
To: Mayor and Council

From: Greg Bedard, Director of Finance

Date: December 18, 2024

Subject: Adoption of the 2025/2026 Budget & Business Plan

Report Highlights

- The 2025/2026 Budget & Business Plan was tabled at the November 6, 2024, regular meeting of Council, with budget deliberations occurring over five meetings throughout November and December 2024.
- On December 3, 2024, the 2025/2026 Budget and Business Plan was referred to the December 18, 2024, regular meeting of Council for final approval.
- The 2025 Tax Supported Budget, as revised through resolutions of Council, proposes a 6.52% Township tax increase. This equates to a 4.42% blended tax increase when factoring in the County and education tax rates.
 - For the average single family detached dwelling assessed at \$497,000, the 4.42% blended tax increase equates to an increase of \$195.62 in taxes payable.
- The 2025 Water and Wastewater Budget proposes a 4.00% water rate increase and a 10.00% wastewater rate increase, as directed by Council Resolution C732C-2023.
 - For the average household consuming 180 cubic metres annually, the proposed rate increases equate to a water bill increase of \$23.63 and a wastewater bill increase of \$104.54 in 2025.

Recommendation

That the report from the Director of Finance regarding the Adoption of the 2025/2026 Budget & Business Plan, dated December 18, 2024, be received; and,

That the Proposed 2025 Tax Based Operating Budget, Proposed 2025 Water Operating Budget, Proposed 2025 Wastewater Operating Budget and Proposed 2025 Capital Budget be approved.

Background

The purpose of this report is to adopt the 2025/2026 Budget & Business Plan for the Township of Springwater.

2025/2026 Budget & Business Plan Timeline

The 2025/2026 Budget & Business Plan timeline of events is as follows:

- July 3, 2024 Regular Meeting of Council: 2025/2026 Budget Directions Report tabled for Council's consideration
- November 6, 2024 Regular Meeting of Council: 2025/2026 Budget & Business Plan tabled for Council's consideration
- November 11 through 15, 2024: Council one-on-one sessions held
- November 18, 2024 Special Meeting of Council: Service Partner presentations
- November 20, 2024 Special Meeting of Council: budget deliberations
- November 25, 2024 Special Meeting of Council: budget deliberations
- November 27, 2024 Special Meeting of Council: budget deliberations
- December 3, 2024 Special Meeting of Council: budget deliberations
- December 18, 2024 Regular Meeting of Council: budget adoption

Revised 2025 Consolidated Base Budget – Excluding Program Changes

The Proposed 2025 Consolidated Base Budget, as presented on November 6, 2024, represented an increase of \$2,799,986 over 2024. As amended through resolutions of Council passed throughout the budget deliberation process, the Revised 2025 Consolidated Base Budget now represents an increase of \$935,955 over 2024. The following chart outlines the changes made to the 2025 Proposed Base Budget through resolutions of Council as of December 3, 2024:

Township 2025 Base Budget Change	Draft 2024-11-06	Revised 2024-12-03
Labour	1,054,585	1,054,585
General operating	310,583	192,633
1% infrastructure levy	190,548	0
Investment in capital funded from taxation	1,300,236	60,049
Service partners	657,610	342,264
Less: assessment growth	(713,576)	(713,576)
Total Township 2025 Base Budget Change	2,799,986	935,955

The Revised 2025 Consolidated Base Budget, as of December 3, 2024, includes the following changes:

- Labour
 - No change
- General operating: tax reduction of \$117,950
 - Adjust OMPF revenues to actual expected
- 1% infrastructure levy: tax reduction of \$190,548
 - Remove 1% compounding effect
- Investment in capital funded from taxation: tax reduction of \$1,240,187
 - Remove 2026-13 Rosewood Avenue
 - Remove 2025-73 Rainbow Valley Road
 - Remove 2025-74 Walt Road
 - Remove 2025-75 Flos Rd 3 W
 - Reduce scope of 2023-80 Facility Condition Assessment Program
 - Remove 2025-83 Arena Zamboni Concrete Pad
 - Remove 2025-05 replace ¾ ton truck – no tax impact
 - Reduce scope of 2025-16 Phelpston Rink Pavilion – no tax impact
 - Remove 2022-43 Fire Dispatch Software – no tax impact
 - Remove 2025-53 Robotic Mowers – no tax impact
- Service partners: tax reduction of \$315,346
 - Remove NCVA Category 2 & 3 costs
 - Remove NVCA Category 2 & 3 asset management plan cost
 - Reduce OPP policing costs by \$285,000
- Assessment growth
 - No change

Revised Township 2025 Program Changes

The Proposed 2025 Budget tabled on November 6, 2024, included thirteen Township program changes for Council's consideration. Through resolution of Council, five program changes were removed. The remaining eight program changes shown below were referred for approval by Council on December 3, 2024.

Township Program Change	Department	Gross Costs	Reserve/Cost Sharing	Net Tax Impact (\$)
Fire Dispatching Service	Fire and Emergency Services	25,000	-	25,000
Operator II	Recreation, Parks and Facilities	71,476	-	71,476
Tax and Utility Coordinator	Finance	82,317	40,853	41,464
Development Engineering Technologist	Public Works	94,825	94,825	-
PW Support Assistant - PT to FT	Public Works	28,608	8,275	20,333
Equipment Operator	Public Works	68,451	-	68,451
Junior Financial Analyst	Finance	90,143	14,031	76,112
EDHS Recreation Program Staff	Recreation, Parks and Facilities	23,663	-	23,663
Total Township Program Changes		484,483	157,984	326,499

Revised Service Partner 2025 Program Changes – Springwater Public Library

The Proposed 2025 Budget tabled on November 6, 2024, included two Springwater Public Library program changes for Council’s consideration. Through resolution of Council, one of the program changes were removed. The following program change is presented for Council’s approval.

Program Change	Library Branch	Gross Costs	Reserve/Cost Sharing	Net Tax Impact (\$)
Expanded Library Hours	Elmvale and Midhurst	26,764	-	26,764
Total Springwater Public Library		26,764	-	26,764

Revised Service Partner 2025 Program Changes – Physician Recruitment

The Proposed 2025 Budget tabled on November 6, 2024, included one Physician Recruitment program change for Council’s consideration. Through resolution of Council, one additional program change was approved. In 2025, both physician recruitment organizations will receive the same financial support. As these initiatives are funded through the Springwater Swing proceeds, there is no net tax impact of these program changes.

Program Change	Organization	Gross Costs	Reserve/Cost Sharing	Net Tax Impact (\$)
Additional Funding	Georgian Bay	6,000	6,000	-
Additional Funding	Barrie Area	2,000	2,000	-
Total Physician Recruitment		8,000	8,000	-

Revised 2025 Township Consolidated Budget – Including Program Changes

The Revised 2025 Consolidated Township Budget, including program changes, represents an increase of \$1,289,218, over 6.52% over 2024. The chart below represents a consolidation of Township’s base budget, as well as program changes, that were detailed earlier in this report. The net tax impact represents the tax increase that will be incurred in 2025.

Consolidated Township Budget	Net Tax Impact (\$)	Net Tax Impact (%)
Township Base Budget Change	935,955	4.74%
Township Program Changes	326,449	1.65%
Service Partner Program Changes	26,764	0.14%
Total Consolidated Township Budget	1,289,218	6.52%

Draft 10-Year Capital Plan and 2025 Capital Budget

The Revised 10-Year Capital Plan includes gross expenditures in the amount of \$280.3M, with sources of funding coming from reserves, reserve funds, development charges, grants, debt, other levels of government and taxation (operating budget). Of the \$280.3M in gross capital expenditures, \$205.9M is allocated towards growth related capital expenditures and \$74.4M is for renewal/rehabilitation of existing capital infrastructure.

Revised 2025 Capital Budget

The Revised 2025 Capital Budget is comprised of carry forward projects from 2024 in the amount of \$33.8M, as well as new capital requests for 2025 in the amount of \$21.4M, for a total Revised 2025 Capital Budget of \$55.2M. The 2025 Capital Budget is funded as follows:

Funding Source	Amount
Development Charges (some of which will require debt)	26,241,809
Debt	12,779,349
Water/Wastewater Reserve Fund	9,907,800
Reserves	2,555,893
Grants/Contributions	351,237
Canada Community Building Fund and Ontario Community Infrastructure Funding	2,441,291
Taxation (Operating)	938,120

The revisions to the 2025 Capital Budget are indicated on pages 3 and 4 of this report and are as follows:

- Remove 2026-13 Rosewood Avenue
- Remove 2025-73 Rainbow Valley Road
- Remove 2025-74 Walt Road
- Remove 2025-75 Flos Rd 3 W
- Reduce scope of 2023-80 Facility Condition Assessment Program
- Remove 2025-83 Arena Zamboni Concrete Pad
- Remove 2025-05 replace ¾ ton truck
- Reduce scope of 2025-16 Phelpston Rink Pavilion
- Remove 2022-43 Fire Dispatch Software
- Remove 2025-53 Robotic Mowers

Proposed 2025 Water & Wastewater Operating Budgets

In 2023, Council approved an update to the water and wastewater rate structure through the assistance of Watson & Associates Economists Ltd. As a result of the rate structure study, at its regular meeting on December 6, 2023, Council passed Resolution C732C-2023 stipulating a 4.00% annual increase for water rates and a 10.00% annual increase for wastewater rates for 2024 to 2028. Revenue estimates for water and wastewater reflect the suggested rate increases.

Not all residents of Springwater are connected to municipal water and/or wastewater services. Only those benefitting properties are charged the water and/or wastewater rate.

Financial Implications

Property Taxation

The property tax financial implications for a typical single family detached dwelling with an assessed value of \$497,000 are detailed in the chart below:

Residential Property Taxes	2024	2025	Change (\$)	Change (%)
Township of Springwater	2,172.22	2,313.89	141.67	6.52%
County of Simcoe	1,488.51	1,542.47	53.96	3.63%
Education	760.41	760.41	-	0.00%
Total	4,421.14	4,613.83	195.62	4.42%

For every \$100,000 of residential assessment, the blended tax impact is \$39.36.

Utility Billing

The utility billing financial implications for a typical household consuming 180 cubic metres of water annually are detailed in the chart below:

Residential Water and Wastewater	2024	2025	Change (\$)	Change (%)
Annual Average Water Bill	581.89	605.52	23.63	4%
Annual Average Wastewater Bill	1,040.03	1,144.57	104.54	10%
Total	1,621.92	1,750.09	128.17	8%

Only benefitting properties are charged the water and/or wastewater rate.

Strategic Priorities

The above initiative supports the following Strategic Priorities/Goals:

Goal 5 - Corporate actions.

Approvals

Submitted by: Greg Bedard, CPA, CMRP, Director of Finance

Reviewed by: Greg Bedard, CPA, CMRP, Director of Finance

**Financial Implications
Reviewed by:** Greg Bedard, CPA, CMRP, Director of Finance

Approved by: Jeff Schmidt, CPA, CGA, Chief Administrative Officer

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