

# 2025 Budget Planning

Budget Review Committee of the Whole  
July 25, 2024

# 2025 Proposed Budget

## What?

- Preliminary information driving a budget that delivers core services and enables Council Strategic Priorities

## How?

- Engagement with Public
- Continued workshops and education sessions with Council
- Alignment with the Budget Planning By-Law

## Why?

- To inform Council how staff will be developing the budget, maintain public accountability and transparency

# How We Engage Council

Meeting Type	Topic	Date
Budget Education	Budget Introduction <ul style="list-style-type: none"> <li>• Process, policies, reports, categories of funding/spend</li> <li>• Understanding 2024 Regional operations</li> </ul>	Thursday, August 15, 9:00 a.m. to 12:00 p.m.
Budget Workshop	2025 Capital Projects <ul style="list-style-type: none"> <li>• Project Manager available to discuss priorities and Q &amp; A</li> </ul>	Thursday, September 5, 2024, 1:00 p.m. – 4:30 p.m.
Budget Workshop	ABCs <ul style="list-style-type: none"> <li>• Council authority re ABCs</li> <li>• NPCA</li> </ul> 2025 Water/Wastewater <ul style="list-style-type: none"> <li>• Operating Budget, requisition and Rates</li> </ul> 2025 Special Levies <ul style="list-style-type: none"> <li>• Waste Management Operating Budget and Requisition</li> <li>• Transit Operating Budget and Requisition</li> </ul>	Thursday, October 10, 2024, 9:00 p.m. – 4:00 p.m.
Budget Workshop	2025 General Levy <ul style="list-style-type: none"> <li>• individual department drivers</li> </ul>	Thursday, November 28, 2024, 9:00 a.m. to 4:00 p.m.

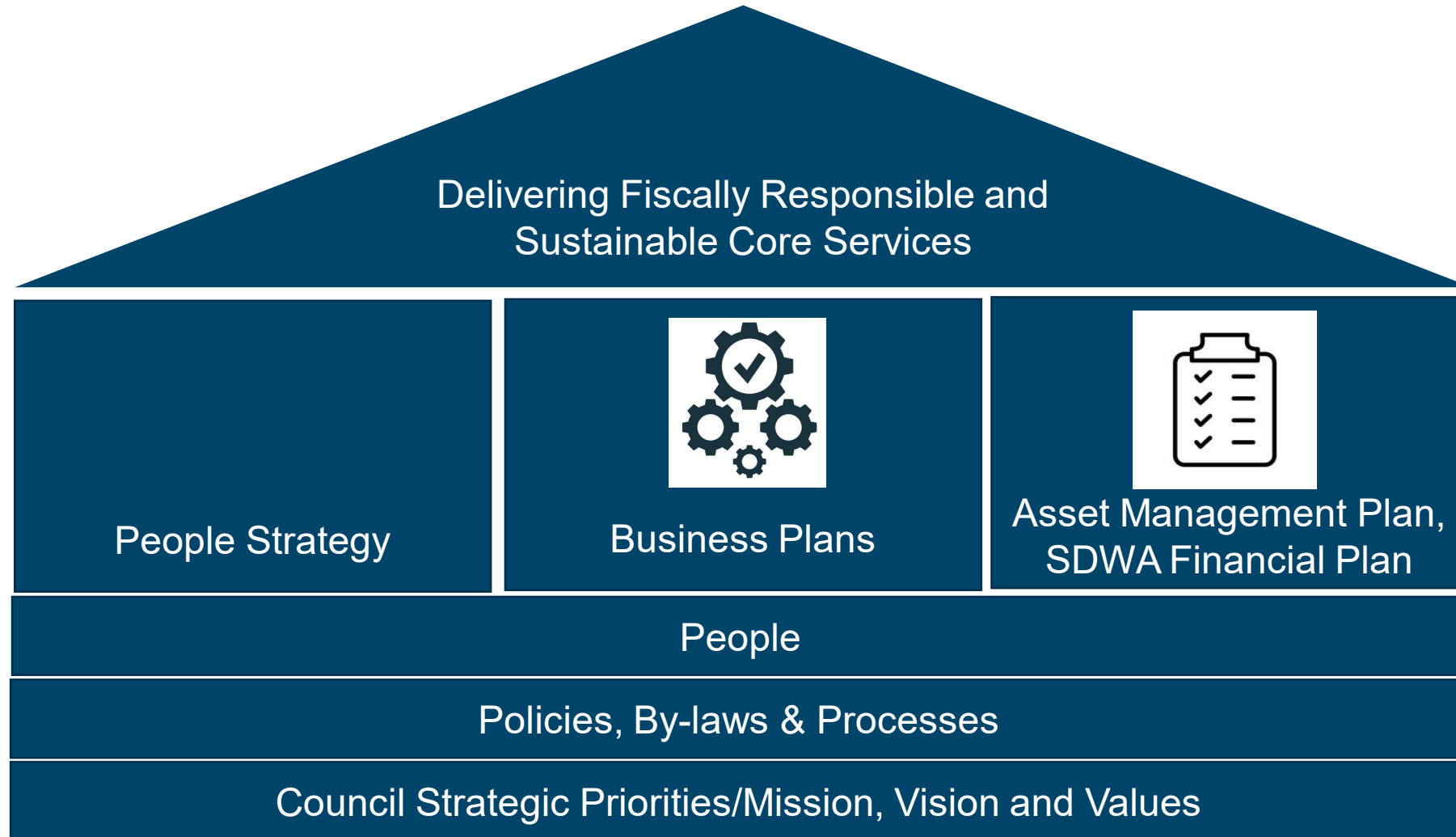
# How We Engage the Public

## Budget Video



- 4 Budget Basics YouTube Video  
<https://youtu.be/t2cRzcoSQBU?si=riqQwlaWmT7AOmn3>

# Committed to Core Services



# Budget Planning By-law

## Guiding Principals

### Sustainability

Funding to maintain service levels

### Service Levels



### Affordability

Consideration of taxpayer cost of services

### Transparency

# Budget Planning By-law

## Four Operating Budgets



**General Tax  
Levy of \$483.0**  
(Gross \$1,049.4 M)



**Water & Wastewater Rates  
of \$154.6M**  
(Gross \$161.6M)



**Transit Commission  
Special Tax Levy of  
\$58.4M**  
(Gross \$82.5M)

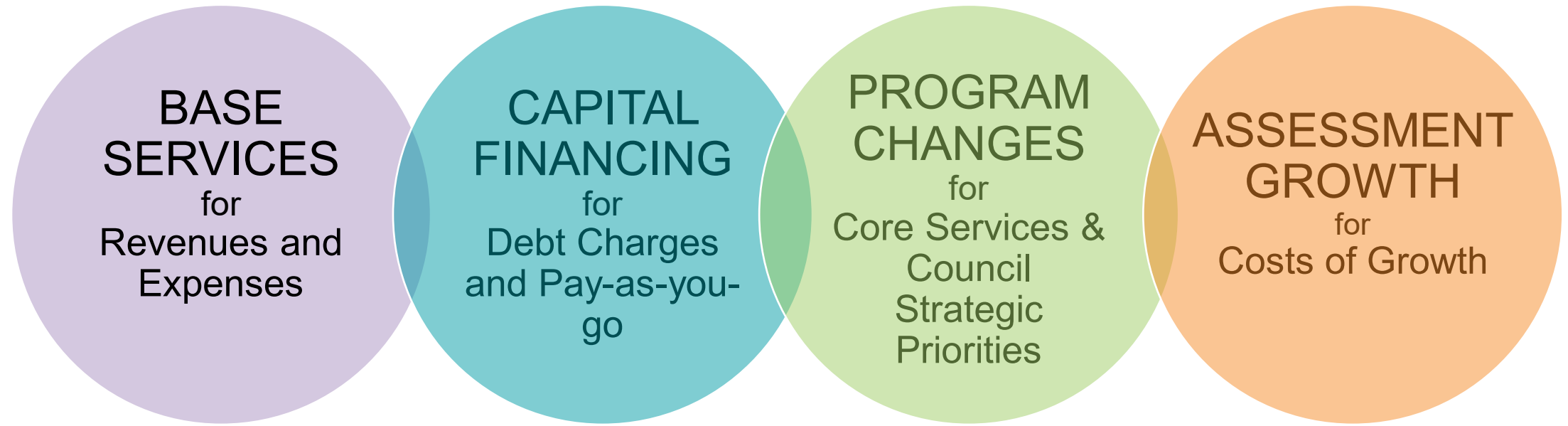


**Waste Management  
Special Tax Levy of  
\$45.2M**  
(Gross \$51.5M)

**Based on 2024 Operating Budgets**

# Budget Planning By-law

## Budget Categories





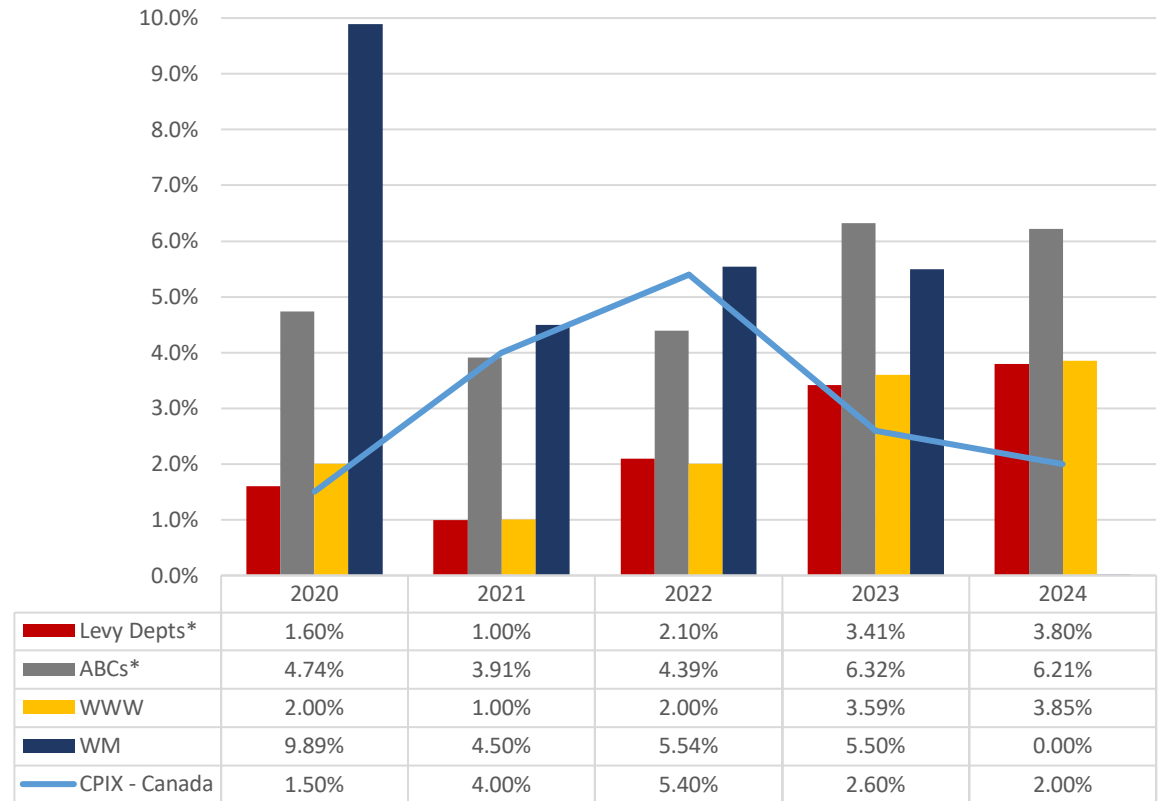
# 2025 Budget Snapshot

Budget Categories		General Tax Levy	Water & Wastewater (WW) Rates	Waste Management (WM) Special Levy	Niagara Transit Commission (NTC) Special Levy
Base Services	Departments	3.38%	4.11%	4.26%	4.44%
	ABCs	3.03%	n/a	n/a	n/a
	Reserve Strategy	0.83%	n/a	3.24%	n/a
	Bill 23/Bill 185	-1.45%	n/a	n/a	n/a
Capital Financing		2.50%	7.22%	n/a	3.71%
Program Changes		1.93%	1.26%	-0.10%	TBD
Assessment Growth		-1.50%	n/a	-1.50%	-1.50%
<b>Total</b>		<b>8.72%</b>	<b>12.59%</b>	<b>5.90%</b>	<b>6.65%</b>

# Historical Inflation

- All costs are impacted by various rates of inflation
- 5-year average increase in CPIX is 3.10%; following the peak in 2022, rates are starting to normalize

2% Inflation being  
used for 2025 Budget  
Development



\*increases are for base budget and are shown year over year as compared to previous year's net expenditures

# General Tax Levy Base Services

Budget Component	General Tax Levy	WW Rates	WM Special Levy	NTC Special Levy
Base Services	3.38%	4.11%	4.26%	4.44%

- \$16.3M or 3.38% driven by -
  - \$13.2M Labour Related Costs
  - \$1.6M Levy Impact of Mandated Provincial and Federal Agreements
  - \$1.8M Contract pressure (Insurance, Software, Salt)
  - \$1.0M Other pressures (Utilities, Fuel, Food)

**Investment in People Strategy**  
Base pressures in excess of forecasted inflation

# Water Wastewater Base Services

Budget Component	General Tax Levy	WW Rates	WM Special Levy	NTC Special Levy
Base Services	3.38%	4.11%	4.26%	4.44%

\$6.4M or 4.11% driven by:

- \$1.2M Labour Related Costs
- \$1.0M Combined Sewer Overflow (CSO) Program reinstated
- \$1.1M Utilities
- \$0.8M Biosolids Collection and Disposal
- \$0.6M Chemicals

## Investment in People Strategy

Base pressures in excess of forecasted inflation  
CSO Program reinstatement

# Waste Management Base Services

Budget Component	General Tax Levy	WW Rates	WM Special Levy	NTC Special Levy
Base Services	3.38%	4.11%	4.26%	4.44%

\$1.9M or 4.26% driven by:

- \$0.8M Collection Contract due to inflation and diesel prices
- \$0.5M Landfill Operations
  - \$0.4M Niagara Road 12
  - \$0.1M Bridge St
- \$0.2M Labour Related Costs

**Investment in People Strategy**  
Base pressures in excess of forecasted inflation

# Niagara Transit Commission Base Services

Budget Component	General Tax Levy	WW Rates	WM Special Levy	NTC Special Levy
Base Services	3.38%	4.11%	4.26%	4.44%

\$2.6M or 4.44% driven by:

- \$1.5M Labour Related Costs
- \$0.5M Gas/Diesel
- \$0.3M Provincial Gas Tax phase out

## Investment in People

Base pressures in excess of forecasted inflation

# ABC Cost Pressures

Budget Component	General Tax Levy	WW Rates	WM Special Levy	NTC Special Levy
ABCs	3.03%	n/a	n/a	n/a

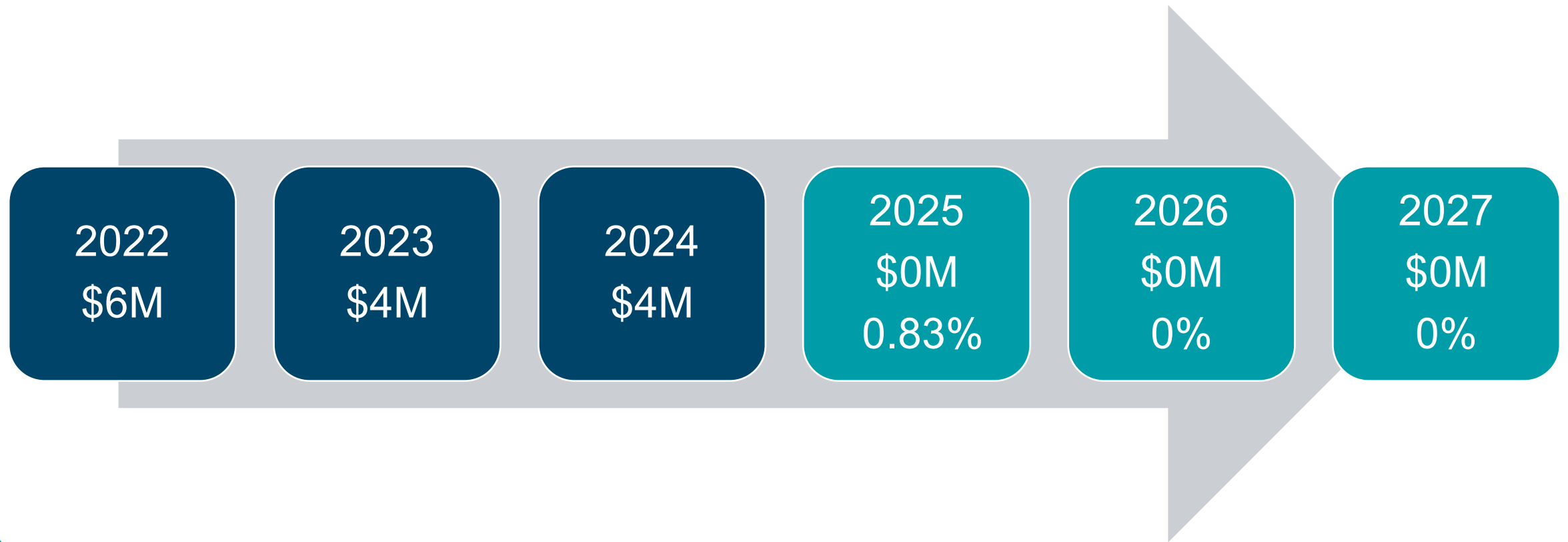
\$14.7M or 3.03% of the General Tax Levy:

- \$13.9M NRPS: Labour contracts
- \$0.5M NRH: Utilities, Property Tax
- \$0.1M Courts: Contract increases
- \$0.1M NPCA: 2% increase

3.03% increase on the General Tax Levy for ABCs

# General Tax Levy - 2022 Tax Deferral

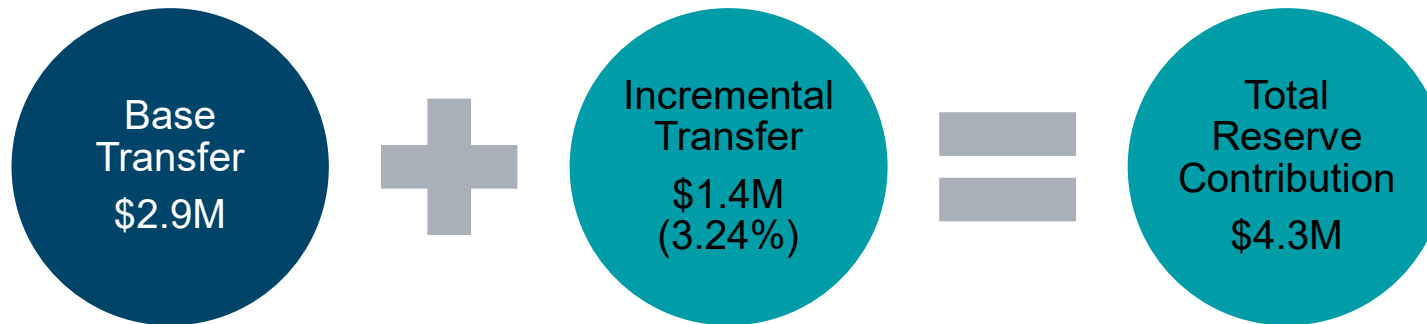
Budget Component	General Tax Levy	WW Rates	WM Special Levy	NTC Special Levy
Reserve Strategy	0.83%	n/a	3.24%	n/a





# Waste Management Reserves

Budget Component	General Tax Levy	WW Rates	WM Special Levy	NTC Special Levy
Reserve Strategy	0.83%	n/a	3.24%	n/a



Recommendation to increase the annual contribution to the Landfill Liability Reserve to \$4.3M

# General Tax Levy – Development Charges

Budget Component	General Tax Levy	WW Rates	WM Special Levy	NTC Special Levy
Bill 23/Bill 185	-1.45%	n/a	n/a	n/a

- Bill 185 (*Cutting Red Tape to Build More Homes Act, 2024*)
  - Development Charge (DC) Phase In Eliminated
  - \$7M (1.45%) reduction on the 2025 General Tax Levy
- DC Act Section 4.1
  - Provides a full DC exemption for affordable and attainable residential units
  - Financial impacts are unknown

# General Tax Levy Capital Financing

Budget Component	General Tax Levy	WW Rates	WM Special Levy	NTC Special Levy
Capital Financing	2.50%	7.22%	n/a	3.71%

Year	Increase Approved	Required in AMP	Shortfall
2024	1.50%	3.80%	2.30%
2023	2.60%	3.80%	1.20%
2022	1.00%	2.16%	1.16%
2021	0.52%	2.16%	1.64%
2020*	1.54%	2.16%	0.62%
2019*	0.40%	2.16%	1.76%

\* 2019 and 2020 increases specific to NRT and LTC

Obtaining the required increase 2019-2024 would have provided a further **\$114M** of capital financing.

**2025 Capital Financing increase of \$12.1M or 2.50%**

# WWW Capital Financing

Budget Component	General Tax Levy	WW Rates	WM Special Levy	NTC Special Levy
Capital Financing	2.50%	7.22%	n/a	3.71%

Year	Increase Approved	Required in AMP	Shortfall
2024	4.10%	7.22%	3.12%
2023	5.00%	7.22%	2.22%
2022	3.15%	3.15%	0.00%
2021	1.00%	3.15%	2.15%
2020	3.15%	3.15%	0.00%
2019	3.15%	3.15%	0.00%

Obtaining the required increase in 2021, 2023 and 2024 would have provided a further **\$23M** in capital funding.

**2025 Capital Financing increase of \$11.2M or 7.22%**

# Niagara Transit Commission

## Capital Financing

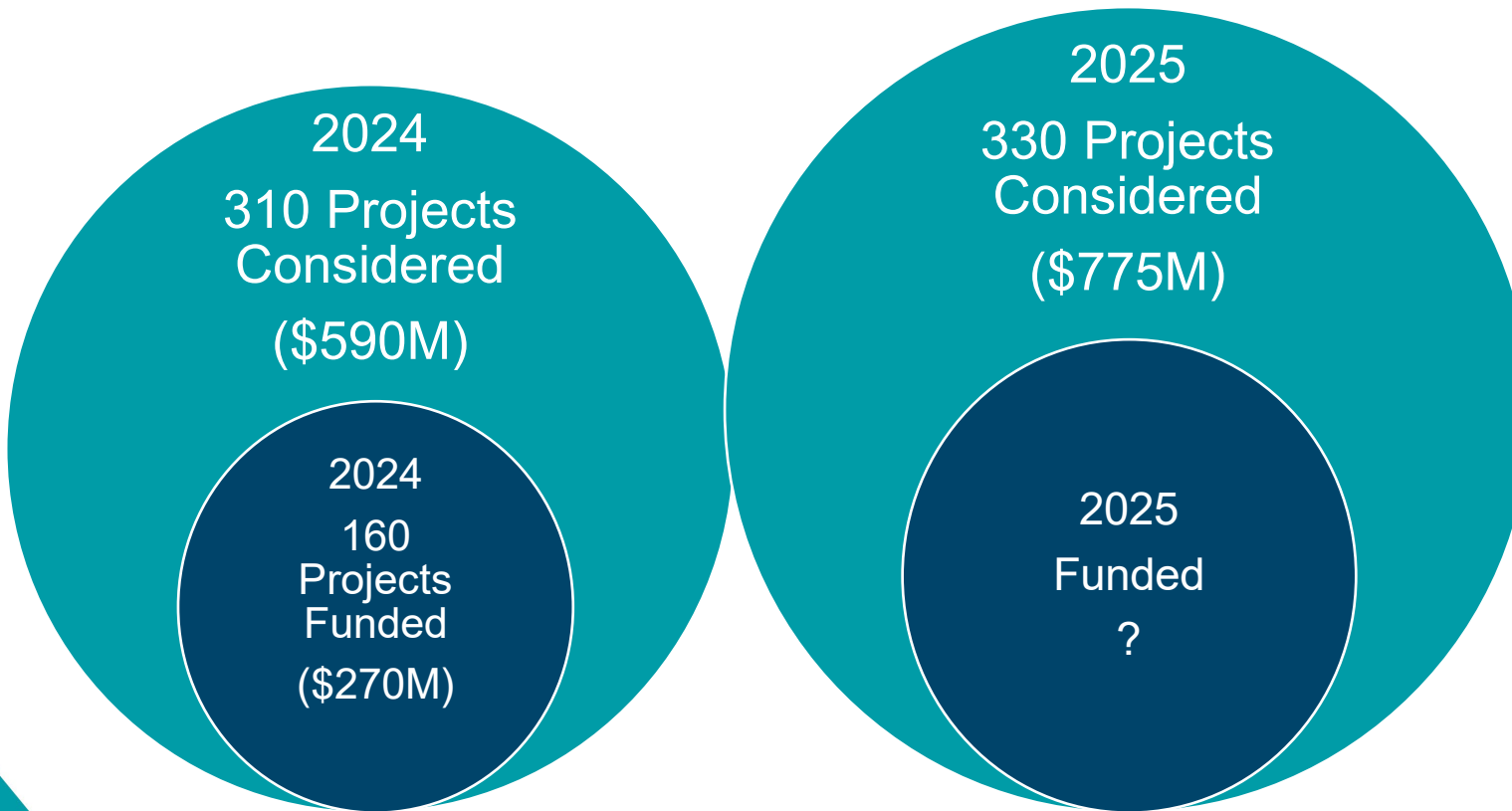
Budget Component	General Tax Levy	WW Rates	WM Special Levy	NTC Special Levy
Capital Financing	2.50%	7.22%	n/a	3.71%

Year	Increase Approved	Required in AMP	Shortfall
2024	\$0M	\$3.3M	\$2.17M
2023	\$2.17M	\$2.17M	\$0.0M

2025 Capital Financing Increase of \$2.17M (3.71%) to continue to build towards the annual \$6.5M required

# 2025 Consolidated Capital Budget Update

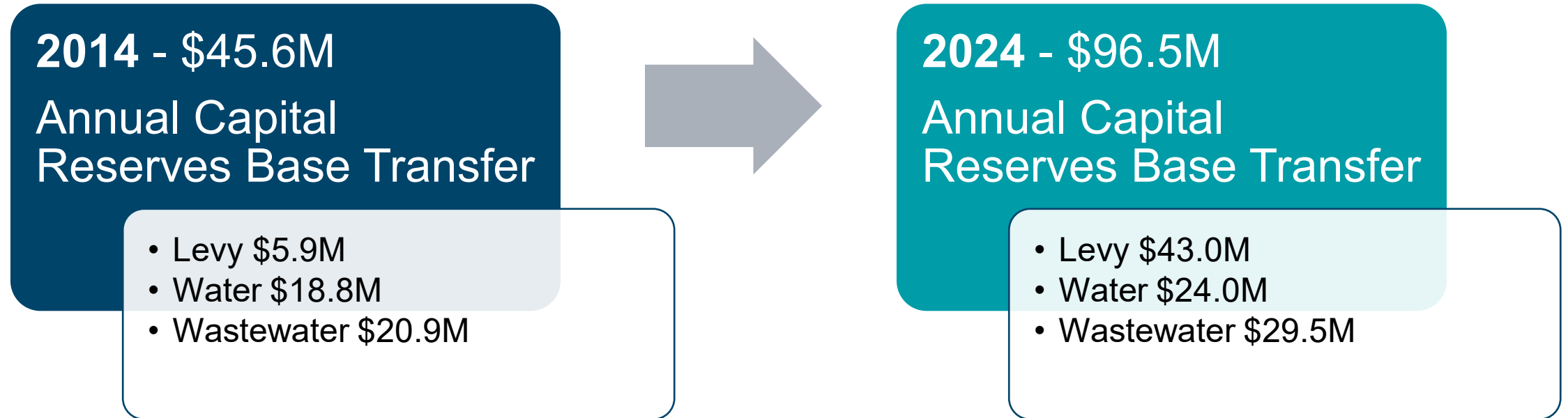
## Preliminary Results



- Review on-going
- Will be presented to Council in September

Incremental Capital Financing is needed

# 10 Year Capital Reserve Comparison



Made progress in capital funding however the backlog continues

# Program Changes for Consideration

Budget Component	General Tax Levv	WW Rates	WM Special Levv	NTC Special Levy
Program Changes	1.93%	1.26%	-0.10%	TBD

Committed to Core Services and Council Strategic Priorities.

- General Tax Levy: \$9.3M (1.93%)
- Water Wastewater: \$1.9M (1.26%)
- Waste Management: (\$0.05M), 0.10% reduction

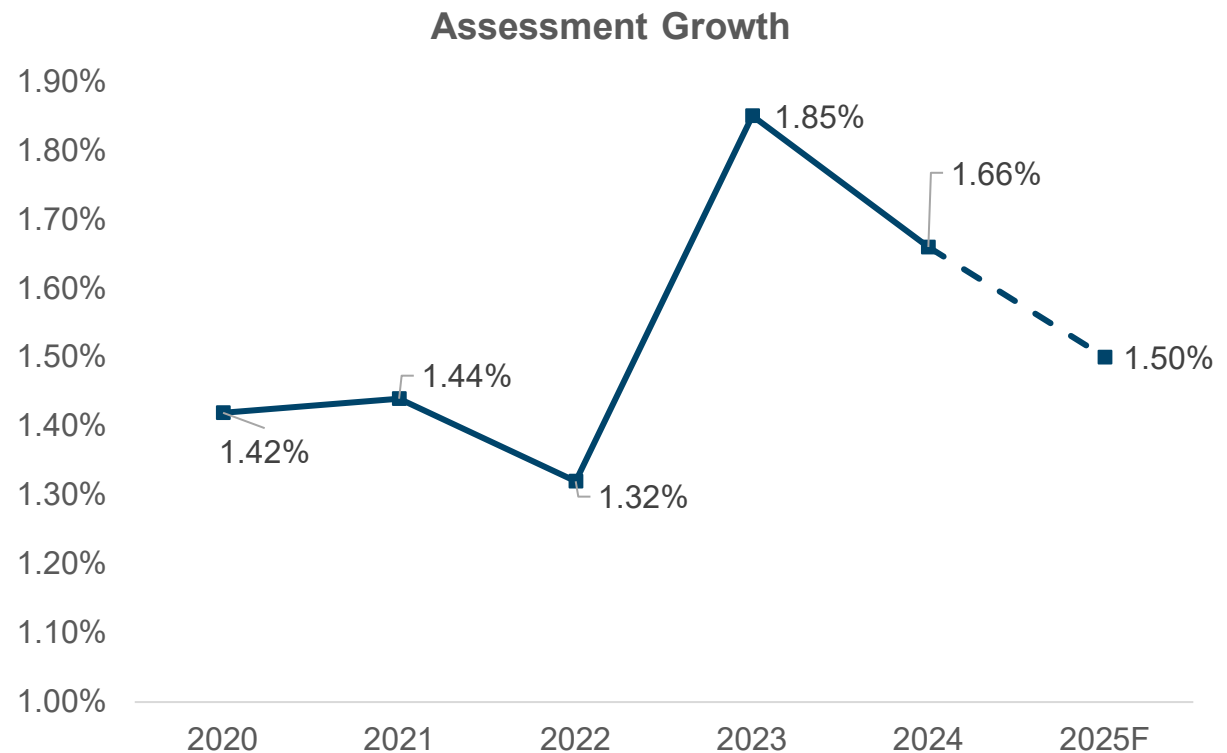


# Assessment Growth

Budget Component	General Tax Levy	WW Rates	WM Special Levy	NTC Special Levy
Assessment Growth	-1.50%	n/a	-1.50%	-1.50%

- Per Budget Planning by-law assessment growth is prioritized for Capital Financing, Council Strategic Priorities, Operating Costs of Capital

Estimated assessment growth of 1.5% or \$7.2M



# Commitment to Core Services

## Budget Considerations



# 2025 Budget Timetable

Meeting Type	Topic	Date
<b>BRCOTW</b>	Budget Planning	Thursday, July 25, 2024, 4:00 p.m.
<b>Budget Education</b>	Introduction	Thursday, August 15, 2024, 9:00 a.m. to 12:00 p.m.
<b>Budget Workshop</b>	Capital	Thursday, September 5, 2024, 1:00 p.m. – 4:30 p.m.
<b>BRCOTW</b>	Capital	Thursday, September 12, 2024, 6:30 p.m.
<b>Budget Workshop</b>	ABCs, Water & Wastewater Rates, Waste Management & Niagara Transit Commission Special Tax Levies	Thursday, October 10, 2024, 9:00 a.m. to 4:00 p.m.
<b>BRCOTW</b>	Waste Management & Niagara Transit Commission Special Tax Levies	Thursday, October 17, 2024, 6:30 p.m.
<b>BRCOTW</b>	Water & Wastewater Rates	Thursday, November 7, 2024, 6:30 p.m.
<b>BRCOTW</b>	ABCs	Thursday, November 14, 2024, 6:30 p.m.
<b>Council</b>	Water & Wastewater Rate and Special Levy By-laws	Thursday, November 21, 2024, 6:30 p.m.
<b>Budget Workshop</b>	General Tax Levy	Thursday, November 28, 2024, 9:00 a.m. to 4:00 p.m.
<b>BRCOTW</b>	General Tax Levy	Thursday, December 5, 2024, 6:30 p.m.
<b>Council</b>	General Tax Levy, Capital & User Fee By-laws	Thursday, December 12, 2024, 6:30 p.m.



# Questions?

