



## **PART 2:**

# **ASSET MANAGEMENT FINANCIAL STRATEGY**

# The Beginning

2009 Adoption of Public Sector Accounting Standard PS3150

Inventory of municipal assets

Establishing historical and replacement costs

Calculate amortization

Disclosure on financial statements

# 2025 Asset Management Budget

Budget will include recommendations on the following;

- Continuation of dedicated asset management budget
- Condition assessments for the completion of CCTV inspections on Storm and Sewer mains
- Updated Asset Management Plan to meet next O.Reg. 588/17 deadline
- Annual investment in capital infrastructure
- Continued commitment to annual capital replacement reserves
- Asset Management Levy increases

# 2009 Capital Funding Strategy

- Recognized need to
  - Enhance capital funding plans
  - Set funds aside for future replacement of assets
- Established financial strategy
  - Annual contribution to capital replacement reserve
  - Annual increases to the reserve (dependent on budget pressures)

# Next 10 plus years

- Commencing in 2009 – Levy funded programs

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Dedicated capital levy												44,650	44,650	90,869	-	-
General Admin	8,150	10,600	12,900	48,666	3,319	15,621	19,620	40,424	44,287	47,566	47,566	47,566	47,566	47,566	47,566	47,566
Emergency	67,820	77,500	90,900	104,549	60,000	93,842	137,963	138,645	169,686	172,231	172,231	172,231	172,231	172,231	172,231	172,231
Transportation	165,538	235,057	294,630	338,176	150,000	497,480	566,056	630,108	690,497	700,854	700,854	700,854	700,854	700,854	816,752	842,729
Recreation	13,980	17,700	24,900	25,070	26,592	43,752	60,527	79,433	104,204	133,173	133,173	133,173	133,173	133,173	133,173	133,173
Cemetery	6,072	6,900	6,052	6,052	1,000	4,400	5,035	5,000	6,580	6,679	6,679	6,679	6,679	6,679	6,679	6,679
Streetlights	4,620	6,451	6,451	6,451	6,500	6,362	20,210	23,119	23,118	23,119	26,519	28,519	28,519	28,519	28,519	29,948
	266,180	354,208	435,833	528,964	247,411	661,457	809,411	916,729	1,038,372	1,083,622	1,087,022	1,133,672	1,133,672	1,179,891	1,204,920	1,232,326
		33%	23%	21%	-53%	167%	22%	13%	13%	4%	0%	4%	0%	4%	2%	2%

- 2011 established guideline allowing use 25% of the previous year's contribution

# Next 10 plus years

- Commencing in 2009 – Rate funded programs

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Building	1,716	1,951	2,340	2,588	2,589	3,102	3,229	3,279	3,231	3,279	3,279	2,459	2,459	2,459	2,459	2,459
Water	231,000	460,392	486,100	486,348	614,016	469,600	800,000	800,000	800,000	816,000	816,000	1,210,253	1,687,021	1,838,534	2,007,292	2,173,402
Sewer	278,463	400,380	551,936	553,511	564,462	408,388	571,591	391,281	468,584	475,613	428,678	524,711	704,054	964,472	1,573,230	2,200,399
Landfill	108,900	61,000	15,400	17,866	17,915	62,220	15,708	19,012	19,012	19,297	19,297	19,297	19,297	19,297	19,297	91,020
	620,079	923,723	1,055,776	1,060,313	1,198,982	943,309	1,390,528	1,213,572	1,290,827	1,314,189	1,267,254	1,756,720	2,412,831	2,824,762	3,602,278	4,467,280
		49%	14%	0%	13%	-21%	47%	-13%	6%	2%	-4%	39%	37%	17%	28%	24%

- Commencing 2019 allocations per Watson Rate study

# In Addition to Capital Replacement Reserve

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10-year capital plan

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Dedicated asset management budget

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Dedicated capital levy

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OCIF and CCBF (gas tax) grants funding roads asset category

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Asset management levy

MUNICIPALITY OF

South Huron



# Asset Management Plan

- 2021 AMP recommendations – Levy Funded programs
  - Government transfer revenues (OCIF and CCBF) allocated to road network, storm sewer system, and bridges & culverts asset categories
  - Annual increase to tax rate for infrastructure deficit
    - 2023 budget proposed an asset management levy increase for each of the following four years.  
Continuing of this strategy a 0.25% asset management levy increase – resulting in an additional \$27,428 towards the asset management levy

# Asset Management Plan

- 2024 AMP recommendations – Levy Funded programs
  - Annual increase to tax rate for infrastructure deficit
    - 1.6% average annual tax change over 20 years
- Motion #256-2024 deferred from June 17 2024 meeting
- 2025 AMP will have proposed LOS and new recommendations