Agenda – Executive Policy Committee – December 3, 2019

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than four business days preceding the committee meeting, be considered by Committee.

ADDENDUM REPORTS

Item No. 11 2020 Infrastructure Plan

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the Public Service incorporates the 2020 Infrastructure Plan, attached as Appendix A, into the annual Investment Planning cycle and Multi-Year Budget process.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

DECISION MAKING HISTORY:

COUNCIL DECISION:

On June 20, 2019, Council concurred in the June 11, 2019, recommendation of the Executive Policy Committee and adopted the following:

1. That the Public Service report back to Council before the end of 2019 with a City Infrastructure Plan which will comprise prioritized capital projects, including the listing of unfunded major capital projects outlined in this report, using the revised version of the asset management prioritization model.

2. That the Public Service incorporates the information from this report as well as the forthcoming City Infrastructure Plan into the Multi-Year Budget review.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: **2020 Infrastructure Plan**

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
Chris Klos Manager, Corporate Asset Management Office	Georges Chartier Chief Asset and Project Management Officer	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

The 2020 Infrastructure Plan is the first document of its kind for the City of Winnipeg. The goal of the plan is to build upon the information previously outlined in the 2018 City Asset Management Plan, 2018 State of the Infrastructure Report and Unfunded Major Capital Projects report.

The Infrastructure Plan is meant to provide a cross-departmental view and enhance decision-making on overall City priorities. Strong consideration to the collective benefits for the city, the risks associated with project deferral and service affordability will help drive development of a multi-year capital budget.

Following a review of the asset management prioritization tool, improvements were made, such as incorporating service usage and service importance, in order to address limitations of the previous version.

The attached Infrastructure Plan provides a prioritized list of projects based on the cost benefit point ratio ranking. The plan is inclusive of both tax supported and utility based services, over $5 million. This includes the projects identified in the Unfunded Major Capital Projects report. This version of the Infrastructure Plan constitutes approximately 50% of the City's total capital needs over the next 10 years and is comprised of 45 projects with a combined total cost of $5.8 billion.

Future versions of the Infrastructure Plan will be expanded to include all projects and programs representing the total capital needs over a ten year period

RECOMMENDATIONS

1. That the Public Service incorporates the 2020 Infrastructure Plan, attached as Appendix A, into the annual Investment Planning cycle and Multi-Year Budget process.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

On June 20, 2019 Council directed the Public Service to complete the following:

1. That the Public Service report back to Council before the end of 2019 with an Infrastructure Plan which will comprise of prioritized capital projects, including the listing of unfunded major capital projects outlined in the Unfunded Major Capital Projects report, using the revised version of the asset management prioritization model.

2. That the Public Service incorporates the information from the Unfunded Major Capital Projects report as well as the Infrastructure Plan into the Multi-Year Budget process.

IMPLICATIONS OF THE RECOMMENDATIONS

The annual Infrastructure Plan will be integrated into the Investment Planning cycle and Multi-Year Budget process.

HISTORY/DISCUSSION

The City Asset Management Plan, State of the Infrastructure Report and Asset Management Prioritization tool were all used in the development of the Infrastructure Plan. These resources provided a city wide assessment of asset information, strategies and investment needs required to build a sustainable 10 year plan.

City Asset Management Plan (CAMP)

In 2018, the City completed its first City Asset Management Plan (CAMP). Through the CAMP, the consolidation and analysis of information on assets across all departments, including the historic distribution of capital funding for these assets over the last decade, was undertaken. Providing detailed information about the City's infrastructure as a whole, including the replacement value and condition of existing assets, the estimated cost for needed improvements on existing and future assets, and the remaining service life of existing assets instituted a solid benchmark for monitoring key performance indicators and allowing for an objective comparison across multiple service areas.

The amalgamation of each department's spending plans and needs over ten years was used to calculate the City's infrastructure deficit. Total capital investment needs for each department were based on a 10-year horizon and included both existing and new infrastructure. The gap between total capital needs and estimated future funding, resulted in a $6.9 billion deficit.

State of the Infrastructure Report (SOIR)

The City's 2018 State of the Infrastructure Report is a high-level summary of the detailed findings of the CAMP and highlights how the City must balance a multitude of competing spending priorities with limited resources. As the city continues to grow at historically high rates, the need to make sustainable, well timed infrastructure investments is essential to ensuring the delivery of high-quality services for residents.

Asset Management Prioritization Tool

Following a review of the asset management prioritization tool, improvements were made in order to address limitations of the previous version. The prioritization tool uses a weighted, multi-criteria analysis to evaluate how the proposed investments contribute to a range of service needs and strategic priorities. The degree to which services are used by residents as well as the relative importance and impact of the service, are added features to the improved prioritization tool which allow these elements to be considered as part of the evaluation. By comparing these benefits to the overall cost, its relative value can be assessed using a cost benefit points ratio.

All 45 projects were evaluated using this methodology and consolidated into a master list of funded and unfunded, prioritized projects within the Infrastructure Plan.

Infrastructure Plan

The Infrastructure Plan is the first document of its kind for the City of Winnipeg. The goal of the plan is to build upon the information previously outlined in the City Asset Management Plan, State of the Infrastructure Report and Unfunded Major Capital Projects Detail report.

Having additional insight and a broad overview of the City's infrastructure needs and financial reality, the Infrastructure Plan is intended to be a blueprint for maintaining sustainable and affordable service delivery to residents by incorporating the information from the plan into the City's Investment Planning cycle and Multi-Year Budget process on an annual basis.

The Infrastructure Plan is not a capital budget.

The Infrastructure Plan is meant to capture the City's ten year investment strategy which outlines capital priorities and the limited availability of funding to support the development of a multi-year capital budget. Enhanced decision making is facilitated through capital optimization and continuous monitoring of the City's infrastructure deficit, debt capacity and financing sources.

Departments will use the Infrastructure Plan on an annual basis to guide their investment planning efforts based on aligned capital priorities and budget availability. The Infrastructure Plan is meant to inform the capital planning process and ensure alignment with long-term City objectives as set out in OurWinnipeg, Council priorities and departmental plans.

This first version of the Infrastructure Plan encompasses all city services, both tax supported and utility based, and applies to all funded and unfunded capital projects with a cost of over $5 million. These 45 projects with a combined total cost of $5.8 billion, captures approximately 50% of the City's total capital needs from 2020-2029.

The remaining 50% of capital needs, which are not reflected in this plan, encompasses projects under $5 million as well as programs that focus on renewals and capital maintenance. Therefore, all service needs have not been fully identified within this iteration of the Infrastructure Plan.

The attached Infrastructure Plan provides a prioritized list of projects based on the cost benefit point ratio ranking. The prioritized listing represents the most value to the City based on the cost benefit points ratio. Thus, not only will a project's benefits be considered, but also the financial impact to the City.
Future versions of this document will be expanded to include all projects and programs representing the total capital needs over a ten year period.

FINANCIAL IMPACT

Financial Impact Statement **Date:** **November 14, 2019**

Project Name: 2020 Infrastructure Plan

COMMENTS:

There are no financial implications to the recommendations of this report.

Original signed by T. Yanchishyn
Tanis Yanchishyn
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

- Public Works
- Water and Waste
- Winnipeg Transit
- Community Services
- Winnipeg Fire Paramedic Service
- Winnipeg Police Service
- Planning, Property & Development
- Corporate Finance
- Customer Service & Communications

OURWINNIPEG POLICY ALIGNMENT

01-3 Prosperity – Direction 1 – Provide Efficient and Focused Civic Administration and Governance

This report supports the demonstration of accountability through reporting and to continuously pursue innovative, streamlined service delivery and decision-making processes.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Action 1.2 Incorporate climate action priorities into the annual budget process to ensure the City has resources to implement priority projects.

The asset management prioritization tool and associated benefit evaluation criteria was updated to give greater weight to and provide clearer guidance on the environmental benefits of capital investments.

SUBMITTED BY

Department: Office of the Chief Administrative Officer
Division: Infrastructure Planning Office
Prepared by: Chris Klos, Manager, Corporate Asset Management Office
Date: November 14, 2019

Attachments:

Appendix A: 2020 Infrastructure Plan