

Middlesex Centre Tax Long-Range Financial Plan (2025-2034)

BMA Management Consulting Inc.

Water, Wastewater and Stormwater

June 4th, 2025



**middlesex
centre**

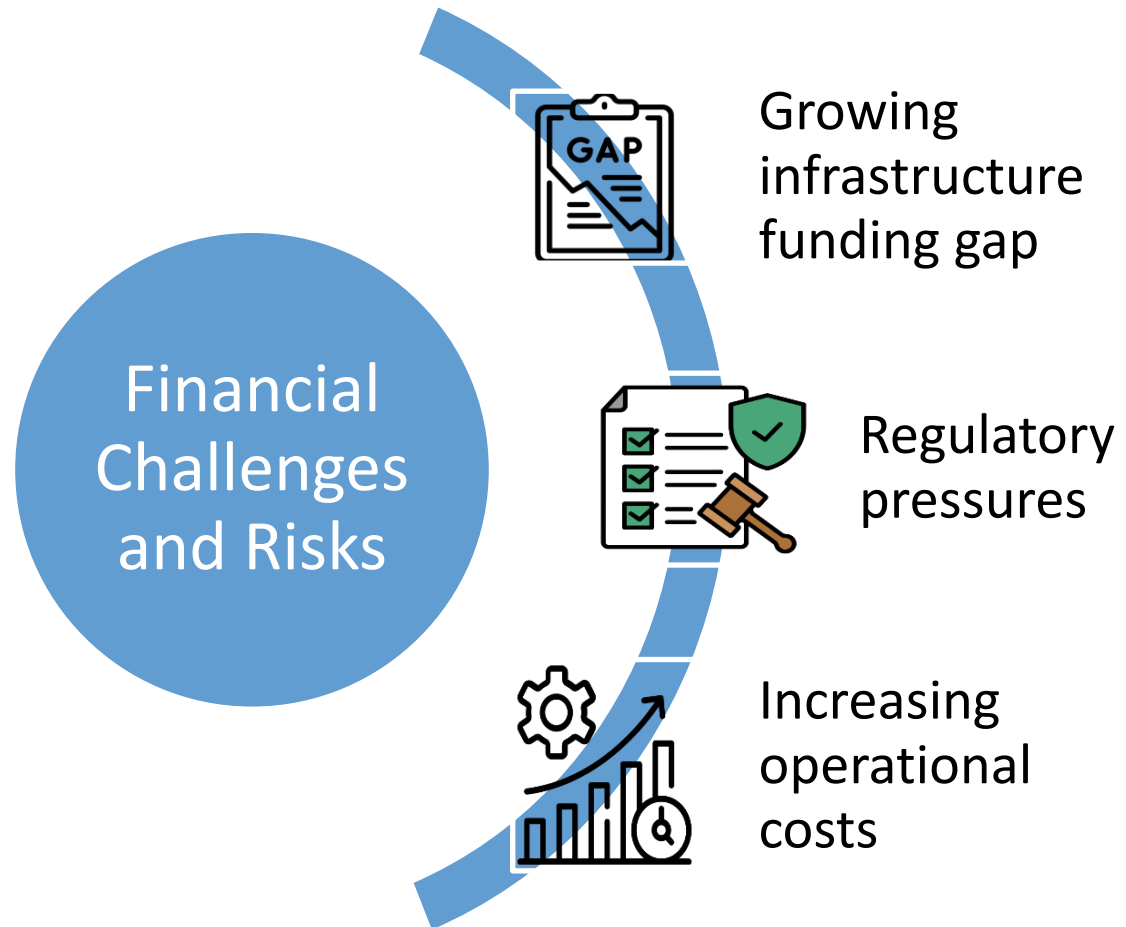
in the centre of it all

BMA
MANAGEMENT CONSULTING INC.

Guiding Principles

- ✓ Ensure reasonable degree of stability and predictability in the rate burden;
- ✓ A fair sharing in the distribution of resources between current and future ratepayers;
- ✓ Maintain programs and services at their desired levels; and
- ✓ Balance increased capital investment with affordability.

Financial Challenges and Risks



Ratepayer Affordability and Comparative Metrics

Municipality	2024			
	2024 Average Household Income	Residential Water/WW Costs 200 m ³	Affordability Metric	
Pelham	\$ 152,722	\$ 1,195	0.8%	
Springwater	\$ 175,572	\$ 1,720	1.0%	
Essex	\$ 111,756	\$ 1,134	1.0%	
Strathroy-Caradoc	\$ 112,187	\$ 1,257	1.1%	
Lincoln	\$ 134,846	\$ 1,536	1.1%	
Thorold	\$ 102,396	\$ 1,363	1.3%	
Peer Average	\$ 131,580	\$ 1,368	1.1%	
Peer Median	\$ 123,517	\$ 1,310	1.1%	
Middlesex Centre	\$ 164,795	\$ 1,862	1.1%	

Source: 2024 rate by-laws, 2024 household income by Manifold Data Mining Inc

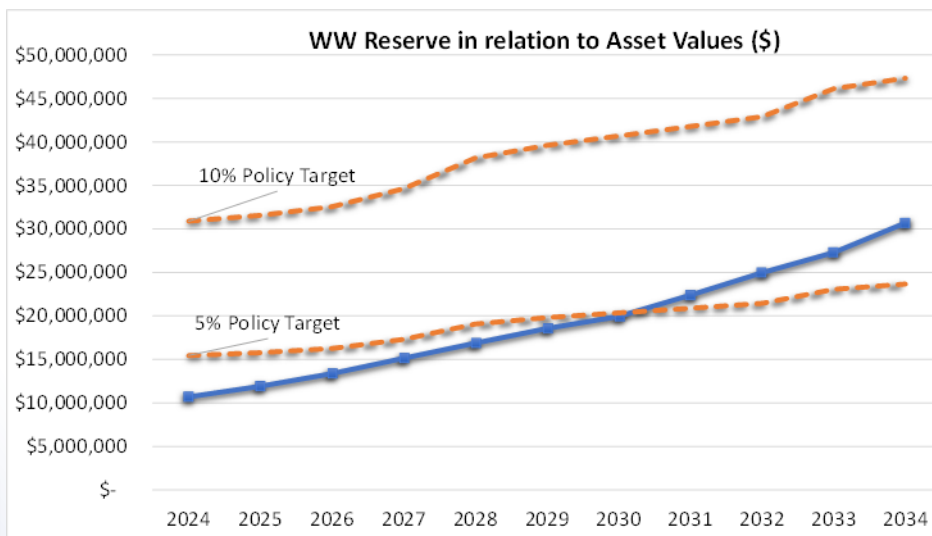
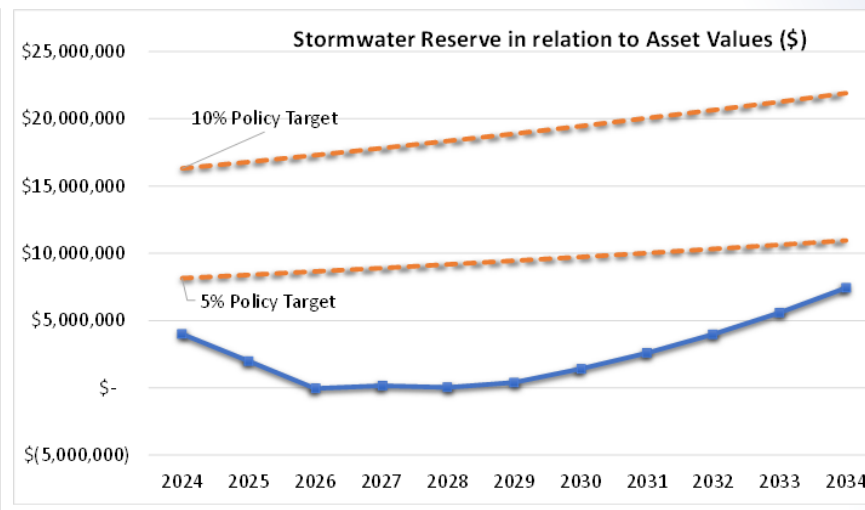
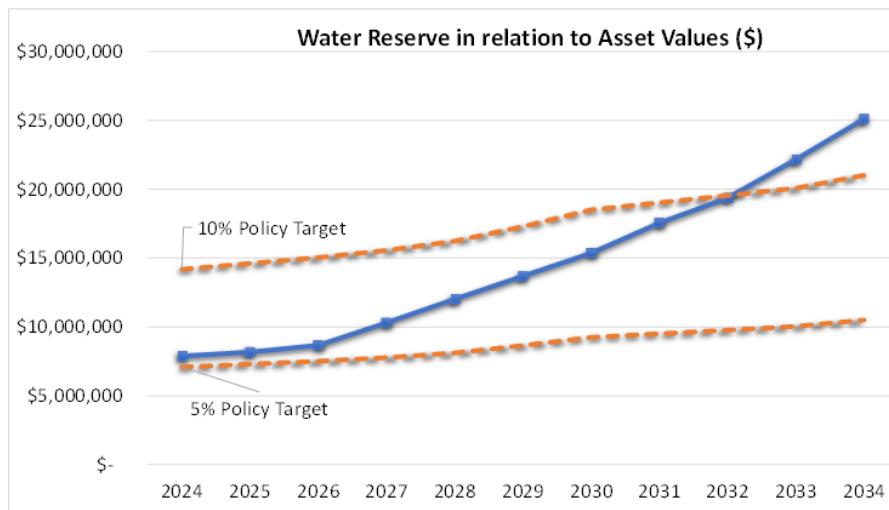
- Rate comparison with neighboring municipalities.
- Household affordability impact.

AMP Annual Investment Target vs. Current Contributions

2025 Capital Contributions (000's)	Water		WW		Storm	
Current Contributions	\$	1,490	\$	1,628	\$	488
AMP Target	\$	2,492	\$	4,537	\$	2,181
Estimated Annual Funding Gap	\$	(1,002)	\$	(2,909)	\$	(1,694)

- Increase AMP reserve contributions to target over a 15-year period to provide a financially sustainable base for asset replacement while maintaining rate payer affordability.

Capital Reserve Fund Strategy

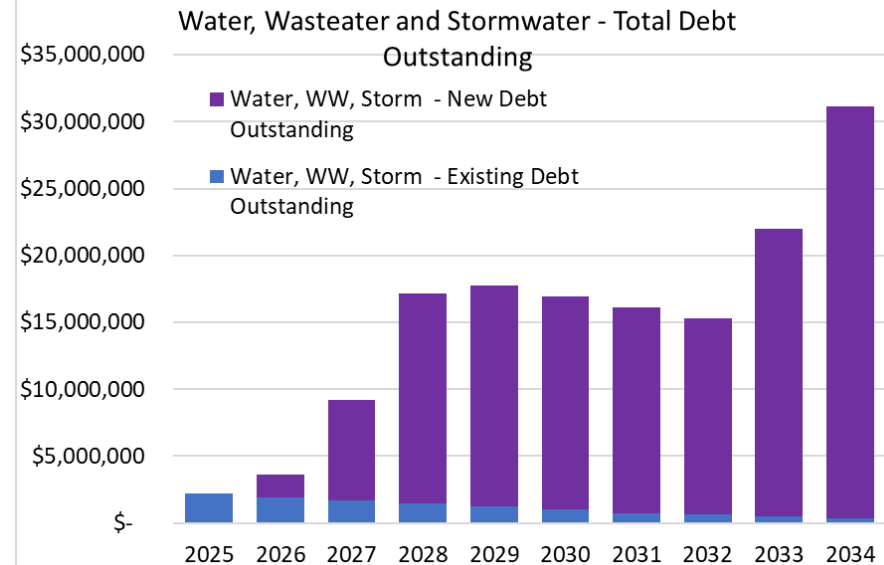
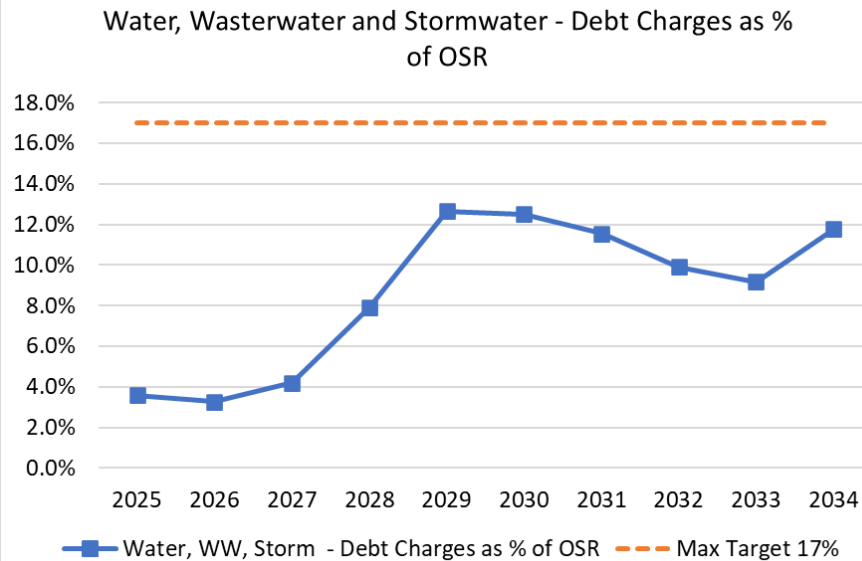


- Minimum reserve balance target: 5%-10% of asset replacement cost.

Debt Strategies

- Growth related capital assets not funded from development charges will be funded from external debentures or internally financed.
- Any new assets internally funded, including interest, will be repaid from future operating budgets – intergenerational equity.
- As debt charges decline due to retirement of debt, savings will be used to accelerate contributions to AMP reserve.
- Debt charges as a percentage of own source revenue should not exceed 17%.

Debt Financing Approach



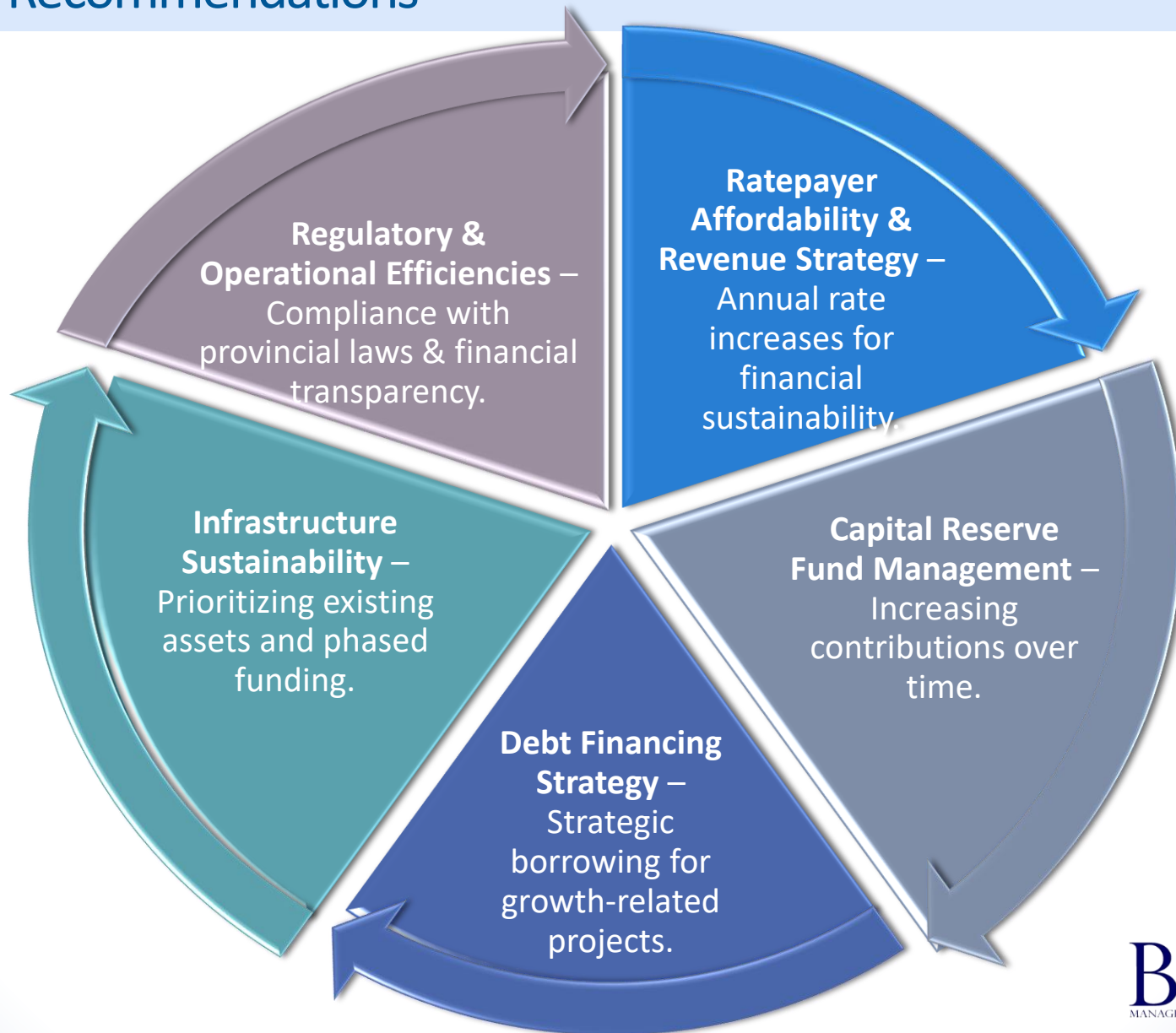
- Using long-term debt for growth-related projects.
- Keeping debt below 17% of own-source revenue.

Water, Wastewater & Stormwater Rate Impacts

- Annual rate increase projections: 4% for water, 6.5% for wastewater & 6.5% stormwater, for a blended average impact of 5.6% from 2026 to 2034.
- Residential impact comparisons.

180 m ³ residential impact - 5/8"								
	Annual Cost of service							
Year	Water	WW	Storm	Total	% Increase From Prior Year	\$ Increase From Prior Year	Monthly \$ Increase From Prior Year	
2025	\$ 779	\$ 995	\$ 205	\$ 1,978				
2026	\$ 808	\$ 1,056	\$ 218	\$ 2,081	5.2%	\$ 103.29	\$ 8.61	
2027	\$ 839	\$ 1,122	\$ 231	\$ 2,193	5.4%	\$ 111.47	\$ 9.29	
2028	\$ 872	\$ 1,194	\$ 246	\$ 2,312	5.5%	\$ 119.81	\$ 9.98	
2029	\$ 906	\$ 1,271	\$ 262	\$ 2,440	5.5%	\$ 127.60	\$ 10.63	
2030	\$ 943	\$ 1,354	\$ 279	\$ 2,576	5.6%	\$ 136.09	\$ 11.34	
2031	\$ 981	\$ 1,443	\$ 297	\$ 2,721	5.6%	\$ 144.95	\$ 12.08	
2032	\$ 1,021	\$ 1,538	\$ 317	\$ 2,876	5.7%	\$ 154.58	\$ 12.88	
2033	\$ 1,063	\$ 1,640	\$ 338	\$ 3,040	5.7%	\$ 164.77	\$ 13.73	
2034	\$ 1,107	\$ 1,749	\$ 360	\$ 3,216	5.8%	\$ 175.69	\$ 14.64	

Key Recommendations



Conclusion

- ✓ Balanced approach to ratepayer affordability, financial sustainability, and infrastructure renewal.
- ✓ Middlesex Centre will meet AMP targets by 2040 while ensuring intergenerational equity.

Questions & Answers

Questions
& Answers

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