MUNICIPALITY OF
GREENSTONE

2026 ASSET MANAGEMENT PLAN STATUS REPORT

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EXECUTIVE SUMMARY

ABOUT THE REPORT

Asset Management Planning is regulated through O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure in the Province of Ontario.

The regulation requires each municipality to complete an annual review of asset management planning procress. Every municipal council shall conduct an annual review of its asset management progress on or before July 1 in each year, starting the year after the Municipality's Asset Management Plan (AMP) is completed. Greenstone's last approved AMP was in October 2025.

The annual review must address:

a) the municipality's progress in implementing its asset management plan;
b) any factors impeding the municipality's ability to implement its asset management plan; and
c) a strategy to address the factors described in clause (b).

The Asset Management Plan Status Report (AMPSR) is a key reporting document that will be produced every June to comply with the regulation. It highlights the status of Municipally owned assets and identifies potential areas of short and long-term infrastructure risks.

The report serves as a guide for Municipal Council to make informed infrastructure investment decisions ahead of the development of annual service plans and budgets.

DATA COLLECTED FROM 11 BUSINESS UNITS AND THE GREENSTONE PUBLIC LIBRARY

- Corporate Services
- Information Technology
- Economic Development
- Fire Services
- Community Services
- Recreation Services
- Public Works
- Corporate Facilities
- Water & Wastewater Services
- Waste Management
- Airports
- Library Services

The data for the 2026 AMPSR is based on the Municipality's portfolio of assets as of January 1, 2025.

KEY INDICATORS

The AMPSR provides a snapshot of Greenstone's current infrastructure inventory, offers an understanding of the condition of its assets and identifies investment needs over a ten-year horizon.

KEY STATISTICS

$624 M	2024 Replacement Cost of Asset Portfolio
73%	Percentage of Assets in Fair or Better Condition
48%	Percentage of Assets with Assessed Condition Data
$9.8 M	Annual Capital Infrastructure Deficit
15 YEARS	Recommended Timeframe to reach Proposed Levels of Service
2.6%	Target Reinvestment Rate to reach Proposed Levels of Service
1.1%	Actual (Current) Reinvestment Rate

WHAT WILL WE DO WITH THIS INFORMATION?

Through solid asset management practices, Greenstone is continually reviewing desired service levels and building long term capital plans that justify rational investment to address the infrastructure gap, ensure public safety and service continuity, and balance fiscal prudence and affordability of investment.

With the Corporate Asset Management Plan approved by Council, staff will use the information to balance the needs for investing available resources and present investment plans to Council as part of the annual budget and business planning process.

APPROVED FINANCIAL STRATEGY

Council formally adopted the Asset Management Plan through by-law in November 2025 which included a financial strategy to address the annual capital funding gap. The following graphic shows annual tax/rate changes required to meet the Municipality's proposed level of service based on a 15-year plan.

TAX-FUNDED ASSETS
Average Annual Tax Change
1.9%

RATE-FUNDED WATER
Average Annual Rate Change
3.1%

RATE-FUNDED SANITARY
Average Annual Rate Change
1.1%

INTRODUCTION

The Asset Management Plan Status Report (AMPSR) is a key reporting document that will be produced every June to comply with the regulation. It highlights the status of Municipally owned assets and identifies potential areas of short and long-term infrastructure risks. The information on Municipally owned assets is examined in more detail during the creation of business unit specific budget plans. This process enables the Corporation to optimize investments, mitigate risks and maintain its ability to deliver services to the residents of Greenstone.

The report serves as a guide for Municipal Council to make informed infrastructure investment decisions ahead of the development of annual service plans and budgets.

The data for the 2026 AMPSR is based on the Municipality's portfolio of assets as of January 1, 2025. Information used in this report was collected from 11 business units as well as the Greenstone Public Library. The following key principles guide the development of this report.

KEY PRINCIPLES

The AMPSR reports the Current Replacement Value (CRV) of Municipally owned assets which is the cost to replace an asset at the current price. Greenstone also reports the value of its infrastructure in its annual financial statements. These statements, however, report depreciated asset values in compliance with the Public-Sector Accounting Board's PS3150 Tangible Capital Asset reporting requirements. Depreciated asset value is an accounting concept which differs significantly from, and usually much lower than, the CRV.

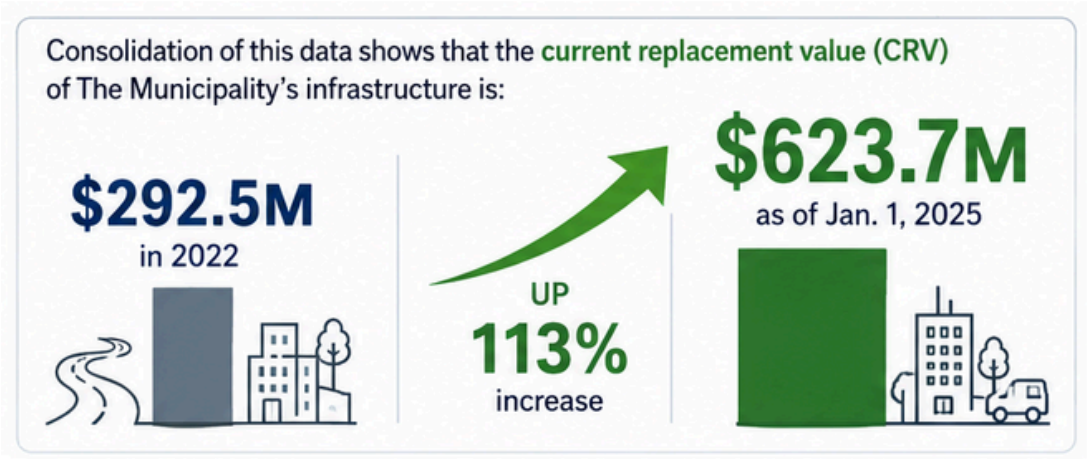
The AMPSR benchmarks future infrastructure needs over a 10-year horizon. These include operating, capital maintenance and capital growth requirements. Operating and capital maintenance requirements relate to maintenance and upgrades of existing infrastructure. Capital growth costs relate to investments required to support the municipality's expansion (this includes growth in undeveloped land but also economic growth, population growth and demographic changes).

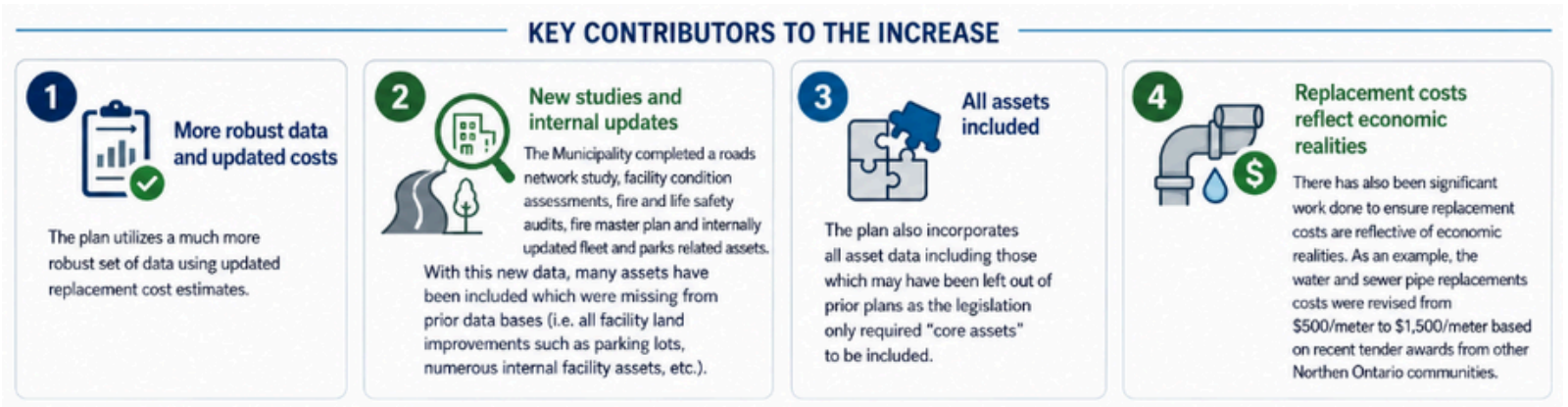
IMPORTANT DEVELOPMENTS SINCE THE LAST AMP

1. Council has approved the divestment and sale of six (6) facilities resulting in potential long-term savings of $2.23 million in annual operating and capital replacement costs over the next 5 years.
2. Staff have been implementing new work order management software with testing occurring through Q2-Q3 2026. It is expected that this system will be integrated into work processes by early 2027.

INFRASTRUCTURE OVERVIEW

This report is based on the best available data, as of January 1, 2025, supplied by the business units/service area.





ASSET HIERARCHY & DATA CLASSIFICATION

Asset hierarchy explains the relationship between individual assets and their components, and a wider, more expansive network and system. How assets are grouped in a hierarchy structure can impact how data is interpreted. Assets were structured to support meaningful, efficient reporting and analysis. Key category details are summarized at asset segment level.

ROAD NETWORK

- Curbs
- Paved Roads
- Sidewalks
- Signs
- Streetlights

BRIDGES

- Bridges
- Pedestrian Bridges

INFRASTRUCTURE OVERVIEW (CONTINUED)

STORMWATER NETWORK

- (Large) Culverts
- Catchbasins
- Manholes
- Storm Mains

BUILDING & FACILITIES

- General Government
- Health Services
- Protection Services
- Recreation & Cultural Services
- Social & Family Services
- Transportation Services

LAND IMPROVEMENTS

- Airport
- Fencing
- Harbor
- Lighting
- Parks
- Facility Parking Lots
- Playground Structures
- Sports Structures
- Trails

VEHICLES

- Environmental Services
- General Government
- Protection Services
- Recreational & Cultural Services
- Social & Family Services
- Transportation - Airport
- Transportation - Public Works

MACHINERY & EQUIPMENT

- Arena Equipment
- Computer Equipment
- Fire & Rescue Equipment
- Fueling Tanks & Generators
- Furniture
- Library Book Collection
- Office Equipment
- Public Works Equipment

WATER NETWORK

- Hydrants
- Pump House
- Towers
- Valves
- Water Equipment
- Water Mains
- Water Treatment Plant
- Wells

SANITARY SEWER NETWORK

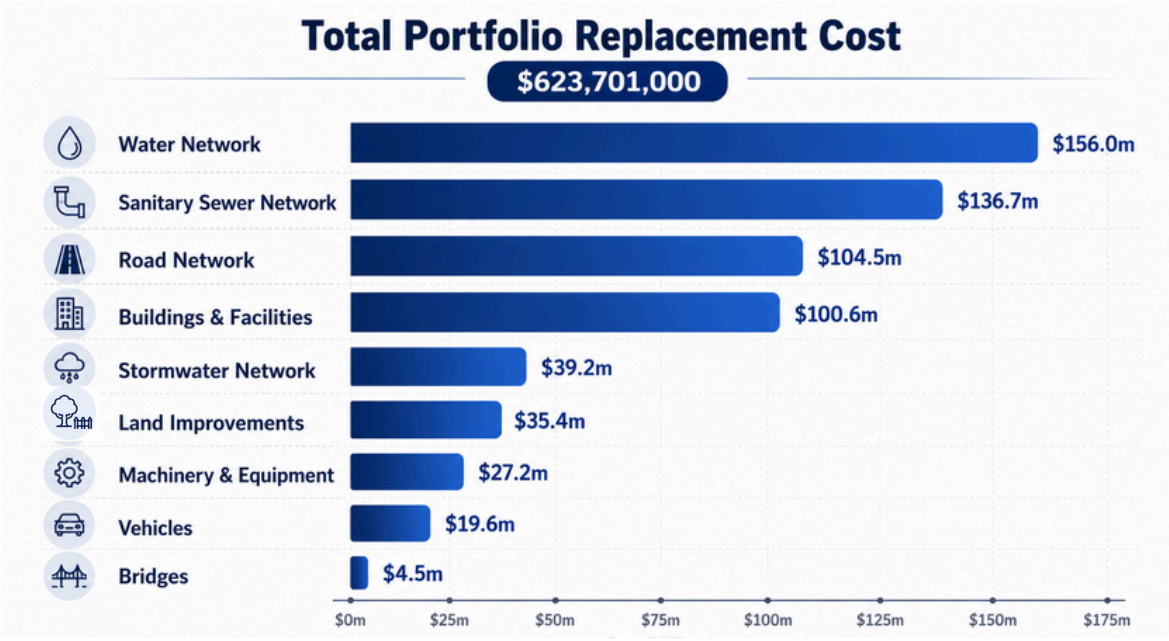
- Lift Stations
- Manholes
- Pumps
- Sanitary Equipment
- Sanitary Mains
- Sanitary Treatment Plant
- Valves

The report presents the condition assessment of corporate assets by using the following rating scale:

VERY GOOD	GOOD	FAIR	POOR	VERY POOR	DATA NOT AVAILABLE
In sound or "as new" condition.	In acceptable physical condition.	Tolerable condition but shows moderate sign of deterioration that requires attention.	Major deterioration is evident.	Asset unfit for sustained service with widespread signs of advanced deterioration. Some assets may be unusable.	If enough data does not exist to respond, it is categorized as "DATA NOT AVAILABLE." Condition assessment of these assets is underway and will be available as soon as the assessment is complete.

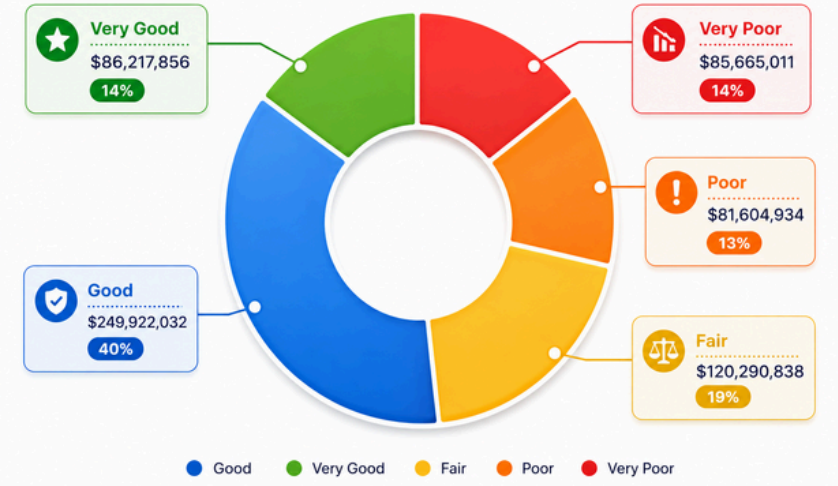
TOTAL REPLACEMENT COST OF ASSET PORTFOLIO

The nine asset categories noted on the page above have a total current replacement cost of $623.7 million. This estimate was calculated using user-defined costing, as well as inflation of historical or original costs to current date. This estimate reflects replacement of historical assets with similar, not necessarily identical, assets available for procurement today. The figure below illustrates the replacement cost of each asset category.

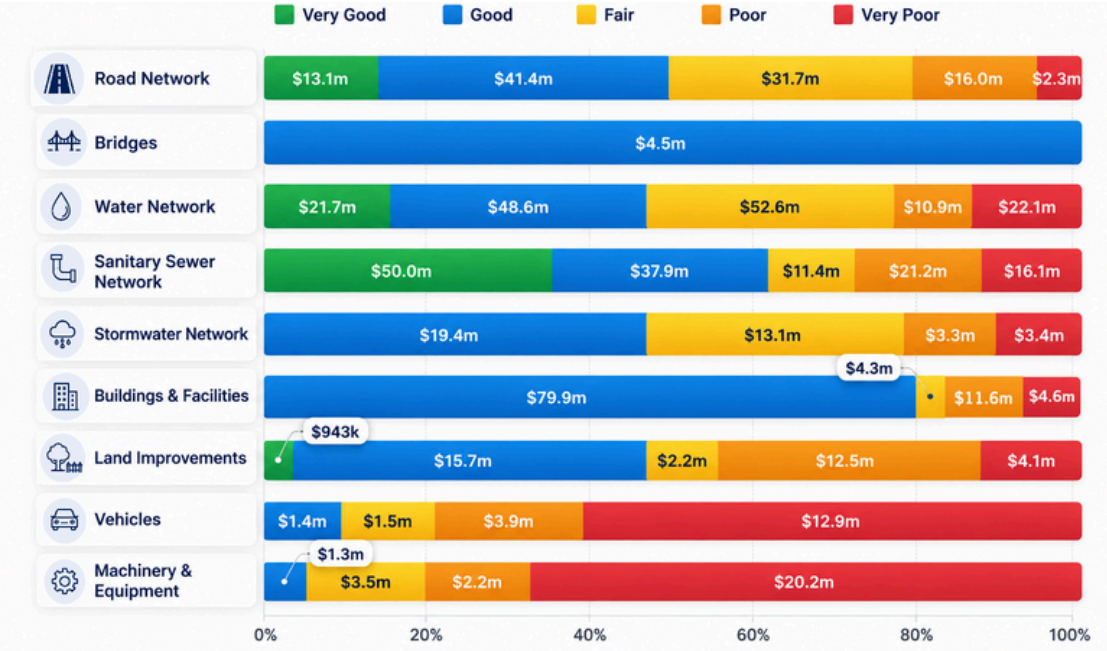


CONDITION OF ASSET PORTFOLIO

Based on both assessed condition and age-based analysis, 73% of the Municipality's infrastructure portfolio is in fair or better condition, with the remaining 27% in poor or worse condition. Typically, assets in poor or worse condition may require replacement or major rehabilitation in the immediate or short-term. Similarly, assets in fair condition should be monitored for disrepair over the medium term. Keeping assets in fair or better condition is typically more cost-effective than addressing assets needs when they enter the latter stages of their lifecycle or decline to a lower condition rating, e.g., poor or worse.



At the category level, the majority of major core infrastructure including roads and bridges is in fair or better condition, based on in-field condition assessment data. Most buildings and facilities are also in fair or better condition, based on recent condition assessments.



FORECASTED CAPITAL REQUIREMENTS

A summary of the Municipality's capital needs to maintain and renew its asset portfolio.

AVERAGE ANNUAL CAPITAL REQUIREMENT

$16.4 million

On average, this amount is required each year to remain current with capital replacement needs.

CAPITAL BACKLOG

$48.8 million+

Assets that remain in service beyond their estimated useful life.

This $16.4 million benchmark helps guide annual capital expenditure targets (or allocations to reserves) to ensure projects are not deferred and replacement needs are met as they arise. This figure relies on age and available condition data.

The $48.8 million+ backlog represents assets that remain in service beyond their estimated useful life. It is unlikely that all such assets are in a state of disrepair, requiring immediate replacements.

Continued and expanded targeted and consistent condition assessments are integral. Risk frameworks, proactive lifecycle strategies, and levels of service targets can then be used to prioritize projects, continuously refine estimates for both backlogs and ongoing capital needs, and help select the right treatment for each asset.

ASSET MANAGEMENT ENHANCEMENTS

As part of the 2025 AMP, there were many recommendations provided to strengthen the asset management process and future plan updates. The following provides a list of those recommendations and any steps taken to complete or integrate new functions into Municipal workflows.

FINANCIAL STRATEGIES

1

Review the feasibility of increasing capital funding to achieve full funding of the ideal average annual funding requirements for the asset categories analyzed.

This includes:

a. Increasing taxes by 1.9% per year over a period of 15 years;

b. Increasing water rates by 3.1% per year over a period of 15 years; and

c. Increasing sanitary rates by 1.1% per year over a period of 15 years.

The approved 2026 tax and user rate budgets included the recommended increase to capital funding.

The 2026 budgets also provided 10 year operating and capital projections which includes the recommended long term funding level increases.

2

Continued allocation of Ontario Community Infrastructure Fund (OCIF) and Canada Community-Building Fund (CCBF) funding as previously outlined.

Council approved the allocation of an estimated $830,242 from the 2026 OCIF and $282,240 from the CCBF grants towards funding road rehabilitation projects within the capital plan for 2026.

The 2026 budgets also provided 10 year operating and capital projections which includes the allocation of future OCIF and CCBF funding towards road rehabilitation projects within the capital plan.

$830,242 from 2026 OCIF

$282,240 from 2026 CCBF

3

Reallocation of debt payments towards capital investments, once debt matures.

In 2026, the Municipality will finalize loan payments on equipment purchased in 2016 with the intent of reallocating the repayment amount of approximately $203,000 towards increased long term capital funding.

$203,000 to be reallocated to long term capital funding

ASSET MANAGEMENT ENHANCEMENTS (CONTINUED)

4

Reallocation of appropriate revenue from categories in a surplus position to those in a deficit position.

The 2026 budget and projections for 2027 do not anticipate any departments with reduced needs.

The operating budget has been in a general surplus position year ending 2024 and 2025 which Council has allocated the accumulated general fund surplus of almost $4.5 million to the Roads, Bridges, Drainage and Sidewalks Reserve Fund to fund future capital projects.

$4.5 million

allocated to the Roads, Bridges, Drainage and Sidewalks Reserve Fund

5

Increasing existing and future infrastructure budgets by the applicable inflation index on an annual basis in addition to the deficit phase-in.

This has not been considered in the current budget process.

Based on the current funding needs of $16.4M, an average 4% inflation would require more than $650,000 in annual funding which would result in an added +3% tax/user rate increase above the existing approved financial strategy.

>$650,000
additional annual funding required

+3%
additional tax/user rate increase

6

Continue to apply for project specific grant funding to supplement sustainable funding sources.

The Municipality has been successful in obtaining full funding of approximately $79 million for the Geraldton Main Street reconstruction project and partial funding of $3.66 million for the Centennial Drive reconstruction project.

The Municipality also received funding of approximately $750,000 for upgrades to the Geraldton Community Centre.

$79 million
Geraldton Main Street reconstruction

$3.66 million
Centennial Drive reconstruction

$750,000
Geraldton Community Centre upgrades

ASSET MANAGEMENT ENHANCEMENTS (CONTINUED)

ASSET DATA IMPROVEMENTS

1 REVIEW & REFINE ASSET DATA

Continuously review, refine, and calibrate asset data to better reflect the current state and improve capital projections.

> Staff are working with OCWA to develop a more comprehensive inventory listing to include more granular data, such as pumps and equipment within the water and wastewater treatment plants. This componentized inventory will greatly improve the Municipality's ability confidence in financial projections. It is expected that the updated inventory listing will be completed and input into the Asset Management software by Q2 2027.

2 UPDATE REPLACEMENT COSTS

Asset management planning is highly sensitive to replacement costs. Periodically update replacement costs based on recent projects, invoices, or estimates, as well as condition assessments, or any other technical reports and studies.

> With the completion of the Centennial Drive reconstruction project, staff will update replacement cost estimates for linear infrastructure using in-year local costing.

3 REVIEW SERVICEABLE LIFE VALUES

Like replacement costs, an asset's established serviceable life can have dramatic impacts on all projections and analyses, including condition, long-range forecasting, and financial recommendations. Periodically reviewing and updating these values to better reflect in-field performance and staff judgement is recommended.

> The Municipality will be undertaking an Inflow & Infiltration Study and a Water and Wastewater Master Plan over the next 18-24 months which will greatly improve the understanding of in-ground linear infrastructure which will then be used to update relevant asset data.

RISK & LEVELS OF SERVICE

1 DEVELOP A RISK FRAMEWORK

As data evolves and new attribute information is obtained, risk models and matrices should also be refined and updated.

With the completion of the above-mentioned Inflow & Infiltration Study and a Water and Wastewater Master Plan, risk models will be improved based on the recommendations.

2 DEFINE LEVELS OF SERVICE

Available data on current performance should be centralized and tracked to support any calibration of service levels to aid in annual reporting as required in O. Reg. 588's on-going requirements.

The Municipality is currently finalizing the implementation of a Work Order Management system which will be used to track maintenance and overall operational performance of various assets. The system will be rolled out over multiple divisions and workflows over the next 24 months as staff time permits. It is currently being used to track some parks, facilities and road related functions as the first phase.

3 INTEGRATE RISK INTO CAPITAL PLANNING

Staff should monitor evolving local, regional, and environmental trends to identify factors that may shape the demand and delivery of infrastructure programs. These can include population growth, and the nature of population growth; climate change and extreme weather events; and economic conditions and the local tax base. This data can also be used to review service level targets.

Significant work was completed during the 2022-2026 Council term to establish and confirm service delivery objectives over 35 different functional areas.

Council was provided with a report on potential tax impacts for assessment changes with the pipeline. The current reliance on this single "taxpayer" may cause significant impacts or tax levy shifts should future assessment valuations change. This assessment will be reviewed annually with any possible impacts communicated to Council and the broader public.

CONCLUSION

As we prepare for the next four-year Council term, Strategic Priorities and budgeting cycles, it is important to manage the infrastructure funding gap through comprehensive asset management.

The current economic environment including inflation, tariffs and protectionism has created increased both short, and longer, term infrastructure replacement costs resulting in additional funding constraints which means the allocation of scarce resources must be prioritized very carefully.

The successful Provincial and Federal funding of major infrastructure replacements on Main Street and Centennial Drive have provided some short-term relief. This funding will also assist in reducing the estimated $16.4M funding needs with the next update to the AMP in 2029-2030.

FURTHER WORK TO ENHANCE THE NEXT ITERATION OF THE AMP

- Inflow & Infiltration Study (2026-2027)
- Water and Wastewater Master Plan (2026-2027)
- Engineered Infrastructure Design Standards (2026-2027)
- Stormwater Management Master Plan (2027)
- Road Condition Assessment Updates (2027)
- Facility Condition Assessment Updates (2028)
- IT Master Plan Update (2028)