

Regional Infrastructure Asset Management Project Completed

-Need for enhanced investment in regional infrastructure identified-

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An asset management project completed by Edmonton-based Urban Systems (www.urbansystems.ca) will help Flagstaff Intermunicipal Partnership (FIP) member communities reduce risks and better plan for the future.

The six month project assessed the state of a wide range of municipal infrastructure, including:

- Transportation (roads, sidewalks, and trails)
- Utilities (water, wastewater, stormwater, and gas)
- Parks and Facilities (buildings and contents)

“The results give us a vital understanding of infrastructure condition and future re-investment needs as we explore a regional governance model and work together to position our communities for success,” said Bob Coutts, Deputy Mayor of Forestburg and FIP Chair. “While results show that we have some challenges, if we work together we can plan for an ambitious future where we attract new investment and families to the region.”

Results conclude that there is a large amount of our region’s infrastructure that is past due or rapidly approaching time for replacement. This situation is not unique to our region, as many communities across Alberta and Canada are facing the same dilemma. Many communities installed water, sewer, pavement, and buildings at the same time and it is now time to replace that infrastructure. The estimated value of this replacement is approximately \$90 million in the region. Most of the region’s municipalities spend most of their tax revenue on operating activity and do not have the revenue to start replacing capital. The amount of money (annually) needed to address the infrastructure deficit ranges from 50% to 140% of annual total municipal revenues in each community in the region. This poses interesting challenges, and will require some strategic decisions.

Data indicates there isn’t much room to raise revenue through increased tax rates, utility rates, special taxes, or increasing borrowing or draw-down on small reserves. “We need to remain competitive on our tax rates, but we also need good services to attract new families and businesses to the region,” Deputy Mayor Coutts said. “The best solution to manage taxes, while still providing good services supported by good infrastructure, is working together as a region.”

One of the planning tools FIP communities are being encouraged to use is Asset Management. Asset management is the process of making decisions about the use and care of infrastructure to deliver services in a way that considers current and future needs, manages risks and opportunities, and makes the best use of resources. The Government of Alberta has advised all municipalities to implement Asset Management planning in their decision making processes. It is anticipated it will become mandatory soon.



As Deputy Mayor Coutts noted, “You can understand the value asset management brings to planning for our communities with a simple comparison to planning on the farm. Accounting processes, like Tangible Capital Assets (TCA), will depreciate a tractor on the farm for accounting and tax purposes based on its original cost, but it doesn’t indicate when to replace it, what to replace it with, and what today’s cost will be to replace it. Asset management does help with decision making around how much an asset will cost to replace, and is why it is so important to the future of our communities.” Asset management also helps with understanding and mitigating strategic risks that FIP communities are facing. Factors such as economic downturns, retiring workforce, and changing demographics have significant impact on the ability of FIP communities in delivering services to their residents. By applying an Asset Management mindset to assess risks, FIP communities have positioned themselves in a more preferable place to address these risks and their potential impacts.

FIP will be hosting public meetings throughout the region in late spring, to present information that has been gathered, and discuss the regional governance proposal for how we can work together as a region.

FIP is comprised of representatives from all municipalities within the Flagstaff Region: the Towns of Daysland, Hardisty, Killam and Sedgewick, the Villages of Alliance, Forestburg, Heisler and Loughheed, and Flagstaff County. More information on the FIP Regional Governance Initiative can be found at www.flagstaffunited.ca.

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