

Growing Wisely: District Municipality of Muskoka

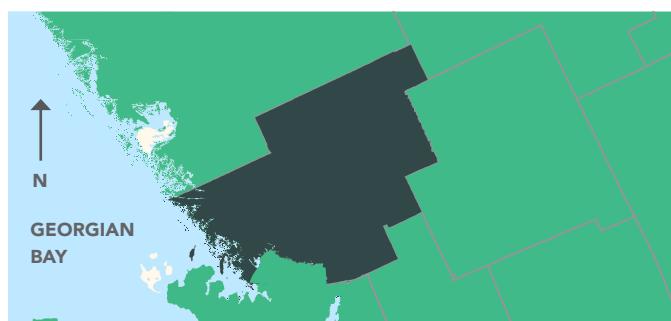


How we're growing:

- 10.0% population growth between 2016 and 2021, significantly outpacing the provincial growth rate (5.8%)
- Projected growth of 48.6% between 2021 and 2051, to reach 99,100 permanent residents
- COVID-19 and the corresponding option to work remotely resulted in major population increases that have since stabilized
- Top drivers of growth include intra-provincial migration and natural population increase
- Key demographic shift: aging population and intra-provincial migration, with the percentage of population between the ages of 64 to 75+ set to increase from 28% to 41% from 2021 to 2051
- Focus on improving quality of life concurrent to supporting growth

COMMUNITY PROFILE

Population of permanent residents 66,674 (2021), with over 81,452 additional seasonal property owners
Regional municipality that is primarily rural with some urban centres (Bracebridge, Gravenhurst, and Huntsville)
Located in Central Ontario
Upper-tier municipality with six lower-tier municipalities and four First Nations reserves
Situated on the traditional territories of the Huron-Wendat, Anishinaabek, Metis and Haudenosaunee
A popular recreation destination that is focused on tourism and hospitality
Second homes account for approximately 47% of all households



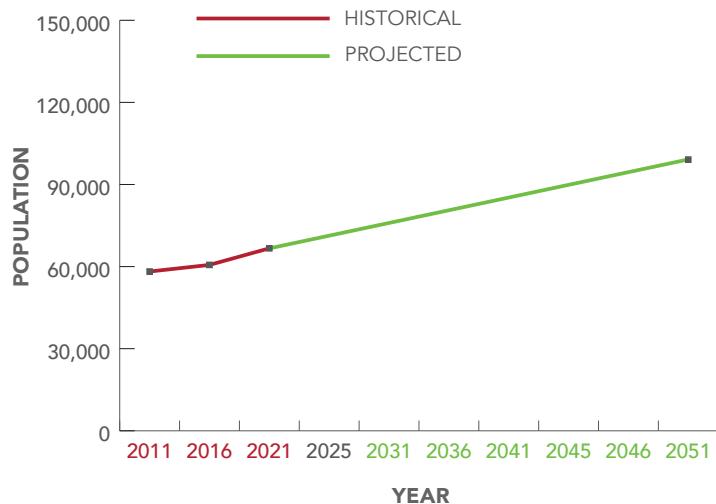
Key Learnings

- Building in-house capacity for asset management allows staff to take ownership, evolve the approach more readily and integrate the asset management plan with other plans, strategies and policies.
- A holistic framework for measuring asset performance (well beyond asset condition) allows the District to incorporate a wide array of considerations including the ability to meet current and future capacity, alongside other measures of risk, resilience, condition, and other factors.

Population projection data sources:

- Historical population: Government of Canada Census of Population
- Growth projections: District Municipality of Muskoka Growth Strategy

DISTRICT MUNICIPALITY OF MUSKOCA-POPULATION PROJECTIONS



The District Municipality of Muskoka is anticipating growth to nearly 100,000 permanent residents by 2051. Demographic shifts in the community are increasing focus on supporting aging residents.

The municipality is integrating critical plans and strategies to ensure a coherent, united approach to managing growth. Specifically, the Growth Study has brought discussions at Council to debate the feasibility of achieving the growth expectations as defined in the growth scenarios.

Affordability and supply of housing is top of mind for Council and is driving investment in housing and trades. Previous investments in upsizing of water and wastewater plants are helping manage current capacity and infrastructure resilience.

Muskoka is using asset performance indicators to incorporate capacity considerations for both current and future needs, into a broader framework that drives capital priorities (see "Asset Performance Measurement" on page 4).

While many municipalities are trying to maintain service levels, Muskoka is focused on enhancing levels of service in many areas to improve quality of life for current and future residents.

Service Impact Examples

Solid Waste: The master plan is driving the roll-out of green bins, an example of where Muskoka is enhancing LOS while growing and maintaining assets. The municipality's Strategic Action Plan is moving forward better services for both existing and new residents who bring higher expectations for services

Long-Term Care: Muskoka is building a large long term care home in Huntsville to accommodate its aging population. This home has a continuum of care and anticipates the need for specialized services.

Housing: Council has put focus on housing with a 10-year strategy for housing and homelessness. The plan earmarks \$30M for not only building housing but also building capacity within the sector (trades). It lays out an attainable housing investment framework to address supply.

RISKS, OPPORTUNITIES & ISSUES	
 Changing demographics and demand/use of services	<p>Growing senior population and shifting demand for services: The increasing population over 75+ and an overall increase in age of population is increasing demand for paramedic, acute and community care, long-term care, and accessible services.</p> <p>Changing expectations: An influx of new residents, often previously urban residents to more rural areas, has led to higher expectations for levels of service (e.g., snow clearing).</p>
 Pressure on housing supply and affordability	<p>Attainable housing supply and affordability: Available housing is over-subscribed and costly. Council has debated the feasibility and practicality of endorsing growth when there are such existing pressures.</p>
 Intensification and/or greenfield development	<p>Leveraging past decisions to upsize capacity: In key service areas such as water and wastewater, previous decisions were made to upsize infrastructure to meet future growth. To manage high rates, Muskoka streams a significant amount of Ontario Community Infrastructure Fund (OCIF) and Canada Community Building Fund (CCBF) funding directly to these service areas.</p> <p>Legislative changes to funding tools: Bill 17 will have an impact on Muskoka's ability to leverage development charges in the same way.</p> <p>Infrastructure deficit: Incorporation of AI-driven StreetScan Data into the 2025 AMP for Transportation services (Roads) has provided insight on growing lifecycle pressures on roads and bridges and highlights a key area requiring future investment and risk mitigation.</p>
 Social and equity impacts within and across communities	<p>Equity: The 2025 AMP recommended a study and plan to be developed for low-volume roads including those leading to individual First Nation reserve communities. This study would prioritize such highly critical roads without alternative substitutes or redundancies.</p>

What are we working on?

- Implementation of the 2024 **Growth Strategy** which responds to the latest changes in the provincial planning context and provides an updated outlook on growth for the municipality since the 2019 Strategy.
- Completion of a Second Home Study that surveys the owners of second homes for key planning information.
- Implementation of the Asset Management Plan (AMP) that was presented to Council July 2025 which integrates growth considerations into measurements of asset performance, assesses criticality of assets to support prioritization of funding, recommends proposed levels of service, and forecasts infrastructure investment needs including growth-driven assets. The 2024 and 2025 AMPs were completed with ISO 55000 standards and framework.
- Master Plans including: Housing (and Housing Needs Assessment); Paramedics Services; Solid Waste; and Transportation (first for Muskoka).
- Adopting a multi-year budget (MYB) in 2025
- \$50M Housing-Enabling Water Systems Fund (HEWSF)-funded water and wastewater infrastructure upgrades to support housing needs (the largest grant to date for the municipality)
- Enabling proactive approach with a computerized maintenance management system (CMMS), predictive renewal tool and asset digitization efforts
- Reserve fund optimization to address current and future infrastructure deficit, with intent to gradually increase over 20 years
- Evaluating policies for capital budgeting, reserves, and debt
- Establishing an internal debt reduction reserve, which departments pay back with interest
- Muskoka Economic Recovery Task Force

How do we integrate growth and asset management?

- Integrating current and future capacity assessment into a holistic asset performance framework (well beyond asset condition)
- Fully integrated – horizontally and vertically – master plan development



Reach out!

Vineet Bhatia

Director of Tax Policy & Financial Planning

Vineet.Bhatia@muskoka.on.ca

What's working for us?

Building In-House Capacity and Competency for Asset Management

The municipality has taken ownership of its asset management capabilities, focusing on developing its AMP with dedicated staff resources. Muskoka has also focused on building competency within the governance structure including Council and senior leadership. An educated Council and cross-organizational governance and working group enables better outcomes.

Incorporating new Assets through the Multi-Year Budget

Muskoka aims to simplify the asset intake process through the multi-year budget process. Rather than requiring complex business cases that may hinder progress, the municipality uses a Capital Projects Worksheet and Operational Budget Form to assess the impact of new capital. Master Plans will then directly inform the budget.

What's working for us?

Asset Management Plan:

Muskoka's 2025 AMP supports strategic choices that favour renewal and upgrades of existing infrastructure over greenfield growth-driven assets. The AMP is integrated closely with Muskoka's growth, housing, and other strategies. It prioritizes not only renewal of existing infrastructure, but upgrades to levels of service. Muskoka staff have recommended setting a condition and performance standard of "fair or better". Overall, the assets are currently meeting the condition standard to ~87%

Asset Performance Measurement:

Muskoka's asset lifecycle forecast and investment plan is based on calculation of an asset performance measure that is made up of four criteria on a 5-point scale.

The performance criteria include "capacity to meet demand" which evaluates ability to meet both current and future demand.

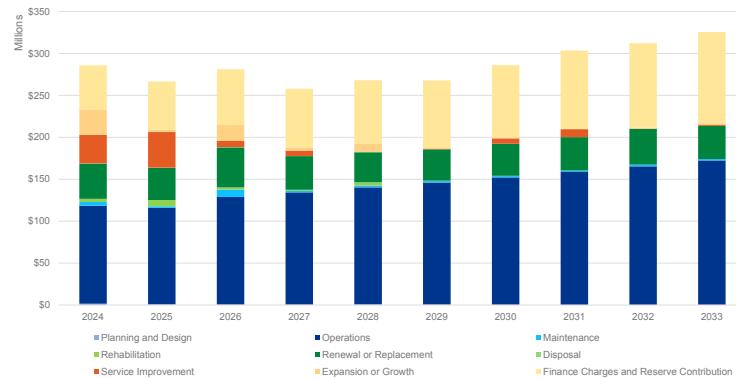
Assets are further analyzed to determine criticality of assets relative to each other / other systems.



Funding Strategy

Development Charges (DCs): Muskoka's use of DCs is evolving. Over the last decade, residential DCs were discounted by over 50% and commercial/industrial by over 80-90%. The new DC Bylaw establishes a 100% collectable rate, allowing the advancement of capital projects. Despite the increase, DCs only went up by 30-40%. As well, , ambulance and long-term care home services have been included as eligible under the DC policies, marking the first time that Muskoka will collect

Tax & Rate Supported—Lifecycle Activities



The AMP provides a forecast of all lifecycle activities and projects the growth-driven lifecycle investment.

Corporate Performance Rating Criteria

FACTORS	PERFORMANCE RATING CRITERIA
Operational Functionality	<ul style="list-style-type: none">Does the asset meet design and/or safety requirements?Are there any operational problems?Are there any required or desirable elements missing?
Capacity to Meet Demand	<ul style="list-style-type: none">Does the asset fully meet current or future demand with expected service requirements?
Operational Resiliency	<ul style="list-style-type: none">Do we have back-up systems, spare capacity, alternative supplies?Is there adequate protection or security from acts of vandalism, trespassing, theft, assault or terrorism?
Environmental Resiliency	<ul style="list-style-type: none">Is the asset vulnerable to local climate hazards identified through available climate data projections: Extreme Temperatures, Extreme Rainfall, Seasonal Flooding and Changes in Freeze-Thaw Cycles?

Corporate Performance Rating Criteria—Capacity to Meet Demand

Performance Rating	Description of Capacity to Meet Demand
Very Good	Capacity fully meets or exceeds current demand and minimum service requirements.
Good	Capacity meets current demand and minimum service requirements.
Fair	Capacity just meets or essentially satisfies current demand and minimum service requirements with no room to accommodate potential increase in future demand.
Poor	Capacity is frequently below demand and/or minimum service requirements.
Very Poor	Capacity is significantly and continuously below demand and/or minimum service requirements.

DCs for these assets. Bill 17 will shift the DC landscape into the future, resulting in uncertainty for use of DCs moving forward.

Addressing the Infrastructure Deficit: Muskoka is evaluating its infrastructure deficit and looking at creative funding solutions to bring the deficit down. This may include gradual (20-year) reserve increases, alternative levels of service, and alternative delivery models.