TOWNSHIP OF CAVAN MONAGHAN

Special Budget Meeting

Thursday January 15, 2026

2nd Draft 2026 Budget Presentation
Finance Report 2026-01

1:00 p.m. Council Meeting
5:00 p.m. Council Meeting for Public Comment

Today's special budget meeting at 1:00 p.m. offers Council an opportunity to review the updated budget, engage in discussion, and provide feedback. At 5:00 p.m., the public is invited to share comments, which is an essential step in ensuring fiscal responsibility and alignment with community priorities.

Have it all. Right here.

TOWNSHIP OF CAVAN MONAGHAN

2nd Draft 2026 Budget Presentation

Overview

This public budget presentation provides the second draft of the 2026 Operating and Capital Budgets, incorporating all revisions from departmental submissions and the direction provided during the December 11, 2025 Budget Meeting.

Staff are recommending that Council approves the proposed 4.82% Municipal Residential Tax Rate increase to fund the Operating & Capital budgets for the final budget report on February 2, 2026.

2025 Actuals include all expenditures up to **November 30, 2025.** The 2025 surplus is estimated at $250,000 pending year end and reconciliations. This budget does not include any changes to service levels that the municipality currently provides.

Approximately every 1% municipal residential tax rate increase equals an additional $124,000 in revenue towards the Operating & Capital budgets.

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TOWNSHIP OF CAVAN MONAGHAN

Basic Fiscal Overview / Summary

Strong collaboration between Council and staff—both past and present—has ensured responsible stewardship of resources. Our focus remains on reducing expenditures, improving operational efficiencies, and identifying alternative revenue sources to minimize the impact on taxation.

Council plays a vital role in safeguarding community values by ensuring that resources are allocated responsibly and transparently, aligning every decision with the priorities of our residents..

A **MISSION** statement captures the reason that the Township of Cavan Monaghan exists, and guides the actions of the Municipality.

The Township of Cavan Monaghan is committed to delivering responsive and cost effective services that provide for the economic, social and environmental well-being of our ratepayers now and into the future.

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Corporate Strategic Plan

Based on input from residents, businesses, community organizations, municipal staff and members of Council, a comprehensive **VISION** was created for the community.

Cavan Monaghan is a strong, sustainable rural community. We celebrate, protect and promote our unique history and natural heritage, and value the contribution and interests of all ratepayers in building a prosperous future.

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Budget Basics

Annually the municipality produces a municipal budget. This is one of the most important documents, as the budget is a blueprint that defines how resources are collected and allocated.

The overall budget comprises two main components; the **Operating** Budget and the **Capital** Budget.

During development of the operating and capital budgets, Council has flexibility for reallocating or reprioritizing funds between programs and services to address emerging issues. The budgeting process carefully balances the goal of limiting tax increases for residents with the requirement to sustain essential municipal services and ensure effective management of community resources.

Balanced Budget

The municipality must maintain a balanced operating budget.
The Municipal Act prohibits the municipality from running a deficit on operating expenditures.
The municipality may borrow funds and incur debt for capital projects and is subject to the province's Annual Repayment Limit (ARL).

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Budget Process Summary / Key Steps

Guidelines and Priorities derived from several key documents including Long Term Capital Financial Plans, Strategic Plan and Asset Management Plan.

June: Council reviews and approves the budget schedule.
August–September: Management submits estimated figures; preliminary budget is reviewed by management and discussed in departmental meetings.
September–November: Continued review and discussion of the preliminary budget with the budget committee and management.
December: First draft is presented to Council for discussion; individual meetings are available to Council members for clarification.
January–February: Second draft and Final budget presentations, incorporating Council feedback and amendments.

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ONTARIO'S PROPERTY ASSESSMENT AND TAXATION SYSTEM

Property assessments are determined

↓

Assessments are shared with municipalities

↓

Municipalities determine investments required to build thriving communities

Government of Ontario

Establishes the province's assessment and taxation laws and determines education tax rates.

MPAC

Determines property assessments for all properties in Ontario.

Municipalities

Determine revenue requirements, set municipal tax rates and collect property taxes to pay for municipal services.*

Property owners

Pay property taxes which pay for services in the community. You also pay education taxes that help fund elementary and secondary schools in Ontario.

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Upper & Lower Tier Municipal Budgets

Peterborough County is an upper-tier municipality serving eight lower-tier municipalities. It provides services such as arterial road maintenance, ambulance, health and social services, and county-level land use planning.

Township of Cavan Monaghan is a lower-tier municipality which uses property taxes to fund local services including fire and police, animal control, by-law enforcement, economic development, waste collection, libraries, local roads and sidewalks, snow removal, storm sewers, parks and recreation, planning, culture and heritage, tax administration, licensing, and community programs.

Water and Wastewater Budgets

Ontario municipalities must maintain balanced water and wastewater budgets through financial plans that ensure full cost recovery, sustainable asset renewal, and fiscal transparency. These plans integrate operating and capital costs, reserves, and debt strategies to deliver reliable services in compliance with provincial legislation.

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TOWNSHIP OF CAVAN MONAGHAN

MPAC, Province of Ontario & the Municipality

MPAC assesses property values in Ontario. The provincial government sets assessment laws and education tax rates, while municipalities set local tax rates and collect property taxes to fund essential services.

When is the next province-wide Assessment Update?

The Ontario Government has extended the postponement of a province-wide property reassessment. As a result, property taxes for the 2026 tax year will continue to be based on fully phased-in January 1, 2016 Current Value Assessments (CVA's) rather than updated market values. .

What does this mean for property owners?

Property assessment will remain the same in 2026 as the 2025 tax year, unless there have been changes to a property. MPAC property assessments continue to be based on January 1, 2016 fully phased-in values.

The MPAC median current value assessment (CVA) in Cavan Monaghan is estimated at $400,000. MPAC assessments do not necessarily reflect what realtors would determine is the market value of your property when you list it for sale. MPAC assessments in many cases are behind the actual current market, partly because they are only completed every four years.

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MPAC Example of Phase-In Cycle

A property valued at **$400,000 on January 1, 2016** with a previous valuation of $250,000 on January 1, 2012 experienced a valuation increase of $150,000 over the four year phase in cycle from 2017-2020.

The difference between the 2012 value and 2016 value is divided by four
= $400,000 - $250,000 = $150,000 / 4 years
= $37,500 phase in value for each tax year

The province has postponed the MPAC valuation updates for 2021-2026 and therefore this property remains valued at $400,000 CVA

Year	Assessed Value Applied	Increase Applied
Base Year	$250,000	—
Year 1	$287,500	$37,500
Year 2	$325,000	$37,500
Year 3	$362,500	$37,500
Year 4	$400,000	$37,500

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2026 Ontario Municipal Partnership Fund (OMPF) Update

The Ontario Municipal Partnership Fund (OMPF) provides unconditional operating support from the province to 388 municipal governments. It uses an equalization approach to address challenges in rural and northern communities, with funding based on various community fiscal health indicators. The province maintains the OMPF structure and the program envelope with an increase of $50 million to provide $600 million in 2026.

In 2026, the Province is providing the Township of Cavan Monaghan with **$633,200** in funding through the OMPF. Over the past five years (2022–2026), the Township of Cavan Monaghan has experienced a steady increase in Ontario Municipal Partnership Fund (OMPF) allocations. Funding rose from $520,200 in 2022 to $633,200 in 2026 resulting in an average annual increase of approximately $28,250.

The OMPF funds are utilized to reduce the cost of the Operating Budget and minimize the impact on the municipal property tax rate.

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Stabilized Taxation and Asset Replacement

The municipality has successfully implemented the recommendations outlined in the Potential Impact of Loss of OLG Funding Report (2012) and the Modified Service Delivery Review (2013) through phased budget strategies designed to stabilize taxation and ensure long-term financial sustainability. These measures have effectively eliminated reliance on OLG revenues by:

1. Removing $1.4 million from the operating budget in 2013
2. Maintaining a minimum $1.1 million levy contribution to the capital as of 2015
3. Prioritizing transfers to the Asset Replacement Reserve (ARR) as of 2016,

For 2026, a transfer of $3.2 million—representing 100% of the consolidated 2024 audited depreciation is recommended. On December 15, 2026 Council directed staff to utilize $343,000 combined revenue, from the sale from municipal properties, to reduce the impact on the municipal levy.   Continued investment in the ARR remains essential to support future infrastructure replacement and uphold fiscal independence

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OLG Program extension and Financial Impact

The Ontario Lottery and Gaming Corporation (OLG) has reversed its earlier plan to end the Optional Slots at Racetracks Program on March 31, 2026, and slot operations at Shorelines Slots at Kawartha Downs will now continue beyond that date. OLG is working with Great Canadian Entertainment and the racetrack property owner to extend the operating agreement and lease, ensuring ongoing MCA payments to the Township for as long as the casino remains open. Revenues received during OLG's 2024–25 fiscal year were $286,339.

Item	Amount (CAD)
OLG revenues (FY 2024–25)	$286,339
Outstanding CMCC loan (Mar 31, 2025)	$939,782
Projected revenues FY 2025–26	$286,339
Projected revenues FY 2026–27	$286,339
Projected loan balance (Mar 31, 2027)	**$367,104**

Have it all. Right here.

TOWNSHIP OF CAVAN MONAGHAN

Reserve and Reserve Funds

The Township of Cavan Monaghan sets aside funds are part of the annual budget for reserves and reserve funds. Reserves ensure that the municipality can “weather the storms” and sustain critical infrastructure over the long term without significant fluctuations to the tax rate.

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Flexible or Committed Funds

Reserve funds are either obligatory or discretionary.

Discretionary reserve funds are set by municipal councils for specific purposes. Councils can have flexibility to decide how the money is used.

Obligatory reserve funds are required by provincial statutes or contractual agreements and can only be used for their intended purpose.

Tool for Long-term Financial Sustainability

Reserves and reserve funds are an important tool for a municipality's long-term financial sustainability.

Setting money aside for unavoidable events (like floods) and for capital projects (like road repairs) reduces the need for long-term borrowing or imposing sudden tax increases on current or future taxpayers.

Reserve and Reserve Funds

Unaudited 2025 year-end Reserve and Reserve Fund balances will be included in the final budget report with all rollovers. The audited 2024 Reserves and Development Charges Reserve Funds Report, presented to Council on December 1, 2025, provides prior-year reserve activity and fund positions, ensuring transparency and compliance.

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Keeping Reserves only for Intended Purposes

Using reserves for their **intended purposes** is a financial best practice:

- In case of emergency, tax rates and user rates can remain relatively stable. Taxpayers are not burdened by significant increases.
- Money can be saved for major capital projects that benefit communities as a whole.
- Municipalities can continue to practice long-term financial sustainability, and better plan and budget for the future.

If reserves are used for **unintended purposes**:

- Adequate funds may not be available to cover emergencies.
- Property taxes may need to increase to cover any unexpected losses.
- A lack of funds to maintain a state of good repair for capital infrastructure may lead to decreased service levels.
- There will be a funding gap for projects for which funds were set aside. Projects will be at risk in the event of economic shocks.

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Annual Repayment Limit (ARL)

The ARL may be summarized as the maximum amount that a municipality can pay in principal and interest payments in the year for new long-term debt (and in annual payments for other financial commitments) without first obtaining approval from the Ontario Municipal Board.

Net Revenues	16,872,226
25% of Net Revenues	4,218,057
ESTIMATED ANNUAL REPAYMENT LIMIT (25% of Net Revenues less Net Debt Charges)	3,711,954

Ontario

Ministry of Municipal Affairs and Housing
777 Bay Street,
Toronto, Ontario M5G 2E5

Ministère des affaires municipales et du logement
777 rue Bay,
Toronto (Ontario) M5G 2E5

2025 ANNUAL REPAYMENT LIMIT

(UNDER ONTARIO REGULATION 403 / 02)

MMAH CODE:	66617	
MUNID:	15012	
MUNICIPALITY:	Cavan Monaghan Tp	
UPPER TIER:	Peterborough Co	
REPAYMENT LIMIT:	$	3,711,954

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The Budget Committee, consisting of the Mayor, Chief Administrative Officer, and Director of Finance, reviewed preliminary budget estimates prepared by management and senior staff. Through committee discussions, these estimates were refined into the first draft, presented as Finance Report 2025-15 on December 11, 2025, reflecting a proposed municipal tax rate increase of 10.28%. Staff recommended that Council provide direction on reviewing and prioritizing projects for potential removal or modification to mitigate the impact on the municipal tax rate.

This updated 2nd draft, Finance Report 2026-01, requires a consolidated municipal residential tax levy increase of 4.82%, driven by inflationary pressures, infrastructure needs, asset management requirements, and the resources necessary to maintain current service levels.

Approximately every 1% municipal residential tax rate increase equals an additional $124,000 in revenue towards the Operating & Capital budgets.

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A **1.0%** municipal tax levy increase, applied to the residential annual tax bill, equals **an increase of $7.76 per $100,000** of MPAC current value assessment (CVA)

Therefore a **1.0%** municipal tax levy increase, applied to the median MPAC current value assessment (CVA) equals; **an increase of $31.04 per $400,000** of MPAC

MPAC property assessments for the 2026 property tax year continue to be based on 2016 fully phased-in values.

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Tax Levy Comparison

The tax rate and assessment comparisons provide a summary of the tax rate changes over the past four years. The table below is a history of the MPAC Municipal Assessment (weighted) for the Township of Cavan Monaghan and the corresponding final tax rates per year.

Tax Rate and Assessment Comparison

	2022	2023	2024	2025	2026 2nd Draft
Amount to be raised by Taxes	$10,488,045	$11,012,885	$11,501,035	$12,111,854	$12,994,741
Weighted Assessment	$1,488,177,140	$1,517,338,016	$1,533,673,199	$1,561,547,234	$1,598,340,185
Increase in CVA year over year	4.0%	2.0%	1.1%	1.8%	2.4%
Taxes per 100,000 Residential	$704.76	$725.80	$750.20	$775.63	TBD
Increase in Tax Levy %	**2.85%**	**3.00%**	**3.37%**	**3.40%**	**4.82%**

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The Consumer Price Index rose 1.9% in the 12 months to August; on the September 2025 notice from Statistics Canada and the municipal wage grid indexed as per Personnel Policy By-law 2015-65, Sec. 12.1.4.

The Canadian Union of Public Employees Local 1306.2/1306.8 collective agreements renewed in May 2025 on CAO Report 2025-06 (Parks) and 2025-07 (Public Works) with a 4% wage increase (2025) and a 3% annual wage increase over a remainder of the term (2026-2027).

The Construction Price Index rose 4.2% year over year (Q3 2024 to Q3 2025) and the 2026 Development Charges will be indexed as per By-law No. 2022-43, Section 5.1. Note: U.S. tariffs have further increased costs for Ontario municipalities by driving up prices for imported steel, equipment, and materials used in infrastructure projects.

On December 1, 2025 Council approved the annual User Fees & Charges By-law No. 2025-53 to ensure municipal revenues for services reduce the impact of the cost of services on the municipal property tax rate.

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TOWNSHIP OF CAVAN MONAGHAN

2026 Municipal Tax Rates

2nd Draft (4.82% increase)

Property Class Description	RTC	RTQ	2026 MPAC Roll Total	Tax Ratio	Tax Rate Reduction	Weighted Assessment	2ndDraft Tax Rate	2nd Draft 2026 Taxes
Commercial, , Exempt From Taxation, But Eligible For Payment-In-Lieu Of Taxes At The Full Rate.	C	F	2,690,700	1.0986	1	2,956,003	0.00893178	24,033
Commercial, Payment In Lieu, Full, Excess Land	C	V	105,000	1.0986	0.7	80,747	0.00625224	656
Commercial, Exempt From Taxation, But Eligible For Payment-In-Lieu Of Taxes At The General Rate Only	C	G	1,161,000	1.0986	1	1,275,475	0.00893178	10,370
Commercial, Taxable vacant land shared, Subject To Payment-In-Lieu Of Taxes At The Full Rate.	C	J	112,000	1.0986	0.7	86,130	0.00625224	700
Commercial, Taxable At The Full Rate.	C	T	100,214,005	1.0986	1	110,095,106	0.00893178	895,090
Commercial taxable: Excess land	C	U	3,356,507	1.0986	0.7	2,581,221	0.00625224	20,986
Commercial, Taxable At The Vacant Land Rate.	C	X	3,772,300	1.0986	0.7	2,900,974	0.00625224	23,585
Commerical payment in lieu full vacan land	C	Y	136,000	1.0986	0.7	104,587	0.00625224	850
Commercial payment in lieu general vacant land	C	Z		1.0986	0.7	-	0.00625224	0
New Construction Commercial: Full No Support	X	T		1.0986	1	-	0.00893178	0
Exempt	E		87,716,865	0	0	-	-	0
Farmland, Taxable At The Full Rate.	F	T	215,660,500	1	0.25	53,915,125	0.00203254	438,338
Industrial, Taxable, Shared Payment-In-Lieu (Not Pil But Shared As If It Was)	I	H	117,300	1.5432	1	181,017	0.01254645	1,472
Industrial, Taxable, Excess Land, Shared Payment in Lieu	I	K	57,200	1.5432	0.65	57,376	0.00815519	466
Industrial, Taxable At The Full Rate.	I	T	6,719,700	1.5432	1	10,369,841	0.01254645	84,308
Industrial, Taxable At The Vacant Land Rate. Excess Land	I	U	411,300	1.5432	0.65	412,567	0.00815519	3,354
Industrial, Taxable At The Vacant Land Rate.	I	X	3,728,600	1.5432	0.65	3,740,084	0.00815519	30,407
New Construction Industrial, Taxable At The Full Rate.	J	T		1.5432	1	-	0.01254645	0
Pipeline Taxable: Full	P	T	8,211,000	1	0.9386	7,706,845	0.00763096	62,658
Multi-Residential Taxable: Full	M	T	4,009,000	1	1	4,009,000	0.00813015	32,594
Residential, Exempt From Taxation, But Eligible For Payment-In-Lieu Of Taxes At The General Rate Only	R	G	2,117,000	1	1	2,117,000	0.00813015	17,212
Residential Taxable Tenant Of Provincially Owned Property, Subject To Payment-In-Lieu Of Taxes At The	R	P		1	1	-	0.00813015	0
Residential, Taxable At The Full Rate.	R	T	1,393,160,523	1	1	1,393,160,523	0.00813015	11,326,604
Managed Forest, Taxable At The Full Rate.	T	T	9,228,600	1	0.25	2,307,150	0.00203254	18,757
Aggregate Extraction	V	T	225,700	1.255712	1	283,414	0.01020913	2,304
			$ 1,842,910,800			1,598,340,185		12,994,744
		-	0					

2026 Estimated Budget Requirement	12,994,741
Amount to be raised by taxes	12,994,741
Weighted Assessment	1,598,340,185
Tax Rate	0.00813015
Taxes per 100,000 Residential Assessment	813.02

Estimated Break-even, with 0% TAX INCREASE, equals $285,345 of additional tax revenue

2026	**$813.02**
2025	**$775.63**
Estimated increase in Residential Tax Rate %	**4.82%**
$ Value of increase per 100,000 Residential CVA	**$37.38**

Approximately every 1% residential tax rate increase equals $124,000

TOWNSHIP OF CAVAN MONAGHAN

2026 Budget Summary
2nd Draft (4.82% increase)

Budget	Operating % Net change over 2025	Operating	Capital	Total	Tax Levy	Prov/Fed Grant	DC's and/or Reserve Funds	User Fees & Other Revenue	Total
Planning	-0.4%	365,130	402,605	767,735	549,935	7,500	180,000	30,300	767,735
Building	-0.9%	450,925		450,925	-		100,925	350,000	450,925
By-Law Enforcement	0.0%	116,400		116,400	116,400				116,400
Protective Services (Fire)	12.4%	1,442,905	1,662,877	3,105,782	1,619,590	32,000	1,368,992	85,200	3,105,782
Public Works	3.6%	2,673,034	8,359,728	11,032,762	6,648,398	2,123,253	2,079,411	181,700	11,032,762
Parks & Facilities Department	7.7%	1,802,820	2,060,100	3,862,920	1,827,054	1,013,896	415,900	606,070	3,862,920
Office of the CAO & ECD	3.0%	689,860	25,000	714,860	461,860		28,000	225,000	714,860
Office of the Clerk	5.9%	696,418		696,418	624,678	6,000	46,740	19,000	696,418
Finance & Information Techonology	5.9%	2,443,250	3,380,883	5,824,133	3,668,933		1,130,600	1,024,600	5,824,133
Capital Grant Applications (pending)	-		80,000	80,000	30,000	50,000			80,000
Consolidated Department Net Changes	5.7%				-				-
				-	-				-
Council	0.2%	226,910		226,910	215,910		11,000		226,910
Library Board Levies & Allocated Expenses	4.1%	405,657		405,657	384,112		21,545		405,657
Ganaraska, Kawartha & Otonabee Conservation	7.9%	134,987		134,987	134,987				134,987
Committee's of Council	26.8%	51,490		51,490	24,400			27,090	51,490
Police Service Contract, Board & Community Policing	7.0%	1,688,829		1,688,829	1,666,129			22,700	1,688,829
Consolidated Other Services/Levy Changes	5.5%								-
Sub total: Projected Budget		**13,188,615**	**15,971,193**	**29,159,808**					-
Less: 2025 Capital Roll Overs			(854,881)	(854,881)					(854,881)
Less: Future Budget pre-approvals			(3,239,563)	(3,239,563)					(3,239,563)
Less: 2025 Operating Surplus (estimated)		(250,000)		(250,000)	(250,000)				(250,000)
Less: 2026 Reduction to Budget Required				-	-				-
Total Budget		**12,938,615**	**11,876,749**	**24,815,364**					-
				-	-				-
					-				-
Provincial Grants (OMPF)		-	-	-	(633,200)	633,200			-
Provincial Grants (OCIF-Formula-Based Funding)					(282,772)				(282,772)
Contribution to Future Infrastructure Reserve					282,772				282,772
Ontario Lottery & Gaming Corp. (OLG) Revenues, 150 Slots *(estimated)*					(320,000)				(320,000)
Contributions to Asset Replacement Reserve Loan					320,000				320,000
Canada Community Building Fund (prev FedGasTax Grant)					(328,025)				(328,025)
Contributions to Capital Roads Projects				-	328,025				328,025
Special Charges; Environmental Services and BIA Levy		562,865		562,865	458,425	3,000	-	101,440	562,865
Total (including Casino, Fed Gas Tax & BIA)		**13,501,480**	**11,876,749**	**25,378,228**	**17,547,611**	**3,868,849**	**5,383,113**	**2,673,100**	**25,378,228**

2026 OMPF allocation notice

Revenues	Operating	Capital	Total
General Tax Levy	8,813,844	4,180,897	12,994,741
Special Charges; Environmental Services and BIA Levy	458,425	-	458,425
Provincial/Federal Grants	549,700	3,319,149	3,868,849
Development Charges & Reserve Funds	1,772,810	3,610,303	5,383,113
User Fees & Other Revenue	2,673,100		2,673,100
Total	**14,267,879**	**11,110,349**	**25,378,228**

4.82% Residential Tax Rate Increase (if budget is not reduced/cut)
Approximately every 1% residential tax rate increase equals $124,000

Special Charges	Operating	Capital	Total	Tax Levy	Prov/Fed Grant	DC's and/or Reserve Funds	User Fees & Other Revenue	Total
				-				
Environmental Levy	541,175	-	541,175	440,425	3,000		97,750	541,175
Millbrook BIA	21,690		21,690	18,000			3,690	21,690
Total	**562,865**	-	**562,865**	**458,425**	**3,000**	-	**101,440**	**562,865**

TOWNSHIP OF CAVAN MONAGHAN

Operating Budget

The Operating Budget presented reflects a consolidated departmental net increase of **5.7%**, driven by increased pressure on expenditures, maintaining operational efficiencies, and improving online access and service delivery as directed by Council, policy, by-law, and provincial legislation.

The following summary outlines each department's efforts to sustain operations, manage inflation, and adapt to growing demands for products and services.

The following adjustments have been applied across all departments;

- Staff Wages: Alignment of all staff wages to primary departments and the Gallagher Pay Equity Review, with indexing in accordance with By-law No. 2015-65, Section 12.1.4.
- Source Deductions & Benefit Rates: Updated to 2026 rates for OMERS, EI, CPP, EHT, WSIB, Manulife, and other applicable programs.
- Utility & Service Costs & Expenses: 2% increase applied to Hydro, Gas & Fuel, and Telecommunication services and applied across all departmental allocation expense lines.

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Operating Budget	2025 Final Budget	2026 2nd Draft	Variance	
Planning	$336,175	$334,830	-$1,345	-0.4%
Building (funded through Building Reserve)	$451,040	$446,925	-$4,115	-0.9%
By-law Enforcement	$101,200	$116,400	$15,200	15.0%
Protective Services	$1,149,305	$1,312,205	$162,900	14.2%
Public Works	$2,402,380	$2,491,334	$88,954	3.7%
Public Works - Environmental	$522,950	$541,175	$18,225	3.5%
Parks & Facilities	$1,197,135	$1,296,750	$99,615	8.3%
CAO & Economic Development	$424,105	$436,860	$12,755	3.0%
Office of the Clerk	$589,863	$624,678	$34,815	5.9%
Finance & Information Technology	$643,632	$658,450	$14,818	2.3%
Consolidated Department Net Changes	$7,817,785	$8,259,607	$441,822	**5.7%**
Council	$215,515	$215,910	$395	0.2%
Library Board Operating Levy	$333,486	$347,252	$13,766	4.1%
Library Allocated Expenses	$20,263	$21,355	$1,092	5.4%
Library Board Capital Levy	$28,000	$15,505	-$12,495	-44.6%
Ganaraska, Kawartha & Otonabee Conservation	$125,087	$134,987	$9,900	7.9%
Committees of Council	$19,250	$24,400	$5,150	26.8%
Police Contract & Services	$1,557,516	$1,666,129	$108,613	7.0%
Consolidated Other Services/Levy Changes	$2,299,117	$2,425,538	$126,421	**5.5%**
Total Department & Other Services/Levy	$10,116,902	$10,685,145	$568,243	**5.6%**
Water & Wastewater Expenses	$943,217	$1,090,702	$147,485	15.6%
Consolidated Other Services/Levy Changes	$11,060,119	$11,775,847	$715,728	**6.5%**

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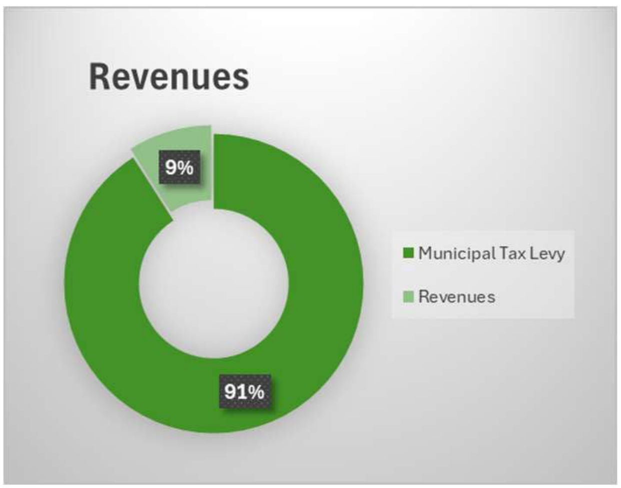
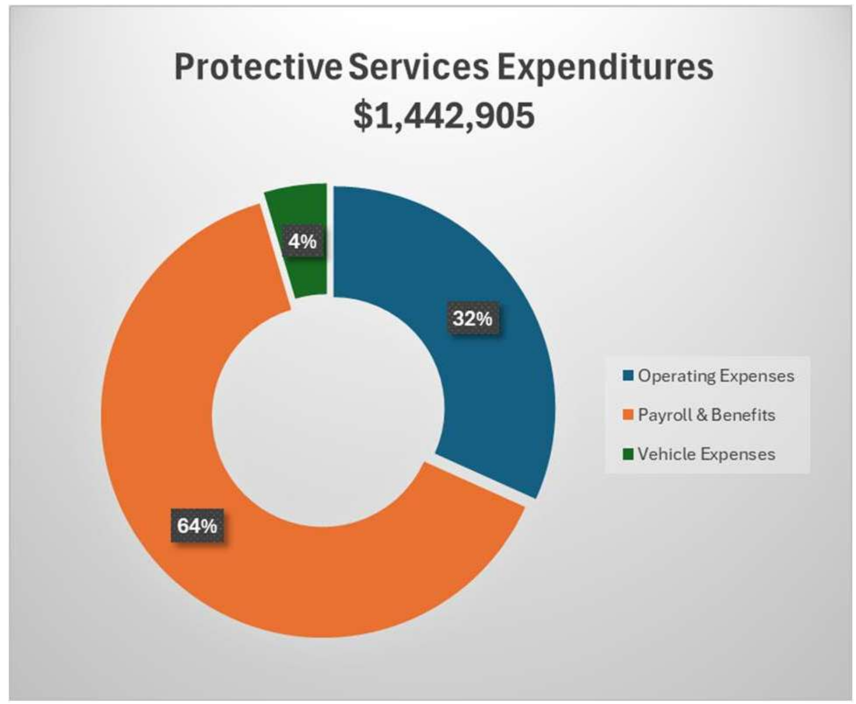
TOWNSHIP OF CAVAN MONAGHAN

Protective Services (Fire Department)

Financial Highlights: Operating Revenues & Expenses





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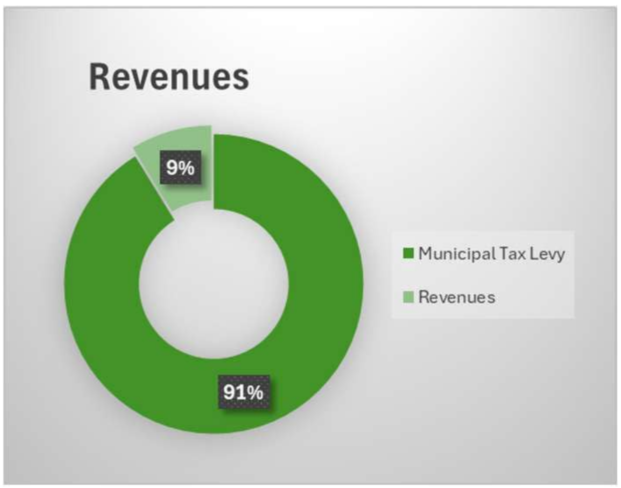
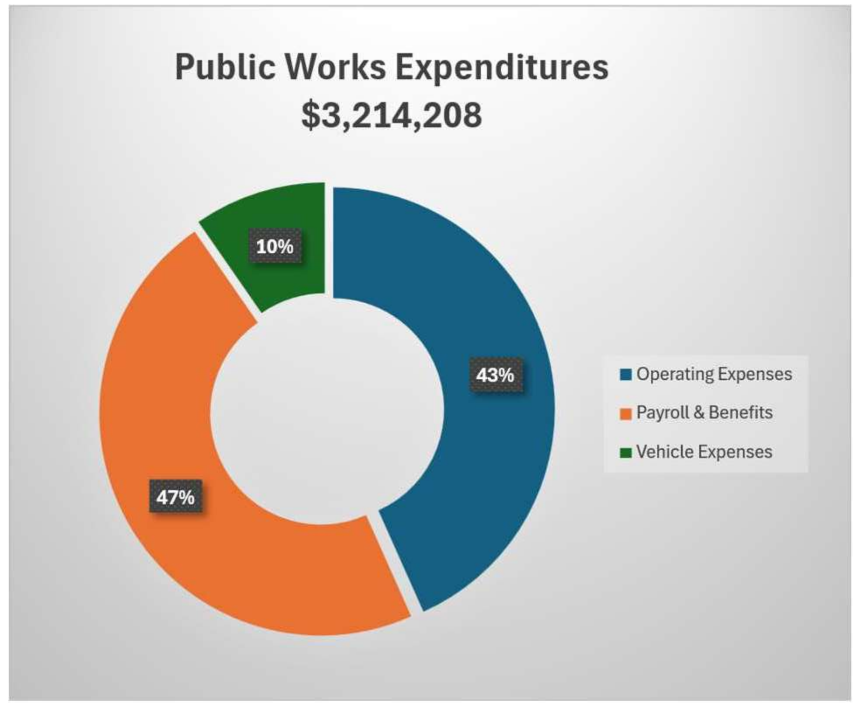
TOWNSHIP OF CAVAN MONAGHAN

Public Works

Financial Highlights: Operating Revenues & Expenses





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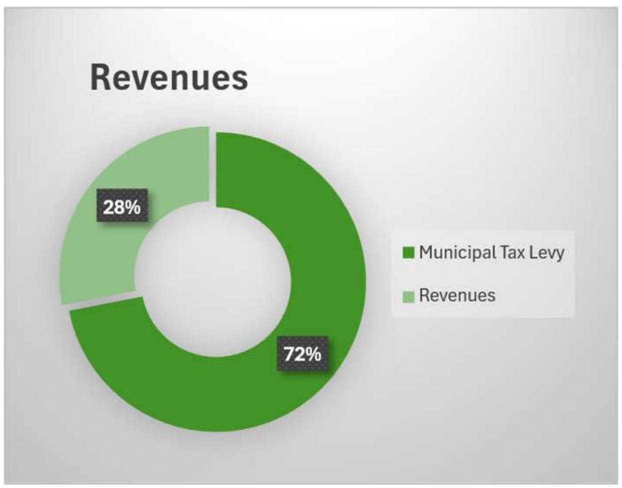
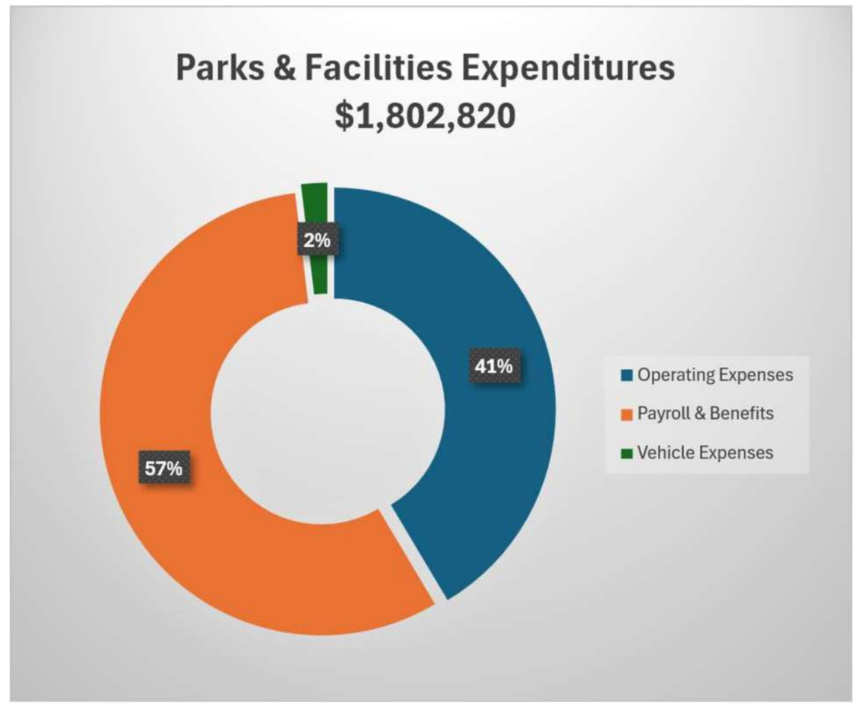
TOWNSHIP OF CAVAN MONAGHAN

Parks & Facilities

Financial Highlights: Operating Revenues & Expenses





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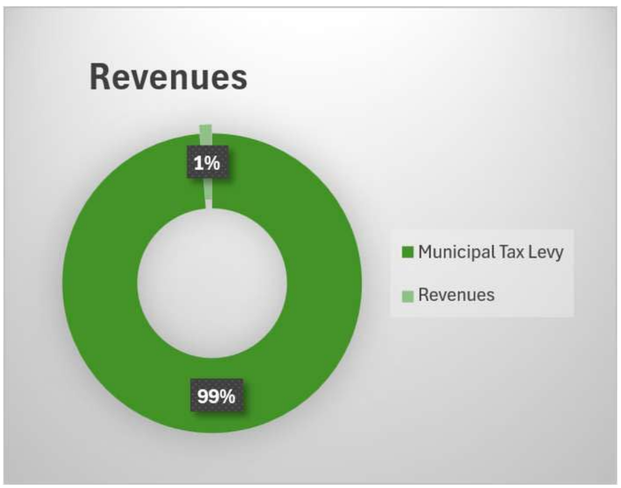
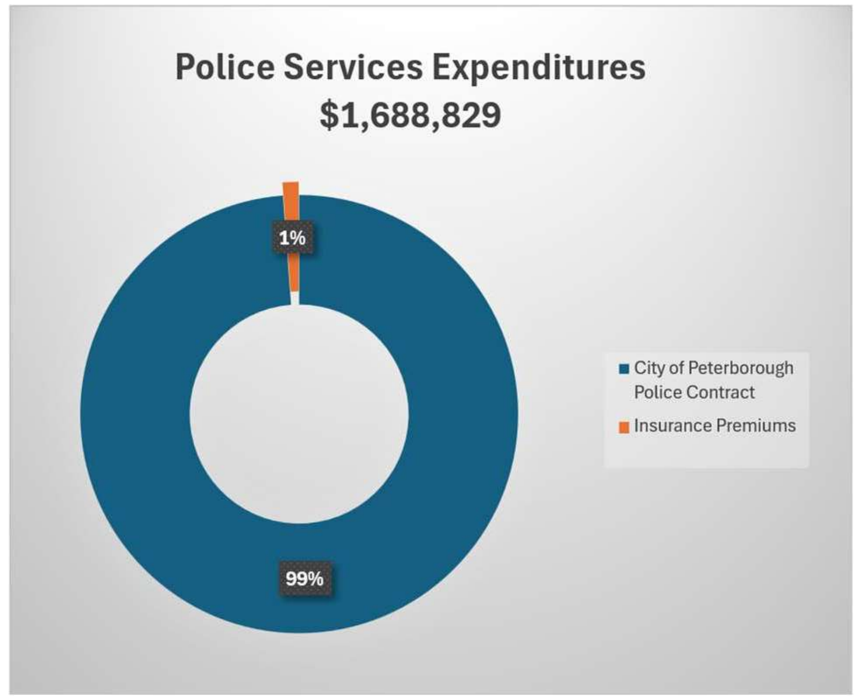
TOWNSHIP OF CAVAN MONAGHAN

Police Services Contract (City of Peterborough)

Financial Highlights: Operating Revenues & Expenses





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TOWNSHIP OF CAVAN MONAGHAN

Environmental Tax Rate

In 2026, the environmental tax rate will increase by **1.2%**, which is approximately 32 cents for every $100,000 of property assessment. This adjustment helps cover costs for waste programs, landfill monitoring, and transfer station operations under the municipality's service contract with Wither's Waste Management. The municipality will also continue to receive funding from Circular Materials Ontario for Blue Box recycling services at the Cavan Monaghan Transfer Station, ensuring ongoing support for local recycling efforts.

Water and Wastewater

The 2026 Water and Wastewater Operating Budget is managed to keep our water services sustainable and our infrastructure reliable for the community. It follows the Water Financial Plan, Rate Study, and the User Fees and Charges By-law to ensure responsible management. Water services are fully funded through user fees, therefore this budget **does not affect property taxes**.

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TOWNSHIP OF CAVAN MONAGHAN

Capital Budget Overview

The municipal capital budget is a long-term financial plan that funds major infrastructure projects and asset investments essential for delivering services to the community. Unlike the operating budget, which addresses day-to-day expenses, the capital budget focuses on projects that provide benefits over multiple years, such as road reconstruction, water and wastewater system upgrades, facility improvements, and fleet replacements.

Funding sources typically include reserves, development charges, grants, and debt financing, with priorities guided by the Asset Management Plans and the Corporate Strategic Plan objectives.

The capital budget ensures sustainable infrastructure renewal and supports growth while maintaining fiscal responsibility.

Have it all. Right here.

TOWNSHIP OF CAVAN MONAGHAN

The 2026 Capital Budget proposes a total of $11,876,750 in capital requests, inclusive of 2025 rollover projects. This report seeks Council's review and direction on the proposed capital initiatives to ensure alignment with priorities outlined in the Corporate Strategic Plan.

Total Capital Requests	$15,971,194
Less: 2025 Capital Roll Over	($854,881)
Less: Future Year pre-approvals	($3,239,563)
Total 2026 Capital Expenditures	**$11,876,750**
Less: Asset Replacement Reserve Funding	($1,044,190)
Less: Reserves and/or Other Funding	($6,601,662)
Less: Grant Applications (pending)	($50,000)
Net 2026 Capital Expenditures	**$4,180,898**
Net 2025 Capital Expenditures	*$3,948,335*
Funding Sources;	
Asset Replacement Reserve funded through the Municipal Tax Levy	$3,275,155
Capital Requests funded through the Municipal Tax Levy	$905,743
Total Capital Funded through Municipal Tax Levy	$4,180,898

Have it all. Right here.

TOWNSHIP OF CAVAN MONAGHAN
Have it all. Right here.

The Township of Cavan Monaghan
Capital Requests in 2026
2nd Draft (including 2025 roll-overs)

Capital Item Requested	Requested Purchases	Reserve/ Other Funding Available	Transfers Specific Reserves	2025 Roll Overs	Transfers Asset Replacement Reserve	Future Budget pre-approvals	Adjusted Total
CAO & ECD (Economic Community Development)							
2023-2026 CIP Incentives	$25,000			($22,743)			$2,257
Total CAO & ECD	**$25,000**	**$0**	**$0**	**($22,743)**	**$0**	**$0**	**$2,257**
						2025 Capital Request Adjusted Total (CAO & ECD)	*$25,000*
Finance						100% YE2024 Depreciation	
Development Charges Study, 5 year update	$19,700	($19,700)					$0
Asset Management Reserve, O.Reg 588/17 (Municipal Infrastructure)		($343,000)			$3,275,155		$2,932,155
Total Finance	**$19,700**	**($362,700)**	**$0**	**$0**	**$3,275,155**	**$0**	**$2,932,155**
						2025 Capital Request Adjusted Total (Finance)	*$2,724,289*
Information Technology							
Network, Server, Switches & IT Infrastructure, rollover	$56,028			($56,028)			$0
Municipal ERP (Diamond) Software & Training	$20,000						$20,000
Hardware Replacement Program & Upgrades	$4,000				($3,080)		$920
Council Hardware Replacement - Laptops and Ipads	$6,000				($4,620)		$1,380
Total Information Technology	**$86,028**	**$0**	**$0**	**($56,028)**	**($7,700)**	**$0**	**$22,300**
						2025 Capital Request Adjusted Total (IT)	*$27,888*
Planning & Building							
Baxter Creek Floodplain SPA (Special Policy Area)	$34,322			($34,322)			$0
Planning and Engineering Studies (Employment Lands)	$142,214			($142,214)			$0
Tsf to RSV - Official Plan (180k RSV, FPD 2026)	$190,000	($180,000)					$10,000
Station Park Sign	$6,070			($6,070)			$0
MEPP Grant - Municipal Energy Management Plan	$15,000	($7,500)	Municipal Energy Plan Program: Stream 2 Grant			($7,500)	$0
Tsf to RSV - Cavan Monaghan Zoning By-Law (106k RSV, FPD 2027)			$15,000				$15,000
Total Planning & Building	**$387,605**	**($187,500)**	**$15,000**	**($182,605)**	**$0**	**($7,500)**	**$25,000**
						2025 Capital Request Adjusted Total (Planning, Building & ECD)	*$223,829*

RSV - All Reserve balances as of YE2025
FPD - Future Purchase Date
Tsf to RSV- see 10 year Capital for more detail

TOWNSHIP OF CAVAN MONAGHAN
Have it all. Right here.

The Township of Cavan Monaghan
Capital Requests in 2026
2nd Draft (including 2025 roll-overs)

Capital Item Requested	Requested Purchases	Reserve/ Other Funding Available	Transfers Specific Reserves	2025 Roll Overs	Transfers Asset Replacement Reserve	Future Budget pre-approvals	Adjusted Total
Parks and Facilities							
Tsf to RSV - Parkland General Reserve Fund (217k RSV, R-2024-321)			$124,000				$124,000
Tsf to RSV - Health and Medical Center Reserve (58k RSV, R-2025-14)			$62,000				$62,000
ICIP Grant - Old Millbrook School - approved Aug 2021 (R/04/11/19/13)	$305,528	($305,528)					$0
ICIP Grant - Downtown Park - approved March 2021 (P&F 2019-15)	$951,672	($708,368)		($243,304)			$0
Downtown Park Infrastructure - Phase 1 - Land Improvements	$151,600	($151,600) DC					$0
CMCC Infrastructure - Phase 1 - Land Improvements	$147,600	($147,600) DC					$0
Hydro Grant - CMCC Volleyball Courts	$155,000	($100,000) Hydro Grant					$55,000
MVT - Trail Master Plan	$10,000	Parkland GEN (1918)					$10,000
Maple Leaf Park Playground Equipment (FPD 2034)	$50,000	($50,000)					$0
Maple Leaf Park Lighting	$66,700	($66,700) Parkland in Lieu (1909)					$0
Tsf to RSV - Olympia Ice Resurfacer, (20k RSV, FPD 2029)			$10,000				$10,000
Tsf to RSV - 2014 Dodge Ram PR-03 replacement, (20k RSV, FPD 2028)			$10,000				$10,000
Tsf to RSV - 2009 Toro Zero Turn Lawn Mower (FPD 2028)			$5,000				$5,000
Tsf to RSV - Hot Water Heating Boilers - Old Millbrook School (FPD 2033)			$10,000				$10,000
Tsf to RSV - Bell Restoration (RSV 1k, FPD 2028)			$1,000				$1,000
Total Parks & Facilities	**$1,838,100**	**($1,529,796)**	**$222,000**	**($243,304)**	**$0**	**$0**	**$287,000**
				2025 Capital Request Adjusted Total (Parks & Facilities)			*$405,230*
Protective Services (Fire)							
Replace-2000 GMC Tanker #T1-00, (624k RSV, FPD 2027) preapproved	$765,377	($624,343) EE			($75,314)		$65,720
Replace -2000 Ford F550 Rescue Truck #R2-00, (148k RSV, FPD 2027) preapproved	$400,000	($148,000) EE			($60,785)	($95,608)	$95,607
Replace-2003 Chevy C5500 Rescue Truck #R1-03, (395k RSV, FPD 2026) preapproved	$369,500	($296,195) EE			($73,305)		$0
OFM Grant - Bunker Gear Fire Suits	$60,000	($32,000) OFM			($28,000)		$0
Memorial Monument - Fire Hall #1 (8.4 Report - Fire 2025-04)	$6,000	($6,000) EE					$0
Fire Hoses	$15,000				($11,550)		$3,450
Tsf to EE RSV - Porta Count, Fit testing			$5,000				$5,000
Tsf to EE RSV - Jaws Of Life			$5,000				$5,000
Tsf to EE RSV -SCBA UNITS, Incl. Face Masks - (54k RSV)			$27,000				$27,000
Tsf to EE RSV - Communication Upgrades Reserve - (20k RSV)			$10,000				$10,000
Total Protective Services	**$1,615,877**	**($1,106,538)**	**$47,000**	**$0**	**($248,954)**	**($95,608)**	**$211,777**
				2025 Capital Request Adjusted Total (Protective Services - Fire)			*$264,601*

TOWNSHIP OF CAVAN MONAGHAN

Have it all. Right here.

The Township of Cavan Monaghan
Capital Requests in 2026
2nd Draft (including 2025 roll-overs)

Capital Item Requested	Requested Purchases	Reserve/ Other Funding Available	Transfers Specific Reserves	2025 Roll Overs	Transfers Asset Replacement Reserve	Future Budget pre-approvals	Adjusted Total
Roads and Environmental Services							
HECS Grant - Fallis Line East Road Extension (DC 5.3.1 T5-4 #9, FPD 2026)	$2,543,750	($2,543,750)	DC 50% Grant 50%	Rollover from Dufferin			$0
Hot Mix (5-Year PW 2025-16)	$1,500,000			($60,000)	($231,000)	($1,200,000)	$9,000
Road Reconstruction Projects (5-Year PW 2025-16)	$2,114,292	($403,353)	PY OCIF 120k + CY OCIF 282k			($1,685,476)	$25,463
Design Fees (5-Year Program - PW 25-16)	$112,000				($107,630)		$4,370
Sidewalk Replacement 2026 (5-Year Program - PW 25-16)	$100,000				($28,875)		$71,125
International Tandem, (PW2023-04 pre-approved, delivery Fall/Winter 2025)	$365,135	($120,000)		($245,135)			$0
Pre-Engineering	$50,000						$50,000
OSIM Report Study	$20,000						$20,000
Zion Line (Surface Treatment)	$88,000	($20,240)	CCBF		($67,760)		$0
Howden 1/4 Line (Surface Treatment)	$45,000	($10,350)	CCBF		($34,650)		$0
Brown Line (Surface Treatment)	$66,000	($15,180)	CCBF		($50,820)		$0
Carmel Line (Surface Treatment)	$88,000	($20,240)	CCBF		($67,760)		$0
Deyell Line (Surface Treatment)	$115,000	($26,450)	CCBF		($88,550)		$0
Ava Crescent Line (Surface Treatment)	$48,000	($11,040)	CCBF		($36,960)		$0
Slurry Seal (extend road life 5 yrs)	$360,000	($224,525)	CCBF				$135,475
Crack Sealing	$25,000						$25,000
Slide-in Truck Mount Tanker	$50,000						$50,000
Street Light Replacement, rollover (DC T5-4 #8)	$59,551	($20,000)	DC	($39,551)			$0
Public Works Operation Centre, Fuel System, rollover	$60,000			($5,514)			$54,486
Tsf to RSV - 2017 International Tandem 20-17 (FPD 2027)	$450,000				($73,530)	($250,980)	$125,490
Tsf to RSV - Roadside Mower (100k RSV, FPD 2028)			$100,000				$100,000
Total Roads and Environmental	$8,259,728	($3,415,128)	$100,000	($350,200)	($787,536)	($3,136,456)	$670,408
2025 Capital Request Adjusted Total (Roads & Environmental Services)							$242,544

TOWNSHIP OF CAVAN MONAGHAN

Grants under Ontario and Federal Infrastructure Programs (Approved)

1. **Investing in Canada Infrastructure Program (ICIP) – Community, Culture and Recreation Stream**
   Funding Split: Federal 40%, Provincial 33.33%, Municipal 26.67%
   a) Millbrook Arena Renovation and Community Hub Development
   - Grant: **$966,000**
   - Scope: Demolition of aging Millbrook Arena and site restoration for future downtown park/community hub
   - Municipal Contribution (25%): $244,750 (2022–2025)
   - Completion Deadline: Extended to 2027

   b) Rehabilitation of Old Millbrook School (Heritage Building)
   - Grant: **$511,750**
   - Scope: Restoration of historically designated building
   - Municipal Contribution (25%): $129,660 (2022–2025)
   - Completion Deadline: 2026

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TOWNSHIP OF CAVAN MONAGHAN

2. **Housing-Enabling Core Servicing Stream (HECS)**
   Province Contribution: Up to **$1,271,875** (50% of eligible costs)
   Municipal Contribution (50%): $1,271,875
   Total Eligible Project Cost: $2,543,750
   Timelines: September 30, 2025 – March 31, 2028
   Purpose: Support municipal infrastructure projects that enable housing development and community growth.

   Approved Project:
   - Extend 525 m of Fallis Line east of County Road 10
   - Widen roadway and add turn lanes
   - Build 1,050 m sidewalks and bike lanes
   - Install traffic signals at County Road 10/Fallis Line
   - Add drainage and electrical works

3. **Housing-Enabling Water Systems Fund (HEWSF)**
   Province Contribution**: $12,911,875** (73% of eligible costs)
   Municipal Contribution (27%): $4,775,625
   Total Eligible Project Cost: $17,687,500
   Timelines: September 30, 2025 – March 31, 2028
   Purpose: Expand water infrastructure to unlock housing opportunities and enable sustainable growth.

   Approved Project:
   - New Millbrook Standpipe and Water Distribution Network Expansion
   - Impact: Enables up to 750 new homes

Have it all. Right here.

TOWNSHIP OF CAVAN MONAGHAN

Grant Applications (Pending) – unknown

1. Health and Safety Water Stream (HSWS)

- Province Contribution: Up to **$2,463,750** (73% of eligible costs)
- Municipal Contribution (27%): $911,250
- Total Eligible Project Cost: $3,375,000
- Purpose: Fund critical water and wastewater projects to protect public health and ensure reliability.
- Proposed Project:
  - Tupper Street Sewage Pumping Station Upgrades
  - Impact: Preserves current housing supply and supports community resilience

2. Community Emergency Preparedness Grant (CEPG)

- Province Contribution: **$50,000** (maximum grant amount requested)
- Municipal Contribution: $60,000
- Total Eligible Project Cost: $110,000
- Timelines: March 29, 2026 – August 28, 2026
- Purpose: Strengthen emergency response and recovery capacity during severe weather events (windstorms, ice storms) by enabling rapid debris removal and improving community resilience.
- Proposed Project:
  - Purchase of a wood chipper to support emergency road clearing and reduce reliance on external contractors for storm cleanup
  - Impact: Faster clearance of blocked roads, improved coordination with utility partners, increased volunteer firefighter engagement and training

Have it all. Right here.

TOWNSHIP OF CAVAN MONAGHAN
Have it all. Right here.

The Township of Cavan Monaghan
Water and Wastewater Capital Requests in 2026
2nd Draft (including 2025 roll-overs)

Capital Item Requested	Requested Purchases	Reserve/ Other Funding Available	Transfers Specific Reserves	2025 Roll Overs	Future Budget pre-approvals	Adjusted Total
HEWSF Grant - r2						
Second Booster Pumping Station Design (T5-8 DC 12)	$200,000	($200,000) 146k Grant, 54k DC				$0
Second Water Storage Facility Design (T5-8 DC 9)	$408,000	($408,000) 297k Grant, 110k DC				$0
Water Storage Pipe and Distribution Future Capital (2027-2028)	$17,079,500	($12,468,035)			($4,611,465)	$0
	$17,687,500	($13,076,035)	$0	$0	($4,611,465)	$0
Water Distribution System						
Class EA Study - Second Water Storage Facility	$129,000			($129,000)		$0
Watermain Replacement (5-Year Program - PW 25-16)	$4,602,864				($3,817,864)	$785,000
Design Fees (5-Year Program - PW 25-16)	$112,000	DC		($107,630)		$4,370
Second Water Storage Facility Land Acquisition (T5-8, DC 13)	$408,000	($300,000) DC				$108,000
Hydrogeological Study for 4th Drinking Well @ 78 King St W (T5-8, DC 6)	$180,000	($164,000) DC				$16,000
Class EA Study - Syer Line Drinking Well (T5-8, DC 5)	$200,000	($112,300) DC				$87,700
Booster Station Pump Upgrades (T5-8, DC 11)	$50,000	($50,000) DC				$0
WTP - Backup Generator	$150,000					$150,000
Booster Station Fence	$25,000			($25,000)		$0
Advanced Metering Infrastructure Software (T5-9, DC 3)	$140,000	($105,000) DC				$35,000
Water Tower Lighting	$3,000			($3,000)		$0
Water Meter Replacement Program	$50,000			($20,000)		$30,000
PSD Citywide Maintenance Manager	$37,280			($37,280)		$0
Tools and Equipment	$10,000					$10,000
Total Water Distribution	$6,097,144	($731,300)	$0	($321,910)	($3,817,864)	$1,226,070

TOWNSHIP OF CAVAN MONAGHAN
Have it all. Right here.

The Township of Cavan Monaghan
Water and Wastewater Capital Requests in 2026
2nd Draft (including 2025 roll-overs)

Capital Item Requested	Requested Purchases	Reserve/ Other Funding Available	Transfers Specific Reserves	2025 Roll Overs	Future Budget pre-approvals	Adjusted Total
Wastewater Collection System						
Sanitary Lateral Replacement	$100,000			($100,000)	Rollover from Frederick Street/Dufferin PW-25-10	$0
Sewer Mains Inspection Study	$20,000			($20,000)		$0
Tupper St Pumping Station Expansion Land Aquistion	$400,000					$400,000
Sewer Flow Monitoring	$50,000			($50,000)		$0
Sump Pump program	$50,000			($50,000)		$0
Collection System Maintenance and Relining	$99,295			($99,295)		$0
Tools and Equipment	$10,000					$10,000
Total Wastewater Collection System	$729,295	$0	$0	($319,295)	$0	$410,000

	Total Project Cost	Reserve/ Other Funding Available	Transfers Specific Reserves	Grant Application (pending)	Future Budget pre-approvals	Adjusted Total
Grant Applications submitted (pending approval)						
Tupper Street SPS Upgrade - Health and Safety Water Stream Grant (HSWS)	$3,375,000			($2,463,750)	($911,250)	$0
Total Grant Applications	$3,375,000	$0	$0	($2,463,750)	($911,250)	$0

Total Capital Requests	$27,888,939
Less: 2025 Capital Roll Over	($641,205)
Less: Future Year pre-approvals	($9,340,579)
Total 2026 Capital Expenditures	$17,907,155
Less: Reserves and/or Other Funding	($13,807,335)
Less: Grant Applications (pending)	($2,463,750)
Net 2026 Capital Expenditures	**$1,636,070**

TOWNSHIP OF CAVAN MONAGHAN

Council Approved Five-Year Capital Program for Watermain & Roads Infrastructure

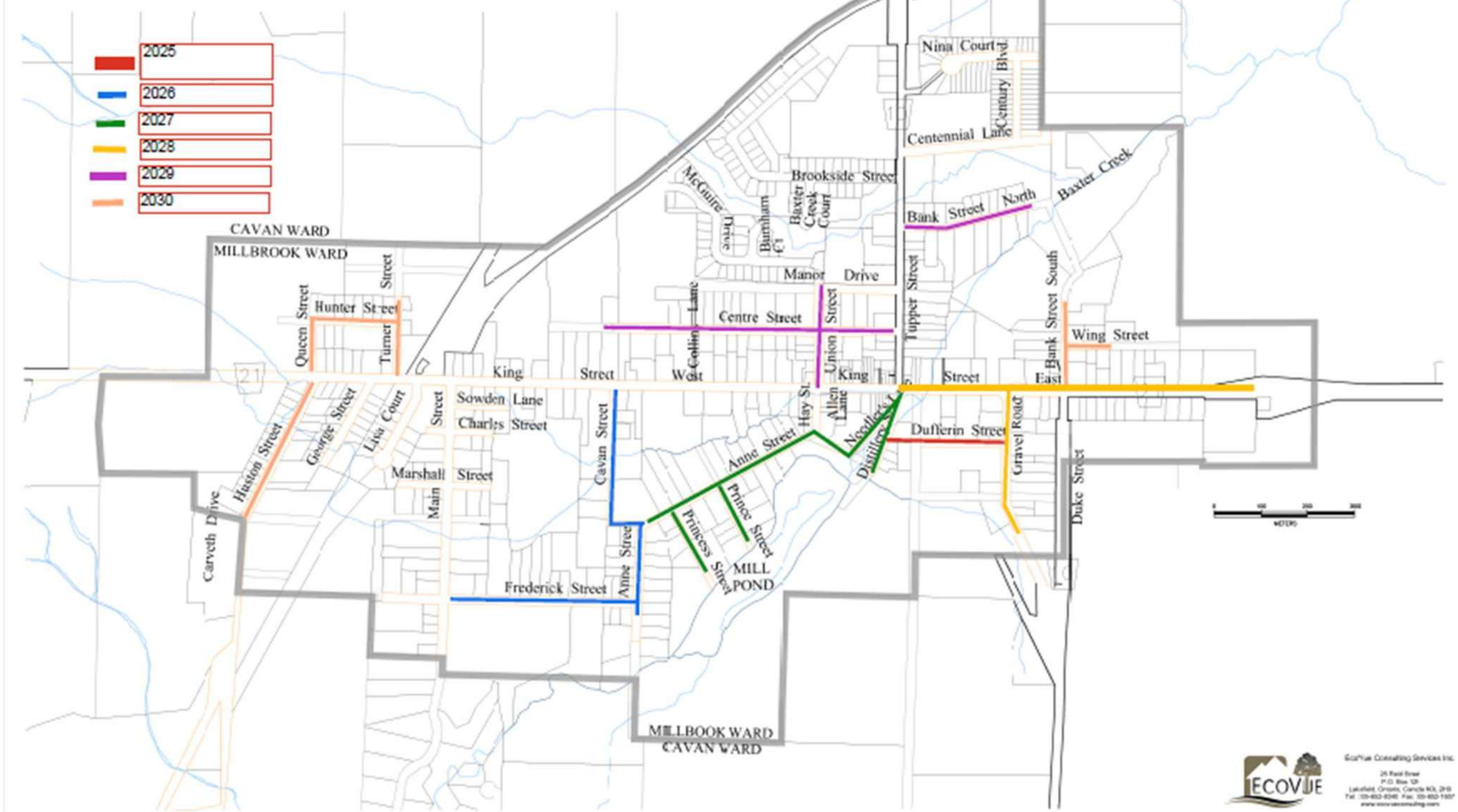
Council approved an accelerated $8.6 million, five-year program to replace aging watermains and restore roads in Millbrook, as outlined in the Asset Management Plan and Public Works Report 2025-6.

The 1970s watermains have reached end-of-life and caused recent service disruptions, making timely replacement essential. The plan invests $4.8 million in watermains and $3.8 million in roads, improving reliability and protecting public health.

Funding also includes a $600,000 loan from surplus land sales (R-2025-257), to be repaid over five years starting in year six under the next Water Wastewater By-law update.

Have it all. Right here.

TOWNSHIP OF CAVAN MONAGHAN
MILLBROOK WARD



TOWNSHIP OF CAVAN MONAGHAN

Linkage to the Strategic Plan:

The annual budget is developed to advance the priorities outlined in Cavan Monaghan's 2025–2030 Strategic Plan. Budget allocations support Financial Sustainability through responsible fiscal management and asset renewal, Community Vitality by funding recreation and cultural initiatives, and Economic Development through investments in infrastructure that enable growth and attract business. Additionally, the budget incorporates measures for Environmental Sustainability and Community Engagement, ensuring that financial decisions reflect long-term goals for a resilient, vibrant, and inclusive community.

Have it all. Right here.

TOWNSHIP OF CAVAN MONAGHAN

Finance Report 2026-01
Recommendations

1. That Council receives the 2nd Draft 2026 Budget Presentation for discussion; and

2. That Council approves the proposed 4.82% Municipal Residential Tax Rate increase to fund the Operating & Capital budgets for the final budget report on February 2, 2026.

Questions?

Have it all. Right here.