Asset Management Plan

Township of McNab/Braeside

Final Report

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Report

Chapter 1
Introduction

1. Introduction

1.1 Overview

The main objective of an asset management plan is to use a municipality's best available information to develop a long-term plan for capital assets. In addition, the plan should provide a sufficiently documented framework that will enable continual improvement and updates of the plan, to ensure its relevancy over the long term.

The Township of McNab/Braeside (Township) retained Watson & Associates Economists Ltd. (Watson) to develop a comprehensive asset management plan. The project has been completed in three phases. The first phase focused on complying with the July 1, 2022 requirements of *Ontario Regulation 588/17: Asset Management Planning For Municipal Infrastructure* (O. Reg. 588/17) for core[1] assets and was completed in July 2021. The second phase focused on complying with the July 1, 2024 requirements of O. Reg. 588/17 for non-core[2] assets and was completed in June 2024. The third and final phase of the project built on the work completed through the previous phases, with a focus on identifying proposed levels of service and developing a financial strategy to support the asset management plan. This report is the outcome of the third phase and brings the Township into full compliance with the 2025 requirements of O. Reg. 588/17.

The estimated current replacement cost for the Township's infrastructure assets is $118.2 million. Transportation assets represent the largest share of this replacement cost at $104.5 million (71%), followed by facilities at $28.0 million (19%), and lastly, fleet and equipment assets at $13.7 million (9%%). The distribution of replacement cost by asset category is provided in Table 1-1 and is presented graphically in Figure 1-1.

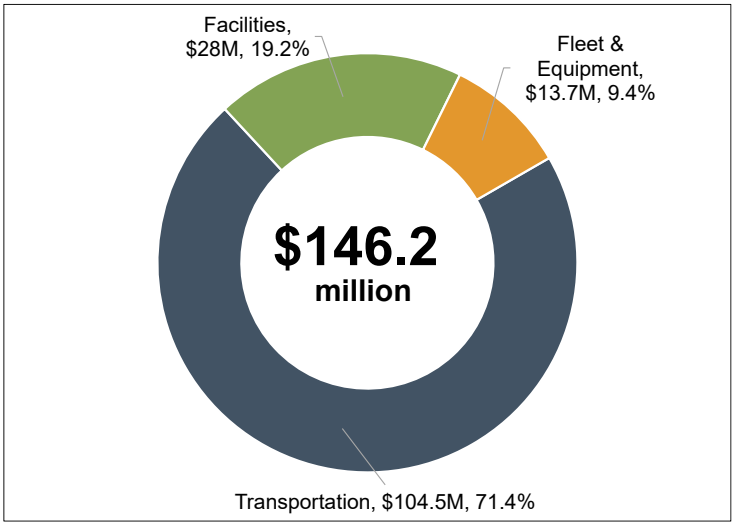
[1]Core infrastructure assets are defined by O. Reg. 588/17 as being roads, bridges, culverts, and any asset that is utilized in the provision of water, wastewater, and stormwater services.

[2]Non-core infrastructure assets are any other assets owned and managed by a municipality that are not included within the definition of core infrastructure assets.

Table 1-1: Distribution of Replacement Cost by Asset Category

Asset Category	Current Replacement Cost	Percentage of Total
Transportation	$104,453,000	71%
Fleet & Equipment	$13,739,000	9%
Facilities	$28,002,000	19%
Total	**$146,194,000**	**100%**

Figure 1-1: Distribution of Replacement Cost by Asset Category



1.2 Legislative Context for the Asset Management Plan

Asset management planning in Ontario has evolved significantly over the past decade.

Prior to 2009, it was common municipal practice to expense capital assets in the year of their acquisition or construction. Consequently, this meant that many municipalities did not have comprehensive tracking of their capital assets, especially as it related to any changes that capital assets may have undergone throughout their lifecycles (i.e. betterments, disposals, etc.). Furthermore, this also meant that many municipalities had not yet established inventories of their capital assets, both in their accounting structures and financial statements. As a result of revisions to *Section 3150 – Tangible Capital Assets* of the *Public Sector Accounting Board* (PSAB) handbook, which came into effect for the 2009 fiscal year, municipalities were forced to change this long-standing practice and capitalize their tangible capital assets over the term of the asset's

expected useful service life. In order to comply with this revision, municipalities needed to establish asset inventories, if none previously existed.

In 2012, the Province launched the Municipal Infrastructure Strategy, which required municipalities and local service boards seeking provincial funding to demonstrate how any proposed project fits within a broader asset management plan. In addition, asset management plans encompassing all municipal assets needed to be prepared by the end of 2016 to meet Federal Gas Tax (now the Canada Community-Building Fund) agreement requirements. To help define the components of municipal asset management plans, the Province produced a document entitled *Building Together: Guide for Municipal Asset Management Plans*. This document outlined the information and analyses that were required to be included in municipal asset management plans under this initiative.

The Province's *Infrastructure for Jobs and Prosperity Act, 2015* (IJPA) was proclaimed on May 1, 2016. This legislation detailed principles for evidence-based and sustainable long-term infrastructure planning. The IJPA also gave the Province the authority to guide municipal asset management planning by way of regulation. In late 2017, the Province introduced O. Reg. 588/17 under the IJPA. The intent of O. Reg. 588/17 is to establish standard content for municipal asset management plans. Specifically, the regulation requires that asset management plans be developed that define levels of service, identify the lifecycle activities that will be undertaken to achieve those levels of service, and provide a financial strategy to support the levels of service and lifecycle activities.

1.3 Asset Management Plan Development

The development of this asset management plan was guided by asset management strategies identified through discussions with the Township's asset managers, information gleaned through reviews of long-term planning documents and studies, service-level objectives and their impacts on the management of assets identified through engagements with Council and staff, and detailed analyses of the Township's capital asset and financial data. The key steps in the development process of this asset management plan are summarized below:

1. Update underlying asset data such as quantities, ages, condition ratings, useful service life expectations, replacement cost valuations, lifecycle activity costing, etc.
2. Develop scenarios related to levels of service targets through workshops held with Township staff. As part of these workshops, changes to existing lifecycle management strategies to support each level of service scenario were identified. This step resulted in the development of 10-year forecasts of capital and significant operating expenditures to support each scenario.
3. Analyze the Township's financial data and develop a financial strategy model to identify the funding expected to be available to undertake the capital and significant operating expenditures for each scenario identified in the previous step. The financial strategy model was also utilized to determine the financial impact associated with each scenario (i.e., target level of sustainable capital funding, annual tax levy and tax rate increases to achieve target level of sustainable capital funding, debt requirements, impact on balance of funds held in capital reserves and reserve funds, etc.).
4. Present each level of service scenario and its associated 10-year forecasts and financial impacts to Council in a workshop setting. The feedback received from Council during these workshops was key in determining the level of service scenario that is most appropriate for the Township.
5. Finalize the 10-year forecasts and financial strategy model based on feedback received from Council on its preferred level of service scenario.
6. Document the asset management plan in a formal report to inform future decision-making and to communicate planning to the public.

Chapter 2
State of Local Infrastructure and Levels of Service

2. State of Local Infrastructure and Levels of Service

2.1 Transportation

2.1.1 State of Local Infrastructure

The Township owns and manages a variety of assets that enable the safe and efficient passage of vehicular and pedestrian traffic as well as contribute to the overall level of service provided by the Township. The Township's transportation assets comprise roadways, sidewalks, streetlights, and signs. The estimated current replacement cost of these assets is $104.5 million.

The Township's road network comprises roadways with three surface types: asphalt, surface treated (i.e., tar and chip), and gravel. The estimated current replacement cost of the Township's roadways is $102.9 million. Asphalt roads represent the largest share of replacement cost at $67.9 million (66%), followed by gravel roads at $26.8 million (26%), and lastly, surface treated roads at $8.3 million (8%). The average age of the Township's asphalt and surface treated roadways, based on the date of the most recent surface renewal activity for each road segment, is 14.3 years. Table 2-1 summarizes the quantity, average age, and estimated current replacement cost of the Township's roadways by surface type. This information is presented graphically in Figure 2-1 and a geographical illustration of the road network is provided in Map 2-1.

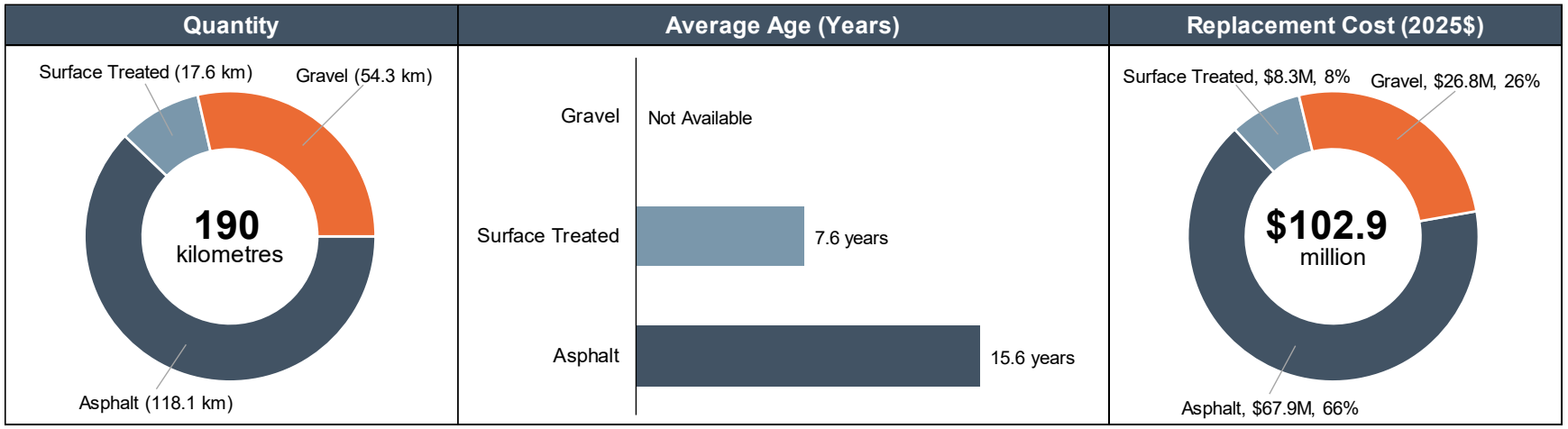
Table 2-1: Roadways – Length, Average Age, and Replacement Cost by Surface Type

Surface Type	Length	Average Road Surface Age[1][2]	Replacement Cost (2025$)
Asphalt	118.1 km	15.6 years	$67,861,000
Surface Treated	17.6 km	7.6 years	$8,260,000
Gravel	54.3 km	Not Available	$26,754,000
Total	**190.0 km**	**14.3 years**	**$102,875,000**

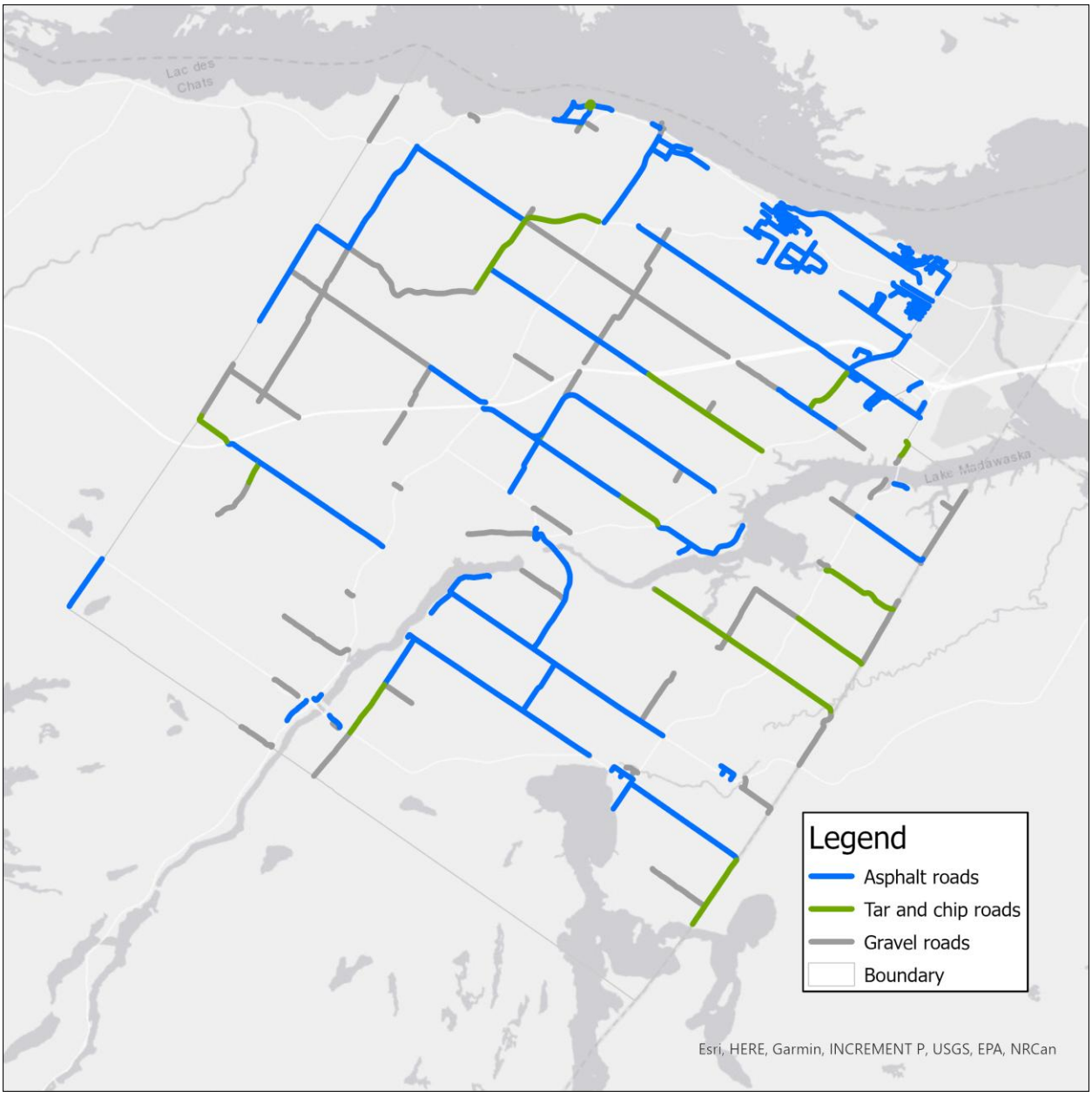
[1]Date of most recent surface renewal activity is missing for 103 out of 258 asphalt road segments and for 2 out of 19 surface treated road segments. The Township does not currently record date of most recent granular application for its gravel roads.

[2]Weighted average utilizing length of road segments as weights.

Figure 2-1: Roadways – Quantity, Average Age, and Replacement Cost by Surface Type



Map 2-1: Roadways by Surface Type



The Township also owns and manages a number of road-related assets comprising sidewalks, streetlights, and road signs. The estimated current replacement cost of the Township's road-related assets is $1.6 million. Sidewalks represent the largest share of replacement cost at 825,000 (52%), followed by streetlight at $659,000 (42%), and lastly, road signs at $94,000 (6%).

Table 2-2 summarizes the quantity, average age, and estimated current replacement cost of the Township's road-related assets.

Table 2-2: Road-related Assets – Quantity, Average Age, and Replacement Cost

Asset Category	Quantity	Average Age[1]	Replacement Cost (2025$)
Sidewalks	4.1 km	Not Available	$825,000
Streetlights	375 fixtures & 31 poles	10 years[2]	$659,000
Road Signs	638 signs	Not Available	$94,000
Total			**$1,578,000**

2.1.2 Condition

The Township assesses the condition of its asphalt and surface treated roadways by assigning a Pavement Condition Index (PCI) rating to each road segment. PCI ratings are calculated by assigning weighted values to observed base-related distresses (e.g., rutting, fatigue cracking, etc.), surface-related distresses (e.g., raveling, shoving, etc.), and the overall ride condition of the segment. Thus, PCI ratings also provide an indication of the structural integrity of the road segment and an objective rationale for forecasting upcoming lifecycle requirements.

To better communicate the condition of the Township's asphalt and surface treated roadways, PCI ratings have been segmented into qualitative condition states as summarized in Table 2-3. Example photos of road segments in each condition state are also provided in Table 2-3.

[1]The Township does not currently track the date of installation for its sidewalk segments and road signs.

[2]The Township converted all its streetlight fixtures to LED in 2015. The average age is based on the date of conversion.

Table 2-3: Asphalt & Surface Treated Roadways – Definition of Condition States with Respect to PCI Rating

Condition State	PCI Rating Range	Example Photo
Excellent	85 < PCI ≤ 100	
Very Good	70 < PCI ≤ 85	
Good	55 < PCI ≤ 70	

Condition State	PCI Rating Range	Example Photo
Fair	40 < PCI ≤ 55	
Poor	25 < PCI ≤ 40	
Very Poor	0 ≤ PCI ≤ 25	

Road segments assessed to be in an 'Excellent' condition state would typically have little to no observable distresses and provide a comfortable ride quality to all users. As road segments degrade over time, their condition would gradually decrease to be in a 'Good' or 'Fair' condition state. These road segments typically have moderate levels of

observable distresses that require rehabilitation in the medium-term to prevent the development of more severe distresses. Road segments assessed to be in a 'Poor' or 'Very Poor' condition state would typically have significant observable distresses indicating degradation of structural integrity. These road segments typically also require major rehabilitation or reconstruction in the short-term.

The Township formally assessed the PCI ratings of its asphalt and surface treated road segments through a Road Needs Study completed in 2023. To provide an estimate of the current condition of roadways, the Township's *Streetlogix Asset Management Platform* was utilized to update PCI ratings for each road segment to their estimated 2025 values. The overall average PCI rating of all paved road segments in the Township is estimated to be 61.5, indicating that the Township's paved roadways are currently in an overall 'Good' condition state. The Township's asphalt roadways are estimated to have an average PCI rating of 61.8, indicating that they are currently in a 'Good' condition state. Similarly, the Township's surface treated roadways are estimated to have an average PCI rating of 59.3, indicating that they are also currently in a 'Good' condition state.

The Township assess the condition of its gravel roadways through staff-led assessments of the severity of observable deficiencies, which subsequently determine the nature and scope of future maintenance requirements. To better communicate the condition of gravel roads, staff assign a qualitative condition state of either 'Good', 'Fair', or 'Poor' to each assessed road segment. Based on the most recent assessment conducted in 2024, 35.4 km (65%) of gravel roads were assessed to be in a 'Good' condition state while the remaining 18.9 km (35%) were assessed to be in a 'Fair' condition state. No road segments were assessed to be in a 'Poor' condition state. Table 2-4 summarizes the average PCI rating and associated condition states of the Township's roadways by surface type.

Table 2-4: Roadways – Average PCI Ratings and Condition States by Surface Type

Surface Type	Average PCI Rating[1]	Condition State
Asphalt	61.8	Good
Surface Treated	59.3	Good
Gravel	N/A	Good
Overall Average	**61.5**	**Good**

[1]Weighted average utilizing length of road segments as weights.

The distribution of the Township's roadways by condition state and surface type is illustrated in Figure 2-2. The distribution paved roadways by PCI rating range is illustrated in Figure 2-3.

Figure 2-2: Roadways – Distribution (by replacement cost) of Roadways by Condition State and Surface Type

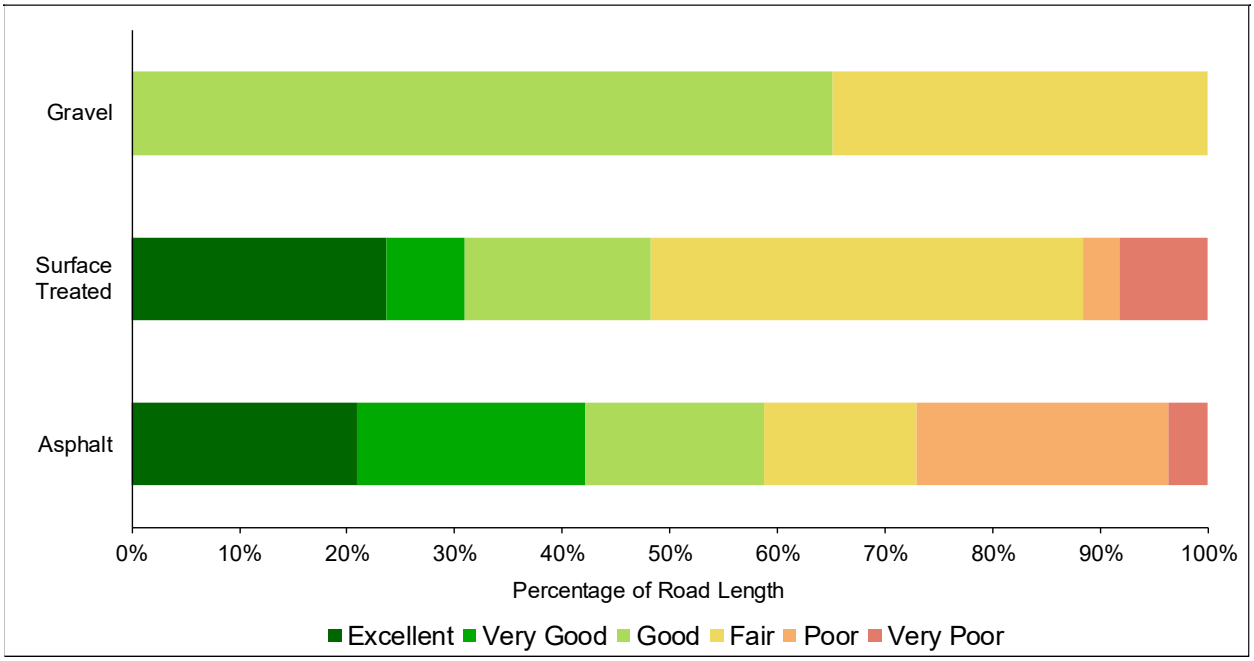
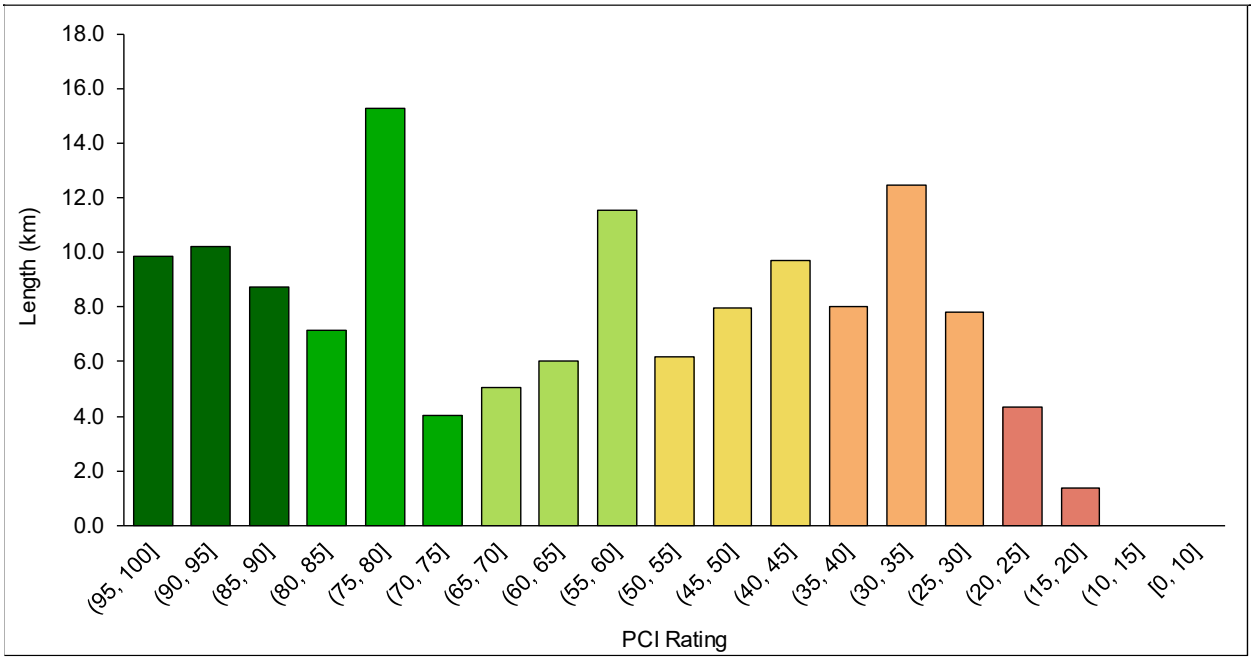


Figure 2-3: Paved Roadways – Distribution (by replacement cost) of Roadways by PCI Rating



The Township conducts assessments of the condition of its sidewalks annually to ensure compliance with *Ontario Regulation 239/02: Minimum Maintenance Standards for Municipal Highways* (O. Reg. 239/02). As part of these assessments, individual sidewalk segments are evaluated based on the frequency and severity of observed deficiencies (e.g., surface discontinuities or trip hazards) and assigned a qualitative condition score of 'Good', 'Fair', or 'Poor'. Sidewalk segments assessed to be in 'Poor' condition are prioritized for rehabilitation (e.g., grinding of trip edges, crack sealing, etc.) in accordance with O. Reg. 239/02 standards. When required, the Township undertakes reconstruction of its sidewalk segments in coordination with the reconstruction of the adjacent road segment. Based on the most recent assessment conducted in 2024, 3.7 km (90%) of the Township's sidewalks were assessed to be in 'Good' condition while the remaining 0.4 km (10%) were assessed to be in 'Fair' condition. No sidewalk segments were assessed to be in 'Poor' condition.

The Township assesses the condition of its road signs annually by conducting retro-reflectivity testing in accordance with O. Reg. 239/02. Any signs that fail retro-reflectivity testing are replaced by the Township as soon as possible. Signs that are currently in use but have failed the most recent retro-reflectivity testing are assigned a condition state of "Poor" and all other signs are assigned a condition state of "Good".

Based on the Township's 2024 retro-reflectivity testing report, 68% of the Township's road signs were assessed to be in "Good" condition while the remaining 32% were assessed to be in "Poor" condition.

The condition of the Township's streetlights has not been directly assessed through physical condition assessments. For the purposes of this asset management plan, the condition of these assets is assessed based on age relative to useful service life (i.e., based on the percentage of useful service life consumed (ULC%)). A brand-new asset would have a ULC% of 0%, indicating that none of the asset's life expectancy has been utilized. On the other hand, an asset that has reached the end of its life expectancy would have a ULC% of 100%. It is possible for assets to have a ULC% greater than 100%, which occurs if the asset has exceeded its typical life expectancy but continues to be in service. This is not necessarily a cause for concern; however, it must be recognized that assets near or beyond their typical useful service life expectancy are likely to require replacement or rehabilitation in the near term and may have increasing repair and maintenance costs.

To better communicate the condition of streetlights, ULC% ratings have been segmented into qualitative condition states as summarized in Table 2-5. The scale is set to show that if assets are replaced at the end of their expected useful service life, they would be in a "Fair" condition state. For assets that remain in service beyond their useful service life (i.e., ULC% > 100), the probability of failure is assumed to have increased to a point where performance would be characterized as "Poor" or "Very Poor".

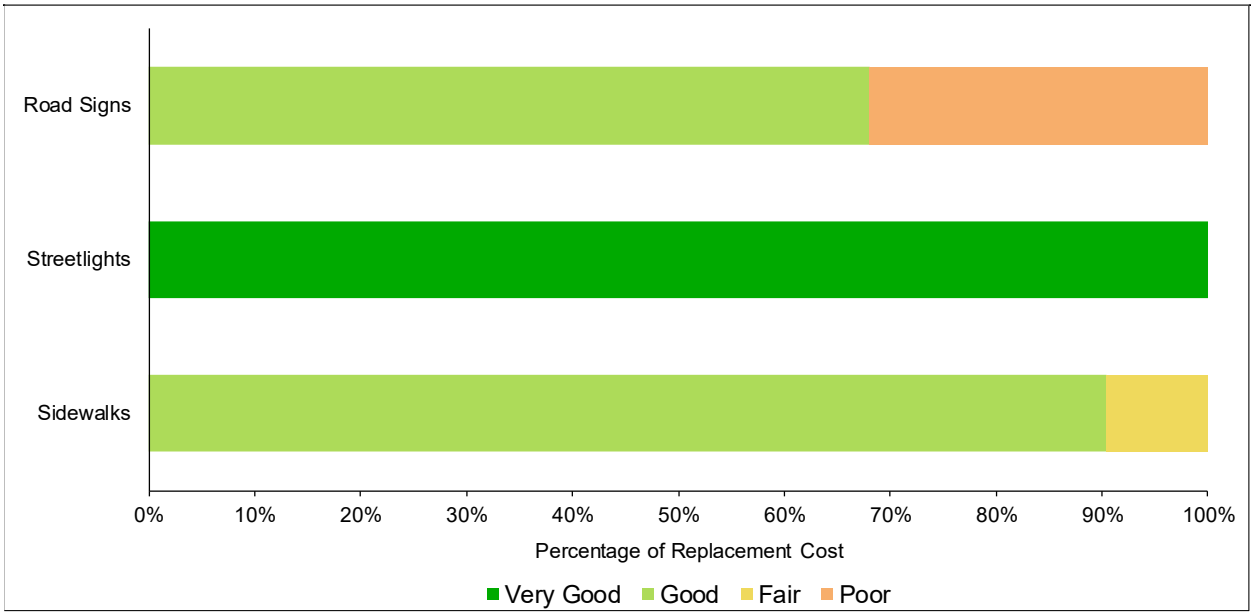
Table 2-5: Condition States Defined with Respect to ULC%

ULC%	Condition State
0% ≤ ULC% ≤ 45%	Very Good
45% < ULC% ≤ 90%	Good
90% < ULC% ≤ 100%	Fair
100% < ULC% ≤ 125%	Poor
125% < ULC%	Very Poor

The Township replaced and upgraded its streetlights to LED lighting in 2015. Based on their current ages, the Township's streetlights have consumed 40% of their expected useful service lives, indicating that they are currently in a 'Very Good' condition state.

The distribution of the replacement cost of the Township's road-related assets by condition state and asset type is illustrated in Figure 2-4.

Figure 2-4: Road-related Assets – Distribution (by replacement cost) of Assets by Condition State and Asset Type



2.1.3 Levels of Service

The levels of service currently provided by the Township's transportation system are, in part, a result of the state of local infrastructure identified above. The levels of service framework presented in this subsection identifies both the levels of service that assets are currently providing as well as the proposed levels of service (target performance) that the Township is striving towards.

The tables are structured as follows:

- The Service Attribute column in Table 2-6 indicates the high-level attribute being addressed;
- The Community Levels of Service column in Table 2-6 explains the Township's intent in plain language and provides additional information about the service being provided;
- The Performance Measure column in Table 2-7 describes the performance measure(s) connected to the identified service attribute;

- The Current Performance column in Table 2-7 identifies the current level of service with respect to each performance measure based on the best available data; and
- The Target Performance column in Table 2-7 identifies the proposed level of service with respect to each performance measure.

Table 2-6: Transportation Assets – Community Levels of Service

Service Attribute	Community Levels of Service
Scope	Residents and visitors use the Township's transportation network to travel from properties to local amenities and regional county and provincial roads. The Township's transportation network also supports various recreational activities, including the use of recreational vehicles, such as ATVs and snowmobiles, cycling, and walking. Various municipal services also rely on the road network, including road maintenance by public works, garbage and recycling collection, and emergency services. Examples of businesses that use the road network include agriculture and forestry. For agriculture, transportation services support both relocation of farming equipment and shipping & receiving. Forestry uses the road network for timber transport.
	The scope of the Township's road network is illustrated by the map in Map 2-1. The map shows the geographical distribution of municipal roads by surface type.
Quality	The Township's road network has adequate surface quality that meets the needs of most users of the roads system.
	Example photos of roads in different condition states are show in Table 2-3.
Capacity	The Township's transportation network provides support to alternative transportation modes on higher traffic roads.

Table 2-7: Transportation Assets – Technical Levels of Service

Service Attribute	Performance Measure	2024 Performance	2026-2035 Performance
Scope	Number of lane-kilometres of arterial roads as a proportion of square kilometres of land area of the municipality.	0 km per km^2	0 km per km^2

Service Attribute	Performance Measure	2024 Performance	2026-2035 Performance
	Number of lane-kilometres of collector roads as a proportion of square kilometres of land area of the municipality.	0.75 km per km^2	0.75 km per km^2
	Number of lane-kilometres of local roads as a proportion of square kilometres of land area of the municipality.	0.68 km per km^2	0.68 km per km^2
	Lane-kilometres of gravel roads as a percentage of the total lane-kilometres of the road network.	27.6%	27.6%
	Number of signs per lane-kilometre of roads.	1.75 signs per lane-km	1.75 signs per lane-km
	Number of streetlights per lane-kilometre of roads.	1.03 streetlights per lane-km	1.03 streetlights per lane-km
	Metres of sidewalk per lane-kilometre of roads.	11.29 km per lane-km	11.29 km per lane-km
Quality	Average PCI rating of paved roads.	PCI = 61.5	PCI ≥ 65
	Average surface condition of unpaved roads.	Good	Good
	Kilometers of paved roads with PCI rating less than 40.	31.98 km (24%)	Minimize
	Kilometres (and percentage) of unpaved roads with condition rating of poor.	0 km (0%)	0 km (0%)
Capacity	Lane-kilometres of roads with shoulders designed to support cycling.	2.8 lane-km	2.8 lane-km

2.2 Fleet and Equipment

2.2.1 State of Local Infrastructure

The Township owns and manages a number of fleet and equipment assets that assist in the provision of the various services the Township provides to the public. The Township's inventory of fleet assets comprises vehicles ranging from passenger vehicles and pickup trucks to plow trucks and fire apparatus such as tankers, pumpers, and rescue vehicles. The Township's inventory of equipment assets comprises heavy

equipment assets (e.g., graders, backhoes, tractors, etc.) as well as a number of smaller pieces of equipment (e.g., generators, steamers, trailers, etc.) utilized by Transportation Services. The inventory also includes equipment utilized by Fire Services (e.g., radios, extrication equipment, self-contained breathing apparatus, etc.), Environmental Services (e.g., landfill compactor, landfill weigh scale, etc.), Recreation and Cultural Services (e.g., play structures, ice-resurfacers, tractors, etc.), and General Government (e.g., IT infrastructure, furniture and fixtures, etc.).

The estimated current replacement cost of the Township's fleet and equipment assets is $13.7 million. Assets utilized by Fire Services represent the largest share of total replacement cost at $5.3 million (39%), followed by assets utilized by Transportation Services at $4.8 million (35%), assets utilized by Environmental Services at $1.6 million (12%), assets utilized by Recreation and Cultural Services at $1.5 million (11%), and lastly, General Government assets at $546,000 (4%). The average age of all of the Township's fleet and equipment assets is 9.2 years.

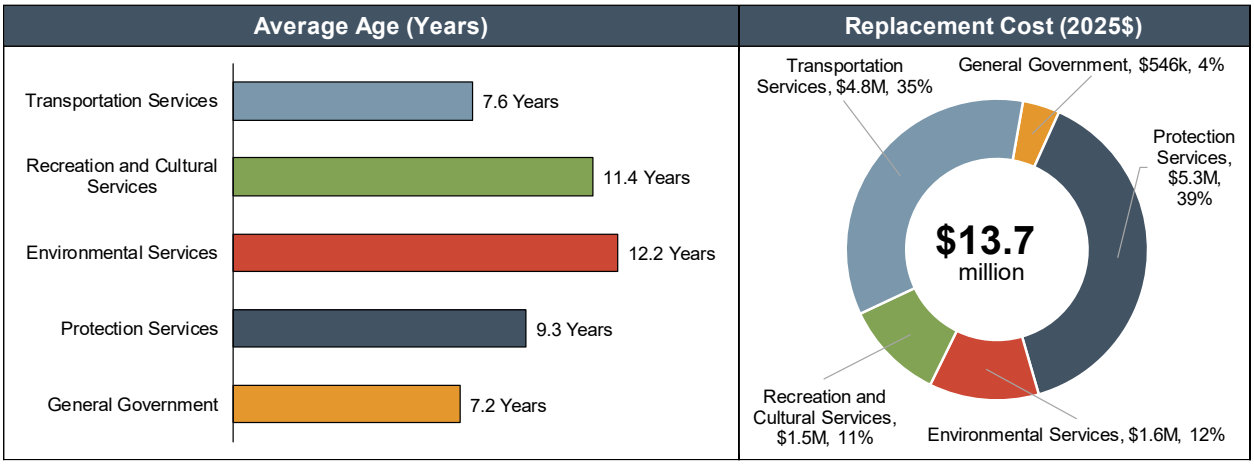
Table 2-8 summarizes the average age and estimated current replacement cost of the Township's fleet and equipment assets by service area. This information is presented graphically in Figure 2-5.

Table 2-8: Fleet and Equipment – Average Age and Replacement Cost

Service Area	Average Age[1]	Replacement Cost (2025$)
General Government	7.2 years	$546,000
Protection Services	9.3 years	$5,327,000
Environmental Services	12.2 years	$1,615,000
Recreation and Cultural Services	11.4 years	$1,473,000
Transportation Services	7.6 years	$4,778,000
Total	**9.2 years**	**$13,739,000**

[1] Weighted average utilizing replacement cost of assets as weights.

Figure 2-5: Fleet and Equipment – Average Age and Replacement Cost



2.2.2 Condition

The Township evaluates the condition of its fleet and equipment assets annually through staff-led assessments of their observed physical condition. As part of these assessments, staff assign a qualitative condition rating to each asset utilizing the condition state segmentation as summarized in Table 2-9.

Table 2-9: Fleet and Equipment – Definition of Condition States

Condition State	Definition
Very Good	More than 75% of expected service life remaining.
Good	Between 50% to 75% of expected service life remaining.
Fair	Between 25% to 50% of expected service life remaining.
Poor	Less than 25% of expected service life remaining.
Critical	Asset requires immediate replacement.

Table 2-10 summarizes the average condition states of the Township's fleet and equipment assets by service area.

Table 2-10: Fleet and Equipment – Average Condition States by Service Area

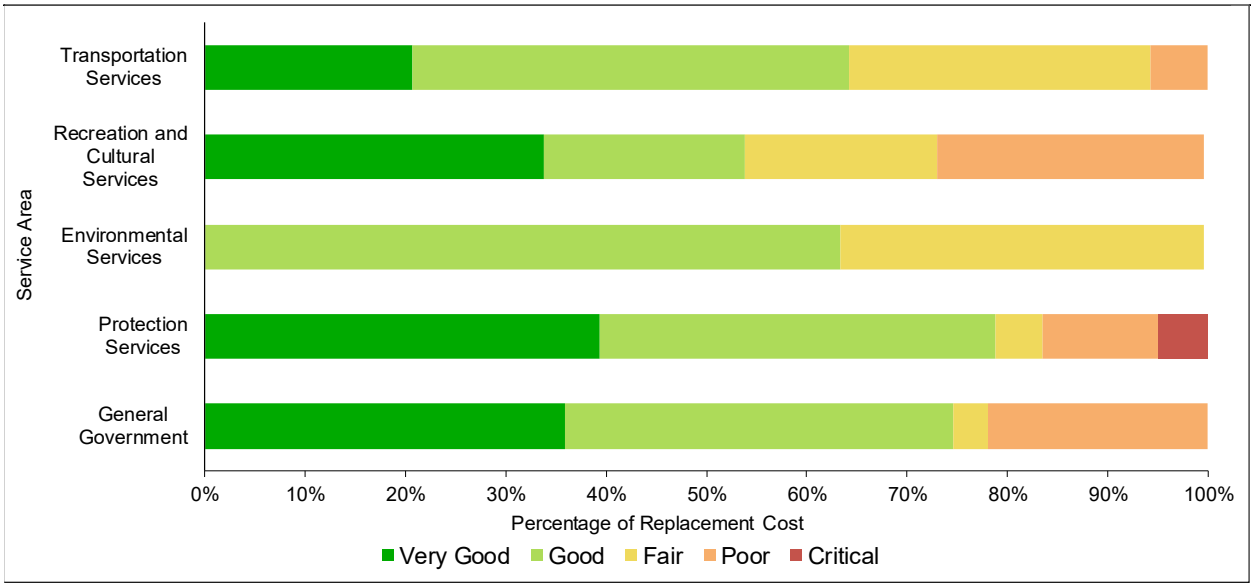
Service Area	Average Condition State[1]
General Government	Good
Protection Services	Good
Environmental Services	Good
Recreation and Cultural Services	Good
Transportation Services	Good
Overall Average	**Good**

The distribution of fleet and equipment assets by condition state is illustrated in Figure 2-6 and by condition state and service area in Figure 2-3.

Figure 2-6: Fleet and Equipment – Distribution (by replacement cost) of Assets by Condition State

[1]Weighted average utilizing replacement cost of assets as weights.

Figure 2-7: Fleet and Equipment - Distribution (by replacement cost) of Assets by Condition State and Service Area



2.2.3 *Levels of Service*

This subsection presents the Township's levels of service framework for its fleet and equipment assets. Table 2-11 presents the Township's Service Attributes and Community Levels of Service for its fleet and equipment assets while Table 2-12 presents the Township's Technical Levels of Service (i.e., performance measures) for its fleet and equipment assets, including current and target performance. Please refer to Section 2.1.3 for further details on the Township's levels of service framework.

Table 2-11: Fleet and Equipment – Community Levels of Service

Service Attribute	Community Levels of Service
Safety	The Township regularly inspects its fleet and equipment assets to ensure they are safe for use.
Reliability	The Township strives to minimize the number and impact of unplanned repair/maintenance activities performed on its fleet and equipment assets.

Table 2-12: Fleet and Equipment – Technical Levels of Service

Service Attribute	Performance Measure	2024 Performance	2026-2035 Performance
Safety	Percentage of commercial fleet assets and fire apparatus that underwent at least one inspection in the calendar year.	100%	100%
Reliability	Replacement cost of in-service fleet assets in "Critical" condition as a percentage of the total replacement cost of all in-service fleet assets.	3.6%	0%
	Replacement cost of in-service equipment assets in "Critical" condition as a percentage of the total replacement cost of all in-service equipment assets.	0.1%	0%

2.3 Facilities

2.3.1 State of Local Infrastructure

The Township owns and manages 22 facilities that support the delivery of various municipal services. These facilities include the municipal office, four public works facilities, 12 recreation facilities, three fire stations, and two buildings located at the Township's landfill site.

The estimated current replacement cost of Township's facilities is $28.0 million. Recreation facilities represent the largest share of replacement cost at $10.4 million (37%), followed by administrative facilities (i.e., the municipal office) at $8.7 million (31%), public works facilities at $5.4 million (19%), fire stations at $3.0 million (11%), and lastly, waste management facilities at $374,000 (1%). The average age across all of the Township's facilities is 24.8 years.

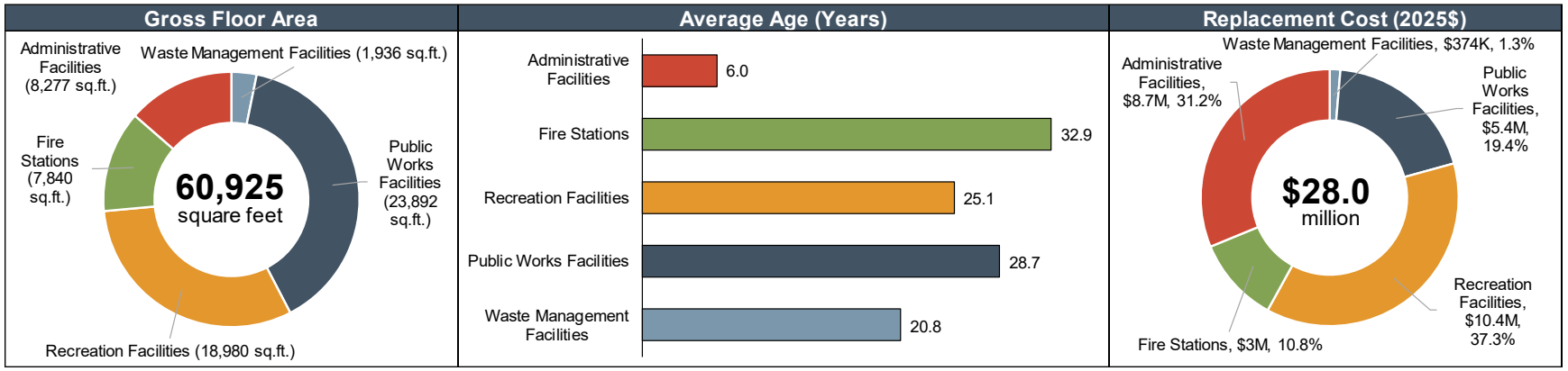
Table 2-13 summarizes the gross floor area, average age, and estimated current replacement cost of the Township's facilities by facility type. This information is presented graphically in Figure 2-8.

Table 2-13: Facilities – Gross Floor Area, Average Age, and Replacement Cost by Facility Type

Facility Type	Gross Floor Area	Average Age[1]	Replacement Cost (2025$)
Waste Management Facilities	1,936 ft^2	20.8 years	$374,000
Public Works Facilities	23,892 ft^2	28.7 years	$5,425,000
Recreation Facilities	18,980 ft^2	25.1 years	$10,439,000
Fire Stations	7,840 ft^2	32.9 years	$3,019,000
Administrative Facilities	8,277 ft^2	6.0 years	$8,745,000
Total	**60,925 ft^2**	**24.8 years**	**$28,002,000**

[1] Weighted average utilizing gross floor area of facilities as weights.

Figure 2-8: Facilities – Gross Floor Area, Average Age, and Replacement Cost by Facility Type



2.3.2 Condition

The Township assesses the condition of its facilities through Building Condition Assessments (BCAs) completed by an external service provider. The BCAs identify repair, maintenance, rehabilitation, and replacement requirements for facilities at a component level over a 10-year forecast horizon. As part of the BCAs, individual facility components are inspected, and the assessors assign a remaining useful life to each component based on the observed condition. Facility Condition Index (FCI) ratings are also calculated to provide an overall measure of each facility's condition. FCI ratings are calculated by forecasting the repair, maintenance, rehabilitation, and replacement requirements for each building over a 10-year forecast horizon and expressing the sum of forecasted requirements as a percentage of the replacement cost of the facility (termed '10-year FCI rating').

To better communicate the condition of facilities, the BCAs convert FCI ratings into qualitative condition states as summarized in Table 2-14. The scale is set to show that if the sum of forecasted expenditures over a 10-year forecast horizon for a given facility is lower than 5% of the building's current replacement value, the facility would be deemed to be in a "Good" condition state. Conversely, if the sum of forecasted expenditures over a 10-year forecast horizon for a given facility is higher than 30% of the building's current replacement value, the facility would be deemed to be in a "Critical" condition state. The Township should ensure that facility components are repaired, rehabilitated, and/or replaced in a timely manner to ensure that they continue performing as intended and to reduce the potential for component failures.

Table 2-14: Facilities – Definition of Condition States with Respect to FCI%

Condition State	FCI Rating
Good	0% ≤ FCI Rating < 5%
Fair	5% ≤ FCI Rating < 10%
Poor	10% ≤ FCI Rating ≤ 30%
Critical	30% ≤ FCI Rating

The Township commenced an update to the BCAs for its facilities earlier this year. The preliminary outputs of the updated BCAs, which are due to be finalized in the near future, are being utilized to establish the current condition of the Township's facilities presented in this subsection. The 10-year cumulative FCI rating for all Township

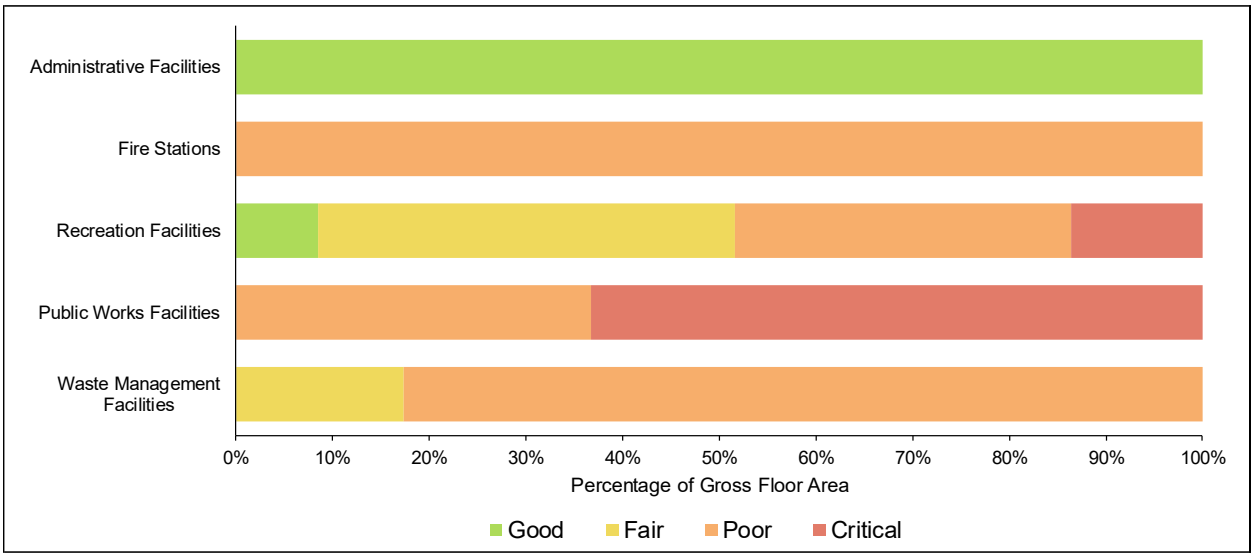
facilities is 11.95%, indicating that facilities are currently in an overall 'Poor' condition state. Table 2-15 summarizes the average FCI rating and associated condition states of the Township's facilities by facility type.

Table 2-15: Facilities – FCI Ratings and Condition States by Facility Type

Facility Type	Average FCI Rating[1]	Condition State
Waste Management Facilities	9.89%	Fair
Public Works Facilities	30.32%	Critical
Recreation Facilities	9.85%	Fair
Fire Stations	17.52%	Poor
Administrative Facilities	1.22%	Good
Overall	**11.95%**	**Poor**

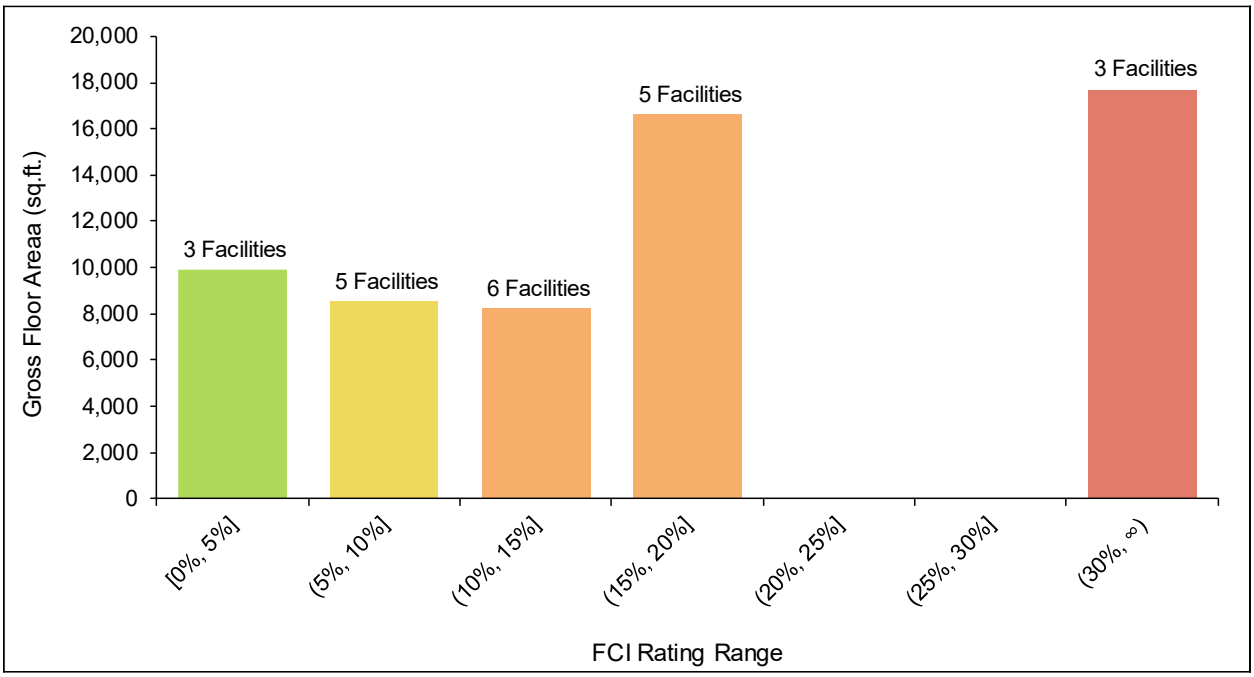
The distribution of the Township's facilities by condition state and facility classification is illustrated in Figure 2-9 and by FCI rating range is illustrated in Figure 2-10.

Figure 2-9: Facilities – Distribution (by gross floor area) of Facilities by Condition State and Facility Type



[1]Weighted average utilizing replacement cost of facilities as weights.

Figure 2-10: Facilities - Distribution (by gross floor area) of Facilities by FCI Rating



2.3.3 *Levels of Service*

This subsection presents the Township's levels of service framework for its facilities. Table 2-16 presents the Township's Service Attributes and Community Levels of Service while Table 2-17 presents the Township's Technical Levels of Service (i.e., performance measures), including current and target performance. Please refer to Section 2.1.3 for further details on the Township's levels of service framework.

Table 2-16: Facilities – Community Levels of Service

Service Attribute	Community Levels of Service
Capacity	The Township strives to align the capacity of its facilities with the service demands of its community.
Safety	The Township prioritizes the safety of all users of its facilities.

Table 2-17: Facilities – Technical Levels of Service

Service Attribute	Performance Measure	2024 Performance	2026-2035 Performance
Capacity	Gross floor area (sq.ft.) of recreation facilities per 1,000 residents.	2,500 ft^2[1]	2,500 ft^2
	Gross floor area (sq.ft.) of public works facilities per 1,000 residents.	3,147 ft^2[1]	4,135 ft^2
	Gross floor area (sq.ft.) of fire stations per 1,000 residents.	1,033 ft^2[1]	1,362 ft^2
	Gross floor area (sq.ft.) of administrative facilities per 1,000 residents.	1,090 ft^2[1]	1,090 ft^2[1]
	Gross floor area (sq.ft.) of waste management facilities per 1,000 residents.	255 ft^2[1]	255 ft^2[1]
Safety	Percentage of staffed facilities that undergo monthly health and safety inspections.	100%	100%

2.4 Population and Employment Growth

O. Reg. 588/17 requires municipalities with a population less than 25,000, as reported in the most recent census, to assess impacts of future changes in population or economic activity on the lifecycle management of assets and the supporting financial strategy. Based on the County of Renfrew Official Plan, the Township's population is projected to grow to 8,145 residents by 2036, representing a 7.3% increase from its 2021 census population of 7,591 residents (0.47% annually).

Continued population growth would result in incremental service demands that are expected to have material impacts on the levels of service the Township proposes to provide to the public. Service impacts have been assessed through discussions with both Township staff and Council and have been incorporated into the proposed levels of service targets presented earlier in this chapter. The key levels of service impacts are summarized below:

- Increased demand for Fire Services due to higher population density;

[1]2024 performance utilizes population figures from 2021 census.

- Increased demand for services provided by the Public Works department; and
- Increased traffic volumes on Township roadways.

To address the anticipated increased service demands, the Township is planning to construct additional facility space to support Fire Services and Public Works. The costs associated with these activities have been fully incorporated into the capital expenditure forecasts presented in Chapter 3 as well as the financial strategy presented later in Chapter 4.

Chapter 3
Lifecycle Management Strategies

3. Lifecycle Management Strategies

3.1 Introduction

The lifecycle management strategies in this asset management plan identify the lifecycle activities that would need to be undertaken to provide the proposed levels of service presented earlier in Chapter 2. Within the context of this asset management plan, lifecycle activities are the specific actions that need to be performed on an asset in order to ensure it is performing as expected and/or to prolong its remaining service life. These actions can be carried out on a planned schedule in a prescriptive manner or through a dynamic approach where the lifecycle activities are only carried out when specified conditions are met. In accordance with O. Reg. 588/17, the lifecycle activities and associated costs presented in this chapter consider the full lifecycle of assets. In general terms, an asset's lifecycle starts with its initial planning and acquisition (or construction), includes both the capital and significant operating/maintenance activities the asset is expected to undergo throughout its life, and ends with its eventual disposal. Additionally, O. Reg. 588/17 requires that all potential lifecycle activity options be assessed, with the aim of identifying the set of lifecycle activities that can be undertaken at the lowest cost to provide the proposed levels of service.

The following subsections summarize the lifecycle activity models developed for the Township's assets and present the annual capital cost of undertaking the lifecycle activities required to provide the proposed levels of service over the next 10 years. The Township should plan to regularly update the underlying data informing the forecasts presented in this chapter to ensure continual alignment with the Township's evolving asset management environment.

3.2 Transportation

This section presents an estimate of costs associated with achieving the proposed levels of service for the Township's transportation assets presented earlier in Section 2.1.3.

To derive the capital expenditure forecast for the Township's paved roadways, lifecycle models were developed utilizing the Township's *Streetlogix Asset Management Platform*. The lifecycle models respond to Township's proposed levels of service and

were informed through discussions with the Township's asset managers as well as the Township's most recent (2023) Road Needs Study.

The Township expects to maintain its gravel roadways by ensuring the timely completion of maintenance activities (e.g., dust suppressant applications, periodic re-grading, period re-application of granular, etc.) funded through its annual operating budgets. These maintenance activities are expected to maintain the Township's gravel roadways in adequate condition over the long-term and gravel roads are not forecasted to incur any capital expenditures over the 10-year forecast horizon. As such, the annual cost of gravel road maintenance is excluded from the capital expenditure forecast presented herein but has been incorporated into the financial strategy presented later in Chapter 4.

Lastly, the Township undertakes the replacements of its road-related assets in conjunction with road reconstruction projects. The capital expenditure forecast presented herein includes an annual allowance to undertake the replacements of road-related assets in coordination with planned road reconstructions.

As mentioned earlier, the capital expenditure forecast presented in this section responds to the proposed levels of service presented in Section 2.1.3. Specifically, the forecasted capital activities are expected to increase the average PCI rating of paved roads to above target levels (≥ 65) by 2030 and are expected to produce an average PCI rating of 66.45 by 2039. To note, the distribution of the Township's road network by surface type is proposed to be maintained at its current ratio and as such, no surface conversion projects are expected over the 10-year forecast horizon.

The 10-year capital expenditure forecast for the Township's transportation network is illustrated in Figure 3-1 and presented in tabular form in Table 3-1. Average annual expenditures over the forecast period have been estimated at approximately $2.5 million.

Figure 3-1: Transportation – Capital Expenditure Forecast (Uninflated)

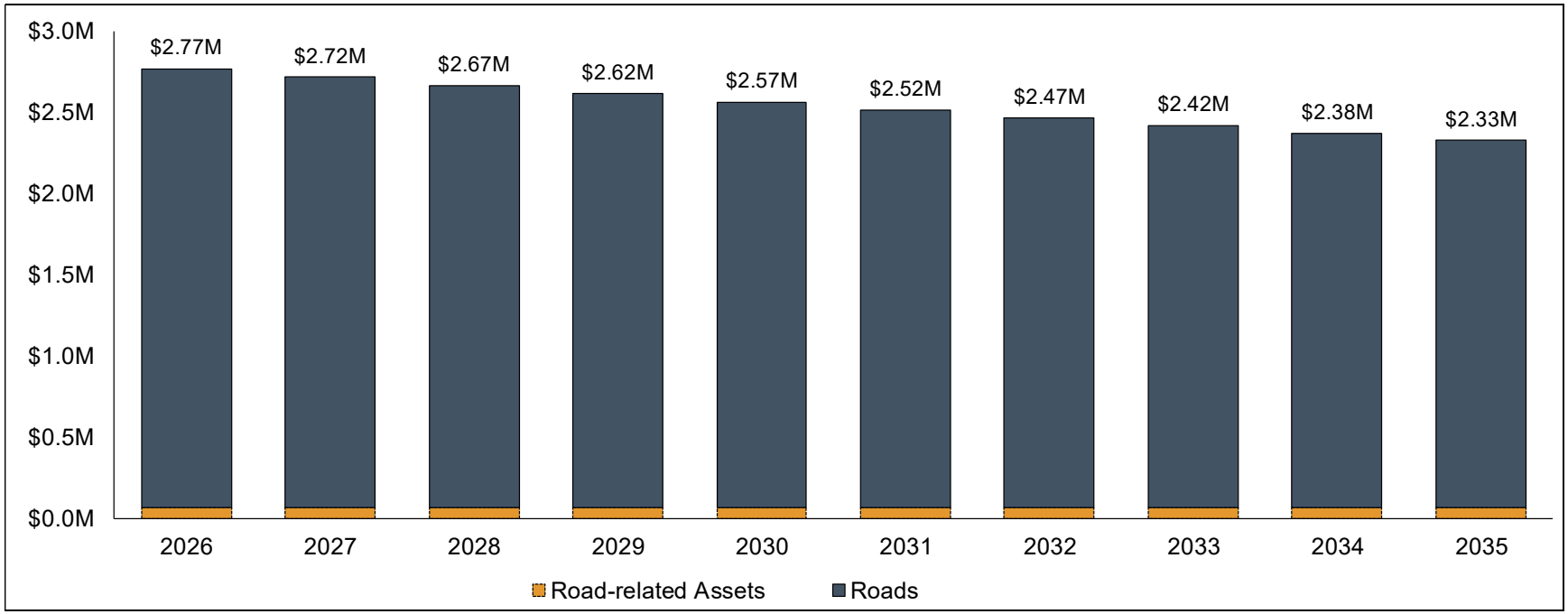


Table 3-1: Transportation – Capital Expenditure Forecast (Uninflated)

Asset Type	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Roads	$2,706,000	$2,652,000	$2,601,000	$2,550,000	$2,500,000	$2,450,000	$2,402,000	$2,355,000	$2,309,000	$2,264,000
Road-related Assets	$67,000	$67,000	$67,000	$67,000	$67,000	$67,000	$67,000	$67,000	$67,000	$67,000
Total	**$2,773,000**	**$2,719,000**	**$2,668,000**	**$2,617,000**	**$2,567,000**	**$2,517,000**	**$2,469,000**	**$2,422,000**	**$2,376,000**	**$2,331,000**

3.3 Fleet & Equipment

This section presents an estimate of costs associated with achieving the proposed levels of service for the Township's fleet and equipment assets presented earlier in Section 2.2.3. The capital expenditure forecast for the Township's fleet and equipment assets was derived based on the remaining service life of individual assets, as assessed through the most recent condition assessment (refer to Section 2.2.2 for further details).

The proposed levels of service for the Township's fleet and equipment assets are to ensure assets are maintained in adequate condition to continue performing as expected in support of municipal service delivery. The Township will accomplish this by undertaking timely replacements of ageing and poor performing assets and through the completion of regular maintenance activities. The capital expenditure forecast presented in this section includes the costs associated with the timely replacements of assets based on current best estimates of their remaining service lives.

The 10-year capital expenditure forecast for the Township's fleet and equipment assets is illustrated in Figure 3-2 and presented in tabular form in Table 3-2. Average annual expenditures over the forecast period have been estimated at $718,000. The current backlog of fleet and equipment assets comprises assets with 'Critical' condition rating, and is valued at $271,000. Replacements of these assets are included within the capital expenditure forecast presented in Figure 3-2 and Table 3-2.

Figure 3-2: Fleet and Equipment - Capital Expenditure Forecast (Uninflated)

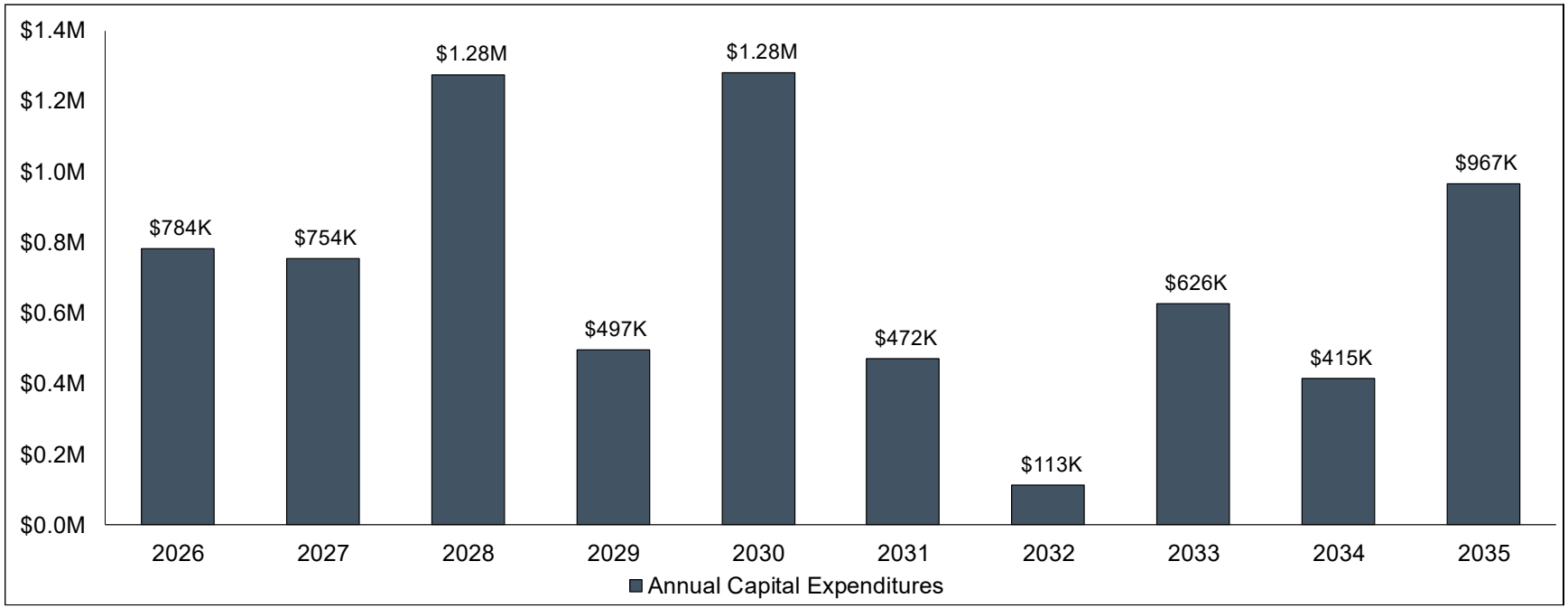


Table 3-2: Fleet and Equipment – Capital Expenditure Forecast (Uninflated)

Service Area	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
General Government	-	-	$55,000	$19,000	$112,000	$45,000	-	$12,000	$36,000	$40,000
Protection Services	$17,000	$83,000	$664,000	$402,000	$121,000	$349,000	-	$93,000	$106,000	$736,000
Environmental Services	-	-	-	-	$463,000	-	-	-	$6,000	-
Recreation and Cultural Services	$180,000	$232,000	$156,000	$62,000	$169,000	$62,000	$21,000	$24,000	$111,000	$73,000
Transportation Services	$587,000	$439,000	$400,000	$14,000	$416,000	$16,000	$92,000	$497,000	$156,000	$118,000
Total	**$784,000**	**$754,000**	**$1,275,000**	**$497,000**	**$1,281,000**	**$472,000**	**$113,000**	**$626,000**	**$415,000**	**$967,000**

3.4 Facilities

This section presents an estimate of costs associated with achieving the proposed levels of service for the Township's facilities presented earlier in Section 2.3.3. The capital expenditure forecast for the Township's facilities was derived based on the preliminary results of its 2025 BCAs (due to be finalized in the near future) and includes the timely replacement of ageing and poor performing assets as well as required rehabilitation work (refer to Section 2.3.2 for further details on the preliminary results of the Township's 2025 BCAs).

The Township is currently experiencing operational capacity constraints related to its public works facilities and fire stations. The Township plans to address these constraints by consolidating its roads garage on Russet Drive and fire station #1 into a combined public works and fire services operations centre. This project is expected to increase the gross floor area of public works facilities and fire stations by approximately 10,000 square feet, corresponding to an approximately 32% increase relative to the current gross floor area of facilities supporting those two services areas. This increase in facility space is expected to both address the existing capacity constraints and provide additional capacity for expanding operations as the Township grows. The cost associated with the construction of the joint-operations centre is expected to be incurred over the two-year period from 2027-2028 and is included within the capital expenditure forecast presented in this section.

The 10-year capital expenditure forecast for the Township's facilities is illustrated in Figure 3-3. Average annual expenditures over the forecast period have been estimated at approximately $997,000, with the bulk of expenditures relating to the expansion of facility space for public works and fire services.

Figure 3-3: Facilities - Capital Expenditure Forecast (Uninflated)

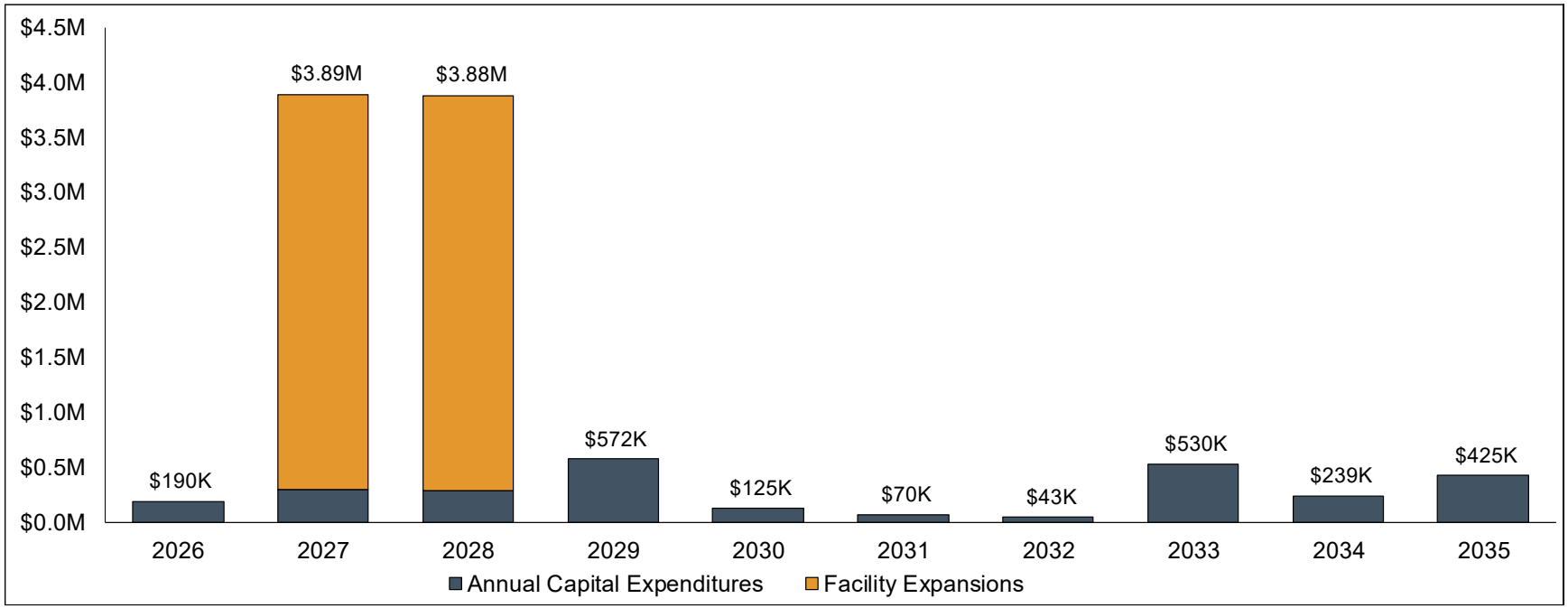


Table 3-3: Fleet and Equipment – Capital Expenditure Forecast (Uninflated)

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Capital Expenditures	$190,000	$295,000	$282,000	$572,000	$125,000	$70,000	$43,000	$530,000	$239,000	$425,000
Facility Expansions	-	$3,600,000	$3,600,000	-	-	-	-	-	-	-
Total	**$190,000**	**$3,895,000**	**$3,882,000**	**$572,000**	**$125,000**	**$70,000**	**$43,000**	**$530,000**	**$239,000**	**$425,000**

Chapter 4
Financial Strategy

4. Financial Strategy

4.1 Introduction

The financial strategy that supports this asset management plan is designed to fulfill the following key objectives:

- Identify the level of capital financing available annually to undertake the lifecycle activities presented previously in Chapter 3, which respond to the Township's proposed levels of service outlined earlier in Chapter 2;
- Identify the various sources of capital financing on an annual basis and outline a plan to address/mitigate the impacts of any identified financing shortfalls; and
- Develop a strategy to achieve financial sustainability and intergenerational equity as it relates to the Township's infrastructure assets over the long-term.

In support of these objectives, a comprehensive financial strategy model was developed for the Township utilizing key financial data including, but not limited to:

- The Township's most recent (2025) Council approved operating budget;
- The Township's most recent (2025) five-year capital plan;
- The Township's reserve and reserve fund continuity schedules;
- The Township's debt continuity schedules; and
- MPAC property assessment details.

The subsequent sections of this chapter present the outputs of the financial strategy modelling work that was conducted to support this asset management plan. The financial strategy presented in this chapter not only identifies the financing plan to undertake the lifecycle activities outlined in Chapter 3 but also identifies the level of capital funding required to be provided to assets on an annual basis to ensure financial sustainability. Alongside this, the strategy also outlines the financial impacts of gradually achieving that funding level on both the Township's financial condition as well as on property owners.

It should be noted here that the financial strategy presented herein is a suggested approach which should be examined and re-evaluated as part of the Township's annual budgeting process to ensure continual alignment with the Township's changing financial position and evolving asset management environment.

4.2 Annual Capital Expenditure Forecast

This section summarizes the cost associated with undertaking the lifecycle activities identified earlier in Chapter 3. Capital expenditures over the 10-year forecast horizon are expected to total $42.6 million, an average of $4.3 million annually, in current (2025) dollars. Incorporating inflationary adjustments over the forecast period, capital expenditures in nominal terms are expected to total $53.6 million, an average of $5.4 million annually.

Figure 4-1 presents the overall capital expenditure forecast for the Township's assets on an inflated basis and this information is provided in tabular form in Table 4-3.

Figure 4-1: Overall Capital Expenditure Forecast (Inflated)

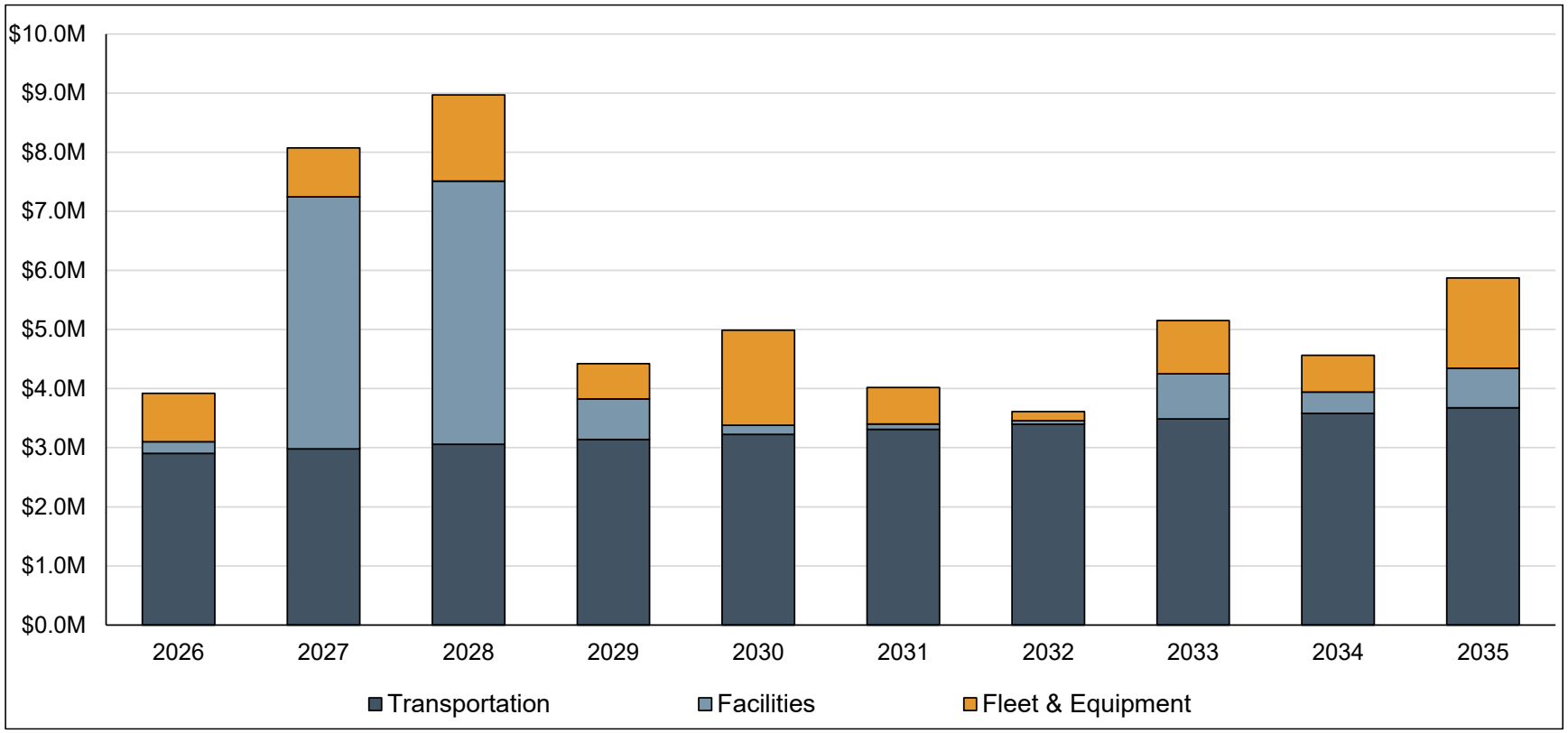


Table 4-1: Overall Capital Expenditure Forecast (Inflated)

Asset Category	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Fleet & Equipment	$820,000	$826,000	$1,462,000	$597,000	$1,608,000	$619,000	$156,000	$902,000	$624,000	$1,527,000
Facilities	$199,000	$4,266,000	$4,451,000	$686,000	$156,000	$92,000	$58,000	$764,000	$361,000	$670,000
Transportation	$2,902,000	$2,979,000	$3,058,000	$3,140,000	$3,223,000	$3,309,000	$3,397,000	$3,488,000	$3,581,000	$3,676,000
Total	**$3,921,000**	**$8,071,000**	**$8,971,000**	**$4,423,000**	**$4,987,000**	**$4,020,000**	**$3,611,000**	**$5,154,000**	**$4,566,000**	**$5,873,000**

4.3 Annual Capital Financing Forecast

This section summarizes the sources of financing expected to be available to undertake the capital expenditures identified in Section 4.2.

Capital expenditures are expected to be financed through a combination of the Township's annual *Ontario Community Infrastructure Fund* (OCIF) transfer payment allocations, annual *Canada Community-Building Fund* (CCBF) transfer payment allocations, funds projected to be available in the Township's tax-funded capital reserves and reserve funds, and external debt.

Figure 4-2 presents the capital financing forecast for the Township's infrastructure assets and this information is provided in tabular form in Table 4-2.

Figure 4-2: Capital Financing Forecast (Inflated)

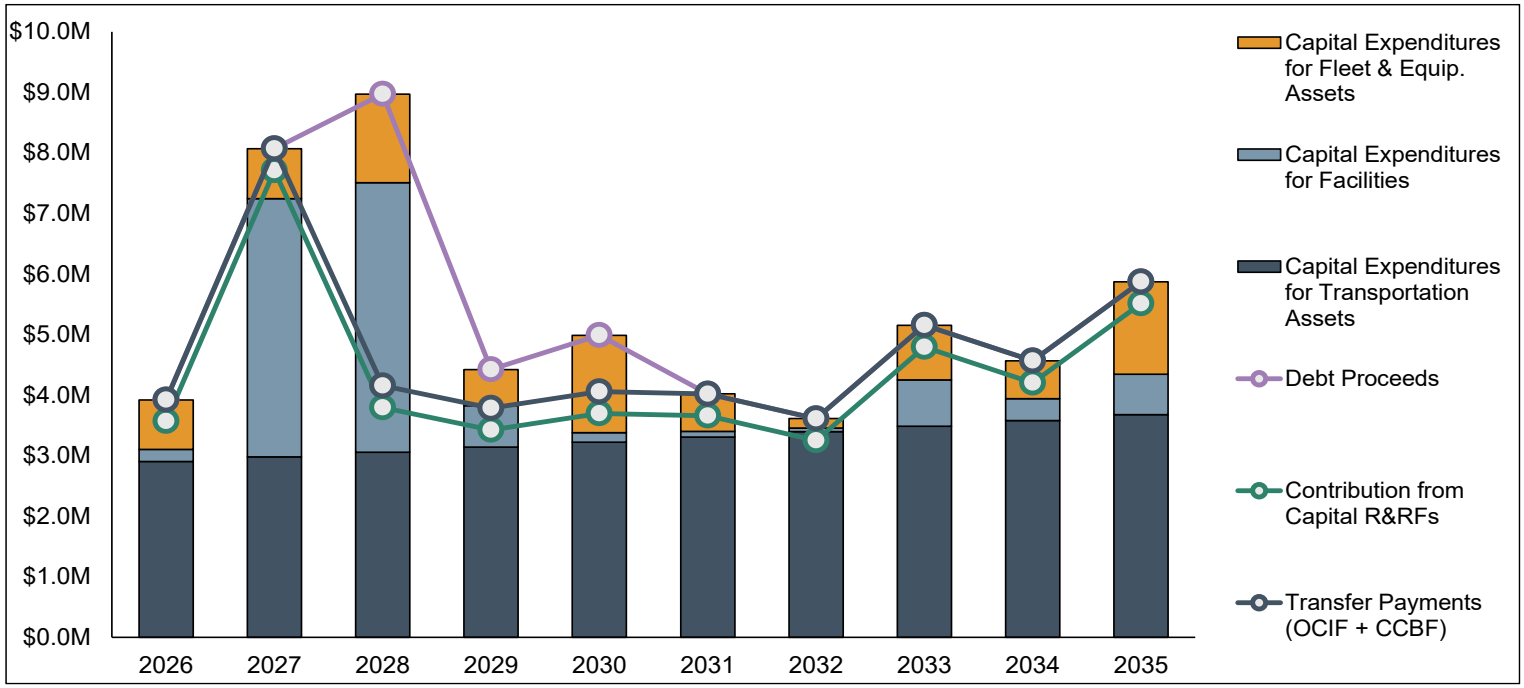


Table 4-2: Capital Financing Forecast (Inflated)

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital Expenditures										
Fleet & Equipment	$820,000	$826,000	$1,462,000	$597,000	$1,608,000	$619,000	$156,000	$902,000	$624,000	$1,527,000
Facilities	$199,000	$4,266,000	$4,451,000	$686,000	$156,000	$92,000	$58,000	$764,000	$361,000	$670,000
Transportation	$2,902,000	$2,979,000	$3,058,000	$3,140,000	$3,223,000	$3,309,000	$3,397,000	$3,488,000	$3,581,000	$3,676,000
Total Capital Expenditures	**$3,921,000**	**$8,071,000**	**$8,971,000**	**$4,423,000**	**$4,987,000**	**$4,020,000**	**$3,611,000**	**$5,154,000**	**$4,566,000**	**$5,873,000**
Capital Financing										
Contribution from Capital R&RFs	$3,568,457	$7,708,513	$3,794,103	$3,423,682	$3,695,771	$3,657,513	$3,248,513	$4,791,513	$4,203,513	$5,510,513
Transfer Payments (OCIF + CCBF)	$352,543	$352,543	$352,543	$352,543	$352,543	$352,543	$352,543	$352,543	$352,543	$352,543
Debt Proceeds	-	-	$4,814,409	$636,830	$928,742	-	-	-	-	-
Total Capital Financing	**$3,921,000**	**$8,071,000**	**$8,971,000**	**$4,423,000**	**$4,987,000**	**$4,020,000**	**$3,611,000**	**$5,154,000**	**$4,566,000**	**$5,873,000**

4.4 Current Annual Lifecycle Funding Target & Infrastructure Funding Gap

An annual lifecycle funding target represents the level of funding that would be required annually to fully finance a lifecycle management strategy over the long term. By planning to achieve this annual funding level, the Township would theoretically be able to fully fund capital works as they arise. In practice, however, capital expenditures are characterized by peaks and valleys and often fluctuate year-to-year based on the lifecycle activities being undertaken. By planning to achieve the lifecycle funding target over the long term, the periods of relatively low capital needs would allow for the building up of lifecycle reserve funds that could be drawn upon in times of relatively high capital needs.

The annual lifecycle funding target for the Township's infrastructure assets is $4.25 million (in 2025 dollars). A breakdown of the lifecycle funding target by asset category is illustrated in Figure 4-3 and provided in tabular form in Table 4-3.

Figure 4-3: Annual Lifecycle Funding Target (2025$) by Asset Category

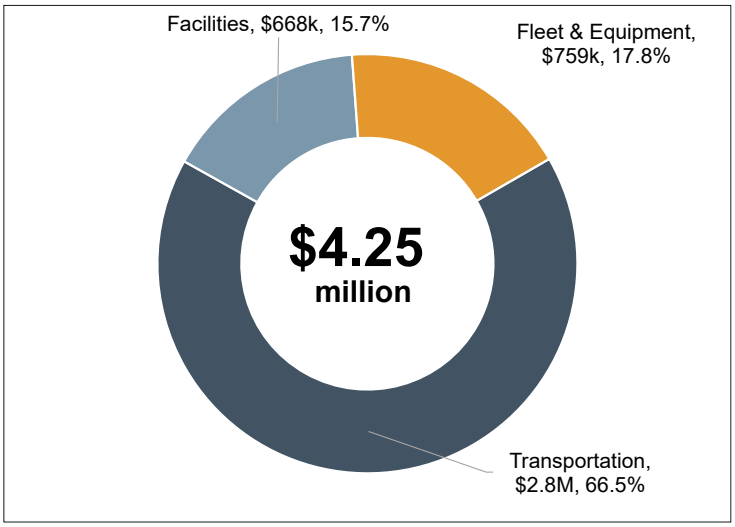


Table 4-3: Annual Lifecycle Funding Target (2025$) by Asset Category

Asset Category	Annual Lifecycle Funding Target (2025$)
Transportation	$2,827,000
Facilities	$668,000
Fleet & Equipment	$759,000
Total	**$4,254,000**

Relative to this annual lifecycle funding target, the Township allocated approximately $3.38 million towards capital-related needs in its 2025 Council approved budget for its tax-funded assets. This allocation comprised approximately $353,000 from on-going transfer payment revenues (i.e., OCIF and CCBF), approximately $313,000 in debt repayments for debt previously incurred to fund tangible capital asset purchases, approximately $1.5 million in contributions to capital reserves and reserve funds, and lastly, approximately $1.2 million that was directly allocated from the 2025 tax levy to fund in-year capital expenditures.

A breakdown of the capital funding budgeted in the Township's 2025 Council approved budget for its tax-funded assets is illustrated in Figure 4-4 and provided in tabular form in Table 4-4.

Figure 4-4: Capital Funding Allocated in 2025 Council Approved Budget

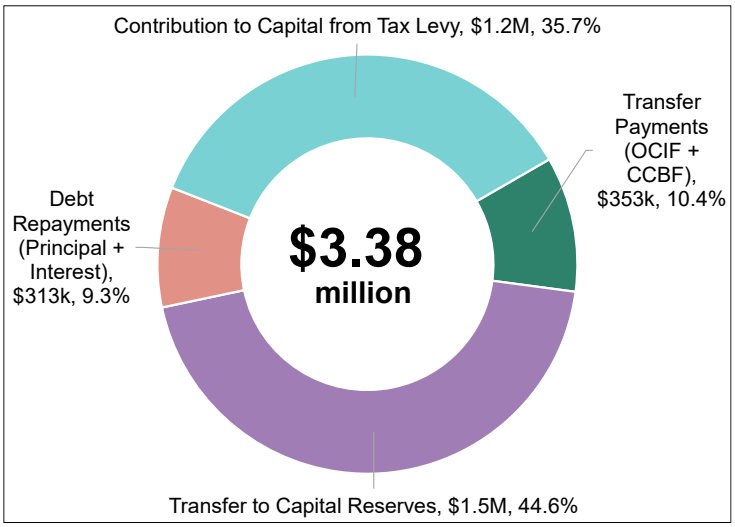


Table 4-4: Capital Funding Allocated in 2025 Council Approved Budget

Capital Funding Source	Capital Funding Budgeted in 2025
Transfer Payment Revenues (OCIF & CCBF)	$353,000
Debt Repayments	$313,000
Contributions to Capital Reserves & Reserve Funds	$1,505,000
Contribution to Capital Expenditures from Tax Levy	$1,206,000
Total	**$3,377,000**

The difference between the annual lifecycle funding target and the currently budgeted capital funding informs the Township's annual infrastructure funding gap. Based on this analysis, the Township is currently facing an annual infrastructure funding gap of approximately $877,000. The financial strategy presented herein aims to eliminate this funding gap gradually over a 10-year period (i.e., by 2035).

4.5 Overall Financial Forecast (Inflated) & Estimated Impact on Tax Levy

This section presents the overall impacts on the Township's financial position over a 10-year forecast horizon of gradually eliminating the infrastructure funding gap over the next 10 years (i.e., by 2035).

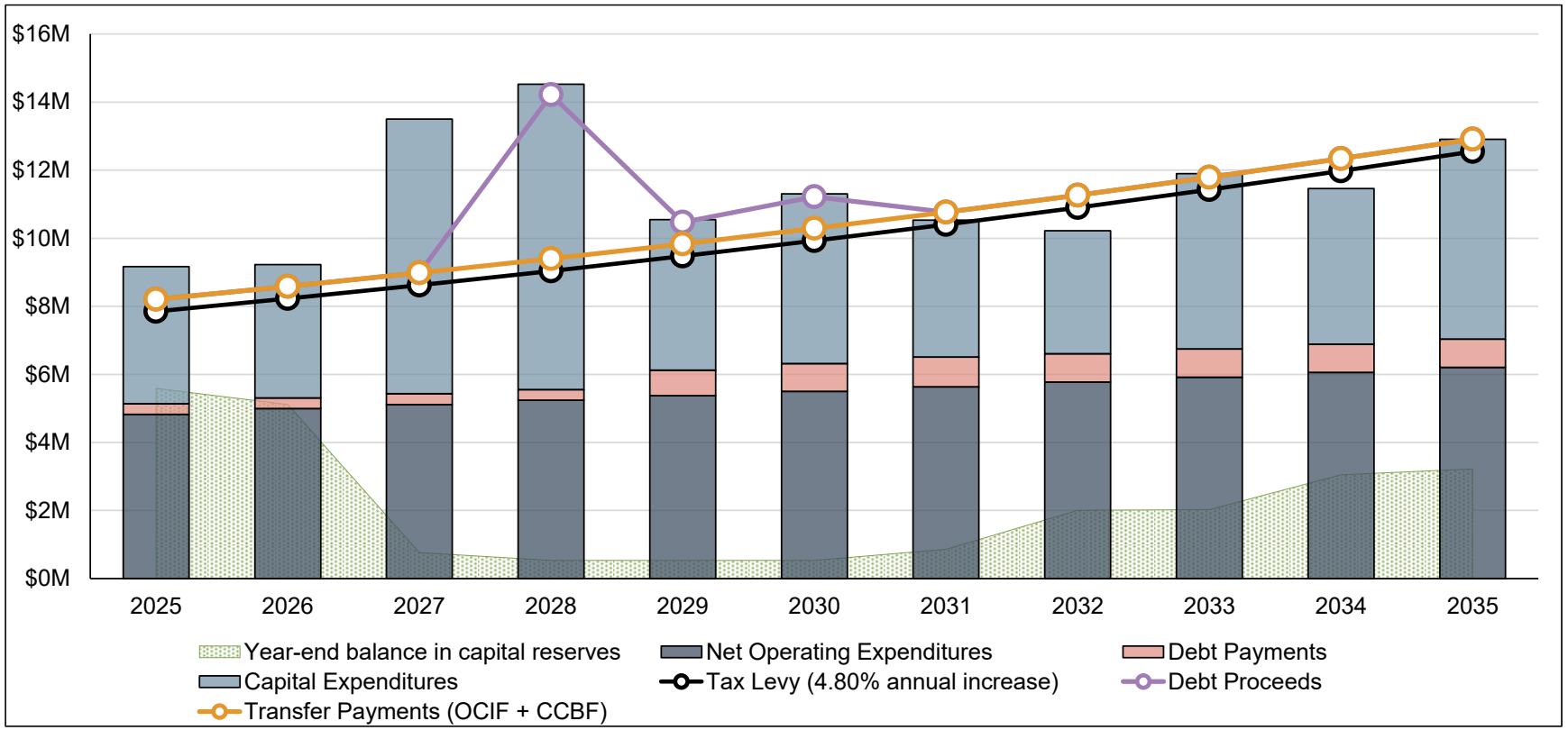
The capital financing forecast to undertake the lifecycle activities identified in Chapter 3 requires the Township to borrow approximately $6.38 million in additional debt. As such, annual debt repayments are expected to rise from approximately $313,000 in 2025 to approximately $835,000 by 2035.

The Township is expected to end fiscal year 2025 with approximately $5.6 million in its tax-funded capital reserves and reserve funds. To mitigate the impacts of unexpected rise in capital costs, a minimum balance threshold has been set for the Township's capital reserve and reserve funds at 10% of average annual capital expenditures over the forecast period (i.e., $536,000). Balance of funds held in the Township's capital reserves and reserve funds are expected total $3.2 million by 2035. A detailed continuity schedule of tax-funded capital reserves/reserve funds can be found in Table A-3 in Appendix A.

To eliminate the tax-based infrastructure funding gap, the Township would need to steadily increase its tax levy by 4.80% annually. The tax levy is forecasted to rise from the current level of approximately $7.85 million in 2025 to approximately $12.55 million by 2035.

Figure 4-5 illustrates the overall financial forecast for the Township's over the 10-year forecast horizon. It should be noted here that the Township's net operating expenditures for tax-based services have been modelled at a high-level and include nominal year-over-year increases based on estimated inflation on operating costs (i.e., 2.2%). As such, the forecast of net operating expenditures presented in Figure 4-5 does not include any additional funds required to fund potential program changes or to address any deficiencies that may currently exist within the Township's base operating budget.

Figure 4-5: Overall Financial Forecast (Inflated)



4.6 Estimated Impact on Tax Bills

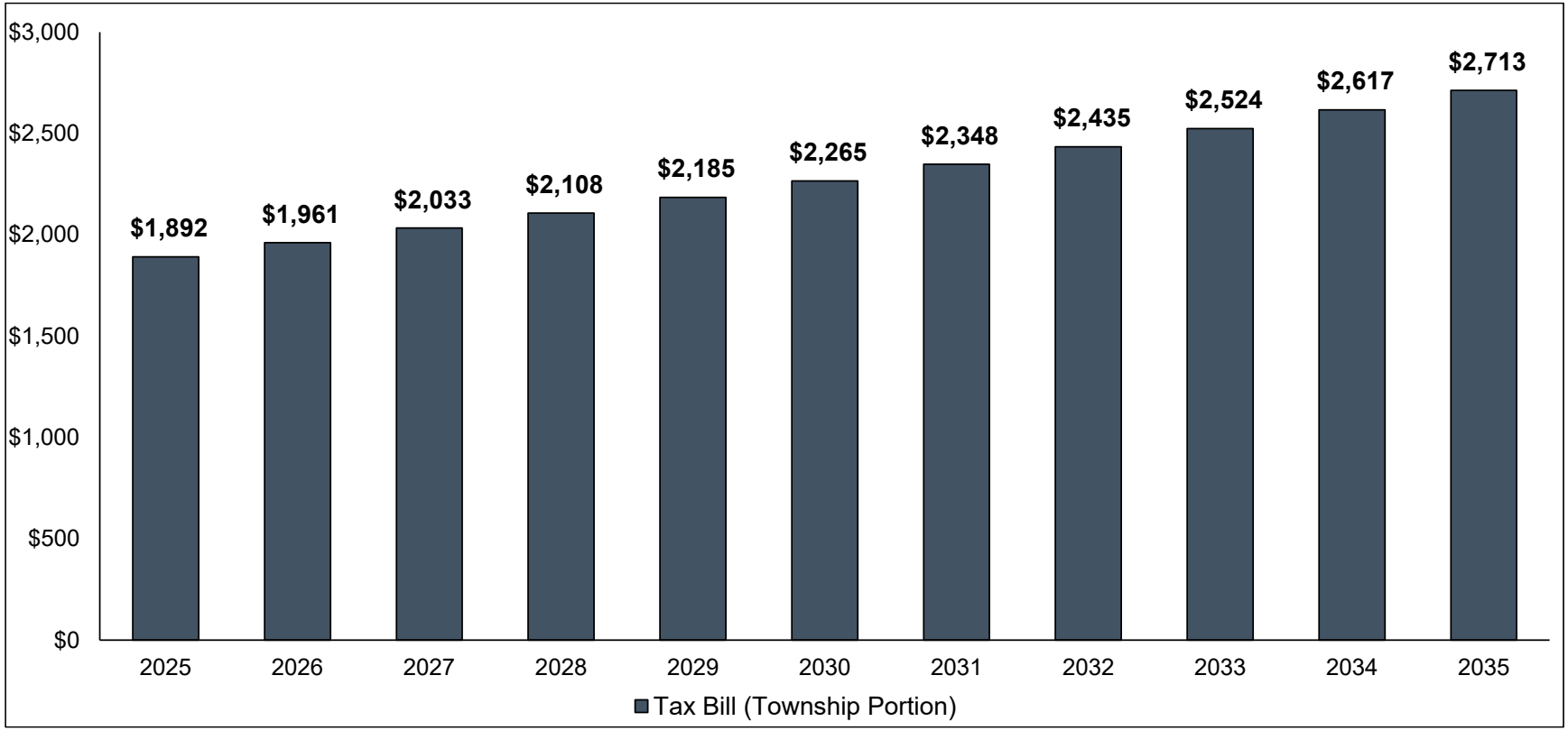
This section presents the estimated impact of the Township eliminating its infrastructure funding gap on the tax bill of the typical single-family detached house in the Township assessed at $262,000[1].

As noted in the previous section, the Township would need to increase its tax levy by 4.80% annually to eliminate the current infrastructure funding gap over the next 10 years. Based on current best estimates of growth in total property weighted assessment (i.e., 1.09% annually), this is expected to result in an increase of approximately 3.67% annually to the municipal portion of the tax bill. Based on this rate of increase, a typical single-family detached house in the Township with a Current Value Assessment of $262,000 would see the municipal portion of its tax bill rise from approximately $1,892 in 2025 to approximately $2,713 in 2035.

Figure 4-6 illustrates the estimated impact on the municipal portion of the tax bill for a typical single-family detached house in the Township with a Current Value Assessment of $262,000 over the 10-year forecast horizon.

[1]It should be noted that the assessed value of properties reflects the Current Value Assessment determined by MPAC for taxation purposes. It is not reflective of their current market values.

Figure 4-6: Estimated Impact on Tax Bill for Typical Single-family Detached House Assessed at $262,000 (2025-2035)



Chapter 5
Recommendations and Next Steps

5. Recommendations and Next Steps

5.1 Recommendations

The following recommendations are provided for the Township's consideration:

- That the Township of McNab/Braeside Asset Management Plan be received and approved by Council; and
- That consideration be made as part of the annual budgeting process to ensure sufficient capital funding is available to implement the asset management plan.

5.2 Next Steps

Following the approval of this asset management plan by Council, the Township's asset management journey will transition from developing the plan to its operationalization. The Township will need to establish processes and implement systems to keep asset information (e.g., condition, replacement costs, etc.) updated and relevant, so that it can be relied on to identify capital priorities and inform the annual budget process.

To ensure on-going compliance with O. Reg. 588/17, the Township will need to start conducting annual reviews of the progress being made towards implementing the asset management plan, with the first review required to be conducted prior to July 1, 2026. The annual reviews must identify any factors preventing progress towards full implementation and outline a strategy to address those impeding factors. Following the completion of this asset management plan, the Township should shift its focus to developing the format and content of these annual reviews to enable informed decision-making by Council and staff.

O. Reg. 588/17 requires updates to this asset management plan to be conducted at minimum on a every five-year basis, with the first update required to be completed in 2030. To maximize the reliability of the updated analyses, the Township should proactively plan to conduct updates of background studies and underlying asset data in a timely manner prior to undertaking an update of this asset management plan.

The Township should plan to proactively update the underlying data utilized to inform the current performance of included level of service measures on a regular basis. Tracking the current performance of included measures over time relative to their

targeted performance provides a key measure of success in fully implementing the asset management plan.

The Township should closely monitor the level of funding budgeted annually to be provided to assets relative to the target levels presented in Section 4.4 and ensure that any identified funding gaps are being gradually eliminated in a systematic manner.

Appendix A
Financial Strategy Tables

Table A-1: Capital Budget Forecast (Inflated)
Township of McNab/Braeside

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Capital Expenditures										
Fleet & Equipment	$820,000	$826,000	$1,462,000	$597,000	$1,608,000	$619,000	$156,000	$902,000	$624,000	$1,527,000
Transportation	$2,902,000	$2,979,000	$3,058,000	$3,140,000	$3,223,000	$3,309,000	$3,397,000	$3,488,000	$3,581,000	$3,676,000
Facilities	$199,000	$4,266,000	$4,451,000	$686,000	$156,000	$92,000	$58,000	$764,000	$361,000	$670,000
Total Capital Expenditures	**$3,921,000**	**$8,071,000**	**$8,971,000**	**$4,423,000**	**$4,987,000**	**$4,020,000**	**$3,611,000**	**$5,154,000**	**$4,566,000**	**$5,873,000**
Capital Financing										
Contribution from Capital R&RFs	$3,568,457	$7,708,513	$3,794,103	$3,423,682	$3,695,771	$3,657,513	$3,248,513	$4,791,513	$4,203,513	$5,510,513
Transfer Payments (OCIF + CCBF)	$352,543	$352,543	$352,543	$352,543	$352,543	$352,543	$352,543	$352,543	$352,543	$352,543
Debt Proceeds	-	-	$4,814,409	$636,830	$928,742	-	-	-	-	-
Total Capital Financing	**$3,921,000**	**$8,071,000**	**$8,971,000**	**$4,423,000**	**$4,987,000**	**$4,020,000**	**$3,611,000**	**$5,154,000**	**$4,566,000**	**$5,873,000**

Table A-2: Schedule of Debt Repayments (Inflated)
Township of McNab/Braeside

Debenture Year	New Debt	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Existing	$4,358,468	$312,619	$312,619	$312,619	$312,619	$312,619	$291,758	$251,430	$251,430	$251,430	$251,430
2026	-		-	-	-	-	-	-	-	-	-
2027	-			-	-	-	-	-	-	-	-
2028	$4,814,409				$440,340	$440,340	$440,340	$440,340	$440,340	$440,340	$440,340
2029	$636,830					$58,246	$58,246	$58,246	$58,246	$58,246	$58,246
2030	$928,742						$84,945	$84,945	$84,945	$84,945	$84,945
2031	-										
2032	-										
2033	-										
2034	-										
2035	-										
Total Annual Debt Repayments		**$312,619**	**$312,619**	**$312,619**	**$752,959**	**$811,205**	**$875,290**	**$834,962**	**$834,962**	**$834,962**	**$834,962**

Table A-3: Schedule of Capital Reserves and Reserve Funds Continuity (Inflated)
Township of McNab/Braeside

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening Balance	$6,148,009	$5,587,660	$5,112,806	$764,818	$536,000	$536,000	$536,000	$857,731	$2,007,312	$2,027,544	$3,050,301
Transfer from Operating	$1,505,219	$2,923,381	$3,194,381	$3,480,381	$3,346,041	$3,612,795	$3,890,710	$4,295,038	$4,678,038	$5,084,038	$5,514,038
Transfer to Capital	$2,218,633	$3,568,457	$7,708,513	$3,794,103	$3,423,682	$3,695,771	$3,657,513	$3,248,513	$4,791,513	$4,203,513	$5,510,513
Interest Earned	$153,065	$170,221	$166,144	$84,904	$77,641	$82,976	$88,534	$103,055	$133,707	$142,232	$171,287
Closing Balance	**$5,587,660**	**$5,112,806**	**$764,818**	**$536,000**	**$536,000**	**$536,000**	**$857,731**	**$2,007,312**	**$2,027,544**	**$3,050,301**	**$3,225,114**

Table A-4: Operating Budget Forecast (Inflated)
Township of McNab/Braeside

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Expenditures										
General Government	$1,815,000	$1,856,000	$1,897,000	$1,939,000	$1,982,000	$2,026,000	$2,071,000	$2,117,000	$2,164,000	$2,212,000
Fire Protection	$895,000	$915,000	$936,000	$956,000	$978,000	$999,000	$1,021,000	$1,044,000	$1,067,000	$1,091,000
OPP	$942,000	$963,000	$985,000	$1,007,000	$1,029,000	$1,052,000	$1,075,000	$1,099,000	$1,123,000	$1,148,000
Building & By-law	$245,000	$250,000	$256,000	$262,000	$267,000	$273,000	$279,000	$286,000	$292,000	$298,000
Public Works	$1,996,000	$2,040,000	$2,085,000	$2,131,000	$2,179,000	$2,227,000	$2,276,000	$2,327,000	$2,379,000	$2,431,000
Waste Management	$846,000	$865,000	$884,000	$904,000	$924,000	$945,000	$966,000	$987,000	$1,009,000	$1,031,000
Transportation	$28,000	$29,000	$30,000	$30,000	$31,000	$32,000	$32,000	$33,000	$34,000	$34,000
Recreation	$1,379,000	$1,409,000	$1,441,000	$1,473,000	$1,505,000	$1,539,000	$1,573,000	$1,608,000	$1,643,000	$1,680,000
Planning & Zoning	$251,000	$256,000	$262,000	$268,000	$274,000	$280,000	$286,000	$292,000	$299,000	$305,000
Transfer to Contingency Reserves	$149,000	$153,000	$156,000	$159,000	$163,000	$167,000	$170,000	$174,000	$178,000	$182,000
Sub-total Operating Expenditures	**$8,546,000**	**$8,736,000**	**$8,932,000**	**$9,129,000**	**$9,332,000**	**$9,540,000**	**$9,749,000**	**$9,967,000**	**$10,188,000**	**$10,412,000**
Capital-related Expenditures										
Transfer to Capital Reserves	$2,923,381	$3,194,381	$3,480,381	$3,346,041	$3,612,795	$3,890,710	$4,295,038	$4,678,038	$5,084,038	$5,514,038
Debt Repayment	$312,619	$312,619	$312,619	$753,225	$811,399	$875,524	$835,196	$835,196	$835,196	$835,196
Sub-total Capital-related Exp.	**$3,236,000**	**$3,507,000**	**$3,793,000**	**$4,099,000**	**$4,424,000**	**$4,766,000**	**$5,130,000**	**$5,513,000**	**$5,919,000**	**$6,349,000**
Total Expenditures	**$11,782,000**	**$12,243,000**	**$12,725,000**	**$13,228,000**	**$13,756,000**	**$13,306,000**	**$14,879,000**	**$15,480,000**	**$16,107,000**	**$16,761,000**
Operating Revenues										
Tax Levy	$8,227,000	$8,622,000	$9,036,000	$9,470,000	$9,925,000	$10,402,000	$10,901,000	$11,425,000	$11,974,000	$12,549,000
Garbage Levy	$760,000	$777,000	$794,000	$812,000	$830,000	$848,000	$867,000	$886,000	$906,000	$926,000
Misc. Taxation-related	$534,000	$546,000	$558,000	$570,000	$583,000	$596,000	$609,000	$622,000	$636,000	$650,000
OMPF	$539,000	$539,000	$539,000	$539,000	$539,000	$539,000	$539,000	$539,000	$539,000	$539,000
Fire Protection	$45,000	$46,000	$47,000	$48,000	$49,000	$51,000	$52,000	$53,000	$54,000	$55,000
General Government	$558,000	$570,000	$583,000	$596,000	$609,000	$622,000	$636,000	$650,000	$665,000	$680,000
Waste Management	$228,000	$233,000	$238,000	$243,000	$249,000	$254,000	$260,000	$266,000	$272,000	$278,000
Building & By-law	$217,000	$222,000	$227,000	$232,000	$237,000	$242,000	$247,000	$253,000	$259,000	$264,000
Planning & Zoning	$18,000	$18,000	$18,000	$19,000	$19,000	$20,000	$20,000	$21,000	$21,000	$21,000
Public Works	$22,000	$22,000	$23,000	$23,000	$24,000	$25,000	$25,000	$26,000	$26,000	$27,000
Recreation	$269,000	$275,000	$281,000	$287,000	$294,000	$300,000	$307,000	$314,000	$320,000	$328,000
Transfer from Contingency Reserves	$365,000	$373,000	$381,000	$389,000	$398,000	$407,000	$416,000	$425,000	$435,000	$444,000
Total Revenues	**$11,782,000**	**$12,243,000**	**$12,725,000**	**$13,228,000**	**$13,756,000**	**$13,306,000**	**$14,879,000**	**$15,480,000**	**$16,107,000**	**$16,761,000**

Table A-5: Tax Levy Forecast (Inflated)
Township of McNab/Braeside

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Target Tax Levy	$8,227,000	$8,622,000	$9,036,000	$9,470,000	$9,925,000	$10,402,000	$10,901,000	$11,425,000	$11,974,000	$12,549,000
Prior Year Tax Levy	$7,850,000	$8,227,000	$8,622,000	$9,036,000	$9,470,000	$9,925,000	$10,402,000	$10,901,000	$11,425,000	$11,974,000
Add Rev. from Incremental Assessment Growth	$86,000	$90,000	$94,000	$99,000	$103,000	$108,000	$114,000	$119,000	$125,000	$131,000
Tax Revenues at 0% Tax Rate Increase	$7,936,000	$8,317,000	$8,716,000	$9,135,000	$9,574,000	$10,033,000	$10,515,000	$11,020,000	$11,550,000	$12,104,000
Additional Increase in Tax Levy Required	$291,000	$305,000	$320,000	$335,000	$352,000	$368,000	$386,000	$405,000	$424,000	$444,000
Total Tax Revenues	**$8,227,000**	**$8,622,000**	**$9,036,000**	**$9,470,000**	**$9,925,000**	**$10,402,000**	**$10,901,000**	**$11,425,000**	**$11,974,000**	**$12,549,000**
Estimated Impact on Tax Bills	*3.67%*	*3.67%*	*3.67%*	*3.67%*	*3.67%*	*3.67%*	*3.67%*	*3.67%*	*3.67%*	*3.67%*