

A scenic photograph of a calm lake at sunset. The sun is low on the horizon, creating a bright, golden glow that reflects on the water's surface. The sky is filled with soft, wispy clouds. In the foreground, a wooden dock with a red Adirondack chair sits on the water. The background is a dense forest of green trees lining the opposite shore. The overall mood is peaceful and serene.





Township of Muskoka Lakes

Asset Level of Service Study Report

Updated June 12th, 2025

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The analysis, findings, and recommendations presented in this report have been developed based on financial information provided by the Township, including data prepared by a third-party consultant, as outlined in Phase 4 of this report. While reasonable efforts have been made to incorporate and interpret this information accurately, GHD has not independently verified the underlying data. Accordingly, no representations or warranties are made regarding the completeness or accuracy of the financial inputs provided. This report should not be relied upon for financial or investment decision-making without further independent review.

Report Assumptions and Scope

Scope Statement

The scope for this report was the development an Asset Level of Service Study for the Township of Muskoka Lakes, and the identification of Service Area services for inclusion into an Asset Level of Service Framework for Township Asset Classes in response to Provincial Legislative requirements and a means to allow the Township to identify key elements in determining appropriate Levels of Service provided.

Assumptions

In preparing this report the following assumptions have been made:

- There is no comprehensive risk assessment and evaluation process for The Township.
- The Township currently has no decision support system (DSS).
- The Township needs to identify and adopt the most appropriate Level of Service (LOS) to be carried forward to implementation. The LOS will be adopted as part of the Townships Asset Management Plan.
- The adoption time frame for changes to service delivery has been assumed and will need to be evaluated by the Township.
- The Township measures costs at the asset level; therefore the focus of activities was set to identifying and document service standards and costs at the asset level.

Data:

- Data used in the development of this report has been provided by the Township. Documents and data points consulted and used in development can be found in Appendix A.
- 2025 cost data is used as the baseline year for projections. GHD has trusted that the data provided is accurate and reflects the needs of the Township.
- Cost projections are based on The Townships' service area teams estimations and represent a 1-year planning process snapshot (the year 2025) which is then used as the basis to model 10-year projections to meet O. Reg 588/17 requirement for the 10-year planning process. Cost estimates were valued based on best approximate data available at the time. Projections were supplied by The Township subject matter experts (SME) and/or Project Managers.
- The original report was based upon financial data provided by the Township. This revised report now includes updated financial outcomes provided through a separate financial model completed by a different consultant.

Introduction

Overview

The Township of Muskoka Lakes (TML) is a picturesque community in Ontario, recognized for its natural beauty, vibrant local culture, and strong sense of community. It has a permanent population of approximately 7,600 residents, which increases significantly to approximately 26,000 during the summer months, reflecting its appeal as a seasonal destination. Spanning approximately 781 square kilometers, the Township encompasses several villages and communities, each contributing to its unique character and regional significance.

Formed in 1971 through the amalgamation of multiple smaller municipalities, the Township operates as a lower-tier municipality within a two-tiered government system (the District Municipality of Muskoka). This governance structure provides a framework for delivering services efficiently while aligning with broader regional priorities.



Community Services Delivered

The Township provides a diverse range of essential services tailored to both permanent and seasonal residents, enabling sustainability, accessibility, and responsiveness to community needs. These services are:

- **Emergency Services** – Meet public safety needs through fire, rescue, and emergency response operations.
- **Culture, Sports, and Recreation** – Supporting community participation through cultural programming, libraries, recreational facilities, and spaces that support organized sports.
- **Transportation** – Maintaining road infrastructure, active transportation networks, and seasonal mobility (snow clearing etc.).
- **Stormwater Management** – Implementing drainage systems and environmental measures to mitigate flooding and water quality impacts.
- **Administrative Services** – Overseeing municipal governance, financial administration, and regulatory compliance and infrastructure that supports service delivery.
- **Vehicles and Equipment** – Managing municipal fleet assets for service delivery and operational efficiency.
- **Information Technology** – Maintain digital infrastructure and IT systems that support the efficient delivery of municipal services.

Introduction (cont.)

Purpose of the Study

This report developed a Level of Service (LOS) Framework developed in response to provincial legislative requirements while providing tools for the Township to develop, evaluate, and manage the service levels for the services it provides.. The study also provides a structured approach to defining Levels of Service consistently and efficiently, aligning with good industry practices and community needs.

This study supports the Township activities in meeting regulatory requirements and deadlines imposed by Ontario Regulation O.Reg 588/17, for compliance with the July 1, 2025, requirement for municipalities to develop a strategic approach to service levels and asset management.

The LOS Framework developed for Township Service Areas through this study:

- Helps the Township make informed decisions by assessing service performance and financial sustainability.
- Supports future investment and asset strategies by providing data-driven insights into service delivery needs.
- Aligns services with community expectations while maintaining financial responsibility.
- Positions the Township for long-term sustainability, to adapt to future demands and fiscal constraints.
- Establishes a clear and structured approach to service levels, enhancing decision-making, improving operational efficiency, and setting the Township on a pathway to sustainable service delivery.



Figure 1: Levels of Service Descriptions

Report Structure

This report follows a structured methodology used to identify and assess the Township's municipal service levels and Township alignment with regulatory requirements, financial sustainability, and community expectations. The methodology was designed to provide a clear process for; evaluating current service levels, identifying target service outcomes, and integrating financial considerations into decision-making. The assessment process is structured into distinct phases, beginning with a review of baseline service area data, followed by the development of service area-specific Levels of Service (LOS), engagement with service area leaders, and a financial analysis of service delivery costs. The report is structured to reflect these key phases, providing a logical progression from baseline assessment to strategic recommendations.

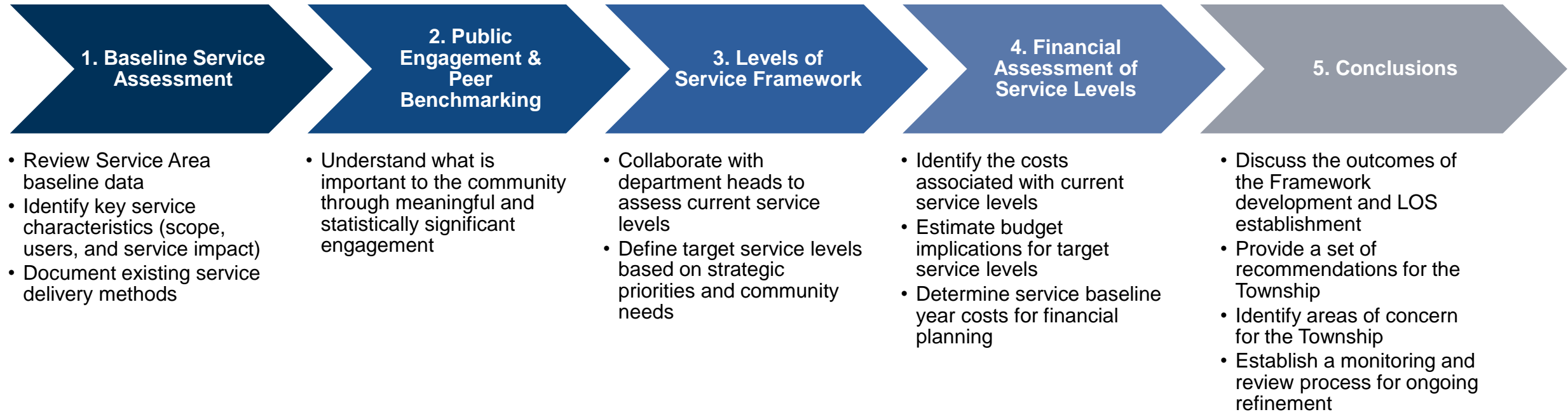


Figure 2: Report Structure

Levels of Service: *Ontario Regulation 588/17*

Introduction

The need to express and document a community's level of service standard is driven by *Ontario Regulation 588/17: ASSET MANAGEMENT PLANNING FOR MUNICIPAL INFRASTRUCTURE* (O. Reg. 588/17).

Summary of Regulatory Requirements

O. Reg. 588/17, under the Infrastructure for Jobs and Prosperity Act, 2015, requires municipalities to develop asset management plans (AMPs) that include:

1. **Current Levels of Service:** A description of the current LOS for core infrastructure assets, using both community and technical metrics.
2. **Proposed Levels of Service:** A description of the proposed LOS for the next ten years, including the lifecycle activities and costs associated with maintaining these levels

Implementation Framework

To comply with O. Reg. 588/17, municipalities are required to complete:

- **Asset Inventory and Condition Assessment:** Conduct a comprehensive inventory and assess the condition of all core infrastructure assets
- **Define Levels of Service:** Establish both community (customer) and technical levels of service. Community LOS should reflect the end-user experience, while technical LOS should use measurable metrics
- **Lifecycle Management:** Identify the lifecycle activities required to maintain the current and proposed LOS, including maintenance, renewal, and replacement

activities

- **Financial Strategy:** Develop a financial strategy to support the lifecycle activities, to enable sustainable funding for the proposed LOS
- **Monitoring and Reporting:** Implement a system for ongoing monitoring and reporting of LOS to meet compliance requirements and drive continuous improvement

Desired Outcome

By adhering to the requirements of O. Reg. 588/17, municipalities can enhance their asset management practices, leading to more informed decision-making and improved infrastructure sustainability. This regulation provides a structured approach to managing municipal assets, to enable service delivery that efficiently and effectively meets community needs.

Levels of service are a composite indicator that reflects the social and economic goals of the community

(National Guideline to Sustainable Municipal Infrastructure – Canada)

They are the cornerstone of asset management planning & decision making

(AMONTario – Asset Management Ontario)

Phase 1

→ **Baseline Service Assessment**

- Process
- Service Area Review
- Assumptions



Assessment Process

Purpose

The objective of Phase 1 was to establish an understanding of the current service landscape, including the outcomes achieved, available resources, and performance measurement frameworks. This phase served as the foundation for identifying service gaps, constraints, and opportunities for future service modeling.

To achieve this, Phase 1 focused on:

- Reviewing Service Area Baseline Data – Collecting and analyzing key data to understand the current state of service delivery.
- Identifying Key Service Characteristics – Assessing the scope, users, and service impact of each municipal service area.
- Documenting Existing Service Delivery Methods – Understanding how services are structured, resourced, and delivered to the community.
- Assessing Available Assets and Resources – Evaluating the capacity and capability of existing infrastructure, personnel, and funding.
- Understanding Success Measurement Approaches – Reviewing the metrics and KPIs used to assess service performance.
- Identifying Service Gaps and Constraints – Highlighting limitations in current service delivery models that may impact desired outcomes.
- Defining Service Areas for Future Modeling – Selecting service areas for further assessment in subsequent modeling exercises.

A detailed list of documents consulted during this phase is provided in Appendix A.

Key Assumptions

The analysis in Phase 1 was conducted based on the following key assumptions:

- Costing Methodology: Where possible, costs were estimated using unit cost data, input from subject matter experts, or best professional judgment.
- Operating Cost Consideration: Service costs were assumed to equate to operating costs.
- Operating Cost Scope: Operating costs were included in both baseline and unconstrained models to provide an accurate representation of ongoing service expenditures.
- Inflation and Growth Factors: A 4% annual rate adjustment was applied, with 2% allocated to population growth and 2% accounting for costs associated with meeting mandated standards.

Peer Community Benchmarking

Only one of the communities contacted responded with an acceptance of the invitation to participate in the survey. Two more peer communities outside of Ontario were contacted with limited success. In leu of meaningful comparative data, secondary sources with peer information from municipalities within Ontario were selected. GHD has completed several recent peer benchmarking surveys, the use of additional data was conditional under the proviso that participants were to remain anonymous to ensure confidentiality. It was agreed with TML that the approach was acceptable and that the data could be used to add more comparisons for discussion. The change in focus to Ontario base peers enables the comparison of the Townships' progress with LOS development as it is important to compare against other municipalities' efforts towards the same endeavour of O.Reg. 588/17 compliance.

Peer to peer benchmarking shouldn't be the sole drive to change and develop LOS, with a focus being more in line with national averages. Instead it should be TML that set desired LOS performance standards. Information from benchmarking activities in this context can be useful for highlighting issues where the Townships performance may be unusually high or low and should be reviewed. More relevant for LOS development are internal benchmarks, based on previous trends, and the drive for improvement.

With all survey data (in total 10 Ontario communities are represented in the information review) the discussion process assessed trends and gained insights into how other municipalities have leveraged staff resources and contracted services to support existing LOS. Special attention was made to the peer municipalities selected for benchmarking as size, demographics, socio economic and regional discrepancies can influence customer satisfaction and therefore LOS measure put in place by a municipality. A discussion agenda and questionnaire for was prepared to drive conversations, create consistency and comparability of responses from the selected municipalities.

The interview process with participants used a final checklist of 11 questions to gauge opinions and garner ideas on the importance of Proposed LOS to community AM practices, individual and team functioning and success, evaluation of the activities and challenges encountered. This enabled comparative benchmarking of Township services and LOS and identified transferable PLOS for consideration by the Township.

The interview process discussed respective team and organisation level dynamics in order to determine the baseline behaviours and perceptions in the creation, management and distribution of Proposed LOS.

#	Question
1	How do you set the target LOS (performance) for the next 10 years for: <ul style="list-style-type: none">• service capacity (asset growth)• functionality (upgrade)• reliability (renewal and maintenance)?
2	How do you assess the appropriateness of the proposed target LOS (performance) for the next 10 years relative to risk and affordability for: <ul style="list-style-type: none">• service capacity (asset growth)• functionality (upgrade)• reliability (renewal and maintenance)?
3	How do you forecast the LOS (performance) for the next 10 years for: <ul style="list-style-type: none">• service capacity (asset growth)• functionality (upgrade)• reliability (renewal and maintenance)?
4	How do you forecast the cost to deliver the target LOS (performance) for the next 10 years for: <ul style="list-style-type: none">• service capacity (asset growth)• functionality (upgrade)• reliability (renewal and maintenance)?
5	How have you included impacts of climate change in your proposed community and technical levels of service measures?
6	Describe your measures related to affordability and financial sustainability.
7	How have you addressed the financial implications to sustain the proposed LOS over the next 10 years (i.e. infrastructure or funding gaps)?
8	Have you consulted with the community to receive input on desired levels of service and willingness to pay for each service area and asset category? If so, please describe the media used, results, and lessons learned.
9	What is your plan to implement and sustain the proposed LOS such as actions, resources, timing, costs, responsibilities, and measures for success?
10	Have you or do you plan to update business processes, use of information technology, roles and responsibilities?
11	Please provide any additional information related to your experiences with LOS.

Table 1 : Benchmarking Questions

Overview of Service Areas

The following service areas were included as a focus for the Asset LOS Study. Below describes, at a high-level their key service functions

Emergency Services



Emergency Services in the Township are delivered by volunteer firefighters across 10 fire stations, providing: Fire response and suppression, water rescue operations, motor vehicle collision response and public outreach and fire safety education

Public engagement highlighted fire services as a key community priority, reinforcing the importance of maintaining service levels and infrastructure.

Culture Sports, Recreation



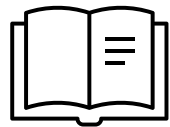
The Culture, Sports, and Recreation service area encompasses key community assets that support recreation, wellness, and social engagement. For this Asset Level of Service Study, the following asset categories are included: Arenas, Community Centers, Docks & Wharves, Parks, Trails, and Outdoor Recreation Assets.

Stormwater Management



Stormwater management assets within the Township are limited, with infrastructure primarily associated with the right-of-way (ROW). The Township's Asset Management Plan identifies the following key stormwater assets: Culverts, Storm Sewer Network (Limited to Port Carling), Catch Basins and Ditches

Library Services



The Township's Library Services provide an important community function through the facilitation of library services through its main branch in Port Carling and satellite branch in Bala. The Library provides traditional book and digital collections, as well as community internet access and programs offered through the library.

Information Services



The Township's Information Technology (IT) services support municipal operations by providing the necessary software and hardware for service delivery, staff communication, and administrative functions. Recent improvements have enhanced remote work capabilities and digital service delivery, though limited broadband and cellular connectivity remain constraints in some areas.

Administrative Services



The Administrative Services function supports both customer service delivery and internal municipal operations. This service area includes: The Administrative Building (Township Hall), The Health Hub and Municipal Garages.

These facilities play a critical role in municipal governance, service coordination, and public interaction.

Vehicles and Equipment



The Vehicles and Equipment service area supports key municipal operations, enabling the Township to deliver Culture, Sports & Recreation services, Development Services, Emergency Services and Public Works. This function includes: Equipment for maintaining parks, community centres, recreation assets, Vehicles and machinery for road maintenance and infrastructure upkeep, Municipal staff vehicles for travel across the Township and Emergency Response vehicles including fire trucks

Transportation Services



Additional assets under Transportation Services include bridges, structural culverts, streetlights, sidewalks, parking and retaining walls. Some of these assets are mandated by the O.Reg, while others capture assets within the responsibility of the Transportation service area

Phase 2

→ Public Engagement

- Process
- Public Engagement
- Results
- Key Themes
- Impact on Study Outcomes



Purpose - Public Engagement and Community Input

Purpose of Public Engagement

Public consultation is a core element of an Asset Level of Service (LOS) Study, allowing the community perspectives to be incorporated into municipal decision-making. As required under Ontario Regulation O.Reg 588/17, municipalities must engage with residents to align service level planning with community expectations, financial realities, and long-term sustainability goals.

The Township's engagement efforts were guided by two key focus areas:

- **Service Direction** – Understanding which services are most important to Township residents and so that future service levels reflect community priorities.
- **Financial Direction** – Exploring the community's general willingness to pay for both current and future service levels, acknowledging that affordability considerations require further analysis.

The outcomes of the Peer Community Benchmarking exercise were used as a comparator and were carried forward in evaluating the Township through its community engagement.

Value of Public Engagement

While required by the O.Reg for compliance, there was considerable value in gathering community feedback to help set the direction of the LOS and to reflect community aspirations for investment and policy. Feedback gathered allowed the Township and GHD to understand sentiments towards service areas, gather both broad and specific feedback about these services areas and compare responses to what was existing community sentiment.

Approach to Public Engagement

To achieve broad representation and meaningful input, the Township used a multi-channel engagement strategy to reach the community. This included:

- **Community Workshops & Open Houses** – Facilitating direct discussions on service priorities and expectations.

- **Public Information Sessions** – Educating residents on the LOS framework and the challenges associated with service delivery.
- **Surveys & Online Engagement** – Gathering data on resident preferences for municipal services and funding models.

These engagement methods provided valuable insights into public perceptions of service importance, performance expectations, and financial sustainability considerations.

Consideration of Financial Feasibility

While public engagement explored the community's general willingness to pay for services, it is important to note that this study did not include a formal assessment of affordability or ability to pay. A separate feasibility study would be required to evaluate the long-term financial capacity of the community to sustain agreed-upon service levels.

Outcomes of Public Engagement

The findings from Phase 2 provided a community-driven foundation for shaping future service delivery. The engagement process:

- **Validated community priorities** for service investment and improvement.
- **Highlighted areas of concern** where service levels do not currently align with public expectations.
- **Provided directional input** on financial sustainability, guiding future discussions on service funding and resource allocation.

The insights from Phase 2 directly inform Phase 3, where the Township refined service level definitions, assessed financial impacts, and developed strategies for sustainable service delivery.

Approach - Public Engagement and Community Input

Methodology

Achieving a statistically significant and representative public engagement process required a collaborative approach between Township staff and GHD. The methodology was designed to leverage the Township’s local knowledge of community dynamics while applying a structured, multi-stage engagement process. This approach achieved an outreach effort that was effective, inclusive, and aligned with best practices for municipal consultation.

To maximize participation and capture a diverse range of perspectives, the Township adopted a three-pronged engagement strategy:

- Public Open House – Hosting community meetings to facilitate face-to-face discussions and gather qualitative insights.
- Public Survey (Online & Paper Copies) – Providing a structured questionnaire to capture a broad range of community opinions.
- Participation at a Community Event – Engaging residents in an informal setting, meeting them where they felt most comfortable.

This multi-stage approach promoted accessibility and inclusivity, allowing residents to provide feedback in a format that best suited them. The combination of structured surveys, open dialogue, and event-based participation provided the best opportunity to achieve statistical significance in engagement results.

Areas of Public Consultation

Public input was solicited across three key question areas, facilitating a deeper understanding of community needs, expectations, and financial perspectives:

- Services – Capturing insights on community use, perceptions, and satisfaction with various service areas.
- Infrastructure – Identifying which municipal assets are considered satisfactory and where improvements are needed.

- Financial Considerations – Exploring the community’s willingness to pay for both maintaining and enhancing municipal services.

Respondent Participation & Key Questions

To drive meaningful input, respondents were asked to:

Review each service area and rate their level of satisfaction with services and infrastructure (quality, availability, usability).

- Identify priority areas for Township investment based on community needs.
- Indicate service delivery preferences, specifying whether services should be decreased, maintained, or increased.
- Express willingness to accept tax increases to support future service delivery and improvements.

The insights gained from this engagement process will inform service level decisions, financial modeling, and future municipal planning efforts, reflecting the Township’s desire for its strategic direction to meet community priorities while maintaining financial sustainability.

Public Engagement Objective

Understand how the community views the services they access through Township assets

Public Open House – September 24, 2024

Format and Participation

The Public Open House was conducted as a 1.5-hour session from 6:00 PM to 7:30 PM, offering both in-person and virtual participation options to maximize accessibility. A total of 19 residents participated, with 16 joining virtually and 3 attending in person.

Feedback Themes Identified

Participants engaged in discussions focused on municipal service delivery and asset management priorities. The following key themes emerged:

- **Community Centers:**
 - Multiple participants raised concerns about the potential closure of community centers as an outcome of this study.
 - Residents emphasized the importance of community centers as vital hubs for social, recreational, and cultural activities.
- **Emergency Services:**
 - Residents expressed concerns regarding the preparedness of emergency services, particularly in response to climate change-related challenges such as extreme weather events and wildfires.

Additional Feedback Points Identified

Beyond the core discussion areas, participants also raised specific concerns regarding municipal infrastructure, including:

- Safe bike lanes on regional roads, advocating for enhanced active transportation infrastructure.
- Access to health services, particularly in rural areas.
- Condition of boat launches, with calls for investment in maintenance and improvements.

The feedback gathered from this session reflects both infrastructure and service delivery concerns, highlighting key community priorities and perceptions.

Discussion

We want to hear from you!

- How do you view the services you access through various Township assets?
- Are there any issues, concerns or opportunities we should know about, regarding the services provided to Township residents?
- What is your vision for the Township? What goals and/or objectives do you have for the delivery of services and related capital assets and the types and quality of services you want to see?

www.muskokalakelakes.ca

Figure 5: Sample of Engagement Prompts

Bala Cranberry Festival – October 18-20, 2024

Format and Participation

The Township hosted a booth at the Bala Cranberry Festival, a major regional event that provided an opportunity to engage with a broad cross-section of the community. The booth was active across the three days of the festival, allowing for extensive in-person interactions.

Engagement activities included a dot survey where participants placed stickers on priority service areas, indicating both:

- Assets needing improvement
- Areas where greater investment is required

The response rate was significant*, with:

- 450+ participants completing the dot survey
- 1,000+ interactions with community members

Priority Areas Identified

The results of the engagement exercise highlighted three key infrastructure priorities:

1. Health Services – Identified as the greatest area of concern for residents (but out of scope for this study).
2. Public Washrooms – Cited as a critical municipal service requiring upgrades and increased accessibility.
3. Outdoor Tennis & Pickleball Courts – Popular recreational amenities that residents identified as needing investment.

Investment Priorities

When asked where municipal funding should be directed, the most frequently cited areas included:

- Recreational and Sports Facilities – Reflecting a strong community emphasis on active living.
- Fire and Local Health Services – Demonstrating a concern for both emergency preparedness and healthcare access.

The results from this engagement session provided a clear indication of priorities, reinforcing the importance of health, safety, and recreational investments in future service planning.

**it is noted that being a resident of the Township was not a requirement to respond*

Needs Improvement - Asset	Count
Roads and Bridges	13
Public Washrooms	15
Outdoor Tennis/Pickleball Courts	15
Health Facilities	19
Docks and Wharves	13

Table 2: Summary of Results of Assets Needing Investment

Investment Focus – Service Area	Count
Transportation and Parking	26
Recreation and Sports Facilities	77
Fire and Local Health Services	115
Technology	17
Administration Facilities and Vehicles and Equipment	9

Table 3: Summary of Results of Service Areas Needing Investment

Community Survey Online & Paper Submissions

August to November 2024

Format and Participation

The Township conducted a structured survey available in both online and paper formats over a three-month period. The survey was designed to capture statistically significant (when using the Township’s full time resident population of approximately 7,600) insights regarding:

- Satisfaction with municipal services and infrastructure
- Investment priorities
- Willingness to pay for future service delivery

A total of 184 responses were received consisting of 147 online responses and 37 paper submissions.

Key Findings

From the 184 responses received the following feedback is noted :

Taxation and Service Level Preferences

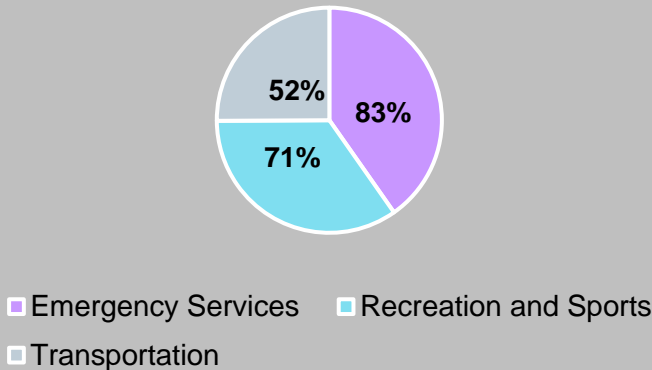
- 50% of online respondents expressed support for slightly increased taxes to maintain service levels.
- Reducing taxes with corresponding service cuts was unfavorable to respondents.

Selected Resident Comments

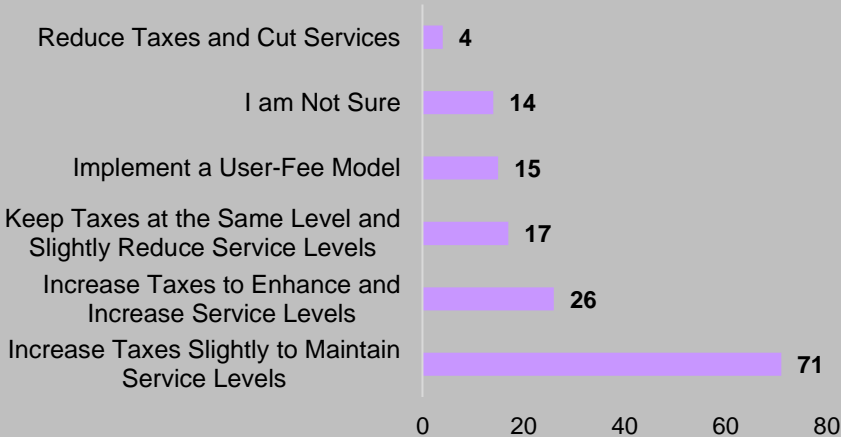
- “Look at reducing trails and halls. Consult with locals before making expensive changes to facilities.”
- “Need our small community halls more available for use to the neighborhood.”
- “No tax increases—review wasteful spending. If there is population growth, there should be additional tax revenues.”
- “A combination of user fees and slight tax increases would be a good balance.”

The survey results indicate a general willingness to support taxation adjustments for maintaining service levels, but also highlight concerns over municipal spending efficiency.

Top 3 Service Areas by Responses



Funding Willingness (# of respondents)



Summary of Public Engagement Findings

The engagement exercises for the Township received more than 1000 responses from the community. Through the public open house, the Bala cranberry festival and online / paper survey, the Township was able to identify common themes of the community perception of service areas.

Key Themes from All Engagement Methods

1. Community Centers & Recreational Facilities

- i. Strong public sentiment against potential closures of community centers.
- ii. Increased demand for sports and recreation facilities, particularly pickleball and tennis courts.

2. Emergency & Health Services

- i. Concerns over gaps in local health services, particularly in rural areas.
- ii. Support for increased investment in fire services and emergency response.

3. Infrastructure Needs

- i. Calls for improved bike lanes, public washrooms, and boat launches.

1. Financial Considerations

- ii. Moderate support for slight tax increases to maintain service levels.
- iii. Concerns over inefficient municipal spending, with suggestions for alternative funding models (e.g., user fees).

Implications for Service Level Planning

The findings from public engagement helps inform investment prioritization, service level recommendations, and long-term financial planning. The Township now has a clear understanding of community needs and can use this feedback to develop a balanced and sustainable approach to municipal service delivery.



Phase 3

→ Level of Service Framework

- Process
- Current State vs. Target State



Defining Levels of Service - Development

Overview

Phase 3 defined Levels of Service (LOS) for each Service Area, with a focus on the asset classes that deliver and achieve service performance outcomes at the asset level, and on the regulatory requirements, and community expectations for integration into asset-based service planning. Additionally, these asset level LOS targets helped to identify strategies for the Township to achieve its Customer LOS, which are not reflected in this study. The asset planning and expenditure requirements are carried through the technical LOS developed.

The development of LOS requirements is informed by two primary sources:

1. Regulatory Compliance – Ontario Regulation 588/17, which mandates LOS definitions for core municipal assets such as roads, bridges, water, wastewater, and stormwater systems.
2. Municipality-Specific Considerations – Characteristics unique to the Township of Muskoka Lakes, including local infrastructure, service delivery constraints, and community priorities identified through stakeholder engagement.

The costs associated with each service area in scope are found in a high-level in Phase 4 – Financial Assessment of Service Levels and in greater detail by service cost in Appendix B. The cost associated with the current performance of each service area is based on the budget year 2025 for the Township.

In addition to provincially mandated service areas, the Township should evaluate circumstances where there is no provincially mandated requirement for a service target to determine whether the level is appropriate based on both needs and cost.

Development of Levels of Service

To establish a consistent and measurable framework for Levels of Service (LOS), a structured methodology was used to define LOS where none previously existed. This process involved collaboration with Subject Matter Experts (SMEs), benchmarking against industry standards, and facilitating quantitative and qualitative assessments of service performance.

SME Engagement and Framework Development

Each Service Area Subject Matter Expert (SME) participated in a structured process to define, assess, and set targets for LOS:

1. Initial LOS Discussion: SMEs reviewed their service areas, identifying services delivered, outlining existing performance measures and gaps where LOS definitions were unclear or incomplete.
2. LOS Framework Development: SMEs were provided with a structured LOS framework, aligning with regulatory requirements, municipal priorities, and best practices.

Defining Levels of Service - Scoring

Performance Scoring and Target Setting

A quantitative performance assessment was conducted for each service area to create objective, measurable LOS definitions:

- Through the baseline review and in concert with the Township, the services provided by each service area were identified.
- GHD worked with the Township to identify service standards and agreed the measures associated with these standards.
- Data for each of the agreed services was identified and provided to document service performance and cost.
- Service performance was determined using a Normalized Measures / Levels scale, with current service performance scores discussed and agreed by Service Area specialists. The Township participated, whereby:
 - SMEs provided quantitative data to assess their current performance levels and confirm target performance levels.
 - This data was converted into a standardized 1 to 100 scale to facilitate comparison across service areas. Some data provided, both required and not required by the O.Reg, are indicators and not performance points. These are not marked based on the scale or normalized measure.
- SMEs were supported in setting target performance levels on the same scale, identifying goals that were practical and aligned with municipal priorities.

To improve clarity and communication, performance scores were also translated into qualitative ratings, using a scale ranging from Unaware/Innocent to Excellent. This approach allows for more accessible interpretation by decision-makers and stakeholders.

Achieving Alignment with Strategic Priorities

Throughout this process, SMEs were guided for developing their respective Service Area LOS targets that:

- Align with regulatory and operational requirements.
- Reflect community expectations as identified through public engagement.
- Are achievable within existing financial and resource constraints.

By combining Township data, expert input, quantitative scoring, and benchmarking, the Township now has a structured approach to defining LOS that supports data-driven municipal planning and decision-making.

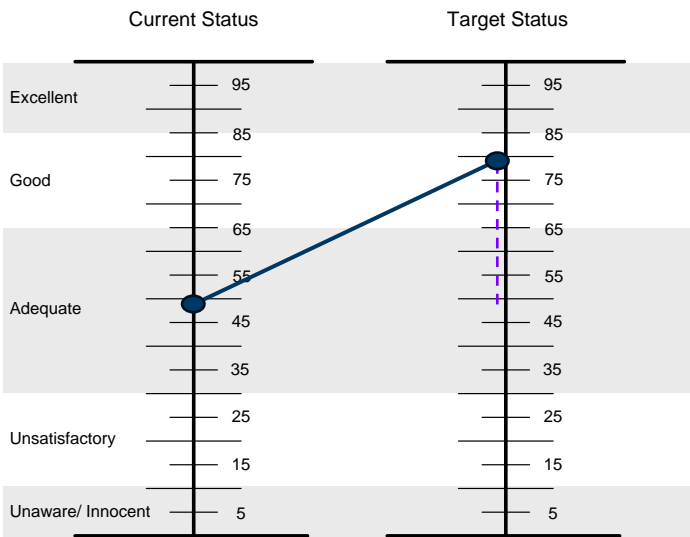


Figure 6: Illustration of relative performance

Normalized Measure / Level	Status
Excellent	86 – 100
Good	66 – 85
Adequate	31 – 65
Unsatisfactory	11 – 30
Unaware / Innocent	0 – 10

Figure 7: Qualitative Performance

Information Technology Services

Overview

The Township’s Information Technology (IT) services support municipal operations by providing the necessary software and hardware for service delivery, staff communication, and administrative functions. Recent improvements have enhanced remote work capabilities and digital service delivery, though limited broadband and cellular connectivity remain constraints in some areas.

Current State

- Internal IT staff indicate that current service needs are met, with minimal additional requirements.
- Public engagement findings show that the Township website meets community needs, with little feedback on required IT service improvements. It is noted that the Township website is currently being updated to improve usability by the community.

Constraints

- Limited broadband and cellular connectivity impact service accessibility in some remote areas.

Target Service Levels

- No significant IT service expansions are currently required.
- Connectivity limitations remain an external challenge but do not require immediate municipal intervention.

Technical LOS Measure	Asset Type	Current Performance	Target Performance
Percentage of Hardware within optimal service life of 5 years.	Hardware	70% - Good	85% - Good
Percentage of Computer Systems within optimal service life of 5 years.	Computer Systems	90% - Excellent	85% - Good
Percentage of sites with acceptable Internet & Wi-Fi connections based on site location and requirements	Internet	70% - Good	85% - Good
Percentage of phones within optimal service life of 3-5 years.	Telecommunications	70% - Good	85% - Good

Stormwater Management

Overview

Stormwater management assets within the Township are limited, with infrastructure primarily associated with the right-of-way (ROW). Due to the small inventory of stormwater assets, comprehensive performance data was not readily available, making it difficult to assess service levels or track asset condition effectively. Data management and governance systems are in the process of being developed for this area.

Current State

- Performance data for some services is limited, restricting the ability to define the asset level Technical Levels of Service (TLOS).
- Budgeting for stormwater management is not tracked separately as a stand alone cost centre, making it difficult to determine the true cost of service delivery.
- Stormwater assets are managed reactively as part of the transportation network, with no dedicated service area for long-term planning.

Constraints

- Limited data availability makes it difficult for staff to track asset condition and asset level performance.
- Stormwater management is not classified as a separate cost center, which creates limitations for effective lifecycle management and financial tracking/planning.
- The large geographic domain of the Township adds to flood management challenges, emphasizing the need for targeted interventions where necessary.

Target Service Levels

- It is suggested, where there is a data absence, that the Township Improve asset level data collection and financial costs to improve budgeting of stormwater operational costs to build a more comprehensive inventory and understanding of cost over time.
- For the first-generation LOS there are no additional strategic initiatives are being carried forward for the Stormwater Service Area, as the existing portfolio is small and not a current priority for expansion. A focus on data and network awareness could eventually lead to future initiatives.

Technical Levels of Service (TLOS) Measure	Asset Type	Current Performance	Target Performance
% of municipal stormwater management system resilient to a 5-year storm (O.Reg. 588)	Drainage Systems	64% - Adequate	85% - Good
% of properties resilient to a 100-year storm (O.Reg. 588)		No Data	75% - Good
% of stormwater management facilities in compliance with legislative requirements	Drainage System – Stormwater Facilities	No Data	85% - Good
% of road culvert pipes <3m in fair or better condition	Drainage Systems - Rural	No Data	85% - Good
% of storm sewers pipes in fair or better condition	Drainage systems - Urban	90% - Excellent	90% - Excellent
% of storm sewers appurtenances in fair or better condition	Drainage Systems - Urban	99% - Excellent	100% - Excellent
# of stormwater related customer service requests/ 1,000 people served	Drainage Systems – Rural and Urban	<25	<25
% Storm Sewer Pipes cleaned every 5 years	Drainage Systems - urban	75% - Good	85% - Good
% of catch basin sumps cleaned every year	Drainage Systems - urban	100% - Excellent	100% - Excellent

Culture, Sports and Recreation – Arenas, Sports Facilities/Fields, Parks, Trails & Playgrounds

Overview

The Culture, Sports, and Recreation service area encompasses key community assets that support recreation, wellness, and social engagement. These assets play a vital role in supporting the Township’s community life and quality of living, serving both permanent and seasonal residents across its widely dispersed communities. On the following page, additional measures for the service area are described relating to indoor recreation and culture as well as docks and wharves

Current State

- The importance of these assets has been repeatedly emphasized through public engagement, reinforcing their role in community wellbeing.
- Existing recreation facilities support a wide range of activities, contributing to both social and physical health.

Constraints

- Geographic distribution of facilities creates challenges in equitable service access across the Township.
- Aging infrastructure and funding constraints may impact future maintenance and enhancements.

Target Service Levels

- Maintain and enhance existing recreation infrastructure to enable high levels of community utilization, recognizing its importance
- Consider strategic investments and consider the Service Area as a priority-area where recreation assets are identified through public engagement feedback.

Technical Level of Service Measure	Asset Type	Current Performance	Target Performance
% of Arenas in fair or better condition	Arenas	30% - Unsatisfactory	85% - Good
% of Sports Fields/Courts in fair or better condition	Sports Fields/Courts	60% - Adequate	85% - Good
# of related customer service requests / 1,000 people served	Sports Facilities	<10	<10
% of public spaces that fully AODA compliant	Sports Facilities	20% - Unsatisfactory	40% - Adequate
% of administrative facilities where Climate Mitigation Plan recommendations have been implemented	Sports Facilities	20% - Unsatisfactory	40% - Adequate
% of Parks in fair or better condition	Parks	60% - Adequate	85% - Good
% of Building Envelope in fair or better condition	Parks Buildings	40% - Adequate	85% - Good
% of Trails in fair or better condition	Trails	80% - Good	85% - Good
% of Playgrounds in fair or better condition	Playgrounds	50% - Adequate	85% - Good

Culture, Sports and Recreation – Recreation Facilities, Cemeteries, Community Centres and Docks and Wharves

Overview

Additional assets that are a part of Culture, Sports, and Recreation service area include indoor recreation fitness and culture as well as docks and wharves. These assets play a vital role in supporting the Township's community interaction and access to the area's natural beauty. Similarly, these assets serve both permanent and seasonal residents across its widely dispersed communities.

Current State

- The current state of cemeteries, community centres and docks and wharves are regarded as adequate by Township SMEs.
- In some cases there are recreation and cultural facilities do not meet AODA requirements or Climate Mitigation Plan recommendations.

Constraints

- Aging infrastructure not designed to meet current standards challenges the Township to meet requirements / recommendations.
- The large count of assets reflective of the current state and may impact future ability to deploy maintenance activities and service enhancements for all assets as and when needed.

Target Service Levels

- Investigate in more detail and where appropriate enhance existing recreation infrastructure to align with target AODA and Climate Mitigation Plan needs.
- Prioritize the Service Area and where appropriate consider strategic investments in recreation assets and services in line with community expectations identified through public engagement feedback.

Technical Level of Service Measure	Asset Type	Current Performance	Target Performance
# of related customer service requests / 1,000 people served	Recreation Facilities	<10	<10
% of public spaces that fully AODA compliant	Recreation Facilities	20% - Unsatisfactory	40% - Adequate
% of administrative facilities where Climate Mitigation Plan recommendations have been implemented	Recreation Facilities	20% - Unsatisfactory	40% - Adequate
% of Building Envelope in fair or better condition	Cemeteries	60% - Adequate	85% - Good
% of Building Envelope in fair or better condition	Community Centres	50% - Adequate	85% - Good
% of Building Envelope in fair or better condition	Docks and Wharves	40% - Adequate	85% - Good
# of related customer service requests / 1,000 people served	Cultural Facilities	<10	<10
% of public spaces that fully AODA compliant	Cultural Facilities	20% - Unsatisfactory	40% - Adequate
% of administrative facilities where Climate Mitigation Plan recommendations have been implemented	Cultural Facilities	20% - Unsatisfactory	40% - Adequate

*Cultural Facilities Include: Museum, Port Carling Wall, Scenic Lookouts

Culture, Sports and Recreation - Library Services

Overview

The Township provides funding to the Muskoka Lakes Public Library Board which provides Library Services through The Norma and Miller Alloway Muskoka Lakes Library (Port Carling branch) and a satellite branch in Bala. The Service Area provides residents with access to library resources and programming. While current services and programs are effective, continued evaluation and adaptability will be essential to respond to future growth, changing community needs, and emerging trend

Current State

- Library services effectively meet community needs, considering the size and geographic distribution of the Township.
- Programs and resources are sufficient to serve Township residents.

Constraints

- The Township determined no significant constraints were identified impacting service delivery or accessibility.

Target Service Levels

- Maintain current service levels and where appropriate initiate activities and measures that will help reach target performance for services identified as not meeting target.
- In cases where Library services are over performing consider evaluating the service quality and standard needed to achieve desired outcomes.

Technical Level of Service Measure	Current Performance	Target Performance
% of Building Envelope in fair or better condition	65% - Good	85% - Good
% of library collection assets under 5 years old	60% - Excellent	50% - Excellent
% library furnishing assets in fair or better condition (based on age)	30% - Unsatisfactory	66% - Good
Titles held per capita*	Excellent (16.64)	Excellent (15)
Library Facility Space per Capita	Excellent (1.29)	Excellent (>1sf p.p.)

Vehicles and Equipment

Overview

The Vehicles and Equipment service area supports key municipal operations, enabling the Township to deliver and support Emergency Services, Culture, Sports & Recreation services, Development Services, and Public Works. This service activities and functions include:

- Equipment for maintaining parks, community centres, and recreation assets.
- Vehicles and machinery for road maintenance and infrastructure upkeep
- Municipal staff vehicles for travel across the Township.
- Emergency Response vehicles including fire trucks

These assets are foundational in supporting and enabling for service delivery of most other service areas.

Current State

- Current vs. target performance is reasonable, with some areas requiring attention.
- Maintenance is performed both in-house and externally, with assets replaced as they reach end-of-life.

Constraints

- Aging assets require ongoing monitoring and replacement planning.

Target Service Levels

- Continue to maintain a structured replacement plan so that assets can remain in serviceable condition.
- Legislative compliance is a key driver, particularly for emergency response vehicles where response time of vehicles is paramount.

Technical Levels of Service Measure	Asset Type	Current Performance	Target Performance
% of Light Equipment in fair or better condition	Equipment – Light Equipment	50% - Adequate	85% - Good
% of Medium Equipment in fair or better condition	Equipment – Medium Equipment	100% - Excellent	85% - Good
% of Heavy Equipment in fair or better condition	Equipment – Heavy Equipment	75% - Good	85% - Good
% of Light Duty Vehicles in fair or better condition	Vehicles – Light Duty Vehicle	100% - Excellent	100% - Excellent
% of Medium Duty Vehicles in fair or better condition	Vehicles – Medium Duty Vehicle	100% - Excellent	100% - Excellent
% of Heavy Duty Vehicles in fair or better condition	Vehicles – Heavy Duty Vehicle	67% - Good	100% - Excellent
% of vehicles replaced in accordance with the expected service life	Vehicles	68% - Good	85% - Good
% of equipment replaced in accordance with the expected service life	Equipment	75% - Good	85% - Good
% of fleet where Climate Mitigation Plan recommendations have been implemented	Vehicles	10% - Innocent/Unaware	25% - Unsatisfactory
% of Fire Emergency Vehicles in fair or better condition	Fire – Fire Vehicles	100% - Excellent	100% - Excellent

Transportation – Roadway Assets

Overview

The Transportation service area is responsible for the Townships roadway assets, including roads, sidewalks, and streetlights. Roadways in the Township boundaries are a split responsibility between the Township and the District of Muskoka. Obligated transportation measures that are required under the O.Reg are reflected in the Service Area service measures, while others have been added to reflect additional asset level services in the Township.

Current State

- For meeting the O.Reg required service measures, current vs. target performance is regarded as good by Township SMEs.
- Public engagement identified the quality of roadway assets as a key concern for residents.

Constraints

- The size of the Township and number of lane kilometers of roadways under its jurisdiction
- Unavailable data for some performance measures

Target Service Levels

- Maintain a structured replacement plan to achieve roadway maintenance needs.
- Legislative compliance is a key driver for roadways, maintain compliance with both the O.Reg and additional legislation.

*Parking assets were part of original discussions with the Township, however, were removed in as part of the final analysis as submitted by Township SME's. This exclusion has been confirmed with the Township given the lack of assets

Technical Level of Service Measure	Asset Type	Current Performance	Target Performance
% of bridges in the municipality with loading or dimensional restrictions (O.Reg.588)	Bridges and Culverts – Bridge & Culverts (>3.0m)	17% - Good	0% - Excellent
For bridges in the municipality, the average bridge condition index (BCI) value. (O.Reg. 588)	Bridges and Culverts – Bridge	73	85
For structural culverts (>3m) in the municipality, the average bridge condition index (BCI) value. (O.Reg. 588)	Bridges and Culverts – Culverts (>3.0m)	73	85
% of roadway bridges in good or better condition	Bridges and Culverts – Bridge	75% - Good	100% - Excellent
% of roadway structural culverts (>3m) in good or better condition	Bridges and Culverts – Culverts (>3.0m)	55% - Adequate	75% - Good
% bridge decks washed annually	Bridges and Culverts – Bridge	100% - Excellent	90% - Excellent
# of lane-kilometres of arterial roads as a proportion of square kilometres of land area of the municipality (lane-km/km2) (O.Reg.588)	Roads – Hard Top & Loose Top	Inform - Not Applicable	Inform - Not Applicable
# of lane-kilometres of collector roads as a proportion of square kilometres of land area of the municipality (lane-km/km2) (O.Reg.588)	Roads – Hard Top & Loose Top	0.02	0.02
# of lane-kilometres of local roads as a proportion of square kilometres of land area of the municipality (lane-km/km2) (O.Reg.588)	Roads – Hard Top & Loose Top	0.8	0.8
For paved (hard top) roads in the municipality, the average Pavement Condition Index (PCI) value. (O.Reg. 588)	Roads – Hard Top	69	70
% of paved (hard top) roads in fair or better condition	Roads – Hard Top	100% - Excellent	100% - Excellent
For unpaved (loose top) roads in the municipality, the average surface condition (e.g. excellent, good, fair or poor). (O. Reg 588). Surface condition is based on average Pavement Condition Index (PCI)	Roads – Loose Top	74	85
% of unpaved (loose top) roads in fair or better condition	Roads – Loose Top	95% - Excellent	100% - Excellent
% of Township roads with year-round maintenance	Roads – Hard Top & Loose Top	86% - Excellent	86% - Excellent
% of rural roads with roadside mowing completed once per year	Roads – Hard Top & Loose Top	100% - Excellent	100% - Excellent

Emergency Services

Overview

- Emergency Services provide the Township with primarily fire response services, delivered through 10 stations throughout the Township.
- Primary responsibilities include fire response, water rescue, motor vehicle collisions and public education / outreach.

Current State

- Current vs. target performance is reasonable, with some equipment areas requiring attention.
- Target performance is, for some services, stipulated in legislation and has to attain the highest service standard

Constraints

- The number of fire stations creates a need for excess equipment, to meet minimum station equipment requirements, per the NFPA standards.
- The condition of some of the fire stations within the Township represents a challenge for the Township.

Target Service Levels

- Maintain equipment inventory levels that are consistent with NFPA standards for equipment.
- Plan and operate a service delivery model for the Township that could consider the recommendations of the Fire Station Location Study, that leads to a right sized set of services for the Township that are financially sustainable and meet needs community needs.

Service Area	Technical Levels of Service (TLOS) Measure	Asset Type	Current Performance	Target Performance
Emergency Services	Each fire station has a rescue	Fire Vehicles Rescues, Command	71% - Good	100% - Excellent
Emergency Services	Each station has a pumper and tanker and one reserve truck for every 8 vehicles	Large Fire Vehicles	77% - Good	100% - Excellent
Emergency Services	Communications Equipment assets need to be upgraded to meet future needs	Communications Equipment	95% - Excellent	100% - Excellent
Emergency Services	Personal Protective Equipment in fair or better condition	Personal Protective Equipment	50% - Adequate	100% - Excellent
Emergency Services	Suppression Equipment in fair or better condition	Suppression Equipment	90% - Excellent	100% - Excellent
Emergency Services	Extrication Equipment in fair or better condition	Extrication Equipment	100% - Excellent	100% - Excellent
Emergency Services	Hazardous Material Rescue	Hazardous Material Equipment	25% - Unsatisfactory	80% - Good
Emergency Services	Water Rescue Equipment in fair or better condition	Water Rescue Suits, Rope, Rescue boats	95% - Excellent	100% - Excellent

Administrative Facilities

Overview

The Administrative Services function supports both customer service delivery and internal municipal operations. This service area includes:

- The Administrative Building (Township Hall)
- The Health Hub
- Public Works Buildings
- Fire Halls

These facilities play a critical role in municipal governance, service coordination, and public interaction.

Current State

- Administrative facilities and assets are regarded as not meeting targets with current performance less than required, discussion with Township SME and review of available Township data confirms service performance .
- The Township Administrative Building is in poor condition, requiring maintenance and repair treatments.
- The Administrative Building is essential for the facilitation and delivery of municipal services to the community.

Constraints

- Aging infrastructure limits operational efficiency and increases maintenance demands.
- Facility conditions impact service delivery, requiring ongoing workarounds to maintain functionality.
- Long-term facility planning is needed to address deficiencies and support future service delivery needs.

Target Service Levels

- Facility improvements and renovations are required, with an initial focus on the Administrative Building as a priority.
- Ongoing maintenance and capital planning will be necessary to support service continuity.

31 Additional building condition data will help identify the prioritization and investment needed

Technical Level of Service Measure	Asset Type	Current Performance	Target Performance
% of Building Envelope in fair or better condition	Civic – Admin Building	40% - Adequate	85% - Good
% of Building Envelope in fair or better condition	Medical – Health Hub	100% - Excellent	85% - Good
% of Building Envelope in fair or better condition	Works Yards	30% - Unsatisfactory	85% - Good
% of Building Envelope in fair or better condition	Fire Halls	50% - Adequate	85% - Good
# of related customer service requests / 1,000 people served	Administrative Facilities	<10	<10
% of public spaces that fully AODA compliant	Administrative Facilities	20% - Unsatisfactory	40% - Adequate
% of administrative facilities where Climate Mitigation Plan recommendations have been implemented	Administrative Facilities	20% - Unsatisfactory	40% - Adequate

Phase 4

→ Financial Assessment of Service Levels

- Assessment Process
- Baseline Models – All Service Areas

Financial Assessment Overview

Overview

The financial modeling activities for the developed Levels of Service (LOS) standards helps with the high-level cost implications of delivering both current and target / future services. This modeling aims will support the Township in gaining an appreciation for the high order cost of service associated with selected level of service.

The financial models evaluate service delivery costs over a 10-year period, providing insights into the financial sustainability of maintaining or enhancing municipal services. The cost of individual services under the baseline and unconstrained model is reflected in Appendix B. Work was completed with the Township SME's to identify, where possible the cost of services. Where cost data was not available across Service Areas the Township SME adopted a standardized, aggregation where costs in relation to total budgets were estimated.

:

Model Description

To assess financial requirements, two primary models were developed. A third model was developed by the Township for inclusion in the modelling exercise:

1. Current (Baseline / Status Quo Model)

This model reflects the Township's current service delivery approach, maintaining existing service levels. Key assumptions include:

- Service levels and performance against targets remain unchanged, with adjustments only for cost escalation.
- **Service Area Operating Costs**
 - Cost escalation is estimated at 2.23% annually for operating expenditures based on a 20-year historical average of the consumer price index (CPI).

2. Immediate (Unconstrained Model)

This scenario assumes that funding and resources are not a constraint, allowing all service areas to immediately achieve their target LOS. Key assumptions include:

- **Service Area Operating Costs**
 - Service gaps between current and target LOS are closed in in Year 1 (2026) and cost escalation is then consistent with baseline at 2.23%.

3. Constrained (Phase-In Model)

This scenario noted in the following slides was developed through the separate model by the Township's 3rd party consultant. GHD was not involved in production of these numbers and has not verified the outputs. GHD notes that additional cost categories may have been included in the Constrained amounts, given that the Constrained amounts are now higher than Unconstrained amounts.

- **Service Area Operating Costs**
 - Service gaps between current and target LOS are closed over 10 years (2035) via gradual annual increases and cost escalation consistent with baseline at 2.23%.

Financial Implications

Each model provides insights into the cost trajectory of service delivery, helping to identify:

- The financial feasibility of maintaining current services.
- The order of magnitude investment required to reach target LOS across all service areas.
- Considering both models in parallel will enable the Township to decide on the suitability and performance standards for future LOS.
- Potential funding gaps and financial planning considerations.

This financial modeling informs the outcomes and recommendations of this report, to help the Township achieve a sustainable future.

Model Parameters

- Service areas were modelled for baseline and unconstrained over a 10-year period to develop high level financial forecasts.
- Description and summary notes of the service area is provided to add additional context to the operating considerations
- An overall performance rating is provided based on:
 - Current vs. target performance for each service area
 - Asset needs by service area
 - Asset data and maturity
 - Incorporation of public feedback
- The modelling exercise undertaken for the baseline and unconstrained relied upon the best available Township data and Township specialist input, to develop high level projections. It was recognized that there were some data gaps and some areas will need readjustment in the near future and thereafter as an activity within an ongoing process. It is acknowledged by the Township SME’s that the snapshot numbers presented in the modelling exercise will need refinement in the future. This could include refinement from updating capital expenditure and outcomes from additional surveys and reports.

1. 2026 Operating Costs were used to establish baseline costs
2. 2035 Operating Costs were determined using a 2.23% growth factor for the baseline model. In the unconstrained model, the same growth factor is included, however the service area reaches its target performance
3. Forecast 10-year increase is the difference between the 2026 and 2035 operating budgets
4. Forecast 10 Year Capital Budget figures describe the capital requirements for each service area under the three models

Overall Performance Result		Good / Excellent		
Operating	2026 Estimated Cost	1 \$802,400	\$810,900	\$810,900
	2035 Estimated Cost	2 \$999,700	\$1,010,000	\$1,010,000
	Anticipated 10-Year Increase	3 \$197,300 approx.	\$199,100 approx.	\$199,100 approx.
	Forecast 10 Year Capital-Budget	4 \$1,154,700	\$1,319,700	\$1,384,000
Summary		<ul style="list-style-type: none">– Township staff consulted on the state of IT assets describe confidence in the availability and functionality of equipment that meets the needs of the Township, its staff and the broader community.– There is no noted change in performance required for IT assets based on consultation with SME's.– Survey results did not indicate particular concern with the state of IT related assets within the Township.		
Public Feedback		– No specific feedback.		
Notes		– None		

Information Technology

Overall Performance Result	Good / Excellent
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		Baseline	Unconstrained	Constrained (Phase-In)
Operating	2026 Operating Cost	\$802,400	\$810,900	\$810,900
	2035 Operating Cost	\$999,700	\$1,010,000	\$1,010,000
	Anticipated 10-Year Increase	\$197,300 approx.	\$199,100 approx.	\$199,100 approx.
	Forecast 10 Year Capital-Budget	\$1,154,700	\$1,319,700	\$1,384,000
Summary		<ul style="list-style-type: none">– Township staff consulted on the state of IT assets describe confidence in the availability and functionality of equipment that meets the needs of the Township, its staff and the broader community.– There is no noted change in performance required for IT assets based on consultation with SME’s.– Survey results did not indicate particular concern with the state of IT related assets within the Township.		
Public Feedback		– No specific feedback.		
Notes		– None		

Stormwater Management

Overall Performance Result	Adequate
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		Baseline	Unconstrained	Constrained (Phase-In)
Operating	2026 Operating Cost	\$128,800	\$153,800	\$128,800
	2035 Operating Cost	\$168,600	\$199,200	\$199,800
	Anticipated 10-Year Increase	\$39,800 approx.	\$45,400 approx.	\$71,000 approx.
	Forecast 10 Year Capital-Budget	\$8,338,490	\$8,612,990	\$8,721,890
Summary		<ul style="list-style-type: none">– Monitoring and accounting for Stormwater asset needs are a requirement under the O.Reg 588/17, focused on the condition of Stormwater assets and property resiliency to storms.– The Township owns a limited number of stormwater management assets and does not currently have specific asset performance measures. Similarly, there is limited data for the cost of operating the stormwater system.– Throughout the engagement, stormwater management was not flagged as an area of interest / concern by the community.– Stormwater assets have a large backlog of work required, particularly around ditches and culverts.– Three Technical LOS have no current data points. It is recommended that the Township work to define the performance and associated cost of its existing asset classes to further their understanding of infrastructure gaps.		
Public Feedback		<ul style="list-style-type: none">– No specific feedback.		
Notes		<ul style="list-style-type: none">– None		

Culture, Sports & Recreation

Arenas, Sports Facilities/Fields, Parks, Trails & Playgrounds

Overall Performance Result	Adequate
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		Baseline	Unconstrained	Constrained (Phase-In)
Operating	2026 Operating Cost	\$1,632,600	\$2,035,000	\$1,632,600
	2035 Operating Cost	\$1,986,900	\$2,477,700	\$2,488,000
	Anticipated 10-Year Increase	\$354,300 approx.	\$442,700 approx.	\$856,000 approx.
	Forecast 10 Year Capital-Budget	\$19,405,250	\$21,192,750	\$21,833,060
Summary		<ul style="list-style-type: none">– During public engagement, the importance of culture, sports and recreation assets to the community was communicated. This sentiment is recognized by the Township as the facilitation of the service area is critical to maintaining the cultural fabric of the Township.– Particular feedback centered on the future of the Townships arena and community centres. These sentiments were also raised during evaluation with Culture, Sports and Rec SME's.– There is particular concern for the current condition and needs of both arenas in the Township, reflecting their importance in serving as a community hub. Similarly, community centres across the Township are considered important meeting places but have a varying degree of use and short- and long-term operating & capital needs.– During the evaluation and review of Culture, Sports and Recreation assets, it was flagged that the service area requires additional funds to meet its target performance. Overall, most measures perform adequately.		
Public Feedback		<ul style="list-style-type: none">– Culture, Sports and Recreation were flagged for both their importance to the community and the need for short- and long-term investments in infrastructure. Additional specific feedback in found in the community engagement section.		
Notes		<ul style="list-style-type: none">– None		

Culture, Sports & Recreation

Recreation Facilities, Cemeteries, Community Centres and Docks and Wharves

Overall Performance Result	Adequate
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		Baseline	Unconstrained	Constrained (Phase-In)
Operating	2026 Operating Cost	\$553,000	\$725,500	\$553,000
	2035 Operating Cost	\$691,400	\$901,700	\$906,400
	Anticipated 10-Year Increase	\$138,400 approx.	\$176,200 approx.	\$353,400 approx.
	Forecast 10 Year Capital-Budget	\$2,294,100	\$2,981,600	\$3,334,590
Summary		<ul style="list-style-type: none">– During public engagement, the importance of culture, sports and recreation assets to the community was communicated. This sentiment is recognized by the Township as the facilitation of the service area is critical to maintaining the cultural fabric of the Township.– Particular feedback centered on the future of the Townships arena and community centres. These sentiments were also raised during evaluation with Culture, Sports and Rec SME's.– There is particular concern for the current condition and needs of both arenas in the Township, reflecting their importance in serving as a community hub. Similarly, community centres across the Township are considered important meeting places but have a varying degree of use and short- and long-term operating & capital needs.– During the evaluation and review of Culture, Sports and Recreation assets, it was flagged that the service area requires additional funds to meet its target performance. Overall, most measures perform adequately.		
Public Feedback		<ul style="list-style-type: none">– Culture, Sports and Recreation were flagged for both their importance to the community and the need for short- and long-term investments in infrastructure. Additional specific feedback in found in the community engagement section.		
Notes		<ul style="list-style-type: none">– None		

Culture, Sports & Recreation – Library

Overall Performance Result	Good
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		Baseline	Unconstrained	Constrained (Phase-In)
Operating	2026 Operating Cost	\$622,400	\$622,400	\$622,400
	2035 Operating Cost	\$758,500	\$758,500	\$758,500
	Anticipated 10-Year Increase	\$136,100 approx.	\$136,100 approx.	\$136,100 approx.
	Forecast 10 Year Capital-Budget	\$529,500	\$1,255,000	\$1,417,700
Summary		<ul style="list-style-type: none">– Overall, the library provides levels of service that matches the community expectations and needs– Township SME confirmed for the size of the Township, the library is appropriately used and contains sufficient collections for the community.– Community engagement did not reveal any substantial concerns with the state of library services and fit within the community.– Overtime, the library could be considered for relocation if a more centralized service delivery was desired as well as exploring additional options to further expand the reach of the library into additional communities.		
Public Feedback		No specific feedback.		
Notes				

Vehicles & Equipment

Overall Performance Result	Good
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		Baseline	Unconstrained	Constrained (Phase-In)
Operating	2026 Operating Cost	\$871,000	\$1,021,000	\$871,000
	2035 Operating Cost	\$1,078,300	\$1,261,100	\$1,265,300
	Anticipated 10-Year Increase	\$207,300 approx.	\$240,100 approx.	\$394,300 approx.
	Forecast 10 Year Capital-Budget	\$11,214,510	\$11,689,510	\$11,865,110
Summary		<ul style="list-style-type: none">– Overall, the performance of Vehicles and Equipment measures is strong with SME evaluation revealing no major issues with the current performance of equipment and/or staff.– Most vehicle types have condition ratings of fair or above, with Light Equipment falling short. This is not flagged as a current issue.– Additional consideration is raised for actioning the outcomes from the Township’s Climate Mitigation Plan– It is important for vehicles and equipment to continue to function as needed to enable service outcomes across the Township.		
Public Feedback		<ul style="list-style-type: none">– No specific feedback.		
Notes		<ul style="list-style-type: none">– None		

Transportation

Overall Performance Result	Good
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		Baseline	Unconstrained	Constrained (Phase-In)
Operating	2026 Operating Cost	\$2,615,700	\$2,710,700	\$2,615,700
	2035 Operating Cost	\$3,355,800	\$3,471,700	\$3,474,200
	Anticipated 10-Year Increase	\$740,100 approx.	\$761,000 approx.	\$858,500 approx.
	Forecast 10 Year Capital-Budget	\$51,083,330	\$68,683,330	\$75,760,230
Summary		<ul style="list-style-type: none">– Transportation represents the largest operating cost for the Township and can be attributed to its size.– As previously discussed, the Township splits responsibility for road operations and maintenance with the District Municipality of Muskoka.– During public engagement, there was interest in the quality-of-service delivery relating particularly to road conditions throughout the Township. This is recognized, however, per O.Reg standards and SME evaluation the roadways meet requirements.– In its current state, the transportation service area performs well. Short-term needs are recognized and adequately addressed through the Township’s planning. However, longer-term affordability will need to be considered based on a suggested future review of long-term needs. It is suggested that the update of future Township Asset Management Plans will provide the impetus for review.		
Public Feedback		<ul style="list-style-type: none">– Feedback included multiple suggestions that the current condition of roads does not meet expected standard of the community. Additional specific feedback in found in the community engagement section.		
Notes		<ul style="list-style-type: none">– None		

Emergency Services

Overall Performance Result

Good

		Baseline	Unconstrained	Constrained (Phase-In)
Operating	2026 Operating Cost	\$2,171,900	\$2,171,900	\$2,171,900
	2035 Operating Cost	\$2,689,500	\$2,689,500	\$2,689,500
	Anticipated 10-Year Increase	\$517,600 approx.	\$517,600 approx.	\$517,600 approx.
	Forecast 10 Year Capital-Budget	\$14,207,160	\$16,822,160	\$17,749,760
Summary		<ul style="list-style-type: none"> Emergency Services across the Township represent significant costs for both operating and capital needs. It is recognized that emergency services perform well, with asset gaps that require addressing. Current levels of Personal Protective Equipment does not meet recommend amounts (2 pairs of PPE) and represents a one-time associated cost of approximately \$750,000 to acquire the equipment. Additional consideration would be required for the replacement of this equipment. Additional consideration needs to look at the capital requirement for asset maintenance associated with the 10 fire stations across the Township. These stations and their related minimum requirement asset needs represent substantial financial needs. It is recognized that the current model is the result of municipal amalgamation and may not represent optimal service costs for the Township. The Township hired a consultant to complete the Fire Station Location Study to review the operating model of the emergency services in the Township. 		
Public Feedback		<ul style="list-style-type: none"> “The Minett Fire Hall meets few of the requirements of a proper fire hall. Which will be corrected with the building of a new fire hall in the future.” “Firehalls need to be updated.” “Service priorities I would like to see township prioritize resources towards are public health and safety (such as health facilities, fire halls, community centres/libraries) 		
Notes		<ul style="list-style-type: none"> None 		

Administrative Facilities

Overall Performance Result	Adequate
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		Baseline	Unconstrained	Constrained (Phase-In)
Operating	2026 Operating Cost	\$577,000	\$577,000	\$577,000
	2035 Operating Cost	\$709,500	\$709,500	\$709,500
	Anticipated 10-Year Increase	\$132,500	\$132,500	\$132,500
	Forecast 10 Year Capital-Budget	\$18,613,700	\$18,888,700	\$18,999,000
Summary		<ul style="list-style-type: none">– Per the review of the service area, it is noted that overall, Administrative Facilities are in need of repairs and possibly replacement.– Particular attention is paid to the Township Administrative Building and Public Works Buildings– The Township Administrative Building is old and has limited capacity. Assets are overall in a satisfactory to poor condition. The Township anticipates completing a building condition assessment in 2025 to update facility needs .		
Public Feedback		<ul style="list-style-type: none">– “The Township administrative building needs to be upgraded desperately to allow for better and safer service”– “The Township Municipal Office Building in Port Carling although a registered historic property is in poor condition and no longer resembles anything of historic value after decades of renovations and additions.”		
Notes		<ul style="list-style-type: none">– The Facilities Budget figure includes building costs associated with the Township Hall, Health Hub, and Public Works Garage.		

Phase 4 Projections - Operating

Following the evaluation of each service area, the baseline and unconstrained costs for the service areas in question are estimated.

Baseline (Current) Results

For service delivery operating costs under a baseline model, the following costs can be anticipated:

2026: \$9.9 million

2035: \$12.4 million

Operating expenses for service delivery grow by roughly \$2.5 million over that time.

Unconstrained (Immediate) Results

The model demonstrates the needs of the Township in meeting all Target LOS performances in Year 1.

For service delivery operating costs under an unconstrained model, the following costs can be anticipated:

2026: \$10.0 million

2035: \$13.5 million

Operating expenses grow by approximately \$3.5 million from the 2026 baseline model, including \$850,000 in Year 1, with an average \$295,000 per year over the remaining years.

Constrained (Phase-In) Results

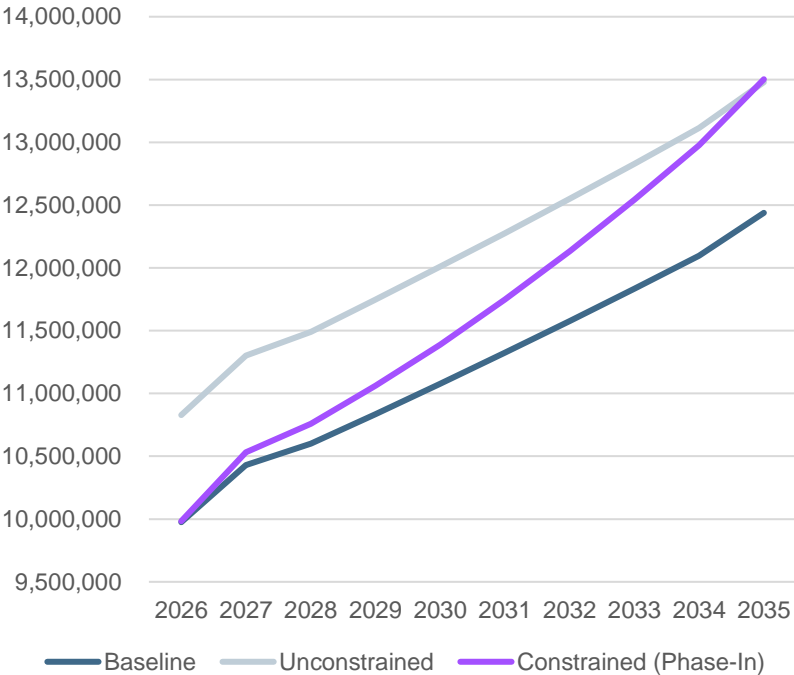
GHD is unable to comment on the outcomes of the Constrained (Phase-In) approach as the financial modeling was completed using a separate financial model created by another consultant.

The model demonstrates the needs of the Township in meeting all Target LOS performances over 10 years.

2026: \$9.9 million

2035: \$13.5 million

Operating expenses grow by approximately \$3.5 million from the 2026 baseline mode; the increase occurs gradually each year with approximately \$50,000 in Year 1 to over \$550,000 in Year 10 (average \$350,000 per year).



Conclusion

→ Outcomes and Recommendations

Discussion of Outcomes

The Township of Muskoka Lakes owns, maintains and operates a significant number of assets relative to its size, and is largely as an outcome to history associated with the Townships creation. The asset counts are the result of historical amalgamations of smaller communities.

The following themes have been identified from the study:

- The community values the services delivered, but has concerns about the state of infrastructure and access to additional services
- The Townships services are currently affordable but will potentially require significant investment to meet longer-term future needs.
- Community engagement suggested the potential for financial instruments, including slightly higher taxes for maintaining or improving service levels

The Township, through the management of and performance of its assets, provides services that are regarded by the community and Township SME to be good / reasonable. This was confirmed via feedback from the community and engagement with Township staff and SME's. For each service area the current to target performance gaps are largely related to aging assets or for assets that need to be brought up to a standard to meet legislative compliance requirements

The Township is delivering services that are defined under its current state baseline model. For the longer-term investment planning and service management decisions are required to enable affordable longer term service delivery that is financially sustainable and meets the needs of the community.

The Township has the opportunity to begin planning for future service quality by reviewing target performance, especially those targets that specify a very high service quality where target performance has been set to excellent rating.

The Asset LOS Study delivers a LOS framework across service areas, including targets and measures that will help the Township meet provincial requirements and also the unique needs of the Township.

The cost associated with the framework have been documented, with models highlighting any required or opportunistic changes for consideration, giving the Township the required insight to plan, manage and grow, where desired, its service outcomes.

Recommendations

The following represents a series of recommendations for consideration by Township staff and Council based on the outcomes of this study. The recommendations combine both legislated requirements under the O.Reg. 588/17 and specific recommendations to the Township based on the findings from the study. This document and associated service measures should be considered “living”, with the Township retaining the ability to update service levels to maintain relevance and applicability.

In concluding this Levels of Service report the following recommendations are suggested to Council and the Township leadership team for consideration:

1. Council should adopt the Levels of Service framework developed and incorporate into the Townships asset management plan.
2. Council should review the current and target standards and agree on an acceptable level of target performance for future service provision. Outcomes can include maintaining recommendations, lowering expectations on service quality and lowering ratings from excellent performance where unachievable or unnecessary.
3. The Township should aspire for an overall good performance rating for service areas where appropriate and in the absence of legislative mandates.
4. Council should adopt the agreed upon identified services and service standards and include within the Townships asset management plan.
5. The Township should leverage the anticipated results of the 2025 Building Condition Assessments to revisit appropriate Technical LOS and adjust service standards according to survey outcomes. This will help the Township better understand current and future needs and tie financial requirements to the outcomes and particularly focus on areas where recommendations around future service delivery have been made.
6. Recognizing the results of the Level of Service Study, leverage existing studies in making recommendations for service delivery, particularly focusing on the outcomes and recommendations from the Fire Station Location Study and Arena Feasibility Study. The Township should identify and understand timelines for major decisions, building on work previously completed.
7. The Township should engage in regular community engagement exercises that review the community's perception of service delivery.
8. There are competing needs within service areas and across service areas. These needs will require evaluation and coordination according to Township prioritization requirements. The modelled financial projections will require continual updating as new data is available and should be treated as living process that will contribute to the prioritization of outcomes. It is recommended that the Township consider developing a LOS data management plan that enables data to be collected and used in support of the service areas LOS data needs.

Appendices

→ **Appendix A**

Appendix B

Appendix C

Appendix A – Documents Reviewed

The following documents, reports and data points were reviewed and considered as part of the Levels of Service Study:

- TML Strategic Plan (2024 – 2028)
- TML Asset Management Plan
- Fire Station Location Study
- Arena Feasibility Study
- Transportation Master Plan
- Community Improvement Plan
- Township Official Plan
- Parks and Recreation Master Plan
- Fire Master Plan
- Township Budgets (2024, 2025)

Appendix B

Financial Assessments

Appendix C

Community Engagement Results

Appendix C

Appendix C.1 – Copies of Engagement Documents provided to the Township

Appendix C.2 – Survey Results – Online Responses

Appendix C.3 – Survey Results – Paper Responses

Appendix C.4 – Bala Cranberry Festival Results