



NUCLEAR WASTE
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Ignace Area Community Studies: Economics and Finance - Municipal Finance Study



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This report has been prepared under contract to the NWMO. The report has been reviewed by the NWMO, but the views and conclusions are those of the authors and do not necessarily represent those of the NWMO.

For more information, please contact:

Nuclear Waste Management Organization

22 St. Clair Avenue East, Sixth Floor

Toronto, Ontario M4T 2S3 Canada

Tel 416.934.9814

Toll Free 1.866.249.6966

Email contactus@nwmo.ca

www.nwmo.ca

Ignace Area Community Studies: Economics and Finance

Municipal Finance
Study

November
23, 2022

H A R D Y
STEVENSON
AND ASSOCIATES



Ignace Area Community Studies: Economics and Finance Municipal Finance Study

November 23, 2022

Consultants:

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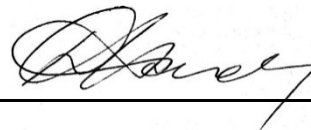
Prepared by JME Maxwell

Signature



Reviewed by Andy Keir

Signature



Approved by Dave Hardy

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List of Acronyms:

APM	Adaptive Phased Management
CAGR	Compound Annual Growth Rate
CPI	Consumer Price Index
CPR	Canadian Pacific Railway
COE	Centre of Expertise
FIR	Financial Information Return
GIS	Geographic Information Systems
KDSB	Kenora District Services Board
OCLF	Ontario Cannabis Legalization
OMPF	Ontario Municipal Partnership Fund
OPP	Ontario Provincial Police
MAH	Ministry of Municipal Affairs and Housing
MFCI	Municipal Fiscal Circumstance Index
MPAC	Municipal Property Assessment Corporation
NWMO	Nuclear Waste Management Organization

1 Introduction

1.1 Background and Context

Since 2010, the Township of Ignace (the Township or Ignace) has been involved in a process of learning about the Nuclear Waste Management Organization's (NWMO) Adaptive Phased Management (APM) Project (the Project) for the long-term management of Canada's used nuclear fuel. The two remaining siting areas in the process are the Ignace Area and the South Bruce Area. The NWMO plans to complete all preliminary assessment work and select one siting area to host the APM Project by 2024. Preliminary studies suggest that the Project can be implemented safely in the Ignace area for a repository that will contain, and isolate used nuclear fuel from people and the environment for the long timeframes required.

Studies have been ongoing since 2010; however, further studies are required to fully assess the potential socio-economic impacts of the APM Project. Building on previous work and engagement completed to date, the NWMO and the Township of Ignace are working together to prepare a suite of community studies that will be shared. The information acquired through these studies is expected to help the Township of Ignace leadership and residents make informed decisions about whether the Project is a good fit for their community, and if they are willing to consider hosting it and under what circumstances and terms.

Community studies will inform the Project hosting agreement between the NWMO and the Township of Ignace. As well, these studies will provide pertinent information for agreements with the City of Dryden and potentially other regional entities.

Note to Reader

This and other community studies are preliminary and strategic in nature, all intended to identify possible consequences (e.g., to vulnerable populations, to local business opportunities and for local and regional job creation) in the Township of Ignace, and other local and regional communities. Using information about the APM Project known at this point in time, these community studies will describe a range of possible consequences that are the subject of specific and separate studies. For each possible consequence, potential options and strategies will be offered to leverage opportunities and/or mitigate possible negative consequences/effects.

It is important to note that these community studies (developed collaboratively by NWMO and the Township of Ignace) being investigated at this time are not the formal or final baseline or effects studies that will be part of the Impact Assessment as conducted under the regulatory process for the APM Project governed by the Impact Assessment Agreement of Canada. Effects assessment will be undertaken at a later date following the conclusion of the siting process, and the initiation of the formal regulatory process.

Community studies will ultimately inform the APM Project hosting agreement between the NWMO and the Township of Ignace. As well, they will provide pertinent information for agreements with the City of Dryden and potentially other regional agreements. The study will:

- a) Explore in more detail the questions, aspirations and topics of interest expressed by the community through the Township of Ignace project visioning process;
- b) Assist the NWMO and the Township of Ignace in developing and identifying possible programs and commitments that ensure the Project will be implemented in a manner that fosters the well-being of the Township of Ignace and communities in the Ignace Area and the region;
- c) Advance learning and understanding on topics of interest to communities in the Ignace Area and the region; and
- d) Provide the community with information it has requested to help them make an informed decision in the case of the Township of Ignace and continue to inform dialogue with communities in the Ignace Area and region prior to the conclusion of the site selection process in 2024.

The NWMO is committed to working collaboratively to ensure questions, concerns, and aspirations are captured and addressed through continuous engagement and dialogue.

The NWMO will independently engage with Wabigoon Lake Ojibway Nation and other Indigenous communities to understand how they wish to evaluate the potential negative effects and benefits that the Project may bring to their communities.

1.1.1 Land Acknowledgement

It is acknowledged that the lands and communities discussed in this report are primarily situated on the traditional territory of the Anishinaabe people of Treaty 3, and the Métis Nation.

1.2 Scope and Purpose

Several Township of Ignace policies point to the need to manage municipal finances in a manner that will deliver Ignace's vision and avoid municipal finance issues that have previously been a challenge. The Township of Ignace Strategic Plan (2019) and Official Plan (2020) and Ignace's Project Vision (2020) are three specific policies that inform the need for and application of municipal financial resources in a manner that provides stability.

First, Ignace's vision is *to be a safe, attractive, and caring community that focuses on quality of life which is driven by a healthy diversified economy based on principles of sustainability*. Its mission is *to deliver sustainable municipal services and foster stable economic and population growth through effective leadership*.¹ In support of the vision and mission, Ignace has identified four strategic priorities: 1) economic diversification and sustainable development, 2) community beautification and enhancement, 3) community partnerships, and 4) marketing the community's assets and strengths. The Township notes that *the business plans being undertaken by the Township of Ignace and its service centres are being aligned with the strategic priorities to ensure that the financial resources are allocated to aid in the achievement of our goals and objectives*.² Therefore, it is important that Township has sufficient and robust municipal finances that will support these priorities.

Second, the Official Plan notes the potential influence of mining projects and the NWMO APM project on land use decisions that depend on municipal finance. For example, the supply of vacant residential and employment lands within the Settlement Area and potential need for expansion has municipal finance implications related to servicing costs and revenues related to residential and employment growth.

The Official Plan advances the vision of Ignace being a complete, healthy, and active Northern community which offers a full range of housing options, employment, services, and opportunities for all residents at all stages of life. Further, it states that Ignace will grow its tourism, resource, and service (e.g., commercial) sectors through economic diversification and investment-readiness initiatives.³ Each of the six Official Plan Goals requires sufficient municipal finances in support of their implementation.

The goals are: 1) grow as a complete and healthy community, 2) facilitate economic diversification and growth, 3) preserve and enhance the natural environment, 4) promote a full range of housing options, 5) enhance mobility and transportation, and 6) recognize and respect cultural, heritage, and recreational resources.

¹ Township of Ignace 2019 Final Budget

² Township of Ignace 2019 Final Budget, p. 4

³ Township of Ignace Official Plan, 2020, Section 2, Vision and Goals

Third, Ignace's Project Vision (2020)⁴ states that the APM Project must foster well-being in areas that are important to the community. Priorities in relation to the Municipal Finance Study identified by the community include:

- Exploring in more detail the questions, aspirations and topics of interest expressed by the community through the Township of Ignace project visioning process;
- Assisting the NWMO and the Township of Ignace in developing and identifying possible programs and commitments that ensure the Project will be implemented in a manner that fosters the well-being of the Township of Ignace and communities in the Ignace area and the region;
- Advancing learning and understanding on topics of interest to communities in the Ignace area and the region; and
- Providing the community with information it has requested to help them make an informed decision in the case of the Township of Ignace and continue to inform dialogue with communities in the Ignace area and region prior to the conclusion of the site selection process in 2023.

Should Ignace advance as the community that will host the APM facility, the following key questions regarding municipal finances need to be addressed:

- Will the growth pay for itself?
- What are some of the options for the municipality to leverage that would be economically beneficial?
- What are the benefits to existing residents in terms of municipal taxes?

To this end, the objective of the Municipal Finance Study is to summarize Ignace's financial baseline in terms of revenue, cost, staffing and assessment base, and then superimpose the project to determine potential changes to municipal revenue and cost. Options for maximizing benefit and mitigating negative effects are presented and discussed.

The following study integrates the findings from other community studies and presents a composite understanding of Ignace municipal finance based on growth induced by the project.

1.3 Spatial Boundaries

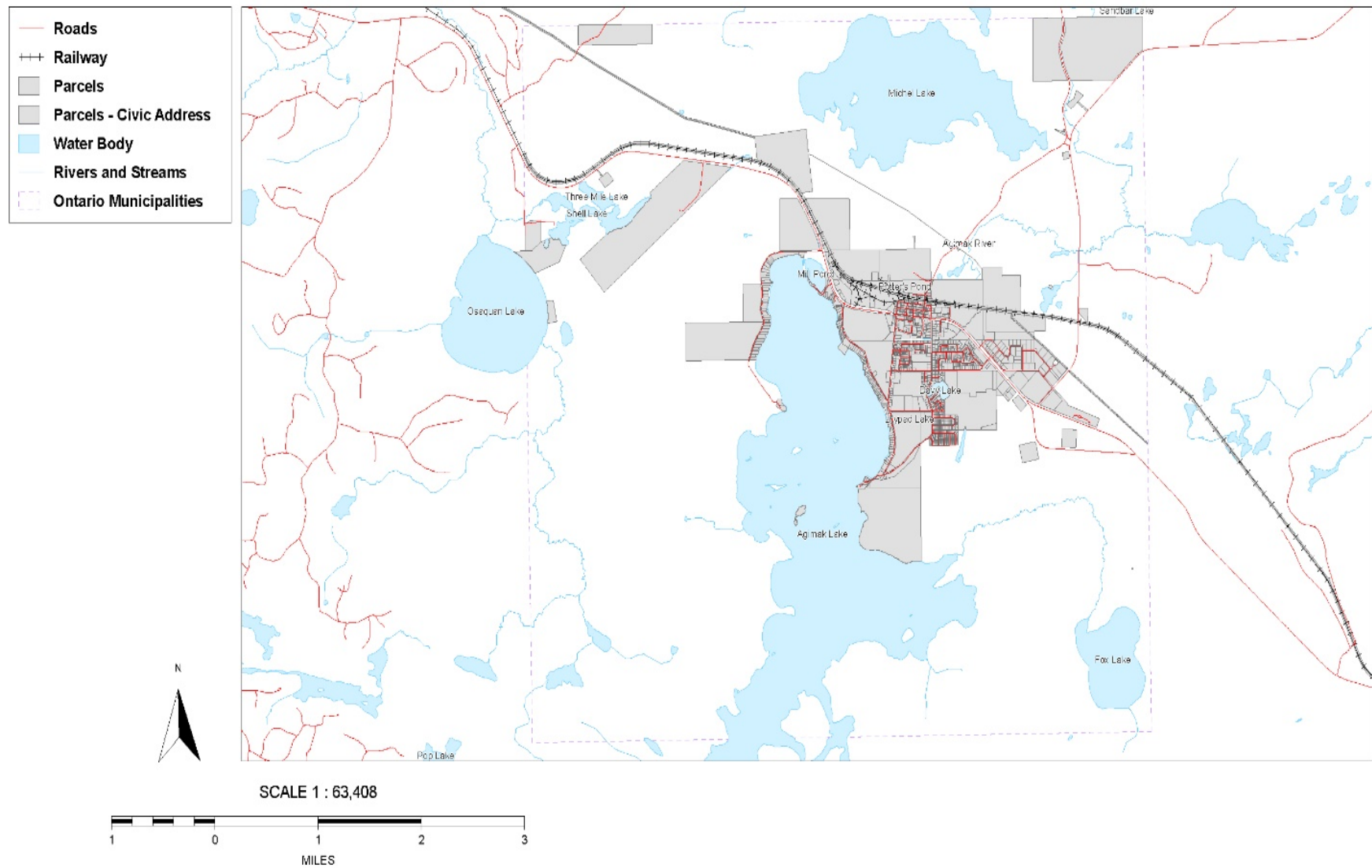
The study area for this report is limited to the Township of Ignace.

Figure 1 presents a map of the Township.⁵

⁴ InterGroup Consultants Ltd. (2020). Ignace Project Visioning Community Conversations.

⁵ The Township of Ignace – Planning and Development, (2022). Maps and GIS – 2018 – Ignace Area Map. <https://www.ignace.ca/business/planning-and-development/maps-and-gis>

Figure 1: Township of Ignace.



1.4 Temporal Boundaries

Three temporal boundaries define the phases of the APM Project for this study.

- a. Pre-Construction – 2024 to 2032
- b. Construction – 2033 to 2042
- c. Operations – 2043 to 2088

Pre-Construction is denoted by 160 NWMO staff working from the Centre of Expertise (COE) in Ignace by 2032. This phase of the project will focus on permitting and licensing activities and site preparation.

The Construction phase of the project will begin in 2033 once permits and licenses have been obtained. It will run for 10 years. This phase of the Project is comprised of surface and underground facility construction, involving about 450 trades who are expected to be temporary to the project and will live on site in a camp-style facility.

Following the completion of construction, site operations will commence in 2043 and continue to 2088. During this phase underground excavation will continue in conjunction with waste container emplacement activities.

2 Methodology

2.1 General Approach

The general approach for the Municipal Finance Study is summarized below⁶:

- Ministry of Municipal Affairs and Housing (MAH) Financial Information Returns (FIRs) for the Township of Ignace were reviewed and compiled.
- The non-discounted and discounted assessment values per residential household and commercial and industrial properties were calculated based on the most recent available FIR (2019).
- Assessment values per property type (residential and non-residential) were inflated to 2020 dollars using Ontario all-items consumer price index (CPI) rate.
- The baseline number of projected residential and non-residential properties for each Project phase was multiplied by the per unit unweighted and weighted assessment value (2020 \$) to calculate the total assessment values by Project phase.
- The total assessment values under the with-project scenario by Project phase were calculated in the same manner as above by applying the projected number of projected residential and non-residential properties by the per unit assessment value except for the COE (non-residential) where the assessment value associated with the facility was applied.

⁶ All values presented in this report are in 2020 dollars. Revenues are reported as negative costs, as per the Townships convention. Due to rounding, not all line items in tables in this report may add exactly to the totals. Each value shown is rounded to the last digit shown. This means that a table that shows $101 + 101 = 103$, may intuitively feel incorrect, but could be accurate if the underlying values in the table were $101.4 + 101.4 = 102.8$. This equation would be shown in the report as $101 + 101 = 103$.

- The itemized 2020 municipal budget for the Township of Ignace was consolidated and summarized to set out revenues and costs for the following categories:
 - General revenue
 - Government
 - Policing
 - Fire
 - Public works
 - Sewer
 - Water
 - Waste management
 - Public health
 - Recreation and cultural services
 - Transfers to boards
- Driver factors influencing specific budget category revenues and costs were identified and mapped.
- Driver factors include population, housing, total number of properties, total unweighted assessment value, and total weighted assessment value.
- Revenue/cost per unit driver factors were calculated via dividing the consolidated 2020 budget items by the associated driver factor totals.
- Consolidated budgets for each Project phase with and without-project were developed via applying projected driver factor totals to associated per unit measures and applying 2020 budget costs/revenues for items where driver factors were not applicable.

2.2 Data Collection Information Sources

All the data utilized for the study have been collected using secondary data. Data were collected from the following sources:

- Ministry of Municipal Affairs and Housing (MAH) Financial Information Returns for the Township of Ignace were used to assemble historical data on the number of households and residential and non-residential discounted and non-discounted assessment values.⁷
- Historical numbers of commercial and industrial properties were obtained from Ontario Provincial Police (OPP) municipal policing billing information for the Township of Ignace.⁸
- Statistics Canada Ontario all-items CPI data were collected to inflate the most recent non-discounted assessment values (2019).⁹
- The NWMO Ignace Area Community Study on Housing was used to reference baseline and project population and housing forecasts for the Township of Ignace.¹⁰
- NWMO was consulted to obtain the assessment value for the Centre of Expertise (COE) associated with the Project.

⁷ Financial Information Report, (2021). *Financial Information Return Multi-Year Report*

⁸ Ontario Provincial Police, (2022) *OPP 2022 - Annual Billing Statement – Ignace Township*

⁹ Statistics Canada, (2022). *Consumer Price Index by product group, monthly, percentage change, not seasonally adjusted, Canada, provinces, Whitehorse, Yellowknife, and Iqaluit.*

¹⁰ Hardy Stevenson and Associates, (2022). *Ignace Area Community Studies: Economics and Finance - Housing Study.*

- 2020 budget actuals for the Township of Ignace were compiled from the Township treasurer.¹¹
- Grant assistance funding to the Township of Ignace was obtained from Ontario Municipal Partnership Fund (OMPF).¹²

2.3 Linkages with Other Studies

This study is linked with the following Community Studies currently underway:

Study Name	Objective
Infrastructure Study	Focuses on information related to existing water, sewer, roads, community recreation, social service facilities, capacity, demand, and needs.
Transportation and Emergency Response Study	Focuses on the impact of the project on Ignace's municipal emergency services.
Housing Study	Focuses on how to provide housing to meet the demands of the Workforce
Community and Culture Study	To develop scenarios and ideas about how the community and its culture might be impacted by the implementation of the APM Project.
Growing the Population and Opportunities Study	Examines trends in population dynamics with and without the APM Project.

3 Baseline

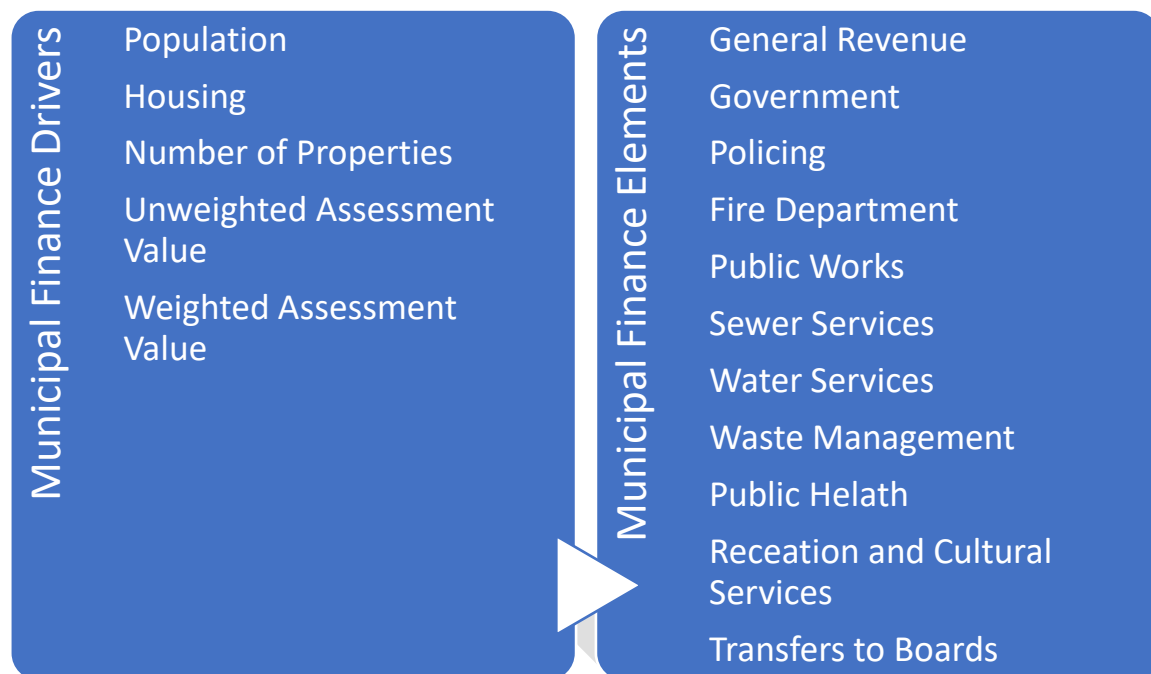
The baseline section of this report forecasts the municipal finance drivers and elements of municipal finance based on predicted annualized population and understanding of community conditions. The baseline is based on the revenues and costs incurred and budgeted by the municipality in 2020, as well as the population, number of households and non-residential properties, and assessed property values.

The baseline is divided into municipal finance drivers, and municipal finance elements. Figure 2 lists what items are municipal finance drivers, and what items are municipal finance elements.

¹¹ The Township of Ignace - Department of Finance, (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

¹² Ontario Municipal Partnership Fund, (2022). *Allocation Notice Township of Ignace*.

Figure 2 Breakdown of Baseline Forecasts.



Municipal finance drivers are the key factors that create changes in municipal finance elements. The municipal finance drivers included in this report are population, housing, total number of properties, unweighted assessment value, and weighted assessment value.¹³ Table 1 presents a baseline forecast of the municipal finance drivers.

Table 1: Baseline Summary Forecast of Driver Factors.¹⁴

	Forecast		
	2028	2033	2043
Population	1,235	1,255	1,265
Housing	610	630	660
Number of Properties	677	696	723
Unweighted Assessment Value	\$81,841,952	\$83,089,011	\$84,702,349
Weighted Assessment Value	\$86,874,297	\$88,024,390	\$89,445,360

Municipal finance elements are the revenues and costs associated with delivering municipal government. This study breaks down Ignace's municipal finance elements into the following components:

- General Revenue
- Government
- Policing
- Fire
- Public Works
- Sewer
- Water
- Waste Management
- Public Health
- Recreation and Cultural Services
- Transfers to Boards

¹³ These concepts are further discussed in section 3.1.3.

¹⁴ Hardy Stevenson and Associates. (2022). *Ignace Area Community Studies: Economics and Finance - Housing Study*

The baseline and forecast value of these municipal finance elements were derived from the 2020 budget and actual financial information and confirmed and adjusted based on input from Ignace's Treasurer.¹⁵ Table 2 presents the information used to calculate the unit cost and revenue rates used in forecasting municipal finance baseline and project impacts. No NWMO transfers, grants, or contributions were included in the municipal finance element's baseline.

Table 2: 2020 Baseline Municipal Revenues and Costs.¹⁶

	Baseline Cost	Notes
General Revenue	\$-3,146,808	General Levy, Payments in Lieu, Ministry of Finance Grants, and other revenue
Government	\$1,382,886	Admin, Asset management, Crossroads, Council, By-law, Planning Department, and Provincial Offences, and trailer park
Policing	\$479,620	Contracted service through the OPP
Net Cost - Fire	\$114,094	Includes Emergency Measures
Net Cost - Public Works	\$616,769	Roadways, Fleet, Airport, and Highway Corridor
Net Cost - Sewer	\$0	2020 Surplus revenues were used as the amount to be transferred to sewer reserve
Net Cost - Water	\$0	2020 Surplus revenues were used as the amount to be transferred to water reserve
Waste Management	\$0	Revenues and transfers to reserves adjusted to reflect more typical go forward operations at the landfill
Public Health	\$58,911	Includes contracted services from Northern Health Unit and cemetery services; 2020 Budgeted value used for Land Ambulance transfer amount
Transfers to Boards	\$227,024	KDSB - Housing, Child Care, Social Assistance, and Land Ambulance; Pinecrest Home for the Aged; 2020 Budgeted values used for transfer amounts
Recreation and Cultural Services	\$389,092	Arena, Programming, Golf, Administration, Recreation Facilities, Fitness Centre, Bowling Alley, Outdoor Facilities, Parks and Beaches, and Library
Total Net Cost	\$121,588	

Note 1: NWMO transfers, grants, or contributions were not included in the municipal baseline.

Note 2: Revenues are presented as negative costs, consistent with the Township's documents reviewed as part of this study.

3.1 Municipal Finance Drivers

As noted previously, the key drivers influencing the municipal finance elements are population, housing, total number of properties and property assessment value. Changes to these specific drivers will generate impacts on the municipality's finances. Each of these drivers will be discussed in the following sections of the report.

3.1.1 Population

The baseline population for Ignace in the absence of the Project, has limited forecast growth across all Project phases. Population estimates associated with each Project phase were obtained from the

¹⁵ The Township of Ignace - Department of Finance, (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

¹⁶ The Township of Ignace - Department of Finance, (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

Growing the Population and Opportunities study.¹⁷ A more detailed examination of population projections can be obtained from that report.

This study population is assumed to directly drive the following municipal finance elements:

- Public works cost associated with roadway maintenance;
- Waste management revenues and costs;
- Public health costs associated with contracted services;
- Transfers to external boards to support Pinecrest Home for the Aged; and
- Recreation and cultural services revenues and costs for the arena, municipal golf, and programming.

3.1.2 Housing

Ignace's baseline housing has relatively limited growth forecast to 2043. Housing estimates associated with each Project phase were obtained from the Housing Study Report.¹⁸ A more detailed examination of housing projections used can be obtained from that report.

In this study housing is assumed to directly drive the following municipal budget items:

- General revenue Ministry of Finance grants;
- Water services revenues and costs; and
- Sewer services revenue and costs.

Housing also contributes to other drivers, specifically, the total number of properties, and total assessed value of properties in Ignace.

3.1.3 Number of Properties and Assessment Value

The baseline forecast of Ignace's properties and assessment value is derived from the 2019 Ignace Financial Information Return (FIR) property count, and average residential property value.¹⁹ For the purposes of this study, two classification of property types are used, residential, and non-residential. The baseline forecast for residential properties is equivalent to the housing baseline forecast derived from the Housing Study Report.²⁰ The baseline forecast for non-residential properties was developed using historical numbers of commercial and industrial properties obtained from OPP municipal policing billing information to calculate the compound annual growth rate (CAGR) and applying the calculated rates to the 2020 property data (2020) to generate projections. Different types of properties are weighted differently to determine their tax liabilities (**Figure 3**). That is a residential and a commercial property with the same unweighted assessment value might pay different taxes based on their property type weightings.

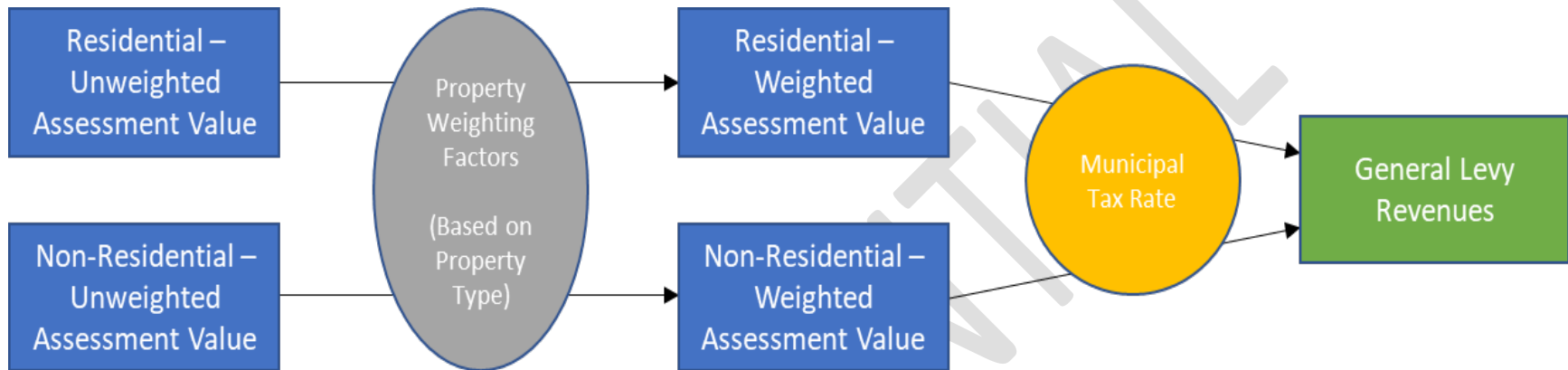
¹⁷ Intergroup, (2022) Northwest Community Studies - Growing the Population and Opportunities

¹⁸ Hardy Stevenson and Associates Limited, (2022). *Ignace Area Community Studies: Economics and Finance - Housing Study*.

¹⁹ Financial Information Report, (2021). *Financial Information Return Multi-Year Report*.

²⁰ Hardy Stevenson and Associates Limited, (2022). *Ignace Area Community Studies: Economics and Finance - Housing Study*.

Figure 3 Relationship Between Unweighted Assessment Values and General Levies.



Unweighted per unit assessment values by residential and non-residential properties were calculated based on assessment values and number of properties and converted to 2020 dollars.²¹ The unweighted assessment value by Project phase was calculated by taking the product of the baseline forecast of residential and non-residential properties and the per unit assessment values.

The residential and non-residential weighting used for tax purposes was calculated based on the weighting of residential and non-residential property types in the 2019 FIR.²² The weighted assessment base is used with the tax rate to apportion municipal taxes. Changes in the weighted assessment base are significant as they represent changes in the base on which taxes are levied. If a municipality's revenue required through general levy remains constant, and the weighted assessment base increases, the tax rate used to calculate taxes owing will decrease. The taxes, therefore, owed by property owners will decrease.

Table 3 sets out the baseline number of properties, weighted and unweighted assessment base for Ignace by property type, for both residential and non-residential properties.

Table 3: Baseline Number of Properties, Weighted Assessment and Non-Weighted Assessment Base for Ignace by Property Type and Project Phase.²³

	Forecast		
	2028	2033	2043
Number of Properties			
Residential	610	630	660
Non-Residential	67	66	63
Total	677	696	723
Unweighted Assessment Value			
Residential	\$56,262,858	\$58,107,542	\$60,874,568
Non-Residential	\$25,579,094	\$24,981,469	\$23,827,781
Total	\$81,841,952	\$83,089,011	\$84,702,349
Average Assessed Property Value			
Residential	\$92,234	\$92,234	\$92,234
Non-Residential	\$534,769	\$538,428	\$546,002
All Properties Average	\$128,339	\$126,241	\$120,506
Weighted Assessment Value			
Residential	\$56,629,878	\$58,486,595	\$61,271,671
Non-Residential	\$30,244,419	\$29,537,795	\$28,173,688
Total	\$86,874,297	\$88,024,390	\$89,445,359

In this study, the total number of properties and assessed value of property is assumed to drive the following municipal finance elements (Figure 4):

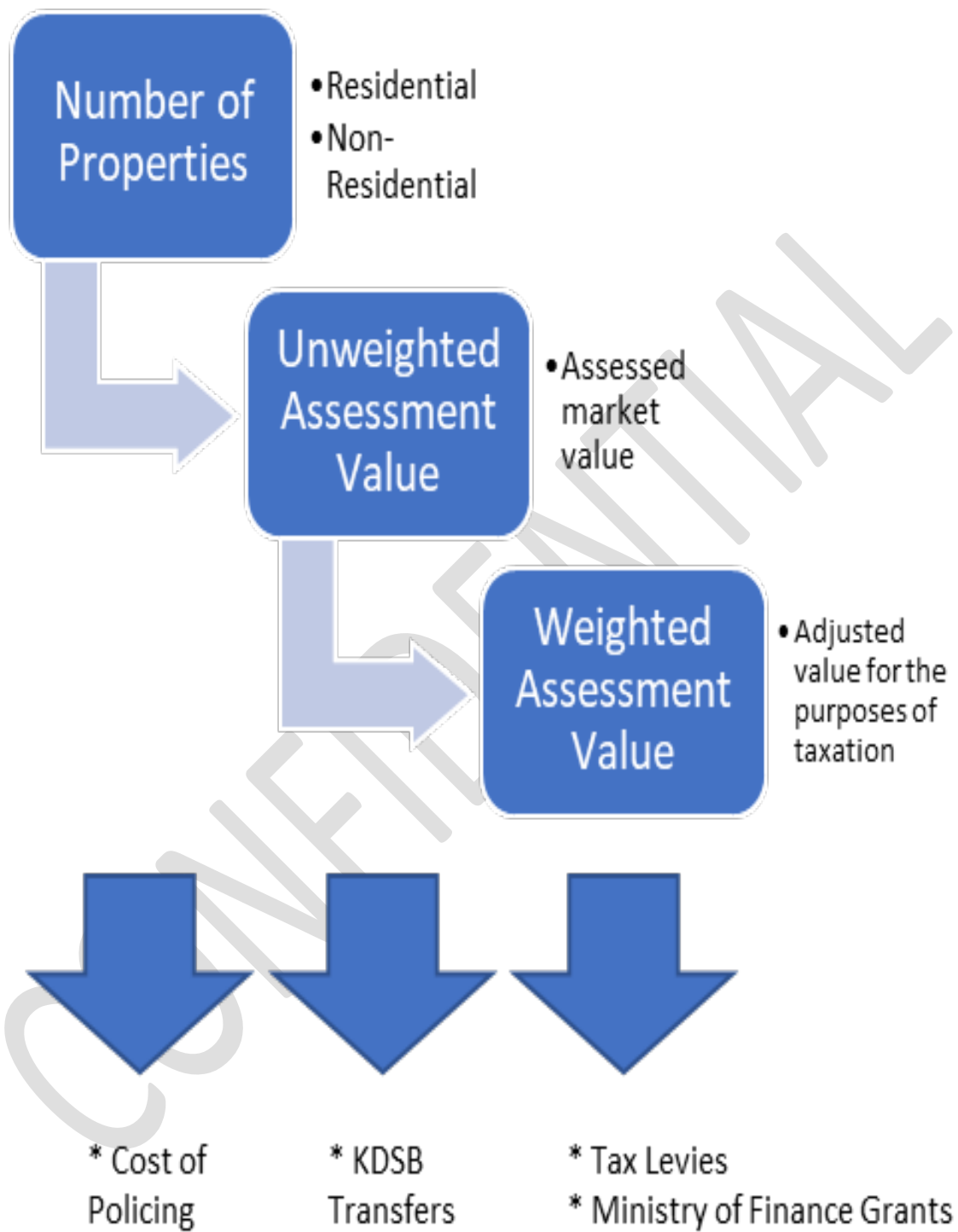
- Cost of policing contracted from the OPP (Number of properties)
- General Revenue – Tax levies (Weighted assessment value)
- General Revenue – Ministry of Finance Grants (Weighted assessment value)
- Transfer costs paid to the Kenora District Services Board (Non-weighted assessment value)

²¹ The Township of Ignace - Department of Finance, (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

²² Financial Information Report, (2021). *Financial Information Return Multi-Year Report*

²³ Financial Information Report, (2021). *Financial Information Return Multi-Year Report*

Figure 4 The Relationship Between Properties and Assessment Values, and Municipal Finance Elements.



3.2 Municipal Finance Elements

The following section provides a forecast of the municipal finance elements that comprise Ignace's municipal finances in the absence of the NWMO project. The basis for these forecasts is the municipal finance drivers and the adjusted 2020 Ignace budget and actual financial information.

3.2.1 General Revenue

General revenues are non-department specific revenues and that are used to fund municipal government. While other municipal finance elements are forecast for the different Project phases, general revenue is not. Instead, the 2020 actuals are presented to help establish a general revenue baseline. Much of the baseline general revenue will be established through municipal political decisions, combined with the forecast of departmental specific net costs. Table 4 provides a forecast of Ignace's general revenue in 2020.

The following are the four major sources of general revenue:

- Tax levies
- Ontario Ministry of Finance grants
- Payments in lieu of taxes, and
- Other sources of revenue (e.g., land sales, Federal Gas Tax, interest, etc.)

Table 4: General Revenue 2020 (Forecast).²⁴

	2020 (\$)	2020 (%)
General Revenue		
Tax Levies	\$-2,073,915	66%
Ministry of Finance grants	\$-913,000	29%
Payments in Lieu of taxes	\$-114,637	4%
Other source of revenue	\$-45,256	1%
Net Cost - General Revenue	\$-3,146,808	100%

Note: Revenues are presented as negative costs, consistent with the Township's documents reviewed as part of this study.

3.2.1.1 Tax Levies

Ignace's tax levies are calculated by multiplying the tax rate against the weighted assessed property value. Weighted assessed property values are calculated by multiplying a weighting factor associated with the type of property (residential and non-residential) against the assessed property value. The 2020 tax rate for Ignace is approximately \$24.09 per every \$1,000 of assessed value, resulting in total tax levies of \$2,073,915 which represents 66 percent of the total.

3.2.1.2 Payments in Lieu of Taxes

Payments in lieu of taxes are payments made to Ignace as compensation for lost tax revenue on tax-exempt properties. In 2020, Ignace received \$114,637 in general revenue as payment in lieu of taxes.

3.2.1.3 Ontario Ministry of Finance Grant

The key Ontario Ministry of Finance Grant received by Ignace is the Ontario Municipal Partnership Fund (OMPF) grant. The OMPF is an unconditional transfer from the Ontario Ministry of Finance and is distributed primarily to northern and rural municipalities. This funding aims to provide financial aid to

²⁴ The Township of Ignace - Department of Finance. (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

municipalities facing more challenging fiscal circumstances. Additionally, the funding is intended to support municipalities with a narrowly bounded property assessment. The OMPF is comprised of the following funding sources:

- Assessment Equalization Grant
- Northern Communities Grant
- Rural Communities Grant
- Northern and Rural Fiscal Circumstances Grant, and
- Transitional Assistance.

The Assessment Equalization Grant component provides funding to eligible municipalities with below average property assessment values. The Northern Communities Grant component provides funding to all northern municipalities. The Rural Communities Grant component provides funding to eligible municipalities based on the proportion of their population residing in rural areas/small communities. The Northern and Rural Fiscal Circumstances Grant component is based on the relative economic circumstances of a municipality. Transitional Assistance helps provide year-over-year consistency in the funding.

As a municipality grows in terms of number properties, the OMPF grant increases. As a municipality becomes more urban, as their economic circumstances improve, and as their assessed property values increase, the OMPF grant decreases. For Ignace this means as the relative economic condition of the community improves, the OMPF funding will decrease.

In 2020 Ignace received \$913,000 in general revenues from OMPF.

3.2.1.4 Other General Revenue

Other general revenues for Ignace include proceeds from the following:

- Interest on accounts receivables and bank balances
- Federal Gas Tax revenue
- Transfer from water owing to property tax
- Interest and penalties on taxes
- Ontario Cannabis Legalization (OCLF)
- Land sales, and
- Miscellaneous revenue.

In 2020, Ignace received \$45,256 in other general revenue.

3.2.2 Government

For this study, Ignace's general government component is described as the revenues and costs associated with:

- Administration
- Asset management
- The Crossroads building
- Council
- By-law
- Planning Department

- Provincial offences, and
- Municipal trailer park.

The baseline revenues from these services include grants, donations, commissions, sale of licenses, rental revenue, by-law enforcement, revenue from provincial offences, and transfers from reserves. Subsidies received from NWMO were not considered in this study. All such funds affecting this budget component have been excluded.

The baseline costs from these services include wages and benefits, tools and supplies, small capital items, payment for the administration of provincial offences, third-party services, write-offs and bad debts, cost of financing, and other general operating costs.

The 2020 government-earned revenues for Ignace were \$283,933 and incurred costs were \$1,666,818, resulting in a net cost of \$1,382,885. Table 5 forecasts the revenues and costs of government for all phases of the Project.

Table 5: Projected Estimates for Baseline Ignace Government Revenues and Costs.²⁵

	Forecast		
	2028	2033	2043
Government			
Revenue	\$-283,933	\$-283,933	\$-283,933
Cost	\$1,666,818	\$1,666,818	\$1,666,818
Net Cost - Government	\$1,382,885	\$1,382,886	\$1,382,886

3.2.3 Policing

Policing costs for Ignace are primarily associated with compensation for contracted services from the OPP. The cost of this service is calculated based on the number of properties in the municipality. In addition, there are other relatively small revenues and costs incurred for policing derived from grants, travel, workshops, honorariums, and labour-associated benefits. The 2020 policing revenues for Ignace were \$6,640 and incurred costs were \$486,260, resulting in a net cost of \$479,620. Table 6 forecasts Ignace's policing revenues and costs for all phases of the Project.

Table 6: Projected Estimates for Ignace Baseline Policing Revenues and Costs.

	Forecast		
	2028	2033	2043
Policing			
Revenue	\$-6,640	\$-6,640	\$-6,640
Costs			
Costs of Policing	\$488,168	\$501,446	\$520,875
Other	\$10,870	\$10,870	\$10,870
Total Policing Cost	\$499,038	\$512,316	\$531,745
Net Cost - Policing	\$492,398	\$505,676	\$525,105

²⁵ The Township of Ignace - Department of Finance, (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

3.2.4 Fire Department

Fire department revenues for Ignace are primarily sourced from miscellaneous income, while costs include full-time and volunteer employee wages and benefits, training, equipment, operations and maintenance, supplies, services, and more recently, costs associated with the management of COVID-19.

For the purposes of this study, revenues and costs associated with emergency measures management have been included under the fire department budget component. The 2020 fire department revenues for Ignace were \$79,575 and incurred costs were \$193,669, resulting in a net cost of \$114,094. Table 7 forecasts the revenues and costs of the Fire Department for all phases of the Project.

It should also be noted that although there is no baseline requirement for a new firehall, the existing firehall has been identified as not meeting current building code, not meeting firefighting standards as well as being in the disaster zone relative to the Canadian Pacific Railway (CPR) rail tracks.²⁶

Table 7: Projected Estimates for Ignace Baseline Fire Department Revenues and Costs.

	Forecast		
	2028	2033	2043
Fire			
Revenue	\$-81,219	\$-82,535	\$-83,192
Cost	\$197,671	\$200,872	\$202,473
Net Cost - Fire	\$116,451	\$118,337	\$119,280

3.2.5 Public Works

For the purposes of this study Ignace's Public Works financials include the financials for the management of municipal roadways and other services including management of fleet, airport, and highway corridor.

The revenues associated with Public Works are mainly comprised of equipment rentals. The costs associated with roadways include staff wages and benefits, street light operation and maintenance, and surficial roadway repair. In terms of road infrastructure, Ignace has an acceptable road network; however, maintenance of local access roads and causeways are of concern with regular upkeep required to achieve good standing. Davey Lake Road will likely require resurfacing by 2032, and Pine Street will likely require resurfacing by 2027.²⁷ The costs of these one-time capital projects have not been costed in this report. The 2020 Public Works revenues for Ignace were \$24,302 and incurred costs were \$641,070, resulting in a net cost of \$616,769. Table 8 forecasts Ignace's Public Works revenues and costs for all phases of the Project.

Table 8: Projected Estimates for Ignace Baseline Public Works Department.²⁸

	Forecast		
	2028	2033	2043
Public Works			
Revenue	\$-24,302	\$-24,302	\$-24,302
Costs			

²⁶ WSP. (2022). *Ignace Area Infrastructure: Transportation and Emergency Response Study*

²⁷ WSP. (2022). *Ignace Area Infrastructure: Municipal Infrastructure Study*

²⁸ The Township of Ignace - Department of Finance, (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

	Forecast		
	2028	2033	2043
Roadways	\$98,135	\$99,724	\$100,519
Other	\$544,922	\$544,922	\$544,922
Total Public Works Cost	\$643,057	\$644,646	\$645,440
Net Cost - Public Works	\$618,755	\$620,344	\$621,139

3.2.6 Sewer Services

Ignace's sewer services include all the revenues and costs associated with the collection and treatment of wastewater. The revenues received from sewer services primarily come from direct residential charges, direct commercial charges, and flat fee charges. The major cost associated with sewer services are the fees paid to a contracted operator.

The current wastewater treatment plant would not support the baseline population of 1,265 people. This means the wastewater treatment plant would require upgrades and/or expansion to meet the baseline demands. Due to the age of the facility, it will already have to be replaced or significantly upgraded regardless in approximately a decade due to it reaching the end of its design life.²⁹ This report does not estimate the costs associated with the upgrade to this facility required as part of the baseline without the Project.

The wastewater collection system is almost fully comprised of asbestos cement pipe.³⁰ This collection system is not suitable in its current state to have additional sewage collection networks added to it.

The financial objective of sewer services is to have all the revenues collected from the delivery of the service cover all the costs incurred in the delivery of the service.

The 2020 sewer services earned revenues for Ignace of \$301,036 and incurred costs of \$251,536, resulting in a net contribution of \$49,500. The surplus was transferred to a sewer service reserve fund for future asset replacement. Table 9 forecasts the revenues and costs of sewer services for all phases of the Project.

Table 9: Projected Estimates for Ignace Baseline Sewer Services Department.³¹

	Forecast		
	2028	2033	2043
Sewer Services			
Revenues	\$-311,240	\$-321,445	\$-336,752
Costs	\$311,240	\$321,445	\$336,752
Net Cost - Sewer	\$0	\$0	\$0

3.2.7 Water Services

The water services component for Ignace consists of all revenues and costs associated with the extraction, treatment, and distribution of clean water. The revenues come primarily from direct

²⁹ WSP, (2022). *Ignace Area Infrastructure: Municipal Infrastructure Study*

³⁰ WSP, (2022). *Ignace Area Infrastructure: Municipal Infrastructure Study*

³¹ The Township of Ignace - Department of Finance, (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

residential charges, direct commercial charges, and flat fee charges, whereas the major cost associated with water services are the fees paid to a contracted operator.

The current water treatment facility is designed for a population up to 2,400, but its operational capacity is 1,870 based on experience operating the plant. Given its age and condition under baseline conditions the current water treatment facility is not likely to require an upgrade for approximately 40-years. The current water treatment facility is adequate for the baseline population.

The financial objective of water services is to have all the revenues collected from the delivery of the service cover all the costs incurred in the delivery of the service.

The 2020 water services earned revenues for Ignace were \$674,142 and incurred costs were \$398,857, resulting in a net contribution of \$275,285. The surplus was transferred to the water service reserve fund for future asset replacement. Table 10 forecasts the revenues and costs of water services for all phases of the Project.

Table 10: Projected Estimates for Ignace Baseline Water Services Department.³²

	Forecast		
	2028	2033	2043
Water Services			
Revenues	\$-696,995	\$-719,847	\$-754,125
Costs	\$696,995	\$719,847	\$754,125
Net Cost – Water	\$0	\$0	\$0

3.2.8 Waste Management

The waste management component for Ignace consists of all revenues and costs associated with the collection and disposal of municipal solid waste. The revenues come primarily from tipping fees, bag tags, and annual garbage generator fees, whereas the major costs include wages and benefits, contractor costs, equipment rental and other operating costs.

Waste management services in Ignace are limited to collection and landfill operations. Services such as recycling and other solid waste diversion are not currently offered within the municipality.

For the purposes of calculating a baseline of waste management costs Ignace's 2020 waste management revenues were adjusted to a more representative number, as 2020 had an atypical amount of tipping fee revenue at the landfill. The adjusted, more typical 2020 revenues for Ignace's waste management were \$156,663. The 2020 costs including a transfer to a reserve to cover closure and post-closure activities were \$156,663, resulting in a no net contribution. Table 11 forecasts the revenues and costs of waste management for all phases of the Project.

³² The Township of Ignace - Department of Finance, (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

Table 11: Projected Estimates for Ignace Baseline Waste Services Department.³³

	Forecast		
	2028	2033	2043
Waste Management			
Revenues	\$-161,974	\$-167,285	\$-175,251
Costs	\$161,974	\$167,285	\$175,251
Net Cost - Waste Management	\$0	\$0	\$0

3.2.9 Public Health

For the purposes of this report Public Health includes the small revenues and costs associated with operating Ignace's cemetery, in addition to the public health services contracted from the Northwestern Health Unit. The revenues come primarily from operational sales and transfers, whereas the major cost associated with public health services is the transfer payment made to the Northwestern Health Unit. The transfer payments are calculated based on the shared cost budget for the Northwest Health Unit and the population of Ignace relative to all municipalities involved. The amount of the transfer payment is calculated based on Ignace's population. The 2020 public health revenues for Ignace were \$2,624 and incurred costs were \$61,535, resulting in a net cost of \$58,911. Table 12 forecasts Ignace's public health revenues and costs for all phases of the Project.

Table 12: Projected Estimates for Ignace Baseline Public Health Services.³⁴

	Forecast		
	2028	2033	2043
Public Health			
Revenues	\$-2,624	\$-2,624	\$-2,624
Costs			
Contracted	\$60,565	\$61,546	\$62,036
Other	\$2,196	\$2,196	\$2,196
Total Public Health Cost	\$62,761	\$63,742	\$64,232
Net Cost - Public Health	\$60,137	\$61,118	\$61,608

3.2.10 Recreation and Cultural Services

For the purposes of this report Recreation and Cultural Services includes the revenues and costs associated with operation of the arena, recreational programming, golf, and other services including administration of recreation, management of indoor and outdoor recreation facilities, management of the fitness centre, bowling alley, parks and beaches and library.

The revenues for the recreation and cultural services come from rentals and usage fees, canteen operations, donations, grants, and other miscellaneous sources. The costs associated with recreation and cultural services come from staff wages and benefits, facility maintenance and operation costs, programming costs, and library material costs. The 2020 recreation and cultural services revenues for

³³ The Township of Ignace - Department of Finance. (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

³⁴ The Township of Ignace - Department of Finance. (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

Ignace were \$53,973 and incurred costs were \$443,065, resulting in a net cost of \$389,092. Table 13 forecasts Ignace's recreation and cultural services revenues and costs for all phases of the Project.

Table 13: Projected Estimates for Ignace Recreation and Cultural Budget Department for all Phases of the Project.³⁵

	Forecast		
	2028	2033	2043
Recreation and Cultural Services			
Arena			
Revenue	\$-17,273	\$-17,553	\$-17,693
Costs	\$241,919	\$245,837	\$247,796
Net Cost - Arena	\$224,646	\$228,284	\$230,103
Programming			
Revenue	\$-15,744	\$-15,999	\$-16,126
Costs	\$18,772	\$19,076	\$19,228
Net Cost - Programming	\$3,028	\$3,077	\$3,102
Golf			
Revenues	\$-572	\$-581	\$-585
Costs	\$5,917	\$6,013	\$6,060
Net Cost - Golf	\$5,345	\$5,432	\$5,475
Other			
Revenues	\$-21,065	\$-21,065	\$-21,065
Costs	\$181,854	\$181,854	\$181,854
Net Cost - Other	\$160,789	\$160,789	\$160,789
Net Cost - Recreation and Cultural Services	\$393,809	\$397,582	\$399,469

3.2.11 Transfers to Boards

Ignace makes transfer payments to the Kenora District Services Board (KDSB) and Pinecrest Home for the Aged as compensation for services delivered at the regional level. KDSB provides housing, childcare, social assistance, and land ambulance services. The transfers made to KDSB for regional programs are based on Ignace's unweighted land assessment value. The transfers made to Pinecrest Home for the Aged for elder care are based on Ignace's population. The 2020 total cost for transfers to boards was \$227,024. Table 14 forecasts Ignace's transfer to board costs for all phases of the Project.

Table 14: Projected Estimates for Ignace Baseline Transfers to Boards.³⁶

	Forecast		
	2028	2033	2043
Transfers to Boards			
KDSB	\$161,239	\$163,696	\$166,875
Pinecrest Home for the Aged	\$69,122	\$70,242	\$70,801
Net Cost - Transfers to Boards	\$230,361	\$233,938	\$237,676

³⁵ The Township of Ignace - Department of Finance, (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

³⁶ The Township of Ignace - Department of Finance, (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

3.3 Summary of Baseline Conditions

This section provides a summary of all the key aspects related to baseline conditions surrounding Ignace's municipal finance including upcoming one-time forecast capital projects. Several specific one-time capital projects that may be required as part of the baseline conditions were identified. These projects will have an impact on municipal costs, although these costs were not quantified as part of this study. The following is a list of one-time capital projects:

- There are two identified roads that will likely require resurfacing by 2032.
- Expansion of the wastewater treatment facility due to its age and operational capacity is required under baseline conditions. The impact to municipal finance would include the incremental cost of upgrading or replacing the existing facility to meet the forecast needs of the baseline population. The timing of this would be during pre-construction as an upgrade is likely required in the next 10 years.
- Although a new firehall is not necessarily required, the existing firehall does not meet the building requirements and firefighting requirements. In addition, it is located in the CPR rail line disaster zone. Replacement of the firehall may be considered under baseline conditions.

3.3.1 Importance of Municipal Partner's Fund grant

Ignace receives 29.0% of its general revenue through the Ontario Municipal Partner's Fund grant. The per household amount of the grant is driven by the average weighted assessed property values, and economic circumstances, compared against other northern rural municipalities. Ignace receives the maximum per household amount due to challenging economic circumstances when compared against peer municipalities. Ignace also has a substantially lower per household weighted assessment value when compared to the provincial average. Both of these factors increase the size of the per household grant Ignace receives.

3.3.2 Summary of Municipal Finances

The summary of the 2020 baseline municipal finances is as follows:

- Ignace had general revenues of \$3,146,808 in 2020.
- Ignace had departmental net costs of \$3,268,395 in 2020. These costs are forecast to grow to \$3,347,164 in 2043 under baseline conditions. This represents an increase of 2.4% in net departmental costs.
- Ignace had a weighted assessment base of \$86.0 million in 2020. The assessment base is forecast to grow to \$89.4 million in 2043 under baseline conditions. This represents an increase of 4.0%.

Not including other increases to general revenues other than levies (Ministry of finance grants, taxes in lieu, and other sources), under baseline conditions by 2043 Ignace could be forced to cover a 2.4% increase in net departmental costs over an increase in weighted assessment base of 4.0%. This could result in a change level of service offered by the municipality or an increase in tax rates. It should be noted that these increases in cost do not include the costs associated with one-time capital projects, such as road resurfacing, and relocation of the firehall.

4 Changes Associated with the Project

The APM Project is expected to come in three phases: pre-construction (2023 to 2032), construction (2033 to 2042) and operations (2043 to 2088). If Ignace is selected, by 2028 most NWMO staff will be working full-time from the Centre of Expertise in Ignace. As the Project progresses, surface and underground trades will be part of the direct labour requirements. The impacts of the Project on Ignace's population and housing are detailed in other studies identified in Section 2.3.

The Project is expected to have direct and indirect impacts on Ignace's municipal finance. Direct impacts to municipal finance are impacts to municipal costs and revenues that are directly linked to the Project. Indirect impacts to municipal finance are impacts to municipal costs and revenues that are associated with the indirect effects of the Project.

For example, a direct impact on the unweighted assessment value of property in Ignace would be the value of the Centre of Expertise created as part of the project. NWMO directly controls the development of the Centre of Expertise, this makes the Centre of Expertise a direct impact. An indirect impact on the unweighted assessment value of property in Ignace would be the value of the housing created to accommodate population growth associated with the Project. NWMO influences but does not directly control the population growth associated with the project, this makes the housing created to house workers an indirect impact. Housing is not part of NWMO's Project.

The impacts of the Project on municipal finance, may be specifically identified in projects required by the municipality or they may be proportionally derived changes in costs and revenues due to changes in municipal cost drivers. Specifically identified impacts to municipal finance, are typically associated with an identified municipal project (Example: upgrades to the water conveyance, or sewer collection system) or change in municipal operations required to accommodate the Project. Proportionally derived impacts to municipal finance are calculated based proportionally on the changes in municipal cost drivers. An increase in population will mean that Ignace will need to increase the amount of money they transfer to KDSB for the services they provide.

For the purposes of this study, it is assumed that there is no change in the level of service when determining the impacts of the Project on municipal finance.

For example, if without the Project, Ignace's Solid Waste Management has single stream curbside residential waste collection. It is assumed that the Project will not change this level of service.

The impact of the Project on municipal finance will assume that there is no change in levels of service.

4.1 Municipal Finance Drivers

This section identifies the potential impact of the Project on the drivers of municipal finance.

4.1.1 Population

The Project has no direct impact on Ignace's population. The Project is forecast to indirectly impact the Population of Ignace. Table 15 presents a forecast of the impacts of the Project on population across all phases of the Project.

Table 15: Ignace Population Forecast With and Without Project Across Project Phases.³⁷

	Project Phases		
	Preconstruction	Construction	Operations
Population			
Baseline	1,235	1,255	1,265
With Project	1,765	1,850	2,260
Project Impact	530	595	995

These Project related changes for population are assumed to proportionally drive the following municipal finance elements:

- Public works cost associated with roadway maintenance;
- Waste management revenues and costs;
- Public health costs associated with contracted services;
- Transfers to external boards to support Pinecrest Home for the Aged; and
- Recreation and cultural services revenues and costs for the arena, municipal golf, and programming.

4.1.2 Housing

The Project has no direct impact on Ignace's housing stock. The Project is forecast to indirectly impact housing in Ignace. Table 16 presents a forecast of the impacts of the Project on housing across all phases of the Project.

Table 16: Ignace Housing Forecast With and Without Project Across Project Phases.³⁸

	Project Phases		
	Preconstruction	Construction	Operations
Housing			
Baseline	610	630	660
With Project	770	810	960
Project Impact	160	180	300

The Project related changes to housing are assumed to proportionally drive the following municipal finance items:

- General revenue Ministry of Finance grants;
- Water services revenues and costs; and
- Sewer services revenue and costs.

Housing also contributes to other drivers, specifically the total number of properties; and total assessed value of properties in Ignace.

³⁷ Intergroup: (2022) Ignace Area Community Studies: People and Population

³⁸ Hardy Stevenson and Associates. (2022). *Ignace Area Community Studies: Economics and Finance - Housing Study*.

4.1.3 Number of Properties and Assessment Value

The Project directly impacts the number of properties and the assessment values in Ignace with the development of a Centre of Expertise during the pre-construction phase of the Project. The development of the Centre of Expertise increases the total number of properties in Ignace by one and increases the value of the non-residential assessment base. Table 17 presents the capital costs for constructing the Centre of Expertise.

Table 17: Cost of Centre of Expertise.³⁹

Capital Cost	
Assessment Value	
Design and Procurement	\$4,000,000
Construction	\$7,000,000
Total Assessment Value	\$11,000,000
Materials and Equipment	\$10,000,000
Total Capital Cost	\$21,000,000

For the purposes of this study, it is assumed that the Centre of Expertise will contribute \$11,000,000 to Ignace's non-residential assessment value starting in the pre-construction phase post 2028.

The Project indirectly impacts the number of properties and assessment value. The indirect effects come from the construction of new residential housing associated with the Project. Table 18 presents the forecast impacts of the Project on the number of properties in Ignace across Project Phases.

Table 18: Ignace Forecast Residential and Non-residential Property Count With and Without Project Across Project Phases.⁴⁰

	Project Phases		
	Preconstruction	Construction	Operations
Number of Properties			
Baseline	677	696	723
With Project	838	877	1,024
Project Impact	161	181	301

The impact of housing on the assessment value is calculated by multiplying the number of houses associated with the Project by the average assessed value of residential properties in Ignace in 2020 and adding it to the baseline residential assessed value. The baseline weighting factors are applied to the unweighted assessment value for residential and non-residential properties to derive the weighted assessment value. Table 19 presents the forecast impacts of the Project on the unweighted assessment value of properties in Ignace across Project Phases. Table 20 presents the forecast impacts of the Project on the weighted assessment value of properties in Ignace across Project Phases.

³⁹ NWMO. (2021). CONFIDENTIAL Community Studies Planning Assumptions.

⁴⁰ Hardy Stevenson and Associates, (2022). *Ignace Area Community Studies: Economics and Finance - Housing Study*.

Table 19: Ignace Forecast Unweighted Assessment Value With and Without Project Across Project Phases.⁴¹

	Project Phases		
	Preconstruction	Construction	Operations
Unweighted Assessment Value			
Baseline	\$81,841,952	\$83,089,011	\$84,702,349
With Project	\$107,599,423	\$110,691,166	\$123,372,607
Project Impact	\$25,757,471	\$27,602,155	\$38,670,258

Table 20: Ignace Forecast Weighted Assessment Value With and Without Project Across Project Phases.⁴²

	Project Phases		
	Preconstruction	Construction	Operations
Weighted Assessment Value			
Baseline	\$86,874,297	\$88,024,390	\$89,445,360
With Project	\$114,734,307	\$117,741,117	\$130,302,390
Project Impact	\$27,860,010	\$29,716,727	\$40,857,030

The above estimates are likely conservative as this analysis does not quantify any growth in the industrial or commercial sector associated with meeting the needs of the Project or growing population.

The Project related changes to the number of properties and assessment value are assumed to proportionally drive the following municipal finance items:

- Cost of policing contracted from the OPP (number of properties)
- General Revenue – Tax levies (weighted assessment value)
- General Revenue – Ministry of Finance Grants (weighted assessment value) identical
- Transfer costs paid to the Kenora District Services Board (KDSB) (non-weighted assessment value)

4.2 Municipal Finance Elements

This section identifies the potential impact of the Project on the municipal finance elements.

4.2.1 General Revenue

4.2.1.1 Tax Levies

Tax Levies are a major source of general revenue for the Township of Ignace to cover the costs of municipal government. Increasing the assessment base upon which taxes are levied by a greater amount than the municipal costs, net municipal revenues would likely result in a decrease in the tax rate used to calculate taxes owing. In the circumstance described above a property owner with a fixed assessment value would contribute less tax levies if there were a decrease in the tax rate.

⁴¹ Financial Information Report. (2021). *Financial Information Return Multi-Year Report* & The Township of Ignace - Department of Finance. (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

⁴² Financial Information Report, (2021). *Financial Information Return Multi-Year Report*

Table 21 shows the increase in weighted assessment value and net change in municipal costs (excluding general revenue) forecast for all phases of the Project compared against the baseline.

Table 21: Projected Estimates for Ignace's Increase in Weighted Assessment Value and Net Change in Municipal Costs for all Phases of the Project.⁴³

	Project Phases					
	Preconstruction		Construction		Operations	
	(\$) 2020	(%) Baseline	(\$) 2020	(%) Baseline	(\$) 2020	(%) Baseline
Net Change in Municipal Costs - without General Revenue	\$414,515	12.58%	\$462,946	13.94%	\$758,208	22.65%
Net Change in Weighted Assessment Value	\$27,860,009	32.07%	\$29,716,726	33.76%	\$40,857,030	45.68%

In the Preconstruction Phase, compared to the baseline the Project will increase the weighted assessment value of properties by 32.1%, and increase the municipal costs, net other municipal revenue sources by 12.6%. This could result in maintaining or decreasing in the tax rate or would provide additional revenues at the existing tax rate for the Township to increase levels of service to encourage growth, investment, and attraction. The impact of tax rates on renters was outside of this assessment.

In the Construction Phase compared to the baseline the Project will increase the weighted assessment value of properties by 33.8%, and increase the municipal costs, net other municipal revenue sources by 13.9%. This could result in a decrease in the tax rate, but it should be noted that this is independent of any one-time capital projects associated with the project (Section 4.3.1)

In the Operations Phase, compared to the baseline the Project will increase the weighted assessment value of properties by 45.7%, and increase the municipal costs, net other municipal revenue sources by 22.7%. This could result in a decrease in the tax rate, again it should be noted that this is independent of any one-time capital projects associated with the project (Section 4.3.1).

If the level of municipal services is increased beyond the current level of services, and additional costs are incurred the increase in municipal costs, net other municipal revenues beyond what is forecast in this analysis, the tax rate may not decrease and could increase.

For illustration purposes only, if the current tax rate were maintained and applied to the forecast weighted assessment value the following could be increases in tax levies. That is, if the tax rate stayed the same and was applied to the revised assessment base the revenues would go up by the following amounts:

- Preconstruction - \$2,756,580 (32.92% greater than baseline)
- Construction - \$2,835,196 (36.71% greater than baseline)
- Operations - \$3,138,095 (51.31% greater than baseline)

⁴³ Financial Information Report, (2021). *Financial Information Return Multi-Year Report*

4.2.1.2 Ontario Ministry of Finance Grant

The impact of the Project on revenue received by the Township of Ignace in the form of Ontario Ministry of Finance's OMPF grants is complicated to calculate. Certain impacts of the Project could lead to an increase in the amount of OMPF funding received, while other impacts of the Project could lead to a decrease in OMPF funding.

This study does not attempt to calculate a specific value associated with the impact of the Project to the OMPF grant, rather it describes how changes in different factors used to calculate the value of the grant potentially impacted by the Project could result in a change in funding. Table 22 describes the factors used to calculate the OMPF grant and how they might be impacted by the Project.

Table 22: Factors Used to Calculate the OMPF Grant Potentially Impacted by the Project

Factor	Description	Potential Project Impact
Average Weighted Assessment Value	<ul style="list-style-type: none"> Average weighted assessment value of a household in the municipality is compared to the provincial average weighted assessment value. The less valuable a property is in the municipality, the greater the OMPF grant funding. 	<ul style="list-style-type: none"> New households built because of the Project, could be at a greater weighted assessment value than the current Ignace average weighted assessment value. This would increase the average weighted assessment value and decrease the OMPF grant funding.
Number of Households	<ul style="list-style-type: none"> The OMPF grant is primarily calculated as a per household funding basis. An increase in the number of households raises the OMPF grant funding. 	<ul style="list-style-type: none"> The Project is forecast to increase the number of households in each phase of the Project compared to the baseline. This would increase the OMPF grant funding.
Municipal Fiscal Circumstance Index (MFCI)	<ul style="list-style-type: none"> The MFCI is a measure of the economic challenges a municipality faces, relative to other municipalities. The MFCI is based on weighted assessment value, household income, and other economic factors. The MFCI scale ranges from 1 to 9. An MFCI of 5 indicates an average economic challenge. An MFCI of less than 5 indicates less economic challenges than average. 	<ul style="list-style-type: none"> Ignace currently has an MFCI of 9. Ignace's MFCI of 9 indicates that it is facing the highest level of economic challenges. The Project could improve the economic circumstances of Ignace and reduce the MFCI rating. This could reduce the OMPF funding received by Ignace.

- An MFCI of greater than 5 indicates more economic challenges than average.
- The greater MFCI the greater the OMPF grant.

The Project could increase the OMPF grant through an increase in the number of households. The Project could decrease the OMPF grant if the new houses built increase the average weighted assessment value per household, and if the Project improves Ignace's Municipal Fiscal Circumstance Index (MFCI).

4.2.1.3 Other General Revenues

Other general revenues are not forecast to be impacted by the Project. Ignace is forecast to maintain its baseline other general revenues.

4.2.2 Government

The Project is not forecast to impact the revenues and costs associated with Ignace's general government (identified in section 3.2.2). Ignace is forecast to maintain its baseline revenues and costs for government for all Phases of the Project.

4.2.3 Policing

The Project is forecast to increase the cost of policing from the OPP directly and indirectly. The direct increase comes from the addition of the Centre of Expertise. The indirect increase comes from the increase in households. The Project is not forecast to have any other impacts on the revenues or costs of policing.

The cost of policing is a contracted service that roughly increases in cost with the number of properties in the municipality. The Project's direct and indirect impact on the number of properties could increase the cost of contracted Policing from the Ontario Provincial Police. Table 23 presents a forecast of the impacts of the Project on the cost of policing across all phases of the Project.

Table 23: Ignace Forecast Policing Costs With and Without Project Across Project Phases.⁴⁴

	Project Phases		
	Preconstruction	Construction	Operations
Baseline			
Policing			
Revenue	\$-6,640	\$-6,640	\$-6,640
Costs			
Total Policing Cost	\$499,039	\$512,317	\$531,746
Net Cost - Policing	\$492,399	\$505,677	\$525,106
With Project			
Policing			
Revenue	\$-6,640	\$-6,640	\$-6,640
Costs			

⁴⁴ The Township of Ignace - Department of Finance. (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

	Project Phases		
	Preconstruction	Construction	Operations
Total Policing Cost	\$615,063	\$642,754	\$748,661
Net Cost - Policing	\$608,423	\$636,114	\$742,021
Project Impact			
Policing			
Revenue	\$-	\$-	\$-
Costs			
Total Policing Cost	\$116,024	\$130,437	\$216,915
Net Cost - Policing	\$116,024	\$130,437	\$216,915

4.2.4 Fire Department

The Project is forecast to have an indirect impact on the costs associated with the fire department as population increases.⁴⁵ Table 24 shows the forecast indirect increase in the fire department's revenues and costs associated with the Project.

Table 24: Ignace Forecast Fire Department Costs With and Without Project Across Project Phases.⁴⁶

	Project Phases		
	Preconstruction	Construction	Operations
Baseline			
Fire			
Revenue	\$-81,219	\$-82,535	\$-83,192
Cost	\$197,671	\$200,872	\$202,473
Net Cost - Fire	\$116,451	\$118,337	\$119,280
With Project			
Fire			
Revenue	\$-116,075	\$-121,665	\$-148,628
Cost	\$282,501	\$296,106	\$361,730
Net Cost - Fire	\$166,427	\$174,442	\$213,102
Project Impact			
Fire			
Revenue	\$-34,855	\$-39,130	\$-65,436
Cost	\$84,830	\$95,234	\$159,257
Net Cost - Fire	\$49,975	\$56,104	\$93,821

4.2.5 Public Works

The Project is forecast to have direct and indirect impacts on the costs associated with the management of roadways in Ignace. The Project is not forecast to have an impact any other Public Works costs and revenues.

The Project's direct impact on the costs associated with the management of Roadways could come from accelerated road deterioration if heavy vehicles are used in construction of the Centre of Expertise on

⁴⁵ WSP. (2022). *Ignace Area Infrastructure: Transportation and Emergency Response Study*

⁴⁶ The Township of Ignace - Department of Finance. (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

roads not designed to bear additional weight.⁴⁷ The direct impact of the Project on roadways is unclear currently and is dependent on construction details and location of the Centre of Expertise. Additional costs associated with deterioration of local roads can be avoided by creation of purpose-built access roads for the construction of the Centre of Expertise, and avoidance of local roads by heavy construction vehicles.

The Project is forecast to have a small indirect impact on the costs associated with the management of roadways as population increases.⁴⁸ Table 25 shows the forecast indirect increase in Public Works' costs associated with management of the roadways.

Table 25: Ignace Forecast Public Works Revenues and Cost With and Without Project Across Project Phases.⁴⁹

	Project Phases		
	Preconstruction	Construction	Operations
Baseline			
Public Works			
Revenue	\$-24,302	\$-24,302	\$-24,302
Costs			
Total Public Works Cost	\$643,057	\$644,646	\$645,440
Net Cost - Public Works	\$618,755	\$620,344	\$621,138
With Project			
Public Works			
Revenue	\$-24,302	\$-24,302	\$-24,302
Costs			
Total Public Works Cost	\$685,171	\$691,926	\$724,505
Net Cost - Public Works	\$660,869	\$667,624	\$700,203
Project Impact			
Public Works			
Revenue	\$-	\$-	\$-
Costs			
Total Public Works Cost	\$42,115	\$47,280	\$79,064
Net Cost - Public Works	\$42,115	\$47,280	\$79,064

4.2.6 Sewer Services

The Project is forecast to have direct and indirect impacts on the volume of wastewater collected and treated. This corresponds to a Project related impact on the costs and revenues associated with Sewer services.

There is a baseline requirement that Ignace either replace or upgrade its wastewater treatment facility in approximately 10 years because it is reaching the end of its design life. Ignace's wastewater

⁴⁷ WSP. (2022). *Ignace Area Infrastructure: Municipal Infrastructure Study*

⁴⁸ WSP. (2022). *Ignace Area Infrastructure: Municipal Infrastructure Study*

⁴⁹ The Township of Ignace - Department of Finance. (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

treatment plant has capacity to serve approximately an additional 700 people. While the built capacity of the system was to serve 2,400 people, based on its current condition and age, the system is likely operating close to full capacity.⁵⁰

The existing wastewater treatment plant is required to be replaced or upgraded within ten-years under baseline conditions. The Project will require the new or upgraded existing wastewater treatment plant to be further expanded to deal with the forecast increase in population associated with the Project. The impact of the Project on the incremental one-time capital costs associated with the upgrade of the wastewater treatment facility will be the difference in costs required for upgrades to meet the baseline's capacity needs and the costs to upgrade to meet the expanded population's needs. This study does not quantify the value of these impacts.

The expansion of the collection system to accommodate the Centre of Expertise and other indirect new developments will require a connection into the existing collection system. To connect new development into the existing collection system, upgrades will need to be made to the existing collection system's pipes. Most of the current collection system is comprised of asbestos pipes that would need to be replaced to accommodate the expansion.⁵¹ The Project will result in an additional one-time capital cost associated with this upgrade to the existing sanitary collection system to allow the new development to connect to the sewer system. This study does not estimate the cost of the upgrade to the sanitary collection system.

In addition to the upgrades to the existing sanitary collection system, a new sanitary network will be required to connect the Centre of Expertise and new homes to the wastewater treatment system. This network could include pumping stations as well as pipes. These development specific sewer collection costs could be the responsibility of the developer, or they could impact municipal finance.

The Project is forecast to indirectly increase the sewer service operating costs and revenues incrementally related to the change in population. The costs are forecast to increase due to increase consumable usage, increased wear, and tear on equipment, and increases to other costs. The revenues are forecast to increase due to the increased volume of sanitary sewer usage and the rates charged on usage.

Once the system is upgraded, volumetric costs could change, and this could result in a change in the sewer service rates. For the purposes of this study, we've assumed no change to volumetric costs or revenues associated with the upgraded wastewater treatment plant. Any revenue surpluses after costs are transferred to a sewer reserve fund to help fund future capital investment. Table 26 shows the forecast increase in sewer service revenues and costs associated with the Project.

⁵⁰ WSP. (2022). *Ignace Area Infrastructure: Municipal Infrastructure Study*

⁵¹ WSP (2022). *Ignace Area Infrastructure: Municipal Infrastructure Study*

Table 26: Ignace Forecast Sewer Service Revenues and Costs With and Without Project Phases.⁵²

	Project Phases		
	Preconstruction	Construction	Operations
Baseline			
Sewer Services			
Revenues	\$-311,240	\$-321,445	\$-336,752
Costs	\$311,240	\$321,445	\$336,752
Net Cost - Sewer	\$0	\$0	\$0
With Project			
Sewer Services			
Revenues	\$-392,877	\$-413,286	\$-489,821
Costs	\$392,877	\$413,286	\$489,821
Net Cost - Sewer	\$0	\$0	\$0
Project Impact			
Sewer Services			
Revenues	\$-81,637	\$-91,841	\$-153,069
Costs	\$81,637	\$91,841	\$153,069
Net Cost - Sewer	\$0	\$0	\$0

4.2.7 Water Services

The Project is forecast to have direct and indirect impacts on the volume of clean water treated and distributed. This corresponds to a Project related impact on the costs and revenues associated with water services.

Ignace's water treatment facility has the capacity to serve 1,875 people. The existing water treatment plant has capacity to meet the forecast water supply needs through the preconstruction and construction phase. The water treatment facility does not have the operational capacity to accommodate the direct and indirect impacts of the project in the Operations Phase. A replacement or upgrade will be required for the Operations Phase.⁵³

The expansion of the water distribution system to accommodate the Centre of Expertise and other new development will require a connection into the existing distribution system. Depending on the location of the new development, pumping stations may be required to maintain water pressure. The study does not estimate the one-time capital cost or annual operating costs of these pumping stations should they be required. A new water distribution network could be required to connect new development into the existing municipal system. These development specific water distribution costs could be the responsibility of the developer, or they could impact municipal finance. The Project is forecast to indirectly increase the water service operating costs and revenues incrementally related to the change in population. The costs are forecast to increase due to increase consumable usage, increased wear, and tear on equipment, and increases to other costs. The revenues are forecast to increase due to the increased volume of water consumption and the rates charged on usage. Any revenue surpluses after costs are transferred to a water services reserve fund to help fund future capital investment. Table 27 shows the forecast increase in water service revenues and costs associated with the Project.

⁵² The Township of Ignace - Department of Finance, (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

⁵³ WSP, (2022). *Ignace Area Infrastructure: Municipal Infrastructure Study*

Table 27: Ignace Forecast Water Service Revenues and Costs With and Without Project Across Project Phases.⁵⁴

	Project Phases		
	Preconstruction	Construction	Operations
Baseline			
Water Services			
Revenues	\$-696,995	\$-719,847	\$-754,125
Costs	\$696,995	\$719,847	\$754,125
Net Cost - Water	\$0	\$0	\$0
With Project			
Water Services			
Revenues	\$-879,813	\$-925,517	\$-1,096,909
Costs	\$879,813	\$925,517	\$1,096,909
Net Cost - Water	\$0	\$0	\$0
Project Impact			
Water Services			
Revenues	\$-182,818	\$-205,670	\$-342,784
Costs	\$182,818	\$205,670	\$342,784
Net Cost - Water	\$0	\$0	\$0

4.2.8 Waste Management

The Project is forecast to have an indirect impact on the costs and revenues associated with waste management in Ignace. The Project's indirect impact on the costs associated with waste management could come from increased collection costs associated with curbside pick-up at new households and increased operating costs at the landfill. The Project's indirect impact on the revenues associated with waste management could come from increased tipping fees and bag tag sales. The Project is forecast to have the following impact on the costs and revenues associated with the waste management as the population increases.⁵⁵ Table 28 shows the forecast increase in waste management revenues and costs associated with the Project.

Table 28: Ignace Forecast Waste Management Revenues and Cost With and Without Project Across Project Phases.⁵⁶

	Project Phases		
	Preconstruction	Construction	Operations
Baseline			
Waste Management			
Revenues	\$-161,974	\$-167,285	\$-175,251
Costs	\$161,974	\$167,285	\$175,250
Net Cost - Waste Management	\$0	\$0	\$0
With Project			
Waste Management			
Revenues	\$-204,459	\$-215,080	\$-254,910
Costs	\$204,459	\$215,080	\$254,910
Net Cost - Waste Management	\$0	\$0	\$0

⁵⁴ The Township of Ignace - Department of Finance, (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

⁵⁵ WSP, (2022). *Ignace Area Infrastructure: Municipal Infrastructure Study*

⁵⁶ The Township of Ignace - Department of Finance, (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

Project Impact	Project Phases		
	Preconstruction	Construction	Operations
Waste Management			
Revenues	\$-42,485	\$-47,796	\$-79,659
Costs	\$42,485	\$47,796	\$79,659
Net Cost - Waste Management	\$0	\$0	\$0

In addition to the above, Ignace's Waste Management department may wish to accept NWMO's non-hazardous waste generated at the Deep Geological Repository, and that of the Centre of Expertise for disposal at their landfill. Accepting this waste could decrease the life of the landfill, and increase the annual operating costs, but these could be offset with tipping fees that would result in a net positive contribution from waste management.

No approach to waste management for the Deep Geological Repository, and that of the Centre of Expertise has been confirmed at this time. Further study and discussion between NWMO and the Township would be required to explore this option.

4.2.9 Public Health

The Project is forecast to have an indirect impact on the contracted costs associated with public health in Ignace. Its indirect impact on the costs associated with public health are associated with the increase in Ignace's population and the contracted payments made to the Northwestern Health Unit. Table 29 shows the forecast increase in public health costs associated with the Project.

Table 29: Ignace Forecast Public Health Revenues and Cost With and Without Project Across Project Phases.⁵⁷

	Project Phases		
	Preconstruction	Construction	Operations
Baseline			
Public Health			
Revenues	\$-2,624	\$-2,624	\$-2,624
Costs			
Total Public Health Cost	\$62,761	\$63,742	\$64,232
Net Cost - Public Health	\$60,137	\$61,118	\$61,608
With Project			
Public Health			
Revenues	\$-2,624	\$-2,624	\$-2,624
Costs			
Total Public Health Cost	\$88,752	\$92,921	\$113,027
Net Cost - Public Health	\$86,128	\$90,297	\$110,403
Project Impact			
Public Health			
Revenues	\$-	\$-	\$-
Costs			
Total Public Health Cost	\$25,991	\$29,179	\$48,795
Net Cost - Public Health	\$25,991	\$29,179	\$48,795

⁵⁷ The Township of Ignace - Department of Finance, (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

4.2.10 Recreation and Cultural Services

The Project is forecast to have an indirect impact on the costs and revenues of arena operations, recreational programming, and golf course operations as part of recreation and cultural services. The increases in costs are associated with increased staff and facility costs for operations at the arena, increased programming costs and increased costs of golf course operations. The Project's impact on revenues is forecast to come from increased user fees for the arena, municipal programs, and golf. The Project is forecast to have the following impact on the costs and revenues associated with recreation and cultural services as the population increases. Table 30 shows the forecast increase in recreation and cultural services revenues and costs associated with the Project.

Table 30: Ignace Forecast Recreation and Cultural Services Revenues and Costs With and Without Project Across Project Phases.⁵⁸

	Project Phases		
	Preconstruction	Construction	Operations
Baseline			
Recreation and Cultural Services			
Revenues	\$-54,653	\$-55,197	\$-55,469
Costs	\$448,462	\$452,780	\$454,938
Net Costs - Recreation and Culture	\$393,809	\$397,583	\$399,469
With Project			
Recreation and Cultural Services			
Revenues	\$-69,068	\$-71,379	\$-82,530
Costs	\$562,877	\$581,226	\$669,736
Net Costs - Recreation and Culture	\$493,809	\$509,847	\$587,206
Project Impact			
Recreation and Cultural Services			
Revenues	\$-14,414	\$-16,182	\$-27,061
Costs	\$114,415	\$128,447	\$214,798
Net Costs - Recreation and Culture	\$100,001	\$112,265	\$187,737

4.2.11 Transfers to Boards

The Project is forecast to have direct and indirect impacts on the contracted costs associated with transfers to the KDSB Service board for social services, and to the Pinecrest Home for the Aged. The Project's impact on the costs associated with transfers to the KDSB are associated with the increase in Ignace's unweighted assessment value and the existing formula used to calculate payments for services contracted from the KDSB.

The Project's indirect impact on the costs associated with transfers to the Pinecrest Home for the Aged are associated with the increase in Ignace's population and the existing formula used to calculate payments for cost sharing. Table 31 shows the forecast increase in transfers to third party boards associated with the Project.

⁵⁸ The Township of Ignace - Department of Finance. (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

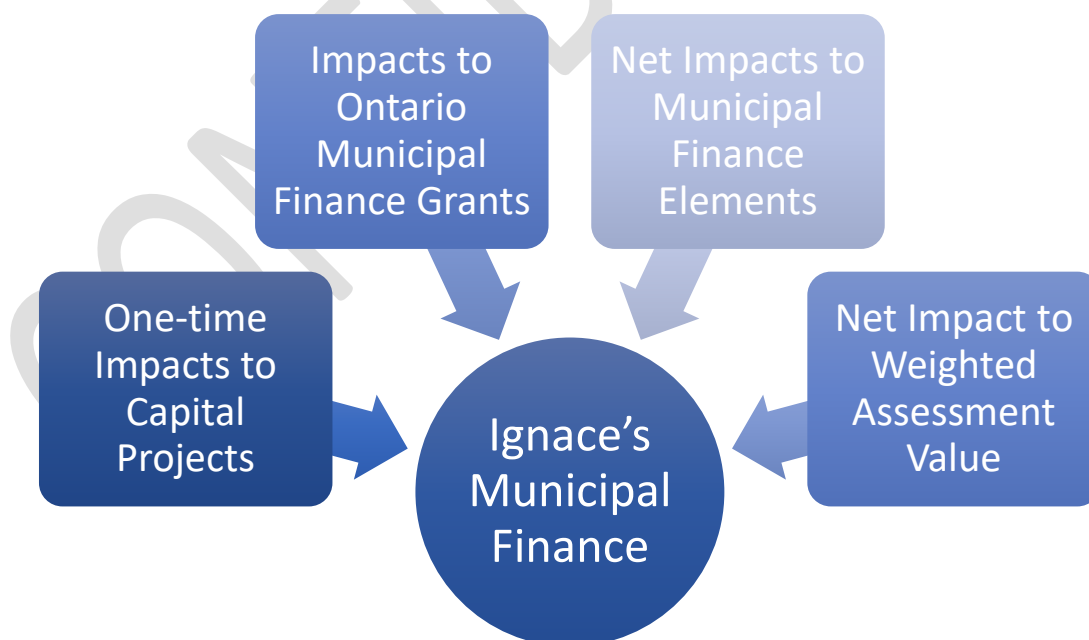
Table 31: Ignace Forecast Transfers to Boards With and Without Project Across Project Phases.⁵⁹

	Project Phases		
	Preconstruction	Construction	Operations
Baseline			
Transfers to Boards			
KDSB	\$161,239	\$163,696	\$166,875
Pinecrest Home for the Aged	\$69,122	\$70,242	\$70,801
Net Cost - Transfers to Boards	\$230,361	\$233,938	\$237,676
With Project			
Transfers to Boards			
KDSB	\$211,985	\$218,076	\$243,060
Pinecrest Home for the Aged	\$98,786	\$103,544	\$126,491
Net Cost - Transfers to Boards	\$310,771	\$321,620	\$369,551
Project Impact			
Transfers to Boards			
KDSB	\$50,746	\$54,380	\$76,185
Pinecrest Home for the Aged	\$29,664	\$33,302	\$55,690
Net Cost - Transfers to Boards	\$80,410	\$87,682	\$131,875

4.3 Summary of Project Impacts

This section provides a summary of all the key impacts related to the Project as it relates to Ignace's municipal finance (Figure 5).

Figure 5 Summary of Project Impacts on Municipal Finance.



⁵⁹ The Township of Ignace - Department of Finance. (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

4.3.1 One-time Impacts to Capital Projects.

Several specific one-time capital projects that may be required because of the Project were identified. These projects will have an impact on municipal costs, these costs were not quantified as part of this study and further detailed assessment is required. The following is a list of one-time potential capital projects that could be considered:

- Requirement to upgrade roads to avoid accelerated deterioration due to heavy equipment on roadways unsuited for use (dependent on the location of the Centre of Expertise and the details of construction). The timing of this would be during pre-construction.
- Expansion of the water treatment facility to meet the population needs with the Project during operations. The impact to municipal finance would include the replacement or upgrade costs associated with this expansion. The timing of this would be during the Operations Phase. Overall cost recovery measures received from direct residential charges, direct commercial charges, and flat fee charges are expected to fulfill ongoing funding needs for this facility upgrade.
- Addition of a water distribution network to support new development that could include pumping stations could be a one-time capital impact on municipal finance if these costs are not covered by developers.
- Expansion of the wastewater treatment facility may be required meet the population needs and potential growth with the Project. The impact to municipal finance would include the incremental cost of upgrading the facility beyond what is required by the baseline population. Overall cost recovery measures received from direct residential charges, direct commercial charges, and flat fee charges are expected to fulfill ongoing funding needs for this facility.
- Upgrading the wastewater collection network to replace asbestos piping to allow new development to connect to the wastewater treatment system. The timing of this is dependent on the timing and location of development.
- Addition of a wastewater collection network to support new development that could include pumping stations could be a one-time capital impact on municipal finance if these costs are not covered by developers.

4.3.2 Impact to Ontario Ministry of Finance Grant

The Project has the potential to impact Ignace's revenue received through the OMPF grant. While the project could increase the OMPF grant funding due to the increase in housing, it has the potential to decrease the OMPF grant due to the potential for increased average weighted assessed property values, and relative improvement of economic circumstances. These factors were not quantified as part of this study.

4.3.3 Net Impacts to Municipal Finance (Excluding General Revenue)

The summary of the net changes to municipal finance excluding changes to general revenue associated with the Project compared to the baseline is presented in Table 32.

Table 32: Summary of Net Change to Municipal Finances.⁶⁰

	Project Phases		
	Preconstruction	Construction	Operations
Net Cost - Policing	\$116,024	\$130,437	\$216,915
Net Cost - Fire	\$49,975	\$56,104	\$93,821
Net Cost - Public Works	\$42,115	\$47,280	\$79,064
Net Cost - Sewer	\$0	\$0	\$0
Net Cost - Water	\$0	\$0	\$0
Net Cost - Waste Management	\$0	\$0	\$0
Net Cost - Public Health	\$25,991	\$29,179	\$48,795
Net Cost - Transfers to Boards	\$80,409	\$87,682	\$131,875
Net Cost - Recreation and Cultural Services	\$100,000	\$112,265	\$187,736
Total Net Cost	\$414,515	\$462,946	\$758,208

The net changes to municipal finance result in an increase of \$414,515 (12.58%) in net cost during pre-construction, an increase of \$462,946 (13.94%) in net cost during construction, and an increase of \$758,208 (22.65%) in net cost during operations compared to the baseline without the project.

4.3.4 Net Impacts to Weighted Assessment Value

The summary of the net changes to the weighted assessment value associated with the project compared to the base line is presented in Table 33.

Table 33: Summary of Net Change to Weighted Assessment.⁶¹

	Project Phases		
	Preconstruction	Construction	Operations
Weighted Assessment Value			
Baseline	\$86,874,297	\$88,024,390	\$89,445,360
With Project	\$114,734,307	\$117,741,117	\$130,302,390
Project Impact	\$27,860,010	\$29,716,727	\$40,857,030

The net changes to the weighted assessment value result in an increase of \$27,860,009 (32.07%) in value during pre-construction, an increase of \$29,716,726 (33.76%) during construction, and an increase of \$40,857,030 (45.68%) during operations compared to the baseline without the project.

4.3.5 Project Potential Impact on Taxes

Assuming there is a one-time revenue grant or payment to offset any one-time Project related capital projects, and assuming the Project has no impact on the OMPF grant, the Project has the potential to maintain or decrease the tax rate charged on weighted assessed property value.

While the net municipal government costs (excluding general revenue) increase by 12.58% during pre-construction, 13.94% during construction, and 22.65% during operations, at the same time weighted assessed property value is increasing by more. Weighted assessed property value increases by 32.07%

⁶⁰ The Township of Ignace - Department of Finance, (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

⁶¹ The Township of Ignace - Department of Finance, (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

in pre-construction, 33.76% during construction, and 45.68% during operations. The ratio of increased net cost to weighted assessed property value is less than 1. This information is presented in Table 34. It is important to note that this ratio of costs omits the one-time capital costs (Section 4.3.1) associated with needed infrastructure projects.

Table 34: Net Change in Municipal Cost Compared to Net Change to Weighted Assessment.⁶²

	Project Phases					
	Preconstruction		Construction		Operations	
	% Baseline		% Baseline		% Baseline	
Net Change in Municipal Costs - without General Revenue	12.58%		13.94%		22.65%	
Net Change in Weighted Assessment Value	32.07%		33.76%		45.68%	
Change in Municipal Cost / Change in Weighted Assessment Value	39.23%		41.31%		49.59%	

	Project Phases					
	Preconstruction		Construction		Operations	
	Nominal	% Baseline	Nominal	% Baseline	Nominal	% Baseline
Net Change in Municipal Costs - without General Revenue	\$414,515	12.58%	\$462,946	13.94%	\$758,208	22.65%
Net Change in General Levy - At (\$24.09/\$1,000 of Weighted Assessment Value)	\$671,148	32.07%	\$715,876	33.76%	\$984,246	45.68%
Net Change in Weighted Assessment Value	\$27,860,009	32.07%	\$29,716,726	33.76%	\$40,857,030	45.68%
Change in Municipal Cost / Chain in Weighted Assessment Value	1.49%	39.23%	1.56%	41.31%	1.86%	49.59%

This means that the Project could result in the municipality being able to maintain or possibly increase services without increasing the tax rate.

5 Assessment of Options

Note to Reader

This section provides an overview of possible options to mitigate negative consequences or to enhance positive outcomes. They are presented by the authors to foster discussion only. They do not represent commitments or actions for the NWMO, the Township of Ignace, or other parties. The final decisions on actions and commitments will be made at a future date.

⁶² The Township of Ignace - Department of Finance, (2021). *Department of Finance - 2020 - Operational Budget* [Dataset].

This section presents several opportunities that aim to mitigate some of the challenges presented in previous sections and leverage the opportunities that may result from the Project. The options are then assessed based on four criteria:

- **Ease of implementation** includes demonstrated success on other projects if known and the degree of complexity required to implement, which may consider the number of required partners and current municipal and provincial policies;
- **Degree of effectiveness** considers the conditions required for effectiveness based on understanding of the community needs and aspirations;
- **Cost, if known** will document costs for implementation; and
- **Ability for the NWMO or the Township of Ignace to implement** considers if the NWMO or the Township alone or in partnership can implement an option or if other responsible authorities need to be involved.

The options explored in this section are as follows:

- Option 1: Increasing level of service offered by the Township of Ignace
- Option 2: Implementing a development charge
- Option 3: Conducting additional studies to minimize net-costs to the municipality

While the above are presented here as discrete options, Ignace will likely be active with a combination of options. It should be noted that no recommendations on what options are to be implemented are made in this report.

5.1 Increasing Level of Service Offered by Ignace

Ignace has an option of increasing the level of service offered to residents across the various municipal services provided. Given that the assessment is forecast to possibly grow by a greater proportional amount than the net municipal costs, additional funds might be available to expand municipal services without onerously increasing the tax rate.

The service offering changes could be different based on each municipal department. Service level changes could be based on the needs and wants of the existing and expanded community. Service level changes could be used to catalyze further economic growth or increase the quality of life of residents.

Service level changes could include things such as:

- Implementation of recycling programs
- Expanded recreational and cultural offerings
- Expansion of e-services/e-government offered
- Other

Table 35 Assesses the Option for Ignace to Expand the Level of Service they Offer Residents.

Challenge/Opportunity:	<ul style="list-style-type: none"> • The potential for the weighted assessment value of properties in Ignace to proportionally grow by more than the net growth in net municipal cost with the Project could create an opportunity to expand municipal services without increasing the tax rate. • Enhancements in municipal service could help Ignace improve economic development, enhance the character of the Town, and increase the quality of life for residents.
Description of Option:	<ul style="list-style-type: none"> • Offer more or expanded municipal service to residents than is currently being offered by the Township of Ignace. • Increases to the services being offered could vary by department and could be focused on meeting the needs of the existing and expanded community.
Timing:	<ul style="list-style-type: none"> • The weighted assessment value of properties proportionally grows more than the proportional change in net municipal costs for all phases of the Project. • Service level increases could start in Preconstruction and could continue and change throughout all phases of the Project, based on the community's changing needs.
Assessment:	<p>Ease of Implementation:</p> <ul style="list-style-type: none"> • Service level changes are within the municipality's control to implement. • Balancing the service level changes desired by the municipality and the associated cost, can be a challenging political, administrative, and civic task. <p>Degree of effectiveness:</p> <ul style="list-style-type: none"> • Adjusting municipal services can very effectively meet the needs of the community. <p>Cost if known:</p> <ul style="list-style-type: none"> • The costs would be dependent on the services that were to be enhanced. <p>Ability to implement:</p> <ul style="list-style-type: none"> • Changes to the property weighted assessment value might need to be realized before changes could take place to services, if avoiding increases to the tax rate.

5.2 Implementing a Development Charge

This study identifies several one-time capital investments that may be required to maintain the existing level of municipal services given the impacts of the Project. As these one-time investments are required to accommodate the growth of the municipality, it could be appropriate that new residents take financial responsibility for covering these costs. A development charge could be implemented to allow the municipality to be compensated for costs in increasing the sizing of its infrastructure to support future development. Table 36 assesses the option of Ignace implementing a Development Charge.

Table 36: Implementing a Development Charge

Challenge/ Opportunity:	<ul style="list-style-type: none"> One-time capital costs could be required to accommodate the growth associated with the Project. Using revenue raised from the existing residents to cover the costs associated with future development could be perceived as unfair. Development charges can be a funding mechanism that shifts the cost of accommodating future growth to the new residents who require the accommodation.
Description of Option:	<ul style="list-style-type: none"> Implementation of a development charge that allows the municipality to collect revenues from future developments to cover the cost of expanding infrastructure to accommodate development at the municipality's current level of service. This may mean that compensatory Community Improvement Plan grants are not available to reimburse developers for these costs. One-time capital investments could be funded by revenues from future development rather than from the existing tax base or other sources.
Timing:	<ul style="list-style-type: none"> As development starts in Preconstruction and continues through all phases of the Project a development charge could be appropriate at any time. A significant challenge that Ignace could face is that the cost forecast with anticipated growth vs cost actually incurred can vary. This can result in Ignace facing unanticipated costs and unfunded development costs. To address this problem development charge models should be evaluated on a regular basis to keep pace with changing realities.
Assessment:	<p>Ease of Implementation:</p> <ul style="list-style-type: none"> Development charges can easily be implemented by the municipality. <p>Degree of effectiveness:</p> <ul style="list-style-type: none"> Development charges can be a highly effective tool for obtaining revenues during a prior of accelerated growth for a municipality. Development charges can be seen as discouraging growth. Forgoing development charges or exempting certain developments from development charges can reduce the revenue available to cover one-time capital costs. This can encourage development and help enable the associated economic and community benefits associated with the development. This can also shift the burden for enabling new development to the existing residents. <p>Cost if known:</p> <ul style="list-style-type: none"> The costs of implementing development charges are relatively low. A development charge study would be required to determine the appropriate development charges. <p>Ability to implement:</p> <ul style="list-style-type: none"> Implementing a development charge is well within the control of the municipality.

5.3 Additional Studies to Determine Changes to Municipal Services

Beyond the options presented above, Ignace could consider conducting additional studies to improve the efficiency and effectiveness of the services they offer. These studies could help ensure that changes to municipal services are aligned with the wants and needs of the community and its residents. Additional studies could focus on changes Ignace could make to reduce the net cost to the municipality and potentially improve efficiency. This option could involve conducting additional studies to achieve these objectives.

Although there are many areas of possible focus for municipal studies, possible municipal studies linked to this analysis have been divided into 3 categories: baseline studies, project related studies, and change in level of service studies. Baseline studies are studies that could be beneficial with or without the project. Project related studies are studies that further explore the impact of the project on a municipal service in more detail. Change in level of service studies are studies that help the township plan and potentially change their existing levels of service. These studies include the costing studies required to understand the one-time capital costs with and without the project. Table 37 lists these studies by category.

Table 37: Categories of Possible Municipal Studies

Baseline Studies	Project Required Studies	Change in Level of Service Studies
<ul style="list-style-type: none"> Asset management master plan (including fleet) Fire department capital costing study Water and sewer master plan 	<ul style="list-style-type: none"> Road works capital planning study Sewer services capital planning study Water services capital planning study 	<ul style="list-style-type: none"> Modernization and strategic master plan Municipal services review Small regional airport revitalization and sustainability study Solid waste master plan Recreation and social programming master plan Storm water master plan

Table 38 further describes and assesses this option.

Table 38: Additional Studies to Improve Net Costs to the Municipality.

Challenge/ Opportunity:	<ul style="list-style-type: none"> Ignace could be facing material changes to their community associated with the Project. Ignace could have the opportunity to increase net revenues through growth in the weighted property assessment value without substantive increases to the tax rate. Without careful consideration and management, the increase in revenue might be matched with increases in cost without materially improving the services offered to residents.
Description of Option:	<ul style="list-style-type: none"> Ignace might undertake further studies to determine how best to align their services with the shifting needs of their residents. Ignace would undertake further studies to determine opportunities in improving efficiency in delivering municipal services. The result of these studies might highlight opportunities to reduce net costs for the delivery of services at a given level and the determination of the appropriate levels of service to be delivered.

Timing:	<ul style="list-style-type: none"> • Now/Preconstruction. • As the results could impact how Ignace adjusts its operational focus and level of service delivery throughout the life of the project, conducting the necessary studies now is a priority.
Assessment:	<p>Ease of Implementation:</p> <ul style="list-style-type: none"> • Determining studies required could require input from staff and residents. • Procuring and managing these studies will be the responsibilities of municipal staff. • Implementation of this option is within Ignace's direct control. <p>Degree of effectiveness:</p> <ul style="list-style-type: none"> • Studies can be effective at identifying real changes that can be beneficial to the municipality. • Studies can present recommendations that are ultimately not implemented by the municipality. • The effectiveness of the studies is dependent on the scoping of the study, the alignment of the recommendations from the study with the municipality's needs, and the municipality's ability to implement recommendations. <p>Cost if known:</p> <ul style="list-style-type: none"> • Costs of additional studies would be dependent on the studies undertaken. • Costs of additional studies were not included in this assessment of impacts on municipal finance. <p>Ability to implement:</p> <ul style="list-style-type: none"> • Ignace's ability to conduct additional studies requires Ignace to select which areas of additional study that can best benefit the municipality. • Ignace's ability to conduct additional studies is dependent on their ability to procure funding to conduct these studies.

6 Summary

The APM Project presents a significant opportunity for the Township of Ignace, but one that must be assessed with a clear perception of the implications and analysis of the future. As noted, the Project could present an opportunity for Ignace to increase their taxable assessment base at a greater rate than they would increase their net costs. This positive relationship means that Ignace could potentially maintain or increase the level of municipal services offered without increasing the tax rate.

There are two major considerations that could impact Ignace's ability to maintain or improve service with the Project without increasing tax rates:

1. There are several one-time capital projects required to accommodate the Project while maintaining the current level of municipal service that could result in additional costs to the municipality.
2. In 2020, 29% of Ignace's general revenue came from the Municipal Partner's Fund Grant. This revenue may be lost or proportionately diminished if Ignace's economic conditions improve relative to their peers, and if their average housing prices increase relative to the Provincial average.

Without the Project Ignace could be facing a climate where their net departmental costs are increasing faster than their assessment base. This could mean that Ignace would need to change the level of municipal service offered to residents or increase their tax rate to continue to fund municipal services at the current level.

Should Ignace be selected as the host community for the Project there are several options that could increase the efficiency or expand the level of service offered by the Township of Ignace.

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