



2025 Budget Council Workshop

October 21, 2024





Agenda

1. Opening Remarks - CAO
2. LRFP Update - Deputy Treasurer
3. Overview of 2025 Budget - Treasurer
4. Presentation of Business Plans - Department Heads
5. Overview of Corporate Revenues and Expenses - Manager of Budgets
6. Next Steps

CAO's Overview – Key Drivers

Mayor & Council Priorities

Strategic Planning Committees:

- Growth & Infrastructure
 - Thriving Economy
 - Infrastructure & Asset Management
- Healthy Environment & Community
 - Natural Areas & Heritage
 - Safe and Welcoming Committees

Financial Pressures

Assessment Growth:

- Servicing for Vision Georgetown imminent
- Additional infill capacity in Georgetown and Action
- Premier Gateway

Challenges:

- Increasing construction costs
- Staffing needs to meet growth pressures

State of Good Repair

- Significant cost just to maintain what we have
- Major rehabilitation and expansion
- Need for investment by senior levels of government to support major infrastructure projects:
 - Parks
 - Facilities
 - Bridges

Preparing for a future state (staff)

- Organizational development
- Supporting staff
- Succession planning

Residents' Priorities (2023 survey)



Quality of life

86% of Halton Hills residents felt the Town provided a GOOD (54%) or EXCELLENT (32%) quality of life.



Service satisfaction

91% of residents were SOMEWHAT (61%) or VERY (30%) satisfied with Town services.



Value for tax dollars

74% of residents felt that received FAIRLY GOOD (59%) or VERY GOOD (15%) value for their tax dollars.



Tax sensitivity

58% of residents were open to a tax increase to maintain or enhance service levels.

Residents' Priorities (2023 Survey)

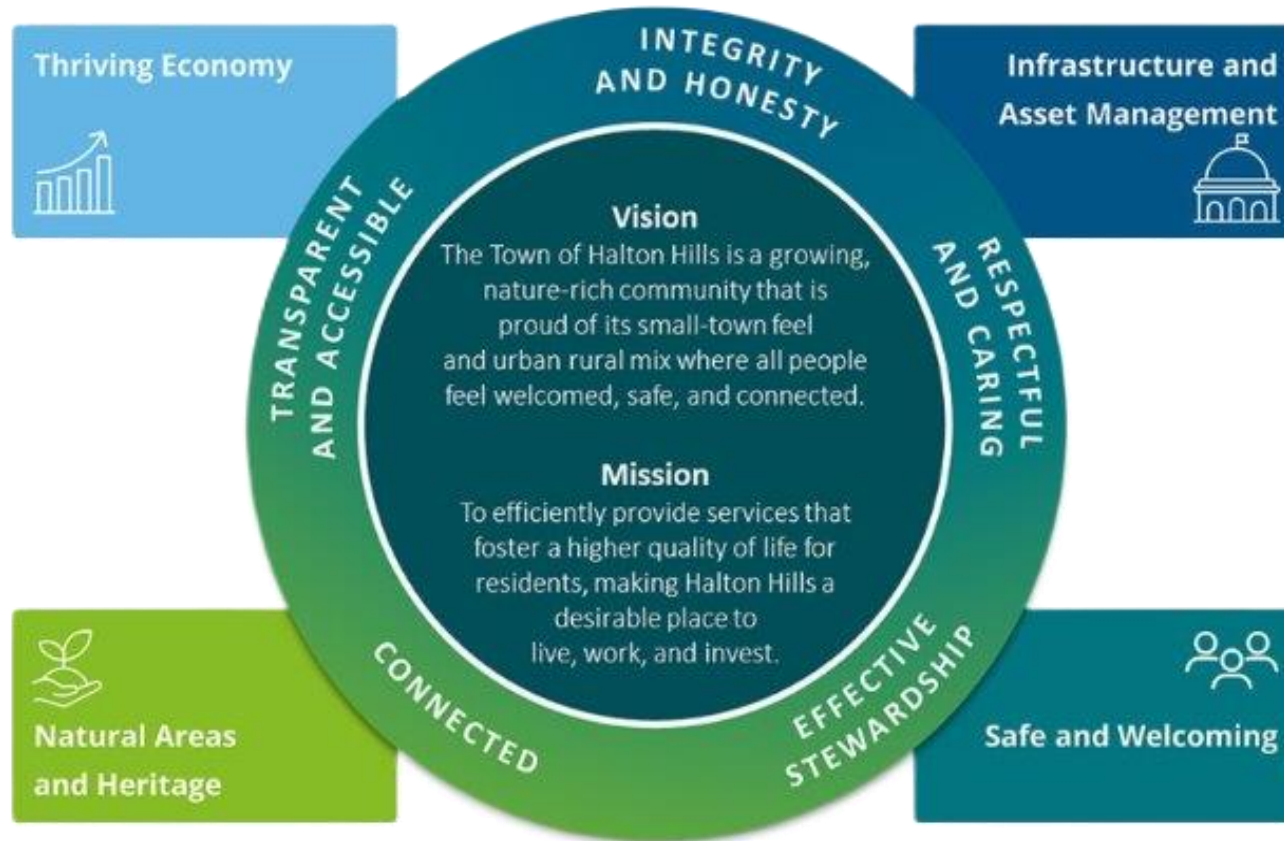
Top 5:

1. Town roads maintenance and construction
2. Preparing the town for climate change impacts
3. Snow removal, sanding and salting
4. Availability of social services and assistance for people in need
5. Youth programs and facilities

Other:

- Controlling growth (18%)
- Availability & affordability of housing (17%)
- Entertainment and recreation (17%)
- Infrastructure improvements (12%)
- Public transportation (9%)
- Cost of living (8%)

Strategic Priorities



Budget & Business Plan Themes

2025 Budget Focus



Investing in State of Good Repair, asset management and facility operations



Enhancing by-law enforcement delivery



Ensuring emergency services grow with the community

2025 Budget Development

Minimizing Investment while Maintaining Services



Iterative Process

- Collaborations with staff
- Meetings with Mayor



Strategic Plan Alignment

- Recognizing Council's strategic priorities



Numerous Meetings

- March - present



Starting Points (operating & capital)

- Determine increase over last year to maintain services



Significant Reductions

- Preliminary proposed capital budget \$44.4M reduced to \$22.5M



Efficiencies

- Department reorganization = \$263K savings
- Fire Department new dispatch contract = \$269K savings

Long-Range Financial Plan Update



Long Range Financial Planning – what is it?



“Big Picture”
Planning Tool



10-year horizon



Prioritizes

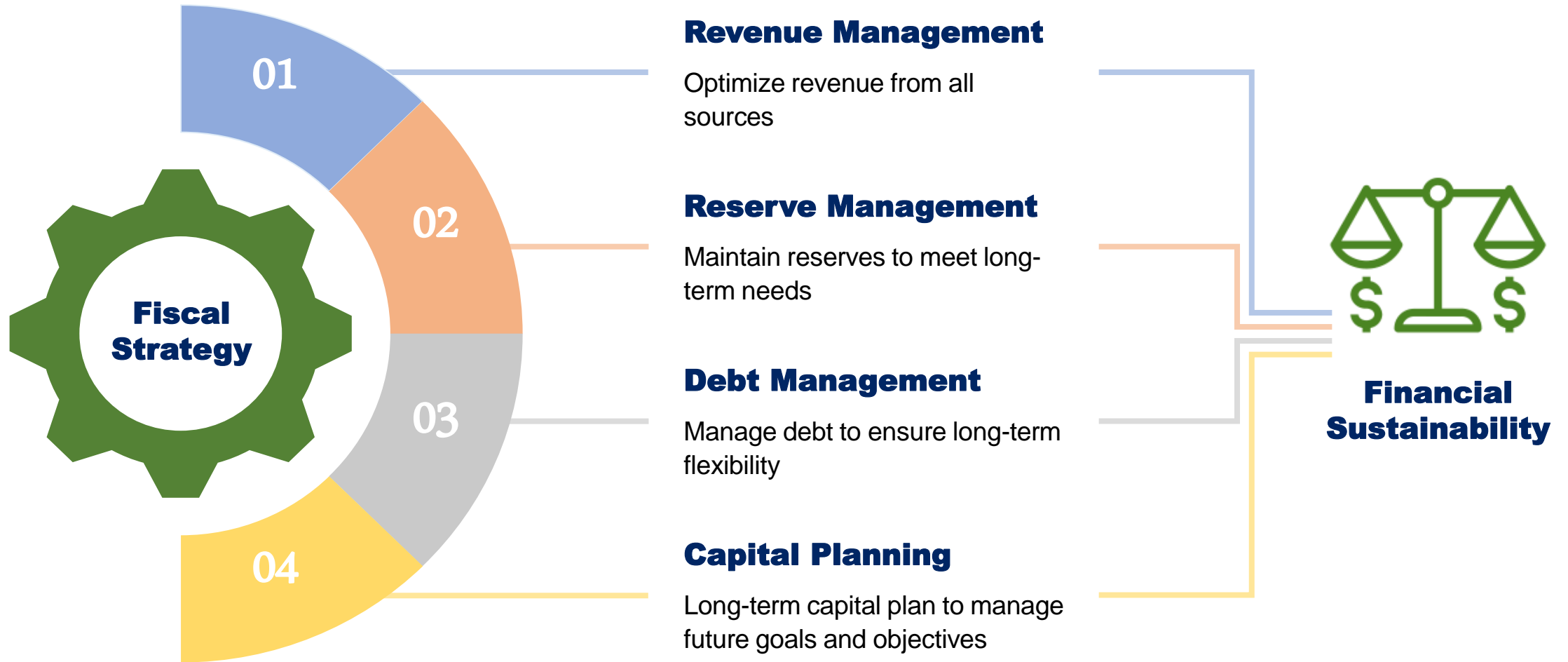


Assumptions

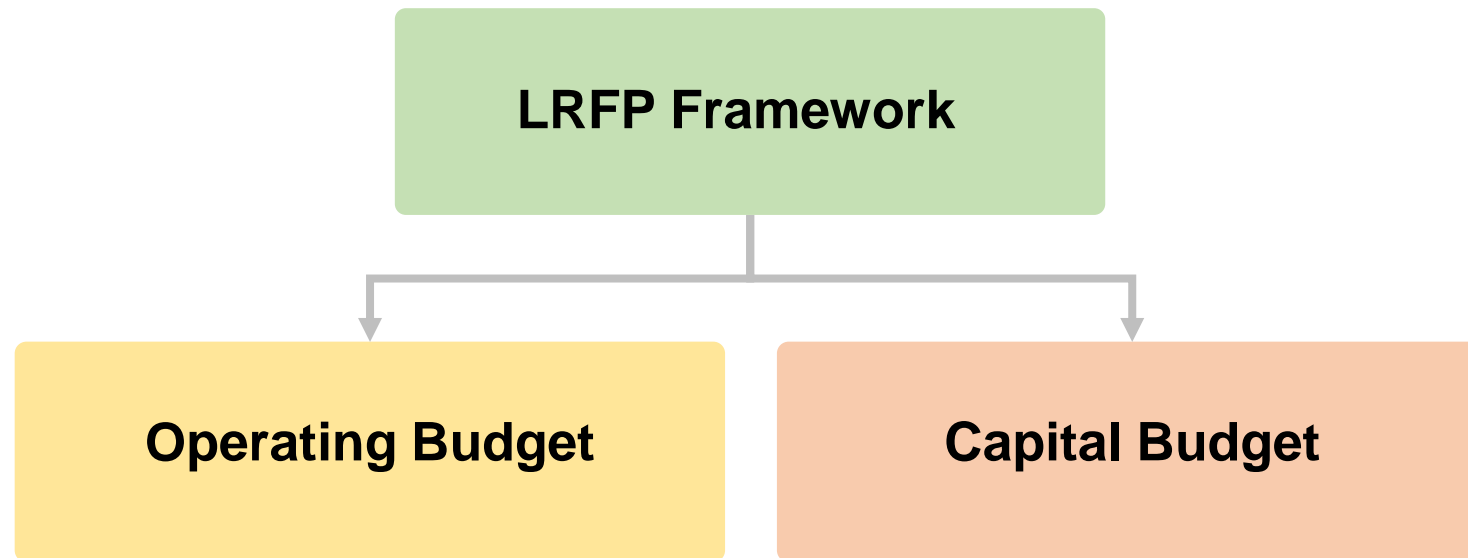


Plans & Studies

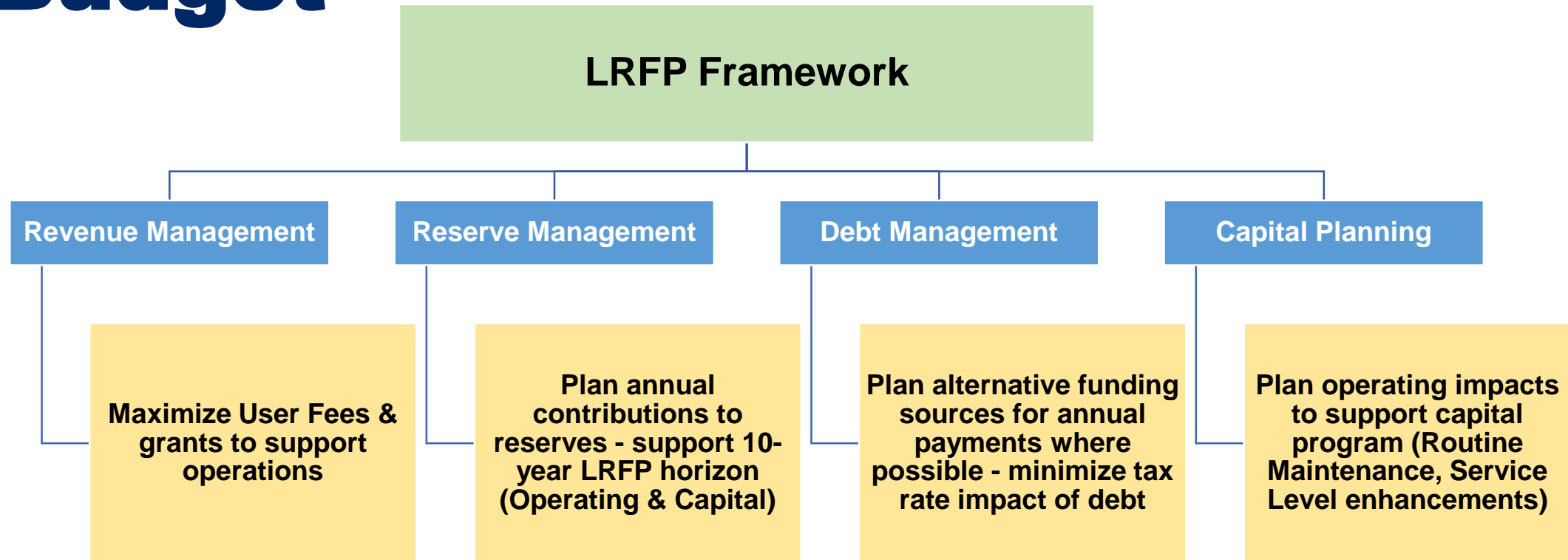
Fiscal Strategy & Framework



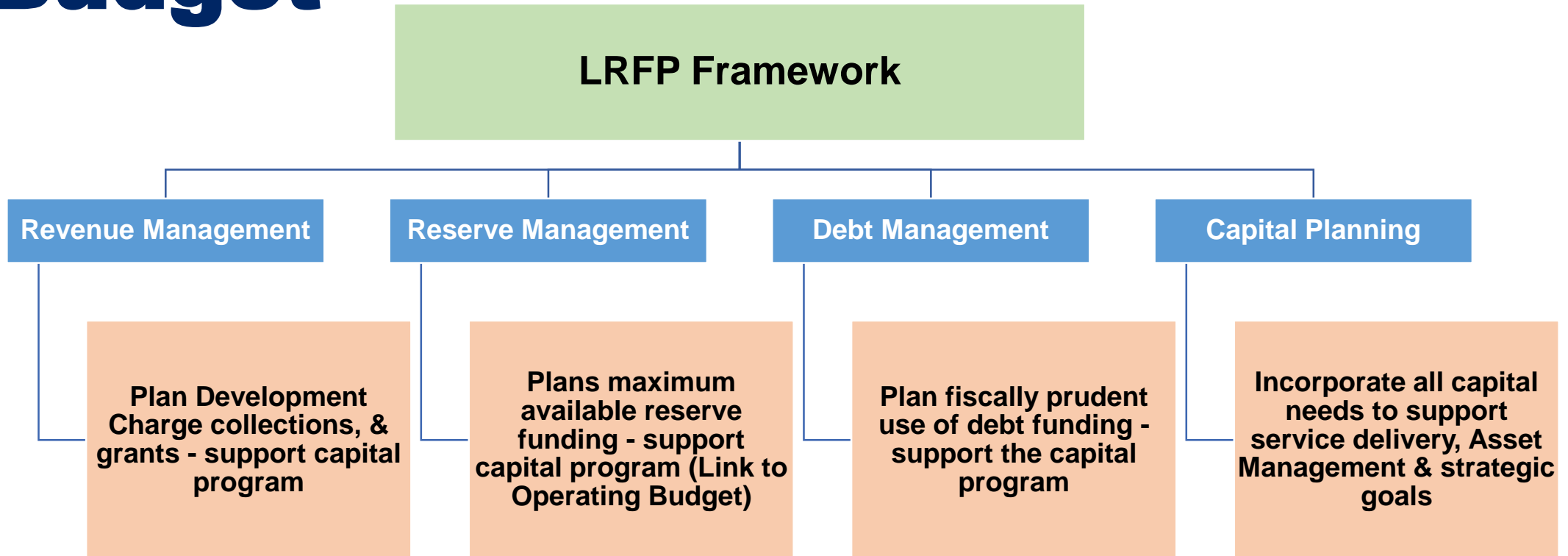
LRFP & Budget Relationship



LRFP Relationship to Operating Budget



LRFP Relationship to Capital Budget



Financial Plan & Forecast

Current Financial Challenges



Internal debt funded from reserves \$34.3M (December 2023)



Declining financial position

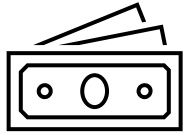
Reserve balances decreased
DC collections delayed as growth is delayed
Low assessment growth



Affordability Concerns

High, but cooling inflation
Rising unemployment rates
Growing SOGR program needs

Revenue Management



Optimize revenues from all sources



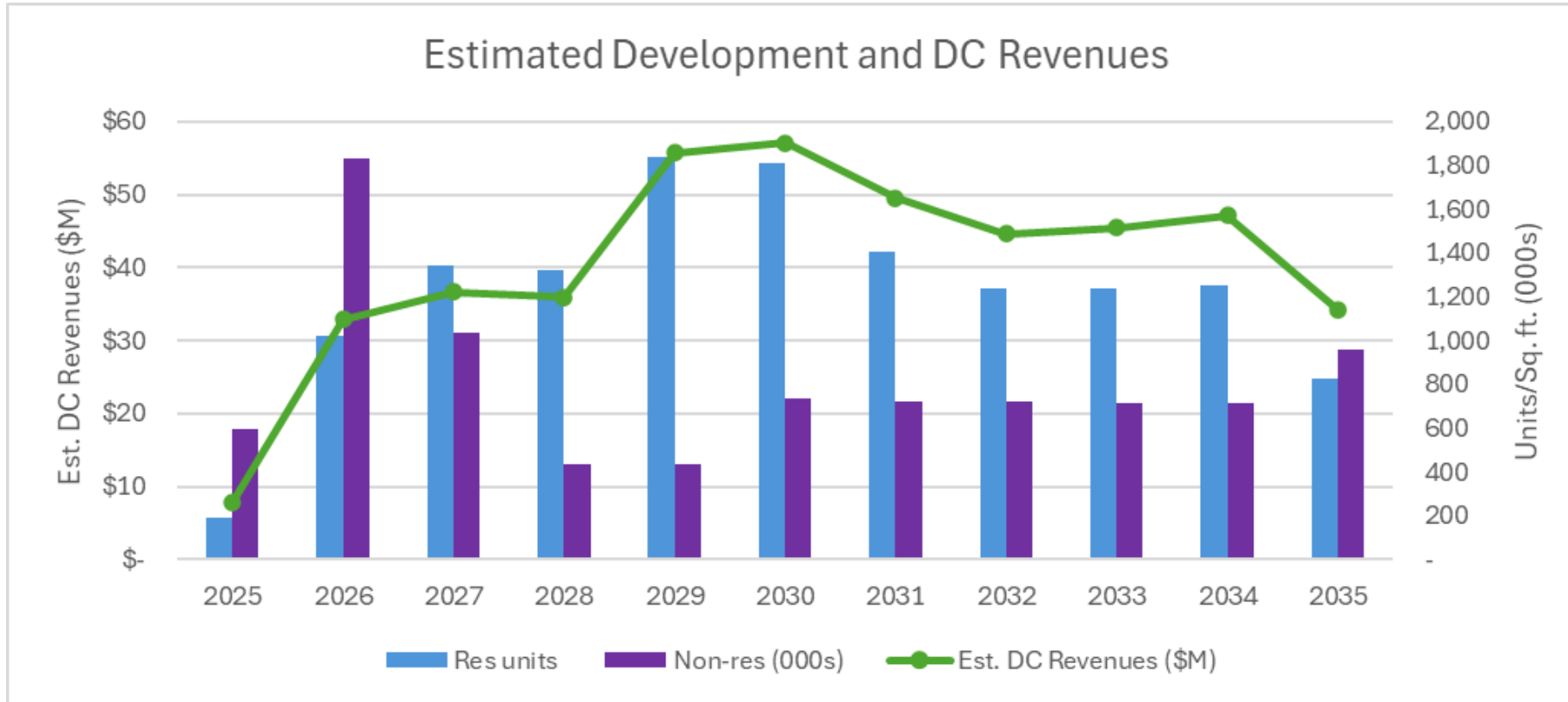
Delayed growth

Growth Assumptions



Growth Assumptions (est. Timing of Building Permit)												
Density/Type	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Residential (Dwelling Units)												
Low Density	53	220	204	222	446	435	433	379	379	394	266	3,431
Medium Density	138	323	275	316	659	649	613	509	509	509	341	4,841
High Density	-	482	864	785	733	725	363	352	351	351	223	5,227
Total	190	1,025	1,343	1,323	1,838	1,809	1,409	1,240	1,239	1,254	830	13,500
Non-Residential (Sq. M)												
Industrial	49,791	163,815	84,689	28,676	28,676	55,603	56,714	56,714	56,714	56,714	78,793	716,899
Commercial	3,409	4,570	9,256	9,256	8,214	8,653	6,124	6,124	4,497	4,497	8,668	73,267
Institutional	2,226	1,848	2,211	2,889	3,410	3,930	4,500	4,500	5,100	5,100	1,701	37,413
Total	55,426	170,233	96,156	40,821	40,300	68,186	67,338	67,338	66,310	66,310	89,162	827,580

Projected Revenues - DCs



Reserve Management

- Maintain Reserves
- Manage Internal Debt
- Mitigation Measures
 - Increase in Contributions to Reserves
 - Defer Growth Related Projects



Internal Debt

Internal Debt Balances (December 31, 2023)		
DC Reserve Funds	Before Commitments	After Commitments*
Transportation Services	\$ 245,752	\$ 4,773,777
Storm Water Mgt. Services	\$ 593,913	\$ 671,544
Fire Protection Services	\$ 986,557	\$ 986,557
Fire Protection Services	\$ 200,976	\$ 200,976
Recreation & Parks Service	\$ 21,975,185	\$ 24,454,866
Library Services	\$ 1,797,509	\$ 1,797,509
Administration Services	\$ 712,356	\$ 1,442,297
Transit Services	\$ 5,321	\$ 12,448
Total	\$ 26,517,570	\$ 34,339,974

*Outstanding Capital Commitments

Notable Projects (Internal Debt)

Internal Debt Projects
Acton Arena Expansion
Mold Master Sportsplex
Gellert Expansion Lands
8th Line Fire Station
Georgetown Library
Trafalgar Sports Park - Field of Dreams (Phase 6)
Premier Gateway - Phase 2b Secondary Plan

Reserves Forecast

Reserve and Internal Borrowing Snapshot (in Millions)								
	2021	2022	2023	2024	2025	2026	2027	2028
Reserve Balances	\$ 40.9	\$ 35.1	\$ 33.1	\$ 27.3	\$ 32.6	\$ 40.6	\$ 46.3	\$ 49.6
Interfund Loans**	\$ 24.4	\$ 28.6	\$ 34.3	\$ 34.8	\$ 28.3	\$ 23.4	\$ 19.3	\$ 15.3

** Balances for 2024 and beyond are estimated*

*** Includes Outstanding Commitments*

- Reserve balances continue to decline in 2024
- Internal borrowing all time high
- Unsustainable Capital and Operating spending

Debt Management

- Ensure debt financing is used appropriately to manage the long-term financial stability & flexibility of the Town
- Provincial and Council Thresholds



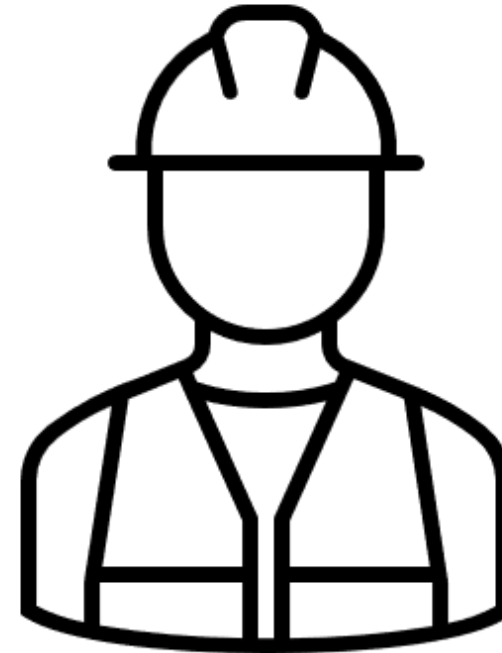
External Debt Funding

Capital Forecast Debt		
Project Name	Budget Year	Debenture
Acton Fire Station Renovations - Phase 2 Construction	2026	\$ 16,000,000
Eighth Line - Steeles to Maple Ave Reconstruction	2026	\$ 2,250,000
Eighth Line - Steeles to Maple Ave Reconstruction	2027	\$ 35,000,000
Eighth Line - Steeles to Maple Ave Reconstruction	2030	\$ 26,000,000
		<u>\$79,250,000.00</u>

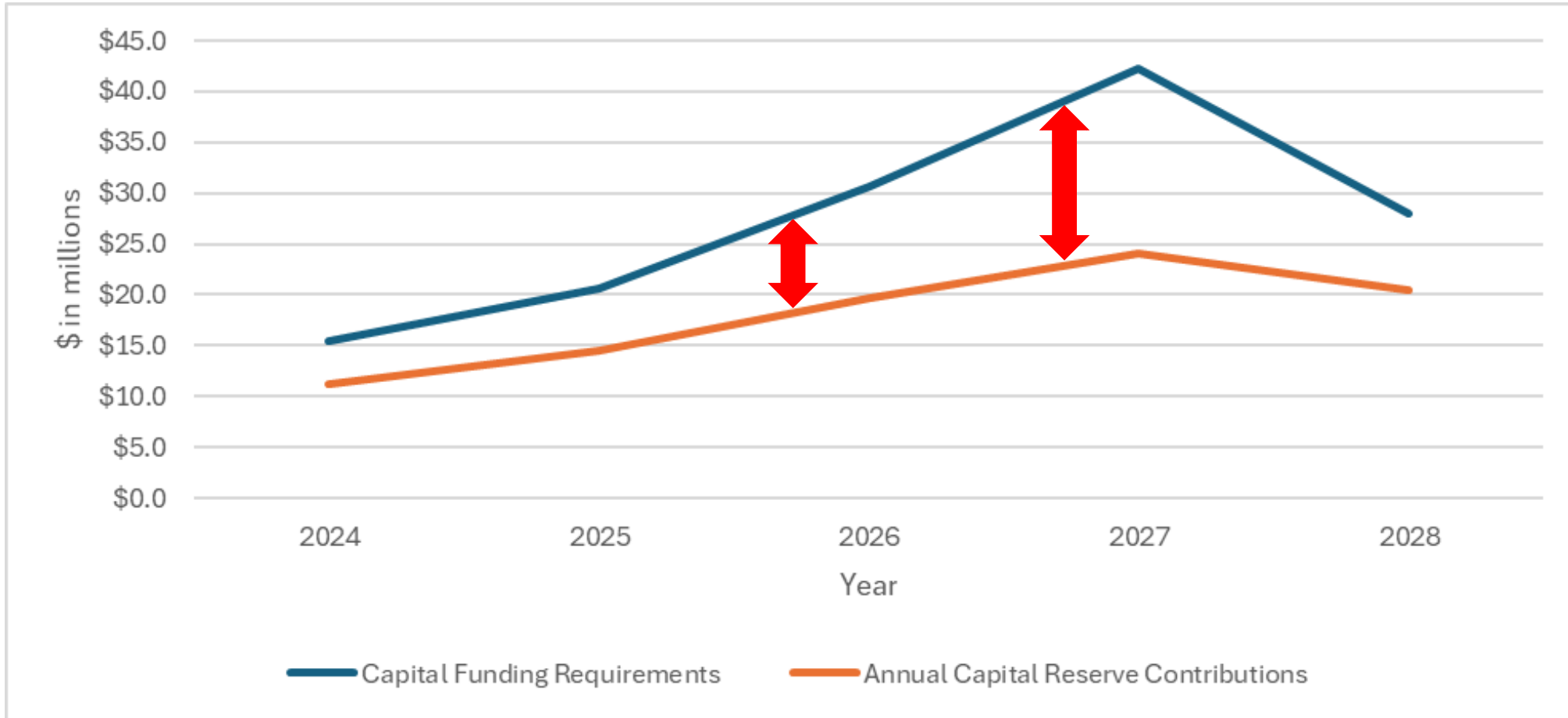
*Amounts are based on the Staff-recommended 2025 Budget & Forecast and do not include any assumptions for future debt requirements for the Eighth Line Park

Capital Planning

- Long-term capital plan to manage goals and objectives
- Current capital plan - impacted by mitigation measures:
 - Identification of projects that will not be funded
 - Defer growth-related capital spending
 - Limit new spending & programs



Capital Funding Gap



LRFP – Maintaining a Balance

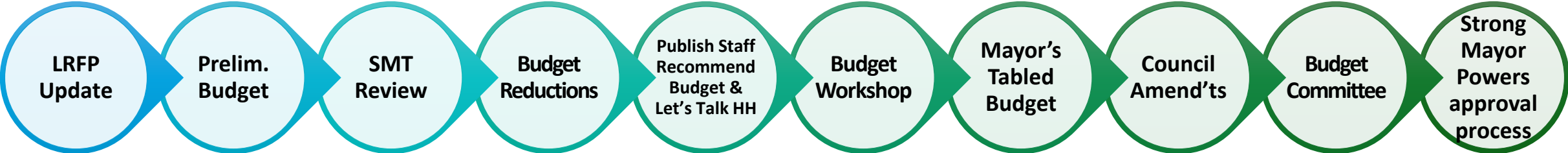


- Operating budget increase required for financial stability
- 2025 – 10.86%

2025 Budget



2025 Budget Process



Mayor's Involvement (meetings, feedback, input)

Public Engagement

Guiding Budget Principals



Restore appropriate funding for reserves to support long-term financial stability.



Maintain current service levels for program and staffing, leverage technology solutions to support efficiencies and productivity.

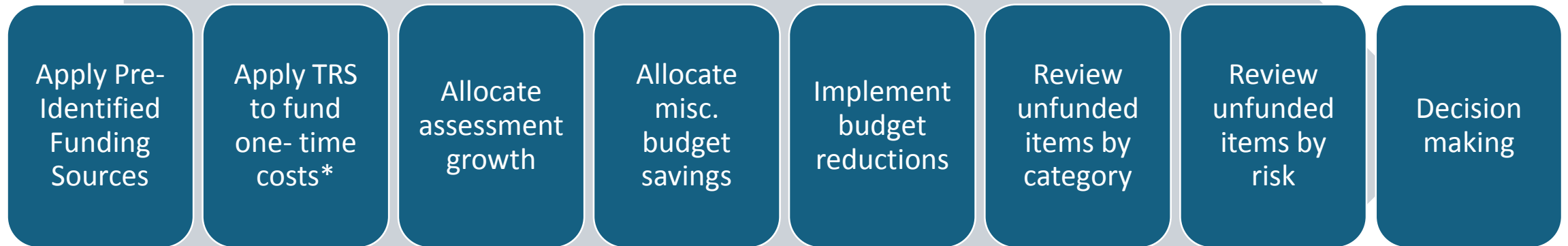


Align capital programs with available resources while ensuring compliance with legislation and health and safety standards.



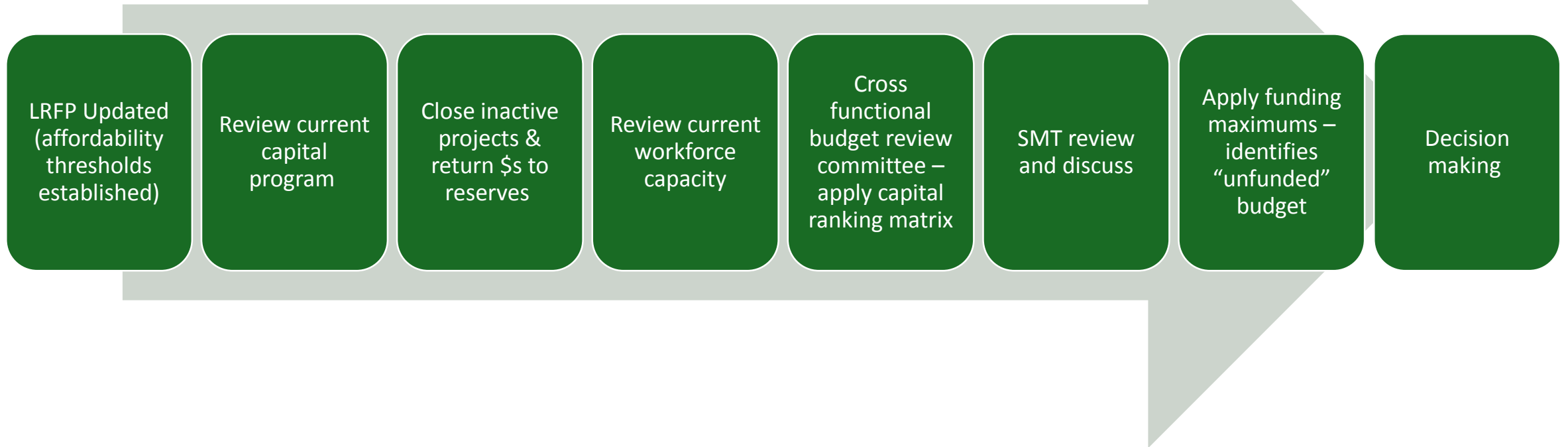
Defer the growth-related capital program until development charges come in; (infrastructure servicing discussions with Halton Region ongoing).

Prioritization Process – Operating



** Subject to affordability as outlined in the LRFP*

Prioritization Process – Capital



Budget Binder Walkthrough



Walkthrough Budget Binder

The **Staff Recommended Budget** includes the following sections:

1. Introduction
2. Budget Overview
 - Operating Budget
 - Capital Budget
3. Department Information
 - Business Plan
 - Operating Budget
 - Capital Budget
4. Supplementary Information

2025 Staff Recommended Budget Overview



Staff Recommended 2025 Budget Increase

	2024 Budget (\$)	2025 Total Budget (\$)	2025 vs. 2024		
			Budget Change \$	%	Tax Bill Impact
Gross Expenditures					
Community Safety and Security	36,635	40,205	3,569	9.74%	
Community Support	2,229	2,528	299	13.43%	
Community Building and Wellbeing	14,303	15,066	763	5.33%	
Corporate Administration	11,552	12,741	1,189	10.29%	
Asset Management and Maintenance	8,465	9,155	690	8.16%	
Corporate Expenses	21,796	21,946	150	0.69%	
Gross Revenues	(25,011)	(23,648)	1,363	-5.45%	
Total Net Expenditures	69,968	77,992	8,024	11.47%	11.40%
Assessment Growth			(383)		-0.54%
General Levy	67,697	74,091	6,394	9.44%	
Special Levies	2,271	3,901	1,630	71.76%	
Net Town Levy Requirement	69,968	77,992	7,641	10.86%	10.86%

Base Budget increase
no growth = 11.40%
net of growth = 10.86%

=

10.86%

Notes:

Due to rounding, percent changes presented in this table may not add up precisely to the totals provided

Staff Recommended 2025 Increase to Tax Bill

Net Operating Budget Impact		
Budget Drivers	2025 Increase to Budget	2025 Increase to Budget
Maintain current service levels	\$5,175,577	7.36%
Management of existing assets	\$1,443,400	2.05%
Downloaded/legislated impacts	\$421,060	0.60%
Corporate & community safety	\$968,500	1.38%
Council requests	\$15,000	0.02%
Total Base Operating Budget	\$8,023,537	11.40%
Assessment Growth	-\$383,000	-0.54%
Total Town of Halton Hills	\$7,640,537	10.86%
Region of Halton		3.60%
Education		0.00%
Total		

Tax Bill Impact				
Overall Share of 2024 Tax Bill	2025 Impact on Total Tax Bill	Tax bill increase per \$100,000 of assessment	Tax bill Increase per \$636,200 assessment	Overall Share of 2025 Tax Bill
	3.63%	\$32.53	\$206.96	
	1.01%	\$9.07	\$57.70	
	0.30%	\$2.65	\$16.86	
	0.68%	\$6.09	\$38.74	
	0.01%	\$0.09	\$0.57	
	5.62%	\$50.43	\$320.83	
	-0.27%	-\$2.41	-\$15.33	
49.30%	5.35%	\$48.02	\$305.50	51.29%
33.64%	1.21%	\$10.86	\$69.11	32.71%
17.06%	0.00%	\$0.00	\$0.00	16.00%
100.00%	6.56%	\$58.88	\$374.61	100.00%

Average Assessed value of a single family home in Halton Hills \$636,200 (most recent CVA – 2016)

Current Value Assessment (CVA) vs Market Value



Current Value Assessment (CVA)

- The amount of money a property would realize being sold in the open market by a willing seller and willing buyer, as of a point in time.
- All properties in Ontario are valued as of January 1, 2016

Market Value

- Reflects sale prices based on what a purchaser is willing to pay and what a seller will accept in the current market today.
- Value is current and can change daily based on market conditions.

Special Levies



State-of-Good-Repair

For maintaining Town assets in a state of good repair

1.42%



Fire (new)

For implementation of the Fire Master Plan

0.9%

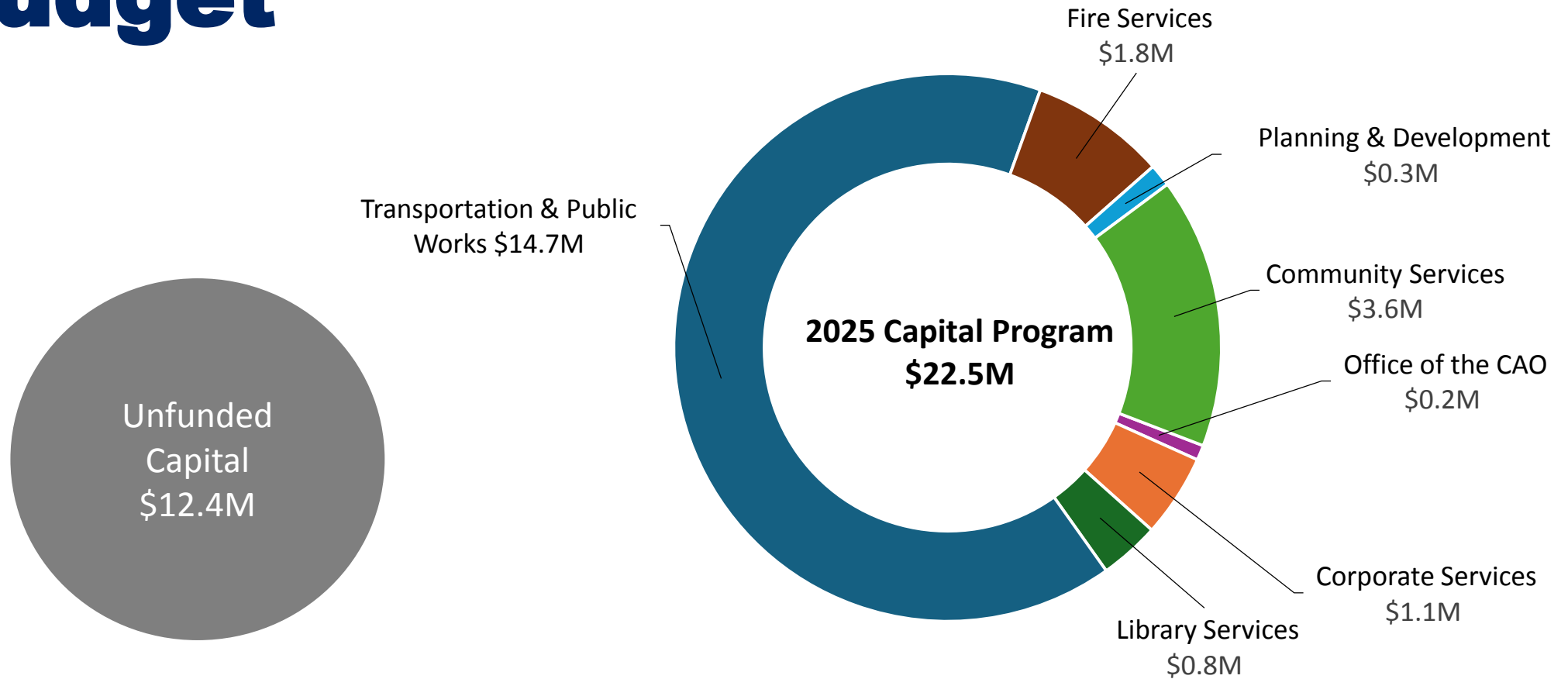


Healthcare

For financial contributions towards healthcare infrastructure projects

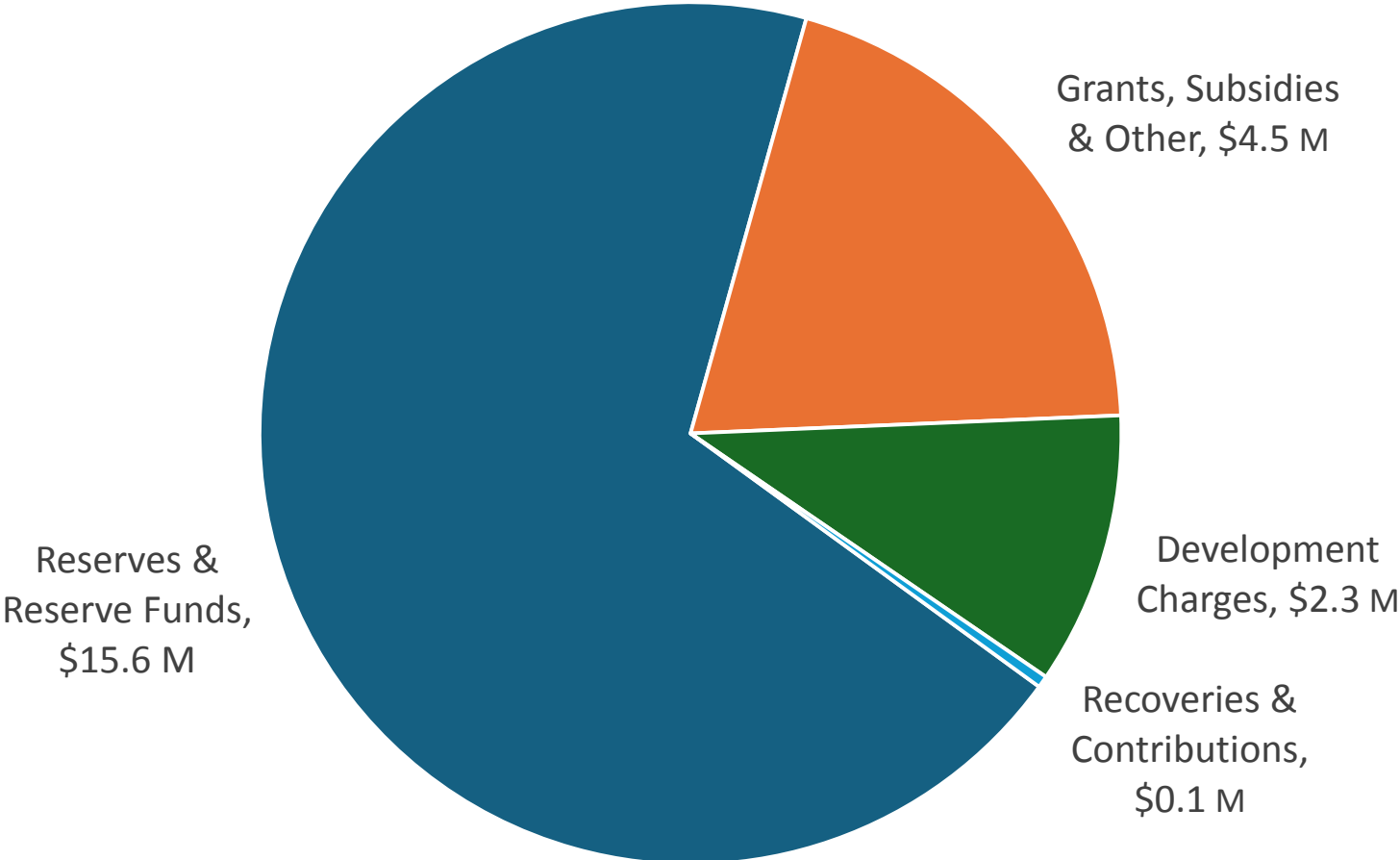
0.0%

Staff Recommended 2025 Capital Budget



Funding Sources for 2025

Total 2025 Capital Financing \$22.5M



9-Year Capital Forecast



Explanation of Forecast

- **Best Estimates:** Numbers based on best available estimates.
- **Subject to Change:** Adjustments may occur due to:
 - Inflationary Pressures
 - Changing Priorities
 - Affordability
- **Annual Revisions:** Costs & related projects reviewed & revised annually as part of the budget process.



Importance of the 9-Year Forecast

- **Grant Applications:** Essential for securing funding.
- **Government Proof:** Demonstrates active capital planning & effective asset management.
- **Financial Planning:** Supports long-range financial strategies.
- **DC Background Study 2025:** Forms basis for next Development Charges background study.

2025 Ten-year Capital Plan (2025 – 2034)

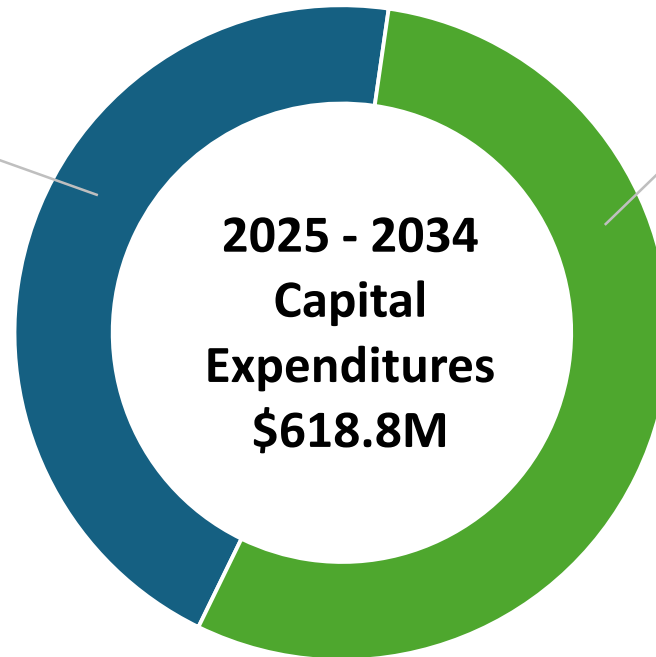
(in \$000s)

Department	2025	2026	2027	2028	2029 - 2034	Total
Office of the CAO	\$ 235	\$ 40	\$ 40	\$ 40	\$ 300	\$ 655
Corporate Services	1,070	355	5,605	5,455	3,005	15,490
Library Services	823	672	681	704	19,625	22,505
Fire Services	1,778	17,473	1,110	4,272	20,079	44,712
Transportation & Public Works	14,656	30,964	59,621	25,685	173,527	304,453
Planning & Development	300	250	420	1,500	4,040	6,510
Community Services	3,628	8,115	20,501	20,617	171,641	224,502
Total by Department	22,490	57,869	87,978	58,273	392,217	618,827
Funding Sources						
Capital Reserves	15,658	19,791	25,733	24,721	114,300	200,203
Development Charges	2,251	13,556	18,635	23,942	183,357	241,741
Debentures	-	18,250	35,000	-	26,000	79,250
Grants & Subsidies	4,581	4,272	5,610	5,610	33,560	53,633
General & Special Tax Levies	-	-	-	-	-	-
Total Funding	\$ 22,490	\$ 57,869	\$ 87,978	\$ 58,273	\$ 392,217	\$ 618,827
Unfunded Capital Program	\$ 12,418	\$ 14,157	\$ 23,653	\$ 29,129	\$ 42,068	\$ 121,425
Total Capital Program	\$ 34,908	\$ 72,026	\$ 111,631	\$ 87,402	\$ 434,285	\$ 740,252

State-of-Good-Repair vs. Growth (Funded)

SOGR Program \$269M 44%

- Investment in maintaining existing assets in a state of good repair
- Replacement of existing assets that have reached end of life
- Ensures consistent performance of assets & delivery of services



Growth Program \$349M 56%

- Investment in new assets to support growth in the Town
- Increases capacity
- Provides enhanced & new services
- Uses development charges as primary source of financing

Unfunded Capital Program

Budget/ Forecast Year	Total Funded Capital Budget	Unfunded Capital Program		% of Total Capital Budget	Cumulative Unfunded Capital Program
		SOGR	Growth		
2025	\$22.5	\$5.7	\$6.7	35.6%	\$12.4
2026	57.9	10.9	3.2	19.7%	26.6
2027	88.0	16.6	7.1	21.2%	50.2
2028	58.3	3.2	25.9	33.3%	79.4
2029	51.8	2.8	0.1	5.2%	82.2
2030	81.7	4.2	1.4	6.4%	87.8
2031	49.0	22.8	7.5	38.2%	118.1
2032	140.9	1.8	0.6	1.7%	120.6
2033	42.5	0.1	0.0	0.2%	120.7
2034	26.3	0.6	0.2	2.9%	121.4
Total	\$618.8	\$68.7	\$52.8		

Questions ?



2025 Department Business Plans



2025 Budget

COUNCIL



2025 Operating Budget Changes



- \$24,539 or 2.8% increase in the operating budget for changes to compensation & benefits
- Other changes = no budget impact

2025 Budget

CORPORATE REVENUES & EXPENSES



2025 Operating Budget Changes



- Special Levies

- \$1M State of Good Repair special levy
- \$630K Fire special levy



- Debt – no budget impact

- \$1.4M decrease in principal and interest for debt
- \$1.4M decrease in reserve and DC funding



- Insurance

- \$26K increase WSIB insurance premiums
- No change to liability insurance



- Legal Fees

- \$125K increase OLT legal fees
- \$50K increase legal fees for enforcement*



- Contracted services

- \$25K increase consultation fees for complex matters
- \$19K reallocation from Corporate Services Budget for ClearRisk insurance software



- Non-union Salary Survey and Pay Equity Review

- \$225K provision

2025 Operating Budget Changes

- \$200K reduction in HHCEC dividend revenue
- \$28K reduction in payments-in-lieu of taxes
- \$54K reduction for phase-out of reliance on Provincial Offences Act (POA) revenue



2025 Operating Budget Changes

Net \$1.8M increase in contributions to/from reserves:

- Reallocate funds transferred directly to capital budget
- Reduce draw down on reserves
- Special levies direct funding to reserves
- Base budget increases as directed by the LRFP



2025 Operating Budget Changes

2025 Budget Requests



- Town Prosecutor (budget request 25-33)
Request for in-house prosecutorial services - cost of salaries & benefits offset by reduction in enforcement legal fees budget.



- Health & Safety Software (budget request 25-32)
\$37,000 budget impact for implementation of new health & safety management system.

Questions



Next Steps

