g. getting cars off the roads, getting people to meet each other, building an engaged community.)

After just a few short months of discussions with Uber, together we created Innisfil Transit—a customized, cost-effective transit solution that uses the Uber platform to provide service to every resident, at any time of the day – when they need it. Our ride-sharing transit solution is providing a service that is better than any bus could provide.

When we announced the partnership with Uber and our plan to essentially subsidize Uber rides, we saw lots of raised eyebrows and confused faces – many people thought we were just small town folk who didn't understand how transit works. In addition, when it comes to politics – especially municipal politics – you just don't take big risks. And here we were, arguably about to take the biggest risk our municipality had ever taken. Luckily, we had a Mayor and Council who had guts; sure it could fail – but we weren't afraid to fail; we wanted to give this a shot as we were confident we would at least get a bunch of data about where and when people really wanted to travel—not just projections.

We went ahead and hit the launch button in May 2017. Our service offers residents flat fares to a select number of popular destinations, such as the local recreation complex or our main industrial area (commonly referred to here as Innisfil Heights Employment Area.) A standard \$5 discount applies to any other rides beginning or ending anywhere else in Innisfil.



Now, our residents have access to an alternative transportation that provides independence and opportunity and lets them leave their cars at home – and they're taking advantage of it. Within eight months, about 3,400 users have taken more than 26,700 Innisfil Transit trips. In fact, more people are using the service than we anticipated would use a bus, and all at a far lower cost to our taxpayers.

We estimate that our solution will save us millions of dollars over the long run. And since Innisfil Transit uses UberPOOL, multiple riders can be picked up along the way, reducing emissions and helping create “social collisions” where local residents get to meet one another and create connections that may never have happened otherwise.

Without a doubt, Innisfil Transit has changed our town for the better. Residents who never before had access to public transit, and particularly those without a driver's license or personal vehicle, can now request rides to and from their doorstep.

A large number of trips take place to and from the local GO Train Station, meaning residents are using ridesharing services for first/last mile commuting instead of their personal cars. Thanks to this success, we're thrilled to announce we're moving forward with Stage 2 of Innisfil Transit, with even more flat fare destinations to help our residents get to where they need to be.

The best part of all this have been some of the amazing stories that have come to our attention of the impact of Innisfil Transit in improving our community's quality of life. We had one resident who suffered a stroke and couldn't drive for a few months. Thanks to Innisfil Transit, he was able to continue on like everything was as normal as possible, and kept up with his appointments. We also had a woman write to us and tell us how the service finally allowed her to get a job, and about the impact that had on improving the financial well-being of her family. We're also seeing lots of local drivers using the opportunity to earn additional income, including one in particular who told us that being a driver has given him the funds he needs now that he has retired.

The story of Innisfil's transit may be unique, but our challenges are not.

Cities and towns across the world are struggling to provide cost-efficient transit systems that connect people to the places they need to get to. Whether it's allowing someone to obtain a job, helping a senior citizen get to the grocery store, providing someone a safe ride after the bars close, or reducing the stress of a commuter, we're proud to have led the way – together with Uber – to help bring more transportation options to our community.

We hope our work encourages other municipalities of all sizes to explore partnerships and build new solutions to help residents leave their cars at home and use shared, sustainable transportation options.



Mayors Approve Largest Transit and Transportation Investment in Metro Vancouver History

METRO VANCOUVER

The Vancouver Metro area has always been an innovative leader in regional transportation thinking. The region has particular vehicular issues with its limiting bridge crossings and its unique geography.

This recent infrastructure enhancement announcement shows the power of cities working together for regional goals in areas such as transportation. For commuters, where a city boundary ends doesn't mean anything—they just want safe, reliable and affordable public transit.

The following announcement of Metro Vancouver's latest initiative offers an instructive and constructive blueprint for regional cooperation and innovation. It also shows the urgency of the three orders of government agreeing on strategies and getting the infrastructure money flowing into our communities.

The Mayors' Council and the Province of British Columbia have agreed on a plan to fund the regional share for Phase Two of the 10-Year Vision. This regional funding is another step forward to secure an historic investment in transit and transportation in Metro Vancouver.

Key elements of the plan for Phase Two include:

- Construction of Surrey-Newton-Guildford Light Rail
- Construction of Millennium Line Broadway Extension
- Significant upgrade of existing Expo-Millennium Lines to expand capacity to meet and improve the customer experience
- An 8% increase in bus service to address overcrowding, reduce wait times and bring bus services to communities with limited service
- Improvements to sidewalks, bikeways, multi-use pathways and roadways

This investment will ensure a sustainable regional share to continue to meet the demands of today and prepare for the future. In 2017 alone, there was a 6% increase in transit ridership. Demand for transit will only continue to grow as we add more than one million people to the region in the next 30 years.

It was imperative to the mayors and the Province that the funding model be fair for transit users, drivers, property owners and developers alike.



To deliver these projects, the Mayors' Council is proposing:

- ▶ **\$1.6 billion** in fare revenues expected from higher ridership resulting from service expansion **in Phase Two**, TransLink resources and efficiencies.
- ▶ A 2% increase to all transit fares over two years beginning in 2020. This amounts to a **five to 15 cent** increase to adult and concession transit fares and **1 to 3 dollar** increase to adult and concession monthly passes to pay for more bus improvements.
- ▶ **15 cents per hour** increase for an average \$5 per hour parking. This is an increase from 21% to 24% to the existing parking lot rate. Legislative amendments would be required to enable TransLink to make this change.
- ▶ **\$5.50 increase in property taxes** per average household each year or about 46 cents a month, beginning in 2019.
- ▶ About **\$300 to \$600/unit** increase to the Development Cost Charge **on new residential developments** depending on type of dwelling. Legislative changes are required to enable the Mayors Council to levy the DCC.
- ▶ Revenue from a variety of transit-related commercial opportunities.

While securing regional funding is a critical step for Phase Two, moving forward in implementing this phase is subject to federal and provincial funding. Work continues between the province and Canada to finalize approvals, with more details on a senior government agreement expected in the near future.

"This is a huge win for transit users, drivers, cyclists and pedestrians. In addition to moving forward with the rapid transit projects, this funding agreement unlocks a massive investment that will continue the significant expansion to bus service across the region that kicked off last year. Residents have been asking for more transit service for many years and we are now in the position to get that service where it's needed."

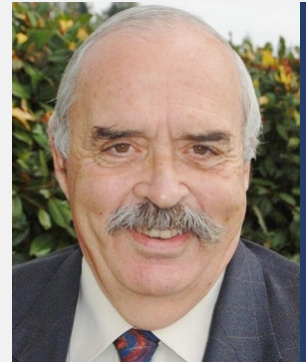
— Derek Corrigan, Mayor of the City of Burnaby

"It is important that we get moving on Phase Two of the Vision as soon as possible to get people out of congestion, so they can spend more time with their families and less time stuck in traffic. We are giving Metro Vancouver the tools they need to be able to leverage the funding committed by senior levels of government so they can continue to meet the demands of a growing region."

— Selina Robinson, BC Minister of Municipal Affairs and Housing and Responsible for TransLink

We Are Making Progress on Asset Management

WALLY WELLS P. ENG. | EXECUTIVE DIRECTOR, BC ASSET MANAGEMENT ASSOCIATION



Municipalities have been managing assets for decades.

Asset Management is quantifying in time and money the risk and consequences of our decisions as local governments look ahead. Without this step, and improving our forward-thinking and planning process, our ability to provide reliable services for our communities will continue to deteriorate as costs rise and assets fail.

The “scare” in asset management is the perception of imposing a new file with a long learning curve and a lot of work on already busy local government staff.

The Public Sector Accounting Board introduced several years ago an accounting standard called PSAB 3150, Tangible Capital Assets. Local government annual financial statements from 2010 onward include valuation of tangible capital assets. This is the first-time asset values and depreciation were reported for local governments. The accounting standard is based on historical costs and is a point-in-time analysis (though updated annually).

Asset management is a process, not just a plan:

To define the broader range of activities that constitute the asset management process, British Columbia, through **Asset Management BC**, developed ‘**Asset Management for Sustainable Service Delivery: A BC Framework**’. The framework defines all the components of the process and is the core document that funding agencies, the Province and UBCM require our communities to follow.

In BC, we do not talk about the asset management plan in isolation from the entire process. All components of the process are needed in order to provide and deliver a successful program. As a start, there is a need to ensure development of an organization-wide understanding and commitment to service delivery and the steps required to develop an asset management implementation strategy. Of importance, people must be recognized as a core asset.

Graphic representation of the ‘framework’ is shown in figure 1. The circular design is a reflection that the process is ongoing as long as a community exists and has assets. The processes require periodic monitoring, and the components need regular annual updating. The annual budget ultimately must be fully linked with the annual asset management strategy update.

The ‘framework’ has two levels of explanatory text. There is a public version, written without technical and financial terms, intended for councillors and the public. The longer version provides guidance for the asset management practitioners. Both are available for download from **Asset Management BC** at www.assetmanagementbc.ca The framework is currently being updated to include climate change, land use planning, natural capital assets and operations and maintenance.



Why Asset Management BC was created

A decade ago a federal Working Group on Asset Management concluded that regional groups were needed to implement asset management. **Asset Management BC** (AM BC) was created to be a resource for our communities. The primary mandate is *'knowledge transfer and information sharing'*.

AM BC is a 'Community of Practice'. Workshops and knowledge-sharing is common. To define and support activities, a 'working group' was formed with reps from:

- Local governments in BC
- Professional and political Associations representing skill sets within our communities
- The province
- Federal Indigenous Affairs
- First Nations.

Over the past several years, AM BC has published 22 issues of our newsletter; organized training—especially NAMS training workshops for municipal staff; and hosts an annual conference. We are proud to say our newsletter is considered one of the premiere newsletters for asset management in Canada. Most contain case studies from municipalities plus many very informative articles, tips and tactics. The newsletter is now distributed in 5 countries.

To provide long term sustainability to AM BC, this year a formal partnership agreement was executed representing core groups critical to driving *'integrated asset management'*. The partnership includes:

- Union of British Columbia Municipalities (Municipal Councillors and senior staff)
- Ministry of Municipal Affairs and Housing (Provincial government)
- Long Government Management Association (Chief Administrative Officers and senior staff)
- Government Finance Officers Association of BC (Financial personnel)
- Municipal Insurance Association of BC (Insurers and risk managers)
- Planning Institute of BC (long range and development planners)
- BC Water and Waste Association (Water and sewer system managers and operators)
- Public Works Association of BC (Public Works operations and maintenance personnel)
- CivicInfo (Information and communications)





Effective Asset Management

Implementation of asset management is not all about money. The long term financial plan is a very necessary document within the process, but it is not the only solution. There are other complementary solutions, such as:

- improving maintenance to make an asset last longer
- use of new technologies in asset renewal
- having a critical look at the role of an asset.

It is becoming clear that communities are struggling to deliver capital improvements due to staff shortages, workload and/or inadequate skill sets.

An analysis of staff resources and expertise needs to be completed as part of the asset management strategy. A program for staffing and training should be developed in parallel with asset management implementation.

Finally, communicating the results is everything. The Council document needs to be inclusive but short. The City of Selkirk, Manitoba and the District of North Vancouver, British Columbia, prepare annual “Asset Strategy” documents for Council. These are usually no more than 20 pages that summarize and make specific recommendations for Council.

Both these documents are on the AM BC website.

The plan and the strategy are not the same. Attention to the communications plan and delivery will greatly assist understanding the process and the needs. Annual updates are needed.

To summarize, the key points for better asset management include:

- AM is not new and must be integrated into daily activities. There is catch-up to do. AM is part of everyday tasks in our community.
- Asset management is a continuous, on-going process. It is about sustainable service.
- Alternative and complementary implementation strategies need to be identified—both short and long term
- Include a resource capacity analysis and program both in skill sets and the numbers of staff in your asset management program so you have the ability to deliver the results.
- Our biggest challenge is communicating effectively to Council and the taxpayer. There’s an important difference between an asset management plan and an asset management strategy. The “Strategy” report, not the AM Plan, is the annual Council document along with the annual budget.
- Attention and linkage must be given in the annual operating budget to the principles and drivers of sound asset management. Assets last longer when properly maintained. Don’t cut the maintenance budget. Capital and renewal projects must relate to service requirements for the community and be strategic in choice.



Civic Comment

GORD HUME

I have been arguing for several years that the traditional definition of the “Municipal Infrastructure Deficit” is limiting.

Infrastructure is too often considered to be only the ‘hard services’ provided by a municipality—roads, sewers, water and so on.

Those were the basic skeleton upon which we built communities decades ago. Today, however, we need to broaden and enlarge that definition to include everything from digital/fibre optic/broadband services to trees and libraries and the many other things that make up the unique quality of life that people today want and demand from civilized and liveable cities.

Yesterday we built highways for vehicles; today, we build electronic highways for global connectivity.

North America needs to wake up and realize that Asia, Europe and other places around the world are investing billions in public infrastructure—and in many cases leaving us behind. It is a disgrace that we don’t have one mile of hi-speed rail on this continent, for example.

I recommend in my books and speeches that we need to update our definition of infrastructure investing and needs:

1. **Horizontal:** The hard services for which a municipality is traditionally responsible: roads, sewers, water pipes, bridges and so on.
2. **Technology:** No city can survive or attract investment and talent today without a reliable electricity grid, hi-speed broadband, digital and technology services, etc.
3. **Creative:** All the elements that combine to provide the quality of life that residents want from their community—libraries, parks, trees, a vibrant downtown, affordable housing, local public transportation, etc.
4. **MUSH sector:** The investments that Municipalities, Universities/colleges, Schools, and Hospitals/health care must make to ensure local residents can receive the services, care and opportunities for a healthy, productive life.
5. **Federal and provincial/territorial:** The infrastructure obligations by the federal and provincial/territorial governments that directly impact local prosperity—harbours, regional public transportation, border security, Trans-Canada highway, etc.

It is going to take billions and billions of dollars. Municipalities have no hope of paying for that on their own, or even for a substantial share. We will need more private sector involvement and participation. We need faster and more permissive provincial/territorial participation. And we need a federal government that will actually invest tens of billions in our cities—and then get out of the way.

Too often three-partner governmental projects get bogged down in bureaucracy and red-tape. Hold municipalities responsible and accountable—that is fair ball. But they know better than anyone where the investments in their community are most needed. Let’s stop this needless delay in approving projects and in getting the money flowing to our communities because of stupid political games.

Infrastructure is the biggest problem in Canadian municipal government today. Paying for it is the second biggest. Our nation needs to discontinue the traditional 1/3, 1/3, 1/3 capital cost sharing, and adopt the 40-40-20 formula.

The new and better answer to improving the infrastructure problem in Canada for our municipalities can only be found in greater innovation, PPPs, unique funding concepts and an irrevocable commitment by all orders of government.

Courage. Leadership. Commitment. Character.

Let’s see who steps up.

GORD HUME

Gord Hume is recognized as one of Canada’s leading voices on municipal government and is an articulate and thoughtful commentator on civic government and community issues. He is a very popular public speaker, an advisor to municipal governments, and a respected and provocative author.

Gord was elected to London City Council four times. He has had a distinguished career in Canadian business, managing radio stations and as Publisher of a newspaper. Gord received two “Broadcaster of the Year” awards. He is now President of Hume Communications Inc., a professional independent advisor to municipalities.