

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 • Process, policies, reports, categories of funding/spend • Understanding 2024 Regional operations	Thursday, August 15, 9:00 a.m. to 12:00 p.m.
Budget Workshop	2025 Capital Projects • Project Manager available to discuss priorities and Q & A	Thursday, September 5, 2024, 1:00 p.m. – 4:30 p.m.
Budget Workshop	ABCs • Council authority re ABCs • NPCA 2025 Water/Wastewater • Operating Budget, requisition and Rates 2025 Special Levies • Waste Management Operating Budget and Requisition • Transit Operating Budget and Requisition	Thursday, October 10, 2024, 9:00 p.m. – 4:00 p.m.
Budget Workshop	2025 General Levy • individual department drivers	Thursday, November 28, 2024, 9:00 a.m. to 4:00 p.m.

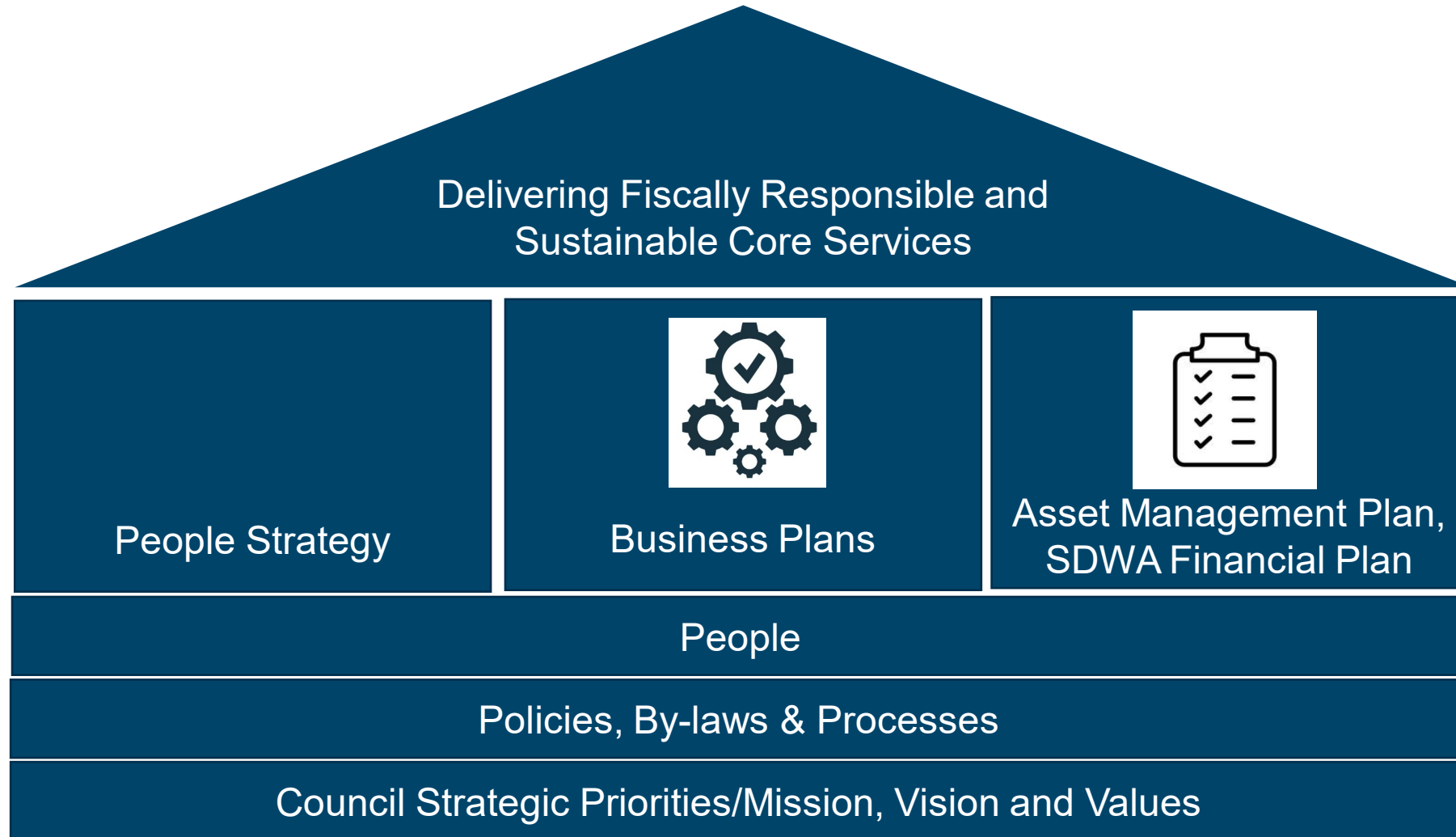
How We Engage the Public

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)

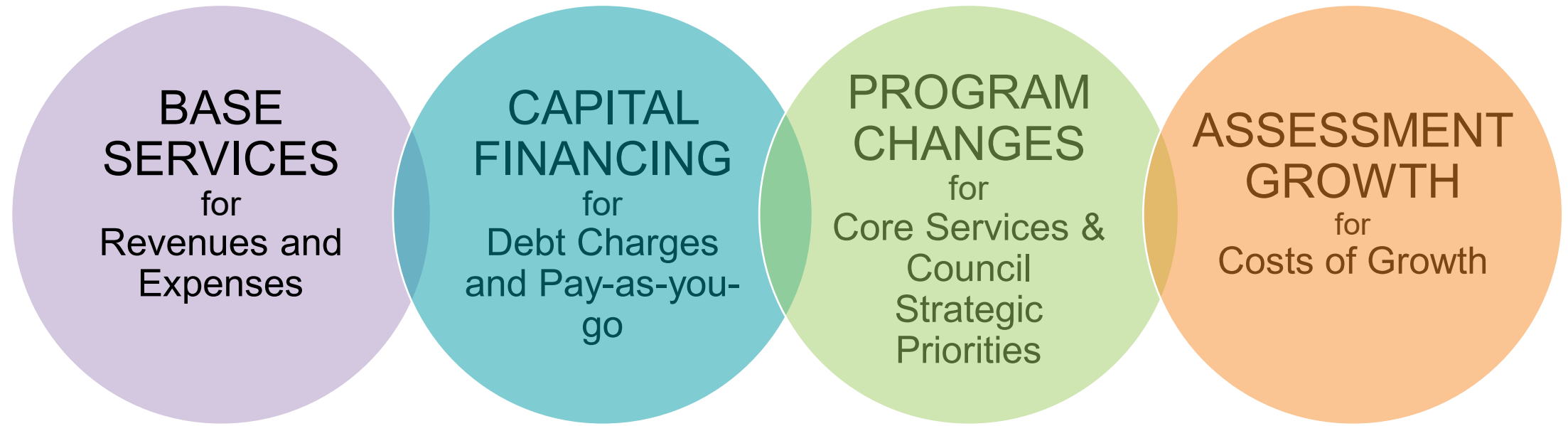


**Waste Management
Special Tax Levy of
\$45.2M**
(Gross \$51.5M)

Based on 2024 Operating Budgets

Budget Planning By-law

Budget Categories



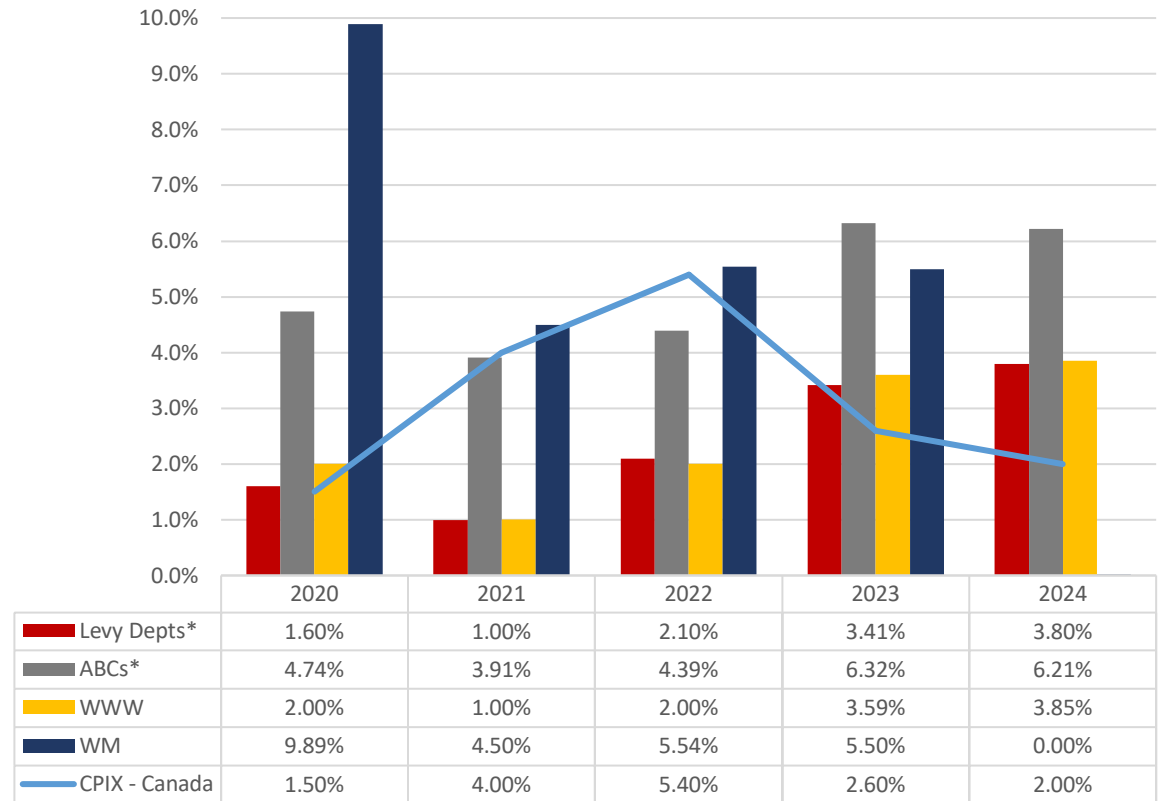
2025 Budget Snapshot

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%
Total		8.72%	12.59%	5.90%	6.65%

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

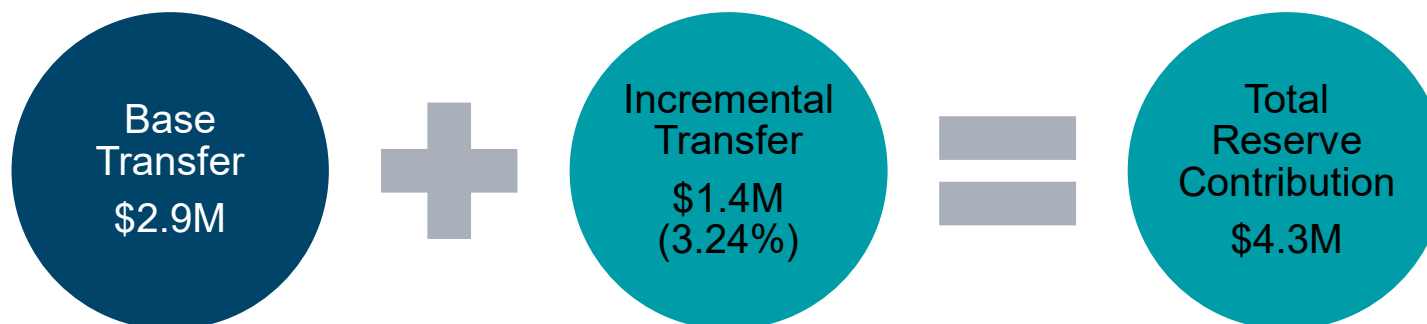
General Tax Levy - 2022 Tax Deferral

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

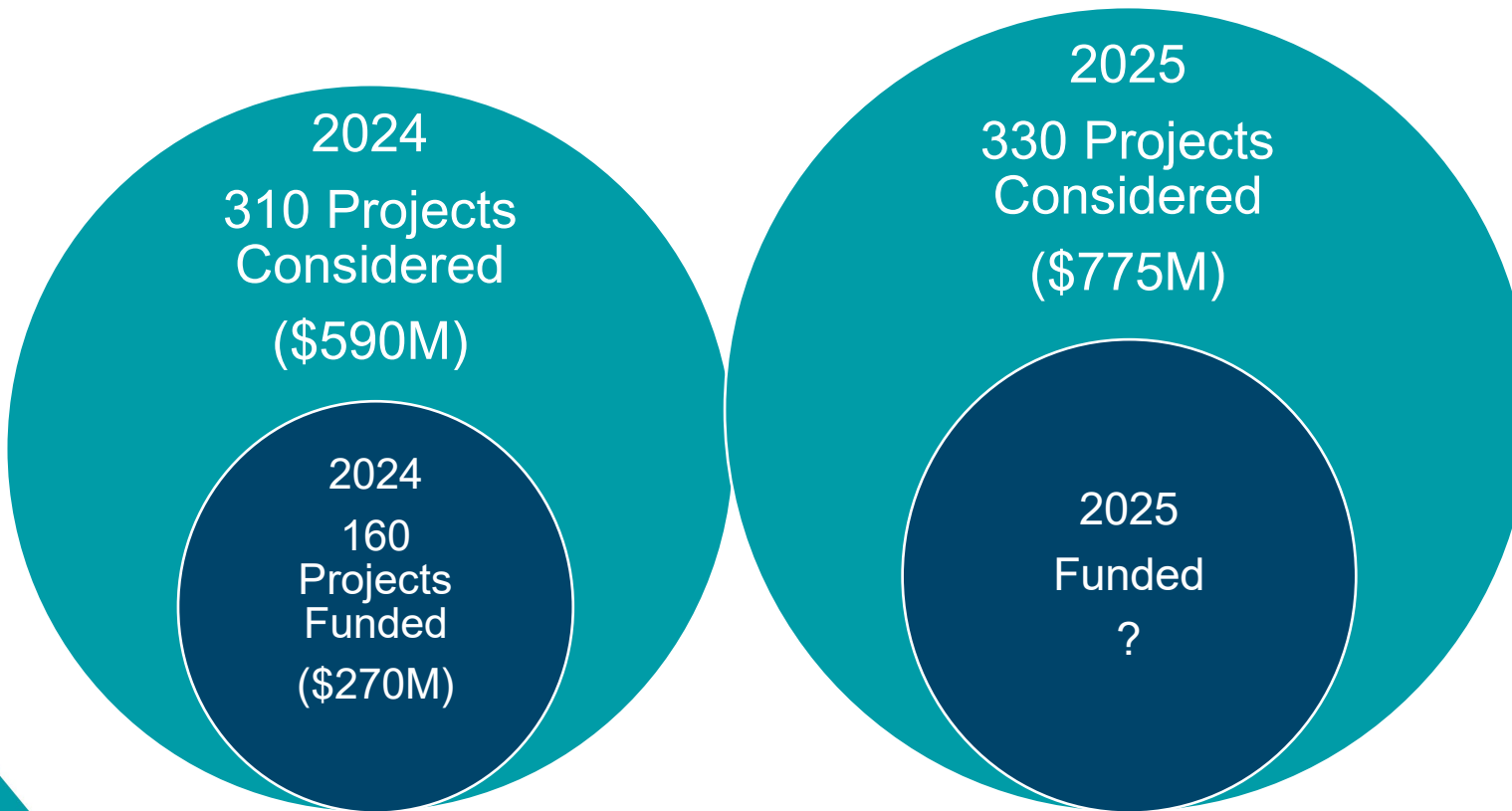
Budget Component	General Tax Levy	WW Rates	WM Special Levy	NTC Special Levy
Capital Financing	2.50%	7.22%	n/a	3.71%

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

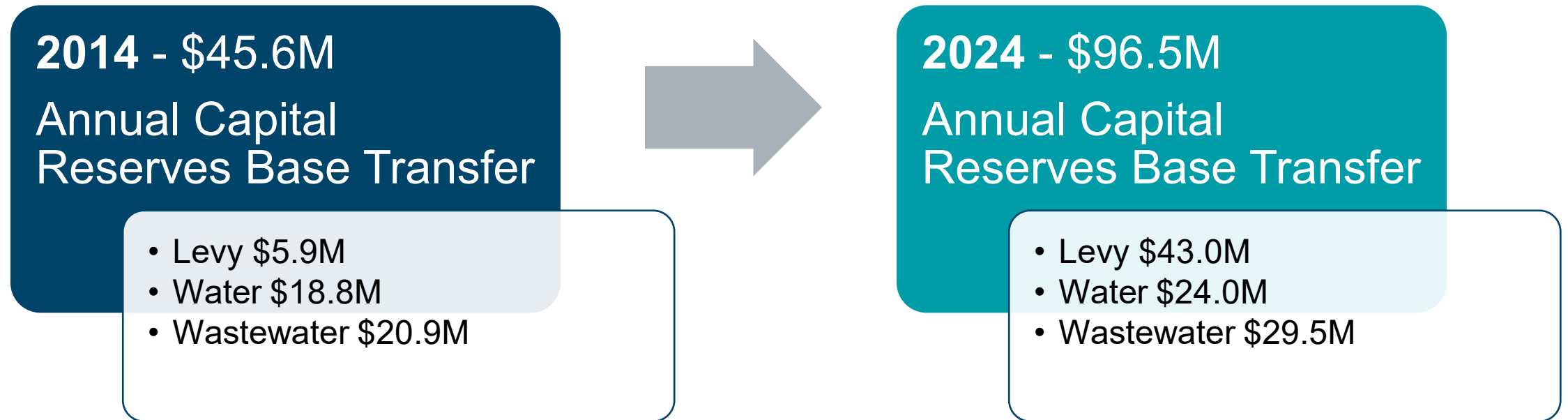
Preliminary Results



- 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.

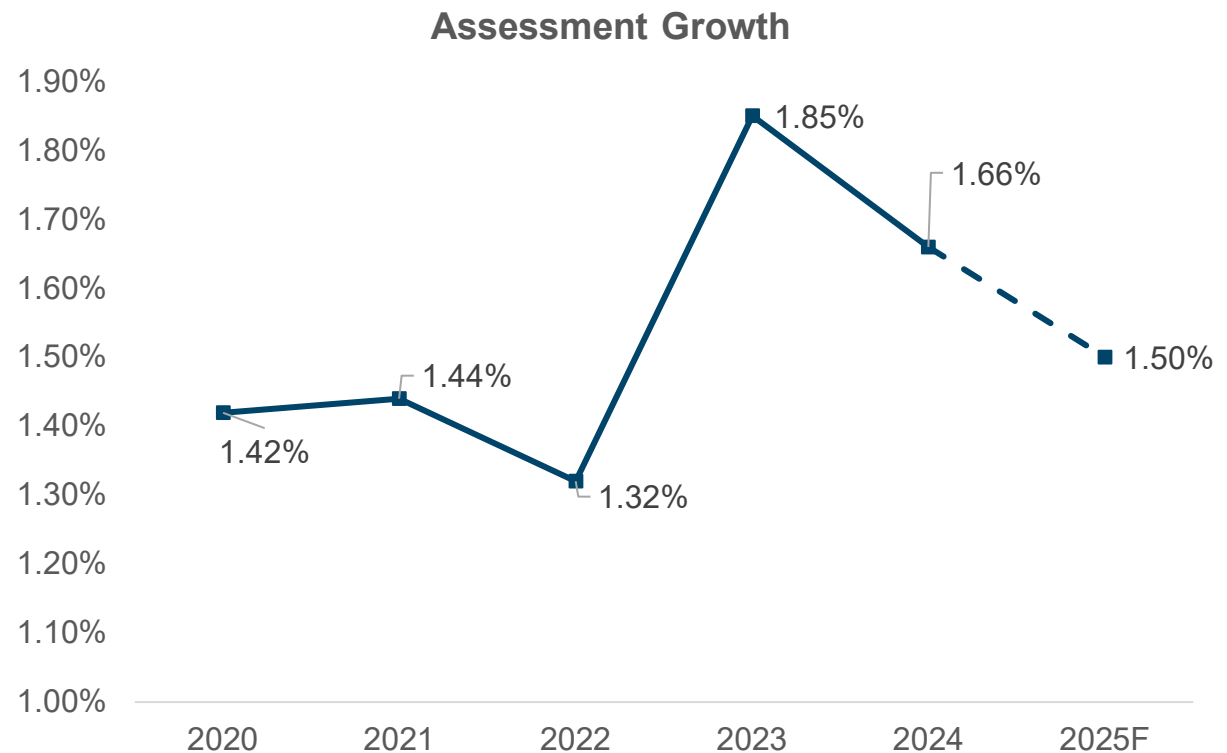
- General Tax Levy: \$9.3M (1.93%)
- Water Wastewater: \$1.9M (1.26%)
- Waste Management: (\$0.05M), 0.10% reduction

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%

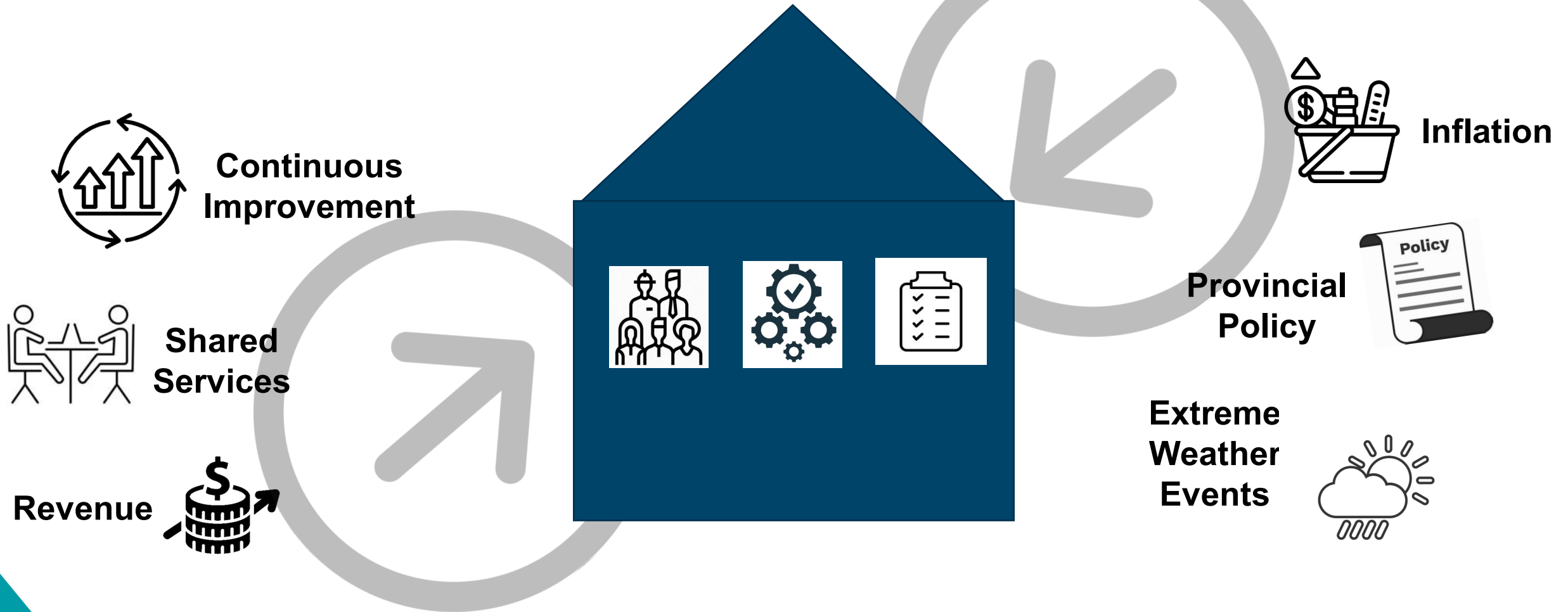
- Per Budget Planning by-law assessment growth is prioritized for Capital Financing, Council Strategic Priorities, Operating Costs of Capital

Estimated assessment growth of 1.5% or \$7.2M



Commitment to Core Services

Budget Considerations



2025 Budget Timetable

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



Questions?

