2024

ASSET MANAGEMENT PLAN

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EXECUTIVE SUMMARY

This asset management plan (AMP) provides data-driven guidance to the Town of Plympton-Wyoming on managing its capital asset portfolio. The asset inventory includes assets owned by the municipality as of December 31, 2023. These assets are valued at $475 million. This AMP is developed in accordance with Ontario Regulation 588/17 and addresses key reporting requirements, including outlining the state of the infrastructure, current levels of service (LOS), risk, and the associated lifecycle strategies. Field condition assessments were used to determine actual condition where possible. If field condition assessments are not available or are cost prohibitive conditions were estimated based on asset age. Central to asset management is selecting and applying the right combination of maintenance and rehabilitation options to minimize lifecycle costs and risks, extend the asset's useful life, and maximize value.

Asset Summary

Below is a high-level summary of the asset conditions, replacement costs and annual requirements.

Asset Type	Average Condition	Replacement Costs	Annual Requirement
Water	Good	$78,660,074	$1,246,680
Wastewater	Fair	$88,300,592	$1,734,139
Stormwater	Good	$17,484,821	$231,572
Road Network	Good	$201,988,154	$4,002,013
Bridges & Culverts	Fair	$43,045,266	$1,193,910
Fleet	Fair	$11,284,248	$677,111
Equipment	Poor	$7,029,734	$498,005
Facilities	Fair	$26,996,788	$506,148
	Total	$**474,789,677**	$**10,089,578**

Financial Strategy Summary

Historically, Plympton-Wyoming commits about $5,898,000 annually to capital projects, leaving a funding gap of $4,192,000 compared to the annual requirement of $10,090,000. Recommendations to close this funding gap within 10 to 15 years for Tax and Rate funded assets are summarized below.

Funding Type	Existing Assets	New Assets & Growth Projects
Tax	Increase contributions to general infrastructure reserve by minimum $200,000 each year Increase department budgeted reserves by minimum of inflation Continue to allocate surplus to general infrastructure reserve Review user fees for development review and service installations for adequate cost recovery	In year with large assessment growth increase contributions to infrastructure reserve Budget for annual requirements for new assets in year after acquisition Update development charge background study to ensure adequate funding
Water Rates	Increase rates by 3.6% annually	Utilize frontage fees Allocate additional revenue from new accounts to reserves
Wastewater Rates	Increase rates by 4.4% annually	

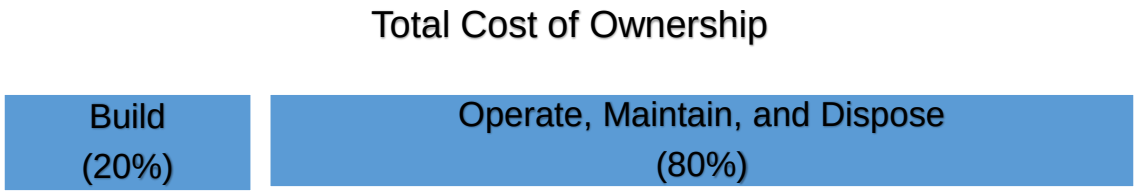
WHAT IS ASSET MANAGEMENT?

Asset Management is making decisions about Town assets in a way that balances level of service, risk, and lifecycle costs, while also working towards Town priorities to support our vision. In simpler terms, it is about ***doing the right work, at the right time, for the right cost***. This ensures the Town is realizing the most value from our assets and making sure taxpayer money goes to good use.

This report is intended to present information related to Town assets as well as act as a tool to identify gaps and help build on current asset management policies and procedures. This report also brings our Town's Asset Management Plan into compliance with current provincial regulations.

AN OVERVIEW OF ASSET MANAGEMENT

The initial acquisition of capital assets accounts for only 10-20% of their total cost of ownership. The remaining 80-90% comes from operations and maintenance. The intent 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.



Lifecycle costs can span decades, requiring planning and foresight to ensure financial responsibility is spread equitably across generations. An asset management plan is critical to this planning, and an essential element of broader asset management program.

KEY CONCEPTS IN ASSET MANAGEMENT

Effective asset management integrates several key components, including lifecycle management, risk management, and levels of service. We apply these concepts throughout this asset management plan.

Lifecycle Management Strategies

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

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

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

Event Type	Description	Example for roads	Cost
Maintenance	Activities that prevent defects or deterioration from occurring	Crack seal	$
Rehabilitation	Activities that rectify defects or deficiencies that are already present and may be affecting asset performance	Mill & Re-surface	$$
Replacement	Asset end-of-life activities that often involve the complete replacement of assets	Full Reconstruction	$$$

Risk Management Strategies

Asset risk and criticality are essential building blocks of asset management, integral in prioritizing projects and distributing funds where they are needed most based on a

variety of factors. Assets in disrepair may fail to perform their intended function, pose substantial risk to the community, lead to unplanned expenditures, and create liability for the municipality. In addition, some assets are simply more important to the community than others, based on their financial significance, their role in delivering essential services, the impact of their failure on public health and safety, and the extent to which they support a high quality of life for community stakeholders.

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

Probability of Failure

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

Consequence of Failure

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

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. These high-value assets should receive funding before others.

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

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 class 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. Future AMPs will include additional performance measures identified by the municipality as worth measuring and evaluating. The municipality measures the level of service provided at two levels: Community Levels of Service, and Technical Levels of Service.

Community Levels of Service

Community levels of service provide a simple, plain language description or measure of how the community receives or experiences the services that the municipality provides. For core asset categories the Province, through O. Reg. 588/17, has provided qualitative descriptions that are required to be included in this AMP. These metrics can be found in the Levels of Service subsection within each asset category.

Technical Levels of Service

Technical levels of service provide a quantitative measure of key technical attributes of the service being provided to the community. These include mostly quantitative measures. For core asset categories the Province, through O. Reg. 588/17, has provided technical metrics that are required to be included in this AMP. These metrics can be found in the Levels of Service subsection within each asset category.

Current and Proposed Levels of Service

This AMP focuses on measuring the current level of service provided to the community. Once current levels of service have been measured, the municipality plans to establish 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 municipality. They should also be determined with consideration of a variety of community expectations, fiscal capacity, regulatory requirements, corporate goals, and long-term sustainability. Once proposed levels of service have been established, and prior to July 2024, the municipality must identify a lifecycle management and financial strategy which allows these targets to be achieved.

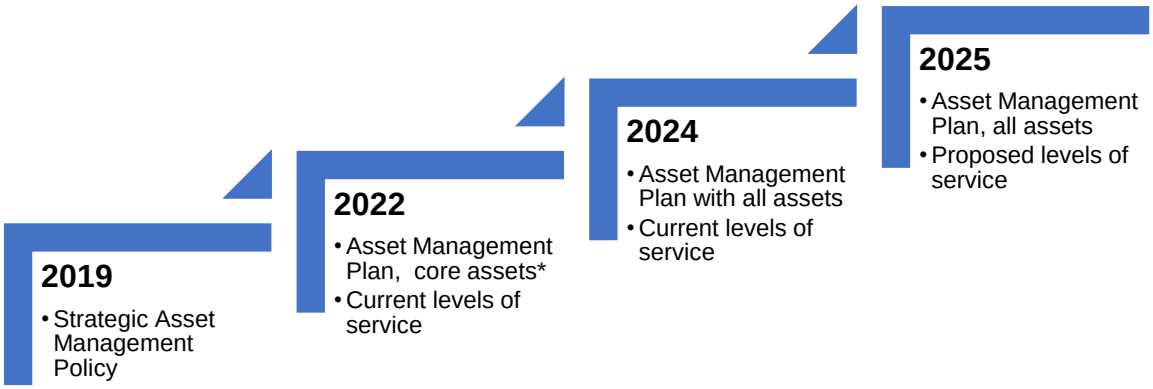
PROVINCIAL REQUIREMENTS

Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure, was enacted in January 2018. The Province created this regulation in response to the Federal Infrastructure for Jobs and Prosperity Act, 2015. These regulations were created because it was recognized that, in many parts of Canada and Ontario, existing infrastructure was degrading faster than it was being repaired or replaced.

The goal of the regulation is to:

- Standardize asset management plans
- Spread best practices to enable the comparison of data among
- municipalities; and
- Improve the way municipalities plan for their infrastructure.

The updated timelines for O.Reg 588/17, with a brief snapshot of what is required for each iteration of the Asset Management Plan, is shown below.



*** Core assets include roads, bridges & culverts, water, wastewater, and stormwater**

SCOPE & METHODOLOGY

ASSETS INCLUDED

Ontario Regulation 588/17 requires the analysis of core assets in 2022 and all assets in 2024. This asset management plan addresses the core and non-core assets owned by municipality as of December 31, 2023.

Asset Class	Asset Type	Source of Funding
Water	Core	User Rates & Grants
Wastewater		
Stormwater		Tax Levy & Grants
Roads		
Bridges & Culverts		
Fleet	Non-Core	
Equipment		Tax Levy & User Rates & Grants
Facilities		

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

Cost Inflation: Historical cost of the asset is inflated based on Consumer Price Index or Non-Residential Building Construction Price Index ("NRBCPI").

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 municipality incurred. As assets age, and new products and technologies become

available, cost inflation becomes a less reliable method. The municipality should aim to continuously improve the accuracy and reliability of replacement cost data based on the best available costing.

ASSET CONDITIONS

Asset condition is defined as a measure of the physical state of an asset. 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.

The analysis in this AMP is based on assessed condition data when it is available. The value of assessed condition data cannot be overstated as it provides a more accurate representation of the state of infrastructure than does an age-based indicator. Age-based condition tends to understate asset condition, leading to premature treatments.

The municipality employs a combination of both formal and informal condition assessment programs for municipal assets. The road network was assessed by an external consultant in 2021 as part of a Road Needs Study, and bridges & culverts are assessed every two years as per provincial regulations. Age-based condition is used as an approximation of condition for the remaining assets.

A condition assessment rating system provides a standardized descriptive framework that allows comparative benchmarking across the municipality's asset portfolio. The table below outlines the condition rating system to determine asset condition. When field condition data is not available, service life remaining is used to approximate asset condition. Below is the condition assessment rating system used in this AMP.

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

ESTIMATED USEFUL LIFE AND SERVICE LIFE REMAINING

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

By using an asset's in-service data and its EUL, the municipality can determine the service life remaining ("SLR") for each asset. Using condition data and the asset's SLR, the municipality can more accurately forecast when it will require replacement.

RELATIONSHIP TO OTHER POLICIES AND REPORTS

The Town of Plympton-Wyoming, through different departments, has various key reports, policies, plans and background information that were referred to while writing this AMP. These plans are available for review on the Town website or on publicly available committee and council agendas. Below is a partial list of the reports considered:

- Strategic Plan, 2023-2028
- Service Delivery Review, 2021
- Strategic Asset Management Policy, 2024
- Multi-Year Accessibility Plan, 2019-2024
- Official Plan, 2021
- Roads Needs Study, 2021
- OSIM Inspections Report, 2022
- Water System Financial Plan, 2018-2028
- Annual budgets with 5-year & 10-year capital forecasts
- Development Charges Background Study, 2021
- Water Distribution Capital Plan, 2018-2027
- Community Risk Assessment, 2022
- Fire Master Plan, 2022
- Wastewater Financial Plan, 2024-2033

FUTURE IMPROVEMENTS TO PLAN

This Asset Management Plan encompasses all current assets and levels of service. By 2025, the Town must incorporate proposed levels of service for all assets. This will be achieved through consultation with the public, staff, and council.

Looking ahead, the Town plans to develop a Parks and Recreation Master Plan and update the Development Charges Study, both of which will be integrated into future planning initiatives to guide the Town's growth and service delivery.

As growth-related projects are identified, they will be added to the Asset Management Plan, along with financial strategies to fund them. This ensures a sustainable and strategic approach to meeting the needs of a growing community.

Staff will continue to collaborate with each department to review and update asset data, ensuring it is complete, accurate, and includes up-to-date condition information.

ANALYSIS OF ASSETS

WATER NETWORK

Asset Inventory, Replacement Cost & Annual Requirements

The table below gives key asset attributes for the Town's water network portfolio, including quantities of various assets, their useful life, replacement costs, and the valuation method by which the replacement costs were derived. It is assumed that all assets will require replacement at the end of their service life. The annual capital requirement represents the average amount per year that the municipality should save towards asset replacement. Water treatment assets include the town's portion of capital assets owned through the Lambton Area Water Supply System.

Asset Type	Quantity	Useful Life (Years)	Replacement Cost Method	Replacement Costs	Annual Requirement
Water Tower	1 structure	20-50	Quarterly NRBCPI	$1,162,762	$24,664
Chamber	Various	75	Quarterly NRBCPI	$85,152	$1,135
Fire Hydrants	367 units	75	Cost/unit	$2,202,000	$29,360
Watermains & leads 38-200mm	106,206	75	Cost/unit	$66,864,055	$891,521
Water treatment	Various	Various	Cost	$8,346,105	$300,000
			Total	**$**78,660,074	**$**1,246,680

Current Asset Condition

The following table identifies the source of the condition data and the average condition rating for each asset type. The condition data of the water treatment assets is unknown and therefore not included below.

Asset Type	Average Condition (%)	Average Condition Rating	Condition Source
Water Tower	13%	Very Poor	Age-based
Chamber	88%	Very Good	Age-based
Fire Hydrants	89%	Very Good	Age-based
Watermains	61%	Good	Age-based
Average		**Good**	**Age-based**

Useful Life & Average Age

The estimated useful life was established based on industry standards. Assessed conditions may increase or decrease the average service life remaining.

Asset Type	Average Service Life Remaining (Years)	Est. Useful Life (Years)	Average Age (Years)
Water Tower	4	20-50	31
Chamber	66	75	9
Fire Hydrants	70	75	5
Watermains	46	75	29

Lifecycle Management

Operations & Maintenance

- As required by provincial regulations, the Town maintains a detailed operational plan that defines and documents the Quality Management System for the water distribution systems. These systems are operated by Operations Management International Canada Inc. – Jacobs.
- Jacobs is responsible for regular flushing of dead-end system main lines, system pressure regulator valve testing, and valve exercising. They are also responsible for maintenance of all equipment within the distribution system.

- All maintenance is completed within government regulations and AWWA standards.

Rehabilitation & Replacement

- Jacobs is responsible for determining the need of replacement parts within the infrastructure and add them to a capital replacement plan to be provided to the Town.
- There is an emphasis on replacing older water mains that are not PVC to install PVC pipes that are generally expected to last longer and have a lower failure rate.

Levels of Service & Performance

The tables that follow summarize the Town's current levels of service with respect to prescribed metrics under Ontario Regulation 588/17.

Water Network – Community Levels of Service		
Service Attribute	**Qualitative Descriptions**	**Current Level of Service**
Scope	Description, which may include maps, of the user groups or areas of the municipality that are connected to the municipal water system.	See Appendix A for water services map
	Description, which may include maps, of the user groups or areas of the municipality that have fire flow.	See Appendix A for water services map
Reliability	Description of boil water advisories and service interruptions.	There were 3 boil water advisory days in 2023 and none in 2021. There were 16 watermain breaks in 2023, 3 watermain breaks in 2021, and 14 in 2020. All the water main breaks were repaired the same day.

Water Network – Technical Levels of Service			
Service Attribute	**Technical Metric**	**Current Level of Service**	
		2021	**2023**
Scope	Percentage of properties connected to the municipal water system.	93.6%	89.9%
	Percentage of properties where fire flow is available.	Data not available	
Reliability	The number of connection-days per year where a boil water advisory notice is in place compared to the total number of properties connected to the municipal water system.	0	0.1735
	The number of connection-days per year due to water main breaks compared to the total number of properties connected to the municipal water system.	0.0091	0.0462

WASTEWATER NETWORK

Asset Inventory, Replacement Costs & Annual Requirements

The table below gives key asset attributes for the Town's wastewater system portfolio, including quantities of various assets, their useful life, replacement costs, and the valuation method by which the replacement costs were derived. It is assumed that all assets will require replacement at the end of their service life. The annual capital requirement represents the average amount per year that the municipality should save towards asset replacement.

Asset Type	Quantity	Useful Life (Years)	Replacement Cost Method	Replacement Costs	Annual Requirement
Equipment	Pooled	10-15	Quarterly NRBCPI	$7,929,167	$608,064
Forcemains	15,066 m	75	Unit Cost	$11,659,571	$155,461
Sewer Mains	58,944 m	75	Unit Cost	$47,964,081	$639,521
Pump Stations	13	50	Quarterly NRBCPI	$6,155,462	$126,543
Treatment Plants	2	75	Quarterly NRBCPI	$14,592,311	$204,550
			Total	$**88,300,592**	$**1,734,139**

Current Asset Condition

The following table identifies the source of the condition data and the average condition rating for each asset type.

Asset Type	Average Condition (%)	Average Condition Rating	Condition Source
Equipment	22%	Poor	Age-based
Forcemains	64%	Good	Age-based
Sewer Mains	60%	Good	Age-based
Pump Stations	44%	Fair	Age-based
Treatment Plants	59%	Fair	Age-based
Average		**Fair**	**Age-based**

Useful Life & Average Age

The estimated useful life was established based on industry standards. Assessed conditions may increase or decrease the average service life remaining.

Asset Type	Average Service Life Remaining (Years)	Est. Useful Life (Years)	Average Age (Years)
Equipment	0	10-15	15
Forcemains	49	75	26
Sewer Mains	46	75	29
Pump Stations	21	50	26
Treatment Plants	24	75	14

Lifecycle Management

Operations & Maintenance

- Jacobs is responsible for operating and maintaining the wastewater collection and treatment system.
- The system is inspected annually to ensure compliance with regulations set out by the Ministry of Environment.

Rehabilitation & Replacement

- The rehabilitation and replacement of sewer mains depends on several variables including pipe age, material and any concerns relating to capacity.
- Rehabilitation and reconstruction projects are completed when they can be combined with other capital projects (e.g. water mains, roads) to minimize service disruptions.
- Capital projects are included in the 10-year capital plan.

Levels of Service & Performance

The tables that follow summarize the Town's current levels of service with respect to prescribed metrics under Ontario Regulation 588/17.

Wastewater Network – Community Levels of Service		
Service Attribute	**Qualitative Descriptions**	**Current Level of Service**
Scope	Description, which may include maps, of the user groups or areas of the municipality that are connected to the municipal wastewater system.	See Appendix A for wastewater services map
Reliability	Description of how combined sewers in the municipal wastewater system are designed with overflow structures in place which allow overflow during storm events to prevent backups into homes.	The municipality does not own any combined sewers.
	Description of the frequency and volume of overflows in combined sewers in the municipal wastewater system that occur in habitable areas or beaches.	The municipality does not own any combined sewers.
	Description of how stormwater can get into sanitary sewers in the municipal wastewater system, causing sewage to overflow into streets or backup into homes.	Stormwater can enter sanitary sewers due to cracks in sanitary mains or through indirect connections (e.g. weeping tiles). In the case of heavy rainfall events, sanitary sewers may experience a volume of water and sewage that exceeds its designed capacity. In some cases, this can cause water and/or sewage to overflow into streets or backup into home. The disconnection of weeping tiles from sanitary mains and the use of sump pumps and pits as an alternative can help to reduce the chance of this occurring.

	Description of how sanitary sewers in the municipal wastewater system are designed to be resilient to avoid events stormwater infiltration	The municipality follows a series of design standards that integrate servicing requirements and land use considerations when constructing or replacing sanitary sewers. These standards have been determined with consideration of the minimization of sewage overflows and backups. Newer sanitary mains are made of gasketed PVC piping to reduce potential leaks occurring between fitted pipe segments.
	Description of the effluent that is discharged from sewage treatment plants in the municipal wastewater system.	Effluent refers to water pollution that is discharged from a wastewater treatment plant, and may include suspended solids, total phosphorous and biological oxygen demand. The Environmental Compliance Approval (ECA) identifies the effluent criteria for municipal wastewater treatment plants.

Wastewater Network – Technical Levels of Service			
Service Attribute	**Technical Metric**	**Current Level of Service**	
		2021	**2023**
Scope	Percentage of properties connected to the municipal wastewater system.	75.5%	75.1%
Reliability	The number of events per year where combined sewer flow in the municipal wastewater system exceeds system capacity compared to the total number of properties connected to the municipal wastewater system.	0.00000	0.002421
	The number of connection-days per year due to wastewater backups compared to the total number of properties connected to the municipal wastewater system.	0.00377	0.010377
	The number of effluent violations per year due to wastewater discharge compared to the total number of properties connected to the municipal wastewater system.	0.00226	0.000346

STORMWATER NETWORK

Asset Inventory, Replacement Cost & Annual Requirements

The table below gives key asset attributes for the Town's stormwater network portfolio, including quantities of various assets, their useful life, replacement costs, and the valuation method by which the replacement costs were derived. It is assumed that all assets will require replacement at the end of their service life. The annual capital requirement represents the average amount per year that the municipality should save towards asset replacement.

Asset Type	Quantity	Useful Life (Years)	Replacement Cost Method	Replacement Costs	Annual Requirement
Storm Sewers	21,014m	75	Unit cost	$16,601,431	$221,352
Storm Ponds	6	75-100	Quarterly NRBCPI	$883,390	$10,220
			Total	**$**17,484,821	**$**231,572

Current Asset Condition

The following table identifies the source of the condition data and the average condition rating for each asset type. There is no routine condition assessment process for stormwater infrastructure. CCTV inspections occur on a case-by-base basis.

Asset Type	Average Condition (%)	Average Condition Rating	Condition Source
Storm Sewers	63%	Good	Age-based
Storm Ponds	91%	Very Good	Age-based
Average		**Good**	**Age-based**

Useful Life & Average Age

The estimated useful life was established based on industry standards.

Asset Type	Average Service Life Remaining (Years)	Est. Useful Life (Years)	Average Age (Years)
Storm Sewers	48	75	27
Storm Ponds	73	100	7

Lifecycle Management

Operations & Maintenance

- There are very few maintenance activities routinely completed to maintain the storm sewer network other than catch basin cleaning to ensure that stormwater can flow from the surface into stormwater mains without obstruction.

Rehabilitation & Replacement

- Most storm sewer infrastructure is replaced solely once it reaches the end of its estimated useful life without many major rehabilitative efforts during its lifecycle.
- Reconstruction projects are completed when they can be combined with other planned road reconstruction projects and are included in the 10-year capital plan as part of the roads budget.
- The majority of storm water management infrastructure was built and is maintained through the Drainage Act. This is a user pay system and as such these drains are not included in the municipal asset register. As existing stormwater systems are replaced, they are generally reconstructed and connected to a municipal drain under the Drainage Act.

Levels of Service & Performance

The tables that follow summarize the Town's current levels of service with respect to prescribed metrics under Ontario Regulation 588/17.

Stormwater Network – Community Levels of Service		
Service Attribute	**Qualitative Descriptions**	**Current Level of Service**
Scope	Description, which may include maps, of the user groups or areas of the municipality that are protected from flooding, including the extent of the protection provided by the municipal stormwater management system.	The Public Works Department oversees the maintenance of the urban storm water collection systems developments. The majority of storm water management infrastructure was built and is maintained by through the Drainage Act. This is a user pay system and as such these drains are not included in the municipal asset register. New developments may include storm water management ponds. These ponds are meant to improve the quality of the storm discharge and regular the rate it discharges to reduce the potential downstream impacts.

Stormwater Network – Technical Levels of Service		
Service Attribute	**Technical Metric**	**Current Level of Service**
Scope	Percentage of properties in municipality resilient to a 100-year storm.	No reliable data available.
	Percentage of the municipal stormwater management system resilient to a 5-year storm.	All new storm water management system designed for residential development exceed a 5-year storm however no reliable data is available for older systems. The majority of storm water management infrastructure was built and is maintained through the Drainage Act.

ROAD NETWORK

Asset Inventory, Replacement Cost & Annual Requirements

The table below gives key asset attributes for the Town's road network portfolio, including quantities of various assets, their useful life, replacement costs, and the valuation method by which the replacement costs were derived. It is assumed that all assets will require replacement at the end of their service life. The annual capital requirement represents the average amount per year that the municipality should save towards asset replacement.

Asset Type	Quantity	Useful Life (Years)	Replacement Cost Method	Replacement Costs	Annual Requirement
Earth	6 km	100	Unit Cost	$6,361,521	$63,615
Gravel	109 km	60-100		$67,880,085	$1,131,335
Asphalt	69 km	20-30		$64,470,606	$1,298,399
Tar & Chip	72 km	25		$56,599,788	$1,282,454
Concrete	1 km	30		$1,079,309	$20,470
Curbs	35.8 km	30		$2,045,046	$68,168
Sidewalks	19,547 m^2	30		$2,169,761	$86,790
Trails	4.5 km	30		$675,000	$22,500
Streetlights	595	25		$595,000	$23,800
Crosswalks	2	25	Quarterly NRBCPI	$112,038	$4,482
			Total	$**201,988,154**	$**4,002,013**

Current Asset Condition

The following table identifies the source of the condition data and the average condition rating for each asset type.

Asset Type	Average Condition (%)	Average Condition Rating	Condition Source
Earth	46%	Fair	Projected Roads Needs Study
Gravel	70%	Good	
Asphalt – Rural	65%	Good	
Asphalt – Semi-urban	58%	Fair	
Asphalt – Urban	74%	Good	
Tar & Chip	77%	Good	
Concrete	68%	Good	
Curbs	16%	Very Poor	Age-based
Sidewalks	57%	Fair	
Trails	57%	Fair	
Streetlights	42%	Fair	
Crosswalks	78%	Good	
Average		**Good**	

Useful Life & Average Age

The estimated useful life was established based on industry standards. Assessed conditions may increase or decrease the average service life remaining. Average service life considers lifecycle rehabilitation events and the current projected condition.

Asset Type	Average Service Life Remaining (Years)	Est. Useful Life (Years)	Average Actual Age (Years)
Earth	38	100	40
Gravel	50	60	47
Asphalt – Rural	13	25	20
Asphalt – Semi-urban	12	25	23
Asphalt – Urban	15	25	17
Tar & Chip	17	60	24
Concrete	15	69	19
Curbs	7	30	24
Sidewalks	11	30	19
Trails	17	30	13
Streetlights	17	25-45	22
Crosswalks	19	25	6

Lifecycle Management

Operations & Maintenance

- Summer: Sidewalk repairs, grading, re-gravelling, dust control, ditching, roadside mowing, road sign maintenance, construction projects, crack sealing, pavement patching, line painting.
- Winter: Snow plowing, sanding & salting, ice blading of gravel roads, snow removal
- Significant operating costs include asphalt patching & repairs and gravel material purchases

Rehabilitation & Replacement

- Rehabilitation activities are determine based on both external expertise (Roads Needs Study) and internal expertise (knowledge of evolving road conditions, organizational priorities, available budget, grant opportunities, future growth)

- Instead of allowing the roads to deteriorate until replacement is required, strategic rehabilitation is expected to extend the service life of roads at a lower total cost.
- Tar & chip roads are managed proactively and are subject to regular re-surfacing activities (single and double lifts) to maintain a suitable driving surface.
- Paved road rehabilitation and replacement is more of a reactive process currently. Crack sealing is used to extend the life of paved roads.
-

Levels of Service & Performance

The tables that follow summarize the Town's current levels of service with respect to prescribed metrics under Ontario Regulation 588/17.

Road Network – Community Levels of Service		
Service Attribute	**Qualitative Descriptions**	**Current Level of Service**
Scope	Description, which may include maps, of the road network in the municipality and its level of connectivity.	See Appendix A for map
Quality	Description or images that illustrate the different levels of road class pavement condition.	See Appendix A for map.

Road Network – Technical Levels of Service			
Service Attribute	**Technical Metric**	**Current Level of Service**	
		2021	**2023**
Scope	Number of lane-kilometres of arterial roads (Classes 1 and 2) as a portion of square kilometers of land area of the municipality.	0km/km^2	0km/km^2
	Number of lane-kilometres of collector roads (Classes 3 and 4) as a portion of square kilometers of land area of the municipality.	0.400km/km^2	0.400km/km^2
	Number of lane-kilometres of local roads (Classes 5 and 6) as a portion of square kilometers of land area of the municipality.	0.400km/km^2	0.405km/km^2
Quality	For paved roads in the municipality, the average pavement condition index value.	72%	73%
	For unpaved roads in the municipality, the average surface condition.	Good	Good

BRIDGES AND CULVERTS

Asset Inventory, Replacement Cost & Annual Requirements

The table below gives key asset attributes for the Town's bridge and culvert portfolio, including quantities of various assets, their useful life, replacement costs, and the valuation method by which the replacement costs were derived. It is assumed that all assets will require replacement at the end of their service life. The annual capital requirement represents the average amount per year that the municipality should save towards asset replacement.

Asset Type	Quantity	Useful Life (Years)	Replacement Cost Method	Replacement Costs	Annual Requirement
Bridge – over 3m	18	45	OSIM Report	$14,843,593	$329,858
Culvert – over 3m	36	30-45		$9,241,476	$258,397
Bridge – under 3m	16	45	Quarterly NRBCPI	$2,371,646	$52,703
Culvert – under 3m	52	30		$16,588,551	$552,952
			Total	$**43,045,266**	$**1,193,910**

Current Asset Condition

The following table identifies the source of the condition data and the average condition rating for each asset type. All bridges and culverts with a span greater than or equal to three metres are inspected every two years according to provincial regulations outlines in the Ontario Structure Inspection Manual (OSIM). The municipality uses an engineering firm to complete inspections. The Inspection Report identified maintenance, rehabilitation and replacement needs as well as an overall Bridge Condition Index, on a scale of 0-10 for each structure.

Asset Type	Average Condition (%)	Average Condition Rating	Condition Source
Bridge – over 3m	65%	Good	OSIM Report
Culvert – over 3m	72%	Good	
Bridge – under 3m	15%	Very Poor	Age-based
Culvert – under 3m	10%	Very Poor	
Average		**Fair**	

Useful Life & Average Age

The estimated useful life was established based on industry standards. Assessed conditions may increase or decrease the average service life remaining. Average service life considers the current projected condition.

Asset Type	Average Service Life Remaining (Years)	Est. Useful Life (Years)	Average Actual Age (Years)
Bridge – over 3m	30	47	33
Culvert – over 3m	26	37	26
Bridge – under 3m	6	45	39
Culvert – under 3m	3	30	27

Lifecycle Management

Operations & Maintenance

- Operating costs identified in the OSIM Inspection Reports are incorporated into annual operating budgets to keep structures in good repair.
- Annual operating repairs may include basic patch repairs, power-washing, etc.

Rehabilitation & Replacement

- Capital costs identified in the OSIM Inspection Reports are incorporated into the 10-year capital plan and capital budgets to ensure structures are rehabilitated and replaced when necessary.

Levels of Service & Performance

The tables that follow summarize the Town's current levels of service with respect to prescribed metrics under Ontario Regulation 588/17.

Bridges & Culverts – Community Levels of Service		
Service Attribute	**Qualitative Descriptions**	**Current Level of Service**
Scope	Description of the traffic that is supported by municipal bridges (e.g., heavy transport vehicles, motor vehicles, emergency vehicles, pedestrians, cyclist)	Bridges and structural culverts are a key component of the municipal transportation network. Most types of vehicles, including heavy transport, motor vehicles, emergency vehicles and cyclists can cross them without restriction. There are 5 OSIM bridges & culverts that have varying weight restrictions. Many structures also support pedestrian traffic.
Quality	Description or images of the condition of bridges and how this would affect use of the bridges & culverts.	The municipality is required to complete biennial inspections of all bridges and structural culverts greater than or equal to 3 metres in span according to the Ontario Structure Inspection Manual. Each structure is inspected by a licensed engineer and any maintenance, rehabilitation or replacement requirements are provided to the municipality. When bridges or structural culverts need to be closed or replaced it can have a significant impact on the efficiency of the transportation network and detours may be required. The OSIM inspection program helps the municipality to implement lifecycle strategies that minimize the impacts of these potential service disruptions.

Bridges & Culverts – Technical Levels of Service			
Service Attribute	**Technical Metric**	**Current Level of Service**	
		2021	**2023**
Scope	Percentage of bridges in the municipality with loading or dimensional restrictions.	9.3% of OSIM	9.3% of OSIM
Quality	For bridges in the municipality, the average bridge condition index value.	OSIM: 62.8%	OSIM: 64.6%
	For culverts in the municipality, the average culvert condition index value.	OSIM: 66.9%	OSIM: 72.5%

FLEET

Asset Inventory, Replacement Cost & Annual Requirements

The table below gives key asset attributes for the Town's fleet portfolio, including quantities of various assets, their useful life, replacement costs, and the valuation method by which the replacement costs were derived. It is assumed that all assets will require replacement at the end of their service life, except for the 1932 antique pumper truck. The annual capital requirement represents the average amount per year that the municipality should save towards asset replacement.

Asset Type	Quantity	Useful Life (Years)	Replacement Cost Method	Replacement Costs	Annual Requirement
Fleet - Fire	11	10-20	Quarterly NRBCPI	$5,990,896	$315,804
Fleet - Licensed	16	10-15		$2,983,672	$231,381
Fleet - Unlicensed	20	10-20		$2,309,680	$129,926
			Total	$**11,284,248**	$**677,111**

Current Asset Condition

The following table identifies the source of the condition data and the average condition rating for each asset type. Currently all fleet conditions are based on the age of the asset.

Asset Type	Average Condition (%)	Average Condition Rating	Condition Source
Fleet - Fire	59%	Fair	Age-based
Fleet - Licensed	39%	Poor	
Fleet - Unlicensed	49%	Fair	
Average		**Fair**	

Useful Life & Average Age

The estimated useful life was established based on industry standards. Assessed conditions may increase or decrease the average service life remaining. Average service life considers the current projected condition.

Asset Type	Average Service Life Remaining (Years)	Average Useful Life (Years)	Average Actual Age (Years)
Fleet - Fire	7	17	10
Fleet - Licensed	5	12	7
Fleet - Unlicensed	6	15	9

Lifecycle Management

Operations & Maintenance

- Operating costs include oil change, changing tires and spray coating, and painting.

Rehabilitation & Replacement

- Capital costs occur when a major improvement occurs, such as replacing a dump box or body of a vehicle. Fleet equipment is typically replaced or upgraded at the end of the useful life of the asset.

Levels of Service & Performance

The tables that follow summarize the Town's current levels of service with respect to prescribed metrics under Ontario Regulation 588/17.

Fleet – Community Levels of Service		
Service Attribute	**Qualitative Descriptions**	**Current Level of Service**
Scope	Description or images of the types of vehicles (e.g. light, medium and heavy-duty) that the municipality operates and the services that they help to provide to the community.	To assist with the delivery of services the municipality owns, operates and maintains a diverse stock of both light and heavy-duty vehicles. This includes fire rescue vehicles to respond to emergencies, tractors and mowers to complete general maintenance activities, and a fleet of trucks that municipal staff use to address service needs in the community. To reduce costs, the municipality endeavours to procure vehicles that can be used for multiple purposes. For example, graders are used for grading gravel roads in the summer and plowing snow in the winter.

Fleet – Technical Levels of Service			
Service Attribute	**Technical Metric**	**Current Level of Service**	
		2021	**2023**
Quality	Average condition of vehicles (e.g. very good, good, fair, poor, very poor)	Fair	Fair

EQUIPMENT

Asset Inventory, Replacement Cost & Annual Requirements

The table below gives key asset attributes for the Town's equipment portfolio, including quantities of various assets, their useful life, replacement costs, and the valuation method by which the replacement costs were derived. It is assumed that all assets will require replacement at the end of their service life. The annual capital requirement represents the average amount per year that the municipality should save towards asset replacement.

Asset Type	Replacement Cost Method	Replacement Costs	Annual Requirement
Office & Camlachie Community Centre	Quarterly NRBCPI	$564,622	$69,190
Signage		$134,046	$8,936
Parks		$2,402,048	$120,373
Shoreline Protection		$1,028,197	$30,988
Fire		$2,900,821	$268,518
	Total	$**7,029,734**	$**498,005**

Current Asset Condition

The following table identifies the source of the condition data and the average condition rating for each asset type. Currently all equipment conditions are based on the age of the asset.

Asset Type	Average Condition (%)	Average Condition Rating	Condition Source
Office & CCC	6%	Very Poor	Age-based
Signage	88%	Very Good	
Parks	38%	Poor	
Shoreline Protection	95%	Very Good	
Fire	23%	Poor	
Average		**Poor**	

Useful Life & Average Age

The estimated useful life was established based on industry standards. Assessed conditions may increase or decrease the average service life remaining. Average service life considers the current projected condition.

Asset Type	Average Service Life Remaining (Years)	Average Useful Life (Years)	Average Actual Age (Years)
Office & CCC	0	11	23
Signage	13	15	2
Parks	4	20	16
Shoreline Protection	28	30	2
Fire	0	12	17

Lifecycle Management

Operations & Maintenance

- All machinery & equipment is operated and maintained according to manufacturer guidelines.

Rehabilitation & Replacement

- Equipment is replaced as needs are determined by both operators and users
- Some equipment is on a regimented replacement schedule (e.g. fire gear)
- Projected capital needs for equipment are included in the 10-year capital

Levels of Service & Performance

The tables that follow summarize the Town's current levels of service with respect to prescribed metrics under Ontario Regulation 588/17.

Equipment – Community Levels of Service		
Service Attribute	**Qualitative Descriptions**	**Current Level of Service**
Scope	Description or images of the types of equipment that the municipality operates and the services that they help to provide to the community	The provision of services to the community requires the municipality to own a diverse inventory of equipment. This asset management plan identifies individual pieces of equipment and pools of equipment that provide corporate, protection, recreational services to the community.

Equipment – Technical Levels of Service			
Service Attribute	**Technical Metric**	**Current Level of Service**	
		2021	**2023**
Quality	Average condition of vehicles (e.g. very good, good, fair, poor, very poor)	Poor	Poor

FACILITIES

Asset Inventory, Replacement Cost & Annual Requirements

The table below gives key asset attributes for the Town's facilities portfolio, including quantities of various assets, their useful life, replacement costs, and the valuation method by which the replacement costs were derived. It is assumed that all assets will require replacement at the end of their service life. The annual capital requirement represents the average amount per year that the municipality should save towards asset replacement.

Asset Type	Replacement Cost Method	Replacement Costs	Annual Requirement
Cemetery	Unit Costs & Quarterly NRBCPI	$96,227	$1,872
Fire		$2,644,699	$63,259
General Government		$2,482,800	$64,659
Library		$1,895,429	$44,321
Parks & Recreation		$9,070,932	$196,466
Public Works		$5,806,701	$135,571
	Total	$**21,996,788**	$**506,148**

Current Asset Condition

The following table identifies the source of the condition data and the average condition rating for each asset type. Currently all equipment conditions are based on the age of the asset.

Asset Type	Average Condition (%)	Average Condition Rating	Condition Source
Cemetery	57%	Fair	Age-based
Fire	49%	Fair	
General Government	42%	Fair	
Library	56%	Fair	
Parks & Recreation	53%	Fair	
Public Works	23%	Poor	
Average		**Fair**	

Useful Life & Average Age

The estimated useful life was established based on industry standards. Assessed conditions may increase or decrease the average service life remaining. Average service life considers the current projected condition.

Asset Type	Average Service Life Remaining (Years)	Average Useful Life (Years)	Average Actual Age (Years)
Cemetery	11	60	49
Fire	18	45	27
General Government	20	49	29
Library	11	50	39
Parks & Recreation	27	58	31
Public Works	21	57	36

Lifecycle Management

Operations & Maintenance

- Maintenance schedules vary greatly based on what the facility is used for and the type of building components that were used in its construction
- Municipal staff are typically responsible for all operating and maintenance activities for facilities

Rehabilitation & Replacement

- Like maintenance activities, rehabilitation strategies differ depending on the usage and design of each facility.
- Major renewal events include tasks such as re-roofing and replacing equipment.
- Renewal activities are prioritized based on the risk that asset failure may pose to the services provided by each facility.
- Asset replacement needs are determined by building condition assessments and further informed through internal discussions with municipal staff.
- All rehabilitation and replacement needs are incorporated into the 10-year capital plan.

Levels of Service & Performance

The tables that follow summarize the Town's current levels of service with respect to prescribed metrics under Ontario Regulation 588/17.

Facilities – Community Levels of Service		
Service Attribute	**Qualitative Descriptions**	**Current Level of Service**
Scope	Description or images of the types of facilities that the municipality operates and the services that they help to provide to the community	The provision of services to the community requires the municipality to own a diverse inventory of facilities. This asset management plan identifies facilities provide corporate, protection, recreational services to the community.

Facilities – Technical Levels of Service			
Service Attribute	**Technical Metric**	**Current Level of Service**	
		2021	**2023**
Quality	Average condition of facilities (e.g. very good, good, fair, poor, very poor)	Fair	Fair

GROWTH

GROWTH FORECAST

Based on the 2021 Census, the Town of Plympton-Wyoming's population was 8,308, a growth of 6.6% from the 2016 Census period. There were 3,322 dwellings. The 2021 Development Charges Background Study forecasts the Town is expected to grow to 9,710 residents and 4,132 dwellings by 2036. It is expected much of the development will occur as single detached units and medium density (townhouses, apartments), primarily in the area north of Lakeshore Road.

KEY CONSIDERATIONS

- There is sufficient land supply available for the planning horizon. In 2017, as part of the County Official Plan preparation, analysis determined the Town has sufficient land supply to exceed 2046 planning needs.
- Both the magnitude and the demographic profile of growth will determine the level of investment that the Town will make in different infrastructure assets.
- Planning for forecasted population growth will require the expansion of existing infrastructure and services. As growth-related assets are constructed or acquired, they should be integrated into the municipality's AMP.

FINANCIAL STRATEGY

The Town of Plympton-Wyoming will continue to use a mix of user fees, property taxes, grants, and reserves to continue funding the lifecycle costs to best maintain its core assets. Where applicable, the Town uses development fees collected to pay for growth related capital projects. In the future, debt may be considered to ensure the Town continues to provide appropriate levels of service to residents and visitors. For Plympton-Wyoming's asset management plan to be effective, it must align with financial planning and long-term budgeting. Developing a comprehensive financial plan will enable the municipality to identify the necessary financial resources to manage assets sustainably, considering current inventories, desired service levels, and projected growth. This financial strategy includes recommendations to avoid long-term funding deficits.

Financial Strategy Overview

This strategy outlines recommendations to close existing funding gaps for the current infrastructure. The strategies also include recommendations to fund newly acquired assets.

Financial Requirements for:

- Existing assets
- Current service levels
- Potential changes in service levels (not identified for this plan)
- Projected growth requirements (not identified for this plan)

Traditional Municipal Funding Sources:

- Tax levies
- User fees
- Federal & Provincial annual grants
- Reserves
- Debt
- Development charges

Other Municipal Funding Sources:

- One-time grants
- Partnerships
- Procurement strategies

Periodic grants are generally excluded due to requirements for firm commitments. If a project depends entirely on a one-time grant, the replacement cost in this strategy reflects receiving such a grant.

In the event of a funding shortfall, the Province may require a specific plan on managing its impact. To assess this, the Province may examine whether Plympton-Wyoming has:

1. Considered revising service levels downward to reduce financial needs.
2. Evaluated all asset management and financial strategies, such as:
    - Reassessing a zero-debt policy, if applicable, to consider debt utilization.
    - Reviewing user fees to ensure they cover service costs.

Annual Requirements & Capital Funding

Annual Requirements

The annual requirements represent the funding Plympton-Wyoming should allocate to each asset category to meet replacement needs, prevent infrastructure backlogs, and achieve sustainability. This total amount is approximately $10,090,000 annually.

Most asset categories assume a “replacement-only” scenario, where costs arise only during asset replacement. However, the Road Network includes lifecycle management strategies that identify costs for strategic rehabilitation and renewal. This approach allows cost savings when applied across the municipality’s road network.

Two scenarios are compared for the Road Network:

1. **Replacement-Only Scenario:** Assumes assets deteriorate and are replaced at end-of-life without scheduled maintenance.
2. **Lifecycle Strategy Scenario:** Assumes strategic maintenance at intervals to extend asset life until replacement.

Asset Type	Annual Requirement (Replacement Only)	Annual Requirement (Lifecycle Strategy)	Difference
Road Network	$6,286,678	$4,002,013	$2,284,665

Implementing a lifecycle strategy for roads could avoid approximately $2,285,000 in costs, reducing overall requirements by 36%. This cost-effective approach has been used in developing the financial strategy.

Annual Funding Availability

Based on historical analysis, Plympton-Wyoming commits about $5,898,000 annually to capital projects, leaving a funding gap of $4,192,000 compared to the annual requirement of $10,090,000.

Funding Objective

Recommendations have been developed to enable Plympton-Wyoming to achieve full funding within 10 to 15 years for:

1. **Tax-Funded Assets:** Bridges, Culverts, Buildings, Facilities, Machinery & Equipment, Roads, and Fleet.
2. **Rate-Funded Assets:** Sewer and Water Networks.

Financial Profile: Tax-Funded Assets

Current Funding Position

Plympton-Wyoming's annual asset investment requirements and funding needs per asset category show an average annual requirement of $7,095,000. Currently allocated funds are $4,250,000, leaving a deficit of $2,845,000. This deficit represents 40% of the long-term requirement for these infrastructure categories.

Department	Annual Requirement	Annual Funding Available			Annual Deficit/ (Surplus)
		Taxes	Annual Grants	Total Funding Available	
Public Works	$5,908,496	$1,429,000	$1,099,378	$2,528,378	$3,380,118
Parks & Recreation	$329,992	$84,000		$84,000	$245,992
Fire	$650,227	$67,000		$67,000	$583,227
General Gov & Cem	$206,651	$102,000		$102,000	$104,651
Unspecified		$1,469,000		$1,469,000	$-1,469,000
Total	$7,095,366	$3,151,000	$1,099,378	$4,250,378	$2,844,988

With annual 2024 tax revenue of $10,366,000, achieving full funding would require specific adjustments over time.

Financial Strategy Recommendations

To close the annual deficit, the following changes over the next 10 years should be considered:

- **Increase Contributions to Reserves**: Increase the allocation to the general infrastructure reserve by a minimum of $200,000 annually to address the deficit in currently owned assets. These additional funds can be generated by increasing tax rates or utilizing revenue generated by increases in assessed values.
- **Adjust for Inflation**: Ensure all departments increase their annual reserve contributions by at least the rate of inflation.
- **Plan for New Assets**: Budget for the annual requirements of newly acquired assets starting the year after acquisition.
- **Leverage Assessment Growth**: In years of significant assessment growth, consider allocating additional funds to the general infrastructure reserve.
- **Reallocate Surpluses**: Continue transferring year-end surpluses to the general infrastructure reserve.
- **Utilize Funding Programs**: Maintain the use of current CCBF and OCIF revenues for public works projects.
- **Pursue External Funding**: Actively seek grants and funding opportunities and consider delaying projects until funding becomes available.
- **Increase Fees**: Review user fees to ensure adequate cost recovery on items such as new development reviews and service installations.
- **Update Development Charges**: Ensure that all growth-related projects are incorporated into the next Development Charges Background Study to support the accumulation of reserves for future growth initiatives.
- **Consider Strategic Debt**: Use debt financing for specific projects when other funding sources are unavailable, ensuring it aligns with long-term financial planning.

Financial Profile: Rate-Funded Assets

Current Funding Position

Plympton-Wyoming's rate-funded assets have an annual requirement of $2,994,000, with current revenue allocated at $1,647,000, resulting in a deficit of $1,347,000 or 45% of the long-term requirements.

Department	Annual Requirement	Available Funding	Annual Deficit
Water	$1,246,680	$604,597	$642,083
Wastewater	$1,747,531	$1,042,353	$705,178
Total	$2,994,211	$1,646,950	$1,347,261

Financial Strategy Recommendations

To close the annual deficit, the following changes should be considered:

- **Increase Rates**: The current Water Financial Master Plan proposes an annual rate increase of 3.6% through 2028. This rate increase has been carried through to 2035 for this financial model. The Wastewater Financial Plan proposes an annual rate increase of 4.4% through 2033. For the purposes of this asset management plan these rate increases have been applied through to 2035.
- **Leverage Growth**: During periods of substantial growth, direct additional revenue funds to the reserves. Allocate water and sewer frontage fees specifically to reserves to support future capital growth projects. This approach will help mitigate future deficits as annual requirements increase with the addition of new assets.
- **Reallocate Surpluses**: Continue transferring year-end surpluses to the water and sewer infrastructure reserve.
- **Pursue External Funding**: Actively seek grants and funding opportunities and consider delaying projects until funding becomes available.
- **Reinvest Interest Income**: Redirect interest earned on reserve balances back into the respective reserve accounts.
- **Consider Strategic Debt**: Use debt financing for specific projects when other funding sources are unavailable, ensuring it aligns with long-term financial planning.

Use of Debt

While debt financing can help Plympton-Wyoming achieve essential infrastructure goals, it introduces additional costs through interest payments, impacting the overall financial efficiency of projects. For example, financing a $1 million project at a 3% interest rate over 15 years would result in a 26% premium—or $260,000—due to interest costs alone. This premium affects long-term budget flexibility and could influence future funding availability.

Although Plympton-Wyoming has not historically relied on debt for asset financing, it is important to recognize how interest rate changes can further impact costs. A rate increase from 3% to 6% over 15 years would raise the premium from 26% to 54%, significantly increasing project expenses. As such, debt remains an option for future infrastructure needs, but its use should be balanced with careful consideration of long-term financial sustainability and the potential risks associated with rising interest rates.

Use of Reserves

Available Reserves

Reserves are a vital component of Plympton-Wyoming's long-term financial strategy, providing stability and flexibility in managing infrastructure needs. Key benefits of maintaining reserves include the ability to stabilize tax rates amidst variable or unexpected costs, fund one-time or short-term projects, and accumulate funds for substantial future investments. Reserves also support debt management efforts, helping to minimize reliance on borrowing and smooth out funding requirements across asset categories. These funds play an essential role in ensuring sustainable financial practices and preparing the municipality for anticipated infrastructure investments.

Department	Discretionary Reserves Dec 31, 2023	Obligatory Reserves – Dec 31, 2023			Total Capital Reserves Dec 31, 2023
		Development Charges	CCBF (Gas Tax)	Parkland	
Tax Funded					
Public Works	$7,621,501	$3,103,116	$554,967		$11,279,584
Parks & Recreation	$384,469	$50,000		$413,446	$413,446
Fire	$184,963				$184,963
General Government & Cemetery	$118,456				$118,456
No department specified	$8,813,185				$8,813,185
Total Tax Funded	**$17,122,574**	**$3,153,116**	**$554,967**	**$413,446**	**$20,809,634**
Rate Funded					
Water	$4,895,727				$4,895,727
Wastewater	$9,917,539				$9,917,539
Total Rate Funded	**$14,813,266**				**$14,813,266**

Reserve Levels and Recommendations

There is ongoing debate in the municipal sector about the optimal level of reserves a municipality should maintain, as no universally accepted guideline exists. Key factors influencing reserve requirements include the breadth of services provided, the age and condition of infrastructure, reliance on debt, economic conditions, and any internal policies on reserve and debt management.

Plympton-Wyoming's available reserves provide flexibility during the phase-in period to full funding, allowing for strategic use in high-priority and emergency infrastructure investments as needed. Combined with Plympton-Wyoming's limited historical use of debt, these reserves offer a financial buffer for short- to medium-term planning.

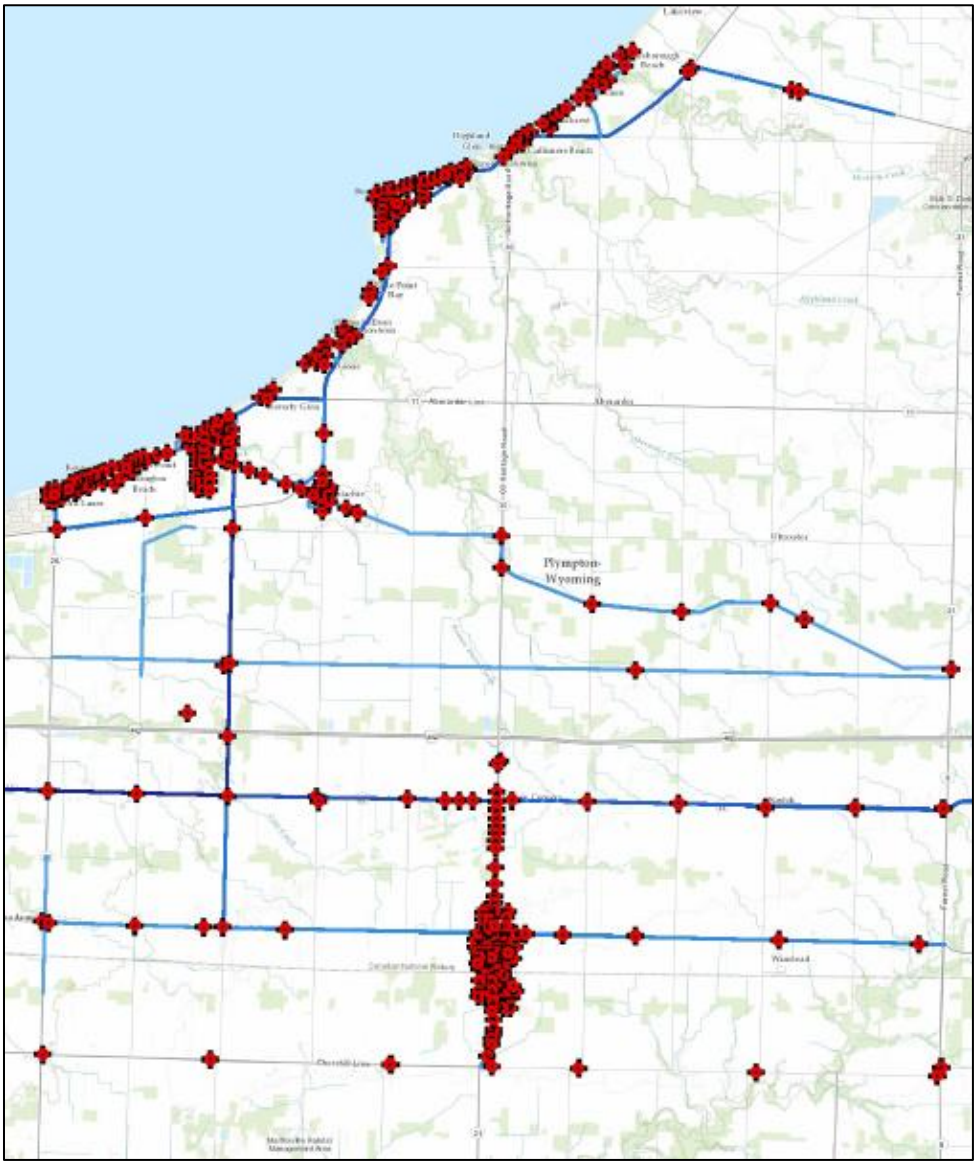
Recommendation

In 2025, Ontario Regulation 588/17 will require Plympton-Wyoming to integrate proposed service levels for all asset categories into its asset management plan update. We recommend that future financial planning consider service level adjustments and their potential impact on reserve balances to ensure both service quality and financial sustainability.

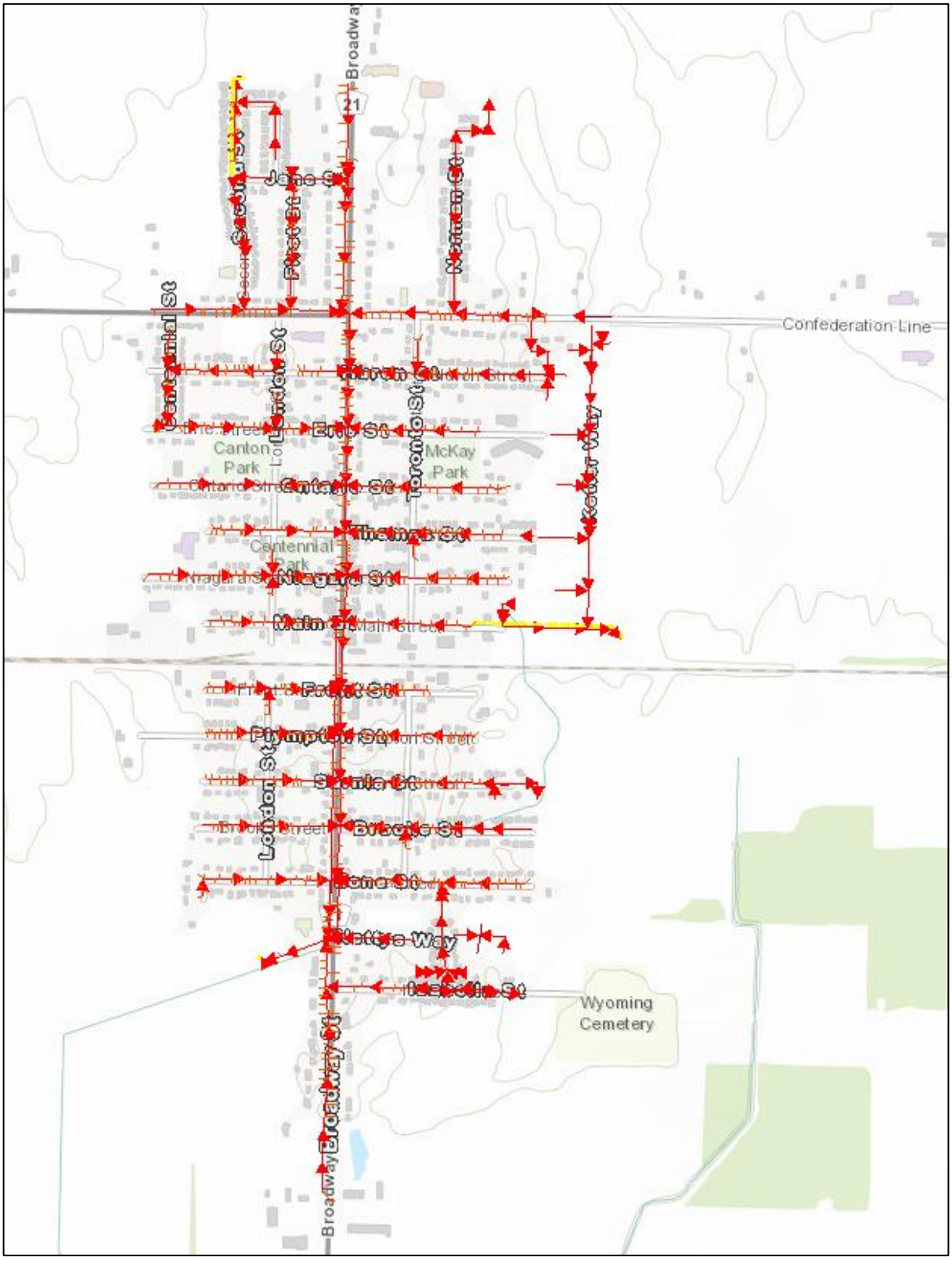
APPENDICES

APPENDIX A – LEVEL OF SERVICE MAPS

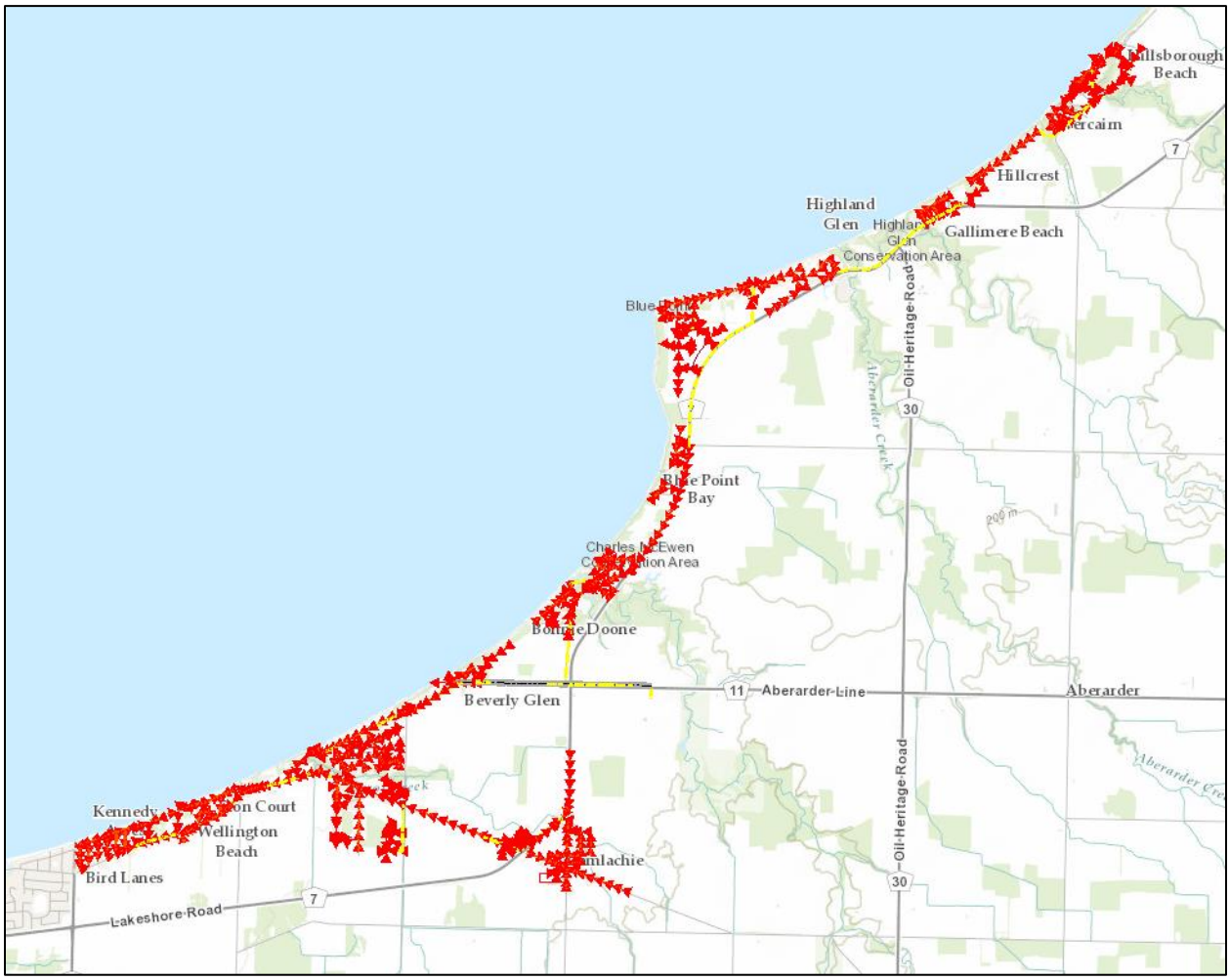
Water Services – Hydrants and Watermains



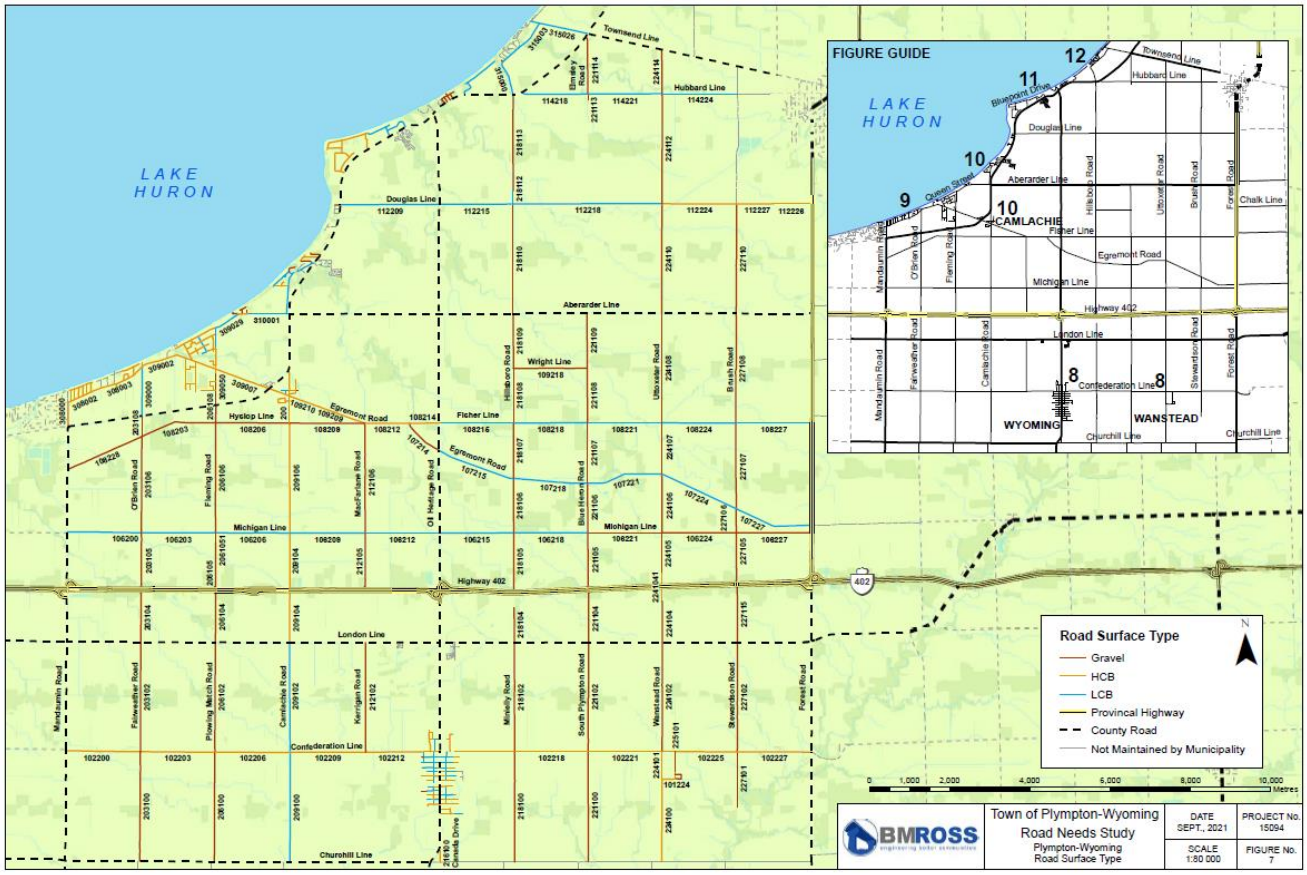
Wastewater Services - Wyoming Area



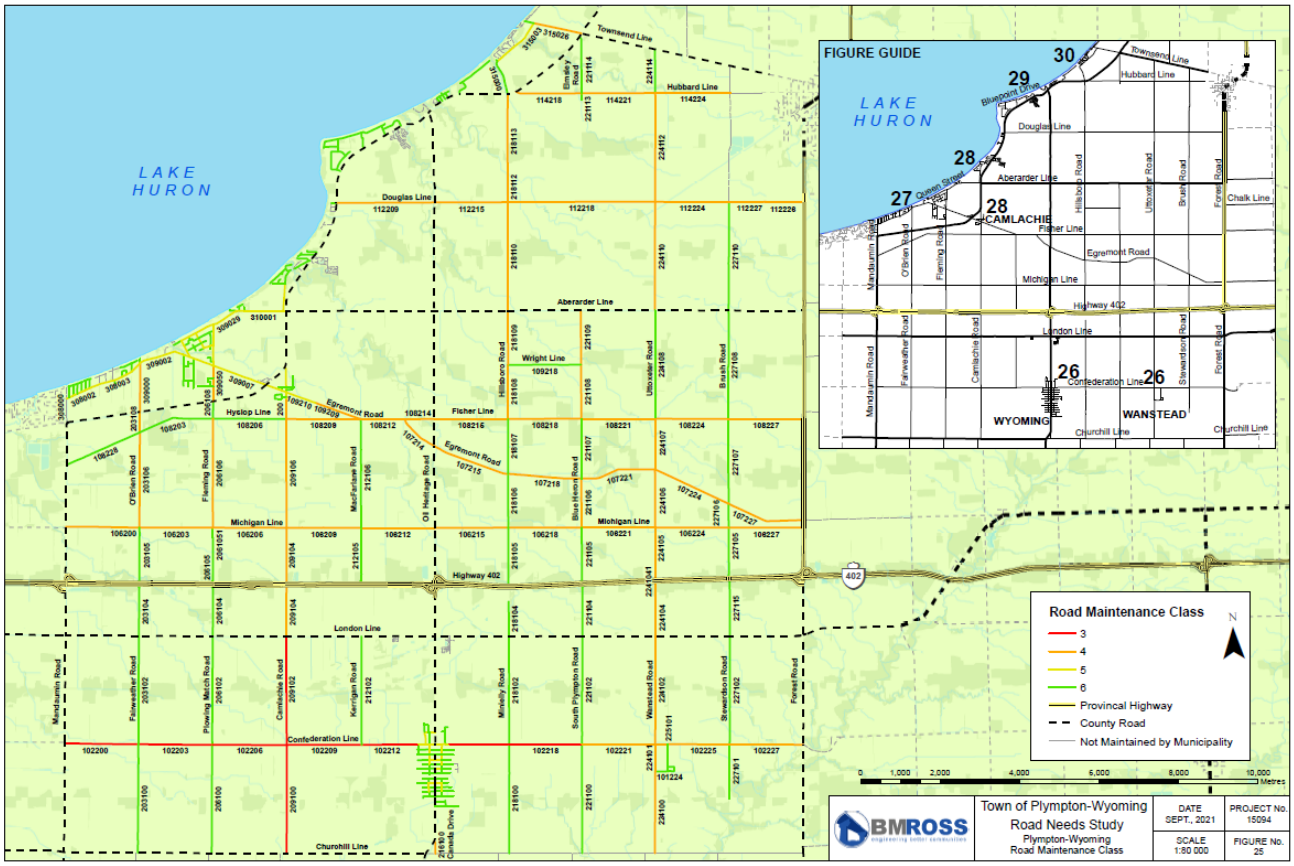
Wastewater Services - Plympton Area



Road Network Services by Type of Road



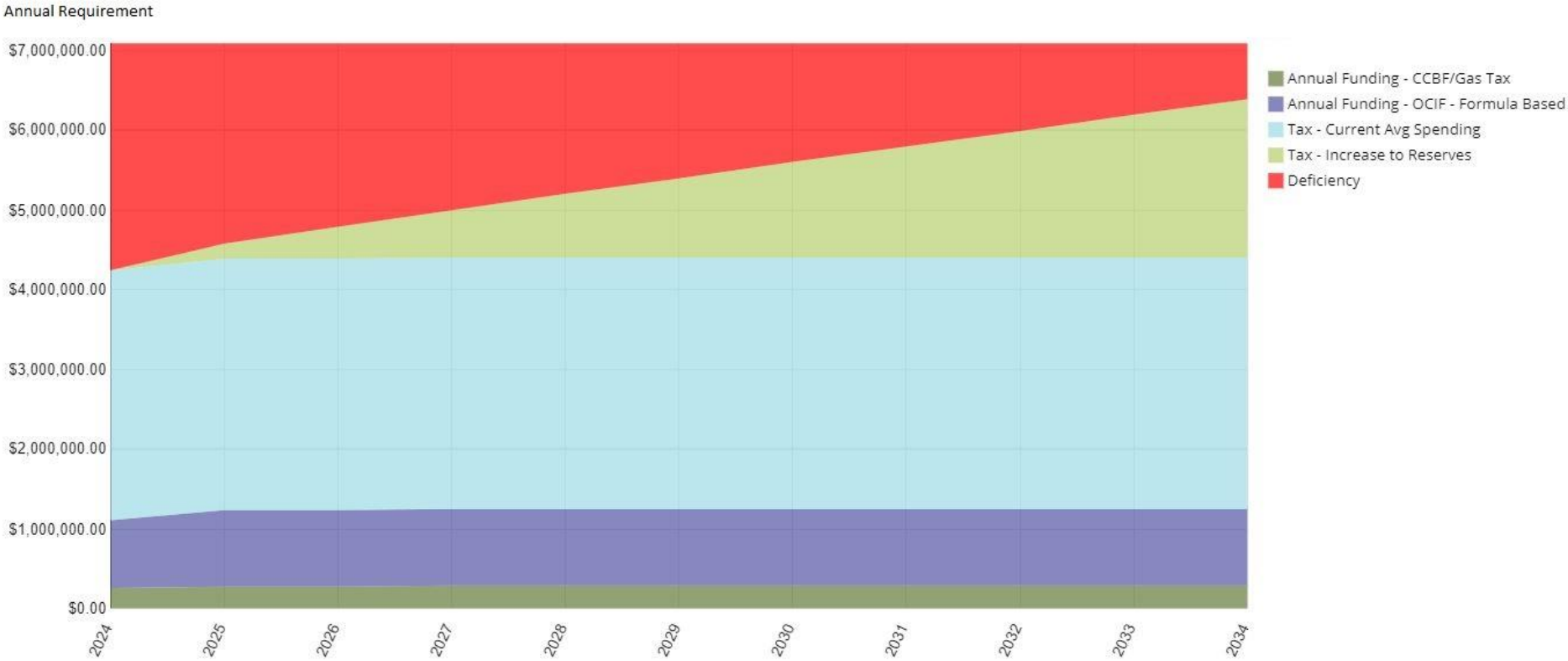
Road Network Services by Road Class



APPENDIX B – FINANCIAL STRATEGY GRAPHS

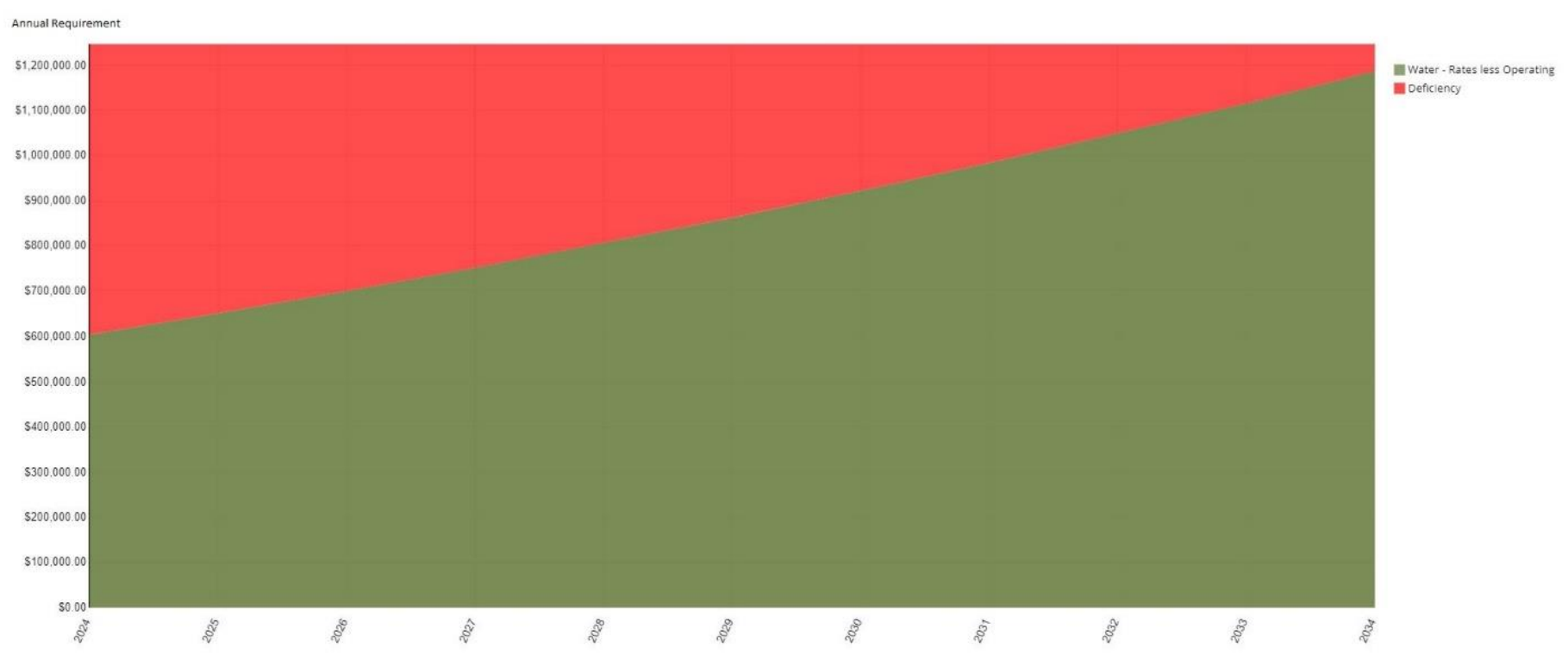
Tax Funded Assets: Financial Strategy

Strategy includes annual $200,000 increase to general infrastructure



Water Rate Funded: Financial Strategy

Strategy includes annual 3.6% increase to rates.



Wastewater Rate Funded: Financial Strategy

Strategy includes annual 4.4% increase to rates.