



# Taxation & Area Rates Budget 2025

February 6, 2025

# Council Report – opening comments



- Updates 2024
  - Deficits – parks and arenas (clearing with OMPF)
- Capital Items
  - Updated Narrative
- Includes the Capital Fire Levy
  - Introduced at the Capital Budget meeting
- Net Tax Levy increase
  - **4.63%** initial increase
  - **6.54%** with capital levy included

# 2025 Budget Cycle



- Dept. Managers – Draft Capital Projects
- Capital Presentation – Nov 21, 2024
- Assessment Roll Received - December 2024
- Impacts Presentation – Dec 12, 2024
- 2024 prelim. year end (internal) – Jan.20, 2025
- Distribution of Budget Materials – Jan.27, 2025
- **Consolidated Budget Presentation – Feb.6/25**
- Municipal Budget Adoption – Feb.25, 2025



# Assessment

# Assessment Summary



- CVA Frozen at 2016 Values
  - COVID-19 Delay/**Provincial Policy Delay** in provincewide reassessment
- True growth
  - 1.44.% increase in actual assessed values (1.22% in Residential classes)



MUNICIPAL  
PROPERTY  
ASSESSMENT  
CORPORATION  
mpac.ca





# Grants

# Provincial Grant Details



- **O.M.P.F.** grant in 2025      \$1,185,800  
– increase of \$52,100 from 2024
- **O.C.I.F.** grant in 2025      \$258,743  
– decrease of \$54,339 from 2024



**Pending Grants could impact  
Consolidated Budget**

# Federal Grant Details



- Continue use on capital roads projects
  - Only eligible on contracted services and materials \$610,888 (increase of \$24,436)
  - This is currently the only stable source of outside funding used for road reconstruction

The federal Gas Tax Fund is now the Canada Community-Building Fund.



#CCBFInOntario

#CCBF

**Pending Grants could impact Consolidated Budget**





# Capital Budget – 2025

## Updates

# Capital – Amendments

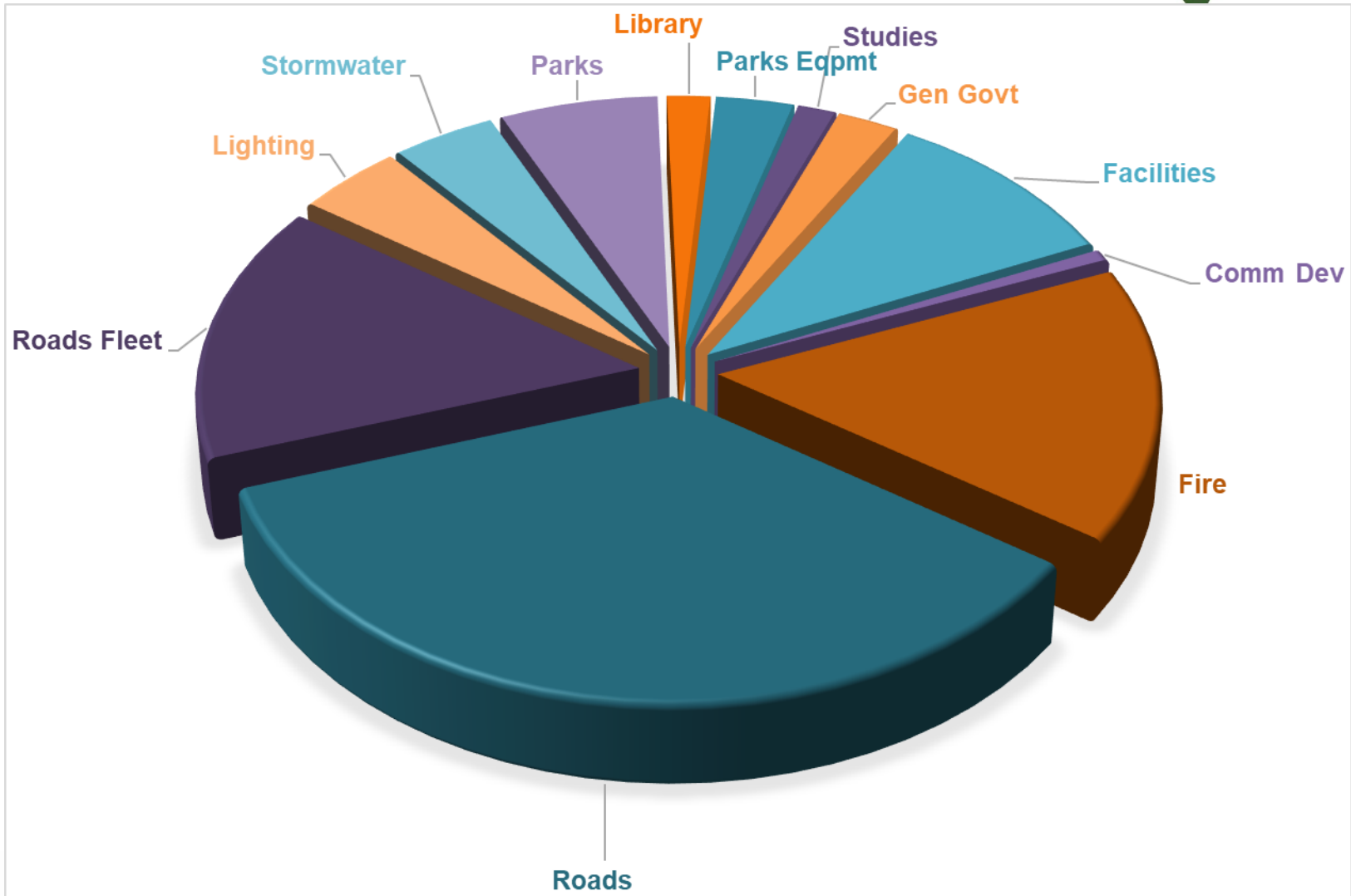


- 2024 year end still underway – \$ impacts
- Capital Program Updates for changes
- Studies placeholder amounts included
- Capital investments significant with Roads projects and Equipment purchases

**\$4.57 million with studies included**



# Capital Budget Summary

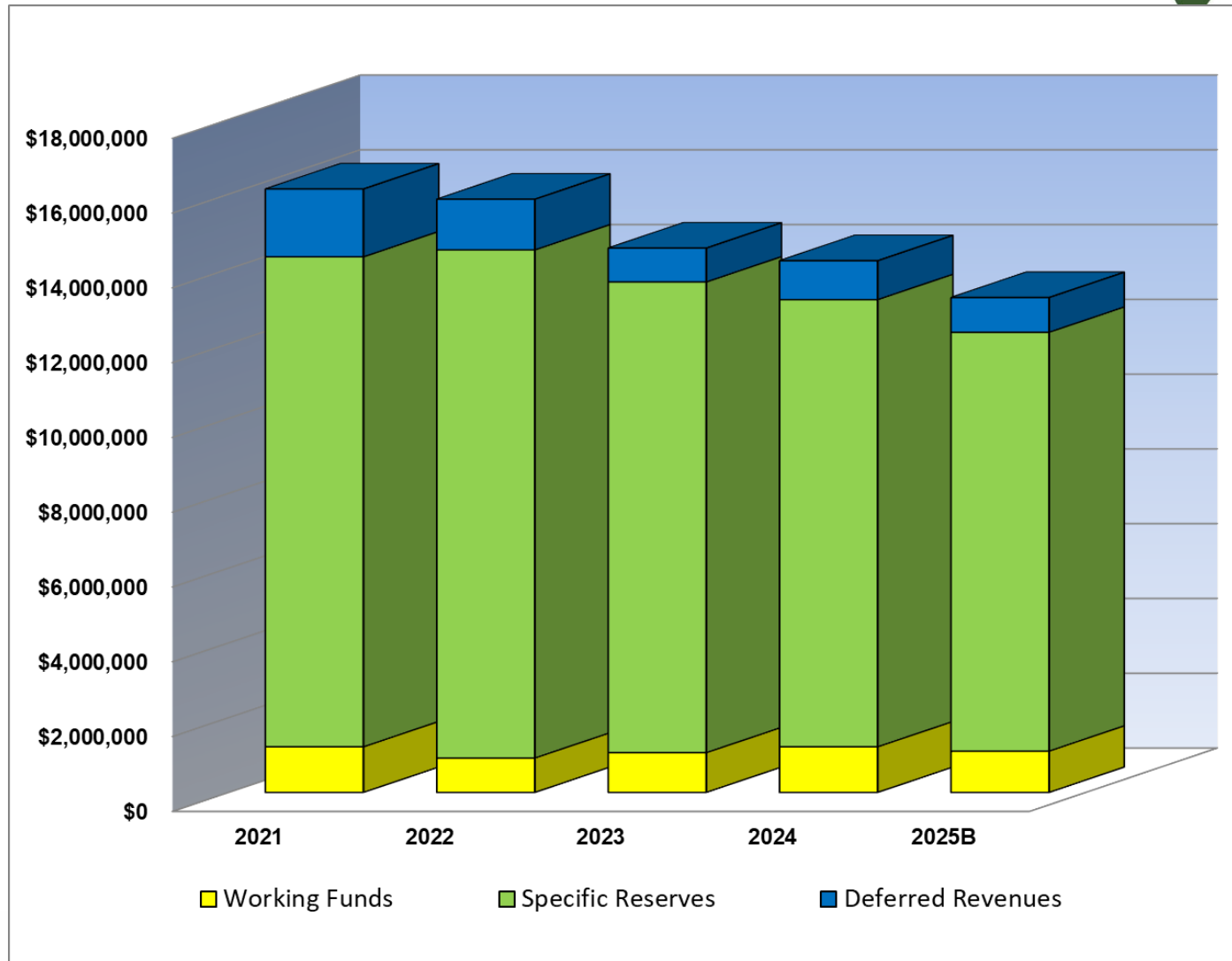


**\$4.57 Million in Investments**



# Reserves

# Reserve Overview

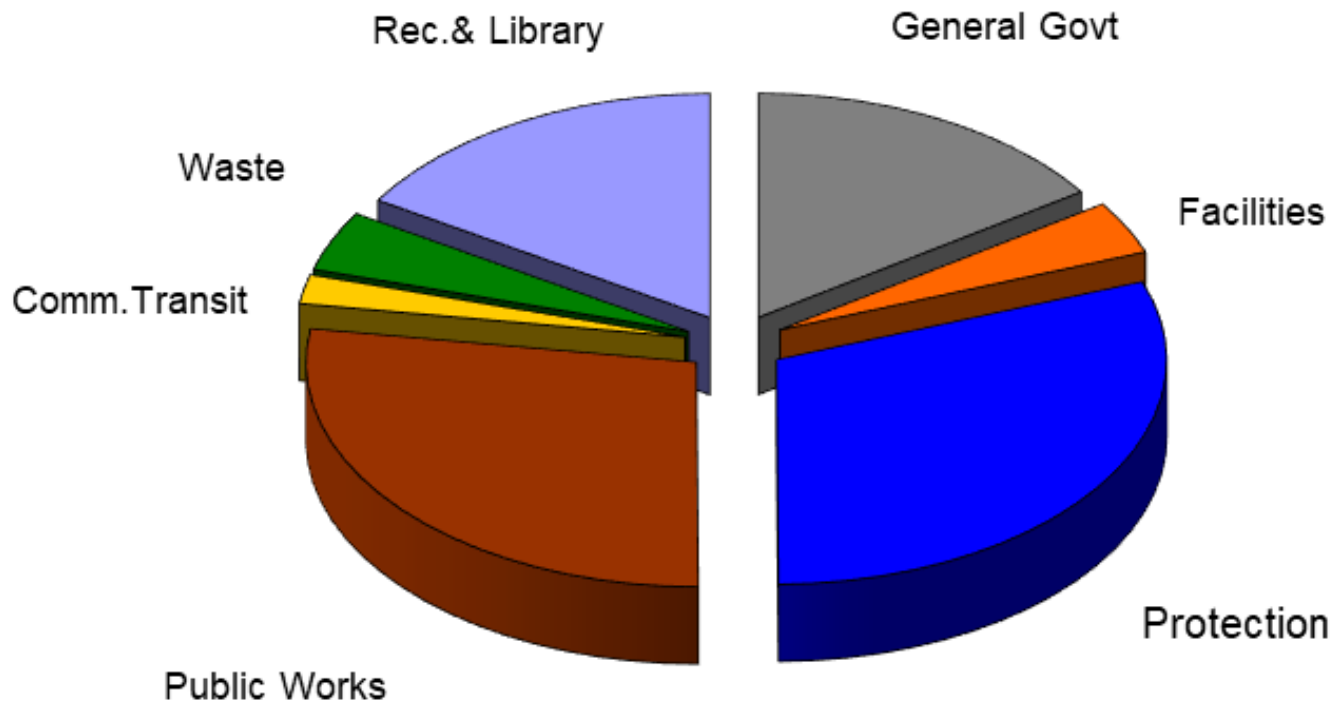




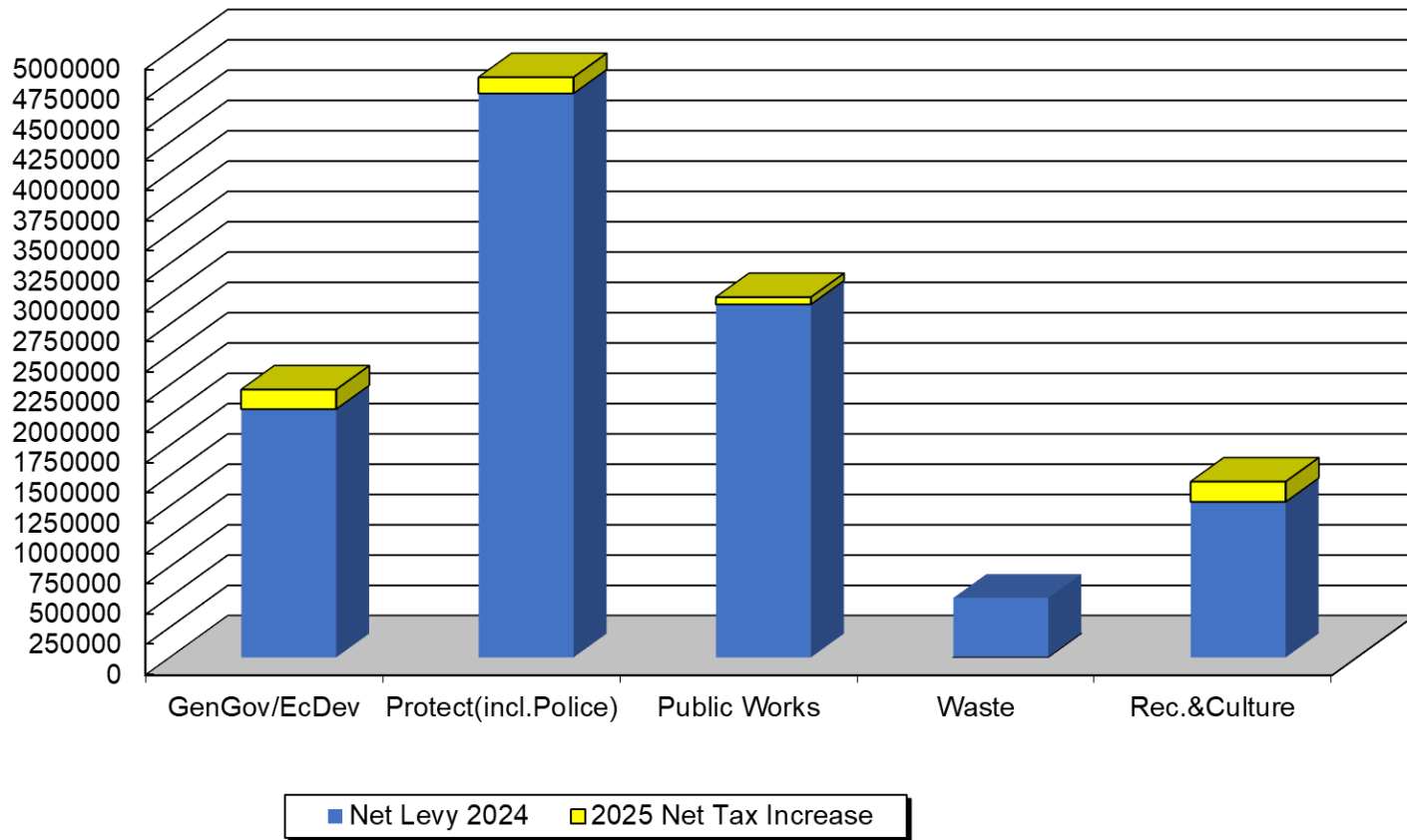
# Impacts

# Gross Expenditures 2025

(Summary by Cost Center)



### Net Funding Requirement (by cost center)





# Tax Levy Increases (summary)



• General Government	\$ 127,747
• Facilities	\$ 50,825
• Fire Services	\$ 319,992
• By-law	\$ 22,990
• Roadways	\$ 39,757
• Parks	\$ 42,667
• Arena Support	\$ 7,424
• Library Services	<u>\$ 133,629</u>
• Total	\$ 736,031
• Less: Assessment Growth	<u>(\$137,139)</u>
• Net Tax Levy Increase	<b>\$ 598,892</b>

**6.54%**

# Rationale to achieve 4.63%



• Fleet (increase in hourly charge)	\$ 85,000+
• Arenas – transfer for plants	\$ 35,000+
• Grant use for AMP expenses	\$ 33,175
• Additional Built-In Reserve Transfers	\$ 150,000+
• Works Equipment Reserve Required	\$ 300,000
• Equipment Sales – reduced cont'n.	\$ 60,000
<hr/>	
• Technology Reserve Increase	\$ 10,000
• User Fees/Op. Receipts Increased	\$ 135,500
• Accum.Revenue/Reserve Use	\$ 34,500
• Finance - fine tuning of estimates (net)	<u>\$ 49,000</u>
• Total	<b>\$892,175</b>

# Tax Levy Increase



- What is 1% increase in levy in 2025?
- **\$92,000** of new expenditures
  - equals a 1% increase net tax levy (adj. real growth)





# Department Highlights & Next Steps

# General Government



- Increasing interest on current account and investments
  - Impacts of tariffs on economy?
  - Bank of Canada responses?
- Insurance Impacts
- Human Resources
  - Remuneration review and COLA Impacts



# Facilities and Properties



- Human Resources impacts – phase-in
- Decreasing reserve contribution for insurance
- OMPF funding for Capital Maintenance from Facility Assessment report



# Economic Development



- **Community Improvement Plan (CIP)**
  - Unspent dollars are transferred to existing CIP reserve to support financial incentives for private investment
  - Expanded CIP offerings possible, report forthcoming
- **Establish a new reserve CIP - Public Realm**
  - To provide a funding source for future costs for items such as wayfinding signs, tree grates, benches, etc.  
(examples would be Ennismore CIP and Ward Street)
  - In 2024 & beyond, unspent dollars to new CIP reserve to support financial investments in public realm



# Fire Service



- Call volumes maintained
- Remuneration changes and COLA impacts
- Increasing operating costs across the department
- Communications Dispatch Agreement - year 2



**Rising Equipment Costs –  
future replacement cost  
challenges**



# Fire Service New Capital Levy



- Updated replacement schedule
  - Addresses increased costs of apparatus
    - (chassis & pumper body)
- Typical annual reserve contribution no longer keeping up with increased market costs
- First dedicated capital levy \$175,000
  - Will include annual indexing after 2025

**Plus: Support from OMPF \$250,000**

# Building & By-law Enfrcmt.



- C.P.I increase on permit fees in 2025
  - Have drawn down Building reserves by \$433,000 since 2020
- Taxation support for By-Law Enforcement cost sharing and admin support



# Public Works



- Human resource pressures
- Insurance Impacts
- Capital Project Prep and Cleanup changes



**Rising Equipment Costs –  
hourly equipment charge out  
rates – full review in 2025 –  
impact on future budgets**

# Winter Control



- Sanding & salting typically dominates winter operations
- More snow plowing in early 2025
- Material costs (treated sand) have significant impact

**Set aside approx. \$78,000 in 2024 to  
winter control contingency reserve  
– balance \$151,500 @ Jan 2025**

# Community Transportation



- Pilot program nearing completion
- Feasibility Study recommended continuing service beyond the pilot
- Options to consider continuing the service will be provided in Q2 2025.



There is no proposed taxation support for the Link in 2025.

# Structures



- Not providing sufficient reserves for this asset with respect to tax levy support



**Approx \$2.5 million+ in asset value**

**Asset Mgmt. Plan Item**



# Waste Management



- Tipping Fee increases proposed
  - User fee increase implemented in **April**
- CMO Contract – year two - final year



- Collection Contract - extended
  - increased contract cost by 4% - prorated September

# Stormwater Management



- Not providing sufficient reserves for this asset with respect to tax levy support



**Using recent CCTV  
inspection footage to  
support Asset Mgmt Plan**

**Asset Mgmt. Plan Item**



# Parks & Arenas



- Human Resources
  - Remuneration and COLA Impacts
- Using increased user fees
- Increased contractor costs impacting dept
- Small increase in reserve contributions  
dept 40, 42 & 43
- Increased taxation support at both arenas
  - Revenues are headed in the right direction

# Library Services



- Primarily impacts of last years human resource changes, including COLA
  - Final year of changes to staff hours and impacts of benefit increases
  - Volunteer model challenges, requiring part time position to maintain services



New Strategic Plan in 2025



# Questions on Department Summary?



# ORCA Levy & Police Area Rates

# Otonabee Conservation



- Selwyn portion of total levy \$267,590  
Up \$18,353 over 2024 – 7.3%



An external levy  
with separate tax rate.

# OPP Costs in Rural Wards



- 2023 year-end adjustment
  - Charge **\$132,399** impacts accum.rev/reserves
- New OPP estimate for 2025 increased **\$77,842**
  - Initial increase in contract was **\$298,105**
  - Provincial response received for 2025
- Impact on Smith and Ennismore only

**Area Rate Levy – increase in 2025**

# Police Costs in Lakefield



- Operating under contractual relationship
- 2024 schedule of costs received **\$713,940**
  - Initial increase over 2024 **\$27,401**
- No additional chargebacks received from City in 2024 to date

**Area Rate Levy increase in 2025**



# Impact on the Typical Homeowner



# 2025 Tax Increases - Rural



Annual impact on typical homeowner	314,173
------------------------------------	---------

- General Municipal Increase \$ 54.48  
– an increase of 6.75%
- OPP Area Increase \$ 3.77  
– an increase of 1.83%
- Total Municipal - Rural \$ 58.26  
– an increase of 5.75%



# 2025 Tax Increases - Village



Annual impact on typical homeowner	314,173
------------------------------------	---------

- **General Municipal Increase** \$ 54.48  
– an increase of 6.75%
- **Police Area Increase** \$ 12.37  
– an increase of 2.44%
- **Total Municipal - Village** \$ 66.85  
– An increase of 5.08%





# Selwyn Rate Comparison

# Why compare Rates across County?



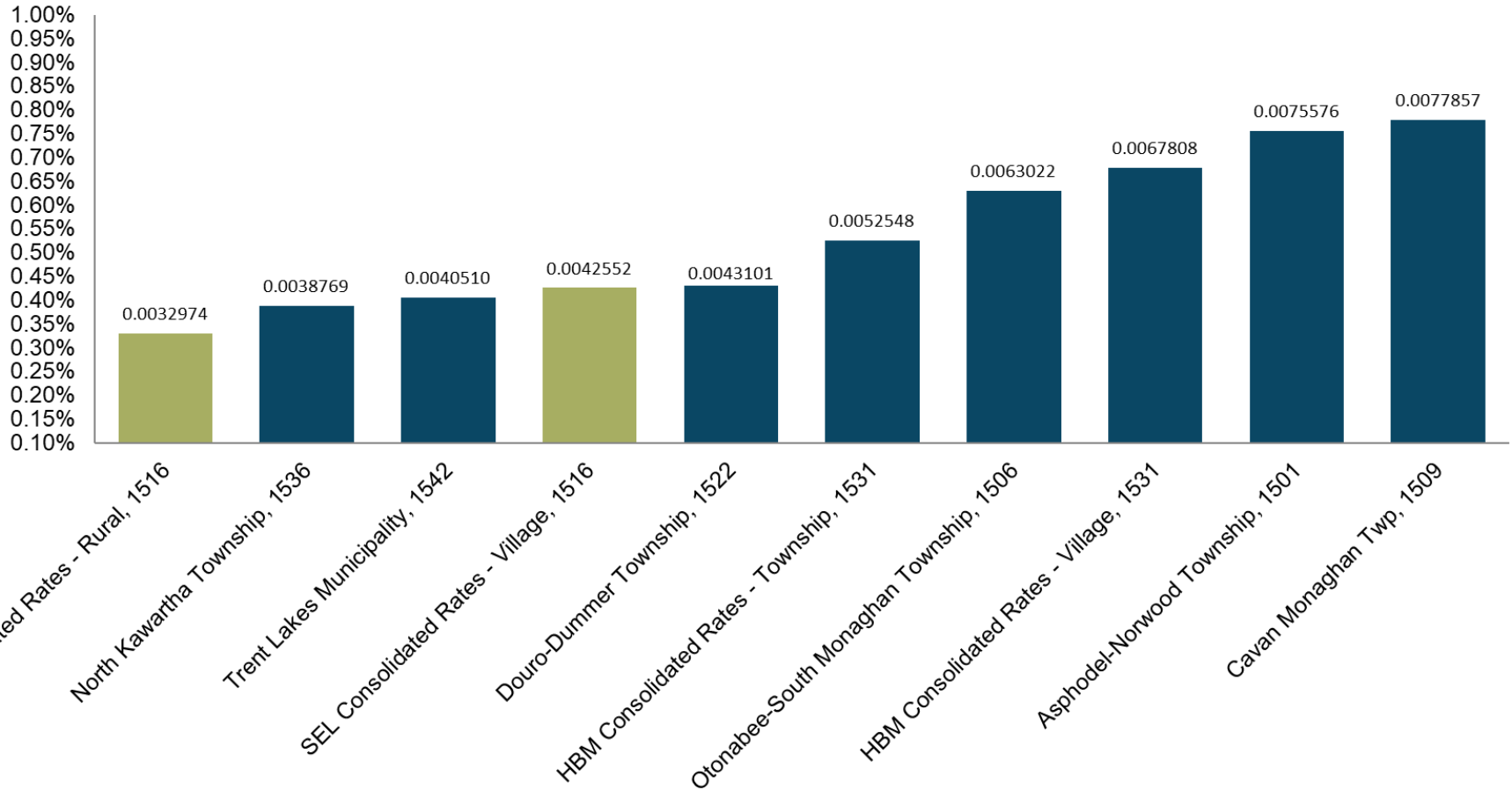
- This presentation has outlined the Selwyn experience in establishing our budget
- Why taxes need to increase, justification for doing so - based on guiding principles
  - Human resources – service provision maintained
  - Inflationary impacts – experienced by everyone
  - New funding for capital – preparing for replacements
- Staff have one additional goal based on Council expectations – ***lowest rate in the County***



# 2024 Tax Rates Comparison



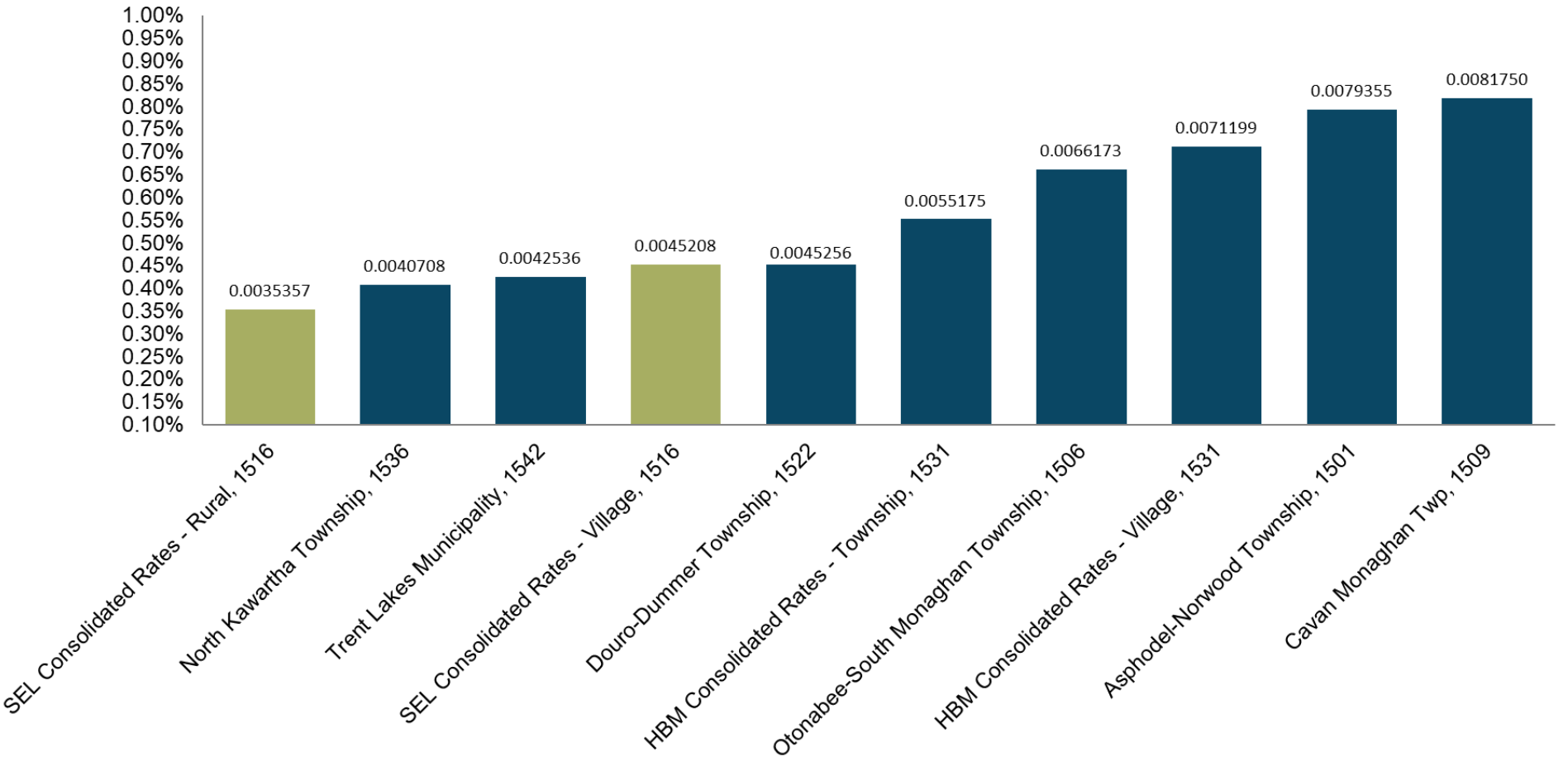
Peterborough County residential tax rates - Municipal only - 2024



# 2025 Tax Rates Comparison



Peterborough County residential tax rates - Municipal only - 2025 projected



# 2025 Tax Levy - Summary



- This budget sticks to our principles
  - Slow and steady growth
  - Maintains service levels
  - Prepares us to address short term challenges
  - Includes proactive recommendations
- Points out areas of concern for future years
  - high market rates for equipment
  - need for new reserves for core assets
- Establishes an attractive residential tax rate





Questions?



# Recommendation



- That the report of the Manager of Financial Services regarding the Taxation Budget 2025 – Draft Final be received for information; and
- That Council endorse the submission of an application to the Active Transportation Fund for the development of the pedestrian corridor as part of the Ward Street enhancement project that would include a multi-purpose pathway, sidewalk, and amenities such as benches, garbage and recycling containers, bike racks, etc; and
- That Council supports the allocation of unused CIP program funding to a new CIP Public Realm Reserve effective 2024 and as presented in the 2025 Taxation Budget narrative for department # 7; and
- That staff bring forward a report for Council to consider activating the Building Improvement Grant and the Residential Grant as new financial incentive programs in accordance with the approved CIP: and

..... continued

# Recommendation



- That Council supports the adoption of the 2025 Taxation Budget based on the final draft budget package as presented and discussed, inclusive of the updated Capital Project Narrative, on February 6, 2025; and
- That the Manager of Financial Services prepare a PSAB Compliance Report for the February 25, 2025 meeting of Council for the formal adoption of the 2025 Taxation and Area Rate Budget.

