



Staff Report T2024-26

Committee 2024-12-02

Council 2024-12-16

Amendments

Submitted To: Committee of the Whole | Council
Submitted By: Jennifer Graham, Treasurer
Prepared By: Jennifer Graham, Treasurer
Subject: 2025 Budget Draft Two

Recommendation

THAT Staff Report T2024-26 “2025 Budget Draft Two”, dated December 2, 2024, be received for information.

Amendments

None.

1. Executive Summary

The 2025 Draft Budget process was initiated with the presentation of Draft One on November 13, 2024, followed by a productive community engagement session, "Coffee with Council" on November 20, 2024. Feedback from Council played a significant role in shaping Draft Two, resulting in a reduced tax increase to 6.96%, down from the original proposal of 8.94%. The revised budget reflects a comprehensive approach to aligning the Town's strategic priorities with necessary resource requests, tax rate impacts, and funding strategies.

The 2025 Budget Draft Two (“Draft Two”) includes resource requests that align with the Town's growth planning, climate action initiatives, community events, and transportation priorities. Several requests were modified to minimize tax impact, including a shift to user-rate funding for the Water and Wastewater Servicing Master Plan and a reduction in the accessibility taxi contract. Other requests were moved to future consideration,

such as visionary projects and the seasonal communications student, while the Town Council Governance Review was removed entirely.

Additionally, an announcement regarding updates on OPP billings, including relief for “Small and Rural” Municipalities, was received from the Province on November 29, 2024, **potentially** offsetting some of the Town's increased policing costs through a reduction in invoiced costs for 2023 and 2025.

2. Analysis

Background

The 2025 Draft Budget process commenced with the presentation of [Draft One](#) to, and workshop with, Council on November 13, 2024. This was followed by a highly successful “Coffee with Council” public information session on November 20, 2024, which saw one of the best turnouts to date, allowing for robust community engagement. Feedback from the workshop has been instrumental in shaping Draft Two, reflecting adjustments to resource requests, funding strategies, and tax rate impacts.

Following Council direction, several changes, noted below, were made to the draft budget. The projected tax increase proposed in Draft Two is 6.96% (draft one 8.94%) which represents a total tax levy of \$44,526,271 (Draft One was \$45,349,529).

Resource Requests Included in Draft Two:

These initiatives were approved for inclusion in draft two based on alignment with the Town's strategic priorities:

- Growth Planning:
 - Geotechnical Engineering: \$80,000
 - Development Management – DAP Implementation: \$25,000
 - Affordable Housing Initiative: \$350,000
- Climate Action Plan:
 - All four items, contingent on grant funding (Town's portion to be funded from reserves; no tax impact).

- Conservation, Heritage, and Culture:
 - Educational Programmer – Conversion from PT to FT: \$20,888
- Community Events:
 - Events and Programming Support (Seasonal): \$11,411
- Roads and Active Transportation:
 - FT Truck Driver/Labourer: \$49,105
 - Removal of Excess Fill: \$150,000
- Council:
 - Physician Recruitment: \$16,000
- Strategic Leadership:
 - Accessibility Coordinator: \$95,000
- Legal and Land
 - Transfer to Land Acquisition Fund \$100,000

Resource Requests with Modifications:

These requests were approved for inclusion in draft two, but will the following changes requested and implemented:

- Growth Planning:
 - Water and Wastewater Servicing Master Plan: \$75,000 (funded from user rates instead of taxes).
- Community Health & Well-Being:
 - Pool Operator: \$59,348 (net of a \$25,000 reduction in janitorial contracts).
- Community Arts & Culture:
 - Delegation Visit to Japan: Increase from \$10,000 to \$15,000.
- Transit:
 - Reduction in Accessibility Taxi Contract and adjustments for three additional hours: Decrease of \$76,500.

Items Moved to the Parking Lot for Future Consideration:

These initiatives were removed from draft two and put aside for the possibility of future discussion.

- Visionary Projects (MURF and Art Centre): \$375,000
- Seasonal Digital Communications Student: \$13,000

Items Removed Permanently:

- Town Council Governance Review: \$55,000

Further to the above, several resource requests were deferred until the December 2, 2024 Committee of the Whole meeting for discussion and deliberation:

- Corporate Finance: Payroll Software - \$25,000
- Corporate Facilities:
 - Terminal Points - \$390,000 (funded through reserves – no tax impact);
 - Service Review - \$65,000
- Customer Service: Conversion of PT to FT Position - \$25,000
- Talent Management:
 - Benefits Enhancement (Non-Union/Council) - \$115,000
 - Pay Policy Review - \$275,000
 - Reduction of Salaries - (\$390,000)
 - HR Support (8 months) - \$25,000
 - HRIS Setup and Subscription Fees - \$50,000

Update on OPP Billings

On November 29, 2024 the Province of Ontario issued a news release that the province of Ontario will be offsetting OPP Cost increases for “Small and Rural” Municipalities (refer to Appendix B).

The Ontario government’s proposal would support small and rural municipalities by offsetting the 2025 impacts of OPP salary increases. This includes:

- A 3.75 per cent bill reduction on 2023 total reconciled costs,
- A 44 per cent bill reduction on 2023 reconciled overtime costs, and
- A 10 per cent bill reduction on amounts invoiced for 2025 policing costs.

The Town of Collingwood has not yet received communication on eligibility or quantification of amounts, if eligible. Updates on potential budgetary impacts will be provided to Council once clarification on applicability and impact is received, with a verbal update possible at the December 2, 2024 meeting.

Conclusion:

The 2025 Draft Budget has undergone significant adjustments to balance fiscal responsibility with the strategic priorities of the Town of Collingwood. The proposed tax increase of 6.96% reflects these adjustments, ensuring key resource requests that support growth, climate action, and community health are prioritized. By carefully revising and deferring some initiatives, the budget is better positioned to meet the Town's objectives while managing financial pressures.

The provincial announcement on OPP billings provides **potential** fiscal relief, though further clarification is needed to fully assess its impact on the budget. Further consideration of deferred resource requests may also result in changes to future drafts of the 2025 Budget. Moving forward, continued collaboration between Council, staff, and the community will be essential to finalize the budget, address any remaining concerns, and ensure the Town's financial sustainability and growth in the years to come.

3. Input from Other Sources

Reviewed by the Acting CAO on November 29, 2024.

4. Applicable Policy or Legislation

Municipal Act

5. Considerations

2024-2028 Community Based Strategic Plan: Progress towards achieving CBSP Goal

Sustainable Connected Vibrant Responsible

Services adjusted if any Not Applicable

Climate Change / Sustainability: Not Applicable

Communication / Engagement: Not Applicable

Accessibility / Equity, Diversity, Inclusion: Not Applicable

Registered Lobbyist(s) relating to content: Not Applicable

Next steps and future action required following endorsement:

Draft Three to be presented on December 16, 2024

6. Appendices and Other Resources

Appendix A: 2025 Budget Draft Two

Appendix B: Province of Ontario News Release, OPP Billing Relief

7. Approval

Prepared By:

Jennifer Graham, CPA CA, Treasurer

Reviewed By:

Summer Valentine, Director of Planning, Building and Economic Development/Acting
CAO

CAO Comments:

Endorsed by Summer Valentine, Acting CAO on November 29, 2024 to proceed to
COW.