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# **2025 Budget Deliberations**

December 9<sup>th</sup>, 2024

# Introduction

# What the Day will Consist of

- We will do a quick recap and briefly discuss any changes that have happened since the budget walkthrough presentation before heading into deliberations.
- The meeting will be led by council with support from all administration
- Finance will be tracking any changes made to the budget throughout the course of the day and providing the revised tax rate.

# Agenda

Topic
Purpose of Deliberations
Changes Since Budget Walkthrough
Council Deliberates
Final Resolutions

# Goals/Resolutions

- 2025 Proposed Operating Budget as presented be adopted in principle, inclusive of all adjustments
- 2025 Proposed Capital Budget as presented be adopted in principle, inclusive of all adjustments
- Authorization be granted to complete, in fiscal year 2025, any previously approved projects that remain outstanding as of December 31, 2024, and do not appear in the 2025 Budget as presented, so long as the project costs do not exceed previously approved funding amounts or allocations.

# 2025 Proposed Budget Summary

# Snapshot (page 11)

The Town has proposed a 2025 Budget with revenues and expenses of \$71.1 million and over \$14 million of that dedicated towards capital initiatives. The main focuses and themes of the 2025 Budget were as below:

## **Addressing contractual obligations while maintaining services levels**

- This budget incorporates contractual increases from the current policing contract as well as the newly negotiated union contract.
- The Town continues to dedicate monies to the asset management program, with a current 1.5% levy presented in the 2025 budget, to ensure readiness for asset replacement and that continued service level targets are met.

## **Incorporating the Town's strategic pillars with a strong focus on infrastructure planning and innovations**

- Key projects set up to guide the Town to further development include the servicing of the Essex Sports Fields, servicing of Inspiration Park Lands, and continued work on the Town's Official Plan
- Innovative projects include the conversion of Town Facilities to LED lighting and more efficient systems where possible

## **Finding alternative ways to assist in stabilizing tax increases**

- The Town established a longer-term tax impact plan which is incorporated into this budget
- User fees were analyzed and adjusted in accordance with increases in related costs

The Proposed 2025 Budget proves that when working together, great things can be accomplished for the Town of Essex.

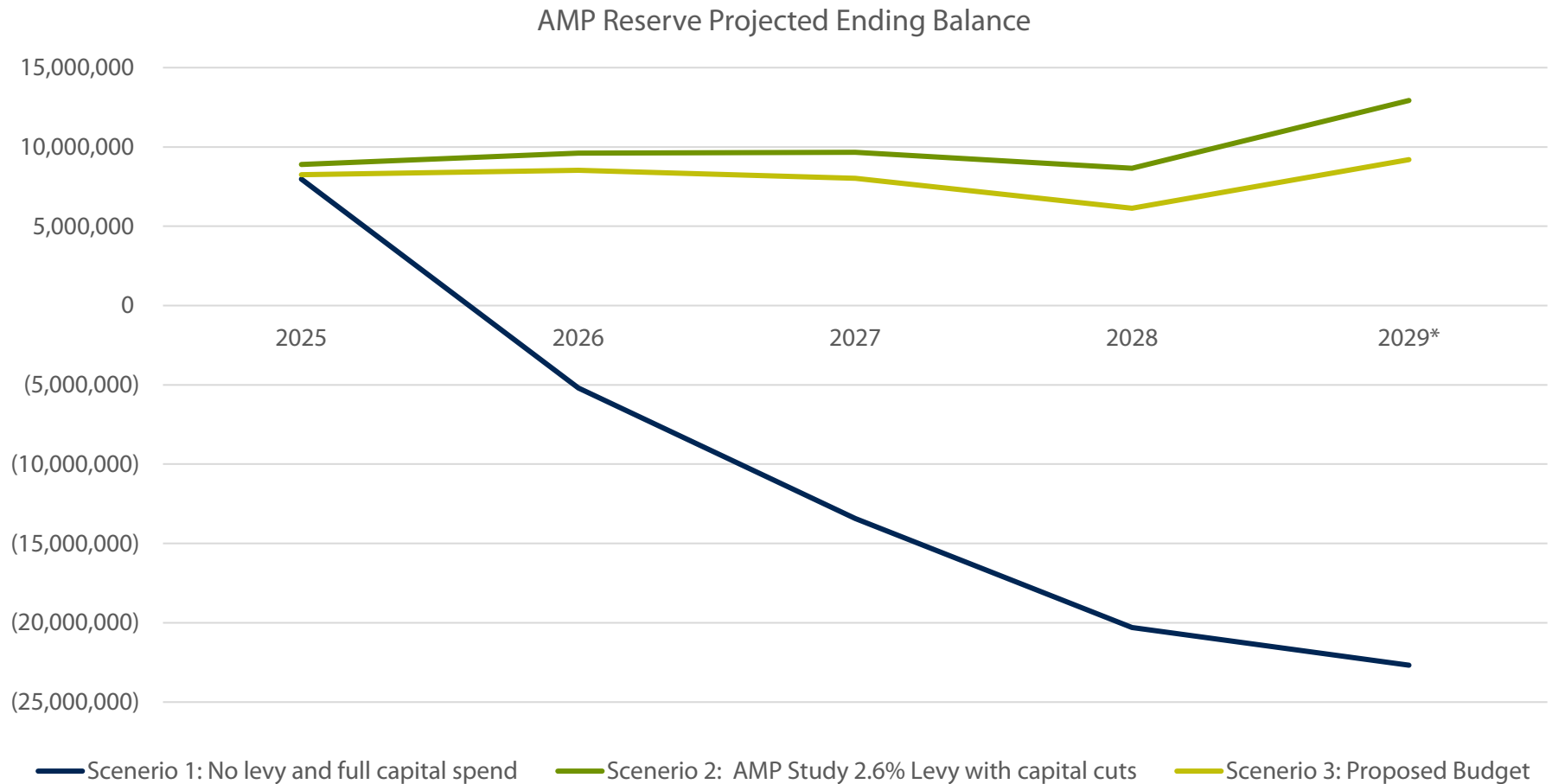


# Asset Management Plan

- Asset Management Planning (AMP) was introduced by law in Ontario to assist municipalities in planning for their existing infrastructure
- Currently existing infrastructure across Ontario is degrading faster than it is being repaired or replaced, putting services at risk.
- Example: saving to replace your vehicle in 5-years, you know a vehicle costs \$50,000 so you are putting away \$10,000 per year so you are ready for this cost.



# Asset Management Funding

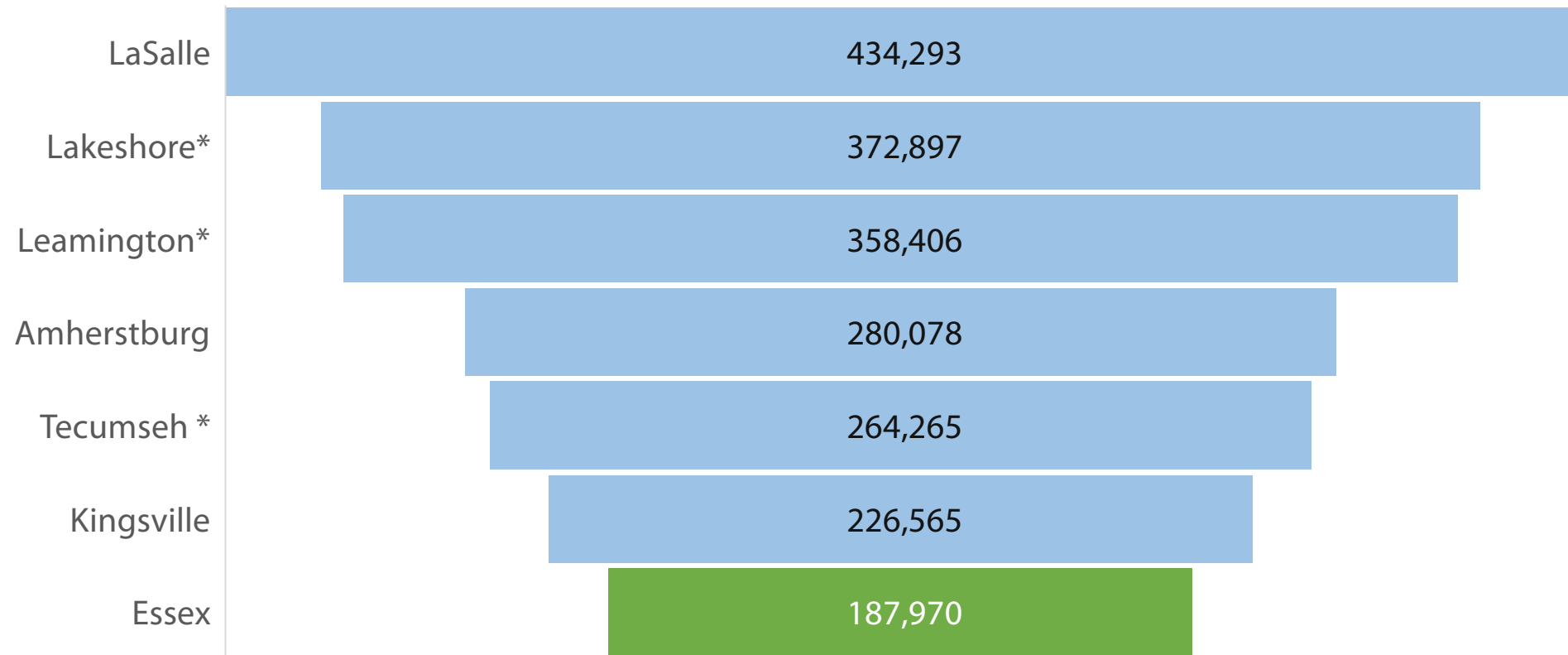


\*in 2029 we are still required to take \$5,000,000 in Long-term debt to support the AMP Program

# But what does 1% increase look like across the County? (page 15)

## 1% Mill Rate increase Comparison

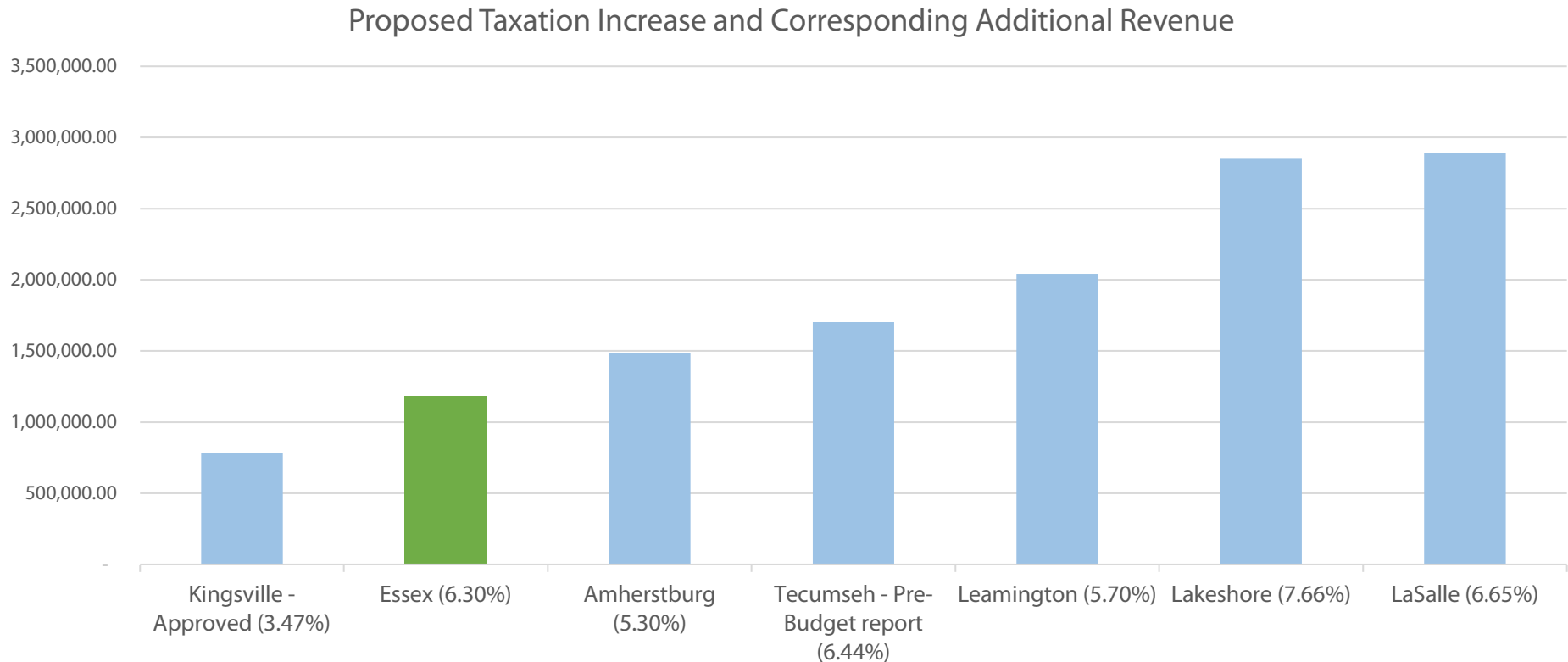
**1% increase will increase Taxation Revenue by:**



\*The above graphics have been calculated using the submitted 2023 FIR and does not include any supplementary taxation or taxation adjustments, if 2023 FIR wasn't available then 2022 data was used



# Local Municipalities Proposed Tax Rate Increase



\*\*Corresponding Additional Revenue calculated by multiplying taxation increase by the "1% increase will increase Taxation Revenue" amount (graphic on pg. 15)



# Proposed tax rate at November 25<sup>th</sup>

(page 12)

2025 Proposed Residential Tax Rate	2024 Tax Rates		2025 Tax Rates		Proposed Change (2024 to 2025)	
	Mill Rate	Median Property Taxes	Mill Rate	Median Property Taxes	%	\$
<b>Ward 1 and 4</b>						
General Municipal Levy	0.00858	1,646.67	0.00920	1,766.71	7.29%	120.04
Urban Levy	0.00094	181.43	0.00094	181.43	0.00%	0.00
Garbage Collection and Disposal Levy	0.00104	200.30	0.00116	222.33	11.00%	22.03
<b>Total Ward 1 and 4 Town of Essex Levy</b>	<b>0.01056</b>	<b>2,028.39</b>	<b>0.01130</b>	<b>2,170.47</b>	<b>7.00%</b>	<b>142.07</b>
<b>Ward 2 and 3</b>						
General Municipal Levy	0.00858	1,646.67	0.00920	1,766.71	7.29%	120.04
Rural Levy	0.00030	56.99	0.00030	56.99	0.00%	0.00
Garbage Collection and Disposal Levy	0.00104	200.30	0.00116	222.33	11.00%	22.03
<b>Total Ward 2 and 3 Town of Essex Levy</b>	<b>0.00992</b>	<b>1,903.96</b>	<b>0.01066</b>	<b>2,046.03</b>	<b>7.46%</b>	<b>142.07</b>
<b>Average Town of Essex Levy Increase (Wards 1 to 4)</b>	<b>0.01024</b>	<b>1,966.17</b>	<b>0.01098</b>	<b>2,108.25</b>	<b>7.23%</b>	<b>142.07</b>
<b>Upper Tier &amp; Provincial Levies</b>						
County of Essex Levy (proposed)	0.00541	1,039.16	0.00576	1,105.35	6.37%	66.19
Education Levy	0.00153	293.76	0.00153	293.76	0.00%	0.00
<b>Total Upper Tier &amp; Provincial Levies</b>	<b>0.00694</b>	<b>1,332.92</b>	<b>0.00729</b>	<b>1,399.11</b>	<b>4.97%</b>	<b>66.19</b>
<b>Total Average Increase for all Wards</b>	<b>0.01718</b>	<b>3,299.09</b>	<b>0.01827</b>	<b>3,507.36</b>	<b>6.31%</b>	<b>208.27</b>
<b>Median Residential Single-Family Detached Assessment per MPAC</b>						<b>192,000</b>

# Summary of Changes

Item	Description	Impact	Amount
OPP Contract	OPP Reduction	Reduction in Taxation revenue required to cover OPP contract increase	\$ (168,395.50)
Amphitheatre Design - Heritage Park	Essex Centre BIA committed to funding \$25,000 of this capital project	Reduction in taxation required to fund this capital project due to commitment from BIA	\$ (25,000.00)
Transit Expense	Commitment from the Town for LTW transit line	Increase in expenses as the Town was notified federal funding will end March 1 <sup>st</sup> , 2025	\$ 20,000.00
Tree Planting Program Policy	Funded by Green Fund Reserve	Increase in other revenue to fund tree planting project thus decreasing taxation required for the first year of this policy	\$ (10,500.00)
Colchester Harbour Breakwall	Federal Government would be responsible for this project	Reduction in required AMP reserve funding	\$ (100,000.00)

# Updated Tax Rate Graphic with Changes since Walkthrough

2025 Proposed Residential Tax Rate	2024 Tax Rates		2025 Tax Rates		Proposed Change (2024 to 2025)	
	Mill Rate	Median Property Taxes	Mill Rate	Median Property Taxes	%	\$
<b>Ward 1 and 4</b>						
General Municipal Levy	0.00858	1,646.67	0.00912	1,750.42	6.30%	103.75
Urban Levy	0.00094	181.43	0.00094	181.43	0.00%	0.00
Garbage Collection and Disposal Levy	0.00104	200.30	0.00116	222.33	11.00%	22.03
<b>Total Ward 1 and 4 Town of Essex Levy</b>	<b>0.01056</b>	<b>2,028.39</b>	<b>0.01122</b>	<b>2,154.18</b>	<b>6.20%</b>	<b>125.78</b>
<b>Ward 2 and 3</b>						
General Municipal Levy	0.00858	1,646.67	0.00912	1,750.42	6.30%	103.75
Rural Levy	0.00030	56.99	0.00030	56.99	0.00%	0.00
Garbage Collection and Disposal Levy	0.00104	200.30	0.00116	222.33	11.00%	22.03
<b>Total Ward 2 and 3 Town of Essex Levy</b>	<b>0.00992</b>	<b>1,903.96</b>	<b>0.01057</b>	<b>2,029.74</b>	<b>6.61%</b>	<b>125.78</b>
<b>Average Town of Essex Levy Increase (Wards 1 to 4)</b>	<b>0.01024</b>	<b>1,966.17</b>	<b>0.01090</b>	<b>2,091.96</b>	<b>6.40%</b>	<b>125.78</b>
<b>Upper Tier &amp; Provincial Levies</b>						
County of Essex Levy (proposed)	0.00541	1,039.16	0.00562	1,078.23	3.76%	39.07
Education Levy	0.00153	293.76	0.00153	293.76	0.00%	0.00
<b>Total Upper Tier &amp; Provincial Levies</b>	<b>0.00694</b>	<b>1,332.92</b>	<b>0.00715</b>	<b>1,371.99</b>	<b>2.93%</b>	<b>39.07</b>
<b>Total Average Increase for all Wards</b>	<b>0.01718</b>	<b>3,299.09</b>	<b>0.01804</b>	<b>3,463.95</b>	<b>5.00%</b>	<b>164.86</b>
<b>Median Residential Single-Family Detached Assessment</b>						<b>192,000</b>

**Avg. Blended Increase per Month \$ 13.74**



# How can the Town fund Capital (page 19)

Asset Status	Asset Management Reserve	Grant Funding	Other Reserve	Development Charge Reserve (if related to growth)	Funded from Taxation
New	NO	YES	YES	MAYBE	YES
Replacement	YES 100% of Cost	YES	YES	NO	YES
Upgrade	YES 50% of Cost	YES	YES	MAYBE	YES

**Project Name:** Playground in New Subdivision    **Asset Status?** NEW    **Cost** \$300,000

FUNDING OPTIONS with no tax impact= GRANT – OTHER – DC?

If not fully funded from above then

FUNDING OPTIONS with tax impact = Tax Increase



# **Council Deliberates via Live Excel**

Any questions or comments from Council?





# Final Resolutions:

- Adoption of 2025 Operating Budget in Principal
- Adoption of 2025 Capital Budget in Principal
- Authorization to Complete Prior Approved Capital Projects not listed on the carryforward list in the 2025 fiscal year
- If 2025 Budget adoption is not approved in principal, next meeting date:
  - Tuesday, December 10<sup>th</sup>, 2024 (5pm-8pm)