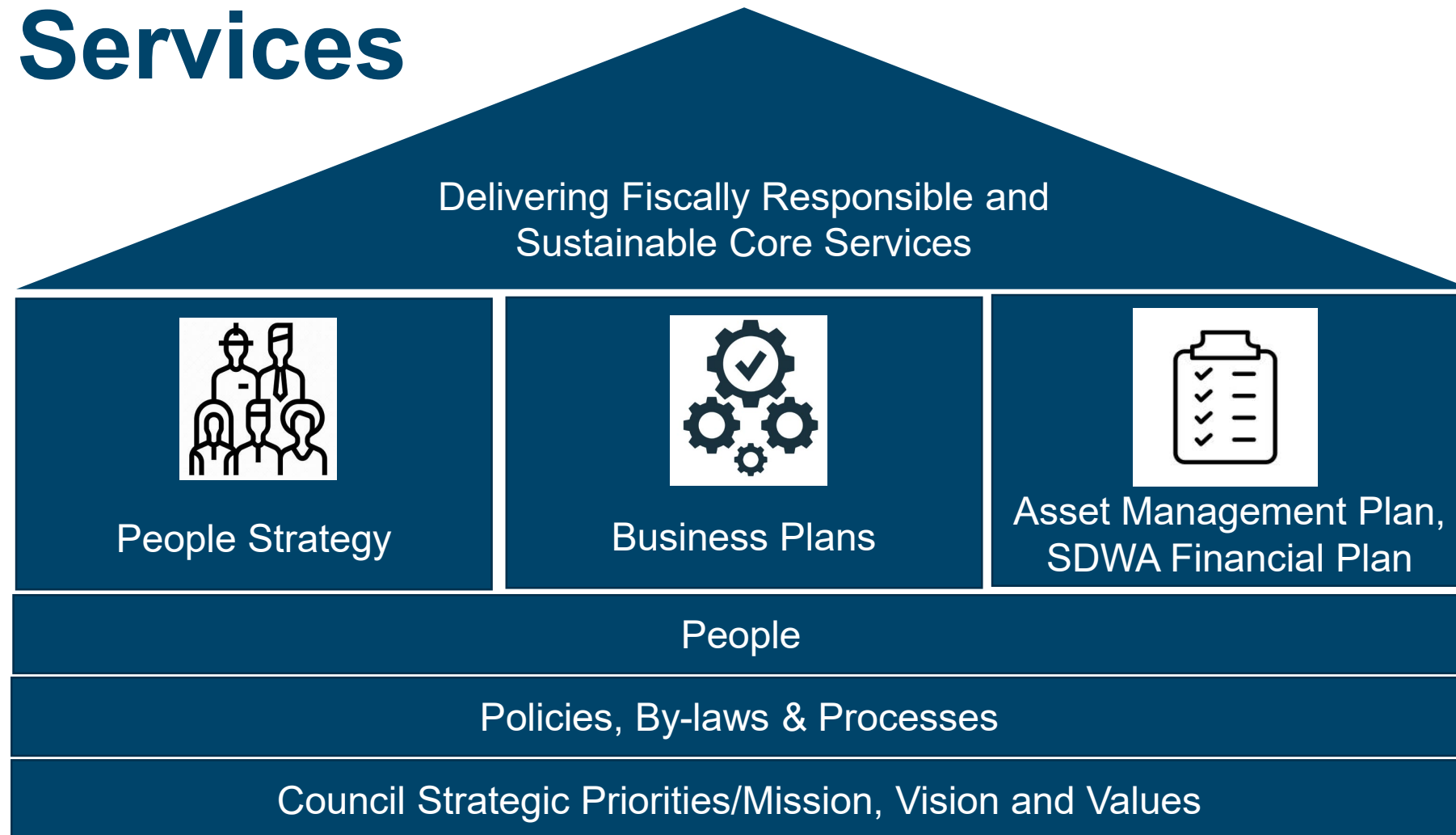


2025 Operating Budget

Budget Review Committee of the Whole

December 5, 2024

Committed to our Core Services



2025 Consolidated General Levy Budget

What we're going to cover:

- Budget Outcomes
- Budget Planning By-Law
- Recommended Budget by Category
- Considerations
- Multi-Year Outlook
- Household Impacts
- Next Steps

Budget Outcomes

Investing in our Core Services



Major Industrial Investment

Asahi Kasei \$1.56 billion investment in Niagara



Enhanced Road Safety

Expansion of Vision Zero Road Safety program



Additional ambulance service

Addressing growing service demand

Budget Outcomes

Investing in our Core Services Continued...



**New Homeless
Shelter for South
Niagara**



**Public Health
Restructure
and
Organizational
Realignment**



**Keeping our
Facilities Safe**



**Stabilizing
our Housing
Stock**

Budget Outcomes

Investing in our Core Services Continued



Two New Long-Term Care Homes

Gilmore Lodge and Linhaven



Investing in Our Staff

People strategy

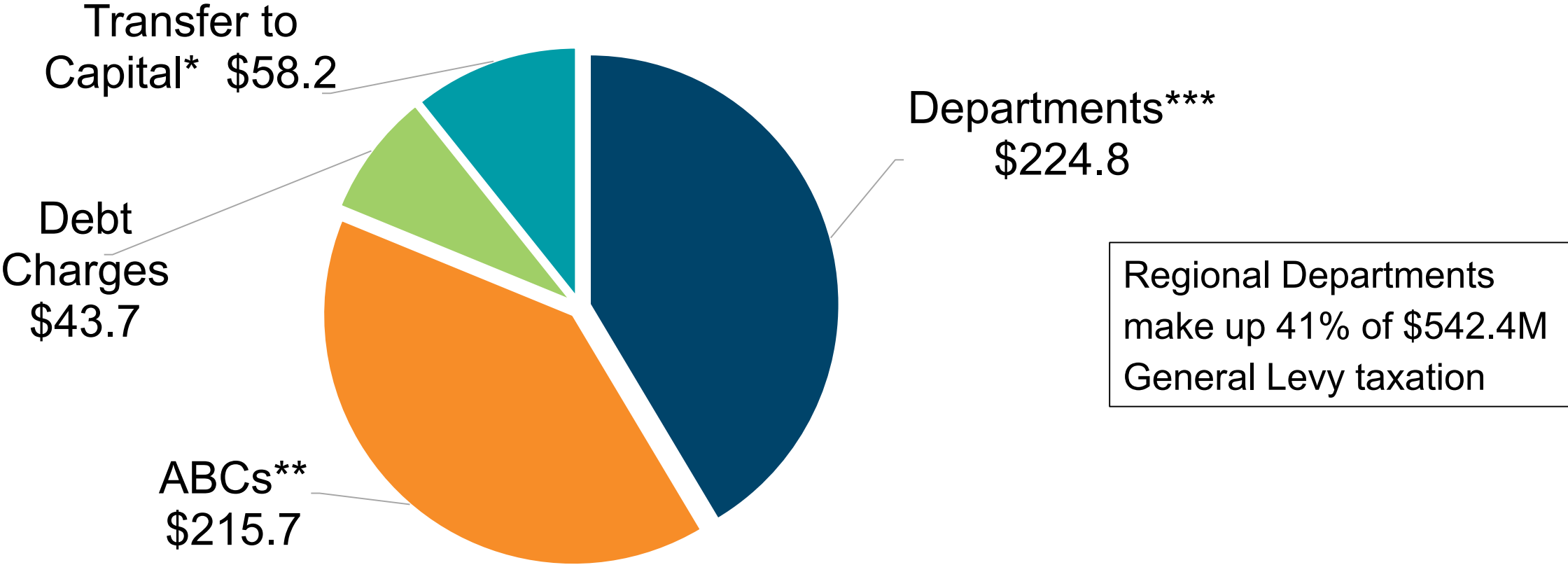


Investment in social assistance

21 permanent FTEs and enhanced life stability benefits, case manager ratio reduced

Budget Breakdown

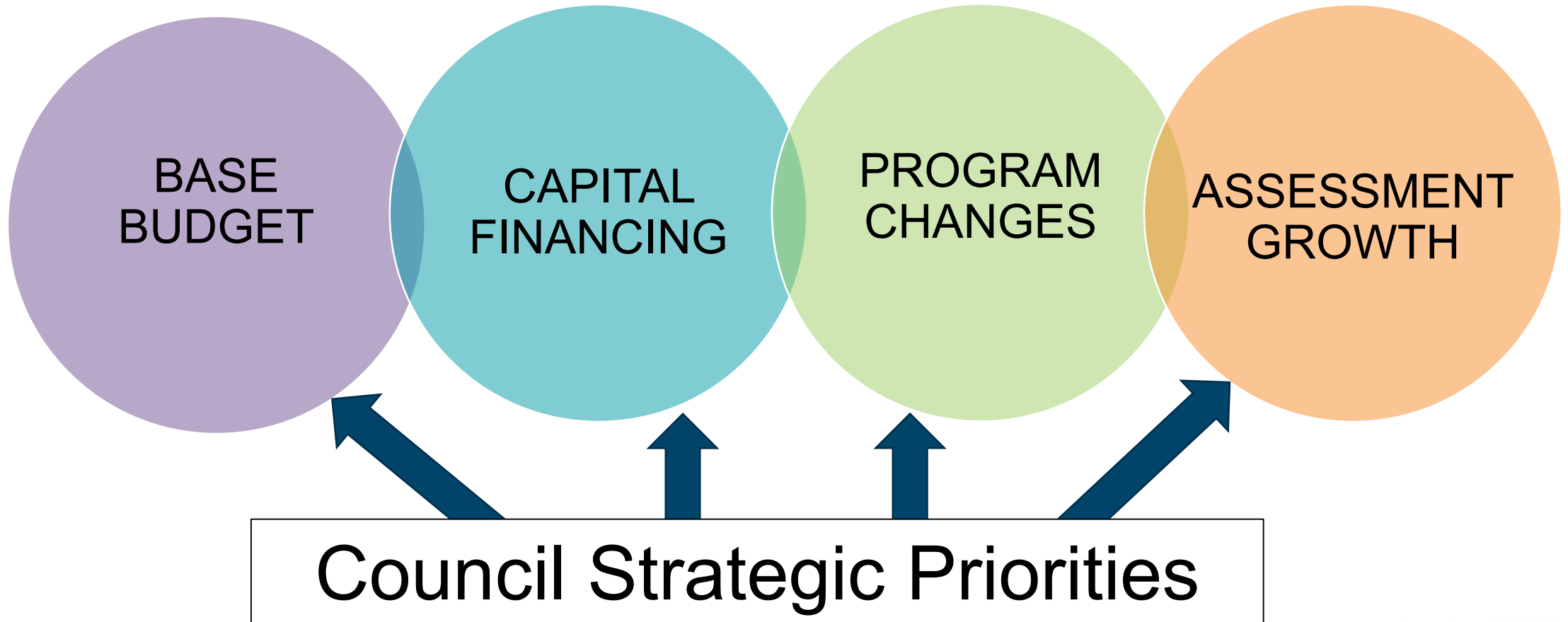
General Levy Taxation - \$542.4M



*\$58.2M transfer to capital includes \$3.1M for the levy debt substitution strategy
** ABC total excludes \$8.8M debt charges and \$1.2M capital (total is \$225.7M)
*** Departments total excludes \$34.9M debt charges and \$57.0M capital (total is \$316.7M)

Budget Planning By-law

Budget Categories



Budget Planning By-Law

Guiding Principles

Service Levels

Sustainability

Funding to maintain service levels



Affordability

Consideration of taxpayer cost of services

Transparency

Efficiencies Driving Cost Avoidance

Deliver Affordable & Fiscally Responsible Core Services

\$4.0 Million+
in efficiencies identified

Strategic
Review and
Re-organizations

Leveraging
Technology

Focus on
Continuous
Improvement

Partnerships
and Shared
Services

General Levy Summary

Gross \$1.3B, Net \$542.4M

Base Budget

General Levy Operating Budget (in millions)	2024 (\$)	2025 (\$)	Year over year change (\$)	% of Consolidated Levy
Departments	283.0	295.1	12.1	2.51%
2022 Tax Deferral		4.0	4.0	0.83%
Bill 23 / Bill 185 Impact		-7.5	-7.5	-1.55%
Emerging Priorities:				
South Niagara Shelter		1.3	1.3	0.26%
Smart Growth DC Incentives		4.9	4.9	1.01%
Subtotal Base Budget		297.7	14.8	3.06%
Program Changes		4.6	4.6	0.95%
Capital Financing		12.1	12.1	2.50%
Growth (TIGS/Operating Costs of Capital)		2.3	2.3	0.48%
Subtotal Non-Base Budget		19.0	19.0	3.93%
Total Before ABCs		316.7	33.8	6.99%
ABC Subtotal	200.1	225.7	25.6	5.30%
Consolidated Levy before Assessment Growth	483.0	542.4	59.4	12.29%
Assessment Growth				-1.51%
Consolidated Levy	483.0	542.4	59.4	10.78%

Departmental Increase before efficiencies was 3.35%, for a Consolidated Levy of 11.62%

General Levy Summary

Agencies Boards and Commissions (ABCs)

General Levy Operating Budget (in millions)	2024 (\$)	2025 (\$)	Year over year change (\$)	% of Consolidated Levy
ABCs	200.0	225.6	25.6	5.30%



General Levy Operating Budget (in millions)	2024 (\$)	2025 (\$)	Year over year change (\$)	% of Consolidated Levy
NRPS	188.5	213.3	24.8	5.14%
NPCA	7.3	8.0	0.7	0.14%
Courts	(0.1)	(0.1)	0.0	0.00%
NRH	4.4	4.5	0.1	0.02%
ABC Subtotal	200.0	225.6	25.6	5.30%

General Levy Departments

Base Increase of \$12.1M or 2.51%

Base
Budget

General Levy Operating Budget (in millions)	2024 (\$)	2025 (\$)	Year over year change (\$)	% of Consolidated Levy
Departments	283.0	295.1	12.1	2.51%

Pressures mainly attributed to:

- \$13.7M increase in Labour Related Costs to support union increases and \$2.8M for People Strategy
- \$2.4M related to mandatory and discretionary development charge grants (incentives)
- \$3.3M inflationary pressures and contract price increases relating to hired equipment, salt, medical supplies, insurance, IT software, consulting
- \$1.3M increase in repairs and maintenance for buildings and vehicles

Pressures offset by:

- (\$5.7M) increases Federal and Provincial Grants to programs, however subsidy increases are not keeping pace with inflation
- (\$2.0M) payments in lieu of taxation

General Levy Other Items

Tax Deferral & Bill 23/Bill 185

Base Budget

General Levy Operating Budget (in millions)	2024 (\$)	2025 (\$)	Year over year change (\$)	% of Consolidated Levy
2022 Tax Deferral		4.0	4.0	0.83%
Bill 23/Bill 185 Impact		(7.5)	(7.5)	-1.55%

2022 Tax Deferral

- 2022 Budget used \$6M of Reserves to defer the General Levy Tax increase
- 2023 Budget reduced Reserve usage from \$6M to \$4M
- 2024 Budget maintained Reserve usage at \$4M
- 2025 Budget to reduce Reserve usage from \$4M to \$0

Bill 23/Bill 185

- Bill 185 reversed Bill 23 decision on Development Charge exemptions
- Reduction of \$7.5M in 2025 Budget

General Levy Emerging Priorities

South Niagara Shelter & Smart Growth Incentives

Base Budget

General Levy Operating Budget (in millions)	2024 (\$)	2025 (\$)	Year over year change (\$)	% of Consolidated Levy
Emerging Priorities				
South Niagara Shelter		1.3	1.3	0.26%
Smart Growth DC Incentives		4.9	4.9	1.01%

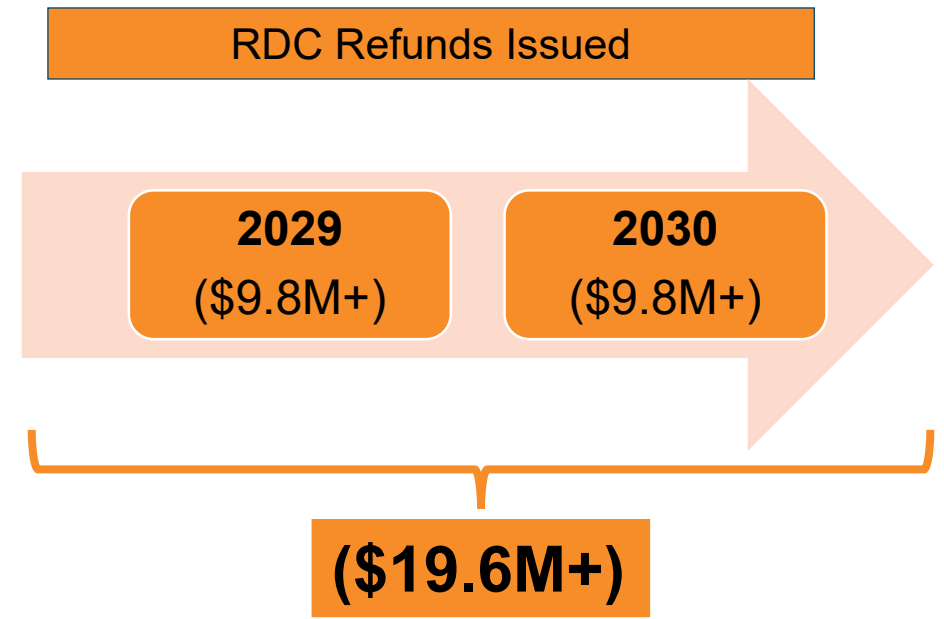
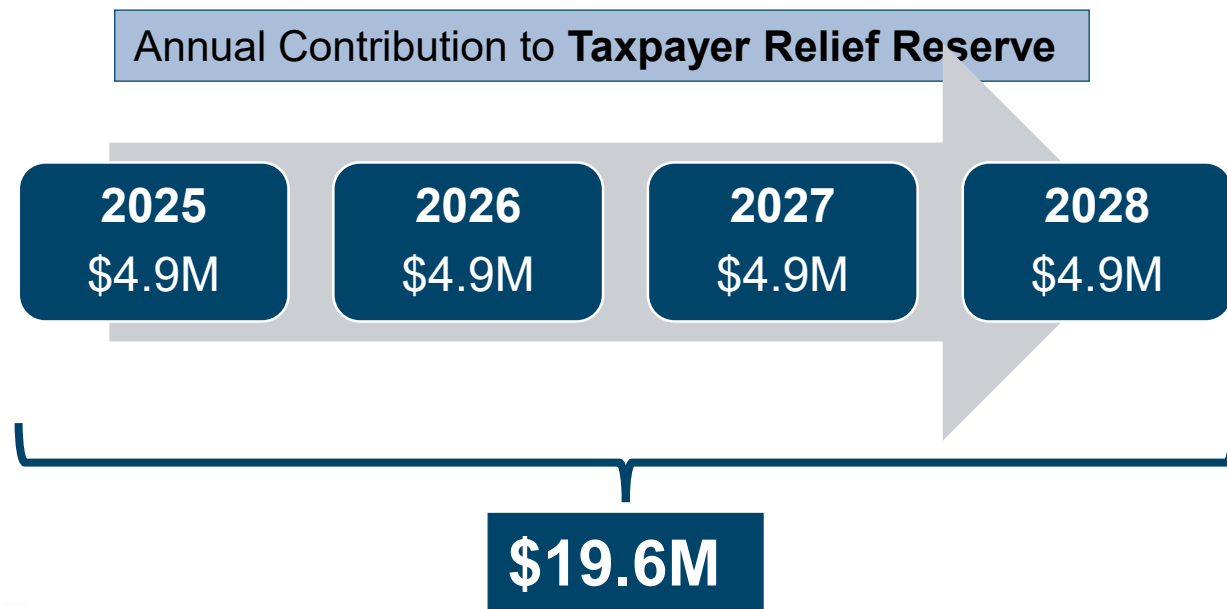
- Per COM 29-2024 “South Niagara Shelter Expansion”, Council approved **\$1.3M** in incremental operating budget to be considered for inclusion in the 2025 Budget
- Per Motion of Council on September 26, 2024, the Smart Growth Regional Development Charges (DC) Reduction Program expiration deadline was extended for a period of 18 months until April 1, 2026

General Levy Emerging Priorities

Smart Growth DC Incentives

Base Budget

General Levy Operating Budget (in millions)	2024 (\$)	2025 (\$)	Year over year change (\$)	% of Consolidated Levy
Emerging Priorities				
South Niagara Shelter		1.3	1.3	0.26%
Smart Growth DC Incentives		4.9	4.9	1.01%

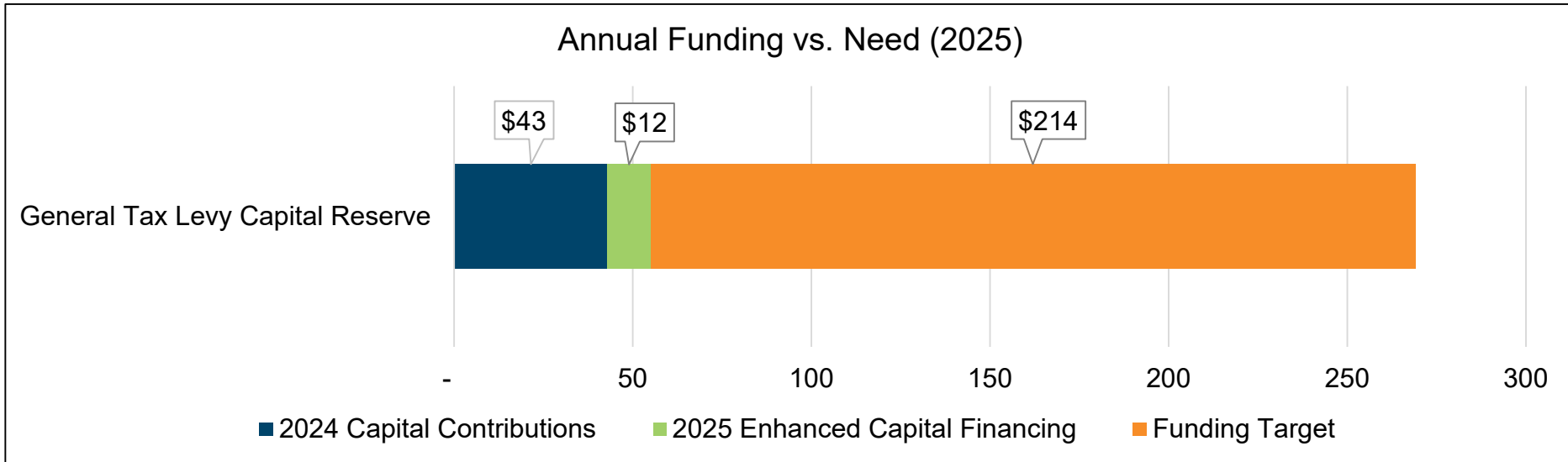


Capital Financing

\$4.3B of Assets Supported

Capital Financing

General Levy Operating Budget (in millions)	2024 (\$)	2025 (\$)	Year over year change (\$)	% of Consolidated Levy
Capital Financing		12.1	12.1	2.50%



2025 Operating Budget proposes increasing total contributions to capital from **\$43M** to **\$55M**

Program Changes

Gross \$8.3M, Net \$4.6M

Program Changes

General Levy Operating Budget (in millions)	2024 (\$)	2025 (\$)	Year over year change (\$)	% of Consolidated Levy
Program Changes		4.6	4.6	0.95%

Social Services Front Line Supports*

\$ Gross \$5.7M
Net \$2.4M

+ 29.7 Perm FTE
- 2.7 Temp FTE

Public Works Operations

\$ Gross \$0.9M
Net \$0.9M

+ 4 Perm FTE

Corporate & Strategic Supports

\$ Gross \$1.7M
Net \$1.3M

+ 14 Perm FTE
- 6 Temp FTE

*Includes Housing Provider Subsidy Investment

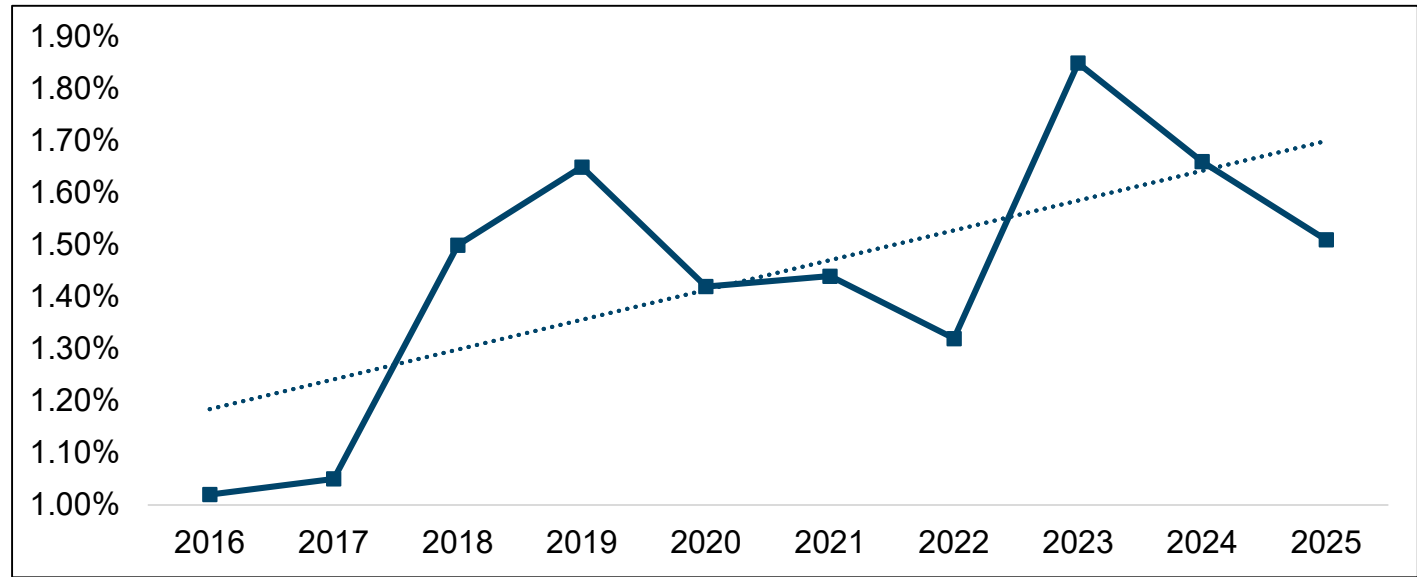
Assessment Growth

10-year history



General Levy Operating Budget (in millions)	2024 (\$)	2025 (\$)	Year over year change (\$)	% of Consolidated Levy
Assessment Growth				-1.51%

- Additional revenue from new properties constructed in the Region
- For 2025, 1.51% equates to revenue of \$7.3M
- 5 year average is 1.56%



— Annual Assessment Growth - - - Trend Line

Assessment Growth

\$7.3M equivalent to 1.51% on the Consolidated General Levy

Assessment Growth

General Levy Operating Budget (in millions)	2024 (\$)	2025 (\$)	Year over year change (\$)	% of Consolidated Levy
Growth (TIGS/Operating Costs of Capital)		2.3	2.3	0.48%
Assessment Growth				-1.51%

Description	\$	% of the Levy
2025 Assessment Growth	\$7.3M	1.51%
Operating Costs of Capital	(\$0.3M)	(0.06%)
Tax Increment Grants	(\$2.0M)	(0.42%)
Remaining Available to Offset Capital & Council Strategic Priorities	\$5.0M	1.03%

1.03% to mitigate costs of growth, capital and council strategic priorities

General Levy Departments

Permanent and Temporary Full Time Equivalents (FTE)

	Permanent	Temporary
2024 Adjusted Budget	2,818.7	157.2
Public Health Re-organization	(4.6)	
Expiring		(33.3)
One Time Funded by Taxpayer Relief Reserve		4.0
Base Delivery Change	22.0	(2.0)
Program Changes: New FTE	39.0	
Program Changes: Temp to Perm	8.7	(8.7)
2025 Proposed Budget	2,883.8	117.2
Year over Year Change	65.1	(40.0)

- ← Movement of FTE to Niagara Childrens Centre
- ← 2024 One Time, COVID-19 supports
- ← Largely SAEO Funding
- } Detailed business cases provided

42.9 of the 65.1 new FTE have no levy impact

Taxpayer Relief Reserve

Forecast Inclusive of Budget Items

In Millions	2025	2026	2027
Opening Balance	\$35.8	\$32.5	\$32.5
Transfers To:			
Smart Growth DC Incentives Funding Strategy*	\$4.9	\$4.9	\$4.9
Other	\$0.0	\$0.1	\$0.1
Transfers From:			
One Time	(\$1.0)		
Project Eagle Industrial DC Grant	(\$5.4)	(\$5.0)	
Transfers for Delayed EMS Funding from the Province	(\$1.9)		
Closing Balance	\$32.5	\$32.5	\$37.4
Smart Growth Commitment*	(\$4.9)	(\$9.8)	(\$14.6)
Uncommitted Balance	\$27.6	\$22.7	\$22.8

Forecasted to be 4.21% of gross operating expenditures or 3.57% net of Smart Growth commitments in 2025

*\$19.6M+ for the Smart Growth DC Incentives will be paid out in 2029.

Budget Considerations



Continuous Improvement



Shared Services



Revenue



Outstanding Collective Agreements



Inflation and Economic Climate



Other Levels of Government



Extreme Weather Events

Multi-Year Outlook

	2025 Budget	2026 Forecast	2027 Forecast
Departments	2.51%	2.51%	2.51%
ABCs*	5.30%	3.72%	3.09%
2022 Tax Deferral	0.83%	0.00%	0.00%
Bill 23 Impacts	-1.55%	0.00%	0.00%
Emerging Priorities			
South Niagara Shelter	0.26%	0.00%	0.00%
Smart Growth DC Incentives	1.01%	0.00%	0.00%
Capital Financing	2.50%	2.50%	2.50%
Program Changes	0.95%	0.00%	0.00%
Growth: TIGS & Operating Costs of Capital	0.48%	1.01%	0.08%
Assessment Growth	-1.51%	-1.50%	-1.50%
Total	10.78%	8.24%	6.69%

*reduction of \$3.6 million not added to multi-year forecast

General Levy Summary

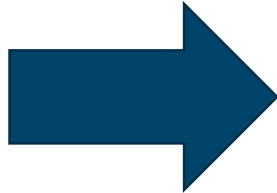
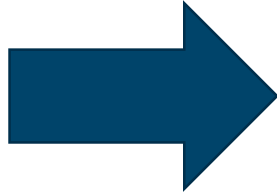
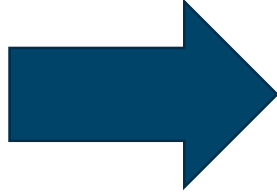
Annual Tax Increase of \$214

General Levy Operating Budget (in millions)	2024 (\$)	2025 (\$)	Year over year change (\$)	% of Consolidated Levy	Incremental Household Impact*
Departments	283.0	295.1	12.1	2.51%	\$ 49
2022 Tax Deferral		4.0	4.0	0.83%	\$ 16
Bill 23 / Bill 185 Impact		-7.5	-7.5	-1.55%	\$ (30)
Emerging Priorities:					
South Niagara Shelter		1.3	1.3	0.26%	\$ 5
Smart Growth DC Incentives		4.9	4.9	1.01%	\$ 20
Subtotal Base Budget		297.7	14.8	3.06%	\$ 60
Program Changes		4.6	4.6	0.95%	\$ 19
Capital Financing		12.1	12.1	2.50%	\$ 49
Growth (TIGS/Operating Costs of Capital)		2.3	2.3	0.48%	\$ 9
Subtotal Non-Base Budget		19.0	19.0	3.94%	\$ 77
Total Before ABCs		316.7	33.8	6.99%	\$ 137
ABCs	200.1	225.7	225.7	5.30%	\$ 104
Consolidated Levy before Assessment Growth	483.0	542.4	259.5	12.29%	\$ 240
Assessment Growth				-1.51%	\$ (26)
Consolidated Levy	483.0	542.4	259.5	10.78%	\$ 214

25

*Based on average household assessed at \$298,000 (Average home price in October of \$694,000 per Niagara Association of Realtors)

Total Household Impact

General Tax Levy		\$214/year Net of assessment growth
Waste Management Special Tax Levy		(\$5)-\$2/year Net of assessment growth
Niagara Transit Commission Special Tax Levy		(\$8)-\$58/year Net of assessment growth

Total household impact increase of \$201 to \$274

or 8.72% to 11.22%

Next Steps

- Council Meeting on December 12, 2024
 - Approval of:
 - December 5 BRCOTW Minutes
 - General Levy By-law
 - Capital Budget By-law
- Final website updates and communications
- Corporate Services Committee on February 5, 2025
 - Approval of:
 - 2025 Property Tax Policy, Ratios and Rates Report
 - 2025 Tax Rates and Ratios By-Laws



Questions?

