



## Staff Report T2024-27

Committee 2024-12-16

Council 2025-01-13

Amendments

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

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### Recommendation

**THAT** Staff Report T2024-27 “2025 Budget Draft Three”, dated December 16, 2024, be received for information.

### Amendments

None.

## 1. Executive Summary

The 2025 Draft Budget has undergone significant refinement since its initial presentation on November 13, 2024. Following a successful community engagement session and detailed Council workshops, Draft Three of the budget is now presented with a proposed tax levy of **\$41,751,952**, representing a tax rate increase of **2.73%**, significantly reduced from the 8.94% initially proposed in Draft One.

Key changes include reductions in OPP costs, insurance premiums, and adjustments based on Council direction. The blended tax rate increase, which includes the County and Education portions, is **2.6%**, translating to a combined total increase of \$103 in taxes for the median assessed home. These adjustments balance fiscal responsibility with our commitment to maintaining service levels and advancing strategic priorities.

## 2. Analysis

## Background

The 2025 Draft Budget process began with the presentation of [Draft One](#) on November 13, 2024, followed by a successful community engagement session, “Coffee with Council,” on November 20, 2024. Feedback from the workshop was instrumental in shaping [Draft Two](#), presented on December 2, 2024, which reflected adjustments to resource requests, funding strategies, and tax rate impacts.

Significant adjustments have since been made throughout the budget process, leading to the development of Draft Three. These adjustments have resulted in a progressively lower tax levy and tax rate.

### Tax Levy Progression:

- **Draft One:** \$44,334,207 (8.94% tax rate increase)
- **Draft Two:** \$43,510,948 (6.96% tax rate increase)
- **Draft Three:** \$41,751,952 (2.73% tax rate increase)

Key factors contributing to the reductions in the tax levy and rate between Drafts Two and Three include:

#### Reduction in OPP Costs (\$1,215,000):

- Based on updated communications, staff calculated a reduction of approximately \$650,000 to the 2025 billing.
- An additional \$365,000 reduction pertains to the reconciled 2023 amount.
- The remaining \$215,000 relating to the 2023 adjustment, has been accrued within the 2024 fiscal year.

#### Insurance Reduction (\$200,000):

- The original estimate assumed an 8–10% increase based on environmental scan of the industry in the fall, while the actual increase, finalized on December 4<sup>th</sup>, was only 3% year over year.

#### PRC Master Plan Adjustment (\$60,000):

- Scope narrowed to focus solely on Parks as directed by Council.

#### Removal of Customer Service PT to FT Conversion (\$25,000):

- Reflecting reassessment of operational needs.

#### Removal of Non-Union Pay Policy Review (\$275,000):

- Removed for future consideration.

### Updates to the Budget Book

All charts have been updated to reflect new rates.

A Summary of Transfers to Reserves has been included (pg. 13) for clarity, highlighting allocations from operating and non-tax supported operations to lifecycle and strategic reserves.

The blended tax rate, which includes the County and Education portions, has also been calculated (pg. 15) and results in a blended tax rate increase of **2.6%**. This translates to an additional \$103 in land taxes annually for the median assessed home:

	Median Assessed Home	2024 Tax Rate	2025 Estimated		Yr over Yr Change (%)	2024 Tax	2025	Difference 2025 vs 2024
			Proposed Tax Rate	Proposed Tax Rate		Amount Paid	Proposed Tax Amount	
Town of Collingwood General Tax Rate	327,000	0.73763%	0.75829%		2.80%	\$ 2,412	\$ 2,480	\$ 68
Town of Collingwood Special Capital Levy	327,000	0.01844%	0.01844%		0.00%	\$ 60	\$ 60	-\$ 0
County of Simcoe	327,000	0.29950%	0.31036%		3.62%	\$ 979	\$ 1,015	\$ 36
School Boards	327,000	0.15300%	0.15300%		0.00%	\$ 500	\$ 500	\$ -
		<b>1.209%</b>	<b>1.240%</b>		<b>2.61%</b>	<b>\$ 3,952</b>	<b>\$ 4,055</b>	<b>\$ 103</b>

Asset Management Summary (pg. 22) and Detail (pg. 229) have been updated to reflect the actual amount of capital projects that are funded through taxes rather than reserves.

The 2025 Funding Gap has been restated to \$5,097,977.

Operating and Capital (funded by taxes) Resource Request charts (pg. 233) have been updated to include expanded descriptions of changes made to the initial proposals for transparency.

### Conclusion

The 2025 Draft Budget demonstrates a commitment to balancing community needs with financial prudence. The reductions in the tax levy and rate are a result of careful review, stakeholder input, and alignment with Council’s strategic directions. Staff will continue to provide support in finalizing the budget to ensure it serves as a roadmap for success in 2025 and beyond.

## 3. Input from Other Sources

