

# 2025 Draft Budget

Port Glasgow Trailer Park

Water

Wastewater

# Port Glasgow Trailer Park

## Budget Summary

- A 2% inflationary increase has been applied to both seasonal and transient trailer park revenues. However, there is some uncertainty in projected revenues, as a number of seasonal occupants have opted not to renew their leases for the upcoming season. This is likely due to speculation surrounding the future of the trailer park.
- Operating expenses are approximately 13% higher than the previous year's budget mainly due to wages increases.
- No capital projects are planned or will be undertaken at this time. Staff are awaiting direction from Council regarding the long-term future of the trailer park.
- A business study is underway, and its recommendations will be presented to Council for consideration. Until a formal decision is made, all capital investment in the park has been paused.

	2025 Budget	* Unaudited 2024 Actuals	2023 Actuals
Revenues	\$421,288	\$441,201	\$408,598
Operating Expenses	\$304,438	\$227,978	\$269,788
Capital Expenses	\$0	\$14,102	\$0
Transfer to Reserves	\$116,850	\$199,121	\$174,169
Net Surplus (Deficit)	\$0	\$0	\$0

# PGTP Reserve Balance

## Reserve Balance

Balance – January 1, 2025	\$ 940,628
Transfer to Reserves	\$ 116,850
Estimated Balance – December 31, 2025	<b>\$ 1,057,478</b>



# 2025 Water Budget

Financial Planning & Operational Highlights



# 2025 Water Budget

Budget  
Overview

Revenue  
Projections

Operating  
Expenses

Capital  
Projects

Key Drivers  
and  
Assumptions

Rate Impacts

Next Steps

## 2025 Water Budget Overview

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Balanced 2025 water budget prepared in accordance with municipal financial policy.

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Reflects operational needs, infrastructure requirements and customer service expectations.

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Emphasis on sustainability, efficiency, and regulatory compliance.

# Revenue Projections

- Total Revenue (2025): \$1,533,706

## Sources:

- Residential Water Rates
- Non-Residential – Commercial and Industrial
- Flat Charge
- Bulk Water Sales
- Water Connection Fees
- Other (penalties, disconnect/reconnect fees)

## Key Assumptions:

- 2% flat fee increase effective July 1, 2025
- 7% rate increase effective July 1, 2025
- To support ongoing infrastructure improvements and capital replacements within the Tri-County system, a new flat fee (\$36 per year) is being proposed.

# Operating Expenses

## **Total Operating Budget: \$ 1,348,713**

- Year-over-Year Increase: 2.5% (in line with inflation)

### **Major Components:**

- Contracted Services
- Wages & Benefits
- Equipment Maintenance
- Administrative Cost

### **Inflationary Pressures:**

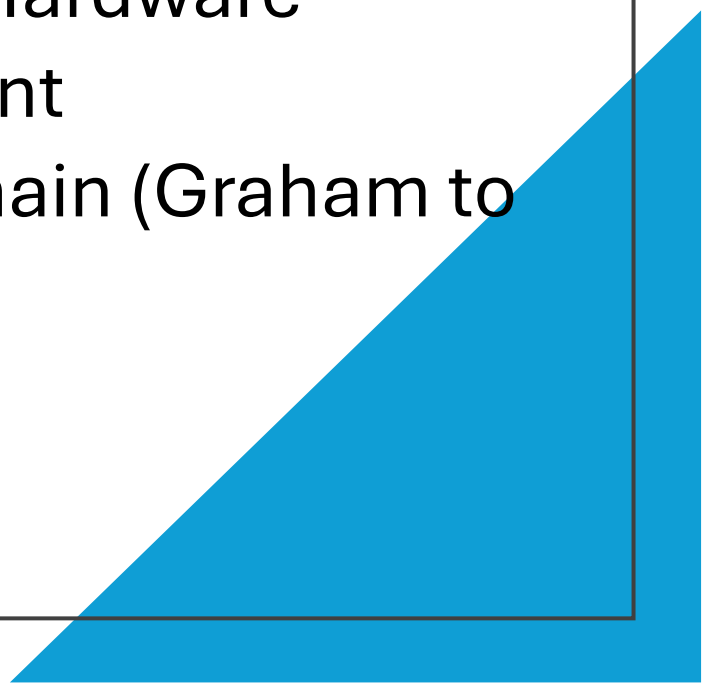
- Capital replacement
- Water Cost



## 2025 Capital Projects

\$305,000

### **2025 Capital Plan:**

- Water Line Extension
  - AMR Software & Hardware
  - Truck Replacement
  - Chestnut Watermain (Graham to Ridge)
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- A solid blue triangle is located in the bottom right corner of the slide, pointing towards the top right.

# 2025 Rate Impacts

	2025	2024	\$ Increase
Flat Charge	\$ 56.10	\$ 55.00	\$ 1.10
Water Rate per m <sup>3</sup>	\$ 2.14	\$ 2.00	\$ 0.14
NEW - Tri County Capital Charge	12.00		

## Proposed Water Increases as of July 1, 2025

	2025 Budget	2024 Actual	\$ Increase
Assuming Avg Household Water Use 20m <sup>3</sup> per month	85.68	\$ 80.00	\$ 5.68
	56.10	\$ 55.00	\$ 1.10
NEW - Tri County Capital Charge	12.00	\$ -	\$ 12.00
	<b>\$ 153.78</b>	<b>\$ 135.00</b>	<b>\$ 18.78</b>

# Tri-County Water Board Overview

The Tri-County Water Board is composed of **five municipalities** that collectively purchase water through the system.

Under the **2021 Tri-County Master Agreement**, **West Elgin** holds a **43% ownership share** of the system and its allocated capacity. Capital contributions are calculated based on this ownership share.

# Tri-County Capital Contribution – West Elgin

2023: Tri-County Water Board approved an additional annual fee of \$150,000 to fund capital replacements.

- Major Project:
  - West Lorne Standpipe Refurbishment
  - Scheduled for 2028 at an estimated cost of \$2.5 million
- Additional Capital Replacements (2025–2030):
  - Total estimated cost at \$3 million
- West Elgin's Share:
  - Annual contribution of \$64,860
  - Payable each year until 2030

# Tri-County Capital Replacement

## **Why Refurbishing the Water Tower?**

Refurbishing the water tower is essential to ensure safe drinking water, maintain strong water pressure (especially for fire protection), and extend the life of the structure. This proactive maintenance helps avoid costly emergency repairs and keeps our water system reliable for years to come.





Questions

# 2025 Wastewater Budget Overview & Objectives

Ensure	<b>Ensure Safe and Reliable Service:</b> Maintain and operate wastewater infrastructure to meet environmental and public health standards.
Sustain	<b>Sustain Financial Stability:</b> Develop a balanced budget that supports operations, capital needs, and long-term asset management.
Support	<b>Support Regulatory Compliance:</b> Fund initiatives that ensure compliance with provincial and federal wastewater treatment regulations.
Plan	<b>Plan for Infrastructure Renewal:</b> Allocate resources for upgrades, equipment replacement, and capacity improvements.
Promote	<b>Promote Rate Stability:</b> Set user rates that reflect true costs while avoiding sudden increases for residents.
Build and Maintain	<b>Build and Maintain Reserves:</b> Ensure adequate reserve contributions for future capital and emergency needs.

# Revenue Projections

## Rodney Sewer

**Total Revenue (2025): \$1,843,236**

**Sources:**

- Sewer Billings – Sewer Rates
- Flat Charge
- Grant Funding – ICIP Green Stream – Intake 1

**Key Assumptions:**

- 2% flat fee increase effective July 1, 2025
- 2% rate increase effective July 1, 2025

# Operating Expenses

## Rodney Sewer

**Total Operating Budget: \$ 322,843**

- Year-over-Year Increase: 2%

**Inflationary Pressures:**

- Capital replacement
- Equipment and Parts
- Utilities

# Capital Project

## Rodney Sewer

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In preparation for the mechanical replacement of the Rodney Sewage Plant, lagoon dredging began last year.

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This year, the project continues with the mechanical replacement phase, estimated at \$2,000,000.

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The total project cost is projected at \$4.6 million.

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Funding sources include:

- Full utilization of ICIP – Green Stream grant funding by year-end
- OCIF (Ontario Community Infrastructure Fund) grant contributions

Rodney Sewer Reserves - despite grant support, the reserves will be fully depleted by the end of this year.

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A funding shortfall of approximately \$500,000 is anticipated and will require financing.



# 2025 Rate Impacts

	2025	2024	\$ Increase	% Increase
Sewer Rate	\$ 2.97	\$ 2.91	\$ 0.06	2%
Flat Rate	\$ 76.50	\$ 75.00	\$ 1.50	2%

# of Customers	469
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## Proposed Wastewater Increases as of July 1, 2025

	2025 Budget	2024 Actual	\$ Increase
Assuming Avg Household Water Use 20m <sup>3</sup> per month	118.73	\$ 116.40	\$ 2.33
	76.50	\$ 75.00	\$ 1.50
	<b>\$ 195.23</b>	<b>\$ 191.40</b>	<b>\$ 3.83</b>

**\$ 22.98**

## 2025 Rodney Sewer – Reserves

Reserve Balance	
Balance – January 1, 2025	\$ 406,306
Transfer from Reserves	\$ 406,306
Balance – December 31, 2025	\$ 0

# 2025 Rodney Sewer

## Challenges

- **Rising Costs** - create pressure on the budget.
- **Limited Customer Base** – only 469 customers connected
- **Plant Capacity Constraints** – the sewage plant may approach its capacity limit if development accelerates more rapidly than anticipated, potentially restricting future growth.
- **Depleted Reserves** – current capital plan will exhaust reserves by year-end, limiting flexibility.
- **Grant Dependency** – heavy reliance on OCIF and other grants; future funding is uncertain.
- **Affordability Concerns** – need to balance recovery of rising costs with ratepayer affordability.



Questions

# Revenue Projections

## West Lorne Sewer

**Total Revenue (2025): \$541,605**

**Sources:**

- Sewer Billings – Sewer Rates
- Flat Charge

**Key Assumptions:**

- 2% flat fee increase effective July 1, 2025
- 2% rate increase effective July 1, 2025



# Operating Expenses

## West Lorne Sewer

**Total Operating Budget: \$ 344,858**

- Year-over-Year Increase: 14%

**Inflationary Pressures:**

- Capital replacement
- Equipment and Parts
- Utilities

# Capital Projects

## West Lorne Sewer

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Sanitary Manhole Repair

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Scum Pump Rebuild

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HVAC System Upgrade

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**\$127,000**

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Pump Station Rebuild

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Addition of tie in from filter by-pass to lagoon

# 2025 Rate Impacts

	2025	2024	\$ Increase	% Increase
Sewer Rate	\$ 2.75	\$ 2.70	\$ 0.05	2%
Flat Rate	\$ 73.44	\$ 72.00	\$ 1.44	2%

# of Customers	599
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## Proposed Wastewater Increases as of July 1, 2025

	2025 Budget	2024 Actual	\$ Increase	
Assuming Avg Household Water Use 20m <sup>3</sup> per month	110.16	\$ 108.00	\$ 2.16	
	73.44	\$ 72.00	\$ 1.44	
	<b>\$ 183.60</b>	<b>\$ 180.00</b>	<b>\$ 3.60</b>	<b>Bi-monthly</b>
			<b>\$ 21.60</b>	<b>Annually</b>

2025 West Lorne  
Sewer – Reserves

Reserve Balance	
Balance – January 1, 2025	\$ 511,561
Transfer to Reserves	\$ 69,748
Balance – December 31, 2025	\$ 581,309

# 2025 West Lorne Sewer

## Challenges

- **Rising Costs** - create pressure on the budget.
- **Limited Customer Base** – only 599 customers connected
- **Plant Capacity Constraints** – the sewage plant is operating near its capacity, restricting future growth and development. (Current extra capacity 289 – 44 new connections within 12-18 mos. = 245)
- **Limited transfers to Reserves** – current sewage rates recover only 73% of operating costs; with the shortfall offset by flat rate charge.
- **Grant Dependency** – heavy reliance on grants; future funding is uncertain.
- **Affordability Concerns** – need to balance recovery of rising costs with ratepayer affordability.



The image features a dense field of three-dimensional question marks. Most are dark grey and recede into the background, creating a sense of depth. In the center, a single, bright orange question mark stands out prominently. The word "Questions" is written in a clean, white, sans-serif font, positioned directly over the orange question mark.

Questions