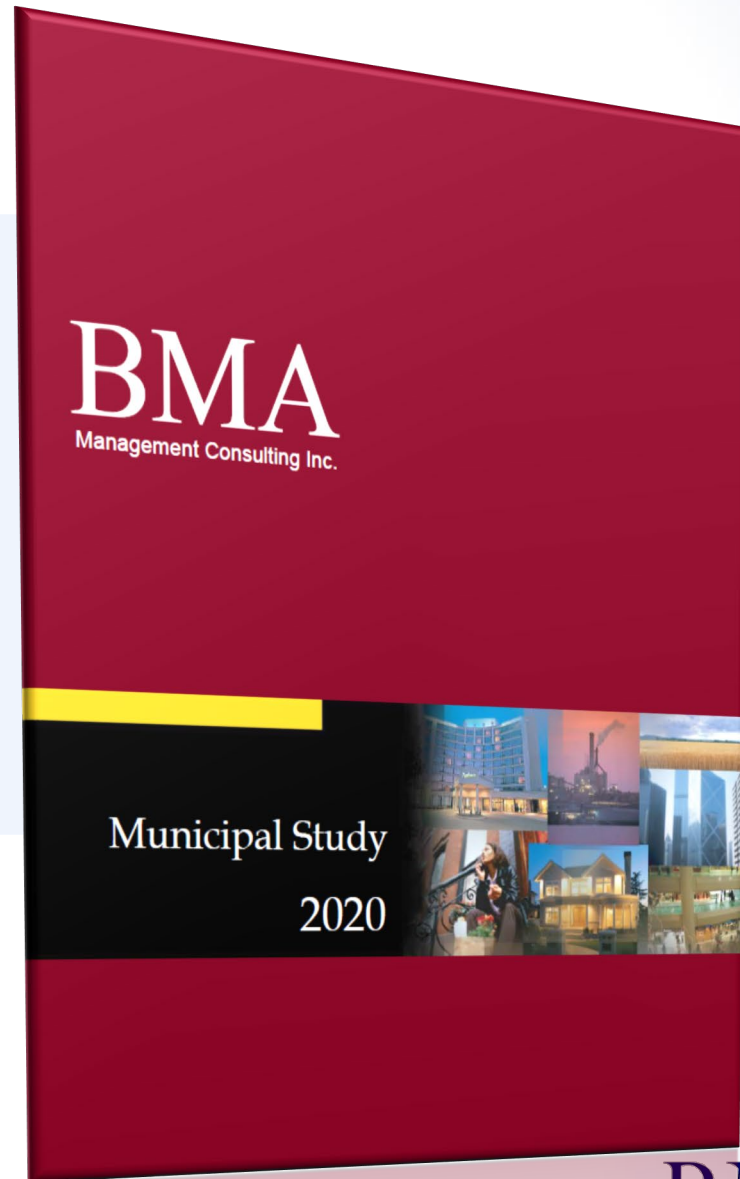


2020 Municipal Study Haldimand County

March 2, 2021



Presentation

- Review Highlights of 2020 Municipal Study
 - ✓ Socio-Economic Indicators
 - ✓ Financial Indicators
 - ✓ Cost of Service and Affordability Indicators
- 110 municipalities participated in the study, representing in excess of 85% of the population
- Comparisons provided to 9 Ontario municipalities – selected by either geographic location or population

<i>Populations</i>	<i>Number of Municipalities</i>
100,000 or greater	27
30,000 - 99,999	30
15,000 - 29,999	22
0 - 14,999	31
Total	110

Financial Condition Assessment - Key Indicators

Growth and Socio-Economic Indicators

Population
Employment Statistics
Building Construction Activity
Property Assessment

Municipal Levy, Property Taxes & Affordability Indicators

Municipal Levy
Municipal Property Taxes as a % of Income
Household Income
Water/WW Costs

Financial Position Indicators

Reserves & Reserve Funds
Debt
Municipal Financial Position
Taxes Receivable



Section 1: Growth and Socio-Economic Indicators

Growth and Socio-Economic Indicators

- Socio-economic characteristics factor heavily into economic analysis
- These indicators are largely external to the County's control but important to understand from a planning and forecasting perspective



Peer Municipal Comparators

Municipality	2020 Population	Land Area (sq. km.)	Land Density
Norfolk	68,764	1,608	43
Chatham-Kent	104,678	2,458	43
Brant	39,099	843	46
Greater Sudbury	169,573	3,228	53
Belleville	54,131	247	219
Kingston	135,425	415	326
Niagara Falls	96,340	210	459
Hamilton	575,127	1,117	515
Brantford	105,082	72	1,451
Haldimand	50,209	1,252	40

Source: Manifold Data Mining

- Challenge facing Haldimand: a large geographic area with a low population density
- This requires more infrastructure funded by fewer people
- Analysis also includes study averages of all municipalities

Growth & Socio-Economic Indicators

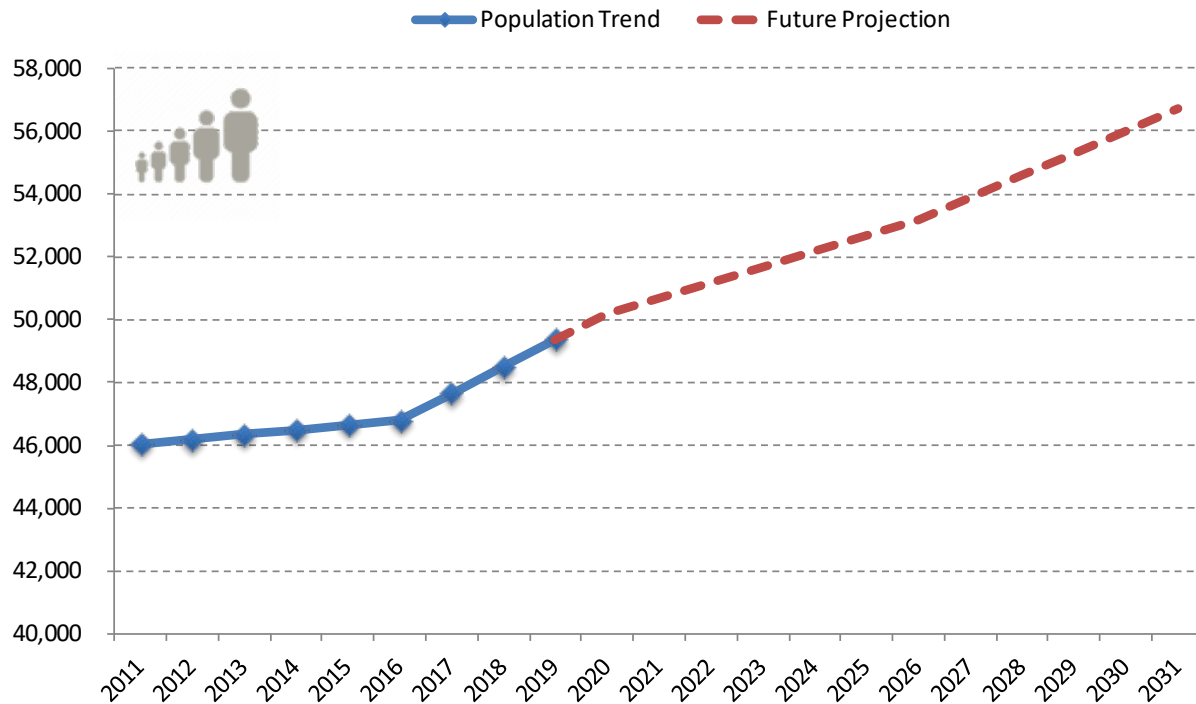
Municipality	Population % Change 2016-2020
Chatham-Kent	0.4%
Greater Sudbury	2.3%
Brant	3.8%
Belleville	4.0%
Hamilton	4.4%
Norfolk	4.6%
Brantford	5.0%
Niagara Falls	6.6%
Kingston	6.6%
Group Average	4.2%
Survey Average	4.5%
Haldimand	7.3%

- Haldimand's population increased by 7.3% from 2016 to 2020
- Group Average increased by 4.2% and survey average increased by 4.5%
- Fastest growing municipality in the sample set

Source: 2016 Census Stats Canada
2020 Manifold Data Mining

Population Trend

- Changes in population directly impact both revenues (assessment base) and expenditures (service demands)
- Haldimand's population is projected to increase from approximately 50,100 in 2021 to 56,700 by 2031



Source: Population, Housing and Employment Forecast Update and Lands Needs Assessment 2019

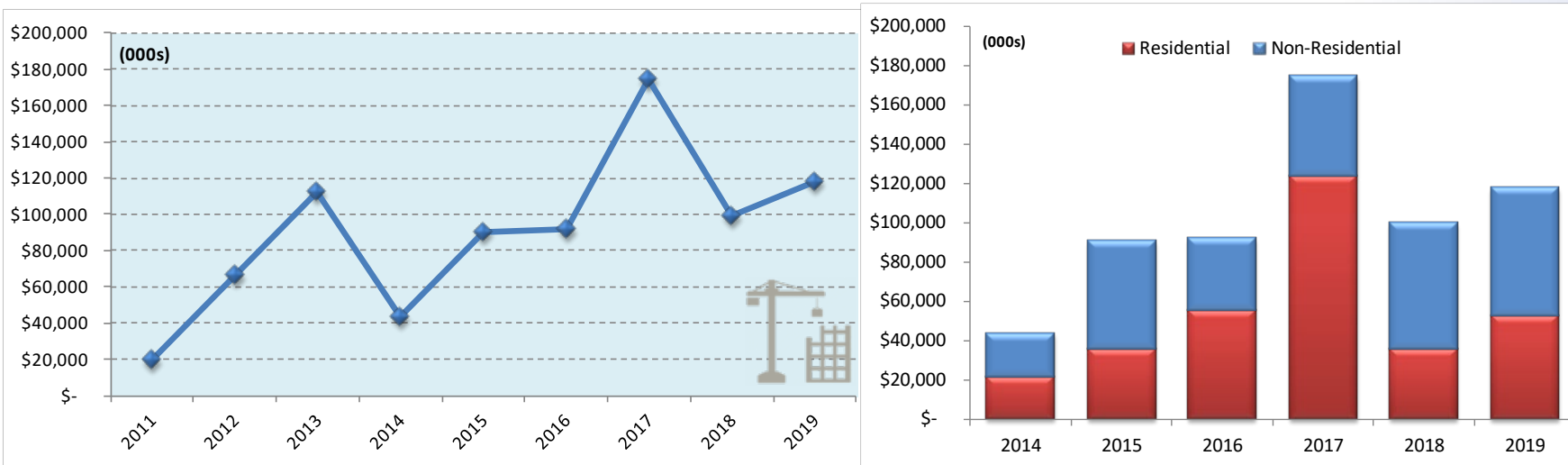
Age Demographics

Age Profile	% Change Haldimand			% Change Ontario		
	2011 Haldimand	2016 Haldimand	2011 - 2016	2011 Ontario	2016 Ontario	2011 - 2016
Age 0-19	24.7%	23.3%	↓ -1.5%	23.7%	22.5%	↓ -1.2%
Age 20-44	27.7%	27.3%	↔ -0.4%	33.0%	32.3%	↓ -0.6%
Age 45-64	31.9%	31.3%	↓ -0.6%	28.7%	28.5%	↔ -0.3%
Age 65+	15.7%	18.1%	↑ 2.4%	14.6%	16.7%	↑ 2.1%
Total	100.0%	100.0%		100.0%	100.0%	

Analysis of demographics can identify a need to shift public service priorities

- Haldimand's 65 + population is higher than the Provincial average and is the fastest growing segment
- An aging population could affect services e.g. parks and recreation

Building Activity – Construction Value (000's)

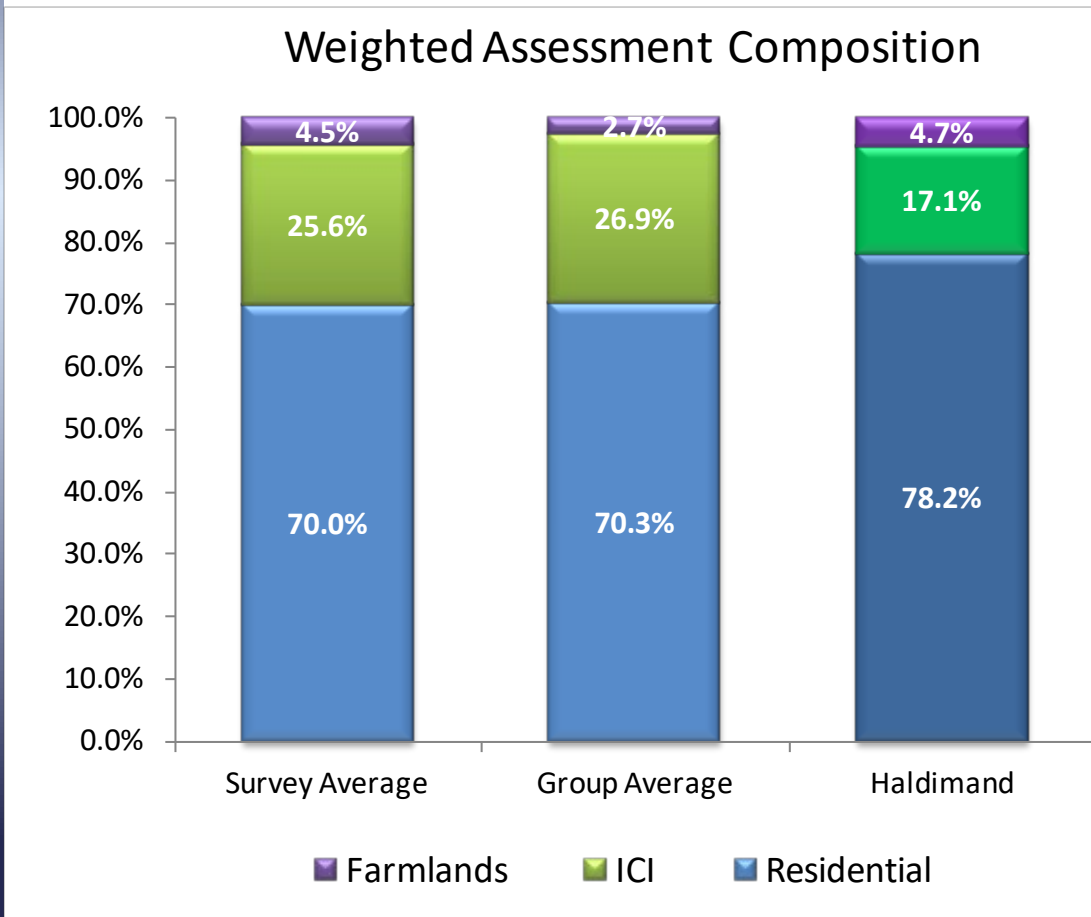


Source: BMA Study

Building activity impacts other factors such as employment base, income and property values

- Ideal condition is to have sufficient commercial and industrial development to offset the net increase in operating costs associated with residential development
- Over the past 5 years, residential/non-residential construction activity (on a \$ of construction) is a 53/47 split in the Haldimand County representing a good balance

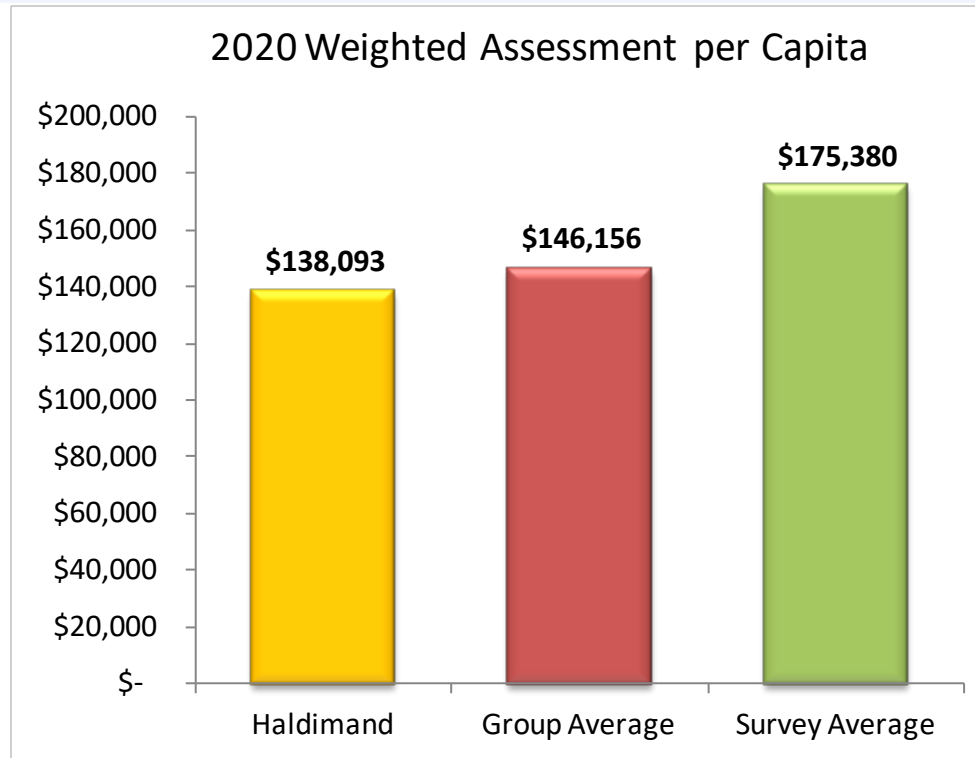
2020 Weighted Assessment Composition



Source: BMA Study

- Weighted assessment composition is the basis upon which taxes are levied
- Haldimand has a higher percentage of assessment in the residential class and a higher percentage in the farm class

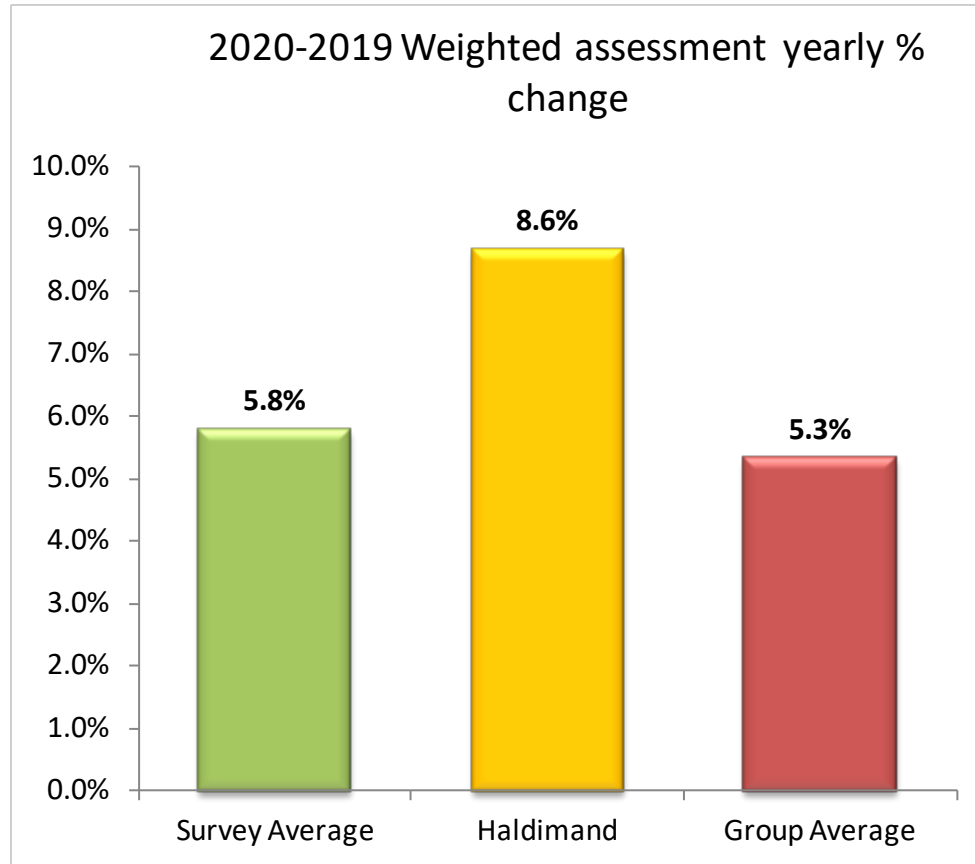
Richness of the Assessment Base



Source: BMA Study

- A strong assessment base is critical to a municipality's ability to raise revenues
- Haldimand's assessment per capita is lower than the group and survey average

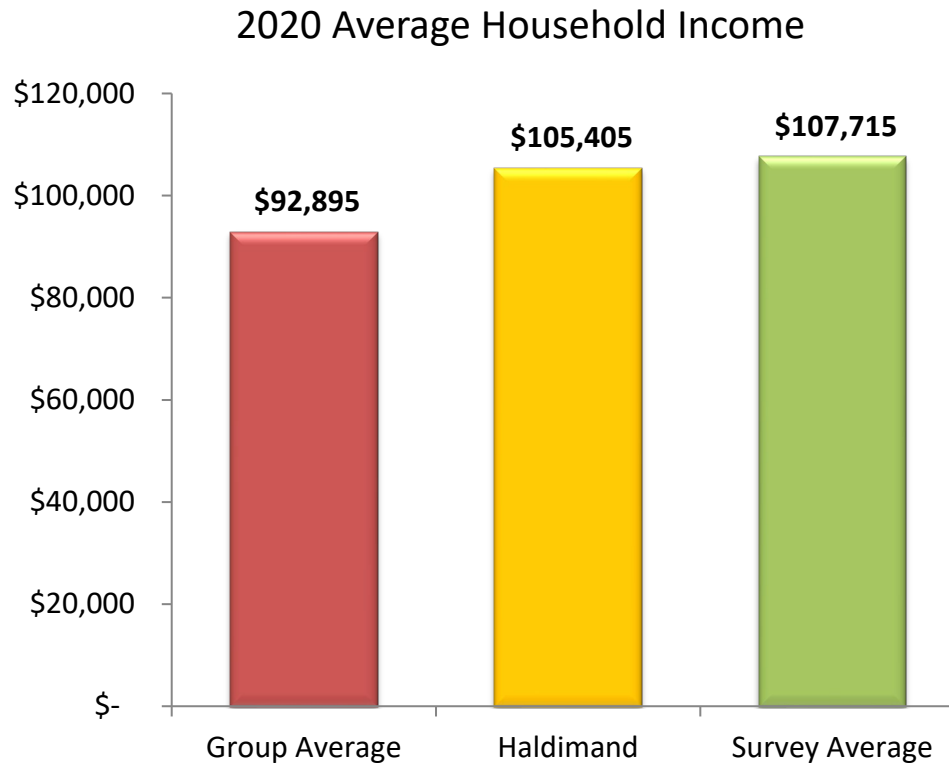
Assessment Change – 2019-2020



Source: BMA Study

- Haldimand’s yearly % change of assessment is higher than survey and group average

2020 Average Household Income



Source: BMA Study

- Household income is one measure of a community's ability to pay for service
- Haldimand's average household income is higher than the group average however it is slightly below survey average

Financial Indicators

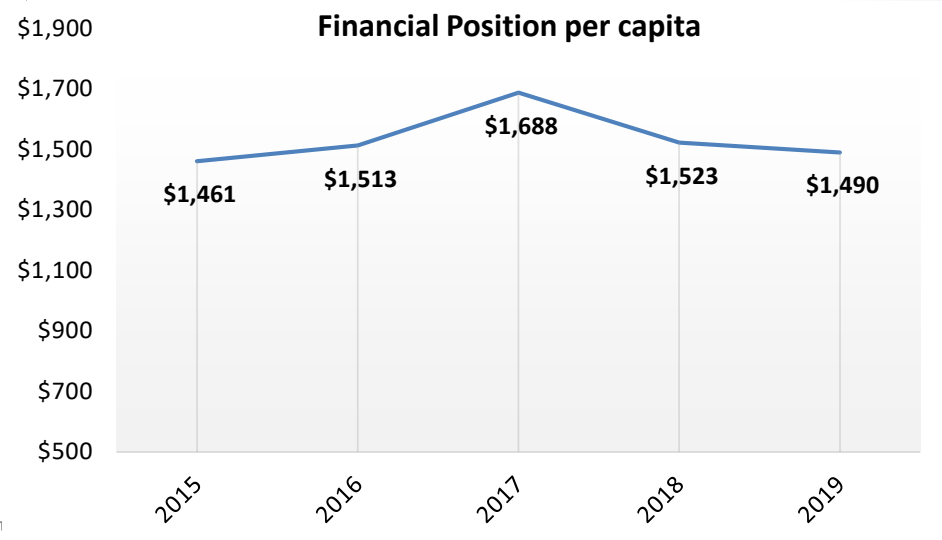
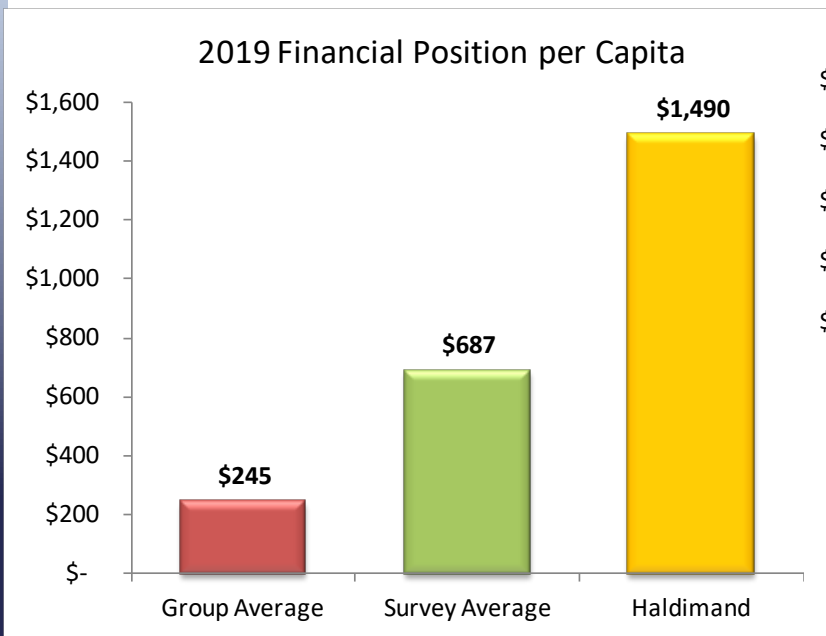
It is important to understand trends and to identify future challenges and opportunities



Financial Position Comparisons

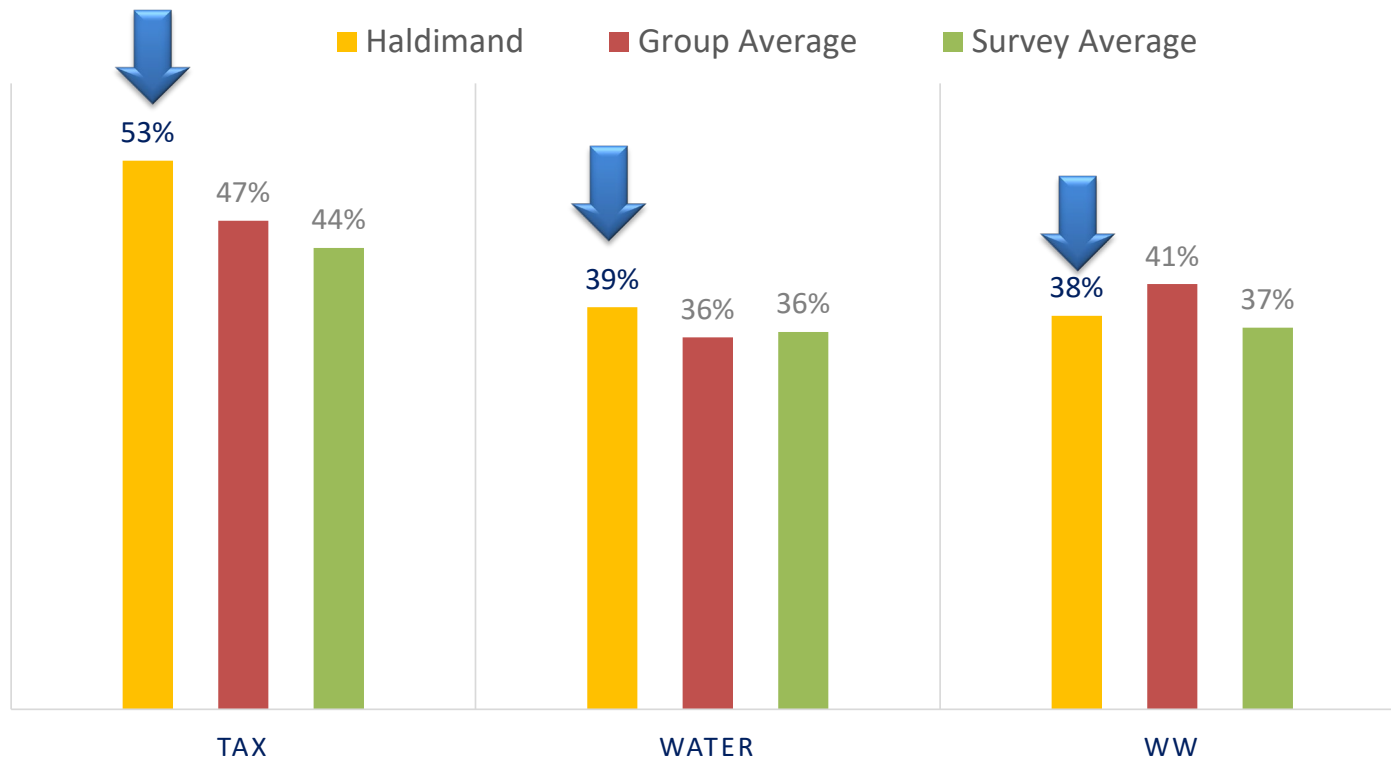
Financial Position (assets less liabilities) is a key sustainability indicator of a municipality's financial health

- Haldimand's per capita financial position is the highest in the peer average and well above total survey average



Source: FIRs

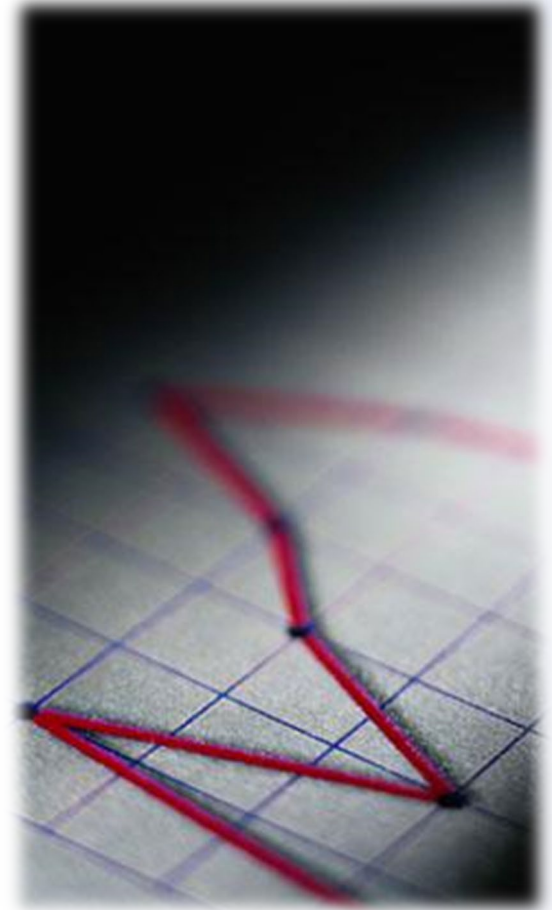
2019 Asset Consumption Ratios



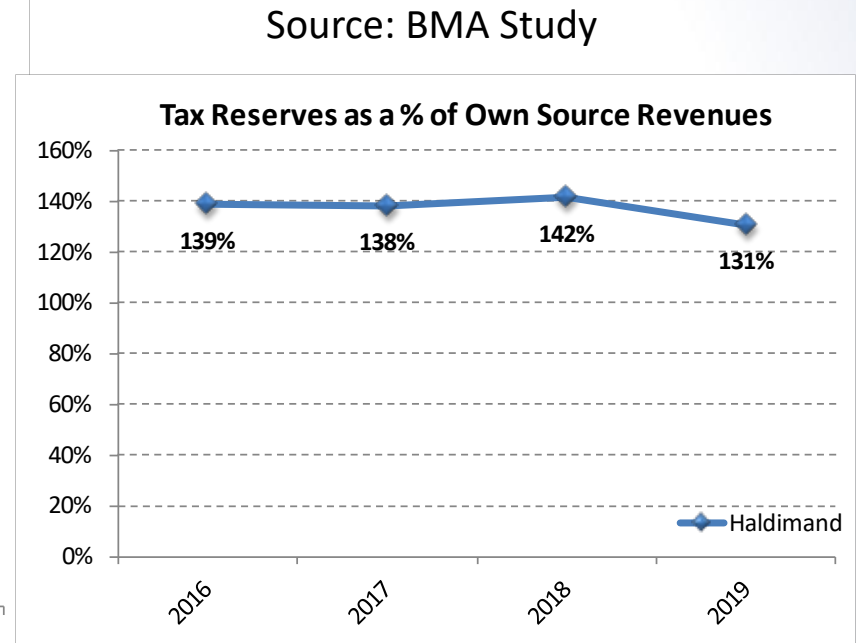
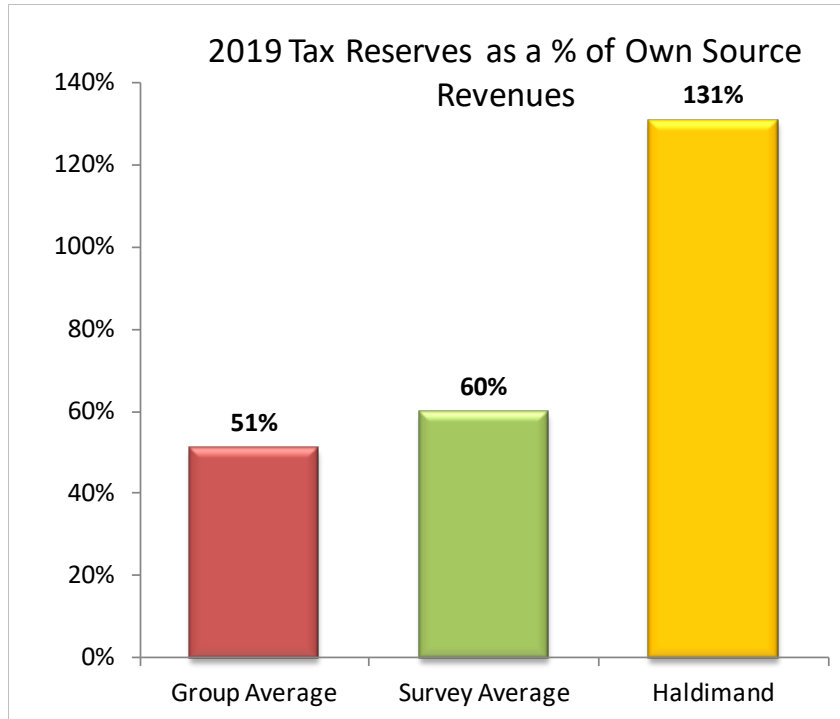
- Provides an estimate of the useful life left in a municipality's capital assets
- Haldimand's asset age is higher than survey average for tax and water
- Ministry of Municipal Affairs and Housing considers a ratio of over 50% to be moderately old

Reserves

- Reserves are a critical component of a municipality's long-term financing plan. The purpose for maintaining reserves is to:
 - Provide stability of tax and user rates
 - Provide financing for one-time or short term requirements
 - Make provisions for replacements/acquisitions of assets/infrastructure
 - Ensure adequate cash flows
 - Provide flexibility to manage debt levels and protect the municipality's financial position

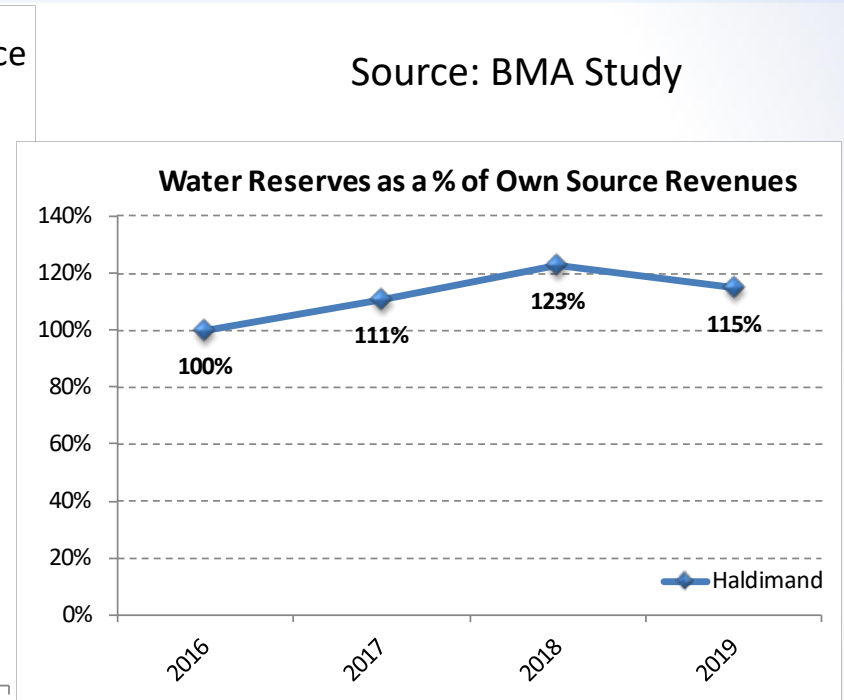
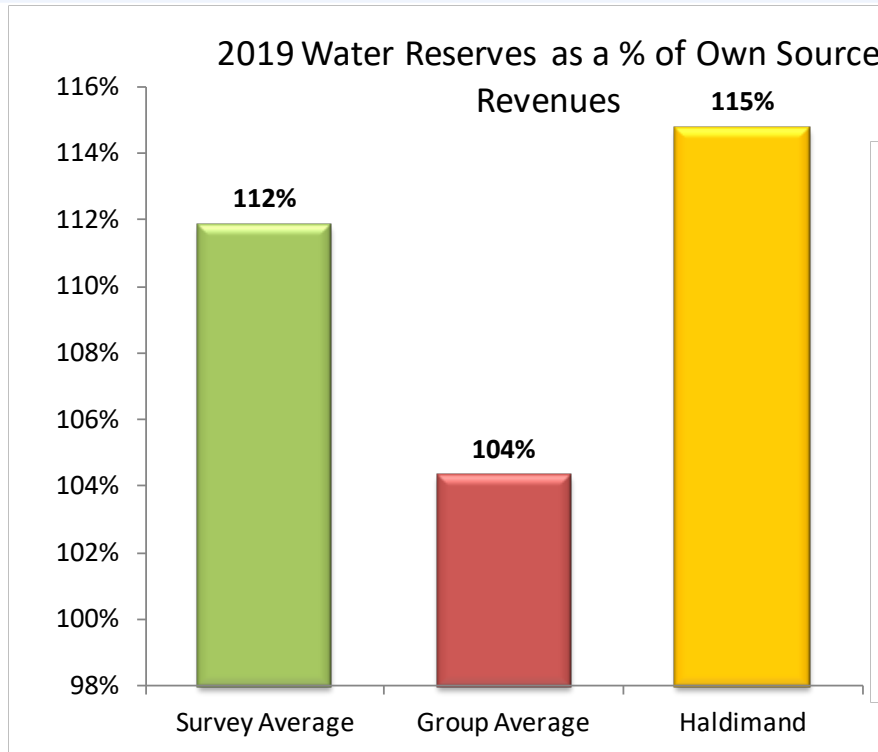


Tax Reserve Comparative Analysis



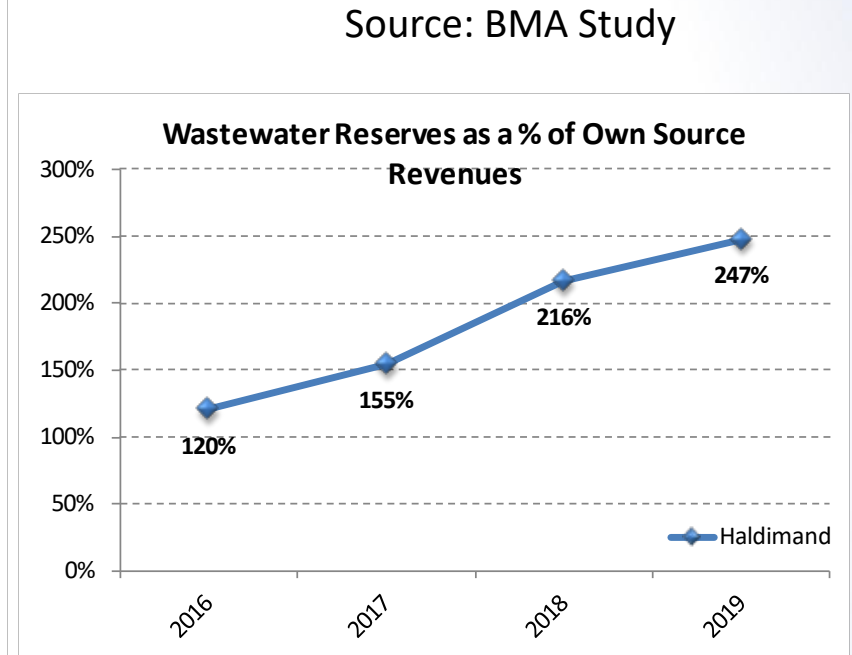
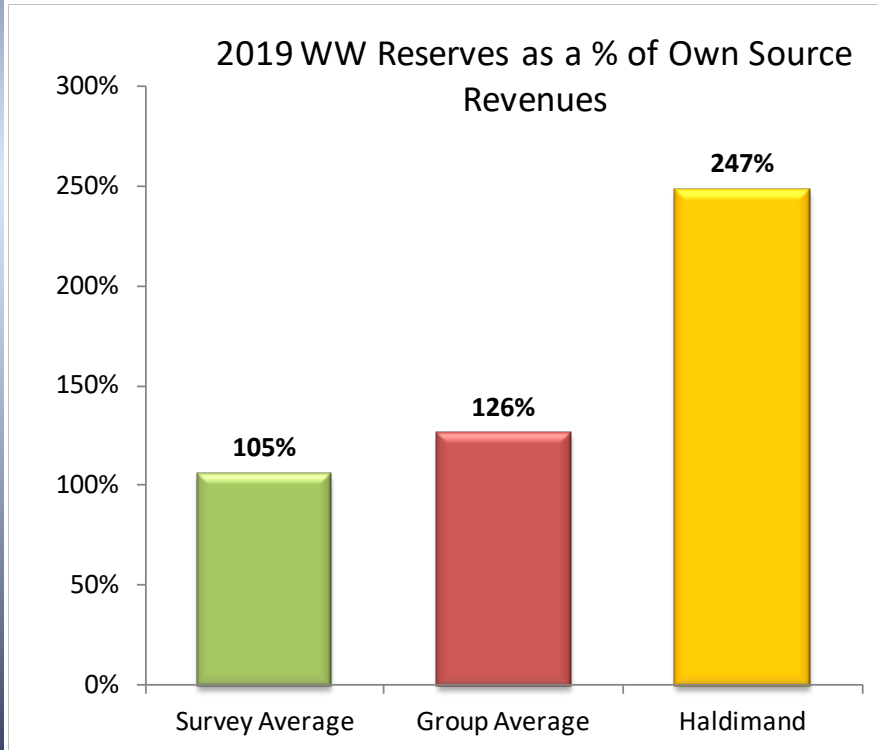
- Haldimand's Tax Reserve position is well above the group and survey average reflecting a strong financial position
- Haldimand's position is also the 3rd highest in the total survey

Water Reserve Comparative Analysis



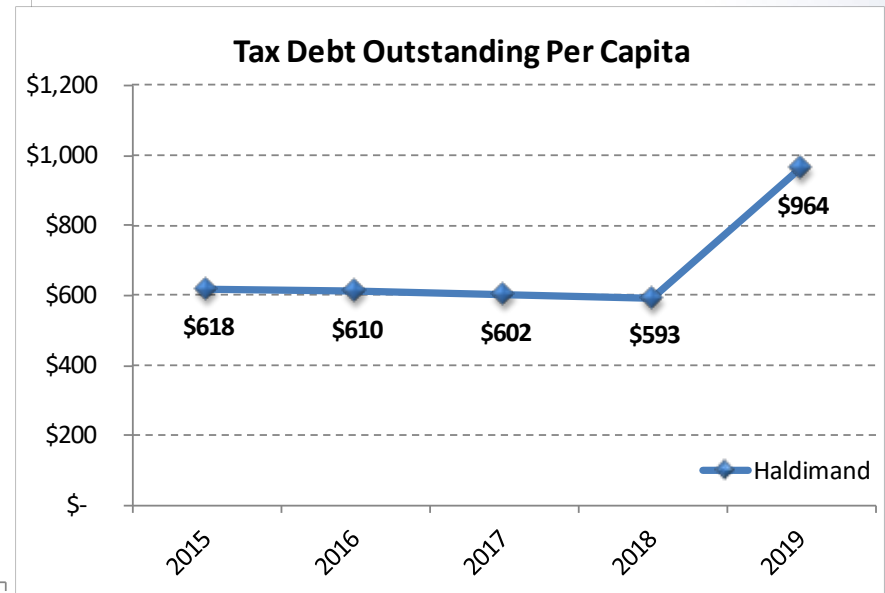
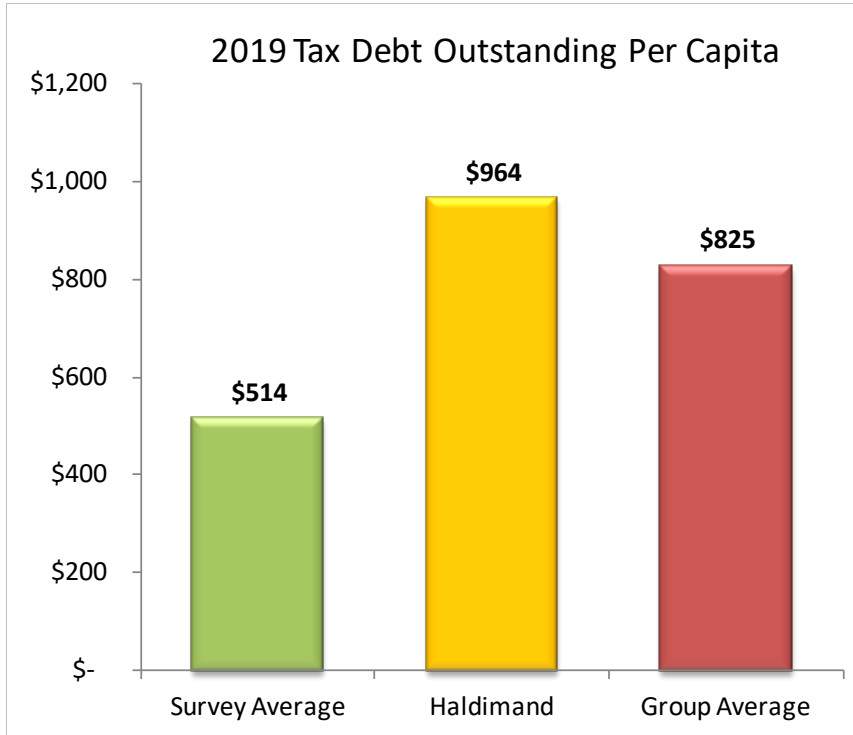
Haldimand's Water Reserve position is above the group and survey average and trending up

Wastewater Reserve Comparative Analysis



Haldimand's WW Reserve position is well above the group and survey average and trending up

Tax Debt Outstanding per Capita



- Tax debt outstanding per capita is higher than the survey and group average

Debt to Reserve Ratio

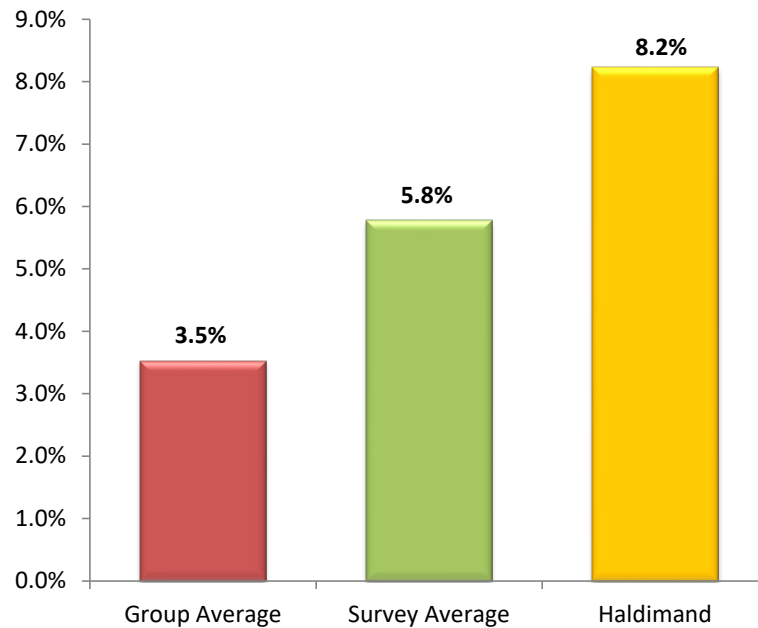
- Rating agencies consider a ratio of 1.0 to be financially prudent
 - For every \$1 of debt there is a \$1 of reserves
- Haldimand's ratio of 0.4 means that for every \$1.00 of reserves there is \$0.40 of debt

Municipality	2019 Debt to Reserve Ratio
Chatham-Kent	0.4
Brantford	0.5
Greater Sudbury	0.5
Hamilton	0.7
Norfolk	0.8
Brant	0.9
Kingston	1.3
Belleville	1.4
Niagara Falls	N/A
Group Average	0.8
Survey Average	0.8
Haldimand	0.4

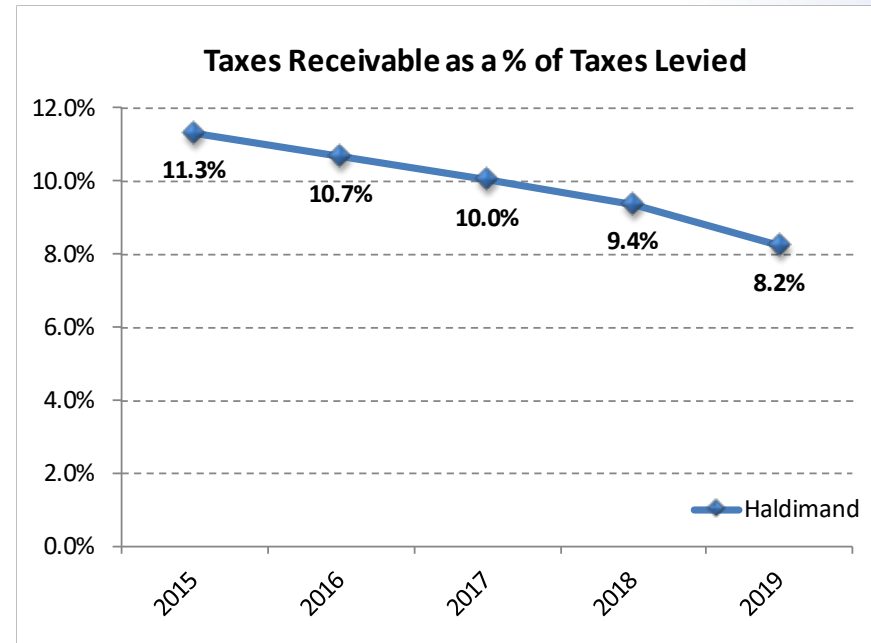
Source: FIRs

Taxes Receivable as a % of Taxes Levied

2019 Taxes Receivable as a % of Taxes Levied



Taxes Receivable as a % of Taxes Levied



- Taxes receivable are higher than the group and survey averages, however, Haldimand's ratio has been trending down since 2015

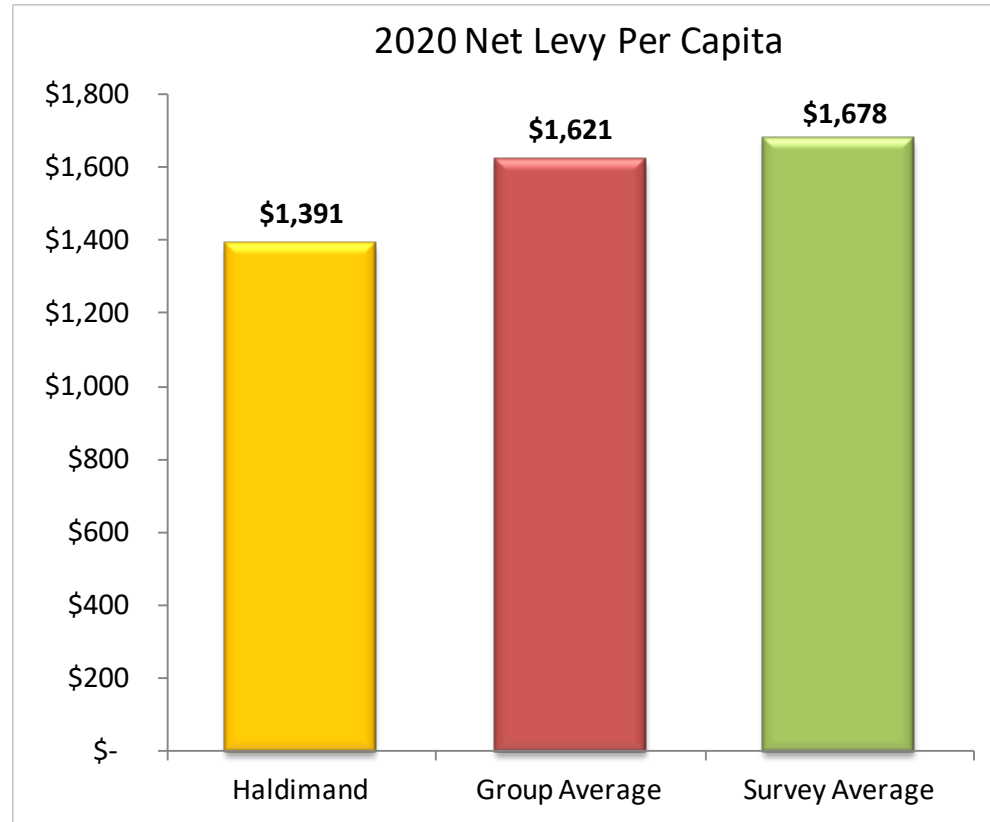
Cost of Service and Affordability Indicators



Net Municipal Levy per Capita

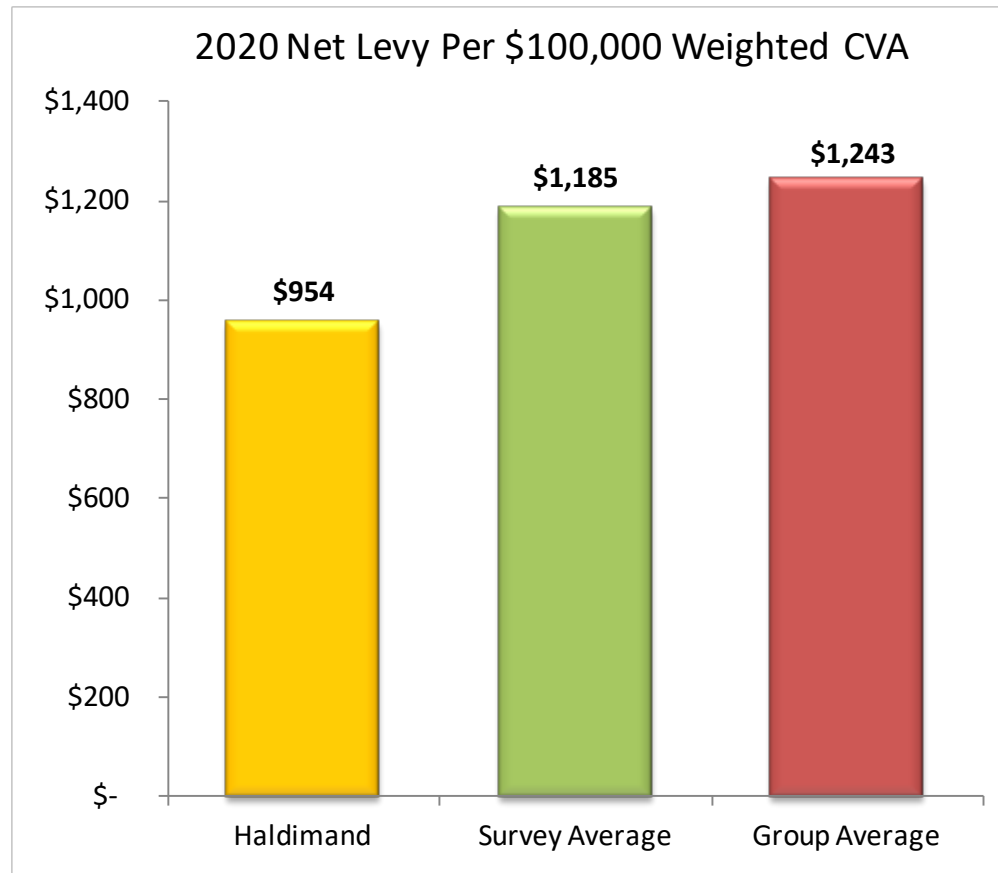
- Levy per capita does not indicate value for money or the effectiveness in meeting community objectives. Net municipal expenditures per capita may vary as a result of:
 - Different service levels
 - Different methods of providing services
 - Different residential/non-residential assessment composition
 - Socio-economic differences
 - User fee policies
 - Age of infrastructure
 - What is being collected from rates as opposed to property taxes
- As such, this is not an “apples to apples” comparison. Further analysis would be required to determine the cause of differences

Levy Comparison



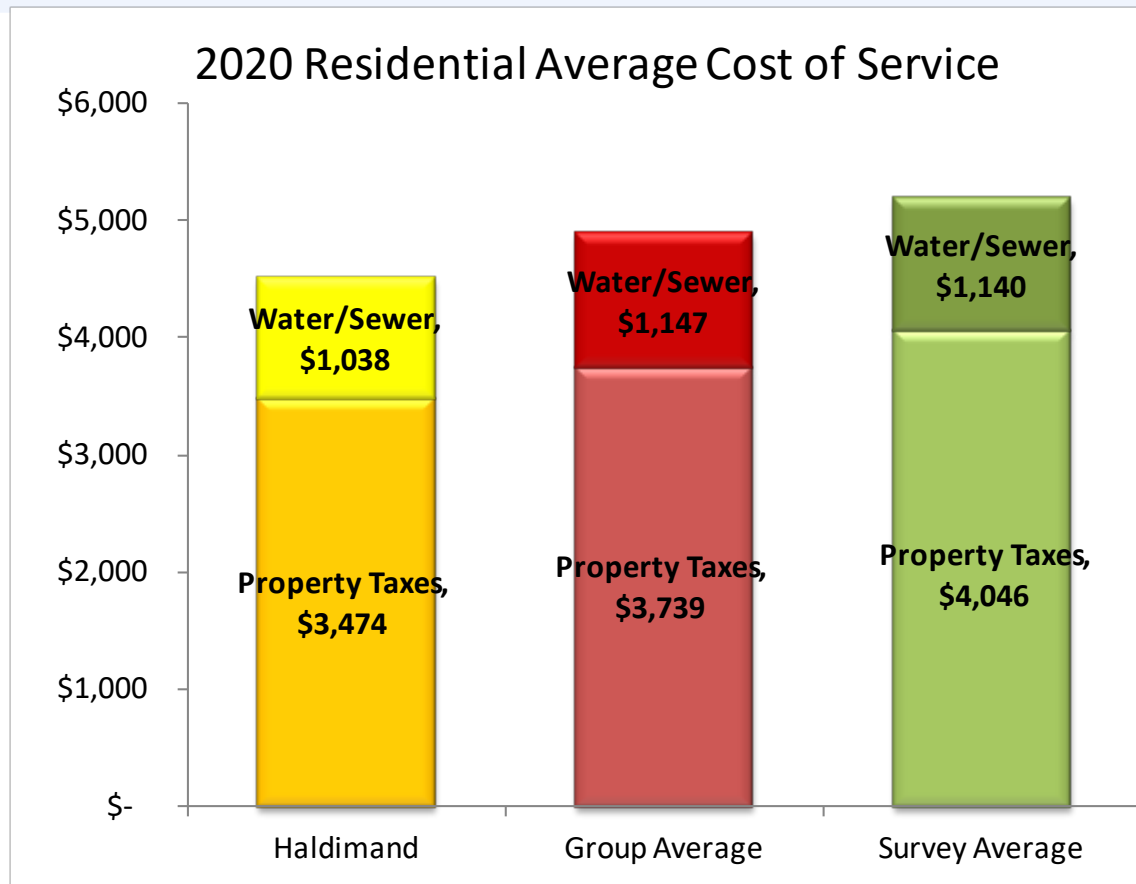
Haldimand's net levy per capita is amongst the lowest in the peer group and also lower than the total survey average

Levy per \$100,000 Weighted CVA Comparison



Haldimand's net levy per \$100,000 of weighted assessment is lower than the survey and the group average

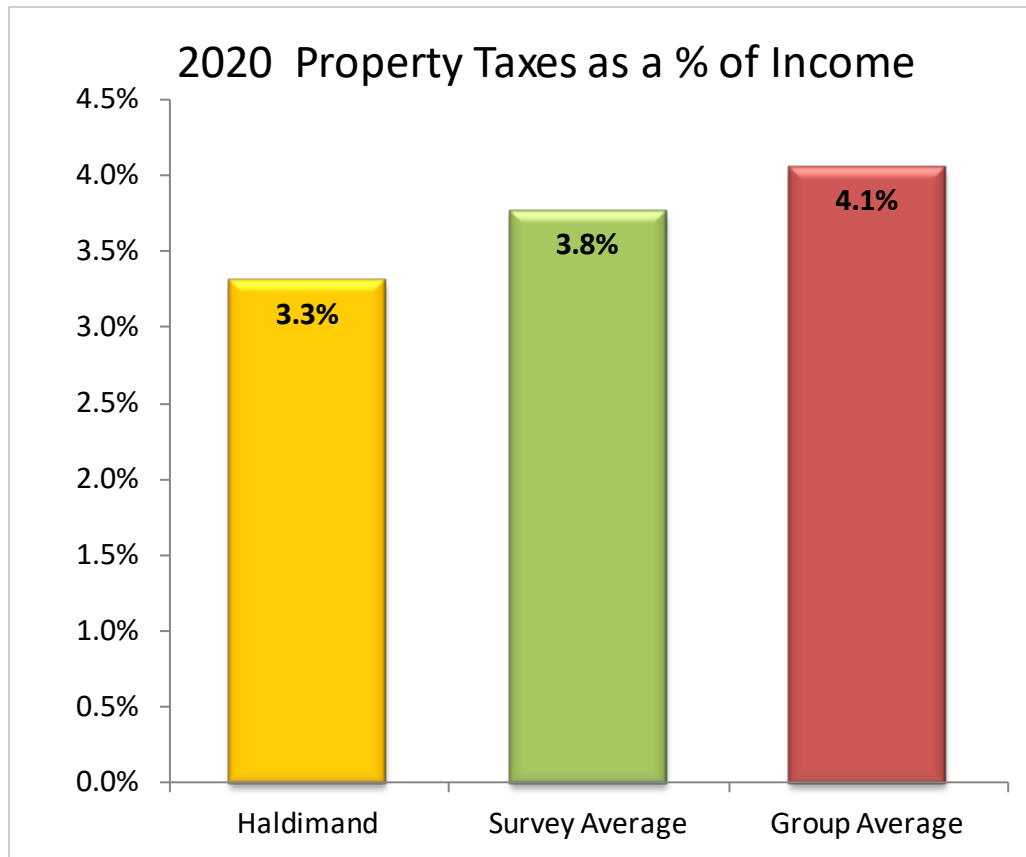
Residential Average Cost of Service



Source: BMA Study

- Low municipal spending and relatively low water/sewer costs in Haldimand's result in one of the lowest cost of services in the survey

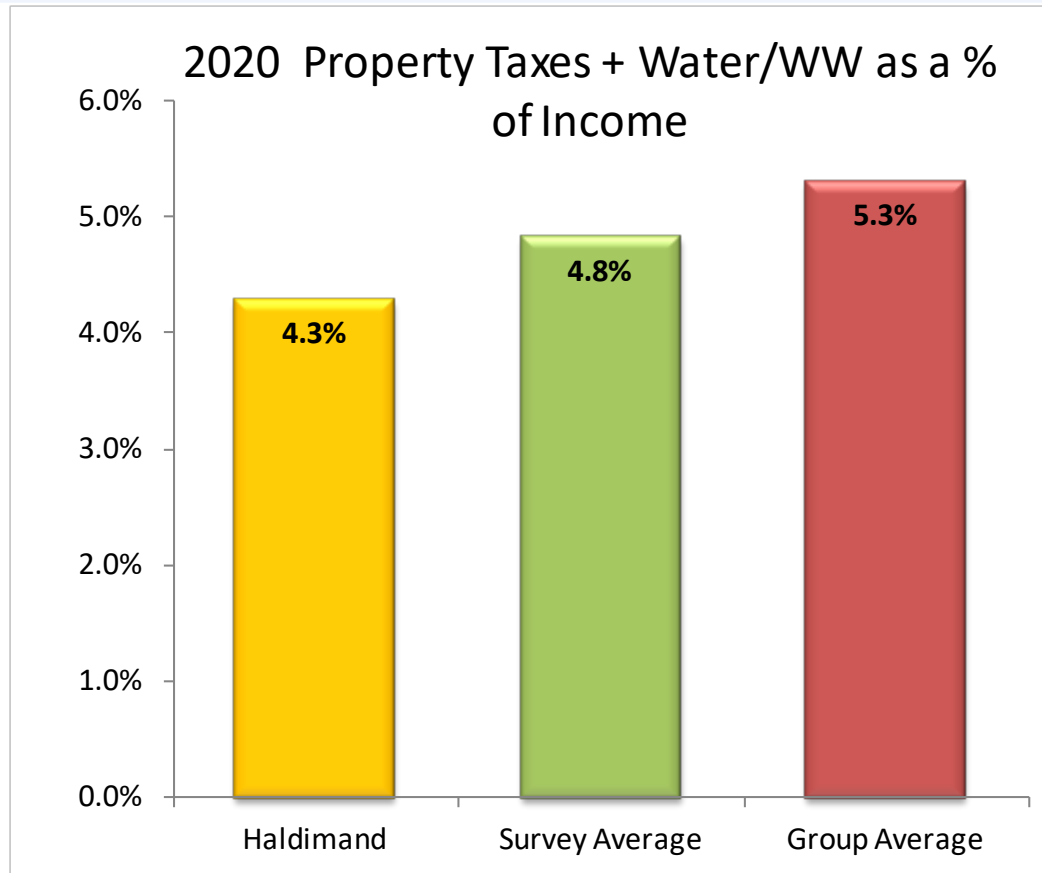
Property Taxes as a % of Average Household Income



Source: BMA Study

- This chart compares the average residential property taxes in relation to income levels
- Property taxes as a % of income is below the group and survey average

Property Taxes & Water as a % of Income















Source: BMA Study

- The total municipal cost as a % of income is below the group and survey average







Summary – Socio-Economic Condition

- Increasing population
- Relatively low population density
- Good mix of residential and non-residential construction activity
- Higher than average peer household income










Summary – Financial Condition

	<i>Financial Condition</i>	<i>2020 Rating</i>
	<i>Financial Position</i>	
	<i>Tax Asset Consumption Ratio</i>	
	<i>Water Asset Consumption Ratio</i>	
	<i>WW Asset Consumption Ratio</i>	
	<i>Tax Reserves as a % of Own Source Revenue</i>	
	<i>Water/WW Reserves</i>	

Summary – Flexibility Indicators

	<i>Flexibility Indicators</i>	<i>2020 Rating</i>
	<i>Tax Debt Outstanding per Capita</i>	
	<i>Debt to Reserve Ratio</i>	
	<i>Taxes Receivables as a % of Taxes Levied</i>	

Summary – Affordability Indicators

	<i>Indicator</i>	<i>2020 Rating</i>
	<i>Municipal Levy Per Capita</i>	
	<i>Municipal Levy Per \$100,000 of Weighted Assessment</i>	
	<i>Water/WW Costs</i>	
	<i>Property Tax Relative Burden</i>	
	<i>Property Tax Water/WW as a % of income</i>	