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# Tabling of 2025 Draft Budget & LRFCF

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Council Meeting – Monday, January 13, 2025

# Presentation

- Guiding Principles
- Operating Budget
- Capital Budget
- 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 principle 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

## FISCAL SUSTAINABILITY

Fiscal sustainability is a municipality's ability to meet financial and service obligations now and in the future. It looks at the relationship between levels of expenditure requirements and revenues at a point of time, as well as the relationship between growth rates in the expenditures and revenues. Fiscal sustainability is achieved when municipal budgets, asset management plans, and strategic planning works holistically together.



\*Extract from MFOA: Municipal Finance Orientation Package

# 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 2025 Operating Budget

# Operating Budget - Format

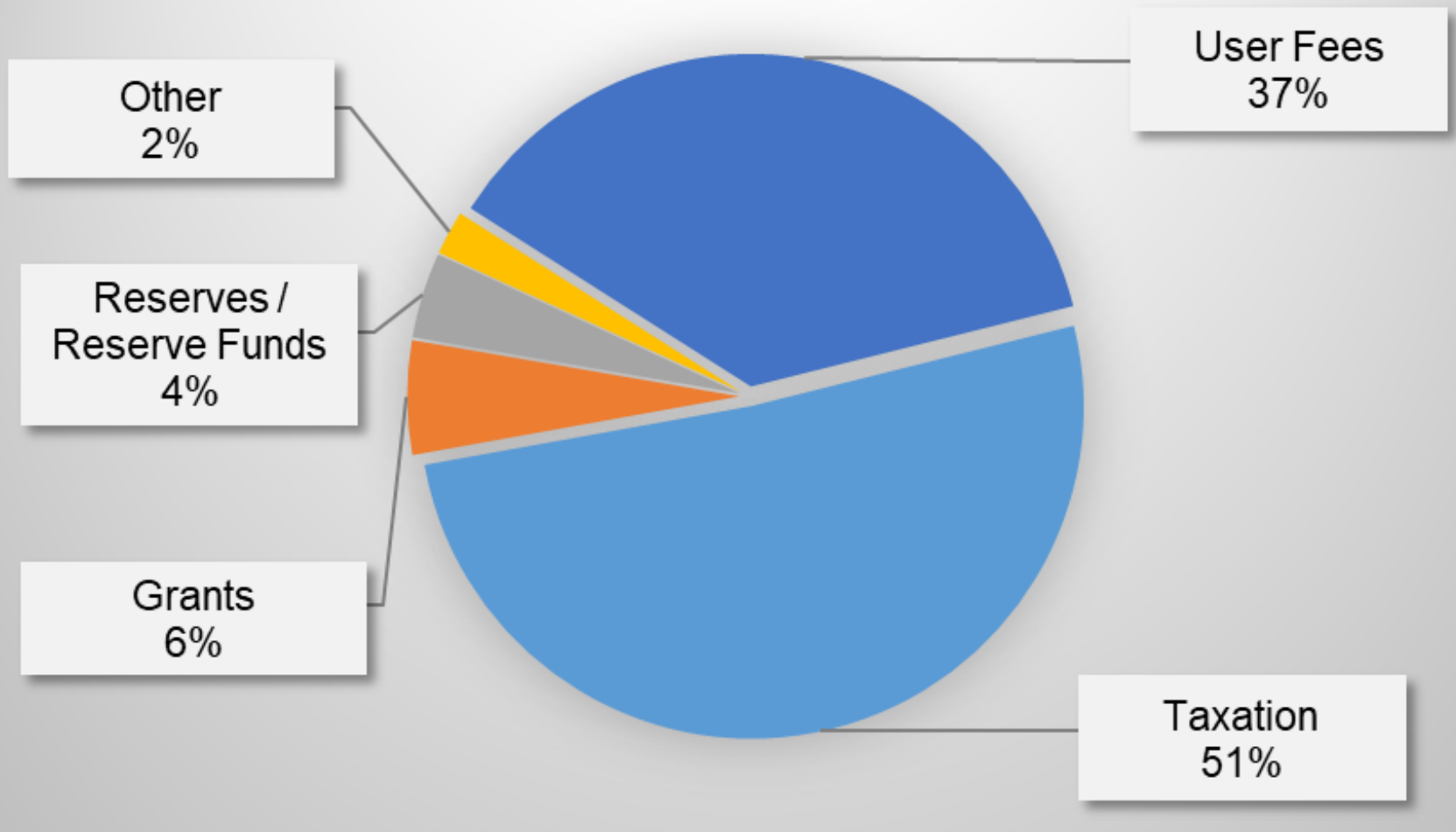
Column 1	Column 2	Column 3	Column 4
2024 Actuals	2024 Budget	2025 Budget	Budget Variance – 2024 vs 2025

## Notes:

- 2024 Actuals: these are unaudited amounts and some invoices remain outstanding at point of printing



# Operating Revenues



# Operating Budget

- Current Value Assessment (CVA)
  - Province confirmed the new assessment cycle which was delayed in 2021 to 2024, will be delayed again for 2025.
  - Annual taxation is calculated on the current value assessment which remains at 2016 valuations.



# Operating Budget

- Growth – Supplemental taxation revenues
  - Revenues from residential (new units) were lower in 2024 compared to 2023 and 2022.

	2019	2020	2021	2022	2023	2024
# Permits	243	226	457	172	202	187
New Units	119	102	511	33	82	158
Supps (\$)	\$109K	\$192K	\$241K	\$646K	\$497K	\$211K





# Operating Budget

- Government Grants

Grant	2022	2023	2024	2025	\$ Impact
OMPF	\$1,588,800	\$1,473,700	\$1,359,500	\$1,359,500	\$0
OCIF	\$1,099,596	\$934,657	\$794,458	\$913,627	\$119,169
CCBF	\$278,935	\$291,062	\$302,737	\$315,351	\$12,614
Total	\$2,967,331	\$2,699,419	\$2,456,695	\$2,588,478	\$131,783

– Increase in government grants for 2025 budget however not back up to 2023 or 2022 levels.



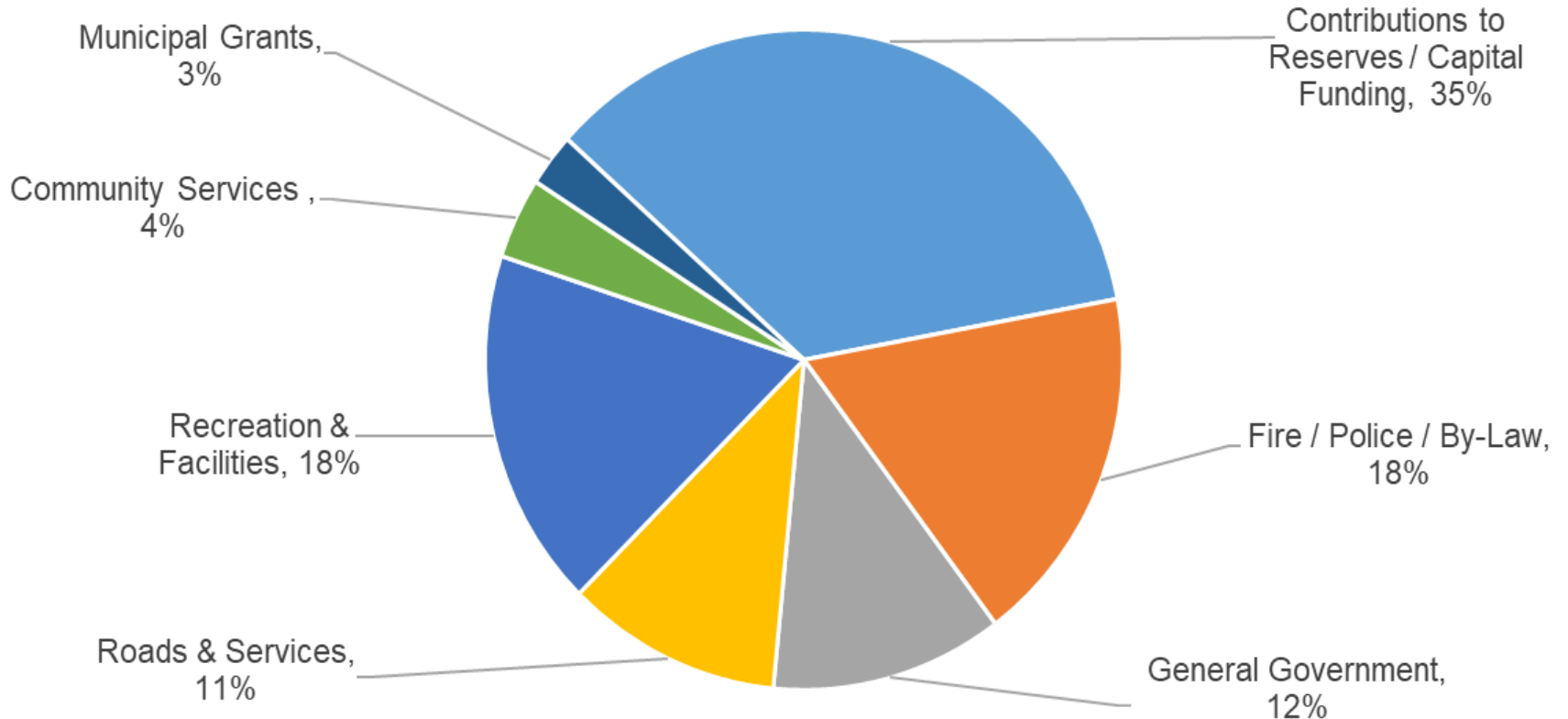
# Operating Budget

- Interest / Investment Income
  - Additional revenues from interest / investment income due to the high rates of return
- User Fees
  - Increased revenues for some programs and services (swimming lessons, licensing)
  - Decrease revenues for temporary NSC construction in 2025

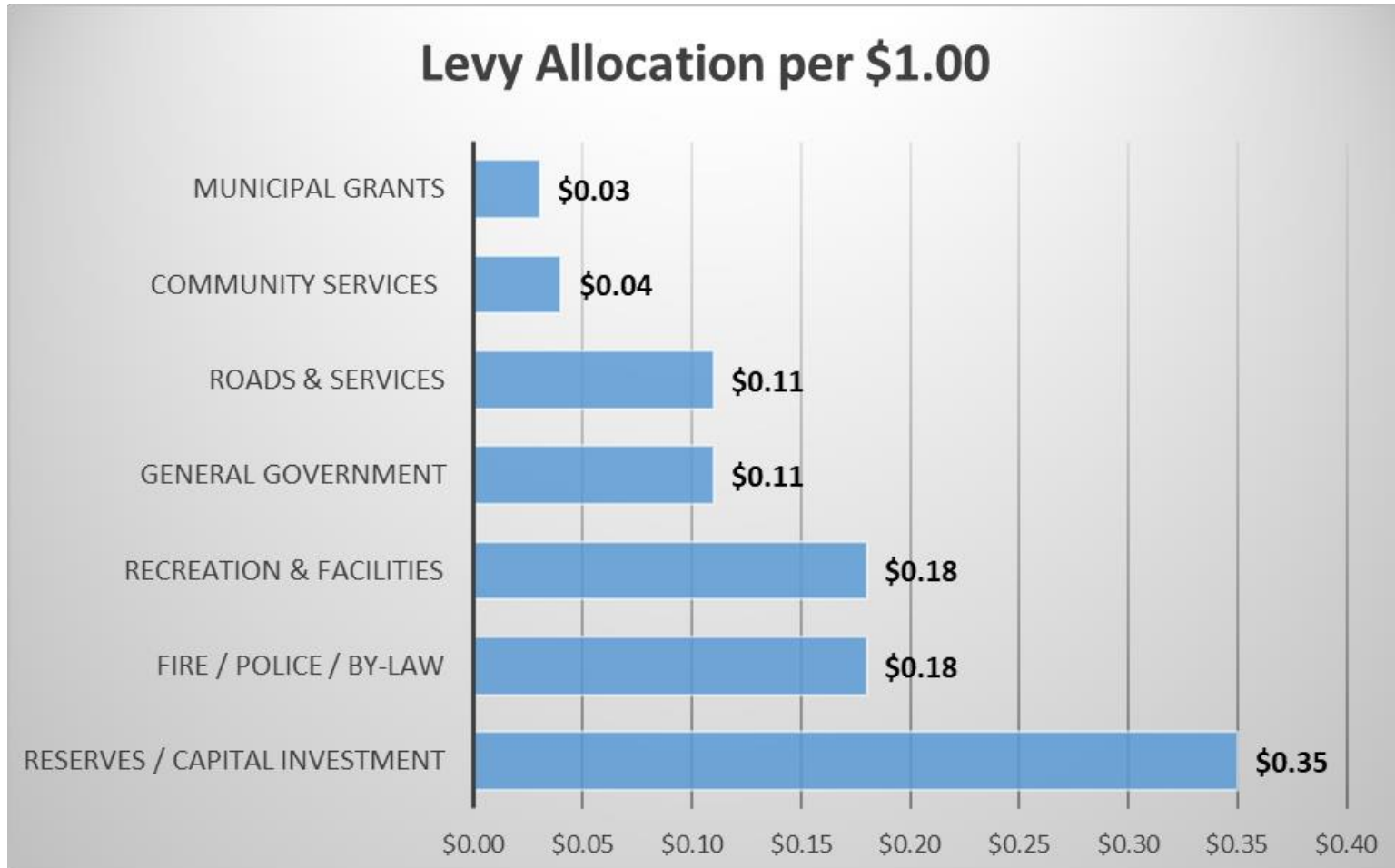


# Operating Budget

## Net Operating Expenses - Levy Cost Centres



# Operating Budget



# Operating Budget

- Salaries & Wages
  - Includes estimated COLA increase
    - Collective Bargaining scheduled for 2025
  - Statutory Deduction decrease
    - EI decrease, WSIB decrease, CPP & EHT remain at same levels
    - 0.38% overall decrease



# Operating Budget

- Benefits
  - Benefit Premiums (Manulife) 6.0% decrease
    - Increases on dental premiums, reductions on LTD and extended health premiums
    - Annual impact, 3.1% reduction, \$15K savings
  - Service enhancements
    - Increased benefit provisions for mental health services, vision care and health care spending
    - Utilize premium savings, strategic action plan - employer of choice



# Operating Budget

- Policing Services

	2023	2024	2025
# of Properties	4,618	4,887	5,062
Policing Per Unit Cost	\$362.01	\$360.14	\$403.37
Annual Cost	\$1,671,758	\$1,760,002	\$2,041,865
Prior Year Adjustment	\$10,322	\$13,857	\$108,184
<b>New Annual Cost</b>	<b>\$1,682,080</b>	<b>\$1,773,859</b>	<b>\$2,150,048</b>
Discount from Province			(303,189)
<b>Amended Cost (2025)</b>			<b>\$1,846,859</b>

- 2025 net impact \$73K increase, 2026 at least \$195K impact
- Town maintains OPP reserve to help offset



# Operating Budget

- OPP Detachment Board
  - Annual costs added for 2025
  - Utilize transfer from OPP reserves to offset OPP detachment board costs
  - OPP reserves will help fund future impacts





# Operating Budget

- Fire Department
  - Savings on telecoms and network due to IT investments
  - Increased training costs due to the regulatory framework for mandatory minimum training standards (certifications)
  - Additional costs for equipment testing requirements (hoses)



# Operating Budget

- General Insurance & Risk Management
  - \$48K premium increase allocated across operating budget by facility
- Winter Control
  - Savings from recent trend of lighter seasons with less winter events
  - Overall cautiously optimistic for savings trend with reduced budget
  - Sufficient reserves to cover any shortfalls



# Operating Budget

- Staffing impacts
  - 2025 budget includes:
    - Health & Safety Officer – 1.0 FTE
    - Museum Weekend Staff – part-time

	2025	Budget Area
FT Health & Safety Officer (8 months)	\$63,000	All Dept / HR
PT Museum Weekend Staff	\$10,200	Museum & Culture
TOTAL	\$73,200	



# Operating Budget

- Health & Safety Officer (FT)
  - Action plan item (staff survey / workload mgmt)
  - Assist all departments with increasing legislative requirements for monitoring, documenting and implementing health & safety related initiatives.
  - Act as the Community Emergency Management Coordinator (CEMC) which will create additional capacity for the Fire Department to address growing call volumes & inspection requirements.
- Museum Weekend Staff (PT)
  - Required to facilitate weekend open hours.



# Operating Budget

- Cemeteries: Goal is to have the Cemetery cost centre be self-sustaining.
  - Care & Maintenance investment interest generates approximately 20% of the revenues required to annually operate and maintain the cemeteries
  - Three year rate schedule (2023-2025) included in the user fees and charges
  - Maintain internal equipment rates at 70%



# Operating Budget

- Parks & Recreation
  - One-time adjustments in 2025 to account for construction project and reduced arena use.
  - Estimated debenture costs (5 months)
  - Adjustments for programming impacts
    - Hockey/Ringette School, Shinny, Summer Ice, etc.
  - Reallocation of staff resources
  - Bring new parks online / maintain (growth)



# Considerations

## Self-Sustaining Cost Centers

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



# Water / Wastewater

- Water / Wastewater projected revenues
  - Water/Wastewater Rate Study (2024)
    - Cost recovery model includes 7% annual target increase (5.5% water, 9.0% wastewater)
  - 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 148m<sup>3</sup>

	2024	2025
<b>Water</b>		
Base Monthly Charge	\$ 22.98	\$ 24.24
Volume Rate	\$ 1.80	\$ 1.90
Annual Base Charge	\$ 275.76	\$ 290.88
Annual Volume Charge	\$ 266.40	\$ 281.20
<b>Total Water Charges</b>	<b>\$ 542.16</b>	<b>\$ 572.08</b>
<b>Wastewater</b>		
Base Monthly Charge	\$ 17.28	\$ 18.84
Volume Rate	\$ 1.24	\$ 1.35
Annual Base Charge	\$ 207.36	\$ 226.08
Annual Volume Charge	\$ 183.52	\$ 199.80
<b>Total Wastewater Charges</b>	<b>\$ 390.88</b>	<b>\$ 425.88</b>
<b>Total Combined Charges</b>	<b>\$ 933.04</b>	<b>\$ 997.96</b>
Annual % Increase		7.0%



# Water / Wastewater

- Operating Budget impacts
  - Increasing supply costs for WFP and WPCCC plants with chemical prices rising (inflation)
  - Increase minor capital
    - Address BCA & equipment replacement program
  - 2025 budget generates total reserve contributions of \$1.3M (water) and \$828K (wastewater) for capital program



# Waste Management

- Contracted Services
  - Includes contract CPI increases for garbage collection / landfill operations as per tenders
- Counter-Top Composter
  - Adjustment to pilot program for second phase of the program to reflect remaining inventory to be sold in 2025.



# Waste Management

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

	2024	2025
Garbage / Landfill	\$170.00	\$185.00
Recycling (ICI only)	\$182.00	\$210.00



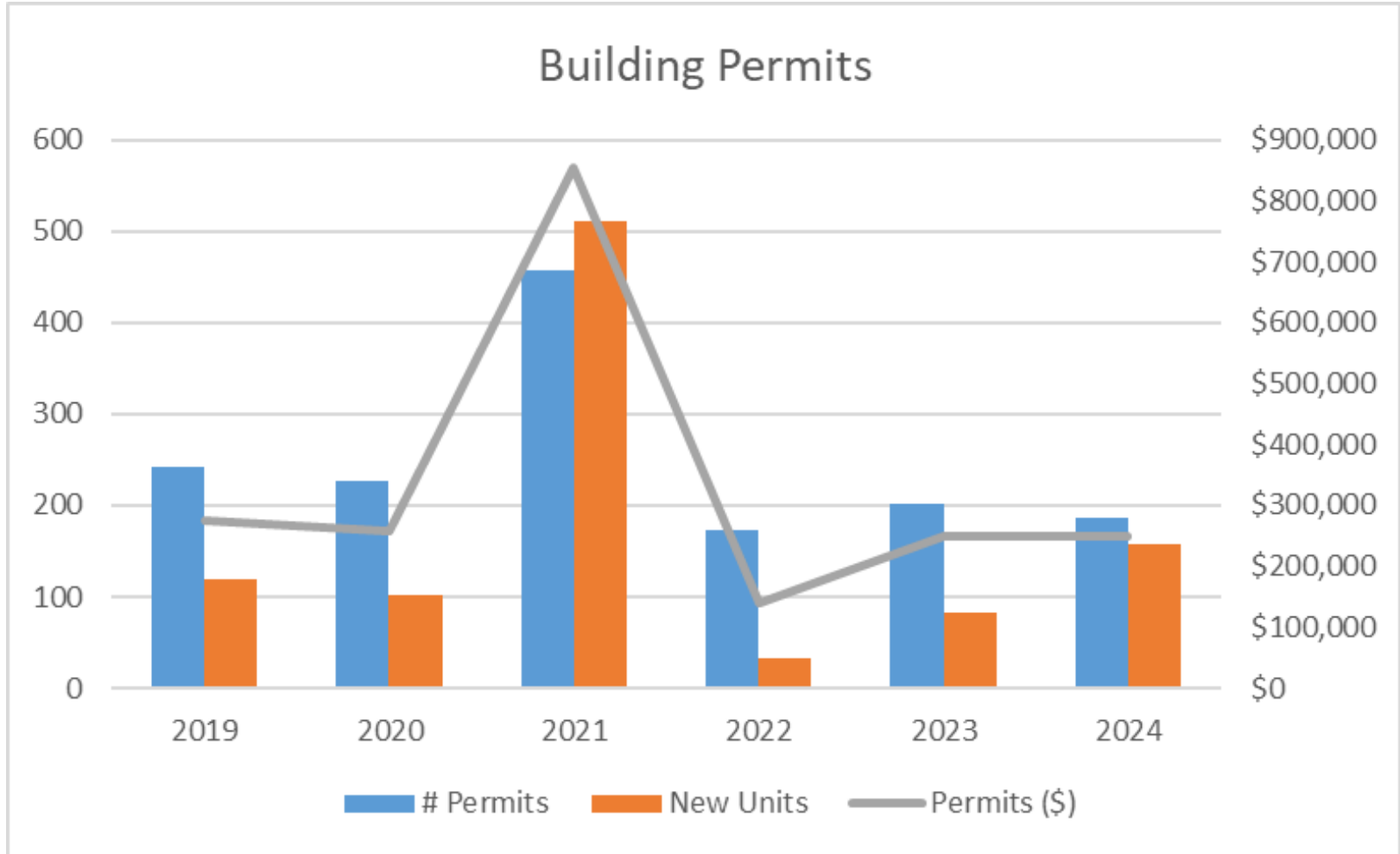
# Waste Management

- Municipal Comparisons

	Garbage / Landfill Rate
Arnprior (2024)	\$170
Arnprior (2025 proposed)	\$185
McNab/Braeside (2024)	\$220
Mississippi Mills (2024)	\$253
Whitewater (2024)	\$168



# Building Services



# Building Services

- New apartment buildings could increase new unit numbers.
- 2025 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 \$879K
    - Utilize \$108K for 2025



# Grants to Organizations

Organization	Grant Request	2024 Budget	2025 Budget (Draft)	Increase / (Decrease)
Arnprior Public Library	\$333,313	\$321,515	\$333,313	\$11,798
Arnprior & M/B Archives	\$28,045	\$26,225	\$28,045	\$1,820
Physician Recruitment	\$50,000	\$20,000	\$20,000	\$0
Arnprior Airport	\$55,000	\$55,000	\$0	(\$55,000)
Seniors Active Living Centre (SALC)	\$13,500 cash \$7,500 in-kind	\$12,500 \$7,500 in-kind	\$13,500 \$7,500 in-kind	\$1,000
Men's Shed	\$3,000-\$4,600	\$0	Note 1	\$0

Note 1: Men's Shed request will come forward in a staff report in 2025 under Municipal Grants Policy – Support Funding stream.





# Grants to Organizations

- Library Grant
  - Includes \$13,420 for new FTE (7 months)
  - Additional \$11,798 (CPI, population) is as per the joint use agreement calculation.
- Arnprior & M/B Archives
  - Requested additional \$1,820 is included
- Physician Recruitment
  - Recommend utilizing reserve balance (\$202K) to support relocation / start up costs for successful recruitments



# Grants to Organizations

- Airport
  - Insufficient financial information provided to support the grant request.
  - 2023 (partial) and 2024 (full) grants still held.
- Seniors Active Living Centre
  - Requested additional \$1,000 funding has been included in the 2025 budget
- Men's Shed
  - 2025 staff report under the Municipal Grants Policy – Support Funding Stream



# Grants to Organizations

- MTO Community Transportation Grant
  - Partnership between the Town, Carefor and Arnprior/Braeside/McNab Seniors at Home (ABMSH) to provide non-urgent transportation to seniors to improve access to health and community services since 2019.
  - Grant program ends in 2025
- Provincial Gas Tax – Transit
  - Apply for future funding to support ABMSH transit program. Requires municipal support.





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# Draft 2025 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



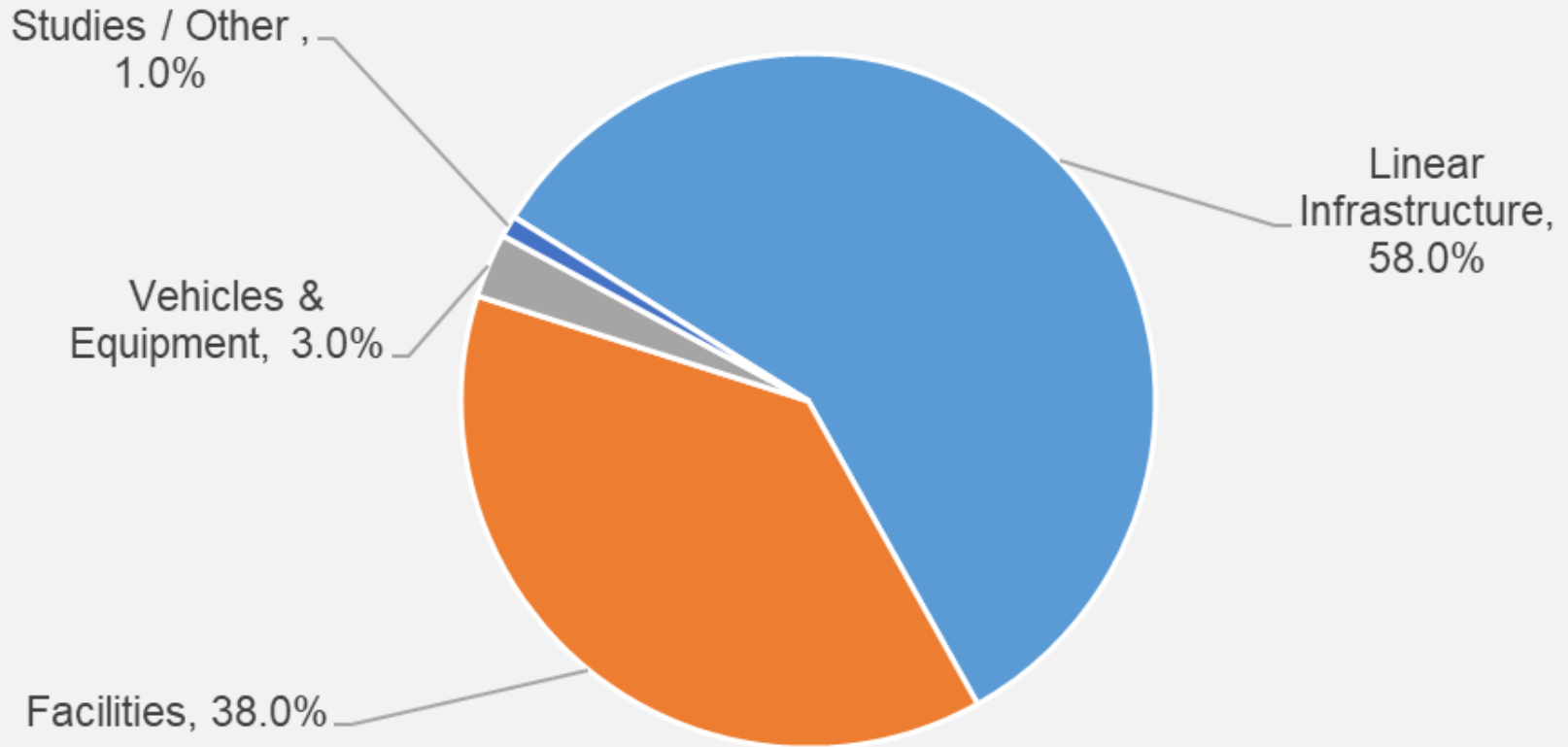
# Capital Budget Summary

- 20 capital projects

Investment Type	Capital Investment	% of Total Investment
Linear Infrastructure	\$9,625,000	58%
Facilities	\$6,189,132	38%
Land Improvements	\$0	0%
Vehicles & Equipment	\$513,500	3%
Studies / Other	\$115,000	1%
<b>TOTAL</b>	<b>\$16,442,632</b>	<b>100%</b>



# 2025 Capital Investment



# Pay-As-You-Go Model

- PAYG financial strategy
  - Save years versus spend years
  - 2024 & 2025 are planned spend years
- Multi-year projects
  - Commit full project value for tendering
    - Daniel St sewer upsizing / Albert St reconstruction
  - 2025 current year costs
    - River Crossing Phase I
    - NSC Arena Rehab (Capital & Financing)





# 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 budget (\$1.35M), 2025 budget (\$4.05M)
  - Partially funded from ICIP grant
    - Federal and provincial government support
  - Significant pull from the Water Reserve Fund

# Linear Infrastructure

- HEWSF Project: Daniel St / Albert St
  - Daniel St (Rock Ln to Burwash St) sanitary sewer upsizing. Albert St (Burwash St to Ewen St) full reconstruction including sanitary sewer separation.
  - Two year project implementation with full project commitment (\$5.4M)
    - 2025 budget (\$100K), 2026 budget (\$5.3M)
  - HEWSF Grant \$3,905,500



# Linear Infrastructure

- Edey St / MacDonald St Reconstruction
  - MacDonald St from Edey St to Mary St & Edey St from Allan Dr to Edward St. Full reconstruction with sanitary sewer upsizing.
  - \$4.6M construction
    - Development Charge component for sewer upsizing
    - OCIF formula funds & CCBF funds applied



# Linear Infrastructure

- Rolling Road Rehab (\$750K)
  - Vancourtland St (Elgin to North end), resurfacing of William St (John St to Daniel St), sidewalk repairs on Daniel St (joint County resurfacing project).
- Pedestrian Crossing (\$125K)
  - Add PXO on Baskin Drive at Leo Moskos (includes sidewalk & culvert extension, streetlights)



# Facilities

- NSC Arena Slab Replacement & Mezzanine
  - Multi-year project (2024 & 2025) to replace arena floors, header trenches, rubber flooring, rehab roof trusses, add storage and 2<sup>nd</sup> floor mezzanine
  - Commitment for full project cost (\$6.34M)
    - 2024 project tender with 2024 costs (\$1,585,000) and 2025 costs (\$4M debenture, \$1,459,132 reserves)
    - Estimated debenture costs (5 months) are included in the 2025 operating budget



# Facilities

- DA Gillies Fire Escape (\$300K)
  - Replace existing fire escape, fire rated egresses and fire shutters.
- Town Hall Asbestos Abatement (\$45K)
  - Abatement of back stairwell
- NSC Roof Access Ladders (\$25K)
  - Replace 1977 ladders (H&S)



# Facilities

- PW Garage Flat Roof Replacement (\$130K)
  - Prior repairs were not successful, full replacement is required due to current state.
- Wastewater Plant (WPCCC) Projects
  - Filter Media Odour Control (\$80K)
  - Digester Cleanout Design (\$100K)
  - Headworks Screen Safety Upgrades (\$50K)

# Machinery & Equipment

- Council Chambers Audio/Visual (\$35K)
  - Improvements to the current audio and visual system for live streaming Council meetings.
- IT Records Management (\$120K)
  - Implement Microsoft integrated records management system (SharePoint, Purview)
- Downtown Holiday Décor (\$43K)
  - Lifecycle replacement of aging holiday décor (on streetlights).





# Equipment / Vehicles

- Roads & Services Backhoe (\$220K)
  - Lifecycle replacement of #30 CAT Backhoe including breaker and plate packer.
- Fire Duty SUV (\$95K)
  - Replace 2013 Duty SUV with crew cab truck. Requires NFPA fit up and mobile command center additions.
  - Current 2013 SUV will be utilized by Operations department in non front-line capacity.

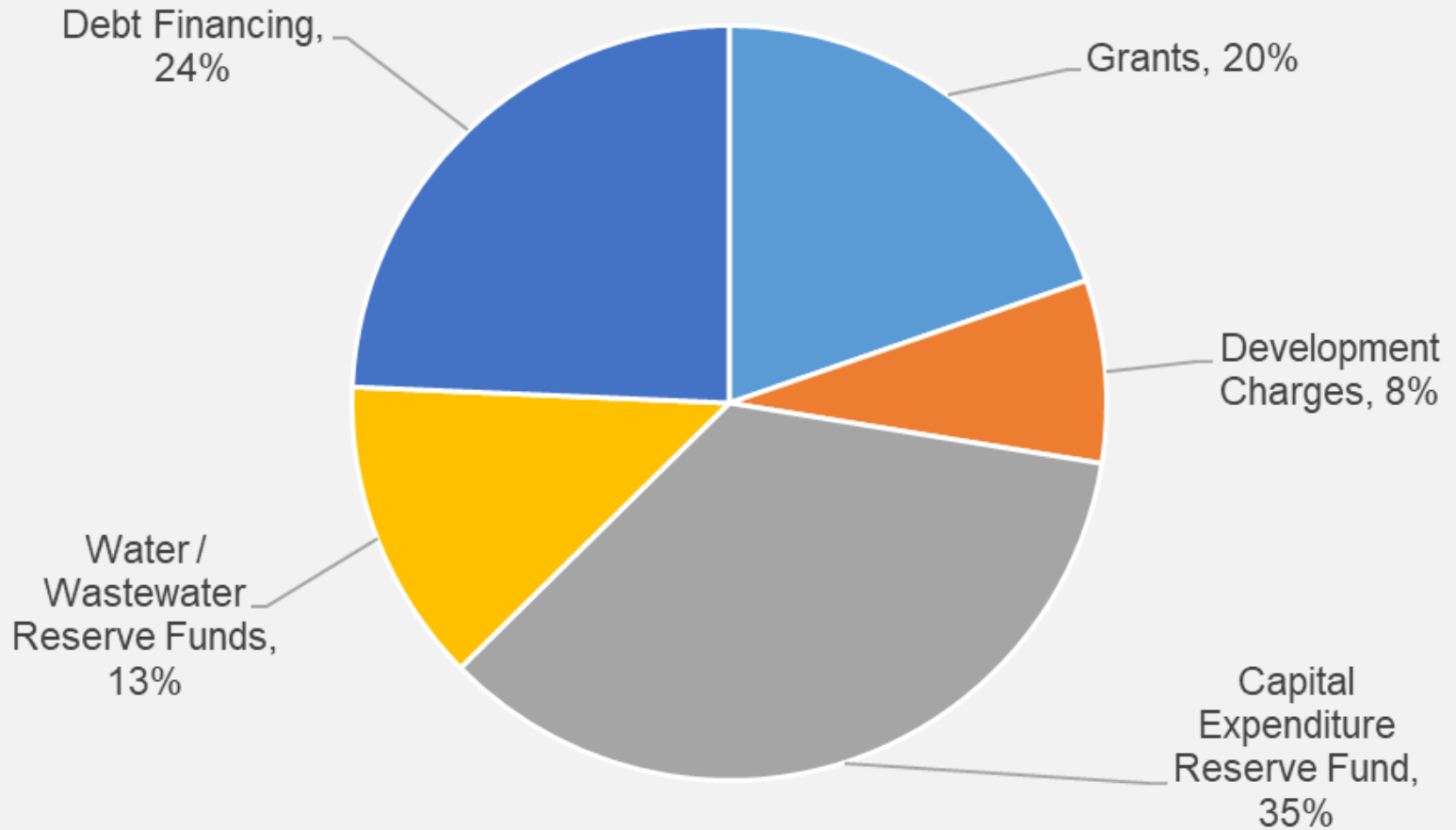


# Studies / Other

- AMP Road Surface Evaluation (\$15K)
  - Completion of a road surface evaluation and populate AMP system with new data.
- Integrated Waste Management Plan (\$100K)
  - To review waste management programs, identify best practices for increasing waste diversion, reducing residual waste, and reviewing options for waste disposal once landfill reaches capacity.



# 2025 Capital Funding



# Works in Progress (WIP)

- WIP 2024 Capital Projects
  - Normal for some projects to carry forward
    - Multi-year projects more regular
    - 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 3-4)
    - Year-end invoicing still in progress





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# Reserves / Reserve Funds

# Reserves / Reserve Funds

	Contributions	Expenditures	Total
Reserves / Reserve Funds	\$6,412,398	(\$8,594,181)	(\$2,181,783)
Government Grants (Capital)	\$2,801,294	(\$2,801,294)	(\$0)
Development Charges	\$850,000	(\$2,133,117)	(\$1,283,117)
<b>Net Impact on Reserves</b>	<b>\$10,063,692</b>	<b>(\$13,528,592)</b>	<b>(\$3,464,900)</b>

- Result is a draw down on reserves by \$2.1M and development charges by \$1.2M
- PAYG (save then spend) – 2024 & 2025 spend years
- Positive: Total reserve / reserve fund contributions are \$204K higher than 2024 contributions



<b>Reserve &amp; Reserve Fund Contributions</b>	<b>2025 Operating</b>	<b>2025 Other</b>	<b>\$ TOTAL</b>
Election Reserve	8,500		8,500
Marketing & Economic Development Reserve	15,000		15,000
Landfill Reserve Fund	46,950		46,950
Wastewater Reserve Fund	828,694		828,694
Water Reserve Fund	1,321,746		1,321,746
Capital Expenditure Reserve Fund	4,176,408		4,176,408
Municipal Parking Reserve Fund	15,100		15,100
Development Charges (2025 Projected)		850,000	850,000
<b>Total Reserve &amp; Reserve Funds</b>	<b>6,412,398</b>	<b>850,000</b>	<b>7,262,398</b>
<b>Grants Funds</b>			-
Developer Contribution		10,000	10,000
Canada Community Building Fund (CCBF)	315,351		315,351
OCIF Formula Funds	913,627		913,627
Provincial Gas Tax - Transit	39,500		39,500
ICIP - Green Stream (Intake 1)		1,449,816	1,449,816
HEWSF Grant		73,000	73,000
<b>Total Grant Funds</b>	<b>1,268,478</b>	<b>1,532,816</b>	<b>2,801,294</b>
<b>Total Contributions to Reserve / Reserve Funds</b>	<b>7,680,876</b>	<b>2,382,816</b>	<b>10,063,692</b>

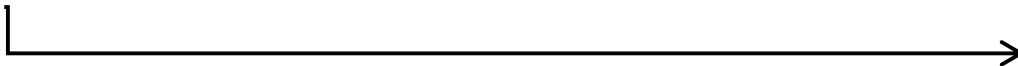


<b>Reserve &amp; Reserve Fund Expenditures</b>	<b>2025 Operating</b>	<b>2025 Capital</b>	<b>\$ TOTAL</b>
Police Services	16,378		16,378
Building Services	108,600		108,600
Development Charges Reserve Fund	845,826	1,287,291	2,133,117
Wastewater Reserve Fund		274,781	274,781
Water Reserve Fund		2,355,134	2,355,134
Capital Expenditure Reserve Fund	75,656	5,763,632	5,839,288
<b>Total Reserve &amp; Reserve Funds</b>	<b>1,046,460</b>	<b>9,680,838</b>	<b>10,727,298</b>
<b>Grants Funds</b>			
Developer Contribution		10,000	10,000
Canada Community Building Fund		315,351	315,351
OCIF Formula Funds		913,627	913,627
Provincial Gas Tax - Transit	39,500	-	39,500
ICIP - Green Stream (Intake 1)		1,449,816	1,449,816
HEWSF Grant		73,000	73,000
<b>Total Grant Funds</b>	<b>39,500</b>	<b>2,761,794</b>	<b>2,801,294</b>
<b>Total R/RF Expenditures</b>	<b>1,085,960</b>	<b>12,442,632</b>	<b>13,528,592</b>

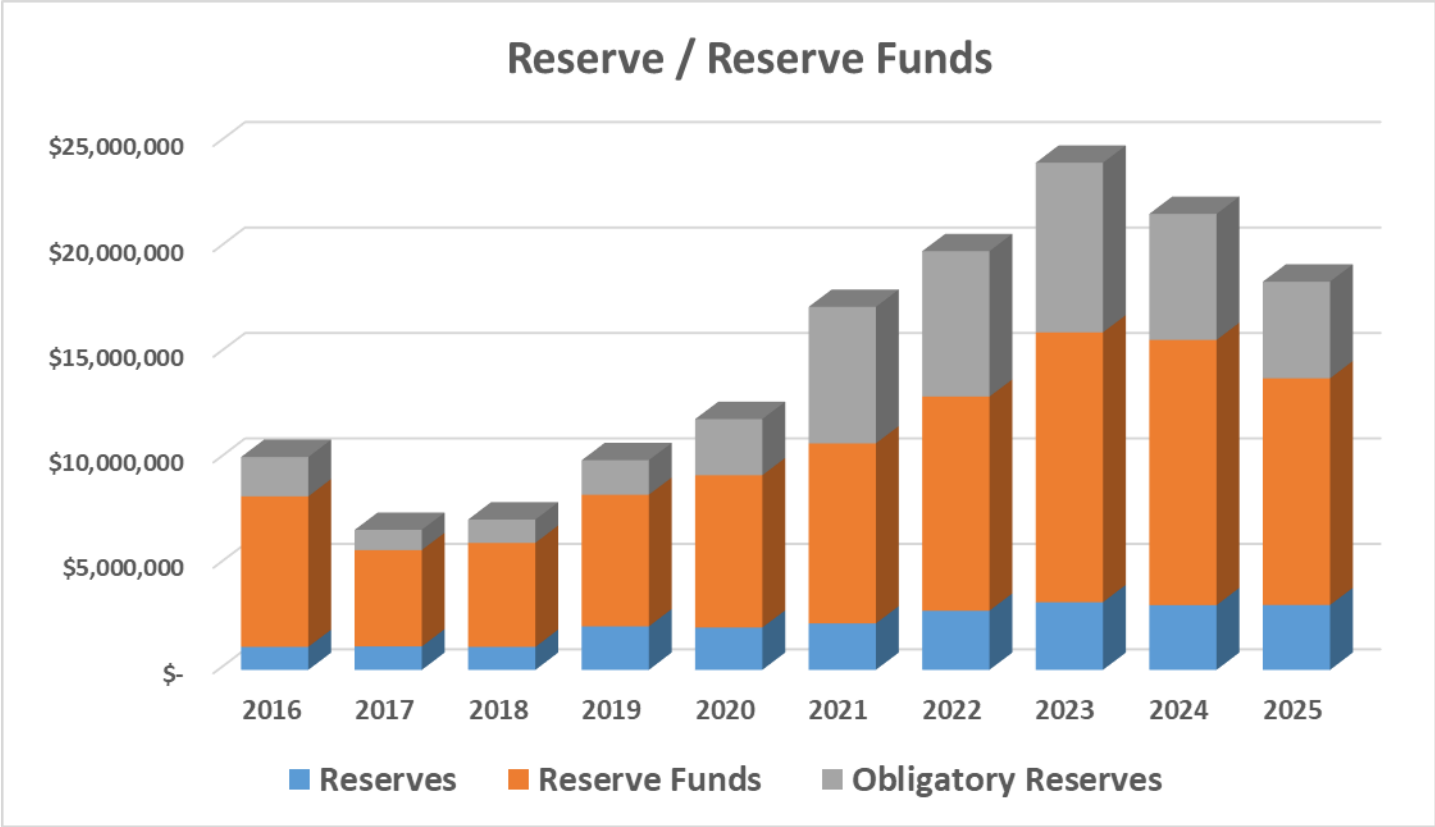




# 2025 Reserve Balances

	Opening Balance	Contributions	Operating Expenses	Capital Expenses	Closing Balance
<b>Reserves</b>	\$ 3,067,270	\$ 23,500	\$ (16,378)	\$ -	\$ 3,074,392
<b>Reserve Funds</b>	\$ 12,345,716	\$ 6,388,898	\$ (75,656)	\$ (8,393,547)	\$ 10,265,410
<b>Grants</b>	\$ 5,977,341	\$ 3,651,294	\$ (993,926)	\$ (4,049,085)	\$ 4,585,623
<b>Total</b>	<b>\$ 21,390,326</b>	<b>\$ 10,063,692</b>	<b>\$ (1,085,960)</b>	<b>\$ (12,442,632)</b>	<b>\$ 17,925,425</b>
 <p><b>Net Impact of \$3,464,901 decrease</b></p>					

# Pay-As-You-Go



# 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

2025 Budget	Meets Reserve / Reserve Fund Policy Requirements:
Annual Contributions	Yes
	<ul style="list-style-type: none"> <li>• 2025 budget as presented meets all reserve / reserve fund contribution requirements.</li> </ul>
Minimum Balances	Almost
	<ul style="list-style-type: none"> <li>• Police Reserve - \$108K vs \$125K minimum</li> <li>• Cemetery Reserve - \$69K vs \$100K minimum</li> </ul>
Funding Future Capital	Not Yet
	<ul style="list-style-type: none"> <li>• Capital Expenditure, Water and Wastewater Reserve Funds include requirement to be consistent with the required funding set out in the Long Range Capital Forecast.</li> </ul>



# 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

- 2025 annual debt payments are \$1.85M
  - Includes estimated 5 months NSC debenture
- Factors to consider (flexibility/sustainability)
  - Arnprior’s debt servicing ratio lowered to “moderate” under provincial standards (MMAH)
  - Annual repayment limits (ARL) set by province are an additional \$3.1M as per O.Reg 403/02
    - i.e. annual debt payments could increase from \$1.85M to \$3.1M without further ministry approval



# MMAH Financial Indicators

## SUSTAINABILITY INDICATORS

Indicator	Ranges	Actuals	South - LT - Counties - Non-Rural		Level of Risk	
			Median	Average		
Total Taxes Receivable less Allowance for Uncollectibles as a % of Total Taxes Levied	Low: < 10% Mod: 10% to 15% High: > 15%	2019	4.0%	5.7%	6.2%	LOW
		2020	4.6%	6.1%	6.5%	LOW
		2021	3.9%	5.2%	5.7%	LOW
		2022	5.0%	5.0%	5.6%	LOW
		2023	4.9%	6.4%	6.8%	<b>LOW</b>
Net Financial Assets or Net Debt as % of Own Source Revenues	Low: > -50% Mod: -50% to -100% High: < -100%	2019	-52.2%	42.8%	31.2%	MODERATE
		2020	-23.3%	52.8%	42.5%	LOW
		2021	6.1%	60.1%	51.8%	LOW
		2022	28.6%	65.6%	50.0%	LOW
		2023	39.2%	49.7%	46.2%	<b>LOW</b>
Total Reserves and Discretionary Reserve Funds as a % of Municipal Expenses	Low: > 20% Mod: 10% to 20% High: < 10%	2019	47.0%	78.8%	80.0%	LOW
		2020	56.7%	88.0%	88.6%	LOW
		2021	68.1%	83.2%	94.7%	LOW
		2022	69.1%	84.4%	90.9%	LOW
		2023	78.6%	81.0%	91.4%	<b>LOW</b>
Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)	Low: > 50% Mod: 50% to 25% High: < 25%	2019	582.3%	377.1%	428.2%	LOW
		2020	1249.8%	387.9%	533.7%	LOW
		2021	1011.4%	369.1%	481.1%	LOW
		2022	699.2%	390.2%	540.9%	LOW
		2023	898.9%	418.6%	541.1%	<b>LOW</b>



# Grant Opportunities

Grant Funding - Capital	2023/24	2025	2026
Canada Community Building Fund	\$302,737	\$315,351	\$315,351
Ont Community Infrastructure Fund	\$794,458	\$913,627	TBD
ICIP Green Stream (River Crossing)	\$556,602	\$1,449,816	-
ICIP Green Stream (WFP Clearwell)	\$183,325	-	\$1,649,925
HEWSF (Daniel / Albert St Sewer)	-	\$73,000	\$3,832,500

## - Possible future grants:

- Community Sport and Recreation Infrastructure Fund
- Housing Accelerator Fund – Round 2





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# Long Range Capital Forecast -20 Year Term

# Financial Sustainability

- 2024-2027 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 snapshot 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 tool 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 Year Summary

Investment Type	Year 1-5	Year 6-10	Year 11-20	TOTAL
Linear Infrastructure	29,429,800	36,678,000	41,187,500	107,295,300
Land Improvements	7,395,500	3,132,000	1,815,800	12,343,300
Facilities	15,282,600	25,958,800	13,287,200	54,528,600
Machinery & Equipment	2,289,000	2,135,500	2,728,500	7,153,000
Vehicles	1,165,000	3,506,000	4,608,000	9,279,000
Studies / Other	810,000	888,000	1,272,000	2,970,000
<b>Total</b>	<b>\$56,371,900</b>	<b>\$72,298,300</b>	<b>\$64,899,000</b>	<b>\$ 193,569,200</b>
Estimated Grants	\$11,627,315	\$ 6,144,890	\$12,289,780	\$ 30,061,984
Funding Required	\$44,744,585	\$66,153,410	\$52,609,220	\$ 163,507,216

- Capital Investment of \$193M over 20 years
  - After adjusting for estimated capital grants, average annual fund requirement of \$8.1M



# LRCF - Years 1 to 5

Investment Type	2026	2027	2028	2029	2030	TOTAL
Linear Infrastructure	7,630,000	5,175,000	5,375,000	6,763,800	4,486,000	29,429,800
Land Improvements	1,745,000	1,945,000	1,540,500	725,000	1,440,000	7,395,500
Facilities	5,865,000	1,515,000	3,236,600	2,735,000	1,931,000	15,282,600
Machinery & Equipment	764,000	215,000	0	770,000	540,000	2,289,000
Vehicles	505,000	0	110,000	495,000	55,000	1,165,000
Studies / Other	339,000	125,000	265,000	0	81,000	810,000
<b>Total</b>	<b>\$16,848,000</b>	<b>\$ 8,975,000</b>	<b>\$10,527,100</b>	<b>\$ 11,488,800</b>	<b>\$ 8,533,000</b>	<b>\$ 56,371,900</b>
Estimated Grants	\$ 6,711,403	\$ 1,228,978	\$ 1,228,978	\$ 1,228,978	\$ 1,228,978	\$ 11,627,315
Funding Required	\$10,136,597	\$ 7,746,022	\$ 9,298,122	\$ 10,259,822	\$ 7,304,022	\$ 44,744,585

- Over \$56M capital investment
  - After adjusting for estimated capital grants, average annual fund requirement of \$8.9M



# LRCF Updates

- Inflationary impacts
  - Cost of construction significantly increased
- Growth related impacts
  - Additional or amended projects
- Linear infrastructure
  - Focus on more road surface rehabilitation with targeted underground infrastructure repairs to maximize asset value.





# LRCF Updates

- Asset management data
  - Improved data allows for better LRCF projections and lifecycle planning
- LRCF updates from current projects
  - Water/Wastewater Master Plan
  - Water/Wastewater Facility BCAs
  - Recreation Master Plan
  - Waterfront Master Plan
  - Linear Infrastructure Design



# Linear Investment

Linear Infrastructure	2026	2027	2028	2029	2030	TOTAL
Rolling Road Rehabilitation	500,000	500,000	0	500,000	1,000,000	2,500,000
Tierney & St John's Way Reconstruction, Meehan S&P	100,000		1,200,000			1,300,000
Hugh St. N Full Reconstruction	80,000		900,000			980,000
Daniel St / Albert St Reconstruction & Sewer	5,150,000					5,150,000
First Avenue Reconstruction	1,000	675,000				676,000
Madwaska Blvd Sidewalks	1,500,000					1,500,000
Atkinson St Reconstruction, Sewer & Culvert			150,000	3,093,800		3,243,800
Third Avenue Reconstruction	125,000	1,000,000				1,125,000
Victoria St Reconstruction / Watermain		3,000,000	3,000,000			6,000,000
Madwaska Blvd Reconstruction / Watermain / Streetlights			125,000	2,800,000		2,925,000
Baskin Drive West Urbanization				150,000	2,500,000	2,650,000
Mulvihill Cres Reconstruction				100,000	736,000	836,000
Design: River Crossing Phase II					100,000	100,000
Design: Claude/Elgin/McGonigal Reconstruction / Sewer					120,000	120,000
Design: Rock Lane E Reconstruction / Sewer					150,000	150,000
<b>TOTAL</b>	<b>7,456,000</b>	<b>5,175,000</b>	<b>5,375,000</b>	<b>6,643,800</b>	<b>4,606,000</b>	<b>29,255,800</b>

- \$29M linear investment over the next five years



# LRCF Priorities

- Competing priorities
  - Waterfront development 10 yr implementation
  - Linear / road reconstruction
  - Water / wastewater infrastructure
  - Facility BCA recommendations
  - Growth pressures
  - Town Hall replacement / rehabilitate



# LRCF Funding

- Increase Reserve / Reserve Funds
  - Increasing construction prices
- 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



# Asset Management Plan

- Recommends eliminating the infrastructure deficit within 5-10 years
- Inflationary impacts on the infrastructure deficit, increasing replacement costs
  - Annual avg investment \$8.1M to fund LRCAF
    - Years 1-5 Avg \$8.9M
- Continuous updates for LRCAF and asset management data



# Funding Future Capital

- LRCF Funding (financial sustainability)
  - Reduced future expenditures through reprioritizing projects / increasing timelines
    - Additional road resurfacing, targeted reconstructions
  - Increase contributions to Reserves to fund future capital
    - Water / Wastewater Rate Study Increases
    - Development Charges Study / By-Law
    - 2025 Municipal Tax Rate Increase
    - Continued applications for Grant supports



# Funding Future Capital

Reserve & Reserve Funds	2025	2026	2027	2028	2029	2030
<b>Opening Balance</b>	<b>21,390,326</b>	<b>17,925,425</b>	<b>14,797,319</b>	<b>13,892,213</b>	<b>11,685,007</b>	<b>8,766,101</b>
Annual Contributions	6,412,398	6,662,398	6,912,398	7,162,398	7,412,398	7,662,398
Development Charges	850,000	850,000	850,000	850,000	850,000	850,000
Government Grants	2,801,294	7,128,978	1,228,978	1,228,978	1,228,978	1,228,978
<b>Subtotal</b>	<b>31,454,018</b>	<b>32,566,801</b>	<b>23,788,695</b>	<b>23,133,589</b>	<b>21,176,383</b>	<b>18,507,477</b>
Capital Expenditures	(12,442,632)	(16,848,000)	(8,975,000)	(10,527,100)	(11,488,800)	(8,533,000)
Operating Expenditures	(1,085,960)	(921,482)	(921,482)	(921,482)	(921,482)	(921,482)
<b>Closing Balance</b>	<b>17,925,425</b>	<b>14,797,319</b>	<b>13,892,213</b>	<b>11,685,007</b>	<b>8,766,101</b>	<b>9,052,995</b>
MTRI 3.5% (2025) + 2.0% / year	18,359,886	15,914,504	15,940,385	14,912,429	13,421,036	15,413,706
MTRI 4.0% (2025) + 2.0% / year	18,421,952	16,038,636	16,126,583	15,160,693	13,731,366	15,786,102
MTRI 4.5% (2025) + 2.0% / year	18,484,017	16,162,766	16,312,778	15,408,953	14,041,691	16,158,492
MTRI 5.0% (2025) + 3.0% / year	18,546,083	16,411,030	16,871,372	16,402,009	15,593,341	18,392,868
*All scenarios assume \$250K annual supplemental taxes from growth.						



# 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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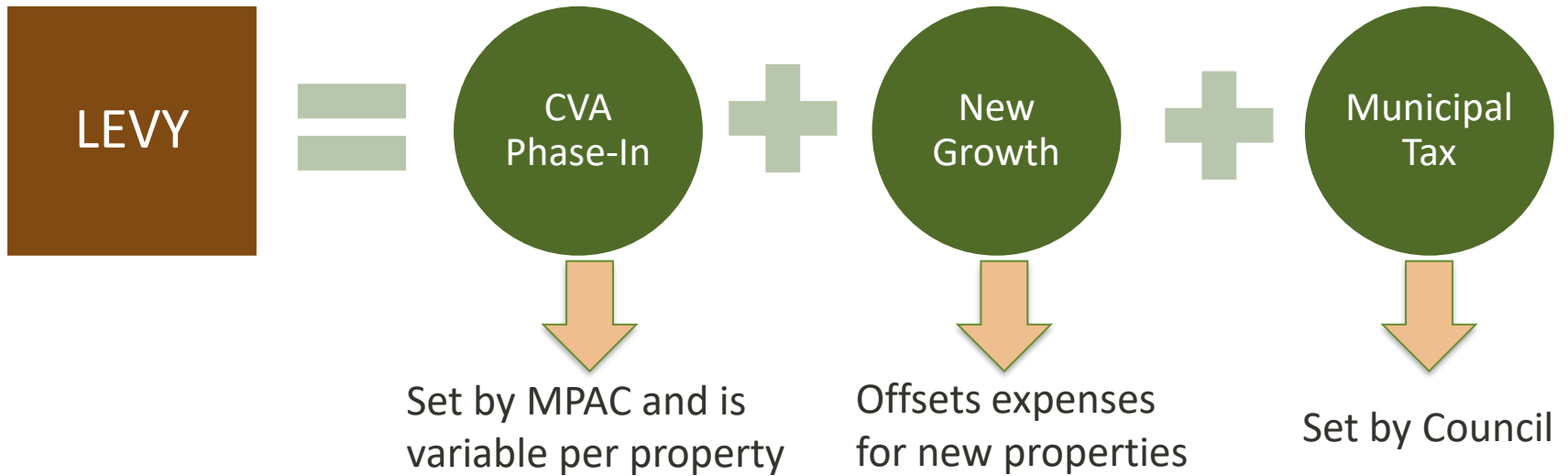
# Conclusions and Recommendations

# Draft 2025 Budget

- The current draft budget is presented with **0% Municipal Tax Rate Increase (MTRI)**.
  - At 0% MTRI, additional tax revenues of \$274,031 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%)
    - \$274,031 Growth 2.28% (2024, 5.36%)



# What Impacts the Levy



\$274,031	=	\$0.00	+	\$274,031	+	\$0.00
2.28%	=	0.00%	+	2.28%	+	0.00%

# Draft 2025 Budget

- Each additional **1.0% Municipal Tax Rate Increase** would generate an additional **\$124,132** in tax revenue.
- Staff is recommending a **3.5% Municipal Tax Rate Increase** which results in additional revenues of \$434,461 for additional contributions to reserves to fund future capital investment.



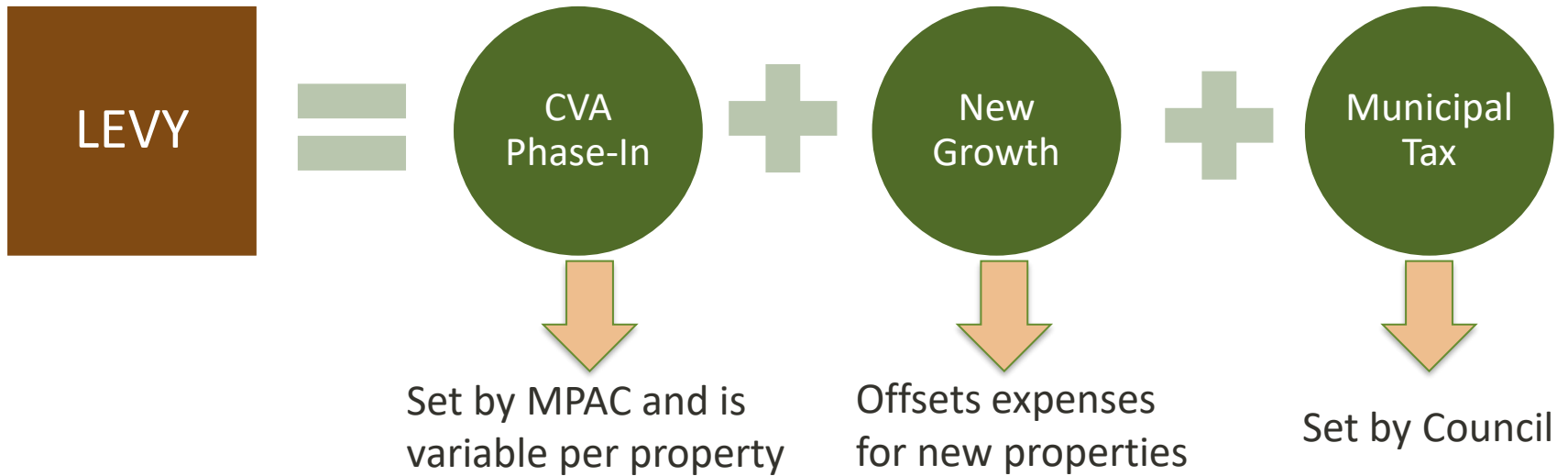
# Draft 2025 Budget

- Inflation rates for consideration include:
  - 2.0% CPI (Ont. All items)
    - Oct 2023 – Oct 2024
- Average MTRI is still under the average CPI historically.

Year	MTRI	CPI Rate
2025	3.50%	2.00%
2024	2.50%	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%
<b>TOTAL</b>	<b>18.08%</b>	<b>24.78%</b>
<b>AVG</b>	<b>2.01%</b>	<b>2.75%</b>



# What Impacts the Levy



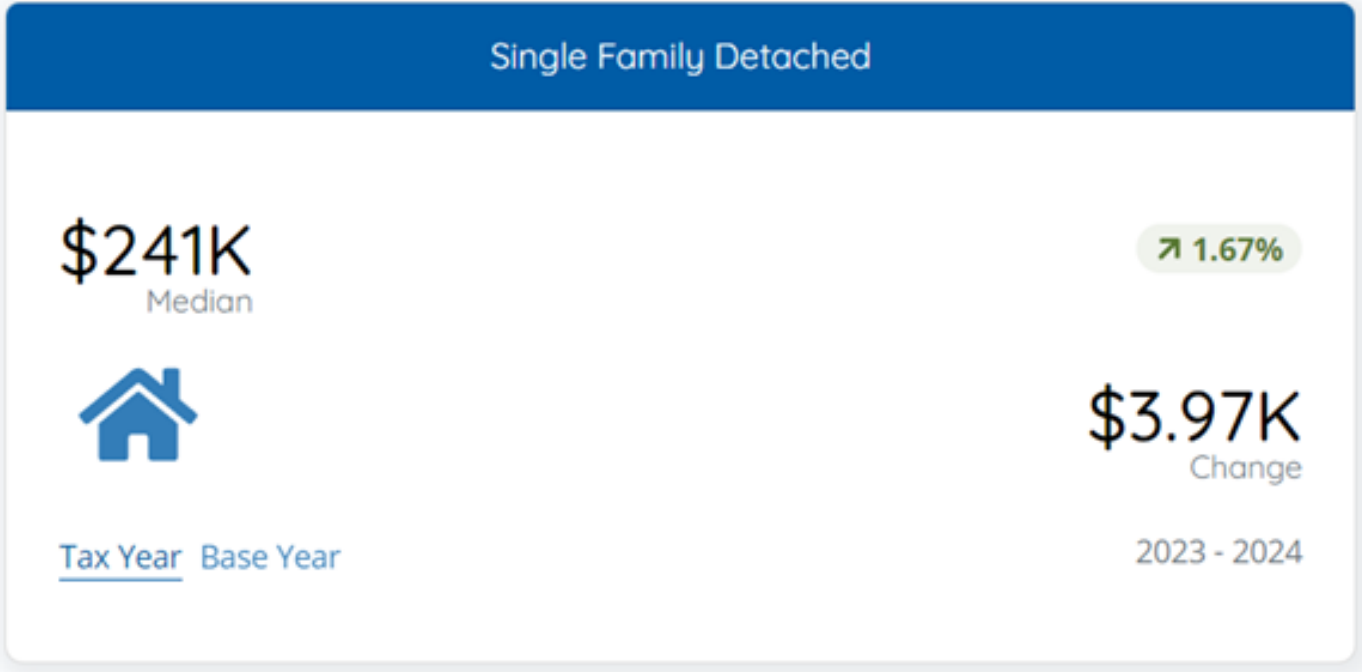
\$708,492	=	\$0	+	\$274,031	+	\$434,461
5.78%	=	0.00%	+	2.28%	+	3.50%

# Impact of Municipal Tax Rate

- Additional taxation revenue will help address:
  - Financial sustainability (ability to fund the LRCF) by generating additional contributions to reserves
  - Meet AMP targets for infrastructure reinvestment and asset lifecycle management
  - Inflationary pressures
  - Avoid the need for sharp increases in the future



# 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%	\$ 62,066	\$ 4.68	\$ 9.36	\$ 11.28
1.00%	\$ 124,132	\$ 9.36	\$ 18.72	\$ 22.56
1.50%	\$ 186,197	\$ 14.04	\$ 28.08	\$ 33.84
2.00%	\$ 248,263	\$ 18.72	\$ 37.44	\$ 45.12
2.50%	\$ 310,329	\$ 23.40	\$ 46.80	\$ 56.40
3.00%	\$ 372,395	\$ 28.08	\$ 56.16	\$ 67.68
<b>3.50%</b>	<b>\$ 434,461</b>	<b>\$ 32.76</b>	<b>\$ 65.52</b>	<b>\$ 78.96</b>
4.00%	\$ 496,527	\$ 37.44	\$ 74.88	\$ 90.24
4.50%	\$ 558,592	\$ 42.12	\$ 84.24	\$ 101.52
5.00%	\$ 620,658	\$ 51.48	\$ 102.96	\$ 112.80



# Overall Tax Impact

2025 Impact with 3.5% Municipal Tax Rate				
	Town	County	Education	TOTAL
% Increase/(Decrease)	3.50%	3.25%	0.00%	
2024 Levy	0.00936076	0.00412365	0.00153000	0.01501441
Proposed 2024 Levy	0.00968839	0.00425767	0.00153000	0.01547606
Current Value Assessment	\$241,000	\$241,000	\$241,000	
2024 Taxes	\$2,255.94	\$993.80	\$368.73	\$3,618.47
2025 Taxes	\$2,334.90	\$1,026.10	\$368.73	\$3,729.73
Annual Estimated Increase	\$78.96	\$32.30	\$0.00	\$111.26
Monthly Estimated Increase	\$6.58	\$2.69	\$0.00	\$9.27



# Overall Municipal Impact

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

Estimated Impacts	2022	2023	2024	2025
	0.0%	3.0%	2.5%	3.5%
Municipal Levy	\$0.00	\$64.10	\$55.02	\$78.96
Water / Wastewater	\$30.96	\$45.17	\$28.91	\$64.92
Garbage Rate	\$0.00	(\$20.00)	\$20.00	\$15.00
<b>TOTAL Annual</b>	<b>\$30.96</b>	<b>\$89.27</b>	<b>\$103.93</b>	<b>\$158.88</b>
<b>TOTAL Monthly</b>	<b>\$2.58</b>	<b>\$7.44</b>	<b>\$8.66</b>	<b>\$13.24</b>



# Schedule of Deliberations

MONDAY, FEBRUARY 3, 2025 at 5:00 PM	TUESDAY, FEBRUARY 4, 2025 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 3 & 4, 2025
  - Forward questions to CAO & Treasurer
    - Response memo provided back to all Council
- **Budget & LRCF Approval** – February 10<sup>th</sup>
- **County Sets Tax Ratios** – by April 30<sup>th</sup>
- **Municipal Tax Rates** – by May 31<sup>st</sup>



# Questions?



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