

 <p><b>GRAVENHURST</b> GATEWAY TO MUSKOCA</p>	<b>THE CORPORATION OF THE TOWN OF GRAVENHURST</b>	
	<b>To:</b>	<b>Committee of the Whole</b>
	<b>From:</b>	<b>Andrew Stacey, Director of Infrastructure Services</b>
	<b>Date:</b>	<b>November 18, 2025</b>
	<b>Subject:</b>	<b>Asset Management Plan Report No. INF 2025-11</b>

## **RECOMMENDATIONS**

The Director of Infrastructure Services recommends:

**THAT** Report No. INF 2025-11 re: Asset Management Plan be received for information;

**AND THAT** Committee endorse, in principle, the recommended financial and level of service strategies outlined within the 2025 Asset Management Plan as the guiding approach for the preservation and management of core and non-core assets.

## **PURPOSE**

The purpose of the Asset Management Plan Report is to inform Committee following a review of current asset-based Levels of Service (LOS), and to recommend a financial approach that ensures funding is in place to maintain existing service levels in perpetuity.

## **BACKGROUND**

O. Reg 588/17, established under the Infrastructure for Jobs and Prosperity Act 2015, outlines the framework municipalities must report on in the following four (4) key areas.

1. Strategic Asset Management Policy - 2019
2. Asset Management Plan for Core Assets - 2022
3. Asset Management Plan for Non-Core Assets - 2024
4. Asset Management Plan Update – Level of Service 10 Year Cycle - 2025

To date the Town has met three (3) of the reporting obligations with the final regulatory reporting requirement being included within the Towns planned 2025 Capital Budget. The workplan below identifies the key deliverables needed to fulfill the final reporting requirement.

<b>Regulatory Requirement under O. Reg 558/17</b>	<b>Due Date</b>
Asset Management Plan Update <ul style="list-style-type: none"> <li>• Review proposed LOS for next 10 years</li> <li>• Update Inventory Analysis</li> <li>• Develop lifecycle management strategy</li> <li>• Develop financial strategy and address \$\$ shortfalls</li> <li>• Review community growth assumptions and \$\$ impacts</li> </ul>	2025

## **ANALYSIS**

### **Level of Service (LOS)**

As noted in previous Reports to Committee on the topic of Asset Management, the Town currently has eight asset classes under the following categories:

- Road Network
- Storm Sewer Network
- Vehicles
- Bridges & Culverts
- Machinery & equipment
- Information Technology
- Facilities & Buildings
- Land Improvements

A (LOS) defines the type, quality, and reliability of services the Town provides to the community. It reflects both how the community experiences those assets/services and how the Town measures their technical performance.

The Town evaluates Levels of Service in two forms:

- Community Levels of Service – describe how residents and users experience the service; and
- Technical Levels of Service – measures the performance of assets using specific indicators such as condition, reliability, or capacity.

The 2025 Asset Management Plan, prepared by Public Sector Digest, includes all Levels of Service required under O. Reg. 588/17, as well as additional measures that the Town has chosen to monitor to support informed decision-making and continuous improvement in service delivery. A Levels of Service Survey, was undertaken between April and May 2025, collecting feedback regarding service priorities, satisfaction levels, and willingness to support future service improvements.

As part of the consultation process, the Town also engaged the Accessibility Advisory Committee to gather feedback on accessibility-related service levels, ensuring that equity and inclusivity were reflected in the Town's approach to service planning and asset management.

Focusing on core assets, residents ranked road quality and maintenance, bridges and culverts, and stormwater management as top priorities, with 85% rating each as Important or Very Important. Satisfaction was generally low to mixed: only 5% were very satisfied with roads, roughly one-third were satisfied with bridges and culverts, and 20% satisfied with stormwater management, while many expressed concerns about maintenance, reliability, and flooding. Willingness to pay for improvements was modest, ranging from 25% for roads and bridges to about 50% for stormwater measures, with most residents expecting these assets to be managed within existing budgets. Open-ended feedback emphasized pothole repairs, smoother road surfaces, bridge reliability, and flood prevention, highlighting the need for targeted maintenance and improved communication on preventative actions.

Condition data shows that core assets are generally in good repair, despite concerns raised in the survey. This suggests that much of the feedback may have reflected localized issues rather than the overall condition or suitability of the broader infrastructure network.

## **Inventory Analysis**

The total replacement cost across all asset categories included in the 2025 Asset Management Plan (AMP) is \$497.2 million. This represents a 45% increase over the previous inventory replacement value.

Condition data is available for 79% of the assets assessed. For the remaining 21%, condition information was not available, and asset age was used as a proxy to estimate condition. It should be noted that using age alone can misrepresent the true condition of assets, highlighting the importance of further comprehensive condition assessments.

## **Financial Strategy**

To address the Town's capital replacement and rehabilitation needs, prevent the accumulation of infrastructure backlogs, and support long-term sustainability, the Plan indicates that the Town should strive for an average annual capital investment of \$19.1 million. Based on historical analysis of sustainable funding sources, the Town currently allocates roughly \$9.1 million annually toward asset-related capital projects and reserves. This results in an annual funding shortfall of \$10 million.

The Plan indicates that addressing the infrastructure funding gap within a 10-year timeframe is critical to mitigating the risks associated with ongoing asset deterioration and rising costs. Extending the timeline beyond ten years would increase lifecycle costs due to deferred maintenance, lower levels of service, and a higher likelihood of service disruptions or emergency repairs. A 10-year approach balances fiscal responsibility with long-term sustainability, allowing the Town to proactively manage its assets, stabilize future funding requirements, and ensure the delivery of safe, reliable services to the community.

## **CONSULTATION**

The following individuals / community groups were consulted:

- Senior Leadership Team
- Manager of Accounting
- Tatham Engineering Limited
- Infrastructure Services Administration
- Gravenhurst Council
- Community

## **CORPORATE FINANCIAL IMPACT**

To maintain levels of service, the Town will need to work towards addressing the annual infrastructure funding gap. In order to do so, in consultation with the Town's consultant Public Sector Digest, the following strategies have been recommended for consideration:

- **Structured tax levy increases:** Implement a phased tax increase (e.g., 4.1% annually over 10 years) to gradually close the infrastructure deficit while maintaining affordability.
- **Reallocation of existing revenue:** Redirect funding from asset categories with surpluses to those experiencing shortfalls.
- **Maximizing senior government grants:** Prioritize applications for programs such as the Ontario Community Infrastructure Fund (OCIF) and the Canada Community-Building Fund (CCBF).
- **Inflation-adjusted future budgets:** Ensure annual infrastructure funding reflects anticipated construction cost increases and inflationary pressures.

## **COMMUNICATIONS**

Nil

## **FUTURE CONSULTATIONS**

This Report satisfies the 2025 reporting requirements under O. Reg. 588/17 and demonstrates compliance with the Ministry of Infrastructure. Asset Management Plans are also reviewed by the Association of Municipalities of Ontario for funding considerations.

## **CONCLUSIONS**

Administration concludes that addressing the infrastructure gap within 10 years is essential to safeguard assets, control costs, and ensure reliable services. A decade-long plan balances fiscal responsibility with long-term sustainability, enabling the Town to manage assets proactively, minimize service disruptions, and maintain safe, high-quality services for the community.

## **CLIMATE CHANGE IMPLICATIONS**

This Report contributes to meeting the intentions of the Climate Change Declaration by integrating asset-related climate considerations into municipal service delivery through such initiatives as the Climate Change Action Plan with community-wide GHG reduction and adaptation targets, the Corporate Energy Management and Conservation Plan, , watershed and flood management with the District of Muskoka, and participation in FCM's Partners for Climate Protection Program.

## **RELATION TO STRATEGIC PLAN**

This Report advances and supports the following elements of the Town of Gravenhurst Strategic Plan by:

### **Pillar 1: Community Vibrancy**

Goal 1: Promote community safety, health and wellbeing for all residents

This directive would assist Committee/Council in its investments in recreational facilities and cultural spaces.

### **Pillar 2: Sustainable Growth**

Goal 7: Continue to adapt and mitigate the impacts of climate change

The Plan references the need for investments in climate resilient infrastructure and the recommendation is to do so in an achievable time-period.

### **Pillar 3: Effective Municipal Services**

Goal 10: Ensure continued prudent financial and asset management planning

This Report/Plan meets the requirements of O. Reg 588/17 by ensuring the Town complies with provincial legislation regarding asset management planning, supports informed decision-making, and positions the municipality to access senior government funding for infrastructure projects.

## **RELATION TO OTHER MUNICIPAL REPORTS, PLANS OR APPLICABLE LEGISLATION**

This Report related to other municipal reports, plans or applicable legislation including:

1. Strategic Plan
2. Asset Management Policy
3. Road Needs Study
4. Bridge Needs Study
5. Master Storm Sewer Report
6. Facility Condition Index Report
7. Parks, Recreation and Trails Masterplan
8. Gravenhurst Official Plan

## **ATTACHMENTS - nil**

## **RESPECTFULLY SUBMITTED BY:**

Author: Andrew Stacey, Director of Infrastructure Services

Approved by: Scott Lucas, Chief Administrative Officer