STORMONT • DUNDAS • GLENGARRY

SDG Counties

Asset Management Plan 2025

December 15, 2025

Executive Summary

The United Counties of Stormont, Dundas and Glengarry's (SDG Counties) infrastructure provides the foundation for the economic, social, and environmental health and growth of the community through the delivery of critical municipal services. Asset management is a strategic process aimed at delivering an adequate and affordable level of service in the most cost-effective and sustainable manner. This is achieved through the development and implementation of asset management strategies and long-term financial planning.
This 2025 Asset Management Plan consolidates and updates two previously prepared plans:

- 2022 Asset Management Plan: Core Infrastructure.
- 2024 Asset Management Plan: Non-Core Infrastructure

Both original plans were developed by PSD Citywide. This 2025 plan brings those components together into a single comprehensive document in accordance with Ontario Regulation 588/17, integrating updated data and incorporating additional requirements for levels of service and financial planning. Where appropriate, content, formatting, and methodology from the original consultant-developed plans have been adapted to ensure consistency and accuracy across asset categories.

The overall replacement cost of assets covered in this plan is approximately $1.27 billion, including $1.22 billion for core assets and $49.6 million for non-core assets.

A long-term financial plan was developed using a mix of proactive lifecycle strategies and replacement-only strategies to determine the lowest-cost options to maintain current levels of service:

- The average annual capital requirement for SDG Counties' assets is $29.7 million
- Currently, approximately $18.4 million is committed towards capital needs, resulting in a funding shortfall of $11.3 million.

This AMP is a snapshot in time, based on the best available data and processes. Asset inventory data is current as of December 31, 2024, and annual capital funding is calculated based on the 2025 Budget.

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Overview of Asset Management

Asset management is a strategic process that enables municipalities to manage their infrastructure assets effectively to deliver services in a sustainable, cost-effective, and equitable manner. The overarching goal is to minimize lifecycle costs, manage associated risks, and maximize the value received by residents.

Only 10–20% of an asset's total cost occurs at acquisition; the remaining 80–90% is incurred through operations and maintenance over the asset's life. Therefore, long-term planning is essential to ensure financial sustainability and the fair distribution of costs across current and future generations.

This Asset Management Plan (AMP) focuses on maintaining, rehabilitating, and replacing existing infrastructure and aligns with industry standards as defined by the Institute of Asset Management (IAM). IAM outlines a logical sequence for building an asset management program: starting with a Strategic Plan, followed by an Asset Management Policy, an Asset Management Strategy, and finally, an Asset Management Plan. Each of these elements must align and cascade from the organization's broader strategic objectives.

Asset Management Policy

An asset management policy represents a statement of the principles guiding SDG Counties' approach to asset management. It aligns with the corporate strategic plan and gives clear direction to staff on their roles and responsibilities. SDG Counties adopted its Strategic Asset Management Policy (Policy 1-33) on April 15, 2019, and updated December 16, 2024, in compliance with Ontario Regulation 588/17. This policy guides infrastructure development and maintenance in ways that are financially viable, climate-conscious, accessible, and responsive to community needs. It promotes service delivery that is equitable and forward-looking, ensuring that infrastructure keeps pace with growth, development, and environmental pressures.

Asset Management Strategy

An asset management strategy outlines how organizational objectives are translated into specific asset management objectives. It provides a strategic roadmap for the activities, criteria, and decision-making processes required to meet those objectives. While SDG Counties has integrated many strategic elements into its asset management policy, future work may expand these into a more detailed standalone strategy.

Asset Management Plan

The Asset Management Plan (AMP) is a document that presents the current state of SDG Counties' asset portfolio and outlines how the SDG Counties will manage and fund its infrastructure to maintain or improve levels of service. The AMP is a living document that should be updated as asset and financial data becomes available.

Alignment with SDG's Official Plan and Strategic Plan

The asset management framework is directly aligned with SDG Counties' Official Plan and broader strategic goals. The Official Plan guides growth and land use planning and includes objectives that are mirrored in the asset management program, such as:

- Supporting development that can be serviced by existing or planned infrastructure
- Promoting walkable, vibrant downtowns and culturally rich communities
- Protecting natural heritage and incorporating climate resilience
- Providing accessible, cost-effective, and efficient public services
- Planning infrastructure to match both current and future population needs
- Ensuring that reinvestment in infrastructure enhances service quality

The asset management program integrates these priorities by emphasizing sustainable service delivery, climate adaptation, and fiscally responsible decision-making. Climate change, population growth, and evolving service expectations are key factors influencing SDG's infrastructure needs.

SDG Counties' 2023–2026 Strategic Plan emphasizes the importance of strong financial practices to ensure the delivery of essential services, support local initiatives, and invest in long-term sustainability. As part of the annual budget process, SDG departments will provide updates to Council, including summaries of key accomplishments from the current year and goals and objectives for the upcoming year.

SDG Counties is also committed to developing multi-year financial outlooks for both capital and operating budgets, helping to forecast expenditures and support long-term planning. Asset management decisions are made within this broader strategic and financial context with balancing technical analysis, community needs, financial capacity, and regulatory requirements. This approach ensures SDG Counties remains adaptive, efficient, and forward-thinking in its infrastructure management for current and future residents.

Key Concepts in Asset Management

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

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 assets are performing as expected and meeting the needs of the users of the assets, 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 placed into one of three categories: maintenance, rehabilitation, or replacement. The following table provides a description of each type of activity and the general difference in cost.

Maintenance

- General level of cost is **$**
- All actions necessary in preserving, repairing and ensuring the optimal functioning of assets. The goal of maintenance is to extend the lifespan of assets, minimize downtime, prevent unexpected failures, and ensure the assets operate efficiently and safely.
- It slows down deterioration and delays when rehabilitation or replacement is necessary.

Rehabilitation / Renewal

- General level of cost is **$$$**
- Works to rebuild or replace parts or components of an asset, to restore it to a required functional condition and extend its life, which may incorporate some modification.
- Generally involves repairing the asset to deliver its original level of service without resorting to significant upgrading or replacement, using available techniques and standards.

Replacement

- General level of cost is **$$$$$**
- The complete replacement of an asset that has reached the end of its life, so as to provide a similar, or agreed alternative, level of service.
- Existing asset disposal is generally included.

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

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

Risk Management Strategies

Municipalities generally take a 'worst-first' approach to infrastructure spending. Rather than prioritizing assets based on their importance to service delivery, assets in the worst condition are fixed first, regardless of their criticality. However, not all assets are created equal. Some are more important than others, and their failure or disrepair poses more risk to the community than that of others. For example, a road with a high volume of traffic that provides access to critical services poses a higher risk than a low volume rural road. A plow truck that provides a critical service keeping roads open and meeting maintenance standards poses a higher risk than a light duty pickup truck. 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 strategies can identify critical assets, and determine where maintenance efforts, and spending, should be focused.

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

Levels of Service

Levels of service (LOS) describe the quality, reliability, and performance of municipal infrastructure from both the public's perspective and a technical perspective. Establishing clear LOS helps align infrastructure investments with community expectations, while also providing a measurable basis for monitoring performance over time. Within each asset category in this AMP, technical metrics and qualitative descriptions that measure both technical and community levels of service have been established and measured as data is available.

These measures include a combination of those that have been outlined in O. Reg. 588/17 in addition to performance measures identified by SDG Counties as worth measuring and evaluating. SDG Counties 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 are a simple, plain language description or measure of the service that the community receives. For core asset categories (Roads, Bridges & Culverts, Stormwater) the province, through O. Reg. 588/17, has provided qualitative descriptions that are required to be included in this AMP. For non-core asset categories, SDG Counties has determined the qualitative descriptions that will be used to determine the community level of service provided.

Technical Levels of Service

Technical levels of service are a measure of key technical attributes of the service being provided to the community. These include mostly quantitative measures and tend to reflect the impact of SDG Counties' asset management strategies on the physical condition of assets or the quality/capacity of the services they provide. For core asset categories, the province, through O. Reg. 588/17, has provided technical metrics that are required to be included in this AMP.

Current and Proposed Levels of Service

This AMP focuses on evaluating the current level of service provided in SDG Counties. Existing service levels serve as the benchmark for establishing proposed service levels over the next 10 years.

Scope and Methodology

Asset Categories

The AMP summarizes the state of the infrastructure for the following asset categories and segments:

Core Assets		
Road Network	**Bridges & Culverts**	**Stormwater**
• Guiderails • Road Surface • Safety Structures	• Bridges • Culverts	• Catch Basins • Mains • Manholes
Non-Core Assets		
Buildings	**Machinery & Equipment**	**Vehicles**
• Administration • Equipment Depot • Office Building • Radio Tower • Salt Storage • Storage Building	• General • Loader • Mower • Tractor • Trailer	• General Vehicle • Pick Up Truck • Plow Truck

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. The two methodologies are:

- User-Defined Cost and Cost/Unit: Based on costs provided by staff which could include average costs from recent contracts; data from engineering reports and assessments; staff estimates based on knowledge and experience.
- Cost Inflation/CPI Tables: Historical cost of the asset is inflated based on Consumer Price Index or Non-Residential Building Construction Price Index

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

Estimated Useful Life and Service Life Remaining

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

Reinvestment Rate

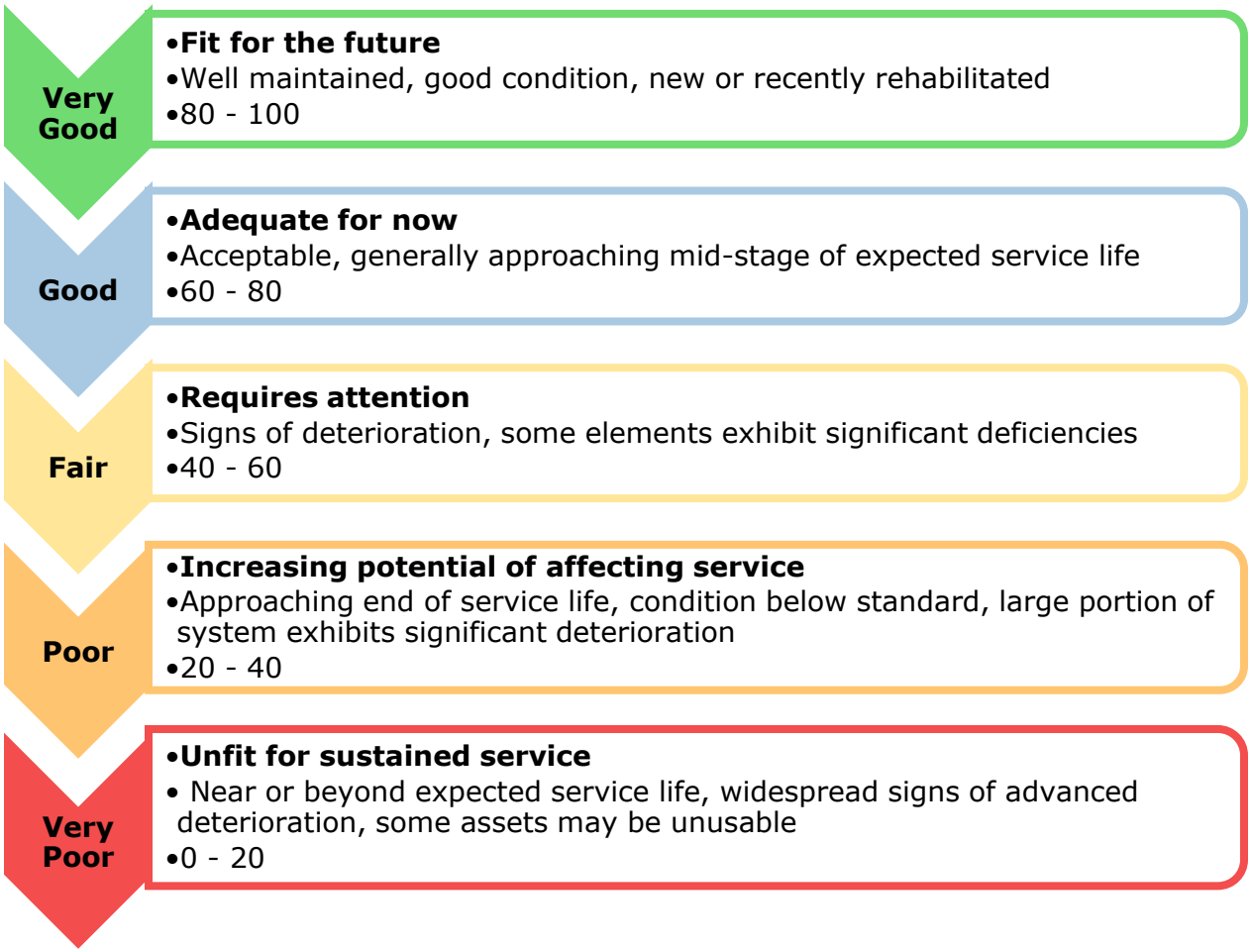
As assets age and deteriorate, they require additional investment to maintain a state of good repair. The reinvestment of capital funds, through asset renewal or replacement, is necessary to sustain an adequate level of service. The reinvestment rate is a measurement of available or required funding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

By comparing the actual vs. target reinvestment rate SDG Counties can determine the extent of any existing funding gap.

Asset Condition

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

A condition assessment rating system provides a standardized descriptive framework that allows comparative benchmarking across SDG Counties' asset portfolio. The table below illustrates a typical condition rating system applied to determine asset conditions. This rating system is aligned with the Canadian Core Public Infrastructure Survey which is used to develop the Canadian Infrastructure Report Card. When assessed condition data is not available, service life remaining is used to approximate asset condition.



Data Sources

- Roads: The Pavement Condition Index (PCI) is updated every four years through SDG Counties Roads Needs Study, with the next study scheduled for 2026. This data provides a comprehensive assessment of surface conditions and is used to prioritize investments. In addition, a Roads Rationalization Study has been presented to Council, which proposes the transfer (uploading/downloading) of roads between SDG Counties and its six local municipalities. While these changes are not currently incorporated into this plan, any future transactions will be reflected in subsequent updates. Transferred roads will be expected to meet SDG Counties' road standards, potentially impacting lifecycle costs and service expectations.
- Bridges: The Bridge Condition Index (BCI) is updated through OSIM (Ontario Structure Inspection Manual) bridge inspections conducted every two years. The next inspection cycle will be completed in 2025 and will not be finalized in time to inform this version of the asset management plan. Historical BCI data and 2023 inspections form the basis of current performance assumptions.

- Stormwater: Performance measures include the percentage of assets with known capacity constraints, frequency of inspection and cleaning, and the number of service requests or flood complaints. These are tracked through operational data and maintenance logs.
- Buildings: Performance is measured using a Facility Condition Index (FCI) where available, accessibility compliance, and energy usage metrics. Staff inspections and condition audits inform lifecycle decision-making.
- Vehicles: Metrics include average fleet age, reliability and availability rates, and adherence to lifecycle replacement schedules. These are monitored through fleet replacement plans and staff input.
- Machinery & Equipment: Downtime hours, maintenance frequency, and the percentage of equipment in service are tracked. Condition assessments are performed periodically by staff.

Ongoing Performance Monitoring

SDG Counties is committed to continuous improvement in asset management practices. As new data becomes available, such as the Roads Needs Study in 2026 and 2025 OSIM inspections, performance targets will be re-evaluated, and the asset management plan will be updated accordingly. Service level metrics will also be reviewed if changes to asset ownership occur arising from any future road rationalization agreements.

Community Profile

SDG Counties is an upper tier municipality located along the St. Lawrence River in eastern Ontario, bordering the Province of Quebec. SDG Counties is comprised of six local municipalities: North Stormont, South Stormont, North Dundas, South Dundas, North Glengarry, and South Glengarry. Historically, the Counties of Stormont, Dundas and Glengarry were separate but unified under a United County in 1850.

SDG Counties reside in the Quebec City–Windsor Corridor and is the most densely populated and heavily industrialized region of Canada. This region provides local businesses with access and exposure to large markets and opportunities. They pair their location with one of the lowest cost business environments in Ontario to attract businesses and assist them to prosper.

SDG Counties have experienced continued growth over the last 15 years. Around 24% of the population is above the age of 65, this is around 6% higher than for Ontario as a whole. SDG Counties generated a total revenue of $61.8 million from taxes in 2025 and had an annual budget of $87.4 million. SDG Counties' infrastructure priorities include maintaining the road network and delivering a variety of public services including but not limited to transportation services, land use planning, provincial offences court, economic development and tourism.

Census Characteristic	SDG Counties	Ontario
Population 2021	66,792	14,223,942
Population Change 2016-2021	+2.2%	+5.8%
Total Private Dwellings	27,400	5,929,250
Population Density	20.6/km2	15.9/km2
Land Area	3,246 km2	892,411.76 km2

Climate & Growth

SDG Counties Climate Profile

SDG Counties are expected to experience notable effects of climate change which include higher average annual temperatures, an increase in total annual precipitation, and an increase in the frequency and severity of extreme events. According to Climatedata.ca – a collaboration supported by Environment and Climate Change Canada (ECCC) – SDG Counties may experience the following trends:

1) Higher Average Annual Temperature
    - Between the years 1971 and 2000 the annual average temperature was 6 °C.

- Under a high emissions scenario, the annual average temperatures are projected to increase by 2.8ºC by the year 2050 and over 6.7 ºC by the end of the century.

2) Increase in Total Annual Precipitation
    - Under a high emissions scenario, SDG Counties are projected to experience a 12% increase in precipitation by the year 2050 and an 18% increase by the end of the century.
3) Increase in Frequency of Extreme Weather Events
    - It is expected that the frequency and severity of extreme weather events will change.
    - In some areas, extreme weather events will occur with greater frequency and severity than others, especially those on or near the many bodies of water in the area.

St. Lawrence River

Climate change poses several challenges to SDG Counties. Rising temperatures and changing precipitation patterns may lead to increased flooding risks along the riverbanks, threatening communities, agriculture, and infrastructure. Extreme weather events, such as heavy rain and storms, could accelerate erosion and sedimentation, impacting water quality and affecting navigation. Additionally, changing climatic conditions may alter local ecosystems, affecting biodiversity and putting stress on species that depend on the river. To mitigate these impacts, proactive planning, adaptation strategies, and investments in resilience will be essential for SDG Counties to protect their natural resources and communities.

Impacts of Growth

SDG Counties' strategic pillars are centered around sustainably supporting growth while maintaining services through optimization and intelligent decision making. The commitment to sustainable growth will be completed in a matter that maintains or enhances the natural environment and assets of SDG Counties. As growth-related assets are constructed or acquired, they should be integrated into SDG Counties AMP. While the addition of residential units will add to the existing assessment base and offset some of the costs associated with growth, SDG Counties will need to review the lifecycle costs of growth-related infrastructure. These costs should be considered in long-term funding strategies that are designed to, at a minimum, maintain the current level of service.

Asset Inventory & Cost

State of the Infrastructure

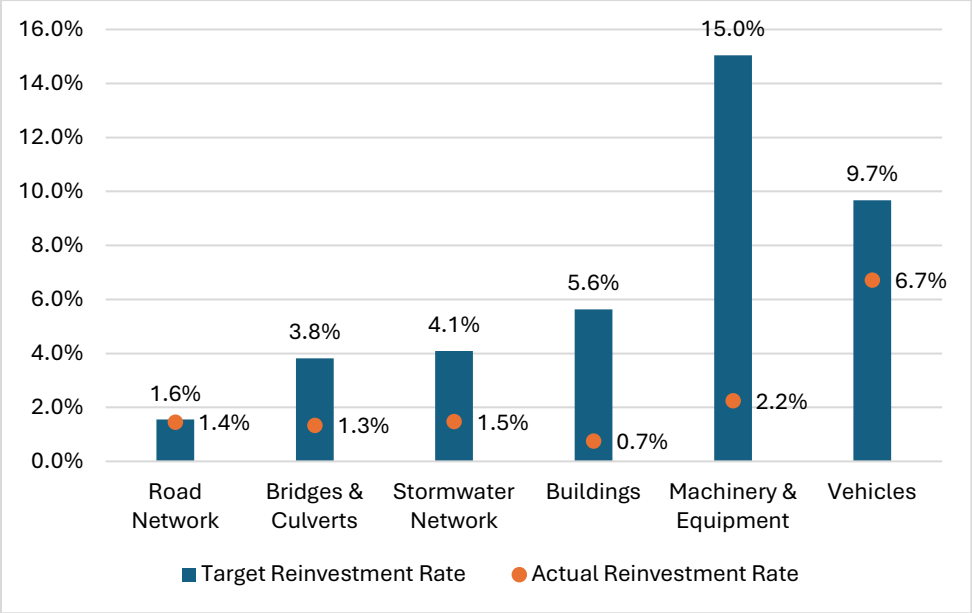
Asset Category	Replacement Cost	Average Condition	Financial Capacity	
Road Network	$ 904,402,419	72% Good	Annual Requirement:	$ 14,052,046
			Funding Available:	$ 13,052,000
			Annual Deficit	**-$ 1,000,046**
Bridges & Culverts	$ 304,609,470	70% Good	Annual Requirement:	$ 11,638,756
			Funding Available:	$ 4,040,000
			Annual Deficit	**-$ 7,598,756**
Stormwater Network	$ 10,230,852	33% Poor	Annual Requirement:	$ 418,851
			Funding Available:	$ 150,000
			Annual Deficit	**-$ 268,851**
Buildings	$ 34,131,887	40% Fair	Annual Requirement:	$ 1,922,360
			Funding Available:	$ 255,000
			Annual Deficit	**-$ 1,667,360**
Machinery & Equipment	$ 2,672,952	40% Fair	Annual Requirement:	$ 402,022
			Funding Available:	$ 60,000
			Annual Deficit	**-$ 342,022**
Vehicles	$ 12,845,000	57% Fair	Annual Requirement:	$ 1,242,500
			Funding Available:	$ 861,000
			Annual Deficit	**-$ 381,500**
Overall	**$ 1,268,892,580**	**70% Good**	Annual Requirement:	$ 29,676,536
			Funding Available:	$ 18,418,000
			Annual Deficit	**-$ 11,258,536**

Total Replacement Cost

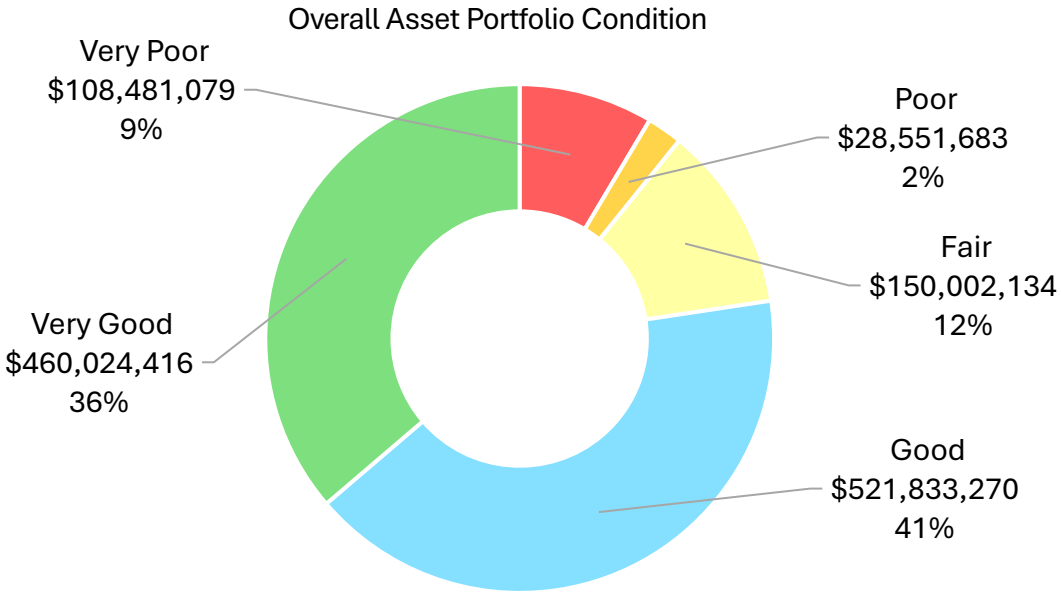
The asset categories analysed in this AMP have a total replacement cost of $1.27 billion based on inventory data as of December 31, 2024. This total was determined based on a combination of user-defined costs and historical cost inflation. This estimate reflects replacement of historical assets with similar, not necessarily identical, assets available for procurement today.

Target vs. Reinvestment Rate

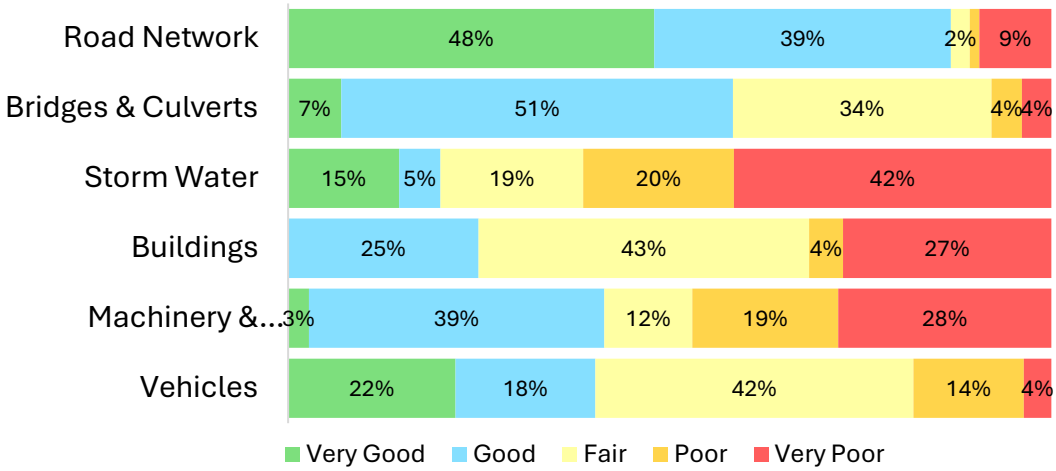
The graph below depicts funding gaps by comparing target vs actual reinvestment rate. To meet the long-term core infrastructure replacement needs, SDG Counties should be allocating approximately $29.7 million annually, for a target reinvestment rate of 2.34%. Actual annual spending on infrastructure totals approximately $18.4 million, for an actual reinvestment rate of 1.45%



Condition Summary



The chart above summarizes the condition of the overall asset portfolio. Based on the assessed or age-based condition of the assets, 89% of SDG Counties' assets are in fair or better condition.



The chart above summarizes asset condition by AMP category. A consolidated overview of asset condition and replacement cost helps guide long-term planning, lifecycle investment strategies, and risk mitigation.

Levels of Service

Core Assets

SDG Counties core assets were included in the 2022 version of the asset management plan (AMP). The asset categories include roads, bridges and stormwater. The regulation prescribes specific community and technical levels of service. These must be included in the final AMP and are used as the standard baseline across all Ontario municipalities.

In addition to the required LOS, municipalities may also identify additional LOS to reflect local goals, priorities, or strategic objectives. These could include metrics related to energy efficiency, greenhouse gas reduction, public satisfaction, or accessibility. SDG Counties will consider including such additional LOS indicators where they provide value to lifecycle planning, risk management, or service improvement initiatives.

Non-Core Assets

Non-core asset categories include buildings, vehicles, and machinery and equipment. The regulation gives municipalities the flexibility to define their own community and technical levels of service. SDG Counties established appropriate measures for these assets in the 2024 version of the AMP based on how these assets support service delivery, their criticality, and available data.

Core Assets

Road Network

SDG Counties' road network is a critical component of the provision of safe and efficient transportation services and represents the highest value asset category in SDG Counties' asset portfolio. It includes all SDG Counties owned and maintained roadways in addition to supporting roadside infrastructure including traffic signals and other safety structures.

Asset Inventory & Replacement Cost

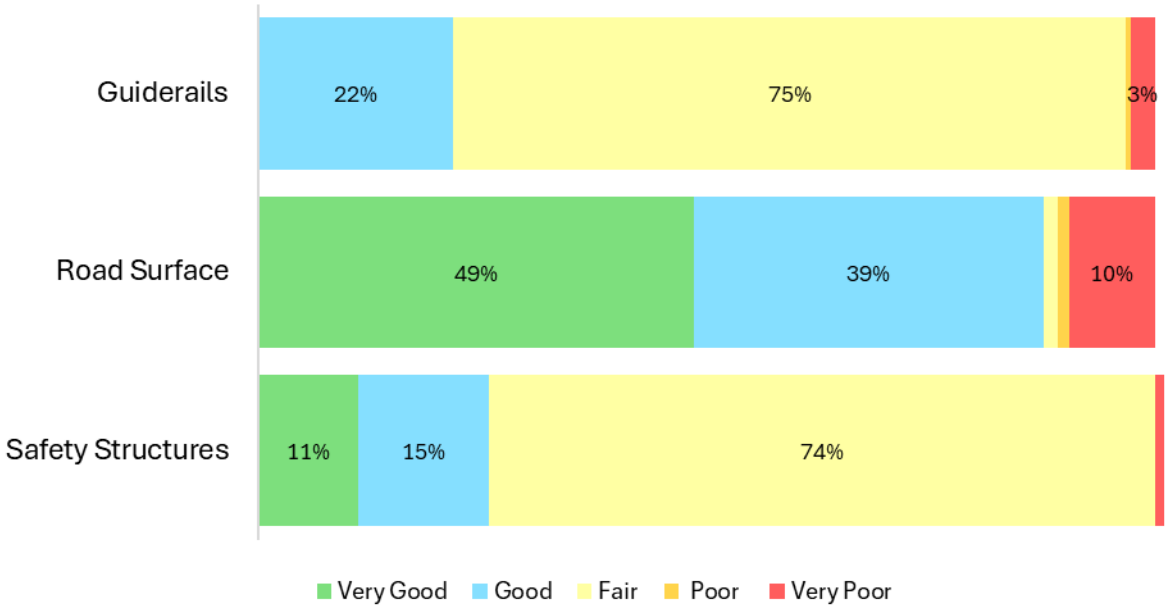
The table below includes the quantity, replacement cost method and total replacement cost of each asset segment in SDG Counties' road network inventory.

Asset Segment	Quantity	Replacement Cost Method	Replacement Cost
Guiderails	26 kms	Cost/Unit	$ 8,560,089
Road Surface	960 kms	User-Defined	$ 894,094,330
Safety Structures	173	Cost/Unit	$ 1,748,000
			$ 904,402,419

Asset Condition, Age & Useful Life

The table below identifies the current average condition, average age, and estimated useful life for each asset segment.

Asset Segment	Average Condition	Estimated Useful Life (Years)	Average Age (Years)
Guiderails	53% (Fair)	0-25	26.6
Road Surface	73% (Good)	5-40	17.6
Safety Structures	59% (Fair)	30	20
	72% (Good)		**20.6**



Current Approach to Condition Assessment

All road surfaces are inspected every four years, and minor culverts are inspected prior to being paved over. A road assessment was completed in 2022 by C.D. Watters Engineering Ltd. That included a detailed assessment of the condition of each road surface segment. This assessment did not include the road base.

In this AMP, the following rating criteria are used to determine the current condition of all road assets, and forecast future capital requirements:

Condition	Rating
Very Good	80 – 100
Good	60 – 80
Fair	40 – 60
Poor	20 – 40
Very Poor	0 – 20

Lifecycle Management Strategy

The following lifecycle strategy has been documented to illustrate the maintenance and rehabilitation to keep paved roads in a good state of repair.

Road Network		
Event Name	**Event Class**	**Event Trigger**
Crack Sealing	Preventative Maintenance	8-10 Years
Microsurfacing	Preventative Maintenance	10-14 Years
Cold in Place & Resurface	Rehabilitation	20 Years
Full Reconstruction	Replacement	20 Years

Risk Analysis

The following risk matrix provides a visual representation of the risk rating determined for all road network components based on the following risk rating criteria:

Category	**Probability of Failure**	**Consequence of Failure**
Road Surface	Condition	Historical Cost (Economic)
		AADT (Economic)
Guiderails & Safety Structures	Condition	Historical Cost (Economic)

The matrix stratifies assets based on their individual probability and consequence of failure, scored from 1 to 5. The risk index ranges from 1-25. Assets with the highest criticality and likelihood of failure receive a risk rating of 25; those with lowest probability of failure and lowest criticality carry a risk rating of 1.

Levels of Service

Current Levels of Service

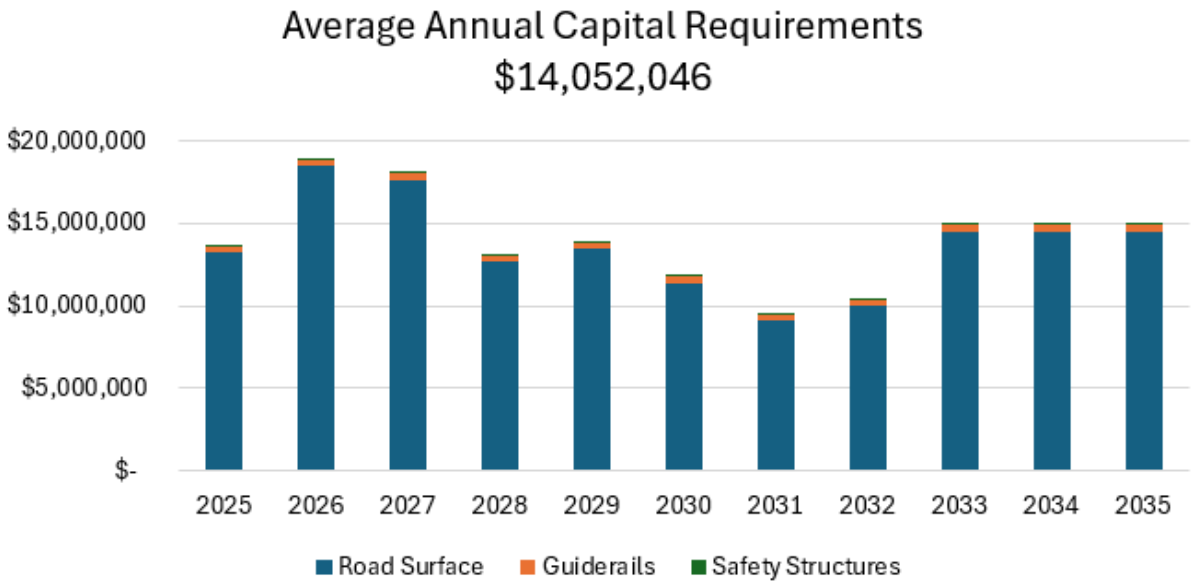
The following table identifies SDG Counties' current level of service for the road network. These metrics include the technical and community levels of service that are required as part of O.Reg. 588/17 as well as any additional performance measures SDG Counties has selected.

Service Attribute	Community LOS		Technical LOS	
	Qualitative Description	**Current LOS**	**Technical Metric**	**Current LOS**
Scope	Description, which may include maps, of the road network in SDG Counties and its level of connectivity	SDG Counties' road network is critical infrastructure that supports multi-model transportation including commercial and personal transportation, emergency vehicles, agricultural machinery, and cyclists.	Number of lane-kilometres of each of arterial roads, collector roads and local roads as a proportion of square kilometres of land area of the municipality.	Lane-km of MMS classes 1 and 2 per land area (km/km2) 55/3,236
				Lane-km of MMS classes 3 and 4 per land area (km/km^2) 1,773/3,236
Quality	Description or images that illustrate the different levels of road class pavement condition.	A road assessment was completed in 2022 and provided surface condition data for the SDG road network. Road Needs Study completed every 4 years.	1. For paved roads in the municipality, the average pavement condition index value.	73%
			2. For unpaved roads in the municipality, the average surface condition (e.g. excellent, good, fair or poor).	N/A
Sustainability			Current Reinvestment Rate	1.4%

Proposed Levels of Service

SDG Counties aims to maintain or improve the overall condition of the road network. The current PCI rating is 73%, which is consider Good. The proposed level of service is to sustain the network in good or better condition, defined as a PCI rating of 60% or higher. The current reinvestment rate is 1.4%. To maintain the proposed service level, the target reinvestment rate is 1.6%.

The following 10-year capital plan outlines the investments required to maintain the road network at the proposed level of service. The projection for road surfaces is based on the Road Needs Study and adjusted as to work completed and projected over the next 10 years. Guiderails and safety structures annual requirement is based on replacement costs and estimated useful life.



Bridges & Culverts

Bridges & Culverts represent a critical portion of the transportation services provided to the community. The Transportation department is responsible for the maintenance of all bridges and culverts located across SDG Counties' roads with the goal of keeping structures in an adequate state of repair and minimizing service disruptions.

Asset Inventory & Replacement Cost

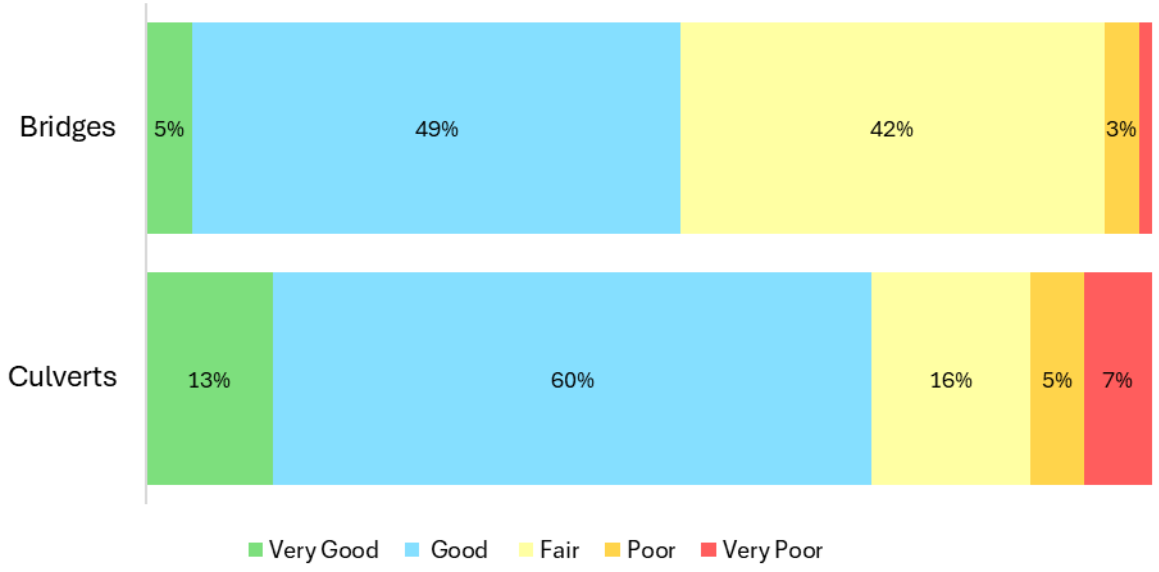
The table below includes the quantity, replacement cost method and total replacement cost of each asset segment in SDG Counties' bridges & culverts inventory.

Asset Segment	Quantity	Replacement Cost Method	Replacement Cost
Bridges	89	User-Defined	$ 213,686,639
Culverts	99	User-Defined	$ 90,922,831
			$ 304,609,470

Asset Condition, Age & Useful Life

The table below identifies the current average condition, average age, and estimated useful life for each asset segment.

Asset Segment	Average Condition	Estimated Useful Life (Years)	Average Age (Years)
Bridges	70% (Good)	15-75	43.3
Culverts	70% (Good)	18-75	43.3
	70% (Good)		**43.3**



Current Approach to Condition Assessment

Condition assessments of all bridges and culverts with a span greater than or equal to 3 meters are completed in accordance with the Ontario Structure Inspection Manual. In this AMP, the following rating criteria is used to determine the current condition of bridges and culverts and forecast future requirements.

Condition	Rating
Very Good	80 – 100
Good	70-80
Fair	60-70
Poor	40-60
Very Poor	0-40

Lifecycle Management Strategy

The table below outlines SDG Counties' current lifecycle management strategy for bridges and culverts.

Activity Type	Description of Current Strategy
Maintenance, Rehabilitation and Replacement	All lifecycle activities are driven by the results of mandated structural inspections competed according to the Ontario Structure Inspection Manual (OSIM)
Inspection	The most recent inspection report was completed in 2023 by Jacobs Consultancy Canada Inc.

Risk Analysis

The following risk matrix provides a visual representation of the risk rating determined for bridges & culverts based on the following risk rating criteria:

Probability of Failure	Consequence of Failure
Condition	Historical Cost (Economic)

The matrix stratifies assets based on their individual probability and consequence of failure, scored from 1 to 5. The risk index ranges from 1-25. Assets with the highest criticality and likelihood of failure receive a risk rating of 25; those with lowest probability of failure and lowest criticality carry a risk rating of 1.

Levels of Service

Current Levels of Service

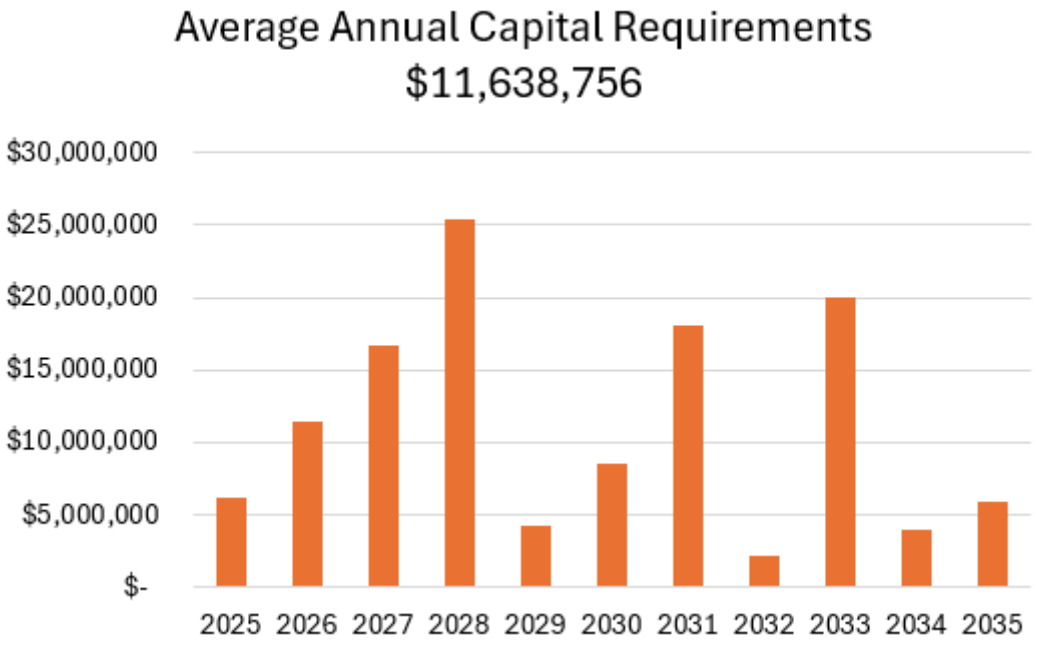
The following table identifies SDG Counties current level of service for the road network. These metrics include the technical and community levels of service that are required as part of O.Reg. 588/17 as well as any additional performance measures SDG Counties has selected.

Service Attribute	Community LOS		Technical LOS	
	Qualitative Description	Current LOS	Technical Metric	Current LOS
Scope	Description of the traffic that is supported by municipal bridges	Bridges and structural culverts are a key component of SDG Counties' transportation network. None of SDG Counties' structures have loading or dimensional restrictions.	Percentage of bridges in the municipality with loading or dimensional restrictions.	0%
Quality	1. Description or images of the condition of bridges and how this would affect use of the bridges. 2. Description or images of the condition of culverts and how this would affect use of the culverts.	The bridges and culverts are in fair or better condition with minimal unplanned service interruptions and closures.	1. For bridges in the municipality, the average bridge condition index value.	70%
			2. For structural culverts in the municipality, the average bridge condition index value.	70%
Sustainability			Current Reinvestment Rate	1.30%

Proposed Levels of Service

SDG Counties aims to maintain or improve the overall condition of bridges and culverts. The current Bridge Condition Index (BCI) is 70% for bridges and 70% for culverts, both considered Good. The proposed level of service is to sustain these assets in good or better condition, defined as a BCI rating of 70% or higher. The current reinvestment rate is 1.3%. To maintain the proposed service level, the target reinvestment rate is 3.8%.

The following 10-year capital plan outlines the investments required to maintain bridges and culverts at the proposed level of service. The projection for bridges & culverts is based on the OSIM Bridge Report annual requirement over the next 10 years.



Stormwater

SDG Counties is responsible for owning and maintaining a stormwater network of 22 kms of storm mains, catch basins, and manholes.

Asset Inventory & Replacement Cost

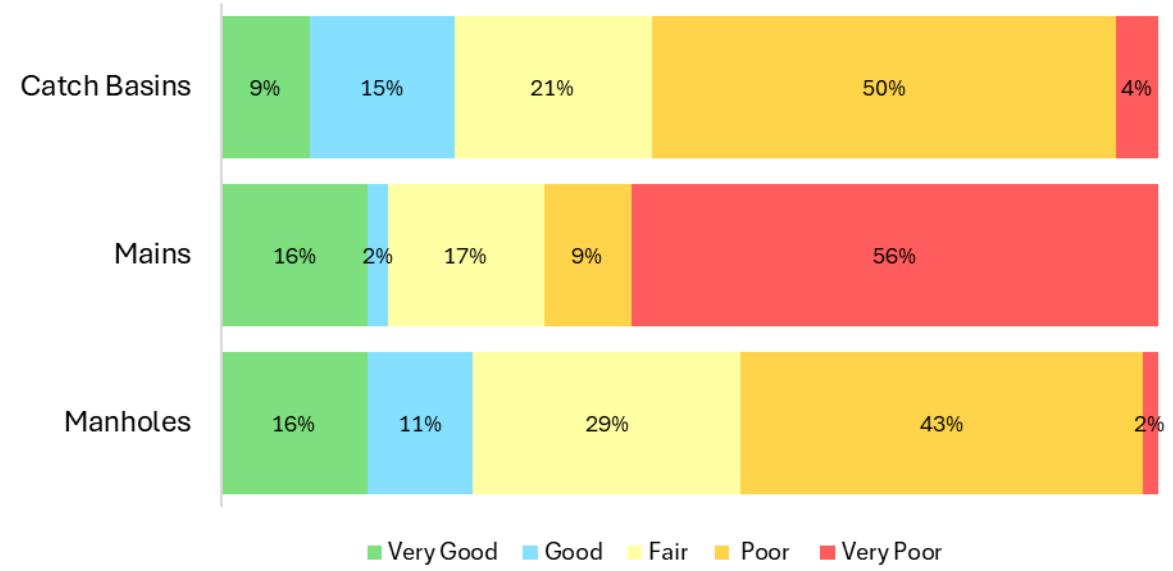
The table below includes the quantity, replacement cost method and total replacement cost of each asset segment in SDG Counties' stormwater inventory.

Asset Segment	Quantity	Replacement Cost Method	Replacement Cost
Catch Basins	619	Cost/Unit	$ 1,709,572
Mains	22 kms	Cost/Unit	$ 7,400,062
Manholes	238	Cost/Unit	$ 1,121,218
			$ 10,230,852

Asset Condition, Age & Useful Life

The table below identifies the current average condition, average age, and estimated useful life for each asset segment.

Asset Segment	Average Condition	Estimated Useful Life (Years)	Average Age (Years)
Catch Basins	44% (Fair)	75	42.2
Mains	29% (Poor)	50	42
Manholes	48% (Fair)	75	39
	33% (Poor)		**41.6**



Current Approach to Condition Assessment

Assessments are completed by external contractors. In this AMP, the following rating criteria are used to determine the current condition of stormwater infrastructure and forecast future capital requirements:

Condition	Rating
Very Good	80 – 100
Good	60 – 80
Fair	40 – 60
Poor	20 – 40
Very Poor	0 – 20

Lifecycle Management Strategy

The table below outlines SDG Counties' current lifecycle management strategy for stormwater assets.

Activity Type	Description of Current Strategy
Maintenance	Maintenance activities are informal and more reactive compared to other infrastructure and assets
	Primary activities include annual catch basin cleaning and storm main flushing when required

Risk Analysis

The following risk matrix provides a visual representation of the risk rating determined for stormwater infrastructure based on the following risk rating criteria:

Probability of Failure	Consequence of Failure
Condition	Historical Cost (Economic)

The matrix stratifies assets based on their individual probability and consequence of failure, scored from 1 to 5. The risk index ranges from 1-25. Assets with the highest criticality and likelihood of failure receive a risk rating of 25; those with lowest probability of failure and lowest criticality carry a risk rating of 1.

Levels of Service

Current Levels of Service

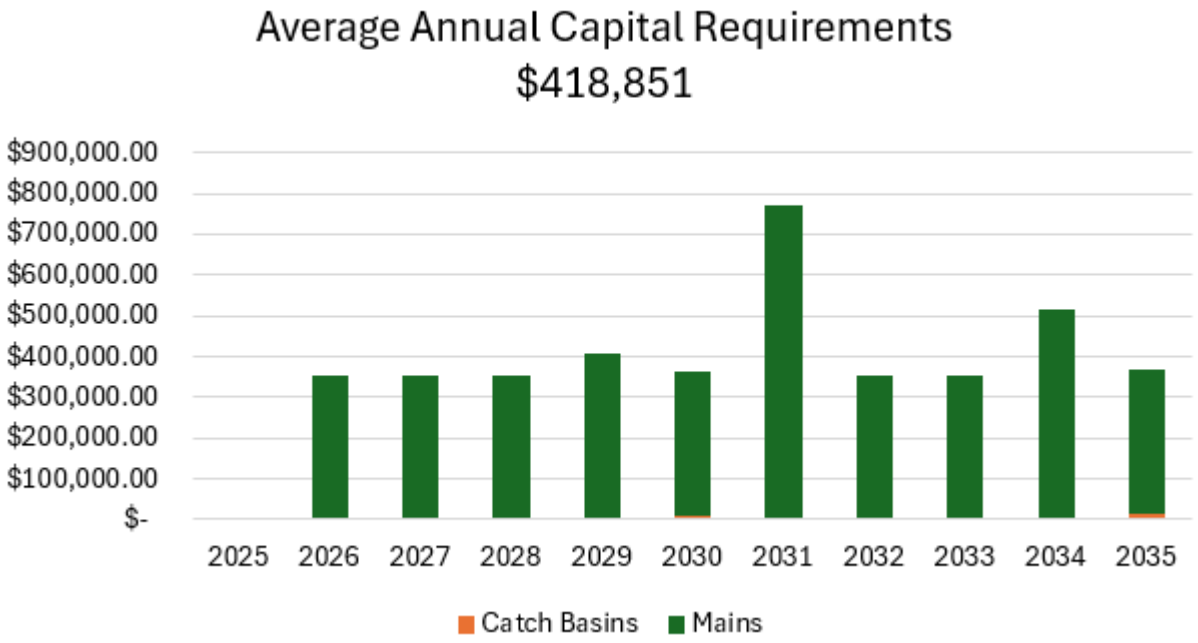
The following table identifies SDG Counties current level of service for stormwater assets. These metrics include the technical and community levels of service that are required as part of O.Reg. 588/17 as well as any additional performance measures SDG Counties has selected.

Service Attribute	Community LOS		Technical LOS	
	Qualitative Description	**Current LOS**	**Technical Metric**	**Current LOS**
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.	SDG Counties' stormwater collection network control minor or nuisance storms in urban areas. Their biggest benefit is protection of the road from minor flooding and prolongs the life of the road asset.	1. Percentage of properties in municipality resilient to a 100-year storm.	Data gap - SDG Counties does not currently have data available to determine this technical metric. The rate of properties that are not expected to be resilient to a 100-year storm is expected to be very low.
			2. Percentage of the municipal stormwater management system resilient to a 5-year storm.	100%
Sustainability			Current Reinvestment Rate	1.50%

Proposed Levels of Service

SDG Counties currently does not have sufficient data to determine the percentage of properties resilient to a 100-year storm event. It is assumed that 100% of stormwater assets are resilient to a 5-year storm event. The proposed level of service is to maintain this level of resilience while improving data collection to support future service level measurement. The current reinvestment rate is 1.5%. To sustain system performance and address long-term needs, the target reinvestment rate is 4.1%.

The following 10-year capital forecast outlines the planned investments required to maintain and enhance the stormwater network to the proposed level of service.



Non-Core Assets

Buildings

SDG Counties owns and maintains several facilities that provide key services to the community. These include:

- SDG Counties Administration building
- Patrol Yards: Winchester Springs, Finch, St. Andrews, and Green Valley
    - Office Buildings
    - Equipment Depots
    - Salt Storage Sheds
    - Storage Buildings
- Radio Tower

Asset Inventory & Replacement Cost

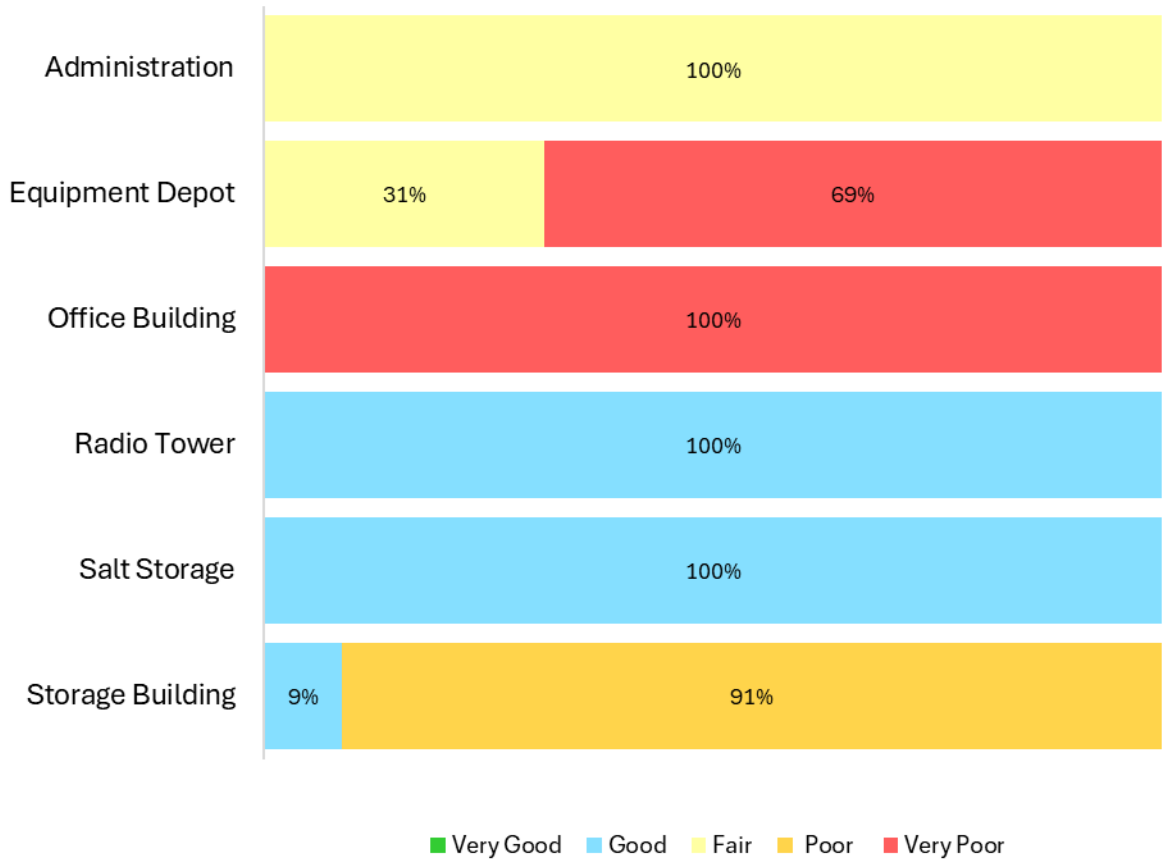
The table below includes the quantity, replacement cost method and total replacement cost of each asset segment in SDG Counties' building inventory.

Asset Segment	Quantity	Replacement Cost Method	Replacement Cost
Administration	1	User Defined	$ 10,695,887
Equipment Depot	4	User Defined	$ 13,082,500
Office Building	3	User Defined	$ 317,820
Radio Tower	1	User Defined	$ 264,154
Salt Storage	4	User Defined	$ 8,111,440
Storage Building	6	User Defined	$ 1,660,086
			$ 34,131,887

Asset Condition, Age & Useful Life

The table below identifies the current average condition, average age, and estimated useful life for each asset segment.

Asset Segment	Average Condition	Estimated Useful Life (Years)	Average Age (Years)
Administration	47% (Fair)	40	58
Equipment Depot	20% (Very Poor)	40	40.5
Office Building	7% (Very Poor)	40	57
Radio Tower	65% (Good)	20	2.2
Salt Storage	67% (Good)	35	15
Storage Building	31% (Poor)	40	48.2
	40% (Fair)		**39.1**



Current Approach to Condition Assessment

In this AMP, the following rating criteria is used to determine the current condition of buildings culverts and forecast future requirements.

Condition	Rating
Very Good	80 – 100
Good	60 – 80
Fair	40 – 60
Poor	20 – 40
Very Poor	0 – 20

Lifecycle Management Strategy

SDG Counties' current lifecycle management strategy for buildings includes the following:

Maintenance / Rehabilitation / Replacement

- Annual servicing of overhead doors. HVAC, mechanical, and civil infrastructure maintained on as needed basis. Fire and elevator systems have scheduled testing and maintenance.
- Maintenance triggered by JHSC inspections or equipment failure.
- Typical rehabilitation strategies of buildings include roof, HVAC system, parking lot, window, and interior renovation and remodeling.
- Rehabilitation is completed based on budget approval.
- Replacement is considered when an asset's condition has deteriorated significantly, and maintenance and rehabilitation is no longer cost-effective.
- Assets critical to the continuation of government, and ability to provide essential services are prioritized.

Risk Analysis

The following risk matrix provides a visual representation of the risk rating determined for buildings based on the following risk rating criteria:

Probability of Failure	Consequence of Failure
Condition	Historical Cost (Economic)

The matrix stratifies assets based on their individual probability and consequence of failure, scored from 1 to 5. The risk index ranges from 1-25. Assets with the highest criticality and likelihood of failure receive a risk rating of 25; those with lowest probability of failure and lowest criticality carry a risk rating of 1.

Current Levels of Service

The following table identifies SDG Counties' current level of service for facilities. These metrics include the technical and community levels of service defined in the 2024 asset management plan for non-core assets.

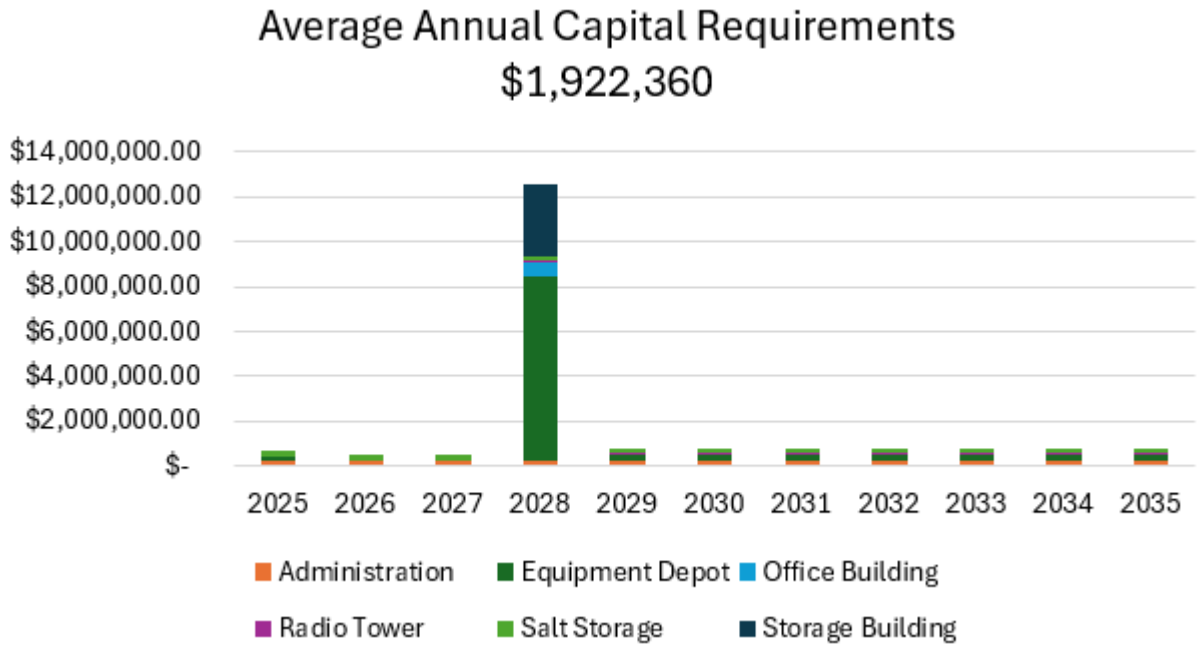
Service Attribute	Community LOS		Technical LOS	
	Qualitative Description	**Current LOS**	**Technical Metric**	**Current LOS**
Safe & Regulatory	Description of the current condition of municipal facilities and the plans that are in place to maintain or improve the provided level of service	SDG Counties performs assessments on an as needed basis. The last assessment was completed in 2018 by an external consultant. The 2018 assessment procedures and documentation were conducted in general accordance with the ASTM E-2018-15 and were rated using FCI. Buildings are repaired as needed based on deficiencies identified.	% of facility assets at moderate to very low risk of failure	24%
			% of facility assets at high or very high risk of failure	76%
			% of facilities that are in fair or better condition	68%
			% of facilities that are in poor or very poor condition	32%

Service Attribute	Community LOS		Technical LOS	
	Qualitative Description	Current LOS	Technical Metric	Current LOS
Sustainability	Description of the lifecycle activities (maintenance, rehabilitation and replacement) performed on municipal facilities	•Annual servicing of overhead doors. HVAC, mechanical, and civil infrastructure maintained on as needed basis. Fire and elevator systems have scheduled testing and maintenance. •Maintenance triggered by JHSC inspections or equipment failure. •Typical rehabilitation strategies of buildings include roof, HVAC system, parking lot, window, and interior renovation and remodeling. •Rehabilitation is completed based on budget approval. •Replacement is considered when an asset's condition has deteriorated significantly, and maintenance and rehabilitation is no longer cost-effective. •Assets critical to the continuation of government, and ability to provide essential services are prioritized.	Current Reinvestment Rate	0.70%

Proposed Levels of Service

The current condition for SDG Counties' buildings is Fair (40%). This is primarily due to the condition of the patrol yards. The 10-year capital plan includes full replacement of three patrol yards and a major rehabilitation of the remaining yard. The current reinvestment rate is 0.7% of asset replacement value. To achieve the proposed condition targets and ensure ongoing sustainability, the target reinvestment rate is 5.6%.
The following 10-year capital forecast outlines the planned investments required to bring all facilities to the proposed level of service and maintain them in good condition.

The annual capital requirement represents the average amount per year that SDG Counties should allocate towards funding rehabilitation and replacement needs. These projections are generated in Citywide and rely on the data available in the asset register, which is limited to asset age, replacement cost, and useful life.



Machinery & Equipment

Machinery & equipment enables SDG Counties to maintain infrastructure and deliver services. This includes heavy machinery and maintenance equipment for operational needs and light-duty equipment for landscaping and general maintenance needs.

Asset Inventory & Replacement Cost

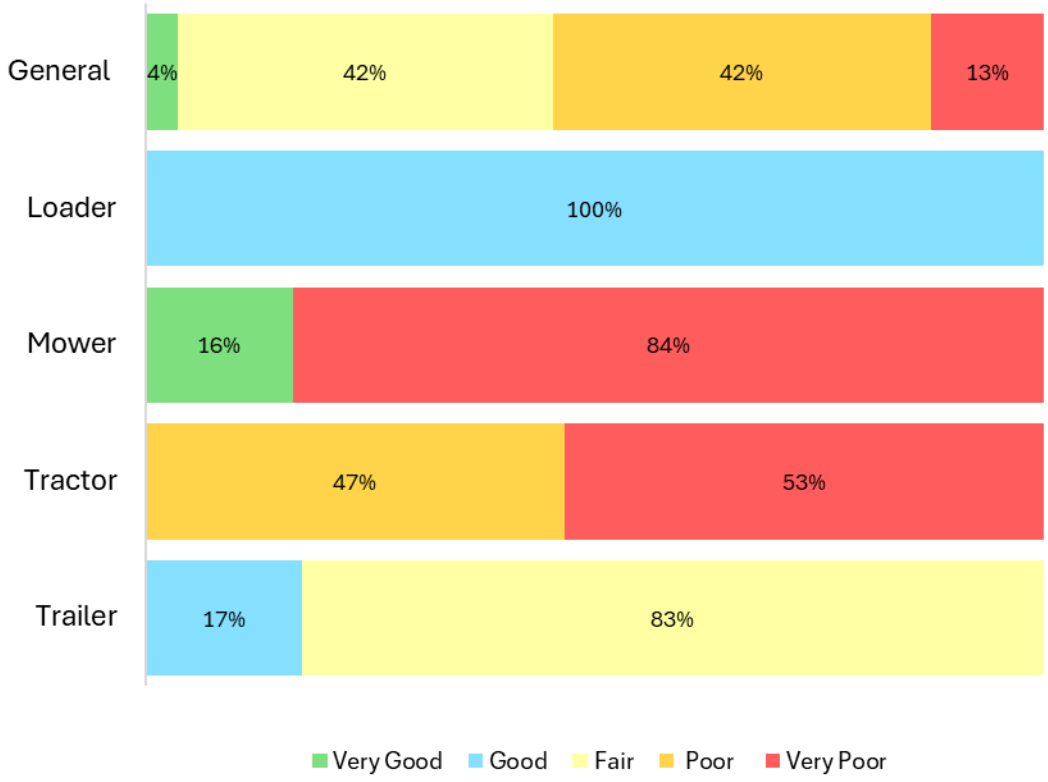
The table below includes the quantity, replacement cost method and total replacement cost of each asset segment in SDG Counties' machinery & equipment inventory.

Asset Segment	Quantity	Replacement Cost Method	Replacement Cost
General	12	User Defined	$ 594,516
Loader	4	User Defined	$ 1,057,841
Mower	21	User Defined	$ 332,195
Tractor	8	User Defined	$ 600,000
Trailer	8	User Defined	$ 88,400
			$ 2,672,952

Asset Condition, Age & Useful Life

The table below identifies the current average condition, average age, and estimated useful life for each asset segment.

Asset Segment	Average Condition	Estimated Useful Life (Years)	Average Age (Years)
General	33% (Poor)	Various	16.3
Loader	61% (Good)	12	7.3
Mower	23% (Very Poor)	4	5.7
Tractor	18% (Very Poor)	5	16.5
Trailer	48% (Poor)	21	24.5
	40% (Fair)		**12.7**



Current Approach to Condition Assessment

In this AMP, the following rating criteria are used to determine the current condition of machinery & equipment and forecast future requirements.

Condition	Rating
Very Good	80 – 100
Good	60 – 80
Fair	40 – 60
Poor	20 – 40
Very Poor	0 – 20

Lifecycle Management Strategy

The following outlines SDG Counties' current lifecycle management strategy for machinery & equipment:

Maintenance / Rehabilitation / Replacement

- Routine maintenance activities include inspections, minor repairs, and services.
- Maintenance is triggered by inspections identifying safety and mechanical issues.
- Rebuild or replacement of equipment components are considered when feasible.
- All machinery and equipment receive the same prioritization when replacements are required. Replacements are based on a schedule that is forecasted 10 years into future.

Risk Analysis

The following risk matrix provides a visual representation of the risk rating determined for buildings based on the following risk rating criteria:

Probability of Failure	Consequence of Failure
Condition	Historical Cost (Economic)

The matrix stratifies assets based on their individual probability and consequences of failure, scored from 1 to 5. The risk index ranges from 1-25. Assets with the highest criticality and likelihood of failure receive a risk rating of 25; those with lowest probability of failure and lowest criticality carry a risk rating of 1.

Current Levels of Service

The following table identifies SDG Counties current level of service for Machinery & Equipment. These metrics include the technical and community levels of service defined in the 2024 asset management plan for non-core assets.

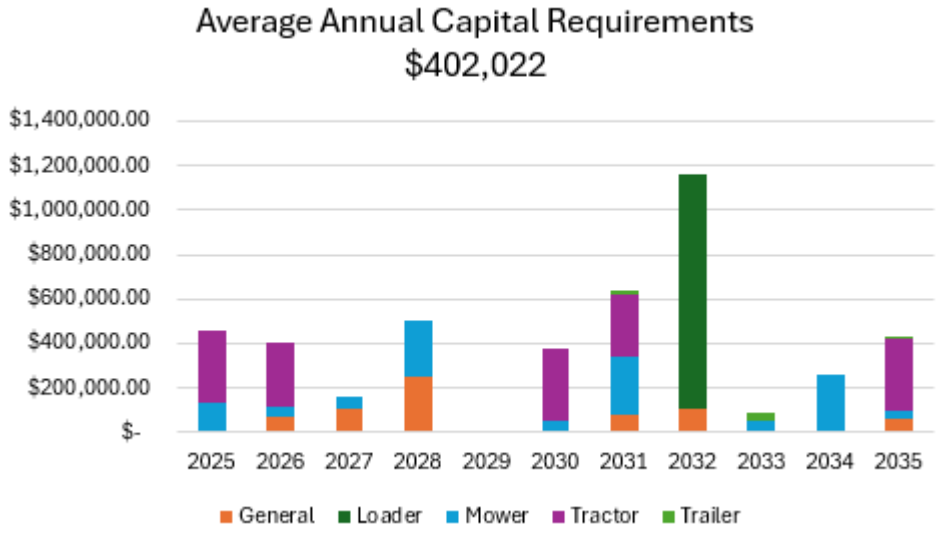
Service Attribute	Community LOS		Technical LOS	
	Qualitative Description	**Current LOS**	**Technical Metric**	**Current LOS**
Safe & Regulatory	Description of the current condition of vehicles and the plans that are in place to maintain or improve the provided level of service	SDG Counties current approach involves an annual safety performed on heavy machinery and inspections performed on all other equipment during routine maintenance (i.e. oil changes / greasing). Daily circle check inspections are also completed on all machinery and equipment before use.	% of machinery & equipment at moderate to very low risk of failure	60%
			% of machinery & equipment assets at high or very high risk of failure	40%
			% of machinery & equipment that are in fair or better condition	55%
			% of machinery & equipment that are in poor or very poor condition	45%

Service Attribute	Community LOS		Technical LOS	
	Qualitative Description	Current LOS	Technical Metric	Current LOS
Sustainability	Description of the lifecycle activities (maintenance, rehabilitation and replacement) performed on machinery & equipment	•Routine maintenance activities include inspections, minor repairs, and services. •Maintenance is triggered by inspections identifying safety and mechanical issues. •Rebuild or replacement of equipment components are considered when feasible. •All machinery and equipment receive the same prioritization when replacements are required. Replacements are based on a schedule that is forecasted 10 years into future.	Current Reinvestment Rate	2.20%

Proposed Levels of Service

The proposed level of service for machinery and equipment is to maintain 75% of assets in the moderate to very low risk of failure (current: 60%) and limit 25% of assets to the high or very high risk of failure (current: 40%). In terms of condition, the proposed level of service is to have 75% of assets in fair or better condition (current: 55%) and no more than 25% in poor to very poor condition (current: 45%). The current reinvestment rate is 2.2%. To meet the proposed service levels and ensure equipment reliability, the target reinvestment rate is 15.0%.

The following 10-year capital forecast outlines the planned investments required to reach and sustain the proposed service levels. These projections are generated in Citywide and rely on the data available in the asset register, which is limited to asset age, replacement cost, and useful life.



Vehicles

Vehicles enable staff to efficiently deliver municipal services. SDG Counties' vehicles are mainly used for public works operations or administrative purposes.

Asset Inventory & Replacement Cost

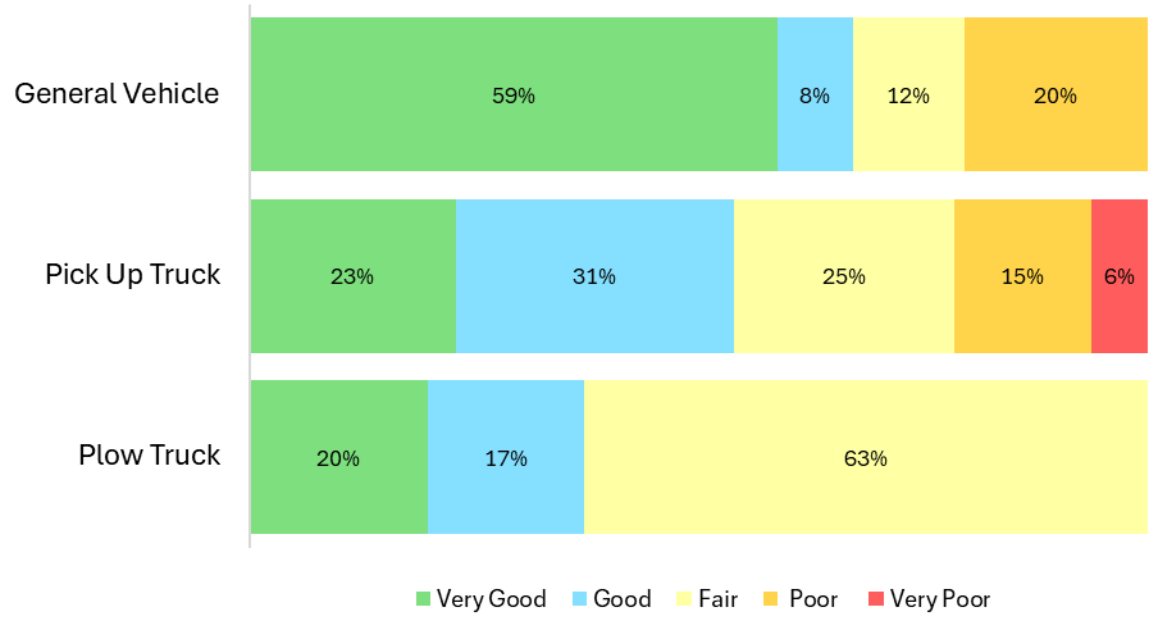
The table below includes the quantity, replacement cost method and total replacement cost of each asset segment in SDG Counties' vehicle inventory.

Asset Segment	Quantity	Replacement Cost Method	Replacement Cost
General Vehicle	8	User Defined	$ 885,000
Pick Up Truck	37	User Defined	$ 2,400,000
Plow Truck	23	User Defined	$ 9,560,000
			$ 12,845,000

Asset Condition, Age & Useful Life

The table below identifies the current average condition, average age, and estimated useful life for each asset segment.

Asset Segment	Average Condition	Estimated Useful Life (Years)	Average Age (Years)
General Vehicle	72% (Good)	8	7.3
Pick Up Truck	56% (Fair)	7	7.3
Plow Truck	56% (Fair)	14	11.4
	57% (Fair)		**8.5**



Current Approach to Condition Assessment

In this AMP, the following rating criteria is used to determine the current condition of vehicles and forecast future requirements.

Condition	Rating
Very Good	80 – 100
Good	60 – 80
Fair	40 – 60
Poor	20 – 40
Very Poor	0 – 20

Lifecycle Management Strategy

The following outlines SDG Counties' current lifecycle management strategy for vehicles:

Maintenance / Rehabilitation / Replacement

- Routine maintenance activities include inspections, minor repairs, and services.
- Maintenance is triggered by inspections identifying safety and mechanical issues.
- Rebuild or replacement of vehicles or components when feasible.
- All vehicles receive the same prioritization when replacements are required. Replacements are based on a schedule that is forecasted 10 years into future.

Risk Analysis

The following risk matrix provides a visual representation of the risk rating determined for buildings based on the following risk rating criteria:

Probability of Failure	Consequence of Failure
Condition	Historical Cost (Economic)

The matrix stratifies assets based on their individual probability and consequence of failure, scored from 1 to 5. The risk index ranges from 1-25. Assets with the highest criticality and likelihood of failure receive a risk rating of 25; those with lowest probability of failure and lowest criticality carry a risk rating of 1.

Current Levels of Service

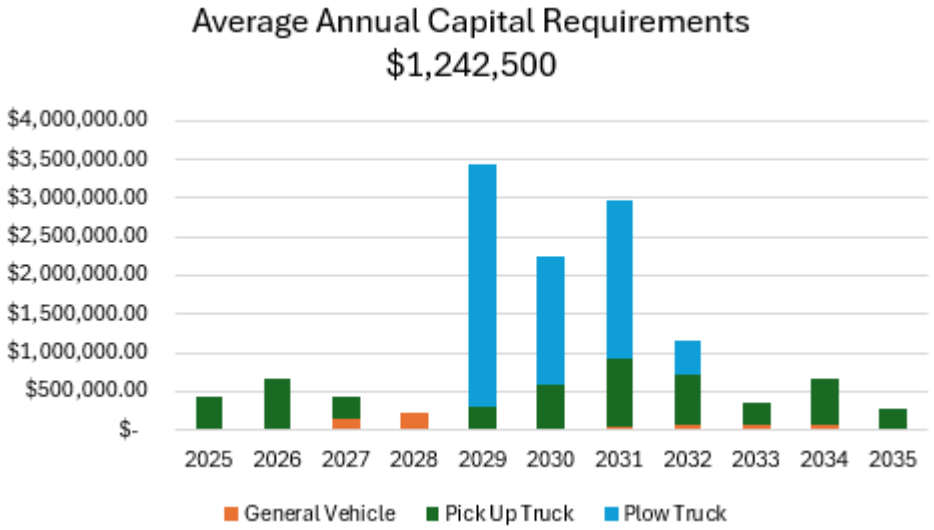
The following table identifies SDG Counties current level of service for vehicles. These metrics include the technical and community levels of service defined in the 2024 asset management plan for non-core assets.

Service Attribute	Community LOS		Technical LOS	
	Qualitative Description	**Current LOS**	**Technical Metric**	**Current LOS**
Safe & Regulatory	Description of the current condition of vehicles and the plans that are in place to maintain or improve the provided level of service	SDG Counties current approach involves an annual safety performed on heavy duty vehicles and inspections performed on all other vehicles during routine maintenance (i.e. oil changes / greasing). Daily circle check inspections are also completed on all vehicles before use.	% of vehicles at moderate to very low risk of failure	100%
			% of vehicles assets at high or very high risk of failure	0%
			% of vehicles that are in fair or better condition	95%
			% of vehicles that are in poor or very poor condition	5%
Sustainability	Description of the lifecycle activities (maintenance, rehabilitation and replacement) performed on vehicles	•Routine maintenance activities include inspections, minor repairs, and services. •Maintenance is triggered by inspections identifying safety and mechanical issues. •Rebuild or replacement of vehicles or components when feasible. •All vehicles receive the same prioritization when replacements are required. Replacements are based on a schedule that is forecasted 10 years into future.	Current Reinvestment Rate	6.70%

Proposed Levels of Service

The proposed level of service for vehicles is to maintain 75% of assets in the moderate to low risk of failure category (current: 100%) and limit 25% of assets to the high to very high risk of failure category (current: 0%). In terms of condition, the proposed level of service is to have 75% of assets in fair or better condition (current: 95%) and no more than 25% in poor to very poor condition (current: 5%). The current reinvestment rate is 6.7%. To sustain fleet performance and meet service delivery needs, the target reinvestment rate is 9.7%.

The following 10-year capital forecast outlines the planned investments required to reach and maintain the proposed service levels. The annual capital requirement represents the average amount per year that SDG Counties should allocate towards funding rehabilitation and replacement needs. These projections are generated in Citywide and rely on the data available in the asset register, which is limited to asset age, replacement cost, and useful life.



Strategies

Growth

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

United Counties of Stormont, Dundas, and Glengarry Official Plan

SDG Counties adopted an Official Plan to guide development within SDG Counties between the years of 2017 and 2037. The policies included in the Official Plan are consistent with the Provincial Policy Statement and do not conflict with Provincial Plans. Such policies are intended to encourage new development that does not add additional financial burden on SDG Counties and will balance the costs of providing necessary additional municipal services, facilities, and infrastructure.

The Official Plan was adopted on July 17th, 2017, and approved on February 4th, 2018.

SDG is located in the southeast corner of Ontario, bounded on the east by the Province of Quebec, on the west by SDG Counties of Leeds and Grenville, to the North by United Counties of Prescott and Russell, and to the south by the United States of America. The Official Plan establishes a policy-driven framework for land use planning for the County and its six municipalities while considering the social, economic, and natural environment. A moderate population growth is expected in SDG Counties due to their strategic location and competitive industrial development market.

Much of the growth and development will be directed to settlement areas while supporting the viability of the rural area. Within rural lands, uses will be primarily resource or resource based. Emphasis will be placed on intensification and redevelopment in settlement areas before considering settlement area expansion. The policies in the Official Plan also consider the need to balance population growth with employment opportunities by ensuring County Council encourages economic development and promotes the County as a desirable location for new business development.

A growth management study prepared by Watson & Associates indicates that SDG Counties accounted for 54% of the total population growth in the regional area between 2001 and 2021. This study also outlines the forecast permanent population scenario from 2021 to 2051, with a low scenario of 0.45% and a high scenario of 0.9% annual growth rates.

The table below outlines the population and employment forecasts allocated to SDG Counties from Census data.

	2011	2016	2021
Historical & Forecasted Population	111,164	113,429	114,637
Historical & Forecasted Employment	N/A	61,220	91,320

Impact of Growth on Lifecycle Activities

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

Financial Strategy

Each year, SDG Counties makes significant investments to maintain, renew, rehabilitate, and replace its infrastructure, helping ensure assets remain in good condition. However, the demand for investment often exceeds the available financial resources. Like many municipalities, SDG Counties faces an ongoing infrastructure funding gap. Achieving full, sustainable funding for infrastructure will require a long-term, gradual approach to minimize the financial impact on the community.

This financial strategy focuses on SDG Counties' current asset portfolio and is based on two key factors: the average annual capital investment required, and the typical annual funding available for capital projects. The annual capital requirements are calculated using the replacement cost of each asset, its expected service life, and the proposed level of service. These values are determined for individual assets and then summarized by asset category.

Available annual funding is based on revenues consistently allocated to capital. For SDG Counties, projections are based on approved 2025 funding levels. Only stable and predictable funding sources are considered when estimating annual capital funding. These include:

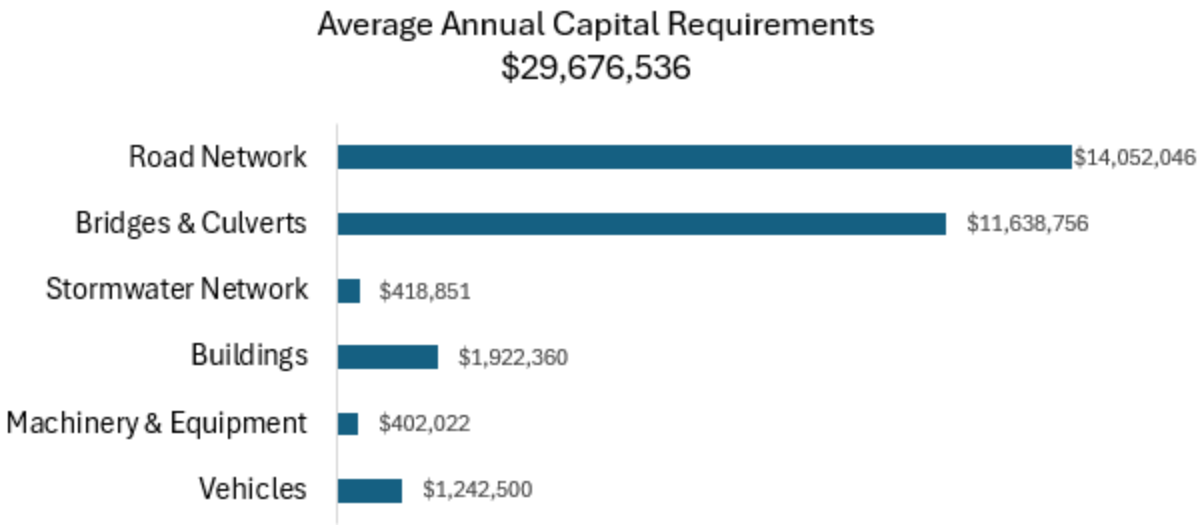
- Tax revenues allocated to capital
- The Canada Community Building Fund (CCBF)
- The Ontario Community Infrastructure Fund (OCIF)

While federal and provincial infrastructure programs may evolve, CCBF and OCIF are treated as ongoing and reliable sources of funding.

Annual Requirements & Capital Funding

Average Annual Requirements

The average annual requirements represent the amount SDG Counties should allocate annually to each asset category to meet replacement needs as they arise, prevent infrastructure backlogs and achieve long-term sustainability. In total, SDG Counties must allocate approximately $29.7 million annually to address capital requirements for the assets included in this AMP.



For most asset categories the annual requirement has been calculated based on a replacement only scenario, in which capital costs are only incurred at the construction and replacement of each asset.

Current Funding Level

SDG Counties are committing approximately $18.4 million towards capital projects per year. At existing levels, SDG Counties is funding 62% of its annual capital requirements. This creates a total annual funding deficit of $11.3 million.

Asset Category	Average Annual Requirement	Annual Funding Available	Annual Funding Deficit
Road Network	$ 14,052,046	$ 13,052,000	$ 1,000,046
Bridges & Culverts	$ 11,638,756	$ 4,040,000	$ 7,598,756
Stormwater Network	$ 418,851	$ 150,000	$ 268,851
Buildings	$ 1,922,360	$ 255,000	$ 1,667,360
Machinery & Equipment	$ 402,022	$ 60,000	$ 342,022
Vehicles	$ 1,242,500	$ 861,000	$ 381,500
Total	**$ 29,676,536**	**$ 18,418,000**	**$ 11,258,536**

Closing the Gap

Eliminating the annual deficit is a long-term challenge for municipalities. Considering SDG Counties financial position, achieving full funding for existing assets will take many years. This section outlines a strategy for closing the annual funding deficit with property taxes. Funding 100% of annual capital requirements ensures that major capital projects are completed as required. Under this scenario projects are unlikely to be deferred to future years. This delivers the proposed level of service.

Full Funding Requirements

The 2025 budget includes $61,793,108 in tax revenue. Without consideration of any other sources of revenue, full funding would require an 18.2% tax increase to meet the average annual capital requirement. Phasing in this increase over a shorter period would place too high of a burden on taxpayers; however, an extended phase-in may see continued deterioration of infrastructure leading the larger backlogs. The scenarios below use phase-in periods ranging from five to ten years.

Phase-In Period	5 Years	7 Years	10 Years
% Increase in Annual Taxation	3.6%	2.6%	1.8%

Financial Strategy Recommendations

Considering the above phase-in periods, the recommended financial strategy utilizes a 7-year phase-in period; meaning the average annual capital requirement would be achieved over a 7-year period (2032).

Although this option achieves full funding of the average annual capital requirement in 7 years, the recommendations do require prioritizing capital projects to fit the resulting annual funding available.

Use of Reserves

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

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

These are the balances currently available in reserves for use by applicable asset categories during the phase in period to full funding. The ending balance is December 31, 2024.

Applicable AMP Category	Reserve Balance
Bridges & Culverts	$ 3,224,642
Stormwater Network	$ 120,000
Facilities	$ 1,309,729
Vehicles, Machinery & Equipment	$ 615,781
Total	$ 16,899,624

Use of Debt

Debt can serve as a strategic financial tool within the financial strategy. When applied prudently, debt financing can help close funding gaps and support the timely delivery of critical infrastructure projects. The strategic use of debt offers several benefits:

- Equitable Cost Distribution: Debt allows the cost of infrastructure to be spread over its useful life, ensuring that both current and future users contribute to the asset's funding.
- Reliable Funding Source: Debt provides a secure and predictable source of capital, enabling SDG Counties to proceed with essential projects without waiting for full cash reserves.
- Cash Flow Flexibility: Leveraging debt can help manage cash flow effectively, reducing pressure on operating budgets and reserves during periods of significant capital investment.

As of December 31, 2024, SDG Counties has no outstanding debt, which positions SDG Counties favorably to consider debt as a viable option for future infrastructure needs. This debt-free status provides flexibility to leverage borrowing capacity for large-scale projects that align with long-term strategic priorities.

When contemplating the use of debt, SDG Counties should consider adopting a Debt Management Policy that includes:

- Clear Limitations: Establishing maximum debt thresholds.
- Monitoring and Reporting: Implementing regular reviews of debt levels, repayment schedules, and compliance with policy limits.
- Risk Management: Assessing interest rate risks, repayment capacity, and the impact on future budgets.
- Alignment with Asset Management Goals: Ensuring debt financing supports sustainable service delivery and long-term financial health.

By incorporating these practices, SDG Counties can maintain fiscal responsibility while leveraging debt strategically to support infrastructure renewal and growth.

10-Year Financial Plan

The 10-year financial plan is designed to achieve sustainable funding levels for tax-funded assets over the long term. The table below outlines a 10-year capital projection for each asset category, alongside proposed funding based on an annual 2.6% increase over a 7-year period. This approach aims to gradually close the funding gap while maintaining affordability for taxpayers.

Asset Category	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Road Network	$ 18,881,261	$ 18,076,201	$ 13,089,321	$ 13,847,581	$ 11,817,881	$ 9,536,481	$ 10,407,681	$ 14,954,687	$ 14,954,687	$ 14,954,687
Bridges & Culverts	11,463,883	16,643,398	25,456,030	4,295,014	8,547,926	18,059,591	2,169,810	19,943,319	3,938,368	5,870,222
Stormwater Network	352,211	352,211	352,211	408,003	363,011	772,945	352,211	352,211	515,083	368,411
Buildings	512,360	512,360	12,512,360	812,360	812,360	812,360	812,360	812,360	812,360	812,360
Machinery & Equipment	400,000	158,875	507,631	-	374,564	637,405	1,162,152	87,564	257,631	434,400
Vehicles	665,000	425,000	225,000	3,440,000	2,240,000	2,965,000	1,155,000	365,000	660,000	285,000
Total	**$ 32,274,715**	**$ 36,168,045**	**$ 52,142,553**	**$ 22,802,958**	**$ 24,155,742**	**$ 32,783,782**	**$ 16,059,214**	**$ 36,515,141**	**$ 21,138,129**	**$ 22,725,080**
Proposed Funding	20,026,362	21,634,724	23,243,087	24,851,449	26,459,811	28,068,173	29,676,536	29,676,536	29,676,536	29,676,536

Strategic Approach to Funding Gaps

The 10-year financial plan demonstrates the need for additional funding and provides a strategy to increase tax-based contributions in a manner that is responsible and sustainable, avoiding sudden rate increases that could negatively impact taxpayers or infrastructure renewal.

While the goal is to increase average annual funding over the next seven years, there will be years where projected capital requirements exceed available funding. In these cases, SDG Counties will consider the following strategies:

1. Shifting Priorities: Deferring projects or asset replacements that are not high-priority or do not pose immediate service risks. This ensures that limited resources are allocated to critical infrastructure needs.
2. Review of Grants and External Funding: Actively monitoring and applying for available funding opportunities. This includes regular streams such as Ontario Community Infrastructure Fund (OCIF) and Canada Community-Building Fund (CCBF), as well as one-time grants for specific projects.
3. Use of Reserves: Drawing from established reserves to address short-term funding shortfalls, while maintaining minimum reserve balances for financial stability.
4. Consideration of Debt Financing: Utilizing debt strategically for large-scale projects where spreading costs over the asset's useful life is appropriate. This approach ensures intergenerational equity and supports timely infrastructure delivery.

Plan Review and Adaptation

The financial plan is not static. It should be reviewed and updated regularly to reflect:

- Changes in capital requirements due to asset condition assessments or growth needs.
- Variations in funding availability, including tax revenues, grants, and reserve balances.
- Economic conditions that may impact borrowing costs or affordability.

By maintaining flexibility and revisiting assumptions, SDG Counties can ensure that the financial strategy remains aligned with long-term asset management objectives and fiscal responsibility.

Conclusions & Recommendations

For SDG Counties to achieve the proposed levels of service identified for the asset categories, the funding gap and the quality of asset data that informs long-term planning must be continually addressed. The following recommendations are grouped into two key focus areas:

1. Financial Sustainability & Funding Strategy

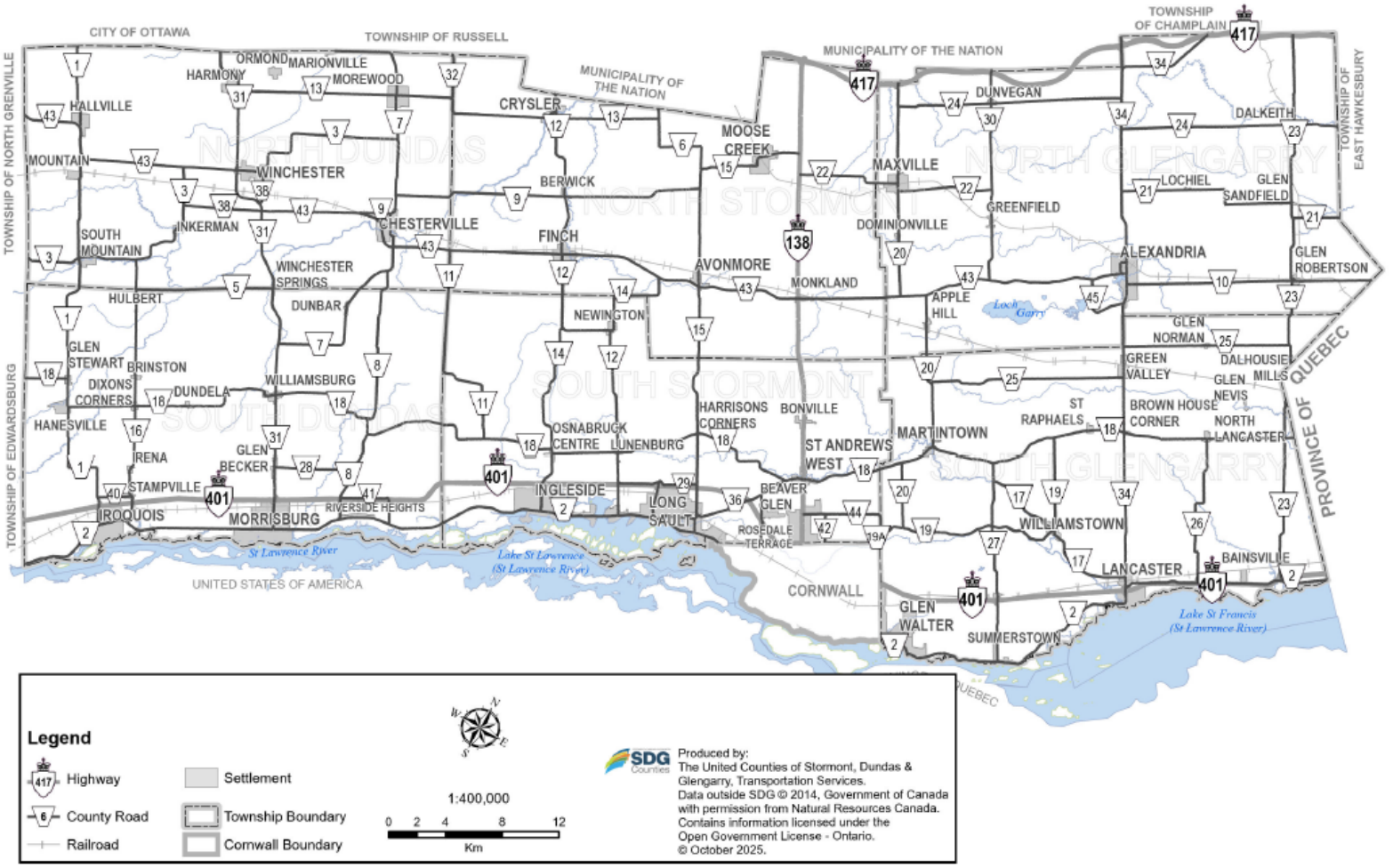
- Review feasibility of adopting a full-funding scenario that achieves 100% of average annual requirement. This involves implementing an additional 2.6% annual tax increase over a 7-year phase- in period, with all incremental revenue allocated to capital expenditures.
- Consider increasing capital budgets annually by the applicable inflation index, in addition to full-funding increases, to keep pace with escalating construction costs.
- Continued allocation of OCIF and CCBF funding toward capital projects and actively pursuing additional grants, partnerships, and government funding opportunities.
- Strategic use of reserves and debt financing for large capital projects to distribute costs over the asset's useful life, ensuring intergenerational equity and reducing immediate burden on the tax rate.

2. Asset Data

- Update replacement costs regularly using recent projects, invoices, or estimates, as well as condition assessments and technical studies.
- Continue to review and validate asset data and assessed condition data upon the completion of studies and inspections.
- Refine lifecycle models to improve the accuracy of intervention timing, cost estimates, and expected outcomes.
- Monitor growth patterns, climate change impacts, and economic conditions that may influence asset demand and service delivery.

By implementing these recommendations, SDG Counties will maintain compliance with O.Reg. 588/17, strengthen financial sustainability, and ensure that infrastructure investments align with community expectations for reliable service delivery.

Appendix A – SDG Counties Road Network



United Counties of
Stormont, Dundas & Glengarry

RESOLUTION

MOVED BY Jamie Broad **RESOLUTION NO 2025-** 177

SECONDED BY Martin **DATE** December 15, 2025

THAT the Council of the United Counties of Stormont, Dundas and Glengarry adopt the SDG Counties 2025 Asset Management Plan, dated December 15, 2025.

☑ CARRIED ☐ DEFEATED ☐ DEFERRED

Landry
WARDEN

Recorded Vote:	
Councillor Bergeron	___
Councillor Broad	___
Councillor Densham	___
Councillor Fraser	___
Councillor Guindon	___
Councillor Landry	___
Councillor MacDonald	___
Councillor McDonald	___
Councillor McGillis	___
Councillor St. Pierre	___
Councillor Williams	___
Warden Lang	___