



Township of  
**Leeds and the  
Thousand Islands**

## **Council Report**

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**Meeting Date:** 2025-01-13

**Department:** Corporate Services

**Report Number:** Corporate Services-2025-002

**Submitted By:** Philip Reniers

**Approved By:** Stephen Donachey

**Subject:** 2025 Municipal Operating and Capital Budgets

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### **Recommendation:**

**That** Council receive Corporate Services Report 2025-002 – 2025 Municipal Operating and Capital Budgets; and

**That** Council approve the 2025 proposed operating budget with a net levy requirement of \$12,869,100; and

**That** Council approve the 2025 proposed Township residential tax rate of 0.00539115; and

**That** Council approve the 2025 proposed capital budget of \$14,889,100; and

**That** Council approval of the 2025 Municipal Operating and Capital budget as proposed does not constitute approval for staff to proceed with any capital project funded in part, or in whole, through a grant; and

**That** Council direct staff to report to Council on the success or failure of any grant applications authorized by Council in respect to any capital project and provide proposed options in respect of the applicable project for Council's consideration.

### **Background:**

The proposed 2025 operating and capital municipal budgets were presented to Council at a Special Meeting on December 12, 2024, through Corporate Services Report 2024-033 – 2025 Draft Municipal Operating and Capital Budgets.

As part of this report, Council opted for Scenario 2 per the *Budget Addendum – Policing Costs*. As such, all necessary rates and budgets have been updated accordingly.

In preparing the draft 2025 budgets, the Township must balance the needs and wants of the community with legislative requirements and funding constraints. Although the Township has control over many factors when developing the budget, such as enhancement or reduction of service levels, there are also several factors to which the Township has little or no control. Such factors include the rate of inflation, reliance on other organizations or external agencies and levels of government, and various legislative standards that must be met.

The Township is required through the *Municipal Act, 2001*, to adopt a balanced budget each year. Simply put, the money raised must equal the money spent. To ensure a balanced budget, the Township can increase its revenues via property taxes and/or user fees or manage expenses through adapting or reducing the cost of programs and/or expenses.

Accordingly, staff present the updated proposed 2025 municipal operating and capital budgets for consideration and approval.

**Analysis:**

Operating Budget

The draft 2025 operating budget has been updated since the original budget report Corporate Services-2024-033, that was presented to Council at a Special Meeting on December 12, 2024. All necessary rates and budget items have been updated accordingly with Council's direction of Scenario 2 per the *Budget Addendum – Policing Costs*.

The updated draft 2025 operating budget is proposed with gross expenditures of \$18.75 million, resulting in a property tax levy requirement of \$12.87 million. This is a 7.5% increase from the 2024 levy requirement and requires a proposed 6.8% increase to the Township's residential tax rate. To translate into a taxpayer's bill, a residential property assessed at \$206,000 (assessment median of a single-detached home as per MPAC) would see a \$71 increase from 2024 (\$5.90 per month) for the Township's portion of taxes. Any additional impacts would stem from the overall tax rate, which incorporates any changes in the tax rates set by the Province for education and the County.

The table below compares the historic tax rates for the last five years with an average annual increase in the Township's tax levy and tax rate of \$484,300 and 5.0% respectively.

	2021	2022	2023	2024	2025	Average annual increase
<b>Levy requirement (\$)</b>	<b>10,447,440</b>	<b>10,779,400</b>	<b>11,276,000</b>	<b>11,974,400</b>	<b>12,869,100</b>	484,300
Residential Township tax rate	0.00447958	0.00458810	0.00477906	0.00504751	0.00539115	
<b>Township tax rate increase</b>	<b>6.0%</b>	<b>2.4%</b>	<b>4.2%</b>	<b>5.6%</b>	<b>6.8%</b>	5.0%
Residential overall tax rate	0.00970433	0.00990118	0.01035201	0.01086874	0.01121239	
<b>Overall tax rate increase</b>	<b>2.7%</b>	<b>2.0%</b>	<b>4.6%</b>	<b>5.0%</b>	<b>3.2%</b>	3.5%

*N.B. With the County rates not yet set, the overall tax rate increase could be more or less than shown in Table 2*

A summary of the updated 2025 proposed operating budget is attached with this report. A more fulsome accounting and commentary is provided in the draft budget document as originally presented on December 12, 2024.

### Capital Budget

The 2025 proposed capital budget is \$14.9 million, plus an expected carry forward budget of \$4.6 million. The new capital budget for 2025 and funding plan is summarized in the table below.

Asset Category	2025 Draft Budget (\$)	Funding						Total (\$)
		Capital Reserve Funds	Special Projects Reserve Fund	Cash in Lieu of Parkland	OCIF/CCBF	Grant	Debt	
Bridges & Culverts	80,000	80,000	-	-	-	-	-	80,000
Buildings & Facilities	1,731,200	1,701,200	30,000	-	-	-	-	1,731,200
Fleet	1,460,300	1,460,300	-	-	-	-	-	1,460,300
Machinery & Equipment	346,000	346,000	-	-	-	-	-	346,000
Parks & Land Improvement	450,000	300,000	-	150,000	-	-	-	450,000
Lansdowne Urbanization Project	8,553,200	-	-	-	-	4,276,600	4,276,600	8,553,200
Road Network & Storm Sewer	2,268,400	728,500	-	-	1,539,900	-	-	2,268,400
<b>Total Capital Budget &amp; Funding</b>	<b>14,889,100</b>	<b>4,616,000</b>	<b>30,000</b>	<b>150,000</b>	<b>1,539,900</b>	<b>4,276,600</b>	<b>4,276,600</b>	<b>14,889,100</b>

The 2025 budget document includes a 10-year capital financial plan that outlines the estimated capital requirements and projected funding plan going forward.

### **Financial Implications:**

The proposed 2025 updated operating and capital budgets, should they be adopted as presented, would yield financial implications outlined below.

### Operating Budget

- Gross expenditures of \$18.75 million, resulting in a net levy requirement of \$12.87 million.
- Reserve/reserve fund contributions totaling \$4.3 million:
  - \$2,957,700 contribution to capital reserve funds funded by the levy.

- \$631,200 flow through contributions to obligatory reserve funds for OCIF and CCBF with no net levy impact.
- \$714,500 contribution to discretionary reserve funds funded by the levy.
- Reserve/reserve fund withdrawals totaling \$838,700:
  - \$182,400 from the Working Fund Reserve.
  - \$190,000 from the Special Projects Reserve Fund.
  - \$125,000 from the Community Grant Reserve Fund.
  - \$120,000 from the Community Improvement Plan Reserve Fund.
  - \$10,000 from the Heritage Conservation Reserve Fund.
  - \$211,300 from the Building Permit Reserve Fund.

### Capital Budget

- Total new capital budget of \$14.9 million, with an additional expected carry forward budget of \$4.6 million.
- Reserve fund withdrawals totaling \$6.3 million for new capital budget:
  - \$4.6 million from Capital Reserve Funds.
  - \$30,000 from the Special Projects Reserve Fund.
  - \$150,000 from the Cash in Lieu of Parkland Reserve Fund.
  - \$1.5 million from the OCIF and CCBF obligatory Reserve Funds.
- Debt issuance of \$4.3 million for new capital budget (for the Lansdowne Urbanization Project which is contingent upon obtaining matching grant funds and further Council approval), in addition to \$6.8 million in new debt issuance for prior capital spending and carry forward budget for a total of \$11.1 million.
- Appendix C of the draft budget binder outlines a 10-year capital financial plan for the Township.

### **Relevant Policy or Legislation:**

*Municipal Act, 2001*

### **Strategic Plan Alignment:**

Council adopted the Township of Leeds and the Thousand Islands Strategic Plan (2021-2031) at its regular meeting held on November 8, 2021. The initiative contained within this report supports the following Strategic Pillars as set out in the Strategic Plan:

- Delivering Effective and Accountable Government
- Promoting Quality of Life and Environmental Stewardship
- Growing a Liveable Community with Great Services
- Fostering Jobs and Economic Development

### **Consultations:**

This report was reviewed in consultation with all members of the Senior Management Team of the Township.

**Attachments:**

2025 Draft Operating Budget Schedule - Updated