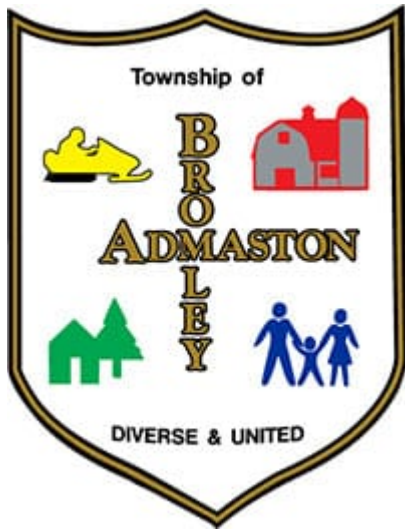


# Township of Admaston Bromley

Final

## Asset Management Plan - Financial Strategy

May 28, 2026  
Jp2g Project # 24-5134B





## Table of Contents

Introduction .....	i
1 Financial Strategy .....	ii
1.1 Capital Spending Forecast .....	ii
1.2 Debenture Financing .....	ii
1.3 Current Reserves .....	ii
2 Capital Contributions .....	iii
3 Funding .....	iii
3.1 Grant Funding .....	iii
3.2 Sale of Assets .....	iii
3.3 Tax Levy Changes .....	iii
4 Conclusions .....	5

### Appendices

Appendix A: Selected Budget 2026 Pages

Appendix B: Funding Options 1-3



## Introduction

The Township of Admaston Bromley retained Jp2g Consultants Inc. to prepare the Financial Strategy as part of the overall asset management plan. This strategy is intended to provide for long-term financial sustainability of the Township's infrastructure by aligning asset management objectives with realistic and achievable funding approaches. The project identifies proposed levels of service and the associated financial strategy to support the asset management plan. This report is intended to meet the 2025 requirements of O. Reg. 588/17 ss. 6(4) lifecycle management and financial strategy (phase 4).

This report focuses specifically on the lifecycle management and financial strategy, providing a framework to guide municipal infrastructure funding decisions over the long term. Information presented in this Financial Strategy is based on the best available data, and subject to change from time to time. This document should be considered a living document that is subject to change when new information becomes available.

The 2024 total replacement cost for Municipal infrastructure assets is estimated to be approximately \$99.57 million. The following table summarizes the value and percentage contribution by replacement valuation. The upper tier (County of Renfrew) is responsible for all major bridges. Admaston Bromley as a rural municipality has no municipally maintained wastewater (sanitary) or potable water infrastructure. Stormwater infrastructure (culverts and cross culverts) are addressed within the road base.

<b><u>Asset</u></b>	<b><u>Asset Replacement Value</u></b>	<b><u>% of Total</u></b>	<b><u>Average Annual Lifecycle Cost</u></b>
<b>Roads</b>	\$79,836,000	80.2%	\$1,969,211
<b>Facilities</b>	\$12,573,458	12.6%	\$264,043
<b>Vehicles</b>	\$6,021,821	6.0%	\$492,447
<b>Equipment</b>	\$1,125,723	1.1%	\$124,997
<b>Total</b>	<b>\$99,557,002</b>		<b>\$2,850,697</b>

Core infrastructure is predominantly roads, and road-related infrastructure accounts for 80.2% of the value of all municipal assets. All other assets are non-core. The lifecycle costs associated with these assets are approximately \$2.85M and the municipality has contributed \$1.28M, \$1.918M, and \$1.465M for 2024, 2025 and 2026 to capital costs respectively. The municipality has incurred an approximate funding gap of approximately 50% of the average annual lifecycle costs, on average, over the past three years. The cumulative funding gap from 2024-2026 inclusive is \$5M.



# 1 Financial Strategy

The Financial Strategy was developed using the 2024 Asset Management Plan for Core and Non-Core Assets, levels of service established within by the Township's Asset Management Plan, discussions with the Township staff, information gathered background documents and studies, and an analysis of the Township's financial information.

O. Reg. 588/17 requires, at minimum, a 10-year capital plan that forecasts the costs of implementing the lifecycle management strategies over the reasonable useful life of assets. The financial strategy in this asset management addenda has been developed for a 10-year forecast period to be in compliance with this requirement. The municipality has a capital spending forecast for all core and non-core assets, existing capital reserve funds, and debenture utilization projections.

Three Options for the plan were prepared for council's review and endorsement. In this case council selected Option 3 and the associated charts are presented below. All three options are presented in Appendix B, complete with tables and charts.

## 1.1 Capital Spending Forecast

A 10 year capital spending forecast is based upon Watsons April 9, 2024 Amp it up 3.0 memo and information provided during the latest municipal budget deliberations regarding vehicle and equipment purchases. All capital spending is subject to a 5% yearly inflation adjustment.

The current 10 year capital spending is projected to be:

Year	Notes	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Category													
Roads	Watson AALC <sup>2</sup>	\$ 1,969,211	\$ 2,067,672	\$ 2,171,055	\$ 2,279,608	\$ 2,393,588	\$ 2,513,268	\$ 2,638,931	\$ 2,770,878	\$ 2,909,422	\$ 3,054,893	\$ 3,207,637	\$ 3,368,019
Land & Building		\$ 264,043	\$ 277,245	\$ 291,107	\$ 305,663	\$ 320,946	\$ 336,993	\$ 353,843	\$ 371,535	\$ 390,112	\$ 409,617	\$ 430,098	\$ 451,603
Vehicles <sup>3</sup>		\$ 492,447	\$ 558,291	\$ 1,260,000	\$ 425,000	\$ 587,300	\$ 1,267,230	\$ 313,760	\$ 629,550	\$ -	\$ -10,150	\$ 585,000	\$ 193,440
Equipment		\$ 124,997	\$ 131,247	\$ 137,809	\$ 144,700	\$ 151,935	\$ 159,531	\$ 167,508	\$ 175,883	\$ 184,677	\$ 193,911	\$ 203,607	\$ 213,787
<b>Total</b>		<b>\$ 2,850,698</b>	<b>\$ 3,034,455</b>	<b>\$ 3,859,972</b>	<b>\$ 3,154,970</b>	<b>\$ 3,453,769</b>	<b>\$ 4,277,022</b>	<b>\$ 3,474,042</b>	<b>\$ 3,947,846</b>	<b>\$ 3,484,211</b>	<b>\$ 3,668,571</b>	<b>\$ 4,426,342</b>	<b>\$ 4,226,850</b>

- Notes:
- 1. Capital Spending subject to 5% inflation/year.
- 2. Watson April 9, 2024 Memo re: AMP It Up 3.0 results
- 3. 10 Year Vehicle Capital Spending based upon 2026 budget

## 1.2 Debenture Financing

Based on the municipalities current debenture financing position, the municipality is rapidly approaching their debenture repayment limit of \$576,000 / year. Approximately \$1.774M of additional capital funding can be drawn upon from debentures before the limit is reached. This is projected to occur during the 2029 year, where \$1.26M in maximum spending is projected. After 2030, limited additional debenture financing is available, and additional debenture space in any year is based upon the completion of various repayment schedules that are reaching their end. By 2032-2033, approximately \$250,000 / year in the debenture limit may become available.

## 1.3 Current Reserves

The municipality maintains reserve funds for various capital activities, in 2026, approximately \$580,000 in capital reserves was reported. As there is limited room for debenture financing after 2029, the municipality should focus on building up capital reserves over the plan period in order to accumulate funds for major capital works. An input of \$250,000 / year into capital reserves will allow the municipality to grow the capital reserve fund to \$3.2M by the end of the period.



## 2 Capital Contributions

With the identified financial strategy the following capital contribution spending table is arrived at:

Capital Contribution Table											
Year	2024	ACTUAL 2025	ACTUAL 2026	2027	2028	2029	2030	2031	2032	2033	2034
Taxation (capital component)	\$ 257,812	\$ 403,200	\$ 415,000	\$ 498,000	\$ 597,600	\$ 717,120	\$ 860,544	\$ 1,032,653	\$ 1,239,183	\$ 1,487,020	\$ 1,784,424
Gas Tax											
OCIF											
OCIF and CCBF/CFBS	\$ 586,484	\$ 935,000	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800
Debenture		\$ 558,291	\$ 877,000	\$ 425,000	\$ 587,300	\$ 762,000					
Capital Reserve Contribution	\$ 70,000	\$ 131,674	\$ 101,500	\$ 150,000	\$ 200,000	\$ 250,000	\$ 300,000	\$ 350,000	\$ 400,000	\$ 450,000	\$ 500,000
Other (Grants and user fees)		\$ 60,000	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal: Capital Spend</b>	<b>\$ 844,296</b>	<b>\$ 1,956,491</b>	<b>\$ 1,896,800</b>	<b>\$ 1,402,800</b>	<b>\$ 1,664,700</b>	<b>\$ 1,958,920</b>	<b>\$ 1,340,344</b>	<b>\$ 1,512,453</b>	<b>\$ 1,718,983</b>	<b>\$ 1,966,820</b>	<b>\$ 2,264,224</b>

This table identifies sources of funding for each year for the plan period. The Cost of Capital Contribution table includes the projected debenture servicing payments, which are part of the long term municipal capital expenditures, recognized across the term of the loans. In this way the true funding gap can be determined, and the actual capital contribution versus required capital spending can be calculated for any given year.

Cost of Capital Contribution Table											
Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Debenture Servicing Payments	\$ 368,529	\$ 389,014	\$ 344,155	\$ 480,970	\$ 474,646	\$ 494,368	\$ 488,948	\$ 483,527	\$ 426,839	\$ 369,905	\$ 318,987
<b>Total Capital Contributions</b>	<b>\$ 1,282,825</b>	<b>\$ 1,918,888</b>	<b>\$ 1,465,455</b>	<b>\$ 1,608,770</b>	<b>\$ 1,752,046</b>	<b>\$ 1,941,288</b>	<b>\$ 2,129,292</b>	<b>\$ 2,345,980</b>	<b>\$ 2,545,822</b>	<b>\$ 2,786,725</b>	<b>\$ 3,083,211</b>
Capital Funding Gap	-\$ 1,567,873	-\$ 1,115,567	-\$ 2,394,517	-\$ 1,546,200	-\$ 1,701,722	-\$ 2,335,734	-\$ 1,344,750	-\$ 1,601,866	-\$ 938,388	-\$ 881,846	-\$ 1,343,132
Cumulative Capital Funding Gap	-\$ 1,567,873	-\$ 2,683,440	-\$ 5,077,957	-\$ 6,624,157	-\$ 8,325,879	-\$ 10,661,613	-\$ 12,006,364	-\$ 13,608,230	-\$ 14,546,618	-\$ 15,428,464	-\$ 16,771,595
<b>Total Capital Contribution / Required Capital Spending</b>	<b>45%</b>	<b>63%</b>	<b>38%</b>	<b>51%</b>	<b>51%</b>	<b>45%</b>	<b>61%</b>	<b>59%</b>	<b>73%</b>	<b>76%</b>	<b>70%</b>

Based upon the financial plan, the funding gap will continue to grow over the plan period. The municipality is projected to continue and even increase capital contributions relative to the required capital spending. Total capital contributions are approximately 60% of required capital spending over the plan lifetime.

## 3 Funding

The main sources of municipal funding for the capital program are from Ontario Community Infrastructure Fund (OCIF), Canada Community Building Fund (CCBF), property tax, and other grant monies. OCIF/CCBF funding is formula based.

The CCBF has been rebranded to Building Communities Strong Fund (BCSF).

### 3.1 Grant Funding

The municipality should continue to pursue and apply for all available sources of grant funding to assist capital funding. Only consistent sources of funding (OCIF/BCSF) can be counted on in the financial analysis.

### 3.2 Sale of Assets

As the municipality disposes of certain assets (vehicles or equipment) they may be able to receive revenue. This is again an inconsistent source of revenue and is not considered within the analysis.

### 3.3 Tax Levy Changes

Capital expenditures will fluctuate from year to year. The municipality should consider implementing a consistently increasing annual investment in capital reserves so that funds can accrue. In this way, during a lower capital spending year funds will flow into the reserve, to build the reserve, and to be taken out in a higher spending year without major fluctuations to the tax levy. In this case, funding rates have been selected to smooth over ratepayer impacts.



Change in Levy by Debenture, Capital Reserve, and Capital Taxation Table								
Year	2027	2028	2029	2030	2031	2032	2033	2034
Debenture Servicing Payment Difference	\$ 136,815	-\$ 6,324	\$ 19,722	-\$ 5,420	-\$ 5,420	-\$ 56,688	-\$ 56,934	-\$ 50,919
Debenture Levy Impact	3.7%	-0.2%	0.5%	-0.1%	-0.1%	-1.5%	-1.5%	-1.4%
Capital Reserve Payment Difference	\$ 48,500	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Capital Reserve Payment Levy Impact	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Capital Taxation Component Difference	\$ 83,000	\$ 99,600	\$ 119,520	\$ 143,424	\$ 172,109	\$ 206,531	\$ 247,837	\$ 297,404
Capital Taxation Levy Impact	2.2%	2.7%	3.2%	3.8%	4.6%	5.5%	6.6%	8.0%
Subtotal	\$ 268,315	\$ 143,276	\$ 189,242	\$ 188,004	\$ 216,688	\$ 199,842	\$ 240,903	\$ 296,485
Yearly Capital levy change (1% = \$37,333)	7.19%	3.84%	5.07%	5.04%	5.80%	5.35%	6.45%	7.94%

In order to fund the lifecycle management strategy by 2034 using the municipal funding sources (i.e., taxation, CCBF funding, and OCIF funding), a 60% in the Township capital levy until 2029. The first 3 years would see 7.191%, 3.84%, and 5.07% increases, decreasing thereafter to approximately 6.11% increases.

The largest increases to the capital tax levy would be seen in the first few years, as the capital component of taxation and capital reserve contributions increase.



## 4 Conclusions

The conclusion that can be drawn from the financial strategy is that the municipality has limited debenture capacity, capital reserves, and that in order to meet the 10 Year Capital Expenditure Plan the capital levy component of taxation is required to be increased to offset the funding gap. Based upon the approved plan, the should anticipate a funding gap that will need to be managed in order to maintain the Level of Services within the municipality.

Reccomendations for the financial strategy include the following:

- The municipality increase the contribution to capital expenditures and similarly the capital levy component to fund capital works through the municipality over the life of the plan.
- The municipality undertake regular updates to their Asset Management Plan and Strategies in order to stay up-to-date with regulations. Regular asset re-valuations should be undertaken by professionals in order to ensure that capital requirements are in line with reconstruction costs.
- The municipality pay close attention to Levels of Service (LOS) across the municipality to ensure that the AMP identified LOS are being met with lower than projected financial inputs.

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End of report.



## Appendix A: Selected Budget 2026 Pages

Department	Vehicle #	Year Purchased	Description	Purchase Date	Historical Cost	Amort. Period per TCA policy	Estimated Future Value	Updated Replacement Costs	Year Replacement	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Roads	V11	1998	Brush Chipper	3/23/98	30,020	20	\$ 54,220		2018	54,220	-	-	-	-	-	-	-	-	-	-
Roads	V20	2002	Sweeper	1/14/02	10,323	15	\$ 16,090	\$ 25,000	2017			25,000	-	-	-	-	-	-	-	-
Roads	V23	2007	Komatsu Excavator KM PC160LC-7EO	7/31/07	200,988	15	\$ 313,140	\$ 400,000	2022		-	400,000	-	-	-	-	-	-	-	-
Roads	2023-V27	2023	John Deere Grader 770 GP	8/29/23	145,800	15	\$ 227,160		2038	-	-	-	-	-	-	-	-	-	-	-
Roads	2014-28	2014	Western Star Tandem Plow Truck	3/27/13	207,120	12	\$ 295,310	\$ 460,000	2026	-	460,000	-	-	-	-	-	-	-	-	-
Roads	2025-29	2025	4WD Tractor with loader model# 7030cps	5/1/25	114,000	12	\$ 162,540		2025	114,000			-	-	-	-	-	-	-	-
Roads	2015-30	2015	25CAM829TA 2015 BLK Float trailer	8/14/14	26,051	15	\$ 40,590		2030	-	-	-	-	-	40,590	-	-	-	-	-
Roads	2011-31	2011	Volvo G970 Grader s/n 525176		178,080	15	\$ 277,450	\$ 500,000	2026	-	-		-	500,000	-	-	-	-	-	-
Roads	2016-33	2016	Western Star Tandem Plow Truck		220,337	12	\$ 314,150	\$ 500,000	2028	-	-	-	500,000	-	-	-	-	-	-	-
Roads	2024-34	2024	2024 Chevy 1-ton	7/16/24	76,876	7	\$ 94,550		2031	-	-	-	-	-	-	94,550	-	-	-	-
Roads	2017-35	2017	2017 JCB Backhoe		119,741	12	\$ 170,730		2029	-	-	-	-	170,730	-	-	-	-	-	-
Roads	2025-36	2025	Chevrolet 1/2 ton (Roads Super)	9/7/25	61,461	5	\$ 71,260		2025	61,461			-	-	71,260	-	-	-	-	71,260

# 10-year Vehicle Replacement Forecast

Department	Vehicle #	Year Purchased	Description	Purchase Date	Historical Cost	Amort. Period per TCA policy	Estimated Future Value	Updated Replacement Costs	Year Replacement	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Roads	2018-37	2018	JCB backhoe		141,614	12	\$ 201,910		2030	-	-	-	-	-	201,910	-	-	-	-	-
Roads	2019-38	2019	Western Star Tandem Plow Truck		271,697	12	\$ 387,380	\$ 535,000	2031	-	-	-	-	-	-	535,000	-	-	-	-
Roads	2021-39	2021	2021 GMC Sierra 4x4		70,983	7	\$ 87,300		2028	-	-	-	87,300	-	-	-	-	-	-	87,300
Roads	2021-40	2021	Ammamm 66" smooth drum ride-on roller		43,885	15	\$ 68,380		2036	-	-	-	-	-	-	-	-	-	-	-
Roads	2022-41	2022	Western Star 4700 SF Tandem Truck	12/31/22	274,502	12	\$ 391,380	\$ 585,000	2034	-	-	-	-	-	-	-	-	-	585,000	-
Roads		2020	Sidewalk Snow Blower		22,387	15	\$ 34,880		2035	-	-	-	-	-	-	-	-	-	-	34,880
Roads		2018	Tornado sander		6,513	15	\$ 10,150		2033	-	-	-	-	-	-	-	-	10,150	-	-
Waste		2007	Osceola Landfill Scales	10/24/07	125,501	15	\$ 195,530		2022	195,530	-	-	-	-	-	-	-	-	-	-
Waste		2001	3 x 46 Yard Bins	6/20/01	29,804	15	\$ 46,440		2016	46,440	-	-	-	-	-	-	-	-	-	-
Waste		2010	2 Roll Off Bins	10/31/10		15	\$ -		2025	-	-	-	-	-	-	-	-	-	-	-

# 10-year Vehicle Replacement Forecast (cont'd)

Department	Vehicle #	Year Purchased	Description	Purchase Date	Historical Cost	Amort. Period per TCA policy	Estimated Future Value	Updated Replacement Costs	Year Replacement	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Fire		1980	GMC King Seagrave	3/12/80	47,965	20	\$ 86,640		2000	86,640	-	-	-	-	-	-	-	-	-	-
Fire	Truck 4	1998	Freightliner (9735)	9/28/98	188,179	20	\$ 339,880	\$ 800,000	2018		800,000	-	-	-	-	-	-	-	-	-
Fire	Truck 1	2009	Freightliner Seagrave - Pumper (9658)	9/24/09	265,113	20	\$ 478,830		2029	-	-	-	-	478,830	-	-	-	-	-	-
Fire	Truck T2	2009	2008 Sterling Truck (9875)		65,151	20	\$ 117,670		2029	-	-	-	-	117,670	-	-	-	-	-	-
<b>TOTALS</b>					<b>2,944,091</b>		<b>\$ 4,483,560</b>			<b>558,291</b>	<b>1,260,000</b>	<b>425,000</b>	<b>587,300</b>	<b>1,267,230</b>	<b>313,760</b>	<b>629,550</b>	<b>-</b>	<b>10,150</b>	<b>585,000</b>	<b>193,440</b>
<b>Plus possible Fire Hall</b>																				

# 10-year Vehicle Replacement Forecast (cont'd)



## Appendix B: Funding Options 1-3

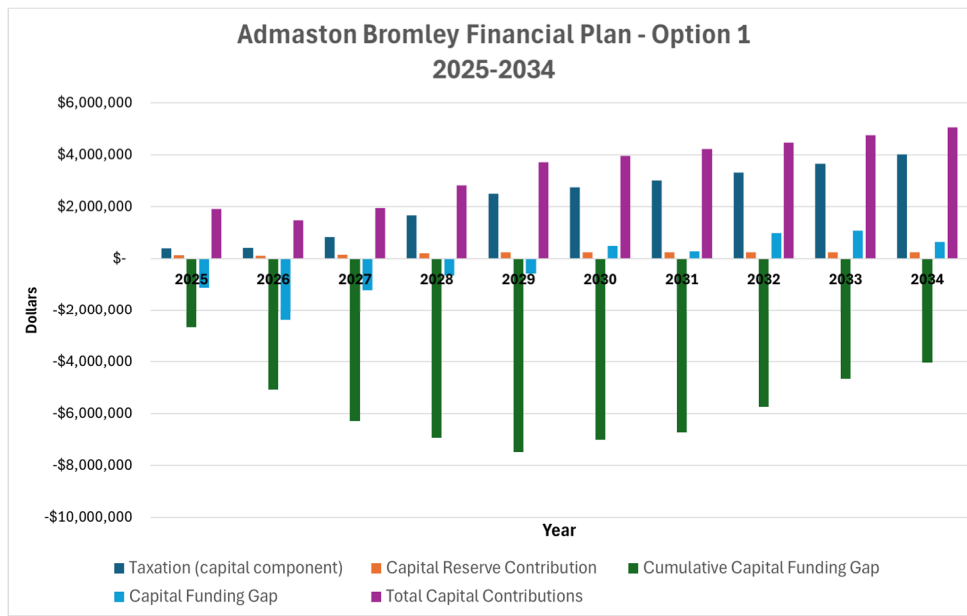


Draft Option 1 - 2025 - 2036											
Capital Contribution Table											
Year	2024	ACTUAL 2025	ACTUAL 2026	2027	2028	2029	2030	2031	2032	2033	2034
Taxation (capital component)	\$ 257,812	\$ 403,200	\$ 415,000	\$ 830,000	\$ 1,660,000	\$ 2,490,000	\$ 2,739,000	\$ 3,012,900	\$ 3,314,190	\$ 3,645,609	\$ 4,010,170
Gas Tax											
OCIF											
OCIF and CCBF/CBS	\$ 586,484	\$ 935,000	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800
Debenture		\$ 558,291	\$ 877,000	\$ 425,000	\$ 587,300	\$ 762,000					
Capital Reserve Contribution	\$ 70,000	\$ 131,674	\$ 101,500	\$ 150,000	\$ 200,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Other (Grants and user fees)		\$ 60,000	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Capital Spend	\$ 844,296	\$ 1,956,491	\$ 1,896,800	\$ 1,734,800	\$ 2,727,100	\$ 3,731,800	\$ 3,218,800	\$ 3,492,700	\$ 3,793,990	\$ 4,125,409	\$ 4,489,970
Capital Reserve Withdrawal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Cost of Capital Contribution Table											
Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Debenture Servicing Payments	\$ 368,529	\$ 389,014	\$ 344,155	\$ 480,970	\$ 474,646	\$ 494,368	\$ 488,948	\$ 483,527	\$ 426,839	\$ 369,905	\$ 318,987
Total Capital Contributions	\$ 1,282,825	\$ 1,918,888	\$ 1,465,455	\$ 1,940,770	\$ 2,814,446	\$ 3,714,168	\$ 3,957,748	\$ 4,226,227	\$ 4,470,829	\$ 4,745,314	\$ 5,058,957
Capital Funding Gap	\$ 1,567,873	\$ 1,115,567	\$ 2,394,517	\$ 1,214,200	\$ 639,322	\$ 562,854	\$ 483,706	\$ 278,381	\$ 986,618	\$ 1,076,743	\$ 632,614
Cumulative Capital Funding Gap	\$ 1,567,873	\$ 2,683,440	\$ 5,077,957	\$ 6,292,157	\$ 6,931,479	\$ 7,494,333	\$ 7,010,628	\$ 6,732,246	\$ 5,745,628	\$ 4,668,885	\$ 4,036,271
Total Capital Contribution / Required Capital Spending	45%	63%	38%	62%	81%	87%	114%	107%	128%	129%	114%

Change in Levy by Debenture, Capital Reserve, and Capital Taxation Table										
Year	2027	2028	2029	2030	2031	2032	2033	2034		
Debenture Servicing Payment Difference	\$ 136,815	\$ 6,324	\$ 19,722	\$ 5,420	\$ 5,420	\$ 56,688	\$ 56,934	\$ 50,919		
Debenture Levy Impact	3.7%	-0.2%	0.5%	-0.1%	-0.1%	-1.5%	-1.5%	-1.4%		
Capital Reserve Payment Difference	\$ 48,500	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -		
Capital Reserve Payment Levy Impact	1.3%	1.3%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%		
Capital Taxation Component Difference	\$ 415,000	\$ 830,000	\$ 830,000	\$ 249,000	\$ 273,900	\$ 301,290	\$ 331,419	\$ 364,561		
Capital Taxation Levy Impact	11.1%	22.2%	22.2%	6.7%	7.3%	8.1%	8.9%	9.8%		
Subtotal	\$ 600,315	\$ 873,676	\$ 899,722	\$ 243,580	\$ 268,480	\$ 244,602	\$ 274,485	\$ 313,642		
Yearly Capital levy change (1% = \$37,333)	16.08%	23.40%	24.10%	6.52%	7.19%	6.55%	7.35%	8.40%		



### Option 1

- A doubling of capital taxation contributions until 2029 and subsequently 10% escalation per year
- Utilisation of debentures, up to the debenture limit, until approximately 2029
- Build yearly transfers into the capital reserve fund until \$250,000/year is reached.
- The result is a capital spend that closes the capital funding gap over the period and capital spending is matched to the capital requirement.
- Levy impacts range from 23.4% to 6.55% per year, each year until the end of the period.

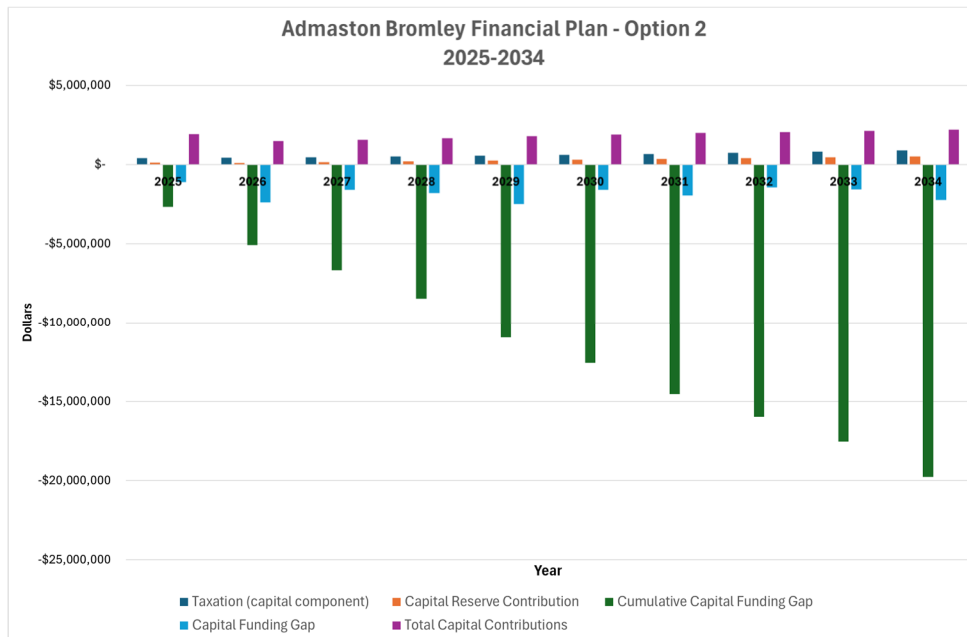


**Draft Option 2 - 2025 - 2036**

Capital Contribution Table											
Year	2024	ACTUAL 2025	ACTUAL 2026	2027	2028	2029	2030	2031	2032	2033	2034
Taxation (capital component)	\$ 257,812	\$ 403,200	\$ 415,000	\$ 456,500	\$ 502,150	\$ 552,365	\$ 607,802	\$ 668,362	\$ 735,198	\$ 808,718	\$ 889,589
Gas Tax											
OCIF											
OCIF and CCBF/CFBS	\$ 586,484	\$ 935,000	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800
Debtenture	\$ -	\$ 558,291	\$ 877,000	\$ 425,000	\$ 587,300	\$ 762,000	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Reserve Contribution	\$ 70,000	\$ 131,674	\$ 101,500	\$ 150,000	\$ 200,000	\$ 250,000	\$ 300,000	\$ 350,000	\$ 400,000	\$ 450,000	\$ 500,000
Other (Grants and user fees)	\$ -	\$ 60,000	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Capital Spend	\$ 844,296	\$ 1,956,491	\$ 1,896,800	\$ 1,361,300	\$ 1,569,250	\$ 1,794,165	\$ 1,087,402	\$ 1,148,162	\$ 1,214,998	\$ 1,288,518	\$ 1,369,389
Capital Reserve Withdrawal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Cost of Capital Contribution Table											
Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Debtenture Servicing Payments	\$ 368,529	\$ 389,014	\$ 344,155	\$ 480,970	\$ 474,646	\$ 494,368	\$ 488,948	\$ 483,527	\$ 426,839	\$ 369,905	\$ 318,987
<b>Total Capital Contributions</b>	<b>\$ 1,282,825</b>	<b>\$ 1,918,888</b>	<b>\$ 1,465,455</b>	<b>\$ 1,567,270</b>	<b>\$ 1,656,596</b>	<b>\$ 1,776,533</b>	<b>\$ 1,876,349</b>	<b>\$ 1,981,689</b>	<b>\$ 2,041,837</b>	<b>\$ 2,108,423</b>	<b>\$ 2,188,376</b>
Capital Funding Gap	\$ 1,567,873	\$ 1,115,567	\$ 2,394,517	\$ 1,587,700	\$ 1,797,172	\$ 2,500,489	\$ 1,597,693	\$ 1,966,157	\$ 1,442,374	\$ 1,560,148	\$ 2,237,966
Cumulative Capital Funding Gap	\$ 1,567,873	\$ 2,683,440	\$ 5,077,957	\$ 6,665,657	\$ 8,462,829	\$ 10,963,318	\$ 12,561,011	\$ 14,527,168	\$ 15,969,542	\$ 17,529,691	\$ 19,767,657
Total Capital Contribution / Required Capital Spending	45%	63%	38%	50%	48%	42%	54%	50%	59%	57%	49%

Change in Levy by Debtenture, Capital Reserve, and Capital Taxation Table											
Year	2027	2028	2029	2030	2031	2032	2033	2034			
Debtenture Servicing Payment Difference	\$ 136,815	\$ 6,324	\$ 19,722	\$ 5,420	\$ 5,420	\$ 56,688	\$ 56,934	\$ 50,919			
Debtenture Levy Impact	3.7%	-0.2%	0.5%	-0.1%	-0.1%	-1.5%	-1.5%	-1.4%			
Capital Reserve Payment Levy Impact	\$ 48,500	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000			
Capital Reserve Levy Impact	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%			
Capital Taxation Component Difference	\$ 41,500	\$ 45,650	\$ 50,215	\$ 55,237	\$ 60,760	\$ 66,836	\$ 73,520	\$ 80,872			
Capital Taxation Levy Impact	1.1%	1.2%	1.3%	1.5%	1.6%	1.8%	2.0%	2.2%			
Subtotal	\$ 226,815	\$ 89,326	\$ 119,937	\$ 99,816	\$ 105,340	\$ 60,148	\$ 66,586	\$ 79,953			
Yearly Capital levy change (1% = \$37,333)	6.08%	2.39%	3.21%	2.67%	2.82%	1.61%	1.78%	2.14%			



**Option 2**

- A 10% increase in capital taxation contributions each year
- Utilisation of debentures, up to the debenture limit, until approximately 2029
- Build a constantly increasing yearly transfer into the capital reserve fund of \$50,000/year. By 2034 \$500,000/year is flowing into capital reserves.
- The result is an increasing capital contribution that does not exceed 60% of the required capital spending in any year.
- The capital funding gap continues to grow.
- Levy impacts range from 6.08% to 1.61% per year, each year until the end of the period.

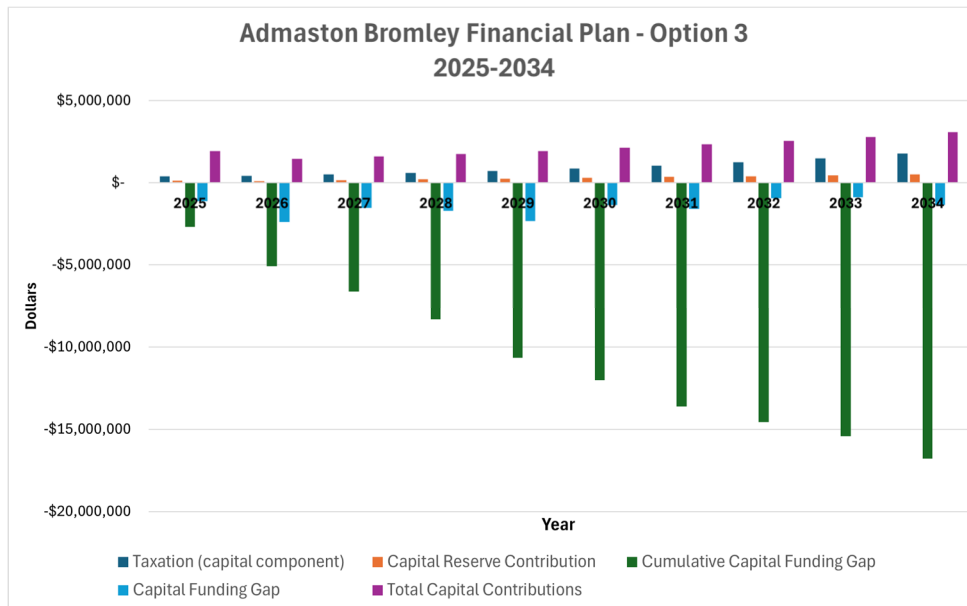


**Draft Option 3 - 2025 - 2036**

Capital Contribution Table											
Year	2024	ACTUAL 2025	ACTUAL 2026	2027	2028	2029	2030	2031	2032	2033	2034
Taxation (capital component)	\$ 257,812	\$ 403,200	\$ 415,000	\$ 498,000	\$ 597,600	\$ 717,120	\$ 860,544	\$ 1,032,653	\$ 1,239,183	\$ 1,487,020	\$ 1,784,424
Gas Tax											
OCIF											
OCIF and CCBF/CFBS	\$ 586,484	\$ 935,000	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800	\$ 479,800
Debtenture		\$ 558,291	\$ 877,000	\$ 425,000	\$ 587,300	\$ 762,000					
Capital Reserve Contribution	\$ 70,000	\$ 131,674	\$ 101,500	\$ 150,000	\$ 200,000	\$ 250,000	\$ 300,000	\$ 350,000	\$ 400,000	\$ 450,000	\$ 500,000
Other (Grants and user fees)		\$ 60,000	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Capital Spend	\$ 844,296	\$ 1,956,491	\$ 1,896,800	\$ 1,402,800	\$ 1,664,700	\$ 1,958,920	\$ 1,340,344	\$ 1,512,453	\$ 1,718,983	\$ 1,966,820	\$ 2,264,224
Capital Reserve Withdrawal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Cost of Capital Contribution Table											
Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Debtenture Servicing Payments	\$ 368,509	\$ 389,014	\$ 344,155	\$ 480,970	\$ 474,646	\$ 494,368	\$ 488,948	\$ 483,527	\$ 426,839	\$ 369,905	\$ 318,987
Total Capital Contributions	\$ 1,282,825	\$ 1,918,888	\$ 1,465,455	\$ 1,608,770	\$ 1,752,046	\$ 1,941,288	\$ 2,129,292	\$ 2,345,980	\$ 2,545,822	\$ 2,786,725	\$ 3,083,211
Capital Funding Gap	\$ 1,567,873	\$ 1,115,567	\$ 2,394,517	\$ 1,546,200	\$ 1,701,722	\$ 2,335,734	\$ 1,344,750	\$ 1,601,866	\$ 938,388	\$ 881,846	\$ 1,343,132
Cumulative Capital Funding Gap	\$ 1,567,873	\$ 2,683,440	\$ 5,077,957	\$ 6,624,157	\$ 8,325,879	\$ 10,661,613	\$ 12,006,364	\$ 13,608,230	\$ 14,546,618	\$ 15,428,464	\$ 16,771,595
Total Capital Contribution / Required Capital Spending	45%	63%	38%	51%	51%	45%	61%	59%	73%	76%	70%

Change in Levy by Debtenture, Capital Reserve, and Capital Taxation Table											
Year	2027	2028	2029	2030	2031	2032	2033	2034			
Debtenture Servicing Payment Difference	\$ 136,815	\$ 6,324	\$ 19,722	\$ 5,420	\$ 5,420	\$ 56,688	\$ 56,934	\$ 50,919			
Debtenture Levy Impact	3.7%	-0.2%	0.5%	-0.1%	-0.1%	-1.5%	-1.5%	-1.4%			
Capital Reserve Payment Difference	\$ 48,500	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000			
Capital Reserve Payment Levy Impact	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%			
Capital Taxation Component Difference	\$ 83,000	\$ 99,600	\$ 119,520	\$ 143,424	\$ 172,109	\$ 206,531	\$ 247,837	\$ 297,404			
Capital Taxation Levy Impact	2.2%	2.7%	3.2%	3.8%	4.6%	5.5%	6.6%	8.0%			
Subtotal	\$ 268,315	\$ 143,276	\$ 189,242	\$ 188,004	\$ 216,688	\$ 199,842	\$ 240,903	\$ 296,485			
Yearly Capital levy change (1% = \$37,333)	7.19%	3.84%	5.07%	5.04%	5.80%	5.35%	6.45%	7.94%			



**Option 3**

- A 20% increase in capital taxation contributions each year
- Utilisation of debentures, up to the debenture limit, until approximately 2029
- Build a constantly increasing yearly transfer into the capital reserve fund of \$50,000/year. By 2034 \$500,000/year is flowing into capital reserves.
- The result is an increasing capital contribution that ranges between 60-76% of the required capital spending in any year.
- The capital funding gap continues to grow more slowly, as additional capital spending helps to slow the growth of the gap.
- Levy impacts range from 7.94% to 3.84% per year, each year until the end of the period.