

Alberta Municipal Infrastructure Program (AMIP)

Questions & Answers

(Updated: April 14, 2005)

Why is the program being initiated?

The Alberta Municipal Infrastructure Program (AMIP) was introduced as an acknowledgement that all communities in Alberta face increasing infrastructure pressures, including the need to address their current infrastructure debt and longer term infrastructure requirements.

Will the existing Alberta Infrastructure and Transportation municipal grant programs continue?

Yes, the existing allocation based programs, as well as many of the project specific programs, will continue at their current funding levels.

What determines infrastructure backlog or debt?

Infrastructure debt is the backlog of necessary capital infrastructure projects that the municipality has identified as required, but have had to delay or defer due to the lack of municipal funding. Municipalities should address the backlog/debt with the development of an Infrastructure Management Plan.

How soon will AMIP funds be available?

The development of the grant trust agreement is in the final stages and should be available in mid-May. Payment of the first grant allocation can proceed soon after the agreement is signed by the municipality and returned to the department.

Over how many years will municipalities get Alberta Municipal Infrastructure Program funding?

Funding will be provided over a five year period, beginning fiscal 2005/06, but can be used by the municipality anytime within ten years to complete projects initiated under the program.

Is any cost-sharing required to access AMIP funding?

No municipal cost-sharing is required on this program; however, municipalities will be expected to maintain their current level of spending on infrastructure.

What do you mean when you say municipalities must maintain their current level of spending?

The AMIP funds are intended to assist municipalities in reducing the backlog of necessary capital municipal infrastructure projects that have been deferred, delayed, or are beyond the municipality's current funding abilities. The new funding provided under AMIP is intended to supplement the municipalities "normal" capital infrastructure spending. The municipality will be expected to maintain this normalized annual capital expenditure level when utilizing funds available under this program.

Can AMIP funding be used as the municipalities share under other Alberta Infrastructure and Transportation grant programs?

Yes. AMIP funding may be used as the municipal share of new projects under other Alberta Infrastructure and Transportation municipal support programs (except ICAP), provided the municipality continues to invest the same amount in capital infrastructure as it did before the introduction of the new AMIP program. Any municipality wishing to follow this approach should first consult with Alberta Infrastructure and Transportation.

What types of projects are eligible for funding under AMIP?

Project eligibility will be similar to other existing grant programs. Only capital project costs are eligible. Capital projects have been divided into two groups, "Core Infrastructure" and "Other Infrastructure". An Infrastructure Management Plan should be developed by the second year of the program to identify the multi-year needs for each category.

Examples of Core Infrastructure are roadways and bridges, public transit, water supply and treatment systems, wastewater treatment systems, storm sewer drainage systems and facilities, emergency service facilities and vehicles, etc.

Examples of Other Infrastructure include environmental energy improvements, solid waste management, other municipal buildings, other municipal physical infrastructure. Other Infrastructure projects may be funded only after the municipality has certified that their core infrastructure is in good condition as defined in the Administrative Procedures. See our website for further details (www.trans.gov.ab.ca/MunicipalPgms/Grant.asp).

Are projects already in progress eligible for funding?

Yes. Excepting for existing project-specific grant agreements, projects that are currently underway and meet eligibility criteria would be considered for funding through AMIP. It is recognised that some municipalities may have started eligible projects, in anticipation of a program announcement. Contact your local Alberta Infrastructure and Transportation regional office to discuss project details and confirmation of project approval.

Where can I get details on the AMIP program?

Some preliminary details are now posted on the Alberta Infrastructure and Transportation website. Project eligibility is similar to existing department grant programs. Only capital costs are eligible. Most capital municipal infrastructure projects (water, wastewater, storm drainage, roads, transit, recreation facilities) are eligible.

See www.trans.gov.ab.ca/MunicipalPgms/Grant.asp for further details, including reporting requirements.

Are there any reporting requirements for the municipalities?

Yes. Reporting procedures for the new program are under development. It is proposed that new reporting procedures be introduced that are simple and become uniform for Alberta Infrastructure and Transportation grant programs. Details will be posted to the website once developed.

How will the funds be provided?

The funds will be advanced following the signing of trust agreements, similar to existing grant programs, and can be expended over the next 10 years according to local planning needs and priorities. This will give the municipality early access to the funding needed to commence work on their highest priority projects. This also gives the municipality the opportunity to accumulate funds in order to construct major projects requiring more than one year's funding allocation.

How will interest earned on trusted funds be handled?

Revenue earned through the investment of trusted AMIP funds shall be accounted for and be used towards capital project costs. Municipalities requiring more information on interest policy should refer to the Administrative Procedures or contact Alberta Infrastructure and Transportation.

What does the allocation of funding look like?

Allocation of funds is essentially per capita, with a base allocation of \$50,000 plus per capita funding, to Summer Villages, and a minimum allocation of \$500,000 to all other municipalities, over five years. The grant allocation for the first three years will be based on population estimates for 2006. That means municipalities will receive approximately \$900 per capita over the duration of the program. Allocations for the subsequent two years of the program will be adjusted according to the census numbers available in 2007. Distribution of funding by population, about 99% of the \$3 billion, treats all municipalities fairly and equitably, whether they are large metropolitan areas, medium-sized cities or small towns.

In addition to the “base” and “minimum” allocations, are there other non- population based components of the funding allocation?

No. There are no other components to the funding allocation, excepting for a “base” or “minimum” allocation for smaller municipalities.

How will the program funding allocations be reconciled with future populations?

Based on their estimated 2006 census population, each municipality will receive an initial grant allocation of approximately \$180 per capita per year for the first three years of the program. When the census data becomes available in 2007, it will be incorporated into Municipal Affairs' 2007 Official Population List. The actual per capita rate will then be determined based on a program cap of \$3 billion and the total 2007 Official Population. Updated information will then be used to calculate the maximum grant allocation to each municipality and the payment increments for the following two years will be adjusted accordingly.

What constitutes an Infrastructure Management Plan?

Infrastructure Management Plans will vary with the size and complexity of the infrastructure in the municipality. The main feature of any plan will be that an assessment of all municipally owned infrastructure is included and the costs and relative importance of repairs, replacements and upgrades are determined.

Alberta MIMS is an Alberta made infrastructure management system for Alberta municipalities, which may be used for that purpose. Information on MIMS is available at www.albertamims.org.

Why is the program not “unconditional”?

The intent of the program is to address municipal infrastructure debt, backlog, and future needs, therefore, it is specific to capital infrastructure projects, and is directed to “Core Infrastructure” before “Other Infrastructure” can be funded. However, the program is flexible enough so that each municipality can allocate funding to best meet local needs and priorities. AMIP funding is for capital infrastructure projects and contributions to operating expenses are not eligible. Further details can be found on our website www.trans.gov.ab.ca/MunicipalPgms/Grant.asp.