

Presentation of the 2019 General Taxation Budget

Wednesday, February 27, 2019

Budget Highlights

The 2019 budget submission for the City of Cornwall can be summarized as follows:

- ❑ This document has been prepared with a tax levy of \$73,359,017, an increase of \$2,197,336 or 3.09% when compared to 2018.

This includes \$425,000 of Growth (new assessment from 2018 supplementary taxation) that has been added to the 2019 tax roll.

- ❑ The overall operating budget funded from the tax base has increased by \$2,109,686 or 3.03%.

This includes, debt financing charges for capital projects (an increase of \$320,248 or 8.98% and net contributions to reserves, an increase of \$259,285 or 5.56%.

- ❑ The combined capital budgets for City departments funded from the tax base has increased from \$1,586,850 in 2018 to \$1,674,500 (\$87,650 or 5.52%).

- ❑ The average municipal taxes for a residential home valued at \$169,932 is \$2,484.35 (\$2,412.90 in 2018). An average annual increase of \$71.45 or 2.96% (\$5.95 per month) .

2019 Operating Budget Summary

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

	2018 Budget	2019 Submission	\$ Change	% Change
Revenue	\$102,699,567	\$102,407,244	(\$292,323)	-0.28%
Supplementary Taxation	400,000	400,000	-	0.00%
Growth	-	425,000	425,000	100.00%
Total Revenue	\$103,099,567	\$103,232,244	\$132,677	0.13%
Expenditures				
Salaries and Benefits	\$58,536,684	\$ 60,732,908	\$2,196,224	3.75%
Purchase of Goods	8,885,715	9,152,398	266,683	3.00%
Services and Rents	34,031,652	33,029,246	(1,002,406)	-2.95%
Debt Charges	3,567,063	3,887,311	320,248	8.98%
Insurance	956,424	894,392	(62,032)	-6.49%
Financial and Transfers	\$39,278,420	\$39,093,732	(184,688)	-0.47%
Police Services	18,669,114	19,041,436	372,322	1.99%
Total Expenditures	\$163,925,072	\$165,831,423	\$1,906,351	1.16%
Community Partners	\$4,088,876	\$4,165,603	\$76,727	1.88%
To/From Reserves	4,660,450	4,919,735	259,285	5.56%
Net Operating Costs (Taxation)	\$69,574,831	\$71,684,517	\$2,109,686	3.03%



Please see City Overall on page A-2 of the budget book.

Operating Revenue

- Major variances (000s):
 - \$ 404 PIL & Supplementary Taxation
 - \$ 425 2018 Growth
 - (\$ 1,057) Provincial / Federal Funding
 - \$ 373 MOH (GSDL/Paramedic Services)
 - \$ 106 GSDL Prov Funding for Nursing
 - \$ 52 Prov Gas Tax
 - \$ 18 Fisheries & Oceans Canada
 - (\$ 116) Social Housing
 - (\$ 126) Fed Gas Tax
 - (\$ 397) EDU Funding
 - (\$1,032) Social Services
 - \$ 582 Other Municipalities
 - \$ 691 User Fees
 - \$ 350 Investment Income
 - \$ 150 Municipal Accommodation Tax
 - \$ 78 Preferred Accommodations (GSDL)
 - \$ 58 Building Permits
 - \$ 49 Parking Meters/Violations
 - (\$ 487) Internal Revenue
 - \$ 200 WSIB
 - (\$ 137) MW – City eq. rental
 - (\$ 684) S&H Services

	2018 Budget	2019 Submission
PIL & Suppl. Taxation	\$1,954,205	\$2,358,600
Provincial	\$67,166,832	\$66,217,552
Federal	\$2,962,947	\$2,855,170
Municipal	\$7,210,043	\$7,792,322
User Fees/Other	\$17,576,292	\$18,267,287
Internal Revenue	<u>\$6,229,248</u>	<u>\$5,741,313</u>
Total	<u><u>\$103,099,567</u></u>	<u><u>\$103,232,244</u></u>
	% increase	0.13%
	\$ increase	\$132,677

Operating Expenditures

The departmental requests resulted in a year over year expenditure increase of \$1,906,351. This represents a 1.16% increase in expenditures from the 2018 approved budget.

	<u>2018 Budget</u>	<u>2019 Submission</u>
Salary	\$58,536,684	\$60,732,908
PoG	\$8,885,715	\$9,152,398
S&R	\$34,031,652	\$33,029,246
Debt Charges	\$3,567,063	\$3,887,311
Insurance	\$956,424	\$894,392
Financial	\$39,278,420	\$39,093,732
Police Services	\$18,669,114	\$19,041,436
Total	<u>\$163,925,072</u>	<u>\$165,831,423</u>
	% increase	1.16%
	\$ increase	\$1,906,351

- Salary and Benefits
3.75% or \$2,196,224
- Purchase of Goods
3.00% or \$266,683
- Services and Rents
(2.95%) or (\$1,002,406)
- Debt Charges
8.98% or \$320,248
- Insurance
(6.49%) or (\$62,032)
- Financial
(0.47%) or (\$184,688)
- Police Services
1.99% or \$372,322

Staffing Complement Changes

Department	Category	2018	2019	Change		
Clerk's Department	Full Time Employees	5.0	4.0	-1.0		
Elections	Temporary Hours	910.0	0.0	-910.0		
Financial Service	Students	2.0	0.0	-2.0		
Social Housing	Part-time Hours	1,274.0	0.0	-1,274.0		
Social Support Services	Full Time Employees	67.0	66.0	-1.0		
	Contract Position	3.5	1.5	-2.0		
	Part-time Hours	2,369.0	2,182.0	-187.0		
Glen-Stor-Dun Lodge	Full Time Employees	87.0	88.0	1.0		
	Part-time Hours	115,990.0	118,017.0	2,027.0		
Paramedic Services	Full Time Employees	79.0	78.0	-1.0		
	Part-time Hours	39,611.0	47,234.0	7,623.0		
Municipal Works Property	Part-time Hours	5,640.0	6,680.0	1,040.0		
Municipal Works Garage	Part-time Hours	1,040.0	0.0	-1,040.0		
Transit Services	Full Time Employees	35.0	36.0	1.0	Total Net Change 2018 - 2019	
	Part-time Hours	5,285.0	4,245.0	-1,040.0		
Economic Development	Full Time Employees	5.0	6.0	1.0	Full Time Employees	0.0
Recreation Programming	Part-time Hours	44,450.0	44,103.0	-347.0	Temporary Hours	(910.0)
Recreation Facilities	Part-time Hours	22,253.0	25,563.0	3,310.0	Students	(2.0)
Parks and Landscaping	Part-time Hours	9,090.0	5,835.0	-3,255.0	Part-time Hours	6,857.0
					Contract Position	(2.0)



A full staffing comparison can be found from pages S-1 to S-3 of the Staffing Complement section of the budget book.

Capital Summary

	Year 2019 LTFP	Variance to LTFP	'18 Budget	'19 Submission	Change from 2018 Budget
Capital Funding Sources					
Debt	\$7,517,000	\$4,635,700	\$7,679,000	\$12,152,700	\$4,473,700
Development Charges	0	2,275,100	0	2,275,100	2,275,100
Reserves	2,875,309	-1,560,309	2,244,000	1,315,000	-929,000
United Counties	127,500	-7,800	172,950	119,700	-53,250
Federal Gas Tax	2,951,330	-41,330	3,099,800	2,910,000	-189,800
Fed/Prov - Soccer Fields	4,320,000	-4,320,000	0	0	0
PTIF/ICIP Funding	411,000	654,000	283,000	1,065,000	782,000
Prov/OCIF Funding	1,633,000	-863,000	2,416,300	770,000	-1,646,300
	<u>\$19,835,139</u>	<u>\$772,361</u>	<u>\$15,895,050</u>	<u>\$20,607,500</u>	<u>\$4,712,450</u>
Less:					
Gross Capital Costs	<u>\$25,631,000</u>	<u>-\$3,349,000</u>	<u>\$17,481,900</u>	<u>\$22,282,000</u>	<u>\$4,800,100</u>
Total Capital funded by taxation	<u><u>\$5,795,861</u></u>	<u><u>-\$4,121,361</u></u>	<u><u>\$1,586,850</u></u>	<u><u>\$1,674,500</u></u>	<u><u>\$87,650</u></u>

The Long-Term Financial Plan estimated Gross Capital Costs of \$25,631,000 with \$5,795,861 to be funded by taxation. The 2019 Gross Capital Costs submission is \$22,282,000 with \$1,674,500 funded from the tax base.



Further information can be found on page C-2 of the 2019 budget book.

2019 Submission Comparison

The 2019 budget submission is built on the City's current operating levels and current infrastructure needs. There is a variance of \$24,875 between the 2019 budget submission and the City's LTFP.

	LTFP 2019	2019 Submission	Variance
Operating Costs	118,575,173	122,834,681	4,259,508
Revenue less Transfers	(60,563,578)	(60,421,169)	142,409
Debt Payments	5,117,495	4,351,270	(766,225)
Net Reserve Transfers	4,409,191	4,919,735	510,544
Total Net Operating	67,538,281	71,684,517	4,146,236
Total Net Capital	5,795,861	1,674,500	(4,121,361)
Total Levy	73,334,142	73,359,017	24,875
Net Levy Change \$		24,875	
Net Levy Change %		0.03%	

Operating Costs

Increase of \$4,259,508 (3.59%)

- S&B \$1,814,712 (2.36%)
- PofG \$ 503,879 (5.29%)
- S&R \$1,940,917 (6.03%)

Debt Payments

Decrease of \$766,225 or 14.97%

The City is borrowing as per the LTFP, but not as quickly as we have planned.

Net Reserves

Increase of \$510,544 or 11.58%

- CIP Initiatives

Net Capital

Decrease of \$4,121,361

As illustrated on slide 7

Long Term Financial Plan (LTFP)

	Budget 2018	2019	FORECAST		
		2020	2021	2022	
Net Operating Budget	61,293,583	62,784,976	63,896,270	65,129,468	66,705,601
change \$		1,491,393	1,111,294	1,233,198	1,576,133
change %		2.43%	1.77%	1.93%	2.42%
Debt Payments	3,567,063	3,887,311	4,684,873	5,959,231	6,705,688
Net to/from Reserves	4,714,185	5,012,230	5,473,355	5,976,904	6,526,779
Total Net Operating	69,574,831	71,684,517	74,054,498	77,065,603	79,938,068
Total Net Capital	1,586,850	1,674,500	2,800,000	3,585,000	3,320,000
Total Levy	71,161,681	73,359,017	76,854,498	80,650,603	83,258,068
Net Levy Change \$		2,197,336	3,495,481	3,796,105	2,607,465
Net Levy Change %		3.09%	4.76%	4.94%	3.23%

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.

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 current infrastructure:

<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, 2021) will conform to the O.Reg. 588/17. See page 5 of the Executive Summary of the budget book for more information.

Annual Principal and Interest Payments

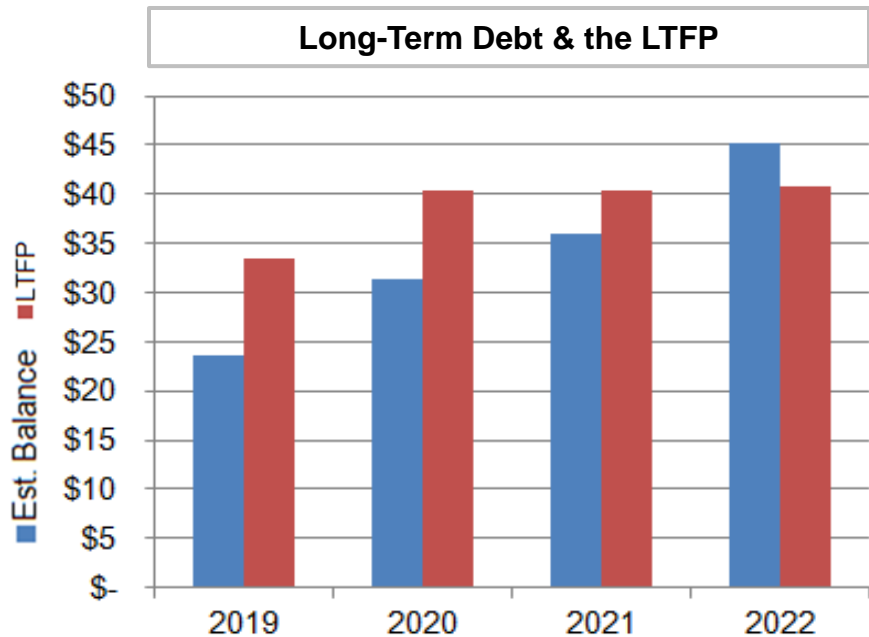
<u>Department</u>	<u>Est. Loans @ Jan 1/19</u>	<u>To Borrow in 2019</u>	<u>2019 Principal</u>	<u>2019 Interest</u>	<u>2019 Submission</u>	<u>Debt Repayment is funded by:</u>
I.T. Services		1,540,000	112,800	23,450	136,250	Tax base
Fire Services (Veh.)	1,481,100	0	238,157	35,085	273,242	
Police Services (Veh. & Sick Benefit)	1,282,200	400,000	420,551	43,408	463,959	
Municipal Works (Veh. & Equip.)	2,881,400	1,595,000	691,137	91,718	782,855	
Municipal Works (Yard)	396,600	0	95,501	10,650	106,151	
Recreation Facilities (Equip, Splashpad, LED Lights)	108,700	1,050,000	192,611	10,743	203,354	
Parks and Landscaping (Emerald Ash, Retaining Wall)	916,200	1,500,000	209,307	29,578	238,885	
Infrastructure Planning (LED Project, Marleau)	3,473,100	3,776,000	560,930	96,432	657,362	
	10,539,300	9,861,000	2,520,994	341,064	2,862,058	
Transit Services (Buses, Fuel Tanks)	1,896,600	1,035,000	370,832	62,593	433,425	Provincial Gas Tax and Tax base
Paramedic Services (Facility & Veh)	1,394,800	0	194,300	39,145	233,445	50% MoH 30% County 20% City (Tax base)
Benson Centre	7,963,300	0	455,809	263,575	719,384	Progress Fund Int.
Library HVAC	696,500	0	81,188	21,770	102,958	Building Reserve
Secondary WWTP	10,529,500	0	440,008	336,442	776,450	Waste Water Billings
Brookdale (North Channel Bridge)	3,130,100	0	343,336	76,726	420,062	
Cornwall Blue Print Initiatives	2,658,600	1,400,000	471,365	74,261	545,626	
	16,318,200	1,400,000	1,254,709	487,429	1,742,138	
Total	38,808,700	12,296,000	4,877,832	1,215,576	6,093,408	

Long Term Debt

(excluding Water and Wastewater)

The City has a total of \$22.5 million in outstanding debt at the beginning of 2019, an additional \$11.2 million of approved borrowing from prior years, with approximately \$59.4 million (\$12.3 million in 2019 budget submission) in new debt to be issued over the next ten years. This is in line with the LTFP.

This chart shows the four-year (2019-2022) forecasted balance (shown in the millions) of long-term debt compared to the LTFP.



The budget submission includes borrowing for two capital projects that were planned to be funded by the tax base:

- Traffic Signal Upgrades.....\$300,000
- Pole Replacement.....\$100,000

LTD exceeds the LTFP in 2022:

- Arts Centre project, planned for 2025
- New Fire Station, LTFP \$5M
revised estimated cost \$8.7M

Contributions to/from Reserves

- Major variances primarily relates to increases/(decreases) in (000's):

	2018 Budget	2019 Submission
To Reserves	\$7,200,717	\$7,475,650
From Reserves	(2,540,267)	(2,555,915)
Total	<u>\$4,660,450</u>	<u>\$4,919,735</u>
	% increase	5.56%
	\$ increase	\$259,285

- \$275 Variances in Contributions to Reserves

- \$ 300 Brownfields contribution
- \$ 86 Interest Income
- \$ 55 Downtown Wall Repair
- \$ 52 Provincial Gas Tax Funding
- \$ 50 Life Cycle Costing
- \$ 45 Elections Reserve
- \$ 30 Paramedic Services Amortization
- \$ 29 HoTC Non Refundable TIG
- (\$ 125) Federal Gas Tax
- (\$ 285) Brownfields Repayment

- \$16K Variances in Contributions from Reserve

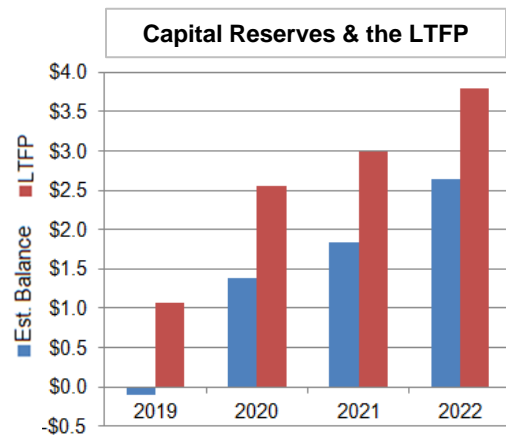
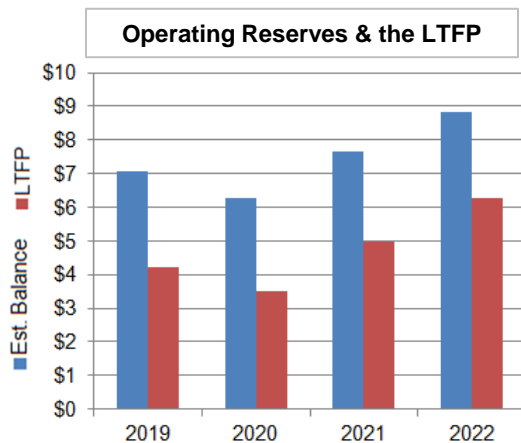
- \$ 136 Transit Services
- \$ 106 Cornwall Public Library (capital & LTD)
- \$ 43 Paramedic Services (LTD)
- (\$ 55) Fire Services Equipment
- (\$ 99) Working Reserves
- (\$ 120) 2018 Election

Reserves and Reserve Funds

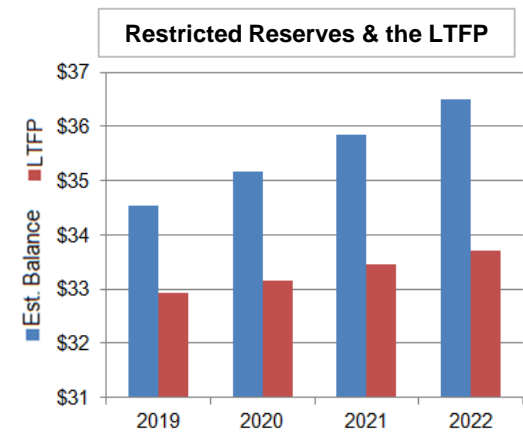
Previously established Reserves can be used to help stabilize rate increases from year to year. The following charts compares the City's current Reserve position (shown in the millions) from 2019 through 2022 with the LTFP.

New Reserve Funds in 2018

- Development Charges Reserve Fund
- Waterfront Development Reserve Fund



(excludes the DC Reserve)



Further detail can be found in the Reserves section of the budget book beginning on page R-1.

City and Community Partners

The City supports many organizations who provide programs and services to our community.

Organization Name	2018 Budget	2019 Submission	\$ Variance	% Variance
Cornwall Public Library	\$2,305,394	\$2,335,246	\$29,852	1.3%
Eastern Ontario Health Unit	\$734,962	\$749,661	\$14,699	2.0%
Raisin Region Conservation Authority	\$492,489	\$508,666	\$16,177	3.3%
Medical Recruitment / Scholarship	\$50,000	\$100,000	\$50,000	100.0%
St. Lawrence College	\$100,000	\$100,000	\$0	.0%
Cornwall & Regional Airport	\$98,558	\$85,000	(\$13,558)	(13.8%)
S.D. & G. Historical Society	\$70,000	\$70,000	\$0	.0%
Cornwall Innovation Centre	\$50,000	\$50,000	\$0	.0%
Heart of the City	\$30,000	\$30,000	\$0	.0%
Seaway Senior Citizens Club #1202	\$30,000	\$30,000	\$0	.0%
Centre Charles-Emile Claude	\$30,000	\$30,000	\$0	.0%
Eastern Ontario Regional Network	\$25,858	\$25,858	\$0	.0%
Heritage Cornwall	\$10,615	\$6,360	(\$4,255)	(40.1%)
Total	\$4,027,876	\$4,120,791	\$92,915	2.3%



Through required program reporting for Community Partners, two Community Partners requested an increase in funding:

- SD&G Historical Society requested their 2019 funding be increased from \$70,000 to \$80,000 (see page P-7).
- The Seaway Senior Citizens Club requested an increase in funding in 2019 from \$30,000 to \$32,500 (see pages P-8 & P-9).

Community Agencies Grants – Municipal Program

As part of the annual budget process, applications received through the Municipal Grants Program are reviewed. Through this process, the amount of funds and the amount for City services and/or fees waived by the City (in-kind contributions) are determined.

- The 2019 budget submission includes \$56,000 for Municipal Grants, which is the same amount as in 2018. Requests for Municipal Grants total \$122,830.
- Requests for City Services and/or Fees Waived in 2019 is estimated at \$87,900 (2018 - \$61,020).



Requests for Municipal Grants and/or Requests for City Services/Fees Waived can be found in the City Partners section of the budget book, on pages P-2 and P-3 followed the respective applications.

Additional Information

Allocation of Property Taxes between Classes

Property Classes	2018 Taxes	2019 Taxes	\$ Change	% of Total 2018	% of Total 2019
Residential	\$36,850,103	\$38,610,186	\$1,760,083	51.78%	52.33%
Multi-Res	\$6,846,429	\$6,794,820	-\$51,609	9.62%	9.21%
Commercial	\$24,422,376	\$25,362,349	\$939,973	34.32%	34.37%
Landfill	\$13,529	\$14,007	\$477	0.02%	0.02%
Industrial	\$2,750,007	\$2,709,049	-\$40,958	3.86%	3.67%
Pipeline	\$255,180	\$265,364	\$10,183	0.36%	0.36%
Farm	\$24,057	\$28,242	\$4,186	0.03%	0.04%
Total Taxes	\$71,161,681	\$73,784,017	\$2,622,336	100.00%	100.00%

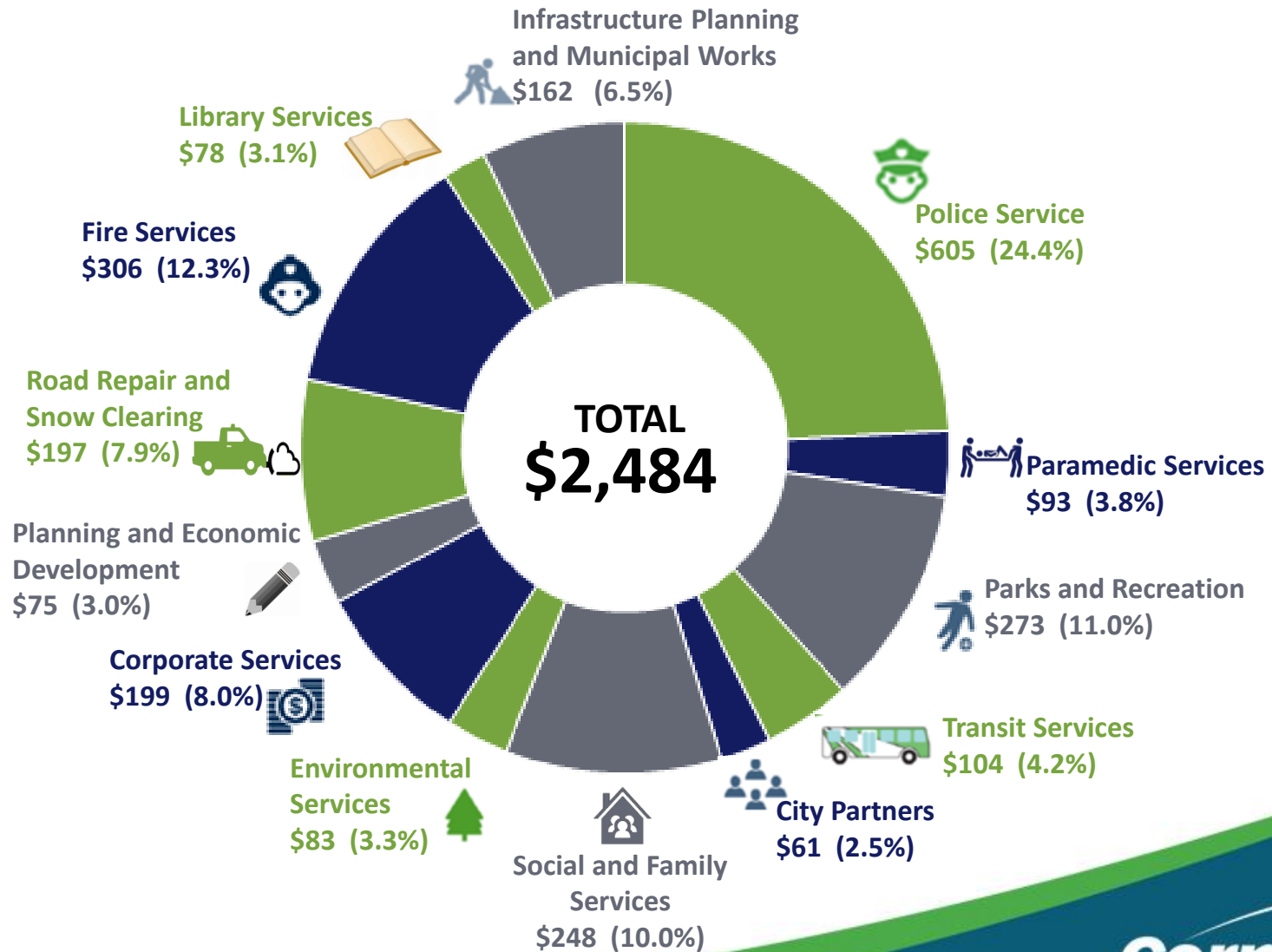


Summary of 14,633 Residential Properties					
2018 Average Assessment	2019 Average Assessment	2018 Average Taxes	2019 Average Taxes	\$ Change	% Change
\$166,771	\$169,932	\$2,412.90	\$2,484.35	\$71.45	2.96%

Includes growth of \$425,000 from 2018 which has been added to the roll in 2019.

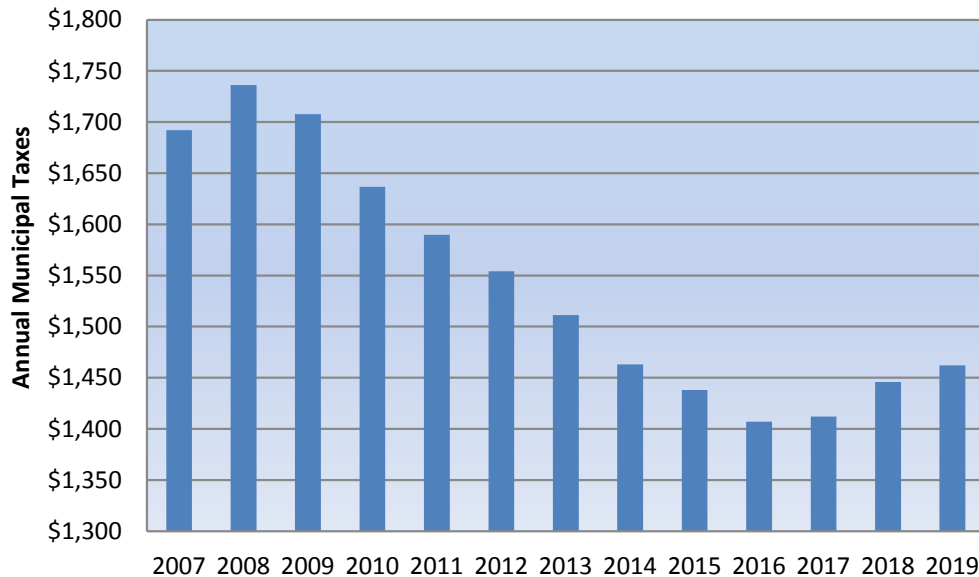
Proposed Tax Dollars At Work

The municipal taxes for the average home assessed at \$169,932 would be \$2,484 annually.



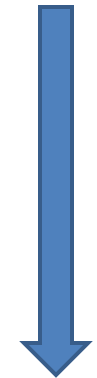
Change in Residential Tax Rate 2007-2019

**Total Residential Taxes per \$100,000
Assessment**



Residential Taxes per \$100,000
of Assessment

Year	Municipal	Education	Total
2007	\$ 1,692	\$ 264	\$ 1,956
2008	\$ 1,736	\$ 264	\$ 2,000
2009	\$ 1,708	\$ 252	\$ 1,960
2010	\$ 1,637	\$ 241	\$ 1,878
2011	\$ 1,590	\$ 231	\$ 1,821
2012	\$ 1,554	\$ 221	\$ 1,775
2013	\$ 1,511	\$ 212	\$ 1,723
2014	\$ 1,463	\$ 203	\$ 1,666
2015	\$ 1,438	\$ 195	\$ 1,633
2016	\$ 1,407	\$ 188	\$ 1,595
2017	\$ 1,412	\$ 179	\$ 1,591
2018	\$ 1,447	\$ 170	\$ 1,617
2019	\$ 1,462	\$ 170	\$ 1,632

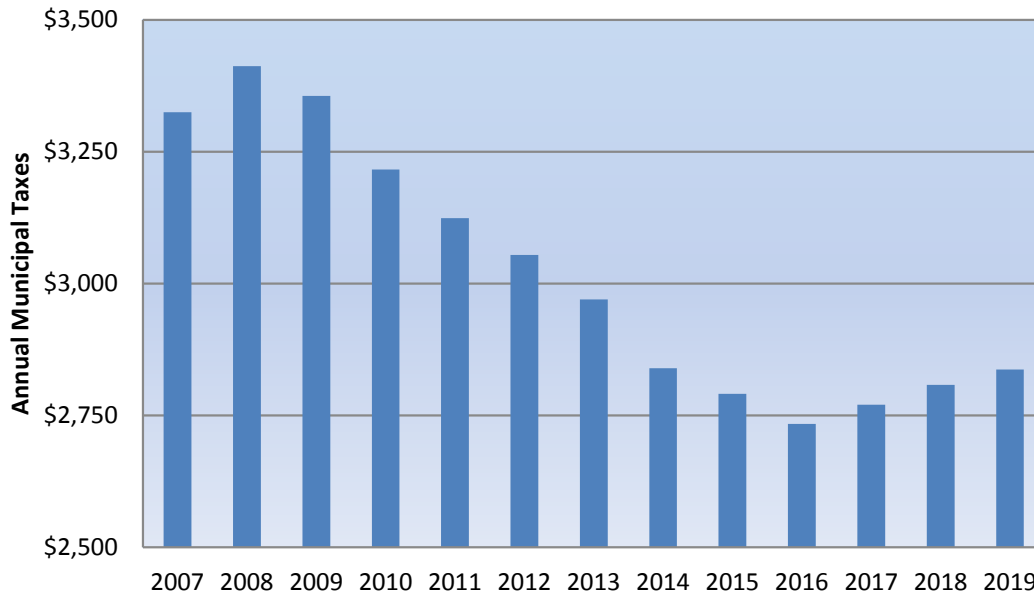


-13.6%

The residential tax rate has dropped by approximately 13.6% since 2007.

Change in Commercial Tax Rate 2007-2019

**Total Commercial Taxes per \$100,000
Assessment**



**Commercial Taxes per \$100,000
of Assessment**

Year	Municipal	Education	Total
2007	\$ 3,325	\$ 2,421	\$ 5,746
2008	\$ 3,412	\$ 2,405	\$ 5,816
2009	\$ 3,356	\$ 2,300	\$ 5,656
2010	\$ 3,216	\$ 2,150	\$ 5,366
2011	\$ 3,124	\$ 1,730	\$ 4,854
2012	\$ 3,054	\$ 1,490	\$ 4,544
2013	\$ 2,970	\$ 1,490	\$ 4,460
2014	\$ 2,839	\$ 1,460	\$ 4,299
2015	\$ 2,791	\$ 1,430	\$ 4,221
2016	\$ 2,734	\$ 1,400	\$ 4,134
2017	\$ 2,740	\$ 1,390	\$ 4,130
2018	\$ 2,808	\$ 1,340	\$ 4,148
2019	\$ 2,837	\$ 1,340	\$ 4,177



-14.7%

The commercial tax rate has dropped by approximately 14.7% since 2007.

Total Assessed Value by Property Class

MPAC completed the last province-wide reassessment in 2016 based on a market valuation date of January 1, 2016 with municipalities using 2016 property assessment values for the 2017, 2018, 2019 and 2020 taxation years. The increases in the assessed value of properties are phased-in over these four years. 2019 is the third year of the four year phase-in.

Property Classes	2018 Assessment	2019 Assessment	\$ Change	% Change	MPAC Market Assessment Change	Growth
Residential	\$2,559,216,526	\$2,642,262,774	\$83,046,248	3.24%	\$53,961,186	\$29,085,062
Multi-Res	204,397,709	211,540,320	7,142,611	3.49%	6,464,280	678,331
Commercial	882,369,238	903,005,963	20,636,725	2.34%	19,552,453	1,084,272
Landfill	504,203	530,179	25,976	5.15%	25,976	0
Industrial	76,256,056	73,597,247	-2,658,809	-3.49%	2,817,650	-5,476,459
Pipeline	11,640,500	11,928,207	287,707	2.47%	259,794	27,913
Farm	6,679,548	7,727,224	1,047,676	15.68%	1,047,676	0
Total Assessment	\$3,741,063,780	\$3,850,591,914	\$109,528,134	2.93%	\$84,129,015	\$25,399,119

Changes and annual growth to the assessment base has not created a shift in tax burden between property classes for 2019.

Analysis of Residential Properties

Residential Property Type	Properties		Assessment			Taxes			
	Number	%	2018 Average	2019 Average	% Change	2018 Average	2019 Average	\$ Change	% Change
Single family detached	10,191	69.6%	\$ 172,550	\$ 175,878	1.79%	\$ 2,466	\$ 2,536	\$ 70	2.83%
Semi-detached (Separate ownership)	1,352	9.2%	\$ 165,514	\$ 168,242	1.82%	\$ 2,282	\$ 2,347	\$ 65	2.85%
Duplex	817	5.6%	\$ 126,216	\$ 129,108	3.13%	\$ 1,728	\$ 1,800	\$ 72	4.14%
Condominium Unit	679	4.6%	\$ 171,964	\$ 175,304	2.01%	\$ 2,496	\$ 2,571	\$ 76	3.03%
Semi-detached (Single ownership)	402	2.7%	\$ 139,138	\$ 141,637	1.62%	\$ 2,245	\$ 2,306	\$ 61	2.72%
Freehold Townhouse/Row house	337	2.3%	\$ 132,719	\$ 135,041	2.27%	\$ 1,787	\$ 1,845	\$ 58	3.24%
Property with three self-contained units	301	2.1%	\$ 137,202	\$ 139,502	2.65%	\$ 2,254	\$ 2,337	\$ 83	3.68%
Property with four self-contained units	244	1.7%	\$ 166,999	\$ 169,258	2.14%	\$ 3,237	\$ 3,339	\$ 103	3.17%
Other	310	2.1%	\$ 190,635	\$ 194,137	2.16%	\$ 2,758	\$ 2,838	\$ 80	2.90%
Total Residential Properties	14,633	100.0%	\$ 166,771	\$ 169,932	1.90%	\$ 2,413	\$ 2,484	\$ 71	2.96%

Single family detached homes represent 69.6% of the portfolio of residential properties.

The average municipal tax increase based on all 14,633 residential properties is \$71.45 or 2.96%.

Budget Challenges – Tax Refunds

Based on property assessment adjustments from MPAC related to Minutes of Settlement and Requests for Reconsideration, and Section 357/358/359/364 applications, it is estimated that in 2019 the City will refund \$6.4M in property taxes. The following 4-year plan (2020-2023) presents an option to address this liability.

Projected 2019 tax refunds	6,400,000
2019 Budget	(1,500,000)
Tax Stabilization Reserve	<u>(2,100,000)</u>
Shortfall funded from Working Reserves	2,800,000

4-Year Plan

The \$700,000 annual budgeted contribution to the Tax Stabilization Reserve would be redirected to the Working Reserve	(2,800,000)
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Ontario Municipal Partnership Fund (OMPF)

Historical Funding

	Social Programs	Assessment Equalization	Transitional Assistance	Total
2009	\$ 9,087,900	\$ 5,946,900	\$ -	\$ 15,034,800
2010	\$ 6,376,500	\$ 6,277,500	\$ -	\$ 12,654,000
2011	\$ 3,297,000	\$ 5,865,400	\$ -	\$ 9,162,400
2012	\$ 2,707,400	\$ 5,740,000	\$ -	\$ 8,447,400
2013	\$ -	\$ -	\$ 8,447,400	\$ 8,447,400
2014	\$ -	\$ 5,062,900	\$ 2,117,400	\$ 7,180,300
2015	\$ -	\$ 3,910,500	\$ 1,833,800	\$ 5,744,300
2016	\$ -	\$ 3,489,100	\$ 1,393,600	\$ 4,882,700
2017	\$ -	\$ 3,253,600	\$ 896,700	\$ 4,150,300
2018	\$ -	\$ 3,834,100	\$ -	\$ 3,834,100
2019	\$ -	\$ 3,834,100	\$ -	\$ 3,834,100

In 2010, Provincial began to upload Ontario Works benefits and Court Security costs. This decreased the City's OMPF allocation. Both Ontario Works benefits and Court Security costs were fully uploaded in 2018.

Funding has been reduced by \$3,346,200 since 2014.

The City budgeted OMPF at 100% of its 2018 allocation. A recent notification was received which indicated that the current structure of OMPF would be maintained and that funding to municipalities will remain virtually the same as in 2018. During 2019, the Province will be reviewing the program. Changes to the 2020 funding allocation will be received in time to prepare for the City's 2020 budget.

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 ARL effective January 1, 2018 is \$24,865,335
- 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%	\$309,877,029
b)	15 years @ 5.0%	258,093,669
c)	10 years @ 5.0%	192,003,522
d)	5 years @ 5.0%	107,653,886

This limit represents the maximum amount which the municipality had available as of December 31, 2017 to commit to payments relating to debt and financial obligation.