



Asset Management Plan 2025

Town of Parry Sound

February 2026



This Asset Management Plan was prepared by:



*Empowering your organization through advanced asset management,
budgeting & GIS solutions*

Key Statistics

\$519 m 2024 Replacement Cost of Asset Portfolio

\$148 k Replacement Cost of Infrastructure Per Household

53% Percentage of Assets in Fair or Better Condition

49% Percentage of Assets with Assessed Condition Data

\$11.1 m Annual Capital Infrastructure Deficit

20 Years Recommended Timeframe to reach Proposed Levels of Service

2.7% Target Investment Rate to meet Proposed Levels of Service

1.3% Actual Investment Rate

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1. Executive Summary

Municipal infrastructure delivers critical services that are foundational to the economic, social, and environmental health and growth of a community. The goal of asset management is to enable infrastructure to deliver an adequate level of service in the most cost-effective manner. This involves the ongoing review and update of infrastructure information and data alongside the development and implementation of asset management strategies and long-term financial planning.

1.1 Scope

This Asset Management Plan (AMP) identifies the current practices and strategies that are in place to manage public infrastructure and makes recommendations where they can be further refined. Through the implementation of sound asset management strategies, the Town of Parry Sound can ensure that public infrastructure is managed to support the sustainable delivery of municipal services.

This AMP includes the following asset categories:

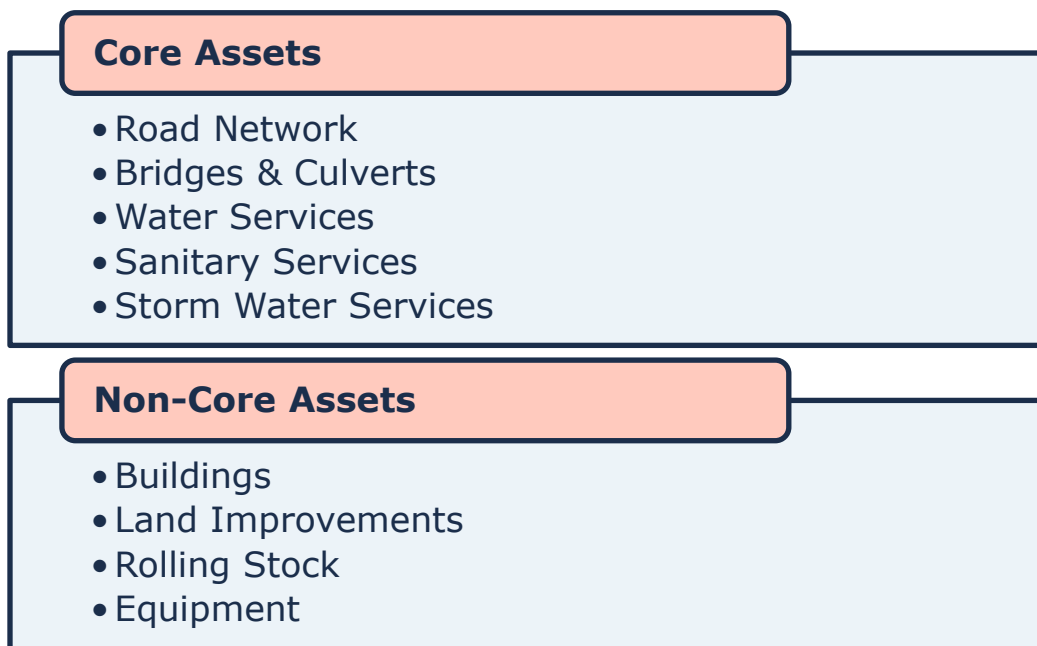


Figure 1 Core and Non-Core Asset Categories

1.2 Compliance

With the development of this AMP the Town of Parry Sound has achieved compliance with July 1, 2025, requirements under O. Reg. 588/17. This includes requirements for proposed levels of service and inventory reporting for all asset categories.

1.3 Findings

The overall replacement cost of the asset categories included in this AMP totals \$519 million. 53% of all assets analyzed in this AMP are in fair or better condition and assessed condition data was available for 49% of assets. For the remaining 51% of assets, assessed condition data was unavailable, and asset age was used to approximate condition – a data gap that persists in most municipalities. Generally, age misstates the true condition of assets, making assessments essential to accurate asset management planning, and a recurring recommendation in this AMP.

The development of a long-term, sustainable financial plan requires an analysis of whole lifecycle costs. This AMP uses a combination of proactive lifecycle strategies (roads, bridges and culverts and sanitary services) and replacement only strategies (all other assets) to determine the lowest cost option to maintain the current level of service.

To meet capital replacement and rehabilitation needs for existing infrastructure, prevent infrastructure backlogs, and achieve long-term sustainability, the Town’s average annual capital requirement totals \$17.7 million. Based on a historical analysis of sustainable capital funding sources, the Town is committing approximately \$6.5 million towards capital projects or reserves per year. As a result, there is currently an annual funding gap of \$11.1 million.

It is important to note that this AMP represents a snapshot in time and is based on the best available processes, data, and information at the Town. Strategic asset management planning is an ongoing and dynamic process that requires continuous improvement and dedicated resources.

1.4 Recommendations

A financial strategy was developed to address the annual capital funding gap. The following graphics shows annual tax/rate change required to achieve the defined proposed level of service based on a 5-year plan for rate funded assets, and 20-year plan for tax funded assets:

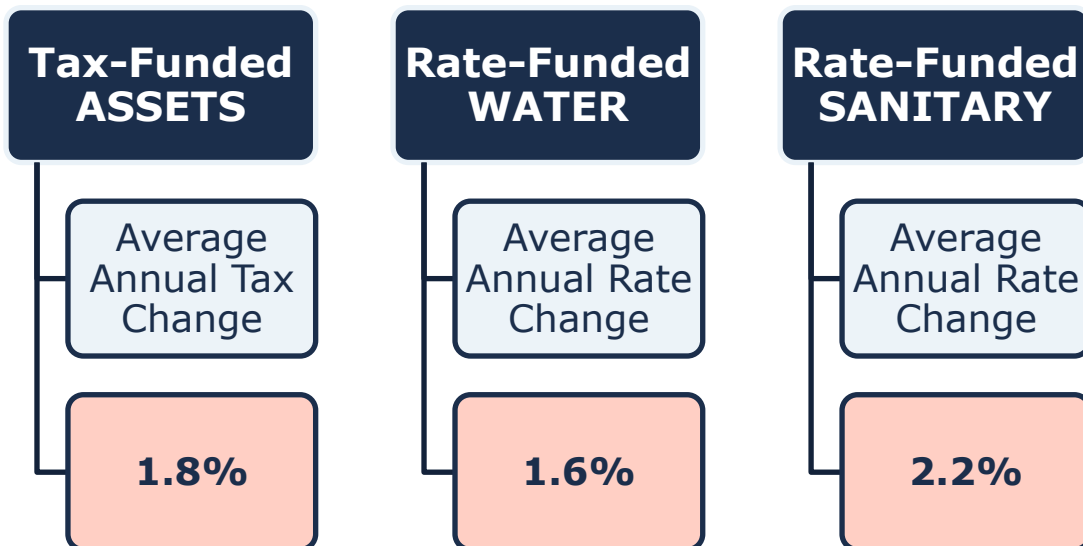


Figure 2 Proposed Tax/Rate Changes

Recommendations to guide continuous refinement of the Town's asset management program. These include:

- ◆ Review data to update and maintain a complete and accurate dataset
- ◆ Develop a condition assessment strategy with a regular schedule
- ◆ Review and update lifecycle management strategies
- ◆ Development and regularly review short- and long-term plans to meet capital requirements
- ◆ Measure current levels of service and sustainability of proposed levels of service

2. Introduction & Context

2.1 Community Profile

The Town of Parry Sound is a vibrant single-tier municipality located on the shores of Georgian Bay in the District of Parry Sound, Ontario. Known for its stunning natural beauty, the town is surrounded by the rugged landscape of the Canadian Shield, featuring rocky shorelines, dense forests, and numerous lakes and rivers. This picturesque setting makes Parry Sound a popular destination for outdoor enthusiasts, offering a wide range of recreational activities such as boating, fishing, hiking, and snowmobiling.

Parry Sound is recognized as the birthplace of NHL legend Bobby Orr and is home to a thriving sports culture, with the Bobby Orr Community Centre serving as a hub for hockey and other community events. The town also boasts a rich cultural scene, hosting the annual Festival of the Sound, a renowned classical music festival that attracts visitors from across the country.

The local economy is driven by a mix of tourism, service industries, and small businesses, with a growing focus on sustainable development. The town offers a balance of urban amenities and cottage country charm, making it an ideal place for both year-round residents and seasonal visitors seeking a peaceful yet vibrant lifestyle in the heart of Ontario's cottage country.

The Town has experienced significant growth between the past two census years (2016-2021). During this period, the Municipality saw a 7.4% increase in population, resulting in 471 new residents. The demographic profile of the Municipality reveals an aging population, with 32% of residents over the ages of 65, which is significantly higher than the provincial average of 18.5%.

Census Characteristic	Town of Parry Sound	Ontario
Population 2021	6,879	14,223,942
Population Change 2016-2021	7.4%	5.8%
Total Private Dwellings	3,518	5,929,250
Population Density	524.9/km ²	15.9/km ²
Land Area	13.10 km ²	892,411.76 km ²

Table 1 Town of Parry Sound Community Profile

2.2 Climate Change

Climate change can cause severe impacts on human and natural systems around the world. The effects of climate change include increasing temperatures, higher levels of precipitation, droughts, and extreme weather events. In 2019, Canada's Changing Climate Report (CCCR 2019) was released by Environment and Climate Change Canada (ECCC).

The report revealed that between 1948 and 2016, the average temperature increase across Canada was 1.7°C; moreover, during this time period, Northern Canada experienced a 2.3°C

increase. The temperature increase in Canada has doubled that of the global average. If emissions are not significantly reduced, the temperature could increase by 6.3°C in Canada by the year 2100 compared to 2005 levels. Observed precipitation changes in Canada include an increase of approximately 20% between 1948 and 2012. By the late 21st century, the projected increase could reach an additional 24%. During the summer months, some regions in Southern Canada are expected to experience periods of drought at a higher rate. Extreme weather events and climate conditions are more common across Canada. Recorded events include droughts, flooding, cold extremes, warm extremes, wildfires, and record minimum arctic sea ice extent.

The changing climate poses a significant risk to the Canadian economy, society, environment, and infrastructure. The impacts on infrastructure are often a result of climate-related extremes such as droughts, floods, higher frequency of freeze-thaw cycles, extended periods of high temperatures, high winds, and wildfires. Physical infrastructure is vulnerable to damage and increased wear when exposed to these extreme events and climate variabilities. Canadian Municipalities are faced with the responsibility to protect their local economy, citizens, environment, and physical assets.

2.2.1 Town of Parry Sound Climate Profile

Parry Sound is nestled in Northern Ontario along the scenic shores of Georgian Bay, approximately 225 km north of Toronto. The Town is expected to experience notable effects of climate change which include higher average annual temperatures, an increase in total annual precipitation, and an increase in the frequency and severity of extreme events. According to Climatedata.ca – a collaboration supported by Environment and Climate Change Canada (ECCC) – the Town of Parry Sound may experience the following trends:

Higher Average Annual Temperature:

- ◆ Between the years 1971 and 2000 the annual average temperature was 5.6 °C
- ◆ Under a high emissions scenario, the annual average temperatures are projected to increase to 8.3 °C by the year 2050 and over 12.1 °C by the end of the century.

Increase in Total Annual Precipitation:

- ◆ Under a high emissions scenario, Parry Sound is projected to experience a 14% increase in precipitation by the year 2050 and a 18% increase by the end of the century.

Increase in Frequency of Extreme Weather Events:

- ◆ It is expected that the frequency and severity of extreme weather events will change.

2.2.2 Integration of Climate Change and Asset Management

Asset management practices aim to deliver sustainable service delivery - the delivery of services to residents today without compromising the services and well-being of future residents. Climate change threatens sustainable service delivery by reducing the useful life of an asset and increasing the risk of asset failure. Desired levels of service can be more difficult to achieve as a result of climate change impacts such as flooding, high heat, drought, and more frequent and intense storms.

In order to achieve the sustainable delivery of services, climate change considerations should be incorporated into asset management practices. The integration of asset management and climate change adaptation observes industry best practices and enables the development of a holistic approach to risk management.

2.3 Asset Management Overview

Municipalities are responsible for managing and maintaining a broad portfolio of infrastructure assets to deliver services to the community. The goal of asset management is to minimize the lifecycle costs of delivering infrastructure services, manage the associated risks, while maximizing the value ratepayers receive from the asset portfolio.

The acquisition of capital assets accounts for only 10-20% of their total cost of ownership. The remaining 80-90% comes from operations and maintenance. This AMP focuses its analysis on the capital costs to maintain, rehabilitate and replace existing municipal infrastructure assets.

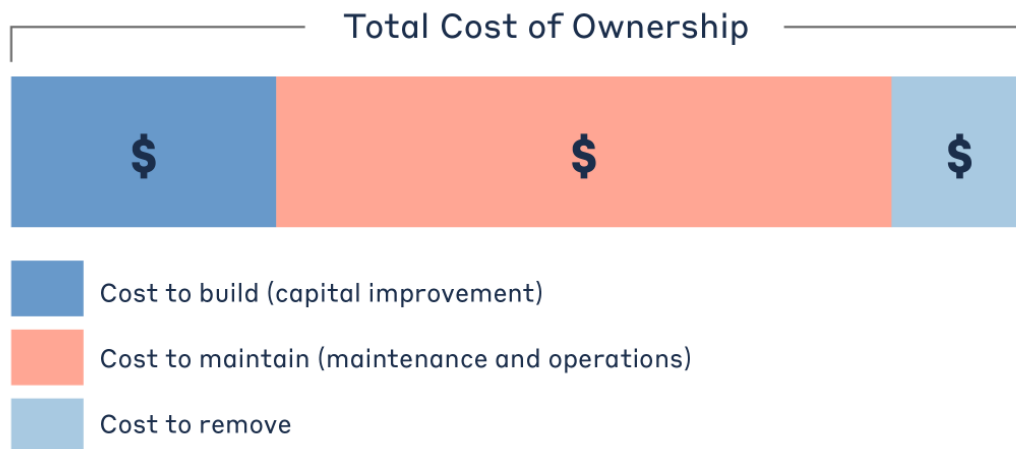


Figure 3 Total Cost of Asset Ownership

These costs can span decades, requiring planning and foresight to ensure financial responsibility is spread equitably across generations. An asset management plan is critical to this planning, and an essential element of broader asset management program. The industry-standard approach and sequence to developing a practical asset management program begins with a Strategic Plan, followed by an Asset Management Policy and an Asset Management Strategy, concluding with an Asset Management Plan.

This industry standard, defined by the Institute of Asset Management (IAM), emphasizes the alignment between the corporate strategic plan and various asset management documents. The strategic plan has a direct, and cascading impact on asset management planning and reporting.

2.3.1 Foundational Asset Management Documentation

The industry-standard approach and sequence to developing a practical asset management program begins with a Strategic Plan, followed by an Asset Management Policy and an Asset Management Strategy, concluding with an Asset Management Plan.

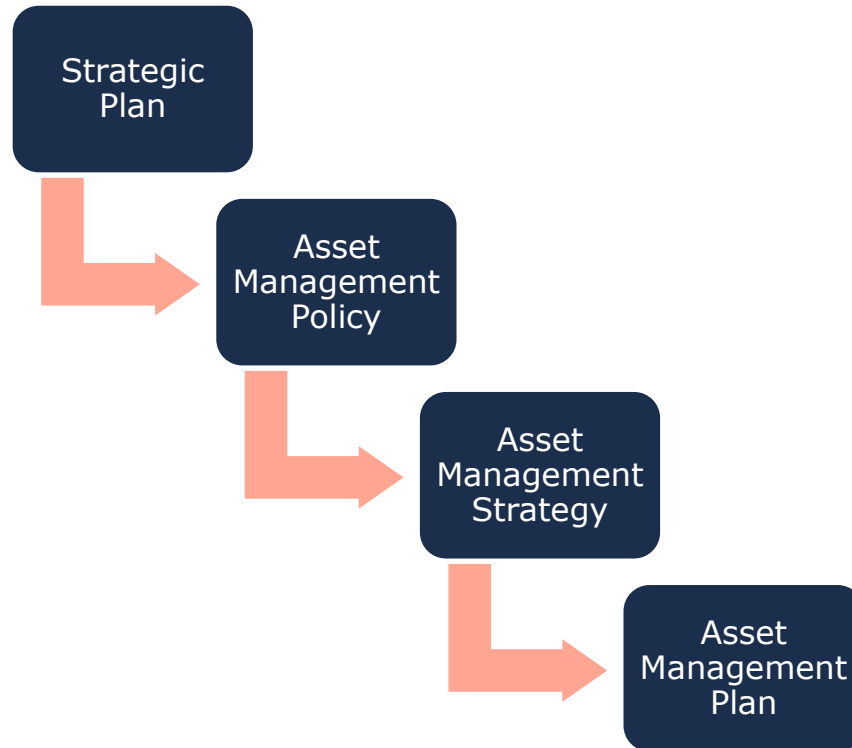


Figure 4 Foundational Asset Management Documents

This industry standard, defined by the Institute of Asset Management (IAM), emphasizes the alignment between the corporate strategic plan and various asset management documents. The strategic plan has a direct, and cascading impact on asset management planning and reporting.

Asset Management Policy

An asset management policy represents a statement of the principles guiding the Town's approach to asset management activities. It aligns with the organizational strategic plan and provides clear direction to municipal staff on their roles and responsibilities as part of the asset management program.

The Town of Parry Sound adopted the "Strategic Asset Management Policy" on July 1st, 2019 in accordance with Ontario Regulation 588/17.

The objectives of the policy include:

- ◆ Provide leadership and commitment to asset management
- ◆ Guide the consistent use of asset management across the organization
- ◆ Facilitate logical and evidence-based decision-making
- ◆ Support the delivery of sustainable community services now and in the future

Asset Management Strategy

An asset management strategy outlines the translation of organizational objectives into asset management objectives and provides a strategic overview of the activities required to meet these objectives. It provides greater detail than the policy on how the Town plans to achieve asset management objectives through planned activities and decision-making criteria.

The Town's Asset Management Policy contains many of the key components of an asset management strategy and may be expanded in future revisions or as part of a separate strategic document.

Asset Management Plan

The asset management plan (AMP) presents the outcomes of the Town's asset management program and identifies the resource requirements needed to achieve a defined level of service. The AMP typically includes the following content:

- ◆ State of Infrastructure
- ◆ Asset Management Strategies
- ◆ Levels of Service
- ◆ Financial Strategies

The AMP is a living document that should be updated regularly as additional asset and financial data becomes available. This will allow the Town to re-evaluate the state of infrastructure and identify how the organization's asset management and financial strategies are progressing.

2.3.2 Key Concepts in Asset Management

Effective asset management integrates several key components, including lifecycle management, risk & criticality, and levels of service. These concepts are applied throughout this asset management plan and are described below in greater detail.

Lifecycle Management Strategies

The condition or performance of most assets will deteriorate over time. This process is affected by a range of factors including an asset's characteristics, location, utilization, maintenance history and environment. Asset deterioration has a negative effect on the ability of an asset to fulfill its intended function, and may be characterized by increased cost, risk and even service disruption.

To ensure that municipal assets are performing as expected and meeting the needs of customers, it is important to establish a lifecycle management strategy to proactively manage asset deterioration.

There are several field intervention activities that are available to extend the life of an asset. These activities can be generally placed into one of three categories: maintenance, rehabilitation, and replacement. The following table provides a description of each type of activity and the general difference in cost.

Depending on initial lifecycle management strategies, asset performance can be sustained through a combination of maintenance and rehabilitation, but at some point, replacement is

required. Understanding what effect these activities will have on the lifecycle of an asset, and their cost, will enable staff to make better recommendations.

Lifecycle Activity	Cost	Typical Associated Risks
<p><i>Maintenance</i></p> <p>Activities that prevent defects or deteriorations from occurring</p>	\$	<ul style="list-style-type: none"> ◆ Balancing limited resources between planned maintenance and reactive, emergency repairs and interventions; ◆ Diminishing returns associated with excessive maintenance activities, despite added costs; ◆ Intervention selected may not be optimal and may not extend the useful life as expected, leading to lower payoff and potential premature asset failure;
<p><i>Rehabilitation/ Renewal</i></p> <p>Activities that rectify defects or deficiencies that are already present and may be affecting asset performance</p>	\$\$\$	<ul style="list-style-type: none"> ◆ Useful life may not be extended as expected; ◆ May be costlier in the long run when assessed against full reconstruction or replacement; ◆ Loss or disruption of service, particularly for underground assets;
<p><i>Replacement/ Reconstruction</i></p> <p>Asset end-of-life activities that often involve the complete replacement of assets</p>	\$\$\$\$\$	<ul style="list-style-type: none"> ◆ Incorrect or unsafe disposal of existing asset; ◆ Costs associated with asset retirement obligations; ◆ Substantial exposure to high inflation and cost overruns; ◆ Replacements may not meet capacity needs for a larger population; ◆ Loss or disruption of service, particularly for underground assets;

Table 2 Lifecycle Management: Typical Lifecycle Interventions

The Town’s approach to lifecycle management is described within each asset category outlined in this AMP. Staff will continue to evolve and innovate current practices for developing and implementing proactive lifecycle strategies to determine which activities to perform on an asset and when they should be performed to maximize useful life at the lowest total cost of ownership.

Risk & Criticality

Asset risk and criticality are essential building blocks of asset management, integral in prioritizing projects and distributing funds where they are needed most based on a variety of factors. Assets in disrepair may fail to perform their intended function, pose substantial risk to the community, lead to unplanned expenditures, and create liability for the municipality. In addition, some assets are simply more important to the community than others, based on their

financial significance, their role in delivering essential services, the impact of their failure on public health and safety, and the extent to which they support a high quality of life for community stakeholders.

Risk is a product of two variables: the probability that an asset will fail, and the resulting consequences of that failure event. It can be a qualitative measurement, (i.e. low, medium, high) or quantitative measurement (i.e. 1-5), that can be used to rank assets and projects, identify appropriate lifecycle strategies, optimize short- and long-term budgets, minimize service disruptions, and maintain public health and safety.

Formula to Assess Risk of Assets

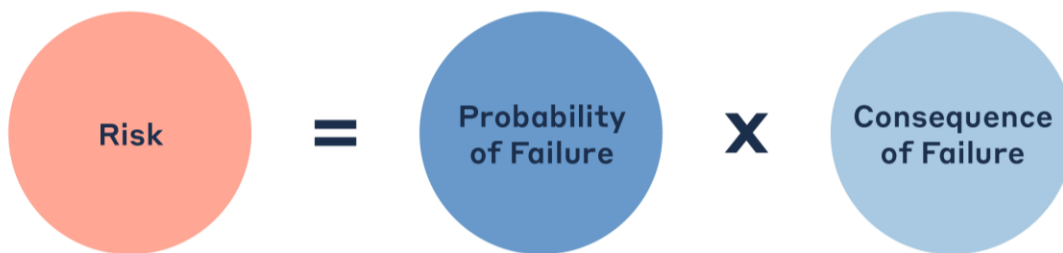


Figure 5 Risk Equations

The approach used in this AMP relies on a quantitative measurement of risk associated with each asset. The probability and consequence of failure are each scored from 1 to 5, producing a minimum risk index of 1 for the lowest risk assets, and a maximum risk index of 25 for the highest risk assets.

Probability of Failure

Several factors can help decision-makers estimate the probability or likelihood of an asset's failure, including its condition, age, previous performance history, and exposure to extreme weather events, such as flooding and ice jams—both a growing concern for municipalities in Canada.

Consequence of Failure

Estimating criticality also requires identifying the types of consequences that the organization and community may face from an asset's failure, and the magnitude of those consequences. Consequences of asset failure will vary across the infrastructure portfolio; the failure of some assets may result primarily in high direct financial cost but may pose limited risk to the community. Other assets may have a relatively minor financial value, but any downtime may pose significant health and safety hazards to residents.

Table 3 illustrates the various types of consequences that can be integrated in developing risk and criticality models for each asset category and segments within. We note that these consequences are common, but not exhaustive.

Type of Consequence	Description
Direct Financial	Direct financial consequences are typically measured as the replacement costs of the asset(s) affected by the failure event, including interdependent infrastructure.
Economic	Economic impacts of asset failure may include disruption to local economic activity and commerce, business closures, service disruptions, etc. Whereas direct financial impacts can be seen immediately or estimated within hours or days, economic impacts can take weeks, months and years to emerge, and may persist for even longer.
Socio-political	Socio-political impacts are more difficult to quantify and may include inconvenience to the public and key community stakeholders, adverse media coverage, and reputational damage to the community and the Municipality.
Environmental	Environmental consequences can include pollution, erosion, sedimentation, habitat damage, etc.
Public Health and Safety	Adverse health and safety impacts may include injury or death, or impeded access to critical services.
Strategic	These include the effects of an asset's failure on the community's long-term strategic objectives, including economic development, business attraction, etc.

Table 3 Risk Analysis: Types of Consequences of Failure

This AMP includes a preliminary evaluation of asset risk and criticality. Each asset has been assigned a probability of failure score and consequence of failure score based on available asset data. These risk scores can be used to prioritize maintenance, rehabilitation, and replacement strategies for critical assets.

These models have been built in Citywide for continued review, updates, and refinements.

Levels of Service

A level of service (LOS) is a measure of the services that the Town is providing to the community and the nature and quality of those services. Within each asset category in this AMP, technical metrics and qualitative descriptions that measure both technical and community levels of service have been established and measured as data is available.

The Town measures the level of service provided at two levels: Community Levels of Service, and Technical Levels of Service.

Community Levels of Service

Community levels of service are a simple, plain language description or measure of the service that the community receives. For core asset categories as applicable (Roads, Bridges & Culverts, Water, Sanitary, Stormwater) the province, through O. Reg. 588/17, has provided qualitative descriptions that are required to be included in this AMP.

Technical Levels of Service

Technical levels of service are a measure of key technical attributes of the service being provided to the community. These include mostly quantitative measures and tend to reflect the impact of the Town's asset management strategies on the physical condition of assets or the quality/capacity of the services they provide.

For core asset categories as applicable, the province, through O. Reg. 588/17, has also provided technical metrics that are required to be included in this AMP.

Current and Proposed Levels of Service

Current LOS are the past performance metrics of an asset category up until present day. In contrast, Proposed LOS looks toward the municipality's goal for asset performance by a defined future date.

It is important to note that O. Reg 588/17 does not dictate which proposed LOS metrics municipality's need to strive for. A proposed LOS will be very specific to each community's resident desires, political goals, and financial capacity. This can range from increasing service levels and costs, to maintaining or even reducing current performance in order to mitigate future cost increases. Regardless of the proposed LOS chosen, O. Reg 588/17 requires municipalities to demonstrate the achievability of their selected metrics.

2.4 Scope & Methodology

2.4.1 Asset Categories for this AMP

This asset management plan for the Town of Parry Sound is produced in compliance with O. Reg. 588/17. The July 2025 deadline under the regulation—the third of three AMPs—requires analysis of core and non-core asset categories, as well as proposed service levels and how to fund them.

The AMP summarizes the state of the infrastructure for the Town's asset portfolio, establishes current levels of service and the associated technical and customer oriented key metrics, outlines lifecycle strategies for optimal asset management and performance, and provides financial strategies to reach sustainability for the asset categories listed below.

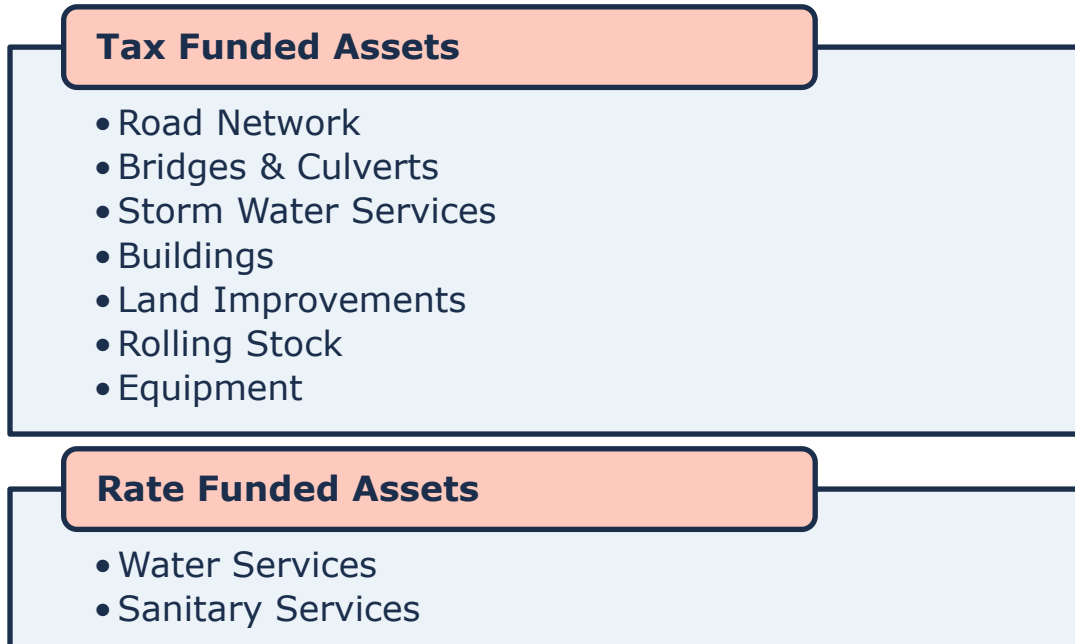


Figure 6 Tax Funded and Rate Funded Asset Categories

2.4.2 Data Effective Date

It is important to note that this plan is based on data as of **December 2024**; therefore, it represents a snapshot in time using the best available processes, data, and information at the Town. Strategic asset management planning is an ongoing and dynamic process that requires continuous data updates and dedicated data management resources.

2.4.3 Deriving Replacement Costs

There are a range of methods to determine the replacement cost of an asset, and some are more accurate and reliable than others. This AMP relies on two methodologies:

User-Defined Cost and Cost Per Unit

Based on costs provided by municipal staff which could include average costs from recent contracts; data from engineering reports and assessments; staff estimates based on knowledge and experience.

Cost Inflation / CPI Tables

Historical costs of the assets are inflated based on Consumer Price Index or Non-Residential Building Construction Price Index.

User-defined costs based on reliable sources are a reasonably accurate and reliable way to determine asset replacement costs. Cost inflation is typically used in the absence of reliable replacement cost data. It is a reliable method for recently purchased and/or constructed assets where the total cost is reflective of the actual costs that the Town incurred. As assets age, and new products and technologies become available, cost inflation becomes a less reliable method.

2.4.4 Estimated Service Life & Service Life Remaining

The estimated useful life (EUL) of an asset is the period over which the Town expects the asset to be available for use and remain in service before requiring replacement or disposal. The EUL for each asset in this AMP was assigned according to the knowledge and expertise of municipal staff and supplemented by existing industry standards when necessary.

By using an asset’s in-service data and its EUL, the Town can determine the service life remaining (SLR) for each asset. Using condition data and the asset’s SLR, the Town can more accurately forecast when it will require replacement. The SLR is calculated as follows:



Figure 7 Service Life Remaining Calculation

2.4.5 Reinvestment Rate

As assets age and deteriorate they require additional investment to maintain a state of good repair. The reinvestment of capital funds, through asset renewal or replacement, is necessary to sustain an adequate level of service. The reinvestment rate is a measurement of available or required funding relative to the total replacement cost.

By comparing the actual vs. target reinvestment rate the Town can determine the extent of any existing funding gap. The reinvestment rate is calculated as follows:



Figure 8 Target Reinvestment Rate Calculation

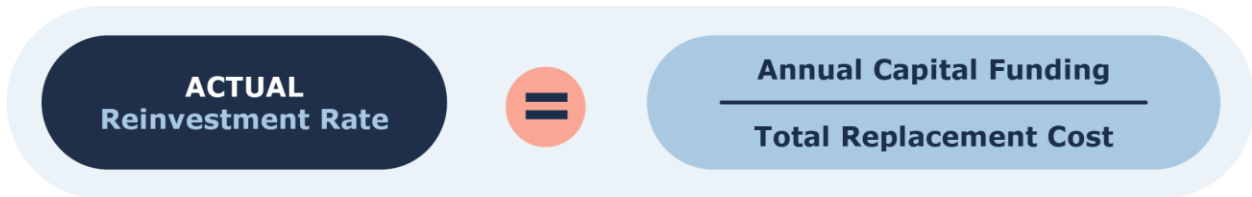


Figure 9 Actual Reinvestment Rate Calculation

2.4.6 Deriving Asset Condition

An incomplete or limited understanding of asset condition can mislead long-term planning and decision-making. Accurate and reliable condition data helps to prevent premature and costly rehabilitation or replacement and ensures that lifecycle activities occur at the right time to maximize asset value and useful life.

A condition assessment rating system provides a standardized descriptive framework that allows comparative benchmarking across the Town’s asset portfolio. The table below outlines the condition rating system used in this AMP to determine asset condition. This rating system is aligned with the Canadian Core Public Infrastructure Survey which is used to develop the Canadian Infrastructure Report Card. When assessed condition data is not available, service life remaining is used to approximate asset condition.

Condition	Description	Criteria	Service Life Remaining (%)
Very Good	Fit for the future	Well maintained, good condition, new or recently rehabilitated	80-100
Good	Adequate for now	Acceptable, generally approaching mid-stage of expected service life	60-80
Fair	Requires attention	Signs of deterioration, some elements exhibit significant deficiencies	40-60
Poor	Increasing potential of affecting service	Approaching end of service life, condition below standard, large portion of system exhibits significant deterioration	20-40
Very Poor	Unfit for sustained service	Near or beyond expected service life, widespread signs of advanced deterioration, some assets may be unusable	0-20

Table 4 Standard Condition Rating Scale

The analysis in this AMP is based on assessed condition data only as available. In the absence of assessed condition data, asset age is used as a proxy to determine asset condition.

2.5 Ontario Regulation 588/17

As part of the Infrastructure for Jobs and Prosperity Act, 2015, the Ontario government introduced Regulation 588/17 - Asset Management Planning for Municipal Infrastructure (O. Reg 588/17)¹. Along with creating better performing organizations, more liveable and sustainable communities, the regulation is a key, mandated driver of asset management planning and reporting. It places substantial emphasis on current and proposed levels of service and the lifecycle costs incurred in delivering them.

Figure 10 below outlines key reporting requirements under O. Reg 588/17 and the associated timelines.

¹ O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure <https://www.ontario.ca/laws/regulation/170588>

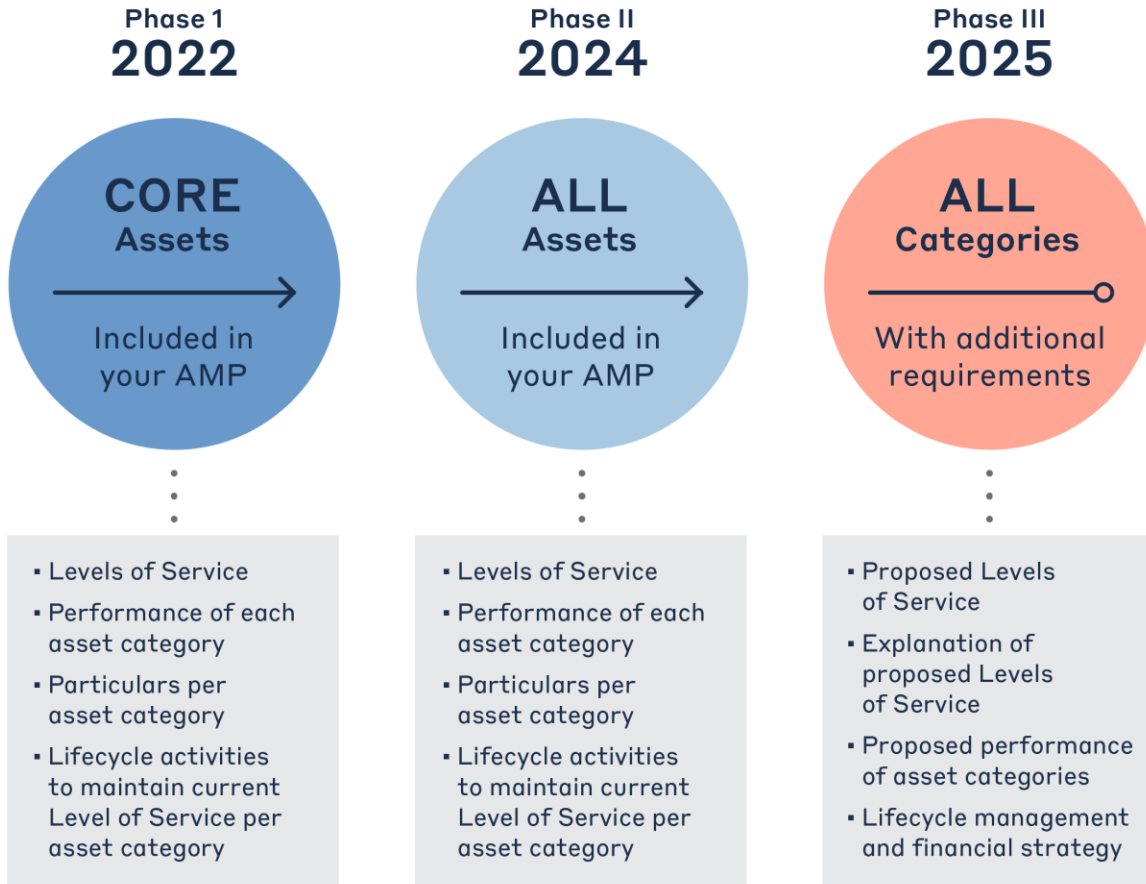


Figure 10 O. Reg. 588/17 Requirements and Reporting Deadlines

2.5.1 O. Reg. 588/17 Compliance Review

Requirement	O. Reg. 588/17 Section	AMP Section Reference	Status
Summary of assets in each category	S.5(2), 3(i)	5.1 – 13.1	Complete
Replacement cost of assets in each category	S.5(2), 3(ii)	5.1 – 13.1	Complete
Average age of assets in each category	S.5(2), 3(iii)	5.3 – 13.3	Complete
Condition of core assets in each category	S.5(2), 3(iv)	5.2 – 13.2	Complete
Description of municipality’s approach to assessing the condition of assets in each category	S.5(2), 3(v)	5.4 – 13.4	Complete

Requirement	O. Reg. 588/17 Section	AMP Section Reference	Status
Current levels of service in each category	S.5(2), 1(i-ii)	5.7 – 13.7	Complete
Current performance measures in each category	S.5(2), 2	5.7 – 13.7	Complete
Lifecycle activities needed to maintain current levels of service for 10 years	S.5(2), 4	5.4 – 13.4	Complete
Costs of providing lifecycle activities for 10 years	S.5(2), 4	5.5 – 13.5	Complete
Growth considerations	S.6(1), 5	14.1 – 14.2	Complete
Proposed levels of service for each category for next 10 years	S.6(1), 1(i-ii)	5.8 – 13.8	Complete
Explanation of appropriateness of proposed levels of service	S.6(1), 2(i-iv)	4.2	Complete
Lifecycle management activities for proposed levels of service	S.6(1), 4(i)	4.2	Complete
10-year capital costs for proposed levels of service	S.6(1), 4(ii)	Appendix B	Complete
Annual funding availability projections	S.6(1), 4(iii)	4.2	Complete

Table 5 O. Reg. 588/17 Compliance Review

Portfolio Overview

3. State of the Infrastructure

The state of the infrastructure (SOTI) summarizes the inventory, condition, age profiles, and other key performance indicators for the Town’s infrastructure portfolio. These details are presented for all core and non-core asset categories.

3.1 Asset Hierarchy & Data Classification

Asset hierarchy explains the relationship between individual assets and their components, and a wider, more expansive network and system. How assets are grouped in a hierarchy structure can impact how data is interpreted. Assets were structured to support meaningful, efficient reporting and analysis. Key category details are summarized at asset segment level.

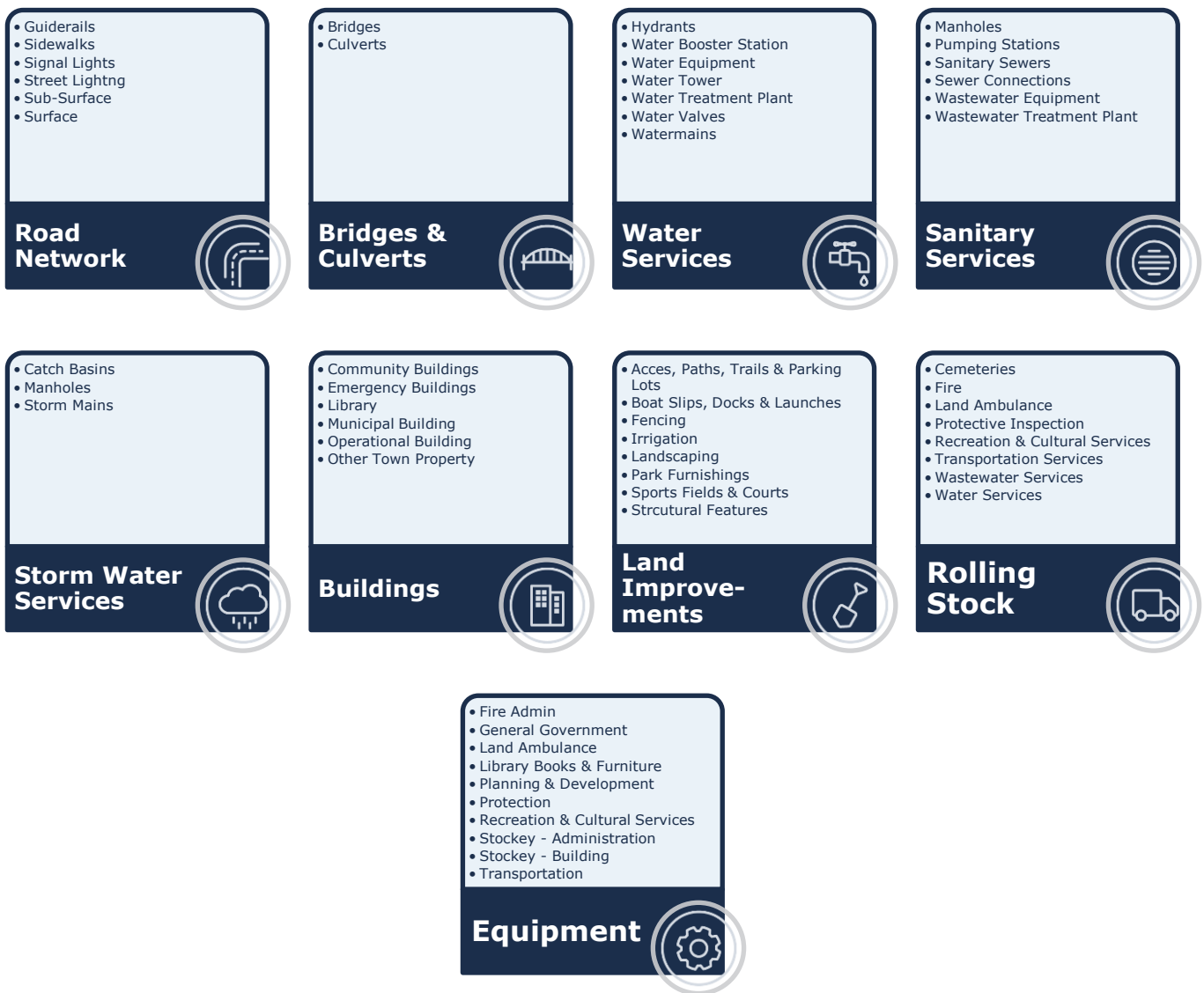


Figure 11 Asset Hierarchy and Data Classification

3.2 Portfolio Overview

3.2.1 Total Replacement Cost of Asset Portfolio

The nine asset categories analyzed in this Asset Management Plan have a total current replacement cost of \$519 million. This estimate was calculated using user-defined costing, as well as inflation of historical or original costs to current date. This estimate reflects replacement of historical assets with similar, not necessarily identical, assets available for procurement today. Figure 12 illustrates the replacement cost of each asset category; at 40% of the total portfolio, the road network forms the largest share of the Town’s asset portfolio, followed by sanitary services at 17%.

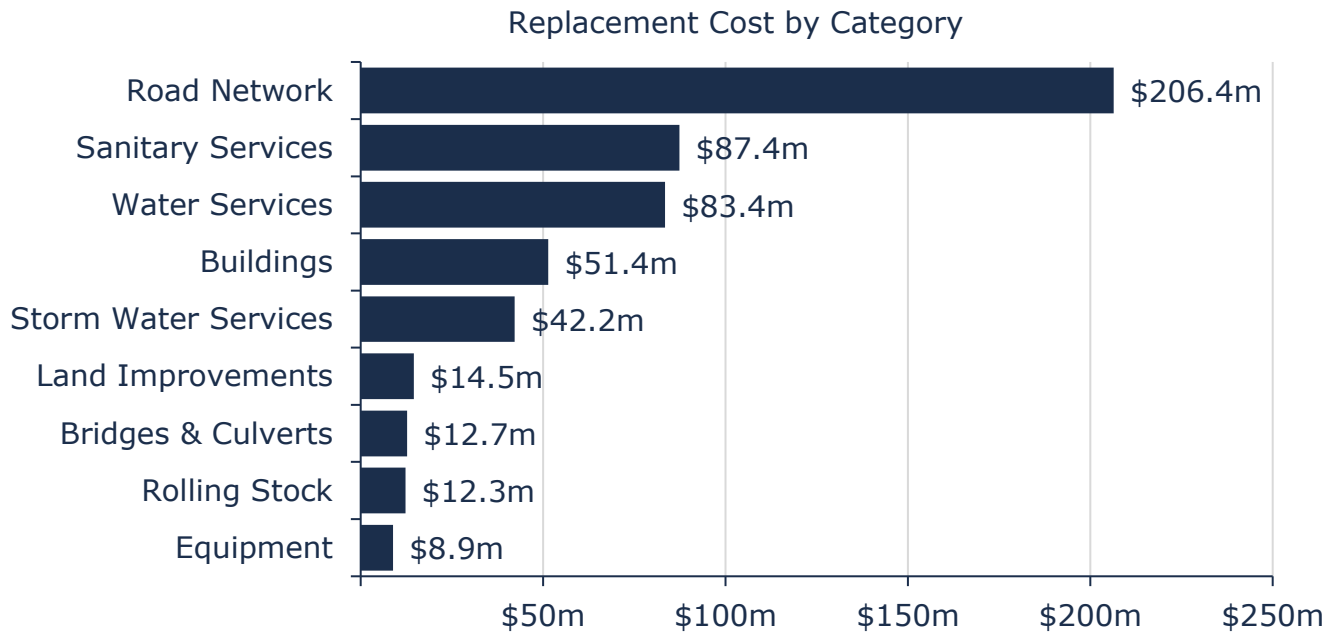


Figure 12 Current Replacement Cost by Asset Category

3.2.2 Target vs. Actual Reinvestment Rate

The graph below depicts funding gaps by comparing the target to the current reinvestment rate. To meet the existing long-term capital requirements, the Town requires an annual capital investment of \$17.7 million, for a target portfolio reinvestment rate of 3.4%. Currently, annual investment from sustainable revenue source is \$6.6 million, for a current portfolio reinvestment rate of 1.3%. Target and current re-investment rates by asset category are detailed below.

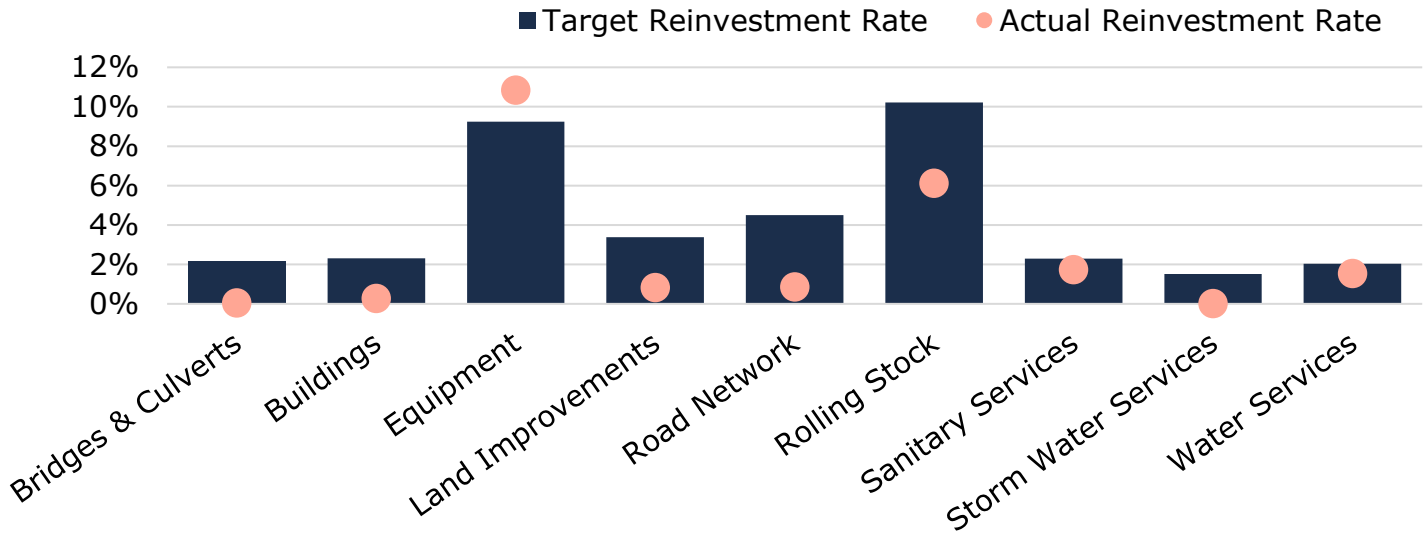


Figure 13 Current Vs. Target Reinvestment Rate

3.2.3 Condition of Asset Portfolio

Figure 14 and Figure 15 summarize asset condition at the portfolio and category levels, respectively. Based on both assessed condition and age-based analysis, 53% of the Town’s infrastructure portfolio is in fair or better condition, with the remaining 47% in poor or worse condition. Typically, assets in poor or worse condition may require replacement or major rehabilitation in the immediate or short-term. Targeted condition assessments may help further refine the list of assets that may be candidates for immediate intervention, including potential replacement or reconstruction.

Similarly, assets in fair condition should be monitored for disrepair over the medium term. Keeping assets in fair or better condition is typically more cost-effective than addressing assets needs when they enter the latter stages of their lifecycle or decline to a lower condition rating, e.g., poor or worse.

Condition data was available for majority of the road network, buildings and bridges and culverts. For all remaining assets, including major infrastructure such as storm mains and sanitary sewers, age was used as an approximation of condition for these assets. Age-based condition estimations can skew data and lead to potential under- or overstatement of asset needs.

Further, when past assessed condition data was available, it was projected to the current year-end (2024). This ‘projected condition’ can generate lower condition ratings than those established at the time of the original condition assessment. The rate of this deterioration will also depend on lifecycle curves used to project condition over time.

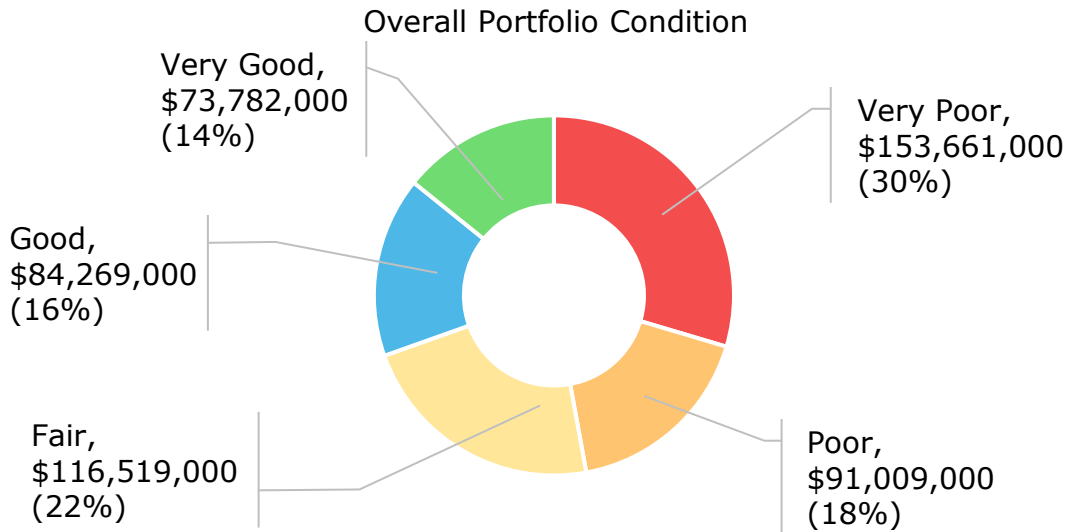
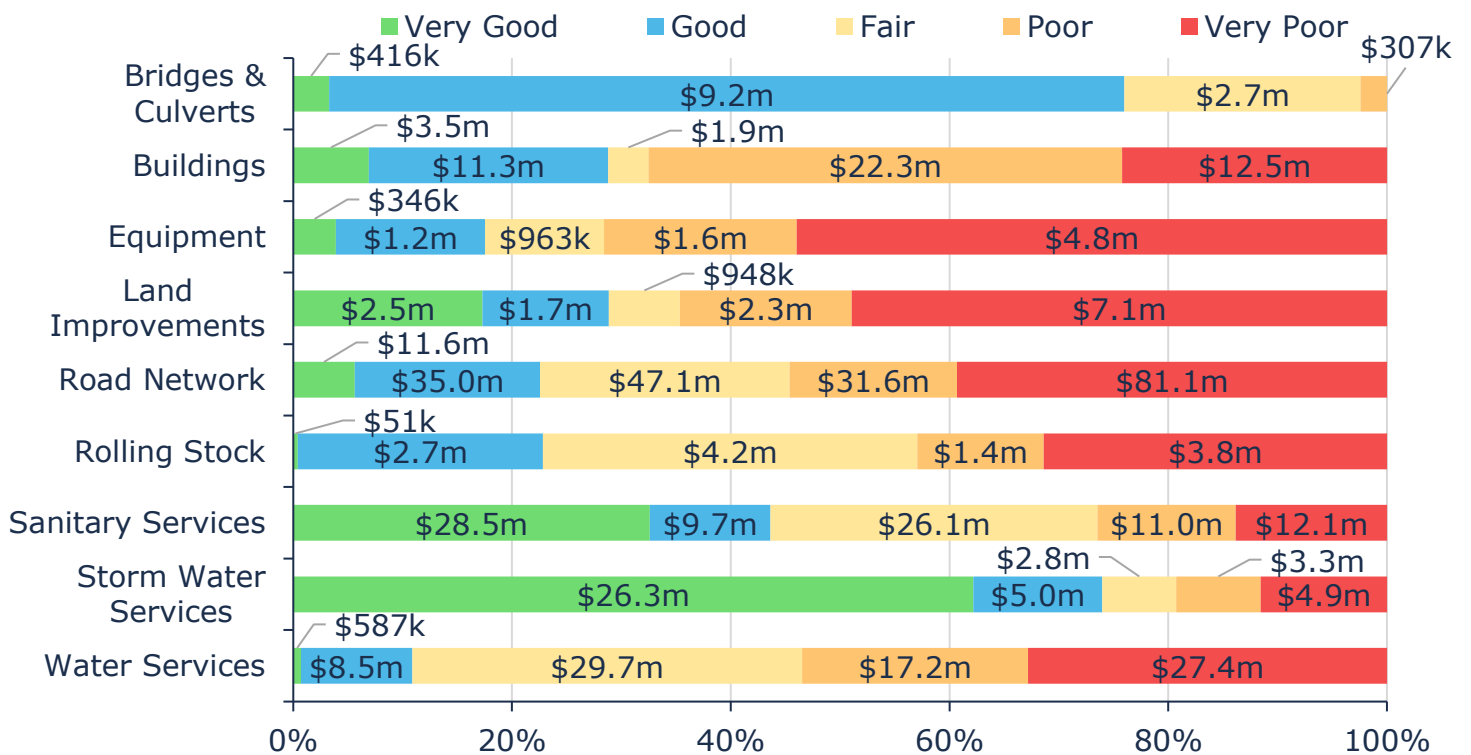


Figure 14 Asset Condition: Portfolio Overview

As further illustrated in Figure 15 at the category level, the majority of major, core infrastructure including roads, bridges, and structural culverts are in fair or better condition, based on in-field condition assessment data. See Table 6 for details on how condition data was derived for each asset segment.



Value and Percentage of Asset Segments by Replacement Cost

Figure 15 Asset Condition by Asset Category

As outlined previously, buildings and facilities are not componentized into their individual major elements and components. This limits the validity of current condition estimates as they are presented only at the 'parent' asset level, such as 'Fire Station #1', or 'Municipal Office'.

Source of Condition Data

This AMP relies on assessed condition for 49% of assets, based on and weighted by replacement cost. For the remaining assets, age is used as an approximation of condition. Assessed condition data is invaluable in asset management planning as it reflects the true condition of the asset and its ability to perform its functions. Table 6 below identifies the source of condition data used throughout this AMP.

Asset Category	% of Assets with Assessed Conditions	Source of Condition Data
Road Network	65%	StreetScan Study
Bridges & Culverts	100%	2024 OSIM Report
Water Services	28%	Staff Assessments
Sanitary Services	49%	Staff Assessments
Storm Water Services	0%	N/A
Buildings	82%	Staff Assessments/Building Condition Assessments
Land Improvements	3%	Staff Assessments
Rolling Stock	16%	Staff Assessments
Equipment	0%	N/A

Table 6 Source of Condition Data

3.2.4 Service Life Remaining

Based on asset age, available assessed condition data and estimated useful life, 41% of the Town's assets will require replacement within the next 10 years. Refer to Appendix B – 10-Year Capital Requirements.

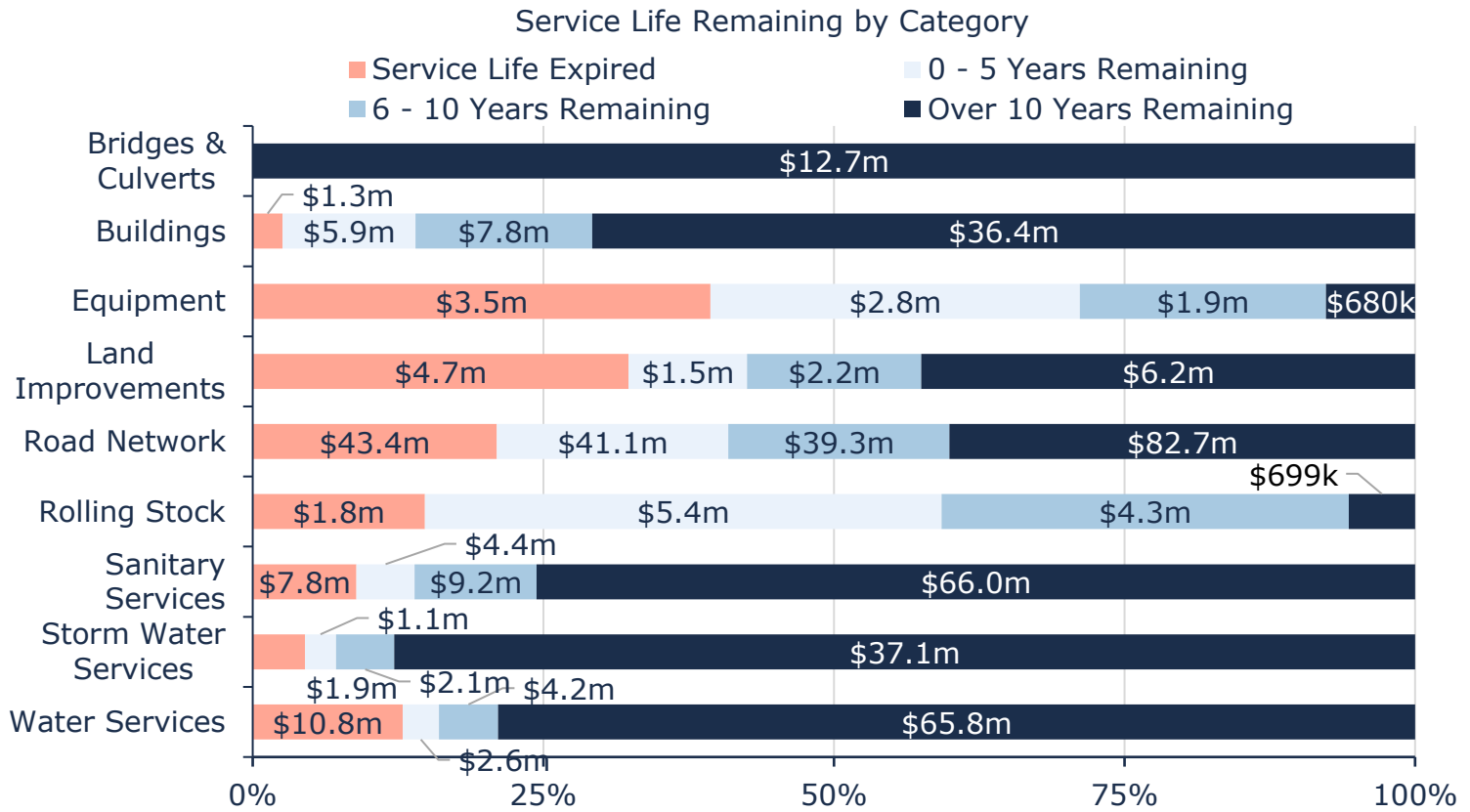


Figure 16 Service Life Remaining by Asset Category

3.2.5 Risk Matrix

Using the risk equation and preliminary risk models, Figure 17 shows how assets across the different asset categories are stratified within a risk matrix.

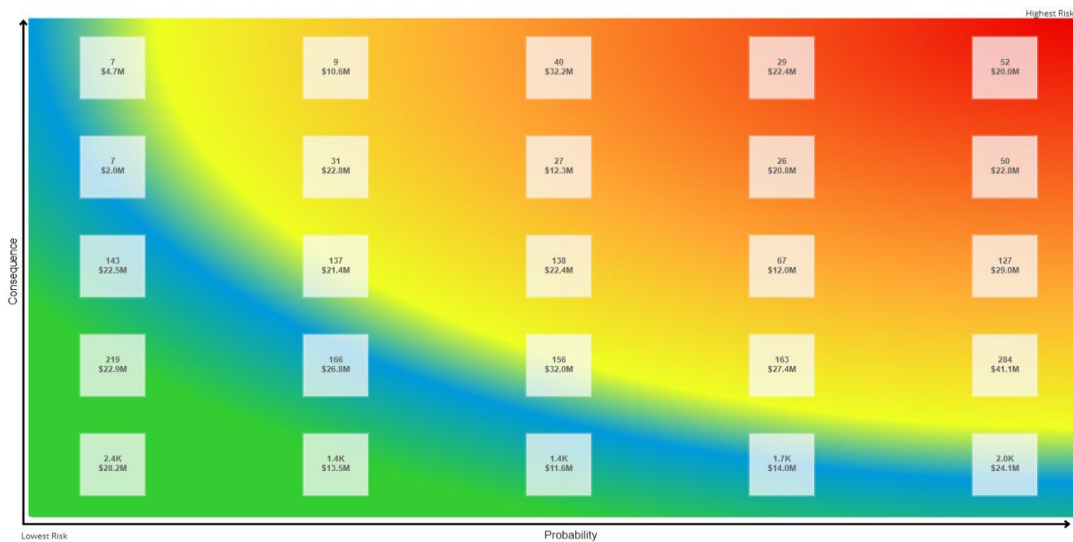


Figure 17 Risk Matrix: All Assets

The analysis shows that based on current risk models, approximately 29% of the Town's assets, with a current replacement cost of approximately \$149 million, carry a risk rating of 15 or higher (red) out of 25. Assets in this group may have a high probability of failure based on available condition data and age-based estimates and were considered to be most essential to the Town.

As new asset attribute information and condition assessment data are integrated with the asset register, asset risk ratings will evolve, resulting in a redistribution of assets within the risk matrix. Staff should also continue to calibrate risk models.

We caution that since risk ratings rely on many factors beyond an asset's physical condition or age, assets in a state of disrepair can sometimes be classified as low-risk, despite their poor condition rating. In such cases, although the probability of failure for these assets may be high, their consequence of failure ratings were determined to be low based on the attributes used and the data available.

Similarly, assets with very high condition ratings can receive a moderate to high-risk rating despite a low probability of failure. These assets may be deemed as highly critical to the Town based on their costs, economic importance, social significance, and other factors. Continued calibration of an asset's criticality and regular data updates are needed to ensure these models more accurately reflect an asset's actual risk profile.

3.2.6 Forecasted Capital Requirements

Aging assets require maintenance, rehabilitation, and replacement. Figure 18 below illustrates the cyclical short-, medium- and long-term infrastructure replacement requirements for all asset categories analyzed in this AMP over a 80-year time horizon. On average, \$17.7 million is required each year to remain current with capital replacement needs for the Town's asset portfolio (red dotted line). Although actual spending may fluctuate substantially from year to year, this figure is a useful benchmark for annual capital expenditure targets (or allocations to reserves) to ensure projects are not deferred and replacement needs are met as they arise. This figure relies on age and available condition data.

The chart also illustrates a backlog of more than \$75.1 million, comprising assets that remain in service beyond their estimated useful life. It is unlikely that all such assets are in a state of disrepair, requiring immediate replacements. This makes continued and expanded targeted and consistent condition assessments integral. Risk frameworks, proactive lifecycle strategies, and levels of service targets can then be used to prioritize projects, continuously refine estimates for both backlogs and ongoing capital needs, and help select the right treatment for each asset. In addition, more effective componentization of buildings will improve these projections, including backlog estimates.



Figure 18 Capital Replacement Needs: Portfolio Overview 2025-2104

Proposed Levels of Service

4. Proposed Levels of Service Analysis

4.1 Overview

4.1.1 O. Reg. 588/17 Proposed Levels of Service Requirements

The third iteration of municipal Asset Management Plans required under O. Reg. 588/17 requires the evaluation of levels of service (LOS) that includes:

- ◆ Proposed LOS options (i.e. increase, decrease, or maintain current LOS) and the risks associated with these options.
- ◆ How the proposed LOS may differ from current LOS.
- ◆ Whether the proposed LOS are achievable; and
- ◆ The municipality's ability to afford proposed LOS.

Additionally, a lifecycle management and financial strategy to support the proposed LOS must be identified for a period of 10 years with specific reporting on:

- ◆ Identification of lifecycle activities needed to provide the proposed LOS.
- ◆ Annual costs over the next 10 years to achieve the proposed LOS; and
- ◆ Identification of proposed funding projected to be available.

4.1.2 Considerations

Proposed LOS for the Town have been developed through comprehensive engagement with Town staff. In order to achieve any target LOS goal, careful consideration of the following should be given to the following:

Financial Impact Assessments

- ◆ Assess historical expenditures/budget patterns to gauge feasibility of increasing budgets to achieve increased service levels
- ◆ Consider implications of LOS adjustments on other services and other infrastructure programs (i.e. trade-offs)

Infrastructure Condition Assessments

- ◆ Regularly assess the condition of critical infrastructure components
- ◆ Use standardized condition assessment protocols (where possible) to quantify the state of the infrastructure
- ◆ Identify non-critical components where maintenance could potentially be deferred without causing severe degradation
- ◆ Use current condition metrics as benchmarks to gauge feasibility of large adjustments to LOS

Service Metrics

- ◆ Measure user satisfaction, response times, and other relevant indicators for specific services

Service Impact Assessments

- ◆ Evaluate potential impacts on user satisfaction and service delivery due to changes in infrastructure condition

Key Lifecycle Activities

- ◆ Implement routine maintenance and inspections to ensure infrastructure reaches its optimal useful life
- ◆ Monitor and optimize operational processes for efficiency
- ◆ Regularly review and update preventive maintenance schedules
- ◆ Prioritize critical infrastructure components for maintenance
- ◆ Implement cost-saving measures without compromising safety or compliance
- ◆ Develop strategies for managing and communicating service impacts to stakeholders
- ◆ Invest in technology and process improvements to enhance maintenance efficiency
- ◆ Upgrade critical infrastructure components to improve overall reliability
- ◆ Explore opportunities for innovation and efficiency gains

Risk Management

- ◆ Identify potential risks to infrastructure and service quality resulting from adjusted service levels
- ◆ Develop contingency plans to address unforeseen challenges without compromising service quality
- ◆ Monitor performance closely to ensure that the target investment translates to the desired infrastructure condition

Infrastructure Condition Enhancements

- ◆ Identify areas for improvement and increased maintenance to enhance overall infrastructure condition

Timelines

- ◆ Although O. Reg. 588/17 requires evaluation of expenditures for a 10-year period in pursuit of proposed LOS, it does not require municipalities to achieve the LOS within this 10-year timeframe (ex. a municipality may have a goal to reach X% condition by 2050, the AMP is required to review the first 10 years of the strategy to reach this goal)
- ◆ Careful consideration should be given to setting realistic targets for when proposed service levels can be achieved.

Stakeholder Engagement

- ◆ It is recommended to ensure adjustments to LOS are not made in isolation and without consultation of various stakeholders. This could include, but is not limited to:
 - ◆ Department Heads/Infrastructure Managers
 - ◆ Residents
 - ◆ Service Users
 - ◆ Council
- ◆ Efforts should be made to communicate changes to LOS transparently to all affected stakeholders

Flexibility

- ◆ Priorities may change over time due to a variety of factors, such as:
 - ◆ Financial state of the municipality
 - ◆ Availability of grants
 - ◆ Significant increases or decreases in population
 - ◆ Changes in political priorities
 - ◆ Changes in resident priorities
 - ◆ New technologies
 - ◆ Changes in legislation
- ◆ Any proposed changes to LOS should be flexible and able to adapt to changes listed above, and other unforeseen circumstances

4.1.3 Community Engagement

The Town of Parry Sound understands that services are provided for the benefit of the people including residents, businesses, and visitors. The Town made available a public survey for multiple weeks in the fall of 2025 to allow stakeholders to voice their opinions of the services that were most important to them, affordability, and their experiences with those services. Highlights of the survey results are summarized below:

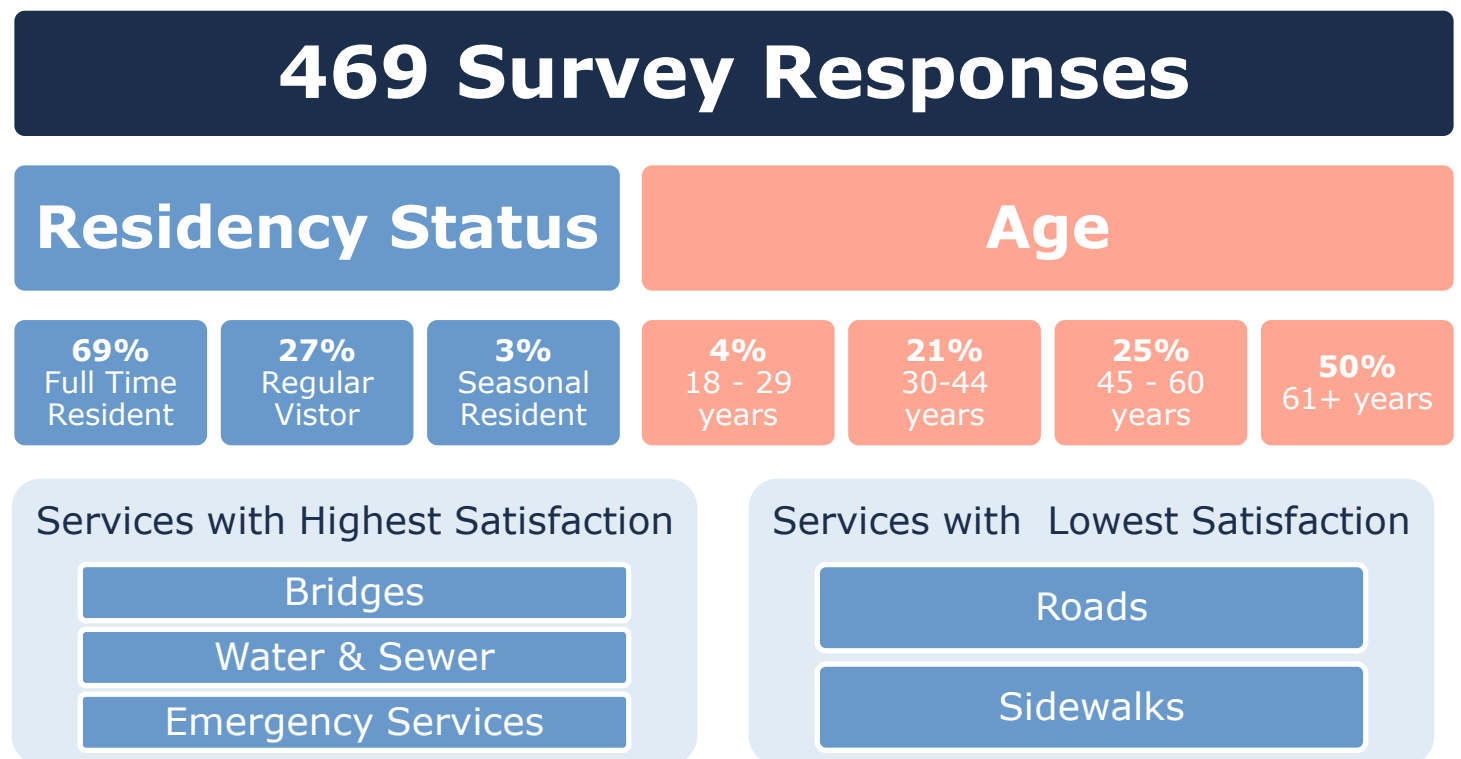


Figure 19 Highlights of Resident Engagement Survey

General Themes of Comments

- ◆ The majority of respondents favored maintaining or increasing spending on roads, utilities, parks, and outdoor open spaces. There is clear public support for additional investment in infrastructure that directly impacts daily life.

- ◆ Comments pointed toward a desire for balanced growth that prioritizes core services while also ensuring fiscal responsibility. Residents advocated for transparency in spending decisions, emphasizing that investments should equitably benefit both current and future community members.

4.2 Proposed Levels of Service Scenarios

The three scenarios outlined in the following section were analyzed as options for proposed service levels for all categories included in this Asset Management Plan.

While all three scenarios were reviewed, ***the Town of Parry Sound selected Scenario 2 for rate funded assets, and Scenario 3 for tax funded assets, as their preferred path forward regarding proposed levels of service***, which is reflected in the financial strategy and 10-year capital replacement forecasts.

4.2.1 Scenario 1: No Funding Increase

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

- ◆ Annual capital allocation for tax-funded assets: \$3.8m
- ◆ Annual capital allocation for water rate-funded assets: \$1.3m
- ◆ Annual capital allocation for sanitary rate-funded assets: \$1.5m

While this scenario was modelled for consideration, the Town did not elect to move forward with this scenario.

Lifecycle Changes Required for Scenario 1

For all asset categories, no changes to lifecycle strategies are required in order to achieve Scenario 1. With the lack of funding, although existing lifecycle strategies are modelled within the Town's asset management system, a significant number of lifecycle events will not have sufficient funds and will move from projected events into the infrastructure backlog.

In future iterations of the AMP, it is recommended to more closely analyze changes to lifecycle management strategies to find long-term cost savings and efficiencies.

Affordability/Achievability of Scenario 1

Of the three scenarios analyzed, Scenario 1 is the least expensive option. Maintaining existing funding levels would require no tax or rate increases. The available capital funding over the next 10 years for Scenario 1 would remain consistent as indicated in the table below:

Categories	Available Capital Funding									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Tax-Funded	\$3.8m	\$3.8m	\$3.8m	\$3.8m	\$3.8m	\$3.8m	\$3.8m	\$3.8m	\$3.8m	\$3.8m
Rate-Funded (Water)	\$1.3m	\$1.3m	\$1.3m	\$1.3m	\$1.3m	\$1.3m	\$1.3m	\$1.3m	\$1.3m	\$1.3m
Rate-Funded (Sanitary)	\$1.5m	\$1.5m	\$1.5m	\$1.5m	\$1.5m	\$1.5m	\$1.5m	\$1.5m	\$1.5m	\$1.5m

Table 7 Scenario 1 Available Capital Funding Over Next 10 Years

It is important to note that an AMP is a dynamic document which should be reviewed regularly to ensure up-to-date information is incorporated including accurate replacement costs, changes in inventory, changes in available funding sources, and reflection on progress made on previous recommendations.

Risks Associated with Scenario 1

There are pros and cons associated with each scenario analyzed, and each benefit is counter-balanced with consequences. For Scenario 1, the following risks have been identified:

- ◆ Increased infrastructure backlog
 - ◆ While modelling no financial increases on residents and businesses, knowingly continuing with insufficient infrastructure funding the Town is committing to sub-optimal lifecycle management of its assets. Being unable to complete strategic lifecycle interventions and replacements may result in increased asset failures, reduced reliability, and the potential for costly unbudgeted repairs to maintain services.
 - ◆ The risks of maintaining a funding level of 37% of the recommendation, Scenario 1 increases the risk of services being impacted by deteriorating asset conditions.
- ◆ Reliance on Grants
 - ◆ As Scenario 1 maintains a position of 37% of recommended funding levels, the Town will be more reliant on conditional grants, as they become available. While these are beneficial to all municipalities to secure to reduce their tax/rate burden on residents, they are considered an unsustainable revenue source. The Town will be more vulnerable to changes in provincial and federal policy and funding programs.
- ◆ Missed opportunities for efficiencies
 - ◆ While analyzing Scenario 1, no alternative lifecycle strategies were proposed. Mid-lifecycle interventions, such as asphalt overlays and sewer lining, can result in extended lifespans of assets and reduced costs over the lifetime of the assets. By relying on existing lifecycle strategies, the Town risks paying more than necessary to maintain their asset inventory.

4.2.2 Scenario 2: Achieving 100% Target Funding in 20 Years for Tax Funded Assets and 5 Years for Rate Funded Assets

This scenario assumes gradual tax and rate increases, stabilizing at 100% funding in 20 years for tax funded assets and 5 years for rate funded assets.

- ◆ Annual Tax Increase ~2.7% annually for 20 years
- ◆ Annual Water Rate Increase ~1.6% annually for 5 years
- ◆ Annual Sanitary Rate Increase ~2.2% annually for 5 years

This scenario was selected as the proposed level of service for both water and sanitary rate funded assets.

Lifecycle Changes Required for Scenario 2

For all asset categories, no changes to lifecycle strategies are required in order to achieve Scenario 2. In future iterations of the AMP, it is recommended to more closely analyze changes to lifecycle management strategies to find long-term cost savings and efficiencies.

Affordability/Achievability of Scenario 2

Of the three scenarios analyzed, Scenario 2 is the most expensive option in terms of tax/rate increases. Reaching 100% of the recommended funding immediately would require an increase of 71% in tax revenue. This is not reasonable or realistic to achieve in a short period of time. With the recommended implementation timeframe of 20 years for tax funded assets and 5 years for rate funded assets, tax revenue would be increased gradually from \$14.3 million to \$24.4 million, water revenue from \$2.8 million to \$3.0 million, and sanitary revenue from \$4.0 million to \$4.5 million. Based on these gradual proposed increases, while maintaining existing sustainable grant funding, the available capital funding over the next 10 years for Scenario 2 is indicated in the table below:

Categories	Available Capital Funding									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Tax-Funded	\$4.71m	\$5.11m	\$5.52m	\$5.93m	\$6.37m	\$6.81m	\$7.26m	\$7.73m	\$8.21m	\$8.70m
Rate-Funded (Water)	\$1.53m	\$1.57m	\$1.62m	\$1.66m	\$1.71m	\$1.71m	\$1.71m	\$1.71m	\$1.71m	\$1.71m
Rate-Funded (Sanitary)	\$1.64m	\$1.73m	\$1.82m	\$1.91m	\$2.01m	\$2.01m	\$2.01m	\$2.01m	\$2.01m	\$2.01m

Table 8 Scenario 2 Available Capital Funding Over Next 10 Years

As the Town of Parry Sound selected Scenario 2 as their preferred proposed level of service for rate funded assets, a further breakdown of projected capital expenditures by asset category can be found in Appendix B – 10-Year Capital Requirements.

It is important to note that an AMP is a dynamic document which should be reviewed regularly to ensure up-to-date information is incorporated including accurate replacement costs, changes in inventory, changes in available funding sources, and reflection on progress made on previous recommendations.

Changes to Community and Technical Levels of Service for Scenario 2

The Town of Parry Sound does not anticipate any changes to qualitative community levels of services for any of the asset categories included within this AMP. All asset categories will see adjustments to their technical levels of service over time, particularly relating to capital reinvestment rate and average condition of assets. Refer to each asset category for more details.

Risks Associated with Scenario 2

There are pros and cons associated with each scenario analyzed, and each benefit is counter-balanced with consequences. For Scenario 2, the following risks have been identified:

- ◆ Increased infrastructure backlog
 - ◆ While mitigating the impact of financial increases on residents and businesses, taking 20 years to reach the targeted funding levels for tax funded assets, and 5 years for rate funded assets, means 20 years of sub-optimal lifecycle management of tax funded assets, and 5 years of sub-optimal lifecycle management of rate funded assets. Being unable to complete strategic lifecycle interventions and replacements may result in increased asset failures, reduced reliability, and the potential for costly unbudgeted repairs to maintain services.
- ◆ Missed opportunities for efficiencies
 - ◆ While analyzing Scenario 2, no alternative lifecycle strategies were proposed. Mid-lifecycle interventions, such as asphalt overlays and sewer lining, can result in extended lifespans of assets and reduced costs over the lifetime of the assets. By relying on existing lifecycle strategies, the Town risks paying more than necessary to maintain their asset inventory.

Appropriateness of Scenario 2 to Meet the Town's Needs

Town staff emphasized a need to balance financial impacts on residents with the reality of the current state of infrastructure within the municipality. Upon review of all three scenarios, Scenario 2 was selected as the most appropriate option for rate funded assets, annual water rate increase of 1.6% and sanitary rate increase of 2.2% was determined to be subjectively manageable to implement, while creating a sustainable future for the Town's infrastructure. The risks associated with relying on conditional grants from higher levels of government were deemed to be too great considering the country-wide trend of downloading responsibilities (and costs) to municipal governments and reducing funding opportunities.

4.2.3 Scenario 3: Maintaining Existing Tax Increase to Achieve 75% of Target Funding in 20 Years

This scenario assumes the Town maintains the existing tax increase, stabilizing at 75% funding in 20 years.

- ◆ Annual Tax Increase ~1.8%

Annual water and sanitary rates would see no increase in this scenario, as the water and sanitary services are currently funded at 75% of the targeted funding.

This scenario was selected as the proposed level of service for tax funded assets.

Lifecycle Changes Required for Scenario 3

For all asset categories, no changes to lifecycle strategies are required in order to achieve Scenario 3. In future iterations of the AMP, it is recommended to more closely analyze changes to lifecycle management strategies to find long-term cost savings and efficiencies.

Affordability/Achievability of Scenario 3

Of the three scenarios analyzed, Scenario 3 is the middle ground in regards to cost. Reaching 75% funding immediately would require an increase of 47% in tax revenue. This is not reasonable or realistic to achieve in a short period of time. With the recommended implementation timeframe of 20 years, tax revenue would be increased gradually from \$14.3 million to \$20.5 million, water revenue would remain at \$2.8 million, and sanitary revenue would remain at \$4.0 million. Based on these gradual proposed increases, while maintaining existing sustainable grant funding, the available **capital** funding over the next 10 years for Scenario 3 is indicated in the table below:

Categories	Available Capital Funding									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Tax-Funded	\$4.58m	\$4.84m	\$5.11m	\$5.38m	\$5.66m	\$5.94m	\$6.23m	\$6.52m	\$6.82m	\$7.12m
Rate-Funded (Water)	\$1.3m	\$1.3m	\$1.3m	\$1.3m	\$1.3m	\$1.3m	\$1.3m	\$1.3m	\$1.3m	\$1.3m
Rate-Funded (Sanitary)	\$1.5m	\$1.5m	\$1.5m	\$1.5m	\$1.5m	\$1.5m	\$1.5m	\$1.5m	\$1.5m	\$1.5m

Table 9 Scenario 3 Available Capital Funding Over Next 10 Years

It is important to note that an AMP is a dynamic document which should be reviewed regularly to ensure up-to-date information is incorporated including accurate replacement costs, changes in inventory, changes in available funding sources, and reflection on progress made on previous recommendations.

Changes to Community and Technical Levels of Service for Scenario 1

The Town of Parry Sound does not anticipate any changes to qualitative community levels of services for any of the asset categories included within this AMP. All asset categories will see adjustments to their technical levels of service over time, particularly relating to capital reinvestment rate and average condition of assets. Refer to each asset category for more details.

Risks Associated with Scenario 3

There are pros and cons associated with each scenario analyzed, and each benefit is counter-balanced with consequences. For Scenario 3, the following risks have been identified:

- ◆ Increased infrastructure backlog
 - ◆ While mitigating the impact of financial increases on residents and businesses, taking 20 years to reach the targeted funding levels means 20 years of sub-optimal

lifecycle management of assets. Being unable to complete strategic lifecycle interventions and replacements may result in increased asset failures, reduced reliability, and the potential for costly unbudgeted repairs to maintain services.

- ◆ Missed opportunities for efficiencies
 - ◆ While analyzing Scenario 3, no alternative lifecycle strategies were proposed. Mid-lifecycle interventions, such as asphalt overlays and sewer lining, can result in extended lifespans of assets and reduced costs over the lifetime of the assets. By relying on existing lifecycle strategies, the Town risks paying more than necessary to maintain their asset inventory.

Appropriateness of Scenario 3 to Meet the Town's Needs

Town staff emphasized a need to balance financial impacts on residents with the reality of the current state of infrastructure within the municipality. Upon review of all three scenarios, Scenario 3 was selected as the most appropriate option for tax funded assets as an annual tax increase of 1.8% was determined to be subjectively manageable to implement, while creating a sustainable future for the Town's infrastructure. The risks associated with relying on conditional grants from higher levels of government were deemed to be too great considering the country-wide trend of downloading responsibilities (and costs) to municipal governments and reducing funding opportunities.

Category Analysis: Core Assets

5. Road Network

The Road Network is a critical component of the provision of safe and efficient transportation services and represents the highest value asset category in the Town’s asset portfolio. It includes all Town owned and maintained roadways in addition to supporting roadside infrastructure including guiderails, sidewalks, signal lights and street lights.

5.1 Inventory & Valuation

Table 10 summarizes the quantity and current replacement cost of the Town’s various road network assets as managed in its primary asset management register, Citywide.

Segment	Quantity	Unit of Measure	Replacement Cost	Primary RC Method
Guiderails	5	Quantity	\$57,000	CPI
Sidewalks	44,752	m ²	\$17,856,000	Cost/Unit
Signal Lighting	22	Quantity	\$1,767,000	CPI
Street Lighting	1,270	Quantity	\$1,480,000	CPI
Sub-Surface	54,014	m	\$69,299,000	Cost/Unit
Surface	55,515	m	\$115,969,000	Cost/Unit
TOTAL			\$206,429,000	

Table 10 Detailed Asset Inventory: Road Network

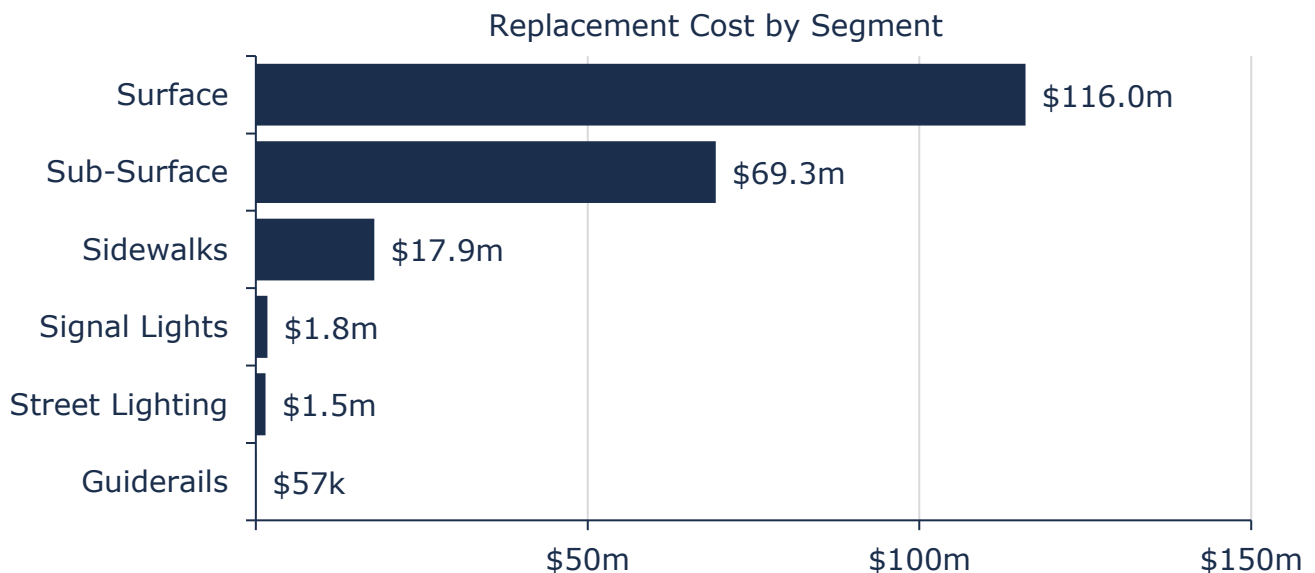


Figure 20 Portfolio Valuation: Road Network

5.2 Asset Condition

Figure 21 summarizes the replacement cost-weighted condition of the Town’s road network. Based on a combination of field inspection data and age, 45% of assets are in fair or better condition; the remaining 55% of assets are in poor to very poor condition. Condition assessments were available for 100% of roads and sidewalks, based on replacement cost. This condition data was projected from inspection date to current year to estimate their condition today. No condition data was available for the remaining asset types.

Assets in poor or worse condition may be candidates for replacement in the short term; similarly, assets in fair condition may require rehabilitation or replacement in the medium term and should be monitored for further degradation in condition. As illustrated in Figure 21, the majority of the Town’s road network assets are in fair or better condition.

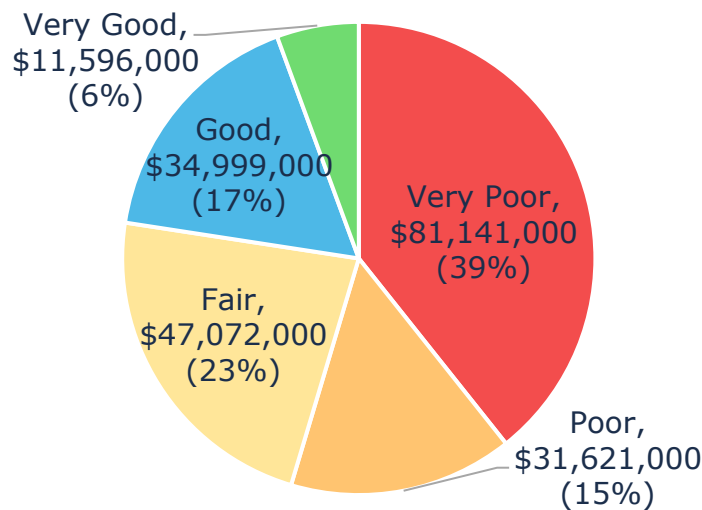


Figure 21 Asset Condition: Road Network Overall

As illustrated in Figure 22, based on condition assessments, the majority of the Town’s roads and sidewalks are fair or better condition.

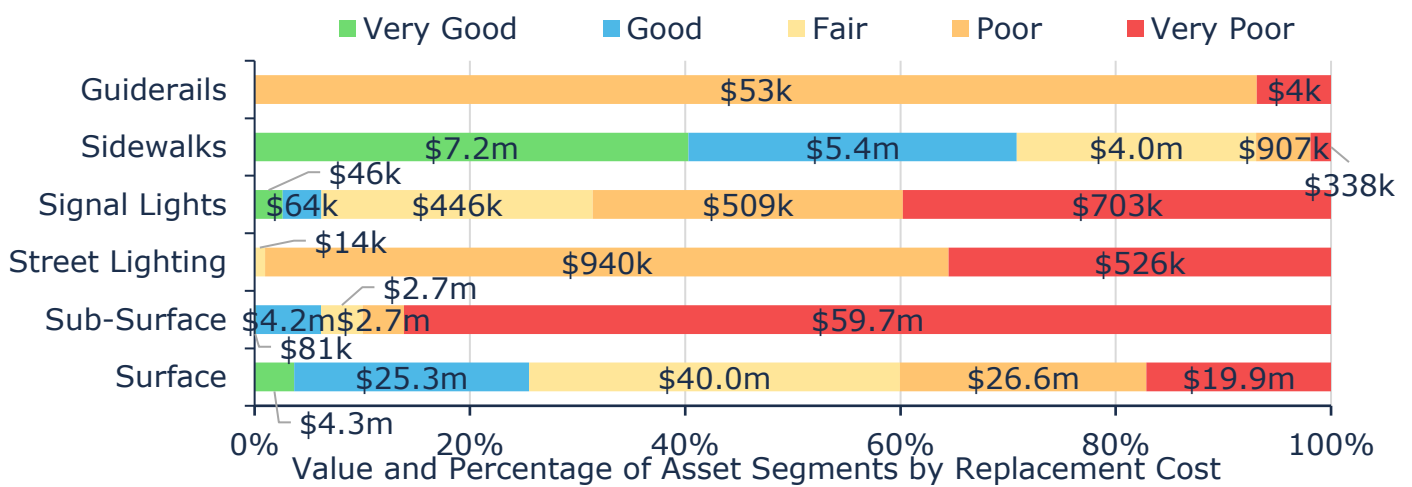


Figure 22 Asset Condition: Road Network by Segment

5.3 Age Profile

An asset’s age profile comprises two key values: estimated useful life (EUL), or design life; and the percentage of EUL consumed. The EUL is the serviceable lifespan of an asset during which it can continue to fulfil its intended purpose and provide value to users, safely and efficiently. As assets age, their performance diminishes, often more rapidly as they approach the end of their design life.

In conjunction with condition data, an asset’s age profile provides a more complete summary of the state of infrastructure. It can help identify assets that may be candidates for further review through condition assessment programs; inform the selection of optimal lifecycle strategies; and improve planning for potential long-term replacement spikes.

Figure 23 illustrates the average current age of each asset type and its estimated useful life. Both values are weighted by the replacement cost of individual assets.

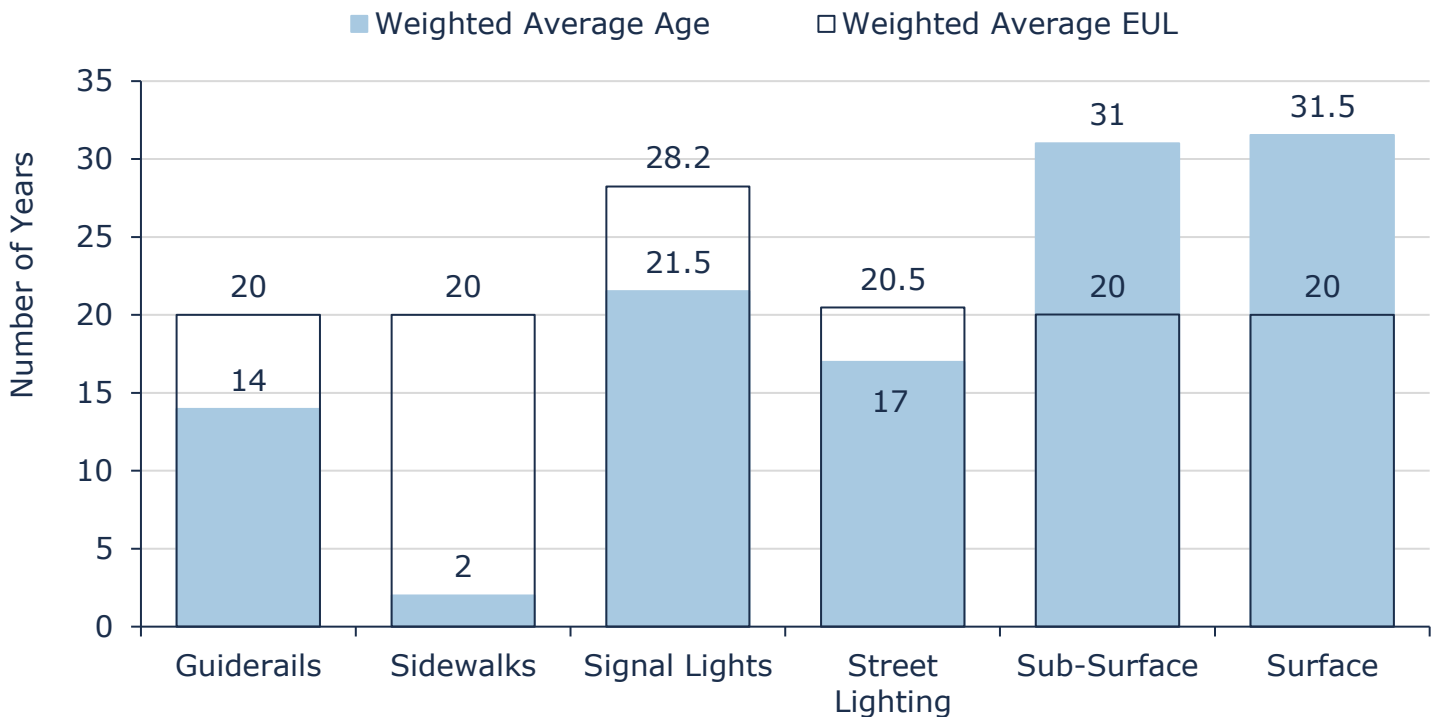


Figure 23 Estimated Useful Life vs. Asset Age: Road Network

Age analysis shows that the majority of roads have surpassed their expected useful life, with an average age of 31 years against a design life of 20 years. Guiderails, sidewalks, signal lights and street lighting are currently within their expected useful lives, with street lighting quickly approaching their proposed end of life.

Although asset age is an important measurement for long-term planning, condition assessments provide a more accurate indication of actual asset needs. Further, useful life estimates established as part of the PSAB 3150 implementation may not be accurate and may not reflect in-field asset performance.

5.4 Current Approach to Lifecycle Management

The condition or performance of most assets will deteriorate over time. This process is affected by a range of factors including an asset’s characteristics, location, utilization, maintenance history and environment.

The following lifecycle strategies have been developed as a proactive approach to managing the lifecycle of paved roads and tar and chip roads. Instead of allowing the roads to deteriorate until replacement is required, strategic rehabilitation is expected to extend the service life of roads at a lower total cost.

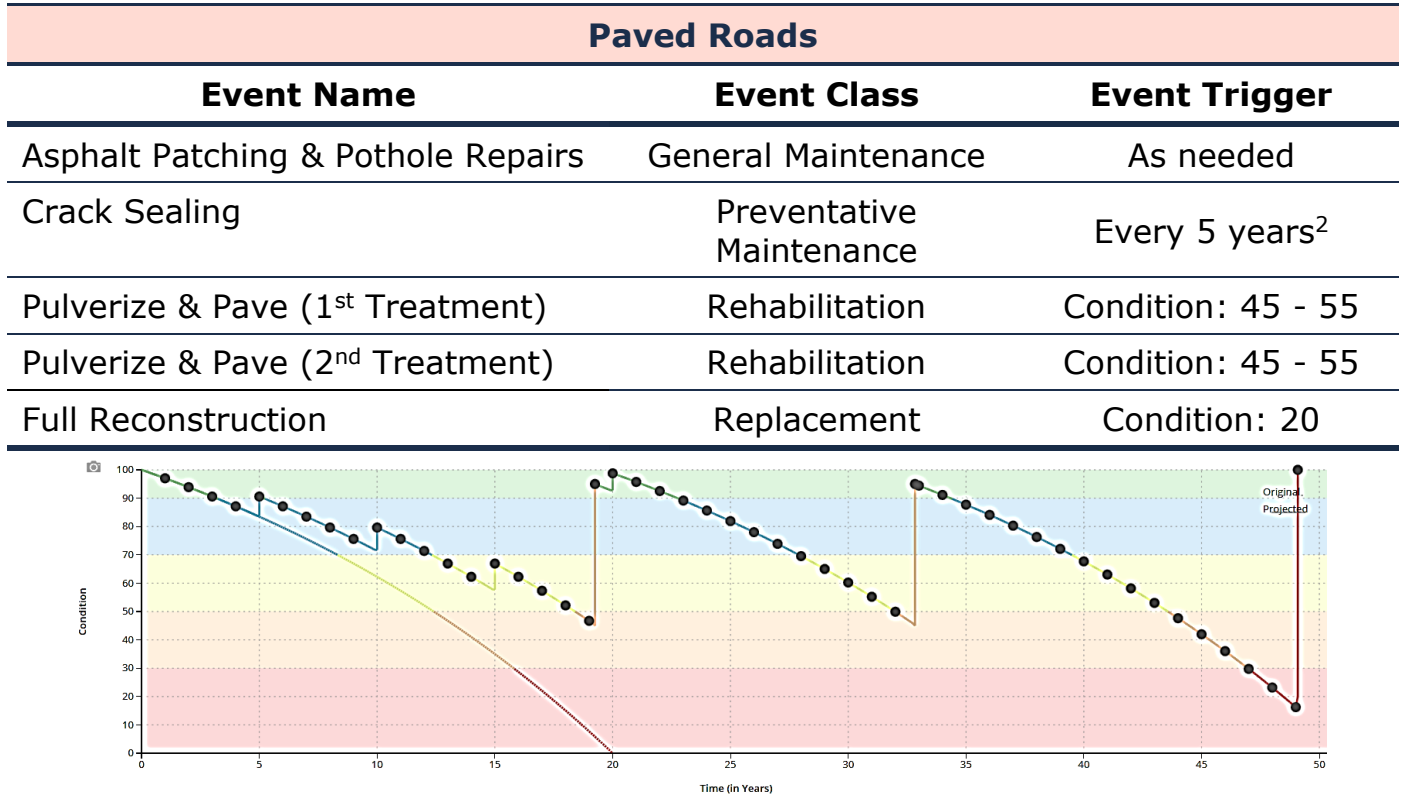


Table 11 Lifecycle Management Strategy: Road Network (Paved Roads)

Tar & Chip Roads		
Event Name	Event Class	Event Trigger
Cold Patch & Slurry Seal	Preventative Maintenance	Year 2 and every 7 years after
Single Lift Surface Treatment	Rehabilitation	Age: every 7 years
Full Reconstruction	Replacement	Condition: 20

Table 12 Lifecycle Management Strategy: Road Network (Tar & Chip Roads)

² Crack sealing is not effective once the surface exceeds 20 years of useful life.

The following table expands on inspection activities for road network assets.

Activity Type	Description of Current Strategy
Inspection	Road patrols are conducted regularly and based on the minimum maintenance standards (MMS) and specific design classes.
	The frequency of patrols varies by season. During the winter season, class 3 roads are inspected daily, and class 4-6 roads are inspected at least once a week.
	A streetscan study of the road network including road surfaces and sidewalks was completed in 2023 by external contractors.

Table 13 Lifecycle Management Strategy: Road Network

5.5 Forecasted Long-Term Replacement Needs

Figure 13 illustrates the cyclical short-, medium- and long-term infrastructure rehabilitation and replacement requirements for the Town’s road network. This analysis was run until 2054 to capture at least one iteration of replacement for the longest-lived asset in Citywide Assets, the Town’s primary asset management system and asset register. The Town’s average annual requirements (red dotted line) total \$9.3 million for all assets in the road network. Although actual spending may fluctuate substantially from year to year, this figure is a useful benchmark value for annual capital expenditure targets (or allocations to reserves) to ensure projects are not deferred and replacement needs are met as they arise.

The chart illustrates substantial capital needs through the forecast period. It also shows a backlog \$43.4 million, dominated by sub-surface. However, as no condition data was available, this estimate may not be accurate. These projections are based on asset replacement costs, age analysis, and condition data when available, as well as lifecycle modeling (roads only). They are designed to provide a long-term, portfolio-level overview of capital needs and should be used to support improved financial planning over several decades.

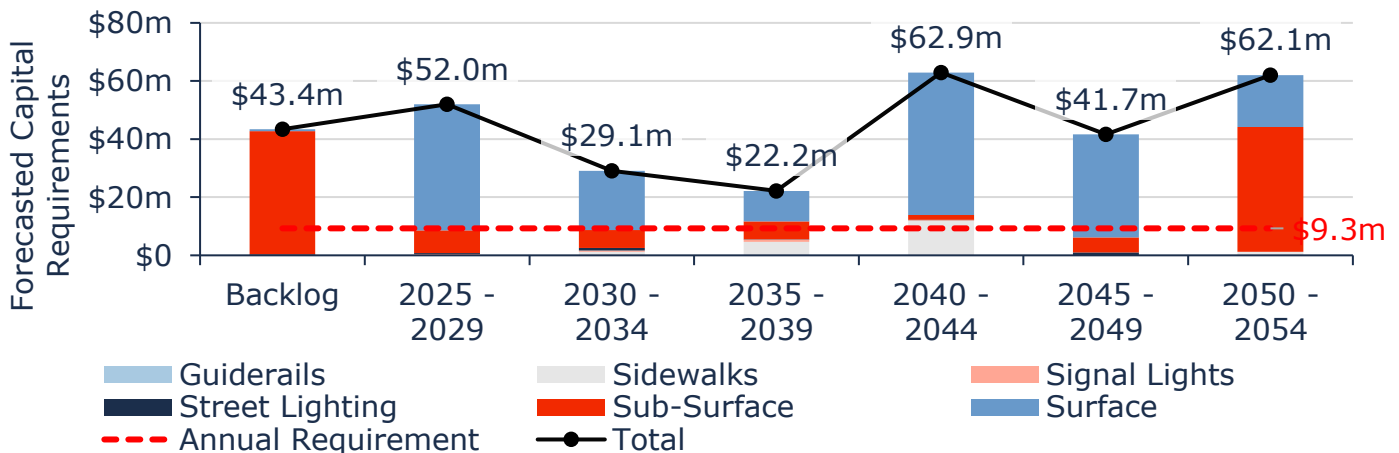


Figure 24 Forecasted Capital Replacement Needs: Road Network 2025-2054

Often, the magnitude of replacement needs is substantially higher than most municipalities can afford to fund. In addition, most assets may not need to be replaced. However, quantifying and monitoring these spikes is essential for long-term financial planning, including establishing dedicated reserves. Regular pavement condition assessments and a robust risk framework will ensure that high-criticality assets receive proper and timely lifecycle intervention, including replacements.

A summary of the 10-year replacement forecast can be found in Appendix B – 10-Year Capital Requirements.

5.6 Risk Analysis

The risk matrix below is generated using available asset data, including condition, service life remaining, replacement costs, and road class. The risk ratings for assets without useful attribute data were calculated using only condition, service life remaining, and their replacement costs.

The matrix stratifies assets based on their individual probability and consequence of failure, each scored from 1 to 5. Their product generates a risk index ranging from 1-25. Assets with the highest criticality and likelihood of failure receive a risk rating of 25; those with lowest probability of failure and lowest criticality carry a risk rating of 1. As new data and information is gathered, the Town may consider integrating relevant information that improves confidence in the criteria used to assess asset risk and criticality.

These risk models have been built into the Town’s Asset Management Database (Citywide Assets). See *Risk & Criticality* section for further details on approach used to determine asset risk ratings and classifications.

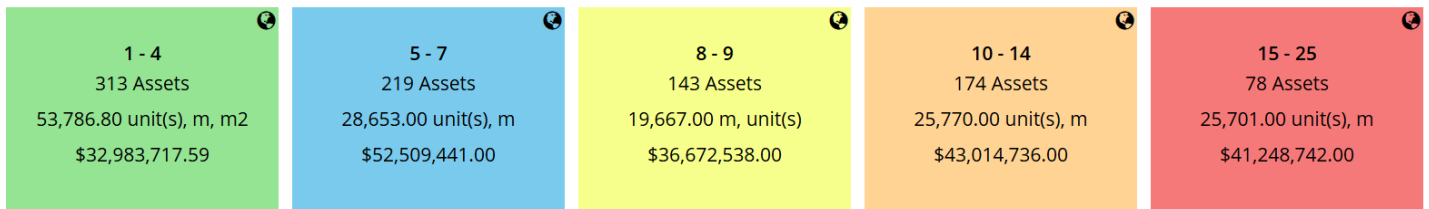


Figure 25 Risk Matrix: Road Network

5.7 Levels of Service

The tables that follow summarize the Town’s current levels of service with respect to prescribed KPIs under Ontario Regulation 588/17, as well as any additional performance measures that the Town selected for this AMP.

5.7.1 Community Levels of Service

Service Attribute	Qualitative Description	Current LOS (2024)
Scope	Description, which may include maps, of the road network in the municipality and its level of connectivity	The Town is responsible for approximately 106 kilometres of road network comprised of paved roads, gravel lanes, and pedestrian passages. The majority of roads in the Town are designated as Class 5 roads, as per O. Reg. 239/02, and are composed of asphalt. Refer to Appendix C for map references.
	Description of minimum maintenance standards for road network (road surfaces and sidewalks) and Winter Maintenance Level of Service Policy	The Town follows provincial minimum maintenance standards for municipal roads and sidewalks. "ONTARIO REGULATION 366/18 MINIMUM MAINTENANCE STANDARDS FOR MUNICIPAL HIGHWAYS" This Regulation sets out the minimum standards of repair for highways and sidewalks under municipal jurisdictions.
Performance	Description of the lifecycle activities (maintenance, rehabilitation and replacement) performed on the road network	The current lifecycle strategy deployed by the Town is mainly reactive, although staff are committed to developing a more proactive strategy for paved roads. Currently, lifecycle activities consist of general maintenance activities (such as asphalt patching, pothole repairs, and other activities to satisfy the MMS requirements), rehabilitation activities (such as pulverize and pave) and road reconstruction.
Quality	Description or images that illustrate the different levels of road class pavement condition	The current condition of the Town's road network relies on assessed condition from a comprehensive road assessment performed in 2023. 52% of the road network is in fair or better condition and 48% in poor or very poor condition. The majority of the town's sidewalk inventory (93%) is estimated to be in fair or better condition, with only 7% in poor or worse condition.

Table 14 O. Reg. 588/17 Community Levels of Service: Road Network

5.7.2 Technical Levels of Service

Service Attribute	Technical Metric	Current LOS (2024)
Scope	Lane-km of arterial roads (MMS classes 1 and 2) per land area (km/km ²)	0 km/km ²
	Lane-km of collector roads (MMS classes 3 and 4) per land area (km/km ²)	1.8 km/km ²
	Lane-km of local roads (MMS classes 5 and 6) per land area (km/km ²)	2.01 km/km ²
Quality	Average pavement condition index for paved roads in the Town	55%
	Average surface condition for unpaved roads in the Town (e.g. excellent, good, fair, poor)	N/A
	Average condition for sidewalks in the municipality	79%
Performance	Current vs. Target Capital Reinvestment Rate	0.86% vs. 4.50%

Table 15 O. Reg. 588/17 Technical Levels of Service: Road Network

5.8 Proposed Levels of Service

The below tables and graphs explain the proposed levels of service scenarios that were analyzed for the road network. Further PLOS analysis at the portfolio level can be found in Section 4. *Proposed Levels of Service Analysis.*

5.8.1 PLOS Scenarios Analyzed

Scenario	Description
Scenario 1: No Funding Increase	This scenario maintains existing capital funding levels for those categories that are underfunded. ♦ Road Network capital funding maintained at \$1.78m/year
Scenario 2: Achieving 100% Target Funding in 20 Years	This scenario assumes gradual tax increases of ~2.7%/year, stabilizing at 100% funding across all asset categories in 20 years. ♦ Road Network capital funding gradually increases from \$1.78m/year to \$9.29m/year over a span of 20 years
Scenario 3: Maintaining Existing Tax Increase to Achieve 75% of Target Funding in 20 Years	This scenario assumes gradual tax increases of ~1.8%/year, stabilizing at 75% funding across all asset categories in 20 years. ♦ Road Network capital funding gradually increases from \$1.78m/year to \$6.96m/year over a span of 20 years

Table 16 Road Network PLOS Scenario Descriptions

5.8.2 PLOS Analysis Results

Scenario	Technical LOS Outcomes	Initial Value (2025)	15 Year Projection (2039)	30 Year Projection (2054)	Comments
Scenario 1	Average Condition	42%	21%	11%	
	Average Asset Risk	10.1	12.9	13.8	
	Annual Investment Required		\$1,781,000		This is the maintained parameter in this scenario
	Capital Reinvestment Rate		0.9%		
Scenario 2	Average Condition	42%	37%	64%	
	Average Asset Risk	10.1	10.9	7.7	
	Annual Investment Required		\$9,286,000		This parameter is increased from \$1.78m incrementally to reach a target portfolio investment of \$9.29m over 20 years
	Capital Reinvestment Rate		4.5%		
Scenario 3	Average Condition	42%	41%	47%	
	Average Asset Risk	10.1	11.4	9.8	
	Annual Investment Required		\$6,965,000		This parameter is increased from \$1.78m incrementally to reach a target portfolio investment of \$6.96m over 20 years
	Capital Reinvestment Rate		3.4%		

Table 17 Road Network PLOS Scenario Analysis

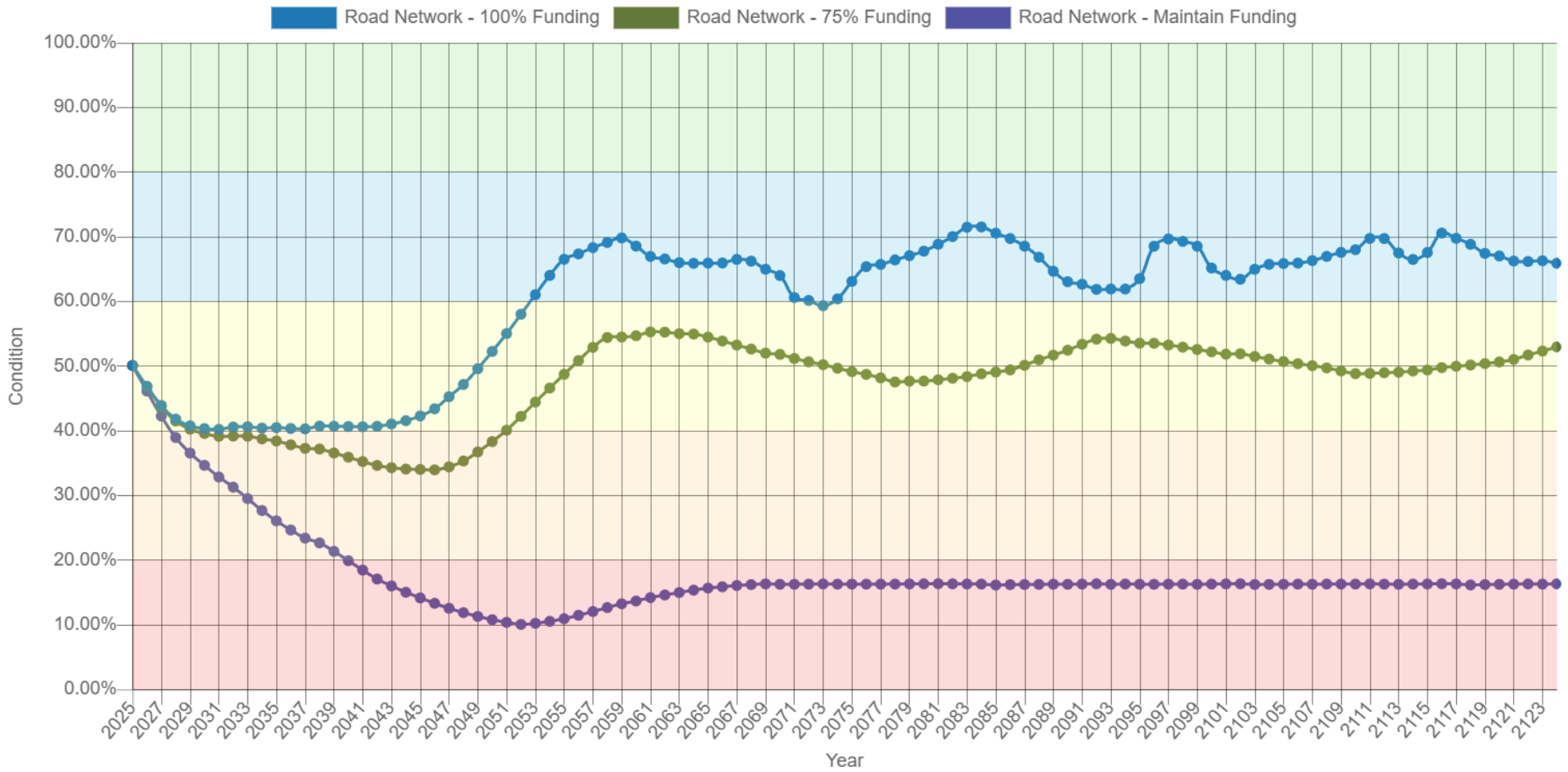


Figure 26 Road Network PLOS Scenario Condition Results

6. Bridges & Culverts

Bridges and culverts (over 3m) represent a critical portion of the transportation services provided to the community. The Transportation and Environmental Services Department is responsible for the maintenance of all bridges and culverts located across Town roads, with the goal of keeping structures in an adequate state of repair and minimizing service disruptions.

6.1 Inventory & Valuation

Table 18 summarizes the quantity and current replacement cost of bridges and culverts.

Segment	Quantity	Unit of Measure	Replacement Cost	Primary RC Method
Bridges	6	Quantity	\$12,261,000	CPI
Culverts	8	Quantity	\$450,000	CPI
TOTAL			\$12,710,000	

Table 18 Detailed Asset Inventory: Bridges & Culverts

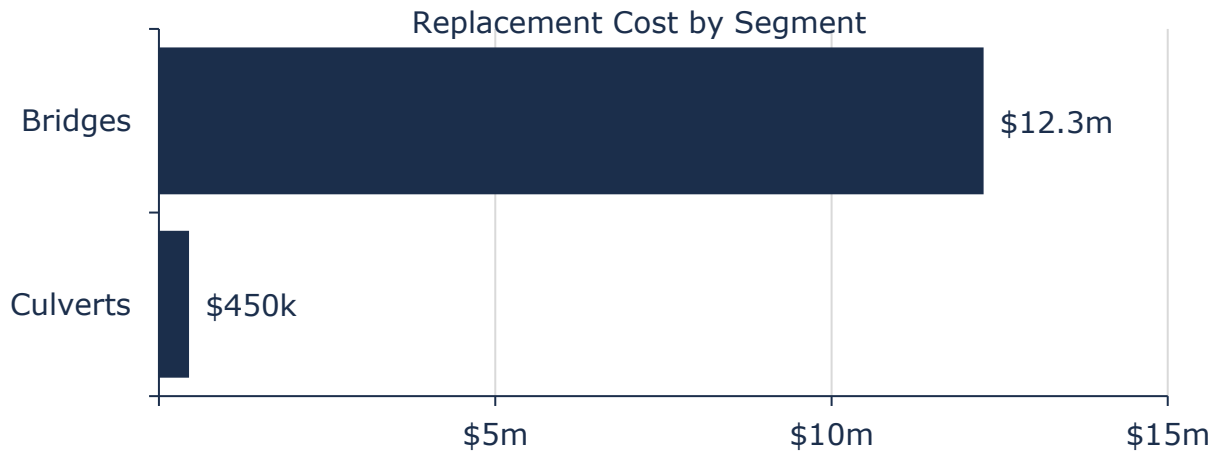


Figure 27 Portfolio Valuation: Bridges & Culverts

6.2 Asset Condition

Figure 28 summarizes the replacement cost-weighted condition of the Town's bridges and culverts. Based on the Town's recent Ontario Structures Inspection Manual (OSIM) assessments, 98% of bridges and culverts are in fair or better condition. Some elements or components of these structures may be candidates for replacement or rehabilitation in the medium term and should be monitored for further degradation in condition. At 2% of the total bridges and culverts portfolio, assets in poor or worse condition may require replacement in the immediate or short term.

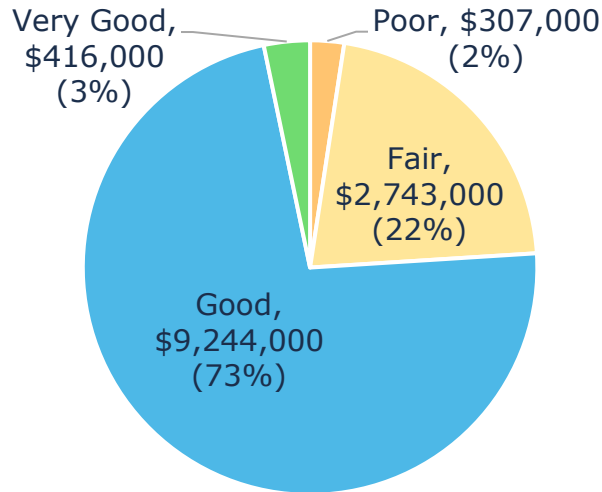


Figure 28 Asset Condition: Bridges & Culverts Overall

As further detailed in Figure 29, based on in-field condition assessments, 96% of bridge and culvert assets were identified in fair of better condition. As bridges and structures reach a poor or worse rating (i.e., a bridge condition index of less than 40), they are not necessarily unsafe for regular use, individual circumstances must be considered. The OSIM ratings are designed to identify repairs needed to elevate condition ratings to a fair or higher.

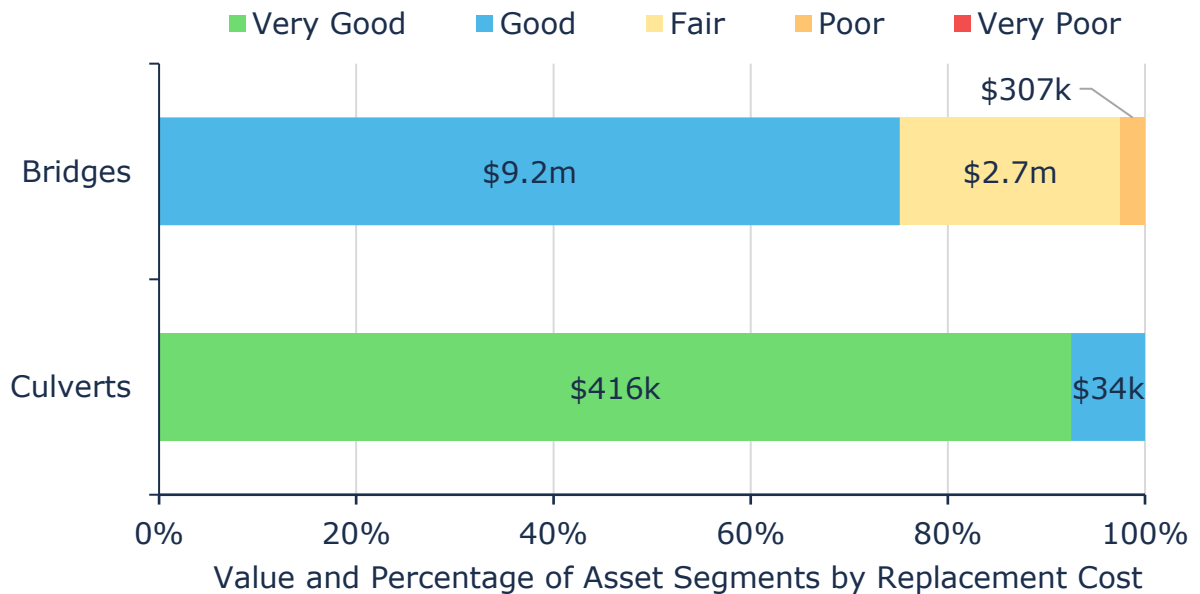


Figure 29 Asset Condition: Bridges & Culverts by Segment

6.3 Age Profile

An asset's age profile comprises two key values: estimated useful life (EUL), or design life; and the percentage of EUL consumed. The EUL is the serviceable lifespan of an asset during which it can continue to fulfil its intended purpose and provide value to users, safely and efficiently. As assets age, their performance diminishes, often more rapidly as they approach the end of their design life.

In conjunction with condition data, an asset’s age profile provides a more complete summary of the state of infrastructure. It can help identify assets that may be candidates for further review through condition assessment programs; inform the selection of optimal lifecycle strategies; and improve planning for potential replacement spikes.

Figure 30 illustrates the average current age of each asset type and its estimated useful life. Both values are weighted by the replacement cost of individual assets.

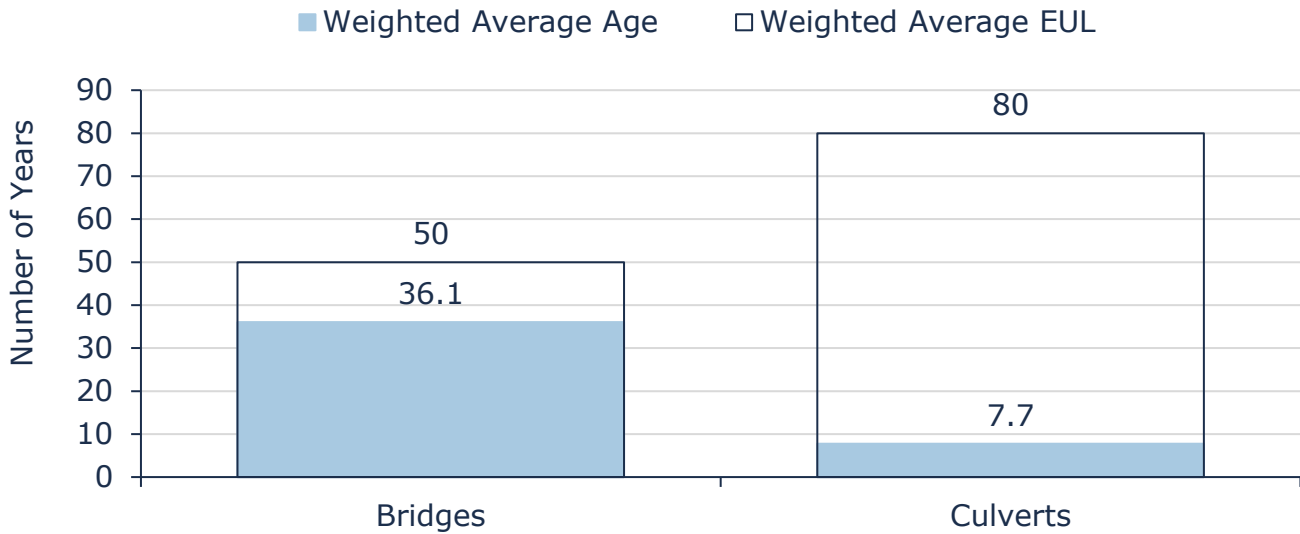


Figure 30 Estimated Useful Life vs. Asset Age: Bridges & Culverts

6.4 Current Approach to Lifecycle Management

The condition or performance of most assets will deteriorate over time. To ensure that municipal assets are performing as expected and meeting the needs of customers, it is important to establish a lifecycle management strategy to proactively manage asset deterioration.

The following table outlines the Town’s current lifecycle management strategy.

Activity Type	Description of Current Strategy
Inspection	The most recent OSIM report was completed in 2024 by C.C. Tatham and Associates Ltd. The assessed condition data as well as the recommended lifecycle activities from the report are used to inform decision making and are a part of budget deliberations.
	An informal internal inspection occurs seasonally and involves a visual inspection of the structures.
Maintenance	<p>Typical maintenance includes:</p> <ul style="list-style-type: none"> • Annual washing/cleaning/ spraying of various structural elements (expansion joints, deck, deck drains, curbs, bearings) • Surface patching, sidewalk maintenance and minor repairs

Activity Type	Description of Current Strategy
	<ul style="list-style-type: none"> • Removal of corrosion from exposed steel surfaces and priming/painting/coating of steel • Removal of debris and obstructions <p>The inspection report includes a list of recommended maintenance activities that the Town considers and completes according to cost and urgency.</p>
Rehabilitation/ Replacement	Rehabilitation and replacement activities are based on the engineer recommended activities within the OSIM report and completed according to budget constraints and urgency.

Table 19 Lifecycle Management Strategy: Bridges & Culverts

6.5 Forecasted Long-Term Replacement Needs

Figure 31 illustrates the cyclical short-, medium- and long-term infrastructure rehabilitation and replacement requirements for the Town’s bridges and culverts. This analysis was run until 2129 to capture at least one iteration of replacement for the longest-lived asset in Citywide Assets, the Town’s primary asset management system and asset register. The Town’s average annual requirements (red dotted line) for bridges and culverts total \$275,000. Although actual spending may fluctuate substantially from year to year, this figure is a useful benchmark value for annual capital expenditure targets (or allocations to reserves) to ensure projects are not deferred and replacement needs are met as they arise.

These projections and estimates are based on asset replacement costs, age analysis, and condition data. They are designed to provide a long-term, portfolio-level overview of capital needs and should be used to support improved financial planning over several decades.

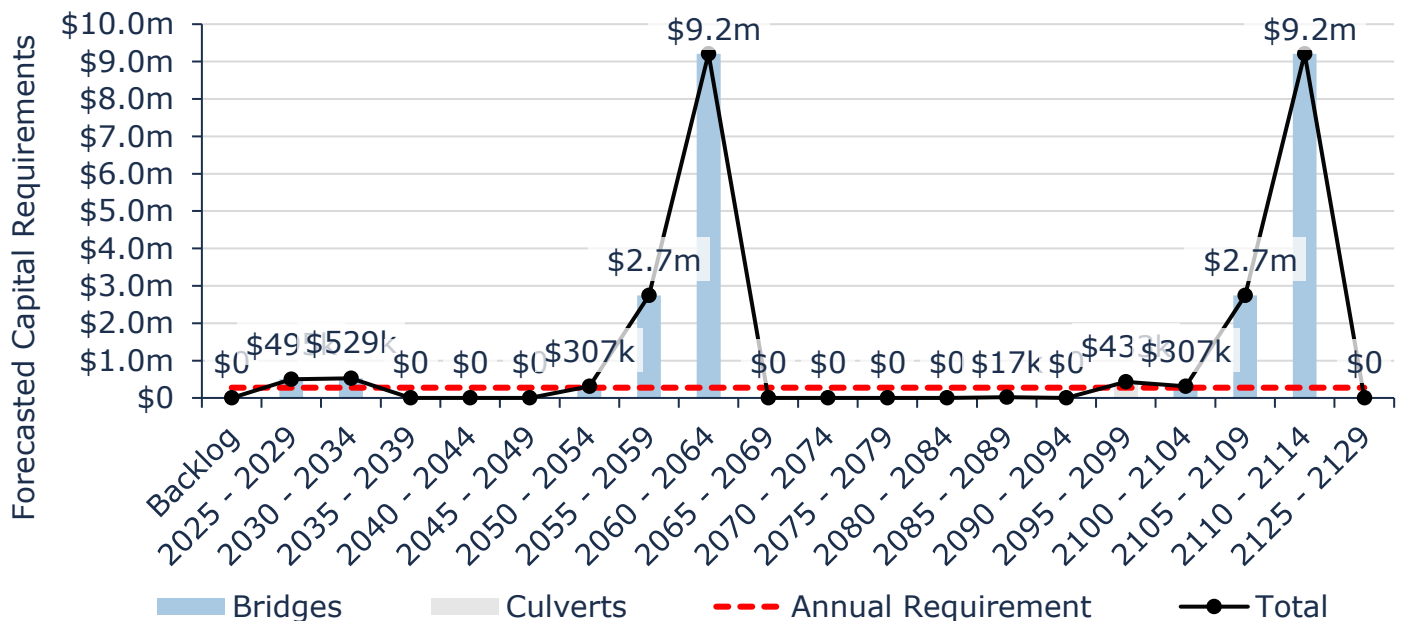


Figure 31 Forecasted Capital Replacement Needs: Bridges & Culverts 2025-2129

Often, the magnitude of replacement needs is substantially higher than most municipalities can afford to fund. In addition, most assets may not need to be replaced. However, quantifying and monitoring these spikes is essential for long-term financial planning, including establishing dedicated reserves. OSIM condition assessments and a robust risk framework will ensure that high-criticality assets receive proper and timely lifecycle intervention, including replacements.

A summary of the 10-year replacement forecast can be found in Appendix B – 10-Year Capital Requirements.

6.6 Risk Analysis

The risk matrix below is generated using available asset data, including condition, service life remaining, and replacement costs.

The matrix stratifies assets based on their individual probability and consequence of failure, each scored from 1 to 5. Their product generates a risk index ranging from 1-25. Assets with the highest criticality and likelihood of failure receive a risk rating of 25; those with lowest probability of failure and lowest criticality carry a risk rating of 1. As new data and information is gathered, the Town may consider integrating relevant information that improves confidence in the criteria used to assess asset risk and criticality.

These risk models have been built into the Town’s Asset Management Database (Citywide Assets). See *Risk & Criticality* section for further details on approach used to determine asset risk ratings and classifications.

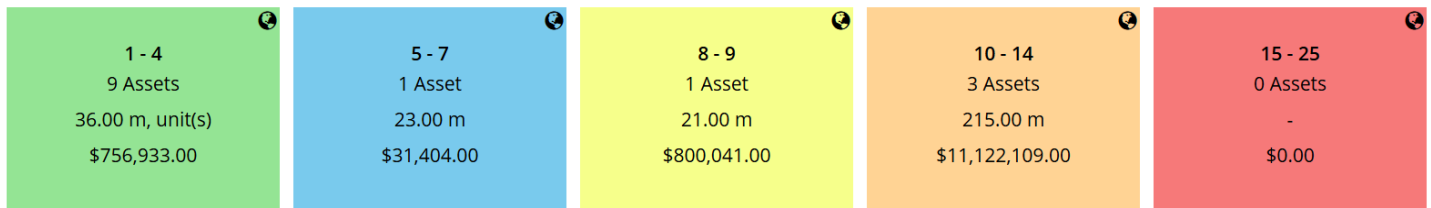


Figure 32 Risk Matrix: Bridges & Culverts

6.7 Levels of Service

The tables that follow summarize the Town’s current levels of service with respect to prescribed KPIs under Ontario Regulation 588/17 as well as any additional performance measures that the Town has selected for this AMP.

6.7.1 Community Levels of Service

Service Attribute	Qualitative Description	Current LOS (2024)
Scope	Description of the traffic that is supported by municipal bridges (e.g., heavy transport Rolling Stock, motor Rolling Stock, emergency Rolling Stock, pedestrians, cyclists)	The Town is responsible for 6 structural assets that have spans of 3 meters or greater that support multi-modal transportation.

Service Attribute	Qualitative Description	Current LOS (2024)
Performance	Description of the OSIM inspection process	O. Reg. 104/97 requires any bridge or culvert with a span of 3m or greater to be inspected at least once in every second calendar year based on the Ontario Structure Inspection Manual (OSIM) by a certified engineer.
	Description of the lifecycle activities (maintenance, rehabilitation, and replacement) performed on bridges & culverts	For repair, rehabilitation, and reconstruction activities for bridges and culverts over 3m in span, the Town relies on OSIM (Ontario Structural Inspection Manual) structural inspections completed every 2 years. The Town follows the provincial minimum maintenance standards for municipal bridges. "ONTARIO REGULATION 366/18 MINIMUM MAINTENANCE STANDARDS FOR MUNICIPAL HIGHWAYS"
Quality	Description or images of the condition of bridges & culverts and how this would affect use of the bridges & culverts	<p>The Town's transportation and pedestrian network connectivity is highly dependent on critical water and railway crossings. Without the proper maintenance and repair of the Town's bridge and culvert structures the levels of service provided by the transportation network would be severely affected. The Town's bi-annual OSIM reports contain information and images that describe the current condition of bridge and culvert assets.</p> <p>98% of all bridges and culverts over 3m in diameter are in fair or better condition. The remaining 2% are estimated to be in poor or worse condition.</p>

Table 20 O. Reg. 588/17 Community Levels of Service: Bridges & Culverts

6.7.2 Technical Levels of Service

Service Attribute	Technical Metric	Current LOS (2024)
Scope	% of bridges in the Town with loading or dimensional restrictions	0%
Availability	# of unplanned bridge closures	0
	# of planned bridge closures	0
Quality	Average bridge condition index value for bridges in the Town	74%
	Average bridge condition index value for structural culverts in the Town	91%
Performance	Current vs. Target capital reinvestment rate	0.05% vs. 2.16%

Table 21 O. Reg. 588/17 Technical Levels of Service: Bridges & Culverts

6.8 Proposed Levels of Service

The below tables and graphs explain the proposed levels of service scenarios that were analyzed for bridges and culverts. Further PLOS analysis at the portfolio level can be found in section 4. *Proposed Levels of Service Analysis.*

6.8.1 PLOS Scenarios Analyzed

Scenario	Description
Scenario 1: No Funding Increase	This scenario maintains existing capital funding levels for those categories that are underfunded. ♦ Bridges & Culverts capital funding maintained at \$6k/year
Scenario 2: Achieving 100% Target Funding in 20 Years	This scenario assumes gradual tax increases of ~2.7%/year, stabilizing at 100% funding across all asset categories in 20 years. ♦ Bridges & Culverts capital funding gradually increases from \$6k/year to \$275,000/year over a span of 20 years
Scenario 3: Maintain Existing Tax Increase to Achieve 75% Target Funding in 20 Years	This scenario assumes gradual tax increases of ~1.8%/year, stabilizing at 75% funding across all asset categories in 20 years. ♦ Bridges & Culverts capital funding gradually increases from \$6k/year to \$206,000/year over a span of 20 years

Table 22 Bridges & Culverts PLOS Scenario Descriptions

6.8.2 PLOS Analysis Results

Scenario	Technical LOS Outcomes	Initial Value (2025)	15 Year Projection (2039)	30 Year Projection (2054)	Comments
Scenario 1	Average Condition	75%	45%	15%	
	Average Asset Risk	9.7	18.1	21.4	
	Annual Investment Required		\$6,000		This is the maintained parameter in this scenario
	Capital Reinvestment Rate		0.04%		
Scenario 2	Average Condition	75%	45%	18%	
	Average Asset Risk	9.7	18.1	21.4	
	Annual Investment Required		\$275,000		This parameter is increased from \$6,000 incrementally to reach a target portfolio investment of \$275,000 over 20 years
	Capital Reinvestment Rate		2.2%		
Scenario 3	Average Condition	75%	45%	18%	
	Average Asset Risk	9.7	18.1	21.5	
	Annual Investment Required		\$206,000		This parameter is increased from \$6,000 incrementally to reach a target portfolio investment of \$206,000 over 20 years
	Capital Reinvestment Rate		1.6%		

Table 23 Bridges & Culverts PLOS Scenario Analysis

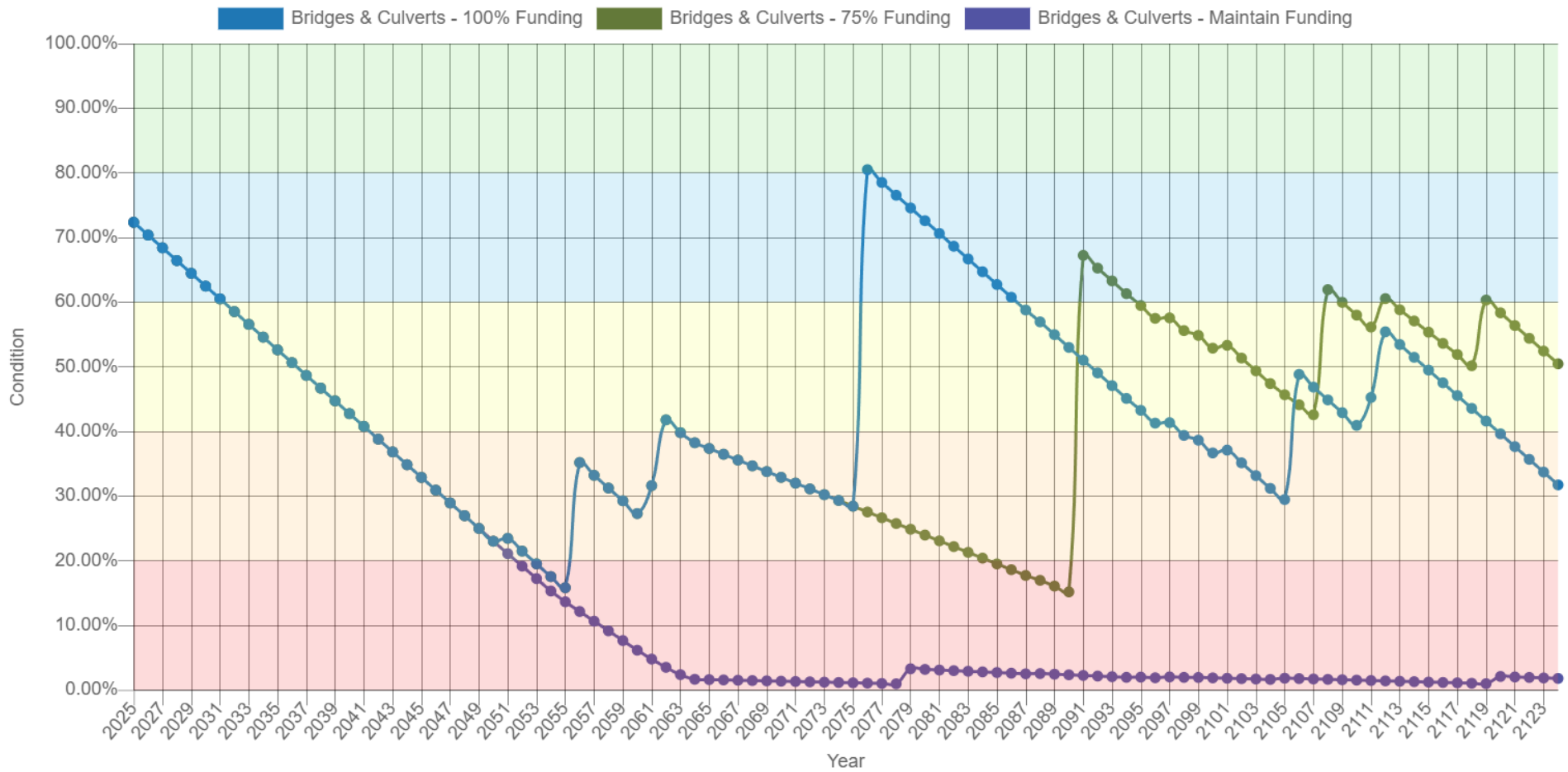


Figure 33 Bridges & Culverts PLOS Scenario Condition Results

7. Water Services

The Town is responsible for owning and maintaining a water network of 78 kms of water mains, hydrants, booster stations, equipment, water towers, a water treatment plant and water valves.

7.1 Inventory & Valuation

Table 24 summarizes the quantity and current replacement cost of the Town's various water services assets as managed in its primary asset management register, Citywide Assets.

Segment	Quantity (# of components)	Unit of Measure	Replacement Cost	Primary RC Method
Hydrants	329	Quantity	\$1,735,000	Cost/Unit
Water Booster Station	6	Quantity	\$696,000	CPI
Water Equipment	432	Quantity	\$1,696,000	CPI
Water Tower	6	Quantity	\$6,277,000	CPI
Water Treatment Plant	1 (29)	Quantity	\$16,525,000	CPI
Water Valves	678	Quantity	\$2,067,000	Cost/Unit
Watermains	78,050	m	\$54,413,000	Cost/Unit
TOTAL			\$83,411,000	

Table 24 Detailed Asset Inventory: Water Services

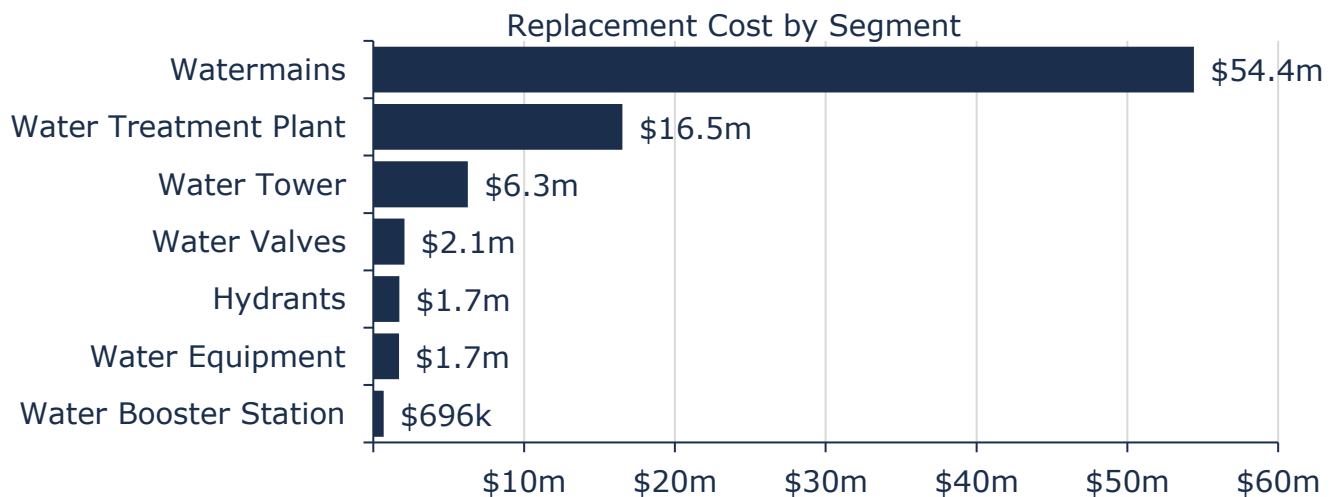


Figure 34 Portfolio Valuation: Water Services

7.2 Asset Condition

Figure 35 summarizes the replacement cost-weighted condition of the Town's water services. Based on a combination of field inspection data and age, 47% of assets are in fair or better condition; the remaining 53% of assets are in poor to very poor condition. Condition assessments were available for 100% of water booster stations, water tower, and water treatment plant, based on replacement cost. This condition data was projected from inspection date to current year to estimate their condition today. No condition data was available for the remaining asset segments.

Assets in poor or worse condition may be candidates for replacement in the short term; similarly, assets in fair condition may require rehabilitation or replacement in the medium term and should be monitored for further degradation in condition. As illustrated in Figure 35, the majority of the Town's water services assets are in fair or better condition.

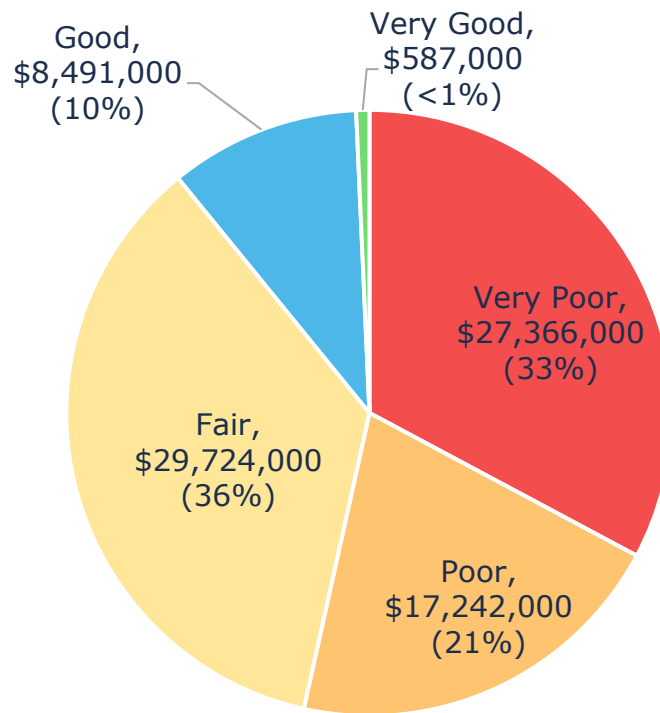


Figure 35 Asset Condition: Water Services Overall

As illustrated in Figure 36, based on condition assessments and age-based conditions, the majority of the Town's water booster stations are in fair condition; however, 56% of water mains are in poor or worse condition.

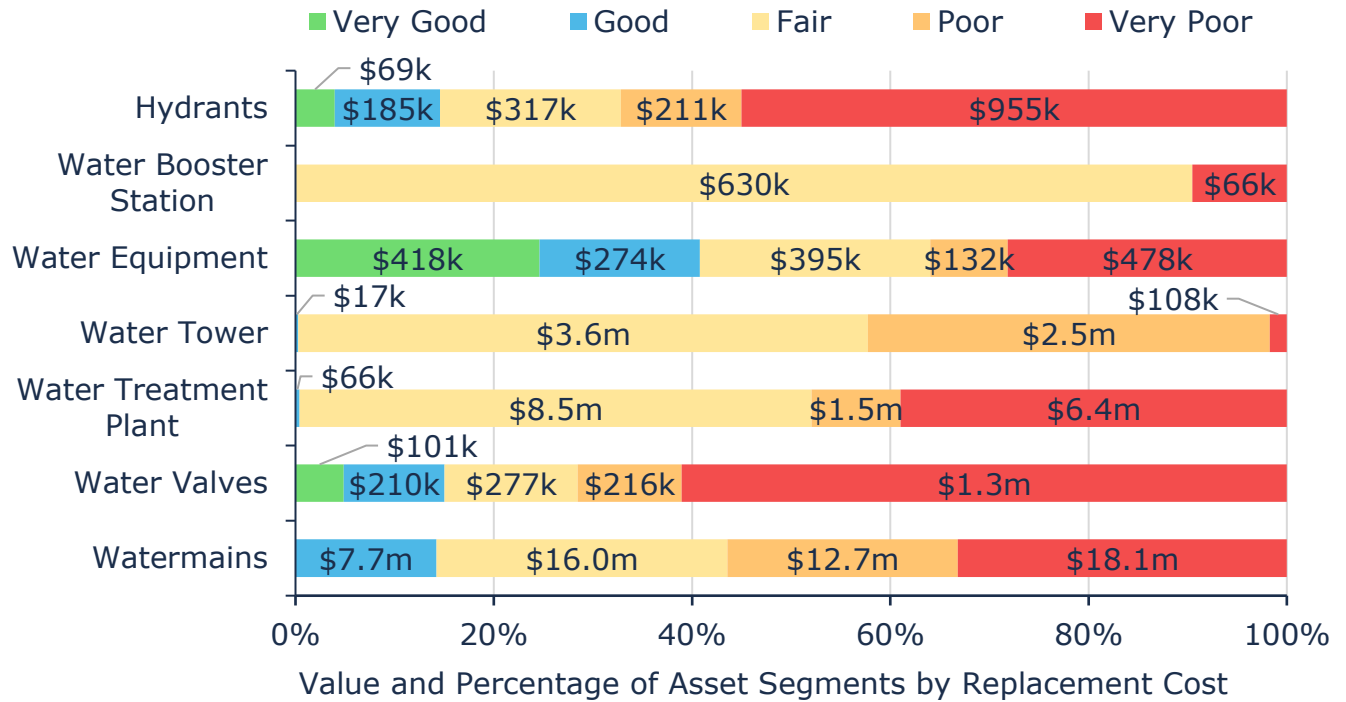


Figure 36 Asset Condition: Water Services by Segment

7.3 Age Profile

An asset’s age profile comprises two key values: estimated useful life (EUL), or design life; and the percentage of EUL consumed. The EUL is the serviceable lifespan of an asset during which it can continue to fulfil its intended purpose and provide value to users, safely and efficiently. As assets age, their performance diminishes, often more rapidly as they approach the end of their design life.

In conjunction with condition data, an asset’s age profile provides a more complete summary of the state of infrastructure. It can help identify assets that may be candidates for further review through condition assessment programs; inform the selection of optimal lifecycle strategies; and improve planning for potential long-term replacement spikes.

Figure 37 illustrates the average current age of each asset type and its estimated useful life. Both values are weighted by the replacement cost of individual assets.

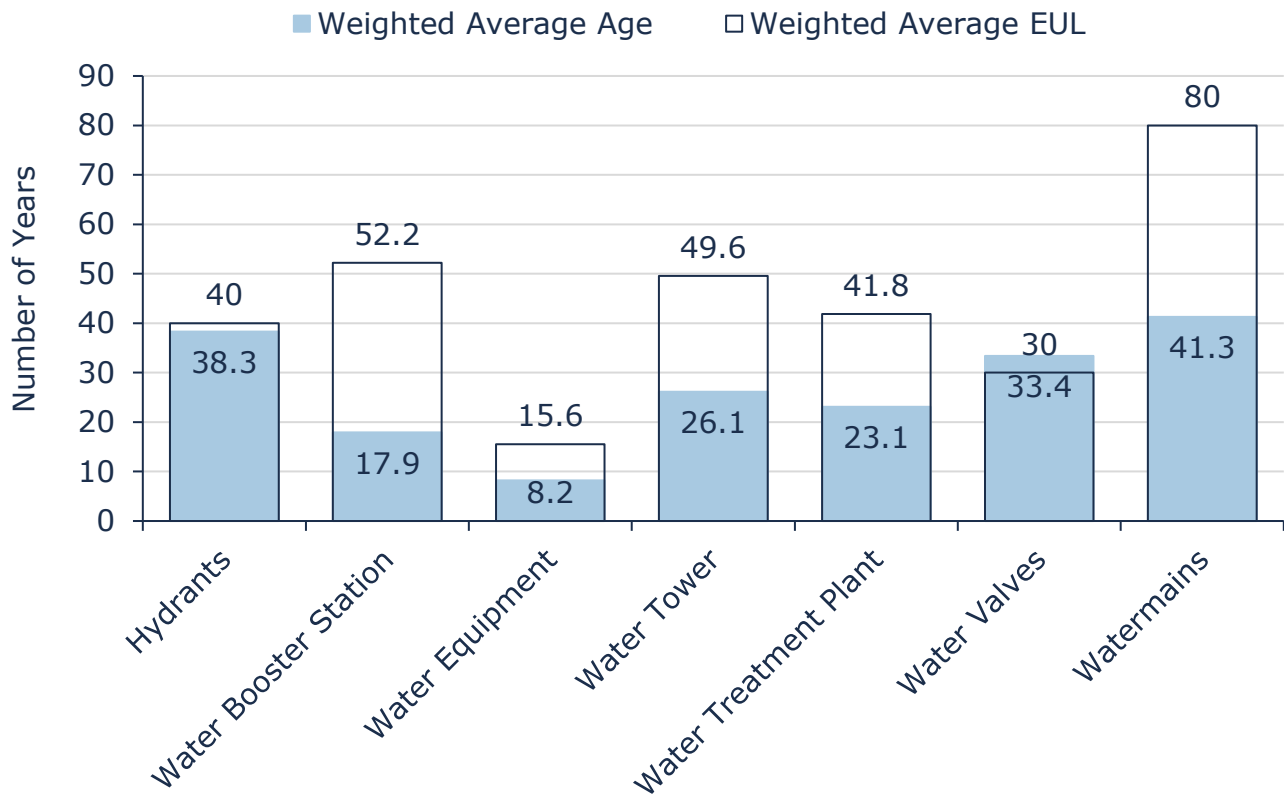


Figure 37 Estimated Useful Life vs. Asset Age: Water Services

7.4 Current Approach to Lifecycle Management

The condition or performance of most assets will deteriorate over time. To ensure that municipal assets are performing as expected and meeting the needs of customers, it is important to establish a lifecycle management strategy to proactively manage asset deterioration.

The following table outlines the Town’s current lifecycle management strategy.

Activity Type	Description of Current Strategy
Maintenance	There is an annual valve turning program for the majority of the valves.
	For the water treatment facility, there is a work order management system currently in place and chemicals within the facility require significant operating costs.
	Condition data determined from the various inspections does inform decision-making and the budgeting process.

Activity Type	Description of Current Strategy
Rehabilitation/ Replacement	In the absence of mid-lifecycle rehabilitative activities, water mains are maintained with the goal of full replacement once it reaches of end-of-life.
	Hydrants have a replacement program for the next 20 years.
	Water valves are generally replaced as needed and no formal program is in place.
	The current water meter replacement program is reactive, and generally water meters are on a 10-year cycle.
	Assets that require replacement are prioritized on the following criteria: coordinated projects, asset data (age, condition, material), number of water main breaks, and soil type While Staff have acknowledged that the replacement of assets is reactive, critical assets have been identified and aging infrastructure is scheduled to be replaced.
Inspection	Water mains are inspected as mandated under O.Reg. 170/3 and flushed annually.
	Hydrant flushing occurs annually and flow testing in specific does occur. The hydrant flushing program also requires significant operating costs. While all inspections/assessments are conducted inhouse, inspections on the 2 water towers are contracted out and are conducted on a 3-year cycle.

Table 25 Lifecycle Management Strategy: Water Services

7.5 Forecasted Long-Term Replacement Needs

Figure 38 illustrates the cyclical short-, medium- and long-term infrastructure rehabilitation and replacement requirements for the Town’s water services. This analysis was run until 2104 to capture at least one iteration of replacement for the longest-lived asset in Citywide Assets, the Town’s primary asset management system and asset register. The Town’s average annual

requirements (red dotted line) total \$1.7 million for all assets in the water services. Although actual spending may fluctuate substantially from year to year, this figure is a useful benchmark value for annual capital expenditure targets (or allocations to reserves) to ensure projects are not deferred and replacement needs are met as they arise.

The chart illustrates substantial capital needs throughout the forecast period. It also shows a backlog of \$10.8 million, dominated by water mains. These projections are based on asset replacement costs, age analysis, and condition data when available. They are designed to provide a long-term, portfolio-level overview of capital needs and should be used to support improved financial planning over several decades.

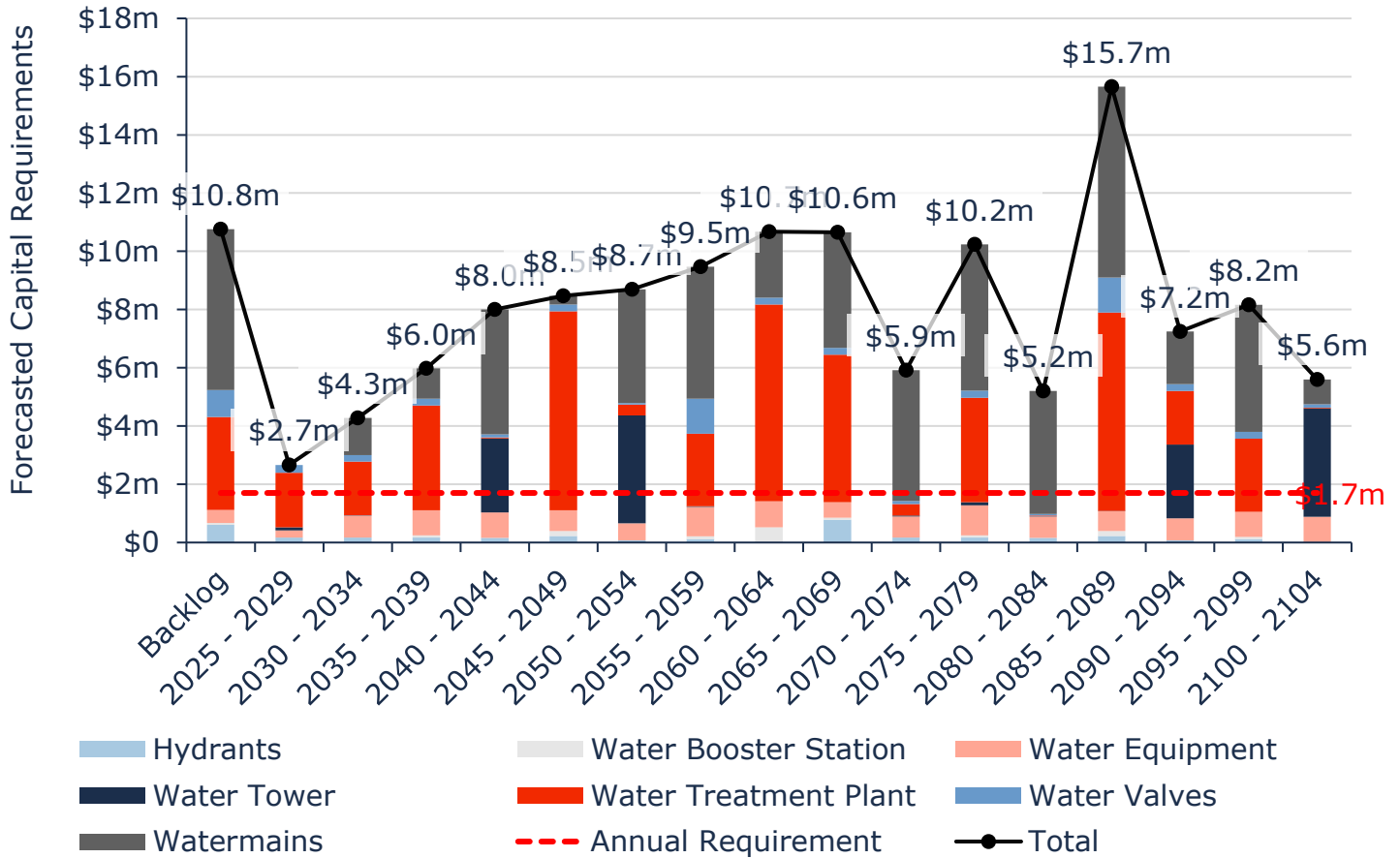


Figure 38 Forecasted Capital Replacement Needs: Water Services 2025-2104

Often, the magnitude of replacement needs is substantially higher than most municipalities can afford to fund. In addition, most assets may not need to be replaced. However, quantifying and monitoring these spikes is essential for long-term financial planning, including establishing dedicated reserves. Regular condition assessments and a robust risk framework will ensure that high-criticality assets receive proper and timely lifecycle intervention, including replacements.

A summary of the 10-year replacement forecast can be found in Appendix B – 10-Year Capital Requirements.

7.6 Risk Analysis

The risk matrix below is generated using available asset data, including condition, material, replacement cost, and diameter. The risk ratings for assets without useful attribute data were calculated using only condition and their replacement costs.

The matrix stratifies assets based on their individual probability and consequence of failure, each scored from 1 to 5. Their product generates a risk index ranging from 1-25. Assets with the highest criticality and likelihood of failure receive a risk rating of 25; those with lowest probability of failure and lowest criticality carry a risk rating of 1. As new data and information is gathered, the Town may consider integrating relevant information that improves confidence in the criteria used to assess asset risk and criticality.

These risk models have been built into the Town’s Asset Management Database (Citywide Assets). See *Risk & Criticality* section for further details on approach used to determine asset risk ratings and classifications.

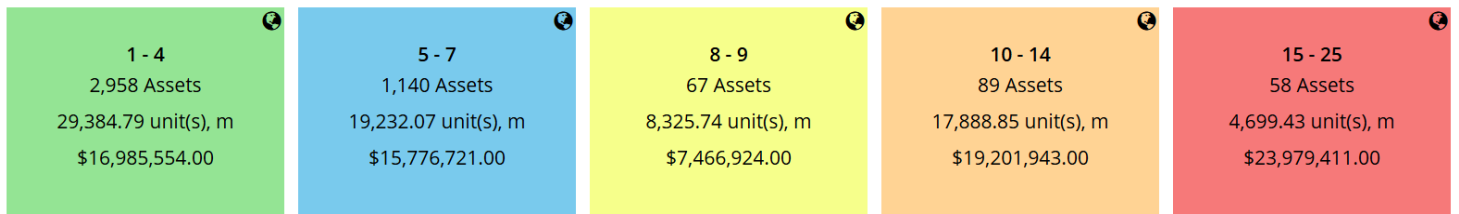


Figure 39 Risk Matrix: Water Services

7.7 Levels of Service

The tables that follow summarize the Town’s current levels of service with respect to prescribed KPIs under Ontario Regulation 588/17 as well as any additional performance measures that the Town has selected for this AMP.

7.7.1 Community Levels of Service

Service Attribute	Qualitative Description	Current LOS (2024)
Scope	Description, which may include maps, of the user groups or areas of the municipality that are connected to the municipal water system	The Town is responsible for maintaining 48 kilometers of water mains, 30 km of water laterals, 329 hydrants, 678 various valves, 2,704 curb stops, 2 water storage towers, a treatment facility and water equipment that support the distribution and treatment of water for the Town.

Service Attribute	Qualitative Description	Current LOS (2024)
	Description, which may include maps, of the user groups or areas of the municipality that have fire flow	See Appendix C
	Description of the lifecycle activities (maintenance, rehabilitation and replacement) performed on the water network	"In the absence of mid-lifecycle rehabilitative activities, water mains are maintained with the goal of full replacement once it reaches of end-of-life. Cast Iron pipes constitute a small percentage of the network and are prioritized during replacements."
Performance	Description of the current condition of the water network and the plans that are in place to maintain or improve the provided level of service	The Town's linear municipal water distribution system relies solely on age based condition calculations. Taking this into consideration and the age of the majority of the system, 53% of the system is estimated to be in poor or very poor condition and the remainder of the system in fair or better condition. There are long term plans being developed to mitigate inherent risks of an aging water distribution system.
Reliability	Description of boil water advisories and service interruptions	The Town has not issued any boil water advisories to date. In the event of a boil water advisory, staff would post a notification to the Municipal website to inform the public.

Table 26 O. Reg. 588/17 Community Levels of Service: Water Services

7.7.2 Technical Levels of Service

Service Attribute	Technical Metric	Current LOS (2024)
Scope	% of properties connected to the municipal water system	99%
	% of properties where fire flow is available	99%
Reliability	# of connection-days per year where a boil water advisory notice is in place compared to the total number of properties connected to the municipal water system	0

Service Attribute	Technical Metric	Current LOS (2024)
	# of connection-days per year where water is not available due to water main breaks compared to the total number of properties connected to the municipal water system	0
Performance	Current vs. Target capital reinvestment rate	1.54% vs. 2.04%

Table 27 O. Reg. 588/17 Technical Levels of Service: Water Services

7.8 Proposed Levels of Service

The below tables and graphs explain the proposed levels of service scenarios that were analyzed for the water services. Further PLOS analysis at the portfolio level can be found in section 4. *Proposed Levels of Service Analysis.*

7.8.1 PLOS Scenarios Analyzed

Scenario	Description
Scenario 1: No Funding Increase	This scenario maintains existing capital funding levels for those categories that are underfunded. <ul style="list-style-type: none"> Water services capital funding maintained at \$1.3m/year
Scenario 2: Achieving 100% Target Funding in 5 Years	This scenario assumes gradual water rate increases of ~1.6%/year, stabilizing at 100% funding across all asset categories in 5 years. <ul style="list-style-type: none"> Water services capital funding gradually increases from \$1.3m/year to \$1.7m/year over a span of 5 years

Table 28 Water Services PLOS Scenario Descriptions

7.8.2 PLOS Analysis Results

Scenario	Technical LOS Outcomes	Initial Value (2025)	15 Year Projection (2039)	30 Year Projection (2054)	Comments
Scenario 1	Average Condition	46%	42%	38%	
	Average Asset Risk	10.6	11.3	11.8	
	Annual Investment Required		\$1,285,000		This is the maintained parameter in this scenario
	Capital Reinvestment Rate		1.5%		
Scenario 2	Average Condition	46%	46%	46%	
	Average Asset Risk	10.6	10.9	10.5	
	Annual Investment Required		\$1,702,000		This parameter is based on water rates increasing 1.6% annually for 5 years
	Capital Reinvestment Rate		2.0%		

Table 29 Water Services PLOS Scenario Analysis

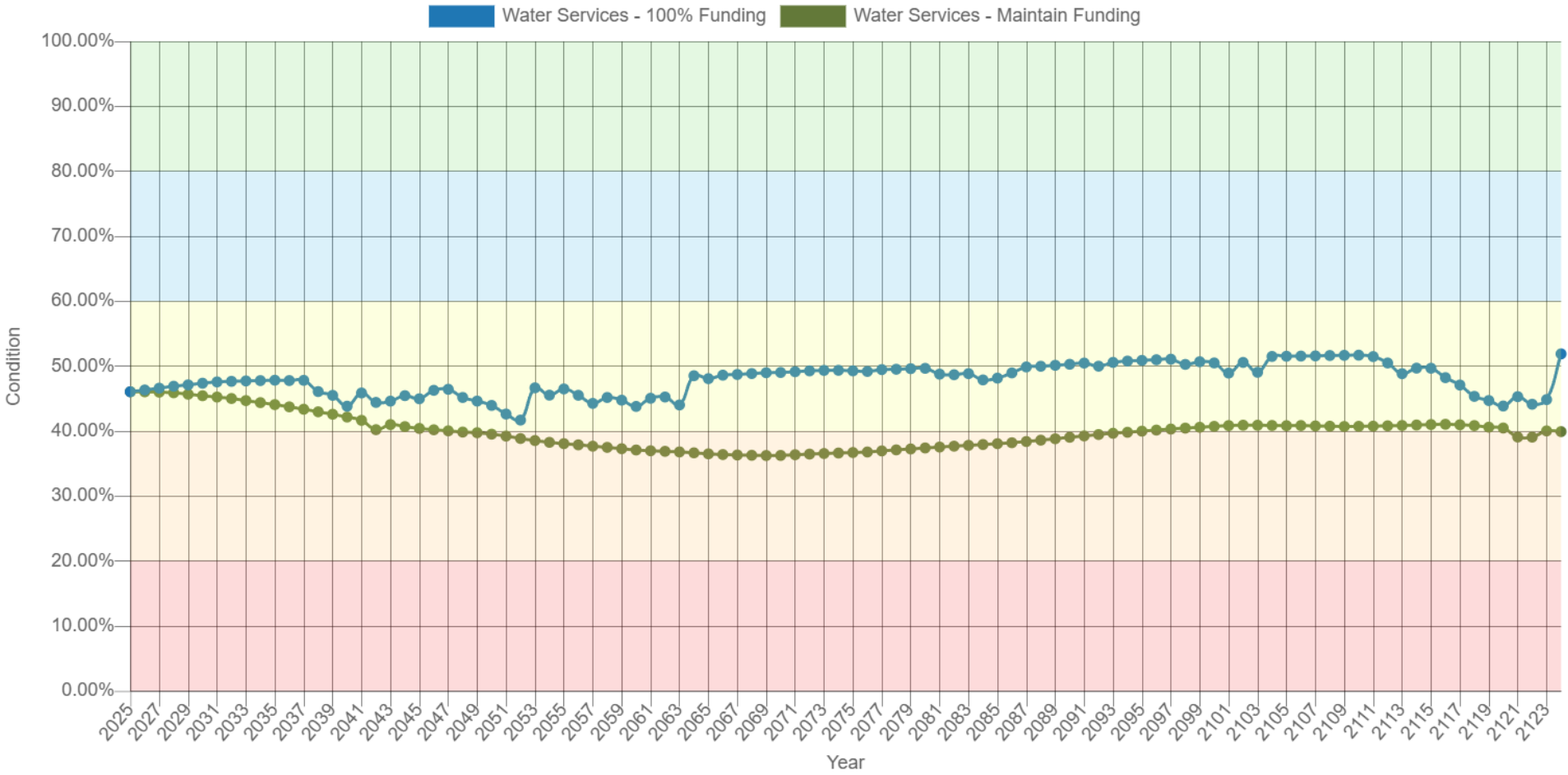


Figure 40 Water Services PLOS Scenario Condition Results

8. Sanitary Services

The Town is responsible for owning and maintaining a sanitary network of 51 kms of sanitary sewers, manholes, pump stations, sewer connections, wastewater equipment and a wastewater treatment plant.

8.1 Inventory & Valuation

Table 30 summarizes the quantity and current replacement cost of the Town’s various sanitary services assets as managed in its primary asset management register, Citywide Assets.

Segment	Quantity (# of components)	Unit of Measure	Replacement Cost	Primary RC Method
Manholes	696	Quantity	\$9,382,000	Cost/Unit
Pumping Stations	152	Quantity	\$18,159,000	CPI
Sanitary Sewers	51,000	m	\$28,460,000	Cost/Unit
Sewer Connections	17,000	m	\$5,684,000	User-Defined
Wastewater Equipment	26	Quantity	\$539,000	CPI
Wastewater Treatment Plant	1 (43)	Quantity	\$25,153,000	CPI
TOTAL			\$87,377,000	

Table 30 Detailed Asset Inventory: Sanitary Services

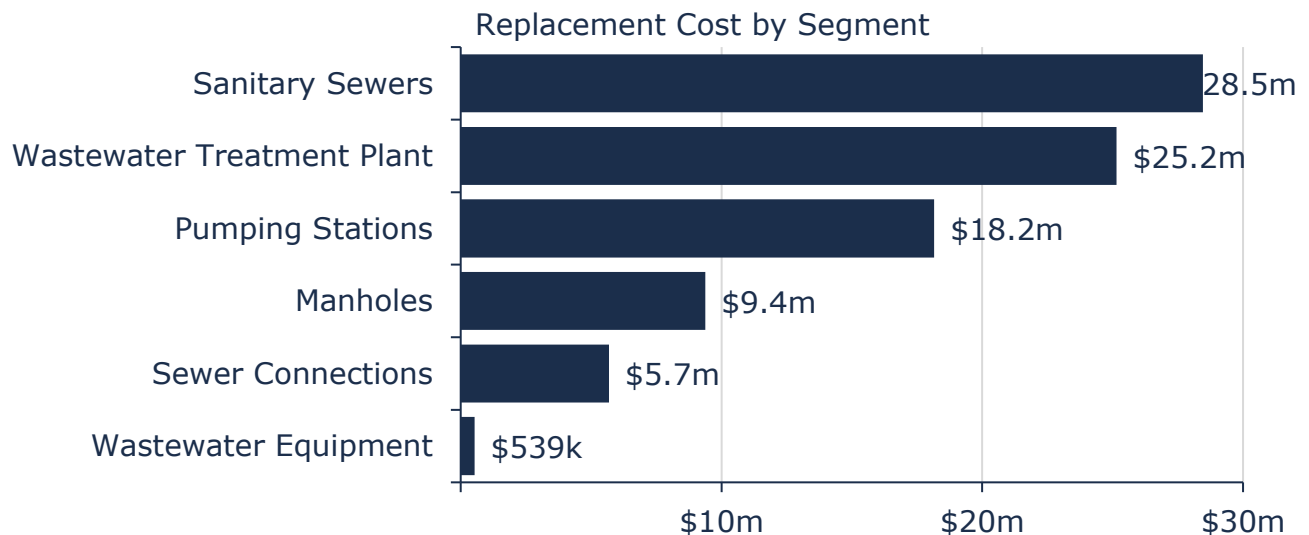


Figure 41 Portfolio Valuation: Sanitary Services

8.2 Asset Condition

Figure 42 summarizes the replacement cost-weighted condition of the Town's sanitary services. Based on a combination of field inspection data and age, 74% of assets are in fair or better condition; the remaining 26% of assets are in poor to very poor condition. Condition assessments were available for 97% of pumping stations, and 99% of water treatment plant assets, based on replacement cost. This condition data was projected from inspection date to current year to estimate their condition today. No condition data was available for sanitary equipment.

Assets in poor or worse condition may be candidates for replacement in the short term; similarly, assets in fair condition may require rehabilitation or replacement in the medium term and should be monitored for further degradation in condition. As illustrated in Figure 42 the majority of the Town's sanitary services assets are in fair or better condition.

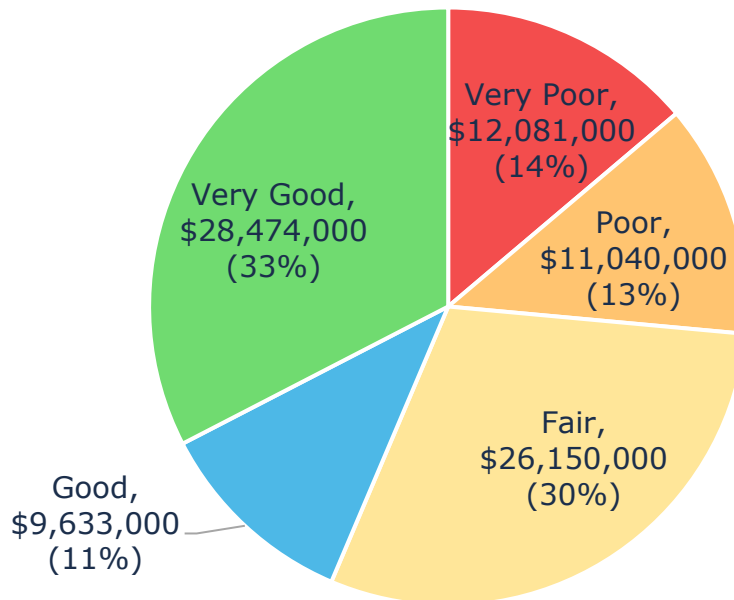


Figure 42 Asset Condition: Sanitary Services Overall

As illustrated in Figure 43, based on condition assessments and age-based conditions, the majority of the Town’s sanitary sewers are in very good condition however, 60% of pumping stations are in poor or worse condition.

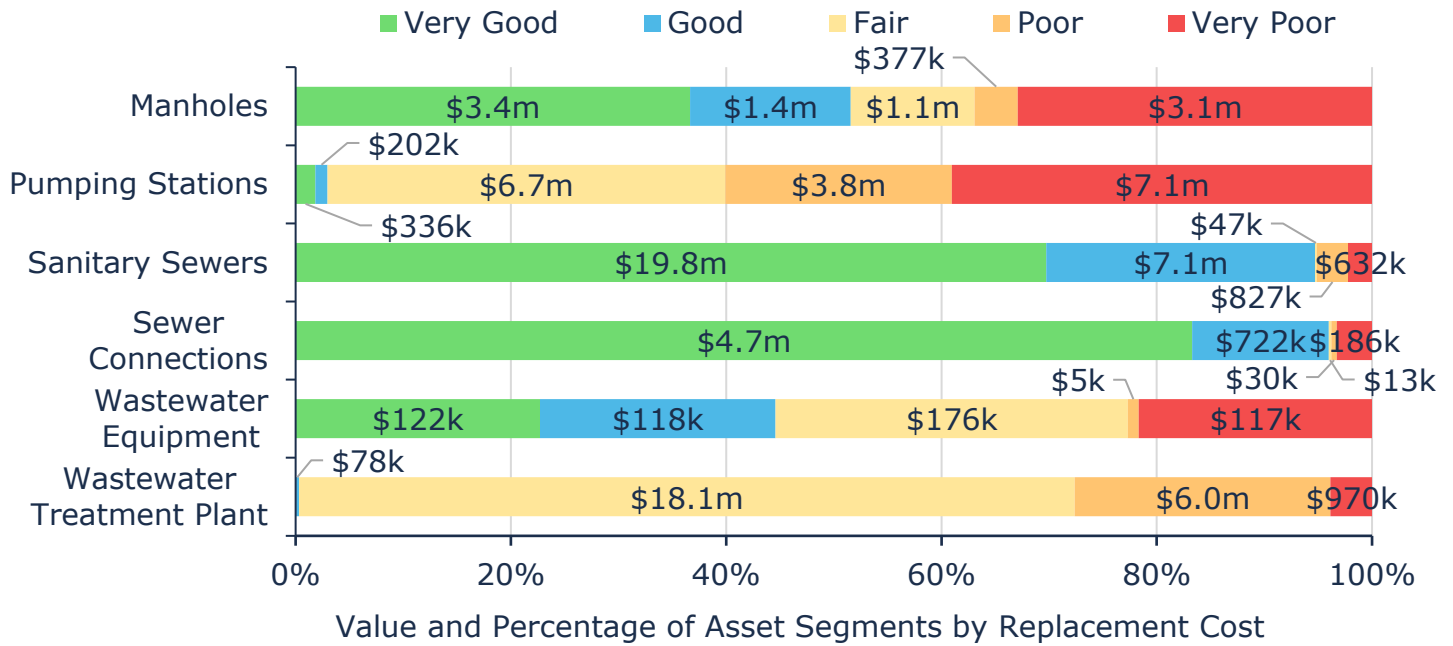


Figure 43 Asset Condition: Sanitary Services by Segment

8.3 Age Profile

An asset’s age profile comprises two key values: estimated useful life (EUL), or design life; and the percentage of EUL consumed. The EUL is the serviceable lifespan of an asset during which it can continue to fulfil its intended purpose and provide value to users, safely and efficiently. As assets age, their performance diminishes, often more rapidly as they approach the end of their design life.

In conjunction with condition data, an asset’s age profile provides a more complete summary of the state of infrastructure. It can help identify assets that may be candidates for further review through condition assessment programs; inform the selection of optimal lifecycle strategies; and improve planning for potential long-term replacement spikes.

Figure 44 illustrates the average current age of each asset type and its estimated useful life. Both values are weighted by the replacement cost of individual assets.

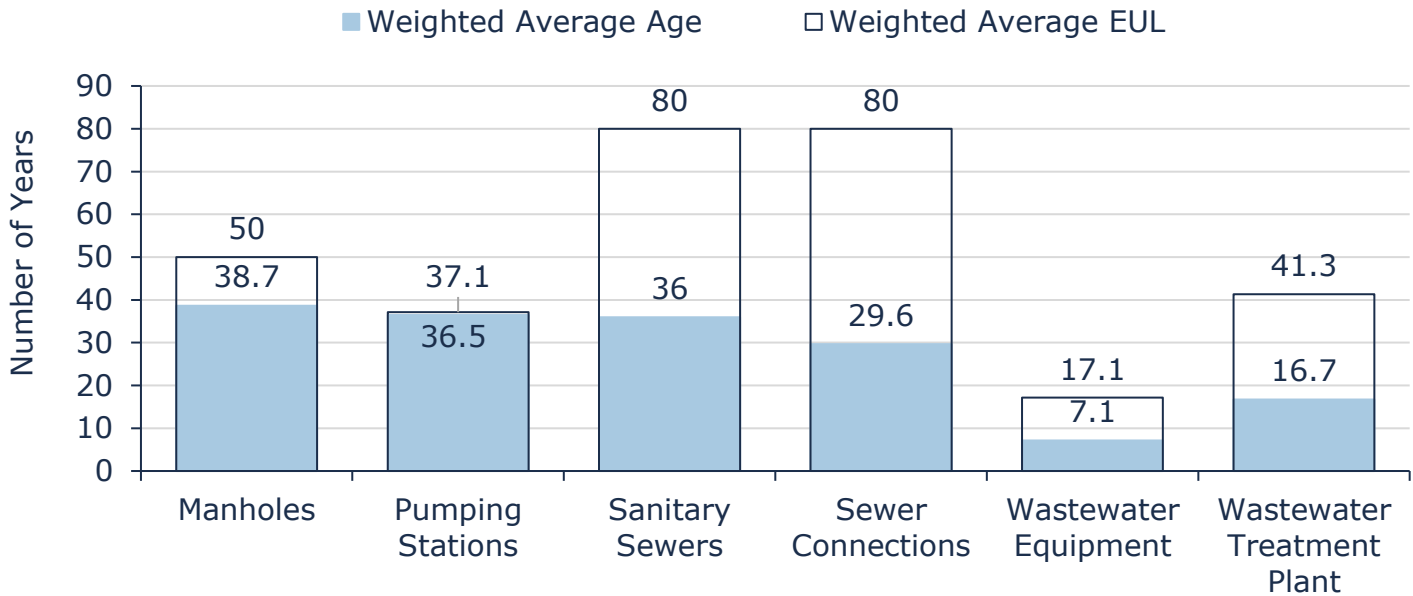


Figure 44 Estimated Useful Life vs. Asset Age: Sanitary Services

8.4 Current Approach to Lifecycle Management

The condition or performance of most assets will deteriorate over time. To ensure that municipal assets are performing as expected and meeting the needs of customers, it is important to establish a lifecycle management strategy to proactively manage asset deterioration.

The following table outlines the Town’s current lifecycle management strategy.

Activity Type	Description of Current Strategy
Inspection/ Maintenance	Sanitary mains undergo camera inspections every 4 years and 25% of the network is inspected annually and is contracted out. A PACP rating is provided to the Town after inspections.
	Manholes are inspected as needed.
Rehabilitation/ Replacement	In conjunction with the camera inspections, sanitary mains are also flushed and cleaned annually. Between 35% to 50% of the network is flushed and cleaned each year.
	All assets are typically replaced at the end-of-life, there are minimal rehabilitative activities that are conducted. Although mains that comprise of clay, asbestos and concrete are prioritized.
	Assets that require replacement are determined through the following criteria: coordination with other infrastructure, asset condition, asset materials, capacity and flow rate.

Table 31 Lifecycle Management Strategy: Sanitary Services

8.5 Forecasted Long-Term Replacement Needs

Figure 45 illustrates the cyclical short-, medium- and long-term infrastructure rehabilitation and replacement requirements for the Town’s sanitary services. This analysis was run until 2099 to capture at least one iteration of replacement for the longest-lived asset in Citywide Assets, the Town’s primary asset management system and asset register. The Town’s average annual requirements (red dotted line) total \$2.0m for all assets in the sanitary sewer network. Although actual spending may fluctuate substantially from year to year, this figure is a useful benchmark value for annual capital expenditure targets (or allocations to reserves) to ensure projects are not deferred and replacement needs are met as they arise.

The chart illustrates substantial capital needs throughout the forecast period. It also shows a backlog of \$7.8 million. These projections are based on asset replacement costs, age analysis, and condition data when available. They are designed to provide a long-term, portfolio-level overview of capital needs and should be used to support improved financial planning over several decades.

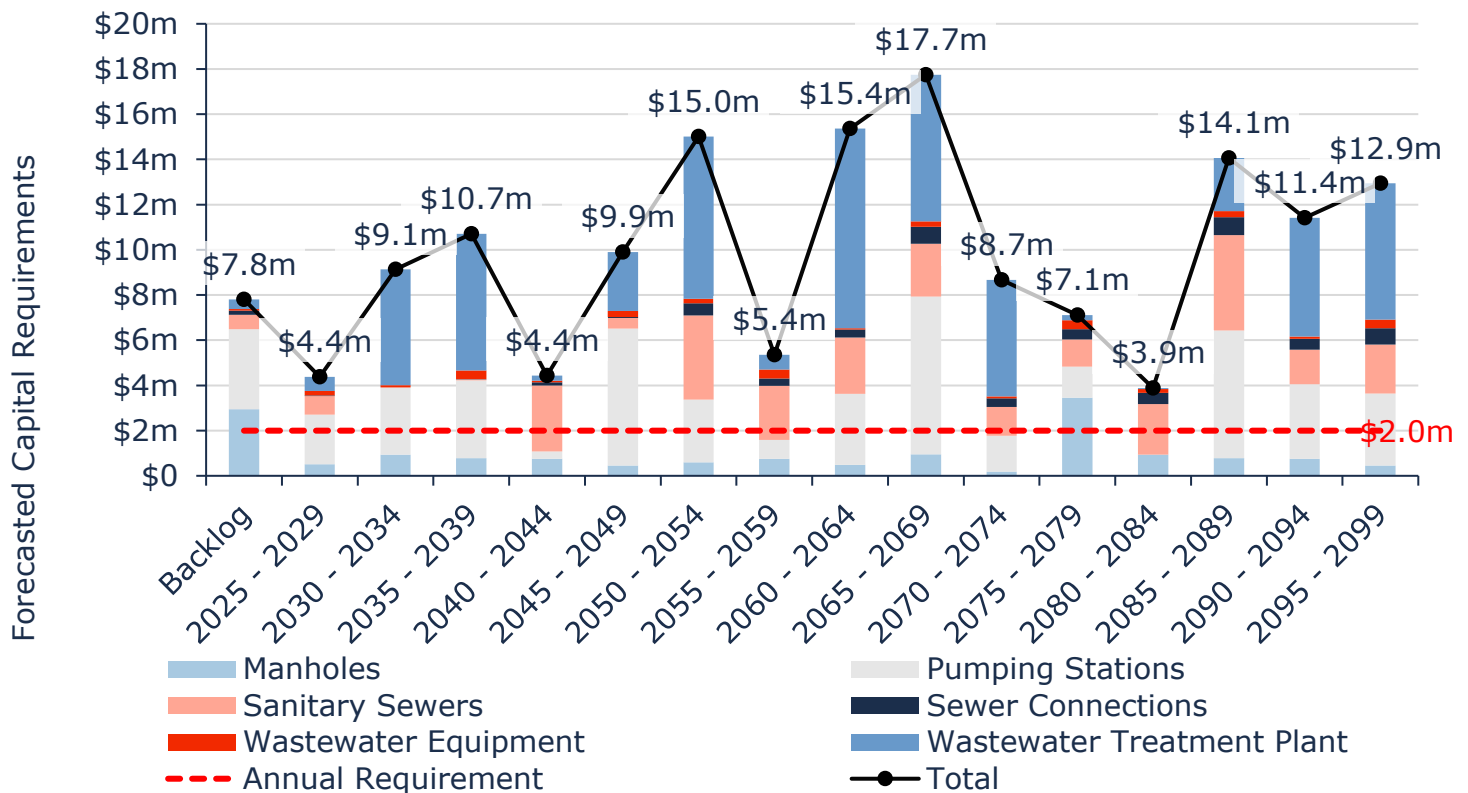


Figure 45 Forecasted Capital Replacement Needs: Sanitary Services 2025-2099

Often, the magnitude of replacement needs is substantially higher than most municipalities can afford to fund. In addition, most assets may not need to be replaced. However, quantifying and monitoring these spikes is essential for long-term financial planning, including establishing dedicated reserves. Regular condition assessments and a robust risk framework will ensure that high-criticality assets receive proper and timely lifecycle intervention, including replacements.

A summary of the 10-year replacement forecast can be found in Appendix B – 10-Year Capital Requirements.

8.6 Risk Analysis

The risk matrix below is generated using available asset data, including condition, material, replacement costs, and diameter. The risk ratings for assets without useful attribute data were calculated using only condition and their replacement costs.

The matrix stratifies assets based on their individual probability and consequence of failure, each scored from 1 to 5. Their product generates a risk index ranging from 1-25. Assets with the highest criticality and likelihood of failure receive a risk rating of 25; those with lowest probability of failure and lowest criticality carry a risk rating of 1. As new data and information is gathered, the Town may consider integrating relevant information that improves confidence in the criteria used to assess asset risk and criticality.

These risk models have been built into the Town’s Asset Management Database (Citywide Assets). See *Risk & Criticality* section for further details on approach used to determine asset risk ratings and classifications.

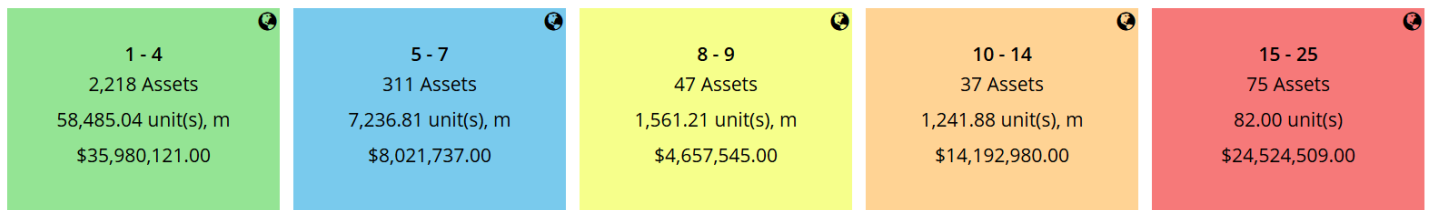


Figure 46 Risk Matrix: Sanitary Services

8.7 Levels of Service

The tables that follow summarize the Town’s current levels of service with respect to prescribed KPIs under Ontario Regulation 588/17 as well as any additional performance measures that the Town has selected for this AMP.

8.7.1 Community Levels of Service

Service Attribute	Qualitative Description	Current LOS (2024)
Scope	Description, which may include maps, of the user groups or areas of the municipality that are connected to the municipal wastewater system	The Town is responsible for maintaining 39 kilometers of gravity mains, 8 kilometers of pressurized mains, 16 kilometers of sanitary laterals, 696 manholes, 873 cleanouts, 15 pumping stations, a sanitary treatment facility and sanitary equipment that support the collection and treatment of wastewater. See Appendix C

Service Attribute	Qualitative Description	Current LOS (2024)
Reliability	Description of how combined sewers in the municipal wastewater system are designed with overflow structures in place which allow overflow during storm events to prevent backups into homes	The majority of the Town's sanitary lift stations are equipped with sewer overflow protection. Currently residents have not experienced any backups resulting from overflows in the sanitary system.
	Description of the frequency and volume of overflows in combined sewers in the municipal wastewater system that occur in habitable areas or beaches	Currently the Town has not experienced any sewage backups or overflows in habitable areas or beaches.
	Description of how Storm Water can get into sanitary sewers in the municipal wastewater system, causing sewage to overflow into streets or backup into homes	Inflow and infiltration, such as sump pumps, roof drains, floor drains, combined sewers and manhole lids.
	Description of how sanitary sewers in the municipal wastewater system are designed to be resilient to Storm Water infiltration	The Town's wastewater system is over designed in capacity, or peak capacities and therefore resilient to Storm Water infiltration.
	Description of the effluent that is discharged from sewage treatment plants in the municipal wastewater system	The Town's sewage treatment plants meet or exceed regulatory compliance objectives.
Performance	Description of the lifecycle activities (maintenance, rehabilitation, and replacement) performed on the sanitary network	All assets are typically replaced at the end-of-life, there are minimal rehabilitative activities that are conducted. Although pipe material that comprises clay, asbestos and concrete are prioritized.
	Description of the current condition of the sanitary network and the plans that are in place to maintain or improve the provided level of service	The current condition of the Town's linear wastewater network relies on a combination of assessed condition and age-based condition calculations. 94% of the linear sanitary system is in good or very good condition, 2.5% in poor condition, and only 2.4% in very poor condition. A formal inspection strategy is being implemented to better determine the true state of the linear sanitary system.

Table 32 O. Reg. 588/17 Community Levels of Service: Sanitary Services

8.7.2 Technical Levels of Service

Service Attribute	Technical Metric	Current LOS (2024)
Scope	% of properties connected to the municipal wastewater system	98%
	# of events per year where combined sewer flow in the municipal wastewater system exceeds system capacity compared to the total number of properties connected to the municipal wastewater system	19:3,447
Reliability	# of connection-days per year having wastewater backups compared to the total number of properties connected to the municipal wastewater system	0
	# of effluent violations per year due to wastewater discharge compared to the total number of properties connected to the municipal wastewater system	0
Performance	% of the wastewater system that is in good or very good condition	43%
	% of the wastewater system that is in poor or very poor condition	26%
	Current vs. Target capital reinvestment rate	1.74% vs. 2.29%

Table 33 O. Reg. 588/17 Technical Levels of Service: Sanitary Services

8.8 Proposed Levels of Service

The below tables and graphs explain the proposed levels of service scenarios that were analyzed for the sanitary services. Further PLOS analysis at the portfolio level can be found in Section 4. *Proposed Levels of Service Analysis.*

8.8.1 PLOS Scenarios Analyzed

Scenario	Description
Scenario 1: No Funding Increase	This scenario maintains existing capital funding levels for those categories that are underfunded. ♦ Sanitary services capital funding maintained at \$1.5m/year
Scenario 2: Achieving 100% Target Funding in 5 Years	This scenario assumes gradual sanitary rate increases of ~2.2%/year, stabilizing at 100% funding across all asset categories in 5 years. ♦ Sanitary Services capital funding gradually increases from \$1.5m/year to \$2.0m/year over a span of 5 years

Table 34 Sanitary Services PLOS Scenario Descriptions

8.8.2 PLOS Analysis Results

Scenario	Technical LOS Outcomes	Initial Value (2025)	15 Year Projection (2039)	30 Year Projection (2054)	Comments
Scenario 1	Average Condition	59%	59%	52%	
	Average Asset Risk	8.9	9.8	10.3	
	Annual Investment Required		\$1,518,000		This is the maintained parameter in this scenario
	Capital Reinvestment Rate		1.7%		
Scenario 2	Average Condition	59%	62%	62%	
	Average Asset Risk	8.9	8.9	8.6	
	Annual Investment Required		\$1,998,000		This parameter is based on sanitary rates increasing 2.2% annually for 5 years
	Capital Reinvestment Rate		2.3%		

Table 35 Sanitary Services PLOS Scenario Analysis

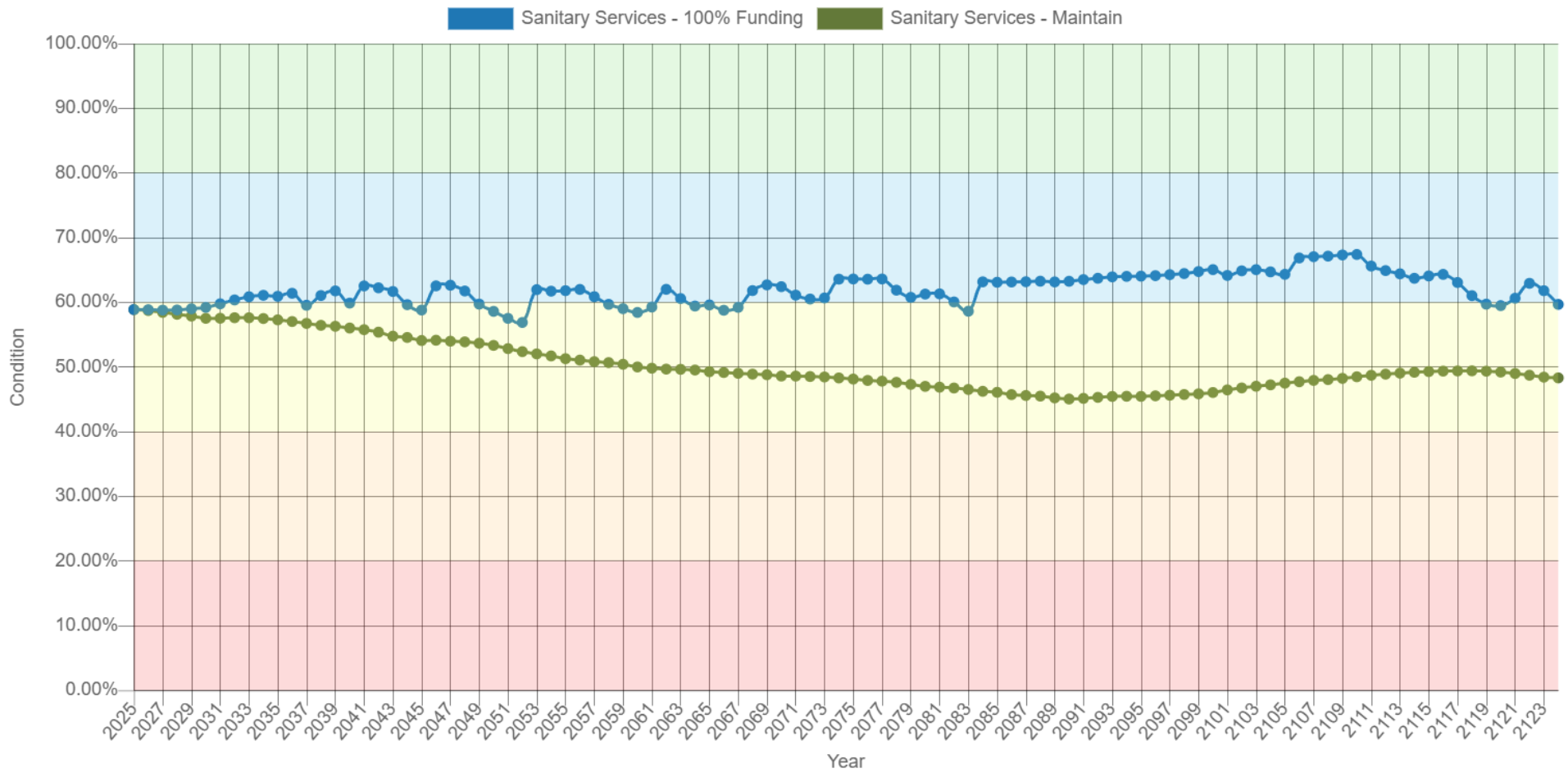


Figure 47 Sanitary Services PLOS Scenario Condition Results

9. Storm Water Services

The Town is responsible for owning and maintaining a stormwater network of 38 kms of storm mains, catch basins and manholes.

9.1 Inventory & Valuation

Table 36 summarizes the quantity and current replacement cost of all storm water services assets available in the Town's asset register.

Segment	Quantity	Unit of Measure	Replacement Cost	Primary RC Method
Catch Basins	1,177	m	\$10,368,000	Cost/Unit
Manholes	354	Quantity	\$4,781,000	Cost/Unit
Storm Mains	38,427	m	\$27,073,000	Cost/Unit
TOTAL			\$42,222,000	

Table 36 Detailed Asset Inventory: Storm Water Services

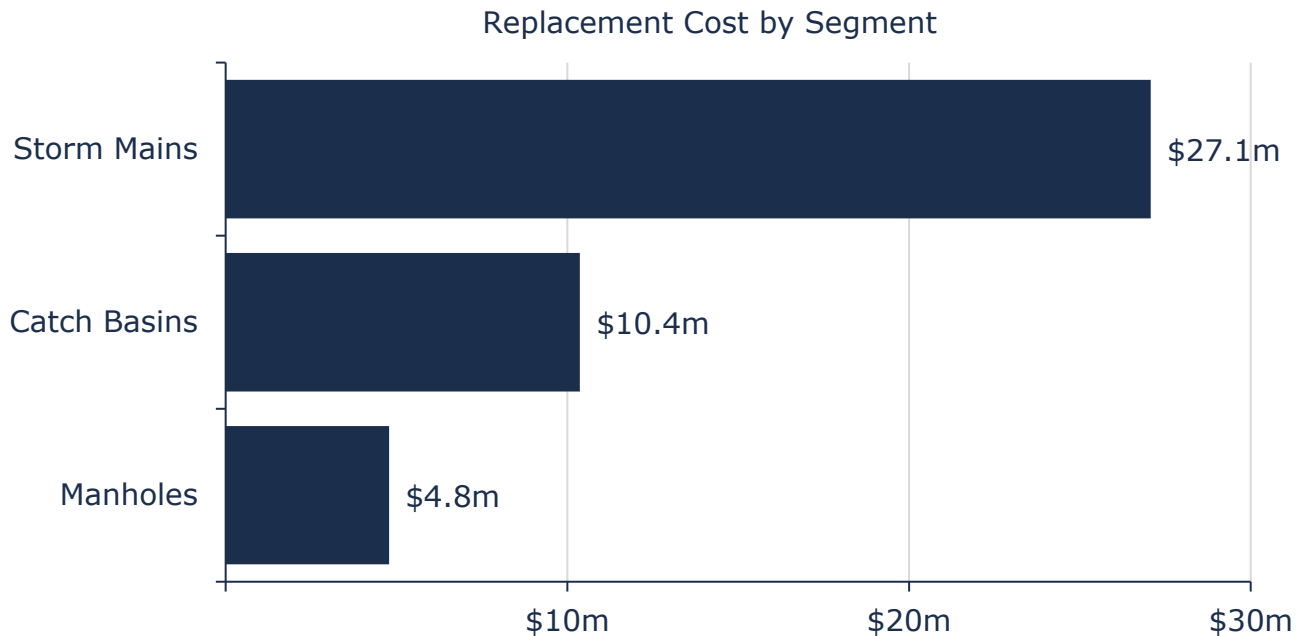


Figure 48 Portfolio Valuation: Storm Water Services

9.2 Asset Condition

Figure 49 summarizes the replacement cost-weighted condition of the Town’s storm water services assets. Based on age data only, approximately 19% of assets are in poor to very poor condition. These assets may be candidates for replacement in the short term; similarly, assets in fair condition may require rehabilitation or replacement in the medium term and should be monitored for further degradation in condition.

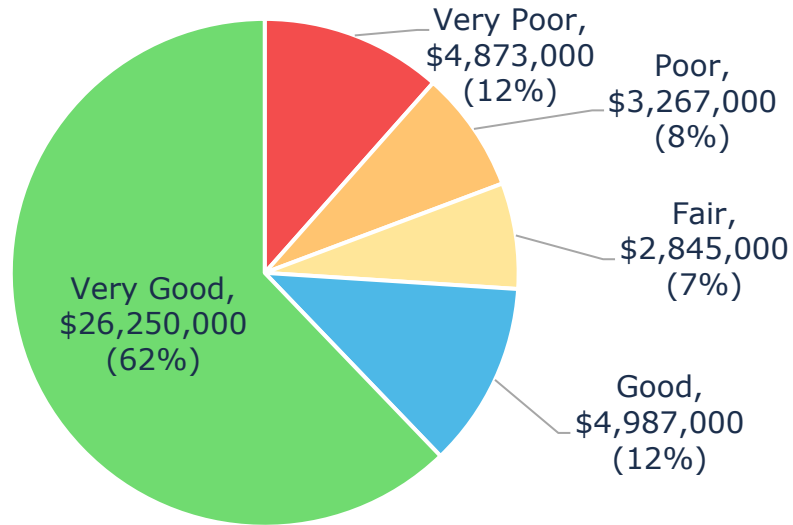


Figure 49 Asset Condition: Storm Water Services Overall

Figure 50 summarizes the age-based condition of storm water services assets. The analysis illustrates that the majority of storm mains are in fair or better condition. However, 52% of catch basins, with a current replacement cost of \$5.3 million, are in poor or worse condition.

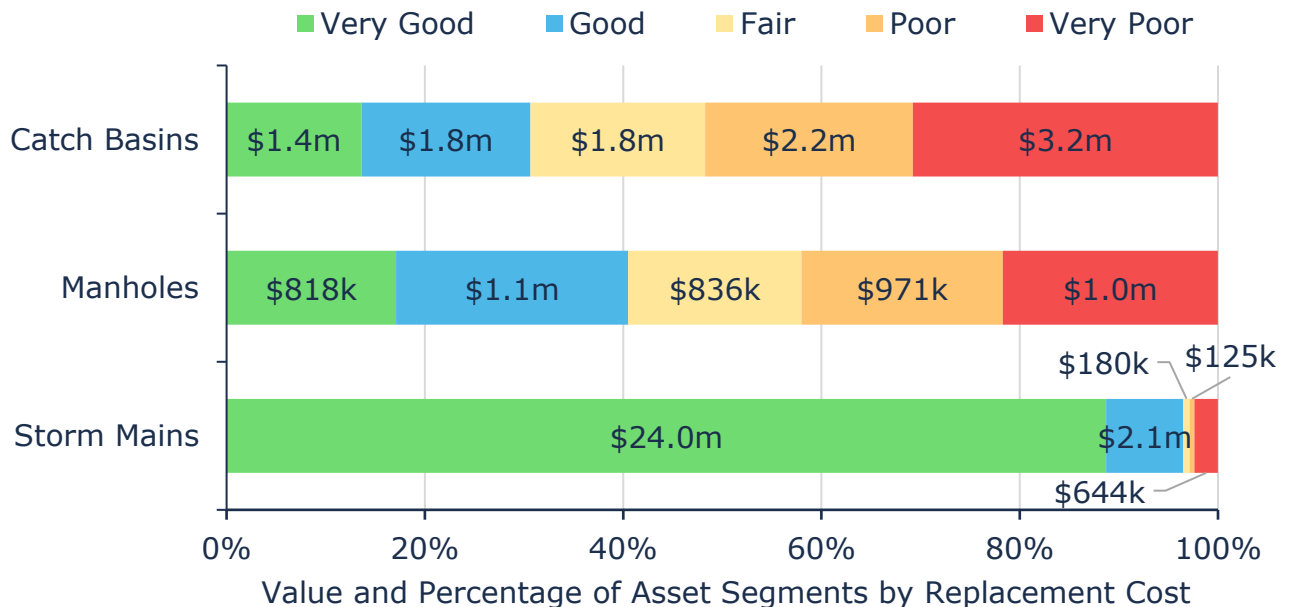


Figure 50 Asset Condition: Storm Water Services by Segment

9.3 Age Profile

An asset’s age profile comprises two key values: estimated useful life (EUL), or design life; and the percentage of EUL consumed. The EUL is the serviceable lifespan of an asset during which it can continue to fulfil its intended purpose and provide value to users, safely and efficiently. As assets age, their performance diminishes, often more rapidly as they approach the end of their design life.

In conjunction with condition data, an asset’s age profile provides a more complete summary of the state of infrastructure. It can help identify assets that may be candidates for further review through condition assessment programs; inform the selection of optimal lifecycle strategies; and improve planning for potential replacement spikes.

Figure 51 illustrates the average current age of each asset type and its estimated useful life. Both values are weighted by the replacement cost of individual assets.

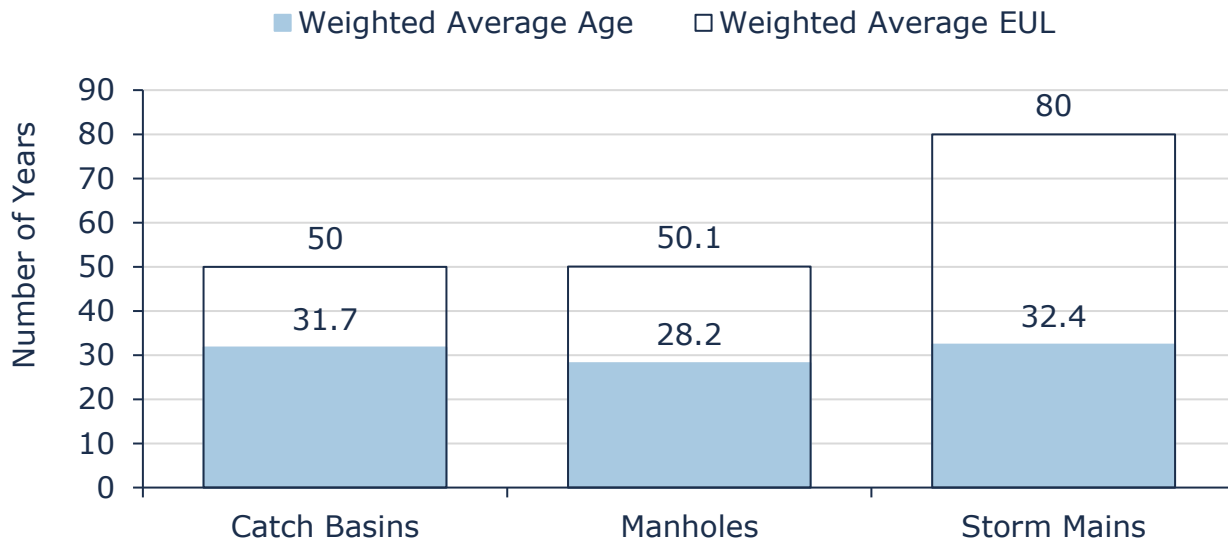


Figure 51 Estimated Useful Life vs. Asset Age: Storm Water Services

9.4 Current Approach to Lifecycle Management

The condition or performance of most assets will deteriorate over time. To ensure that municipal assets are performing as expected and meeting the needs of customers, it is important to establish a lifecycle management strategy to proactively manage asset deterioration.

The following table outlines the Town’s current lifecycle management strategy.

Activity Type	Description of Current Strategy
Inspection/ Maintenance	The inspection of storm sewer assets is largely reactive; assets are assessed when possible and where issues are identified. Some CCTV has occurred in the past to determine the asset condition for specific areas.

Activity Type	Description of Current Strategy
	<p>Manholes are inspected annually during the spring season and also undergo cleaning and Hydrovac Technology. Hydrovac activities is conducted internally and requires significant operating costs.</p> <hr/> <p>Catch basins, curbs and gutters are inspected and cleaned annually.</p> <hr/> <p>Specific activities that occur after a flooding event include flushing, cleaning, and debris removal.</p> <hr/> <p>Specific storm mains are flushed based on the results of manholes and catch basin inspections and as needed.</p>
Rehabilitation/ Replacement	<p>Generally, most storm sewer assets undergo end of life replacement without any interventions.</p> <hr/> <p>Assets requiring rehabilitation or replacement are prioritized through the following criteria:</p> <ul style="list-style-type: none"> • operational efficiencies and capacity • coordination with other infrastructure assets <p>asset condition/age/material as needed or compliant driven</p>

Table 37 Lifecycle Management Strategy: Storm Water Services

9.5 Forecasted Long-Term Replacement Needs

Figure 52 illustrates the cyclical short-, medium- and long-term infrastructure replacement requirements for the Town’s storm water services assets. This analysis was run until 2104 to capture at least one iteration of replacement for the longest-lived asset in Citywide Assets, the Town’s primary asset management system and asset register. The Town’s average annual requirements (red dotted line) total \$641,000 for all assets in the storm water services. Although actual spending may fluctuate substantially from year to year, this figure is a useful benchmark value for annual capital expenditure targets (or allocations to reserves) to ensure projects are not deferred and replacement needs are met as they arise.

The chart illustrates an age-based backlog of \$2.3 million, dominated by catch basins. These projections and estimates are based on asset replacement costs and age analysis. They are designed to provide a long-term, portfolio-level overview of capital needs and should be used to support improved financial planning over several decades.

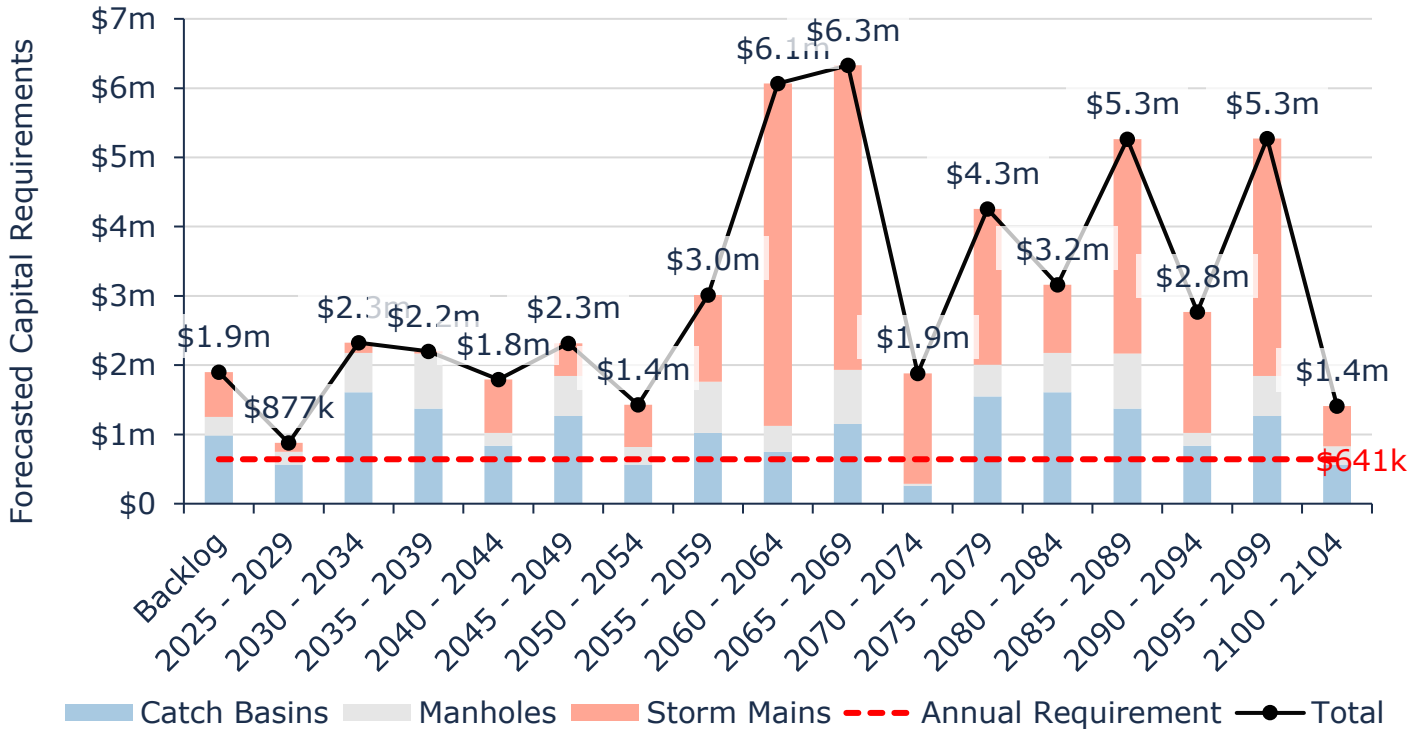


Figure 52 Forecasted Capital Replacement Needs Storm Water Services 2025-2104

Often, the magnitude of replacement needs is substantially higher than most municipalities can afford to fund. In addition, most assets may not need to be replaced. However, quantifying and monitoring these spikes is essential for long-term financial planning, including establishing dedicated reserves. In addition, a robust risk framework will ensure that high-criticality assets receive proper and timely lifecycle intervention, including replacements.

A summary of the 10-year replacement forecast can be found in Appendix B – 10-Year Capital Requirements.

9.6 Risk Analysis

The risk matrix below is generated using available asset data, including condition, pipe material, pipe diameter, and replacement costs.

The matrix stratifies assets based on their individual probability and consequence of failure, each scored from 1 to 5. Their product generates a risk index ranging from 1-25. Assets with the highest criticality and likelihood of failure receive a risk rating of 25; those with lowest probability of failure and lowest criticality carry a risk rating of 1. As new data and information is gathered, the Town may consider integrating relevant information that improves confidence in the criteria used to assess asset risk and criticality.

These risk models have been built into the Town’s Asset Management Database (Citywide Assets). See *Risk & Criticality* section for further details on approach used to determine asset risk ratings and classifications.

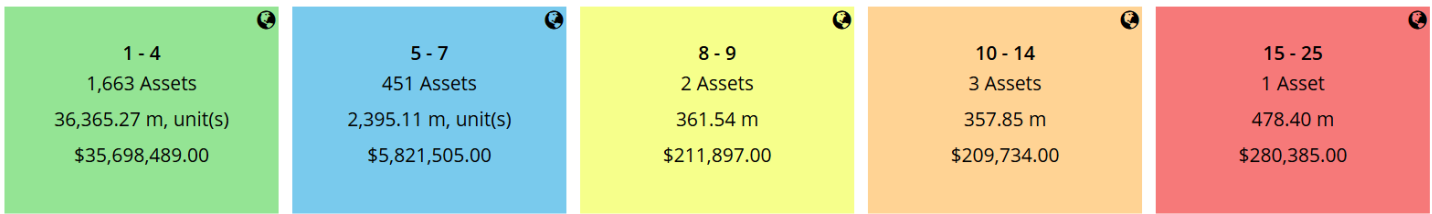


Figure 53 Risk Matrix: Storm Water Services

9.7 Levels of Service

The tables that follow summarize the Town’s current levels of service with respect to prescribed KPIs under Ontario Regulation 588/17 as well as any additional performance measures that the Town has selected for this AMP.

9.7.1 Community Levels of Service

Service Attribute	Qualitative Description	Current LOS (2024)
Scope	Description, which may include map, of the user groups or areas of the Town that are protected from flooding, including the extent of protection provided by the municipal storm Water Services	The Town is responsible for maintaining 38.4 kilometers of storm sewer mains, 1,177 catch basins and 354 manholes.
Performance	Description of the lifecycle activities (maintenance, rehabilitation, and replacement) performed on the stormwater network	Assessments are generally performed on catch basins, manholes, and curb and gutters annually and storm sewer assets is largely reactive; assets are assessed when possible and where issues are identified. Maintenance activities are also performed annually on manholes, catch basins, and curb and gutters. Storm sewers are cleaned and flushed only when a need is identified. Generally, most storm sewer assets undergo end of life replacement without any rehabilitation.
	Description of the current condition of the stormwater network and the plans that are in place to maintain or improve the provided level of service	The current condition of the Town's linear stormwater network relies solely on age-based condition calculations. 81% of the system is in fair or better condition and 19% is in poor or worse condition. A formal inspection strategy is being implemented to better determine the true state of the stormwater system.

Table 38 O. Reg. 588/17 Community Levels of Service: Storm Water Services

9.7.2 Technical Levels of Service

Service Attribute	Technical Metric	Current LOS (2024)
Reliability	% of properties in municipality designed to be resilient to a 100-year storm	50%
	# of service requests related to surface flooding	55
	% of the municipal Storm Water management system designed to be resilient to a 5-year storm	60%
	% of the stormwater network in fair or better condition	81%
	% of the stormwater network in poor or very poor condition	19%
Performance	Current vs. Target capital reinvestment rate	0.14% vs. 1.52%

Table 39 O. Reg. 588/17 Technical Levels of Service: Storm Water Services

9.8 Proposed Levels of Service

As per O. Reg. 588/17, by July 1, 2025, municipalities are required to consider proposed levels of service (PLOS), discuss the associated risks and long-term sustainability of these service levels, and explain the Town's ability to afford the PLOS.

The below tables and graphs explain the proposed levels of service scenarios that were analyzed for the storm water services. Further PLOS analysis at the portfolio level can be found in Section 4. *Proposed Levels of Service Analysis*.

9.8.1 PLOS Scenarios Analyzed

Scenario	Description
Scenario 1: No Funding Increase	This scenario maintains existing capital funding levels for those categories that are underfunded. <ul style="list-style-type: none"> Storm water services capital funding maintained at \$6k/year
Scenario 2: Achieving 100% Target Funding in 20 Years	This scenario assumes gradual tax increases of ~2.7%/year, stabilizing at 100% funding across all asset categories in 20 years. <ul style="list-style-type: none"> Storm water services capital funding gradually increases from \$6k/year to \$641,000/year over a span of 20 years
Scenario 3: Maintain Existing Tax Increase to Achieve 75% Target Funding in 20 Years	This scenario assumes gradual tax increases of ~1.8%/year, stabilizing at 75% funding across all asset categories in 20 years. <ul style="list-style-type: none"> Storm water services capital funding gradually increases from \$6k/year to \$481,000/year over a span of 20 years

Table 40 Storm Water Services PLOS Scenario Descriptions

9.8.2 PLOS Analysis Results

Scenario	Technical LOS Outcomes	Initial Value (2025)	15 Year Projection (2039)	30 Year Projection (2054)	Comments
Scenario 1	Average Condition	71%	56%	38%	
	Average Asset Risk	3.1	4.1	5.4	
	Annual Investment Required		\$6,000		This is the maintained parameter in this scenario
	Capital Reinvestment Rate		0.01%		
Scenario 2	Average Condition	71%	66%	62%	
	Average Asset Risk	3.1	3.6	4.1	
	Annual Investment Required		\$641,000		This parameter was increased from \$6k/year to \$641k/year gradually over 20 years.
	Capital Reinvestment Rate		1.5%		
Scenario 2	Average Condition	71%	64%	59%	
	Average Asset Risk	3.1	3.7	4.2	
	Annual Investment Required		\$481,000		This parameter was increased from \$6k/year to \$481k/year gradually over 20 years.
	Capital Reinvestment Rate		1.1%		

Table 41 Storm Water Services PLOS Scenario Analysis

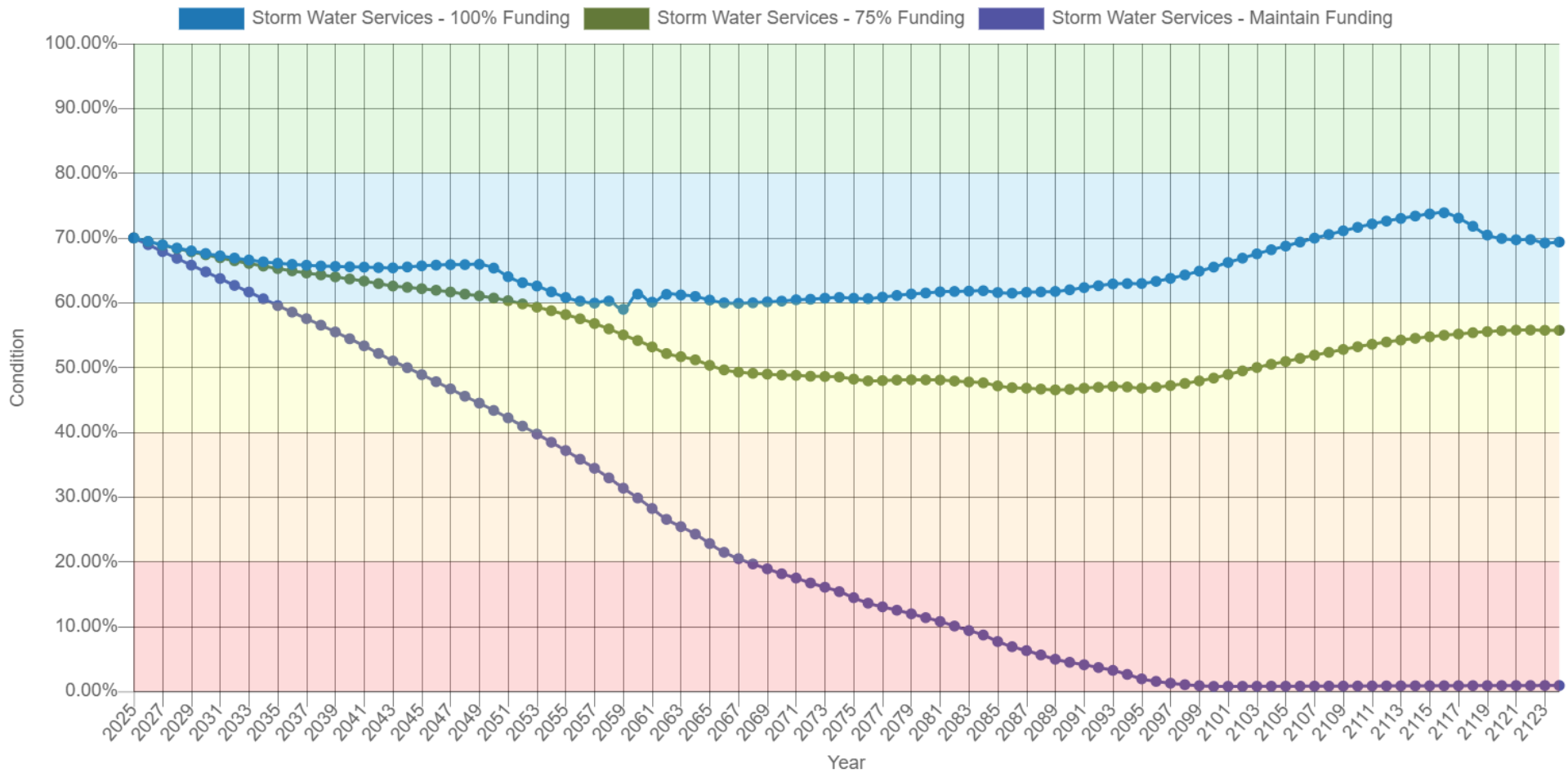


Figure 54 Storm Water Services PLOS Scenario Condition Results

Category Analysis: Non-Core Assets

10. Buildings

Parry Sound owns and maintains several buildings that provide key services to the community. These service area facilities include:

- ◆ Municipal offices
- ◆ Community buildings
- ◆ Ambulance base
- ◆ Fire hall
- ◆ Operational buildings

10.1 Inventory & Valuation

Table 42 summarizes the quantity and current replacement cost of all buildings assets available in the Town's asset register.

Segment	Quantity (# of components)	Unit of Measure	Replacement Cost	Primary RC Method
Community Buildings	12 (80)	Quantity	\$34,344,000	User-Defined
Emergency Buildings	4 (14)	Quantity	\$2,465,000	CPI
Library	1 (5)	Quantity	\$4,155,000	User-Defined
Municipal Buildings	1 (12)	Quantity	\$6,420,000	CPI
Operational Buildings	11 (60)	Quantity	\$2,354,000	CPI
Other Town Property	9 (24)	Quantity	\$1,702,000	CPI
TOTAL			\$51,441,000	

Table 42 Detailed Asset Inventory: Buildings

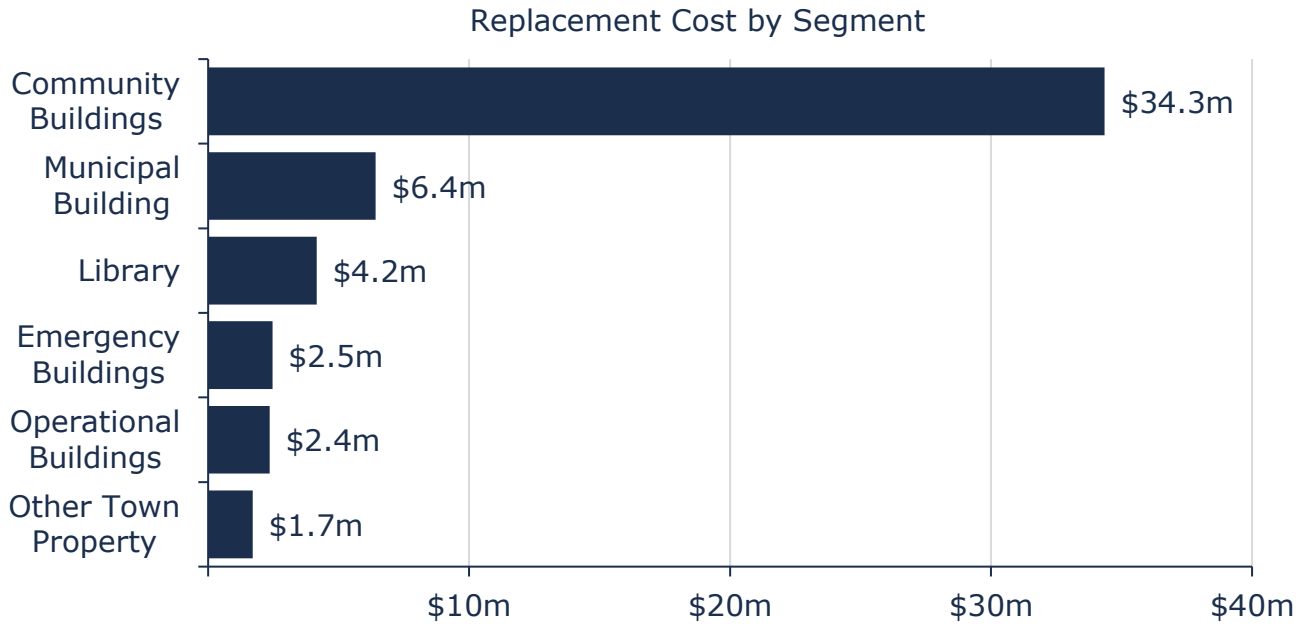


Figure 55 Portfolio Valuation: Buildings

10.2 Asset Condition

Figure 62 summarizes the replacement cost-weighted condition of the Town’s buildings portfolio. Based mostly on assessed data, 32% of buildings assets are in fair or better condition; however, 68%, with a current replacement cost of more than \$34 million are in poor or worse condition. These assets may be candidates for replacement in the short term; similarly, assets in fair condition may require rehabilitation or replacement in the medium term and should be monitored for further degradation in condition.

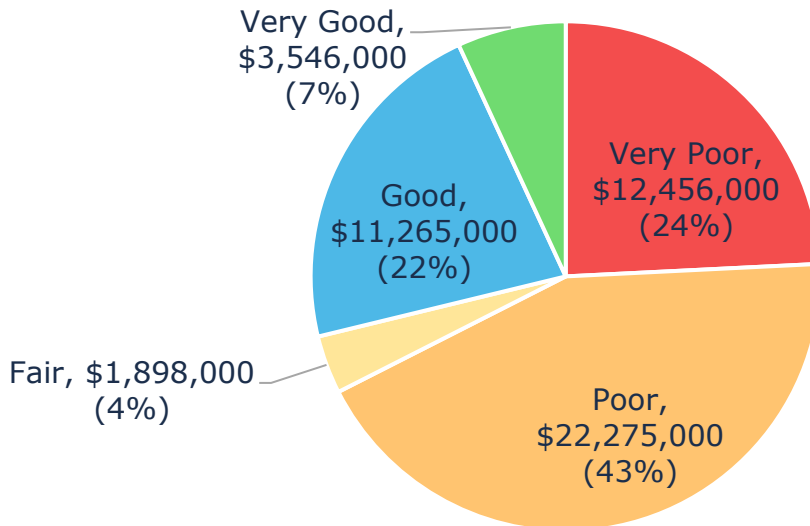


Figure 56 Asset Condition: Buildings Overall

Figure 57 summarizes the condition of buildings by each segment. A substantial portion of library assets are in poor to worse condition.

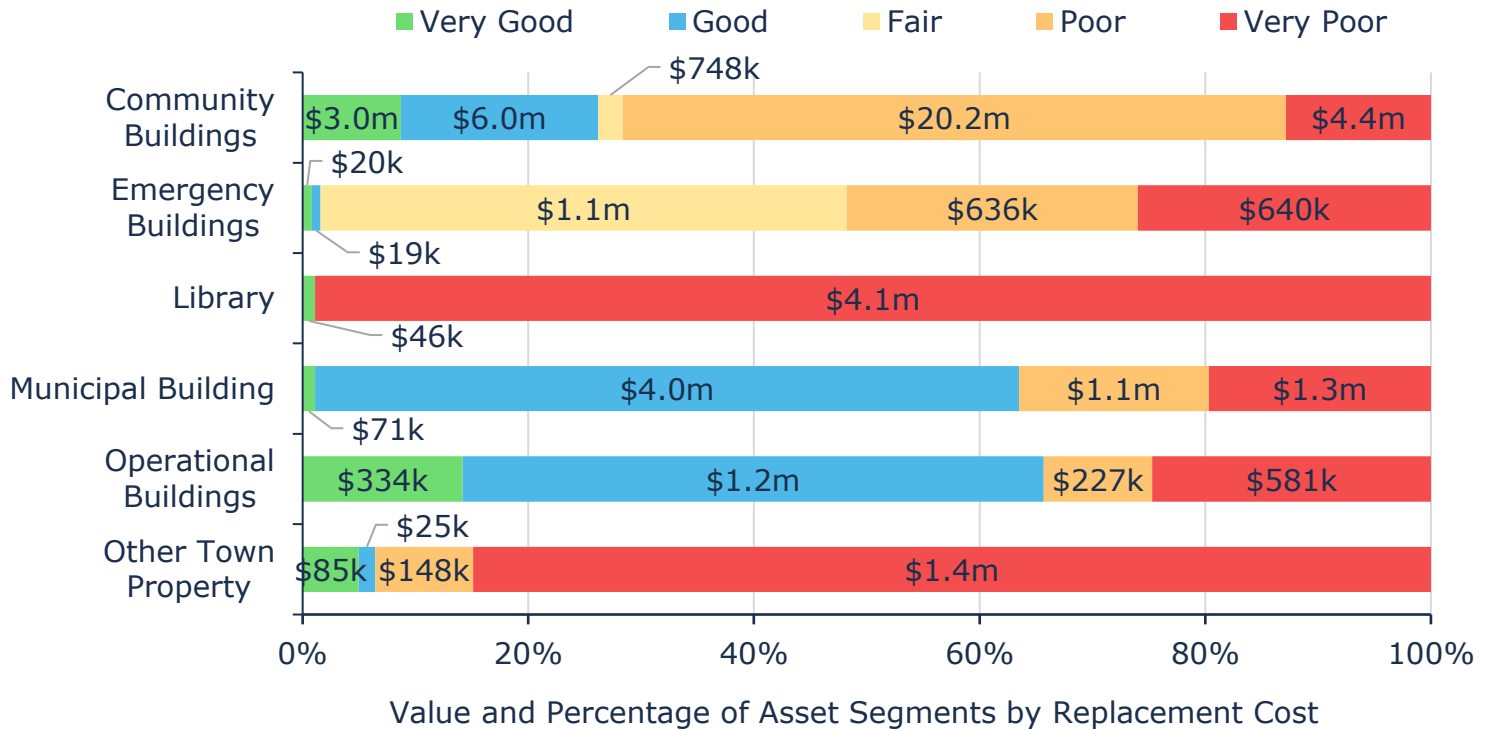


Figure 57 Asset Condition: Buildings by Segment

10.3 Age Profile

An asset's age profile comprises two key values: estimated useful life (EUL), or design life; and the percentage of EUL consumed. The EUL is the serviceable lifespan of an asset during which it can continue to fulfil its intended purpose and provide value to users, safely and efficiently. As assets age, their performance diminishes, often more rapidly as they approach the end of their design life.

In conjunction with condition data, an asset's age profile provides a more complete summary of the state of infrastructure. It can help identify assets that may be candidates for further review through condition assessment programs; inform the selection of optimal lifecycle strategies; and improve planning for potential replacement spikes.

Figure 58 illustrates the average current age of each asset type and its estimated useful life. Both values are weighted by the replacement cost of individual assets.

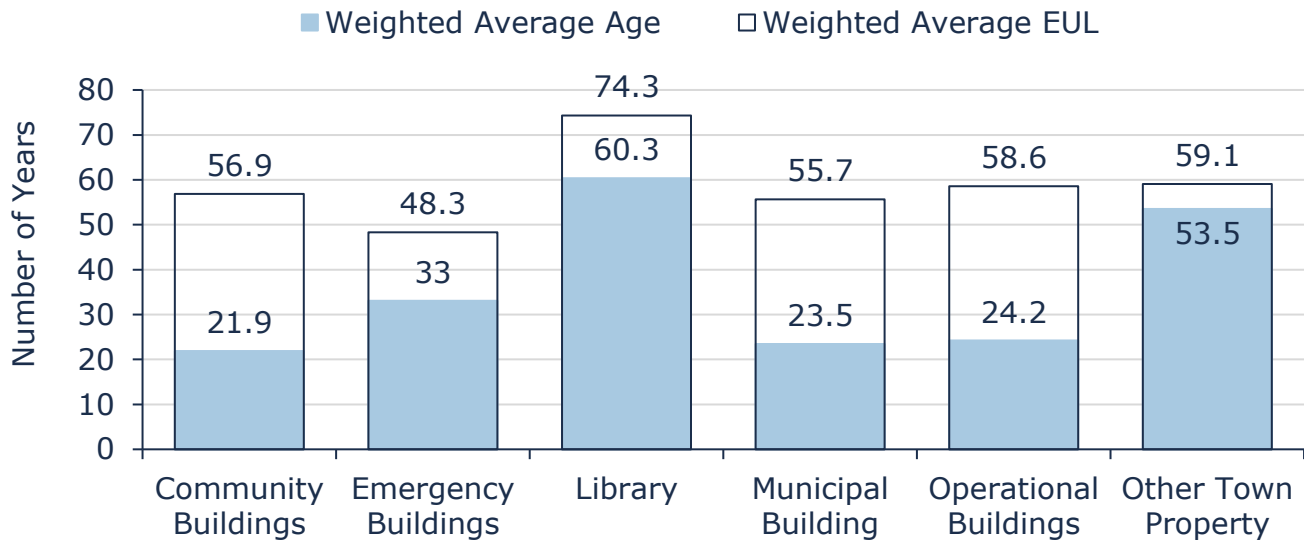


Figure 58 Estimated Useful Life vs. Asset Age: Buildings

10.4 Current Approach to Lifecycle Management

The condition or performance of most assets will deteriorate over time. To ensure that municipal assets are performing as expected and meeting the needs of customers, it is important to establish a lifecycle management strategy to proactively manage asset deterioration.

Table 43 outlines the Town’s current lifecycle management strategy.

Activity Type	Description of Current Strategy
Maintenance	<p>Maintenance is triggered by inspections identifying safety, accessibility, functionality, and structural issues.</p> <p>Critical buildings (Water Treatment Plant, Wastewater Treatment Plant, Fire Stations etc.) have a detailed maintenance and rehabilitation schedules, while the maintenance of other facilities are dealt with on a case-by-case basis</p>
Rehabilitation/ Replacement	<p>Rehabilitations such as roof replacements or HVAC component replacements are considered on an as needed basis</p> <p>The primary considerations for asset replacement are asset failure, availability or grant funding, safety issues, volume of use, and recommendations from facility needs assessments</p>
Inspection	<p>Internal inspections are conducted monthly for health and safety requirements, as well as to identify any maintenance concerns</p> <p>Facility Needs Assessment Studies are conducted by an external contractor periodically, with the last one completed in 2016</p>

Activity Type	Description of Current Strategy
---------------	---------------------------------

Assessments are completed strategically as buildings approach their end-of-life to determine whether replacement or rehabilitation is appropriate

Table 43 Lifecycle Management Strategy: Buildings

10.5 Forecasted Long-Term Replacement Needs

Figure 59 illustrates the cyclical short-, medium- and long-term infrastructure replacement requirements for the Town’s buildings portfolio. This analysis was run until 2099 to capture at least one iteration of replacement for the longest-lived asset in Citywide Assets, the Town’s primary asset management system and asset register. The Town’s average annual requirements (red dotted line) total \$1.2 million for all buildings. Although actual spending may fluctuate substantially from year to year, this figure is a useful benchmark value for annual capital expenditure targets (or allocations to reserves) to ensure projects are not deferred and replacement needs are met as they arise.

The chart also illustrates a backlog of more than \$1.3 million, dominated by other town property, and comprising assets that have reached the end of their useful life but still remain in operation. These projections and estimates are based on current asset records, their replacement costs, and age analysis. They are designed to provide a long-term, portfolio-level overview of capital needs and should be used to support improved financial planning over several decades.

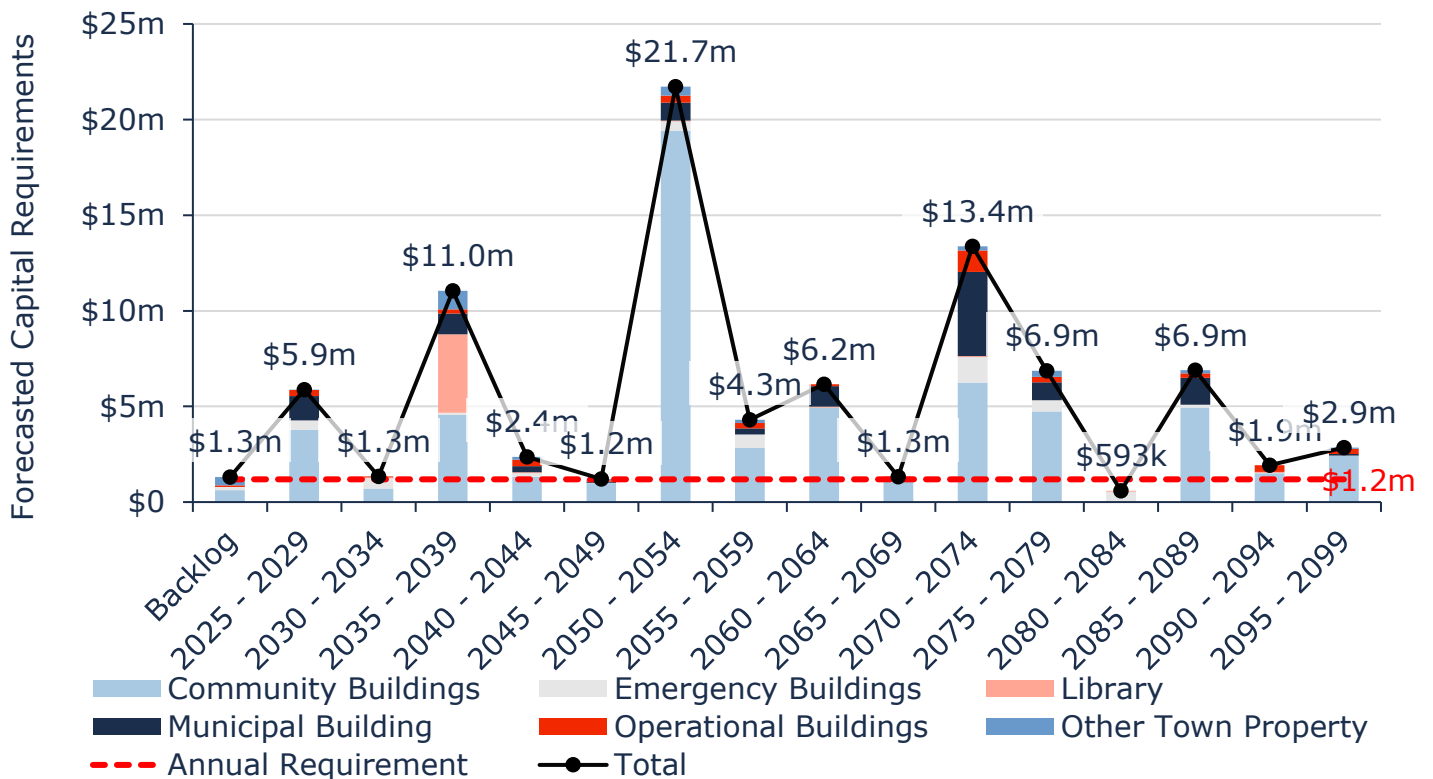


Figure 59 Forecasted Capital Replacement Needs Buildings 2025-2099

Often, the magnitude of replacement needs is substantially higher than most municipalities can afford to fund. In addition, most assets may not need to be replaced. However, quantifying and monitoring these spikes is essential for long-term financial planning, including establishing dedicated reserves. In addition, a robust risk framework will ensure that high-criticality assets receive proper and timely lifecycle intervention, including replacements. In the case of buildings and facilities, detailed componentization is necessary to develop more reliable lifecycle forecasts that reflect the needs of individual elements and components.

A summary of the 10-year replacement forecast can be found in Appendix B – 10-Year Capital Requirements.

10.6 Risk Analysis

The risk matrix below is generated using available asset data, condition and replacement costs.

The matrix classifies assets based on their individual probability and consequence of failure, each scored from 1 to 5. Their product generates a risk index ranging from 1-25. Assets with the highest criticality and likelihood of failure receive a risk rating of 25; those with lowest probability of failure and lowest criticality carry a risk rating of 1. As new data and information is gathered, the Town may consider integrating relevant information that improves confidence in the criteria used to assess asset risk and criticality.

These risk models have been built into the Town’s Asset Management Database (Citywide Assets). See *Risk & Criticality* section for further details on approach used to determine asset risk ratings and classifications.

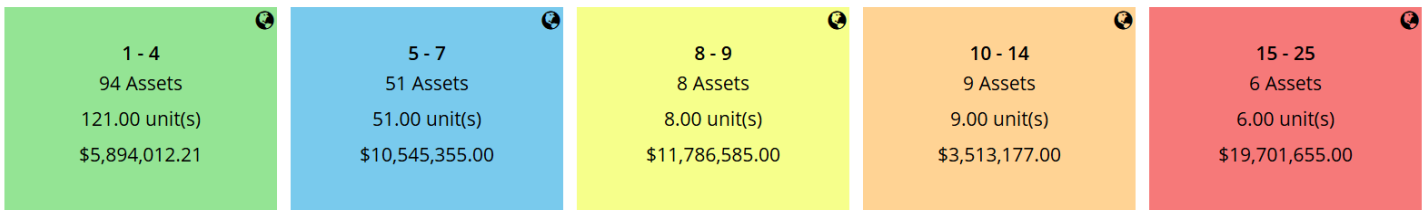


Figure 60 Risk Matrix: Buildings

10.7 Levels of Service

The tables that follow summarize the Town’s current levels of service. There are no specifically prescribed KPIs under Ontario Regulation 588/17 for non-core assets, therefore the KPIs below represent performance measures that the Town has selected for this AMP.

10.7.1 Community Levels of Service

Service Attribute	Qualitative Description	Current LOS (2024)
Scope	Description, which may include maps, of the types of facilities that the municipality operates and maintains	<p>Facilities within Parry Sound include those dedicated to the community such as the Bobby Orr Community Center, Stockey Center, and Town Docks.</p> <p>Emergency buildings include the fire hall, ambulance base, and dog impound.</p> <p>The Municipal Office makes up the Municipal buildings in Parry Sound. Town Operations are supported by various equipment garages, salt/sand protection facilities and the Waste Transfer Station.</p> <p>Various cemeteries and the boat ramp make up the other town properties.</p>

Table 44 Community Levels of Service: Buildings

10.7.2 Technical Levels of Service

Service Attribute	Technical Metric	Current LOS (2024)
Quality	Average facility condition index value for facilities in the municipality	42%
Performance	Current vs. Target capital reinvestment rate	0.28% vs. 2.31%

Table 45 Technical Levels of Service: Buildings

10.8 Proposed Levels of Service

The below tables and graphs explain the proposed levels of service scenarios that were analyzed for buildings. Further PLOS analysis at the portfolio level can be found in Section 4. *Proposed Levels of Service Analysis*.

10.8.1 PLOS Scenarios Analyzed

Scenario	Description
Scenario 1: No Funding Increase	This scenario maintains existing capital funding levels for those categories that are underfunded. <ul style="list-style-type: none"> ◆ Buildings capital funding maintained at \$143,000/year
Scenario 2: Achieving 100% Target Funding in 20 years	This scenario assumes gradual tax increases of ~2.7%/year, stabilizing at 100% funding across all asset categories in 20 years. <ul style="list-style-type: none"> ◆ Buildings' capital funding gradually increases from \$143,000/year to \$1.19m/year over a span of 20 years
Scenario 3: Maintain Existing Tax Increase to Achieve 75% Target Funding in 20 Years	This scenario assumes gradual tax increases of ~1.8%/year, stabilizing at 75% funding across all asset categories in 20 years. <ul style="list-style-type: none"> ◆ Buildings' capital funding gradually increases from \$143,000/year to \$892,000/year over a span of 20 years

Table 46 Buildings PLOS Scenario Descriptions

10.8.2 PLOS Analysis Results

Scenario	Technical LOS Outcomes	Initial Value (2025)	15 Year Projection (2039)	30 Year Projection (2054)	Comments
Scenario 1	Average Condition	42%	21%	10%	
	Average Asset Risk	11.8	14.9	16.1	
	Annual Investment Required		\$143,000		This is the maintained parameter in this scenario
	Capital Reinvestment Rate		0.3%		
Scenario 2	Average Condition	42%	31%	30%	
	Average Asset Risk	11.8	14.0	14.4	
	Annual Investment Required		\$1,189,000		This parameter is increased from \$143k/year incrementally to reach a target portfolio investment of \$1.19mm/year over 20 years
	Capital Reinvestment Rate		23%		
Scenario 3	Average Condition	42%	29%	26%	
	Average Asset Risk	11.8	14.2	14.2	
	Annual Investment Required		\$892,000		This parameter is increased from \$143k/year incrementally to reach a target portfolio investment of \$892k/year over 20 years
	Capital Reinvestment Rate		1.7%		

Table 47 Buildings PLOS Scenario Analysis

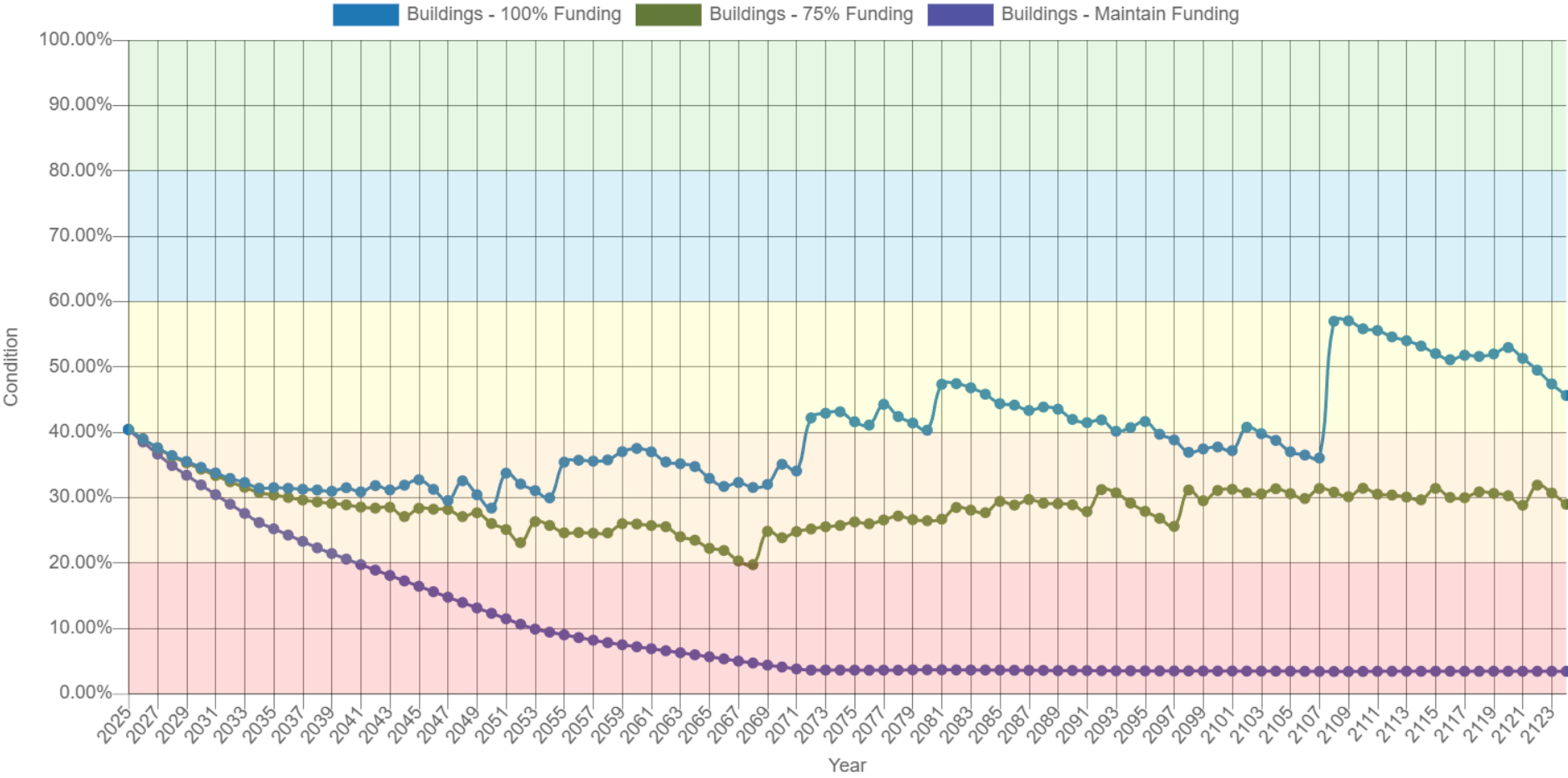


Figure 61 Buildings PLOS Scenario Condition Results

11. Land Improvements

The Town of Parry Sound owns a number of assets that are considered Land Improvements. This category includes:

- Parking lots for Town owned facilities
- Water Access
- Park & Recreational areas
- Fencing and signage
- Miscellaneous landscaping and other assets

11.1 Inventory & Valuation

Table 48 summarizes the quantity and current replacement cost of all land improvements assets available in the Town's asset register.

Segment	Quantity	Unit of Measure	Replacement Cost	Primary RC Method
Access Paths, Trails & Parking Lots	48	Quantity	\$6,183,000	CPI
Boat Slips, Docks & Launches	74	Quantity	\$3,944,000	CPI
Fencing	11	Quantity	\$580,000	CPI
Irrigation	3	Quantity	\$79,000	CPI
Landscaping	6	Quantity	\$804,000	CPI
Lighting	40	Quantity	\$973,000	CPI
Park Furnishings	8	Quantity	\$266,000	CPI
Sports Fields & Courts	2	Quantity	\$42,000	CPI
Structural Features	22	Quantity	\$1,661,000	CPI
TOTAL			\$14,532,000	

Table 48 Detailed Asset Inventory: Land Improvements

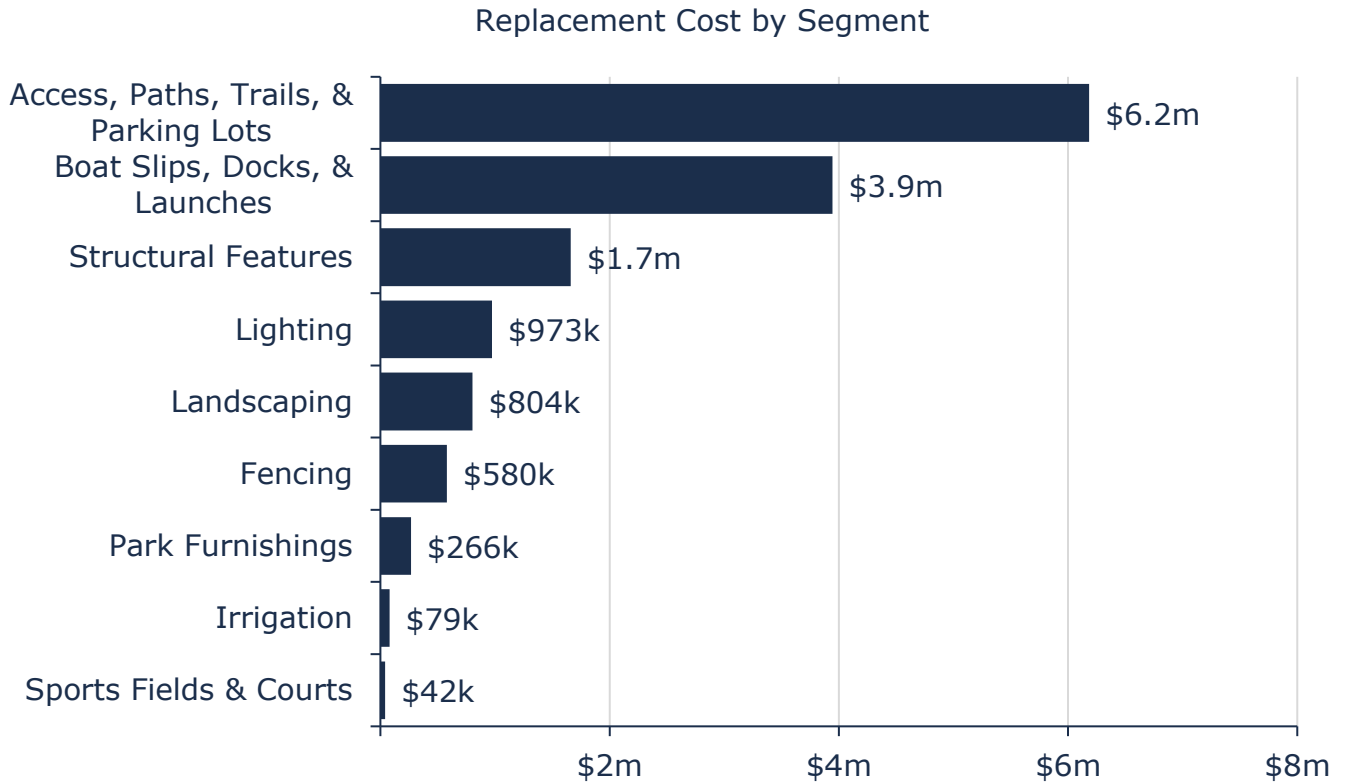


Figure 62 Portfolio Valuation: Land Improvements

11.2 Asset Condition

Figure 63 summarizes the replacement cost-weighted condition of the Town’s land improvements portfolio. Based mostly on age data, 35% of assets are in fair or better condition, the remaining 65% are in poor or worse condition. These assets may be candidates for replacement in the short term; similarly, assets in fair condition may require rehabilitation or replacement in the medium term and should be monitored for further degradation in condition.

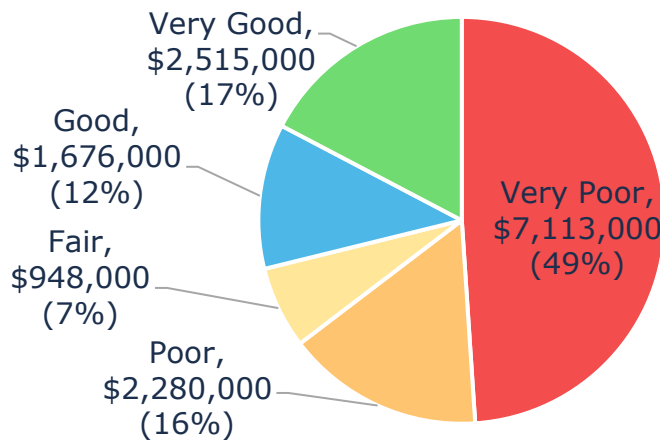


Figure 63 Asset Condition: Land Improvements Overall

Figure 64 summarizes the age-based condition of land improvements by each department.

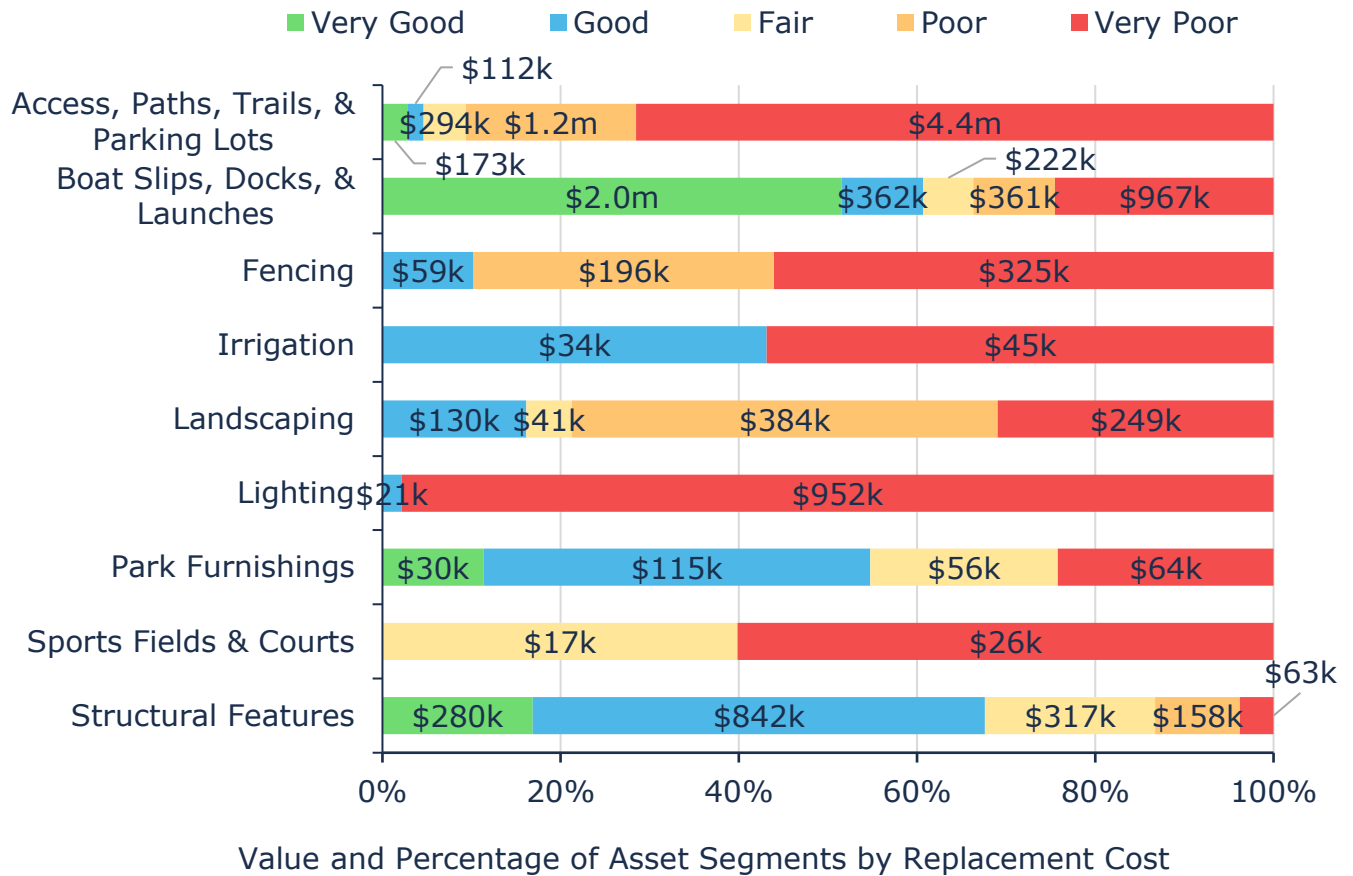


Figure 64 Asset Condition: Land Improvements by Segment

11.3 Age Profile

An asset’s age profile comprises two key values: estimated useful life (EUL), or design life; and the percentage of EUL consumed. The EUL is the serviceable lifespan of an asset during which it can continue to fulfil its intended purpose and provide value to users, safely and efficiently. As assets age, their performance diminishes, often more rapidly as they approach the end of their design life.

In conjunction with condition data, an asset’s age profile provides a more complete summary of the state of infrastructure. It can help identify assets that may be candidates for further review through condition assessment programs; inform the selection of optimal lifecycle strategies; and improve planning for potential replacement spikes.

Figure 65 illustrates the average current age of each asset type and its estimated useful life. Both values are weighted by the replacement cost of individual assets.

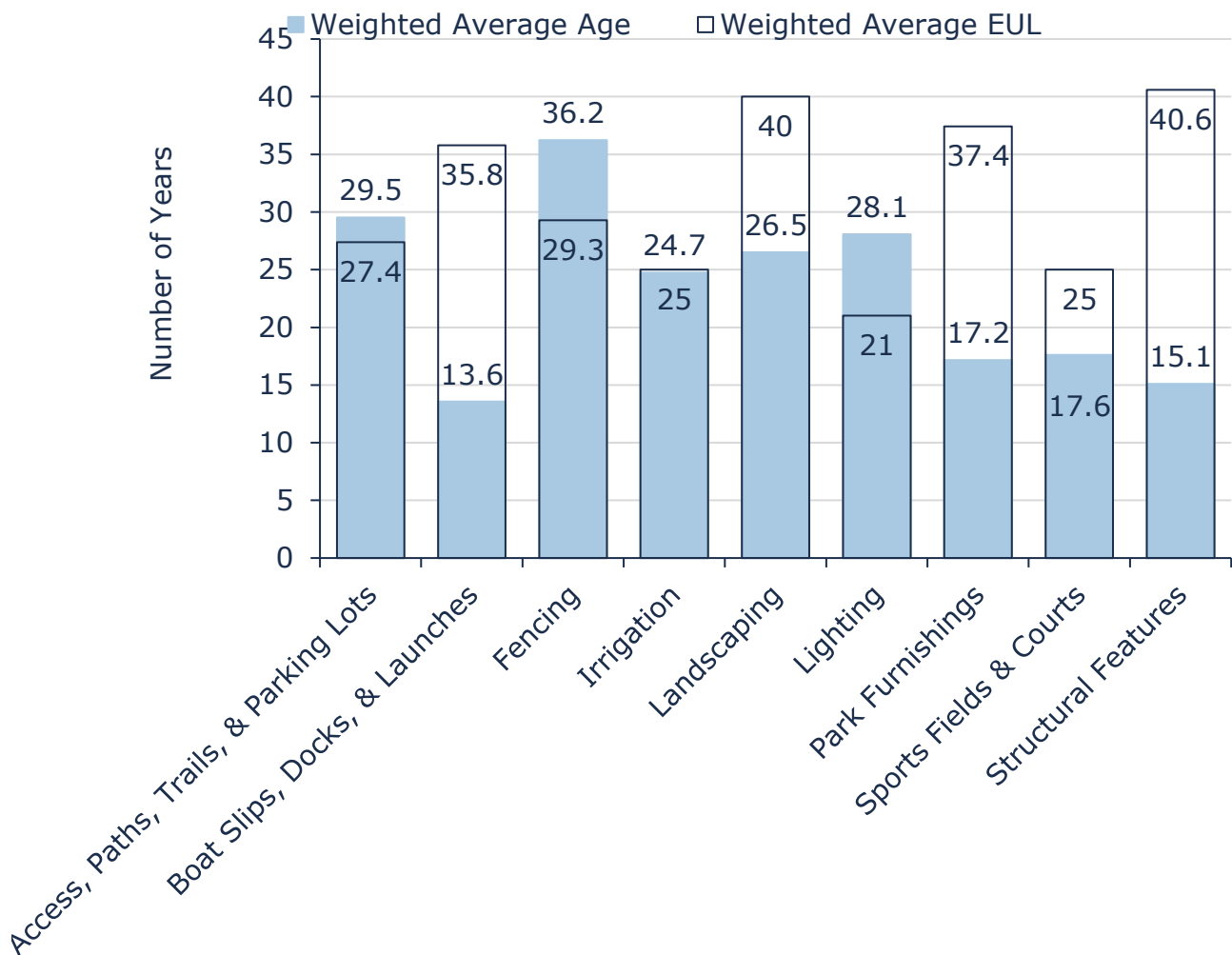


Figure 65 Estimated Useful Life vs. Asset Age: Land Improvements

11.4 Current Approach to Lifecycle Management

The condition or performance of most assets will deteriorate over time. To ensure that municipal assets are performing as expected and meeting the needs of customers, it is important to establish a lifecycle management strategy to proactively manage asset deterioration.

Table 49 outlines the Township’s current lifecycle management strategy.

Activity Type	Description of Current Strategy
Maintenance	Maintenance activities are completed on a reactive basis when operational issues are identified, through complaints, service requests, or ad-hoc inspections

Activity Type	Description of Current Strategy
Rehabilitation / Replacement	Without the availability of up-to-date condition assessment information replacement activities are purely reactive in nature
Inspections	Inspections are conducted on an ad-hoc basis

Table 49 Lifecycle Management Strategy: Land Improvements

11.5 Forecasted Long-Term Replacement Needs

Figure 66 illustrates the cyclical short-, medium- and long-term infrastructure replacement requirements for the Town’s land improvements portfolio. This analysis was run until 2069 to capture at least one iteration of replacement for the longest-lived asset in Citywide Assets, the Town’s primary asset management system and asset register. The Town’s average annual requirements (red dotted line) total \$491,000 for all land improvements. Although actual spending may fluctuate substantially from year to year, this figure is a useful benchmark value for annual capital expenditure targets (or allocations to reserves) to ensure projects are not deferred and replacement needs are met as they arise.

These projections and estimates are based on asset replacement costs and age analysis. They are designed to provide a long-term, portfolio-level overview of capital needs and should be used to support improved financial planning over several decades.

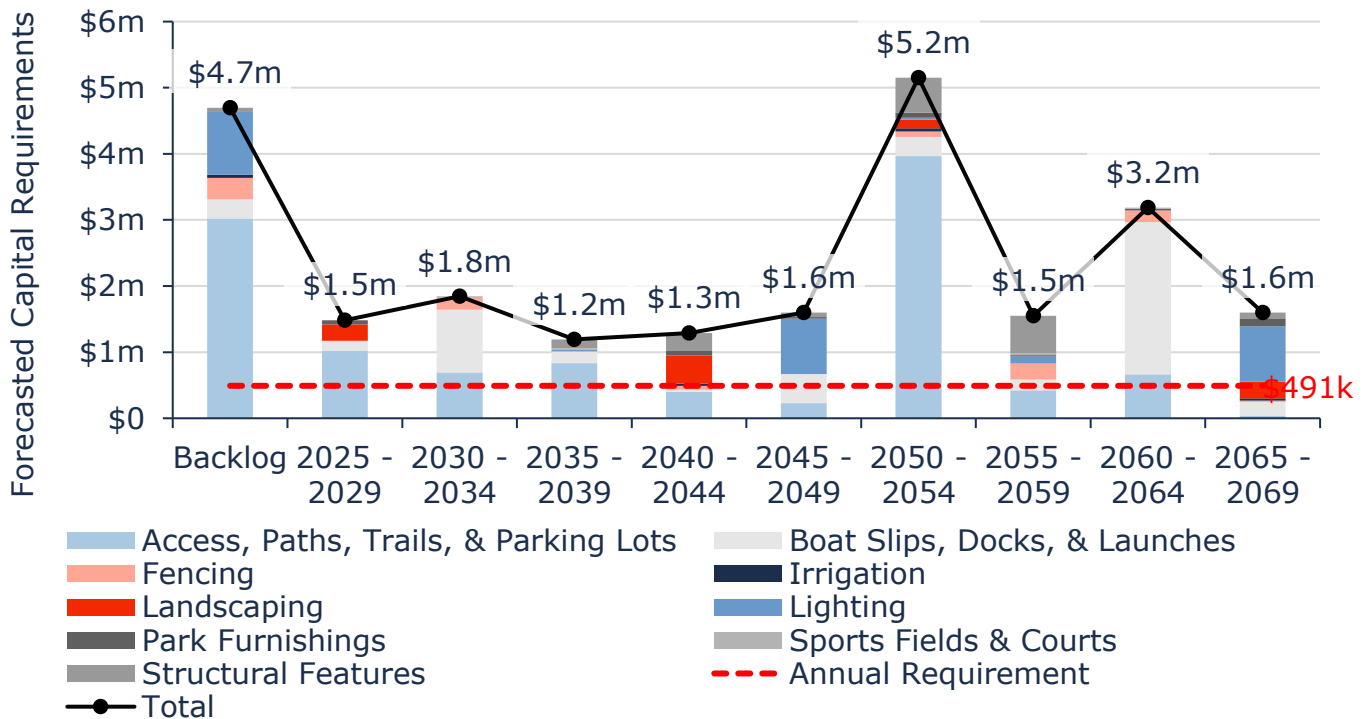


Figure 66 Forecasted Capital Replacement Needs: Land Improvements 2025-2069

Often, the magnitude of replacement needs is substantially higher than most municipalities can afford to fund. In addition, most assets may not need to be replaced. However, quantifying and monitoring these spikes is essential for long-term financial planning, including establishing dedicated reserves. In addition, a robust risk framework will ensure that high-criticality assets receive proper and timely lifecycle intervention, including replacements.

A summary of the 10-year replacement forecast can be found in Appendix B – 10-Year Capital Requirements.

11.6 Risk Analysis

The risk matrix below is generated using available asset data, including condition and replacement costs.

The matrix stratifies assets based on their individual probability and consequence of failure, each scored from 1 to 5. Their product generates a risk index ranging from 1-25. Assets with the highest criticality and likelihood of failure receive a risk rating of 25; those with lowest probability of failure and lowest criticality carry a risk rating of 1. As new data and information is gathered, the Town may consider integrating relevant information that improves confidence in the criteria used to assess asset risk and criticality.

These risk models have been built into the Town’s Asset Management Database (Citywide Assets). See *Risk & Criticality* section for further details on approach used to determine asset risk ratings and classifications.

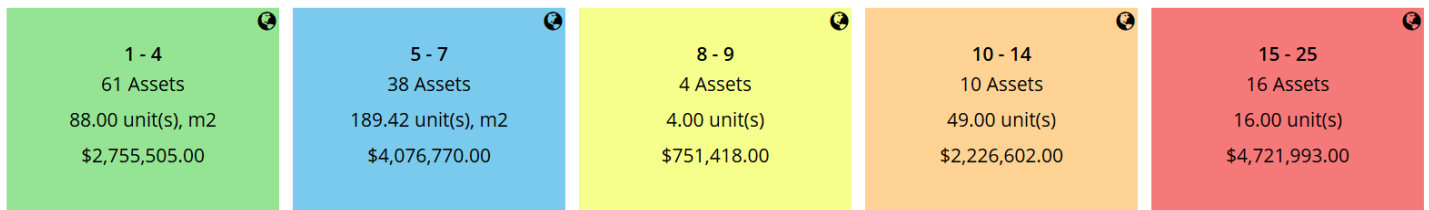


Figure 67 Risk Matrix: Land Improvements

11.7 Levels of Service

The tables that follow summarize the Town’s current levels of service. There are no specifically prescribed KPIs under Ontario Regulation 588/17 for non-core assets, therefore the KPIs below represent performance measures that the Town has selected for this AMP.

11.7.1 Community Levels of Service

Service Attribute	Qualitative Description	Current LOS (2024)
Scope	Description, which may include maps, of the outdoor recreational facilities that the municipality operates and maintains	The Town operates a variety of outdoor supporting infrastructures such as parking lots, fencing, and recreational infrastructure (i.e. trails, boat ramps, etc.).

Table 50 Community Levels of Service: Land Improvements

11.7.2 Technical Levels of Service

Service Attribute	Technical Metric	Current LOS (2024)
Quality	Average condition of outdoor recreation facilities and land improvements in the municipality	35%
Performance	Current vs. Target capital reinvestment rate	0.83% vs. 3.38%

Table 51 Technical Levels of Service: Land Improvements

11.8 Proposed Levels of Service

The below tables and graphs explain the proposed levels of service scenarios that were analyzed for land improvements. Further PLOS analysis at the portfolio level can be found in section 4. *Proposed Levels of Service Analysis.*

11.8.1 PLOS Scenarios Analyzed

Scenario	Description
Scenario 1: No Funding Increase	This scenario maintains existing capital funding levels for those categories that are underfunded. ♦ Land improvements capital funding maintained at \$120,000/year
Scenario 2: Achieving 100% Target Funding in 20 years	This scenario assumes gradual tax increases of ~2.7%/year, stabilizing at 100% funding across all asset categories in 20 years. ♦ Land improvements capital funding gradually increases from \$120,000/year to \$491,000/year over a span of 20 years
Scenario 3: Maintain Existing Tax Increase to Achieve 75% Target Funding in 20 Years	This scenario assumes gradual tax increases of ~1.8%/year, stabilizing at 75% funding across all asset categories in 20 years. ♦ Land improvements capital funding gradually increases from \$120,000/year to \$368,000/year over a span of 20 years

Table 52 Land Improvements PLOS Scenario Descriptions

11.8.2 PLOS Analysis Results

Scenario	Technical LOS Outcomes	Initial Value (2025)	15 Year Projection (2039)	30 Year Projection (2054)	Comments
Scenario 1	Average Condition	35%	21%	13%	
	Average Asset Risk	11.2	13.8	15.6	
	Annual Investment Required		\$120,000		This is the maintained parameter in these scenario
	Capital Reinvestment Rate		0.8%		
	Average Condition	35%	32%	43%	
Scenario 2	Average Asset Risk	11.2	12.4	11.7	
	Annual Investment Required		\$491,000		This parameter was increased from \$120k/year to \$491k/year gradually over 20 years.
	Capital Reinvestment Rate		3.4%		
	Average Condition	35%	29%	33%	
	Average Asset Risk	11.2	13.1	13.1	
Scenario 3	Annual Investment Required		\$368,000		This parameter was increased from \$120k/year to \$368k/year gradually over 20 years.
	Capital Reinvestment Rate		2.5%		

Table 53 Land Improvements PLOS Scenario Analysis

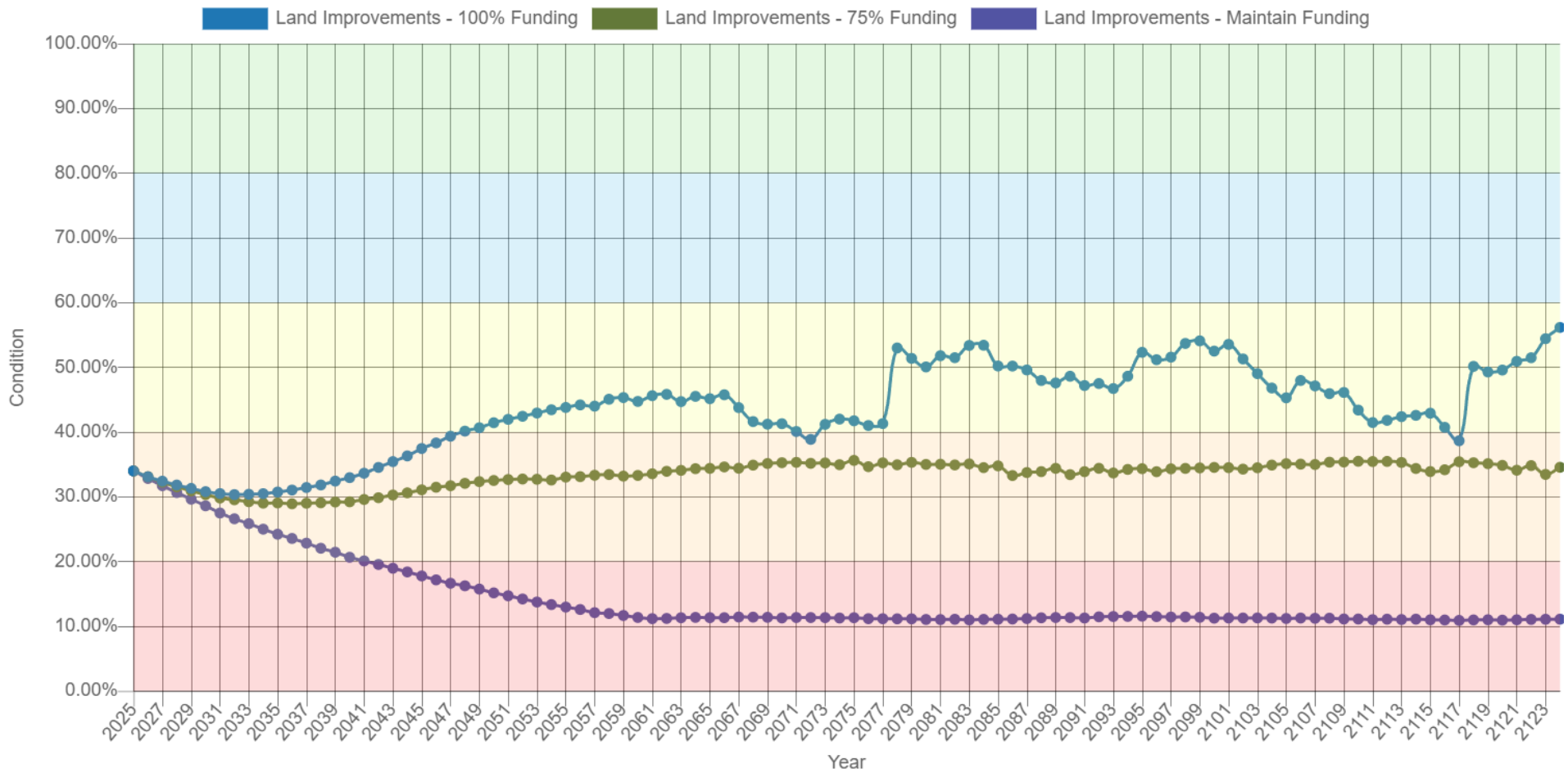


Figure 68 Land Improvements PLOS Scenario Condition Results

12. Rolling Stock

Town staff own and employ several types of rolling stock assets to provide and support various Town services. This includes:

- Land Ambulances
- Rolling stocks to support transportation, recreation, wastewater, water and protective services

12.1 Inventory & Valuation

Table 54 summarizes the quantity and current replacement cost of all rolling stock assets available in the Town’s asset register. Transportation services and land ambulances account for the largest share of the Rolling Stock portfolio.

Segment	Quantity	Unit of Measure	Replacement Cost	Primary RC Method
Cemeteries	7	Quantity	\$309,000	CPI
Fire	4	Quantity	\$3,728,000	User-Defined
Land Ambulance	10	Quantity	\$3,051,000	User-Defined
Protective Inspection	2	Quantity	\$70,000	CPI
Recreation & Cultural Services	8	Quantity	\$589,000	User-Defined
Transportation Services	29	Quantity	\$4,063,000	CPI
Wastewater Services	3	Quantity	\$267,000	CPI
Water Services	4	Quantity	\$176,000	CPI
TOTAL			\$12,252,000	

Table 54 Detailed Asset Inventory: Rolling Stock

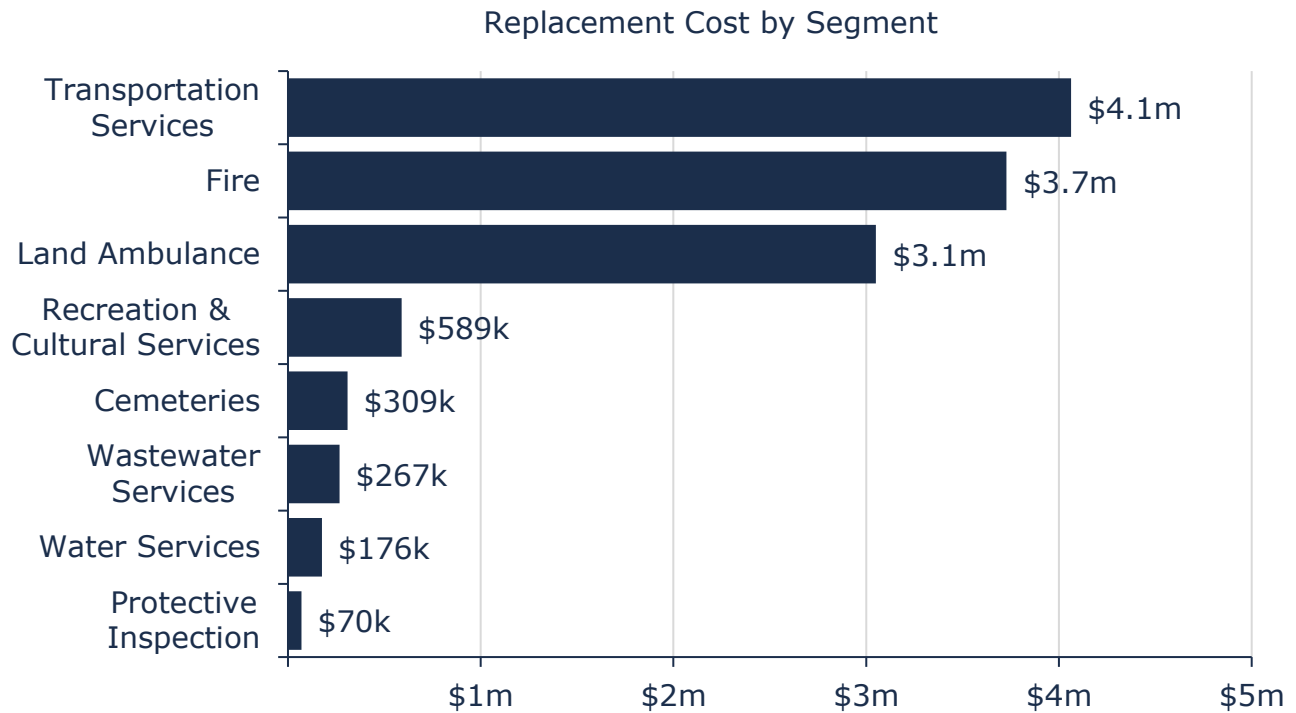


Figure 69 Portfolio Valuation: Rolling Stock

12.2 Asset Condition

Figure 70 summarizes the replacement cost-weighted condition of the Town’s rolling stock portfolio. Based primarily on age data, 57% of rolling stock are in fair or better condition, with the remaining 43% are in poor or worse condition. These assets may be candidates for replacement in the short term; similarly, assets in fair condition may require rehabilitation or replacement in the medium term and should be monitored for further degradation in condition. Condition data was available for 16% of Rolling Stock assets, based on replacement costs; age was used to estimate condition for the remaining 84% of assets.

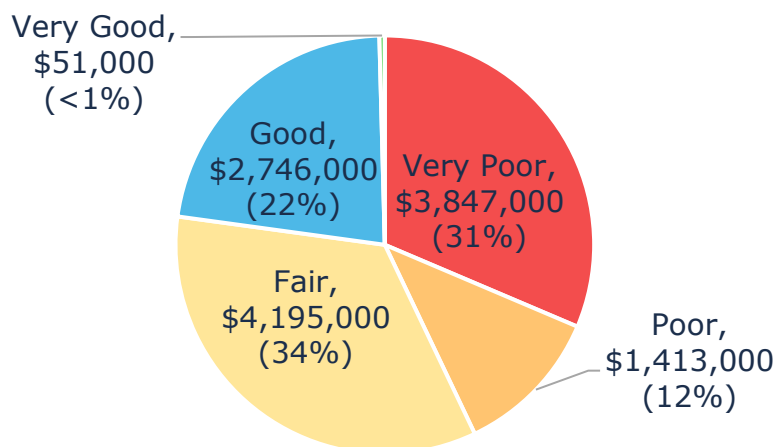
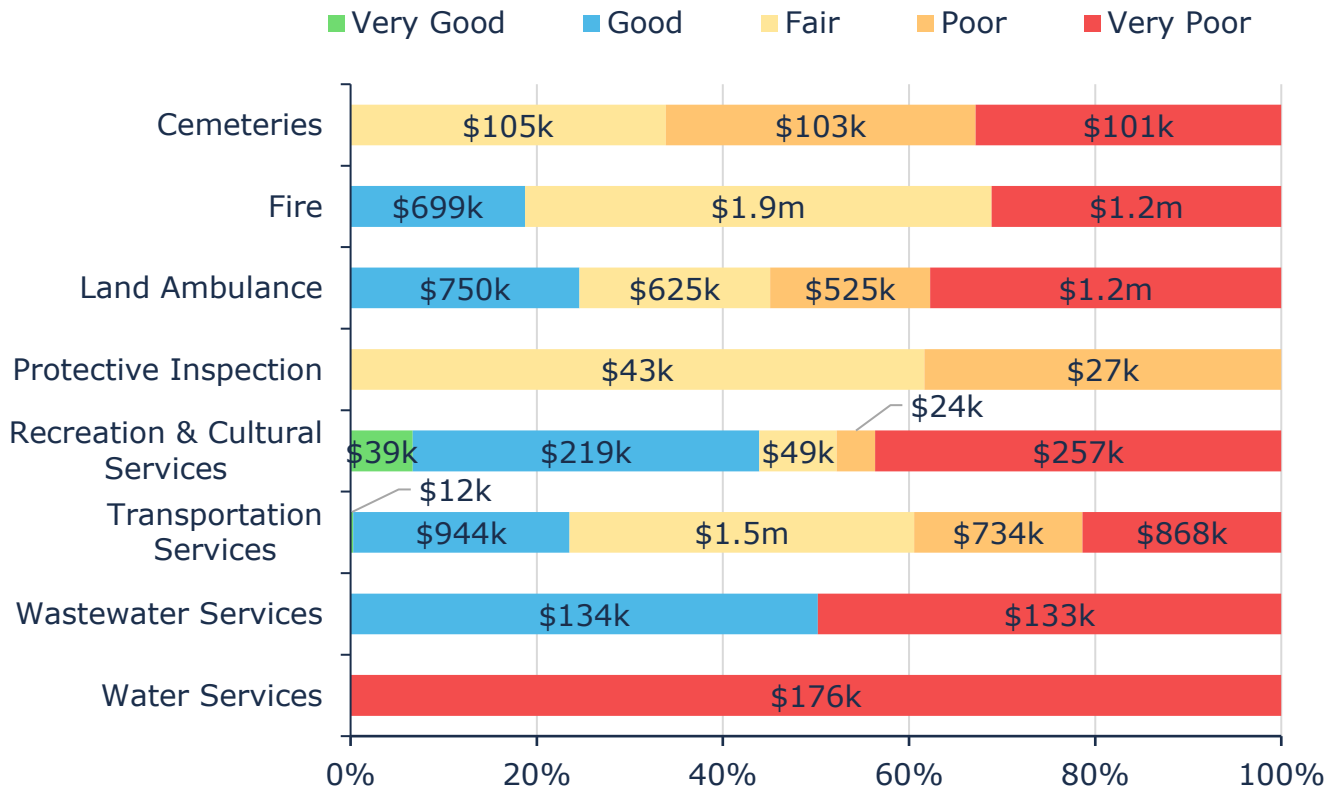


Figure 70 Asset Condition: Rolling Stock Overall

Figure 71 summarizes the condition of rolling stock by each department. The majority of all Rolling Stock asset across all asset segments are in poor or worse condition.



Value and Percentage of Asset Segments by Replacement Cost

Figure 71 Asset Condition: Rolling Stock by Segment

12.3 Age Profile

An asset's age profile comprises two key values: estimated useful life (EUL), or design life; and the percentage of EUL consumed. The EUL is the serviceable lifespan of an asset during which it can continue to fulfil its intended purpose and provide value to users, safely and efficiently. As assets age, their performance diminishes, often more rapidly as they approach the end of their design life.

In conjunction with condition data, an asset's age profile provides a more complete summary of the state of infrastructure. It can help identify assets that may be candidates for further review through condition assessment programs; inform the selection of optimal lifecycle strategies; and improve planning for potential replacement spikes.

Figure 72 illustrates the average current age of each asset type and its estimated useful life. Both values are weighted by the replacement cost of individual assets.

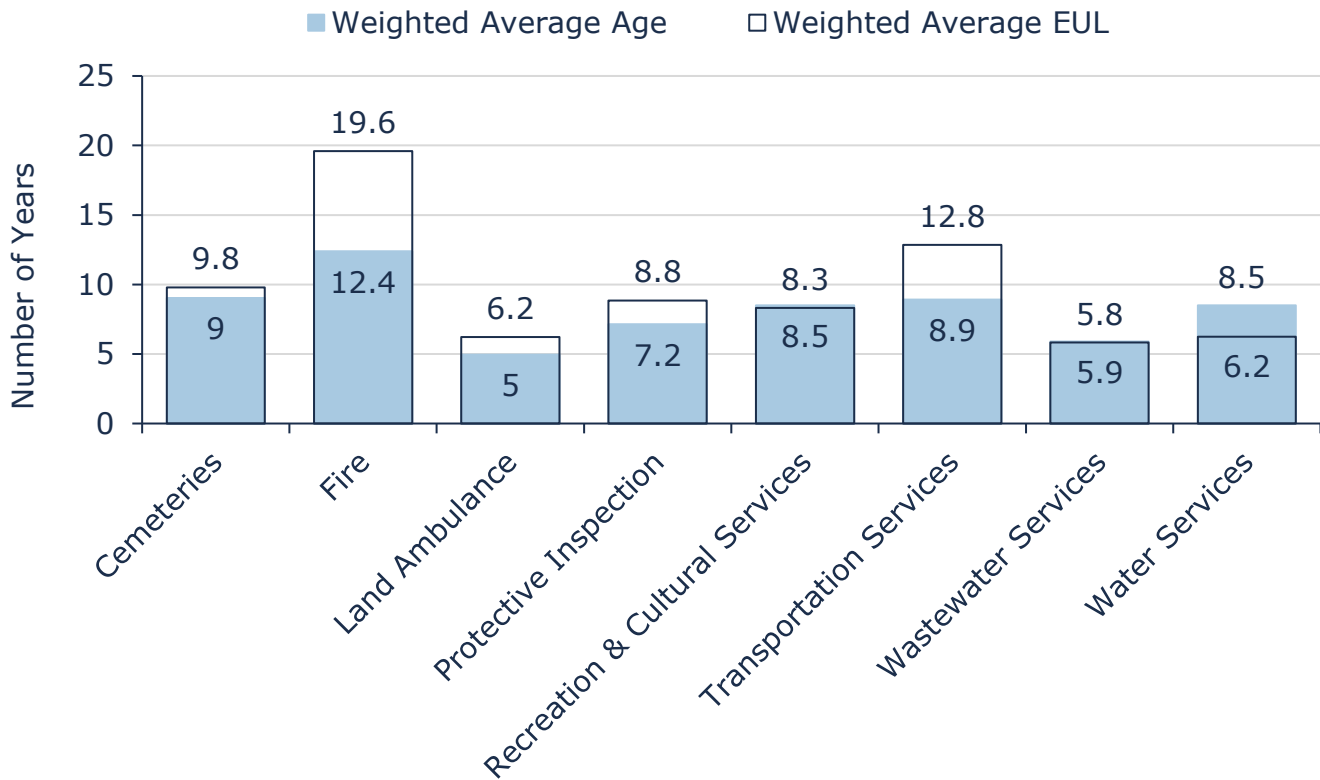


Figure 72 Estimated Useful Life vs. Asset Age: Rolling Stock

12.4 Current Approach to Lifecycle Management

The condition or performance of most assets will deteriorate over time. To ensure that municipal assets are performing as expected and meeting the needs of customers, it is important to establish a lifecycle management strategy to proactively manage asset deterioration.

The following table outlines the Town’s current lifecycle management strategy.

Activity Type	Description of Current Strategy
Maintenance	Regular maintenance includes oil changes and tire rotations All other maintenance activities are completed on a reactive basis when operational issues are identified (e.g., mechanical breakdown, deficiencies identified during daily inspections)
Replacement	Replacements are considered on an as-needed basis and when maintenance is no longer cost effective. The Town leases several vehicles, which are on a 5-year replacement schedule

Activity Type	Description of Current Strategy
Inspection	Fleet with yellow stickers require a circle check every 24 hours
	Vehicles are inspected by the operator daily before use; however, these inspections identify deficiencies but do not provide overall condition ratings
	Vehicles that have over 46,000 KMs are inspected annually by external contractors, or internal staff when workload permits

Table 55 Lifecycle Management Strategy: Rolling Stock

12.5 Forecasted Long-Term Replacement Needs

Figure 73 illustrates the cyclical short-, medium- and long-term infrastructure replacement requirements for the Town’s rolling stock portfolio. This analysis was run until 2039 to capture at least one iteration of replacement for the longest-lived asset in Citywide Assets, the Town’s primary asset management system and asset register. The Town’s average annual requirements (red dotted line) total \$1.3 million for all vehicles. Although actual spending may fluctuate substantially from year to year, this figure is a useful benchmark value for annual capital expenditure targets (or allocations to reserves) to ensure projects are not deferred and replacement needs are met as they arise.

These projections and estimates are based on asset replacement costs and age analysis. They are designed to provide a long-term, portfolio-level overview of capital needs and should be used to support improved financial planning over several decades.

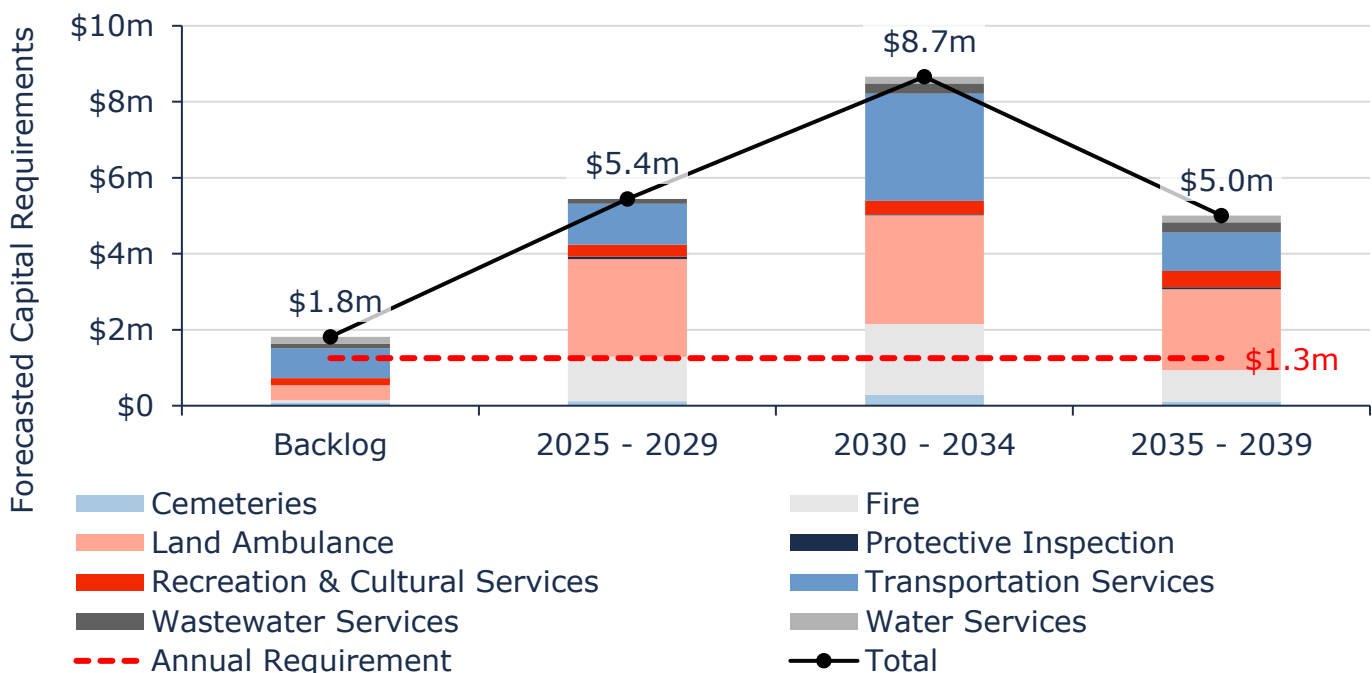


Figure 73 Forecasted Capital Replacement Needs: Rolling Stock 2025-2039

Often, the magnitude of replacement needs is substantially higher than most municipalities can afford to fund. In addition, most assets may not need to be replaced. However, quantifying and monitoring these spikes is essential for long-term financial planning, including establishing dedicated reserves. In addition, a robust risk framework will ensure that high-criticality assets receive proper and timely lifecycle intervention, including replacements.

A summary of the 10-year replacement forecast can be found in Appendix B – 10-Year Capital Requirements.

12.6 Risk Analysis

The risk matrix below is generated using available asset data, including condition and replacement costs.

The matrix stratifies assets based on their individual probability and consequence of failure, each scored from 1 to 5. Their product generates a risk index ranging from 1-25. Assets with the highest criticality and likelihood of failure receive a risk rating of 25; those with lowest probability of failure and lowest criticality carry a risk rating of 1. As new data and information is gathered, the Town may consider integrating relevant information that improves confidence in the criteria used to assess asset risk and criticality.

These risk models have been built into the Town’s Asset Management Database (Citywide Assets). See *Risk & Criticality* section for further details on approach used to determine asset risk ratings and classifications.

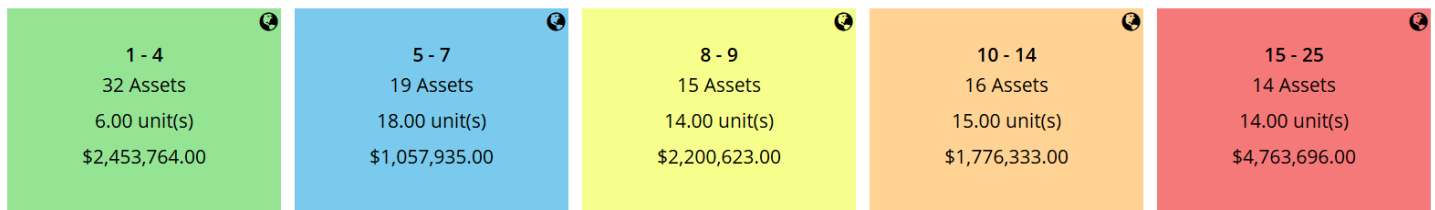


Figure 74 Risk Matrix: Rolling Stock

12.7 Levels of Service

The tables that follow summarize the Town’s current levels of service. There are no specifically prescribed KPIs under Ontario Regulation 588/17 for non-core assets, therefore the KPIs below represent performance measures that the Town has selected for this AMP.

12.7.1 Community Levels of Service

Service Attribute	Qualitative Description	Current LOS (2024)
Scope	Description, which may include images, of the types of Rolling Stock (i.e. light, medium, and heavy duty) that the municipality operates and the services that they help to provide to the community	<p>Cemetery vehicles consist of various tractors, mowers and light duty pick-up trucks.</p> <p>Fire department vehicles include water tankers, pumpers, service trucks, and rescue trucks, ensuring readiness for emergency response.</p> <p>Recreation vehicles include light duty pick-up trucks for services such as park maintenance, and Zambonis and ice resurfaces.</p> <p>Transportation services vehicles include light and heavy duty trucks ranging from pick-up trucks to snow plows to ensure safe road conditions and managing infrastructure during inclement weather and construction projects.</p> <p>Water and wastewater services vehicles include light duty pick-up trucks, to facilitate water and sanitary inspections and maintenance.</p> <p>Land Ambulances also make up a large portion of the Town’s rolling stock inventory for emergency response services.</p>

Table 56 Community Levels of Service: Rolling Stock

12.7.2 Technical Levels of Service

Service Attribute	Technical Metric	Current LOS (2024)
Quality	Average condition of Rolling Stock	38%
Performance	Current vs. Target capital reinvestment rate	6.12% vs. 10.21%

Table 57 Technical Levels of Service: Rolling Stock

12.8 Proposed Levels of Service

The below tables and graphs explain the proposed levels of service scenarios that were analyzed for rolling stock. Further PLOS analysis at the portfolio level can be found in section 4. *Proposed Levels of Service Analysis*.

12.8.1 PLOS Scenarios Analyzed

Scenario	Description
Scenario 1: No Funding Increase	<p>This scenario maintains existing capital funding levels for those categories that are underfunded.</p> <ul style="list-style-type: none"> ◆ Rolling stock capital funding maintained at \$750,000/year
Scenario 2: Achieving 100% Target Funding in 20 years	<p>This scenario assumes gradual tax increases of ~2.7%/year, stabilizing at 100% funding across all asset categories in 20 years.</p> <ul style="list-style-type: none"> ◆ Rolling stock capital funding will gradually increase from \$750,000/year to \$1.25m/year over a span of 20 years
Scenario 3: Maintain Existing Tax Increase to Achieve 75% Target Funding in 20 Years	<p>This scenario assumes gradual tax increases of ~1.8%/year, stabilizing at 75% funding across all asset categories in 20 years.</p> <ul style="list-style-type: none"> ◆ Rolling stock capital funding gradually increases from \$750,000/year to \$938,000/year over a span of 20 years

Table 58 Rolling Stock PLOS Scenario Descriptions

12.8.2 PLOS Analysis Results

Scenario	Technical LOS Outcomes	Initial Value (2025)	15 Year Projection (2039)	30 Year Projection (2054)	Comments
Scenario 1	Average Condition	38%	26%	28%	
	Average Asset Risk	12.4	13.6	13.2	
	Annual Investment Required		\$750,000		This is the maintained parameter in this scenario
	Capital Reinvestment Rate		6.1%		
Scenario 2	Average Condition	38%	30%	45%	
	Average Asset Risk	12.4	13.1	10.0	
	Annual Investment Required		\$1,251,000		This parameter was increased from \$750,000/year to \$1.25m/year gradually over 20 years.
	Capital Reinvestment Rate		10.2%		
Scenario 3	Average Condition	38%	25%	32%	
	Average Asset Risk	12.4	13.9	13.1	
	Annual Investment Required		\$938,000		This parameter was increased from \$750,000/year to \$938,000/year gradually over 20 years.
	Capital Reinvestment Rate		7.7%		

Table 59 Rolling Stock PLOS Scenario Analysis

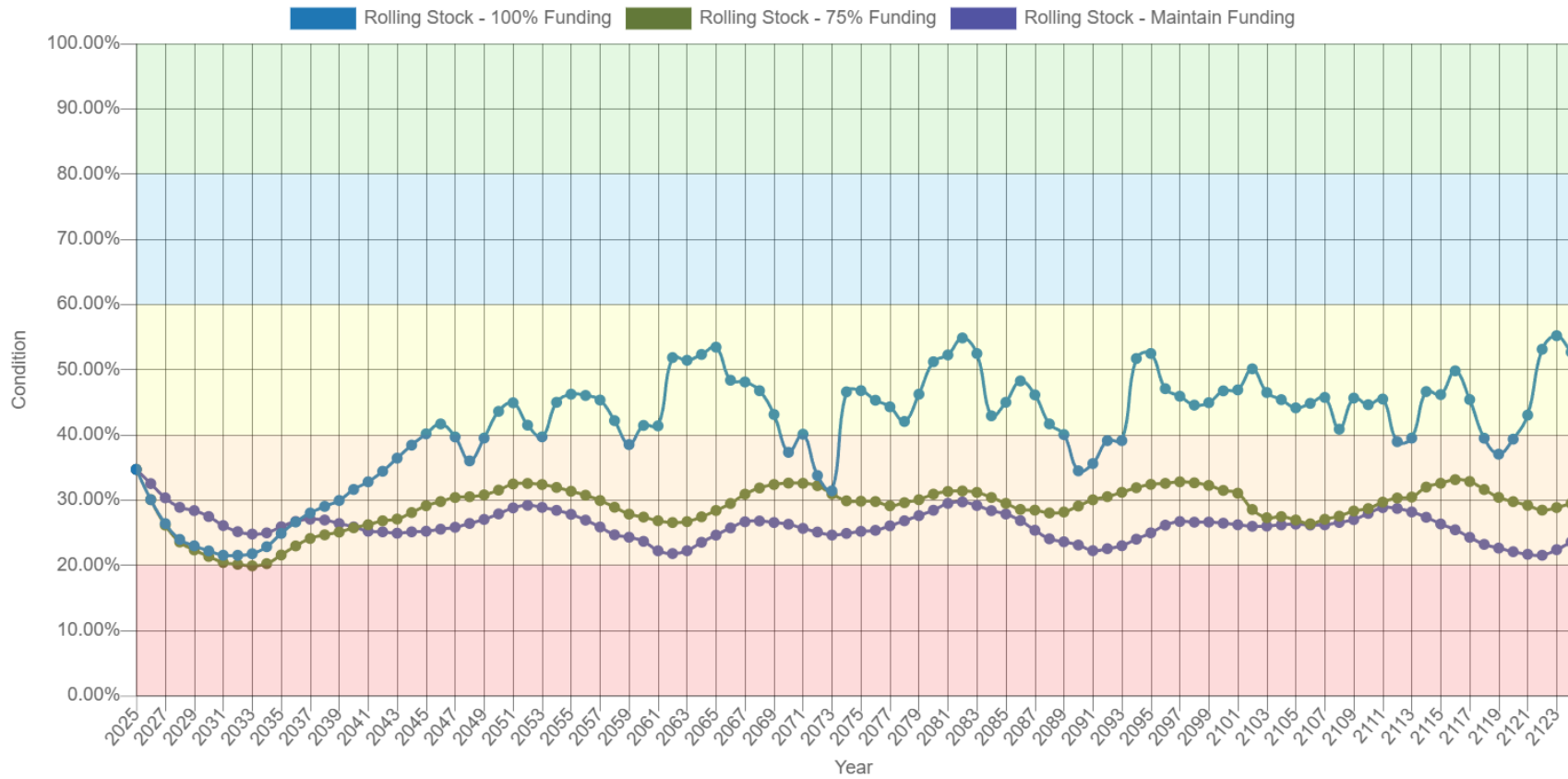


Figure 75 Rolling Stock PLOS Scenario Condition Results

13. Equipment

In order to maintain the high quality of public infrastructure and support the delivery of core services, Town staff own and deploy various types of equipment. This includes:

- Furniture and IT equipment in Town owned buildings
- Land Ambulance equipment
- Recreational equipment
- Equipment in Stockey Center
- Equipment that supports transportation and operational needs

13.1 Inventory & Valuation

Figure 76 summarizes the quantity and current replacement cost of all equipment assets available in the Town's asset register.

Segment	Quantity	Unit of Measure	Replacement Cost	Primary RC Method
Fire Admin	10	Quantity	\$90,000	CPI
General Government	129	Quantity	\$1,357,000	User-Defined
Land Ambulance	245	Quantity	\$1,475,000	CPI
Library Books & Furniture	27,431	Quantity	\$340,000	User-Defined
Planning & Development	7	Quantity	\$264,000	CPI
Protection	289	Quantity	\$831,000	CPI
Recreation & Cultural Services	52	Quantity	\$2,047,000	CPI
Stockey - Administration	7	Quantity	\$279,000	CPI
Stockey - Building	46	Quantity	\$1,452,000	CPI
Transportation	18	Quantity	\$731,000	CPI
TOTAL			\$8,866,000	

Table 60 Detailed Asset Inventory: Equipment

Replacement Cost by Segment

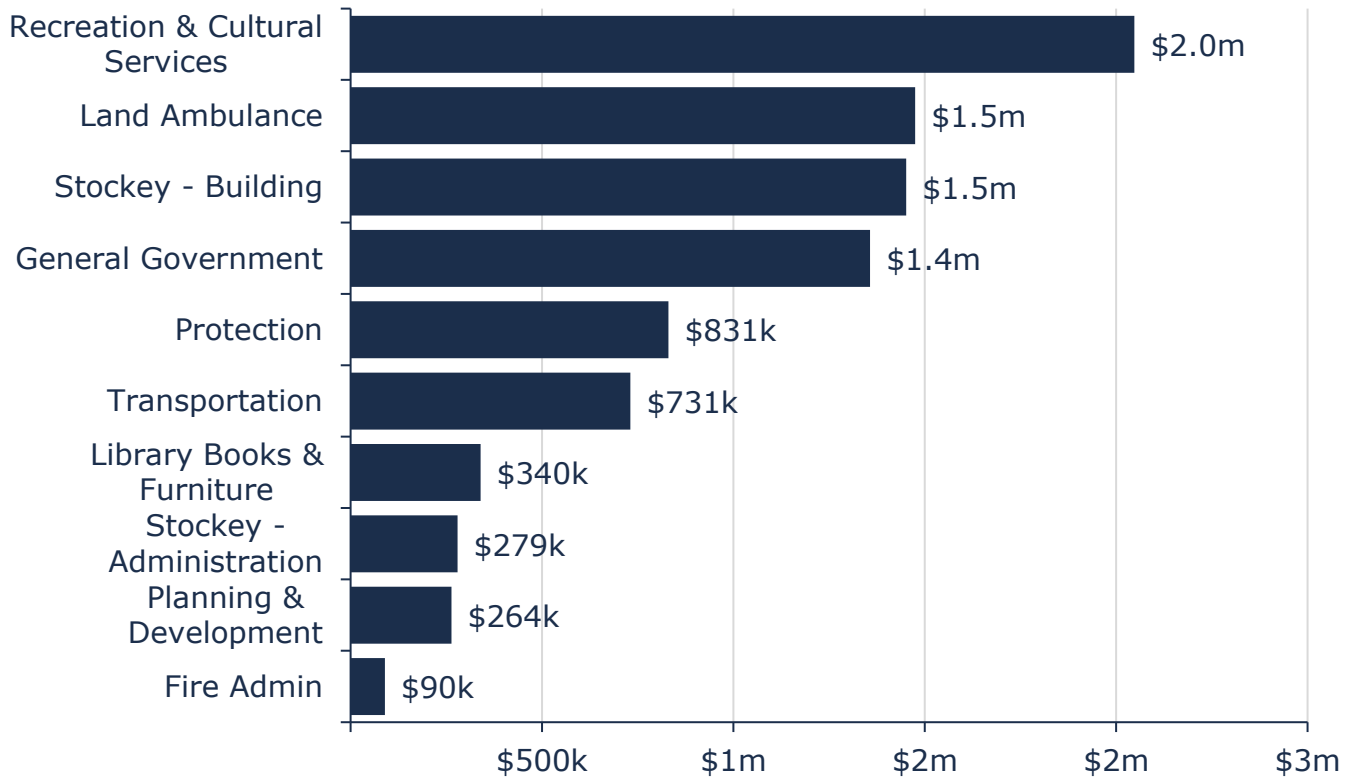


Figure 76 Portfolio Valuation: Equipment

13.2 Asset Condition

Figure 77 summarizes the replacement cost-weighted condition of the Town’s equipment portfolio. Based only on age data, 28% of assets are in fair or better condition; the remaining 72% are in poor or worse condition. These assets may be candidates for replacement in the short term; similarly, assets in fair condition may require rehabilitation or replacement in the medium term and should be monitored for further degradation in condition.

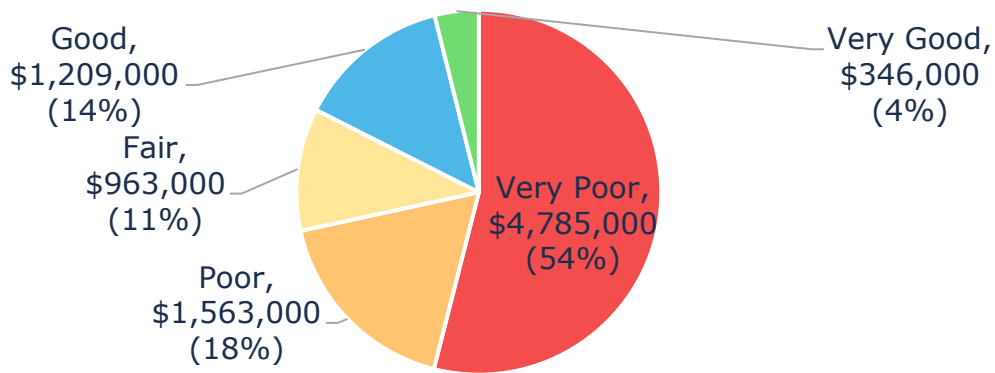
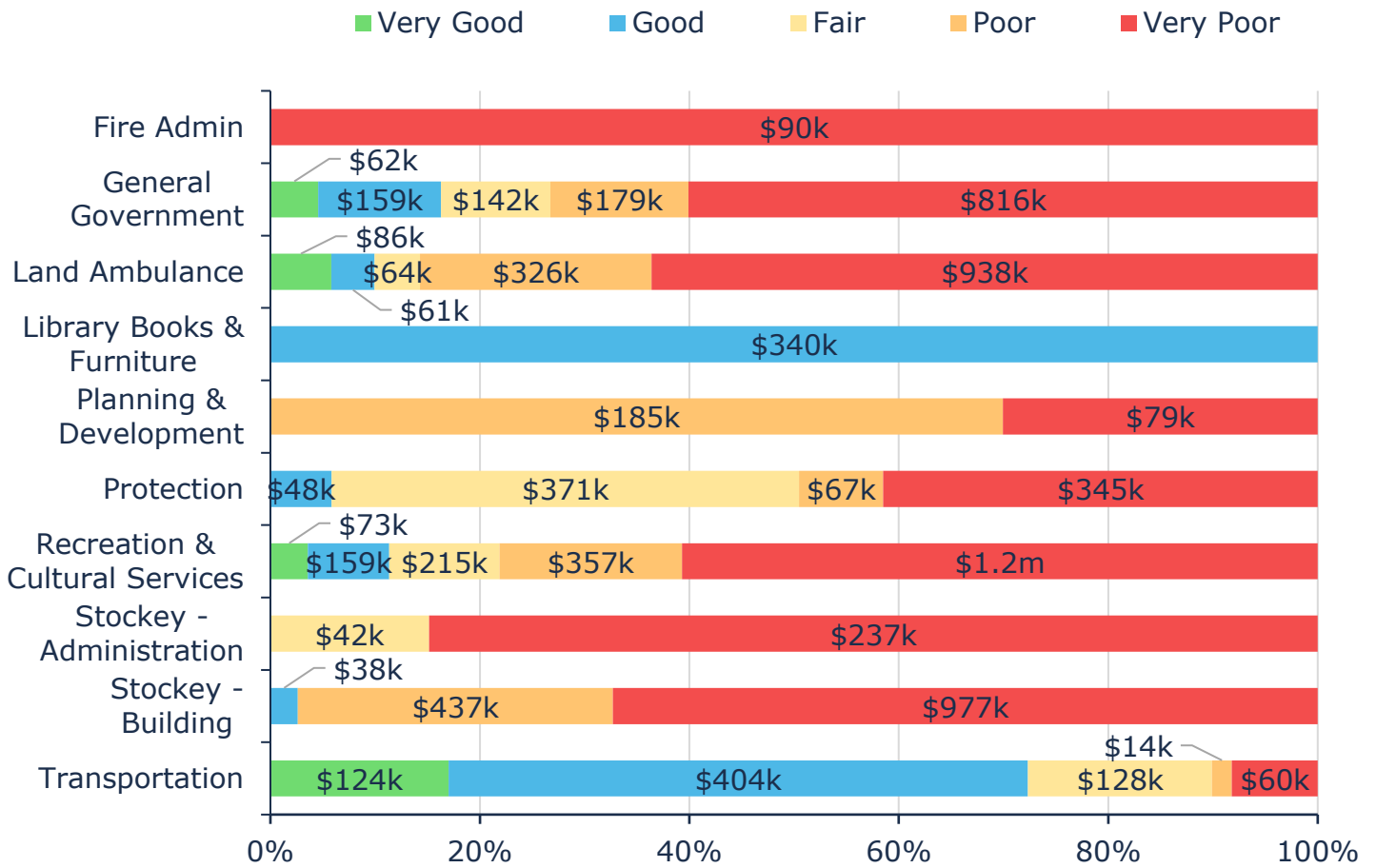


Figure 77 Asset Condition: Equipment Overall

Figure 78 summarizes the age-based condition of equipment by each department. Assets in poor or worse condition are concentrated primarily in recreation, parks and trails, and general government.



Value and Percentage of Asset Segments by Replacement Cost

Figure 78 Asset Condition: Equipment by Segment

13.3 Age Profile

An asset's age profile comprises two key values: estimated useful life (EUL), or design life; and the percentage of EUL consumed. The EUL is the serviceable lifespan of an asset during which it can continue to fulfil its intended purpose and provide value to users, safely and efficiently. As assets age, their performance diminishes, often more rapidly as they approach the end of their design life.

In conjunction with condition data, an asset's age profile provides a more complete summary of the state of infrastructure. It can help identify assets that may be candidates for further review through condition assessment programs; inform the selection of optimal lifecycle strategies; and improve planning for potential replacement spikes.

Figure 79 illustrates the average current age of each asset type and its estimated useful life. Both values are weighted by the replacement cost of individual assets.

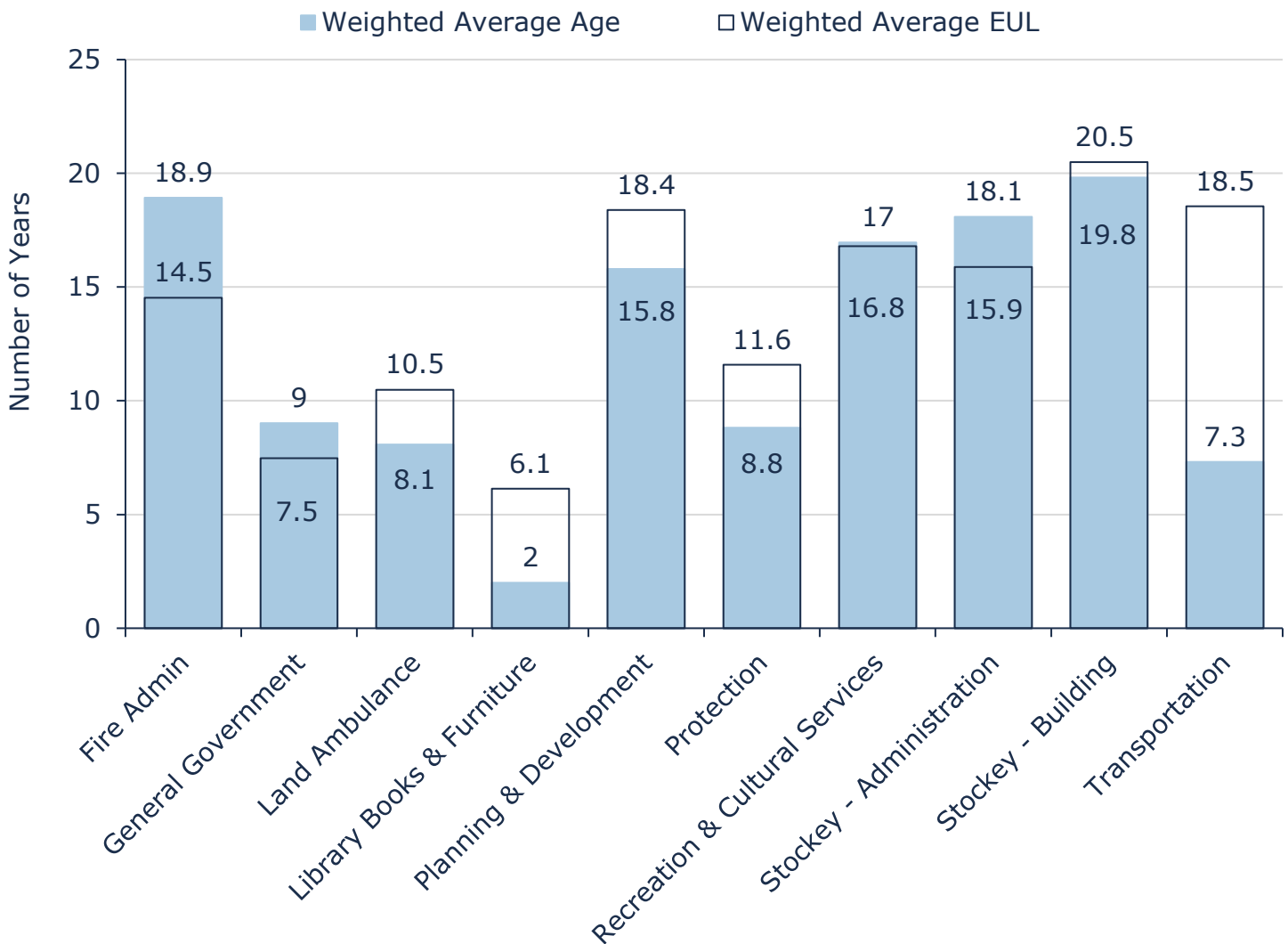


Figure 79 Estimated Useful Life vs. Asset Age: Equipment

13.4 Current Approach to Lifecycle Management

The condition or performance of most assets will deteriorate over time. To ensure that municipal assets are performing as expected and meeting the needs of customers, it is important to establish a lifecycle management strategy to proactively manage asset deterioration.

The following table outlines the Town’s current lifecycle management strategy.

Activity Type	Description of Current Strategy
Maintenance	Maintenance activities vary by department and are specific to each piece of equipment, but typically as per manufacturer recommendations
	Equipment are given full service by an internal mechanic every 250 hours of use
	Fire Protection Services equipment is subject to a much more rigorous inspection and maintenance program compared to most other departments
Replacement	The replacement of equipment depends on deficiencies identified by operators that may impact their ability to complete the required tasks
	The Town has developed an equipment forecast which allows for replacement of assets before operating costs overrun the value of the equipment
Inspection	Specific equipment assets have set inspection schedules (e.g. water and wastewater pumps, fire equipment, etc.)

Table 61 Lifecycle Management Strategy: Equipment

13.5 Forecasted Long-Term Replacement Needs

Figure 80 illustrates the cyclical short-, medium- and long-term infrastructure replacement requirements for the Town’s equipment portfolio. This analysis was run until 2049 to capture at least one iteration of replacement for the longest-lived asset in Citywide Assets, the Town’s primary asset management system and asset register. The Town’s average annual requirements (red dotted line) total \$819,000 for all equipment. Although actual spending may fluctuate substantially from year to year, this figure is a useful benchmark value for annual capital expenditure targets (or allocations to reserves) to ensure projects are not deferred and replacement needs are met as they arise.

These projections and estimates are based on asset replacement costs and age analysis. They are designed to provide a long-term, portfolio-level overview of capital needs and should be used to support improved financial planning over several decades.

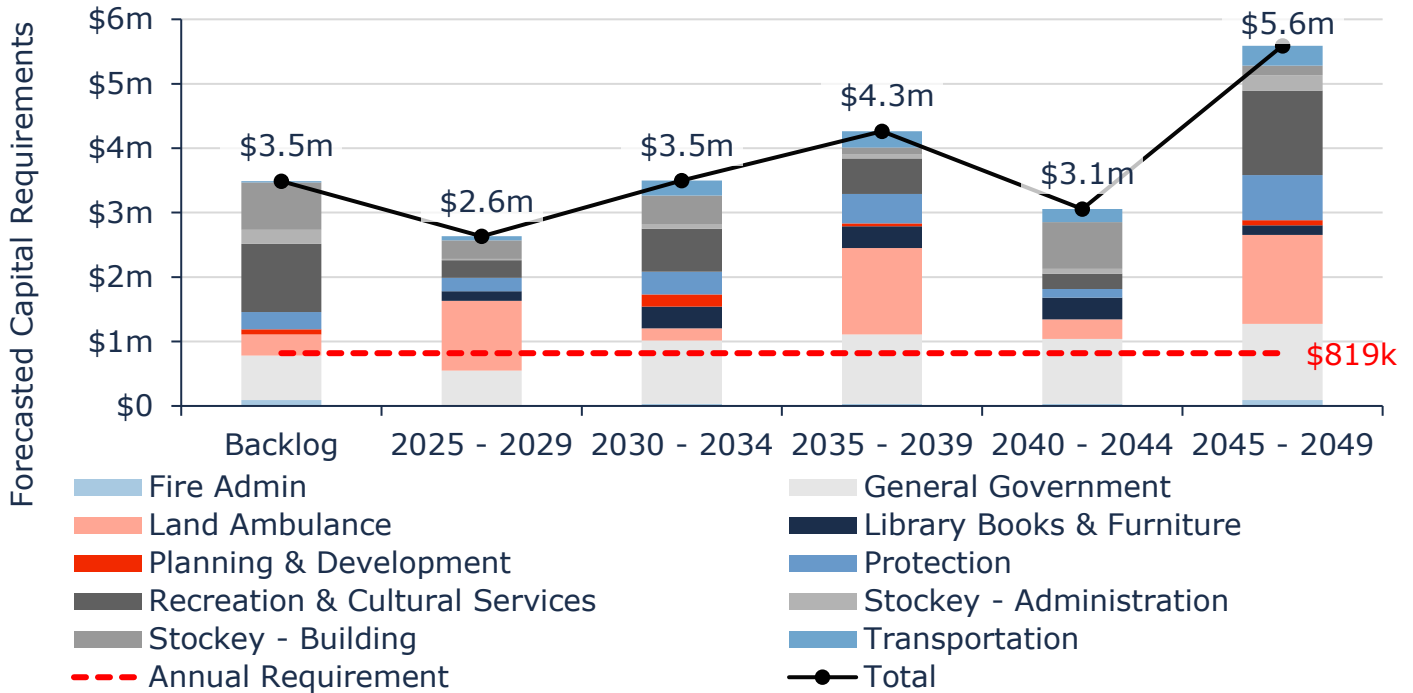


Figure 80 Forecasted Capital Replacement Needs: Equipment 2025-2049

Often, the magnitude of replacement needs is substantially higher than most municipalities can afford to fund. In addition, most assets may not need to be replaced. However, quantifying and monitoring these spikes is essential for long-term financial planning, including establishing dedicated reserves. In addition, a robust risk framework will ensure that high-criticality assets receive proper and timely lifecycle intervention, including replacements.

A summary of the 10-year replacement forecast can be found in Appendix B – 10-Year Capital Requirements.

13.6 Risk Analysis

The risk matrix below is generated using available asset data, including condition and replacement costs.

The matrix stratifies assets based on their individual probability and consequence of failure, each scored from 1 to 5. Their product generates a risk index ranging from 1-25. Assets with the highest criticality and likelihood of failure receive a risk rating of 25; those with lowest probability of failure and lowest criticality carry a risk rating of 1. As new data and information is gathered, the Town may consider integrating relevant information that improves confidence in the criteria used to assess asset risk and criticality.

These risk models have been built into the Town’s Asset Management Database (Citywide Assets). See *Risk & Criticality* section for further details on approach used to determine asset risk ratings and classifications.

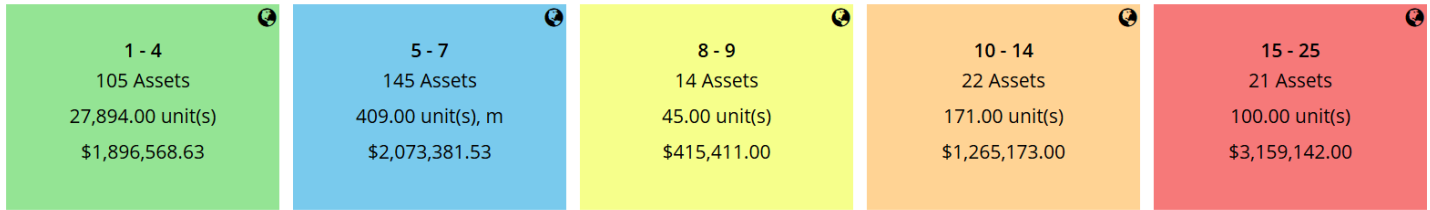


Figure 81 Risk Matrix: Equipment

13.7 Levels of Service

The tables that follow summarize the Town’s current levels of service. There are no specifically prescribed KPIs under Ontario Regulation 588/17 for non-core assets, therefore the KPIs below represent performance measures that the Town has selected for this AMP.

13.7.1 Community Levels of Service

Service Attribute	Qualitative Description	Current LOS (2024)
Scope	Description, which may include images, of the types of equipment that the municipality operates and the services that they help to provide to the community	<p>General government is supported by equipment such as phone systems and software.</p> <p>Fire Administration is supported by equipment such as emergency generator, computers, and ThinkPads.</p> <p>Various lifecycle equipment supports the Fire Department and the Town’s Land Ambulance services.</p> <p>Recreation is supported by playground structures, skateboard parks, folding tables and chairs, arena equipment and mowers.</p> <p>Transportation services is supported by equipment such as compactors, steamers, crossing signals and LED lights.</p>

Table 62 Community Levels of Service: Equipment

13.7.2 Technical Levels of Service

Service Attribute	Technical Metric	Current LOS (2024)
Quality	Average condition of equipment	26%
Performance	Current vs. Target capital reinvestment rate	10.85% vs. 9.24%

Table 63 Technical Levels of Service: Equipment

13.8 Proposed Levels of Service

The below tables and graphs explain the proposed levels of service scenarios that were analyzed for equipment. Further PLOS analysis at the portfolio level can be found in Section 4. *Proposed Levels of Service Analysis*.

13.8.1 PLOS Scenarios Analyzed

Scenario	Description
Scenario 1: No Funding Increase	<p>This scenario maintains existing capital funding levels for those categories that are underfunded.</p> <ul style="list-style-type: none"> ◆ Equipment capital funding maintained at \$962,000/year
Scenario 2: Achieving 100% Target Funding in 20 years	<p>This scenario assumes gradual tax increases of ~2.7%/year, stabilizing at 100% funding across all asset categories in 20 years.</p> <ul style="list-style-type: none"> ◆ Equipment capital funding gradually decreases from \$962,000/year to \$819,000/year over a span of 20 years
Scenario 3: Maintain Existing Tax Increase to Achieve 75% Target Funding in 20 Years	<p>This scenario assumes gradual tax increases of ~1.8%/year, stabilizing at 75% funding across all asset categories in 20 years.</p> <ul style="list-style-type: none"> ◆ Equipment capital funding gradually decreases from \$962,000/year to \$614,000/year over a span of 20 years

Table 64 Equipment PLOS Scenario Descriptions

13.8.2 PLOS Analysis Results

Scenario	Technical LOS Outcomes	Initial Value (2025)	15 Year Projection (2039)	30 Year Projection (2054)	Comments
Scenario 1	Average Condition	26%	45%	43%	
	Average Asset Risk	10.6	9.2	9.2	
	Annual Investment Required		\$962,000		This is the maintained parameter in this scenario
	Capital Reinvestment Rate		10.9%		
Scenario 2	Average Condition	26%	33%	45%	
	Average Asset Risk	10.6	9.7	8.1	
	Annual Investment Required		\$819,000		This parameter was decreased from \$962k/year to \$819k/year gradually over 20 years.
	Capital Reinvestment Rate		9.2%		
Scenario 3	Average Condition	26%	26%	40%	
	Average Asset Risk	10.6	11.3	9.5	
	Annual Investment Required		\$614,000		This parameter was decreased from \$962k/year to \$614k/year gradually over 20 years.
	Capital Reinvestment Rate		6.9%		

Table 65 Equipment PLOS Scenario Analysis

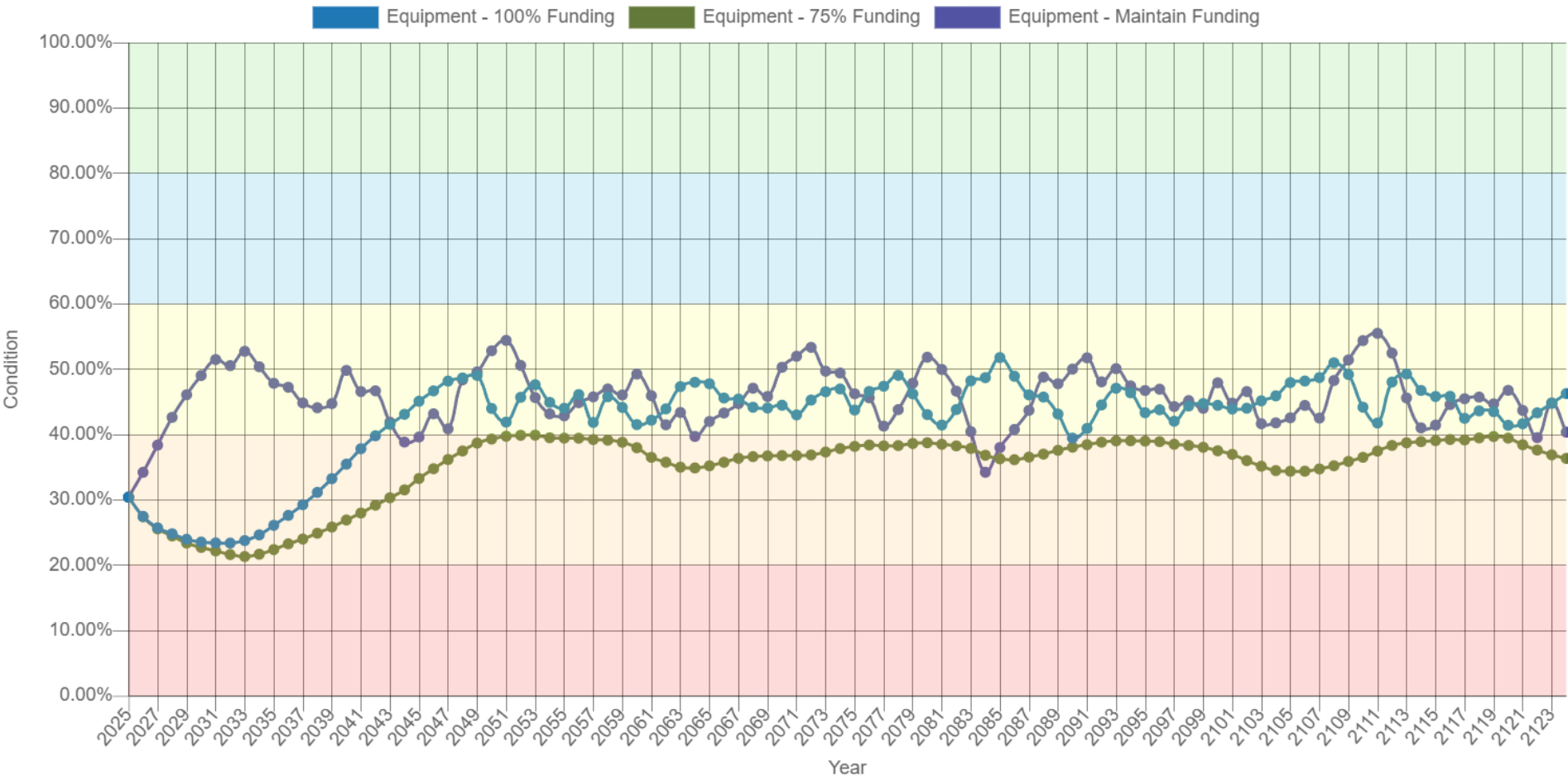


Figure 82 Equipment PLOS Scenario Condition Results

Strategies

14. Growth

The demand for infrastructure and services will change over time based on a combination of internal and external factors. Understanding the key drivers of growth and demand will allow the Town to plan for new infrastructure more effectively, and the upgrade or disposal of existing infrastructure. Increases or decreases in demand can affect what assets are needed and what level of service meets the needs of the community.

14.1 Growth Assumptions

14.1.1 Town of Parry Sound Official Plan (2014)

The Town of Parry Sound's Official Plan envisions a balanced approach to growth and development, rooted in preserving the town's natural beauty and rich cultural heritage. As a regional hub on the eastern shores of Georgian Bay, Parry Sound's economy thrives on tourism, bolstered by its scenic landscapes and historical significance. The plan emphasizes maintaining Parry Sound's identity while fostering economic growth through sustainable development, protecting natural features like Georgian Bay and the Seguin River, and ensuring that cultural and historical landmarks are preserved. By promoting land use intensification, compact development, and revitalization of its downtown and waterfront areas, the town aims to create vibrant public spaces that appeal to both residents and visitors.

Economic development is a key component of the Official Plan, focusing on expanding Parry Sound's role as a service and tourism hub. The plan supports efforts to attract new businesses, promote home-based enterprises, and enhance tourist destinations. The transformation of the waterfront into a major tourism center and the preservation of scenic vistas along Georgian Bay are crucial for future growth. A broad range of housing options, including affordable and diverse residential developments, is also promoted to accommodate the growing population, ensuring that new housing complements the town's character while meeting community needs.

In addition to economic goals, the plan addresses the town's infrastructure and environmental sustainability. Development will be concentrated in areas with existing municipal services to make efficient use of resources. Transportation improvements, including expanded road access, pedestrian pathways, and alternative transportation options, will support future growth. The town remains committed to protecting its natural and cultural assets through responsible environmental stewardship and the promotion of an urban forest initiative. By integrating these elements, Parry Sound aims to maintain its unique charm while ensuring a prosperous and sustainable future for its residents and visitors.

14.1.2 Town of Parry Sound Strategic Action Plan (2023 – 2026)

The Town of Parry Sound Strategic Action Plan builds upon the long-term Partnering for the Future Strategic Plan (2020-2030), outlining actionable steps to enhance economic growth, quality of life, and organizational excellence. Developed with input from residents, businesses, and key stakeholders, the plan focuses on maintaining the town's character while addressing contemporary challenges. Major areas of focus include economic diversification, downtown revitalization, housing solutions, and fostering tourism, all aimed at sustainable development and community well-being.

Economic growth is a top priority, with specific goals to attract new businesses, promote the town as a regional center, and enhance infrastructure to support economic development. Key initiatives include developing an investment attraction strategy, updating the Community Improvement Plan, and creating a strategy for youth engagement and workforce development. Supporting the tourism sector, particularly with improvements to the waterfront and the development of experiential tourism packages, is central to boosting Parry Sound's appeal as a destination.

The plan also emphasizes improving quality of life through better housing options, enhancing parks and recreation, and addressing healthcare and transportation needs. By focusing on inclusivity, cultural development, and environmental sustainability, Parry Sound aims to create a community that balances growth with its natural beauty. The plan sets out to foster community pride, support Truth and Reconciliation initiatives, and create a welcoming environment for new residents. Additionally, the town seeks to ensure organizational excellence by reviewing policies, improving staff engagement, and enhancing customer service and communication with residents.

14.2 Impact of Growth on Lifecycle Activities

The growth of the Town of Parry Sound will bring challenges to service delivery. The Town recognizes this and has outlined strategies in its plans and communication to mitigate these impacts while ensuring long-term sustainability for residents. This includes a commitment to expanding existing neighborhoods and population hubs, which will help reduce costs by leveraging current infrastructure, staff, and processes. Additionally, there will be ongoing funding obligations to support lifecycle activities, ensuring services can be maintained and improved as the population increases.

15. Financial Strategy

For an asset management plan to be effective and meaningful, it must be integrated with financial planning and long-term budgeting. The development of a comprehensive financial plan will allow the Town of Parry Sound to identify the financial resources required for sustainable asset management based on existing asset inventories, desired levels of service, and projected growth requirements.

This report develops such a financial plan by presenting several scenarios for consideration and culminating with final recommendations. As outlined below, the scenarios presented model different combinations of the following components:

1. The financial requirements for:
 - a. Existing assets
 - b. Existing service levels
 - c. Requirements of contemplated changes in service levels (none identified for this plan)
 - d. Requirements of anticipated growth (none identified for this plan)
2. Use of traditional sources of municipal funds:
 - a. Tax levies
 - b. User fees
 - c. Debt
 - d. Development charges
3. Use of non-traditional sources of municipal funds:
 - a. Reallocated budgets
 - b. Partnerships
 - c. Procurement methods
4. Use of Senior Government Funds:
 - a. Canada Community-Building Fund (CCBF)
 - b. Annual grants

Note: Periodic grants are normally not included due to Provincial requirements for firm commitments. However, if moving a specific project forward is wholly dependent on receiving a one-time grant, the replacement cost included in the financial strategy is the net of such grant being received.

If the financial plan component results in a funding shortfall, the Province requires the inclusion of a specific plan as to how the impact of the shortfall will be managed. In determining the legitimacy of a funding shortfall, the Province may evaluate a Township's approach to the following:

1. In order to reduce financial requirements, consideration has been given to revising service levels downward.
2. All asset management and financial strategies have been considered. For example:
 - a. If a zero-debt policy is in place, is it warranted? If not the use of debt should be considered.

- b. Do user fees reflect the cost of the applicable service? If not, increased user fees should be considered.

15.1 Annual Requirements & Capital Funding

15.1.1 Annual Requirements

The annual requirements represent the amount the Town should allocate annually to each asset category to meet replacement needs as they arise, prevent infrastructure backlogs and achieve long-term sustainability. In total, the Town must allocate approximately \$17.7 million annually to address capital requirements for the assets included in this AMP.

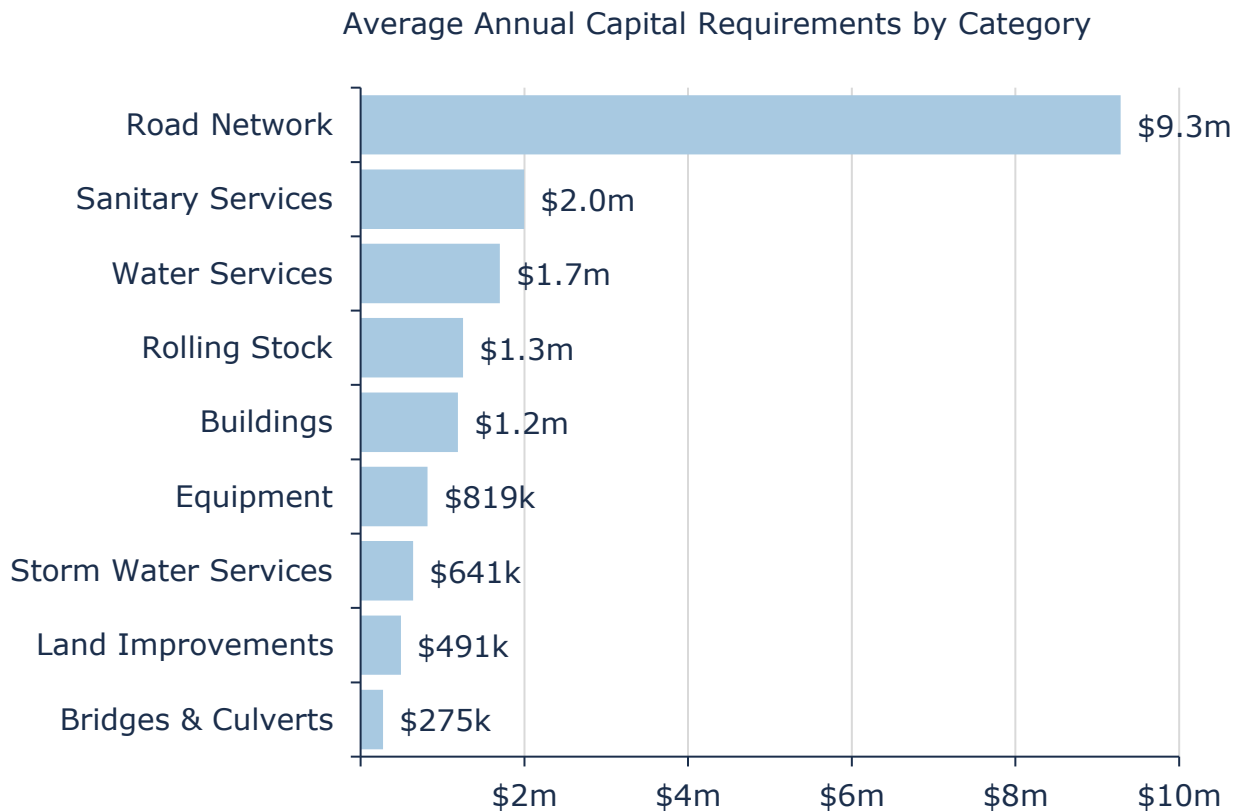


Figure 83 Annual Capital Funding Requirements by Asset Category

For most asset categories the annual requirement has been calculated based on a “replacement only” scenario, in which capital costs are only incurred at the construction and replacement of each asset.

However, for the Road Network, Bridges & Culverts and Sanitary Services, lifecycle management strategies have been developed and applied to the Town’s Asset Management System to identify capital costs that are realized through strategic rehabilitation and renewals of the Town’s assets. The development of these strategies allows for a comparison of potential cost avoidance if the strategies were to be implemented. The following table compares two scenarios for the Road Network, Bridges & Culverts and Sanitary Services:

1. **Replacement Only Scenario:** Based on the assumption that assets deteriorate and – without regularly scheduled maintenance and rehabilitation – are replaced at the end of their service life.
2. **Lifecycle Strategy Scenario:** Based on the assumption that lifecycle activities are performed at strategic intervals to extend the service life of assets until replacement is required.

Asset Category	Annual Requirements (Replacement Only)	Annual Requirements (Lifecycle Strategy)	Difference
Bridges & Culverts	\$251,000	\$275,000	-\$24,000
Road Network	\$10,305,000	\$9,286,000	\$1,019,000
Sanitary Services	\$1,989,000	\$1,998,000	-\$9,000

Table 66 Lifecycle Strategies Annual Savings

The implementation of a proactive lifecycle strategy for roads leads to a potential annual cost avoidance of \$986,000 in total. This represents an overall reduction of the annual requirements of 6%. As the lifecycle strategy scenario represents the lowest cost option available to the Town, we have used these annual requirements in the development of the financial strategy.

15.1.2 Annual Funding Available

Based on a historical analysis of sustainable capital funding sources, the Town is committing approximately \$6.6 million towards capital projects per year. Given the annual capital requirement of \$17.7 million, there is currently a funding gap of \$11.1 million annually.

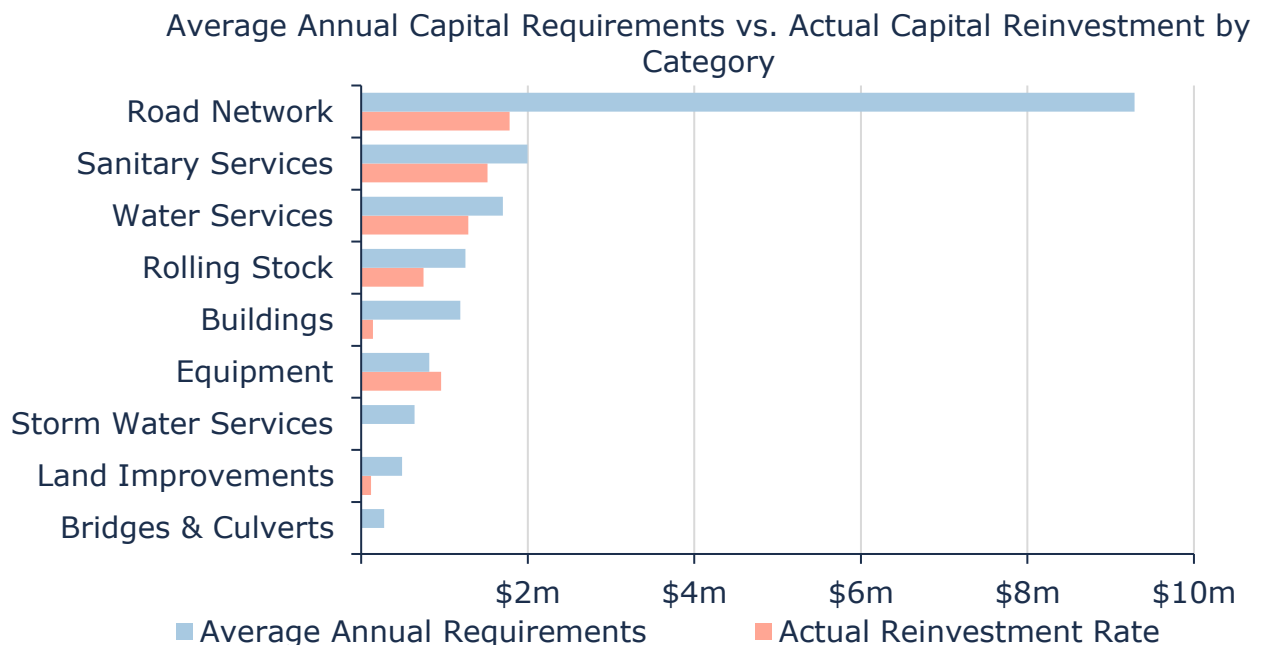


Figure 84 Annual Requirements vs. Capital Funding Available

15.2 Funding Objective

We have developed a scenario that would enable Town of Parry Sound to achieve proposed funding within 20 years for tax funded assets, and 5 years for rate-funded assets, as follows:

1. **Tax Funded Assets:** Road Network, Storm Water Services, Bridges & Culverts, Buildings, Equipment, Land Improvements, Rolling Stock
2. **Rate-Funded Assets:** Water Services, Sanitary Services

Note: For the purposes of this AMP, we have excluded gravel roads since they are a perpetual maintenance asset and end of life replacement calculations do not normally apply. If gravel roads are maintained properly, they can theoretically have a limitless service life.

For each scenario developed we have included strategies, where applicable, regarding the use of cost containment and funding opportunities.

15.3 Financial Profile: Tax Funded Assets

15.3.1 Current Funding Position

The following tables show, by asset category, Parry Sound’s average annual asset investment requirements to achieve proposed levels of service, current funding positions, and funding increases required to achieve proposed funding on assets funded by taxes.

Asset Category	Avg. Annual Requirement	Annual Funding Available					Annual Deficit
		Taxes	CCBF	OCIF	Reserves	Total Available	
Road Network	\$6,964,500	\$0	\$450,576	\$1,200,075	\$130,000	\$1,780,651	\$5,183,849
Storm Water Services	\$480,750	\$0	\$0	\$0	\$6,153	\$6,153	\$474,597
Bridges & Culverts	\$206,250	\$0	\$0	\$0	\$6,153	\$6,153	\$200,097
Buildings	\$891,750	\$15,000	\$0	\$0	\$127,919	\$142,919	\$748,831
Equipment	\$614,250	\$753,387	\$0	\$0	\$208,246	\$961,633	-\$347,383
Land Improvements	\$368,250	\$120,000	\$0	\$0	\$0	\$120,000	\$248,250
Rolling Stock	\$938,250	\$0	\$0	\$0	\$750,000	\$750,000	\$188,250
Total	\$10,464,000	\$888,387	\$450,576	\$1,200,075	\$1,228,471	\$3,767,509	\$6,696,491

Table 67 Annual Available Funding for Tax Funded Assets

The average annual investment requirement to achieve the proposed level of service for the above categories is \$10.5 million. Annual revenue currently allocated to these assets for capital purposes is \$3.8 million leaving an annual deficit of \$6.7 million. Put differently, these infrastructure categories are currently funded at 36% of their long-term requirements.

15.3.2 Full Funding Requirements

In 2024, the Town of Parry Sound had budgeted annual tax revenues of approximately \$14.3 million. As illustrated in the following table, without consideration of any other sources of revenue or cost containment strategies, full funding would require the following tax change over time:

Asset Category	Tax Change Required for Full Funding
Road Network	36.2%
Storm Water Services	3.3%
Bridges & Culverts	1.4%
Buildings	5.2%
Equipment	-2.4%
Land Improvements	1.7%
Rolling Stock	1.3%
Total	46.7%

Table 68 Tax Increase Requirements for Full Funding

The following changes in costs and/or revenues over the next number of years should also be considered in the financial strategy:

- a) Parry Sound’s debt payments for these asset categories will be decreasing \$114,000 over the next 5 years, \$284,000 over the next 10 years, \$150,000 over the next 15 years, and \$557,000 over the next 20 years

Our scenario modeling include capturing the above changes and allocating them to the infrastructure deficit outlined above. The table below outlines this concept and presents several options:

	5 Years	10 Years	15 Years	20 Years
Infrastructure Deficit	6,696,491	6,696,491	6,696,491	6,696,491
Change in Debt Costs	-113,795	-284,360	-149,673	-556,909
Resulting Infrastructure Deficit:	6,582,696	6,412,131	6,546,818	6,139,582
Tax Increase Required	46.0%	44.8%	45.7%	42.9%
Annually:	7.9%	3.8%	2.6%	1.8%

Table 69 Tax Increase Options 5-20 Years

15.3.3 Financial Strategy Recommendations

Considering all the above information, we recommend the 20-year option. This involves proposed funding being achieved over 20 years by:

- a) increasing tax revenues by 1.8% each year for the next 20 years solely for the purpose of phasing in proposed funding to the asset categories covered in this section of the AMP.
- b) allocating the current CCBF and OCIF revenue as outlined previously.
- c) reallocating appropriate revenue from categories in a surplus position to those in a deficit position.
- d) increasing existing and future infrastructure budgets by the applicable inflation index on an annual basis in addition to the deficit phase-in.

Notes:

1. As in the past, periodic senior government infrastructure funding will most likely be available during the phase-in period. By Provincial AMP rules, this periodic funding cannot be incorporated into an AMP unless there are firm commitments in place. We have included OCIF formula-based funding, if applicable, since this funding is a multi-year commitment³.
2. We realize that raising tax revenues by the amounts recommended above for infrastructure purposes will be very difficult to do. However, considering a longer phase-in window may have even greater consequences in terms of infrastructure failure.

Although this option achieves proposed funding on an annual basis in 20 years and provides financial sustainability over the period modeled, the recommendations do require prioritizing capital projects to fit the resulting annual funding available. Current data shows a pent-up investment demand of \$1.3 million for buildings, \$3.5 million for equipment, \$4.7 million for land improvements, \$43.4 million for the road network, \$1.8 million for rolling stock, and \$1.9 million for storm water services.

³ The Town should take advantage of all available grant funding programs and transfers from other levels of government. While OCIF has historically been considered a sustainable source of funding, the program is currently undergoing review by the provincial government. Depending on the outcome of this review, there may be changes that impact its availability.

Prioritizing future projects will require the current data to be replaced by condition-based data. Although our recommendations include no further use of debt, the results of the condition-based analysis may require otherwise.

15.4 Financial Profile: Rate Funded Assets

15.4.1 Current Funding Position

The following tables show, by asset category, Parry Sound’s average annual asset investment requirements, current funding positions, and funding increases required to achieve full funding on assets funded by rates.

Asset Category	Avg. Annual Requirement	Annual Funding Available			Annual Deficit
		Rates	To Oper	To Debt	
Water Services	\$1,702,000	\$2,793,221	\$1,362,180	\$145,694	\$416,653
Sanitary Services	\$1,998,000	\$4,005,471	\$2,129,438	\$358,475	\$480,442
Total	\$3,700,000	\$6,798,692	\$3,491,618	\$504,169	\$897,095

Table 70 Annual Available Funding for Rate Funded Assets

The average annual investment requirement for the above categories is \$3.7 million. Annual revenue currently allocated to these assets for capital purposes is \$2.8 million, leaving an annual deficit of \$897,000. Put differently, these infrastructure categories are currently funded at 76% of their long-term requirements.

15.4.2 Full Funding Requirements

In 2024, Parry Sound had annual sanitary revenues of \$4.0m and annual water revenues of \$2.8 million. As illustrated in the table below, without consideration of any other sources of revenue, full funding would require the following changes over time:

Asset Category	Rate Change Required for Full Funding
Water Services	14.9%
Sanitary Services	12.0%

Table 71 Rate Increase Requirements for Full Funding

In the following tables, we have expanded the above scenario to present multiple options. Due to the significant increases required, we have provided phase-in options of up to 20 years:

Water Services				
	5 Years	10 Years	15 Years	20 Years
Infrastructure Deficit	\$220,655	\$107,323	\$107,323	\$107,323
Rate Increase Required	7.9%	3.8%	3.8%	3.8%
Annually:	1.6%	0.4%	0.3%	0.2%

Table 72 Water Rate Increase Options 5-20 Years

Sanitary Services				
	5 Years	10 Years	15 Years	20 Years
Infrastructure Deficit	\$447,542	\$415,105	\$382,667	\$350,337
Rate Increase Required	11.2%	10.4%	9.6%	8.7%
Annually:	2.2%	1.0%	0.7%	0.5%

Table 73 Sanitary Rate Increase Options 5-20 Years

15.4.3 Financial Strategy Recommendations

Considering all of the above information, we recommend the 5-year option. This involves full funding being achieved over 55 years by:

- a) increasing rate revenues by 1.6% for water services and 2.2% for sanitary services each year for the next 5 years solely for the purpose of phasing in full funding to the asset categories covered in this section of the AMP.
- b) increasing existing and future infrastructure budgets by the applicable inflation index on an annual basis in addition to the deficit phase-in.

Notes:

1. As in the past, periodic senior government infrastructure funding will most likely be available during the phase-in period. This periodic funding should not be incorporated into an AMP unless there are firm commitments in place.
2. We realize that raising rate revenues for infrastructure purposes will be very difficult to do. However, considering a longer phase-in window may have even greater consequences in terms of infrastructure failure.
3. Any increase in rates required for operations would be in addition to the above recommendations.

Although this option achieves full funding on an annual basis in 5 years and provides financial sustainability over the period modeled, the recommendations do require prioritizing capital projects to fit the resulting annual funding available. Current data shows a pent-up investment demand of \$10.8 million for Water Services and \$7.8 million for the Sanitary Services.

Prioritizing future projects will require the current data to be replaced by condition-based data. Although our recommendations include no further use of debt, the results of the condition-based analysis may require otherwise.

15.5 Use of Debt

Debt can be strategically utilized as a funding source with in the long-term financial plan. The benefits of leveraging debt for infrastructure planning include:

- a) the ability to stabilize tax & user rates when dealing with variable and sometimes uncontrollable factors
- b) equitable distribution of the cost/benefits of infrastructure over its useful life
- c) a secure source of funding
- d) flexibility in cash flow management

Debt management policies and procedures with limitations and monitoring practices should be considered when reviewing debt as a funding option. In efforts to mitigate increasing commodity prices and inflation, interest rates have been rising. Sustainable funding models that include debt need to incorporate the now current realized risk of rising interest rates. The following graph shows the historical changes to the lending rates:

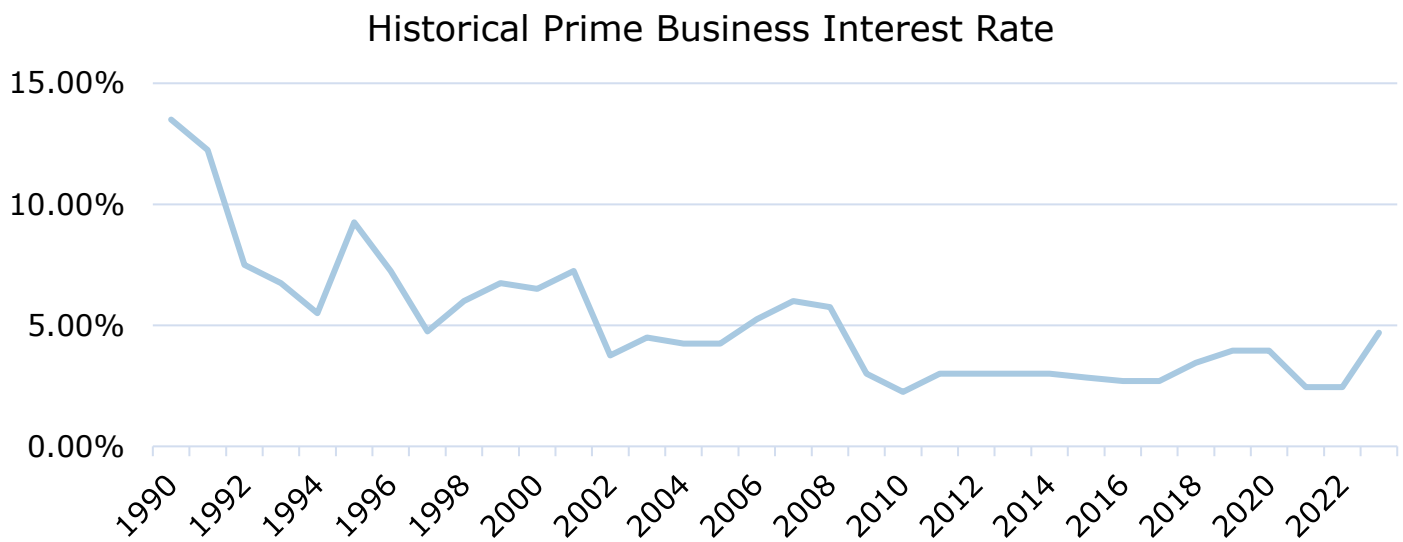


Figure 85 Historical Prime Rate

A change in 15-year rates from 5% to 7% would change the premium from 45% to 65%. Such a change would have a significant impact on a financial plan.

For reference purposes, the following table outlines the premium paid on a project if financed by debt. For example, a \$1 million project financed at 3.0%⁴ over 15 years would result in a 26% premium or \$260 thousand of increased costs due to interest payments. For simplicity, the table does not consider the time value of money or the effect of inflation on delayed projects.

⁴ Current municipal Infrastructure Ontario rates for 15-year money is 4.03%.

Interest Rate	Number of Years Financed					
	5	10	15	20	25	30
7.0%	22%	42%	65%	89%	115%	142%
6.5%	20%	39%	60%	82%	105%	130%
6.0%	19%	36%	54%	74%	96%	118%
5.5%	17%	33%	49%	67%	86%	106%
5.0%	15%	30%	45%	60%	77%	95%
4.5%	14%	26%	40%	54%	69%	84%
4.0%	12%	23%	35%	47%	60%	73%
3.5%	11%	20%	30%	41%	52%	63%
3.0%	9%	17%	26%	34%	44%	53%
2.5%	8%	14%	21%	28%	36%	43%
2.0%	6%	11%	17%	22%	28%	34%
1.5%	5%	8%	12%	16%	21%	25%
1.0%	3%	6%	8%	11%	14%	16%
0.5%	2%	3%	4%	5%	7%	8%
0.0%	0%	0%	0%	0%	0%	0%

Table 74 Interest Premiums Paid

The following tables outline how Parry Sound has historically used debt for investing in the asset categories as listed. As of year-end 2024, there is currently \$15.5 million of debt outstanding for the assets covered by this AMP with corresponding principal and interest payments of \$1.6 million, within its provincially prescribed maximum of \$1.7 million.

Asset Category	Current Debt Outstanding	Use of Debt in the Last Five Years				
		2019	2020	2021	2022	2023
Road Network	6,962,484	353,362	471,413	464,403	645,579	635,366
Storm Water Services	-	-	-	-	-	-
Bridges & Culverts	-	-	-	-	-	-
Buildings	3,180,645	246,358	289,473	284,471	279,861	275,251
Equipment	-	-	-	-	-	-
Land Improvements	1,133,910	45,496	87,278	86,332	85,431	84,530
Rolling Stock	-	-	-	-	-	-
Total Tax Funded	11,277,039	645,215	848,163	835,206	1,010,872	995,148
Water Services	1,065,835	361,566	351,338	340,620	330,146	319,673
Sanitary Services	3,187,500	689,314	673,132	655,392	638,431	621,471
Total Rate Funded	4,253,335	689,314	673,132	655,392	638,431	621,471

Table 75 Parry Sound Use of Debt 2019-2023

Asset Category	Principal & Interest Payments in the Next Ten Years						
	2024	2025	2026	2027	2028	2029	2034
Road Network	625,441	614,941	604,729	594,516	584,479	539,577	396,567
Storm Water Services	-	-	-	-	-	-	-
Bridges & Culverts	-	-	-	-	-	-	-
Buildings	270,982	266,031	261,421	256,811	252,492	247,591	224,541
Machinery & Equipment	-	-	-	-	-	-	-
Land Improvements	83,664	82,728	81,827	80,926	80,050	79,124	74,620
Rolling Stock	-	-	-	-	-	-	-
Total Tax Funded	980,088	963,701	947,977	932,254	917,021	866,293	695,728
Water Services	309,330	298,726	288,253	178,935	116,326	113,333	0
Sanitary Services	295,772	288,823	282,335	275,848	269,751	262,873	230,435
Total Rate Funded	605,102	587,549	570,588	454,783	386,078	376,205	230,435

Table 76 Parry Sound Principal and Interest Payments

The revenue options outlined in this plan allow the Town of Parry Sound to fully fund its long-term infrastructure requirements without further use of debt.

15.6 Use of Reserves

15.6.1 Available Reserves

Reserves play a critical role in long-term financial planning. The benefits of having reserves available for infrastructure planning include:

- a) the ability to stabilize tax rates when dealing with variable and sometimes uncontrollable factors
- b) financing one-time or short-term investments
- c) accumulating the funding for significant future infrastructure investments
- d) managing the use of debt
- e) normalizing infrastructure funding requirement
- f)

By asset category, the table below outlines the details of the reserves currently available to Parry Sound.

Asset Category	Balance at December 31, 2023
Road Network	\$631,593
Storm Water Services	\$129,183
Bridges & Culverts	\$38,889
Buildings	\$758,892
Equipment	\$710,419
Land Improvements	\$44,463
Rolling Stock	\$1,574,967
Total Tax Funded:	\$3,888,408
Water Services	\$6,571,690
Sanitary Services	\$8,118,139
Total Rate Funded:	\$14,689,829

Table 77 Parry Sound Reserve Balances

There is considerable debate in the municipal sector as to the appropriate level of reserves that a Town should have on hand. There is no clear guideline that has gained wide acceptance. Factors that municipalities should take into account when determining their capital reserve requirements include:

- a) breadth of services provided
- b) age and condition of infrastructure
- c) use and level of debt
- d) economic conditions and outlook
- e) internal reserve and debt policies.

These reserves are available for use by applicable asset categories during the phase-in period to full funding. This coupled with Parry Sound’s judicious use of debt in the past, allows the scenarios to assume that, if required, available reserves and debt capacity can be used for high priority and emergency infrastructure investments in the short- to medium-term.

15.6.2 Recommendation

In 2025, Ontario Regulation 588/17 required Parry Sound to integrate proposed levels of service for all asset categories in its asset management plan update. We recommend that future planning should reflect adjustments to service levels and their impacts on reserve balances.

16. Recommendations & Key Considerations

16.1 Financial Strategies

1. Review the feasibility of adopting a proposed funding scenario to achieve 75% of average annual funding requirement for tax funded assets, and 100% of average annual funding requirements for rate funded assets. This includes:
 - a. Increasing taxes by 1.8% per year over a period of 20 years;
 - b. Increasing water rates by 1.6% per year over a period of 5 years; and
 - c. Increasing sanitary rates by 2.2% per year over a period of 5 years.
2. Continued allocation of OCIF and CCBF funding as previously outlined.
3. Reallocating appropriate revenue from categories in a surplus position to those in a deficit position.
4. Increasing existing and future infrastructure budgets by the applicable inflation index on an annual basis in addition to the deficit phase-in.
5. Continue to apply for project specific grant funding to supplement sustainable funding sources.

16.2 Asset Data

1. Continuously review, refine, and calibrate lifecycle and risk profiles to better reflect actual practices and improve capital projections. In particular:
 - a. the timing of various lifecycle events, the triggers for treatment, anticipated impacts of each treatment, and costs
 - b. the various attributes used to estimate the likelihood and consequence of asset failures, and their respective weightings
2. Asset management planning is highly sensitive to replacement costs. Periodically update replacement costs based on recent projects, invoices, or estimates, as well as condition assessments, or any other technical reports and studies. Material and labour costs can fluctuate due to local, regional, and broader market trends, and substantially so during major world events. Accurately estimating the replacement cost of like-for-like assets can be challenging. Ideally, several recent projects over multiple years should be used. Staff judgement and historical data can help attenuate extreme and temporary fluctuations in cost estimates and keep them realistic.
3. Like replacement costs, an asset's established serviceable life can have dramatic impacts on all projections and analyses, including condition, long-range forecasting, and financial recommendations. Periodically reviewing and updating these values to better reflect in-field performance and staff judgement is recommended.

16.3 Risk & Levels of Service

1. Risk models and matrices can play an important role in identifying high-value assets, and developing an action plan which may include repair, rehabilitation, replacement, or further evaluation through condition assessments. As a result, project selection and the development of multi-year capital plans can become more strategic and objective. Initial models have been built into Citywide for all asset groups. These models reflect current data, which was limited. As the data evolves and new attribute information is obtained, these models should also be refined and updated.
2. Available data on current performance should be centralized and tracked to support any calibration of service levels in accordance with O. Reg. 588's 2025 requirements on proposed levels of service.
3. Staff should monitor evolving local, regional, and environmental trends to identify factors that may shape the demand and delivery of infrastructure programs. These can include population growth, and the nature of population growth; climate change and extreme weather events; and economic conditions and the local tax base. This data can also be used to review service level targets.

Appendices

Appendix A – Infrastructure Report Card

Asset Category	Replacement Cost	Average Condition	Financial Capacity	
Road Network	\$206.4 m	Fair	Annual Requirement:	\$9,286,000
			Funding Available:	\$1,781,000
			Annual Deficit:	\$7,505,000
Bridges & Culverts	\$12.7 m	Good	Annual Requirement:	\$275,000
			Funding Available:	\$6,000
			Annual Deficit:	\$269,000
Water Services	\$83.4 m	Fair	Annual Requirement:	\$1,702,000
			Funding Available:	\$1,285,000
			Annual Deficit:	\$417,000
Sanitary Services	\$87.4 m	Fair	Annual Requirement:	\$1,998,000
			Funding Available:	\$1,518,000
			Annual Deficit:	\$480,000
Storm Water Services	\$42.2 m	Good	Annual Requirement:	\$641,000
			Funding Available:	\$6,000
			Annual Deficit:	\$635,000
Buildings	\$47.3 m	Fair	Annual Requirement:	\$1,189,000
			Funding Available:	\$143,000
			Annual Deficit:	\$1,046,000
Land Improvements	\$14.5 m	Poor	Annual Requirement:	\$491,000
			Funding Available:	\$120,000
			Annual Deficit:	\$371,000
Rolling Stock	\$12.2 m	Poor	Annual Requirement:	\$1,251,000
			Funding Available:	\$750,000
			Annual Deficit:	\$501,000
Equipment	\$ 8.5 m	Poor	Annual Requirement:	\$819,000
			Funding Available:	\$962,000
			Annual Deficit:	(\$143,000)

Appendix B – 10-Year Capital Requirements

Current Levels of Service (No consideration of available capital funding)

Road Network

Segment	Backlog	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Guiderails	-	-	-	-	\$4k	\$12k	-	\$3k	\$38k	-	-
Sidewalks	-	-	-	-	-	\$36k	\$302k	\$57k	\$229k	\$292k	\$330k
Signal Lights	\$148k	\$146k	-	-	-	\$201k	\$291k	\$74k	-	-	-
Street Lighting	\$162k	\$140k	\$54k	\$72k	-	\$98k	\$871k	\$5k	\$11k	\$4k	\$29k
Sub-Surface	\$42.4m	\$428k	\$5.1m	\$1.3m	-	\$997k	-	\$1.8m	\$1.8m	\$1.6m	\$1.0m
Surface	\$607k	\$8.6m	\$8.2m	\$7.6m	\$11.1m	\$7.8m	\$5.8m	\$3.3m	\$1.9m	\$7.9m	\$1.4m
Total	\$43.4m	\$9.3m	\$13.4m	\$9.0m	\$11.1m	\$9.1m	\$7.2m	\$5.3m	\$4.0m	\$9.8m	\$2.8m

Table 78 System Generated 10-Year Capital Replacement Forecast: Road Network

Bridges & Culverts

Segment	Backlog	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Bridges	-	\$495k	-	-	-	-	\$529k	-	-	-	-
Culverts	-	-	-	-	-	-	-	-	-	-	-
Total	-	\$495k	-	-	-	-	\$529k	-	-	-	-

Table 79 System Generated 10-Year Capital Replacement Forecast: Bridges & Culverts

Water Services

Segment	Backlog	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Hydrants	\$607k	-	\$90k	\$5k	\$63k	\$16k	\$16k	\$111k	\$5k	\$42k	-
Water Booster Station	\$66k	-	-	-	-	-	-	-	-	-	-
Water Equipment	\$443k	-	\$21k	\$65k	\$132k	\$27k	\$124k	\$253k	-	\$147k	\$227k
Water Tower	-	-	-	\$7k	\$101k	-	-	-	-	-	\$10k
Water Treatment Plant	\$3.2m	-	\$1.8m	\$13k	\$23k	\$58k	\$28k	\$1.8m	-	-	-
Water Valves	\$933k	\$9k	\$85k	\$162k	\$15k	-	\$58k	-	\$49k	\$88k	\$34k
Watermains	\$5.5m	-	-	-	-	-	-	-	-	-	\$1.3m
Total	\$10.8m	\$9k	\$2.0m	\$251k	\$334k	\$100k	\$226k	\$2.2m	\$54k	\$277k	\$1.5m

Table 80 System Generated 10-Year Capital Replacement Forecast: Water Services

Sanitary Services

Segment	Backlog	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Manholes	\$3.0m	\$40k	\$94k	\$67k	\$297k	\$13k	\$27k	\$472k	\$377k	\$67k	-
Pumping Stations	\$3.5m	\$10k	\$1.8m	\$20k	\$394k	-	-	\$3.0m	-	-	-
Sanitary Sewers	\$632k	-	\$528k	\$299k	-	-	-	-	-	-	-
Sewer Connections	\$186k	-	\$17k	\$13k	-	-	-	-	-	-	-
Wastewater Equipment	\$71k	-	\$46k	\$2k	\$19k	\$126k	\$33k	\$16k	-	\$33k	\$16k
Wastewater Treatment Plant	\$419k	\$21k	\$473k	\$102k	\$20k	\$8k	\$57k	\$5.1m	-	-	-
Total	\$7.8m	\$71k	\$2.9m	\$503k	\$730k	\$148k	\$117k	\$8.5m	\$377k	\$100k	\$16k

Table 81 System Generated 10-Year Capital Replacement Forecast: Sanitary Services

Storm Water Services

Segment	Backlog	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Catch Basins	\$985k	\$149k	-	\$26k	\$387k	-	\$413k	\$79k	\$404k	\$712k	-
Manholes	\$270k	\$40k	-	\$27k	\$121k	-	\$108k	\$81k	\$121k	\$256k	-
Storm Mains	\$644k	-	-	-	\$125k	-	-	-	-	-	\$148k
Total	\$1.9m	\$190k	-	\$53k	\$633k	-	\$521k	\$160k	\$526k	\$968k	\$148k

Table 82 System Generated 10-Year Capital Replacement Forecast: Storm Water Services

Buildings

Segment	Backlog	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Community Buildings	\$621k	-	-	\$89k	\$3.7m	-	-	\$3k	\$374k	\$338k	-
Emergency Buildings	\$162k	-	-	\$478k	-	-	-	-	-	\$527k	-
Library	-	-	-	-	-	-	-	-	-	\$46k	-
Municipal Building	-	-	-	\$330k	\$934k	-	-	-	-	-	-
Operational Buildings	\$89k	-	-	\$135k	\$186k	-	\$22k	-	-	-	\$31k
Other Town Property	\$446k	-	-	-	\$25k	-	-	-	-	-	-
Total	\$1.3m	-	-	\$1.0m	\$4.8m	-	\$22k	\$3k	\$374k	\$911k	\$31k

Table 83 System Generated 10-Year Capital Replacement Forecast: Buildings

Land Improvements

Segment	Backlog	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Access Paths, Trails & Parking Lots	\$3.0m	\$399k	\$369k	\$37k	\$95k	\$124k	-	\$601k	\$19k	\$36k	\$38k
Boat Slips, Docks & Launches	\$289k	-	-	-	\$147k	-	-	\$117k	\$629k	\$57k	\$147k
Fencing	\$325k	-	-	-	-	-	-	\$130k	\$47k	-	-
Irrigation	\$45k	-	-	-	-	-	-	-	-	-	-
Landscaping	-	-	-	-	\$249k	-	-	-	-	-	-
Lighting	\$952k	-	-	-	-	-	-	-	-	-	-
Park Furnishings	-	-	\$24k	-	\$41k	-	-	-	-	-	-
Sports Fields & Courts	-	-	-	-	-	-	\$26k	-	-	-	-
Structural Features	\$63k	-	-	-	-	-	-	-	-	-	-
Total	\$4.7m	\$399k	\$393k	\$37k	\$531k	\$124k	\$26k	\$848k	\$695k	\$93k	\$186k

Table 84 System Generated 10-Year Capital Replacement Forecast: Land Improvements

Rolling Stock

Segment	Backlog	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Cemeteries	\$85k	\$16k	-	\$97k	\$6k	-	-	\$105k	\$85k	-	\$97k
Fire	\$60k	-	\$1.1m	-	-	\$69k	-	-	\$60k	-	\$1.8m
Land Ambulance	\$391k	\$660k	\$540k	\$525k	\$845k	-	\$90k	\$880k	\$540k	\$611k	\$745k
Protective Inspection	-	-	-	\$27k	-	\$43k	-	-	-	-	\$27k
Recreation & Cultural Services	\$191k	-	\$66k	-	\$244k	-	\$11k	\$38k	-	\$304k	-
Transportation Services	\$778k	-	\$90k	\$19k	\$894k	\$72k	\$405k	\$976k	\$335k	\$638k	\$471k
Wastewater Services	\$133k	-	-	-	\$134k	-	\$23k	-	\$110k	\$134k	-
Water Services	\$176k	-	-	-	-	-	\$66k	-	\$110k	-	-
Total	\$1.8m	\$676k	\$1.8m	\$668k	\$2.1m	\$184k	\$595k	\$2.0m	\$1.2m	\$1.7m	\$3.1m

Table 85 System Generated 10-Year Capital Replacement Forecast: Rolling Stock

Equipment

Segment	Backlog	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fire Admin	\$90k	-	-	-	-	-	\$32k	-	-	-	-
General Government	\$691k	\$71k	\$129k	\$125k	\$193k	\$31k	\$402k	\$195k	\$124k	\$131k	\$132k
Land Ambulance	\$329k	\$21k	\$104k	\$825k	\$28k	\$106k	\$127k	\$18k	\$42k	-	-
Library Books & Furniture	-	-	-	-	\$146k	-	\$194k	-	-	\$146k	-
Planning & Development	\$79k	-	-	-	-	-	\$185k	-	-	-	-
Protection	\$266k	\$27k	\$52k	\$36k	\$30k	\$63k	\$64k	\$34k	\$14k	\$245k	-
Recreation & Cultural Services	\$1.1m	\$115k	\$9k	\$106k	\$20k	\$23k	\$284k	\$72k	\$32k	\$109k	\$166k
Stockey – Administration	\$217k	\$8k	-	\$12k	-	-	\$76k	-	-	-	-
Stockey – Building	\$735k	-	\$4k	\$6k	\$241k	\$40k	\$24k	\$20k	-	\$397k	-
Transportation	\$23k	\$16k	-	\$26k	\$8k	\$11k	-	-	\$7k	\$117k	\$108k
Total	\$3.5m	\$258k	\$298k	\$1.1m	\$666k	\$275k	\$1.4m	\$340k	\$220k	\$1.1m	\$406k

Table 86 System Generated 10-Year Capital Replacement Forecast: Equipment

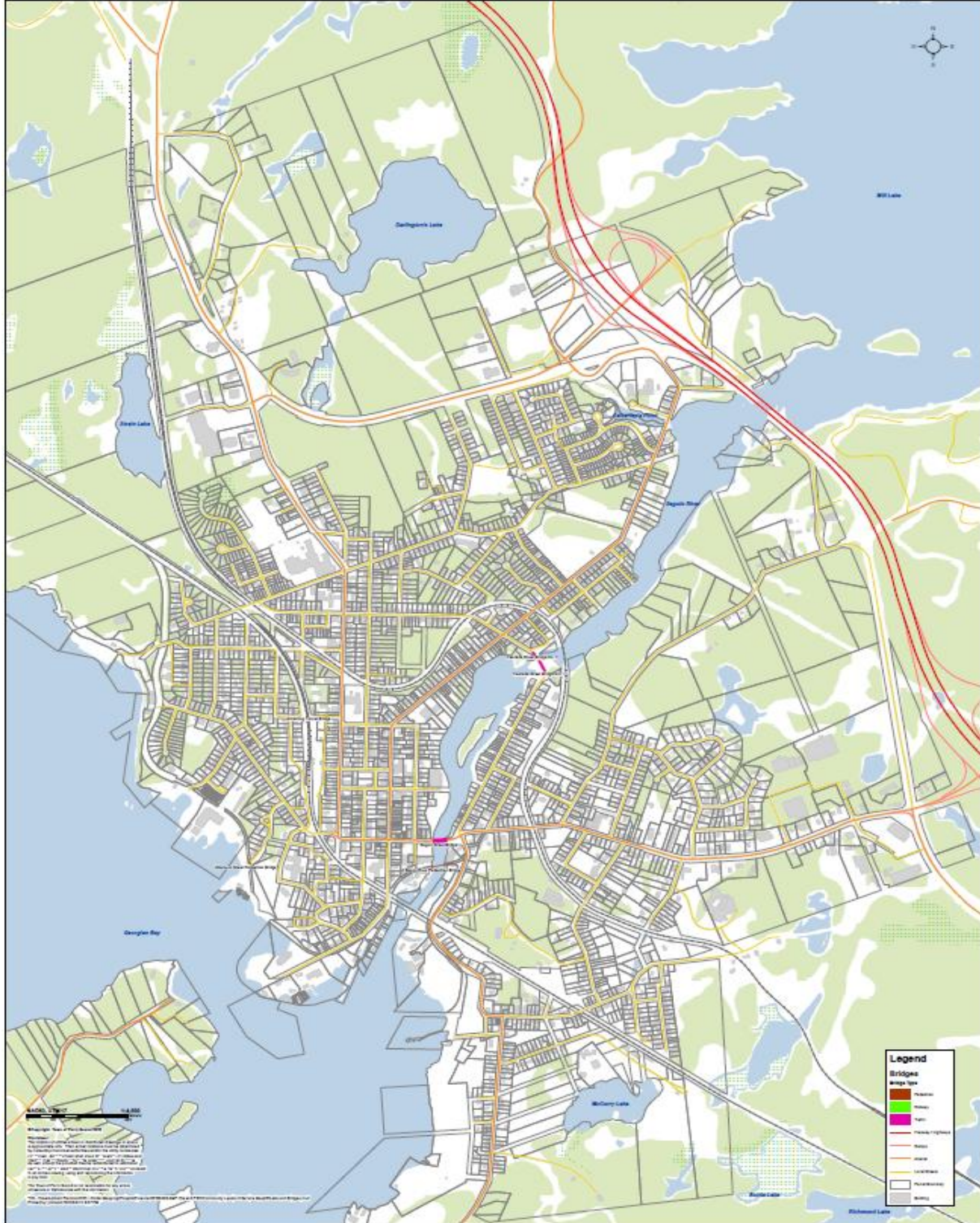
Proposed Levels of Service (Based on available capital funding, following recommended financial strategy)

Categories	Available Capital Funding									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Tax-Funded	\$4.58m	\$4.84m	\$5.11m	\$5.38m	\$5.66m	\$5.94m	\$6.23m	\$6.52m	\$6.82m	\$7.12m
Rate-Funded (Water)	\$1.53m	\$1.57m	\$1.62m	\$1.66m	\$1.71m	\$1.71m	\$1.71m	\$1.71m	\$1.71m	\$1.71m
Rate-Funded (Sanitary)	\$1.64m	\$1.73m	\$1.82m	\$1.91m	\$2.01m	\$2.01m	\$2.01m	\$2.01m	\$2.01m	\$2.01m

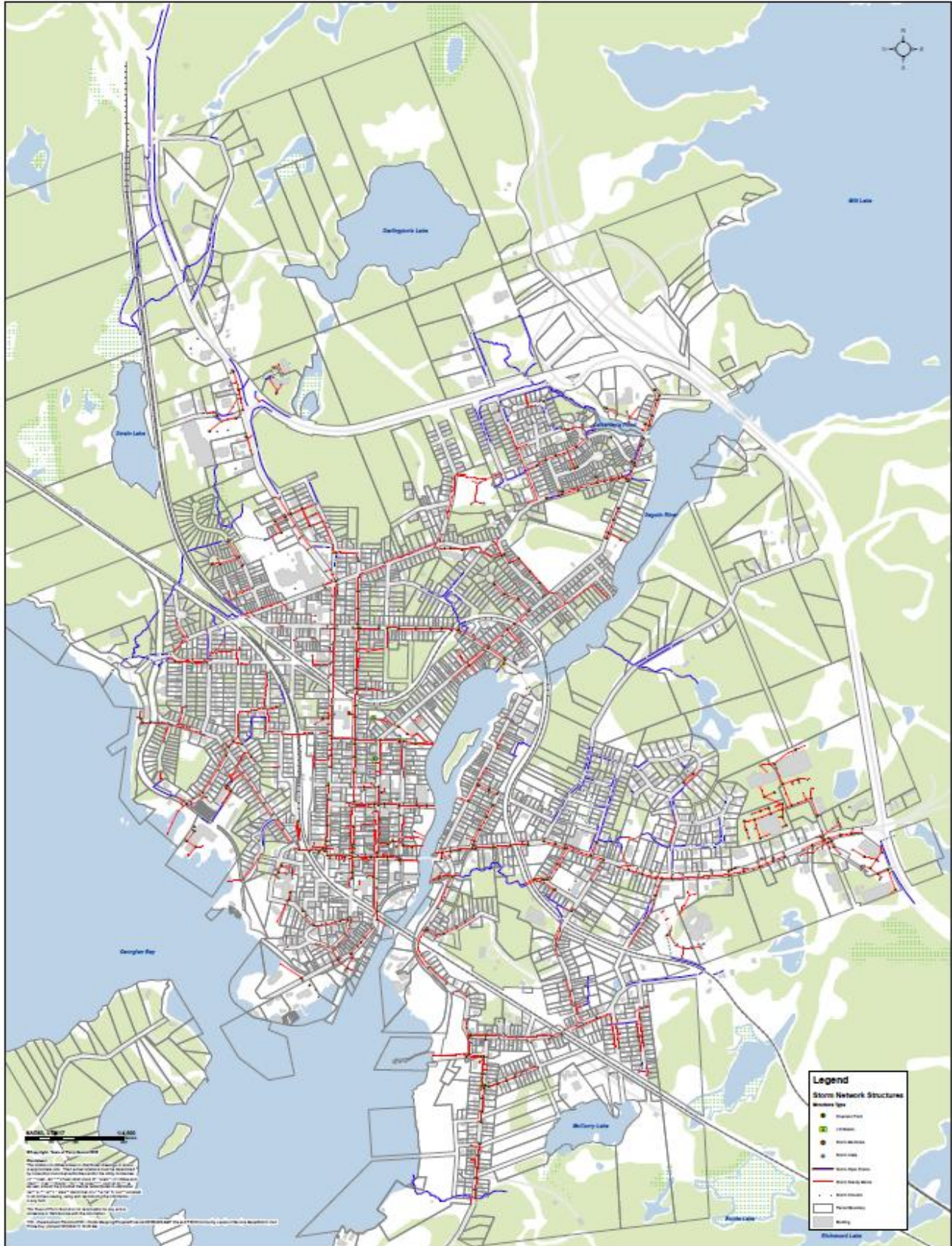
Table 87 Proposed Level of Service Available Capital Funding Over Next 10 Years

Appendix C – Level of Service Maps & Photos

Road Network Connectivity



Stormwater Network



Municipal Water Distribution

