



**SUBJECT: 2025 Budget Overview**  
**TO: Committee of the Whole**  
**FROM: Finance Department**

Report Number: F-36-24

Wards Affected: All

Date to Committee: November 4, 2024

Date to Council: November 19, 2024

---

**Recommendation:**

Receive the 2025 proposed budget book; and

Direct the Chief Financial Officer to present the recommendations contained in Appendix A of finance department report F-36-24 to the Budget Committee meetings of November 18 and 21, 2024 for review and approval, taking into consideration committee amendments; and

That pursuant to Ontario Regulation 284/09, Report F-36-24 serve as the method for communicating the exclusion of the following estimated expenses from the 2025 Budget:

- a) Amortization expense - \$45 million; and
- b) Post-employment benefit expenses - \$1.3 million

**PURPOSE:**

This report provides an overview of the proposed 2025 operating and capital budget and forecast. The report also satisfies the reporting requirement for Ontario Regulation 24/09 related to unbudgeted expenses.

Vision to Focus Alignment:

- Designing and delivering complete communities
- Providing the best services and experiences
- Protecting and improving the natural environment and taking action on climate change

- Driving organizational performance

## Executive Summary:

In June 2024, Council received the 2025 Financial Forecast Report (F-25-24). This report provided Council with an overview of the known and estimated financial pressures impacting the City. In July 2024, the Mayor issued a Mayoral decision 2024-16 (COW-19-24) to direct the Chief Financial Officer to prepare the 2025 Budget.

Since that time, staff have worked with the Mayor to finalize the proposed 2025 Budget which results in a recommended budget increase of 7.5% or a 3.79% property tax increase for Burlington's portion of the overall tax bill. When combined with the estimated increase for the Region of Halton and the Boards of Education, the overall property tax increase is 4.97% equivalent to \$45.66 per \$100,000 of residential current value assessment (CVA).

The 2025 proposed budget stabilizes and enhances service levels while ensuring our assets are maintained in a state of good repair. All of this will ensure residents continue to receive the programs and services that provide for the high quality of life in Burlington.

The budget is aligned with the 4 principles outlined in the Mayoral decision (2024-16 (COW-19-24):

1. **Affordability** – Balance providing for today while preparing for our future.
2. **Livability** - Making sure the quality of life for the residents of Burlington is upheld and the services you depend on are enhanced, especially as we continue to grow by over forty per cent in the next 25 years.
3. **Sustainability** – Our budget must provide for present needs while preparing for our future.
4. **Transparency** – A simpler, easier to track and understand presentation of the budget, to foster better community engagement.

Council will have the opportunity to bring motions to modify the Proposed Budget budget on Nov. 18 and (if needed) Nov. 21. There have been and continue to be multiple opportunities for the public to share their input, as noted in the engagement section.

---

## Background and Discussion:

In June 2024, Council received the 2025 Financial Forecast Report (F-25-24). This report provided Council with an overview of the known and estimated financial pressures impacting the City. In July 2024, the Mayor issued a Mayoral decision 2024-16 (COW-19-24) to direct the Chief Financial Officer to prepare the 2025 Budget.

Since that time, staff have been working closely with the Mayor to finalized the preparation of the proposed 2025 Budget which results in an increase of 7.5%. When combined with the Region of Halton and Boards of Education the overall property tax increase is 4.97%. Of this 4.97%, Burlington's portion of the overall increase is 3.79%.

This report will outline the process undertaken to finalize the budget, discuss key budget pressures/challenges and summarize the financial impacts for 2025.

The 2025 budget submission continues to adhere to the guiding principles and directions of the following reports:

- F-25-24: 2025 Financial Forecast Report
- F-24-24: Multi-year Community Investment Plan – Financing Plan Update Report
- F-20-23: 2023 Asset Management Financing Plan update
- CM-12-23: Vision to Focus (V2F) The City of Burlington's 4-Year Workplan
- F-19-23: 2023 Financial Condition Assessment
- F-22-12: The City of Burlington Long Term Financial Plan

## **Budget Principles**

As part of her Budget Direction, the Mayor outlined 4 principles upon which she asked the budget to be developed.

The following is a summary of those 4 budget principles:

### **1) Affordability**

Balance providing for today while preparing for our future with things like:

- Maintaining or enhancing affordability measures for residents, including the low-income property tax relief program, free transit, fee subsidy, flood relief and other programs to ensure income is not a barrier to participation in community life.
- Ensure proposed increases are focused on community-identified essentials.
- Ensure fast turnaround and a competitive cost of doing business to attract and grow businesses in Burlington to increase the economic tax base, to ease the tax burden on residents alone.
- Before budgets are increased, seek to fund needs through finding efficiencies, reallocating existing funds, using technology, identifying non-tax revenue sources, and other measures.
- As we catch up on infrastructure, inflation, and low assessment growth, continue to reduce the annual budget increase and tax increase.

## **2) Livability**

Making sure the quality of life for the residents of Burlington is upheld and the services you depend on are enhanced, especially as we continue to grow by over forty per cent in the next 25 years.

- Maintain existing community services while accounting for inflation.
- Enhance services based on priorities identified by the community.
- Fund multi-year projects and spread costs over time. For the 2025 budget, that includes new facilities at Skyway Arena and Robert Bateman Community Centre.
- Investments to improve services like bylaw compliance, urban forestry, more park washrooms, expanding transit, fire safety and speed enforcement.

## **3) Sustainability**

Our budget must provide for present needs while preparing for our future:

- Invest in state of good repair for community assets, including roads, parks, community centres, with a dedicated two per cent infrastructure levy. This will help close the gap in funding needs and funding available, a gap that has grown due to inflation and population growth.
- Enhance Burlington's financial health considering such indicators as debt ratio, non-tax revenue, and reserve balances, and increase advocacy for additional upper-level government funding.
- Ensure rate and fee adjustments are aligned with inflation and market comparators.

## **4) Transparency**

Residents have asked for a simpler, easier to track and understand presentation of the budget, to foster better community engagement.

## **2025 PROPOSED OPERATING BUDGET**

Municipalities are required by provincial law to balance their annual budget such that revenues match the expenditures for the current year.

The net tax levy is the amount of property taxes required to support city services after consideration of user fees and other corporate revenues.

For 2025, the net tax levy consists of a proposed base amount of \$262,075,169 plus recommended key investments of \$2,253,676 for a total proposed net tax levy of \$264,328,845.

## Financial Matters:

### 2025 Overall Tax Impact

The investments in existing and expanded service delivery included within the budget result in a City increase of 7.5% or a 3.79% property tax increase for Burlington’s portion of the overall tax bill. When combined with the estimated increase for the Region of Halton and the Boards of Education, the overall property tax increase is 4.97% equivalent to \$45.66 per \$100,000 of residential current value assessment (CVA).

This table outlines the resulting figures:

	2024 Share of Tax Bill	2025 Share of Tax Bill	2024 Taxes	2025 Budget Change	2025 Taxes	\$ Tax Increase	% Tax Increase
Burlington	50.57%	51.78%	\$ 464.27	7.50%	\$ 499.10	\$ 34.83	3.79%
Halton	32.77%	32.34%	\$ 300.88	3.60%	\$ 311.71	\$ 10.83	1.18%
Education	16.66%	15.87%	\$ 153.00	0.00%	\$ 153.00	\$ -	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.0%</b>	<b>\$ 918.15</b>	<b>4.97%</b>	<b>\$ 963.81</b>	<b>\$ 45.66</b>	<b>4.97%</b>

The following table provides a breakdown of Burlington’s budget change which results in this overall tax increase:

### 2025 Tax Summary

	2025 Budget Change	2025 Budget Change
<b>Base Budget Impact including Assessment Growth @ 0.75%</b>	<b>\$ 8,313,271</b>	<b>2.63%</b>
<b>Infrastructure Renewal Levy</b>	<b>\$ 4,861,000</b>	<b>1.98%</b>
<b>Cumulative Impact including Infrastructure Levy</b>	<b>\$ 13,174,271</b>	<b>4.61%</b>
<b>Additional Budget Pressures</b>		
Annualization of 2024 budget decisions	\$ 707,790	0.29%
Operating Impacts of New Infrastructure	\$ 2,740,980	1.11%
Operational and Financial Sustainability	\$ 409,131	0.17%
Multi-Year Community Investment Plan	\$ 1,000,000	0.41%
<b>Cumulative Impact</b>	<b>\$ 18,032,172</b>	<b>6.58%</b>
<b>Key investments</b>		
Affordability	\$ 123,975	0.05%
Livability	\$ 1,540,609	0.63%
Sustainability	\$ 440,790	0.18%
Transparency	\$ 148,301	0.06%
<b>Grand Total City</b>	<b>\$ 20,285,848</b>	<b>7.50%</b>
<b>Overall Tax Increase (City, Region, Education)</b>		<b>4.97%</b>

### Multi-year Simulation

The Multi-year Simulation (attached as Appendix B) provides a 5-year forecast of future tax increases. The simulation provides an analysis of what the future financial picture for the City of Burlington may look like, helps assess financial risks and the affordability of existing services and capital investments, and provides an opportunity to analyze sensitivities to assumptions.

When developing the 5-year budget simulation model, staff considered many factors including:

- Known inflationary and contractual obligations impacting the base budget.
- Alignment to the goals and objectives of the City’s Long-Term Financial Plan and Financial Condition Assessment.
- The general outlook for the city including growth projections.
- Infrastructure funding consistent with the Asset Management Funding Plan and Multi-Year Community Investment Plan.
- Financial commitments resulting from recent Council decisions and previously approved capital projects.
- Forecasted investments required to sustain city operations, manage community growth, and enhance city services.

The Multi-Year Simulation forecasts increases as follows:

	2026	2027	2028	2029	2030	Average 2026-2030
<b>City Budget Increase</b>	6.68%	6.51%	6.00%	5.75%	5.13%	6.01%
<b>City Share of Overall Property Tax Increase</b>	3.46%	3.44%	3.24%	3.17%	2.88%	3.24%
<b>Overall Property Tax Increase*</b>	4.43%	4.24%	4.03%	3.78%	3.48%	3.99%

\*including Halton Region and Boards of Education

## 2025 PROPOSED CAPITAL BUDGET

The City’s 2025 capital budget is \$103.5 million with a 10-year capital program (2025-2034) of \$1.1 billion.

As presented in previous years, the capital program categorizes projects into the following four areas:

- **New / Enhanced projects** – increases to current service levels beyond what the city currently provides, not as a result of growth
- **Infrastructure Renewal projects** – repair, refurbishment or replacement of an existing asset to extend its useful life in accordance with the asset management plan
- **Growth projects** – capital required to service growth within the city
- **Green projects** – projects which support the city’s climate goals

The following table provides a summary for each asset category. Infrastructure renewal represents the largest type at 80.7% followed by growth-related projects at 11.6%, new / enhanced projects of 5.3% and green projects of 2.3%.

### 10-year capital budget by asset category

Project Type	New/ Enhanced	Infrastructure Renewal	Growth	Green	Total
Facilities and Buildings	\$ 18,388	\$ 174,106	\$ 14,353	\$ 406	\$ 207,254
Information Technology	\$ 3,435	\$ 66,715	\$ -	\$ -	\$ 70,150
Parks and Open Space	\$ 2,250	\$ 106,552	\$ 10,421	\$ -	\$ 119,223
Roadways	\$ 30,371	\$ 368,409	\$ 93,471	\$ 3,062	\$ 495,313
Stormwater Management	\$ -	\$ 59,712	\$ 8,014	\$ -	\$ 67,726
Vehicles and Equipment	\$ 4,001	\$ 110,668	\$ 1,387	\$ 22,208	\$ 138,263
<b>Total</b>	<b>\$ 58,445</b>	<b>\$ 886,161</b>	<b>\$ 127,646</b>	<b>\$ 25,676</b>	<b>\$ 1,097,929</b>

All values in thousands ('000), numbers may not add due to rounding

## **Expenses Excluded from the Budget**

As per Ontario Regulation 284/09, in preparing the budget for a year, a municipality may exclude the estimated expenses of all or portion of the followings:

- Amortization expenses,
- Post-employment benefit expenses, and
- Solid waste landfill and post-closure expenses.

The municipality must, prior to adopting a budget for the year that excludes any of the expenses listed above, prepare, and have Council approve a report containing the following:

- (a) An estimate of the change in the accumulated surplus of the municipality or local board to the end of the year resulting from the exclusion of any of the expenses listed above, and
- (b) An analysis of the estimated impact of the exclusion of any of the expenses listed above on the future tangible capital asset funding requirements of the municipality.

### **Amortization Expenses**

The projected amortization expense of the tangible capital assets for 2025 is \$45 million. The City's 2025 proposed capital budget does not include this expense; however, funding for the acquisition of tangible capital assets in the amount of approximately \$103 million is included in the proposed budget.

### **Post-Employment Benefits**

The City of Burlington reports the impact of post-employment benefit expenses to Council annually as part of the financial statements. The City does budget annually for the current year costs expected to be incurred but does not budget for the estimated future liability.

Post-Employment Benefits include dental & health care benefits that the City provides between the time an employee retires and the time that an employee reaches 65, as well as the potential future costs to the City as a self-insured employer under the Workplace Safety and Insurance Act, 1997.

The increase to the 2025 Post-Employment Benefit is estimated at \$0.9 million, and the increase to the WSIB liability is estimated at \$0.4 million.



The projection was determined through an Actuarial Review, which was completed by an independent organization evaluating the probability of events and quantifies the contingent outcomes based on industry and City of Burlington-specific experiences.

It is important to note that, while PSAB requires a municipality to disclose the liability in its financial statements, there is no requirement to fund this long-term liability.

## **Budget Approval Process**

Section 284.16 of the [Municipal Act, 2001 S.O. 2001, c. 25](#) outlines a statutory process for the approval of municipal budgets beginning with the presentation of the Mayor's proposed budget, amendment of the proposed budget by City Council, veto of amendments by the Mayor and override of vetoes by City Council.

The general provisions of the Act regarding budgets are summarized below:

- By **February 1** of each year the Mayor must prepare and propose a budget to Council for consideration
- Once the Mayor proposes a budget, Council has **30** (calendar) days to meet and pass budget amendments.
- Following the amendment period, the Mayor has **10** (calendar) days to veto budget amendments passed by Council. If veto power is not exercised, budget is deemed to have passed.
- Within **15** days of the veto period ending Council may meet to attempt to override Mayoral vetos.
- Budget is considered to have been passively adopted once the approval process above has finished.

## **Budget Review Forms**

Should a Member of Council wish to propose an amendment to the budget they are requested to complete a budget review form which will be provided to all members of council in an electronic format. Staff request that each Council member use these forms to highlight proposed amendments to the capital and operating budgets. The consolidated listing of the budget review forms will structure the agenda for the budget review at the Budget Committee meetings beginning November 18th.

Budget Review Forms are due back to Finance by November 11<sup>th</sup> at 4pm. This will allow time for consolidating the information and distributing the summary for committee review.

## Budget Review and Approval Timelines

Item	Meeting	Date
2024 Financial Forecast	Committee of the Whole	June 10, 2024
Budget Public Engagement Opportunities		Aug – Oct, 2024
Mayor's Release of Proposed Budget (agenda available October 25) <sup>1</sup>	Committee of the Whole	November 4, 2024
Budget Telephone Townhall		November 7, 2024
Budget Review Forms (to propose amendments to Proposed Budget) due to Finance by 4:00 pm		November 11, 2024
Committee review of Proposed Budget, amendments proposed via Budget Review Form process	Budget Committee	November 18 & 21, 2024
Council review of Proposed Budget	Special Council Meeting	November 25, 2024 <sup>2</sup>
Mayor's 10-day veto period (if exercised) <sup>3</sup>		December 5, 2024
Council's 15-day override period (if veto power exercised) <sup>4</sup>		December 20, 2024
Budget deemed approved		

### Notes:

1 - 30-day period for Council to review and amend Mayor's Proposed Budget begins with release of the Council Meeting Agenda and can be shortened via a Council vote

2 - Budget deemed approved if veto power is not exercised

3 - 10-day period can be shortened via a Mayoral Decision; date may also be used to finalize any Council amendments not completed on November 21

4 - 15-day period can be shortened via a Council vote

## Climate Implications:

The impacts of a changing climate can have a significant impact on the City's budget. For example, increasing extreme weather events such as wind, freezing rain, extreme heat and cold can result in operational expenditures due to clean-up costs, more frequent emergency response and recovery efforts, and unbudgeted impacts to infrastructure requiring repairs and/or replacement.

Similarly, efforts to mitigate climate change can have a budgetary impact. Investments in renewable energy, electric vehicle charging infrastructure and public transit help to reduce greenhouse gas emissions.

There are many foundational initiatives in the city's Vision to Focus (V2F) that will require significant funding to achieve the city's climate goals.

---

### **Engagement Matters:**

The City is continuously looking for ways to improve and increase transparency with the public. Staff will continue to use the city's website and engagement platform as a communication medium through videos, webcast and online surveys.

The "Budget Basics" video continues to be available on the website which explains how the city develops its budgets.

A budget survey was available on the city's Get Involved Burlington website from August 22 to October 9. A total of 141 surveys were completed.

In addition, on September 14, the city hosted its annual Food for Feedback event. The budget was one of the key topics for which staff were seeking public feedback. The event was very successful with approximately 2,000 people attending.

Mayor Meed Ward hosted 6 pre-consultation meetings with a total of 135 members of the public participating. A presentation, workbook and draft budget summary document were created to facilitate this discussion.

A revised version of Burlington Open Budget, on the city's website, is available to the public to allow residents to view the city's 2025 budget data in an intuitive and illustrative form.

A telephone budget townhall will be held on November 7th, 2024 from 7:00 – 8:30 pm.

An Interim Budget Engagement Overview report outlining all budget engagement completed to date and planned for the future is included on this agenda.

---

### **Conclusion:**

The 2025 Budget focuses on planning ahead and protecting our city's future by making key community investments that improve service to residents.

Decisions considered as part of 2025 budget deliberations need to be made in the context of the multi-year budget framework to avoid deferring a known financial impact to a future year. This includes consideration of the operational and financial implications related to deferrals, use of one-time revenues, and service level revisions that may be associated with achieving the desired 2025 tax levy.

Burlington is growing and changing, and strategic community investments are required now to meet the future needs of this growing community.

Respectfully submitted,

Craig Millar

Chief Financial Officer

[Craig.Millar@burlington.ca](mailto:Craig.Millar@burlington.ca)

**Appendices:**

- A. 2025 Budget Recommendations
- B. Multi-Year Budget Simulation

**Report Approval:**

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Commissioner Legal and Legislative Services/City Solicitor.

## **Appendix A: 2025 Budget Recommendations**

Adopt the 2025 Operating Budget including any approved budget amendments to be applied against the proposed net tax levy amount of \$264,328,845; and

Endorse that any surplus or deficit resulting from a difference between the actual results and the estimated 0.75% City portion of the net assessment growth be transferred to / from the Tax Rate Stabilization Reserve Fund; and

Adopt the 2025 Capital Budget for the City of Burlington, with a gross amount of \$103,525,163 with a debenture requirement of \$8,950,000, and the 2026-2034 capital forecast with a gross amount of \$994,403,942 with a debenture requirement of \$30,179,850 as outlined in the 2025 Budget Overview (F-36-24) and as amended by Council; and

Administer the debenture in the amount of \$8,950,000 in 2025 as tax supported debt; and

Declare that, in accordance with sis. 5(1)5 of the *Development Charges Act, 1997* and s. 5 of Ontario Regulation 82/98, it is Council's clear intention that the excess capacity provided by the above-referenced works will be paid for by future development charges.