

Administrative Agreement on the Federal Gas Tax Fund (GTF)



Outcomes Report 2018

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Letter of Transmittal

March 19, 2018

Mr. Marc Fortin
Assistant Deputy Minister
Program Operations Branch
Infrastructure Canada
1100 – 180 Kent Street
OTTAWA ON K1P 0B6

Dear Mr. Fortin:

On behalf of the Government of Saskatchewan's Ministry of Government Relations, I am pleased to provide Outcomes Report 2018 under the Administrative Agreement on the Federal Gas Tax Fund (GTF). The report provides an analysis on projects completed between April 1, 2014 and December 31, 2016, the impact of the GTF as a predictable source of funding, and the progress made on asset management.

Sincerely,

Keith Comstock
Assistant Deputy Minister
Municipal Relations

Executive Summary

As part of the reporting requirements under the renewed federal Gas Tax Fund (GTF), the Government of Saskatchewan will provide outcomes reports to the federal government that report on:

- the beneficial impacts on communities of completed projects funded by the program,
- the enhanced impact of GTF as a predictable source of funding, and
- the progress made on improving local government planning and asset management.

Under the original GTF, the Government of Saskatchewan completed three outcomes reports for projects completed between April 1, 2005 and December 31, 2008; January 1, 2009 and December 31, 2012; and January 1, 2013 and March 31, 2014. The last report finalized the outcomes reporting under the original agreement.

This first report under the renewed agreement provides an analysis on projects completed between April 1, 2014 and December 31, 2016. It provides an overall summary of the results, as well as a summary for each project category, and demonstrates how these projects support the national objectives of productivity and economic growth, a clean environment, and strong cities and communities.

In this report, Saskatchewan is reporting on 737 projects in 475 municipalities. The total cost of the completed projects is \$253 million, of which \$99.6 million or 39.4 per cent is funded through the GTF. Some municipalities, such as those completing projects under Broadband Connectivity and Sport Infrastructure, fund their entire project using Gas Tax funds. Others contribute towards the project through their own means or by accessing funds from other sources.

Under the renewed agreement, the project categories were expanded from seven to eighteen, enabling municipalities to invest in many different types of infrastructure to meet local needs and support national objectives. However, projects under the original categories continue to be the most popular, accounting for 704 or 95.5 per cent of the total projects completed. In fact, of the total GTF funding, the largest amount (39.3 per cent) went to Local Roads and Bridges, with 345 projects completed using \$39.12 million in Gas Tax funding.

The aggregated results show that significant investments have been made into projects that contribute to the national objectives, with 47.5 per cent of the projects supporting productivity and economic growth; 46.9 per cent supporting a clean environment; and 5.6 per cent supporting strong cities and communities.

Highlights from the completed projects include:

- 15 of the 18 project categories were utilized
- Local Roads and Bridges is the most popular category overall; Recreation is the most popular of the new categories
- Over 11,000 metres of culverts installed
- Increase of over 84,000 cubic metres daily of treated water
- Decrease in average age of wastewater collection pipes of 37 years
- 87 metric tonnes of waste diverted annually from landfills
- 115,577 cubic metres of natural gas energy savings annually
- 35 public transit buses purchased in the Cities of Regina and Saskatoon
- Increase of 2,690 visitors to communities as a result of the new categories of Culture, Recreation and Tourism
- More than 3 million square metres of land area protected or at reduced risk from disasters
- 9,290 square metres of airport runway renewed
- 210 cubic metres of contaminants removed and a playground developed under Brownfield Redevelopment

In addition to the outcomes on completed projects, municipal and provincial spending from 2010 to 2014 was analyzed to determine if GTF funding is incremental to municipal and provincial expenditures on capital infrastructure. The results confirm that both municipal and provincial spending continues to increase, and that Gas Tax funding is not replacing existing sources for capital infrastructure.

To demonstrate the GTF as a predictable source of funding, municipal spending for all 750 municipalities currently participating in the Gas Tax program was reviewed. At the end of December 31, 2016, 338 municipalities (or 45 per cent) had borrowed \$30.3 million against their future Gas Tax allocations to March 2019. In addition, over 60 per cent of the municipalities indicated their project would not have been completed at this time without the availability of Gas Tax funding. Municipalities are also thinking long-term with over 70 per cent incorporating their project into their capital plan, which clearly shows that municipalities anticipate receiving Gas Tax funding into the future.

This report also shows the progress made on improving local government planning and asset management in our municipalities. A baseline survey was developed and sent out to municipalities in 2016, and a second 'check-in' survey was sent out in 2017 to measure the progress made by municipalities in developing and implementing asset management. The results show an additional 25.2 per cent (187) of municipalities have started to implement asset management; approximately two-thirds (268) of the municipalities that had started asset management in 2016 stated they progressed further between the 2016 and 2017 survey; and approximately 43 per cent (52) of the municipalities that had identified they had no plans to implement asset management, began to implement it in 2017.

The GTF is now permanent and will be indexed at two per cent annually. Saskatchewan's allocation over the first five years of the renewed agreement from 2014-15 to 2018-19 is \$292.7 million. Funding beyond 2018-19 will be based on 2016 Census figures. The renewed GTF is providing predictable, long-term, stable funding for Canadian municipalities to help them build and revitalize their local public infrastructure while creating jobs and long-term prosperity. Municipalities appreciate the flexibility of the program, being able to pool, bank and borrow against the funding, providing them with greater opportunity to utilize their funding.

General Information

Program Overview

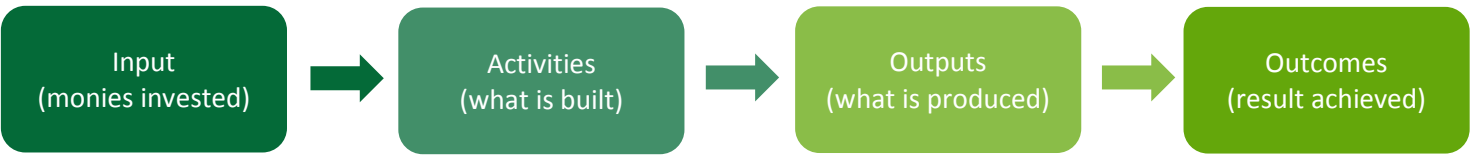
The federal Gas Tax Fund (GTF) was introduced in 2005 as a predictable and permanent source of infrastructure funding support for municipalities. The original agreement provided Saskatchewan municipalities with \$372 million over nine years, ending in 2013-14.

In 2014, Saskatchewan and Canada entered into a new agreement, the Administrative Agreement on the Federal Gas Tax Fund (the Agreement), renewing the program for a ten-year term from 2014-15 to 2023-24. The GTF is now permanent and will be indexed at two per cent annually to be applied in \$100 million increments. Saskatchewan’s allocation over the first five years of the new program from 2014-15 to 2018-19 is \$292.7 million, based on 2011 Statistics Canada Census figures. Allocations to 2019-20 to 2023-24 will be based on 2016 Census data. In addition, the federal government announced in its 2016 budget that uncommitted funds from legacy federal infrastructure programs would be transferred to municipalities through a temporary top-up of the renewed GTF. Saskatchewan received \$1.2 million of those funds in March 2017.

All Saskatchewan municipalities are eligible to receive funding on a per capita basis for their infrastructure and capacity building projects. Funds can be pooled, banked and borrowed against, providing significant financial flexibility. The funding is provided up front, twice-a-year, to the province, who in turn flows this funding to the municipalities to support local infrastructure priorities.

In order to access funding, municipalities enter into an agreement with the province, and submit an Infrastructure Investment Plan (IIP) to ensure projects are eligible. A municipality submits an IIP for each project it intends to undertake using GTF funding.

Performance measure indicators help to establish the expected result of a project by setting out output and outcome targets. At the beginning of a project, when an IIP is completed by a municipality and submitted for Ministerial approval, the IIP is expected to outline the investment and activities required to complete the project, the expected direct product or service of the project (the output), and the related benefit a community will receive as a result of completing the project (the outcome). This logical flow of a project funded by the GTF is depicted in the following diagram:



Eighteen project categories enable municipalities to invest in many different types of infrastructure that meet local need and support the national objectives of increased productivity and economic growth, clean environment, and strong cities and communities. Table 1.1 shows the primary national objective for each category.

Table 1.1: National Objectives

Primary National Objective	Eligible Project Categories
Productivity and Economic Growth	Local Roads and Bridges Public Transit Regional and Local Airports Broadband Connectivity Short-sea Shipping Short-line Rail Highways
Clean Environment	Drinking Water Wastewater Solid Waste Community Energy Systems Brownfield Redevelopment
Strong Cities and Communities	Capacity Building Disaster Mitigation Recreational Infrastructure Cultural Infrastructure Tourism Infrastructure Sport Infrastructure

Approach/Methodology for Collecting Data on Beneficial Impacts

As part of the New Building Canada Plan, the renewed GTF supports three outcomes:

- investing in community infrastructure;
- providing municipalities with access to a predictable source of funding; and
- supporting and encouraging long-term municipal planning and asset management.

Under the terms of the renewed agreement, the Ministry is required to provide Outcomes Reports to the federal government by March 31, 2018 and March 31, 2023 to report in aggregate on the degree to which investments are supporting the progress of Saskatchewan towards achieving the following program benefits:

- beneficial impacts on communities of completed eligible projects;
- enhanced impact of GTF as a predictable source of funding including incrementality; and
- progress made on improving municipal planning and asset management.

For this 2018 report, based on a list of potential performance indicators provided by Infrastructure Canada, each province and territory established their own outcomes to identify the beneficial impact of completed projects.

In 2016, Saskatchewan finalized its performance measure indicators based on the new national objectives. Other factors, such as the types of projects approved, indicators from other jurisdictions, and existing information already collected or readily available to municipalities, were also reviewed. The completed document, *Performance Measure Indicators for Saskatchewan*, was approved by the Oversight Committee (OC) Co-chairs in May 2017.

Based on the approved performance measure indicators, the Ministry developed online forms for each eligible project category to collect output and outcome data from municipalities on projects completed between April 1, 2014 and December 31, 2016. Municipalities report on the status of their projects annually when they complete their annual expenditure report. There were 737 projects in 475 municipalities reported as complete. Of the 18 eligible project categories, 15 were utilized. No projects were completed under the categories of Highways, Short-sea Shipping or Short-line Rail.

Municipalities were sent outcome reporting forms for each project that they reported as complete. The forms were pre-populated with information about the project, including project title, project description, start and end dates, total project cost and total Gas Tax funding. The forms were sent to the municipalities, and included definitions and frequently asked questions to help them in completing their reports. Samples were also developed for some of the categories.

Each form contained multiple output and outcome choices, and municipalities were instructed to select at least one output and one outcome performance indicator that best describes the primary intent of the project. They were also able to select 'other' and provide an open response if no output or outcome indicators were applicable to their project. If data was available and there was local capacity, additional indicators were encouraged to be completed.

For each project category, a spreadsheet was created to record the responses, allowing the Ministry to aggregate information to provide overall results. The responses were reviewed and analysed using criteria such as reasonability, reliability and comparison. Clarification was sought if required. Information on immeasurable general project benefits is summarized in each project category section, if received.

This report identifies both the GTF funds used on the project and the total project costs. Providing information on total project costs provides context for the scale of the projects and the portion supported by the GTF. The work completed is not prorated based on the amount of GTF funding used for the project. For example, if the GTF covered 50 per cent of a \$5 million, 10 kilometre road project, the report will reflect \$2.5 million GTF and 10 kilometres.

In addition to output and outcome information on the beneficial impact of the completed project, each form also contained specific questions to assist in demonstrating GTF as a long-term predictable funding solution.

Further information on the approach and methodology used to collect data for asset management and incrementality is included in those sections of this report.

Reporting Period

This outcomes report includes data for projects identified as being completed between April 1, 2014 and December 31, 2016. This information was compiled to show the beneficial impact on communities of the completed projects.

Outcome data received by the Ministry after January 18, 2018 is not included in this report. Municipalities that have not submitted their data are still required to provide this information to the Ministry to fulfil their reporting requirements under the agreement.

Summary of Completed Projects

Saskatchewan municipalities reported 737 projects as being completed between April 1, 2014 and December 31, 2016, utilizing 15 of the 18 project categories available under the program. Projects under the original seven categories continue to be the most popular, accounting for 704 or 95.5 per cent of the total projects completed. These original seven categories also make up 97.9 per cent of the “Total GTF Contribution on Completed Projects”. This information is summarized in Table 2.1.

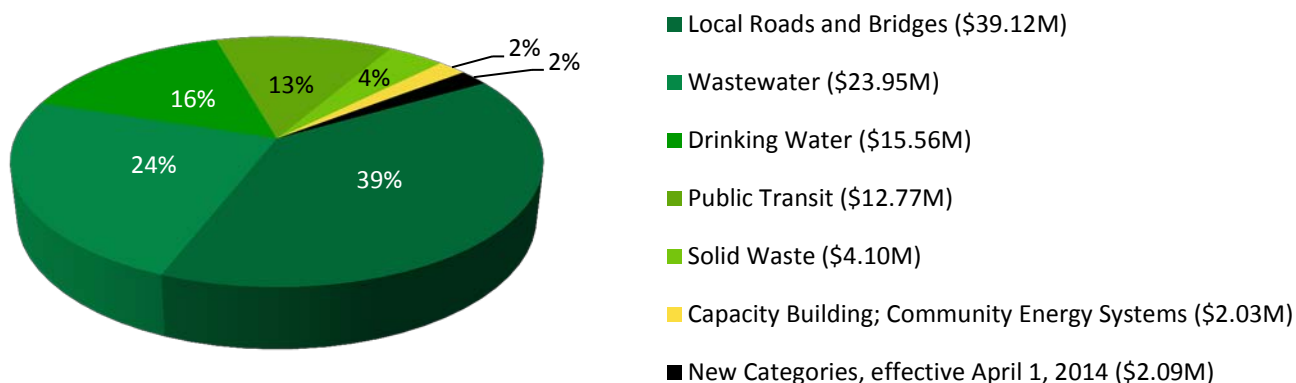
Table 2.1: Summary of Completed Projects

Project Category	Category Type*	No. of Completed Projects	Total Cost of Completed Projects	Total GTF Contribution on Completed Projects
Broadband Connectivity	New	1	\$ 24,000	\$ 24,000
Brownfield Redevelopment	New	1	230,766	198,634
Capacity Building	Original	11	346,020	197,727
Community Energy Systems	Original	81	5,308,902	1,836,814
Cultural Infrastructure	New	2	101,907	71,000
Disaster Mitigation	New	4	97,240	54,736
Drinking Water	Original	134	60,687,270	15,555,171
Local Roads and Bridges	Original	345	114,954,747	39,115,030
Public Transit	Original	3	17,278,838	12,773,800
Recreational Infrastructure	New	19	2,169,536	1,465,793
Regional and Local Airports	New	1	330,179	173,679
Solid Waste	Original	28	6,548,697	4,102,879
Sport Infrastructure	New	1	31,393	31,393
Tourism Infrastructure	New	4	72,100	66,278
Wastewater	Original	102	44,821,553	23,945,617
Total		737	\$ 253,003,148	\$ 99,612,551

*‘Original’ references eligible categories under the original Gas Tax Fund agreement from 2005 to 2014. ‘New’ refers to expanded categories under the renewed Gas Tax Fund agreement.

Figure 2.1 illustrates the percentage of GTF funding that was used on the completed projects.

Figure 2.1: Percentage of GTF Funding Utilized by Eligible Category



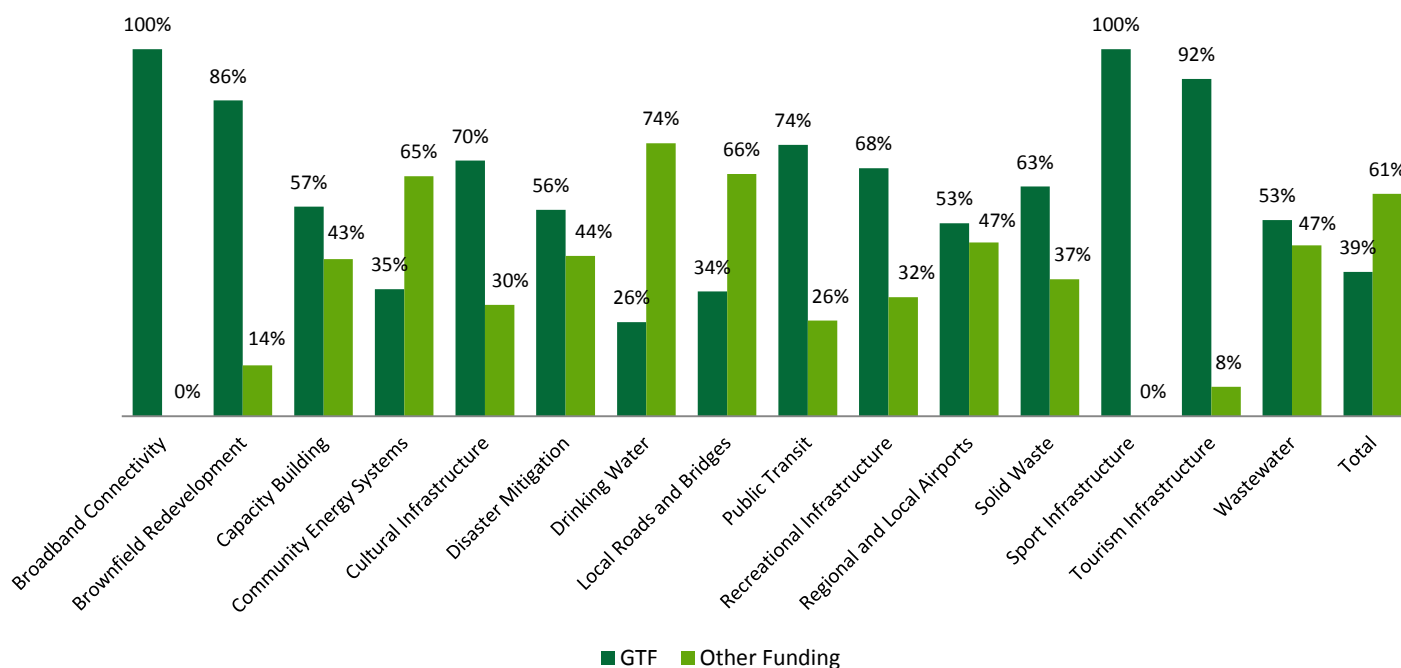
Of the 737 completed projects, outcome reports were not received for eight projects, as shown in Table 2.2. The remaining 729 projects, representing 99.84 per cent of the total GTF contributions, are reported in the project category tables beginning on page 9.

Table 2.2: Outcome Reports Not Received

Project Category	No. of Completed Projects	Total Cost of Completed Projects	Total GTF Contribution on Completed Projects
Community Energy Systems	2	\$ 44,479	\$ 14,395
Drinking Water	3	578,410	74,452
Local Roads and Bridges	1	982	129
Wastewater	2	559,960	67,284
Total	8	\$ 1,183,831	\$ 156,260

Figure 2.2 illustrates for each eligible category the relationship between Gas Tax funding and other funding for the project. There were only three categories, Drinking Water, Local Roads and Bridges and Community Energy Systems, where the other contribution exceeded the Gas Tax funding. For individual projects, Gas Tax fund contributions ranged from 0.87 per cent to 100 per cent of the total eligible project costs. Overall, for every dollar of Gas Tax funds spent, there was a further \$1.54 spent by the municipalities on the project.

Figure 2.2: GTF Funding to Other Funding on Completed Eligible Projects



Beneficial Impact on Communities of Completed Eligible Projects

The following tables demonstrate, by category, the outputs and outcomes realized from the 729 completed projects that reported outcomes.

Project Category:

National Objective:

Broadband Connectivity

Productivity and Economic Growth



Broadband Connectivity includes infrastructure that provides internet access to residents, businesses, and/or institutions in Canadian communities.

Table 3.1: Broadband Connectivity Outputs

Output PM Indicator	Data
Technology and equipment acquired (number)	1

Table 3.2: Broadband Connectivity Outcomes

Outcome PM Indicator	No. of Projects	Result
Increase in geographical area with access to broadband high speed internet, 1.5 MBPS or higher (square kilometres)	1	2.50
Increase in geographical area with access to broadband high speed internet, 1.5 MBPS or higher (per cent)	1	500.0

Gas Tax Dollars at Work

Gas Tax funds were used to install Dedicated Subscriber Line (DSL) equipment within the community of Flaxcombe. This increased the download speeds from dial-up to 10 MBPS to all existing homes and businesses in the community. The geographical area with access to high speed internet increased from 0.5 to 3.0 square kilometres, or 500 per cent.



Project Category:
National Objective:

Brownfield Redevelopment
Clean Environment

Total Projects Reporting

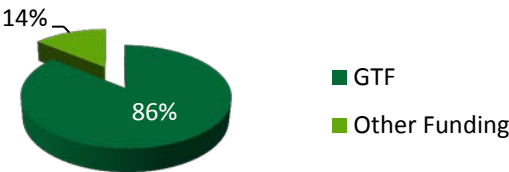
1

Total Project Costs

\$230,766

Total Gas Tax Funding

\$198,634



Brownfield Redevelopment is remediation or decontamination and redevelopment of a brownfield site within municipal boundaries, where the redevelopment includes: the construction of public infrastructure as identified in the context of any other category under the GTF, and/or the construction of municipal use public parks and publicly-owned social housing.

Table 3.3: Brownfield Redevelopment Outputs

Output PM Indicator	Data
Land remediated (square metres)	409.00
Contaminants removed (cubic metres)	210.42
Public parks, playgrounds developed (square metres)	144.00

Table 3.4: Brownfield Redevelopment Outcomes

Outcome PM Indicator	No. of Projects	Result
Increase in people using parks and playgrounds developed (number)	1	100
Different types of contaminants removed or reduced to safe exposure level (number)	1	2

Gas Tax Dollars at Work

The Town of Lashburn used their Gas Tax funding to reclaim an area in Heritage Park, a former school site, for construction of a public playground. The project included emptying and digging out a contaminated heating fuel tank, soil removal and analysis, delineation of petroleum hydrocarbon impacts, site assessment, vapor investigation and risk assessment, followed by construction of a playground structure.

In addition to the primary national objective of clean environment with improved air and soil quality, the municipality also identified that the project made their community stronger by taking an unusable parcel of land, and turning it into a useable public space with a playground structure.



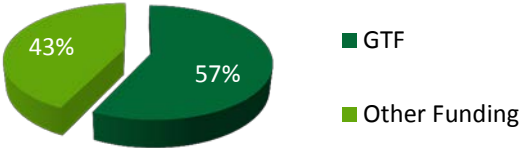
Photos Courtesy of Town of Lashburn

Project Category:
National Objective:

Capacity Building
Strong Cities and Communities

Total Projects Reporting
Total Project Costs
Total Gas Tax Funding

11
\$346,020
\$197,727



The Capacity Building category under the renewed agreement relates to strengthening the ability of municipalities to improve local and regional planning including capital investment plans, integrated community sustainability plans, life-cycle cost assessments, and asset management plans. Expenditures may include developing and implementing studies, strategies or systems related to asset management, which may include software acquisition and implementation; training directly related to asset management planning; and long-term infrastructure plans.

Table 3.5: Capacity Building Outputs

Output PM Indicator	Data
Long-term infrastructure planning sessions (number)	9
Studies and strategic assessments conducted (number)	1
Individuals who completed training related to asset management or municipal long-term planning (number)	8
Software/system acquired (number)	10

Table 3.6: Capacity Building Outcomes

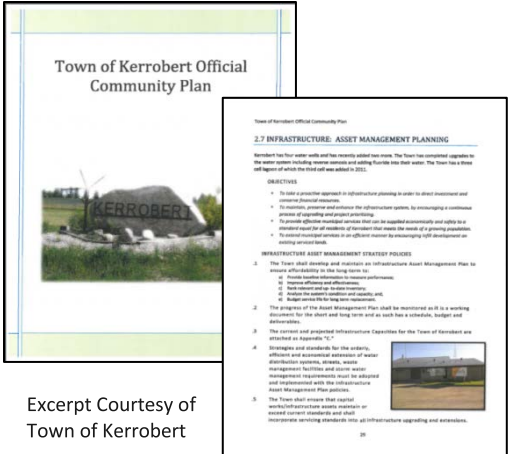
Outcome PM Indicator	No. of Projects	Result
Asset Management Plan(s)/Community Plan(s)/Regional Community Plan(s)	11	3 initiated 3 progressed 5 completed

Eleven Capacity Building projects were completed, resulting in three planning documents being initiated, three progressing and five completed. Projects included purchase of asset management software, attendance at training sessions, and engaging technical support to assist in determining life cycle costing and in developing preventative schedules for maintenance and replacement of assets.

Gas Tax Dollars at Work

The Town of Kerrobert used their Gas Tax funding to develop an updated Official Community Plan. The new plan will assist the town in becoming strong and more viable in the future, providing for future growth, new industry, and changes in how services can be provided. The municipality reports that since inception of the planning process and development of new bylaws, several new ventures have been brought forth within the town including new living accommodations, motels and convenience stores.

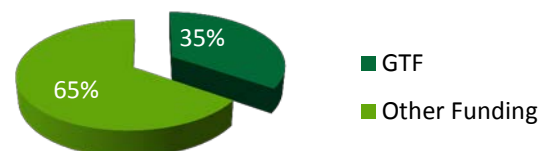
The Official Community Plan integrates the town’s asset management plan.



Excerpt Courtesy of Town of Kerrobert

Project Category: Community Energy Systems
National Objective: Clean Environment

Total Projects Reporting 79
Total Project Costs \$5,264,423
Total Gas Tax Funding \$1,822,419



Projects in the Community Energy Systems category include infrastructure that generates or increases the efficient usage of energy.

Table 3.7: Community Energy Systems Outputs

Output PM Indicator	Data
Buildings retrofitted (doors, windows, roofing, insulation, energy efficient lighting, heating and cooling systems installed) (number)	80
Buildings retrofitted (doors, windows, roofing, insulation, energy efficient lighting, heating and cooling systems installed) (total square metres)	38,473.00

Table 3.8: Community Energy Systems Outcomes

Outcome PM Indicator	No. of Projects	Result
Decrease in energy usage (propane, heating fuel) (litres/year)	2	-241.82 ¹
Decrease in energy usage (natural gas) (cubic metres/year)	19	115,577.16
Decrease in energy usage (electricity) (kilowatt-hour/year)	19	97,436.53
Operational saving due to energy conservation (Canadian dollars)	29	\$13,384

¹ Higher fuel usage due to increased use of facility.

Eighty buildings totaling over 38,000 square metres were modified with items such as doors, windows, roofing, insulation, lighting, and heating and cooling systems to increase energy efficiency. The resulting outcomes demonstrate a marked decrease in energy usage for natural gas and electricity, as well as cost savings of more than \$13,000 per year. For one project, however, heating fuel usage was higher due to increased use of the facility after the project was completed. This resulted in an overall increase to this outcome instead of the expected decrease.

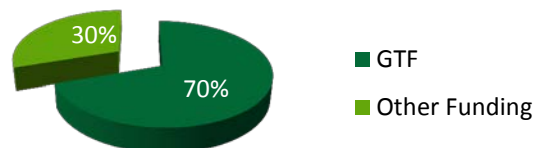
Other outcomes reported in this category include increased usage, improved lighting quality, extended useful life of the building, improved safety, improved efficiency and improved public health.

Gas Tax Dollars at Work

The Rural Municipality of Douglas No. 436 used this category to retrofit both the municipal office and workshop. The office project included replacing two windows with triple glaze units, replacing two doors with energy efficient frames and doors, replacing the furnace and chimney with energy efficient furnace and programmable thermostat, replacing existing lights with electronic fluorescent ballasts and T8-48-32 w tubes. The workshop was retrofitted by replacing two windows with triple glazed units, replacing four walk-in doors with energy efficient doors, replacing the furnace with an energy efficient furnace, replacing another furnace with efficient infrared heating, replacing lights with electronic fluorescent ballasts and T8-48-32 w tubes, replacing overhead door with a more energy efficient door with remote open and close, and installing ventilation exhaust system over the welding area to exhaust harmful welding fumes. For the complete project, the municipality reduced its annual energy usage by 5,438.5 cubic metres for natural gas and 2,833 kwh for electricity.

Project Category: Cultural Infrastructure
National Objective: Strong Cities and Communities

Total Projects Reporting 2
Total Project Costs \$101,907
Total Gas Tax Funding \$71,000



The Cultural Infrastructure category supports arts, humanities and heritage.

Table 3.9: Cultural Infrastructure Outputs

Output PM Indicator	Data
Construction and renewal of museum (number)	1
Construction and renewal of museum (total square metres)	988.00
Construction and renewal of hall (number)	1
Construction and renewal of hall (total square metres)	777.00

Table 3.10: Cultural Infrastructure Outcomes

Outcome PM Indicator	No. of Projects	Result
Increase in residents that benefit from the infrastructure (number)	1	153
Increase in users (number/year)	1	200
Increase in annual events (number)	1	5
Increase in visitors to community (number/year)	2	465

Gas Tax Dollars at Work

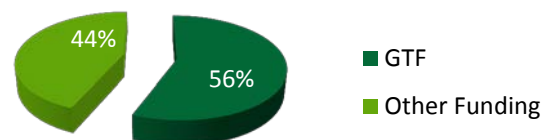
The Rural Municipality of Clinworth No. 230 used their Gas Tax funding to upgrade the roof on the Great Sandhills Museum and Interpretative Centre. With the life expectancy of the roof extended by many years, the community is able to protect their exhibits while continuing to keep the museum open for residents and tourists. The municipality writes, “These same people tour the great sandhills and also spend dollars at local businesses whether it is purchasing gas, food or buying at the second hand store. Some tourists enjoy the small campground in the Village and tour the sites around Sceptre and surrounding area.”



Photo Courtesy of the R.M. of Clinworth No. 230

Project Category: Disaster Mitigation
National Objective: Strong Cities and Communities

Total Projects Reporting 4
Total Project Costs \$97,240
Total Gas Tax Funding \$54,736



Disaster Mitigation includes infrastructure that reduces or eliminates long-term impacts and risks associated with natural disasters.

Table 3.11: Disaster Mitigation Outputs

Output PM Indicator	Data
Construction/installation of dikes, berms, drainage ditches, culverts, fire breaks (total number)	11
Construction/installation of dikes, berms, drainage ditches, culverts, fire breaks (total metres)	1,491.00

Table 3.12: Disaster Mitigation Outcomes

Outcome PM Indicator	No. of Projects	Result
Increase in properties protected/reduced risk (number)	2	112
Land area protected/reduced risk (square metres)	3	3,385,700.00

The projects completed under this category included construction of a berm, a permanent retaining wall and a drainage ditch, and installation of a pipeline and culverts, all for protection against flooding.

Other outcomes reported in this category include improved accessibility to critical services.

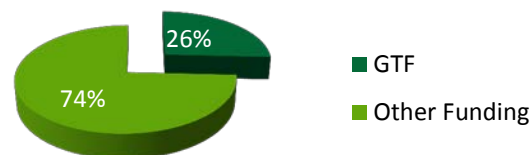
Gas Tax Dollars at Work

The Rural Municipality of Grandview No. 349 installed a buried sewer pipeline to drain sloughs, preventing Grid 656 from being washed away due to high water volumes. This not only protected an additional 495,000 square metres of land, but secured the shortest distance to critical health services for the residents in the municipality.

The Village of Limerick's project was a floodwater drainage system which controls excess water by directing it through the village, protecting all 72 properties in the municipality.

Project Category: Drinking Water
National Objective: Clean Environment

Total Projects Reporting 131
Total Project Costs \$60,108,860
Total Gas Tax Funding \$15,480,720



Drinking Water infrastructure continues to be an important category for Saskatchewan municipalities, supporting drinking water conservation, collection, treatment and distribution systems.

Table 3.13: Drinking Water Outputs

Output PM Indicator	Data
Drinking water treatment:	
Construction and renewal of water treatment plant(s) (total number)	13
Construction and renewal of water treatment plant(s) (total cubic metres)	54,009.21
Water treatment plant equipment acquired (number)	47
Filtration system and equipment acquired (number)	25
Drinking water distribution:	
Waterlines installed (metres)	8,945.10
Generators acquired (number)	9
Water meters installed (number)	3,499
Curb stops installed (number)	124
Equipment acquired (number)	60
Drinking water storage:	
Construction and renewal of new wells, water towers, reservoirs, dams (total number)	24

Table 3.14: Drinking Water Outcomes

Outcome PM Indicator	No. of Projects	Result
Drinking water treatment:		
Increase in volume of water treated (cubic metres/day)	7	84,068.50
Decrease in volume of chemicals used to treat water (litres/day)	7	29,164.44
Decrease in drinking water advisories (over a period of time) (number)	7	28
Decrease in concentration of contaminants to meet or exceed the <i>Guidelines for Canadian Drinking Water Quality</i> or provincial standards (number)	3	367
Increase in premises with improved water quality (number)	11	1,518
Increase in premises with protected water supply (number)	3	575
Drinking water distribution:		
Increase in connections made to or available to be made to drinking water system (number)	10	111
Decrease in water main breaks (number)	9	47
Decrease in average water consumption (cubic metres/day)	4	667.00
Decrease in average age of waterlines (in years)	8	42.75
Decrease in energy consumed (e.g. metering or energy efficiency pumps) (kilowatt hours/year)	1	9,624.00
Drinking water storage:		
Increase in premises served (number)	4	1,176
Increase in water storage capacity (cubic metres)	4	145,124

There is a broad range of projects completed under this category. Some of the projects completed include watermain looping, upgraded water meters, installation of reverse osmosis system, development of rural tank fills, construction and upgrades of wells and water treatment plants, upgrading pumps and controls, waterline installation, upgrades of water towers and reservoirs, installation of pitless adaptors and pumphouse construction and improvement.

Due to the variability of projects in this category and limited specific outcomes, several municipalities identified other outcomes. Additional outcomes reported in this category include improved safety, improved efficiency, improved public health, improved access by rural users, improved billing and consumption monitoring, reduced disruption of service, and improved fire protection.

Gas Tax Dollars at Work

The Town of Ogema used nearly \$100,000 of their Gas Tax funding for two Drinking Water projects. They upgraded the water tower by welding, sandblasting and painting to maintain a water supply for the town and the nearby rural municipality. They also provided services to a new residential development by installing 73 metres of waterlines and nine water meters.

Gas Tax funding in the amount of \$254,044 was used by the Town of Radville towards a \$485,689 project to upgrade the water treatment plant by installing new filtration, treatment and monitoring systems to help meet new standards for drinking water quality and safety. The project also reduced the amount and number of chemicals required for the filtration process and substantially reduced the amount of water required to backwash the filters by 6,365 cubic metres annually. It was noted “The Town of Radville was on a continuous drinking water advisory for at least two years prior to the upgrade. The objectives of safe drinking water, use of fewer chemicals and water conservation were met by this project.”



Photo Courtesy of Town of Radville

Project Category: Local Roads and Bridges
National Objective: Productivity and Economic Growth

Total Projects Reporting 344
Total Project Costs \$114,953,766
Total Gas Tax Funding \$39,114,901



This category includes roads, bridges and active transportation infrastructure. Active transportation refers to investments that support active methods of travel and can include cycling lanes and paths, sidewalks, and hiking and walking trails.

Table 3.15: Local Roads and Bridges Outputs

Output PM Indicator	Data
Local Roads	
Widening of local road (metres)	266
Construction and renewal of local road (kilometres)	854.33
Installation of culvert(s) (total number)	675
Installation of culvert(s) (total metres)	10,031.43
Bridges	
Construction and renewal of bridge(s) (total number)	39
Construction and renewal of bridge(s) (total metres)	930.74
Installation of culvert(s) (total number)	78
Installation of culvert(s) (total metres)	1,333.40
Sidewalks, cycling lanes, paths, hiking trails	
Construction and renewal of sidewalk, cycling lane, path, hiking trail (kilometres)	17.04

Table 3.16: Local Roads and Bridges Outcomes

Outcome PM Indicator	No. of Projects	Result
Local Roads		
Increase in capacity (vehicles per day)	65	6,276
Increase in capacity (load limit – tonnes)	36	826.16
Decrease in travel distance from point A to B (kilometres)	46	746.94
Decrease in average travel time from point A to B (minutes)	40	604.80
Average increase in estimated remaining service life of road (in years)	181	20.84
Bridges		
Increase in capacity (vehicles per day)	17	589
Increase in load capacity (tonnes)	18	883.5
Increase in length capacity (metres)	2	15.94
Increase in width capacity (metres)	2	22.00
Decrease in travel distance from point A to B (kilometres)	18	204.46
Decrease in average travel time from point A to B (minutes)	12	228.00
Average increase in estimated remaining service life of bridges (in years)	45	34.57
Sidewalks, cycling lanes, paths, hiking trails		
Increase in public usage of the infrastructure (number)	4	2,184
Decrease in vehicle use (decrease in number of vehicles driven/day)	1	800

Local Roads and Bridges continues to be the category most frequently used by Saskatchewan municipalities, accounting for 39 per cent of the total Gas Tax funds spent on completed projects.

With 344 projects completed in this category, there was a wide range of projects including sidewalk installation, subgrade stabilization, road resurfacing, road widening, upgrade to an all-season road, upgrade or construction of a bridge, culvert installation, develop pedestrian walkways, low water crossings, replace a bridge with culverts, new subdivisions development, and reconstructing roads to allow for a change to weight limits or standards.

Other outcomes reported in this category include improved safety, improved accessibility, improved efficiency, improved fitness and activity levels, reduced greenhouse gas emissions, and economic spin-offs.

Gas Tax Dollars at Work

The Rural Municipality of Corman Park No. 344 completed a road resurfacing project using \$1,065,716 of their Gas Tax funds. The project included clay-capping five Clearing the Path roadways and changing the angle of the road at Highway 16/Auction Mart Road intersection to address safety concerns. The project covered 6.3 kilometres and included seven culverts (129 metres in total).

This project increases economic activity as transportation-dependent industries are able to haul primary weights, particularly on roads which are adjacent to provincial Highway 16. There is regional benefit as well, providing connection to a coordinated, well-planned road network with the RM of Corman Park and the City of Saskatoon, City of Warman and City of Martensville. The project has increased road safety, lowered maintenance costs for the municipality and traffic is able to access Highway 16.

In the Town of Kindersley, \$430,917 of Gas Tax funding was used to construct a pedestrian walking bridge. The bridge joins the two ends of a walking path to form a complete circle. Prior to the bridge, people had to walk over wet rocks to get around and were unable to complete the path using strollers or wheelchairs.

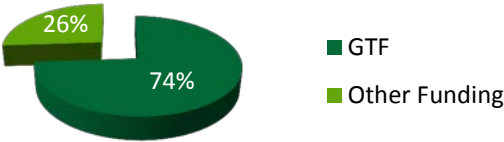
Completion of the walking path with the bridge opens the walking path up to a wider variety of users and promotes a healthy lifestyle and cleaner environment for the residents of Kindersley. This walking feature is used to promote Kindersley to potential residents as well as those visiting the community.

Project Category:
National Objective:

Public Transit
Productivity and Economic Growth

Total Projects Reporting
Total Project Costs
Total Gas Tax Funding

3
\$17,278,838
\$12,733,800



Public Transit includes infrastructure that supports a shared passenger transport system which is available for public use.

Table 3.17: Public Transit Outputs

Output PM Indicator	Data
Rolling stock (buses) acquired (number)	35

Table 3.18: Public Transit Outcomes

Outcome PM Indicator	No. of Projects	Result
Decrease in average age of fleet (years)	3	2

Gas Tax Dollars at Work

The Cities of Regina and Saskatoon used this category to purchase transit buses. Regina purchased 15 buses, responding to increased demand due to ongoing growth of the city and increased ridership. The project reduced the average age of the bus fleet from 10.8 years to 6.6.

Saskatoon completed two projects, purchasing 20 buses that will enable Saskatoon Transit to retire some of the older buses in the fleet. The new buses have air conditioning and meet accessibility standards for a more comfortable and convenient ride. The replacement of these buses will help the citizens of Saskatoon by enabling them to travel throughout the city to their jobs, shopping, appointments or other purposes in a safe and reliable transit fleet. The fleet average age is slowly moving towards the desired industry average fleet age, and the Gas Tax funding is helping to make that happen at a faster rate than if Saskatoon did not have access to these funds. The funding has allowed the city to retire some of the oldest buses that are 20 years old with more than 1.5 million kilometres on the odometer.

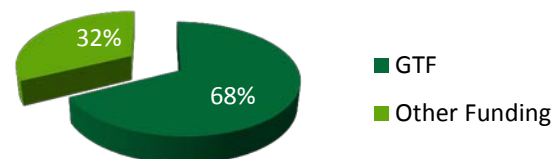
Both cities reported that replacing the older buses with a modern fleet will contribute to a cleaner environment by reducing greenhouse gas emission.



Photo Courtesy of City of Saskatoon Transit

Project Category: Recreational Infrastructure
National Objective: Strong Cities and Communities

Total Projects Reporting 19
Total Project Costs \$2,169,536
Total Gas Tax Funding \$1,465,793



Recreational Infrastructure includes recreational facilities or networks.

Table 3.19: Recreational Infrastructure Outputs

Output PM Indicator	Data
Construction and renewal of facilities (community centers, arenas, pools, gymnasiums, sports fields, tennis, basketball, etc.) (total number)	9
Construction and renewal of facilities (community centers, arenas, pools, gymnasiums, sports fields, tennis, basketball, etc.) (total square metres)	35,397.50
Construction and renewal of public parks, campgrounds, golf courses (total number)	10
Construction and renewal of public parks, campgrounds, golf courses (total square metres)	69,249.44

Table 3.20: Recreational Infrastructure Outcomes

Outcome PM Indicator	No. of Projects	Result
Increase in residents that benefit from the infrastructure (number)	6	1,961
Increase in facility availability time (hours/year)	5	4,470
Increase in users (number/year)	9	1,863
Increase in annual events (number)	4	16
Increase in visitors to community (number/year)	3	2,170
Increase in permanent jobs (number)	2	2

This is the most popular of the new categories with 19 projects being completed. The types of projects completed include investments in leisure centres, community halls, swimming pools, campgrounds, playgrounds, splash parks and public beach washrooms.

Other outcomes reported in this category include increased tourism, increased revenue, healthy living and cleaner environment.

Gas Tax Dollars at Work

The Town of Moosomin constructed a new Leisure Centre addition on the existing bowling alley, adding a walking track, sports simulations, two golf driving ranges/putting greens, a turf area and outdoor deck. The addition is expected to attract an additional 1,000 visitors annually to the community.

The Town of Balgonie used their Gas Tax funding to prepare the sites and construct two new playgrounds, one on each side of town. The parks attract children, encouraging them to participate in climbing, playing, sliding, etc. The town estimates the parks are being used for 12 hours per day, eight months of the year.



Photo Courtesy of Town of Balgonie

Project Category:
National Objective:

Regional and Local Airports
Productivity and Economic Growth



Regional and Local Airports includes all airport-related infrastructure.

Table 3.21: Regional and Local Airports Outputs

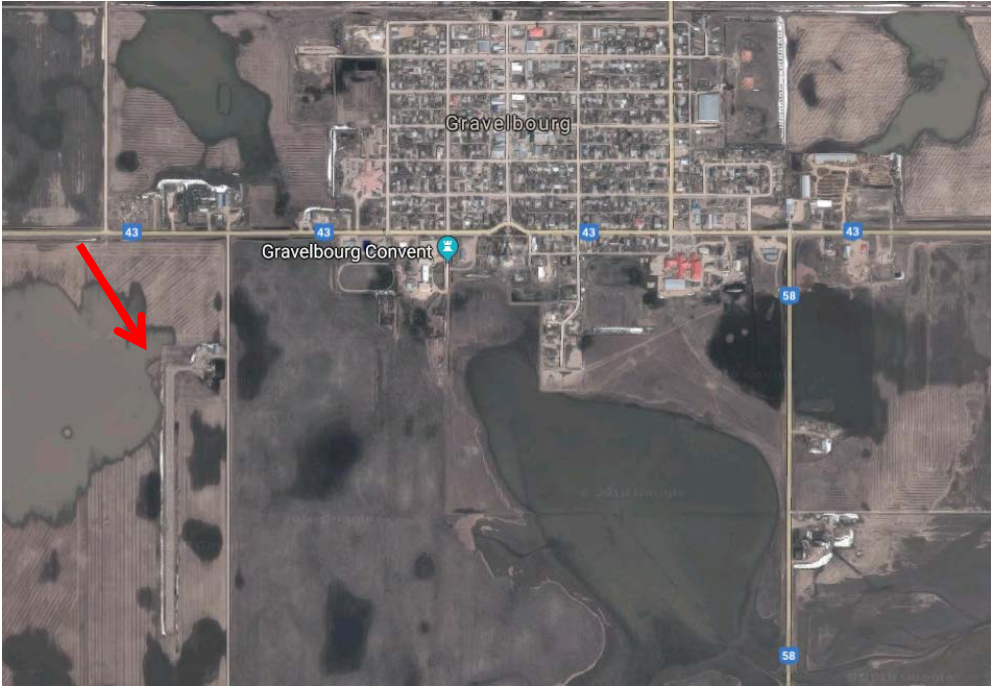
Output PM Indicator	Data
Construction and renewal of runway, apron, hangar (total metres)	1,036.00
Construction and renewal of runway, apron, hangar (total square metres)	9,290.00

Table 3.22: Regional and Local Airports Outcomes

Outcome PM Indicator	No. of Projects	Result
Increase in takeoffs/landings (number)	1	10

Gas Tax Dollars at Work

The Town of Gravelbourg used this category to repave the middle 15 metres of the runway at the Gravelbourg Airport, as well as an additional 3.8 metres on either side, and extend the runway from 762 metres in length to approximately 1,036 metres, for a smoother, harder landing strip. The upgrade to the runway allows for the safe landing and takeoff of light aircraft, such as air ambulances and crop sprayers. It also provides Gravelbourg with an additional option for visitors to access the community, such as American hunters that travel to the community each year, providing a tremendous economic boost to the region.



Project Category: Solid Waste
National Objective: Clean Environment

Total Projects Reporting 28
Total Project Costs \$6,548,697
Total Gas Tax Funding \$4,102,879



Solid Waste infrastructure supports solid waste management systems, including the collection, diversion and disposal of recyclables, compostable materials and garbage.

Table 3.23: Solid Waste Outputs

Output PM Indicator	Data
Solid waste diversion:	
Equipment acquired (number)	4
Recycling bins acquired (number)	192
Construction or expansion of recycling transfer station (number)	6
Solid waste collection:	
Construction or expansion of landfill (square metres)	79,846.00
Construction or expansion of solid waste transfer station (number)	3
Landfill remediation/reclamation/decommissioning (square metres)	62,468.50

Table 3.24: Solid Waste Outcomes

Outcome PM Indicator	No. of Projects	Result
Solid waste diversion:		
Increase in premises participating in recycling (number)	8	1,198
Increase in quantity of solid waste diverted from disposal (metric tonnes/year)	2	87.16
Solid waste collection:		
Increase in landfill capacity (metric tonnes)	3	619,845.00
Decrease in non-compliance incidents (number)	3	3

Projects completed in this category included decommissioning landfills, constructing or upgrading landfills, installing perimeter fencing to meet regulations, and developing transfer and recycling stations.

Three projects identified as being part of a regional solution for solid waste. Eight projects resulted in compliance with environmental regulations.

In addition to the outcomes identified above, other benefits were reported including improved safety, improved public health, improved efficiency and improved environment protection.

Gas Tax Dollars at Work

The Northern Village of Green Lake used \$143,676 of its Gas Tax funds to deconstruct their landfill and set up a transfer station. Decommissioning the landfill allowed the northern municipality to clean up a contaminated site and return the area to a vegetated state where birds and animals might inhabit. A regional landfill is now used by residents, and an average of 40 per cent of waste is being diverted from the landfill through multi-material recycling.



The City of Swift Current utilized over \$3 million, all from Gas Tax, to construct a solid waste cell to meet the needs of the city. The project included full detailed design, application process to Ministry of Environment, tendering and construction supervision, and construction costs. The project results in cleaner air, water and reduced greenhouse gas emissions. The utilization of newer waste management technologies and techniques results in cleaner air and reduced greenhouse gas emissions by mitigating methane emissions. Improved municipal solid waste management and practices also mitigates the risk of contaminants leaching into the groundwater sources.

Project Category: Sport Infrastructure
National Objective: Strong Cities and Communities

Total Projects Reporting 1
Total Project Costs \$31,393
Total Gas Tax Funding \$31,393



■ GTF
 ■ Other Funding

This category includes amateur sport infrastructure, excluding facilities that would be used as the home of professional sports teams or major junior hockey teams.

Table 3.25: Sport Infrastructure Outputs

Output PM Indicator	Data
Construction and renewal of ice rink/arena (total number)	1
Construction and renewal of ice rink/arena (square metres)	795.90

Table 3.26: Sport Infrastructure Outcomes

Outcome PM Indicator	No. of Projects	Result
Increase in facility availability (hours/year)	1	1,456

Gas Tax Dollars at Work

The Town of Sturgis completed upgrades on the roof of their arena to ensure the entire building could be open and available to residents of the town and surrounding area. The improvements allow the facility to be open year round instead of only a portion of the year which allows the town to consider additional programming.

When asked how the project met the primary national objective of strong cities and communities, the municipality reported, “Our arena is a major building used by all age groups, young to old. To be able to upgrade the facility was a tremendous asset to our small town. We have a very active figure skating club and we are seeing some minor hockey activities. We have groups/organizations who use our facility for certain functions as well as families or individuals renting as well. A great place to meet people, make friendships and learn lifelong skills.”



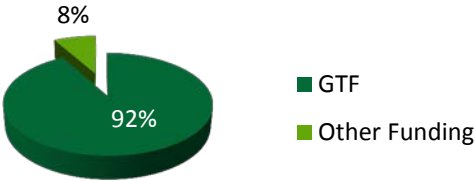
Photo Courtesy of Cynara Ford

Project Category:
National Objective:

Tourism Infrastructure

Strong Cities and Communities

Total Projects Reporting	4
Total Project Costs	\$72,100
Total Gas Tax Funding	\$66,278



Tourism Infrastructure attracts travelers for recreation, leisure, business or other purposes.

Table 3.27: Tourism Infrastructure Outputs

Output PM Indicator	Data
Construction and renewal of convention centers, visitor centers, exhibition hall-type facilities, boat docks (total number)	4
Construction and renewal of convention centers, visitor centers, exhibition hall-type facilities, boat docks (total square metres)	1,244.8

Table 3.28: Tourism Infrastructure Outcomes

Outcome PM Indicator	No. of Projects	Result
Increase in users (number/year)	2	80
Increase in visitors to community (number/year)	2	55

All four municipalities with completed projects in the tourism category used their Gas Tax funds to construct or renew their boat launch or docks, enhancing tourism in the community and surrounding areas. Two of the projects resulted in an increase of 80 users per year, or 73 per cent, and an increase of 55 visitors per year, or 37 per cent.

In addition to the increase in users and visitors, these municipalities also reported improved accessibility and a healthier and more active lifestyle. The docks allow the general public more options for social outings and gatherings, and encourages and supports tourism in the communities.

Gas Tax Dollars at Work

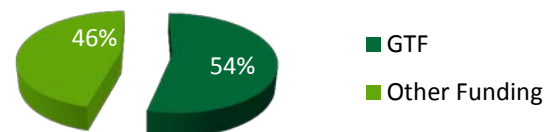
Below is the rolling dock at the Resort Village of Beaver Flat, pulled out of the water for the winter months.



Photo Courtesy of Resort Village of Beaver Flat

Project Category: Wastewater
National Objective: Clean Environment

Total Projects Reporting 100
 Total Project Costs \$44,261,593
 Total Gas Tax Funding \$23,878,333



Wastewater infrastructure supports wastewater and storm water collection, treatment and management systems.

Table 3.29: Wastewater Outputs

Output PM Indicator	Data
Wastewater collection:	
Construction/installation/upgrade of wastewater pipes (metres)	1,489.00
Installation/upgrade of force mains (number)	11
Construction and renewal of lift station (number)	22
Sewage lines installed (metres)	4,752.11
Septage receiving station (number)	7
Wastewater treatment:	
Installation/upgrade of sewage plant (aeration system, baffles, clarifier covers, etc.) (number)	3
Generators acquired (number)	5
Construction/expansion/rehabilitation of lagoon (total number)	12
Construction/expansion/rehabilitation of lagoon (total cubic metres)	537,297.00
Wastewater pumping:	
Pumps acquired (number)	61
Storm water management:	
Construction/installation/upgrade of pipes, culverts and drainage ditches (metres)	17,182.99

Table 3.30: Wastewater Outcomes

Outcome PM Indicator	No. of Projects	Result
Wastewater collection:		
Increase in connections made to or available to be made to sanitary wastewater system (number)	8	213
Decrease in average age of collection pipes (in years)	9	37.11
Increase in wastewater collection capacity (cubic metres/day)	9	106,819.02
Wastewater treatment:		
Increase in wastewater treatment capacity (cubic metres/day)	2	16,000.00
Decrease in non-compliance incidents (number)	4	8
Wastewater pumping:		
Decrease in energy usage (electricity) as a result of using energy efficient pumps (kilowatt-hour/year)	4	4,496.00
Decrease in untreated wastewater (cubic metres/day)	1	4.00
Storm water management:		
Increase in capacity to manage storm water (cubic metres/day)	4	161,039.00
Increase in premises with access to storm water infrastructure (number)	7	804

Projects in this category include: construction and upgrades of holding ponds, drying beds, sludge handling cells, lagoons, storm sewers, sewer lines, lift stations and sewage pumping stations; installation of perimeter fencing to meet regulations; genset installation; installation of culverts and development of drainage ditches; upgrades to pumps; manhole and catch basin installation and replacement; and development of septage receiving stations.

In addition to the results presented above, four projects reported a positive change in the level of wastewater treatment and six projects identified they now met environmental, electrical and/or water security standards.

Other outcomes reported in this category include improved reliability, improved safety, improved efficiency, improved public health, improved emergency responsiveness, and improved environmental protection.

Gas Tax Dollars at Work

The Village of Medstead utilized \$89,257 of Gas Tax funds to complete a \$102,500 expansion of their sewage pumping station allowing fluid to move from lower to higher elevations more efficiently.

The discharge rate of the pumping station prior to the upgrade had difficulty keeping up with pumping demands, especially during periods of wet weather when inflow and infiltration into weeping tile and septic tanks increased sewage flows. This led to septic-filled basements throughout the village. The new larger lift station and pumps have now increased the discharge capacity from the village to the lagoon.

Other updates included an alarm system that advises of any compromise in the pumping input/output during power outages and added ventilation, lighting system and manhole slide rail that reduced safety issues for the operators.

The municipality noted, “Medstead is seeing an increase in population and it is nice to know we can handle the additional toll to our wastewater system.”

Enhanced Impact of GTF as a Predictable Source of Funding

Incrementality

Any Gas Tax funding that Saskatchewan receives from Canada is not intended to replace or displace any existing sources of funding for municipal capital expenditures. As such, the average annual tangible capital expenditures by Saskatchewan and municipalities will not be less than the base amounts established in the Agreement.

To assist in determining municipal incrementality, Saskatchewan prescribed reporting requirements in the municipal agreements. Municipalities with a population of more than 2,000 people are required to provide information on their capital infrastructure spending, from their own sources and net of any other grants or funding, for the five-year periods of:

- 2010 to 2014 (reporting due March 31, 2015)
- 2015 to 2019 (reporting due March 31, 2020)
- 2020 to 2024 (reporting due March 31, 2025)

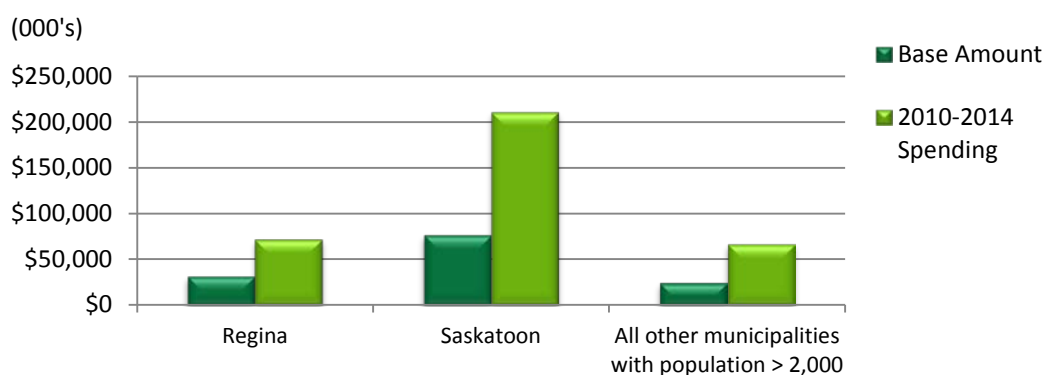
The base amount established for years 2000 to 2004 used information from 37 municipalities with a 2001 Census population of more than 2,000 people. The 2010 to 2014 annual average was obtained using the same criteria, however it was based on the 2011 Census and due to population shifts, 40 municipalities were required to report.

The information gathered for years 2010 to 2014 is shown in Table 4.1. When compared to the base amount from 2000 to 2004 (see Figure 4.1), it confirms that municipal spending continues to increase and that Gas Tax funding is not replacing existing sources on capital infrastructure.

Table 4.1: Annual Averages of Municipal Spending on Capital Infrastructure

Municipality	2000-2004 Annual Average (\$000s) (Base Amount)	2010-2014 Annual Average (\$000s)	Difference (\$000s)
Regina	\$ 31,800	\$ 72,073	\$ 40,273
Saskatoon	76,144	210,887	134,743
All other municipalities with population >2,000	24,606	67,012	42,406
Totals	\$ 132,550	\$ 349,972	\$ 217,422

Figure 4.1: Comparison of 2010 to 2014 Municipal Spending to Base Amount



To confirm provincial incrementality, information was gathered on capital infrastructure programs delivered to municipalities through the Municipal Infrastructure and Finance Branch of the Ministry of Government Relations. This is consistent with the approach utilized in 2011-12.

Incrementality for years 2005-06 to 2009-10 was previously reported in Saskatchewan's GTF annual report for 2011-12, so this report focuses on the annual average for the subsequent five years from 2010-11 through 2014-15. The results are shown in Table 4.2.

Table 4.2: Annual Averages of Provincial Spending on Capital Infrastructure

2000-01 to 2004-05 Annual Average (\$000s) (Base Amount)			
Program	Provincial	Federal	Total
Provincial Municipal Infrastructure	\$ 1,840		\$ 1,840
Canada-Saskatchewan Infrastructure Program	8,289	8,653	16,942
Transit Assistance for the Disabled ¹	2,445		2,445
Municipal Infrastructure	920		920
Swift Current Chinook Parkway	31		31
Totals	\$ 13,525	\$ 8,653	\$ 22,178

2010-11 to 2014-15 Annual Average (\$000s)			
Program	Provincial	Federal	Total
Transit Assistance for People with Disabilities (capital) ¹	\$ 348		\$ 348
Saskatchewan Infrastructure Growth Initiative	4,533		4,533
Provincial Municipal Support Program	680		680
Urban Development Agreements	188		188
Building Canada Fund	6,869	18,443	25,312
Municipal Rural Infrastructure Fund	797	797	1,594
ISF	1,737	5,086	6,823
PTBase	743	8,357	9,100
RINC	441		441
Totals	\$ 16,336	\$ 32,683	\$ 49,019

¹ Transit Assistance for the Disabled has both capital and operating grants. In the base amount shown above, operating grants were included in the total. For the 2010-11 to 2014-15 period, only the capital portion was included.

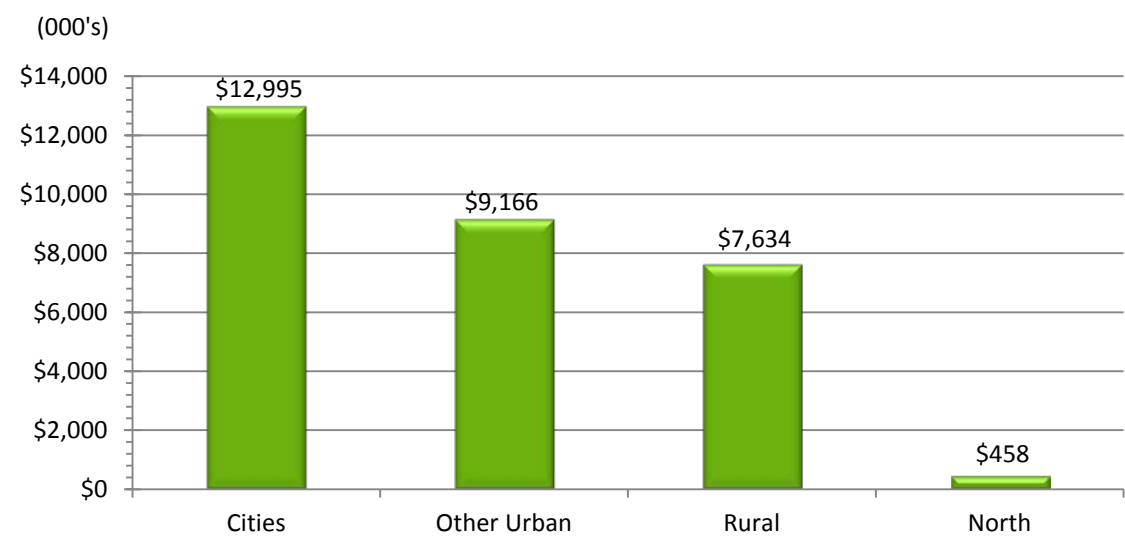
In addition to the programs listed above, the Municipal Infrastructure and Finance Branch also provides municipal revenue sharing grants to each Saskatchewan municipality to support the delivery of community services. Municipalities have the flexibility to use these funds for capital and operating purposes. The annual average of revenue sharing grants to municipalities for the period 2010-11 to 2014-15 was \$228.6 million, providing for further potential incremental capital spending. This compares to the annual average of \$67.1 million for 2000-01 to 2004-05.

Predictable Funding

One of the principles of the GTF Agreement is to provide predictable, long-term funding for communities, where communities choose projects locally and prioritize them according to their needs.

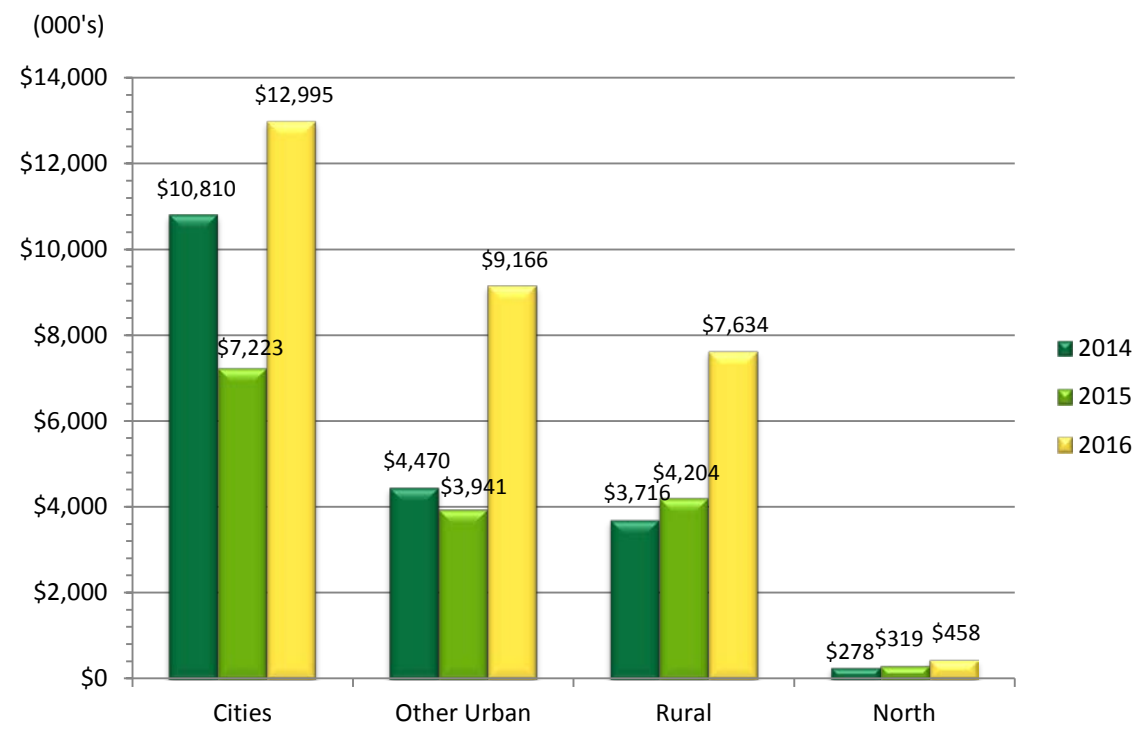
To demonstrate predictable funding, annual spending was analyzed to determine if Saskatchewan municipalities utilize their Gas Tax funding in advance of receiving the funds. At the end of December 31, 2016, 338 municipalities had pre-spent \$30.3 million against their future Gas Tax allocations to March 2019. The breakdown by sector is shown in Figure 4.2.

Figure 4.2: Advanced Use of Gas Tax Funding as at December 31, 2016



A year-over-year comparison of municipal borrowing against the GTF is provided in Figure 4.3. Once advised of their five-year funding allocations, municipalities began to plan and receive approval for their infrastructure projects. The growth in municipal borrowing for 2016 reflects municipalities’ willingness to undertake these projects in advance of receiving the funds.

Figure 4.3: Comparison of Municipal Borrowing against the GTF, 2014 to 2016

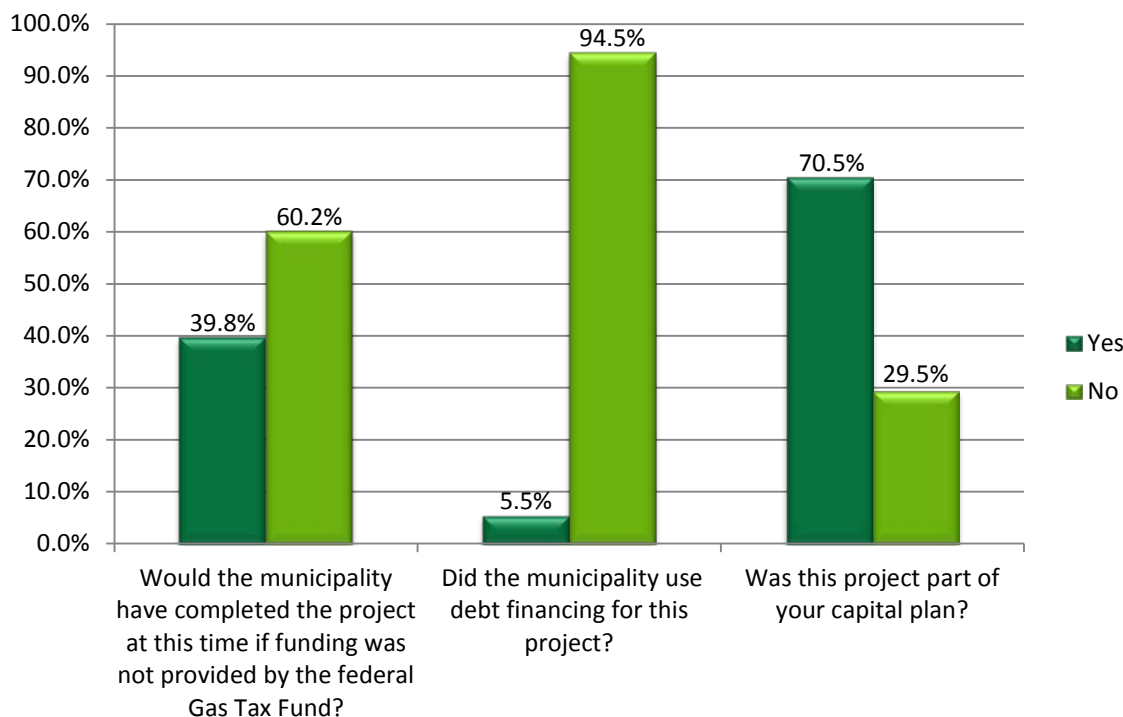


To obtain direct input from municipalities, a series of questions was added to each of the outcome surveys, including:

- Would the municipality have completed the project at this time if funding was not provided by the GTF?
- Did the municipality use debt financing for this project?
- Was this project part of your capital plan?

The results are shown in Figure 4.4.

Figure 4.4: Predictable Funding



Over 60 per cent of the municipalities indicated their project would not have been completed at this time without the availability of Gas Tax funding. As one municipality reported, “It is necessary to have the Village's lift station operating at full capacity. If we didn't have these funds the Village wouldn't have been able to do this complete project. It is a necessity in a Village that there is continuous wastewater disposal.” Another municipality said that, “Council made a Strategic Plan to specifically use future Gas Tax Revenues for Sewage Pumping Station upgrades until all stations are upgraded to modern standards. Tenders were awarded and the Project is now in its final year.”

Almost 95 per cent of municipalities said that they did not use debt financing for their project. This speaks to the flexibility of the Gas Tax program, and the benefit of not having to match dollars to receive the funding.

Municipalities are also thinking long-term with over 70 per cent incorporating their project into their capital plan.

Municipalities are clearly benefiting from permanent, predictable and flexible infrastructure funding through the federal Gas Tax Fund.

Progress made on Asset Management

Overview of Asset Management Approach Established under the Administrative Agreement

One of the terms and conditions in the renewed GTF is for municipalities to make progress towards developing and/or implementing an asset management plan. An Asset Management Subcommittee (AMS) was established under the GTF Oversight Committee (OC) to help achieve this requirement of the agreement. The AMS is made up of representatives from the federal, provincial and municipal governments, the municipal administrators associations and the city managers. Responsibilities of the AMS include:

- developing and/or determining a baseline against which to measure progress of ultimate recipients in making progress towards developing and/or implementing an Asset Management Plan;
- development of a tiered approach to the establishment of asset management planning goals;
- developing and implementing a performance measurement strategy, including guidelines for the preparation of periodic outcomes reports on progress towards development and/or implementing an Asset Management Plan; and
- providing advice to the OC on asset management matters, as requested.

Through workshops and meetings, the AMS created an *Asset Management Go Forward Plan* which addressed:

- measures that will be used to assess progress;
- a plan for gathering baseline data upon which to measure progress;
- development of short-term and longer-term goals;
- support required from the GTF and others to achieve progress; and
- communication of the progress measures to the municipal sector.

Following approval of the *Asset Management Go Forward Plan* by the OC Co-chairs in March 2016, GTF staff administered a survey in the fall of 2016 to all municipalities participating in the GTF. The survey was to establish baseline data against which to measure the progress being made. A 100 per cent participation rate from municipalities was achieved. A detailed report *Federal Gas Tax Fund Saskatchewan Asset Management Baseline Survey 2016* was compiled, providing an analysis of the survey results. Excerpts from the detailed report are included beginning on page 35 of this report.

In November 2016, the AMS held a workshop to review the survey results and develop for approval by the OC Co-chairs recommendations on tiers, targets and measures to assist municipalities with their asset management planning.

The AMS developed a measurement approach that encourages municipalities to work through the entire asset management process for at least one asset class. The approach breaks the asset management process into smaller and more achievable tasks to reinforce the message that asset management need not be overly complex, time consuming or overwhelming to implement. It is anticipated that by using this approach, municipalities will start to experience some of the benefits of asset management which will build additional support and momentum to complete asset management planning for all asset classes.

Recognizing that Saskatchewan has a vast range of municipal sizes and capacity, and that municipalities may be at different stages in development and implementation of their asset management plans, a tiered structure to meet the requirements was developed. The tier level establishes the targeted number of asset classes a municipality will need to complete initially.

In developing the tiers and targets, the AMS considered factors such as the results from the baseline survey, ease of understanding for municipalities, ease of administering, benefit to and capacity of the municipality, etc. Ultimately, the AMS determined there should be four tiers (see Table 5.1), they should be based on population size and should align with those used in other areas of the GTF.

Table 5.1: Asset Management Tiers

Tier	Population
1	1-500
2	501-1500
3	1501-5000
4	5001 or more

Measures and targets against which to measure progress were established as set out in Table 5.2.

Table 5.2: Asset Management Measures and Targets

Measure	Targets	Timeline
1. Education (Number of municipalities with staff educated in asset management)	All Tiers: All participating municipalities educated.	June 30, 2018
2. Policy / Strategy (Number of municipalities with an asset management policy and strategy)	All Tiers: All participating municipalities have an approved policy and strategy on how they will approach asset management.	June 30, 2018
3. Assets Owned (Number of municipalities with comprehensive asset register)	All Tiers: All participating municipalities have an asset register developed for all asset classes (this is a regulatory requirement under PSAB).	June 30, 2018
4. Current Condition (Number of municipalities with condition information documented for one or more asset classes)	Tier 1: 1-500 Current condition information for 1 asset class Tier 2: 501-1500 Current condition information for 2 asset classes Tier 3: 1501-5000 Current condition information for 3 asset classes Tier 4: 5001+ Current condition information for 4 asset classes	June 30, 2019
5. Desired Condition (Number of municipalities with desired condition information documented for one or more asset classes)	Tier 1: Desired condition information for 1 asset class Tier 2: Desired condition information for 2 asset classes Tier 3: Desired condition information for 3 asset classes Tier 4: Desired condition information for 4 asset classes	June 30, 2019
6. Funding gap between current and desired condition (Number of municipalities with funding gap documented for one or more asset classes)	Tier 1: Funding Gap information for 1 asset class Tier 2: Funding Gap information for 2 asset classes Tier 3: Funding Gap information for 3 asset classes Tier 4: Funding Gap information for 4 asset classes	June 30, 2020
7. Improving/monitoring asset management plan (Number of municipalities with reports to council)	All Tiers: 75% of municipalities have reported back to council on improving/monitoring their asset management plan	Progress check-in: June 30, 2019 June 30, 2022

The AMS acknowledged that a municipality may have more asset classes than identified in the targets for completion and that no timeline was identified to complete the remaining asset classes. As the intent is to measure progress through ongoing surveys, if the results of the surveys do not show municipalities have gained momentum to complete the balance of their asset classes, the AMS would revisit the establishment of further timelines to complete these asset classes. Additionally, it was acknowledged that the targets are based on the ideal and would be used as a yardstick to measure progress. Failing to achieve the target is not a failure to progress.

In 2017, the OC Co-chairs approved the tiers, targets and measures recommended by the AMS. Information on the requirements was provided to the municipalities by:

- presentations on asset management at conventions held by the Saskatchewan Urban Municipalities Association (SUMA), Saskatchewan Association of Rural Municipalities (SARM), Urban Municipal Administrators Association of Saskatchewan, and Rural Municipal Administrators' Association.
- development and distribution to all municipalities of a *Guide to GTF Agreement Requirements*. This guide summarizes the requirements and provides general guidance to the municipalities as they work towards achieving the targets and measures.
- development of an "Asset Management: Making Progress" webpage on the Federal Gas Tax Fund section of saskatchewan.ca and updating of the "Asset Management" resources webpage on the Municipal Information Dataportal section of saskatchewan.ca.

This approach recognizes that progress will take time since asset management represents a major change in the approach to municipal planning and expenditures. It also supports municipal autonomy by giving municipalities the flexibility to initially focus on asset classes that reflect their unique circumstances.

Methodology

In 2016, the AMS developed an asset management survey that would provide a baseline against which to measure progress by municipalities in the development and implementation of asset management. Additionally, it would provide information to help establish the tiers and targets to assess progress moving forward and also inform on where supports may be needed by municipalities. The survey was approved by the OC Co-Chairs.

The survey was designed recognizing the following guiding principles:

- easy to understand terminology;
- designed so that little municipal effort is needed to collect the data and complete the survey;
- measures progress on all asset categories, not just the 17 categories funded by the GTF;
- structures the measures and survey to educate municipalities about asset management requirements;
- structures the measures and survey to provide positive feedback to municipalities who are developing and implementing asset management (i.e. recognize incremental progress);
- recognizes municipalities may not only be at different stages in the asset management process but at different stages for different asset categories;
- includes questions that measure progress on the process and tools needed to develop and implement asset management;
- reinforces the message that asset management does not end with creation of an asset register; and
- designs the measures and survey broadly enough to consider citizen satisfaction.

The baseline survey had nine questions, summarized as follows:

1. What is the status of developing or implementing asset management?
2. What is the municipality's knowledge and awareness of asset management?
3. Which asset classes are a municipality's priority asset class (PAC) level?
4. Whether the municipality had an inventory of its assets, the status of that inventory for PAC and non-PAC levels, and the information contained in the asset register.
5. What is the status of data collected for each of the PAC levels that were identified?
6. Has council established target service levels and what is the status of identifying and quantifying gaps for each PAC level?
7. Is a centralized tool for documented information used? If so, the type; if not, what were the barriers and how could they be overcome?
8. What is the municipality's financial plan for future capital purchases?
9. Has your municipality developed a strategy to review and update its asset management plan?

Additionally, the municipality was given the opportunity to provide comments they had on the development and implementation of an asset management plan.

The baseline survey was distributed to municipalities participating in the GTF in June 2016. A pre-survey email, including background information on asset management and the survey, and a sample copy of the survey, was sent to the municipalities by SARM and SUMA. A few days later a second email was sent by GTF staff. The second email provided a unique link and password to the electronic survey. Reminders followed in July and August. Those municipalities that do not have access to the internet were sent hardcopy surveys that were entered by GTF staff into the survey tool when the completed form was returned by the municipality.

Various cross-checks were built into the survey, which was developed using the online tool Fluid Survey. Municipalities self-assessed themselves. With the exception of a review for consistent information, responses from municipalities were accepted as provided. Clarification was sought, if required.

The survey information was exported from the Fluid Survey tool and the data reviewed on a municipal basis and analyzed on both a municipal and aggregate basis. Detailed information by municipality was subsequently compiled into a database and will be used over the long-term to measure progress.

The AMS determined surveys will be utilized on an ongoing basis to assess progress and to help the AMS assess whether further supports or adjustments to requirements and timelines are needed. While surveys will be completed periodically, it is anticipated that for the first few years they will be done annually. A 'check-in' survey was completed in 2017 and targeted the measures with a June 30, 2018 timeline. A comprehensive survey, similar to the baseline, is scheduled for later in 2018.

Municipalities are required to certify that the information provided in each survey is a true and accurate representation of the status of the progress made by the municipality.

The 2017 'check-in' survey was a short four-question questionnaire sent to municipalities to measure progress made since the baseline survey. It was distributed in the fall of 2017. A similar process to the baseline survey was followed, with the exception that the initial email was sent from GTF administration and the survey tool utilized was Survey Gizmo.

While this survey was completed subsequent to the timeline for this outcome report, preliminary results are reflected in this report to indicate some progress has been made towards the measures targeted for June 30, 2018.

In order to ensure that municipalities comply in completing the survey, the OC updated the compliance strategy to require municipalities to complete asset management surveys and reports as requested, or GTF funds will be held until they comply.

Results

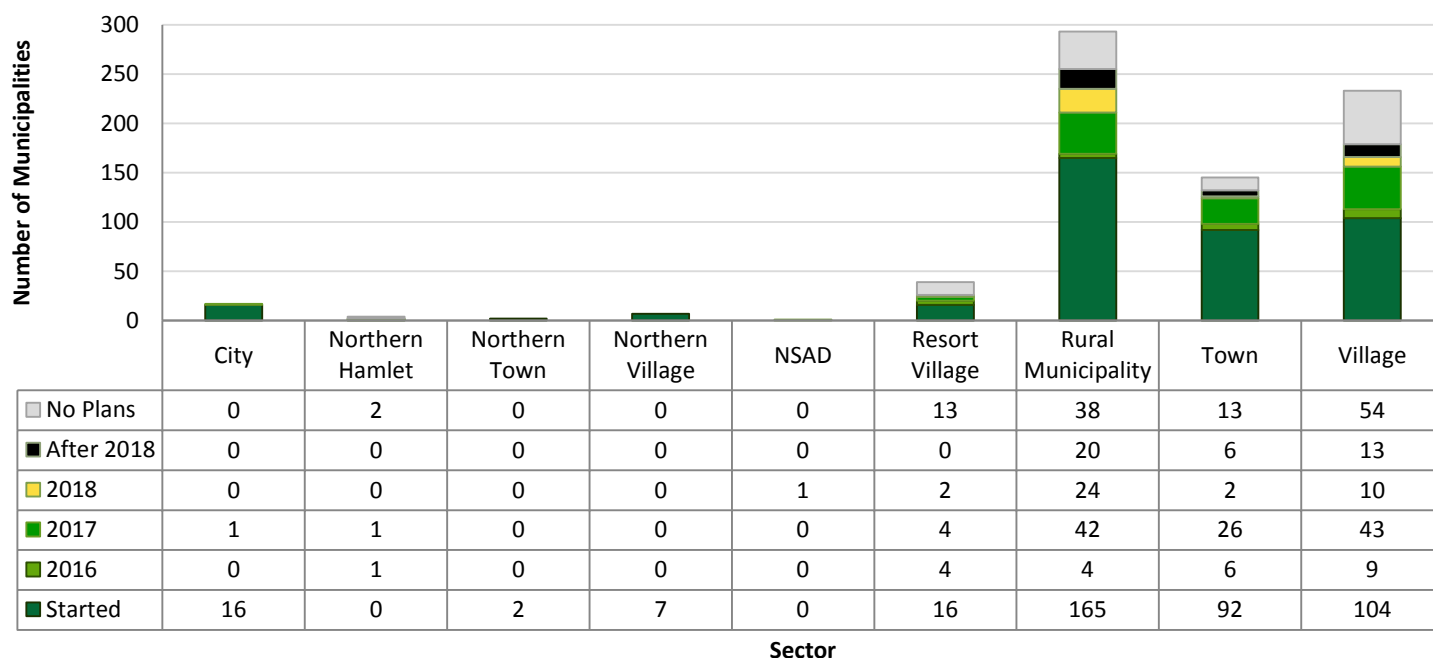
At the time of compiling the baseline report in October 2016, 714 out of 760 participating municipalities had reported. Subsequently the remaining 46 municipalities reported. The baseline report is comprised of 61 charts that in most cases stratify the results of the above nine questions by municipality type and population or by PAC level. The detail of the baseline report was established to provide sufficient information to form the baseline, as well as to provide the analytics for the AMS to develop recommendations for the OC respecting the tiered approach for asset management planning.

For comparative purposes, the 2016 baseline information included in this report reflects only the 741 municipalities reporting in the 2017 survey. There are nine municipalities that have yet to submit their 2017 survey and ten of the original 760 municipalities are no longer participating.

Status of developing or implementing asset management

The 2016 survey, Figure 5.1, indicated that 402 (54.3 per cent) municipalities had started to implement asset management. The 2017 survey, Table 5.3, showed that 589 (79.5 per cent) municipalities had begun to implement. The baseline survey also indicated 219 municipalities would begin implementing over the four-year period into 2018. A further 120 noted they had no plan to implement asset management.

Figure 5.1: 2016 Baseline – Asset Management Implementation Status



Those that were not planning on implementing noted the primary barriers to implementation included: the municipality cannot afford to implement, they do not understand asset management, it is not a priority for council, and/or staff do not have time to work on it. Approximately 48 per cent indicated only one barrier with the balance ranging up to five barriers indicated.

Other points to note from the 2017 survey:

- Approximately two-thirds (268) of the municipalities that had started asset management in 2016 stated they progressed further between the 2016 and 2017 survey.
- Approximately 43 per cent (52) of the municipalities that had identified they had no plans to implement asset management, began to implement it in 2017.

Table 5.3 shows the number of municipalities in the various sectors and the status based on the 2016 survey. It then provides whether further progress was made from 2016 to the survey in 2017.

Table 5.3: 2017 – Asset Management Implementation Status – Progress Made

	2016 Survey: Started	2017 Survey: Made Progress	2016 Survey: Planned to Implement	2017 Survey: Made Progress	2016 Survey: No Plans	2017 Survey: Made Progress	Total Started in 2017
City	16	13	1	1	0	0	17
Northern Hamlet	0	0	2	1	2	1	2
Northern Town	2	2	0	0	0	0	2
Northern Village	7	7	0	0	0	0	7
NSAD	0	0	1	0	0	0	0
Resort Village	16	8	10	8	13	5	29
Rural Municipality	165	115	90	56	38	18	239
Town	92	59	40	25	13	6	123
Village	104	64	75	44	54	22	170
Total	402	268	219	135	120	52	589

Municipalities have utilized their GTF allocations to support them in implementing asset management. Since April 1, 2014 there have been 25 projects from 24 municipalities submitted under the Capacity Building category.

Knowledge and awareness of asset management

Several factors were evaluated in the baseline survey to determine the level of knowledge and awareness of asset management and the level to which municipalities had embraced asset management planning within their organization. Table 5.4 shows by sector, the number of municipalities that indicated they met the stated criteria. It also shows the status of the municipalities at the 2017 survey.

One of the factors the AMS noted in its analysis of the 2016 survey was that because this was a self-assessment by the municipalities, and they would be basing it on their knowledge of asset management, that as they became more informed about what asset management is, there may be some regression from the initial results. The 2017 survey reflected this.

Two of the measures and targets established that have a June 30, 2018 timeline are:

1. All participating municipalities educated:
Measure: Number of municipalities with staff educated.
Result: 2016 – 141 (19.0 per cent) and 2017 – 122 (16.5 per cent) of municipalities had some level of staff training in asset management.
2. All participating municipalities have an approved policy and strategy on how they would approach asset management:
Measure: Number of municipalities with an asset management policy and strategy.
Result: 2016 – 108 (14.6 per cent) and 2017 – 98 (13.2 per cent) of municipalities had an asset management policy.
2016 – 72 (9.7 per cent) and 2017 – 82 (11 per cent) of municipalities had an asset management strategy.

Table 5.4: 2016 to 2017 – Asset Management Planning Awareness

	Staff Aware		Staff Trained		Council Aware		Council Trained		Have Champion/Leader		Outside Service Provider		AM Policy		AM Strategy		Integrated AM with Financial Planning	
Municipality Type	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
City	16	17	7	10	17	15	1	1	15	14	8	8	2	3	4	6	5	4
Northern Hamlet	2	1	0	0	1	1	0	0	0	0	0	1	0	0	0	0	0	1
Northern Town	2	2	2	1	2	2	0	1	1	2	2	1	1	1	2	1	2	1
Northern Village	6	6	2	1	4	7	0	1	1	1	1	3	2	3	0	1	3	2
NSAD	1	1	0	1	1	0	0	0	0	0	0	1	0	0	0	0	0	0
Resort Village	23	28	4	2	24	27	0	1	1	6	3	3	5	6	3	5	5	6
Rural Municipality	233	277	67	60	216	268	10	8	29	47	24	22	47	39	32	32	66	37
Town	125	136	23	24	109	127	8	5	15	31	25	46	27	30	17	20	34	20
Village	153	202	36	23	132	177	5	3	8	22	14	28	24	16	14	17	33	31
Total	561	670	141	122	506	624	24	20	70	123	77	113	108	98	72	82	148	102

Inventory of assets, including status and information contained:

The baseline survey considered three factors regarding a municipality's inventory of assets:

1. Does an asset register exist?
2. If so, is it for some or all asset classes? And does it cover some or all of the priority asset class levels and/or some or all of the non-priority asset class levels?
3. What level of information is contained in the register?

One of the measures and targets established that has a June 30, 2018 timeline is:

1. All participating municipalities have a register developed for all asset classes (PSAB requirement):
Measure: Number of municipalities with comprehensive asset register.

Result: 2016 – Based on those that indicated they had started to implement an asset management plan, 323 (80.6 per cent) municipalities had for all asset classes and 73 (18.2 per cent) had for partial asset classes.

2017 – Based on all reporting municipalities, 407 (54.9 per cent) of municipalities had for all asset classes and 188 (25.4 per cent) had for partial asset classes. While it appears there was an overall percentage decrease from 2016 to 2017, there was actually an increase in the numbers (see Table 5.5) after considering data was not collected for municipalities in 2016 that had not started to implement asset management planning.

Table 5.5: 2016 to 2017 – Status of Asset Register

Municipality Type	Existence of Asset Register							
	Not Identified		No		Partial, for some asset class levels		Yes, for all asset class levels	
	2016*	2017	2016	2017	2016	2017	2016	2017
City	1	-	0	0	7	9	9	8
Northern Hamlet	4	-	0	3	0	0	0	1
Northern Town	1	-	0	0	0	0	1	2
Northern Village	0	-	0	0	2	1	5	6
NSAD	1	-	0	0	0	0	0	1
Resort Village	23	-	1	7	5	15	10	17
Rural Municipality	128	-	0	26	16	73	149	194
Town	53	-	1	37	17	27	74	81
Village	129	-	3	73	26	63	75	97
Total	340	-	5	146	73	188	323	407

*In 2016, this data was not collected for municipalities that had not started asset management planning

Table 5.6 summarizes by sector the level of information maintained by municipalities in their asset register. It also shows that some municipalities indicated in the 2017 check-in survey that they had a lower level of information than what was provided in the 2016 baseline survey. As noted earlier, the AMS anticipated there would be some regression noted as municipalities became more informed on asset management.

Table 5.6: 2016 to 2017 – Information Contained in Asset Register

Information Contained in Register: 2016/2017	City	Northern Hamlet	Northern Town	Northern Village	NSAD	Resort Village	Rural Municipality	Town	Village	Grand Total
/		3				6	14	20	46	89
/ A		1	1			13	66	26	58	165
/ B	1				1	4	46	8	28	88
/ C						1	2			3
A /						1	7	10	24	42
A / A	6			2		7	52	25	33	125
A / B	3			2		1	20	12	11	49
A / C							1		1	2
B /							5	7	3	15
B / A	3			1		5	29	16	11	65
B / B	4		1	2		1	48	21	14	91
C / A							1		1	2
C / B							1		2	3
C / C							1		1	2
Grand Total	17	4	2	7	1	39	293	145	233	741

Information Codes:

A – Asset type, location, quantity, size, type of construction, type of materials, expected useful life. Some attribute information is not known for some of the assets and assumptions have been used.

B – Information in A plus installation date and age, remaining life. Most attribute information is known about the assets and has been verified.

C – Information in B plus additional information such as components, capacity, maintenance history, performance data, replacement program. Data is of high accuracy and completeness with no key attributes unknown or assumed.

Regressed
Same
Improved

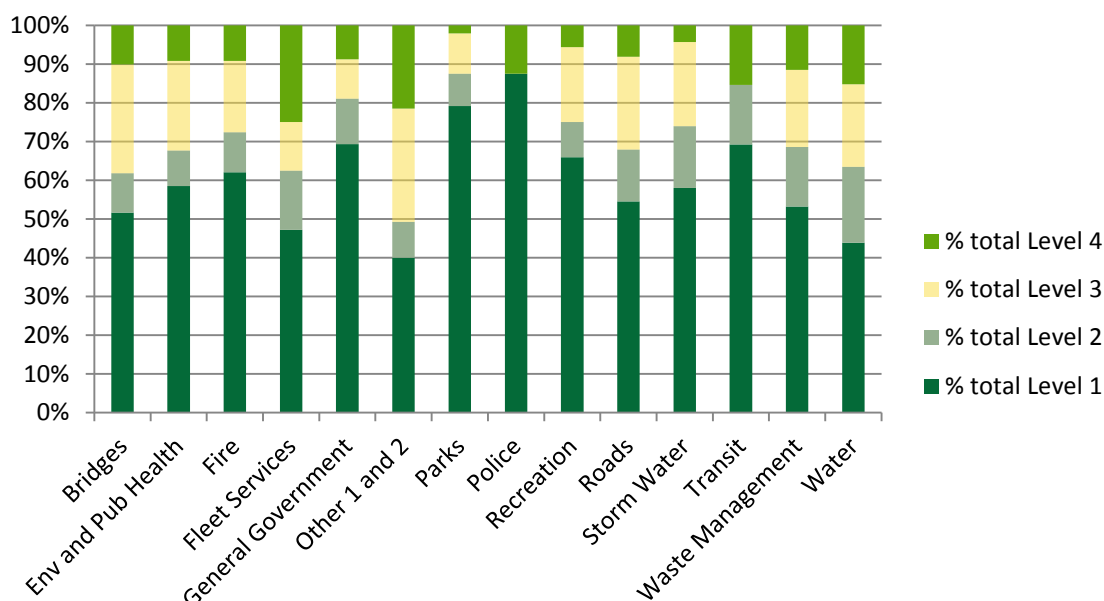
Information on the status of level of service and asset condition was also collected during the 2016 baseline survey. This information was not collected during the check-in survey in 2017, as the timeline for measurement is not until June 2019 and June 2020. Table 5.7 provides a summary of the baseline data collected for the priority asset classes identified by the municipalities. Municipalities selected from the following four responses the one that most clearly reflected their current status for the given priority asset class level:

- Level 1 – Have not quantified and documented levels of service.
- Level 2 – Have quantified and documented levels of service but have not compared them to asset condition.
- Level 3 – Have identified gaps between service levels and asset condition.
- Level 4 – Have identified and quantified any gaps between service levels and asset condition.

The three measures and targets identified that are related to these elements of asset management are:

1. Based on tier structure – current condition information for a specified number of asset classes.
Measure: Number of municipalities with condition information documented for one or more asset classes.
2. Based on tier structure – desired condition information for a specified number of asset classes.
Measure: Number of municipalities with desired condition information documented for one or more asset classes.
3. Based on tier structure – funding gap information for a specified number of asset classes.
Measure: Number of municipalities with funding gap documented for one or more asset classes.

Table 5.7: 2016 Baseline – Level of Service and Asset Condition



PAC Level	Total	% total Level 1	% total Level 2	% total Level 3	% total Level 4
Bridges	89	52	10	28	10
Environment and Public Health	65	58	9	23	9
Fire	87	62	10	18	9
Fleet Services	72	47	15	13	25
General Government	137	69	12	10	9
Other 1 and 2	65	40	9	29	22
Parks	48	79	8	10	2
Police	8	88	0	0	13
Recreation	88	66	9	19	6
Roads	321	55	13	24	8
Storm Water	69	58	16	22	4
Transit	13	69	15	0	15
Waste Management	156	53	15	20	12
Water	230	44	20	21	15

Financial plan status

As part of the 2016 baseline survey, municipalities that indicated they had started an asset management plan were asked to identify how their municipality planned for future capital purchases. The results are set out in Table 5.8.

There was no question asked on this factor in the 2017 'check-in' survey; however, municipalities that completed GTF projects and submitted an outcome report were asked whether or not they utilized asset management practices in making the decision to complete the project. Of the 729 projects that reported, 415 (56.9 per cent) reported yes.

Table 5.8: 2016 Baseline – Financial Plan Status

Plan Type	Per Cent
No formal plan. Assets are repaired and replaced as needed.	21.6
Asset replacement and renewal is addressed and included in the annual budget preparation.	44.1
A five-year capital plan is developed that shows forecasts for asset renewals and for new assets.	33.5
A 20-year capital plan is developed that shows forecasts for asset renewals and for new assets, all assumptions are noted.	0.8

Strategy to review and update the asset management plan:

The final question on the 2016 baseline survey asked those that had implemented an asset management plan whether they had developed a strategy to review and update their asset management plan on an ongoing basis.

This measures and target has both a June 30, 2019 (progress check-in) and June 30, 2022 (formal report) timeline:

1. 75 per cent of municipalities have reported back to council on improving/monitoring their asset management plan

Measure: Number of municipalities with reports to council.

Result: 2016 – 145 (37.6 per cent) of municipalities had a strategy in place.

This information was not collected during the check-in survey in 2017, as the timeline for measurement is not until June 2019 and June 2022.

Conclusion

The GTF continues to provide substantial benefit to Saskatchewan municipalities, helping to address the municipal infrastructure deficit across the province. The 737 completed projects identified in this report meet local need and contribute to the national outcomes of productivity and economic growth, clean environment, and strong cities and communities. Investments of \$99.6 million through the GTF have resulted in total investments of \$253 million for projects that improve the quality of life for Saskatchewan communities.

The report demonstrates the impact of GTF as a predictable source of funding, including incrementality. Funding under the GTF is not intended to replace or displace any existing source of funding for municipal capital expenditures, and this incremental spending was confirmed through an analysis of both municipal and provincial funding sources. The report also demonstrates that municipalities anticipate receiving Gas Tax funding into the future, with 45 per cent of municipalities borrowing against their future Gas Tax allocations and over 70 per cent incorporating their project into their capital plan. Municipalities appreciate the flexibility of the program, being able to pool, bank and borrow against the funding, providing them with greater opportunity to utilize the funds.

Progress is being made on improving local government planning and asset management in our municipalities. A baseline survey sent to municipalities in 2016 was compared to a 'check-in' survey sent in 2017, and it showed that a further 25.2 per cent of municipalities (79.5 per cent in total) have started to implement asset management; approximately 66 per cent of municipalities that had started asset management in 2016 stated they progressed further between the 2016 and 2017 survey; and approximately 43 per cent of municipalities that said they had no plans to implement asset management, began to implement it in 2017. This confirmed that the level of knowledge and awareness municipalities have regarding asset management continues to grow.

The GTF is now permanent and will be indexed at two per cent annually to be applied in \$100 million increments. Saskatchewan's allocation is \$292.7 million over the first five years of the new program from 2014-15 to 2018-19, based on 2011 Statistics Canada Census figures. Allocations to 2019-20 to 2023-24 will be based on 2016 Census data. The federal government also announced in its 2016 budget that uncommitted funds from legacy federal infrastructure programs would be transferred to municipalities through a temporary top-up of the GTF. Saskatchewan received \$1.2 million of those funds in March 2017. The renewed GTF is providing predictable, long-term, stable funding for municipalities, helping them to build and revitalize their local public infrastructure while creating jobs and long-term prosperity.