



STAFF REPORT

Meeting Date: January 13, 2025

Title: 2025 Budget - Final

Prepared By: Steven Lansdell-Roll

Department: Finance

Report Number: Finance-2025-001

Recommendation:

THAT Council adopt By-Law 2025-3 for the 2025 Budget.

Background:

The annual budget process is mandated by Section 290 of the Municipal Act, 2001.

The 2025 Budget process began in March 2024, beginning with the finalization and presentation of the 2025 Budget Calendar.

Staff presented an initial 2025 draft budget to Council on November 25, 2025.

At the November 25, 2024 Council meeting, it was recommended and approved by Council to delay the 2025 budget approval until the province communicated the 2025 policing grant details. On December 2, 2024, the city received communication that the province would be providing a \$1.28M policing grant.

At the December 9, 2024 Council meeting, staff presented a second 2025 draft budget for discussion and review purposes. The second 2025 draft budget called for a ~\$640K (~3.97%) property tax levy increase.

At the December 9, 2024 Council meeting, Council directed staff to finalize the 2025 budget with an ~\$400K (2.5%) property tax levy increase, reducing the 2025 levy requirement by ~\$240K.

Staff established a plan to achieve Council's direction and presented the plan to the Finance Committee for support. The Finance Committee supported the plan on December 11, 2024.

Discussion:

For the Final 2025 Budget, there are three main revisions made to the 2025 budget to achieve Council's direction from December 9, 2024:

1. Remove \$60,000 in Consulting Fees associated with updating the City's Strategic Plan.
2. Incorporate \$82,500 of Provincial CCTV grant funding into the Video/CCTV Storage Appliance Replacement (Migration & Expansion) capital project.
3. Defer to a future year the \$115,000 Landfill Gate House/Entrance Asphalt Patching capital project.

2025 Operating Budget

The Operating budget includes the following:

- No Service Level Changes
- 4% labour (salary & benefits) inflation/increase – Union
- Estimated labour (salary & benefits) inflation/increase – Non-Union
- 9% estimated increased insurance premiums
- Social Services Levies increases of:
 - 3.12% increase for the KDSB
 - 4.00% increase for the Home for the Aged
 - 1.00% increase for the NWHU
- ~\$956K in city funded Capital out of Taxation
- ~\$1.46M in allocations to Reserves/Reserve Funds from Operations
 - ~\$184K allocated to various Reserve Funds based on anticipated Reserve Fund Interest
 - ~\$375K allocated to the General Operating Reserve – source is Domtar Value Add \$s
 - ~\$267K allocated to the Waterfront Development Reserve Fund - source is MAT Revenue
 - ~\$33K allocated to the Dryden Fire Services (DFS) Apparatus/Equipment Reserve Fund - source is Fire Marque Revenue
 - ~\$219K allocated to the Sanitary/Wastewater Reserve Fund - source is Sewer Rate Revenue
 - ~\$312K allocated to the Waterworks Reserve Fund - source is Water Rate Revenue
 - ~\$56K allocated to the Landfill Reserve Fund – source is Landfill Garbage Bag revenue (\$0.10/bag)

- ~\$9K allocated to the Aaron Park Reserve - source is park revenue
- ~\$23K in draws from Reserves/Reserve Funds to Operations
 - ~\$23K drawn from the Airport Reserve Fund to balance 2025 Airport Operations (RATI funds held in reserve)
- Library Grant of ~\$623K
 - 6% increase from 2024 budgeted grant
- ~1.04M in Debt Servicing costs
- ~1.28M in Policing Grant from the Province
- ~\$375K (~2.33%) property tax levy increase requirement
 - Budget Policy Municipal Levy Increase Range
 - Low End (75% of CPI Thunder Bay) = 2.03% (.75*2.7)
 - High End (125% of CPI Thunder Bay or IBEW % Increase) = 4% (1.25*2.7 or 4%)

2025 Draft Capital Plan

The Draft Capital Budget, as presented, includes the following (above the line Capital projects):

- ~\$7.94M in Capital Spend.
 - ~\$5.05M from External Sources (NOHFC, HEWSF, CCBF, NORDS, OCIF, etc.).
 - ~\$0.84M from Reserves/Reserve Funds.
 - ~\$0.96M from Taxation.
 - ~\$1.09M from Water & Sewer Rate Revenue.

Attachments (Reference Material):

- By-Law 2025-3
- Schedule A - 2025 Operating Budget Summary
- Schedule B - 2025 Capital Plan