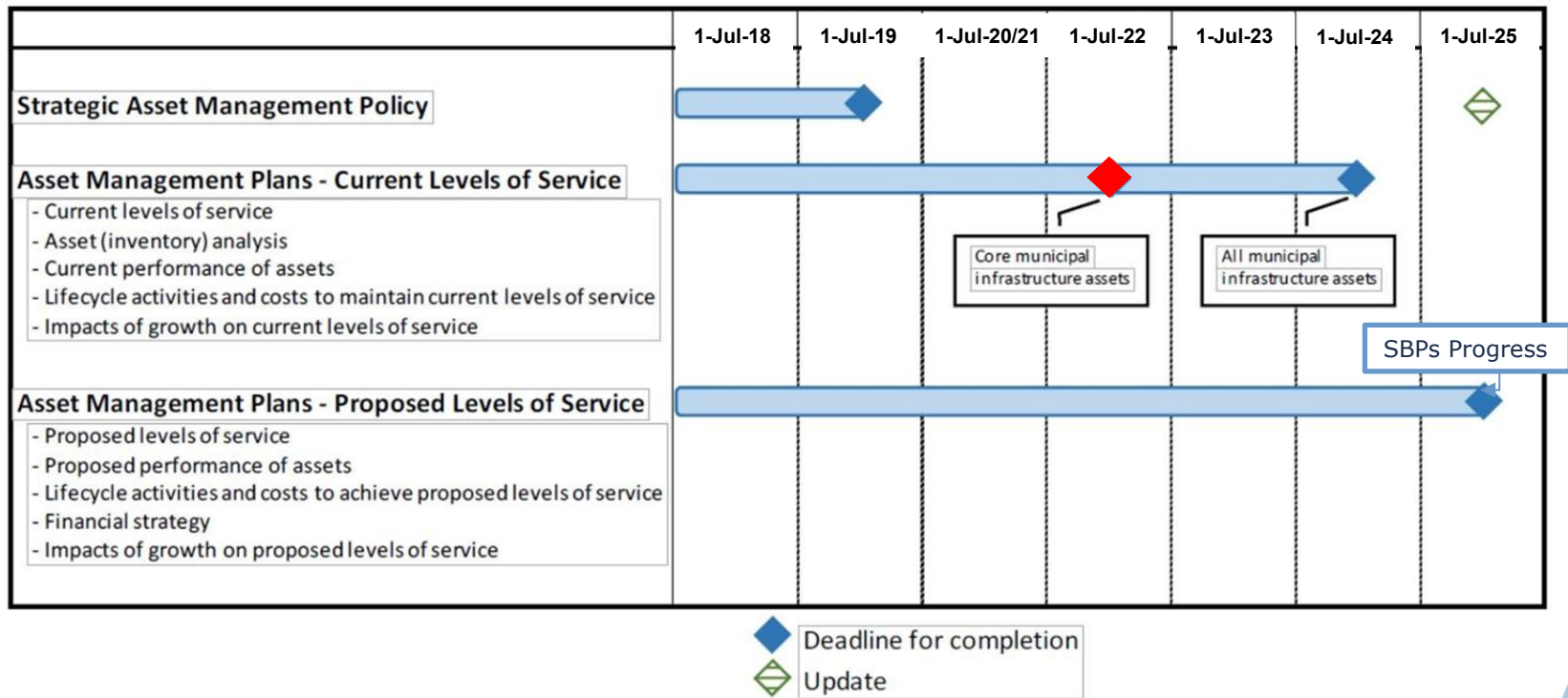


2025 Proposed Levels of Service

South Bruce Peninsula



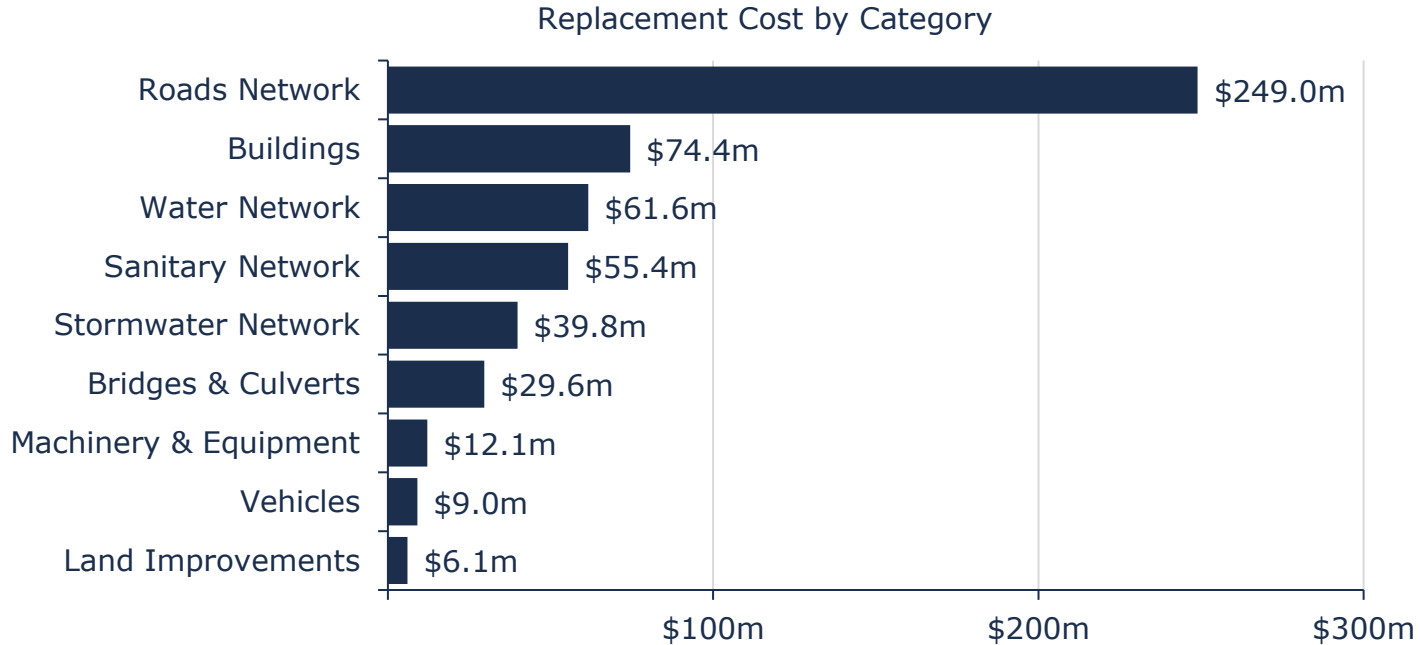
Ontario Regulation 588/17 - Compliance



Asset Management Plan (2024 year-end)

- 1 What is the current state of municipal infrastructure?
- 2 What proposed levels of service have been selected?
- 3 What is the Town's financial capacity to meet these goals?

Total Replacement Cost of the Asset Portfolio

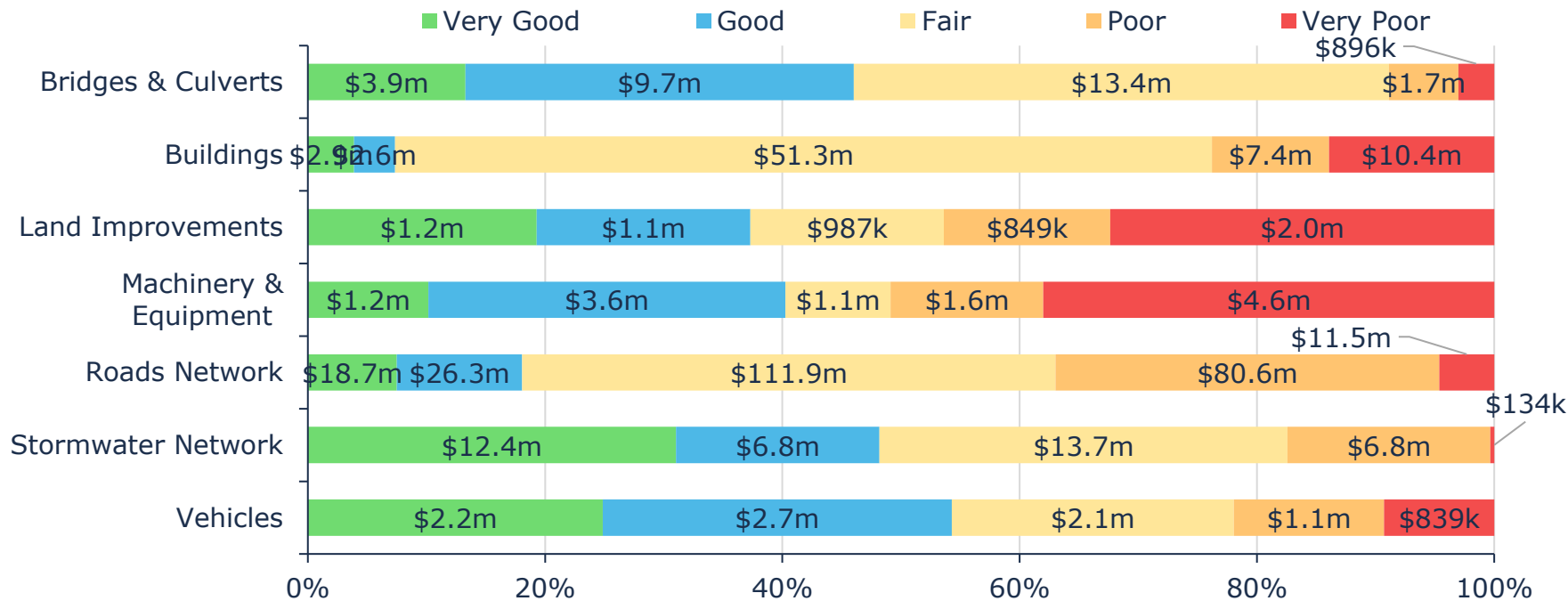


Total = \$537 M

These estimates are based on 2024 values and reflect the total cost that would be required if the assets were replaced today



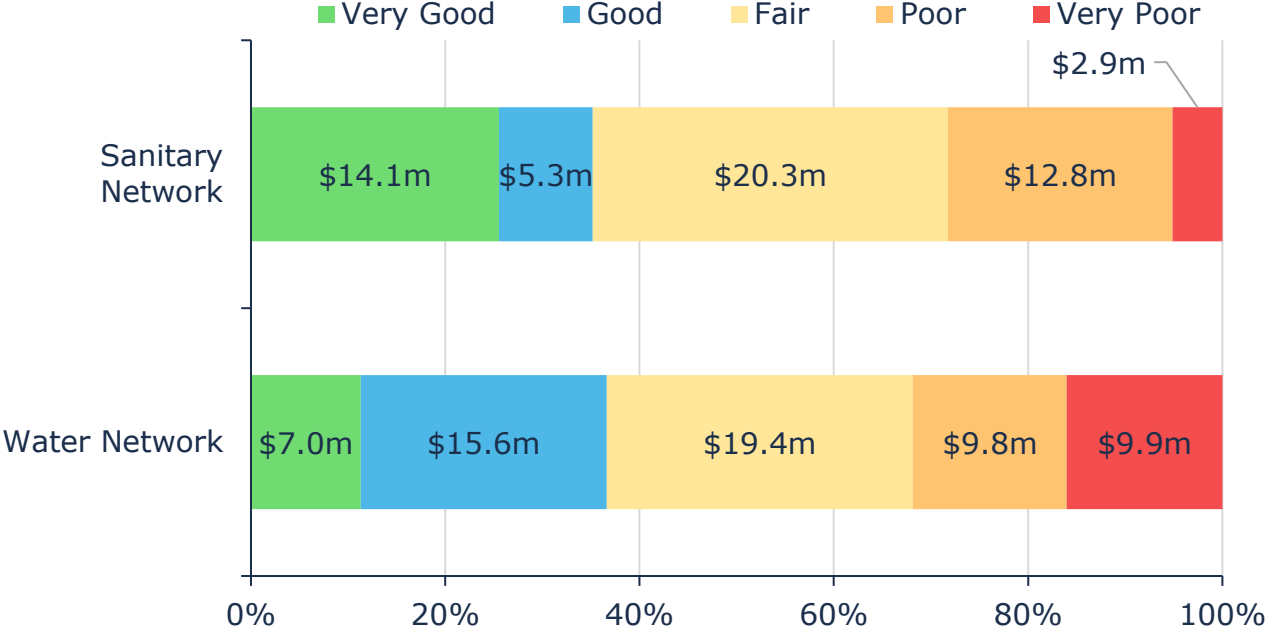
Overall Condition of the Tax Funded Asset Portfolio



Value and Percentage of Asset Segments by Replacement Cost



Overall Condition of the Rate Funded Asset Portfolio



Value and Percentage of Asset Segments by Replacement Cost



Overall Condition of the Asset Portfolio



69% of Tax Funded assets are in fair or better condition



70% of Rate Funded assets are in fair or better condition



69% of the total asset portfolio is in fair or better condition

Annual Capital Requirement & Infrastructure Deficit

Sustainable Funding Sources:
CCBF, OCIF, Reserves, etc.

Funding Source	Annual Capital Requirement	Funding Available	Annual Capital Deficit
Tax-Funded Assets	\$10,484,000	\$3,636,000	\$6,848,000
Water Rate-Funded	\$1,200,000	\$788,000	\$412,000
Wastewater Rate-Funded	\$970,000	\$616,000	\$354,000
Total:	\$12,654,000	\$5,040,000	\$7,614,000

Assets are currently funded at 40% of their long-term capital requirements

2025 O.REG 588/17 What is Required?

- **For Each Level of Service**

- What is an acceptable level for the LOS?
- Why is this level deemed acceptable?
- What is the gap between the current level and the acceptable level?
- Is the acceptable level achievable?
- How affordable for the Town is moving towards the acceptable level?

- **Financial Side of Planning For pLOS**

- 10-year forecasts showing investment and estimated costs of changes




Considerations

Internal Engagement

- Stakeholder engagement survey distributed to all relevant staff members
- Workshops to review survey results and determine proposed level of service goals
- Workshop to review proposed levels of service scenarios and select path forward
- Council engagement survey distributed to all council members

Resident Engagement

- Community engagement survey distributed in 2024 with 48 responses – 0.5% response rate
 - Safe and well-maintained roads and bridges, recreation, and reliable and safe utilities, along with moderate tax rates, identified as most important areas of focus
 - Majority of residents willing, or somewhat willing, to pay for improvements to recreation, roads, bridges and utilities
- 

Additional Considerations

- Financial Impact Assessment
- Infrastructure Condition Assessments
- Service Metrics
- Service Impact Assessments
- Key Lifecycle Activities
- Risk Management
- Infrastructure Condition Enhancements
- Timelines
- Flexibility



Proposed Levels of Service – Scenario 1

Scenario 1: Maintain Existing Funding

This scenario assumes no increases to taxes or rates for the purpose of increasing capital funding.

- ◆ Annual capital allocation for tax-funded assets: \$3.6m.
- ◆ Annual capital allocation for water rate-funded assets: \$788k.
- ◆ Annual capital allocation for sanitary rate-funded assets: \$616k.

[illegible]

Proposed Levels of Service – Scenario 2

Scenario 2: Achieving 100% of Target Funding in 15 Years

This scenario assumes gradual tax and rate increases, stabilizing at 100% funding in 15 years.

- ◆ Annual Tax Increase ~ 2.9%
- ◆ Annual Water Rate Increase ~ 1.2%
- ◆ Annual Sanitary Rate Increase ~ 1.3%

Categories	Available Capital Funding									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Tax-Funded	\$4.01m	\$4.40m	\$4.80m	\$5.21m	\$5.63m	\$6.06m	\$6.51m	\$6.97m	\$7.44m	\$7.93m
Rate-Funded (Water)	\$815k	\$842k	\$870k	\$898k	\$926k	\$955k	\$985k	\$1.01m	\$1.04m	\$1.07m
Rate-Funded (Sanitary)	\$636k	\$656k	\$676k	\$696k	\$717k	\$738k	\$759k	\$780k	\$802k	\$824k

Proposed Levels of Service – Scenario 3

Scenario 3: Targeted Funding by Category

This scenario assumes an annual tax increase of 1.9% for 15 years, and water and wastewater rate increase following recommendations provided by the Water and Wastewater System Financial Plan to achieve the following targeted funding levels:

- ◆ Road Network: 50% Targeted Funding
- ◆ Bridges & Culverts: 50% Targeted Funding
- ◆ Stormwater Network: 50% Targeted Funding
- ◆ Buildings & Facilities: 100% Targeted Funding
- ◆ Machinery & Equipment: 100% Targeted Funding
- ◆ Land Improvements: 75% Targeted Funding
- ◆ Vehicles: Maintain Existing Funding
- ◆ Water Network: Achieving Recommendations from Water System Financial Plan
- ◆ Sanitary Network: Achieving Recommendations from Wastewater System Financial Plan



Proposed Levels of Service – Scenario 3 (Continued)

Scenario 3: Targeted Funding by Category

The Water Revenue and Wastewater Revenue increases recommended by the Financial plan are as follows:

Description	2026	2027	2028	2029	2030
Total Water Rate Revenues	1,907,150	1,789,072	1,924,553	2,070,201	2,226,808
Total Water Capital Expenditures	575,000	520,000	650,000	700,000	710,000
Annual Percent Change	-2.3%	-1.7%	8.8%	3.9%	1.8%
Total Wastewater Rate Revenues	1,565,702	1,684,665	1,812,611	1,950,215	2,098,201
Total Wastewater Capital Expenditures	673,482	841,307	951,121	1,070,861	1,267,819
Annual Percent Change	7.5%	7.8%	8.0%	7.7%	11.2%

Proposed Levels of Service

Funding Source	PLOS Scenario Selected
Tax-Funded Assets	Scenario 3 – Target Funding by Category
Water Rate-Funded	Scenario 3 – Target Funding by Category
Wastewater Rate-Funded	Scenario 3 – Target Funding by Category



Financial Strategy

Funding Source	Years until Full Funding	Total Tax/Rate Increase	Annual Tax/Rate Increase
Tax-Funded	15	26.3%	1.9%
Water Rate-Funded	Following Water System Financial Plan		
Wastewater Rate-Funded	Following Wastewater System Financial Plan		

- Both sustainable and one-time grants/transfers will continue to be an essential source of revenue for investment in capital infrastructure
- Adjustments to taxes should be supplemented with project prioritization and evaluation of the desired levels of service



10 – Year Capital Requirements

Categories	Available Capital Funding									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Tax-Funded	\$3.06m	\$3.31m	\$3.57m	\$3.83m	\$4.09m	\$4.36m	\$4.64m	\$4.92m	\$5.21m	\$5.51m
Rate-Funded (Water)	\$575k	\$520k	\$650k	\$700k	\$710k	\$710k	\$710k	\$710k	\$710k	\$710k
Rate-Funded (Sanitary)	\$673k	\$841k	\$951k	\$1.1m	\$1.3m	\$1.3m	\$1.3m	\$1.3m	\$1.3m	\$1.3m





Questions?