



Long-Term Financial Plan

Township of South Stormont

Final Report

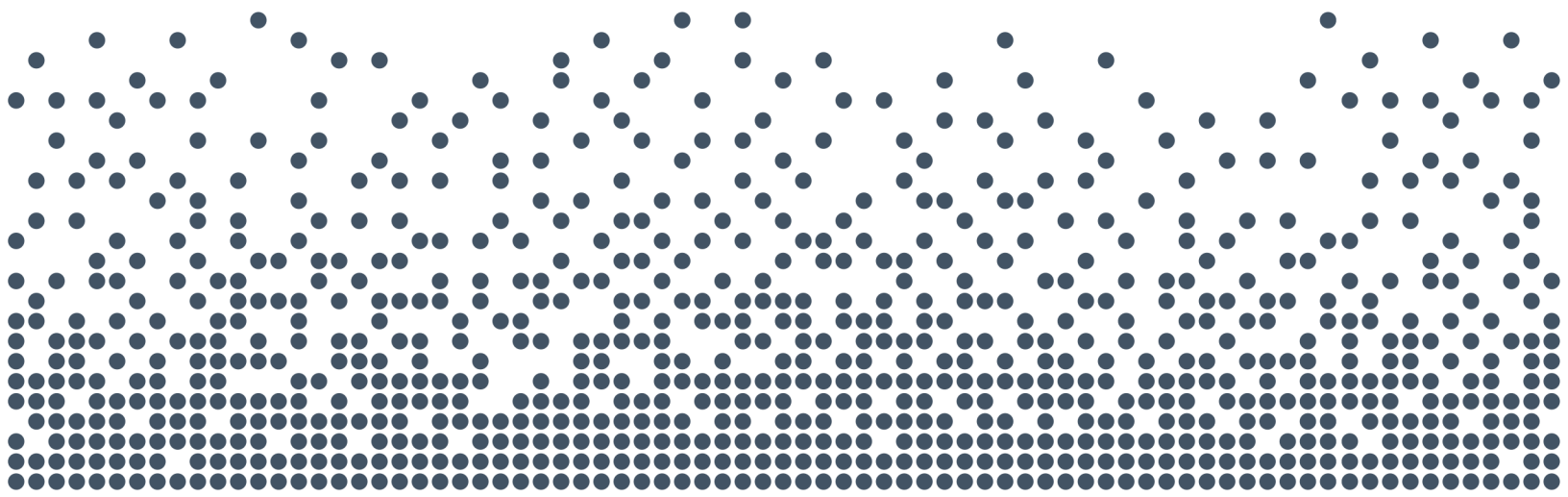
July 23, 2024

Watson & Associates Economists Ltd.
905-272-3600
info@watsonecon.ca



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Report



Chapter 1

Introduction



1. Introduction

The main objective of a long-term financial plan (LTFP) is to assess a municipality's overall financial condition and existing financial policies to formulate an approach that allows the municipality to continue to delivery services over time in a manner that is fiscally sustainable and affordable. In addition, the plan should provide a sufficiently documented framework to enable continual improvement and updates of the plan, thus ensuring its relevancy well into the future.

The Township of South Stormont (Township) retained Watson & Associates Economists Ltd. (Watson) to assist with the development of a LTFP, which will serve as a tool for the Township to measure and optimize financial planning outcomes over a 10-year forecast horizon covering fiscal years 2024 to 2033. Alongside the development of the LTFP, Watson also assisted with the development of a comprehensive financial model that will enable the Township to analyze the impacts of changes in growth, capital requirements, and operating cost pressures on the Township's tax and user rates, debt funding requirements in relation to its debt utilization capacity, and reserves/reserve fund (R&RFs) sustainability. Furthermore, key performance indicators have been utilized to assess the affordability of the LTFP for existing and new residents.

1.1 Key Model Inputs

The comprehensive financial model, which was utilized in the preparation of the LTFP presented in this report, is based on the following key inputs:

- Anticipated residential and non-residential development and its impact on current value assessment and weighted assessment projections (please refer to Chapter 2);
- Forecast capital expenditure requirements for existing and growth-related infrastructure as the Township develops (please refer to Chapter 3);
- Capital funding requirements and analysis of capital funding sources (please refer to Chapter 3); and
- Projections of operating expenditures due to anticipated development and incremental infrastructure requirements (please refer to Chapter 4);



1.2 Study Process

The development of the LTFP and comprehensive financial model was guided by consultations with various Township staff members throughout the study process to formulate a plan and model that are customized to the financial realities of the Township. This approach also ensured appropriate lines-of-sight with the Township's key programs and initiatives. These key points of engagement were vital in assessing background studies and plans, developing and testing model assumptions, and evaluating the reasonability of model outputs. Table 1-1 summarizes the steps undertaken to complete this study and key points of engagement.

Table 1-1
Study Process Steps and Key Points of Engagement

Study Process Steps	Key Points of Engagement
1. Project initiation	Meeting to review Watson's understanding of key insights and assumptions (February 23, 2024)
2. Background Data Collection and Review	
3. LTFP Model Development Workshops	Workshop to seek input into strategic direction and to develop model specifications (April 22, 2024)
4. Development Assumptions	Meeting to review amount, type and pace of anticipated development and underlying market property assessment estimates (April 22, 2024)
5. Long-Term Capital Program	Workshops with individual service areas to seek input into capital program assumptions and operating forecasts (May 8, 2024 & May 10, 2024)
6. Operating Budget Implications	
7. Financial Impacts	Meetings to present draft findings for each scenario and seek input into potential revisions (June 25, 2024 and July 8, 2024)
8. LTFP Draft Report and Presentation to Council	Delivery of LTFP report (July 16, 2024) and presentation to Council (July 17, 2024)



Study Process Steps	Key Points of Engagement
9. Final LTFP Report and Model Orientation	July/August 2024

1.3 Long-Term Financial Planning Methodology

The methodology undertaken to complete the LTFP is described below. A schematic overview is illustrated in Figure 1-1.

- Blue Boxes – denote the anticipated development within the Township based on the United Counties of Stormont, Dundas, and Glengarry (SDG) Growth Management Strategy (GMS) and review with staff. Moreover, the types of residential and non-residential development were forecast to include
 - Residential – Low-density (single-detached and semi-detached), medium-density, and high-density units
 - Non-Residential – Industrial (including the Long Sault Logistics Village (LSLV)), commercial, and institutional development
- Purple Boxes – denote the Township’s capital infrastructure requirements. The capital requirements to support the increase in servicing needs due to anticipated development (i.e., growth-related capital) were based on the Township’s 2024 Master Servicing Plan, 2022 Development Charges Background Study, 2021 Waterfront Master Plan, and further validated with input from various departmental staff. The capital requirements to maintain existing infrastructure were based on the Township’s 2023 Building Condition Assessments, 2022 Asset Management Plan, 2021 Roads Needs Study, and various other service-area specific master planning studies. These non-growth-related capital needs were also further refined and validated through staff input. The resultant capital needs and timing are summarized in Section 3.1 of this report. Financing methods for funding the capital requirements are described in Sections 3.2 and 3.3. The use of debt as a financing source is measured relative to the Township’s legislated borrowing capacity assess the annual repayment limit impacts. To ensure sustainability of R&RFs, the LTFP and model have



incorporated a recommended minimum threshold for the Township's capital lifecycle R&RFs.

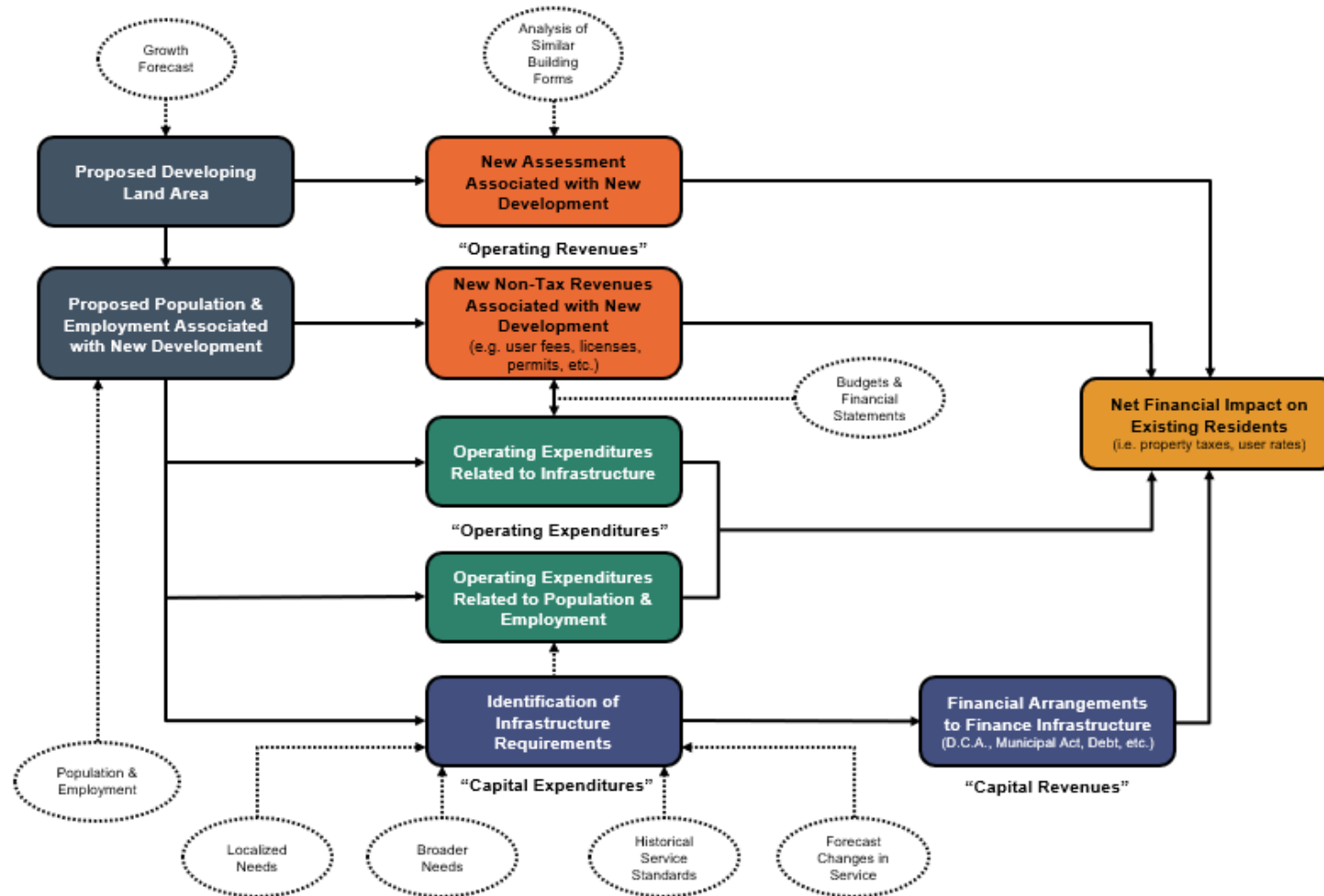
- Green Boxes – denote the additional operating expenditures anticipated over the forecast period. These costs have been assessed based on:
 - incremental operating costs to maintain additional growth-related infrastructure; and
 - incremental operating costs related to the increase in service/program demands due to population and employment growth.

The former identifies the specific operating costs anticipated to be incurred as additional infrastructure (e.g., underground water and wastewater infrastructure, facilities, roads and related assets, etc.) is constructed, purchased or assumed. The latter identifies service and/or program expenditures which are linked to growth in population and employment.

- Orange Boxes – denote incremental property tax revenues and non-tax revenues. Similar to the assessment of operating costs, incremental non-tax operating revenues are assessed in relation to additional growth-related infrastructure and increased service and/or program demand due to growth in population and employment. Additional assessment is anticipated as residential, industrial, commercial, and institutional development occurs over the forecast period. This new assessment gives rise to additional property tax revenue, which has been forecast based on historical market values for comparable development types. For market value assessment purposes, these developments include various types of built form (e.g., low density dwelling units with different lot frontages). The forecast incremental market value assessment was converted to incremental weighted assessment based on the Township's 2024 taxation ratios and current policies.
- Yellow Box – denotes the overall financial impact on the Township's tax levy requirement, rate revenue requirement, and other financial indicators such as debt capacity utilization and reserve/reserve fund sustainability.



Figure 1-1: LTFP Model Development Methodology





1.4 Scenario Analysis

Utilizing the key inputs summarized in Section 1.1, the study process summarized in Section 1.2, and methodology described in Section 1.3, the financial impacts of the following four scenarios were assessed. These scenarios are further illustrated in Figure 1-2.

1. Base Scenario

- a. Growth forecast based on the UCSDG GMS and development of LSLV and Township led development residential lands in Churchill Heights and Ingleside to occur between 2027 to 2035 as currently planned.
- b. Approval of \$21.9 million grant funding from the Housing-Enabling Water Systems Fund (HEWS) for the construction of growth-related water and wastewater infrastructure.

2. Lower Grant Funding Scenario

- a. No change to growth assumptions in Scenario 1
- b. Failure to receive approval for \$21.9 million of HEWS grant funding from for the construction of growth-related water and wastewater infrastructure.

3. Deferred Growth Scenario

- a. Development of LSLV and Township led residential development would occur over a longer time period from 2027 to 2047 in comparison to the base growth forecast in Scenario 1
- b. Approval of \$21.9 million HEWS grant funding for the construction of growth-related water and wastewater infrastructure.

4. Deferred Growth and Lower Grant Funding Scenario

- a. Deferred development of LSLV and Township led residential development as per Scenario 2.
- b. Failure to receive approval for \$21.9 million of HEWS grant funding for the construction of growth-related water and wastewater infrastructure.



Figure 1-2
LTFP Scenarios

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
	Base scenario	Lower grant funding	Deferred growth	Deferred growth and lower grant funding
Anticipated Development	⊖	⊖	⬇	⬇
Grant Funding	⊖	⬇	⊖	⬇



Chapter 2

Anticipated Development



2. Anticipated Development

2.1 Specification of Growth Scenarios

This chapter summarizes the forecast of population, housing, employment, and gross floor area (G.F.A.) in sq.ft. for the Township over the 10-year forecast horizon for each scenario. These forecasts are based on the UCSDG GMS and the Township's 2024 Development Forecast. These inputs were further refined and validated through input from various departmental staff.

Scenarios 1 and 2 – Base Growth Forecast

The growth forecast for scenarios 1 & 2 have been developed based on the UCSDG 2023 GMS and further supplemented with the Township's 2024 Development Forecast to account for updates in anticipated development of the LSLV and the Township led development residential lands in Churchill Heights and Ingleside. The additional development of these residential lands is expected to support the increase in housing demand caused by the development of the LSLV and thus, the timing of these two developments has been aligned in the forecast.

The development of the LSLV is expected to result in approximately 3.2 million of G.F.A. related to industrial, commercial, and institutional development over the 10-year forecast horizon. The development of the LSLV is expected to result in approximately 1 million sq.ft. of G.F.A. between 2027 to 2029 with the remaining 2.2 million sq.ft. of G.F.A. expected to be realized from 2030 to 2033. The development of Township led residential lands is expected to result in 544 additional low, medium, and high-density residential units from 2027 to 2033.

Based on the UCSDG 2023 GMS, the Township's 2024 population has been estimated at 14,150 and is expected to grow to 16,491 residents by 2033, representing an average annualized growth of 1.9%. Similarly, the Township's 2024 total employment has been estimated at 3,831 and is expected to grow to 5,561 employees by 2033, representing an average annualized growth of 4.2%.



Scenarios 3 and 4 – Deferred Growth Forecast

As there is significant upturn in non-residential development activity and demand for residential housing due to the anticipated development of the LSLV, Scenarios 3 and 4 have been prepared to assess financial impacts from a fiscally conservative lens if the size, scope, or timing of this development falls short of current expectations.

In these scenarios, the development of the LSLV is expected to occur over a longer period from 2027 to 2047 resulting in an approximately 48% reduction in LSLV G.F.A. over the 10-year forecast horizon. The timing of Township led development of residential lands has also been slowed commensurately, resulting in a 57% reduction of anticipated development of these units over the 10-year forecast horizon.

The Township's population in these scenarios is expected to grow to 16,067 residents by 2033, representing an average annualized growth of approximately 1.4%. The Township's total employment forecast has also been similarly reduced and is expected to reach 5,091 employees in these scenarios, representing an average annualized growth of approximately 3.2%.

2.2 Residential Growth (Population and Housing), 2024-2033

This section summarizes the residential population and housing growth forecasts for each scenario. This information is also summarized in Table 2-1 and is further illustrated in Figure 2-1 for scenarios 1 and 2 (base growth scenarios) and Table 2-2 and Figure 2-2 for scenarios 3 and 4 (deferred growth scenarios).

2.2.1 Scenarios 1 and 2 – Base Growth Forecast

- The projections for scenarios 1 and 2 result in the addition of 1,221 residential units over the 10-year forecast horizon. These units are distributed by density type as follows:
 - Low Density Units: increase of 864 units by 2033;
 - Medium Density Units: increase of 148 units by 2033; and
 - High Density Units: increase of 209 units by 2033
- The Township's population is expected to increase by 2,630 from 14,150 residents in 2024 to 16,779 residents by 2033, representing an average annualized growth of approximately 1.9%.



2.2.2 Scenarios 3 and 4 – Deferred Growth Forecast

- The projections for scenarios 3 and 4 result in the addition of 910 residential units over the 10-year forecast horizon. These units are distributed by density type as follows:
 - Low Density Units: increase of 678 units by 2033;
 - Medium Density Units: increase of 96 units by 2033; and
 - High Density Units: increase of 136 units by 2033,
- The Township's population is expected to increase by 1,918 from 14,150 residents in 2024 to 16,067 residents by 2033, representing an average annualized growth of approximately 1.4%.



Table 2-1
Population and Residential Development Forecast – Scenarios 1 and 2

RESIDENTIAL		2024 - 2033									
Type of Units	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Number of Units by Type											
Low Density		68	68	68	92	92	92	92	92	99	99
Medium Density		7	7	7	17	17	17	17	17	21	21
High Density		5	5	5	28	28	28	28	28	27	27
Total Units		81	81	81	137	137	137	137	137	148	148
Net Population Increase	Annual	193	193	193	307	307	307	307	307	354	354
	Cumulative	193	386	580	887	1,194	1,501	1,808	2,115	2,469	2,823
Total Population	13,956	14,150	14,343	14,536	14,843	15,150	15,457	15,764	16,071	16,425	16,779

Table 2-2
Population and Residential Development Forecast – Scenarios 3 and 4

RESIDENTIAL		2024 - 2033									
Type of Units	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Number of Units											
Low Density		68	68	68	65	65	65	65	65	73	73
Medium Density		7	7	7	10	10	10	10	10	14	14
High Density		5	5	5	17	17	17	17	17	17	17
Total Units		81	81	81	92	92	92	92	92	104	104
Net Population Increase	Annual	193	193	193	207	207	207	207	207	248	248
	Cumulative	193	386	580	787	994	1,201	1,408	1,615	1,863	2,111
Total Population	13,956	14,150	14,343	14,536	14,743	14,950	15,157	15,365	15,572	15,820	16,067



Figure 2-1: Population and Residential Development Forecast – Scenarios 1 and 2

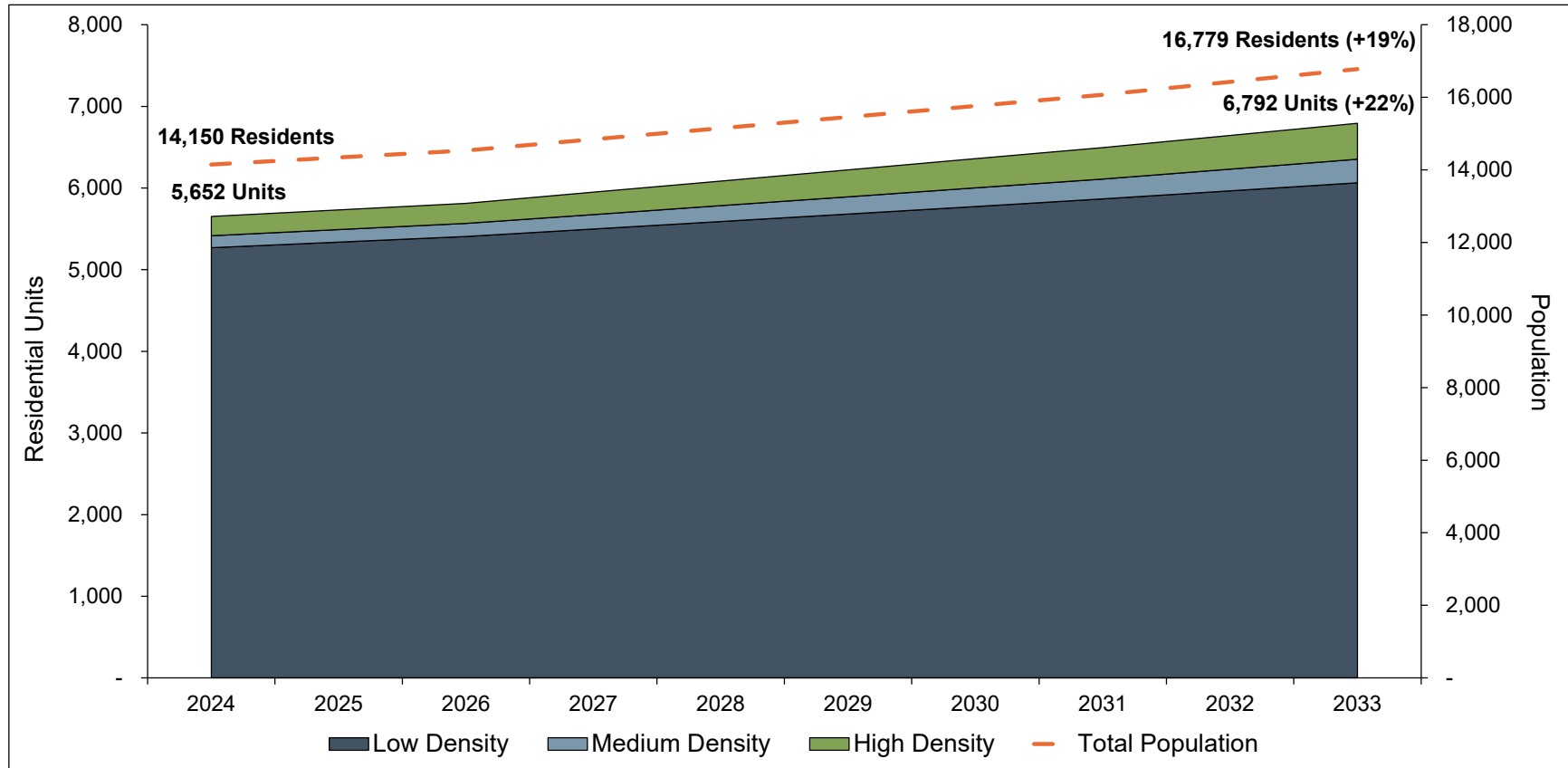
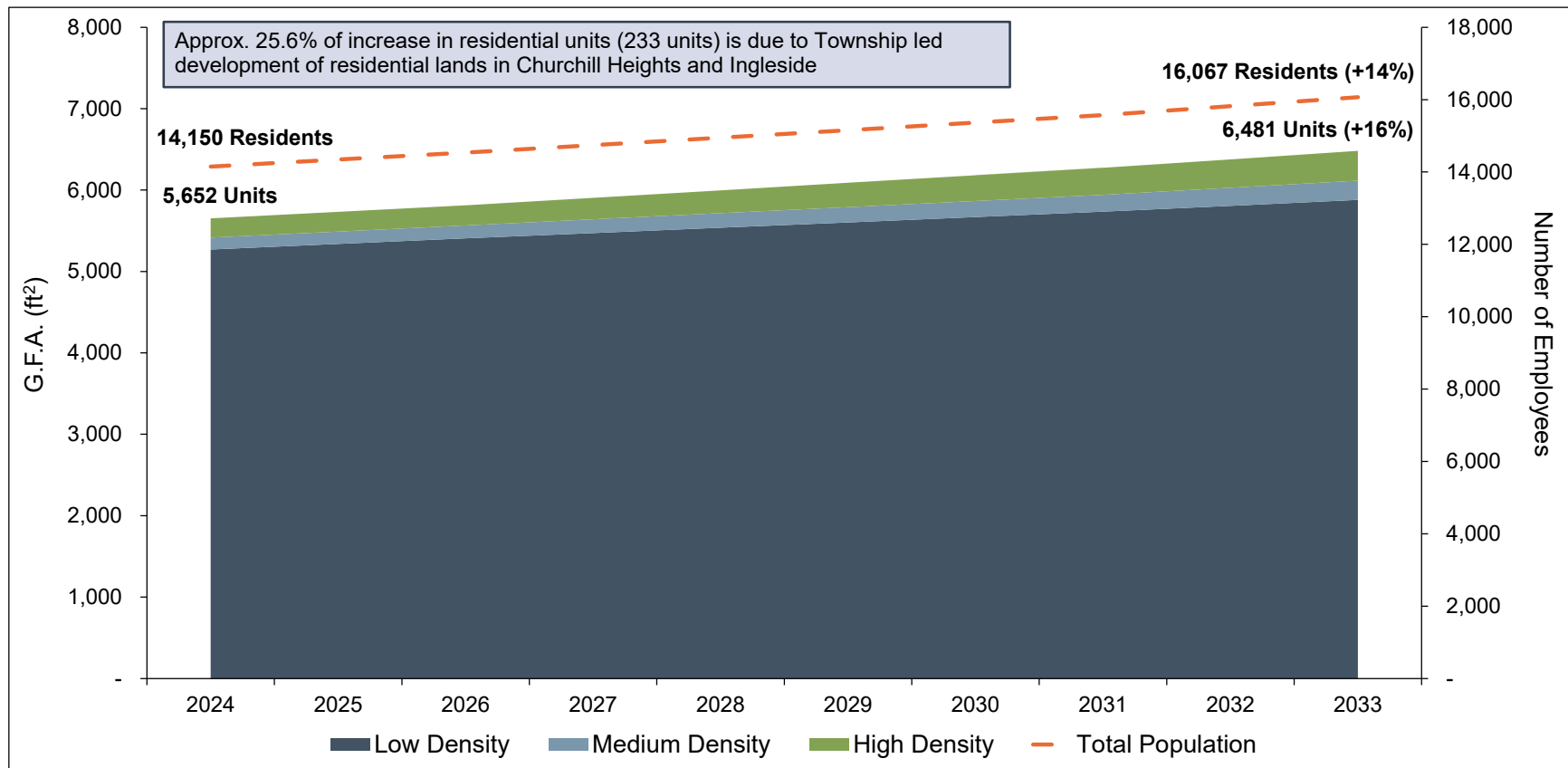




Figure 2-2
Population and Residential Development Forecast – Scenarios 3 and 4





2.3 Non-Residential Growth (Employment and G.F.A.), 2024-2033

This section summarizes the non-residential growth forecasts for each scenario. This information is also summarized in Table 2-3 for scenarios 1 and 2 (base growth scenarios) and Table 2-4 for scenarios 3 and 4 (deferred growth scenarios).

2.3.1 Scenarios 1 and 2 – Base Growth Forecast

- The projections for scenarios 1 and 2 result in the addition of approximately 3.9 million sq.ft. of non-residential development over the 10-year forecast horizon. Approximately 3.2 million sq.ft. (82.1%) of this increase in G.F.A. is attributed to the development of the LSLV. This increase in G.F.A. is distributed by development type as follows:
 - Industrial Development: increase of approximately 1.5 million sq.ft. by 2033. Approximately 950,000 sq.ft. (64.6%) of this increase is attributed to the development of the LSLV.
 - Commercial Development: increase of approximately 2.3 million sq.ft. by 2033. Approximately 2.2 million sq.ft. (95.4%) of this increase is attributed to the development of the Long Sault Logistics Village.
 - Institutional Development: increase of approximately 63,000 sq.ft. by 2033. There is no institutional development expected to be associated with the development of the LSLV.
- The Township's total employment (excluding employees with no fixed place of work or employees who work at home) is expected to increase by 1,730 from 3,831 employees in 2024 to 5,561 employees by 2033, representing an average annualized growth of approximately 4.2%.

2.3.2 Scenarios 3 and 4 – Deferred Growth Forecast

- The projections for scenarios 3 and 4 result in the addition of approximately 2.3 million sq.ft. of non-residential development over the 10-year forecast horizon. Approximately 1.6 million sq.ft. (69.3%) of this increase in G.F.A. is attributed to the development of the LSLV. This increase in G.F.A. is distributed by development type as follows:



- Industrial Development: increase of approximately 1.0 million sq.ft. by 2033. Approximately 468,000 sq.ft. (47.3%) of this increase is attributed to the development of the LSLV.
- Commercial Development: increase of approximately 1.2 million sq.ft. by 2033. Approximately 1.1 million sq.ft. (91.0%) of this increase is attributed to the development of the LSLV.
- Institutional Development: increase of approximately 63,000 sq.ft. by 2033. There is no institutional development expected to be associated with the development of the Long Sault Logistics Village.
- The Township's total employment (excluding employees with no fixed place of work or employees who work at home) is expected to increase by 1,260 from 3,831 employees in 2024 to 5,091 employees by 2033, representing an average annualized growth of approximately 3.2%.



Table 2-3: Employment and Non-residential Development Forecast – Scenarios 1 and 2

NON-RESIDENTIAL										
Type of Development	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Sq.ft. of Development										
Industrial	29,400	29,400	29,400	60,200	60,200	60,200	60,200	60,200	65,800	65,800
Commercial	18,700	18,700	18,700	7,700	7,700	7,700	7,700	7,700	6,600	6,600
Institutional	7,000	7,000	7,000	5,600	5,600	5,600	5,600	5,600	7,000	7,000
Long Sault Logistics Villiage										
LT	-	-	-	33,333	33,333	33,333	54,208	54,208	54,208	54,208
IT	-	-	-	66,667	66,667	66,667	108,417	108,417	108,417	108,417
CT	-	-	-	233,333	233,333	233,334	379,458	379,458	379,458	379,458
Total Sq.ft. of Development	55,100	55,100	55,100	406,833	406,833	406,834	615,583	615,583	621,483	621,483
New Employment	91	91	91	186	186	186	247	247	247	247
	91	182	273	459	646	832	1,079	1,327	1,574	1,821
Total Employment (excl. NFPOW & WAH)	3,831	3,922	4,013	4,199	4,386	4,572	4,819	5,067	5,314	5,561

NFPOW: No Fixed Place of Work; WAH: Work at Home
LTL Large Industrial Tax Class
IT: Industrial Tax Class
CT: Commercial Tax Class



Table 2-4
Employment and Non-residential Development Forecast – Scenarios 3 and 4

NON-RESIDENTIAL										
Type of Development	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Sq.ft. of Development										
Industrial	29,400	29,400	29,400	60,200	60,200	60,200	60,200	60,200	65,800	65,800
Commercial	18,700	18,700	18,700	7,700	7,700	7,700	7,700	7,700	6,600	6,600
Institutional	7,000	7,000	7,000	5,600	5,600	5,600	5,600	5,600	7,000	7,000
Long Sault Logistics Villiage										
LT	-	-	-	22,263	22,263	22,263	22,263	22,263	22,263	22,263
IT	-	-	-	44,525	44,525	44,525	44,525	44,525	44,525	44,525
CT	-	-	-	155,838	155,838	155,838	155,838	155,838	155,838	155,838
Total Sq.ft. of Development	55,100	55,100	55,100	296,125	296,125	296,125	296,125	296,125	302,025	302,025
New Employment	91	91	91	154	154	154	154	154	154	154
	91	182	273	427	581	735	889	1,043	1,197	1,351
Total Employment (excl. NFPOW & WAH)	3,831	3,922	4,013	4,167	4,321	4,475	4,629	4,783	4,937	5,091

NFPOW: No Fixed Place of Work; WAH: Work at Home
LTL Large Industrial Tax Class
IT: Industrial Tax Class
CT: Commercial Tax Class



2.4 Assessment Growth, 2024-2033

To derive weighted assessment forecasts for the 10-year forecast horizon, the Township's MPAC assessment data for the preceding five years (2019-2023) was analyzed. This data was utilized to determine historical average assessment per unit for recent residential developments and historical average assessment per sq.ft. for recent non-residential developments, as summarized in Table 2-5 by type of development.

Table 2-5
Historical Average Assessment (2019 – 2023)

RESIDENTIAL	
Residential Unit Type	Average Assessment per Unit (2019-2023)
Low Density	\$313,457
<i>Single-detached</i>	\$316,473
<i>Semi-detached</i>	\$283,121
Medium Density	\$117,750
High Density	\$55,136

NON-RESIDENTIAL	
Non-residential Development Type	Average Assessment per ft² (2019-2023)
Industrial	\$65.70
Commercial	\$172.28
Institutional	\$613.83 ^[1]

These historical assessment values were subsequently applied to the residential and non-residential growth forecasts described in Section 2.2 and Section 2.3, respectively, to derive forecasts of market value assessment growth for the 10-year forecast horizon. To calculate incremental property tax revenues from new development, the Township's 2024 tax ratios were utilized to convert the market value assessment forecasts to weighted assessment forecasts. The forecasts of weighted assessment growth rely on the following key assumptions:

[1] Historical average assessment per ft² is calculated over a 10-year period (2014 to 2023) for institutional developments due to lack of recent developments between 2019 to 2023.



- In addition to adding incremental weighted assessment to the Township’s current assessment base, new development activity will also decrease certain tax classes as land uses are converted. For instance, as non-residential lands develop, the current assessment for vacant land will decrease proportionally.
- High density residential development will be assessed in the “New Multi-Residential” tax class.
- A six-month lag between occupancy and assessment is assumed throughout the forecasts.

Under the base growth scenario, the Township’s weighted assessment base is forecasted to increase to approximately \$2.5 billion by 2033, representing an average annualized growth of approximately 4.2%. Under the deferred growth scenario, the Township’s weighted assessment base is forecasted to increase to approximately \$2.2 billion by 2033, representing an average annualized growth of approximately 3.0%. The total Township forecasted increase in incremental weighted assessment is approximately 10% lower in the deferred growth scenario relative to the base growth scenario.

Figure 2-3 compares the incremental increase in residential units and total sq.ft. of non-residential development between the base and deferred growth scenarios. Table 2-6 summarizes the weighted assessment forecast for the Township’s base and deferred growth scenarios and this information is further illustrated in Figure 2-4.

Table 2-6
Weighted Assessment Forecast – Base vs. Deferred Growth Scenarios

Forecast Weighted Assessment	2024	2033	Annual Increase (%)
Base Growth			
Residential	\$1.4B	\$1.7B	2.1%
Non-residential	\$0.3B	0.8B	10.8%
Total	\$1.7B	\$2.5B	4.3%
Deferred Growth			
Residential	\$1.4B	\$1.6B	1.6%
Non-residential	\$0.3B	\$0.6B	7.7%
Total	\$1.7B	\$2.2B	3.0%



Figure 2-3
Base vs. Deferred Growth Scenarios – Incremental Increase in Residential Units and Total sq.ft. of Non-Residential Development

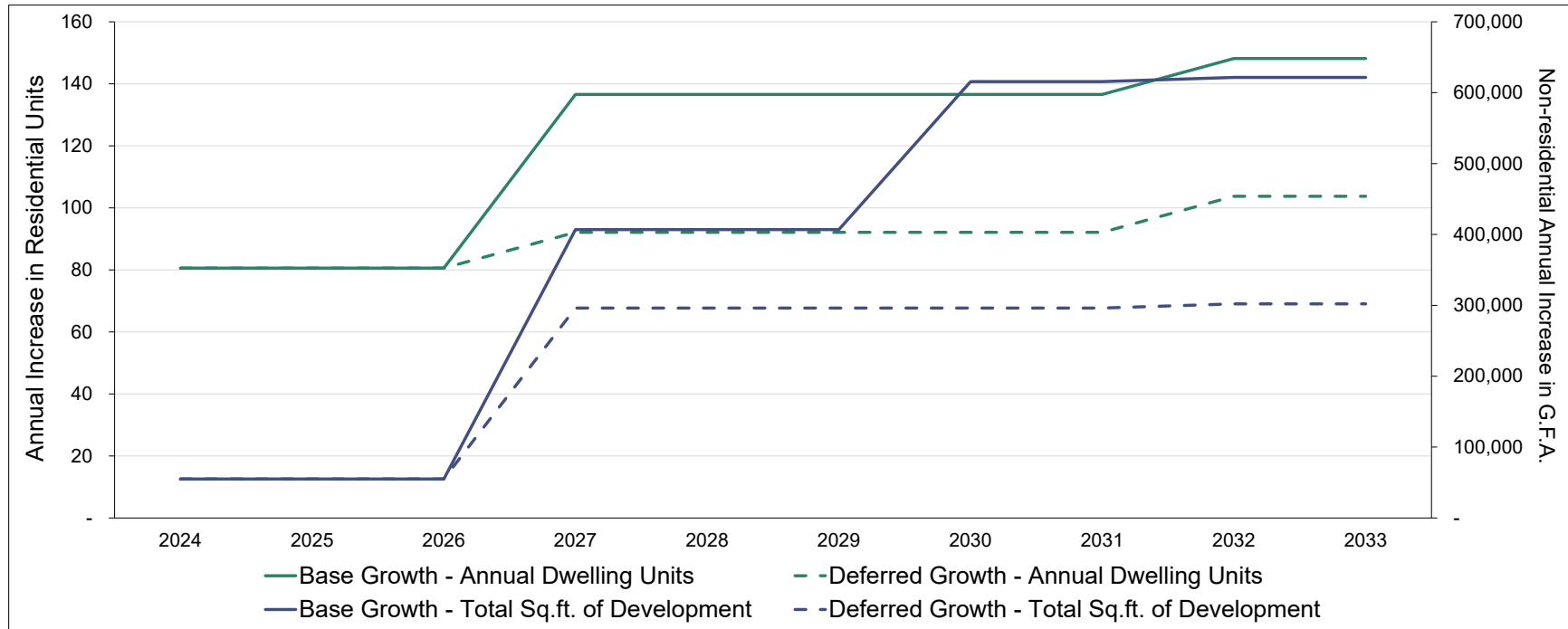
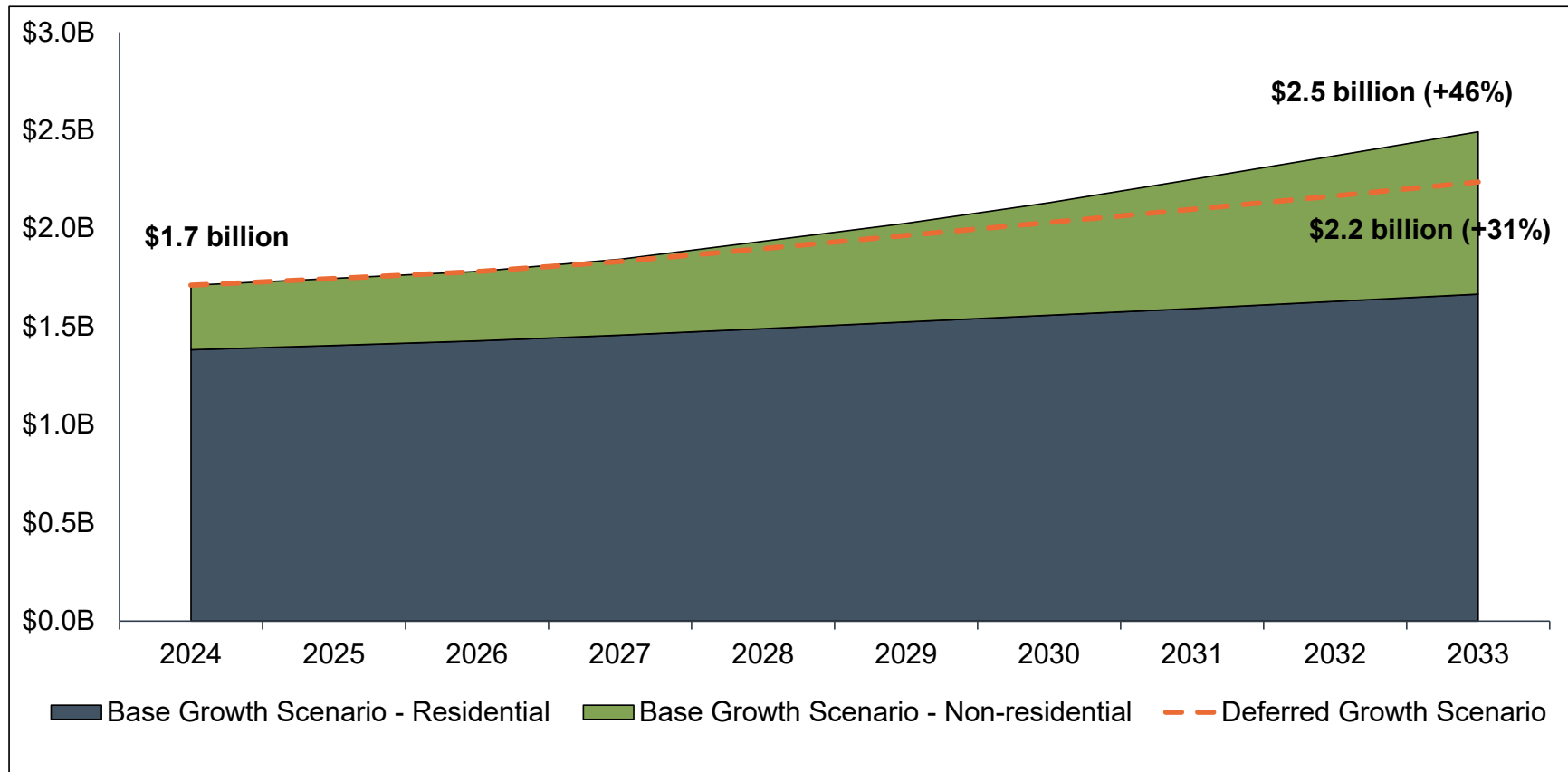




Figure 2-4
Weighted Assessment Forecast – Base vs. Deferred Growth Scenarios





Chapter 3

Capital Expenditures and Funding



3. Capital Expenditures and Funding

3.1 Capital Expenditures and Annual Lifecycle Funding Targets

To assess the Township's growth and non-growth-related capital expenditure requirements over the 10-year forecast horizon, detailed reviews were conducted of background studies and plans (e.g., 2024 Master Servicing Plan, 2023 OSIM Inspection Reports, 2022 Development Charges Background Study, 2021 Asset Management Plan, 2021 Roads Needs Study, etc.). The information gleaned from reviews of these documents was further refined through a series of engagements with the Township's asset managers to derive capital forecasts that are reflective of the Township's current asset management initiatives and objectives.

Since the changes to the pace of residential and non-residential development described in Chapter 2 are not expected to affect the timing of forecasted capital expenditure requirements, the capital expenditure forecasts remain unchanged for all four scenarios. These forecasts have been derived utilizing a capital cost inflation rate of 3% to calculate the future value of forecasted cash outflows. All values presented in this chapter are in inflated dollars.

Capital expenditures are forecasted to total approximately \$212.6 million over the 10-year forecast horizon, representing an annual average of approximately \$21.3 million. The largest share of forecasted capital expenditure requirements belongs to rate supported public works assets at approximately \$105.8 million (49.8%), followed by tax supported public works assets at approximately \$60.0 million (28.2%), and parks and recreation assets at approximately \$24 million (11.3%). Forecasted capital expenditure requirements for all other infrastructure assets are expected to total approximately \$22.8 million (10.7%) over the 10-year forecast horizon.

It is worth noting that approximately 48.8% (\$103.8 million) of total forecasted capital expenditures are growth-related, with the largest share belonging to rate supported public works assets at approximately \$77.7 million in forecasted growth-related capital needs (74.8% of growth-related capital expenditures). Parks and recreation assets represent the next largest share of forecasted growth-related capital expenditures at approximately \$10.2 million (9.8%), followed by tax supported public works assets at



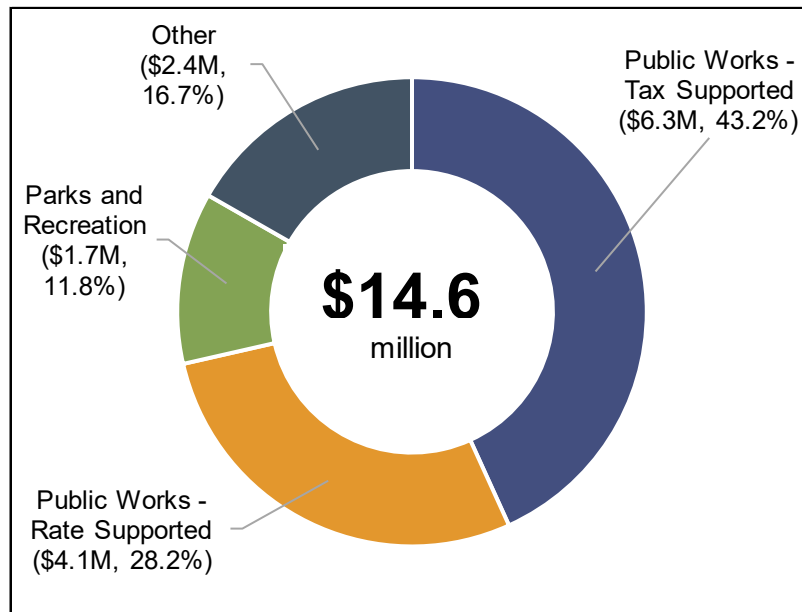
approximately \$9.4 million (9.1%). Forecasted growth-related capital expenditure requirements for all other infrastructure assets are expected to total approximately \$6.6 million (6.4%) over the 10-year forecast horizon.

In addition to upcoming capital expenditure requirements, a sustainable level of annual capital funding was also assessed for each of the Township's asset classes. These annual lifecycle funding targets, which are established by measuring each asset class's average annual lifecycle cost, is the amount of funding that would be required annually to fully finance a lifecycle management strategy over the long-term. By planning to achieve this annual funding level, the Township would be able to fully fund the long-term capital rehabilitation and maintenance requirements. In practice, however, capital needs are often characterized by peaks and valleys due to the value of works being undertaken changing year-to-year. By planning to achieve this level of funding over the long-term, the periods of relatively low capital needs would allow for the building up of lifecycle reserve funds that could be drawn upon in times of relatively high capital needs. This would help the Township avoid placing an inequitable burden on future generations having to play catchup in later years as assets deteriorate and get closer to requiring rehabilitation or replacement. The LTFP has been developed to ensure that the Township meets its annual lifecycle funding targets for each asset class by the end of the 10-year forecast horizon.

Annual lifecycle funding targets for the Township's infrastructure assets are expected to reach approximately \$14.6 million per year by 2033. The largest share of this target belong to tax supported public works assets at approximately \$6.3 million (43.2%), followed by rate supported public works assets at approximately \$4.1 million (28.2%), and parks and recreation assets at approximately \$1.7 million (11.8%). The annual lifecycle funding target for all other infrastructure assets is expected to total approximately \$2.4 million (16.7%) by the end of the 10-year forecast horizon. It is worth noting that approximately \$3.9 million (26.9%) of the annual lifecycle funding target is related to new growth-related infrastructure emplaced by the Township over the 10-year forecast horizon. The Township's annual lifecycle funding targets by asset category are illustrated in Figure 3-1.



Figure 3-1
Annual Lifecycle Funding Targets



Please note that the forecast of capital expenditures and annual lifecycle funding targets presented in this report are based on the best information available to the Township at this time. As asset management is an iterative and on-going exercise, these estimates are expected to be refined over time as the Township further develops its asset management level of maturity. The LTFP model has been developed with functionality to allow the Township to amend these key inputs to re-assess financial impacts as asset management data and objectives evolve over time.

Table 3-1 summarizes the Township's forecasted capital expenditure requirements and annual lifecycle funding targets by asset category. This information is further illustrated in Figure 3-2 for tax supported assets and Figure 3-3 for rate supported assets. Major capital expenditures that have been identified within each asset class are summarized below in 2024\$ values

- Public Works – Tax Supported
 - Oil Grit Separators - \$2.4 million (2030-2033)
 - New Stormwater Facility – \$2.5 million (2027-2028)
 - Storm sewer upsizing - \$2.2 million (2030-2032)
 - Facility needs - \$2.6 million (2024-2033)
 - Stormwater Assets - \$8.9 million (2024-2033)



- Roads-related assets (e.g. Sidewalks and Streetlights) - \$5.9 million (2024-2033)
- Fleet - \$5.3 million (2024-2033)
- Roads - \$16.9 million (2024-2033)
- Public Works – Rate Supported
 - Long Sault Regional Water Treatment Plant Expansion - \$5 million (2026)
 - WSA-B2 - Water Storage Loop - \$6 million (2032-2034)
 - WSA-C2 - Ingleside West End Servicing - \$3.5 million (2032-2034)
 - WSA-E3 - Booster to Lactalis via Elevated Stage Augmentation - \$6 million (2030-2033)
 - County Rd 36 SPS and Forcemain Upgrades - \$2.8 million (2027-2028)
 - Long Sault Wastewater Treatment Plant - \$20 million (2029-2034)
 - Ingleside Wastewater Treatment Plant - \$25 million (2025-2029)
- Parks and Recreation
 - Neighbourhood Park Development - \$2.3 million (2025-2034)
 - Long Sault Arena (add Comm. Hall/Office space) - \$5.2 million (2029-2031)
 - Existing facility needs - \$2.8 million (2024-2033)
- Other – Tax Supported
 - Fire Station No. 2 Relocation and Expansion - \$5.4 million (2025-2026)
 - Fire Station No. 1 Relocation and Expansion - \$5.2 million (2031-2032)
 - Municipal Town-Hall / Community Hall (Reno) - \$2.8 million (2030-2032)
 - Existing facility needs - \$4.0 million (2024-2033)

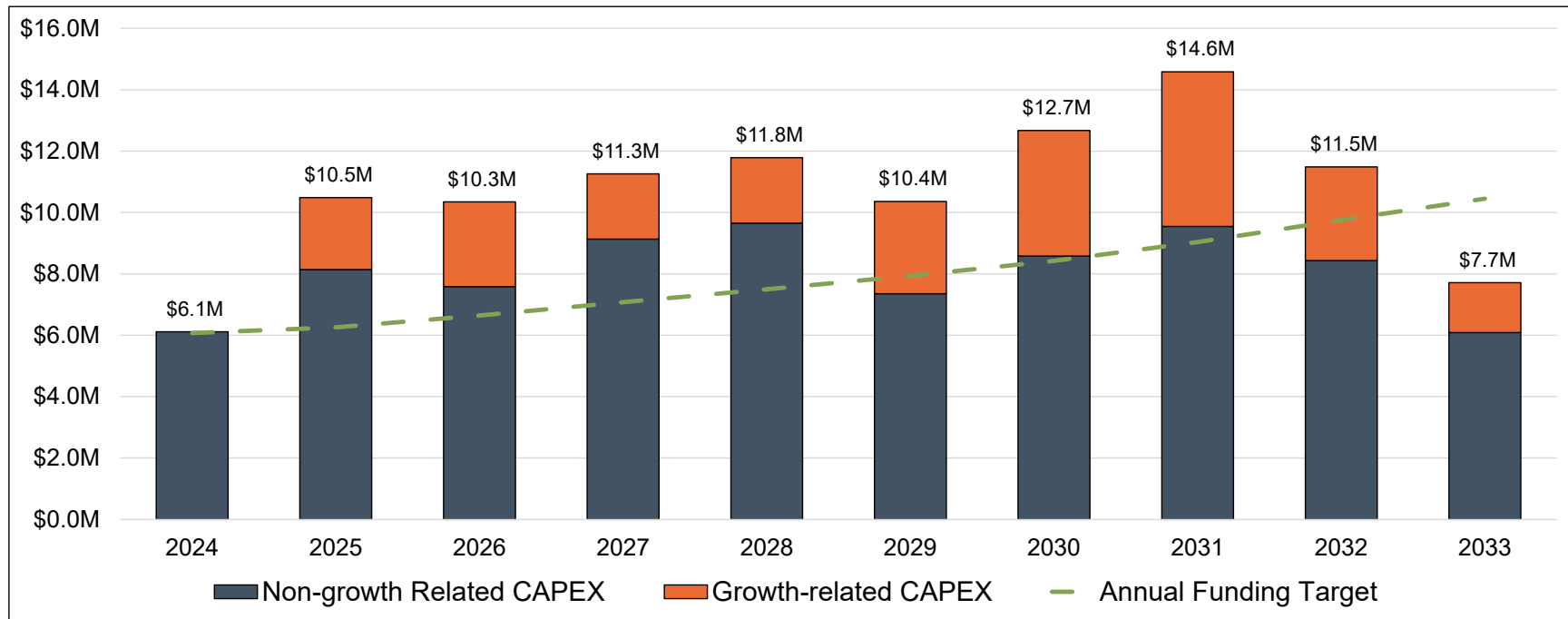


**Table 3-1
Forecast of Capital Expenditures and Annual Lifecycle Funding Targets**

Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Annual Funding Targets										
Lifecycle										
<i>Public Works - Tax Supported</i>	4,235,043	4,362,095	4,492,957	4,627,746	4,766,579	4,909,576	5,056,863	5,208,569	5,364,826	5,525,771
<i>Public Works - Rate Supported</i>	2,088,600	2,151,258	2,215,796	2,282,270	2,350,738	2,421,260	2,493,898	2,568,715	2,645,776	2,725,149
<i>Parks and Recreation</i>	631,700	650,651	670,171	690,276	710,984	732,313	754,283	776,911	800,219	824,225
<i>Other</i>	1,205,600	1,241,768	1,279,021	1,317,392	1,356,913	1,397,621	1,439,549	1,482,736	1,527,218	1,573,035
New Infrastructure (Cumulative)										
<i>Public Works - Tax Supported</i>		-	23,021	48,047	181,761	322,793	362,936	493,329	626,393	766,996
<i>Public Works - Rate Supported</i>		-	111,395	344,209	503,665	672,379	906,883	1,044,163	1,188,864	1,382,625
<i>Parks and Recreation</i>		-	84,366	159,281	238,615	322,566	469,444	624,844	789,146	899,251
<i>Other</i>		-	93,281	232,709	245,481	254,426	339,889	452,900	649,521	862,464
Annual Funding Target	8,160,943	8,405,772	8,970,007	9,701,930	10,354,736	11,032,933	11,823,745	12,652,167	13,591,963	14,559,517
Existing Capital Expenditures										
Existing Capital Expenditures										
<i>Public Works - Tax Supported</i>	4,662,595	4,855,021	4,819,288	7,957,023	6,788,253	4,574,535	4,359,766	3,258,502	2,186,945	4,265,121
<i>Public Works - Rate Supported</i>	2,086,638	2,070,420	2,641,307	3,108,885	3,215,703	1,935,666	2,286,786	3,079,148	3,002,424	4,743,697
<i>Parks and Recreation</i>	1,069,046	451,183	223,904	207,180	1,754,439	851,882	443,571	621,269	144,712	247,895
<i>Other</i>	382,660	673,094	492,211	150,039	277,252	286,308	903,919	581,512	861,913	611,580
New Capital Expenditures										
Growth Related										
<i>Public Works - Tax Supported</i>	-	261,783	269,636	1,643,634	1,692,943	352,602	1,362,874	1,342,267	1,382,535	1,114,482
<i>Public Works - Rate Supported</i>	-	5,150,000	10,609,000	8,468,634	8,722,693	10,182,291	6,308,576	6,497,834	10,704,207	11,025,333
<i>Parks and Recreation</i>	-	407,518	397,667	409,596	421,884	2,443,949	2,517,268	2,592,786	474,835	489,080
<i>Other</i>	-	1,679,540	2,087,777	72,740	19,080	208,035	214,276	1,100,064	1,195,916	22,119
Non-Growth Related										
<i>Public Works - Tax Supported</i>	-	-	7,957	8,195	-	-	892,981	919,770	947,363	-
<i>Public Works - Rate Supported</i>	-	-	-	-	-	-	-	-	-	-
<i>Parks and Recreation</i>	-	917,950	782,662	806,142	830,326	855,236	880,893	907,320	934,540	962,576
<i>Other</i>	-	1,239,569	1,261,348	1,028	1,059	783,601	1,095,672	3,259,298	3,357,077	1,228
Total Annual Capital Needs	8,200,939	17,706,079	23,592,757	22,833,097	23,723,633	22,474,106	21,266,582	24,159,770	25,192,467	23,483,113



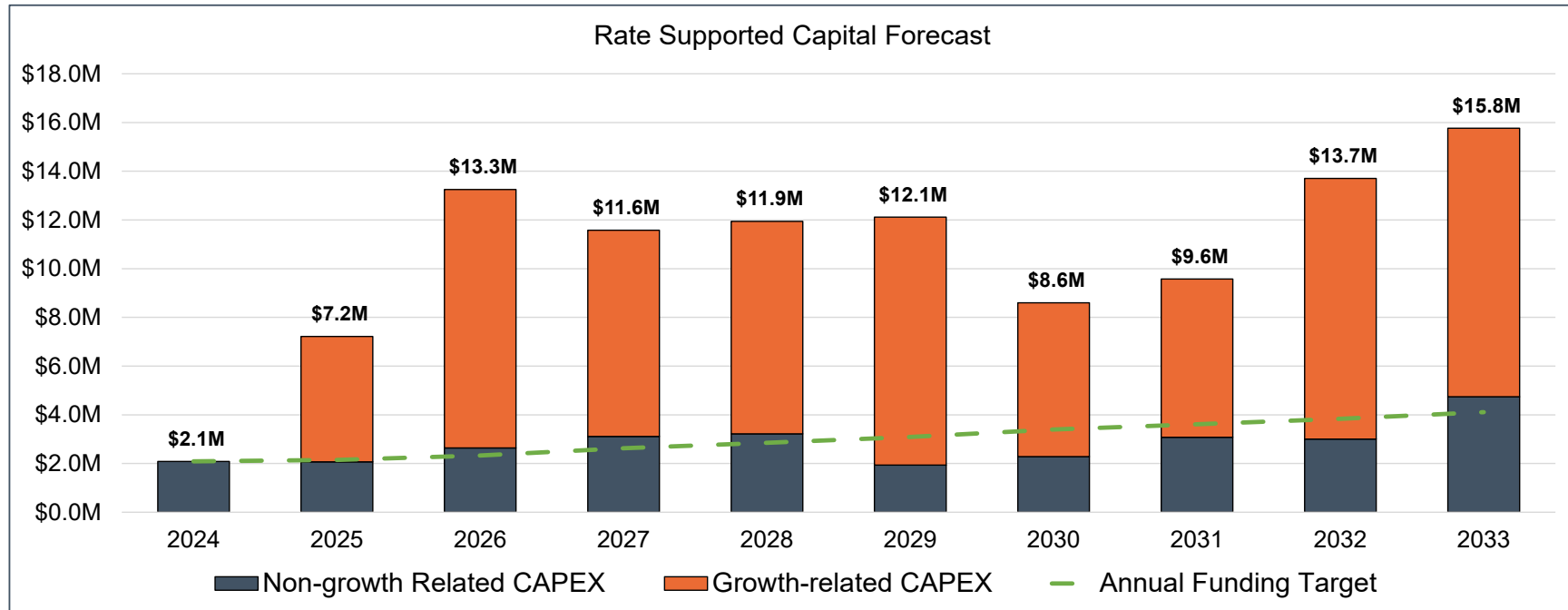
Figure 3-2
Tax Supported Capital Expenditure Forecast



CAPEX: Capital Expenditures



Figure 3-3
Rate Supported Capital Expenditure Forecast



CAPEX: Capital Expenditures



3.2 Summary of Capital Funding Sources

This section summarizes the methods of capital cost recovery available to municipalities in Ontario.

3.2.1 *Development Charges Act, 1997*

The *Development Charges Act* (D.C.A.) received royal assent on December 8, 1997. The Province's stated intentions were to "create new construction jobs and make home ownership more affordable" by reducing the charges and to "make municipal Council decisions more accountable and more cost effective." The basis for this Act is to allow municipalities to recover the growth-related capital cost of infrastructure necessary to accommodate new growth within the municipality. The Act provides for limitations and ceilings on services that can be included in the charges (e.g., historic level of service caps and ineligible services, such as general administration facilities).

The Township currently utilizes development charges (D.C.s) as a funding source for growth related tax supported capital needs that are eligible under the D.C.A., with its first D.C. background study having been completed in 2022. An analysis of the growth-related needs being identified in the LTFP vs. those in the D.C. background study highlighted that the Township now expects to incur significantly more growth-related capital expenditures than it did at the time the study was undertaken. For example, the Township now expects to undertake the replacement and expansion of Fire station 1 and expand the Long Sault Arena. It is therefore recommended that the Township undertake an update of the study to include all currently planned growth-related expenditures. This will ensure the adequacy of future D.C. revenues in being able to fund growth-related capital needs and remove growth-associated financial burdens from existing taxpayers.

3.2.2 *Municipal Act, 2001*

Part XII of the *Municipal Act*, 2001 provides municipalities with broad powers to impose fees and charges via passage of a by-law. These powers, as presented in s.391(1), include imposing fees or charges:

- "for services or activities provided or done by or on behalf of it;



- for costs payable by it for services or activities provided or done by or on behalf of any other municipality or local board; and
- for the use of its property including property under its control.”

Restrictions are provided to ensure that the form of the charge is not akin to a poll tax. Any charges not paid under this authority may be added to the tax roll and collected in a like manner. The fees and charges imposed under this part are not appealable to the Ontario Land Tribunal (O.L.T.).

Under Local Improvement Regulations:

- A variety of different types of works can be undertaken, such as watermain, storm and sanitary sewer projects, supply of electrical light or power, bridge construction, sidewalks, road widening and paving.
- Council can pass a by-law for undertaking such work on petition of a majority of benefiting taxpayers, on a 2/3 vote of Council and on sanitary grounds, based on the recommendation of the Minister of Health. The by-law was required to go to the O.L.T., which might hold hearings and alter the by-law, particularly if there were objections.
- The entire cost of a work can be assessed only upon the lots abutting directly on the work, according to the extent of their respective frontages, using an equal special rate per metre of frontage.
- The Local Improvement Act was repealed as of April 1, 2003; and O.Reg. 119/03, made under the Municipal Act, 2001, was enacted on April 19, 2003 which restored many of the previous Local Improvement Act provisions.

The fiscal impact analysis does not assume any additional capital charges or local improvement charges being imposed over the forecast period.

The Township currently collects fees for new connections to the water and wastewater system through connection charges imposed under the authority of the *Municipal Act*. An analysis of expected connection fee revenues over the 10-year forecast horizon highlighted the inadequacy of the current charge in being able to fund forecasted growth-related expenditures for water and wastewater assets. It is therefore recommended that the Township undertake an update of the calculation of the connection charges it imposed on new connections to reflect the forecast of growth-related capital expenditures for water and wastewater assets. This will help ensure the



sufficiency of connection charge revenues and remove growth-associated financial burdens from existing ratepayers. This assessment may be incorporated into the recommended D.C. assessment identified in Section 3.2.1.

3.2.3 Grants and Other Funding Sources

Anticipated funding from the following sources throughout the 10-year forecast horizon has been assessed:

- Canada Community Building Fund (CCBF, formerly Federal Gas Tax);
- Ontario Community Infrastructure Fund (OCIF); and
- Housing Enabling Water Systems Fund.

To ensure that forecasts of capital funding are developed from a fiscally conservative lens, transfer payment revenues associated with CCBF and OCIF have been held stable at their current allocations throughout the 10-year forecast horizon (i.e., no expected increases due to increased allocations and/or inflation).

3.2.4 Debenture Financing

Although it is not a direct method of minimizing the overall cost to the taxpayer, debentures are utilized by municipalities to assist with cash flow for undertaking larger capital projects.

The Ministry of Municipal Affairs and Housing regulates the level of debt incurred by Ontario municipalities, through its powers established under the Municipal Act. Ontario Regulations 403/02 provides the current rules respecting municipal debt and financial obligations. Through the rules established under these regulations, a municipality's debt capacity is capped at a level where no more than 25% of the municipality's own purpose revenue may be allotted for servicing the debt (i.e., debt charges). Hence, proper management of capital spending and the level of debt issued annually must be monitored and evaluated over the longer-term period.

Presently, the Township's annual debt servicing costs (i.e., principal and interest payments) account for approximately 4.8% of own-source revenues. Please refer to Section 3.3 for a forecast of the Township's debt servicing costs in relation to legislated debt capacity limits.



3.2.5 Reserves and Reserve Funds

Reserves and reserve funds can be established by municipalities to set aside funds to meet future funding requirements. These funds can be established by Council on a discretionary basis, by by-law of the municipality, and/or through legislation. Council has the discretion to set up a reserve or reserve fund for any purpose for which they have the authority to spend money. The distinction between reserves and reserve funds is as follows:

- Reserves are established by Council at their own discretion to be available to meet future needs. The “future needs” does not have to be specific projects/assets and a reserve can serve multiple purposes. These reserves do not have to be segregated from the general revenues of a municipality and reserves do not accumulate interest earned on annual balances (unless deemed by policy).
- Reserve funds can either be obligatory or discretionary. Obligatory reserve funds are created whenever a statute requires that funds received be segregated from the general revenues of the municipality (e.g., Building Code Act Reserve Funds, etc.). Discretionary reserve funds are established at the discretion of Council but normally established by by-law, with funds earmarked for a specific purpose. In both cases, the funds accumulate (accrue) interest earned on balances which is used to reduce the amount of future funding.

For capital funding purposes the Township’s capital reserves have been categorized into capital lifecycle reserves (non-growth, program specific capital reserves (e.g., Fire Vessels Donations Reserve) and operating reserves. This categorization was developed through discussion with staff to maintain dedicated reserves as a funding source for specific needs were deemed appropriate while consolidating other general capital reserves to provide flexible funding source for future needs. While not a funding source for capital needs, the categorization and intended use of operating reserves utilized by the Township were also reviewed as part of the LTFP. Table 3-2 summarizes the categorization of the Township’s reserves and reserve funds.



Table 3-2: Categorization of Reserves and Reserve Funds

Reserve Name	Category
IT Reserve	Capital Lifecycle Reserve
Facilities Reserve	Capital Lifecycle Reserve
MTO Revenue For Reserves	Capital Lifecycle Reserve
TNPL Fire/Industrial Road Reserve	Capital Lifecycle Reserve
Fire Vehicle Reserve	Capital Lifecycle Reserve
Fire Facility Reserve	Capital Lifecycle Reserve
Fire Equipment Reserves	Capital Lifecycle Reserve
Animal Control - Reserves	Capital Lifecycle Reserve
Road Upgrade Reserve	Capital Lifecycle Reserve
Bridge Reserve	Capital Lifecycle Reserve
Storm Water Reserve	Capital Lifecycle Reserve
Fleet recovery reserve	Capital Lifecycle Reserve
Waste Management Reserves	Capital Lifecycle Reserve
Trillium Landfill - Capping Reserves	Capital Lifecycle Reserve
Recycling Future Capital Reserves	Capital Lifecycle Reserve
Cemeteries - Reserves	Capital Lifecycle Reserve
Recreation Reserves	Capital Lifecycle Reserve
Recreation Equipment Reserves	Capital Lifecycle Reserve
Park Reserves	Capital Lifecycle Reserve
Waterfront Reserve	Capital Lifecycle Reserve
Parks - Moulinette Island Park Reserves	Capital Lifecycle Reserve
Arena / Recreation Reserves	Capital Lifecycle Reserve
Long Sault Sewer Reserves	Capital Lifecycle Reserve
Ingleside Sewer Reserves	Capital Lifecycle Reserve
Ingleside Sewer Reserves	Capital Lifecycle Reserve
Long Sault - Ingleside Water Reserves	Capital Lifecycle Reserve
Eamers Corners - St. Andrews Water Reserves	Capital Lifecycle Reserve
Water / Sewer Capital Reserve Fund	Capital Lifecycle Reserve
Ingleside Inflow Reserve Fund	Capital Lifecycle Reserve
Development Charge Reserve - Highway	Capital Lifecycle Reserve - Growth-related
Development Charge Reserve - Fire	Capital Lifecycle Reserve - Growth-related
Development Charge Reserve - P&R	Capital Lifecycle Reserve - Growth-related
Development Charge Reserve - Growth	Capital Lifecycle Reserve - Growth-related
South Stormont Senior Support Reserve Fund	Operating Reserve
Ingleside Library Reserve Fund	Operating Reserve
Working Capital Reserves	Operating Reserve
Grant Funding Reserve	Operating Reserve
Service Delivery Reserve	Operating Reserve
Tax- Rate Stabilization Reserve	Operating Reserve
Election Reserves	Operating Reserve
Economic Development reserve	Operating Reserve
Winter Control Reserve	Operating Reserve
Planning reserve	Operating Reserve
Building - Lot Grading Reserves	Operating Reserve
Building Reserve	Operating Reserve
Ingleside / Long Sault Water Rate Reserve	Operating Reserve
Ingleside Sewer Rate Reserve Fund	Operating Reserve
Carry Forward Project Reserve	Program Specific Capital Reserve
Land inventory reserve	Program Specific Capital Reserve
Barlow Community benefits	Program Specific Capital Reserve
Fire Vessel Donations Reserve	Program Specific Capital Reserve
Ingleside / Kraft Waste Water Reserve Fund	Program Specific Capital Reserve
Kraft Waste Water Reserve Fund (By-law 2011-088, Sch. 3)	Program Specific Capital Reserve



Based on a review of the Township's forecasted capital expenditure requirements, it is recommended that the Township implement an aggregated minimum balance threshold for its capital lifecycle reserves equal to 10% of the average of annual capital expenditures over the 10-year forecast horizon (i.e. \$745,000 for tax supported services and \$1.0 million for rate supported services) . Considering the significant value of forecasted capital expenditures for the Township over the next 10-years, this minimum balance threshold would help ensure that sufficient funds are available to account for increases in capital cost estimates, contingencies, and for emergencies. It is prudent for municipalities in Ontario to set reserve and reserve fund minimum balances or targets for sustainable service delivery, however, these targets need to be balanced against the other funding needs of the municipality to consider the impact on the overall fiscal position. Given the significant capital requirements of the Township over the 10-year forecast period and the reliance on debt funding that is expected (see Section 3.3), developing more aggressive reserve minimum balances/targets at this time that would further restrict the use of available reserves and place additional pressure on debt as a source of capital funding.

Based on the capital funding plan summarized in Section 3.3, the annual tax-supported and rate-supported reserve continuity is presented in Tables 3-3 to 3-10 for each scenario.



**Table 3-3
Tax-Supported Capital Reserve Continuity
Base Growth and Base Grant Funding Scenario**

Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Opening Balance	\$ 3,893,246	\$ 3,623,436	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021
Transfers from Operating	\$ 1,304,997	\$ 1,238,239	\$ 1,522,552	\$ 2,178,221	\$ 2,781,398	\$ 3,449,998	\$ 4,384,840	\$ 5,473,448	\$ 6,649,934	\$ 8,073,592
Transfers to Capital	\$ 1,711,340	\$ 4,296,536	\$ 1,606,452	\$ 2,286,381	\$ 2,911,875	\$ 3,605,214	\$ 4,574,645	\$ 5,703,531	\$ 6,923,547	\$ 5,626,205
Interest Earned on Capital R&RFs	\$ 136,533	\$ 179,882	\$ 83,900	\$ 108,160	\$ 130,477	\$ 155,216	\$ 189,805	\$ 230,083	\$ 273,613	\$ 326,289
Closing Balance	\$ 3,623,436	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 3,518,697
Reserve Floor (10% of average capital expenditures)		\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021

**Table 3-4
Rate-Supported Capital Reserve Continuity
Base Growth and Base Grant Funding Scenario**

Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Opening Balance	\$ 3,623,973	\$ 3,498,041	\$ 1,908,867	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526
Transfers from Operating		\$ 558,696	\$ 549,339	\$ 453,930	\$ 311,169	\$ 120,292	\$ 148,390	\$ 86,879	\$ 360,267	\$ 533,658
Service Connection Revenue	\$ 145,246	\$ 426,780	\$ 439,584	\$ 715,496	\$ 736,961	\$ 759,070	\$ 788,216	\$ 811,862	\$ 901,898	\$ 928,955
Transfers to Capital	\$ 397,904	\$ 2,724,749	\$ 1,951,218	\$ 1,224,610	\$ 1,098,031	\$ 922,201	\$ 672,724	\$ 940,344	\$ 1,313,883	\$ 1,520,747
Interest Earned on Capital R&RFs	\$ 126,726	\$ 150,099	\$ 90,954	\$ 55,184	\$ 49,902	\$ 42,839	\$ 32,898	\$ 41,603	\$ 51,718	\$ 58,134
Closing Balance	\$ 3,498,041	\$ 1,908,867	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526
Reserve Floor (10% of average capital expenditures)		\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526

**Table 3-5
Tax-Supported Capital Reserve Continuity
Base Growth and Lower Grant Funding Scenario**

Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Opening Balance	\$ 3,893,246	\$ 3,623,436	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021
Transfers from Operating	\$ 1,304,997	\$ 1,238,239	\$ 1,522,552	\$ 2,178,221	\$ 2,781,398	\$ 3,449,998	\$ 4,384,840	\$ 5,473,448	\$ 6,649,934	\$ 8,073,592
Transfers to Capital	\$ 1,711,340	\$ 4,296,536	\$ 1,606,452	\$ 2,286,381	\$ 2,911,875	\$ 3,605,214	\$ 4,574,645	\$ 5,703,531	\$ 6,923,547	\$ 5,626,205
Interest Earned on Capital R&RFs	\$ 136,533	\$ 179,882	\$ 83,900	\$ 108,160	\$ 130,477	\$ 155,216	\$ 189,805	\$ 230,083	\$ 273,613	\$ 326,289
Closing Balance	\$ 3,623,436	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 3,518,697
Reserve Floor (10% of average capital expenditures)		\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021



Table 3-6
Rate-Supported Capital Reserve Continuity
Base Growth and Lower Grant Funding Scenario

Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Opening Balance	\$ 3,623,973	\$ 3,498,041	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526
Transfers from Operating		\$ 675,615	\$ 688,892	\$ 339,935	\$ 199,020	\$ 60,210	\$ 22,907	\$ 115,193	\$ 201,972	\$ 137,646
Service Connection Revenue	\$ 145,246	\$ 426,780	\$ 439,584	\$ 715,496	\$ 736,961	\$ 759,070	\$ 788,216	\$ 811,862	\$ 901,898	\$ 928,955
Transfers to Capital	\$ 397,904	\$ 3,717,335	\$ 1,192,353	\$ 1,106,397	\$ 981,733	\$ 859,896	\$ 850,359	\$ 969,706	\$ 1,149,732	\$ 1,110,082
Interest Earned on Capital R&RFs	\$ 126,726	\$ 154,425	\$ 63,877	\$ 50,966	\$ 45,752	\$ 40,616	\$ 39,236	\$ 42,651	\$ 45,861	\$ 43,481
Closing Balance	\$ 3,498,041	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526
Reserve Floor (10% of average capital expenditures)		\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526

Table 3-7
Tax-Supported Capital Reserve Continuity
Deferred Growth and Base Grant Funding Scenario

Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Opening Balance	\$ 3,893,246	\$ 3,623,436	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021
Transfers from Operating	\$ 1,304,997	\$ 1,340,911	\$ 1,749,844	\$ 2,492,463	\$ 3,129,461	\$ 3,854,359	\$ 4,773,101	\$ 5,756,587	\$ 6,840,233	\$ 8,190,686
Transfers to Capital	\$ 1,711,340	\$ 4,403,007	\$ 1,842,154	\$ 2,612,250	\$ 3,272,816	\$ 4,024,536	\$ 4,977,272	\$ 5,997,147	\$ 7,120,887	\$ 5,626,205
Interest Earned on Capital R&RFs	\$ 136,533	\$ 183,681	\$ 92,310	\$ 119,787	\$ 143,356	\$ 170,177	\$ 204,171	\$ 240,560	\$ 280,654	\$ 330,621
Closing Balance	\$ 3,623,436	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 3,640,123
Reserve Floor (10% of average capital expenditures)		\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021

Table 3-8
Rate-Supported Capital Reserve Continuity
Deferred Growth and Base Grant Funding Scenario

Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Opening Balance	\$ 3,623,973	\$ 3,498,041	\$ 1,908,867	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526
Transfers from Operating		\$ 558,696	\$ 549,339	\$ 453,930	\$ 300,217	\$ 97,492	\$ 192,049	\$ 330,948	\$ 480,104	\$ 496,318
Service Connection Revenue	\$ 145,246	\$ 426,780	\$ 439,584	\$ 496,460	\$ 511,354	\$ 526,694	\$ 542,495	\$ 558,770	\$ 635,519	\$ 654,585
Transfers to Capital	\$ 397,904	\$ 2,724,749	\$ 1,951,218	\$ 1,005,574	\$ 861,067	\$ 666,182	\$ 780,038	\$ 940,352	\$ 1,171,776	\$ 1,207,655
Interest Earned on Capital R&RFs	\$ 126,726	\$ 150,099	\$ 90,954	\$ 55,184	\$ 49,496	\$ 41,996	\$ 45,494	\$ 50,634	\$ 56,152	\$ 56,752
Closing Balance	\$ 3,498,041	\$ 1,908,867	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526
Reserve Floor (10% of average capital expenditures)		\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526



Table 3-9
Tax-Supported Capital Reserve Continuity
Deferred Growth and Lower Grant Funding Scenario

Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Opening Balance	\$ 3,893,246	\$ 3,623,436	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021
Transfers from Operating	\$ 1,304,997	\$ 1,340,911	\$ 1,749,844	\$ 2,492,463	\$ 3,129,461	\$ 3,854,359	\$ 4,773,101	\$ 5,756,587	\$ 6,840,233	\$ 8,190,686
Transfers to Capital	\$ 1,711,340	\$ 4,403,007	\$ 1,842,154	\$ 2,612,250	\$ 3,272,816	\$ 4,024,536	\$ 4,977,272	\$ 5,997,147	\$ 7,120,887	\$ 5,626,205
Interest Earned on Capital R&RFs	\$ 136,533	\$ 183,681	\$ 92,310	\$ 119,787	\$ 143,356	\$ 170,177	\$ 204,171	\$ 240,560	\$ 280,654	\$ 330,621
Closing Balance	\$ 3,623,436	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 3,640,123
Reserve Floor (10% of average capital expenditures)		\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021	\$ 745,021

Table 3-10
Rate-Supported Capital Reserve Continuity
Deferred Growth and Lower Grant Funding Scenario

Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Opening Balance	\$ 3,623,973	\$ 3,498,041	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526
Transfers from Operating	\$ 675,615	\$ 688,892	\$ 339,935	\$ 188,068	\$ 37,410	\$ 74,220	\$ 140,804	\$ 197,391	\$ 97,536	\$ 97,536
Service Connection Revenue	\$ 145,246	\$ 426,780	\$ 439,584	\$ 496,460	\$ 511,354	\$ 526,694	\$ 542,495	\$ 558,770	\$ 635,519	\$ 654,585
Transfers to Capital	\$ 397,904	\$ 3,717,335	\$ 1,192,353	\$ 887,361	\$ 744,769	\$ 603,877	\$ 657,850	\$ 743,172	\$ 878,603	\$ 794,118
Interest Earned on Capital R&RFs	\$ 126,726	\$ 154,425	\$ 63,877	\$ 50,966	\$ 45,347	\$ 39,773	\$ 41,135	\$ 43,598	\$ 45,692	\$ 41,997
Closing Balance	\$ 3,498,041	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526
Reserve Floor (10% of average capital expenditures)		\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526	\$ 1,037,526



3.3 Capital Funding Plan, 2024-2033

The following capital funding approach has been utilized in the development of the LTFP:

- As discussed in Section 3.2.5, it is recommended that the Township implement an aggregated minimum balance threshold for its capital lifecycle reserves equal to 10% of the average of annual capital expenditures over the 10-year forecast horizon. As such, transfers from capital lifecycle reserves to fund capital expenditure requirements have been designed to ensure that capital lifecycle reserve balances remain above this threshold throughout the 10-year forecast horizon.
- Transfer payment revenues have been forecasted as follows:
 - CCBF: Forecasted at currently announced allocations up to and including 2027 and stable thereafter (at \$462,196). CCBF transfer payments are solely allocated to the funding of capital expenditures related to tax funded assets to align with the Township's current strategy for this funding source.
 - OCIF: Forecasted to remain at 2024 levels (\$845,671) throughout the 10-year forecast horizon. OCIF transfer payments are solely allocated to the funding of capital expenditures related to water and wastewater assets to align with the Township's current strategy for this funding source.
 - OMPF: Forecasted to remain at 2024 levels (\$975,000) through the 10-year forecast horizon. OMPF transfer payments are solely allocated to the funding of operating expenditures to align with the Township's current strategy for this funding source.

The Township has applied for \$21.9 million of application-based HEWS grant funding and is currently awaiting a decision. This funding is intended to partially offset \$30 million of capital expenditures related to:

- Expansion of the Long Sault Regional Water Treatment Plant
 - Project cost: \$5 million
 - Funding application: \$3.65 million
 - Township cost if approved: \$1.35 million



- Construction of the Ingleside Wastewater Treatment Plant
 - Project cost: \$25 million
 - Funding application: \$18.25 million
 - Township cost if approved: \$6.75 million

To account for the uncertainty associated with receiving approval for this significant funding source, a lower grant funding scenario was developed to assess financial impacts if the Township is unsuccessful in its grant application.

The Township capital funding plan is summarized in 3-11 and its forecasted total debt requirements are illustrated in Figure 3-4 for each scenario.

Under base growth scenarios, new long-term debt will represent between approximately 55% of all capital funding sources. Under the deferred growth scenarios, debt as a percentage of all funding sources would rise to approximately 65%. For non-growth tax-supported services, new debt funding represents between 38% and 41% of the total capital funding sources (i.e. \$30.5 million in the deferred growth scenarios, and \$32.8 million in the base growth scenarios). For growth-related tax supported services, new debt represents between 84% and 94% of total capital funding sources. Rate based debt funding comprises between \$61.9 million and \$62.9 million under the scenarios in which HEWS grant funding is received (approximately 59% of total capital funding). If the Township is unsuccessful in the receipt of HEWS grant funding, the Township's new debenture issuances rise from \$61.9 million in the base growth scenario and \$62.9 million in the deferred growth scenario to \$84.2 million in the base growth scenario and \$85.9 million in the deferred growth scenario (i.e., 36% increase in new debt funding). This higher level of debt funding requirement would represent approximately 80% of all rate-based capital funding sources. The level of new debt funding that is required for the growth-related tax supported capital program and the rate-supported services is indicative of the insufficiency of the current D.C.s and water/wastewater connection charges in the Township as discussed earlier in Section 3.2.

Based on this level of new debt issuance, the Township's debt servicing costs ¹as a percentage of own source revenues are expected to rise as follows

- Base growth and base grant funding scenario: 13.9% by 2033

¹ Debt servicing costs calculated based on 5% annual interest rate and 25-year debt repayment term



- Base growth and lower grant funding scenario: 16.3% by 2033
- Deferred growth and base grant funding scenario: 14.2% by 2033
- Deferred growth and lower grant funding scenario: 16.7% by 2033

The Township's debt capacity utilization is further summarized in Table 3-12 for each scenario and illustrated in Figure 3-5 to 3-8 for the each scenario to illustrate what share of the total debt capacity utilization is made up of current debt commitments vs. new debt issuance. Under the base growth and base grant funding scenario, existing debt servicing costs currently represent 5% of own-source revenues. As own source revenues grow over the forecast period and existing debt is retired, existing debt servicing costs will decrease to 1% of own-source revenues.



Table 3-11
Capital Funding Summary

Description	Base Growth and Base Grant Funding	Base Growth and Lower Grant Funding	Deferred Growth and Base Grant Funding	Deferred Growth and Lower Grant Funding
Tax Based Services - Non-Growth				
Contribution from Capital R&RFs	\$ 39,245,727	\$ 39,245,727	\$ 41,587,615	\$ 41,587,615
CCBF	\$ 5,077,584	\$ 5,077,584	\$ 5,077,584	\$ 5,077,584
Other Capital Funding	\$ 3,280,777	\$ 3,280,777	\$ 3,280,777	\$ 3,280,777
Debt	\$ 32,843,516	\$ 32,843,516	\$ 30,501,628	\$ 30,501,628
Subtotal	\$ 80,447,604	\$ 80,447,604	\$ 80,447,604	\$ 80,447,604
Tax Based Services - Growth				
Contribution from D.C. RF	\$ 4,103,062	\$ 4,103,062	\$ 1,524,960	\$ 1,524,960
CCBF	\$ -	\$ -	\$ -	\$ -
Other Capital Funding	\$ -	\$ -	\$ -	\$ -
Debt	\$ 22,073,825	\$ 22,073,825	\$ 24,651,927	\$ 24,651,927
Subtotal	\$ 26,176,887	\$ 26,176,887	\$ 26,176,887	\$ 26,176,887
Rate Based Services - Growth				
Contribution from Capital R&RFs	\$ 12,766,410	\$ 12,335,497	\$ 11,706,513	\$ 10,617,343
OCIF	\$ 8,456,710	\$ 8,456,710	\$ 8,456,710	\$ 8,456,710
Grant (HEWS)	\$ 21,900,000	\$ -	\$ 21,900,000	\$ -
Other Capital Funding	\$ 939,028	\$ 939,028	\$ 939,028	\$ 939,028
Debt	\$ 61,873,058	\$ 84,203,971	\$ 62,932,956	\$ 85,922,126
Subtotal	\$ 105,935,207	\$ 105,935,207	\$ 105,935,207	\$ 105,935,207
Total Capital Funding	\$ 212,559,698	\$ 212,559,698	\$ 212,559,698	\$ 212,559,698
Total Debt Funding	\$ 116,790,399	\$ 139,121,312	\$ 118,086,511	\$ 141,075,681



Figure 3-4
Forecasted Debt Requirements

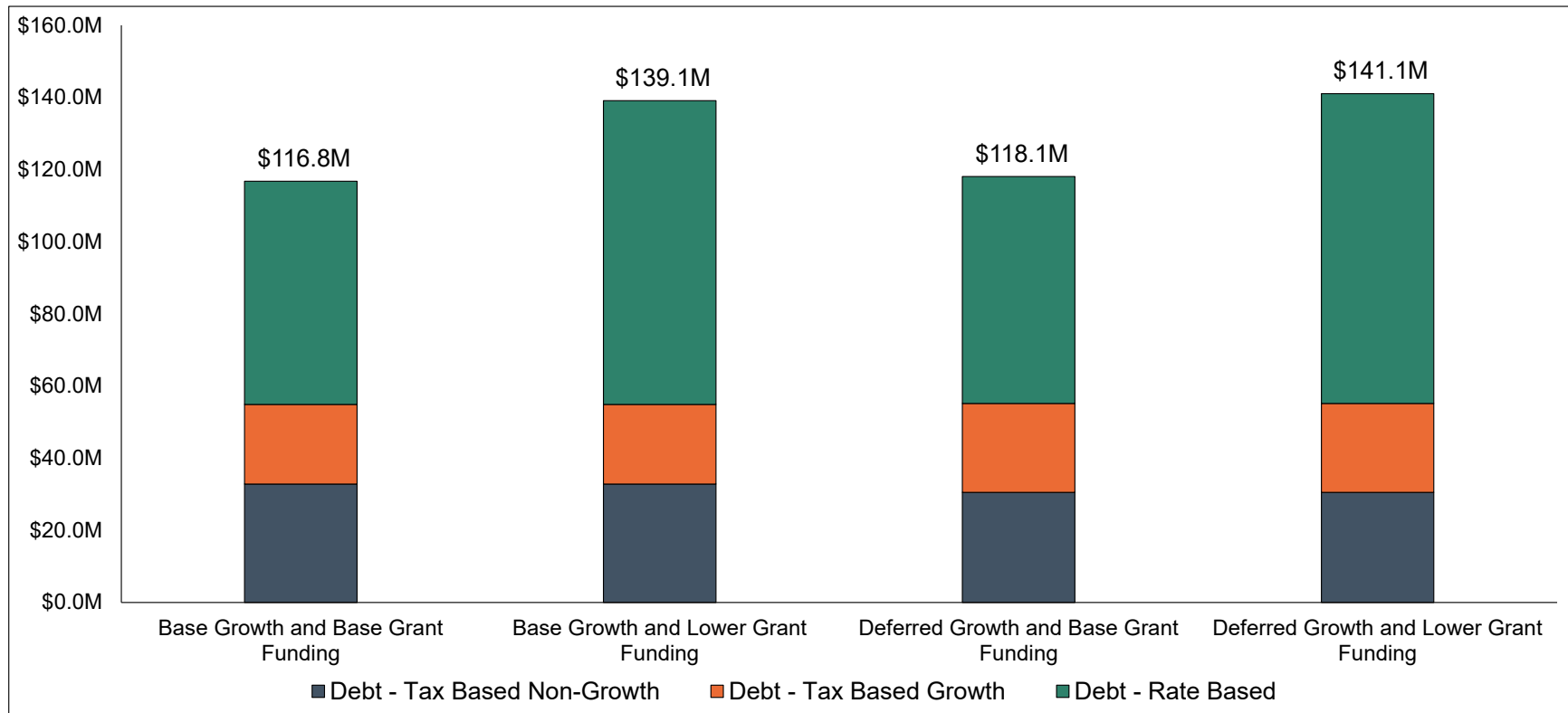




Table 3-12
Debt Capacity Utilization Forecast (% of own-source revenues)

Debt Capacity Utilization	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Base Growth and Base Grant Funding	4.8%	4.2%	5.1%	6.0%	8.1%	9.8%	11.0%	12.1%	13.2%	13.9%
Base Growth and Lower Grant Funding	4.8%	4.2%	5.6%	8.1%	10.6%	12.7%	14.0%	14.8%	15.7%	16.3%
Deferred Growth and Base Grant Funding	4.8%	4.2%	5.0%	5.8%	8.0%	9.7%	10.8%	12.1%	13.3%	14.2%
Deferred Growth and Lower Grant Funding	4.8%	4.2%	5.5%	8.0%	10.5%	12.6%	13.9%	14.9%	15.9%	16.7%

Figure 3-5
Debt Capacity Utilization – Base Growth and Base Grant Funding Scenario

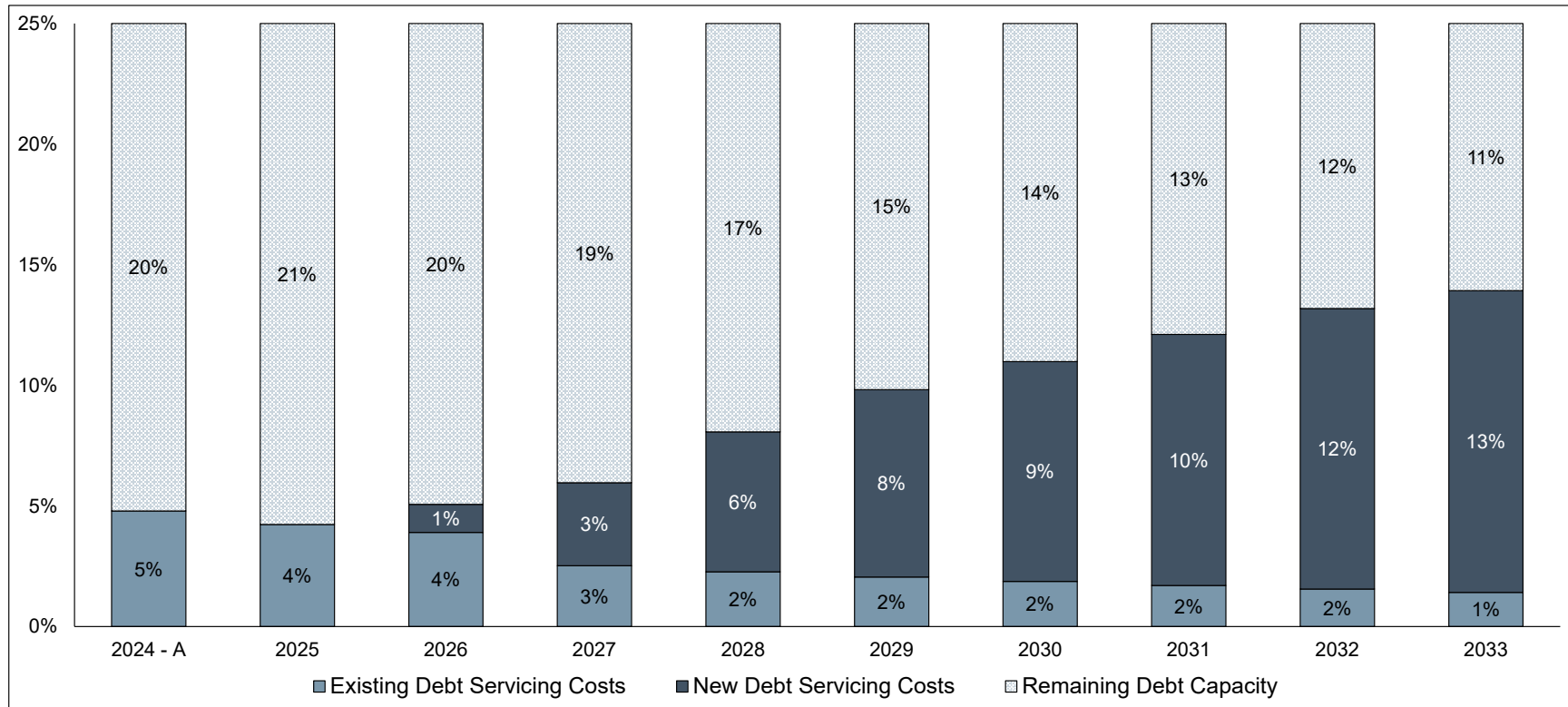




Figure 3-6
Debt Capacity Utilization – Base Growth and Lower Grant Funding Scenario

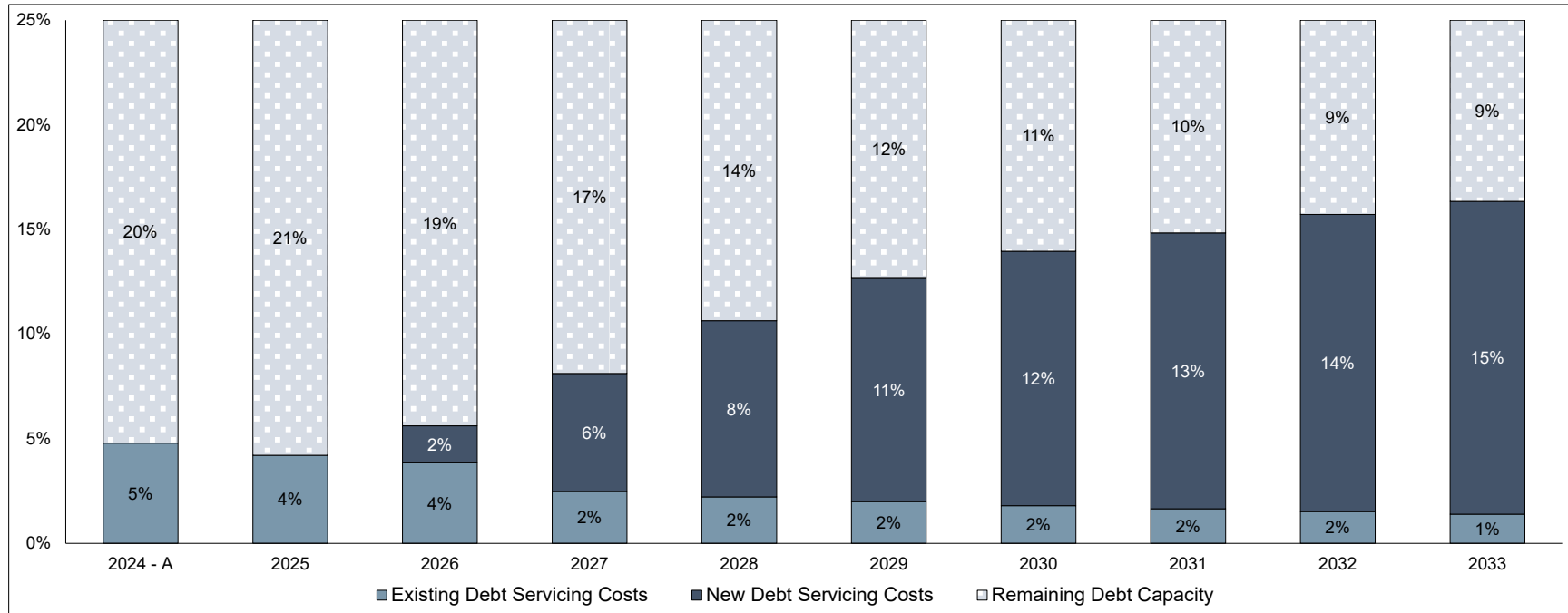




Figure 3-7
Debt Capacity Utilization – Deferred Growth and Base Grant Funding Scenario

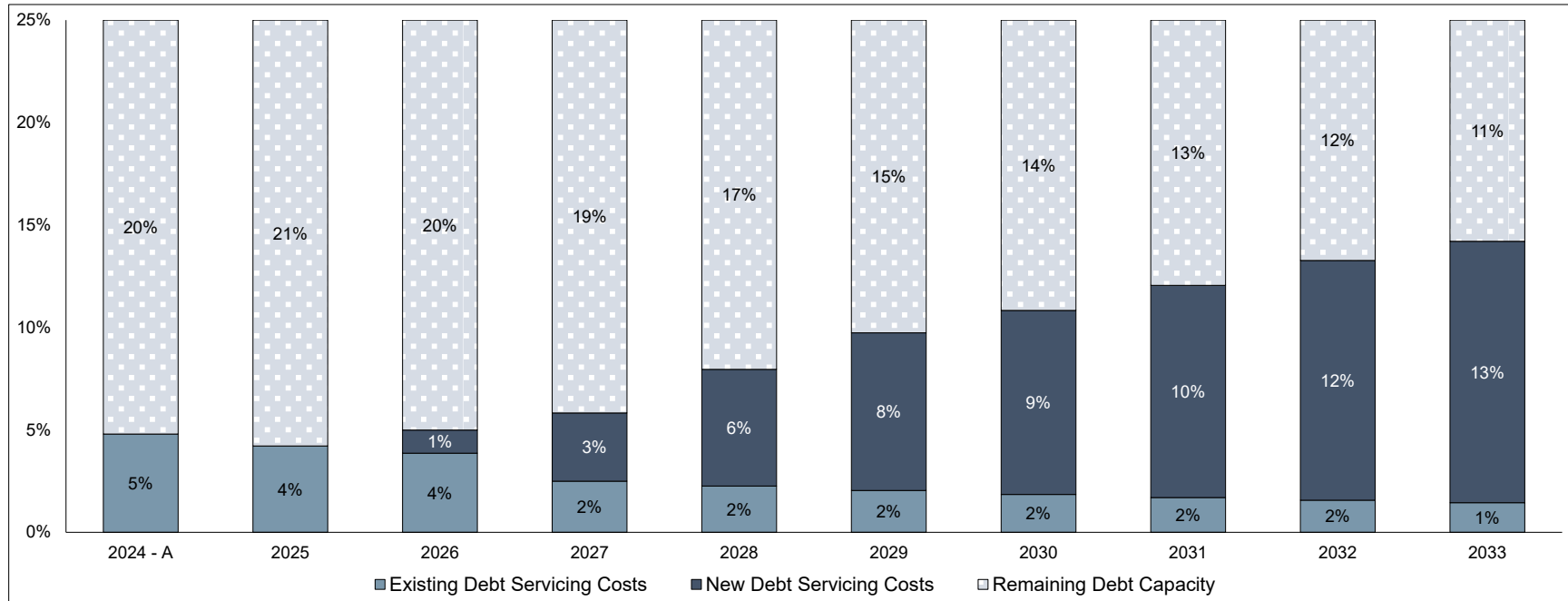
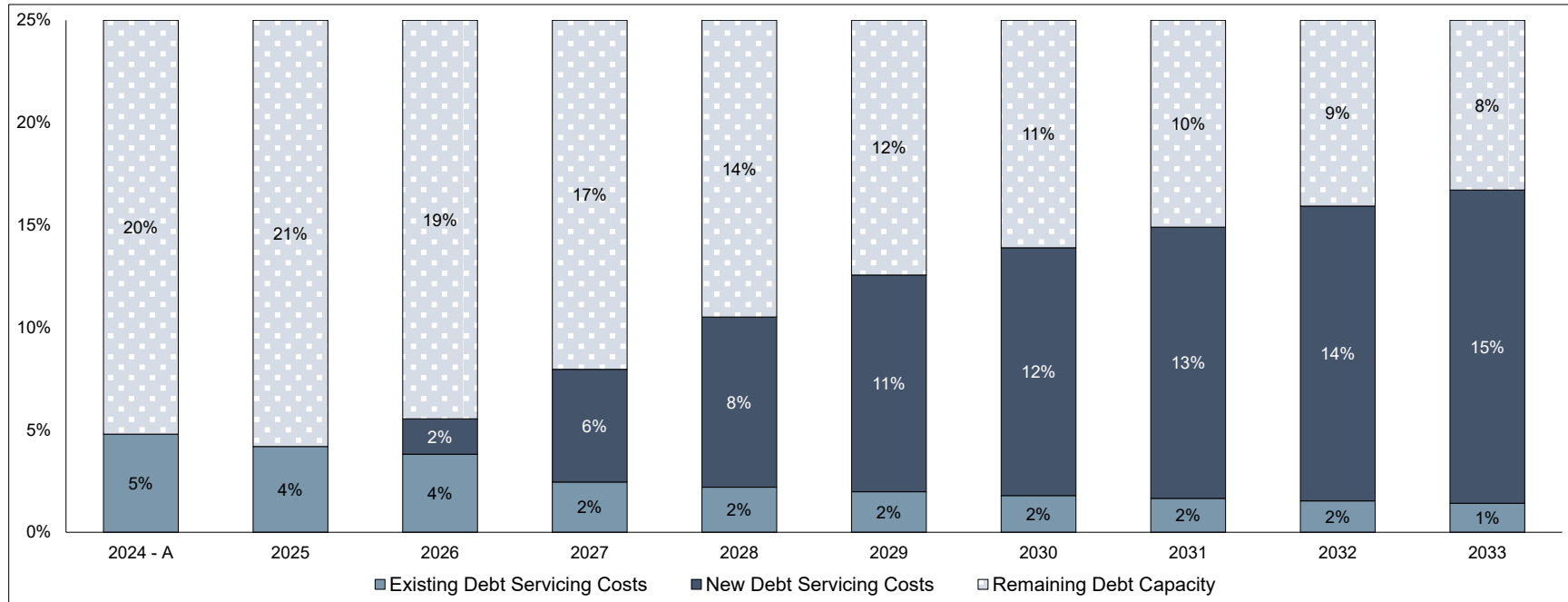




Figure 3-8
Debt Capacity Utilization – Deferred Growth and Lower Grant Funding Scenario





Chapter 4

Net Operating Expenditures and Property Tax Impacts



4. Net Operating Expenditures and Property Tax Impacts

4.1 Forecast Operating Expenditures and Revenues

Operating expenditures have been assessed on two different bases: (1) operating costs related to the incremental capital infrastructure identified in Chapter 3, and (2) service/program operating costs required to service incremental population and employment-related demands identified in Chapter 2. The former identifies the specific operating costs anticipated to be incurred as additional capital infrastructure (i.e., roads, facilities, underground water and wastewater infrastructure, etc.) is emplaced or assumed and is based on expected maintenance cost of assets. The latter identifies service/program expenditures which are expected to rise with increase in population and employment.

Operating revenues are assessed for property tax and non-property tax sources. Incremental weighted property assessment, anticipated as a result of residential and non-residential building activity over the forecast period, gives rise to additional property tax revenues. Non-property tax revenues, such as user fees, permits, licenses, etc., are generally anticipated to grow in concert with population and employment growth to offset some of the incremental program costs.

In undertaking the analysis of operating expenditures and revenues discussed above, items such as transfers to and from reserves and debt servicing costs (i.e., principal and interest payments) have been excluded as these are addressed separately in the LTFP model.

The following considerations were made in developing the forecasts of operating expenditures and revenues:

- Forecasts of operating costs include assessments of economies of scale as they are not expected to increase linearly with growth in population and employment and/or additional capital infrastructure;
- Non-salaries and benefits related operating costs are forecasted with annual inflationary increases of 2%; and



- Salaries and benefits related operating costs are forecasted with inflationary increases based on existing contractual agreements.

It should be noted, based on the significance of the impact on the rate-based expenditure forecast, that the forecast operating expenditures for water and wastewater treatment plant expansions have been preliminarily estimated based on the increase in facility size. As these expansions move forward, the specific anticipated operating cost will need to be examined in greater detail to assess the impact on the LTFP and rate payers.

4.1.1 Forecast Operating Expenditures and Revenues

Table 4-1 provides an index of subsequent tables in this section that present the forecasts of operating expenditures and revenues for each of the four scenarios assessed as part of the LTFP.

Table 4-1: Operating Cost and Revenue Forecast Table References

Scenario	Table Reference
Scenario 1: Base Growth and Base Grant Funding	Table 4-2: Tax Based Forecast
	Table 4-3: Rate Based Forecast
Scenario 2: Base Growth and Lower Grant Funding	Table 4-4: Tax Based Forecast
	Table 4-5: Rate Based Forecast
Scenario 3: Deferred Growth and Base Grant Funding	Table 4-6: Tax Based Forecast
	Table 4-7: Rate Based Forecast
Scenario 4: Deferred Growth and Lower Grant Funding	Table 4-8: Tax Based Forecast
	Table 4-9: Rate Based Forecast

Forecast operating costs and revenues and the impact on the overall LTFP are discussed further in Section 4.2.



Table 4-2: Scenario 1 – Tax Based Operating Forecast

Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operating Expenditures										
Corporate Administration	\$ 2,299,116	\$ 2,378,663	\$ 2,465,517	\$ 2,574,258	\$ 2,695,813	\$ 2,831,785	\$ 2,987,750	\$ 3,163,847	\$ 3,367,785	\$ 3,601,394
Tax-Supported Facilities	\$ 893,612	\$ 920,508	\$ 1,011,709	\$ 1,049,554	\$ 1,088,994	\$ 1,130,131	\$ 1,201,752	\$ 1,281,514	\$ 1,365,188	\$ 1,417,716
Economic Development	\$ 216,407	\$ 224,076	\$ 232,257	\$ 243,030	\$ 254,711	\$ 267,391	\$ 281,817	\$ 297,595	\$ 315,424	\$ 335,107
Fire	\$ 1,342,993	\$ 1,389,541	\$ 1,441,286	\$ 1,506,916	\$ 1,582,149	\$ 1,668,120	\$ 1,768,852	\$ 1,884,634	\$ 2,019,985	\$ 2,176,704
Outside Agencies	\$ 108,500	\$ 112,419	\$ 116,452	\$ 121,940	\$ 127,602	\$ 133,441	\$ 139,877	\$ 146,517	\$ 153,698	\$ 161,109
Municipal Law Enforcement	\$ 184,284	\$ 190,571	\$ 197,765	\$ 206,653	\$ 217,239	\$ 229,732	\$ 244,625	\$ 262,219	\$ 283,153	\$ 307,961
Public Works	\$ 4,701,264	\$ 4,789,570	\$ 4,879,960	\$ 4,984,443	\$ 5,092,956	\$ 5,193,709	\$ 5,315,316	\$ 5,441,656	\$ 5,573,373	\$ 5,697,611
Solid Waste Management	\$ 1,337,100	\$ 1,380,648	\$ 1,426,460	\$ 1,488,694	\$ 1,554,795	\$ 1,625,009	\$ 1,703,996	\$ 1,788,226	\$ 1,881,707	\$ 1,981,938
Parks and Recreation	\$ 1,445,953	\$ 1,494,487	\$ 1,548,067	\$ 1,613,251	\$ 1,686,414	\$ 1,768,409	\$ 1,860,708	\$ 1,964,090	\$ 2,083,118	\$ 2,217,268
Planning and Building	\$ 836,335	\$ 865,027	\$ 897,526	\$ 938,050	\$ 985,676	\$ 1,041,274	\$ 1,107,175	\$ 1,184,332	\$ 1,275,613	\$ 1,382,990
Contribution to Capital R&RFs	\$ 825,000	\$ 1,238,239	\$ 1,522,552	\$ 2,178,221	\$ 2,781,398	\$ 3,449,998	\$ 4,384,840	\$ 5,473,448	\$ 6,649,934	\$ 8,073,592
Debt Repayments	\$ 568,548	\$ 525,743	\$ 694,141	\$ 728,916	\$ 1,044,258	\$ 1,356,866	\$ 1,518,764	\$ 1,694,184	\$ 1,863,443	\$ 1,915,955
Contribution to Operating R&RFs	\$ 555,000									
Total Operating Expenditures	\$15,314,112	\$15,509,493	\$16,433,691	\$17,633,927	\$19,112,006	\$20,695,866	\$22,515,473	\$24,582,261	\$26,832,421	\$29,269,344
Operating Revenues										
Corporate Administration	\$ 1,633,600	\$ 1,401,453	\$ 1,435,072	\$ 1,473,618	\$ 1,513,132	\$ 1,553,636	\$ 1,596,368	\$ 1,640,187	\$ 1,686,194	\$ 1,733,384
Tax-Supported Facilities	\$ 498,545	\$ 535,164	\$ 554,321	\$ 580,340	\$ 607,177	\$ 634,856	\$ 665,303	\$ 696,713	\$ 730,709	\$ 765,786
Economic Development	\$ 1,006,000	\$ 46,625	\$ 48,298	\$ 50,574	\$ 52,922	\$ 55,344	\$ 58,013	\$ 60,767	\$ 63,746	\$ 66,819
Fire	\$ 43,500	\$ 45,071	\$ 46,688	\$ 48,889	\$ 51,158	\$ 53,499	\$ 56,080	\$ 58,742	\$ 61,621	\$ 64,592
Outside Agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Law Enforcement	\$ 35,500	\$ 36,782	\$ 38,102	\$ 39,898	\$ 41,750	\$ 43,660	\$ 45,766	\$ 47,939	\$ 50,288	\$ 52,713
Public Works	\$ 819,345	\$ 1,184,211	\$ 1,209,634	\$ 1,240,261	\$ 1,271,605	\$ 1,299,746	\$ 1,334,055	\$ 1,369,045	\$ 1,405,073	\$ 1,438,475
Solid Waste Management	\$ 305,728	\$ 316,772	\$ 328,134	\$ 343,600	\$ 359,553	\$ 376,006	\$ 394,141	\$ 412,851	\$ 433,087	\$ 453,967
Parks and Recreation	\$ 630,850	\$ 653,527	\$ 676,858	\$ 708,458	\$ 741,051	\$ 774,665	\$ 811,541	\$ 849,584	\$ 890,795	\$ 933,315
Planning and Building		\$ 446,903	\$ 462,934	\$ 484,753	\$ 507,259	\$ 530,472	\$ 556,057	\$ 582,453	\$ 611,002	\$ 640,460
DC Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PILs and ROWs	\$ 514,764	\$ 525,059	\$ 535,560	\$ 546,272	\$ 557,197	\$ 568,341	\$ 579,708	\$ 591,302	\$ 603,128	\$ 615,191
Total Operating Revenues	\$ 6,119,155	\$ 5,191,568	\$ 5,335,603	\$ 5,516,662	\$ 5,702,805	\$ 5,890,226	\$ 6,097,032	\$ 6,309,582	\$ 6,535,643	\$ 6,764,702



Table 4-3: Scenario 1: Rate Based Operating Forecast

Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operating Expenditures										
Rate-Supported Facilities	\$ 1,083,298	\$ 1,146,772	\$ 1,364,342	\$ 1,590,156	\$ 1,824,457	\$ 2,097,663	\$ 2,334,908	\$ 2,412,995	\$ 2,493,271	\$ 2,575,793
Wastewater Collection	\$ 335,055	\$ 340,374	\$ 345,780	\$ 355,114	\$ 366,076	\$ 376,619	\$ 388,134	\$ 400,689	\$ 414,362	\$ 429,241
Wastewater Treatment	\$ 1,924,630	\$ 2,101,442	\$ 2,284,557	\$ 2,474,156	\$ 2,670,425	\$ 2,973,369	\$ 3,134,648	\$ 3,301,187	\$ 3,473,135	\$ 3,650,640
Water Treatment	\$ 899,916	\$ 917,914	\$ 1,208,976	\$ 1,511,313	\$ 1,825,260	\$ 2,151,161	\$ 2,489,367	\$ 2,539,154	\$ 2,589,937	\$ 2,641,736
Water Distribution	\$ 618,799	\$ 633,366	\$ 648,290	\$ 663,580	\$ 679,246	\$ 695,297	\$ 713,804	\$ 733,067	\$ 759,681	\$ 788,273
Water Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution to Capital R&RFs	\$ 328,606	\$ 558,696	\$ 549,339	\$ 453,930	\$ 311,169	\$ 120,292	\$ 148,390	\$ 86,879	\$ 360,267	\$ 533,658
Debt Repayments	\$ 304,923	\$ 304,923	\$ 304,923	\$ 462,594	\$ 755,456	\$ 1,072,690	\$ 1,407,694	\$ 1,761,543	\$ 2,151,091	\$ 2,728,445
Total Operating Expenditures	\$ 5,495,226	\$ 6,003,487	\$ 6,706,207	\$ 7,510,843	\$ 8,432,088	\$ 9,487,091	\$ 10,320,165	\$ 11,235,514	\$ 12,241,743	\$ 13,347,787
Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operating Revenues										
Rate-Supported Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Collection	\$ 1,146,242	\$ 1,169,167	\$ 1,192,550	\$ 1,216,865	\$ 1,241,675	\$ 1,266,732	\$ 1,292,295	\$ 1,318,373	\$ 1,344,978	\$ 1,372,119
Wastewater Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Treatment	\$ 326,841	\$ 333,378	\$ 340,045	\$ 346,846	\$ 353,783	\$ 360,859	\$ 368,076	\$ 375,438	\$ 382,946	\$ 390,605
Water Distribution	\$ 18,643	\$ 19,016	\$ 19,396	\$ 19,784	\$ 20,180	\$ 20,583	\$ 21,079	\$ 21,587	\$ 22,374	\$ 23,183
Water Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Revenues	\$ 1,491,726	\$ 1,521,561	\$ 1,551,992	\$ 1,583,495	\$ 1,615,638	\$ 1,648,175	\$ 1,681,450	\$ 1,715,398	\$ 1,750,298	\$ 1,785,907



Table 4-4: Scenario 2 – Tax Based Operating Forecast

Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operating Expenditures										
Corporate Administration	\$ 2,299,116	\$ 2,378,663	\$ 2,465,517	\$ 2,574,258	\$ 2,695,813	\$ 2,831,785	\$ 2,987,750	\$ 3,163,847	\$ 3,367,785	\$ 3,601,394
Tax-Supported Facilities	\$ 893,612	\$ 920,508	\$ 1,011,709	\$ 1,049,554	\$ 1,088,994	\$ 1,130,131	\$ 1,201,752	\$ 1,281,514	\$ 1,365,188	\$ 1,417,716
Economic Development	\$ 216,407	\$ 224,076	\$ 232,257	\$ 243,030	\$ 254,711	\$ 267,391	\$ 281,817	\$ 297,595	\$ 315,424	\$ 335,107
Fire	\$ 1,342,993	\$ 1,389,541	\$ 1,441,286	\$ 1,506,916	\$ 1,582,149	\$ 1,668,120	\$ 1,768,852	\$ 1,884,634	\$ 2,019,985	\$ 2,176,704
Outside Agencies	\$ 108,500	\$ 112,419	\$ 116,452	\$ 121,940	\$ 127,602	\$ 133,441	\$ 139,877	\$ 146,517	\$ 153,698	\$ 161,109
Municipal Law Enforcement	\$ 184,284	\$ 190,571	\$ 197,765	\$ 206,653	\$ 217,239	\$ 229,732	\$ 244,625	\$ 262,219	\$ 283,153	\$ 307,961
Public Works	\$ 4,701,264	\$ 4,789,570	\$ 4,879,960	\$ 4,984,443	\$ 5,092,956	\$ 5,193,709	\$ 5,315,316	\$ 5,441,656	\$ 5,573,373	\$ 5,697,611
Solid Waste Management	\$ 1,337,100	\$ 1,380,648	\$ 1,426,460	\$ 1,488,694	\$ 1,554,795	\$ 1,625,009	\$ 1,703,996	\$ 1,788,226	\$ 1,881,707	\$ 1,981,938
Parks and Recreation	\$ 1,445,953	\$ 1,494,487	\$ 1,548,067	\$ 1,613,251	\$ 1,686,414	\$ 1,768,409	\$ 1,860,708	\$ 1,964,090	\$ 2,083,118	\$ 2,217,268
Planning and Building	\$ 836,335	\$ 865,027	\$ 897,526	\$ 938,050	\$ 985,676	\$ 1,041,274	\$ 1,107,175	\$ 1,184,332	\$ 1,275,613	\$ 1,382,990
Contribution to Capital R&RFs	\$ 825,000	\$ 1,238,239	\$ 1,522,552	\$ 2,178,221	\$ 2,781,398	\$ 3,449,998	\$ 4,384,840	\$ 5,473,448	\$ 6,649,934	\$ 8,073,592
Debt Repayments	\$ 568,548	\$ 525,743	\$ 694,141	\$ 728,916	\$ 1,044,258	\$ 1,356,866	\$ 1,518,764	\$ 1,694,184	\$ 1,863,443	\$ 1,915,955
Contribution to Operating R&RFs	\$ 555,000									
Total Operating Expenditures	\$15,314,112	\$15,509,493	\$16,433,691	\$17,633,927	\$19,112,006	\$20,695,866	\$22,515,473	\$24,582,261	\$26,832,421	\$29,269,344
Operating Revenues										
Corporate Administration	\$ 1,633,600	\$ 1,401,453	\$ 1,435,072	\$ 1,473,618	\$ 1,513,132	\$ 1,553,636	\$ 1,596,368	\$ 1,640,187	\$ 1,686,194	\$ 1,733,384
Tax-Supported Facilities	\$ 498,545	\$ 535,164	\$ 554,321	\$ 580,340	\$ 607,177	\$ 634,856	\$ 665,303	\$ 696,713	\$ 730,709	\$ 765,786
Economic Development	\$ 1,006,000	\$ 46,625	\$ 48,298	\$ 50,574	\$ 52,922	\$ 55,344	\$ 58,013	\$ 60,767	\$ 63,746	\$ 66,819
Fire	\$ 43,500	\$ 45,071	\$ 46,688	\$ 48,889	\$ 51,158	\$ 53,499	\$ 56,080	\$ 58,742	\$ 61,621	\$ 64,592
Outside Agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Law Enforcement	\$ 35,500	\$ 36,782	\$ 38,102	\$ 39,898	\$ 41,750	\$ 43,660	\$ 45,766	\$ 47,939	\$ 50,288	\$ 52,713
Public Works	\$ 819,345	\$ 1,184,211	\$ 1,209,634	\$ 1,240,261	\$ 1,271,605	\$ 1,299,746	\$ 1,334,055	\$ 1,369,045	\$ 1,405,073	\$ 1,438,475
Solid Waste Management	\$ 305,728	\$ 316,772	\$ 328,134	\$ 343,600	\$ 359,553	\$ 376,006	\$ 394,141	\$ 412,851	\$ 433,087	\$ 453,967
Parks and Recreation	\$ 630,850	\$ 653,527	\$ 676,858	\$ 708,458	\$ 741,051	\$ 774,665	\$ 811,541	\$ 849,584	\$ 890,795	\$ 933,315
Planning and Building		\$ 446,903	\$ 462,934	\$ 484,753	\$ 507,259	\$ 530,472	\$ 556,057	\$ 582,453	\$ 611,002	\$ 640,460
DC Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PIs and ROWs	\$ 514,764	\$ 525,059	\$ 535,560	\$ 546,272	\$ 557,197	\$ 568,341	\$ 579,708	\$ 591,302	\$ 603,128	\$ 615,191
Total Operating Revenues	\$ 6,119,155	\$ 5,191,568	\$ 5,335,603	\$ 5,516,662	\$ 5,702,805	\$ 5,890,226	\$ 6,097,032	\$ 6,309,582	\$ 6,535,643	\$ 6,764,702



Table 4-5
Scenario 2: Rate Based Operating Forecast

Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operating Expenditures										
Rate-Supported Facilities	\$ 1,083,298	\$ 1,146,772	\$ 1,364,342	\$ 1,590,156	\$ 1,824,457	\$ 2,097,663	\$ 2,334,908	\$ 2,412,995	\$ 2,493,271	\$ 2,575,793
Wastewater Collection	\$ 335,055	\$ 340,374	\$ 345,780	\$ 355,114	\$ 366,076	\$ 376,619	\$ 388,134	\$ 400,689	\$ 414,362	\$ 429,241
Wastewater Treatment	\$ 1,924,630	\$ 2,101,442	\$ 2,284,557	\$ 2,474,156	\$ 2,670,425	\$ 2,973,369	\$ 3,134,648	\$ 3,301,187	\$ 3,473,135	\$ 3,650,640
Water Treatment	\$ 899,916	\$ 917,914	\$ 1,208,976	\$ 1,511,313	\$ 1,825,260	\$ 2,151,161	\$ 2,489,367	\$ 2,539,154	\$ 2,589,937	\$ 2,641,736
Water Distribution	\$ 618,799	\$ 633,366	\$ 648,290	\$ 663,580	\$ 679,246	\$ 695,297	\$ 713,804	\$ 733,067	\$ 759,681	\$ 788,273
Water Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution to Capital R&RFs	\$ 328,606	\$ 675,615	\$ 688,892	\$ 339,935	\$ 199,020	\$ 60,210	\$ 22,907	\$ 115,193	\$ 201,972	\$ 137,646
Debt Repayments	\$ 304,923	\$ 304,923	\$ 437,793	\$ 998,407	\$ 1,479,680	\$ 1,985,230	\$ 2,505,849	\$ 2,850,816	\$ 3,238,896	\$ 3,824,457
Total Operating Expenditures	\$ 5,495,226	\$ 6,120,406	\$ 6,978,630	\$ 7,932,662	\$ 9,044,163	\$ 10,339,549	\$ 11,589,617	\$ 12,353,101	\$ 13,171,254	\$ 14,047,787
Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operating Revenues										
Rate-Supported Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Collection	\$ 1,146,242	\$ 1,169,167	\$ 1,192,550	\$ 1,216,865	\$ 1,241,675	\$ 1,266,732	\$ 1,292,295	\$ 1,318,373	\$ 1,344,978	\$ 1,372,119
Wastewater Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Treatment	\$ 326,841	\$ 333,378	\$ 340,045	\$ 346,846	\$ 353,783	\$ 360,859	\$ 368,076	\$ 375,438	\$ 382,946	\$ 390,605
Water Distribution	\$ 18,643	\$ 19,016	\$ 19,396	\$ 19,784	\$ 20,180	\$ 20,583	\$ 21,079	\$ 21,587	\$ 22,374	\$ 23,183
Water Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Revenues	\$ 1,491,726	\$ 1,521,561	\$ 1,551,992	\$ 1,583,495	\$ 1,615,638	\$ 1,648,175	\$ 1,681,450	\$ 1,715,398	\$ 1,750,298	\$ 1,785,907



**Table 4-6
Scenario 3 – Tax Based Operating Forecast**

Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operating Expenditures										
Corporate Administration	\$ 2,299,116	\$ 2,378,663	\$ 2,465,517	\$ 2,564,837	\$ 2,674,271	\$ 2,794,978	\$ 2,928,449	\$ 3,076,475	\$ 3,244,901	\$ 3,434,146
Tax-Supported Facilities	\$ 893,612	\$ 920,508	\$ 1,011,709	\$ 1,049,443	\$ 1,088,646	\$ 1,129,401	\$ 1,200,471	\$ 1,279,484	\$ 1,362,162	\$ 1,413,396
Economic Development	\$ 216,407	\$ 224,076	\$ 232,257	\$ 241,739	\$ 251,930	\$ 262,893	\$ 274,704	\$ 287,451	\$ 301,687	\$ 317,166
Fire	\$ 1,342,993	\$ 1,389,541	\$ 1,441,286	\$ 1,501,710	\$ 1,569,569	\$ 1,645,661	\$ 1,730,931	\$ 1,826,502	\$ 1,935,573	\$ 2,058,746
Outside Agencies	\$ 108,500	\$ 112,419	\$ 116,452	\$ 121,094	\$ 125,874	\$ 130,798	\$ 135,868	\$ 141,089	\$ 146,751	\$ 152,584
Municipal Law Enforcement	\$ 184,284	\$ 190,571	\$ 197,765	\$ 206,207	\$ 215,960	\$ 227,171	\$ 240,016	\$ 254,703	\$ 271,651	\$ 291,143
Public Works	\$ 4,701,264	\$ 4,789,570	\$ 4,879,960	\$ 4,984,443	\$ 5,092,956	\$ 5,193,709	\$ 5,315,316	\$ 5,441,656	\$ 5,573,373	\$ 5,697,611
Solid Waste Management	\$ 1,337,100	\$ 1,380,648	\$ 1,426,460	\$ 1,479,803	\$ 1,536,131	\$ 1,595,614	\$ 1,658,451	\$ 1,724,879	\$ 1,798,209	\$ 1,876,056
Parks and Recreation	\$ 1,445,953	\$ 1,494,487	\$ 1,548,067	\$ 1,607,539	\$ 1,672,890	\$ 1,744,677	\$ 1,823,998	\$ 1,911,161	\$ 2,009,704	\$ 2,118,571
Planning and Building	\$ 836,335	\$ 865,027	\$ 897,526	\$ 935,601	\$ 979,167	\$ 1,028,832	\$ 1,085,321	\$ 1,149,495	\$ 1,223,284	\$ 1,307,660
Contribution to Capital R&RFs	\$ 825,000	\$ 1,340,911	\$ 1,749,844	\$ 2,492,463	\$ 3,129,461	\$ 3,854,359	\$ 4,773,101	\$ 5,756,587	\$ 6,840,233	\$ 8,190,686
Debt Repayments	\$ 568,548	\$ 525,743	\$ 688,817	\$ 711,808	\$ 1,010,856	\$ 1,305,417	\$ 1,446,349	\$ 1,601,638	\$ 1,756,216	\$ 1,798,860
Contribution to Operating R&RFs	\$ 555,000									
Total Operating Expenditures	\$15,314,112	\$15,612,164	\$16,655,660	\$17,896,688	\$19,347,710	\$20,913,508	\$22,612,976	\$24,451,120	\$26,463,744	\$28,656,626
Operating Revenues										
Corporate Administration	\$ 1,633,600	\$ 1,401,453	\$ 1,435,072	\$ 1,470,945	\$ 1,507,679	\$ 1,545,293	\$ 1,583,809	\$ 1,623,248	\$ 1,664,560	\$ 1,706,876
Tax-Supported Facilities	\$ 498,545	\$ 535,164	\$ 554,321	\$ 576,314	\$ 598,964	\$ 622,290	\$ 646,309	\$ 671,040	\$ 697,885	\$ 725,535
Economic Development	\$ 1,006,000	\$ 46,625	\$ 48,298	\$ 50,223	\$ 52,206	\$ 54,248	\$ 56,351	\$ 58,516	\$ 60,865	\$ 63,284
Fire	\$ 43,500	\$ 45,071	\$ 46,688	\$ 48,549	\$ 50,466	\$ 52,440	\$ 54,472	\$ 56,565	\$ 58,836	\$ 61,174
Outside Agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Law Enforcement	\$ 35,500	\$ 36,782	\$ 38,102	\$ 39,620	\$ 41,185	\$ 42,796	\$ 44,454	\$ 46,163	\$ 48,015	\$ 49,924
Public Works	\$ 819,345	\$ 1,184,211	\$ 1,209,634	\$ 1,239,822	\$ 1,270,710	\$ 1,298,375	\$ 1,331,977	\$ 1,366,231	\$ 1,401,472	\$ 1,434,056
Solid Waste Management	\$ 305,728	\$ 316,772	\$ 328,134	\$ 341,214	\$ 354,685	\$ 368,558	\$ 382,845	\$ 397,555	\$ 413,512	\$ 429,947
Parks and Recreation	\$ 630,850	\$ 653,527	\$ 676,858	\$ 703,550	\$ 731,038	\$ 759,345	\$ 788,491	\$ 818,500	\$ 851,103	\$ 884,682
Planning and Building		\$ 446,903	\$ 462,934	\$ 481,386	\$ 500,391	\$ 519,964	\$ 540,120	\$ 560,873	\$ 583,385	\$ 606,573
DC Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PILs and ROWs	\$ 514,764	\$ 525,059	\$ 535,560	\$ 546,272	\$ 557,197	\$ 568,341	\$ 579,708	\$ 591,302	\$ 603,128	\$ 615,191
Total Operating Revenues	\$ 6,119,155	\$ 5,191,568	\$ 5,335,603	\$ 5,497,895	\$ 5,664,521	\$ 5,831,650	\$ 6,008,536	\$ 6,189,994	\$ 6,382,760	\$ 6,577,241



Table 4-7
Scenario 3: Rate Based Operating Forecast

Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operating Expenditures										
Rate-Supported Facilities	\$ 1,083,298	\$ 1,146,772	\$ 1,364,342	\$ 1,590,156	\$ 1,824,457	\$ 2,097,663	\$ 2,334,908	\$ 2,412,995	\$ 2,493,271	\$ 2,575,793
Wastewater Collection	\$ 335,055	\$ 340,374	\$ 345,780	\$ 355,114	\$ 366,076	\$ 376,619	\$ 388,134	\$ 400,689	\$ 414,362	\$ 429,241
Wastewater Treatment	\$ 1,924,630	\$ 2,101,442	\$ 2,284,557	\$ 2,474,156	\$ 2,670,425	\$ 2,973,369	\$ 3,134,648	\$ 3,301,187	\$ 3,473,135	\$ 3,650,640
Water Treatment	\$ 899,916	\$ 917,914	\$ 1,208,976	\$ 1,511,313	\$ 1,825,260	\$ 2,151,161	\$ 2,489,367	\$ 2,539,154	\$ 2,589,937	\$ 2,641,736
Water Distribution	\$ 618,799	\$ 633,366	\$ 648,290	\$ 663,580	\$ 679,246	\$ 695,297	\$ 713,804	\$ 733,067	\$ 759,681	\$ 788,273
Water Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution to Capital R&RFs	\$ 328,606	\$ 558,696	\$ 549,339	\$ 453,970	\$ 300,280	\$ 97,580	\$ 192,164	\$ 331,093	\$ 480,281	\$ 496,530
Debt Repayments	\$ 304,923	\$ 304,923	\$ 304,923	\$ 462,554	\$ 766,344	\$ 1,095,402	\$ 1,443,180	\$ 1,791,633	\$ 2,181,149	\$ 2,765,573
Total Operating Expenditures	\$ 5,495,226	\$ 6,003,487	\$ 6,706,207	\$ 7,510,843	\$ 8,432,088	\$ 9,487,091	\$ 10,696,204	\$ 11,509,818	\$ 12,391,816	\$ 13,347,787
Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operating Revenues										
Rate-Supported Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Collection	\$ 1,146,242	\$ 1,169,167	\$ 1,192,550	\$ 1,216,865	\$ 1,241,675	\$ 1,266,732	\$ 1,292,295	\$ 1,318,373	\$ 1,344,978	\$ 1,372,119
Wastewater Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Treatment	\$ 326,841	\$ 333,378	\$ 340,045	\$ 346,846	\$ 353,783	\$ 360,859	\$ 368,076	\$ 375,438	\$ 382,946	\$ 390,605
Water Distribution	\$ 18,643	\$ 19,016	\$ 19,396	\$ 19,784	\$ 20,180	\$ 20,583	\$ 21,079	\$ 21,587	\$ 22,374	\$ 23,183
Water Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Revenues	\$ 1,491,726	\$ 1,521,561	\$ 1,551,992	\$ 1,583,495	\$ 1,615,638	\$ 1,648,175	\$ 1,681,450	\$ 1,715,398	\$ 1,750,298	\$ 1,785,907



**Table 4-8
Scenario 4 – Tax Based Operating Forecast**

Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operating Expenditures										
Corporate Administration	\$ 2,299,116	\$ 2,378,663	\$ 2,465,517	\$ 2,564,837	\$ 2,674,271	\$ 2,794,978	\$ 2,928,449	\$ 3,076,475	\$ 3,244,901	\$ 3,434,146
Tax-Supported Facilities	\$ 893,612	\$ 920,508	\$ 1,011,709	\$ 1,049,443	\$ 1,088,646	\$ 1,129,401	\$ 1,200,471	\$ 1,279,484	\$ 1,362,162	\$ 1,413,396
Economic Development	\$ 216,407	\$ 224,076	\$ 232,257	\$ 241,739	\$ 251,930	\$ 262,893	\$ 274,704	\$ 287,451	\$ 301,687	\$ 317,166
Fire	\$ 1,342,993	\$ 1,389,541	\$ 1,441,286	\$ 1,501,710	\$ 1,569,569	\$ 1,645,661	\$ 1,730,931	\$ 1,826,502	\$ 1,935,573	\$ 2,058,746
Outside Agencies	\$ 108,500	\$ 112,419	\$ 116,452	\$ 121,094	\$ 125,874	\$ 130,798	\$ 135,868	\$ 141,089	\$ 146,751	\$ 152,584
Municipal Law Enforcement	\$ 184,284	\$ 190,571	\$ 197,765	\$ 206,207	\$ 215,960	\$ 227,171	\$ 240,016	\$ 254,703	\$ 271,651	\$ 291,143
Public Works	\$ 4,701,264	\$ 4,789,570	\$ 4,879,960	\$ 4,984,443	\$ 5,092,956	\$ 5,193,709	\$ 5,315,316	\$ 5,441,656	\$ 5,573,373	\$ 5,697,611
Solid Waste Management	\$ 1,337,100	\$ 1,380,648	\$ 1,426,460	\$ 1,479,803	\$ 1,536,131	\$ 1,595,614	\$ 1,658,451	\$ 1,724,879	\$ 1,798,209	\$ 1,876,056
Parks and Recreation	\$ 1,445,953	\$ 1,494,487	\$ 1,548,067	\$ 1,607,539	\$ 1,672,890	\$ 1,744,677	\$ 1,823,998	\$ 1,911,161	\$ 2,009,704	\$ 2,118,571
Planning and Building	\$ 836,335	\$ 865,027	\$ 897,526	\$ 935,601	\$ 979,167	\$ 1,028,832	\$ 1,085,321	\$ 1,149,495	\$ 1,223,284	\$ 1,307,660
Contribution to Capital R&RFs	\$ 825,000	\$ 1,340,911	\$ 1,749,844	\$ 2,492,463	\$ 3,129,461	\$ 3,854,359	\$ 4,773,101	\$ 5,756,587	\$ 6,840,233	\$ 8,190,686
Debt Repayments	\$ 568,548	\$ 525,743	\$ 688,817	\$ 711,808	\$ 1,010,856	\$ 1,305,417	\$ 1,446,349	\$ 1,601,638	\$ 1,756,216	\$ 1,798,860
Contribution to Operating R&RFs	\$ 555,000									
Total Operating Expenditures	\$15,314,112	\$15,612,164	\$16,655,660	\$17,896,688	\$19,347,710	\$20,913,508	\$22,612,976	\$24,451,120	\$26,463,744	\$28,656,626
Operating Revenues										
Corporate Administration	\$ 1,633,600	\$ 1,401,453	\$ 1,435,072	\$ 1,470,945	\$ 1,507,679	\$ 1,545,293	\$ 1,583,809	\$ 1,623,248	\$ 1,664,560	\$ 1,706,876
Tax-Supported Facilities	\$ 498,545	\$ 535,164	\$ 554,321	\$ 576,314	\$ 598,964	\$ 622,290	\$ 646,309	\$ 671,040	\$ 697,885	\$ 725,535
Economic Development	\$ 1,006,000	\$ 46,625	\$ 48,298	\$ 50,223	\$ 52,206	\$ 54,248	\$ 56,351	\$ 58,516	\$ 60,865	\$ 63,284
Fire	\$ 43,500	\$ 45,071	\$ 46,688	\$ 48,549	\$ 50,466	\$ 52,440	\$ 54,472	\$ 56,565	\$ 58,836	\$ 61,174
Outside Agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Law Enforcement	\$ 35,500	\$ 36,782	\$ 38,102	\$ 39,620	\$ 41,185	\$ 42,796	\$ 44,454	\$ 46,163	\$ 48,015	\$ 49,924
Public Works	\$ 819,345	\$ 1,184,211	\$ 1,209,634	\$ 1,239,822	\$ 1,270,710	\$ 1,298,375	\$ 1,331,977	\$ 1,366,231	\$ 1,401,472	\$ 1,434,056
Solid Waste Management	\$ 305,728	\$ 316,772	\$ 328,134	\$ 341,214	\$ 354,685	\$ 368,558	\$ 382,845	\$ 397,555	\$ 413,512	\$ 429,947
Parks and Recreation	\$ 630,850	\$ 653,527	\$ 676,858	\$ 703,550	\$ 731,038	\$ 759,345	\$ 788,491	\$ 818,500	\$ 851,103	\$ 884,682
Planning and Building		\$ 446,903	\$ 462,934	\$ 481,386	\$ 500,391	\$ 519,964	\$ 540,120	\$ 560,873	\$ 583,385	\$ 606,573
DC Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PILs and ROWs	\$ 514,764	\$ 525,059	\$ 535,560	\$ 546,272	\$ 557,197	\$ 568,341	\$ 579,708	\$ 591,302	\$ 603,128	\$ 615,191
Total Operating Revenues	\$ 6,119,155	\$ 5,191,568	\$ 5,335,603	\$ 5,497,895	\$ 5,664,521	\$ 5,831,650	\$ 6,008,536	\$ 6,189,994	\$ 6,382,760	\$ 6,577,241



Table 4-9
Scenario 4: Rate Based Operating Forecast

Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operating Expenditures										
Rate-Supported Facilities	\$ 1,083,298	\$ 1,146,772	\$ 1,364,342	\$ 1,590,156	\$ 1,824,457	\$ 2,097,663	\$ 2,334,908	\$ 2,412,995	\$ 2,493,271	\$ 2,575,793
Wastewater Collection	\$ 335,055	\$ 340,374	\$ 345,780	\$ 355,114	\$ 366,076	\$ 376,619	\$ 388,134	\$ 400,689	\$ 414,362	\$ 429,241
Wastewater Treatment	\$ 1,924,630	\$ 2,101,442	\$ 2,284,557	\$ 2,474,156	\$ 2,670,425	\$ 2,973,369	\$ 3,134,648	\$ 3,301,187	\$ 3,473,135	\$ 3,650,640
Water Treatment	\$ 899,916	\$ 917,914	\$ 1,208,976	\$ 1,511,313	\$ 1,825,260	\$ 2,151,161	\$ 2,489,367	\$ 2,539,154	\$ 2,589,937	\$ 2,641,736
Water Distribution	\$ 618,799	\$ 633,366	\$ 648,290	\$ 663,580	\$ 679,246	\$ 695,297	\$ 713,804	\$ 733,067	\$ 759,681	\$ 788,273
Water Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution to Capital R&RFs	\$ 328,606	\$ 675,615	\$ 688,892	\$ 339,935	\$ 188,068	\$ 37,410	\$ 74,220	\$ 140,804	\$ 197,391	\$ 97,536
Debt Repayments	\$ 304,923	\$ 304,923	\$ 437,793	\$ 998,407	\$ 1,490,632	\$ 2,008,030	\$ 2,541,450	\$ 2,896,042	\$ 3,295,449	\$ 3,894,567
Total Operating Expenditures	\$ 5,495,226	\$ 6,120,406	\$ 6,978,630	\$ 7,932,662	\$ 9,044,163	\$ 10,339,549	\$ 11,676,531	\$ 12,423,938	\$ 13,223,226	\$ 14,077,787
Description	2024 - A	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operating Revenues										
Rate-Supported Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Collection	\$ 1,146,242	\$ 1,169,167	\$ 1,192,550	\$ 1,216,865	\$ 1,241,675	\$ 1,266,732	\$ 1,292,295	\$ 1,318,373	\$ 1,344,978	\$ 1,372,119
Wastewater Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Treatment	\$ 326,841	\$ 333,378	\$ 340,045	\$ 346,846	\$ 353,783	\$ 360,859	\$ 368,076	\$ 375,438	\$ 382,946	\$ 390,605
Water Distribution	\$ 18,643	\$ 19,016	\$ 19,396	\$ 19,784	\$ 20,180	\$ 20,583	\$ 21,079	\$ 21,587	\$ 22,374	\$ 23,183
Water Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Revenues	\$ 1,491,726	\$ 1,521,561	\$ 1,551,992	\$ 1,583,495	\$ 1,615,638	\$ 1,648,175	\$ 1,681,450	\$ 1,715,398	\$ 1,750,298	\$ 1,785,907



4.2 Fiscal Impacts

This section summarizes the fiscal impacts associated with each of the four scenarios over the 10-year forecast horizon with respect to the forecasted tax levy requirement, property tax rates, water and wastewater rate revenue requirement, and debt capacity utilization levels.

It should be noted that the fiscal impacts presented herein are contingent on the timing and cost assumptions available and understood at the time of preparing the report. As noted in Chapter 1, this report has been prepared through the development of a LTFP model, which has been constructed to allow Township staff to create alternative scenarios, update assumptions, and measure fiscal impacts. While the LTFP reflects the Township's current strategic plans, development plans, master plans, cost assumptions, etc., there are specific assumptions that could impact the report findings. These include:

- The amount, type, and pace of anticipated development. As identified in Chapter 2, the development anticipated within the Township is based on the UCSDG 2023 GMS, the Township's 2024 Development Forecast and staff input at various points of engagement. A reduction in anticipated development, and consequently in incremental weighted assessment projections, would reduce the revenue potential to fund forecasted tax levy requirements. Less development would also reduce the amount of D.C. and connection charge revenue collected, thereby increasing the burden on existing tax and ratepayers to fund growth-related expenditures.
- MPAC re-assessments that may shift the tax burden between residential and non-residential development.
- The Township should monitor the amount, type and pace of development and adjust capital spending accordingly. This is particularly important for the emplacement of new growth-related capital infrastructure where debt financing is being utilized. The Township should therefore ensure that capital spending is closely aligned with development.
- Incremental net operating expenditures are forecasted based on growth in population and employment and operating costs related to additional growth-related capital infrastructure. Therefore, careful monitoring of development will also assist in refining forecasts of net operating costs.



- Transfer payment revenues (i.e., OMPF, CCBF, OCIF) and HEWS funding represent a significant source of funding for both capital and operating expenditures. Changes to these funding sources should be monitored so that adjustments in other funding sources (e.g., transfers from reserves, debt, etc.) can be made and impacts on the annual tax levy requirement, water and wastewater rate revenue requirement, and reserve and reserve fund sustainability can be assessed.

4.2.1 Operating Forecast Summary

Scenario 1: Base Growth and Base Grant Funding

- Gross operating expenditures are forecasted to rise by approximately \$21.8 million over the 10-year forecast horizon from approximately \$20.8 million to approximately \$42.6 million, representing an average annualized growth of approximately 8.3%
- Revenues not related to taxation or water and wastewater rates are forecasted to rise by approximately \$940,000 from approximately \$7.6 million to approximately \$8.5 million, representing an average annualized growth of approximately 1.3%
- Net operating expenditures are forecasted to rise by approximately \$20.9 million from approximately \$13.2 million to approximately \$34.1 million, representing an average annualized growth of approximately 11.1%
- Based on the capital expenditure forecasts and annual lifecycle funding targets identified in Chapter 3, transfers to capital reserves and reserve funds are expected to rise by approximately \$7.5 million from approximately \$1.2 million to approximately \$8.6 million, representing an average annualized growth of approximately 25.0%
- Debt servicing costs (i.e., principal and interest payments) are expected to rise by approximately \$3.8 million from approximately \$873,000 to approximately \$4.6 million, representing an average annualized growth of approximately 20.0%

Scenario 2: Base Growth and Lower Grant Funding

- Gross operating expenditures are forecasted to rise by approximately \$22.5 million over the 10-year forecast horizon from approximately \$20.8 million to approximately \$43.3 million, representing an average annualized growth of approximately 8.4%



- Revenues not related to taxation or water and wastewater rates are forecasted to rise by approximately \$940,000 from approximately \$7.6 million to approximately \$8.5 million, representing an average annualized growth of approximately 1.3%
- Net operating expenditures are forecasted to rise by approximately \$21.6 million from approximately \$13.2 million to approximately \$34.8 million, representing an average annualized growth of approximately 11.3%
- Based on the capital expenditure forecasts and annual lifecycle funding targets identified in Chapter 3, transfers to capital reserves and reserve funds are expected to rise by approximately \$7.1 million from approximately \$1.2 million to approximately \$8.2 million, representing an average annualized growth of approximately 24.3%
- Debt servicing costs (i.e., principal and interest payments) are expected to rise by approximately \$4.9 million from approximately \$873,000 to approximately \$5.7 million, representing an average annualized growth of approximately 23.2%

Scenario 3: Deferred Growth and Base Grant Funding

- Gross operating expenditures are forecasted to rise by approximately \$21.2 million over the 10-year forecast horizon from approximately \$20.8 million to approximately \$42.0 million, representing an average annualized growth of approximately 8.1%
- Revenues not related to taxation or water and wastewater rates are forecasted to rise by approximately \$752,000 from approximately \$7.6 million to approximately \$8.4 million, representing an average annualized growth of approximately 1.0%
- Net operating expenditures are forecasted to rise by approximately \$20.4 million from approximately \$13.2 million to approximately \$33.6 million, representing an average annualized growth of approximately 10.9%
- Based on the capital expenditure forecasts and annual lifecycle funding targets identified in Chapter 3, transfers to capital reserves and reserve funds are expected to rise by approximately \$7.5 million from approximately \$1.2 million to approximately \$8.7 million, representing an average annualized growth of approximately 25.1%
- Debt servicing costs (i.e., principal and interest payments) are expected to rise by approximately \$3.7 million from approximately \$873,000 to approximately \$4.6 million, representing an average annualized growth of approximately 20.1%



Scenario 4: Deferred Growth and Lower Grant Funding

- Gross operating expenditures are forecasted to rise by approximately \$21.9 million over the 10-year forecast horizon from approximately \$20.8 million to approximately \$42.7 million, representing an average annualized growth of approximately 8.3%
- Revenues not related to taxation or water and wastewater rates are forecasted to rise by approximately \$752,000 from approximately \$7.6 million to approximately \$8.4 million, representing an average annualized growth of approximately 1.0%
- Net operating expenditures are forecasted to rise by approximately \$21.2 million from approximately \$13.2 million to approximately \$34.4 million, representing an average annualized growth of approximately 11.2%
- Based on the capital expenditure forecasts and annual lifecycle funding targets identified in Chapter 3, transfers to capital reserves and reserve funds are expected to rise by approximately \$7.1 million from approximately \$1.2 million to approximately \$8.3 million, representing an average annualized growth of approximately 24.5%
- Debt servicing costs (i.e., principal and interest payments) are expected to rise by approximately \$4.9 million from approximately \$873,000 to approximately \$5.7 million, representing an average annualized growth of approximately 23.1%

Operating Forecast Summary

- Gross operating expenditures are anticipated to increase by between 8.1% to 8.4% per year across each scenario (including both tax and rate-supported services). This average annual increase will result in the total annual gross operating costs increasing from \$20.8 million in 2024 to \$42.7 million in 2033 on average across each scenario (+ \$21.9 million per year over the 10-year period). On average across each scenario, 53% of this increase (or \$11.9 million) is driven by increases in capital related items such as transfers to capital reserves for in-year and lifecycle capital funding and debt servicing costs. Operating costs, net of capital related items, would increase by 4.9% per year on average across each scenario.



4.2.2 Summary of Fiscal Impacts

Table 4-10 summarizes the tax and rate based fiscal impacts associated with each of the four scenarios assessed as part of this LTFP.

Table 4-10
Summary of Fiscal Impacts

Description	Base Growth and Capital Funding	Base Growth and Lower Capital Funding	Deferred Growth and Base Capital Funding	Deferred Growth and Lower Capital Funding
Tax Based Impacts				
Net Tax Levy				
2024	\$9.6 million	\$9.6 million	\$9.6 million	\$9.6 million
2033	\$22.5 million	\$22.5 million	\$22.1 million	\$22.1 million
Annual Increase (%)	10.0%	10.0%	9.8%	9.8%
Weighted Property Assessment				
2024	\$1.7 billion	\$1.7 billion	\$1.7 billion	\$1.7 billion
2033	\$2.5 billion	\$2.5 billion	\$2.2 billion	\$2.2 billion
Annual Increase (%)	4.3%	4.3%	3.1%	3.1%
Residential Tax Rate Annual Increase	5.4%	5.4%	6.5%	6.5%
Rate Based Impacts				
Rate Funding Requirement				
2024	\$3.9 million	\$3.9 million	\$3.9 million	\$3.9 million
2033	\$11.6 million	\$12.3 million	\$11.6 million	\$12.3 million
Annual Increase (%)	12.8%	13.6%	12.8%	13.6%
Average water and wastewater charges per household				
2024	\$ 1,082	\$ 1,082	\$ 1,082	\$ 1,082
2033	\$ 2,213	\$ 2,347	\$ 2,416	\$ 2,569
Annual Increase (%)	8.3%	9.0%	9.3%	10.1%

For each scenario, the annual net levy is forecast to increase between 9.8% and 10.0% per year, with slightly lower increases in the deferred growth scenarios due to the decrease in forecast operating costs associated with lower population and employment growth. As discussed in the previous section, the majority of this increase is related to increasing capital related operating costs to provide for full lifecycle funding for the sustainable maintenance of infrastructure and delivery of services across the Township.



The is further illustrated by the fact that under the base growth and capital funding scenario, the share of the net levy that relates to capital related operating costs will grow from 14.6% in 2024 to 44.4% in 2033.

When assessing the impact on the forecast property tax rates, the growth in the net levy is offset by annual growth in weighted property assessment (i.e., 4.3% per year in the base growth scenarios and 3.1% per year in the deferred growth scenarios). As such the average annual tax rate increases that would be required under the base growth scenarios would be 5.4% per year. Under the deferred growth scenario, with the decrease in incremental weighted property assessment growth, average annual tax rate increases of 6.5% would be required.

For rate-supported services, the annual rate funding requirement will increase by 12.8% the base capital funding scenarios (i.e., HEWS grant funding is received) and by 13.6% per year in the lower capital funding scenarios (i.e., HEWS grant funding application is not successful). As with the tax-supported services, when assessing the impact on rate payers the increase in the total annual funding requirement is offset by growth in residential and non-residential rate payers. As such, the estimated water and wastewater bill per household would increase between 8.3% and 10.1% per year, with the greatest impacts being for the deferred growth and lower capital funding scenario.



Chapter 5

Summary and Key Performance Indicators



5. Summary and Key Performance Indicators

This LTFP report has addressed the capital and operating needs of the Township and detailed a fiscally sustainable funding plan to continue providing municipal services that meet the expectations of the community for alternative growth and capital funding scenarios. To do so, this plan encompasses 8.1% to 8.4% average annual increases to net levy and water/wastewater funding requirements over the forecast period. More than half of this increase in annual funding is related to providing additional funding towards the long-term lifecycle funding requirements of the Township. To assess the viability of financial strategies and allow for comparisons to the Township's municipal peer group, key performance indicators related to affordability were developed and evaluated. Table 5-1 summarizes these key performance indicators.



Table 5-1
Key Performance Indicators

Description	Base Growth and Capital Funding	Base Growth and Lower Capital Funding	Deferred Growth and Base Capital Funding	Deferred Growth and Lower Capital Funding
Key Performance Indicators				
Property tax per median household assessed at \$210,000 (Township portion)				
2024	\$ 1,177	\$ 1,177	\$ 1,177	\$ 1,177
2033	\$ 1,896	\$ 1,896	\$ 2,073	\$ 2,073
Annual Increase (%)	5.4%	5.4%	6.5%	6.5%
Average water and wastewater charges per household				
2024	\$ 1,082	\$ 1,082	\$ 1,082	\$ 1,082
2033	\$ 2,213	\$ 2,347	\$ 2,416	\$ 2,569
Annual Increase (%)	8.3%	9.0%	9.3%	10.1%
Property tax per median household assessed at \$210,000 (Township portion) as a % of median household income				
2024	1.1%	1.1%	1.1%	1.1%
2033	1.5%	1.5%	1.6%	1.6%
Annual Increase (%)	3.4%	3.4%	4.4%	4.4%
Average water and wastewater charges per household as a % of median household income				
2024	1.0%	1.0%	1.0%	1.0%
2033	1.7%	1.8%	1.9%	2.0%
Annual Increase (%)	6.2%	6.9%	7.2%	7.9%
Property taxes & water/wastewater charges as a % of median household income				
2024	2.1%	2.1%	2.1%	2.1%
2033	3.2%	3.3%	3.5%	3.6%
Annual Increase (%)	4.8%	5.2%	5.8%	6.2%

Current property tax per median household and average water/wastewater charges total \$1,177 for the median assessed residential property in the Township (i.e., \$210,000 assessed value). Over the 10-year forecast period, these costs would increase to \$1,896 (+5.4% per year) under the base growth scenarios and \$2,073 (+6.5%) under the deferred growth scenarios.

Average water/wastewater rates per household would increase from \$1,082 per year in 2024 to:



- \$2,213 in 2033 under the base growth and capital funding scenario (+8.3% per year)
- \$2,347 in 2033 under the base growth and lower capital funding scenario (+9.0% per year)
- \$2,416 in 2033 under the deferred growth and capital funding scenario (+9.3% per year)
- \$2,569 in 2033 under the deferred growth and lower capital funding scenario (+10.1% per year)

The average property tax and water/wastewater charges per household have also been assessed as a share of average household income over the forecast period to assess what share of total household income these charges would represent. For the purposes of this assessment, average household income of \$107,700 has been conservatively increased by 2% per year for inflationary purposes. Combined property tax and water/wastewater charges as percentage of household income would increase from 2.1% currently to:

- 3.2% in 2033 under the base growth and capital funding scenario (+4.8% per year)
- 3.3% in 2033 under the base growth and lower capital funding scenario (+5.2% per year)
- 3.5% in 2033 under the deferred growth and capital funding scenario (+5.8% per year)
- 3.6% in 2033 under the deferred growth and lower capital funding scenario (+6.2% per year)