



Corporate Services

Prepared for: Council-in-Committee

Report: CS-03-2026

Meeting Date: April 13, 2026

1. Title

Asset Management Financing Strategy

2. Recommendations

That: Council receives the Asset Management Financing Strategy for information purposes, and

That: Council directs staff to use the Financing Strategy recommendations as guidance for 2027 budget planning purposes.

3. Relation to Council's Corporate Strategic Plan

Priority: Quality of life and community well-being

Initiative: Implement a comprehensive plan for parks, recreation, trails, beaches, open space and natural areas that provides for infrastructure, programming and services that meets the needs of the growing community

4. List of Stakeholders

Mayor, Council and Staff of the Town of Fort Erie
Taxpayers and Ratepayers of the Town of Fort Erie
Hemson Consulting

5. Purpose of Report

The purpose of this report is to present the Town's Asset Management Financing Strategy (AMFS) as of February 10, 2026, which outlines the implementation approach for addressing the long-term financial requirements necessary to achieve the proposed levels of service identified in the Asset Management Plan (AMP) presented in Report [IS-05-2024](#) on July 8, 2024. This report summarizes key findings, financial implications, risks, and recommended actions required to support asset sustainability over a 20-year planning horizon.

6. Analysis

Background:

The Town completed the 2024 AMP in accordance with Ontario Regulation 588/17. The AMP identified a significant infrastructure spending gap and established proposed levels of service

across core and non-core asset categories.

To address this gap, the Town worked with Hemson Consulting to establish a financing strategy that evaluated capital and operating pressures, reserve sustainability, tax and rate impacts, and the appropriate use of debt as a financing tool. It also benchmarks Fort Erie against comparable municipalities and examines alternative funding scenarios. The intent is to provide Council with a structured framework to guide long-term infrastructure investment while balancing affordability, fiscal sustainability, and service reliability.

Summary:

The Town replacement value of assets is approximately \$2.2 billion, of which an estimated two-thirds are in fair or better condition. To maintain the existing assets based on the proposed levels of service set by Council, it requires an average annual investment of \$37.3 million for tax-supported assets and \$15.0 million for rate-supported assets (water and wastewater). Over the 20-year planning period, this represents total capital requirements of approximately \$786.7 million for tax-supported assets and \$204.1 million for rate-supported assets, including inflation. The infrastructure gap in 2025 with the Council approved reserve contributions for tax-supported assets is \$25.3 million and rate-supported assets is \$8 million for a total of \$33.3 million (Table 2). Current funding levels are not sufficient to sustain this investment. Without changes, reserves would be depleted within the next decade, and service levels would decline. The Financing Strategy therefore evaluates three scenarios that use different blends of taxation, reserve contributions, and debt to meet the same infrastructure need.

The recommended tax levy scenario adopts a balanced approach consisting of a 1.5% annual infrastructure levy increase combined with approximately \$354.9 million in strategic debt financing over 20 years. This keeps debt servicing below 12.5% of own-source revenue, well within municipal benchmarks and the provincial 25% limit. Under this model, the average tax levy increase is projected at 5.5% annually, compared to a 10-year historical average of 4.5%, with assessment growth of roughly 2% helping offset the levy impact. Alternative scenarios were also reviewed. A high-debt scenario eliminates the infrastructure levy but pushes debt toward 20% of revenue, increasing long-term fiscal risk. A no-debt scenario requires much higher infrastructure levy increases of approximately 4.2% annually, projecting tax levy increases from 7.4% over the first 5 years to 6.3% over the 20-year period, creating immediate affordability pressures despite eliminating borrowing flexibility.

For rate-supported services, achieving full cost recovery requires rate increases rather than large short-term increases. Water and wastewater systems face \$204.1 million in lifecycle capital needs and significant operating cost growth driven largely by Regional treatment charges of 5% to 9% per year. Average annual rate increases of approximately 1.6% for water and 2.3% for wastewater are required to rebuild reserves over 20 years and maintain service reliability. While these increases exceed historical norms, the analysis shows that delaying investment would accelerate asset deterioration and lead to significantly higher long-term costs. The balanced scenario stabilizes reserves, protects service levels, avoids additional debt, and distributes infrastructure costs fairly across generations while maintaining financial flexibility.

Table 1 (Appendix 1) below demonstrates the average annual investment need related to renewal. These investment needs are the main driver of capital costs in the AMFS analysis.

Table 1 - Annual Investment Requirement to Meet the Proposed Levels of Service

ASSET CATEGORY	AVERAGE ANNUAL COST AS PER PLOS (2025\$)	SHARE OF TOTAL
Bridges and Culverts	\$2,300,700	6.2%
Roads	\$7,999,300	21.4%
Stormwater	\$20,040,100	53.7%
Information Technology	\$208,000	0.6%
Emergency Services	\$1,219,400	3.3%
Facilities	\$1,502,400	4.0%
Fleet	\$1,277,100	3.4%
Parks and Cemeteries	\$2,799,200	7.5%
Total Tax-Supported Assets	\$37,346,300	100%
Water	\$5,472,400	37%
Wastewater	\$9,511,200	63%
Total Rate-Supported Assets	\$14,983,600	100%

Source: 2024 Asset Management Plan, adjusted by inflation to reflect 2025 dollars. For the Financing Strategy analysis, additional annual provisions have been made for capital costs associated with state of good repair for growth related projects beyond initial acquisition and developer contributed assets for both tax and rate funded infrastructure.

Table 2 shows the infrastructure gap in 2025 with the Council approved reserve contributions for tax-supported assets of \$25.3 million and rate-supported assets of \$8 million for a total of \$33.3 million, an increase from the previously reported \$29 million in the 2024 AMP.

Table 2

Asset Category	Average Annual Cost as per PLOS 2025	2025 Approved Reserve Contribution	Recurring Capital Grants	Infrastructure Gap
Bridges	\$ 2,300,700	\$ 610,370.00	\$ 550,000	\$ 1,140,330
Roads	7,999,300	4,022,991	550,000	3,426,309
Stormwater	20,040,100	1,808,647		18,231,453
Information Technology	208,000	331,947		(123,947)
Emergency Services	1,219,400	629,373		590,027
Facilities	1,502,400	1,244,975		257,425
Fleet	1,277,100	1,082,472		194,628
Parks and Cemeteries	2,799,300	1,181,185		1,618,115
Natural Assets*	-	-		-
Total Tax-Supported Assets	37,346,300	10,911,960	1,100,000	25,334,340
Water	\$ 5,472,400	2,783,931	1,000,000	1,688,469
Wastewater	9,511,200	2,247,971	1,000,000	6,263,229
Total Rate-Supported Assets	14,983,600	5,031,902	2,000,000	7,951,698
Total	\$ 52,329,900	\$ 15,943,862	\$ 3,100,000	\$ 33,286,038

*Natural assets have been identified and inventoried, however, they have not yet been assessed as part of a comprehensive financial strategy.

Table 3 (Appendix 1) outlines the three levy scenarios evaluated through this analysis, with Scenario 1 representing the recommended approach.

Table 3 – Description of Scenarios

	SCENARIO 1:	SCENARIO 2:	SCENARIO 3:
FINANCIAL PARAMETER	1.5% INFRASTRUCTURE LEVY AND DEBT FINANCING	NO INFRASTRUCTURE LEVY AND INCREASED DEBT FINANCING	HIGH INFRASTRUCTURE LEVY & NO ADDITIONAL DEBT FINANCING
Infrastructure Levy	An annual infrastructure levy of 1.5% over the 20-year period.	No infrastructure levy is proposed and contributions to asset management reserves would remain at similar levels to today.	An annual infrastructure levy of 4.2% over the 20-year period.
Debt Financing	Debt financing totalling about \$354.9 million over 20-years.	Debt financing totalling about \$520.2 million over 20-years.	No additional debt financing is assumed (beyond existing) for tax funded capital.
Reserve Targets	Asset management reserves are targeted at 2% of asset replacement value by the end of the forecast period across all scenarios.		
Other Factors	Other financial assumptions including debt terms, assessment growth, operating costs remain the same across all scenarios.		

1. TAX SUPPORTED ASSETS

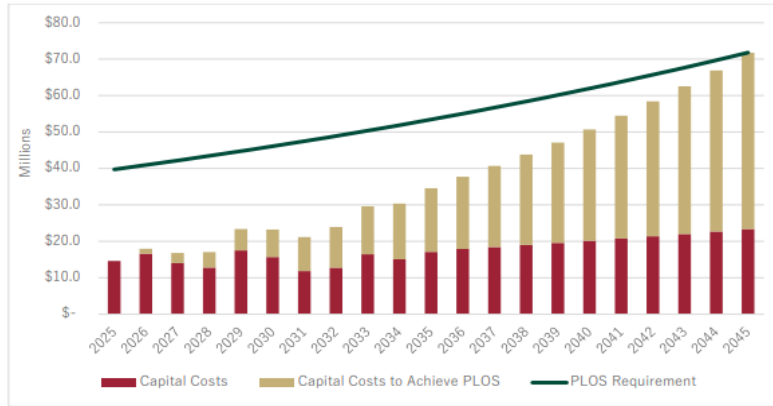
a) Investment Requirements

The AMP identifies average annual investment need of \$37.3 million (2025 dollars) to meet proposed service levels for tax-supported assets. Table 1 listed the cost drivers, including stormwater and roads.

Over the 20-year planning period, total non-growth (investment required to maintain, rehab or replace existing infrastructure) capital expenditures are projected to be \$786.7 million. This investment is required to maintain service reliability, asset safety, and regulatory compliance. The key reports used to project capital expenditures are multi-year operating budgets, 10-year capital forecasts, Financial Information Returns, the 2024 AMP and the 2023 Development Charge (DC) Background Study.

Figure 3 (Appendix 1) illustrates the projected annual tax-supported capital expenditures needed to meet proposed service levels, comparing the Town’s existing capital plan with the additional investment required to close the infrastructure funding gap. It shows how cumulative non-growth capital spending totals approximately \$786.7 million over the 2025–2045 period.

Figure 3 – Forecast of Tax Funded Capital Expenditures



b) Operating Cost Pressures

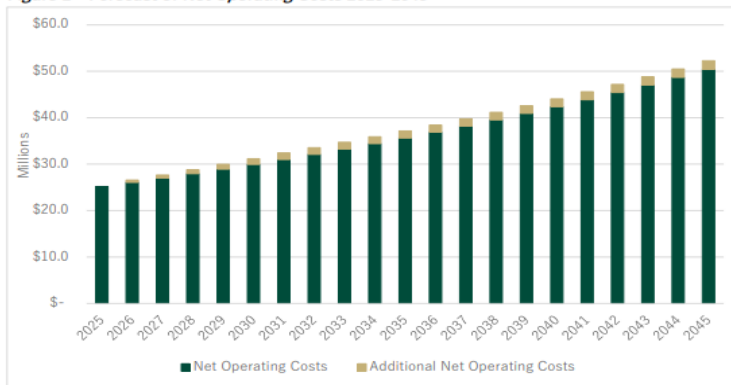
The Town’s 2025 tax levy of \$36.8 million included \$25.2 million in net operating costs, representing regular service delivery expenses such as staffing, maintenance, and contracts, net of non-tax revenue (e.g., user fees, licenses, fines, investment income). This excludes tax-funded debt and AM reserve contributions, addressed separately in the financial forecast.

Staff did not identify a significant need for additional operating costs associated with capital; however, this assessment is highly dependent on evolving economic and operational conditions. For the purposes of this analysis, operating costs were assumed to increase by 5% annually and were not examined in detail.

Figure 2 shows that, over the 2025-2045 period, net operating costs are projected to grow from \$25.2 million in 2025 to \$52.3 million in 2045. The drivers include:

- Population growth (1.5%)
- Inflation (2% for operating & 3% capital related costs)
- New service requirements
- Additional net operating costs are for extended staffing and maintenance, estimated at \$500K initial plus \$150K every year for 5 years, remaining constant at \$1,250,000 per year for the remainder of the 15 years inflated.

Figure 2 – Forecast of Net Operating Costs 2025-2045



Note: Net operating costs includes all general operating costs such as salaries/wages/benefits, maintenance, contracts, utilities, and general transfers to reserves such as those related to operating, etc. These are net of non-tax revenues such as user fees. Excludes debt payments and transfers to/from reserves asset management related reserves.

c) Asset Management Reserve Targets

To maintain financial resilience, it is the industry norm that asset management reserves target 1% to 3% of asset replacement value. This strategy assumes a 2% reserve target, and a 3% annual inflation, increasing contributions from \$17 million in 2025 to \$52.4 million in 2045.

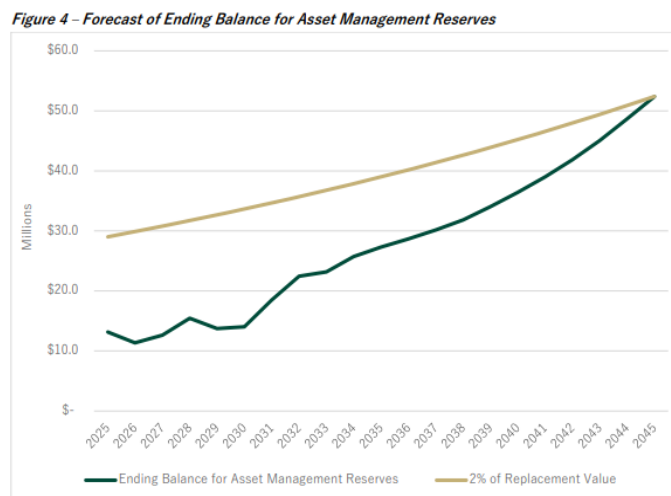
Based on \$1.5 billion in tax-supported assets, there is an immediate reserve requirement of \$29 million (Table 4 below). Reserve growth is supported through annual tax transfers, the proposed 1.5% infrastructure levy, reallocation of matured debt to reserves, and continued grant funding from the Canada Community Building Fund (CCBF) and the Ontario Community Infrastructure Fund (OCIF), with OCIF assumed to decline over time. Staff recommend updating the Reserve Policy to align contributions with long-term sustainability targets.

Table 4 shows recommended reserve levels, the reserve funding gap to reach those levels, and proposed contributions based on the infrastructure gap. In 2025, the Town’s reserve funding gap is \$12 million, which is below the 2% target for tax-supported assets. It also suggests changes to both tax and rate-supported contributions based on 2025 funding levels.

Table 4

Asset Category	Replacement Value in 2025	Target Req'd Reserve Balance per AMP (2.0% of Replacement)	2025 Reserve Balance	Reserve Funding Gap
Bridges	\$ 64,685,793	\$ 1,293,716	\$ 692,802	\$ 600,914
Roads	558,116,127	11,162,323	1,802,330	9,359,993
Stormwater	417,289,763	8,345,795	4,361,601	3,984,194
Information Technology	3,456,273	69,125	577,448	(508,323)
Emergency Services	14,548,379	290,968	2,029,684	(1,738,716)
Facilities	222,666,652	4,453,333	2,788,561	1,664,772
Fleet	13,824,926	276,499	1,468,876	(1,192,377)
Parks and Cemeteries	38,012,092	760,242	3,458,438	(2,698,196)
Natural Assets	120,323,615	2,406,472	-	2,406,472
Total Tax-Supported Assets	1,452,923,619	29,058,472	17,179,740	11,878,732
Water	385,992,772	7,719,855	6,440,186	1,279,669
Wastewater	407,803,532	8,156,071	8,594,828	(438,757)
Total Rate-Supported Assets	793,796,304	15,875,926	15,035,014	840,912
Total	\$ 2,246,719,923	\$ 44,934,398	\$ 32,214,754	\$ 12,719,644

Figure 4 (Appendix 1) shows the proposed projected growth of asset management reserves from approximately \$14 million (updated to \$17 million above) in 2025 to \$52.4 million by 2045.

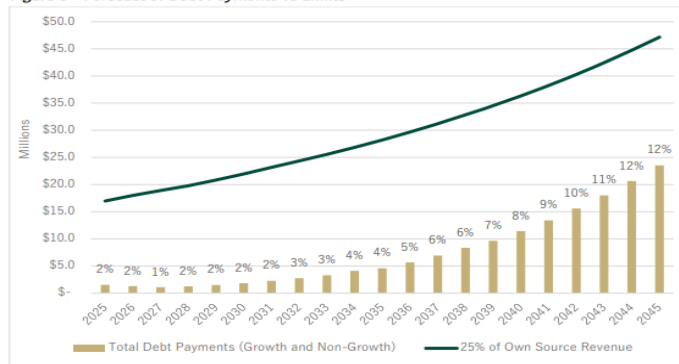


d) Debt Financing Strategy

Debt is identified as a necessary financing tool to undertake capital over the 20-year forecast period. For comparative purposes the Town currently has one of the lowest debt levels among peer municipalities. The projected new tax-funded debt is \$354.9 million over 20 years which would have a 1.5% average impact to the tax levy.

Debt servicing would peak at approximately 12% of own-source revenue, remaining below the provincial limit of 25% and in the typical municipal policy range of 10–15%, as shown below in Figure 5 (Appendix 1).

Figure 5 – Forecast of Debt Payments vs Limits



Note: Percentages above bars represent the debt payments as a percentage of own source revenues in the forecast.

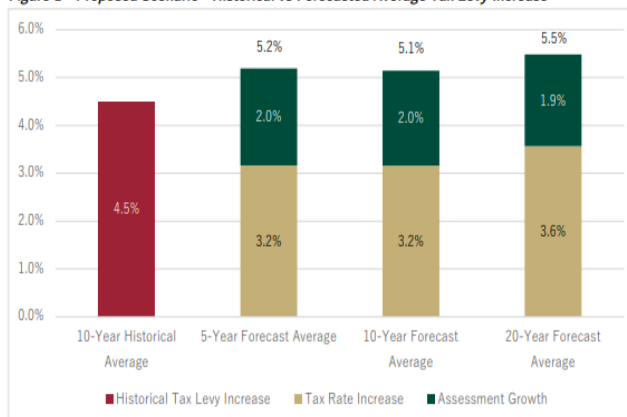
e) Infrastructure Levy Recommendation

Following detailed analysis, staff recommend implementing an annual 1.5% infrastructure levy applied to the previous year’s tax levy to strengthen asset management reserves. For example, 1.5% multiplied by the 2025 tax levy of \$36.8M would have resulted in \$552,000 for 2026. This levy is necessary to stabilize long-term capital funding.

Tax Impact:

Figure 1 (Appendix 1) shows the 10-year historical average tax levy increase is 4.5% which includes assessment growth. The proposed tax levy increase for the next 20 years is 5.5%. This means that while taxes are projected to increase 5.5% annually, only 3.6% impacts taxpayers as the remaining 1.9% is a reduction from assessment growth related to new development.

Figure 1 – Proposed Scenario - Historical vs Forecasted Average Tax Levy Increase



f) Recommended & Alternative Scenarios

The Town’s recommended approach is **Scenario 1** above, a balanced financing strategy. Two additional scenarios were also evaluated for comparison.

Scenario 2 – Heavy Debt, No Infrastructure Levy

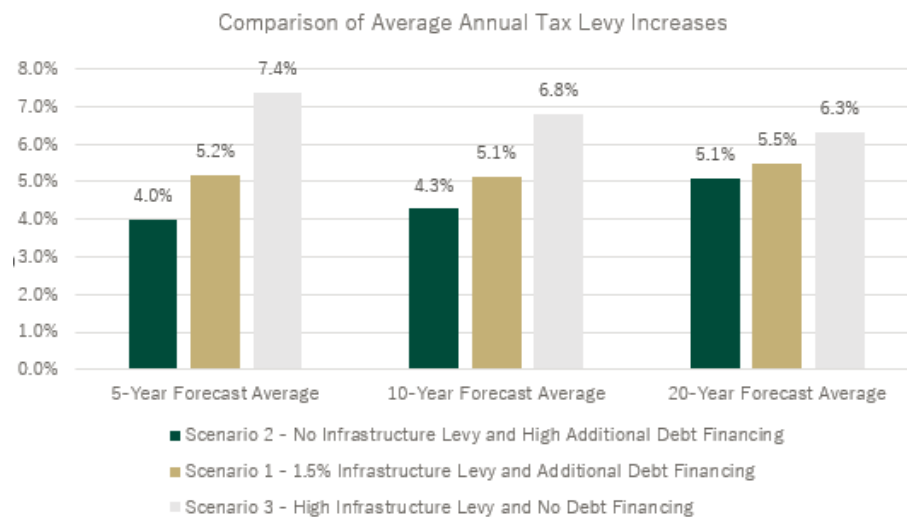
- Lower short-term tax increases
- Debt reaches ~20% of revenue
- Increased long-term fiscal risk

Scenario 3 – No Debt, High Infrastructure Levy

- Requires 4.2% infrastructure levy
- Immediate tax pressure
- Eliminates borrowing flexibility

Strategies that limit debt or hold funding flat would increase fiscal risk by eroding reserves or compromising service levels, making the proposed scenario the more suitable option. Figure 8 (Appendix 1) compares the annual tax levy increases based on the three scenarios analyzed with Scenario 3 having the highest tax increase.

Figure 8 – Comparison of Average Annual Tax Levy Increases



g) Risks of Maintaining Current Funding

Continuing under current funding levels would create financial pressures that are not sustainable over the long term, resulting in the following:

- Asset reserves become negative by 2028
- Deferred maintenance escalates costs
- Increased infrastructure failures
- Service disruptions
- Regulatory risk
- Reduced asset life

Table 4 (Appendix 1) summarizes the proposed levels of service approved by Council through the 2024 AMP. Ontario Regulation 588/17 requires an annual update to Council on progress

implementing the AMP and any barriers to its delivery. Staff will bring a report June 8, 2026 on actual service levels to ensure Council has current information to inform decisions related to funding the infrastructure gap and evaluating if service levels remain appropriate.

Table 4 – Risks to the Level of Service

ASSET CATEGORY	TECHNICAL LOS	PROPOSED LOS	RISK
Roads	For paved roads in the municipality, the average pavement condition index value.	75	Roads rely on minimum maintenance standards; therefore, low investment levels would result in risk to meet these standards. Long-term risks include deteriorating conditions which would result in a decreased average PCI.
	For unpaved roads in the municipality, the average surface condition.	78	Unpaved roads rely on ongoing maintenance especially after major weather events. Reduced investment results in more immediate reductions to the average condition of unpaved roads.
Bridges and Culverts	For bridges in the municipality, average bridge condition index value.	70	Bridge and culvert needs are identified through the Town’s OSIM inspections. Critical structures must be addressed more immediately, which requires funding as structures age. Without ongoing funding, more loading restrictions must be put in place to reduce risks to drivers.
	For structural culverts in the municipality, average bridge condition index value.	70	
	Percent of bridges in the municipality with loading or dimensional restrictions.	2.0%	
Stormwater	Percent of properties in municipality resilient to a 100-year storm.	TBD	Stormwater infrastructure is a long-lived asset, however changing weather conditions and flood risk have created the need to ensure stormwater infrastructure is well maintained. Increased investment may be required depending on the resilience of the system to 5 and 100-year storms.
	Percent of the municipal stormwater management system	TBD	
Non-Core Asset Categories	Percent of assets in poor and very poor condition	Differentiated by asset category	Many of the non-core assets are largely replaced based on their age particularly for rolling stock like fleet/machinery/equipment or digital service assets. Constrained investment results in these assets used past their useful life increasing the share considered in poor or very poor condition. Some assets like facilities, can be used well past their useful lives however increased investment is needed to ensure good upkeep of these facilities.

Note: Proposed level of service based on Town’s 2024 AMP.

2. RATE SUPPORTED ASSETS WATER WASTEWATER

Water and wastewater systems are driven by customer demand and operate under full cost recovery, meaning rates fund operating costs, capital renewal, and reserve contributions over the 20-year period. While full recovery cannot be achieved in the short term without significant rate increases, the long-term financial strategy is designed to phase in cost recovery gradually.

a) Operating Cost Pressures

Billed water demand is expected to grow moderately from approximately 2.8 million m³ in 2025 to 3.2 million m³ by 2045, while wastewater flows follow the same trend. If growth occurs more slowly than forecast, higher rate increases would be required to maintain cost recovery.

Operating costs are projected to grow from \$8.1M in 2025 to \$21.9M in 2045 for water and from \$12.7M to \$40.8M for wastewater. See Table 5 and Table 6 below (Appendix 1). The drivers include Regional charges, inflation, staffing, regulatory compliance, and growth servicing.

Table 5 - Forecast of Water Operating Expenditures

Expense Category	Inflation	2025	2030	2035	2045
	Factor	Budget	Projected	Projected	Projected
General Operating	2%-4%	\$3,342,000	\$3,876,000	\$4,528,000	\$6,222,000
Regional Charges	5% - 9%	\$4,664,000	\$6,967,000	\$9,230,000	\$15,035,000
Debt Payments	-	\$83,000	\$17,000	\$-	\$-
New Initiatives and Adjustments	-	\$-	\$150,000	\$300,000	\$600,000
Total		\$8,089,000	\$11,010,000	\$14,058,000	\$21,857,000

Table 6 - Forecast of Wastewater Operating Expenditures

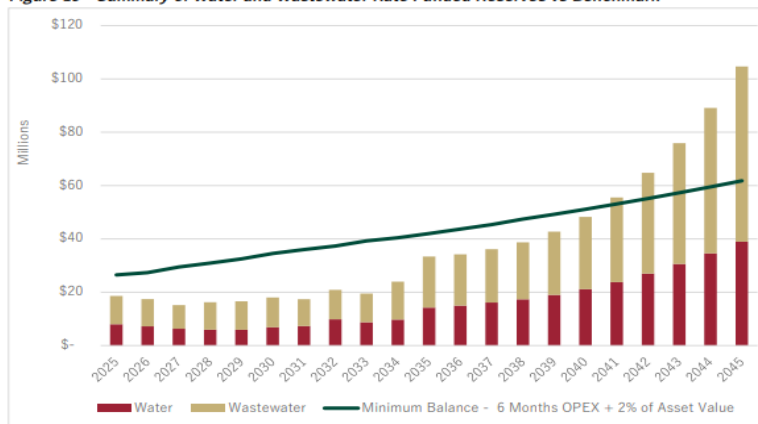
Expense Category	Inflation	2025	2030	2035	2045
	Factor	Budget	Projected	Projected	Projected
General Operating	2% - 4%	\$2,073,000	\$2,223,000	\$2,562,000	\$3,428,000
Regional Charges	5% -9%	\$10,393,000	\$17,027,000	\$22,558,000	\$36,745,000
Debt Payments	-	\$245,000	\$211,000	\$-	\$-
New Initiatives and Adjustments	-	\$-	\$150,000	\$300,000	\$600,000
Total		\$12,711,000	\$19,611,000	\$25,420,000	\$40,773,000

b) Investment Requirements and Asset Management Reserves

A total 20-year capital investment of \$204.1 million is required to maintain system reliability and lifecycle needs. About \$67.5 million is required in the first 10 years to support planned capital works. The forecast assumes reserve balances are sufficient to fund annual capital needs, so no new debt financing is required under the model. Ongoing reserve contributions are built into the rate structure to support future repair and replacement, allowing the Town to gradually expand its capital program as reserves strengthen.

Figure 19 (Appendix 1) shows that while the Town’s water and wastewater reserves remain positive throughout the forecast period, they fall below the identified minimum thresholds due to significant use of funds for capital in the first ten years and are projected to remain relatively flat over the following decade as additional rate-funded capital projects are undertaken.

Figure 19 - Summary of Water and Wastewater Rate Funded Reserves vs Benchmark



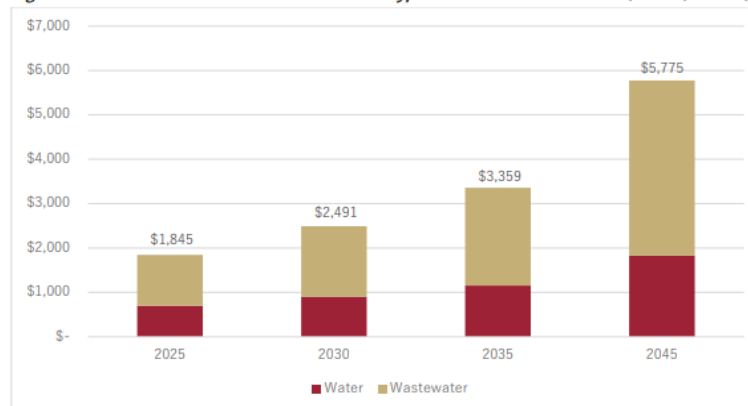
c) Rate Impact

The current reserve levels are below benchmark and need to be built over the 20-year period through continued increases to avoid large future increases. To achieve full cost recovery and meet proposed service over the long term, it will require incremental average annual capital investment increases of 1.6% for water and 2.3% for wastewater. When combined with long-term operating pressures of 3.3% and 4.1% this results in estimated annual increases of 4.9% for water and 6.4% for wastewater. Note that the associated operating pressures vary over the 20-year period based on economic and operational conditions and assumes minimal additional operating requirements related to capital by staff.

It is important to note that the Town's progress toward full cost recovery is significantly influenced by the Region supply and treatment requirements and the associated costs imposed by the Region. The Region has forecasted treatment charges to increase by 9% until 2031 before decreasing to 5% per year thereafter.

Figure 18 (Appendix 1) shows the impact of rate increases with projected combined annual water and wastewater bills for a household consuming 192 m³ per year from 2025 to 2045.

Figure 18: Total Water and Wastewater Bill for a Typical Household in Fort Erie (192 m³/annum)



3. BENCHMARKING RESULTS

Fort Erie compares favorably to peer municipalities in the following key areas:

- Among lowest debt levels.
- Strong reserve contribution relative to tax levy.
- Moderate to high reserve contributions relative to replacement value and revenues for rate-supported assets.

This provides capacity to responsibly increase infrastructure investment. Please refer to *Appendix B: Benchmarking Review* of the Financing Strategy for more information.

7. Financial, Staffing and Accessibility (AODA) Implications

The Financing Strategy outlines long-term financial requirements needed to maintain infrastructure and achieve the proposed levels of service in the AMP. Implementation requires sustained increases in capital reserve contributions and strategic use of debt, which will be addressed in future budget processes. Some incremental staffing and operational adjustments may be required over time and will be reviewed annually and brought forward during annual

budgets. There are no direct accessibility (AODA) implications associated with this report.

8. Policies Affecting Proposal

By-law 136-2023 adopted Council's 2023-2026 Corporate Strategic Plan

By-law 078-2019 AMP Policy

By-law 93-12, as amended, adopted the Reserve Policy

By-law 20-2024, as amended, By-law 21-2024 and By-law 22-2024 approved DCs

9. Comments from Departments, Community and Corporate Partners

Finance consulted with internal departments in developing and reviewing the Financing strategy. Departments confirmed that projected capital and operating pressures align with the lifecycle needs identified in the 2024 AMP. The strategy reflects a coordinated corporate approach to maintaining infrastructure and sustaining service levels over the long term.

Staff recognize that achieving the proposed levels of service will require sustained long-term investment and cross-departmental coordination. The AMFS provides a shared framework to guide future capital planning, reserve management, and operational decision-making.

The Federal and Provincial governments announced the Build Communities Strong Fund on March 30, 2026 which included new funding and reductions to DCs. It is not known at this time how it will impact municipal DC collections, reserves and debt requirements for capital projects.

10. Alternatives

Council could choose to delay or reduce the recommended strategy. However, maintaining current funding levels would result in reserve depletion, deferred maintenance, and declining asset condition. Alternative strategies relying solely on debt or significantly higher infrastructure levies were reviewed and present greater long-term financial risk or affordability challenges. The recommended balanced approach provides the most sustainable outcome.

Recent discussions about governance and municipal efficiencies have referred to other potential organizational structures, such as Water and Wastewater Public Corporation(s) under the Water and Wastewater Public Corporations Act, 2025. These alternatives impact long-term finances for the rate program that would need to be evaluated as part of the business case development.

11. Communicating Results

If accepted, the Financing Strategy will be incorporated into future budget planning and asset management reporting. Key messages will be communicated through budget presentations, with levels of service updates, public financial materials, and updates on the Town's website to support transparency and understanding of long-term infrastructure funding needs.

Additionally, under Ontario Regulation 588/17, municipalities are required to provide Council with annual updates on progress implementing the AMP and any barriers to delivery, including reporting on actual service performance to support informed decisions related to funding the infrastructure gap and evaluating whether service levels remain appropriate.

12. Conclusion

The Financing Strategy provides a practical roadmap to address the Town's infrastructure funding gap while maintaining financial sustainability. Adoption of the recommended approach supports predictable investment, protects service levels, and reduces long-term financial risk. Proactive action today helps avoid higher costs in the future. Recommended actions include:

- Use the 20-year Financing Strategy as the guiding framework.
- Target a 1.5% annual infrastructure levy for tax-supported assets.
- Establish a formal debt policy target of 10-15% of own-source revenue.
- Target a 1.5% annual increase to fund additional debt for tax-supported assets.
- Target a 1.6% water and 2.3% wastewater rate increase for rate-supported assets.
- Target reserve balances of 1-3% of asset replacement value.
- Review the strategy annually during budget deliberations.
- Integrate AMP funding targets into long-term financial planning.

13. Report Approval

Prepared by:
Sonja Bovan, CPA, CA
Manager of Financial Systems and Process Improvements

Submitted by:
Jonathan Janzen, CPA, CA
Director of Corporate Services

Approved by:
Chris McQueen, MBA
Chief Administrative Officer

14. Attachments

Appendix 1 – AMP Financing Strategy

Appendix 2 – Hemson Fort Erie Council Presentation