

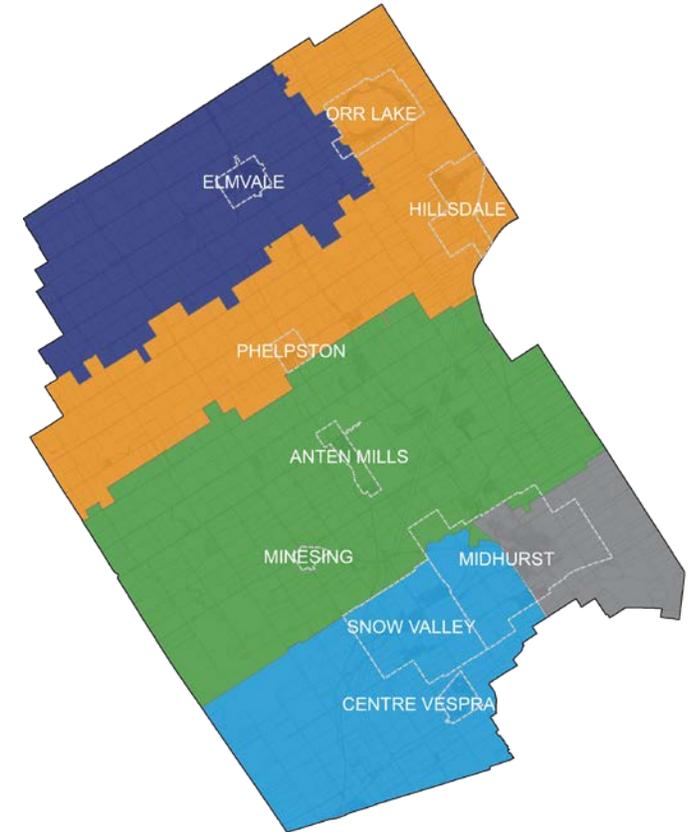
# 2025/26 Multi-Year Budget

Internally Aligned, Externally Focused

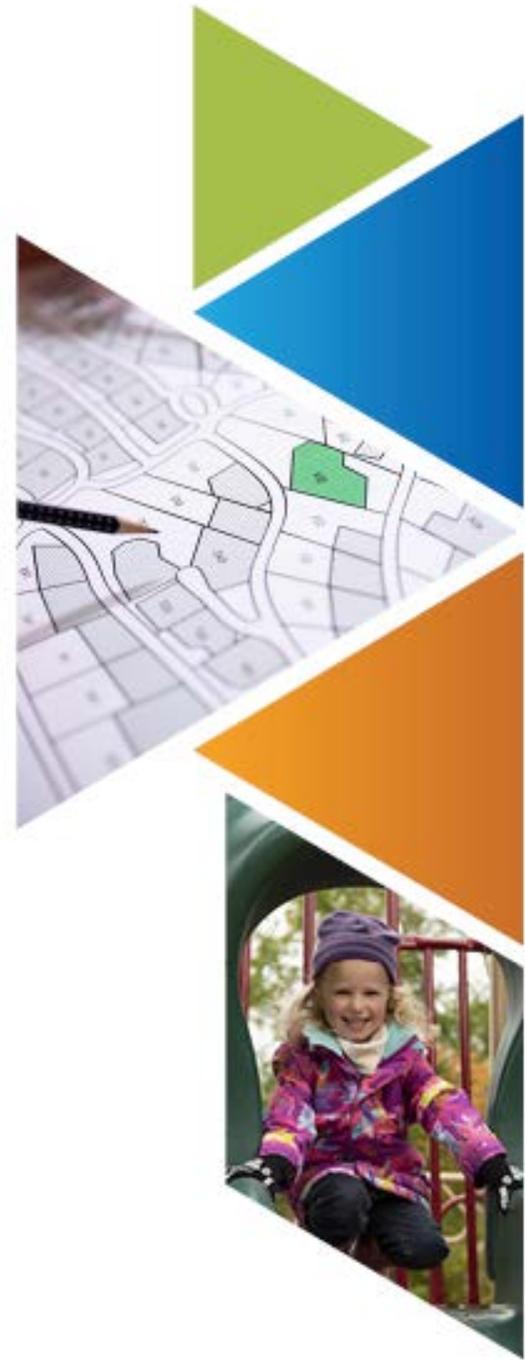


# Agenda

- ✓ Supplemental Taxation Revenue
- ✓ Impact of Reassessment
- ✓ 2025 Proposed Consolidated Budget Recap
- ✓ November 6, 2024 Council Direction



# Supplemental Taxation Revenue



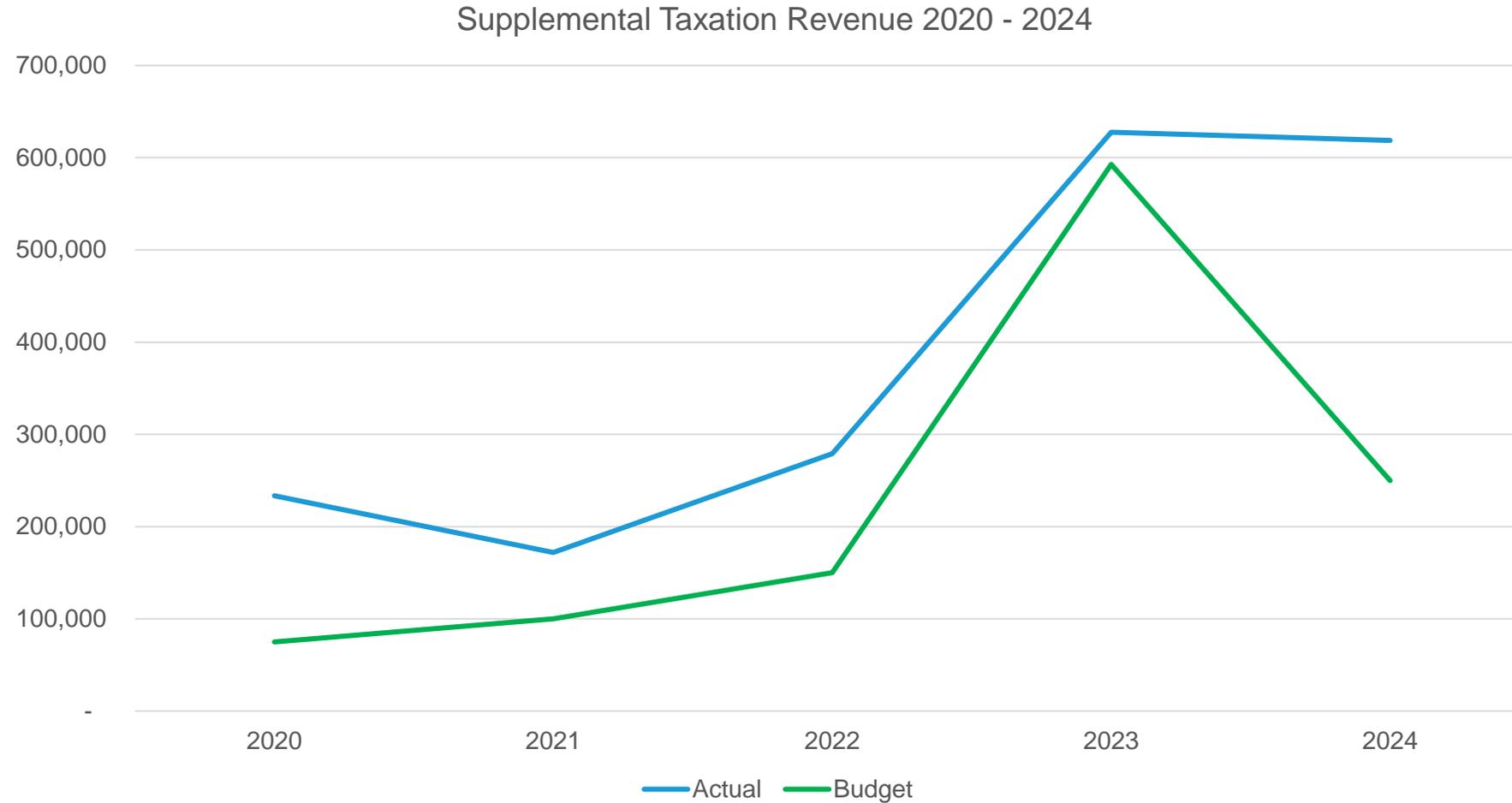
# Supplemental Taxation Revenue

- Supplemental taxation revenue reflects a change to property classification or assessed value due to a change in use or improvements made to property
  - Issued when the change in value increases by 5%, or by \$10,000
- Supplementary assessment
  - Current taxation year only
  - Issued when a change in property use event occurs
    - Example: property is no longer eligible for inclusion the farm property class
- Omitted assessment
  - Current and preceding two taxation years
  - Issued when land that should have been assessed is omitted from the tax roll
    - Example: new residential dwelling

# Supplemental Taxation Revenue

- Supplemental taxation revenue is primarily generated through building permit activity, monitored by both the Township and MPAC
  - New construction, renovation, addition
- Upon occupancy, an assessed value is generated by MPAC for which the Township uses to issue a supplementary/omitted tax bill
  - A supplementary/omitted tax bill is issued effective the date of occupancy and includes the taxes payable for the current year and a maximum of two preceding years, if applicable
- Supplemental taxation revenue is both a reflection of past building permit activity, and to a lesser extent expected future activity
  - A conservative budget approach to supplemental tax revenue is taken to ensure the Township's budget withstands building permit fluctuations

# Historical Supplemental Taxation Revenue



# Impact of Reassessment





\$240,000 ↑ 5%

x

0.125%

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\$300



\$300,000 ↑ 5%

x

0.125%

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\$375



\$420,000 ↑ 15%

x

0.125%

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\$525

# 2025 Proposed Base Budget Recap



# 2025 Consolidated Budget

Budget	Gross Expenditures	Gross Revenues	Net Tax Levy Requirement
Tax Supported Operating	\$29.0M	\$26.2M	\$2,799,986
Water Rate Supported Operating	3.4M	3.4M	-
Wastewater Rate Supported Operating	3.0M	3.0M	-
Capital	56.4M	56.4M	-
<b>Total Consolidated Base Budget</b>	<b>\$91.8M</b>	<b>\$89.0M</b>	<b>\$2,799,986</b>

2025 Proposed Township Base Budget Net Tax Levy Increase: \$2.8 million or 14.16%

# 2025 Net Tax Levy Increase

Total Base Budget Change	Net Tax Impact (\$)
Labour – compensation, group benefits, VFF health care spending account	1,054,585
General operating – utilities, vehicle expenses, contracted services, etc.	310,583
1% infrastructure levy	190,548
Investment in capital funded from taxation	1,300,236
Service partners	657,610
Less: assessment growth	(713,576)
<b>Total Consolidated Net Base Budget</b>	<b>2,799,986</b>

# Impact on Average Residential Property

Tax Levy	2024	2025	Increase \$	Increase %
Township of Springwater	\$2,172.22	\$2,479.90	\$307.67	14.16%
County of Simcoe – Estimated	1,488.51	1,542.47	53.96	3.62%
Education - Estimated	760.41	760.41	-	-
<b>Total Tax Bill</b>	<b>\$4,421.14</b>	<b>\$4,782.77</b>	<b>361.63</b>	<b>8.18%</b>

Based on the Average Single Family Detached Residential Dwelling Assessed at \$497,000

Blended Base Budget Tax Increase 8.18% = \$30.14/month

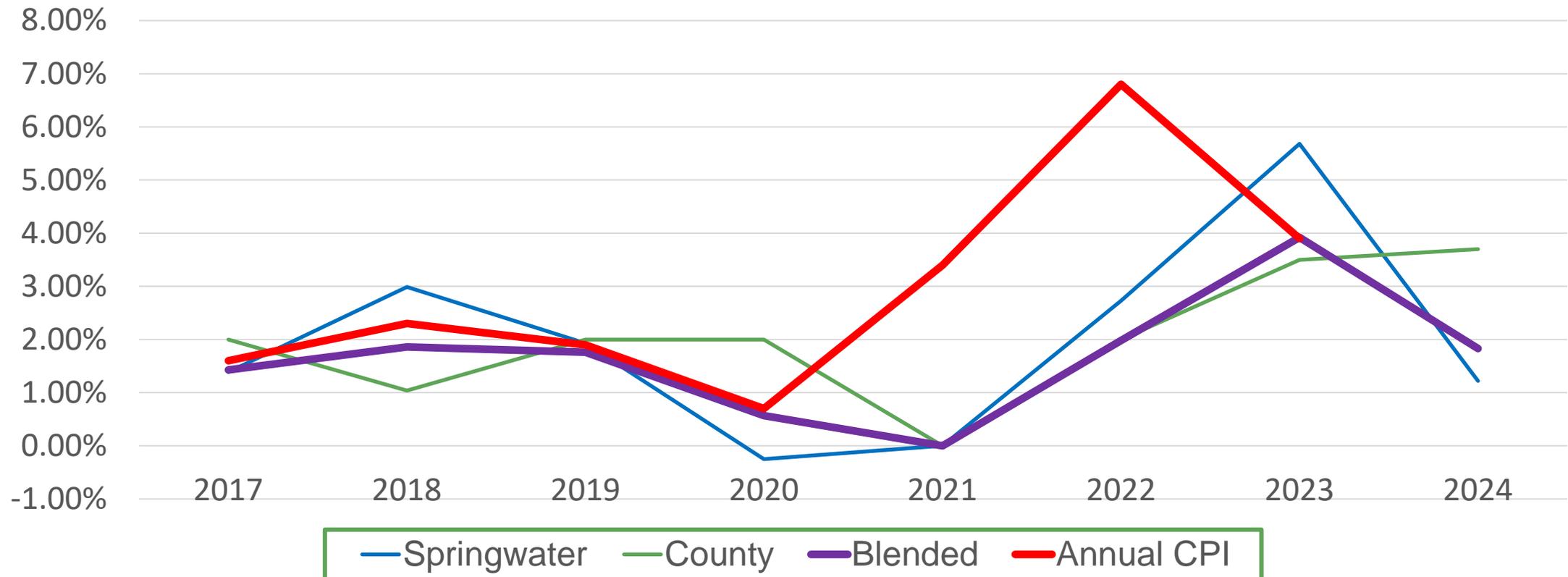
# Impact on Average Residential Property

<b>Water and Wastewater</b>	<b>2024</b>	<b>2025</b>	<b>Increase \$</b>	<b>Increase %</b>
Average Annual Water Bill	581.89	605.52	23.32	4%
Average Annual Wastewater Bill	1,040.03	1,144.57	104.54	10%
<b>Total Average Water and Wastewater Bill</b>	<b>1,621.72</b>	<b>1,750.09</b>	<b>128.37</b>	<b>8%</b>

Based on average annual water consumption of 180 cubic metres

# Historical Tax Increases

## Historical Tax Rate Increases Compared to CPI





# November 6, 2024 Council Direction

*Internally Aligned, Externally Focused*



# Council Resolution C552C-2024

That the report from the Director of Finance regarding the Proposed 2025/2026 Budget & Business Plan, dated November 6, 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 as presented November 6, 2024, be referred to the Special Budget Meetings of Council for deliberation and consideration; and,

That Council direct staff to review the 2025 proposed budget and provide options for a maximum increase of a 12%, 10% and 8% tax increases, including prioritizing program changes for the Special Budget Meetings of Council for deliberations and consideration.

# 12%, 10% and 8% Township Tax Increase Scenarios



# Council Resolution C552C-2024

That Council direct staff to review the 2025 proposed budget and provide options for a maximum increase of a 12%, 10% and 8% tax increases, including prioritizing program changes for the Special Budget Meetings of Council for deliberations and consideration.

## Tax Increase Scenario Evaluation Criteria

- Maintain 2024 service levels
- Maintain 2025 roads rehabilitation capital plan target - \$3.5M
- Reduce or defer 2025 capital plan funded through taxation

# Scenario 1: 12% Township Tax Increase

- \$328.06 increase for the average taxpayer
- 12.62% Township, 7.42% blended tax increase

Change	Amount
Add: expected OMPF revenues	115,000
Remove: 1% compounding of the infrastructure levy	190,548

# Scenario 2: 10% Township Tax Increase

- \$282.18 increase for the average taxpayer
- 10.51% Township, 6.38% blended tax increase

Change	Amount
Add: expected OMPF revenues	115,000
Remove: 1% compounding of the infrastructure levy	190,548
Remove: taxation funding from roads capital, fund from debt	417,516

# Scenario 3: 8% Township Tax Increase

- \$233.95 increase for the average taxpayer
- 8.29% Township, 5.29% blended tax increase

Change	Amount
Add: expected OMPF revenues	115,000
Remove: 1% compounding of the infrastructure levy	190,548
Remove: taxation funding from roads capital, fund from debt	417,516
Remove: taxation funding from roads capital, fund from debt	207,680
Remove: taxation funding from facilities capital, reduce scope of 2023-80 Facility Condition Assessment Program	210,000

# 2025 Proposed Program Changes

*Internally Aligned, Externally Focused*



# Council Resolution C552C-2024

That Council direct staff to review the 2025 proposed budget and provide options for a maximum increase of a 12%, 10% and 8% tax increases, including prioritizing program changes for the Special Budget Meetings of Council for deliberations and consideration.

## Program Change Prioritization Evaluation Criteria

- Impacts on service delivery
- Revenue generating capability
- Addresses current and future growth requirements

# 2025 Proposed Township Program Changes

Program Change	Department	Gross Costs	Reserve/Cost Sharing	Net Tax Impact (\$)	Net Tax Impact (%)
Fire Dispatching Service	Fire and Emergency Services	25,000	-	25,000	0.13%
Manager, Recreation and Culture	Recreation, Parks and Facilities	129,497	-	129,497	0.68%
Operator II	Recreation, Parks and Facilities	71,476	-	71,476	0.38%
Director, People & Talent	Office of the CAO	175,733	38,720	137,013	0.72%
Tax and Utility Coordinator	Finance	82,317	40,853	41,464	0.22%
Development Engineering Technologist	Public Works	94,825	94,825	-	0.00%
PW Support Assistant - PT to FT	Public Works	28,608	8,275	20,333	0.11%
Equipment Operator	Public Works	68,451	-	68,451	0.36%

# 2025 Proposed Township Program Changes

Program Change	Department	Gross Costs	Reserve/Cost Sharing	Net Tax Impact (\$)	Net Tax Impact (%)
Operator I	Recreation, Parks and Facilities	71,476	-	71,476	0.38%
Economic Development Officer	Planning and Development	95,993	-	95,993	0.50%
Equipment Operator	Public Works	68,451	-	68,451	0.36%
Operator I	Recreation, Parks and Facilities	71,476	-	71,476	0.38%
Junior Financial Analyst	Finance	90,143	14,031	76,112	0.40%
Coordinator, Culture and Events	Recreation, Parks and Facilities	75,070	-	75,070	0.39%
EDHS Recreation Program Staff	Recreation, Parks and Facilities	23,663	-	23,663	0.12%
<b>Total Township Program Changes</b>		<b>1,172,179</b>	<b>196,705</b>	<b>975,474</b>	<b>5.12%</b>