

# DRAFT BUDGET 2025

Presented on January 29, 2025



## AGENDA

1. First presentation to Council Special (Budget) Meeting on January 29, 2025, at 4:30pm
2. 2024 Year-End Projections and 2025 Overview
3. Data Table of high-level totals
4. Next steps



## DRAFT BUDGET 2025

### Year-End 2024 Projections

- The Township is projecting an overall 2024 cash-basis year-end surplus of approx. \$200,000 (does not include extra transfers to Reserves).
- Reserves transfers in 2024 represent where the net 2023 Surplus went, and also some transfers that were done in the expectation of a net 2024 Surplus (*but only a part of it*).
- This 2024 result was evident in the 2024 bi-monthly variance updates.
- The 2024 Operating Budget was significantly lower in Public Works – crack sealing, fuel and winter sand and in Planning from recoverable OLT expenses and lower Policy Planning.
- Non-tax revenues in 2024 were generally higher than expected.



## DRAFT BUDGET 2025

# 2025 Highlights

- Assessment growth is up by 2.00% - this is new taxation revenues for 2025.
- Above inflation cost pressures include:
  - a. Municipal Insurance premiums – Industry wide;
  - b. Parks Grass Cutting – issuance of 1<sup>st</sup> tender since 1986 with market rates expected to be double previous budget; and
  - c. Employee Group Health & Dental benefits – Industry wide (Township is part of Dufferin County Member Municipalities Plan).
- Employee wages & benefits include the annualization of a new position and a recommended 3% COLA amount.
- Caledon-East Garafraxa Townline Maintenance Agreement.
- Official Plan Conformity project & staff transition funding for retirement.
- Service-level increases are being recommended – See separate sheet.
- Includes infrastructure-related capital projects making the overall size of the budget higher by 54% in dollar value.
- Introduces Long-term debt of ~ \$1Million to pay for part of the 2025 capital projects.
- Recommended **net increase of 10.31%**.



## DRAFT BUDGET 2025

# 2025 Highlights – Cont'd Service Level Adjustments

Recommendation of increases to the following service levels:

1. By-law Enforcement & Litigation;
2. Dust Control;
3. Crack Sealing;
4. Roadside Brushing;
5. Fleet Repairs & Maintenance (expected with a senior employee retirement);
6. Services of a Licensed Engineer general use when stamped opinion required;
7. Cemetery Operations for compliance with Bereavement Authority; and
8. Gravel crushing volume from 20,000 to 30,000 metric tons (paid in 2025 but booked in 2026 when hauled out of pit)

## DRAFT BUDGET 2025



Draft Budget = 10.42% increase in tax levy, and **10.31% after Assessment-growth and (some) Surplus applied**

Budget-to-Budget	Draft 2025	Adopted 2024	variance	
Roads / Public Works	1,981,000	1,633,897	347,103	Up 26.05%
Administration	1,241,500	1,143,800	97,700	Up 8.54%
All other functional areas	<u>1,517,750</u>	<u>1,470,540</u>	<u>47,210</u>	Up 3.21%
<b>OPERATIONS EXPENSES</b>	<b>4,740,250</b>	<b>4,248,237</b>	<b>492,013</b>	<b>UP 11.58%</b>
Non-tax revenues	-738,012	-709,712	- 28,300	Up 3.99%
Capital + Special Projects + Reserve additions	3,668,500	1,212,900	2,455,600	
Township-controlled Reserves used	-1,387,477	-417,000	-970,477	For Oper., Capital +Project spending
Restricted Reserve Funds used	-742,000	-208,000	-534,000	
Long-term debt to be issued	-1,003,000	000	-1,003,000	
Reliance on growth and Surplus	<u>-179,000</u>	<u>-174,500</u>	<u>- 4,500</u>	
<b>NET TAX LEVY before growth</b>	<b>4,359,261</b>	<b>3,951,925</b>	<b>407,336</b>	<b>Up 10.31%</b>

# DRAFT BUDGET 2025 Comparison



Municipality	2024 Property Tax	2024 COLA %	2025 Property Tax	2025 COLA
Amaranth	16.00	4.39	19.00 (proposed)	4.66
Dufferin County	4.00	4.00	5.60 (proposed)	3.06
Grand Valley	9.62	4.30	Released on Jan 28	2.70 (proposed)
Melancthon	4.88	4.50	15.40 (proposed)	3.35 (proposed)
Mono	6.00	3.90	13.20	4.00
Mulmur	6.38	4.24	11.97	3.03
Orangeville	4.50	2.50	4.99	3.00
Shelburne	5.00	3.00	5.00	3.00
Caledon	3.50	2.50	3.00	3.00
Centre Wellington	7.31	1.87	3.49	2.50
Erin	3.00	5.00	2.40	3.00
Guelph/Eramosa	4.90	3.80	3.79	3.00
<b>EAST GARAFRAXA</b>	7.42	2.00	<b>10.31 (proposed)</b>	<b>3.00 (proposed)</b>

# DRAFT BUDGET 2025



## Residential Property Assessed for every \$100,000 in Assessed Value

	<u>COMBINED</u>	<b>Township</b>	County	Education	
FINAL Tax 2024	\$1,140.93	<b>587.91</b>	400.02	153.00	
FINAL Tax 2023	\$1,084.17	<b>547.28</b>	383.89	153.00	
FINAL Tax 2022	\$1,001.37	<b>478.72</b>	369.65	153.00	
'22 to '24 Change as % <b>(8.26% in 2023, 5.25% in 2024)</b>	13.94%	<b>22.81%</b>	8.22%	0.00%	2-year change

EXAMPLE

**Taxes on \$500,000 property 2024 = \$1,140.93 x 5 = \$5,704.65**



## DRAFT BUDGET 2025

### 2024-2031 Updated Capital Plan

- Asset studies for bridges, roads and buildings have been completed
- Projects under 2025 are financed to a large extent from non-tax sources but that does not leave much for projects in 2026 and beyond
- \$ 9.3 million of projects identified in Capital Plan but lack of funds will mean both long-term borrowing and postponement of the projects
- Project postponement increases risk of asset performance problems (and insurance premiums)
- Water, Stormwater and Parks asset classes remain undocumented and in non-compliance of regulations. (Potential Provincial grant funding penalties may apply)
- In 2025, studies of Water & Stormwater will be completed carried over from 2024.
- Further discussions on the future of Marsville Hall and Public Works relocation is still needed





## DRAFT BUDGET 2025

### Updated User-Fees

- Township is starting to consolidate a list of existing user fees for ease of By-Law and reference.
- New category of fees have been proposed for discussion purposes.
- Increases to existing fees across the board.
- No additional revenues have been budgeted from the increases or new fees, as it hard to predict.
- In 2026 it is recommended a formal Comprehensive User Fee study be funded to conduct a full-cost recovery of all programs and services and suggest a public policy of what percentage amount should be subsidized by the property tax base and what should be charged a user fee. This is a municipal standard practice, and the proper analysis and accounting is subject to appeal, thus must be carried out properly. (Similar to the Development Charges study). Early estimates for this type of study is ~\$50,000



## DRAFT BUDGET 2025

### Next Steps

- Presentation at Special Council Meeting on January 29, 2025
  - Q & A deliberations with Staff/Council – Council to provide direction as needed.
- 2025 Budget placed on February 11, 2025, regular Council Agenda for further discussions and updated information (year-end projections, local boards info., etc.).
  - Budget Decision may be finalized or deferred to next meeting February 25, 2025
  - Budget By-law (“Estimates Bylaw”) passage on March 11, 2025 showing 2025 Budget figures
  - User-fee By-law Effective Date for April 1, 2025
  - Tax Rates By-law in March (no later than mid-June)