Township of

Oro-Medonte

Asset Management Plan

2025 ANNEX: PROPOSED LEVELS OF SERVICE AND RISK ASSESSMENT

EXECUTIVE SUMMARY

This Annex enhances Oro-Medonte's 2024 Asset Management Plan (AMP) to meet 2025 requirements under Ontario Regulation 588/17. It addresses the additional asset management planning requirements mandated for reporting in 2025.

Municipalities are required to expand their AMPs to include proposed Levels of Service (LOS), an assessment of risks associated with meeting proposed LOS, a description of lifecycle management strategies, and a financial strategy to support long-term sustainable infrastructure investment. The Annex reflects the Township's continued focus on sustainable infrastructure planning and cost-effective service delivery, and it represents a significant step toward transparent long-term asset planning.

PROPOSED LEVELS OF SERVICE

Levels of Service for most asset categories (such as roads, water, and facilities) remain consistent with the current LOS as outlined in the 2024 AMP. Key updates to Proposed LOS include:

- **Wastewater:** A new municipal wastewater treatment system is being commissioned in Craighurst to support over 300 new homes. The Township commits to maintaining compliance with effluent and capacity standards in Craighurst and in existing communal tile systems.
- **Facilities:** As of 2025, facilities include the addition of the Simcoe Woods Community Centre (shared with the school board) and a new Bylaw Office. The Township is also adding building condition assessments and proposes to improve accessibility in existing facilities with renovations over time.
- **Vehicles and Equipment:** The Township is enhancing operational efficiency through better fleet tracking, expanded in-house maintenance capacity, and strategic procurement planning.

In other asset areas (water, roads, bridges, stormwater, land improvements), the proposed LOS maintain existing service levels while supporting specific asset-related growth and operational enhancements.

KEY RISKS IDENTIFIED

The Annex highlights several priority risks across asset categories:

- **Water and Wastewater System Expansions:** Both the new Craighurst wastewater system and future growth demands on water systems may introduce operational and financial risks tied to staff training, integration into oversight protocols, and compliance.
- **Aging Facilities and Land Improvements:** Legacy community halls and playground equipment nearing end-of-life present the possibility for concerns related to long-term serviceability. Proactive replacement planning and improved inspections aim to mitigate these risks.
- **Climate Risk:** Urbanized stormwater systems require enhanced monitoring and maintenance, included in proposed budget increases for this service. The Township is also investing in drainage studies. Non-compliance could expose the Township to liability and reputational harm.

These and other similar risks are identified and addressed through enhancements to condition assessments, operational strategies, and reinvestment planning.

LIFECYCLE ACTIVITIES AND COST IMPACTS

Lifecycle Activities proposed in the Annex align broadly with the activities and cost projections included in the 2024 AMP. Notable updates to Lifecycle Activities and Costs are:

- **Stormwater:** New regulatory requirements call for increased operations and maintenance activities, including inspections and clean-outs, funded through confirmed operating budget increases.
- **Facilities:** Cost increases expected for the new Simcoe Woods Community Centre, conversion of a fire hall to a Bylaw Office, and introduction of a third-party facility inspection program, are still within the funding envelope for Facilities as shown in the 2024 AMP.
- **Fleet:** A shift to in-house maintenance, fleet standardization, and real-time monitoring is expected to improve efficiency, with the potential for some cost savings through better use of existing vehicles.
- **Land Improvements:** Lifecycle costs include playground replacement, increased inspections, and maintenance of new parkland, which will results in increases over historic budgets.

Overall, lifecycle strategies are focused on achieving proposed LOS while improving asset data to better forecast needs and improve operational efficiency, increasing the value obtained from the Township's assets.

FINANCIAL STRATEGY SUMMARY

The financial strategy reaffirmed in the Annex holds the Township's annual infrastructure requirement at $21.8 million as stated in the 2024 AMP. No immediate changes are proposed. The Township will continue refining lifecycle costing and financial forecasting as data improves.

The Township continues to utilize development charges, user fees, and service-based reserves to fund growth-related and user-supported infrastructure, such as water and wastewater. New costs identified in the Annex (e.g., from stormwater compliance or new facilities) are determined to fit within the financial envelope of the 2024 AMP. The Township aims to address financial sustainability in part through strategies to reduce lifecycle costs and enhance capital planning accuracy.

CONCLUSION AND NEXT STEPS

Several important initiatives are planned to follow the 2025 Annex:

- **New Asset Management Plan (AMP) for MSC Assets:** The Township transferred user-fee assets to its Municipal Services Corporation (MSC) on January 1, 2025. Future AMPs will address MSC-owned assets separately to support its long-term planning, operations, and financial management.
- **Climate Adaptation:** To prepare for future climate events, the Township aims to include climate risk assessments and identify measures that will strengthen the resilience of services.
- **Improved Data and Forecasting:** Continued development of fleet systems, facility inspection programs, and drainage planning, as well as improvements to cost forecasts, will improve the quality of financial and lifecycle forecasting for future AMP updates.

The 2025 Annex strengthens the Township's asset management approach by proposing LOS for all assets, identifying key risks, refining lifecycle strategies, and confirming financial commitments. It improves Oro-Medonte's position to proactively manage infrastructure assets in support of community service continuity, while meeting regulatory requirements for individual asset categories and asset management overall.

CONTENTS

INTRODUCTION TO THE ANNEX

This Annex enhances Oro-Medonte's 2024 Asset Management Plan (AMP) to meet 2025 requirements under Ontario Regulation 588/17.

This annex has been developed to fulfill the additional asset management planning requirements mandated by Ontario Regulation 588/17 for the reporting deadline in 2025. Municipalities are required to expand their asset management plans (AMPs) to include proposed Levels of Service (LOS), a description of lifecycle management strategies, an assessment of risks associated with meeting proposed LOS, and a financial strategy to support long-term sustainable infrastructure investment.

Building on the Township's existing AMP, this annex provides content necessary to demonstrate compliance with Section 6 of the regulation. It is structured to provide a clear and actionable framework for how the municipality is advancing in the management of its infrastructure assets to enhance efficiency, resilience, and financial sustainability.

Specifically, this annex includes:

- **Proposed Levels of Service (LOS):** Quantitative and qualitative metrics are established to define the intended performance targets for each asset category. These metrics align with regulatory expectations and reflect community priorities, affordability, and long-term serviceability.
- **Risk Assessment:** An evaluation of risks associated with achieving targeted levels of service, considering health and safety, service disruption, financial exposure, and public perception concerns, to demonstrate to Council and the public the risks associated with changes to assets and operations.
- **Lifecycle Management Strategy:** This section outlines the planned lifecycle activities, such as maintenance, rehabilitation, and replacement, for each asset class. It describes how these activities are planned to retain asset value and manage long-term costs.
- **Financial Strategy:** A financial projection that incorporates lifecycle costing, funding sources, and expected investment needs. This strategy provides a path toward fiscal sustainability while maintaining desired levels of service and addressing the risks identified.

This annex is intended to be part of a living document that informs decision-making, capital budgeting, and service delivery planning. It demonstrates Oro-Medonte's commitment to proactive, evidence-based asset management in accordance with provincial regulations and local priorities.

WATER

WATER ASSET OVERVIEW

Municipal drinking water in Oro-Medonte is delivered through 12 individual municipally owned and operated, provincially regulated water systems, currently serving approximately 27% of properties across the Township. The remaining properties are serviced by private wells or privately owned, operated and maintained drinking water systems.

There have been no full-day interruptions to municipal water services or boil water advisories issued within the past 5 years in any of the municipal drinking water systems. Fire flows and protection for all properties is supported through accredited tanker shuttle service, which does not rely solely on municipal water systems. As the community continues to grow, new developments and subdivisions are expected to expand the number of properties connected to the existing municipal water systems.

COMMUNITY LEVELS OF SERVICE

Service Attribute	**Description**	**Current Performance**	**Proposed LOS**
Scope	*Description of the user groups or areas of the municipality that are connected to the municipal water system.*	12 individual drinking water systems in locations across the municipality, as shown in the Appendix to the 2024 AMP	Maintain services to existing customers, while extending service to new developments as they proceed. The cost of servicing growth is recovered through a standard Development Cost charge.
	Description of the user groups or areas of the municipality that have fire flow.	Tanker support provides coverage to 100% of properties, regardless of connection to municipal drinking water.	Tanker shuttle accreditation is the primary fire coverage to the whole municipality, augmented by local hydrants, dry hydrants and lake intakes.
Reliability	*Description of boil water advisories and service interruptions.*	0 Boil Water Advisories; <2 Service Interruptions on municipal systems, each lasting less than 24 hours.	Maintain current.

[See following page for Technical Levels of Service]

TECHNICAL LEVELS OF SERVICE

Service Attribute	Description	Current Performance	Proposed LOS
Scope	*Percentage of properties connected to the municipal water system.*	27.2% - 2,965 water utility bills issued, out of 10,978 total properties	Maintain service to existing properties, increasing with new development and subdivisions.
	Percentage of properties where fire flow is available.	100% of residential properties.	Maintain Tanker as primary fire suppression.
Reliability	*The number 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 advisories	Maintain current.
	The number of connection-days per year due to water main breaks compared to the total number of properties connected to the municipal water system.	0 connection-days lost	Maintain current.

RISK ASSESSMENT

System Expansion: Financial and Operational Risk – As Oro-Medonte prepares for the expansion of existing municipal drinking water systems or the development of new systems, new risks may emerge associated with the operation and management of drinking water infrastructure. Typical risks include the potential for increased complexity of operations, staff training requirements, and the existing infrastructure's technical capacity. Development Charges (DCs), Financial Plans and Engineering Design Standards assist systems to address long-term operational and funding requirements.

Each water system has distinct operating requirements and must meet applicable Ministry of the Environment, Conservation and Parks (MECP) drinking water regulations. While growth-related impacts have been minimal to date, proactive planning may be required within the next 10 years with additional servicing studies as required to maintain compliance and service reliability as development continues.

Drinking Water Quality & Compliance: Risk Management System – Overall risks to water systems are mitigated through the Township's Drinking Water Quality Management System (DWQMS), a provincially mandated framework for ongoing system monitoring, operational integrity, and regulatory compliance.

Private Drinking Water Systems: Financial and Operational Risk – A risk exists should a private drinking water system be assumed by the Township through an agreement or provincial order, wherein the private system requires significant investment to meet provincial water quality requirements.

LIFECYCLE MANAGEMENT STRATEGY

Drinking Water Financial Plan: The Township has identified the potential need for mid-cycle updates to the provincially mandated Drinking Water Financial Plan. Ongoing quarterly variance analysis will help assess whether current service-based revenues and reserves are sufficient to sustain water operations in the long term and whether long-term and capital reserve funds are being relied upon to offset operating costs.

Fire Flows: Fire flows are maintained throughout the municipality through a suitable fleet of vehicles including tanker trucks, served by freshwater sources with secondary support from local municipal drinking water systems. Fire coverage is maintained by fire vehicles with procurements as scheduled. Maintaining fire coverage does not require changes to the lifecycle activities of water system assets at present.

NET COST IMPACT

The 2024 Asset Management Plan provides an annual expense estimate of **$1.22 million** to maintain water system assets. The municipality also has a Drinking Water Financial Plan and other documents that assist in maintaining compliance with regulation and the financial sustainability of Township water assets. Water assets operate on a full cost recovery basis, with operating, maintenance, and lifecycle renewal costs funded through user fees.

At this time, proposed Levels of Service are similar to current, and **no net cost impacts** from existing estimates have been confirmed as necessary to maintain Levels of Service. Cost impacts will be assessed during any mid-cycle updates to the Drinking Water Financial Plan.

NOTES AND NEXT STEPS

Municipal Services Corporation: Oro-Medonte formed a Municipal Services Corporation (MSC) in 2020 and transferred water system assets to the MSC on January 1, 2025. The next update to the Asset Management Plan shall consider MSC assets separately from general municipal assets to reflect that change and to support long-term planning for MSC capital investment and operations requirements.

Climate Risk and Resilience: Oro-Medonte is committed to understanding and planning for climate risks, such as heavy rain, high winds, power outages and droughts, and their impacts on water asset operations. The Township is anticipated to finalize a corporate Climate Action Plan in 2025. Appropriate resilience measures will be integrated into asset investment plans in the next AMP update. This will include climate risk assessment and mitigation or adaptation measures needed to maintain water services under changing operating conditions.

WASTEWATER

WASTEWATER ASSET OVERVIEW

Oro-Medonte currently operates seven (7) Communal Tile systems in Horseshoe Valley, which serve less than 100 homes. The Township is responsible for operations and maintenance of these tile fields and associated tanks/distribution boxes, collection system and manholes. The municipally owned and operated communal tile systems are subject to operation, maintenance and reporting requirements through Environmental Compliance Approvals issued by the Ministry of Environment, Conservation and Parks.

A new conventional wastewater collection, treatment, and disposal system is being constructed in Craighurst to service a subdivision with over 300 new homes currently under development. The municipality will take ownership and control of this new municipal wastewater system upon assumption and will operate under an agreement with the developer in the interim.

COMMUNITY LEVELS OF SERVICE

Service Attribute	Description	Current Performance	Proposed LOS
Scope	*Description, which may include maps, of the user groups or areas of the municipality that are connected to the municipal wastewater system.*	< 100 properties on existing systems in Horseshoe Valley	Maintain LOS in Horseshoe Valley New subdivision of >300 properties in Craighurst with new dedicated wastewater treatment system is anticipated to be commissioned in 2025. User rates have been developed and part of Township Fees & Charges By-law. Future subdivisions may result in additional local wastewater systems.
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.*	Oro-Medonte does not operate combined sewers.	No change.

TECHNICAL LEVELS OF SERVICE

Service Attribute	Description	Current Performance	Proposed LOS
Scope	*Percentage of properties connected to the municipal wastewater system.*	1.1%	2.9% of properties served with planned development.
Reliability	*The number 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.*	0 capacity exceedance events	Maintain compliance with CLI-ECA requirements and wastewater regulations. 0 capacity exceedance events
	The number of connection-days per year due to wastewater backups compared to the total number of properties connected to the municipal wastewater system.	0 connection-days lost due to backups	0 connection-days lost
	The number of effluent violations per year due to wastewater discharge compared to the total number of properties connected to the municipal wastewater system.	0 effluent violations	0 effluent violations

RISK ASSESSMENT

New Wastewater Treatment Plant: Operational and Financial Risks - As Oro-Medonte prepares for the development of a new wastewater treatment system in a new subdivision in Craighurst, new risks may emerge associated with the commissioning and management of new wastewater infrastructure. Typical risks

include the potential for equipment failures, increased complexity of operations, staff training requirements, and the integration of new systems into existing oversight and emergency response protocols.

Regulatory Compliance: Operational and Regulatory Risk – The existing Communal Tile systems and the new Craighurst wastewater system will see increased CLI-ECA requirements for environmental compliance related to system monitoring and reporting. This may involve developing risk mitigation strategies designed to anticipate and/or prevent system failures. Meeting regulatory standards will protect the Township from public concern, or other potential consequences.

Private Systems: Operational and Financial Risks – A risk exists should a private wastewater system be assumed by the Township through an agreement or provincial order, wherein the private system requires significant investment to meet provincial wastewater quality requirements.

LIFECYCLE MANAGEMENT STRATEGY

Wastewater Financial Plans: Both the existing Horseshoe Valley communal tile system and the new wastewater system in Craighurst have dedicated financial plans. Ongoing quarterly variance analysis will help assess whether current service-based revenues and reserves are sufficient to sustain wastewater operations and whether user fee-supported long-term and capital reserves are being relied upon to offset operating costs.

Additional Operating Requirements: Municipal wastewater systems will require operations and maintenance (O&M) manuals, inspections and maintenance to respond to increasing CLI-ECA requirements, in addition to the Lifecycle Activities outlined in the 2024 AMP.

NET COST IMPACT

The 2024 Asset Management Plan provides an annual expense estimate of **$0.09 million** to maintain existing Communal Tile system assets. The municipality also refers to its Communal Tile Field Financial Plan, the new Craighurst Wastewater Financial Plan which includes user rates for the new system, and other documents that assist in maintaining compliance with regulation and the financial sustainability of Township assets. Wastewater assets operate on a full cost recovery basis, with operating, maintenance, and lifecycle renewal costs funded through user fees.

Net cost impacts are determined in asset financial plans. Cost impacts will be assessed during any mid-cycle updates to the Communal Tile Financial Plan and/or the Craighurst Wastewater Financial Plan.

NOTES AND NEXT STEPS

Municipal Services Corporation: Oro-Medonte formed a Municipal Services Corporation (MSC) in 2020 and transferred water system assets to the MSC on January 1, 2025. The next update to the Asset Management Plan shall consider MSC assets separately from general municipal assets to reflect that change and to support long-term planning for MSC capital investment and operations requirements.

URBANIZED STORMWATER

URBANIZED STORMWATER ASSET OVERVIEW

Oro-Medonte manages stormwater under two systems: Urbanized Stormwater, which are asset-intensive systems that operate under a Consolidated Linear Infrastructure - Environmental Compliance Approval (CLI-ECA) from MECP; and Rural Drainage, which includes a network of dispersed drainage assets such as ditches and culverts located across the municipality.

Urbanized Stormwater is a Ministry Authorized System comprising 13 general service areas that have been engineered to manage runoff from 100-year storm events. No spills or abnormal discharges have been reported in the past 5 years. Compliance with CLI-ECA requirements calls for enhanced monitoring and maintenance activities for these systems in the coming 10 years. As the community continues to grow, new developments and subdivisions are expected to expand the number of properties served by urbanized stormwater infrastructure.

COMMUNITY LEVELS OF SERVICE

Service Attribute	**Description**	**Current Performance**	**Proposed LOS**
Scope	*Description, including maps, of the user groups or areas of the municipality protected from flooding by the municipal stormwater management system.*	The Authorized System consists of 13 general areas, serving 1527 properties, as shown in the 2024 AMP.	Provide stormwater coverage consistent with the CLI-ECA provincial requirements. Extend service to new areas as needed, installed by developers as part of new subdivisions.

TECHNICAL LEVELS OF SERVICE

Service Attribute	**Description**	**Current Performance**	**Proposed LOS**
Scope	*1. % of properties resilient to a 100-year storm.* *2. % of stormwater system resilient to a 5-year storm.*	1. All 1527 properties on Urbanized Storm estimated to be resilient, representing 14.3% of all properties. 2. 100% of Urbanized Storm infrastructure resilient.	Maintain current resilience levels in urbanized stormwater systems.

RISK ASSESSMENT

Regulatory Compliance: Financial, Operational and Community Risks - Additional monitoring and maintenance will be necessary to meet the requirements under the Township's CLI-ECA. If these requirements are not met, there is a risk of regulatory non-compliance, which could lead to a loss of public confidence and the potential added risk of liability associated with property damage from flooding. Maintaining system resilience as shown through compliance, will assist the Township to protect serviced properties and preserve local ecosystems by safeguarding water quality.

LIFECYCLE MANAGEMENT STRATEGY

CLI-ECA Requirements: In addition to the Lifecycle Activities outlined in the 2024 Asset Management Plan, Oro-Medonte will complete activities required to maintain proposed Levels of Service as mandated under the CLI-ECA. These include implementing operations and maintenance (O&M) manuals, routine inspections, and reinvestment including more frequent clean-out of stormwater infrastructure.

NET COST IMPACT

The 2024 Asset Management Plan provides an annual expense estimate of **$0.44 million** to maintain Urbanized Stormwater assets. Additional Lifecycle Activities required under the CLI-ECA have led to a confirmed increase to the operating budget in 2025. As additional assets are assumed for management within Urbanized Stormwater systems, there is the potential for further increases to cost requirements to maintain Levels of Service. Overall, future cost impacts are **to be determined**, with the assumption of facilities and changes to regulatory requirements expected to result in cost increases relative to current.

NOTES AND NEXT STEPS

Rural Drainage: The details of Rural Drainage assets for stormwater management have not been included in the AMP due to limited and fragmented data on those assets. High-priority Rural Drainage studies and works have been completed, including along Lakeshore Road, with total investments of $774,000 in 2023 and $1.445M in 2024. New funding for drainage improvements is shown in the Roads section of this Annex. As more rural stormwater studies are completed, additional asset information will be available to support long-term planning for that infrastructure, to be included in future Asset Management Plans.

Climate Risk and Resilience: Oro-Medonte is committed to understanding and planning for climate risks, such as heavy rain and ice storms, and their impacts on storm drainage asset operations. As local area and Township-wide drainage studies are completed, appropriate resilience measures will be integrated into asset investment plans in the next AMP update, to maintain the resilience of storm drainage assets and achieve proposed Levels of Service regarding resilience.

ROADS

OVERVIEW OF ROAD ASSETS

Oro-Medonte maintains 625 km of roads, as well as a network of streetlights, ditches, over 11,000 small culverts, and other supporting infrastructure. The municipality has invested significantly in the improvement of its roads, with recent investments funding improvements to road quality through paving and re-paving road surfaces. Ongoing challenges related to drainage infrastructure may lead to a degradation in road quality over time if not addressed.

COMMUNITY LEVELS OF SERVICE

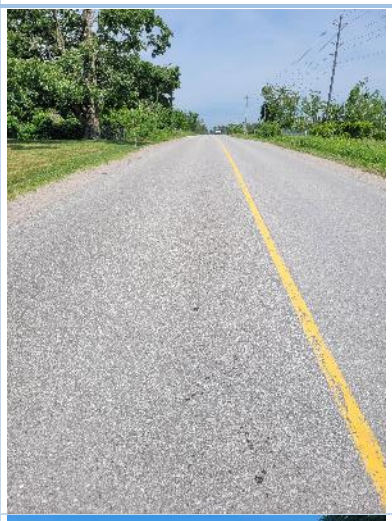
Service Attribute	**Description**	**Current Performance**	**Proposed LOS**
Scope	*Description, which may include maps, of the road network in the municipality and its level of connectivity.*	Total length: 625 km • Rural Roads: 452 km (72%) • Semi-Urban Roads: 159 km (25%) • Urban Roads: 14 km (2%)	New extensions due to new subdivisions, built by the developers and assumed by the municipality.
Reliability	*Description or images that illustrate the various levels of road class pavement condition.*	Representative images of good, fair, and poor-quality pavement for collector and local roads are shown on the following page.	The Township will prioritize improvements based on recommendations in its Roads Needs Study.

TECHNICAL LEVELS OF SERVICE

Service Attribute	**Description**	**Current Performance**	**Proposed LOS**
Scope	*Number of lane-kilometres of each of arterial roads, collector roads and local roads as a proportion of square kilometres of land area of the municipality.*	Total Road Network: 1249.6 lane-km (2.13 lane-km/km^2) • Collector Roads: 802.0 km (1.37 lane-km/km^2) • Local Roads: 447.6 km (0.76 lane-km/km^2) Total Land Area: 586.6 km^2	Maintain existing road network with extensions to serve new subdivisions.
Reliability	*1. For paved roads in the municipality, the average pavement condition index value.* *2. For unpaved roads in the municipality, the average surface condition (e.g. excellent, good, fair, or poor).*	Weighted average PCI for Collector roads: • Asphalt: 76.1 • Surface treated: 74.7; Local roads: • Asphalt: 77.9 • Surface Treated: 75.2 • Gravel roads: 64.8	Collector[1]: Maintain average PCI of at least 70. Local: Maintain average PCI of at least 65 for asphalt and surface-treated roads.

[1] Arterial, Collector, and Local roads as identified in O.Reg 588/17

PAVEMENT CONDITION – REPRESENTATIVE IMAGES

	Good	Fair	Poor
Collector - Asphalt			
Local - Asphalt			No image available.

Images illustrating the various levels of road class pavement condition in Oro-Medonte.

RISK ASSESSMENT

Capital Works: Operational Risk Reduction - Recent capital works have contributed to an improvement in average PCI, which may currently exceed the long-term sustainable average. While community complaints related to road conditions have decreased, ongoing attention is required to manage long-term performance risks and public expectations. As noted in the 2024 AMP, capital funding of $7.45 million per year is required to achieve proposed LOS for roads over the next 10 years.

Drainage and Sub-Structure Maintenance: Operational and Asset Quality Risk – Investment in paving has, in some cases, deferred other essential maintenance activities such as drainage improvements and structural rehabilitation. The Township is committed to investment in maintenance and renewal of roadway assets besides pavement surfaces, to avoid a risk of long-term decline in overall road quality. Addressing drainage proactively will reduce the risk of road condition declining due to flooding, erosion, and washouts, which directly impacts rideability, safety, and lifecycle costs.

Unopened Roads: Operational Risk - Some access roads located on unopened road allowances are not officially maintained by the municipality. While these roadways are considered land assets and not part of the core road service network, they may present liability risks or generate expectations for greater service over time.

LIFECYCLE MANAGEMENT STRATEGY

Roadway Maintenance: The Township will prioritize roadway maintenance through a tiered strategy based on asset condition and classification (based on traffic volumes and speeds):

1. Preventive surface treatments such as micro-surfacing extend pavement life cost-effectively, to maintain service levels across a broad portion of the network.
2. Patching and crack sealing will target roads in good to fair condition to prevent further deterioration.
3. Milling and paving road segments in poor condition require pavement renewal.

Associated Lifecycle Activities are identified and costed in the Roads Needs Study and the 2024 Asset Management Plan. Surface improvements may be coordinated with other works such as subsurface pipes (e.g. water) and drainage improvements.

Drainage Work: Drainage work is critical to slowing the rate of roadway degradation in certain areas. The Township owns approximately 11,000 small culverts which convey stormwater to protect roadway integrity, many of which may require maintenance or replacement. Operational teams are troubleshooting local drainage issues with localized drainage improvements comprising study, design, and construction planned on a three-year cycle. A Master Drainage Plan, led through Operations and Community Services, will guide long-term investment planning for rural drainage assets that affect roadway quality and longevity.

NET COST IMPACT

Lifecycle costs are addressed in existing studies and capital plans, including an approved capital budget rising from $0.77M in 2023, $1.45M in 2024, to $3.3M in 2025 for drainage improvements. Future work will be budgeted to maintain current roadway quality and drainage performance.

As noted in the 2024 AMP, the Township's 2019 Roads Needs Study and Road Network Plan by Tatham Engineering identified a range of LOS and Lifecycle Activity options for Roads, with 10-year costs ranging from $53.8 million for minimum road surface standards to $105 million for improvements to the current roadway network. Expenditures of $74.6 million over 10 years, or **$7.46 million per year** to maintain current LOS are shown in the 2024 AMP. Tatham noted that this exceeds the Township's available funding.

Additional savings related to pulverizing and resurfacing rather than reconstructing roads would reduce projected expenditures to $53.8 million over 10 years. This would achieve proposed LOS while reinstating minimum roadway standards. If selected, this would keep the budget for Roads in line with historical spend, saving approximately $2.1 million per year relative to the expenditure forecast in the 2024 AMP.

Overall, there were no significant changes to the current LOS stated in the 2024 AMP, resulting in **no significant net cost impact** presently for roads.

NOTES AND NEXT STEPS

No additional comments.

BRIDGES AND CULVERTS

INTRODUCTION

Oro-Medonte maintains 49 Bridges and Culverts over 3m that are mandated to be inspected biannually per to the Ontario Structure Inspection Manual (OSIM). Overall, bridges are in good condition with recent investments having improved average bridge quality ratings. The municipality has conducted an inventory review and is transferring ownership and maintenance of one bridge to a private owner (the sole user of the bridge for access to their property). The inventory will be further streamlined by de-listing any bridges owned and operated by Simcoe County and Culverts that do not meet requirements for coverage by OSIM, which will be managed as Rural Drainage assets.

COMMUNITY LEVELS OF SERVICE

Service Attribute	**Description**	**Current Performance**	**Proposed LOS**
Scope	*Description of the traffic that is supported by municipal bridges (e.g., heavy transport vehicles, motor vehicles, emergency vehicles, pedestrians, cyclists).*	The municipality maintains 49 Bridges and Culverts over 3m. Most serve passenger vehicle movements on rural roads, but also provide access for commercial vehicles, cyclists, and pedestrians.	Municipality will continue to operate and manage the bridges and culverts that it owns as mandated under Ontario Structure Inspection Manual.
Quality	*1. Description or images of the condition of bridges and how this would affect use of the bridges.* *2. Description or images of the condition of culverts and how this would affect use of the culverts.*	1. Most bridges are in good condition, with 7 having loading restrictions which require heavy vehicles to choose alternate routes. 2. Most culverts are in good condition. Some are not required	Conduct maintenance and repair to reduce the number of bridges with load restrictions from 7 to 4 over time, allowing heavy vehicles to use these bridges.

TECHNICAL LEVELS OF SERVICE

Service Attribute	**Description**	**Current Performance**	**Proposed LOS**
Scope	*Percentage of bridges in the municipality with loading or dimensional restrictions.*	7 bridges (14%) have loading restrictions	Reduce bridges with loading restrictions from 7 to 4.
Quality	*1. For bridges in the municipality, the average bridge condition index value.* *2. For structural culverts in the municipality, the average bridge condition index value.*	Average BCI for Bridges and Culverts is 74.0. 1. Average Bridge BCI = 72.3 2. Average Culvert BCI = 76.5	Maintain an average BCI of 70 or higher for bridges and culverts.

RISK ASSESSMENT

Bridge Portfolio Management: Operational Risks - The Township is removing smaller culverts from the formal OSIM portfolio, which affects their inspection regimen. These culverts will be monitored on an as-needed basis by Township staff, coordinated with road and drainage improvement projects. This change may introduce a minor increase in risk due to change in inspection type and frequency, however, the Township is committed to managing these and other Rural Drainage assets responsibly.

Load Restrictions: Operational Risks – The Township's efforts to reduce load restrictions through structural improvements are expected to lower risks to bridges and allow them to accommodate heavier vehicles. However, if this results in increased traffic volumes, there may be a rise in maintenance requirements under the Minimum Maintenance Standards (MMS) if road classifications are upgraded.

Unplanned Maintenance and Repairs: Financial and Operational Risk - Unplanned maintenance for bridges and culverts presents a financial risk as well as a potential safety risk with disruptions to traffic. Emergency work often incurs higher costs due to expedited procurement, with impacts on in-year budget deficits and/or debt funding. Ongoing monitoring and planning will reduce this financial risk and help extend asset life, while reducing costly service interruptions.

LIFECYCLE MANAGEMENT STRATEGY

Inventory Reductions: The Bridge inventory is being reduced, as four bridges on Line 3 North Road are retained by Simcoe County, and Dunns Line culvert is 1.5m and no longer considered a bridge as covered under OSIM. This will result in a minor decrease to inspection and maintenance requirements, however, related cost increases in other areas mean net cost savings will be minimal.

Construction of Improvements: Work has been planned for the design and construction of improvements to Bridge 2 – Line 8 North Bailey Bridge and Bridge 6 – Line 4 North, which will remove the load restrictions on these bridges in coming years.

NET COST IMPACT

The 2024 Asset Management Plan included annualized forecast expenditures of approximately **$1.15 million** for bridge and culvert assets, based on the investment requirements identified in the Township's OSIM reports. Historically, the Township's bridge budget included spending on the replacement of structures not covered under OSIM. Operating and maintenance costs for non-OSIM culverts will now be funded through the tax levy, resulting in a modest increase to the overall operating budget. Some activities may qualify for capitalization depending on scope and thresholds.

At this time, **there are no net cost impacts** estimated to be required to maintain bridge and culvert assets to achieve Proposed Levels of Service. Capital improvements to Bridge 2 and Bridge 6 are already accounted for within the approved 5-year capital plan. The Township will continue to monitor its Bridges and Culverts on a 2-year basis under OSIM to anticipate and plan for lifecycle costs.

NOTES AND NEXT STEPS

No additional comments.

CORPORATE FACILITIES

FACILITIES ASSET OVERVIEW

The Township owns and operates a portfolio of buildings and facilities that support the delivery of municipal services, community programs, and infrastructure operations. These include community and recreation centres for public use and enjoyment, municipal offices, fire halls, and operations facilities and water buildings. In addition, Community Halls and the Heritage Building contribute to the Township's cultural and social fabric. Overall, the municipality strives to operate an appropriate set of facilities that meets the needs of residents and supports day-to-day municipal operations.

COMMUNITY LEVELS OF SERVICE

Service Attribute	**Description**	**Current Performance**	**Proposed LOS**
Suitability	*Description of public-facing facilities and services provided.*	Community / Recreation Centres – 2 Community Halls – 5 Heritage Buildings – 1 Park Amenities - 14	Addition of the new Simcoe Woods Community Centre shared with the SCDSB. Maintain current buildings and review configuration of Community Halls in relation to demand for newer, functional community spaces.
	Description of municipal support facilities and services provided.	Municipal Buildings – 4 Operations Facilities – 6 Fire Halls – 5 Water Facilities – 18 Septic Systems – 9	Conversion of one Fire Hall to a Bylaw Office.
Accessibility	*Description of accessibility measures in place.*	3 public-facing buildings meet AODA standards	Maintain current level of accessibility while improving AODA compliance aligned with other major facility retrofits.
Safety	*Description of facility inspection processes.*	Facilities are inspected by staff monthly, with no external condition assessments.	External condition assessments to be completed on facilities once every 5 years.

TECHNICAL LEVELS OF SERVICE

Service Attribute	**Description**	**Current Performance**	**Proposed LOS**
Safety	*Description of safety response measures in place.*	Safety defects are resolved as soon as possible and within 2 weeks.	Maintain current service levels.
	Measures taken to adhere to management of indoor air quality regulations.	100% of buildings meet indoor air quality standards	Maintain current service levels.
Accessibility	*Number of public buildings that are AODA complaint.*	44.4% of public buildings are AODA compliant	Maintain current level of accessibility and improve AODA compliance aligned with other major facility retrofits.

RISK ASSESSMENT

Simcoe Woods Community Centre: Financial and Operational Risks - There is a financial risk related to the net operating costs of the new Community Centre, based on the facility's financial plan and its projected cost recovery. If revenues or usage rates fall short of expectations, it may negatively impact public perception and raise concerns among stakeholders. Additionally, high levels of public occupancy and use may introduce potential liability risks that require careful oversight and mitigation.

PHOTOS: SIMCOE WOODS COMMUNITY CENTRE CONSTRUCTION

Oro-Medonte is commissioning a new community centre in a joint project with the Simcoe County District School Board, which represents an improvement to community LOS for facilities in 2025. Images show the building under construction and a view into the new gym.

Legacy Community Halls: Cultural, Accessibility and Financial Risks – Oro-Medonte staff recognize the historic and cultural significance of existing Community Halls. These halls have a risk of non-compliance with current accessibility standards (e.g., AODA) and may present long-term financial risks due to maintenance and rehabilitation costs of older facilities compared to facility rate of use.

Facility Inspection Program: Financial and Service Risk Reduction - The municipality is implementing a formal buildings and facilities inspection program, which may reduce risks through early identification of deficiencies or issues, potentially reducing financial risk following early detection and response to problems as they are used to better inform maintenance and lifecycle considerations.

LIFECYCLE MANAGEMENT STRATEGY

Simcoe Woods Community Centre: The new Community Centre will involve new operations and maintenance responsibilities that are shared with the School Board.

Bylaw Office Conversion: There are capital requirements for the conversion of a former Fire Hall to a Bylaw Office, with ongoing O&M requirements.

Facility Inspection Program: The municipality will implement a facilities inspection program in which major facilities are inspected by an external professional on a five-year cycle, supplemented by regular inspections, maintenance, and repairs conducted by municipal staff.

NET COST IMPACT

The 2024 AMP includes an annualized cost forecast for buildings of **$6.86 million**, for investments in the maintenance and improvement of building assets that existed at that time. Studies for the Simcoe Woods Community Centre show a projected net operational cost impact of $372,685 in 2026, according to operating revenue and expenses forecast for that facility. Increased building operating costs in the new Bylaw Office are budgeted at $34,040 in 2026. Approximately $25,000 per year is anticipated to cover external building inspection costs.

These new costs have been budgeted for within the Township's operational budget. Through its building inspections program, the Township is working towards a more comprehensive, long-term needs forecast for its Facility assets. This will provide additional clarity on long-term reinvestment costs, improving on the 2024 AMP estimate. Currently, **no change to cost forecasts** is required and long-term savings opportunities will be developed based on better asset data.

NOTES AND NEXT STEPS

Facility Utilization: The Township will put in place measures to monitor the utilization of Community Halls on an annual basis, aligned with their business cases, to confirm future Levels of Service and Lifecycle Activities to plan for and maintain facilities that are suitable for public use.

VEHICLES, MACHINERY, EQUIPMENT

INTRODUCTION

The Township's vehicles, machinery and equipment portfolio includes a range of light-duty trucks, heavy equipment, specialty service vehicles, attachments and implements. These assets support daily operations including public works, snow clearing, parks and facility maintenance, water services, and emergency response. Their management impacts service reliability, operational efficiency, and long-term costs. Investments in fleet renewal, preventive maintenance capabilities, and new vehicle performance data systems are helping to meet service level expectations in a more cost-effective manner.

Vehicles, Machinery, and Equipment Inventory

	Class 1	Class 2	Class 3	Class 4	Total
Equipment	2	0	11	25	**38**
Vehicles	36	26	0	19	**81**
Total	**38**	**26**	**11**	**44**	**119**

An updated inventory of the Township's vehicle, machinery, and equipment assets.

COMMUNITY LEVELS OF SERVICE

Service Attribute	Description	Current Performance	Proposed LOS
Scope	*List and number of vehicles in operation and description of services provided.*	**Class 1** - Light & Medium Duty: Passenger vehicles, pickups ½ ton to 5-ton, lawn equipment, utility tractors **Class 2** - Heavy Duty: Dump/plow combos, fire trucks (trucks >5 tons) **Class 3** - Construction Equipment: Road building equipment (loaders, graders, backhoes, etc.) **Class 4** - Specialty: Eg. Ice resurfacer, sweeper, trailers, etc. *Refer to table for fleet counts.*	Identified need for additional pickup trucks and equipment due to growth in the community.
Condition	*Description of fleet condition*	Vehicle condition has historically been monitored by age. New systems are allowing for better tracking of vehicle performance.	Implement new monitoring systems. Continue to monitor fleet age, using age to determine vehicle reserve contributions.
	Estimate of suitability of fleet to meet service requirements	Specialized equipment and limited redundancy have affected service delivery in certain cases, such as snow vehicle downtime.	Fleet management and operations planning will allow for increasing flexibility and availability, to reduce outages.
Safety	*Description of vehicle inspection / maintenance program*	Increased to 2 in-house mechanics. Vehicle safety inspections comply with ministry requirements.	Projected need for additional fleet services staff. Municipal garage does not have space for more work, but some work can be completed at remote locations.
	Description of routine maintenance and check-up procedures	Drivers are responsible and supported by automated vehicle monitoring systems.	Increasing automation as vehicles are replaced, using Automatic Vehicle Logging (AVL) for real-time readings of vehicle condition for heavy vehicles.
Sustaina-bility	*Description of sustainability measures (emission reduction, alternative fuels, etc.)*	2 new hybrid vehicles in the Fire response fleet. Anti-idling mechanism in vehicles. Eco-hydraulic fluid for equipment. New vehicles have lower emissions. AVL system monitors emissions during operation.	Process improvements are reducing environmental impacts. Hybrid vehicles to be considered for new purchases due to limitations in charging infrastructure.

[See following page for Technical Levels of Service]

TECHNICAL LEVELS OF SERVICE

Service Attribute	Description	Current Performance	Proposed LOS
Capacity	*Average Vehicle Kilometers Travelled*	1,031,252 km measured across the fleet.	Keep pace with growth. Some vehicles will see increased use due to added capabilities.
	% of fleet availability	98.6% available	Maintain current.
Safety	*% of vehicles maintained per Ministry specifications*	100%	Maintain current.
Sustaina-bility	*Fuel efficiency of fleet (L/100km)*	Not currently tracked due to data limitations.	New AVL system will allow for better monitoring. Fleet optimization is bringing overall fuel efficiencies even as usage increases.
	% electric / alternative fuel vehicles	2 hybrid vehicles ordered for fire response in 2024, delivered in 2025	Township will formalize a policy on hybrid / alternative fuel vehicles based on vehicle type and purpose.

RISK ASSESSMENT

Multifunctional Equipment: Operational Risk - The Township has taken steps to reduce operational risk in its vehicle and equipment fleet through the purchase of multifunctional equipment with attachments and implements that may be used year-round for various purposes. This approach enhances efficiency, balances usage, and provides redundancies across similar asset types. However, some new equipment functions, such as brushing and tree work, may increase the likelihood of mechanical issues resulting in downtime for multi-use units.

In-House Servicing: Operational and Financial Risks - Increased in-house servicing capabilities reduce risks by allowing staff to respond quickly to maintenance needs and minimize downtime. However, newer vehicles and equipment may require specialized maintenance that cannot always be completed in-house, presenting a new risk of service interruptions.

Green Fleet: Operational Risks - The Township is exploring opportunities for environmental efficiencies, including fuel and deployment efficiencies and potential electric vehicle (EV) integration. However, risks associated with electrification exist due to current facility limitations and equipment compatibility challenges. These risks should be formally assessed through a sustainable fleet policy or strategy.

Reserve Contributions: Financial Risk - Current reserve contributions may be insufficient to meet future vehicle and equipment needs. A minimum threshold based on amortization, asset age, and condition is necessary to support timely replacement and minimize disruptions due to vehicle and equipment lifecycle investment needs.

LIFECYCLE MANAGEMENT STRATEGY

Fleet Renewal: The Township's fleet management strategy includes a capital expenditure forecast for vehicle replacements and new acquisitions.

Standardization and Increased Capability: The Township is undertaking efforts to standardize processes, components, and equipment across the fleet, which are helping to improve operational efficiency while

maintaining compatibility and interoperability across vehicle models. Increased use of in-house equipment for jobs, and in-house maintenance of vehicles and equipment, is also expected to reduce reliance on subcontracted services, generating long-term cost savings.

Fleet Assessment: Operating expenditure projections are currently based on limited historical data and will evolve with the fleet strategy and improved data systems. The Township is shifting from time-based to condition- and utilization-based assessments, as vehicle wear varies across the fleet. Improvements to fleet and work order management systems will support tracking of asset usage, maintenance, and regulatory compliance. New fleet assets include automated data systems to support real-time condition monitoring and asset information management. A new fleet data system is being implemented to enhance decision-making and long-term planning.

Fleet and Fuel Use Monitoring: The Township continues to evaluate fuel efficiency, alternative power sources, and hybrid options where appropriate. Although future fuel tracking and fleet management systems are expected to improve financial oversight and operational efficiency, their impact on actual consumption will be monitored over time.

NET COST IMPACT

The 2024 AMP provides an annualized cost estimate of $1.82 million for vehicle assets and $1.12 million for equipment assets, for a combined total estimated financial requirement of **$2.94 million** for these assets. Capital expenditures are projected to increase for light-duty trucks as outlined in the 2025–2029 budget. Sustainability measures are integrated into planned budgets for procurement. Tariffs may affect cost estimates for any asset, and vehicles may be particularly susceptible to tariff cost uncertainty.

Overall vehicle and equipment operational costs are expected to **remain stable** or decrease moderately over time through preventive maintenance and reduced reliance on external service providers. A one-time capital investment of approximately $65,000 is planned for new fleet monitoring and maintenance equipment which is included in existing budgets.

Additional cost savings are anticipated from reallocating underutilized vehicles to roles better suited to their age and condition, extending their useful life. Further efficiencies are expected from standardization across the fleet, consistent processes, and interchangeable components, which help to control costs.

Overall, changes to the current LOS seek additional efficiencies beyond those stated in the 2024 AMP, with **no significant net cost impact** to note presently for vehicles, machinery and equipment.

NOTES AND NEXT STEPS

Hybrid / Alternative Fleet Policy: The Township intends to develop a policy for sustainable fleet management, based on a review of its capacity to onboard and maintain hybrid, electric, or other alternative fuel vehicles as part of its fleet. The policy will aim to reduce the risk of non-compatible fleet acquisitions and identify requirements for supporting infrastructure.

LAND IMPROVEMENTS

INTRODUCTION

Land improvements in Oro-Medonte consist of 71.1 hectares of parkland, 13 playgrounds, the Rail Trail, a set of docks and wharves, and related improvements for recreation. Playground assets are reaching the end of their service lives and should be proactively part of forward planning for replacement. Docks and wharves have been inspected and urgent rehabilitation activities completed recently. The Township is moving towards greater accessibility during the renewal of playgrounds and other land improvements.

COMMUNITY LEVELS OF SERVICE

Service Attribute	**Description**	**Current Performance**	**Proposed LOS**
Scope	*A map of municipal park locations.*	Shown in the Appendix to the 2024 AMP.	New parkland will be added through contributions from new subdivisions.
Safety	*Description of inspection processes and measures in place to respond to defects and safety concerns.*	Monthly inspections for Playgrounds are completed as required under CSA Z614. Defects are addressed as soon as possible. Safety hazards are rectified or removed from service until repaired.	Maintain current processes, adding one annual inspection conducted by external party.
Accessibility	*A description of accessibility measures in place*	Most existing playgrounds and land improvements were installed prior to accessibility regulations and do not have accessible features.	Install features that comply with AODA requirements at new installation or replacement of parks and land improvements.

TECHNICAL LEVELS OF SERVICE

Service Attribute	**Description**	**Current Performance**	**Proposed LOS**
Scope	*Total parkland and parks per 1000 residents.*	71.1 Ha parkland 3.35 Ha per 1000 residents	New subdivisions include a parkland allocation of 5% of developed area, totaling 19.3 Ha in planned new allocations.
Safety	*Record of safety inspection and defect response actions*	100% monthly inspections completed	No change.
Accessibility	*List of facilities that meet accessibility standards (AODA).*	Limited existing facilities have AODA compliant features.	Provide AODA accessible features at new installation or replacements of parks and land improvements.
Service Life	*Number of playgrounds with under 10 years of estimated remaining service life*	13 playgrounds have under 10 years of service life remaining	Playgrounds are retired or replaced at or near the end of their service life, as determined by an inspection and in alignment with the Parks and Recreation master plan.

RISK ASSESSMENT

New Parkland: Operational Risk - The addition of new parks introduces operational risks that are generally consistent with those already managed within the existing parks portfolio. There may be a minor increase in risk due to the expanded area, public use, and associated maintenance requirements.

External Inspections: Operational Risk - The addition of annual external inspections of playgrounds provides an added layer of oversight, to identify issues and validate internal inspection processes. This may reduce operational risk by supporting proactive maintenance and compliance with safety standards.

PARK AMMENITIES

Oro-Medonte offers a variety of amenities, including tennis courts, to enhance service standards and support improvements to public spaces.

Playground Replacement: Safety Risk - The replacement or retirement of aging playground equipment is expected to reduce public health and safety risks. New installations incorporate modern accessibility features and comply with current safety standards, lowering risk of injury and improving inclusivity for users.

LIFECYCLE MANAGEMENT STRATEGY

New Parkland: Parkland is contributed to the Township by the developers of new subdivisions. New parkland will call for additional operations, maintenance, and safety inspections.

External Inspections: In addition to monthly internal inspections of playground equipment, the Township will contract an outside service provider to conduct annual inspections. This will confirm the validity of Township inspections and may assist in proactively identifying maintenance and repair requirements.

Playground Replacement: With 13 playgrounds reaching end-of-life, existing playgrounds should be retired or replaced at a rate of approximately 1 per year to manage costs. The Township will integrate AODA-compliant features on new installations to improve accessible options where playgrounds are replaced.

NET COST IMPACT

The 2024 AMP provides an estimate for annual expense requirements of **$1.08 million** for Land Improvement assets. In comparison with historic expenditures, achieving proposed LOS will require a minor increase in inspection costs for playgrounds of approximately $4,000 to conduct one annual inspection of each playground by an external service provider. Existing playgrounds will be replaced at a cost of approximately $120-300,000 each, with three investments planned in 2028 and 2030. Increased operating costs are to be determined when new parks are completed and transferred to Township ownership. These costs will depend on the type of improvements installed on transferred parklands.

On balance, these increases to historic spend are still within the overall envelope identified to sustain current LOS in the 2024 AMP. Overall, the cost estimate in the AMP is considered relevant and **no change to forecasts** is required currently.

NOTES AND NEXT STEPS

Playground Replacements: Oro-Medonte has planned a budget to replace 3 playgrounds by 2030. Additional playground replacements shall be formalized within the next capital plan based on professional estimates of those assets remaining useful life and community levels of service.

Climate Risk and Resilience: Oro-Medonte is committed to understanding and planning for climate risks such as strong winds, ice storms, and wildfires and their impacts on land improvements and related assets including trees. Resilience measures as identified will be integrated into asset investment plans, to forecast and budget for the continued use and enjoyment of the Township's land improvements.

FINANCIAL STRATEGY: ANNEX TO THE 2024 AMP

The Financial Strategy evaluates the funding needed to meet the Municipality's asset management objectives, considering sources of funding and forecasted costs. This section provides additional context from the 2024 Asset Management Plan (AMP), considering new investments for lifecycle activities identified in this 2025 AMP Annex, as well as financial projections from the Municipality's 2025-26 Capital Budget and 5-year Capital Forecast, which were developed after the 2024 AMP.

The Township is maintaining the annual requirement of $21.8 million identified in the 2024 Asset Management Plan (AMP) as necessary to sustain proposed levels of service across all asset classes. After conducting an analysis including updated performance targets, risk mitigation measures, and lifecycle activity plans for all assets, no adjustments to this estimate have been determined as necessary at this time.

Conversely, the Township is committed to exploring strategies aimed at reducing lifecycle costs, which will help align projected expenditures more closely with the Township's financial resources. Among these strategies are ongoing improvements to asset inventory, condition, and financial data, which will enhance the accuracy and reliability of future financial projections.

Overall, the Township is committed to sustainably funding its asset needs, to achieve long-term financial resilience while maintaining services at a level that meets public expectations.

NET COST IMPACT TO ACHIEVE PROPOSED LOS

The net cost impacts identified in this Annex show no significant change required to achieve Proposed Levels of Service as compared to maintaining current LOS described in the 2024 AMP. This means costs in the 2024 AMP are estimated to be sufficient to achieve both current and proposed LOS.

During the preparation of this Annex, the Township identified increases relative to historic costs expected for Facilities, Water, Wastewater, Stormwater, and Land Improvements, most notably:

- **Facilities** costs related to additional operating expenses planned for the Simcoe Woods Community Centre and new Bylaw Office.
- **Water, Wastewater, and Stormwater** costs impacted by legislated monitoring and maintenance requirements, as well as improvements to asset data that will assist in refining estimates.
- **Land Improvement** costs to include budgeted amounts for three new playgrounds and contributions of new parkland from developments.

However, the 2024 AMP's stated annualized funding requirements is greater than the Township's budget for each of these asset classes. The net cost impacts of these changes are broadly within the envelope set in the 2024 AMP, resulting in the decision to not revise asset management estimates upward.

ANNUAL INVESTMENT REQUIREMENT BY ASSET CATEGORY

Asset Category	Asset Replacement Value	Estimated Remaining Useful Life	Annualized Funding	Reinvestment Rate
Water Services	$ 59,933,332	68%	$ 1,224,358	2.04%
Communal Tile	$ 3,360,279	29%	$ 89,624	2.67%
Storm and Drainage	$ 18,278,222	66%	$ 441,888	2.42%
Roads	$ 441,061,661	22%	$ 7,459,500	1.69%
Associated structures	$ 9,703,483	25%	$ 550,481	5.67%
Bridges	$ 51,553,500	0%	$ 925,000	2.23%
Culverts		15%		
Associated structures		48%	$ 223,000	
Vehicles	$34,600,000	48%	$ 1,817,261	5.25%
Buildings	$ 148,622,864	46%	$ 6,858,721	4.61%
Equipment	$ 14,241,601	25%	$ 1,121,323	7.87%
Land Improvements	$ 12,486,592	4%	$ 1,075,196	8.61%
Total	**$ 793,841,534**		**$ 21,786,352**	**2.74%**

Annual Investment Requirement for each asset class, as shown in the Township of Oro-Medonte's 2024 Asset Management Plan.

Given the financial requirements stated in the 2024 AMP continuing to be greater than the Township's budget, Township staff did not see it as prudent to increase cost projections beyond these amounts. The Township will continue to use the above table as a reference when considering long-term budgetary needs.

SOURCES OF FUNDING AND CAPITAL RESERVES

The Township funds the expenses identified in the Asset Management Plan (AMP) and its Annex through a set of funding sources: the capital reserve levy, user payments, development charges, parkland in lieu transfers, as well as external grants such as the Ontario Community Infrastructure Fund and the Canada Community Building Fund. Each of the Township's capital reserves has specific conditions for replenishment and for funding capital projects. The 2024 AMP identified annual expenditures for all assets of $21.8 million, which serves as the baseline for long-term capital planning.

As illustrated in **Figure 1** below, the Township's 10-year capital budget and funding forecast (2025–2034) compares projected capital reserve contributions (orange bars), capital expense funding (green bars), and three scenarios illustrated by the purple dashed lines representing additional annual capital reserve levy contributions equivalent to a 1%, 2%, and 3% increase to the Township's future annual tax rate. The red dotted line represents the AMP's recommended annual investment of $21.8 million, adjusted annually for 4%

inflation. Capital expense funding reflects the Township's 5-year capital budget forecast for 2025 to 2029, followed by AMP-level investment targets for 2030 to 2034, with inflation applied exclusively to the AMP-based projections.

In 2025, the green bar spikes significantly, reflecting substantial planned investments, including the final phase of the Simcoe Woods Community Centre and key road and drainage infrastructure upgrades. These non-recurring expenditures result in a notable drawdown of reserves.

Additionally, approximately $2 million per budget year from the capital reserve property tax levy is allocated to servicing past debt related to the replacement of roads and bridges. This repayment obligation limits the funding available for current and future capital needs.

Despite projected contributions and modeled replenishment scenarios, **Figure 1** shows a net reserve balance shortfall of approximately $10 million by the end of 2034. This shortfall persists even if the Township were to increase annual reserve contributions by an amount equivalent to a 1%, 2%, or 3% increase to the Township's future annual tax rate. These scenarios are illustrated by the purple dashed lines, which represent net reserve level impacts under each respective tax rate increase scenario. As shown, none of these scenarios are financially sustainable over the 10-year forecast period, with reserve balances remaining insufficient to meet long-term capital funding needs.

Figure 1: Reserve contribution scenarios from 2025 budget data, showing net reserve balance impacts under three different Capital Reserve Levy scenarios. 2025-26 Capital Budget is approved, 2027-29 Capital Forecasts are subject to further deliberation and Council approval, and 2030 onward forecasts are based on estimates in the 2024 AMP.

Figure 2 presents a 10-year capital budget and funding forecast from 2025 to 2034, using the same format as **Figure 1**. It compares projected capital reserve contributions (orange bars), capital expense funding (green bars), and three scenarios (purple dashed lines) representing additional annual capital reserve levy contributions equivalent to 1%, 2%, and 3% increase to the Township's future annual tax rate. The red dotted line reflects the AMP's recommended annual investment of $21.8 million, adjusted annually for 4% inflation.

Unlike **Figure 1**, which assumes full AMP-level spending from 2030 to 2034, escalated annually, **Figure 2** models capital spending from 2030 to 2034 based on the average forecasted costs from 2026 to 2029, with inflation applied each year. This approach reflects a more historically grounded investment pattern while still accounting for cost escalation.

Under this spending assumption, capital expense funding (green bars) becomes more aligned with capital reserve contributions (orange bars) in the latter half of the forecast period. This alignment allows reserve balances (purple dashed lines) to begin recovering as early as 2026, particularly under the 2% and 3% future tax increase scenarios.

However, both the 2% and 3% scenarios remain insufficient until later in the forecast period—2033 and 2034 for the 2% scenario, and 2029 for the 3% scenario. Even then, reserve levels only meet capital funding requirements, leaving little room for contingencies or future growth. This minimal margin is not sustainable. The 1% scenario is clearly unsustainable throughout the forecast period, as it consistently fails to meet capital funding needs.

These trends highlight the persistent funding gap and reinforce the need for sustained strategic investment to support long-term capital requirements

This highlights the ongoing funding gap and the importance of sustained investment to support long-term capital requirements.

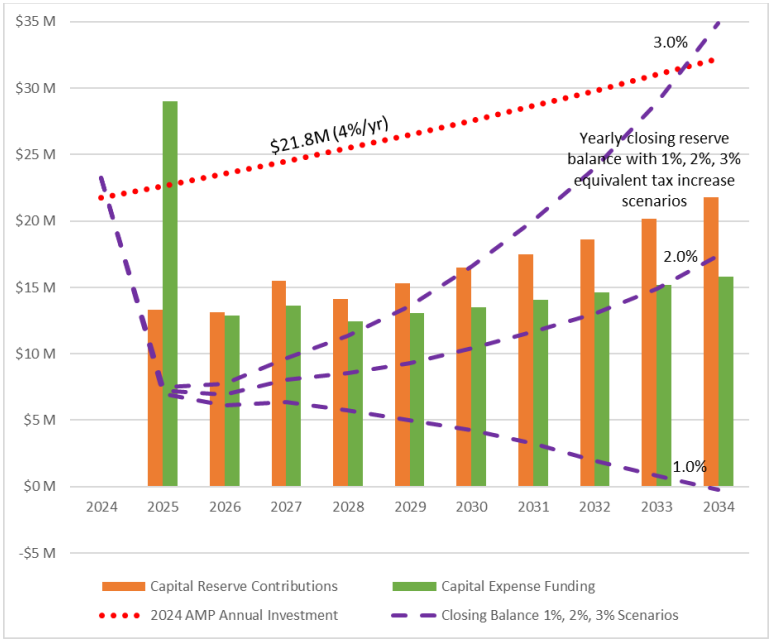


Figure 2: Reserve contribution scenarios from 2025 budget data, showing net reserve impacts under three different Capital Reserve Levy scenarios. Capital Expense Funding between 2030 to 2034 are based on average expense funding from 2026 to 2029.

FINANCIAL RISKS DUE TO UNFUNDED PROJECTS

The Township faces significant financial risks when capital projects identified in the Asset Management Plan (AMP) and its Annex remain unfunded. Based on the analysis illustrated in **Figure 1**, the current model—assuming full AMP-level spending escalated annually—is not financially sustainable. While **Figure 2** shows reserve balances trending upward under moderated spending and increased levy scenarios, it still reveals a persistent funding gap. This underscores the need for a balanced strategy that both reduces capital spending and increases reserve levy contributions to better align funding with projected requirements.

To mitigate these risks and move toward financial sustainability, the Township is implementing two key measures:

1. Increasing its annual capital property tax levy to support projected infrastructure needs.
2. Right-sizing planned investments in Township assets to match the projected budget for those services.

Projects identified in the 2024 AMP and Annex are expected to be funded through a combination of Township reserves, external grants, and development charges collected. However, the Township recognizes the importance of evaluating the risks associated with deferring or not completing these projects. As part of its annual reporting to Council, it will assess the potential service impacts and financial implications of unfunded capital needs.

Ultimately, addressing the financial risks posed by unfunded projects requires proactive management, improved asset data to support financial forecasting, and strategic long-term planning at the asset class level. These efforts are essential to ensure the Township can continue delivering services at financially sustainable levels.

Overall, financial sustainability will be achieved through the proactive management actions identified above, as well as improving the quality of asset data used in developing financial forecasts and focusing on strategic long-term planning at the asset class level to provide services at financially sustainable levels.

CONCLUSION AND NEXT STEPS

Overall, the Township of Oro-Medonte strives to provide services in line with community and Council expectations and has been making investments to improve and expand services in key areas. This 2025 Annex to the Asset Management Plan has identified proposed Levels of Service for the Township's assets, noting significant improvements in Facilities, Land Improvements for playgrounds, as well as expansions to service in Wastewater and Land Improvements for parklands. The risks and forecast cost impacts of these improvements were quantified and assessed as in alignment within the Township's existing financial strategy and projections outlined in the 2024 AMP.

Key next steps for Asset Management Planning are outlined below:

Municipal Services Corporation: A significant change underway is the formation of the Oro-Medonte Municipal Services Corporation responsible for the operations and maintenance of user-fee based services including Water, Streetlights, Communal Tile and Wastewater assets. Future updates to the Asset Management Plan will assess these assets separately, identifying financial strategies for the sustainability of these assets apart from general municipal assets.

Data Improvements: The Township is committed to improving the way it collects and manages financial and other asset-related data, such as asset condition information. Data improvements will enable the next iteration of the Asset Management Plan to forecast needs more precisely with projections based on current and accurate condition and financial data and a consistent planning approach across asset classes.

Population Growth: This Annex identified enhancements to Township services that are planned in response to growth. When the Township's population exceeds 25,000 residents, it will need to conduct a thorough evaluation of service demands under projected growth scenarios. This is expected to affect Water service assets, which may be strained depending on the location and type of growth. It may also assist in identifying capacity constraints related to other assets in the future.

Climate Resilience: The Municipality is committed to evaluating climate risks to its assets and integrating appropriate adaptation measures as part of its investment planning. This will aim to reduce total cost of ownership of assets by including investments for resilient, sustainable service delivery, reducing the risk of service outages and costly recovery, as part of regular lifecycle activities.

Risk Assessment: Related to climate risk assessment, the Township may adopt a risk assessment framework to quantify the risks of its assets and service areas and identify a set of priority risks with response measures. This would include assessing the likelihood and consequences of failures across asset classes, identifying critical assets, and re-considering priority investments in assets based on a systematic evaluation of risk.

Annual Reporting: The Township commits to providing an annual report to Council tracking progress in implementing the Asset Management Plan and achieving or maintaining proposed Levels of Service.