



Budget 2025 Presentation

Jennifer Eve, Treasurer-Deputy CAO
December 5, 2024

Strategic Planning

Achieving our Strategic Goals

- Sustainable and responsible growth is at the heart of our strategic plan. We recognize the importance of growth management, balancing development with preserving our unique identity and natural resources
 - Modernize and streamline processes – implementation of financial online system
 - Regulate Short-Term Accommodations- Implementation of short-term accommodation licensing
- Developing a Township Brand and Marketing Strategy
 - Wayfinding Signage through RED Grant while enhancing tourism and attracting people to support our business community.
- Improve the Health and Well-Being Services Offered to residents to align with the Community Needs
 - Contributing to a Health Services Reserve
 - Renovation to Food Bank
- Efficient and Effective Governance. By fostering a culture of continuous improvement and accountability.
 - Responding to and planning for future infrastructure needs by increased contribution to reserves



Budget Process

When preparing the budget, staff considered several important factors. These factors include:

- Actual expenditures from the past year to identify trends and areas for improvement
- Detailed Budget Analysis- conducting a line-by-line review of the operating budget to ensure informed decisions are made based on trending data.
- New Projects that require financing and the impact on the levy
- Review of priorities – distinguishing needs vs wants (essential /non-essential projects)
- Maintaining/increasing the level of service to residents
- Township's Plans – Integrating long-term strategies such as Strategic Plan, Asset Management Plan, and Development Charge Study to ensure budget decisions support broader objectives

2025 Municipal Pressures

The Township is facing several financial challenges for the 2025 Budget. These include:

- Policing Contract
- Police Services Board (new)
- Mandatory Fire Regulations (Hazmat Training)
- Lack of Infrastructure Funding Grants/Infrastructure Needs
- Continued Contribution to the Asset Management Funding Gap
- CVA (no reassessment)- loss of revenue to address inflationary costs
- Increased Insurance costs



Property Assessment

CVA – Continued Delayed

The Ontario government has continued the postponement of a province-wide property assessment update while they review the entire taxation system.

There is no indication of when this review will be complete.

As a result, property assessments for the 2025 property tax years will continue to be based on fully phased-in January 1, 2016, current values.

2025 Property Assessment

- Residential properties account for 97.04% of the Township's property assessment.
- Commercial properties represent 1.43% of the property assessment.
- Managed Forest properties are 0.80% of property assessment
- Farmland properties account for 0.72% of the property assessment.
- Industrial properties are 0.02% of the property assessment.



Municipal Tax Revenue Impact

When considering a tax rate increase, it is important to recognize that:

1% Tax Rate Increase



Revenues = \$42,604



Levy Requirement




The 2025 Draft Budget reflects a levy requirement of \$4,522,069 which provides additional levy revenue of \$301,153 compared to 2024.

The levy requirement results in a municipal tax rate increase of 5.69%.

The increase in the municipal tax rate will address the township's operational needs and support our growth management and strategic planning initiatives. This tax increase approach allows the township to maintain essential services and infrastructure while preparing for future development and sustainability.

Ensuring a balance of current financial requirements with long-term growth strategies is important for the community's overall well-being and future sustainability. By investing in both immediate needs and future planning with growth and strategic goals in mind, the township will create a more resilient and thriving environment for its residents.

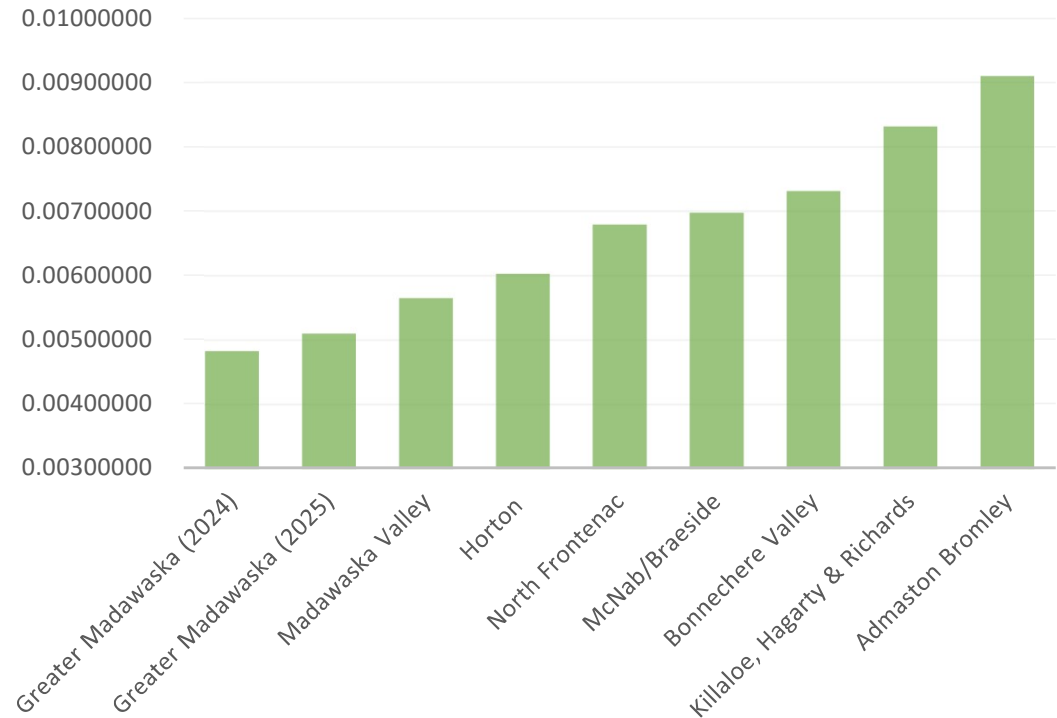
How does a 5.69% Municipal Tax Rate Impact Ratepayers?

2025 Municipal Tax Rate Impacts			
	Assessment Value	Assessment Value	Assessment Value
	\$200,000	\$400,000	\$600,000
Municipal Taxes	\$1,020.17	\$2,040.33	\$3,060.50
Yearly Increase	\$54.96	\$109.91	\$164.87
Monthly Increase	\$4.58	\$9.16	\$13.74

*Municipal Tax Rate Only. County and Education Rates are not determined yet

Residential Municipal Tax Rate Comparison

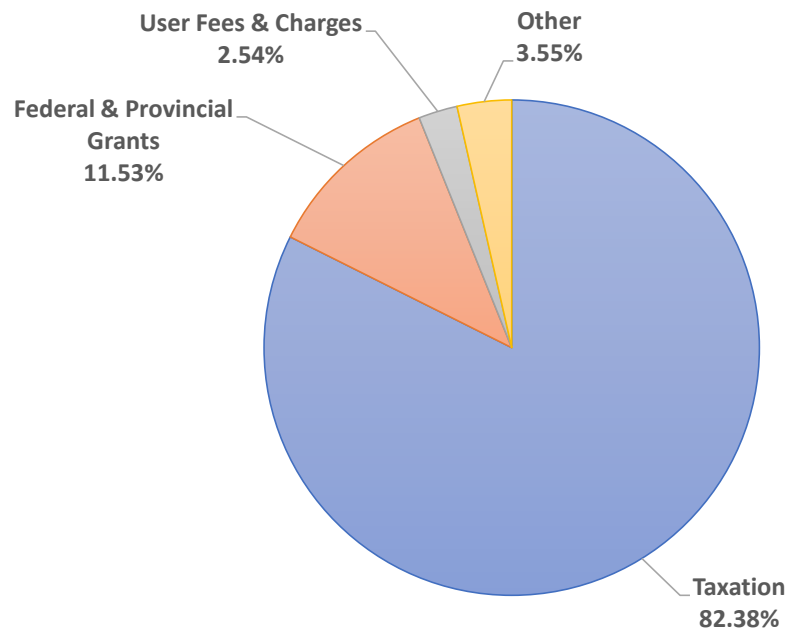
Township	Residential Tax Rate
Greater Madawaska (2024)	0.00482605
Greater Madawaska (2025)	0.00510083
Madawaska Valley	0.00565232
Horton	0.00603129
North Frontenac	0.00679275
McNab/Braeside	0.00697564
Bonnechere Valley	0.00731719
Killaloe, Hagarty & Richards	0.00831962
Admaston Bromley	0.00910171



**Comparator rates are based on 2024 tax rates*

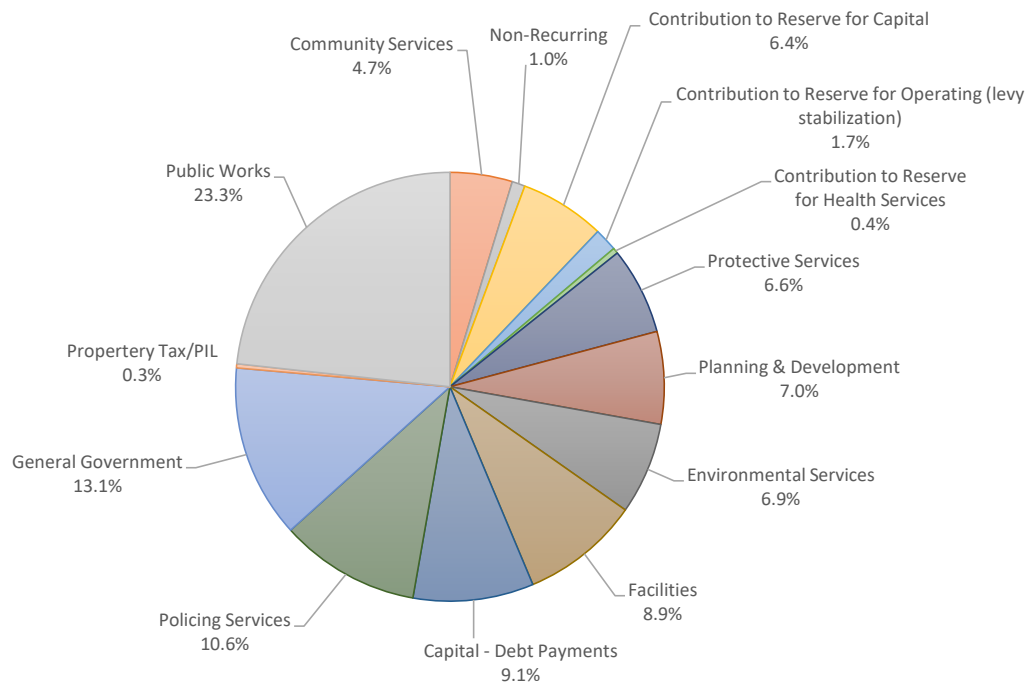
Overall Budget

Operating Revenues



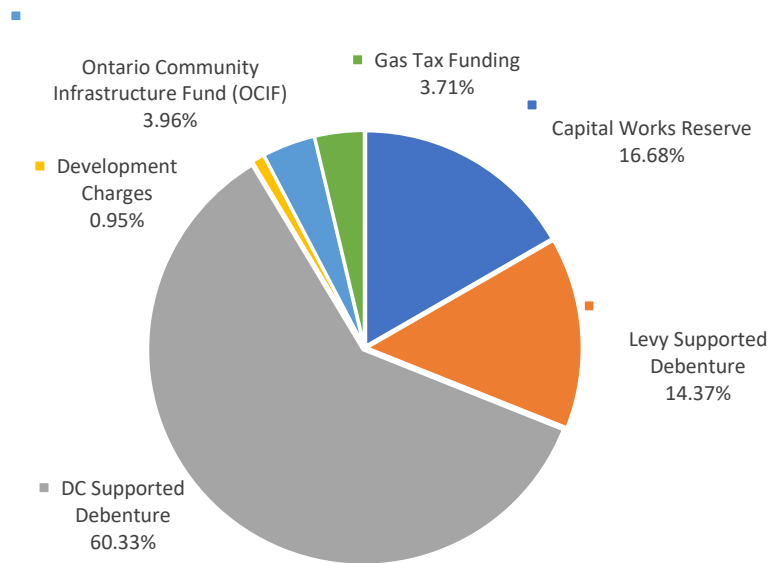
	Budget 2025	Budget 2024	Actual 2024	Budget Variance (\$)
OPERATING REVENUES				
Taxation	4,522,069	4,220,916	4,220,920	301,153
Taxation Adjustments/Supplementals	65,000	65,000	37,858	0
Payment in Lieu of Taxes (PILs)	881,007	859,790	874,852	21,217
Taxation & Tax Associated Revenues	5,468,076	5,145,706	5,133,630	322,370
General Government				
Administration	137,000	118,000	159,271	19,000
Ontario Grants Operating	648,800	591,400	591,400	57,400
Protective Services	24,796	24,700	26,681	96
Public Works	21,100	26,100	17,081	(5,000)
Environmental Services	183,490	147,000	132,237	36,490
Facilities	100,788	86,360	91,226	14,428
Community Services	26,150	27,650	39,610	(1,500)
Planning & Development	262,400	192,900	192,289	69,500
Sub-Total Operating Revenues	6,872,600	6,359,816	6,383,424	512,784
Non-Recurring Items	68,833	100,210	100,210	(31,377)
DC Contribution to Debt Payment	72,921	-	-	72,921
Total Operating Revenues	7,014,354	6,460,026	6,483,634	554,328

Operating Expenses



	Budget 2025	Budget 2024	Actual 2024	Budget Variance (\$)
OPERATING EXPENSES				
Taxation	20,500	-	20,135	20,500
General Government	917,059	947,660	782,702	(30,601)
Protective Services	460,288	423,070	310,454	37,218
Police Services	740,978	706,871	527,249	34,107
Public Works	1,633,955	1,554,440	1,319,007	79,515
Environmental Services	485,411	450,815	367,116	34,596
Facilities	626,728	566,185	511,330	60,543
Community Services	329,972	357,369	341,440	(27,397)
Planning & Development	489,452	405,106	247,196	84,346
Sub-Total Operating Expenses	5,704,343	5,411,516	4,426,630	292,827
Non-Recurring Items	68,833	100,210	83,582	(31,377)
Capital - Debt Payments	638,339	635,654	619,179	2,685
Capital - Cont. to Reserves AMP	380,196	312,646	312,646	67,550
Capital - Cont. to Reserves Debt Retirement	70,236	-	-	70,236
Operating - Cont. to Levy Stabilization	122,407			122,407
Capital - Cont. to Health Services Reserve	30,000			30,000
Total Operating Expenses	7,014,354	6,460,026	5,442,037	554,328

Capital Revenues

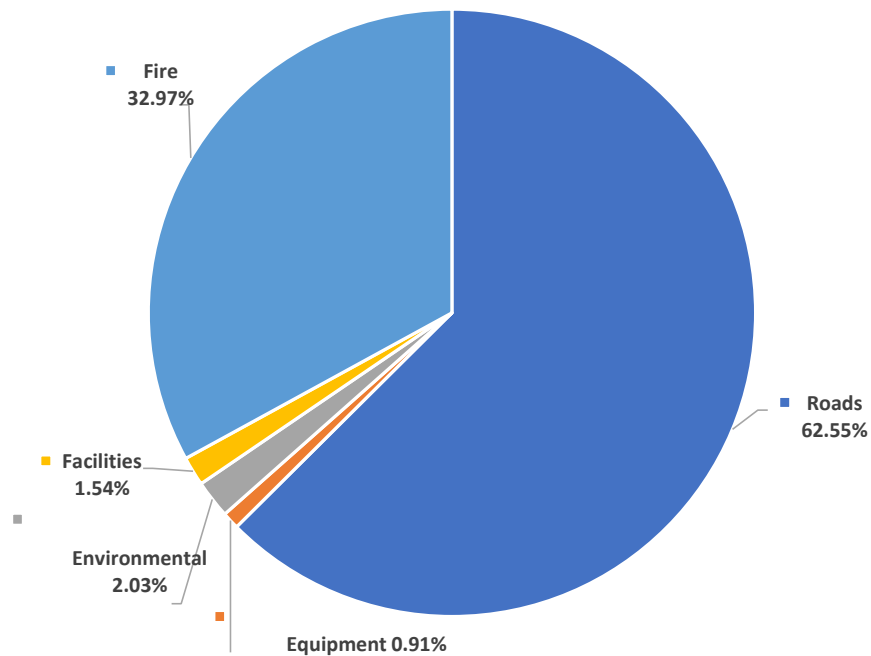


Capital Revenues

Capital Works Reserve	421,692
Levy Supported Debenture	363,131
DC Supported Debenture	1,524,963
Development Charges	24,000
Ontario Community Infrastructure Fund	100,000
Gas Tax Funding	93,796

Total Capital Revenues	2,527,582
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Capital Expenditures



Capital Expenditures

Roads	1,580,968
Equipment	23,000
Environmental	51,353
Facilities	39,000
Fire	833,261

Total Capital Expenditures	2,527,582
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Operating Budget

Taxation

Taxation	2025 Budget	2024 Budget	Increase/ (Decrease)
Taxation (Levy)	4,522,069	4,220,916	301,153
Taxation - Supplementary and Tax Adjustments	65,000	65,000	-
Payments-in-Lieu-of- Taxation (PILs)	881,007	859,790	21,217
Property Tax/PILS Expense	(20,500)	-	(20,500)
Total Taxation	5,447,576	5,145,706	301,870

Taxation Changes

- The levy increase includes a 5.69% tax rate increase and a 1.31% growth in assessment.
- Payment in lieu of taxes was adjusted to reflect the 5.69% increase
- Property Tax/PIL Expense reflects Township owned properties reallocated from Environment

Corporate Services

Corporate Services	2025 Budget	2024 Budget	Increase/ (Decrease)
Revenues	785,800	709,400	76,400
Expenses	917,059	947,660	(30,601)
Net Operating Costs	(131,259)	(238,260)	(107,001)

Corporate Services Changes

- Revenues for penalties/interest, bank interest and other interest, have been increased to reflect trending.
- Ontario Municipal Partnership Fund (OMPF) has increased as per the 2025 Allocation
- Adjustments to Wages and benefits include employment agreement adjustments, COLA of 2.5%, and progressions along the pay grid. This section has decreased due to a reallocation of admin wages to the Public Works Department
- Insurance costs have increased to reflect 2024 actuals plus an estimated 10% increase.
- Audit Fees have increased as per our final audit extension agreement.
- Increase Bank Charges / Debit /Credit Charges to reflect trending
- Minor adjustments throughout

Protective Services

Protective Services	2025 Budget	2024 Budget	Increase/ (Decrease)
Revenues	24,796	24,700	96
Expenses	1,323,673	1,129,941	193,732
Net Operating Costs	(1,298,877)	(1,105,241)	193,636

Protective Services Changes

- Slight change to revenue for Admaston/Bromley Mutual Aid Agreement
- Wages and benefits include employment agreement adjustments, COLA of 2.5%, and progressions along the pay grid
- Increase training and staff development to reflect hazmat operations mandatory training to be completed by 2026.
- Increase to replace fire prevention equipment
- Increase to cover the cost of wildfire boots/boot allowance for VFF
- Increase Agreements for Services to reflect the MNR Wildfire Agreement
- Addition of budget for maintenance of Fire Trailers and Fire Rescue Boat

Policing

- Contribution to a levy stabilization reserve for future increased policing costs.
- On Friday, November 29, 2024, the Township received confirmation from the Province for financial relief in the value of \$122,403, bringing the total Policing Services from \$853,004 to \$730,601.
- While this assistance will provide relief if applied in the year 2025, it is important to note that increasing expenses for future years will still remain. As a result, staff are recommending that these funds be directed to an operating reserve for levy stabilization, helping to manage and mitigate future financial pressure.
- Addition of Police Services Board. The Community Safety and Policing Act, April 01, 2024, requires the municipalities to form a Police Services Board; the Township has added a new budget line, “Police Services Board”, to reflect the estimated shared costs of this service.

Public Works

Public Works	2025 Budget	2024 Budget	Increase/ (Decrease)
Revenues	21,100	26,100	(5,000)
Expenses	1,633,955	1,554,440	79,515
Net Operating Costs	(1,612,855)	(1,528,340)	84,515

Public Works Changes

- Wages and benefits include COLA of 2.5% and progressions along the pay grid. These accounts have been amended to reflect the allocation of wages to specific activities. The wages transfer offset the appearance of a savings.
- PW – Transfer to Capital Road Projects and allocate internal labour costs to Capital Projects. The capital allocation fluctuates based on capital road projects.
- Increase to culverts for operating maintenance.
- Increase to Loose Top- Maintenance Granular due to rising costs and the need to maintain gravel roads, as well as the crushing of the stone currently owned by the Township.

Environmental Services

Environmental Services	2025 Budget	2024 Budget	Increase/ (Decrease)
Revenues	183,490	147,000	36,490
Expenses	485,411	450,815	34,596
Net Operating Costs	(301,921)	(303,815)	(1,894)

Environmental Services Changes

- Addition of revenue for the new Circular Materials Agreement.
- Decrease in revenue for Ontario Stewardship Fund, which is retiring in June 2025.
- Slight adjustment to Black Donald Transfer Site Tipping fees
- The decrease to Env- Office/PIL is the reallocation of property taxes/PIL expenses owned by the Township to the Taxation section of the budget
- Wages and benefits include COLA of 2.5%, and progressions along the pay grid and adjusted to reflect trending/
- Decrease to Griffith Transfer Site Engineering Fees to remove one time Ministry of Environment expenses added to the 2024 budget.
- Increased MSP Contracted Services Grinding to reflect operational expense for 2 years of construction waste grinding

Facilities

Facilities	2025 Budget	2024 Budget	Increase/ (Decrease)
Revenues	100,788	86,360	14,428
Expenses	626,728	566,185	60,543
Net Operating Costs	(525,940)	(479,825)	46,115

Facilities Changes

- Rent revenues increased slightly based on individual agreements.
- Barnet Cottage rental increased due to trending.
- Wages and benefits include COLA of 2.5%, and progressions along the pay grid.
- Insurance has been increased by 2024 actuals plus 10%
- Boot allowance increase to reflect the actual allocation
- Fuel/Lubricants/Oil increase to reflect trending and consideration of rec vehicle
- Facilities Trails reallocated to Facilities and Grounds from Recreation. No increase- reallocation
- Minor adjustments throughout buildings due to efficiencies.

Community Services

Community Services	2025 Budget	2024 Budget	Increase/ (Decrease)
Revenues	26,150	27,650	(1,500)
Expenses	359,972	357,369	2,603
Net Operating Costs	(333,822)	(329,719)	4,103

Community Services Changes

- The Township's strategic goal was to provide an increase of service to residents relating to programming. As a result, a Summer Camp Student wage and benefits budget was created to reflect summer programming costs and an increase in Canada Day expenses to provide for DACA and Matawatchan Community, as well as to reflect trends.
- The Physician Recruitment Agreement expired on December 31, 2024. As per the Township's goal to increase health and well-being offered to residents, staff have allocated this contribution to a "Health Services Reserve" for future planning.
- The trails budget was reallocated to Facilities and Grounds.
- General housekeeping such as reallocation of Community Beautification account to Miscellaneous and renaming "Community Development Initiatives".

Planning & Development

Planning & Development	2025 Budget	2024 Budget	Increase/ (Decrease)
Revenues	262,400	192,900	69,500
Expenses	489,452	405,106	84,346
Net Operating Costs	(227,052)	(212,206)	14,846

Planning & Development Changes

- Revenues are consistently trending with expectations.
- Building permits have been increased to reflect trending and uprise in building permits issued.
- Wages and benefits include COLA of 2.5%, and progressions along the pay grid.
- Increase of Revenue/Expenses to reflect Short Term Accommodation Licensing Fee and costs associated.
- Minor adjustments throughout to reflect operational demands.

Non-Recurring

Non-Recurring	2025 Budget	2024 Budget	Increase/ (Decrease)
Revenues	68,833	100,210	(31,377)
Expenses	68,833	100,210	(31,377)
Net Operating Costs	-	-	-

Non-Recurring Items

- This section includes non-recurring items such as plans and reviews and projects that are not considered capital or annual operating expenses.
- In 2025, we have included the following items:
 - Finance system – implementation of Icity Online portal
 - Wayfinding Signage
- The projects listed above are funded through non-conditional modernization grant funding and the RED Grant Program.

Reserve Contribution

Reserve	2025 Budget	2024 Budget	Increase/ (Decrease)
Contribution to Reserves - AMP	380,196	312,646	67,550
Contribution to Reserve- Debt Retirement	70,236		70,236
Contribution to Operating - Levy Stabilization	122,407		122,407
Contribution to Reserve- Health Services	30,000		30,000
Net Reserve Contribution	(602,839)	(312,646)	290,193

Reserve Contribution Change

- The 2022 Asset Management Plan (AMP) identified an annual capital infrastructure deficit of \$1.5 million.
- Based on a 20-year recommended timeframe for eliminating the annual infrastructure deficit, the AMP recommended a 1.6% tax revenue increase to fund the Township's asset management program.
- Contribution to reserve for Capital Works has been increased to reflect this need. This contribution value is \$67,550.
- An additional contribution of \$70,236 has been allocated to the Capital Works reserve in 2025, demonstrating our commitment to meeting capital reserve requirements through debt retirement payments. We will discuss this further when we get to the Cost of Borrowing
- A contribution to Operating from the DC Reserve to account for the debenture principal and interest payments on the debenture for Matawatchan Road, completed in 2024.
- A contribution to Operating Reserve to help alleviate future Policing Costs of \$122,407
- A contribution to Reserve for future Health Services of \$30,000

Cost of Borrowing

Cost of Borrowing	2025 Budget	2024 Budget	Increase/ (Decrease)
Contribution from DC Reserve	72,921		72,921
Debt Interest	138,323	134,597	3,726
Debt Principle	500,016	501,057	(1,041)
Net Cost of Borrowing	(565,418)	(635,654)	(70,236)

Cost of Borrowing

- Increase in interest and principal on serial debentures for new debt acquired as per the 2024 approved Capital Budget.
- This debt was for the development charge portion of Matawatchan Road, and as a result, the principal and interest will be funded by the DC Reserve with a contribution from Reserves of \$72,921 for 2025.
- In 2024, one debenture matured. For 2025, staff recommend contributing the retired principal and interest payments to the capital reserve. By contributing the retired principal and payments to capital reserves, we are ensuring that those funds can be utilized effectively for upcoming capital projects that rely on levy funding. This approach will help maintain our financial stability and support ongoing infrastructure and community needs

Capital Budget

Capital Projects

Project	Source	2024 Capital Items WIP to 2025	2025 Capital Items Budget	Total Capital Cost
Roads				
465 - Matawatchan Rd (LCB)	AMP		658,121	658,121
468 - Matawatchan Rd (LCB)	AMP		359,170	359,170
469 - Matawatchan Rd (NF to County LCB)	AMP		310,000	310,000
400 - Church St (LCB)	AMP		160,927	160,927
Bluff Point	AMP		57,750	57,750
Engineering & Design - Various Roads			15,000	15,000
446 - Kennedy Rd (Survey and Prep)	AMP		10,000	10,000
439 - Hyland Creek Rd (Survey and Prep)	AMP		10,000	10,000
Roads Total		0	1,580,968	1,580,968
307 - KARCHER PRESSURE WASHER			7,000	7,000
XXX-Heavy Equipment Scanner			16,000	16,000
Vehicles & Equipment Total		0	23,000	23,000

Capital Projects

Project	Source	2024 Capital Items WIP to 2025	2025 Capital Items Budget	Total Capital Cost
Environmental				
332 - Construction Bins	AMP		0	0
325- Garbage Compactor Bins			15,000	15,000
New- Utility Trailer (Add to AMP with no value - NEW			13,229	13,229
Well Repair - Black Donald Site	2024 Budget	23,124		23,124
Environment Total		23,124	28,229	51,353
Facilities				
266- Paved Parking Cal Comm Hall			15,000	15,000
Docks			24,000	24,000
Facilities Total		0	39,000	39,000
Fire				
638 - V#9724 1989 TANKER (Replace w/ Pumper/Tanker)	AMP		726,261	726,261
343-V#9827 Replacement 2010 1/2 Ton Truck Station #1 with 3/4 Ton Truck			100,000	100,000
Incident Command System	FMP		7,000	7,000
Fire Total		0	833,261	833,261
Total Capital		23,124	2,504,458	2,527,582

Capital Projects Highlights

Matawatchan Road (LCB to Hot Mix Asphalt)

- **Description of Works:**
 - The work involves ditching, new culverts, guide rail, pulverizing old surface treatment, adding gravel, and upgrading from LCB to Hot Mix Asphalt, including the granular seal of the guide rail and sharp curves.
- Total Length of Project – 3.5 km





Capital Projects Highlights Cont'd

Matawatchan Road –Shared North Frontenac (LCB to Hot Mix Asphalt)

- **Description of Works:**
 - The work involves ditching, new culverts, guiderail, pulverizing old surface treatment, adding gravel, and upgrading from LCB to Hot Mix Asphalt including the granular seal of the guiderail and sharp curves.
- Total Length of Project – 3.3 km



Capital Projects Highlights Cont'd

Church Street LCB

- **Description of Works:**
 - The work involves ditching, new culverts, pulverizing old surface treatment, adding gravel, and upgrading the current LCB
- Total Length of Project – 1.1 km

Capital Projects Highlights Cont'd

Bluff Point

- **Description of Works:**
 - The work involves overlaying old LCB with new LCB
- Total Length of Project – Approx. 1.0 km



Debentures

Debentures

By-Law	Projects	Debenture Year	Original Value	Maturity Date	Interest Rate	Debt as of 12/31/25
By-Law 35-2015	— 19 Parnell St	2016	\$577,000	Aug. 2025	2.31%	0
	— Tandem Snow Plow					
By-Law 20-2019	— Fire Rescue Van	2018	\$1,106,613	Apr. 2029	2.74%	387,315
	— Barryvale Road					
	— Backhoe					
	— Excavator					
	— Tandem Snow Plow					
By-Law 42-2022	— Various Projects	2022	\$2,057,000	Jul. 2032	4.47%	1,424,500
By-Law 72-2023	— Flat Road Resurfacing	2024	\$773,000	Dec. 2033	4.71%	618,400
	— Loader					
	— Tandem Plow Truck					
	— Used Dump Truck					
By-Law 11-2024	— Matawatchan Road DC	2025	\$508,556	2034	4.71%	457,704
By-Law XX-2025	— Matawatchan Road	2026	\$1,888,094	2043	4.71%	1,888,094
	— Fire Pumper/Tanker					
	— Fire 3/4 Ton Truck Stn 1					
					Total	4,776,013

Debentures – Levy Funded/DC Funded

- The 2025 debenture proposed will have the principal and interest payments 80% funded by DC Reserve and 20% by levy.
- Staff recommend proceeding with a partially DC-funded debenture to fund Matawatchan Road and the Pumper/Tanker for 2025.
- The pumper/tanker has already been approved by Council in 2024, making this expense committed.
- Alternatively, delaying the other capital road projects could be considered; however, it is not recommended for certain projects due to the deterioration of the assets.

Development Charges

The Development Charge Reserve Fund is currently in deficit due to significant growth-related projects that need to be completed before the collection of Development Charges to fund them. Based on projected estimates, staff anticipate that this reserve will recover from its deficit and will be able to fund the proposed principal and debt payments going forward.

Up to 2022, the Development Charge was significantly undervalued, reducing the Township's ability to fund growth-related projects. In 2022, Council approved a higher Development Charge. The charge was approved at 90% and phased in over 4 years; fully phased to 90% by 2025. Staff will be working with Consultants on a new Development Charge Review in 2026.

Reserve & Reserve Funds

Reserve & Reserve Fund Schedule

Reserves	Est. Opening Balance 2025	Est. Ending Balance 2025
Working Funds	353,723	353,723
Capital Works	476,856	505,596
Landfill Post Closure	340,000	340,000
General Operating Contingency	200,000	322,407
Grant Funding	92,365	38,182
Recreation and Culture	89,153	89,153
Health Services Reserve		30,000
Other and unspecified (Prior year surplus)	-	200,000
Total Reserves	1,552,097	1,879,061
Reserve Funds		
Park Reserve Fund	143,158	143,158
Shoreline Reserve Fund	4,280	4,280
Development Charge Reserve Fund	(100,038)	65,765
Total Reserve Funds	47,400	213,203
Total Reserve and Reserve Funds	1,599,496	2,092,263



Questions?