



**THE CORPORATION OF THE TOWNSHIP OF HORTON
COUNCIL MEETING – JULY 16TH, 2024 – 4:00 P.M.
HORTON MUNICIPAL CHAMBERS
2253 JOHNSTON RD.**

1. CALL TO ORDER

2. LAND ACKNOWLEDGEMENT

“As we gather today, I would like to acknowledge, on behalf of Council and our community that we are meeting on the traditional territory of the Algonquin People. We would like to thank the Algonquin People and express our respect and support for their rich history, and we are extremely grateful for their many and continued displays of friendship. We also thank all the generations of people who have taken care of this land for thousands of years.”

3. DECLARATION OF PECUNIARY INTEREST

4. CONFIRMATION OF COUNCIL AGENDA

5. IN CAMERA (Closed) SESSION (as required)

- 5.1 Pursuant to Section 239(2) (e) of the Municipal Act,
(e) Litigation or potential litigation – Tomlinson Group ZBLA

6. DELEGATIONS &/OR PUBLIC MEETINGS

- 6.1 Development Charges Study – Anthony Hommik, Senior Planner – Jp2g Consultants Inc. **PG.3**

7. MINUTES FROM PREVIOUS MEETINGS

- 7.1 July 2nd, 2024 **PG.49**

8. BUSINESS ARISING FROM MINUTES

9. COMMITTEE REPORTS:

9.1 TRANSPORTATION & ENVIRONMENTAL SERVICES COMMITTEE
▪ **CHAIR HUMPHRIES**

- 9.2.1 Staff Report – Sale of Excavator **PG.52**

9.2 GENERAL GOVERNMENT COMMITTEE
▪ **CHAIR WEBSTER**

- 9.1.1 Staff Report – Treasurer’s Report **PG.56**

9.3 RECREATION COMMITTEE
▪ **CHAIR HUMPHRIES**

- 9.3.1 Chair’s Report – July 11th, 2024 **PG.58**

10. CORRESPONDENCE SUMMARY

10.1 INFORMATION CORRESPONDENCE

- 10.1.1 CAO/Clerk’s Information Memo **PG.60**

RETURN TO AGENDA

10.2 ACTION CORRESPONDENCE

- 10.2.1 Resolution of Support – Calling for Investment in
Municipal Infrastructure for Eastern Ontario's Small and
Rural Communities

PG.61**11. BY-LAWS**

- 11.1 2024-27 Appointment of Alternate County Council Member

PG.100**12. NOTICE TO FILE MOTION FOR NEXT COUNCIL MEETING****13. COUNCIL/STAFF MEMBERS CONCERNS****14. RESOLUTIONS****15. CONFIRMING BY-LAW 2024-28****PG.101****16. ADJOURNMENT**

Development Charges Background Study

Final Report

Township of Horton

July 9, 2024

Jp2g Project # 23-7082A





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Author and Review Panel

Prepared by:

	
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Reviewed & Approved by:


Anthony Hommik, RPP, MCIP <i>Manager – Planning Services Senior Planner</i>



1 Introduction

The Township of Horton has retained Jp2g Consultants Inc. to undertake a Development Charges Background Study and to prepare a new Development Charges By-law for the municipality in order to recover the growth-related net capital costs of certain services provided in the Township over the next 10 years. The Township of Horton passed a Development Charges By-law (By-law No. 2018-36, as amended) supported by a Development Charges Study on May 15, 2018. Development Charges By-law No. 2018-36 expired on May 15, 2023, and a new study is required to pass a new by-law. This report has been prepared in accordance with the requirements of the *Development Charges Act, 1997*, S.O. 1997.C.27 and its Regulations, and presents information and background data collected to provide a basis in support of the proposed new Development Charges By-law for the Township of Horton.

2 Background

The Province of Ontario adopted the current Development Charges Act on December 8, 1997 and subsequent Regulations to the Act, both of which came into force and effect on March 1, 1998. A development charge under the Development Charges Act, 1997, is a fee charged to pay for increased capital costs required because of increased needs for services arising from development. Development charges can be collected for each new dwelling unit (with some exceptions), new commercial building/structure or addition, or new industrial building/structure or industrial addition greater than 50% of the existing gross floor area (GFA). As discussed further below, the Act provides exemptions for certain types of residential development including new additional dwelling units in existing and new residential development, new non-profit housing, new inclusionary zoning residential units, new affordable residential units, and new attainable residential units. The Development Charges Act sets out the criteria for a residential unit to be considered affordable and/or attainable.

The study is aimed at determining a development charge rate structure that will not require existing taxpayers to contribute to the capital cost of new growth anticipated to occur. Similarly, new taxpayers should not have to contribute more than their fair share of the net capital cost of providing the current level of municipal services for new growth. This approach is guided by provisions in the Development Charges Act, 1997, and its regulations.

The Development Charges Act includes a requirement for municipalities to undertake a supporting Background Study if they wish to pass a by-law to collect development charges. The Act also stipulates that a Development Charges By-law expires 10 years after the day it comes into force, and therefore, in order for a municipality to continue collecting development charges, a Study and new By-law must be passed every 10 years (although municipalities are free to update their development charge by-laws more frequently if they so choose). It should be noted that prior to Bill 23, *More Homes Built Faster Act, 2022*, a development charge by-law expired five years after it came into effect, and this study was commissioned prior to the passage of this legislation. For the purposes of this Study, it has been assumed that the Township will continue to update its Development Charges By-law every five years.

The purpose of the Study is to identify the services to which the development charges relate, the increase in the need for a service that is due to growth, the net growth-related capital costs of services for which a development charge will be collected, and the capital costs of the service that will be incurred during the 10-year term of the implementing Development Charges By-law. The following Study will determine the development charges that are to be collected in order to recover the growth-related net capital costs of certain eligible services over a 10-year planning period.

2.1.1 Recent Legislative Changes

Since the previous Development Charges Background Study and By-law were completed in 2018, there have been numerous legislative changes to the Development Charges Act, through various legislation including:

- Bill 108: More Homes, More Choice Act, 2019;
- Bill 138: Plan to Build Ontario Together Act, 2019;
- Bill 197: COVID-19 Economic Recovery Act, 2020;
- Bill 213: Better for People, Smarter for Business Act, 2020;

- Bill 109: More Homes for Everyone Act, 2022;
- Bill 23: More Homes Built Faster, 2022;
- Bill 97: Helping Homebuyers, Protecting Tenants Act, 2023;
- Bill 134: Affordable Homes and Good Jobs Act, 2023; and
- Bill 185: Cutting Red Tape to Build More Homes Act, 2024.

The changes made to the Development Charges Act by the various bills listed above, were, in many cases, substantial and while the intention is to highlight some of the key changes, the summary below is by no means exhaustive.

Bill 108: More Homes, More Choice Act, 2019

Bill 108 implemented provisions such that development charges for rental housing, institutional, commercial and industrial development are payable in six equal annual installments (first payment starting on the date of occupancy) and development charges for non-profit housing developments being payable in 21 equal annual payments. This bill also included provisions that development charges for a development (i.e., permit issuance) within two years of a site plan or zoning by-law amendment approval would be in accordance with the development charge that was in effect on the date the planning application was submitted to the municipality. Finally, Bill 108 removed the 10% statutory deduction for soft services.

Bill 138: Plan to Build Ontario Together Act, 2019

The amendments to the *Development Charges Act, 1997* as a result of Bill 138 resulted in the removal of installment payments for commercial and industrial developments that were included in the *More Homes, More Choices Act*.

Bill 197: COVID-19 Economic Recovery Act, 2020

Bill 197 provided significant amendments to the *Development Charges Act, 1997*. One notable change was that the Act previously defined ineligible services for development charges in Section 2(4). The COVID-19 Economic Recovery Act repealed and replaced Section 2(4) with a defined list of eligible services that may be considered in the development charges by-law. Bill 197 also repealed the rules which allowed for categories of services to be grouped together into a minimum of two categories and replaced it to allow for services to be included in classes that can be composed of any number or combination of services listed in Section 2(4) or capital costs listed in Section 5(3). This bill also added an exemption from payments of development charges related to additional dwelling units within prescribed structures ancillary to existing residential buildings and exemptions to second units in new residential buildings, including structures ancillary to the residential dwelling.

Bill 213: Better for People, Smarter for Business Act, 2020

Bill 213 did not directly amend the *Development Charges Act, 1997*, however changes to the Ministry of Training, Colleges and Universities Act exempted the development of land intended for use by a university that receives operating funds from the Government from development charges.

Bill 109: More Homes for Everyone Act, 2022

The primary amendment resulting from the *More Homes for Everyone Act* was a requirement for additional prescribed information to be included in the annual Treasurer's Statement on the development charges reserve funds and its publication. This information is set out under the Treasurer's Statement (Sections 12 and 13) of Ontario Regulation 82/98. Additionally, Bill 109 required the Treasurer's Statement to be made readily available to the public.

Bill 23: More Homes Built Faster, 2022

Perhaps the most significant changes to the *Development Charges Act* came as a result of *More Homes Built Faster, 2022*, which are summarized as follows:

- Housing services were removed from the list of eligible services.
- New provisions were added for exemptions from development charges for the creation of affordable and attainable residential units, non-profit housing and inclusionary zoning residential units.
- Changes to the method for determining development charges, including the removal of the costs of certain studies from the list of capital costs.
- Previously, subsection 9(1) provided that a development charges by-law expired after five years; Bill 23 extended this period to 10 years.
- Amended Section 26.2 to provide for a percentage based reduction in development charges in the case of a rental housing development.
- The additional residential unit exemptions were amended to include third units for the purpose of being consistent with the Bill 23 changes to the Planning Act regarding additional dwelling units.
- Introduction of a mandatory phase-in of Development Charges over the first five years.
- Non-profit housing development was removed from the installment payment section of the *Development Charges Act*.
- Introduction of a maximum interest rate for installments, set at the average prime rate plus one percentage point.
- New requirement to annually, starting in 2023, spend or allocate at least 60% of the monies in a reserve fund at the beginning of the year for water and wastewater services, and services related to a highway.

Bill 97: Helping Homebuyers, Protecting Tenants Act, 2023

This Act amended the provisions of the mandatory exemption for additional residential units from paying development charges by replacing the term “parcel of urban residential land” with just “parcel of land”. The purpose of this change was to align the wording in the Development Charges Act with the wording in the Planning Act regarding additional dwelling units.

Bill 134: Affordable Homes and Good Jobs Act, 2023

Bill 134 implemented the legislative changes enacted by Bill 23 regarding the exemptions for affordable and attainable residential units. Under Bill 23, a bulletin was required to be published by the Ministry of Municipal Affairs and Housing in order for a municipality to be able to implement the exemptions; the Province released this bulletin with an effective date of June 1, 2024. Bill 134 also made amendments to the provisions that set out when a residential unit shall be considered an affordable residential unit.

Bill 185: Cutting Red Tape to Build More Homes Act, 2024

Bill 185 received Royal Assent on June 6, 2024. A summary of the changes as a result of this bill are as follows:

- Removes the phased-in development charges enacted by Bill 23.
- Re-adding the costs of certain studies as capital costs that can be used for the determination of a development charge (previously removed as part of Bill 23).

- Reduced the development charge rate freeze timeline for developments proceeding through the site plan or zoning by-law amendment process from two years from the date of application approval to 18 months.

3 Methodology

The process followed in order to calculate an eligible development charge for the Township of Horton is set out in the Development Charges Act and can be summarized as follows. The first step in the study was to review demographic and development trends in the Township to determine population and household counts over the past 10 years. An inventory of the services provided over the past 10 years within eligible service categories was undertaken and combined with the results of the population and household counts to calculate the average level of service provided over the past 10 years. This exercise provides an indication of which municipal facilities and equipment will not have sufficient capacity over the next 10 years to accommodate the needs of future growth at historical service levels.

Any services with excess capacity were identified, as the excess capacity must be used up prior to an additional unit of the service being purchased or constructed. The approach to excess capacity says that what is paid for is paid for, unless Council specifically identified that the excess capacity would be paid for through development charges.

This information was then used as the basis for preparing a capital expenditure forecast and population projections for the 10-year period of the Study. The 10-year capital expenditure forecast was prepared based on the principle of continuing to provide the average level of service from the past fifteen years over the next 10-year period. The forecast ensures that the average level of service is not exceeded, and that new development only pays its fair share of the costs.

The 10-year capital expenditure forecast and the population projections were then used as the basis to calculate the eligible development charges that can be collected by the Township.

4 Growth Forecasts and Average Level of Service

4.1 Introduction

The analysis of population trends is an essential element in determining the municipality's future services, policies and programs. The demand for services in a municipality is considered to be directly related to growth.

The general principle for establishing a development charge rate is that the existing population should not have to pay for the capital costs of growth related development through general taxation. The capital cost of growth related development should be reduced by contributions from those creating the requirement for additional municipal services ("growth pays for growth"). New taxpayers, however, should only have to pay their fair share of the net capital cost of providing the current level of municipal services for new growth.

A review of population trends and growth projections is very important in order to establish an appropriate growth rate so that:

1. the timing and sizing of construction for new municipal services and facilities can be scheduled;
2. the amount of residential and commercial/industrial development sharing the cost of new facilities and services can be estimated; and
3. the average level of service provided in the Township over the 10-year period immediately preceding the preparation of this Study can be established.

4.2 Review of Past Population and Development Trends

In order to calculate population and development projections for the Township of Horton, it was necessary to establish what the past demographic, population and development trends in the municipality have been. In this regard, a review of population, property assessment, building permit and land severance information was undertaken to establish what the annual population in the municipality was over the preceding 10-year period from 2014 to 2023. A blend of census data and building permit activity was used to estimate the total permanent and seasonal population over the past 10 years. The seasonal population was included in the population count as seasonal residents use the same services as the permanent population, and because seasonal units can easily become permanent units (without the need for a building permit) simply by longer duration of occupancy. The resulting estimate of the total population for the Township of Horton from 2014 to 2023 is shown in Table A below.

Table A Township of Horton Permanent and Seasonal Population 2014-2023	
Year	Township of Horton
2014	3273
2015	3340
2016	3407
2017	3439
2018	3473
2019	3503
2020	3536
2021	3586
2022	3599
2023	3610

Source: Statistics Canada, Building Permit Data for 2018-2023 and Jp2g Consultants Ltd.

4.3 Average Level of Service Over the Past 10 years

The above population table was applied to the inventory of the equipment and buildings owned by the Township in order to determine the average level of service provided over the past 10 years. The inventory of equipment and facilities from 2014 to 2023 was prepared based on discussions with Township staff and a review of the previous Development Charges Study for the Township of Horton, prepared by Jp2g Consultants Inc. The results of these calculations are presented in Table 1A, which shows the average level of service for capital facilities and equipment in eligible service categories that were selected for inclusion in the Study. Appendix A provides a more detailed inventory of these services over the past 10 years and illustrates what the average level of service was each year.

TABLE 1A
10 YEAR AVERAGE MUNICIPAL SERVICE STANDARDS
 2014-2023

FIRE PROTECTION	Average Service Standard Per Person
Fire Department Buildings (2 Bays)	0.00060 of a floor area
3/4 ton truck	0.00019 of a vehicle
Fire Vehicle	0.07102 of a vehicle
Breathing Apparatus & Equipment	0.00298 of a breathing apparatus unit & equipment
Pagers & Chargers	0.00566 of a pager & charger
Hose (footage of hose equiv. to cost of 1.5")	2.32202 feet of 1.5" hose (equivalent cost)
Air Tanks	0.00298 of the cost of an air tank
Air Tanks	0.00030 of the cost of an air tank
Training Equipment (Equivalent Value to \$1000)	0.00030 of \$1000 worth of training equipment
Dry Hydrant	0.00030 of a dry hydrant

PUBLIC WORKS - ROADS & BRIDGES	Average Service Standard Per Person
Roads (km)	0.02772 km of HCB/LCB/Gravel Roads
Equipment Buildings/Structures (3.5 Bays)	0.00104 of floor area
Vehicles/Equipment (Equivalent Value to Tandem)	0.00076 of a truck or equipment
Vehicles/Equipment (Backhoe/Excavators)	0.00030 of a truck or equipment
Vehicles/Equipment (Graders)	0.00066 of a truck or equipment
Vehicles/Equipment (Equivalent to half-tonne pick-up)	0.00066 of a truck or equipment
Vehicles/Equipment (Tractor)	0.00041 of a truck or equipment
Mobile Radio Equipment	0.00208 of a mobile radio
Portable Radio Equipment	0.00060 of a portable radio

RECREATION	Average Service Standard Per Person
Recreation Lands (hectares)	0.00060 hectares of developed recreation land
Recreation Field/Community Facilities	0.00030 of a recreation field/community facility

4.4 Demographic and Growth Projections

A growth forecast was prepared for residential and commercial/industrial growth over a 10-year period. The growth forecast corresponds with the 10-year time period following the preparation of this study for which the growth-related need for a development charge can be calculated.

The growth forecast has several purposes.

1. It establishes the level of growth the municipality will be required to provide services for over the forecast period.
2. It provides a basis for identifying the level of growth that will be sharing the cost of new capital facilities over the planning period of the Study.
3. The population projections provide a basis for determining municipal service standards and ensure that the level of service that the Development Charge is collected for does not exceed the average level of service provided for in the municipality over the 10-year period immediately preceding the Study.
4. Finally, the growth projections form the basis of information from which the actual development charges are determined per residential unit and per square metre of non-residential building area.

Based on the analysis of demographic, development and growth trends, population and household projections by dwelling type were prepared for the Township of Horton. Table B shows population and household projections by dwelling type for the Township for the time period between 2024 and 2033. The following population and household projections are presented:

2024 Population	3,655	
		>10-year growth = 379
2033 Population	4,034	

Residential growth rates for the Township are based on a review of development proposals, historical building permit activity and an estimate of average household size. Based on this review, the projections appear to be reasonable for the 10-year planning period of the study.

Commercial/Industrial building growth rates are based on an extrapolation of the historical average growth rate for commercial and industrial building activity. Based on the historical trend, between 2024-2033, commercial/industrial GFA is expected to grow at a rate of 585 square metres per year.

A review of development activity in the Township revealed that most new lots are created through the severance (consent) process and not by plan of subdivision. There are no current active subdivision applications in the Township of Horton. As a result, the anticipated growth over the period of the Study is expected to be distributed geographically throughout the Township and is not isolated to a specific area.

Table B
POPULATION & HOUSEHOLD PROJECTIONS
2024-2033

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
(Estimated)											
Single Detached & Attached	1,318	1,337	1,356	1,375	1,394	1,413	1,432	1,451	1,470	1,489	1,508
- annual change		19	19	19	19	19	19	19	19	19	19
- Average Household Size	2.58	2.57	2.57	2.56	2.56	2.55	2.55	2.54	2.54	2.53	2.53
- annual change	-0.04	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01
Calculated Population	3400	3443	3485	3526	3568	3609	3650	3691	3732	3773	3814

Apartment/Multiple Attached	45	46	46	47	47	48	48	49	49	50	50
- annual change		1	0	1	0	1	0	1	0	1	0
- Average Household Size	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
- annual change	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Calculated Population	90	92	92	94	94	96	96	98	98	100	100

Mobile Homes	80	80	80	80	80	80	80	80	80	80	80
- annual change		0	0	0	0	0	0	0	0	0	0
- Average Household Size	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
- annual change	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Calculated Population	120	120	120	120	120	120	120	120	120	120	120

Total Non Single (population)	210	212	212	214	214	216	216	218	218	220	220
Total Single (population)	3400	3443	3485	3526	3568	3609	3650	3691	3732	3773	3814

Total No. Households	1443	1463	1482	1502	1521	1541	1560	1580	1599	1619	1638
TOTAL Population	3610	3655	3697	3740	3782	3825	3866	3909	3950	3993	4034
Cumulative increase		44	86	130	171	215	256	299	340	383	423

Weighted Age. Household Size	2.50	2.50	2.49	2.49	2.49	2.48	2.48	2.47	2.47	2.47	2.46
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RETURN TO AGENDA

4.5 Assessment Analysis

The following table illustrates how the eligible development charge is allocated between residential and commercial/industrial land users.

Table C
Township of Horton
Assessment Analysis - 2023

	<u>Realty Assessment (in thousands)</u>	<u>Ratio</u>
Residential	\$398,240	0.96
Commercial/Industrial/Institutional	\$15,820	0.04
Total	\$414,060	1.00

Source: Tax Assessment Summary, Township of Horton, 2023.

The assessment basis is used to allocate the capital costs between residential and commercial/industrial growth and is appropriate for the development charges studies in the general eligible services category, the fire protection services category and the transportation service categories as these sectors will benefit proportionally by the services provided. In this regard, it is recommended that 96% of the capital costs associated with the development charges studies within the general eligible service category, the fire protection services category and transportation service category, be allocated to residential growth and 4% of the capital costs be allocated to commercial/industrial growth. However, in the case of the recreation service category, the residential sector is the sole user of the service and therefore, 100% of the capital costs of this service is allocated to residential.

5 10-Year Capital Expenditure Forecast

The 10-year capital expenditure forecast is based on a program of not exceeding the average level of service provided for the particular item over the past 15 years. Appendix B illustrates the maximum potential development charge for each service category by applying the average level of service per capita over the previous 15 years to the projected population growth over the next 10-year period. The 10-Year Capital Expenditure Forecast presented in the 2018 Development Charges Study for the Township of Horton, prepared by Jp2g Consultants, was revisited to determine which projects and/or purchases were to be brought forward into this Study. Council decided to revise a number of items from the capital expenditure forecast. The funds that were collected towards any of the deleted projects were re-allocated towards the remaining projects within their respective service categories and therefore, no funds are required to be refunded.

Table D illustrates the individual items within the service categories for which a development charge will be collected, and which are expected to be purchased or constructed over the next 10 years to meet an increase in the need for the service as a result of growth. Table D also provides an estimate of the cost (in 2024 dollars) to acquire or build the particular item and the anticipated expenditure year. The costs included in Table D, are total project costs including any grants, subsidies, and municipal contributions. With regard to roads and recreation projects, the cost includes the portion of the project costs that would be paid for by existing residents (i.e., through taxes).

With regard to the roads projects listed under the Transportation service category in the 10-Year Capital Expenditure Forecast, should it be necessary for Council to substitute a similar road project for one that is listed in this Study, Council may do so without amendment to the Development Charges By-law, subject to the following conditions being met:

- Council must pass a resolution to adopt an amended 10-Year Capital Expenditure Forecast related to Development Charges;
- the portion of road to be funded through development charges must be of equal length;
- the nature of the works must be the same; and
- the same portion of costs are attributable to growth.

Table D
Township of Horton
10-Year Capital Expenditure Forecast (2024-2033)

FIRE PROTECTION

Service Category	No. of Items /m2 / km	Year of Expenditure	Total Estimated Cost (2024 \$'s)
Fire Department Buildings (Per Bay)	1 Bay	2032	\$750,000.00
3/4 Ton Truck w Roll-out Winch	1 vehicle	2024	\$100,000.00
Reserve Pumper with mini-pumps for Private Roads	1 vehicle	2030	\$385,000.00
Fire Vehicle: Pumper/Tanker (add cap & foam tank)	1 vehicle	2028	\$423,000.00
Self-Contained Breathing Apparatus	6 units	2029	\$12,000.00
Face Pieces	15 units	2029	\$15,000.00
Air Tanks	5 units (pairs)	2029	\$15,000.00
Bunker Suits	5 units	2025	\$25,000.00
Pagers & Radios		2029	\$1,400.00
Total			\$1,726,400.00

**Table D
Township of Horton
10-Year Capital Expenditure Forecast (2024-2033)**

TRANSPORTATION

Service Category	No. of Items / % due to growth	Year of Expenditure	Total Estimated Cost (2024 \$'s)
New Storage Facility (Per Bay)	1 Bay	2032	\$750,000
Grader (10% increase in size)	1 vehicle	2029	\$740,000
Lime Kiln Road Geotech Study	10%	2026	\$100,000
Lime Kiln Road Reconstruction	10%	2031	\$1,366,100
Bennett Lafont Road	10%	2026	\$12,900
Bingham Road	10%	2028	\$9,100
Cobus Road	10%	2027	\$35,300
Collins Road	10%	2030	\$3,300
Dugald Road	10%	2024	\$29,000
Eady Road (North)	10%	2029	\$30,000
Eady Road (North)	10%	2033	\$34,700
Eady Road (Middle)	10%	2029	\$4,700
Eady Road (South)	10%	2030	\$4,700
Early Road	10%	2031	\$24,200
Elliot Crescent (North)	10%	2031	\$1,800
Ferrells Landing Road	10%	2031	\$1,400
Ferguson Road	10%	2031	\$19,800
Garden of Eden Road North	10%	2028	\$45,900
Gordie Road	10%	2031	\$2,200
Goshen Road North	10%	2027	\$10,900
Guest Road	10%	2029	\$2,900
Horton School Road	10%	2027	\$2,200
Humphries Road	10%	2032	\$58,100
Jim Barr Road (South)	10%	2025	\$2,300
Jim Barr Road (North)	10%	2025	\$18,100
Kasaboski Road	10%	2031	\$4,500
Keith Road	10%	2031	\$1,100
Lavallee Road	10%	2030	\$24,300
Lime Kiln Road	10%	2024	\$19,900
Lime Kiln Road	10%	2033	\$23,800
Macs Lane	10%	2028	\$900
Madeleine Street	10%	2031	\$1,800
McBride Road North	10%	2026	\$8,800
McInnes Road	10%	2026	\$93,500
McCreary Lane	10%	2031	\$1,600
McQuilty Road	10%	2031	\$500

Mullins Road (East)	10%	2026	\$20,500
Orin Road (West)	10%	2025	\$26,700
Orin Road (East)	10%	2028	\$900
Pallen Road	10%	2025	\$2,100
Pastway Road	10%	2029	\$8,700
Price Road	10%	2030	\$3,700
Ruttan Road	10%	2025	\$6,000
Tinswood Road	10%	2031	\$8,500
Blackburn Road	10%	2024	\$700
Blackburn Road	10%	2033	\$800
Cotieville Road	10%	2030	\$10,100
Elliot Crescent (South)	10%	2027	\$8,300
Elliot Crescent (South)	10%	2031	\$2,800
Fraser Road	10%	2031	\$22,000
Garden of Eden Road (South)	10%	2026	\$67,300
Grantham Road	10%	2029	\$8,100
Grantham Road	10%	2032	\$2,700
Harold Avenue	10%	2026	\$5,300
Harper Avenue	10%	2026	\$4,600
Jamieson Lane	10%	2024	\$10,000
Jamieson Lane	10%	2031	\$36,900
Johnston Road	10%	2033	\$78,000
Leslie Avenue	10%	2026	\$5,500
McBride Road (South)	10%	2029	\$16,700
Pinnacle Road (West)	10%	2029	\$30,100
Pinnacle Road (Middle)	10%	2026	\$27,700
Pinnacle Road (East)	10%	2027	\$53,300
Sherwood Street	10%	2026	\$3,600
Thompson Road	10%	2032	\$99,400
Whitton Road (South)	10%	2033	\$27,300
Whitton Road (North)	10%	2025	\$23,300
Lochwinnoch Road	10%	2025	\$70,000
Gerald Street	10%	2026	\$16,600
Gerald Street	10%	2030	\$5,800
Goshen Road (South)	10%	2024	\$137,600
Goshen Road (South)	10%	2030	\$47,300
Humphries Road (North)	10%	2026	\$14,600
Cobus Road	10%	2028	\$371,600
Lime Kiln Road	10%	2024	\$97,300
Madeleine Street	10%	2026	\$4,400
Madeleine Street	10%	2026	\$4,400
Total			\$4,881,500

**Table D
Township of Horton
10-Year Capital Expenditure Forecast (2024-2033)**

RECREATION

Service Category	No. of Items /m2 / km	Year of Expenditure	Total Estimated Cost (2024 \$'s)
Community Centre: Air Changers for Kitchen	10%	2026	\$171,400.00
Community Centre: Air Changers for Dressing Rooms	10%	2026	\$38,400.00
Community Centre: Renovation and Building Addition (showers)	10%	2032	\$691,500.00
Community Centre: Engineering Design	10%	2024	\$70,000.00
Total			\$971,300.00

Table D
Township of Horton
10-Year Capital Expenditure Forecast (2024-2033)

GENERAL ELIGIBLE SERVICES

Service Category	No. of Items /m2 / km	Year of Expenditure	Total Estimated Cost (2024 \$'s)
Development Charges Study Every 5 Years*	100%	2024	\$30,000.00
Development Charges Study Every 5 Years*	100%	2029	\$40,000.00
Total			\$70,000.00

*Assumes new Development Charge by-law will be pursued every five years, despite changes to the Act made by Bill 23, *More Homes Built Faster Act, 2022*, to only require a new by-law every 10 years.

Table D
Township of Horton
10-Year Capital Expenditure Forecast (2024-2033)

SUMMARY

Service Category	Total Estimated Cost (2024 \$'s)
Fire Protection	\$1,726,400.00
Public Works: Roads	\$4,881,500.00
Recreation	\$971,300.00
General Eligible Services	\$70,000.00
Total	\$7,649,200.00

Notes:

- * The total estimated project costs are the total purchase price or project cost. Funding for the projects will be from development charges and in some cases a portion of the costs will have to come from other municipal funding sources. For the portion of the project costs which are eligible to be collected from development charges reference should be made to Table 2A in the Study.
- ** For more detail regarding the nature of the roads projects, reference should be made to Section 6 of the Study

6 Growth-related Capital Costs

The 10-year capital expenditure forecast and the existing Development Charges By-law for lands in the Township of Horton were used as a basis for calculating the eligible development charge. The 2024 costs of growth-related capital expenditures, are listed in Table 2A “Future Municipal Expenditures... That Qualify as Growth-Related under the Development Charges Act”. Table 2A also shows the number of facilities/equipment; the net cost per unit or the project cost; the incremental share of the cost of purchasing equipment or building a capital facility which can be attributed to population growth over the 10-year projection period included in the Study; and the eligible development charge. Table 2B shows how the eligible development charge is divided between residential and commercial/industrial developments.

The following subsections provide a discussion on how the eligible costs were determined.

6.1 Funds Collected Under Previous Development Charges By-laws

The Township of Horton “Statement of Development Charges” for the year ending December 31, 2023 indicates that a balance of \$414,827.57 in unallocated development charges had been collected through Development Charges By-law No. 2018-36 as well as former Development Charges By-laws. These funds have since been allocated to specific capital growth items in each service category. Therefore, it is not necessary to discount eligible capital growth items in this study for each service category by the amount of funds remaining in the reserve fund.

6.2 Fire Protection

The growth-related capital costs associated with the Fire Protection category were determined to include the capital costs for the following:

- A new bay for the fire department building, at a cost of \$750,000 in 2032;
- A ¾ ton truck with roll-out winch at a cost of \$100,000 in 2024;
- A reserve pumper with mini-pumps for private roads at a cost of \$385,000 in 2030;
- A pumper/tanker fire vehicle with cap & foam tank at a cost of \$423,000 in 2028;
- 6 additional self-contained breathing apparatuses at a cost of \$12,000 in 2029;
- 15 additional face pieces at a cost of \$15,000 in 2029;
- 5 additional air tanks (pairs) at a cost of \$15,000 in 2029;
- 5 additional bunker suits at a cost of \$25,000 in 2025; and
- Pagers and radios at a cost of \$1,400 in 2029.

It was assumed that no grants or subsidies would be available for any of the items. The purchase or construction costs shown in Table 2A were estimated based on 2024 dollars. Table 2B illustrates the allocation of costs between the residential and the commercial/industrial sector.

Council also intends to recover, through future development charges, the costs of the eligible excess capacity in any of the capital items or projects that were identified in 10-Year Capital Forecast in this Development Charges Study for the Township of Horton.

6.3 Transportation

The growth-related capital costs associated with the Transportation category were determined to include the capital costs for the following:

- New Storage Facility containing one bay at a cost of \$750,000 in 2032;
- New grader at a cost of \$740,000 in 2029;
- Geotechnical Study for Lime Kiln Road at a cost of \$100,000 in 2026;
- Reconstruction of Lime Kiln Road at a cost of \$1,366,100 in 2031;
- It was determined that 10% of the cost of the following road projects could be attributable to growth:
 - **Gravel roads:**
 - Bennett Lafont Road (2026)
 - Bingham Road (2028)
 - Cobus Road (2027)
 - Collins Road (2030)
 - Dugald Road (2024)
 - Eady Road (North) (2029)
 - Eady Road (North) (2033)
 - Eady Road (Middle) (2029)
 - Eady Road (South) (2030)
 - Early Road (2031)
 - Elliot Crescent (North) (2031)
 - Ferrells Landing Road (2031)
 - Ferguson Road (2031)
 - Garden of Eden Road North (2028)
 - Gordie Road (2031)
 - Goshen Road North (2027)
 - Guest Road (2029)
 - Horton School Road (2027)
 - Humphries Road (2032)
 - Jim Barr Road (South) (2025)
 - Jim Barr Road (North) (2025)
 - Kasaboski Road (2031)
 - Keith Road (2031)
 - Lavallee Road (2030)
 - Lime Kiln Road (2024)
 - Lime Kiln Road (2030)
 - Macs Lane (2028)
 - Madeleine Street (2031)
 - McBride Road North (2026)
 - McInnes Road (2026)
 - McCreary Lane (2031)
 - McQuilty Road (2031)
 - Mullins Road (East) (2026)
 - Orin Road (West) (2025)
 - Orin Road (East) (2028)
 - Pallen Road (2025)

- Pastway Road (2029)
- Price Road (2030)
- Ruttan Road (2025)
- Tinswood Road (2031)
- Blackburn Road (2024)
- Blackburn Road (2033)
- **High Class Bituminous Roads:**
 - Cotieville Road (2030)
 - Elliot Crescent (South) (2027)
 - Elliot Crescent (South) (2031)
 - Fraser Road (2031)
 - Garden of Eden Road (South) (2026)
 - Grantham Road (2029)
 - Grantham Road (2032)
 - Harold Avenue (2026)
 - Harper Avenue (2026)
 - Jamieson Lane (2024)
 - Jamieson Lane (2031)
 - Johnston Road (2033)
 - Leslie Avenue (2026)
 - McBride Road (South) (2029)
 - Pinnacle Road (West) (2029)
 - Pinnacle Road (Middle) (2026)
 - Pinnacle Road (East) (2027)
 - Sherwood Street (2026)
 - Thompson Road (2032)
 - Whitton Road (South) (2033)
 - Whitton Road (North) (2025)
 - Lochwinnoch Road (2025)
- **Low Class Bituminous Roads:**
 - Gerald Street (2026)
 - Gerald Street (2030)
 - Goshen Road (South) (2024)
 - Goshen Road (South) (2030)
 - Humphries Road (North) (2026)
 - Cobus Road (2028)
 - Lime Kiln Road (2024)
 - Madeleine Street (2026)
 - Madeleine Street (2026)

It was assumed that no grants or subsidies would be available for any of the items. The purchase or construction costs shown in Table 2A were estimated based on 2024 dollars. Table 2B illustrates the allocation of costs between the residential and the commercial/industrial sector.

Council also intends to recover, through future development charges, the costs of the eligible excess capacity in any of the capital items or projects that were identified in 10-Year Capital Forecast in this Development Charges Study for the Township of Horton.

6.4 Recreation

The growth-related capital costs associated with the Recreation service category were subdivided into categories of buildings, equipment, land, and sports fields. A recreation study was also included in this service category. The eligible development charge for capital items in the Recreation category includes the following:

- 10% of capital costs related to Recreation Building improvements between 2024 and 2033, including the following items:
 - Air changes for kitchen (Community Hall)
 - Air changes for dressing rooms (Community Hall)
 - Renovation and building addition (showers) (Community Hall)
 - Engineering design (Community Hall)

6.5 General Eligible Services

The growth-related capital costs associated with the General Eligible Services category were determined to include the capital costs for the following:

- A Development Charges Study to be completed every five years, with the next studies scheduled for 2024 and 2029. Note that for the purposes of this Study, it has been assumed that a new Development Charge by-law will be enacted by the Township every five years, despite changes to the Act made by Bill 23, *More Homes Built Faster Act, 2022*, to only require a new by-law every 10 years.

The net growth-related capital costs shown in Table 2A were calculated on the basis of 10% of the growth-related capital cost being provided by a municipal contribution drawn from a source other than development charge revenues as is required under the Development Charges Act, 1997. It was also assumed that no other grants or subsidies would be available for any of the items in the service category. Table 2B illustrates the allocation of costs between the residential and the commercial/industrial sector.

Council also intends to recover, through future development charges, the costs of the eligible excess capacity in any of the capital items or projects that were identified in 10-Year Capital Forecast in this Development Charges Study.

TABLE 2A
 FUTURE MUNICIPAL EXPENDITURES AND EXPENDITURES WHERE EXCESS CAPACITY
 TO CONTINUE TO BE COLLECTED THROUGH DEVELOPMENT CHARGES
 That Qualify as Growth-Related Under the Development Charges Act
 (2024 \$000's) Jun-24

	Expenditure Year	Gross cost per unit/project	Net growth-related cost per unit/project	Attributed to growth ('24-'33)	Amount of Funds Already Collected	Eligible Development Charge
GENERAL ELIGIBLE SERVICES						
Development Charges Study Every 5 Years*	2024	\$30.0	\$30.0	1.00	\$17.0	\$13.0
Development Charges Study Every 5 Years*	2029	\$40.0	\$40.0	1.00	\$22.7	\$17.3
Subtotal					\$39.7	\$30.3

*Assumes new Development Charge by-law will be pursued every five years, despite changes to the Act made by Bill 23, More Homes Built Faster Act, 2022, to only require a new by-law every 10 years.

	Expenditure Year	Gross cost per unit/project	Net growth-related cost per unit/project	Attributed to growth ('24-'33)	Amount of Funds Already Collected	Eligible Development Charge
FIRE PROTECTION						
Fire Department Buildings (Per Bay)	2032	\$750.00	\$750.00	0.23	\$32.2	\$137.0
3/4 Ton Truck w Roll-out Winch	2024	\$100.00	\$50.00	0.07	\$2.1	\$1.5
Reserve Pumper with mini-pumps for Private Rds	2030	\$385.0	\$96.3	0.27	\$4.1	\$21.8
Fire Vehicle: Pumper/Tanker (add cap & foam tank)	2028	\$423.0	\$105.8	0.27	\$4.5	\$23.9
Self Contained Breathing Apparatus (6 additional SVCA)	2029	\$12.0	\$12.0	1.13	\$0.5	\$13.0
Face Pieces (15 additional)	2029	\$15.0	\$15.0	1.13	\$0.6	\$16.3
Air Tanks (5 additional) (pairs)	2029	\$15.0	\$15.0	1.13	\$0.6	\$16.3
Bunker Suits (5 additional)	2025	\$25.0	\$25.0	1.13	\$1.1	\$27.1
Pagers & Radios	2029	\$1.4	\$1.4	1.13	\$0.1	\$1.5
Subtotal					\$46.0	\$258.4

	Expenditure Year	Gross cost per unit/project	Net growth-related cost per unit/project	Attributed to growth ('24-'33)	Amount of Funds Already Collected	Eligible Development Charge
PUBLIC WORKS: ROADS						
New Storage Facility (Per Bay)	2032	\$750.00	\$750.0	0.39	\$49.8	\$246.3
Grader (10% increase in size)	2029	\$740.0	\$74.0	1.13	\$4.9	\$78.6
Lime Kiln Road Geotech Study	2026	\$100.0	\$100.0	0.10	\$6.6	\$3.7
Lime Kiln Road Reconstruction	2031	\$1,366.1	\$1,366.1	0.10	\$90.8	\$50.9
Bennett Lafont Road - Gravel	2026	\$12.9	\$12.9	0.10	\$0.9	\$0.5
Bingham Road - Gravel	2028	\$9.1	\$9.1	0.10	\$0.6	\$0.3
Cobus Road - Gravel	2027	\$35.3	\$35.3	0.10	\$2.3	\$1.3
Collins Road - Gravel	2030	\$3.3	\$3.3	0.10	\$0.2	\$0.1
Dugald Road - Gravel	2024	\$29.0	\$29.0	0.10	\$1.9	\$1.1
Eady Road (North) - Gravel	2029	\$30.0	\$30.0	0.10	\$2.0	\$1.1
Eady Road (North) - Gravel	2033	\$34.7	\$34.7	0.10	\$2.3	\$1.3
Eady Road (Middle) - Gravel	2029	\$4.7	\$4.7	0.10	\$0.3	\$0.2
Eady Road (South) - Gravel	2030	\$4.7	\$4.7	0.10	\$0.3	\$0.2
Early Road - Gravel	2031	\$24.2	\$24.2	0.10	\$1.6	\$0.9
Elliot Crescent (North) - Gravel	2031	\$1.8	\$1.8	0.10	\$0.1	\$0.1
Ferrells Landing Road - Gravel	2031	\$1.4	\$1.4	0.10	\$0.1	\$0.1
Ferguson Road - Gravel	2031	\$19.8	\$19.8	0.10	\$1.3	\$0.7
Garden of Eden Road North - Gravel	2028	\$45.9	\$45.9	0.10	\$3.1	\$1.7
Gordie Road - Gravel	2031	\$2.2	\$2.2	0.10	\$0.1	\$0.1
Goshen Road North - Gravel	2027	\$10.9	\$10.9	0.10	\$0.7	\$0.4
Guest Road - Gravel	2029	\$2.9	\$2.9	0.10	\$0.2	\$0.1
Horton School Road - Gravel	2027	\$2.2	\$2.2	0.10	\$0.1	\$0.1
Humphries Road - Gravel	2032	\$58.1	\$58.1	0.10	\$3.9	\$2.2
Jim Barr Road (South) - Gravel	2025	\$2.3	\$2.3	0.10	\$0.2	\$0.1
Jim Barr Road (North) - Gravel	2025	\$18.1	\$18.1	0.10	\$1.2	\$0.7
Kasaboski Road - Gravel	2031	\$4.5	\$4.5	0.10	\$0.3	\$0.2
Keith Road - Gravel	2031	\$1.1	\$1.1	0.10	\$0.1	\$0.0
Lavallee Road - Gravel	2030	\$24.3	\$24.3	0.10	\$1.6	\$0.9
Lime Kiln Road - Gravel	2024	\$19.9	\$19.9	0.10	\$1.3	\$0.7
Lime Kiln Road - Gravel	2033	\$23.8	\$23.8	0.10	\$1.6	\$0.9
Macs Lane - Gravel	2028	\$0.9	\$0.9	0.10	\$0.1	\$0.0
Madeleine Street - Gravel	2031	\$1.8	\$1.8	0.10	\$0.1	\$0.1
McBride Road North - Gravel	2026	\$8.8	\$8.8	0.10	\$0.6	\$0.3
McInnes Road - Gravel	2026	\$93.5	\$93.5	0.10	\$6.2	\$3.5
McCreary Lane - Gravel	2031	\$1.6	\$1.6	0.10	\$0.1	\$0.1
McQuilty Road - Gravel	2031	\$0.5	\$0.5	0.10	\$0.0	\$0.0
Mullins Road (East) - Gravel	2026	\$20.5	\$20.5	0.10	\$1.4	\$0.8
Orin Road (West) - Gravel	2025	\$26.7	\$26.7	0.10	\$1.8	\$1.0
Orin Road (East) - Gravel	2028	\$0.9	\$0.9	0.10	\$0.1	\$0.0
Pallen Road - Gravel	2025	\$2.1	\$2.1	0.10	\$0.1	\$0.1
Pastway Road - Gravel	2029	\$8.7	\$8.7	0.10	\$0.6	\$0.3
Price Road - Gravel	2030	\$3.7	\$3.7	0.10	\$0.2	\$0.1
Ruttan Road - Gravel	2025	\$6.0	\$6.0	0.10	\$0.4	\$0.2
Tinswood Road - Gravel	2031	\$8.5	\$8.5	0.10	\$0.6	\$0.3
Blackburn Road - Gravel	2024	\$0.7	\$0.7	0.10	\$0.0	\$0.0
Blackburn Road - Gravel	2033	\$0.8	\$0.8	0.10	\$0.1	\$0.0
Cotieville Road - HCB	2030	\$10.1	\$10.1	0.10	\$0.7	\$0.4
Elliot Crescent (South) - HCB	2027	\$8.3	\$8.3	0.10	\$0.6	\$0.3
Elliot Crescent (South) - HCB	2031	\$2.8	\$2.8	0.10	\$0.2	\$0.1
Fraser Road - HCB	2031	\$22.0	\$22.0	0.10	\$1.5	\$0.8
Garden of Eden Road (South) - HCB	2026	\$67.3	\$67.3	0.10	\$4.5	\$2.5
Grantham Road - HCB	2029	\$8.1	\$8.1	0.10	\$0.5	\$0.3
Grantham Road - HCB	2032	\$2.7	\$2.7	0.10	\$0.2	\$0.1
Harold Avenue - HCB	2026	\$5.3	\$5.3	0.10	\$0.4	\$0.2
Harper Avenue - HCB	2026	\$4.6	\$4.6	0.10	\$0.3	\$0.2
Jamieson Lane - HCB	2024	\$10.0	\$10.0	0.10	\$0.7	\$0.4
Jamieson Lane - HCB	2031	\$36.9	\$36.9	0.10	\$2.5	\$1.4
Johnston Road - HCB	2033	\$78.0	\$78.0	0.10	\$5.2	\$2.9
Leslie Avenue - HCB	2026	\$5.5	\$5.5	0.10	\$0.4	\$0.2
McBride Road (South) - HCB	2029	\$16.7	\$16.7	0.10	\$1.1	\$0.6
Pinnacle Road (West) - HCB	2029	\$30.1	\$30.1	0.10	\$2.0	\$1.1
Pinnacle Road (Middle) - HCB	2026	\$27.7	\$27.7	0.10	\$1.8	\$1.0
Pinnacle Road (East) - HCB	2027	\$53.3	\$53.3	0.10	\$3.5	\$2.0
Sherwood Street - HCB	2026	\$3.6	\$3.6	0.10	\$0.2	\$0.1
Thompson Road - HCB	2032	\$99.4	\$99.4	0.10	\$6.6	\$3.7
Whitton Road (South) - HCB	2033	\$27.3	\$27.3	0.10	\$1.8	\$1.0
Whitton Road (North) - HCB	2025	\$23.3	\$23.3	0.10	\$1.5	\$0.9
Lochwinnoch Road - HCB	2025	\$70.0	\$70.0	0.10	\$4.7	\$2.6
Gerald Street - LCB	2026	\$16.6	\$16.6	0.10	\$1.1	\$0.6
Gerald Street - LCB	2030	\$5.8	\$5.8	0.10	\$0.4	\$0.2
Goshen Road (South) - LCB	2024	\$137.6	\$137.6	0.10	\$9.1	\$5.1
Goshen Road (South) - LCB	2030	\$47.3	\$47.3	0.10	\$3.1	\$1.8
Humphries Road - (North) - LCB	2026	\$14.6	\$14.6	0.10	\$1.0	\$0.5
Cobus Road - LCB	2028	\$371.6	\$371.6	0.10	\$24.7	\$13.8
Lime Kiln Road - LCB	2024	\$97.3	\$97.3	0.10	\$6.5	\$3.6
Madeleine Street (LCB)	2026	\$4.4	\$4.4	0.10	\$0.3	\$0.2
Madeleine Street (LCB)	2026	\$4.4	\$4.4	0.10	\$0.3	\$0.2
Subtotal					\$280.0	\$451.3

	Expenditure Year	Gross cost per unit/project	Net growth-related cost per unit/project	Attributed to growth ('24-'33)	Amount of Funds Already Collected	Eligible Development Charge
RECREATION						
Community Centre: Air Changes for Kitchen	2026	\$171.4	\$154.3	0.10	\$8.7	\$7.3
Community Centre: Air Changers for Dressing Rooms	2026	\$38.4	\$34.6	0.10	\$1.9	\$1.6
Community Centre: Renovation and Bldg Addn. (showers)	2032	\$691.5	\$622.4	0.10	\$35.0	\$29.6
Community Centre: Engineering Design	2024	\$70.0	\$63.0	0.10	\$3.5	\$3.0
Subtotal					\$49.1	\$41.5

Note 1: Growth related share of road projects based on Township Development Fee estimates.

TABLE 2B
FUTURE ACQUISITIONS AND ELIGIBLE COSTS OF EXCESS CAPACITY
Allocation of Growth-Related Cost to Land Use Type
(2024 \$000's)

	Eligible Development Charge	Expend. Year	Residential Share 96%	Com/Ind Share 4%
GENERAL ELIGIBLE SERVICES				
Development Charges Study Every 5 Years*	\$13.0	2024	\$12.48	\$0.50
Development Charges Study Every 5 Years*	\$17.3	2029	\$16.65	\$0.66
Subtotal	\$30.3		\$29.1	\$1.2

*Assumes new Development Charge by-law will be pursued every five years, despite changes to the Act made by Bill 23, More Homes Built Faster Act, 2022, to only require a new by-law every 10 years.

	Eligible Development Charge	Expenditure Year	Residential Share 96%	Com/Ind Share 4%
FIRE PROTECTION				
Fire Department Buildings (Per Bay)	\$137.0	2032	\$131.75	\$5.26
3/4 Ton Truck w Roll-out Winch	\$1.5	2024	\$1.43	\$0.06
Reserve Pumper with mini-pumps for Private Rds	\$21.8	2030	\$20.93	\$0.84
Fire Vehicle: Pumper/Tanker (add cap & foam tank)	\$23.9	2028	\$23.00	\$0.92
Self Contained Breathing Apparatus (6 additional SVCA)	\$13.0	2029	\$12.52	\$0.50
Face Pieces (15 additional)	\$16.3	2029	\$15.65	\$0.63
Air Tanks (5 additional) (pairs)	\$16.3	2029	\$15.65	\$0.63
Bunker Suits (5 additional)	\$27.1	2025	\$26.09	\$1.04
Pagers & Radios	\$1.5	2029	\$1.46	\$0.06
Subtotal	\$258.4		\$248.5	\$9.9

	Eligible Development Charge	Expenditure Year	Residential Share 96%	Com/Ind Share 4%
PUBLIC WORKS: ROADS				
New Storage Facility (Per Bay)	\$246.3	2032	\$236.86	\$9.46
Grader (10% increase in size)	\$78.6	2029	\$75.55	\$3.02
Lime Kiln Road Geotech Study	\$3.7	2026	\$3.58	\$0.14
Lime Kiln Road Reconstruction	\$50.9	2031	\$48.95	\$1.95
Bennett Lafont Road - Gravel	\$0.5	2026	\$0.46	\$0.02
Bingham Road - Gravel	\$0.3	2028	\$0.33	\$0.01
Cobus Road - Gravel	\$1.3	2027	\$1.26	\$0.05
Collins Road - Gravel	\$0.1	2030	\$0.12	\$0.00
Dugald Road - Gravel	\$1.1	2024	\$1.04	\$0.04
Eady Road (North) - Gravel	\$1.1	2029	\$1.07	\$0.04
Eady Road (North) - Gravel	\$1.3	2033	\$1.24	\$0.05
Eady Road (Middle) - Gravel	\$0.2	2029	\$0.17	\$0.01
Eady Road (South) - Gravel	\$0.2	2030	\$0.17	\$0.01
Early Road - Gravel	\$0.9	2031	\$0.87	\$0.03
Elliot Crescent (North) - Gravel	\$0.1	2031	\$0.07	\$0.00
Ferrells Landing Road - Gravel	\$0.1	2031	\$0.05	\$0.00
Ferguson Road - Gravel	\$0.7	2031	\$0.71	\$0.03
Garden of Eden Road North - Gravel	\$1.7	2028	\$1.65	\$0.07
Gordie Road - Gravel	\$0.1	2031	\$0.08	\$0.00
Goshen Road North - Gravel	\$0.4	2027	\$0.39	\$0.02
Guest Road - Gravel	\$0.1	2029	\$0.10	\$0.00
Horton School Road - Gravel	\$0.1	2032	\$0.08	\$0.00
Humphries Road - Gravel	\$2.2	2025	\$2.08	\$0.08
Jim Barr Road (South) - Gravel	\$0.1	2025	\$0.08	\$0.00
Jim Barr Road (North) - Gravel	\$0.7	2025	\$0.65	\$0.03
Kasaboski Road - Gravel	\$0.2	2031	\$0.16	\$0.01
Keith Road - Gravel	\$0.0	2031	\$0.04	\$0.00
Lavallee Road - Gravel	\$0.9	2030	\$0.87	\$0.03
Lime Kiln Road - Gravel	\$0.7	2024	\$0.71	\$0.03
Lime Kiln Road - Gravel	\$0.9	2033	\$0.85	\$0.03
Macs Lane - Gravel	\$0.0	2028	\$0.03	\$0.00
Madeleine Street - Gravel	\$0.1	2031	\$0.07	\$0.00
McBride Road North - Gravel	\$0.3	2026	\$0.31	\$0.01
McInnes Road - Gravel	\$3.5	2026	\$3.35	\$0.13
McCreary Lane - Gravel	\$0.1	2031	\$0.06	\$0.00
McQuilty Road - Gravel	\$0.0	2031	\$0.02	\$0.00
Mullins Road (East) - Gravel	\$0.8	2026	\$0.73	\$0.03
Orin Road (West) - Gravel	\$1.0	2025	\$0.96	\$0.04
Orin Road (East) - Gravel	\$0.0	2028	\$0.03	\$0.00
Pallen Road - Gravel	\$0.1	2025	\$0.08	\$0.00
Pastway Road - Gravel	\$0.3	2029	\$0.31	\$0.01
Price Road - Gravel	\$0.1	2030	\$0.13	\$0.01
Ruttan Road - Gravel	\$0.2	2025	\$0.22	\$0.01
Tinswood Road - Gravel	\$0.3	2031	\$0.30	\$0.01
Blackburn Road - Gravel	\$0.0	2024	\$0.02	\$0.00
Blackburn Road - Gravel	\$0.0	2033	\$0.03	\$0.00
Cotieville Road - HCB	\$0.4	2030	\$0.36	\$0.01
Elliot Crescent (South) - HCB	\$0.3	2027	\$0.30	\$0.01
Elliot Crescent (South) - HCB	\$0.1	2031	\$0.10	\$0.00
Fraser Road - HCB	\$0.8	2031	\$0.79	\$0.03
Garden of Eden Road (South) - HCB	\$2.5	2026	\$2.41	\$0.10
Grantham Road - HCB	\$0.3	2029	\$0.29	\$0.01
Grantham Road - HCB	\$0.1	2032	\$0.10	\$0.00
Harold Avenue - HCB	\$0.2	2026	\$0.19	\$0.01
Harper Avenue - HCB	\$0.2	2026	\$0.17	\$0.01
Jamieson Lane - HCB	\$0.4	2024	\$0.36	\$0.01
Jamieson Lane - HCB	\$1.4	2031	\$1.32	\$0.05
Johnston Road - HCB	\$2.9	2033	\$2.79	\$0.11
Leslie Avenue - HCB	\$0.2	2026	\$0.20	\$0.01
McBride Road (South) - HCB	\$0.6	2029	\$0.60	\$0.02
Pinnacle Road (West) - HCB	\$1.1	2029	\$1.08	\$0.04
Pinnacle Road (Middle) - HCB	\$1.0	2026	\$0.99	\$0.04
Pinnacle Road (East) - HCB	\$2.0	2027	\$1.91	\$0.08
Sherwood Street - HCB	\$0.1	2026	\$0.13	\$0.01
Thompson Road - HCB	\$3.7	2032	\$3.56	\$0.14
Whitton Road (South) - HCB	\$1.0	2033	\$0.98	\$0.04
Whitton Road (North) - HCB	\$0.9	2025	\$0.84	\$0.03
Lochwinnoch Road - HCB	\$2.6	2025	\$2.51	\$0.10
Gerald Street - LCB	\$0.6	2026	\$0.60	\$0.02
Gerald Street - LCB	\$0.2	2030	\$0.21	\$0.01
Goshen Road (South) - LCB	\$5.1	2024	\$4.93	\$0.20
Goshen Road (South) - LCB	\$1.8	2030	\$1.69	\$0.07
Humphries Road - (North) - LCB	\$0.5	2026	\$0.52	\$0.02
Cobus Road - LCB	\$13.8	2028	\$13.32	\$0.53
Lime Kiln Road - LCB	\$3.6	2024	\$3.49	\$0.14
Madeleine Street (LCB)	\$0.2	2026	\$0.16	\$0.01
Madeleine Street (LCB)	\$0.2	2026	\$0.16	\$0.01
Subtotal	\$451.3		\$433.9	\$17.3

	Eligible Development Charge	Expenditure Year	Residential Share 100%	Com/Ind Share 0%
RECREATION				
Community Centre: Air Changes for Kitchen	\$7.3	2026	\$7.3	\$0.0
Community Centre: Air Changers for Dressing Rooms	\$1.6	2026	\$1.6	\$0.0
Community Centre: Renovation and Bldg Addn. (showers)	\$29.6	2032	\$29.6	\$0.0
Community Centre: Engineering Design	\$3.0	2024	\$3.0	\$0.0
Subtotal	\$41.5		\$41.5	\$0.0

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7 Fund Administration

In accordance with the legislation, a separate development charge reserve fund for each service to which the development charge relates must be created into which all development charge revenues are deposited. Interest earned on the fund balance accrues to the fund and is an integral part of the development charge structure. Withdrawals from the fund are made only to pay for the growth-related net capital cost of service types listed in this report or to refund overpayment to property owners, with interest, in the event a development charge is reduced.

Each reserve fund for the identified service types shall be maintained and the indicated proportionate share of development charge revenues and interest accumulated and appropriate expenditures deducted (Tables 3A and 3B).

The following Table E summarizes how the development charges that are collected are to be allocated between reserve fund sub-accounts.

Table E
Township of Horton
Allocation of Development Charges Among Service Categories

<u>Service Category</u>	<u>Proportional Share</u>	
	<u>Residential</u>	<u>Commercial/Industrial</u>
General Services	4.4%	4.7%
Fire Services	44.3%	35.2%
Transportation	45.7%	60.2%
Recreation	<u>5.6%</u>	<u>0.0%</u>
	100.0%	100.0%

The reasons for the sub-accounts, rather than different reserve funds is simplicity of accounting and control and the ability to “borrow” funds from one service type to another without creating an overdraft in a reserve fund.

Responsibility for the reserve fund and sub-account operations should be with the Treasurer who is ultimately responsible for the fiscal viability of the reserve fund and its future commitments.

An annual report relating to the development charges by-law and reserve funds must be prepared by the Chief Administrative Officer/Clerk-Treasurer and submitted to Council in accordance with the requirements of the Development Charges Act. The annual report is to include statements of the opening and closing balances of the reserve fund for the preceding year and the transactions relating to the reserve funds, and it must be submitted to the Minister of Municipal Affairs and Housing within 60 days after it is presented to Council. The annual report from the Clerk-Treasurer must also include the following information for each reserve fund:

- A description of the service for which the fund was established (list of services in the service category).
- For any credits in relation to the service or service category for which the fund was established, the amount outstanding at the beginning of the previous year, the amount given in the year, the amount used in the year and the amount outstanding at the end of the year. These amounts must then be broken down further by individual credit holder.



- The amount of any money borrowed from the fund by the Township during the previous year and the purpose for which it was borrowed.
- The amount of interest accrued during the previous year on the money borrowed from the fund by the Township.
- The amount and source of any money used by the municipality in the previous year to repay money borrowed from the fund or interest on such money.
- A schedule that identifies credits recognized under Section 17 of the development Charges Act and, for each credit recognized, the service against which the credit is applied, and the source of funds used to finance the credit.

For each project that is financed in whole or in part through development charges:

- The amount of money from each reserve fund that is spent on the project.
- The amount and source of any other money that is spent on the project.

Table 3A
 SCHEDULE OF FUTURE ACQUISITIONS BY YEAR
 That Qualify as Growth-Related
 (2024 \$000's)

RESIDENTIAL

	Ratio	NPV	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
General Eligible Services	4.4%	26.2	12.5	0.0	0.0	0.0	0.0	16.6	0.0	0.0	0.0	0.0
Fire Protection	44.3%	261.6	1.4	26.1	3.6	0.0	23.0	120.8	20.9	0.0	131.8	0.0
Public Works: Roads	45.7%	270.27	10.6	7.4	10.4	3.9	15.4	3.6	3.5	53.6	240.6	5.9
Recreation	5.6%	32.90	3.0	0.0	9.0	0.0	0.0	0.0	0.0	0.0	29.6	0.0
TOTAL	100%	591.0	27.5	33.5	22.9	3.9	38.4	141.1	24.5	53.6	401.9	5.9

Table 3B
 SCHEDULE OF FUTURE AQUISITIONS BY YEAR
 That Qualify as Growth-Related
 (2024 \$000's)

COMMERCIAL / INDUSTRIAL

	Ratio	NPV	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
General Eligible Services	4.7%	1.0	0.5	0.0	0.0	0.0	0.0	0.66	0.0	0.0	0.0	0.0
Fire Protection	35.2%	7.8	0.1	1.0	0.0	0.0	0.9	1.8	0.8	0.0	5.3	0.0
Public Works: Roads	60.2%	13.4	0.4	0.3	0.6	0.2	0.6	3.2	0.1	2.1	9.6	0.2
Recreation	0.0%	0.0										
TOTAL	100%	22.3	1.0	1.3	0.6	0.2	1.5	5.6	1.0	2.1	14.9	0.2

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8 Implementation

8.1 Application of Development Charge

Development charges can be implemented uniformly across an entire municipality or using a combination of uniform charges and charges for specific service areas. A uniform development charge rate is recommended across the entire Township for the following reasons:

- Most capital expenditures in the Township are designed to service the entire population, and therefore, a Township-wide approach is an equitable approach for allocating these costs.
- Most capital projects represent large irregular expenditures that preclude an even rate of expansion or implementation. The construction or acquisition program must be based on priority of need rather than attempting to balance construction by the financial returns of differing areas.
- There are no municipal services (i.e., sewer and water) within the Township.
- It is simple to administer.

The Development Charges By-law will expire 10 years after the day it comes into force unless Council identifies an earlier expiry date or repeals it sooner.

8.2 Adjustments for Inflation

The development charge in the Township is based on a combination of projects to be built in the future discounted to 2024 dollars. It is therefore recommended that an annual inflation factor be applied to the development charge fee to adjust for inflationary pressures. The regulation to the Development Charges Act (Ontario Regulation 82/98) identifies the Statistics Canada Non-residential Building Construction Price Index for Ottawa-Gatineau or Toronto, as appropriate to use for indexing purposes.

8.3 Development Charge Implementation and Collection

The development charges by-law should be implemented in full on the date of passage of the By-law and should apply to all new building permit applications. The Development Charges Act identifies the building permit stage as the time when development charges are payable. As services are required at or near the date that a building is occupied, it is appropriate to collect the development charge at the building permit stage.

8.4 Pamphlet

The Development Charges Act requires that a pamphlet be prepared which describes the general purpose of the development charges that are being imposed; the rules for determining if a development charge is payable and the amount; a list of the services to which the development charges relate; and a description of the general purpose of the Clerk-Treasurer's annual report (statement of the Treasurer) and where it may be viewed by the public. One copy of the pamphlet is to be distributed free of charge to anyone requesting it.

8.5 Conditions to be Imposed on Subdivision Approvals

The Development Charges Act requires that one of the conditions in giving approval to a draft plan of subdivision, must ensure that the persons who first purchase the subdivided land after the final approval of the draft plan of subdivision are informed at the time the land is transferred, of all of the development charges related to the development.

9 Development Charges

9.1 Proposed New Development Charges

Table F below provides the new residential and commercial development charges that are recommended for the Township of Horton.

**Table F
Township of Horton
Development Charges Summary**

Development Charges		
Use	Category	New Charge
Residential (charge per dwelling unit)	Single Detached and Single Attached	\$3,837
	Apartment	\$3,029
	Mobile Home	\$2,272
Commercial/Industrial/ (charge per m ² of GFA)	All Categories (Except Industrial Expansions of less than 50% of the current GFA)	\$4.70/m ²
Institutional	Charge determined based on nature of use, i.e. residential components charged according to class of use and other components charged based on Commercial/ Industrial rate.	

9.2 Development Charges in Surrounding Municipalities

Table G below provides a summary of the current development charges in surrounding municipalities. This information is provided to assist Council in determining a development charge that achieves the Township's capital investment goals, while being aware of development charges in surrounding municipalities with similar development contexts.

**Table G: The Township of Horton
Development Charges in Area Municipalities**

Municipality	Residential Development Charges (Single-Detached dwelling)	Commercial/Industrial Development Charges	By-law Implementation/ Expiry Date
McNab/Braeside	\$3,954	\$9.00 m ²	June 27, 2019/ June 27, 2024
Township of Greater Madawaska	\$7,764	\$4.76 m ²	April 19, 2022 / April 19, 2027
Township of Whitewater Region*	Municipal wide services: \$3,000	Municipal wide services: \$0.50	July 1, 2021 / June 30, 2026

* The development charge for the Township of Whitewater Region is for the rural lands only (additional charges apply for lands that are partially or fully serviced by municipal services)



9.3 Credits for Lot Levies Previously Collected

If the Township previously charged a lot levy for the creation of a new lot, the Township must continue the practice of deducting the amount of the lot levy already paid for a vacant lot from the development charge that would be payable under the new development charges by-law, at the time a building permit is obtained for the lot. In other words, the Township is not permitted to 'double dip' and charge both a lot levy and development charge at the time of building permit issuance.

TABLE 4A
 DEVELOPMENT CHARGES CALCULATION (Scenario 1 - Apply No Reserve Funds with Estimated Growth at 19 units yr)
 Net Growth-Related Capital Cost
 (2024 \$000's)

RESIDENTIAL

		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Population Forecast By Year	npv	3,610	3,655	3,697	3,740	3,782	3,825	3,866	3,909	3,950	3,993	4,034
Per year growth	423	344	44	42	44	42	43	41	43	41	43	41
Persons per Household		2.502	2.498	2.494	2.490	2.486	2.482	2.478	2.474	2.471	2.466	2.462
Decrease in Persons per Household	0.032		0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004

		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Household Forecast By Year		1,443	1,463	1,482	1,502	1,521	1,541	1,560	1,580	1,599	1,619	1,638
Annual Increase	195	158	20	19	20	19	20	19	20	19	20	19

Net Present Value	4%
Net Capital Cost	591.0
Adjusted Population Growth	390
Net Capital Cost Per Capita	\$1,514

DWELLING UNIT TYPE	PERSONS PER UNIT			PV of
	Current	Decrease Factor	Adjusted	Cost / Capita
Average Household	2.498	0.032	2.466	\$1,514
Single Detached & Attached	2.575	0.042	2.533	\$1,514
Apartment	2.000	0.000	2.000	\$1,514
Mobile Home	1.500	0.000	1.500	\$1,514

Mobile Homes at 1.5 Persons Per Household
 DEVELOPMENT CHARGE
 TABLE

DWELLING UNIT TYPE	Gross	Tax Credit	Net
Avg. Household	\$3,735	\$0.00	\$3,735
Single Detached & Attached	\$3,837	\$0.00	\$3,837
Apartment	\$3,029	\$0.00	\$3,029
Mobile Home	\$2,272	\$0.00	\$2,272

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TABLE 4B
 DEVELOPMENT CHARGES CALCULATION
 Net Growth-Related Capital Cost
 (2024 \$000's)

COMMERCIAL / INDUSTRIAL

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Commercial/ Industrial Square Metres (sq. metres of building space)										
Annual Growth	585	585	585	585	585	585	585	585	585	585

Net Present Value	4%
Net Capital Cost	22.3
Net Growth In Space	4745
Cost Per sq. m.	4.70
Tax Credit	0
Development Charge Per Sq. m. of Building Space	\$4.70

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10 Long Term Capital and Operating Costs

This section provides a brief examination of the long-term capital and operating costs for the capital facilities and infrastructure to be included in the Development Charges Study. This examination is required by the Development Charges Act, 1997.

10.1 Net operating costs over the forecast period

The Municipality's net operating costs are not expected to increase by any significant amount as a result of the capital infrastructure program included in this Development Charge Study.

10.2 Long-term capital financing from non-development charge sources

Table 5A summarizes the components of the development-related capital program that will require funding from non-development charge sources. In total, \$6,805,000 will need to be financed from non-development charge sources over the next 10 years. This includes about \$104,130 in respect of the mandatory 10 per cent discount required by the Development Charges Act for eligible general and recreational services and about \$6,700,870 for shares of projects related to capital replacement and for non-growth related shares of projects that provide benefit to the existing community.

Table 5A
SUMMARY OF LONG TERM
CAPITAL IMPACT
(2024 \$000's)

Jun-24

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
Gross Cost	\$494.5	\$173.6	\$599.4	\$110.0	\$851.5	\$924.6	\$484.1	\$1,495.3	\$2,351.7	\$164.6	\$7,649.2
Eligible Development Charge	\$28.4	\$32.7	\$23.5	\$4.1	\$39.9	\$146.7	\$25.5	\$55.7	\$418.9	\$6.1	\$781.5
TOTAL	\$466.1	\$140.9	\$575.9	\$105.9	\$811.6	\$777.8	\$458.6	\$1,439.5	\$1,932.8	\$158.4	\$6,867.7

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11 Asset Management

In accordance with subsection 10(2), an asset management plan is required as part of the development charge background study; subsection 10(3) sets out what is required as part of the asset management plan. A key function of the Asset Management Plan is to demonstrate that all assets proposed to be funded under the development charges by-law are financially sustainable over their full life cycle.

11.1 Annual Capital Provisions

The annual capital provisions required to replace the capital infrastructure proposed to be funded under the development charges by-law is based on useful life assumptions and the capital cost of acquiring each asset.

As shown in Table 5A, by 2033 the Municipality will need to fund an additional \$6,805,000 over 10 years in order to properly fund the full life-cycle costs of the new assets supported under this Development Charges By-Law.

The calculated annual funding provision should be considered within the context of the Municipality's projected growth over the next 10 years. This growth will have the effect of increasing the overall assessment base to offset the capital asset provisions required to replace the infrastructure proposed to be funded under the development charges bylaw.

The calculated annual provisions identified are considered to be financially sustainable as it is expected that the increased capital asset management requirements can be absorbed by the tax base over the long-term.

12 Conclusion

This Background Study has been prepared in accordance with Section 10(2) of the Development Charges Act, 1997 and Ontario Regulation 82/98 in support of a new development charges by-law for the Township of Horton. The proposed development charges are considered to be fair and reasonable compared to similar rural municipalities within the County of Renfrew. These development charges will allow for the municipality to continue to collect funds to help pay for capital expenditures and improvements associated with the growth of the Township.

13 References

- A. The Development Charges Act, 1997 and Ontario Regulation 82/98, as amended.
- B. Census Canada 2011, 2016 and 2021 Statistics.
- C. Jp2g Consultants Inc. Development Charges Background Study. Township of Horton, May 2018.
- D. Ontario Ministry of Finance/MPAC, Assessment Statistics, 2023
- E. Interviews with Horton Township staff, completed on February 23, 2024.

End of report.

Appendix A

Inventory of Existing Municipal Facilities and Service Standards

FIRE PROTECTION	Number or Length or g.f.a. (m ²)	Year of Purchase/ Construction	Service Standard Per Person															Average Service Standard		
			2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023			
Fire Department Buildings (2 Bays)	2	since 1994	0.0006	0.0006	0.0007	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006
3/4 ton truck	1	since 2014							0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003
Fire Vehicle	2	since 1994	0.0006	0.0006	0.0007	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006
Fire Vehicle	1	2014-15, 2020 >							0.0003	0.0003				0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003
Breathing Apparatus & Equipment	10	since 2008	0.0031	0.0032	0.0033	0.0032	0.0031	0.0031	0.0030	0.0029	0.0029	0.0029	0.0029	0.0029	0.0028	0.0028	0.0028	0.0028	0.0028	0.0028
Pagers & Chargers	19	since 1994	0.0059	0.0061	0.0062	0.0061	0.0059	0.0058	0.0057	0.0056	0.0055	0.0055	0.0054	0.0054	0.0053	0.0053	0.0053	0.0053	0.0053	0.0053
Hose (footage of hose equiv. to cost of 1.5")	7800	since 1994	2.4322	2.4841	2.5391	2.4849	2.4329	2.3831	2.3353	2.2894	2.2681	2.2459	2.2267	2.2059	2.1751	2.1673	2.1604	2.1604	2.1604	2.3220
Face pieces	10	since 2009							0.0031	0.0030	0.0029	0.0029	0.0029	0.0029	0.0028	0.0028	0.0028	0.0028	0.0028	0.0019
Air Tanks	10	since 2007	0.0031	0.0032	0.0033	0.0032	0.0031	0.0031	0.0030	0.0029	0.0029	0.0029	0.0029	0.0029	0.0028	0.0028	0.0028	0.0028	0.0028	0.0030
Bunker Suits		since 2008	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Pagers & Radios		since 2009	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

PUBLIC WORKS - ROADS & BRIDGES	Number or km or g.f.a. (m ²)	Year of Purchase/ Construction	Service Standard Per Person															Average Service Standard		
			2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023			
Gravel Surface Roads (km)		2007-2017																		
LCB Surface Treated Roads (km)		2007 to 2017																		
Roads (km)	93.1	since 2007	0.0290	0.0296	0.0303	0.0297	0.0290	0.0284	0.0279	0.0273	0.0271	0.0268	0.0266	0.0263	0.0260	0.0259	0.0258	0.0258	0.0277	0.0277
Equipment Buildings/Structures (3.5 Bays)	4	since 1989	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010
Vehicles/Equipment (Equivalent Value to Tandem)	3.0	since 2003	0.0009	0.0010	0.0010	0.0010	0.0009	0.0009												
Vehicles/Equipment (Equivalent Value to Tandem)	2.5	since 2015							0.0007	0.0007	0.0007	0.0007	0.0007	0.0007	0.0007	0.0007	0.0007	0.0007	0.0007	0.0008
Vehicles/Equipment (Backhoe/Excavators)	3.0	since 2000	0.0009	0.0010	0.0010	0.0010	0.0009	0.0009	0.0009	0.0009										
Vehicles/Equipment (Backhoe/Excavators)	2.0	since 2017									0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	
Vehicles/Equipment (Graders)	1.0	since 1992	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003
Vehicles/Equipment (Equivalent to half-tonne pick-up)	3.0	to 2013	0.0009	0.0010	0.0010	0.0010	0.0009													
Vehicles/Equipment (Equivalent to half-tonne pick-up)	1.5	2014 to 2017						0.0005	0.0004	0.0004	0.0004									
Vehicles/Equipment (Equivalent to half-tonne pick-up)	2.0	since 2018										0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0007
Vehicles/Equipment (Tractor)	1.0	since 2003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003
Vehicles/Equipment (Tractor)	1.0	since 2018										0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0004
Mobile Radio Equipment	7.0	since 1998	0.0022	0.0022	0.0023	0.0022	0.0022	0.0021	0.0021	0.0021	0.0020	0.0020	0.0020	0.0020	0.0019	0.0019	0.0019	0.0019	0.0019	0.0021
Portable Radio Equipment	2.0	since 1998	0.0006	0.0006	0.0007	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006

RECREATION	Number or hectares or g.f.a.(m ²)	Year of Purchase/ Construction	Service Standard Per Person															Average Service Standard			
			2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023				
Recreation Lands (hectares)	2.02	since 1998	0.0006	0.0006	0.0007	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006	0.0006
Recreation Field/Community Facilities	1	since 1998	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003

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Appendix B

Estimated Year of purchase Based on Average Level of Service

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APPENDIX B - ESTIMATED YEAR OF PURCHASE BASED ON AVERAGE LEVEL OF SERVICE
2024 to 2033

FIRE PROTECTION	Existing no./length / g.f.a. (m ²)	Cumulative Total Service Standard											due to growth
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Fire Department Buildings (2 Bays)	2	2.15	2.18	2.20	2.23	2.25	2.28	2.30	2.33	2.35	2.38	2.40	0.23
3/4 ton truck	1	0.69	0.70	0.71	0.72	0.73	0.73	0.74	0.75	0.76	0.77	0.77	0.07
Fire Vehicle	2	2.56	2.60	2.63	2.66	2.69	2.72	2.75	2.78	2.81	2.84	2.86	0.27
Breathing Apparatus & Equipment	10	10.75	10.88	11.00	11.13	11.26	11.39	11.51	11.64	11.76	11.89	12.01	1.13
Pagers & Chargers	19	20.42	20.67	20.91	21.16	21.39	21.64	21.87	22.11	22.34	22.59	22.81	2.14
Hose (footage of hose equiv. to cost of 1.5")	7800	8383.52	8485.97	8583.35	8684.96	8781.50	8882.27	8977.97	9077.91	9172.78	9271.88	9365.93	879.96
Face pieces	10	6.93	7.01	7.10	7.18	7.26	7.34	7.42	7.50	7.58	7.66	7.74	0.73
Air Tanks	10	10.75	10.88	11.00	11.13	11.26	11.39	11.51	11.64	11.76	11.89	12.01	1.13
Bunker Suits	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pagers & Radios	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

PUBLIC WORKS - ROADS & BRIDGES	Existing no./km/ g.f.a. (m ²)	Cumulative Total Service Standard											due to growth
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Roads (km)	93.10	100.06	101.29	102.45	103.66	104.82	106.02	107.16	108.35	109.49	110.67	111.79	10.50
Equipment Buildings/Structures (3.5 Bays)	4	3.76	3.81	3.85	3.90	3.94	3.99	4.03	4.07	4.12	4.16	4.20	0.39
Vehicles/Equipment (Equivalent Value to Tandem)	2.5	2.75	2.78	2.81	2.85	2.88	2.91	2.94	2.98	3.01	3.04	3.07	0.29
Vehicles/Equipment (Loaders/Excavators)	2.0	2.75	2.78	2.81	2.85	2.88	2.91	2.94	2.98	3.01	3.04	3.07	0.29
Vehicles/Equipment (Graders)	1.0	1.07	1.09	1.10	1.11	1.13	1.14	1.15	1.16	1.18	1.19	1.20	1.23
Vehicles/Equipment (Equivalent to half-tonne pick-up)	3.0	2.39	2.42	2.45	2.47	2.50	2.53	2.56	2.59	2.61	2.64	2.67	0.25
Vehicles/Equipment (Tractor)	2.0	1.48	1.50	1.52	1.53	1.55	1.57	1.59	1.60	1.62	1.64	1.66	1.67
Mobile Radio Equipment	7.0	7.52	7.62	7.70	7.79	7.88	7.97	8.06	8.15	8.23	8.32	8.41	8.59
Portable Radio Equipment	2.0	2.15	2.18	2.20	2.23	2.25	2.28	2.30	2.33	2.35	2.38	2.40	2.45

RECREATION	Existing no./ha g.f.a.(m ²)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	due to growth
Recreation Lands (hectares)	2.02	2.17	2.20	2.22	2.25	2.27	2.30	2.33	2.35	2.38	2.40	2.43	0.23
Recreation Field/Community Facilities	1	1.07	1.09	1.10	1.11	1.13	1.14	1.15	1.16	1.18	1.19	1.20	0.11

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THE CORPORATION OF THE TOWNSHIP OF HORTON

REGULAR COUNCIL MEETING
JULY 2ND, 2024

There was a Regular Meeting of Council held in the Council Chambers on Tuesday July 2nd, 2024. Present were Mayor David Bennett, Deputy Mayor Daina Proctor, Councillor Glen Campbell, Councillor Doug Humphries. Staff present was Hope Dillabough, CAO/Clerk, and Nichole Dubeau, Executive Assistant – Recording Secretary.

Councillor Tom Webster sent his regrets.

1. CALL TO ORDER

Mayor Bennett called the meeting to order at 4:00 p.m.

2. LAND ACKNOWLEDGEMENT

Mayor Bennett read the Land Acknowledgement in its entirety.

3. DECLARATION OF PECUNIARY INTEREST

There was no declaration of pecuniary interest.

4. CONFIRMATION OF COUNCIL AGENDA

Moved by Deputy Mayor Proctor

RESOLUTION NO. 2024-89

Seconded by Councillor Humphries

THAT Council adopt the Agenda for the July 2nd, 2024 Regular Council Meeting.

Carried

5. DELEGATIONS &/or PUBLIC MEETINGS – NONE

6. MINUTES

6.1 June 18th, 2024 – Regular Council

Moved by Councillor Humphries

RESOLUTION NO. 2024-90

Seconded by Councillor Campbell

THAT Council approve the following Minutes:

- June 18th, 2024 – Regular Council

Carried

7. BUSINESS ARISING FROM MINUTES

There was no business arising from the minutes.

8. COMMITTEE REPORTS:

8.1 PLANNING COMMITTEE

8.1.1 June Building Report

Council members reviewed the report.

8.1.2 Planning Files Report

Council members reviewed the report.

8.2 COMMUNITY COMMITTEES/COUNTY COUNCIL

8.2.1 Renfrew & Area Seniors Home Support

Councillor Humphries gave a brief update.

8.2.2 Chamber of Commerce

Councillor Humphries gave a brief update.

8.2.3 County Council

There was no update from Mayor Bennett.

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8.2.3 Staff Report – County Representative Alternative

CAO/Clerk Hope Dillabough reviewed the report. Council was in agreeance to bring forward a by-law to appoint Deputy Mayor Proctor as the alternate member.

9. CORRESPONDENCE SUMMARY**9.1 INFORMATION CORRESPONDENCE – NONE****9.2 ACTION CORRESPONDENCE – NONE****10. BYLAWS**

10.1 2024-24 Procedural By-law

10.2 2024-25 Encroachment Agreement – Curley

11. NOTICE TO FILE MOTION FOR NEXT COUNCIL – NONE**12. COUNCIL/STAFF MEMBERS CONCERNS – NONE****13. RESOLUTIONS**Moved by Deputy Mayor Proctor**RESOLUTION NO. 2024-91**Seconded by Councillor Campbell**THAT** Council receive the following reports as information:

- June Building Report
- Planning Files Report
- Community Committees Updates

CarriedMoved by Councillor Campbell**RESOLUTION NO. 2024-92**Seconded by Councillor Humphries

THAT Council of the Township of Horton appoint Deputy Mayor Daina Proctor as the “Alternate Member” to County of Renfrew Council for the remainder of the 2022-2026 Term of Council;

AND THAT an Appointment By-law be brought forward at the next Regular Council Meeting for adoption.

CarriedMoved by Deputy Mayor Proctor**RESOLUTION NO. 2024-93**Seconded by Councillor Humphries**THAT** Council enact the following by-laws:

- 2024-24 Procedural By-law
- 2024-25 Encroachment Agreement - Curley

Carried**14. IN CAMERA (Closed) SESSION – NONE****15. CONFIRMING BYLAW**Moved by Deputy Mayor Proctor**RESOLUTION NO. 2024-94**Seconded by Councillor Humphries**THAT** Council enact By-law 2024-26– Confirming By-Law.**Carried****16. ADJOURNMENT**

Mayor Bennett declared the meeting adjourned at 4:18 p.m.

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MAYOR David M. Bennett

CAO/CLERK Hope Dillabough

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Township of Horton COUNCIL / COMMITTEE REPORT

Title: EW 180B Surplus Sale	Date:	July 16 th 2024
	Council/Committee:	Council
	Author:	Adam Knapp, Public Works Manager
	Department:	Transportation

RECOMMENDATIONS:

THAT Council agree to sell the Volvo EW 180B Wheeled Excavator for \$41,000 to the highest bidder from the GovDeals auction.

FURTHER THAT the proceeds be directed to the Roads Equipment Reserve as previously recommended in Staff's report recommending award and purchase of the Case WX 160E.

BACKGROUND:

The EW 180B was deemed surplus upon delivery of the new Case WX-106. The reserve of \$50,000 was recommended by the TES committee and agreed to by Council. Staff posted the EW 180B on June 25th with the auction closing on July 8th at 10 am. The auctioned asset received 1392 visitors and 11 bids, the highest bid being \$41,000. Staff had the GovDeals account manager contact the bidder requesting if they would meet the reserve amount and they are only willing to pay the amount bid. Staff recommends accepting the amount bid as a reauction will most likely not result in a higher bid and may result in a lesser bid for the asset.

ALTERNATIVES:

Re-auction the item at a later date as recommended by Council

FINANCIAL IMPLICATIONS:

\$41,000

ATTACHMENTS:

Email RE_ GovDeals - Reserve Price Not Met

CONSULTATIONS:

Anthony Murueta – Account Manager @ GovDeals

Prepared by: Adam Knapp, Public Works Manager

Reviewed by: Hope Dillabough, CAO/Clerk

RETURN TO AGENDA

From: [Anthony Murueta](#)
To: [Adam Knapp](#)
Cc: [Nathalie Moore](#); [Hope Dillabough](#)
Subject: RE: GovDeals - Reserve Price Not Met
Date: July 8, 2024 10:28:31 AM
Attachments: [image002.png](#)
[image004.png](#)
[image003.png](#)

Hi Adam,

Thank you for your reply.

I spoke with the highest bidder and he is only willing to offer his high bid of \$41,000.

Please advise what Council's decision is when they meet next and I look forward to hearing from you soon.

Regards,



Anthony Murueta
Account Manager
(289) 233 – 9050

[Canadian SOLD Asset History](#)
[Search Canadian SOLD Assets](#)

amurueta@govdeals.ca
Toronto, ON Canada
[Ask me about Real Estate!](#)

From: Adam Knapp <aknapp@hortontownship.ca>
Sent: Monday, July 8, 2024 10:18 AM
To: Anthony Murueta <amurueta@govdeals.ca>
Cc: Nathalie Moore <nmoore@hortontownship.ca>; Hope Dillabough <hdillabough@hortontownship.ca>
Subject: RE: GovDeals - Reserve Price Not Met

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello

Yes, please contact them and see if they will meet the reserve if not I shall bring a

RETURN TO AGENDA

report forward to Council recommending we accept the highest bid.

The next regularly scheduled meeting is next Tuesday, July 16th.

I shall advise of Councils decision the following day.

Thank you

Adam Knapp – CRS-I
Public Works Manager



Township of Horton
2253 Johnston Road
Renfrew, On
K7V 3Z8
Office # 613-432-6271
Cell # 613-281-1315

From: Anthony Murueta <amurueta@govdeals.ca>
Sent: Monday, July 8, 2024 10:16 AM
To: Adam Knapp <aknapp@hortontownship.ca>
Cc: Nathalie Moore <nmoore@hortontownship.ca>
Subject: RE: GovDeals - Reserve Price Not Met

Good Morning Adam and Nathalie,

Adam, I left you a voicemail earlier this morning as the 2004 Volvo EW180B Wheeled Excavator closed and the Reserve price was not met.

Asset No.: 35
Reserve: \$50000
Highest bid: \$41000.00
Visitors: 1392
Hits: 2196
Bids: 11

As you can see from the above there was a lot of activity and interest for this unit.

Would you like me to contact the highest bidder to see if they will increase their bid amount? What is the bottom-line dollar amount you would accept for this unit?

Please let me know at your earliest convenience as this is time sensitive.

I look forward to hearing from you soon.

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Regards,



Anthony Murueta
Account Manager
(289) 233 – 9050

[Canadian SOLD Asset History](#)
[Search Canadian SOLD Assets](#)

amurueta@govdeals.ca
Toronto, ON Canada
[Ask me about Real Estate!](#)

From: ClientServices@GovDeals.com <ClientServices@GovDeals.com>
Sent: Monday, July 8, 2024 10:02 AM
To: aknapp@hortontownship.ca
Cc: nmoore@hortontownship.ca; Anthony Murueta <amurueta@govdeals.ca>
Subject: GovDeals - Reserve Price Not Met

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Your asset listed on govdeals.com did not meet its Reserve price. You may offer this asset to the highest bidder or re-auction this asset by performing the steps below.

The following 2004 Volvo EW180B Wheeled Excavator closed and the Reserve price was not met.

Client: Horton Township, ON (11109)
Asset No.: 35
Inventory ID:
Reserve: \$50000
Highest bid: \$41000.00

To offer this asset to the highest bidder:

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Township of Horton COUNCIL / COMMITTEE REPORT

TREASURER'S REPORT	Title:	Date: July 16, 2024
		Council/Committee: Council
		Author: Nathalie Moore, Treasurer
		Department: General Government

RECOMMENDATIONS:

THAT Council receive the Treasurer's Report dated July 16, 2024, as presented.

BACKGROUND:

Final tax billing has been processed resulting in anticipated revenue of \$3,082,824.51.

Property taxes represent a significant portion of municipal revenue, essential for funding daily operations and services. They provide a predictable income stream, allowing for stable and consistent budgeting and financial planning.

They are also critical for funding public infrastructure projects and maintenance (roads, bridges, waste management, etc.), supports essential services like police, fire departments, and emergency medical services, and are necessary for parks, recreation, libraries, and community centers.

Regular billing and collection processes promote financial discipline and transparency, and also ensures that residents can see where their tax dollars are being spent, fostering trust in local government.

Municipalities must adhere to provincial guidelines and legislation regarding taxation and financial management, efficient tax billing and collection enhance eligibility for provincial and federal grants.

Property taxes ensures that municipalities have the necessary resources to deliver consistent and efficient public services. They help cover the administrative costs associated with running municipal operations, including staffing and technology.

Understanding these factors helps ensure efficient public works operations, enhances service delivery, and maintains financial health within Horton Township.

For the month of June 2024, the Township processed a total of \$ 1,315,321.38 in accounts payable transactions. Notable expenses were:

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- County of Renfrew - \$ 525,039.00 – 2nd quarter levy payment
- Emittera Environmental - \$ 14,040.24 – monthly curbside pickup
- J.R. Brisson Equipment - \$ 378,467.99 – excavator purchased
- Minister of Finance – OPP Payment Centre - \$ 35,647.00 – monthly policing
- Renfrew County Catholic District School Board - \$ 54,114.00 – 2nd quarter payment
- Renfrew County District School Board \$ 196,372.00 – 2nd quarter payment

The departmental summary of revenues and expenditures to June 30, 2024.

	<u>JUNE</u> 2024	<u>JUNE</u> 2023	2024	2024
GENERAL GOVERNMENT	ACTUAL	ACTUAL	BUDGETED	% REMAINING
REVENUE	(3,003,047.00)	(2,962,914.00)	(3,291,972.00)	9.19
EXPENSES	367,268.00	413,899.00	803,770.00	54.31
PROTECTION	ACTUAL	ACTUAL	BUDGETED	% REMAINING
REVENUE	(54,231.00)	(55,712.00)	(65,850.00)	17.64
EXPENSES	346,438.00	267,504.00	501,615.00	30.94
TRANSPORTATION / STORM SEWER	ACTUAL	ACTUAL	BUDGETED	% REMAINING
REVENUE	(2,114.00)	(3,128.00)	(389,511.00)	99.46
EXPENSES	563,811.00	557,073.00	1,615,955.00	65.11
ENVIRONMENT	ACTUAL	ACTUAL	BUDGETED	% REMAINING
REVENUE	(38,418.00)	(44,825.00)	(92,600.00)	58.51
EXPENSES	162,116.00	288,268.00	411,883.00	60.64
RECREATION	ACTUAL	ACTUAL	BUDGETED	% REMAINING
REVENUE	(37,259.00)	(29,418.00)	(85,500.00)	56.42
EXPENSES	146,295.00	119,070.00	259,346.00	43.59
LIBRARY / HEALTH SERVICES	ACTUAL	ACTUAL	BUDGETED	% REMAINING
REVENUE	-	(50.00)	(5,050.00)	100.00
EXPENSES	36,740.00	41,045.00	50,826.00	27.71
PLANNING	ACTUAL	ACTUAL	BUDGETED	% REMAINING
REVENUE	(4,530.00)	(2,760.00)	(6,800.00)	33.38
EXPENSES	5,857.00	2,958.00	4,800.00	-22.02
FIRE DEPARTMENT	ACTUAL	ACTUAL	BUDGETED	% REMAINING
REVENUE	(2,749.00)	(9,879.00)	(124,250.00)	97.79
EXPENSES	172,438.00	81,580.00	358,108.00	51.85
BUILDING	ACTUAL	ACTUAL	BUDGETED	% REMAINING
REVENUE	(24,754.00)	(34,846.00)	(95,314.00)	74.03
EXPENSES	53,512.00	28,955.00	95,314.00	43.86

*Prepared By: Nathalie Moore, Treasurer
Reviewed By: Hope Dillabough, CAO/Clerk*

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Township of Horton

COUNCIL / COMMITTEE REPORT

Title: Recreation Chair's Report – July 11 th , 2024	Date:	July 16 th , 2024
	Council/Committee:	Council
	Author:	Hope Dillabough CAO/Clerk
	Department:	Recreation

RECOMMENDATIONS:

THAT Council receive the Recreation Committee Chair's Report as information.

BACKGROUND:

Terry Runtz - Discussion

Terry Runtz, resident of Horton, was present to discuss fundraising opportunities for the Recreation Committee. He expressed how important and beneficial it would be to have a concrete slab on the rink surface so that it could be used year-round with different sports and events. It was discussed that staff obtain estimates for pricing for a slab, piping to understand the costs. It was discussed that these upgrades would be funded through fundraising initiatives. Mr. Runtz also provided some new fundraising ideas to the group, for example: golf tournament, fishing derby, men's 3x3 hockey tournament etc..

Moved by Claire Rouble, Seconded by Councillor Campbell

That the Recreation Committee recommend to Council to direct Public Works Manager to obtain estimates for the following:

- Concrete pad – rink surface
- Piping under rink surface
- Parking lot – Paving and lines

Carried

Canada Day Review

CAO/Clerk Dillabough provided an update. There were 476 Attendees for Breakfast, comprised of children under 6, children 6-12 and Adults. It was a great day and well attended. Many compliments were made how wonderful the breakfast was as well as the other events held that morning: Magic Show, face painting, colouring contest, Fire Department activities, etc.. Some comments were made regarding the parking lot and how busy it was. It was discussed that next year there be volunteers to help with parking and sightlines. Debby Johnston was present to discuss how the kitchen went and what food they ran out of and what was left over. There were a lot of volunteers that helped the event run smoothly.

New Business

The Committee expressed the desire to have both Terry Runtz and Debby Johnston join as Public Advisory Members given their steady involvement and interest in the Committee.

Moved by Sharon Bennet, Seconded by Claire Rouble

That the Recreation Committee recommend to Council to approve Terry Runtz and Debby Johnston as Public Advisory Members to the Recreation Committee.

Carried

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Claire Rouble discussed the interest in applying to the Festival of Small Halls for 2025 and if successful then there would be further discussion. Committee was very favourable of this recommendation and there was consensus for Claire to move forward with the application.

There will be more advertising done to solicit for Bartenders, both volunteer and paid positions for the Community Centre.

The Country Dances were discussed. There has been an interest in the Committee to look into holding the Country Dances on a Sunday Afternoon versus a Friday night. There was consensus from the Committee to try the Dances on Sunday Afternoons for the months of September and October and measure the interest from there. It was discussed that perhaps there may be more attendees as well as more people willing to volunteer to help with them if held in the afternoon.

ALTERNATIVES: N/A

FINANCIAL IMPLICATIONS: N/A

CONSULTATIONS: N/A

Prepared by: Hope Dillabough, CAO/Clerk



THE CORPORATION OF THE TOWNSHIP OF HORTON

Memo from the CAO/Clerk as of July 11, 2024

INFORMATION provided **NOT** included in the
Regular Council meeting package of July 16, 2024

INFORMATION EMAILED

1. EOWC June 2024 Newsletter
2. Chamber of Commerce Strategic Working Plan 2024-2026
3. Calendars

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EASTERN ONTARIO WARDENS' CAUCUS

MUNICIPAL INFRASTRUCTURE POLICY PAPER

Produced by the Eastern Ontario Wardens' Caucus

www.eowc.org

May 2024

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Introduction

May 21, 2024

It is with great pride and pleasure that the Eastern Ontario Wardens' Caucus presents its partners in the municipal, provincial and federal sectors with the conclusion of one part of its research into the ongoing financial sustainability of local governments across rural Ontario. In this report, the focus is on *municipal infrastructure*.

This report updates one of five policy papers originally published in 2013-2014 as a follow-up to the landmark analysis titled "*Facing our Fiscal Challenges: A Report on the Financial Sustainability of Local Government in Eastern Ontario*". Ten years on, rural ratepayers across the region are increasingly challenged to pay the costs of vital municipal services. This is especially challenging because rural areas have large and growing amounts of infrastructure to be maintained by a relatively small and widely-disperse population. This fact has been amplified by the COVID-19 pandemic's impact on intra-migration, the serious degradation of health and community services, the imposition of additional service responsibilities by the Province of Ontario, and a housing crisis that puts rural municipalities on the front lines.

In presenting this policy paper, the EOWC is looking to continue its efforts that have previously explored with its partners and which have largely proven to be successful. As financial circumstances and budgets continue to be tight, rural municipal governments will require more active support in stimulating growth and employment, and responding effectively to external factors that create turbulent economic and social circumstances. At the same time, provincial and federal partners must continue to partner with municipalities to develop and implement new approaches to lighten the burden for ratepayers.

As it has for more than 20 years, the EOWC will continue to advocate on behalf of its 103 member municipalities across rural Eastern Ontario and work diligently to generate revenues and contain costs. It should be noted that, as in the original municipal infrastructure report, (2013), this update offers analysis and projections that can guide the formulation of recommendations and collective action.

When we consider the capital and operating costs associated with transportation, housing, environmental services, health and long-term care, we face a challenging future to which we must all bring our best. Our physical and digital infrastructure is the bedrock for delivering vital services and ultimately for our shared well-being. On each issue, residents are counting on us.

Peter Emon
Chair, Eastern Ontario Wardens' Caucus 2024-2025

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1. Executive Summary

Municipalities in Rural Eastern Ontario manage \$12 billion in physical assets, with another \$7.8 billion in separated cities and towns (2021). Half of the value of infrastructure in the EOWC area (\$6.6 billion) is invested in transportation infrastructure (primarily roads and bridges). Another \$3.4 billion is invested in EOWC municipalities' environmental services (water, wastewater and sewer; waste management/landfills); the separated cities and towns have nearly as much: \$3.1 billion of this type of infrastructure. Together, these two types of infrastructure represent 80 percent of infrastructure investments in Rural Eastern Ontario.

Municipalities continue to invest in their infrastructure: over the past decade (2012 to 2021 inclusive), EOWC member municipalities invested \$4 billion in total or \$403 million a year on average, in multiple forms of infrastructure but have continued to see the book value decline. These assets now have a book value of \$6.7 billion.

The capital infrastructure deficit is estimated at \$5.8 billion, up from \$3.74 billion in 2011. This simple estimate is based on the difference between the cost of the original investment and the current (depreciated) value. An estimate based on current replacement value of the assets would be much higher.¹

Two-thirds of the capital infrastructure deficit estimate (\$3.5 billion) is for roads and bridges, with another \$1.2 billion associated with environmental services. Rural municipalities are responsible for 86 percent of the region's paved roads (41,734 lane-kilometres), virtually all unpaved roads (19,274 lane-kilometres), 1,829 bridges and 11,364 large culverts. The associated capital infrastructure deficit for transportation infrastructure alone is now \$3.5 billion, up from \$2.48 billion in 2011.

“Ontario’s 444 municipalities own and manage the majority of public infrastructure in the province, more than both the federal and provincial governments combined.”

[Financial Accountability Office, 2021](#)

EOWC municipalities are spending \$536 million a year to operate and undertake basic maintenance on their transportation infrastructure and services, roughly double that spent in EOWC municipalities (\$235 million). EOWC municipalities also spend \$321 million a year operating and performing basic maintenance on their environmental services infrastructure. Together these two infrastructure assets require \$771 million a year in operating expenditure support.

\$980 Million in Annual Capital Investments is Required. Closing the capital investment gap for *current* infrastructure would require an *additional* minimum annual investment of \$578 million a year (beyond the 10-year average of \$403 million already being invested). This estimate assumes the infrastructure deficit is to be eliminated in 10 years and the \$403 million investment level is maintained. This is more than double the levels of municipal investment, that would have to start now. Note that this estimate does not include any capital investment for growth.

¹ In 2021, the [Financial Accountability Office of Ontario](#) used Current Replacement Value to estimate the “backlog” (infrastructure deficit) for Ontario’s municipal infrastructure. For municipal assets with condition reports, the FAO estimated that 45.3 percent of municipal assets province-wide are not in a state of good repair. However, the FAO says that the share could be as high as 50 percent or as low as 40 percent. By comparison, only 34.7 percent of [provincial assets](#) are not in a state of good repair, suggesting that municipalities are having a more difficult time maintaining infrastructure than the Province of Ontario.

Key Statistics for Rural Eastern Ontario's Physical Infrastructure

Infrastructure Type/Function	Capital Assets at Cost (2021) (CC)	Book Value of Capital Assets (2021) (BV)	Net Value of Assets as % of Capital Cost	Simple Calculation Capital Infrastructure Deficit (CC-BV)
Transportation Serv.	6,671,689,152	3,127,924,676	47	\$3,543,764,476
Environmental Serv.	3,392,967,988	2,213,768,099	65	\$1,180,199,899
Recreational & Culture	836,865,107	523,398,873	63	\$ 313,466,234
Protection Services	411,612,885	217,372,810	53	\$ 194,240,075
General Government	404,359,013	259,851,265	64	\$ 144,507,748
Social Housing	356,858,607	149,686,827	42	\$ 207,171,780
Social and Family Serv.	253,195,470	130,420,245	52	\$ 122,775,225
Health Services	95,922,983	48,399,044	50	\$ 47,523,939
Planning & Develop.	59,720,878	39,531,441	66	\$ 20,189,437
Other	11,879,676	9,256,440	78	\$ 2,623,236
Total – EOWC Area	11,954,133,904	6,718,609,720	54	\$5,776,462,049

Source: Financial Information Returns (FIRs) for all municipalities in Rural Eastern Ontario

Rural Eastern Ontario is a Growing Economy that Can Grow more with Infrastructure Investment.

The EOWC area (24 percent of Ontario's municipalities) generates \$61 billion in annual economic activity. When the separated cities and towns are included, Eastern Ontario's economic contribution to the province rises to \$107 billion a year. Rural Eastern Ontario exports \$20 billion a year in manufactured goods outside its regional boundaries.

Major Business Investment is Coming to Rural Eastern Ontario. Examples are: Umicore, battery storage facilities in Edwardsburgh-Cardinal and Loyalist Townships, Chalk River Great Wolf Lodge, and Eastern Ontario Correctional Complex expansion. They need upgraded or expanded infrastructure. Investments in infrastructure have a strong economic impact multiplier (return on investment to the entire community, region and province.) There is, however, an upfront cost to growth which rural municipalities will not be able to manage on their own.

In Rural Ontario, 10 households (on average) maintain a lane-kilometre of paved municipal road; in separated cities and towns, there are 28 households to carry this financial burden. In the EOWC area, 236 households must maintain a bridge; in separated cities and towns, that cost is spread over 709 households.

Rural Eastern Ontario's Population Growth Exceeds the Provincial Average. The population of the EOWC area grew by six (6) percent between 2016-2021; the number of households grew by 2.3 per cent. This growth was higher than for Ontario as a whole (5.8%), Canada (5.2%) or the City of Toronto (2.3%). In-migration to Eastern Ontario as a whole rose by 34 percent in the first year of the pandemic compared to the preceding four years.

The EOWC Area is a strong performer on housing. In the 2016-2021 period, EOWC municipalities built more housing units per 100,000 population (39) than the City of Toronto (17) or Ontario as a whole (27). Rural municipalities handled \$2.9 billion in building permits (2021), with another \$1.07 billion in the region's separated cities and towns; \$4 billion for Eastern Ontario as a whole). More than 90 percent of EOWC municipalities are meeting the provincial 10-day median working days standard for processing residential building permits.

Rural Eastern Ontario municipalities can't finance infrastructure investments on their own. This report notes that none of the three financing mechanisms for addressing infrastructure needs (funded directly from property taxes, utilization of reserves, or taking on debt) is sustainable for Rural Ontario municipalities. The current debt burden for EOWC municipalities is now \$647 million. While the associated annual repayment limit (as defined by the Province) is \$352.2 million, own purpose revenues (from the municipal property tax base) could not support this level of annual principal and interest payments.

Total reserves (obligatory and discretionary) totalled \$590 million in 2021, less than half the reserves in separated cities and towns (\$1.0 billion), meaning that if current reserves in EOWC municipalities were applied to close the infrastructure deficit, they would be depleted in less than two years. If applied as part of a tripartite infrastructure investment program with provincial and federal governments (an additional \$192 million a year), these reserves would support a longer-term approach to addressing the infrastructure deficit.

Net Revenues for EOWC municipalities are \$1.7 billion a year, meaning that the total annual repayment limit (debt charges and interest) is \$352 million. Financial Information Returns (FIRs) for these municipalities have \$289 million currently unused. However, if current cost-sharing and financing arrangements offered by the Province continue in their current configuration, this capacity will support just \$433 million in additional infrastructure investment.

Rural eastern Ontario municipalities would have to increase their own purpose revenues (with tax increases being the only likely means) by an average of five (5) percent per year for 20 years just to address the current infrastructure deficit. This estimate does not include any tax increases to address rising *operating* costs for any of the services provided by municipalities. Given that on average, jobs across all sectors pay \$6,869 less in rural Eastern Ontario than for Ontario as a whole, ratepayers' ability to pay these kinds of increases is not sustainable.

Innovation must be part of the infrastructure solution. Innovative approaches to capital investments in infrastructure assets as well as their maintenance can significantly extend the lifecycle of assets, optimizing their utility and value over time. Purpose-built innovation (at the time of initial investment) is typically far more effective than retrofitting solutions later on. This approach saves both time and resources and avoids time out of service. Innovation can also lead to operational savings, enhancing the cost-effectiveness of infrastructure management. For example, every one (1) per cent that EOWC municipalities could save on current operating costs for transportation services and environmental services, would result in an \$85 million/year savings that could be redirected to other investment, including future-proofing infrastructure to address climate change impacts.

Recommendations:

The EOWC requests that the Federal Government and the Ontario Government assist in addressing the growing infrastructure deficit:

1. Ensure eligibility for programs and funding fits both rural and small urban circumstances.
2. Federal and provincial funding programs are often unpredictable and irregular in their timing. Predictable, non-competitive, permanent infrastructure funding stream is needed.
 - Determine the increase to the Ontario Community Infrastructure Fund (OCIF) that is necessary to enable rural Eastern Ontario's municipalities to maintain their infrastructure, then allocate provincial funds to do so.
3. Investing in housing goes hand-in-hand with investing in institutional, commercial or industrial (ICI) land uses. Take an integrated approach to infrastructure investments, that also considers Return on Investment that is shared by communities and the Province.
4. Reevaluate debt financing options for small municipalities with limited resources to raise funds, ensuring that funds are directed towards infrastructure development rather than servicing debt interest. Specific considerations should include higher upfront/advance contributions as well as the contribution to GDP of "local" investments to provincial priorities.
5. Work with the provincial Financial Accountability Office to ensure that missing/incomplete data that would make their infrastructure reports more robust is provided, that the evolution in asset management plans is reflected in both municipal and FAO work, and that the FAO and the EOWC compare their methodologies for estimating infrastructure deficits/backlogs.

Background to this Report

This policy paper is expected to contribute to formulation of the EOWC's 2024-2027 strategic plan and any advocacy plans which ensue. The paper was prepared in draft form by Kathryn Wood, CEO of Pivotal Momentum Inc., then reviewed by the EOWC infrastructure working group comprised of:

- Kurt Greaves, CAO Lanark County
- Marcia Wallace, CAO Prince Edward County
- Gary Dyke, CAO Haliburton County
- Connor Dorey, CAO Hastings County
- Meredith Staveley-Watson, Manager of Government Relations and Policy, EOWC.

The primary data sources for this paper were:

- [Financial Information Returns \(FIRs\)](#) for all the municipalities within the geographic area served by the EOWC. Data was also extracted and aggregated for the 10 separated cities and towns served by the EOWC. In some cases, FIR data going back to 2000 were used to project operating and capital expenditures through to 2030. For reference purposes, this report used 2021 municipal data because it was the fiscal year for which FIRs were posted publicly for virtually all municipalities in Eastern Ontario. At the time of analysis, more than 40 municipalities had not posted FIRs for 2022.
- [Statistics Canada Census data, 2021](#). This source was used for population, household, dwelling unit and other similar statistics. All data used in this report was gathered and analyzed at the census subdivision level.
- [Financial Accountability Office of Ontario](#) – Municipal Infrastructure and Provincial Infrastructure reports produced in 2021 and 2020 respectively.
- Asset Management Plan(s) posted in the public domain, on municipal websites.
- [Lightcast Analyst](#) was used to obtain data on average wages and economic data (e.g. production, exports). At the time the analysis was undertaken, the EOWC had an annual license to this service.
- [Censusmapper.ca](#), an online/public domain platform displaying Canadian census data in map form.

2. Municipalities in Rural Eastern Ontario Manage \$12 Billion in Assets

2.1 Total Municipal Infrastructure Assets

At the end of 2021, municipalities in Rural Eastern Ontario held \$11.95 billion in capital assets --- valued at cost. These holdings are up by 37 per cent from 2011 (\$8.7 billion). Upper/single tier municipalities are responsible for roughly \$3.3 billion of this infrastructure (28% of the total) and lower tier municipalities (townships and small towns) are responsible for the rest: \$8.6 billion (72% of the total)

Capital Infrastructure Assets in Eastern Ontario (EOWC and EOMC)

Jurisdiction	Capital Assets (at cost) 2011 (in \$billion)	Capital Assets (at cost) 2021 (in \$billion)	Percentage Change (%)
Rural Eastern Ontario (EOWC)	\$ 8.7	\$11.9	36.8%
Separated Cities & Towns (EOMC)	\$ 5.3	\$ 7.8	47.2%
Total – Eastern Ontario	\$14.0	\$19.7	40.7%

Figure 1 – Capital Assets (Infrastructure) Held by Municipalities in Eastern Ontario Source: Financial Information Returns.

For comparative purposes: in 2021, the value of capital assets in the City of Ottawa was \$23.1 billion.

2.2 Municipal Infrastructure Assets By Type

These capital assets, commonly referred to as municipal infrastructure, cover the full range of services provided by local government and most of these services are mandated by the Province for delivery by municipalities. They are not optional. For municipal governments in Rural Eastern Ontario, these infrastructure assets include:

- *Transportation systems* (roads, bridges, sidewalks, lighting fixtures, guardrails, maintenance equipment, sand/salt facilities)
- *Environmental services* (such as water and sewer systems, water distribution systems, storm water systems, landfills, fleets for waste collection and recycling)
- *Community housing* (such as rent-geared-to-income facilities)
- *Health and Long-Term Care assets* (such as ambulances and homes for the aged)
- *Protection Services* (such as fire stations or emergency measures centres)
- *Community Facilities for Culture and Recreation* (such as community halls, libraries, arenas, theatres and parks)
- *Municipal buildings* (for administrative services and municipal governance).

Across Rural Eastern Ontario, the types of infrastructure that require the largest initial investment and the largest maintenance responsibilities tend to be transportation assets and environmental assets. For smaller municipalities especially, the cost of building/purchasing and maintaining any of these assets is a heavy burden.

Rural Eastern Ontario – Infrastructure Assets by Type/Function

Infrastructure Type/Function	Capital Assets at Cost (2021) (CC)	Book Value of Capital Assets (2021) (BV)	Net Value of Assets as % of Capital Cost	Simple Calculation Capital Infrastructure Deficit (CC-BV)
Transportation Serv.	6,671,689,152	3,127,924,676	47	\$3,543,764,476
Environmental Serv.	3,392,967,988	2,213,768,099	65	\$1,180,199,899
Recreational & Culture	836,865,107	523,398,873	63	\$ 313,466,234
Protection Services	411,612,885	217,372,810	53	\$ 194,240,075
General Government	404,359,013	259,851,265	64	\$ 144,507,748
Social Housing	356,858,607	149,686,827	42	\$ 207,171,780
Social and Family Serv.	253,195,470	130,420,245	52	\$ 122,775,225
Health Services	95,922,983	48,399,044	50	\$ 47,523,939
Planning & Develop.	59,720,878	39,531,441	66	\$ 20,189,437
Other	11,879,676	9,256,440	78	\$ 2,623,236
Total – EOWC Area	11,954,133,904	6,718,609,720	54	\$5,776,462,049

Figure 3 – Infrastructure Assets by Type/Function Source: Financial Information Returns (FIRs) for all municipalities in Rural Eastern Ontario

Rural and Urban Eastern Ontario (EOWC and EOMC Areas) – Infrastructure Assets by Type

Capital Assets by Type/Function (2021)	Rural Eastern Ontario (EOWC) Value at Cost (\$billion)	Separated Cities & Towns (EOMC) Value at Cost (\$billion)	Eastern Ontario Total (Value at Cost) (\$billion)
Transportation Services	\$6.7	\$2.7	\$9.4
Environmental Services	\$3.4	\$3.1	\$6.5
Recreation & Cultural	\$0.8	\$0.9	\$1.7
Protection Services	\$0.4	\$0.3	\$0.7
General Government	\$0.4	\$0.2	\$0.6
Social Housing	\$0.4	\$0.3	\$0.7
Social and Family Services	\$0.3	\$0.09	\$0.39
Health Services	\$0.09	\$0.02	\$0.11
Planning & Development	\$0.06	\$0.03	\$0.09
Other	\$0.01	\$0.1	\$0.11
Total	\$11.9	\$7.8	\$19.7

Figure 4 – Infrastructure Assets by Type/Function Source: Financial Information Returns (FIRs) for all municipalities in Eastern Ontario

2.3 Total Capital Investments Over the 2012-2021 Period

Annual capital investments by local governments in Eastern Ontario totalled \$4 billion since 2012 and have been highly variable in that period. The year with the lowest capital investment was 2012 with just \$301 million invested; the year with the highest investment was 2018 at \$479 million invested.

The highly variable investment pattern over the years suggests that municipalities act on infrastructure needs when they have the resources to do so, especially when there are provincial or federal cost-sharing programs available.

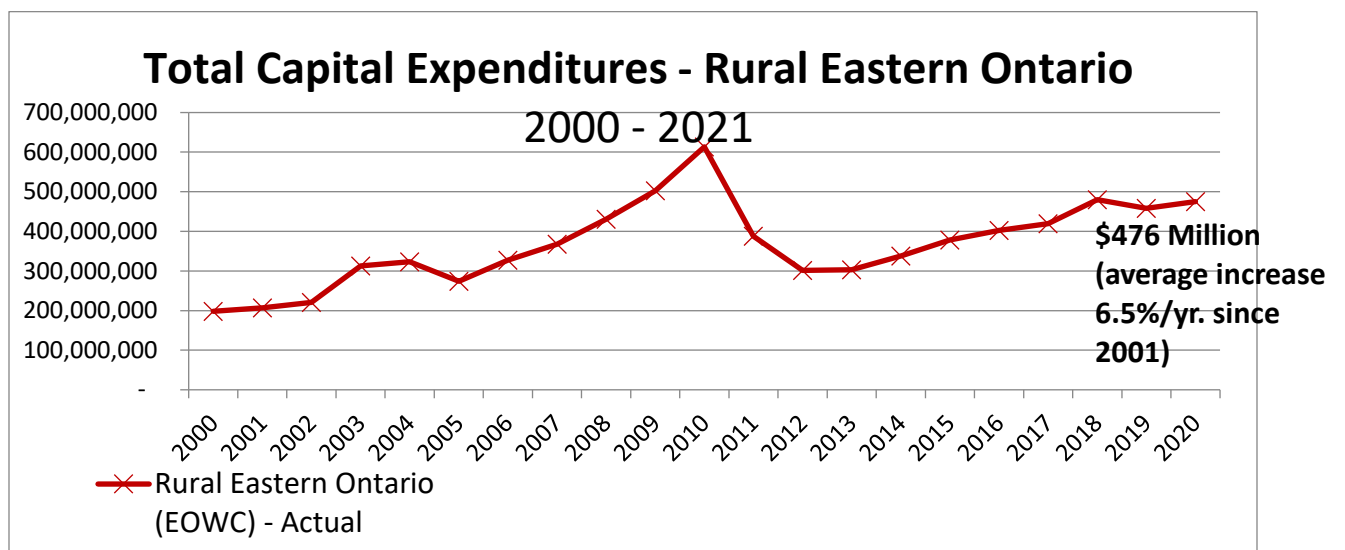


Figure 5 – Total Capital Expenditures – Rural Eastern Ontario 2000 to 2021 Source: Financial Information Returns (FIRs)

2.4 Operating Expenditures Rise by 29 Percent in 2012-2021 Period: Now at \$2.57 Billion

Total operating expenditures by municipal governments across Rural Eastern Ontario rose from \$1.988 billion in 2012 to **\$2.570 Billion** in 2021, an increase of 29 per cent. Operating expenditures for separated cities and towns rose from \$1.1 billion to \$1.4 billion in the same period, an increase of 28 per cent. In total, municipal government operating expenses across Eastern Ontario were just under \$4 billion in 2021.

For comparative purposes, the total operating expenditures in 2012 in the City of Ottawa were \$2.9 billion and had risen by 34.4 percent to \$3.9 billion in 2021--- very similar to the Eastern Ontario total.

Total Capital and Operating Expenditures Across Eastern Ontario – 2012 and 2021

Jurisdiction	Total Operating Expenditures 2012 (\$ billion)	Total Operating Expenditures 2021 (\$ billion)	Percentage Change (2012-2021) %
Rural Eastern Ontario	\$1.998	\$2.57	29.3
Separated Cities	\$1.12	\$1.44	28.6
Total – Eastern Ontario	\$3.098	\$3.97	28.1
City of Ottawa	\$2.93	\$3.94	34.4

Figure 6 – Total Capital and Operating Expenditures of Municipal Governments in Eastern Ontario – by Rural Ontario, Separated Cities and Towns, and the City of Ottawa Source: Financial Information Returns SLC 52 9910 01

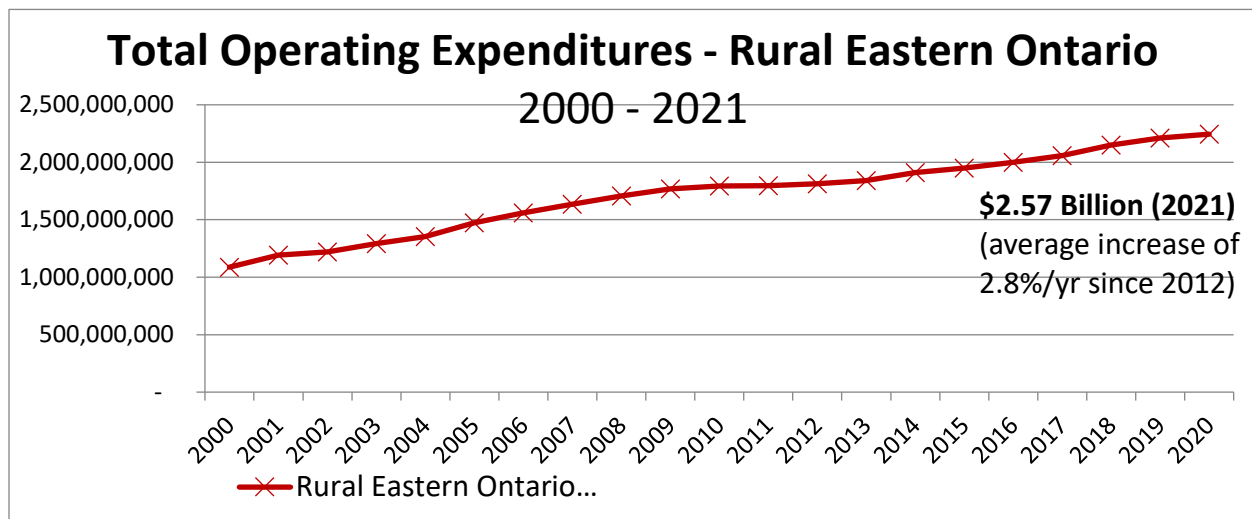


Figure 7 – Total Operating Expenditures – Rural Eastern Ontario 2000-2021 Source: Financial Information Returns

2.5 Municipal Governments in Rural Eastern Ontario Manage \$3.0 Billion A Year

When capital and operating costs are taken together, municipalities in Rural Eastern Ontario are managing just over \$3 billion a year in 2021. With separated cities and towns managing \$1.94 billion a year, the Eastern Ontario total is roughly \$5 billion a year.

For comparative purposes, the combined capital and operating expenditures of the City of Ottawa were \$6.39 billion, well above the Eastern Ontario total. The operating expenditures were similar (roughly \$4 billion) but the City of Ottawa invested three times as much in capital infrastructure (by 2021).

Total Capital and Operating Expenditures Managed by Municipal Governments (2021)

Jurisdiction	Capital Expenditures (2021) (\$ millions)	Operating Expenditures (2021) (\$ billions)	Total – Capital and Operating Expend. (2021) (\$ billions)
Rural Eastern Ontario	\$ 476	\$2.57	\$3.04
Separated Cities & Towns	\$ 393	\$1.55	\$1.94
Total – Eastern Ontario	\$ 869	\$4.12	\$4.98
City of Ottawa	\$2,643	\$3.94	\$6.39

Figure 8 – Total Capital and Operating Expenditures of Municipal Governments in Eastern Ontario – by Rural Ontario, Separated Cities and Towns, and the City of Ottawa Source: Financial Information Returns SLC 52 9910 07 LC 53 1020 01

2.6 Revisiting Capital Expenditure Patterns As Projected in 2013

As part of the 2013 Municipal Infrastructure Policy Paper, municipal capital investment patterns of the 2000-2011 period were analyzed to project what the future pattern of capital investments might look like between 2012 and 2020. Three different scenarios were used in the 2013 paper, providing an opportunity to assess which one was the most accurate (comparing projected to actual). This is especially important given the potential disruptive influence of the pandemic at the end of the projection period. The three scenarios utilized in 2013 were:

- Annual capital investments follow the pattern of 2000 to 2011 (long-term)
- Annual capital investments follow the pattern of 2007 to 2011 (medium-term)
- Annual capital investments follow the pattern of 2009 to 2011 (short-term)

As is shown in Figure 9, the most accurate projection of actual investments for 2012 to 2020 was the medium-term version (2007-2011). The actual capital expenditures tracked the four-year projection very closely. The longer-term projection significantly overestimated the actual capital investments for the 2012 to 2020 period, and the short-term projection significantly underestimated the actual capital investments that were in fact made in the 2012 to 2020 period.

Note that projected operating expenditures tracked the annual actuals for the 2000 to 2011 period quite well regardless of scenario, so the four-year scenario (from 2017 to 2021) was used to project capital expenditures through from 2021 to 2030. The results are shown in Figure 10.

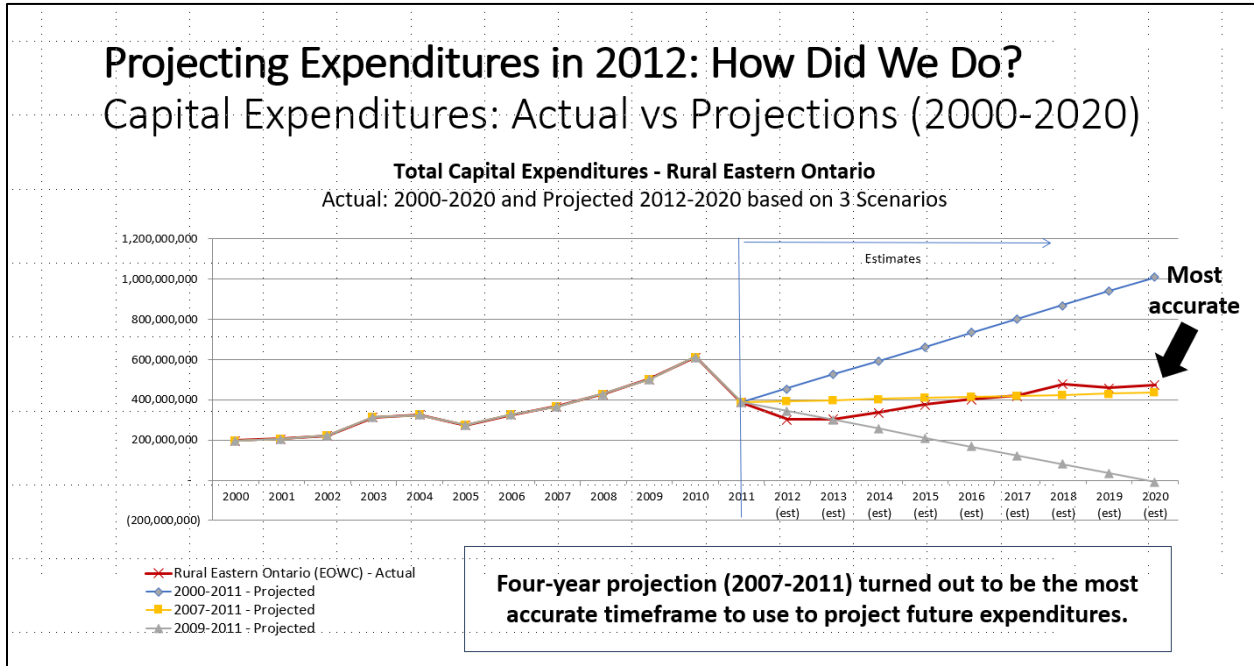


Figure 9 – Revisiting Projected Capital Expenditures for the 2000 to 2011 period Source: Financial Information Returns and 2013 Municipal Infrastructure Policy Paper

2.7 Capital Investments Projected to 2030

Using the average annual percentage change in capital expenditures derived from the 2007 to 2021 data, the annual capital expenditures from 2021 to 2030 were estimated.

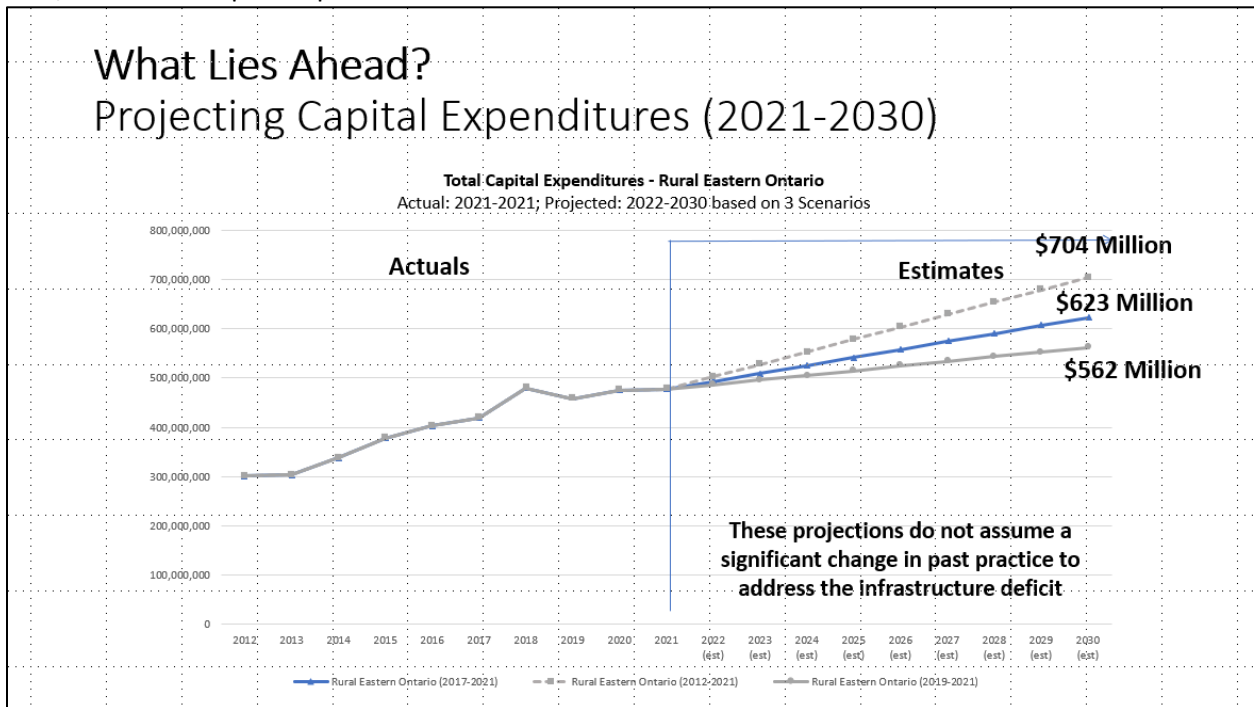


Figure 10 – Projected Annual Capital Expenditures from 2021 to 2030 Source Financial Information Returns



These projections suggest that EOWC municipalities will be making roughly \$623 million a year in capital infrastructure investments by the end of the decade (the mid-range estimate). It is possible that these annual investments might reach \$704 million a year by 2030 or climb more slowly to \$562 million. These estimates may maintain asset value in its current state but **none of the three projections will reach the investment levels required to address the current infrastructure deficit let alone address the region's growth prospects.**

3. Capital Expenditures by Asset Type

3.1 Transportation and Environmental Assets Account for 80 Percent of Capital Assets

The dominance of transportation assets in Rural Eastern Ontario's infrastructure mix is clear: these assets account for 53 percent of the EOWC area's assets. Environmental services assets are the second most dominant asset type at 27 percent. The two asset types combined account for just over 80 percent of total capital infrastructure assets. In other words, most of the new investment in infrastructure --- whether coming from municipalities or upper levels of government --- will need to be focused on these two asset types if further erosion in the state of these assets is to be avoided.

Infrastructure Assets across Rural Eastern Ontario, by Type/Function (2021)

Infrastructure Type/Function	Capital Assets at Cost (2021) (CC)	Book Value of Capital Assets (2021) (BV)	Percentage of Total Assets (2021) (\$)
Transportation Serv.	6,671,689,152	3,127,924,676	53.39
Environmental Serv.	3,392,967,988	2,213,768,099	27.15
Recreational & Culture	836,865,107	523,398,873	6.70
Protection Services	411,612,885	217,372,810	3.29
General Government	404,359,013	259,851,265	3.24
Social Housing	356,858,607	149,686,827	2.86
Social and Family Serv.	253,195,470	130,420,245	2.03
Health Services	95,922,983	48,399,044	0.77
Planning & Develop.	59,720,878	39,531,441	0.48
Other	11,879,676	9,256,440	0.10
Total – EOWC Area	11,954,133,904	6,718,609,720	100.00

Figure 10 - Source: Financial Information Returns (FIRs) for all municipalities in Rural Eastern Ontario

3.2 EOWC Municipalities Manage \$6.7 Billion in Transportation Assets

Municipalities in the EOWC area are managing \$6.7 billion in transportation assets. The book value of these assets (after depreciation is taken into account), leaves a capital infrastructure deficit of \$3.5 billion just for this asset class. Using this measure (assets at cost minus book value), transportation assets across the region have lost more of their value than any other asset class (book value of 46.9 %). With annual capital investments averaging roughly \$288 million a year, Rural Eastern Ontario's municipalities will continue to lose ground on the state of their transportation infrastructure. Staying abreast of 2021 levels would require at least \$66 million a year invested across the region in addition to the current investments.

Separated cities and towns in Eastern Ontario are faring slightly better, having preserved 52.7 percent of the transportation asset values (\$857 million at cost). Taken together, Eastern Ontario is managing \$7.5 billion in transportation assets that have been amortized to 47.5 percent of their value at cost. There is now a combined capital infrastructure deficit of \$3.95 billion, most of which is in Rural Eastern Ontario.

Asset Values for Transportation Services – 2021

Jurisdiction	Asset Value at Cost (2021)	Book Value of Assets (2021)	Percentage of Asset Value Retained (2021)	Capital Infrastructure Deficit (2021)
Rural Eastern Ontario (EOWC)	6,671,689,152	3,127,924,676	46.9	3,543,764,476
Separ. Cities & Towns (EOMC)	857,764,795	452,122,281	52.7	405,642,514
Total – Eastern Ontario	7,529,453,947	3,580,046,957	47.5	3,949,406,990

Figure 11 – Asset Values for Transportation Services – 2021 Source: Financial Information Returns

Figure 12 suggests that annual capital investments may be trending up in Rural Eastern Ontario. This will not be confirmed until all 2022 and 2023 FIR data can be included in the analysis.

Capital Expenditures on Transportation Services – 2019-2022

Jurisdiction	Capital Expenditures 2019	Capital Expenditures 2020	Capital Expenditures 2021	Capital Expenditures 2022 (Est)
Rural Eastern Ontario (EOWC)	244,348,737	277,446,333	277,690,431	353,081,338
Separ. Cities & Towns (EOMC)	129,839,961	122,480,757	140,369,628	277,753,614
Total – Eastern Ontario	374,188,698	399,927,090	418,060,060	630,834,952

Figure 12 – Capital Expenditures on Transportation Services – 2019 to 2022 (estimated) Source: Financial Information Returns with 2021 data carried forward into 2022 for those municipalities whose FIRs had not been posted at the time of analysis. For this reason, the expenditure totals for 2022 must be considered estimates until all FIRs for that fiscal year are submitted and posted.

In addition to annual capital investments, municipalities in Rural Eastern Ontario are spending more than \$500 million a year to operate and maintain transportation assets and services. Together with the operating expenditures of separated cities and towns (more than \$200 million a year), total operating expenditures on transportation assets and services across all of Eastern Ontario exceed \$770 million and may now be in the range of \$850 million.

Operating Expenditures on Transportation Services – 2019-2022

Jurisdiction	Operating Expenditures 2019	Operating Expenditures 2020	Operating Expenditures 2021	Operating Expenditures 2022 (Est)
Rural Eastern Ontario (EOWC)	520,265,852	518,601,331	536,227,737	590,944,962
Separ. Cities & Towns (EOMC)	235,856,389	226,635,542	235,970,110	259,235,066
Total – Eastern Ontario	756,122,241	745,236,873	772,197,847	850,198,028

Figure 13 – Annual Operating Expenditures on Transportation Services – 2019 to 2022 (estimated) Source: Financial Information Returns. Note that the expenditure totals for 2022 must be considered estimates until all FIRs for that fiscal year are submitted and posted.

Total Capital and Operating Expenditures on Transportation Services – 2019-2022

Jurisdiction	Cap & Oper. Expenditures 2019	Cap & Oper. Expenditures 2020	Cap & Oper. Expenditures 2021	Cap & Oper. Expenditures 2022 (Est)
Rural Eastern Ontario (EOWC)	764,614,589	796,047,664	813,918,169	944,026,300
Separ. Cities & Towns (EOMC)	365,696,350	349,116,299	376,339,738	537,006,680
Total – Eastern Ontario	1,130,310,939	1,145,163,963	1,190,257,907	1,481,032,680

Figure 14 – Total Capital and Operating Expenditures on Transportation Services – 2019 to 2022 (estimated). Note that the expenditure totals for 2022 must be considered estimates until all FIRs for that fiscal year are submitted and posted.

3.3 EOWC Municipalities Manage \$3.4 Billion in Environmental Assets

Municipalities in the EOWC area are managing \$3.4 billion in environmental services assets. The book value of these assets (after depreciation is taken into account), leaves a capital infrastructure deficit of \$1.2 billion just for this asset class. Using this measure (assets at cost minus book value), environmental services assets across the region have lost less of their value than most other asset class (retaining 65 % of value at cost). With annual capital investments varying between \$90 and \$130 million a year, Rural Eastern Ontario's municipalities may be able to maintain the value of these assets but will not be well-positioned for either a significant asset failure or for growth. For some assets in this class (e.g. treatment plants or landfills), upfront capital costs are significant.

When environmental services assets for the EOMC area are taken into account (capital cost of \$1.1 billion and book value of \$764 million), investment in environmental assets in Eastern Ontario is \$4.5 billion, roughly three-quarters of which is in Rural Eastern Ontario.

The combined infrastructure deficit for this asset class is \$1.5 billion, of which two-thirds (\$1.2 billion) is in Rural Eastern Ontario.

Asset Values for Environmental Services Infrastructure – 2021

Jurisdiction	Asset Value at Cost (2021)	Book Value of Assets (2021)	Percentage of Asset Value Retained (2021)	Capital Infrastructure Deficit (2021)
Rural Eastern Ontario (EOWC)	3,392,967,998	2,212,768,099	65.2	1,180,199,899
Separ. Cities & Towns (EOMC)	1,136,361,572	764,888,572	67.3	371,473,000
Total – Eastern Ontario	4,529,329,570	2,977,656,671	65.7	1,551,672,999

Figure 15 – Asset Values for Environmental Services Infrastructure – 2021 Source: Financial Information Returns

Capital Expenditures on Environmental Services – 2019-2022

Jurisdiction	Capital Expenditures 2019	Capital Expenditures 2020	Capital Expenditures 2021	Capital Expenditures 2022 (Est)
Rural Eastern Ontario (EOWC)	126,496,718	73,890,716	90,554,531	127,397,209
Separ. Cities & Towns (EOMC)	82,296,185	82,591,804	230,170,520	81,174,819
Total – Eastern Ontario	208,792,903	156,482,520	320,725,051	208,572,028

Figure 16 – Capital Expenditures on Environmental Services – 2019-2022 Source: Financial Information Returns. Note that the expenditure totals for 2022 must be considered estimates until all FIRs for that fiscal year are submitted and posted.

Rural Eastern Ontario municipalities are spending roughly \$300 million a year to operate their environmental services. That number nearly doubles when expenditures by separated cities and towns (EOMC municipalities) are included. There may be an upward trend in these numbers in 2022 but confirmation should await integration of any outstanding Financial Information Returns for that year.

Taken together, municipalities in Rural Eastern Ontario are spending roughly \$400 million a year in capital and operating costs for environmental services, three-quarters of which is operating expenditures. EOWC member municipalities spend more each year to operate environmental services than do the EOMC member municipalities. For Eastern Ontario as a whole, municipal spending for environmental services likely tops \$600 million a year.

Operating Expenditures on Environmental Services – 2019-2022

Jurisdiction	Operating Expenditures 2019	Operating Expenditures 2020	Operating Expenditures 2021	Operating Expenditures 2022 (Est)
Rural Eastern Ontario (EOWC)	293,798,957	307,649,375	306,201,139	321,365,780
Separ. Cities & Towns (EOMC)	238,595,063	222,479,444	240,143,881	253,614,069
Total – Eastern Ontario	532,394,020	530,128,819	546,345,020	600,905,035

Figure 17 – Operating Expenditures on Environmental Services 2019-2022. Source: Financial Information Returns. Note that the expenditure totals for 2022 must be considered estimates until all FIRs for that fiscal year are submitted and posted.

Total Capital and Operating Expenditures on Environmental Services – 2019-2022

Jurisdiction	Cap & Oper. Expenditures 2019	Cap & Oper. Expenditures 2020	Cap & Oper. Expenditures 2021	Cap & Oper. Expenditures 2022 (Est)
Rural Eastern Ontario (EOWC)	420,077,998	376,505,011	394,028,398	448,762,988
Separ. Cities & Towns (EOMC)	320,891,248	305,071,248	470,314,401	334,788,888
Total – Eastern Ontario	740,969,246	681,576,259	864,342,799	783,551,876

Figure 18 – Total Capital and Operating Expenditures on Environmental Services – 2019 to 2022 (estimated). Note that the expenditure totals for 2022 must be considered estimates until all FIRs for that fiscal year are submitted and posted.

3.4 \$207 Million Infrastructure Deficit on Community Housing Assets

As of 2021, Rural Eastern Ontario municipalities have invested \$356 million in community (social) housing assets. With a book value of \$150 million, these assets are now worth only 42 percent of their original cost. This means there is a \$207 million infrastructure deficit for these units. These investments and their associated capital infrastructure deficit is larger than for the separated cities and towns in the region (\$277 million in value at cost with a \$134 million deficit).

Community housing in EOMC areas has retained significantly more of its value than in rural areas (59.5% compared to 41.9% respectively). Eastern Ontario as a whole has \$633 million invested in community housing with an associated capital infrastructure deficit of \$343 million.

Asset Values for Community (Social) Housing Services– 2021

Jurisdiction	Asset Value at Cost (2021)	Book Value of Assets (2021)	Percentage of Asset Value Retained (2021)	Capital Infrastructure Deficit (2021)
Rural Eastern Ontario (EOWC)	356,858,607	149,686,827	41.9	207,171,780
Separ. Cities & Towns (EOMC)	276,601,754	141,892,600	59.5	134,709,154
Total – Eastern Ontario	633,460,361	291,579,427	46.0	343,880,934

Figure 19 – Asset Values for Community (Social) Housing Services – 2021. Source: Financial Information Returns.

Whether considering the EOWC or EOMC areas, capital investments in Community (Social) Housing have been modest in the 2019 to 2022 period, totalling roughly \$25 million a year. This level of investment is a contributor to the low percentage of asset value retained (46%).

Capital Expenditures on Community (Social) Housing Services – 2019-2022

Jurisdiction	Capital Expenditures 2019	Capital Expenditures 2020	Capital Expenditures 2021	Capital Expenditures 2022 (Est)
Rural Eastern Ontario (EOWC)	12,453,560	12,314,048	13,497,504	14,634,312
Separ. Cities & Towns (EOMC)	10,634,436	18,949,030	12,047,114	11,084,556
Total – Eastern Ontario	23,087,996	31,263,078	25,544,618	25,718,868

Figure 20 – Capital Expenditures on Community (Social) Housing Service – 2019-2022 Source: Financial Information Returns. Note that the expenditure totals for 2022 must be considered estimates until all FIRs for that fiscal year are submitted and posted.

Operating Expenditures for Community Housing total roughly \$128 million a year in Rural Eastern Ontario municipalities with EOMC municipalities adding another \$106 million. This brings the total for Eastern Ontario to \$235 million a year. These expenditures appear to be trending upward but confirmation should await the completion of analysis of 2022 Financial Information Returns data.

Operating Expenditures on Community (Social) Housing Services – 2019-2022

Jurisdiction	Operating Expenditures 2019	Operating Expenditures 2020	Operating Expenditures 2021	Operating Expenditures 2022 (Est)
Rural Eastern Ontario (EOWC)	111,877,667	120,369,501	132,143,692	128,745,315
Separ. Cities & Towns (EOMC)	88,088,245	90,730,061	97,380,066	106,903,555
Total – Eastern Ontario	199,965,912	211,099,562	229,523,758	235,648,870

Figure 21 – Annual Operating Expenditures for Community (Social) Housing – 2019 to 2022 (estimated). Note that the expenditure totals for 2022 must be considered estimates until all FIRs for that fiscal year are submitted and posted.

The combined total of annual capital and operating expenditures on Community (Social) Housing Services has risen from \$223 million in 2019 to \$261 million by 2022 (estimated). Rural Eastern Ontario is responsible for 55 percent of the total.

Total Capital and Operating Expenditures on {Community} Housing Services – 2019-2022

Jurisdiction	Cap & Oper. Expenditures 2019	Cap & Oper. Expenditures 2020	Cap & Oper. Expenditures 2021	Cap & Oper. Expenditures 2022 (Est)
Rural Eastern Ontario (EOWC)	124,331,227	132,683,549	145,641,196	143,379,627
Separ. Cities & Towns (EOMC)	98,722,681	109,679,091	109,427,180	117,988,111
Total – Eastern Ontario	223,053,908	242,362,640	255,068,376	261,367,738

Figure 22 – Total Capital and Operating Expenditures for Community (Social) Housing – 2019 to 2022 (estimated). Note that the expenditure totals for 2022 must be considered estimates until all FIRs for that fiscal year are submitted and posted.

3.5 Operating Expenditures on Health and Emergency Services Outpace Capital Expenditures

Rural Eastern Ontario has health and emergency services assets valued (at cost) at \$96 million with a capital infrastructure deficit of \$48 million. These data will change significantly in the coming years as new long-term care capacity comes onstream across the EOWC area.

With the additional \$22 million in asset value from the EOMC area, total health and emergency services assets are roughly \$118 million in total with a \$57 million capital infrastructure deficit.

Asset Values for Health and Emergency Services – 2021

Jurisdiction	Asset Value at Cost (2021)	Book Value of Assets (2021)	Percentage of Asset Value Retained (2021)	Capital Infrastructure Deficit (2021)
Rural Eastern Ontario (EOWC)	\$ 95,922,983	\$ 48,399,044	50.5%	\$ 47,523,939
Separ. Cities & Towns (EOMC)	\$ 22,136,022	\$ 12,802,982	57.8%	\$ 9,333,040
Total – Eastern Ontario	\$ 118,059,005	\$ 61,202,026	51.8%	\$ 56,856,979

Figure 23 – Asset Values for Health and Emergency Services – 2021. Source: Financial Information Returns.

Capital spending on health and emergency services is relatively modest in relation to other asset classes: Rural Eastern Ontario invests between seven (7) and nine (9) million dollars a year on these services while EOMC area municipalities spend only one to two million a year. Taken together, Eastern Ontario's capital investments range between eight and ten million a year.

Capital Expenditures on Health and Emergency Services – 2019-2022

Jurisdiction	Capital Expenditures 2019	Capital Expenditures 2020	Capital Expenditures 2021	Capital Expenditures 2022 (Est)
Rural Eastern Ontario (EOWC)	\$ 9,217,908	\$ 7,234,269	\$ 9,490,864	\$ 7,003,225
Separ. Cities & Towns (EOMC)	\$ 1,149,412	\$ 1,311,099	\$ 1,884,848	\$ 1,146,003
Total – Eastern Ontario	\$10,367,320	\$ 8,545,368	\$11,375,712	\$ 8,149,228

Figure 24 – Capital Expenditures on Health and Emergency Services – 2019-2022 Source: Financial Information Returns. Note that the expenditure totals for 2022 must be considered estimates until all FIRs for that fiscal year are submitted and posted.

For health and emergency services, operating expenditures are a much larger part of municipal budgets. Rural Eastern Ontario spending on these services is now over \$200 million a year and appears to be climbing. The same trend is evident for separated cities and towns, with their annual spending rising to more than \$80 million a year. Taken together, Eastern Ontario municipalities are now spending more than \$300 million a year on these services, with Rural Eastern Ontario being responsible for three-quarters of these expenditures (\$225 million of \$308 million).

Operating Expenditures on Health and Emergency Services – 2019-2022

Jurisdiction	Operating Expenditures 2019	Operating Expenditures 2020	Operating Expenditures 2021	Operating Expenditures 2022 (Est)
Rural Eastern Ontario (EOWC)	\$185,043,621	\$203,705,244	\$225,290,429	\$238,662,451
Separ. Cities & Towns (EOMC)	\$ 69,080,816	\$ 74,043,275	\$ 82,810,435	\$ 83,175,881
Total – Eastern Ontario	\$254,124,437	\$277,748,519	\$308,100,864	\$321,838,332

Figure 25 – Operating Expenditures on Health and Emergency Services – 2019-2022 Source: Financial Information Returns. Note that the expenditure totals for 2022 must be considered estimates until all FIRs for that fiscal year are submitted and posted.

Total Capital and Operating Expenditures on Health and Emergency Services – 2019-2022

Jurisdiction	Cap & Oper. Expenditures 2019	Cap & Oper. Expenditures 2020	Cap & Oper. Expenditures 2021	Cap & Oper. Expenditures 2022 (Est)
Rural Eastern Ontario (EOWC)	\$194,261,529	\$210,939,513	\$234,781,293	\$245,665,677
Separ. Cities & Towns (EOMC)	\$ 70,230,228	\$ 75,354,374	\$ 84,695,283	\$ 84,321,884
Total – Eastern Ontario	\$264,491,757	\$286,293,887	\$319,476,576	\$329,987,561

Figure 26 – Total Capital and Operating Expenditures on Health and Emergency Services – 2019 to 2022 (estimated). Note that the expenditure totals for 2022 must be considered estimates until all FIRs for that fiscal year are submitted and posted.

4 Municipal Capital Spending Not Keeping Up to Needs

4.1 Capital Infrastructure Deficit Continues to Grow, Now Approaching \$6 Billion

Between 2019 and 2021, Rural Eastern Ontario's investment in capital infrastructure grew by \$782 million (roughly seven percent over the two-year period). However, the capital infrastructure deficit for the EOWC area grew by 5.2 percent (roughly 2.6 percent per year). If a Current Replacement Value (two times the infrastructure deficit) is used, the capital infrastructure deficit of Rural Eastern Ontario would be \$11.6 billion --- a difference of \$575 million in two years.

Change in Capital Assets and Capital Infrastructure Deficit Between 2019 and 2021

Jurisdiction	Capital Assets at Cost (2019) (CC)	Capital Infrastructure Deficit (2019)	Capital Assets at Cost (2021) (CC)	Capital Infrastructure Deficit (2021)
Rural Eastern Ontario	\$11,171,932,273	\$5,487,424,171	\$11,954,133,904	\$5,776,462,049
Sep. Cities & Towns	\$ 8,218,922,600	\$3,057,279,020	\$ 7,852,048,309	\$3,360,302,393
Total – East. Ontario	\$19,587,938,804	\$8,544,703,191	\$19,806,182,213	\$9,136,764,442

Figure 27 – Change in Capital Assets and Capital Infrastructure Deficit Between 2019 and 2021 Source: Financial Information Returns

As Figure 28 shows, most of the infrastructure deficit for Rural Eastern Ontario --- 82 per cent --- is concentrated in Transportation Services and Environmental Services. These two components of the infrastructure deficit account for \$4.7 billion of the \$5.7 billion deficit total.

Breakout of Infrastructure Deficit by Infrastructure Type/Function

Infrastructure Type/Function	Capital Assets at Cost (2021) (CC)	Book Value of Capital Assets (2021) (BV)	Net Value of Assets as % of Capital Cost	Simple Calculation Capital Infrastructure Deficit (CC-BV)
Transportation Serv.	6,671,689,152	3,127,924,676	47	\$3,543,764,476
Environmental Serv.	3,392,967,988	2,213,768,099	65	\$1,180,199,899
Recreational & Culture	836,865,107	523,398,873	63	\$ 313,466,234
Protection Services	411,612,885	217,372,810	53	\$ 194,240,075
General Government	404,359,013	259,851,265	64	\$ 144,507,748
Social Housing	356,858,607	149,686,827	42	\$ 207,171,780
Social and Family Serv.	253,195,470	130,420,245	52	\$ 122,775,225
Health Services	95,922,983	48,399,044	50	\$ 47,523,939
Planning & Develop.	59,720,878	39,531,441	66	\$ 20,189,437
Other	11,879,676	9,256,440	78	\$ 2,623,236
Total – EOWC Area	11,954,133,904	6,718,609,720	54	\$5,776,462,049

Figure 28 – Breakout of Infrastructure Deficit by Infrastructure Type/Function Source: Financial Information Returns (FIRs) for all municipalities in Rural Eastern Ontario

4.2 Significant Additional Investment is Required to Address the Deficit

Closing the capital investment gap for *current* infrastructure would require an *additional* minimum annual investment of \$578 million a year (beyond the 10-year average of \$403 million), assuming the deficit is to be eliminated in 10 years and the \$403 million investment level is maintained. This is more than double the current levels of municipal investment, that would have to start now. Note that this estimate does not include any capital investment for growth. **\$980 Million in Annual Capital Investments is Required.**

4.3 The Ontario Financial Accountability Office Has Developed Infrastructure Deficit Estimates

In 2021, the provincial Financial Accountability Office (FAO) [released a report](#) containing its infrastructure deficit calculations (described as the backlog) for all 444 Ontario municipalities. The FAO's methodology is based on an estimate of backlog using Current Replacement Value (CRV) and current condition reports of municipal infrastructure, endeavouring to estimate the cost to bring all municipal assets into a state of good repair. The FAO used 2020 as the baseline year for their analysis.

For EOWC purposes, the highlights of the FAO analysis are that:

- The CRV of Ontario's municipal infrastructure is estimated to be \$484 billion, of which municipal roads and bridges account for \$171 billion (35%). Municipal water infrastructure has a CRV of \$299 billion (47%).
- The total municipal infrastructure deficit is estimated at \$45 to \$59 billion (a range is used because the FAO was not able to get complete information on all assets from all municipalities).
- The total "Eastern Ontario" backlog is \$10.1 Billion, which is between 17 and 22 percent of the province-wide total. See the map on the following page to view the area defined as Eastern Ontario. It is comprised of three (3) economic regions. It is not clear how much of the backlog is attributed to the City of Ottawa or to the District of Muskoka. As a result, what share of the \$10.1 billion is attributed to the EOWC or EOMC areas is also unclear.
- The backlog in the Kingston-Pembroke economic region is estimated to be \$3.1 billion
- The backlog in the Muskoka-Kawartha economic region is estimated to be \$2.1 billion
- The backlog in the Ottawa economic region is \$4.9 billion. (This region includes the United Counties of Prescott and Russell, Lanark, Leeds and Grenville and Stormont, Dundas and Glengarry as well as separated cities and towns within those counties).

For comparative purposes, the FAO calculates the backlog for the City of Toronto at \$15.4 billion.

The FAO's methodology may lead to significantly different estimates of the capital infrastructure deficit for EOWC municipalities. The EOWC has typically calculated the difference between asset values "at cost" and book value (after asset depreciation has been taken into account).

As part of the EOWC's strategic plan implementation and its ongoing advocacy with the Province of Ontario, there is merit in meeting with the FAO to compare data sets and to ensure that municipalities in Rural Eastern Ontario are fully represented in the FAO's analysis.

FAO Infrastructure Backlog as a Share of Current Replacement Value, by Economic Region

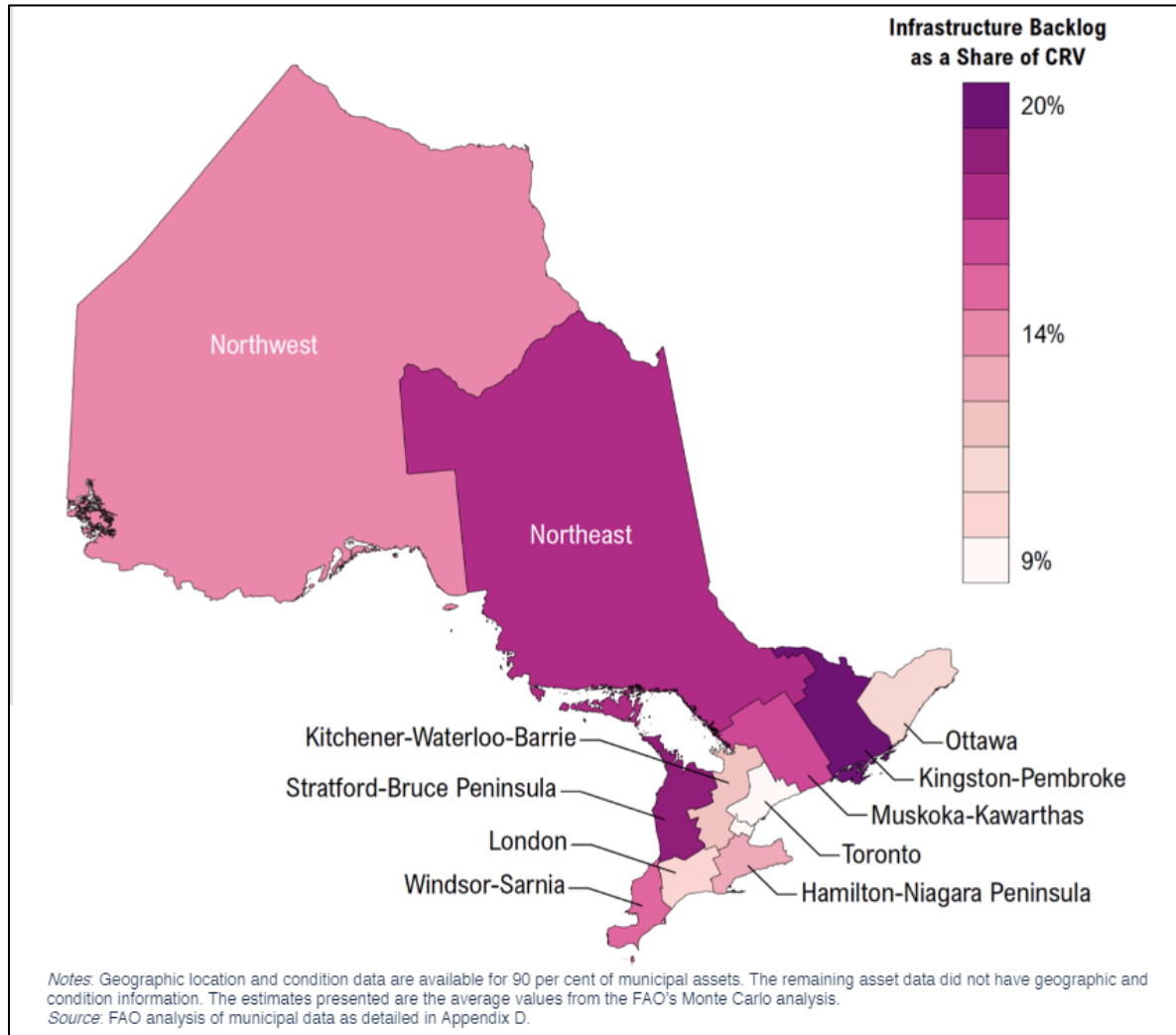


Figure 29 – Infrastructure Backlog as a Share of Current Replacement Value (CRV) as calculated by the Financial Accountability Office of Ontario

5 Rural Municipalities Have Limited Debt Capacity to Finance Infrastructure

5.1 Municipal Governments in Rural Eastern Ontario Are Carrying \$641 Million in Debt

Municipalities in Rural Eastern Ontario are carrying roughly \$641 million debt (2021). Debt levels have risen by 10.5% over the past decade, significantly less than the debt now carried by the separated cities and towns (\$837 million). Across the region (Eastern Ontario), municipalities are carrying \$1.478 billion in debt.

Current Debt Burden (2021)

Jurisdiction	Debt Burden (2012) (\$ millions)	Debt Burden (2021) (\$ millions)	Percentage Change 2012 to 2021 (%)
Rural Eastern Ontario	\$ 580	\$ 641	10.5
Separated Cities & Towns	\$ 465	\$ 837	80.0
Total – Eastern Ontario	\$1,045	\$1,478	41.4
City of Ottawa	\$1,775	\$3,432	93.4

Figure 30 – Total Debt Burden for Municipal Governments in Eastern Ontario – by Rural Ontario, Separated Cities and Towns, and the City of Ottawa. Source: Financial Information Returns SLC 9910 01

Municipal Debt Burden: 2012 to 2022

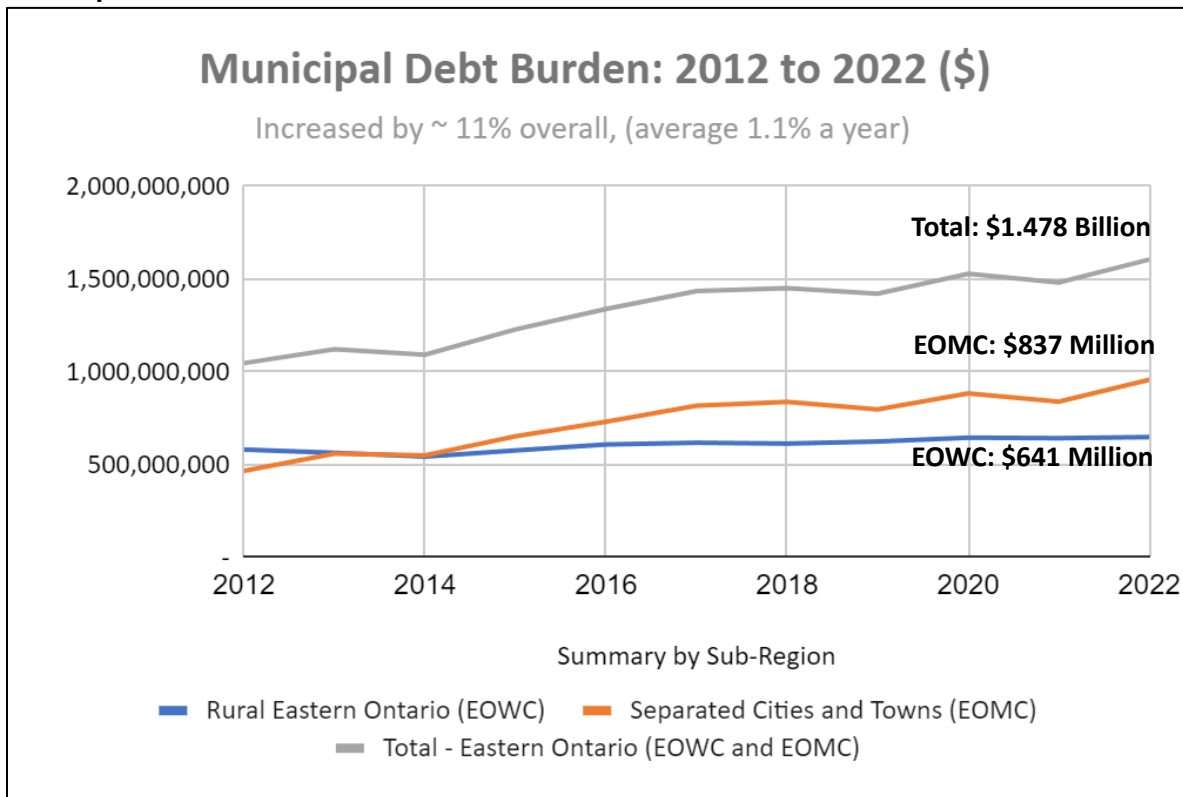


Figure 31 – Municipal Debt burden by year, 2012 to 2022, broken out by EOWC and EOMC Source: Financial Information Returns

As part of the EOWC's strategic plan implementation and ongoing advocacy, debt burden data should be updated to at least the 2023 FIR basis.

5.2 Debt Servicing Costs for EOWC Area Municipalities Total \$84 Million a Year

From \$70 million in 2012 to \$84 million in 2022 (estimate), debt servicing costs for Rural Eastern Ontario municipalities have risen by 20 per cent. Across the separated cities and towns (EOMC), debt servicing costs have risen from \$50 million to \$89 million in the same timeframe, an increase of 78 percent over the same timeframe.

Total Debt Servicing Costs – 2012 to 2022

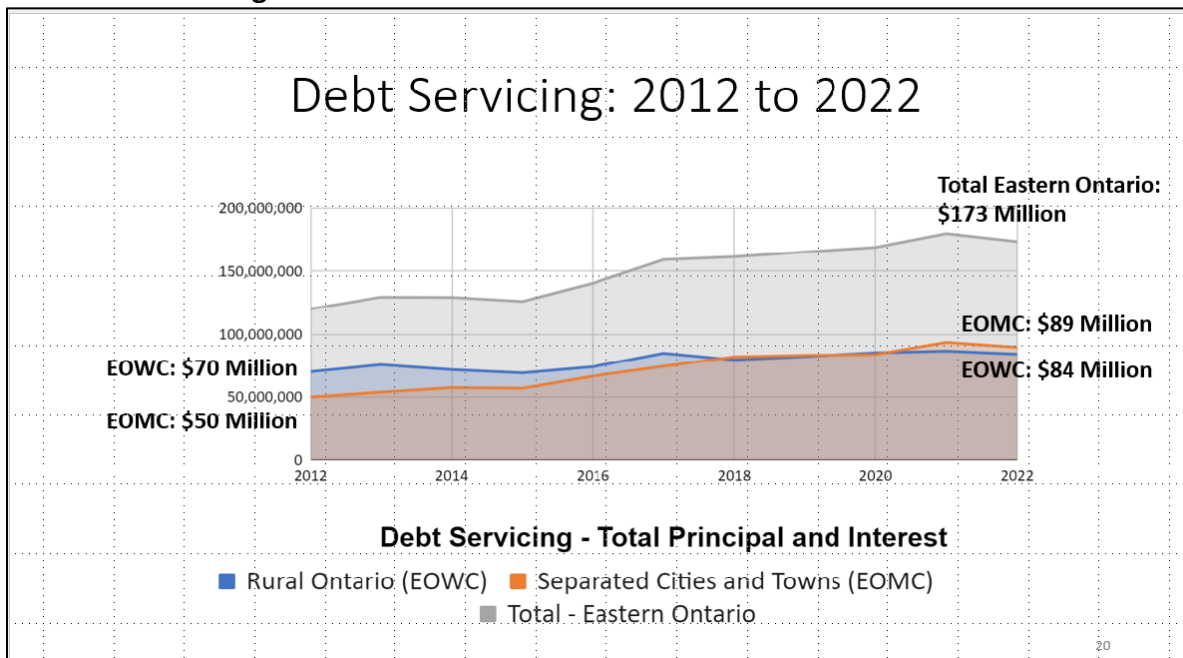


Figure 32 – Total Debt Servicing Costs from 2012 to 2022, broken out by EOWC and EOMC Source: Financial Information Returns

As shown in Figure 32, of the total debt servicing costs, principal repayment comprises \$63 million a year for municipalities that are part of the EOWC membership. Interest is \$21 million a year.

For EOMC municipalities, principal repayment is \$63 million a year, with interest payments of \$29 million making up the balance.

Upper/single tier municipalities (counties, cities and towns) are carrying \$37.2 million of the debt servicing total, while lower tiers within counties are paying \$63.4 million of the debt servicing load.

Debt Servicing Costs – Breakout by Interest and Principal Repayments

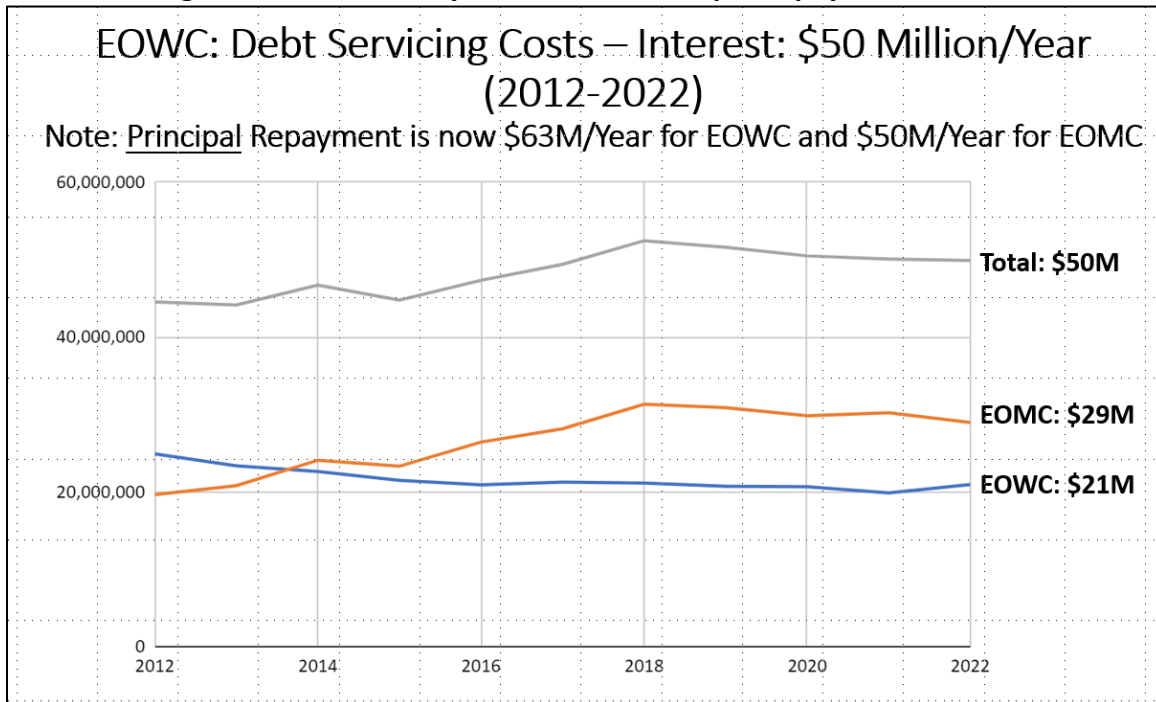


Figure 33 – Debt Servicing Costs – Breakout by Interest and Principal Repayment, by EOWC and EOMC. Source: Financial Information Returns.

5.3 Rural Eastern Ontario Municipalities Have a \$352 Million in Annual Debt Repayment Limit

Based on the Province of Ontario formula for calculating municipalities’ annual debt servicing limits, the total estimated annual repayment limit for municipalities in the EOWC area is \$352 million, of which \$100 million was being used in 2021. As a result, EOWC municipalities have an additional \$251.6 million in available debt servicing capacity. However, these municipalities must be able to generate sufficient property tax revenues to cover the interest and principal repayments each year. This is a challenge for municipalities with relatively small tax bases.

Annual Debt Capacity for Eastern Ontario Municipalities (2021)

Sub-Region	Net Revenues (2021)	25% of Net Revenues (2021)	Estimated Annual Repayment Limit	Over/Under Estimated Annual Limit (2021)
Rural Eastern Ontario (EOWC)	\$1,736,937,495	\$434,234,374	\$352,252,830	\$251,600,717
Separated Cities and Towns (EOMC)	\$1,181,274,989	\$295,318,747	\$199,630,729	\$106,191,436
Total - Eastern Ontario (EOWC and EOMC)	\$2,918,212,484	\$729,553,121	\$551,883,560	\$357,792.154

Figure 34 – Annual Debt Capacity for Eastern Ontario municipalities, broken out by EOWC and EOMC Source: Financial Information Returns

5.4 Scenario Analysis Demonstrates Need for Upper Level Government Support for Infrastructure

In a separate analysis conducted by the EOWC, three scenarios were examined in order to understand what degree of increase in Own Purpose Revenues (OPR) would be required to generate sufficient revenue to sustain municipal infrastructure *without support from other levels of government*. The three scenarios were:

- Scenario 1: Increase OPR by five (5) percent more revenue each year, for the next eight (8) years, ending in 2032-2033.
- Scenario 2: Increase OPR by ten (10) percent in 'year one', then implement four (4) percent increases annually for the next seven (7) years
- Scenario 3: Increase OPR by three (3) percent a year for eight years (3% was the average annual rate of increase in the 2012-2022 period)

The percentage change in annual Own Purposes Revenues by 2032 for each scenario would be:

- Scenario 1: 63% increase
- Scenario 2: 57% increase
- Scenario 3: 34% increase

Based on an infrastructure deficit of \$6 billion, the only scenarios that would allow sufficient investment to address it are Scenarios 1 and 2, but only if applied over a period of 20 years. This is because the property tax base is limited.

A five percent increase, applied to a \$1.27 billion OPR total *across all of Rural Eastern Ontario*, only generates \$64 million in the first year. In a *single city*, such as Ottawa or Toronto, a five percent increase generates between \$90 and \$235 million in the first year. This is because their OPR is so much larger than individual municipalities in Rural Eastern Ontario. In fact, it is larger than the OPR for all 103 municipalities that are part of the EOWC area.

Revenue Generation Potential from Municipalities with Varying Sizes of Own Purpose Revenues

Jurisdiction	Own Purpose Revenues from Property Taxation (2021)	Annual Revenue Generated by a five (5) percent increase in OPR
City of Toronto	\$4,704,939,344	\$235 million
City of Ottawa	\$1,850,956,478	\$ 93 million
Rural Eastern Ontario	\$1,270,082,850	\$ 64 million

Figure 35 – Examples of the revenue generation potential from municipalities with varying sizes of Own Purpose Revenues. Source: Financial Information Returns

6 Rural Eastern Ontario Had \$621 Million in Reserves in 2022

6.1 Rural Eastern Ontario increased reserves by more than nine percent since 2012

Municipalities in Rural Eastern Ontario increased their total reserves from \$266 million to \$590 million between 2012 and 2021 --- a compound annual growth rate of 9.11 percent. While this policy more than doubled reserves (an additional \$324 million), it is still insufficient to address a capital infrastructure deficit that requires nearly \$600 million in *additional* resources each year for the next decade. This is another example of the challenges faced by municipalities with small tax bases; a nine per cent tax increase may seem ample but applied to a small tax base, the additional reserves that can be set aside are modest.

By comparison, the separated cities and towns (EOMC members) increased their total reserves by 7.44 percent, going from \$535 million to \$1.0 billion, adding \$465 to their total reserves by 2021. Across Eastern Ontario, total reserves are \$1.6 billion.

Increase in Total Reserves 2012 to 2021

Jurisdiction	Total Reserves (2012)	Total Reserves (2021)	Compound Annual Growth Rate (2012-2021)
Rural Eastern Ontario (EOWC)	\$266,458,635	\$590,391,541	9.11%
Separated Cities and Towns (EOMC)	\$535,693,651	\$1,022,234,744	7.44%
Total – Eastern Ontario	\$805,152,286	\$1,612,626,285	8.02%

Figure 36 – Increase in Total Reserves 2012 to 2021, broken out by EOWC and EOMC Source: Financial Information Returns

7. Recommendations

The EOWC requests that the Federal Government and the Ontario Government assist in addressing the growing infrastructure deficit:

1. Ensure eligibility for programs and funding fits both rural and small urban circumstances.
2. Federal and provincial funding programs are often unpredictable and irregular in their timing. Predictable, non-competitive, permanent infrastructure funding stream is needed.
 - Determine the increase to the Ontario Community Infrastructure Fund (OCIF) that is necessary to enable rural Eastern Ontario's municipalities to maintain their infrastructure, then allocate provincial funds to do so.
3. Investing in housing goes hand-in-hand with investing in institution, commercial or industrial (ICI) land uses. Take an integrated approach to infrastructure investments, that also considers Return on Investment that is shared by communities and the Province.
4. Reevaluate debt financing options for small municipalities with limited resources to raise funds, ensuring that funds are directed towards infrastructure development rather than servicing debt interest. Specific considerations should include higher upfront/advance contributions as well as the contribution to GDP of "local" investments to provincial priorities.
5. Work with the provincial Financial Accountability Office to ensure that missing/incomplete data that would make their infrastructure reports more robust is provided, that the evolution in asset management plans is reflected in both municipal and FAO work, and that the FAO and the EOWC compare their methodologies for estimating infrastructure deficits/backlogs.

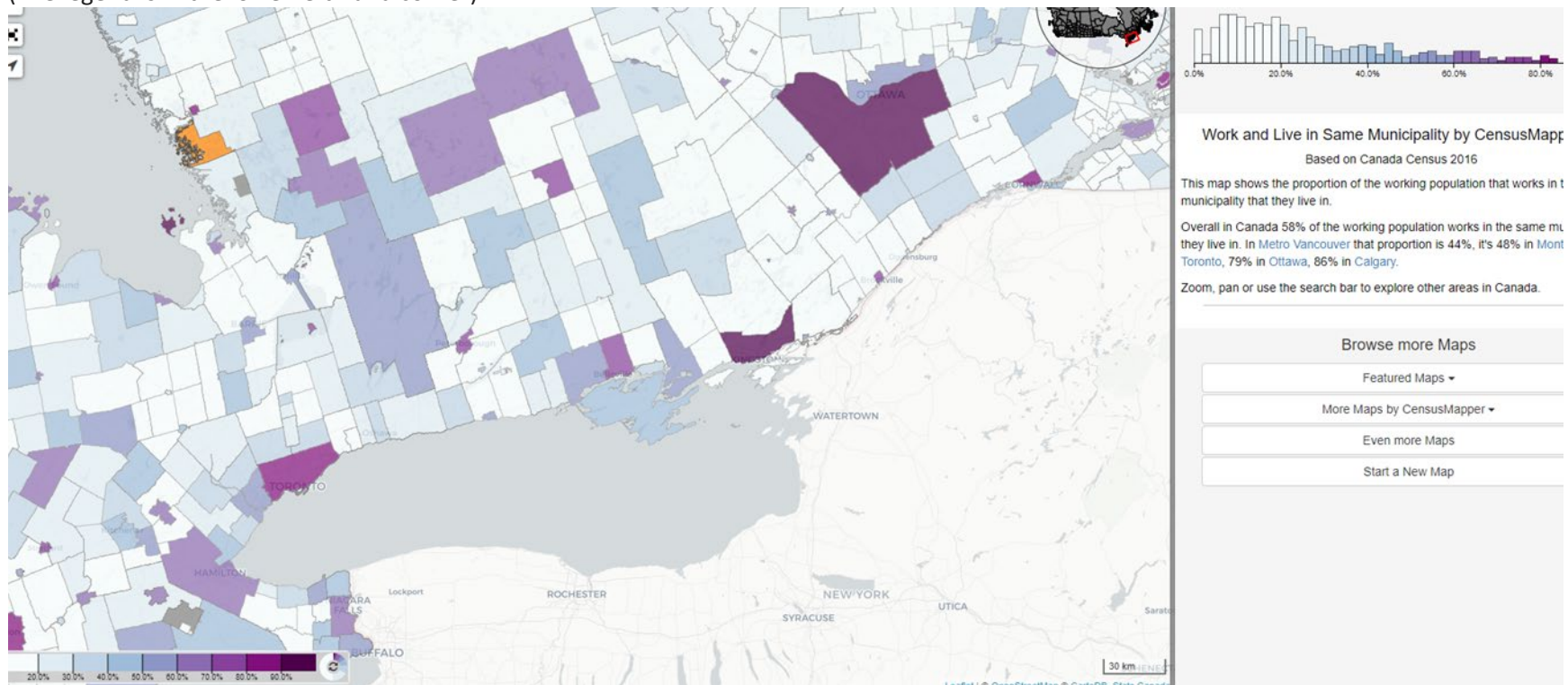


8. Appendices

Long Commutes Put Extra Stress on Transportation Infrastructure

The map below shows the percentage of people within a municipality (census subdivision) who live and work in the same CSD. The lighter colours correspond to lower percentages; in other words, **in lighter coloured municipalities, a larger share of workers is commuting across municipal boundaries for work, making greater use of roads (and bridges) and incurring higher costs to do so.** The darker colours, primarily the urban areas, have smaller percentages of people commuting to neighbouring CSDs.

(The legend is in the lower left-hand corner).



Source: censustracker.ca

Summary of Original Recommendations (from 2013 report)

Municipal Infrastructure – EOWC

- Develop and implement a regional economic development strategy
- Create a regional infrastructure task force
- Create a transportation infrastructure renewal network
 - Draft “terms of reference” provided in Appendix
- Complete Asset Management Plans

Municipal Infrastructure – Province

- Permanent, predictable non-competitive infrastructure fund
 - Detailed design provided by EOWC in Appendix
- Implement social services upload
- Compensation for lands with assessment constraints (ex. PIL for Crown Lands)

Note: EOWC also made a major [submission](#) to the Provincial Infrastructure Consultations in 2015

Social (Community) Housing – EOWC

- Region-wise economic development strategy
- Work with Service Managers on more cost-effective ways to meet community housing needs
 - Different operational models
- Support AMO and FCM advocacy work re: housing
 - EOWC support for AMO principles
 - Sustainable funding not from property tax base
- Share analysis and recommendation with EOMC

Note: EOWC also asked for reinstatement of federal Home Renovation Tax Credit (energy efficiency) and provincial Home Renovation Tax Credit (seniors and co-resident family members)

Social (Community) Housing – Province

- Comprehensive National Housing Strategy
- Greater local/service area flexibility
 - Interpretation of/changes: “prescribed units”
 - Mix of public and private housing options - same project
 - Best mix of types of accommodation
 - Allocate available housing units to those on waiting list likely to be successful in specific types of units available
- Contain the growing costs for program and service delivery, especially by using information technology
- Policy flexibility on provincial gas tax funds for supportive transit
- Interest-free loans for upgrading existing housing stock
- Increase Rent-Geared-To-Income subsidy levels
- Consultation when legislation, regulations and policies change.

Key Findings – Municipal Infrastructure

- Transportation services and Environmental Services continue to dominate the infrastructure agenda
- Capital investments continue to be highly variable while operating costs are on an upward trending straight line
- EOWC and its members:
 - Now manage \$12 billion in physical assets (up from \$8.7 billion in 2011)
 - Cash flow: \$1.69 billion in Total Operating Revenue (up from \$1.07 billion in 2011)
 - Have an infrastructure deficit of \$5.99 billion in 2021 (up from \$3.74 billion in 2011)
 - Need to add \$600 million a year in capital investments for the next 10 years to maintain existing assets and address deficit (up from \$686 million/year in 2011)
 - Are using about 28 percent of total debt capacity
 - Continue to experience many of the same fiscal and affordability challenges as existed in 2013-2014.

DRAFT Resolution: Calling for Investment in Municipal Infrastructure for Eastern Ontario's Small and Rural Communities

WHEREAS Eastern Ontario's small rural municipalities face insurmountable challenges to fund both new growth related infrastructure and ongoing maintenance of their capital assets including local roads and bridges, clean water, wastewater, waste facilities, and municipally owned buildings including recreational facilities and libraries; and

WHEREAS the [Federation of Canadian Municipalities](#) has calculated that Municipal Governments across Canada are responsible for approximately 60 percent of public infrastructure that supports our economy and quality of life, but only receive 10 cents of every tax dollar; and

WHEREAS the Eastern Ontario Wardens' Caucus (EOWC) region's capital infrastructure deficit has increased by 58 percent since 2011 and is now at \$6 billion, and growing; and

WHEREAS in 2018, the Ontario Government mandated all Ontario municipalities to develop and fully fund capital asset management plans by July 2025; and

WHEREAS the EOWC has released a regional [Municipal Infrastructure Policy Paper](#) showing key infrastructure data, opportunities and challenges in small rural municipalities across Eastern Ontario; and

WHEREAS Eastern Ontario is a growing economy that can grow more with sustainable, innovative infrastructure partnership and investment from the Federal and Ontario Governments; and

WHEREAS the infrastructure deficit for small rural municipalities cannot be adequately addressed through property tax revenue, restricted municipal borrowing capacity, and municipalities limited ability to generate revenue; and

WHEREAS small rural taxpayers cannot afford dramatic increases to pay for the current and future infrastructure.

NOW THEREFORE BE IT RESOLVED THAT municipality joins the Eastern Ontario Wardens' Caucus, the Association of Municipalities of Ontario, and the Federation of Canadian Municipalities in calling on the Federal and Ontario Governments to immediately and sustainably partner with Municipal Governments by investing in both the new and ongoing maintenance and repairs of municipal infrastructure in Eastern Ontario's small rural municipalities; and

THAT the Federal and Ontario Governments immediately review data and work together to implement solutions based on the [EOWC's Municipal Infrastructure Policy Paper](#) in partnership with small rural municipalities; and

FINALLY THAT this resolution be forwarded to The Honourable Justin Trudeau, Prime Minister of Canada, The Honourable Sean Fraser, Minister of Housing, Infrastructure and Communities of Canada; The Honourable Doug Ford, Premier of Ontario; The Honourable Kinga Surma, Ontario Minister of Infrastructure; The Honourable Paul Calandra, Ontario Minister of Municipal Affairs and Housing; The Honourable Lisa Thompson, Ontario Minister of Rural Affairs; The Honourable Peter Bethlenfalvy, Ontario Minister of Finance; The Honourable Prabmeet Sakaria, Ontario Minister of Transportation; The Honourable Victor Fedeli, Ontario Minister of Economic Development, Job Creation and Trade; Local MP; Local MPP; Federation of Canadian Municipalities; Association of Municipalities of Ontario; Canada Mortgage and Housing Corporation; Rural Ontario Municipal Association; Eastern Ontario Wardens' Caucus.

CORPORATION OF THE TOWNSHIP OF HORTON**BY-LAW NO. 2024-27****BEING A BY-LAW TO APPOINT AN ALTERNATE MEMBER
TO THE COUNCIL OF THE COUNTY OF RENFREW
DURING AN ABSENCE OF THE MAYOR**

WHEREAS Bill 68, *Modernizing Ontario's Municipal Legislation Act, 2017* received Royal Assent on May 30th, 2017, and amends the Municipal Act, 2001, S.O. 2001, c. 25, herein referred to as the "Act";

WHEREAS Section 268(1) of the Act provides that the Council of a local municipality may appoint one of its members as an Alternate Member to the upper-tier council, to act in place of a person who is a member of the councils of the local municipality and its upper-tier municipality, when the person is unable to attend a meeting of the upper-tier for any reason;

NOW THEREFORE the Council of the Corporation of the Township of Horton hereby enacts the following:

1. That Deputy Mayor Proctor is hereby appointed as the Alternate Member to County Council for the term of the council ending in 2026, or until this appointment by-law is rescinded or until such time as the Alternate Member's seat is declared vacant in accordance with section 259 of the Act.
2. And that the Alternate Member appointed herein shall not sit on behalf of the Mayor at an Inaugural Meeting of Renfrew County Council.
3. And further that this by-law shall come into force on the day it's passed, and take effect on the day the Alternate Members takes the Oath of Office as administered by the County Clerk

READ a first and second time this 16th day of July, 2024.

READ a third time and passed this 16th day of July, 2024.

MAYOR David M. Bennett

CAO/CLERK Hope Dillabough

RETURN TO AGENDA

CORPORATION OF THE TOWNSHIP OF HORTON**BY-LAW NO. 2024-28****A BY-LAW TO CONFIRM PROCEEDINGS OF
THE COUNCIL OF THE TOWNSHIP OF HORTON
AT THE REGULAR COUNCIL MEETING HELD JULY 16TH, 2024**

WHEREAS Subsection 5(1) of the Municipal Act, 2001, S.O. 2001, Chapter 25, as amended, provides that the powers of a municipal corporation are to be exercised by its Council;

AND WHEREAS Subsection 5(3) of the said Municipal Act provides that the powers of every Council are to be exercised by by-law;

AND WHEREAS it is deemed expedient and desirable that the proceedings of the Council of the Corporation of the Horton at this meeting be confirmed and adopted by by-law;

THEREFORE the Council of the Township of Horton enacts as follows:

1. That the actions of the Council at the meeting held on the 16th day of July, 2024, and in respect of each motion, resolution and other action passed and taken by the Council at its said meetings, is, except where the prior approval of the Ontario Municipal Board or other body is required, hereby adopted, ratified and confirmed as if all such proceedings were expressly embodied in this by-law.
2. That the Head of Council and proper officers of the Corporation of the Township of Horton are hereby authorized and directed to do all things necessary to give effect to the said action or to obtain appropriate approvals where required, except where otherwise provided, and to affix the Corporate Seal of the Corporation of the Township of Horton to all such documents.
3. That this By-Law shall come into force and take effect upon the passing thereof.

READ a first and second time this 16th day of July, 2024.

READ a third time and passed this 16th day of July, 2024.

MAYOR David M. Bennett

CAO/CLERK Hope Dillabough

RETURN TO AGENDA