

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	\$ 1,057,478

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

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

Reflects operational needs, infrastructure requirements and customer service expectations.

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)

2025 Rate Impacts

	2025	2024	\$ Increase
Flat Charge	\$ 56.10	\$ 55.00	\$ 1.10
Water Rate per m ³	\$ 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 ³ per month	85.68	\$ 80.00	\$ 5.68
	56.10	\$ 55.00	\$ 1.10
NEW - Tri County Capital Charge	12.00	\$ -	\$ 12.00
	\$ 153.78	\$ 135.00	\$ 18.78

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.

The image features a dense field of 3D-rendered question marks. Most are dark grey and recede into the background, creating a sense of depth. In the center, a single, bright yellow question mark stands out prominently. The word "Questions" is written in a clean, white, sans-serif font, centered horizontally and partially overlapping the yellow question mark.

Questions

2025 Wastewater Budget Overview & Objectives

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

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

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

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

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.

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 ³ per month	118.73	\$ 116.40	\$ 2.33
	76.50	\$ 75.00	\$ 1.50
	\$ 195.23	\$ 191.40	\$ 3.83

\$ 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.

A 3D rendering of a field of dark grey question marks. In the center, one question mark is highlighted in a bright yellow color. The word "Questions" is written in white, sans-serif font across the yellow question mark.

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

Sanitary Manhole Repair

Scum Pump Rebuild

HVAC System Upgrade

\$127,000

Pump Station Rebuild

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 ³ per month	110.16	\$ 108.00	\$ 2.16
	73.44	\$ 72.00	\$ 1.44
	\$ 183.60	\$ 180.00	\$ 3.60

Bi-monthly

\$ 21.60

Annually

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.

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