2025
Asset Management Plan

Key Statistics

$619.5 million Replacement cost of asset portfolio	**$29,295** Replacement cost of infrastructure per capita
3.4% Target average annual capital infrastructure reinvestment rate	**1.5%** Actual average annual capital infrastructure reinvestment rate
71% Percentage of assets in fair or better condition	**44%** Percentage of annual infrastructure funding needs currently being met
3.3% Portion of total infrastructure funding that comes from the CCBF	**45%** Annual cost savings for roads through proactive lifecycle management
$619 Annual infrastructure deficit per capita	**10 years** Recommended timeframe for eliminating annual infrastructure deficit

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1 Executive Summary

Municipal infrastructure provides the foundation for the economic, social, and environmental health and growth of a community through the delivery of critical services. The goal of asset management is to deliver an adequate level of service in the most cost-effective manner. This involves the development and implementation of asset management strategies and long-term financial planning.

All municipalities in Ontario are required to complete an asset management plan (AMP) in accordance with Ontario Regulation 588/17 (O. Reg. 588/17). This AMP outlines the current state of asset management planning in the Town of Huntsville. It identifies the current practices and strategies that are in place to manage public infrastructure and makes recommendations where they can be further refined. Through the implementation of sound asset management strategies, the Town can ensure that public infrastructure is managed to support the sustainable delivery of municipal services.

This AMP includes the following asset categories:

Asset Category	Source of Funding
Road Network	Taxes
Bridges	
Storm Sewer Network	
Facilities	
Equipment	
Fleet & Machinery	
Land Improvements	

The overall replacement cost of the asset categories included in this AMP totals $619.5 million. Of all assets analysed in this AMP, 71% are in fair or better condition and assessed condition data was available for 89% of assets. For the remaining 11% of assets, assessed condition data was unavailable, and asset age was used to approximate condition – a data gap that persists in most municipalities. Generally, age misstates the true condition of assets, making assessments essential to accurate asset management planning, and a recurring recommendation in this AMP.

The development of a long-term, sustainable financial plan requires an analysis of whole lifecycle costs. This AMP has used a combination of proactive lifecycle strategies and replacement only strategies to determine the lowest cost option to maintain the current level of service.

To meet capital replacement and rehabilitation needs for existing infrastructure, prevent infrastructure backlogs, and achieve long-term sustainability, the Town's average annual capital requirement totals $16.6 million and the average annual requirement related to capital lifecycle strategies totals $4.3 million. Overall, considering maintenance, preventative maintenance, rehabilitation and replacement costs, the average annual requirement totals $20.9 million. Based on a historical analysis of sustainable capital funding sources including property taxation, CCBF and OCIF funding, the Town is committing approximately $9.1 million towards capital projects per year. As a result, there is currently an annual funding gap of $11.8 million which includes a capital funding gap of $7.5 million and $4.3 million for lifecycle activities. These lifecycle activities are currently funded through capital budgets.

An updated financial strategy is being recommended to address the annual funding gap over 10 years, with continued increases to be maintained past the 10 years to address the infrastructure backlog which will continue to grow until a sustainable level of funding is achieved. Continued increases past the 10 years will also help address price changes and inflation impacts.

With the development of this AMP, the Town has achieved compliance with O. Reg. 588/17 to the extent of the requirements that must be completed by July 1, 2025. Annual updates will be required in the future.

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

2 Introduction & Context

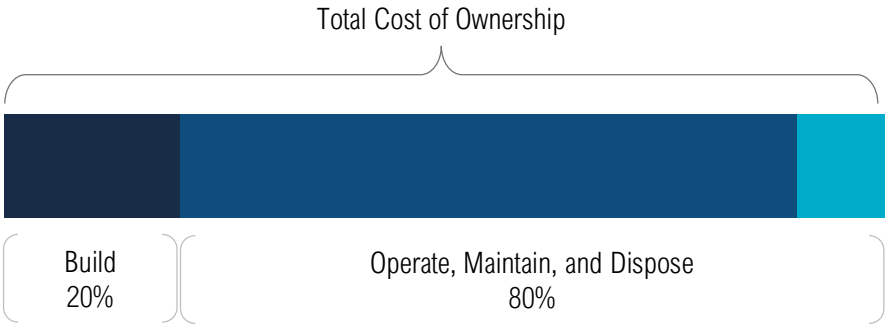
Key Insights

- The goal of asset management is to minimize the lifecycle costs of delivering infrastructure services, manage the associated risks, while maximizing the value taxpayers receive from the asset portfolio.
- The Town's strategic asset management policy provides clear direction to staff on their role and responsibilities regarding asset management.
- An asset management plan is a living document that should be updated regularly to inform long-term planning.
- Ontario Regulation 588/17 outlines several key milestones and requirements for asset management plans in Ontario between July 1, 2021 and 2025.

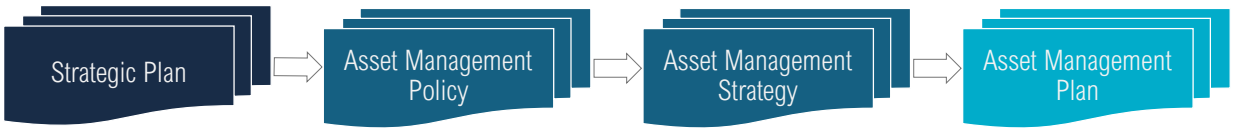
2.1 An Overview of Asset Management

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

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



These costs can span decades, requiring planning and foresight to ensure financial responsibility is spread equitably across generations. An asset management plan is critical to this planning, and an essential element of a broader asset management program. The diagram below depicts an industry-standard approach and sequence to developing a practical asset management program.



The diagram, adopted from the Institute of Asset Management (IAM), illustrates the concept of 'line of sight', or alignment between the corporate strategic plan and various asset management documents. The strategic plan has a direct, and cascading impact on asset management planning and reporting.

2.1.1 Asset Management Policy

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

The Town adopted Budget&Financial-18 "Strategic Asset Management Policy" on May 27, 2024, in accordance with Ontario Regulation 588/17.

The objective of the policy is to provide:

- Leadership in and commitment to the development and implementation of the Town's asset management program
- Guidance for the consistent and coordinated use of asset management across the Town, and
- Guidance for logical and evidence-based decision making for the management of municipal infrastructure assets that is in line with the Town's strategic priorities and any federal and provincial regulatory requirements.

2.1.2 Asset Management Strategy

An asset management strategy outlines the translation of organizational objectives into asset management objectives. It provides greater detail than the policy on how the municipality plans to achieve asset management objectives through planned activities and decision-making criteria.

The Town's Asset Management Policy contains the key components of an asset management strategy.

2.1.3 Asset Management Plan

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

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

The AMP is a living document that should be updated regularly as additional asset and financial data becomes available. This will allow the municipality to re-evaluate the state of infrastructure and identify how the organization's asset management and financial strategies are progressing. The Town's previous AMP was adopted in 2024.

2.2 Key Concepts in Asset Management

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

2.2.1 Lifecycle Management Strategies

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

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

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

Lifecycle Activity	Description	Example (Roads)	Cost
General Maintenance	Activities that repair current defects or inhibits deterioration	Pothole Repairs	$
Preventitive Maintenance	Activities that prevent defects or deteriorations from occurring	Crack Seal	$
Rehabilitation/ Renewal	Activities that rectify defects or deficiencies that are already present and may be affecting asset performance	Pulverize & Resurface	$$
Replacement/ Reconstruction	Asset end-of-life activities that often involve the complete replacement of assets	Full Reconstruction	$$$
Replacement Upgrade/ Reconstruction	Asset end-of-life activities that involve the complete replacement of assets with an upgraded asset	Full Reconstruction LCB to HCB Surface Composition	$$$$

Depending on initial lifecycle management strategies, asset performance can be sustained through a combination of maintenance and rehabilitation, but at some point, replacement is required for most assets. Understanding what effect these activities will have on the lifecycle of an asset, and their cost, will enable staff to make better recommendations.

The Town's approach to lifecycle management is described within each asset category outlined in this AMP. Developing and implementing a proactive lifecycle strategy will help staff to determine which activities to perform on an asset and when they should be performed to maximize useful life at the lowest total cost of ownership.

2.2.2 Risk Management Strategies

Municipalities generally take a 'worst-first' approach to infrastructure spending. Rather than prioritizing assets based on their importance to service delivery, assets in the worst condition are fixed first, regardless of their criticality. However, not all assets are created equal. Some are more important than others, and their failure or disrepair poses more risk to the community than that of others. For example, a road with a high volume of traffic that provides access to critical services poses a higher risk than a low volume rural road. These high-value assets should receive funding before others to ensure that scarce financial resources are being allocated effectively.

By identifying the various impacts of asset failure and the likelihood that the asset will fail, risk management strategies can identify critical assets, and determine where maintenance efforts, and spending, should be focused.

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

2.2.3 Levels of Service

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

These measures include a combination of those that have been outlined in O. Reg. 588/17 in addition to performance measures identified by the Town as worth measuring and evaluating. The Town measures the level of service provided at two levels: Community Levels of Service, and Technical Levels of Service.

2.2.3.1 Community Levels of Service

Community levels of service are a simple, plain language description or measure of the service that the community receives. The province, through O. Reg. 588/17, has provided mandatory qualitative descriptions for core asset categories (Roads, Bridges, and Stormwater). For non-core asset categories, the Town has determined the qualitative descriptions that will be used to determine the community level of service provided. These descriptions can be found in the Levels of Service subsection within each asset category.

2.2.3.2 Technical Levels of Service

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

The province, through O. Reg. 588/17, has provided mandatory technical metrics for core asset categories (Roads, Bridges, and Stormwater). For non-core asset categories, the Town has determined the technical metrics that will be used to determine the technical level of service provided. These metrics can be found in the Levels of Service subsection within each asset category.

2.2.3.3 Current and Proposed Levels of Service

This AMP focuses on measuring the current level of service provided to the community. Once the current levels of service have been measured, the Town is establishing proposed levels of service over a 10-year period, in accordance with O. Reg. 588/17.

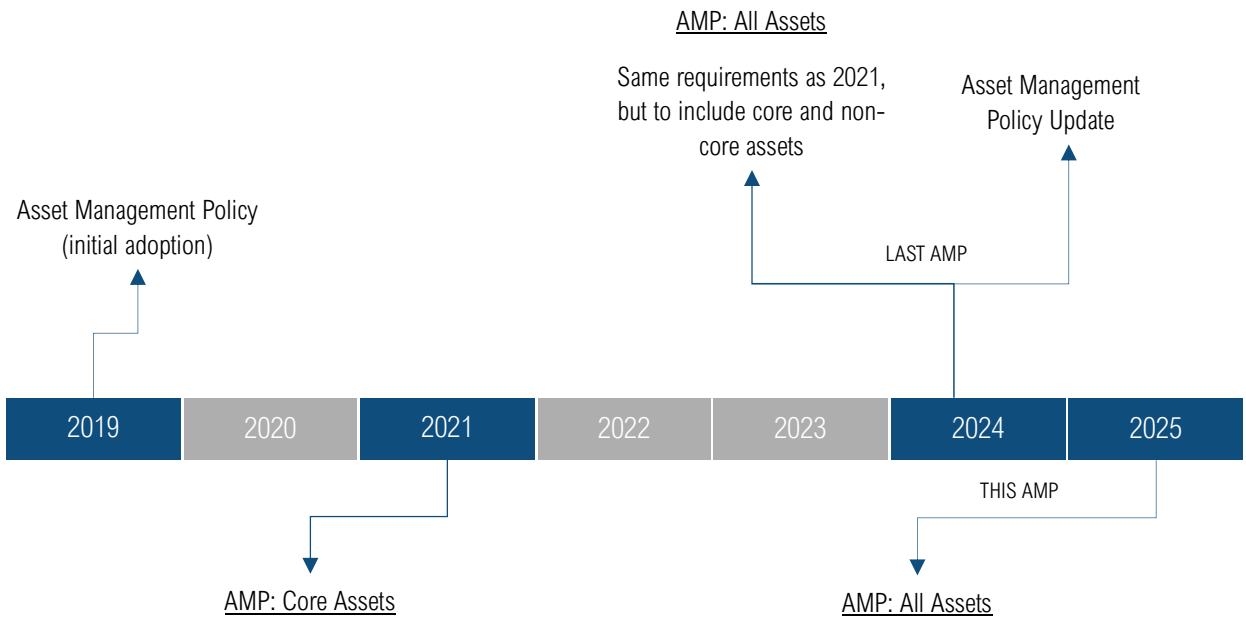
Proposed levels of service should be realistic and achievable within the timeframe outlined by the Town. They should also be determined with consideration of a variety of community expectations, fiscal capacity, regulatory requirements, corporate goals, and long-term sustainability.

It is anticipated that the cost to maintain levels of service will increase, so in order to provide an achievable target that takes into consideration the municipality's ability to continue to maintain the current level of services, staff are recommending that in general, the proposed levels of services is to maintain what is currently being provided.

2.3 Ontario Regulation 588/17

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

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



1. Current levels of service
2. Inventory analysis
3. Lifecycle activities to sustain LOS
4. Cost of lifecycle activities
5. Population and employment forecasts
6. Discussion of growth impacts

1. Proposed levels of service for next 10 years
2. Updated inventory analysis
3. Lifecycle management strategy
4. Financial strategy and addressing shortfalls
5. Discussion of how growth assumptions impacted lifecycle and financial strategy

2.3.1 O. Reg. 588/17 Compliance Review

The following table identifies the requirements outlined in Ontario Regulation 588/17 for municipalities to meet by July 1, 2025. Next to each requirement, a page or section reference is included in addition to any necessary commentary.

Requirement	O. Reg. Section	AMP Section Reference	Status
Proposed levels of service in each category	S.6(1)	Appendix B	Complete
Explaination why the proposed level of service is appropriate	S.6(2)	AMP Section 5.85	Complete
Lifecycle Management Strategy	S.6(4)	AMP Section 5	Complete
Financial Stragegy	S.6(4)	AMP Section 7	Complete
Assumptions regarding future changes in population have informed the lifecycle management and financial strategy	S.5	AMP Section 6.2	Complete

3 Scope & Methodology

Key Insights

- This asset management plan includes 7 asset categories.
- The source and recency of replacement costs impacts the accuracy and reliability of asset portfolio valuation.
- Accurate and reliable condition data helps to prevent premature and costly rehabilitation or replacement and ensures that lifecycle activities occur at the right time to maximize asset value and useful life.

3.1 Asset Categories Included in this AMP

This asset management plan for the Town of Huntsville is produced in compliance with Ontario Regulation 588/17. The July 2025 deadline under the regulation—the final of three AMPs—requires proposed levels of service and financing strategy lifecycle management strategy and discussion on how these are impacted by growth for all Asset Categories..

3.2 Deriving Replacement Costs

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

- **User-Defined Cost and Cost/Unit**: Based on costs provided by municipal staff which could include average costs from recent contracts; data from engineering reports and assessments; and staff estimates based on knowledge and experience.

- **Cost Inflation/CPI Tables**: Historical cost or last User-Defined cost of the asset is inflated based on Consumer Price Index or Non-Residential Building Construction Price Index.

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

3.3 Estimated Useful Life, Average Age, and Service Life Remaining

The estimated useful life (EUL) of an asset is the period over which the Town expects the asset to be available for use and remain in service before requiring replacement or disposal. The EUL for each asset in this AMP was assigned according to the knowledge and expertise of municipal staff and supplemented by existing industry standards when necessary. Each asset's Estimated Useful Life should be reviewed periodically to determine whether adjustments need to be made to better align with the observed length of service life for each asset type.

The average age of each asset is based on the number of years each asset has been in service.

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

$$Service\ Life\ Remaining\ (SLR) = In\ Service\ Date + Estimated\ Useful\ Life(EUL) - Current\ Year$$

The estimated useful life, average age, and average service life remaining can be found in the Estimated Useful Life & Average Age subsection within each asset category.

3.4 Reinvestment Rate

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

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

$$Target\ Reinvestment\ Rate = \frac{Annual\ Capital\ Requirement}{Total\ Replacement\ Cost}$$

$$Actual\ Reinvestment\ Rate = \frac{Annual\ Capital\ Funding}{Total\ Replacement\ Cost}$$

3.5 Deriving Asset Condition

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

A condition assessment rating system provides a standardized descriptive framework that allows comparative benchmarking across the Town's asset portfolio. The table below outlines the condition rating system used in this AMP to determine asset condition. This rating system is aligned with the Canadian Core Public Infrastructure Survey which is used to develop the Canadian Infrastructure Report Card. When assessed condition data is not available, service life remaining is used to approximate asset condition. See Appendix D for the condition rating criteria of each core infrastructure group (Roads, Bridges, Stormwater).

Condition	Description	Criteria	Service Life Remaining (%)
Very Good	Fit for the future	Well maintained, good condition, new or recently rehabilitated	80-100
Good	Adequate for now	Acceptable, generally approaching mid-stage of expected service life	60-79
Fair	Requires attention	Signs of deterioration, some elements exhibit significant deficiencies	40-59
Poor	Increasing potential of affecting service	Approaching end of service life, condition below standard, large portion of system exhibits significant deterioration	20-39
Very Poor	Unfit for sustained service	Near or beyond expected service life, widespread signs of advanced deterioration, some assets may be unusable	0-19

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

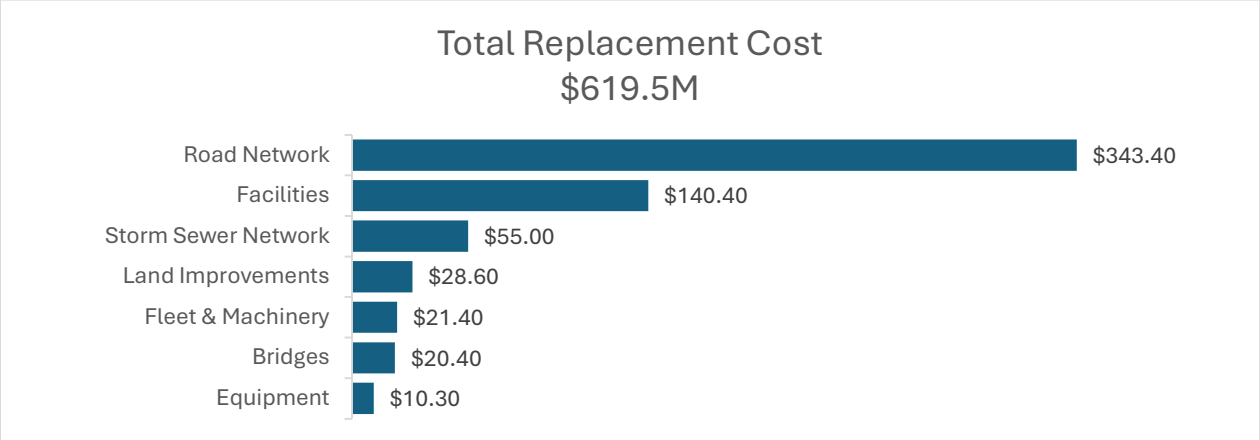
4 Portfolio Overview

Key Insights

- The total replacement cost of the Town's asset portfolio is $619.5 million.
- The Town's target capital reinvestment rate is 3.4%, and the actual capital reinvestment rate is 1.5%, contributing to an expanding capital infrastructure deficit.
- 71% of all assets are in fair or better condition.
- 48% of assets are projected to require replacement in the next 10 years.
- Average annual capital requirements total $20.9 million per year across all assets which includes $16.6 million towards capital replacement and $4.3 million towards lifecycle events for core infrastructure assets

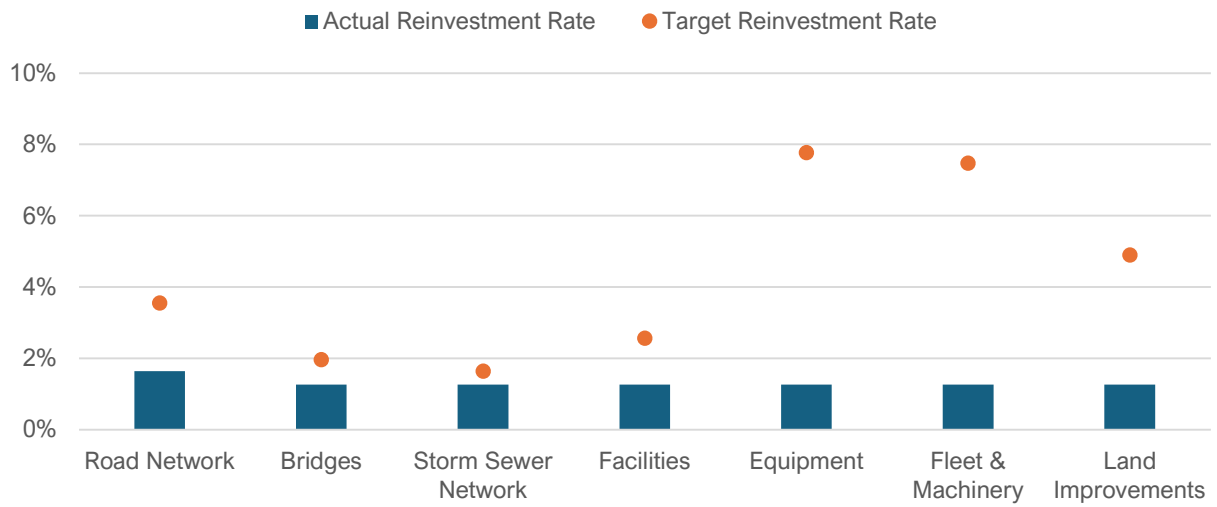
4.1 Total Replacement Cost of Asset Portfolio

The asset categories analysed in this AMP have a total replacement cost of $619.5 million based on inventory data from 2025. This total was determined based on a combination of user-defined costs and historical cost inflation. This estimate reflects replacement of existing historical assets with similar, not necessarily identical, assets available for procurement today.



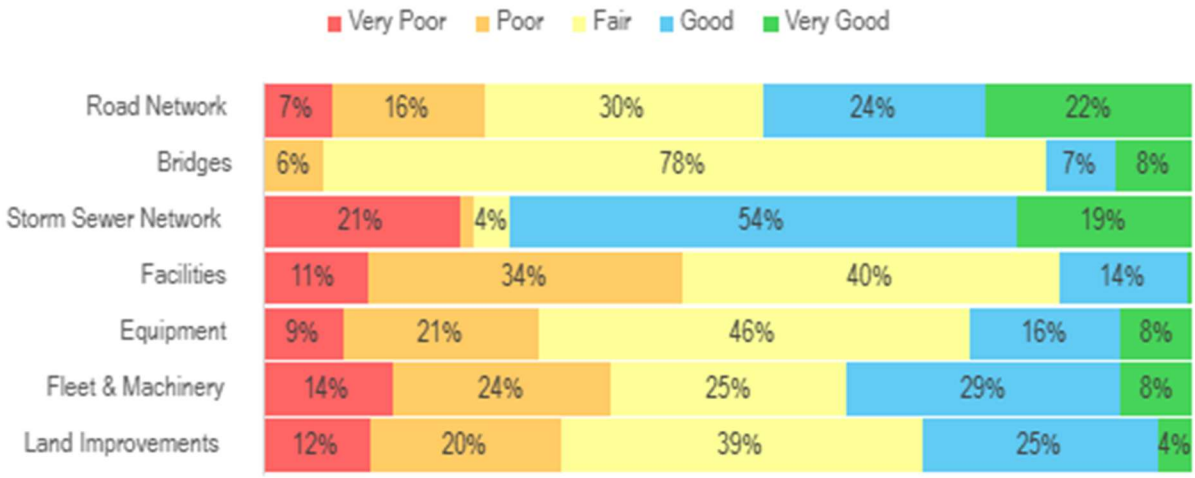
4.2 Target vs. Actual Capital Reinvestment Rate

The graph below depicts funding gaps or surpluses by comparing target vs actual capital reinvestment rate. To meet the long-term replacement needs, the Town should be allocating approximately $20.9 million annually for capital, for a target capital reinvestment rate of 3.4%. Actual annual funding for capital infrastructure totals approximately $9.1 million, for an actual capital reinvestment rate of 1.5%.


Actual Reinvestment Rate
Target Reinvestment Rate
10%
8%
6%
4%
2%
0%
Road Network
Bridges
Storm Sewer Network
Facilities
Equipment
Fleet & Machinery
Land Improvements

4.3 Condition of Asset Portfolio

The current condition of the assets is central to all asset management planning. Collectively, 71% of assets in Huntsville are in fair or better condition. This estimate relies on both age-based and field condition data.

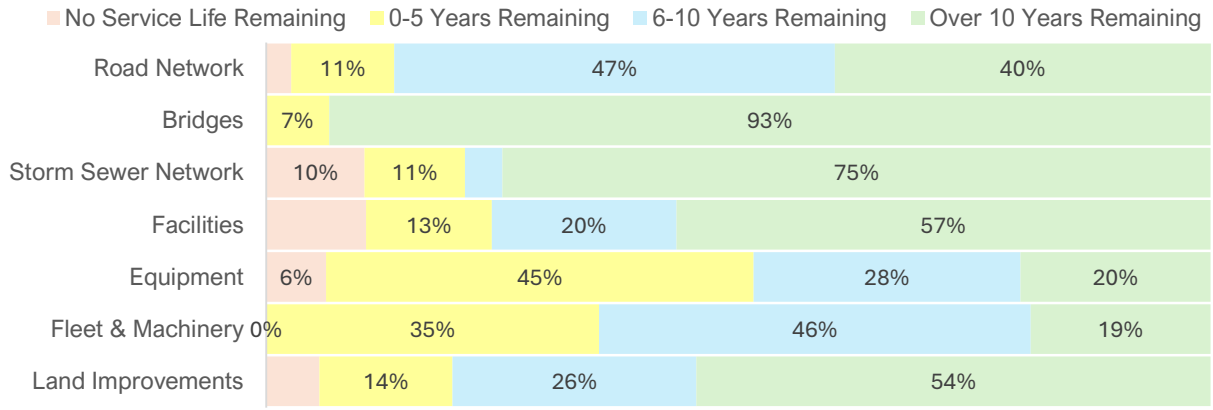


This AMP relies on assessed condition data for 89% of assets; for the remaining portfolio, age is used as an approximation of condition. Assessed condition data is invaluable in asset management planning as it reflects the true condition of the asset and its ability to perform its functions. The table below identifies the source of condition data used throughout this AMP.

Asset Category	Asset Segment	% of Assets with Assessed Condition	Source of Condition Data
Road Network	Gravel/HCB/LCB	100%	2024 Road Needs Study
Road Network	Guideposts/ Sidewalks/ Streetlights/ Traffic Lights	95%	2024 Staff Assessments
Bridges	All	100%	2022 OSIM Reports
Storm Sewer Network	All	100%	2019 Storm Network Report and 2020-2024 Staff Assessment
Facilities	All	99%	2024 Building Assessments
Equipment	All	97%	2024 Staff Assessments
Fleet & Machinery	All	100%	2024 Staff Assessments
Land Improvements	All	100%	2024 Staff Assessments

4.4 Service Life Remaining

Based on asset age, available assessed condition data and estimated useful life, 48% of the Town's assets will require replacement within the next 10 years.



4.5 Forecasted Capital Requirements

The development of a long-term capital forecast should include both asset rehabilitation and replacement requirements. With the development of asset-specific lifecycle strategies that include the timing and cost of future capital events, the Town can produce an accurate long-term capital forecast. The following graph identifies annual requirements over the next 50 years.

5 Analysis of Tax-funded

Key Insights

Assets

- Tax-funded assets are valued at $619.5 million.
- 71% of tax-funded assets are in fair or better condition.
- The average annual requirement to sustain the current level of service for tax-funded assets is approximately $20.9 million, including $16.6 million in annual capital replacement requirements and $4.3 million in annual capital lifecycle events requirements.
- To reach sustainability, tax revenues need to be increased by at least $872,253 annually for the next 15 years to eliminate annual deficits. If the Town is successful in obtaining additional grant funding, this would further reduce annual deficits. If the capital tax revenues are increased by 10% per year this timeframe would be reduced to 10 years.
- New assets being added to the Town's inventory are not included in these calculation and would require additional funding to be added annually to ensure adequate replacement. This is outlined in the Town's Budget and Financial Controls Policy.
- Critical assets should be evaluated to determine appropriate risk mitigation activities and treatment options.

5.1 Road Network

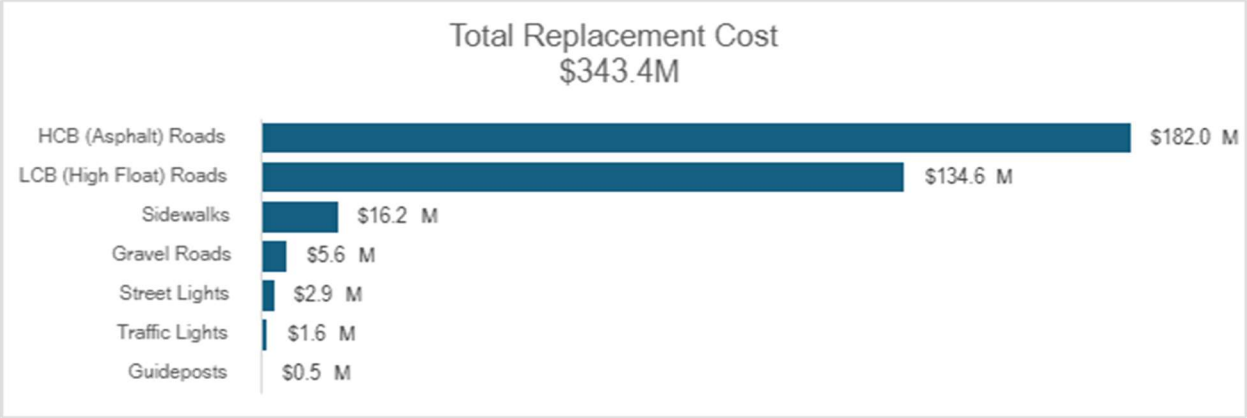
The Road Network is a critical component of the provision of safe and efficient transportation services and represents the highest value asset category in the Town's asset portfolio. It includes all municipally owned and maintained roadways in addition to supporting roadside infrastructure including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

The Town's roads and sidewalks are maintained by the Operations Department who is also responsible for winter snow clearing, ice control and snow removal operations.

5.1.1 Asset Inventory & Replacement Cost

The table below includes the quantity, replacement cost method and total replacement cost of each asset segment in the Town's Road Network inventory.

Asset Segment	Quantity	Replacement Cost Method	Replacement Cost
Gravel Roads	125.7 km	Not Planned for Replacement[1]	$5,565,600
Guideposts	34[2]	CPI Tables	$515,849
HCB (Asphalt) Roads	123.1 km	Cost per Unit	$181,957,832
LCB (High Float) Roads	171.4 km	Cost per Unit	$134,597,956
Sidewalks	38.9 km	Cost Per Unit	$16,239,816
Street Lights	936	CPI Tables	$2,909,202
Traffic Lights	4	CPI Tables	$1,603,004
			$343,389,258



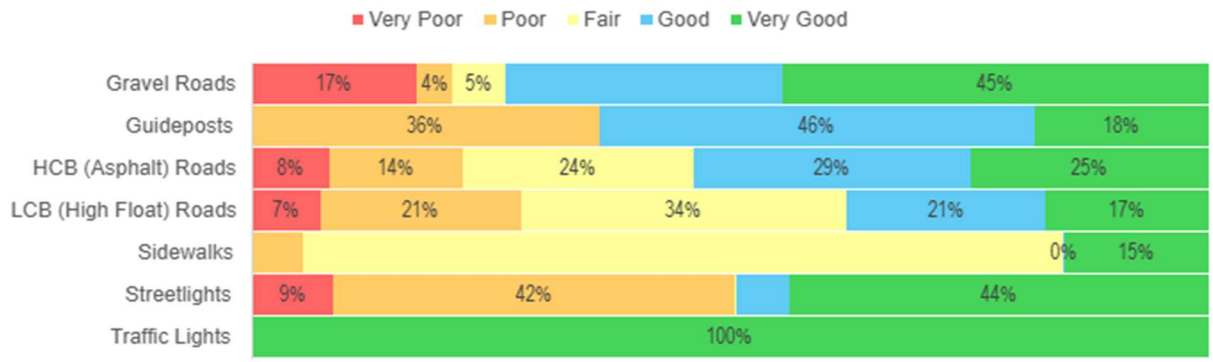
[1] Gravel roads are a perpetual maintenance asset and end of life replacement calculations do not normally apply. If gravel roads are maintained properly, they can theoretically have a limitless service life.

[2] Guidepost quantities are subject to some pooled assets and current inventory quantity is not an accurate representation of the total number of assets

5.1.2 Asset Condition

The table below identifies the current average condition and source of available condition data for each asset segment. The Average Condition (%) is a weighted value based on replacement cost.

Asset Segment	Average Condition (%)	Average Condition Rating	Condition Source
Gravel Roads	76%	Good	100% Assessed
Guideposts	85%	Very Good	100% Assessed
HCB (Asphalt) Roads	75%	Good	100% Assessed
LCB (High Float) Roads	69%	Fair	100% Assessed
Sidewalks	82%	Very Good	95% Assessed 5% Age-based
Streetlights	77%	Good	100% Assessed
Traffic Lights	100%	Very Good	75% Assessed 25% Age-based
	73%	**Good**	**99% Assessed**



5.1.2.1 Current Approach to Condition Assessment

Accurate and reliable condition data allows staff to determine the remaining service life of assets and identify the most cost-effective approach to managing assets more confidently. The following describes the Town's current approach:

- A comprehensive Road Needs Study, including a detailed assessment of the condition of each road segment, was completed in 2024.
- The Road Needs Study is reviewed every 4 years and additional roads are assessed as needed.

5.1.3 Estimated Useful Life & Average Age

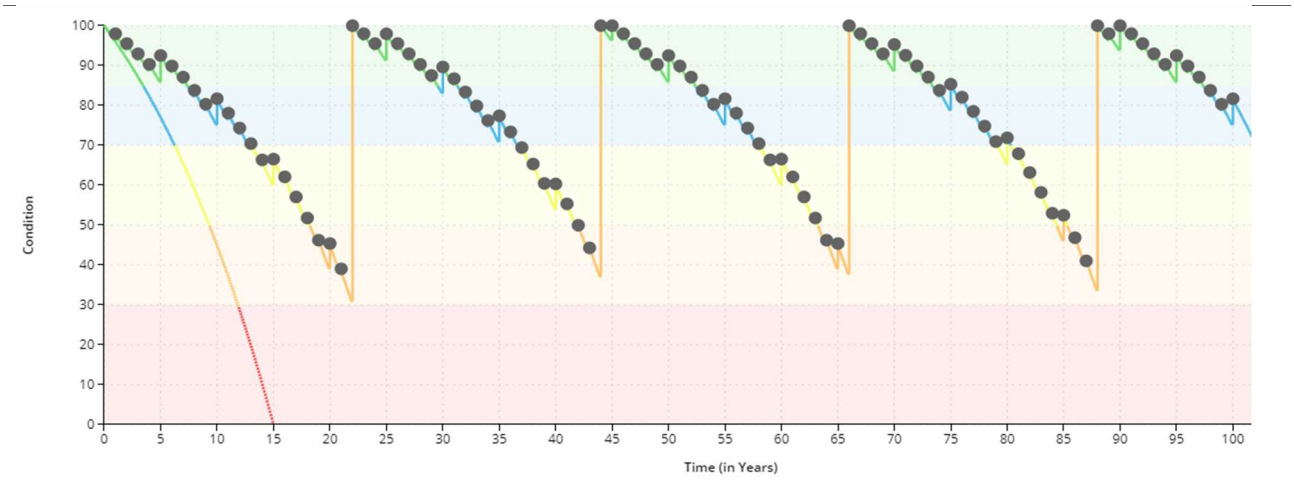
The table below identifies the estimated useful life, average age, and average service life remaining for each asset segment. Assessed condition may increase or decrease the average service life remaining.

Asset Segment	Estimated Useful Life (Years)	Average Age (Years)	Average Service Life Remaining (Years)
Gravel Roads	15 Years	4.9	10.1
Guideposts	20 Years	6.5	13.5
HCB (Asphalt) Roads	20 Years	5.8	14.2
LCB (High Float) Roads	15 Years	7.0	8.0
Sidewalks	30 Years	11.9	18.1
Street Lights	20 Years	14.0	6.0
Traffic Lights	20 Years	2.5	17.5
		10.4	**9.0**

5.1.4 Lifecycle Management Strategy

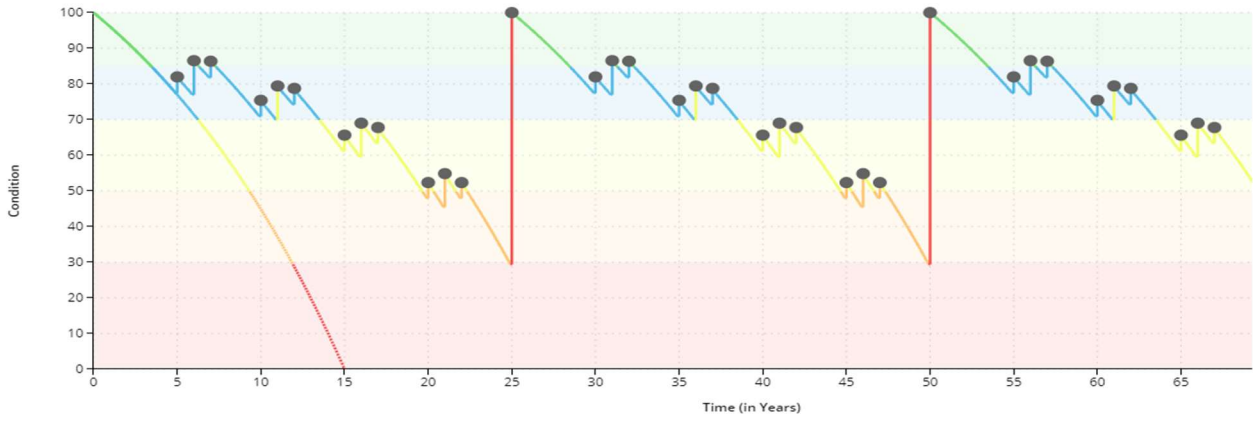
The following current lifecycle strategies have been applied to Huntsville's Asset Management System (AMS) based on the treatment strategy outlined by Town staff to manage the lifecycle of LCB, HCB, and Gravel roads. Instead of allowing the roads to deteriorate until full replacement is required, strategic rehabilitation is expected to extend the service life of roads at a lower total cost.

Gravel Roads ***Rural & Emergency Access Road Designs***		
Event Name	Event Class	Event Trigger
Grading	Maintenance	Annual Repetitive
Dust Suppressant	Maintenance	Annual Repetitive
Brushing	Maintenance	5 Years (Repeated)
Ditching & Culverts	Maintenance	Every year following brushing (Repeated)
Resurfacing	Rehabilitation	6 km Annually



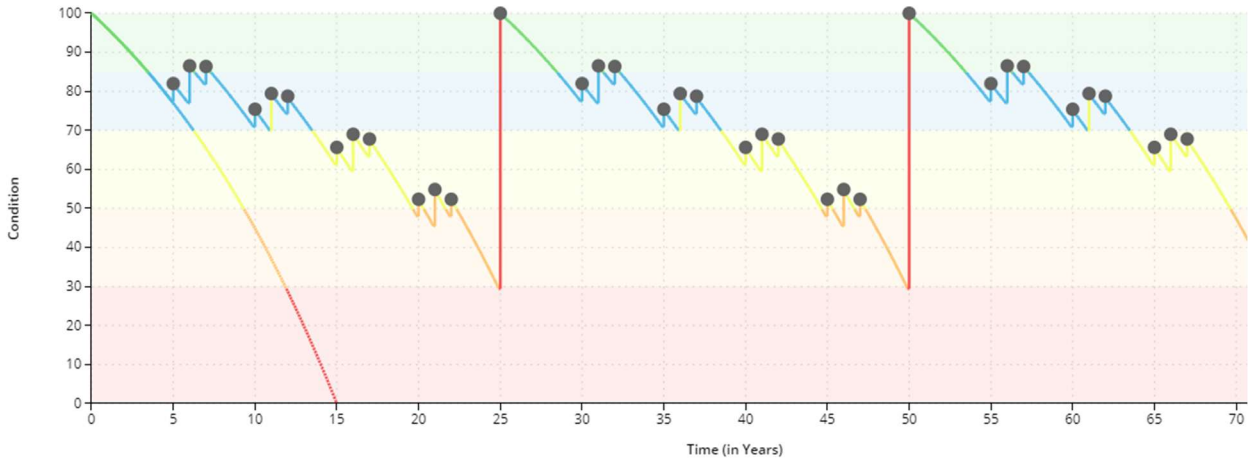
Gravel roads are a perpetual maintenance asset and end of life replacement calculations do not normally apply. If gravel roads are maintained properly, they can theoretically have a limitless service life.

HCB (Asphalt) Roads ***Rural Road Design***		
Event Name	Event Class	Event Trigger
Crack Sealing	Preventative Maintenance	5 Years (Repeated)
Brushing	Maintenance	5 Years (Repeated)
Ditching & Culverts	Maintenance	Every year following Brushing (Repeated)
Pulverize & Pave	Rehabilitation	Approx. 30% Assessed Condition (Repeated)
Full Reconstruction	Replacement	As Needed (Otherwise Perpetual Treatment Strategy)



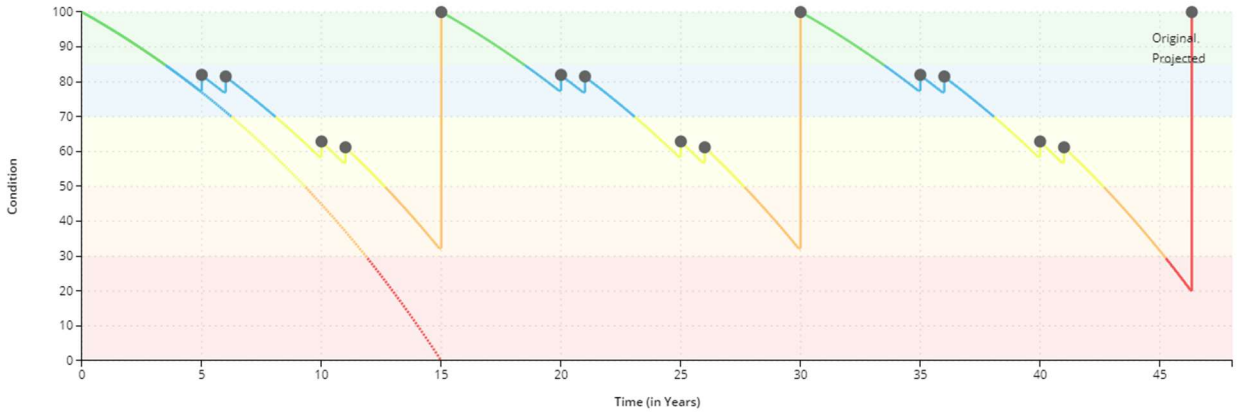
Rural road designs do not include underground infrastructure (storm sewer network assets) and therefore generally only require maintenance and rehabilitation activities rather than a full reconstruction.

HCB (Asphalt) Roads ***Semi-Urban, Commercial & Industrial Road Designs***		
Event Name	Event Class	Event Trigger
Crack Sealing	Preventative Maintenance	5 Years (Repeated)
Brushing	Maintenance	5 Years (Repeated)
Ditching & Culverts	Maintenance	Every year following Brushing (Repeated)
Pulverize & Pave	Rehabilitation	Approx. 30% Assessed Condition (Repeated)
Full Reconstruction	Replacement	As Needed (Otherwise Perpetual Treatment Strategy)



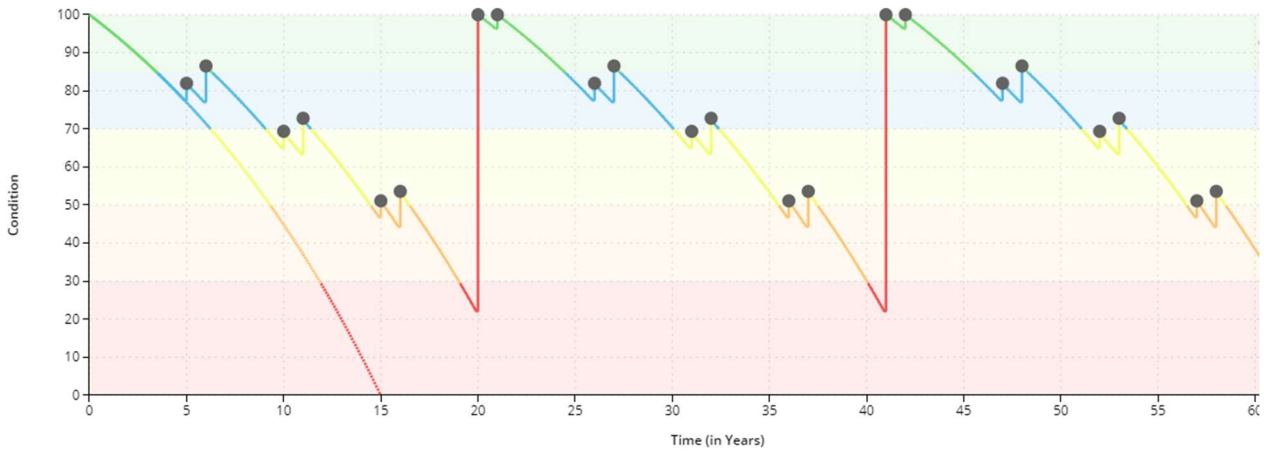
Semi-urban, commercial and industrial road designs do not include underground infrastructure (storm sewer network assets) and therefore generally only require maintenance and rehabilitation activities rather than a full reconstruction.

HCB (Asphalt) Roads *Urban Road Design*		
Event Name	Event Class	Event Trigger
Crack Sealing	Preventative Maintenance	5 Years (Repeated)
Brushing	Maintenance	5 Years (Repeated)
Pulverize & Pave	Rehabilitation	Approx. 30% Assessed Condition (Repeated)
Full Reconstruction	Replacement	Projected 46 Years



Urban road designs include underground infrastructure (storm sewer network assets) and would, therefore, require a full reconstruction to replace all underground infrastructure in addition to the road surface.

LCB (High Float) Roads *Rural Road Design*		
Event Name	Event Class	Event Trigger
Brushing	Maintenance	5 Years (Repeated)
Ditching & Culverts	Maintenance	Every year following Brushing (Repeated)
Double Surface Treatment	Rehabilitation	Approx. 20% Assessed Condition (Repeated)
Slurry Seal	Preventative Maintenance	Every year following Rehabilitation or Replacement activity
Full Resconstruction	Replacement	As Needed (Otherwise Perpetual Treatment Strategy)

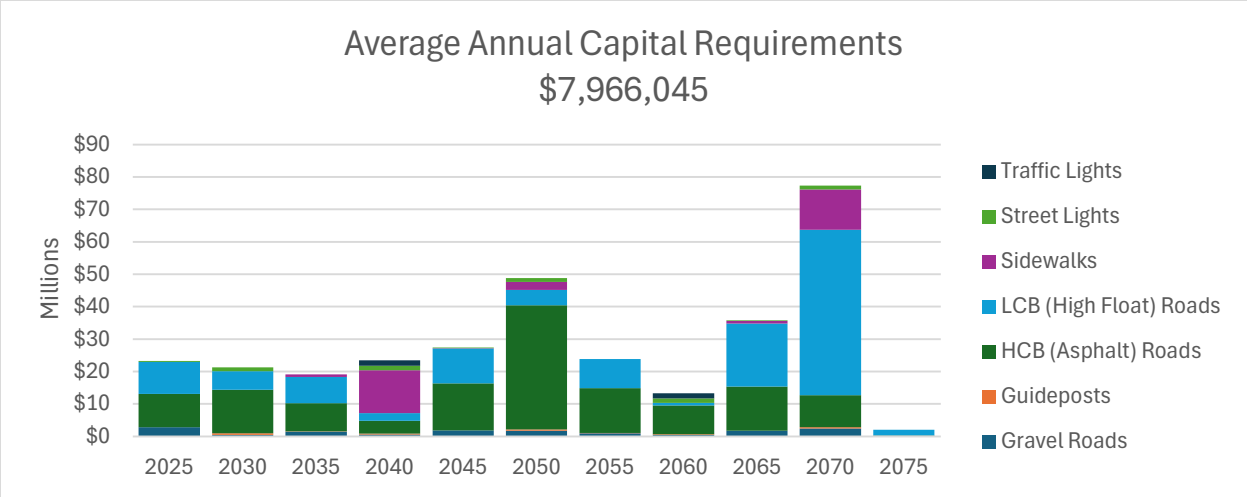


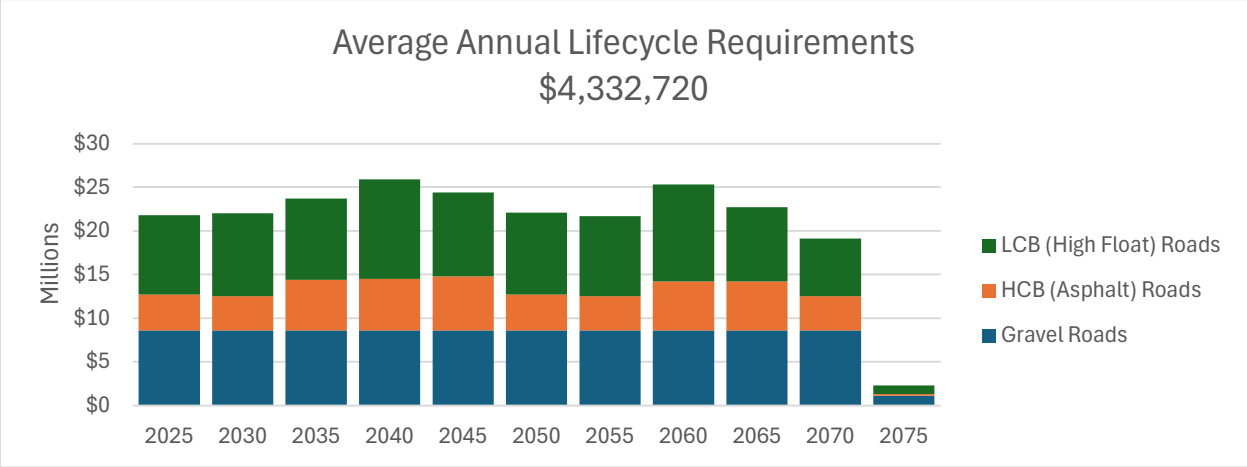
Rural road designs do not include underground infrastructure (storm sewer network assets) and therefore generally only require maintenance and rehabilitation activities rather than a full reconstruction.

5.1.4.1 Forecasted Capital Requirements

Based on the current lifecycle strategies identified previously for HCB (Asphalt), LCB (High Float), and Gravel Roads, and assuming the end-of-life replacement of all other assets in this category, the following graph forecasts capital requirements for the Road Network.

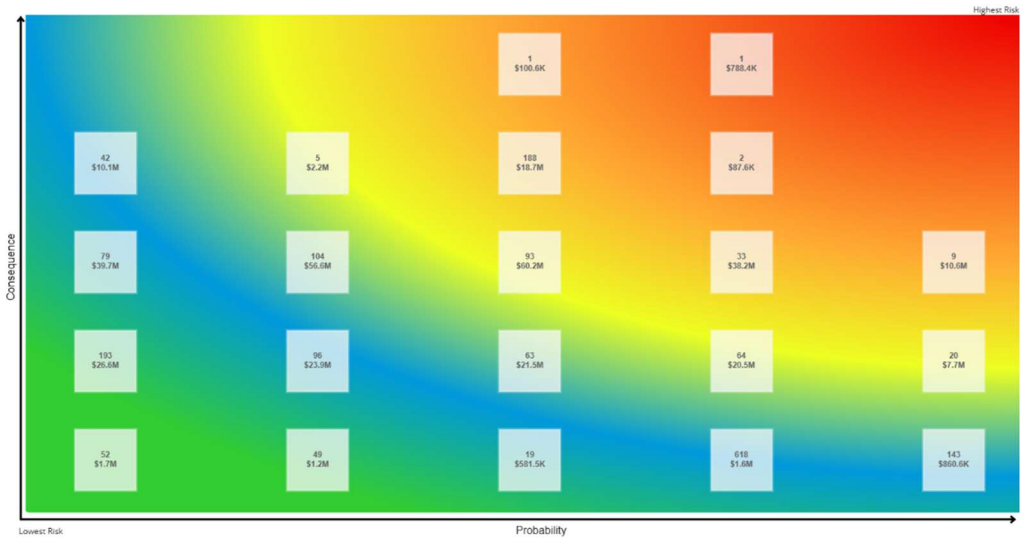
The annual capital requirement represents the average amount per year that the Town should allocate towards funding rehabilitation and replacement needs to meet future capital needs. The annual operating requirement represents the average amount per year that the Town should allocate towards funding maintenance and preventative maintenance needs for capital lifecycle management strategies.





5.1.5 Risk & Criticality

The following risk matrix provides a visual representation of the relationship between the probability of failure and the consequence of failure for the assets within this asset category based on 2025 inventory data. See Appendix E for the criteria used to determine the risk rating of each asset.



5.1.5.1 Critical Assets

The identification of critical assets allows the Town to determine appropriate risk mitigation strategies and treatment options. These may include asset-specific lifecycle strategies, condition assessment strategies, or simply the need to collect better asset data. Critical assets do not necessarily require immediate renewal or replacement.

The following table identifies the most critical assets according to the risk criteria identified in Appendix E. The risk rating is calculated by multiplying the probability of failure and the consequence of failure for each asset.

Segment	Name	Risk Rating
HCB (Asphalt) Roads	Sabrina Park Dr *(entire road)*	19.15 – Very High
LCB (High Float) Roads	South Waseosa Lk Rd *(Ravenscliffe to Mineral Springs)*	17.81 – Very High
HCB (Asphalt) Roads	Park Drive *(Forbes Hill to Brunel)*	17.80 – Very High
HCB (Asphalt) Roads	Old Ferguson Rd *(Hwy 11 to Gun Club)*	17.80 – Very High
LCB (High Float) Roads	Swallowdale Rd *(Roe to 1.6km west of Roe)*	17.05 – Very High
HCB (Asphalt) Roads	Shay Rd *(Sabrina Pk to South Fairy Lake)*	17.05 – Very High
HCB (Asphalt) Roads	North Waseosa Lake Rd *(Jessop to East Waseosa)*	16.38 – Very High
HCB (Asphalt) Roads	Old Muskoka Rd *(Downs Rd to Stephenson Rd 4W)*	16.30 – Very High
LCB (High Float) Roads	Old Muskoka Rd *(Stephenson 2W to Stephenson 4W)*	16.30 – Very High
LCB (High Float) Roads	West Browns Rd *(By-Lock Acres to Otter Lake Rd)*	16.21 – Very High

5.1.6 Levels of Service

Appendix B identify the Town's current and proposed level of service for the Road Network. These metrics include the technical and community level of service metrics that are required as

part of O. Reg. 588/17 as well as any additional performance measures that the Town has selected for this AMP.

5.2 Bridges

Bridges represent a critical portion of the transportation services provided to the Town. Operations is responsible for the maintenance of all bridges located across municipal roads with the goal of keeping structures in an adequate state of repair and minimizing service disruptions.

5.2.1 Asset Inventory & Replacement Cost

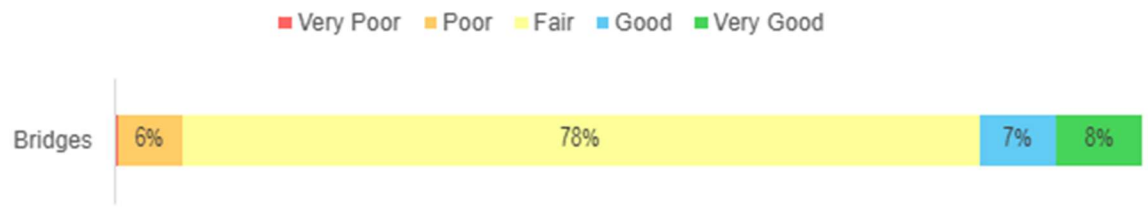
The table below includes the quantity, replacement cost method and total replacement cost of each asset segment in the Town's Bridges inventory.

Asset Segment	Quantity	Replacement Cost Method	Replacement Cost
Bridges	15	CPI Tables	$20,390,110

5.2.2 Asset Condition

The table below identifies the current average condition and source of available condition data for each asset segment. The Average Condition (%) is a weighted value based on replacement cost.

Asset Segment	Average Condition (%)	Average Condition Rating	Condition Source
Bridges	66%	Good	100% Assessed



To ensure that the Town's Bridges continue to provide an acceptable level of service, the Town should monitor the average condition of all assets. If the average condition declines, staff should re-evaluate their lifecycle management strategy to determine what combination of maintenance, rehabilitation, and replacement activities is required to increase the overall condition of the Bridges.

5.2.2.1 Current Approach to Condition Assessment

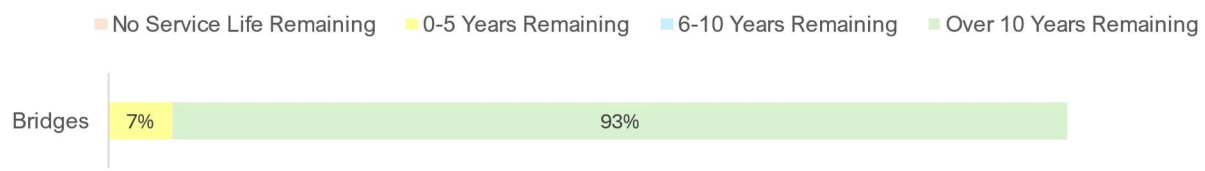
Accurate and reliable condition data allows staff to determine the remaining service life of assets and identify the most cost-effective approach to managing assets more confidently. The following describes the Town's current approach:

- Structural assessments of all bridges with a span greater than or equal to 3 meters are completed every 2 years in accordance with the Ontario Structure Inspection Manual (OSIM).
- The latest structural assessment, or Bridge Needs Study, was completed in 2024 and included a detailed assessment of the condition of each bridge. This data will be included in future annual updates.

5.2.3 Estimated Useful Life & Average Age

The table below identifies the estimated useful life, average age, and average service life remaining for each asset segment. Assessed condition may increase or decrease the average service life remaining.

Asset Segment	Estimated Useful Life (Years)	Average Age (Years)	Average Service Life Remaining (Years)
Bridges	50 Years	22.3	27.7



5.2.4 Lifecycle Management Strategy

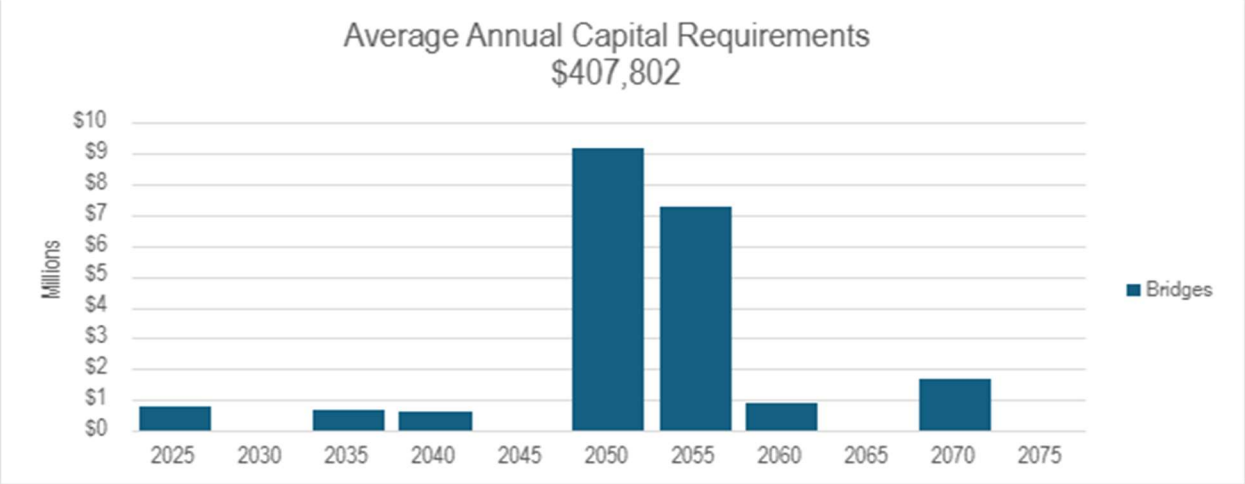
The condition or performance of most assets will deteriorate over time. To ensure that municipal assets are performing as expected and meeting the needs of customers, it is important to follow the established lifecycle management strategy for each structure as defined in the Town's current OSIM Structural Inspection Reports to proactively manage asset deterioration.

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

Activity Type	Description of Current Strategy
Maintenance, Rehabilitation and Replacement	All lifecycle activities are driven by the results of mandated structural inspections competed according to the Ontario Structural Inspection Manual (OSIM)
Bridge Replacement Strategy	Replacement of older, single lane bridges with either open or closed bottom culverts and expand road widths to double lanes, where warranted, to accommodate growth
Inspection	The most recent inspection report was completed in 2024 by Tulloch Engineering

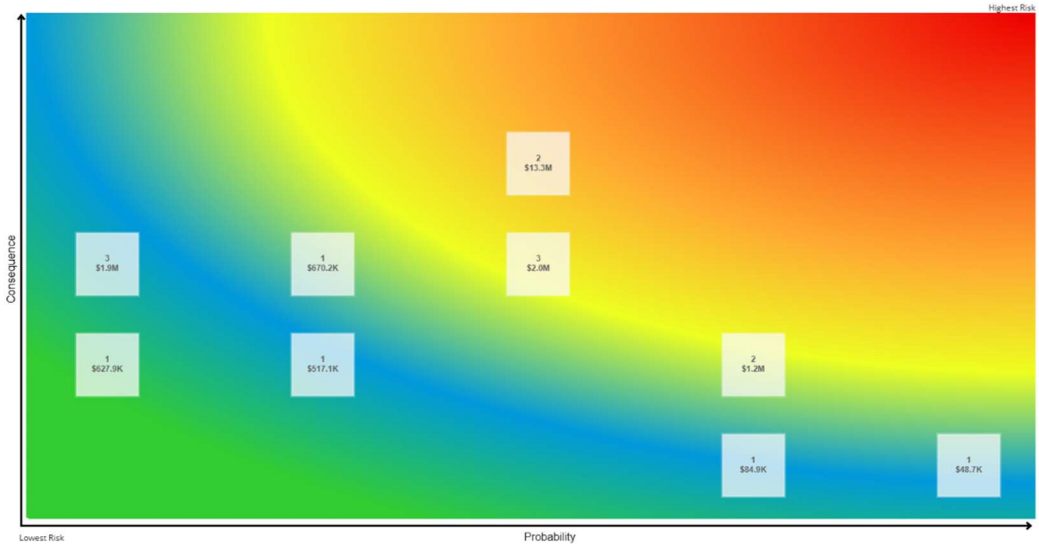
5.2.4.1 Forecasted Capital Requirements

The following graph forecasts long-term capital requirements. The annual capital requirement represents the average amount per year that the Town should allocate towards funding rehabilitation and replacement needs. Since maintenance and preventative maintenance activities are driven by structural inspections, no annual operating requirements fluctuate significantly and are addressed on an as-needed basis.



5.2.5 Risk & Criticality

The following risk matrix provides a visual representation of the relationship between the probability of failure and the consequence of failure for the assets within this asset category based on 2025 inventory data. See Appendix E for the criteria used to determine the risk rating of each asset.



5.2.5.1 Critical Assets

The identification of critical assets allows the Town to determine appropriate risk mitigation strategies and treatment options. These may include asset-specific lifecycle strategies, condition assessment strategies, or simply the need to collect better asset data. Critical assets do not necessarily require immediate renewal or replacement.

The following table identifies the most critical assets according to the risk criteria identified in Appendix E. Since there are no “Very High Risk” assets in this category, the highest risk assets have been identified. The risk rating is calculated by multiplying the probability of failure and the consequence of failure for each asset.

Segment	Name	Risk Rating
Bridges	#9 Lakewood Park Rd	15.36 – High
Bridges	#13 Centre Street	14.72 - High

5.2.6 Levels of Service

Appendix B identify the Town's current and proposed level of service for Bridges. These metrics include the technical and community level of service metrics that are required as part of O. Reg. 588/17 as well as any additional performance measures that the Town has selected for this AMP.

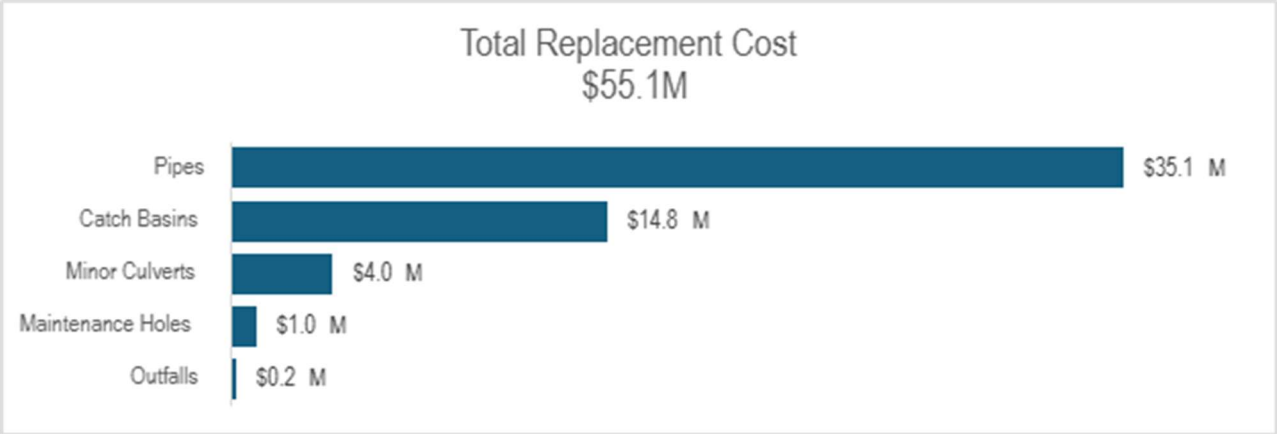
5.3 Storm Sewer Network

The Storm Sewer Network includes municipally owned catch basins, non-structural culverts, maintenance holes, outfalls, and storm sewer pipes. Operations is responsible for the maintenance of all municipally owned storm sewer infrastructure with the goal of keeping structures in an adequate state of repair and minimizing service disruptions.

5.3.1 Asset Inventory & Replacement Cost

The table below includes the quantity, replacement cost method and total replacement cost of each asset segment in the Town's Storm Sewer Network inventory.

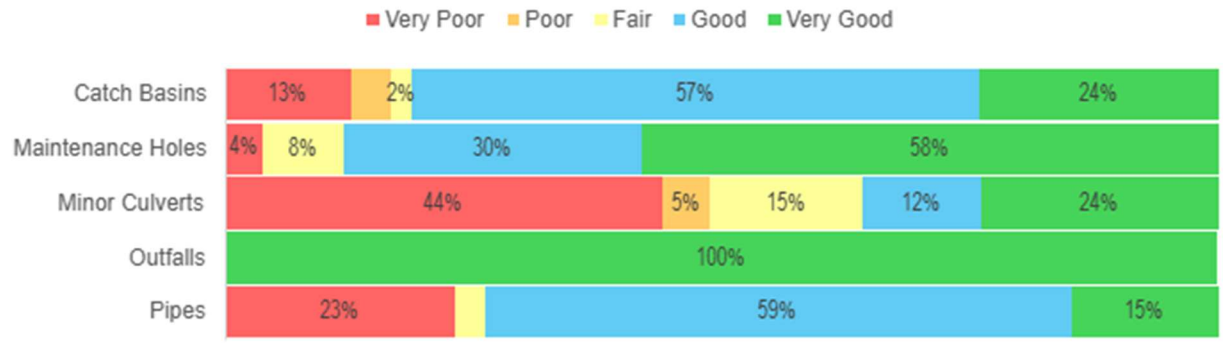
Asset Segment	Quantity	Replacement Cost Method	Total Replacement Cost
Catch Basins	908	CPI Tables	$14,772,511
Maintenance Holes	269	CPI Tables	$962,345
Minor Culverts	80	CPI Tables	$3,961,950
Outfalls	22	CPI Tables	$178,243
Pipes	19 km	CPI Tables	$35,121,681
			$54,996,730



5.3.2 Asset Condition

The table below identifies the current average condition and source of available condition data for each asset segment. The Average Condition (%) is a weighted value based on replacement cost.

Asset Segment	Average Condition (%)	Average Condition Rating	Condition Source
Catch Basins	63%	Good	67% Assessed 33% Age-based
Maintenance Holes	82%	Very Good	46% Assessed 54% Age-based
Minor Culverts	40%	Fair	95% Assessed 5% Age-based
Outfalls	99%	Very Good	18% Assessed 82% Age-based
Pipes	58%	Fair	99% Assessed 1% Age-based
	59%	**Fair**	**96% Assessed**



To ensure that the Town's Storm Sewer Network continues to provide an acceptable level of service, the Town should monitor the average condition of all assets. If the average condition declines, staff should re-evaluate their lifecycle management strategy to determine what combination of maintenance, rehabilitation, and replacement activities is required to increase the overall condition of the Storm Sewer Network.

5.3.2.1 Current Approach to Condition Assessment

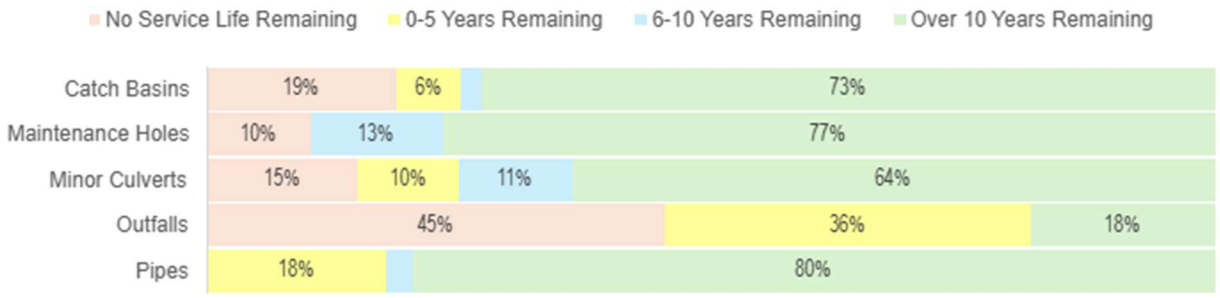
Accurate and reliable condition data allows staff to determine the remaining service life of assets and identify the most cost-effective approach to managing assets more confidently. The following describes the municipality's current approach:

- In 2018, the Town contracted Tulloch Engineering to perform a comprehensive storm network inventory analysis and condition assessments in 5 phases over a 3-year period.
- Since then, condition assessments have been updated only on those storm network assets that have undergone significant rehabilitation or replacement.
- The Town should consider establishing an industry best practice assessment cycle for the Storm Sewer Network.

5.3.3 Estimated Useful Life & Average Age

The table below identifies the estimated useful life, average age, and average service life remaining for each asset segment. Assessed condition may increase or decrease the average service life remaining.

Asset Segment	Estimated Useful Life (Years)	Average Age (Years)	Average Service Life Remaining (Years)
Catch Basins	50 Years	37.8	12.2
Maintenance Holes	50 Years	33.0	17.0
Minor Culverts	33 Years	14.8	18.2
Outfalls	35 Years	31.3	3.7
Pipes	30 – 50 Years	55.0	25.0
		43.3	**17.8**



5.3.4 Lifecycle Management Strategy

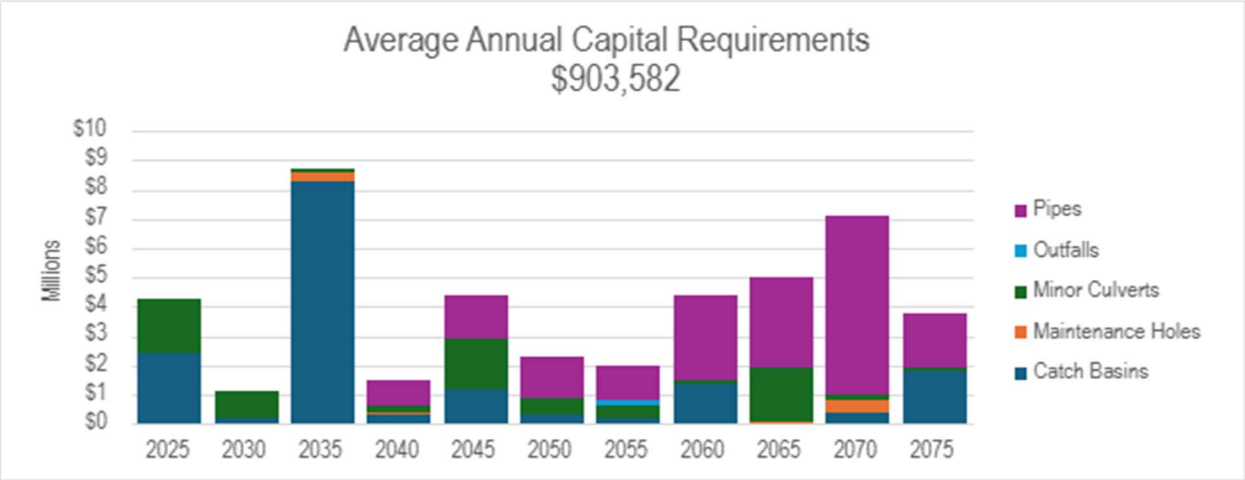
The condition or performance of most assets will deteriorate over time. To ensure that municipal assets are performing as expected and meeting the needs of customers, it is important to follow the established lifecycle management strategy to proactively manage asset deterioration.

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

Activity Type	Description of Current Strategy
Maintenance	Maintenance activities are completed to a lesser degree compared to other core linear infrastructure
	Primary activities include catch basin cleaning and storm main flushing, but only a small percentage of the entire network is flushed per year
	CCTV inspections and cleaning began in 2019 and this information is used to drive forward rehabilitation and replacement plans
Rehabilitation	Trenchless re-lining has the potential to reduce total lifecycle costs while potentially extending the current assets life by twice the original expected useful life of the asset.
Replacement	The Town's storm network assessments performed by consultants have provided Huntsville with projected replacements over the next 5-10 years

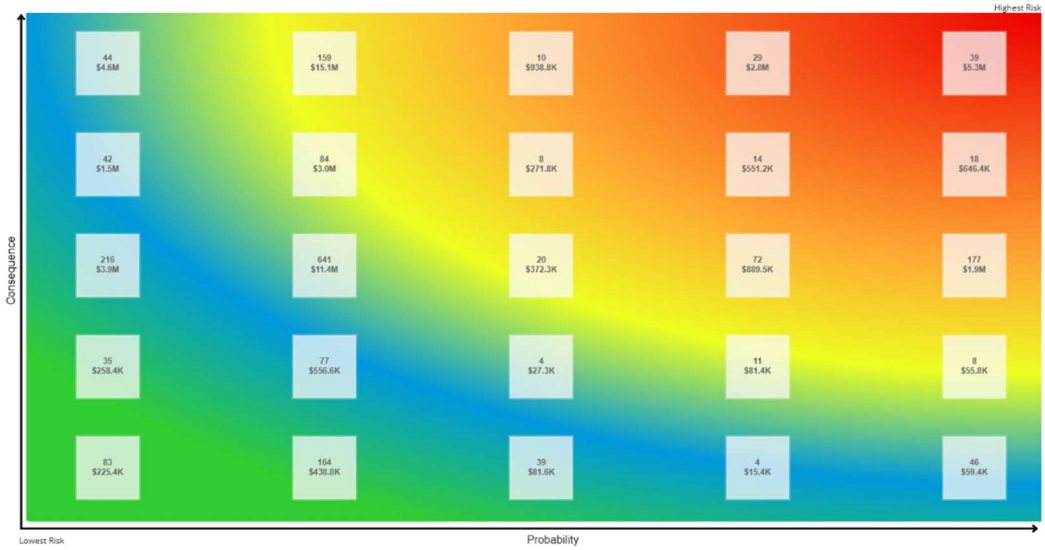
5.3.4.1 Forecasted Capital Requirements

The following graph forecasts long-term capital requirements. The annual capital requirement represents the average amount per year that the Town should allocate towards funding rehabilitation and replacement needs. Annual operating requirements fluctuate significantly and are addressed on an as-needed basis.



5.3.5 Risk & Criticality

The following risk matrix provides a visual representation of the relationship between the probability of failure and the consequence of failure for the assets within this asset category based on 2025 inventory data. See Appendix E for the criteria used to determine the risk rating of each asset.



5.3.5.1 Critical Assets

The identification of critical assets allows the Town to determine appropriate risk mitigation strategies and treatment options. These may include asset-specific lifecycle strategies, condition assessment strategies, or simply the need to collect better asset data. Critical assets do not necessarily require immediate renewal or replacement.

The following table identifies the most critical assets according to the risk criteria identified in Appendix E. The risk rating is calculated by multiplying the probability of failure and the consequence of failure for each asset.

Segment	Name	Location	Risk Rating
22 Pipe Assets	Various	Various	25 – Very High
3 Pipe Assets	Various	Various	24 – Very High
5 Pipe Assets	Various	Various	23 – Very High
2 Pipe Assets	Various	Various	22 – Very High
7 Pipe Assets	Various	Various	20 – Very High
Catch Basin	STRMP00213	230 Echo Bay Road	20 – Very High

5.3.6 Levels of Service

Appendix B identify the Town's current and proposed level of service for the Storm Sewer Network. These metrics include the technical and community level of service metrics that are required as part of O. Reg. 588/17 as well as any additional performance measures that the Town has selected for this AMP.

5.4 Facilities

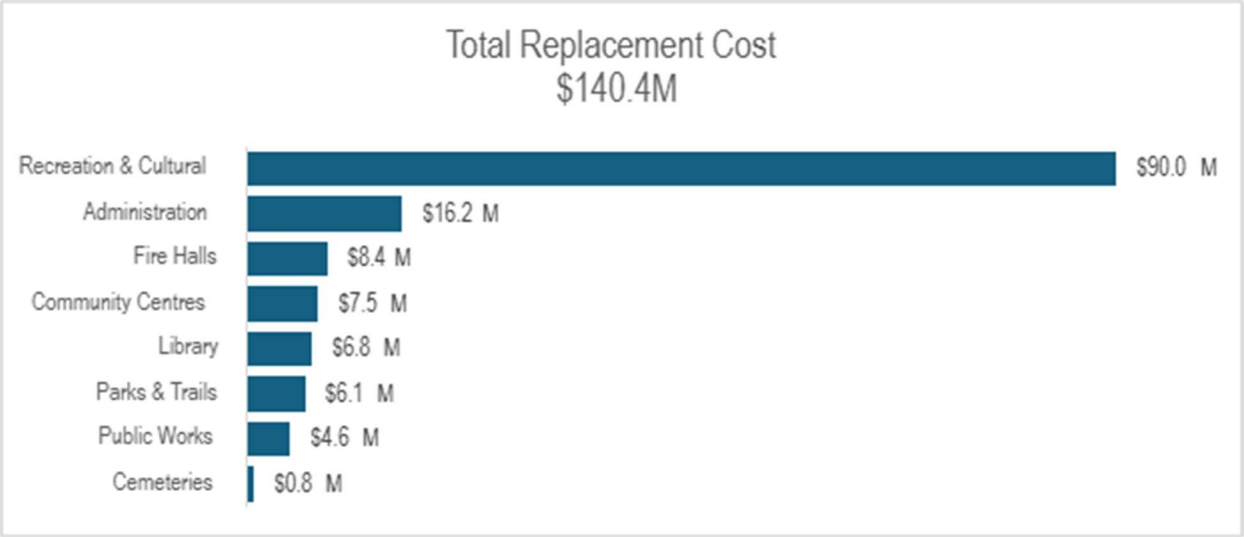
The Town of Huntsville owns and maintains several facilities and recreation centres that provide key services to the community. These include:

- administrative offices
- cemeteries
- community centres
- fire stations and associated offices and facilities
- library
- parks & trails
- public works garages and storage sheds
- recreation and cultural

5.4.1 Asset Inventory & Replacement Cost

The table below includes the quantity, replacement cost method and total replacement cost of each asset segment in the Town's Facilities inventory.

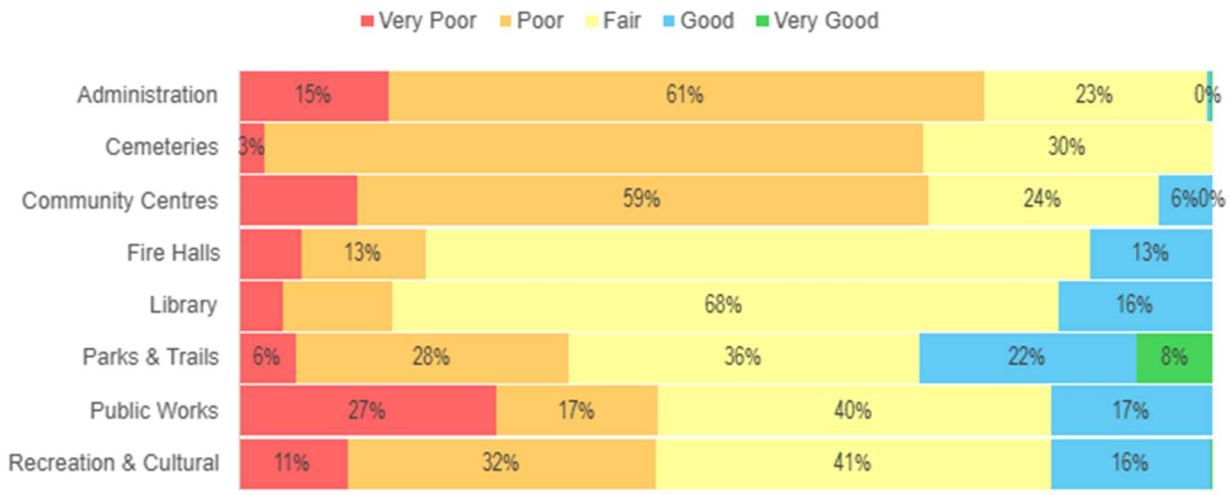
Asset Segment	Quantity	Replacement Cost Method	Replacement Cost
Administration	207	User-Defined Cost	$16,152,722
Cemeteries	61	User-Defined Cost	$795,720
Community Centres	324	User-Defined Cost	$7,490,671
Fire Halls	195	User-Defined Cost	$8,370,230
Library	153	User-Defined Cost	$6,846,864
Parks & Trails	332	User-Defined Cost	$6,079,282
Public Works	140	User-Defined Cost	$4,616,479
Recreation & Cultural	639	User-Defined Cost	$90,002,787
			$140,354,755



5.4.2 Asset Condition

The table below identifies the current average condition and source of available condition data for each asset segment. The Average Condition (%) is a weighted value based on replacement cost.

Asset Segment	Average Condition (%)	Average Condition Rating	Condition Source
Administration	35%	Poor	99% Assessed 1% Age-based
Cemeteries	48%	Fair	100% Assessed
Community Centres	41%	Fair	100% Assessed
Fire Halls	45%	Fair	100% Assessed
Library	49%	Fair	100% Assessed
Parks & Trails	43%	Fair	100% Assessed
Public Works	39%	Poor	100% Assessed
Recreation & Cultural	47%	Fair	100% Assessed
	43%	**Fair**	**99% Assessed**



To ensure that the Town's Facilities continue to provide an acceptable level of service, the Town should monitor the average condition of all assets. If the average condition declines, staff should re-evaluate their lifecycle management strategy to determine what combination of maintenance, rehabilitation and replacement activities is required to increase the overall condition of the Facilities.

5.4.2.1 Current Approach to Condition Assessment

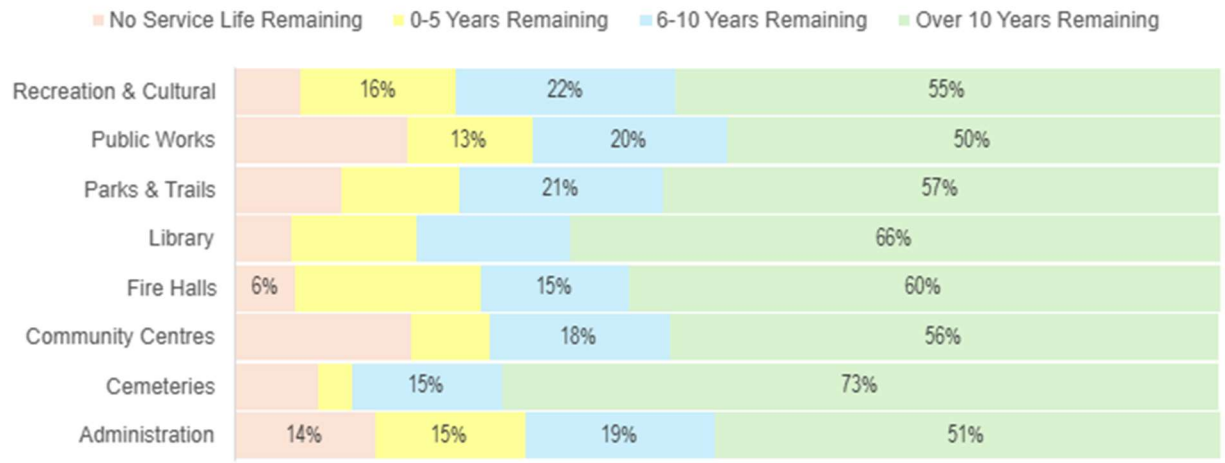
Accurate and reliable condition data allows staff to determine the remaining service life of assets and identify the most cost-effective approach to managing assets more confidently. The following describes the Town's current approach:

- High-level assessments by internal staff are performed annually to determine the condition of facilities.
- A structural assessment of Town Hall was completed by Duke Engineering in 2018.
- A structural assessment of the Huntsville Public Library was completed by Mitchel Jensen Architects in 2019.
- A condition assessment of the Town's Public Works facility was completed by Tulloch Engineering in 2022/23.
- A comprehensive review of Town Facilities was completed in 2024 included updated condition assessments and replacement costs for each facility component. A comprehensive structural assessment of all facilities was completed to gain a better understanding of the overall health and condition of each facility to identify accurate short- and long-term capital requirements.

5.4.3 Estimated Useful Life & Average Age

The table below identifies the estimated useful life, average age, and average service life remaining for each asset segment. Assessed condition may increase or decrease the average service life remaining.

Asset Segment	Estimated Useful Life (Years)	Average Age (Years)	Average Service Life Remaining (Years)
Administration	20 – 40 Years	23.8	12
Cemeteries	40 Years	22.9	19
Community Centres	15 – 50 Years	23.7	13
Fire Halls	15 – 50 Years	18	14
Library	20 – 40 Years	17.5	14
Parks & Trails	15 – 50 Years	19.3	16
Public Works	10 – 50 Years	20.5	12
Recreation & Cultural	15 – 50 Years	19	14
		20.2	**14**



5.4.4 Lifecycle Management Strategy

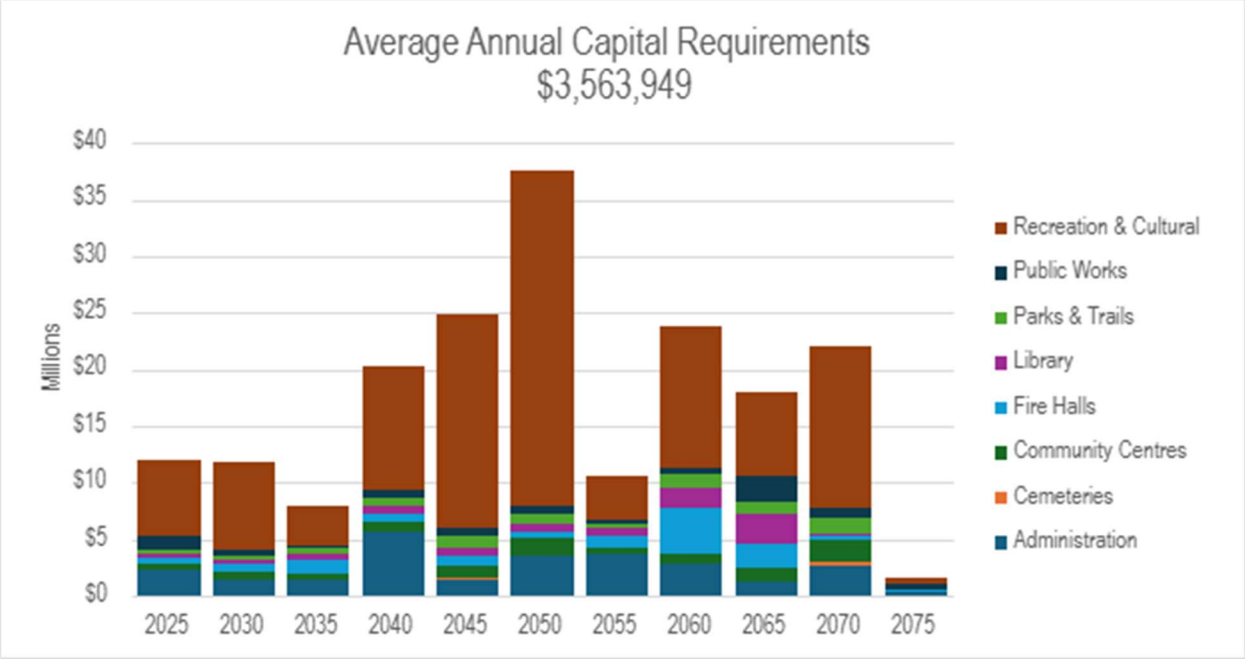
The condition or performance of most assets will deteriorate over time. To ensure that municipal assets are performing as expected and meeting the needs of customers, it is important to establish a lifecycle management strategy to proactively manage asset deterioration.

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

Activity Type	Description of Current Strategy
Maintenance/ Rehabilitation	Municipal facilities are subject to regular inspections to identify health & safety requirements as well as structural deficiencies that require additional attention
	Critical facilities (Fire Stations) have a detailed maintenance and rehabilitation schedule, while the maintenance of other facilities is dealt with on a case-by-case basis
Replacement	Assessments are completed strategically as facilities approach their end-of-life to determine whether replacement or rehabilitation is appropriate

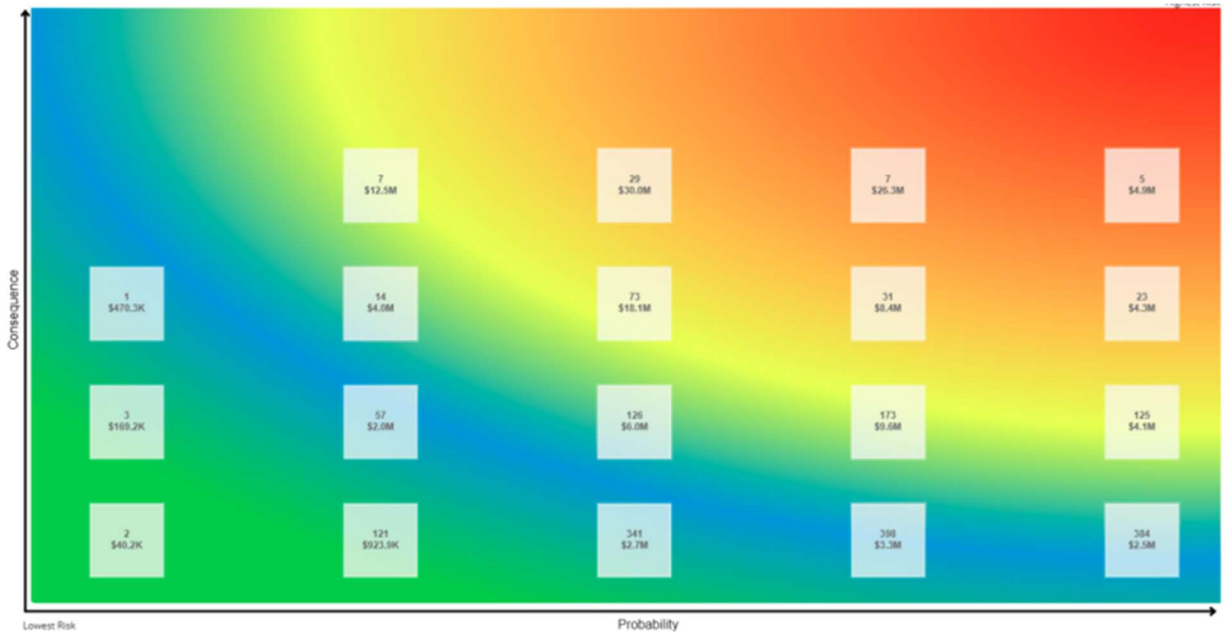
5.4.4.1 Forecasted Capital Requirements

The following graph forecasts long-term capital requirements. The annual capital requirement represents the average amount per year that the Town should allocate towards funding rehabilitation and replacement needs. Annual operating requirements fluctuate significantly and are addressed on an as-needed basis.



5.4.5 Risk & Criticality

The following risk matrix provides a visual representation of the relationship between the probability of failure and the consequence of failure for the assets within this asset category based on 2023 inventory data. See Appendix E for the criteria used to determine the risk rating of each asset.



5.4.5.1 Critical Assets

The identification of critical assets allows the Town to determine appropriate risk mitigation strategies and treatment options. These may include asset-specific lifecycle strategies, condition assessment strategies, or simply the need to collect better asset data. Critical assets do not necessarily require immediate renewal or replacement.

Report CORP-2025-20 was presented in March 2025 as an updated once the Building Condition Assessment was completed and identified critical assets.

5.4.6 Levels of Service

Appendix B identify the Town's current and proposed level of service for Facilities. Since Facilities are considered to be non-core assets, there are no required level of service metrics identified as part of O. Reg. 588/17. As a result, these metrics include technical and community level of service that the Town has selected for this AMP.

5.5 Equipment

To maintain the high quality of public infrastructure and support the delivery of core services, the Town owns and employs various types of equipment. This includes:

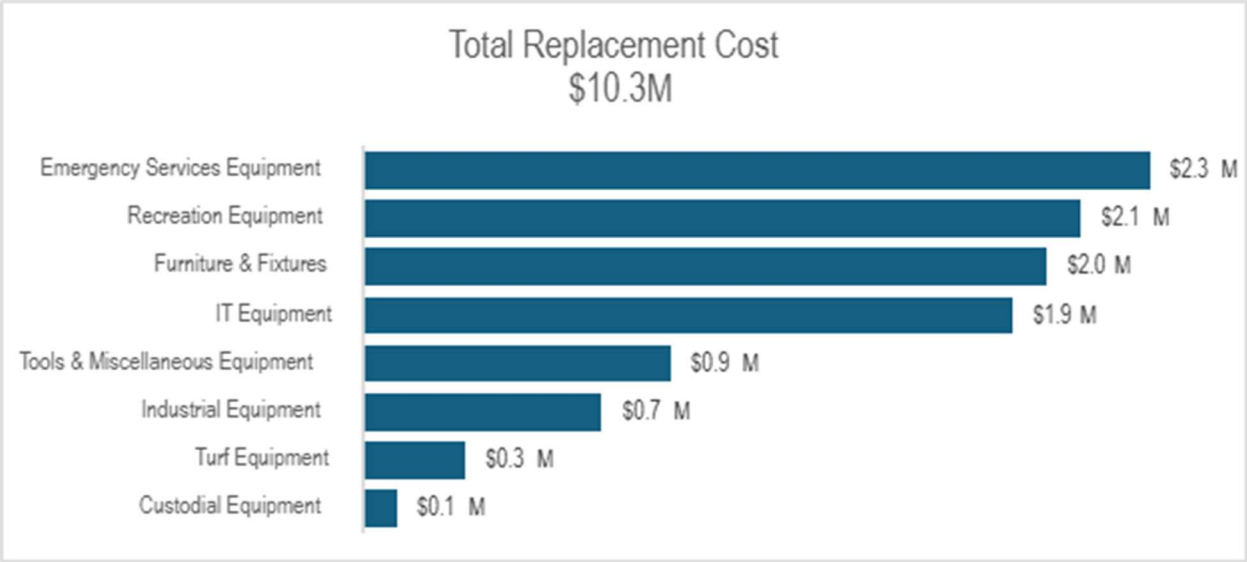
- custodial equipment to maintain facilities
- emergency services equipment to support first responders
- furniture & fixtures for facilities, offices, and buildings
- industrial equipment including appliances and hydraulic devices
- IT equipment for communication, entertainment, and data management
- recreation equipment for parks and sports facilities
- tools and miscellaneous equipment to ensure proper maintenance of facilities, fleet and machinery
- turf equipment to maintain the Town's parks, boulevards, and open spaces

Keeping equipment in an adequate state of repair is important to maintain a high level of service.

5.5.1 Asset Inventory & Replacement Cost

The table below includes the quantity, replacement cost method and total replacement cost of each asset segment in the Town's Equipment inventory.

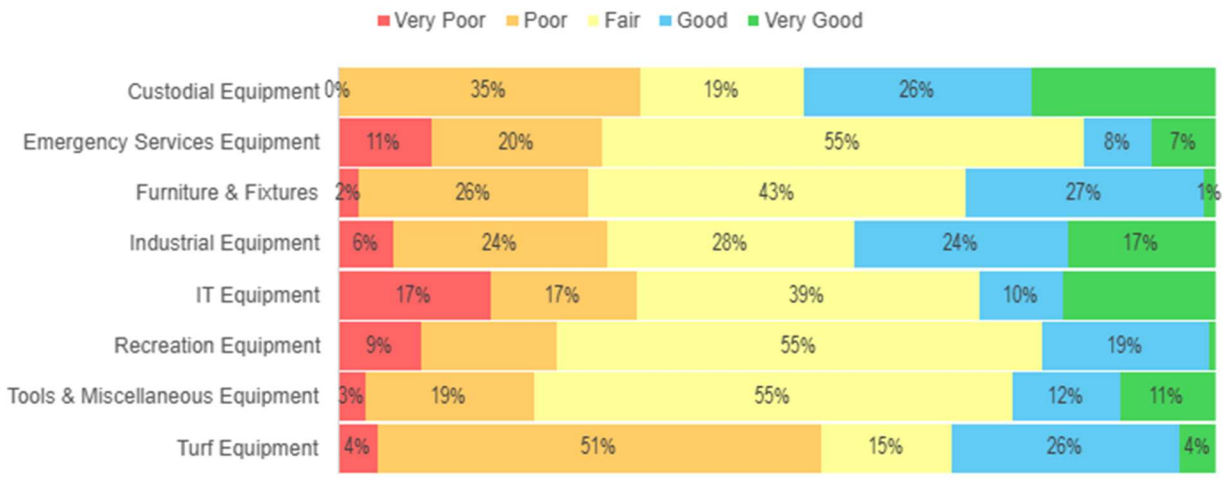
Asset Segment	Quantity	Replacement Cost Method	Replacement Cost
Custodial Equipment	6	100% CPI Tables	$119,689
Emergency Services Equipment	649	56% CPI Tables 44% User-Defined Cost	$2,301,159
Furniture & Fixtures	1300	85% CPI Tables 15% User-Defined Cost	$2,021,939
Industrial Equipment	136	18% CPI Tables 82% User-Defined Cost	$653,626
IT Equipment	876	64% CPI Tables 36% User-Defined Cost	$1,915,928
Recreation Equipment	43	82% CPI Tables 18% User-Defined Cost	$2,124,691
Tools & Miscellaneous Equipment	262	59% CPI Tables 41% User-Defined Cost	$944,349
Turf Equipment	47	94% CPI Tables 6% User-Defined Cost	$335,599
			$10,416,980



5.5.2 Asset Condition

The table below identifies the current average condition and source of available condition data for each asset segment. The Average Condition (%) is a weighted value based on replacement cost.

Asset Segment	Average Condition (%)	Average Condition Rating	Condition Source
Custodial Equipment	67%	Good	100% Assessed
Emergency Services Equipment	42%	Fair	96% Assessed 4% Age-based
Furniture & Fixtures	64%	Good	97% Assessed 3% Age-based
Industrial Equipment	54%	Fair	91% Assessed 9% Age-based
IT Equipment	49%	Fair	86% Assessed 14% Age-based
Recreation Equipment	59%	Fair	99% Assessed 1% Age-based
Tools & Miscellaneous Equipment	55%	Fair	99% Assessed 1% Age-based
Turf Equipment	43%	Fair	100% Assessed
	52%	**Fair**	**95% Assessed**



To ensure that the Town's Equipment continues to provide an acceptable level of service, the Town should monitor the average condition of all assets. If the average condition declines, staff should re-evaluate their lifecycle management strategy to determine what combination of maintenance, rehabilitation and replacement activities is required to increase the overall condition of the Equipment.

5.5.2.1 Current Approach to Condition Assessment

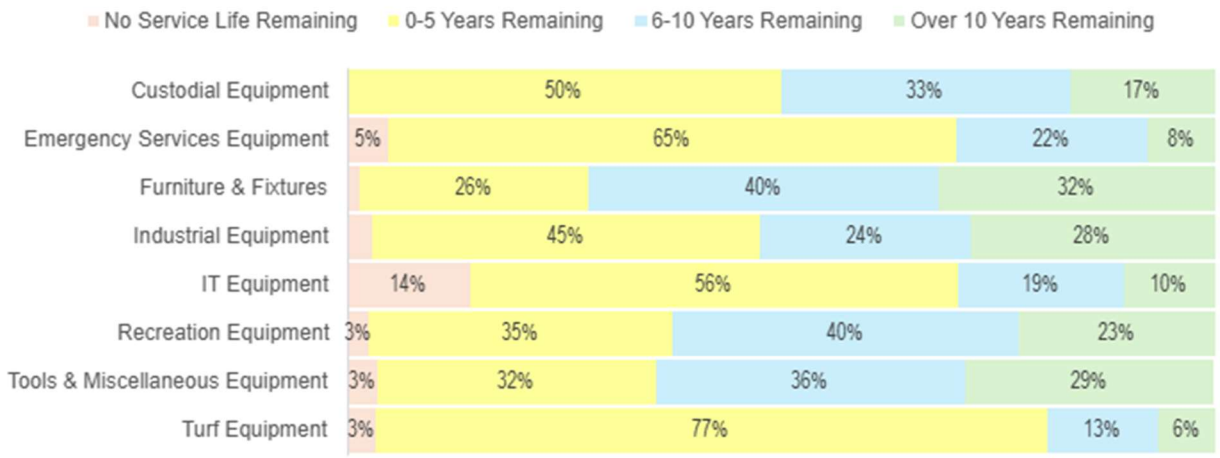
Accurate and reliable condition data allows staff to determine the remaining service life of assets and identify the most cost-effective approach to managing assets more confidently. The following describes the municipality's current approach:

- Although there is a structured reporting and tracking program in place for emergency services equipment, there are no formal condition assessment programs in place for all other equipment.
- Staff complete regular visual inspections of equipment to ensure they are in a state of adequate repair.

5.5.3 Estimated Useful Life & Average Age

The table below identifies the estimated useful life, average age, and average service life remaining for each asset segment. Assessed condition may increase or decrease the average service life remaining.

Asset Segment	Estimated Useful Life (Years)	Average Age (Years)	Average Service Life Remaining (Years)
Custodial Equipment	10 – 20 Years	5.4	6.4
Emergency Services Equipment	5 – 20 Years	7.3	4.6
Furniture & Fixtures	3 – 40 Years	10.5	13.1
Industrial Equipment	10 – 30 Years	8.9	8.4
IT Equipment	2 – 40 Years	6.7	4.2
Recreation Equipment	10 – 50 Years	9.4	8.7
Tools & Miscellaneous Equipment	10 – 50 Years	8.8	7
Turf Equipment	5 – 15 Years	7.9	4.4
		8.5	**7.9**



5.5.4 Lifecycle Management Strategy

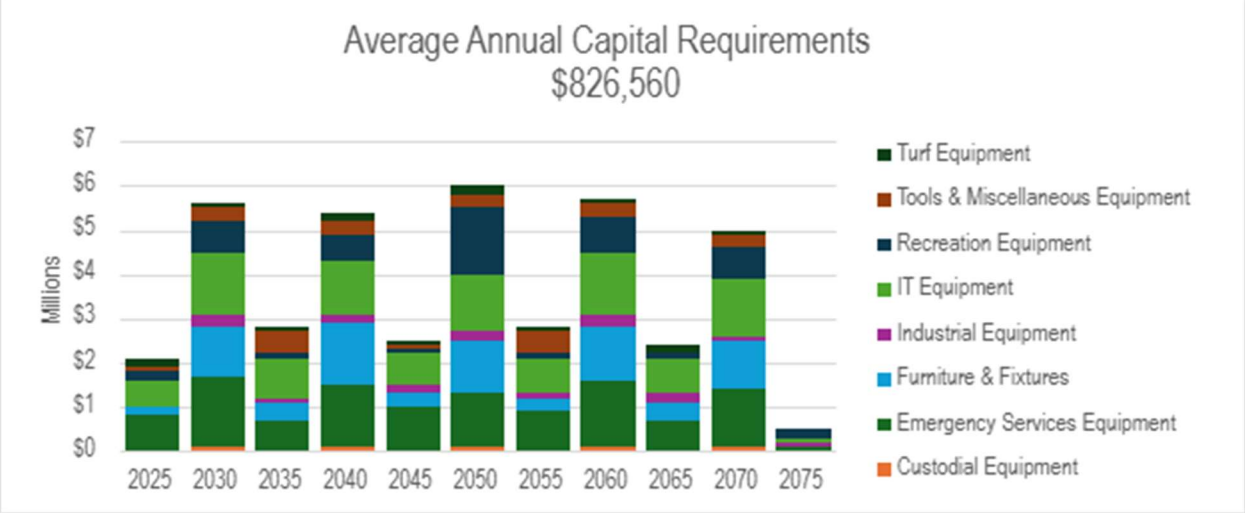
The condition or performance of most assets will deteriorate over time. To ensure that municipal assets are performing as expected and meeting the needs of customers, it is important to establish a lifecycle management strategy to proactively manage asset deterioration.

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

Activity Type	Description of Current Strategy
Maintenance/ Rehabilitation	Maintenance programs vary by department
	Emergency Services Equipment is subject to a much more rigorous inspection and maintenance program compared to most other departments
	Equipment is maintained according to manufacturer recommended actions and supplemented by the expertise of municipal staff
Replacement	The replacement of equipment depends on deficiencies identified by operators that may impact their ability to complete required tasks

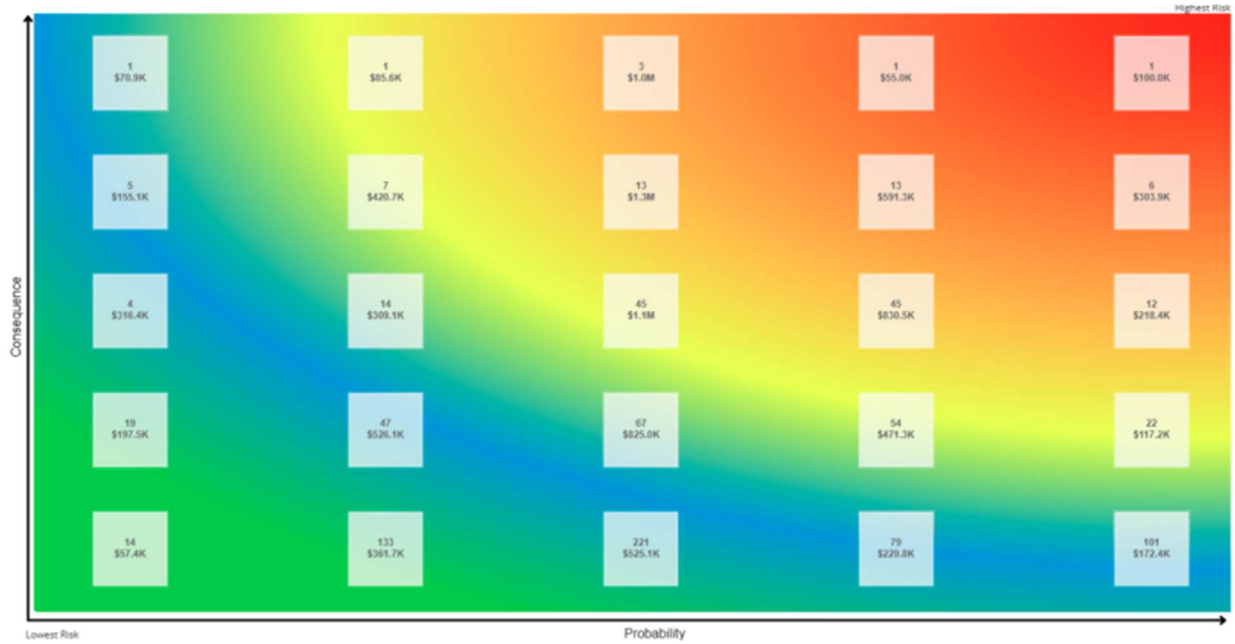
5.5.4.1 Forecasted Capital Requirements

The following graph forecasts long-term capital requirements. The annual capital requirement represents the average amount per year that the Town should allocate towards funding rehabilitation and replacement needs. Annual operating requirements fluctuate significantly and are addressed on an as-needed basis.



5.5.5 Risk & Criticality

The following risk matrix provides a visual representation of the relationship between the probability of failure and the consequence of failure for the assets within this asset category based on 2023 inventory data. See Appendix E for the criteria used to determine the risk rating of each asset.



5.5.5.1 Critical Assets

The identification of critical assets allows the Town to determine appropriate risk mitigation strategies and treatment options. These may include asset-specific lifecycle strategies, condition assessment strategies, or simply the need to collect better asset data. Critical assets do not necessarily require immediate renewal or replacement.

The following table identifies the most critical assets according to the risk criteria identified in Appendix E. The risk rating is calculated by multiplying the probability of failure and the consequence of failure for each asset.

Segment	Name	Risk Rating
Recreation Equipment	Digital Scoreboard at Jack Bionda Arena	16 – Very High
Recreation Equipment	Gym Equipment	16 – Very High
Emergency Services Equipment	Handheld thermal camera	16 – Very High
Emergency Services Equipment	Handheld thermal camera	16 – Very High
Emergency Services Equipment	Handheld thermal camera	16 – Very High
Recreation Equipment	Locomotive #1 Boiler	22.5 – Very High
Emergency Services Equipment	Portable Pump	17.5 – Very High
Emergency Services Equipment	Portable Pump	17.5 – Very High
Recreation Equipment	Scoreboard installed in the pool area	20 – Very High
Emergency Services Equipment	Starfield Flamefighter	18 – Very High

Emergency Services Equipment	Starfield Flamefighter	18 – Very High
Emergency Services Equipment	Starfield Flamefighter	18 – Very High
Emergency Services Equipment	Starfield Flamefighter	18 – Very High
Emergency Services Equipment	Starfield Flamefighter	18 – Very High
Emergency Services Equipment	Starfield Flamefighter	18 – Very High

5.5.6 Levels of Service

Appendix B identify the Town's current and proposed level of service for Equipment. Since Equipment assets are not considered to be core assets, there are no required level of service metrics identified as part of O. Reg. 588/17. As a result, these metrics include technical and community level of service that the Town has selected for this AMP.

5.6 Fleet & Machinery

Vehicles and heavy machinery allow staff to efficiently deliver municipal services and personnel. Fleet assets are used to support several service areas, including:

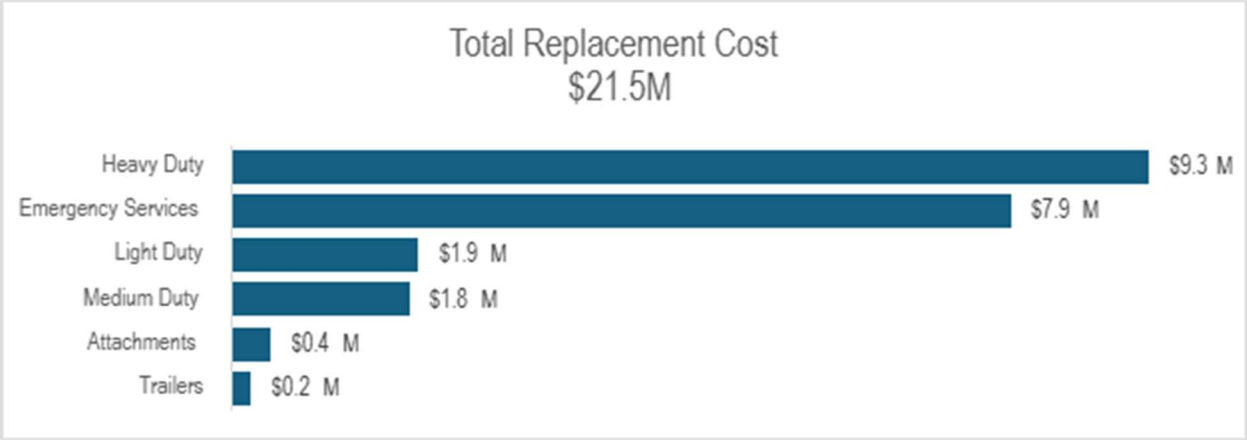
- light-duty vehicles support all municipal service areas
- fire rescue vehicles to provide emergency services
- light-duty, medium-duty, & heavy-duty vehicles to support the maintenance of the transportation network, parks and facilities, and address service requests
- heavy-duty machinery supports the construction and rehabilitation of vital infrastructure, and the removal of critical infrastructure
- attachments support the operational needs of critical use vehicles and heavy-duty machinery

5.6.1 Asset Inventory & Replacement Cost

The table below includes the quantity, replacement cost method and total replacement cost of each asset segment in the Town's Fleet & Machinery inventory.

Asset Segment	Quantity	Replacement Cost Method	Replacement Cost
Attachments	19	CPI Tables	$402,809
Emergency Services	17	82% CPI Tables 18% User-Defined Cost	$7,891,181
Heavy Duty	29	88% CPI Tables 12% User-Defined Cost	$9,256,436
Light Duty	31	96% CPI Tables 4% User-Defined Cost	$1,866,676
Medium Duty	7	57% CPI Tables 43% User-Defined Cost	$1,761,803

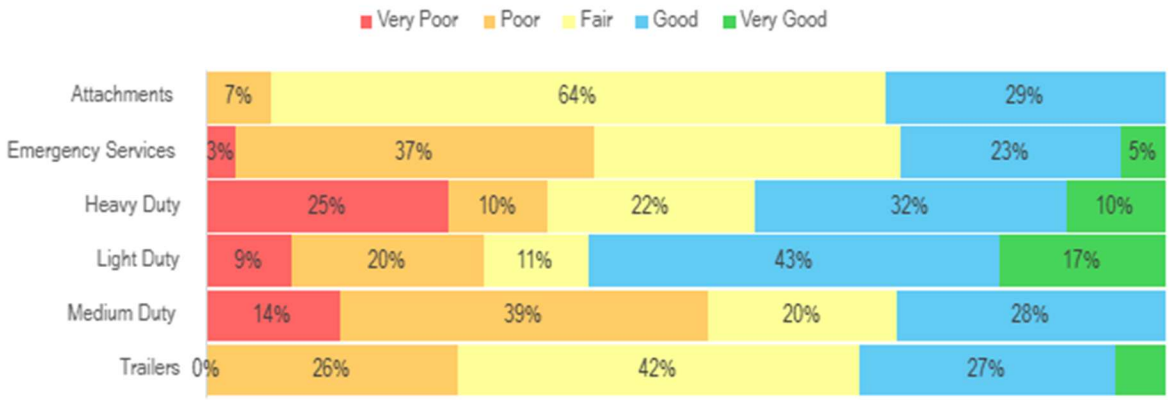
Trailers	8	85% CPI Tables 16% User-Defined Cost	$211,741
			$21,390,646



5.6.2 Asset Condition

The table below identifies the current average condition and source of available condition data for each asset segment. The Average Condition (%) is a weighted value based on replacement cost.

Asset Segment	Average Condition (%)	Average Condition Rating	Condition Source
Attachments	72%	Good	100% Assessed
Emergency Services	61%	Good	100% Assessed
Heavy Duty	54%	Good	100% Assessed
Light Duty	73%	Good	100% Assessed
Medium Duty	51%	Fair	100% Assessed
Trailers	62%	Good	100 % Assessed
	65%	**Good**	**100% Assessed**



To ensure that the Town's Fleet & Machinery continue to provide an acceptable level of service, the Town should monitor the average condition of all assets. If the average condition declines, staff should re-evaluate their lifecycle management strategy to determine what combination of maintenance, rehabilitation and replacement activities is required to increase the overall condition of the assets.

5.6.2.1 Current Approach to Condition Assessment

Accurate and reliable condition data allows staff to determine the remaining service life of assets and identify the most cost-effective approach to managing assets more confidently. The following describes the municipality's current approach:

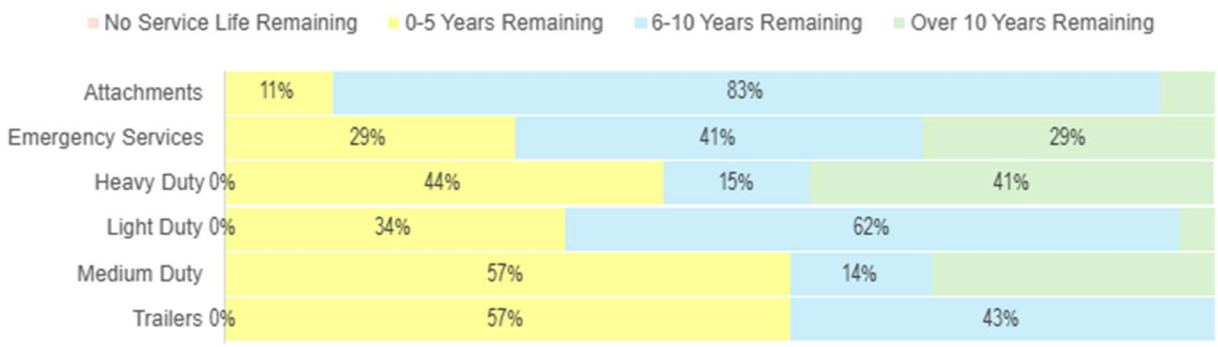
- Staff complete regular visual inspections of the fleet to ensure they are in a state of adequate repair prior to operation.
- The mileage of vehicles, and hours of service for heavy-duty machinery, is used in determining the remaining useful life and relative vehicle conditions.

5.6.3 Estimated Useful Life & Average Age

The table below identifies the estimated useful life, average age, and average service life remaining for each asset segment. Assessed condition may increase or decrease the average service life remaining.

Asset Segment	Estimated Useful Life (Years)	Average Age (Years)	Average Service Life Remaining (Years)
Attachments	10 – 15 Years	5	6.7
Emergency Services	10 - 25 Years	6.8	7.2
Heavy Duty	10 - 15 Years	6.8	7.2
Light Duty	10 - 25 Years	.4.1	5.11

Medium Duty	12 – 15 Years	7	5.4
Trailers	10 Years	5	5
		5.7	**56.5**



5.6.4 Lifecycle Management Strategy

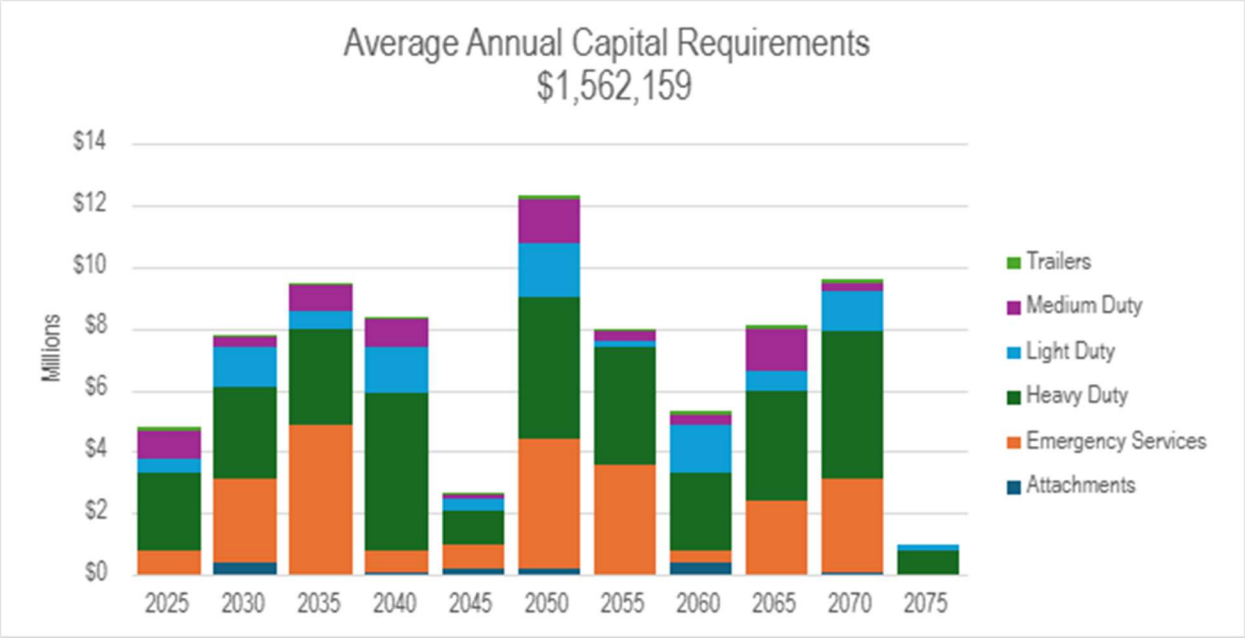
The condition or performance of most assets will deteriorate over time. To ensure that municipal assets are performing as expected and meeting the needs of customers, it is important to establish a lifecycle management strategy to proactively manage asset deterioration.

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

Activity Type	Description of Current Strategy
Maintenance/ Rehabilitation	Visual inspections, including fluid levels and tires, are completed and documented daily
	Annual preventative maintenance activities are in accordance with manufacturer recommended actions and supplemented by the expertise of municipal staff
Replacement	Vehicle age, kilometres and annual repair costs are taken into consideration when determining appropriate replacement schedules

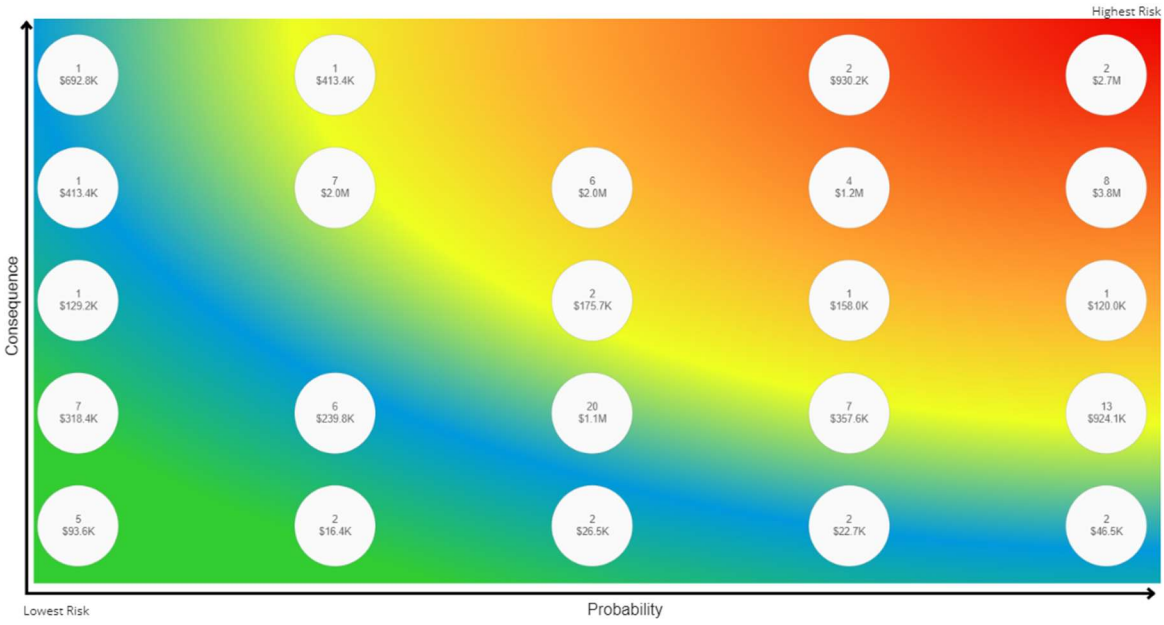
5.6.4.1 Forecasted Capital Requirements

The following graph forecasts long-term capital requirements. The annual capital requirement represents the average amount per year that the Town should allocate towards funding rehabilitation and replacement needs. Annual operating requirements fluctuate significantly and are addressed on an as-needed basis.



5.6.5 Risk & Criticality

The following risk matrix provides a visual representation of the relationship between the probability of failure and the consequence of failure for the assets within this asset category based on 2023 inventory data. See Appendix E for the criteria used to determine the risk rating of each asset.



5.6.5.1 Critical Assets

The identification of critical assets allows the Town to determine appropriate risk mitigation strategies and treatment options. These may include asset-specific lifecycle strategies, condition assessment strategies, or simply the need to collect better asset data. Critical assets do not necessarily require immediate renewal or replacement.

The following table identifies the most critical assets according to the risk criteria identified in Appendix E. The risk rating is calculated by multiplying the probability of failure and the consequence of failure for each asset.

Segment	Fleet #	Name	Risk Rating
Emergency Services	0501	Pumper/Tanker 592	20 – Very High
Emergency Services	0908	Pumper/Tanker 591	20 – Very High
Heavy Duty	1101	Loader	24 – Very High
Heavy Duty	1201	Plow/Dump/Sander Truck	23 – Very High
Heavy Duty	1203	Grader	24 – Very High
Heavy Duty	1301	Plow/Dump/Sander Truck	23 – Very High
Emergency Services	1302	Rescue Vehicle 181	19.2 – Very High
Heavy Duty	1401	Loader/Backhoe	21 – Very High
Medium Duty	1605	Sidewalk Plow	20 – Very High
Heavy Duty	1606	Tandem Axle Plow/Sander	18.4 – Very High
Heavy Duty	1607	Loader	16.8 – Very High
Emergency Services	1701	Pumper/Tanker 191	20 – Very High
Medium Duty	1901	Road Wizard	18.4 – Very High

5.6.6 Levels of Service

Appendix B identify the Town's current and proposed level of service for Fleet & Machinery. Since Fleet & Machinery are not considered to be core assets, there are no required level of service metrics identified as part of O. Reg. 588/17. As a result, these metrics include technical and community level of service that the Town has selected for this AMP.

5.7 Land Improvements

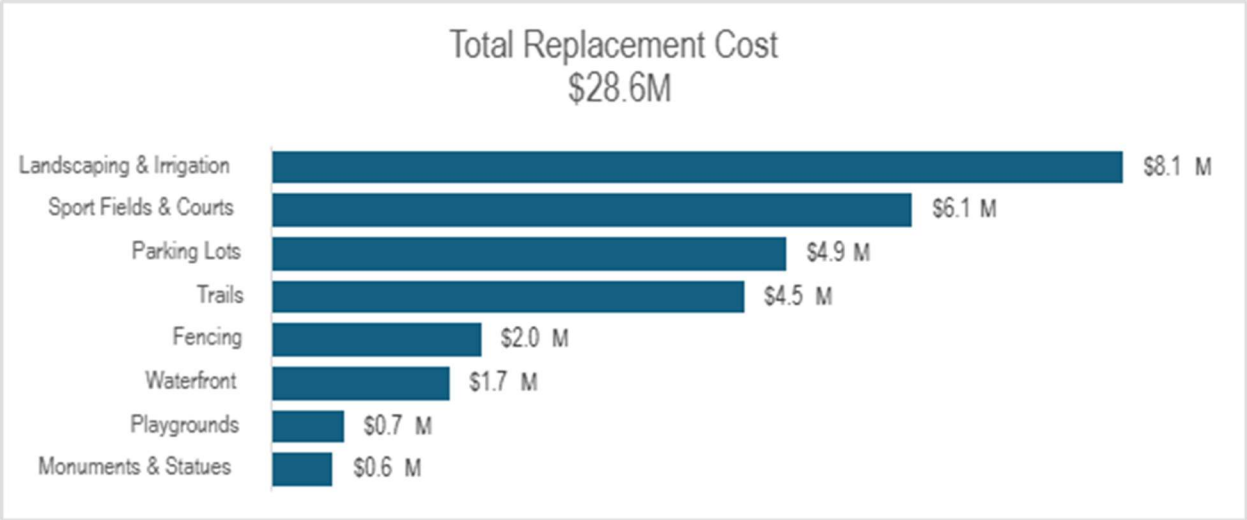
The Town of Huntsville owns a variety of assets that are considered Land Improvements. This category includes:

- Waterfront assets that include docks, launches, and other assets in, or near, water
- Parking lots for municipal facilities and parks
- Fencing and signage
- Miscellaneous landscaping, irrigation, and other assets
- Playgrounds, sports fields, and courts
- Trail systems, historical monuments, and statues

5.7.1 Asset Inventory & Replacement Cost

The table below includes the quantity, replacement cost method and total replacement cost of each asset segment in the Town's Land Improvements inventory.

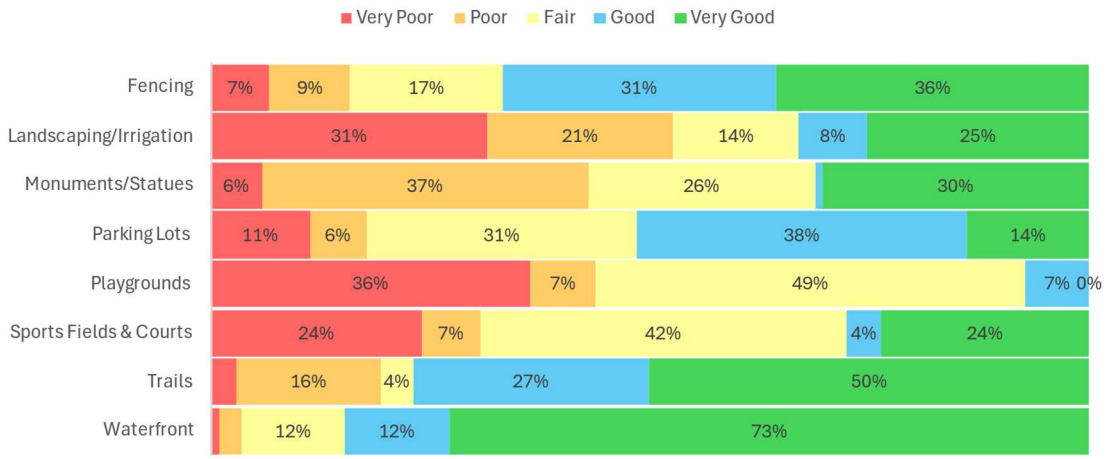
Asset Segment	Quantity	Replacement Cost Method	Replacement Cost
Fencing	77	82% CPI Tables 18% User-Defined Cost	$1,953,797
Landscaping/Irrigation	232	87% CPI Tables 13% User-Defined Cost	$8,144,916
Monuments/Statues	21	68% CPI Tables 32% User-Defined Cost	$644,951
Parking Lots	68	63% CPI Tables 37% User-Defined Cost	$4,860,554
Playgrounds	22	59% CPI Tables 41% User-Defined Cost	$685,425
Sports Fields & Courts	66	91% CPI Tables 9% User-Defined Cost	$6,080,546
Trails	319	96% CPI Tables 4% User-Defined Cost	$4,451,101
Waterfront	149	83% CPI Tables 17% User-Defined Cost	$1,730,373
			$28,551,663



5.7.2 Asset Condition

The table below identifies the current average condition and source of available condition data for each asset segment. The Average Condition (%) is a weighted value based on replacement cost.

Asset Segment	Average Condition (%)	Average Condition Rating	Condition Source
Fencing	62%	Good	98% Assessed 2% Age-based
Landscaping/Irrigation	59%	Fair	100% Assessed
Monuments/Statues	59%	Fair	100% Assessed
Parking Lots	51%	Fair	68% Assessed 32% Age-based
Playgrounds	57%	Fair	100% Assessed
Sports Fields & Courts	61%	Good	100% Assessed
Trails	65%	Good	99% Assessed 1% Age-based
Waterfront	61%	Good	100% Assessed
	60%	Good	**99.9% Assessed**



To ensure that the Town's Land Improvements continue to provide an acceptable level of service, the Town should monitor the average condition of all assets. If the average condition declines, staff should re-evaluate their lifecycle management strategy to determine what combination of maintenance, rehabilitation and replacement activities is required to increase the overall condition of the Land Improvements.

5.7.2.1 Current Approach to Condition Assessment

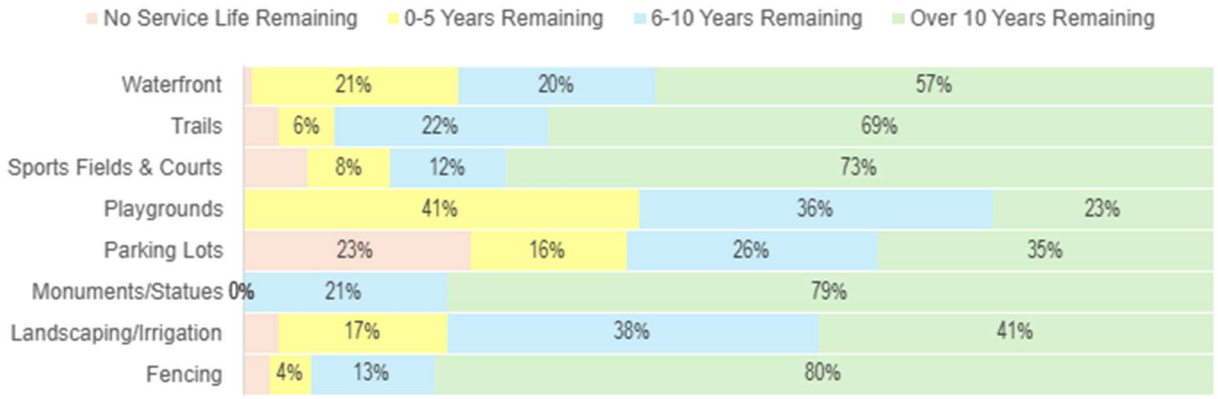
Accurate and reliable condition data allows staff to determine the remaining service life of assets and identify the most cost-effective approach to managing assets more confidently. The following describes the municipality's current approach:

- Staff complete regular visual inspections of land improvement assets to ensure they are in state of adequate repair.
- Although assessed condition data is available, there are no formal condition assessment programs in place for land improvements.

5.7.3 Estimated Useful Life & Average Age

The table below identifies the estimated useful life, average age, and average service life remaining for each asset segment. Assessed condition may increase or decrease the average service life remaining.

Asset Segment	Estimated Useful Life (Years)	Average Age (Years)	Average Service Life Remaining (Years)
Fencing	15 – 40 Years	10.7	15.9
Landscaping/Irrigation	10 – 75 Years	11.8	11.4
Monuments/Statues	25 – 40 Years	15.9	18.9
Parking Lots	10 – 30 Years	11.9	7
Playgrounds	10 – 20 Years	7.4	5.9
Sports Fields & Courts	10 - 50 Years	14.3	20.7
Trails	10 - 50 Years	8.9	15.7
Waterfront	10 - 60 Years	9.4	10.3
		11	**12.7**



5.7.4 Lifecycle Management Strategy

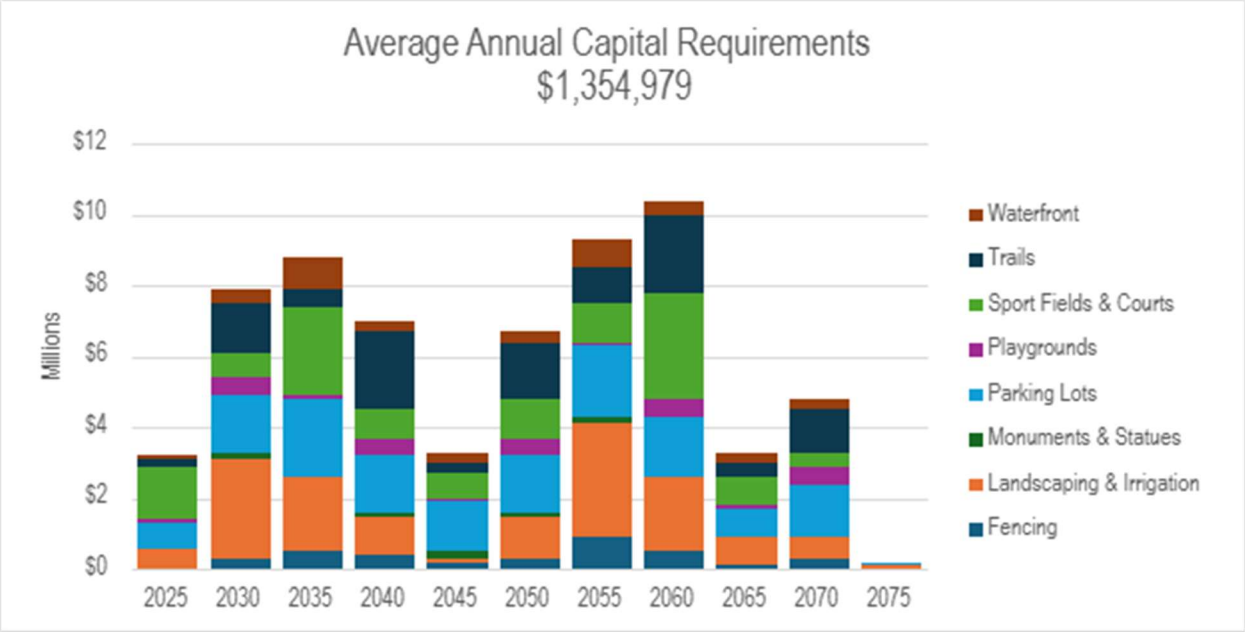
The condition or performance of most assets will deteriorate over time. To ensure that municipal assets are performing as expected and meeting the needs of customers, it is important to establish a lifecycle management strategy to proactively manage asset deterioration.

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

Activity Type	Description of Current Strategy
Maintenanace/ Rehabilitation	Various land improvement segments, including playground equipment, are subject to regular inspections to identify health & safety requirements as well as structural deficiencies that require additional attention.
	Maintenance of land improvements is dealt with on a case-by-case basis.
Replacement	The Land Improvements asset category includes several unique asset types and lifecycle requiments are dealt with on a case-by-case basis.

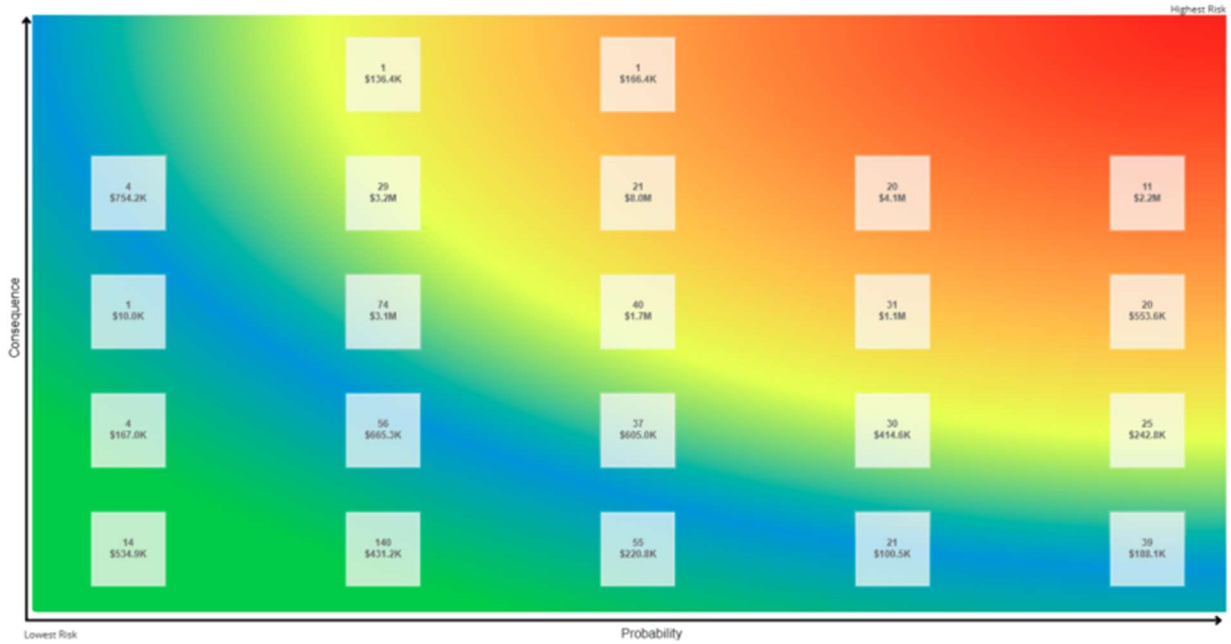
5.7.4.1 Forecasted Capital Requirements

The following graph forecasts long-term capital requirements. The annual capital requirement represents the average amount per year that the Town should allocate towards funding rehabilitation and replacement needs. Annual operating requirements fluctuate significantly and are addressed on an as-needed basis.



5.7.5 Risk & Criticality

The following risk matrix provides a visual representation of the relationship between the probability of failure and the consequence of failure for the assets within this asset category based on 2023 inventory data. See Appendix E for the criteria used to determine the risk rating of each asset.



5.7.5.1 Critical Assets

The identification of critical assets allows the Town to determine appropriate risk mitigation strategies and treatment options. These may include asset-specific lifecycle strategies, condition assessment strategies, or simply the need to collect better asset data. Critical assets do not necessarily require immediate renewal or replacement.

The following table identifies the most critical assets according to the risk criteria identified in Appendix E. The risk rating is calculated by multiplying the probability of failure and the consequence of failure for each asset.

Segment	Name	Risk Rating
Fencing	Fencing-McCulley Robertson (parking lot)	17 – Very High
Landscaping & Irrigation	Huntsville Fire Station #1 - Concrete Apron	20 – Very High
Landscaping & Irrigation	Lock Mechanicals Brunel Locks	20 – Very High
Landscaping & Irrigation	Structure Brunel Locks	20 – Very High
Landscaping & Irrigation	Flag Park Interlock	17 – Very High
Landscaping & Irrigation	Highway Welcome Centre St	16.25 – Very High

Landscaping & Irrigation	Landscaping - Conroy Park G8	16 – Very High
Landscaping & Irrigation	Landscaping - King William St gardens	16 – Very High
Landscaping & Irrigation	Museum Entrance and Village Entrance cobblestone paths	16 – Very High
Landscaping & Irrigation	Port Sydney Community Centre - Interlocking Pavers	16 – Very High
Monuments & Statues	Veteran's Memorial Memorial Park	17 – Very High
Monuments & Statues	Hutcheson Columbarium front	17 – Very High
Monuments & Statues	Flag Poles Flag Park	17 – Very High
Monuments & Statues	Civic Centre- Monument	17 – Very High
Parking Lots	Equipment Depot - Asphalt Paving and Surfacing	22.5 – Very High
Parking Lots	Salt Shed - Asphalt Paving and Surfacing	22.5 – Very High
Parking Lots	Civic Centre Lot	18 – Very High
Parking Lots	Huntsville Fire Station #1 Lot	18.75 – Very High
Parking Lots	Equipment Depot Bollards	18.75 – Very High
Playgrounds	Playground Equipment Surface	21.25 – Very High
Sport Fields & Courts	Light Poles	16.25 – Very High
Sport Fields & Courts	Basketball 1/2 Court Utterson	20 – Very High
Sport Fields & Courts	Port Sydney Clarke Crescent Multi-use Courts	19 – Very High
Sport Fields & Courts	McCulley Pickle Ball Court	23.75 – Very High
Sport Fields & Courts	Skateboard Park structure	23.75 – Very High
Sport Fields & Courts	Tennis Court Utterson	23.75 – Very High
Sport Fields & Courts	Tennis Courts - resurface tennis courts	23.75 – Very High
Sport Fields & Courts	Outfield-McCulley Diamond A, B, C, F	16 – Very High
Trails	Village Road - culvert and grading	17.5 – Very High
Waterfront	Light Poles	16.25 – Very High
Waterfront	Vernon Shores Docks	16 – Very High

5.7.6 Levels of Service

Appendix B identify the Town’s current and proposed level of service for Land Improvements. Since Land Improvements are not considered to be core assets, there are no required level of

service metrics identified as part of O. Reg. 588/17. As a result, these metrics include technical and community level of service that the Town has selected for this AMP.

5.8 Recommendations

5.8.1 Asset Inventory & Replacement Cost

- Replacement costs used in this AMP were based on a combination of the inflation of historical costs and user-defined costs. These costs are regularly evaluated to determine their accuracy and reliability. Replacement costs are updated according to the best available information on the cost to replace the asset in today's value.
- Continue to review and refine key asset specific data to further improve asset performance, risk, and level of service reporting.
- Consider the development of a formal data maintenance strategy going forward to support the consistent and accurate collection of data and promote proper maintenance and disposal of data.
- Continue to review and validate inventory data, assessed condition data and replacement costs for all bridges upon the completion of OSIM inspections every 2 years.

5.8.2 Condition Assessment Strategies

- Create and implement a formal internal assessment process that involves the collection and transfer of assessment data from field inspection to the Town's Asset Management System.
- Identify condition assessment strategies for high value and high-risk assets.
- Continue to review assets that have surpassed their estimated useful life to determine if immediate replacement is required or whether these assets are expected to remain in service. Adjust the condition ratings for these assets accordingly.
- Establish an industry best practice assessment cycle for the Storm Sewer Network.

5.8.3 Lifecycle Management Strategies

- Evaluate the efficiency of the Town's lifecycle management strategies at regular intervals to determine the impact to cost, condition, and risk.
- Review and update replacement costs on an annual basis to ensure that short-, medium-, and long-term planning are based on the best available estimate of future costs.

5.8.4 Risk Management Strategies

- Continue utilizing risk-based decision-making as part of asset management planning and budgeting processes. This should include the regular review of high-risk assets to determine appropriate risk mitigation strategies.

- Review risk models on a regular basis and adjust according to an evolving understanding of the probability and consequences of asset failure.
- Collect data to incorporate the vulnerability of infrastructure to climate change in risk analysis.

5.8.5 Levels of Service

- In March 2025, report CORP-2025-23 was presented to General Committee and included 3 options for proposed levels of services: maintain, increase or decrease.
- Staff recommended to Maintain the Proposed Levels of Service as they are currently being provided. It is anticipated that the cost to maintain levels of service will increase, so in order to provide an achievable target that takes into consideration the municipality's ability to continue to maintain the current level of services, staff are recommending that in general, the proposed levels of services is to maintain what is currently being provided. This recommendation was accepted, and staff were directed to include costs to maintain current levels of services as the proposed levels of service in this 2025 update.
- Going forward the Town will continue to measure and monitor current and proposed levels of service in accordance with the metrics identified in O. Reg. 588/17 and those metrics that the Town has established in this AMP.

6 Impacts of Growth

Key Insights

- Understanding the key drivers of growth and demand will allow the Town to more effectively plan for new infrastructure, and the upgrade or disposal of existing infrastructure.
- Moderate population and employment growth are expected.
- The costs of growth should be considered in long-term funding strategies that are designed to maintain the current level of service.

6.1 Description of Growth Assumptions

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

6.1.1 Official Plan & Growth

In February 2019, the Town adopted the Official Plan, which was developed by the community as an important tool to be used in managing growth and development.

The Official Plan sets out the elements that contribute to the community structure of the Town and includes strategic growth policies for the Settlement Areas, the Hidden Valley Recreational Resort and Lifestyle Area, as well as the Waterfront and Rural areas.

A minimum target of 60% of new year-round dwelling units will be directed to the Huntsville Urban Settlement Area and the remaining 40% to the other land use designations.

In March 2024, the District of Muskoka endorsed a growth update report outlining future growth projections and allocations to each of the area municipalities, including the Town of Huntsville.

The following table outlines the population and employment forecasts allocated to Huntsville.

Historical & Forecast Total Population				Total Place of Work Employment Forecasts		
Municipality	2016	2021	2051	2016	2021	2051
Huntsville	19,820	21,100	29,600	10,300	9,910	13,530

6.2 Impact of Growth on Lifecycle Activities and Financial Strategy

Planning for forecasted population growth may require the expansion of existing infrastructure and services. As growth-related assets are constructed or acquired, they will be integrated into the Town's AMP. While the addition of residential units will add to the existing assessment base and offset some of the costs associated with growth, the Town will need to review the lifecycle costs of growth-related infrastructure. These costs will be considered in long-term funding strategies that are designed to, at a minimum, maintain the current level of service. The financing strategy will be reviewed annually to ensure these growth-related costs are included in the plan.

7 Financial Strategy

Key Insights

- The Town is committing approximately $9,100,000 towards capital projects per year from sustainable revenue sources. This includes anticipated $692,000 CCBF and $621,000 OCIF funding.

- Given the annual requirement of $20,900,000, there is currently a funding gap of $11,800,000 annually.

7.1 Financial Strategy Overview

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

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

1. The financial requirements for:
    a. Existing assets
    b. Current service levels
    c. Requirements of anticipated growth

2. Use of traditional sources of municipal funding:
    a. Tax levies
    b. Reserves
    c. Debt

3. Use of non-traditional sources of municipal funds:
    a. Reallocated budgets
    b. Partnerships
    c. Procurement methods
    d. Investment income

4. Use of Senior Government Funds:
    a. Canada Community Building Fund (CCBF)
    b. Annual grants

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

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

1. To reduce financial requirements, consideration has been given to revising service levels downward.

2. All asset management and financial strategies have been considered. For example:

a. If a zero-debt policy is in place, is it warranted? If not, the use of debt should be considered.
b. Do user fees reflect the cost of the applicable service? If not, increased user fees should be considered.

7.1.1 Annual Requirements

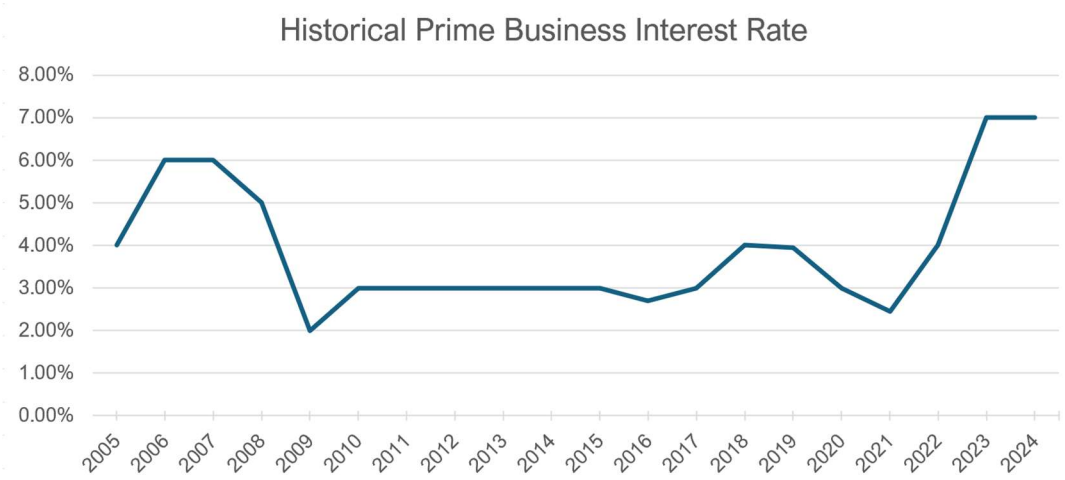
The annual requirements represent the amount the Town should allocate annually to each asset category to meet replacement needs as they arise, prevent infrastructure backlogs, and achieve long-term sustainability. In total, the Town must allocate approximately $20,900,000 annually to address capital requirements for the assets included in this AMP which is made up of $16,590,000 related capital replacement of assets, and $4,330,000 related to lifecycle events related to roads.

7.2 Use of Debt

For reference purposes, the following table outlines the premium paid on a project if financed by debt. For example, a $1M project financed at 6.0% over 15 years would result in a 54% premium or $540,000 of increased costs due to interest payments. For simplicity, the table does not consider the time value of money or the effect of inflation on delayed projects.

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

It should be noted that current interest rates have been high over the past several years, compared to the average rate over the past 20 years. Sustainable funding models that include debt need to incorporate the potential of decreasing interest rates. The following graph shows where historical lending rates have been:



7.3 Use of Reserves

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

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

There is considerable debate in the municipal sector as to the appropriate level of reserves that a municipality should have on hand. In 2021 the Town adopted the Financial Reserves Policy (Budget&Financial-27) which indicates that Council shall maintain reserve funds for capital in accordance with capital asset management plans, recognizing that this will be realized in the future. There is no clear guideline that has gained wide acceptance. Factors that municipalities should consider when determining their capital reserve requirements include:

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

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

The following table shows the reserve balances as of December 31, 2024 (unaudited) allocated across asset categories as these are normally reported by department:

Asset Category	Balance on December 31, 2024
Road Network	2,893,000
Bridges	172,000
Storm Sewer Network	463,000
Facilities	4,109,000
Equipment	522,000
Fleet & Machinery	1,305,000
Land Improvements	759,000
Total Tax Funded:	**10,223,000**

7.4 Finance Strategy Options

The table below outlines several options to phase-in the reduction of the infrastructure deficit based on the 2026 levy of $25,320,722 and $100,000,000 assessment growth:

	Option A 10% Increase	Option B 20% Increase	Option C Maintain 2025 to 2026 Increase
Annual tax levy increase (Yr1) (%)	**3.5%**	**7.1%**	**3.3%**
Annual tax levy increase (Yr 1) ($)	**862,492**	**1,724,984**	**808,720**
Estimate annual tax rate increase (Yr 1) (%)	**1.28%**	**4.62%**	**1.07%**

Option A

- Increase capital contributions by 10% each year
- This will result in the funding gap closure and Town reaching a sustainable level of funding by 2035.

Option B

- Increase capital contributions by 20% each year
- This will result in the funding gab closure and Town reaching a sustainable level of capital funding by 2031

Option C

- Maintain the same increase from 2025 to 2026 ($808,720)
- This will result in the funding gap closure and Town reaching a sustainable level of funding by 2041

7.5 Recommendation

Staff recommend moving forward with Option A, a 10% increase of the contribution per annum.

This results in a reasonable time frame to get to a sustainable level of funding (2035), is consistent with capital levy increases from prior years (around 3.5% levy impact).

This approach is consistent with past years in that the average increase in the capital contributions over 10 years was 15% on average, and 12% for the past 5 years.

8 Appendices

Key Insights

Appendix A - Asset Category Summary includes a one-page summary of key data from each asset category.

Appendix B - Current and Proposed Levels of Service are identified in this appendix for each asset category.

Appendix C - Levels of Service Maps includes several maps that have been used to visualize the current level of service.

Appendix D - Condition Rating Criteria outlines condition rating criteria for roads, storm network, and includes images that demonstrate condition rating criteria for the bridge assessments.

Appendix E - Risk Rating Criteria identifies the criteria used to calculate risk for each asset category.

Appendix F – 10-Year Capital Requirements identifies projected 10-year capital requirements for each asset category.