

2025 Operating Budget Launch

2025 Operating Budget Overview

Budget Committee
September 12, 2024

Agenda

1. Budget Municipal Act Requirements
2. Revenue Tools
3. CKL Geographic Disparity and Growth Planning
4. Financial Overview
5. Strong Mayor Legislation
6. Mayoral Directives
7. 2025 Budget Process
8. Budget Summary
9. Corporate Items Overview

1. Municipal Act Requirements

- Section 289, 290 and 291 of Municipal Act outline regulations for Municipalities annual budget
- Municipal Budgets MUST be balanced
- Municipal Operating Budgets created annually
- Municipalities cannot finance operations with debt

2. Revenue Tools

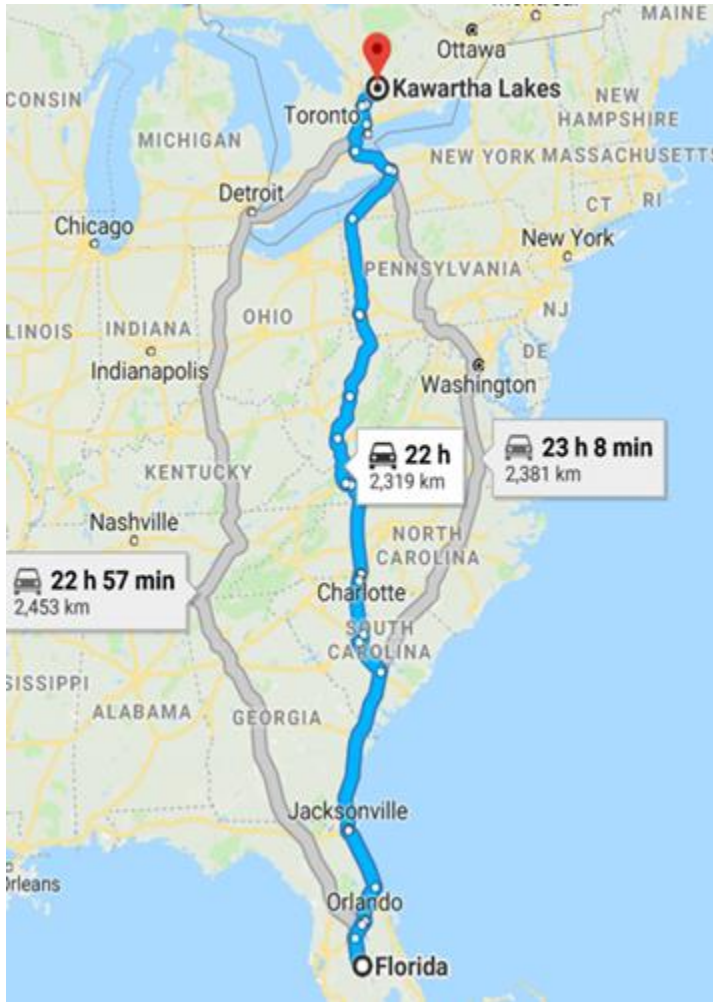
- Municipal revenue tools regulated by Municipal Act include:
 - property taxes
 - hotel accommodation tax,
 - fees and charges
 - investment income
 - special services/area ratings
 - development charges/reserve financing
- Ontario municipalities rely on property tax for approx 41% of revenue (MFOA municipal average)
- 2023 CKL was 58%

2. Financial Overview Property Tax

Many factors determine how much taxes a residential property pays:

- Assessed value of the property;
- Mix of residential and non-residential properties in the municipality;
- Municipal services provided; and
- Size, location and population of the municipality

3. Financial Overview Geographic Disparity



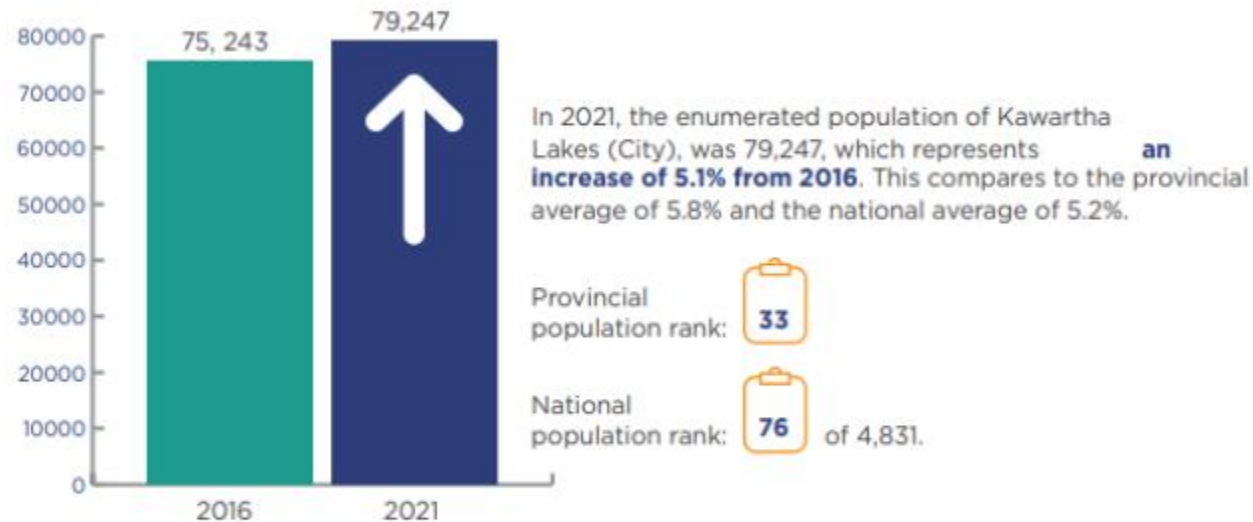
CKL road network > 5,300 Lane km

| Location (City of) | Population | Population Density | Road Intensity (houses/lane km) |
|--------------------|-------------|-----------------------|---------------------------------|
| Toronto | 2.8 Million | 4,428/km ² | 80 |
| Peterborough | 83,651 | 1,292/km ² | 37 |
| CKL | 79,247 | 26/km ² | 7 |

3. Financial Overview Planning for Growth

Kawartha Lakes Population

(as per Statistics Canada Population 2021 and 2016 censuses and chart)



2031 Provincial growth targets:
6500 housing units
100,000 populace



The land area of Kawartha Lakes (City) is **3,033.66 square kilometres** and the population density was **26.1 people per square kilometre**.

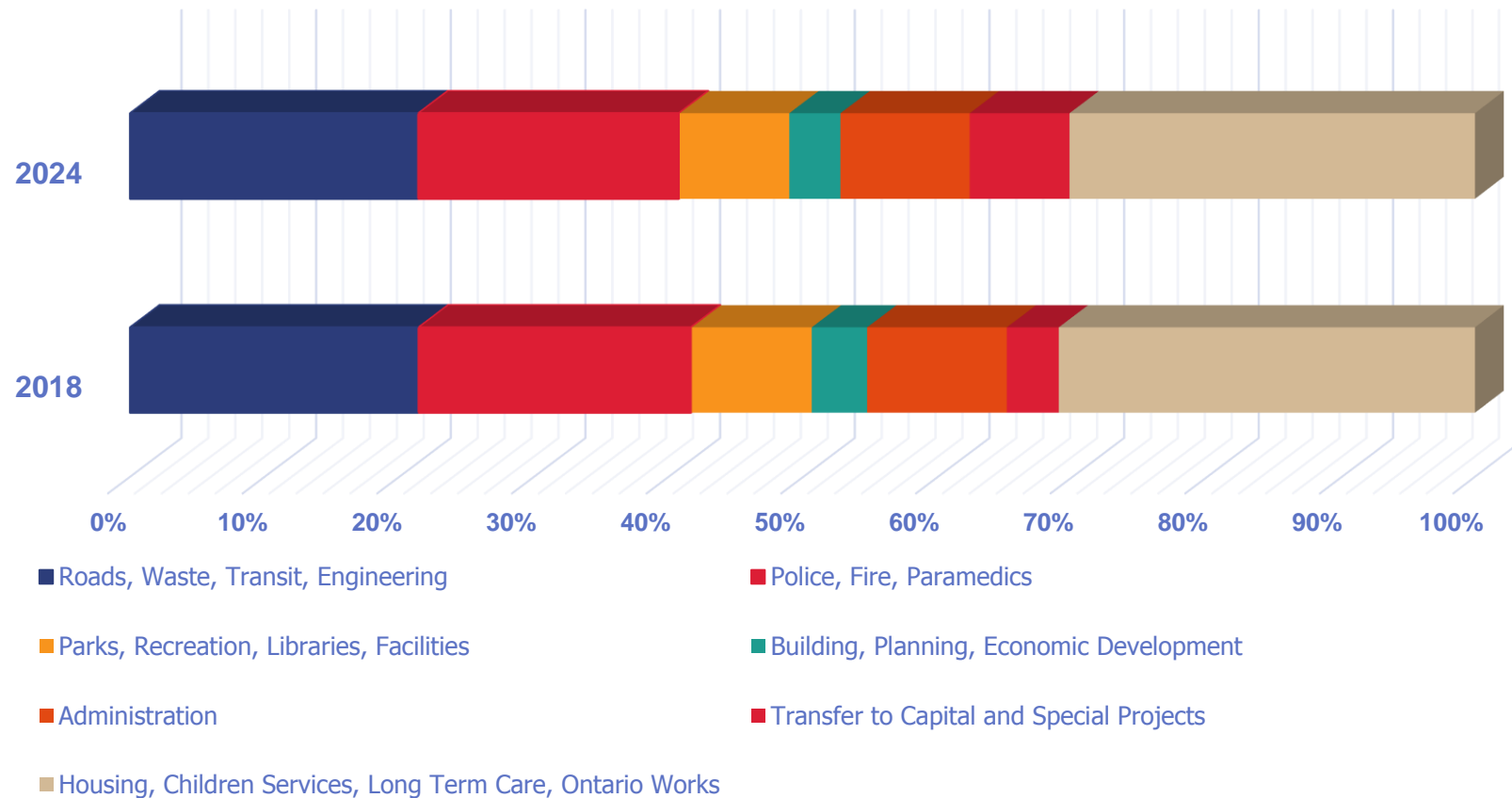


In 2021, there were **32,708 private dwellings** occupied in Kawartha Lakes (City), which represent **an increase of 5.2%** from 2016.

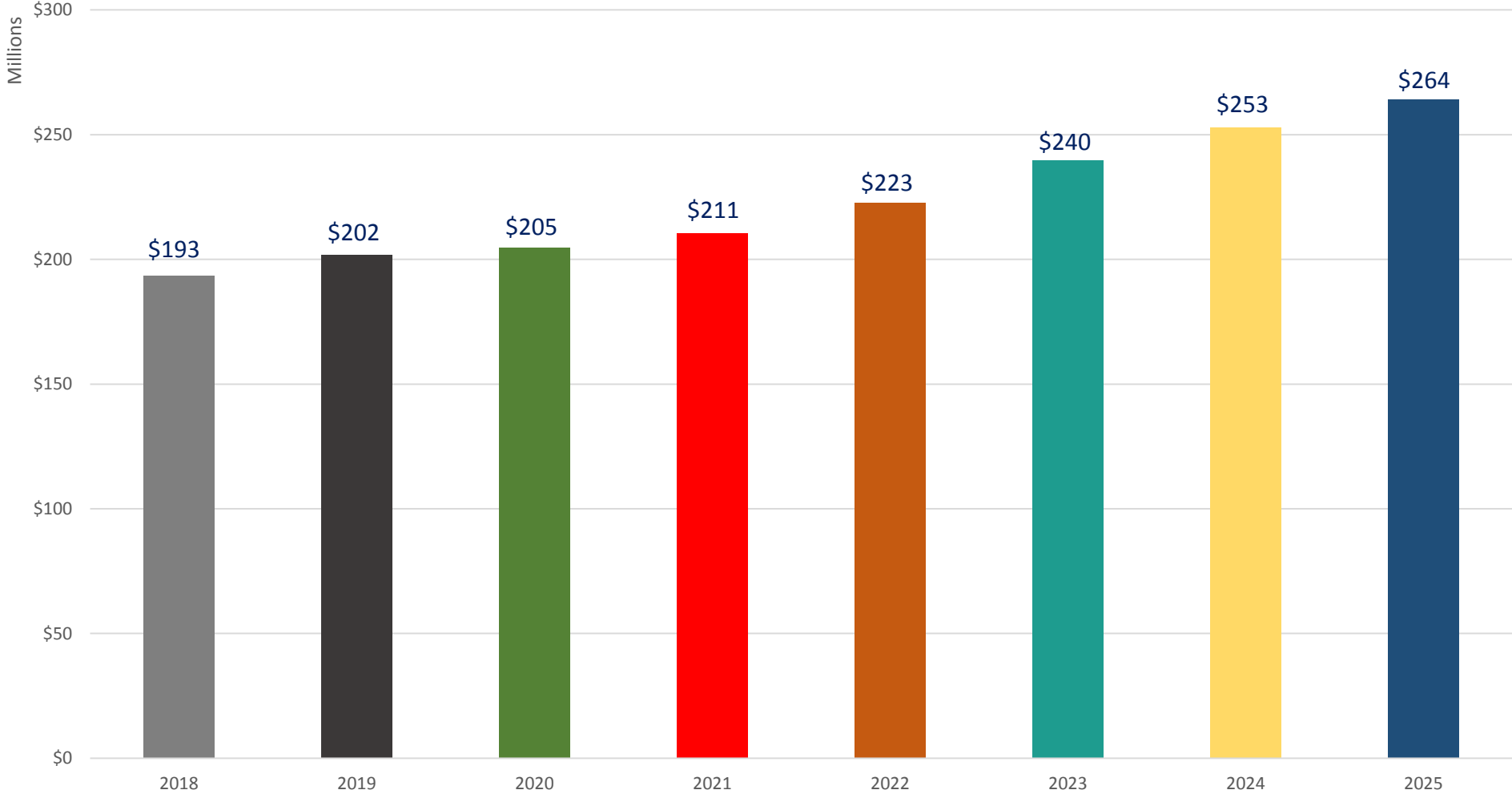
4. Financial Overview

Operating Budget: 2018-2024

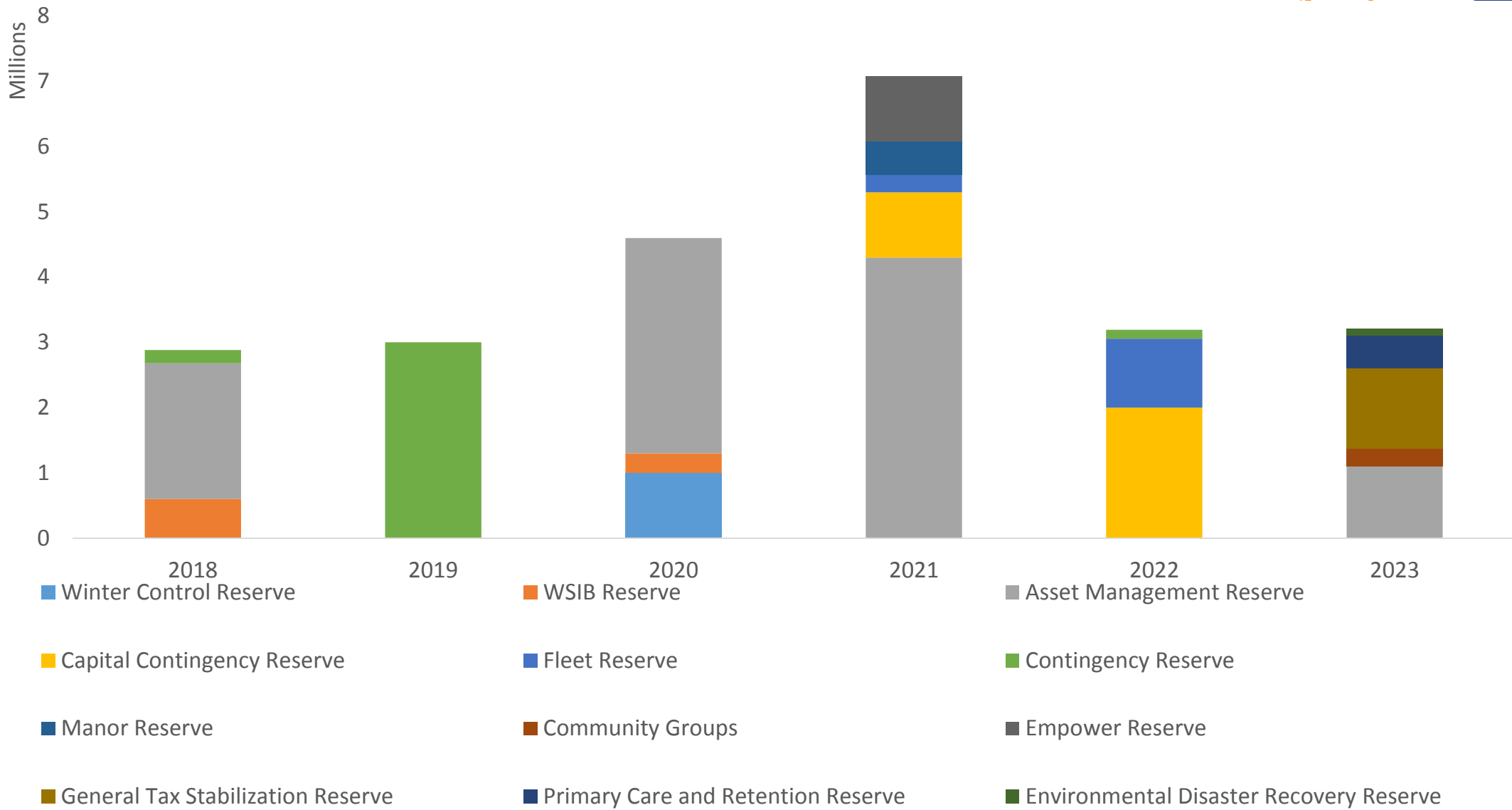
City provided consistent 200+ services in recent history in effective manner



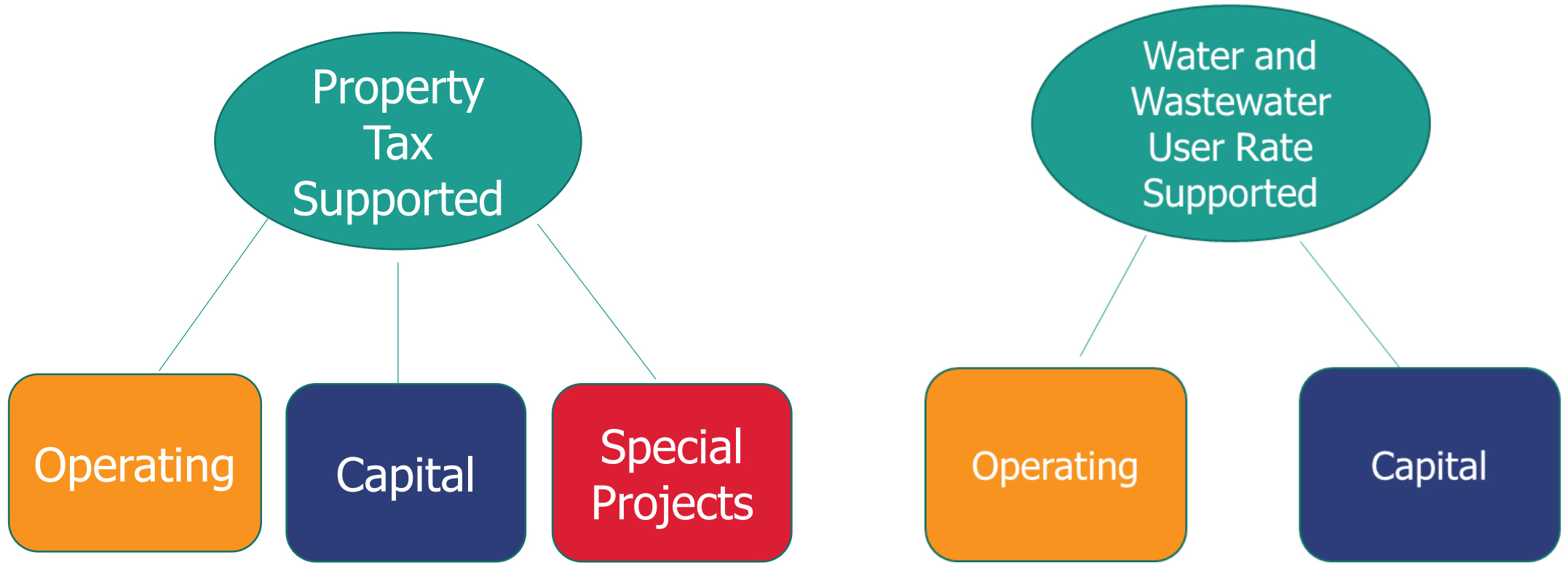
4. Trend of Operating Expenditures 2018 -2025



4. Financial Overview - Year End Surplus History of Reserve Transfers



4. 2025 Budget Funding Sources



5. Strong Mayor Legislation

- Part V1.1 of Municipal Act
- Propose annual budget subject to Council amendments, a Mayoral veto and a Council override process;
 - Budget shall be prepared on or before February 1. If not, Council shall prepare and adopt the budget

6. 2024 Mayoral Directives

- 01-2024 Establish a Budget Committee
 - Adhere all City Budgets to the Long Term Financial Plan targets and
 - Provide recommended Draft 2025 Budget to the Mayor no later than October 18, 2024 with the target of November 1, 2024 to recommend to Council for deliberation
- 02-2024 Appoint Members to the Budget Committee
- 03-2024 Establish a Roads Task Force
- 04-2024 Appoint Member to the Roads Task Force
- 05-2024 Approve 2025 Capital Budget Early Start Item 92850108

6. 2025 Proposed Operating Budget

- Total budgeted general tax levy increase direction is 4.50%
- 2025 Budget Direction to Align with LTFP and Includes:
 - Significant Inflation
 - Pending Growth – projected revenue and expenditures
 - New Legislation
 - Borrowing costs
 - Investment in Staff retention and attraction
 - Uncertain global economy
 - Post Covid Economy
 - Building and continuing investment in Reserves
 - Limited Increased revenues and grants

6. Comparator 2024 Tax Increases

| Municipality | % | Municipality | % | Municipality | % | Municipality | % |
|----------------------------|-------|--------------------|------|---------------------------|------|-----------------|------|
| Huntsville | 10.68 | Milton | 5.93 | Haldimand County | 4.43 | Simcoe County | 3.70 |
| Town of The Blue Mountains | 9.58 | Waterloo Region | 5.90 | Whitby | 4.40 | Kingston | 3.50 |
| Township of Lake of Bays | 9.06 | Oakville | 5.86 | SDG Counties | 4.36 | Halton Region | 3.40 |
| Guelph | 8.52 | Hamilton | 5.79 | Bradford West Gwillimbury | 4.24 | Vaughan | 3 |
| Norfolk County | 7.70 | Chatham-Kent | 5.53 | Cornwall | 4.21 | Gravenhurst | 2.99 |
| Durham Region | 7.50 | City of Sudbury | 5.40 | Clarington | 4.20 | City of Ottawa | 2.50 |
| Haliburton County | 7.17 | Township of Ramara | 5 | Newmarket | 3.99 | Scugog Township | 2.47 |
| Peterborough County | 7 | King Township | 4.98 | Brock Township | 3.97 | Mississauga | 2.34 |
| City of Peterborough | 7 | Innisfill | 4.95 | District of Muskoka | 3.94 | Brampton | 1.90 |
| Bracebridge | 6.80 | Richmond Hill | 4.70 | Kitchener | 3.90 | City of Orillia | 1.73 |
| Burlington | 6.58 | Region of Peel | 4.50 | Oshawa | 3.89 | Pickering | 1.25 |
| City of Waterloo | 6.14 | | | York Region | 3.75 | | |

7. Budget Process

Budget Process 2025

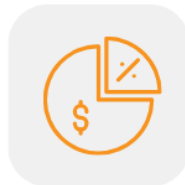
1 Budget Preparation

The Budget Committee takes direction from the Mayor, and hears from staff, Boards and Agencies of Council about their requirements.



2 Draft Budget presented to Mayor

The Budget Committee prepares a draft Budget for the Mayor to review and comment on.



3 Public input

Public input on the draft budget is welcome at an evening meeting. Education on the budget is provided.



4 Council deliberation

Mayor presents the Budget to Council for deliberation. The Mayor can veto Council's amendments during a defined period of time.



5 Mayor's Veto Period

Once the Mayor's period to veto any amendments has passed, the Budget as adopted by Council is final.



6 Final budget published

Budget and Business book published.



2025 Budget Schedule

| Date | Action |
|--|---|
| September 3, 2024, 2- 4:30pm | Budget Committee Meeting Capital Budget kick-off |
| September 12, 1-4:30pm | Budget Committee Meeting Operating Budget kick-off: Corporate Overview, Engineering and Capital Assets, , Corporate Services |
| September 16, 2024, 9am - 12:30pm | Operating Budget; Overall wage impact on City Budget Community Services; Public Works |
| September 17, 2024, 9am - 12:30pm | External Agencies and Boards of Council budget presentations |
| September 18, 2024, 11am - 1:30pm | Operating Budget Department presentations: Paramedic Services, Development Services |
| September 19, 2024, 1 - 4pm | External Agencies and Boards of Council budget presentations |
| September 25, 1- 4:30pm | Capital Budget, Special Project Budget, Water-wastewater Budget, debt projections. |
| September 26, 2024, 9:30am - 1:15pm | Department presentations: Human Services, CAO, Fire Services |
| October 10, 2024, 1- 4:30pm | Budget Committee Deliberations |
| October 11, 2024, 12:30-3:30pm (if needed) | Budget Committee Deliberations |
| October 18, 2024 | Budget Committee submits proposed Budget to Mayor |
| October 30, 2024 | Proposed Budget posted to municipal website |
| November 12, 2024, 7pm | Public Budget Meeting - information on the Proposed Budget, delegations and correspondence can be submitted by members of the public. Learn how. |
| November 26, 2024 | Presentations of the Mayor's Budget to Council for deliberation |

8. Budget Summary

| Detail | Actual 2023 | Budget 2024 | 2025 Budget | Change from 2024 Budget | % Increase |
|--|---------------------|---------------|-------------------|-------------------------|------------|
| Summary Corporate Items | (134,918,763) | (131,850,770) | (135,606,766) | (3,755,996) | 2.77% |
| Summary Mayor and Council | 317,725 | 664,284 | 685,762 | 21,478 | 3.23% |
| Summary CAO | 4,391,933 | 7,770,588 | 8,164,776 | 394,188 | 5.07% |
| Summary Community Services | 5,317,168 | 12,673,388 | 14,090,018 | 1,416,630 | 11.18% |
| Summary Corporate Services | 5,789,408 | 10,969,772 | 13,501,298 | 2,531,526 | 23.08% |
| Summary Development Services | 1,417,594 | 3,782,476 | 4,387,680 | 605,204 | 16.00% |
| Summary Engineering and Corporate Assets | 1,117,589 | 2,220,537 | 2,509,549 | 289,012 | 13.02% |
| Summary Emergency Services | 7,520,687 | 18,123,315 | 20,078,271 | 1,954,956 | 10.79% |
| Summary Human Services | 3,470,884 | 8,373,673 | 9,630,972 | 1,257,299 | 15.01% |
| Summary Public Works | 20,376,093 | 38,806,345 | 45,156,198 | 6,349,853 | 16.36% |
| Summary Agencies, Boards & Committees | 11,593,411 | 28,466,392 | 32,120,961 | 3,654,569 | 12.84% |
| Total | (73,606,270) | - | 14,718,719 | 14,718,719 | |

Budget Summary

| Department | Actual 2023 | Budget 2024 | 2025 Budget | Change from 2024 Budget | % Increase | % of Overall Budget Pressure |
|--|----------------------|----------------------|----------------------|-------------------------|--------------|------------------------------|
| Corporate Items | | | | | | |
| Corporate Items | (134,918,763) | (131,850,770) | (135,606,766) | (3,755,996) | 2.85% | -25.52% |
| Summary Corporate Items | (134,918,763) | (131,850,770) | (135,606,766) | (3,755,996) | 2.77% | -25.52% |
| Mayor and Council | | | | | | |
| Mayor and Council | 317,725 | 664,284 | 685,762 | 21,478 | 3.23% | 0.15% |
| Summary Mayor and Council | 317,725 | 664,284 | 685,762 | 21,478 | 3.23% | 0.15% |
| Chief Administrative Office (CAO) | | | | | | |
| CAO Administration | 280,775 | 471,509 | 525,803 | 54,294 | 11.51% | 0.37% |
| Office of the City Clerk | 524,119 | 1,291,027 | 1,388,777 | 97,750 | 7.57% | 0.66% |
| Municipal Law Enforcement and Licensing | 552,278 | 1,468,396 | 1,476,749 | 8,353 | 0.57% | 0.06% |
| Legal Services | 3,034,761 | 4,539,656 | 4,773,447 | 233,791 | 5.15% | 1.59% |
| Summary CAO | 4,391,933 | 7,770,588 | 8,164,776 | 394,188 | 5.07% | 2.68% |

Budget Summary

| Department | Actual 2023 | Budget 2024 | 2025 Budget | Change from 2024 Budget | % Increase Of Department | % of Overall Budget Pressure |
|--|------------------|-------------------|-------------------|-------------------------|--------------------------|------------------------------|
| Community Services | | | | | | |
| Community Services Administration & Courier Services | 232,366 | 425,436 | 492,600 | 67,164 | 15.79% | 0.46% |
| Customer Services | 410,087 | 881,952 | 890,946 | 8,994 | 1.02% | 0.06% |
| Parks and Recreation | 2,869,217 | 8,435,519 | 9,423,815 | 988,296 | 11.72% | 6.71% |
| Building and Property | 1,805,498 | 2,930,481 | 3,282,657 | 352,176 | 12.02% | 2.39% |
| Summary Corporate Services | 5,317,168 | 12,673,388 | 14,090,018 | 1,416,630 | 11.18% | 9.62% |
| Corporate Services | | | | | | |
| Corporate Services Administration | 151,251 | 511,604 | 538,829 | 27,225 | 5.32% | 0.18% |
| People Services | 2,431,722 | 3,175,895 | 4,009,123 | 833,228 | 26.24% | 5.66% |
| Communications, Advertising and Marketing | 282,587 | 543,433 | 653,864 | 110,431 | 20.32% | 0.75% |
| Information Technology | 2,044,664 | 4,256,895 | 5,367,374 | 1,110,479 | 26.09% | 7.54% |
| Treasury | 729,379 | 1,537,221 | 1,874,348 | 337,127 | 21.93% | 2.29% |
| Strategy and Improvement | - | 467,775 | 469,294 | 1,519 | 0.32% | 0.01% |
| Revenue and Taxation | 149,805 | 476,949 | 588,466 | 111,517 | 23.38% | 0.76% |
| Summary Corporate Services | 5,789,408 | 10,969,772 | 13,501,298 | 2,531,526 | 23.08% | 17.20% |

Budget Summary

| Department | Actual 2023 | Budget 2024 | 2025 Budget | Change from 2024 Budget | % Increase Of Department | % of Overall Budget Pressure |
|---|------------------|------------------|------------------|-------------------------|--------------------------|------------------------------|
| Development Services | | | | | | |
| Planning & Administration | 754,325 | 1,785,496 | 2,124,898 | 339,402 | 19.01% | 2.31% |
| Economic Development | 663,270 | 1,996,980 | 2,262,782 | 265,802 | 13.31% | 1.81% |
| Building Services | (0.00) | - | - | - | | 0.00% |
| Summary Development Services | 1,417,594 | 3,782,476 | 4,387,680 | 605,204 | 16.00% | 4.11% |
| Engineering and Corporate Assets | | | | | | |
| Engineering & Administration | 241,114 | 661,555 | 736,138 | 74,583 | 11.27% | 0.51% |
| Corporate Assets | 130,932 | 327,187 | 273,965 | (53,222) | -16.27% | -0.36% |
| Development Engineering | 265,040 | 302,953 | 389,120 | 86,167 | 28.44% | 0.59% |
| Infrastructure Design & Construction | 118,877 | 177,131 | 234,674 | 57,543 | 32.49% | 0.39% |
| Technical services | 246,238 | 497,461 | 532,438 | 34,977 | 7.03% | 0.24% |
| Crossing Guards | 97,788 | 152,200 | 179,364 | 27,164 | 17.85% | 0.18% |
| Municipal Airport | 17,600 | 102,050 | 163,850 | 61,800 | 60.56% | 0.42% |
| Summary Engineering and Corporate Assets | 1,117,589 | 2,220,537 | 2,509,549 | 289,012 | 13.02% | 1.96% |

Budget Summary

| Department | Actual 2023 | Budget 2024 | 2025 Budget | Change from 2024 Budget | % Increase Of Department | % of Overall Budget Pressure |
|--|------------------|-------------------|-------------------|-------------------------|--------------------------|------------------------------|
| Emergency Services | | | | | | |
| Fire Rescue Services | 4,736,598 | 11,346,263 | 12,558,192 | 1,211,929 | 10.68% | 8.23% |
| Paramedic Services | 2,784,089 | 6,777,052 | 7,520,079 | 743,027 | 10.96% | 5.05% |
| Summary Emergency Services | 7,520,687 | 18,123,315 | 20,078,271 | 1,954,956 | 10.79% | 13.28% |
| Human Services | | | | | | |
| Human Services Administration | 368,705 | 669,561 | 567,968 | (101,593) | -15.17% | -0.69% |
| Social Services | 1,081,736 | 2,746,606 | 3,248,332 | 501,726 | 18.27% | 3.41% |
| Housing Services | 2,480,528 | 2,434,320 | 3,215,790 | 781,470 | 32.10% | 5.31% |
| Contribution to Organizational Health Care | (460,085) | 2,523,186 | 2,598,882 | 75,696 | 3.00% | 0.51% |
| Summary Human Services | 3,470,884 | 8,373,673 | 9,630,972 | 1,257,299 | 15.01% | 8.54% |
| Public Works | | | | | | |
| Public Works-Administration | 265,958 | 346,260 | 375,722 | 29,462 | 8.51% | 0.20% |
| Roads Operations | 15,955,691 | 32,097,096 | 35,691,932 | 3,594,836 | 11.20% | 24.42% |
| Solid Waste and Landfill Services | 2,673,004 | 4,952,540 | 6,364,157 | 1,411,617 | 28.50% | 9.59% |
| Fleet Services | 879,267 | 52,619 | 1,030,395 | 977,776 | 1858.22% | 6.64% |
| Transit Services | 602,174 | 1,357,830 | 1,693,992 | 336,162 | 24.76% | 2.28% |

Budget Summary



| Department | Actual 2023 | Budget 2024 | 2025 Budget | Change from 2024 Budget | % Increase Of Department | % of Overall Budget Pressure |
|---|---------------------|-------------------|-------------------|-------------------------|--------------------------|------------------------------|
| Agencies, Boards & Committees | | | | | | |
| Kawartha Lakes Haliburton Housing Corporation (KLHC) | - | 3,222,589 | 4,334,433 | 1,111,844 | 34.50% | 7.55% |
| Kawartha Lakes Police Services | 4,456,039 | 10,266,219 | 12,288,154 | 2,021,935 | 19.70% | 13.74% |
| Kawartha Lakes OPP | 3,922,145 | 8,125,660 | 8,369,430 | 243,770 | 3.00% | 1.66% |
| Kawartha Lakes Library | 1,064,657 | 2,340,456 | 2,706,186 | 365,730 | 15.63% | 2.48% |
| Conservation Authorities | 996,835 | 1,584,535 | 1,655,724 | 71,189 | 4.49% | 0.48% |
| Haliburton, Kawartha, Pine Ridge District Health Unit | 1,164,259 | 2,444,955 | 2,518,304 | 73,349 | 3.00% | 0.50% |
| Kawartha Lakes Health Care Initiative | 76,804 | 117,643 | 121,172 | 3,529 | 3.00% | 0.02% |
| Lindsay Downtown BIA | (141,750) | 240,492 | - | (240,492) | -100.00% | -1.63% |
| VON Canada-Ontario | 54,422 | 123,843 | 127,558 | 3,715 | 3.00% | 0.03% |
| Summary Agencies, Boards & Committees | 11,593,411 | 28,466,392 | 32,120,961 | 3,654,569 | 12.84% | 24.83% |
| Total | (73,606,270) | - | 14,718,719 | 14,718,719 | | 100% |

9. Corporate Items Overview

- General Levy assumptions
 - 2% Growth
 - 3% Tax Increase per Mayoral Directive
 - 1.5% Capital Infrastructure Levy
- Supplementary taxes remained consistent overall until MPAC growth figures known

9. Corporate Items - Revenue

| Account | Actual 2022 | Actual 2023 | Actuals to June 2024 | Budget 2024 | % Spent | Draft Budget 2025 | Budget Variance |
|--------------------------------------|---------------|---------------|----------------------|---------------|---------|----------------------|-----------------|
| Revenue | | | | | | | |
| Prior Years (Surplus) Deficit | 15,134 | 1,806 | 381,823 | | | | |
| Prior Years (Surplus) Deficit | (7,067,852) | (4,566,225) | (3,204,263) | | | | |
| Tax Revenues | (154,192,518) | (161,300,609) | (167,387,900) | (170,832,656) | 98% | (166,424,792) | 4,407,86 |
| Grants* (OMPF) | (8,353,729) | (8,688,034) | (3,819,000) | (8,545,700) | 45% | (7,638,000) | 907,70 |
| Other Revenues | (4,403,464) | (5,030,287) | (2,567,965) | (6,385,000) | 40% | (4,805,000) | 1,580,00 |
| User Fees, Licenses, Fines | (309,920) | (251,399) | (421,173) | (230,000) | 183% | (210,000) | 20,00 |
| Total | | | | | | (179,077,792) | |

*Ontario Municipal Partnership Fund

9. Corporate Items - Expenses

| Account | Actual 2022 | Actual 2023 | Actuals to June 2024 | Budget 2024 | Spent | Draft Budget 2025 | Budget Variance |
|--------------------------------------|-------------|-------------|----------------------|-------------|-------|-------------------|-----------------|
| Expenses | | | | | | | |
| Salaries, Wages and Benefits | 1,248,433 | (711,295) | | 2,000,000 | 0% | | (2,000,000) |
| Materials, Training, Services | 488,884 | 135,237 | 15,926 | 7,000 | 228% | 7,500 | 500 |
| Contracted Services | 681,379 | 283,366 | 44,700 | | | | |
| Rents and Insurance | 7,123 | 9,813 | 5,570 | | | | |
| Interest on Long Term Debt | 14,886 | 12,255 | 12,579 | 15,560 | 81% | 15,546 | (14) |
| Debt, Lease and Financial | 93,388 | 1,031,210 | 380,785 | 796,450 | 48% | 840,740 | 44,290 |
| Transfer to External Clients | 2,353,408 | 2,838,617 | 1,527,235 | 1,989,992 | 77% | 2,048,897 | 58,905 |
| School Board Payments | 25,126,086 | 25,524,892 | 19,001,126 | 26,905,000 | 71% | 26,905,000 | |
| Interfunctional Adjustments | 1,918,699 | 1,816,514 | 1,761,568 | 2,116,638 | 83% | 429,851 | (1,686,787) |
| Transfers to Reserves | 4,379,510 | 3,664,685 | 3,076,778 | 295,518 | 1041% | 5,636,680 | 5,341,162 |

9. Capital Supported Levy

| Account | Actual 2022 | Actual 2023 | Actuals to June 2024 | Budget 2024 | % Budget Spent | Draft Budget 2025 | Budget Variance |
|--------------------------------------|-------------|-------------|----------------------|---------------|----------------|----------------------|-----------------|
| Revenue | | | | | | | |
| Tax Revenues | (1,922,892) | (2,024,226) | (2,062,333) | (2,082,324) | 99% | (17,371,604) | (15,289,280) |
| Grants | | | | | | (1,000,000) | (1,000,000) |
| Other Revenues | (997,876) | (979,379) | | (961,894) | 0% | (942,637) | 19,257 |
| Expenses | | | | | | | |
| Materials, Training, Services | 10,010 | 2,613 | | | | | |
| Interest on Long Term Debt | 1,706,820 | 1,509,769 | 792,690 | 1,612,570 | 49% | 1,810,423 | 197,853 |
| Debt, Lease and Financial | 7,700,339 | 7,333,143 | 3,705,158 | 7,575,390 | 49% | 7,851,193 | 275,803 |
| Interfunctional Adjustments | (1,094,335) | (1,353,285) | (685,794) | (1,369,254) | 50% | (1,608,540) | (239,286) |
| Transfers to Reserves | 12,149,954 | 14,623,141 | 15,582,432 | 15,482,432 | 101% | 18,847,977 | 3,365,545 |
| Total Capital Supported Levy | 17,552,020 | 19,111,776 | 17,332,152 | 20,256,920 | | 7,586,812 | (12,670,108) |
| Grand Total Corporate Items | | | | (131,610,278) | | (135,606,766) | (3,996,488) |

Corporate Items Capital Reserves

| Reserve | 2025 | 2024 | Variance |
|--|-----------------|----------------|---------------|
| Asset Management Reserve | \$17.35 Million | \$14.7 Million | \$2.65 |
| Capital Contingency Uncommitted | \$250,000 | \$500,000 | (\$250,000) |
| Aggregate Reserve | \$1 Million | | 0 |
| Capital Contingency – Affordable Housing | \$500,000 | \$500,000 | 0 |
| Debt Stabilization Reserve | \$(253,627) | \$(200,000) | \$(53,627) |
| Total | \$18.8 Million | \$15.5 Million | \$3.3 Million |

Corporate Items Operating Reserves

- Transfer to Special Projects Stabilization Reserve of \$3.97M
- Transfer to People Services Stabilization Reserve of \$1.2M
- Transfer to Other Reserve - Fenelon Falls Power Links \$210K
- Transfer to Tax Stabilization \$500K
- Transfer from Area Rate Stabilization – OPP \$243,770

9. Proposed 2025 Special Projects Budget

- Special projects budget commenced in 2020 to accommodate operating projects that are budgeted and managed like capital projects
- Special projects budget typically encompasses:
 - Studies, plans and strategies
 - Ontario Land Tribunal appeals
 - Other significant operating initiatives (e.g. software) which are one-time in nature but do not result in acquisition or improvement of capital assets

9. 2025 Special Projects

Highlights

- Stormwater Master Plan - \$500,000
- Thurstonia Drainage Study - \$500,000
- Solid Waste Environmental Assessment - \$2 Million
- City website - \$400,000
- Information Technology Software - \$1 Million
- Parks Master Plan - \$200,000
- Official Plan Review - \$150,000
- Flood Hazard Identification and Mapping - \$150,000

Next Steps

- Budget Committee September meetings
- Develop Budget Strategy for Budget Committee October 10 and 11th deliberations
- Multi-faceted approach will include:
 - Budget refinements following Budget Committee presentations
 - Service Level options
 - Increased User Fees
 - Increased Reserve utilization to reduce tax levy
 - Reduce Budget expenses via Tax Stabilization funds

Questions