



The Corporation of the Municipality
Staff Report

Office of the Treasurer
Manuela Batovanja

Prepared For: Mayor and Council	Report No.: MB 2025-03
Agenda Date: February 18, 2025	File No.: C11

Staff Recommendation

THAT Council receive Report No. MB 2025-03, recommending the approval of the 2025 Operating and Capital Budgets as presented and directing the preparation of the associated by-laws for the March 4, 2025, Regular meeting of Council.

Report Purpose

The purpose of this report is to summarize considerations and to recommend budget approval. The proposed 2025 Capital and Operating Budgets were presented to Council on Wednesday, November 27, 2024, and Wednesday, January 8, 2025, respectively. Public input was invited on both budgets. One comment was received requesting that the Upper Mission Park be included in the 2025 Capital Budget, subject to funding.

Background

The draft Operating Budget was presented to Council and included the following recommendations:

- The budget contains a Property Tax Levy increase of 4.03% equivalent to \$218,714.
- The introduction of a capital levy at 1.8% equivalent to \$100,000.
- Includes \$7.2 million in capital projects and includes transfers from the operating budget to capital reserves of \$85,5930 in 2025.

<p>Respectfully Prepared and Submitted By: Manuela Batovanja, Treasurer Director of Finance</p>	
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- The water and sewer budget contains a variable rate increase from \$1.01 to \$1.07 for water and from \$0.56 to \$0.57 for sewer.
 - Maintain previous years levels of service.
 - The changes in the updated capital budget were outlined in the Operating Budget Presentation and included:
 - The addition of an Upper Mission Park – as a subject to funding project with 100% of the \$50,000 project costs to come from external funding.
 - Emergency purchase of two compressors for the water treatment plant. \$130,000 from OCIF reserves and \$50,000 from water user fees.
 - Industrial Park Design - \$50,000 from general reserves
 - Trailer - \$13,000 from general reserves and \$7,000 from user fees
 - Both the capital and operating budgets were completed with a goal of preparedness as staff strived to meet the following benchmarks:
 - Align with the Strategic Plan as updated August 2023
 - Align with the recommendation of the 10 Year Financial Plan
 - Align with the 10 Year Financial Plan for Water and Wastewater
 - Begin to implement recommendations made within the Water and Wastewater Masterplan
 - Maximize funding opportunities available.
 - Some of the challenges addressed in the 2025 budget include:
 - An annual \$200,000 commitment to the closure of the old landfill over the next four years
 - A \$360,000 contingency for non-payment of property taxes
 - An increase in long term capital planning of \$127,189 to help reduce the capital infrastructure gap
 - An increase in the cost of policing and external boards of \$129,975 which will continue to increase in future years.

- The budget increase in 2025 over 2024 is \$1,600,631 or 11.2% with the efficient use of grant dollars and increased user fees the percentage levy increase, including a 2% capital levy is 6.03%.
- Staff cautions that when consideration is given to increasing levels of service, resulting in added spending, operating or capital, an offsetting revenue or a decreasing expense should also be included in the decision.
- The chart below represents the recommended revenues and expenses contained within the 2025 Operating Budget as presented to Council.

2025 BUDGET SUMMARY			
	REVENUE	EXPENDITURE	DIFFERENCE
Finance, Taxation, Boards	\$11,545,743	\$5,021,028	\$6,524,715
Admin, Council, COVID, Seniors	\$462,123	\$1,944,602	-\$1,482,479
Protective Services, Fire, Building	\$88,840	\$450,085	-\$361,245
Community Services and Tourism	\$1,081,921	\$2,391,179	-\$1,309,258
Infrastructure Services	\$1,054,970	\$4,426,703	-\$3,371,733
Water and Sewer	\$1,666,983	\$1,666,983	\$0
TOTAL BUDGET	\$15,900,580	\$15,900,580	\$0

Conclusion

As a progression into multi-year budgeting, we have shown a four-year plan which aligns with the Strategic Plan of Council. However, we are recommending that only 2025 capital and operating budgets be adopted at the March 4, 2025 meeting of Council. The remaining years 2026 to 2028 are to be reviewed with Council through a series of meetings in 2025 and adjusted for strategic planning, social well-being of the community, political and economic conditions.

Attachments

- 2025 Operating and Capital Budget