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• WHERE THE RIVERS MEET •

Tabling of 2024 Draft Budget & LRFCF

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Council Meeting – Monday, January 8, 2024

Presentation

- Guiding Principles
- Operating Budget (Draft)
- Capital Budget (Draft)
- Reserve and Reserve Funds
- Long Range Capital Forecast
- Conclusions and Recommendations





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Guiding Principles

Guiding Principles

- Arnprior Strategic Plan
- Financial Strategies
- Financial Controls
- Informed Data / Supporting Studies
- Asset Management Focus
- Adapt / Address Pressures
 - Growth Management
 - Legislative Requirements



Guiding Principles

- 2024-2027 Strategic Plan
 - **Strategic Priority: Financial Sustainability**
 - Financial sustainability is a fundamental principal to guide decision-making. Our goal is to manage our resources in a manner that ensures long-term stability and growth for the Town of Arnprior.



Guiding Principles

- Financial Strategies
 - The “Pay-as-you-go” principle continues to proactively guide decision-making in order to minimize long-term borrowing, pay down existing debt and to build reserves to fund future expenditures
 - Reserve / Reserve Fund Policy
 - Debt Management Policy
 - Growth pays for Growth



Guiding Principles

- Financial Controls
 - Delegation of Authority / Procurement Policy
 - 80% rule for discretionary spending
 - Earmarking to ensure offsetting revenues or cost saving measures in place
 - Departmental reviews with business case requirements for new expenditures



Guiding Principles

- Informed Data / Supporting Studies
 - Significant analysis of the operating budget including a comprehensive review of every line item including a 3 year trend analysis
 - Capital analysis to prioritize and determine mandatory and/or legislated requirements
 - Significant reliance upon Town's Asset Management Plan, Master Plans and other data to inform budget and long range forecasts



Guiding Principles

- Asset Management Focus
 - Active management of the Town's significant capital asset portfolio
 - Key consideration of lifecycle strategies, risk profiles and levels of service requirements
 - Financial strategies to reach sustainability
 - Compliance with Ontario Regulation 588/17
 - Maximize the value ratepayers receive from assets



Guiding Principles

- Adapt / Address Pressures
 - Growth Management
 - Consideration of both operating and capital impacts of current and future growth
 - Legislative Impacts
 - Provincial / federal grant funding
 - DC / Planning Act impacts on financial revenues
 - Delayed Current Value Assessment roll-out
 - Market / Inflationary Pressures
 - Pricing impacts on expenditures





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Draft 2024 Operating Budget

Operating Budget - Format

Column 1	Column 2	Column 3	Column 4
2023 Actuals	2023 Budget	2024 Budget	Budget Variance – 2023 vs 2024

Notes:

- 2023 Actuals: these are unaudited amounts and some invoices remain outstanding at point of printing

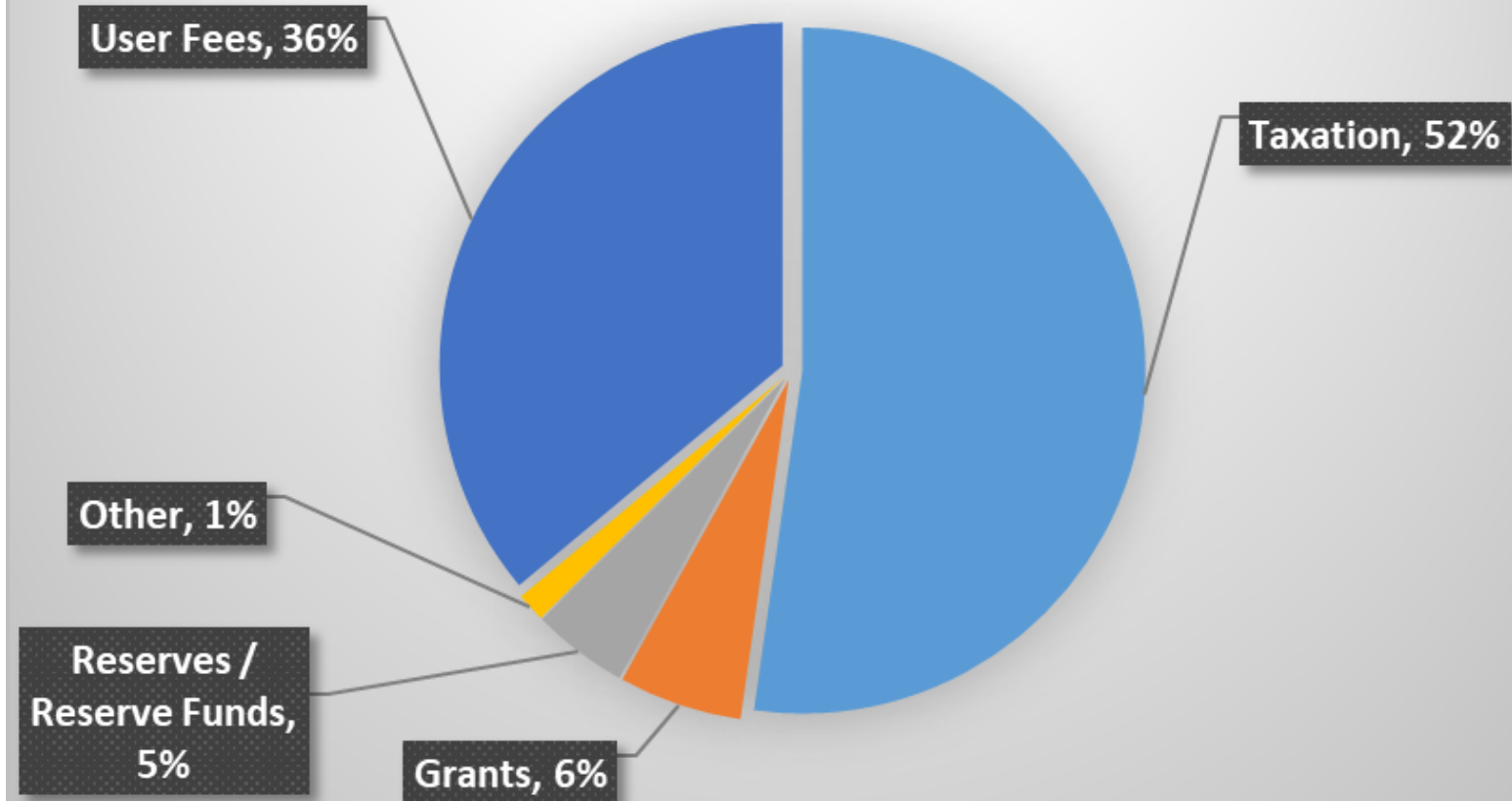


Operating Budget - Format

- Format Changes
 - Continue shift of minor capital or items of operating nature from capital projects into the operating budget
 - Water / Wastewater plants minor capital
 - Building services minor capital (one-time)
 - Separate Community Grant line for SALC
 - Was previously combined with municipal grants



Operating Revenues



Operating Budget - Impacts

- Taxation impact due to no CVA increase
 - MPAC announcement that the new assessment cycle which was delayed in 2021, 2022 & 2023 will be delayed again for 2024.
 - Annual taxation will be calculated on the current value assessment which is based on a 2016 valuation.
 - Loss of potential revenue stream to address inflationary impacts.



Operating Budget - Impacts

- Growth – Supplemental taxation revenues
 - A significant amount of the growth from prior year (new builds) or renovations that increase home values resulted in additional supplemental taxation revenues for the Town

	2018	2019	2020	2021	2022	2023
# Permits	200	243	226	457	171	200
New Builds	72	119	97	333	28	82
Supps (\$)	\$126K	\$109K	\$192K	\$241K	\$646K	\$497K



Operating Budget - Impacts

- Government Grants

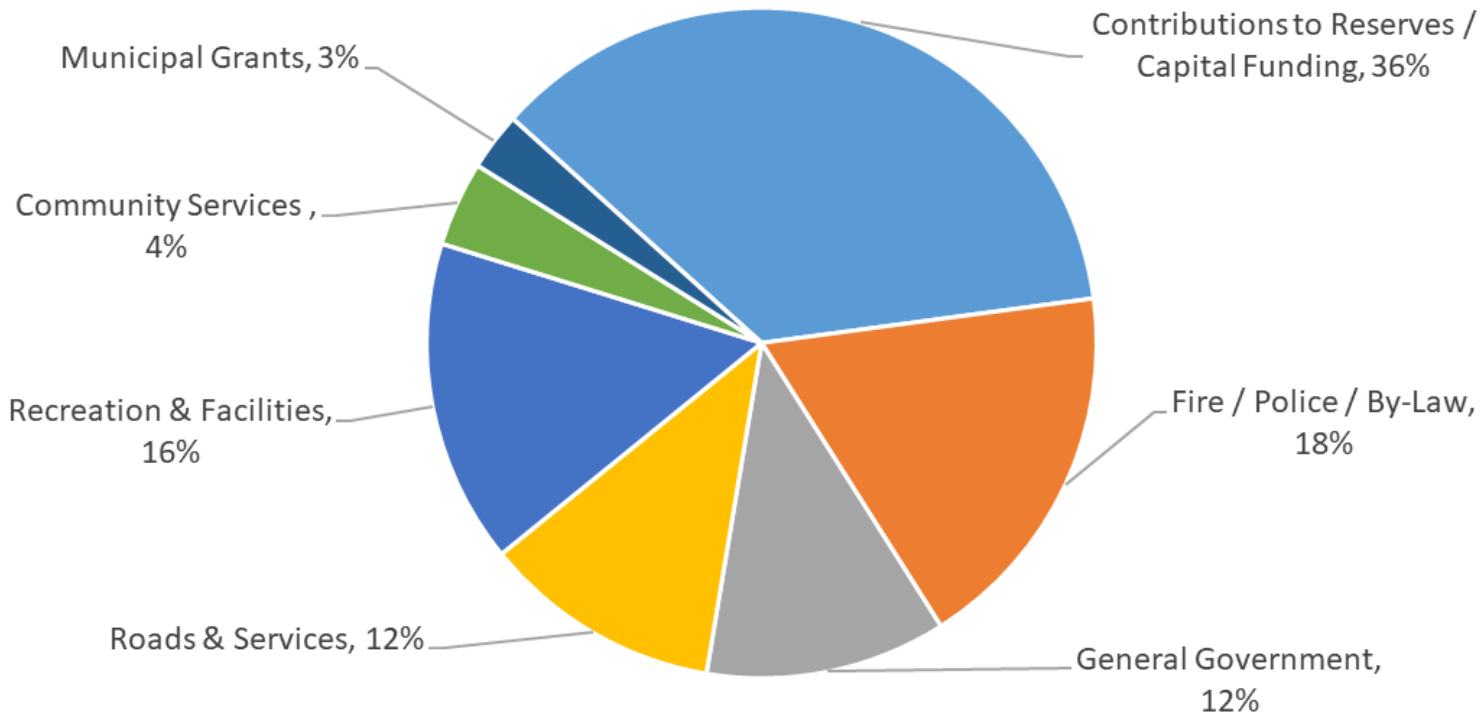
Grant	2022	2023	2024	\$ Impact
OMPF	\$1,588,800	\$1,473,700	\$1,359,500	-\$114,200
OCIF	\$1,099,596	\$934,657	\$794,458	-\$140,199
CCBF	\$278,935	\$291,062	\$302,737	\$11,675
Total	\$2,967,331	\$2,699,419	\$2,456,695	-\$242,724

– Reductions in government grants for the 2024 budget is equivalent to a 2.05% tax rate impact

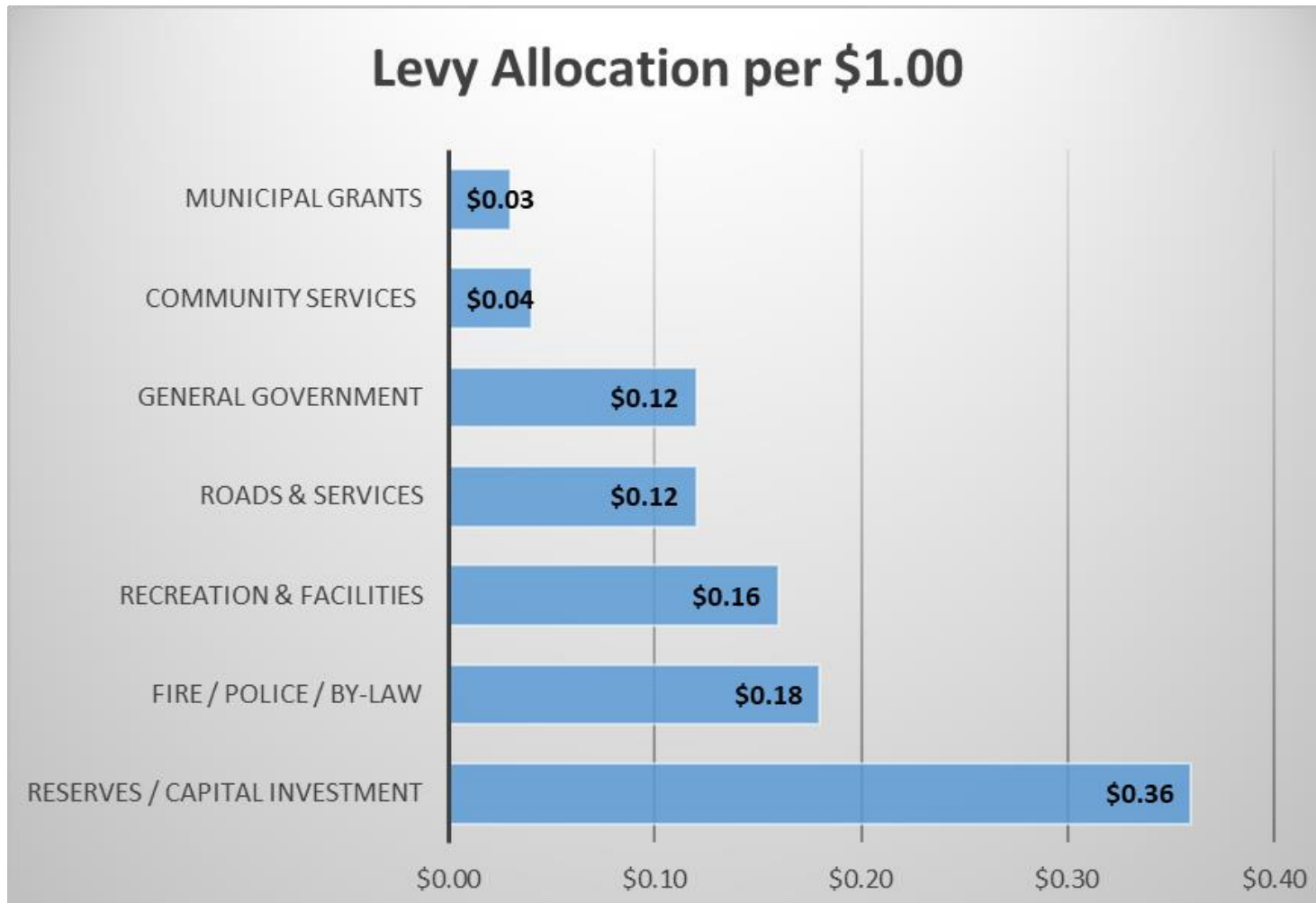


Operating Budget

Net Operating Expenses - Levy Cost Centres



Operating Budget



Operating Budget - Impacts

- Salaries & Wages
 - COLA increase 2.0%
 - Based on Collective Bargaining Agreement
 - Statutory Deduction decrease
 - EI increase, WSIB decrease, CPP calculation change (second earning ceiling), EHT same
 - 0.38% overall decrease
 - Benefit Premiums (Manulife) 6.0% decrease
 - Increases on dental premiums, reductions on life insurance, LTD and extended health premiums
 - Annual impact \$31,200 reduction



Operating Budget - Impacts

- Policing Services

	2022	2023	2024
# of Properties	4,524	4,618	4,887
Policing Per Unit Cost	\$375.81	\$362.01	\$360.14
Annual Cost	\$1,700,173	\$1,671,758	\$1,760,002
Prior Year Adjustment	\$4,169	\$10,322	\$13,857
New Annual Cost	\$1,704,342	\$1,682,080	\$1,773,859

- 2024 budget impact of \$91,779
- Unit cost per property decreasing



Operating Budget - Impacts

- General Insurance & Risk Management
 - \$50,693 premium increase allocated across operating budget by facility
- Interest / Investment Income
 - Additional revenues from interest / investment income due to the higher rates of return



Operating Budget - Impacts

- Fire Department
 - Includes new annual stipend for Training Officer (\$8K)
 - Increased training requirements due to the new regulatory framework for mandatory minimum training standards (certifications)



Operating Budget - Impacts

- Winter Control
 - Continue to see efficiencies and savings from investment in in-house sidewalk clearing
 - Increasing cost of supplies and external equipment rentals
 - Overall cautiously optimistic for savings trend with reduced budget
 - Sufficient reserves to cover any shortfalls



Operating Budget - Impacts

- Staffing impacts
 - 2024 budget includes 1.5 new FTE
 - Facilities Coordinator – 1.0 FTE
 - Recreation Programs – 0.5 FTE

	2024	Budget Area
FT Facilities Coordinator	\$64,300	Buildings / Parks / Marina
PT Recreation Programs	\$34,500	Recreation Programs
TOTAL	\$98,800	8 months



Operating Budget - Impacts

- Parks & Facilities Coordinator (FT)
 - Oversee all parks and facilities
 - Consolidating maintenance of all facilities in one branch will streamline operations, create efficiencies and free up capacity in the Engineering Branch to support capital works.
- Recreation Programs Assistant (PT)
 - Continued support of youth programming and new program offerings due to increased participation and registrations



Operating Budget - Impacts

- Parks & Recreation
 - Revenue growth related to new and existing programs and events
 - Some inflationary increases for operating supplies / maintenance and repairs
 - Bring new parks online / maintain (growth)
 - Removed M/B funding – replaced with user fee revenues & hybrid user model



Considerations

Self-Sustaining Cost Centers

- The following programs are established as self-sustaining cost centers:
 - Wastewater Services
 - Waterworks Services
 - Waste Management
 - Cemeteries
 - Building Services



Water / Wastewater

- Water / Wastewater projected revenues
 - Water/Wastewater Rate Study (2018)
 - Cost recovery model includes small shifts from consumption to base fees to create a more constant revenue base
 - Includes 3% annual target increase
 - Base and consumption budgeted revenues are estimated based on past year actuals and forecasts.



Water / Wastewater

- Estimated impact on user with 5/8" meter and average consumption 155m³

	2023	2024
Water		
Base Monthly Charge	\$ 22.31	\$ 22.98
Volume Rate	\$ 1.78	\$ 1.80
Annual Base Charge	\$ 267.72	\$ 275.76
Annual Volume Charge	\$ 275.90	\$ 279.00
Total Water Charges	\$ 543.62	\$ 554.76
Wastewater		
Base Monthly Charge	\$ 16.06	\$ 17.28
Volume Rate	\$ 1.22	\$ 1.24
Annual Base Charge	\$ 192.69	\$ 207.36
Annual Volume Charge	\$ 189.10	\$ 192.20
Total Wastewater Charges	\$ 381.79	\$ 399.56
Total Combined Charges	\$ 925.41	\$ 954.32
Annual % Increase		3.1%



Water / Wastewater

- Operating Budget impacts
 - Increasing supply costs for WFP and WPCCC plants with chemical prices rising (inflation)
 - Increasing water meter lifecycle replacements
 - Asset Management impact
 - Introduction of minor capital
 - Equipment replacement program
 - Contributing \$1.1M (water) and \$530K (wastewater) for capital program
 - Insufficient for 5 year capital plan



Waste Management

- Garbage Collection
 - New contract tender for garage collection
- Landfill operations
 - New contract tender in 2023 (Sept)
 - Small reduction to contribution to reserves for closure costs due to new liability calculation
- Counter-Top Composter
 - Pilot program included in WM budget



Waste Management

- Recycling Collection & Processing
 - Move to Producer Pay Model in July 2023 for residential but not commercial / industrial
 - No longer receiving stewardship grant
 - Separate recycling collection & processing rate for commercial / industrial (ICI)
- Rate stabilization
 - Contribution from waste management reserve to allow for incremental rate increase



Waste Management

Contracted Services	2023	2024
Garbage Collection	\$198,000	\$341,000
Recycling	\$245,000	\$45,000
Landfill	\$350,000	\$505,000
Monitoring	\$52,000	\$52,000



Waste Management

- Waste Management Rates
 - Garbage / Landfill rate (all properties)
 - Recycling rate (ICI only)

	2023	2024
Garbage / Landfill / Recycling	\$150.00	-
Garbage / Landfill	-	\$170.00
Recycling (ICI only)	-	\$182.00

Waste Management

- Municipal Comparisons

	Garbage / Landfill Rate
Arnprior (2023)	\$150.00
Arnprior (2024 proposed)	\$170.00
McNab/Braeside (2023)	\$220.00
Mississippi Mills (2023)	\$252.00
Whitewater (2024)	\$168.00



Cemetery

- Goal is to have the Cemetery cost centre be self-sustaining. In theory, the Care & Maintenance investment fund should generate enough interest to maintain the cemetery.
 - Investment interest generates approximately 20% of the revenues required to annually operate and maintain the cemeteries

Cemetery

- Three year rate schedule (2023-2025)
 - Included in the User Fees and Charges and includes moderate increases for interment rights & interments to cover increasing costs
- Maintain internal equipment rates at 70%
- Malloch Rd Phase I columbaria installation was completed in 2023

Building Services

- Continuing to address the increased inspections from growth
 - Note: each new build permit may generate up to 6 inspections

	2018	2019	2020	2021	2022	2023
# Permits	200	243	226	457	171	200
# New Builds	72	119	97	333	28	82



Building Services

- 2023 budget includes a transfer from the building services reserve to support the annual operating expenses
 - The reserve is working as intended with the revenues generated in high permit years offsetting the fluctuations in other years
 - Building Services Reserve is \$894K
 - Utilize \$112K for 2024



Grants to Organizations

Organization	Grant Request	2023 Budget	2024 Budget
Arnprior Public Library	\$330,515	\$299,453	\$308,095
Arnprior & M/B Archives	\$26,225	\$32,500	\$26,225
Arnprior Airport	\$60,000	\$55,000	\$55,000
Physician Recruitment	\$20,000	\$20,000	\$20,000
Seniors Active Living Centre (SALC)	\$12,500 cash \$7,500 in-kind	\$12,500 \$7,500 in-kind	\$12,500 \$7,500 in-kind
ARH Foundation – CT Scanner	\$50,000/yr for 3 yrs	\$50,000	\$0

*Resolutions to be included on February agenda for in-kind requests



Grants to Organizations

- Library Grant (\$22,420)
 - Operating & Service level increases
 - Should follow Joint Use Agreement
- Airport (\$5,000)
 - Consider criteria for issuance
- CT Scanner (\$50,000)
 - Issued for single year in 2023
 - Request for 3 yrs x \$50,000
- Total \$77,420 = 0.65% MTRI





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Draft 2024 Capital Budget

Capital Budget Approach

- Approach to identify capital projects
 - Capital projects identified in the Long Range Capital Forecast
 - New projects include mandatory (legislated), Council directed, approved master plan, time sensitive or mission critical projects
- Challenges
 - Inflationary costs, supply chain impacts
 - Ability to fund / resources to manage



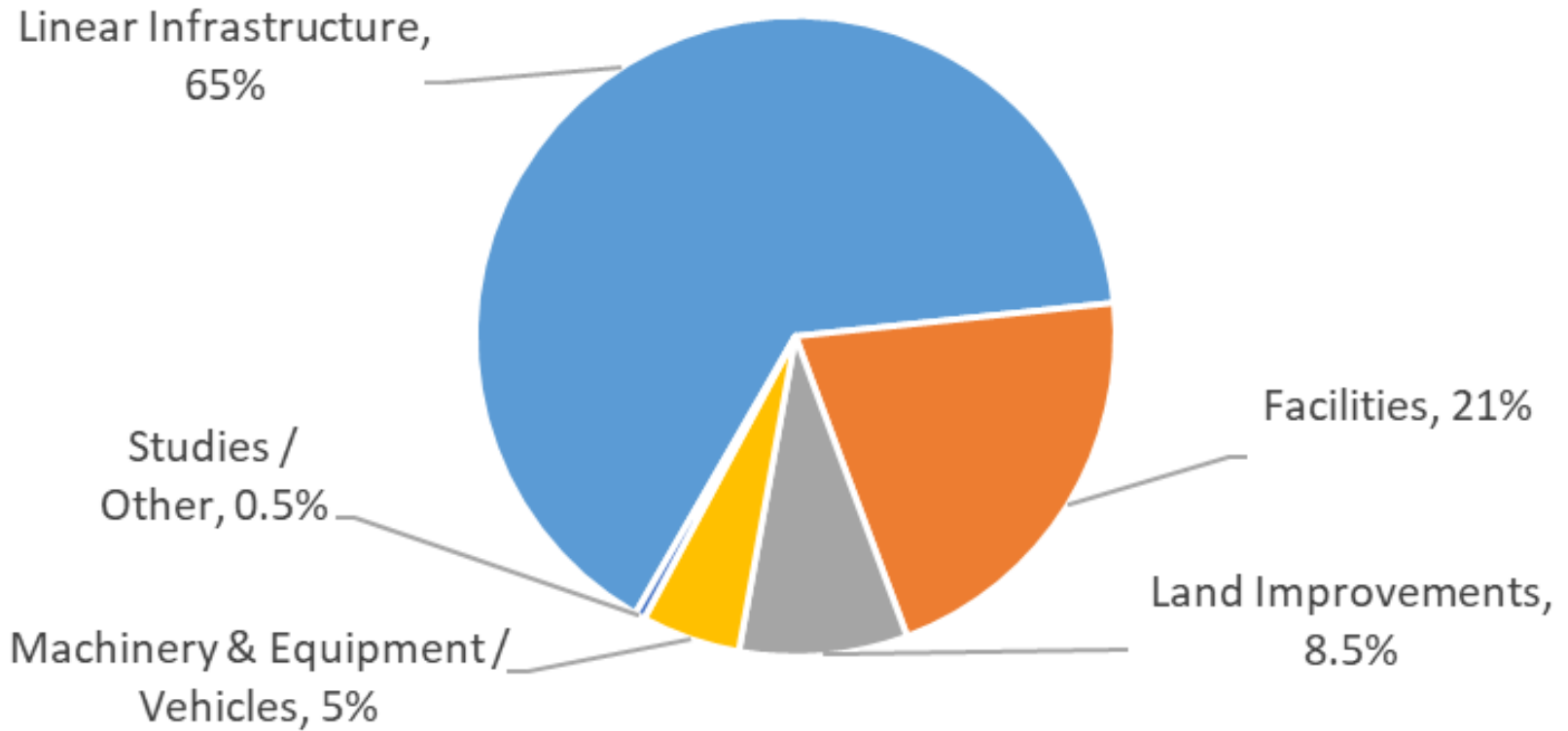
Capital Budget Summary

- 25 capital projects
 - Total investment of \$10,677,200

Investment Type	Capital Investment	% of Total Investment
Linear Infrastructure	\$6,965,000	65%
Facilities	\$2,240,000	21%
Land Improvements	\$927,000	8.5%
Vehicles & Equipment	\$505,000	5%
Studies / Other	\$40,000	0.5%
TOTAL	\$10,677,200	100%



2024 Capital Investment



Pay-As-You-Go Model

- PAYG theory
 - Save years versus spend years
 - 2024 & 2025 are spend years
 - Reserve & Reserve Fund balances
 - 2014 (\$8.9M) to 2024 (\$23.9M)
- Multi-year projects
 - Commit full project value for tendering
 - 2024 current year costs
 - River Crossing & NSC Arena Rehab

Linear Infrastructure

- River Crossing Phase I
 - High priority project, 400mm river crossing watermain replacement
 - Two year project implementation with full project commitment (\$5.4M)
 - 2024 project cost (\$1.35M), 2025 cost (\$4.05M)
 - Partially funded from ICIP grant
 - Federal and provincial government support
 - Significant pull from the Water Reserve Fund



Linear Infrastructure

- MacDonald St Reconstruction (\$4.2M)
 - MacDonald St (from McGonigal to Edey St) includes sanitary sewer upsizing / separation, partial watermain replacement and road reconstruction
 - Development Charge component for sewer upsizing (growth related)



Linear Infrastructure

- Madawaska Blvd Pathways (\$950K)
 - Construct 875m of pathways and tree planting on Madawaska Blvd
 - Curb and entry lane adjustments
- Madawaska Blvd Streetpoles (\$100K)
 - Replacement of seven streetlight poles including duct work



Linear Infrastructure

- Rolling Road Rehab (\$250K)
 - Strategic patchwork on roads & sidewalks
- Design: Victoria Street (\$115K)
 - Design full reconstruction of Victoria St (from John St to Elgin St) including 300mm watermain upsizing and replacement of sanitary sewer.



Land Improvements

- Park Development
 - Fairview Park (\$630K)
 - Construction of new park including splash pad, play features, pathways, seating and landscaping.
 - Marshall's Bay Meadows – Phase I (\$112K)
 - Construction of new park including pathways, seating and landscaping.
 - Funded through Development Charges



Land Improvements

- CN Trail Park Revitalization (\$120K)
 - Park rehabilitation including pathways, lighting and street furniture
- Skate Park Design (\$25K)
 - Complete shovel-ready skate park design and tender specifications (2026 LRCF project)
- Electrical Vehicle Charging Stations (\$40K)
 - Installation of EV charging stations at the NSC and Municipal Parking Lot
 - Subject to successful grant application (\$30K)

Facilities

- NSC Arena Slab Replacements
 - Multi-year project (2024 & 2025) to replace arena floors, header trenches, rubber flooring, rehab roof trusses, add storage and 2nd floor mezzanine
 - Commitment for full project cost (\$6.34M)
 - 2024 (\$1.58M), 2025 (\$4.75M) – consider debenture for 2025 project costs depending on lending rates
 - Meets requirements for financing under debt management policy



Facilities

- DA Gillies Safety Improvements (\$120K)
 - Replace existing fire escape, repair uneven stair risers, existing guards and handrails
- Wastewater Plant (WPCCC) Projects
 - Migrate Scada 3 PLC Processors (\$250K)
 - Filter/Control Building (1994) and Headworks Building (1994) Roof Replacements (\$125K)
 - Installation of Fall Arrest Anchor Points (\$30K)
- WFP Filter Media Replacement (\$130K)



Machinery & Equipment

- IT Server Upgrades (\$160K)
 - Lifecycle replacement of full SCALE server and NSC Domain Controllers
- Fire Personal Protective Equipment (\$27K)
 - PPE for four new hires, replacement of gloves & hoods (23) and helmets (6) for existing members
- Equipment Replacement (\$207K)
 - Parks Mower, Cemetery Mower, Parks Tractor, Public Works Thawing Machine

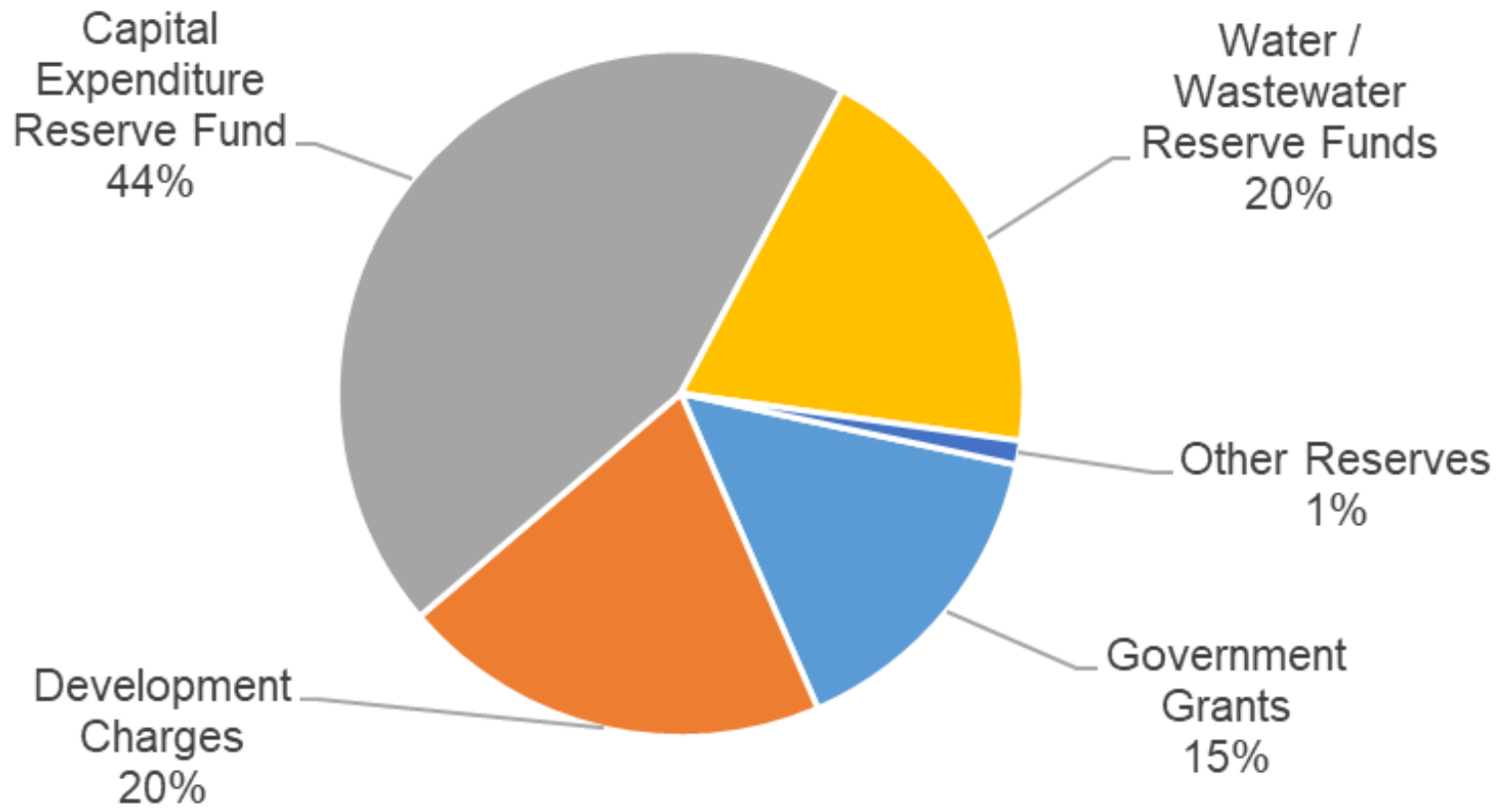


Vehicles / Other

- Roads & Services (\$110K)
 - Lifecycle replacement of 2012 #8 One-Ton vehicle (plow & sander, dump box, single wheel)
- Age-Friendly Community Plan (\$40K)
 - Revitalize the 2016 plan, develop new goals and future targets



Capital Funding Sources



Works in Progress (WIP)

- WIP 2023 Capital Projects
 - Normal for some projects to carry forward
 - Project length longer than one year
 - Projects may not follow calendar year cycle
 - Some projects experienced delays (supply chain)
 - Draft Works-in-Progress by-law will be provided for budget deliberations (Feb 5-6)
 - Year-end invoicing still in progress



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Reserves / Reserve Funds

Reserves / Reserve Funds

	Contributions	Expenditures	Total
Reserves / Reserve Funds	\$5,976,207	(\$7,126,861)	(\$1,130,654)
Government Grants (Capital)	\$1,615,467	(\$1,615,467)	(\$0)
Development Charges	\$950,000	(\$3,011,988)	(\$2,061,988)
Net Impact on Reserves	\$8,541,674	(\$11,754,316)	(\$3,212,642)

- Result is a draw down on reserves by \$3.2M
- PAYG (save then spend) – 2024 is a spend year
- Positive: Total reserve / reserve fund contributions are \$697K higher than 2023 contributions



RESERVE & RESERVE FUND IMPACTS			
	2024 Operating	2024 Other	\$ TOTAL
Reserve & Reserve Fund Contributions			
Election Reserve	8,500		8,500
Marketing & Economic Development Reserve	15,000		15,000
Landfill Reserve Fund	46,950		46,950
Wastewater Reserve Fund	538,880		538,880
Water Reserve Fund	1,127,336		1,127,336
Capital Expenditure Reserve Fund	4,224,441		4,224,441
Municipal Parking Reserve Fund	15,100		15,100
Museum Reserve Fund			-
Cemetery Reserve Fund			-
Development Charges (2024 Projected)		950,000	950,000
Total Reserve & Reserve Funds			6,926,207
Grants Funds			-
Canada Community Building Fund (CCBF)	302,737		302,737
OCIF Formula Funds	794,458		794,458
ICIP - Green Stream (Intake 1)		483,272	483,272
ChargeON Grant Program		30,000	30,000
Grants (ARH) - Age Friendly		5,000	5,000
Total Grant Funds			1,615,467
Total Contributions to Reserve / Reserve Funds	7,073,402	1,468,272	8,541,674

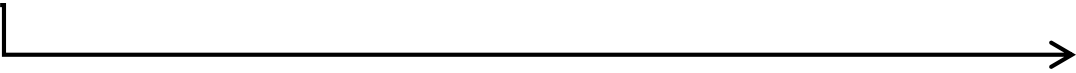


	2024 Operating	2024 Capital	\$ TOTAL
Reserve & Reserve Fund Expenditures			
Cannabis / Modernization Reserve	3,184		3,184
Waste Management Reserve	40,950		40,950
Building Services	111,500		111,500
Cemetery Reserve Fund		35,000	35,000
Development Charges Reserve Fund	845,826	2,166,162	3,011,988
Wastewater Reserve Fund		871,492	871,492
Water Reserve Fund		1,201,200	1,201,200
Capital Expenditure Reserve Fund	75,656	4,702,680	4,778,336
Parkland Development Reserve		85,200	85,200
Total Reserve & Reserve Funds			10,138,849
Grants Funds			
Canada Community Building Fund		302,737	302,737
OCIF Formula Funds		794,458	794,458
ICIP - Green Stream (Intake 1)		483,272	483,272
Grants (ARH) - Age Friendly		5,000	5,000
ChargeON Grant Program		30,000	30,000
Total Grant Funds			1,615,467
Total R/RF Expenditures	1,077,116	10,677,200	11,754,316



2024 Reserve Balances

	Opening Balance	Contributions	Operating Expenses	Capital Expenses	Closing Balance
RESERVES	\$ 4,110,591	\$ 23,500	\$ (155,634)	\$ -	\$ 3,978,457
RESERVE FUNDS	\$ 19,863,569	\$ 6,902,707	\$ (921,482)	\$ (9,061,733)	\$ 16,783,061
GRANTS	\$ -	\$ 1,615,467	\$ -	\$ (1,615,467)	\$ -
TOTAL	\$ 23,974,160	\$ 8,541,674	\$ (1,077,116)	\$ (10,677,200)	\$ 20,761,518



Net Impact of \$3,212,642 decrease

Reserve & Reserve Funds

- Reserve & Reserve Fund Policy
 - Sets annual contribution requirements
 - Sets minimum balance requirements
 - Meet required funding for future capital
 - Consistent with Long-Range Capital Forecast
 - Asset management financial strategy
 - Water/Wastewater financial plans
 - Maintain Pay-As-You-Go (PAYG) model



Reserve & Reserve Funds

2024 Budget	Annual Contributions	Minimum Balances	Future Capital Funding
Meets Reserve / Reserve Fund Policy Requirements:	Yes	Almost	No
	Meets all reserve contribution requirements.	All reserves at minimum balances except Cemetery (\$70K vs \$100K).	Funding gap still exists for the LRCF.



Funding Future Capital

- While not a specific minimum balance, the Reserve and Reserve Fund Policy does require the following reserve funds to be consistent with the required funding set out in the Long Range Capital Forecast
 - Capital Expenditure Reserve Fund
 - Water Reserve Fund
 - Wastewater Reserve Fund



Funding Future Capital

Reserve & Reserve Funds	2024	2025	2026	2027	2028	2029
Opening Balance	23,974,160	20,780,868	20,108,939	19,073,498	17,217,837	15,974,176
Annual Contributions	5,996,207	6,196,207	6,396,207	6,596,207	6,796,207	6,996,207
Development Charges	950,000	950,000	900,000	900,000	850,000	850,000
Government Grants	1,615,467	2,547,011	3,077,105	1,097,195	1,097,195	1,097,195
Subtotal	32,535,834	30,474,086	30,482,251	27,666,900	25,961,239	24,917,578
Capital Expenditures	(10,677,200)	(8,822,777)	(9,866,383)	(8,906,693)	(8,444,693)	(8,637,888)
Operating Expenditures	(1,077,766)	(921,482)	(921,482)	(921,482)	(921,482)	(921,482)
Capital Financing	-	(620,888)	(620,888)	(620,888)	(620,888)	(955,883)
Closing Balance	20,780,868	20,108,939	19,073,498	17,217,837	15,974,176	14,402,325
MTRI 2.0% (2024)	21,017,729	20,582,661	19,784,081	18,165,281	17,158,481	15,823,491
MTRI 2.0% (2024) + 1.0% / year	21,017,729	20,701,091	20,139,372	18,757,433	17,987,494	16,889,365



Funding Future Capital

- Financial sustainability
 - Reduced future expenditures through reprioritizing projects / increasing timelines
 - Increase contributions to Reserves to general funding for future capital
 - 2024 Municipal Tax Rate Increase
 - Water / Wastewater Rate Increase



Water & Wastewater Reserve Funds

- Both reserve funds projected currently in positive balances (recovery strategy)
- Continue with goal to build reserve balance to sufficiently fund capital requirements
 - Pay-As-You-Go financial model
 - Significant future water/wastewater capital expenses in LRCF
- Water / Wastewater Rate Study (2024) to set go forward rates



Grant Opportunities

- Current grants:
 - CCBF (\$302K), OCIF Formula (\$749K)
 - ICIP Green Stream (\$2.1M)
 - 400mm River Crossing Replacement
 - ICIP Green Stream (\$1.6M)
 - WFP Clearwell Replacement
- Possible upcoming grants:
 - EV Charge ON Program
 - Housing-Enabling Water Systems Fund





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Long Range Capital Forecast -20 Year Term

Financial Sustainability

- 2024 Strategic Plan
 - Includes a key priority for financial sustainability with the aim to manage resources in a manner that ensures long-term stability and growth for the Town of Arnprior.
- Our 20 Year LRCF is a key financial planning tool for ensuring resources are in place to fund future infrastructure needs.

Background

- LRCF is a snap shot in time of known future Budget & Infrastructure pressures.
 - Significant reliance upon Town Master Plans and the Asset Management Plan
 - Subject to many factors, changes in priorities, legislation, pace of growth, inflation, data, etc.
- Set at a full 20 year timeframe given the nature and longevity of municipal infrastructure



Background

- LRCF is a dynamic toll which is reviewed and updated annual at budget time and is in “today’s dollars.”
- The Budget Binder identifies all additions and revisions from the previous LRCF under the LRCF tab.
 - Revisions are in orange (year or value)
 - Additions are in yellow



20 Year LRFCF

- For planning purposes, varying levels of accuracy exist depending on the timeframes in the LRFCF.

Timeframe	Accuracy
1-5 Years	Projects are generally set, limited change in value/year
6-10 Years	Probable to occur as forecasted, value/year may fluctuate somewhat
11-20 Years	Longer range and subject to adjustments as years draw closer



LRCF - 20 Yr Summary

INVESTMENT TYPE	YEAR 1-5	YEAR 6-10	YEAR 11-20	TOTAL
LINEAR INFRASTRUCTURE	31,610,100	33,119,900	41,459,500	106,189,500
LAND IMPROVEMENTS	6,590,000	2,423,000	315,800	9,328,800
FACILITIES	17,597,200	30,467,000	6,456,200	54,520,400
MACHINERY & EQUIPMENT	1,634,000	2,010,250	2,361,500	6,005,750
VEHICLES	978,000	2,755,000	4,580,000	8,313,000
STUDIES & OTHER	599,000	559,000	917,000	2,075,000
Total	59,008,300	71,334,150	56,090,000	186,432,450

- Capital Investment of \$186M over 20 yrs
- Average annual investment \$9.3M
 - Need to increase ability to fund later years



LRCF - Years 1 to 5

INVESTMENT TYPE	2025	2026	2027	2028	2029	YEAR 1-5
LINEAR INFRASTRUCTURE	8,250,000	6,915,100	6,205,000	4,470,000	5,770,000	31,610,100
LAND IMPROVEMENTS	1,087,500	1,452,500	1,945,000	2,095,000	10,000	6,590,000
FACILITIES	5,437,400	3,325,000	925,000	1,945,000	5,964,800	17,597,200
MACHINERY & EQUIPMENT	410,000	316,000	198,000	95,000	615,000	1,634,000
VEHICLES	304,000	75,000	0	106,000	493,000	978,000
STUDIES & OTHER	15,000	239,000	110,000	210,000	25,000	599,000
Total	15,503,900	12,322,600	9,383,000	8,921,000	12,877,800	59,008,300

- Over \$59M capital investment
- Average annual investment of \$11.8M
 - Higher than current ability to fund



LRCF Revisions

- Inflationary impacts
 - Cost of construction significantly increased
- Growth related impacts
 - Additional or amended projects
- Asset management data
 - Improved data allows for more detailed breakdown of LRCF projects and lifecycle planning



LRCF - Future Impacts

- Future LRCF impacts from current projects in progress
 - Water/Wastewater Master Plan
 - Water/Wastewater Facility BCA
 - Recreation Master Plan
 - Design projects (Linear, Parks, etc.)



LRCF Funding

- Increase Reserve / Reserve Funds
 - Increasing construction prices
 - Impact on water / wastewater reserves (rate)
- Project Reprioritization – ability to fund
 - Some projects may need to shift outward
 - Successful grants may allow some projects to move forward
- Financing Alternatives
 - Debt management policy, debentures



Linear Investment (Roads)

Year	1	2	3	4	5
Project	2025	2026	2027	2028	2029
Edey Street Reconstruction	2,900,000				
Sidewalks - McNab St	900,000				
River Crossing Phase I - 400mm WM	4,050,000				
Daniel St at William Culvert and Atkinson Culvert	150,000	3,093,800			
Victoria (John to Elgin)		3,111,300			
RR Rehab - Shave & Pave - Meehan St		100,000	1,200,000		
First Avenue (Bridge St to End)		80,000	1,680,000		
Third Avenue (Riverview Dr. to McNab St)		125,000	2,600,000		
Hugh St. N. (McGonigal to Saint Johns Way)		80,000	500,000		
River Crossing Phase II			75,000	1,500,000	
Albert & Ewen Street Reconstruction			150,000	2,225,000	2,225,000
Madawaska Blvd (Bridge to Decosta)				125,000	2,800,000
Major Linear Investments	8,000,000	6,590,100	6,205,000	3,850,000	5,025,000

- Linear infrastructure – over \$29M in forecasted investment requirements in next five years



Asset Management Plan

- Recommends eliminating the infrastructure deficit within 5-10 years
- Inflationary impacts on the infrastructure deficit, increasing replacement costs
 - Annual investments \$9.3M to fund LRCF (up from \$8.7M in 2023)
- Continuous updates for LRCF and asset management data



Pay-As-You-Go Model

- Maintaining a strong commitment to the pay-as-you-go model will help address funding challenges
 - Need to annually increase contribution to reserves to fund future capital requirements
 - One of the key objectives of the pay-as-you-go model is debt management
- Debt management policy
 - Consider for appropriate projects



Debt Management

- 2024 annual debt payments are \$1.7M
- Factors to consider (flexibility/sustainability)
 - Arnprior’s debt servicing ratio has dropped from “high” to “moderate” under provincial standards (MMAH)
 - Annual repayment limits by province are an additional \$2M based on 2021 FIRs
 - i.e. annual debt payments could increase from \$1.7M to \$3.7M without further ministry approval

Debt Management

- Asset Management Pressures
 - NSC lifecycle replacement of arena floors
 - Town Hall replacement / rehabilitate
- Competing priorities
 - Waterfront development 10 yr implementation
 - Linear / road reconstruction
- Growth pressures
 - Future water plant expansion
 - Rate increases, development charges



LRCF Summary

- Snapshot in time of known pressures
 - Supported by master plans and studies
- Varying levels of accuracy and probability
 - 1-5 years, 6-10 years, 11-20 years
- Fluid document meant to help inform financial planning
 - May be impacted by grant opportunities
 - Build reserves to close infrastructure gap
 - Appropriate debt management for flexibility and financial sustainability





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Conclusions and Recommendations

Draft 2024 Budget

- Continued MPAC postponement of the province-wide property assessment update due to the pandemic.
 - Property assessments for the 2024 property tax year continues to be based on January 1, 2016 current values.
 - This means a property's assessed value remains the same as it was for the 2023 tax year, unless changes were made to the property.

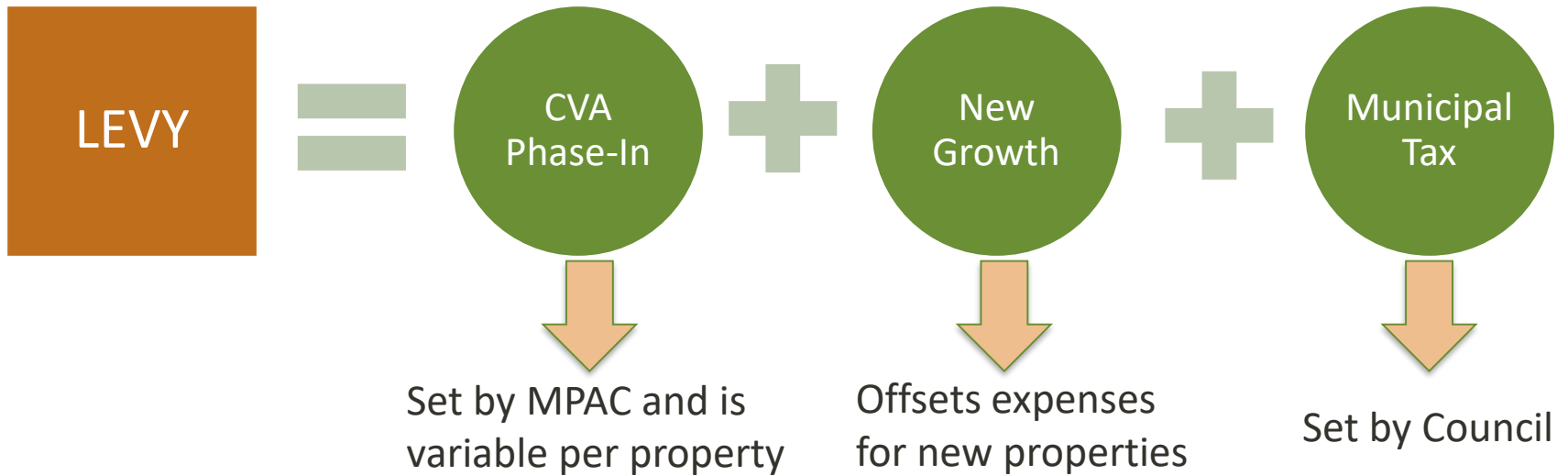


Draft 2024 Budget

- The current draft budget is presented with **0% Municipal Tax Rate Increase (MTRI)**.
 - At 0% MTRI, additional tax revenues of \$578,726 will be generated.
 - CVA remains at \$0 due to the delayed roll-out of the new assessment cycle by MPAC.
 - \$0 CVA Phase-in (0%)
 - \$578,726 Growth (5.36%)



What Impacts the Levy



\$578,726	=	\$0.00	+	\$578,726	+	\$0.00
5.36%	=	0.00%	+	5.36%	+	0.00%

Draft 2024 Budget

- Each additional **1.0% Municipal Tax Rate increase** would generate an additional **\$118,431** in tax revenue.
- Staff is recommending a **2.0% Municipal Tax rate increase** which results in additional revenues of **\$236,862** for additional contributions to reserves to fund future capital investment.



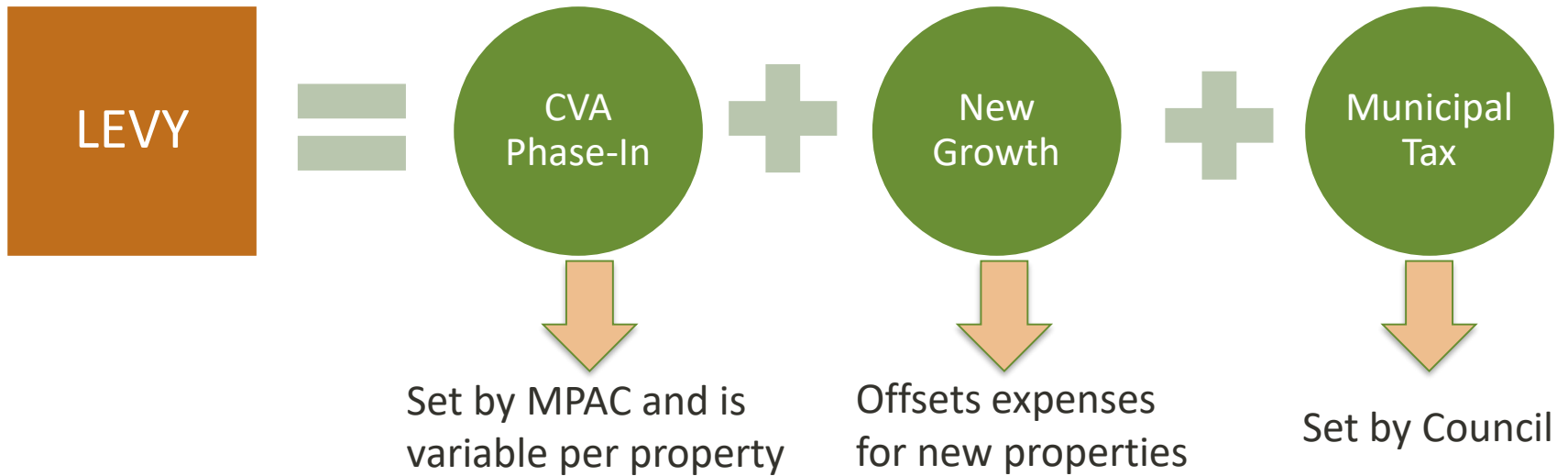
Draft 2024 Budget

- Inflation rates for consideration include:
 - 3.28% CPI (Ont. All items)
 - Oct 2022 – Oct 2023
- Average MTRI is still under the average CPI historically.

Year	MTRI	CPI Rate
2024	2.00%	3.28%
2023	3.00%	6.50%
2022	0.00%	4.70%
2021	1.50%	0.90%
2020	1.58%	1.90%
2019	1.75%	1.80%
2018	2.00%	1.90%
2017	2.25%	1.80%
AVG	1.76%	2.85%



What Impacts the Levy



\$815,582	=	\$0	+	\$578,721	+	\$236,861
7.36%	=	0.00%	+	5.36%	+	2.00%

Impact of Municipal Tax Rate

- Additional taxation revenue will help:
 - Bolster reserve / reserve funds to meet Council minimum balances and annual contributions.
 - Provide additional contributions to reserves to reduce the funding gap for future infrastructure investment and reach AMP reinvestment targets
 - Avoid the need for sharp increases in the future

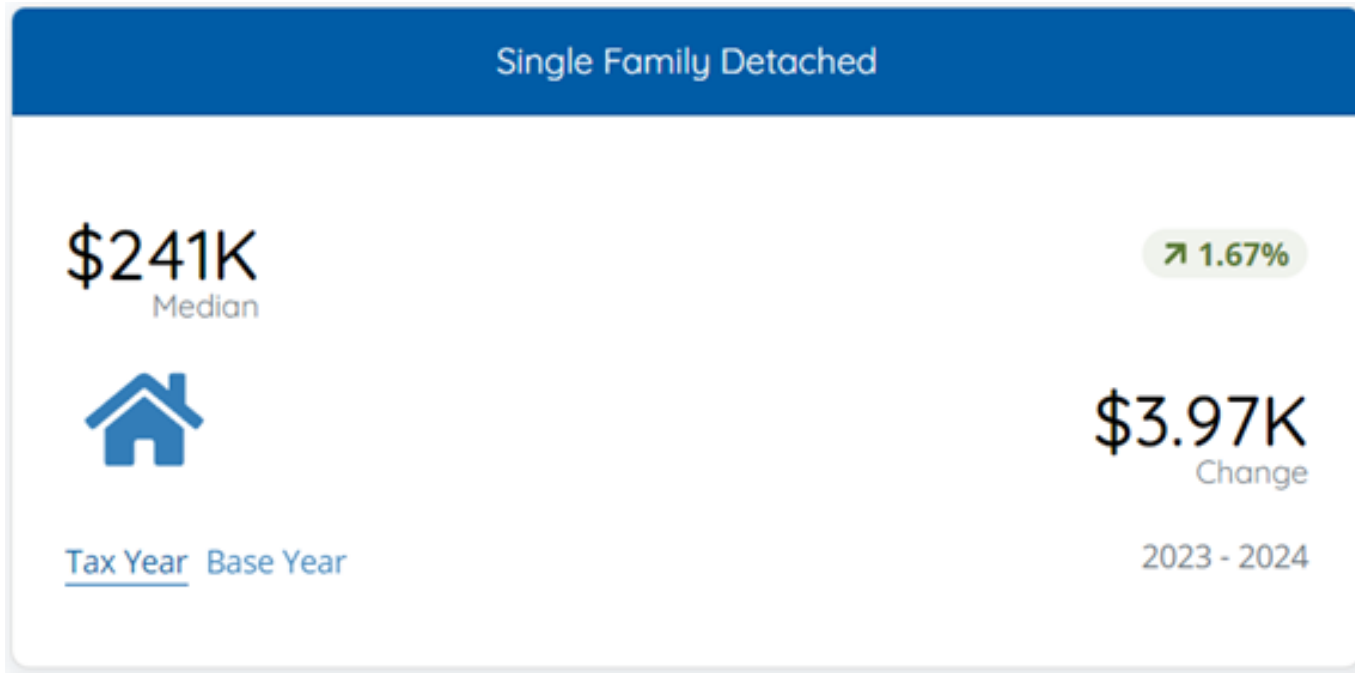


Impact of Municipal Tax Rate

- Additional taxation revenue will help address:
 - Loss of government grants
 - Inflationary pressures
 - Delayed CVA implementation
 - Financial impacts of Bill 23



Single Family Home - Median



Municipal Tax Rate Increase

Municipal Tax Rate Impact				
MTRI	Municipal Revenues	Cost Impacts per Assessed Values		
		\$100,000	\$200,000	\$241,000
0.50%	\$ 59,215	\$ 4.57	\$ 9.14	\$ 11.00
1.00%	\$ 118,431	\$ 9.13	\$ 18.26	\$ 22.01
1.50%	\$ 177,646	\$ 13.70	\$ 27.40	\$ 33.01
2.00%	\$ 236,861	\$ 18.26	\$ 36.52	\$ 44.02
2.50%	\$ 296,076	\$ 22.83	\$ 45.66	\$ 55.02
3.00%	\$ 355,292	\$ 27.40	\$ 54.80	\$ 66.03



Overall Tax Impact

2024 Impact with 2.0% Municipal Tax Rate				
	Town	County	Education	TOTAL
% Increase/(Decrease)	2.0%	3.0%	0.0%	
2023 Levy	0.00913245	0.00391501	0.00153000	0.01457746
Proposed 2024 Levy	0.00931510	0.00403246	0.00153000	0.01487756
\$100K of Assessment	\$241,000	\$241,000	\$241,000	
2023 Taxes	\$2,200.92	\$943.52	\$368.73	\$3,513.17
2024 Taxes	\$2,244.94	\$971.82	\$368.73	\$3,585.49
Annual Estimated Increase	\$44.02	\$28.31	\$0.00	\$72.32
Monthly Estimated Increase	\$3.67	\$2.36	\$0.00	\$6.03



Overall Municipal Impact

- Single Family Home median value (\$241K)

Estimated Impacts	2021	2022	2023	2024
	1.5%	0.0%	2.5%	2.0%
Municipal Levy	\$38.61	\$0.00	\$48.99	\$44.02
Water / Wastewater	\$44.20	\$30.96	\$45.17	\$28.91
Garbage Rate	\$0.00	\$0.00	(\$20.00)	\$20.00
TOTAL Annual	\$82.81	\$30.96	\$74.16	\$92.93
TOTAL Monthly	\$6.90	\$2.58	\$6.18	\$7.74



Schedule of Deliberations

MONDAY, FEBRUARY 5, 2024 at 5:00 PM	TUESDAY, FEBRUARY 6, 2024 at 5:00 PM
Draft Operating Budget	Carry-Over from Prior Night
Draft Capital Budget	
Long-Range Capital Forecast	
Supporting Documents	



Next Steps

- **Deliberations – February 5 & 6, 2024**
 - Forward questions to CAO & Treasurer
 - Response memo provided back to all Council
- **Budget & LRCF Approval – February 12th**
- **County Sets Tax Ratios – by April 30th**
- **Municipal Tax Rates – by May 31st**



Questions?



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