



## Report to Council

**Report Number:** F-22-2024

**Subject:** 2025 Budget, Draft 2

**Date of the meeting:** November 25, 2024

**Prepared by:** Nadia Knebel, Treasurer

**Circulated to and/or collaborated with:** n/a

**Approval:** Pierre Leroux, CAO

*In agreement with the recommendation based on the contents of this report.*

## **Recommendation**

That Council receives report F-22-2024 and discuss the 2025 2<sup>nd</sup> draft budget as proposed in the summary report (Schedule A) which includes a tax levy increase of \$1,421,297 at their next meeting.

## **Financial Considerations**

The 2025 budget includes estimates which reflect an overall increased levy of \$1,412,297.00 (9.42%) for operations and capital.

For the average assessment of \$300,000, this represents an increase of \$259.40 on their tax bill, or \$21.62 per month.

The water and wastewater rates remain as presented at:

- Limoges, both services: quarterly bill will increase by \$30.21 to \$345.85, for an average consumption of 40m<sup>3</sup>. This represents an increase of \$10.07 per month.
- St-Isidore both services: quarterly bill will increase by \$33.80 to \$418.38 for an average consumption of 40m<sup>3</sup>. This represents an increase of \$11.27 per month.
- Sewer rate: quarterly increase by \$11.25 to \$154.65 (or \$3.75 per month).

In the second draft of the budget, changes to the other charges are as follows:

- Police services charge - \$189.44 (new)
- Environmental charge - \$180.00 (no change)
- Fire services charge - \$87.50 (increase of \$2.50 over prior year)

Financial implications have been verified with annual budget and / or approved applicable policy or by-law: YES

## **Context**

On November 6 and 7, 2024, Council deliberated the first draft of the 2025 budget. This report takes into consideration their comments and requests and presents the second draft of the 2025 budget.

Public requests were not reviewed in detail during the Nov 7 deliberation; however, many were done in 2024 or included in the 2025 budget. Any of the requests that were not included in the budget can be discussed at the next meeting if Council so wishes. The list of requests was provided to Council at the November 7, 2024, meeting and is also attached as Appendix C to this report (note: Changes made during budget deliberations not reflected in document)

## Report

### *CHANGES MADE TO THE FIRST DRAFT*

A summary of the changes made to the operations and capital of the first draft of the 2025 budget are presented below.

Changes made following direction from Council:

- The position of archiving clerk was removed for a reduction of \$82,486.
- Removal of the proposed environmental charge increase of \$10 to maintain the current \$180 per year which decreases the transfer to reserve by \$52,000.
- Part of the police services charge put back in the levy representing an increase of \$925,831 (reducing the 1<sup>st</sup> draft proposed Police Services Charge from \$353 to \$189.44)
- Approval of use of library reserve to fund the Zamboni, reduction of \$150,000.
- Removal of the clock for the sports complex while other funding options are explored, reduction of \$3,500.
- Decrease in contribution to libraries of \$236,872.

Changes occurring between the production of the first draft and its presentation to council or corrections made to the first draft:

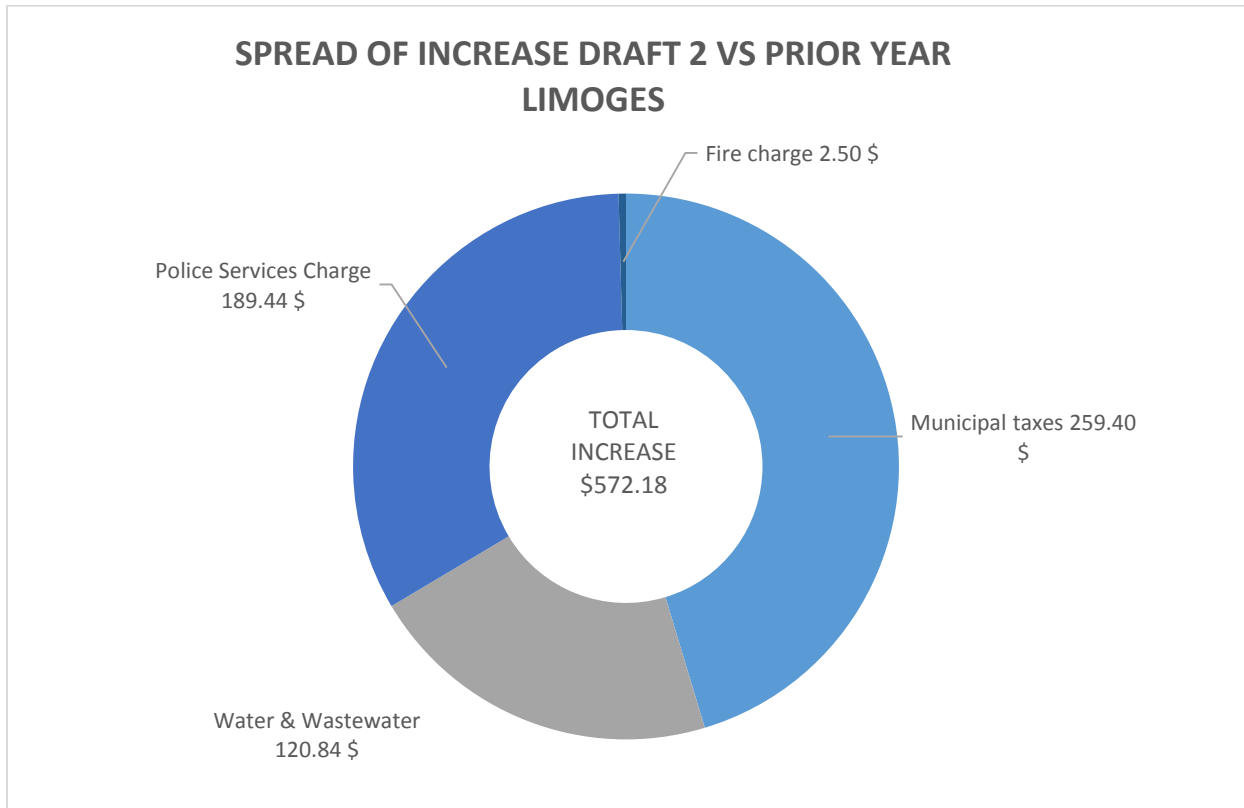
- The OMPF grant was confirmed with an increased allocation of \$46,600.
- Fire services – increase in insurance revenue as well as a decrease in the salaries for part-time employees for a net reduction of \$35,488.
- Public works - various adjustments based on re-evaluation of expenses which resulted in a decrease of operating expenses of \$150,975.
- Public works – omission of Concession 17 East in capital for an increase of \$169,000.
- Environmental services - Correction to the salary of the part-time employee, decrease of \$10,384.
- Recreation – various changes suggested by the recreation interim director to be made to capital and operations for a total reduction of \$80,500.
- Recreation – transfer of \$10,000 to the reserve for the future replacement of the turf at the Sports Complex. This had been removed in 2024 due to budget constraints.
- Water & Wastewater – correction made to draft 1, decrease of \$28,276
- Update of payroll benefit rates, increase of \$1,133.

These changes result in a net increase of \$269,884 to the proposed levy from draft 1 bringing it to \$1,402,297 as shown above. Further details of changes made to the first draft can be found in Appendix B.

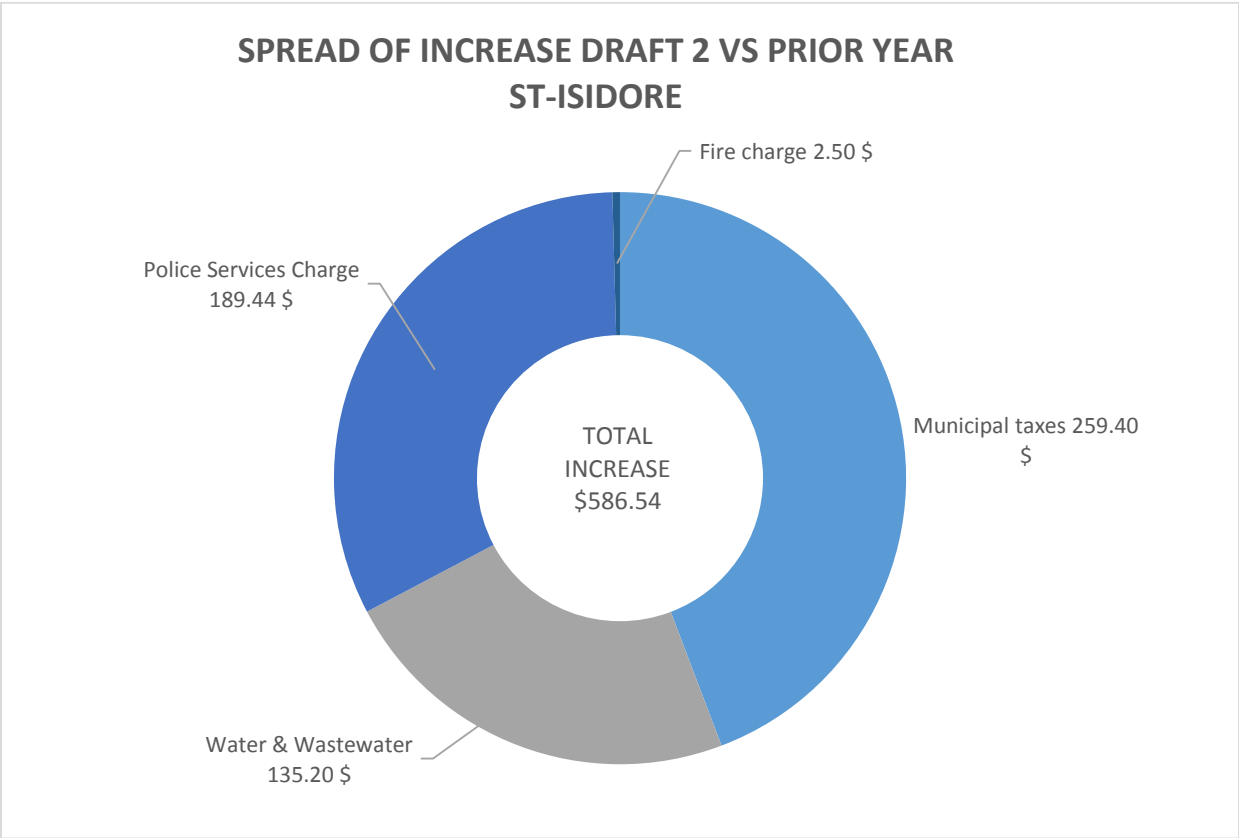
**IMPACT ON TAXPAYERS**

The changes to the total municipal billing for a residential property with an average assessment of \$300,000 are found below:

LIMOGES, ON BOTH SERVICES	2024	2025 Draft 1	Increase vs 2024	2025 Draft 2	Increase vs 2024	Variance draft 2 vs draft 1
Municipal taxes	\$2,336.31	\$2,515.57	\$179.26	\$2,595.71	\$259.40	\$80.14
Fire charge	85.00	87.50	\$2.50	87.50	2.50	-
Environmental charge	180.00	190.00	\$10	180.00	-	(10.00)
Police services charge	-	353.00	353.00	189.44	189.44	(163.56)
Water & Wastewater (160m <sup>3</sup> /yr)	1,262.56	1,383.40	120.84	1,383.40	120.84	-
<b>Total</b>	<b>\$3,863.87</b>	<b>\$4,529.47</b>	<b>\$665.60</b>	<b>\$4,436.05</b>	<b>\$572.18</b>	<b>\$(93.42)</b>



<b>ST-ISIDORE, ON BOTH SERVICES</b>	<b>2024</b>	<b>2025 Draft 1</b>	<b>Increase vs 2024</b>	<b>2025 Draft 2</b>	<b>Increase vs 2024</b>	<b>Variance draft 2 vs draft 1</b>
Municipal taxes	\$2,336.31	\$2,515.57	\$179.26	\$2,595.71	\$259.40	\$80.14
Fire charge	85.00	87.50	\$2.50	87.50	2.50	-
Environmental charge	180.00	190.00	\$10	180.00	-	(10.00)
Police services charge	-	353.00	353.00	189.44	189.44	(163.56)
Water & Wastewater (160m <sup>3</sup> /yr)	1,538.32	1,673.52	135.20	1,673.52	135.20	-
<b>Total</b>	<b>\$4,139.63</b>	<b>\$4,819.59</b>	<b>\$679.96</b>	<b>\$4,726.17</b>	<b>\$586.54</b>	<b>\$(93.42)</b>



**FURTHER OPTIONS**

Further to the changes discussed during the budget deliberations, administration explored options for further modifications for Council’s consideration:

- Postpone benefits for council, \$45,584. Although desirable to aid in the retention and attraction of councillors during future elections, due to budget constraints, it is recommended to remove and implement in 2026.

- Remove new allocation of donation for community groups of \$25,000. These would come from Council’s regular donation budget.
- Reduce Council’s allocation for conventions by \$15,000.
- With the removal of the archiving clerk position, it is proposed to instead increase the Clerk’s weekly hours from 35 to 40 which would result in an increase of \$18,520, allowing us to begin the process of transitioning to SharePoint.
- Reduce transfers to the fleet and storm pond reserves by \$100,000 and \$9,000 respectively. While this may prove useful due to the significant decrease it brings, Council should be aware that decreasing transfers to reserves will eventually result in reserves not being a viable source of funding for capital investments.

These changes total \$176,065 in further reductions to the draft two tax levy increase, bringing it to \$1,236,232 (8.24%) The result for the taxpayer is shown below:

<b>LIMOGES, ON BOTH SERVICES</b>	<b>2024</b>	<b>2025 Draft 1</b>	<b>2025 Draft 2</b>	<b>2025 Further considerations (FC)</b>	<b>Increase FC vs 2024</b>	<b>Variance FC vs Draft 1</b>	<b>Variance FC vs Draft 2</b>
Municipal taxes	\$2,336.31	\$2,515.57	\$2,595.71	\$2,567.86	\$231.55	\$52.29	\$(27.85)
Fire charge	85.00	87.50	87.50	87.50	2.50	-	-
Environmental charge	180.00	190.00	180.00	180.00	-	(10.00)	-
Police services charge	-	353.00	189.44	189.44	189.44	(163.56)	-
Water & Wastewater (160m <sup>3</sup> /yr)	1,262.56	1,383.40	1,383.40	1,383.40	120.84	-	-
<b>Total</b>	<b>\$3,863.87</b>	<b>\$4,529.47</b>	<b>\$4,436.05</b>	<b>\$4,408.20</b>	<b>\$544.33</b>	<b>\$(121.27)</b>	<b>\$(27.85)</b>

<b>ST-ISIDORE, ON BOTH SERVICES</b>	<b>2024</b>	<b>2025 Draft 1</b>	<b>2025 Draft 2</b>	<b>2025 Further considerations (FC)</b>	<b>Increase FC vs 2024</b>	<b>Variance FC vs Draft 1</b>	<b>Variance FC vs Draft 2</b>
Municipal taxes	\$2,336.31	\$2,515.57	\$2,595.71	\$2,567.86	\$231.55	\$52.29	\$(27.85)
Fire charge	85.00	87.50	87.50	87.50	2.50	-	-
Environmental charge	180.00	190.00	180.00	180.00	-	(10.00)	-
Police services charge	-	353.00	189.44	189.44	189.44	(163.56)	-
Water & Wastewater (160m <sup>3</sup> /yr)	1,538.32	1,673.52	1,673.52	1,673.52	135.20	-	-
<b>Total</b>	<b>\$4,139.63</b>	<b>\$4,819.59</b>	<b>\$4,726.17</b>	<b>\$4,698.32</b>	<b>\$558.69</b>	<b>\$(121.27)</b>	<b>\$(27.85)</b>

## ADDITIONAL CONSIDERATIONS

- Community halls – Currently, there is no investments into the repair of the community halls in the budget. As mentioned by the interim director, should Council direct to keep the halls open beyond December 31, 2025, an estimated amount of \$500,000 would need to be added to the capital budget. This represents and increase in tax levy to \$1,736,232 (11.58%) and the municipal tax bill would climb to \$2,646.95 for an average property with an assessment of \$300,000, an increase of \$310.64 over prior year.

Further to the above, if community halls were to be closed beyond 2025, the recreation department will not require an additional employee in 2025.

*To this effect, administration is looking for clear direction from Council as to the future of the community halls.*

- Reserves – Currently, the municipality is contributing minimal funds to reserves for future infrastructure replacements, such as bridges and roads. The asset management plans for 2024 and 2025 will highlight the existing funding shortfall, which will inform the municipality's approach to gradually increase reserve contributions in the coming years. In 2025, Council should anticipate a report presenting a long-term strategy to address this shortfall. This plan will likely require fixed annual contributions to reserves, impacting taxation as the municipality works to establish a sustainable path for future infrastructure needs.
- Environmental charge – In the first draft, an increase of 10\$ had been proposed for 2025 to allow for a gradual rise in rates over time. Significant cost increases for garbage collection are anticipated in 2026, along with potential rises in other departmental expenses. Therefore, Council should prepare for a possible substantial increase in the environmental charge in the 2026 budget.

### **Relevance to priorities**

Not applicable

### **Communication Plan**

The final budget will be posted on the municipal website.

### **Other Option/Options to the Recommendation**

Not applicable

### **Attachments**

Appendix A – 2025 Budget Draft 2 – Operations Summary & Capital Investments

Appendix B – Modifications made to draft 1 of the 2025 budget

Appendix C – Resident Requests (English only)