



Ministry of Infrastructure	Ministère de l'Infrastructure
Ministry of Transportation	Ministère des Transports
Ministry of Municipal Affairs and Housing	Ministère des Affaires municipales et du Logement
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MC-2012-682

November 15, 2012

His Worship Bob Bratina
City of Hamilton
Hamilton City Hall
71 Main Street West
Hamilton ON L8P 4Y5

Dear Mayor Bratina:

I am very pleased to be able to write to you today and provide an update on Ontario's Municipal Infrastructure Strategy. My announcement of the strategy on August 16, 2012, and speech at the Association of Municipalities of Ontario (AMO) annual conference in August emphasized the importance of good asset management planning. As indicated in the strategy, the policy going forward is that municipalities requesting provincial infrastructure funding will need to show how projects fit within a comprehensive asset management plan.

Asset management planning helps us make smart decisions about building, operating, maintaining, renewing and replacing infrastructure over the long term. Working collaboratively to focus on the most pressing needs and to show that we have done our homework with respect to addressing those needs will put us in good stead as we negotiate future funding programs with the federal government.

To support municipalities, we have made available a guide and an online web portal. *Building Together: Guide for Municipal Asset Management Plans* sets out the information and analysis that asset management plans should include, at a minimum. The online asset management toolkit is available to help municipalities develop or refine their plans (ontario.ca/municipalinfrastructure).

In addition, Ontario is providing \$60 million over the next three years to municipalities through our new funding program, the Municipal Infrastructure Investment Initiative (MIII). Up to \$9 million is being made available this year to help municipalities prepare their plans, while the remaining funds will help address critical projects identified in those finalized plans.

The uptake for asset management funding has been exceptional – nearly 100 per cent of eligible communities submitted expressions of interest for funding by the October 22nd deadline. Interest in this program tells me that we are on the right track with our focus on asset management planning. Municipalities that met eligibility will be receiving notification and their funding very soon.

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I am also pleased to inform you that we have launched the next phase of this work – the MIII Capital Program. This \$51-million program is now available to all Ontario municipalities and is intended to help address critical road, bridge, water and wastewater projects identified through asset management plans. I certainly appreciate that this infrastructure funding program is relatively modest when compared to the need for investment. As I communicated in August, we are working hard to find ways to extend the duration of this program and to expand the envelope.

While additional program details can be found in the Capital Program Manual posted online at ontario.ca/municipalinfrastructure, I would like to draw your attention to the key features of this program, many of which will be new to municipalities.

- The first step will be a pre-screen. This will help identify projects that have the greatest potential for alignment with the objectives of the MIII Capital Program and to minimize time spent preparing applications. Expressions of Interest are due by January 9, 2013.
- Asset management plans are the tool by which applicants can demonstrate that proposed projects are top priorities and that the full range of local infrastructure financing tools has been explored.
- The share of provincial funding that may be requested is flexible up to a maximum of 90% of total project costs or \$2 million, whichever is lower. Applicants will need to put forward a rationale for the amount of funding requested and demonstrate that they are doing what they can financially to move forward with the project.

We have been hearing concerns that municipalities will not have enough time to complete asset management plans before applications are due for the capital funding. We certainly appreciate that it will take time to prepare asset management plans that are consistent with the content outlined in the Guide for Municipal Asset Management Plans. In cases where a municipality or Local Services Board with only a partial asset management plan has an urgent road, bridge, water or wastewater project that it cannot address on its own, it may put the project forward for funding consideration under the MIII Capital Program. As part of this, we will be looking for strong commitments from applicants to completion of asset management plans by the end of 2013.

Our government has made unprecedented investments in infrastructure across the province. We will continue to partner with all municipalities to invest in local infrastructure to support economic growth and enhance quality of life.

Sincerely,



Bob Chiarelli
Minister