



Special Council Meeting Finance Report 2025-01

2nd Draft 2025 Budget Presentation

Overview

This 2nd draft budget will require a consolidated 4.99% municipal residential tax levy increase to fund the proposed 2025 Operating & Capital budgets. The two public budget presentations on January 9, 2025, will provide further discussion and direction for Council, along with an opportunity for public comment during the Special Budget meeting at 5:00 p.m.

This budget does not change the municipality's current service levels.
2024 Actuals include all expenditures up to **October 31, 2024**

The 2024 surplus is currently estimated at \$250,000 pending year-end and reconciliations. Which will be applied to the 2025 budget





The budget committee consists of the Mayor, the Chief Administrative Officer, and the Director of Finance. Management and senior staff submitted initial budget estimates, which were revised through discussions within the budget committee.

This 2nd budget meeting presents an additional opportunity for Council to engage in discussions, offer input, and implement further modifications to the budget.

- Staff continued to reduce budget expenditures.
- Review was conducted to ensure all remaining unspent funds from the Ontario Community Infrastructure Fund (OCIF) are fully utilized for eligible capital projects.

Approximately every 1% municipal residential tax rate increase equals an additional \$117,100 in revenue towards the Operating & Capital budgets.





Budget Basics

The budget is a blueprint that defines how resources are collected and allocated.

The overall budget comprises two main components; the **Operating** Budget and the **Capital** Budget.

Council has flexibility for reallocating or reprioritizing funds between programs and services
The financial realities of limiting tax increases to residents and maintain the current level of services that are required to manage a municipality.

Balanced Budget

The municipality must maintain a balanced operating budget.

The Municipal Act prohibits the municipality from running a deficit on operating expenditures.

The municipality can only borrow funds and incur debt for the Capital Budget in accordance with the Annual Repayment Limit (ARL).

A decorative graphic element consisting of two curved, overlapping lines, one light green and one darker green, curving from left to right.

Have it all. Right here.

Budget Process Summary / Key Steps

Guidelines and Priorities derived from several key documents including Long Term Capital Financial Plans, Strategic Plan and Asset Management Plan.



- Summer (June) – budget schedule presented to Council for approval,
- Summer/Fall (August-September) – estimated budget figures are submitted by the Management team,
- Fall (September-mid November) – the preliminary budget is reviewed by the CAO, Director of Finance, Mayor and discussed with management through a series of budget committee meetings,
- Fall (end of November) – the 1st Draft Budget is presented to Council for information and opportunity for discussion,
- Winter (December) – individual meetings available for members of Council to ask additional questions or for clarification with the Director of Finance and the CAO, where applicable,
- Late Winter (January) – the 2nd Draft and Final Budgets are presented to Council including any amendments from direction and/or motions of Council following special council meetings and further budget reviews.

ONTARIO'S PROPERTY ASSESSMENT AND TAXATION SYSTEM

Property assessments are determined



Assessments are shared with municipalities



Municipalities determine investments required to build thriving communities



Government of Ontario

Establishes the province's assessment and taxation laws and determines education tax rates.



MPAC

Determines property assessments for all properties in Ontario.



Municipalities

Determine revenue requirements, set municipal tax rates and collect property taxes to pay for municipal services.*



Property owners

Pay property taxes which pay for services in the community. You also pay education taxes that help fund elementary and secondary schools in Ontario.



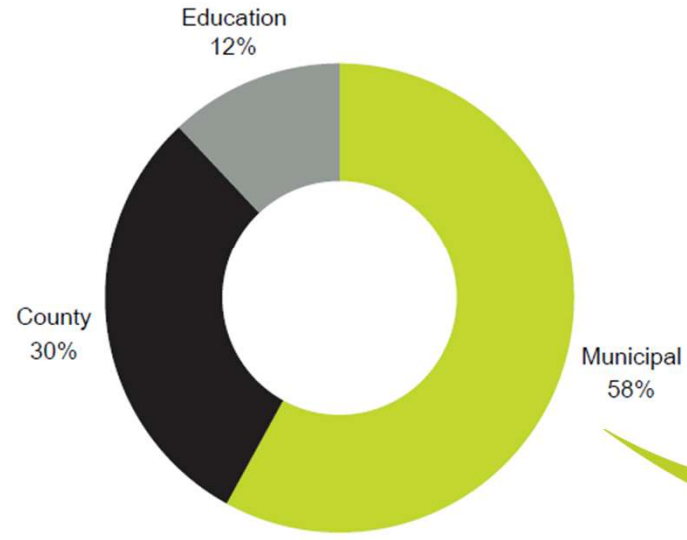
Understanding the Total Tax Rate (three levy components)

2024 TAX RATES Township of Cavan Monaghan				
Property Class	Municipal	County	Education	Total Tax Rate
RES/FARM (RT)	0.00778570	0.00404756	0.00153000	0.01336326
MULTI-RES (MT)	0.00930313	0.00483643	0.00153000	0.01566956
MGED FOREST (MF TT)	0.00194643	0.00101189	0.00038250	0.00334082
FARMLAND (FT)	0.00194643	0.00101189	0.00038250	0.00334082

Your 2024 Final Tax Levy includes three levy components:

1. Municipal (58%)
2. County (30%)
3. Education (12%)

■ Municipal
 ■ County
 ■ Education



Have it all. Right here.



Upper & Lower Tier Budgets

Peterborough County is the upper-tier municipal government that is comprised of eight lower-tier municipalities. The services provided by county governments are usually limited to arterial roads, ambulance, health and social services and county land use planning.

The Township of Cavan Monaghan is one of the lower-tier municipalities whereby property taxes fund a variety of services including emergency services (fire & police), animal control, building, by-law enforcement, economic development, garbage/recycling and organic collection, library services, maintenance of local road networks, sidewalks, snow removal, storm sewers, water wastewater services, facilities, parks and recreation, planning, culture & heritage and neighborhood enhancements, property tax administration & licensing.



MPAC, Province of Ontario & the Municipality

MPAC determines property assessments for all properties in Ontario.

The Government of Ontario establishes the province's assessment and taxation laws and determines education tax rates. Municipalities determine revenue requirements, set municipal tax rates and collect property taxes to pay for municipal services.

When is the next province-wide Assessment Update?

As part of the Ontario Government's Ontario Economic Outlook and Fiscal Review the Province continues to postpone the province-wide property assessment update for 2021-2025 property tax years. In 2020, the property assessments of January 1, 2016 phased-in values were reflected on the property tax roll.

The MPAC median current value assessment (CVA) in Cavan Monaghan is estimated at \$400,000. MPAC assessments do not necessarily reflect what realtors would determine is the market value of your property when you list it for sale. MPAC assessments in many cases are behind the actual current market, partly because they are only completed every four years.

What does this mean for property owners?

Property assessment will remain the same in 2025 as the 2024 tax year, unless there have been changes to a property. MPAC property assessments continue to be based on January 1, 2016 fully phased-in values.



Have it all. Right here.



What does this mean for property owners?

MPAC Example

A property valued at **\$228,000 on January 1, 2016** with a previous valuation of \$162,000 on January 1, 2012 experienced a valuation increase of \$66,000 over the four year phase in cycle from 2017-2020.

The difference between the 2012 value and 2016 value is divided by four
= $\$228,000 - \$162,000 = \$66,000 / 4 \text{ years}$
= \$16,500 phase in value for each tax year

The province has postponed the MPAC valuation updates for 2021-2025 and therefore this property remains valued at \$228,000 CVA



Year 1 (2017)
= $\$162,000 + \$16,500 = \$178,500 \text{ CVA}$

Year 2 (2018)
= $\$178,500 + \$16,500 = \$195,000 \text{ CVA}$

Year 3 (2019)
= $\$195,000 + \$16,500 = \$211,500 \text{ CVA}$

Year 4 (2020)
= $\$211,500 + \$16,500 = \$228,000 \text{ CVA}$



Have it all. Right here.



2025 Ontario Municipal Partnership Fund (OMPF)

The Ontario Municipal Partnership Fund (OMPF) provides unconditional operating support from the province to 390 municipal governments. It uses an equalization approach to address challenges in rural and northern communities, with funding based on various community fiscal health indicators. The province maintains the OMPF structure and the program envelope with an increase of \$50 million to provide \$550 million in 2025.

In 2025, the Province is providing the Township of Cavan Monaghan with **\$580,400** in funding through the OMPF. This is in comparison to previous OMPF allocations received of; \$542,500 (2024), \$535,900(2023), \$520,200 (2022), \$510,600 (2021), \$502,300 (2020), \$504,600 (2019) and \$506,000 (2018).

The OMPF funds are utilized to help decrease the costs associated with the Operating Budget, thereby alleviating the pressure on the municipal property tax rate.





Ontario Community Infrastructure Fund (OCIF)

The province will allocate \$400 million to 423 small, rural, and northern communities across Ontario in 2025. The Township of Cavan Monaghan is set to receive **\$314,191** through this year's allocation. The 2025 year-end balance of funds remaining is expected to be \$0 (zero), as the 2025 Capital Budget is utilizing the full allocation (\$314K) and the historical carry-forward balances (\$480K) through the **Public Works projects only**.

The Ontario Community Infrastructure Fund (OCIF) supports capital expenditures on core infrastructure projects included in an asset management plan. Eligible projects under this fund encompass:

- Capital construction of new core infrastructure addressing existing health or safety issues that we own.
- Capital maintenance for the renewal, rehabilitation, and replacement of core infrastructure owned by the recipient, which may include assets owned by a municipality's municipal services corporation.
- Debt-financing charges directly associated with the capital construction and maintenance of core infrastructure.





Canada Community-Building Fund (CCBF)

formerly known as the Federal Gas Tax

Canadian municipalities receive over \$2 billion from the Canada Community-Building Fund each year; Ontario's municipalities receive over \$800 million. Funds are allocated to municipalities across the province on a per-capita basis.

The Township of Cavan Monaghan is set to receive **\$328,025** through this year's allocation. The 2025 year-end balance in the CCBF fund is expected to be \$369,550, as there will be approximately \$41K remaining from historical carry forward balances. Staff recommends to retain these funds to be considered towards other capital projects such as the new Fire Station.

The Canada Community-Building Fund (CCBF) is a stable, predictable, and indexed source of funding provided up front to provinces and territories who, in turn, flow this funding to their communities. The funding allows local communities to make strategic investments in essential infrastructure, across 19 different project categories, such as: public transit, wastewater infrastructure, drinking water, solid waste management, community energy systems, local roads and bridges, capacity building, broadband and connectivity, culture, tourism, sport, recreation, fire halls and brownfield redevelopment.



Have it all. Right here.



Asset Replacement

The recommendations in the Potential Impact of Loss of Funding Report and the Modified Service Delivery Review were implemented through historical budgets to fiscal independence in the Operating Budget (2013) and in the Capital Budget (2015). The recommendations were implemented over three phases with the final phase to ensure that the municipal tax rate is the primary source of revenue for investment to the Asset Replacement Reserve (ARR).

\$2.9M is recommended for transfer into the Asset Replacement Reserve

which represents 100% of the audited depreciation calculations of year-end 2023

Through strengthening asset management practices, our municipality can improve municipal planning by developing an approach that considers the long-term needs of the community. Identify choices, communicate benefits and better inform council decisions on what infrastructure projects deliver the most value. Since 2016, the municipality has transferred approximately 77% of the annual audited depreciation to the ARR. Including all transfers to date (2012-2024) the municipality has transferred a cumulative total of \$23M.



Reserve and Reserve Funds

The Township of Cavan Monaghan sets aside funds as part of the annual budget for reserves and reserve funds. Reserves ensure that the municipality can “weather the storms” and sustain critical infrastructure over the long term without significant fluctuations to the tax rate.

How Reserves and Reserve Funds Work



Established by Council or Province

Reserves and reserve funds are established by municipal councils through by-laws.

Provincial legislation can require municipalities to establish reserves for specific types of revenue.



Strategy for Funding Programs and Projects

Reserves are typically part of an overall strategy for funding operating programs and projects.

These funds help offset unexpected expenses or revenue shortfalls.



Flexible or Committed Funds

Reserve funds are either obligatory or discretionary. Discretionary reserve funds are set by municipal councils

for specific purposes. Councils can have flexibility to decide how the money is used.

Obligatory reserve funds are required by provincial statutes or contractual agreements and can only be used for their intended purpose.



Tool for Long-term Financial Sustainability

Reserves and reserve funds are an important tool for a municipality's long-term financial sustainability.

Setting money aside for unavoidable events (like floods) and for capital projects (like road repairs) reduces the need for long-term borrowing or imposing sudden tax increases on current or future taxpayers.

Keeping Reserves only for Intended Purposes

Using reserves for their
intended purposes is a
financial best practice:



- In case of emergency, tax rates and user rates can remain relatively stable. Taxpayers are not burdened by significant increases.
- Money can be saved for major capital projects that benefit communities as a whole.
- Municipalities can continue to practice long-term financial sustainability, and better plan and budget for the future.

If reserves are used for
unintended purposes:



- Adequate funds may not be available to cover emergencies.
- Property taxes may need to increase to cover any unexpected losses.
- A lack of funds to maintain a state of good repair for capital infrastructure may lead to decreased service levels.
- There will be a funding gap for projects for which funds were set aside. Projects will be at risk in the event of economic shocks.

Have it all. Right here.



Annual Repayment Limit (ARL)

The ARL may be summarized as the maximum amount that a municipality can pay in principal and interest payments in the year for new long-term debt (and in annual payments for other financial commitments) without first obtaining approval from the Ontario Municipal Board.

Net Revenues	15,578,438
25% of Net Revenues	3,894,610
ESTIMATED ANNUAL REPAYMENT LIMIT (25% of Net Revenues less Net Debt Charges)	3,388,508



Ministry of Municipal Affairs and Housing
777 Bay Street,
Toronto, Ontario M5G 2E5

Ministère des affaires municipales et du logement
777 rue Bay,
Toronto (Ontario) M5G 2E5

2024 ANNUAL REPAYMENT LIMIT (UNDER ONTARIO REGULATION 403 / 02)

MMAH CODE:	66617
MUNID:	15012
MUNICIPALITY:	Cavan Monaghan Tp
UPPER TIER:	Peterborough Co
REPAYMENT LIMIT:	\$ 3,388,508



2020 Grant Applications approved (rollover into 2025)

Investing in Canada Infrastructure Program (ICIP) Community Culture and Recreation Stream Grant Applications (2)

26.67% Municipal + 33.33% Provincial + 40% Federal.

Parks & Facilities Report 2019-15 (grant approved March 2022) Motion

The most recent mold assessment (December 6, 2024) was provided to Council (P&F Report 2024-05) and to protect the health and safety of the public and Township employees, the Millbrook Arena (on Needler's Lane) will remain closed.

A scope change request was submitted to the Ministry of Infrastructure and we are awaiting a final decision. A total Municipal Contribution of \$244,750 commitment has been raised over four municipal budgets (2022-2025) with project completion required by 2026.

Council Motion R/04/11/19/13 (grant approved August 2022)

\$511,750 Rehabilitation of Old Millbrook School

Total Municipal Contribution of \$129,660 over four municipal budgets (2022-2025) with project completion required by 2026.



Have it all. Right here.



Capital Infrastructure Projects

On July 5, 2021 Council directed staff to proceed with the tendering process for the three infrastructure projects. The Township engaged Greenview Environmental Management to provide detailed design and tender documents for all three projects. Capital expenditures have been funded internally through Reserves and Development Charges, with debenture estimates included in the 2025 Operating Budget, under the Finance Department.

Fire Station #1 and Ambulance Station (Fire 2022-02)

The total budget for the project was estimated at \$7,979,510 and to be funded; \$1.86M Development Charge debenture, \$3.2M Township debenture and \$2.9M Reserves. The tender to build the new Fire and Ambulance Station was awarded to Gay Company Limited at the August 2, 2023 Council Meeting. **There will be a report brought forward when the project is finalized.**

Cavan Public Works Operation Center (PW 2022-12)

1470 County 10 - completed November 2023

The total budget for the project was \$3,089,631 and to be funded; \$1.36M Development Charge debenture, \$1.1M Township debenture and balance from Reserves. The tender for the building construction was awarded to Mortlock Construction at the May 19, 2023 Council Meeting. **Council requested that staff return with alternative financial options. Staff will be drafting a report for the January 27, 2025 Council meeting.**

Parks and Public Works Millbrook Depot (PW 2022-01)

70 King St. West - completed October 2022

The total budget for the project was \$872,104 and funded; \$488K Development Charge debenture and \$384K Township debenture. The tender for building re-construction was awarded to Mortlock Construction Inc. at the January 17, 2023 Council Meeting.

A decorative graphic consisting of two curved lines, one light green and one dark green, that sweep from left to right, mirroring the design in the township logo.

Have it all. Right here.



Council Direction Is Now

The budget committee is comprised of the Mayor, Chief Administrative Officer and the Director of Finance. Management and senior staff provide preliminary budget estimates which have been reduced through budget committee discussions with further reductions achieved in the second draft that resulted in the **4.99% proposed municipal tax rate for further discussion and direction of Council.**

The following are tax rate percentage alternatives provided with associated reductions required to balance the budget, for Council's review and consideration.

<u>Tax Increase</u>	<u>Tax Levy Revenue</u>	<u>Budget Cuts Needed</u>
0%	\$11,714,730	-\$584,000
1.0%	\$11,831,830	-\$466,000
2.0%	\$11,948,930	-\$349,000
3.0%	\$12,066,030	-\$232,000
4.0%	\$12,183,130	-\$115,000

Approximately every 1% municipal residential tax rate increase equals an additional \$117,100 in revenue towards the Operating & Capital budgets.





A **1.0%** municipal tax levy increase, applied to the residential annual tax bill, equals **an increase of \$7.44 per \$100,000** of MPAC current value assessment (CVA)

Therefore a **1.0%** municipal tax levy increase, applied to the median MPAC current value assessment (CVA) equals; **an increase of \$29.94 per \$400,000** of MPAC

MPAC property assessments for the 2025 property tax year continue to be based on 2016 fully phased-in values.





Tax Levy Comparison

The tax rate and assessment comparisons provide a summary of the tax rate changes over the past four years. The table below is a history of the MPAC Municipal Assessment (weighted) for the Township of Cavan Monaghan and the corresponding final tax rates per year.

	Tax Rate and Assessment Comparison				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025 2nd Draft</u>
Amount to be raised by Taxes	\$9,806,049	\$10,488,045	\$11,012,885	\$11,501,035	\$12,298,264
Weighted Assessment	\$1,431,048,372	\$1,488,177,140	\$1,517,338,016	\$1,533,673,199	\$1,561,547,234
Increase in CVA year over year	1.5%	4.0%	2.0%	1.1%	1.8%
Taxes per 100,000 Residential	\$685.24	\$704.76	\$725.80	750.20	TBD
Increase in Tax Levy %	1.0%	2.85%	3.00%	3.37%	4.99%





The Consumer Price Index rose 2% in the 12 months to August; on the September 2024 notice from Statistics Canada and the municipal wage grid indexed as per Personnel Policy By-law 2020-12, Sec. 12.1.4.

The Canadian Union of Public Employees Local 1306.2/1306.8 collective agreements renewed in 2022 on By-law No. 2022-48 (Parks) and 2022-34 (Public Works) with a 5.25% wage increase over a three year term (2022-2024). Negotiations will open in 2025.

The Construction Price Index rose 3.3% year over year (Q3 2023 to Q3 2024) and the 2025 Development Charges will be indexed as per By-law No. 2019-18, Section 5.1.

On December 16, 2024 Council approved the annual User Fees & Charges By-law, Finance Report 2024-14, to ensure municipal revenues for services reduce the impact of the cost of services on the municipal property tax rate.



2025 Municipal Tax Rates

2nd Draft (4.99% increase)

Property Class Description	RTC	RTQ	2025 MPAC Roll Total	Tax Ratio	Tax Rate Reduction	Weighted Assessment	2nd Draft Tax Rate	2nd Draft 2025 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	0.00865223	23,281
Commercial, Payment In Lieu, Full, Excess Land (No School Rates).	C	V	105,000	1.0986	0.7	80,747	0.00605656	636
Commercial, Taxable vacant land shared, Subject To Payment-In-Lieu Of Taxes At The Full Rate.	C	G	1,161,000	1.0986	1	1,275,475	0.00865223	10,045
Commercial, Taxable At The Full Rate.	C	J	112,000	1.0986	0.7	86,130	0.00605656	678
Commercial taxable: Excess land	C	T	99,348,944	1.0986	1	109,144,750	0.00865223	859,590
Commercial, Taxable At The Vacant Land Rate.	C	U	3,356,507	1.0986	0.7	2,581,221	0.00605656	20,329
Commercial payment in lieu full vacan land	C	X	3,772,300	1.0986	0.7	2,900,974	0.00605656	22,847
Commercial payment in lieu general vacant land	C	Y	136,000	1.0986	0.7	104,587	0.00605656	824
New Construction Commercial: Full No Support Exempt	X	Z	-	1.0986	1	-	0.00865223	0
Farmland, Taxable At The Full Rate.	E	T	86,288,565	0	0	-	-	0
Industrial, Taxable, Shared Payment-In-Lieu (Not Pll But Shared As If It Was)	F	T	217,946,900	1	0.25	54,486,725	0.00196892	429,121
Industrial, Taxable, Excess Land, Shared Payment in Lieu	I	H	117,300	1.5432	1	181,017	0.01215376	1,426
Industrial, Taxable At The Full Rate.	I	K	57,200	1.5432	0.65	57,376	0.00789995	452
Industrial, Taxable At The Vacant Land Rate. Excess Land	I	T	6,719,700	1.5432	1	10,369,841	0.01215376	81,670
Industrial, Taxable At The Vacant Land Rate.	I	U	411,300	1.5432	0.65	412,567	0.00789995	3,249
New Construction Industrial, Taxable At The Full Rate.	I	X	3,834,900	1.5432	0.65	3,846,711	0.00789995	30,296
Pipeline Taxable: Full	J	T	-	1.5432	1	-	0.01215376	0
Multi-Residential Taxable: Full (No School Rates).	P	T	8,135,000	1	0.9386	7,635,511	0.00739212	60,135
Full Rate.	M	T	4,009,000	1	1	4,009,000	0.00787569	31,574
Residential, Taxable At The Full Rate.	R	G	2,117,000	1	1	2,117,000	0.00787569	16,673
Managed Forest, Taxable At The Full Rate.	R	P	-	1	1	-	0.00787569	0
Aggregate Extraction	R	T	1,356,835,884	1	1	1,356,835,884	0.00787569	10,686,019
	T	T	8,729,200	1	0.25	2,182,300	0.00196892	17,187
	V	T	225,700	1.255712	1	283,414	0.00988960	2,232
			\$ 1,806,110,100			1,561,547,234		12,298,264

2025 Estimated Budget Require	12,298,264
Amount to be raised by taxes	12,298,264
Weighted Assessment	1,561,547,234
Tax Rate	0.00787569
Taxes per 100,000 Residential Assessment	787.57

Estimated Break-even, with 0% TAX INCREASE, equals \$213,695 of additional tax revenue.

2025 \$787.57

2024 \$750.20

Estimated increase in Residential Tax Rate % **4.99%**

\$ Value of increase per 100,000 Residential CVA **\$37.37**

Approximately every 1% residential tax rate increase equals \$117,100



**2025 Budget Summary
2nd Draft (4.99% increase)**

Summary 2025 1st Draft Budget	Operating % Net change over 2024	Operating	Capital	Total	Tax Levy	Prov/Fed Grant	DC's and/or Reserve Funds	User Fees & Other Revenue	Total
Planning & ECD	-25.4%	478,800	321,893	800,493	772,693		5,000	22,800	800,493
Building	-4.7%	590,940		590,940	-		240,940	350,000	590,940
By-Law Enforcement	0.0%	2,000		2,000	-		2,000		2,000
Protective Services (Fire)	12.5%	1,294,030	1,621,000	2,905,030	1,855,114		1,159,291	90,625	2,905,030
Public Works	6.4%	2,542,080	2,619,302	5,161,382	3,015,228		2,049,456	96,700	5,161,382
Parks & Facilities Department	5.6%	1,668,405	1,782,505	3,450,910	1,895,006	1,083,634		472,270	3,450,910
Office of the CAO	7.1%	510,580	26,000	536,580	282,580		29,000	225,000	536,580
Office of the Clerk	6.1%	620,737		620,737	589,863		11,740	19,134	620,737
Finance & Information Technology	6.1%	1,692,171	3,177,461	4,869,632	3,786,452		424,258	658,922	4,869,632
Capital Grant Applications (pending)	-		2,699,095	2,699,095	140,890	1,365,330	1,182,875		2,699,095
Consolidated Department Net Changes	4.7%								
Council	0.0%	215,515		215,515	215,515				215,515
Library Board Levies & Allocated Expenses	4.1%	389,749		389,749	389,749		8,000		389,749
Ganaraska, Kawartha & Otonabee Conservation	7.0%	125,087		125,087	125,087				125,087
Committee's of Council	-81.1%	65,940		65,940	19,250		25,000	21,690	65,940
Police Service Contract, Board & Community Policing	2.8%	1,575,851		1,575,851	1,553,151			22,700	1,575,851
Consolidated Other Services/Levy Changes	1.9%								
Sub total: Projected Budget		11,761,885	12,247,056	24,008,941					
Less: 2024 Capital Roll Overs			(1,006,729)	(1,006,729)					(1,006,729)
Less: Future Budget pre-approvals			(297,190)	(297,190)					(297,190)
Less: 2024 Operating Surplus (estimated)		(250,000)		(250,000)	(250,000)				(250,000)
Total Budget		11,511,885	10,943,137	22,455,022					
Unfunded Budget to be removed (Capital)									
Contribution from Casino Reserve Rate Stabilization		-	-	-					
Contribution from Casino Reserve for Capital Requests		-	-	-					
Provincial Grants (OMPF)					(580,400)	580,400			
Provincial Grants (OCIF-Formula-Based Funding)					(314,191)				(314,191)
Contribution to Future Infrastructure Reserve					314,191				314,191
Ontario Lottery & Gaming Corp. (OLG) Revenues, 150 Slots (estimated)					(350,000)				(350,000)
Contributions to Asset Replacement Reserve Loan					350,000				350,000
Canada Community Building Fund (prev FedGasTax Grant)					(328,025)				(328,025)
Contributions to Capital Roads Projects					328,025				328,025
Special Charges; Environmental Services and BIA Levy		540,510		540,510	443,290			97,220	540,510
Total (including Casino, Fed Gas Tax & BIA)		12,052,395	10,943,137	22,995,539	14,045,466	3,029,364	5,147,560	2,077,061	22,995,539
Revenues		Operating	Capital	Total					
General Tax Levy		8,180,905	4,117,351	12,298,256	4.99% Residential Tax Rate Increase				
Special Charges; Environmental Services and BIA Levy		443,290	-	443,290	Approximately every 1% residential tax rate increase equals \$117,100				
Provincial/Federal Grants		(247,599)	3,378,963	3,029,364					
Development Charges & Reserve Funds		1,698,737	3,448,823	5,147,560					
User Fees & Other Revenue		2,077,061		2,077,061					
Total		12,052,394	10,943,137	22,995,539					
Special Charges									
Environmental Levy		519,290	-	519,290	425,290			94,000	519,290
Millbrook BIA		21,220		21,220	18,000			3,220	21,220
Total		540,510	-	540,510	443,290	-	-	97,220	540,510

Eliminated OLG dependencies of the 2013 Operating Budget and the 2015 Capital Budget.

2025 OMPF allocation notice



Operating Budget

The Operating budget presented contains a consolidated department net increase of 4.7% 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 below indicates each department's efforts to maintain operations, managing inflation and adjusting to the pressures on delivery of products and services.

The following adjustments have been applied across all departments;

- Alignment of all staff wages to primary departments, no allocations between departments, and amended as per Gallagher Pay Equity Review (Oct. 21, 2024),
- Updated source deductions and benefit rates (OMERS, EI, CPP, EHT, WSIB, Manulife, etc.),
- 2% CPI wage grid indexing applied as per By-law No. 2020-12, Section 12.1.4,
- 2% increase to Hydro, Gas & Fuel and Telecommunication services,
- 2% increase to internal "allocation" expense lines across departments



	2024 Final Budget	2025 2nd Draft	Variance	
Operating Budget				
Planning & ECD	\$611,200	\$456,000	-\$155,200	-25.4%
Building (funded through Building Reserve)	\$619,944	\$590,940	-\$29,004	-4.7%
By-law Enforcement	\$0	\$0	\$0	0.0%
Protective Services	\$1,005,078	\$1,148,905	\$143,827	14.3%
Public Works	\$2,270,954	\$2,425,380	\$154,426	6.8%
Public Works - Environmental	\$520,745	\$519,290	-\$1,455	-0.3%
Parks & Facilities	\$1,128,927	\$1,196,135	\$67,208	6.0%
Office of the CAO	\$239,550	\$256,580	\$17,030	7.1%
Office of the Clerk	\$555,783	\$589,863	\$34,080	6.1%
Finance & Information Technology	\$523,423	\$643,691	\$120,268	23.0%
Consolidated Department Net Changes	\$7,475,604	\$7,826,784	\$351,179	4.7%
Council	\$215,500	\$215,515	\$15	0.0%
Library Board Operating Levy	\$320,396	\$333,486	\$13,090	4.1%
Library Allocated Expenses	\$17,327	\$20,263	\$2,936	16.9%
Library Board Capital Levy	\$22,000	\$28,000	\$6,000	0.0%
Ganaraska, Kawartha & Otonabee Conservation	\$116,901	\$125,087	\$8,186	7.0%
Committees of Council	\$49,500	\$19,250	-\$30,250	-61.1%
Police Contract & Services	\$1,510,657	\$1,553,151	\$42,494	2.8%
Consolidated Other Services/Levy Changes	\$2,252,281	\$2,294,752	\$42,472	1.9%
Total Department & Other Services/Levy	\$9,727,885	\$10,121,536	\$393,651	4.0%
Water & Wastewater Expenses	\$1,650,148	\$1,650,456	\$308	0.0%
Consolidated Other Services/Levy Changes	\$11,378,033	\$11,771,992	\$393,959	3.5%

Have it all. Right here.



Environmental Tax Rate

The 2025 Environmental Budget has a \$1,455 decrease in operational costs for municipal waste programs and transfer station expenses. Council approved Public Works Report 2022-18, extending the service contract with Wither's Waste Management. In 2025, the municipality will continue to receive revenue from Circular Materials Ontario for Blue Box materials collected at the Transfer Station. This results in a reduced environmental tax rate by \$1.42 per \$100,000 of current value assessment.

Water and Wastewater

The Water and Wastewater Operating Budget is based on the Water & Wastewater Financial Plan, the Rate Study, User Fees and Charges By-law No. 2020-66, and the 2022 Watson & Associates Rate Study Analysis (By-law No. 2022-67). Remaining funds at year-end are transferred to the Water & Wastewater Reserve for future capital projects or operational costs. Water services are funded by user fees; therefore, they do not impact the municipal tax rate.





Capital Budget Overview

In order to progress and grow, the municipality must also look beyond simply providing existing services.

A municipality needs to be guided by a clear and overarching vision of what it is to become.

Infrastructure is funded through the Capital Budget.

The bulk of that funding is used to maintain and rehabilitate existing infrastructure as identified in the Asset Management Plan. As funding allows, the municipality continues to fund growth, building new infrastructure and investing in the future. These are investments that residents and businesses will benefit from for years to come and which contribute to the growth of our economy and quality of life.



The 2025 Capital Budget presented contains an estimated \$12,247,056 total Capital Requests including the 2024 capital rollovers. The proposed projects align with the Corporate Priorities and are included within the draft municipal tax levy increase.

	Total Capital Requests	\$12,247,056
	Less: 2024 Capital Roll Over	(\$1,006,729)
	Less: Future Year pre-approvals	(\$297,190)
	Total 2025 Capital Expenditures	\$10,943,137
	Less: Asset Replacement Reserve Funding	(\$910,050)
	Less: Reserves and/or Other Funding	(\$4,550,406)
	Less: Grant Applications (pending)	(\$1,365,330)
	Net 2025 Capital Expenditures	\$4,117,351
	<i>Net 2024 Capital Expenditures</i>	<i>\$3,877,540</i>
 <u>Funding Sources:</u>		
	Asset Replacement Reserve funded through the Municipal Tax Levy	\$2,952,902
	Capital Requests funded through the Municipal Tax Levy (1st Draft)	\$1,164,449
	Total Capital Funded through Municipal Tax Levy	\$4,117,351



Capital Changes to Date

The primary Capital project amendments between the 1st and 2nd drafts that reflect the impact on the municipal tax rate are as follows;

+ \$5,800	Add Facility Recreation Management Software
+ \$7,000	MRHAC request to increase Station Park Sign to \$14K
- \$5,000	Application of MMAH Funds towards Gov Stack Migration
- \$5,000	Reduce Tsf to Reserves for Zoning By-law to \$5K
- \$40,000	Reduce Tsf to Reserves for Official Plan to \$10K
+ \$117,100	Add Tsf to Parkland General Reserve Fund per Council (Nov.21)
+ \$15,000	MVT request to add MVT Bridge @ OMS
- \$84,400	CCBF Funding applied to Hot Mix Paving
- \$65,745	CCBF Funding applied to Sidewalks (Fredrick Street)
- \$100,000	Defer of Fallis Line East Road Extension to future budget year

Notes;

1. Road Milling (Hardtop Pulverization) was allocated amongst the surface treatment roads maintaining the full project costs including pulverization.
2. Public Works has provided additional details regarding the proposed allocation to reserve funds for the future acquisition of a Roadside Mower, with the intended purchase estimated in 2028.



The Township of Cavan Monaghan Capital Requests in 2025 2nd Draft (including 2024 roll-overs)

Capital Item Requested	Requested Purchases	Reserve/ Other Funding Available	Transfers Specific Reserves	2024 Roll Overs	Transfers Asset Replacement Reserve	Future Budget pre-approvals	Adjusted Total
Chief Administrative Officer							
Corporate Strategic Plan (50k RSV), rollover	\$26,000			(\$26,000)			\$0
Total Chief Administrative Officer	\$26,000	\$0	\$0	(\$26,000)	\$0	\$0	\$0
				<i>2024 Capital Request Adjusted Total (Chief Administrative Officer)</i>			\$0
Finance							
Asset Management, Policy & Reporting - Bill 6, O.Reg 588/17, rollover	\$25,997			(\$25,997)			\$0
Asset Management Reserve, O.Reg 588/17 (Municipal Infrastructure)					\$2,952,902	100% YE2023 Depreciation	\$2,952,902
Development Charges Study, 5 year update	\$33,200	(\$33,200)	DC				\$0
Total Finance	\$59,197	(\$33,200)	\$0	(\$25,997)	\$2,952,902	\$0	\$2,952,902
				<i>2024 Capital Request Adjusted Total (Finance)</i>			\$2,583,057
Information Technology							
Network, Server, Switches & IT Infrastructure, rollover	\$56,028			(\$56,028)			\$0
IT Modernization Plan, MMP Grant II (MNP), rollover	\$30,579			(\$30,579)			\$0
IT & Service Modernization Plan, MMP Grant I (MNP), rollover	\$25,000			(\$25,000)			\$0
Hardware Replacement Program & Upgrades	\$41,455			(\$19,869)			\$21,586
Facility Recreation Management Software	\$7,300	(\$1,500)	MMAH RSV				\$5,800
Postage Machine (Neopost)	\$5,000						\$5,000
Total Information Technology	\$165,362	(\$1,500)	\$0	(\$131,476)	\$0	\$0	\$32,386
				<i>2024 Capital Request Adjusted Total (IT)</i>			\$13,325



The Township of Cavan Monaghan Capital Requests in 2025 2nd Draft (including 2024 roll-overs)

Capital Item Requested	Requested Purchases	Reserve/ Other Funding Available	Transfers Specific Reserves	2024 Roll Overs	Transfers Asset Replacement Reserve	Future Budget pre-approvals	Adjusted Total
Planning, Building & ECD (Economic Community Development)							
2019-2022 CIP Incentives, <i>rollover</i>	\$39,543			(\$39,543)			\$0
CIP Incentives, <i>rollover</i>	\$40,000			(\$15,000)			\$25,000
Baxter Creek Floodplain SPA (Special Policy Area)	\$40,000			(\$30,000)			\$10,000
Planning and Engineering Studies (Employment Lands)	\$150,000						\$150,000
Station Park Sign	\$14,000			(\$7,000)			\$7,000
Website Gov Stack Migration	\$23,150	(\$5,000)	MMAH RSV				\$18,150
TSF to RSV - Cavan Monaghan Zoning By-Law (126k RSV, FPD 2027)			\$5,000				\$5,000
TSF to RSV - Official Plan (145k RSV, FPD 2026)			\$10,000				\$10,000
Total Planning, Building & ECD	\$306,693	(\$5,000)	\$15,000	(\$91,543)	\$0	\$0	\$225,150
				<i>2024 Capital Request Adjusted Total (Planning, Building & ECD)</i>			\$40,000



The Township of Cavan Monaghan Capital Requests in 2025 2nd Draft (including 2024 roll-overs)

Capital Item Requested

Capital Item Requested	Requested Purchases	Reserve/ Other Funding Available	Transfers Specific Reserves	2024 Roll Overs	Transfers Asset Replacement Reserve	Future Budget pre-approvals	Adjusted Total
Parks and Facilities							
Tsf to RSV - Parkland General Reserve Fund			\$117,100				\$117,100
Old Millbrook School - 2020 ICIP Grant approved Aug 2021 (R/04/11/19/13)	\$511,750	(\$375,266)	ICIP	(\$104,084)			\$32,400
Millbrook Arena - 2020 ICIP Grant approved March 2021 (P&F 2019-15)	\$966,000	(\$708,368)	ICIP	(\$196,452)			\$61,180
Community Center Furniture, Fixtures & Equipment (CMCC), rollover	\$46,655			(\$46,655)			\$0
Tsf to RSV - Demolition of the Millbrook Arena (100k RSV)			\$100,000				\$100,000
Tsf to RSV - 2014 Dodge Ram PR-03 replacement, (10k RSV, FPD 2028)			\$10,000				\$10,000
Tsf to RSV - Olympia Ice Resurfacer, (10k RSV, FPD 2029)			\$10,000				\$10,000
Tsf to RSV - Bell Restoration (FPD 2028)			\$1,000				\$1,000
David Suzuki Foundation's Butterfly Project	\$5,000						\$5,000
MVT Bridge @ OMS	\$15,000						\$15,000
Total Parks & Facilities	\$1,544,405	(\$1,083,634)	\$238,100	(\$347,191)	\$0	\$0	\$351,680
				<i>2024 Capital Request Adjusted Total (Parks & Facilities)</i>			\$464,971



**The Township of Cavan Monaghan
Capital Requests in 2025
2nd Draft (including 2024 roll-overs)**

Capital Item Requested	Requested Purchases	Reserve/ Other Funding Available	Transfers Specific Reserves	2024 Roll Overs	Transfers Asset Replacement Reserve	Future Budget pre-approvals	Adjusted Total
Protective Services (Fire)							
Replace-1989 Chev 1/2 Ton Grass Fire Unit U5-89 (80k RSV, R/O 2024)	\$135,000	(\$80,000)	EE	(\$44,418)	(\$10,582)		\$0
Repeater and Communication Upgrades, (47k RSV, FPD 2025)	\$75,000	(\$75,000)	EE				\$0
Bunker Gear	\$35,000				(\$26,950)		\$8,050
Back Up Generator Station 2	\$17,000				(\$13,090)		\$3,910
Fire Hoses	\$15,000				(\$11,550)		\$3,450
Tsf to RSV-SCBA Units			\$27,000				\$27,000
Replace-2000 GMC Tanker #T1-00, (482k RSV, FPD 2026) preapproved PW2004-XX	\$842,000	(\$482,000)	EE		(\$75,314)	(\$142,343)	\$142,343
Replace-2003 Chevy C5500 Rescue Truck #R1-03, (267k RSV, FPD 2026) preap	\$450,000	(\$267,000)	EE		(\$73,305)	(\$54,847)	\$54,848
Tsf to RSV-SRU Team Training, (40k RSV, FPD 2026)			\$5,000				\$5,000
Tsf to RSV-2000 Ford F550 Rescue Truck #R2-00, (128k RSV, FPD 2027)			\$20,000				\$20,000
Total Protective Services	\$1,569,000	(\$904,000)	\$52,000	(\$44,418)	(\$210,791)	(\$197,190)	\$264,601
				<i>2024 Capital Request Adjusted Total (Protective Services - Fire)</i>			\$255,818



The Township of Cavan Monaghan Capital Requests in 2025 2nd Draft (including 2024 roll-overs)

Capital Item Requested	Requested Purchases	Reserve/ Other Funding Available	Transfers Specific Reserves	2024 Roll Overs	Transfers Asset Replacement Reserve	Future Budget pre-approvals	Adjusted Total
Roads and Environmental Services							
Public Works Operation Centre, Fuel System, <i>rollover</i>	\$25,047			(\$25,047)			\$0
Street Light Replacement, <i>rollover</i>	\$72,120	(\$20,000)	DC	(\$52,120)			\$0
International Tandem, PW2023-04 (<i>pre-approved, delivery Spring/Summer 2025</i>)	\$365,135	(\$120,000)	DC	(\$245,135)			\$0
Pre-Engineering Cost	\$30,000			(\$12,802)			\$17,198
Hot Mix Paving (Various Roads)	\$300,000	(\$84,400)	CCBF		(\$215,600)		\$0
Sharpe Line (Surface Treatment)	\$54,202	(\$15,249)	OCIF+ CCBF		(\$38,953)		\$0
Wilson Line (Surface Treatment)	\$90,336	(\$25,415)	OCIF		(\$64,921)		\$0
Hutchison Line (Surface Treatment)	\$48,556	(\$13,660)	OCIF		(\$34,896)		\$0
Hillview Drive (Surface Treatment) w Cty of Ptbo	\$60,977	(\$39,066)	\$27k w County + OCIF		(\$21,911)		\$0
Skiview Road (Surface Treatment)	\$24,842	(\$6,989)	OCIF		(\$17,853)		\$0
Zion Line (Surface Treatment)	\$60,975	(\$17,154)	OCIF		(\$43,821)		\$0
Howden 1/4 Line (Surface Treatment)	\$42,910	(\$12,072)	OCIF		(\$30,838)		\$0
Brown Line (Surface Treatment)	\$54,202	(\$15,249)	OCIF		(\$38,953)		\$0
Slurry Seal (extend road life 5 yrs)	\$360,000	(\$360,000)	OCIF				\$0
Frederick Street Reconstruction	\$300,000	(\$300,000)	OCIF				\$0
Sidewalks (Fredrick Street)	\$90,000	(\$65,745)	OCIF		(\$24,255)		\$0
Intersection Replacement w Cty of Ptbo (TBD)	\$50,000	(\$25,000)	CCBF	(\$5,000)			\$20,000
Brookside Street Reconstruction (Phase II) (<i>preapproved PW-2024-22</i>)	\$125,000		50% w/County		(\$89,833)		\$35,167
Crack Seal	\$25,000						\$25,000
County Road 10 EA, Traffic Modelling (collab w County)	\$25,000	(\$25,000)					\$0
Replace - 1991 Case Backhoe 33-91 (DC 5.3.1 T5-5 #3)	\$240,000	(\$185,198)	DC		(\$54,802)		\$0
Replace - Pickup Truck 4-12	\$75,000		DC		(\$22,623)		\$52,377
Tsf to RSV - Roadside Mower (FPD 2028)				\$100,000			\$100,000
Total Roads and Environmental	\$2,519,302	(\$1,330,197)	\$100,000	(\$340,104)	(\$699,259)	\$0	\$249,742
				<i>2024 Capital Request Adjusted Total (Roads & Environmental Services)</i>			\$523,694



**The Township of Cavan Monaghan
Capital Requests in 2025
2nd Draft (including 2024 roll-overs)**

	Total Project Cost	Reserve/ Other Funding Available	Transfers Specific Reserves	Grant Application (pending)	Transfers Asset Replacement Reserve	Future Budget pre-approvals	Adjusted Total
Grant Applications submitted (pending approval)							
Active Living and Wellbeing program for Seniors (SALC)	\$80,000			(\$50,010)			\$29,990
Connection to Community Amenities @ OMS (EAF)	\$44,345			(\$33,445)			\$10,900
NEW-Station 2 Exhaust System (FPG), (55k RSV, FPD 2025)	\$31,000	(\$21,000)		(\$10,000)			\$0
Fallis Line East Road Extension (HECSS) (DC 5.3.1 T5-4 #9) FPD 2026	\$2,543,750	(\$1,171,875)	EE DC + Developer	(\$1,271,875)		(\$100,000)	\$0
Total Grant Applications	\$2,699,095	(\$1,192,875)	\$0	(\$1,365,330)	\$0	(\$100,000)	\$40,890



Grant Applications submitted, pending approvals.

	Grant Project Title	Due Date	Max	Municipal Contribution	Project	Department	Estimated			Submitted
							Total Project Cost	Grant	Municipal Contribution	
EAF	Enabling Accessibility Fund	07/23/2024	\$ 125,000	25%	Creation of Accessible Shade Structure and Connection to Community Amenities (OMS)	Parks & Facilities	\$ 47,671	\$ 33,259	\$ 14,412	√
FPG	Fire Protection Grant	09/05/2024	\$ 20,000	0%	Diesel Exhaust Extraction System	Fire Department	\$ 109,009	\$ 20,000	\$ 89,009	√
SALC	Senior Active Living Centres (with Library)	09/12/2024	\$ 50,000	20%	Active Living and Wellbeing Program for Seniors in Cavan Monaghan	Parks & Facilities	\$ 84,986	\$ 50,000	\$ 34,986	√
HECSS	Housing Enabling Core Servicing Stream	10/18/2024	\$20,000,000	50%	Fallis Line Extension	Public Works	\$ 3,568,821	\$ 1,803,125	\$ 1,765,696	√
HEWSF	Housing Enabling Water Systems Fund (R2)	11/01/2024	\$35,000,000	27%	New Water Storage Pipe and Distribution Pipes	Public Works	\$19,737,835	\$ 13,428,350	\$ 6,309,485	√
CSRIF	Community Sport and Recreation Fund - Stream 2	Ongoing			Concept design in progress	Parks & Facilities				
CEPG	Community Emergency Preparedness Grant (R2)	Sept 2024 - TBD				Fire Department				
CHIF	Canada Housing Infrastructure Fund	03/31/2025	\$10,000,000	40%						





The Township of Cavan Monaghan
Water & Wastewater
Capital Requests in 2025
2nd Draft

Capital Item Requested	Requested Purchases	Reserve/ Other Funding Available	2024 Roll Overs	Future Budget	Transfer to/from W & WW Reserve
Water Distribution System					
Booster Station Pump Upgrades, DC 11, <i>rollover</i>	\$ 50,000		(\$50,000)		\$ -
Advanced Metering Infrastructure Software, DC 3, <i>rollover</i>	\$ 140,000	(\$140,000)			\$ -
Hydrogeological Study for 4th Drinking Well (78 King St W), DC 6, <i>rollover</i>	\$ 149,002	(\$149,002)			\$ -
Bulk Water Station Upgrade, <i>rollover</i>	\$ 60,000		(\$60,000)		\$ -
Booster Station Fence, <i>rollover</i>	\$ 25,000		(\$25,000)		\$ -
Reconstruction of watermain - Frederick Street	\$ 450,000				\$ 450,000
Water Rates Study User Fees	\$ 15,000				\$ 15,000
Tools and Equipment	\$ 15,000				\$ 15,000
PSD CityWide Maintenance Manager	\$ 50,000				\$ 50,000
Pickup Truck (50% Water, 50% WWW)	\$ 34,000				\$ 34,000
Water Meter Replacement Program	\$ 20,000				\$ 20,000
Total Water Distribution System	\$ 1,008,002	(\$289,002)	(\$135,000)	\$0	\$ 584,000
Total Water Capital	\$ 1,008,002	(\$289,002)	(\$135,000)	\$0	\$ 584,000
Wastewater Collection System					
Sewer Flow Monitoring, <i>rollover</i>	\$ 50,000		(\$50,000)		\$ -
Collection System Maintenance, <i>rollover</i>	\$ 50,000		(\$50,000)		\$ -
Sump Pump Program, <i>rollover</i>	\$ 50,000		(\$50,000)		\$ -
Wet Well Flow Meter Upgrades	\$ 40,000				\$ 40,000
Sand Filter Replacement - WWTP	\$ 25,000				\$ 25,000
WWW Rates Study User Fees	\$ 15,000				\$ 15,000
Replacement Portable Generator	\$ 100,000				\$ 100,000
Sewer Needs Study	\$ 20,000				\$ 20,000
Pickup Truck (50% Water, 50% WWW)	\$ 34,000				\$ 34,000
Tools and Equipment	\$ 15,000				\$ 15,000
Sanitary Lateral Replacement - Frederick St	\$ 100,000				\$ 100,000
Wastewater Collection System	\$ 499,000	\$0	(\$150,000)	\$0	\$ 349,000
Total Wastewater Capital	\$ 499,000	\$0	(\$150,000)	\$0	\$ 349,000
Total Water and Wastewater Capital	\$ 1,507,002	(\$289,002)	(\$285,000)	\$0	\$ 933,000
Grant Applications submitted (pending approval)					
	Total Project Cost	Reserve/ Other Funding Available	Grant Application (pending)	Future Budget	Transfer to/from W & WW Reserve
New Water Storage Pipe and Distribution (HEWSF-r2)	\$ 18,395,000		(\$13,428,350)	(\$4,837,650)	\$ 129,000
Total Grant Applications	\$ 18,395,000	\$0	(\$13,428,350)	(\$4,837,650)	\$ 129,000





Finance Report 2025-01 Recommendations

1. That Council receives the 2nd Draft 2025 Budget Presentation for discussion; and
2. That Council approves the proposed 4.99% Municipal Residential Tax Rate increase to fund the Operating & Capital budgets for the final budget report on January 27, 2025.

Questions

