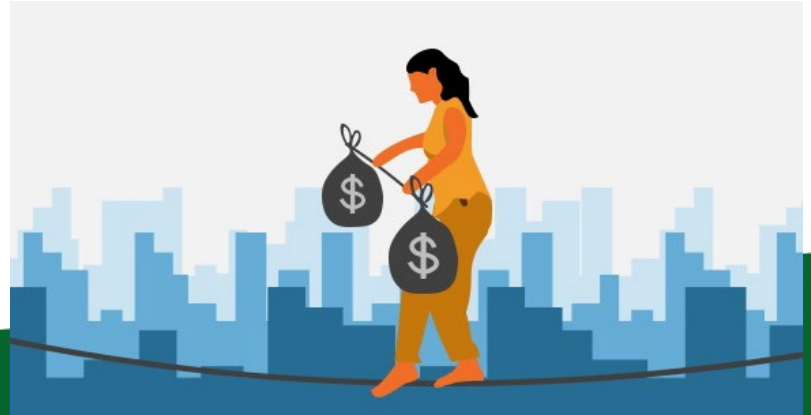
2025 Draft Budget

December 11, 2024 Committee of the Whole

https://connectgreyhighlands.ca/budget

Purpose of the Budget

- Best estimate of the costs to provide services
- The budget must balance; any costs that cannot be paid for by user fees, reserves, grants, or other sources must be financed by the tax levy
- The tax levy approved by Council is the starting point for the next budget year
- The budget is one of the major ways that Council determines its priorities



Levels of Service

Services funded mainly through property taxes:

- Arenas – x4
- Community halls – x7
- Roads – 675 km
- Bridges – 70 structures
- Waste & Diversion – 3 sites, curbside services
- Fire – x2 Fire Stations
- Libraries – x3
- Museum – x1

Contracted services:

- Policing (OPP contract = $2,127,823)
- Conservation Authorities
- By-Law and Animal Control Services

→ We have a high value of tax-funded assets, spread over a large geographic area, with a low population

→ Our levels of service are inseparable from our assets

→ Our levels of service determine our budget



Operating Budget vs. Capital Budget

- The budget is broken into two main sections, which are budgeted for differently on an annual basis:

  Operating Budget – the expenses/revenues incurred to provide services and programs to residents and users. The operating budget includes wages and related costs, debt repayments, utilities, materials and supplies, and any other expense or revenue that is not considered capital. For budgeting purposes, the operating budget from the prior year budget is used as the starting point for the next year budget.

  Capital Budget – the acquisition and maintenance of assets that are significant in nature (generally cost over $5,000) and with a benefit that extends beyond one year.

  The capital and operating budgets are interdependent, and decisions related to the capital budget will have impacts to the operating budget.

Operating Budget – changes from 2024-2025

- Many of the impacts to the 2025 operating budget that are driving the change are based on contracted services, market conditions, and past budget decisions or Council resolutions.

	Levy Impact ($)	Levy Impact (%)	Levy Impact ($) -updated	Levy impact % - updated
Reversal of 2024 reserve transfers/one time	$340,845	2.2%	No change	No change
Debenture Repayment	$260,000	1.7%	No change	No change
Wages, Payroll expenses	$246,966	1.6%	No change	No change
***Policing**	$393,500	2.5%	$93,500	0.6%
***Insurance**	$88,114	0.6%	$178,114	1.2%
Contracted Services	$170,850	1.1%	No change	No change
Other	$85,000	0.5%	No change	No change
Total Before Growth Impact	$1,585,275	10.2%	$1,375,275	8.89%
Growth / Increase in Assessment	($387,374)	-2.5%	No change	No change
Total 2025 Draft Tax Levy Increase - Operating		7.56%		**6.23%**

*detailed breakdown of above amounts are included on pages 66-76 of the Agenda (5.6 a).
*since the budget package was finalized on Dec 5, there have been 2 significant changes:
1. Announcement from the Province regarding OPP funding assistance. This is a positive impact. Final amount is not currently known or confirmed, but estimated at $300,000 in reduced costs or additional revenue. (-1.9% levy impact)
2. Insurance premium for liability has come in at a 30% increase, which is higher than anticipated and is a result of our loss ratio. It is recommended that our insurance increase by an additional $90,000
-the impact of these two changes are show in the “updated” columns in the chart above

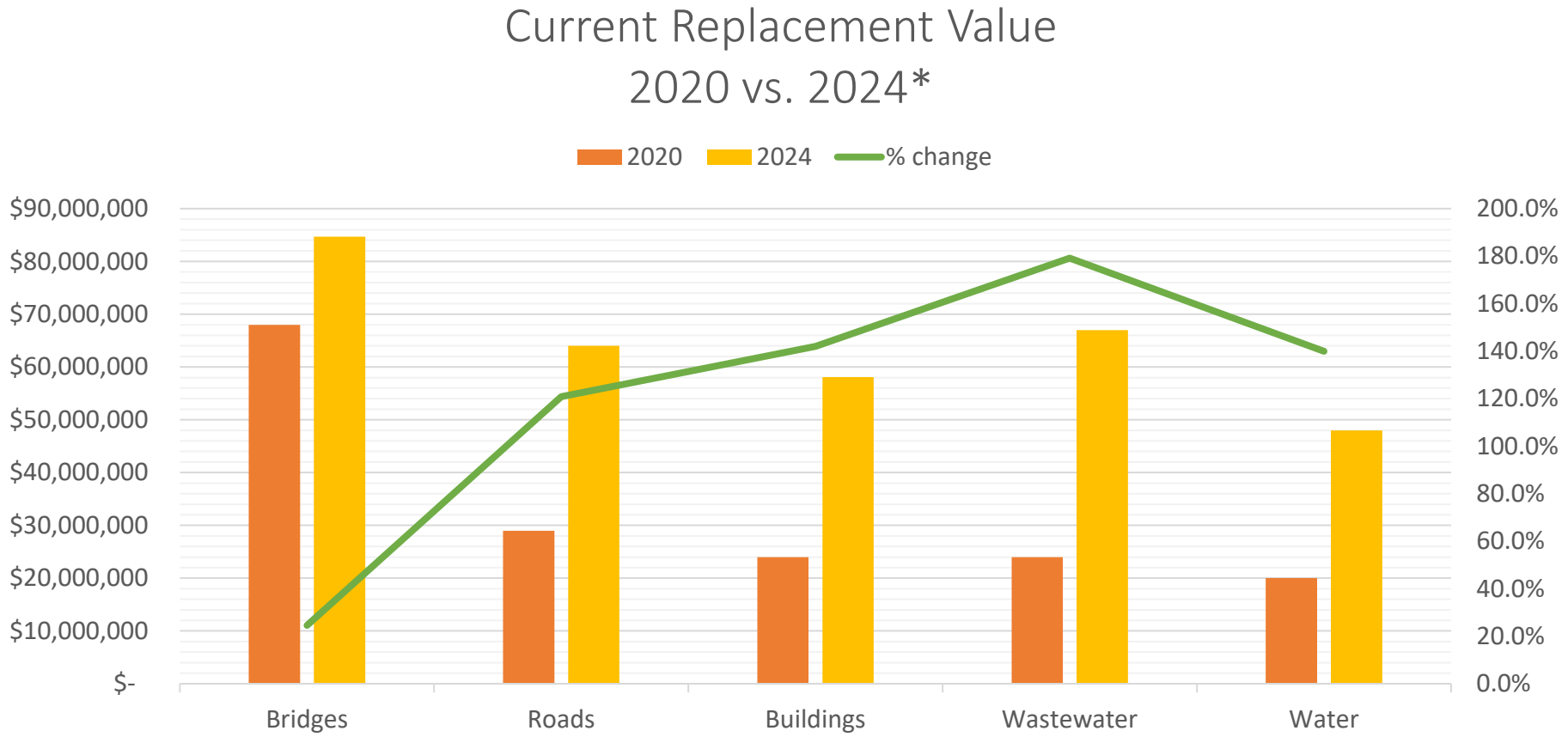
Municipality of Grey Highlands

Operating Budget

	2025 Draft Budget	Service or category
Net Levy Impact		
Corporate Allocations	-639,454	OMPF funding, Liability insurance, Conservation Authorities, By-Law
Council	360,009	Council expenses in accordance with Council Remuneration and Training By-Laws
Committees	18,950	Committees, including Committee of Adjustment and PSB
Corporate Expenses	2,396,008	Includes Finance, Clerks, Office of CAO, HR, Economic Development and IT contract
Planning	263,538	Planning Department
Policing	2,127,824	OPP Contract
Fire Services	809,284	Fire and Emergency Services, including volunteer fire
Arenas, Parks & Facilities	1,577,745	Arenas, Parks and Facilities
Transportation	4,478,412	TPS, includes many categories; winter maintenance, fleet, depots, admin
Cemeteries	2,753	Cemeteries
Waste & Diversion	1,270,827	Curbside contract, operation of 3 sites, Hazardous Waste, recycling
Museum	116,470	Museum
Library	652,891	Libraries in Flesherton, Markdale and Kimberley
Asset Management Planning	1,982,117	Debenture Repayment and Tsf to Asset Management Reserve Fund
Net Operating Tax Levy	**15,417,374**	Total operating costs funded by Tax Levy

*Detailed Operating Budget is available here: Detail by Department

Capital Budget



2020 values are from the last Asset Management Plan (AMP) Update
2024 values have been updated based on new Studies
The AMP is being updated to meet the July 1 2025 O. Reg 588/17 deadline. Preliminary estimates are showing that replacements costs will be significantly higher than above 2024 values.

Municipality of Grey Highlands

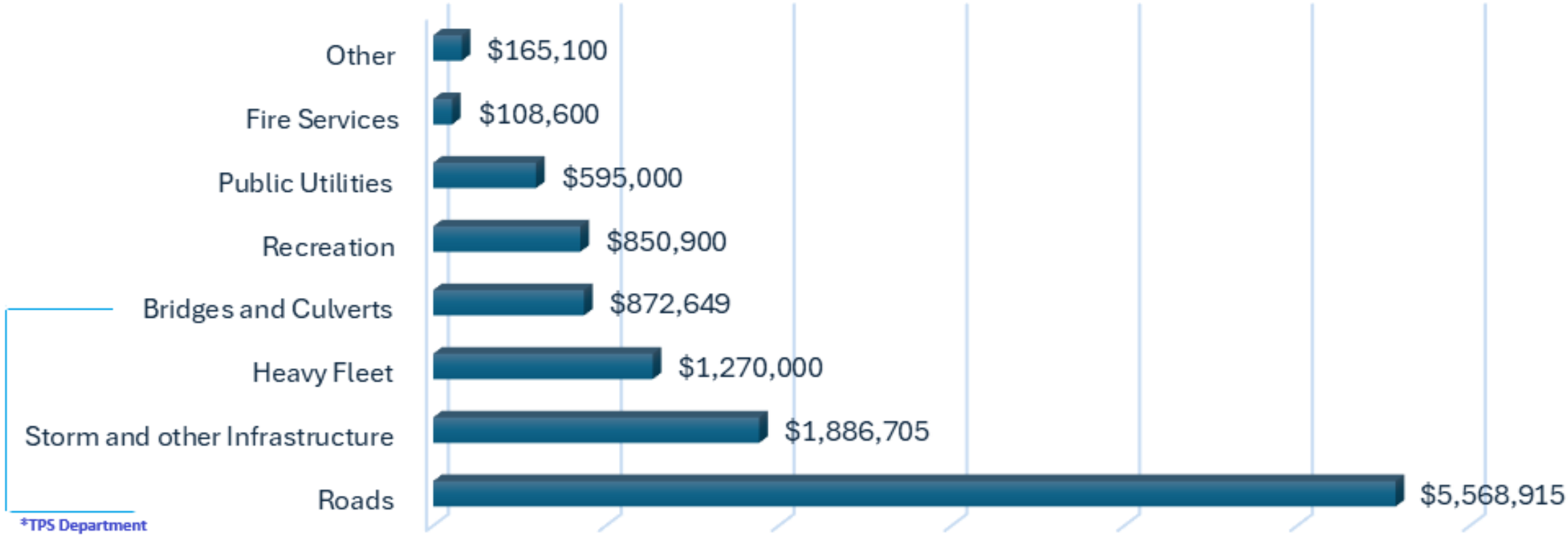
Capital Budget

- There is over $11.3 million requested for capital spending in the 2025 budget
- Completing projects is recommended to improve or maintain levels of service, reduce operating costs, and maintain a consistent capital replacement program
- Our 2013, 2016, and 2020 Asset Management Plan updates indicated significant under-spending for capital and renewal that isn't happening fast enough
- The Staff-prepared 10 Year Capital Plan includes significant capital spending recommendations that are supported by staff knowledge of the assets, current conditions, and Plans/Studies by professional engineers
- Our starting capital levy is $1.6M, which is not sufficient to fund renewal of our capital assets
- Maintaining our current asset portfolio at the current capital tax levy is not possible based on economic conditions (increased costs, low capital levy, and projected future costs)

Request #	Asset Type	Dept	2025 Proposed Capital Project	Cost
	Bridges and Culverts			
2025-29	Engineering	TPS	Sideroad 7A Bridge Structures - Engineering	98,944
2025-30	Bridges	TPS	Culvert Replacements	45,000
2025-31	Bridges	TPS	Bridge O21 Replacement	728,705
	Sidewalk and Depot Repairs			
2025-32	Roads	TPS	Lorne Street Sidewalk Addition	78,000
2025-33	Building	TPS	Flesherton Depot Overhead Door Replacement	22,100
2025-34	Building	TPS	Flesherton Depot Renovations	17,500
	Heavy Fleet			
2025-35	Fleet	TPS	Grader Replacement	650,000
2025-36	Fleet	TPS	Tandem Axle Plow Truck Replacement	400,000
2025-37	Fleet	TPS	Loader Backhoe Replacement	220,000
	Roads			
2025-38	Roads	TPS	Gravel Maintenance	939,691
2025-39	Roads	TPS	Road/Ditch Stabilizing	52,000
2025-40	Roads	TPS	Gravel Road Base Improvements	168,850
2025-41	Roads	TPS	Microsurfacing - 35 Sdrd, East Back, Rd 190	517,476
2025-42	Roads	TPS	Microsurfacing - 8th Concession	230,000
2025-43	Roads	TPS	Asphalt Resurfacing - St. Vincent-Euphrasia	1,210,862
2025-44	Roads	TPS	Asphalt Resurfacing - 4th Concession B	669,522
2025-45	Roads	TPS	Asphalt Resurfacing - Canrobert Street	230,510

Municipality of Grey Highlands

2025 Capital Spending by Type



*TPS Department

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2025 Capital Budget

Options:

-do not approve capital projects
-debenture finance
-increase the capital levy
-decrease levels of service
-provide other direction to staff

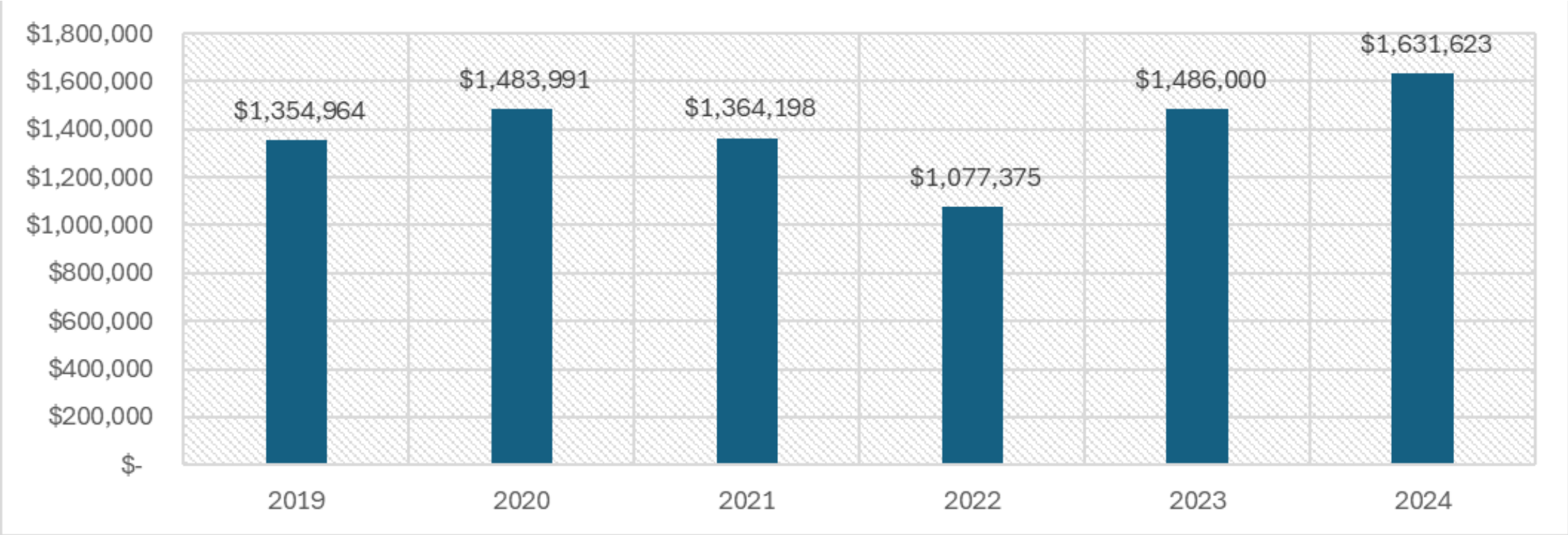
These decisions should be made while considering other supporting documentation in the budget package, including:

-Long Term Debt Schedule and ARL
-10 year capital budget
-Reserve Schedule
-Impact to average taxpayer

Capital Costs - 2025 Draft Budget	**$ 11,317,869**
Revenues	
Water/Sewer Rates	-$ 740,918
Reserves	-$ 364,084
Grants/Other	-$ 1,316,131
OCIF	-$ 1,000,000
CCBF (Tax Levy)	-$ 400,000
Levy (0% levy increase for capital)	-$ 1,631,623
Total Revenue	**-$ 5,452,756**
Difference	**$ 5,865,113**

Municipality of Grey Highlands

Capital Levy approved in past budget years

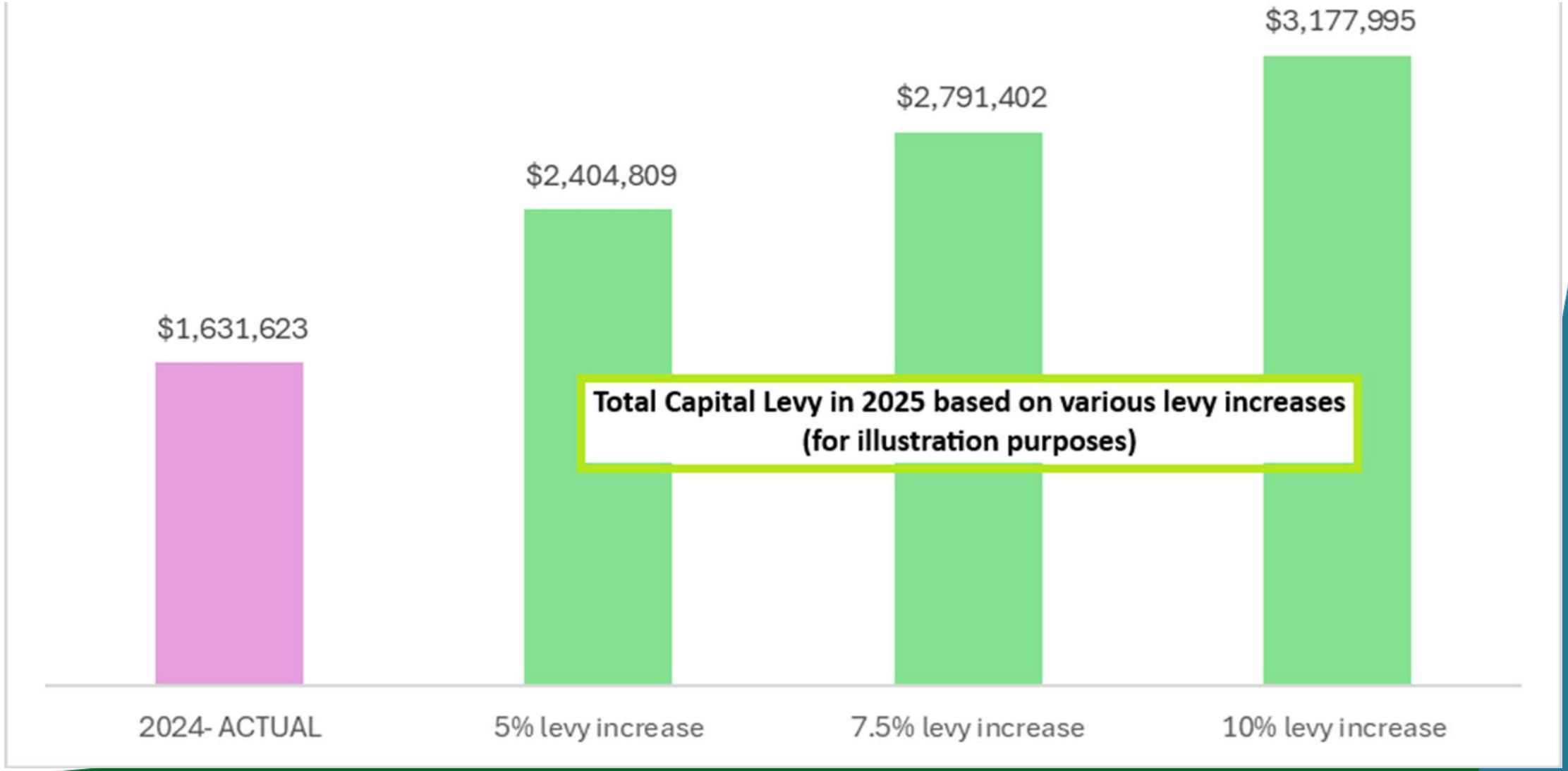


The capital levy does not include other capital investments that have been made in past budgets through debenture financing or contributions to the Asset Management Reserve that are also valuable funding tools for long term planning.

Municipality of Grey Highlands

Capital Levy

2025 capital levy scenarios at various levy increases



Local Taxes – how do we compare?

BMA *DRAFT Municipal Study 2024*

Residential Comparisons - Detached Bungalow *(sorted lowest to highest)*

2024 Property Taxes		Ranking
Greenstone	$ 1,431	Low
Georgian Bluffs	$ 1,986	Low
Tiny	$ 2,034	Low
Whitewater Region	$ 2,050	Low
Laurentian Valley	$ 2,369	Low
Lambton Shores	$ 2,388	Low
Springwater	$ 2,413	Low
Grey Highlands	$ 2,571	Low
Prince Edward County	$ 2,610	Low
Tay	$ 2,700	Low
West Grey	$ 2,726	Low
The Blue Mountains	$ 2,755	Low
Lakeshore	$ 2,770	Low
Petawawa	$ 2,774	Low
Ramara	$ 2,850	Low
Renfrew	$ 2,868	Low
Dryden	$ 2,926	Low
Meaford	$ 2,948	Low
North Perth	$ 2,989	Low
Gravenhurst	$ 3,036	Low
North Middlesex	$ 3,050	Low
Huntsville	$ 3,057	Low
Thames Centre	$ 3,108	Low
Wellington North	$ 3,117	Low
South Bruce Peninsula	$ 3,128	Low

2024 Property Taxes		Ranking
North Dumfries	$ 3,566	Mid
Woolwich	$ 3,582	Mid
Sault Ste. Marie	$ 3,586	Mid
Brockville	$ 3,598	Mid
Norfolk	$ 3,602	Mid
Chatsworth	$ 3,630	Mid
Mapleton	$ 3,636	Mid
Parry Sound	$ 3,701	Mid
Collingwood	$ 3,708	Mid
Cornwall	$ 3,723	Mid
Chatham-Kent	$ 3,725	Mid
Middlesex Centre	$ 3,730	Mid
Amherstburg	$ 3,787	Mid
Thorold	$ 3,810	Mid
Orillia	$ 3,815	Mid
Haldimand	$ 3,849	Mid
Windsor	$ 3,850	Mid
Kincardine	$ 3,854	Mid
Wellesley	$ 3,864	Mid
Fort Erie	$ 3,865	Mid
Aylmer	$ 3,882	Mid
Greater Sudbury	$ 3,890	Mid
Centre Wellington	$ 3,928	Mid
Central Elgin	$ 3,937	Mid
New Tecumseth	$ 3,973	Mid

"Low" ranking overall, and "low" ranking for municipalities with populations under 15,000

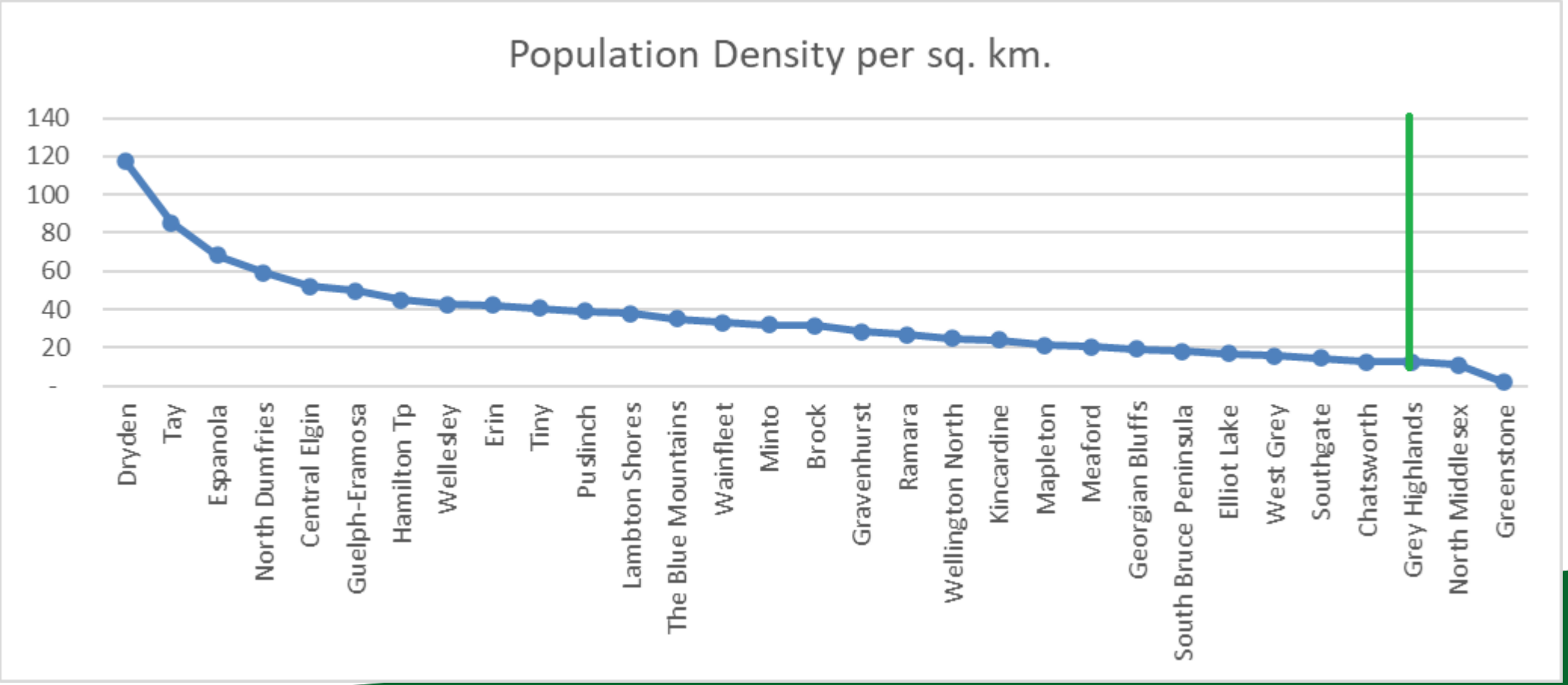
[draft BMA study, released Nov 19, 2024]



Municipality of Grey Highlands

How do we compare? Population Density

We have a very low population density. Why does this matter? We have many kilometers of roads, bridges and infrastructure to replace and maintain, without the benefit of a high population to help share in the cost.
Our population density is among the lowest at 12 per sq. km (average in group with population under 15,000 is 140).



Municipality of Grey Highlands

Impact to the Taxpayer

Projected impacts to a Residential property, at various assessment values and budget increases:

Sample Budget Results			Impact to Local Taxes for various residential assessment values					
			$100,000 RT assessment		$300,000 RT assessment		$400,000 RT assessment	
Budget Increase ($)	Budget Increase ($)	Levy Impact (%)	Annual Local	Annual increase	Annual Local	Annual increase	Annual Local	Annual increase
500,000	3.2%	0.7%	$ 742	$ 5	$ 2,226	$ 16	$ 2,968	$ 21
1,000,000	6.5%	3.9%	$ 765	$ 28	$ 2,296	$ 85	$ 3,061	$ 114
1,585,275	10.3%	7.6%	$ 792	$ 56	$ 2,377	$ 167	$ 3,170	$ 223
2,000,000	12.9%	10.2%	$ 812	$ 75	$ 2,435	$ 225	$ 3,247	$ 300
2,500,000	16.2%	13.3%	$ 835	$ 98	$ 2,505	$ 295	$ 3,340	$ 393
3,000,000	19.4%	16.5%	$ 858	$ 121	$ 2,575	$ 364	$ 3,433	$ 486
3,500,000	22.6%	19.6%	$ 882	$ 145	$ 2,645	$ 434	$ 3,526	$ 579

*the average assessed value is $305,908 (current value assessment is based on 2016 valuation date)
*budget increases and residential assessment value are for illustration purposes only

Growth from New Assessment added to the roll in 2024 totals $387,374, which represents a levy decrease of 2.5% to the existing tax base.

Municipality of Grey Highlands

Items for Consideration

- Budgetary impacts from these additional items (reference: section 5.4 of the Agenda) are not reflected

- 20 Items, resulting from Council resolution or recommendation from staff, including:

  - Additional Sidewalk Trackless Machine and Staffing Complement Increase [growth related]
  - Additional Single Axle Plow Truck [growth related]
  - Cost of Living Adjustment
  - Building and Planning Fee Review Studies
  - Long Term Waste Management Plan

Conclusion

- Compared to other municipalities, and without any consideration to our levels of service, actual property taxes retained by the Municipality are well below average.

- We have not been meeting the requirements of the 2020 approved Asset Management Plan, with the capital levy significantly decreased from staff recommendation every budget year.

- Since the last Asset Management Plan was updated, costs have skyrocketed, and asset conditions continue to diminish.

- There are over $11M in capital renewal/maintenance requests in the 2025 budget, with a capital levy of only $1.6M. There are limited reserves to draw from, and few other funding sources to consider. Delaying projects will only compound the issue next budget year.

- There is room in our debt capacity/Annual Repayment Limit, however, we do have more debt than our comparators and new debt will need to be carefully considered with longer repayment terms considered. There are some major projects included in our 10 year capital plan that will likely require external financing.

- Staff urge Council in this budget to make a commitment to our service levels by substantially increasing the capital levy, or, reducing levels of service. Keeping taxes low with our current levels of service and asset portfolio cannot be maintained indefinitely.

Next Steps

Committee of the Whole Agenda:

Section 6 - Public Engagement discussion

Section 7 - Approval of the Base Budget as a starting point

Section 8 - Capital Budget- review of summary and high level conversation surrounding funding and change in presentation

-Approval/denial and funding source identification for capital projects

Section 9 – Operating Budget

-review of mandatory and annualization

-other operating items

Section 10 – Items for Consideration

Section 11 –Town Hall/Public Consultation

https://connectgreyhighlands.ca/budget