

Town of Council

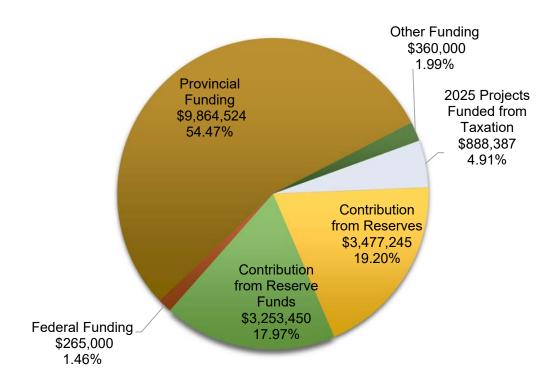
2025 Capital Budget DRAFT

Capital Budget

While the focus of the Operating budget is on the day-to-day operations, it is the capital budget that ensures the public and staff have safe and reliable equipment and infrastructure for the provision of services.

For example, without regular repair and replacement the Tony Agnello Water Treatment Plant as well as the watermains underground the Town would be unable to provide the ratepayers with safe drinking water when they turn on the tap.

In 2025, the new capital budget request is \$18,108,606, which is funded through various sources.



Highlights

- The Town's funding application for funding under the Housing-Enabling Water Systems Fund for Pumpstation 2. The project, with a total budgeted cost of \$17.9 million has been approved The Town has received approval for a provincial grant under the Housing-Enabling Water Systems Fund of \$13.1 million to assist in the completion of this project. This funding will support a new Wastewater Pump Station near Champagne Street and the construction of a new force main to connect it to the Town's sewage treatment plant. The new pump station will support 2,441 infill residential units in the Town of Parry Sound. \$7.2 million of this project was carried forward and \$10.7 million added to the 2025 budget.
- A total of \$200k investment into sidewalk improvements, \$589k allocated to the annual paving program, and \$590k planned for improvements to stormwater infrastructure.
- Glen and Victoria Avenue including Storm, Water, Wastewater is planned for 2024 at a total cost of \$5 million, \$4.24 million carryforward and an increase of \$795k.
- \$1 million is being invested in Town Dock repairs, sewage pumpout facility relocation and washroom facility improvements.
- \$1.4 million in transportation fleet which includes a replacement snowplow, backhoe, and upgrade to the sweeper truck at replacement.
- \$330k planned to get the purchase of a replacement fire truck for pump 2 underway and \$1.08 million in land ambulance fleet replacement is scheduled
- Continued focus on completing prior year projects.

Budget Change

2024	2025 Budget	Dollar	Percent
Budget		Change	Change
\$7,261,470	\$18,108,606	\$10,847,136	149.38%

What is a Capital Budget?

The Town's operating budget funds the day-to-day operations and maintenance of the Town's assets. Changes in the operating budget can affect the lifespan of an asset, and the purchase of new assets can affect the future capital budgets.

The capital budget sets the funding for:

- Capital assets: The physical assets that the Town owns or controls that have a financial value and are required in the delivery of services, for example, the municipal building; and
- Municipal Infrastructure: The systems and related equipment that the Town owns, such as roads, bridges, culverts, stormwater systems, water systems and wastewater systems.

As the asset management plan evolves the capital budget will become a more streamlined process; relying heavily on the asset management plans of a municipality helps make decisions regarding project priorities and timing. The Town's updated asset management plan was utilized in identifying capital needs for roads and coordinating the needs for roads, water, wastewater, and storm assets in the development of this capital budget.

Today's reality is that many municipalities face an infrastructure gap, the difference between the work that needs to be done to keep municipal assets and infrastructure in good working condition, and the funds to do so. The realization of this gap has led to various asset management changes, the most recent of which is Ontario Regulation 588/17.

Under Ontario Regulation 588/17, all Ontario municipalities are required to have:

A strategic asset management policy reviewed and updated at least every five years; and

- ❖ An asset management plan that is expanded for all municipal infrastructure assets that identifies current levels of service and the cost of maintaining those levels
- Enhancement to identify proposed levels of service and a 10-year financial plan to support lifecycle requirements and meet proposed levels of service targets by July 1, 2025

The Town currently has an asset management policy and passed an updated asset management plan for core infrastructure in 2022. In 2024, continued work on the asset management plan through expansion to include enhancement of non-core assets and their levels of service to meet the requirements has been underway. The Town works towards compliance with the regulation in 2025.

Dedicated Capital Levy

To assist with funding capital projects there is a calculation applied each year to identify the annual dedicated capital funding from taxation. As this dedicated levy grows it will help to fund the plans established through the Town's Asset Management Plan. The dedicated levy is currently used to:

- Pay for tax-supported principal debt repayments
- Annual contribution to the Fleet Reserve
- Annual contribution to the Equipment Reserve
- Annual contribution to the Building Replacement Reserve
- Annual contribution to Capital Asset Replacement Reserve Fund (Infrastructure)
- Assist with funding other tax supported capital projects as they arise

The 2025 dedicated capital levy is: \$ 2,636,179

On August 9, 2022, the Town of Parry Sound officially received their Asset Management Plan (AMP), as submitted by Public Sector Digest Inc. (PSD). This document was extensive and provided a few recommendations for the Town to consider.

The Town of Parry Sound, just like most other municipalities, is dealing with aging infrastructure and an infrastructure gap. Council chose to continue to increase tax revenues by 1.8%/year as recommended in 2016 per PSD's recommendations.

In 2025, the Town will continue to refine lifecycle and other data and assess levels of service with the overall objective of identifying opportunities to reduce the funding gap; however, identifying proposed levels of service with a financial plan that provides full infrastructure funding will be a challenge.

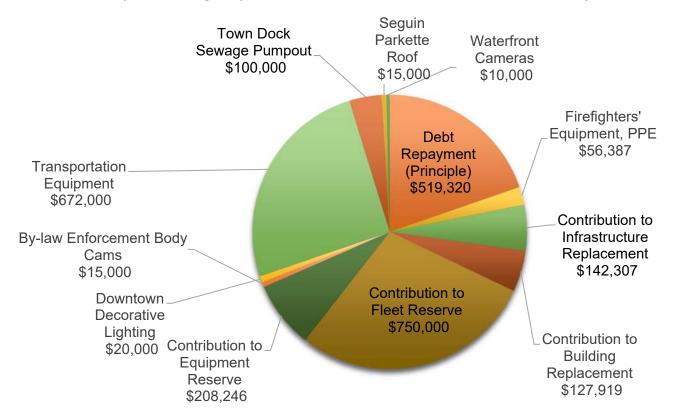
Calculation of the Dedicated Capital Levy

2024 net tax levy required (per 2024 budget)	\$ 13,667,750
Growth factor	1.8%
	\$ 246,020
2024 dedicated capital levy	2,390,159
2025 dedicated capital levy	\$ 2,636,179

Allocation of the Capital Levy

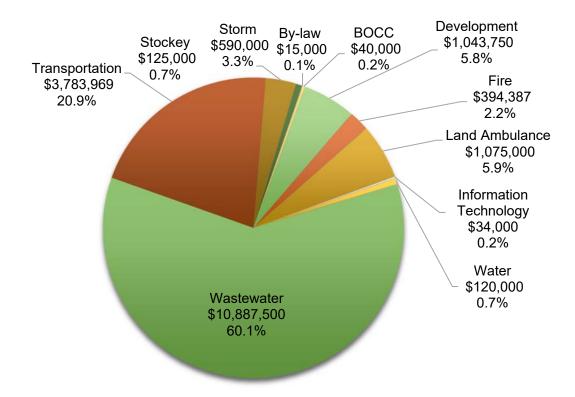
The goal of the capital levy is to provide funding for future capital projects. As the Town continues to develop its Asset Management Plan the distribution of the capital levy will be refined to accurately reflect the funding needs of each asset category.

Currently, the dedicated capital levy is used for reserve contributions to fleet and equipment replacement, building repairs, infrastructure replacement as well as capital debt principal repayments. In 2025, the contribution to the fleet reserve increased by \$110,931. Any remaining levy is applied towards tax supported capital projects.



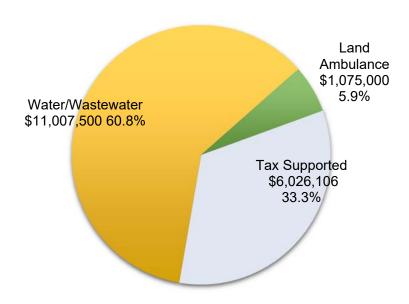
2025 Capital Budget by Department

Most of the 2025 capital budget investment is in road, water and wastewater infrastructure which make up 81.7% of the capital cost for the year. 5.9% of the budget goes towards land ambulance, and 5.8% for Development projects. The remainder of those budget allocations may be seen in the chart below.



User Fees, Municipal Levies, or Tax Supported

The chart below illustrates that 33.3% of the 2025 capital budget is for tax supported services such as roads, storm, and fire, while 60.8% is for water and wastewater services which are user fee supported. 5.9% of the capital budget is for land ambulance services which are funded by 22 municipalities over the designated service area. Water, wastewater, and land ambulance projects are predominantly funded through reserves/reserve funds through the budget process. The funding for those services occurs through the operating budget as contributions to those reserves occur through a variety of sources such as user fees, municipal levies, and grants. The Town's portion of land ambulance is funded through property taxes in the operating budget at 6.1% of the total municipal levy which is approximately \$65,575.



Capital Projects

Capital projects vary in size from replacement of the desktop and laptops used by Town staff daily to the replacement of water, wastewater, storm sewer, roads, and sidewalks for a section of road.

A project may be completed within a budget year, or over multiple years. At times, the Town can secure funding from Provincial or Federal programs, or access savings from reserves and reserve funds, and other times it needs to use debt.

Previously Approved Projects

Many water and wastewater projects are becoming multi-year projects as a result of the amount of planning and engineering required. Some other carryforward projects have continued to encounter supply chain issues or delays. Rising costs of materials and services have been encountered in recent years with inflationary and economic factors impacting capital works. An updated quote following engineering work has resulted in a significant increase to the Glen and Victoria road, water, wastewater, and storm project.

Carried Forward from 2024 to 2025

Projects that have not been completed in 2024 have been deferred to 2025. In some cases, some preliminary work may have been performed, or new funding has been made available in 2025.

Project	2024 Carry Forward	2025 Request	2025 Total Budget	Funding Source
Pumpstation 2 and Forcemain	\$6,700,000	\$900,000	\$7,600,000	Provincial / Other Mun. / Debenture / Reserves
Pumpstation 2 Engineering	500,000	850,000	1,350,000	Provincial / Debenture
Glen and Victoria (Storm, Water, Wastewater Included)	4,240,000	794,969	5,034,969	Provincial / Reserves / Reserve Funds
SPS#3 Upgrades	1,800,000	-	1,800,000	Reserves

Project	2024 Carry Forward	2025 Request	2025 Total Budget	Funding Source
SPS 6 pump replacement	\$1,500,000	\$ -	\$1,500,000	Reserves
Isabella Train Crossing Safety Improvements	750,000	-	750,000	Federal / Reserve Funds
Playground Revitalization Project: Mission, Waubuno, Booth Street Park, Cherry Park, William Street Park, 3 Fitness Trail Stations	652,000	-	652,000	Provincial / Reserves
Repair Corner of Wood/Isabella extension (isabella to marion)	600,000	-	600,000	Federal
Church Street Retaining Walls	500,000	-	500,000	Provincial
Waubuno Bridge Repairs	350,000	-	350,000	Provincial
Pumpstation 6 generator	200,000	-	200,000	Reserves
Scada wastwater	150,000	-	150,000	Reserves
Boat Launch Repairs - Waubino	150,000	-	150,000	Reserve Funds
SUEZ I/O upgrades	105,000	-	105,000	Reserves
Ready Room construction	100,000	8,000	108,000	Reserves / Reserve Funds/Prov Grant
Shoppers Dock	84,000	-	84,000	Reserve Funds
Town Dock Concrete Repairs	80,000	-	80,000	Federal / Reserve Funds
Genie Lift Replacement	75,000	-	75,000	Reserves
Automated Speed Inforcement	70,000	-	70,000	Reserves
Lawn Mower Replacement (07-610) with electric	60,000	-	60,000	Reserves
Salt Brine System	55,000	-	55,000	Reserves
Municipal Office Stair replacement/Outdoor Staff Space	50,000	-	50,000	Reserves
Membrane Tank Repairs	50,000	-	50,000	Reserves

Project	2024 Carry Forward	2025 Request	2025 Total Budget	Funding Source
Preliminary Design of WTP High lift pumps and Church Street Booster Station	\$50,000	\$ -	\$50,000	Reserves
Water Plant Gate Security	50,000	-	50,000	Reserves
Picnic Tables	50,000	-	50,000	Reserves
Kinsmen Park Spectator Bleachers	50,000	-	50,000	Reserves
VFD for 1 pump	46,000	-	46,000	Reserves
Town Dock Lights & Electrical	40,000	-	40,000	Federal / Reserve Funds
Polymer Injection System	30,000	-	30,000	Reserves
Coagulant Bulk Delivery System	30,000	-	30,000	Reserves
Plow for Loader	30,000	10,000	40,000	Reserves
Skate Park	30,000	-	30,000	Reserves
Continue parks garbage/recycling replacement	30,000	-	30,000	Reserves
Enhancement of Treescape Downtown	30,000	-	30,000	Federal / Reserves
70003 - Cla-Val Replacement	25,000	-	25,000	Reserves
Town Dock Washroom Fixtures	25,000	-	25,000	Reserve Funds
Core Network Switches	21,500		21,500	Reserves
Tower Insertion Meters	20,000	-	20,000	Reserves
Wastewater Admin Building Roof Repair	20,000	-	20,000	Reserves
Tennis Basketball Court Resurface	20,000	-	20,000	Reserves
BOCC Ice Surface Sound System	20,000	40,000	60,000	Reserves
Fire Hall Roof	20,000	-	20,000	Reserves
Perf Hall Lighting	16,000	10,000	26,000	Federal / Reserves
Stucco exterior	15,000	-	15,000	Reserves

Project	2024 Carry Forward	2025 Request	2025 Total Budget	Funding Source
Dechlorination ORP System	\$15,000	\$ -	\$15,000	Reserves
water tank level transmitter replacements	15,000	-	15,000	Reserves
Transformer	10,000	-	10,000	Reserves
Projector and Presentation Equipment (BOCC or Prelude)	10,000	-	10,000	Reserves
VFD blowers review	10,000	-	10,000	Reserves
Tower Hill Rock Path Restoration	10,000	-	10,000	Reserves
Sign Hillcrest Cemetery	9,000	-	9,000	Reserves
Multi-Factor Authentication Hardware	7,000	-	7,000	Reserves
Surveillance Camera Project	6,500	-	6,500	Reserves
SC Commercial Freezer Carryforward	6,000	-	6,000	Reserves
Two commercial refigerators replace to maintain proper temp	6,000	-	6,000	Reserves
hot water tank	5,500	-	5,500	Reserves
Upgrade the Mail room to a Meeting Room	5,000	-	5,000	Reserves
Shower Unit Upgrade	5,000	-	5,000	Reserves
Carry over to 2022. Budgeted for in 2021, K. Park - Outdoor Rink Bird Netting	5,000	-	5,000	Reserves
Parade Santa float (trailer donation) refurb	5,000	-	5,000	Reserves
	\$19,619,500	\$2,612,969	\$22,232,469	

- ❖ Sewage Pump Station 3 (SPS #3) 7 Hawthorne Crescent
- ❖ Sewage Pump Station 6 (SPS #6) 2 Johnson Street
- ❖ Sewage Pump Station 2 (SPS #2) Champagne

Annual Capital Expenditures

There are capital assets owned by the Town that are either pooled (e.g. water meters) or part of a large group of assets (e.g. paving). Annually there is a portion of these assets that need to be replaced/upgraded as there is a continual cycle of items reaching the end of their useful lives.

Project	Tax Levy	Provincial Funding	Federal Funding	Reserve / Reserve Funds
Laptop & Desktop Replacement	\$ -	\$ -	\$ -	\$34,000
Firefighters Pooled' Gear	25,469	-	-	-
Firefighters' PPE	15,918	-	-	-
Annual Paving Program Specified in individual projects	400,000	-	-	189,000
Sidewalks	-	-	-	200,000
Traffic Light control system replacement	70,000	-	-	-
Culvert Replacements & Stormwater	-	-	-	300,000
Manhole Repairs	-	-	-	50,000
Water Meters	-	-	-	60,000
Water Plant Lifts & Pumps	-	-	-	60,000
Total	\$511,387	\$ -	\$ -	\$893,000

New 2025 Capital Projects

Each year there are new projects requiring staff's attention. In 2025, staff's focus remains on prioritizing core infrastructure projects within the asset management plan. Replacement forecasts are reviewed each year and cross referenced between roads, water, wastewater, and storm to identify which projects are good candidates for surface only replacement, which were total replacements, as well as the projects with the most need. A significant investment in infrastructure projects began in 2024 and continues in 2025 with 84.8% of the budget allocated to roads, water, wastewater and storm.

General Government

Office of the Chief Administrative Officer, Finance & Information Technology

Project	Municipal Tax Levy Partners		Reserve	Reserve Funds
	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -

Development

Town Dock, Big Sound Marina, Waterfront Development, Smelter Wharf

Project	Tax Levy	Provincial	Reserve	Reserve Funds
Town Dock Stage 2	\$ -	\$500,000	\$ -	\$218,750
Town Dock Washrooms	-	-	-	200,000
Town Dock Sewage Pump Out	100,000	-	-	-
Seguin Parkette Roof	15,000	-	-	-
Waterfront Cameras	10,000	-	-	-
Total	\$125,000	\$500,000	\$ -	\$418,750

Protection Services

Emergency & Protective Services, Fire, By-law Enforcement & Building Inspection

Project	Tax Levy	Municipal Partners	Reserve	Reserve Funds
By-law Enforcement Body Cams	\$15,000	\$ -	\$ -	\$ -
Pump 2	-	-	330,000	-
WPS Dispatch Console	15,000	-	-	-
Total	\$30,000	\$ -	\$330,000	\$ -

Transportation Services

Operations & Winter Control

Project	Tax Levy	Federal / Provincial Funding	Reserve	Reserve Funds
Retaining Walls	\$ -	\$ -	\$ -	\$670,000
Sweeper Truck 07-740	202,000	-	268,000	-
Snowplow 08-100	-	-	430,000	-
Downtown Parking Lot Sweeper	-	-	255,000	-
Backhoe 07-810	-	-	240,000	-
Downtown Decorative Lighting	20,000	-	-	-
Mill Lake Dock	-	-	-	35,000
Total	\$222,000	\$ -	\$1,193,000	\$705,000

Environmental Services

Storm Water Control, Waste Management, Wastewater Services & Water Services

Project	Provincial	Debenture DC	Federal	Reserve Funds
Water Main Upgrade	\$1,820,650	\$ -	\$ -	\$179,350
Sanitary Gravity Sewer Replacement	1,724,536	-	-	175,464
Storm Sewer Replacement	1,500,000	-	-	-
Contingency	3,587,500	-	-	-
Joseph Street Culvert Replacement	-	-	240,000	-
Assimilative Capacity Study	-	-	-	150,000
Total	\$8,632,686	\$ -	\$240,000	\$504,814

Health Services

Cemeteries & Land Ambulance

Project	Federal Tax Levy Funding		Reserve	Reserve Funds
17 Ambulance Defibrillators	\$ -	\$ -	\$ -	\$575,000
Replacement of Ambulance	-	-	-	250,000
Replacement of Ambulance	-	-	-	250,000
Total	\$ -	\$ -	\$ -	\$1,075,000

Recreation and Culture

Bobby Orr Community Centre, Parks and Recreation, Charles W. Stockey Centre & Bobby Orr Hall of Fame

Project	Tax Levy	Debenture	Federal Funding	Reserve	Reserve Funds
Performance Hall Equipment Upgrade	\$ -	\$ -	\$25,000	\$25,000	\$ -
Security Cameras	-	-	-	15,000	10,000
Stockey Interior Refresh	-	-	-	25,000	-
Flat Roof Repairs	-	-	-	10,000	-
Stockey Shed	-	-	-	5,000	-
Total	\$ -	\$ -	\$25,000	\$80,000	\$10,000

❖ Items for Council Consideration from the public will be brought forward to the upcoming special budget meeting scheduled for February 25th and/or March 25th depending on the timing of completion.

Summary of New Capital Projects

Department	Tax Levy	Fed. / Prov. Funding	Debenture / DC / Other	Reserve	Reserve Funds	Other Municipal	Total	
Changes in Funding/Additional Dollars to Carryforward Items								
New Changes to Carryforward	\$ -	\$731,838	\$ -	\$1,370,245	\$150,886	\$360,000	\$2,612,969	
Annual Capital Expenditures								
Annual Replacement Program without Carryforward	511,387	-	-	504,000	389,000	-	1,404,387	
New Capital Projects								
General Government	-	-	-	-	-	-	-	
Protection Services	30,000	-	-	330,000	-	-	360,000	
Development	125,000	500,000	-	-	418,750	-	1,043,750	
Transportation Services	222,000	-	-	1,193,000	705,000	-	2,120,000	
Environmental Services	-	8,872,686	-	-	504,814	-	9,377,500	
Health Services	-	-	-	-	1,075,000	-	1,075,000	
Recreation and Culture	-	25,000	-	80,000	10,000	-	115,000	
Total	\$888,387	\$10,129,524	\$ -	\$3,477,245	\$3,253,450	\$360,000	\$18,108,606	