



MEMORANDUM

TO: Mayor Lawlor and Members of Council

FROM: Amy Prueter, Manager of Budgets and Financial Reporting

DATE: January 20, 2025

MEMO NO.: CS-2025-001

SUBJECT: 2025 Budget and Business Plan

PURPOSE OF THE MEMORANDUM:

The purpose of this memorandum dated January 20, 2025, is to provide Council with a summary of the final 2025 Budget and Business Plan, as adopted on December 6, 2024.

The final 2025 net operating budget is \$76,979,232, which is an annual year over year increase (net of assessment growth) of \$6,337,037 or 8.97% for the Town portion and excludes both the Acton and Georgetown Business Improvement Associations (BIA), the Region of Halton, and the Board of Education.

The combined net levy increase totals 6.50% and reflects the Town budget increase of 8.97%, the approved Region of Halton tax increase of 6.18% and a 0% education increase.

The approved Acton BIA 2025 budget included gross expenditures of \$140,636.91, with a tax levy of \$112,254.91.

The approved Georgetown BIA 2025 budget included gross expenditures of \$330,500, with a tax levy of \$227,115.

The 2025 capital budget is approved in the amount of \$22,410,000 and the 2026-2034 capital forecast identifies \$599,337,400 in funded capital projects, bringing the ten-year funded capital program to a total of \$621,747,400. An additional \$118,375,000 in unfunded capital projects has also been identified.

Senior Management will review the budget process along with any feedback received from Council to adjust the 2026 budget process as needed.

BACKGROUND:

The 2025 budget process was completed under the Strong Mayor Powers designation which requires the Town to follow the powers and duties set out in Section 284.16 of the *Municipal Act* regarding preparing the municipal budget.

A staff recommended 2025 budget was published on October 15, 2024, and is to be used as the source of all detailed budget information, until staff are able to update these numbers with the adopted version of the 2025 budget.

On November 4, 2024, the Mayor's Budget was tabled through the Let's Talk platform after consultation with Staff, Council and consideration of public feedback.

On December 2, 2024, a formal presentation of the 2025 Budget was presented to Budget Committee. This public meeting provided an opportunity for public delegations, presentations from the two local BIAs and discussion of Council proposed amendments to the budget.

On December 3, budget amendments were officially read at a special council meeting and those that passed with a fifty per cent majority were included in an amended version of the Mayor's budget.

The Mayor had the option to veto Council amendments during the three day veto period that followed and on December 6, 2024 the Mayor announced her decision not to exercise her veto powers.

On December 6, 2024, the budget as amended through the special Council meeting on December 3, 2024, was deemed adopted, setting the final budget and business plan for 2025.

Changes made through the budget process to the original staff recommended budget along with the resulting impacts to departmental 2025 workplans are outlined in Appendix A.

The final net operating budget by department for 2025 is summarized in Appendix B; all the adopted 2025 operating budget requests are listed in Appendix C and the 2025 capital budget plus a nine-year forecast (2026 – 2034) are shown in Appendix D with a list of all the unfunded capital projects in Appendix E.

The Business Improvement Associations (BIAs) submit their annual budgets to their respective boards for approval and these are included with the Town's 2025 operating budget so that the appropriate amounts can be levied. Acton BIA's budget is provided in Appendix F and Georgetown BIA's budget is provided in Appendix G.

COMMENTS:

Operating Budget Highlights

Assessment Growth

Assessment growth for 2025 is now finalized and confirmed to be \$673,700, adding additional revenues of \$290,700 over the original estimate of \$383,000. As in previous years, this additional tax revenue will be transferred to the Tax Rate Stabilization Reserve as per the Town’s standard operating practice. This will allow the amount to be distributed at a later date without affecting the approved budget.

The change in assessment growth can be seen in the following places in the 2025 budget:

- An increase to total net tax revenues and expenditure of \$290,700 (Net zero budget impact)
- A decrease in the net town tax impact of 0.04%, lowering the previously reported 9.01% year over year increase down to 8.97%

	Original	Amended % (Growth Change)
2024 Base Budget	\$69,968,495	\$69,968,495
2025 Growth	\$383,000	\$673,700
Total (Adjusted Base)	\$70,351,495	\$70,642,195
Net Expenditure Increase 2025	\$6,720,037	\$7,010,737
Less Growth	(\$383,000)	(\$673,700)
Total (Net Budget Increase)	\$6,337,037	\$6,337,037
% Increase over prior year	9.01%	8.97%

Property Tax Levy

The 2025 operating budget as adopted is \$76,979,232 for 2025. This is a net levy increase (Town portion) of \$6,337,037 or 8.97% and is comprised of the following increases:

Table 1

General		
Assessment growth	\$ (673,700)	-0.95%
Inflation and additional funding required to maintain existing service levels, as well as to support statutory compliance, and proposed new/enhanced services	5,465,737	7.74%
Special Levies		
State of Good Repair Program	900,000	1.27%
Fire Master Plan Implementation	630,000	0.89%
Council requests	15,000	0.02%
TOTAL	\$ 6,337,037	8.97%

This increase to the Town’s annual operating budget equates to a tax bill increase of 4.42% (for the Town’s portion) and an overall increase of 6.50% when the region and education increases are included. Table 2 below summarizes both the impact to the Town’s operating budget and the impact to the tax bill:

Table 2

**Property Tax Impact
(per \$100,000 CVA)**

	2025 Share of Tax Bill	2024 Taxes	2025 Budget Impact	2025 Taxes	\$ Increase on Tax Bill	% Increase on Tax Bill
Town	50.44%	\$442.17	8.97%	\$481.84	\$39.67	4.42%
Regional Services*	19.79%	\$178.08	3.65%	\$189.09	\$11.01	1.23%
Police Services*	13.75%	\$123.68	2.53%	\$131.32	\$7.64	0.85%
Education	16.02%	\$153.00	0.00%	\$153.00	\$0.00	0.00%
Total	100.00%	\$896.93	6.50%	\$955.25	\$58.32	6.50%

*Region services allocation is an estimate based on the 2025 Budget Combined Tax Impact provided by the Region on December 11, 2024.

The 8.97% budget increase results in an additional \$39.67 per \$100,000 of residential current value assessment (CVA) or a 4.42% increase on the tax bill to address the Town’s budgetary needs.

With the additional increases from the Region's operating budget (6.18%) and school boards (0.00%), the total increase to the tax bill is \$58.32 per \$100,000 of CVA. For the average assessed value of a home in Halton Hills of \$636,300 (per the latest MPAC assessment), this results in a \$370.99 increase to the residential property tax bill in 2025.

Special Levies

Special levies are raised to provide a funding source for a specific purpose or objective. The 2025 budget includes annual additions to two special levies:

- \$900,000 - State of Good Repair (SOGR) special levy which is used to maintain Town assets in a state of good repair, and
- \$630,000 - Fire Services Special Levy which will be used to fund the implementation of the 2024 Fire Master Plan.

The annual increase to the SOGR special levy is required on an on-going basis and is a critical source of sustainable capital funding to manage the Town's infrastructure deficit and growing state-of-good repair program.

Council approved the 2024 Fire Master Plan (FMP) in November 2024 through report FIRE-2024-005 which included a staffing plan for 2025 to 2029 to address legislated standards and industry best practices in the delivery of fire services. The staffing plan identified the need for 10.5 FTE in 2025 (8 Suppression Firefighters, 1 Training Instructor, 1 Emergency Vehicle & Equipment Technician, and 0.5 to convert an Administrative Coordinator to full time).

The Fire Services special levy will be required at a rate of 0.9% per year from 2025 to 2029 to secure the required tax supported funding to implement the staffing plan. Contributions from the Fire Services Reserve will also be used to supplement the tax increase and are estimated to total \$1.8 million over the five year plan.

2025 Capital Budget

The adopted 2025 capital budget totals \$22,410,000, and is primarily funded through capital reserves, followed by grants from other levels of government, development charges, and trusts. Table 3 below summarizes the capital budget by department and the associated funding sources:

Table 3

2025 Capital Budget

Department	Gross Cost	General & Special Tax Levies	Development Charges	Capital Reserves	Ontario Community Infrastructure Fund (OCIF)	Canada Community-Building Fund	Other
Office of the CAO	235,000	-	-	235,000	-	-	-
Corporate Services	1,040,000	-	300,000	740,000	-	-	-
Library	808,000	-	-	808,000	-	-	-
Fire Services	1,778,000	-	-	1,778,000	-	-	-
Transportation & Public Works	14,656,000	-	1,951,000	8,355,000	2,000,000	2,350,000	-
Planning & Development	250,000	-	-	250,000	-	-	-
Community Services	3,643,000	-	-	3,411,600	-	-	231,400
Total	22,410,000	-	2,251,000	15,577,600	2,000,000	2,350,000	231,400

Impacts of Capital Budget on Operating Budget

There is an operating budget impact of \$67,000 in 2025 from approved capital projects. The associated increase to the operating budget will provide contracted services for the maintenance of new traffic signals and streetlights, and additional summer staff in Public Works to increase resources for the maintenance of new assets.

Ten-year Capital Plan (2025 – 2034)

The ten-year capital program and funding sources are summarized in Table 4 below:

Table 4

2025 Ten-year Capital Plan (in \$000s)

Department	2025	2026	2027	2028	2029 - 2034	Total
Office of the CAO	\$ 235	\$ 40	\$ 40	\$ 40	\$ 300	\$ 655
Corporate Services	1,040	355	5,605	5,455	3,005	15,460
Library Services	808	672	681	704	19,625	22,490
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	250	1,750	1,920	1,500	4,040	9,460
Community Services	3,643	8,115	20,501	20,617	171,641	224,517
Total by Department	22,410	59,369	89,478	58,273	392,217	621,747
Funding Sources						
Capital Reserves	15,578	19,791	25,733	24,721	114,300	200,123
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	5,772	7,110	5,610	33,560	56,633
General & Special Tax Levies	-	-	-	-	-	-
Total Funding	\$ 22,410	\$ 59,369	\$ 89,478	\$ 58,273	\$ 392,217	\$ 621,747
Unfunded Capital Program	\$ 12,368	\$ 12,657	\$ 22,153	\$ 29,129	\$ 42,068	\$ 118,375
Total Capital Program	\$ 34,778	\$ 72,026	\$ 111,631	\$ 87,402	\$ 434,285	\$ 740,122

The nine-year capital forecast of \$599,337,400 (2026 to 2034) is subject to change due to many factors such as the timing of growth, cost increases, availability of funding and changing priorities. As such, it is presented annually for approval in principle only and is reviewed and updated each budget year.

The unfunded capital program totals \$118,375.000 and consists of capital projects that are necessary to meet the Town's growth, service, and infrastructure needs, however due to lack of available financing these projects remain unfunded at this time.

Acton Business Improvement Area

The 2025 budget for the Acton Business Improvement Area can be found in Appendix F. The proposed 2025 budget is \$140,636.91 in gross expenditure and a net tax levy of \$112,254.91. This represents a 0% net levy increase from 2024.

Georgetown Business Improvement Area

The 2025 budget for the Georgetown Business Improvement Area can be found in Appendix G. The proposed 2025 budget is \$330,500 in gross expenditures and a net tax levy of \$227,115. This represents a 3% net levy increase from 2024.

CONCLUSION:

The 2025 budget and business plan follow guiding principles and consider the strategic plans of the corporation to determine the programs and services that are provided to the community in a fiscally responsible manner.

Reviewed and approved by,

Moya Jane Leighton, Treasurer

Laura Lancaster, Commissioner of Corporate Services

Chris Mills, Chief Administrative Officer