

# Presentation of the 2022 General Taxation Budget

Tuesday, January 25, 2022



# Introduction

## Agenda

- 2022 Budget Overview Presentation
- Budget Book – Operating and Capital Budget Review

## Budget Book

- Executive Summary
- Departmental Operating and Capital Budgets
- Appendix A: Capital Summary
- Appendix B: Reserves Summary
- Appendix C: Long-Term Debt
- Appendix D: Staff Complement
- Appendix E: Presentation

# Presentation Overview

- Council's Strategic Priorities
- Budget Highlights
- Operating Budget Overview
- Staffing Complement
- Capital Budget Overview
- Long-Term Financial Planning
- Asset Management
- Long-Term Borrowing (debt)
- Reserves and Reserve Funds
- Property Assessment and Taxes
- Community Partners
- Proposed Tax Dollars At Work
- Questions

# Council's Strategic Priorities

## Alignment to Strategic Plan

The 2022 Budget aligns with the City's Strategic Plan in providing services that enable a financially and environmentally sustainable community which will care and provide for the needs and values of its residents.

**Vision:** The City of Cornwall is recognized as a welcoming and healthy community with a strong municipal government providing effective services and infrastructure.

**Priorities:**

- Developing waterfront through ownership, partnerships for business, recreational opportunities;
- Attracting, enhancing workforce that meets demands of local employers;
- Growing quality of housing stock, including affordable housing;
- Economic development and pursuing diverse population growth of 50,000;
- Being leaders in sustainability and climate change impact.

### STRATEGIC PRIORITIES 2019-2022

**WE WILL EARN OUR REPUTATION BY:**

*Developing waterfront through ownership, partnerships for business, recreational opportunities.*

1. Pop-up businesses
2. Sports and recreation opportunities
3. Development of Pointe Maligne Park with budgeted funds
4. Sustained pressure to own strategic parts of our waterfront
5. Encourage private sector development (residential, retail, commercial)

*Attracting, enhancing workforce that meets demands of local employers.*

1. Convene a workforce group
2. Explore short-term affordable housing as way to facilitate relocation of workers
3. Lobby government officials to reverse trends of immigrants to large centres
4. Facilitate liaison activities between job creators, educators, and senior government to define needed skills, improve existing programs

*Growing quality of housing stock, including affordable housing.*

1. Create a taskforce
2. Create rental licensing registry to enable a database and adherence to applicable by-laws and standards
3. Look at options to increase enforcement of property standards, building & fire codes

*Economic development and pursuing diverse population growth of 50,000.*


1. Better branding for areas of the City
2. Attract remote workers via incentives
3. Focus on reducing number of vacant commercial spaces
4. Continue to invest in infrastructure
5. Encourage infill project (e.g. Brookdale)


*Being leaders in sustainability and climate change impact.*

1. Create Environmental & Climate Change Committee
2. Composting
3. Water meters
4. Education on recycling & waste reduction
5. Plastic bag ban
6. Identify what the City could take the lead on

**MISSION**


To provide services that enable a financially and environmentally sustainable community which will care and provide for the needs and values of its residents.





**VISION**

The City of Cornwall is recognized as a welcoming and healthy community with a strong municipal government providing effective services and infrastructure.



# Budget Highlights

The 2022 budget was prepared at an increase required to maintain existing levels of service. The 2022 budget for the City of Cornwall can be summarized as follows:

- ❑ The City manages an annual operating budget of \$195.5 million and a capital budget of \$20.8 million.
- ❑ The 2022 budget has been prepared as a normal budget year with no reductions to revenue or increases in expenses due to the COVID-19 pandemic.
- ❑ This document has been prepared with a tax levy of \$80,369,977. A tax levy increase of \$2,781,753 or 3.59%;
- ❑ Also included in the budget is \$298,000 of growth (new assessment from 2021 supplementary taxation) that has been added to the 2021 tax roll; and \$2,130,000 of supplementary taxation (projected growth added to the tax roll during 2022).
- ❑ Operating budgets funded from the tax base for City departments has increased by \$2,565,523 or 3.37%; Increases to both long-term debt (\$931,330) and insurance (\$242,700) has had an impact on the operating budget for 2022. Excluding increases for both, the operating budget would have increased by \$1,391,493 or 1.83%;
- ❑ Net capital budgets for City departments funded from the tax base have increased from \$1,456,368 to \$1,672,598 (\$216,230 or 14.85%).

# 2022 Operating Budget Summary

The operating budget provides resources for the day-to-day costs of delivering municipal programs and services to residents.

	2021 Budget	2022 Submission	\$ Change	% Change
Revenue	\$100,233,506	112,998,194	\$12,764,688	12.73%
Supplementary Taxation	900,000	2,130,000	1,230,000	136.67%
Growth	-	298,000	298,000	100.00%
<b>Total Revenue</b>	<b>\$101,133,506</b>	<b>\$115,426,194</b>	<b>\$14,292,688</b>	<b>14.13%</b>
Expenditures				
Salaries and Benefits	\$82,967,131	\$ 90,920,426	\$7,953,295	9.59%
Purchase of Goods	10,627,461	13,466,611	2,839,150	26.72%
Services and Rents	32,196,163	35,150,161	2,953,998	9.18%
Debt Charges	5,417,860	7,192,259	1,774,399	32.75%
Insurance	1,182,960	1,779,372	596,412	50.42%
Financial and Transfers	\$36,546,641	\$36,802,576	255,935	0.70%
<b>Total Expenditures</b>	<b>\$168,938,216</b>	<b>\$185,311,405</b>	<b>\$16,373,189</b>	<b>9.69%</b>
Community Partners	\$4,172,991	\$4,170,045	(2,946)	-0.07%
To/From Reserves	4,154,155	4,642,123	487,968	11.75%
<b>Net Operating (Taxation)</b>	<b>\$76,131,856</b>	<b>\$78,697,379</b>	<b>\$2,565,523</b>	<b>3.37%</b>

The increases to both long-term debt and insurance has had an impact on the operating budget for 2022.

Excluding Housing Services, long-term debt increased by \$931,330 and insurance increased by \$242,700.

Excluding increases for both, the operating budget would have increased by \$1,391,493 or 1.83%.



Please see City Overall on page 26 of the budget book.

# Operating Revenue

Operating Revenue increased by \$14,292,688 or 14.13%. Now included in revenue is rents from Housing Services. In previous years, including 2021, the City transferred to CAHC the amount of net funding required as the municipal share to support CAHC operations.

	2021 Budget	2022 Submission
PIL & Suppl. Taxation	\$2,187,671	\$3,720,245
Provincial / Federal	\$63,786,436	\$66,523,107
Municipal	\$9,236,633	\$10,351,285
User Fees / Other	\$19,650,838	\$28,209,279
Internal Revenue	<u>\$6,271,928</u>	<u>\$6,622,278</u>
Total	<u>\$101,133,506</u>	<u>\$115,426,194</u>
	% increase	14.13%
	\$ increase	\$14,292,688

- Payments in Lieu & Supplementary & Growth  
\$1,532,574 or 70.06%
- Provincial and Federal Grants  
\$2,736,671 or 4.29%
- Other Municipalities  
\$1,114,652 or 12.07%
- User Fees / Other  
\$8,558,441 or 43.55%  
(\$7M Rental Fees – CAHC)
- Internal Revenue  
\$350,350 or 5.59%

# Operating Expenditures

The departmental requests resulted in a year over year expenditure increase of \$17,020,598. This represents a 9.54% increase in expenditures from the 2021 approved budget.

	<u>2021 Budget</u>	<u>2022 Submission</u>
Salary	\$82,967,131	\$90,920,426
PoG	\$10,627,461	\$13,466,611
S&R	\$32,196,163	\$35,150,161
Debt Charges	\$5,417,860	\$7,192,259
Insurance	\$1,182,960	\$1,779,372
Financial	<u>\$46,079,288</u>	<u>\$46,982,632</u>
Total	<u>\$178,470,863</u>	<u>\$195,491,461</u>
	% increase	9.54%
	\$ increase	\$17,020,598

- Salaries and Benefits  
\$7,953,295 or 9.59%
- Purchase of Goods  
\$2,839,150 or 26.72%
- Services and Rents  
\$2,953,998 or 9.18%
- Debt Charges  
\$1,774,399 or 32.75%
- Insurance  
\$596,412 or 50.42%
- Financial  
\$903,344 or 1.96%

Note: In 2021, the CAHC is budgeted as a transfer in the Financial category. In 2022, CAHC (Housing Services) is brought in-house and budgeted by the categories noted above.

# Analysis of Operating Expenditures

To compare the 2021 budget to the 2022 submission, we excluded Housing Services from the following analysis. The departmental requests resulted in a year over year expenditure increase of \$9,875,381. This represents a 6.03% increase in expenditures from the 2021 approved budget.

	Budget as Presented		Housing Services (separated)	
	2021 Budget	2022 Submission	2021 Budget	2022 Submission
Salary	\$82,967,131	\$90,920,426	\$82,967,131	\$88,537,384
PoG	\$10,627,461	\$13,466,611	\$10,627,461	\$10,852,781
S&R	\$32,196,163	\$35,150,161	\$32,196,163	\$33,432,036
Debt Charges	\$5,417,860	\$7,192,259	\$5,417,860	\$6,349,190
Insurance	\$1,182,960	\$1,779,372	\$1,182,960	\$1,425,660
Financial	\$46,079,288	\$46,982,632	<u>\$41,418,127</u>	<u>\$41,926,808</u>
			\$173,809,702	\$182,523,859
			% increase	5.01%
Housing Services	-	-	\$4,661,161	\$12,967,602
Total	<u>\$178,470,863</u>	<u>\$195,491,461</u>	<u>\$178,470,863</u>	<u>\$195,491,461</u>
	% increase	9.54%	% increase	9.54%

- Salaries and Benefits  
\$5,570,253 or 6.71%
- Purchase of Goods  
\$225,320 or 2.12%
- Services and Rents  
\$1,235,873 or 3.84%
- Debt Charges  
\$931,330 or 17.19%
- Insurance  
\$242,700 or 20.52%
- Financial  
\$508,681 or 1.23%

Note: Overall the Housing Services' 2022 operating budget decreased by \$161,187 or 2.91% when compared to the 2021 budget.

# Staffing Complement

Net to the Corporation: ↑ 24.3 FTEs, ↑ 11,991 PT hours, ↑ 1 Contract, ↑ 2 Students, ↑ 283 PT Temp Election Hours

## **Clerks Department (+283 PT hrs)**

PT hours added for the 2022 Municipal Election.

## **Human Resources (+1.0 FTE)**

A Disability and Wellness Coordinator has been included to ensure that disability management services are provided in a timely manner for ill and injured employees, with a focus on keeping employees safely in the workplace and facilitating early and safe return to work.

## **Financial Services (+1.0 FTE)**

Added an ITT Operations Support position to address the ongoing and increasing need for departmental and project support.

## **Fire and Emergency Management Services (+0.4 FTE)**

Added a portion of an FTE to create a Deputy Chief to support the relocation of Emergency Management to Fire Services.

## **Human Services**

### **Ontario Works, Children's Services, and Housing Programs (-6.5 FTE, -700 PT hrs)**

Retirements & vacancies not being filled at this time due to changes at the provincial level as well as the closure of Richelieu Daycare.

### **Housing Services – CAHC (+1.0 FTE, +2.0 Students)**

Addition of one new maintenance employee and two students to Housing Services.

### **Glen Stor Dun Lodge**

#### **(+12.0 FTE, +5,347 PT hrs)**

Additional RNs, RPNs, and PSWs aligns with the province's commitment to provide additional daily direct care.

### **Waste Management (+0.3 FTE)**

Represents the addition of the Sustainable Project Coordinator, which is shared with Water and Wastewater.

## **Cornwall SDG Paramedic Services (+13.6 FTE, +7,344 PT hrs)**

An increase in front-line staffing for Paramedics, Logistics, and the Community Paramedicine (CP) Program to address the consistent increase in call volume, call duration, complexity & new CP program.

## **By-Law Services and Parking Program (+0.5 FTE, +1.0 Contract)**

Half of a full-time position has been created to support the new AMPS program. One contract position will support the enforcement of municipal by-laws.

## **Recreation Services (+1.0 FTE)**

An Arts and Culture Coordinator has been included to oversee the operation of the new Arts and Culture Centre.



Please see Staffing Complement section beginning on page 205 of the budget book.

# Capital Summary

The capital budget funds the City's infrastructure that supports service delivery. Infrastructure is the term that is used to describe essential facilities, services, and structures the City owns which help make Cornwall a safe, convenient and livable community.

	2021 Budget	2022 Submission	Change from 2021 Budget
<b>Capital Funding Sources</b>			
Debt	\$22,041,160	\$2,461,400	(\$19,579,760)
Development Charges	\$1,763,900	\$0	(\$1,763,900)
Reserves	\$4,419,800	\$4,309,770	(\$110,030)
SDG	\$301,792	\$248,062	(\$53,730)
Federal Gas Tax	\$4,113,000	\$5,185,000	\$1,072,000
ICIP Funding	\$1,925,440	\$2,690,730	\$765,290
Prov/OCIF Funding	\$2,021,900	\$4,205,300	\$2,183,400
	\$36,586,992	\$19,100,262	(\$17,486,730)
<b>Less:</b>			
Gross Capital Costs	\$38,043,360	\$20,772,860	(\$17,270,500)
<b>Total Capital funded by taxation</b>	<b>\$1,456,368</b>	<b>\$1,672,598</b>	<b>\$216,230</b>
	% change from 2021 budget		14.85%
	\$ change from 2021 budget		\$216,230

The 2022 capital budget includes \$20.8 million in capital works and asset replacement, including:

- \$10.3 million in roads and transportation (including \$4.5 million for Lemay Street upgrades and extension and \$4 million for asphalt resurfacing).
- \$3.6 million investment in transit projects.
- \$1.1 million investment in Paramedic Services vehicles and equipment.
- \$2.1 million for City facilities and park repairs and upgrades.
- \$1.0 million for Housing Services (provincially mandated housing upgrades).

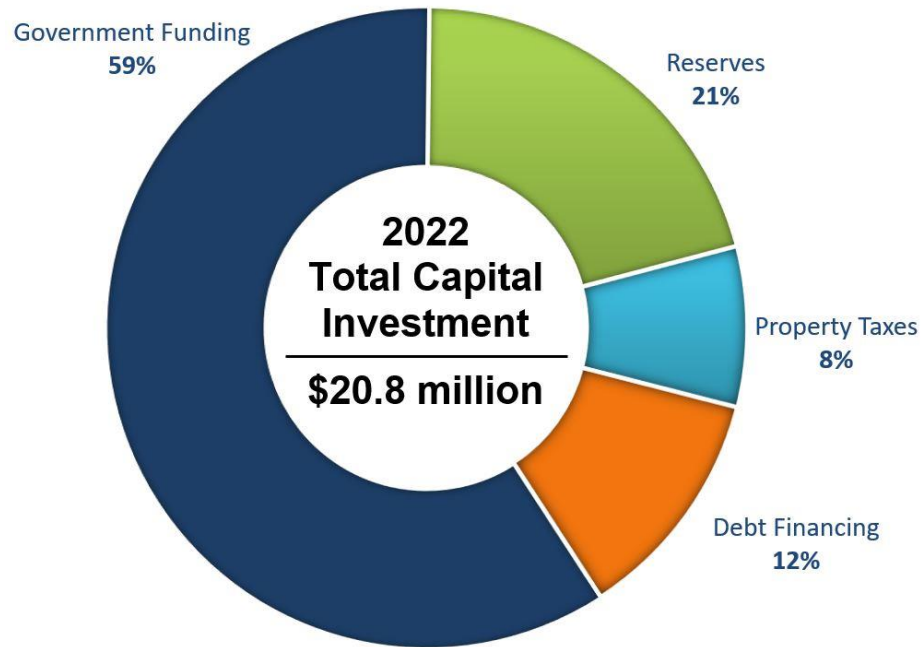
} Capital projects funded from the taxation have increased by \$216,230 or 14.85%.



Further information can be found in Appendix A: Capital Summary beginning on page 189 of the budget book and in each departmental section.

# Capital Funding

The 2022 budget includes four major sources of funding for capital projects: government funding, reserves, debt financing, and property taxes. Projects can receive funding from a single source or through multiple sources.



**Capital Summary by Department**

Department	2021 Gross Capital	2022 Gross Capital	FUNDING SOURCE						
			GRANTS	SDG	FINANCING	GAS TAX	DCs	RESERVES	TAXATION
Financial Services	290.00	100.00						100.00	
Housing Services	1,039.66	1,039.66		237.56					802.10
Glen Stor Dun Lodge	1,119.00	375.00	81.30	10.50				258.70	24.50
Paramedic Services	950.00	1,126.00						1,126.00	
Fire Services	3,780.00	150.00						150.00	
Police Services	385.80	339.00						215.00	124.00
Municipal Works	16,177.00	1,100.00						800.00	300.00
Traffic	400.00	450.00				350.00		100.00	
Transit Services	2,538.30	3,631.20	2,690.73		831.40			109.07	
Infrastructure Planning	8,230.00	9,855.00	4,074.00		1,630.00	3,990.00		146.00	15.00
Waste Management	400.00	470.00	50.00					370.00	50.00
Recreation Services	15.00	240.00				140.00			100.00
City Facilities	2,586.00	1,747.00				705.00		785.00	257.00
Cornwall Public Library	132.60	150.00						150.00	
<b>Taxation Subtotal</b>	<b>38,043.36</b>	<b>20,772.86</b>	<b>6,896.03</b>	<b>248.06</b>	<b>2,461.40</b>	<b>5,185.00</b>	<b>-</b>	<b>4,309.77</b>	<b>1,672.60</b>



Further information can be found in Appendix A: Capital Summary beginning on page 189 of the budget book and in each departmental section.

# Long Term Financial Plan (LTFP)

	Budget	Submission	FORECAST			RE-FORECAST		
	2021	2022	2022	2023	2024	2023	2024	2025
Net Operating Budget	66,384,841	66,862,997	68,008,433	69,436,610	70,964,215	68,501,140	70,008,166	71,408,329
change \$		478,156	1,626,361	1,428,177	1,527,605	1,638,143	1,507,025	1,400,163
change %		0.72%	2.45%	2.10%	2.20%	2.45%	2.20%	2.00%
Debt Payments	5,417,860	7,192,259	6,562,544	7,836,670	7,911,852	7,360,035	8,997,970	8,540,487
Net to/from Reserves	4,329,155	4,642,123	4,311,690	4,017,190	4,443,158	4,017,190	4,443,158	5,358,676
Total Net Operating	76,131,856	78,697,379	78,882,667	81,290,470	83,319,225	79,878,365	83,449,294	85,307,492
Total Net Capital	1,456,368	1,672,598	1,500,000	2,557,000	4,344,700	4,230,000	4,340,000	4,730,000
Total Levy	77,588,224	80,369,977	80,382,667	83,847,470	87,663,925	84,108,365	87,789,294	90,037,492
Net Levy Change \$		2,781,753	3,573,810	3,464,803	3,816,455	3,738,388	3,680,928	2,248,198
Net Levy Change %		3.59%	4.65%	4.31%	4.55%	4.65%	4.38%	2.56%
Net Levy - LTFP	-	83,820,697	83,820,697	85,502,516	87,976,797	85,502,516	87,976,797	90,096,767
Net Levy - variance	77,588,224	(3,450,720)	(3,438,030)	(1,655,046)	(312,872)	(1,394,151)	(187,503)	(59,275)

The LTFP forecasts revenues, operating expenditures, contributions to/from reserves, and capital requirements (based on the 10-year Asset Management Plan) over the period 2018-2027. The LTFP is one tool that Council can use to identify the impact of current and future decisions when setting priorities for the City.



Further information can be found on page 27 of the budget book.

# Asset Management

## Sustainable Service Delivery

The objective of asset management is to maximize benefits, manage risk, and provide satisfactory levels of service to the public in a sustainable manner.

City infrastructure (based on the 2016 AMP):

<u>Assets</u>	<u>2016 Estimated Replacement Value</u>
Buildings	251,498,204
Roads	267,898,000
Bridges and Culverts	45,536,000
Sidewalks and Paths	37,639,000
Traffic Signals/Street Lights	23,008,000
Municipal Fleet	22,736,362
	<hr/>
	648,315,566



The next version of the City's AMP (by July 1, 2022) will conform to the O.Reg. 588/17. See page 13 of the Executive Summary of the budget book for more information.

### Phase 1:

July 1, 2019

Municipalities to finalize a strategic asset management policy that promotes best practices and links asset management planning with budgeting, operations, maintenance, and other municipal planning activities.



The City adopted its Asset Management Policy (FI-2019-06-24-1) on June 24, 2019 that meets the requirements of this section of the legislation.

### Phase 2:

July 1, 2022

Municipalities to approve an AMP for core assets that identifies current levels of service and the cost of maintaining those levels of service.

### Phase 3:

July 1, 2024

Municipalities to have an approved AMP for all municipal infrastructure assets that identifies current levels of service and the cost of maintaining those levels of service.

### Phase 4:

July 1, 2025

Municipalities to have an approved AMP for all municipal infrastructure assets that builds upon the requirements set out in 2024. This includes the identification of proposed levels of service, the activities required to meet proposed levels of service, and a strategy to fund these activities.

# Long-Term Borrowing (debt)

The City's existing debt obligations of \$50.45 million requires an annual payment of \$6.7 million. The following chart illustrates that the City is at 5.3% (or just over half) of the Municipal limit and at 21.2% of the Provincial limit.

Debt and Financial Obligation Limits	Debt Limits	2021 Debt Limits	Percentage of Limit Utilized
City of Cornwall Self-Imposed Debt Limit	10%	\$12.9M	53.1%
Ontario Regulation 403/02	25%	\$31.1M	21.2%
<b>Current Debt Limit Payment Percentage</b>		5.3%	

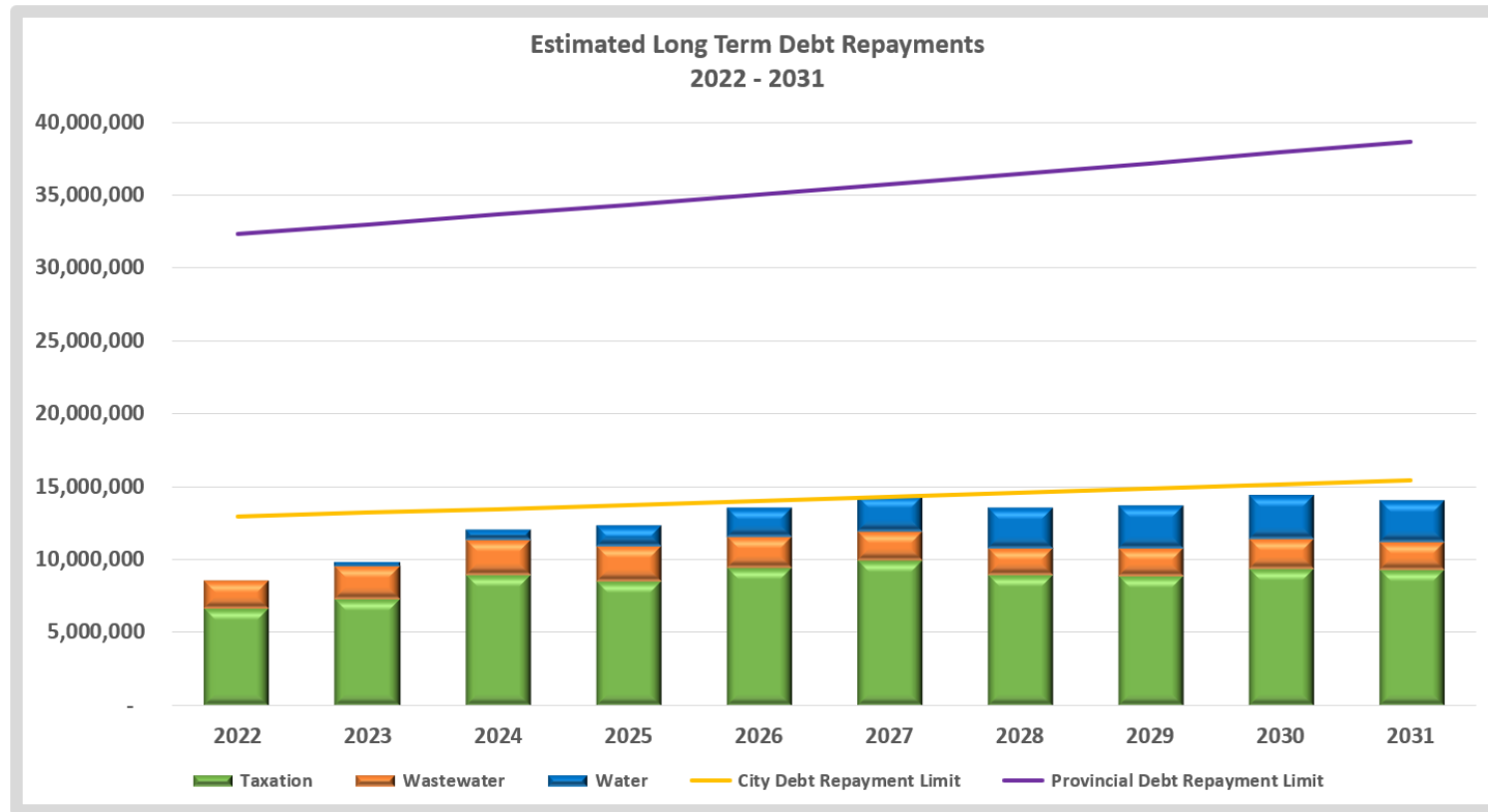
	2019 FIR	LTFP		2021 ARL	
		Municipal Limits (10%)		Provincial Limits (25%)	
		Additional	Total	Additional	Total
Long-Term Debt	\$41.2M	\$77.5M	\$118.7M	\$310.0M	\$351.2M
Annual Principal and Interest	\$6.2M	\$6.7M	\$12.9M	\$24.9M	\$31.1M



Further detail can be found in the Executive Summary on page 18 and in the Debt section of the budget book beginning on page 201.

# Long-Term Debt Repayments

The following graph provides forecasted information regarding the City's projected long-term debt repayments from 2022 to 2031. The purple line reflects the provincial debt ceiling and the yellow line represents the self-imposed municipal debt ceiling for annual principal and interest repayments.



# Annual Principal and Interest Payments

Department	Est. Loans @ Jan 1/22	To Borrow in 2022	2022 Principal	2022 Interest	2022 Submission	Debt Repayment is funded by:
Fire Services (Vehicle)	707,900	0	257,937	15,305	273,242	Tax Base
Police Services (Sick Benefit)	466,300	0	229,100	12,103	241,203	
Municipal Works (Vehicle & Equipment)	2,702,900	820,000	847,278	66,196	913,474	
Parks and Landscaping (Emerald Ash)	775,900	500,000	320,464	20,260	340,724	
Municipal Works (Yard)	8,558,900	5,000,000	704,246	276,648	980,894	
City Facilities (Equipment, Land, LED Lighting GSDL)	201,100	1,220,000	272,880	24,383	297,263	
Waste Management (Flare Replacement)	1,560,000	0	133,800	37,500	171,300	
Infrastructure Planning (LED, Marleau, Culvert, CN Overpass)	5,409,300	2,256,500	988,442	139,347	1,127,789	
	20,382,300	9,796,500	3,754,147	591,742	4,345,889	
Transit Services (Buses, Fuel Tanks, Equipment)	2,895,300	269,000	761,685	65,476	827,161	Provincial Gas Tax and tax base
Paramedic Services (Facility & Vehicles)	794,600	0	213,432	20,767	234,199	50% MoH, 30% County, 20% City (tax base)
Benson Centre	6,550,800	0	504,472	214,912	719,384	Progress Fund Interest and tax base
Library (HVAC)	444,800	0	89,624	13,333	102,957	Building Reserve
City Facilities (Justice Bldg HVAC)	1,040,000	0	89,000	30,600	119,600	
Housing Services	2,472,000	0	703,131	139,938	843,069	Govt Funding, Rents, City, County
Wastewater Capital Projects	15,868,600	4,050,000	1,626,649	487,478	2,114,127	Wastewater Billings
Water Capital Projects	0	1,350,000	91,500	20,000	111,500	Water Billings
<b>Total</b>	<b>50,448,400</b>	<b>15,465,500</b>	<b>7,833,640</b>	<b>1,584,246</b>	<b>9,417,886</b>	

# Annual Repayment Limit (ARL)

(Under Ontario Regulation 403/02)

- Each year the City of Cornwall receives a notice from the Ministry of Municipal Affairs summarizing the City's 'Annual Repayment Limit' (ARL).
- The City's estimated annual repayment limit is \$31,098,318.
- This notice also lists the following examples of borrowing for illustration purposes only:

<u>5.0% Interest Rate</u>	<u>Principal</u>
a) 20 years @ 5.0%	\$309,982,059
b) 15 years @ 5.0%	\$258,181,148
c) 10 years @ 5.0%	\$192,068,600
d) 5 years @ 5.0%	\$107,690,374

This limit represents the maximum amount which the municipality had available as of December 31, 2019 to commit to payments relating to debt and financial obligation.

# Reserves and Reserve Funds

## Contributions to/from Reserves

The City has numerous reserves and reserve funds that are consolidated into the following four categories.

2022 Summary of Reserves and Reserve Funds					
Reserves and Reserve Funds	Estimated Opening Balance	Withdrawals	Additions	Net Change	Estimated Closing Balance
Operating Reserves	\$4,589,135	-\$503,054	\$646,677	\$143,623	\$4,732,758
Capital Reserves	\$2,753,904	-\$4,661,459	\$4,275,038	-\$386,421	\$2,367,483
Restricted Reserves (Municipal Funding)	\$50,673,764	-\$8,239,474	\$8,061,622	-\$177,852	\$50,495,912
Restricted Reserves (Funded Externally)	\$6,539,691	-\$6,391,401	\$4,767,297	-\$1,624,104	\$4,915,587
<b>Total Reserves and Reserve Funds</b>	<b>\$64,556,494</b>	<b>-\$19,795,388</b>	<b>\$17,750,634</b>	<b>-\$2,044,754</b>	<b>\$62,511,740</b>

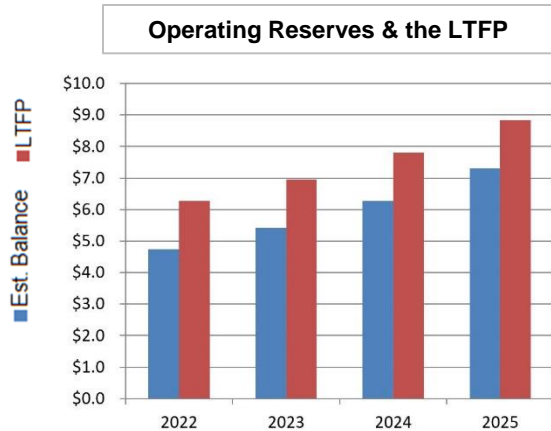
In 2022, the City plans to withdraw \$19.8 million and contribute \$17.8 million to its reserves. An estimated net decrease in reserves of \$2 million.



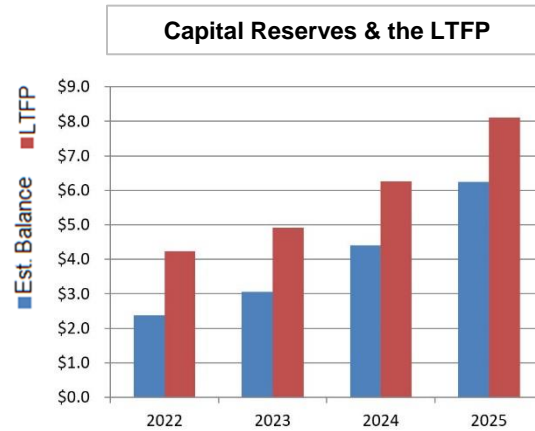
Further detail can be found in the Executive Summary on page 15 and in the Reserves section of the budget book beginning on page 194.

# Reserves and Reserve Funds

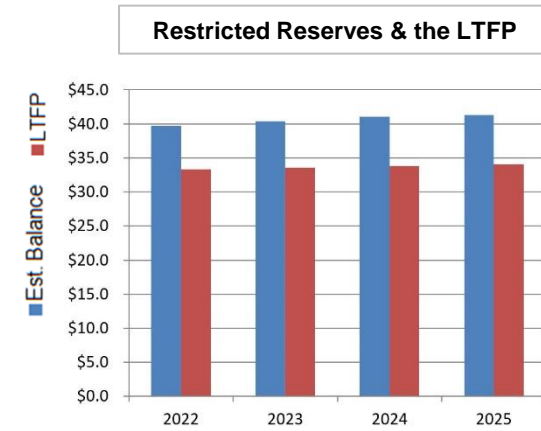
Previously established Reserves can be used to help stabilize rate increases from year to year. The following charts compares the City's current Reserve position (shown in the millions) from 2022 through 2025 with the LTFP.



The Working Reserve is below the LTFP target for 2022. This is primarily due to payments required to cover outstanding tax refunds from previous years related to assessment appeals. The City has committed to repay the Working Reserve over the next several years. A contribution of \$300,000 is included in the 2022 budget.



Over the next four years, the Capital reserves are below the balance projected in the LTFP. The City borrowed (\$2 million) from the Land Reserve to purchase land in the Business Park. When the land is sold, the proceeds will be contributed back to this reserve and the balance will be in-line with the LTFP.



The Building Surplus Reserve, Brownfield Reserve, and the WSIB – Estimated Future Benefit Costs Reserve are above the LTFP balance, though below the City's targeted balances.

# Total Assessed Value by Property Class

Property assessments are updated every four years by MPAC. The 2016 reassessment set the property values for the 2017-2020 property tax years. The year 2020 was the final year of this 4-year phase-in cycle.

In response to the COVID-19 pandemic, the Ontario Government has indicated that property assessments for the 2022 property tax year will continue to be based on the fully phased-in January 1, 2016 current values.

Property Classes	2021 Assessment	2022 Assessment	\$ Change	% Change	MPAC Market Assessment Change	Assessment Growth
Residential	\$2,805,019,409	\$2,830,518,500	\$25,499,091	0.91%	-\$2,760,509	\$28,259,600
Multi-Res	185,900,400	189,469,400	3,569,000	1.92%	2,908,300	660,700
Commercial	878,499,663	887,345,272	8,845,609	1.01%	-2,358,191	11,203,800
Landfill	556,100	556,100	0	0.00%	0	0
Industrial	86,309,300	85,755,100	-554,200	-0.64%	-1,964,500	1,410,300
Pipeline	12,290,000	12,436,000	146,000	1.19%	0	146,000
Farm	9,949,600	9,531,600	-418,000	-4.20%	-619,500	201,500
<b>Total Assessment</b>	<b>\$3,978,524,472</b>	<b>\$4,015,611,972</b>	<b>\$37,087,500</b>	<b>0.93%</b>	<b>-\$4,794,400</b>	<b>\$41,881,900</b>

Over the last few years, the City has seen property assessment decreases to both the multi-residential and commercial property classes. Changes in assessment will shift the tax burden between the classes.

# Allocation of Property Taxes between Classes

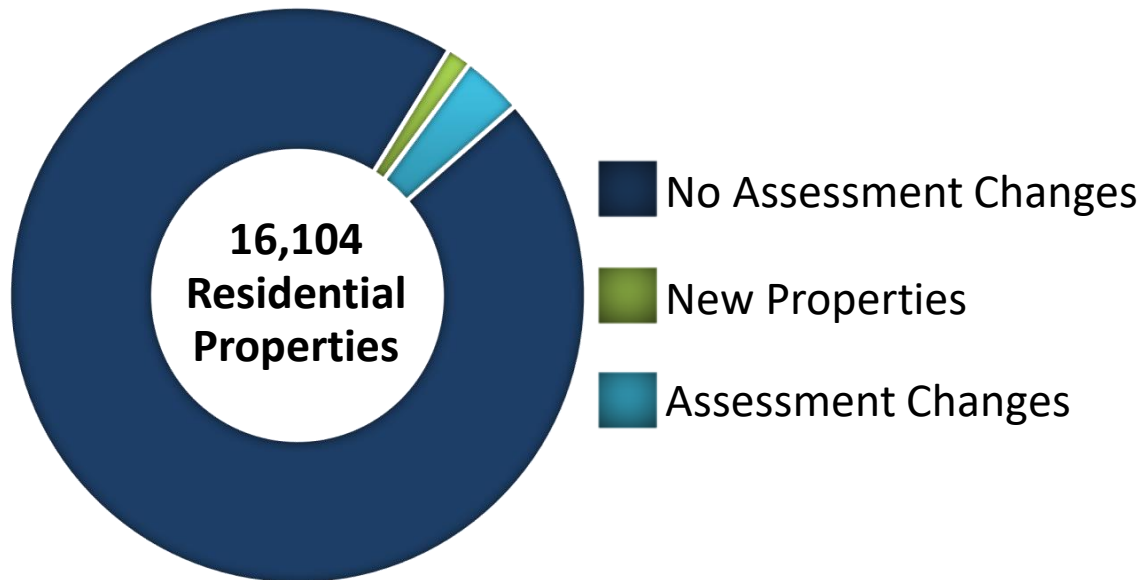
Property Classes	2021 Taxes	2022 Taxes	\$ Change	% of Total 2021	% of Total 2022
Residential	\$42,638,651	\$44,419,009	\$1,780,358	54.95%	55.06%
Multi-Res	\$5,638,396	\$5,730,678	\$92,282	7.27%	7.10%
Commercial	\$25,676,136	\$26,765,067	\$1,088,931	33.09%	33.18%
Landfill	\$14,857	\$15,333	\$476	0.02%	0.02%
Industrial	\$3,297,894	\$3,403,435	\$105,541	4.25%	4.22%
Pipeline	\$284,456	\$297,050	\$12,594	0.37%	0.37%
Farm	\$37,834	\$37,405	-\$429	0.05%	0.05%
<b>Total Taxes</b>	<b>\$77,588,224</b>	<b>\$80,667,977</b>	<b>\$3,079,753</b>	<b>100.00%</b>	<b>100.00%</b>

Includes growth of \$298,000 from 2021 which has been added to the roll in 2022.

Summary of 15,284 Residential Properties					
2021 Average Assessment	2022 Average Assessment	2021 Average Taxes	2022 Average Taxes	\$ Change	% Change
\$176,907	\$176,907	\$2,691.02	\$2,776.93	\$85.91	3.19%

# Analysis of Residential Properties

In response to the COVID-19 pandemic, the Ontario Government has indicated that property assessments for the 2022 property tax year will continue to be based on the fully phased-in January 1, 2016 current values.



- 15,284 residential properties did not have an assessment change when compared to the 2021 tax roll. These properties represent over 94.9% of the residential class.
- 153 new residential properties were added to the 2022 tax roll, representing 1.0% of the residential tax class.
- 820 residential properties had an assessment change, representing 5.1% of the residential tax class. These assessment changes are a result of renovations to existing properties, building additions, or market adjustments.

# Analysis of Residential Properties

## Properties with no assessment change

Residential Property Type	Properties		Assessment			Taxes			
	Number	%	2021 Average	2022 Average	% Change	2021 Average	2022 Average	\$ Change	% Change
Single family detached	10,120	66.2%	\$ 178,367	\$ 178,367	0.00%	\$ 2,713	\$ 2,800	\$ 86.62	3.19%
Semi-detached (Separate ownership)	1,515	9.9%	\$ 168,958	\$ 168,958	0.00%	\$ 2,570	\$ 2,652	\$ 82.05	3.19%
Duplex	787	5.2%	\$ 127,315	\$ 127,315	0.00%	\$ 1,937	\$ 1,998	\$ 61.83	3.19%
Condominium Unit	685	4.5%	\$ 181,675	\$ 181,675	0.00%	\$ 2,764	\$ 2,852	\$ 88.23	3.19%
Semi-detached (Single ownership)	395	2.6%	\$ 165,723	\$ 165,723	0.00%	\$ 2,521	\$ 2,601	\$ 80.48	3.19%
Freehold Townhouse/Row house	364	2.4%	\$ 134,459	\$ 134,459	0.00%	\$ 2,045	\$ 2,111	\$ 65.30	3.19%
Property with three self-contained units	295	1.9%	\$ 168,303	\$ 168,303	0.00%	\$ 2,560	\$ 2,642	\$ 81.73	3.19%
Property with four self-contained units	235	1.5%	\$ 241,830	\$ 241,830	0.00%	\$ 3,679	\$ 3,796	\$ 117.44	3.19%
Other	888	5.8%	\$ 222,145	\$ 222,145	0.00%	\$ 3,366	\$ 3,473	\$ 107.46	3.19%
<b>Total Residential Properties</b>	<b>15,284</b>	<b>100.0%</b>	<b>\$ 176,907</b>	<b>\$ 176,907</b>	<b>0.00%</b>	<b>\$ 2,691</b>	<b>\$ 2,777</b>	<b>\$ 85.91</b>	<b>3.19%</b>


Single family detached and semi-detached (separated ownership) homes with no change in assessed value represents 76.1% of the portfolio of residential properties. The estimated increase in taxes is \$82-\$86 (3.19%).

The average municipal tax increase based on 15,284 residential properties is \$85.91 or 3.19%.

# Community Partners

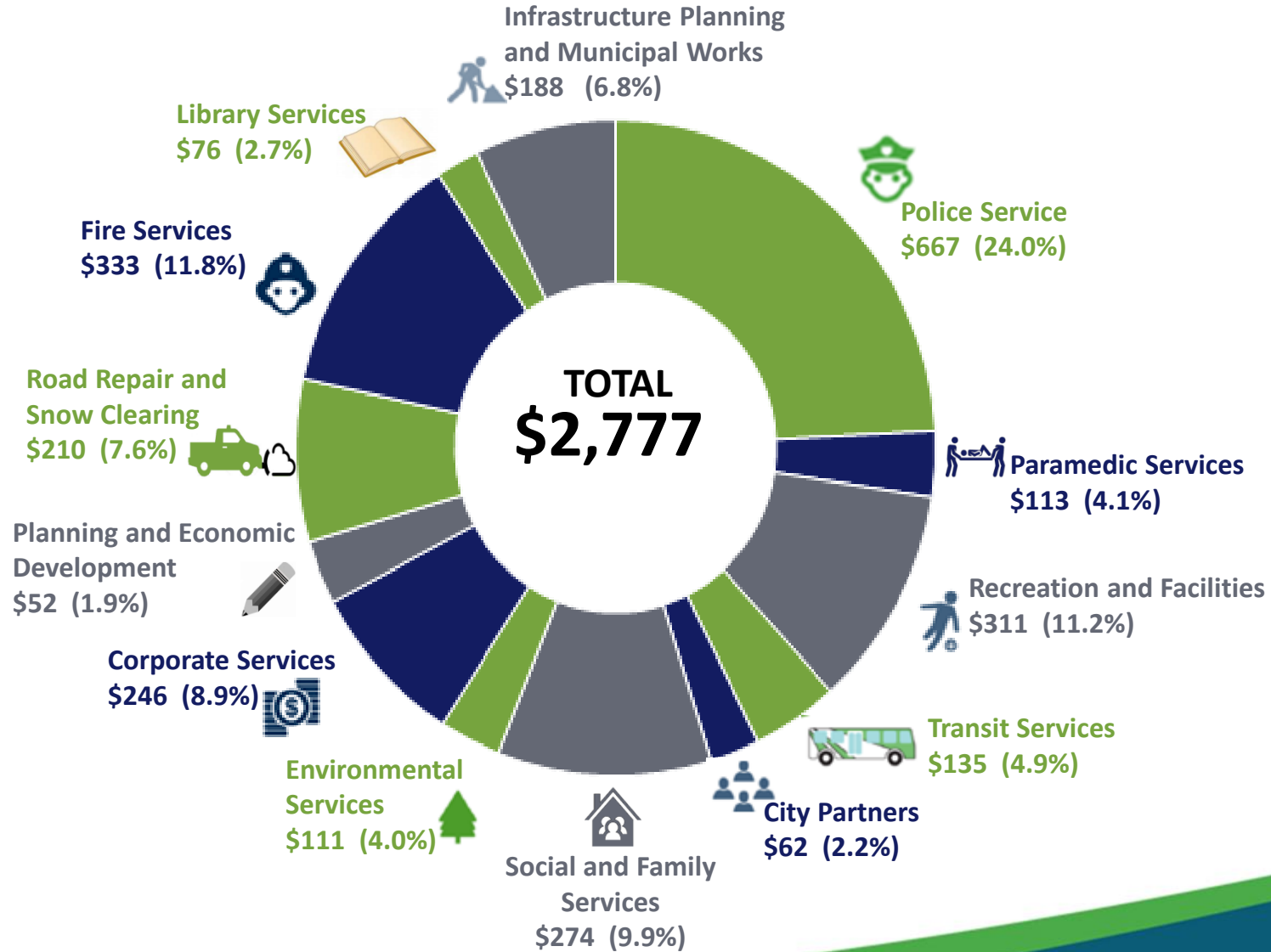
The City supports many organizations who provide programs and services to our community. Funding is provided to Community Partners (detailed in the chart below) and through the Municipal Grants Program (budget \$200,000).

Community Partners	2019 Approved	2020 Approved	2021 Approved	2022 Submission
Cornwall Public Library	\$2,324,058	\$2,364,143	\$2,451,158	\$2,261,666
Eastern Ontario Health Unit (EOHU)	\$749,661	\$817,138	\$728,413	\$742,981
Raisin Region Conservation Authority (RRCA)	\$508,666	\$537,600	\$548,352	\$549,255
Cornwall Regional Airport	\$85,000	\$103,049	\$103,049	\$110,126
Heritage Cornwall	\$6,360	\$5,475	\$0	\$3,850
SD&G Historical Society	\$70,000	\$100,000	\$100,000	\$151,309
Eastern Ontario Regional Network (EORN)	\$25,858	\$54,225	\$54,225	\$54,225
Heart of the City	\$30,000	\$30,000	\$0	\$0
Cornwall Innovation Centre (CIC)	\$50,000	\$50,000	\$0	\$0
Eastern Ontario Agri Food Network (EOAFN)	\$0	\$0	\$25,000	\$25,000
Medical Recruitment / Scholarships	\$100,000	\$175,000	\$175,000	\$100,000
Municipal Grants Program - Net	\$110,720	\$200,000	\$113,484	\$123,446
Beyond 21 - Capital (from/to Working Reserves)	\$0	(\$100,000)	\$100,000	\$0
<b>Total</b>	<b>\$4,060,323</b>	<b>\$4,336,630</b>	<b>\$4,398,681</b>	<b>\$4,121,858</b>

 Further detail can be found in the Community Partners section of the budget book beginning on page 185.

# Proposed Tax Dollars At Work

The municipal taxes for the average home assessed at \$176,907 would be \$2,777 annually.





Thank You.  
Questions?