



2025 Draft Municipal Budget

December 9, 2024

Agenda

- Operating Budget
- Capital Funding
- Tax levy
- Departmental overviews
- Capital Budget
- Next steps

Overview



How did we get here?

- Previous decisions have a cumulative impact
- The compounding impact of interest on investments has the same effect when considered in respect to revenues
- Decisions to defer operating investments has a minimal cumulative impact
- Capital investments deferred only gets more expensive and adds to previous deferrals

What comes next?

- The next five weeks are an opportunity for Council, the community and staff to work collaboratively to determine the path forward
- Discussions, analysis and engagement will continue up until Council makes their decision on Jan 16, 2025
- Tonight is staffs' opportunity to communicate what we are presenting



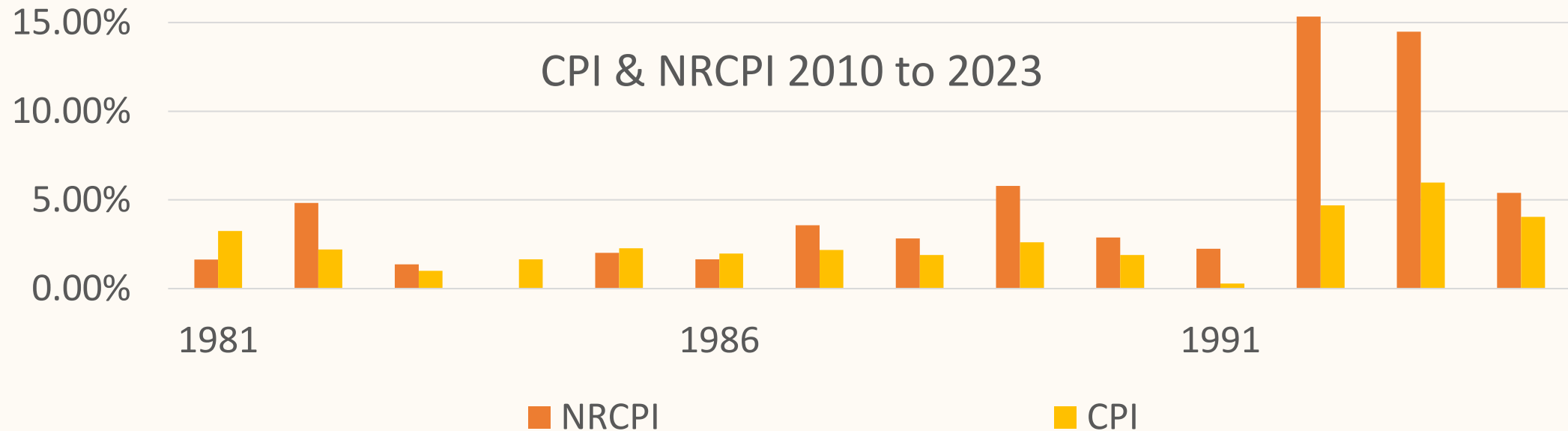
Operating Budget

• Base budget adjustments (4.05%)

- Compensation impacts
- Inflationary impacts
- Revenue adjustments

The impact of year-over-year changes in compensation, goods and services and increases in revenues from user fees and charges.

Like all businesses the Township is impacted by these increases; to continue delivering expected services the budget needs to be adjusted to reflect this reality.





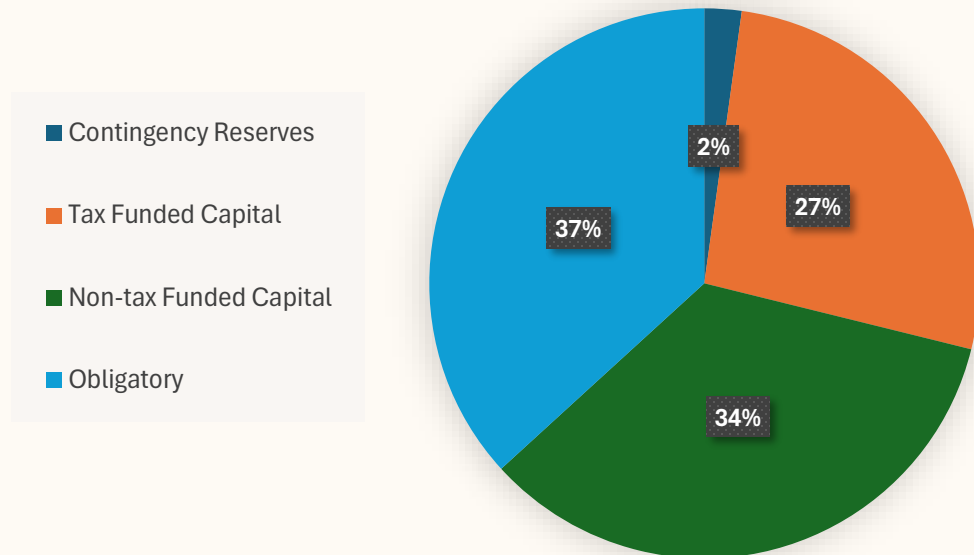
Operating Budget

• One-time adjustments (1.71%)

- Internal charge reduction
- Interest income allocation
- Debt repayment funding
- Project management capital recovery

These items create permanent issues within the operating budget, if they are not corrected, they will continue to cause variances.

2023 Avg Reserve Balance



Total interest earned in 2023 = \$1.2M

- The portion attributable to Contingency Reserves represents the portion of interest that remains in operating
- In 2023 85% of interest remained in operating vs. 2% in Contingency Reserves



Operating Budget

- **Operating Gap Requests (8.24%)**
 - Identified investments represent current gaps in service delivery
 - No new services are being proposed

These requests account for areas where current funding is not sufficient to support current service levels

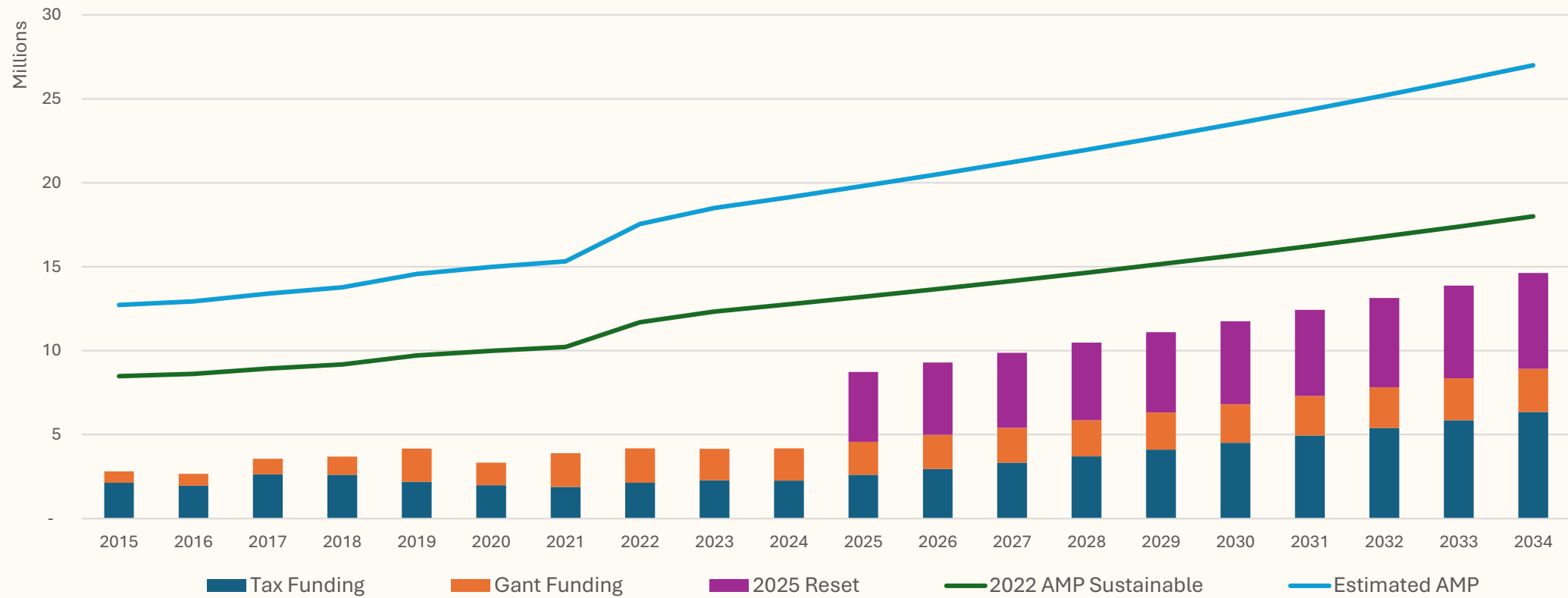
- Road and Stormwater annual maintenance does not keep up with current standards
- Due to Bill 23, Planning is being downloaded to Lower-tier Municipalities in Waterloo Region as of January 1, 2025
- Current practice for upper-level government funding is to use application-based grants
- Tree maintenance is currently carried out reactively as time is available, previous budget have included some temporary support
- Economic Development and Tourism is addressed ad hoc by staff in Development and Community Services
- The Township has over 8,000 households, managing the billing of taxes and water/waster utilities is currently done by a staff of 2

Capital Funding

- Multiple sources – grants, development charges, Region of Waterloo, tax and rate funding
- Various types of projects – infrastructure renewal, growth, service enhancement
- Consequences of deferral of capital funding
 - Project is still required, adds to future funding requirements
 - Deferring projects increases costs due to inflation
 - Deferring projects increases operating costs due to increased maintenance requirements
 - Increased risk of failure, potential for health and safety, service interruption or closure of facilities



Infrastructure renewal strategy

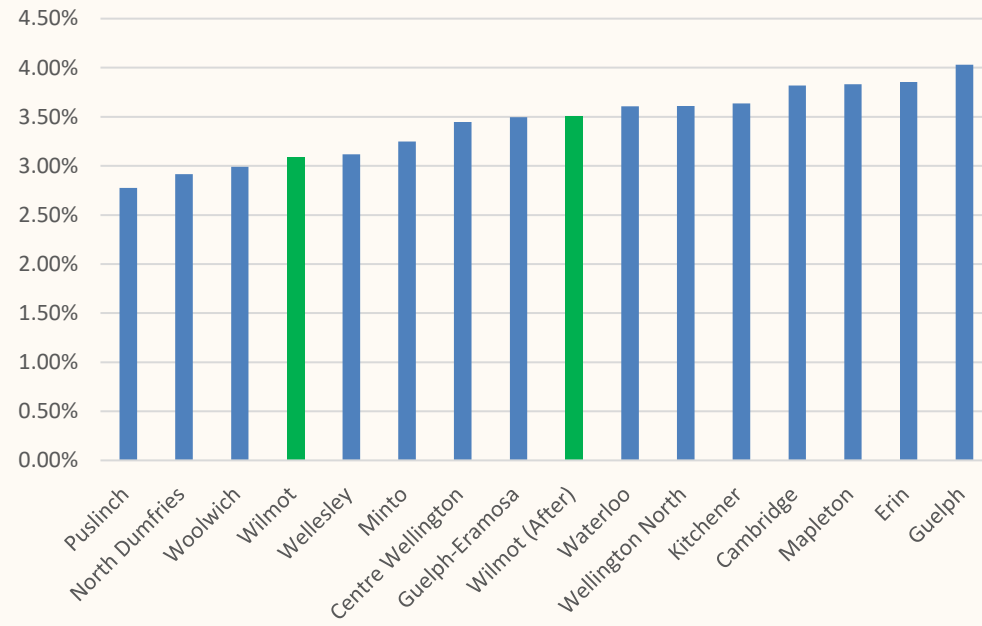


Operating Budget

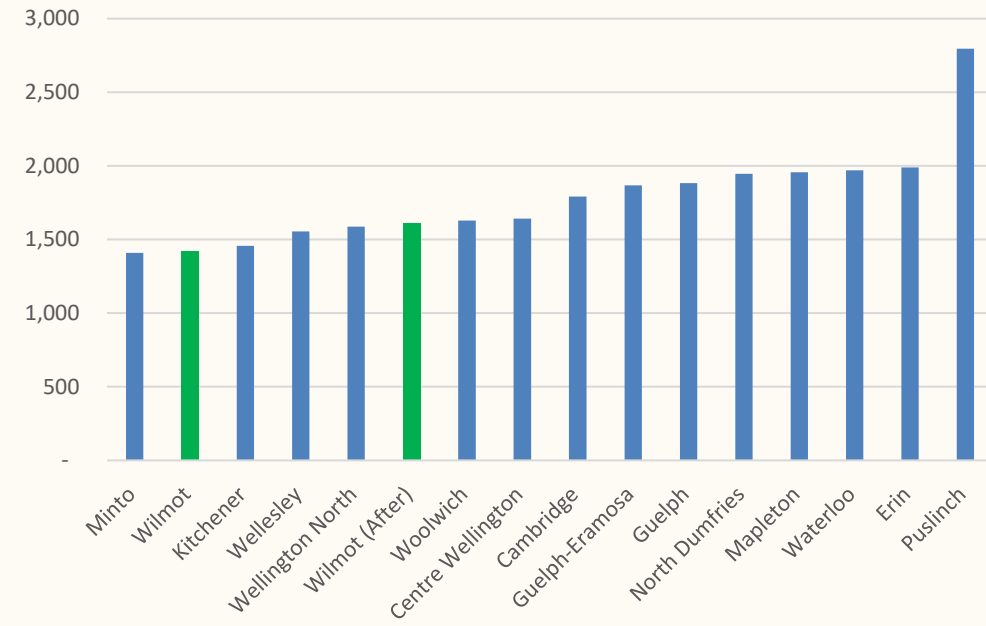


- Wilmot tax comparison

Total Taxes as % of Household Income



Net Levy per Capita



Departmental Overviews



Mayor and Council



Overview of Budget

- Compensation decrease due to change in corporate methodology
- Increase in operating expense due to costs of development and conferences
- Reduction in operating expenses due to change in internal charge methodology
- Transition of one-year temporary position to permanent position

Description	2024 Budget	YTD Actual	2025 Budget	Budget Change \$	Budget Change %
Compensation	291,300		282,950	(8,350)	
Operating Expenses	31,525		29,875	(1,650)	
Contingency	12,500		12,500	-	
Council - Expenditures	335,325		325,325	(10,000)	(2.98)%



Overview of Budget

- Compensation change due to methodology change
- Operating expense – moved Fire Appreciation event to Fire Services
- No new investments in 2025

Description	2024 Budget	YTD Actual	2025 Budget	Budget Change \$	Budget Change %
Compensation	775,650	763,450	(12,200)		
Operating Expenses	153,365	118,865	(9,500)		
Contingency	12,500	12,500	0		
Internal-Charges	0	(34,900)	(34,900)		
Office of the CAO - Expenditures	916,515	859,915	(56,600)	(6.18)	(2.98)%

Corporate Services



Overview of Budget

- Includes Legislative Services, Budget and Finance, Information Technology and Asset Management
- Compensation and operating expenses – adjustments for inflation
- Fees and Charges – reduction in volume based on actual experience in specific categories
- Internal charges – adjustment in corporate process

Service gap requests

- Revenue Supervisor
- Grants Coordinator

Description	2024 Budget \$	2025 Budget \$	Budget Change \$	Budget Change %
Compensation	1,749,320	1,827,310	77,990	
Operating Expenses	695,568	702,700	7,132	
Fees and Charges	(182,800)	(167,550)	15,250	
Transfer to Reserves	27,000	27,000	0	
Internal-Charges	0	(283,100)	(283,100)	
Corporate Services- Expenditures	2,289,088	2,106,360	(182,728)	(7.98)%

Fire Services



Overview of Budget

- Public Education, Fire Prevention and Enforcement, Fire suppression, Emergency Management
- Achieve Mandatory Certification Deadline by July 2026 for Firefighter requirements
- Continue to achieve Mandatory Certification for technical rescue by July 2028
- Emphasis on training, firefighter safety, Cancer and Mental Health prevention and education
- Modernize and position fire service for future growth
- Nurture Volunteer Model and maintain efficiencies

Service Gap (no request for 2025)

- Tremendous pressure on Inspections and Enforcement requirements
- Unable to meet minimum E&R Bylaw expectations for Inspection cycles

Description	2024 Budget \$	2025 Budget \$	Budget Change \$	Budget Change %
Compensation	1,245,060	1,340,500	95,440	
Operating Expenses	432,990	432,990	18,010	
Fees, Charges and Grants	(54,305)	(80,800)	(26,495)	
Internal-Charges	0	15,000	15,000	
Fire Services- Expenditures	1,623,745	1,725,700	101,955	6.28 %

Community Services



Overview of Budget

- Includes Administration, Community Services, Parks and Facilities
- Compensation and operating expenses – adjustments to inflation, aging infrastructure, full year operations at 30 Neville St and streamlining existing staff into different operating area.
- Revenues – Fees & Charges increased minimum 3.38%. 2025 revenue affected by cost recovery elimination at 30 Neville St and WRC service disruption for refrigeration asset replacements.
- Internal Charges – adjustment/correction to corporate process

Service gap requests

- Senior Urban Forester

Description	2024 Budget \$	2025 Budget \$	Budget Change \$	Budget Change %
Compensation	4,230,330	4,241,080	10,750	
Operating Expenses	1,631,080	1,786,250	155,170	
Revenues	(2,159,050)	(2,166,600)	(7,550)	
Internal-Charges	0	(60,000)	(60,000)	
Community Services- Expenditures	3,702,360	3,800,730	98,370	2.66%

Development Services



Overview of Budget

- Includes Planning, Building, Economic Development and Heritage
- Compensation and operating expenses – adjustments for inflation
- Fees & Charges – indexed for inflation and reflect anticipated growth in approvals revenues
- Internal Charges – reflect adjustment/correction to corporate process

Service gap requests

- Economic Development & Tourism Officer
- Senior Policy Planner

Description	2024 Budget \$	2025 Budget \$	Budget Change \$	Budget Change %
Compensation	944,730	984,600	39,870	
Operating Expenses	147,7756	159,700	11,925	
Planning Revenue	(320,225)	(430,300)	(110,075)	
Building Revenues	(643,700)	(665,300)	(21,600)	
Transfer to/from Reserve Fund	(29,920)	14,200	44,120	
Internal-Charges	149,000	60,300	(88,700)	
Development Services - Expenditures	247,660	123,200	(124,460)	(50.25)%

Infrastructure Services (Engineering & Public Works)



Overview of Budget

- Includes Asset Management, Construction Management, Development Engineering, Corridor Management Activities, Permits and approvals for underground infrastructure
- Routine and Preventative Corridor Maintenance Activities, Winter Control
- Compensation and operating expenses – adjustments for inflation, moving existing staff into different operating areas
- Maintenance work value reduction in Sidewalks, Bridge Maintenance
- Internal charges – adjustment in corporate process and in-house design services

Service gap requests

- Hardtop Rehabilitation (Roads Need Study Recommendations for shoulder repairs)
- Stormwater System Enhancement Roads Need Study Recommendations for catchbasin lid repairs and ditching maintenance)

Description	2024 Budget \$	2025 Budget \$	Budget Change \$	Budget Change %
Compensation	2,449,719	2,755,200	305,481	
Operating Expenses	1,088,380	1,099,000	10,620	
Maintenance work	670,000	660,500	(9,500)	
Fees, Charges and Grants	(322,000)	(322,000)		
Recovery from Capital Projects	(160,500)	(686,000)	(525,500)	
Internal-Charges	0	(594,400)	(594,400)	
Infrastructure Services- Expenditures	3,725,599	2,912,300	(813,299)	

Infrastructure Services (Water & Wastewater)



Overview of Budget

- Includes Drinking Water and Wastewater services routine and preventative maintenance activities
- Compensation and operating expenses – adjustments for inflation, moving existing staff into different operating areas
- Operating Expense and Revenue Increase as a result of regional supply and treatment rate changes
- Internal charges – adjustment in corporate process and in-house design service charges

Water volume increase 4.9%

Wastewater volume increase 5.9%

Description	2024 Budget \$	2025 Budget \$	Budget Change \$	Budget Change %
Compensation	814,846	930,300	115,454	
Operating Expenses	4,220,180	4,461,500	241,320	
Debt Payment (St. Agatha)	64,400	64,400	0	
Water and Wastewater Revenue	(7,091,200)	(7,541,900)	(450,700)	6.36%
Transfers to Reserve Funds	845,000	1,199,000	354,000	
Internal-Charges	1,146,774	886,700	(260,074)	
IS Water and Wastewater- Expenditures	0	0	0	

Corporate Accounts



Overview of Budget

- Increased tax collection reflects full impact of all budget items
- Change in internal charges methodology
- Increase in transfer to capital reserve funds
- One-time adjustments to interest income and debt funding

Service gap requests

- Repayment of OBC Reserve Fund
- Growth Capital Funding

Description	2024 Budget \$	2025 Budget \$	Budget Change \$	Budget Change %
Operating Expenses	483,800	483,800		
Tax Adjustments	40,900	40,900		
Tax Collections	(12,243,209)	(19,155,751)	(6,912,542)	
Grants	(472,500)	(437,500)	35,000	
Investment Income	(1,110,000)	(775,000)	335,000	
Debt Payments	273,791	0	(273,791)	
Transfer to Reserve Funds	2,226,470	6,926,470	4,700,000	
Internal-Charges	(1,332,984)	(19,400)	1,313,584	
Corporate Account - Expenditures	(12,350,232)	(13,152,981)	(802,749)	6.50%

Capital Budget



Overview of Budget

- Implementation of previously presented reports on (report number) Road Needs, traffic calming and I&I
- Reports were deferred to Budget process by Council direction
- Inclusion of Fire Master Plan recommendations, replacement of vehicles beyond useful life
- Community Services Master Plan identified need for increased investment in capital
- Previous 10-year capital plans were not fully funded

Dependent on the level of capital funding
Council ultimately approves the list of projects
approved will need to be revised.

Approval of a final capital budget may be
deferred to February/March 2025

	Capital Budget	Infrastructure Renewal RF (Tax)	Infrastructure Renewal RF (Rates)	Development Charges
Infrastructure Services	14,306,076	8,866,038	3,440,038	2,000,000
Community Services	3,038,500	3,038,500		
Fire Services	8,754,625	3,967,125		4,787,500
Corporate Services	200,000	200,000		
Total	26,299,201	16,071,663	3,440,038	6,787,500

Next Steps

Public Delegation Night

January 7, 2025 7 -9 PM
register through the website

Council Deliberations

January 16, 2025 2 – 10 PM

Councillors are also holding their own Townhalls

Councillor Wilkinson's Townhall

Date: Saturday, December 14th, 2024

Time: 10:00 AM - 12:00 PM

Location: St. Agatha Community Centre,
1791 Erbs Rd, St. Agatha

Councillor Sidhu's Townhall

Date: Thursday, January 2, 2025

Time: 7:00 PM – 8:30 PM

Location: Meeting Room A, Wilmot Recreation Centre,
1291 Nafziger Road, Baden

