



SUBJECT: 2025 Budget review and approval

TO: Budget Committee

FROM: Finance Department

Report Number: F-38-24

Wards Affected: All

Date to Committee: November 18, 2024

Date to Council: November 25, 2024

Recommendation:

Endorse 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

Endorse 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 s. 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.

PURPOSE:

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
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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.

On November 4, 2024, the Committee of the Whole received finance department report F-36-24 providing the 2025 budget overview. This report also included the multi-year simulation. Committee members received the 2025 Proposed Budget book which will be required for consideration at the meeting on November 18, 2024.

The 2025 proposed budget 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 based on their budget directions from earlier this summer 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).

Subsequent to the publishing of the 2025 proposed budget materials, Halton Region provided notice to their Council that the Police portion of their budget was increasing beyond their earlier forecast. As a result, Halton Region is now estimating their 2025 budget change at 6%. When this revised value is used for Halton Region, the resulting overall tax increase is 5.76%, equivalent to \$52.88 per \$100,000 of residential current value assessment (CVA). The Region is set to officially release their proposed budget on November 22, 2024.

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.

Appendix A provides a summary of Council Proposed Budget Amendments.

If more time is required for review of the 2025 budget, the Budget Committee meeting will continue on November 21, 2024. Council review the 2025 budget, inclusive of any recommended amendments from Budget Committee, will take place at the November 25, 2024, Special City Council meeting.

Financial Matters:

Budget Financial Summary

The proposed 2025 Budget results in a recommended budget increase of 7.5%.

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.

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

2025 Overall Tax Impact

The overall tax increase for 2025 is proposed at 5.76%. This is the impact to the property tax bill, a result of the City of Burlington, Halton Region (reflecting their revised estimated increased), and Boards of Education and is equivalent to \$52.88 per \$100,000 of residential current value assessment (CVA). Burlington's portion of the overall increase is 3.79%.

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, 2024. A total of 141 surveys were completed.

In addition, on September 14, 2024, 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 was held on November 7, 2024 from 7:00 – 8:30 pm with over 2,000 residents participating.

A budget overview was provided to the Committee of the Whole on November 4, 2024. The minutes and video from this meeting are available to the public at [Burlington.ca/calendar](https://www.burlington.ca/calendar).

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

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Appendices:

- A. Summary of Council Proposed Budget Amendments

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.