

## 2026 Pre-Budget Presentation

Committee of the Whole – Administration and  
Operations

Prepared by: Jessica Crawford, Treasurer

Date: October 14<sup>th</sup>, 2025

# Agenda

1. 2025 Tax Collection Review and Analysis
2. Key Economic Considerations
3. Operating Budget Considerations
4. Draft 5 Year Capital Plan
  - a) Overall Summary
  - b) Levy Based Capital Projects
  - c) Rate Based Capital Projects
5. Proposed Meeting Schedule

# 2025 Tax Collection Review and Analysis

123	2021	2022	2023	2024	2025
Township	1.911%	2.811%	2.630%	3.00%	3.00%
Counties	-0.0047%	2.391%	6.870%	6.140%	5.110%
Education	0.00%	0.00%	0.00%	0.00%	0.00%
Overall Rate Increase	1.052%	2.322%	3.612%	3.639%	3.340%



2025 Average Household Impact:

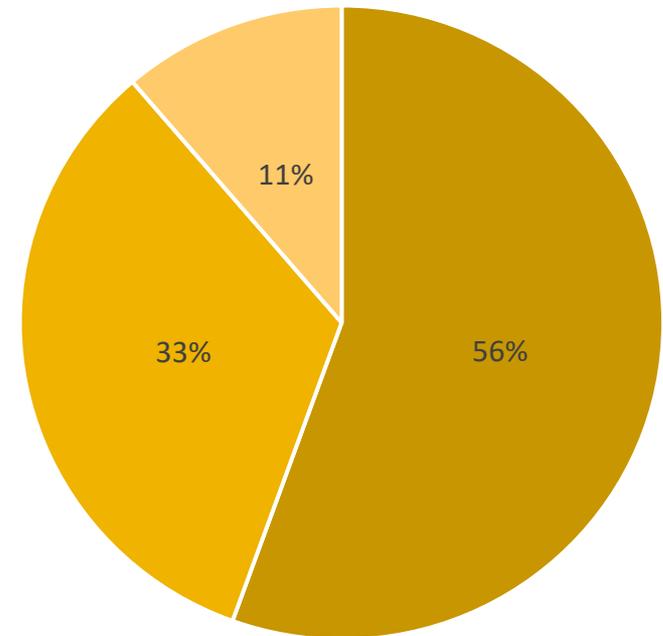
Median: \$199K

Annual Impact: \$43.88

Based on 2025 tax rates, a 1% increase in the tax levy will generate **\$70,615.54** to the Township

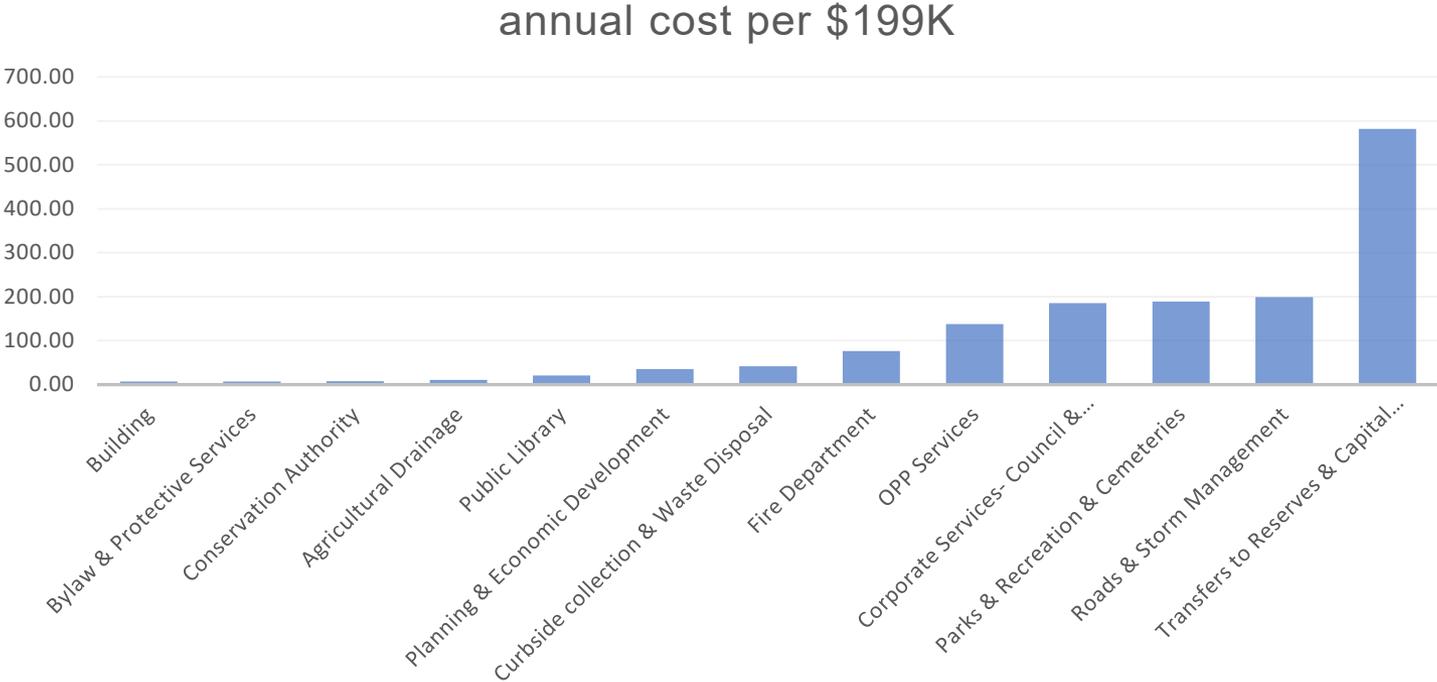
Of the 2025 property taxes collected, 75% were paid by Residential taxpayers, 22% paid by Commercial taxpayers and the remaining 3% paid by other sources. 2026 is expected to be similar in percentages

Overall Tax Breakdown



■ Township ■ Counties ■ Education

# 2025 Tax Spending Analysis



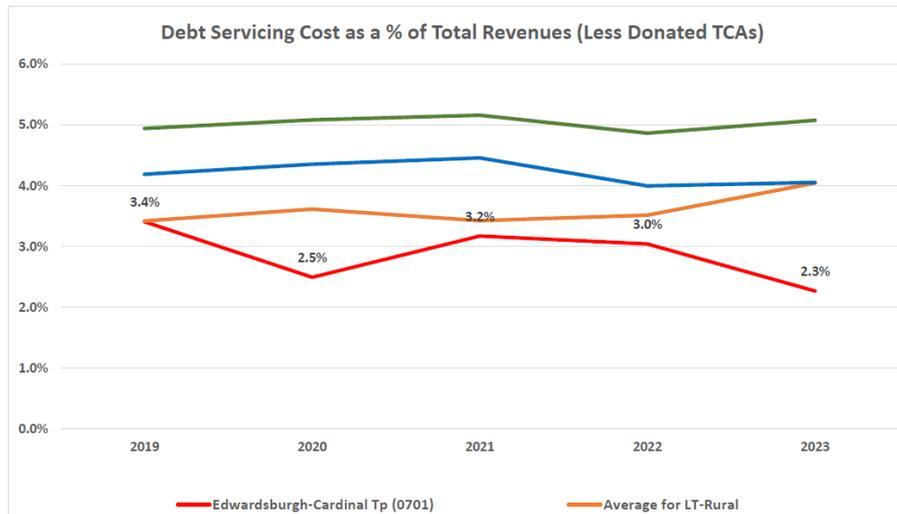
Township portion annual cost \$1,499.64 for \$199K Median Assessment Value

# Levy-Based Surplus/(Deficit) Trend & Capital Investment

	2021	2022	2023	2024	2025	Total
Levy Based Surplus/(Deficit)	\$427,968.00	\$55,779.00	\$97,952.00	(\$207,391.00)	TBD	\$374,308.00
Capital Spend – Budgeted	\$1,980,424.00	\$4,320,534.00	\$5,349,992.00	\$4,242,269.00	\$4,474,719.00	\$20,367,938

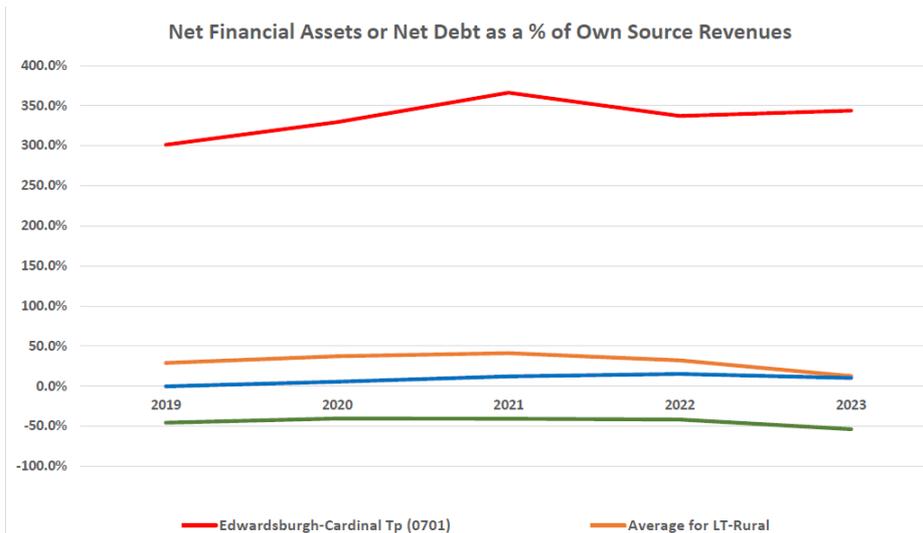
- The Township has maintained an overall positive financial position
- Capital investment has more than doubled since 2021, reflecting asset renewal needs and inflationary cost escalation

# Debt Serving Cost



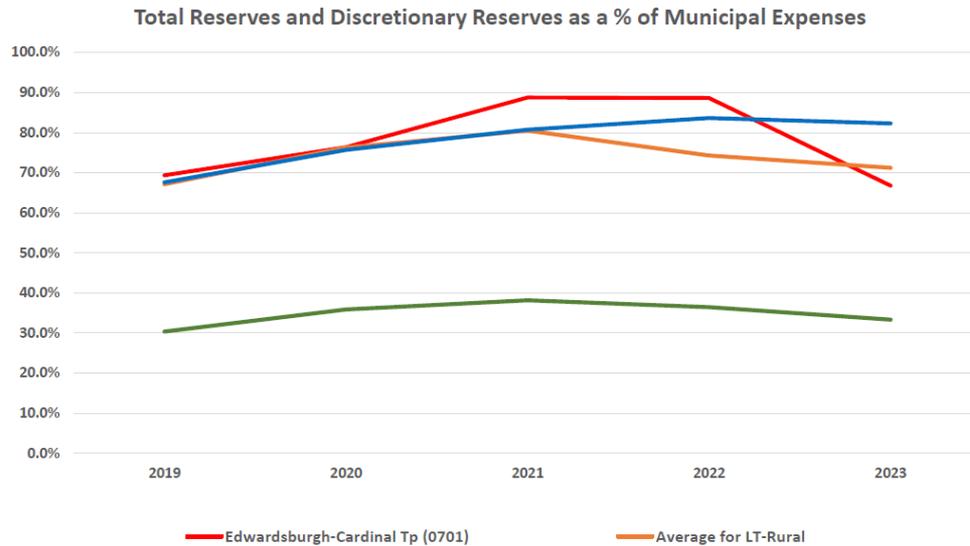
- Lower reliance on debt, shows that capital projects are funded more through reserves, grants and general levy
- Greater financial flexibility, more room to use debt for future capital

# Net Financial Assets



- Low debt exposure, assets substantially exceed what it owes
- Greater capacity for future capital investment
- Indicates conservative financial management, been cautious in taking on debt

# Reserves



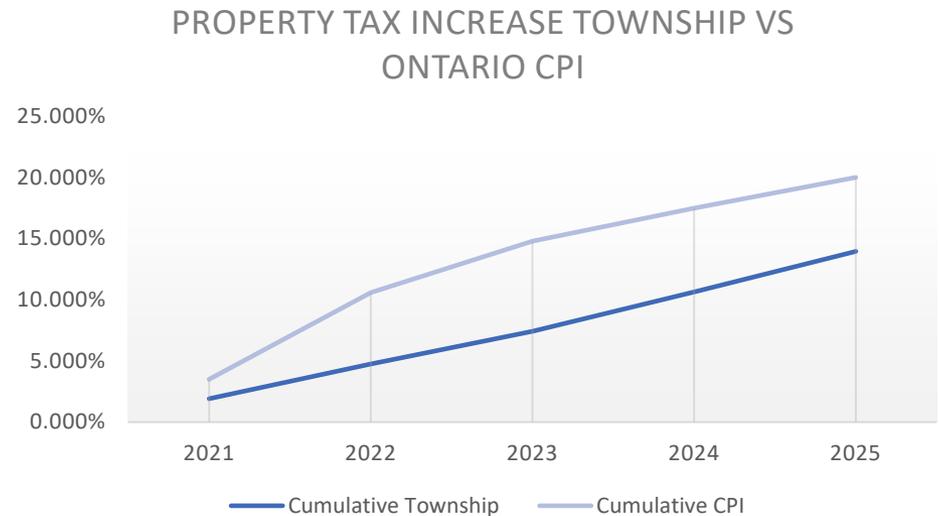
- Indicates balanced financial management
- Reflects adequate preparedness for future needs
- Sharp decline between years 2022-2023, shows capital spending drawdowns

# Key Economic Considerations 2026 Budget

Current Economic Trends:				
 <p>Inflation</p>	 <p>Interest Rates</p>	 <p>Contracted Services Inflation</p>	 <p>Capital Cost Escalation</p>	 <p>Assessment Values</p>
<p>The CPI measures the change in cost for a basket of consumer goods and services groceries, housing, fuel, etc. Municipalities, however, purchase a very different basket: gravel, fuel, construction materials, insurance, labour, and contracted services. Which is a higher rate than CPI.</p>	<p>The decline in interest rates, will have effects on the interest income. The Bank of Canada has been steadily lowering the key interest rate since June 2024 in response to the level of inflation.</p>	<p>Policing, waste collection, and other contracts are increasing more than the rate of inflation.</p>	<p>Still well above general CPI, especially for concrete, asphalt and steel.</p>	<p>No updated assessment from MPAC for 2025. Continued use of the 2016 MPAC assessments creates both financial strain and fairness issues. The only change is related to growth.</p>

# Township Property Tax Increase VS Ontario CPI

- Funding Gap vs Inflation is approximately 6% below CPI
- The township has absorbed the inflationary pressure through current levy
- Buying power has also eroded by 6% and continued restraint risks impacting service levels and infrastructure



# Operating Budget Considerations

## Increases in Tax Levy or Funding

- BoC has been steadily cutting interest rates in 2025, directly impacting interest income from our main operating account. Interest on this account is currently 2.95% annually. This shows a decline of over 2.50% since 2024.
- Growth is projected by MPAC to be .72% or \$7.3M in assessed value, a decline from previous years 1.13%.

## Unknown impacts in Tax Levy or Funding

- OMPF allocation for 2026
- OPP costs for 2026 will be announced to municipalities in November, a maximum of 11% increase which would represent

# Draft 5-Year Capital Plan

# Summary of 5-year Capital Plan

- Funding sources and priorities to be determined by project – point in time estimate of all work to be done
- Funding for Capital comes from a combination of the Operating Surplus, Grants, Reserves and any additional dedicated Capital Levies
- Depreciation expense is targeted to be 1.6M and capital expense should always be higher than depreciation to close the infrastructure gap as per the asset management plan

# Levy Based Capital Projects

## Fire Department & Administration

CAPITAL PROJECTS	2025	2026	2027	2028	2029	2025-2029 Total
<b><u>FIRE DEPARTMENT</u></b>						
Pumper 1	\$ -	\$ -	\$ 780,000	\$ -	\$ -	\$ 780,000
Station #2 Design & Engineering	\$ 100,000	\$ -	\$ 300,000	\$ -	\$ -	\$ 400,000
Bldg. Capital Upgrades	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 4,000,000
<b>Total</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ 1,080,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 5,180,000</b>
<b><u>ADMINISTRATION</u></b>						
Administration Office Upgrades	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Website revamp	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000
<b>Total</b>	<b>\$ 40,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,000</b>

- Pumper 1 will require tendering in early 2026 to arrive in 2027
- 2027 – Design, engineering, document development & building tender
- Estimated building cost, requires tender for accurate figure

# Recreation – Parks, Ball Diamonds and Tennis Courts

## CAPITAL PROJECTS

		2025	2026	2027	2028	2029	2025-2029 Total
<b>RECREATION</b>							
<b>Parks</b>	Lawn Tractor	\$ -	\$ -	\$ 35,000	\$ -	\$ 35,000	\$ 70,000
	Picnic Tables / Garbage Cans	\$ 10,000	\$ 15,000	\$ -	\$ 10,000	\$ 10,000	\$ 45,000
	Splash Pad	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000
	Bleachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Docks	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ 15,000
	Truck	\$ -	\$ -	\$ 50,000	\$ -	\$ 60,000	\$ 110,000
	Paving Walk Way / Legion Way	\$ -	\$ -	\$ -	\$ 130,000	\$ -	\$ 130,000
	Play Structure	\$ 80,000	\$ -	\$ 60,000	\$ -	\$ 75,000	\$ 215,000
	Holiday Signage	\$ 15,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 25,000
	Side by Side 4X4	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
	Waterfront Washroom Upgrades	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ 150,000
	Spencerville Play Structure	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000
	Spencerville Library Ramp	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000
						\$ -	\$ -
<b>Ball Diamonds</b>	North Ball Diamond Lights	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ 30,000
	Johnstown - back diamond fencing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Johnstown - Lights/fencing	\$ -	\$ -	\$ -	\$ 62,000	\$ -	\$ 62,000
	Cardinal - Lights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cardinal - Backstop	\$ -	\$ 26,000	\$ -	\$ -	\$ 75,000	\$ 101,000
<b>Tennis Courts</b>	Johnstown Tennis/ Pickle Ball Court	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Cardinal Tennis/ Pickle Ball Court	\$ 302,000	\$ -	\$ -	\$ -	\$ -	\$ 302,000
<b>Total Parks, Ball Diamonds and Tennis Courts</b>		<b>\$ 807,000</b>	<b>\$ 161,000</b>	<b>\$ 325,000</b>	<b>\$ 217,000</b>	<b>\$ 255,000</b>	<b>\$ 1,765,000</b>

## Recreation – Arenas, Pools and Halls

### CAPITAL PROJECTS

		2025	2026	2027	2028	2029	2025-2029 Total
<b>Arenas</b>	Spencerville - New Used Compressor	\$ -	\$ -	\$ 65,000	\$ -	\$ 80,000	\$ 145,000
	Spencerville - Dehumidifier	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
	Ingredion - HVAC System	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Pools</b>	Johnstown - Pool Liner/Piping	\$ -	\$ 332,258	\$ -	\$ -	\$ -	\$ 332,258
	Johnstown - Pool Piping & Decking	\$ 277,765	\$ -	\$ -	\$ -	\$ -	\$ 277,765
	Johnstown - Washroom upgrades	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000
<b>South Centre</b>	Hall lighting	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ 15,000
	Generator	\$ -	\$ -	\$ -	\$ 65,000	\$ -	\$ 65,000
	Furnace / AC Unit Upgrades	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	New Flooring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	UV Upgrades	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000
<b>Total Arenas, Pools and Halls</b>		<b>\$ 342,765</b>	<b>\$ 332,258</b>	<b>\$ 180,000</b>	<b>\$ 65,000</b>	<b>\$ 80,000</b>	<b>\$ 1,000,023</b>
<b>Grand Total - Recreation</b>		<b>\$ 1,149,765</b>	<b>\$ 493,258</b>	<b>\$ 505,000</b>	<b>\$ 282,000</b>	<b>\$ 335,000</b>	<b>\$ 2,765,023</b>

**Public Works – Equipment**

**CAPITAL PROJECTS**

**PUBLIC WORKS**

**Vehicles**

	2025	2026	2027	2028	2029	2025-2029 Total
1/2 Ton truck	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tandem Axle Plow truck	\$ 425,000	\$ -	\$ 450,000	\$ -	\$ 475,000	\$ 1,350,000
Roadside Mower	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -	\$ 50,000
Sidewalk Plow	\$ -	\$ 190,000	\$ -	\$ -	\$ -	\$ 190,000
Excavator	\$ -	\$ 450,000	\$ -	\$ -	\$ -	\$ 450,000
Brushhead	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000
Tractor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grader	\$ -	\$ -	\$ -	\$ 425,000	\$ -	\$ 425,000

**Drainage**

	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000
--	------------	------------	------------	------------	------------	------------

**Building Rehab**

	\$ 150,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 350,000
--	------------	-----------	-----------	-----------	-----------	------------

**Sidewalk Rehab**

	\$ 134,000	\$ -	\$ 205,000	\$ 25,000	\$ 25,000	\$ 389,000
--	------------	------	------------	-----------	-----------	------------

**Pedestrian Crossings**

	\$ 105,000	\$ -	\$ -	\$ -	\$ -	\$ 105,000
--	------------	------	------	------	------	------------

**Transfer Site**

	\$ -	\$ -	\$ -	\$ 438,000	\$ 330,000	\$ 768,000
--	------	------	------	------------	------------	------------

**Waterfront Clean-up**

	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 400,000
--	------	------------	------------	------------	------------	------------

Road Construction and Removals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--------------------------------	------	------	------	------	------	------

Structural Features	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
---------------------	------	------	------	------	------	------

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------

<b>Total Public Works</b>	<b>\$ 939,000</b>	<b>\$ 890,000</b>	<b>\$ 1,314,600</b>	<b>\$ 1,238,000</b>	<b>\$ 1,080,000</b>	<b>\$ 5,461,600</b>
---------------------------	-------------------	-------------------	---------------------	---------------------	---------------------	---------------------

**Public Works**

- Total of three new tandem trucks needed by 2024-2027 to replace aging equipment and reduce repair costs



**Public Works – Rural Roads**

**Public Works – Roads: Cardinal, New Wexford, Johnstown & Spencerville**

# Rate Based Capital Projects

## CAPITAL PROJECTS

	2025	2026	2027	2028	2029	2025-2029 Total
<b>ENVIRONMENTAL SERVICES</b>						
<b><u>Cardinal Wastewater</u></b>						
Dundas Street W - Engineering	\$ 18,699	\$ -	\$ -	\$ -	\$ -	\$ 18,699
SCADA Workstation/historian upgrades (50%)	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Generator and Fuel System Repairs	\$ 63,000	\$ -	\$ -	\$ -	\$ -	\$ 63,000
Rotopac replacement	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000
Air Handler Replacement	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ 150,000
Dundas Street	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000
William St Reline	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ 60,000
<b>Total</b>	<b>\$ 111,699</b>	<b>\$ -</b>	<b>\$ 700,000</b>	<b>\$ -</b>	<b>\$ 60,000</b>	<b>\$ 871,699</b>
<b><u>Cardinal Water System</u></b>						
SCADA Workstation/historian upgrades (50%)	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000
UV Replacements at Water Plant	\$ 387,000	\$ -	\$ -	\$ -	\$ -	\$ 387,000
Dundas Street W - Engineering	\$ 18,699	\$ -	\$ -	\$ -	\$ -	\$ 18,699
Generator and Fuel System Repairs	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Cardinal Water Tower Communication Upgrades	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000
Vehicle Replacement (on-call 4x4)	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000
Interior touch ups Water tower	\$ -	\$ -	\$ 55,000	\$ -	\$ -	\$ 645,000
Dundas Street W - Water Main Replacement	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ 1,570,699
Building Mechanical (Rehab/Repair)	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
<b>Total</b>	<b>\$ 465,699</b>	<b>\$ 35,000</b>	<b>\$ 355,000</b>	<b>\$ 50,000</b>	<b>\$ 75,000</b>	<b>\$ 980,699</b>

**CAPITAL PROJECTS**

	2025	2026	2027	2028	2029	2025-2029 Total
<b>ENVIRONMENTAL SERVICES</b>						
<b><u>Spencerville Wastewater System</u></b>						
Generator and Fuel System Repairs	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Spencerville PS 1 Pump Upgrades	\$ 448,469	\$ -	\$ -	\$ -	\$ -	\$ 448,469
Lagoon ECA upgrades	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Lagoon Weed Removal	\$ -	\$ -	\$ 90,000	\$ 90,000	\$ -	\$ 180,000
Spencerville PS 2 and 3 Pump Upgrades	\$ -	\$ -	\$ -	\$ 125,000	\$ 125,000	\$ 250,000
<b>Total</b>	<b>\$ 503,469</b>	<b>\$ -</b>	<b>\$ 90,000</b>	<b>\$ 215,000</b>	<b>\$ 125,000</b>	<b>\$ 933,469</b>
<b><u>Industrial Park Water System</u></b>						
Chlorine Analyzer Relocation to Guard House	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
<b><u>Windmill Station</u></b>						
Pump station upgrades	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Grand Total</b>	<b>\$ 1,080,867</b>	<b>\$ 50,000</b>	<b>\$ 1,145,000</b>	<b>\$ 265,000</b>	<b>\$ 260,000</b>	<b>\$ 2,800,867</b>

- All charges for rate-based capital are paid by the direct users of the asset

## Proposed Meeting Schedule

- October 14<sup>th</sup>, COW-AO – Business Case Information
- November 10<sup>th</sup> – Capital Meeting #1 & Rate Based Budgets
- November 24<sup>th</sup> General Council – Rate Budget Bylaws Presented
- December 1<sup>st</sup> COW-AO – Capital Meeting #2
- January 12<sup>th</sup> COW-AO – Operating #1
- January 22<sup>nd</sup> – Operating Budget #2 (If needed)
- February 9<sup>th</sup> COW-AO – Final Consolidated Budget Presentation
- February 23<sup>rd</sup> General Council – Budget Bylaw Presented