



Special Meeting Agenda
February 22, 2022
Finance Report 2022-02

Final Draft 2022 Budget Presentation
Introduction & Overview of Operating & Capital Budgets (K.Pope)

Overview

The Special Budget Council meetings to date have provided discussion and direction of Council in the development of the 2022 Operating and Capital Budgets, which included opportunity for the public to comment virtually.

This budget report is to provide the final draft 2022 Operating and Capital Budgets for approval and adoption of Council. This budget does not include any changes to service levels that the municipality currently provides.



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This final budget presentation contains decreases of \$76,000, as per Council's direction at the 2nd draft budget meeting on January 20, 2022, and **amended the total municipal tax levy increase to 2.85%** with incorporated changes as summarized below;

- reduction of \$25,000; MRHAC 2022 Township Incentives from \$50K to \$25K
- removal of \$10,000; Heritage Conservation District Plan transfer to Reserves
- removal of \$20,000; Maple Leaf Park Old Shelter Demolition
- reduction of \$30,000; 2010 JD Grader transfer from \$280K to \$250K
- addition of \$9,000: Parks & Facilities contracted services at Bruce Johnston Building

Approximately every 1% municipal residential tax rate increase equals an additional \$102,000 in revenue towards the Operating & Capital budgets.

2021 Actuals include all expenditures up to December, 2021

The 2021 surplus is currently estimated at \$224,000 pending year end and reconciliations.



The **Library** board presented amended levy requests to Council on February 7, 2022.

The updated budget contains the following;

- Operating Levy of \$280,953 which represents an increase of 3.2% (+\$8,659) over 2021 levy,
- Net Capital Levy of \$30,575 plus \$4,248 transfer from development charge reserves, totaling \$34,823.

In addition, there has been a Pay Equity review carried out by the municipality to ensure compliance and additional \$16,530 of allocated expenses, paid by the municipality, for other library expenditures; audit fees, insurance premiums, payroll and IT fees.





MPAC Property Assessments

In November 2020 the Ontario Government announced that the 2021 Assessment Update has been postponed due to the Covid19 pandemic. As part of the Ontario Government's Budget on March 24, 2021 the Minister of Finance announced the Province's decision to once again postpone a province-wide property assessment update due to the pandemic.

MPAC property assessments for the 2022 taxation year will continue to be based on the fully phased-in January 1, 2016 current values (the same valuation date in use for the 2020 and 2021 taxation years). The 2022 MPAC estimated roll total has increased by approximately 4% due to the increased current value assessments (approx. \$58M CVA) as result of the new development and/or growth within the township in 2021, and therefore is expected to generate \$339,753 in additional municipal tax revenues for 2022.

2022 Ontario Municipal Partnership Fund (OMPF) Update

The province is maintaining the overall structure of the OMPF and the program envelope at the same level as 2020, with the transitional assistance component of the program remaining the same.

The 2022 OMPF allocation for the Township of Cavan Monaghan is \$520,200 which is the equivalent of \$142 per household. This is in comparison to previous allocations received of; \$510,600 (2021 OMPF), \$502,300 (2020 OMPF), \$504,600 (2019 OMPF) and \$506,000 (2018 OMPF).



2022 Budget Summary
Final Draft (2.85% increase)

Summary 2022 Project Budget	Operating % Net change over 2021	Operating	Capital	Total	Tax Levy	Prov/Fed Grant	DC's and/or Reserve Funds	User Fees & Other Revenue	Total
Planning & ECD	20.3%	604,740	399,963	1,004,703	902,786	42,417	37,500	22,000	1,004,703
Building	25.4%	399,695		399,695	-		194,195	205,500	399,695
By-Law Enforcement	49.3%	13,931		13,931	13,931				13,931
Protective Services (Fire)	8.7%	1,046,766	335,000	1,381,766	1,207,966		91,650	82,150	1,381,766
Public Works	5.4%	2,218,720	1,659,420	3,878,140	2,739,064	288,520	687,656	162,900	3,878,140
Parks & Facilities Department	5.3%	1,483,237	2,199,930	3,683,167	3,071,321		388,296	243,550	3,683,167
Office of the CAO	0.5%	362,749		362,749	362,749			120,000	362,749
Office of the Clerk	-9.2%	328,999		328,999	245,059	6,000	48,440	29,500	328,999
Finance & Information Technology	3.2%	712,642	2,781,066	3,493,708	3,042,828	60,000	70,200	320,680	3,493,708
Consolidated Department Net Changes	6.8%								
Council	0.4%	206,760		206,760	187,760		19,000		206,760
Library Board Levies & Allocated Expenses	3.2%	332,306		332,306	328,058		4,248		332,306
Ganaraska, Kawartha & Otonabee Conservation	3.0%	107,312		107,312	107,312				107,312
Committee's of Council	-10.0%	27,530		27,530	10,174		17,356		27,530
Police Service Contract, Board & Community Policing	3.8%	1,402,130		1,402,130	1,396,130	6,000			1,402,130
Consolidated Other Services/Levy Changes	5.1%								
Sub total: Projected Budget		9,247,517	7,375,379	16,622,896					
Less: 2021 Capital Roll Overs			(1,982,093)	(1,982,093)	(1,982,093)				(1,982,093)
Less: Future Budget pre-approvals			(280,800)	(280,800)	(280,800)				(280,800)
Less: 2021 Operating Surplus (estimated)		(224,000)		(224,000)	(224,000)				(224,000)
Total Budget		9,023,517	5,112,486	14,136,003					
Unfunded Budget to be removed (Capital)									
Contribution from Casino Reserve Rate Stabilization									
Contribution from Casino Reserve for Capital Requests									
Provincial Grants (OMPF)					(520,200)	520,200			
Provincial Grants (OCIF-Formula-Based Funding)					(511,608)				(511,608)
Contribution to Future Infrastructure Reserve					511,608				511,608
Ontario Lottery & Gaming Corp. (OLG) Revenues, 150 Slots (estimated)					(300,000)				(300,000)
Contributions to Asset Replacement Reserve Loan					300,000				300,000
Federal Gas Tax Grant					(280,013)				(280,013)
Contributions to Capital Roads Projects					280,013				280,013
Special Charges; Environmental Services and BIA Levy		400,435		400,435	355,735		8,200	36,500	400,435
Total (including Casino, Fed Gas Tax & BIA)		9,423,952	5,112,486	14,536,438	10,843,780	923,137	1,546,741	1,222,780	14,536,438
Revenues		Operating	Capital	Total	2.85% Residential Tax Rate Increase Approximately every 1% residential tax rate increase equals \$102,000				
General Tax Levy		6,888,308	3,599,737	10,488,045					
Special Charges; Environmental Services and BIA Levy		355,735	-	355,735					
Provincial/Federal Grants		-	923,137	923,137					
Reserve Funds		-	1,102,123	1,102,123					
Development Charges		-	444,618	444,618					
Other Revenue		1,222,780	-	1,222,780					
Total		8,466,823	6,069,615	14,536,438					
Special Charges	% Net change over 2021								
Environmental Levy: Cavan, Millbrook & North Monaghan	-1.1%	386,755	-	386,755	342,055		8,200	36,500	386,755
Millbrook BIA	0.0%	13,680		13,680	13,680				13,680
Total		400,435	-	400,435	355,735	-	8,200	36,500	400,435



A **2.85%** municipal tax levy increase, applied to the residential annual tax bill, equals **an increase of \$19.52 per \$100,000** of MPAC current value assessment (CVA)

Therefore a 2.85% municipal tax levy increase, applied to the residential annual tax bill, equals; **an increase of \$78.07 per \$400,000** of MPAC current value assessment (CVA)
(which is the equivalent of \$0.21/day)



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2022 Municipal Tax Rates

Final Draft (2.85% increase)

Property Class Description	RTC	RTQ	2022 MPAC Active Roll Total	Tax Ratio	Tax Rate Reduction	Weighted Assessment	Final Draft Tax Rate	Final Draft 2022 Taxes
Commercial, , Exempt From Taxation, But Eligible For Payment-In-Lieu Of Taxes At The Full Rate.	C	F	2,690,700	1.0986	1	2,956,003	0.00774247	20,833
Commercial, Payment In Lieu, Full, Excess Land	C	V	105,000	1.0986	0.7	80,747	0.00541973	569
School Rates).	C	G	1,161,000	1.0986	1	1,275,475	0.00774247	8,989
Commercial, Taxable vacan land shared, Subject To Payment-In-Lieu Of Taxes At The Full Rate.	C	J	391,000	1.0986	0.7	300,687	0.00541973	2,119
Commercial, Taxable At The Full Rate.	C	T	86,192,728	1.0986	1	94,691,331	0.00774247	667,345
Commercial taxable: Excess land	C	U	3,547,107	1.0986	0.7	2,727,796	0.00541973	19,224
Commercial, Taxable At The Vacant Land Rate.	C	X	4,012,300	1.0986	0.7	3,085,539	0.00541973	21,746
Commerical payment in lieu full vacan land	C	Y	136,000	1.0986	0.7	104,587	0.00541973	737
Commercial payment in lieu general vacant land	C	Z	-	1.0986	0.7	-	0.00541973	0
New Construction Commercial: Full No Support	X	T	7,699,200	1.0986	1	8,458,341	0.00774247	59,611
Exempt	E	-	67,629,065	0	0	-	-	0
Famland, Taxable At The Full Rate.	F	T	216,129,400	1	0.25	54,032,350	0.00176189	380,797
Industrial, Taxable, Shared Payment-In-Lieu (Not Pll But Shared As If It Was)	I	H	74,500	1.5432	1	114,968	0.01087582	810
Industrial, Taxable At The Full Rate.	I	T	3,827,600	1.5432	1	5,906,752	0.01087582	41,628
Industrial, Taxable At The Vacant Land Rate. Excess Land	I	U	444,900	1.5432	0.65	446,270	0.00706928	3,145
Industrial, Taxable At The Vacant Land Rate.	I	X	4,032,600	1.5432	0.65	4,045,020	0.00706928	28,508
New Construction Industrial, Taxable At The Full Rate.	J	T	1,717,000	1.5432	1	2,649,674	0.01087582	18,674
Pipeline Taxable: Full	P	T	7,487,000	1	0.9386	7,027,298	0.00661486	49,525
Multi-Residential Taxable: Full	M	T	3,976,000	1	1.7802	7,078,075	0.01254610	49,883
School Rates).	R	G	1,737,000	1	1	1,737,000	0.00704758	12,242
Rate.	R	P	-	1	1	-	0.00704758	0
Residential, Taxable At The Full Rate.	R	T	1,289,599,500	1	1	1,289,599,500	0.00704758	9,088,554
Managed Forest, Taxable At The Full Rate.	T	T	7,438,900	1	0.25	1,859,725	0.00176189	13,107
			\$ 1,710,028,500			1,488,177,140		10,488,045

2022 Estimated Budget Requirement	10,488,045
Amount to be raised by taxes	10,488,045
Weighted Assessment	1,488,177,140
Tax Rate	0.00704758
Taxes per 100,000 Residential Assessment	704.76

Estimated Break-even, with 0% TAX INCREASE (due to Assessment Growth) is \$339,753

2022 \$704.76
2021 \$685.24
Estimated increase in Residential Tax Rate % 2.85%
\$ Value of increase per 100,000 Residential CVA \$19.52

Approximately every 1% residential tax rate increase equals \$102,000



Tax Levy Comparison

The tax rate and assessment comparisons provide Council with a history of the MPAC Municipal Assessment (weighted) for the Township of Cavan Monaghan and the corresponding final tax rates over five fiscal years.

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022 Final</u>
Amount to be raised by Taxes	\$7,550,201	\$8,369,845	\$9,566,884	\$9,806,049	\$10,488,045
Weighted Assessment	\$1,176,851,571	\$1,272,470,506	\$1,409,981,617	\$1,431,048,372	\$1,488,177,140
Increase in CVA year over year	5.8%	8.1%	10.8%	1.5%	4.0%
Taxes per 100,000 Residential	\$641.56	\$657.76	\$678.51	\$685.24	\$704.76
Increase in Tax %	3.5%	2.5%	3.2%	1.0%	2.85%



Operating Budget

The Operating budget presented contains a consolidated department **net increase of 6.8%** which includes increased pressure on expenditures, maintaining efficiencies and improving online access/delivery of services as set by Council, policy, by-law, and provincial legislation requirements.

The summary provided indicates each department's efforts to maintain conservative budgets while adjusting the delivery of services.

The following summary of percentage allocations have been applied across all departments;

- 4.1% CPI wage grid indexing per Personnel Policy By-law 2020-12, s.12.1.4.
- 2% adjustment to estimated office supplies, postage & phone,
- 3% adjustment to hydro, gas & fuel,
- 18% increase to corporate insurance allocations, new infrastructure coverage and updated premium and benefit rates, and
- redistribution of the Customer Service and Records Retention Clerk wage & benefits across all departments

Operating Budget

Planning & ECD	
Building (funded through Building Reserve)	
By-law Enforcement	
Protective Services	
Public Works	
Public Works - Environmental	
Parks & Facilities	
Office of the CAO	
Office of the Clerk	
Finance & Information Technology	
Consolidated Department Net Changes	

2021 Final	2022 Final Draft	Variance	
\$484,432	\$582,740	\$98,308	20.3%
\$318,655	\$399,695	\$81,040	25.4%
\$9,334	\$13,931	\$4,597	49.3%
\$835,028	\$907,966	\$72,938	8.7%
\$1,959,540	\$2,064,900	\$105,360	5.4%
\$399,215	\$394,955	-\$4,260	-1.1%
\$1,173,143	\$1,235,767	\$62,624	5.3%
\$241,451	\$242,749	\$1,298	0.5%
\$269,994	\$245,059	-\$24,935	-9.2%
\$300,291	\$309,962	\$9,671	3.2%
\$5,991,083	\$6,397,724	\$406,641	6.8%

Council	
Library Board Operating Levy	
Library Allocated Expenses	
Library Board Capital Levy	
Ganaraska, Kawartha & Otonabee Conservation	
Committees of Council	
Police Contract & Services	

Consolidated Other Services/Levy Changes

\$187,040	\$187,760	\$720	0.4%
\$272,294	\$280,953	\$8,659	3.2%
\$7,929	\$12,282	\$4,353	54.9%
\$3,862	\$34,823	\$30,961	0.0%
\$104,193	\$107,312	\$3,119	3.0%
\$11,300	\$10,174	-\$1,126	-10.0%
\$1,350,450	\$1,402,130	\$51,680	3.8%
\$1,937,068	\$2,035,434	\$98,366	5.1%



The Consumer Price Index rose 4.1% in the 12 months to August; on the Statistics Canada September notice and the 2022 municipal wage grid has been indexed as per By-law 2020-12.

The Canadian Union of Public Employees Local 1306.2 Public Works Unit and Parks Unit collective wage agreements expire in 2022 and wage adjustments have not yet been negotiated.

The Construction Price Index rose 11.6% in the year over year (Q3 2020 to Q3 2021), and the 2022 Development Charges have been indexed as per By-law 2019-18. The Development Charges Study presentation will be posted for public viewing at the end of February with the public presentation by Watson & Associates to Council rescheduled for March 2022.

Council received the annual User Fees & Charges By-law, Finance Report 2021-18, to ensure municipal revenues for services reduce the impact of the cost of services on the municipal property tax rate.





Environmental Tax Rate

The 2022 Environmental Budget indicates a total levy increase of \$66,209 for the operational costs within each ward, waste programs, landfill monitoring and transfer station expenses without additional funding available to offset the kitchen waste collection program. In addition, the waste collection will be tendered in 2022 which is currently with Withers. This budget equals an environmental tax rate increase of \$3.69 per \$100,000 of current value assessment, based on the active MPAC Assessment Roll Total. Therefore, on a \$400,000 assessed residential property the total environmental tax rate increase would be \$14.76.

Water and Wastewater

The Water and Wastewater Operating & Capital Budgets are presented utilizing the Water & Wastewater Financial Plan, Rate Study and User Fees and Charges By-law 2020-66 and the 2021 Watson & Associates Rate Study Analysis including the approved User Fees and Charges By-law 2021-67. Any funds remaining at the end of the year are transferred into the Water & Wastewater Reserve for future years of Capital and/or Operations. The water service is user paid and therefore does not affect the municipal tax rate.

A decorative graphic consisting of two curved, overlapping lines in shades of green and yellow, mirroring the design in the township logo.

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Capital Budget

The 2022 Capital Budget presented contains \$7,430,288 total Capital Expenditures including updated 2021 capital roll overs.

Total Capital Requests	<u>\$7,430,288</u>
Less: 2021 Capital Roll Over	(\$2,037,002)
Less: Future Year pre-approvals	<u>(\$280,800)</u>
Total 2022 Capital Expenditures	\$5,112,486
Reserve/Other Funding to Offset Capital	<u>(\$1,512,749)</u>
Net 2022 Capital Expenditures	\$3,599,737
<i>Net 2021 Capital Expenditures</i>	\$3,414,447

Funding Sources:

Asset Replacement Reserve funded through the Municipal Tax Levy	\$2,429,000
Capital Requests funded through the Municipal Tax Levy @ 2.85% increase	<u>\$1,170,737</u>
Total Capital Funded through Municipal Tax Levy	<u>\$3,599,737</u>



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**The Township of Cavan Monaghan
Capital Requests in 2022
Final (including 2021 roll-overs)**

Capital Item Requested	Requested Purchases	Reserve/ Other Funding Available	Transfers Specific Reserves	2021 Roll Overs	Transfers Asset Replacement Reserve	Future Budget pre-approvals	Adjusted Total
Finance							
Asset Management, Policy & Reporting - Bill 6, O.Reg 588/17, including rollover	\$130,340			(\$112,340)			\$18,000
Asset Management Reserve, O.Reg 588/17 (Municipal Infrastructure)					\$2,429,000		\$2,429,000
Development Charges Study Update (DC 5.2.3 No.1,3)	\$24,500	(\$24,500)					\$0
Total Finance	\$154,840	(\$24,500)	\$0	(\$112,340)	\$2,429,000	\$0	\$2,447,000
				<i>2021 Capital Request Adjusted Total (Finance)</i>		\$	<i>1,998,010</i>
Information Technology							
Hardware Replacement Program & Upgrades	\$28,035			(\$3,935)	(\$17,300)		\$6,800
Hardware Replacement Program (Council)	\$8,900				(\$6,400)		\$2,500
Network, Server, Switches & IT Infrastructure	\$47,075			(\$47,075)			\$0
Financial Management Software, Integration & Training (Finance 2020-22, approval)	\$168,125			(\$168,125)			\$0
Total Information Technology	\$252,135	\$0	\$0	(\$219,135)	(\$23,700)	\$0	\$9,300
				<i>2021 Capital Request Adjusted Total (IT)</i>		\$	<i>53,750</i>
Planning, Building & ECD (Economic Community Development)							
Mt. Pleasant Women's Institute Renovations, rollover	\$5,000			(\$5,000)			\$0
MRHAC - 2019-2021 Downtown CIP + Incentives, rollover	\$64,671			(\$64,671)			\$0
MRHAC - 2021 Township Wide - Community Improvement Plan, rollover	\$8,440			(\$8,440)			\$0
MRHAC - 2022 Township Wide - Incentives	\$25,000						\$25,000
MRHAC - Downtown Mural, rollover	\$7,000			(\$7,000)			\$0
IT Modernization Plan, MMP Grant II (MNP), including rollover	\$117,000	(\$37,000)		(\$80,000)			\$0
IT & Service Modernization Plan, MMP Grant I (MNP), rollover	\$25,000			(\$25,000)			\$0
Employment Lands Marketing Materials, including rollover	\$10,520	(\$5,417)		(\$5,000)			\$103
GMS (SSA-1) Provincial Update, including rollover	\$62,332	(\$22,500)		(\$33,672)			\$6,160
Official Plan Updates & Studies - Syer Line (DC 5.2.3 No.3)	\$15,000	(\$15,000)					\$0
Baxter Creek Floodplain SSA (Special Study Area), rollover	\$15,000			(\$15,000)			\$0
Tsf to RSV-Official Plan Updates & Studies (DC 5.2.3 No.3)							\$25,000
Tsf to RSV-Zoning By-law Review							\$20,000
Total Planning, Building & ECD	\$354,963	(\$79,917)	\$45,000	(\$243,783)	\$0	\$0	\$76,263
				<i>2021 Capital Request Adjusted Total (Planning, Building & ECD)</i>			<i>\$177,000</i>



**The Township of Cavan Monaghan
Capital Requests in 2022
Final (including 2021 roll-overs)**

Capital Item Requested	Requested Purchases	Reserve/ Other Funding Available	Transfers Specific Reserves	2021 Roll Overs	Transfers Asset Replacement Reserve	Future Budget pre-approvals	Adjusted Total
Roads and Environmental Services							
Manor Drive (Hot Mix Paving)	\$50,000				(\$28,800)		\$21,200
Century Blvd (Hot Mix Paving)	\$65,000	(\$20,000)			(\$37,440)		\$7,560
Cross Road Culverts	\$120,000				(\$20,736)		\$99,264
Pre-Engineering Cost	\$30,000						\$30,000
Slurry Seal (extend road life 5 yrs)	\$207,520	(\$207,520)					\$0
Sharpe Line (Surface Treatment)	\$81,000	(\$81,000)					\$0
Hooton Drive & Howden 1/4 Line (Surface Treatment)	\$81,000				(\$58,320)		\$22,680
Hayes Line (Surface Treatment) w/City of Kawartha Lakes	\$54,000	(\$27,000)			(\$19,440)		\$7,560
Fallis Line E (Surface Treatment)	\$49,000				(\$35,280)		\$13,720
Syer Line (Surface Treatment)	\$38,000	(\$34,200)					\$3,800
Elgar Drive (Surface Treatment)	\$31,000				(\$22,320)		\$8,680
T-Way Drive (Surface Treatment)	\$25,000				(\$18,000)		\$7,000
Fallis Line W (Surface Treatment)	\$23,000				(\$16,560)		\$6,440
Sidewalks (General)	\$15,000				(\$3,240)		\$11,760
Street Light Replacement (PW 2021-10 pre-approved)	\$72,100						\$72,100
Alleyway - King Street - Improvement	\$97,800			(\$97,800)			\$0
Replace - 2012 Dodge Truck 1500 Quad 4wd #4-12	\$70,000		(\$5,000)		(\$50,400)		\$14,600
Replace - 2007 International Tandem #19-07 (2021 approved)	\$300,000	(\$173,200)	(\$8,000)		(\$118,800)		\$0
Tsf to RSV - 2010 JD Grader #31-10, (1 of 2 yrs)			\$250,000				\$250,000
Total Roads and Environmental	\$1,409,420	(\$542,920)	\$237,000	(\$97,800)	(\$429,336)	\$0	\$576,364
							<i>2021 Capital Request Adjusted Total (Roads & Environmental Services)</i>
							\$437,851



Future Capital Infrastructure Projects

On July 5, 2021 Council received Finance Report 2021-21 containing a financial review of a new Fire Station, Public Works Operations Center and a Parks & Public Works Building utilizing external borrowing, development charge revenues, transfers from reserves and potential future grant opportunities and revenue opportunities.

Council directed staff to proceed with the tendering process with the budget constructions costs for each project ... conditional on the Development Charges Background Study being completed and applicable; and allow the flexibility within the tender for each project to be quoted independently or in collaboration; and staff report back to Council.

The Development Charges Background Study is currently in process with Watson & Associates and the estimated construction costs for these infrastructure projects have been indexed with provisions for these capital needs, included up to the maximum service level caps. Estimated debenture payments have been pro-rated to commence in the fall of 2022 pending actual construction tender updates and timelines.



2020 Grant Applications (2021 approval with rollover to 2022);

Investing in Canada Infrastructure Program (ICIP)

Community Culture and Recreation Stream Grant Applications (2)

Funding Program; 26.67% Municipal + 33.33% Provincial + 40% Federal.

A grant opportunity to maximize the funding impact of small-scale projects that would improve the condition of existing facilities.

Parks & Facilities Report 2019-15 (grant approved March 2021)

\$966,000 Renovation of the Millbrook Arena to a multipurpose community hub

Total Municipal Contribution of \$244,750 commitment over term of project completion by 2026.

Council Motion R/04/11/19/13 (grant approved August 2021)

\$511,750 Rehabilitation of the historically designated Old Millbrook School

Total Municipal Contribution of \$129,660 commitment over term of project completion by 2026.





2020 Grant Applications (2021 approval with rollover to 2022);

Investing in Canada Infrastructure Program (ICIP)

Green Infrastructure Stream Grant Application, Intake 2

Funding Program; 26.67% Municipal + 33.33% Provincial + 40% Federal.

A grant opportunity to protecting people's health by bringing infrastructure investments to small communities to help improve the quality of drinking water through the second intake of the Green Infrastructure stream.

Public Works – W&WW (pending grant approval)

\$312,500 Rehabilitation of Main Street Watermains (pending approval)

Total Municipal Contribution of \$83,344 commitment over term of project completion by 2026.





2020 Grant Applications (2021 approval with rollover to 2022);

Municipal Modernization Program (MMP) Grant Application, Intake 2

Funding Program; 25% Municipal + 75% Provincial

Building on Ontario's previous investment to modernize municipal service delivery, the province's 405 small and rural municipalities will have access to an additional \$125 million through 2022-23

\$117,000 IT Modernization Plan implementation

(2nd application intake, approved November 2021)

This \$80K application followed the recommendations from MNP (January 2022) to implement recommendations in the IT Modernization Plan which includes \$16,000 for IT Policy Handbook Development & Procurement, \$35,000 to Test & Validate Security Posture and \$25,000 for Service Modernization Review/Consulting Support.



Covid-19 Fiscal Impact Update

Finance Report 2021-03 provided an update on the financial impact to the municipality as of December 31, 2020. In 2021 the municipality incurred additional operating costs and loss of parks & facilities rental revenues. Therefore a total of **\$577,387** in operating costs and pressures due to the COVID-19 pandemic as a result of waiving late payment penalties, loss of rental revenues and additional operating costs are itemized as follows;

\$154,191 Loss of Penalty & Interest on Property Taxes (2020)
\$ 23,047 Loss of Water and Wastewater Penalty Fees (2020)
\$144,944 Loss of Parks & Facilities Rental Revenue Losses (2020)
\$ 78,068 Loss of Parks & Facilities Rental Revenue Losses (2021)
\$400,250 Total Revenue Losses
+
\$139,922 Operating Costs (2020)
\$ 37,215 Operating Costs (2021)
\$177,137 Total Operating Costs (Emergency Fund "77")

The Safe Restart funding received to date is \$260,100 to support Covid-19 related costs. Phase 1 funding (2020) of \$217,100 was applied to support 56% of Covid-19 direct operating costs and 44% towards the loss of penalty, interest and rental revenues. Phase 2 funding (2021) of \$43,000 is to support the additional Covid-19 related costs incurred in 2021.

Stabilized Taxation and Asset Replacement

The recommendations in the Potential Impact of Loss of OLG Funding Report (2012) and the Modified Service Delivery Review (2013) were implemented through historical budgets to bring Cavan Monaghan tax levels up to comparator municipalities and eliminated the use of OLG revenues to subsidize the municipal tax rate.

The recommendations were divided into three phases to enable the municipality to remove dependency on OLG revenues;

Phase 1: Removal of OLG Revenues from the Operating Budget, completed in 2013, eliminating \$1.4 million OLG dependency from the annual budget (as per 2011)

Phase 2: Removal of OLG Revenues from Capital Budget, completed in 2015, maintaining a minimum \$1.1 million contribution through the municipal levy

Phase 3: Removal of OLG Revenues as the primary source of Revenues for investment to the Asset Replacement Reserve (ARR).

Since 2016, the municipality has transferred greater than 80% of the annual audited depreciation to the ARR. Including all transfers to date (2012-2021) the municipality has transferred a cumulative total of \$16M, which represents 72% of the annual audited depreciation values since 2012. In 2022, 94% of the \$2.5M of audited depreciation is recommended for transfer into the Asset Replacement Reserve.



The Township of Cavan Monaghan
Water & Wastewater
Capital Requests in 2022
Final Draft

Capital Item Requested	Requested Purchases	2021 Roll Overs	Reserve/ Other Funding Available	Transfers Asset Replacement Reserve	Transfer to/from W & WW Reserve
Water Distribution System					
Replacement of Well and Pump	\$ 50,000				\$ 50,000
Water Meter Replacement Program	\$ 10,000				\$ 10,000
Water Master Servicing Study	\$ 47,231	(\$37,231)	(\$10,000)		\$ -
Rehabilitation of Main Street Watermains, ICIP Green Grant	\$ 312,500		(\$229,156)		\$ 83,344
Total Water Distribution System	\$ 419,731	(\$37,231)	(\$239,156)	\$ -	\$ 143,344
Total Water Capital	\$ 419,731	(\$37,231)	(\$239,156)	\$ -	\$ 143,344
Wastewater Collection System					
Sewer System Relining	\$ 56,179	(\$56,179)			\$ -
Wastewater Master Servicing Study	\$ 57,869	(\$47,869)	(\$10,000)		\$ -
Wastewater Collection System	\$ 114,047	(\$104,047)	(\$10,000)	\$ -	\$ -
Total Wastewater Capital	\$ 114,047	(\$104,047)	(\$10,000)	\$ -	\$ -
Total Water and Wastewater Capital	\$ 533,779	(\$141,279)	(\$249,156)	\$ -	\$ 143,344



**Finance Report 2022-02
Recommendations:**

1. That Council receives the Final 2022 Budget Presentation for adoption; and
2. That Council approves the 2022 Operating Budget of \$9,023,517; and that Council approves the 2022 Capital Budget of \$5,112,486; and
3. That Council approves the 2022 Environmental Budget of \$394,955; and
4. That Council approves the 2022 Water & Wastewater Operating Budget of \$866,960 and a Capital Budget of \$392,500; and
5. That Council approves a 2.85% Municipal Residential Tax Rate increase to fund the 2022 Operating & Capital budgets.

